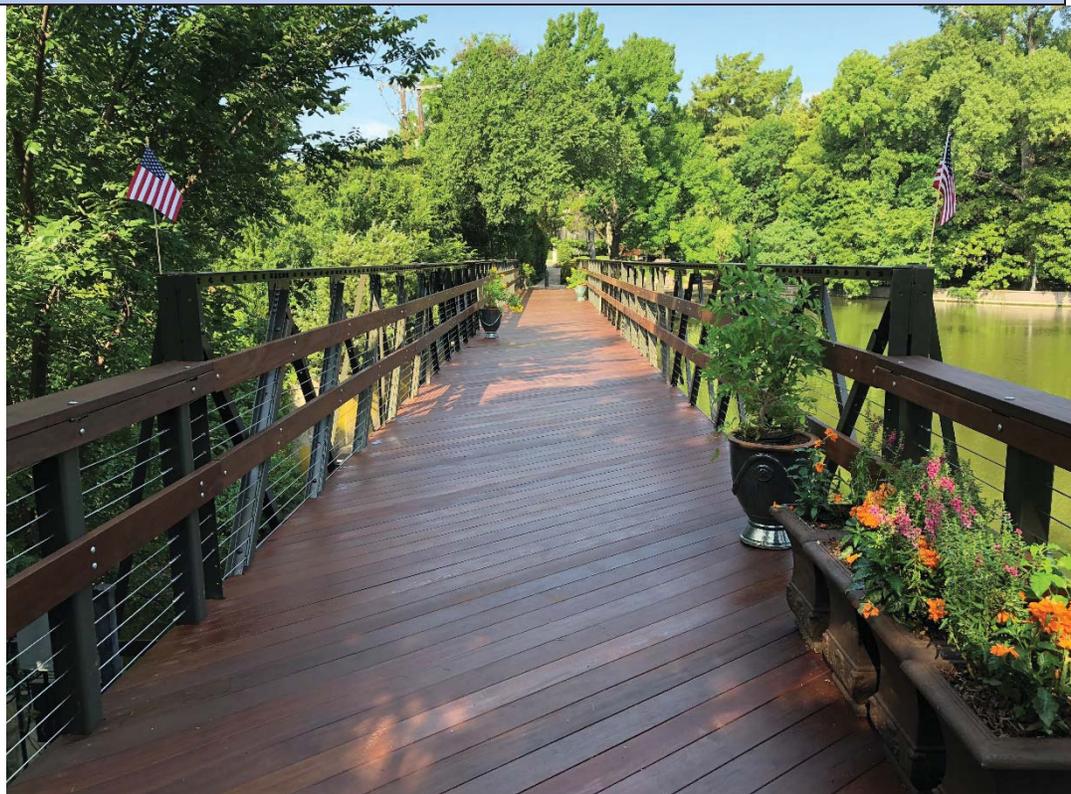




*Preserving
Heritage of
Self-
Government*



*FY 2018-19
Adopted Budget
and Plan of
Municipal
Services*



Town of Highland Park
Adopted Budget
 Operating and Capital
For the Fiscal Year 2018-19

This budget will raise more revenue from property taxes than last year's budget by an amount of \$558,740* which is a 4.21 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 \$129,639.

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

FOR: David Dowler, Council Member
 Eric Gambrell, Council Member
 Jimmy Grisham, Council Member
 Craig Penfold, Council Member

AGAINST: None.

PRESENT and not voting: None.

ABSENT: John McKnight, Mayor Pro Tem

Tax Rate:	Adopted 2018-19	Adopted 2017-18
Property Tax Rate:	\$0.220000/100	\$0.220000/100
Effective Tax Rate:	\$0.211766/100	\$0.214177/100
Effective Maintenance & Operations Tax Rate:	\$0.211766/100	\$0.214177/100
Rollback Tax Rate:	\$0.228707/100	\$0.231311/100
Debt Rate:	\$0.000000/100	\$0.000000/100

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

* The Town, by policy, budgets a 99% collection rate.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director

TOWN OF HIGHLAND PARK, TEXAS

ADOPTED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

MARGO GOODWIN
MAYOR

JOHN MCKNIGHT
MAYOR PRO TEM

DAVID DOWLER
ERIC GAMBRELL
JIMMY GRISHAM
CRAIG PENFOLD
COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

STEVEN J. ALEXANDER
DIRECTOR OF ADMINISTRATIVE SERVICES & CFO

KAREN KURTIN
CONTROLLER

TOWN OF HIGHLAND PARK GUIDING PRINCIPLES

Town Preamble

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

Town Council Priorities

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

Organizational Mission Statement

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

Organizational Vision Statement

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

Organizational Values Statement

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

Town of Highland Park
Fiscal Year 2018-19 Adopted Budget
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MAYOR
Margo Goodwin
—
MAYOR PRO-TEM
John McKnight
—
COUNCIL MEMBERS
David Dowler
Eric Gambrell
Jimmy Grisham
Craig Penfold
—
TOWN ATTORNEY
Matthew C.G. Boyle
—
TOWN JUDGE
Albert D. Hammack



4700 DREXEL DRIVE, HIGHLAND PARK, TEXAS 75205
Telephone 214-521-4161

TOWN ADMINISTRATOR
Bill Lindley
—
DIRECTOR OF PUBLIC SAFETY
Rick Pyle
—
DIRECTOR OF ADMINISTRATIVE SERVICES
&
CHIEF FINANCIAL OFFICER
Steven J. Alexander, CPA
—
DIRECTOR OF TOWN SERVICES
Ronnie Brown
—
DIRECTOR OF ENGINEERING
Lori Chapin, P.E.
—
TOWN SECRETARY
Gayle Kirby

September 10, 2018

Honorable Mayor Margo Goodwin, Town Council Members and citizens of the Town of Highland Park, Texas:

I am pleased to present to you the Adopted Budget and Plan of Municipal Services for the fiscal year ending September 30, 2019. The Adopted Budget provided herein is structurally balanced for all funds, meaning, operating revenues cover operating expenditures in a manner that is sustainable, barring significant economic downturns, into the foreseeable future. Included in this budget is an entity-wide summary of all funds and summary statements for each fund. Additionally, this budget document includes goals, objectives and key performance indicators for each department of the Town, as well as, information pertaining to the adoption of the budget. This document also includes a forward look at the Town's multi-year Capital Improvement Plan (CIP). Because the Town employs a pay-as-you-go strategy with regards to capital improvements, the CIP plays an integral role in shaping each year's annual budget.

The Adopted Budget underscores staff's commitment to maintain service levels in core services and implement cost-saving efficiencies wherever possible, while preserving those things that make Highland Park great.

The 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.
- Sustaining the Town's cash funded Capital Improvement Plan (CIP).

The Adopted Budget of \$40,154,147 (excluding interfund transfers) represents an increase of \$3,456,028, or 9.4%, over the fiscal year 2018-19 Adopted Budget, as follows:

	FY 2018	FY 2019	% Change
General Fund	\$ 19,330,342	\$ 20,083,600	3.9%
Capital Fund	4,351,439	4,036,483	-7.2%
Utility Fund	8,666,497	12,384,925	42.9%
Storm Water Fund	1,927,527	853,580	-55.7%
Other Funds	2,422,214	2,795,459	15.4%
Total	\$ 36,698,019	\$ 40,154,047	9.4%

Fund balances anticipated at the end of next fiscal year are anticipated to meet all requirements set out in the Town’s financial policies related to the General Fund, Utility Fund and the Capital Projects Fund.

Making up approximately 74% of total revenues, key revenue sources for the Town continue to include Property Taxes, Sales Taxes 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.

SIGNIFICANT REVENUE SOURCES

Property Taxes - Property taxes are the largest and most stable revenue source for the Town making up 34% of total revenue. Taxable property values are growing at 4.6%, or \$280M for fiscal year 2018-19. The majority of this increase results from reassessments; however, \$59M is directly related to new construction. The Adopted Budget maintains the tax rate at the current level of 22 cents per \$100 of taxable assessed values.

Continuing the current tax rate is believed to be the most fiscally prudent course of action considering the potential risk of lower revenue caps being imposed in future years by the State. While this tax rate is necessary to meet the goals listed above, the current discussion by some State officials to further limit the ability to generate additional property tax revenue puts municipalities in a precarious position when considering future tax reductions. Town Staff will continue monitoring legislative changes that might affect the Town’s revenue stream.

As the State considers placing revenue constraints on local jurisdictions, municipalities will find it more and more difficult to fund needed projects and initiatives. It is interesting to note that the Town has, by far, the lowest tax rate of the other two jurisdictions taxing property in the Town. The average Highland Park homeowner pays approximately \$4,232 in taxes for Town services, while the remainder of their tax bill (\$36,398) goes to Dallas County and the Highland Park Independent School District.

To put this in a greater perspective, a 1 cent tax rate reduction would save the average homeowner \$192 per year, or \$16 per month, but would reduce Town revenue by nearly \$630,000 per year. These funds could be used towards the provision of services, maintaining Town infrastructure, beautification of parks and completing capital improvements.

Sales Taxes – Sales taxes account for 9.8% of total revenue and are budgeted to grow by 5% over the current year-end projection of \$3.75M. During fiscal year 2018-19, Highland Park experienced an increase in retail sales, and with new retail activity at the Highland Park Shopping Village, this trend is expected to continue. Moreover, according to the June *Texas Economic Update* published by the Dallas Federal Reserve, the Texas Leading Index and Dallas Fed’s *Texas Business Outlook Surveys* (TBOS) both point to continued retail expansion in the State.

User Fees – Charges for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 26.0% of total revenue. Over the past few years, the Town has seen a reduction of water consumption resulting in less revenue being collected than anticipated. The Town has been able to absorb the revenue shortfall but has been planning for an increase in water and wastewater rates for fiscal year 2018-19. Initially, the rate increase proposed in the Capital Improvement Plan financial model was 4.75%, but as water consumption has remained consistently lower than originally anticipated, the proposed increase for fiscal year 2018-19 is 6.75%. The overall increase in utility bills for the average customer is expected to be approximately \$18 per month. The rate increase is expected to generate the revenue necessary to cover increases in the cost of water treatment by the Dallas County Park Cities Municipal Utility District (District), sewer treatment by the City of Dallas, as well as, increasing operational and capital improvement costs. It is important to note that the last water and wastewater rate increase occurred in fiscal year 2016. Without a reduction in expenses, continuing an option of not adjusting the user rates is not sustainable.

Rates charged by the Town for the collection and disposal of solid waste make up 4% of total revenues. Third party contracts to provide these services stipulate annual rate increases, equal to the Consumer Price Index (CPI), which become effective in October of each year. As a result, rates charged to customers are proposed to grow by 3.5% adjusting the resident’s monthly billing by \$0.92 for alley service and \$1.64 for pack-out service.

EXPENDITURES

Key expenditures, totaling 85% of the overall appropriations consist of compensation and benefits for Town employees, contracts related to purchasing treated water, treatment of wastewater, collection of solid waste, and capital improvements.

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 permits the Town to retain and recruit high-quality personnel. The DFW labor market continues to be extremely competitive for police officers and firefighters – and as an impact, drives increases for other skilled positions.

Major components of the Town’s compensation and benefits program include salaries, pension (Texas Municipal Retirement System [TMRS]), and health insurance. The Adopted Budget continues the Town’s compensation adjustment program. This program increases salaries based on an employee’s performance during the prior fiscal year and provides a 3% adjustment for those not eligible for pay-for-performance or those at the top of their pay range. Overall the increase in

the compensation program is budgeted at \$557,447 which includes related increases in retirement, as well as, Social Security and Medicare taxes.

The Adopted Budget also continues to focus on contributing the “Normal-Cost” rate to TMRS which results in an increase of \$29,064. While higher than the required contribution, this contribution level places the Town in a better position with regards to maintaining a fully funded pension liability which currently is actuarially determined to be \$72M. As of September 30, 2017, the Town reported a net pension asset of \$140,315.

Health insurance costs are growing by 8.3% for a total increase of \$109,052. Overall, health insurance benefits are expected to cost \$1,772,041 which are driven by both pharmaceutical costs and several significant medical claims. While some of the cost increase will be passed on to employees through premium increases, the Adopted Budget has the Town absorbing most of the increase.

While accounting for a small adjustment (\$26,166) to the compensation and benefits portion of the Adopted Budget, the Town’s approach to incentivizing the healthy lifestyle of employees will be modified beginning with the fiscal year 2018-19 Budget. Partnering with Methodist Health System and Cigna in fiscal year 2018-19, employees are eligible to receive points, through the Town’s Wellness Plan, that relate to a maximum \$2,100 annual payment. The Town Council’s patience is appreciated as Town Staff developed and refined the new program with a goal of better managing premium adjustments.

Water, Sewer & Solid Waste Contracts - The Town purchases treated water for resale from the District. Their rate to the Town is increasing by 1.5% resulting in an increase in the Adopted Budget of \$38,536. The cost of water to be purchased for fiscal year 2018-19 is anticipated to be \$2,620,464. 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 fiscal year 2018-19 rate for wastewater charged to the Town is increasing by approximately 2%, resulting in an increase in the Town’s cost of \$20,365. The overall cost of wastewater treatment is anticipated to be \$1,038,610 in fiscal year 2018-19.

In fiscal year 2017-18, the Town entered into a new solid waste collection agreement with Republic Services that went into effect in January of 2018. The 10-year agreement includes a provision for rate adjustment by the change in the Consumer Price Index (CPI). As noted previously, the current CPI reflects an increase of 3.5% resulting in an increase in the Adopted Budget for this service totaling \$39,663. The annual cost for fiscal year 2018-19 related to this collection service amounts to \$1,191,383.

Capital Improvements – Operating on a cash funded basis, the Town’s 22 cent tax rate allocates 4.2 cents towards funding the Town’s Capital Improvement Plan (CIP). The CIP is comprised of three major components including the: Capital Projects Fund, Utility Fund, and the Storm Water Drainage Fund. Overall the CIP for fiscal year 2108-19 and the 10-years presented is proposed to cost \$11,061,531 and \$74,743,885, respectively, and provides for the following projects:

	FY 2019	10-Year
Capital Project Fund:		
Roads & Bridges	\$ 3,164,415	\$ 29,698,719
Parks & Recreation	437,920	2,655,952
Public Safety	434,148	3,441,480
Sub-total*	\$ 4,036,483	\$ 35,796,151
Utility Fund:		
Water & Sewer Improvements	\$ 2,255,048	\$ 24,769,734
Lakeside Drive	4,020,000	4,020,000
Hydro-Pneumatic Water Tank	-	3,500,000
Water Tank Rehabilitation	-	800,000
Sub-total*	\$ 6,275,048	\$ 33,089,734
Storm Water Drainage Fund:		
Drainage Facility Improvements	\$ 200,000	\$ 1,200,000
Connor Park Shoreline Stabilization & Silt Removal	-	858,000
Hackberry Creek	550,000	3,800,000
Sub-total*	\$ 750,000	\$ 5,858,000
Total CIP*	\$ 11,061,531	\$ 74,743,885

*Amounts exclude transfers-out to other funds.

The CIP's 10-year financial model continues to anticipate a 4.5% increase in Taxable Assessed Values each year with the Town maintaining its current tax rate and a 4% increase in sales tax revenue. The plan also anticipates the proposed 6.75% increase in water and sewer rates mentioned above, as well as, continued adjustments to storm water drainage rates based on the Consumer Price Index. The plan assumes a 2.5% rate of return on annual investments. The CIP incorporates funding anticipated to be received from the Dallas Area Rapid Transit (DART) resulting in increased fund balances presented in the Capital Projects Fund and Utility Fund. DART funding is also impacting the Utility Fund due to planned reimbursements for improvements to Lakeside Drive.

New projects incorporated into the ten-year CIP include:

- Town-Wide Infrastructure Studies:
 - Street Conditions Assessment - \$150,000
 - Wastewater Master and Maintenance Plan - \$105,000
 - Storm Water Drainage Master Plan Phase I - \$200,000
- Armstrong Parkway Rehabilitation - \$391,600
- Overhill Drive (St. John to St. John) - \$1,380,000 (fiscal year 2020-21)
- Holland Drive Reconstruction - \$356,400 (fiscal year 2021-22)
- Armstrong Avenue Reconstruction - \$3,300,000 (fiscal year 2027-28)

RECENT INITIATIVES AND NEW PROGRAMS

Through the course of fiscal year 2017-18, several initiatives requested by Town Council were implemented that are impacting the Town's operating budget for fiscal year 2018-19 including:

- Expansion of planting area covering roughly 4,000 square feet at Flippen Park has added \$28,000 which includes four color change-outs per year.
- Addition of eight new flower beds at bridges located on Roland Drive and Eastern Avenue resulting in an increase in planting costs of \$7,000 per year.
- Rehabilitation of the wall along Mockingbird Lane has resulted in the addition of \$5,000 per year in planting materials.
- Installation of a heater at the Town pool is increasing the budget by \$2,500 per year to provide natural gas needed to heat the pool.
- Increase in pay for the Town's two associate judges is increasing the budget by \$3,500 per year.
- Addition of security and administrative assistance in the Municipal Court, as requested by the Town Judge, is increasing the annual budget by approximately \$49,000 per year.
- Recommendations related to the Library Master Plan was presented to the Town Council at the August 13, 2018, Town Council Study Session. One of the primary recommendations was to extend hours of operation to make the Library more accessible during times that are more convenient to customers. Through an internal reorganization, an additional full-time employee was incorporated into the Adopted Budget, without increasing the Library budget, that will facilitate extended hours of operation.

Town Staff also recommended the following new programs to be included in the budget along with proposed changes to the Town's fee schedule.

- Expanding hours of the part-time municipal court clerk that was added at the request of the Judge to allow this position to be a part-time regular employee working 1,040 hours per year. The court is experiencing increased traffic at the window(s) as customers address their citations throughout the week as opposed to waiting for a court date. The Adopted Budget includes \$22,537 for the additional hours.
- The Department of Public Safety is preparing to add remote services to the alarm monitoring program as discussed in the initial business plan provided to the Town Council. The Adopted Budget includes \$82,800 for these services. This cost will be directly offset by fees charged for these services through the Town's fee schedule. Town Staff is currently evaluating what the fees charged for these services should be.
- Town Staff is reviewing the charges assessed for ambulance service and will be presenting a recommendation to the Town Council during fiscal year 2018-19.

Budgeted Funds

GENERAL FUND

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

The Adopted Budget for the General Fund Budget is \$24,263,701 representing an increase of \$959,325, or 4.1% over the previous fiscal year Adopted Budget. Operational expenditures

represent \$20,083,600, or 82.8% of the General Fund Budget, with the remaining balance of \$4,180,101 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$2,675,890 representing 11.0% of the overall General Fund Adopted Budget.

Revenues:

The Adopted Budget includes a property tax rate of \$0.22 per \$100 of taxable assessed value (T.A.V.) which is the same tax rate assessed for the past 11 years. Based on the certified tax rolls provided by the Dallas County Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year’s budget by \$558,740. Of this amount, 76.8% is from existing property revaluation, while the remaining 23.2% is from new construction.

Historically, the Town has enjoyed a low property tax rate and positive increases in T.A.V. Over the last 10 years, the Town has experienced an average annual increase in T.A.V. of 3.79%.

Historical Property Tax Information

Tax Year	Tax Rate	Taxable Assessed Value (T.A.V.)	% Change in T.A.V.	Tax Levy
1995	0.2970	\$1,526,711,852	4.07%	\$ 4,534,334.20
1996	0.2970	\$1,584,600,472	3.79%	\$ 4,706,263.40
1997	0.2970	\$1,626,075,722	2.62%	\$ 4,829,444.89
1998	0.2693	\$1,786,189,741	9.85%	\$ 4,810,208.97
1999	0.2575	\$1,939,868,756	8.60%	\$ 4,995,162.05
2000	0.2462	\$2,146,638,147	10.66%	\$ 5,285,023.12
2001	0.2290	\$2,416,780,567	12.58%	\$ 5,534,427.50
2002	0.2208	\$2,628,830,785	8.77%	\$ 5,804,458.37
2003	0.2300	\$2,770,409,688	5.39%	\$ 6,371,942.28
2004	0.2300	\$2,911,465,259	5.09%	\$ 6,696,370.10
2005	0.2300	\$3,175,218,560	9.06%	\$ 7,303,002.69
2006	0.2250	\$3,605,667,701	13.56%	\$ 8,112,752.33
2007	0.2200	\$4,040,272,597	12.05%	\$ 8,888,599.71
2008	0.2200	\$4,364,487,558	8.02%	\$ 9,601,872.63
2009	0.2200	\$4,573,579,178	4.79%	\$ 10,061,874.19
2010	0.2200	\$4,437,430,774	-2.98%	\$ 9,762,347.70
2011	0.2200	\$4,406,947,910	-0.69%	\$ 9,695,285.40
2012	0.2200	\$4,446,174,261	0.89%	\$ 9,781,583.37
2013	0.2200	\$4,598,788,373	3.43%	\$ 10,117,334.42
2014	0.2200	\$4,924,894,226	7.09%	\$ 10,834,767.30
2015	0.2200	\$5,324,500,745	8.11%	\$ 11,713,901.64
2016	0.2200	\$5,765,524,023	8.28%	\$ 12,684,152.85
2017	0.2200	\$6,012,113,607 **	4.28%	\$ 13,226,649.94
2018	0.2200	\$6,292,473,542 *	4.66%	\$ 13,843,441.79

*Includes anticipated results for disputed values.

**Originally Certified.

Between fiscal years 2008 and 2010, the Town benefitted from increased property values that resulted in increased revenues to fund operations and capital projects. Property values declined in fiscal years 2011 and 2012, and the Town chose to maintain the existing tax rate, resulting in a decline in property tax revenue. The economy began to rebound in fiscal year 2013, and as a result, the Town has experienced an increase in taxable assessed property values over the last seven years. Keeping the tax rate constant has allowed the Town to use the resulting increase in property tax revenues 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 fiscal year 2018-19 include:

- Sales tax receipts, the fund's second largest source of revenue is estimated at \$3,943,973, representing a 5.0% increase over the year end projection for fiscal year 2017-18.
- 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 fiscal year 2018-19 is projected at \$1,123,306, which is consistent with collections over the last four years.
- Municipal Court revenues are expected to be lower than the amount budgeted in the Adopted Budget for fiscal year 2017-18. The amount projected for fiscal year 2018-19 is more reflective of the actual amount being received in fiscal year 2017-18.

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 43.6% of the overall budget, excluding transfers. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

Compensation- As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. In recognition of this important goal, the General Fund budget includes \$453,191 (exclusive of additional taxes, TMRS, etc.) for compensation increases. Consistent with past years, employees not at the top of their pay range are eligible for a merit increase up to 7%, while employees who have reached the top-end of their pay range, or employees who are not eligible for pay-for-performance increases, are budgeted to receive a 3% adjustment.

During fiscal year 2012-13, the Council updated the list of comparable cities and corresponding salary survey information for 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. As noted, the Town's pay system is a pure pay-for-performance format, substantially different than most municipal systems which are tenure-based pay structures where employees are granted automatic pay increases.

Pension- The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement benefits to employees of participating municipalities. Employees receive a 2 to 1 match from the Town on their 7% payroll contribution made each pay period. The pension contribution rate paid by the Town for employees is increasing from 6.27%, to 6.31% of payroll for fiscal year 2018-19. In an effort to maintain fully funding the Town's pension liability, the Adopted Budget includes continued funding to cover the Town's normal cost rate. Overall, within

the General Fund, pension cost is growing by \$59,319 when compared to the fiscal year 2017-18 Adopted Budget. Some of the benefit provisions offered by TMRS include Ad Hoc Updated Service Credits (USC) and Ad Hoc Cost of Living Adjustments (COLA). Participation is optional for these benefits and, in past years, the Town has not participated. While many other municipalities have provided these benefits, by choosing not to participate, the Town will save an estimated \$584,000 in overall retirement costs for fiscal year 2018-19.

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 has elected to remain with Cigna, the current health insurance provider. Although Cigna provided an initial bid for fiscal year 2018-19 re a 16.8% increase to remain with the current plan design structure, further discussions resulted in an increase of 8.3%. Consistent with cost reduction strategies announced last fiscal year, the Town will offer three Health Savings Account (HSA) plans in fiscal year 2018-19.

Town Staff has included funding in the Adopted Budget to continue contracting with Methodist Health Systems to assist the Town in implementing and managing a new wellness program focused on a maintaining a healthy workforce scheduled to begin on October 1, 2018. The cost of this service is anticipated to be approximately \$30,000 and is shared evenly between the General Fund and the Utility Fund.

Capital Improvement Plan-The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$2,675,890. Of this amount, \$1,408,280 is sustained as a result of new funding from enhanced revenue provided by the growth in property values between fiscal years 2014 - 2016. Maintaining this funding source to 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 in funding infrastructure needs.

Other significant items within the General Fund include:

- The budget includes \$29,000 for racial profiling training and quarterly reviews of policing and municipal court data to be performed by Del Carmen Consulting.
- The Adopted Budget continues to allocate \$125,000 in anticipation of employee retirements that may occur during the fiscal year. This funding is used to fund the payout of compensated absences that are not budgeted for within each department.
- The transfer to the Equipment Replacement Fund, while staying relatively the same, includes another year of \$28,000 to set aside funds to replace the Department of Public Safety's self-contained breathing apparatus (SCBA) equipment.
- The Adopted Budget includes \$22,000 for increased hours of a part-time Court Clerk and \$49,000 to cover the cost of security personnel in the court as well as an assistant on court days.

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 \$3,696,987 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 in the following fiscal year.

UTILITY FUND

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

Revenues:

Utility Fund revenues for fiscal year 2018-19 are anticipated to be \$13,373,187, which is an increase of 20.2%, or \$2,250,840, when compared to the Adopted Budget for fiscal year 2017-18. This increase is primarily related to contributions anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) of \$1,652,246.

The Adopted Budget also anticipates an increase in water and wastewater rates of 6.75% for fiscal year 2018-19. Prior to this, the last rate adjustment was approved for fiscal year 2015-16 as a result of reduced consumption and growing operating costs. The utility rates were set at a level to meet the Town's revenue requirement and begin funding a rate stabilization fund.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for this fund are contractually related to water purchases and wastewater treatment attributing to 25.7%, or \$3,659,074 of the overall costs projected for fiscal year 2018-19. The Adopted Budget also includes \$6,275,048 for capital outlay and capital improvements related to the Town's utility system. Personnel costs within the Utility Fund are also impacted by the aforementioned changes in compensation and benefits.

The rate charged by the City of Dallas for the treatment of wastewater is being increased by 2%. Overall the contract with the City of Dallas represents \$1,038,610 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 1.5%. While the cost of water is increasing, the annual budget for water purchases is declining due to anticipated lower consumption. Nevertheless, the rate increases approved by the District since fiscal year 2015-16 continue to impact the budget and represent an increase in water purchases cost to the Town of

approximately \$135,000. Overall water purchases account for \$2,620,464 of the Utility Fund Adopted Budget.

Fund Balance (Net Working Capital):

Similar to the General Fund, the Town’s fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. The budget reflects a projected ending fund balance that exceeds 25% of operating expenditures, which represents \$1,859,421. The ending fund balance in the Utility Fund is projected to be \$3,655,294. Excess fund balance will be set aside to maintain the rate stabilization fund and fund future capital needs.

SOLID WASTE FUND

The Solid Waste Fund was added in fiscal year 2016-17. 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 has accounted for this activity within the General Fund; however, to ensure that the rates charged for this activity cover the full cost of providing this service, it is considered appropriate for this activity to be accounted for within its own fund.

Revenues:

Solid waste revenues are projected to be \$1,482,179, representing a 4.0% increase over the Adopted Budget for fiscal year 2017-18. Revenues consists 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 3.5% and will ultimately increase the monthly solid waste bill for regular service by \$0.92 and pack-out service by \$1.64.

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 \$1,191,383 and \$105,000 respectively for fiscal year 2018-19. In fiscal year 2018-19, subject to Town Council’s review and approval, the Town will offer residential pick up service for household hazardous waste. The purchase, maintenance and handling of solid waste containers is completed by internal staff. The Adopted Budget for fiscal year 2018-19 includes \$45,500 for the purchase of new containers. The Adopted Budget for the Solid Waste Fund also includes a Transfer-Out of \$73,000 to the Capital Projects Fund, which represents 5% of projected revenues for fiscal year 2018-19.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund. However, the fund balance projected at the end of fiscal year 2018-19 is \$107,858.

STORM WATER UTILITY FUND

The Storm Water Utility Fund accounts for sources and uses of resources related to the maintenance, repair, and construction of the public storm water related services and facilities. Storm water utility fees are assessed each month on the utility bills to provide a funding source for this fund. The monthly storm water fee is based on the size of the lot. Residential properties are currently charged between \$4.42 and \$33.86 per month for each dwelling unit that is on the property, based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

Revenues:

Revenues in the Storm Water Utility Fund, from storm water fees, are projected to be \$409,203, which is slightly higher than the revenue projected in the prior fiscal year. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index, for the Dallas-Fort Worth region which is currently 3.5%. The Adopted Budget also includes a transfer from the Capital Projects Fund of \$350,000, to fund future storm water drainage projects within this fund. This transfer is made possible through revenues being added to the Capital Projects Fund primarily resulting from increased property values the Town has experienced over the last few years.

Expenditures:

The Storm Water Utility Fund accounts for expenditures related to street sweeping and other drainage related items. The overall appropriations adopted for this fund total \$967,180 and include an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The most significant items in this budget include \$550,000 set aside for improvements to Hackberry Creek.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund and fund balance projected at the end of fiscal year 2018-19 is \$1,161,657. This fund balance is committed to improvements to the Town's storm water drainage system.

CAPITAL PROJECTS FUND

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

The ten-year Capital Improvement Plan has been updated and is incorporated in the Capital Improvements Section of the Adopted Budget. This plan establishes a multi-year funding schedule for the purchase, construction, or replacement of physical assets of the Town. The Capital

Improvements Section of the Adopted Budget also includes a 10-year financial forecast developed and updated on a pay-as-you-go basis.

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

Revenues:

Revenues in the Capital Projects Fund are projected to be \$5,168,553 for fiscal year 2018-19 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 \$594,167 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding is annually indexed for inflation and equates to \$1,142,724 for the next fiscal year. In fiscal year 2014-15, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional \$342,651 per year toward the Capital Improvement Plan. This practice continued for 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. In previous financial models this amount has been reflected within the “Supplemental General Fund Transfer.” To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund.

Funding of \$1,604,122 in fiscal year 2018-19 anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) has been included in the Adopted Budget.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$4,557,483, with \$1,273,148 in appropriations applied toward the Town’s annual street/sidewalk/alley rehabilitation program and \$1,174,667 for the rehabilitation of Armstrong Parkway. Some of the other projects in the Adopted Budget include \$387,920 related to park and parkway renovations, \$334,148 for Project 25 Public Safety Radio System, \$200,000 for tennis court reconstruction and \$100,000 for Fiber Connectivity to the Highland Park Independent School District. 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 \$350,000 transfer to the Storm Water Utility Fund to meet capital funding needs.

Fund Balance:

The Town’s fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The

Adopted Budget for fiscal year 2018-19 projects the fund balance of the Capital Projects Fund to be at \$5,066,017 at year-end, meeting the required minimum.

OTHER FUNDS

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

Equipment Replacement Fund:

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be \$644,101 and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at the time of replacement. Total expenditures are budgeted at \$417,874 to replace five public safety vehicles, one dump truck and two vehicles for public works. The fund balance projected within this fund at the end of the next fiscal year is \$2,903,877.

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 \$626,098. The transfers to this fund are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at the time of replacement. Expenditures within this fund are budgeted at \$598,305 and are primarily related to the Nexgen 911 System as well as planned computer replacements. The fund balance projected within this fund at the end of the next fiscal year is \$2,309,273.

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 has developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be \$502,600 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 & Investment 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 \$378,770. 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 \$809,873.

Forfeited Property Fund:

This special revenue fund is used to account for 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 fiscal year 2018-19 is projected to be \$35,676.

Court Technology Fund & Court Security Fund:

These two special revenue funds are used to account for revenues provided by a State-approved administrative fee, added to citations. The use of these resources is restricted by their enabling statutes. Revenues within the Court Security Fund are projected to be \$28,310, which is annually transferred to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be \$36,400 and are used to fund technological improvements within the Municipal Court. Both funds are projected to maintain fund balances at the end of fiscal year 2018-19, with \$103,843 remaining in the Court Technology Fund and \$12,255 remaining in the Court Security Fund.

Library Fund:

The Library Special Revenue Fund was established to account for resources received from royalties and donations that are restricted for the Library. Revenues anticipated for next fiscal year total \$16,000. The Adopted Budget for fiscal year 2018-19 includes \$29,255 for the purpose of community outreach regarding the master plan, website development and property tax payments. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$224,854.

DPS Technology Fund:

The DPS Technology Fund was established to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, \$83,000 of the revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and will be used to fund technological improvements related to public safety within the Town. Revenues within this fund for next fiscal year are anticipated to be \$86,990, and fund balance at the end of next fiscal year is projected to be \$266,851. Currently, the fund balance within this fund is anticipated to be used towards the acquisition of a new radio system for DPS through the Capital Projects Fund.

CONCLUSION

Town Staff has committed significant time and energy towards 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 public safety.

Once again, thank you to the Mayor and 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.



William Lindley
Town Administrator



Steven J. Alexander
Director of Administrative Services & CFO

ORGANIZATIONAL MATRIX – DEPARTMENT ASSIGNMENT BY FUND

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

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

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

	General	Utility	Solid Waste	Storm Water Utility	Equipment Replacement	Technology Replacement
BEGINNING FUND BALANCE	\$ 3,690,475	\$ 4,516,007	\$ 99,612	\$1,339,012	\$ 2,677,650	\$ 2,281,480
REVENUES:						
Property Taxes	\$ 13,724,735	-	-	-	-	-
Water Sales	-	7,341,387	-	-	-	-
Sewer Charges	-	3,081,954	-	-	-	-
Sales Taxes	3,943,973	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,459,479	-	-	-
Franchise Fees	1,074,514	-	-	-	-	-
Building Inspection Fees/Permits	1,168,666	64,000	-	-	-	-
Municipal Court Fines/Fees	1,120,500	-	-	-	-	-
Interest Earnings	140,000	58,500	2,700	30,622	41,380	26,000
Storm Water Drainage Fees	-	-	-	409,203	-	-
All Other	1,880,125	2,484,746	-	-	60,000	2,500
TOTAL REVENUES	\$ 23,052,513	\$ 13,030,587	\$ 1,462,179	\$ 439,825	\$ 101,380	\$ 28,500
Transfers from Other Funds	1,217,700	342,600	20,000	350,000	542,721	597,598
TOTAL REVENUES & TRANSFERS	\$ 24,270,213	\$ 13,373,187	\$ 1,482,179	\$ 789,825	\$ 644,101	\$ 626,098
TOTAL AVAILABLE RESOURCES	\$ 27,960,688	\$ 17,889,194	\$ 1,581,791	\$ 2,128,837	\$ 3,321,751	\$ 2,907,578
EXPENDITURES:						
Personnel Services:						
Payroll	\$ 12,381,465	\$ 1,343,855	-	-	-	-
Taxes	887,730	99,316	-	-	-	-
Retirement (TMRS)	766,166	83,787	-	-	-	-
Insurance	1,738,781	219,346	-	-	-	-
Total Personnel	\$ 15,774,142	\$ 1,746,304	-	-	-	-
Supplies & Equipment	\$ 976,117	\$ 2,890,125	\$ 45,500	\$ 7,100	-	-
Services & Charges	3,324,341	1,473,448	1,297,433	96,480	3,600	-
Capital Outlay	9,000	6,275,048	-	750,000	414,274	598,305
TOTAL EXPENDITURES	\$ 20,083,600	\$ 12,384,925	\$ 1,342,933	\$ 853,580	\$ 417,874	\$ 598,305
Transfers to Other Funds	4,180,101	1,848,975	131,000	113,600	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 24,263,701	\$ 14,233,900	\$ 1,473,933	\$ 967,180	\$ 417,874	\$ 598,305
ENDING FUND BALANCE	\$ 3,696,987	\$ 3,655,294	\$ 107,858	\$ 1,161,657	\$ 2,903,877	\$ 2,309,273
FUND BALANCE MINIMUM	\$ 3,668,398	\$ 1,859,421	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ 28,589	\$ 1,795,873	\$ 107,858	\$ 1,161,657	\$ 2,903,877	\$ 2,309,273

Building Maintenance & Investment	Forfeited Property Fund	Court Technology	Court Security	Library Fund	DPS Technology	Capital Projects	Adopted FY 2019	Adopted FY 2018
\$ 686,043	\$ 33,726	\$ 94,765	\$ 8,545	\$ 238,109	\$ 262,861	\$ 4,199,772	\$ 20,128,057	\$ 18,221,543
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,724,735	13,129,384
-	-	-	-	-	-	-	7,341,387	6,985,822
-	-	-	-	-	-	-	3,081,954	2,964,169
-	-	-	-	-	-	-	3,943,973	3,720,000
-	-	-	-	-	-	-	1,459,479	1,403,970
-	-	-	-	-	-	-	1,074,514	1,090,000
-	-	-	-	-	-	-	1,232,666	1,077,860
-	-	35,200	28,160	-	-	-	1,183,860	1,354,385
8,500	450	1,200	150	4,000	3,990	111,374	428,866	264,420
-	-	-	-	-	-	-	409,203	398,920
15,500	2,500	-	-	12,000	83,000	1,704,122	6,244,493	3,326,773
\$ 24,000	\$ 2,950	\$ 36,400	\$ 28,310	\$ 16,000	\$ 86,990	\$ 1,815,496	\$ 40,125,130	\$ 35,715,703
478,600	-	-	-	-	-	3,353,057	6,902,276	7,464,920
\$ 502,600	\$ 2,950	\$ 36,400	\$ 28,310	\$ 16,000	\$ 86,990	\$ 5,168,553	\$ 47,027,406	\$ 43,180,623
\$ 1,188,643	\$ 36,676	\$ 131,165	\$ 36,855	\$ 254,109	\$ 349,851	\$ 9,368,325	\$ 67,155,463	\$ 61,402,166
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,725,320	\$ 13,309,165
-	-	-	-	-	-	-	987,046	963,754
-	-	-	-	-	-	-	849,953	790,424
-	-	-	-	-	-	-	1,958,127	1,801,299
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,520,446	\$ 16,864,642
\$ 41,130	\$ -	\$ 3,852	\$ -	\$ -	\$ -	\$ -	\$ 3,963,824	\$ 3,974,250
337,640	1,000	23,470	-	29,255	-	-	6,586,667	6,507,959
-	-	-	-	-	-	4,036,483	12,083,110	9,351,168
\$ 378,770	\$ 1,000	\$ 27,322	\$ -	\$ 29,255	\$ -	\$ 4,036,483	\$ 40,154,047	\$ 36,698,019
-	-	-	24,600	-	83,000	521,000	6,902,276	7,464,920
\$ 378,770	\$ 1,000	\$ 27,322	\$ 24,600	\$ 29,255	\$ 83,000	\$ 4,557,483	\$ 47,056,323	\$ 44,162,939
\$ 809,873	\$ 35,676	\$ 103,843	\$ 12,255	\$ 224,854	\$ 266,851	\$ 4,810,842	\$ 20,099,140	\$ 17,239,227
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 7,527,819	\$ 7,351,199
\$ 809,873	\$ 35,676	\$ 103,843	\$ 12,255	\$ 224,854	\$ 266,851	\$ 2,810,842	\$ 12,571,321	\$ 9,888,028

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Fiscal Year 2018-19 Budget Calendar

April 2	Budget kick-off memo to departments with assumptions
April 6	Deliver notice for the April 23rd Public Hearing in the newspaper. The notice will run on April 12th and again on April 19th.
April 20	Departments submit initial projection of FY 2017-18 revenues and expenditures to the Finance Department
<u>April 23</u>	Public Hearing for citizen comment on the development of the FY 2018-19 Budget.
April 27	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets
May 4	Departments submit any new programs, new fleet, and replacement fleet requests to the Finance Department Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan
May 8	Review and discuss with the Town Council the progress of the FY 2018-19 budget process and the Council's priorities and expectations of the FY 2018-19 Budget
May 9	Meet and discuss the Town's Capital Improvement Plan with Department Directors
May 14-18	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's 5-year Capital Improvement Plan with Department Directors
May 18	Receive preliminary taxable assessed values from Dallas County Appraisal District (DCAD) Departments submit revised projection of FY 2017-18 revenues and expenditures to the Finance Department
June 11-15	Departmental meetings with Town Administrator on Budget Requests

Fiscal Year 2018-19 Budget Calendar

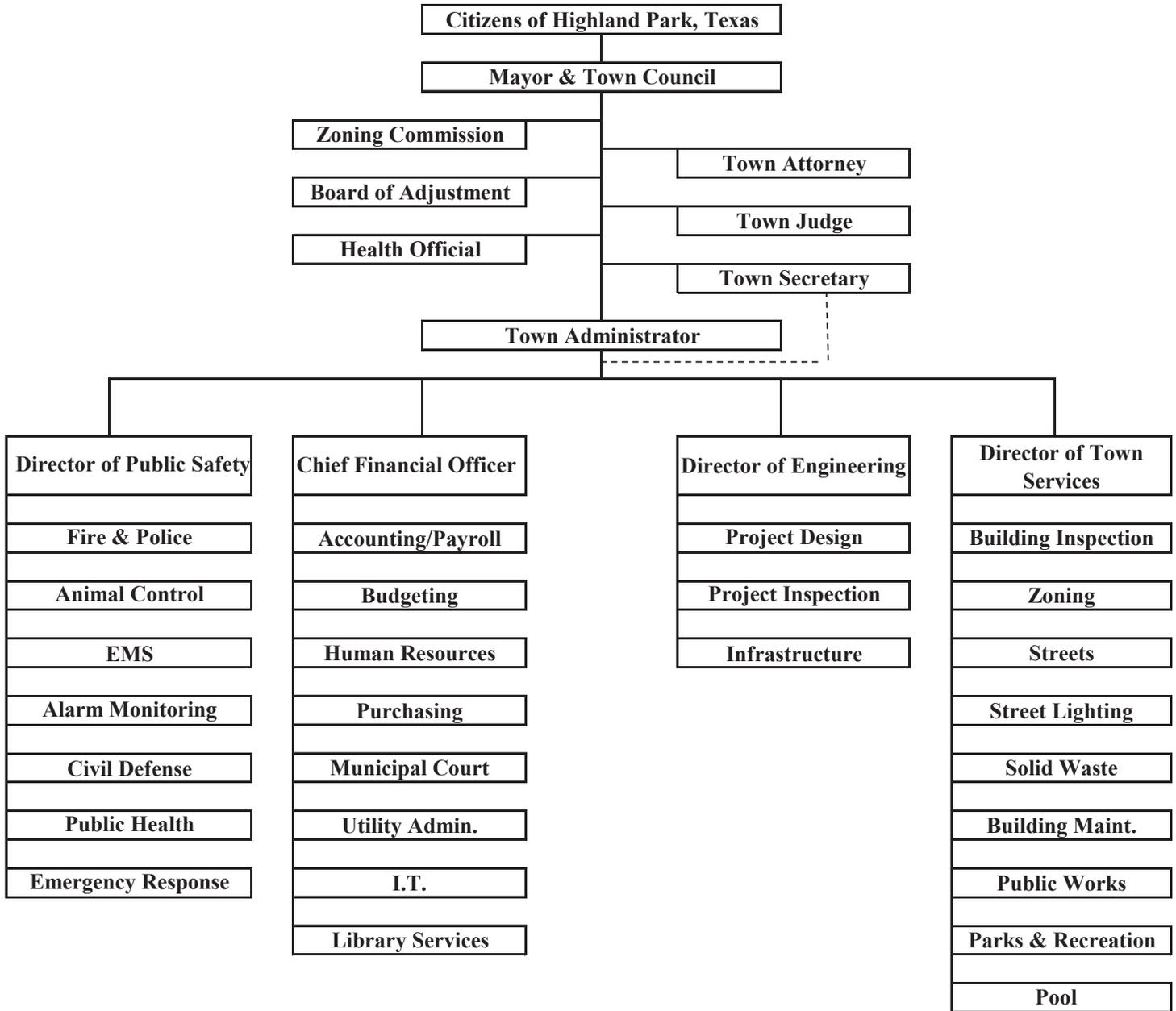
June 25	<p>Review and discuss with the Town Council the progress of the FY 2018-19 budget process and the Council's priorities and expectations of the FY 2018-19 Budget</p> <p>Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 5-year Capital Improvement Plan</p>
June 29	Departments submit performance measurement forms to the Finance Department. These forms include departmental accomplishments during the 2017-18 fiscal year and objectives for the 2018-19 fiscal year
July 13	Departments submit final projection of FY 2017-18 revenues and expenditures to the Finance Department
July 17	Review and discuss the draft FY 2018-19 Proposed Budget with the Finance & Audit Advisory Committee
July 25	Receive Certified Appraisal Roll from DCAD
July 27	<p>Deliver notice of the August 13th and August 27th Public Hearing on the FY 2018-19 Proposed Budget to the newspaper</p> <p>FY 2018-19 Proposed Budget delivered to the Town Council and the Town Secretary</p>
July 30*	<p>Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2018-19 and schedule two public hearings on the proposal</p> <p>Council sets date to call public Hearings on the FY 2018-19 Proposed Budget [Town Charter 9.05(A)]</p> <p>Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2018-19</p>
August 2	Publication of the notice for the August 13 th and August 27 th Public Hearings on the FY 2018-19 Proposed Budget in the newspaper and post notice on the Town website through September 10 th
August 10	Deliver notice of Public Hearing(s) on Tax Increase (if necessary) and Public Hearing on FY 2018-19 Proposed Budget to the newspaper

Fiscal Year 2018-19 Budget Calendar

<u>August 13</u>	Public Hearing on FY 2018-19 Proposed Budget Town Council sets preliminary ad valorem tax rate <i>NOTE: If a tax rate is proposed that exceeds the Effective Tax Rate, take a record vote, publish the required notices, and schedule the required public meetings</i> Call Public Hearings on Tax Increase (if necessary) Announce date and time of Public Hearing of the Town Council Meeting to adopt the tax rate
August 13	Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2018-19
August 16	Publication of notice for the First and Second Public Hearing on Tax Increase (if necessary) and Public Hearing on the FY 2018-19 Proposed Budget and post same notice on the Town website through September 10 th
<u>August 27</u>	Public Hearing on FY 2018-19 Proposed Budget First Public Hearing on Tax Increase (if necessary)
August 27	Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2018-19
<u>September 4*</u>	Second Public Hearing on Tax Increase (if necessary)
<u>September 10</u>	Town Council considers approval of: <ul style="list-style-type: none">• FY 2018-19 Proposed Budget• Adoption of a tax rate (governing body adopts the tax rate no less than three days but no more than 14 days after the second public hearing)• Adoption of 2019-28 Capital Improvement Plan• Adoption of the Master Fee Schedule
September 12	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**



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.

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.

XI. FINANCIAL GLOSSARY

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

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

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

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

Capital/Major Project Expenditure/Expense - an expenditure/expense which results in the acquisition or addition of a fixed asset or the improvement to an existing fixed asset.

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

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

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

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

Competitive Bidding Process - the process following State law requiring that on purchases of \$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.

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

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

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

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

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

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

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

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

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

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

Fiscal Year (FY) - the period of October 1st through the following September 30th. (e.g. – FY 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.

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

General Fund - the Town fund used to account for all financial resources and expenditures of the Town except those required to be accounted for in another fund.

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

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

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

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

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

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

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

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

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

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

Net Working Capital - current assets less current liabilities.

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

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

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

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

Proprietary Fund - see Utility Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

ORDINANCE NO. 2040

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$47,056,323, including \$6,902,276 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019, 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 27, 2018, and more than thirty (30) days prior to the end of the fiscal year 2018, 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, 2018, 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 13, 2018, and August 27, 2018, 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 10, 2018, following the public hearings, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 10th day of September 2018.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Gayle Kirby
Town Secretary

ORDINANCE NO. 2041

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2018 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

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

That, for the tax year 2018, there is hereby levied an ad valorem tax of \$0.220000 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2018, 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 3.89 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

That said tax shall be for the purpose of defraying current expense of the municipal government of the Town of Highland Park, Texas, for the fiscal year 2019.

That said tax shall be due and payable October 1, 2018.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2018 levy.

PASSED AND APPROVED this 10th day of September 2018.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Gayle Kirby
Town Secretary

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

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 18,485,426	\$ 18,221,543	\$ 21,148,264	\$ 20,128,057
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 12,593,539	\$ 13,129,384	\$ 13,234,161	\$ 13,724,735
Water Sales	6,688,572	6,985,822	6,610,847	7,341,387
Sewer Charges	2,787,880	2,964,169	2,787,871	3,081,954
Sales Taxes	3,480,389	3,720,000	3,756,164	3,943,973
Sanitation/Recycling Charges	1,236,532	1,403,970	1,360,814	1,459,479
Franchise Fees	1,037,497	1,090,000	1,028,019	1,074,514
Building Inspection Fees/Permits	1,511,954	1,180,284	1,368,930	1,329,666
Municipal Court Fines/Fees	1,181,780	1,354,385	1,137,135	1,183,860
Interest Earnings	245,044	266,987	393,852	429,216
Storm Water Fees	390,126	398,920	399,379	409,203
Other Revenues	3,088,671	3,221,782	5,317,721	6,147,143
TOTAL REVENUES	\$ 34,241,984	\$ 35,715,703	\$ 37,394,893	\$ 40,125,130
OTHER SOURCES				
Transfers In	\$ 7,506,410	\$ 7,464,920	\$ 7,647,724	\$ 6,902,276
TOTAL OTHER SOURCES	\$ 7,506,410	\$ 7,464,920	\$ 7,647,724	\$ 6,902,276
TOTAL REVENUES/SOURCES	\$ 41,748,394	\$ 43,180,623	\$ 45,042,617	\$ 47,027,406
EXPENDITURES				
Personnel Services				
Payroll	\$ 12,397,961	\$ 13,309,165	\$ 12,985,582	\$ 13,725,320
Payroll Taxes	841,819	963,754	901,451	987,046
Retirement	601,500	790,424	732,548	849,953
Insurance	1,500,381	1,801,299	1,646,015	1,958,127
Total Personnel	\$ 15,341,661	\$ 16,864,642	\$ 16,265,596	\$ 17,520,446
Supplies & Equipment	3,541,913	3,974,250	3,824,576	3,963,824
Services & Charges	5,903,472	6,507,959	6,299,111	6,586,667
Capital Outlay	6,803,123	9,351,168	12,025,817	12,083,110
Cost Allocation	-	-	-	-
TOTAL EXPENDITURES	\$ 31,590,169	\$ 36,698,019	\$ 38,415,100	\$ 40,154,047
OTHER USES				
Transfers Out	7,495,387	7,464,920	7,647,724	6,902,276
TOTAL OTHER USES	\$ 7,495,387	\$ 7,464,920	\$ 7,647,724	\$ 6,902,276
TOTAL USES	\$ 39,085,556	\$ 44,162,939	\$ 46,062,824	\$ 47,056,323
ENDING FUND BALANCE	\$ 21,148,264	\$ 17,239,227	\$ 20,128,057	\$ 20,099,140

**REVENUES BY TYPE
COMPARISON FOR ALL FUNDS**

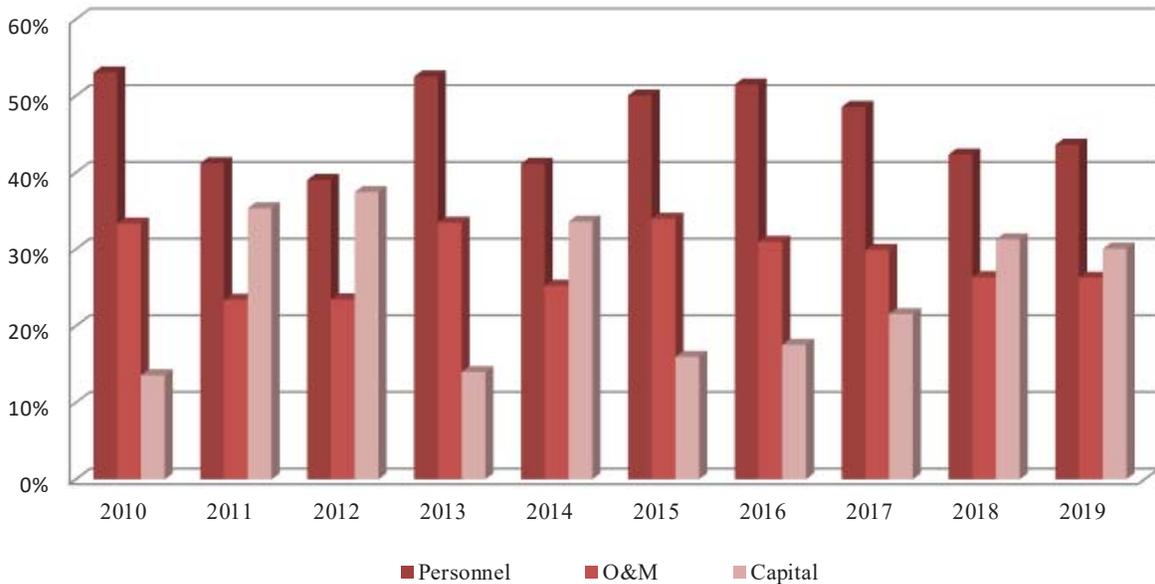
Percent of Total Revenues



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 46). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as “other receipts” include fines and forfeitures and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 162.

**EXPENDITURES/EXPENSES BY TYPE
COMPARISON FOR ALL FUNDS**

Percent of Total Distributions



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 164.

**2018 TAX RATE FOR HIGHLAND PARK
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES
 (PER \$100)**

Dallas	\$0.77670
Garland.....	0.70460
Mesquite.....	0.73400
Richardson	0.62516
Carrollton	0.59497
Farmers Branch.....	0.59951
Irving.....	0.59410
Addison.....	0.55000
University Park	0.24538
Highland Park.....	0.22000

**AD VALOREM TAX ANALYSIS
 2018 TAX ROLL**

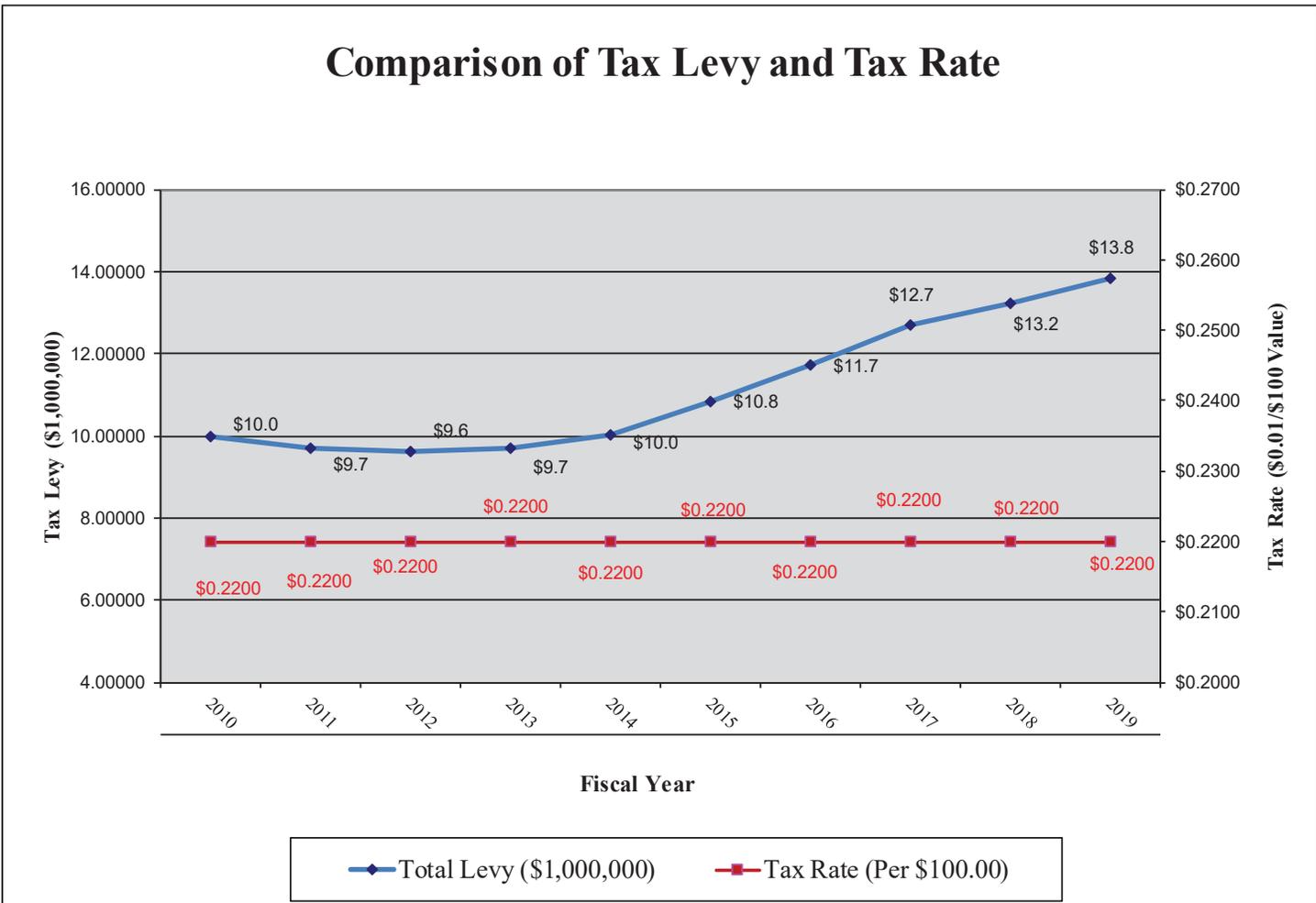
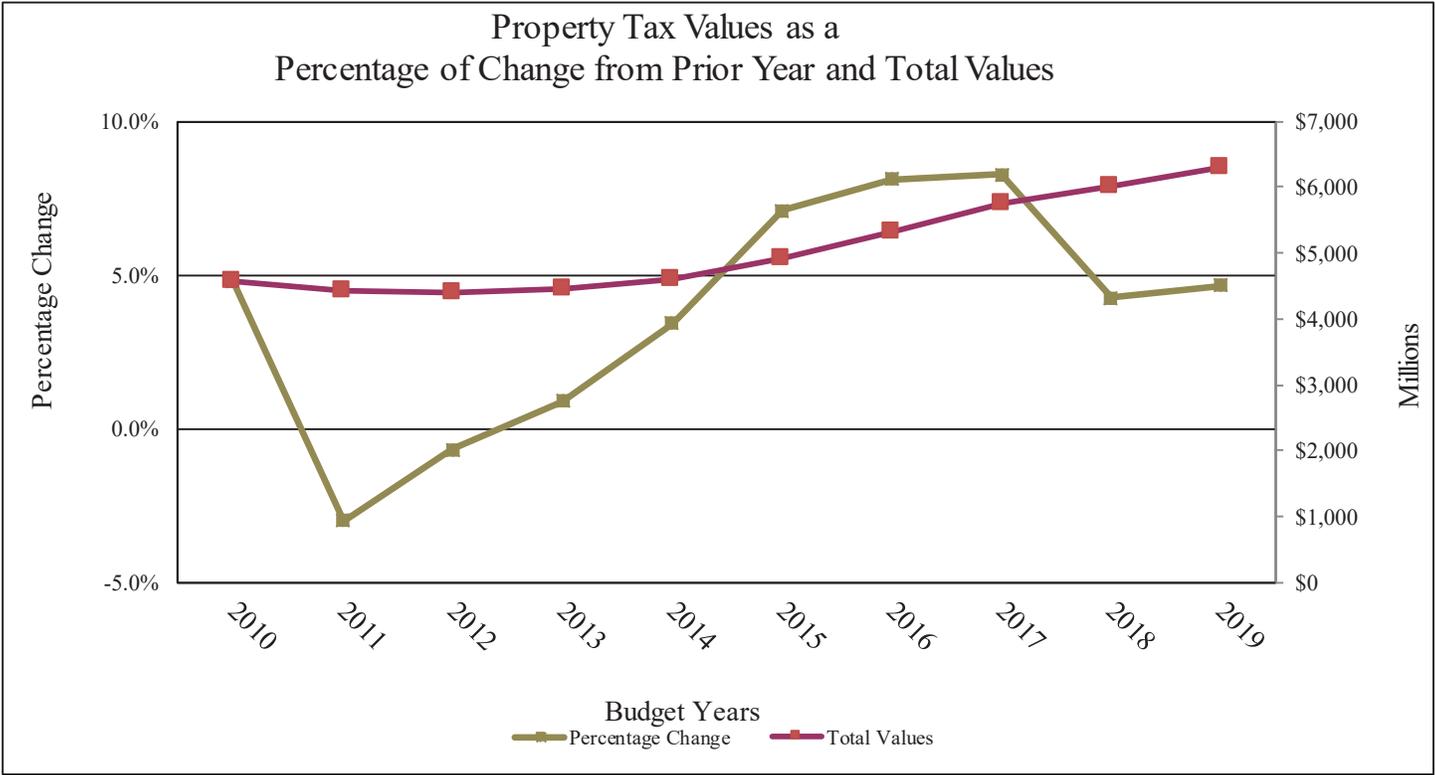
Assessed Valuation (100%)	\$ 7,729,991,830
Taxable Valuation*	\$ 6,292,473,542
Rate per \$100	\$0.2200
Total Tax Levy	\$13,843,441
Percent of Collection	99.0
Estimated Current Tax Collections	\$13,705,007

*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED
 FISCAL YEAR 2018-19 TAX COLLECTIONS**

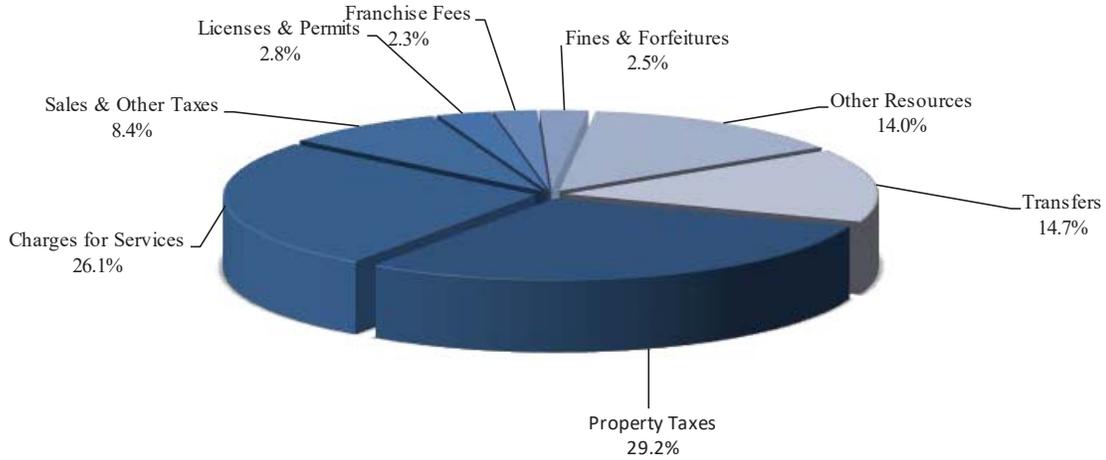
Current Taxes	\$ 13,705,007
Delinquent Taxes	<u>28,000</u>
Total Tax Collections	\$ 13,733,007
Penalty & Interest on Taxes	<u>52,000</u>
Total Tax Related Collections	\$ 13,785,007

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



PROJECTED RESOURCES

Fiscal Year 2018-19

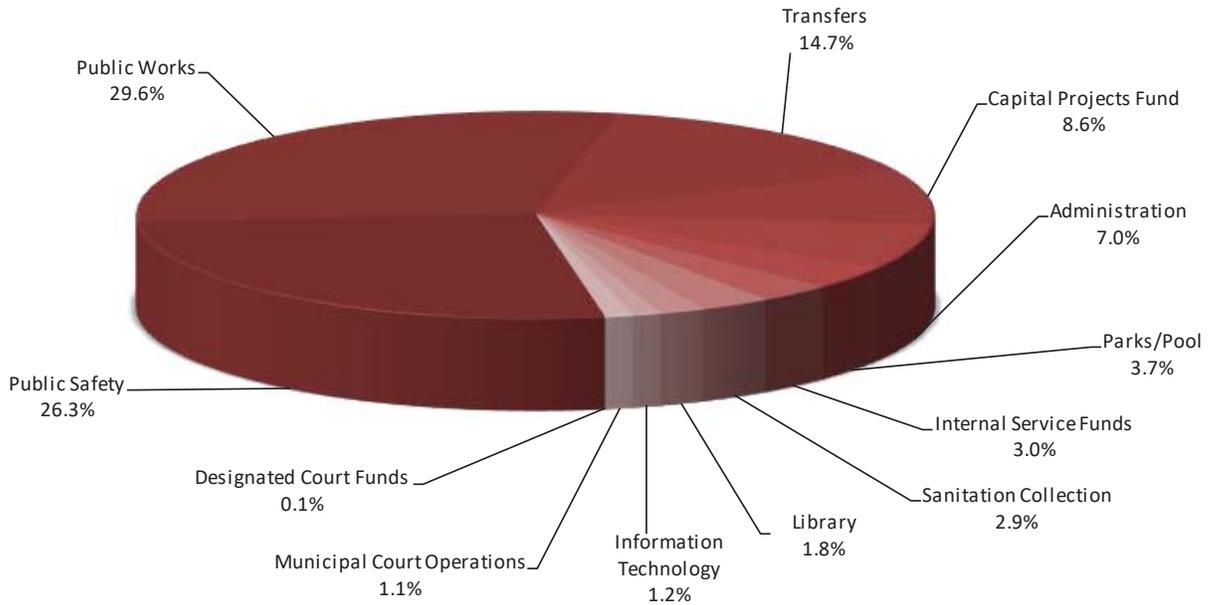


ALL FUNDS

Property Taxes	\$ 13,724,735
Charges for Services	12,292,023
Sales & Other Taxes	3,943,973
Licenses & Permits	1,329,666
Franchise Fees	1,074,514
Fines & Forfeitures	1,183,860
Other Resources	6,576,359
Transfers	6,902,276
	\$ 47,027,406

BUDGETED DISBURSEMENTS

Fiscal Year 2018

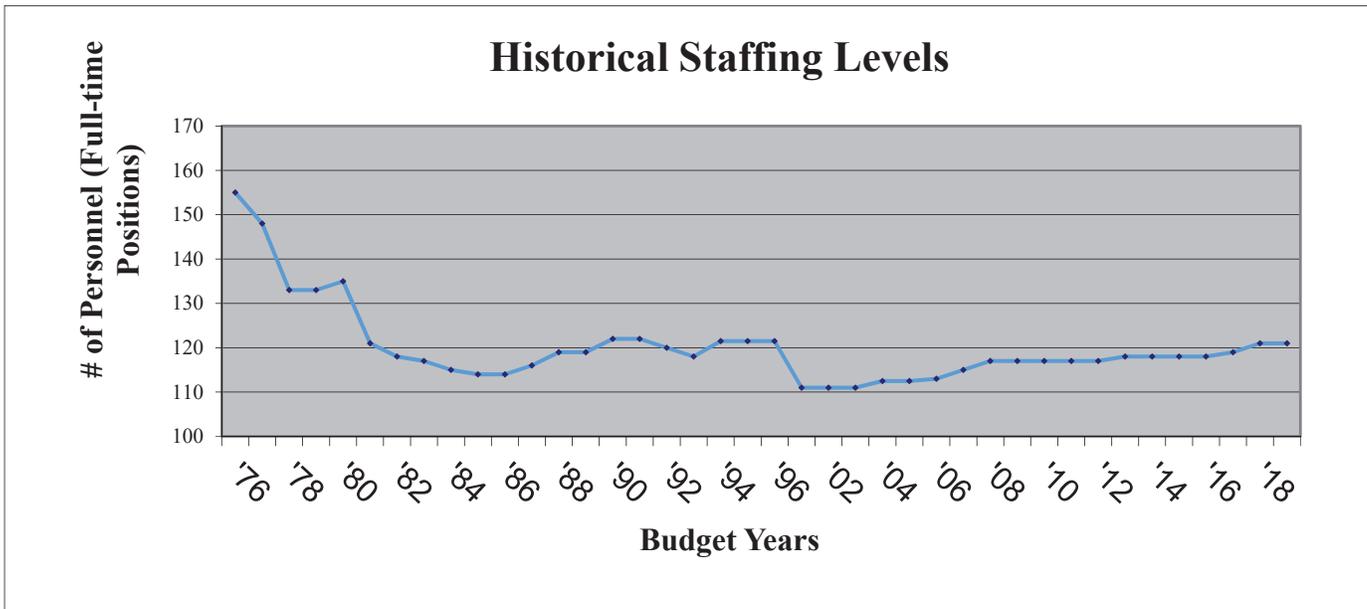


BY FUNCTION

Public Safety	\$ 12,486,393
Public Works	13,922,941
Transfers	6,902,276
Capital Projects Fund	4,036,483
Administration	3,287,594
Parks/Pool	1,758,609
Internal Service Funds	1,394,949
Sanitation Collection	1,342,933
Library	851,225
Information Technology	549,119
Municipal Court Operations	496,479
Designated Court Funds	27,322
	\$ 47,056,323

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

	Budget FY 2017		Budget FY 2018		Adopted FY 2019	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	2.0	0.0	2.0	0.0	2.0	0.0
Public Safety	70.0	0.5	72.0	0.5	73.0	0.0
Town Services	3.0	0.0	3.0	0.0	2.0	0.0
Street	3.3	0.0	3.3	0.0	3.3	0.0
Street Lighting	1.0	0.0	1.0	0.0	1.0	0.0
Library	4.0	2.0	4.0	2.0	5.0	1.5
Parks & Recreation	9.0	0.0	7.0	0.0	7.0	0.0
Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	2.0	1.0	2.0	1.0	2.0	1.5
Finance	5.0	0.0	5.0	0.0	5.0	0.0
Building Inspection	4.0	0.0	5.0	0.0	5.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total General Fund	104.3	6.9	105.3	6.9	106.3	6.4
Utility Fund						
Administration	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.4	0.0	5.4	0.0	5.4	0.0
Sewer	2.3	0.0	2.3	0.0	2.3	0.0
Engineering	5.0	0.0	5.0	0.0	4.0	0.0
Sub-Total Utility Fund	15.7	0.0	15.7	0.0	14.7	0.0
Total	120.0	6.9	121.0	6.9	121.0	6.4



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

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GENERAL FUND

The General Fund is the financial structure used for the accounting of receipt of resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental services and/or functions. These governmental services and/or functions include Public Safety (Police, Fire and Emergency Medical Services), Public Works (Town Services, Street, Street Lighting and Service Center), Parks, Pool, Library, and General Governmental (Administrative Services, Finance, Municipal Court and Building Services). The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

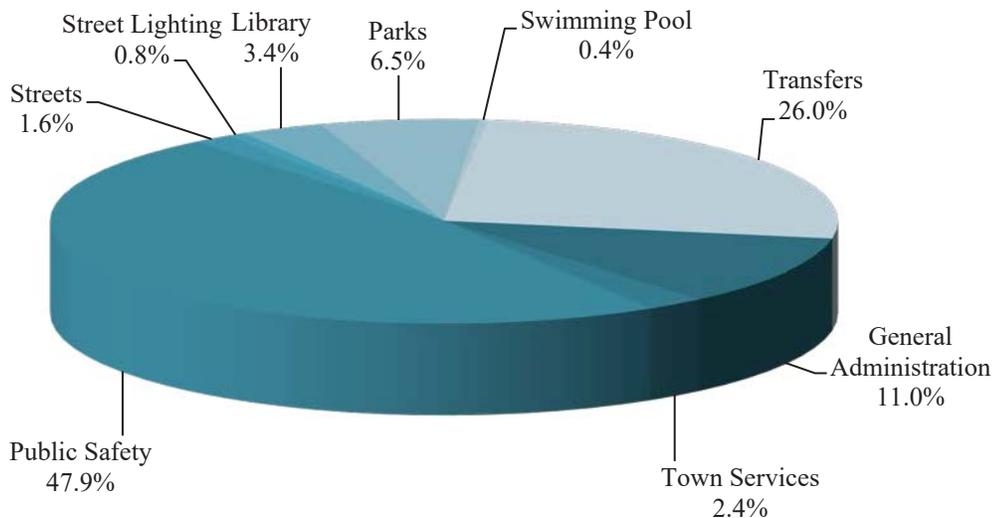
GENERAL FUND OVERVIEW

Resources are comprised of property taxes (ad valorem) levied by the Town, a 1% sales tax levied on taxable commodities and services as defined by state law, fees for right-of-way access, services offered and rendered by the Town, use of Town facilities, fines, interest on the investment of fund cash, permits related to building code requirements and a number of other sources as shown in detail on pages 56-57.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$13,696,735 or 59.4% of General Fund revenues come from property taxes. This compares to 59.1% and 59.7% for each of the previous two fiscal year budgets, respectively. Since tax year 2012, the total market value of property in the Town has increased 41.5% (\$1,846,299,281) driven, in part, by \$550,409,096 in new construction. It is important to note that since the Town is fully built-out, all new construction replaces older, less valued, structures. The strong redevelopment activity within the Town remains a very positive indicator of sustainable property values and tax rate.

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

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 17.1%, 16.8% and 18.0%, respectively, of total projected actual revenues for the General Fund.

**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

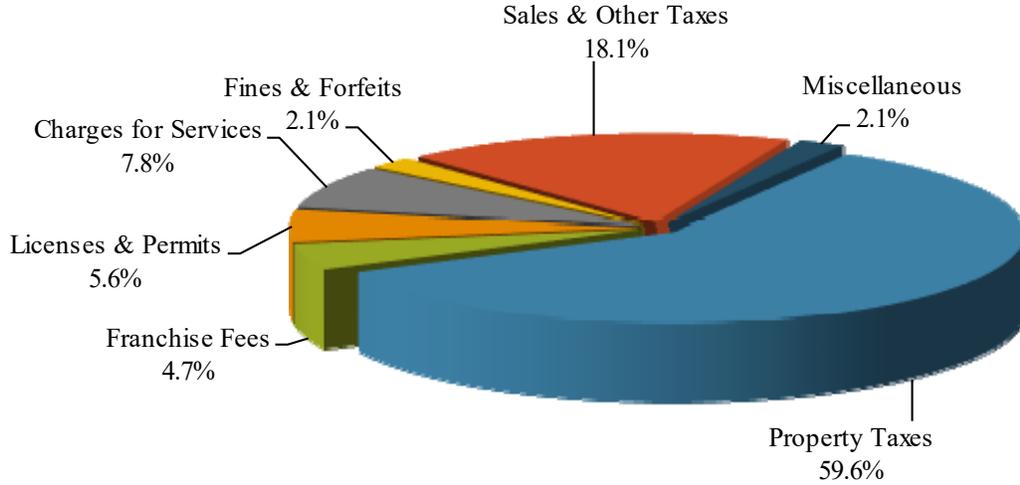
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 3,140,485	\$ 3,543,393	\$ 3,885,817	\$ 3,690,475
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 16,293,062	\$ 17,065,384	\$ 17,214,907	\$ 17,893,208
Franchise Fees	1,037,497	1,090,000	1,028,019	1,074,514
Licenses & Permits	1,499,728	1,139,087	1,275,464	1,298,759
Charges for Services	1,423,345	1,798,145	1,547,562	1,796,732
Fines & Forfeits	462,395	584,985	485,198	495,350
Miscellaneous	473,732	465,208	543,104	493,950
Total Revenues	\$ 21,189,759	\$ 22,142,809	\$ 22,094,254	\$ 23,052,513
Other Sources:				
Transfers In	\$ 1,058,100	\$ 1,161,700	\$ 1,161,700	\$ 1,217,700
Total Other Sources	\$ 1,058,100	\$ 1,161,700	\$ 1,161,700	\$ 1,217,700
Total Revenues/Sources	\$ 22,247,859	\$ 23,304,509	\$ 23,255,954	\$ 24,270,213
EXPENDITURES/USES OF FUNDS				
Administration Department	\$ 682,945	\$ 743,185	\$ 735,829	\$ 755,347
Town Services	512,574	547,182	545,858	569,191
Department of Public Safety	11,211,323	12,060,980	12,172,184	12,485,393
Street Department	264,378	383,437	329,851	373,763
Street Lighting Department	170,945	185,751	186,378	187,438
Library Department	612,005	795,427	682,211	821,970
Parks Department	1,415,567	1,466,597	1,429,356	1,568,041
Pool Department	184,721	195,828	186,417	190,568
Municipal Court Department	371,903	402,762	418,296	496,479
Finance Department	811,925	862,276	824,216	892,220
Building Inspection Department	553,581	709,110	685,490	741,881
Information Technology Department	516,741	544,017	537,439	549,119
Non-Departmental	222,939	433,790	425,075	452,190
Total Expenditures	\$ 17,531,547	\$ 19,330,342	\$ 19,158,600	\$ 20,083,600
Other Uses:				
Transfers to Other Funds	\$ 3,970,980	\$ 3,974,034	\$ 4,292,696	\$ 4,180,101
Total Other Uses	\$ 3,970,980	\$ 3,974,034	\$ 4,292,696	\$ 4,180,101
Total Expenditures/Uses	\$ 21,502,527	\$ 23,304,376	\$ 23,451,296	\$ 24,263,701
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 745,332	\$ 133	\$ (195,342)	\$ 6,512
Fund Balance	\$ 3,885,817	\$ 3,543,526	\$ 3,690,475	\$ 3,696,987
Ideal Fund Balance	\$ 3,197,155	\$ 3,504,143	\$ 3,447,288	\$ 3,668,398
Fund Balance in Excess of Minimum	\$ 688,662	\$ 39,383	\$ 243,187	\$ 28,589

**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

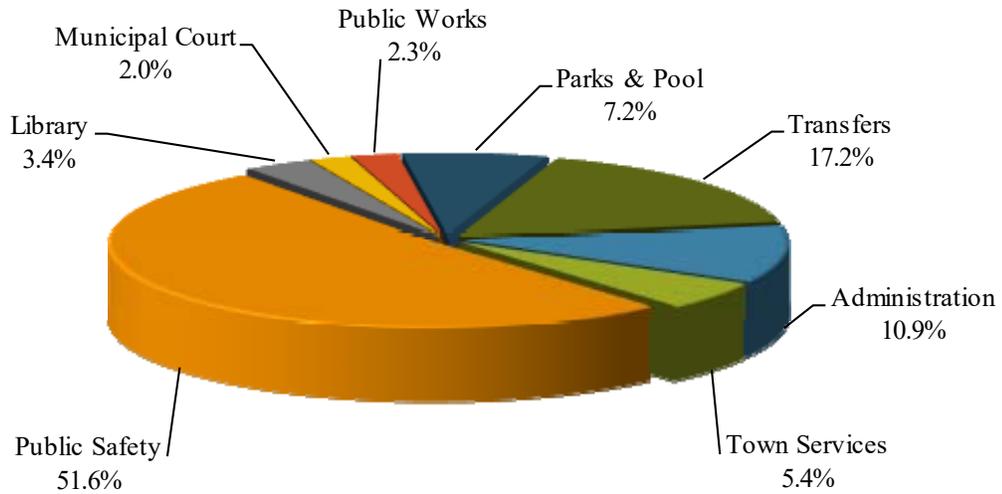
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 3,140,485	\$ 3,543,393	\$ 3,885,817	\$ 3,690,475
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 16,293,062	\$ 17,065,384	\$ 17,214,907	\$ 17,893,208
Franchise Fees	1,037,497	1,090,000	1,028,019	1,074,514
Licenses & Permits	1,499,728	1,139,087	1,275,464	1,298,759
Charges for Services	1,423,345	1,798,145	1,547,562	1,796,732
Fines & Forfeits	462,395	584,985	485,198	495,350
Miscellaneous	473,732	465,208	543,104	493,950
Total Revenues	\$ 21,189,759	\$ 22,142,809	\$ 22,094,254	\$ 23,052,513
Other Sources:				
Transfers In	\$ 1,058,100	\$ 1,161,700	\$ 1,161,700	\$ 1,217,700
Total Other Sources	\$ 1,058,100	\$ 1,161,700	\$ 1,161,700	\$ 1,217,700
Total Revenues/Sources	\$ 22,247,859	\$ 23,304,509	\$ 23,255,954	\$ 24,270,213
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 11,198,797	\$ 11,928,274	\$ 11,805,306	\$ 12,381,465
Payroll Taxes	763,304	860,741	815,173	887,730
Retirement	542,342	706,847	665,231	766,166
Insurance	1,343,568	1,578,225	1,479,797	1,738,781
Total Personnel	\$ 13,848,011	\$ 15,074,087	\$ 14,765,507	\$ 15,774,142
Supplies & Equipment	828,785	954,976	953,716	976,117
Services & Charges	2,834,913	3,266,739	3,242,138	3,324,341
Capital Outlay	19,838	34,540	197,239	9,000
Total Expenditures	\$ 17,531,547	\$ 19,330,342	\$ 19,158,600	\$ 20,083,600
Other Uses:				
Transfers Out	\$ 3,970,980	\$ 3,974,034	\$ 4,292,696	\$ 4,180,101
Total Other Uses	\$ 3,970,980	\$ 3,974,034	\$ 4,292,696	\$ 4,180,101
Total Expenditures/Uses	\$ 21,502,527	\$ 23,304,376	\$ 23,451,296	\$ 24,263,701
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 745,332	\$ 133	\$ (195,342)	\$ 6,512
Fund Balance	\$ 3,885,817	\$ 3,543,526	\$ 3,690,475	3,696,987
Ideal Fund Balance	\$ 3,197,155	\$ 3,504,143	\$ 3,447,288	\$ 3,668,398
Fund Balance in Excess of Minimum	\$ 688,662	\$ 39,383	\$ 243,187	\$ 28,589

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
Taxes				
Ad Valorem Taxes	\$ 12,564,113	\$ 13,094,384	\$ 13,212,161	\$ 13,696,735
Delinquent Ad Valorem Taxes	29,426	35,000	22,000	28,000
City Sales Tax	3,480,389	3,720,000	3,756,164	3,943,973
Mixed Beverage Tax	219,135	216,000	224,582	224,500
<i>Subtotal</i>	\$ 16,293,063	\$ 17,065,384	\$ 17,214,907	\$ 17,893,208
Franchise Fees				
Electric Utility Franchise Fees	\$ 521,336	\$ 530,000	\$ 500,888	\$ 520,000
Natural Gas Utility Franchise Fees	174,235	190,000	191,368	186,900
Telecom Franchise Fees	77,772	92,000	75,612	87,614
CATV Franchise Fees	210,074	210,000	207,964	210,000
Solid Waste	26,135	40,000	22,023	40,000
Carriages	27,944	28,000	30,164	30,000
<i>Subtotal</i>	\$ 1,037,496	\$ 1,090,000	\$ 1,028,019	\$ 1,074,514
Licenses & Permits				
Beverage Licenses	\$ 10,710	\$ 4,565	\$ 10,640	\$ 7,618
Health Permits	6,135	5,525	10,000	6,000
Alarm Permits	58,518	104,352	38,920	105,600
Electrical Licenses	17,250	18,500	250	-
Building Permits	1,360,904	960,000	1,158,840	1,123,306
Electrical Permits	33,630	35,000	45,864	45,000
Excavation Permits	300	360	375	360
Carriage Licenses	6,500	4,825	5,075	5,075
Animal Licenses	5,781	5,960	5,500	5,800
<i>Subtotal</i>	\$ 1,499,728	\$ 1,139,087	\$ 1,275,464	\$ 1,298,759
Charges For Services				
E911 Users' Fee	\$ 124,939	\$ 134,450	\$ 117,630	\$ 122,000
Alarm Monitoring Fees	263,822	483,588	431,469	633,232
Emergency Medical Fees	191,915	225,239	177,278	179,000
Board Hearing Fee	2,600	2,200	2,000	2,500
Swimming Pool Daily Fees	23,977	26,000	26,000	26,000
Swimming Pool Annual Fees	76,690	85,000	78,000	78,000
Tennis Court Use Fees	11,643	12,000	11,500	11,500
Animal Pound Fees	1,260	1,000	750	1,000
Library Non-resident Fees	4,209	6,000	6,000	6,000
Court Administration Fees	35,885	33,000	35,521	35,500
Warrant Fees	55,855	63,000	46,880	63,000
Court Fees	180,152	182,410	176,142	182,000

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
Building Registration Fees	41,375	80,025	76,250	76,000
Plan Review Fees	6,200	22,399	21,000	21,000
Deferred Adjudication Fees	402,822	441,834	341,142	360,000
<i>Subtotal</i>	\$ 1,423,344	\$ 1,798,145	\$ 1,547,562	\$ 1,796,732
Fines & Forfeits				
Municipal Court Fines	\$ 444,926	\$ 568,475	\$ 477,348	\$ 480,000
Library Fines	3,653	4,010	3,600	3,600
Lost Book Charges	867	1,000	750	750
Invalid Alarm Fines	12,950	11,500	3,500	11,000
<i>Subtotal</i>	\$ 462,396	\$ 584,985	\$ 485,198	\$ 495,350
Miscellaneous				
Interest	\$ 77,775	\$ 109,300	\$ 120,000	\$ 140,000
Interest-Dallas County	221	250	350	350
Penalty & Interest - Tax Collection	55,376	52,750	52,000	52,000
Sale of Assets	3,011	1,500	3,000	2,000
Rental-Town Property	276,841	248,808	313,022	247,500
Library Donations	2,133	2,600	2,100	2,100
Contributions	20,275	10,000	13,000	10,000
Intergovernmental Revenue	-	-	474	-
Town Property Damage Refund	7,522	10,000	8,778	10,000
Miscellaneous	30,577	30,000	30,380	30,000
<i>Subtotal</i>	\$ 473,731	\$ 465,208	\$ 543,104	\$ 493,950
Total Revenues	\$ 21,189,758	\$ 22,142,809	\$ 22,094,254	\$ 23,052,513

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy	\$13,696,735
Delinquent Taxes	\$28,000

Taxable property values increased \$280,359,905, or 4.66%. This growth was in part fueled by new construction which added \$58,926,762 to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing smaller, less valued homes. The schedule on page 153 presents the changes in taxable values in the Town for the most recent ten (10) year period. The fiscal year 2018-19 Adopted Budget reflects an increase in property tax revenues, based on the current tax rate of \$0.22/\$100 valuation, of \$558,740.

- **Sales Tax/Other Taxes**

Since fiscal year 2009-10, sales tax revenues have increased over 55.7%. This increase is the result of the combination of general economic recovery and the change in the retail mix at the Highland Park Shopping Village, the Town's largest commercial center. The Town's sales tax revenues come from a local option 1% sales tax that is collected by the State Comptroller's Office and remitted monthly, net of a 2% processing charge. These revenues are primarily generated in the three limited, but upscale commercial areas. A ten year comparison of Sales Tax revenues is included in the table presented on page 162.

- **Franchise Fees**

Receipts for franchised services for fiscal year 2018-19 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.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For fiscal year 2018-19, this revenue source is projected to be comparable to the amount received during the fiscal year 2017-18.

- **Licenses & Permits**

Based upon a continued steady rate of new home construction and commercial projects, building permit revenues are projected to be similar to the amounts received in fiscal year 2017-18. A schedule comparing construction activity for the most recent ten fiscal years is presented on page 155 as well as a ten year listing of revenues generated over this same period on page 162.

- **Charges for Services**

The total revenues received for services are projected to remain fairly constant when compared to fiscal year 2017-18. In anticipation of additional services being offered and a projected increase in customer base, alarm monitoring fees are expected to increase by \$149,644.

- **Fines & Forfeits**

Municipal Court fines have been projected conservatively and reflect amounts similar to actual collections in fiscal year 2106-17

- **Miscellaneous**

Projected interest earnings (\$140,000) are based on an average monthly investable balance of approximately \$5,600,000 and an interest rate of 2.5%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$247,500 and is based on existing contracts.

Administration Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

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

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ 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 process of duplicating permanent records into electronic document imaging format and coordinate conversion of same with each department
- ❖ Continue the implementation of solutions from the Town-wide traffic study to reduce traffic congestion
- ❖ Coordinate annual racial profiling training for all departments
- ❖ Enhance and improve customer service levels
- ❖ Develop and implement a Professional Development Program for Town staff

PERFORMANCE INDICATORS

	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Timely Distribution of (%):				
Town Council Committee Agenda Packets:*	100	N/A	N/A	N/A
Town Council Agenda Packets:	100	100	100	100
Responses to Public Information Act Requests:	100	100	100	100

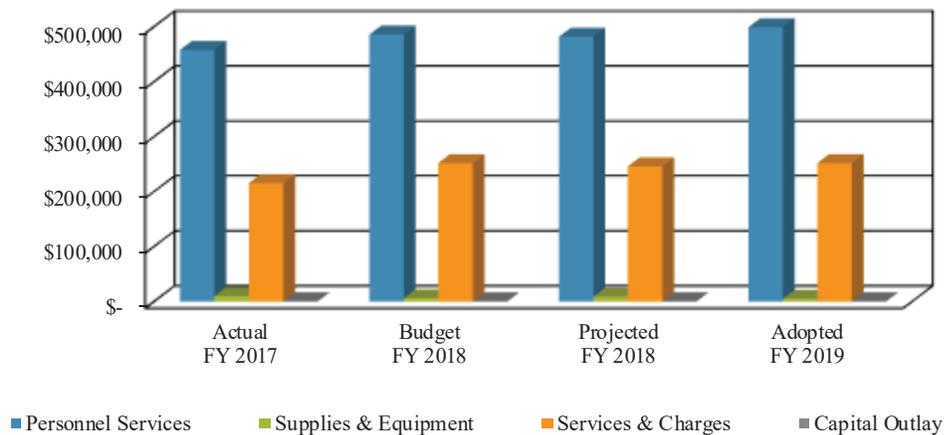
*Combined Committee Agenda Packets with Meeting Agenda Packets.

Administration Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 457,781	\$ 485,724	\$ 481,482	\$ 498,897	2.71%
Supplies & Equipment	9,755	5,750	8,568	4,750	-17.39%
Services & Charges	215,409	251,711	245,779	251,700	0.00%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 682,945	\$ 743,185	\$ 735,829	\$ 755,347	1.64%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Town Administrator	E-1	1.0	1.0	1.0
Town Secretary	7	1.0	1.0	1.0
Total Employees		2.0	2.0	2.0

Town Services Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Developed a cross training program for Town Services Staff
- ❖ 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
- ❖ Provided timely, complete and accurate minutes of all public meetings
- ❖ Completed the landscaping along the Dallas North Tollway, resurfacing of tennis courts 7 & 8 and new fountain installation at Flippen Park
- ❖ Hosted Water University Classes for Town residents focusing on water conservation

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Continue the development of staff cross training program for Town Services
- ❖ Respond to requests for information from residents in a timely manner
- ❖ Stay updated on the latest mosquito management program and responses
- ❖ Work with Texas State University on best practices for Water Conservation
- ❖ Communicate and educate our residents and the public on mosquito control best practices

PERFORMANCE INDICATORS

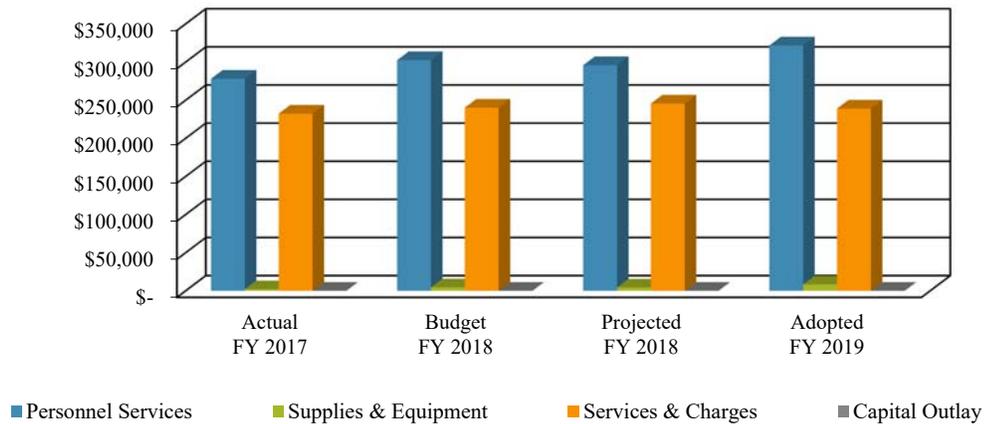
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Water University Classes Held	5	5	4	4
Water University Classes Attendance	125	136	156	160
Percent Response to Resident Inquiries within 24 hours	80	90	100	100

Town Services Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 278,117	\$ 302,471	\$ 295,922	\$ 321,755	6.38%
Supplies & Equipment	2,075	4,450	4,300	8,400	88.76%
Services & Charges	232,382	240,261	245,636	239,036	-0.51%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 512,574	\$ 547,182	\$ 545,858	\$ 569,191	4.02%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Director of Town Services*	E-3	1.0	1.0	1.0
Assistant Director of Town Services	E-1	1.0	1.0	1.0
Town Services Coordinator	6	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0

* position currently contracted



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 2018

- ❖ Reinstated in-house alarm monitoring and associated alarm billing
- ❖ Implemented a second traffic unit to increase the safety of those that travel through the town
- ❖ Placed in service a new fire truck and ambulance
- ❖ Completed upgrade and remodel of the Training Room and Captains Quarters
- ❖ Implemented Text-to-9-1-1
- ❖ Modernized DPS Hallway

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Continue work with consultant on solutions for P25 radio system
- ❖ Purchase, equip and deploy five (5) front line patrol vehicles
- ❖ Add a second set of bunker gear
- ❖ Continue to grow Public/Private Outreach Programs to include:
 - Active Shooter Training
 - Implement NexGen 911 system
 - Explore potential Operations schedule changes
 - R.A.D. (Rape, Aggression, Defense System)
 - LTC (License to Carry)
 - Stop-the Bleed and CPR classes

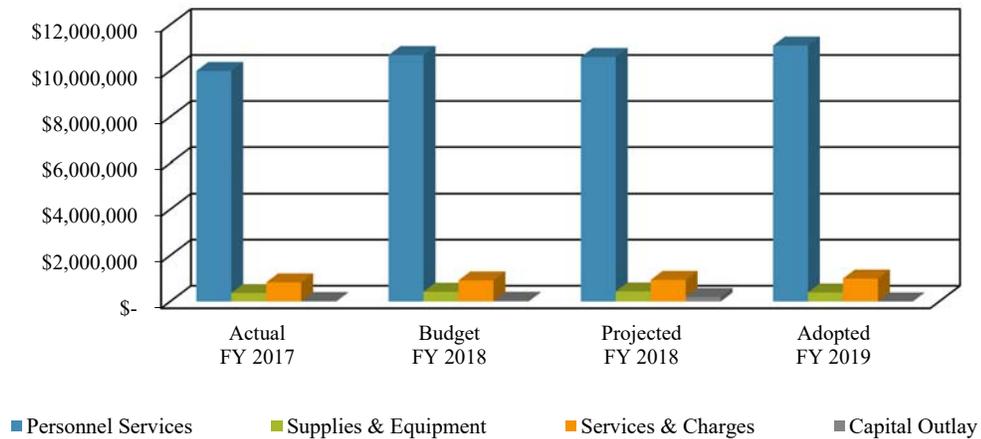
PERFORMANCE INDICATORS

	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Call Responses				
Police	10,945	10,530	10,137	10,500
Fire	815	621	717	700
Emergency Medical	417	369	366	400
Other Activity				
Fire Inspections	292	94	380	300
Major Crimes Reported	183	183	203	180
Response Time (minutes)				
Police	2.6	2.5	2.6	2.6
Fire	2.1	2.1	1.8	2.0
Emergency Medical	2.5	2.8	2.1	2.5



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 9,992,414	\$ 10,684,714	\$ 10,598,469	\$ 11,095,925	3.85%
Supplies & Equipment	366,348	423,724	436,983	392,657	-7.33%
Services & Charges	833,223	918,002	939,493	996,811	8.58%
Capital Outlay	19,338	34,540	197,239	-	-100.00%
Total Department	\$ 11,211,323	\$ 12,060,980	\$ 12,172,184	\$ 12,485,393	3.52%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Director	E-4	1.0	1.0	1.0
Assistant Director	E-1	1.0	1.0	1.0
Captain	G	5.0	5.0	5.0
Lieutenant	F	5.0	5.0	5.0
Sergeant	E	4.0	5.0	5.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	36.0	36.0	37.0
Police Officer	B	1.0	2.0	2.0
Communications Supervisor	8	1.0	1.0	1.0
Communications Manager	6	1.0	1.0	1.0
Accreditation Manager	6	1.0	1.0	1.0
Support Services Officer	4	1.0	1.0	0.0
Communications Specialist	4	8.0	8.0	8.0
Alarm Specialist	5	N/A	1.0	1.0
Administrative Secretary	4	2.0	2.0	2.0
EMS Coordinator	PT	0.5	0.5	0.0
Total Employees		70.5	73.5	73.0

Street Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Maintained the Town's street surfaces through the placement of asphalt as needed for repairs
- ❖ Inventoried Street signage throughout the Town
- ❖ Reorganized to have Street Department respond to parkway trees on an emergency basis

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Perform preparation work for Town's 2019 right-of-way rehabilitation program
- ❖ Support water and sanitary sewer functions, as necessary
- ❖ Respond to emergencies related to street, water and sanitary sewer, as necessary
- ❖ Maintain the Town's infrastructure of paved streets, alleys, sidewalks, bridges, storm sewer inlets and signage

MAJOR BUDGET ITEMS

- ❖ \$25,000 Repair Materials
- ❖ \$10,000 for Street Signage
- ❖ \$15,000 Street Striping

PERFORMANCE INDICATORS

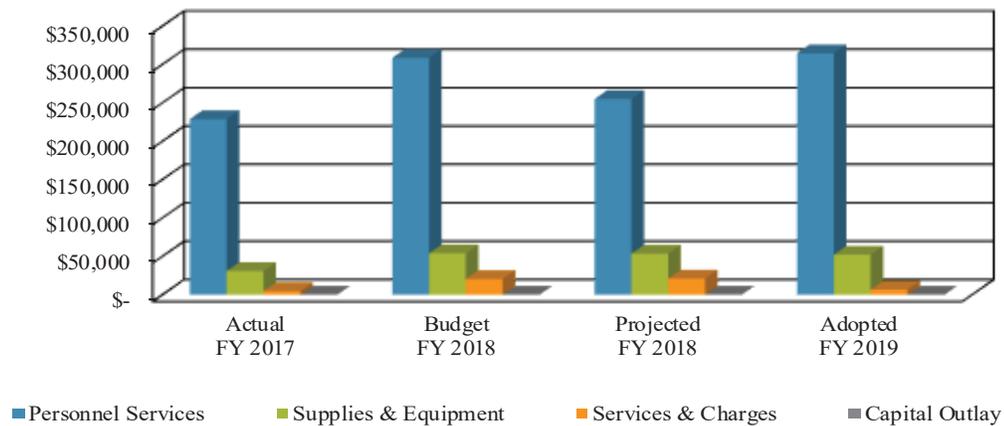
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Asphalt Repairs (Tons)	300	250	295	300
Storm Inlets Cleaned	1,400	1,518	1,400	1,500

Street Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 228,759	\$ 308,705	\$ 255,149	\$ 314,677	1.93%
Supplies & Equipment	30,871	54,132	53,632	52,200	-3.57%
Services & Charges	4,748	20,600	21,070	6,886	-66.57%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 264,378	\$ 383,437	\$ 329,851	\$ 373,763	-2.52%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Foreman	8	0.3	0.3	0.3
Public Works Maint. Worker II	3	2.0	2.0	2.0
Public Works Maint. Worker I	2	1.0	1.0	1.0
Total Employees		3.3	3.3	3.3

Street Lighting Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

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

OBJECTIVES FOR FISCAL YEAR 2019

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

MAJOR BUDGET ITEMS

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

PERFORMANCE INDICATORS

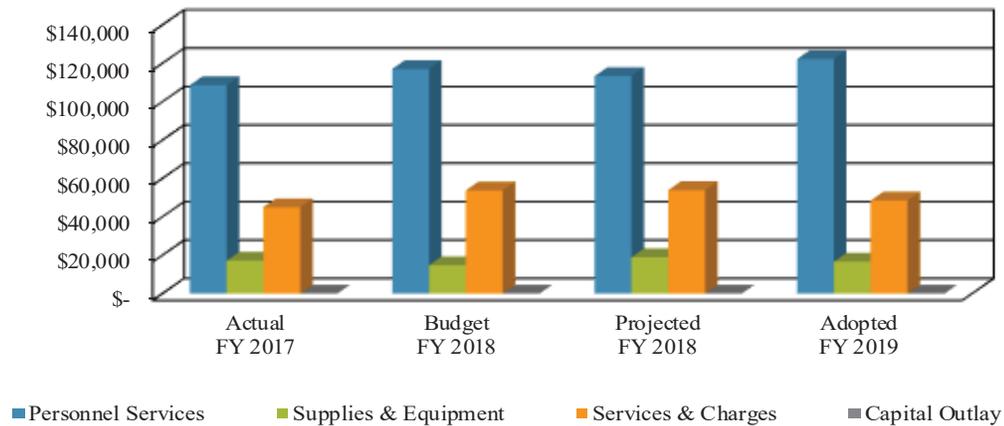
- ❖ The Town received over 175 telephone calls from the public reporting street lighting defects (School Flasher Repairs: 5, Street Light Repairs: 148, Traffic Signal Repairs: 28)
- ❖ Staff is working to identify 75% of the defects through proactive weekly inspections
- ❖ Average days to repair is 2.5 days

Street Lighting Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 108,705	\$ 117,143	\$ 113,416	\$ 122,246	4.36%
Supplies & Equipment	17,162	14,818	18,968	16,652	12.38%
Services & Charges	45,078	53,790	53,994	48,540	-9.76%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 170,945	\$ 185,751	\$ 186,378	\$ 187,438	0.91%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Electrical/Mechanical Tech	5	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Employed numerous community engagement avenues, including focus groups, a Town Hall Meeting, and an online survey, to gather feedback and information from community members for the Library's Master Plan project.
- ❖ Added the lifelong learning online resources Lynda.com and Universal Class for Library patrons to use both in the Library and remotely. These new services allow patrons to access hundreds of online classes and tutorials 24 hours a day, seven (7) days a week through the Library's website.
- ❖ Instituted the use of an online reading tracking software and app, Beanstack, as part of the 2018 Summer Reading Club. Specific online summer reading programs were open for children from birth to age five, readers entering first through sixth grades, and readers entering seventh through twelfth grades.
- ❖ Enhanced the Library's programming partnership with Town Services, including co-presenting to all ages, family events during Spring Break, and two (2) Baby Lapsit story times at the Highland Park pool.
- ❖ Received the Achievement of Excellence in Libraries Award from the Texas Municipal Library Directors Association.
- ❖ Utilized postcard mailers to all residences in the Town four (4) times throughout the Fiscal Year to promote the online survey for the Library Master Plan project, Summer Reading Club registration, online resources for lifelong learning, and Library Card Sign-up Month.

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Prioritize the customer experience to identify means for increasing ease of access to materials and services.
- ❖ Provide programming opportunities for patrons to interact with others, learn, and exchange ideas.
- ❖ Create promotional materials that clearly communicate the ways Library resources can improve patrons' quality of life.
- ❖ Enhance the Library's website to increase visibility of online resources and encourage increased usage.

MAJOR BUDGET ITEMS

- ❖ Acquisition of new materials - books (\$64,678), audio/visual materials (\$16,181), e-books (\$20,226), e-audio books (\$16,181), and children's books (\$12,136).
- ❖ Continued funding for e-Services including downloadable e-materials and web-based resources.

PERFORMANCE INDICATORS

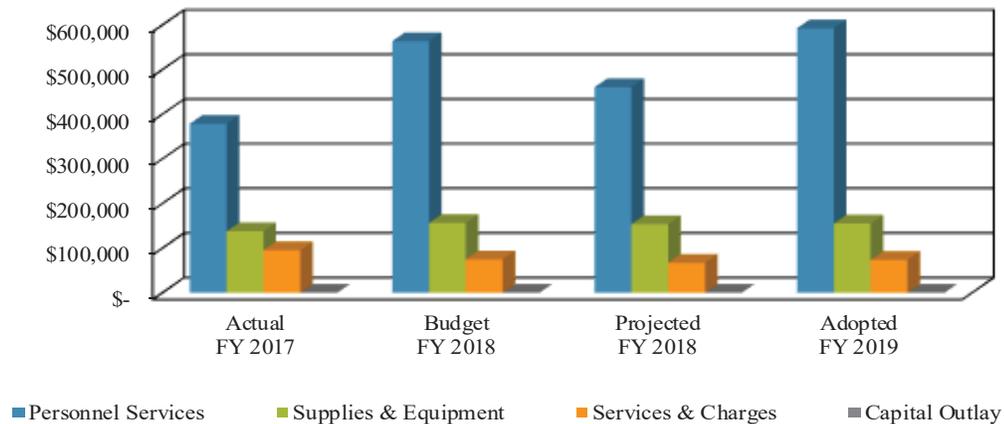
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Collection/Circulation				
Library Materials in Circulation	43,964	45,588	46,519	47,449
Electronic Media Circulation	2,176	3,384	3,552	3,730
User Cards Issued/Outstanding				
Resident	532	639	504	514
Non-Resident	42	44	40	41
Total Valid Cards	574	683	544	555

Library Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 378,915	\$ 563,989	\$ 460,881	\$ 592,862	5.12%
Supplies & Equipment	137,818	156,618	153,880	155,338	-0.82%
Services & Charges	95,272	74,820	67,450	73,770	-1.40%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 612,005	\$ 795,427	\$ 682,211	\$ 821,970	3.34%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Town Librarian	E-1	1.0	1.0	1.0
Librarian I	E	1.0	1.0	0.0
Librarian	5	0.0	0.0	2.0
Library Assistant	5	1.0	1.0	0.0
Library Administrative Assistant	3	0.0	0.0	1.0
Library Associate (Full-Time)	2	1.0	1.0	1.0
Library Associate (Part-Time)	2	2.0	2.0	1.5
Total Employees		6.0	6.0	6.5



DEPARTMENT DESCRIPTION

Parks and Recreation is responsible for the management and maintenance of the Town’s 22 park locations, 12 traffic islands, 8 tennis courts, swimming pool and Town Hall landscape. This department also manages the Town’s recreation program and Town wellness program by creating Healthy Lifestyle Series, partnering with the Library and the YMCA. 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 2018

- ❖ Effectively managed the Town’s contracts for turf maintenance, chemical application, tree trimming, and landscape lighting
- ❖ Updated ten Azalea and flower beds through park areas with seasonal color
- ❖ Maintained parks, parkway trees, swimming pool, tennis courts and Town rights-of-way, as identified and as needed
- ❖ Completed the renovation of tennis courts 7 & 8 and new irrigation and landscaping along the North Texas Tollway
- ❖ Added new seasonal color at Flippen Park

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Maintain and continue to implement a Parks Maintenance & Operations Plan
- ❖ Manage the Town’s contracts for chemical application and landscape lighting
- ❖ Manage and effectively implement capital improvement projects
- ❖ Educate residents and provide inspection for residents on irrigation and mosquito control program
- ❖ Expand recreation program

MAJOR BUDGET ITEMS

- ❖ Plant and Vegetation Material (\$108,000); Planting Material (\$35,000)
- ❖ Town-wide maintenance contracts for Turf Maintenance (\$115,047); Tree Trimming and Maintenance (\$53,045); Landscape Lighting (\$30,000); Recreation Program (\$20,000)

PERFORMANCE INDICATORS

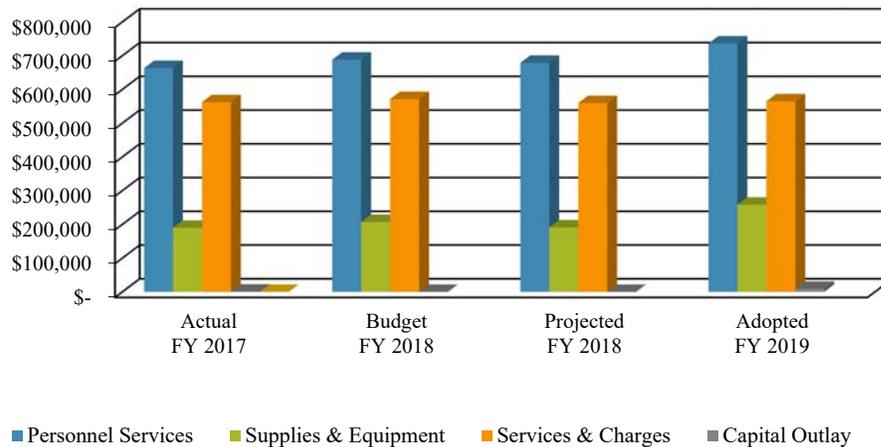
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Number of Bulbs	12,000	15,000	15,000	25,000
Mosquito Back Yark Inspections	44	86	86	90
Irrigation Inspection	30	45	45	45
Nuisance Spraying for Mosquitoes	257	272	272	250

Parks & Recreation



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 663,183	\$ 688,083	\$ 678,799	\$ 736,159	6.99%
Supplies & Equipment	189,692	207,152	190,920	258,305	24.69%
Services & Charges	562,192	571,362	559,637	564,577	-1.19%
Capital Outlay	500	-	-	9,000	0.00%
Total Department	\$ 1,415,567	\$ 1,466,597	\$ 1,429,356	\$ 1,568,041	6.92%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Foreman	8	1.0	1.0	1.0
Parks Project Specialist	4	0.0	0.0	1.0
Parks Maintenance Specialist	4	2.0	1.0	1.0
Irrigation/Mosquito Inspector	4	0.0	1.0	1.0
Parks Maintenance Worker II	3	3.0	2.0	1.0
Parks Maintenance Worker I	1	3.0	2.0	2.0
Total Employees		9.0	7.0	7.0

Pool Department



DEPARTMENT DESCRIPTION

The Town's swimming pool facility is maintained by the Parks Department. The effect of this work has been to reduce maintenance and make ready costs in subsequent years. The early swimming season begins in early May and the regular season coincides with the school district's summer vacation. Our extended season concludes at the end of September.

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Provided a safe and clean facility for use of Town residents
- ❖ Completed the purchase and installation of a pool heater
- ❖ Promoted utilization of the pool by adding a toddler swim program, summer reading with toddlers and water aerobic classes

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Provide a safe and clean facility for the enjoyment of the Town's residents
- ❖ Continue to increase recreational programming activities

MAJOR BUDGET ITEMS

- ❖ Replace decking and loungers
- ❖ Extended season for the pool from May to September

PERFORMANCE INDICATORS

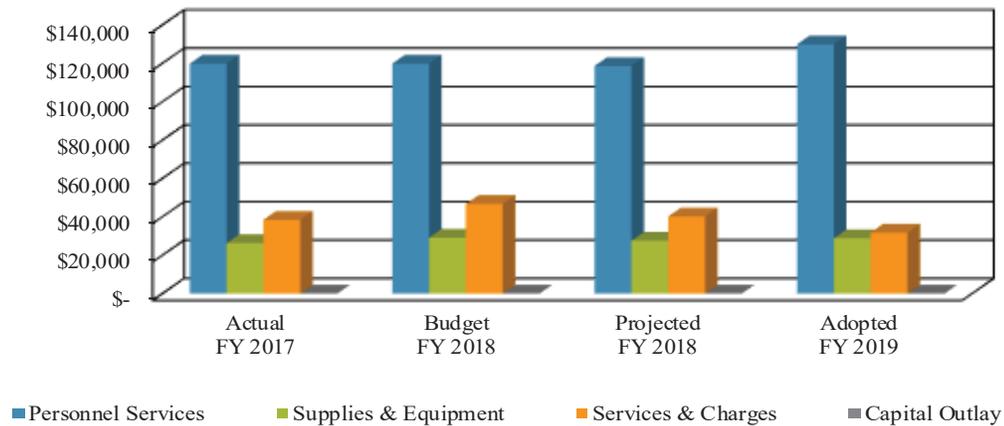
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Annual Pool Passes Sold	1,360	1,365	1,381	1,390
Daily Pool Passes Sold	3,059	2,540	2,608	2,500

Pool Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 119,909	\$ 119,922	\$ 118,655	\$ 129,922	8.34%
Supplies & Equipment	26,360	29,100	27,600	28,850	-0.86%
Services & Charges	38,452	46,806	40,162	31,796	-32.07%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 184,721	\$ 195,828	\$ 186,417	\$ 190,568	-2.69%



EMPLOYEE CLASSIFICATION & PAY GRADE

(All Seasonal Employees)

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Manager	NA	1.0	1.0	1.0
Assistant Manager	NA	1.0	1.0	1.0
Lifeguard	NA	8.0	8.0	8.0
Total Employees		10.0	10.0	10.0

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 2018

- ❖ Maintained accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office
- ❖ Improved daily operations in the court by participating in more training sessions and webinars
- ❖ Maintained Court calendar, allowing all defendants swift access to the Court system

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office
- ❖ Improve daily operations in the court by participating in more training sessions and webinars
- ❖ Hire an additional clerk to assist in the court office
- ❖ Evaluate new laws passed during the 2019 State Legislative session to determine their impact on court procedures and implement necessary changes
- ❖ Maintain court calendar, allowing defendants swift access to the court system

MAJOR BUDGET ITEMS

- ❖ Municipal Court Prosecution Services (\$33,800)

PERFORMANCE INDICATORS

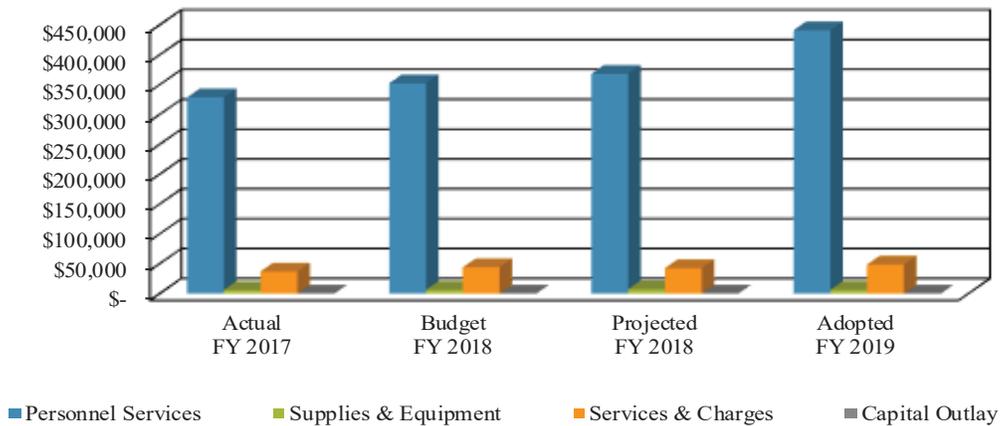
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Cases Filed				
Traffic	9,352	11,992	10,746	11,250
Parking	172	140	189	150
State Law	90	121	96	95
Town Ordinance	397	179	246	200
Total	10,011	12,432	11,277	11,695
Cases Disposed				
Prior to Trial	3,746	3,975	3,359	3,750
At Trial	292	305	280	250
Compliance Dismissals	4,240	5,858	5,923	5,825
Total	8,278	10,138	9,562	9,825
Percent Disposed to Filed	82.69%	81.55%	84.79%	84.01%

Municipal Court Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 328,880	\$ 352,423	\$ 368,234	\$ 441,204	25.19%
Supplies & Equipment	6,054	6,202	7,258	6,375	2.79%
Services & Charges	36,969	44,137	42,804	48,900	10.79%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 371,903	\$ 402,762	\$ 418,296	\$ 496,479	23.27%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Senior Court Clerk	4	1.0	1.0	1.0
Court Clerk	3	1.0	1.0	1.0
Court Clerk (Part-time)	3	0.0	0.0	0.5
Marshall/Bailiff (Part-time)	NA	0.5	0.5	0.5
Total Employees		3.0	3.0	3.5



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2017 CAFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2018
- ❖ 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
- ❖ Implemented a comprehensive Wellness Plan for employees

OBJECTIVES FOR FISCAL YEAR 2019

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

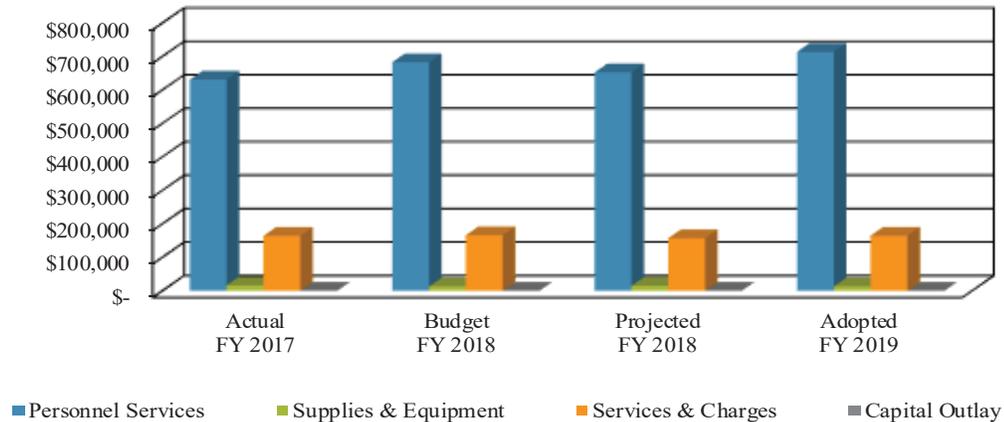
PERFORMANCE INDICATORS

	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Accounts Payable Checks Disbursed	3,450	3,160	2870	3,100
Payroll/ACH Checks Disbursed	4,026	3,963	3995	4,045



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 631,295	\$ 682,915	\$ 652,735	\$ 714,301	4.60%
Supplies & Equipment	16,460	13,220	14,662	13,210	-0.08%
Services & Charges	164,170	166,141	156,819	164,709	-0.86%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 811,925	\$ 862,276	\$ 824,216	\$ 892,220	3.47%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Director of Admin Services & CFO	E-4	1.0	1.0	1.0
Controller	E-1	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	1.0
Human Resource Specialist	4	1.0	1.0	1.0
Accounting Technician	3	1.0	1.0	1.0
Total Employees		5.0	5.0	5.0

Building Inspection Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS OF FISCAL YEAR 2018

- ❖ Processed approximately 1,139 building, 239 electrical, 333 plumbing permits, and 32 excavation permits, generating approximately \$1,231,774 in permit revenues
- ❖ Processed approximately 605 contractor registrations, generating approximately \$75,625 in registration revenues
- ❖ Processed approximately 99 plan reviews with construction valued greater than or equal to \$100,000 generating total revenues of \$24,750
- ❖ Increased public awareness of Code Enforcement activities with illegal sign enforcement and property maintenance on both occupied and construction properties

OBJECTIVES FOR FISCAL YEAR 2019

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

PERFORMANCE INDICATORS

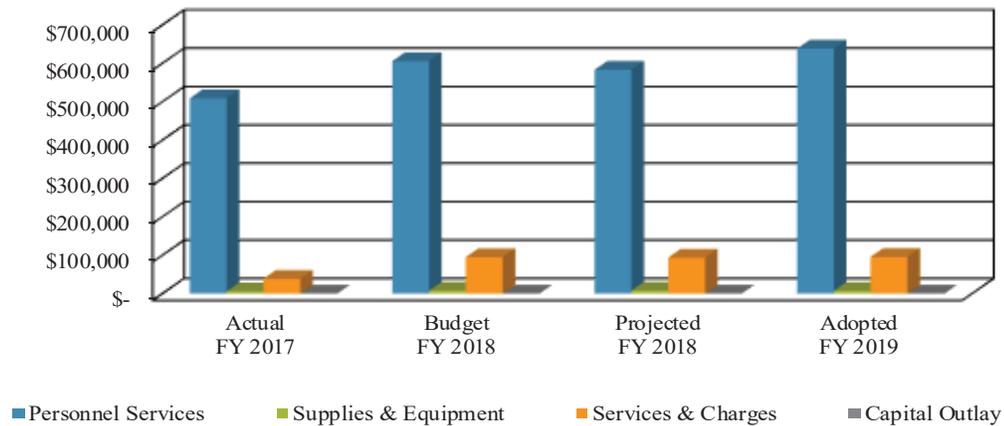
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Number of Inspections Performed	4,449	4,347	4,633	4,500
Total Permits Issued	1,865	1,748	1,742	1,740
Total Value of Permits (\$1,000)	\$ 102,641	\$ 134,258	\$ 128,480	\$ 125,000
Total Permit Fees & Licenses (\$1,000)	\$ 1,135	\$ 1,426	\$ 1,309	\$ 1,300

Building Inspection Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 509,200	\$ 605,950	\$ 583,585	\$ 638,561	5.38%
Supplies & Equipment	5,850	7,910	7,945	7,480	-5.44%
Services & Charges	38,531	95,250	93,960	95,840	0.62%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 553,581	\$ 709,110	\$ 685,490	\$ 741,881	4.62%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Development Services Manager	8	1.0	1.0	1.0
Senior Building Inspector	7	1.0	1.0	1.0
Building Inspector	6	1.0	1.0	1.0
Plans Examiner	4	0.0	1.0	1.0
Building Permit Clerk	3	1.0	1.0	1.0
Total Employees		4.0	5.0	5.0

Information Technology Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Wireless Network Replacement
- ❖ Direct Alarm Monitoring Infrastructure
- ❖ Server Upgrades/Migrations

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Assist DPS in 911 Phone System Replacement
- ❖ Fiber Communications with Highland Park Independent School District (HPISD)
- ❖ Network core services upgrades

MAJOR BUDGET ITEMS

- ❖ Technology Managed Services Contract (\$131,544)
- ❖ Enterprise Agreement (\$45,539)
- ❖ Other Technology Maintenance Contracts (\$136,945)
- ❖ Internet Service and T1 Circuits (\$31,848)

PERFORMANCE INDICATORS

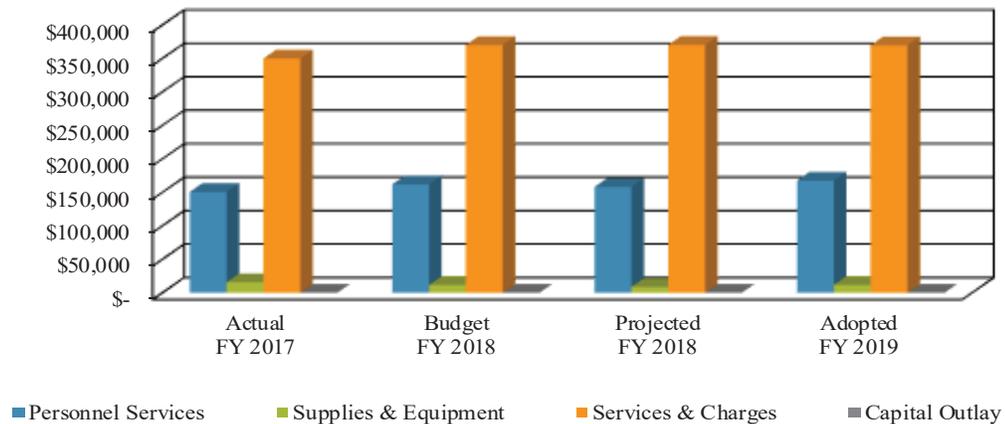
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Help Desk Support				
Support Requests	766	1,126	911	1,288
Service Hours	1,044	962	836	1,174
Network Uptime	99%	99%	99%	99%
Application Uptime	99%	99%	99%	99%

Information Technology Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 150,853	\$ 162,048	\$ 158,180	\$ 167,633	3.45%
Supplies & Equipment	15,862	11,750	8,900	11,750	0.00%
Services & Charges	350,026	370,219	370,359	369,736	-0.13%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 516,741	\$ 544,017	\$ 537,439	\$ 549,119	0.94%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Information Technology Manager	E-1	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0

Non-Departmental



DEPARTMENT DESCRIPTION

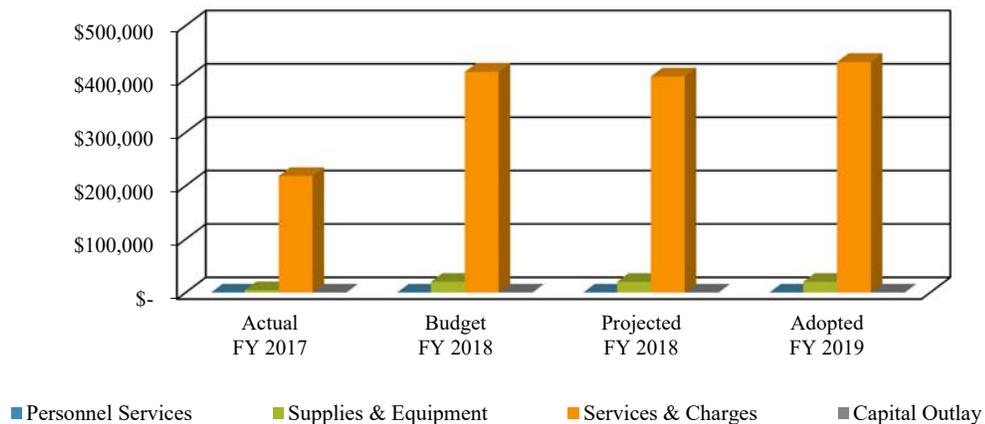
As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherent public policy nature have been included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

MAJOR BUDGET ITEMS

- ❖ Reserve for Potential Employee Retirements (\$125,000)
- ❖ Professional Services – Human Resource Consulting (\$45,000)
- ❖ Professional Services – Website Consulting and Maintenance (\$30,000)
- ❖ Budgetary Hedge for Fuel Costs (\$15,000)
- ❖ Professional Services – Health Insurance Consulting (\$28,000)

EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	4,479	20,150	20,100	20,150	0.00%
Services & Charges	218,460	413,640	404,975	432,040	4.45%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 222,939	\$ 433,790	\$ 425,075	\$ 452,190	4.24%



Transfer to Other Funds



DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$2,675,890 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$753,000); 2) annual miscellaneous concrete project (\$301,100); 3) sidewalk and alley repair (\$92,600); 4) street resurfacing needs (\$879,448); and 5) an additional capital improvement transfer of \$649,742 from current (fiscal year 2018-19) revenues.

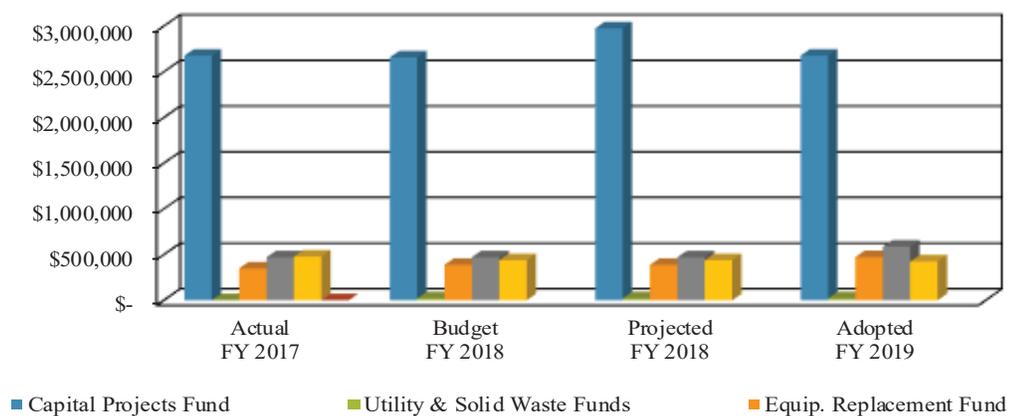
Other transfers include:

- ❖ Transfers to the Equipment Replacement Fund for future asset acquisition (\$473,570)
- ❖ Transfers to the Technology Replacement Fund for future asset acquisition and upgrades (\$586,841)
- ❖ Transfer to the Building Maintenance & Investment Fund representing the General Fund's share of Building Maintenance costs (\$423,800)

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Capital Projects Fund	\$2,675,892	\$2,657,228	\$2,975,890	\$2,675,890	0.70%
Utility & Solid Waste Funds	-	20,000	20,000	20,000	0.00%
Equip. Replacement Fund	347,544	386,694	386,694	473,570	22.47%
Tech. Replacement Fund	469,044	471,212	471,212	586,841	24.54%
Bldg. Maintenance Fund	478,500	438,900	438,900	423,800	-3.44%
Total Department	\$3,970,980	\$3,974,034	\$4,292,696	\$4,180,101	5.19%



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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 fiscal year 2018-19 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 fiscal year 2018-19 the Town determined that the rate structure for both water and wastewater needed to be adjusted by 6.75%. The last time the Town increased its rate structure occurred in fiscal year 2015-16.

- **Licenses and Permits**

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

- **Charges for Services**

Water

Revenues from the retail sale of water are projected to be \$7,197,387, a \$297,701 or 4.3% increase from the fiscal year 2017-18 Adopted Budget. The Town anticipates selling 975,000,000 gallons of water during fiscal year 2018-19.

The schedule on page 168 reflects the historical water sales (per 1,000 gallons) by category of use for the past ten (10) fiscal years.

Wastewater

The projected revenues from wastewater charges amount to \$3,081,954 or about a 4.0% increase from the fiscal year 2018-19 Adopted Budget.

- **Miscellaneous**

Charges for meter replacements/installations is projected to be \$50,000, which is comparable to the amount generated during the 2017-18 fiscal year.

Projected interest earnings are based on an average annual portfolio yield of 2.5% generating \$58,500 in revenue.

The total cost for Utility Fund services for fiscal year 2018-19 is \$14,233,900 which is \$3,810,839 more than the budget adopted for fiscal year 2017-18. This increase is being primarily driven by

planned capital improvements within the Utility Fund for fiscal year 2018-19. Most significantly is the planned rehabilitation of Lakeside Drive which will include the replacement of a portion of the 30” sanitary sewer line. Overall, this project is anticipated to cost \$4,020,000.

Approximately 25.7% 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 (expires April, 2024); and Sanitary Sewer Treatment from Dallas Water Utilities (expires February 2044).

Another significant portion of both the budget for fiscal year 2018-19, 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 \$2,150,048 from utility service revenues to fund the projects selected for fiscal year 2018-19.

The Utility Fund will also contribute \$1,193,100 to the General Fund for reimbursement of general & administrative costs for fiscal year 2018-19. Additionally, the Utility Fund will also provide \$521,167 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 134.

**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

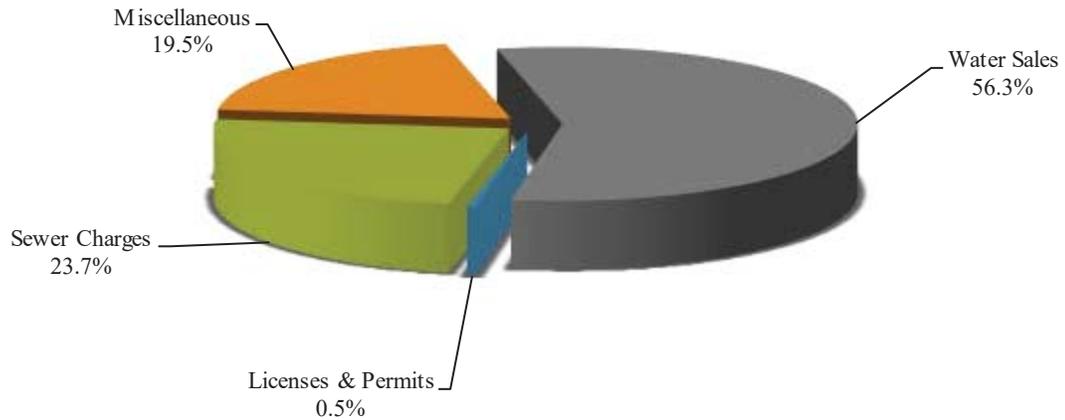
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 4,038,181	\$ 4,181,096	\$ 4,110,337	\$ 4,516,007
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 52,295	\$ 64,000	\$ 66,351	\$ 64,000
Charges for Services	9,512,342	10,003,991	9,452,213	10,476,841
Fines & Forfeits	76,168	74,000	80,000	74,000
Miscellaneous	814,663	521,556	432,941	2,415,746
Total Revenues	\$ 10,455,468	\$ 10,663,547	\$ 10,031,505	\$ 13,030,587
Other Sources:				
Transfers In	\$ 442,088	\$ 458,800	\$ 322,942	\$ 342,600
Total Other Sources	\$ 442,088	\$ 458,800	\$ 322,942	\$ 342,600
Total Revenues/Sources	\$ 10,897,556	\$ 11,122,347	\$ 10,354,447	\$ 13,373,187
EXPENSES - BY DEPARTMENT				
Utility Administration Department	\$ 294,999	\$ 396,787	\$ 376,821	\$ 445,956
Water Department	5,393,638	4,729,635	4,810,967	6,680,117
Sanitary Sewer Department	2,838,818	2,776,847	2,419,995	4,639,291
Engineering Department	651,353	763,228	584,430	619,561
Total Expenses	\$ 9,178,808	\$ 8,666,497	\$ 8,192,213	\$ 12,384,925
Other Uses:				
Transfers Out	\$ 1,646,592	\$ 1,756,564	\$ 1,756,564	\$ 1,848,975
Total Other Uses	\$ 1,646,592	\$ 1,756,564	\$ 1,756,564	\$ 1,848,975
Total Expenses/Uses	\$ 10,825,400	\$ 10,423,061	\$ 9,948,777	\$ 14,233,900
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 72,156	\$ 699,286	\$ 405,670	\$ (860,713)
ENDING FUND BALANCE	\$ 4,110,337	\$ 4,809,623	\$ 4,516,007	\$ 3,655,294
Ideal Fund Balance	\$ 1,659,414	\$ 1,849,215	\$ 1,736,460	\$ 1,859,421
Fund Balance in Excess of Minimum	\$ 2,450,924	\$ 2,960,408	\$ 2,779,547	\$ 1,795,873

**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

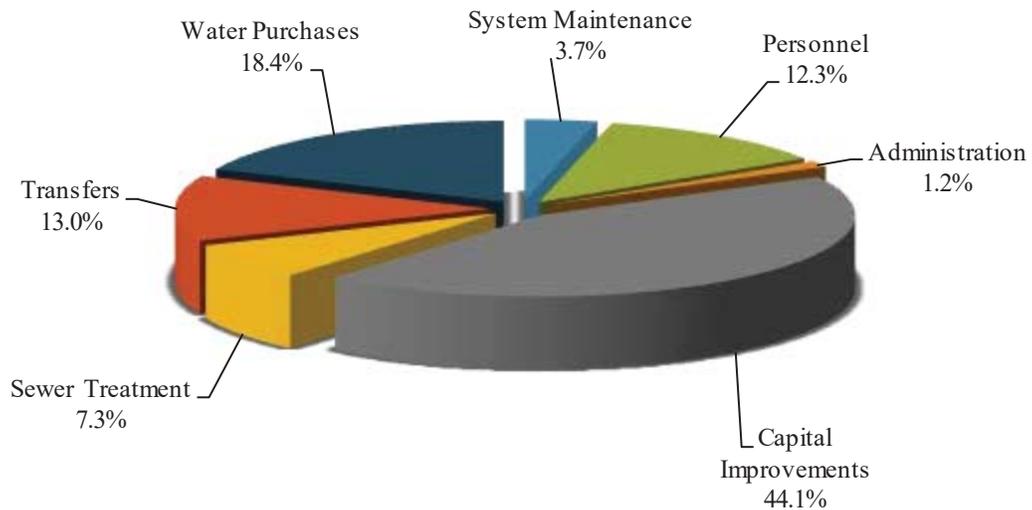
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 4,038,181	\$ 4,181,096	\$ 4,110,337	\$ 4,516,007
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 52,295	\$ 64,000	\$ 66,351	\$ 64,000
Charges for Services	9,512,342	10,003,991	9,452,213	10,476,841
Fines & Forfeits	76,168	74,000	80,000	74,000
Miscellaneous	814,663	521,556	432,941	2,415,746
Total Revenues	\$ 10,455,468	\$ 10,663,547	\$ 10,031,505	\$ 13,030,587
Other Sources:				
Transfers In	\$ 442,088	\$ 458,800	\$ 322,942	\$ 342,600
Total Other Sources	\$ 442,088	\$ 458,800	\$ 322,942	\$ 342,600
Total Revenues/Sources	\$ 10,897,556	\$ 11,122,347	\$ 10,354,447	\$ 13,373,187
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,199,164	\$ 1,380,891	\$ 1,180,276	\$ 1,343,855
Payroll Taxes	78,515	103,013	86,278	99,316
Retirement	59,158	83,577	67,317	83,787
Insurance	156,813	223,074	166,218	219,346
Total Personnel	\$ 1,493,650	\$ 1,790,555	\$ 1,500,089	\$ 1,746,304
Supplies & Equipment	2,656,037	2,924,446	2,770,953	2,890,125
Services & Charges	1,308,193	1,418,496	1,388,171	1,473,448
Capital Outlay	3,720,928	2,533,000	2,533,000	6,275,048
Total Expenses	\$ 9,178,808	\$ 8,666,497	\$ 8,192,213	\$ 12,384,925
Other Uses:				
Transfers Out	\$ 1,646,592	\$ 1,756,564	\$ 1,756,564	\$ 1,848,975
Total Other Uses	\$ 1,646,592	\$ 1,756,564	\$ 1,756,564	\$ 1,848,975
Total Expenses/Uses	\$ 10,825,400	\$ 10,423,061	\$ 9,948,777	\$ 14,233,900
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 72,156	\$ 699,286	\$ 405,670	\$ (860,713)
ENDING FUND BALANCE	\$ 4,110,337	\$ 4,809,623	\$ 4,516,007	\$ 3,655,294
Ideal Fund Balance	\$ 1,659,414	\$ 1,849,215	\$ 1,736,460	\$ 1,859,421
Fund Balance in Excess of Minimum	\$ 2,450,924	\$ 2,960,408	\$ 2,779,547	\$ 1,795,873

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
Licenses & Permits				
Plumbing Permits	\$ 52,295	\$ 64,000	\$ 66,351	\$ 64,000
<i>Subtotal</i>	\$ 52,295	\$ 64,000	\$ 66,351	\$ 64,000
Charges For Services				
Water Sales	\$ 6,553,722	\$ 6,899,686	\$ 6,466,681	\$ 7,197,387
Inter-Dept Water Sales	134,850	86,136	144,166	144,000
Sewer Charges	2,787,880	2,964,169	2,787,871	3,081,954
Meter Installation	31,700	50,500	49,715	50,000
Other Charges	4,190	3,500	3,780	3,500
<i>Subtotal</i>	\$ 9,512,342	\$ 10,003,991	\$ 9,452,213	\$ 10,476,841
Fines & Forfeits				
Late Payment Penalties	\$ 76,168	\$ 74,000	\$ 80,000	\$ 74,000
<i>Subtotal</i>	\$ 76,168	\$ 74,000	\$ 80,000	\$ 74,000
Miscellaneous				
Interest	\$ 37,221	\$ 37,356	\$ 58,500	\$ 58,500
Sale of Assets	1,548	-	-	-
Contributions	768,705	482,000	368,000	2,352,246
Miscellaneous	7,189	2,200	6,441	5,000
<i>Subtotal</i>	\$ 814,663	\$ 521,556	\$ 432,941	\$ 2,415,746
Total Revenues	\$ 10,455,468	\$ 10,663,547	\$ 10,031,505	\$ 13,030,587

Utility Administration Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Maintained the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Established electronic bill delivery through our current software provider
- ❖ Completed roll-out of WaterSmart analysis software to consumer base
- ❖ Continued to provide monthly consumption analysis, identifying abnormal consumption based on historical consumption, implementing use of new electronically-read data to identify the time and date of consumption

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Ensure the 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 radio reading data to identify the time and date of consumption
- ❖ Continue promotion of the WaterSmart Customer Portal to consumers, emphasizing the availability of personal consumption data and monitoring options
- ❖ Integrate annual alarm permit and invalid alarm billing into utility billing, services formerly provided by a privatized vendor

PERFORMANCE INDICATORS

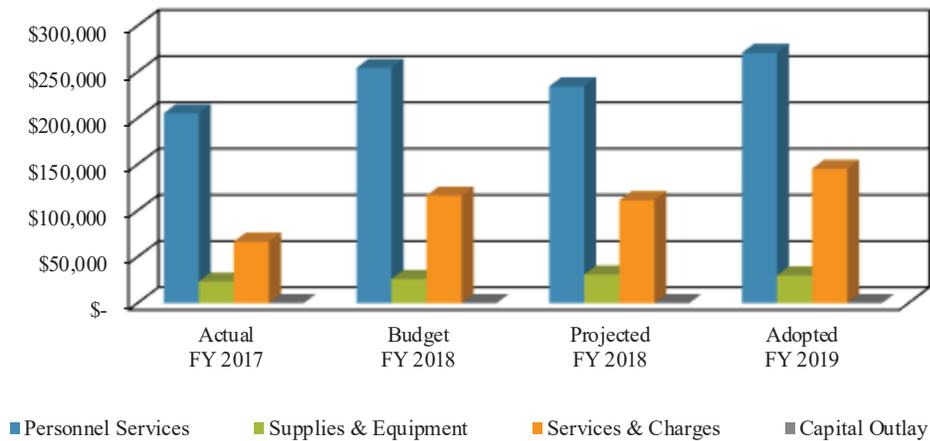
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Utility Service				
Bills Prepared	39,817	39,885	39,749	39,800
New Deposits (#)	323	318	308	310
Bank Draft Customers	1,216	1,285	1,408	1,450
Internet Payments	2,096	2,260	2,366	2,400
Service Request Processed	4,744	4,103	4,434	4,450
Billing Adjustment Requests				
Billing Errors	210	47	33	30
Leak Adjustment Requests	77	45	57	75
Leak Adjustments Made	42	30	38	45

Utility Administration Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 205,290	\$ 254,439	\$ 234,527	\$ 270,818	6.44%
Supplies & Equipment	23,245	26,020	30,930	29,880	14.83%
Services & Charges	66,464	116,328	111,364	145,258	24.87%
Capital Outlay	-	-	-	-	-
Total Department	\$ 294,999	\$ 396,787	\$ 376,821	\$ 445,956	12.39%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	1.0	1.0	1.0
Customer Service Specialist I	2	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0

Water Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Conducted routine maintenance of system, minimizing service interruptions
- ❖ Continued replacement of water meters.

OBJECTIVES FOR FISCAL YEAR 2019

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

MAJOR BUDGET ITEMS

- ❖ Purchase of treated water from the Dallas County Park Cities Municipal Utility District at an anticipated cost of \$2,620,464
- ❖ Annual funding for infrastructure replacement and maintenance (\$1,065,024)
- ❖ Lakeside Drive rehabilitation project (\$2,010,000)
- ❖ Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program (\$92,500)
- ❖ Replacement water meters (\$75,000)

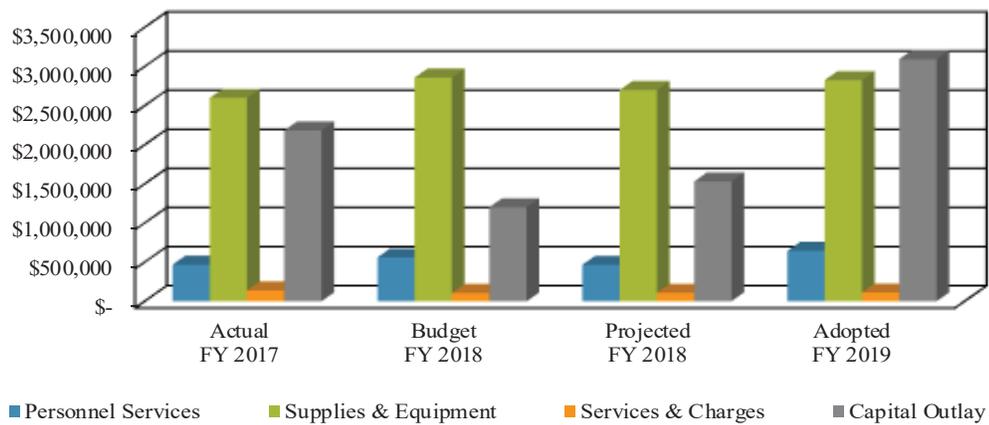
PERFORMANCE INDICATORS

	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Water Meters Read	66,777	66,136	67,542	67,550
Water Meters Installed/Replaced	252	107	449	590



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 468,921	\$ 561,087	\$ 467,922	\$ 645,926	15.12%
Supplies & Equipment	2,600,227	2,859,940	2,700,437	2,826,631	-1.16%
Services & Charges	139,695	107,608	109,608	112,536	4.58%
Capital Outlay	2,184,795	1,201,000	1,533,000	3,095,024	157.70%
Total Department	\$5,393,638	\$4,729,635	\$4,810,967	\$6,680,117	41.24%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Foreman	8	0.4	0.4	0.4
Assistant Foreman	6	1.0	1.0	1.0
Public Works Maintenance Worker III	4	4.0	4.0	4.0
Total Employees		5.4	5.4	5.4

Sanitary Sewer Department



DEPARTMENT DESCRIPTION

The Sanitary Sewer Department is responsible for providing the Town with a reliable and sound system of wastewater collection. The operation of the wastewater collection system includes 37 miles of lines serving 3,250 customers and some 600 manholes. The Town contracts with Dallas Water Utilities for the treatment of wastewater.

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

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

OBJECTIVES FOR FISCAL YEAR 2019

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

MAJOR BUDGET ITEMS

- ❖ Annual wastewater treatment expense (\$1,038,610)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,065,024)
- ❖ Lakeside Drive Rehabilitation Project (\$2,010,000)

PERFORMANCE INDICATORS

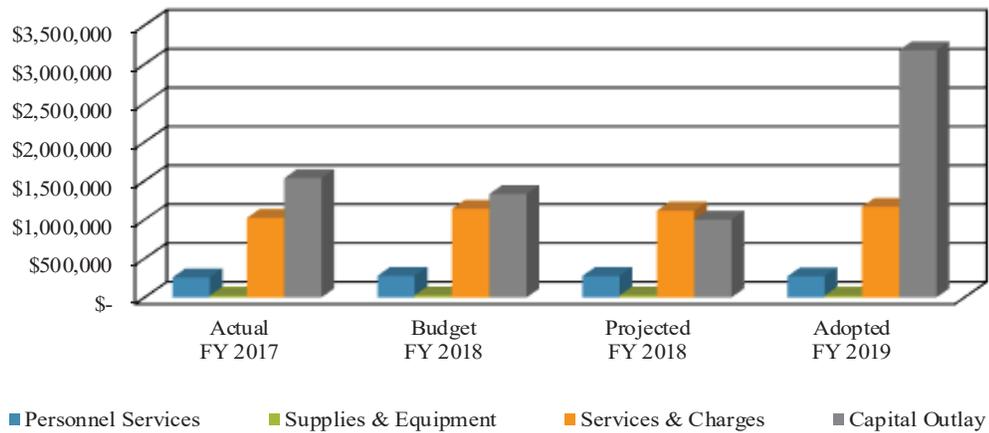
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Service Calls	29	22	25	25
Sewer Mains Cleaned (Flushed)	522	585	458	500

Sanitary Sewer Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 256,865	\$ 277,999	\$ 275,572	\$ 271,347	-2.39%
Supplies & Equipment	22,004	26,686	27,286	22,214	-16.76%
Services & Charges	1,023,817	1,140,162	1,117,137	1,165,706	2.24%
Capital Outlay	1,536,132	1,332,000	1,000,000	3,180,024	138.74%
Total Department	\$2,838,818	\$2,776,847	\$2,419,995	\$4,639,291	67.07%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Foreman	8	0.30	0.30	0.30
Public Works Maintenance Worker III	4	2.00	2.00	2.00
Total Employees		2.30	2.30	2.30



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2018

- ❖ Met annual objectives and reporting requirement to state and federal agencies
- ❖ Awarded water and sewer projects in the amount of \$2 million
- ❖ Completed over 25,000 linear feet of smoke testing in connection with the SSO initiative
- ❖ Completed the design of Preston Road Phase from Beverly to St. Andrews and Livingston Avenue from Douglas to Preston
- ❖ ATMOS energy replaced 19,783 linear feet of gas mains and 381 services
- ❖ Completed the rehabilitation of Exall Dam Pedestrian Bridge
- ❖ Completed the initial phase of the water pressure study for the Town
- ❖ Updated the Town's Construction Standards

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Comply with the requirements of the SSO Initiative
- ❖ Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps
- ❖ Complete the reconstruction of Preston Road from Beverly Drive to St. Andrews Drive and Livingston Avenue from Douglas to Preston
- ❖ Continue the Storm Water Management Program in accordance with the TCEQ requirements
- ❖ Complete the rehabilitation of the two Armstrong Avenue bridges
- ❖ Design, award, and construct water and sewer main replacement projects in the amount of \$2 million
- ❖ Design, award and construct Armstrong Parkway Improvements from Douglas to Preston
- ❖ Design improvements for Lakeside Drive and the Turtle Creek Sanitary Sewer Interceptor
- ❖ Complete Water, Wastewater and Storm Water Master Plans and the Roadway Asset Management Plan

PERFORMANCE INDICATORS

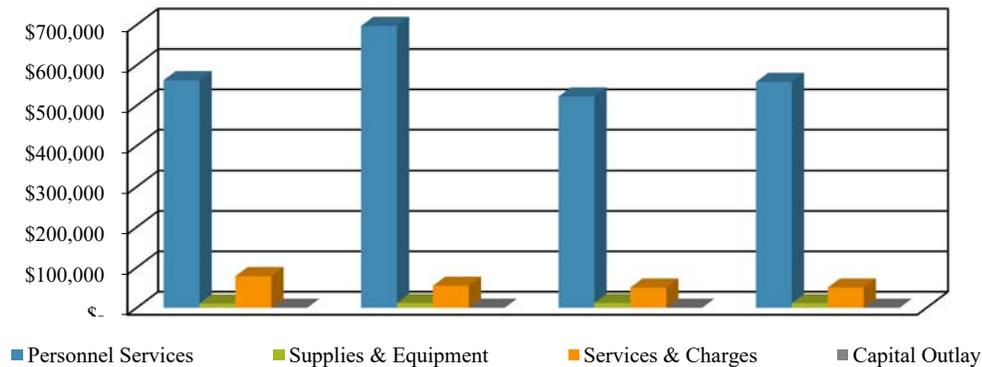
	FY2016	FY2017	FY2018	FY2019
	Actual	Actual	Actual	Projected
Sanitary Sewer Overflows	1	0	4	0
Street Resurfacing (Linear Feet)	7,204	7,900	8,350	7,500
Water Main Replacement (Linear Feet)	4,000	2,800	2,200	3,000
Sanitary Sewer Main Replacement (Linear Feet)	3,750	2,700	2,745	3,300

Engineering Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ 562,574	\$ 697,030	\$ 522,068	\$ 558,213	-19.92%
Supplies & Equipment	10,561	11,800	12,300	11,400	-3.39%
Services & Charges	78,218	54,398	50,062	49,948	-8.18%
Capital Outlay	-	-	-	-	-
Total Department	\$ 651,353	\$ 763,228	\$ 584,430	\$ 619,561	-18.82%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2017 Budget	FY2018 Budget	FY2019 Budget
Director of Engineering	E-3	1.0	1.0	1.0
Project Engineer	7	1.0	1.0	0.0
Construction Inspector	5	1.0	1.0	1.0
Project Coordinator	5	1.0	1.0	1.0
Engineering Tech	5	1.0	1.0	1.0
Total Employees		5.0	5.0	4.0

Transfer to Other Funds

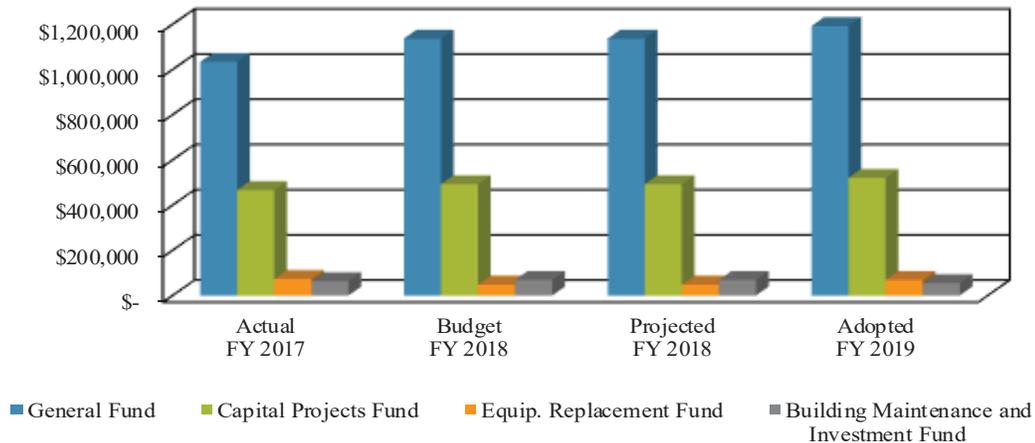


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$1,848,975 from the Utility Fund to other funds. Included is a transfer of \$1,193,100 to the General Fund for G&A cost reimbursement, \$521,167 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

TRANSFER SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
General Fund	\$1,034,200	\$1,137,100	\$1,137,100	\$1,193,100	4.92%
Capital Projects Fund	466,818	493,200	493,200	521,167	5.67%
Equip. Replacement Fund	73,402	48,227	48,227	69,151	43.39%
Tech. Replacement Fund	8,772	8,637	8,637	10,757	24.55%
Building Maintenance and Investment Fund	63,400	69,400	69,400	54,800	-21.04%
Total Department	\$1,646,592	\$1,756,564	\$1,756,564	\$1,848,975	5.26%



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**

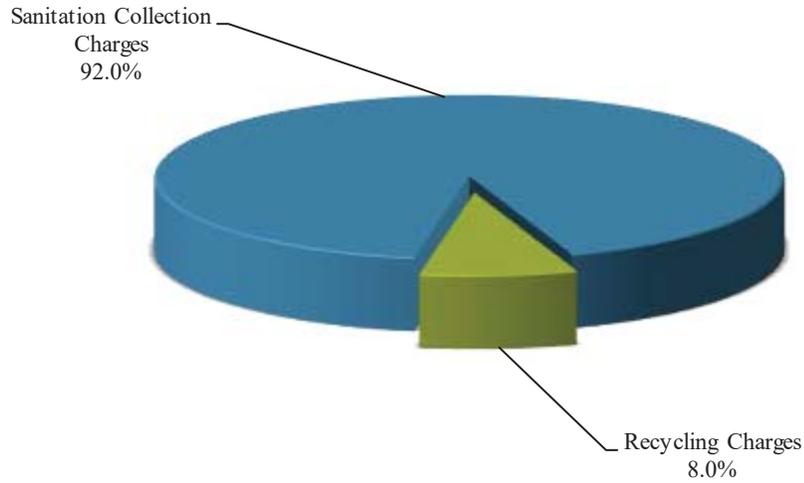
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 9,489	\$ 57,669	\$ 99,612
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,236,532	1,403,970	1,360,814	1,459,479
Miscellaneous	987	1,068	2,705	2,700
Total Revenues	\$ 1,237,519	\$ 1,405,038	\$ 1,363,519	\$ 1,462,179
Other Sources:				
Transfers In	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Total Other Sources	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Total Revenues/Sources	\$ 1,237,519	\$ 1,425,038	\$ 1,383,519	\$ 1,482,179
EXPENSES - BY DEPARTMENT				
Sanitation Department	\$ 1,074,968	\$ 1,303,212	\$ 1,227,276	\$ 1,342,933
Total Expenses	\$ 1,074,968	\$ 1,303,212	\$ 1,227,276	\$ 1,342,933
Other Uses:				
Transfers Out	\$ 100,715	\$ 114,300	\$ 114,300	\$ 131,000
Total Other Uses	\$ 100,715	\$ 114,300	\$ 114,300	\$ 131,000
Total Expenses/Uses	\$ 1,175,683	\$ 1,417,512	\$ 1,341,576	\$ 1,473,933
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 61,836	\$ 7,526	\$ 41,943	\$ 8,246
ENDING FUND BALANCE	\$ 57,669	\$ 65,195	\$ 99,612	\$ 107,858
Ideal Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance in Excess of Minimum	\$ 57,669	\$ 65,195	\$ 99,612	\$ 107,858

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

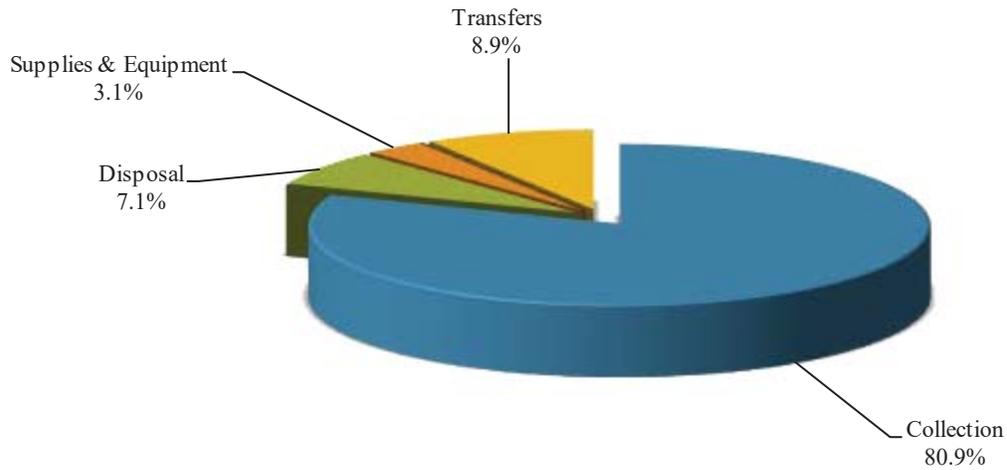
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 9,489	\$ 57,669	\$ 99,612
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,236,532	1,403,970	1,360,814	1,459,479
Miscellaneous	987	1,068	2,705	2,700
Total Revenues	\$ 1,237,519	\$ 1,405,038	\$ 1,363,519	\$ 1,462,179
Other Sources:				
Transfers In	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Total Other Sources	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Total Revenues/Sources	\$ 1,237,519	\$ 1,425,038	\$ 1,383,519	\$ 1,482,179
EXPENSES - BY TYPE				
Supplies & Equipment	\$ 24,920	\$ 45,500	\$ 45,500	\$ 45,500
Services & Charges	1,050,048	1,257,712	1,181,776	1,297,433
Capital Outlay	-	-	-	-
Total Expenses	\$ 1,074,968	\$ 1,303,212	\$ 1,227,276	\$ 1,342,933
Other Uses:				
Transfers Out	\$ 100,715	\$ 114,300	\$ 114,300	\$ 131,000
Total Other Uses	\$ 100,715	\$ 114,300	\$ 114,300	\$ 131,000
Total Expenses/Uses	\$ 1,175,683	\$ 1,417,512	\$ 1,341,576	\$ 1,473,933
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 61,836	\$ 7,526	\$ 41,943	\$ 8,246
ENDING FUND BALANCE	\$ 57,669	\$ 65,195	\$ 99,612	\$ 107,858

SOLID WASTE FUND

BUDGETED REVENUES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**SOLID WASTE FUND
STATEMENT OF REVENUES**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
Charges For Services				
Sanitation Collection Charges	\$ 1,137,561	\$ 1,286,160	\$ 1,249,102	\$ 1,342,453
Recycling Charges	98,971	117,810	111,712	117,026
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,236,532	\$ 1,403,970	\$ 1,360,814	\$ 1,459,479
Miscellaneous				
Interest	\$ 981	\$ 1,068	\$ 2,700	\$ 2,700
Miscellaneous	6	-	5	-
<i>Subtotal</i>	\$ 987	\$ 1,068	\$ 2,705	\$ 2,700
Total Revenues	\$ 1,237,519	\$ 1,405,038	\$ 1,363,519	\$ 1,462,179

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 2018

- ❖ Provided a quick response on complaints
- ❖ Managed the contracts for related services
- ❖ Partnered with University Park to provide a recycling event for both communities

OBJECTIVES FOR FISCAL YEAR 2019

- ❖ Provide a quick response on complaints
- ❖ Manage the contracts for related services
- ❖ Explore minimizing the Town's waste stream by increasing utilization of the existing recycling program
- ❖ Replace 700 trash and recycling poly carts at a total cost of \$45,500
- ❖ Continue to participate in the Park Cities Recycling event with the City of University Park
- ❖ Provide recommendations to the Town Council regarding the implementation of a Household Hazardous Waste (HHW) program for residents

MAJOR BUDGET ITEMS

- ❖ Replacement Poly Carts (\$45,500)
- ❖ Service Contracts
 - Solid Waste Collection \$ 1,027,258
 - Recyclables Collection \$ 119,025
 - Household Hazardous Waste \$ 40,000
 - Solid Waste Disposal \$ 105,000
- ❖ Parks Cities Recycling Event \$ 5,500

PERFORMANCE INDICATORS

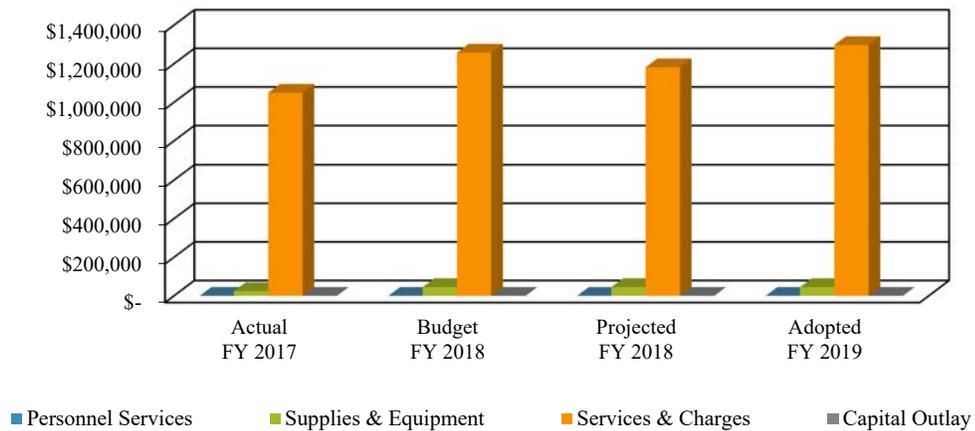
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Projected
Collection (Tonnage)				
Compacted Waste	5,339	5,314	6,026	5,560
Loose Waste (Brush)	1,231	1,109	1,375	1,240
Recycling	1,068	966	1,096	1,045
Contract Expenses				
Collection	\$ 843,758	\$ 843,911	\$ 960,097	\$ 1,027,258
Disposal	80,417	87,413	87,097	105,000
Recycling	97,988	98,431	112,852	119,025
Cost per Ton				
Collection	\$ 128.43	\$ 131.39	\$ 129.73	\$ 151.07
Disposal	13.61	13.61	13.61	14.08
Recycling	91.75	101.90	102.97	113.90

Sanitation Department



EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Equipment	\$ 24,920	\$ 45,500	\$ 45,500	\$ 45,500	0.00%
Services & Charges	\$ 1,050,048	\$ 1,257,712	\$ 1,181,776	\$ 1,297,433	3.16%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	N/A
Total Department	\$ 1,074,968	\$ 1,303,212	\$ 1,227,276	\$ 1,342,933	3.05%



Transfer to Other Funds

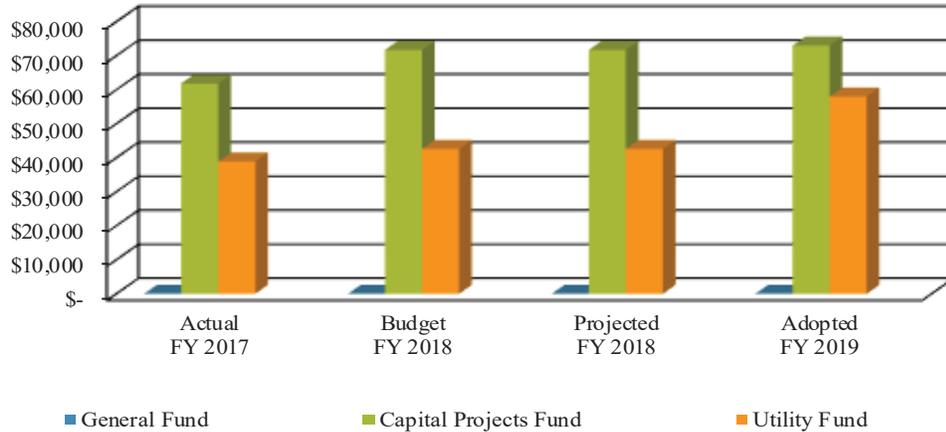


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$131,000 from the Solid Waste Fund to other funds. Included is a transfer of \$73,000 to the Capital Projects Fund, representing the franchise fee, which is 5% on solid waste collection and recycling charges, and \$58,000 to the Utility Fund representing administrative costs for billing and collection of operations.

TRANSFER SUMMARY

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted	% Change 2018 to 2019
General Fund	\$ -	\$ -	\$ -	\$ -	N/A
Capital Projects Fund	61,827	71,700	71,700	73,000	1.81%
Utility Fund	38,888	42,600	42,600	58,000	36.15%
Total Department	\$ 100,715	\$ 114,300	\$ 114,300	\$ 131,000	14.61%



OTHER FUNDS

Storm Water Utility 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.

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

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

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

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

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, 2018, does not have any outstanding debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

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

STORM WATER UTILITY FUND

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

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

In addition to funding the Town's contract for street sweeping and catch basin cleaning (\$43,400), supplies of pet mitts (\$5,100) maintained throughout the Town's parks, and \$20,000 for incidental repair and maintenance projects, this budget also provides \$750,000 to fund improvements to Hackberry Creek, and the first phase of a two-phase study of the Town's storm water drainage system.

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

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 132.

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

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 751,098	\$ 1,081,538	\$ 1,845,191	\$ 1,339,012
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 390,126	\$ 398,920	\$ 399,379	\$ 409,203
Interest	11,981	11,100	30,622	30,622
Miscellaneous	-	-	-	-
Total Revenues	\$ 402,107	\$ 410,020	\$ 430,001	\$ 439,825
Other Sources:				
Transfers In	\$ 1,350,000	\$ 1,100,000	\$ 1,100,000	\$ 350,000
Total Other Sources:	1,350,000	1,100,000	1,100,000	350,000
Total Revenues/Sources:	\$ 1,752,107	\$ 1,510,020	\$ 1,530,001	\$ 789,825
EXPENSES/USES OF FUNDS				
Supplies & Equipment	8,244	7,256	7,100	7,100
Services & Charges	81,804	95,271	90,580	96,480
Capital Outlay	457,966	1,825,000	1,825,000	750,000
Total Expenditures	\$ 548,014	\$ 1,927,527	\$ 1,922,680	\$ 853,580
Transfers	110,000	113,500	113,500	113,600
Total Expenditures/Uses of Funds	\$ 658,014	\$ 2,041,027	\$ 2,036,180	\$ 967,180
Excess of Revenues/Sources Over Expenses/Uses	\$ 1,094,093	\$ (531,007)	\$ (506,179)	\$ (177,355)
ENDING FUND BALANCE	\$ 1,845,191	\$ 1,314,184	\$ 1,339,012	\$ 1,161,657

EQUIPMENT REPLACEMENT FUND

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

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

This budget provides funding for the purchase of three patrol vehicles and two command/supervisor units within the Department of Public Safety, as well as, a dump truck for the Sewer Department and two half-ton pickup trucks for public works (Street & Water Departments).

EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 2,960,804	\$ 2,532,747	\$ 2,557,338	\$ 2,677,650
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	31,519	28,600	41,380	41,380
Sale of Assets	55,156	45,000	160,000	60,000
Contributions	-	-	-	-
Total Revenues	\$ 86,675	\$ 73,600	\$ 201,380	\$ 101,380
Transfers	430,281	434,921	434,921	542,721
Total Revenues/Sources	\$ 516,956	\$ 508,521	\$ 636,301	\$ 644,101
EXPENDITURES/USES OF FUNDS				
Vehicle Disposal	\$ 3,908	\$ 3,600	\$ 3,600	\$ 3,600
Rolling Stock Acquisition	857,178	471,389	471,389	414,274
Equipment Acquisition	59,336	41,000	41,000	-
Total Expenditures	\$ 920,422	\$ 515,989	\$ 515,989	\$ 417,874
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 920,422	\$ 515,989	\$ 515,989	\$ 417,874
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (403,466)	\$ (7,468)	\$ 120,312	\$ 226,227
ENDING FUND BALANCE	\$ 2,557,338	\$ 2,549,870	\$ 2,677,650	\$ 2,903,877

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
Administration/CID	7995	Chevrolet Tahoe	2013	2013	2020
Administration/CID	4941	Chevrolet Tahoe	2015	2015	2021
Administration/CID	6193	Chevrolet Tahoe	2015	2014	2020
Administration/CID	6569	Chevrolet Tahoe	2015	2014	2020
Administration/CID	4620	Chevrolet Tahoe	2015	2015	2021
Command Vehicle	7668	Chevrolet Tahoe	2010	2010	2019
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	2259	Spartan	2000	2000	2021
Fire Apparatus	8465	Pierce	2017	2017	2038
MICU	3067	International	2006	2006	2021
MICU	6639	International	2010	2010	2025
MICU	2794	International	2018	2017	2032
Animal Services	1769	Dodge	2013	2013	2020
Public Information Officer	0055	Chevrolet Tahoe	2009	2009	2019
Police	5082	Ford SUV	2016	2016	2021
Police	5084	Ford SUV	2016	2016	2021
Police	5085	Ford SUV	2016	2016	2019
Police	5081	Ford SUV	2016	2016	2019
Police	5083	Ford SUV	2016	2016	2019
Police	1769	Chevrolet Tahoe	2017	2017	2020
Police	1857	Chevrolet Tahoe	2017	2017	2020
Police	713	Chevrolet Tahoe	2017	2017	2020
Motorcycle Unit	0035	Honda	2015	2016	2021
Motorcycle Unit	0029	Honda	2016	2018	2023
STREET					
Dump Truck	7754	Ford	2010	2011	2018
Pickup	3663	Chevrolet	2018	2018	2023
Asphalt Roller	NA	Bomag	2015	2015	2025
Snow Plow	5953	Ford	2010	2010	Unscheduled
STREET LIGHTING					
Truck w/ Arial lift	8413	Ford	2009	2008	2019
Pickup	1837	Chevrolet	2012	2012	2022

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PARKS					
Truck w/ Arial lift	8247	Chevrolet	2008	2008	2021
Pickup	1319	Chevrolet	2018	2018	2025
Van	3073	Chevrolet	2013	2013	2020
Truck w/ Landscape body	6582	Chevrolet	2012	2012	2020
SERVICE CENTER					
Front-End Loader	758	Case	2011	2011	2021
WATER					
Pickup	0678	Chevrolet	2013	2013	2020
Pickup	9155	Chevrolet	2013	2013	2020
Pickup	0129	Chevrolet	2011	2011	2018
Pickup	6245	Chevrolet	2018	2018	2025
SEWER					
Truck-4 ½ Ton w/ Flusher	1911	Ford	2011	2011	2018
Dump Truck	6311	Freightliner	2008	2008	2019
Loader/Backhoe	0257	John Deere	2012	2012	2020
Pickup	0486	Chevrolet	2018	2018	2025
Backhoe	5634	Case	2014	2014	2024

TECHNOLOGY REPLACEMENT FUND

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

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

- Nexgen 911 (\$425,000)
- Computer replacements (\$173,305)

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.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 1,772,372	\$ 1,352,996	\$ 1,776,785	\$ 2,281,480
REVENUES/SOURCES OF FUNDS				
Interest	\$ 16,347	\$ 16,370	\$ 26,000	\$ 26,000
Sale of Assets	-	2,500	2,500	2,500
Contributions	-	-	-	-
Total Revenues	\$ 16,347	\$ 18,870	\$ 28,500	\$ 28,500
Transfers	479,504	479,849	479,849	597,598
Total Revenues/Sources	\$ 495,851	\$ 498,719	\$ 508,349	\$ 626,098
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ 5,000	\$ -	\$ -
Technology Equipment Acquisition	491,438	-	3,654	598,305
Total Expenditures	\$ 491,438	\$ 5,000	\$ 3,654	\$ 598,305
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 491,438	\$ 5,000	\$ 3,654	\$ 598,305
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 4,413	\$ 493,719	\$ 504,695	\$ 27,793
ENDING FUND BALANCE	\$ 1,776,785	\$ 2,270,504	\$ 2,281,480	\$ 2,309,273

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 fiscal year 2018-19 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.

STATEMENT OF REVENUES & EXPENSES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 504,185	\$ 651,528	\$ 647,835	\$ 686,043
REVENUES/SOURCES OF FUNDS				
Interest	\$ 5,141	\$ 5,100	\$ 8,500	\$ 8,500
Miscellaneous	16,441	16,000	15,000	15,500
Total Revenues	\$ 21,582	\$ 21,100	\$ 23,500	\$ 24,000
Transfers	541,900	508,300	508,300	478,600
Total Revenues/Sources	\$ 563,482	\$ 529,400	\$ 531,800	\$ 502,600
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 19,827	\$ 38,000	\$ 38,650	\$ 41,130
Services & Charges	400,005	389,527	368,735	337,640
Capital Outlay	-	94,800	86,207	-
Total Expenditures	\$ 419,832	\$ 522,327	\$ 493,592	\$ 378,770
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 419,832	\$ 522,327	\$ 493,592	\$ 378,770
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 143,650	\$ 7,073	\$ 38,208	\$ 123,830
ENDING FUND BALANCE	\$ 647,835	\$ 654,908	\$ 686,043	\$ 809,873

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.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 8,557	\$ 10,095	\$ 32,076	\$ 33,726
REVENUES/SOURCES OF FUNDS				
Forfeitures	\$ 24,437	\$ 2,500	\$ 2,500	\$ 2,500
Interest	65	42	450	450
Total Revenues	\$ 24,502	\$ 2,542	\$ 2,950	\$ 2,950
Transfers	-	-	-	-
Total Revenues/Sources	\$ 24,502	\$ 2,542	\$ 2,950	\$ 2,950
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	983	9,500	1,300	1,000
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 983	\$ 9,500	\$ 1,300	\$ 1,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 23,519	\$ (6,958)	\$ 1,650	\$ 1,950
Fund Balance	\$ 32,076	\$ 25,118	\$ 33,726	\$ 35,676

COURT TECHNOLOGY FUND

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

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

This Budget includes appropriations for software, hardware, website maintenance contracts, and other Court technology related expenditures (\$27,322).

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

STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 69,596	\$ 77,361	\$ 83,936	\$ 94,765
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 35,508	\$ 36,480	\$ 34,344	\$ 35,200
Interest	744	700	1,200	1,200
Total Revenues	\$ 36,252	\$ 37,180	\$ 35,544	\$ 36,400
Transfers	-	-	-	-
Total Revenues/Sources	\$ 36,252	\$ 37,180	\$ 35,544	\$ 36,400
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 4,099	\$ 4,072	\$ 4,026	\$ 3,852
Service & Charges	17,813	19,464	20,689	23,470
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 21,912	\$ 23,536	\$ 24,715	\$ 27,322
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 14,340	\$ 13,644	\$ 10,829	\$ 9,078
Fund Balance	\$ 83,936	\$ 97,580	\$ 94,765	\$ 103,843

COURT SECURITY FUND

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

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

This Budget provides for a transfer of \$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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 4,428	\$ 5,156	\$ 7,227	\$ 8,545
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 26,631	\$ 29,186	\$ 25,758	\$ 28,160
Interest	68	53	160	150
Total Revenues	\$ 26,699	\$ 29,239	\$ 25,918	\$ 28,310
Transfers	-	-	-	-
Total Revenues/Sources	\$ 26,699	\$ 29,239	\$ 25,918	\$ 28,310
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	23,900	24,600	24,600	24,600
Total Expenditures/Uses	\$ 23,900	\$ 24,600	\$ 24,600	\$ 24,600
Excess Revenues/Sources Over Expenditures/Uses	\$ 2,799	\$ 4,639	\$ 1,318	\$ 3,710
ENDING FUND BALANCE	\$ 7,227	\$ 11,866	\$ 8,545	\$ 12,255

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 fiscal year 2018-19 Adopted Budget includes funding for the development of a library marketing plan (\$20,000), as well as, funding to create a specific website for the library (\$8,150).

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

STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 215,643	\$ 209,387	\$ 219,155	\$ 238,109
REVENUES/SOURCES OF FUNDS				
Interest	\$ 2,399	\$ 2,275	\$ 4,000	\$ 4,000
Library Donations	12,494	12,000	21,625	12,000
Total Revenues	\$ 14,893	\$ 14,275	\$ 25,625	\$ 16,000
Transfers	-	-	-	-
Total Revenues/Sources	\$ 14,893	\$ 14,275	\$ 25,625	\$ 16,000
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ 4,631	\$ -
Services & Charges	11,381	42,650	2,040	29,255
Total Expenditures	\$ 11,381	\$ 42,650	\$ 6,671	\$ 29,255
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 11,381	\$ 42,650	\$ 6,671	\$ 29,255
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 3,512	\$ (28,375)	\$ 18,954	\$ (13,255)
ENDING FUND BALANCE	\$ 219,155	\$ 190,780	\$ 238,109	\$ 224,854

DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during fiscal year 2013-14 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. These resources will be used to fund technological improvements related to public safety within the Town. Revenues for fiscal year 2018-19 are anticipated to be \$86,990 with an accumulated fund balance projected to be \$266,851.

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

STATEMENT OF REVENUES & EXPENDITURES

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 183,339	\$ 184,813	\$ 255,175	\$ 262,861
REVENUES/SOURCES OF FUNDS				
Interest	\$ 2,247	\$ 373	\$ 3,990	\$ 3,990
Alarm Monitoring Charges	183,359	-	-	-
Fiber line Lease Receipts	80,655	82,950	83,000	83,000
Total Revenues	\$ 266,261	\$ 83,323	\$ 86,990	\$ 86,990
Transfers	-	-	-	-
Total Revenues/Sources	\$ 266,261	\$ 83,323	\$ 86,990	\$ 86,990
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ 194,425	\$ -	\$ 82	\$ -
Technology Equipment Acquisition	-	-	-	-
Total Expenditures	\$ 194,425	\$ -	\$ 82	\$ -
Transfers	-	79,222	79,222	83,000
Total Expenditures/Uses	\$ 194,425	\$ 79,222	\$ 79,304	\$ 83,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 71,836	\$ 4,101	\$ 7,686	\$ 3,990
ENDING FUND BALANCE	\$ 255,175	\$ 259,276	\$ 262,861	\$ 266,851

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, 2018, does not have any outstanding debt. The fiscal year 2018-19 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. However, the CIP does anticipate funding the new public safety communication system through a capital lease.

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

The fiscal year 2018-19 Adopted Budget includes transfers to the Capital Projects Fund from the General, Utility, and Solid Waste Funds. The transfers from the General Fund represent increased growth in property values over several years (see page 130) and are earmarked specifically for capital projects. This, in conjunction with the ten-year financial model, (see page 146 & 147) 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 85, 102, and 110. 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 \$1,273,148 for the 2019 right-of-way rehabilitation program, \$1,566,267 for the rehabilitation of Armstrong Parkway from Douglas to Preston, project, \$150,000 for the condition assessment of Town roads, \$437,920 in park facilities improvements, and \$175,000 in renovations along the Town's road ways. Funding for the first year's lease payment on a new public safety communication system (\$334,148), as well as, funding towards connectivity to the Highland Park Independent School District's surveillance system (\$100,000) is also included. Lastly, this budget includes reimbursement of \$171,000 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 \$350,000 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 130.

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

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Adopted
BEGINNING FUND BALANCE	\$ 4,844,496	\$ 4,381,944	\$ 5,669,723	\$ 4,199,772
REVENUES/SOURCES OF FUNDS				
Interest	\$ 58,266	\$ 54,400	\$ 96,000	\$ 111,374
Contributions	402,065	759,760	2,949,207	1,704,122
Total Revenues	\$ 460,331	\$ 814,160	\$ 3,045,207	\$ 1,815,496
Transfers	3,204,537	3,301,350	3,620,012	3,353,057
Total Revenues/Sources	\$ 3,664,868	\$ 4,115,510	\$ 6,665,219	\$ 5,168,553
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 1,196,441	\$ 4,351,439	\$ 6,868,328	\$ 4,036,483
Total Expenditures	\$ 1,196,441	\$ 4,351,439	\$ 6,868,328	\$ 4,036,483
Transfers	1,643,200	1,402,700	1,266,842	521,000
Total Expenditures/Uses	\$ 2,839,641	\$ 5,754,139	\$ 8,135,170	\$ 4,557,483
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 825,227	\$ (1,638,629)	\$ (1,469,951)	\$ 611,070
ENDING FUND BALANCE ¹	\$ 5,669,723	\$ 4,031,094	\$ 4,199,772	\$ 4,810,842

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

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TEN YEAR CAPITAL IMPROVEMENT PLAN

TOWN OF HIGHLAND PARK, TEXAS
CAPITAL PROJECTS FUND
FISCAL YEARS 2019-2028

Project/Funding Source	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Balance	\$ 5,924,898	\$ 4,454,947	\$ 5,066,017	\$ 5,348,695	\$ 5,948,161
Annual Project Funding					
General Fund CIP Transfer	\$ 1,119,220	\$ 1,142,724	\$ 1,166,721	\$ 1,191,222	\$ 1,216,238
Solid Waste Fund 5% Solid Waste Transfer	71,700	73,000	73,730	74,467	75,212
Utility Fund 5% W&S Transfer	493,200	521,167	526,379	531,643	536,959
Supplemental General Fund Transfer	448,390	124,886	313,451	63,513	99,133
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	1,557,400	1,604,122	471,060	1,752,868	1,805,454
Intergovernmental Revenue	1,391,807	100,000	489,000	200,000	100,000
Transfer from DPS Technology Fund	79,222	83,000	85,490	88,055	90,696
Interest Revenue	96,000	111,374	140,190	147,257	196,744
Total Annual Project Funding	\$ 6,665,219	\$ 5,168,553	\$ 4,674,301	\$ 5,457,305	\$ 5,528,716
Expenditures					
Project 25 Public Safety Radio System	\$ 20,988	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148
Fiber Connectivity to HPISD	-	100,000	-	-	-
Flippen Park Improvements	135,326	-	-	-	-
Tennis Court Reconstruction	247,138	200,000	200,000	-	-
Street Light Painting	25,000	25,000	25,000	25,000	25,000
Toll Road Parkway Renovation	195,340	-	-	-	-
Preston Road Parkway Improvements	154,034	150,000	150,000	-	-
Heating of Swimming Pool	100,000	-	-	-	-
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	-	-	250,000	-	-
Park Renovation/Rehabilitation Program	185,000	237,920	197,029	203,334	209,841
Street Resurfacing & Miscellaneous Concrete	975,919	1,273,148	1,039,377	1,072,637	1,106,961
Livingston Avenue Rehabilitation	470,595	-	-	-	-
Preston Road Rehabilitation Phase II	2,663,478	-	474,000	-	-
Exall Lake Pedestrian Bridge	654,736	-	-	-	-
Street Condition Assessment	-	150,000	-	-	-
Armstrong Parkway Rehabilitation - Douglas to Preston (South Side)	-	391,600	-	-	-
Armstrong Parkway Rehabilitation - Preston Road to Town Limits	1,040,774	-	-	-	-
Armstrong Parkway Rehabilitation - Douglas to Preston (North Side)	-	1,174,667	-	-	-
Hillcrest Avenue Rehabilitation - Mockingbird to Abbott	-	-	1,196,794	-	-
Douglas Avenue Rehabilitation - Beverly to Potomac	-	-	-	888,063	-
Douglas Avenue Rehabilitation - Armstrong to Beverly	-	-	-	-	1,068,500
Overhill Drive Reconstruction - St. John to St. John	-	-	-	1,380,000	-
Wycliffe/Oaklawn & Herschel/Oaklawn Signal Improvements	-	-	-	425,000	-
Holland Drive Reconstruction - Town Limits to Westside	-	-	-	-	356,400
Westside Drive Reconstruction - Bordeaux to Lemmon	-	-	-	-	1,318,550
Abbott Avenue Rehabilitation - Armstrong to Harvard	-	-	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	-	-	-	-
Lomo Alto Drive Rehabilitation - Lorraine to Mockingbird	-	-	-	-	-
Lomo Alto Drive Rehabilitation - Lemmon to Lorraine	-	-	-	-	-
Armstrong Avenue Reconstruction - Lakeside Drive to Katy Trail	-	-	-	-	-
Total Expenditures	\$ 6,868,328	\$ 4,036,483	\$ 3,866,348	\$ 4,328,182	\$ 4,419,400
Transfers-Out					
Storm Water Fund	\$ 1,100,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Project Personnel Costs	166,842	171,000	175,275	179,657	184,148
Total Transfers-Out	\$ 1,266,842	\$ 521,000	\$ 525,275	\$ 529,657	\$ 534,148
Total Expenditures & Transfers Out	\$ 8,135,170	\$ 4,557,483	\$ 4,391,623	\$ 4,857,839	\$ 4,953,548
Ending Balance*	\$ 4,454,947	\$ 5,066,017	\$ 5,348,695	\$ 5,948,161	\$ 6,523,329
Construction Contingency	\$ 2,000,000				
Over(Under) Contingency	\$ 2,454,947	\$ 3,066,017	\$ 3,348,695	\$ 3,948,161	\$ 4,523,329

* Includes DPS Technology Fund Balance

**Excludes FY 2017-18.

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total**
\$ 6,523,329	\$ 8,792,325	\$ 11,089,704	\$ 13,528,934	\$ 13,736,003	\$ 15,233,878	\$ 4,454,947
\$ 1,241,779	\$ 1,267,856	\$ 1,294,481	\$ 1,321,665	\$ 1,349,420	\$ 1,377,758	\$ 12,569,864
75,964	76,724	77,491	78,266	79,049	79,839	763,742
542,329	547,752	553,230	558,762	564,350	569,994	5,452,565
100,491	96,877	87,717	72,386	50,193	20,402	1,029,049
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
1,859,618	1,915,406	1,972,868	-	-	-	11,381,396
100,000	100,000	100,000	100,000	-	-	1,289,000
93,417	96,220	99,106	102,080	105,142	108,296	951,502
220,033	276,758	334,193	395,173	400,350	437,797	2,659,869
\$ 5,641,911	\$ 5,785,873	\$ 5,927,366	\$ 4,036,612	\$ 3,956,784	\$ 4,002,366	\$ 50,179,787
\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 3,341,480
-	-	-	-	-	-	100,000
-	-	-	-	-	-	-
-	-	-	-	-	-	400,000
25,000	25,000	25,000	25,000	25,000	25,000	250,000
-	-	-	-	-	-	-
-	-	-	-	-	-	300,000
-	-	-	-	-	-	-
-	-	-	-	-	-	250,000
216,556	223,486	230,638	238,018	245,635	253,495	2,255,952
1,142,384	1,178,940	1,216,666	1,255,599	1,295,778	1,337,243	11,918,733
-	-	-	-	-	-	-
-	-	-	-	-	-	474,000
-	-	-	-	-	-	-
-	-	-	-	-	-	150,000
-	-	-	-	-	-	391,600
-	-	-	-	-	-	-
-	-	-	-	-	-	1,174,667
-	-	-	-	-	-	1,196,794
-	-	-	-	-	-	888,063
-	-	-	-	-	-	1,068,500
-	-	-	-	-	-	1,380,000
-	-	-	-	-	-	425,000
-	-	-	-	-	-	356,400
-	-	-	-	-	-	1,318,550
1,116,075	-	-	-	-	-	1,116,075
-	1,183,449	-	-	-	-	1,183,449
-	-	1,133,376	-	-	-	1,133,376
-	-	-	1,423,512	-	-	1,423,512
-	-	-	-	-	3,300,000	3,300,000
\$ 2,834,163	\$ 2,945,023	\$ 2,939,828	\$ 3,276,277	\$ 1,900,561	\$ 5,249,886	\$ 35,796,151
\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,500,000
188,752	193,471	198,308	203,266	208,348	213,557	1,915,782
\$ 538,752	\$ 543,471	\$ 548,308	\$ 553,266	\$ 558,348	\$ 563,557	\$ 5,415,782
\$ 3,372,915	\$ 3,488,494	\$ 3,488,136	\$ 3,829,543	\$ 2,458,909	\$ 5,813,443	\$ 41,211,933
\$ 8,792,325	\$ 11,089,704	\$ 13,528,934	\$ 13,736,003	\$ 15,233,878	\$ 13,422,801	\$ 13,422,801
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 6,792,325	\$ 9,089,704	\$ 11,528,934	\$ 11,736,003	\$ 13,233,878	\$ 11,422,801	\$ 11,422,801

TOWN OF HIGHLAND PARK, TEXAS
STORM WATER UTILITY FUND
FISCAL YEARS 2019-2028

Project/Funding Source	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Balance	\$ 1,845,191	\$ 1,339,012	\$ 1,161,657	\$ 1,179,402	\$ 1,201,466
Revenues					
Storm Water Charges	\$ 399,379	\$ 409,203	\$ 423,709	\$ 432,607	\$ 441,692
Interest Earnings	30,622	30,622	15,994	16,298	16,657
Total Revenues	\$ 430,001	\$ 439,825	\$ 439,703	\$ 448,905	\$ 458,349
Transfers - In	1,100,000	350,000	350,000	350,000	350,000
Total Revenues & Transfers - In	\$ 1,530,001	\$ 789,825	\$ 789,703	\$ 798,905	\$ 808,349
Expenditures					
Supplies & Equipment	\$ 7,100	\$ 7,100	\$ 7,256	\$ 7,416	\$ 7,579
Services & Charges	90,580	96,480	98,603	100,772	102,989
Total Operating Expenditures	\$ 97,680	\$ 103,580	\$ 105,859	\$ 108,188	\$ 110,568
Capital Outlay:					
Connor Park Shoreline Stabilization & Silt Removal	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater Drainage Phase I	-	200,000	-	-	-
Master Plan & Improvements for Hackberry Creek	1,640,000	550,000	550,000	550,000	550,000
Drainage Improvements - Watershed in Northeast Area of Town	-	-	-	-	-
Armstrong Bridges (2) Rehabilitation	185,000	-	-	-	-
Potential Projects	-	-	-	-	-
Total Capital Outlay	\$ 1,825,000	\$ 750,000	\$ 550,000	\$ 550,000	\$ 550,000
Total Expenditures	\$ 1,922,680	\$ 853,580	\$ 655,859	\$ 658,188	\$ 660,568
Transfers-Out	113,500	113,600	116,099	118,653	121,263
Total Expenditures & Transfers-Out	\$ 2,036,180	\$ 967,180	\$ 771,958	\$ 776,841	\$ 781,831
Ending Balance	\$ 1,339,012	\$ 1,161,657	\$ 1,179,402	\$ 1,201,466	\$ 1,227,984

* *Excludes FY 2017-18.



2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total**
\$ 1,227,984	\$ 1,259,094	\$ 1,294,939	\$ 1,386,288	\$ 614,572	\$ 706,543	\$ 1,339,012
\$ 450,968 17,074	\$ 460,438 17,551	\$ 470,107 18,713	\$ 479,979 9,221	\$ 490,059 10,392	\$ 500,350 17,886	\$ 4,559,112 170,408
\$ 468,042	\$ 477,989	\$ 488,820	\$ 489,200	\$ 500,451	\$ 518,236	\$ 4,729,520
350,000	350,000	350,000	350,000	350,000	350,000	\$ 3,500,000
\$ 818,042	\$ 827,989	\$ 838,820	\$ 839,200	\$ 850,451	\$ 868,236	\$ 8,229,520
\$ 7,746 105,255	\$ 7,916 107,571	\$ 8,090 109,938	\$ 8,268 112,357	\$ 8,450 114,829	\$ 8,636 117,355	\$ 78,457 1,066,149
\$ 113,001	\$ 115,487	\$ 118,028	\$ 120,625	\$ 123,279	\$ 125,991	\$ 1,144,606
\$ - - 550,000 - - -	\$ - - 550,000 - - -	\$ - - 500,000 - - -	\$ 858,000 - - 500,000 - -	\$ - - - - 500,000 -	\$ - - - - - -	\$ 858,000 200,000 3,800,000 500,000 - 500,000
\$ 550,000	\$ 550,000	\$ 500,000	\$ 1,358,000	\$ 500,000	\$ -	\$ 5,858,000
\$ 663,001	\$ 665,487	\$ 618,028	\$ 1,478,625	\$ 623,279	\$ 125,991	\$ 7,002,606
123,931	126,657	129,443	132,291	135,201	138,175	1,255,313
\$ 786,932	\$ 792,144	\$ 747,471	\$ 1,610,916	\$ 758,480	\$ 264,166	\$ 8,257,919
\$ 1,259,094	\$ 1,294,939	\$ 1,386,288	\$ 614,572	\$ 706,543	\$ 1,310,613	\$ 1,310,613

TOWN OF HIGHLAND PARK, TEXAS
UTILITY FUND
FISCAL YEARS 2019-2028

Project/Funding Source	*		*		
	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Balance	\$ 4,110,337	\$ 4,516,007	\$ 3,655,294	\$ 5,531,631	\$ 5,562,390
Revenues					
Water Sales	\$ 6,610,847	\$ 7,341,387	\$ 7,341,387	\$ 7,690,103	\$ 7,690,103
Sanitary Sewer Charges	2,787,871	\$ 3,081,954	3,081,954	3,228,347	3,228,347
Permit Revenue	66,351	64,000	64,000	64,000	64,000
Interest Earnings	58,500	58,500	91,382	138,291	139,060
Contributions-DART	-	1,652,246	1,230,754	-	-
Intergovernmental Revenue	368,000	700,000	-	-	-
Other Revenues	139,936	132,500	107,000	107,000	107,000
Total Revenues	\$ 10,031,505	\$ 13,030,587	\$ 11,916,477	\$ 11,227,740	\$ 11,228,509
Transfers-In	322,942	342,600	350,137	357,840	365,712
Total Revenues & Transfers-In	\$ 10,354,447	\$ 13,373,187	\$ 12,266,614	\$ 11,585,580	\$ 11,594,221
Expenditures					
Personnel Services	\$ 1,500,089	\$ 1,746,304	\$ 1,824,888	\$ 1,907,008	\$ 1,992,823
Supplies & Equipment	2,770,953	2,890,125	2,991,279	3,095,974	3,204,333
Services & Charges	1,388,171	1,473,448	1,525,019	1,578,395	1,633,639
Operating Capital	-	-	-	-	-
Total Operating Expenditures	\$ 5,659,213	\$ 6,109,877	\$ 6,341,186	\$ 6,581,377	\$ 6,830,795
Capital Outlay:					
Smart Water Meter Program	\$ 169,000	\$ -	\$ -	\$ -	\$ -
Wastewater Master Plan	-	105,000	-	-	-
Water & Sanitary Sewer Infrastructure Replace./Rehab.	2,064,000	2,150,048	2,198,210	2,268,553	2,341,147
Lakeside Drive Rehabilitation	300,000	4,020,000	-	-	-
Hydro-Pneumatic Water Tank	-	-	-	-	-
Water Tank Rehabilitation	-	-	-	800,000	-
Total Capital Expenditures	\$ 2,533,000	\$ 6,275,048	\$ 2,198,210	\$ 3,068,553	\$ 2,341,147
Total Expenditures	\$ 8,192,213	\$ 12,384,925	\$ 8,539,396	\$ 9,649,930	\$ 9,171,942
Transfers-Out	1,756,564	1,848,975	1,850,882	1,904,891	1,934,788
Total Expenditures & Transfers-Out	\$ 9,948,777	\$ 14,233,900	\$ 10,390,278	\$ 11,554,821	\$ 11,106,730
Operating Reserve	\$ 1,736,460	\$ 1,859,421	\$ 1,917,726	\$ 1,985,086	\$ 2,054,916
Rate Stabilization Reserve	2,779,547	1,795,873	3,613,905	3,577,304	3,994,965
Ending Balance	4,516,007	3,655,294	5,531,631	5,562,390	6,049,881
Ideal Fund Balance (25% of Operating Expenses)	\$ 1,736,460	\$ 1,859,421	\$ 1,917,726	\$ 1,985,086	\$ 2,054,916
Over(Under) Ideal Fund Balance	\$ 2,779,547	\$ 1,795,873	\$ 3,613,905	\$ 3,577,304	\$ 3,994,965

* Includes 6.75% rate adjustment for Water Sales and Sanitary Sewer Sales in FY2019, then 4.75% increase every other year thereafter.

* *Excludes FY 2017-18.

*	*					*	Total**
2022-23	2023-24	2024-25	2025-26	2026-27	2027-28		
\$ 6,049,881	\$ 3,185,823	\$ 3,380,876	\$ 3,714,284	\$ 3,659,584	\$ 3,733,345	\$ 4,516,007	
\$ 8,055,383	\$ 8,055,383	\$ 8,438,013	\$ 8,438,013	\$ 8,838,819	\$ 8,838,819	\$ 80,727,410	
3,381,693	3,381,693	3,542,324	3,542,324	3,710,584	3,710,584	33,889,804	
64,000	64,000	64,000	64,000	64,000	64,000	640,000	
151,247	79,646	84,522	92,857	91,490	93,334	1,020,328	
-	-	-	-	-	-	2,883,000	
-	-	-	-	-	-	700,000	
107,000	107,000	107,000	107,000	107,000	107,000	1,095,500	
\$ 11,759,323	\$ 11,687,722	\$ 12,235,859	\$ 12,244,194	\$ 12,811,893	\$ 12,813,737	\$ 120,956,042	
373,758	381,981	390,385	398,973	407,750	416,721	3,785,857	
\$ 12,133,081	\$ 12,069,703	\$ 12,626,244	\$ 12,643,167	\$ 13,219,643	\$ 13,230,458	\$ 124,741,899	
\$ 2,082,500	\$ 2,176,213	\$ 2,274,143	\$ 2,376,479	\$ 2,483,421	\$ 2,595,175	\$ 21,458,954	
3,316,485	3,432,562	3,552,702	3,677,047	3,805,744	3,938,945	33,905,196	
1,690,816	1,749,995	1,811,245	1,874,639	1,940,251	2,008,160	17,285,607	
-	-	-	-	-	-	-	
\$ 7,089,801	\$ 7,358,770	\$ 7,638,090	\$ 7,928,165	\$ 8,229,416	\$ 8,542,280	\$ 72,649,757	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	105,000	
2,416,064	2,493,378	2,573,166	2,655,507	2,740,483	2,828,178	24,664,734	
-	-	-	-	-	-	4,020,000	
3,500,000	-	-	-	-	-	3,500,000	
-	-	-	-	-	-	800,000	
\$ 5,916,064	\$ 2,493,378	\$ 2,573,166	\$ 2,655,507	\$ 2,740,483	\$ 2,828,178	\$ 33,089,734	
\$ 13,005,865	\$ 9,852,148	\$ 10,211,256	\$ 10,583,672	\$ 10,969,899	\$ 11,370,458	\$ 105,739,491	
1,991,275	2,022,502	2,081,579	2,114,196	2,175,983	2,210,050	20,135,120	
\$ 14,997,140	\$ 11,874,650	\$ 12,292,835	\$ 12,697,868	\$ 13,145,882	\$ 13,580,508	\$ 125,874,611	
\$ 2,127,305	\$ 2,202,355	\$ 2,280,164	\$ 2,360,836	\$ 2,444,482	\$ 2,531,215	\$ 2,531,215	
1,058,518	1,178,521	1,434,120	1,298,748	1,288,863	852,080	852,080	
3,185,823	3,380,876	3,714,284	3,659,584	3,733,345	3,383,295	3,383,295	
\$ 2,127,305	\$ 2,202,355	\$ 2,280,164	\$ 2,360,836	\$ 2,444,482	\$ 2,531,215	\$ 2,531,215	
\$ 1,058,518	\$ 1,178,521	\$ 1,434,120	\$ 1,298,748	\$ 1,288,863	\$ 852,080	\$ 852,080	

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CAPITAL PROJECTS FUND

Project 25 Public Safety Radio System

- Total Estimated Cost - \$3,341,480 (Lease Payments 10 years)
- Project Year(s) - FY 2017-18 through FY 2019-20
- P-25 compliant radio system will:
 - Enhance communications among jurisdictions throughout Dallas County.
 - Be built on multiple levels/zones to provide multiple levels of redundancy.
 - Be designed to improve radio coverage over a wider geographical area.
 - Will provide better penetration into medium density buildings with portable hand-held radios.
 - Additional \$260,000 in annual operating costs for system maintenance.

Tennis Court Reconstruction

- Estimated Project Cost - \$700,000 (\$400,000 Remaining)
- Project Year(s) – FY 2017-18 through 2019-20
- Reconstruction is needed due to the wear and age of the courts.
- Improvements include resurfacing with a post tensioned concrete overlay over the existing courts, new backboards, new fencing, new court posts, nets and electrical work pull boxes and conduits for tennis court lighting.

Street Light Painting

- Estimated Project Cost - (\$250,000)
- Project Year(s) - Annual (\$25,000 per year)
- Last painted ten (10) years ago
- Includes painting cobra head lights, traffic signal mast, and arms on Oak lawn at Wycliffe, Oak Lawn at Herschel, and Armstrong at Preston Lakeside.
- In addition, there are 450 light poles in Town. This includes painting and priming a quarter (1/4) of the street lights each year on an on-going basis.

Preston Road Parkway Improvements

- Estimated Project Cost - \$450,000 (\$300,000 remaining)
- Project Year(s) - FY 2017-18 through FY 2019-20
- Engage a landscape architect to develop the plan and construction documents for the beautification project. (2016-2017)
- Renovation of the Preston Road Parkway consists of upgrades and expansion of irrigation systems to improve water efficiency. Installation of a landscape lighting system from Bordeaux to Beverly to improve pedestrian safety and enhance the beauty of the specimen trees in the parkway.
- Turf grass and ground cover installation in shaded areas to eliminate bare ground.
- Renovation of azalea beds.

Armstrong Parkway Improvements

- Estimated Project Cost - \$250,000
- Project Year(s) - FY 2019-20
- Engage a landscape architect to develop plans for a beautification project.
- Project scope will include complete irrigation assessment and improvements for water conservation and efficiency, upgrades to landscape lighting, and renovation of azaleas beds.

Park Renovation/Rehabilitation Program

- Estimated Project Cost - \$2,255,952
- 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.

Street Resurfacing & Misc. Concrete

- Estimated Project Cost - \$11,918,733
- Project Year(s) – Annually
- An annual program of rehabilitating & restoring asphalt road surfaces, including concrete repairs to curb and gutters, streets, alleys and sidewalks.

Street Condition Assessment

- Estimated Project Cost – \$150,000
- Project Year(s) – FY 2018-19
- Project will consist of assessing street conditions within Highland Park and assist the Town in prioritizing future street projects.

Armstrong Parkway Reconstruction/Rehabilitation

- Estimated Project Cost – \$1,566,267
- Project Year(s) – FY 2018-19
- Limits - Douglas Avenue to Preston Road
- Additional Funding Source – Dallas County - \$250,000 (Currently being revised)
- Project includes the total reconstruction including replacement of the subgrade, concrete, asphalt, curb and gutter; and sidewalk and ADA ramps where needed.

Preston Road Rehabilitation (Phase III)

- Estimated Project Cost – \$474,000
- Project Year(s) – FY 2019-20
- Limits - Preston Road @ Armstrong Parkway Intersection
- Additional Funding Sources –Dallas County (\$1,013,000) and DART
- The intersection improvements include minor concrete repairs, street resurfacing and traffic signal modifications.

Hillcrest Avenue Rehabilitation

- Estimated Project Cost – \$1,196,794
- Project Year(s) – FY 2019-20
- Limits - Abbott Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County - amount to be determined
- Project includes minor concrete repairs, and street resurfacing; also replacing curb and gutters, sidewalks, and ADA ramps, where needed.

Douglas Avenue Rehabilitation

- Estimated Project Cost – \$1,956,563
- Project Year(s) – FY 2020-21 and FY 2021-22
- Limits - Armstrong Parkway to Potomac Avenue
 - Phase I includes Beverly to Potomac (\$888,063)
 - Phase II includes Armstrong to Beverly (\$1,068,500)
- Additional Funding Source – Dallas County – amount to be determined
- Project includes minor concrete repairs, and street resurfacing; also replacing curb and gutters, sidewalks, and ADA ramps, where needed.

Overhill Drive Reconstruction

- Estimated Project Cost – \$1,398,400
- Project Year(s) – FY 2020-21
- Project includes the total reconstruction including replacement of water and sanitary sewer lines, subgrade, concrete, asphalt, curb and gutter; and sidewalk and ADA ramps, where needed.

Traffic Signal Improvements

- Estimated Project Cost – \$425,000
 - Wycliffe/Oak Lawn - \$250,000
 - Herschel/Oak Lawn - \$175,000
- Project Year(s) – FY 2020-21
- Limits: Wycliffe @ Oak Lawn, Herschel @ Oak Lawn
- Additional Funding Source – Dallas County - amount to be determined
- Traffic signal modifications.

Holland Drive Reconstruction

- Estimated Project Cost – \$356,400
- Project Year(s) – FY 2021-22
- Limits: Town Limit Line to Westside Drive
- Project includes the total reconstruction of the subgrade, concrete, asphalt, curb and gutter; and sidewalk and ADA ramps, where needed.

Westside Drive Reconstruction/Rehabilitation

- Estimated Project Cost – \$1,318,550
- Project Year(s) – FY 2021-22
- Limits: Lemmon Avenue to Bordeaux Avenue
- Project includes the total reconstruction of the subgrade, concrete, asphalt, curb and gutter to a portion of the of the street, while the remaining portion includes minor concrete repairs, and street resurfacing; also replacing curb and gutters, sidewalks, and ADA ramps, where needed.

Abbott Avenue Rehabilitation:

- Estimated Project Cost – \$2,299,524
- Project Year(s) – FY 2022-23 & FY 2023-24
- Limits: Armstrong Avenue to Mockingbird Lane
 - Phase I includes Armstrong Avenue to Harvard Avenue (\$1,116,075).
 - Phase II includes Harvard Avenue to Mockingbird Lane (\$1,183,449).
- Project includes minor concrete repairs, and street resurfacing; also replacing curb and gutters, sidewalks, and ADA ramps, where needed.

Lomo Alto Drive Rehabilitation:

- Estimated Project Cost – \$2,556,888
- Project Year(s) – FY 2024-25 & FY 2025-26
- Limits: Lemmon Avenue to Mockingbird Lane
 - Phase I includes Lorraine Avenue to Mockingbird Lane (\$1,133,376).
 - Phase II includes Lemmon Avenue to Lorraine Avenue (\$1,423,512).
- Additional Funding Source – Dallas County - amount to be determined
- Project includes minor concrete repairs, and street resurfacing; also replacing curb and gutters, sidewalks, and ADA ramps, where needed.

Armstrong Avenue Reconstruction

- Estimated Project Cost – \$3,300,000
- Project Year(s) – FY 2027-28
- Limits: Lakeside Drive to Katy Trail
- Project includes the total reconstruction including replacement of water and sanitary sewer lines, subgrade, concrete, asphalt, curb and gutter; and sidewalk and ADA ramps, where needed.

STORM WATER FUND

Improvements for Hackberry Creek:

- Estimated Project Cost –\$5,440,000
- Project Year(s) – FY 2016-17 through FY 2024-25
- The project will consist of stabilizing the stream banks and removing sediment from Hackberry Creek between Byron Avenue and Turtle Creek south of Armstrong Avenue.
- This project and the Beverly Drive culvert will be coordinated and designed together. Construction includes walls, small dams, wing-walls, landscaping and irrigation.
- Heavy rain events have resulted in the erosion of the stream bank along Hackberry Creek. As a result, tree roots have been exposed, causing trees to fall, creating blockages and collection of sediment.
- Stabilization of the stream banks is necessary to reduce erosion and the loss of trees.

Storm Water Drainage Study – Phase 1

- Estimated Project Cost – \$200,000
- Project Year(s) – FY 2018-19
- Project will consist of modeling the Town’s storm water drainage system and assisting staff with recommending system improvements.

Conner Park Shoreline Stabilization & Silt Removal:

- Estimated Project Cost –\$858,000
- Project Year(s) – FY 2025-26
- The project will consist of stabilizing the shoreline removing sediment from Conner lake.
- Stabilization of the stream banks is necessary to reduce erosion and the loss of trees. The lake was recently lowered to inspect the Armstrong Bridge and a large amount of accumulated silt and erosion was observed.

UTILITY FUND

Water & Sanitary Sewer Infrastructure Replacement/Rehabilitation:

- Estimated Project Cost - \$24,664,734
- Project Year(s) – Annually
- An annual program to replace aging water and sanitary sewer mains throughout the Town.

Wastewater Master Plan

- Estimated Project Cost – \$105,000
- Project Year(s) – FY 2018-19
- Project will consist of modeling the Town’s existing wastewater system and will assist staff with recommending system improvements.

Lakeside Drive Reconstruction

- Estimated Project Cost – \$4,020,000
- Project Year(s) – FY 2018-19
- Limits: Armstrong Avenue to Beverly Drive
- Additional Funding Source – University Park – 50% on items related to 30” Interceptor
- The project will consist of a total reconstruction of the street, curb and gutter with sidewalk repairs as needed.

Ten Year Capital Improvement Plan Project Detail – By Fund

Hydro-Pneumatic Water Tank

- Estimated Project Cost – \$3,500,000
- Project Year(s) – FY 2022-23
- To improve water pressures on the east side of Town, the installation of a proposed hydro-pneumatic tank has been incorporated into the CIP for the Utility Fund. Assessment of other possible solutions are also being considered and may be proposed.

Water Tank Rehabilitation

- Estimated Project Cost – \$800,000
- Project Year(s) – FY 2020-21
- The elevated storage tank located at the Town’s Service Center on Holland Avenue is scheduled to be rehabilitated, which will include painting of the metal tank and addressing any issues that might affect the tank’s service longevity.

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TEN YEAR FINANCIAL FORECAST

10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General Fund

Revenues:

- Property tax revenue is based on estimated taxable assessed values (T.A.V.) and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 4.5% per year. The tax rate is assumed to remain constant at \$0.22 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year.
- Sales tax is indexed at 4.0% which reflects historical trends.
- Interest revenue is based on 2.5% of fund balance.
- 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 4.5% each year similar to the trend over the last five years.
- 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.
- While less than five-year trending, "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.5% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$9,000 per year has been allocated in fiscal year 2018-19 and \$10,000 per year thereafter to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.

Storm Water Utility Fund

Revenues:

- Storm water revenues are indexed each year by 2.2%.
- A transfer from the Capital Improvement Fund of \$350,000 for fiscal year 2018-19 and for the remaining nine years is anticipated.

Expenditures:

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

Utility Fund

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 project list presented for the Utility Fund is primarily made up of an annual rehabilitation and replacement program for the Town's water distribution and wastewater collection system. The ten-year financial model includes a water and wastewater rate adjustment of 6.75% in fiscal year 2018-19 and 4.75% every two years thereafter.

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

GENERAL FUND

Estimated Tax Rate Per \$100 T.A.V.

	22.00 Cents 2017-18	22.00 Cents 2018-19	22.00 Cents 2019-20	22.00 Cents 2020-21	22.00 Cents 2021-22
BEGINNING FUND BALANCE	\$ 3,885,817	\$ 3,690,475	\$ 3,696,987	\$ 3,798,034	\$ 3,993,998
REVENUES:					
Property Taxes	\$ 13,234,161	\$ 13,724,735	\$ 14,334,394	\$ 14,977,867	\$ 15,650,296
Sales Taxes	3,756,164	3,943,973	4,101,732	4,265,801	4,436,433
Sanitation/Recycling Charges	-	-	-	-	-
Franchise Fees	1,028,019	1,074,514	1,102,082	1,130,358	1,159,359
Building Inspection Fees/Permits	1,205,329	1,168,666	1,209,569	1,251,904	1,295,721
Municipal Court Fines/Fees	1,077,033	1,120,500	1,159,718	1,200,308	1,242,319
Interest Earnings	120,000	140,000	244,114	253,331	264,619
All Other	1,673,548	1,880,125	1,944,776	2,011,650	2,080,823
TOTAL REVENUES	\$ 22,094,254	\$ 23,052,513	\$ 24,096,385	\$ 25,091,219	\$ 26,129,570
Transfers from Other Funds	1,161,700	1,217,700	1,244,489	1,271,868	1,299,849
TOTAL REVENUES & TRANSFERS-IN	\$ 23,255,954	\$ 24,270,213	\$ 25,340,874	\$ 26,363,087	\$ 27,429,419
EXPENDITURES:					
Personnel Services:	\$ 1.04	\$ 1.05			
Payroll	\$ 11,805,306	\$ 12,381,465	\$ 12,938,631	\$ 13,520,869	\$ 14,129,308
Taxes	815,173	887,730	932,875	974,855	1,018,723
Retirement (TMRS)	665,231	766,166	615,879	643,593	672,555
Insurance	1,479,797	1,738,781	1,865,712	2,001,909	2,148,048
Total Personnel	\$ 14,765,507	\$ 15,774,142	\$ 16,353,097	\$ 17,141,226	\$ 17,968,635
Supplies & Equipment	\$ 953,716	\$ 976,117	\$ 1,010,281	\$ 1,045,641	\$ 1,082,238
Services & Charges	3,242,138	3,324,341	3,440,693	3,561,117	3,685,756
Capital Outlay:					
Sustaining					
Equipment	197,239	9,000	10,000	10,000	10,000
CIP	-	-	-	-	-
TOTAL EXPENDITURES	\$ 19,158,600	\$ 20,083,600	\$ 20,814,071	\$ 21,757,984	\$ 22,746,629
Transfers to Capital Projects Fund	2,975,890	2,675,890	2,888,452	2,663,015	2,723,651
Transfers to Other Funds	1,316,806	1,504,211	1,537,304	1,746,124	1,784,539
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 23,451,296	\$ 24,263,701	\$ 25,239,827	\$ 26,167,123	\$ 27,254,819
ENDING FUND BALANCE	\$ 3,690,475	\$ 3,696,987	\$ 3,798,034	\$ 3,993,998	\$ 4,168,598
FUND BALANCE MINIMUM	\$ 3,447,288	\$ 3,668,398	\$ 3,798,034	\$ 3,993,998	\$ 4,168,598
FUND BALANCE SURPLUS	\$ 243,187	\$ 28,589	\$ (0)	\$ (0)	\$ 0

CAPITAL PROJECTS FUND

Beginning Balance	\$ 5,924,898	\$ 4,454,947	\$ 5,066,017	\$ 5,348,695	\$ 5,948,161
Total Annual Project Funding (1)	6,665,219	5,168,553	4,674,301	5,457,305	5,528,716
Total Expenditures	8,135,170	4,557,483	4,391,623	4,857,839	4,953,548
Ending Balance*	\$ 4,454,947	\$ 5,066,017	\$ 5,348,695	\$ 5,948,161	\$ 6,523,329
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 2,454,947	\$ 3,066,017	\$ 3,348,695	\$ 3,948,161	\$ 4,523,329

PROPERTY TAX ASSUMPTIONS

Property Tax Revenue	\$ 13,234,161	\$ 13,724,735	\$ 14,334,394	\$ 14,977,867	\$ 15,650,296
Property Values (2)	\$ 6,012,113,607	\$ 6,282,658,719	\$ 6,565,378,362	\$ 6,860,820,388	\$ 7,169,557,305
Tax Rate	0.22	0.22	0.22	0.22	0.22

(1) Includes funding from other funds and external sources

(2) Growth in taxable assessed value (T.A.V.) is projected at 4.5% per year.

<u>22.00 Cents</u> <u>2022-23</u>	<u>22.00 Cents</u> <u>2023-24</u>	<u>22.00 Cents</u> <u>2024-25</u>	<u>22.00 Cents</u> <u>2025-26</u>	<u>22.00 Cents</u> <u>2026-27</u>	<u>22.00 Cents</u> <u>2027-28</u>
\$ 4,168,598	\$ 4,351,327	\$ 4,542,587	\$ 4,742,805	\$ 4,952,427	\$ 5,171,927
\$ 16,352,984	\$ 17,087,293	\$ 17,854,647	\$ 18,656,531	\$ 19,494,500	\$ 20,370,177
4,613,890	4,798,446	4,990,384	5,189,999	5,397,599	5,613,503
-	-	-	-	-	-
1,189,104	1,219,612	1,250,903	1,282,997	1,315,914	1,349,676
1,341,071	1,388,008	1,436,588	1,486,869	1,538,909	1,592,771
1,285,800	1,330,803	1,377,381	1,425,589	1,475,485	1,527,127
275,649	287,154	299,161	311,692	324,772	338,426
2,152,375	2,226,387	2,302,944	2,382,134	2,464,047	2,548,777
\$ 27,210,873	\$ 28,337,703	\$ 29,512,008	\$ 30,735,811	\$ 32,011,226	\$ 33,340,457
1,328,446	1,357,672	1,387,541	1,418,067	1,449,264	1,481,148
\$ 28,539,319	\$ 29,695,375	\$ 30,899,549	\$ 32,153,878	\$ 33,460,490	\$ 34,821,605
\$ 14,765,127	\$ 15,429,558	\$ 16,123,888	\$ 16,849,463	\$ 17,607,689	\$ 18,400,035
1,064,566	1,112,471	1,162,532	1,214,846	1,269,514	1,326,643
702,820	734,447	767,497	802,034	838,126	875,842
2,304,856	2,473,110	2,653,647	2,847,364	3,055,221	3,278,252
\$ 18,837,369	\$ 19,749,586	\$ 20,707,565	\$ 21,713,707	\$ 22,770,551	\$ 23,880,772
\$ 1,120,116	\$ 1,159,320	\$ 1,199,896	\$ 1,241,892	\$ 1,285,358	\$ 1,330,346
3,814,757	3,948,273	4,086,463	4,229,489	4,377,521	4,530,734
-	-	-	-	-	-
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
\$ 23,782,242	\$ 24,867,179	\$ 26,003,924	\$ 27,195,088	\$ 28,443,430	\$ 29,751,852
2,750,550	2,773,013	2,790,478	2,802,331	2,807,893	2,806,440
1,823,799	1,863,922	1,904,929	1,946,837	1,989,668	2,033,440
\$ 28,356,590	\$ 29,504,115	\$ 30,699,331	\$ 31,944,257	\$ 33,240,990	\$ 34,591,732
\$ 4,351,327	\$ 4,542,587	\$ 4,742,805	\$ 4,952,427	\$ 5,171,927	\$ 5,401,800
\$ 4,351,327	\$ 4,542,587	\$ 4,742,805	\$ 4,952,427	\$ 5,171,927	\$ 5,401,800
\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 0
\$ 6,523,329	\$ 8,792,325	\$ 11,089,704	\$ 13,528,934	\$ 13,736,003	\$ 15,233,878
5,641,911	5,785,873	5,927,366	4,036,612	3,956,784	4,002,366
3,372,915	3,488,494	3,488,136	3,829,543	2,458,909	5,813,443
\$ 8,792,325	\$ 11,089,704	\$ 13,528,934	\$ 13,736,003	\$ 15,233,878	\$ 13,422,801
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 6,792,325	\$ 9,089,704	\$ 11,528,934	\$ 11,736,003	\$ 13,233,878	\$ 11,422,801
\$ 16,352,984	\$ 17,087,293	\$ 17,854,647	\$ 18,656,531	\$ 19,494,500	\$ 20,370,177
\$ 7,492,187,384	\$ 7,829,335,816	\$ 8,181,655,928	\$ 8,549,830,445	\$ 8,934,572,815	\$ 9,336,628,592
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COMMUNITY INFORMATION

HIGHLAND PARK, TEXAS

HISTORY

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

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

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

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

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

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

LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 9,208 residents.

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

MISCELLANEOUS STATISTICAL DATA

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

Town Characteristics

Area..... 1,445 Acres (2.26 Square Miles) Population (2010 Census)..... 8,564
 Population (Est. 2017 Census) 9,208

Proportion of Property Values

Residential 94.12% Commercial 4.72%
 Business Personal Property..... 1.16%

Public Safety Personnel

Cross-trained (Police/Fire/Paramedic)..... 55 Firefighter/Emergency Medical Technician 1
 Police Officer 2

Water and Sewer Utility System

Water Connections

Residential 3,070
 Residential Multifamily 37
 Commercial 89
 Irrigation 2,268
 Municipal..... 71
 Total 5,535

Sewer Connections

Residential 3,015
 Residential Multifamily 37
 Commercial 88
 Municipal..... 4
 Total 3,144

Infrastructure

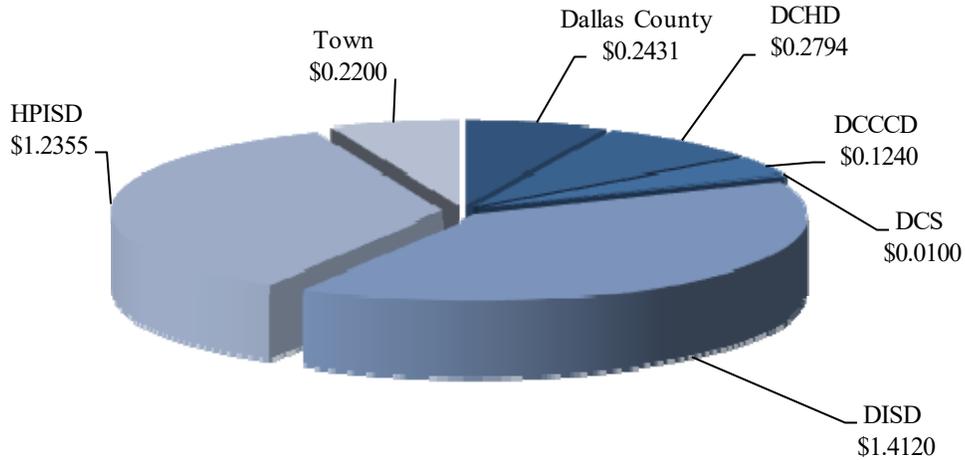
Sanitary Sewers 37.18 Miles Storm Sewers..... 12.22 Miles
 Parks..... 22 with 59.3 Acres Paved Streets 41.79 Miles



Highland Park

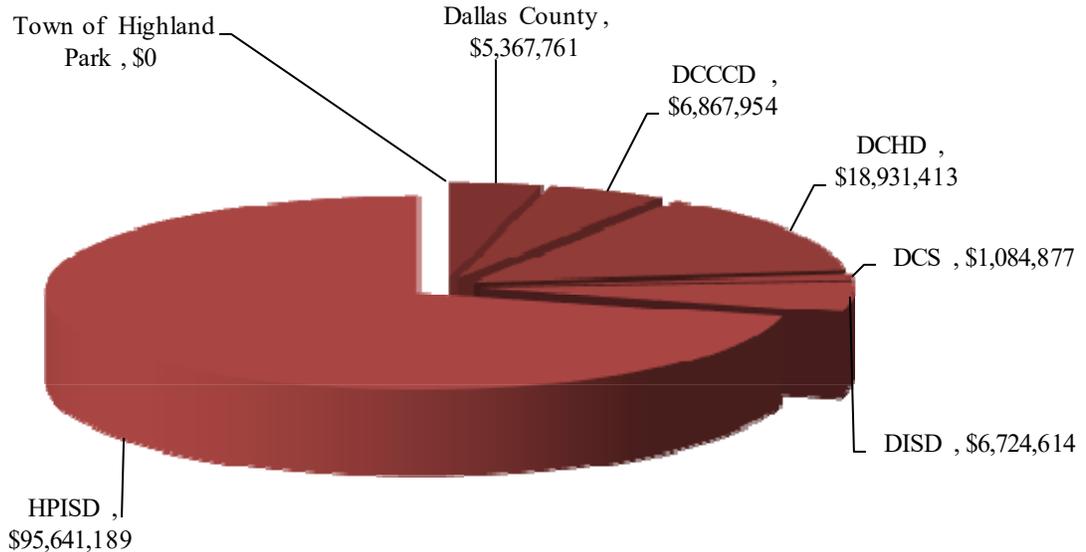
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

Direct and Overlapping Debt



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

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

Tax Year	Appraised Property Value			Taxable Value
	Real Property	Business Personal Property	Total	
2009	5,670,130,390	60,667,890	5,730,798,280	4,517,538,629
2010	5,459,810,500	59,316,040	5,519,126,540	4,421,941,832
2011	5,407,849,850	56,732,470	5,464,582,320	4,405,824,652
2012	5,423,170,690	61,252,130	5,484,422,820	4,446,174,261
2013	5,580,077,680	72,506,290	5,652,583,970	4,578,113,028
2014	6,040,379,500	79,298,850	6,119,678,350	4,924,756,994
2015	6,589,202,920	78,135,850	6,667,338,770	5,324,500,745
2016	7,125,427,370	91,050,750	7,216,478,120	5,765,524,023
2017	7,136,257,020	80,221,100	7,442,974,210	6,012,113,607
2018	7,640,424,370	89,567,460	7,729,991,830	6,292,473,542

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 provided under the Texas Property Tax Code.

PRINCIPAL TAXPAYERS - 2018 TAX ROLL

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Valuation</u>	<u>% of Taxable Valuation</u>
HP Village Partners LP	Commercial	\$ 158,000,000	2.51%
Cox, Edwin L Trust	Residential	40,872,660	0.65%
Muse, John R	Residential	34,708,400	0.55%
Crow, Harlan	Residential	34,204,644	0.54%
The 4500 Trust	Residential	33,145,200	0.53%
Mitchell, Amy	Residential	21,573,872	0.34%
L & B Depp UCEPP 5500	Commercial	21,500,000	0.34%
Intercity Investment	Commercial	20,000,000	0.32%
Jones, Jerral W. & Gene C.	Residential	19,411,847	0.31%
Dallas Country Club	Commercial	17,140,230	0.27%

PRINCIPAL EMPLOYERS*

2017		
Employer	Number of Establishments	Employees
Retail Trade	54	715
Wholesale Trade	10	11
Information	3	*
Professional, Scientific & Technical Services	59	159
Real Estate & Rental Leasing	26	*
Administrative & Support & Waste Management & Remediation	23	95
Education Services	5	23
Health Care & Social Assistance	24	*
Arts, Entertainment & Recreation	8	335
Accommodations & Food Services	10	313
Other Services (Except Public Administration)	12	179

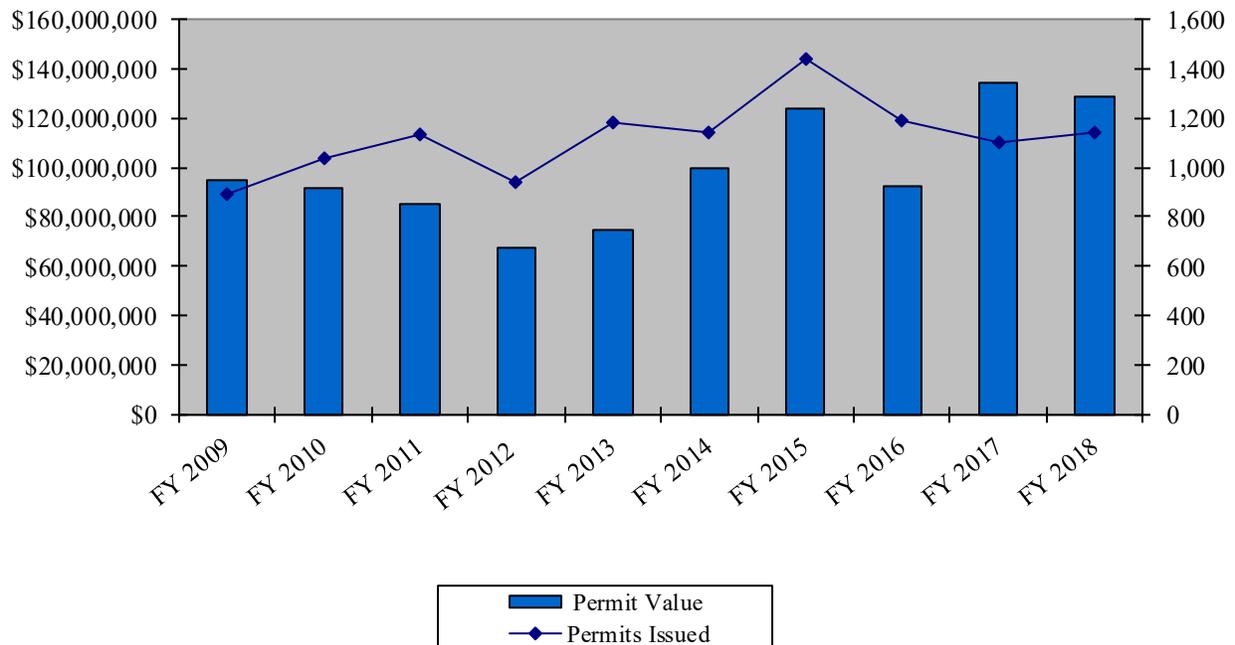
The Town of Highland Park is a relatively small municipality with a radius of about 2.26 square miles. The Town's most recent estimated population is approximately 9,208. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the 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: 2015 data was obtained from the 2012 Economic Census, and 2007 data was obtained from the 2007 Economic Census.

*Information was not available

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

<u>Commercial Construction</u>			<u>Residential Construction</u>		<u>Property Value</u>	
<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Real Property</u>	<u>Personal Property</u>
2009	21	\$ 41,335,048	870	\$ 53,601,984	\$ 5,670,130,390	\$ 60,667,890
2010	31	\$ 19,975,233	1,004	\$ 72,021,698	\$ 5,459,810,500	\$ 59,316,040
2011	38	\$ 8,985,914	1,097	\$ 76,604,257	\$ 5,407,849,850	\$ 56,732,470
2012	34	\$ 3,235,348	903	\$ 64,144,609	\$ 5,423,170,690	\$ 61,252,130
2013	33	\$ 4,517,931	1,150	\$ 69,905,735	\$ 5,580,077,680	\$ 72,506,290
2014	34	\$ 8,632,850	1,110	\$ 91,191,908	\$ 6,040,379,500	\$ 79,298,850
2015	48	\$ 12,690,806	1,128	\$ 111,179,377	\$ 6,589,202,920	\$ 78,135,850
2016	29	\$ 8,623,479	1,164	\$ 84,048,379	\$ 7,125,427,370	\$ 91,050,750
2017	30	\$ 23,812,724	1,068	\$ 110,487,670	\$ 7,136,257,020	\$ 80,221,100
2018	22	\$ 45,226,370	1,117	\$ 83,254,000	\$ 7,640,424,370	\$ 89,567,460

Building Inspection Department Activity



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PAY PLAN

The Pay Plans incorporated in the Town's fiscal year 2018-19 Combined Budget are designed to maintain equity in the Town's designated public-sector market.

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

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

Employees 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 2019**

Grade	Position	Hourly Base Pay Range	
		Minimum	Maximum
8	Communications Manager Development Services Manager Foreman	\$43.70	\$59.00
7	Project Engineer Senior Building Inspector Town Secretary	\$38.00	\$51.30
6	Accreditation Manager Building Inspector Communications Supervisor Construction Coordinator Customer Service Supervisor Town Services Coordinator	\$33.05	\$44.61
5	Construction Inspector Electrical/Mechanical Tech Engineering Tech Library Assistant Project Coordinator Support Services Officer Court Clerk Alarm Specialist	\$28.74	\$38.79
4	Communications Specialist DPS Administrative Secretary Irrigation/Mosquito Inspector Parks Maintenance Specialist Public Works Maintenance Worker III Finance and Human Resources Specialist Senior Accounting Technician Secretary to the Director Plans Examiner	\$24.99	\$33.73
3	Accounting Technician Building Permit Technician Customer Service Specialist II Deputy Court Clerk Parks Maintenance Worker II Public Works Maintenance Worker II	\$21.73	\$29.33
2	Customer Service Specialist I Library Associate Public Works Maintenance Worker I	\$18.89	\$25.51
1	Parks Maintenance Worker I	\$16.43	\$22.18

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 2019**

Grade	Position	Hourly Base Pay Range Shift Duty*			Hourly Base Pay Range Administration**	
		Minimum	Maximum		Minimum	Maximum
G	Captain	\$41.92	\$46.12		\$65.51	\$72.06
F	Lieutenant	\$36.46	\$40.10		\$56.96	\$62.66
E	Sergeant	\$31.70	\$34.87		\$49.53	\$54.49
D	Unassigned	-	-		-	-
C	Public Safety Officer	\$24.60	\$29.52		\$38.44	\$46.13
B	Fire Fighter Police Officer	\$20.50	\$22.55		\$32.03	\$35.24
A	Public Safety Apprentice	\$19.57	\$19.57		\$30.58	\$30.58

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 of 3250 hours in one year.**

****Administration is based on of 2080 hours in one year.**

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
FISCAL YEAR 2019**

Grade	Position	Minimum	Maximum
E-4	Director of Public Safety Director of Administrative Services & CFO	\$174,222	\$226,488
E-3	Director of Town Services Town Engineer	\$158,383	\$205,897
E-2	Assistant Director of Public Safety	\$150,482	\$195,628
E-1	Assistant Director of Town Services	\$129,726	\$180,449
E	Town Librarian IT Manager Controller	\$112,806	\$156,913

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/Fire Marshall	+5%
Public Safety Investigator Assignment	+7.5%
Paramedic	+8%

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

Employees may also earn up to \$2,100 by participating in the Town's Wellness Program.

HISTORICAL REVENUE & EXPENDITURE TREND DATA

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

	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014
Property Taxes	\$ 9,916,353	\$ 9,709,443	\$ 9,657,658	\$ 9,689,485	\$ 10,039,679
Water Sales	4,310,020	5,785,103	5,442,217	5,576,020	5,370,747
Sanitary Sewer Charges	2,532,334	2,739,169	2,591,081	2,668,813	2,545,727
Sales Tax	2,385,863	2,564,337	2,923,273	2,952,203	3,437,806
Sanitation & Recycling Charges	1,220,700	1,254,786	1,254,087	1,242,590	1,231,340
Franchise Fees	948,318	995,485	1,078,503	965,140	1,024,423
Building Activity Fees	1,002,463	961,466	980,357	1,030,649	1,306,011
Court Fines/Fees	676,094	728,147	685,854	839,826	779,530
Interest on Investments	265,916	129,195	92,310	60,187	60,870
Other Charges for Service	1,334,517	1,467,229	1,951,688	1,821,027	1,764,849
Storm Water Drainage Fees	181,507	186,581	363,265	352,908	374,523
All Other	609,681	877,368	786,540	2,262,525	859,129
Total	\$ 25,383,766	\$ 27,398,309	\$ 27,806,833	\$ 29,461,373	\$ 28,794,634

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2015	Actual FY 2016	Actual FY 2017	Projected FY 2018	Adopted FY 2019
\$10,763,525	\$11,573,644	\$ 12,593,539	\$ 13,234,161	\$ 13,724,735
5,996,115	6,699,336	6,688,572	6,610,847	7,341,387
2,551,417	2,788,561	2,787,880	2,787,871	3,081,954
3,514,625	3,606,074	3,480,389	3,756,164	3,943,973
1,236,438	1,235,509	1,236,532	1,360,814	1,459,479
1,051,657	1,021,288	1,037,497	1,028,019	1,074,514
1,396,333	1,031,156	1,464,379	1,271,680	1,232,666
774,048	1,019,914	1,181,779	1,137,135	1,183,860
57,242	106,120	244,823	393,502	428,866
1,390,401	1,373,008	1,358,006	1,400,751	1,618,935
381,883	386,838	390,126	399,379	409,203
<u>1,837,167</u>	<u>1,938,116</u>	<u>1,778,462</u>	<u>4,014,570</u>	<u>4,625,558</u>
\$30,950,851	\$32,779,564	\$ 34,241,984	\$ 37,394,893	\$ 40,125,130

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

	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014
Personnel					
Payroll	\$ 10,442,258	\$ 10,142,629	\$ 10,705,530	\$ 11,139,374	\$ 11,476,313
Benefits	3,454,300	3,313,033	2,884,800	2,783,687	2,858,783
Subtotal	<u>\$ 13,896,558</u>	<u>\$ 13,455,662</u>	<u>\$ 13,590,330</u>	<u>\$ 13,923,061</u>	<u>\$ 14,335,096</u>
Supplies & Equipment	2,895,333	3,727,917	3,578,680	3,830,378	3,627,234
Services & Charges	4,665,962	4,251,555	5,003,252	5,236,432	5,172,547
Capital Outlay	4,409,399	6,974,590	13,371,122	10,326,570	11,713,808
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 25,867,252	\$ 28,409,724	\$ 35,543,384	\$ 33,316,441	\$ 34,848,685

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2015	Actual FY 2016	Actual FY 2017	Projected FY 2018	Adopted FY 2019
\$11,681,953	\$12,138,107	\$ 12,397,961	\$ 12,985,582	\$ 13,725,320
2,674,222	2,728,153	2,943,700	3,280,014	3,795,126
\$14,356,175	\$14,866,260	\$ 15,341,661	\$ 16,265,596	\$ 17,520,446
3,680,111	3,522,677	3,541,913	3,824,576	3,963,824
6,148,502	6,195,822	6,489,340	7,275,030	7,884,815
2,608,751	4,288,152	6,217,255	11,049,898	10,784,962
-	-	-	-	-
\$26,793,539	\$28,872,911	\$ 31,590,169	\$ 38,415,100	\$ 40,154,047

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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 Accounts</u>
2009	467,293	52,707	572,186	38,416	1,130,602	5,333
2010	422,274	45,382	478,515	34,266	980,437	5,361
2011	471,920	43,182	668,402	52,296	1,235,800	5,382
2012	436,204	43,522	617,168	42,031	1,138,925	5,389
2013	408,100	45,500	595,900	45,400	1,094,900	5,416
2014	389,617	41,485	528,557	37,066	996,725	5,416
2015	367,780	36,758	509,248	32,472	946,258	5,474
2016	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

GLOSSARY

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CIP Capital Improvement Plan

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

Inter-fund Transfer See **Transfer**

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

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

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

Major Fund The General, Utility and Capital Projects Funds.

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

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

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

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

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

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

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

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

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

Proprietary Fund See Utility Fund and Internal Service Fund.

GLOSSARY

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

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

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

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

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

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

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

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

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

TMRS The Texas Municipal Retirement System

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

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

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

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

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

Working Capital See Net Working Capital

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