



THE TOWN OF

*Highland Park*  
TEXAS

*An American Community Making a Difference*

# FY 2022-23 Adopted Budget & Plan of Municipal Services



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# Town of Highland Park

## Adopted Budget

### Operating and Capital

## For the Fiscal Year 2022-2023

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,693,234 which is a 10.94 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 \$279,189.

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

FOR:

Mayor Pro Tem Craig Penfold  
 Council Member Marc Myers  
 Council Member Lydia Novakov  
 Council Member Don Snell  
 Council Member Leland White

AGAINST:

PRESENT and not voting: Mayor Will C. Beecherl

ABSENT:

Tax Rate:	Adopted 2022-23	Adopted 2021-22
Property Tax Rate:	\$0.230000/100	\$0.230000/100
No-New-Revenue Tax Rate:	\$0.209555/100	\$0.224473/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.210747/100	\$0.225701/100
Voter-Approval Tax Rate:	\$0.239510/100	\$0.251387/100
Debt Rate:	\$0.000000/100	\$0.000000/100

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Highland Park  
Texas**

For the Fiscal Year Beginning

**October 01, 2021**

*Christopher P. Morill*

Executive Director

# **TOWN OF HIGHLAND PARK, TEXAS**

## **ADOPTED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023**

AS SUBMITTED TO  
THE MAYOR AND THE TOWN COUNCIL

**WILL C. BEECHERL**  
MAYOR

**CRAIG PENFOLD**  
MAYOR PRO TEM

**MARC MYERS**  
**LYDIA NOVAKOV**  
**DON SNELL**  
**LELAND WHITE**  
COUNCIL MEMBERS

**BILL LINDLEY**  
TOWN ADMINISTRATOR

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

**KAREN KURTIN**  
DEPUTY CHIEF FINANCIAL OFFICER

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# **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.*

## **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

## **Town Council Priorities**

**P1** Maintain respect for the Town's rich history and heritage

**P2** Support the Highland Park Independent School District

**P3** 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

**P4** Continue the Town's financial stability

## **Budgetary Goals for Fiscal Year 2022-23**

**G1** Meet citizens' needs.

**G2** Continue providing high quality services and excellence in customer service.

**G3** Retain and attract quality employees.

**G4** Sustain the Town's cash funded Capital Improvement Plan (CIP).

Department/Objective for Fiscal Year 2023	Town Council Priorities	Budgetary Goals
<b>Administration</b>		
Coordinate the implementation of Town Council goals and objectives with all Town departments		G1, G2
Generate, publish, and post meeting agendas in accordance with state requirements	P1	
Provide timely, complete, and accurate minutes of all public meetings	P1	
Continue the process of duplicating permanent records into electronic document imaging format and coordinate same with each department	P1	
Continue the implementation of solutions from the Town-wide traffic study to reduce traffic congestion		G1, G2
Enhance and improve customer service levels		G2
Develop and implement a Professional Development Program for Town staff		G3
<b>Development Services</b>		
Respond to requests for information from residents in a timely manner	P3	G2
Stay updated on the latest mosquito management program and responses		G1
Communicate and educate our residents and the public on mosquito control best practices		G1
Assess Town Hall 101 Program and make recommendations on how to increase participant engagement		G2
Develop and obtain approval for Social Media Policy and increase the Town's footprint on social media		G2
Continue to assess how to improve resident engagement and provide recommendations		G2
Develop increased community programming and recreational opportunities		G2
<b>Department of Public Safety</b>		
Receive and place in service a new Mobile Intensive Care Unit		G1
Upgrade the physical security and functionality of the jail door lock/intercom system		G1
Upgrade the Law Enforcement Records Management System to Enterprise Records Management		G1
Complete staffing and management study and begin to implement results		G4
Use Tyler Technology to build custom interface to be able to GPS track the mobile and portable radios		G1
Add mobile computers to all front-line apparatus		G1
Purchase and Install Tickets-on-the-go through New In Blue		G1
Continue to grow Public/Private Outreach Programs: Active Shooter Training, R.A.D. (Rape, Aggression, Defense System), LTC (License to Carry), Stop the Bleed and CPR classes, DPS 101, and Santa Ride-Along program	P2, P3	G2
<b>Street</b>		
Support water, sanitary sewer, and storm functions		G1
Respond to emergencies related to water, sanitary sewer, storm water and streets		G1
Maintain the Town's streets, alleys, easements, sidewalks, bridges, storm sewer inlets and signage		G1, G4
Maintain street lighting including repairs and LED conversions	P4	G1,G4
Continue streetlight pole painting contract		G4

Department/Objective for Fiscal Year 2023	Town Council Priorities	Budgetary Goals
Inventory established street signage for future repair and replacement programs	P4	
<b>Library</b>		
Begin implementing projects from the updated Next Steps document for the Library Master Plan strategy		G2
Design and implement reading programs for adults to coincide with those for children and teens	P3	G2
Promote and increase patrons access to genealogy digital materials and reference databases	P1, P3	G2
Prioritize the customer experience to identify new ways to support creativity through innovative programs and cooperative opportunities	P3	G2
<b>Parks</b>		
Update and continue to implement a Parks Maintenance & Operations Plan	P4	G1
Rebid and negotiate contracts for chemical and mowing services	P4	
Develop Parkway Tree Maintenance Program	P1	
Assess opportunities provided through the Town's recreation program and evaluate potential partners for recreational opportunities	P3	G2
Develop a design for a Pickleball Court within the current park system	P3	G2
Design and complete Lakeside Park hardscape, landscape, and irrigation improvements	P3	G4
<b>Swimming Pool</b>		
Provide a safe and clean facility for the enjoyment of the Town's residents		G1, G2
Implement new sign in system to better serve residents and collect pool attendance data		G2
Maintain the expanded pool season	P3	G1
Install a new pool liner for the main pool and wading pool		G1
Assess staffing and overall management of the pool		G2
Continue to assess water quality protocol by refining data collection activities		G1
<b>Municipal Court</b>		
Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to promote a positive public perception of the judicial system	P1	G1
Improve daily operations in the court by participating in more training sessions and webinars	P3	G2,G3
Evaluate new laws passed during the 2023 State Legislative session to determine their impact on court procedures and implement necessary changes	P3	G2
Collect and monitor data associated with the disposition of citations as part of the Town's ongoing effort to ensure fair and consistent adjudication of cases	P1, P3	
Maintain court calendar, allowing defendants swift access to the court system	P1, P3	G1
<b>Finance</b>		
Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial records	P4	G1
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	P4	G1,G4

Department/Objective for Fiscal Year 2023	Town Council Priorities	Budgetary Goals
Generate all payrolls, Pay for Performance and Wellness Program in a timely and accurate manner	P4	G3
Maintain, monitor and safeguard the Town's assets	P4	G1
Provide timely payment of the Town's vendors	P4	G4
Receive the Government Finance Officers Association's ("GFOA") Certificate of Achievement for Excellence in Financial Reporting for the ACFR and the Distinguished Budget Presentation Award for the Annual Budget	P1	
Receive the Certification of Investment Policy for the two years ending July 31, 2025 from the GTOT	P1	
Publish interactive budget data on-line for increased transparency to Town residents and other parties	P3	G1
Develop performance standards for Town departments, addressing Town Council objectives	P3	
Continue updating the Town's Personnel Policies for final approval		G3
<b>Building Inspection</b>		
Provide quality redevelopment for the Town	P1	G2
Provide timely and accurate plan review services with new residential and remodel/addition plan reviews averaging two weeks	P3	G2
Continue to provide professional, courteous, and efficient service to the public	P3	G2
Continue efforts on water conservation measures in plumbing and irrigation systems in conjunction with the Town's efforts to promote water conservation	P1	G1
Increase awareness among contractors of Town's measures related to on-street parking and milestone inspections for construction projects		G1, G2
Provide excellence in customer service and proactive response in enforcement activities related to construction site management, occupied property maintenance, and illegal sign placement		G1, G2
<b>Information Technology</b>		
Replace data center server system and network infrastructure		G4
Acquire new uninterruptible power supply and locate new unit in server room		G4
Update Public Safety Servers		G4
Develop Open Records Public Website	P3	G1
Complete department network upgrades and computer replacements	P4	G3
Minimize operational disruption to users of the Town's network system	P3	G2
<b>Utility Customer Service</b>		
Ensure the continued delivery of quality services to citizens through effective management and efficient administration of Town utility services	P3	G1
Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption using electronic readings to identify the time and date of consumption	P3	G2
Continue promotion of the WaterSmart Customer Portal through one-on-one conversations, group messaging and marketing opportunities	P3	G2
Continue to utilize the WaterSmart portal to communicate informative messages	P3	G2
Pursue additional methods to submit applications for Annual Animal Registration and Water and Sanitation Services	P3	G2

Department/Objective for Fiscal Year 2023	Town Council Priorities	Budgetary Goals
<b>Water Department</b>		
Conduct routine maintenance on the Town's water system		G1
Provide funding of infrastructure replacement program through the water rate structure	P4	G4
Continue the Town's meter replacement program		G1
<b>Sanitary Sewer</b>		
Decrease I&I into the wastewater collection system		G1
Complete infrastructure improvements to the Sanitary Sewer System to reduce or eliminate overflows	P4	G4
Replace 10 existing manholes with new watertight manholes		G1
Continue Town's program of systematically flushing sanitary sewer lines throughout the Town	P3	G1, G2
<b>Engineering</b>		
Comply with the annual reporting requirements for state and federal agencies		G1
Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps		G1, G2
Complete construction of the water and sewer main replacement projects in the amount of \$2.0 million		G1, G4
Complete construction of Lakeside Drive and Turtle Creek Sanitary Sewer Interceptor Reconstruction project		G1, G4
Complete construction of Phase II Drainage Easement Improvements project		G1, G4
Complete design, bid, award, and begin construction of the replacement of the Holland Elevated Storage Tank		G1, G4
Complete Phase II of the Stormwater Master Plan		G1
Complete construction on Abbott Avenue Rehabilitation from Harvard Avenue to Mockingbird Lane		G1, G4
Design Phase I for Hackberry Creek project	P3	
Bid, award, and complete construction of Mockingbird Lane Reconstruction from Westside Drive to Eastern Ave		G1, G4
Design Westside Drive Reconstruction project		G1, G4

Town of Highland Park  
 Fiscal Year 2022-23 Adopted Budget  
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MAYOR  
*William C. Beecherl*  
 MAYOR PRO TEM  
*Craig Penfold*  
 TOWN ADMINISTRATOR  
*Bill Lindley*



TOWN COUNCIL  
 MEMBERS  
*Marc Myers*  
*Lydia Novakov*  
*Don Snell*  
*Leland White*

September 13, 2022

Mayor Beecherl and Members of the Town Council:

I am pleased to present to you the Adopted Budget and Plan of Municipal Services for FY 2023. 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 Adopted Budget provides an optimistic outlook for FY 2023 but is developed in a manner that addresses economic issues being faced locally and nationally. So, while property values continue to grow, from both reassessments and new construction, and sales tax revenue is reaching new heights, it is necessary to address ongoing inflation as it impacts compensation, operational costs, and the cost of capital projects. Overall, the Adopted Budget allows the Town to maintain a high level of service to the public and continues a robust capital improvement program. While operational costs are growing by approximately 10.2% within the General Fund, I am particularly pleased the Adopted Budget addresses the effects of the inflationary environment, incorporates funding to care for employees and retirees and maintains the Town Council’s 10-year financial model.

The Adopted Budget of \$51,744,023 (excluding interfund transfers) represents an increase of \$8,213,981, or 18.9%, compared to the FY 2022 Adopted Budget, as follows:

	FY 2022	FY 2023	% Change
General Fund	\$ 21,822,416	\$ 24,066,666	10%
Capital Projects Fund	\$ 8,293,846	\$ 9,556,951	15%
Solid Waste Fund	\$ 1,482,247	\$ 1,554,252	5%
Utility Fund	\$ 8,774,407	\$ 12,010,730	37%
Storm Water Drainage Fund	\$ 1,796,750	\$ 2,189,750	22%
Other Funds	\$ 1,360,376	\$ 2,365,674	74%
Total	\$ 43,530,042	\$ 51,744,023	19%

The increase between fiscal years is predominately due to needed funding to sustain a competitive compensation program for employees, provide a cost-of-living adjustment (COLA) for Town retirees

(along with a minimal updated service credit (USC) required by TMRS when a COLA is provided to retirees), and complete capital projects in the Capital Projects Fund, Utility Fund and Storm Water Drainage Fund. Most notably, funding for capital projects for FY 2023 includes the reconstruction of Westside Drive, Mockingbird Lane and Potomac, replacement of the Town's elevated water tank, road resurfacing, drainage easements and the Town's water and sewer infrastructure. Total increases over the FY 2022 Adopted Budget stemming from capital improvement projects amount to \$4.3M. Also driving next year's budget is the replacement of \$1.6M in equipment funded from the Equipment Replacement Fund and Technology Replacement Fund. In total, 63.3% of the overall increase is in direct connection with capital and/or equipment replacement funding.

Anticipated fund balances at the end of the next fiscal year meet all requirements set out in the Town's financial policies. Revenues and expenditures are structurally balanced with revenues meeting operating expenditures in a sustainable manner.

## **REVENUE SOURCES**

Making up approximately 79% of total revenues, key revenue sources for the Town continue to include Property Taxes, Sales Taxes, Building Permit 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 35.9% of total revenue. Taxable property values are growing at approximately 10.3%, or \$695M for FY 2023 of the originally certified values provided in July of 2021. Most of this increase results from reassessments; however, \$121M (an increase of \$27M from the current fiscal year) is related to new construction. The Adopted Budget keeps the tax rate at 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) and staying below the Voter Approval Rate as set out in State law. The Voter Approval Rate is equal to the No New Revenue Rate plus 3.5% and any unused tax increment over the last three years. The No New Revenue Rate is the tax rate that would generate the same amount of revenue as the prior year tax rate on those properties that existed on the tax rolls in the prior year. New construction is not included in the calculation. Unused increment is the difference between the No New Revenue Rate and the Voter Approval Rate that is not used in the last three years. Any tax rate adjustment higher than the Voter Approval Rate, requires an election of voters.

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 \$4,754 in taxes for Town services, while the remainder of their tax bill, \$36,121, goes to Dallas County (31.2%) and HPISD (57.2%). This distinction is afforded by the Town's average taxable home value in 2022 which is \$487,928 more than HPISD and \$2,018,397 more than Dallas County.

**Sales Taxes** – Built on sustaining the current mix of retail outlets, sales taxes account for 14.0% of total revenue and are expected to increase when compared to the prior year-end actual (FY 2021) of \$5.7M. This projected increase is directly related to the Town experiencing growing retail activity during the current year. The Town has been fortunate over the last couple of years during the pandemic as sales

taxes were not affected to the extent originally anticipated. In fact, the Town has seen a significant increase in sales tax revenue directly related to increased retail activity throughout the Town, but particularly at the Highland Park Shopping Village. It is anticipated that this trend will continue into the foreseeable future. However, the Town's 10-year financial plan applies a more conservative outlook for planning purposes. As it relates to retail sales, the July 2022 *Beige Book for the Eleventh District* reported the “*Retailers reported sustained weakness in overall sales, with tight inventories and ongoing supply chain challenges continuing to hamper growth, though there were some reports of higher prices and rising interest rates damping demand as well. Auto dealers cited continued declines in sales stemming from low inventories. Overall outlooks were pessimistic and highly uncertain due to supply challenges and expectations of weaker demand ahead.*” The Town's financial model projects future growth of the current sales tax revenue stream for FY 2023 to remain relatively flat compared to FY 2022 and projects future growth of 2.5% per year.

**User Fees** –Revenue from building activity accounts for approximately 3.1% of total revenue. In 2019 the structure of fees, based on State law, changed from an assessment based on construction value to a per square foot fee. 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. Revenues related to building activity in Town are projected to be \$1.4M for FY 2023. While indications from local builders indicates activity for next year similar to this year, the July 2022 *Beige Book for the Eleventh District* reported that “*conditions in the housing market eroded more quickly than anticipated during the reporting period. Sales were off notably from earlier in the year and both online and foot traffic slowed markedly. Cancellations rose in part due to loan qualification issues. Buyers were hesitant to move forward and were looking for better deals, and builders noted offering incentives again to drive sales. Home prices were largely flat. One contact said that lenders were raising capital requirements on new acquisition and development loans. Contacts said several new land deals were on pause due to rising uncertainty in the market. Outlooks were negative, and sales and starts expectations were being revised downward.*”

“*The multifamily market remained tight, with occupancy and rent growth staying elevated. Commercial real estate markets were mixed. Office leasing continued to improve, though net absorption was negative in some markets. Activity in the industrial sector remained robust. On the investment side, transaction volumes have softened given higher interest rates and increased uncertainty in the economic outlook.*”

The fees assessed to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 22.7% of total revenue at \$10.8M for FY 2023.

The Town's FY 2022 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 926 million gallons per year to a projected 925 million gallons. While year-end projections were conservatively estimated based on the Town selling less water than originally budgeted, the hot and dry summer experienced will result in better than projected revenues.

Consistent with the CIP approved in FY 2022, the Adopted Budget provides for an adjustment to water and sewer rates in FY 2023. However, for FY 2023, the water rate adjustment is 7% rather than the originally anticipated 3% for water rates. This is predominately due to the Dallas County Park Cities Municipal Utility District (“District”) increasing the Town's cost of water by 14.9% for FY 2023. The adjustment to sewer rates is 3% as presented in the prior year CIP. The adjustment to rates will result in an average monthly bill increase of approximately \$13.90 and an annual increase in revenue to the Town totaling an estimated \$532,535. These adjustments are also fairly consistent with recommendations

made by Newgen Strategies and Solutions who completed a water/sewer cost of service and rate design study in FY 2021. As presented in the CIP, the rate adjustment 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 2022. During the FY 2022 budget process, Town Council requested that smaller annual adjustments be projected for planning purposes rather than periodic larger rate adjustments.

Rates charged by the Town for the collection and disposal of solid waste make up 3.5% of total revenues. Contracts outsourced to provide these services stipulate annual rate increases, based on different Consumer Price Indices (CPI). Current information indicates that, rates charged to customers are proposed to grow by 5.6%, adjusting the average resident's monthly billing by \$1.71 for alley service and \$3.12 for pack-out service.

## **EXPENDITURES**

Key expenditures, totaling 84% 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 outlay. The following is a summary of the more significant adjustments to these areas 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 budgeted to grow by \$1,984,812 or 10.6%, and addresses compensation adjustments as well as changes in costs related to employee benefits.

The Adopted Budget provides for a merit pay adjustment to all employees of up to 3.5%. The adjustment would be based on the average of scores received during the prior year on the employees' performance evaluations. On average employees have received 5.4% out of 6% on their quarterly evaluations to this point. The merit increase for employees included in the Adopted Budget is based on their evaluation scores and is an average of approximately 2.8%. In addition, the Adopted Budget incorporates a 3% across the board (ATB) increase. Both of these measures work to address inflationary pressures currently being faced locally and across the nation. Based on the results of a recently completed compensation survey, the Town remains competitive from a compensation standpoint when compared to the Town's benchmark cities. However, the survey results also indicate that over the last year, the Town's pay plan has lost some of its position to market. As such, the Adopted Budget incorporates a structural change to the Town's pay plans of 5%. Providing an annual merit along with the ATB while adjusting the overall pay structure still allows employees some movement forward within their respective pay range based on their performance from the prior year. For employees at the top of their pay range, the budget includes funding to provide the pay adjustment above the pay range maximum as a pay supplement during the course of the year and that it not become part of their base salary. The overall impact of the merit increase and ATB is \$965,102 which includes the related impacts to benefits. This increase is partly offset by staffing changes that occurred over the prior year due primarily to retirements.

The Town's contribution rate for TMRS is expected to increase from 8.48% to 12.92%, the majority of which is a direct result of providing a Cost of Living Adjustment (COLA) to retirees. The Town has historically provided a COLA for retirees through TMRS on an ad hoc basis rather than on a recurring basis. The last COLA provided was in 2008. At that time the Town provided a COLA at 50% of the change in the Consumer Price Index which is applied to each retiree from the date they retired. The resulting increase is then added to their original annuity at the time of retirement which ultimately takes into account other COLA's they have received over time when compared to the annuity that they currently receive. The overall increase to the budget to provide the COLA for FY 2023 is \$511,279. A relatively small portion of this increase (\$65,635) is related to an Updated Service Credit (USC) for current employees. TMRS rules require USC's anytime a city approves a COLA for retirees. Providing for a COLA, and by requirement an USC, there is a resulting increase in the Town's annual contribution to TMRS and an increase in the Town's overall pension liability. In order to address the increased pension liability that would result from implementing the COLA/USC, the Adopted Budget includes an increase of \$67,000 to the additional contribution to TMRS started in the FY 2021 Adopted Budget. This brings the total additional annual contribution to TMRS to \$250,000. If additional contributions are made each year, the Town can further reduce any unfunded liability over time. Currently TMRS projects the Town's liability to be 97.6% funded. This is up from the previous year of 96.4% funded. On average, the Town's comparison cities have a funded ratio of approximately 91.8%. If the COLA/USC are approved, it is anticipated that the Town's funded ratio will be approximately 92.1%. 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 2021, TMRS calculated the Town's plan assets to plan liabilities at 97.6%; whereas under GASB 68, this ratio was reflected at 106%.

Insurance costs, including health insurance and contributions to employee's Health Savings Accounts, are anticipated to stay the same for FY 2023. This is largely driven by the Town maintaining a low loss ratio during FY 2022. Lockton-Dunning, the Town's benefits consultant negotiated with Cigna to maintain the current rates. As to the Town's wellness program, based on current projections, approximately 84% of the \$261,450 wellness incentives budgeted will be earned during FY 2022 by 83% of the Town's 125 full-time and part-time eligible employees. The Town's wellness program is intended to assist employees in maintaining an ongoing focus on their overall wellness.

***Water, Sewer & Solid Waste Contracts*** - The Town purchases treated water for resale from the Dallas County Park Cities Municipal Utility District ("District"). As noted earlier, the District has requested a 14.9% increase in the rate they charge the Town for water purchases. Additionally, the District has modified its methodology when it comes to projected water sales by moving from a 10-year to a 5-year rolling average. It is anticipated that doing this will create a more accurate prediction of ensuing years' water sales. The proposed rate increase from the District is needed to adequately provide funding for impending capital purchases. The 14.9% adjustment results in an anticipated increase in costs of \$409,363 when compared to the FY 2022 Adopted Budget. The cost of water to be purchased for FY 2023 is anticipated to be \$2,998,778. 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 2023 base rate for wastewater charged to the Town is declining (5.6%). 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 4.6%. 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 declined by (8.0%) between fiscal years 2022 and 2021, resulting in an approximate reduction in wastewater treatment costs of (9.1%). The cost of wastewater treatment is anticipated to be \$1,118,772 in FY 2023. The Town's 10-year financial model approved in FY 2022 projected a 3% increase each year in the cost of water; however, due to the existing capital needs presented by the District, the increase is now projected to be 14.9% this year, 10% next year and 7% in the third year. Subsequent years are then projected to grow by 3%.

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 based on the CPI for All Urban Consumers, Garbage and Trash Collection. This index is currently reflecting an increase of 5.87%, resulting in the Adopted Budget for this service growing by \$61,900. Moreover, the Town's contract for solid waste disposal is indexed to CPI but capped at a 5% increase each year. Overall, the annual cost for FY 2023 related to collection and disposal service is \$1,455,752.

**Capital Improvements** – Operating on a cash funded basis, the Town's 10-year financial model continues allocating 4.2 cents of the proposed 23 cent tax rate towards funding the Town's Capital Improvement Plan (CIP) in FY 2023. Additionally, in an effort to sustain the overall CIP and address rising construction costs, the FY 2023 Adopted Budget includes an additional \$1,200,000 to be transferred to the capital program. This is possible through the Town maintaining its current tax rate of 23 cents. In FY 2020, the 10-year financial model established a minimum of 4.2 cents of the Town's 23 cents tax rate to be applied each year starting in FY 2021. Despite the pandemic that occurred during the past couple of years, the Town has been able to sustain this program. Maintaining a fixed portion of the tax rate to be applied toward the CIP each year, requires anticipated operational costs to be constrained in future years. To that end, the financial model developed in FY 2020 changed the anticipated increase in personnel costs to reflect a 3.25% growth rate, and other operational costs are held to a 3% growth rate. In years prior to FY 2020 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 2023 and the 10-years presented is proposed to cost \$16,838,951 and \$119,168,804, respectively, and provides for the following projects.

	FY 2023-2032 Adopted CIP		FY 2022-2031 CIP <sup>(1)</sup>
	FY 2023	10-Year	10 -Year
<b>Capital Project Fund:</b>			
Roads & Bridges	\$ 8,063,286	\$ 65,568,989	\$ 57,868,759
Parks & Recreation	943,665	3,519,206	2,701,510
Facilities	50,000	50,000	
Public Safety	50,000	50,000	-
Contingency	450,000	3,425,000	
<b>Sub-total*</b>	<b>\$ 9,556,951</b>	<b>\$ 72,613,195</b>	<b>\$ 60,570,269</b>
<b>Utility Fund:</b>			
Water & Sewer Improvements	\$ 2,350,000	\$ 15,455,317	\$ 17,255,317
Lakeside & 30" Sewer Interceptor	-	4,690,411	5,748,748
Gillon Pump Station Improvements	-	-	573,000
Water Tank Rehabilitation	2,205,000	5,950,000	6,200,000
Utility Portion of Road Projects	724,200	9,540,329	6,216,353
<b>Sub-total*</b>	<b>\$ 5,279,200</b>	<b>\$ 35,636,056</b>	<b>\$ 35,993,418</b>
<b>Storm Water Drainage Fund:</b>			
Drainage Facility Improvements & Studies	\$ 750,000	\$ 2,700,000	\$ 1,598,500
Storm Water Portion of Road Projects	652,800	1,619,553	1,171,063
Hackberry Creek	600,000	6,600,000	4,150,000
<b>Sub-total*</b>	<b>\$ 2,002,800</b>	<b>\$ 10,919,553</b>	<b>\$ 6,919,563</b>
<b>Total CIP</b>	<b>\$ 16,838,951</b>	<b>\$ 119,168,804</b>	<b>\$ 103,483,250</b>

\*Excludes transfers-out.

<sup>(1)</sup> Amounts based on CIP approved in the FY 2022 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 that was effective starting in January 2020. The model anticipates the Town maintaining the adopted tax rate and a 2.5% increase in sales tax revenue in years following FY 2023. In years past the anticipated growth in sales tax was 4%, but due to a fairly large growth in sales tax over the last two years, a more conservative outlook was taken when projecting over the next 10 years. In addition to the adjustment in water and sewer rates for FY 2023, mentioned earlier, the CIP also anticipates annual water and sewer rate adjustments 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 2% annual rate of return on investments for years beyond FY 2023. The 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. From a project cost standpoint, due to the current inflationary environment, the CIP incorporates a 5% adjustment to all current project costs and then an additional 2% inflation adjustment each year in an effort to keep up with increasing costs of construction.

Following the Town Council's direction, Town Staff initiated studies assessing the Town's infrastructure. These studies include an assessment of the Town's storm water system with Phase II currently underway. This work will likely result in additional projects being incorporated into the CIP. As other 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 also continues to provide 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. Augmenting campus security, the Adopted Budget continues funding of 25% (\$53,125) towards the cost of the City of University Park providing a police officer at McCulloch Intermediate and Highland Park High School and separately at Highland Park High School.

**Equipment & Technology Replacement** – Next year's budget provides \$287,546 related to the purchase of equipment within the Equipment Replacement Fund. This consists of the replacement of two motorcycles for DPS, a backhoe and mini excavator for Public Works and a pick-up truck for Parks. In the Technology Fund, \$1,320,527 is allocated for the scheduled replacement of computers within specific departments, the Town server replacement, Town network replacement, enterprise records management (and related server and uninterruptable power supply) for DPS, Town Council audio/visual equipment replacement and video conferencing equipment along with funding related to the DPS video camera system.

**Building Maintenance** – The Town continues to maintain a Building Maintenance and Investment Fund, not only to address ongoing maintenance issues with Town facilities, but also for the purpose of setting aside funds for future repairs of a material nature. Fund balance within this fund is growing by approximately \$141,523 in the FY 2023 Adopted Budget.

**Staffing** – The Adopted Budget provides for the addition of a full-time employee within the Building Maintenance Fund at an anticipated cost of \$101,584. This cost is partially offset by the elimination of a contract with a facility maintenance company. The net effect of the added position is approximately \$65,000. As the Town's facilities continue to age, it is becoming increasingly necessary to devote more staff time to caring for Town Hall and the Service Center. Outsourcing of this effort is proving to be less effective over time and a more direct approach to managing these facilities is warranted.

Over the past several years, the Town has engaged a consultant to assist the fiscal and human resources department in managing the human resources function of the Town. Over time, Town Staff has developed one of its existing staff positions into a human resources coordinator position that covers much of the human resources function, but also handles a substantial amount of administrative work that would be more appropriately handled by an administrative assistant. As such, the Adopted Budget incorporates much of the funding currently allocated to consulting work towards a full-time administrative assistant. Doing this will allow the human resources coordinator position to apply all of their time towards human resource matters. The administrative assistant position will also be tasked with administrative duties currently handled by finance and information technology staff. The Adopted Budget recommends leaving \$16,000 in funding available for periodic consultations with the human resources consultant which results in a net cost from adding the full-time administrative assistant of \$3,112.

## AMERICAN RESCUE PLAN ACT FUNDING

The Adopted Budget reflects funding received through the American Rescue Plan Act being applied to general operating cost within the General Fund specifically related to public safety. The first round of funding has been received with the remainder expected to arrive during next fiscal year. All of the funding is being applied to public safety expenditures during FY 2023.

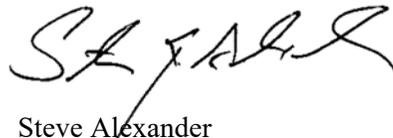
## CONCLUSION

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. 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



Steve Alexander  
Director of Administrative Services and CFO

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

	General	Utility	Solid Waste	Storm Drainage	Equipment Replacement	Technology Replacement	Building Maintenance & Investment	Forfeited Property
<b>BEGINNING FUND BALANCE</b>	\$ 8,647,039	\$ 6,510,485	\$ 289,662	\$1,584,186	\$ 3,492,178	\$ 3,597,987	\$ 1,259,588	\$ 32,822
<b>REVENUES:</b>								
Property Taxes	\$ 17,058,331	-	-	-	-	-	-	-
Water Sales	-	7,824,554	-	-	-	-	-	-
Sewer Charges	-	2,997,300	-	-	-	-	-	-
Sales Taxes	6,640,091	-	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,688,228	-	-	-	-	-
Franchise Fees	932,414	-	-	-	-	-	-	-
Building Inspection Fees/Permits	1,391,838	65,206	-	-	-	-	-	-
Municipal Court Fines/Fees	591,845	-	-	-	-	-	-	-
Interest Earnings	150,166	77,481	3,737	26,487	32,518	34,915	12,511	312
Storm Water Drainage Fees	-	-	-	453,200	-	-	-	-
All Other	4,175,946	106,757	-	-	27,500	100,076	18,516	2,500
<b>TOTAL REVENUES</b>	<b>\$ 30,940,631</b>	<b>\$ 11,071,298</b>	<b>\$ 1,691,965</b>	<b>\$ 479,687</b>	<b>\$ 60,018</b>	<b>\$ 134,991</b>	<b>\$ 31,027</b>	<b>\$ 2,812</b>
Transfers from Other Funds	1,359,300	2,624,472	43,300	1,600,000	563,900	426,457	711,446	-
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>\$ 32,299,931</b>	<b>\$ 13,695,770</b>	<b>\$ 1,735,265</b>	<b>\$ 2,079,687</b>	<b>\$ 623,918</b>	<b>\$ 561,448</b>	<b>\$ 742,473</b>	<b>\$ 2,812</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 40,946,970</b>	<b>\$ 20,206,255</b>	<b>\$ 2,024,927</b>	<b>\$ 3,663,873</b>	<b>\$ 4,116,096</b>	<b>\$ 4,159,435</b>	<b>\$ 2,002,061</b>	<b>\$ 35,634</b>
<b>EXPENDITURES:</b>								
Personnel Services:								
Payroll	\$ 14,098,160	\$ 1,436,014	-	-	-	-	101,584	-
Taxes	1,004,553	105,421	-	-	-	-	-	-
Retirement (TMRS)	1,661,082	171,389	-	-	-	-	-	-
Insurance	1,884,784	194,690	-	-	-	-	-	-
Total Personnel	\$ 18,648,579	\$ 1,907,514	-	-	-	-	101,584	-
Supplies & Equipment	\$ 1,176,588	\$ 3,253,222	\$ 25,000	\$ 7,100	-	-	54,587	-
Services & Charges	4,241,499	1,570,794	1,529,252	179,850	2,063	-	399,211	-
Capital Outlay	-	5,279,200	-	2,002,800	287,546	1,357,777	78,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,066,666</b>	<b>\$ 12,010,730</b>	<b>\$ 1,554,252</b>	<b>\$ 2,189,750</b>	<b>\$ 289,609</b>	<b>\$ 1,357,777</b>	<b>\$ 633,382</b>	<b>\$ -</b>
Transfers to Other Funds	8,157,536	2,018,130	152,800	107,208	-	-	-	-
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 32,224,202</b>	<b>\$ 14,028,860</b>	<b>\$ 1,707,052</b>	<b>\$ 2,296,958</b>	<b>\$ 289,609</b>	<b>\$ 1,357,777</b>	<b>\$ 633,382</b>	<b>\$ -</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 8,722,768</b>	<b>\$ 6,177,395</b>	<b>\$ 317,875</b>	<b>\$ 1,366,915</b>	<b>\$ 3,826,487</b>	<b>\$ 2,801,658</b>	<b>\$ 1,368,679</b>	<b>\$ 35,634</b>
<b>FUND BALANCE MINIMUM</b>	<b>\$ 4,745,147</b>	<b>\$ 2,054,002</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE SURPLUS</b>	<b>\$ 3,977,621</b>	<b>\$ 4,123,394</b>	<b>\$ 317,875</b>	<b>\$ 1,366,915</b>	<b>\$ 3,826,487</b>	<b>\$ 2,801,658</b>	<b>\$ 1,368,679</b>	<b>\$ 35,634</b>

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

*Explanation of Significant Changes in Fund Balances*

Utility Fund - Fund balance within the Utility Fund is declining by approximately \$330,000. The capital improvement budget for the Utility fund is approximately \$2,756,000 higher than in the prior year which is in part being funded through increasing utility rates and transfers in from other funds.

Storm Water Utility Fund - Fund balance within the Storm Water Utility Fund is decreasing by approximately \$218,000. The Storm Water Utility fund has \$2M in capital expenditures budgeted for FY 2023 utilizing available fund balance, transfers-in and a loan from the Reserve Fund as primary funding sources.

Internal Service Funds - The fund balances within the Technology Replacement Fund, Equipment Replacement Fund and the Building Maintenance Fund are declining due to capital purchases. Between the three funds, the anticipated reduction in available fund balance is approximately \$352,000.

Capital Projects Fund - Fund balance within the Capital Projects Fund is decreasing by approximately \$2.6M. The capital improvement budget for the Capital Projects Fund is approximately \$1.3M higher than in the prior year. Transfers-out are approximately \$700,000 higher than in the prior year budget.

<b>Truancy Prevention</b>	<b>Municipal Jury</b>	<b>Court Technology</b>	<b>Court Security</b>	<b>Library Fund</b>	<b>DPS Technology</b>	<b>Reserve</b>	<b>Capital Projects</b>	<b>Adopted FY 2023</b>	<b>Adopted FY 2022</b>
\$ 54,077	\$ 1,080	\$ 122,530	\$ 33,324	\$ 314,896	\$ 291,000	\$ 10,189,765	\$ 8,779,395	\$ 45,200,014	\$ 27,926,372
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	17,058,331	15,495,731
-	-	-	-	-	-	-	-	7,824,554	7,379,679
-	-	-	-	-	-	-	-	2,997,300	2,909,640
-	-	-	-	-	-	-	-	6,640,091	4,278,043
-	-	-	-	-	-	-	-	1,688,228	1,603,552
-	-	-	-	-	-	-	-	932,414	918,868
-	-	-	-	-	-	-	-	1,457,044	1,226,078
21,000	420	34,836	34,212	-	-	-	-	682,313	1,205,926
390	8	958	274	2,765	-	87,540	59,569	489,631	211,343
-	-	-	-	-	-	-	-	453,200	441,692
-	-	-	-	58,230	-	-	2,866,543	7,356,068	6,359,302
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 2,926,112	\$ 47,579,174	\$ 42,029,854
-	-	-	-	-	-	-	5,220,224	12,549,099	8,978,970
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 8,146,336	\$ 60,128,273	\$ 51,008,824
\$ 75,467	\$ 1,508	\$ 158,324	\$ 67,810	\$ 375,891	\$ 291,000	\$ 10,277,305	\$ 16,925,731	\$ 105,328,287	\$ 78,935,196
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,635,758	\$ 14,369,333
-	-	-	-	-	-	-	-	1,109,974	1,043,904
-	-	-	-	-	-	-	-	1,832,471	1,296,658
-	-	-	-	-	-	-	-	2,079,474	1,962,970
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,657,677	\$ 18,672,865
\$ -	\$ -	\$ 2,304	\$ -	\$ 44,230	\$ -	\$ -	\$ -	\$ 4,563,031	\$ 4,040,739
-	-	37,402	-	970	-	-	-	7,961,041	7,453,292
-	-	-	-	-	-	-	9,556,951	18,562,274	13,363,146
\$ -	\$ -	\$ 39,706	\$ -	\$ 45,200	\$ -	\$ -	\$ 9,556,951	\$ 51,744,023	\$ 43,530,042
-	-	-	24,600	-	291,000	600,000	1,197,825	\$ 12,549,099	8,978,970
\$ -	\$ -	\$ 39,706	\$ 24,600	\$ 45,200	\$ 291,000	\$ 600,000	\$ 10,754,776	\$ 64,293,122	\$ 52,509,012
\$ 75,467	\$ 1,508	\$ 118,618	\$ 43,210	\$ 330,691	\$ -	\$ 9,677,305	\$ 6,170,955	\$ 41,035,165	\$ 26,426,184
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 8,799,149	\$ 6,737,092
\$ 75,467	\$ 1,508	\$ 118,618	\$ 43,210	\$ 330,691	\$ -	\$ 9,677,305	\$ 4,170,955	\$ 32,236,017	\$ 19,689,092

**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. The funds are labeled as Governmental (GV), Enterprise (ENT), Capital (CAP), Internal Service (IS), Special Revenue (SR) and Major (M) as applicable.

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

## *Budget Calendar Fiscal Year 2022 - 2023*

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April 5	Budget kick-off memo to departments.
April 15	Departments submit initial projection of FY 2021-22 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 22	Deliver notice for the May 17 Public Hearing in the newspaper. The notice will run on April 29 and May 6. Provide notice to Town Secretary for publishing on website.
April 26	Departments submit any new programs to the Finance Department.  Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.
April 29	Meet and discuss the Town's 10-year Capital Improvement Plan with Department Directors.
May 2 - May 13	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
May 9	Receive preliminary taxable assessed values from Dallas Central Appraisal District (DCAD).
May 17	Departments submit revised projection of FY 2021-22 revenues and expenditures to the Finance Department.
May 30 - June 2	Departmental meetings with Town Administrator on Budget Requests.
July 8	Departments submit final projection of FY 2021-22 revenues and expenditures to the Finance Department.
July 19	Review and discuss with the Town Council the progress of the FY 2022-23 budget process and the Council's priorities and expectations of the FY 2022-23 Budget.  Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.  <a href="https://www.hptx.org/DocumentCenter/View/6287/July-19-2022-Town-Council-Meeting-Presentation">https://www.hptx.org/DocumentCenter/View/6287/July-19-2022-Town-Council-Meeting-Presentation</a>
July 27	Finance & Audit Advisory Committee meet to discuss proposed Capital Improvement Plan and Operational Budget for FY 2022-23.

## Budget Calendar Fiscal Year 2022 - 2023

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- July 25 Receive Certified Appraisal Roll from DCAD.
- July 29 FY 2022-23 Proposed Budget delivered to the Town Council and the Town Secretary.
- August 2** Council sets date to call Public Hearing on the FY 2022-23 Proposed Budget [Town Charter 9.05(A)].
- Review and discuss the Proposed Budget and Capital Improvement Plan for FY 2022-23.
- <https://www.hptx.org/DocumentCenter/View/6288/August-2-2022-Town-Council-Meeting-Presentation>
- Deliver notice of the August 16 and September 6 Public Hearing on the FY 2022-23 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.
- August 4 Publication of the notice for the August 16 and September 6 First and Second Public Hearing on the FY 2022-23 Proposed Budget in the newspaper.
- August 15 Publication of notice the August 16 and September 6 First and Second Public Hearing on FY 2022-23 Proposed Budget in the newspaper.
- August 16** First Public Hearing on FY 2022-23 Proposed Budget.
- <https://www.hptx.org/DocumentCenter/View/6286/Aug-16-2022-Town-Council-Meeting-presentation>
- Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2022-23 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 19 Publication of notice for September 6 Public Hearing on Tax Increase in the newspaper.

## *Budget Calendar Fiscal Year 2022 - 2023*

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August 22

Publication of notice for September 6 Public Hearing on Tax Increase and publication of notice for September 6 Public Hearing on FY 2022-23 Proposed Budget in the newspaper.

### **September 6**

Second Public Hearing on FY 2022-23 Proposed Budget.

Public Hearing on Property Tax Revenue Increase (if necessary)

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

### **September 13\***

Town Council considers approval of:

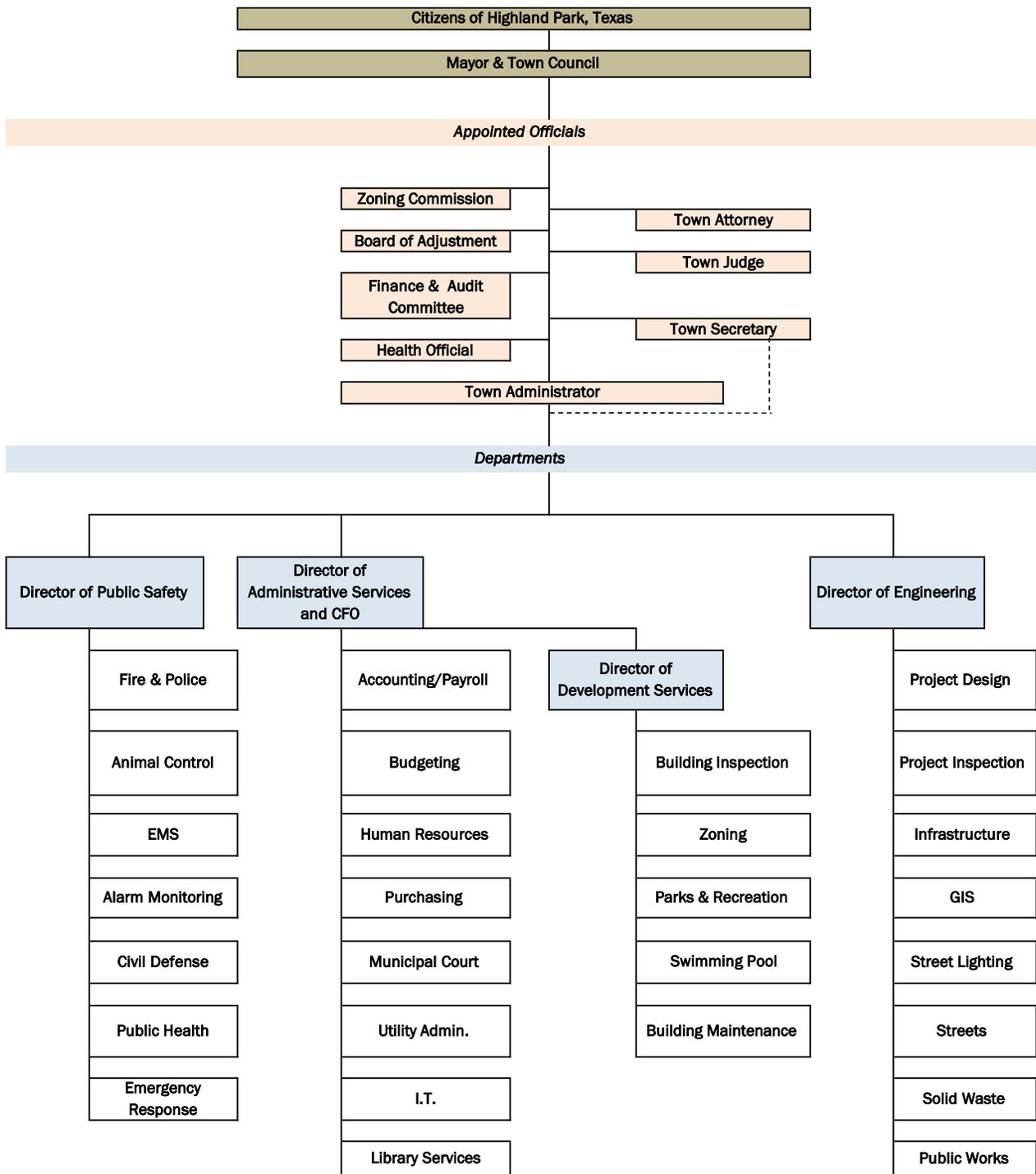
- FY 2022-23 Proposed Budget.
- Adoption of a tax rate.
- Master Fee Schedule.

<https://www.hptx.org/DocumentCenter/View/5987/2022-Master-Fee-Schedule-Effective-Oct-1-2022>

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. 2107

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

**WHEREAS**, the Town is authorized by law to adopt the provisions contained herein, and has complied with all the prerequisites necessary for the passage of this ordinance; and

**WHEREAS**, all statutory and constitutional requirements for the passage of this ordinance have been adhered to, including but not limited to the Open Meetings Act; and

**WHEREAS**, the purpose of this ordinance is to promote the public health, safety, and general welfare of the citizens of the Town of Highland Park.

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

That, the statements contained in the preamble to this ordinance are hereby adopted as findings of fact and as a part of the operative provisions hereof.

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$64,293,122, including \$12,549,099 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2022, and ending September 30, 2023, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 29, 2022, and more than thirty (30) days prior to the end of the fiscal year 2022, 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, 2022, 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 16, 2022, and September 6, 2022, 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 13, 2022, 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 13th day of September 2022.

APPROVED AS TO FORM:



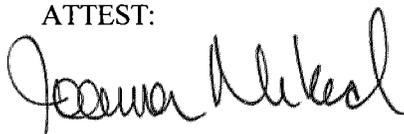
Matthew C.G. Boyle  
Town Attorney

APPROVED:



Will C. Beecher  
Mayor

ATTEST:



Joanna Mekeal  
Town Secretary

ORDINANCE NO. 2108

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2022 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

**WHEREAS**, the Town is authorized by law to adopt the provisions contained herein, and has complied with all the prerequisites necessary for the passage of this ordinance; and

**WHEREAS**, all statutory and constitutional requirements for the passage of this ordinance have been adhered to, including but not limited to the Open Meetings Act; and

**WHEREAS**, the purpose of this ordinance is to promote the public health, safety, and general welfare of the citizens of the Town of Highland Park.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS:

That, the statements contained in the preamble to this ordinance are hereby adopted as findings of fact and as a part of the operative provisions hereof.

That, for the tax year 2022, 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 2022, 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 9.14% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.**

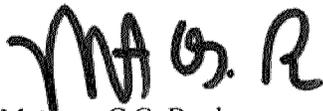
That said tax shall be for the purpose of defraying current expense of the municipal government of the Town of Highland Park, Texas, for the fiscal year 2022.

That said tax shall be due and payable October 1, 2022.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2022 levy.

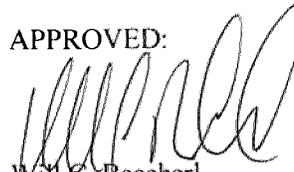
PASSED AND APPROVED this 13th day of September 2022.

APPROVED AS TO FORM:



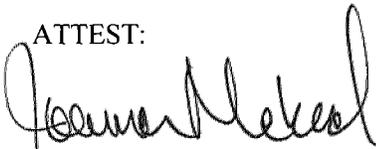
Matthew C.G. Boyle  
Town Attorney

APPROVED:



Will C. Beecher  
Mayor

ATTEST:



Joanna Mekeal  
Town Secretary

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 33,561,920	\$ 27,926,372	\$ 42,579,650	\$ 45,200,014
<b>REVENUES/SOURCES OF FUNDS</b>				
Property Taxes	\$ 15,201,900	\$ 15,495,731	\$ 15,487,088	\$ 17,058,331
Water Sales	6,553,152	7,379,679	7,158,639	7,824,554
Sewer Charges	2,783,879	2,909,640	2,825,935	2,997,300
Sales Taxes	5,663,645	4,278,043	6,800,087	6,640,091
Sanitation/Recycling Charges	1,537,234	1,603,552	1,594,508	1,688,228
Franchise Fees	884,641	918,868	972,579	932,414
Building Inspection Fees/Permits	1,661,691	1,336,719	1,650,957	1,457,044
Municipal Court Fines/Fees	622,861	1,230,406	659,513	682,313
Interest Earnings	209,257	211,343	267,892	489,921
Storm Water Fees	427,247	441,692	440,000	453,200
Other Revenues	13,413,579	6,224,181	6,393,174	7,355,778
<b>TOTAL REVENUES</b>	<b>\$ 48,959,086</b>	<b>\$ 42,029,854</b>	<b>\$ 44,250,372</b>	<b>\$ 47,579,174</b>
<b>OTHER SOURCES</b>				
Transfers In	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 12,549,099
<b>TOTAL OTHER SOURCES</b>	<b>\$ 6,602,930</b>	<b>\$ 8,978,970</b>	<b>\$ 8,978,970</b>	<b>\$ 12,549,099</b>
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 55,562,016</b>	<b>\$ 51,008,824</b>	<b>\$ 53,229,342</b>	<b>\$ 60,128,273</b>
<b>EXPENDITURES</b>				
Personnel Services				
Payroll	\$ 13,923,547	\$ 14,369,333	\$ 14,324,723	\$ 15,635,758
Payroll Taxes	957,222	1,043,904	1,024,155	1,109,974
Retirement	1,285,791	1,296,658	1,285,398	1,832,471
Insurance	1,951,008	1,962,970	1,892,057	2,079,474
Total Personnel	\$ 18,117,568	\$ 18,672,865	\$ 18,526,333	\$ 20,657,677
Supplies & Equipment	3,638,331	4,040,739	4,163,510	4,563,031
Services & Charges	6,922,558	7,453,292	7,378,369	7,961,041
Capital Outlay	11,029,044	13,363,146	11,561,796	18,562,274
<b>TOTAL EXPENDITURES</b>	<b>\$ 39,707,501</b>	<b>\$ 43,530,042</b>	<b>\$ 41,630,008</b>	<b>\$ 51,744,023</b>
<b>OTHER USES</b>				
Transfers Out	6,836,785	8,978,970	8,978,970	12,549,099
<b>TOTAL OTHER USES</b>	<b>\$ 6,836,785</b>	<b>\$ 8,978,970</b>	<b>\$ 8,978,970</b>	<b>\$ 12,549,099</b>
<b>TOTAL USES</b>	<b>\$ 46,544,286</b>	<b>\$ 52,509,012</b>	<b>\$ 50,608,978</b>	<b>\$ 64,293,122</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 42,579,650</b>	<b>\$ 26,426,184</b>	<b>\$ 45,200,014</b>	<b>\$ 41,035,165</b>

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## Budgeted Funds

### GENERAL FUND

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

Operational revenues of the Adopted Budget for the General Fund are \$30,940,631 representing an increase of \$5,988,301 or 24% over the previous fiscal year Adopted Budget. Operational expenditures represent \$24,066,666, or 74.7% of the General Fund Budget, with the remaining balance of \$8,157,536 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$4,311,570, or 17.9% of the operational General Fund Adopted Budget. The Taxable Assessed Value is based on the final certified taxable assessed value data provided by the Dallas Central Appraisal District as of July 26, 2022.

#### 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 Central Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by \$1,555,362. Of this amount, 82.2% is generated from existing property revaluation and 13.4% is generated by new construction.

Historically, the Town has enjoyed a low property tax rate and positive increases in T.A.V. Over the last 10 years, the Town has experienced an average annual increase in T.A.V. of 5.35%.

### Historical Property Tax Information

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Taxable Assessed Value (T.A.V.)</u>	<u>% Change in T.A.V.</u>	<u>Tax Levy</u>
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
2021	0.2300	\$6,783,128,145	3.83%	\$15,445,183
2022	0.2300	\$7,466,203,174	10.07%	\$17,000,545

The continued growth 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 2023 include:

- Sales tax receipts, the fund's second largest source of revenue, is estimated at \$6,640,091, representing a 17.2% increase over the year-end actual for FY 2021. Projected increases in this revenue source are significant and give some pause as to the sustainability of the current increases in retail sales.
- 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 2023 is projected at \$1,234,967, 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 2022, due to the number of citations being issued remaining at levels experienced during the pandemic. Revenues for FY 2023 have been conservatively budgeted tracking more consistent with what has been experienced during FY 2022.
- The Adopted Budget also reflects the recognition of \$2,250,000 in intergovernmental revenue related to the American Rescue Plan. This revenue is being applied towards operating costs within the Department of Public Safety.

### **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 39.9% of the overall budget, excluding transfers, and 77.5% 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. To this end, the General Fund budget includes \$872,471 (inclusive of additional taxes, TMRS, etc.) for compensation increases. The compensation program proposed for FY 2023 is continued from the prior year, in that both exempt and non-exempt employees will have the opportunity to receive up to a 3.5% merit adjustment in their annual pay. Additionally, the Adopted Budget includes an Across the Board (ATB) increase of 3.0%. Pay adjustments that result in an employee's annual pay exceeding the top of their respective pay range will be provided as a range restricted adjustment paid throughout the course of the year. To the extent the pay ranges are not adjusted in the following year, the amount paid FY 2023 in excess of the maximum of the pay range will be discontinued. The quarterly performance stipend, applicable only to non-exempt employees, remains capped at 6%.

During FY 2021, 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. In reviewing the pay ranges of the Town's comparison cities this year, the survey results indicate that, over the last year, some market position has been lost due to a number of the cities adjusting pay plans. As such, the Adopted Budget adjusts pay ranges 5% to maintain a competitive market position.

**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 is expected to increase in FY 2023 to accommodate funding a Cost of Living Adjustment (COLA) for retirees. The TMRS offers cities the opportunity to provide a COLA at 30, 50 or 70 percent of the change in the Consumer Price Index (CPI). Prior to FY 2023, the last time the Town provided this benefit, which was at 50%, was in 2008. Many of the Town's comparison cities provide this benefit on an annual basis, at 30%-70%. In FY 2023, the Town's contribution will be a blended rate of 8.48% to 12.92% of payroll, with the new rate effective January 1, 2023. The Town will still maintain a high funded ratio projected by TMRS at approximately 92.1%. It is important to note that when cities provide a COLA to retirees it must also provide an Updated Service Credit (USC) to current employees. The Adopted Budget accommodates a 75% USC which makes up a much smaller portion of the overall increase to the Town's pension liability than results from implementing the COLA for retirees.

**Health Insurance-** Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees, and continuing to be an employer of choice. The Town will remain with Cigna, the current health insurance provider, for FY 2023. Lockton Dunning, the Town's benefits consultant, was able to secure a rate pass for this year from Cigna as the Town's loss ratio remains relatively low. As in the current year, the Town proposes to contribute \$2,800 to employees' Health Savings Accounts. This amount is consistent with the Internal Revenue Service minimum deductible for high deductible health plans.

**Capital Improvement Plan-** The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$4,311,570. This transfer is increasing by \$1,491,144 when compared to the originally Adopted Budget for FY 2022. This is a direct result of the increased projected revenues from maintaining the current property tax rate. This transfer includes \$1,408,280 that is sustained 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 \$42,350 for continued quarterly reviews of policing and municipal court data as well as a use of force analysis 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 in the amount of \$250,000 to pay down the Town's unfunded net pension liability. This amount includes the Utility Fund portion and is budgeted to increase by \$67,000 from the \$183,000 included in the FY 2022 Adopted Budget.
- In an effort to improve efficiencies in managing internal and external requests for service, \$160,000 is included in the Adopted Budget for the implementation of a work order management system. Currently, the Town uses a Customer Response Management (CRM) system to manage work orders.
- The Department of Public Safety budget includes an additional \$330,000 over the FY 2022 Adopted Budget to address increasing overtime costs. These costs have grown predominately due to vacancies being experienced from year to year. Moreover, in order to address the length of time it takes to refill public safety officer positions, \$450,000 is included to cover the cost of three public safety officer over hires. Doing this will allow DPS to fill positions and begin fulfilling training requirements prior to currently filled positions opening up.
- The Adopted Budget incorporates a new administrative assistant position in the Finance Department to manage administrative duties currently being completed by human resource,

finance and information technology personnel. Providing this position will allow staff the appropriate time to focus on their areas of expertise. The majority of this position is funded through the reallocation of resources that have historically been used for human resources consulting services.

- Additional funding is included in DPS to address an increase in cost related to the Highland Park Independent School District (HPISD) crossing guard program in the amount of \$27,000.
- The DPS budget also includes \$83,290 to fund ongoing maintenance costs associated with the new public safety radio communication system.
- The Development Services budget includes \$50,000 in additional funding for third party inspection services to address plans review and inspection services related to increased building activity.

### **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 \$8,722,768 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 2023 are anticipated to be \$11,071,298, which is an increase of 5.4%, or \$565,577, when compared to the Adopted Budget for FY 2022 (excluding \$1,002,000 related to grant funding). This increase is primarily related to the adjustment in water and sewer rates.

The Adopted Budget anticipates a water and sewer rate increase of 7% and 3% respectively for FY 2023. While the Town's 5-year rolling average of water sales continues to decline due to recent weather patterns and water conservation efforts, the financial model remains sustainable under the current plan of adjusting rates each year. The next rate adjustment is scheduled for FY 2024 at 5.4% for water and 3.0% for sewer.

### **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 34.3%, or \$4,117,550 of the overall costs projected for FY 2023, excluding transfers. The Adopted Budget also includes \$5,279,200 for capital outlay and capital improvements related to the Town's utility system. Compensation and benefits within the Utility Fund are increasing this budget by \$92,620 (inclusive of additional taxes, TMRS, etc.), due primarily to proposed merit adjustments of up to 3.5% and the proposed ATB adjustment of 3.0%, along with the COLA and USC related to TMRS. The overall budget year to budget year change is \$163,606, which is in part a direct result of budget transfers made to other line items during FY 2022.

Pay adjustments that result in an employee's annual pay exceeding the top of their respective pay range will be provided as a range restricted adjustment paid throughout the course of the year. To the extent the pay ranges are not adjusted in the following year, the amount paid in FY 2023 in excess of the maximum of the pay range will be discontinued. The quarterly performance stipend, applicable only to non-exempt employees, remains capped at 6%.

The amount charged by the City of Dallas for the treatment of wastewater is being reduced by 9.1% due to the Town experiencing a lower winter average of water consumption in FY 2022 as compared to FY 2021 and a slight reduction in the rate charged by the City. The contract with the City of Dallas represents \$1,118,772 of the Utility Fund Adopted Budget. The Dallas County Park Cities Municipal Utility District (District) is increasing the rate they charge the Town for the purchase of treated water by approximately 14.9%. Overall water purchases account for \$2,998,778 of the Utility Fund Adopted Budget. The increase from the District is directly related to additional funds they need for capital improvements.

### **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 or \$2,052,142. The ending fund balance in the Utility Fund is projected to be \$6,177,395. 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 \$1,691,965 exclusive of transfers, representing a 5.4% increase over the Adopted Budget for FY 2022. 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 5.4%, and will ultimately increase the monthly solid waste bill for regular service by \$1.71 and pack-out service by \$3.12. The adjustment is generally tied to the Consumer Price Index (CPI) each year.

### **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 \$1,346,388 and \$109,364 respectively for FY 2023. 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 2023 includes \$25,000 for the purchase of new containers. The Adopted Budget for the Solid Waste Fund also includes a Transfer-Out of \$84,000 to the Capital Projects Fund, which represents 5% of projected revenues for FY 2023.

**Fund Balance:**

There is not a fund balance requirement for the Solid Waste Fund, however, the fund balance projected at the end of FY 2023 is \$317,875.

**STORM WATER DRAINAGE FUND**

The Storm Water Drainage 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 \$4.82 and \$38.02 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 Drainage Fund are projected to be \$453,200. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index for the Dallas-Fort Worth region, which is currently 9.1%. The Adopted Budget includes a transfer from the Capital Projects Fund of \$1,000,000, to fund future storm water drainage projects within this fund. This transfer has increased in the Adopted Budget due to capital funding needs within the Storm Water Utility Fund. Moreover, the Adopted Budget provides for the transfer of funds from the Reserve Fund in the amount of \$600,000 to provide funding towards the Hackberry Creek project.

**Expenditures:**

The Storm Water Drainage Fund accounts for expenditures related to street sweeping and other drainage-related items. The overall appropriations approved for this fund total \$2,296,958 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 \$600,000 set aside for improvements to Hackberry Creek, \$630,000 for drainage easement projects and \$652,800 in funding associated with utility improvements in connection with street improvement projects.

**Fund Balance:**

There is not a fund balance requirement for the Storm Water Drainage Fund. The fund balance projected at the end of FY 2023 is \$1,366,915. 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 ten-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 \$8,146,336 for FY 2023 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 \$617,654 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 \$4,311,570 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 \$1,891,543 in FY 2023 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 \$975,000 has also been incorporated into the CIP.

### **Expenditures:**

Expenditures in the Capital Projects fund are budgeted to be \$10,754,776, with \$1,142,384 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and \$3,080,400 for Westside Drive reconstruction. Some of the other projects in the Adopted Budget include \$443,665 related to park renovations and improvements to the Town swimming pool, \$1,300,000 for Mockingbird Lane reconstruction, and \$650,000 for Potomac Drive reconstruction. 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 \$1,000,000 transfer to the Storm Water Drainage 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. The studies identified recommendations related to the scope and project estimates for several existing projects. It is likely that, once complete, the storm water studies will identify additional projects that will need to be factored into the CIP. The Capital Improvements section of this document provides the planned CIP over the next 10 years reflecting identified projects and associated cost estimates.

### **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 2023 projects the fund balance of the Capital Projects Fund to be at \$6,170,955 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, the Department of Public Safety Technology Fund and the Reserve 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 \$623,918 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 \$289,609 to replace the two DPS motorcycle units, a backhoe and tractor for the Public Works Department and a pick-up truck for the Parks Department. The fund balance projected within this fund at the end of the next fiscal year is \$3,826,487.

### **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 \$561,448. 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 \$1,357,777 and cover a variety of technology replacements and upgrades. These include the purchase of replacement computers, upgrading the DPS records management system, replacing the Town's network and server equipment that are at the end of their useful lives, and upgrading the Town's content manager. Funding also continues maintenance and cloud storage for 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 \$2,801,658.

### **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 \$742,473 and are derived from transfers from the General Fund and the Utility Fund. These transfers are determined by 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 \$633,382. In an effort to provide a higher level of focus on maintaining the Town Hall and Service Center, the Adopted Budget includes a new facilities manager position. Partially funded through the reallocation of resources previously used to outsource facilities maintenance, the net impact of adding this position is approximately \$65,000. 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 \$1,368,679.

### **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 2023 is projected to be \$35,634.

### **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 \$21,390. Revenues within the Municipal Jury Fund are projected to be \$428. Revenues within the Court Security Fund are projected to be \$34,486, 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 \$35,794 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 2023, with \$75,467 remaining in the Truancy Prevention Fund, \$1,508 remaining in the Municipal Jury Fund, \$118,618 remaining in the Court Technology Fund and \$43,210 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 \$60,995. The Adopted Budget for FY 2023 of \$45,200 is to be used primarily for book purchases. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$330,691.

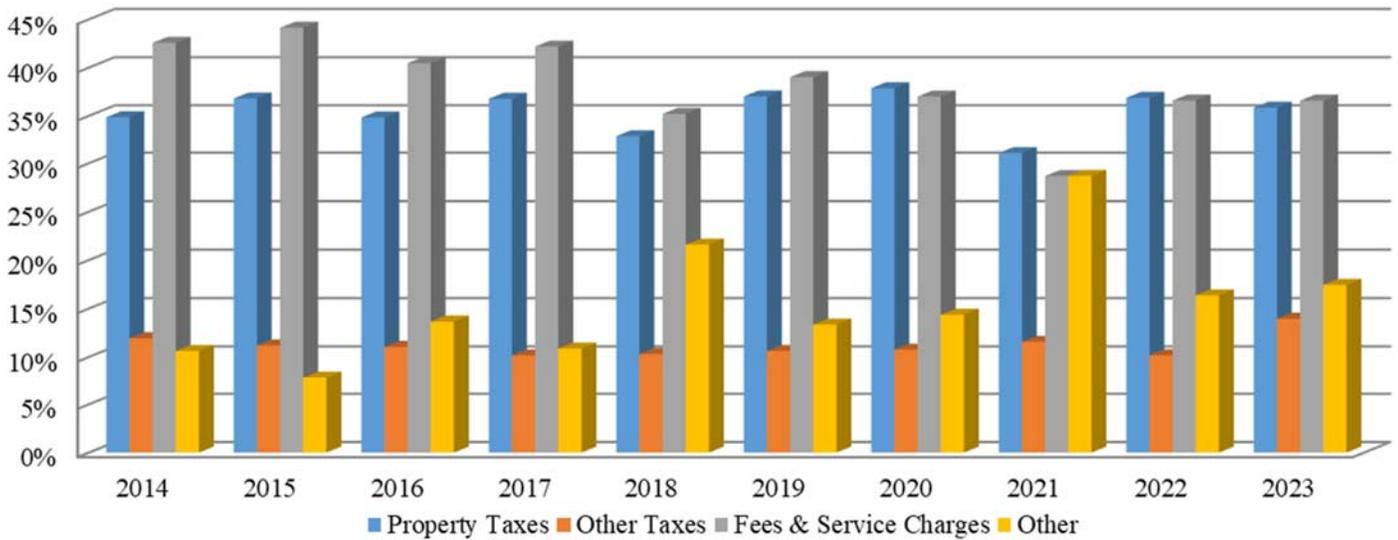
### **DPS Technology Fund:**

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, revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and have been held within this fund to be applied to technological improvements related to public safety within the Town. Revenues related to this contract will be accounted for within the Technology Replacement Fund in FY 2023 and in subsequent years. The funding will continue to be applied towards public safety technological improvements. Fund Balance within this fund amounting to \$291,000 is being transferred to the Capital Projects Fund in order to partially reimburse the Capital Projects Fund for the purchase of the public safety communication system as has been planned for in prior years.

### **Reserve Fund**

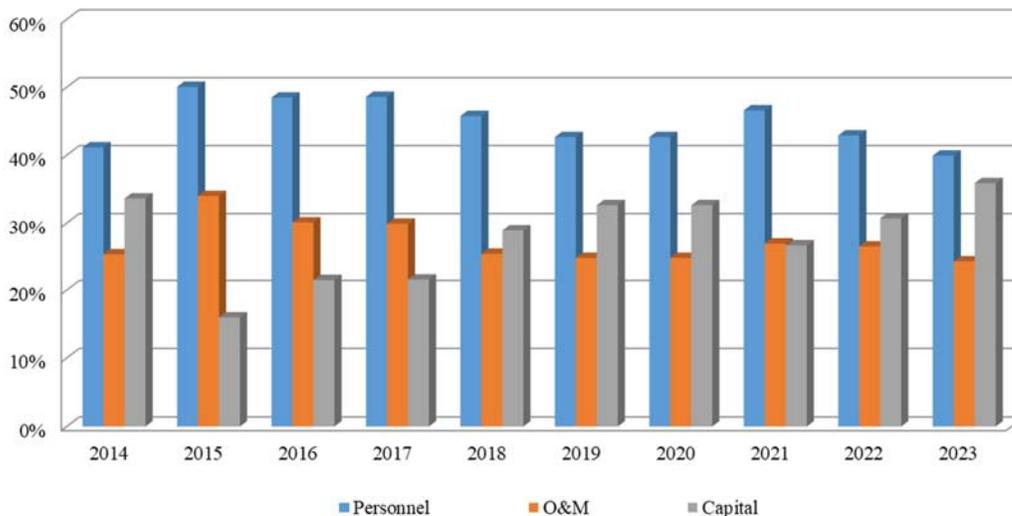
The Reserve Fund was established in FY 2021 to account for resources the Town has received through the sale of surplus property. The fund balance within this fund currently amounts to \$10,189,765 and will be used at the direction of Town Council. The Adopted Budget transfers a portion of the funds in the amount of \$600,000 to the Storm Water Drainage Fund to facility the start and ultimate completion of the Hackberry Creek project. Once complete, the Storm Water Drainage Fund will reimburse the Reserve Fund over time.

## 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 47). 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 168.

## EXPENDITURES/EXPENSES BY TYPE FOR ALL FUNDS



Personnel costs comprise 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 170.

**2022 TAX RATE FOR HIGHLAND PARK  
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES  
 (PER \$100)**

Dallas .....	\$0.745800
Garland.....	0.716692
Mesquite.....	0.658140
Richardson .....	0.560950
Carrollton .....	0.562500
Farmers Branch.....	0.589000
Irving.....	0.589100
Addison.....	0.609822
University Park .....	0.245975
<b>Highland Park.....</b>	<b>0.230000</b>

**AD VALOREM TAX ANALYSIS  
 2022 TAX ROLL**

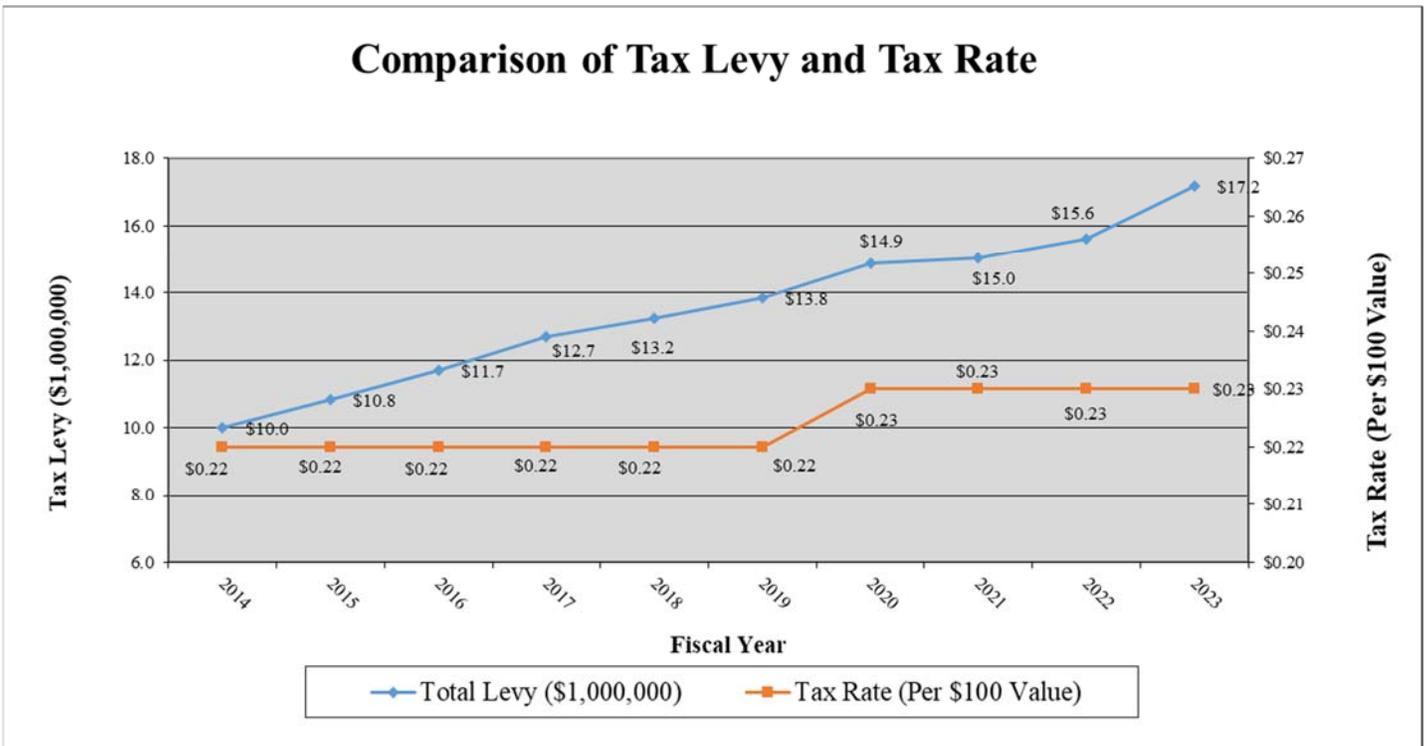
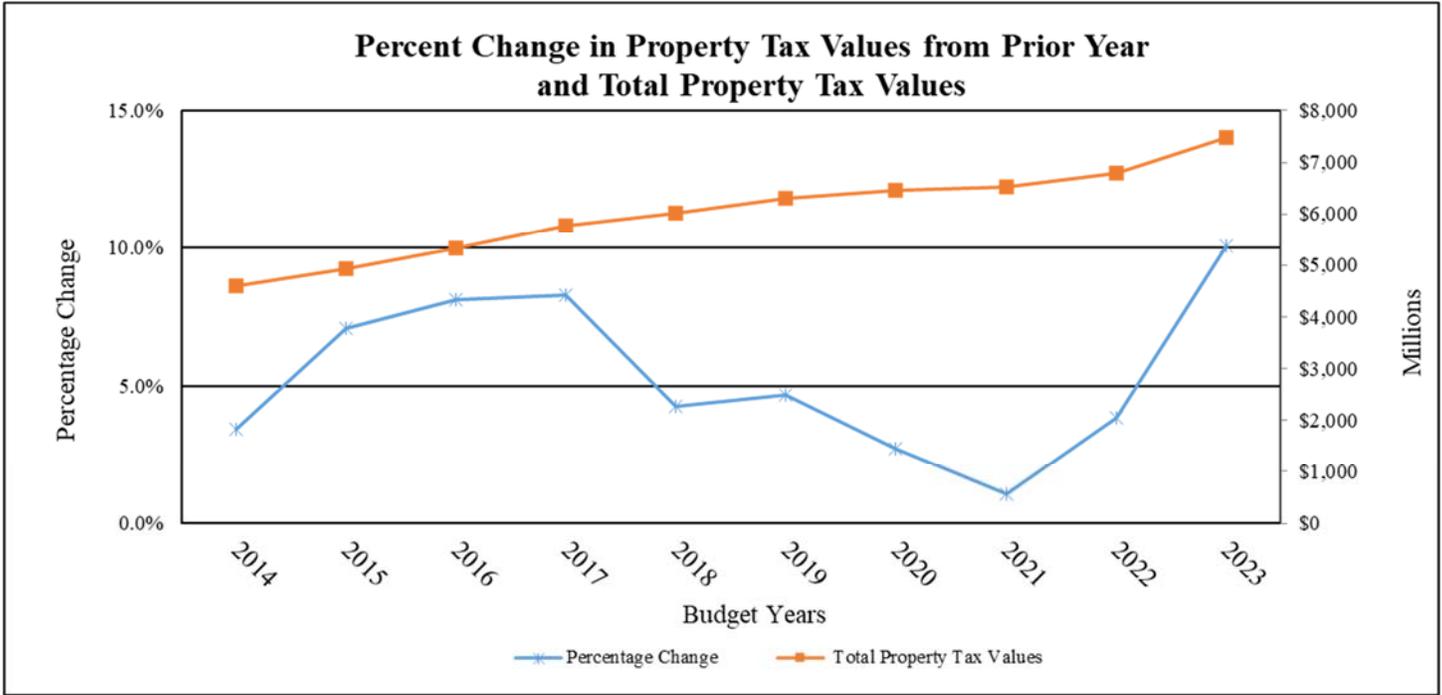
Assessed Valuation (100%)	\$ 9,486,860,830
Taxable Valuation*	\$ 7,466,203,174
Rate per \$100	\$0.2300
Total Tax Levy	\$17,172,267
Percent of Collection	99.0
<b>Estimated Current Tax Collections</b>	<b>\$17,000,545</b>

\*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED  
 FISCAL YEAR 2022-23 TAX COLLECTIONS**

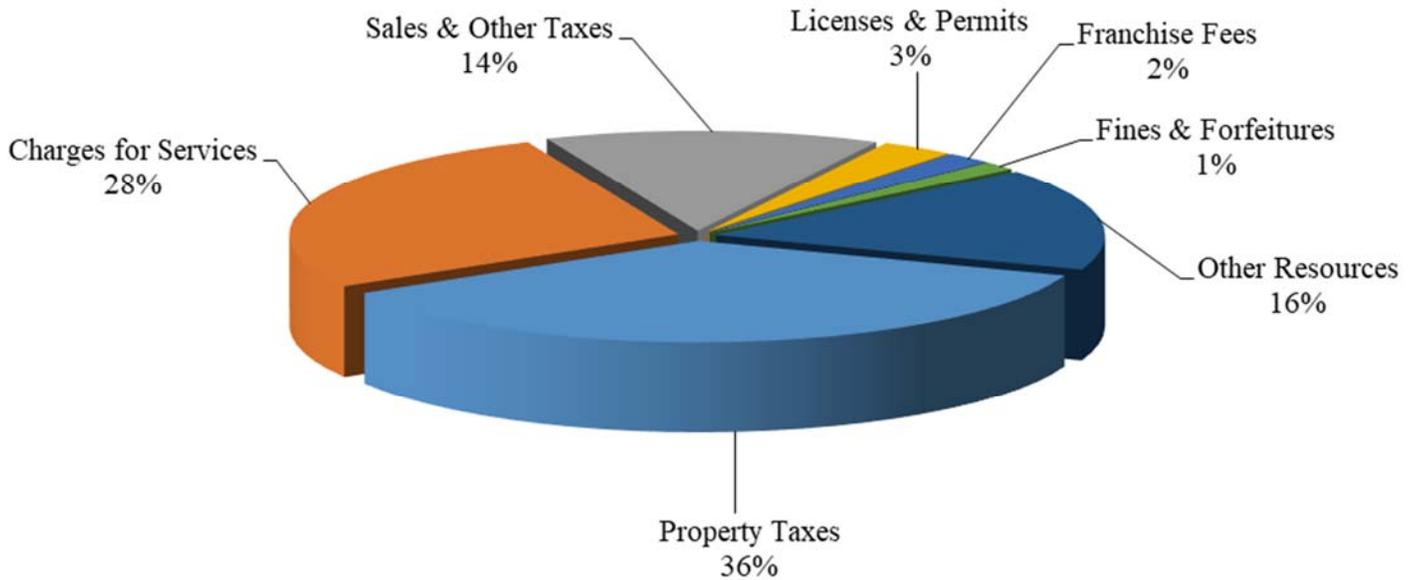
Current Taxes	\$ 17,000,545
Delinquent Taxes	<u>57,786</u>
<b>Total Tax Collections</b>	<b>\$ 17,058,331</b>
Penalty & Interest on Taxes	<u>84,851</u>
<b>Total Tax Related Collections</b>	<b>\$ 17,143,182</b>

## ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



# PROJECTED RESOURCES

## Fiscal Year 2022-2023

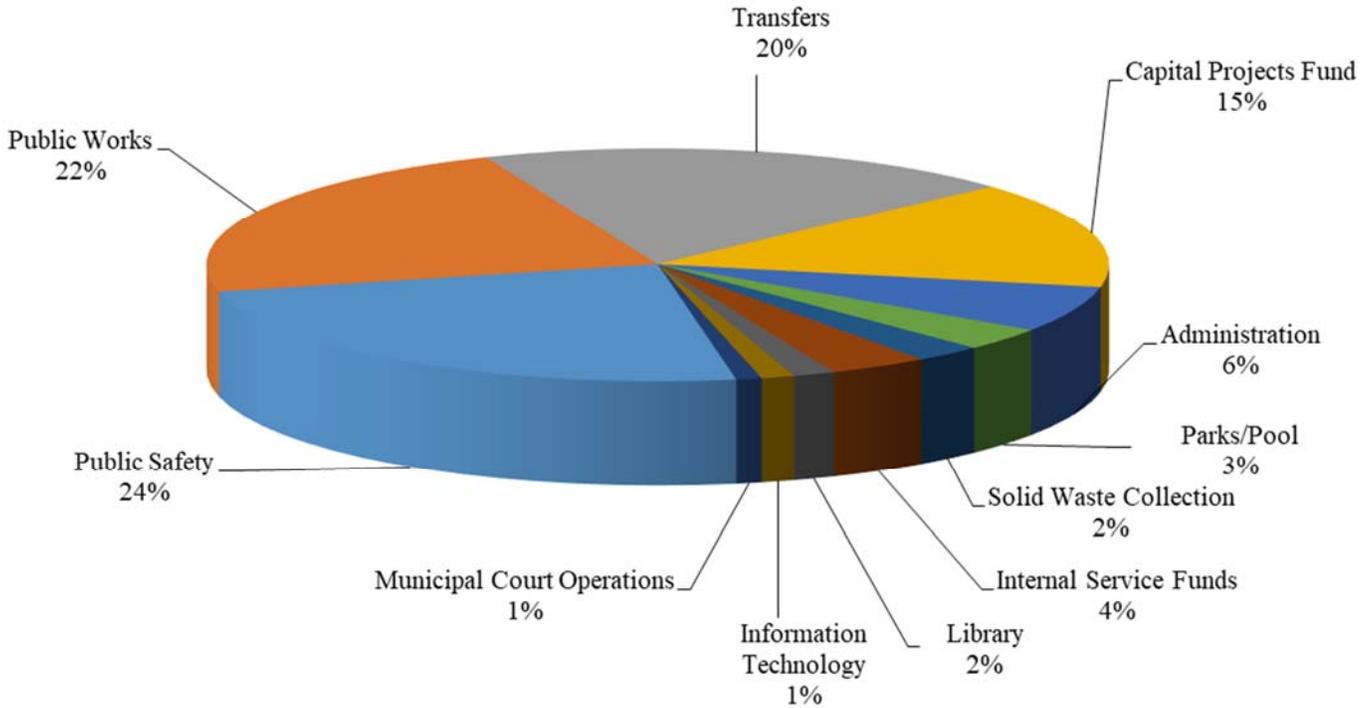


### ALL FUNDS

Property Taxes	\$	17,058,331
Charges for Services		12,963,282
Sales & Other Taxes		6,640,091
Licenses & Permits		1,457,044
Franchise Fees		932,414
Fines & Forfeitures		682,313
Other Resources		7,845,699
	<b>\$</b>	<b>47,579,174</b>

# BUDGETED DISBURSEMENTS

## Fiscal Year 2022-2023

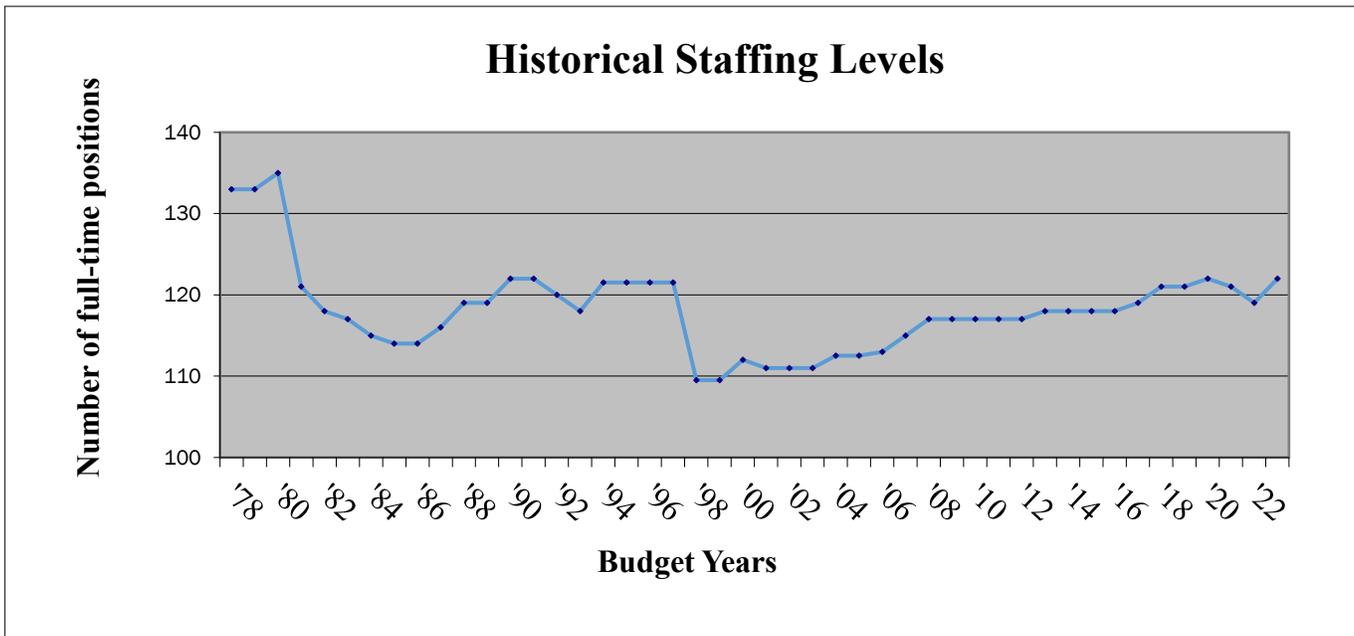


### BY FUNCTION

Public Safety	\$ 15,425,913
Public Works	\$ 14,494,341
Transfers	\$ 12,549,099
Capital Projects Fund	\$ 9,556,951
Administration	\$ 4,103,789
Parks/Pool	\$ 2,019,591
Solid Waste Collection	\$ 1,554,252
Internal Service Funds	\$ 2,280,768
Library	\$ 962,205
Information Technology	\$ 758,936
Municipal Court Operations	\$ 587,277
	\$ 64,293,122

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

	Budget FY 2021		Budget FY 2022		Adopted FY 2023	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>General Fund</b>						
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	2.0	0.0	2.0	0.0
Street	3.0	0.0	3.0	0.0	3.0	0.0
Street Lighting	1.0	0.0	0.0	0.0	0.0	0.0
Library	5.0	1.5	5.0	1.5	6.0	0.5
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	2.1	2.0	2.1	2.0	2.1
Finance	5.0	0.0	5.0	0.0	6.0	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
<b>Sub-Total General Fund</b>	<b>107.0</b>	<b>7.0</b>	<b>105.0</b>	<b>7.0</b>	<b>107.0</b>	<b>6.0</b>
<b>Utility Fund</b>						
Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.0	0.0	5.0	0.0	5.0	0.0
Sewer	2.0	0.0	2.0	0.0	2.0	0.0
Engineering	4.0	0.0	4.0	0.0	4.0	0.0
<b>Sub-Total Utility Fund</b>	<b>14.0</b>	<b>0.0</b>	<b>14.0</b>	<b>0.0</b>	<b>14.0</b>	<b>0.0</b>
<b>Building Maintenance Fund</b>						
Customer Service	0.0	0.0	0.0	0.0	1.0	0.0
<b>Sub-Total Maintenance Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>
<b>Total</b>	<b>121.0</b>	<b>7.0</b>	<b>119.0</b>	<b>7.0</b>	<b>122.0</b>	<b>6.0</b>



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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 (Development 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.

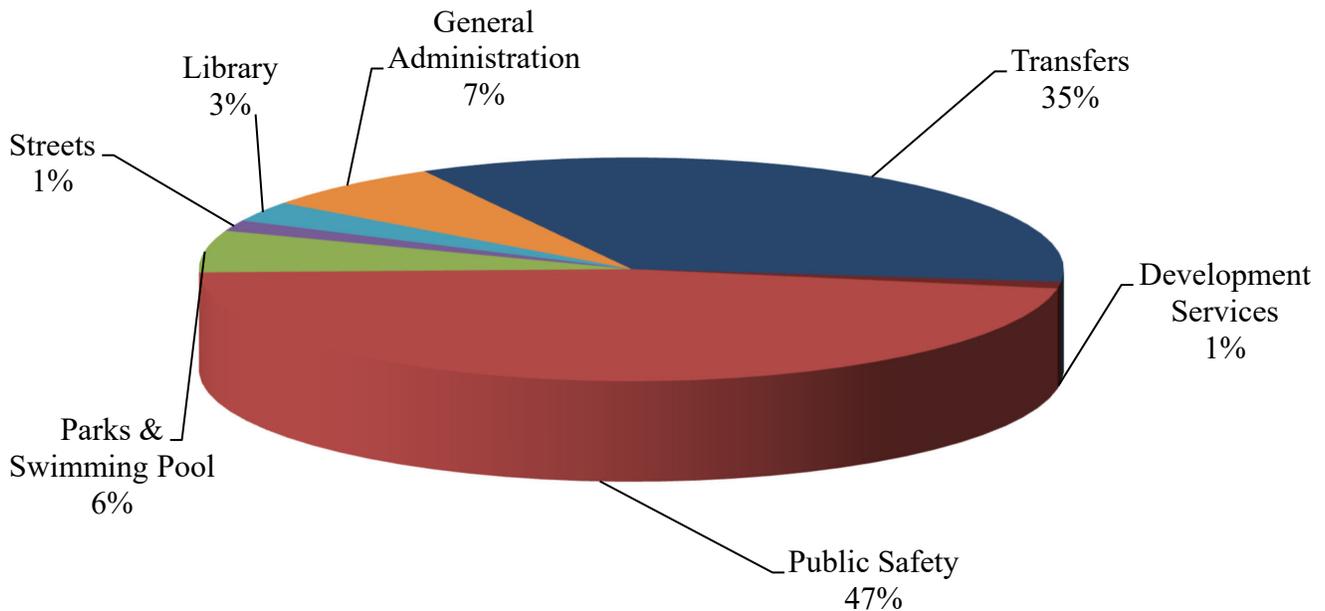
## GENERAL FUND OVERVIEW

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 58-59.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$17,000,545 or 54.9% of General Fund revenues come from property taxes. This compares to 62.2% and 63.4% for each of the previous two fiscal years, respectively. Since tax year 2014, the total market value of property in the Town has increased 51.6% (\$2,541,308) driven in part by \$846,052,366 from new construction. It is important to note that since the Town is fully built-out, new construction replaces older 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 21.5%, 17.2% and 15.3%, respectively, of total revenues for the General Fund.

**GENERAL FUND**  
**STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT**

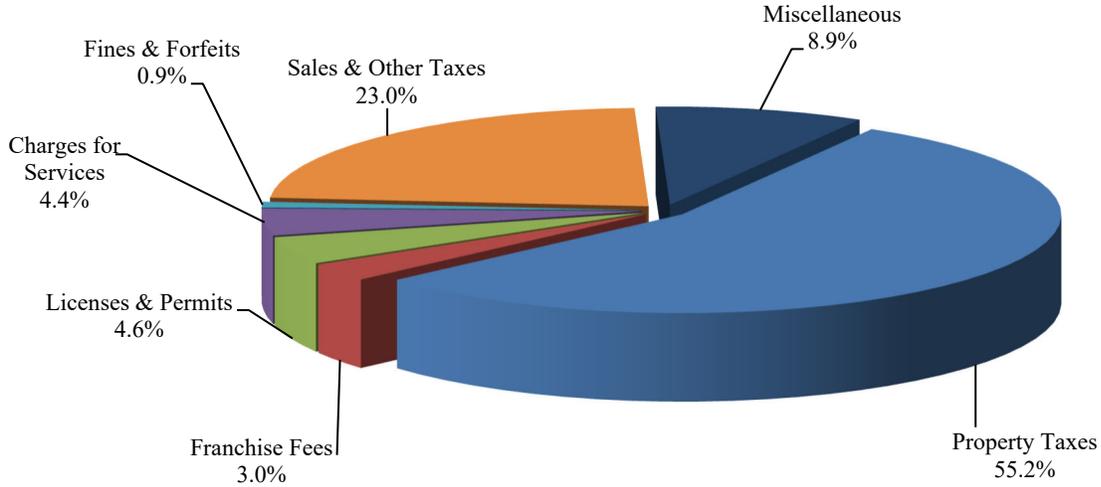
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 5,245,774	\$ 5,828,922	\$ 7,717,749	\$ 8,647,039
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 21,298,034	\$ 20,149,762	\$ 22,741,745	\$ 24,176,201
Franchise Fees	884,641	918,868	972,579	932,414
Licenses & Permits	1,592,042	1,260,715	1,586,284	1,406,708
Charges for Services	1,333,958	1,648,693	1,369,852	1,368,405
Fines & Forfeits	245,039	466,200	287,866	292,299
Miscellaneous	778,694	508,092	746,581	2,764,604
<b>Total Revenues</b>	<b>\$ 26,132,408</b>	<b>\$ 24,952,330</b>	<b>\$ 27,704,907</b>	<b>\$ 30,940,631</b>
<b>Other Sources:</b>				
Transfers In	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
<b>Total Other Sources</b>	<b>\$ 1,326,300</b>	<b>\$ 1,280,000</b>	<b>\$ 1,280,000</b>	<b>\$ 1,359,300</b>
<b>Total Revenues/Sources</b>	<b>\$ 27,458,708</b>	<b>\$ 26,232,330</b>	<b>\$ 28,984,907</b>	<b>\$ 32,299,931</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Administration Department	\$ 758,532	\$ 778,325	\$ 758,857	\$ 841,924
Development Services	492,333	325,527	288,007	300,702
Department of Public Safety	13,158,033	13,878,407	14,179,656	15,425,913
Street Department	319,759	503,315	502,564	490,260
Street Lighting Department	136,635	-	-	-
Library Department	785,672	877,714	831,793	917,005
Parks Department	1,826,610	1,702,691	1,695,259	1,768,615
Pool Department	180,176	211,532	223,021	250,976
Municipal Court Department	470,093	519,049	490,622	547,571
Finance Department	916,765	960,717	922,528	1,118,895
Building Inspection Department	862,586	792,414	719,729	874,477
Information Technology Department	573,511	735,632	724,973	758,936
Non-Departmental	593,249	537,093	518,655	771,392
<b>Total Expenditures</b>	<b>\$ 21,073,954</b>	<b>\$ 21,822,416</b>	<b>\$ 21,855,664</b>	<b>\$ 24,066,666</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
<b>Total Other Uses</b>	<b>\$ 3,912,779</b>	<b>\$ 6,199,953</b>	<b>\$ 6,199,953</b>	<b>\$ 8,157,536</b>
<b>Total Expenditures/Uses</b>	<b>\$ 24,986,733</b>	<b>\$ 28,022,369</b>	<b>\$ 28,055,617</b>	<b>\$ 32,224,202</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenditures/Uses</b>	<b>\$ 2,471,975</b>	<b>\$ (1,790,039)</b>	<b>\$ 929,290</b>	<b>\$ 75,729</b>
<b>Fund Balance</b>	<b>\$ 7,717,749</b>	<b>\$ 4,038,883</b>	<b>\$ 8,647,039</b>	<b>\$ 8,722,768</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,844,133</b>	<b>\$ 3,978,330</b>	<b>\$ 3,983,982</b>	<b>\$ 4,745,147</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 3,873,616</b>	<b>\$ 60,553</b>	<b>\$ 4,663,057</b>	<b>\$ 3,977,621</b>

**GENERAL FUND**  
**STATEMENT OF REVENUES & EXPENDITURES BY TYPE**

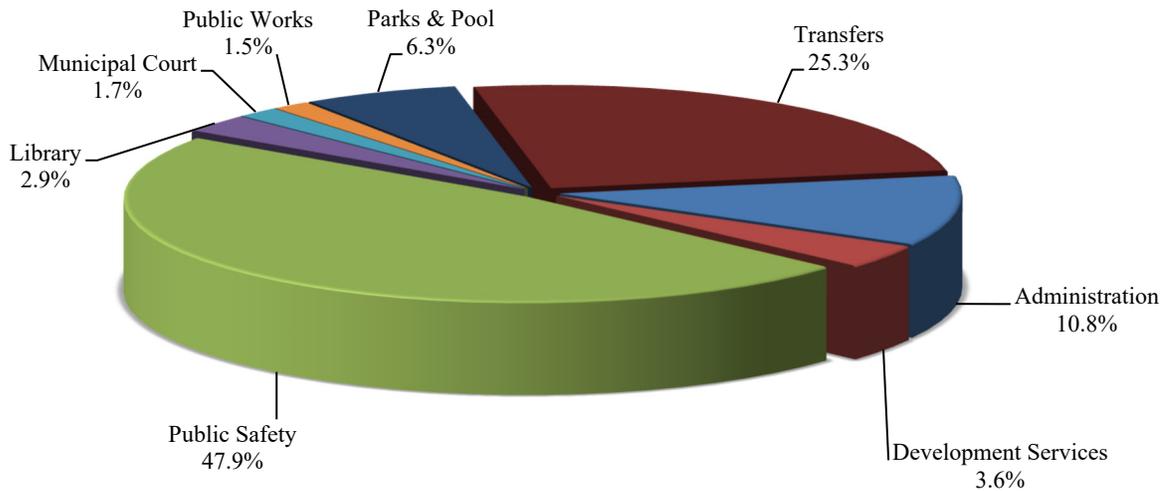
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 5,245,774	\$ 5,828,922	\$ 7,717,749	\$ 8,647,039
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 21,298,034	\$ 20,149,762	\$ 22,741,745	\$ 24,176,201
Franchise Fees	884,641	918,868	972,579	932,414
Licenses & Permits	1,592,042	1,260,715	1,586,284	1,406,708
Charges for Services	1,333,958	1,648,693	1,369,852	1,368,405
Fines & Forfeits	245,039	466,200	287,866	292,299
Miscellaneous	778,694	508,092	746,581	2,764,604
<b>Total Revenues</b>	<b>\$ 26,132,408</b>	<b>\$ 24,952,330</b>	<b>\$ 27,704,907</b>	<b>\$ 30,940,631</b>
<b>Other Sources:</b>				
Transfers In	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
<b>Total Other Sources</b>	<b>\$ 1,326,300</b>	<b>\$ 1,280,000</b>	<b>\$ 1,280,000</b>	<b>\$ 1,359,300</b>
<b>Total Revenues/Sources</b>	<b>\$ 27,458,708</b>	<b>\$ 26,232,330</b>	<b>\$ 28,984,907</b>	<b>\$ 32,299,931</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 12,624,960	\$ 13,054,179	\$ 13,117,212	\$ 14,098,160
Payroll Taxes	865,253	942,052	937,528	1,004,553
Retirement	1,164,500	1,171,352	1,175,933	1,661,082
Insurance	1,775,028	1,761,374	1,713,430	1,884,784
Total Personnel	\$ 16,429,741	\$ 16,928,957	\$ 16,944,103	\$ 18,648,579
Supplies & Equipment	1,052,001	1,147,374	1,201,401	1,176,588
Services & Charges	3,563,078	3,746,085	3,710,160	4,241,499
Capital Outlay	29,133	-	-	-
<b>Total Expenditures</b>	<b>\$ 21,073,953</b>	<b>\$ 21,822,416</b>	<b>\$ 21,855,664</b>	<b>\$ 24,066,666</b>
<b>Other Uses:</b>				
Transfers Out	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
<b>Total Other Uses</b>	<b>\$ 3,912,779</b>	<b>\$ 6,199,953</b>	<b>\$ 6,199,953</b>	<b>\$ 8,157,536</b>
<b>Total Expenditures/Uses</b>	<b>\$ 24,986,732</b>	<b>\$ 28,022,369</b>	<b>\$ 28,055,617</b>	<b>\$ 32,224,202</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenditures/Uses</b>	<b>\$ 2,471,976</b>	<b>\$ (1,790,039)</b>	<b>\$ 929,290</b>	<b>\$ 75,729</b>
<b>Fund Balance</b>	<b>\$ 7,717,749</b>	<b>\$ 4,038,883</b>	<b>\$ 8,647,039</b>	<b>\$ 8,722,768</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,844,133</b>	<b>\$ 3,978,330</b>	<b>\$ 3,983,982</b>	<b>\$ 4,745,147</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 3,873,616</b>	<b>\$ 60,553</b>	<b>\$ 4,663,057</b>	<b>\$ 3,977,621</b>

# GENERAL FUND

## CURRENT REVENUES & SOURCES OF FUNDS



## BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>
<b>Taxes</b>				
Ad Valorem Taxes	\$ 15,123,752	\$ 15,445,183	\$ 15,448,307	\$ 17,000,545
Delinquent Ad Valorem Taxes	78,148	50,548	38,781	57,786
City Sales Tax	5,663,645	4,278,043	6,800,087	6,640,091
Mixed Beverage Tax	432,488	375,988	454,570	477,779
<i>Subtotal</i>	<b>\$ 21,298,033</b>	<b>\$ 20,149,762</b>	<b>\$ 22,741,745</b>	<b>\$ 24,176,201</b>
<b>Franchise Fees</b>				
Electric Utility Franchise Fees	\$ 462,990	\$ 505,331	\$ 459,837	\$ 471,538
CATV / PEG Franchise Fees	19,490	20,782	17,700	19,618
Natural Gas Utility Franchise Fees	188,217	194,202	262,209	212,464
Telecom Franchise Fees	43,604	60,663	49,182	49,182
CATV Franchise Fees	44,058	48,000	49,292	49,292
Solid Waste	85,861	55,641	87,255	86,557
Carriages	40,421	34,249	47,104	43,763
<i>Subtotal</i>	<b>\$ 884,641</b>	<b>\$ 918,868</b>	<b>\$ 972,579</b>	<b>\$ 932,414</b>
<b>Licenses &amp; Permits</b>				
Beverage Licenses	\$ 11,570	\$ 6,144	\$ 500	\$ 7,732
Health Permits	7,050	6,792	3,000	7,002
Alarm Permits	96,524	73,395	85,155	93,214
Electrical Licenses	-	-	-	-
Building Permits	1,412,955	1,109,984	1,432,690	1,234,967
Electrical Permits	54,081	52,500	53,909	52,703
Excavation Permits	255	300	240	300
Carriage Licenses	5,175	6,100	5,015	5,015
Animal Licenses	4,432	5,500	5,775	5,775
<i>Subtotal</i>	<b>\$ 1,592,042</b>	<b>\$ 1,260,715</b>	<b>\$ 1,586,284</b>	<b>\$ 1,406,708</b>
<b>Charges For Services</b>				
E911 Users' Fee	\$ 108,631	\$ 121,078	\$ 105,676	\$ 109,621
Alarm Monitoring Fees	507,509	456,983	519,541	529,932
Emergency Medical Fees	143,772	170,453	184,436	160,375
Board Hearing Fee	4,050	3,000	2,250	3,266
Swimming Pool Concessions	13,442	5,000	16,409	16,409
Swimming Pool Daily Fees	21,466	20,000	29,742	26,693
Swimming Pool Annual Fees	75,600	52,545	84,360	76,673
Tennis Court Use Fees	21,000	14,225	21,240	20,973
Animal Pound Fees	720	720	720	720
Child Safety Fees	10,730	9,461	10,328	10,358
Library Non-resident Fees	4,139	3,000	3,500	4,421
Court Administration Fees	11,611	36,169	12,098	14,648
Warrant Fees	23,793	47,711	31,896	33,995
Court Fees	90,224	171,501	90,242	97,527

**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>
Building Registration Fees	88,875	79,833	77,177	78,951
Plan Review Fees	39,750	30,808	24,428	24,917
Deferred Adjudication Fees	168,644	426,206	155,809	158,926
<i>Subtotal</i>	<b>\$ 1,333,956</b>	<b>\$ 1,648,693</b>	<b>\$ 1,369,852</b>	<b>\$ 1,368,405</b>
<b>Fines &amp; Forfeits</b>				
Municipal Court Fines	\$ 240,383	\$ 458,900	\$ 280,986	\$ 286,749
Library Fines	995	2,600	1,492	1,600
Lost Book Charges	1,111	700	963	950
Invalid Alarm Fines	2,550	4,000	2,925	3,000
<i>Subtotal</i>	<b>\$ 245,039</b>	<b>\$ 466,200</b>	<b>\$ 286,366</b>	<b>\$ 292,299</b>
<b>Miscellaneous</b>				
Interest	\$ 57,887	\$ 61,433	\$ 73,665	\$ 150,166
Interest-Dallas County	364	334	290	290
Penalty & Interest - Tax Collection	87,774	78,115	81,927	84,851
Sale of Assets	-	1,000	8,191	1,000
Rental-Town Property	296,316	231,835	286,314	219,208
Library Donations	2,874	-	3,750	3,000
Contributions	15,200	110,000	154,000	15,200
Intergovernmental Revenue	251,925	-	-	2,250,639
Town Property Damage Refund	33,555	-	56,229	15,000
Miscellaneous	32,800	25,375	30,893	25,250
<i>Subtotal</i>	<b>\$ 778,695</b>	<b>\$ 508,092</b>	<b>\$ 695,259</b>	<b>\$ 2,764,604</b>
<b>Total Revenues</b>	<b>\$ 26,132,406</b>	<b>\$ 24,952,330</b>	<b>\$ 27,652,085</b>	<b>\$ 30,940,631</b>

## SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy .....	\$17,000,545
Delinquent Taxes .....	\$57,786

Taxable property values increased approximately \$695 million, or 10.3%. This growth was in part fueled by new construction which added approximately \$121 million to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing older homes. The schedule in the Appendix/Community Information presents the changes in taxable values in the Town for the most recent ten-year period. The fiscal year 2022-23 Adopted Budget reflects an increase in property tax revenues, based on the current tax rate of \$0.23/\$100 valuation, of \$1,555,362 when compared to the amount anticipated in the fiscal year 2021-22 Adopted Budget.

- **Sales Tax/Other Taxes**

Since FY 2014, sales tax revenues have increased over 193%. This amount has increased significantly compared to the prior fiscal year due to the general economic recovery post pandemic 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 Appendix/Historical Revenue and Expenditure Trend Data.

- **Franchise Fees**

Receipts for franchised services for fiscal year 2022-23 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 86<sup>th</sup> legislative session, revenues have declined by \$163,000 from fiscal year 2018-19 to fiscal year 2021 -22.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For fiscal year 2022-23, this revenue source is projected to increase by approximately \$18,000 as compared to the amount budgeted during the fiscal year 2021-22.

- **Licenses & Permits**

Although new home construction is expected to be maintained at a steady rate, there are no large commercial projects anticipated in fiscal year 2022-23. Therefore, building permit revenues are projected to be comparable to the prior year. A schedule of revenues generated over the last ten fiscal years is in the Appendix/Historical Revenue and Expenditure Trend Data. 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 2021-22 is the Appendix/Community Information.

- **Charges for Services**

The total revenues received for services are projected to be comparable to fiscal year 2021-22.

- **Fines & Forfeits**

Municipal Court fines have been projected conservatively and reflect amounts similar to actual amounts received in fiscal year 2021-22.

- **Miscellaneous**

Projected interest earnings of \$150,166 are up significantly compared to prior year due the increasing federal funds rate set by the Federal Reserve in dealing with post pandemic inflation. The rental of Town property (cell phone antennae sites) is projected at \$219,208 and is based on existing contracts. The merger of Sprint and T-Mobile are anticipated to reduce this revenue stream.




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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ 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 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

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ 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
- ❖ Enhance and improve customer service levels
- ❖ Develop and implement a Professional Development Program for Town staff

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## PERFORMANCE INDICATORS

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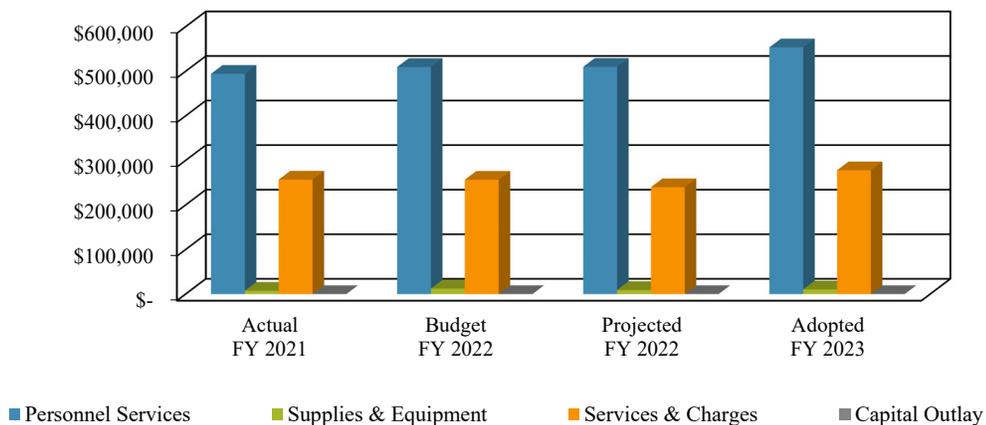
	<b>FY2020</b> <b>Actual</b>	<b>FY2021</b> <b>Actual</b>	<b>FY2022</b> <b>Actual</b>	<b>FY2023</b> <b>Projected</b>
Town Council Agenda Packets Distributed At Least 72 Hours Prior to Meeting	100%	100%	100%	100%
Average Working Days to Respond to Public Information Requests	5.0	4.3	7.1	5.5
Town Council Meeting Minutes Approved at the Following Meeting	74%	100%	100%	100%

# Administration Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 494,274	\$ 509,526	\$ 509,962	\$ 553,590	8.65%
Supplies & Equipment	7,455	12,219	9,121	10,544	-13.71%
Services & Charges	256,803	256,580	239,774	277,790	8.27%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 758,532</b>	<b>\$ 778,325</b>	<b>\$ 758,857</b>	<b>\$ 841,924</b>	<b>8.17%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Town Administrator	Not Classified	1.0	1.0	1.0
Town Secretary	8	1.0	1.0	1.0
<b>Total Employees</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

# Development Services



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## DEPARTMENT DESCRIPTION

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The Development Services Department is responsible for the day-to-day general administration of Development Services, Parks, 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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ 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
- ❖ Completed Town Hall 101 Program
- ❖ Held Household Hazardous Waste event and Recycling Events with University Park
- ❖ Completed messaging and forwarding of updated information to Town residents
- ❖ Continued publication of the Monarch Herald Newsletter

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ 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
- ❖ Assess Town Hall 101 Program and make recommendations on how to increase participant engagement
- ❖ Develop and obtain approval for Social Media Policy and increase the Town's footprint on social media
- ❖ Continue to assess how to improve resident engagement and provide recommendations
- ❖ Develop increased community programming and recreational opportunities

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## PERFORMANCE INDICATORS

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	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Tai Chi Classes Held	24	12	54	50
Meditation Classes Held	29	12	60	50
Percent Response to Resident Inquiries within 24-hours	95	98	100	95
Monarch Herald Resident Newsletter (issues per year)	0	9*	12	12
HP Office Voice Employee Newsletter (issues per year)	0	7**	12	12

\* Partial Year Beginning March 2021

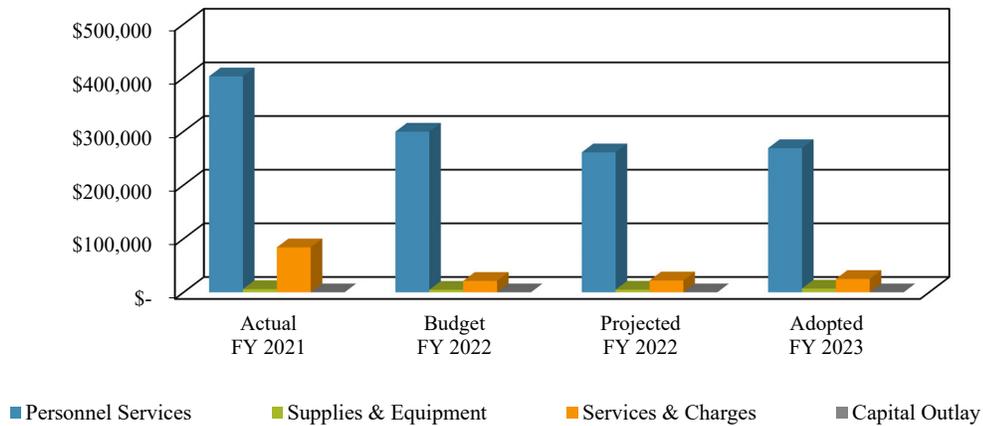
\*\* Partial Year Beginning January 2021

# Development Services



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 402,572	\$ 299,526	\$ 260,913	\$ 268,780	-10.26%
Supplies & Equipment	5,978	4,720	5,020	6,970	47.67%
Services & Charges	83,783	21,281	22,074	24,952	17.25%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 492,333</b>	<b>\$ 325,527</b>	<b>\$ 288,007</b>	<b>\$ 300,702</b>	<b>-7.63%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget *
Director of Town Services	E-3	1.0	0.0	0.0
Town Services Manager	E	1.0	0.0	0.0
Assistant Development Services Director	E	0.0	1.0	1.0
Town Services Coordinator	6	1.0	0.0	0.0
Management Assistant	5	0.0	1.0	1.0
<b>Total Employees</b>		<b>3.0</b>	<b>2.0</b>	<b>2.0</b>



## 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 2022

- ❖ Purchased and placed in service three police vehicles and three criminal investigation vehicles
- ❖ Specified and ordered a new Mobile Intensive Care Unit
- ❖ Put new fire engine in service
- ❖ Purchased and placed in service two new ZOLL monitor/defibrillators in MICUs
- ❖ Began the manpower and staffing study
- ❖ Researched, purchased, trained, and implemented new duty weapon platform for all sworn personnel
- ❖ Continued to grow Public/Private Outreach Programs: Active Shooter Training, R.A.D training (Rape, Aggression, Defense System), LTC (License to Carry), Stop the Bleed and CPR classes, and DPS 101

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Receive and place in service a new Mobile Intensive Care Unit
- ❖ Upgrade the physical security and functionality of the jail door lock/intercom system
- ❖ Upgrade the Law Enforcement Records Management System to Enterprise Records Management
- ❖ Complete staffing and management study and begin to implement results
- ❖ Use Tyler Technology to build custom interface to be able to GPS track the mobile and portable radios
- ❖ Add mobile computers to all front-line apparatus
- ❖ Purchase and Install Tickets-on-the-go through New In Blue
- ❖ Continue to grow Public/Private Outreach Programs: Active Shooter Training, R.A.D. (Rape, Aggression, Defense System), LTC (License to Carry), Stop the Bleed and CPR classes, DPS 101, and Santa Ride-Along program

## PERFORMANCE INDICATORS

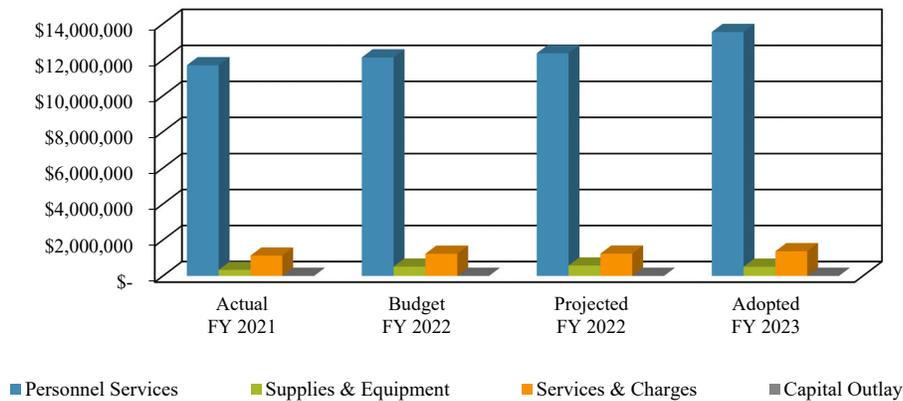
	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
<b>Call Responses</b>				
Police	9,229	9,086	10,001	9,442
Fire	824	958	894	926
Emergency Medical	352	431	438	407
<b>Other Activity</b>				
Fire Inspections	363	863	698	775
Major Crimes Reported	184	215	184	194
<b>Response Time (minutes)</b>				
Police	2.8	2.7	3.2	2.9
Fire	1.8	2.2	2.1	2.0
Emergency Medical	2.7	2.5	3.1	2.8

# Department of Public Safety



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 11,695,091	\$ 12,130,835	\$ 12,364,223	\$ 13,545,431	11.66%
Supplies & Equipment	334,595	515,027	577,566	509,409	-1.09%
Services & Charges	1,128,347	1,232,545	1,237,867	1,371,073	11.24%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 13,158,033</b>	<b>\$ 13,878,407</b>	<b>\$ 14,179,656</b>	<b>\$ 15,425,913</b>	<b>11.15%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Director	E-4	1.0	1.0	1.0
Assistant Director	E-2	1.0	1.0	2.0
Captain	G	5.0	5.0	4.0
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	37.0	37.0	37.0
Police Officer	B	2.0	2.0	2.0
Communications Manager	8	1.0	1.0	1.0
Communications Supervisor	6	1.0	1.0	1.0
Accreditation Manager	6	1.0	1.0	1.0
Support Services Officer	4	0.0	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
<b>Total Employees</b>		<b>73.0</b>	<b>73.0</b>	<b>73.0</b>



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## DEPARTMENT DESCRIPTION

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The Street Department is responsible for the maintenance of the Town's streets, alleys, sidewalks, bridges, stormwater system, streetlights, signs and striping. Beginning in fiscal year 2021-22, the work performed by the Street Lighting Department was combined into the Street Department. This includes the repair and maintenance of Town owned and operated streetlighting 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).

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Maintained the Town's street surfaces with recycling and replacement of asphalt as needed for repairs
- ❖ Reduced the cost of asphalt repairs and the purchase of material by 245 tons (or 87%) through utilization of the new infrared asphalt recycling plate and associated equipment
- ❖ Inventoried the Town's streetlights and electrical appurtenances and evaluated condition for repair and replace program throughout the Town
- ❖ Inventoried and cleaned storm inlets monthly
- ❖ Responded to emergency calls for all Town infrastructure

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Support water, sanitary sewer, and storm sewer functions
- ❖ Respond to emergencies related to streets, water, sanitary sewer, and storm water
- ❖ Maintain the Town's streets, alleys, easements, sidewalks, bridges, stormwater inlets and signs
- ❖ Maintain street lighting including repairs and LED conversions
- ❖ Continue streetlight pole painting contract
- ❖ Inventory established street signage for future repair and replacement programs

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## MAJOR BUDGET ITEMS

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- ❖ \$36,750 Repair materials
- ❖ \$10,500 Street signage
- ❖ \$27,500 Traffic signal consultants
- ❖ \$29,700 Electrical service for street lights and traffic signals

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## PERFORMANCE INDICATORS

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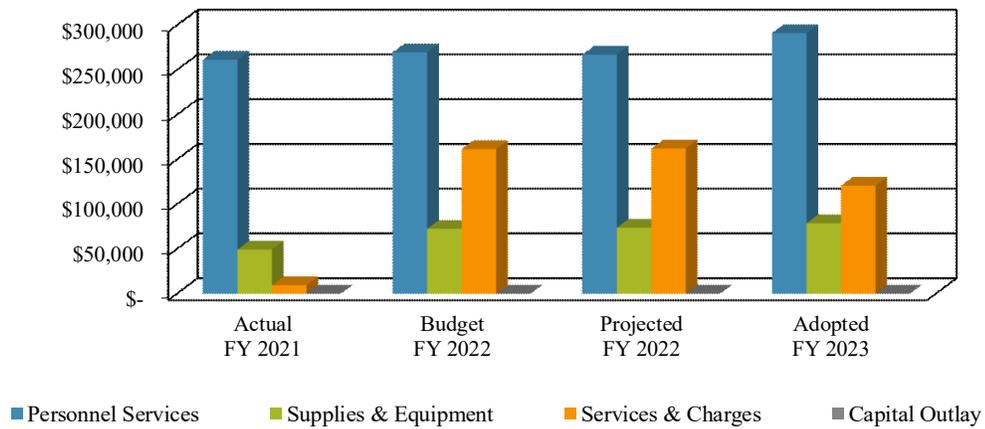
	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Asphalt Repairs (Tons)	250	283	38	30
Storm Inlets Cleaned	1,431	1,490	1,468	1,400

# Street Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 261,283	\$ 269,560	\$ 266,854	\$ 291,077	7.98%
Supplies & Equipment	49,142	72,355	73,510	78,543	8.55%
Services & Charges	9,334	161,400	162,200	120,640	-25.25%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 319,759</b>	<b>\$ 503,315</b>	<b>\$ 502,564</b>	<b>\$ 490,260</b>	<b>-2.59%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Public Works Maint. Worker II	3	2.0	2.0	2.0
Public Works Maint. Worker I	2	1.0	1.0	1.0
<b>Total Employees</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

# Street Lighting Department



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## DEPARTMENT DESCRIPTION

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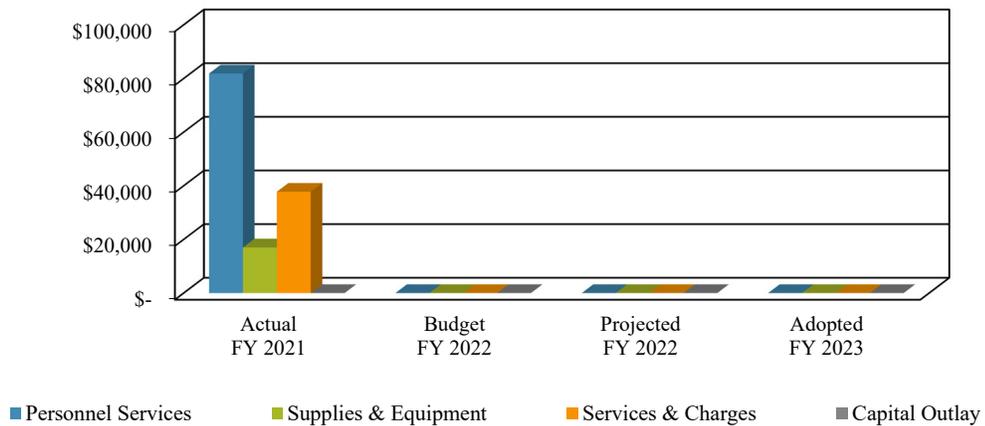
The Street Lighting Department is responsible for the repair and maintenance of Town owned and operated street lighting and traffic signal systems. Electric power to operate these systems is purchased from Gexa Energy under contract through the Texas Coalition for Affordable Power (TCAP). Beginning in fiscal year 2021-22, this department was reported with the Street Department.

# Street Lighting Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 81,862	\$ -	\$ -	\$ -	
Supplies & Equipment	17,000	-	-	-	
Services & Charges	37,773	-	-	-	
Capital Outlay	-	-	-	-	
<b>Total Department</b>	<b>\$ 136,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Electrical/Mechanical Tech	5	1.0	0.0	0.0
<b>Total Employees</b>		<b>1.0</b>	<b>0.0</b>	<b>0.0</b>



## 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 2022

- ❖ Finished the reclassification of the non-fiction materials for adults to a Dewey-free, bookstore model of organization, similar to the method utilized in the juvenile non-fiction collection.
- ❖ Successfully revised and expanded the initial Library Master Plan project list to continue the strategies developed through the planning process for additional fiscal years.
- ❖ Completed the Library Book Bike project, which aids outreach efforts and visibility.
- ❖ Reorganized two part-time opportunities to create one full-time Library Associate – Circulation position.
- ❖ Hosted a pop-up art installation, “Sea Voyage,” to transform the Children’s Room from June to August to promote the Summer Reading Program and inspire more visits to the Library as a whole.
- ❖ Added digital access to *The New York Times* and *The Wall Street Journal*.
- ❖ Grew the collection of streaming services available to patrons, many of which are available in one application in order to aid in discovery of the resources and in the ease of accessing the materials. New streaming resources included: (1) Classica for viewing classical music performances, operas, and ballets, (2) Craftsy for instruction in over 20 different handicrafts, and (3) Kovels for expert information, pricing, and trends on antiques and collectibles.

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Begin implementing projects from the updated *Next Steps* document for the Library Master Plan strategy.
- ❖ Design and implement reading programs for adults to coincide with those for children and teens.
- ❖ Promote and increase patrons access to genealogy digital materials and reference databases.
- ❖ Prioritize the customer experience to identify new ways to support creativity through innovative programs and cooperative opportunities.

## MAJOR BUDGET ITEMS

- ❖ Acquisition of new materials - books (\$48,169), audio/visual materials (\$16,181), e-books (\$19,051), e-audio books (\$18,860), and children’s books (\$17,636).
- ❖ Continued funding for e-Services including downloadable e-materials and web-based resources.

## PERFORMANCE INDICATORS

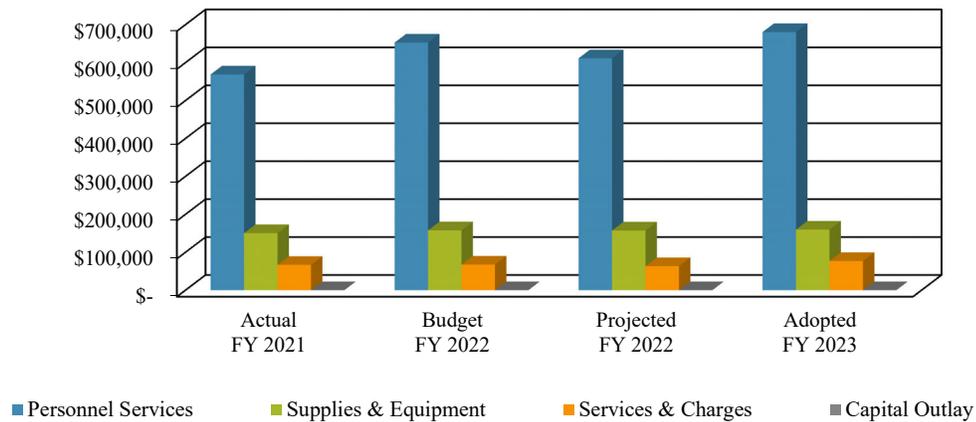
	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
<b>Collection/Circulation</b>				
Total Circulation (Physical & Digital)	48,403	57,654	67,005	69,015
eBooks and eAudiobooks Circulation	12,280	11,688	11,828	12,183
<b>User Cards Issued/Outstanding</b>				
Resident (excludes renewals)	444	572	473	487
Non-Resident	25	30	25	26
Total Valid Cards	469	602	498	513
<b>Program Participation</b>				
Total Program Participants	7,698	4,674	4,437	4,535

# Library Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 568,613	\$ 652,640	\$ 611,323	\$ 680,368	4.25%
Supplies & Equipment	150,295	157,701	157,151	159,743	1.29%
Services & Charges	66,764	67,373	63,319	76,894	14.13%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 785,672</b>	<b>\$ 877,714</b>	<b>\$ 831,793</b>	<b>\$ 917,005</b>	<b>4.48%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

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 Associate (Full-Time)	2	1.0	1.0	2.0
Library Associate (Part-Time)	2	1.5	1.5	0.5
<b>Total Employees</b>		<b>6.5</b>	<b>6.5</b>	<b>6.5</b>



## DEPARTMENT DESCRIPTION

Parks and Recreation is responsible for the management and maintenance of the Town’s 22 park locations, 12 traffic islands, 7 tennis courts, 2 pickleball 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 2022

- ❖ Effectively managed the Town’s contracts for turf maintenance, park maintenance, chemical application, tree trimming, and landscape lighting
- ❖ Maintained parks, parkway trees, swimming pool and tennis courts
- ❖ Developed landscape design and planted entry bed for Armstrong Parkway
- ❖ Held Arbor Day Celebration and planted the descendent of the Monarch Pecan Tree in Douglas Park.
- ❖ Developed a landscape design and irrigation plan for Armstrong Parkway
- ❖ Rebid and negotiated landscape maintenance contract

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Update and continue to implement a Parks Maintenance & Operations Plan
- ❖ Rebid and negotiate contracts for chemical and mowing services
- ❖ Develop Parkway Tree Maintenance Program
- ❖ Assess opportunities provided through the Town’s recreation program and evaluate potential partners for recreational opportunities
- ❖ Develop a design for a Pickleball Court within the current park system
- ❖ Design and complete Lakeside Park hardscape, landscape, and irrigation improvements

## MAJOR BUDGET ITEMS

- ❖ Plant and Vegetation Material (\$121,750); Planting Material (\$35,900)
- ❖ Town-wide maintenance contracts for Turf Maintenance (\$131,936); Tree Trimming and Maintenance (\$63,000); Landscape Lighting (\$26,250); Recreation Program (\$20,000)

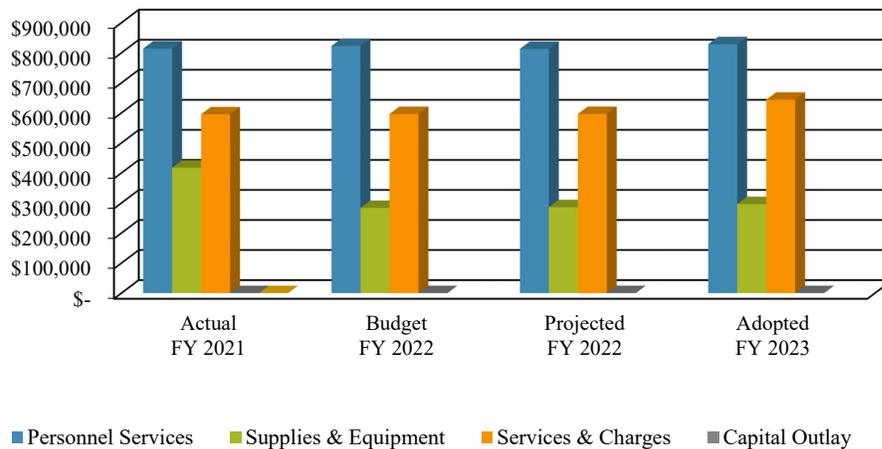
## PERFORMANCE INDICATORS

	<b>FY2020</b> Actual	<b>FY2021</b> Actual	<b>FY2022</b> Actual	<b>FY2023</b> Projected
Number of Bulbs	19,460	20,000	23,350	23,350
Number of Quandrant Based Mosquito Spray	13	11	7	10
Number of Annual Color Change Outs	3	3	3	3
Tennis Court Reservations	9,498	11,100	11,220	11,160



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 813,895	\$ 822,890	\$ 812,918	\$ 828,534	0.69%
Supplies & Equipment	417,438	283,549	286,049	296,348	4.51%
Services & Charges	595,277	596,252	596,292	643,733	7.96%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 1,826,610</b>	<b>\$ 1,702,691</b>	<b>\$ 1,695,259</b>	<b>\$ 1,768,615</b>	<b>3.87%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Superintendent	8	0.0	1.0	1.0
Foreman	8	1.0	0.0	0.0
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	3.0	3.0	3.0
Parks Maintenance Worker I	1	1.0	1.0	1.0
<b>Total Employees</b>		<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

# Pool Department



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## DEPARTMENT DESCRIPTION

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The Town's swimming pool facility is maintained by the Parks Department. The early swimming season begins in April 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 October.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Provided a safe and clean facility for use of Town residents
- ❖ Expanded the pool season to begin in mid-April through the end of October
- ❖ Continued swim programming including water aerobics
- ❖ Remained fully staffed and operational during nation-wide lifeguard shortages

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Provide a safe and clean facility for the enjoyment of the Town's residents
- ❖ Implement new sign in system to better serve residents and collect pool attendance data
- ❖ Maintain the expanded pool season
- ❖ Install a new pool liner for the main pool and wading pool
- ❖ Assess staffing and overall management of the pool
- ❖ Continue to assess water quality protocol by refining data collection activities

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## MAJOR BUDGET ITEMS

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- ❖ Provision of staffing to accommodate the extended pool season from April to the end of October.
- ❖ Swimming pool liner and other improvements funded within the Capital Projects Fund.

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## PERFORMANCE INDICATORS

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	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Annual Pool Passes Sold	1,086	1,481	1,433	1,400
Daily Pool Passes Sold	*	1,897	2,676	2,000
Water Aerobics Classes Held	*	14	22	22
Lap Swim Average Daily Attendance	**	28.6	30.9	32.4
Open Swim Average Daily Attendance	142	142.5	175.8	184.6

\*Not offered due to Covid-19.

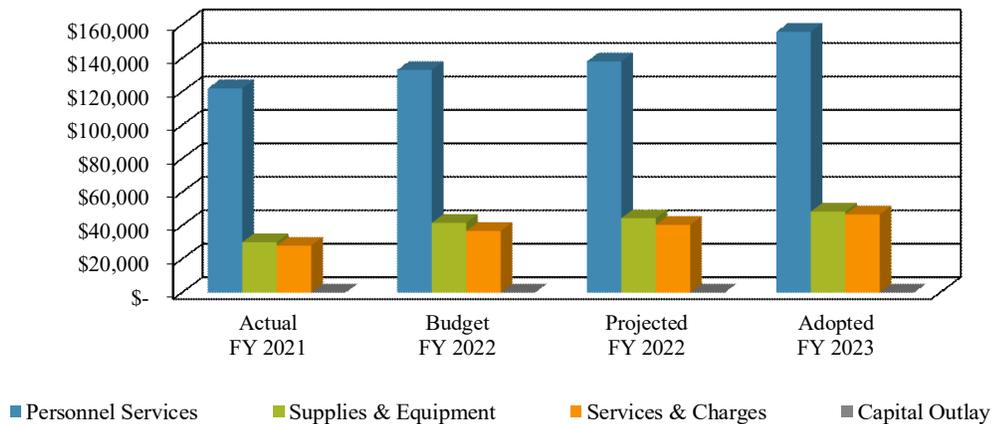
\*\*Data not available

# Pool Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 122,011	\$ 133,071	\$ 138,097	\$ 155,852	17.12%
Supplies & Equipment	30,106	41,650	44,466	48,415	16.24%
Services & Charges	28,059	36,811	40,458	46,709	26.89%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 180,176</b>	<b>\$ 211,532</b>	<b>\$ 223,021</b>	<b>\$ 250,976</b>	<b>18.65%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

(All Part Time Seasonal Employees)

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Manager/Assistant Manager/Lifeguards	NA	3.4	3.4	3.4
<b>Total Full Time Equivalent Employees</b>		<b>3.4</b>	<b>3.4</b>	<b>3.4</b>

# 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 2022

- ❖ 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
- ❖ Scheduled and conducted virtual hearings, trial and set hearings for defendants
- ❖ Enhanced and updated court policies & procedures manual and implemented necessary changes with the re-structure of Municipal Court
- ❖ Collected and monitored data associated with the disposition of citations as part of the Town’s ongoing effort to ensure fair and consistent adjudication of cases
- ❖ Maintained Court calendar, allowing all defendants swift access to the Court system

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to promote a positive public perception of the judicial system
- ❖ Improve daily operations in the court by participating in more training sessions and webinars
- ❖ Evaluate new laws passed during the 2023 State Legislative session to determine their impact on court procedures and implement necessary changes
- ❖ Collect and monitor data associated with the disposition of citations as part of the Town’s ongoing effort to ensure fair and consistent adjudication of cases
- ❖ Maintain court calendar, allowing defendants swift access to the court system

## MAJOR BUDGET ITEMS

- ❖ Municipal Court Prosecution Services (\$35,200)
- ❖ Part-time court security personnel (\$40,607)

## PERFORMANCE INDICATORS

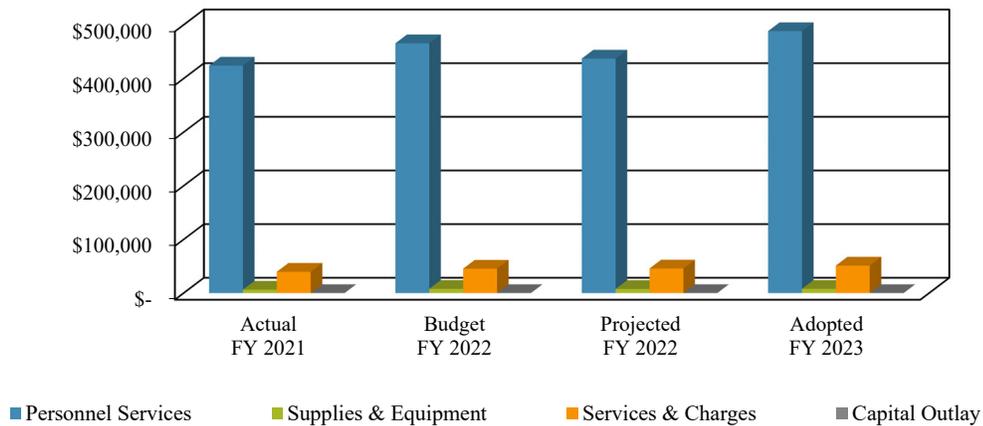
	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
<b>Cases Filed</b>				
Traffic	6,409	4,210	3,692	4,756
Parking	576	616	1,150	766
State Law	76	117	104	101
Town Ordinance	97	84	55	78
Total	7,158	5,027	5,001	5,701
<b>Cases Disposed</b>				
Prior to Trial	2,204	1,653	1,704	2,075
At Trial	131	112	283	221
Compliance Dismissals	3,631	1,860	1,749	1,810
Total	5,966	3,625	3,736	4,106
<b>Percent Disposed to Filed</b>	83.3%	72.1%	74.7%	72.0%

# Municipal Court Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 424,011	\$ 465,664	\$ 437,152	\$ 488,422	4.89%
Supplies & Equipment	6,383	7,875	7,689	7,925	0.63%
Services & Charges	39,699	45,510	45,781	51,224	12.56%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 470,093</b>	<b>\$ 519,049</b>	<b>\$ 490,622</b>	<b>\$ 547,571</b>	<b>5.50%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Senior Court Clerk II	5	1.0	1.0	1.0
Deputy Court Clerk	3	1.0	1.0	1.0
Court Clerk (Part-time)	3	0.8	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
<b>Total Employees</b>		<b>4.1</b>	<b>4.1</b>	<b>4.1</b>




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## DEPARTMENT DESCRIPTION

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The Finance Department is responsible for the accurate maintenance of all fiscal, human resources and budget records pertaining to the operations of the Town. Areas of responsibility include general accounting, treasury functions, the annual audit, the preparation of the Annual Comprehensive Financial Report (“ACFR”), 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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2021 ACFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2022
- ❖ 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

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial records
- ❖ Manage the Town’s investment portfolio in accordance 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 ACFR and the Distinguished Budget Presentation Award for the Annual Budget
- ❖ Receive the Certification of Investment Policy for the two years ending July 31, 2025 from the GTOT
- ❖ Publish interactive budget data on-line for increased transparency to Town residents and other parties
- ❖ Develop performance standards for Town departments, addressing Town Council objectives
- ❖ Continue updating the Town’s Personnel Policies for final approval

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## PERFORMANCE INDICATORS

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	FY2020	FY2021	FY2022	FY2023
	Actual	Actual	Actual	Projected
Awards Achieved from GFOA	2	2	2	2
Awards Achieved from GTOT*	**	1	**	1
Working days from fiscal year end to ACFR issuance	75	93	87	87
Employee Turn Over Ratio (regular and retirees)	8.1%	9.9%	17.8%	11.9%
Employee Turn Over Ratio (regular only)	3.3%	4.1%	9.9%	5.8%

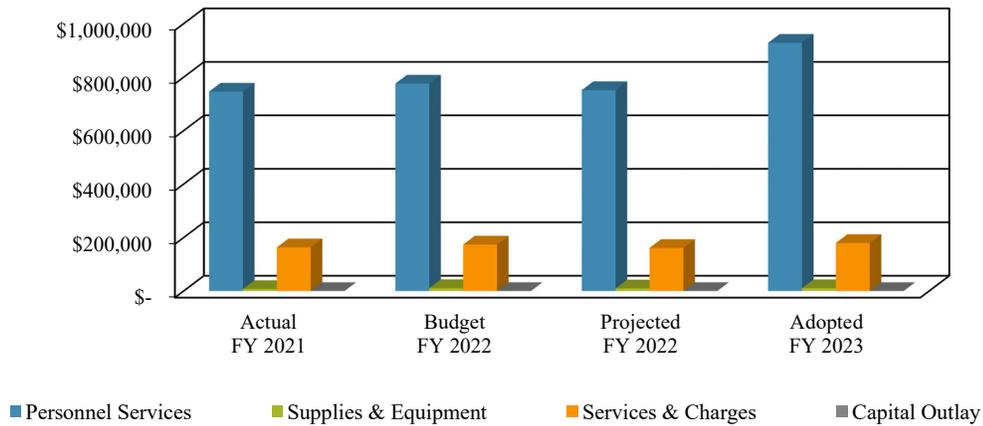
\*Award applies to two fiscal years

\*\*Application not made



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 745,989	\$ 776,126	\$ 751,560	\$ 928,651	19.65%
Supplies & Equipment	7,550	10,822	9,836	10,622	-1.85%
Services & Charges	163,226	173,769	161,132	179,622	3.37%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 916,765</b>	<b>\$ 960,717</b>	<b>\$ 922,528</b>	<b>\$ 1,118,895</b>	<b>16.46%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Director of Admin Services & CFO	E-4	1.0	1.0	1.0
Deputy Chief Financial Officer	E	1.0	1.0	1.0
Accounting Supervisor	6	0.0	0.0	1.0
Senior Accounting Technician	4	2.0	2.0	1.0
Human Resources Coordinator	4	1.0	1.0	1.0
Administrative Assistant	3	0.0	0.0	1.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>6.0</b>

# Building Inspection Department



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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS OF FISCAL YEAR 2022

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- ❖ Processed approximately 908 building, 210 mechanical, 247 electrical, 314 plumbing permits, and 21 excavation permits, generating approximately \$1,630,000 in permit revenues
- ❖ Processed approximately 1,132 contractor registrations
- ❖ Processed approximately 124 residential plan reviews related to both remodel and new construction projects
- ❖ Increased public awareness of Code Enforcement activities with illegal sign enforcement and property maintenance on both occupied properties and construction sites
- ❖ Began project to update the shared parking model used to regulate the Highland Park Shopping Village
- ❖ Passed construction site management ordinance codifying new rules and existing policies while also developing penalties for noncompliance
- ❖ Passed and began enforcing updated model construction codes for residential, commercial, mechanical, electrical, plumbing and energy

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Provide quality redevelopment for the Town
- ❖ Provide timely and accurate plan review services with new residential and remodel/addition 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 Town's measures related to on-street parking and milestone inspections for construction projects
- ❖ Provide excellence in customer service and proactive response in enforcement activities related to construction site management, occupied property maintenance, and illegal sign placement

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## PERFORMANCE INDICATORS

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	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Number of Inspections Performed	3,896	4,439	5,922	5,900
Total Permits Issued	1,724	1,917	1,700	1,700
Total Permit Fees & Licenses (in thousands)	\$ 1,440	\$ 1,661	\$ 1,630	\$ 1,600

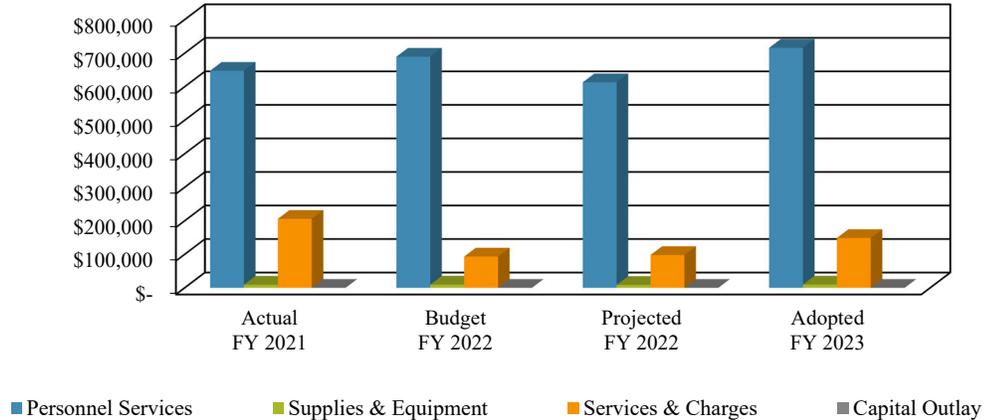
\* Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

# Building Inspection Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 647,523	\$ 689,478	\$ 613,098	\$ 715,916	3.83%
Supplies & Equipment	9,293	9,606	8,781	9,856	2.60%
Services & Charges	205,770	93,330	97,850	148,705	59.33%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 862,586</b>	<b>\$ 792,414</b>	<b>\$ 719,729</b>	<b>\$ 874,477</b>	<b>10.36%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Assistant Director of Town Services	E-1	1.0	0.0	0.0
Director of Development Services	E-1	0.0	1.0	1.0
Senior Building Inspector	7	1.0	0.0	0.0
Building Inspector	6	1.0	2.0	2.0
Development Services Coordinator	6	0.0	1.0	0.0
Plans Examiner	4	1.0	0.0	1.0
Building Permit Technician	3	1.0	1.0	1.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

# Information Technology Department



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## DEPARTMENT DESCRIPTION

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The Information Technology (IT) Department facilitates 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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Completed a Request for Proposals (RFP) process to continue the Town's engagement of a managed services provider for technology services
- ❖ Deployed Multifactor Authentication to enhance security as it relates to accessing the Town's network
- ❖ Enhanced the Town's cyber security measures
- ❖ Completed annual replacement of departmental computers as scheduled

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Replace data center server system and network infrastructure that has reached the end of its useful life
- ❖ Acquire a new uninterruptible power supply and locate the new unit in the server room freeing up space in the engine bay
- ❖ Update Public Safety Servers
- ❖ Develop Open Records Public Website
- ❖ Complete department network upgrades and computer replacements as scheduled
- ❖ Minimize operational disruption to users of the Town's network system and enterprise

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## MAJOR BUDGET ITEMS

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- ❖ Replace Data Center Server System (\$450,000)
- ❖ Replace Town's Network Infrastructure (\$250,000)
- ❖ Computer replacements and deployment (\$192,820)
- ❖ Enterprise Records Management (\$74,000)

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## PERFORMANCE INDICATORS

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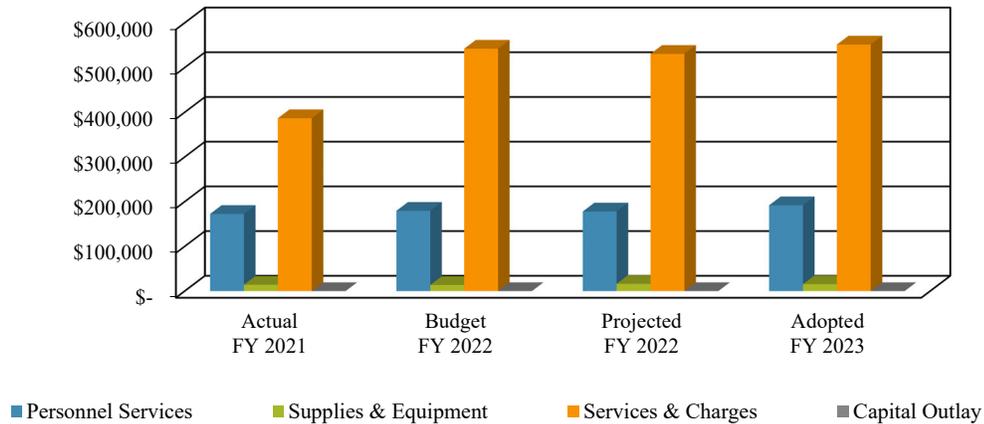
	<b>FY2020 Actual</b>	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Projected</b>
<b>Help Desk Support</b>				
Support Requests	1,638	1,314	1,428	1,675
Service Hours	2,003	1,551	1,391	1,542
<b>Network Uptime</b>	99%	99%	99%	99%
<b>Application Uptime</b>	99%	99%	99%	99%

# Information Technology Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 172,618	\$ 179,641	\$ 178,003	\$ 191,958	6.86%
Supplies & Equipment	14,226	13,750	16,274	15,500	12.73%
Services & Charges	386,667	542,241	530,696	551,478	1.70%
Capital Outlay	-	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 573,511</b>	<b>\$ 735,632</b>	<b>\$ 724,973</b>	<b>\$ 758,936</b>	<b>3.17%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Information Technology Manager	E	1.0	1.0	1.0
<b>Total Employees</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Non-Departmental



## DEPARTMENT DESCRIPTION

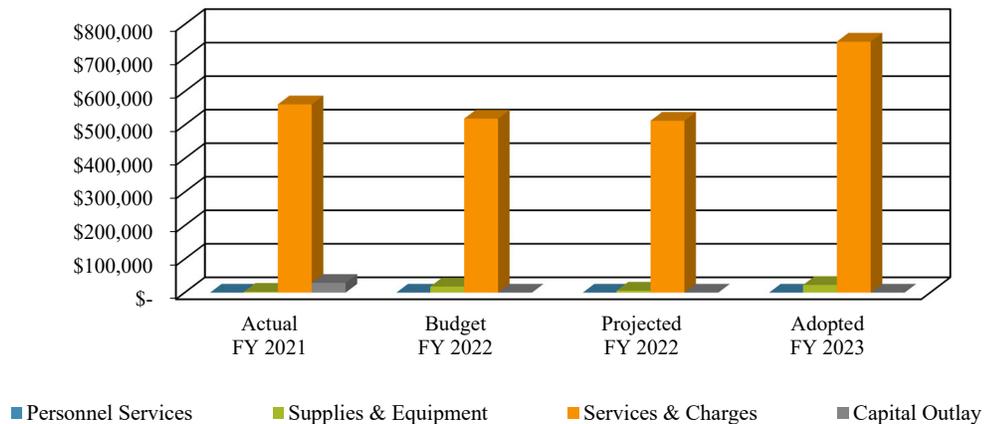
As a means of setting aside funds for expenditures that are not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherent public policy nature have been included in this cost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

## MAJOR BUDGET ITEMS

- ❖ Texas Municipal Retirement System supplemental contributions (\$205,000)
- ❖ Work Order System (\$160,000)
- ❖ Dallas Central Appraisal District (\$60,464)
- ❖ Website Consulting and Maintenance (\$30,600)
- ❖ Racial profiling reporting and Court data monitoring (\$44,350)
- ❖ Health Insurance Consulting (\$30,000)

## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	2,540	18,100	5,938	22,713	25.49%
Services & Charges	561,576	518,993	512,717	748,679	44.26%
Capital Outlay	29,133	-	-	-	0.00%
<b>Total Department</b>	<b>\$ 593,249</b>	<b>\$ 537,093</b>	<b>\$ 518,655</b>	<b>\$ 771,392</b>	<b>43.62%</b>



# Transfer to Other Funds



## DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$4,311,570 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$816,100); 2) annual miscellaneous concrete project (\$326,200); 3) sidewalk and alley repair (\$100,400); 4) street resurfacing needs (\$725,800); and 5) an additional capital improvement transfer of \$1,116,170 from current (fiscal year 2022-23) revenues. Increases in taxable assessed values coupled with preservation of the tax rate all for an increased transfer of \$1,200,000 in this Budget. This Budget also provides for a supplemental transfer of \$2,250,639 to the Utility Fund which is attributed to federal funding received in the General Fund from the American Rescue Plan Act of 2021.

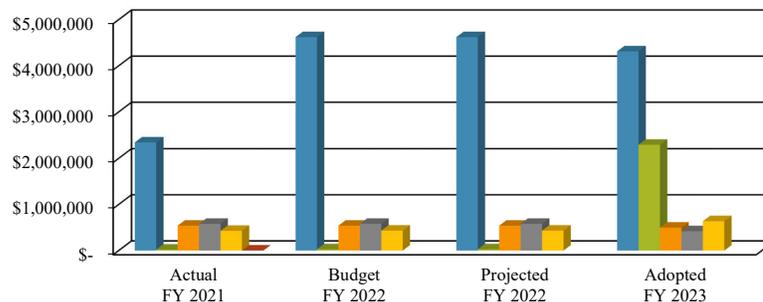
Other transfers include:

- ❖ Transfers to the Equipment Replacement Fund for future asset acquisition (\$497,000)
- ❖ Transfers to the Technology Replacement Fund for future asset acquisition and upgrades (\$418,781)
- ❖ Transfer to the Building Maintenance & Investment Fund representing the General Fund's share of Building Maintenance costs (\$636,246)
- ❖ Transfer to the Solid Waste Fund to assist with funding the Household Hazardous Waste program (\$43,300)

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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Capital Projects Fund	\$ 2,345,052	\$ 4,620,426	\$ 4,620,426	\$ 4,311,570	-6.68%
Utility & Solid Waste Funds	20,000	27,500	27,500	2,293,939	8241.60%
Equip. Replacement Fund	540,000	540,000	540,000	497,000	-7.96%
Tech. Replacement Fund	579,927	579,927	579,927	418,781	-27.79%
Bldg. Maintenance Fund	427,800	432,100	432,100	636,246	47.25%
<b>Total Department</b>	<b>\$ 3,912,779</b>	<b>\$ 6,199,953</b>	<b>\$ 6,199,953</b>	<b>\$ 8,157,536</b>	<b>31.57%</b>



■ 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 2022-23 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 2022-23, an adjustment of 7.0% was made to the rate structure for water and a 3.0 % adjustment was made for wastewater. The last time the Town increased its rate structure occurred in FY 2021-22 when an adjustment of 3.0% was made for both water and wastewater.

- **Licenses and Permits**

By ordinance, the Town requires 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 \$7,703,180, a \$450,626 or 6.21% increase from the FY 2021-22 Adopted Budget. The Town anticipates selling 926,243,000 gallons of water during fiscal year 2022-23.

The schedule in the Appendix/Historical Revenue and Expenditure Data reflects 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 \$2,997,300 or about a (3.0%) increase from the FY 2021-22 Adopted Budget.

- **Miscellaneous**

Charges for meter replacements/installations are projected to be \$37,718, which is comparable to the amount generated during FY 2021-22.

Interest earnings are projected to be higher for FY 2022-23 due to higher yields brought on by post pandemic federal funds rate increases by the Federal Reserve. Interest earnings within the Utility Fund are projected to be \$77,481 in FY 2022-23.

The total cost for Utility Fund services for FY 2022-23 is \$12,010,730 (excluding transfers out) which is \$3,236,323 more than the budget adopted for FY 2021-22. This increase is being primarily driven by the initiation of the Holland Elevated Storage Tank Replacement project within the Utility Fund this fiscal year.

Approximately 34.3% 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 2032); and Sanitary Sewer Treatment from Dallas Water Utilities (contract expires February 2044).

Another significant portion of both the budget for FY 2022-23, 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 \$2,350,000 from utility service revenues to fund the projects selected for FY 2022-23.

The Utility Fund will also contribute \$1,334,700 to the General Fund for reimbursement of general & administrative costs for FY 2022-23. Additionally, the Utility Fund will provide \$533,654 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 119.

**UTILITY FUND**  
**STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT**

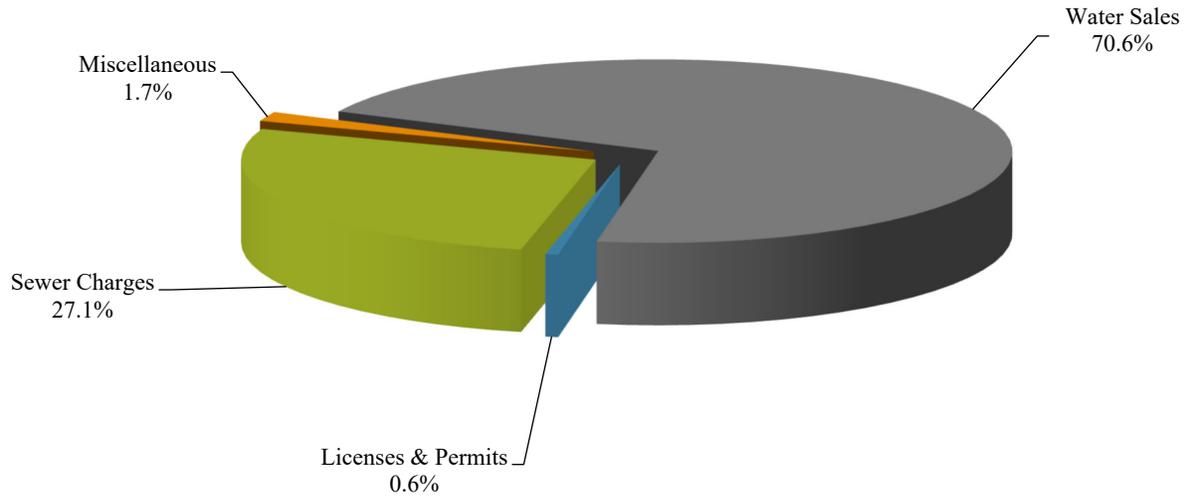
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,864,834
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 11,071,298</b>
<b>Other Sources:</b>				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
<b>Total Other Sources</b>	<b>\$ 349,857</b>	<b>\$ 364,300</b>	<b>\$ 364,300</b>	<b>\$ 2,624,472</b>
<b>Total Revenues/Sources</b>	<b>\$ 9,912,606</b>	<b>\$ 11,872,021</b>	<b>\$ 10,578,980</b>	<b>\$ 13,695,770</b>
<b>EXPENSES - BY DEPARTMENT</b>				
Utility Customer Service Department	\$ 492,503	\$ 505,700	\$ 505,419	\$ 497,101
Water Department	5,001,540	5,330,791	5,387,230	7,705,470
Sanitary Sewer Department	1,957,543	2,245,079	2,125,723	3,010,257
Engineering Department	639,179	692,837	645,482	797,902
<b>Total Expenses</b>	<b>\$ 8,090,765</b>	<b>\$ 8,774,407</b>	<b>\$ 8,663,854</b>	<b>\$ 12,010,730</b>
<b>Other Uses:</b>				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
<b>Total Other Uses</b>	<b>\$ 2,206,321</b>	<b>\$ 1,915,687</b>	<b>\$ 1,915,687</b>	<b>\$ 2,018,130</b>
<b>Total Expenses/Uses</b>	<b>\$ 10,297,086</b>	<b>\$ 10,690,094</b>	<b>\$ 10,579,541</b>	<b>\$ 14,028,860</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (384,480)</b>	<b>\$ 1,181,927</b>	<b>\$ (561)</b>	<b>\$ (333,090)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,511,046</b>	<b>\$ 7,692,973</b>	<b>\$ 6,510,485</b>	<b>\$ 6,177,395</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,851,046</b>	<b>\$ 1,910,028</b>	<b>\$ 1,889,328</b>	<b>\$ 2,052,142</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 4,660,000</b>	<b>\$ 5,782,945</b>	<b>\$ 4,621,157</b>	<b>\$ 4,125,253</b>

**UTILITY FUND**  
**STATEMENT OF REVENUES & EXPENSES BY TYPE**

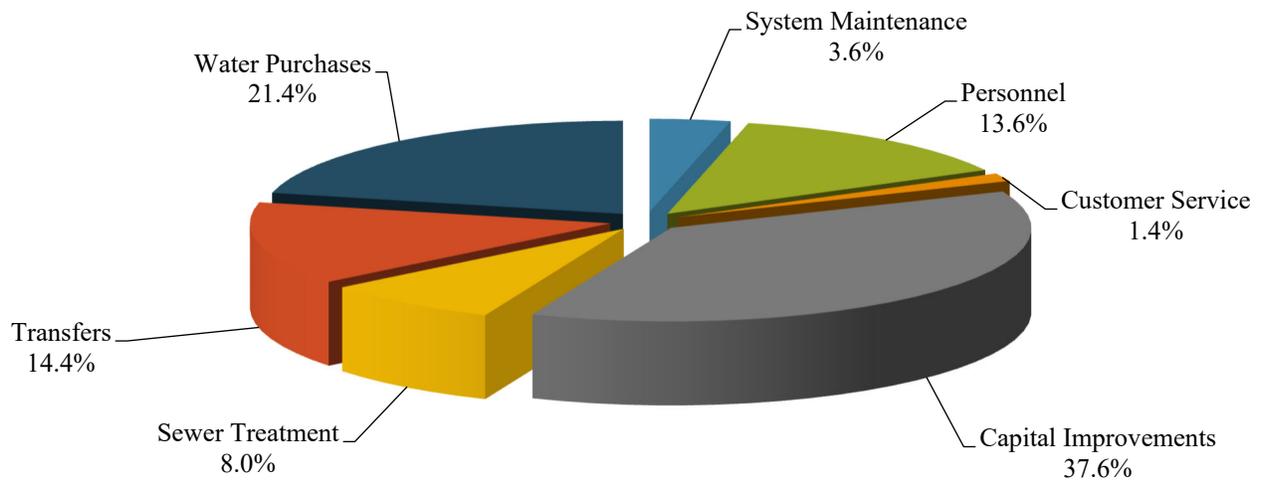
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,864,834
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 11,071,298</b>
<b>Other Sources:</b>				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
<b>Total Other Sources</b>	<b>\$ 349,857</b>	<b>\$ 364,300</b>	<b>\$ 364,300</b>	<b>\$ 2,624,472</b>
<b>Total Revenues/Sources</b>	<b>\$ 9,912,606</b>	<b>\$ 11,872,021</b>	<b>\$ 10,578,980</b>	<b>\$ 13,695,770</b>
<b>EXPENSES - BY TYPE</b>				
Personnel Services				
Payroll	\$ 1,298,586	\$ 1,315,154	\$ 1,207,511	\$ 1,436,014
Payroll Taxes	91,970	101,852	86,627	105,421
Retirement	121,291	125,306	109,465	171,389
Insurance	175,981	201,596	178,627	194,690
<b>Total Personnel</b>	<b>\$ 1,687,828</b>	<b>\$ 1,743,908</b>	<b>\$ 1,582,230</b>	<b>\$ 1,907,514</b>
Supplies & Equipment	2,495,667	2,792,971	2,858,254	3,253,222
Services & Charges	1,555,005	1,714,528	1,700,370	1,570,794
Capital Outlay	2,352,266	2,523,000	2,523,000	5,279,200
<b>Total Expenses</b>	<b>\$ 8,090,766</b>	<b>\$ 8,774,407</b>	<b>\$ 8,663,854</b>	<b>\$ 12,010,730</b>
<b>Other Uses:</b>				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
<b>Total Other Uses</b>	<b>\$ 2,206,321</b>	<b>\$ 1,915,687</b>	<b>\$ 1,915,687</b>	<b>\$ 2,018,130</b>
<b>Total Expenses/Uses</b>	<b>\$ 10,297,087</b>	<b>\$ 10,690,094</b>	<b>\$ 10,579,541</b>	<b>\$ 14,028,860</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (384,481)</b>	<b>\$ 1,181,927</b>	<b>\$ (561)</b>	<b>\$ (333,090)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,511,046</b>	<b>\$ 7,692,973</b>	<b>\$ 6,510,485</b>	<b>\$ 6,177,395</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,851,046</b>	<b>\$ 1,910,028</b>	<b>\$ 1,889,328</b>	<b>\$ 2,052,142</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 4,660,000</b>	<b>\$ 5,782,945</b>	<b>\$ 4,621,157</b>	<b>\$ 4,125,253</b>

# UTILITY FUND

## BUDGETED REVENUES & SOURCES BY TYPE



## BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND  
STATEMENT OF REVENUES**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>
<b>Licenses &amp; Permits</b>				
Plumbing Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
<i>Subtotal</i>	<b>\$ 65,775</b>	<b>\$ 63,294</b>	<b>\$ 62,513</b>	<b>\$ 65,206</b>
<b>Charges For Services</b>				
Water Sales	\$ 6,456,844	\$ 7,252,554	\$ 7,032,924	\$ 7,703,180
Inter-Dept Water Sales	96,308	127,125	125,715	121,374
Sewer Charges	2,783,879	2,909,640	2,825,935	2,997,300
Meter Installation	35,650	41,686	41,440	37,718
Other Charges	5,752	4,570	5,541	5,262
<i>Subtotal</i>	<b>\$ 9,378,433</b>	<b>\$ 10,335,575</b>	<b>\$ 10,031,555</b>	<b>\$ 10,864,834</b>
<b>Fines &amp; Forfeits</b>				
Late Payment Penalties	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
<i>Subtotal</i>	<b>\$ 62,429</b>	<b>\$ 62,623</b>	<b>\$ 59,480</b>	<b>\$ 61,577</b>
<b>Miscellaneous</b>				
Interest	\$ 53,783	\$ 44,229	\$ 46,653	\$ 77,481
Sale of Assets	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	2,329	1,002,000	14,479	2,200
<i>Subtotal</i>	<b>\$ 56,112</b>	<b>\$ 1,046,229</b>	<b>\$ 61,132</b>	<b>\$ 79,681</b>
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 11,071,298</b>

# 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 2022

- ❖ Maintained the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Continued monthly consumption analysis, identifying abnormal consumption based on historical data, using electronic readings to identify the time and date of consumption
- ❖ Managed online sales of tennis and annual/daily swim permits in CivicRec
- ❖ Continued promotion of the WaterSmart Customer Portal to consumers, emphasizing the availability of personal consumption data and monitoring options through one-on-one conversations
- ❖ Utilized the CivicRec registration and reservation system to register customers for the Household Hazardous Waste Event and provide the required form for items eligible for drop-off

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Ensure the continued delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ 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
- ❖ Continue to utilize the WaterSmart portal to communicate informative messages
- ❖ Pursue additional methods to submit applications for Annual Animal Registration and Water and Sanitation Services

## PERFORMANCE INDICATORS

	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
<b>Utility Service</b>				
WaterSmart Participation	48.2%	57.2%	59.0%	60.0%
WaterSmart Leak Alerts	5,518	14,145*	6,532	6,025
New Deposits (#)	389	359	247	340
Service Requests Processed	4,034	4,130	3,337	3,834
Percent of Survey Responses with a Superior Rating for Employee Knowledge and Timely Request Processing	88.9%	94.9%	92.5%	92.1%
<b>Billing &amp; Payment Options</b>				
Bills Prepared	37,986	36,689	35,495	34,253
E-Bills Prepared	2,853	4,117	5,227	5,488
Bank Draft Customers (recurring)	1,399	1,470	1,502	1,550
Credit Card Draft Customers (recurring)	254	343	423	444

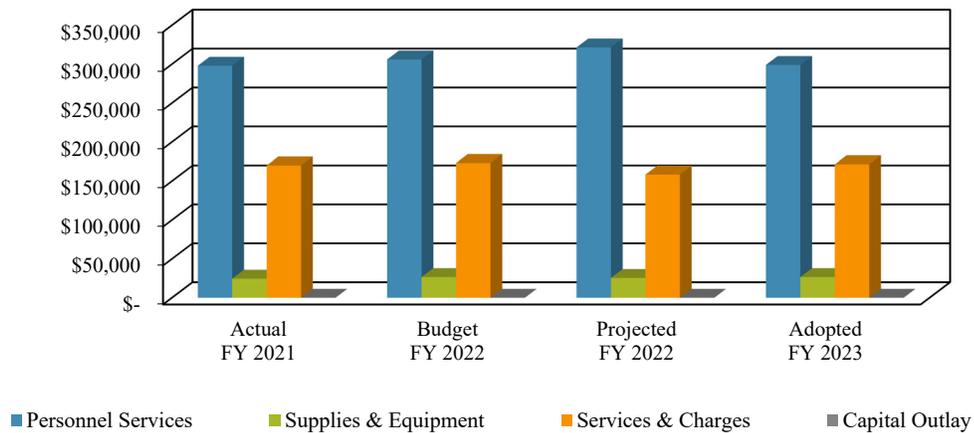
\* Impacted by Winter Storm Uri

# Utility Customer Service Department



## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ 297,923	\$ 306,001	\$ 321,541	\$ 299,020	-2.28%
Supplies & Equipment	\$ 24,591	\$ 26,652	\$ 25,522	\$ 26,652	0.00%
Services & Charges	\$ 169,989	\$ 173,047	\$ 158,356	\$ 171,429	-0.94%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	-
<b>Total Department</b>	<b>\$ 492,503</b>	<b>\$ 505,700</b>	<b>\$ 505,419</b>	<b>\$ 497,101</b>	<b>-1.70%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2021 Budget	FY2022 Budget	FY2023 Budget
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	2.0	2.0	2.0
<b>Total Employees</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>



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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Conducted routine maintenance on the Town's water system
- ❖ Conducted National Fire Protection Association flow testing on all hydrants in the Town
- ❖ Continued the replacement of aging water lines through the Town's CIP program
- ❖ Continued replacement of water meters

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Conduct routine maintenance on the Town's water system
- ❖ Provide funding of infrastructure replacement program through the water rate structure
- ❖ Continue the Town's meter replacement program

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## MAJOR BUDGET ITEMS

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- ❖ Purchase of treated water from the Dallas County Park Cities Municipal Utility District at an anticipated cost of \$2,998,778
- ❖ Replace the Holland Elevated Storage Tank (\$2,205,000)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,175,000)
- ❖ Water improvements in connection with Hillcrest Avenue reconstruction (\$285,000)
- ❖ Water improvements in connection with Westside Drive reconstruction (\$76,500)

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## PERFORMANCE INDICATORS

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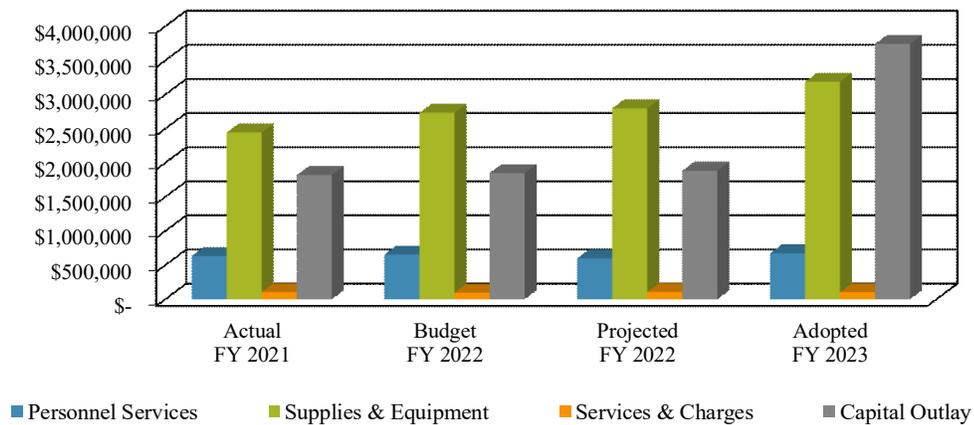
	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Water Meters Installed/Replaced	582	334	326	300
Percent of Survey Responses with a Superior Rating for Employee Knowledge and Timely Request Processing	92.7%	88.2%	88.7%	89.9%

# Water Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 633,243	\$ 654,544	\$ 599,546	\$ 672,986	2.82%
Supplies & Equipment	2,443,867	2,732,347	2,797,546	3,187,151	16.65%
Services & Charges	105,268	95,900	107,163	103,233	7.65%
Capital Outlay	1,819,162	1,848,000	1,882,975	3,742,100	102.49%
<b>Total Department</b>	<b>\$ 5,001,540</b>	<b>\$5,330,791</b>	<b>\$5,387,230</b>	<b>\$ 7,705,470</b>	<b>44.55%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Superintendent	8	0.0	1.0	1.0
Foreman	8	1.0	0.0	0.0
Public Works Coordinator	5	1.0	1.0	1.0
Public Works Maintenance Worker III	4	3.0	3.0	3.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

# Sanitary Sewer Department



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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2022

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- ❖ Sanitary sewer collection system maintained, keeping service interruptions to a minimum
- ❖ Continued Town's program of systematically flushing sanitary sewer lines by flushing twice annually
- ❖ Continued to address inflow and infiltration (I&I) through infrastructure maintenance and replacement
- ❖ Approved new watertight manholes to mitigate I&I and overflow

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## OBJECTIVES FOR FISCAL YEAR 2023

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- ❖ Decrease I&I into the wastewater collection system
- ❖ Complete infrastructure improvements to the Sanitary Sewer System to reduce or eliminate overflows
- ❖ Replace 10 existing manhole lids and rings with new watertight lids and rings
- ❖ Continue Town's program of systematically flushing sanitary sewer lines throughout the Town

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## MAJOR BUDGET ITEMS

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- ❖ Annual wastewater treatment expense (\$1,118,772)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,175,000)
- ❖ Sewer improvements in connection with Hillcrest Avenue reconstruction (\$285,600)
- ❖ Sewer improvements in connection with Westside Drive reconstruction (\$76,500)

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## PERFORMANCE INDICATORS

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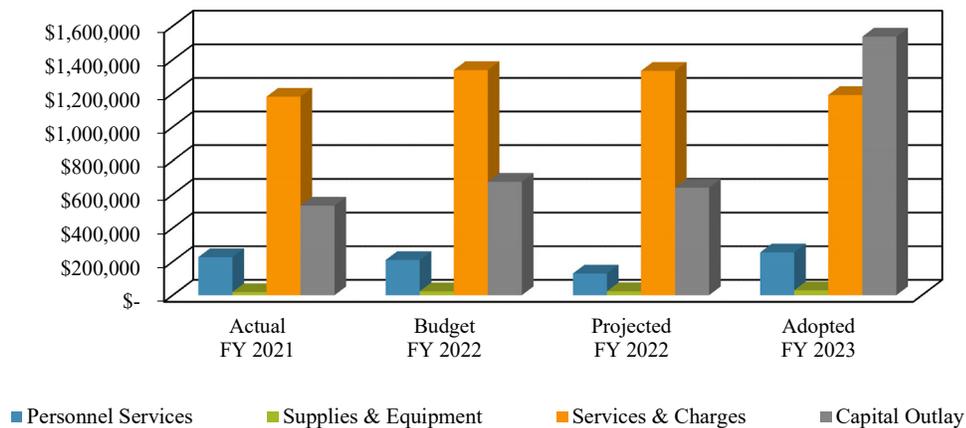
	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Service Calls	22	27	30	35
Sewer Mains Cleaned (Flushed)	464	462	383	450

# Sanitary Sewer Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 226,457	\$ 209,138	\$ 128,779	\$ 254,518	21.70%
Supplies & Equipment	18,504	22,860	23,418	29,107	27.33%
Services & Charges	1,179,478	1,338,081	1,333,501	1,189,532	-11.10%
Capital Outlay	533,104	675,000	640,025	1,537,100	127.72%
<b>Total Department</b>	<b>\$ 1,957,543</b>	<b>\$ 2,245,079</b>	<b>\$ 2,125,723</b>	<b>\$ 3,010,257</b>	<b>34.08%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Public Works Maintenance Worker III	4	2.0	2.0	2.0
<b>Total Employees</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>



## 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 2022

- ❖ Met annual objectives and reporting requirements to state and federal agencies
- ❖ Awarded water and sewer projects in the amount of \$1.7 million
- ❖ Completed 21,750 linear feet of smoke testing in connection with the Sanitary Sewer Overflow Initiative
- ❖ Completed the construction of Sewanee Avenue Rehabilitation project
- ❖ Completed the design of Mockingbird Lane from Westside Drive to Eastern Avenue Reconstruction project
- ❖ Completed the design of Potomac Avenue from Key Street to Hillcrest Avenue Reconstruction project
- ❖ Awarded the construction contract for Lakeside Drive Reconstruction project
- ❖ Completed approximately 315,000 SF of pavement preservation
- ❖ Completed approximately 20,000 SY of asphalt resurfacing

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ Comply with the annual reporting requirements for state and federal agencies
- ❖ Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps
- ❖ Complete construction of the water and sewer main replacement projects in the amount of \$2.0 million
- ❖ Complete construction of Lakeside Drive and Turtle Creek Sanitary Sewer Interceptor Reconstruction project
- ❖ Complete construction of Phase II Drainage Easement Improvements project
- ❖ Complete design, bid, award, and begin construction of the replacement of the Holland Elevated Storage Tank
- ❖ Complete Phase II of the Stormwater Master Plan
- ❖ Complete construction of Abbott Avenue Rehabilitation from Harvard Avenue to Mockingbird Lane
- ❖ Design Phase I for Hackberry Creek project
- ❖ Bid, award, and complete construction of Mockingbird Lane Reconstruction from Westside Drive to Eastern Avenue
- ❖ Design Westside Drive Reconstruction project

## PERFORMANCE INDICATORS

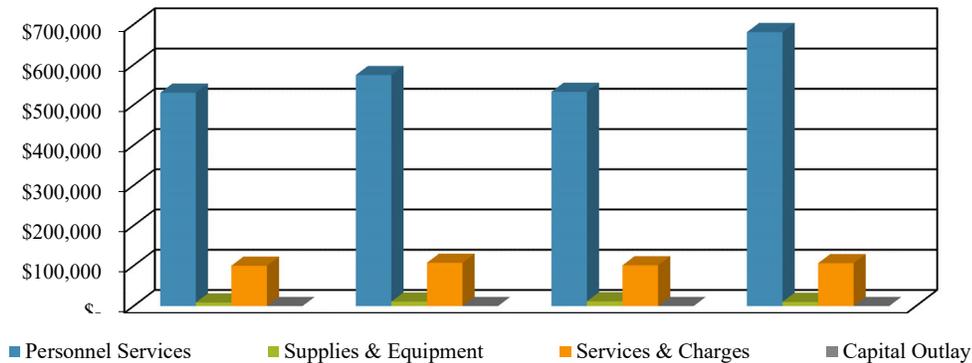
	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
Sanitary Sewer Overflows	7	0	2	0
Street Resurfacing (Linear Feet)	7,000	8,100	6,400	8,000
Water Main Replacement (Linear Feet)	1,000	1,000	5,234	3,500
Sanitary Sewer Main Replacement (Linear Feet)	925	3,400	5,044	3,500

# Engineering Department



## EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
Personnel Services	\$ 530,204	\$ 574,225	\$ 532,364	\$ 680,990	18.59%
Supplies & Equipment	8,705	11,112	11,768	10,312	-7.20%
Services & Charges	100,270	107,500	101,350	106,600	-0.84%
Capital Outlay	-	-	-	-	-
<b>Total Department</b>	<b>\$ 639,179</b>	<b>\$ 692,837</b>	<b>\$ 645,482</b>	<b>\$ 797,902</b>	<b>15.16%</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2021 Budget</b>	<b>FY2022 Budget</b>	<b>FY2023 Budget</b>
Director of Engineering	E-3	1.0	1.0	1.0
Asst. Dir. Of Engineering & PW	E	0.0	0.0	1.0
Project Coordinator	5	1.0	1.0	0.0
Construction Inspector	5	1.0	1.0	1.0
Engineering Tech	5	1.0	1.0	0.0
Project Manager	5	0.0	0.0	1.0
<b>Total Employees</b>		<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

# Transfer to Other Funds

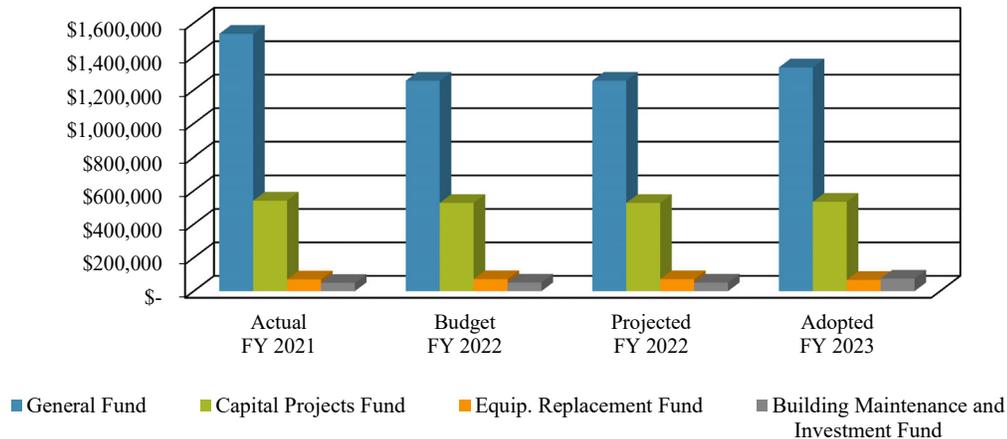


## DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$2,018,130 from the Utility Fund to other funds. Included is a transfer of \$1,334,700 to the General Fund for G&A cost reimbursement, \$533,654 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

## TRANSFER SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>	<b>% Change 2022 to 2023</b>
General Fund	\$ 1,535,555	\$ 1,255,400	\$ 1,255,400	\$ 1,334,700	6.32%
Capital Projects Fund	540,636	526,983	526,983	533,654	1.27%
Equip. Replacement Fund	70,000	71,540	71,540	66,900	-6.49%
Tech. Replacement Fund	10,630	10,864	10,864	7,676	-29.34%
Building Maintenance and	49,500	50,900	50,900	75,200	47.74%
<b>Total Department</b>	<b>\$ 2,206,321</b>	<b>\$ 1,915,687</b>	<b>\$ 1,915,687</b>	<b>\$ 2,018,130</b>	<b>5.35%</b>



## **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**

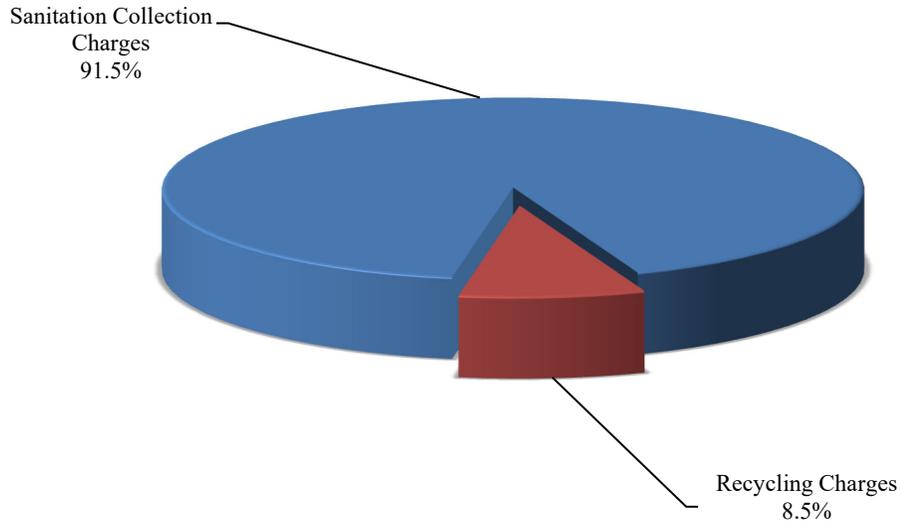
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 130,932	\$ 262,127	\$ 289,662
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	1,538,674	1,603,552	1,594,508	1,688,228
Miscellaneous	1,340	1,702	1,941	3,737
<b>Total Revenues</b>	<b>\$ 1,540,014</b>	<b>\$ 1,605,254</b>	<b>\$ 1,596,449</b>	<b>\$ 1,691,965</b>
<b>Other Sources:</b>				
Transfers In	\$ 20,000	\$ 27,500	\$ 27,500	\$ 43,300
<b>Total Other Sources</b>	<b>\$ 20,000</b>	<b>\$ 27,500</b>	<b>\$ 27,500</b>	<b>\$ 43,300</b>
<b>Total Revenues/Sources</b>	<b>\$ 1,560,014</b>	<b>\$ 1,632,754</b>	<b>\$ 1,623,949</b>	<b>\$ 1,735,265</b>
<b>EXPENSES - BY DEPARTMENT</b>				
Sanitation Department	\$ 1,394,690	\$ 1,482,247	\$ 1,449,914	\$ 1,554,252
<b>Total Expenses</b>	<b>\$ 1,394,690</b>	<b>\$ 1,482,247</b>	<b>\$ 1,449,914</b>	<b>\$ 1,554,252</b>
<b>Other Uses:</b>				
Transfers Out	\$ 144,600	\$ 146,500	\$ 146,500	\$ 152,800
<b>Total Other Uses</b>	<b>\$ 144,600</b>	<b>\$ 146,500</b>	<b>\$ 146,500</b>	<b>\$ 152,800</b>
<b>Total Expenses/Uses</b>	<b>\$ 1,539,290</b>	<b>\$ 1,628,747</b>	<b>\$ 1,596,414</b>	<b>\$ 1,707,052</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ 20,724</b>	<b>\$ 4,007</b>	<b>\$ 27,535</b>	<b>\$ 28,213</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 262,127</b>	<b>\$ 134,939</b>	<b>\$ 289,662</b>	<b>\$ 317,875</b>
<b>Ideal Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 262,127</b>	<b>\$ 134,939</b>	<b>\$ 289,662</b>	<b>\$ 317,875</b>

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

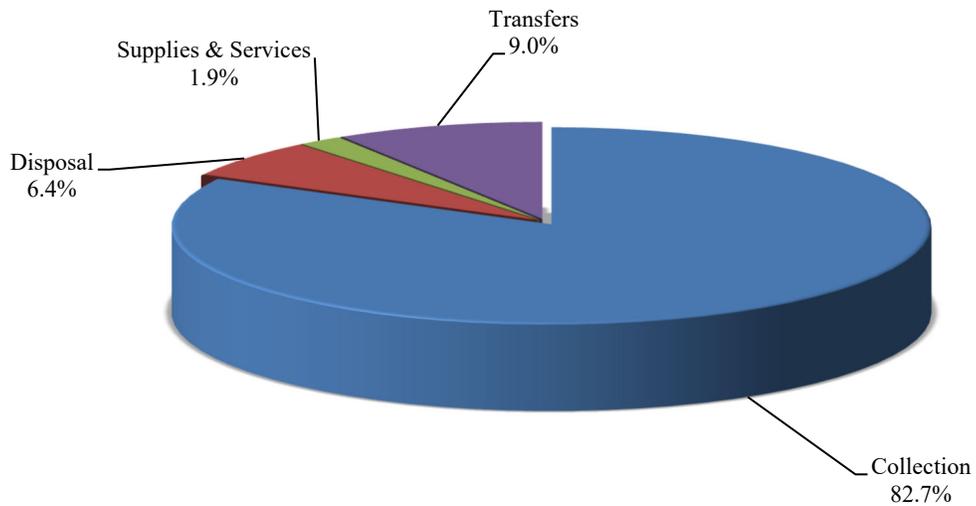
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 130,932	\$ 262,127	\$ 289,662
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	1,538,674	1,603,552	1,594,508	1,688,228
Miscellaneous	1,340	1,702	1,941	3,737
<b>Total Revenues</b>	<b>\$ 1,540,014</b>	<b>\$ 1,605,254</b>	<b>\$ 1,596,449</b>	<b>\$ 1,691,965</b>
<b>Other Sources:</b>				
Transfers In	\$ 20,000	\$ 27,500	\$ 27,500	\$ 43,300
<b>Total Other Sources</b>	<b>\$ 20,000</b>	<b>\$ 27,500</b>	<b>\$ 27,500</b>	<b>\$ 43,300</b>
<b>Total Revenues/Sources</b>	<b>\$ 1,560,014</b>	<b>\$ 1,632,754</b>	<b>\$ 1,623,949</b>	<b>\$ 1,735,265</b>
<b>EXPENSES - BY TYPE</b>				
Supplies & Equipment	\$ 25,744	\$ 22,500	\$ 22,500	\$ 25,000
Services & Charges	1,368,946	1,459,747	1,427,414	1,529,252
Capital Outlay	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,394,690</b>	<b>\$ 1,482,247</b>	<b>\$ 1,449,914</b>	<b>\$ 1,554,252</b>
<b>Other Uses:</b>				
Transfers Out	\$ 144,600	\$ 146,500	\$ 146,500	\$ 152,800
<b>Total Other Uses</b>	<b>\$ 144,600</b>	<b>\$ 146,500</b>	<b>\$ 146,500</b>	<b>\$ 152,800</b>
<b>Total Expenses/Uses</b>	<b>\$ 1,539,290</b>	<b>\$ 1,628,747</b>	<b>\$ 1,596,414</b>	<b>\$ 1,707,052</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ 20,724</b>	<b>\$ 4,007</b>	<b>\$ 27,535</b>	<b>\$ 28,213</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 262,127</b>	<b>\$ 134,939</b>	<b>\$ 289,662</b>	<b>\$ 317,875</b>

# SOLID WASTE FUND

## BUDGETED REVENUES BY TYPE



## BUDGETED DISBURSEMENTS BY TYPE



**SOLID WASTE FUND  
STATEMENT OF REVENUES**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>
<b>Charges For Services</b>				
Sanitation Collection Charges	\$ 1,408,470	\$ 1,468,095	\$ 1,458,308	\$ 1,543,911
Recycling Charges	130,204	135,457	136,200	144,317
Other Charges	-	-	-	-
<i>Subtotal</i>	<b>\$ 1,538,674</b>	<b>\$ 1,603,552</b>	<b>\$ 1,594,508</b>	<b>\$ 1,688,228</b>
<b>Miscellaneous</b>				
Interest	\$ 1,340	\$ 1,702	\$ 1,941	\$ 3,737
Miscellaneous	-	-	-	-
<i>Subtotal</i>	<b>\$ 1,340</b>	<b>\$ 1,702</b>	<b>\$ 1,941</b>	<b>\$ 3,737</b>
<b>Total Revenues</b>	<b>\$ 1,540,014</b>	<b>\$ 1,605,254</b>	<b>\$ 1,596,449</b>	<b>\$ 1,691,965</b>

# Sanitation Department



## DEPARTMENT DESCRIPTION

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

## ACCOMPLISHMENTS OF FISCAL YEAR 2022

- ❖ 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
- ❖ Held two Household Hazardous Waste collection events for residents

## OBJECTIVES FOR FISCAL YEAR 2023

- ❖ 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 (\$25,000)
- ❖ Service Contracts
  - Solid Waste Collection \$ 1,203,642
  - Recyclables Collection \$ 142,764
  - Household Hazardous Waste \$ 40,000
  - Solid Waste Disposal \$ 109,364
- ❖ Parks Cities Recycling Event \$ 6,000

## PERFORMANCE INDICATORS

	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected
<b>Collection (Tonnage)</b>				
Compacted Waste	6,405	6,597	4,488	4,712
Loose Waste (Brush)	1,280	1,318	938	985
Recycling	1,150	1,185	1,433	1,195
<b>Contract Expenses</b>				
Collection	\$ 1,067,321	\$ 1,095,465	\$ 1,135,211	\$ 1,203,642
Disposal	109,554	105,824	101,506	109,364
Recycling	123,667	129,474	134,762	142,746
<b>Cost per Ton</b>				
Collection	\$ 138.88	\$ 138.40	\$ 209.22	\$ 211.28
Disposal	14.26	13.37	18.71	19.20
Recycling	107.54	109.26	94.04	119.45

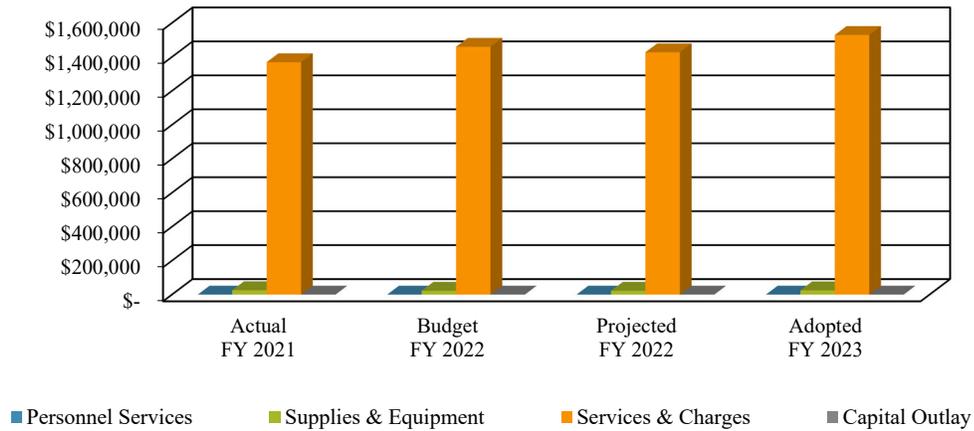
# Sanitation Department



## EXPENDITURE SUMMARY

### EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
Personnel Services	\$ -	\$ -	\$ -	\$ -	
Supplies & Equipment	\$ 25,744	\$ 22,500	\$ 22,500	\$ 25,000	11.11%
Services & Charges	\$ 1,368,946	\$ 1,459,747	\$ 1,427,414	\$ 1,529,252	4.76%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	
<b>Total Department</b>	<b>\$ 1,394,690</b>	<b>\$ 1,482,247</b>	<b>\$ 1,449,914</b>	<b>\$ 1,554,252</b>	<b>4.86%</b>



# Transfer to Other Funds

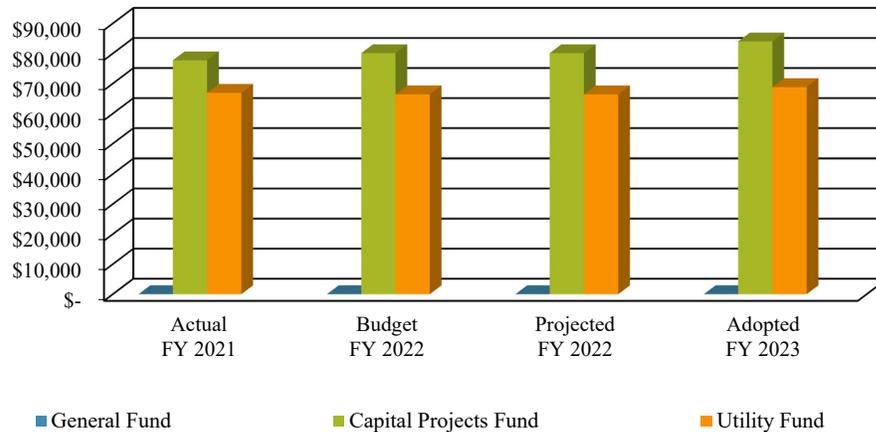


## DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$152,800 from the Solid Waste Fund to other funds. Included is a transfer of \$84,000 to the Capital Projects Fund, representing the franchise fee, which is 5% on solid waste collection and recycling charges, and \$68,800 to the Utility Fund representing administrative costs for billing and collection of operations.

## TRANSFER SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted	% Change 2022 to 2023
General Fund	\$ -	\$ -	\$ -	\$ -	
Capital Projects Fund	77,700	80,100	80,100	84,000	4.87%
Utility Fund	66,900	66,400	66,400	68,800	3.61%
<b>Total Department</b>	<b>\$ 144,600</b>	<b>\$ 146,500</b>	<b>\$ 146,500</b>	<b>\$ 152,800</b>	<b>4.30%</b>



## 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. The fund balance is being transferred to the Capital Projects Fund in FY2022-23 as the technology acquisitions and upgrades have been completed. Lease receipts, the fund’s primary revenue source, will be reported in the Technology Replacement Fund.

**Reserve Fund** – Accounts for the receipt of revenues from the sale of Town property.

**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, 2022, 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 DRAINAGE FUND**

In December 2003, the Town established a Storm Water Drainage Utility in accordance with Subchapter C of Chapter 402 of the Texas Local Government Code. The Storm Water Drainage Utility was established as a mechanism to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town. The enabling ordinance also provides the assessment, levy and collection of an equitable fee structure for funding the system. The Storm Water Drainage 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, \$80,000 for street sweeping, \$40,000 for incidental repair and maintenance projects, and an additional \$15,000 is provided for creek cleaning. This budget also provides \$600,000 to fund improvements to Hackberry Creek, \$630,000 for drainage easement projects and \$120,000 for drainage assessments that occur throughout the year. Another \$652,800 is appropriated for storm water improvements in connection with identified roadway projects.

The budgetary and accounting basis for the Storm Water Drainage 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 133.

**STORM WATER DRAINAGE FUND  
STATEMENT OF REVENUES & EXPENDITURES**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Adopted</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 3,642,201</b>	<b>\$ 2,569,297</b>	<b>\$ 2,856,758</b>	<b>\$ 1,584,186</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 427,247	\$ 441,692	\$ 440,000	\$ 453,200
Interest	16,302	15,979	13,593	26,487
<b>Total Revenues</b>	<b>\$ 443,549</b>	<b>\$ 457,671</b>	<b>\$ 453,593</b>	<b>\$ 479,687</b>
<b>Other Sources:</b>				
Transfers In	\$ 175,000	\$ 300,000	\$ 300,000	\$ 1,600,000
<b>Total Other Sources:</b>	<b>175,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,600,000</b>
<b>Total Revenues/Sources:</b>	<b>\$ 618,549</b>	<b>\$ 757,671</b>	<b>\$ 753,593</b>	<b>\$ 2,079,687</b>
<b>EXPENSES/USES OF FUNDS</b>				
Supplies & Equipment	4,960	7,100	7,100	7,100
Services & Charges	68,931	129,650	116,703	179,850
Capital Outlay	1,226,801	1,660,000	1,797,462	2,002,800
<b>Total Expenditures</b>	<b>\$ 1,300,692</b>	<b>\$ 1,796,750</b>	<b>\$ 1,921,265</b>	<b>\$ 2,189,750</b>
Transfers	103,300	104,900	104,900	107,208
<b>Total Expenditures/Uses of Funds</b>	<b>\$ 1,403,992</b>	<b>\$ 1,901,650</b>	<b>\$ 2,026,165</b>	<b>\$ 2,296,958</b>
<b>Excess of Revenues/Sources Over Expenses/Uses</b>	<b>\$ (785,443)</b>	<b>\$ (1,143,979)</b>	<b>\$ (1,272,572)</b>	<b>\$ (217,271)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,856,758</b>	<b>\$ 1,712,779</b>	<b>\$ 1,584,186</b>	<b>\$ 1,366,915</b>

## EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources 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 replacement of vehicles and equipment including two motorcycle patrol units, a backhoe and tractor for public works, and a pick-up truck for parks and recreation.

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 3,623,832	\$ 2,986,408	\$ 3,362,529	\$ 3,492,178
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	14,957	15,833	18,932	32,518
Sale of Assets	7,700	21,000	217,252	27,500
Contributions	-	-	-	-
<b>Total Revenues</b>	<b>\$ 22,657</b>	<b>\$ 36,833</b>	<b>\$ 236,184</b>	<b>\$ 60,018</b>
Transfers	610,000	611,540	611,540	563,900
<b>Total Revenues/Sources</b>	<b>\$ 632,657</b>	<b>\$ 648,373</b>	<b>\$ 847,724</b>	<b>\$ 623,918</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Vehicle Disposal	\$ 578	\$ 1,575	\$ 16,294	\$ 2,063
Rolling Stock Acquisition	893,382	703,453	646,698	287,546
Equipment Acquisition	-	73,637	55,083	-
<b>Total Expenditures</b>	<b>\$ 893,960</b>	<b>\$ 778,665</b>	<b>\$ 718,075</b>	<b>\$ 289,609</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 893,960</b>	<b>\$ 778,665</b>	<b>\$ 718,075</b>	<b>\$ 289,609</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (261,303)</b>	<b>\$ (130,292)</b>	<b>\$ 129,649</b>	<b>\$ 334,309</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,362,529</b>	<b>\$ 2,856,116</b>	<b>\$ 3,492,178</b>	<b>\$ 3,826,487</b>

**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>VIN (Last 4)</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Scheduled Replacement</b>
<b>PUBLIC SAFETY</b>					
Administration	4941	Chevrolet Tahoe	2015	2015	2024
Administration	6495	Chevrolet Tahoe	2021	2021	2026
Administration	4483	Chevrolet Tahoe	2021	2021	2026
CID	5037	Chevrolet Tahoe	2022	2022	2027
CID	7716	Chevrolet Tahoe	2022	2022	2027
CID	9448	Chevrolet Tahoe	2022	2022	2027
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	8465	Pierce	2017	2017	2038
Fire Apparatus	3538	Pierce	2021	2021	2041
MICU	3067	International	2006	2006	2022 - on order
MICU	6639	International	2010	2010	2025
MICU	2794	International	2018	2017	2032
Animal Services	1769	Dodge	2013	2013	2024
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
Police	2825	Chevrolet Tahoe	2022	2022	2027
Police	2815	Chevrolet Tahoe	2022	2022	2027
Police	2820	Chevrolet Tahoe	2022	2022	2027
Motorcycle Unit	0035	Honda	2015	2016	2023
Motorcycle Unit	0029	Honda	2016	2018	2023
<b>STREET</b>					
Dump Truck	4906	Ford	2019	2019	2029
Pickup	3663	Chevrolet	2018	2018	2024
Pickup	9414	Chevrolet	2018	2018	2024
Asphalt Roller	1008	Bomag	2015	2015	2025
Snow Plow	5953	Ford	2010	2010	2025
<b>STREET LIGHTING</b>					
Truck w/ Aerial lift	7821	Ford	2019	2020	2030
Pickup	1837	Chevrolet	2012	2012	2024
<b>PARKS</b>					
Truck w/ Aerial lift	8247	Chevrolet	2008	2008	2024
Pickup	1319	Chevrolet	2018	2018	2024
Truck w/ Landscape body	3818	Chevrolet	2018	2018	2025
Pickup	5690	Chevrolet	2018	2018	2025
Pickup	9970	Chevrolet	2013	2013	2023
Pickup	9275	Chevrolet	2021	2021	2026
<b>SERVICE CENTER</b>					
Front-End Loader	758	Case	2011	2011	2022
<b>WATER</b>					
Pickup	0678	Chevrolet	2013	2013	2021 - on order
Pickup	9155	Chevrolet	2013	2013	2023
Pickup	6902	Chevrolet	2018	2018	2025
Pickup	6245	Chevrolet	2018	2018	2025
<b>SEWER</b>					
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	2023
Pickup	0486	Chevrolet	2018	2018	2023
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. Annual revenues budgeted in the DPS Technology Fund are now budgeted in this fund. The DPS Technology Fund is being closed in FY 2023.

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

- DPS enterprise software upgrades (\$99,790)
- Uninterruptible Power Supply (UPS) replacement (95,632)
- Network & server replacements (\$700,000)
- Council room video conferencing (\$35,000)
- Computer replacements (\$200,820)
- Laserfiche link to website (\$37,250)

The purchase of Body Cameras, including body worn cameras for individual officers, in-car and motorcycle mounted cameras, cameras for the DPS interview room, and related hardware and software to integrate, transfer, and redact images was completed in FY 2021. Ongoing software maintenance and cloud storage will be required during FY 2022 – 2026. This is year three of five.

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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 2,792,222	\$ 2,359,493	\$ 3,103,962	\$ 3,597,987
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 13,898	\$ 15,435	\$ 18,092	\$ 34,915
Sale of Assets	-	-	155	-
Contributions	4,800	-	-	100,076
<b>Total Revenues</b>	<b>\$ 18,698</b>	<b>\$ 15,435</b>	<b>\$ 18,247</b>	<b>\$ 134,991</b>
Transfers	590,557	590,791	590,791	426,457
<b>Total Revenues/Sources</b>	<b>\$ 609,255</b>	<b>\$ 606,226</b>	<b>\$ 609,038</b>	<b>\$ 561,448</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ -	\$ 12	\$ -
Technology Equipment Acquisition	297,515	109,210	115,001	1,357,777
<b>Total Expenditures</b>	<b>\$ 297,515</b>	<b>\$ 109,210</b>	<b>\$ 115,013</b>	<b>\$ 1,357,777</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 297,515</b>	<b>\$ 109,210</b>	<b>\$ 115,013</b>	<b>\$ 1,357,777</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 311,740</b>	<b>\$ 497,016</b>	<b>\$ 494,025</b>	<b>\$ (796,329)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,103,962</b>	<b>\$ 2,856,509</b>	<b>\$ 3,597,987</b>	<b>\$ 2,801,658</b>

## BUILDING MAINTENANCE & INVESTMENT FUND

The Building Maintenance and Investment Fund was established to insure adequate funding for the maintenance and operation of the Town's newly renovated Town Hall as well as the Town's Service Center, which houses Parks and Public Works operations. A major objective for FY 2022-23 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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 1,037,417	\$ 974,990	\$ 1,168,965	\$ 1,259,588
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 4,328	\$ 5,856	\$ 6,413	\$ 12,511
Miscellaneous	40,142	-	19,214	18,516
<b>Total Revenues</b>	<b>\$ 44,470</b>	<b>\$ 5,856</b>	<b>\$ 25,627</b>	<b>\$ 31,027</b>
Transfers	477,300	483,000	483,000	711,446
<b>Total Revenues/Sources</b>	<b>\$ 521,770</b>	<b>\$ 488,856</b>	<b>\$ 508,627</b>	<b>\$ 742,473</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services	\$ -	\$ -	\$ -	\$ 101,584
Supplies & Equipment	35,974	37,000	32,900	54,587
Services & Charges	342,358	373,007	385,104	399,211
Capital Outlay	11,890	-	-	78,000
<b>Total Expenditures</b>	<b>\$ 390,222</b>	<b>\$ 410,007</b>	<b>\$ 418,004</b>	<b>\$ 633,382</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 390,222</b>	<b>\$ 410,007</b>	<b>\$ 418,004</b>	<b>\$ 633,382</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 131,548</b>	<b>\$ 78,849</b>	<b>\$ 90,623</b>	<b>\$ 109,091</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,168,965</b>	<b>\$ 1,053,839</b>	<b>\$ 1,259,588</b>	<b>\$ 1,368,679</b>

## 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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 27,337	\$ 26,619	\$ 28,353	\$ 32,822
<b>REVENUES/SOURCES OF FUNDS</b>				
Forfeitures	\$ 926	\$ 4,140	\$ 4,316	\$ 2,500
Interest	90	139	153	312
<b>Total Revenues</b>	<b>\$ 1,016</b>	<b>\$ 4,279</b>	<b>\$ 4,469</b>	<b>\$ 2,812</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 1,016</b>	<b>\$ 4,279</b>	<b>\$ 4,469</b>	<b>\$ 2,812</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	2,640	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ -</b>	<b>\$ 2,640</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 1,016</b>	<b>\$ 1,639</b>	<b>\$ 4,469</b>	<b>\$ 2,812</b>
<b>Fund Balance</b>	<b>\$ 28,353</b>	<b>\$ 28,258</b>	<b>\$ 32,822</b>	<b>\$ 35,634</b>

## 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 Non-jailable 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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 12,653	\$ -	\$ 33,186	\$ 54,077
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 20,462	\$ 24,000	\$ 20,704	\$ 21,000
Interest	71	107	187	390
<b>Total Revenues</b>	<b>\$ 20,533</b>	<b>\$ 24,107</b>	<b>\$ 20,891</b>	<b>\$ 21,390</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 20,533</b>	<b>\$ 24,107</b>	<b>\$ 20,891</b>	<b>\$ 21,390</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 20,533</b>	<b>\$ 24,107</b>	<b>\$ 20,891</b>	<b>\$ 21,390</b>
<b>Fund Balance</b>	<b>\$ 33,186</b>	<b>\$ 24,107</b>	<b>\$ 54,077</b>	<b>\$ 75,467</b>

## 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 Non-jailable 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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 253	\$ -	\$ 663	\$ 1,080
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 409	\$ 480	\$ 413	\$ 420
Interest	1	2	4	8
<b>Total Revenues</b>	<b>\$ 410</b>	<b>\$ 482</b>	<b>\$ 417</b>	<b>\$ 428</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 410</b>	<b>\$ 482</b>	<b>\$ 417</b>	<b>\$ 428</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 410</b>	<b>\$ 482</b>	<b>\$ 417</b>	<b>\$ 428</b>
<b>Fund Balance</b>	<b>\$ 663</b>	<b>\$ 482</b>	<b>\$ 1,080</b>	<b>\$ 1,508</b>

## 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 Non-jailable 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 (\$39,706).

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 104,016	\$ 110,787	\$ 112,384	\$ 122,530
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 34,034	\$ 36,810	\$ 34,153	\$ 34,836
Interest	399	452	519	958
<b>Total Revenues</b>	<b>\$ 34,433</b>	<b>\$ 37,262</b>	<b>\$ 34,672</b>	<b>\$ 35,794</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 34,433</b>	<b>\$ 37,262</b>	<b>\$ 34,672</b>	<b>\$ 35,794</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ 3,562	\$ 2,304	\$ 2,304	\$ 2,304
Service & Charges	22,503	25,060	22,222	37,402
Capital Outlay	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 26,065</b>	<b>\$ 27,364</b>	<b>\$ 24,526</b>	<b>\$ 39,706</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 8,368</b>	<b>\$ 9,898</b>	<b>\$ 10,146</b>	<b>\$ (3,912)</b>
<b>Fund Balance</b>	<b>\$ 112,384</b>	<b>\$ 120,685</b>	<b>\$ 122,530</b>	<b>\$ 118,618</b>

## 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 Non-jailable 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 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 15,803	\$ 13,137	\$ 24,575	\$ 33,324
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 33,301	\$ 28,629	\$ 33,212	\$ 34,212
Interest	71	96	137	274
<b>Total Revenues</b>	<b>\$ 33,372</b>	<b>\$ 28,725</b>	<b>\$ 33,349</b>	<b>\$ 34,486</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 33,372</b>	<b>\$ 28,725</b>	<b>\$ 33,349</b>	<b>\$ 34,486</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Transfers	24,600	24,600	24,600	24,600
<b>Total Expenditures/Uses</b>	<b>\$ 24,600</b>	<b>\$ 24,600</b>	<b>\$ 24,600</b>	<b>\$ 24,600</b>
<b>Excess Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 8,772</b>	<b>\$ 4,125</b>	<b>\$ 8,749</b>	<b>\$ 9,886</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 24,575</b>	<b>\$ 17,262</b>	<b>\$ 33,324</b>	<b>\$ 43,210</b>

## 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 2022-23 Adopted Budget includes funding for the purpose of acquiring digital and physical library materials and acquiring the TLCGo! Library application, America’s News, Heritage Hub, and the Data Axle Reference Solution.

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 282,764	\$ 250,169	\$ 304,187	\$ 314,896
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 1,124	\$ 1,340	\$ 1,507	\$ 2,765
Library Donations	41,884	39,990	48,343	58,230
<b>Total Revenues</b>	<b>\$ 43,008</b>	<b>\$ 41,330</b>	<b>\$ 49,850</b>	<b>\$ 60,995</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 43,008</b>	<b>\$ 41,330</b>	<b>\$ 49,850</b>	<b>\$ 60,995</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ 20,424	\$ 31,490	\$ 39,051	\$ 44,230
Services & Charges	1,161	1,000	90	970
<b>Total Expenditures</b>	<b>\$ 21,585</b>	<b>\$ 32,490</b>	<b>\$ 39,141</b>	<b>\$ 45,200</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 21,585</b>	<b>\$ 32,490</b>	<b>\$ 39,141</b>	<b>\$ 45,200</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 21,423</b>	<b>\$ 8,840</b>	<b>\$ 10,709</b>	<b>\$ 15,795</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 304,187</b>	<b>\$ 259,009</b>	<b>\$ 314,896</b>	<b>\$ 330,691</b>

## DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. Resources within this fund are being transferred into the Capital Projects Fund to reimburse the fund for a portion of the cost of the new public safety communication system. Going forward, annual revenues that have historically been accounted for within in this fund, will be budgeted for within the Technology Replacement Fund.

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 283,650	\$ 278,958	\$ 286,945	\$ 291,000
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 1,116	\$ 1,315	\$ 1,383	\$ -
Fiber Line Lease Receipts	92,707	94,330	97,002	-
<b>Total Revenues</b>	<b>\$ 93,823</b>	<b>\$ 95,645</b>	<b>\$ 98,385</b>	<b>\$ -</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 93,823</b>	<b>\$ 95,645</b>	<b>\$ 98,385</b>	<b>\$ -</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Technology Equipment Acquisition	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Transfers	90,528	94,330	94,330	291,000
<b>Total Expenditures/Uses</b>	<b>\$ 90,528</b>	<b>\$ 94,330</b>	<b>\$ 94,330</b>	<b>\$ 291,000</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 3,295</b>	<b>\$ 1,315</b>	<b>\$ 4,055</b>	<b>\$ (291,000)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 286,945</b>	<b>\$ 280,273</b>	<b>\$ 291,000</b>	<b>\$ -</b>

## RESERVE FUND

Created in FY 2021-22, this fund was established to account for revenues the Town receives from the sale of real property. Approximately two years ago, the Town sold right-of-way located between the Shops of Highland Park and property used as a parking area for the Shops of Highland Park. During Fiscal Year 2021-22, the Town sold property it owned in the City of Dallas. The property was previously used by the Town as a landfill and has been closed for many years.

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 974,560	\$ 278,958	\$ 10,139,152	\$ 10,189,765
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 3,125	\$ 4,394	\$ 50,613	\$ 87,540
Sale of Capital Assets	9,161,467	-	-	-
<b>Total Revenues</b>	<b>\$ 9,164,592</b>	<b>\$ 4,394</b>	<b>\$ 50,613</b>	<b>\$ 87,540</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 9,164,592</b>	<b>\$ 4,394</b>	<b>\$ 50,613</b>	<b>\$ 87,540</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Transfers	-	-	-	\$ 600,000
<b>Total Expenditures/Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 9,164,592</b>	<b>\$ 4,394</b>	<b>\$ 50,613</b>	<b>\$ (512,460)</b>
<b>ENDING FUND BALANCE</b>	<b>\$10,139,152</b>	<b>\$ 283,352</b>	<b>\$ 10,189,765</b>	<b>\$ 9,677,305</b>

## **DEBT**

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

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

The Town shall have the power to borrow money on the credit of the Town and to issue general obligation bonds and other evidence of 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, 2022, does not have any outstanding debt. The FY 2022-23 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%.

## **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 debt and intends to continue operating on a pay-as-you-go basis.

The FY 2022-23 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 133) and are earmarked specifically for capital projects. This, in conjunction with the ten-year financial model, (see pages 152 - 153) 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 87, 104, and 112. 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 of \$1,542,384 for the 2023 right-of-way rehabilitation program which includes street lights, sidewalks, street resurfacing and miscellaneous concrete. Funding for improvements to Abbott Avenue, Mockingbird Lane, Potomac, and Westside Drive totaling \$5,130,400 is also included. Park improvement funding totaling \$943,665 has been appropriated for the annual park renovation program, improvements to the Teddy Bear Garden and the Town's swimming pool.

Lastly, this budget includes reimbursement of \$197,825 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 \$1,000,000 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 133.

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 8,382,515	\$ 6,219,231	\$ 6,667,069	\$ 8,779,395
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 40,400	\$ 44,510	\$ 33,810	\$ 59,569
Contributions	1,762,952	3,168,020	3,674,229	2,866,543
<b>Total Revenues</b>	<b>\$ 1,803,352</b>	<b>\$ 3,212,530</b>	<b>\$ 3,708,039</b>	<b>\$ 2,926,112</b>
Transfers	3,053,916	5,321,839	5,321,839	5,220,224
<b>Total Revenues/Sources</b>	<b>\$ 4,857,268</b>	<b>\$ 8,534,369</b>	<b>\$ 9,029,878</b>	<b>\$ 8,146,336</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Capital Projects	\$ 6,218,057	\$ 8,293,846	\$ 6,424,552	\$ 9,556,951
<b>Total Expenditures</b>	<b>\$ 6,218,057</b>	<b>\$ 8,293,846</b>	<b>\$ 6,424,552</b>	<b>\$ 9,556,951</b>
Transfers	354,657	493,000	493,000	1,197,825
<b>Total Expenditures/Uses</b>	<b>\$ 6,572,714</b>	<b>\$ 8,786,846</b>	<b>\$ 6,917,552</b>	<b>\$ 10,754,776</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$(1,715,446)</b>	<b>\$ (252,477)</b>	<b>\$ 2,112,326</b>	<b>\$ (2,608,440)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,667,069</b>	<b>\$ 5,966,754</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>

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**TEN YEAR CAPITAL IMPROVEMENT PLAN**

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2023-2032

Project/Funding Source	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Beginning Balance</b>	\$ 6,667,069	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777
<b>Annual Project Funding</b>					
General Fund CIP Transfer	\$ 1,216,238	\$ 1,241,779	\$ 1,267,856	\$ 1,294,481	\$ 1,321,665
Solid Waste Fund 5% Transfer	80,100	84,000	84,840	85,688	86,545
Utility Fund 5% W&S Transfer	526,983	533,654	538,991	544,381	549,825
Supplemental General Fund Transfer	1,995,908	1,661,511	3,236,967	1,822,800	1,712,011
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	1,643,020	1,891,543	1,957,906	2,026,414	
Intergovernmental Revenue					
TCEQ	104,000	-	-	-	-
University Park	1,127,209	-	-	-	-
Dallas County MCIP	525,000	975,000	750,000	4,150,000	1,000,000
Dallas County Road and Bridge	275,000	-	-	-	-
Transfer from DPS Technology Fund	94,330	291,000	100,075	103,077	106,170
Interest Revenue	33,810	59,569	154,274	191,927	165,469
<b>Total Annual Project Funding</b>	<b>\$ 9,029,878</b>	<b>\$ 8,146,336</b>	<b>\$ 9,499,189</b>	<b>\$ 11,627,048</b>	<b>\$ 6,349,965</b>
<b>Expenditures</b>					
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	250,000	-	-	-	-
Park Renovation/Rehabilitation Program	211,885	243,665	251,462	259,509	267,813
DPS Needs Assessment	-	50,000	-	-	-
Street Light Painting	25,000	-	-	-	-
Street Light Program	-	150,000	154,800	159,754	164,866
Sidewalk Rehabilitation Program	-	250,000	200,000	206,400	213,005
Street Resurfacing & Miscellaneous Concrete	1,106,961	1,142,384	1,178,940	1,216,666	1,255,599
Bridge Rehabilitation (Mockingbird and Beverly)	-	-	500,000	-	-
Transportation Improvement Program	160,000	1,061,208	1,500,000	900,000	-
Lakeside Drive Reconstruction & 30" Sewer Line	4,323,420	329,294	-	-	-
Airline Drive Rehabilitation	-	232,755	-	-	-
Mockingbird Lane (East) Rehabilitation	114,531	-	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	100,000	-	-	-
Mockingbird Lane (West) Reconstruction	-	1,300,000	-	-	-
Potomac Reconstruction	-	650,000	-	-	-
Swimming Pool Improvements	-	200,000	-	-	-
Service Center Needs Assessment	-	50,000	-	-	-
Teddy Bear Garden Pedestrian Access & Landscaping	-	500,000	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	3,080,400	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	-	2,174,436	-	-
Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction	-	-	480,665	4,457,074	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	2,302,821	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	1,825,278	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	1,472,108
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	2,261,201
Lomo Alto Drive Reconstruction - Lemmon to Bordeaux	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Bordeaux to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady	-	-	-	-	-
Beverly Drive Reconstruction - Preston to Drexel	-	-	-	-	-
Mockingbird Lane Rehabilitation - DNT to Hillcrest	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Beverly Drive Reconstruction - Westside Drive to Armstrong Parkway	-	-	-	-	-
Beverly Drive Reconstruction - Drexel to East Town Limits	-	-	-	-	-
Contingency	-	450,000	350,000	550,000	250,000
<b>Total Expenditures</b>	<b>\$ 6,424,552</b>	<b>\$ 9,556,951</b>	<b>\$ 6,790,303</b>	<b>\$ 11,877,502</b>	<b>\$ 5,884,592</b>
<b>Transfers-Out</b>					
Storm Water Fund	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 600,000	\$ 600,000
Utility Fund	193,000	197,825	202,771	207,840	213,036
<b>Total Transfers-Out</b>	<b>\$ 493,000</b>	<b>\$ 1,197,825</b>	<b>\$ 1,202,771</b>	<b>\$ 807,840</b>	<b>\$ 813,036</b>
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 6,917,552</b>	<b>\$ 10,754,776</b>	<b>\$ 7,993,074</b>	<b>\$ 12,685,342</b>	<b>\$ 6,697,628</b>
<b>Ending Balance*</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>	<b>\$ 7,677,070</b>	<b>\$ 6,618,777</b>	<b>\$ 6,271,115</b>
<b>Construction Contingency</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b>Over(Under) Contingency</b>	<b>\$ 6,779,395</b>	<b>\$ 4,170,955</b>	<b>\$ 5,677,070</b>	<b>\$ 4,618,777</b>	<b>\$ 4,271,115</b>

\*\*Excludes FY 201-22.

2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total**
\$ 6,271,115	\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892	\$ 8,779,395
\$ 1,349,420	\$ 1,377,758	\$ 1,406,691	\$ 1,436,232	\$ 1,466,393	\$ 1,497,187	\$ 13,659,462
87,410	88,284	89,167	90,059	90,960	91,870	878,823
555,323	560,876	566,485	572,150	577,872	583,651	5,583,208
1,604,725	1,601,072	1,601,187	1,605,212	1,613,291	1,725,576	18,184,352
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
-	-	-	-	-	-	5,875,863
-	-	-	-	-	-	-
-	-	-	-	-	-	-
500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,375,000
250,000	-	-	-	250,000	-	500,000
109,355	112,635	116,014	119,495	123,080	126,772	1,307,673
156,778	171,204	183,606	169,302	108,186	102,347	1,462,661
<b>\$ 6,021,290</b>	<b>\$ 6,320,109</b>	<b>\$ 6,371,430</b>	<b>\$ 6,400,729</b>	<b>\$ 6,638,062</b>	<b>\$ 6,535,683</b>	<b>\$ 73,909,842</b>
-	-	-	-	-	-	\$ -
276,383	285,227	294,354	303,773	313,494	323,526	2,819,206
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
170,142	175,587	181,206	187,005	192,989	199,165	1,735,514
219,821	226,855	234,114	241,606	249,337	257,316	2,298,454
1,295,778	1,337,243	1,380,035	1,424,196	1,469,770	1,516,803	13,217,414
-	-	-	-	-	-	\$ 500,000
-	-	-	-	-	-	3,461,208
-	-	-	-	-	-	329,294
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	100,000
-	-	-	-	-	-	1,300,000
-	-	-	-	-	-	650,000
-	-	-	-	-	-	200,000
-	-	-	-	-	-	50,000
-	-	-	-	-	-	500,000
-	-	-	-	-	-	3,080,400
-	-	-	-	-	-	2,174,436
-	-	-	-	-	-	4,937,738
-	-	-	-	-	-	2,302,821
-	-	-	-	-	-	1,825,278
-	-	-	-	-	-	1,472,108
-	-	-	-	-	-	2,261,201
2,638,753	-	-	-	-	-	2,638,753
-	1,680,234	-	-	-	-	1,680,234
-	1,295,087	-	-	-	-	1,295,087
-	-	2,136,555	-	-	-	2,136,555
-	-	1,837,897	-	-	-	1,837,897
-	-	-	3,360,319	-	-	3,360,319
-	-	-	2,343,319	-	-	2,343,319
-	-	-	-	2,210,921	-	2,210,921
-	-	-	-	1,544,060	-	1,544,060
-	-	-	-	-	2,437,989	2,437,989
-	-	-	-	-	2,437,989	2,437,989
225,000	250,000	300,000	400,000	300,000	350,000	3,425,000
<b>\$ 4,825,877</b>	<b>\$ 5,250,233</b>	<b>\$ 6,364,161</b>	<b>\$ 8,260,218</b>	<b>\$ 6,280,571</b>	<b>\$ 7,522,788</b>	<b>\$ 72,613,195</b>
\$ 400,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 5,350,000
218,362	223,821	229,417	235,152	241,031	247,057	2,216,312
\$ 618,362	\$ 573,821	\$ 579,417	\$ 585,152	\$ 591,031	\$ 597,057	\$ 7,566,312
\$ 5,444,239	\$ 5,824,054	\$ 6,943,578	\$ 8,845,370	\$ 6,871,602	\$ 8,119,845	\$ 80,179,507
<b>\$ 6,848,166</b>	<b>\$ 7,344,220</b>	<b>\$ 6,772,072</b>	<b>\$ 4,327,432</b>	<b>\$ 4,093,892</b>	<b>\$ 2,509,730</b>	<b>\$ 2,509,730</b>
<b>\$ 2,000,000</b>						
<b>\$ 4,848,166</b>	<b>\$ 5,344,220</b>	<b>\$ 4,772,072</b>	<b>\$ 2,327,432</b>	<b>\$ 2,093,892</b>	<b>\$ 509,730</b>	<b>\$ 509,730</b>

**TOWN OF HIGHLAND PARK, TEXAS**

**STORM WATER FUND  
FISCAL YEARS 2023-2032**

<b>Project/Funding Source</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Beginning Balance</b>	<b>\$ 2,856,758</b>	<b>\$ 1,584,186</b>	<b>\$ 1,366,915</b>	<b>\$ 1,594,061</b>	<b>\$ 1,815,952</b>
<b>Revenues</b>					
Storm Water Charges	\$ 440,000	\$ 453,200	\$ 460,438	\$ 470,107	\$ 479,979
Interest Earnings	\$ 13,593	\$ 26,487	27,338	31,881	36,319
Proceeds from Internal Advance		600,000	2,000,000	2,000,000	2,000,000
<b>Total Revenues</b>	<b>\$ 453,593</b>	<b>\$ 1,079,687</b>	<b>\$ 2,487,776</b>	<b>\$ 2,501,988</b>	<b>\$ 2,516,298</b>
Transfers - In	300,000	1,000,000	1,000,000	600,000	600,000
<b>Total Revenues &amp; Transfers - In</b>	<b>\$ 753,593</b>	<b>\$ 2,079,687</b>	<b>\$ 3,487,776</b>	<b>\$ 3,101,988</b>	<b>\$ 3,116,298</b>
<b>Expenditures</b>					
Supplies & Equipment	\$ 7,100	\$ 7,100	\$ 7,256	\$ 7,416	\$ 7,579
Services & Charges	116,703	179,850	183,807	187,851	191,984
<b>Total Operating Expenditures</b>	<b>\$ 123,803</b>	<b>\$ 186,950</b>	<b>\$ 191,063</b>	<b>\$ 195,267</b>	<b>\$ 199,563</b>
Capital Outlay:					
Drainage Studies (TCEQ, EAP)	\$ -	\$ 120,000	\$ -	\$ -	\$ -
Master Plan & Improvements for Hackberry Creek	750,000	600,000	2,000,000	2,000,000	2,000,000
Drainage Easement Projects	750,000	630,000	900,000	150,000	900,000
Exall Dam Analysis	53,462	-	-	-	-
Stormwater Drainage Study Phase II	244,000	-	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	591,600	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	61,200	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	42,448	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	180,405	-
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	44,163
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Repayment of Advance	-	-	60,000	200,000	400,000
<b>Total Capital Outlay</b>	<b>\$ 1,797,462</b>	<b>\$ 2,002,800</b>	<b>\$ 2,960,000</b>	<b>\$ 2,572,854</b>	<b>\$ 3,344,163</b>
<b>Total Expenditures</b>	<b>\$ 1,921,265</b>	<b>\$ 2,189,750</b>	<b>\$ 3,151,063</b>	<b>\$ 2,768,121</b>	<b>\$ 3,543,726</b>
Transfers-Out	104,900	107,208	109,567	111,977	114,440
<b>Total Expenditures &amp; Transfers-Out</b>	<b>\$ 2,026,165</b>	<b>\$ 2,296,958</b>	<b>\$ 3,260,630</b>	<b>\$ 2,880,098</b>	<b>\$ 3,658,166</b>
<b>Ending Balance</b>	<b>\$ 1,584,186</b>	<b>\$ 1,366,915</b>	<b>\$ 1,594,061</b>	<b>\$ 1,815,952</b>	<b>\$ 1,274,084</b>

\* \*Excludes FY 2021-22

2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total**
\$ 1,274,084	\$ 1,268,712	\$ 772,621	\$ 713,743	\$ 530,871	\$ 345,757	\$ 1,584,186
\$ 490,059	\$ 500,350	\$ 510,857	\$ 522,096	\$ 533,582	\$ 545,321	\$ 4,965,989
25,482	25,374	15,452	14,275	10,617	6,915	220,141
						6,600,000
\$ 515,541	\$ 525,724	\$ 526,309	\$ 536,371	\$ 544,199	\$ 552,236	\$ 11,786,130
400,000	350,000	350,000	350,000	350,000	350,000	\$ 5,350,000
\$ 915,541	\$ 875,724	\$ 876,309	\$ 886,371	\$ 894,199	\$ 902,236	\$ 17,136,130
\$ 7,746	\$ 7,916	\$ 8,090	\$ 8,268	\$ 8,450	\$ 8,636	\$ 78,457
196,208	200,525	204,937	209,446	214,054	218,763	1,987,425
\$ 203,954	\$ 208,441	\$ 213,027	\$ 217,714	\$ 222,504	\$ 227,399	\$ 2,065,882
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
-	-	-	-	-	-	6,600,000
-	-	-	-	-	-	2,580,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	591,600
-	-	-	-	-	-	61,200
-	-	-	-	-	-	42,448
-	-	-	-	-	-	180,405
-	-	-	-	-	-	44,163
-	322,082	-	-	-	-	322,082
-	121,761	-	-	-	-	121,761
-	-	-	126,680	-	-	126,680
-	-	-	-	129,213	-	129,213
600,000	600,000	600,000	600,000	600,000	600,000	4,260,000
\$ 600,000	\$ 1,043,843	\$ 600,000	\$ 726,680	\$ 729,213	\$ 600,000	\$ 15,179,553
\$ 803,954	\$ 1,252,284	\$ 813,027	\$ 944,394	\$ 951,717	\$ 827,399	\$ 17,245,435
116,958	119,531	122,161	124,849	127,596	130,403	1,184,690
\$ 920,912	\$ 1,371,815	\$ 935,188	\$ 1,069,243	\$ 1,079,313	\$ 957,802	\$ 18,430,125
\$ 1,268,712	\$ 772,621	\$ 713,743	\$ 530,871	\$ 345,757	\$ 290,191	\$ 290,191

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2023-2032

Project/Funding Source	*	*	*	*	*
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Beginning Balance</b>	\$ 6,511,046	\$ 6,510,485	\$ 6,169,956	\$ 4,860,080	\$ 3,295,504
<b>Revenues</b>					
Water Sales	\$ 7,158,639	\$ 7,824,554	\$ 8,081,744	\$ 8,451,637	\$ 8,705,186
Sewer Charges	2,825,935	2,997,300	3,086,837	3,179,442	3,274,825
Permit Revenue	62,513	65,206	64,000	64,000	64,000
Interest Earnings	46,653	77,481	123,399	97,202	65,910
Contributions	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	1,315,155
Other Revenues	120,940	106,757	107,000	107,000	107,000
<b>Total Revenues</b>	<b>\$ 10,214,680</b>	<b>\$ 11,071,298</b>	<b>\$ 11,462,980</b>	<b>\$ 11,899,281</b>	<b>\$ 13,532,076</b>
Transfers-In	364,300	2,624,472	382,710	391,130	399,735
<b>Total Revenues &amp; Transfers-In</b>	<b>\$ 10,578,980</b>	<b>\$ 13,695,770</b>	<b>\$ 11,845,690</b>	<b>\$ 12,290,411</b>	<b>\$ 13,931,811</b>
<b>Expenditures</b>					
Personnel Services	\$ 1,582,230	\$ 1,907,514	\$ 1,969,508	\$ 2,033,517	\$ 2,099,606
Supplies & Equipment	2,858,254	3,253,222	3,397,577	3,624,504	3,733,239
Services & Charges	1,700,370	1,570,794	1,617,918	1,666,456	1,716,450
<b>Total Operating Expenditures</b>	<b>\$ 6,140,854</b>	<b>\$ 6,731,530</b>	<b>\$ 6,985,003</b>	<b>\$ 7,324,477</b>	<b>\$ 7,549,295</b>
Capital Outlay:					
Water & Sanitary Sewer Infrastructure Replace./Rehab.	\$ 1,280,050	\$ 2,350,000	\$ 350,000	\$ 2,573,166	\$ 350,000
Lakeside Drive Reconstruction & 30" Sewer Line	-	-	-	-	2,630,310
Gillon Pump Station Improvements	573,000	-	-	-	-
Holland Elevated Storage Tank Replacement	669,950	2,205,000	3,745,000	-	-
Potential Projects					
Sewance Avenue Water and Sewer Improvements	-	-	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	153,000	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	571,200	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	1,114,268	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	711,009	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	573,689
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	452,457
Lomo Alto Drive Reconstruction - Lemmon to Bordeaux	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Armstrong Parkway Rehabilitation - Arcady to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Bordeaux to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 2,523,000</b>	<b>\$ 5,279,200</b>	<b>\$ 4,095,000</b>	<b>\$ 4,398,444</b>	<b>\$ 4,006,456</b>
<b>Total Expenditures</b>	<b>\$ 8,663,854</b>	<b>\$ 12,010,730</b>	<b>\$ 11,080,003</b>	<b>\$ 11,722,921</b>	<b>\$ 11,555,751</b>
Transfers-Out	1,915,687	2,025,569	2,075,564	2,132,065	2,183,623
<b>Total Expenditures &amp; Transfer-Out</b>	<b>\$ 10,579,541</b>	<b>\$ 14,036,299</b>	<b>\$ 13,155,567</b>	<b>\$ 13,854,986</b>	<b>\$ 13,739,374</b>
Operating Reserve	\$ 1,889,329	\$ 2,054,002	\$ 2,125,535	\$ 2,218,747	\$ 2,283,480
Rate Stabilization Reserve	4,621,156	4,115,954	2,734,545	1,076,757	1,204,461
<b>Ending Balance</b>	<b>6,510,485</b>	<b>6,169,956</b>	<b>4,860,080</b>	<b>3,295,504</b>	<b>3,487,941</b>
Ideal Fund Balance ( 25% of Operating Expenses)	\$ 1,889,329	\$ 2,054,002	\$ 2,125,535	\$ 2,218,747	\$ 2,283,480
<b>Over(Under) Ideal Fund Balance</b>	<b>\$ 4,621,156</b>	<b>\$ 4,115,954</b>	<b>\$ 2,734,545</b>	<b>\$ 1,076,757</b>	<b>\$ 1,204,461</b>

\* Includes 7% rate adjustment for Water Sales in FY 2023, 5.6% in FY 2024, 4.6% in FY 2025 and 3% each year thereafter through FY 2030. Sewer charges are adjusted at 3% per year.

\*\*Excludes FY 2021-22

	*	*	*	*			
	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total**
\$	3,487,941	2,647,721	3,792,100	3,268,201	3,736,544	2,871,238	\$ 6,510,485
\$	8,966,341	9,235,332	9,508,452	9,789,765	9,789,765	9,789,765	\$ 90,142,541
	3,373,070	3,474,262	3,474,262	3,474,262	3,474,262	3,474,262	33,282,784
	64,000	64,000	64,000	64,000	64,000	64,000	641,206
	69,759	52,954	75,842	65,364	74,731	57,425	760,067
	-	-	-	-	-	-	-
	-	-	-	-	-	1,030,050	2,345,205
	107,000	107,000	107,000	107,000	107,000	107,000	1,069,757
\$	12,580,170	12,933,548	13,229,556	13,500,391	13,509,758	14,522,502	\$ 128,241,560
	408,529	417,517	426,702	436,089	445,683	455,488	6,388,055
\$	12,988,699	13,351,065	13,656,258	13,936,480	13,955,441	14,977,990	\$ 134,629,615
\$	2,167,843	2,238,298	2,311,043	2,386,152	2,463,702	2,543,772	\$ 22,120,955
	3,845,236	3,960,593	4,079,411	4,201,793	4,327,847	4,457,682	38,881,104
	1,767,944	1,820,982	1,875,611	1,931,879	1,989,835	2,049,530	18,007,399
\$	7,781,023	8,019,873	8,266,065	8,519,824	8,781,384	9,050,984	\$ 79,009,458
\$	2,740,483	350,000	2,918,680	350,000	3,122,988	350,000	\$ 15,455,317
	-	-	-	-	-	2,060,101	4,690,411
	-	-	-	-	-	-	-
	-	-	-	-	-	-	5,950,000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	153,000
	-	-	-	-	-	-	571,200
	-	-	-	-	-	-	1,114,268
	-	-	-	-	-	-	711,009
	-	-	-	-	-	-	573,689
	-	-	-	-	-	-	452,457
	1,070,958	-	-	-	-	-	1,070,958
	-	795,071	-	-	-	-	795,071
	-	751,150	-	-	-	-	751,150
	-	-	654,751	-	-	-	654,751
	-	-	-	1,516,265	-	-	1,516,265
	-	-	-	690,107	-	-	690,107
	-	-	-	-	486,403	-	486,403
\$	3,811,441	1,896,221	3,573,431	2,556,372	3,609,390	2,410,101	\$ 35,636,056
\$	11,592,464	9,916,094	11,839,496	11,076,196	12,390,774	11,461,085	\$ 114,645,514
	2,236,455	2,290,593	2,340,661	2,391,940	2,429,973	2,468,842	22,575,285
\$	13,828,919	12,206,687	14,180,157	13,468,137	14,820,747	13,929,926	\$ 137,220,799
\$	2,350,127	2,418,746	2,489,398	2,562,141	2,637,039	2,714,156	\$ 2,714,156
	297,594	1,373,354	778,803	1,174,403	234,199	1,205,146	1,205,146
	2,647,721	3,792,100	3,268,201	3,736,544	2,871,238	3,919,302	3,919,302
\$	2,350,127	2,418,746	2,489,398	2,562,141	2,637,039	2,714,156	\$ 2,714,156
\$	297,594	1,373,354	778,803	1,174,403	234,199	1,205,146	\$ 1,205,146

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**CAPITAL PROJECTS FUND**

***Park Renovation/Rehabilitation Program***

- Estimated Project Cost - \$2,819,206
- FY 2022-23 Funding - \$243,665
- 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.
- ***The ultimate impact on the operating budget related to this program will be known once the design work for each year's project is complete.***

***Street Light Program***

- Estimated Project Cost - \$1,735,514
- FY 2022-23 Funding - \$150,000
- Project Year(s) - Annually
- Includes painting and/or replacing cobra head lights and traffic signal poles and mast arms throughout town.
- ***Project works to prevent the deterioration of streetlights thereby extending the life of the lights. The cost to replace streetlights can be as much as \$4,000 per light pole, significantly higher than continuing this program.***

***Sidewalk Rehabilitation Program***

- Estimated Project Cost - \$2,298,454
- FY 2022-23 Funding - \$250,000
- Project Year(s) - Annually
- Includes repairing or replacing sidewalks throughout Town that have either reached the end of their useful life or have become unsafe for people using sidewalks to travel throughout the town..
- ***Project works to maintain sidewalks throughout the community allowing pedestrians to move around the community safely on foot or other sidewalk acceptable modes of transportation.***

***Street Resurfacing & Miscellaneous Concrete***

- Estimated Project Cost - \$13,217,414
- FY 2022-23 Funding - \$1,142,384
- Project Year(s) – Annually
- An annual program of rehabilitating & restoring asphalt road surfaces, including concrete repairs to curb and gutters, streets, alleys and sidewalks.
- ***The program is intended to, among other things, provide funding for continued road maintenance in an effort to extend the lives of the Town's roadways. This allows more current resources to be devoted to those roadway projects that need to be reconstructed.***

***Mockingbird Bridge Rehabilitation***

- Estimated Project Cost - \$500,000
- Project Year(s) – FY 2023-24
- Includes structural evaluation of the existing bridge railing, removal of deteriorated paint, concrete repairs as needed and new paint. Project may include additional sidewalk improvements to enhance pedestrian safety.
- ***Project works to maintain the integrity of the bridge railing, including aesthetics and functionality allowing for pedestrian safety.***

***Mockingbird Lane (West) Reconstruction***

- Estimated Project Cost – \$1,300,000
- Project Year(s) – FY 2022-23
- FY 2021-22 Funding - \$1,300,000
- Limits: Westside Drive to Eastern Avenue
- Additional Funding Source – Dallas County -MCIP- \$575,000
- Project includes the total reconstruction of the road.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway to be committed to other roadways within the Town.***

***Potomac Reconstruction***

- Estimated Project Cost – \$650,000
- Project Year(s) – FY 2022-23
- FY 2021-22 Funding - \$650,000
- Limits – Key Street to Hillcrest Avenue
- Project includes the total reconstruction of the road.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway to be committed to other roadways within the Town.***

***Swimming Pool Improvements***

- Estimated Project Cost – \$200,000
- Project Year(s) – FY 2022-23
- FY 2022-23 Funding - \$200,000
- Project includes replacing the swimming pool shell liner which is a PVC material that lines the surface of the swimming pool. The liner has an estimated life of 10 years. The project also consists of replacing the primary sand filter which has an estimated useful life of 15 years.
- ***Project replaces critical components of the Town’s public swimming pool that are needed to keep the pool operational throughout the pool season.***

***Teddy Bear Garden Pedestrian Access & Landscaping***

- Estimated Project Cost – \$500,000
- Project Year(s) – FY 2022-23
- FY 2022-23 Funding - \$500,000
- Project consists of reconfiguring access to the Teddy Bear Garden located at Lakeside Park. This garden can be accessed from both Lakeside Drive across the Exall Bridge or from Preston along Willowood Drive. This project provides for easier and safer access to the garden.
- ***Project make access to the park safer and easier for the public and will provide improved landscaping that works to enhance privacy for neighboring residents while beautifying the park area.***

***Preston Road Reconstruction (Phase C)***

- Estimated Project Cost – \$4,937,738
- 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.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and signal lights to be allocated towards other transportation related maintenance within the Town.***

## *Ten Year Capital Improvement Plan Project Detail – By Fund*

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### ***Beverly Drive Reconstruction***

- Estimated Project Cost – \$7,219,296
  - Limits
    - Phase I includes Preston to Drexel (\$2,343,319).
    - Phase II includes Westside Drive to Armstrong (\$2,437,989)
    - Phase III includes Drexel to East Town Limits (\$2,437,989)
- Project Year(s) – FY 2029-30 & FY 2030-31
- Additional Funding Sources –Dallas County – MCIP - \$1,000,000
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.
- ***Roadway is currently maintained on an as needed basis. Project rehabilitates that roadway allowing the Town to refocus any maintenance dollars that would otherwise be used on this road to other areas.***

### ***Mockingbird Lane Rehabilitation***

- Estimated Project Cost – \$2,210,921
- Project Year(s) – FY 2030-31
- Limits – Dallas North Tollway to Hillcrest
- 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.
- ***Roadway is currently maintained on an as needed basis. Project rehabilitates that roadway allowing the Town to refocus any maintenance dollars that would otherwise be used on this road to other areas.***

## **STORM WATER FUND**

### ***Improvements for Hackberry Creek***

- Estimated Project Cost –\$6,600,000
- FY 2022-23 Funding - \$600,000
- Project Year(s) – FY 2022-23 through FY 2025-26
- 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.
- ***Project impact on the operating budget will not be known until design work is complete.***

### ***Drainage Easement Projects***

- Estimated Project Cost –\$2,580,000
- FY 2022-23 Funding - \$630,000
- Project Year(s) – FY 2022-23 through FY 2025-26
- Improvements may include grading, adjustments to existing inlets, installing new inlets and associated storm drain-pipe and construction of a concrete flume.
- ***Project is anticipated to address drainage issues within the Town and is not expected to impact the operating budget.***

## **UTILITY FUND**

### ***Water & Sanitary Sewer Infrastructure Replacement/Rehabilitation:***

- Estimated Project Cost - \$15,455,317
- FY 2022-23 Funding - \$2,350,000
- Project Year(s) – Annually
- An annual program to replace aging water and sanitary sewer mains throughout the Town.
- ***Program is intended to replace aging infrastructure and is expected to reduce utility line maintenance efforts in the areas where lines are replaced. This will allow existing maintenance dollars to be applied to other areas of the Town.***

***Holland Avenue Elevated Storage Tank Replacement***

- Estimated Project Cost – \$6,619,950
- FY 2022-23 Funding - \$2,205,000
- Project Year(s) – FY 2021-22, FY 2022-23 and FY 2023-24
- The elevated storage tank located at the Town’s Service Center on Holland Avenue is scheduled to be replaced, which will include the construction of a new elevated storage tank and removal of the current 750,000 gallon tank.
- ***Project will replace the existing end of life elevated water tank and with a planned higher elevation, provide improved water pressures throughout the community. It is anticipated that with the new tank existing maintenance dollars can be devoted to other areas of the utility system.***

**PROJECTS PRESENT IN MULTIPLE FUNDS**

***Lakeside Drive Reconstruction & 30” Sewer Line***

- Estimated Project Cost – \$10,254,425
  - Capital Projects Fund \$5,564,014
  - FY 2022-23 Funding - \$329,294
    - Project Years(s) – FY 2020-21 through FY 2022-23
    - Limits – Armstrong Avenue to Beverly Drive
      - Design (\$911,300) (Funded in FY 2021)
      - Construction (\$4,652,714)
  - Utility Fund \$4,690,411
    - Project Years(s) – FY 2025-26 and FY 2031-32
    - Limits – Wycliffe Avenue to Armstrong Avenue/Beverly Drive to North Town Limits
      - Design and Construction (\$2,630,310)
      - Design and Construction (\$2,060,101)
- Additional Funding Source – University Park – \$1,127,209 in the Capital Projects Fund and \$2,345,205 in the Utility Fund, total of \$3,472,414
- 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.
- ***Project completely replaces the 30” sanitary sewer interceptor and Lakeside Drive roadway, which are both at the end of their useful lives. This project will allow maintenance dollars that are used for this infrastructure as needed to be applied in other areas of the Town.***

***Westside Drive Reconstruction***

- Estimated Project Cost – \$3,825,000
  - Capital Projects Fund \$3,080,400
  - Storm Water Drainage Fund \$591,600
  - Utility Fund \$153,000
- Project Years(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.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

***Hillcrest Avenue Reconstruction***

- Estimated Project Cost – \$2,806,836
  - Capital Projects Fund \$2,174,436
  - Storm Water Drainage Fund \$61,200
  - Utility Fund \$571,200

## *Ten Year Capital Improvement Plan Project Detail – By Fund*

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- Project Year(s) – FY 2022-23
- 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.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

### ***Abbott Avenue Reconstruction***

- Estimated Project Cost – \$3,459,538
  - Capital Projects Fund \$2,302,821
  - Storm Water Drainage Fund \$42,448
  - Utility Fund \$1,114,268
- 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.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

### ***Eastern Avenue Reconstruction***

- Estimated Project Cost – \$2,716,692
  - Capital Projects Fund \$1,825,278
  - Storm Water Drainage Fund \$180,405
  - Utility Fund \$711,009
- 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.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

### ***Roland Avenue Reconstruction***

- Estimated Project Cost – \$2,045,797
  - Capital Projects Fund \$1,472,108
  - Utility Fund \$573,689
- Project Year(s) – FY 2025-26
- Limits –Mockingbird Lane to Bordeaux Avenue
- Additional Funding Source – Dallas County – MCIP - \$1,000.000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

## *Ten Year Capital Improvement Plan Project Detail – By Fund*

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### ***Douglas Avenue Reconstruction***

- Estimated Project Cost – \$5,555,208
  - Capital Projects Fund \$3,941,435
  - Limits
    - Phase I includes South Town limits to Beverly Drive (\$2,261,201)
    - Phase II includes Beverly Drive to North Town limits (\$1,680,234)
  - Storm Water Drainage Fund \$366,245
  - Limits
    - Phase I includes South Town limits to Beverly Drive (\$44,163)
    - Phase II includes Beverly Drive to North Town limits (\$322,082)
  - Utility Fund \$1,247,528
  - Limits
    - Phase I includes South Town limits to Beverly Drive (\$452,457)
    - Phase II includes Beverly Drive to North Town limits (\$795,071)
- Project Year(s) – FY 2025-26 & FY 2027-28
- Additional Funding Source – Dallas County – MCIP - \$1,500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

### ***Lomo Alto Drive Reconstruction***

- Estimated Project Cost – \$9,855,179
  - Capital Projects Fund \$6,613,205
  - Limits
    - Phase I includes Lemmon Avenue to Bordeaux (\$2,638,753)
    - Phase II includes Bordeaux Avenue to Mockingbird Lane (\$3,974,452)
  - Utility Fund \$3,241,974
  - Limits
    - Phase I includes Lemmon Avenue to Bordeaux Avenue (\$1,070,958)
    - Phase II includes Bordeaux Avenue to Mockingbird Lane (\$2,171,016)
- Project Year(s) – FY 2026-27, FY 2028-29 & FY 2029-30
- Additional Funding Source – anticipated Dallas County \$3,000,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance within the Town.***

### ***Armstrong Parkway Rehabilitation***

- Estimated Project Cost – \$8,504,780
  - Capital Projects Fund \$6,199,466
  - Limits
    - Phase I includes Arcady to Beverly (\$1,295,087)
    - Phase II includes Douglas to Arcady (\$3,360,319)
    - Phase III includes Beverly to Mockingbird (\$1,544,060)
  - Storm Water Drainage Fund (\$377,654)
  - Limits
    - Phase I includes Arcady to Beverly (\$121,761)
    - Phase II includes Douglas to Arcady (\$126,680)
    - Phase III includes Beverly to Mockingbird (\$129,213)
  - Utility Fund \$1,927,660

## *Ten Year Capital Improvement Plan Project Detail – By Fund*

---

- Limits
  - Phase I includes Arcady to Beverly (\$751,150).
  - Phase II includes Douglas to Arcady (\$690,107).
  - Phase III Beverly to Mockingbird (\$486,403)
- Project Year(s) – FY 2027-28, FY 2029-30 & FY 2030-31
- 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.
- ***Roadway is currently maintained on an as needed basis. Project rehabilitates that roadway allowing the Town to refocus any maintenance dollars that would otherwise be used on this road to other areas.***

MCIP – Major Capital Improvement Program.

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**TEN YEAR FINANCIAL FORECAST**

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

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### **General Fund**

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

- Property tax revenue is based on estimated taxable assessed values (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 2.5% which is more conservative than historical trends.
- Interest revenue is based on 2% of fund balance for years after FY 2023.
- 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 indexed at 3.25% each year.
- 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 2024-25 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.
- Project cost for all funds have annual inflation included at 2%. Project costs have also been increased by 5% to address current inflation. A construction contingency is added beginning in fiscal year 2022 – 2023.

### **Storm Water Utility Fund**

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

- Storm water revenues are indexed each year by 2.2%.
- A transfer from the Capital Improvement Fund of \$1,000,000 for fiscal year 2022-23 and transfers ranging between \$350,000 and \$1,000,000 per year for the remaining nine years is anticipated.
- The Storm Water Utility Fund also anticipates an internal loan from the Reserve Fund to facilitate improvements to Hackberry Creek over the next four years. The internal loan will be repaid over 10 years from the year the funds are provided.

#### ***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 an annual water and sewer rate adjustment of 3.0%. For fiscal years 2023, 2024 and 2025, additional increases to the Town's retail water rate of 4%, 2.6% and 1.6% respectively is proposed to fund anticipated increases in the wholesale water rate charged by the Dallas County Park Cities Municipal Utility District (DCPCMUD). These rates are increasing to address DCPCMUD's capital needs and other increasing operating costs..

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

<b>GENERAL FUND</b>					
Estimated Tax Rate Per \$100 T.A.V.	23.00 Cents 2020-21	23.00 Cents 2021-22	23.00 Cents 2022-23	23.00 Cents 2023-24	23.00 Cents 2024-25
<b>BEGINNING FUND BALANCE</b>	\$ 5,245,774	\$ 7,717,749	\$ 8,647,039	\$ 8,722,768	\$ 7,252,188
<b>REVENUES:</b>					
Property Taxes	\$ 15,201,900	\$ 15,487,088	\$ 17,058,331	\$ 17,630,564	\$ 18,246,408
Sales Taxes	5,663,645	6,800,087	6,640,091	6,806,093	6,976,245
Franchise Fees	884,641	972,579	932,414	956,337	980,873
Building Inspection Fees/Permits	1,599,966	1,590,694	\$ 1,395,104	1,443,933	1,494,471
Municipal Court Fines/Fees	545,385	581,359	\$ 602,203	623,280	645,095
Interest Earnings	58,251	73,955	150,456	335,955	300,860
All Other	2,178,619	2,199,145	\$ 4,162,032	1,977,780	2,045,789
<b>TOTAL REVENUES</b>	\$ 26,132,407	\$ 27,704,907	\$ 30,940,631	\$ 29,773,942	\$ 30,689,741
Transfers from Other Funds	1,326,300	1,280,000	1,359,300	1,389,205	1,419,768
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	\$ 27,458,707	\$ 28,984,907	\$ 32,299,931	\$ 31,163,147	\$ 32,109,509
<b>EXPENDITURES:</b>					
Personnel Services:					
Payroll	12,624,960	13,117,212	14,098,160	\$ 14,556,350	\$ 15,029,431
Taxes	865,253	937,528	1,004,553	1,049,513	1,083,622
Retirement (TMRS)	1,164,500	1,175,933	1,661,082	1,880,680	1,941,802
Insurance	1,775,028	1,713,430	1,884,784	2,022,373	2,170,006
Total Personnel	\$ 16,429,741	\$ 16,944,103	\$ 18,648,579	\$ 19,508,916	\$ 20,224,862
Supplies & Equipment	1,052,001	1,201,401	1,176,588	\$ 1,211,886	\$ 1,248,243
Services & Charges	3,563,078	3,710,160	4,241,499	4,368,744	4,499,806
Capital Outlay:					
Equipment	29,133	-	-	-	10,000
CIP	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	\$ 21,073,953	\$ 21,855,664	\$ 24,066,666	\$ 25,089,546	\$ 25,982,911
Transfers to Capital Projects Fund	2,345,052	4,620,426	4,311,570	5,913,103	4,525,561
Transfers to Other Funds	1,567,727	1,579,527	3,845,966	1,631,077	1,666,961
<b>TOTAL EXPENDITURES &amp; TRANSFERS-OUT</b>	\$ 24,986,732	\$ 28,055,617	\$ 32,224,202	\$ 32,633,727	\$ 32,175,433
<b>ENDING FUND BALANCE</b>	\$ 7,717,749	\$ 8,647,039	\$ 8,722,768	\$ 7,252,188	\$ 7,186,263
<b>FUND BALANCE MINIMUM</b>	\$ 3,844,133	\$ 3,983,982	\$ 4,745,147	\$ 4,542,506	\$ 4,698,778
<b>FUND BALANCE SURPLUS</b>	\$ 3,873,616	\$ 4,663,057	\$ 3,977,621	\$ 2,709,682	\$ 2,487,485
<b>CAPITAL PROJECTS FUND</b>					
<b>Beginning Balance</b>	\$ 7,353,529	\$ 6,667,069	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070
Total Annual Project Funding (1)	7,212,801	9,029,878	8,146,336	9,499,189	11,627,048
Total Expenditures	7,899,261	6,917,552	10,754,776	7,993,074	12,685,342
<b>Ending Balance*</b>	\$ 6,667,069	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Over(Under) Contingency</b>	\$ 4,667,069	\$ 6,779,395	\$ 4,170,955	\$ 5,677,070	\$ 4,618,777
<b>PROPERTY TAX ASSUMPTIONS</b>					
<b>Property Tax Revenue</b>	\$ 15,201,900	\$ 15,487,088	\$ 17,058,331	\$ 17,630,564	\$ 18,246,408
<b>Property Values (2)</b>	\$ 6,532,652,954	\$ 6,781,705,819	\$ 7,466,203,174	\$ 7,727,520,285	\$ 7,997,983,495
<b>Tax Rate</b>	0.23	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 FY 2021-22.

| <b>23.00 Cents</b> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>2025-26</b>     | <b>2026-27</b>     | <b>2027-28</b>     | <b>2028-29</b>     | <b>2029-30</b>     | <b>2030-31</b>     | <b>2031-32</b>     |
| \$ 7,186,263       | \$ 7,066,487       | \$ 7,078,489       | \$ 7,116,555       | \$ 7,172,140       | \$ 7,235,720       | \$ 7,296,717       |
| \$ 18,883,808      | \$ 19,543,516      | \$ 20,226,314      | \$ 20,933,010      | \$ 21,664,440      | \$ 22,421,471      | \$ 23,204,997      |
| 7,150,651          | 7,329,417          | 7,512,652          | 7,700,468          | 7,892,980          | 8,090,305          | 8,292,563          |
| 1,006,039          | 1,031,851          | 1,058,325          | 1,085,478          | 1,113,328          | 1,141,892          | 1,171,189          |
| 1,546,777          | 1,600,914          | 1,656,946          | 1,714,939          | 1,774,962          | 1,837,086          | 1,901,384          |
| 667,673            | 691,042            | 715,228            | 740,261            | 766,170            | 792,986            | 820,741            |
| 304,273            | 306,962            | 312,447            | 318,639            | 325,361            | 332,428            | 339,633            |
| 2,116,136          | 2,188,902          | 2,264,170          | 2,342,027          | 2,422,561          | 2,505,864          | 2,592,032          |
| \$ 31,675,357      | \$ 32,692,604      | \$ 33,746,082      | \$ 34,834,822      | \$ 35,959,802      | \$ 37,122,032      | \$ 38,322,539      |
| 1,451,003          | 1,482,925          | 1,515,549          | 1,548,891          | 1,582,967          | 1,617,792          | 1,653,383          |
| \$ 33,126,360      | \$ 34,175,529      | \$ 35,261,631      | \$ 36,383,713      | \$ 37,542,769      | \$ 38,739,824      | \$ 39,975,922      |
| \$ 15,517,888      | \$ 16,022,219      | \$ 16,542,941      | \$ 17,080,587      | \$ 17,635,706      | \$ 18,208,866      | \$ 18,800,654      |
| 1,118,840          | 1,155,202          | 1,192,746          | 1,231,510          | 1,271,534          | 1,312,859          | 1,355,527          |
| 2,004,911          | 2,070,071          | 2,137,348          | 2,206,812          | 2,278,533          | 2,352,585          | 2,429,044          |
| 2,328,417          | 2,498,391          | 2,680,774          | 2,876,470          | 3,086,453          | 3,311,764          | 3,553,523          |
| \$ 20,970,056      | \$ 21,745,883      | \$ 22,553,809      | \$ 23,395,380      | \$ 24,272,226      | \$ 25,186,075      | \$ 26,138,748      |
| \$ 1,285,690       | \$ 1,324,261       | \$ 1,363,989       | \$ 1,404,909       | \$ 1,447,056       | \$ 1,490,468       | \$ 1,535,182       |
| 4,834,800          | 4,979,844          | 5,129,239          | 5,283,116          | 5,441,609          | 5,604,857          | 5,773,003          |
10,000	10,000	10,000	10,000	10,000	10,000	10,000
\$ 27,100,546	\$ 28,059,988	\$ 29,057,037	\$ 30,093,405	\$ 31,170,891	\$ 32,291,400	\$ 33,456,933
4,441,956	4,362,425	4,387,110	4,416,158	4,449,724	4,487,964	4,631,043
1,703,634	1,741,114	1,779,419	1,818,566	1,858,574	1,899,463	1,941,251
\$ 33,246,136	\$ 34,163,527	\$ 35,223,565	\$ 36,328,129	\$ 37,479,189	\$ 38,678,827	\$ 40,029,227
\$ 7,066,487	\$ 7,078,489	\$ 7,116,555	\$ 7,172,140	\$ 7,235,720	\$ 7,296,717	\$ 7,243,412
\$ 4,895,011	\$ 5,064,487	\$ 5,240,497	\$ 5,423,335	\$ 5,613,309	\$ 5,810,747	\$ 6,015,991
\$ 2,171,476	\$ 2,014,002	\$ 1,876,058	\$ 1,748,805	\$ 1,622,411	\$ 1,485,970	\$ 1,227,421
\$ 6,618,777	\$ 6,271,115	\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892
6,349,965	6,021,290	6,320,109	6,371,430	6,400,729	6,638,062	6,535,683
6,697,628	5,444,239	5,824,054	6,943,578	8,845,370	6,871,602	8,119,845
\$ 6,271,115	\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892	\$ 2,509,730
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 4,271,115	\$ 4,848,166	\$ 5,344,220	\$ 4,772,072	\$ 2,327,432	\$ 2,093,892	\$ 509,730
\$ 18,883,808	\$ 19,543,516	\$ 20,226,314	\$ 20,933,010	\$ 21,664,440	\$ 22,421,471	\$ 23,204,997
\$ 8,277,912,917	\$ 8,567,639,870	\$ 8,867,507,265	\$ 9,177,870,019	\$ 9,499,095,470	\$ 9,831,563,811	\$ 10,175,668,545
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 8,864 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 (2020 Census)..... 8,864

### Proportion of Taxable Property Values

Residential ..... 91.05%      Commercial ..... 7.54%  
 Business Personal Property..... 1.21%      Utilities ..... 0.20%

### Public Safety Personnel

Cross-trained (Police/Fire/Paramedic)..... 55      Part time Court Bailiffs.....4  
 Police Officer .....2

### Water and Sewer Utility System

#### Water Connections at September 30, 2022

Residential ..... 3,056  
 Residential Multifamily ..... 34  
 Commercial ..... 93  
 Irrigation ..... 2,320  
 Municipal..... 74  
 Total ..... 5,577

#### Sewer Connections

Residential ..... 2,986  
 Residential Multifamily .....34  
 Commercial .....89  
 Municipal.....3  
 Total ..... 3,112

### Infrastructure

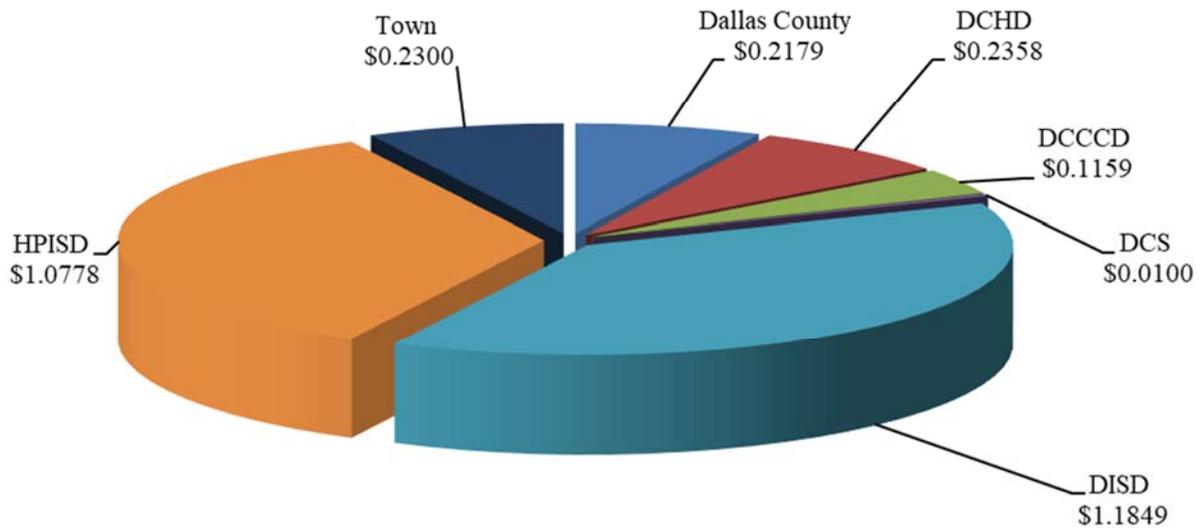
Sanitary Sewers..... 37.18 Miles      Storm Sewers..... 12.22 Miles  
 Parks..... 22 with 59.3 Acres      Paved Streets ..... 41.79 Miles



Highland Park

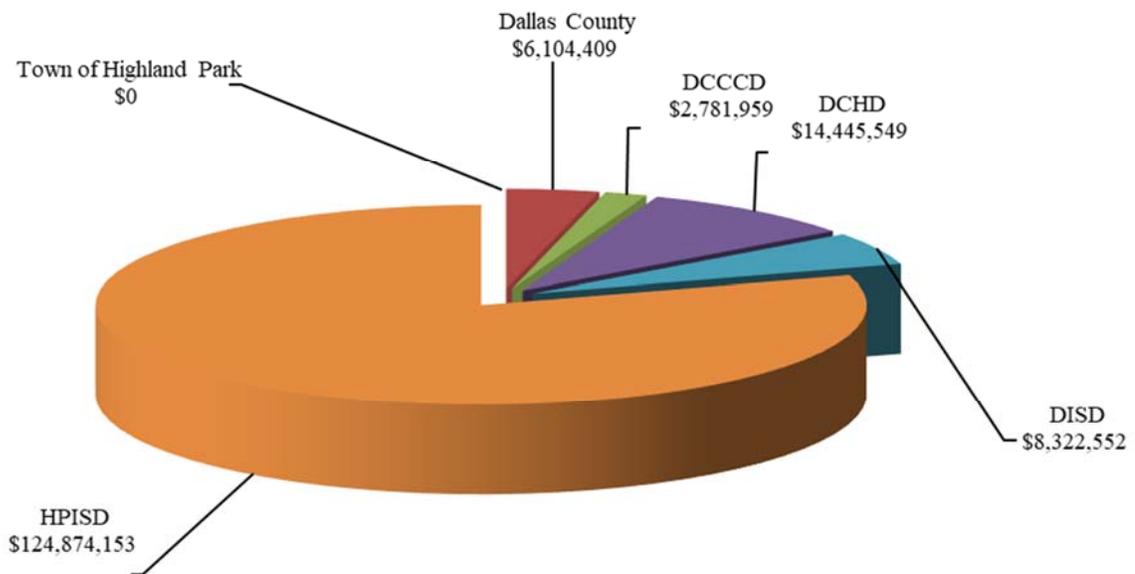
# TOWN OF HIGHLAND PARK

## Direct and Overlapping Property Tax Rates - 2022



Per \$100 Taxable Valuation

## Direct and Overlapping Debt - 2022



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

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

Tax Year	Appraised Property Value			Taxable Value
	Real Property	Business Personal Property	Total	
2010	\$ 5,459,810,500	\$ 59,316,040	\$ 5,519,126,540	\$ 4,437,430,774
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	\$ 6,588,993,380	\$ 78,087,300	\$ 6,667,080,680	\$ 5,324,500,745
2016	\$ 7,125,427,370	\$ 91,050,750	\$ 7,216,478,120	\$ 5,765,524,023
2017	\$ 7,136,257,020	\$ 88,973,310	\$ 7,225,230,330	\$ 6,012,113,607
2018	\$ 7,622,177,870	\$ 99,755,280	\$ 7,721,933,150	\$ 6,292,473,542
2019	\$ 7,853,250,380	\$ 106,359,070	\$ 7,959,609,450	\$ 6,463,192,448
2020*	\$ 8,041,214,480	\$ 108,081,240	\$ 8,149,295,720	\$ 6,616,458,934
2021	\$ 8,269,469,480	\$ 99,364,670	\$ 8,368,834,150	\$ 6,783,128,145
2022	\$ 9,382,277,690	\$ 104,583,140	\$ 9,486,860,830	\$ 7,466,203,174

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 - 2022 TAX ROLL**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Valuation</u>	<u>% of Taxable Valuation</u>
HP Village Partners LP	Commercial	\$ 211,768,620	2.86%
Dallas Country Club	Commercial	43,086,260	0.58%
4101 Trust	Residential	41,000,000	0.55%
Crow, Harlen	Residential	39,762,992	0.54%
Muse, John R	Residential	39,470,000	0.53%
Ware, Leslie	Residential	33,145,200	0.45%
L & B Depp UCEPP 5500	Commercial	25,526,960	0.34%
Intercity Investment	Commercial	23,050,280	0.31%
Jones, Jerral W. & Gene C.	Residential	22,448,224	0.30%
3905 B Trust	Residential	17,447,040	0.24%

## EMPLOYMENT DATA BY INDUSTRY

<u>Employer Industry</u>	<u>Number of establishments</u>	<u>Annual Payroll (\$1,000's)</u>	<u>Employees</u>
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.

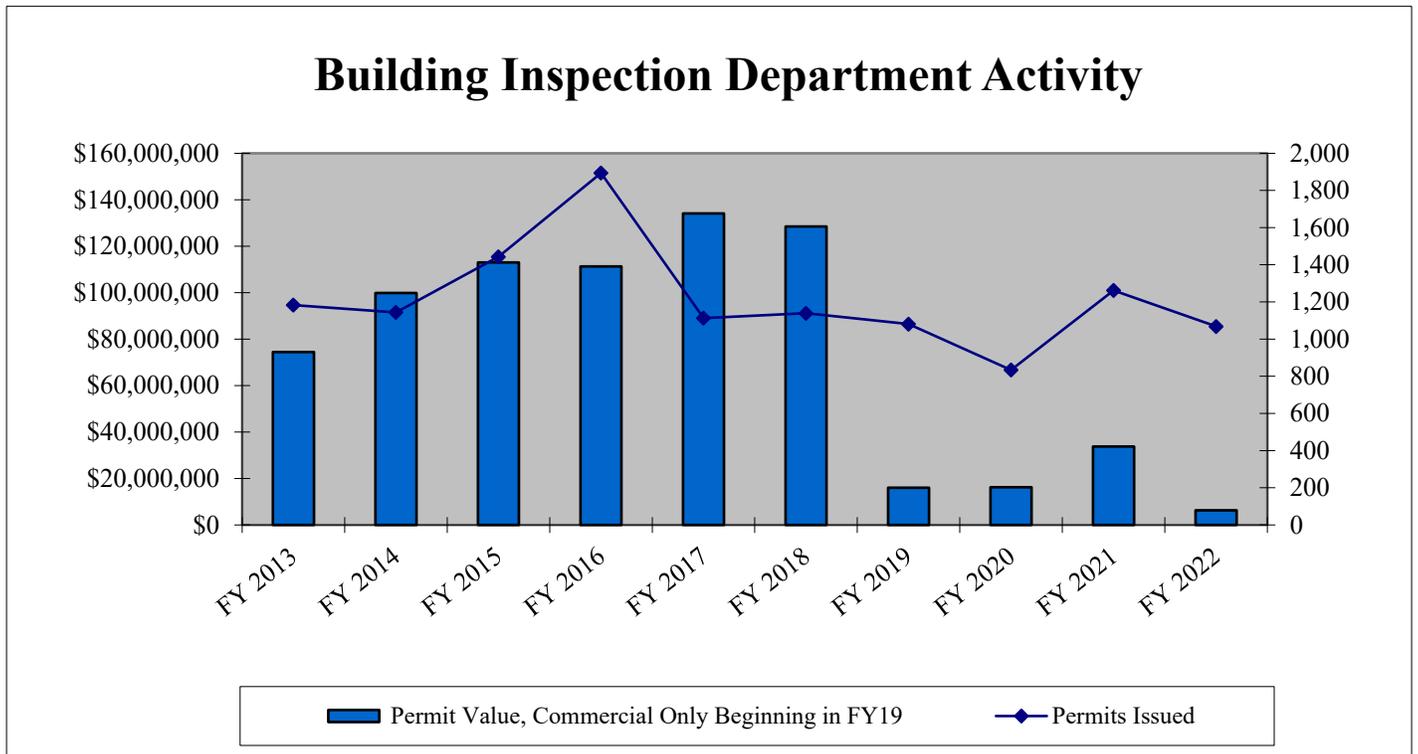
The Town of Highland Park is a relatively small municipality with a radius of about 2.26 square miles. The Town's most recent estimated population is approximately 8,864. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the 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
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	\$ 6,588,993,380	\$ 78,087,300
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	\$ 7,136,257,020	\$ 88,973,310
2019	19	\$ 15,979,770	1,062	*	\$ 7,622,177,870	\$ 99,755,280
2020	26	\$ 16,227,820	808	*	\$ 7,853,250,380	\$ 106,359,070
2021	23	\$ 33,720,046	1,239	*	\$ 8,041,214,480	\$ 108,081,240
2022	16	\$ 6,286,811	1,052	*	\$ 8,269,469,480	\$ 99,364,670

\* 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.

\*\* Source: Dallas Central Appraisal District (DCAD).



*Regarding the drop in permit values, please refer to the note above regarding H.B. 852.*

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## **PAY PLAN**

The Pay Plans incorporated in the Town's FY 2022-23 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. In FY 2002, the midpoint of the 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 and public safety 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 2022-23 Combined Budget provides for a merit increase of up to 3.5%, for all employees. This merit increase does not impact the pay plan and is based on an employee's performance in the prior year.

The FY 2022-23 pay plan has been adjusted based on compensation survey completed during FY 2021-22. All pay plans were adjusted by 5%.

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 2023**

Grade	Position	Hourly Base Pay Range	
		Minimum	Maximum
8	Communications Manager Superintendent Town Secretary	\$44.86	65.09
7	-	\$39.00	\$56.60
6	Accounting Supervisor Accreditation Manager Building Inspector Communications Supervisor Customer Service Supervisor Development Services Coordinator Facilities Maintenance Manager Town Services Coordinator	\$33.91	\$49.21
5	Alarm Specialist Construction Inspector Court Clerk Librarian Management Assistant Project Coordinator	\$29.48	\$42.80
4	Communications Specialist DPS Administrative Secretary Human Resources Coordinator Irrigation/Mosquito Inspector Parks Maintenance Worker III Public Works Maintenance Worker III Secretary to the Director Senior Accounting Technician	\$25.64	\$37.21
3	Building Permit Technician Customer Service Specialist II Deputy Court Clerk Finance & HR Administrative Assistant Library Administrative Assistant Parks Maintenance Worker II Public Works Maintenance Worker II	\$22.30	\$32.36
2	Library Associate/Assistant Public Works Maintenance Worker I	\$19.39	\$28.14
1	Parks Maintenance Worker I	\$16.86	\$24.46

**Court Security Guards start at \$50.00/hour with 4 hours per week.**

**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 2023**

Grade	Position	Hourly Base Pay Range Shift Duty*			Hourly Base Pay Range Administration**	
		Minimum	Maximum		Minimum	Maximum
G	Captain	\$46.25	\$53.41		\$72.27	\$83.46
F	Lieutenant	\$40.21	\$46.45		\$62.84	\$72.58
E	Sergeant	\$34.96	\$40.39		\$54.63	\$63.11
D	Unassigned	-	-		-	-
C	Public Safety Officer	\$27.14	\$34.20		\$42.41	\$53.44
B	Fire Fighter or Police Officer	\$22.62	\$26.11		\$35.34	\$40.80
A	Public Safety Apprentice	\$21.59	\$22.67		\$33.73	\$35.42

**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 2023**

<b>Grade</b>	<b>Position</b>	<b>Minimum</b>	<b>Maximum</b>
E-4	Director of Public Safety Director of Administrative Services & CFO	\$171,531	\$248,633
E-3	Director of Engineering	\$155,937	\$226,028
E-2	Assistant Director of Public Safety	\$148,157	\$214,755
E-1	Development Services Director	\$136,933	\$198,092
E-0	Town Librarian IT Manager Deputy Chief Financial Officer Assistant Development Services Director	\$119,073	\$172,256

**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 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017
Property Taxes	\$ 10,039,679	\$ 10,763,525	\$ 11,573,644	\$ 12,593,539
Water Sales	5,370,747	5,996,115	6,699,336	6,688,572
Sanitary Sewer Charges	2,545,727	2,551,417	2,788,561	2,787,880
Sales Tax	3,437,806	3,514,625	3,606,074	3,480,389
Sanitation & Recycling Charges	1,231,340	1,236,438	1,235,509	1,236,532
Franchise Fees	1,024,423	1,051,657	1,021,288	1,037,497
Building Activity Fees	1,306,011	1,396,333	1,031,156	1,464,379
Court Fines/Fees	779,530	774,048	1,019,914	1,181,779
Interest on Investments	60,870	57,242	106,120	244,823
Other Charges for Service	1,764,849	1,390,401	1,373,008	1,358,006
Storm Water Drainage Fees	374,523	381,883	386,838	390,126
All Other	859,129	1,837,167	1,938,116	1,778,462
<b>Total</b>	<b>\$ 28,794,634</b>	<b>\$ 30,950,851</b>	<b>\$ 32,779,564</b>	<b>\$ 34,241,984</b>

Source: Actual Column of Prior Year Budget Documents.

	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Projected FY 2022	Adopted FY 2023
\$	13,266,804	\$ 13,771,615	\$ 14,772,729	\$ 15,201,900	\$ 15,487,088	\$ 17,058,331
	7,291,607	6,557,798	6,983,139	6,553,152	7,158,639	7,824,554
	2,808,651	2,744,988	2,760,303	2,783,879	2,825,935	2,997,300
	4,071,324	4,312,342	4,198,191	5,663,645	6,800,087	6,640,091
	1,390,789	1,466,140	1,515,618	1,537,234	1,594,508	1,688,228
	1,036,561	1,085,951	938,957	884,641	972,579	932,414
	1,232,128	1,405,605	1,348,756	1,533,066	1,549,352	1,353,176
	1,075,200	1,368,822	786,710	622,861	659,513	682,313
	546,103	988,493	569,156	209,258	267,892	489,921
	1,420,196	1,439,456	1,411,853	1,509,775	1,566,788	1,559,489
	399,396	413,844	426,626	427,247	440,000	453,200
	<u>2,378,644</u>	<u>6,311,564</u>	<u>3,298,553</u>	<u>12,032,428</u>	<u>4,927,991</u>	<u>5,900,157</u>
\$	36,917,403	\$ 41,866,618	\$ 39,010,591	\$ 48,959,086	\$ 44,250,372	\$ 47,579,174

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

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017
Personnel				
Payroll	\$ 11,476,313	\$ 11,681,953	\$ 12,138,107	\$ 12,397,961
Benefits	2,858,783	2,674,221	2,728,154	2,943,700
Subtotal	<u>\$ 14,335,096</u>	<u>\$ 14,356,174</u>	<u>\$ 14,866,261</u>	<u>\$ 15,341,661</u>
Supplies & Equipment	3,627,234	3,680,111	3,522,677	3,541,913
Services & Charges	5,172,547	6,148,502	5,421,227	5,903,472
Capital Outlay	11,713,808	2,608,751	5,062,747	6,803,123
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 34,848,685</u>	<u>\$ 26,793,538</u>	<u>\$ 28,872,912</u>	<u>\$ 31,590,169</u>

Source: Actual Column of Prior Year Budget Documents.

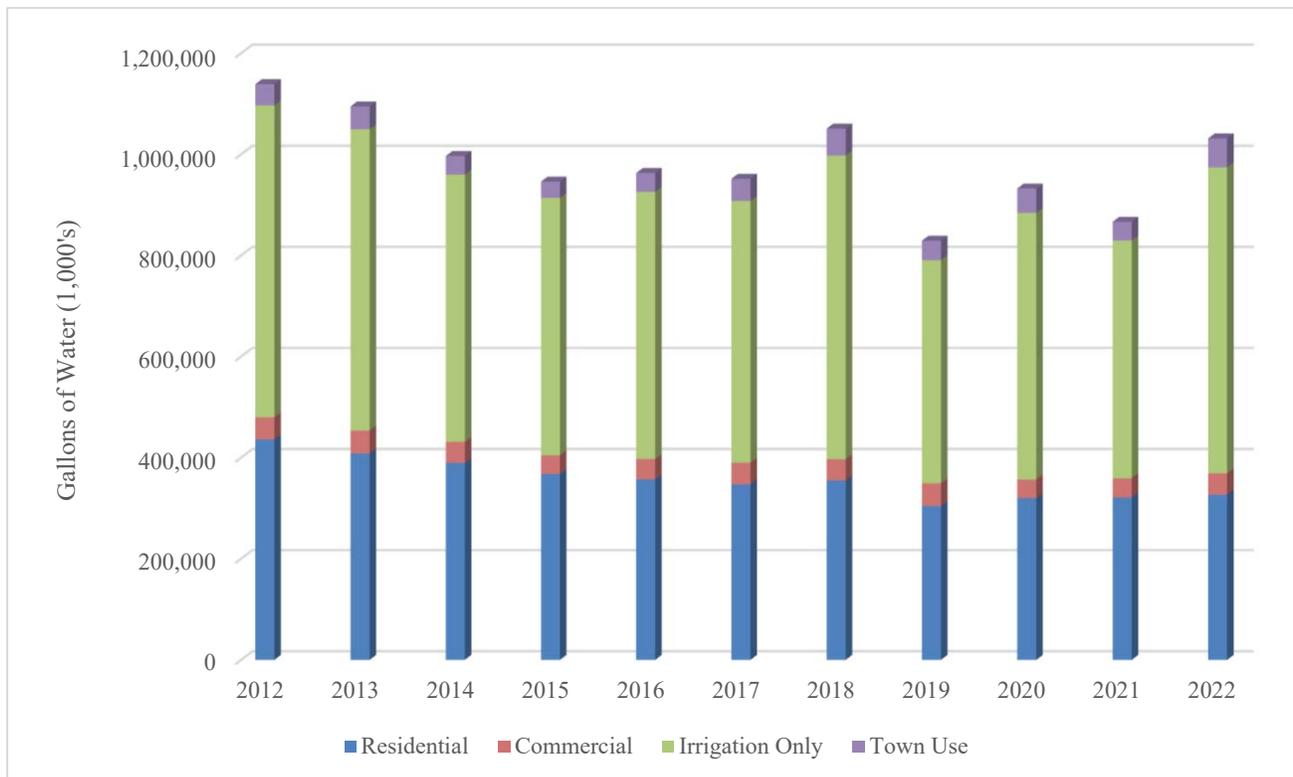
Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Projected FY 2022	Adopted FY 2023
\$ 12,910,890	\$ 13,616,196	\$ 14,067,783	\$ 13,923,547	\$ 14,324,723	\$ 15,635,758
3,366,911	3,452,656	4,007,867	4,194,022	4,201,610	5,021,919
\$ 16,277,801	\$ 17,068,852	\$ 18,075,650	\$ 18,117,569	\$ 18,526,333	\$ 20,657,677
3,871,652	3,439,159	3,581,462	3,638,331	4,163,510	4,563,031
6,094,929	6,011,249	6,211,733	6,922,558	7,378,369	7,961,041
5,382,027	10,786,728	8,032,302	11,029,044	11,561,796	18,562,274
-	-	-	-	-	-
\$ 31,626,409	\$ 37,305,988	\$ 35,901,147	\$ 39,707,502	\$ 41,630,008	\$ 51,744,023

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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>
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
2021	321,139	38,127	470,153	37,263	866,682	5,574
2022	326,654	42,526	605,225	57,108	1,031,513	5,577



# 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

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**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

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**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

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**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

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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

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**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.

**GTOT** Government Treasurers' Organization of Texas.

**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

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**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

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**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

**2022 TAX RATE CALCULATION WORKSHEET**

# 2022 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

*SJA*  
*8/9/22*  
*BWA*  
*8-4*

Town of Highland Park	214.559.9360
Taxing Unit Name	Phone (area code and number)
4700 Drexel Dr, Highland Park, TX 75205	www.hptx.org
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2021 total taxable value.</b> Enter the amount of 2021 taxable value on the 2021 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$ 6,657,253,423
2.	<b>2021 tax ceilings.</b> Counties, cities and junior college districts. Enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$ 0
3.	<b>Preliminary 2021 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 6,657,253,423
4.	<b>2021 total adopted tax rate.</b>	\$ 0.230000 /\$100
5.	<b>2021 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.</b>	
	A. Original 2021 ARB values:.....	\$ 104,918,820
	B. 2021 values resulting from final court decisions:.....	-\$ 98,596,220
	C. 2021 value loss. Subtract B from A. <sup>3</sup>	\$ 6,322,600
6.	<b>2021 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	A. 2021 ARB certified value:.....	\$ 97,120,850
	B. 2021 disputed value:.....	-\$ 43,642,311
	C. 2021 undisputed value. Subtract B from A. <sup>4</sup>	\$ 53,478,539
7.	<b>2021 Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.	\$ 59,801,139

<sup>1</sup> Tex. Tax Code § 26.012(14)  
<sup>2</sup> Tex. Tax Code § 26.012(14)  
<sup>3</sup> Tex. Tax Code § 26.012(13)  
<sup>4</sup> Tex. Tax Code § 26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>2021 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ <u>6,717,054,562</u>
9.	<b>2021 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2021.</b> Enter the 2021 value of property in deannexed territory. <sup>5</sup>	\$ <u>0</u>
10.	<p><b>2021 taxable value lost because property first qualified for an exemption in 2022.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2022 does not create a new exemption or reduce taxable value.</p> <p><b>A. Absolute exemptions.</b> Use 2021 market value: ..... \$ <u>11,870</u></p> <p><b>B. Partial exemptions.</b> 2022 exemption amount or 2022 percentage exemption times 2021 value: ..... + \$ <u>38,046,633</u></p> <p><b>C. Value loss.</b> Add A and B.<sup>6</sup></p>	\$ <u>38,058,503</u>
11.	<p><b>2021 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2022.</b> Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2021.</p> <p><b>A. 2021 market value:</b> ..... \$ <u>0</u></p> <p><b>B. 2022 productivity or special appraised value:</b> ..... - \$ <u>0</u></p> <p><b>C. Value loss.</b> Subtract B from A.<sup>7</sup></p>	\$ <u>0</u>
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ <u>38,058,503</u>
13.	<b>2021 captured value of property in a TIF.</b> Enter the total value of 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2021 taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ <u>0</u>
14.	<b>2021 total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ <u>6,678,996,059</u>
15.	<b>Adjusted 2021 total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ <u>15,361,690</u>
16.	<b>Taxes refunded for years preceding tax year 2021.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2021. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. <sup>9</sup>	\$ <u>29,808</u>
17.	<b>Adjusted 2021 levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ <u>15,391,498</u>
18.	<p><b>Total 2022 taxable value on the 2022 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.<sup>11</sup></p> <p><b>A. Certified values:</b> ..... \$ <u>7,402,519,799</u></p> <p><b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: ..... + \$ _____</p> <p><b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - \$ <u>0</u></p> <p><b>D. Tax increment financing:</b> Deduct the 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2022 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.<sup>12</sup> ..... - \$ <u>0</u></p> <p><b>E. Total 2022 value.</b> Add A and B, then subtract C and D.</p>	\$ <u>7,402,519,799</u>

<sup>5</sup> Tex. Tax Code § 26.012(15)  
<sup>6</sup> Tex. Tax Code § 26.012(15)  
<sup>7</sup> Tex. Tax Code § 26.012(15)  
<sup>8</sup> Tex. Tax Code § 26.03(c)  
<sup>9</sup> Tex. Tax Code § 26.012(13)  
<sup>10</sup> Tex. Tax Code § 26.012(13)  
<sup>11</sup> Tex. Tax Code § 26.012, 26.04(c-2)  
<sup>12</sup> Tex. Tax Code § 26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup> <b>A. 2022 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup> ..... \$ <u>63,683,375</u> <b>B. 2022 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup> ..... + \$ <u>0</u> <b>C. Total value under protest or not certified.</b> Add A and B. \$ <u>63,683,375</u>	
20.	<b>2022 tax ceilings.</b> Counties, cities and junior colleges enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>16</sup>	\$ <u>0</u>
21.	<b>2022 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup>	\$ <u>7,466,203,174</u>
22.	<b>Total 2022 taxable value of properties in territory annexed after Jan. 1, 2021.</b> Include both real and personal property. Enter the 2022 value of property in territory annexed. <sup>18</sup>	\$ <u>0</u>
23.	<b>Total 2022 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2021. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to exist-ing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2021 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2022. <sup>19</sup>	\$ <u>121,386,645</u>
24.	<b>Total adjustments to the 2022 taxable value.</b> Add Lines 22 and 23.	\$ <u>121,386,645</u>
25.	<b>Adjusted 2022 taxable value.</b> Subtract Line 24 from Line 21.	\$ <u>7,344,816,529</u>
26.	<b>2022 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup>	\$ <u>0.209555</u> /\$100
27.	<b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2022 county NNR tax rate. <sup>21</sup>	\$ _____/\$100

**SECTION 2: Voter-Approval Tax Rate**

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	<b>2021 M&amp;O tax rate.</b> Enter the 2021 M&O tax rate.	\$ <u>0.230000</u> /\$100
29.	<b>2021 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>6,717,054,562</u>

<sup>13</sup> Tex. Tax Code § 26.01(c) and (d)  
<sup>14</sup> Tex. Tax Code § 26.01(c)  
<sup>15</sup> Tex. Tax Code § 26.01(d)  
<sup>16</sup> Tex. Tax Code § 26.012(6)(B)  
<sup>17</sup> Tex. Tax Code § 26.012(6)  
<sup>18</sup> Tex. Tax Code § 26.012(17)  
<sup>19</sup> Tex. Tax Code § 26.012(17)  
<sup>20</sup> Tex. Tax Code § 26.04(c)  
<sup>21</sup> Tex. Tax Code § 26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total 2021 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100	\$ 15,449,225
31.	<b>Adjusted 2021 levy for calculating NNR M&amp;O rate.</b>	
	<p><b>A. M&amp;O taxes refunded for years preceding tax year 2021.</b> Enter the amount of M&amp;O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. .... + \$ 29,808</p> <p><b>B. 2021 taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2022 captured appraised value in Line 18D, enter 0. .... - \$ 0</p> <p><b>C. 2021 transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. .... +/- \$ 0</p> <p><b>D. 2021 M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. .... \$ 29,808</p> <p><b>E. Add Line 30 to 31D.</b></p>	\$ 15,479,033
32.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,344,816,529
33.	<b>2022 NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.210747 /\$100
34.	<b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup>	
	<p><b>A. 2022 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0</p> <p><b>B. 2021 state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. .... - \$ 0</p> <p><b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0/\$100</p> <p><b>D. Enter the rate calculated in C. If not applicable, enter 0.</b></p>	\$ 0/\$100
35.	<b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup>	
	<p><b>A. 2022 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. .... \$ 0</p> <p><b>B. 2021 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose. .... - \$ 0</p> <p><b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0/\$100</p> <p><b>D. Enter the rate calculated in C. If not applicable, enter 0.</b></p>	\$ 0/\$100

<sup>22</sup> [Reserved for expansion]  
<sup>23</sup> Tex. Tax Code § 26.044  
<sup>24</sup> Tex. Tax Code § 26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<p><b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup></p> <p><b>A. 2022 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose . . . . . \$ _____ 0</p> <p><b>B. 2021 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose. . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ _____ 0/\$100
37.	<p><b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup></p> <p><b>A. 2022 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. . . . . \$ _____ 0</p> <p><b>B. 2021 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021. . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ _____ 0/\$100
38.	<p><b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p><b>A. Amount appropriated for public safety in 2021.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year . . . . . \$ _____ 0</p> <p><b>B. Expenditures for public safety in 2021.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year . . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 . . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ _____ 0/\$100
39.	<p><b>Adjusted 2022 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	\$ 0.210747 /\$100 ✓
40.	<p><b>Adjustment for 2021 sales tax specifically to reduce property values.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&amp;O expenses in 2021 should complete this line. These entities will deduct the sales tax gain rate for 2022 in Section 3. Other taxing units, enter zero.</p> <p><b>A.</b> Enter the amount of additional sales tax collected and spent on M&amp;O expenses in 2021, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent . . . . . \$ _____ 0</p> <p><b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 . . . . . \$ _____ 0/\$100</p> <p><b>C.</b> Add Line 40B to Line 39.</p>	\$ 0.210747 /\$100
41.	<p><b>2022 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below.</p> <p><b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p><b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ 0.218123 /\$100 ✓

<sup>25</sup> Tex. Tax Code § 26.0442  
<sup>26</sup> Tex. Tax Code § 26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p><b>Disaster Line 41 (D41): 2022 voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ _____ 0/\$100
42.	<p><b>Total 2022 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes,</p> <p>(2) are secured by property taxes,</p> <p>(3) are scheduled for payment over a period longer than one year, and</p> <p>(4) are not classified in the taxing unit's budget as M&amp;O expenses.</p> <p><b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>28</sup></p> <p>Enter debt amount ..... \$ _____ 0</p> <p><b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ _____ 0</p> <p><b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ _____ 0</p> <p><b>D. Subtract amount paid</b> from other resources ..... - \$ _____ 0</p> <p><b>E. Adjusted debt.</b> Subtract B, C and D from A.</p>	\$ _____ 0
43.	<b>Certified 2021 excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ _____ 0
44.	<b>Adjusted 2022 debt.</b> Subtract Line 43 from Line 42E.	\$ _____ 0
45.	<p><b>2022 anticipated collection rate.</b></p> <p><b>A.</b> Enter the 2022 anticipated collection rate certified by the collector. <sup>30</sup> ..... 100.00 %</p> <p><b>B.</b> Enter the 2021 actual collection rate. .... 99.56 %</p> <p><b>C.</b> Enter the 2020 actual collection rate. .... 105.86 %</p> <p><b>D.</b> Enter the 2019 actual collection rate. .... 99.79 %</p> <p><b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>31</sup></p>	100.00 %
46.	<b>2022 debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ _____ 0
47.	<b>2022 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,466,203,174
48.	<b>2022 debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ _____ 0/\$100 ✓
49.	<b>2022 voter-approval tax rate.</b> Add Lines 41 and 48.	\$ 0.218123/\$100 ✓
D49.	<p><b>Disaster Line 49 (D49): 2022 voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p>	\$ _____ /\$100

<sup>27</sup> Tex. Tax Code § 26.042(a)  
<sup>28</sup> Tex. Tax Code § 26.012(7)  
<sup>29</sup> Tex. Tax Code § 26.012(10) and 26.04(b)  
<sup>30</sup> Tex. Tax Code § 26.04(b)  
<sup>31</sup> Tex. Tax Code §§ 26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2022 county voter-approval tax rate.	\$ _____ 0 /\$100

**SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes**

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>Taxable Sales.</b> For taxing units that adopted the sales tax in November 2021 or May 2022, enter the Comptroller’s estimate of taxable sales for the previous four quarters. <sup>32</sup> Estimates of taxable sales may be obtained through the Comptroller’s Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2021, enter 0.	\$ _____ 0
52.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>33</sup>  <b>Taxing units that adopted the sales tax in November 2021 or in May 2022.</b> Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> <b>- or -</b> <b>Taxing units that adopted the sales tax before November 2021.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ _____ 0
53.	<b>2022 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,466,203,174
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ _____ 0 /\$100
55.	<b>2022 NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.209555 /\$100
56.	<b>2022 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2021 or in May 2022.</b> Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2021.	\$ 0.209555 /\$100
57.	<b>2022 voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.218123 /\$100
58.	<b>2022 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ 0.218123 /\$100

**SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control**

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ _____ 0
60.	<b>2022 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,466,203,174
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ _____ 0 /\$100
62.	<b>2022 voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.218123 /\$100

<sup>32</sup> Tex. Tax Code § 26.041(d)  
<sup>33</sup> Tex. Tax Code § 26.041(i)  
<sup>34</sup> Tex. Tax Code § 26.041(d)  
<sup>35</sup> Tex. Tax Code § 26.04(c)  
<sup>36</sup> Tex. Tax Code § 26.04(c)  
<sup>37</sup> Tex. Tax Code § 26.045(d)  
<sup>38</sup> Tex. Tax Code § 26.045(i)

**SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate**

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.<sup>39</sup> In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;<sup>40</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>41</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>42</sup>

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>43</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	<b>2021 unused increment rate.</b> Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate. If the number is less than zero, enter zero.	\$ 0.003600 / \$100
64.	<b>2020 unused increment rate.</b> Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero.	\$ 0.017787 / \$100
65.	<b>2019 unused increment rate.</b> Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$ 0 / \$100
66.	<b>2022 unused increment rate.</b> Add Lines 63, 64 and 65.	\$ 0.021387 / \$100
67.	<b>2022 voter-approval tax rate, adjusted for unused increment rate.</b> Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ 0.239510 / \$100

**SECTION 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>44</sup>

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>45</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
68.	<b>Adjusted 2022 NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ 0.210747 / \$100
69.	<b>2022 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,466,203,174
70.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 69 and multiply by \$100.	\$ 0.006696 / \$100
71.	<b>2022 debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0 / \$100
72.	<b>De minimis rate.</b> Add Lines 68, 70 and 71.	\$ 0.217443 / \$100

**SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate**

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>46</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>47</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

<sup>39</sup> Tex. Tax Code § 26.013(a)

<sup>40</sup> Tex. Tax Code § 26.013(c)

<sup>41</sup> Tex. Tax Code §§ 26.0501(a) and (c)

<sup>42</sup> Tex. Local Gov't Code § 120.007(d), effective Jan. 1, 2022

<sup>43</sup> Tex. Tax Code § 26.063(a)(1)

<sup>44</sup> Tex. Tax Code § 26.012(8-a)

<sup>45</sup> Tex. Tax Code § 26.063(a)(1)

<sup>46</sup> Tex. Tax Code § 26.042(b)

<sup>47</sup> Tex. Tax Code § 26.042(f)

This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	<b>2021 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.230000 /\$100
74.	<b>Adjusted 2021 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line.  If a disaster occurred in 2021 and the taxing unit calculated its 2021 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2021 worksheet due to a disaster, enter the 2021 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2021 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2021, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2021 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. <sup>48</sup> Enter the final adjusted 2021 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2021 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0 /\$100
75.	<b>Increase in 2021 tax rate due to disaster.</b> Subtract Line 74 from Line 73.	\$ 0.230000 /\$100
76.	<b>Adjusted 2021 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,678,996,059
77.	<b>Emergency revenue.</b> Multiply Line 75 by Line 76 and divide by \$100.	\$ 15,361,690
78.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 7,344,816,529
79.	<b>Emergency revenue rate.</b> Divide Line 77 by Line 78 and multiply by \$100. <sup>49</sup>	\$ 0 /\$100
80.	<b>2022 voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ 0.239510 /\$100 ✓

**SECTION 8: Total Tax Rate**

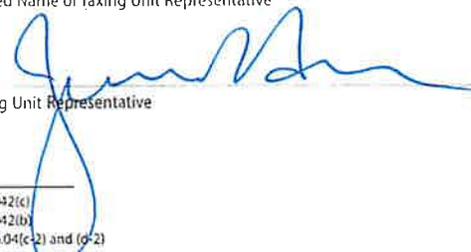
Indicate the applicable total tax rates as calculated above.

<b>No-new-revenue tax rate.</b> .....	\$ 0.209555 /\$100
As applicable, enter the 2022 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). Indicate the line number used: <u>26</u>	
<b>Voter-approval tax rate.</b> .....	\$ 0.239510 /\$100
As applicable, enter the 2022 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). Indicate the line number used: <u>67</u>	
<b>De minimis rate.</b> .....	\$ 0.217443 /\$100
If applicable, enter the 2022 de minimis rate from Line 72.	

**SECTION 9: Taxing Unit Representative Name and Signature**

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code. <sup>50</sup>

**print here** → John R. Ames, PCC, CTA  
Printed Name of Taxing Unit Representative

**sign here** →  Taxing Unit Representative

Date 8/4/22

*P/19/22*  
*SJA*

<sup>48</sup> Tex. Tax Code §26.042(c)  
<sup>49</sup> Tex. Tax Code §26.042(b)  
<sup>50</sup> Tex. Tax Code §§ 26.04(c-2) and (d-2)