

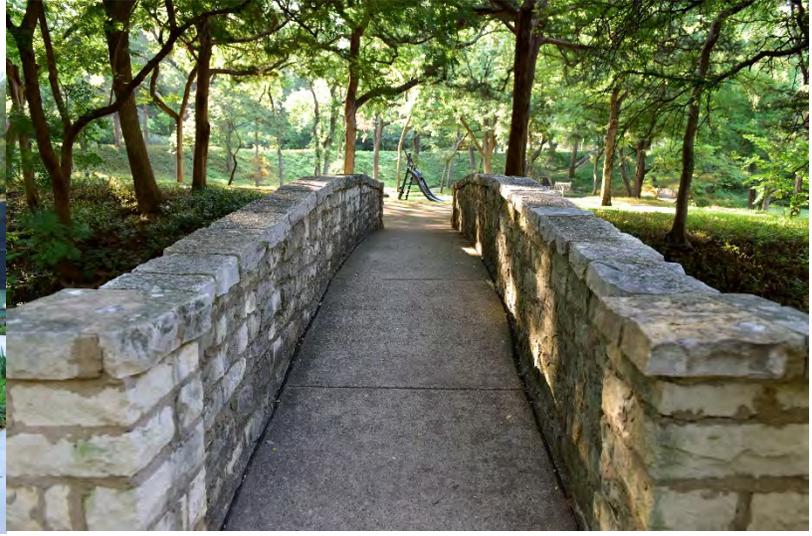


THE TOWN OF
Highland Park
TEXAS

An American Community Making a Difference



*FY 2019-20 Adopted Budget
and Plan of Municipal Services*



**Town of Highland Park
Adopted Budget
Operating and Capital
For the Fiscal Year 2019-20**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,058,534, which is a 7.65 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 \$189,650.

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

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

AGAINST: None.

PRESENT and not voting: None.

ABSENT: John McKnight, Mayor Pro Tem
Jimmy Grisham, Council Member

| Tax Rate: | Adopted 2019-20 | Adopted 2018-19 |
|--|-----------------|-----------------|
| Property Tax Rate: | \$0.230000/100 | \$0.220000/100 |
| Effective Tax Rate: | \$0.215216/100 | \$0.211766/100 |
| Effective Maintenance & Operations Tax Rate: | \$0.215216/100 | \$0.211766/100 |
| Rollback Tax Rate: | \$0.232433/100 | \$0.228707/100 |
| Debt Rate: | \$0.000000/100 | \$0.000000/100 |

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

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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, 2018

Christopher P. Morill

Executive Director

TOWN OF HIGHLAND PARK, TEXAS

ADOPTED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020

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

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 Fiscal Year 2019-20 Adopted Budget
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MAYOR
Margo Goodwin
—
MAYOR PRO-TEM
John McKnight
—
COUNCIL MEMBERS
David L. Dowler
Eric Gambrell
Jimmy Grisham
Craig Penfold
—
TOWN ATTORNEY
Matthew C.G. Boyle
—
TOWN JUDGE
Albert D. Hammack
—
LOCAL HEALTH AUTHORITY
Michael L. McCullough, M.D.



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
Kathleen G. Stewart
—
DIRECTOR OF ENGINEERING
Lori Chapin, P.E.
—
TOWN SECRETARY
Gayle Kirby

September 9, 2019

Mayor Goodwin and Members of the Town Council:

I am pleased to present the Adopted Budget for FY 2020. The Adopted Budget was carefully prepared through the collective efforts of all departments to balance the identified needs of the community with a sustainable and sound financial plan. It is focused on achieving the following broad goals:

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

The Adopted Budget of \$43,151,686 (excluding interfund transfers) represents an increase of \$2,997,639, or 7.5%, over the FY 2019 Adopted Budget, as follows:

| | FY 2019 | FY 2020 | % Change |
|-----------------------|----------------------|----------------------|-------------|
| General Fund | \$ 20,083,600 | \$ 21,055,450 | 4.8% |
| Capital Projects Fund | 4,036,483 | 8,037,381 | 99.1% |
| Solid Waste Fund | 1,342,933 | 1,401,278 | 4.3% |
| Utility Fund | 12,384,925 | 9,527,036 | -23.1% |
| Storm Water Fund | 853,580 | 2,225,900 | 160.8% |
| Other Funds | 1,452,526 | 904,641 | -37.7% |
| Total | \$ 40,154,047 | \$ 43,151,686 | 7.5% |

The variance is due to a net increase in appropriations of approximately \$3M related to planned capital projects (increases in the Capital Projects and Storm Water Funds are partially offset by decreases in the Utility, Equipment Replacement and Technology Replacement Funds), as well as an increase of approximately \$970,000 in the General Fund. Most notably, in the Capital Projects Fund, the Project 25 Public Safety Radio System will be cash funded in FY 2020 (\$3.0M) and FY 2021 (\$393,000), instead of the previously contemplated capital lease funding mechanism. Funding for capital projects in FY 2019 included Lakeside Drive in the Utility Fund and the first phase of the storm water study in the Storm Water Fund. Both projects remain funded within the

CIP. Increases in the General Fund are primarily attributed to increasing the transfer to the CIP, providing enhanced policing services at the Highland Park Independent School District's (HPISD's) elementary schools located in Highland Park, and changes to personnel costs.

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

Making up approximately 77% 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.

The development of the Adopted Budget was complicated by the Governor's execution of various legislation directly affecting some of the Town's traditional revenue sources. In some cases, the Governor's actions directly reduced going forward, what the Town has historically collected from year to year, while others will have substantial impacts in years to come.

SIGNIFICANT REVENUE SOURCES

Property Taxes - Property taxes are the largest and most stable revenue source for the Town, making up 37% of total revenue. Taxable property values are growing at 2.71%, or \$171M for FY 2020. Most of this increase results from reassessments; however, \$82M (an increase of \$23M from the current fiscal year) is directly related to new construction. The Adopted Budget adjusts the tax rate by one penny per \$100 of taxable assessed values.

Adjusting the tax rate to 23 cents is believed to be a fiscally prudent course of action considering the impact that Texas Senate Bill 2 will have on the Town's property tax revenue in future years. This legislation lowers the "Rollback Rate" from 8% to 3.5%. The new law will be effective for fiscal years after FY 2020. Because the Town's FY 2019 financial model anticipated a 4.5% average growth in taxable assessed values, the new law will likely result in the Town lowering its tax rate over time, unless elections are held to allow the Town to retain the current tax rate. For the Town to continue the previously approved plans for infrastructure improvements, taking full advantage of the 3.5% increase allowed within the law each year will be necessary. As can be seen in the Town's 10-year financial model, adjusting the tax rate to 23 cents not only facilitates the Town sustaining its level of service to the public, but provides critical funding to the CIP. Specifically, the additional revenue provided by the adjustment to the tax rate increases the transfer to the Adopted CIP by \$442,342, while providing to the General Fund \$200,000 for police presence for HPISD elementary school campuses during the morning and afternoon drop-off and pick-ups.

It cannot be stressed enough that revenue constraints imposed by the State on local jurisdictions make it more and more difficult to fund needed projects 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. Currently, the average Highland Park homeowner pays approximately \$4,346 in taxes for Town services, while the remainder of their tax bill, \$37,373, goes to Dallas County (31.1%) and HPISD (58.5%). To put this in a greater perspective, for FY 2020, 1 cent on the property tax rate

equates to \$192 per year, or \$16 per month, for the average homeowner, but impacts the Town's revenue by nearly \$650,000 per year.

Sales Taxes – Sales taxes account for 11% of total revenue and are budgeted to grow by 4% over the prior year-end actual (FY 2018) of \$4.1M. During FY 2019, Highland Park experienced an increase in retail sales, predominately by new retail activity at the Highland Park Shopping Village, and this trend is expected to continue. While retail sales have increased during the current fiscal year, the September *Beige Book for the Eleventh District* reported a pessimistic and highly uncertain outlook among retailers, primarily due to tariffs and trade tensions. Additionally, the 86th Legislature (2019) adopted House Bill (HB) 1525, which creates new tax responsibilities for marketplace providers and marketplace sellers, and adopted HB 2153, which provides a single local tax rate for remote sellers. These two laws become effective October 1, 2019. The impact of the new legislation is uncertain; but is expected to be positive for the Town. The Town's financial model projects an annual growth of 4% per year for sales tax revenue. Applying a 4% adjustment on the prior year's actual sales tax revenue reflects a more conservative approach.

User Fees – The calculation of construction permits was changed to a cost per square foot basis in response to the Governor signing HB 852, passed during the recent Legislative session. The legislation now prohibits the Town from considering the value or cost of construction or improvement of a residential dwelling in establishing building permit fees. Town staff will closely monitor the results of the revised construction permit fees.

The charges assessed to customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 26% of total revenue. Over the past few years, the Town has seen a reduction of water consumption, in part from the Town Council's attention to promoting water conservation and funding the implementation of smart water meters. This trend continued in FY 2019, primarily due to heavy rainfall, but also resulting from continued conservation efforts by the Town.

The Town's FY 2019 financial model was predicated on a certain level of annual water consumption. With the consistent decline in water sales, the five-year rolling average has declined from 982 million gallons per year to a projected 947 million gallons when considering FY 2019. Left alone, current rates were expected to generate \$109,489 less revenue than projected in the FY 2019 financial model for the Utility Fund. This was somewhat mitigated by operating costs growing negligibly at 0.9% or \$57,159.

With regard to expenses, there will be a 6.2% wastewater rate increase (compounded by a 10.7% increase in the inflow & infiltration multiplier) from the City of Dallas ("City") and a 1.74% rate increase from the Dallas County Park Cities Municipal Utility District ("District"), both of which are absorbed in the Adopted Budget. Consistent with the current CIP, the Adopted CIP provides for the next rate adjustment to occur in FY 2021. There was no adjustment to the water and wastewater rates in FY 2020.

Rates charged by the Town for the collection and disposal of solid waste make up 4% of total revenues. Third-party contracts to provide these services stipulate annual rate increases, based on Consumer Price Indices (CPI), effective in October of each year. As a result, rates charged to customers are budgeted to grow by 2.9%, adjusting the average resident's monthly billing by \$0.86 for alley service and \$1.61 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. The following is a summary of the more significant adjustments to planned expenditures for this next fiscal year.

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

Major components of the Town’s compensation and benefits program include salaries, pension (Texas Municipal Retirement System [TMRS]), and health insurance. Overall, this category of expenses is budgeted to increase by \$749,382. Achieving this managed expense adjustment is gained through changes to the compensation program while proposing funding enhancements to the pension benefits.

The Adopted Budget modifies the Town’s current compensation program as it relates to Pay for Performance (“P4P”) and annual pay adjustments. In FY 2019, this program increased salaries up to 7% based on an employee’s performance during the prior fiscal year, and provided a 3% adjustment for those not eligible for P4P (exempt) or those at the top of their pay range (currently approximately 43% of the employee base). Employees participating in the P4P program (non-exempt) were also eligible to receive a quarterly stipend (of up to 7% of their quarterly salary) based on their quarterly evaluation. The Adopted Budget modifies the current program by providing employees eligible for P4P (non-exempt) a 3% annual adjustment, employees not eligible for P4P (exempt) a 2.5% annual adjustment, and caps the quarterly P4P stipend at 6%. The savings attributed to the budgeted changes to the Town’s compensation program (estimated to be \$252,000) will be used to help offset the costs associated with providing Updated Service Credits (USC) and corresponding transfer credits (estimated to be \$328,028) to employees through TMRS.

The Adopted Budget includes funding to provide USC for employees at a rate of 75%. Commonly provided by the Town’s comparison cities (University Park updated its USC FY 2019 at 100%), the USC provide for a member’s benefit to maintain value over the duration of the member’s career by considering, if substantial, increases in the member’s salary or changes to the plan. The Town has traditionally elected to provide these changes in an ad hoc capacity to avoid large actuarial adjustments associated with a recurring plan. The last time the Town approved ad hoc changes to the USC was in FY 2008.

Providing the USC results in an increase to pension contributions of \$191,706 and \$136,322 for the corresponding transfer credit for FY 2020. The Town’s contribution rate changes from 6.28% of payroll to 9.36%, with FY 2020 being a blended rate, due to the new rate becoming effective January 1, 2020. While implementing the USC raises the Town’s pension liability, the FY 2020 Adopted Budget includes \$209,331 to be contributed to TMRS to reduce the resulting unfunded liability over time. TMRS projects the Town’s liability to be 95.9% funded, as compared to the fully funded status that the Town has experienced in recent years. On average, the Town’s

comparison cities have a funded ratio of 89.5%. For example, University Park's current funded ratio is 95.5%. Since 2011, the Town has reported a funding ratio above 100%; however, in prior years the Town has reported an unfunded liability.

It is important to note that the Town's annual financial statements present the status of the pension plan in accordance with the Governmental Accounting Standards Board Statement No. 68 (GASB 68). Because GASB 68 measures the plan assets differently than TMRS, the resulting net pension asset or liability differs from the amounts presented by TMRS. Plan measurement occurs at the end of December of each year. For example, at the end of calendar year 2018, TMRS calculated the Town's plan assets to plan liabilities at 101.8%; whereas under GASB 68, this ratio was reflected at 97.1%. This is directly attributed to the status of TMRS' investment portfolio and related investment earnings at the end of 2018, which were directly impacted by the market at that time.

Health insurance costs are anticipated to grow by 10% for a total increase of \$139,583, and are driven by pharmaceutical costs and several significant medical claims. Overall, health insurance benefits are expected to cost \$1,861,908. Like the Town, employees will also see increases in their premiums related to dependent care. Lockton-Dunning, the Town's benefits consultant, has negotiated with Cigna to achieve the best medical rates possible for the upcoming fiscal year in considering a loss ratio of approximately 112%. The Town offers employees access to a Wellness Program that focuses on their continued health and well being. During FY 2019, approximately 94% of the \$261,450 wellness incentives budgeted was earned by the Town's 127 eligible employees.

Citizens Academy – While still in partnership with the Highland Park Community League, beginning with FY 2020, the Town will assume the promotion, operation, and funding of the Citizens Academy with the allocation of \$5,000 in the Town Administrator's budget. The Academy allows residents to experience the day-to-day workings of their town. The revamped program highlights a variety of departments, programs and services, and visits a number of town-owned facilities. Residents will learn the basic roles and functions of municipal government through in-person simulations, tours and activities, as well as face-to-face meetings with various Town departments. The Citizens Academy is a great way to learn more about the responsibilities of Town staff and the role of the Town Council throughout the year.

Legal Fees – In anticipation of legal fees not covered by the Town's general liability and public official's liability insurance, \$25,000 is included in legal fees as part of the Town Administrator's budget. Funding for associated litigation is budgeted to be provided by excess fund balance.

Radio System – During the FY 2019, the Town Council approved the purchase via cash funding of a P25 compliant public safety radio system at a cost of \$3,956,464. The majority of the payments, \$3,044,055, are budgeted in FY 2020.

School Security - The Adopted Budget includes \$200,000 to, in part, fund two police officers during portions of the school day at Armstrong Elementary School and Bradford Elementary School. The projected cost is based on funding a police officer at each campus. The police department will retain two patrol units that would otherwise be replaced each year, as a way of providing a more pronounced presence at the two campuses. The Town will contract with the HPISD to hire the police officers.

Library – The Adopted Budget allocates \$21,162 for the purchase of digital reading/reference materials. In addition to this, \$6,480 is budgeted to be requested from the Highland Park Quality of Life Foundation for a ‘book bike’ that would be used to deliver reading materials during special events.

Equipment & Technology Replacement – The Adopted Budget provides \$183,458 related to the scheduled replacement of SCBA breathing equipment for the fire department. In addition to this, \$146,678 is allocated for the scheduled replacement of various computer items.

Building Replacement – The Adopted Budget provides \$35,635 funding for updating the Highland Park Department of Public Safety (HPDPS) day room and hallways. Also funded is \$15,000 for the installation of a security-controlled door at the second-floor hallway leading to the third floor and the HPDPS office. The total cost of this project is \$31,000, with \$16,000 being funded from FY 2019. The door is needed to reduce the noise generated on court days, and enhance building access control due to the Town’s extended hours when Library is open to the general public.

Water, Sewer & Solid Waste Contracts - The Town purchases treated water for resale from the Dallas County Park Cities Municipal Utility District (“District”). Again this year, the District is proposing a ten-year average of water sales for computation of any rate adjustment. Their rate to the Town is increasing by 1.74%, resulting in an impact to the Adopted Budget of \$45,596. The cost of water to be purchased for FY 2020 is anticipated to be \$2,579,575. Wastewater is treated by the City of Dallas (“City”). Each year, the City conducts a cost-of-service study related to the wholesale wastewater rate they charge. Based on the results of the study this year, the FY 2020 base rate for wastewater charged to the Town is increasing by approximately 6.2%. The City also applies an inflow and infiltration rate which is a multiplier on the Town’s winter average consumption. That multiplier is increasing by 10.7%. Each year, the City requests the Town’s winter water consumption to determine the Town’s winter average that is used to determine the Town’s monthly billing for the upcoming fiscal year. If the Town’s prior year winter average remained constant for fiscal years 2019 and 2020, the resulting impact would be a 17% increase in wastewater treatment costs. However, since the Town’s winter average consumption has declined, the overall impact of the new rate structure assessed by the City is a 6.2% increase in costs for FY 2020. The cost of wastewater treatment is anticipated to be \$1,071,840 in FY 2020. The Town’s 10-year financial model anticipates a 3% average increase in these costs each year.

In FY 2018, the Town entered into a new solid waste collection agreement with Republic Services that went into effect in January of 2018. As noted previously, the 10-year agreement includes a CPI indexed rate adjustment. The current CPI reflects an increase of 3.4%, resulting in an increase in the Adopted Budget for this service of \$40,063. The annual cost for FY 2020 related to collection and disposal service is \$1,171,111.

Capital Improvements – Operating on a cash funded basis, the Town’s adopted 23 cent tax rate allocates 4.7 cents toward funding the Town’s CIP in FY 2020. The 10-year financial model related to the CIP establishes a minimum of 4.2 cents of the Town’s 23 cents tax rate to be applied each year beyond 2020. In past years, this transfer varied based on changes in operating costs within the General Fund. To establish a set portion of the tax rate to be applied toward the CIP, operational costs will need to be constrained to a greater extent than was done in prior years. To that end, the financial model changes the anticipated increase in personnel costs to reflect a 3.25%

growth rate, and other operational costs are held to a 3% growth rate. The FY 2019 financial model anticipated a 4.5% annual growth in personnel costs and 3.5% in other operational costs.

The CIP is comprised of three major components including the: Capital Projects Fund, Utility Fund, and the Storm Water Drainage Fund. Overall the CIP for FY 2020 and the 10-years presented is budgeted to cost \$13,537,381 and \$103,018,132, respectively, and provides for the following projects:

| | FY 2020 | 10-Year |
|--|----------------------|-----------------------|
| <i>Capital Projects Fund:</i> | | |
| Roads & Bridges | \$ 4,134,377 | \$ 56,807,620 |
| Parks & Recreation | 858,949 | 2,961,837 |
| Public Safety | 3,044,055 | 3,437,929 |
| Sub-total* | \$ 8,037,381 | \$ 63,207,386 |
| <i>Utility Fund:</i> | | |
| Water & Sewer Improvements | \$ 2,000,000 | \$ 14,916,746 |
| Lakeside & 30" Sewer Interceptor | - | 3,400,000 |
| NE Water Pressure Improvements | 300,000 | 4,500,000 |
| Water Tank Rehabilitation | 300,000 | 1,800,000 |
| Utility Portion of Road Projects | 760,000 | 6,637,000 |
| Sub-total* | \$ 3,360,000 | \$ 31,253,746 |
| <i>Storm Water Drainage Fund:</i> | | |
| Drainage Facility Improvements & Studies | \$ 1,500,000 | \$ 1,700,000 |
| Connor Park Shoreline Stabilization | - | 858,000 |
| Storm Water Portion of Road Projects | - | 1,359,000 |
| Hackberry Creek | 640,000 | 4,640,000 |
| Sub-total* | \$ 2,140,000 | \$ 8,557,000 |
| Total CIP | \$ 13,537,381 | \$ 103,018,132 |

*Amounts exclude transfers-out to other funds.

The CIP's 10-year financial model anticipates a 3.5% increase each year in Taxable Assessed Values, reflecting the anticipated impact of Senate Bill 2, with the Town maintaining the adopted tax rate and a 4% increase in sales tax revenue. In addition to the adjustment in water and sewer rates scheduled for FY 2021, mentioned earlier, the CIP anticipates continued adjustments to storm water drainage rates based on the Consumer Price Index. The plan assumes a 2.7% annual rate of return on investments. The Adopted CIP incorporates funding anticipated to be received from Dallas Area Rapid Transit (DART), as well as anticipated funding participation from Dallas County and University Park. Other funding sources include the Texas Department of Transportation for related road, bridge and drainage projects, depending on future years project selections.

Following the Town Council's direction, staff initiated studies assessing the Town's infrastructure. These studies include a street condition assessment and modeling of the Town's water system and wastewater system. Staff is also completing a study of the Town's storm water system to be prepared during FY 2020. While not complete, the work with the street and water/wastewater studies has identified several new infrastructure projects that are included in the Adopted CIP. As

the projects are further refined, the prioritization, scope, and estimated cost for each will be updated for consideration by the Town Council.

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.

Total revenues of the Adopted Budget for the General Fund are \$25,761,609, representing an increase of \$1,491,396, or 6.1% over the previous fiscal year Adopted Budget. Operational expenditures represent \$21,055,450, or 81.7% of the General Fund Budget, with the remaining balance of \$4,731,159 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$3,118,232, representing 12.1% of the overall General Fund Adopted Budget.

Revenues:

The Adopted Budget includes a property tax rate of \$0.23 per \$100 of taxable assessed value (T.A.V.), which is 1 cent higher than the prior year. Based on the certified tax rolls provided by the Dallas Central Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year’s budget by \$1,019,954. Adjusting the tax rate by 1 cent generates an additional \$639,856. The remaining \$380,098 is generated from existing property revaluation (52.3%) and new construction (47.7%).

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 3.58%.

Historical Property Tax Information

| Tax Year | Tax Rate | Taxable Assessed Value (T.A.V.) | % Change in T.A.V. | Tax Levy |
|----------|----------|------------------------------------|--------------------|-----------------|
| 2000 | 0.2462 | \$2,146,638,147 | 10.66% | \$5,285,023.12 |
| 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 |
| 2019 | 0.2300 | \$6,463,192,448 | 2.71% | \$14,865,342.63 |

Between FY 2008 and 2010, the Town benefitted from increased property values that resulted in increased revenues to fund operations and capital projects. Property values declined in FY 2011 and 2012, and the Town chose to maintain the existing tax rate, resulting in a decline in property tax revenue. The economy began to rebound in FY 2013, and as a result, the Town experienced an increase in taxable assessed property values over the last eight years. Keeping the tax rate constant over the last several years 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 FY 2020 include:

- Sales tax receipts, the fund's second largest source of revenue, is estimated at \$4,234,176, representing a 4.0% increase over the year-end actual for FY 2018.
- Franchise fees are declining, primarily due to the approval of SB 1152, which provides an option to companies providing both cable and telecom services along the same fiber optic lines to pay the lower of the gross receipts tax on cable service or access line fees on telecom services. The reduction in revenue resulting from this legislation is approximately \$50,000 per year.
- The continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. During FY 2019, building permit revenue is expected to be higher than anticipated. Total building permit revenue in FY 2020 is projected at \$1,142,658, which is consistent with collections over the last four years.
- Municipal Court revenues are expected to be higher than the amount budgeted in the Adopted Budget for FY 2019, primarily due to having a full-year of both traffic units staffed. Revenues for FY 2020 have been budgeted comparable to those projected at year-end for FY 2019.

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 45.3% of the overall budget, excluding transfers, and 78.9% in the General Fund. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

Compensation- As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. In recognition of this important goal, the General Fund budget includes \$334,960 (exclusive of additional taxes, TMRS, etc.) for compensation increases. The compensation program for FY 2020 is modified from past years, in that non-exempt employees will receive a 3% adjustment in their annual pay, versus a merit increase up to 7% based on prior year performance. Exempt employees will receive a 2.5% adjustment as opposed to 3% in their annual pay. Additionally, the quarterly performance stipend, applicable only to non-exempt employees, will be capped at 6% rather than 7%.

During FY 2013, the Council updated the list of comparable cities and corresponding salary survey information for the Town's compensation program. The system provides a financially sustainable

model that ensures a fair and predictable method of career progression and compensation for employees. Not only was the Council able to confirm its labor market and define market positions, it also confirmed that the current pay structure should be maintained and adjusted as market conditions warrant. As noted, the Town's pay system is a pure pay-for-performance format, substantially different than most municipal systems which are tenure-based pay structures where employees are granted automatic pay increases.

Pension- The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. The pension contribution rate paid by the Town for employees will increase from 6.28%, to 9.36% of payroll for FY 2020 to accommodate funding the implementation of Updated Service Credits (USC) and Transfer Credits at 75%. The last time the Town provided this benefit, which was at 100%, was in 2008. The overall adjustment to the budget for FY 2020 to accommodate this benefit is \$328,028, with the General Fund being impacted by \$295,916. Many of the Town's comparison cities provide this benefit on an annual basis, and at 100%. TMRS' projections indicate that the resulting unfunded liability created by providing this benefit is approximately \$3.3M. The Town will still maintain a high funded ratio projected to be at 95.9%.

Health Insurance- Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees, and continuing to be an employer of choice. Town staff recommended, and Town Council approved, remaining with Cigna, the current health insurance provider, for FY 2020. Although Cigna provided an initial pricing that reflected a 20% increase in premiums, Lockton Dunning, the Town's benefits consultant, was able to negotiate the increase down to 10%. The overall impact to the Adopted Budget for FY 2020 is \$139,583, with an increase to the General Fund of approximately \$125,193.

Capital Improvement Plan- The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$3,118,232. This transfer is increasing by \$442,342, as a direct result of the Adopted Budget implementing an increase in the property tax rate of 1 cent. Additionally, this transfer includes \$1,408,280 that is sustained as a result of funding from enhanced revenue provided by the growth in property values from tax years 2014 - 2016. Maintaining this funding source for the Town's Capital Projects Fund was a major focus in preparing the Adopted Budget as the Council continues its focus on a pay-as-you-go system to fund infrastructure needs.

Other significant items within the General Fund include:

- The Adopted Budget includes \$29,000 for continued quarterly reviews of policing and municipal court data to be performed by Del Carmen Consulting.
- New funding to support added security at the Highland Park Independent School District elementary schools in the amount of \$200,000.
- In past years, funding in the amount of \$125,000 was set aside in anticipation of paying out compensated absences related to employee retirements that are not budgeted within each department. This funding, along with an additional \$84,331, is budgeted to be used toward an additional contribution to TMRS for FY 2020 to pay down the Town's expected unfunded net pension liability resulting from USC.
- The transfer to the Equipment Replacement Fund has increased \$106,430 to reflect expected costs of maintenance for vehicles and DPS equipment over time.

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 \$3,923,381 meeting this policy requirement. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town's budget. Any excess revenue and unallocated appropriation, above the 17% fund balance requirement, is transferred to the Capital Projects Fund.

UTILITY FUND

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

Revenues:

Utility Fund revenues for FY 2020 are anticipated to be \$11,161,825, inclusive of transfers, which is a decrease of 16.5%, or \$2,211,362, when compared to the Adopted Budget for FY 2019. This decrease is primarily related to contributions anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) of \$1,652,246, in connection with the Lakeside Road project. This project has been moved to FY 2021 in the CIP as part of the overall improvement project related to the 30-inch sewer interceptor project. Funding participation from the City of University Park has also been moved to future years within the CIP to coincide with the various phases of the project.

The Adopted Budget also anticipates water and wastewater rates remaining constant for FY 2020. While the Town's 5-year rolling average of water sales continues to decline due to recent weather patterns and water conservation efforts, the financial model remains sustainable under the current plan of adjusting rates every other year. The next rate adjustment is scheduled for FY 2021 at 4.75%.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for the Utility Fund are contractually related to water purchases and sanitary sewer treatment attributing to 38.3%, or \$3,651,415 of the overall costs projected for FY 2020. The Adopted Budget also includes \$3,360,000 for capital outlay and capital improvements related to the Town's utility system. Personnel costs within the Utility Fund are similarly impacted by the aforementioned changes in compensation and benefits. The compensation program is increasing this budget by \$36,044 (exclusive of additional taxes, TMRS, etc.).

The rate charged by the City of Dallas for the treatment of wastewater is being increased by 6.2%. The contract with the City of Dallas represents \$1,071,840 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 1.74% as well. While

the cost of water is increasing, the annual budget for water purchases is declining due to anticipated lower consumption. Overall water purchases account for \$2,579,575 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 \$1,882,429. The ending fund balance in the Utility Fund is projected to be \$5,813,096. 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 FY 2017. This fund is used to account for all revenues and expenses associated with providing solid waste services to Town residents and businesses. In previous years, the Town accounted for this activity within the General Fund; however, to ensure that the rates charged for this activity cover the full cost of providing this service, it is appropriate for this activity to be accounted for within its own fund.

Revenues:

Solid waste revenues are projected to be \$1,523,096, exclusive of transfers, representing a 4.17% increase over the Adopted Budget for FY 2019. Revenues consist of charges for solid waste services and recycling. Rates charged for the provision of solid waste are increasing to accommodate an increase in the cost of service from the Town's service provider. Overall, the increase in monthly rates is 2.9%, and will ultimately increase the monthly solid waste bill for regular service by \$0.86 and pack-out service by \$1.61.

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 \$1,067,321 and \$103,790 respectively for FY 2020. In FY 2019, based on the Town Council's review and approval, the Town began offering residential collection service for household hazardous waste, as well as annual household hazardous waste events, budgeted at \$46,000. The purchase, maintenance, and handling of solid waste containers is completed by Town staff. The Adopted Budget for FY 2020 includes \$45,000 for the purchase of new containers. The Adopted Budget for the Solid Waste Fund also includes a Transfer-Out of \$75,800 to the Capital Projects Fund, which represents 5% of projected revenues for FY 2020.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund, however, the fund balance projected at the end of FY 2020 is \$141,950.

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 \$4.57 and \$36.08 per month for each dwelling unit that is on the property, based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

Revenues:

Revenues from storm water fees in the Storm Water Utility Fund are projected to be \$447,204, 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 2.1%. 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 for this fund total \$2,225,900, 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, \$640,000 for Douglas Park drainage, and \$900,000 for drainage easement projects.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund. The fund balance projected at the end of FY 2020 is \$1,024,502. This fund balance is committed to improvements to the Town's storm water drainage system.

CAPITAL PROJECTS FUND

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

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

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

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

Revenues:

Revenues in the Capital Projects Fund are projected to be \$6,146,109 for FY 2020, 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 \$598,693 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding equates to \$3,118,232 for the next fiscal year. In FY 2015, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional \$342,651 per year toward the Capital Improvement Plan. This practice continued for the following two fiscal years, and as a result of the increase in taxable assessed values of properties within the Town, the Adopted Budget allocates \$1,408,280 from additional property tax revenue to meet existing and future capital needs. To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund. The 1 cent addition to the tax rate increases the transfer for FY 2020 by \$442,342.

Funding of \$1,701,814 in FY 2020 anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) has been included in the Adopted Budget. Additionally, funding participation anticipated from Dallas County in the amount of \$500,000 has also been incorporated into the CIP.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$8,037,381, with \$1,039,377 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and \$870,000 for the reconstruction of Lakeside Drive. Some of the other projects in the Adopted Budget include \$658,949 related to park and parkway renovations, \$740,000 for Overhill Drive reconstruction, \$200,000 for tennis court reconstruction, and \$730,000 for Mockingbird Lane rehabilitation. The Adopted Budget also includes an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund, a \$350,000 transfer to the Storm Water Drainage Fund to meet capital funding needs, and a \$150,000 transfer to the Utility Fund to begin setting aside funding for the replacement of the Town's elevated water tank at Holland Avenue.

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

Fund Balance:

The Town's fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The Adopted Budget for FY 2020 projects the fund balance of the Capital Projects Fund to be at \$3,652,384 at year-end, which meets the required minimum.

OTHER FUNDS

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

Equipment Replacement Fund:

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be \$753,566 and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to insure that adequate funding is provided at the time of replacement. Total expenditures are budgeted at \$303,821 to replace two parks vehicles, one water vehicle, and the public safety SCBA equipment. The fund balance projected within this fund at the end of the next fiscal year is \$3,436,153.

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 \$645,237. The transfers to this fund are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to insure that adequate funding is provided at the time of replacement. Expenditures

within this fund are budgeted at \$146,678 and are primarily related to the town-wide network infrastructure as well as planned computer replacements. The fund balance projected within this fund at the end of the next fiscal year is \$2,858,052.

Building Maintenance & Investment Fund:

The Building Maintenance & Investment Fund accounts for the resources needed to maintain the Town Hall and the Service Center, as well as plan for significant replacements and upgrades in the future. Town staff developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be \$514,448 and are derived from transfers from the General Fund and the Utility Fund. These transfers are based on the annual budget of the Building Maintenance Fund, which is proportionally divided between the General Fund and the Utility Fund, based on the number of employees within each fund who utilize the Service Center and Town Hall. Expenditures within this fund are budgeted to be \$402,975. Through sound planning and a practice to set aside funding for future needs, fund balance in this fund continues to grow in anticipation of major improvements or repairs. The fund balance projected within this fund at the end of the next fiscal year is \$1,086,463.

Forfeited Property Fund:

This special revenue fund is used to account for the receipt of forfeited assets resulting from criminal activities and the funding of crime prevention programs and equipment. The use of these resources is restricted by their enabling statutes. Fund balance at end of FY 2020 is projected to be \$28,569.

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 \$29,194, which for the most part, is transferred annually to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be \$38,084 and are used to fund technological improvements that work to the benefit of the Municipal Court. Both funds are projected to maintain fund balances at the end of FY 2020, with \$106,204 remaining in the Court Technology Fund and \$17,731 remaining in the Court Security Fund.

Library Fund:

The Library Special Revenue Fund was established to account for resources received from royalties that are restricted for the Library. Revenues anticipated for next fiscal year total \$15,000. The Adopted Budget for FY 2020 includes \$6,480 for the purpose of a 'book bike' and related storage, safety, and technological equipment to be used at community events. A funding request for this item will be made to the Highland Park Quality of Life Foundation. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$257,669.

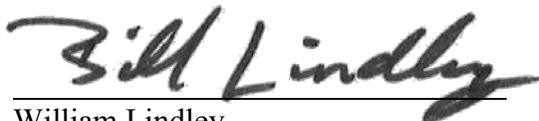
DPS Technology Fund:

The DPS Technology Fund was established during FY 2014 and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, \$87,180 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 \$92,795, and fund balance at the end of next fiscal year is projected to be \$284,573. 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 toward the development of the Adopted Budget and believes that through its implementation, the Town Council will continue to see excellence in meeting the expectations of residents and businesses. The Adopted Budget makes smart investments in many programs needed to keep pace with residents' service expectations. At the same time, it attempts to strike a fair balance between residents who would like to see more services with those who are attentive to rising property valuations and tax payments. Overall, the Adopted Budget is a financial plan, providing residents with a full scope of high quality municipal services, especially our remarkable public safety.

Once again, thank you to the Mayor and Town Council Members for the vision and direction throughout this process, and all the hard work by the Department Heads and staff. With the effective work of the Finance Department and that of each Department, the Town is operating with a clear plan of maintaining fiscal strength and stability. The Adopted Budget will enable the Town to continue its quality of life as a thriving and safe community that cherishes its location, unites in its diversity, and evolves to meet the continuous challenges that success brings.



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.) | X | (Municipal Court) (Finance) (Info. Tech.) | |
| Utility | | | (Water) (Sewer) | | (Utility Admin) | X |
| Solid Waste | | | X | | | |
| Stormwater Drainage | | | 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 |

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

| | General | Utility | Solid Waste | Storm Drainage | Equipment Replacement | Technology Replacement |
|---|----------------------|----------------------|---------------------|---------------------|--------------------------|---------------------------|
| BEGINNING FUND BALANCE | \$ 3,948,381 | \$ 6,063,881 | \$ 130,932 | \$2,569,297 | \$ 2,986,408 | \$ 2,359,493 |
| REVENUES: | | | | | | |
| Property Taxes | \$ 14,752,289 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Water Sales | - | 7,296,171 | - | - | - | - |
| Sewer Charges | - | 3,017,681 | - | - | - | - |
| Sales Taxes | 4,234,176 | - | - | - | - | - |
| Sanitation/Recycling Charges | - | - | 1,516,399 | - | - | - |
| Franchise Fees | 1,006,919 | - | - | - | - | - |
| Building Inspection Fees/Permits | 1,293,664 | 64,906 | - | - | - | - |
| Municipal Court Fines/Fees | 1,287,132 | - | - | - | - | - |
| Interest Earnings | 172,000 | 168,994 | 6,697 | 23,495 | 72,415 | 53,680 |
| Storm Water Drainage Fees | - | - | - | 423,709 | - | - |
| All Other | 1,757,929 | 112,699 | - | - | 32,000 | 1,000 |
| TOTAL REVENUES | \$ 24,504,109 | \$ 10,660,451 | \$ 1,523,096 | \$ 447,204 | \$ 104,415 | \$ 54,680 |
| Transfers from Other Funds | 1,257,500 | 501,374 | 25,000 | 350,000 | 649,151 | 590,557 |
| TOTAL REVENUES & TRANSFERS | \$ 25,761,609 | \$ 11,161,825 | \$ 1,548,096 | \$ 797,204 | \$ 753,566 | \$ 645,237 |
| TOTAL AVAILABLE RESOURCES | \$ 29,709,990 | \$ 17,225,706 | \$ 1,679,028 | \$ 3,366,501 | \$ 3,739,974 | \$ 3,004,730 |
| EXPENDITURES: | | | | | | |
| Personnel Services: | | | | | | |
| Payroll | \$ 12,775,829 | \$ 1,362,575 | \$ - | \$ - | \$ - | \$ - |
| Taxes | 913,919 | 100,571 | - | - | - | - |
| Retirement (TMRS) | 1,102,981 | 119,395 | - | - | - | - |
| Insurance | 1,824,095 | 216,759 | - | - | - | - |
| Total Personnel | \$ 16,616,824 | \$ 1,799,300 | \$ - | \$ - | \$ - | \$ - |
| Supplies & Equipment | \$ 1,013,750 | \$ 2,823,451 | \$ 45,000 | \$ 7,100 | \$ - | \$ - |
| Services & Charges | 3,424,876 | 1,544,285 | 1,356,278 | 78,800 | 2,400 | - |
| Capital Outlay | - | 3,360,000 | - | 2,140,000 | 301,421 | 146,678 |
| TOTAL EXPENDITURES | \$ 21,055,450 | \$ 9,527,036 | \$ 1,401,278 | \$ 2,225,900 | \$ 303,821 | \$ 146,678 |
| Transfers to Other Funds | 4,731,159 | 1,885,574 | 135,800 | 116,099 | - | - |
| TOTAL EXPENDITURES & TRANSFERS | \$ 25,786,609 | \$ 11,412,610 | \$ 1,537,078 | \$ 2,341,999 | \$ 303,821 | \$ 146,678 |
| ENDING FUND BALANCE | \$ 3,923,381 | \$ 5,813,096 | \$ 141,950 | \$ 1,024,502 | \$ 3,436,153 | \$ 2,858,052 |
| FUND BALANCE MINIMUM | \$ 3,853,624 | \$ 1,882,429 | \$ - | \$ - | \$ - | \$ - |
| FUND BALANCE SURPLUS | \$ 69,757 | \$ 3,930,667 | \$ 141,950 | \$ 1,024,502 | \$ 3,436,153 | \$ 2,858,052 |

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

| Building Maintenance & Investment | Forfeited Property Fund | Court Technology | Court Security | Library Fund | DPS Technology | Capital Projects | Adopted Budget FY 2020 | Adopted Budget FY 2019 |
|--|------------------------------------|-------------------------|-----------------------|---------------------|-----------------------|-------------------------|-----------------------------------|-----------------------------------|
| \$ 974,990 | \$ 26,619 | \$ 110,787 | \$ 13,137 | \$ 250,169 | \$ 278,958 | \$ 6,219,231 | \$ 25,932,283 | \$ 23,609,956 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 14,752,289 | 13,724,735 |
| - | - | - | - | - | - | - | 7,296,171 | 7,341,387 |
| - | - | - | - | - | - | - | 3,017,681 | 3,081,954 |
| - | - | - | - | - | - | - | 4,234,176 | 3,943,973 |
| - | - | - | - | - | - | - | 1,516,399 | 1,459,479 |
| - | - | - | - | - | - | - | 1,006,919 | 1,074,514 |
| - | - | - | - | - | - | - | 1,358,570 | 1,232,666 |
| - | - | 36,178 | 28,943 | - | - | - | 1,352,253 | 1,308,860 |
| 20,948 | 450 | 1,906 | 251 | 5,000 | 5,615 | 140,190 | 671,641 | 424,416 |
| - | - | - | - | - | - | - | 423,709 | 409,203 |
| 15,500 | 2,500 | - | - | 10,000 | 87,180 | 2,201,814 | 4,220,622 | 6,123,943 |
| \$ 36,448 | \$ 2,950 | \$ 38,084 | \$ 29,194 | \$ 15,000 | \$ 92,795 | \$ 2,342,004 | \$ 39,850,430 | \$ 40,125,130 |
| 478,000 | - | - | - | - | - | 3,804,105 | 7,655,687 | 6,902,276 |
| \$ 514,448 | \$ 2,950 | \$ 38,084 | \$ 29,194 | \$ 15,000 | \$ 92,795 | \$ 6,146,109 | \$ 47,506,117 | \$ 47,027,406 |
| \$ 1,489,438 | \$ 29,569 | \$ 148,871 | \$ 42,331 | \$ 265,169 | \$ 371,753 | \$ 12,365,340 | \$ 73,438,400 | \$ 70,637,362 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,138,404 | \$ 13,877,116 |
| - | - | - | - | - | - | - | 1,014,490 | 986,046 |
| - | - | - | - | - | - | - | 1,222,376 | 847,953 |
| - | - | - | - | - | - | - | 2,040,854 | 1,955,627 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,416,124 | \$ 17,666,742 |
| \$ 44,750 | \$ - | \$ 3,852 | \$ - | \$ 6,480 | \$ - | \$ - | \$ 3,944,383 | \$ 3,970,070 |
| 307,590 | 1,000 | 22,900 | - | 1,020 | - | - | 6,739,149 | 6,431,875 |
| 50,635 | - | 15,915 | - | - | - | 8,037,381 | 14,052,030 | 12,085,360 |
| \$ 402,975 | \$ 1,000 | \$ 42,667 | \$ - | \$ 7,500 | \$ - | \$ 8,037,381 | \$ 43,151,686 | \$ 40,154,047 |
| - | - | - | 24,600 | - | 87,180 | 675,275 | 7,655,687 | 6,902,276 |
| \$ 402,975 | \$ 1,000 | \$ 42,667 | \$ 24,600 | \$ 7,500 | \$ 87,180 | \$ 8,712,656 | \$ 50,807,373 | \$ 47,056,323 |
| \$ 1,086,463 | \$ 28,569 | \$ 106,204 | \$ 17,731 | \$ 257,669 | \$ 284,573 | \$ 3,652,684 | \$ 22,631,027 | \$ 23,581,039 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,000,000 | \$ 7,736,053 | \$ 6,737,092 |
| \$ 1,086,463 | \$ 28,569 | \$ 106,204 | \$ 17,731 | \$ 257,669 | \$ 284,573 | \$ 1,652,684 | \$ 14,894,974 | \$ 16,843,947 |

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Budget Calendar Fiscal Year 2019 - 2020

| | |
|-----------------------|--|
| April 2 | Budget kick-off memo to departments with assumptions |
| April 16 | Departments submit initial projection of FY 2018-19 revenues and expenditures to the Finance Department |
| April 19 | Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets |
| April 25 | Deliver notice for the May 13 Public Hearing in the newspaper. The notice will run on May 2 and May 9. Provide notice to Town Secretary for publishing on website. |
| April 26 | Departments submit any new programs to the Finance Department Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan |
| April 29 | Meet and discuss the Town's 5-year Capital Improvement Plan with Department Directors |
| April 30 – May 9 | Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors |
| <u>May 13</u> | Receive preliminary taxable assessed values from Dallas County Appraisal District (DCAD) Public Hearing for citizen comment on the development of the FY 2019-20 Budget. Departments submit revised projection of FY 2018-19 revenues and expenditures to the Finance Department |
| May 21 | Review and discuss with the Town Council the progress of the FY 2019-20 budget process and the Council's priorities and expectations of the FY 2019-20 Budget. |
| May 30* | Review and discuss the Town Council's priorities and expectations of the FY 2019-20 budget in relation to the topic of employee compensation. |
| <u>June 10</u> | Review and discuss with the Town Council the progress of the FY 2019-20 budget process and the Council's priorities and expectations of the FY 2019-20 Budget. Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 5-year Capital Improvement Plan |

Budget Calendar Fiscal Year 2019 - 2020

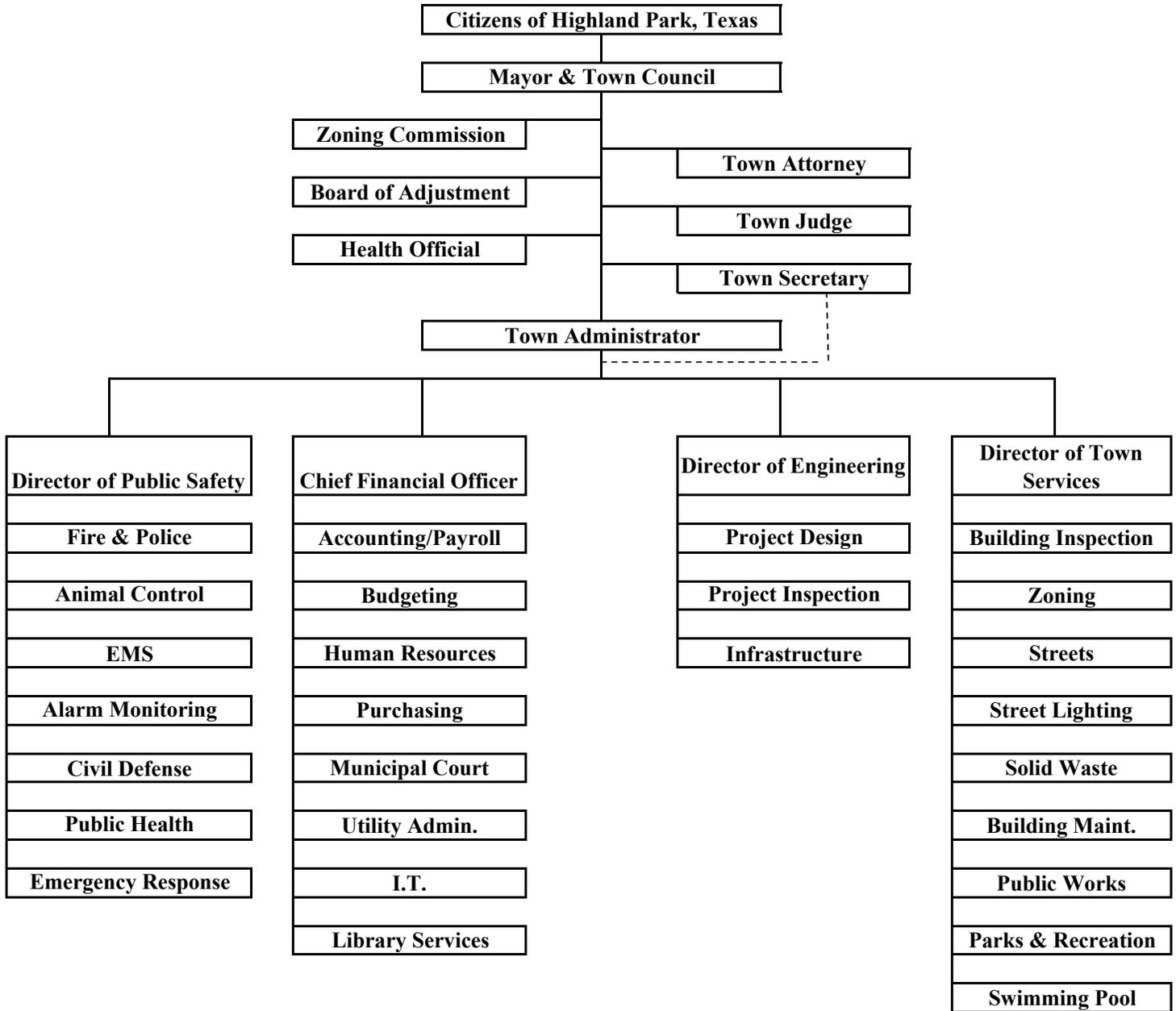
| | |
|-------------------------|---|
| June 4 - 14 | Departmental meetings with Town Administrator on Budget Requests |
| June 21 | Departments submit performance measurement forms to the Finance Department. These forms include departmental accomplishments during the 2018-19 fiscal year and objectives for the 2019-20 fiscal year |
| July 10 | Departments submit final projection of FY 2018-19 revenues and expenditures to the Finance Department |
| <u>July 22</u> | Council sets date to call Public Hearing on the FY 2019-20 Proposed Budget [Town Charter 9.05(A)] |
| July 25 | Receive Certified Appraisal Roll from DCAD Deliver notice of the August 12 and August 26 Public Hearing on the FY 2019-20 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website. |
| July 31 | FY 2019-20 Proposed Budget delivered to the Town Council and the Town Secretary |
| August 5 | Publication of the notice for the August 12 and August 26 First and Second Public Hearing on the FY 2019-20 Proposed Budget in the newspaper |
| August 6 | Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2019-20 and schedule two public hearings on the proposal Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2019-20 |
| August 8 | Publication of notice the August 12 and August 26 First and Second Public Hearing on FY 2019-20 Proposed Budget in the newspaper |
| <u>August 12</u> | First Public Hearing on FY 2019-20 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 Deliver notice of Public Hearing on Tax Increase and Public Hearing on FY 2019-20 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website. Announce date and time of Public Hearing to adopt the tax rate |

Budget Calendar Fiscal Year 2019 - 2020

| | |
|---------------------------|--|
| August 13 | Review and discuss the draft FY 2019-20 Proposed Budget with the Finance & Audit Advisory Committee |
| August 19 | Publication of notice for August 26 and September 3 First and Second Public Hearings on Tax Increase |
| August 22 | Publication of notice for August 26 and September 3 First and Second Public Hearings on Tax Increase |
| August 23 | Publication of notice for the September 3 Public Hearing on FY 2019-20 Proposed Budget in the newspaper |
| <u>August 26</u> | Second Public Hearing on FY 2019-20 Proposed Budget First Public Hearing on Tax Increase |
| September 3 | Second Public Hearing on Tax Increase Third Public Hearing on the FY 2019-20 Proposed Budget |
| <u>September 9</u> | Town Council considers approval of: <ul style="list-style-type: none">• FY 2019-20 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 2020-24 Capital Improvement Plan |
| September 13 | Provide approved property tax ordinance and property tax rate to Dallas County Tax Office and the Dallas Central Appraisal District. |
| September 17 | Adoption of the Master Fee Schedule |

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. 2053

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020, 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 \$50,807,373, including \$7,655,687 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2019, and ending September 30, 2020, in accordance with the provisions of the Town Charter, Section 4.02 D. 4., and Section 9.05 A.; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 31, 2019, and more than thirty (30) days prior to the end of the fiscal year 2019, in accordance with the provisions of Section 4.02 D. 4., and Section 9.05 A. of the Town Charter, and not less than thirty (30) days prior to October 1, 2019, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notices of public hearings on the proposed budget on August 12, 2019, August 26, 2019, and September 3, 2019, were 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 9, 2019, following the public hearing, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 9th day of September 2019.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Gayle Kirby
Town Secretary

ORDINANCE NO. 2054

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2019 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 2019, there is hereby levied an ad valorem tax of \$0.230000 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2019, 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 6.87 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$10.00.

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 2020.

That said tax shall be due and payable October 1, 2019.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2019 levy.

PASSED AND APPROVED this 9th day of September 2019.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:

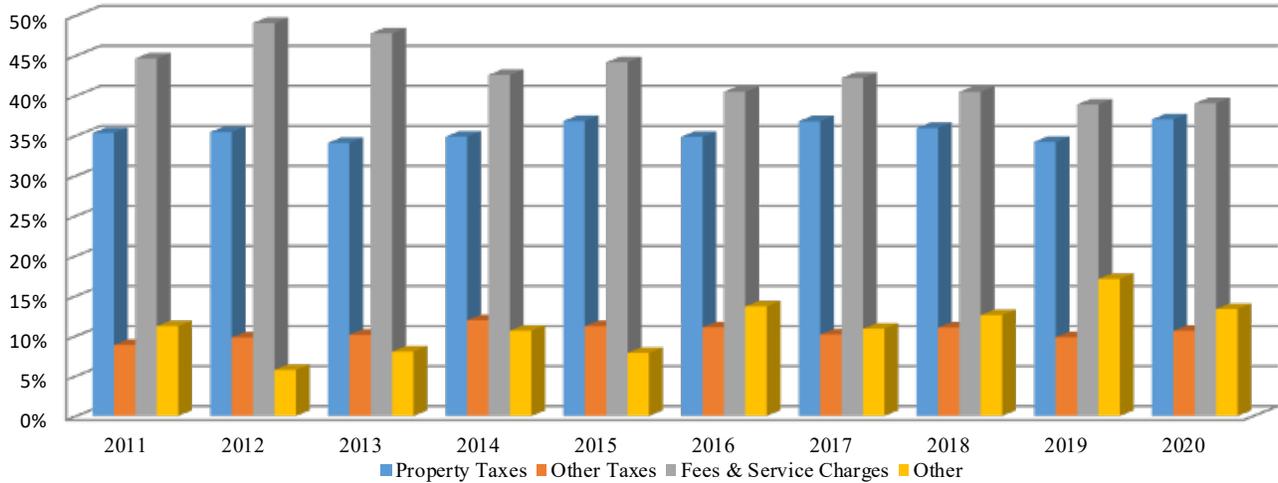


Gayle Kirby
Town Secretary

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

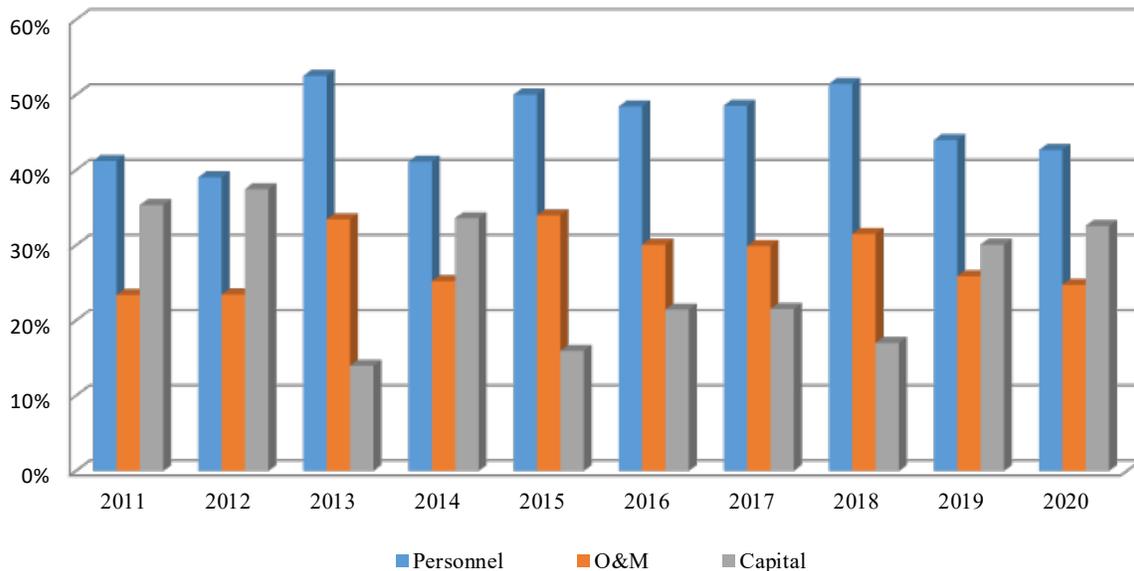
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|----------------------------------|---------------------------|---------------------------|------------------------------|----------------------------|
| BEGINNING FUND BALANCE | \$ 18,044,704 | \$ 23,609,956 | \$ 23,609,956 | \$ 25,932,283 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Property Taxes | \$ 13,266,804 | \$ 13,724,735 | \$ 13,701,099 | \$ 14,752,289 |
| Water Sales | 7,291,607 | 7,341,387 | 6,144,019 | 7,296,171 |
| Sewer Charges | 2,808,651 | 3,081,954 | 2,552,867 | 3,017,681 |
| Sales Taxes | 4,071,324 | 3,943,973 | 4,116,270 | 4,234,176 |
| Sanitation/Recycling Charges | 1,390,789 | 1,459,479 | 1,463,571 | 1,516,399 |
| Franchise Fees | 1,036,561 | 1,074,514 | 1,088,794 | 1,006,919 |
| Building Inspection Fees/Permits | 1,332,503 | 1,329,666 | 1,552,075 | 1,358,570 |
| Municipal Court Fines/Fees | 1,075,200 | 1,308,860 | 1,369,600 | 1,352,253 |
| Interest Earnings | 546,299 | 429,216 | 861,668 | 671,991 |
| Storm Water Fees | 399,396 | 409,203 | 413,009 | 423,709 |
| Other Revenues | 3,698,269 | 6,022,143 | 6,757,182 | 4,220,272 |
| TOTAL REVENUES | \$ 36,917,403 | \$ 40,125,130 | \$ 40,020,154 | \$ 39,850,430 |
| OTHER SOURCES | | | | |
| Transfers In | \$ 8,025,298 | \$ 6,902,276 | \$ 8,445,463 | \$ 7,655,687 |
| TOTAL OTHER SOURCES | \$ 8,025,298 | \$ 6,902,276 | \$ 8,445,463 | \$ 7,655,687 |
| TOTAL REVENUES/SOURCES | \$ 44,942,701 | \$ 47,027,406 | \$ 48,465,617 | \$ 47,506,117 |
| EXPENDITURES | | | | |
| Personnel Services | | | | |
| Payroll | \$ 12,910,890 | \$ 13,877,116 | \$ 13,624,490 | \$ 14,138,404 |
| Payroll Taxes | 887,287 | 986,046 | 961,952 | 1,014,490 |
| Retirement | 774,052 | 847,953 | 849,741 | 1,222,376 |
| Insurance | 1,705,572 | 1,955,627 | 1,755,848 | 2,040,854 |
| Total Personnel | \$ 16,277,801 | \$ 17,666,742 | \$ 17,192,031 | \$ 18,416,124 |
| Supplies & Equipment | 3,871,652 | 3,970,070 | 3,389,062 | 3,944,383 |
| Services & Charges | 6,094,929 | 6,431,875 | 6,221,619 | 6,739,149 |
| Capital Outlay | 5,382,027 | 12,085,360 | 10,895,115 | 14,052,030 |
| TOTAL EXPENDITURES | \$ 31,626,409 | \$ 40,154,047 | \$ 37,697,827 | \$ 43,151,686 |
| OTHER USES | | | | |
| Transfers Out | 7,751,040 | 6,902,276 | 8,445,463 | 7,655,687 |
| TOTAL OTHER USES | \$ 7,751,040 | \$ 6,902,276 | \$ 8,445,463 | \$ 7,655,687 |
| TOTAL USES | \$ 39,377,449 | \$ 47,056,323 | \$ 46,143,290 | \$ 50,807,373 |
| ENDING FUND BALANCE | \$ 23,609,956 | \$ 23,581,039 | \$ 25,932,283 | \$ 22,631,027 |

REVENUES BY TYPE FOR ALL FUNDS



As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 48). 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 164.

EXPENDITURES/EXPENSES BY TYPE FOR ALL FUNDS



Personnel costs comprise the majority of the Town’s cost of operations. Municipal governments, as any service organization, are labor intensive. However, the graph above reflects the growth in the amount of funding committed to capital improvements resulting in personnel costs representing a lower percentage of overall funds distributed. Additional detail on expenditure history/trends is presented on page 166.

**2019 TAX RATE FOR HIGHLAND PARK
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES
 (PER \$100)**

| | |
|---------------------------|----------------|
| Dallas | \$0.77660 |
| Garland..... | 0.76960 |
| Mesquite..... | 0.73400 |
| Richardson | 0.62516 |
| Carrollton | 0.58997 |
| Farmers Branch..... | 0.59951 |
| Irving..... | 0.59410 |
| Addison..... | 0.58350 |
| University Park | 0.25855 |
| Highland Park..... | 0.23000 |

**AD VALOREM TAX ANALYSIS
 2018 TAX ROLL**

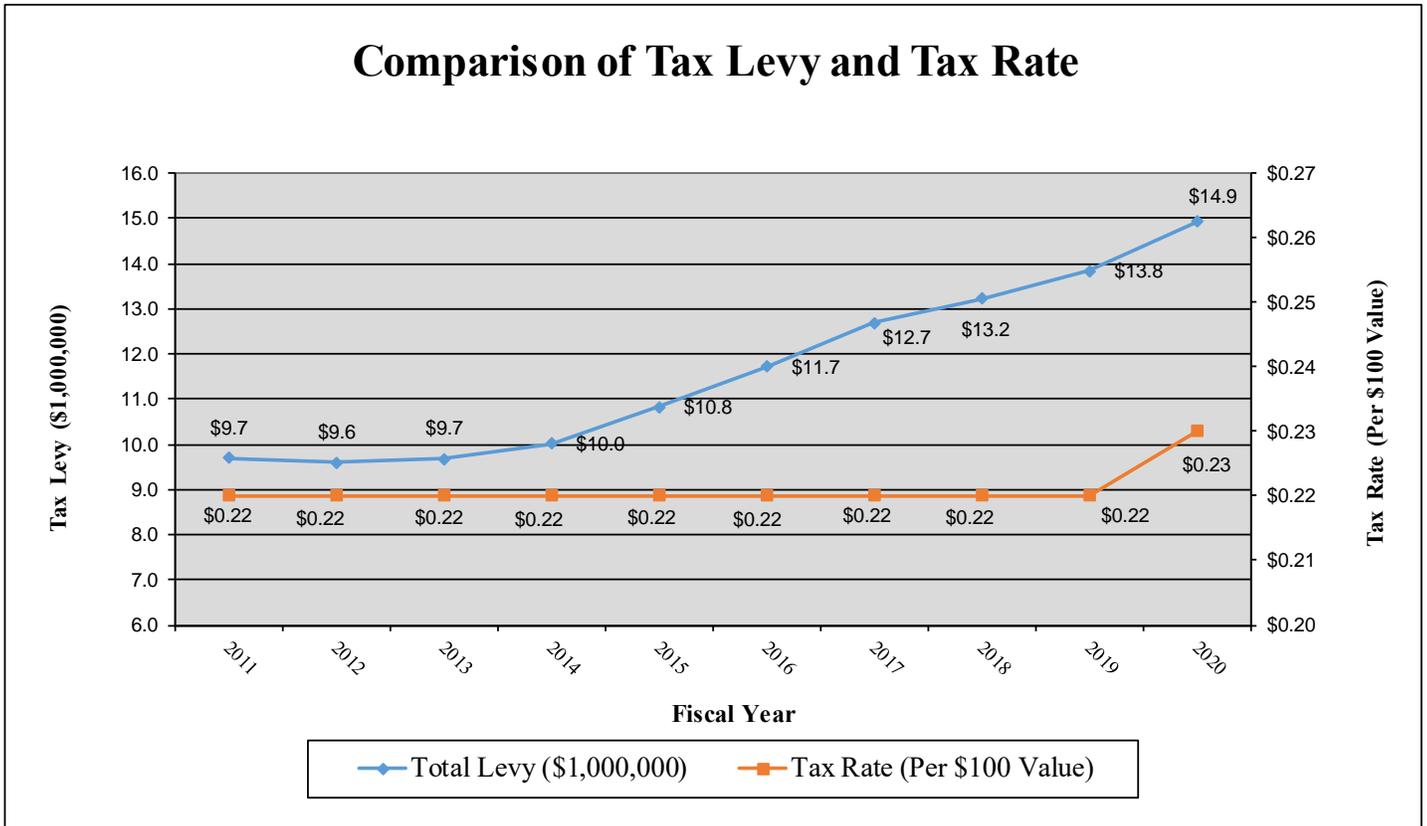
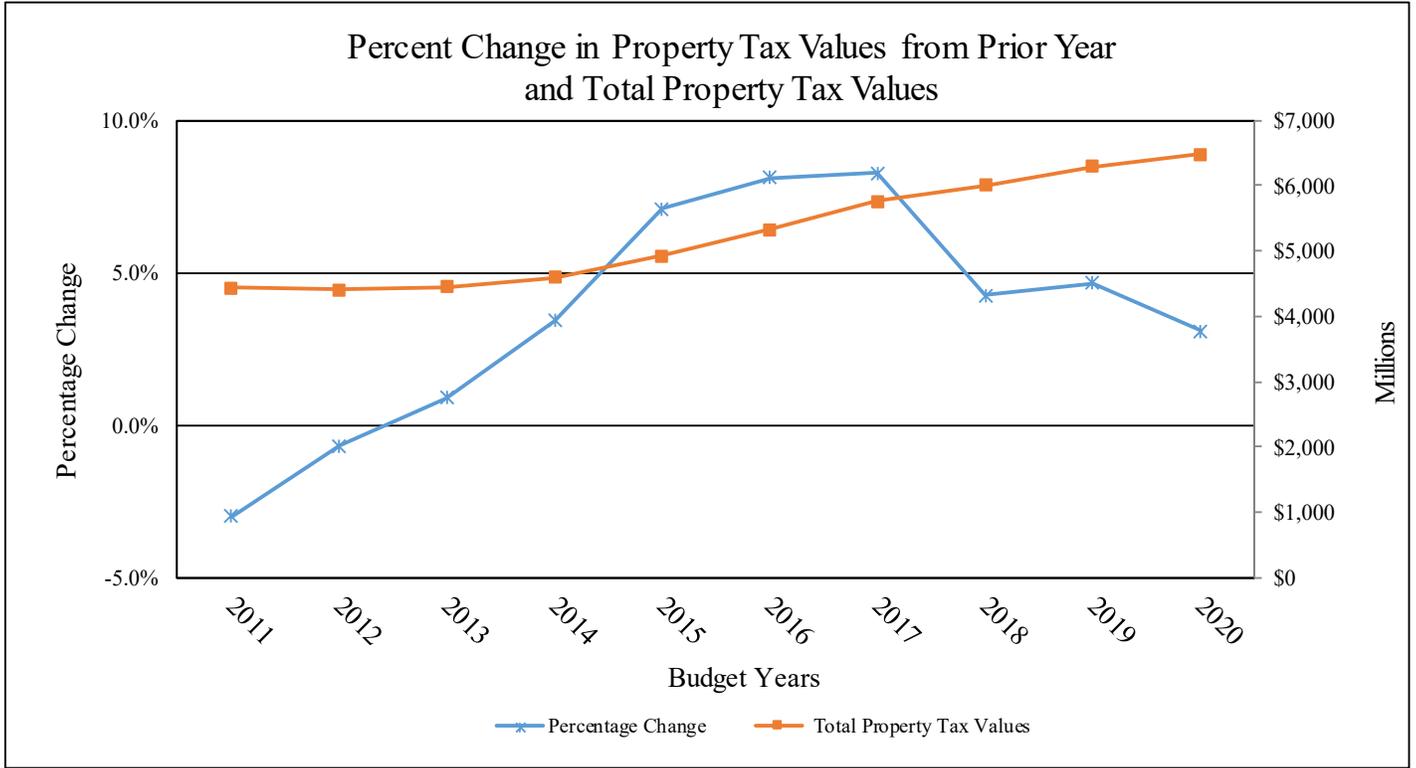
| | |
|--|---------------------|
| Assessed Valuation (100%) | \$ 7,943,061,820 |
| Taxable Valuation* | \$ 6,463,192,448 |
| Rate per \$100 | \$0.2300 |
| Total Tax Levy | \$14,865,343 |
| Percent of Collection | 99.0 |
| Estimated Current Tax Collections | \$14,716,689 |

*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED
 FISCAL YEAR 2019-20 TAX COLLECTIONS**

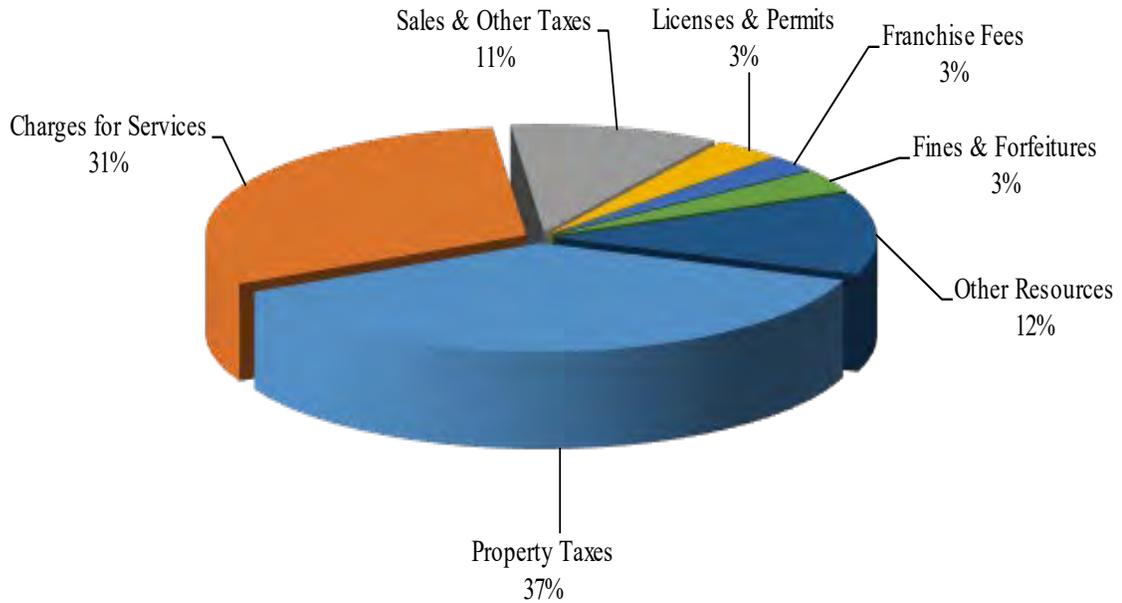
| | |
|--------------------------------------|----------------------|
| Current Taxes | \$ 14,716,689 |
| Delinquent Taxes | <u>35,600</u> |
| Total Tax Collections | \$ 14,752,289 |
| Penalty & Interest on Taxes | <u>56,000</u> |
| Total Tax Related Collections | \$ 14,808,289 |

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



PROJECTED RESOURCES

Fiscal Year 2019-2020

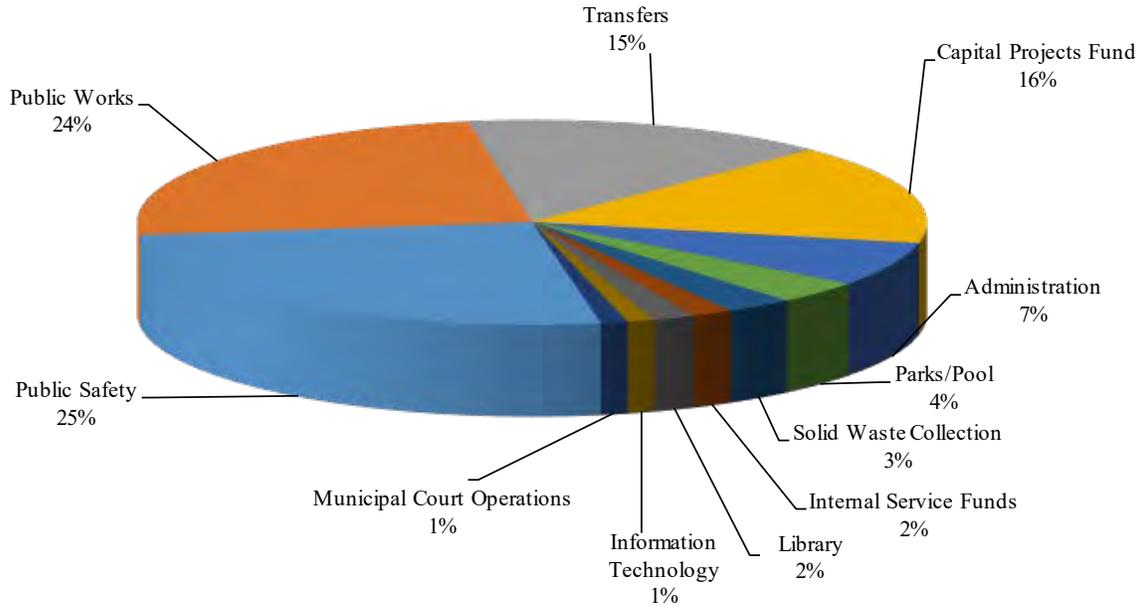


ALL FUNDS

| | |
|----------------------|----------------------|
| Property Taxes | \$ 14,752,289 |
| Charges for Services | 12,253,960 |
| Sales & Other Taxes | 4,234,176 |
| Licenses & Permits | 1,358,570 |
| Franchise Fees | 1,006,919 |
| Fines & Forfeitures | 1,352,253 |
| Other Resources | 4,892,263 |
| | \$ 39,850,430 |

BUDGETED DISBURSEMENTS

Fiscal Year 2019-2020

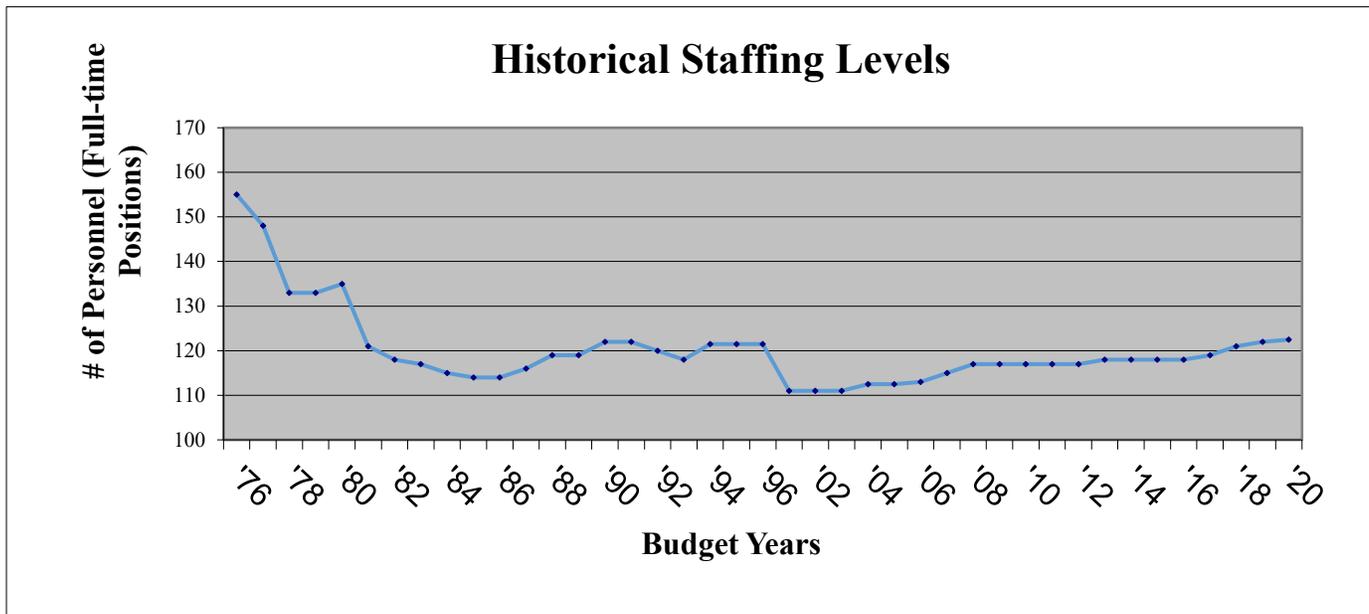


BY FUNCTION

| | |
|----------------------------|---------------|
| Public Safety | \$ 13,085,286 |
| Public Works | \$ 12,408,073 |
| Transfers | \$ 7,655,687 |
| Capital Projects Fund | \$ 8,037,381 |
| Administration | \$ 3,549,527 |
| Parks/Pool | \$ 1,828,440 |
| Solid Waste Collection | \$ 1,401,278 |
| Internal Service Funds | \$ 853,474 |
| Library | \$ 862,220 |
| Information Technology | \$ 565,583 |
| Municipal Court Operations | \$ 560,424 |
| | \$ 50,807,373 |

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

| | Budget FY 2018 | | Budget FY 2019 | | Budget FY 2020 | |
|-------------------------------|-------------------|------------|-------------------|------------|-------------------|------------|
| | 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 | 72.0 | 0.5 | 73.0 | 0.0 | 73.0 | 0.0 |
| Town Services | 3.0 | 0.0 | 3.0 | 0.0 | 3.0 | 0.0 |
| Street | 3.3 | 0.0 | 3.3 | 0.0 | 3.3 | 0.0 |
| Street Lighting | 1.0 | 0.0 | 1.0 | 0.0 | 1.0 | 0.0 |
| Library | 4.0 | 2.0 | 5.0 | 1.5 | 5.5 | 1.0 |
| Parks & Recreation | 7.0 | 0.0 | 7.0 | 0.0 | 7.0 | 0.0 |
| Swimming Pool | 0.0 | 3.4 | 0.0 | 3.4 | 0.0 | 3.4 |
| Municipal Court | 2.0 | 1.0 | 2.0 | 1.8 | 2.0 | 2.1 |
| Finance | 5.0 | 0.0 | 5.0 | 0.0 | 5.0 | 0.0 |
| Building Inspection | 5.0 | 0.0 | 5.0 | 0.0 | 5.0 | 0.0 |
| Information Technology | 1.0 | 0.0 | 1.0 | 0.0 | 1.0 | 0.0 |
| Sub-Total General Fund | 105.3 | 6.9 | 107.3 | 6.7 | 107.8 | 6.5 |
| Utility Fund | | | | | | |
| Customer Service | 3.0 | 0.0 | 3.0 | 0.0 | 3.0 | 0.0 |
| Water | 5.4 | 0.0 | 5.4 | 0.0 | 5.4 | 0.0 |
| Sewer | 2.3 | 0.0 | 2.3 | 0.0 | 2.3 | 0.0 |
| Engineering | 5.0 | 0.0 | 4.0 | 0.0 | 4.0 | 0.0 |
| Sub-Total Utility Fund | 15.7 | 0.0 | 14.7 | 0.0 | 14.7 | 0.0 |
| Total | 121.0 | 6.9 | 122.0 | 6.7 | 122.5 | 6.5 |



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.

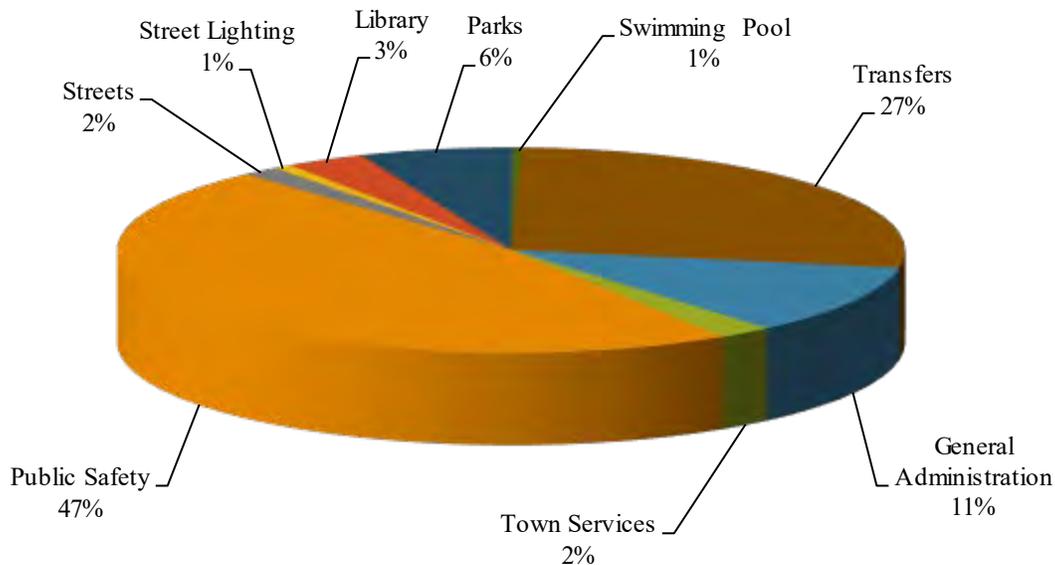
GENERAL FUND OVERVIEW

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 58-59.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$14,716,689 or 60.2% of General Fund revenues come from property taxes. This compares to 59.4% and 59.1% 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 45.9% (\$2,040,528,965) driven, in part, by \$636,494,695 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 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 fiscal years, sales tax receipts make up 17.3%, 17.1% and 16.8%, respectively, of total projected actual revenues for the General Fund.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT

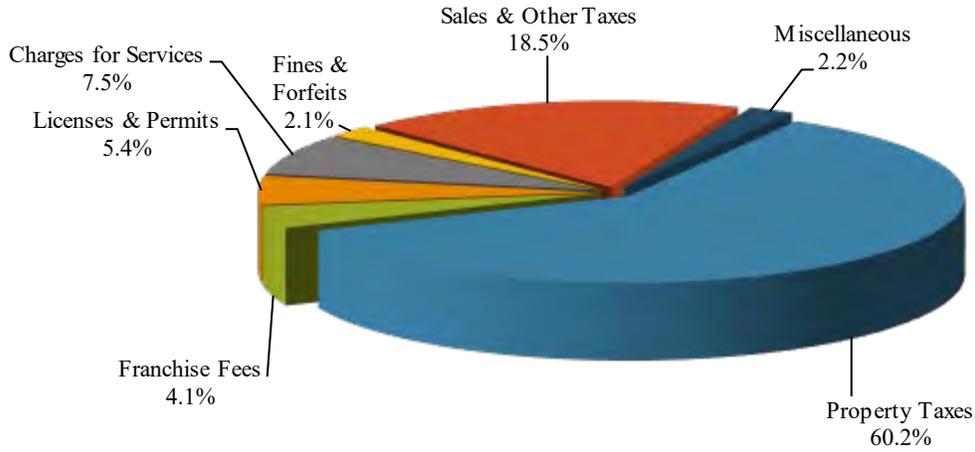
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 4,202,886 | \$ 3,690,475 | \$ 4,540,892 | \$ 3,948,381 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Taxes | \$ 17,608,788 | \$ 17,893,208 | \$ 18,121,387 | \$ 19,290,483 |
| Franchise Fees | 1,036,561 | 1,074,514 | 1,088,794 | 1,006,919 |
| Licenses & Permits | 1,228,620 | 1,298,759 | 1,468,199 | 1,316,132 |
| Charges for Services | 1,571,559 | 1,796,732 | 1,799,710 | 1,839,017 |
| Fines & Forfeits | 434,023 | 495,350 | 518,836 | 520,144 |
| Miscellaneous | 654,211 | 493,950 | 646,106 | 531,414 |
| Total Revenues | \$ 22,533,762 | \$ 23,052,513 | \$ 23,643,032 | \$ 24,504,109 |
| Other Sources: | | | | |
| Transfers In | \$ 1,174,141 | \$ 1,217,700 | \$ 1,217,700 | \$ 1,257,500 |
| Total Other Sources | \$ 1,174,141 | \$ 1,217,700 | \$ 1,217,700 | \$ 1,257,500 |
| Total Revenues/Sources | \$ 23,707,903 | \$ 24,270,213 | \$ 24,860,732 | \$ 25,761,609 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Administration Department | \$ 688,317 | \$ 755,347 | \$ 702,040 | \$ 799,769 |
| Town Services | 534,107 | 569,191 | 528,392 | 564,720 |
| Department of Public Safety | 11,977,584 | 12,485,393 | 12,290,079 | 13,084,286 |
| Street Department | 301,174 | 373,763 | 351,601 | 394,591 |
| Street Lighting Department | 159,411 | 187,438 | 186,254 | 185,704 |
| Library Department | 695,394 | 821,970 | 776,513 | 854,720 |
| Parks Department | 1,463,758 | 1,568,041 | 1,645,064 | 1,627,957 |
| Pool Department | 191,718 | 190,568 | 181,855 | 200,483 |
| Municipal Court Department | 424,658 | 496,479 | 462,619 | 517,757 |
| Finance Department | 809,997 | 892,220 | 874,166 | 929,582 |
| Building Inspection Department | 828,452 | 741,881 | 739,894 | 781,963 |
| Information Technology Department | 514,630 | 549,119 | 539,994 | 565,583 |
| Non-Departmental | 384,685 | 452,190 | 451,484 | 548,335 |
| Total Expenditures | \$ 18,973,885 | \$ 20,083,600 | \$ 19,729,955 | \$ 21,055,450 |
| Other Uses: | | | | |
| Transfers to Other Funds | \$ 4,396,012 | \$ 4,180,101 | \$ 5,723,288 | \$ 4,731,159 |
| Total Other Uses | \$ 4,396,012 | \$ 4,180,101 | \$ 5,723,288 | \$ 4,731,159 |
| Total Expenditures/Uses | \$ 23,369,897 | \$ 24,263,701 | \$ 25,453,243 | \$ 25,786,609 |
| Excess (Deficiency) of Revenues/Sources over Expenditures/Uses | \$ 338,006 | \$ 6,512 | \$ (592,511) | \$ (25,000) |
| Fund Balance | \$ 4,540,892 | \$ 3,696,987 | \$ 3,948,381 | 3,923,381 |
| Ideal Fund Balance | \$ 3,466,981 | \$ 3,668,015 | \$ 3,606,576 | \$ 3,853,624 |
| Fund Balance in Excess of Minimum | \$ 1,073,911 | \$ 28,972 | \$ 341,805 | \$ 69,757 |

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

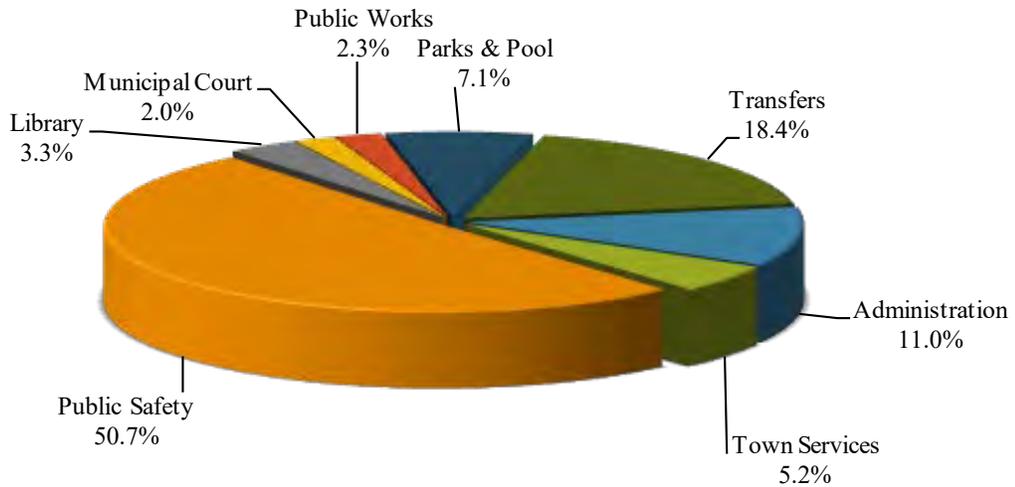
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 4,202,886 | \$ 3,690,475 | \$ 4,540,892 | \$ 3,948,381 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Taxes | \$ 17,608,788 | \$ 17,893,208 | \$ 18,121,387 | \$ 19,290,483 |
| Franchise Fees | 1,036,561 | 1,074,514 | 1,088,794 | 1,006,919 |
| Licenses & Permits | 1,228,620 | 1,298,759 | 1,468,199 | 1,316,132 |
| Charges for Services | 1,571,559 | 1,796,732 | 1,799,710 | 1,839,017 |
| Fines & Forfeits | 434,023 | 495,350 | 518,836 | 520,144 |
| Miscellaneous | 654,211 | 493,950 | 646,106 | 531,414 |
| Total Revenues | \$ 22,533,762 | \$ 23,052,513 | \$ 23,643,032 | \$ 24,504,109 |
| Other Sources: | | | | |
| Transfers In | \$ 1,174,141 | \$ 1,217,700 | \$ 1,217,700 | \$ 1,257,500 |
| Total Other Sources | \$ 1,174,141 | \$ 1,217,700 | \$ 1,217,700 | \$ 1,257,500 |
| Total Revenues/Sources | \$ 23,707,903 | \$ 24,270,213 | \$ 24,860,732 | \$ 25,761,609 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 11,748,530 | \$ 12,533,261 | \$ 12,408,016 | \$ 12,775,829 |
| Payroll Taxes | 803,775 | 886,730 | 874,522 | 913,919 |
| Retirement | 702,623 | 764,166 | 773,096 | 1,102,981 |
| Insurance | 1,539,196 | 1,736,281 | 1,579,982 | 1,824,095 |
| Total Personnel | \$ 14,794,124 | \$ 15,920,438 | \$ 15,635,616 | \$ 16,616,824 |
| Supplies & Equipment | 966,515 | 983,117 | 959,483 | 1,013,750 |
| Services & Charges | 3,213,246 | 3,168,795 | 3,115,844 | 3,424,876 |
| Capital Outlay | - | 11,250 | 19,012 | - |
| Total Expenditures | \$ 18,973,885 | \$ 20,083,600 | \$ 19,729,955 | \$ 21,055,450 |
| Other Uses: | | | | |
| Transfers Out | \$ 4,396,012 | \$ 4,180,101 | \$ 5,723,288 | \$ 4,731,159 |
| Total Other Uses | \$ 4,396,012 | \$ 4,180,101 | \$ 5,723,288 | \$ 4,731,159 |
| Total Expenditures/Uses | \$ 23,369,897 | \$ 24,263,701 | \$ 25,453,243 | \$ 25,786,609 |
| Excess (Deficiency) of Revenues/Sources over Expenditures/Uses | \$ 338,006 | \$ 6,512 | \$ (592,511) | \$ (25,000) |
| Fund Balance | \$ 4,540,892 | \$ 3,696,987 | \$ 3,948,381 | 3,923,381 |
| Ideal Fund Balance | \$ 3,466,981 | \$ 3,668,015 | \$ 3,606,576 | \$ 3,853,624 |
| Fund Balance in Excess of Minimum | \$ 1,073,911 | \$ 28,972 | \$ 341,805 | \$ 69,757 |

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|------------------------------------|---------------------------|---------------------------|------------------------------|----------------------------|
| Taxes | | | | |
| Ad Valorem Taxes | \$ 13,180,019 | \$ 13,696,735 | \$ 13,638,543 | \$ 14,716,689 |
| Delinquent Ad Valorem Taxes | 86,785 | 28,000 | 62,556 | 35,600 |
| City Sales Tax | 4,071,324 | 3,943,973 | 4,116,270 | 4,234,176 |
| Mixed Beverage Tax | 270,661 | 224,500 | 304,018 | 304,018 |
| <i>Subtotal</i> | \$ 17,608,789 | \$ 17,893,208 | \$ 18,121,387 | \$ 19,290,483 |
| Franchise Fees | | | | |
| Electric Utility Franchise Fees | \$ 510,870 | \$ 520,000 | \$ 519,125 | \$ 520,000 |
| Natural Gas Utility Franchise Fees | 191,368 | 186,900 | 230,222 | 192,944 |
| Telecom Franchise Fees | 73,973 | 87,614 | 68,583 | 10,392 |
| CATV Franchise Fees | 195,979 | 210,000 | 189,654 | 203,583 |
| Solid Waste | 34,207 | 40,000 | 54,835 | 50,000 |
| Carriages | 30,164 | 30,000 | 26,375 | 30,000 |
| <i>Subtotal</i> | \$ 1,036,561 | \$ 1,074,514 | \$ 1,088,794 | \$ 1,006,919 |
| Licenses & Permits | | | | |
| Beverage Licenses | \$ 9,520 | \$ 7,618 | \$ 5,260 | \$ 7,282 |
| Health Permits | 5,725 | 6,000 | 6,375 | 5,142 |
| Alarm Permits | 38,601 | 105,600 | 78,508 | 104,352 |
| Electrical Licenses | 250 | - | - | - |
| Building Permits | 1,110,323 | 1,123,306 | 1,323,473 | 1,142,658 |
| Electrical Permits | 53,090 | 45,000 | 42,158 | 45,000 |
| Excavation Permits | 465 | 360 | 385 | - |
| Carriage Licenses | 5,395 | 5,075 | 6,840 | 5,898 |
| Animal Licenses | 5,252 | 5,800 | 5,200 | 5,800 |
| <i>Subtotal</i> | \$ 1,228,621 | \$ 1,298,759 | \$ 1,468,199 | \$ 1,316,132 |
| Charges For Services | | | | |
| E911 Users' Fee | \$ 149,679 | \$ 122,000 | \$ 125,197 | \$ 133,271 |
| Alarm Monitoring Fees | 439,654 | 508,232 | 455,628 | 508,032 |
| Emergency Medical Fees | 170,703 | 179,000 | 189,051 | 183,890 |
| Board Hearing Fee | 1,700 | 2,500 | 4,200 | 2,700 |
| Swimming Pool Concessions | - | 4,000 | 10,000 | 5,000 |
| Swimming Pool Daily Fees | 23,765 | 22,000 | 18,000 | 20,000 |
| Swimming Pool Annual Fees | 78,581 | 78,000 | 70,000 | 76,000 |
| Tennis Court Use Fees | 11,362 | 11,500 | 11,500 | 11,500 |
| Animal Pound Fees | 630 | 1,000 | 1,500 | 1,200 |
| Child Safety Fees | - | - | 7,200 | 9,600 |
| Library Non-resident Fees | 5,896 | 6,000 | 4,800 | 4,800 |
| Court Administration Fees | 35,715 | 35,500 | 37,062 | 36,221 |
| Warrant Fees | 42,477 | 63,000 | 45,385 | 47,905 |
| Court Fees | 165,946 | 182,000 | 196,588 | 180,892 |
| Building Registration Fees | 75,625 | 76,000 | 86,812 | 81,219 |

**GENERAL FUND
STATEMENT OF REVENUES**

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|-------------------------------------|---------------------------|---------------------------|------------------------------|----------------------------|
| Plan Review Fees | 24,750 | 21,000 | 24,825 | 24,787 |
| Deferred Adjudication Fees | 345,077 | 485,000 | 511,962 | 512,000 |
| <i>Subtotal</i> | \$ 1,571,560 | \$ 1,796,732 | \$ 1,799,710 | \$ 1,839,017 |
| Fines & Forfeits | | | | |
| Municipal Court Fines | \$ 427,004 | \$ 480,000 | \$ 510,114 | \$ 510,114 |
| Library Fines | 3,613 | 3,600 | 3,042 | 3,300 |
| Lost Book Charges | 867 | 750 | 655 | 700 |
| Invalid Alarm Fines | 2,540 | 11,000 | 5,025 | 6,030 |
| <i>Subtotal</i> | \$ 434,024 | \$ 495,350 | \$ 518,836 | \$ 520,144 |
| Miscellaneous | | | | |
| Interest | \$ 161,472 | \$ 140,000 | \$ 215,000 | \$ 172,000 |
| Interest-Dallas County | 196 | 350 | 433 | 350 |
| Penalty & Interest - Tax Collection | 105,698 | 52,000 | 72,800 | 56,000 |
| Sale of Assets | 8,500 | 2,000 | 2,000 | 2,000 |
| Rental-Town Property | 305,893 | 247,500 | 302,312 | 253,564 |
| Library Donations | 2,601 | 2,100 | 2,284 | 2,100 |
| Contributions | 14,800 | 10,000 | 5,900 | 10,000 |
| Intergovernmental Revenue | 475 | - | 8,156 | - |
| Town Property Damage Refund | 11,631 | 10,000 | 13,084 | 10,000 |
| Miscellaneous | 42,945 | 30,000 | 24,137 | 25,400 |
| <i>Subtotal</i> | \$ 654,211 | \$ 493,950 | \$ 646,106 | \$ 531,414 |
| Total Revenues | \$ 22,533,766 | \$ 23,052,513 | \$ 23,643,032 | \$ 24,504,109 |

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

| | |
|------------------------|--------------|
| Current Levy | \$14,716,689 |
| Delinquent Taxes | \$35,600 |

Taxable property values increased \$170,718,906, or 2.7%. This growth was in part fueled by new construction which added \$82,426,289 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 155 presents the changes in taxable values in the Town for the most recent ten year period. The fiscal year 2019-20 Adopted Budget reflects an increase in property tax revenues, based on the current tax rate of \$0.23/\$100 valuation, of \$1,019,954.

- **Sales Tax/Other Taxes**

Since FY 2011, sales tax revenues have increased over 160%. 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 164.

- **Franchise Fees**

Receipts for franchised services for fiscal year 2019-20 are projected based upon historical trends. The electric franchise is based upon kWh sold as opposed to gross receipts, (a result of electric power deregulation). Fees from the telephone providers are based upon the number and type of connections, rather than gross receipts. The enabling State legislation for this fee also provides for the annual indexing of the franchise fee schedule. In accordance with the existing natural gas franchise agreement, franchise fees are set at 5% of gross receipts on a calendar year basis and remitted each February. Pursuant to HB 1152, effective January 2020, companies that offer both telecommunications and cable TV services are exempt from paying the lesser of a) telecommunications right-of-way fees (fixed rate per access line) or b) cable TV franchise fees. Projected revenues have been reduced accordingly.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For fiscal year 2019-20, this revenue source is projected to be comparable to the amount budgeted during the fiscal year 2018-19.

- **Licenses & Permits**

Based upon a continued steady rate of new home construction and commercial projects, building permit revenues are projected to be similar to the amounts received in fiscal year 2018-19. A schedule of revenues generated over the last ten fiscal years is on page 164. Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not

base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building. A schedule of construction activity prior to fiscal year 2018-19 is on page 157.

- **Charges for Services**

The total revenues received for services are projected to remain fairly constant when compared to fiscal year 2018-19.

- **Fines & Forfeits**

Municipal Court fines have been projected conservatively and reflect amounts similar to actual collections in fiscal year 2018-19.

- **Miscellaneous**

Projected interest earnings (\$172,000) are based on an average monthly investable balance of approximately \$6,880,000 and an interest rate of 2.5%. The rental of Town property (cell phone antennae sites) is projected at \$253,564 and is based on existing contracts.

Administration Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

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

OBJECTIVES FOR FISCAL YEAR 2020

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

PERFORMANCE INDICATORS

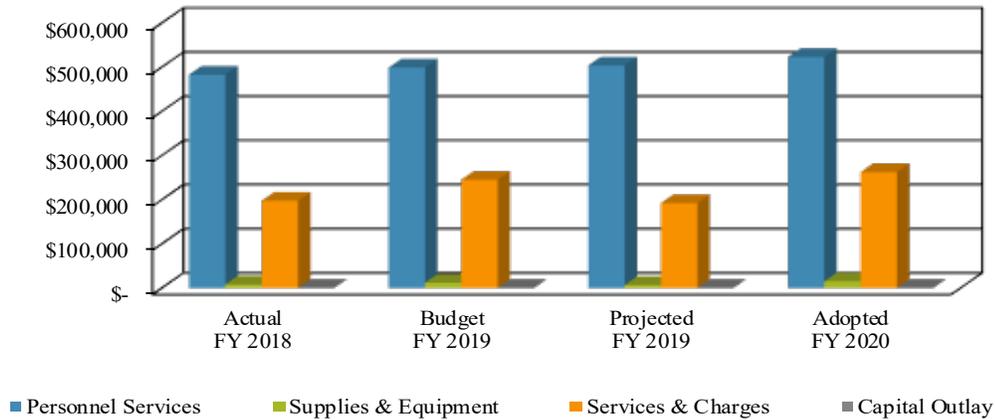
| | FY2017 | FY2018 | FY2019 | FY2020 |
|---|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Timely Distribution of (%): | | | | |
| Town Council Agenda Packets: | 100 | 100 | 100 | 100 |
| Responses to Public Information Act Requests: | 100 | 100 | 100 | 100 |

Administration Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 482,824 | \$ 498,897 | \$ 503,524 | \$ 522,819 | 4.79% |
| Supplies & Equipment | 8,062 | 11,750 | 6,530 | 14,750 | 25.53% |
| Services & Charges | 197,431 | 244,700 | 191,986 | 262,200 | 7.15% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 688,317 | \$ 755,347 | \$ 702,040 | \$ 799,769 | 5.88% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|------------------------|----------------|--------------------------|--------------------------|--------------------------|
| Town Administrator | Not Classified | 1.0 | 1.0 | 1.0 |
| Town Secretary | 7 | 1.0 | 1.0 | 1.0 |
| Total Employees | | 2.0 | 2.0 | 2.0 |

Town Services Department



DEPARTMENT DESCRIPTION

The Town Services Department is responsible for the day-to-day general administration of Development Services, Parks 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. Major events/initiatives include the annual Tree Lighting event held in Armstrong Parkway, seasonal decoration of interior and exterior grounds of Town Hall, Shark Week and Labor Day Luau at the swimming pool and the design and implementation of floral plantings and landscaping in Town parkways, bridges, and parks.

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ 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
- ❖ Installed GPS tracking in Town trucks to expedite service times
- ❖ Expanded work with community partners, such as YMCA and University Park, on joint programming such as the Halloween Pet Parade and the Park Cities Recycling Event, which was held twice during the year
- ❖ Entered the second year of IMPACT-HP, the Town's local government youth program
- ❖ Implemented new recreation software program for the purchase of pool tags, tennis court permits and tennis court reservations

OBJECTIVES FOR FISCAL YEAR 2020

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

PERFORMANCE INDICATORS

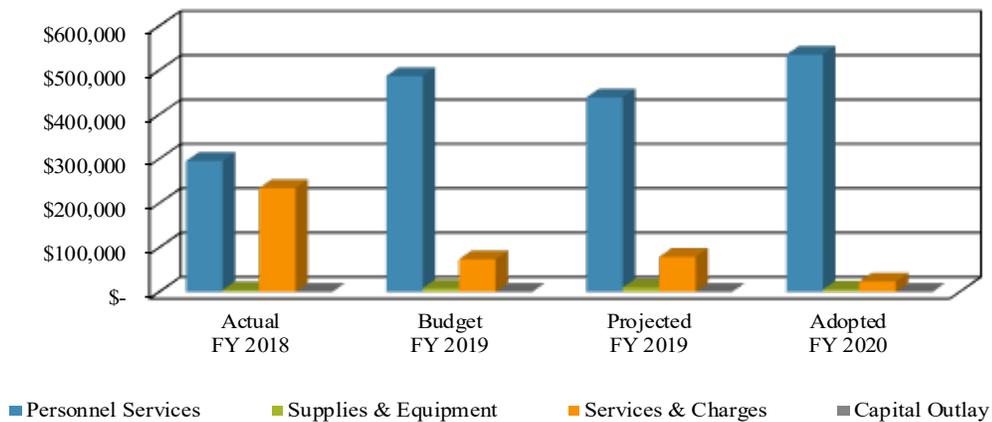
| | FY2017 | FY2018 | FY2019 | FY2020 |
|--|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Water University Classes Held | 5 | 4 | 4 | 5 |
| Water University Classes Attendance | 136 | 156 | 123 | 160 |
| Percent Response to Resident Inquiries within 24 hours | 90 | 100 | 93 | 100 |

Town Services Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 295,695 | \$ 487,151 | \$ 438,961 | \$ 535,770 | 9.98% |
| Supplies & Equipment | 4,277 | 8,400 | 10,275 | 5,450 | -35.12% |
| Services & Charges | 234,135 | 73,640 | 79,156 | 23,500 | -68.09% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 534,107 | \$ 569,191 | \$ 528,392 | \$ 564,720 | -0.79% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|---------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Director of Town Services | E-3 | 1.0 | 1.0 | 1.0 |
| Town Services Manager | E | 1.0 | 1.0 | 1.0 |
| Town Services Coordinator | 6 | 1.0 | 1.0 | 1.0 |
| Total Employees | | 3.0 | 3.0 | 3.0 |



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ Modernized in-house alarm monitoring hardware and systems integration capabilities
- ❖ Enhanced municipal court security through the addition of bailiffs and screening equipment
- ❖ Placed in service five front-line patrol units
- ❖ Implemented new training and continuing education tracking software for public safety personnel
- ❖ Implemented NextGen 911 system
- ❖ Finalized Interlocal Agreements with Garland Mesquite Rowlett and Sachse (GMRS) P25 agencies and completed purchasing contract for new radio system

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Continue work with consultant and vendors on construction and implementation of P25 radio system
- ❖ Purchase and modernize Self-Contained Breathing Apparatus (SCBAs) for fire service
- ❖ Refresh DPS fire quarters living areas
- ❖ Vette and select new in-car/body camera vendor for FY 2021 purchase
- ❖ Continue to grow Public/Private Outreach Programs to include:
 - Active Shooter Training
 - R.A.D. (Rape, Aggression, Defense System)
 - LTC (License to Carry)
 - Stop-the Bleed and CPR classes

PERFORMANCE INDICATORS

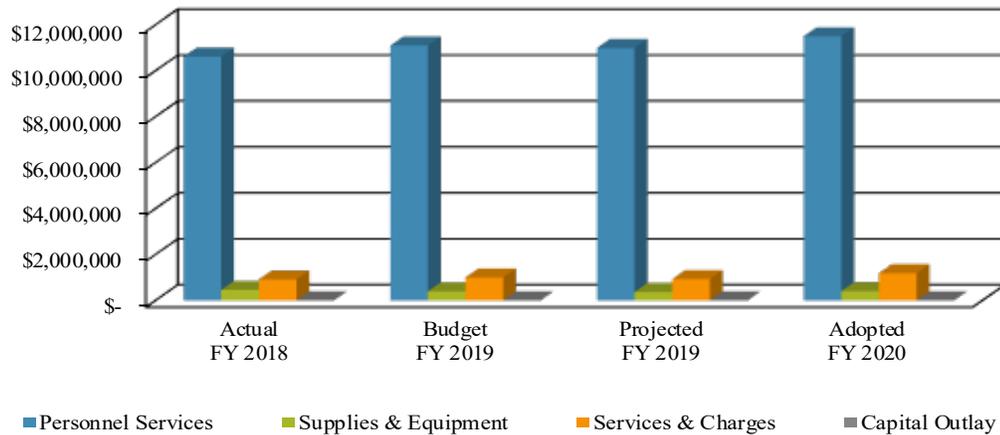
| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|--------------------------------|------------------|------------------|------------------|---------------------|
| Call Responses | | | | |
| Police | 10,530 | 10,137 | 9,281 | 10,000 |
| Fire | 621 | 717 | 824 | 750 |
| Emergency Medical | 369 | 366 | 379 | 400 |
| Other Activity | | | | |
| Fire Inspections | 94 | 380 | 145 | 150 |
| Major Crimes Reported | 183 | 203 | 187 | 191 |
| Response Time (minutes) | | | | |
| Police | 2.5 | 2.6 | 2.7 | 2.6 |
| Fire | 2.1 | 1.8 | 2.1 | 2.0 |
| Emergency Medical | 2.8 | 2.1 | 2.7 | 2.5 |

Department of Public Safety



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$10,612,921 | \$11,095,925 | \$10,989,519 | \$11,496,435 | 3.61% |
| Supplies & Equipment | 456,763 | 392,657 | 366,298 | 401,884 | 2.35% |
| Services & Charges | 907,900 | 996,811 | 926,500 | 1,185,967 | 18.98% |
| Capital Outlay | - | - | 7,762 | - | 0.00% |
| Total Department | \$11,977,584 | \$12,485,393 | \$12,290,079 | \$13,084,286 | 4.80% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 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 | 5.0 | 5.0 | 5.0 |
| Investigator | C | 3.0 | 3.0 | 3.0 |
| Public Safety Officer | C | 35.0 | 36.0 | 37.0 |
| Police Officer | B | 2.0 | 2.0 | 2.0 |
| Communications Supervisor | 8 | 1.0 | 1.0 | 1.0 |
| Communications Manager | 6 | 1.0 | 1.0 | 1.0 |
| Accreditation Manager | 6 | 1.0 | 1.0 | 1.0 |
| Support Services Officer | 4 | 1.0 | 1.0 | 0.0 |
| Communications Specialist | 4 | 8.0 | 8.0 | 8.0 |
| Alarm Specialist | 5 | 1.0 | 1.0 | 1.0 |
| Administrative Secretary | 4 | 2.0 | 2.0 | 2.0 |
| EMS Coordinator | PT | 0.5 | 0.0 | 0.0 |
| Total Employees | | 72.5 | 73.0 | 73.0 |

Street Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

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

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Perform preparation work for Town's 2020 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
- ❖ \$7,000 for Street Signage

PERFORMANCE INDICATORS

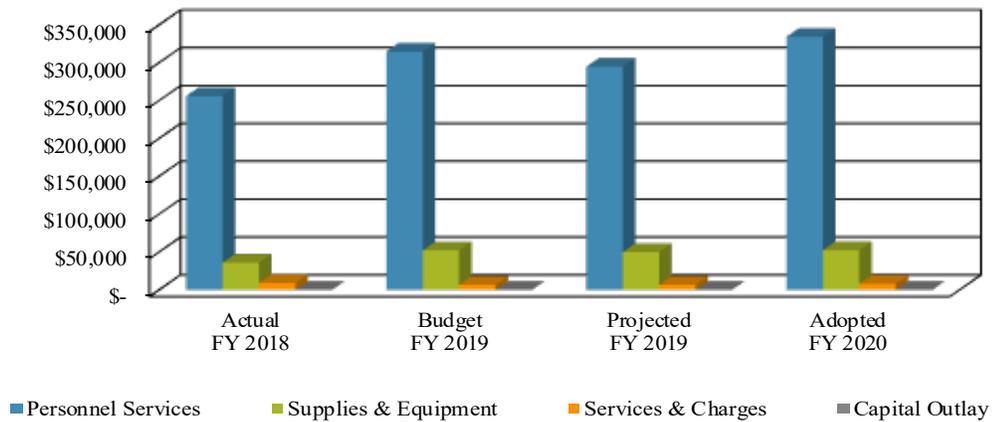
| | FY2017 | FY2018 | FY2019 | FY2020 |
|------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Asphalt Repairs (Tons) | 250 | 295 | 250 | 300 |
| Storm Inlets Cleaned | 1,518 | 1,400 | 1,425 | 1,500 |

Street Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|-------------------|-------------------|----------------------|--------------------|--------------------------|
| Personnel Services | \$ 256,009 | \$ 314,677 | \$ 294,800 | \$ 334,264 | 6.22% |
| Supplies & Equipment | 36,019 | 52,200 | 49,915 | 52,393 | 0.37% |
| Services & Charges | 9,146 | 6,886 | 6,886 | 7,934 | 15.22% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 301,174 | \$ 373,763 | \$ 351,601 | \$ 394,591 | 5.57% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 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 Texas Coalition for Affordable Power (TCAP).

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ 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 2020

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

MAJOR BUDGET ITEMS

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

PERFORMANCE INDICATORS

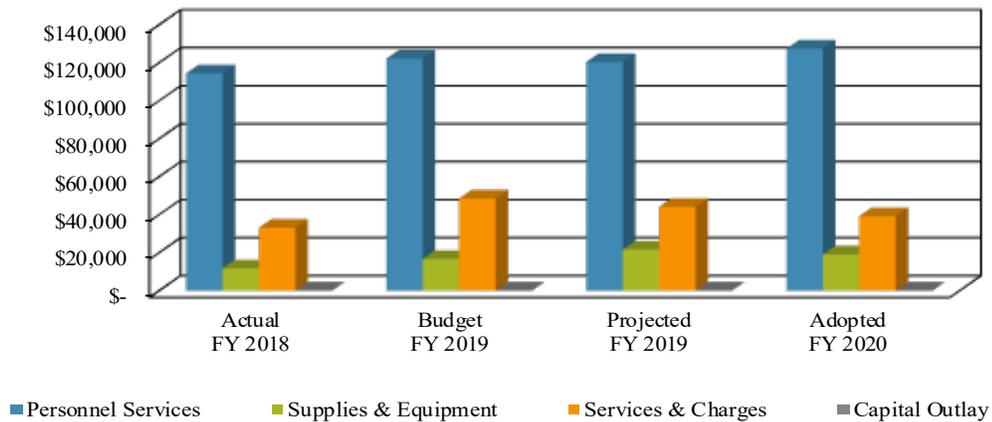
- ❖ The Town received 198 telephone calls from the public reporting street lighting defects (School Flasher Repairs: 6, Street Light Repairs: 160, Traffic Signal Repairs: 32)
- ❖ Staff is working to identify 75% of the defects through proactive weekly inspections, prior to processing calls.
- ❖ Average days to repair is 2.5 days

Street Lighting Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 114,396 | \$ 122,246 | \$ 120,439 | \$ 127,450 | 4.26% |
| Supplies & Equipment | 11,800 | 16,652 | 21,615 | 19,054 | 14.42% |
| Services & Charges | 33,215 | 48,540 | 44,200 | 39,200 | -19.24% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 159,411 | \$ 187,438 | \$ 186,254 | \$ 185,704 | -0.93% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 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 2019

- ❖ Extended the Library's hours of operation by adding seven evening hours per week through the reorganization of staffing schedules and staffing levels. The staffing reorganization involved adding one full-time Library Administrative Assistant position, as well as realigning vacancies to design one full-time Librarian – Adult Services and one full-time Librarian – Youth Services position. Library hours of operation were also increased by ceasing Saturday closures before a Monday holiday.
- ❖ Instituted a new programming series for adults on a variety of topics to reinforce lifelong learning and provide opportunities for community members to become presenters. Monthly events included cultural, educational, and entertainment programs.
- ❖ Began hosting a Tweens, Teens, and Technology (T3) programming series, which was designed to offer creative opportunities for youth to work together.
- ❖ Utilized new spaces outside the Library's physical footprint for programming and service expansion, such as the Town Hall Employee Break Room as an event space and teen study space.
- ❖ Developed and maintained a monthly email newsletter for subscribers to clearly communicate the ways library resources can improve patrons' quality of life.
- ❖ Implemented a version of the Library's online catalog designed specifically for children.
- ❖ Created distinctive web pages for online resources arranged by information need.
- ❖ Received the Achievement of Excellence in Libraries Award from the Texas Municipal Library Directors Association.

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Increase efficiencies of Library procedures by identifying ways to restructure processes and workflows.
- ❖ Continue to expand youth services, which includes a more comprehensive focus on tweens and teens.
- ❖ Concentrate on community outreach and engagement – be visible and offer unique materials and solutions to community issues.
- ❖ Work to ensure user-friendly, personalized access to Library collections.
- ❖ Continue the implementation of the newly created Library Master Plan.

MAJOR BUDGET ITEMS

- ❖ Acquisition of new materials - books (\$56,578), audio/visual materials (\$14,181), e-books (\$16,251), e-audio books (\$14,606), and children's books (\$12,136).
- ❖ Continued funding for e-Services including downloadable e-materials and web-based resources.

PERFORMANCE INDICATORS

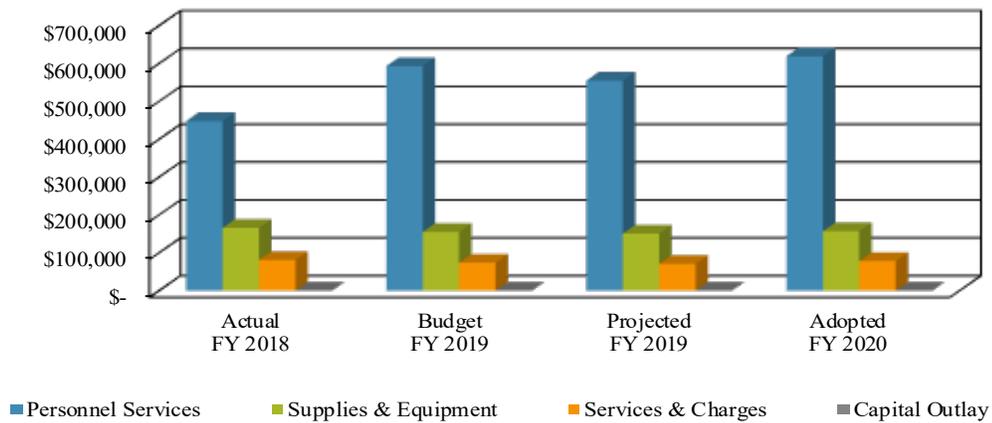
| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|--|------------------|------------------|------------------|---------------------|
| Collection/Circulation | | | | |
| Total Circulation (Physical & Digital) | 43,311 | 44,406 | 48,148 | 49,111 |
| eBooks and eAudiobooks Circulation | 4,006 | 6,315 | 8,505 | 9,356 |
| User Cards Issued/Outstanding | | | | |
| Resident | 558 | 607 | 607 | 619 |
| Non-Resident | 50 | 39 | 53 | 54 |
| Total Valid Cards | 608 | 646 | 660 | 673 |

Library Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 448,327 | \$ 592,862 | \$ 554,798 | \$ 619,051 | 4.42% |
| Supplies & Equipment | 166,288 | 155,338 | 150,830 | 157,138 | 1.16% |
| Services & Charges | 80,779 | 73,770 | 70,885 | 78,531 | 6.45% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 695,394 | \$ 821,970 | \$ 776,513 | \$ 854,720 | 3.98% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|----------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Town Librarian | E | 1.0 | 1.0 | 1.0 |
| Librarian I | E | 1.0 | 0.0 | 0.0 |
| Librarian | 5 | 0.0 | 2.0 | 2.0 |
| Library Assistant | 5 | 1.0 | 0.0 | 0.0 |
| Library Administrative Assistant | 3 | 0.0 | 1.0 | 1.0 |
| Library Assistant | 2 | 0.0 | 0.0 | 0.5 |
| Library Associate (Full-Time) | 2 | 1.0 | 1.0 | 1.0 |
| Library Associate (Part-Time) | 2 | 2.0 | 1.5 | 1.0 |
| Total Employees | | 6.0 | 6.5 | 6.5 |

Parks & Recreation



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 provides wellness programming through the Healthy Lifestyle Series. 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 2019

- ❖ Effectively managed the Town's contracts for turf maintenance, chemical application, tree trimming, and landscape lighting
- ❖ Began the development of the Hackberry Creek park standards
- ❖ Maintained parks, parkway trees, swimming pool, tennis courts and Town rights-of-way
- ❖ Completed the landscaping of tennis court number 2
- ❖ Completed the Ashley Priddy rehabilitation project
- ❖ Completed the Abbott Park and Cave Park rehabilitation projects

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Maintain and continue to implement a Parks Maintenance & Operations Plan
- ❖ Manage the Town's contracts for chemical application and landscape lighting
- ❖ Educate residents and provide inspection for residents on irrigation and mosquito control program
- ❖ Landscape design plan and irrigation of Preston Road and Armstrong Parkway
- ❖ Design and install new landscaping for Douglas Park
- ❖ Completed the rehabilitation of tennis court numbers 3 – 6 and update Fairfax Park

MAJOR BUDGET ITEMS

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

PERFORMANCE INDICATORS

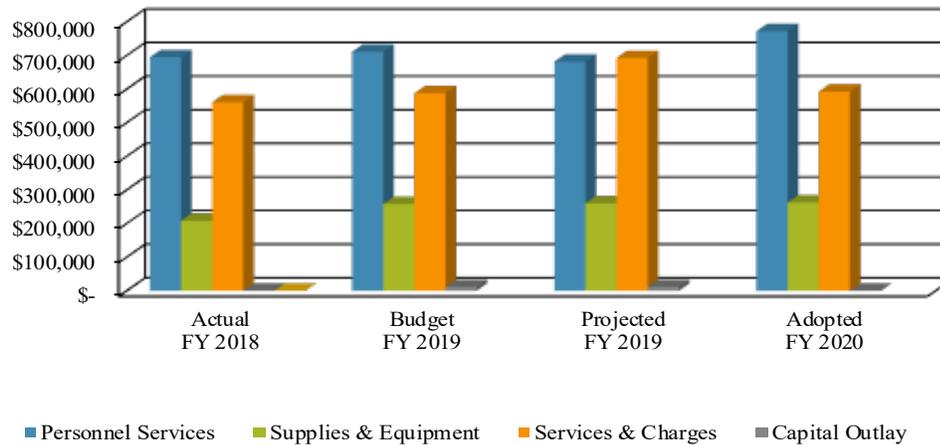
| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|----------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|
| Number of Bulbs | 15,000 | 15,000 | 15,000 | 16,000 |
| Mosquito Back Yard Inspections | 86 | 86 | 72 | 90 |
| Irrigation Inspection | 45 | 45 | 40 | 45 |
| Nuisance Spraying for Mosquitoes | 272 | 272 | 260 | 250 |

Parks & Recreation



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|--------------------|--------------------|----------------------|--------------------|--------------------------|
| Personnel Services | \$ 694,794 | \$ 710,659 | \$ 681,241 | \$ 772,796 | 8.74% |
| Supplies & Equipment | 208,381 | 258,305 | 259,933 | 262,716 | 1.71% |
| Services & Charges | 560,583 | 587,827 | 692,640 | 592,445 | 0.79% |
| Capital Outlay | - | 11,250 | 11,250 | - | 0.00% |
| Total Department | \$1,463,758 | \$1,568,041 | \$1,645,064 | \$1,627,957 | 3.82% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|-------------------------------|-------|------------------|------------------|------------------|
| Foreman | 8 | 1.0 | 1.0 | 1.0 |
| Parks Project Specialist | 4 | 0.0 | 1.0 | 1.0 |
| Parks Maintenance Specialist | 4 | 1.0 | 1.0 | 1.0 |
| Irrigation/Mosquito Inspector | 4 | 1.0 | 1.0 | 1.0 |
| Parks Maintenance Worker II | 3 | 2.0 | 2.0 | 2.0 |
| Parks Maintenance Worker I | 1 | 2.0 | 1.0 | 1.0 |
| Total Employees | | 7.0 | 7.0 | 7.0 |

Pool Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ Provided a safe and clean facility for use of Town residents
- ❖ Replaced the wood deck with a new concrete deck
- ❖ Installed new fencing around the pool facility
- ❖ Painted the pool buildings
- ❖ Promoted utilization of the pool by working with the Library to expand summer reading with toddlers, offering additional water aerobics classes, and adding family activities such as Labor Day Luau and Shark Week

OBJECTIVES FOR FISCAL YEAR 2020

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

MAJOR BUDGET ITEMS

- ❖ Provision of staffing to accommodate the extended pool season from May to September
- ❖ Pool facilities assessment

PERFORMANCE INDICATORS

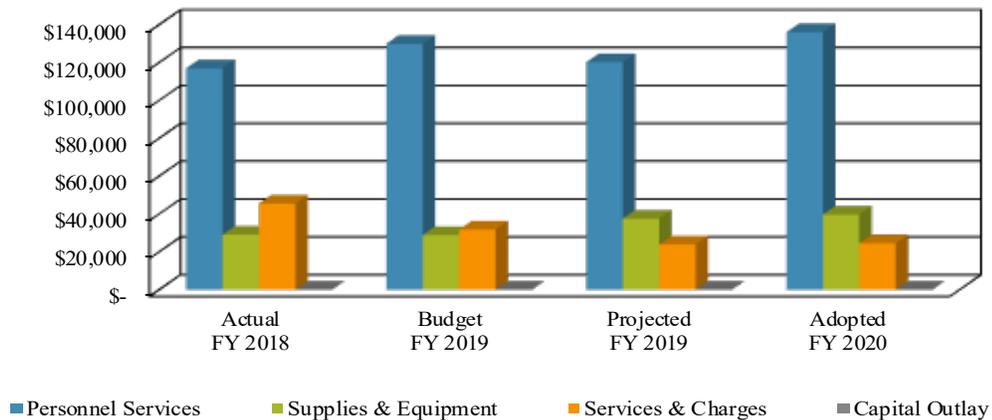
| | FY2017 | FY2018 | FY2019 | FY2020 |
|-------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Annual Pool Passes Sold | 1,365 | 1,381 | 1,223 | 1,390 |
| Daily Pool Passes Sold | 2,540 | 2,608 | 2,487 | 2,500 |

Pool Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 116,989 | \$ 129,922 | \$ 120,255 | \$ 136,133 | 4.78% |
| Supplies & Equipment | 29,140 | 28,850 | 37,600 | 39,750 | 37.78% |
| Services & Charges | 45,589 | 31,796 | 24,000 | 24,600 | -22.63% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 191,718 | \$ 190,568 | \$ 181,855 | \$ 200,483 | 5.20% |



EMPLOYEE CLASSIFICATION & PAY GRADE

(All Part Time Seasonal Employees)

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|---|--------------|--------------------------|--------------------------|--------------------------|
| Manager/Assistant Manager/Lifeguards | NA | 3.4 | 3.4 | 3.4 |
| Total Full Time Equivalent Employees | | 3.4 | 3.4 | 3.4 |

Municipal Court Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ 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
- ❖ Hired a part-time clerk to assist in the court office
- ❖ Hired part-time court security personnel
- ❖ Evaluated new laws passed during the 2019 State Legislative session to determine their impact on court procedures and implement necessary changes

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office
- ❖ Continue data analysis of case dispositions
- ❖ Utilize court software to assist in time management and improve customer service
- ❖ Maintain court calendar, allowing defendants swift access to the court system

MAJOR BUDGET ITEMS

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

PERFORMANCE INDICATORS

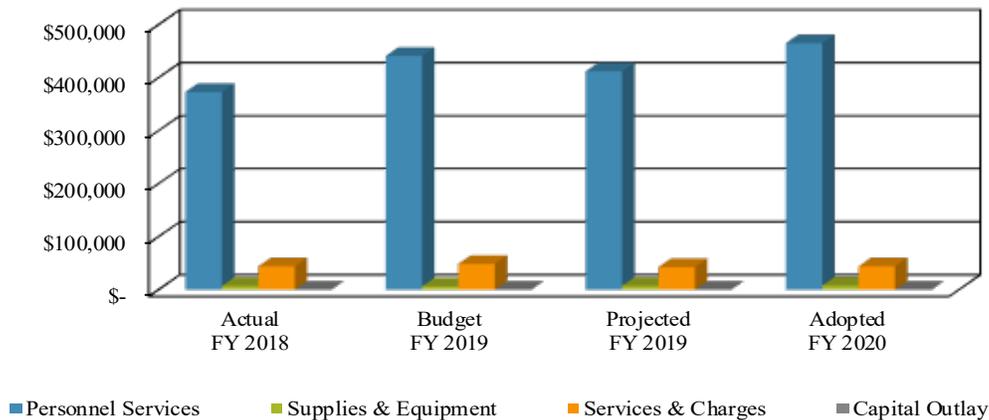
| | FY2017 | FY2018 | FY2019 | FY2020 |
|----------------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Cases Filed | | | | |
| Traffic | 11,992 | 10,746 | 11,152 | 11,025 |
| Parking | 140 | 189 | 369 | 230 |
| State Law | 121 | 96 | 99 | 105 |
| Town Ordinance | 179 | 246 | 105 | 176 |
| Total | 12,432 | 11,277 | 11,725 | 11,536 |
| Cases Disposed | | | | |
| Prior to Trial | 3,975 | 3,359 | 3,731 | 3,688 |
| At Trial | 305 | 280 | 196 | 260 |
| Compliance Dismissals | 5,858 | 5,923 | 7,751 | 6,510 |
| Total | 10,138 | 9,562 | 11,678 | 10,458 |
| Percent Disposed to Filed | 81.55% | 84.79% | 99.60% | 90.66% |

Municipal Court Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 373,282 | \$ 441,204 | \$ 412,312 | \$ 465,417 | 5.49% |
| Supplies & Equipment | 7,234 | 6,375 | 7,640 | 7,925 | 24.31% |
| Services & Charges | 44,142 | 48,900 | 42,667 | 44,415 | -9.17% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 424,658 | \$ 496,479 | \$ 462,619 | \$ 517,757 | 4.29% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Municipal Judge (Part-time) | NA | 0.5 | 0.5 | 0.5 |
| Senior Court Clerk | 5 | 1.0 | 1.0 | 1.0 |
| Court Clerk | 3 | 1.0 | 1.0 | 1.0 |
| Court Clerk (Part-time) | 3 | 0.0 | 0.5 | 0.8 |
| Marshall/Bailiff (Part-time) | NA | 0.5 | 0.5 | 0.5 |
| Court Security (Part-time) | NA | 0.0 | 0.3 | 0.3 |
| Total Employees | | 3.0 | 3.8 | 4.1 |



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2018 CAFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2019
- ❖ 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

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ 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

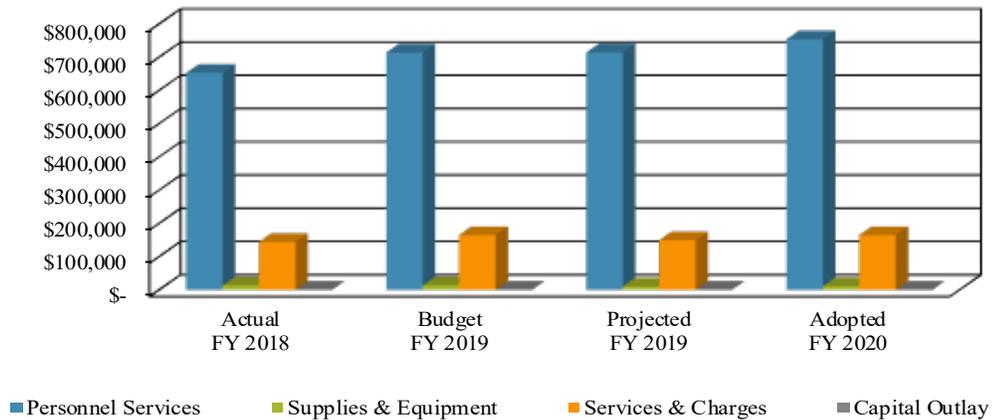
PERFORMANCE INDICATORS

| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|-----------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|
| Accounts Payable Checks Disbursed | 3,160 | 2,870 | 2,953 | 3,000 |
| Payroll/ACH Checks Disbursed | 3,963 | 3,995 | 4,366 | 4,400 |



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 652,755 | \$ 714,301 | \$ 714,442 | \$ 753,657 | 5.51% |
| Supplies & Equipment | 13,203 | 13,210 | 10,472 | 11,410 | -13.63% |
| Services & Charges | 144,039 | 164,709 | 149,252 | 164,515 | -0.12% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 809,997 | \$ 892,220 | \$ 874,166 | \$ 929,582 | 4.19% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|---------------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Director of Admin Services & CFO | E-4 | 1.0 | 1.0 | 1.0 |
| Controller | E | 1.0 | 1.0 | 1.0 |
| Senior Accounting Technician | 4 | 1.0 | 1.0 | 1.0 |
| Finance and 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 2019

- ❖ Processed approximately 1,081 building, 221 electrical, 312 plumbing permits, and 26 excavation permits, generating approximately \$1,408,312 in permit revenues
- ❖ Processed approximately 666 contractor registrations, generating approximately \$83,250 in registration revenues
- ❖ Processed approximately 113 plan reviews with construction valued greater than or equal to \$100,000 generating total revenues of \$28,300
- ❖ Increased public awareness of Code Enforcement activities with illegal sign enforcement and property maintenance on both occupied and construction properties

OBJECTIVES FOR FISCAL YEAR 2020

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

PERFORMANCE INDICATORS

| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|---|--------------------------|--------------------------|--------------------------|-----------------------------|
| Number of Inspections Performed | 4,347 | 4,633 | 4,611 | 4,600 |
| Total Permits Issued | 1,748 | 1,742 | 1,640 | 1,600 |
| Total Value of Permits (in thousands) | \$ 134,258 | \$ 128,480 | * | * |
| Total Permit Fees & Licenses (in thousands) | \$ 1,426 | \$ 1,309 | \$ 1,408 | \$ 1,400 |

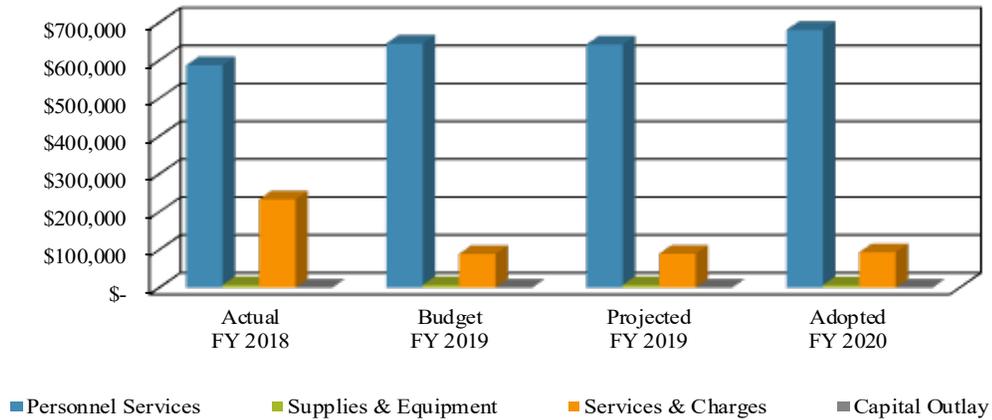
* Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

Building Inspection Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 587,718 | \$ 644,961 | \$ 642,596 | \$ 681,118 | 5.61% |
| Supplies & Equipment | 7,098 | 7,480 | 7,368 | 6,930 | -7.35% |
| Services & Charges | 233,636 | 89,440 | 89,930 | 93,915 | 5.00% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 828,452 | \$ 741,881 | \$ 739,894 | \$ 781,963 | 5.40% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|-------------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Assistant Director of Town Services | E-1 | 0.0 | 0.0 | 1.0 |
| Development Services Manager | 8 | 1.0 | 1.0 | 0.0 |
| Senior Building Inspector | 7 | 1.0 | 1.0 | 1.0 |
| Building Inspector | 6 | 1.0 | 1.0 | 1.0 |
| Plans Examiner | 4 | 1.0 | 1.0 | 1.0 |
| Building Permit Technician | 3 | 1.0 | 1.0 | 1.0 |
| Total Employees | | 5.0 | 5.0 | 5.0 |

Information Technology Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ Assisted in the NexGen E911 replacement
- ❖ Completed upgrades to the phone system to add emergency location information
- ❖ Completed server upgrades and migration to accommodate current versions of Windows, Laserfiche, Incode and various security related software packages
- ❖ Facilitated a study of building security for Town Hall

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Implement physical security improvements as identified during FY 2019 study
- ❖ Facilitate fiber communications with Highland Park Independent School District
- ❖ Complete department network upgrades and computer replacements

MAJOR BUDGET ITEMS

- ❖ Technology managed services contract (\$131,544)
- ❖ Enterprise agreement (\$45,539)
- ❖ Other technology maintenance contracts (\$140,178)
- ❖ Internet service and T1 circuits (\$31,848)

PERFORMANCE INDICATORS

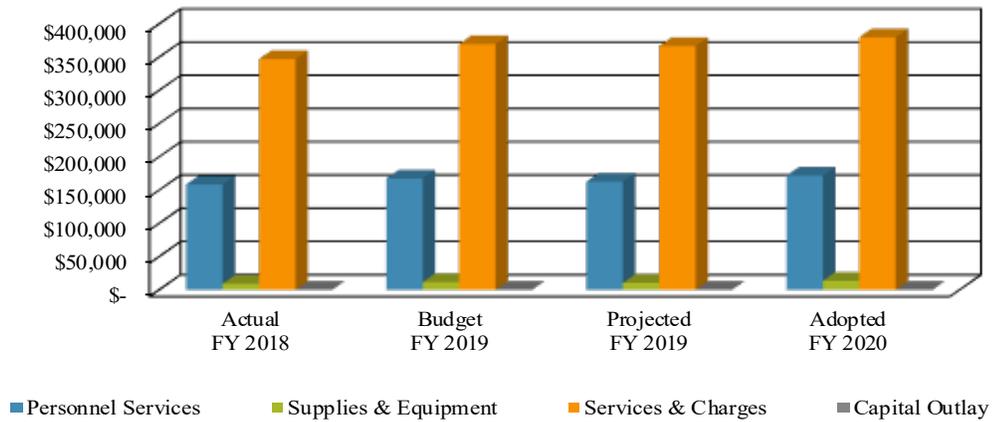
| | FY2017 | FY2018 | FY2019 | FY2020 |
|---------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Help Desk Support | | | | |
| Support Requests | 1,126 | 911 | 1,171 | 1,069 |
| Service Hours | 962 | 836 | 1,326 | 1,041 |
| Network Uptime | 99% | 99% | 99% | 99% |
| Application Uptime | 99% | 99% | 99% | 99% |

Information Technology Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 158,415 | \$ 167,633 | \$ 162,729 | \$ 171,914 | 2.55% |
| Supplies & Equipment | 9,075 | 11,750 | 10,522 | 13,750 | 17.02% |
| Services & Charges | 347,140 | 369,736 | 366,743 | 379,919 | 2.75% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 514,630 | \$ 549,119 | \$ 539,994 | \$ 565,583 | 3.00% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|--------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Information Technology Manager | E | 1.0 | 1.0 | 1.0 |
| Total Employees | | 1.0 | 1.0 | 1.0 |

Non-Departmental



DEPARTMENT DESCRIPTION

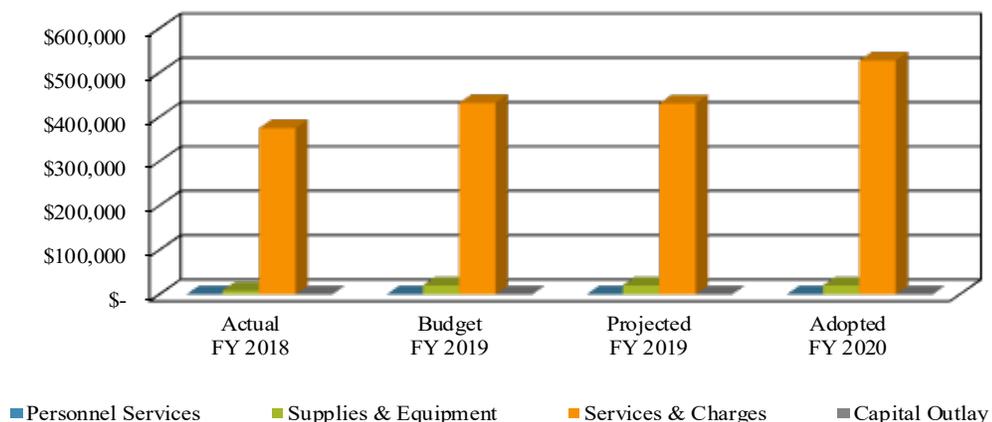
As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherent public policy nature have been included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

MAJOR BUDGET ITEMS

- ❖ Texas Municipal Retirement System supplemental contributions (\$209,331)
- ❖ Professional Services – Human Resource Consulting (\$42,000)
- ❖ Professional Services – Website Consulting and Maintenance (\$30,240)
- ❖ Budgetary Hedge for Fuel Costs (\$15,000)
- ❖ Professional Services – Health Insurance Consulting (\$30,000)

EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ - | \$ - | \$ - | \$ - | 0.00% |
| Supplies & Equipment | 9,175 | 20,150 | 20,484 | 20,600 | 2.23% |
| Services & Charges | 375,510 | 432,040 | 431,000 | 527,735 | 22.15% |
| Capital Outlay | - | - | - | - | 0.00% |
| Total Department | \$ 384,685 | \$ 452,190 | \$ 451,484 | \$ 548,335 | 21.26% |



Transfer to Other Funds



DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$3,118,232 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 \$1,092,084 from current (fiscal year 2019-20) revenues.

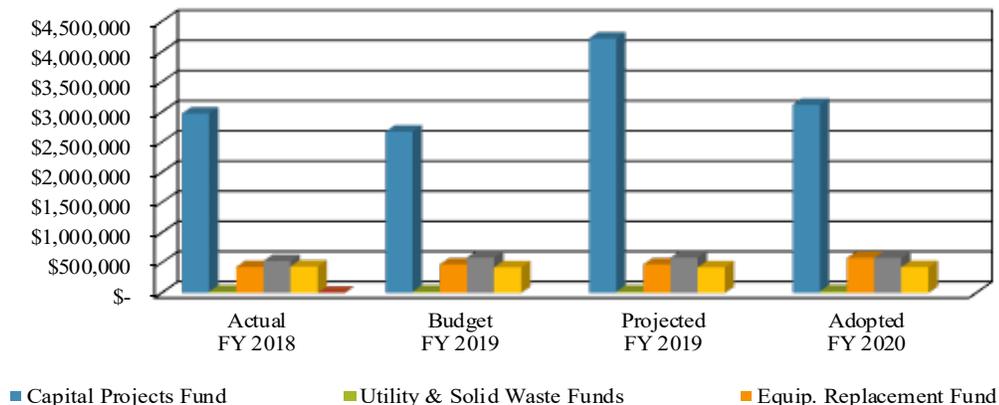
Other transfers include:

- ❖ Transfers to the Equipment Replacement Fund for future asset acquisition (\$580,000)
- ❖ Transfers to the Technology Replacement Fund for future asset acquisition and upgrades (\$579,927)
- ❖ Transfer to the Building Maintenance & Investment Fund representing the General Fund's share of Building Maintenance costs (\$428,000)
- ❖ Transfer to the Solid Waste Fund to assist with funding the Household Hazardous Waste program (\$25,000)

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

TRANSFER SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-----------------------------|--------------------|--------------------|----------------------|--------------------|--------------------------|
| Capital Projects Fund | \$2,975,890 | \$2,675,890 | \$4,219,077 | \$3,118,232 | 16.53% |
| Utility & Solid Waste Funds | 20,000 | 20,000 | 20,000 | 25,000 | 0.00% |
| Equip. Replacement Fund | 430,863 | 473,570 | 473,570 | 580,000 | 22.47% |
| Tech. Replacement Fund | 530,359 | 586,841 | 586,841 | 579,927 | -1.18% |
| Bldg. Maintenance Fund | 438,900 | 423,800 | 423,800 | 428,000 | 0.99% |
| Total Department | \$4,396,012 | \$4,180,101 | \$5,723,288 | \$4,731,159 | 13.18% |



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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 2019-20 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 2019-20, there were no adjustments made to the rate structure for either water or wastewater. The last time the Town increased its rate structure occurred in fiscal year 2018-19.

- **Licenses and Permits**

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

- **Charges for Services**

Water

Revenues from the retail sale of water are projected to be \$7,223,674, a \$26,287 or .4% increase from the fiscal year 2018-19 Adopted Budget. The Town anticipates selling 947,000,000 gallons of water during fiscal year 2019-20.

The schedule on page 170 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 \$3,017,681 or about a 2.1% decrease from the fiscal year 2018-19 Adopted Budget.

- **Miscellaneous**

Charges for meter replacements/installations is projected to be \$38,033, which is comparable to the average amount generated during the 2017-18 and 2018-19 fiscal years.

Projected interest earnings are based on an average annual portfolio yield of 2.5% generating \$168,994 in revenue.

The total cost for Utility Fund services for fiscal year 2019-20 is \$11,412,610 which is \$2,821,290 less than the budget adopted for fiscal year 2018-19. This decrease is being primarily driven by planned capital improvements within the Utility Fund for fiscal year 2019-20.

Approximately 33.6% of the overall Utility Fund Budget is related to contractual costs associated with 1) the purchase of treated water for resale and Town use from the Dallas County Park Cities Municipal Utility District (contract expires April 2024); and Sanitary Sewer Treatment from Dallas Water Utilities (contract expires February 2044).

Another significant portion of both the budget for fiscal year 2019-20, 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 \$2,000,000 from utility service revenues to fund the projects selected for fiscal year 2019-20.

The Utility Fund will also contribute \$1,232,900 to the General Fund for reimbursement of general & administrative costs for fiscal year 2019-20. Additionally, the Utility Fund will also provide \$522,893 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 131.

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

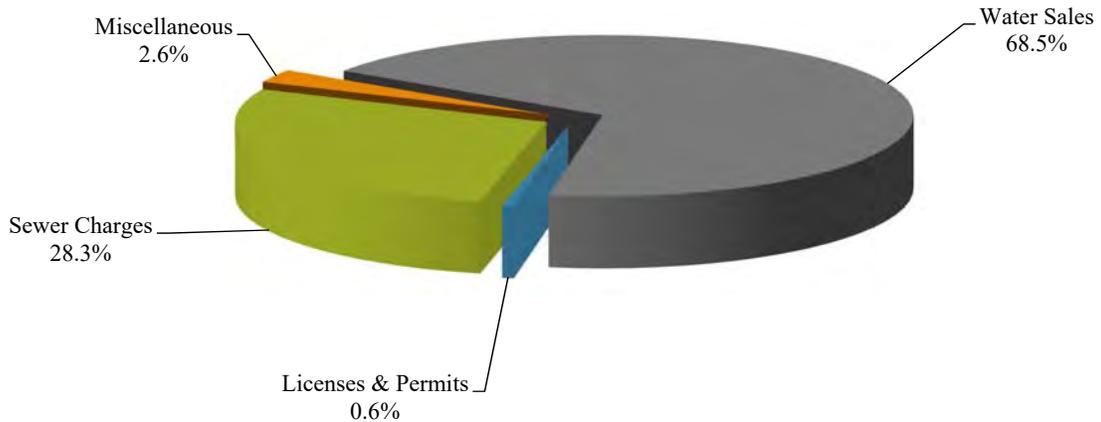
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 2,365,166 | \$ 4,516,007 | \$ 5,721,841 | \$ 6,063,881 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Licenses & Permits | \$ 68,000 | \$ 64,000 | \$ 74,422 | \$ 64,906 |
| Charges for Services | 10,138,713 | 10,476,841 | 8,751,076 | 10,356,697 |
| Fines & Forfeits | 79,076 | 74,000 | 56,545 | 67,854 |
| Miscellaneous | 489,989 | 2,415,746 | 259,718 | 170,994 |
| Total Revenues | \$ 10,775,778 | \$ 13,030,587 | \$ 9,141,761 | \$ 10,660,451 |
| Other Sources: | | | | |
| Transfers In | \$ 322,942 | \$ 342,600 | \$ 342,600 | \$ 501,374 |
| Total Other Sources | \$ 322,942 | \$ 342,600 | \$ 342,600 | \$ 501,374 |
| Total Revenues/Sources | \$ 11,098,720 | \$ 13,373,187 | \$ 9,484,361 | \$ 11,161,825 |
| EXPENSES - BY DEPARTMENT | | | | |
| Utility Customer Service Department | \$ 355,479 | \$ 445,956 | \$ 428,885 | \$ 489,878 |
| Water Department | 3,571,303 | 6,680,117 | 3,823,663 | 5,505,517 |
| Sanitary Sewer Department | 1,504,546 | 4,639,291 | 2,412,720 | 2,860,336 |
| Engineering Department | 554,153 | 619,561 | 628,078 | 671,305 |
| Total Expenses | \$ 5,985,481 | \$ 12,384,925 | \$ 7,293,346 | \$ 9,527,036 |
| Other Uses: | | | | |
| Transfers Out | \$ 1,756,564 | \$ 1,848,975 | \$ 1,848,975 | \$ 1,885,574 |
| Total Other Uses | \$ 1,756,564 | \$ 1,848,975 | \$ 1,848,975 | \$ 1,885,574 |
| Total Expenses/Uses | \$ 7,742,045 | \$ 14,233,900 | \$ 9,142,321 | \$ 11,412,610 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 3,356,675 | \$ (860,713) | \$ 342,040 | \$ (250,785) |
| ENDING FUND BALANCE | \$ 5,721,841 | \$ 4,861,128 | \$ 6,063,881 | \$ 5,813,096 |
| Ideal Fund Balance | \$ 1,716,501 | \$ 1,859,421 | \$ 1,679,869 | \$ 1,882,429 |
| Fund Balance in Excess of Minimum | \$ 4,005,340 | \$ 3,001,707 | \$ 4,384,012 | \$ 3,930,667 |

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

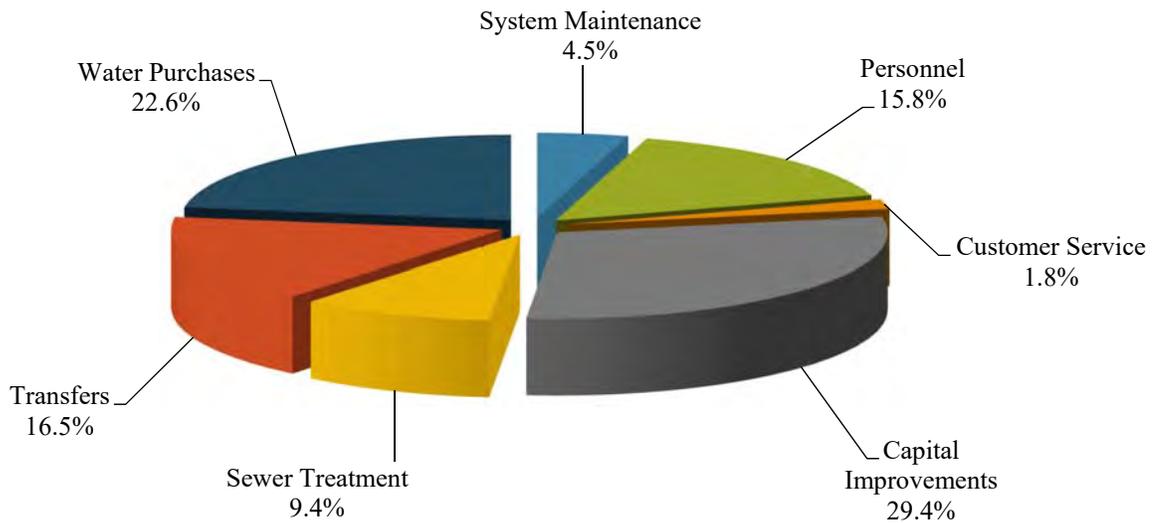
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ 2,365,166 | \$ 4,516,007 | \$ 5,721,841 | \$ 6,063,881 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Licenses & Permits | \$ 68,000 | \$ 64,000 | \$ 74,422 | \$ 64,906 |
| Charges for Services | 10,138,713 | 10,476,841 | 8,751,076 | 10,356,697 |
| Fines & Forfeits | 79,076 | 74,000 | 56,545 | 67,854 |
| Miscellaneous | 489,989 | 2,415,746 | 259,718 | 170,994 |
| Total Revenues | \$ 10,775,778 | \$ 13,030,587 | \$ 9,141,761 | \$ 10,660,451 |
| Other Sources: | | | | |
| Transfers In | \$ 322,942 | \$ 342,600 | \$ 342,600 | \$ 501,374 |
| Total Other Sources | \$ 322,942 | \$ 342,600 | \$ 342,600 | \$ 501,374 |
| Total Revenues/Sources | \$ 11,098,720 | \$ 13,373,187 | \$ 9,484,361 | \$ 11,161,825 |
| EXPENSES - BY TYPE | | | | |
| Personnel Services | | | | |
| Payroll | \$ 1,162,360 | \$ 1,343,855 | \$ 1,216,474 | \$ 1,362,575 |
| Payroll Taxes | 83,512 | 99,316 | 87,431 | 100,571 |
| Retirement | 71,429 | 83,787 | 76,645 | 119,395 |
| Insurance | 166,376 | 219,346 | 175,865 | 216,759 |
| Total Personnel | \$ 1,483,677 | \$ 1,746,304 | \$ 1,556,415 | \$ 1,799,300 |
| Supplies & Equipment | 2,818,471 | 2,890,125 | 2,326,843 | 2,823,451 |
| Services & Charges | 1,300,492 | 1,473,448 | 1,422,088 | 1,544,285 |
| Capital Outlay | 378,589 | 6,275,048 | 1,988,000 | 3,360,000 |
| Total Expenses | \$ 5,981,229 | \$ 12,384,925 | \$ 7,293,346 | \$ 9,527,036 |
| Other Uses: | | | | |
| Transfers Out | \$ 1,756,564 | \$ 1,848,975 | \$ 1,848,975 | \$ 1,885,574 |
| Total Other Uses | \$ 1,756,564 | \$ 1,848,975 | \$ 1,848,975 | \$ 1,885,574 |
| Total Expenses/Uses | \$ 7,737,793 | \$ 14,233,900 | \$ 9,142,321 | \$ 11,412,610 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 3,360,927 | \$ (860,713) | \$ 342,040 | \$ (250,785) |
| ENDING FUND BALANCE | \$ 5,721,841 | \$ 4,861,128 | \$ 6,063,881 | \$ 5,813,096 |
| Ideal Fund Balance | \$ 1,716,501 | \$ 1,859,421 | \$ 1,679,869 | \$ 1,882,429 |
| Fund Balance in Excess of Minimum | \$ 4,005,340 | \$ 3,001,707 | \$ 4,384,012 | \$ 3,930,667 |

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|-------------------------------|---------------------------|---------------------------|------------------------------|----------------------------|
| Licenses & Permits | | | | |
| Plumbing Permits | \$ 68,000 | \$ 64,000 | \$ 74,422 | \$ 64,906 |
| <i>Subtotal</i> | \$ 68,000 | \$ 64,000 | \$ 74,422 | \$ 64,906 |
| Charges For Services | | | | |
| Water Sales | \$ 7,140,293 | \$ 7,197,387 | \$ 6,071,727 | \$ 7,223,674 |
| Inter-Dept Water Sales | 151,314 | 144,000 | 72,292 | 72,497 |
| Sewer Charges | 2,808,651 | 3,081,954 | 2,552,867 | 3,017,681 |
| Meter Installation | 34,100 | 50,000 | 48,300 | 38,033 |
| Other Charges | 4,355 | 3,500 | 5,890 | 4,812 |
| <i>Subtotal</i> | \$ 10,138,713 | \$ 10,476,841 | \$ 8,751,076 | \$ 10,356,697 |
| Fines & Forfeits | | | | |
| Late Payment Penalties | \$ 79,076 | \$ 74,000 | \$ 56,545 | \$ 67,854 |
| <i>Subtotal</i> | \$ 79,076 | \$ 74,000 | \$ 56,545 | \$ 67,854 |
| Miscellaneous | | | | |
| Interest | \$ 99,517 | \$ 58,500 | \$ 211,243 | \$ 168,994 |
| Sale of Assets | 5,662 | - | - | - |
| Contributions | 373,600 | 2,352,246 | 46,820 | - |
| Miscellaneous | 11,210 | 5,000 | 1,655 | 2,000 |
| <i>Subtotal</i> | \$ 489,989 | \$ 2,415,746 | \$ 259,718 | \$ 170,994 |
| Total Revenues | \$ 10,775,778 | \$ 13,030,587 | \$ 9,141,761 | \$ 10,660,451 |

Utility Customer Service Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ Maintained the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Added a credit card draft option to the existing payment choices available
- ❖ Completed the integration of annual alarm permit and invalid alarm billing into utility billing
- ❖ Continued monthly consumption analysis, identifying abnormal consumption based on historical data, implementing use of electronic readings to identify the time and date of consumption

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ 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 electronic readings to identify the time and date of consumption
- ❖ Continue promotion of the WaterSmart Customer Portal through one-on-one conversations, group messaging and marketing opportunities
- ❖ Add a phone payment option for consumers

PERFORMANCE INDICATORS

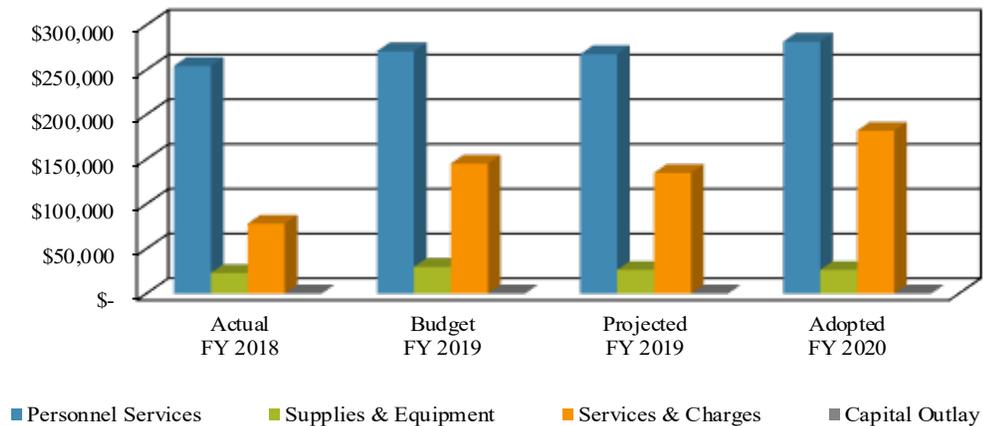
| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|--|------------------|------------------|------------------|---------------------|
| Utility Service | | | | |
| WaterSmart Participation | - | 16.1% | 39.8% | 50.0% |
| WaterSmart Leak Alerts | - | 757 | 5,310 | 5,000 |
| New Deposits (#) | 318 | 308 | 318 | 320 |
| Billing Adjustments | 47 | 33 | 2 | 5 |
| Leak Adjustment Requests | 45 | 57 | 28 | 55 |
| Leak Adjustments Made | 30 | 38 | 15 | 20 |
| Service Requests Processed | 4,103 | 4,434 | 4,389 | 4,400 |
| Billing & Payment Options | | | | |
| Bills Prepared | 39,885 | 39,393 | 38,257 | 38,200 |
| E-Bills Prepared | - | 356 | 2,036 | 2,200 |
| Bank Draft Customers (recurring) | 1,285 | 1,408 | 1,404 | 1,410 |
| Credit Card Draft Customers (recurring) | - | - | 187 | 250 |
| Internet Payments via HP Portal (one-time) | 188 | 197 | 320 | 350 |
| Payments via customer bank bill pay system | 419 | 424 | 502 | 520 |

Utility Customer Service Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 254,333 | \$ 270,818 | \$ 267,526 | \$ 281,508 | 3.95% |
| Supplies & Equipment | \$ 22,979 | \$ 29,880 | \$ 26,450 | \$ 26,420 | -11.58% |
| Services & Charges | \$ 78,167 | \$ 145,258 | \$ 134,910 | \$ 181,950 | 25.26% |
| Capital Outlay | \$ - | \$ - | \$ - | \$ - | - |
| Total Department | \$ 355,479 | \$ 445,956 | \$ 428,886 | \$ 489,878 | 9.85% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 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 2019

- ❖ Conducted routine maintenance of system, minimizing service interruptions
- ❖ Continued replacement of water meters. This program had been held during ITRON implementation.

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ 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 \$2,579,575
- ❖ Annual funding for infrastructure replacement and maintenance (\$1,000,000)
- ❖ Gillon Pump Station improvements (\$300,000)
- ❖ Holland elevated storage tank rehabilitation (\$300,000)
- ❖ Overhill Drive reconstruction (\$250,000)
- ❖ Airline Drive rehabilitation (\$130,000)
- ❖ Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program (\$92,500)
- ❖ Replacement water meters (\$70,000)

PERFORMANCE INDICATORS

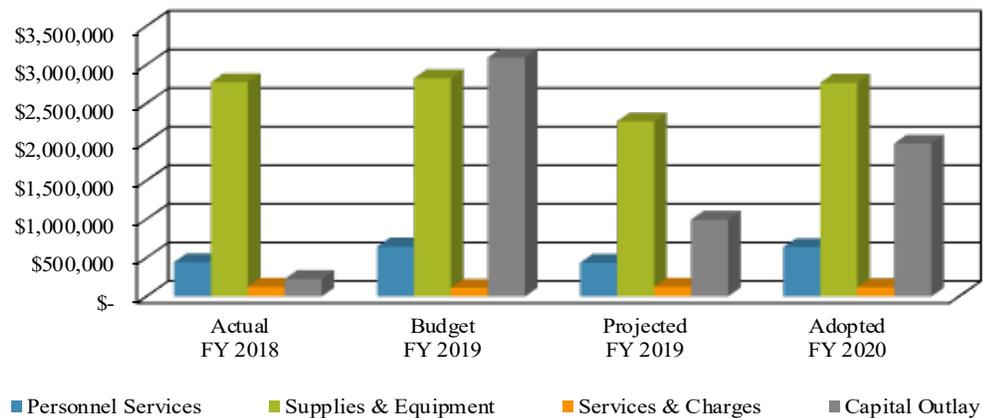
| | FY2017 | FY2018 | FY2019 | FY2020 |
|---------------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Water Meters Read | 66,136 | 66,542 | 66,451 | 66,500 |
| Water Meters Installed/Replaced | 107 | 449 | 577 | 249 |

Water Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 443,114 | \$ 645,926 | \$ 436,607 | \$ 638,889 | -1.09% |
| Supplies & Equipment | 2,774,720 | 2,826,631 | 2,266,909 | 2,766,741 | -2.12% |
| Services & Charges | 126,513 | 112,536 | 126,147 | 119,887 | 6.53% |
| Capital Outlay | 226,956 | 3,095,024 | 994,000 | 1,980,000 | -36.03% |
| Total Department | \$3,571,303 | \$6,680,117 | \$3,823,663 | \$5,505,517 | -17.58% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 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 approximately 600 manholes. The Town contracts with Dallas Water Utilities for the treatment of wastewater.

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ 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 2020

- ❖ 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 (\$1,071,840)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,000,000)
- ❖ Overhill Drive reconstruction (\$250,000)
- ❖ Airline Drive rehabilitation Project (\$130,000)

PERFORMANCE INDICATORS

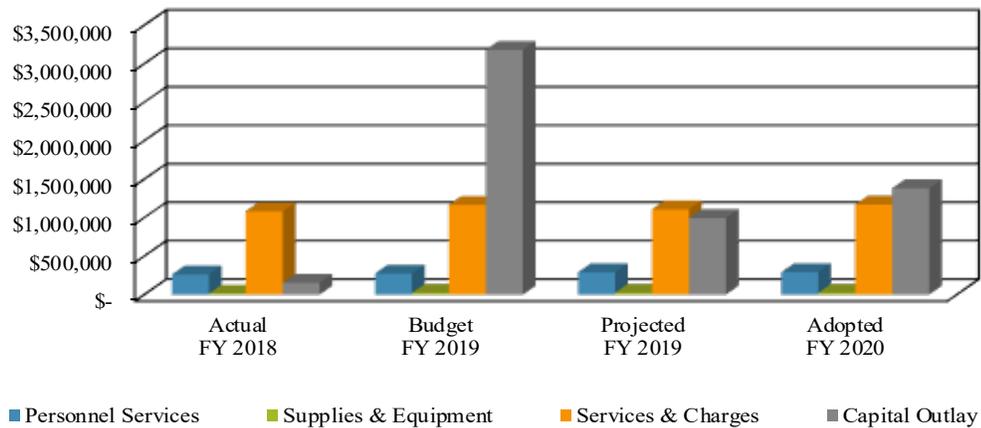
| | FY2017 | FY2018 | FY2019 | FY2020 |
|-------------------------------|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Service Calls | 22 | 25 | 22 | 25 |
| Sewer Mains Cleaned (Flushed) | 585 | 458 | 464 | 500 |

Sanitary Sewer Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 259,946 | \$ 271,347 | \$ 288,705 | \$ 289,498 | 6.69% |
| Supplies & Equipment | 10,821 | 22,214 | 22,284 | 21,190 | -4.61% |
| Services & Charges | 1,082,145 | 1,165,706 | 1,107,731 | 1,169,648 | 0.34% |
| Capital Outlay | 151,634 | 3,180,024 | 994,000 | 1,380,000 | -56.60% |
| Total Department | \$1,504,546 | \$4,639,291 | \$2,412,720 | \$2,860,336 | -38.35% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|-------------------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Foreman | 8 | 0.3 | 0.3 | 0.3 |
| Public Works Maintenance Worker III | 4 | 2.0 | 2.0 | 2.0 |
| Total Employees | | 2.3 | 2.3 | 2.3 |

Engineering Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2019

- ❖ 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 Sanitary Sewer Overflow Initiative
- ❖ Completed the construction of Preston Road Phase A and Livingston Avenue
- ❖ Completed the design and constructed Preston Road Phase B (Armstrong Pkwy – Beverly Dr)
- ❖ Completed the design and construction of Armstrong Parkway (Douglas Ave to Preston Rd)
- ❖ Completed approximately 500,000 SF of pavement preservation
- ❖ Completed the Pavement Asset Management assessment for the Town
- ❖ Completed flow monitoring and condition assessment for the 30inch Turtle Creek Sanitary Sewer
- ❖ Completed the rehabilitation of the Armstrong Bridges at Lakeside Drive and Highland Avenue
- ❖ Completed the second phase of the water pressure study for the Town

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ Comply with the annual and reporting requirements for state and federal agencies
- ❖ Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps
- ❖ Design, award, and construct water and sewer main replacement projects in the amount of \$2 million
- ❖ Design, award and reconstruct Overhill Drive including water and sewer improvements
- ❖ Design, award and rehabilitate Airline Drive including water and sewer improvements
- ❖ Design, award and rehabilitate Mockingbird East from Hillcrest to Airline
- ❖ Award and construct drainage improvements within several easements
- ❖ Design, award and construct Douglas Park Drainage and Landscaping Improvements
- ❖ Design, award and construct Gillon Pump Station Improvements
- ❖ Design improvements for Lakeside Drive and the Turtle Creek Sanitary Sewer Interceptor
- ❖ Complete Water, Wastewater and Stormwater Master Plans

PERFORMANCE INDICATORS

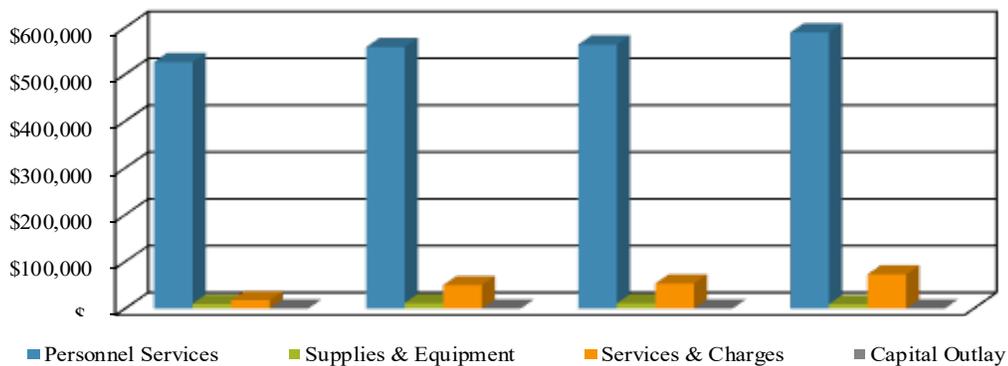
| | FY2017 | FY2018 | FY2019 | FY2020 |
|---|---------------|---------------|---------------|------------------|
| | Actual | Actual | Actual | Projected |
| Sanitary Sewer Overflows | 0 | 4 | 8 | 0 |
| Street Resurfacing (Linear Feet) | 7,900 | 8,350 | 7,700 | 7,500 |
| Water Main Replacement (Linear Feet) | 2,800 | 2,200 | 2,500 | 3,000 |
| Sanitary Sewer Main Replacement (Linear Feet) | 2,700 | 2,745 | 2,000 | 3,300 |

Engineering Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ 526,283 | \$ 558,213 | \$ 563,578 | \$ 589,405 | 5.59% |
| Supplies & Equipment | 9,952 | 11,400 | 11,200 | 9,100 | -20.18% |
| Services & Charges | 17,918 | 49,948 | 53,300 | 72,800 | 45.75% |
| Capital Outlay | - | - | - | - | - |
| Total Department | \$ 554,153 | \$ 619,561 | \$ 628,078 | \$ 671,305 | 8.35% |



EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY2018 Budget | FY2019 Budget | FY2020 Budget |
|-------------------------|--------------|--------------------------|--------------------------|--------------------------|
| Director of Engineering | E-3 | 1.0 | 1.0 | 1.0 |
| Project Engineer | 7 | 1.0 | 0.0 | 0.0 |
| Construction Inspector | 5 | 1.0 | 1.0 | 1.0 |
| Project Coordinator | 5 | 1.0 | 1.0 | 1.0 |
| Engineering Tech | 5 | 1.0 | 1.0 | 1.0 |
| Total Employees | | 5.0 | 4.0 | 4.0 |

Transfer to Other Funds

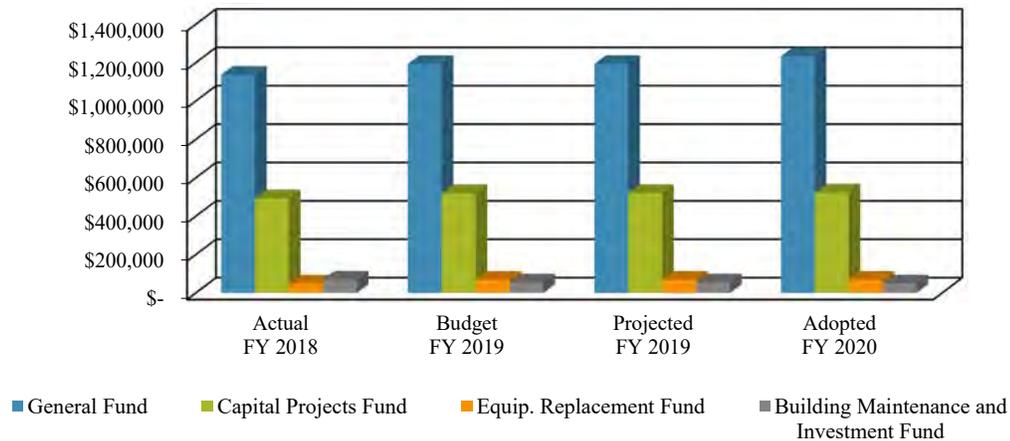


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$1,885,574 from the Utility Fund to other funds. Included is a transfer of \$1,232,900 to the General Fund for G&A cost reimbursement, \$522,893 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 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-----------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| General Fund | \$ 1,137,100 | \$ 1,193,100 | \$1,193,100 | \$ 1,232,900 | 3.34% |
| Capital Projects Fund | 493,200 | 521,167 | 521,167 | 522,893 | 0.33% |
| Equip. Replacement Fund | 48,227 | 69,151 | 69,151 | 69,151 | 0.00% |
| Tech. Replacement Fund | 8,637 | 10,757 | 10,757 | 10,630 | -1.18% |
| Building Maintenance and | 69,400 | 54,800 | 54,800 | 50,000 | -8.76% |
| Total Department | \$ 1,756,564 | \$ 1,848,975 | \$1,848,975 | \$ 1,885,574 | 1.98% |



SOLID WASTE FUND

The Solid Waste Fund is the financial structure used for the accounting of providing sanitation collection service to the residents of the Town and the billing and collection of charges to customers to pay for said services. The basis of accounting for the Solid Waste Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

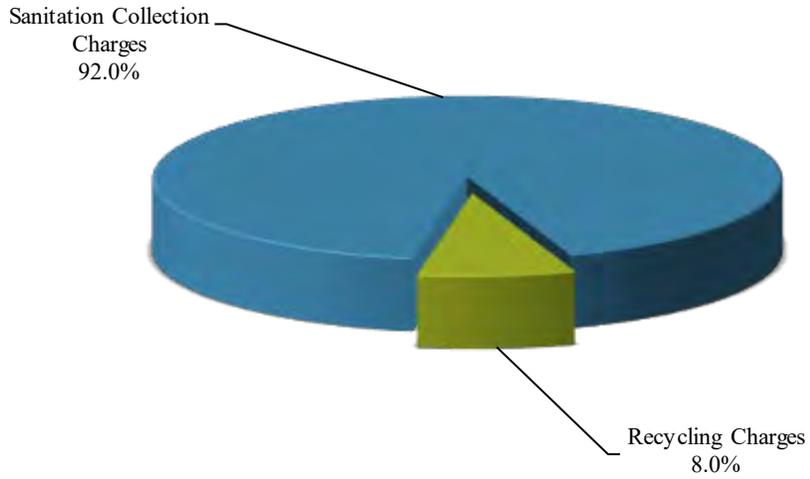
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------|---------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ - | \$ 99,612 | \$ 63,236 | \$ 130,932 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | 1,390,789 | 1,459,479 | 1,463,571 | 1,516,399 |
| Miscellaneous | 3,912 | 2,700 | 8,372 | 6,697 |
| Total Revenues | \$ 1,394,701 | \$ 1,462,179 | \$ 1,471,943 | \$ 1,523,096 |
| Other Sources: | | | | |
| Transfers In | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 25,000 |
| Total Other Sources | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 25,000 |
| Total Revenues/Sources | \$ 1,414,701 | \$ 1,482,179 | \$ 1,491,943 | \$ 1,548,096 |
| EXPENSES - BY DEPARTMENT | | | | |
| Sanitation Department | \$ 1,198,716 | \$ 1,342,933 | \$ 1,293,247 | \$ 1,401,278 |
| Total Expenses | \$ 1,198,716 | \$ 1,342,933 | \$ 1,293,247 | \$ 1,401,278 |
| Other Uses: | | | | |
| Transfers Out | \$ 114,300 | \$ 131,000 | \$ 131,000 | \$ 135,800 |
| Total Other Uses | \$ 114,300 | \$ 131,000 | \$ 131,000 | \$ 135,800 |
| Total Expenses/Uses | \$ 1,313,016 | \$ 1,473,933 | \$ 1,424,247 | \$ 1,537,078 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 101,685 | \$ 8,246 | \$ 67,696 | \$ 11,018 |
| ENDING FUND BALANCE | \$ 63,236 | \$ 107,858 | \$ 130,932 | \$ 141,950 |
| Ideal Fund Balance | \$ - | \$ - | \$ - | \$ - |
| Fund Balance in Excess of Minimum | \$ 63,236 | \$ 107,858 | \$ 130,932 | \$ 141,950 |

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

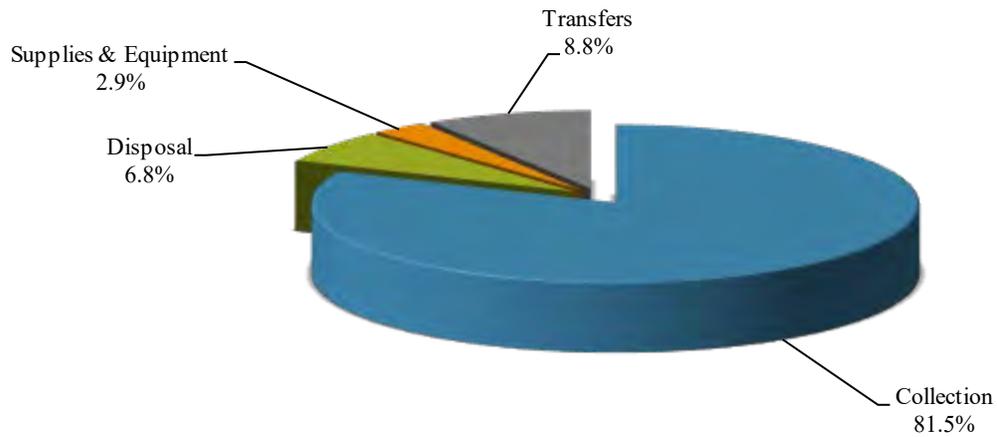
| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------|---------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ - | \$ 99,612 | \$ 63,236 | \$ 130,932 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | 1,390,789 | 1,459,479 | 1,463,571 | 1,516,399 |
| Miscellaneous | 3,912 | 2,700 | 8,372 | 6,697 |
| Total Revenues | \$ 1,394,701 | \$ 1,462,179 | \$ 1,471,943 | \$ 1,523,096 |
| Other Sources: | | | | |
| Transfers In | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 25,000 |
| Total Other Sources | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 25,000 |
| Total Revenues/Sources | \$ 1,414,701 | \$ 1,482,179 | \$ 1,491,943 | \$ 1,548,096 |
| EXPENSES - BY TYPE | | | | |
| Supplies & Equipment | \$ 23,905 | \$ 45,500 | \$ 26,000 | \$ 45,000 |
| Services & Charges | 1,174,811 | 1,297,433 | 1,267,247 | 1,356,278 |
| Capital Outlay | - | - | - | - |
| Total Expenses | \$ 1,198,716 | \$ 1,342,933 | \$ 1,293,247 | \$ 1,401,278 |
| Other Uses: | | | | |
| Transfers Out | \$ 114,300 | \$ 131,000 | \$ 131,000 | \$ 135,800 |
| Total Other Uses | \$ 114,300 | \$ 131,000 | \$ 131,000 | \$ 135,800 |
| Total Expenses/Uses | \$ 1,313,016 | \$ 1,473,933 | \$ 1,424,247 | \$ 1,537,078 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 101,685 | \$ 8,246 | \$ 67,696 | \$ 11,018 |
| ENDING FUND BALANCE | \$ 63,236 | \$ 107,858 | \$ 130,932 | \$ 141,950 |

SOLID WASTE FUND

BUDGETED REVENUES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**SOLID WASTE FUND
STATEMENT OF REVENUES**

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|-------------------------------|---------------------------|---------------------------|------------------------------|----------------------------|
| Charges For Services | | | | |
| Sanitation Collection Charges | \$ 1,276,591 | \$ 1,342,453 | \$ 1,342,470 | \$ 1,394,809 |
| Recycling Charges | 114,198 | 117,026 | 121,101 | 121,590 |
| Other Charges | - | - | - | - |
| <i>Subtotal</i> | \$ 1,390,789 | \$ 1,459,479 | \$ 1,463,571 | \$ 1,516,399 |
| Miscellaneous | | | | |
| Interest | \$ 3,848 | \$ 2,700 | \$ 8,372 | \$ 6,697 |
| Miscellaneous | 64 | - | - | - |
| <i>Subtotal</i> | \$ 3,912 | \$ 2,700 | \$ 8,372 | \$ 6,697 |
| Total Revenues | \$ 1,394,701 | \$ 1,462,179 | \$ 1,471,943 | \$ 1,523,096 |

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 2019

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

OBJECTIVES FOR FISCAL YEAR 2020

- ❖ 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
- ❖ Continue to participate in the Park Cities Recycling event with the City of University Park
- ❖ Continue the Household Hazardous Waste (HHW) program for residents

MAJOR BUDGET ITEMS

- ❖ Replacement Poly Carts (\$45,000)
- ❖ Service Contracts
 - Solid Waste Collection \$ 1,067,321
 - Recyclables Collection \$ 123,667
 - Household Hazardous Waste \$ 40,000
 - Solid Waste Disposal \$ 103,790
- ❖ Parks Cities Recycling Event \$ 6,000

PERFORMANCE INDICATORS

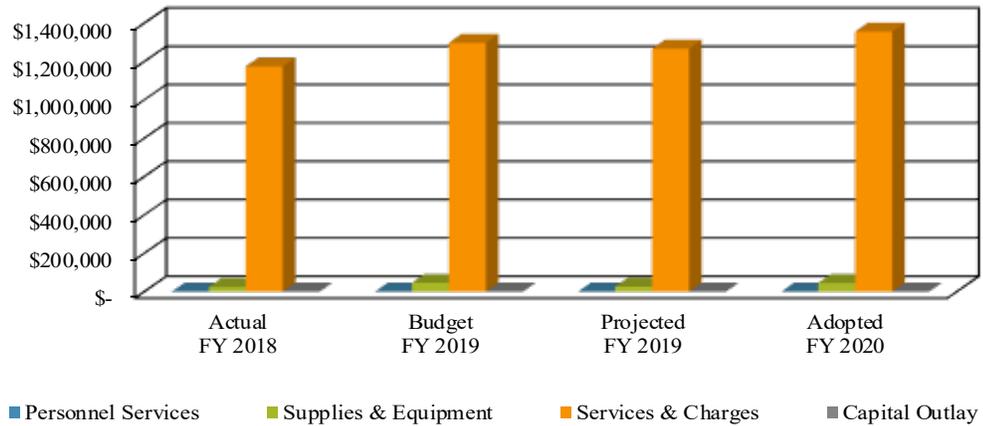
| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Projected |
|-----------------------------|------------------|------------------|------------------|---------------------|
| Collection (Tonnage) | | | | |
| Compacted Waste | 5,314 | 6,026 | 6,207 | 6,393 |
| Loose Waste (Brush) | 1,109 | 1,375 | 1,482 | 1,597 |
| Recycling | 966 | 1,096 | 1,132 | 1,169 |
| Contract Expenses | | | | |
| Collection | \$ 843,911 | \$ 960,097 | \$ 1,035,844 | \$ 1,067,321 |
| Disposal | 87,413 | 87,097 | 99,808 | 103,790 |
| Recycling | 98,431 | 112,852 | 120,286 | 123,667 |
| Cost per Ton | | | | |
| Collection | \$ 131.39 | \$ 129.73 | \$ 134.72 | \$ 133.57 |
| Disposal | 13.61 | 11.77 | 12.98 | 12.99 |
| Recycling | 101.90 | 102.97 | 106.26 | 105.77 |

Sanitation Department



EXPENDITURE SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| Personnel Services | \$ - | \$ - | \$ - | \$ - | N/A |
| Supplies & Equipment | \$ 23,905 | \$ 45,500 | \$ 26,000 | \$ 45,000 | -1.10% |
| Services & Charges | \$1,174,811 | \$1,297,433 | \$1,267,247 | \$1,356,278 | 4.54% |
| Capital Outlay | \$ - | \$ - | \$ - | \$ - | N/A |
| Total Department | \$1,198,716 | \$1,342,933 | \$1,293,247 | \$1,401,278 | 4.34% |



Transfer to Other Funds

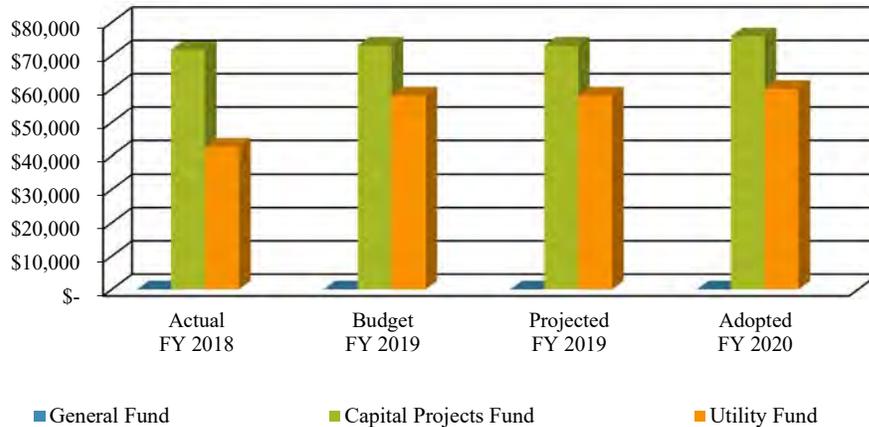


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$135,800 from the Solid Waste Fund to other funds. Included is a transfer of \$75,800 to the Capital Projects Fund, representing the franchise fee, which is 5% on solid waste collection and recycling charges, and \$60,000 to the Utility Fund representing administrative costs for billing and collection of operations.

TRANSFER SUMMARY

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted | % Change 2019 to 2020 |
|-------------------------|---------------------------|---------------------------|------------------------------|----------------------------|----------------------------------|
| General Fund | \$ - | \$ - | \$ - | \$ - | N/A |
| Capital Projects Fund | 71,700 | 73,000 | 73,000 | 75,800 | 3.84% |
| Utility Fund | 42,600 | 58,000 | 58,000 | 60,000 | 3.45% |
| Total Department | \$ 114,300 | \$ 131,000 | \$ 131,000 | \$ 135,800 | 3.66% |



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, 2019, does not have any outstanding debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

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

STORM WATER UTILITY FUND

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

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

In addition to funding the Town's supplies of pet mits, \$5,100, maintained throughout the Town's parks, and \$20,000 for incidental repair and maintenance projects, this budget also provides \$640,000 to fund improvements to Hackberry Creek, \$900,000 for drainage easement projects and \$600,000 for Douglas Park drainage improvement and landscaping.

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

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 131.

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|--|---------------------|---------------------|----------------------|-----------------------|
| BEGINNING FUND BALANCE | \$ 2,041,465 | \$ 1,339,012 | \$ 2,947,770 | \$ 2,569,297 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 399,396 | \$ 409,203 | \$ 413,009 | \$ 423,709 |
| Interest | 46,080 | 30,622 | 76,604 | 23,495 |
| Miscellaneous | - | - | - | - |
| Total Revenues | \$ 445,477 | \$ 439,825 | \$ 489,613 | \$ 447,204 |
| Other Sources: | | | | |
| Transfers In | \$ 1,100,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 |
| Total Other Sources: | 1,100,000 | 350,000 | 350,000 | 350,000 |
| Total Revenues/Sources: | \$ 1,545,477 | \$ 789,825 | \$ 839,613 | \$ 797,204 |
| EXPENSES/USES OF FUNDS | | | | |
| Supplies & Equipment | 4,803 | 7,100 | 7,100 | 7,100 |
| Services & Charges | 71,205 | 96,480 | 75,760 | 78,800 |
| Capital Outlay | 449,664 | 750,000 | 1,021,626 | 2,140,000 |
| Total Expenditures | \$ 525,672 | \$ 853,580 | \$ 1,104,486 | \$ 2,225,900 |
| Transfers | 113,500 | 113,600 | 113,600 | 116,099 |
| Total Expenditures/Uses of Funds | \$ 639,172 | \$ 967,180 | \$ 1,218,086 | \$ 2,341,999 |
| Excess of Revenues/Sources Over Expenses/Uses | \$ 906,305 | \$ (177,355) | \$ (378,473) | \$ (1,544,795) |
| ENDING FUND BALANCE | \$ 2,947,770 | \$ 2,770,415 | \$ 2,569,297 | \$ 1,024,502 |

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 two trucks for the Parks Department, one truck for the Water Department, and Self-Contained Breathing Apparatus equipment for the Department of Public Safety.

EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES & EXPENDITURES

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------|---------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 2,508,425 | \$ 2,677,650 | \$ 2,778,245 | \$ 2,986,408 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - |
| Interest | 51,790 | 41,380 | 90,519 | 72,415 |
| Sale of Assets | 58,904 | 60,000 | 60,000 | 32,000 |
| Contributions | - | - | - | - |
| Total Revenues | \$ 110,694 | \$ 101,380 | \$ 150,519 | \$ 104,415 |
| Transfers | 740,907 | 542,721 | 542,721 | 649,151 |
| Total Revenues/Sources | \$ 851,601 | \$ 644,101 | \$ 693,240 | \$ 753,566 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Vehicle Disposal | \$ 5,166 | \$ 3,600 | \$ 4,500 | \$ 2,400 |
| Rolling Stock Acquisition | 538,545 | 414,274 | 480,577 | 117,963 |
| Equipment Acquisition | 38,070 | - | - | 183,458 |
| Total Expenditures | \$ 581,781 | \$ 417,874 | \$ 485,077 | \$ 303,821 |
| Transfers | - | - | - | - |
| Total Expenditures/Uses | \$ 581,781 | \$ 417,874 | \$ 485,077 | \$ 303,821 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 269,820 | \$ 226,227 | \$ 208,163 | \$ 449,745 |
| ENDING FUND BALANCE | \$ 2,778,245 | \$ 2,903,877 | \$ 2,986,408 | \$ 3,436,153 |

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 | 5082 | Ford SUV | 2016 | 2016 | 2021 |
| 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 | 5084 | Ford SUV | 2016 | 2016 | 2021 |
| Police | 1769 | Chevrolet Tahoe | 2017 | 2017 | 2020 |
| Police | 1857 | Chevrolet Tahoe | 2017 | 2017 | 2020 |
| Police | 0713 | Chevrolet Tahoe | 2017 | 2017 | 2020 |
| Police | 7888 | Chevrolet Tahoe | 2019 | 2019 | 2024 |
| Police | 8694 | Chevrolet Tahoe | 2019 | 2019 | 2024 |
| Police | 8004 | Chevrolet Tahoe | 2019 | 2019 | 2024 |
| Police | 9427 | Chevrolet Tahoe | 2019 | 2019 | 2024 |
| Police | 8074 | Chevrolet Tahoe | 2019 | 2019 | 2024 |
| Motorcycle Unit | 0035 | Honda | 2015 | 2016 | 2021 |
| Motorcycle Unit | 0029 | Honda | 2016 | 2018 | 2023 |
| STREET | | | | | |
| Dump Truck | 4906 | Ford | 2019 | 2019 | 2026 |
| Pickup | 3663 | Chevrolet | 2018 | 2018 | 2023 |
| Pickup | 9414 | 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 |
| PARKS | | | | | |
| Truck w/ Arial lift | 8247 | Chevrolet | 2008 | 2008 | 2021 |
| Pickup | 1319 | Chevrolet | 2018 | 2018 | 2023 |
| Truck w/ Landscape body | 3818 | Chevrolet | 2018 | 2018 | 2023 |
| Pickup | 5690 | Chevrolet | 2018 | 2018 | 2023 |
| Pickup | 9970 | Chevrolet | 2013 | 2013 | 2020 |
| 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 | 6902 | Chevrolet | 2018 | 2018 | 2025 |
| Pickup | 6245 | Chevrolet | 2018 | 2018 | 2025 |
| SEWER | | | | | |
| Truck-4 ½ Ton w/ Flusher | 8644 | Ford | 2019 | 2019 | 2026 |
| Dump Truck | 1795 | Ford | 2019 | 2019 | 2026 |
| 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:

- Computer and network replacements (\$146,678)

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------|---------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 1,713,983 | \$ 2,281,480 | \$ 2,289,618 | \$ 2,359,493 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 35,466 | \$ 26,000 | \$ 67,100 | \$ 53,680 |
| Sale of Assets | 1,173 | 2,500 | 700 | 1,000 |
| Contributions | - | - | - | - |
| Total Revenues | \$ 36,639 | \$ 28,500 | \$ 67,800 | \$ 54,680 |
| Transfers | 538,996 | 597,598 | 597,598 | 590,557 |
| Total Revenues/Sources | \$ 575,635 | \$ 626,098 | \$ 665,398 | \$ 645,237 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Services & Charges | \$ - | \$ - | \$ - | \$ - |
| Technology Equipment Acquisition | - | 598,305 | 595,523 | 146,678 |
| Total Expenditures | \$ - | \$ 598,305 | \$ 595,523 | \$ 146,678 |
| Transfers | - | - | - | - |
| Total Expenditures/Uses | \$ - | \$ 598,305 | \$ 595,523 | \$ 146,678 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 575,635 | \$ 27,793 | \$ 69,875 | \$ 498,559 |
| ENDING FUND BALANCE | \$ 2,289,618 | \$ 2,309,273 | \$ 2,359,493 | \$ 2,858,052 |

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 2019-20 will be the continued development of a replacement schedule of major equipment and materials of the Town Hall building while strengthening the fund balance.

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

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|--|-------------------|-------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 677,991 | \$ 686,043 | \$ 822,965 | \$ 974,990 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 11,961 | \$ 8,500 | \$ 26,185 | \$ 20,948 |
| Miscellaneous | 16,489 | 15,500 | 16,487 | 15,500 |
| Total Revenues | \$ 28,450 | \$ 24,000 | \$ 42,672 | \$ 36,448 |
| Transfers | 508,300 | 478,600 | 478,600 | 478,000 |
| Total Revenues/Sources | \$ 536,750 | \$ 502,600 | \$ 521,272 | \$ 514,448 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 38,200 | \$ 40,376 | \$ 40,741 | \$ 44,750 |
| Services & Charges | 267,369 | 322,394 | 312,506 | 307,590 |
| Capital Outlay | 86,207 | 16,000 | 16,000 | 50,635 |
| Total Expenditures | \$ 391,776 | \$ 378,770 | \$ 369,247 | \$ 402,975 |
| Transfers | - | - | - | - |
| Total Expenditures/Uses | \$ 391,776 | \$ 378,770 | \$ 369,247 | \$ 402,975 |
| Excess (Deficiency) of Revenues/Sources | | | | |
| Over Expenditures/Uses | \$ 144,974 | \$ 123,830 | \$ 152,025 | \$ 111,473 |
| ENDING FUND BALANCE | \$ 822,965 | \$ 809,873 | \$ 974,990 | \$ 1,086,463 |

FORFEITED PROPERTY FUND

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

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

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------------|---------------------------|------------------------------|----------------------------|
| BEGINNING FUND BALANCE | \$ 32,076 | \$ 33,726 | \$ 21,531 | \$ 26,619 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Forfeitures | \$ - | \$ 2,500 | \$ 4,493 | \$ 2,500 |
| Interest | 466 | 450 | 595 | 450 |
| Total Revenues | \$ 466 | \$ 2,950 | \$ 5,088 | \$ 2,950 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 466 | \$ 2,950 | \$ 5,088 | \$ 2,950 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 708 | \$ - | \$ - | \$ - |
| Service & Charges | 10,303 | 1,000 | - | 1,000 |
| Capital Outlay | - | - | - | - |
| Total Expenditures/Uses | \$ 11,011 | \$ 1,000 | \$ - | \$ 1,000 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (10,545) | \$ 1,950 | \$ 5,088 | \$ 1,950 |
| Fund Balance | \$ 21,531 | \$ 35,676 | \$ 26,619 | \$ 28,569 |

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 (\$42,667).

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|-------------------|-------------------|----------------------|--------------------|
| BEGINNING FUND BALANCE | \$ 85,382 | \$ 94,765 | \$ 95,837 | \$ 110,787 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 33,703 | \$ 35,200 | \$ 39,139 | \$ 36,178 |
| Interest | 1,562 | 1,200 | 2,383 | 1,906 |
| Total Revenues | \$ 35,265 | \$ 36,400 | \$ 41,522 | \$ 38,084 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 35,265 | \$ 36,400 | \$ 41,522 | \$ 38,084 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 4,026 | \$ 3,852 | \$ 3,852 | \$ 3,852 |
| Service & Charges | 20,784 | 23,470 | 22,720 | 22,900 |
| Capital Outlay | - | - | - | 15,915 |
| Total Expenditures/Uses | \$ 24,810 | \$ 27,322 | \$ 26,572 | \$ 42,667 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 10,455 | \$ 9,078 | \$ 14,950 | \$ (4,583) |
| Fund Balance | \$ 95,837 | \$ 103,843 | \$ 110,787 | \$ 106,204 |

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. In 2019, the Texas Legislature authorized an increase on the local option from \$3.00 to \$4.90, effective January 01, 2020 (Section 134.103, Chapter 134, Texas Local Government Code).

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.

STATEMENT OF REVENUES & EXPENDITURES

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|-------------------|-------------------|----------------------|--------------------|
| BEGINNING FUND BALANCE | \$ 7,227 | \$ 8,545 | \$ 8,072 | \$ 13,137 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 25,278 | \$ 28,160 | \$ 29,350 | \$ 28,943 |
| Interest | 167 | 150 | 315 | 251 |
| Total Revenues | \$ 25,445 | \$ 28,310 | \$ 29,665 | \$ 29,194 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 25,445 | \$ 28,310 | \$ 29,665 | \$ 29,194 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Services & Charges | \$ - | \$ - | \$ - | \$ - |
| Capital Outlay | - | - | - | - |
| Total Expenditures | \$ - | \$ - | \$ - | \$ - |
| Transfers | 24,600 | 24,600 | 24,600 | 24,600 |
| Total Expenditures/Uses | \$ 24,600 | \$ 24,600 | \$ 24,600 | \$ 24,600 |
| Excess Revenues/Sources Over Expenditures/Uses | \$ 845 | \$ 3,710 | \$ 5,065 | \$ 4,594 |
| ENDING FUND BALANCE | \$ 8,072 | \$ 12,255 | \$ 13,137 | \$ 17,731 |

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 2019-20 Adopted Budget includes funding for the purpose of a book bicycle and related storage, safety, and technological equipment to be used at community events.

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

STATEMENT OF REVENUES & EXPENDITURES

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|--------------------|--------------------|----------------------|--------------------|
| BEGINNING FUND BALANCE | \$ 248,670 | \$ 238,109 | \$ 235,222 | \$ 250,169 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 4,205 | \$ 4,000 | \$ 5,900 | \$ 5,000 |
| Library Donations | 25,270 | 12,000 | 35,043 | 10,000 |
| Total Revenues | \$ 29,475 | \$ 16,000 | \$ 40,943 | \$ 15,000 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 29,475 | \$ 16,000 | \$ 40,943 | \$ 15,000 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 11,370 | \$ - | \$ 25,043 | \$ 6,480 |
| Services & Charges | 31,553 | 29,255 | 953 | 1,020 |
| Total Expenditures | \$ 42,923 | \$ 29,255 | \$ 25,996 | \$ 7,500 |
| Transfers | - | - | - | - |
| Total Expenditures/Uses | \$ 42,923 | \$ 29,255 | \$ 25,996 | \$ 7,500 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (13,448) | \$ (13,255) | \$ 14,947 | \$ 7,500 |
| ENDING FUND BALANCE | \$ 235,222 | \$ 224,854 | \$ 250,169 | \$ 257,669 |

DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. These resources will be used to fund technological improvements related to public safety within the Town. Revenues for fiscal year 2019-20 are anticipated to be \$92,795 with an accumulated fund balance projected to be \$284,573.

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

STATEMENT OF REVENUES & EXPENDITURES

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|-------------------|-------------------|----------------------|--------------------|
| BEGINNING FUND BALANCE | \$ 255,175 | \$ 262,861 | \$ 264,536 | \$ 278,958 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 4,672 | \$ 3,990 | \$ 7,019 | \$ 5,615 |
| Fiber Line Lease Receipts | 83,911 | 83,000 | 90,403 | 87,180 |
| Total Revenues | \$ 88,583 | \$ 86,990 | \$ 97,422 | \$ 92,795 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 88,583 | \$ 86,990 | \$ 97,422 | \$ 92,795 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Services & Charges | \$ - | \$ - | \$ - | \$ - |
| Technology Equipment Acquisition | - | - | - | - |
| Total Expenditures | \$ - | \$ - | \$ - | \$ - |
| Transfers | 79,222 | 83,000 | 83,000 | 87,180 |
| Total Expenditures/Uses | \$ 79,222 | \$ 83,000 | \$ 83,000 | \$ 87,180 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ 9,361 | \$ 3,990 | \$ 14,422 | \$ 5,615 |
| ENDING FUND BALANCE | \$ 264,536 | \$ 266,851 | \$ 278,958 | \$ 284,573 |

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, 2019, does not have any outstanding debt. The fiscal year 2019-20 Adopted Budget does not include any issuance of debt to fund short-term or long-range capital projects. The Town funds capital projects on a pay-as-you-go basis.

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

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Capital Projects Fund

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

CAPITAL PROJECTS FUND

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

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

The fiscal year 2019-20 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 132) and are earmarked specifically for capital projects. This, in conjunction with the ten-year financial model, (see pages 148 - 149) are used to plan capital needs while not impacting the General Fund's operating budget or reducing Town services offered to the community. The detail regarding these transfers is presented on pages 87, 104, and 112. In addition to these transfers, the Town's Financial Management Policies also provide for the transfer of any annual operating surplus realized by the General Fund for each preceding fiscal year.

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

The budget for the Capital Projects Fund includes funding for the Project 25 Public Safety Radio System of \$3,044,055, which had been contemplated as a capital lease in prior years, \$1,039,377 for the 2020 right-of-way rehabilitation program, \$870,000 for the Lakeside Drive reconstruction project, \$740,000 for the Overhill Drive reconstruction project, \$458,949 in park facilities improvements, \$610,000 for the Airline Drive rehabilitation project, \$730,000 for the Mockingbird Lane rehabilitation project, and \$400,000 in renovations along the Town's road ways. In addition, funding of Town Hall security enhancements of \$120,000 and \$200,000 for tennis court renovations are included.

Lastly, this budget includes reimbursement of \$175,275 in personnel costs to the Utility Fund, representing that portion of Engineering Department personnel costs associated with Capital Projects Fund funded projects, a transfer of \$350,000 to the Storm Water Utility Fund to assist in funding improvements to the Town's storm water drainage system and a transfer of \$150,000 to the Utility Fund to assist in funding improvements to the Town's water system.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 131.

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

| | FY 2018 Actual | FY 2019 Budget | FY 2019 Projected | FY 2020 Adopted |
|---|---------------------|---------------------|----------------------|-----------------------|
| BEGINNING FUND BALANCE | \$ 3,945,302 | \$ 4,199,772 | \$ 3,820,189 | \$ 6,219,231 |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 124,898 | \$ 111,374 | \$ 150,000 | \$ 140,190 |
| Contributions | 1,287,770 | 1,704,122 | 4,648,175 | 2,201,814 |
| Total Revenues | \$ 1,412,668 | \$ 1,815,496 | \$ 4,798,175 | \$ 2,342,004 |
| Transfers | 3,620,012 | 3,353,057 | 4,896,244 | 3,804,105 |
| Total Revenues/Sources | \$ 5,032,680 | \$ 5,168,553 | \$ 9,694,419 | \$ 6,146,109 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Capital Projects | \$ 3,890,951 | \$ 4,036,483 | \$ 6,774,377 | \$ 8,037,381 |
| Total Expenditures | \$ 3,890,951 | \$ 4,036,483 | \$ 6,774,377 | \$ 8,037,381 |
| Transfers | 1,266,842 | 521,000 | 521,000 | 675,275 |
| Total Expenditures/Uses | \$ 5,157,793 | \$ 4,557,483 | \$ 7,295,377 | \$ 8,712,656 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (125,113) | \$ 611,070 | \$ 2,399,042 | \$ (2,566,547) |
| ENDING FUND BALANCE ¹ | \$ 3,820,189 | \$ 4,810,842 | \$ 6,219,231 | \$ 3,652,684 |

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

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TEN YEAR CAPITAL IMPROVEMENT PLAN

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2020-2029

| Project/Funding Source | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 4,084,725 | \$ 6,483,767 | \$ 3,917,220 | \$ 4,054,822 | \$ 4,619,360 |
| Annual Project Funding | | | | | |
| General Fund CIP Transfer | \$ 1,142,724 | \$ 1,166,721 | \$ 1,191,222 | \$ 1,216,238 | \$ 1,241,779 |
| Solid Waste Fund 5% Transfer | 73,000 | 75,800 | 76,558 | 77,324 | 78,097 |
| Utility Fund 5% W&S Transfer | 521,167 | 522,893 | 528,122 | 533,403 | 538,737 |
| Supplemental General Fund Transfer | 1,668,073 | 543,231 | 189,983 | 262,599 | 338,107 |
| 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 | 3,256,368 | 1,701,814 | 1,752,868 | 1,805,454 | 1,859,618 |
| Intergovernmental Revenue | | | | | |
| University Park | - | - | 1,210,000 | 1,300,000 | - |
| NTxCOG | - | - | - | - | - |
| NTTA | - | - | - | - | - |
| Dallas County MCIP | 1,056,807 | - | - | - | 2,420,000 |
| Dallas County Road and Bridge | 335,000 | 500,000 | 500,000 | 250,000 | 250,000 |
| Transfer from DPS Technology Fund | 83,000 | 87,180 | 89,795 | 92,489 | 95,264 |
| Interest Revenue | 150,000 | 140,190 | 147,257 | 196,744 | 220,033 |
| Total Annual Project Funding | \$ 9,694,419 | \$ 6,146,109 | \$ 7,094,085 | \$ 7,142,531 | \$ 8,449,915 |
| Expenditures | | | | | |
| Project 25 Public Safety Radio System | \$ 650,000 | \$ 3,044,055 | \$ 393,874 | \$ - | \$ - |
| Fiber Connectivity to HPISD | 100,000 | - | - | - | - |
| Armstrong Elementary Playground | 100,000 | - | - | - | - |
| Tennis Court Reconstruction | 200,000 | 200,000 | - | - | - |
| Street Light Painting | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Preston Road Parkway Improvements | 200,000 | 150,000 | - | - | - |
| Town Hall Security Enhancements | - | 120,000 | - | - | - |
| Armstrong Parkway - Landscape, Lighting, and Irrigation Impr. | - | 250,000 | - | - | - |
| Park Renovation/Rehabilitation Program | 237,920 | 258,949 | 205,315 | 211,885 | 218,665 |
| Street Resurfacing & Miscellaneous Concrete | 1,273,148 | 1,039,377 | 1,072,637 | 1,106,961 | 1,142,384 |
| Preston Road Phase B | 2,272,042 | - | - | - | - |
| Street Condition Assessment | 150,000 | - | - | - | - |
| Armstrong Parkway Rehabilitation - Douglas to Preston (South Side) | 391,600 | - | - | - | - |
| Armstrong Parkway Rehabilitation - Douglas to Preston (North Side) | 1,174,667 | - | - | - | - |
| Overhill Drive Reconstruction - St. John to St. John | - | 740,000 | - | - | - |
| Transportation Improvement Project | - | - | - | - | 1,000,000 |
| Lakeside Drive Reconstruction & 30" Sewer Line | - | 870,000 | 2,300,000 | 3,500,000 | - |
| Airline Drive Rehabilitation | - | 610,000 | - | - | - |
| Mockingbird Lane (East) Rehabilitation | - | 730,000 | - | - | - |
| Abbott Avenue Rehabilitation - Harvard to Mockingbird | - | - | 1,260,000 | - | - |
| Armstrong Avenue Rehabilitation - Lakeside Drive to Katy Trail | - | - | 1,020,000 | - | - |
| Mockingbird Lane (West) Reconstruction | - | - | - | 1,050,000 | - |
| Westside Drive Reconstruction - Lemmon to Mockingbird Ln | - | - | - | - | 2,840,000 |
| Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln | - | - | - | - | 1,960,000 |
| Preston Road Phase C Reconstruction | - | - | - | - | 400,000 |
| Armstrong Parkway Rehabilitation - Douglas to Mockingbird | - | - | - | - | - |
| Abbott Avenue Reconstruction - Armstrong to Harvard | - | - | - | - | - |
| Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln | - | - | - | - | - |
| Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av | - | - | - | - | - |
| Douglas Avenue Reconstruction - South Town Limits to Beverly | - | - | - | - | - |
| Douglas Avenue Reconstruction - Beverly to North Town Limits | - | - | - | - | - |
| Lomo Alto Drive Reconstruction - Lemmon to Lorraine | - | - | - | - | - |
| Total Expenditures | \$ 6,774,377 | \$ 8,037,381 | \$ 6,276,826 | \$ 5,893,846 | \$ 7,586,049 |
| Transfers-Out | | | | | |
| Storm Water Fund and Utility Fund | \$ 350,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Project Personnel Costs | 171,000 | 175,275 | 179,657 | 184,148 | 188,752 |
| Total Transfers-Out | \$ 521,000 | \$ 675,275 | \$ 679,657 | \$ 684,148 | \$ 688,752 |
| Total Expenditures & Transfers Out | \$ 7,295,377 | \$ 8,712,656 | \$ 6,956,483 | \$ 6,577,994 | \$ 8,274,801 |
| Ending Balance* | \$ 6,483,767 | \$ 3,917,220 | \$ 4,054,822 | \$ 4,619,360 | \$ 4,794,474 |
| Construction Contingency | \$ 2,000,000 |
| Over(Under) Contingency | \$ 4,483,767 | \$ 1,917,220 | \$ 2,054,822 | \$ 2,619,360 | \$ 2,794,474 |

* Includes DPS Technology Fund Balance

**Excludes FY 2018-19.

| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total** |
|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 4,794,474 | \$ 3,290,440 | \$ 3,515,478 | \$ 4,979,106 | \$ 6,404,395 | \$ 8,101,670 | \$ 6,483,767 |
| \$ 1,267,856 | \$ 1,294,481 | \$ 1,321,665 | \$ 1,349,420 | \$ 1,377,758 | \$ 1,406,691 | \$ 12,833,831 |
| 78,878 | 79,667 | 80,464 | 81,269 | 82,082 | 82,903 | 793,042 |
| 544,124 | 549,565 | 555,061 | 560,612 | 566,218 | 571,880 | 5,470,615 |
| 416,616 | 498,237 | 583,088 | 671,289 | 762,966 | 858,248 | 5,124,364 |
| 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 |
| 1,915,406 | 1,972,406 | | | | | 11,007,566 |
| - | - | - | - | - | - | 2,510,000 |
| 2,500,000 | 2,500,000 | - | - | - | - | 5,000,000 |
| - | - | - | - | - | - | - |
| 2,000,000 | 1,840,000 | 760,000 | 876,000 | 716,500 | 1,150,000 | 9,762,500 |
| 250,000 | - | - | - | - | - | 1,750,000 |
| 98,122 | 101,066 | 104,097 | 107,220 | 110,437 | 113,750 | 999,421 |
| 276,758 | 334,193 | 395,173 | 400,350 | 437,797 | 437,797 | 2,986,292 |
| \$ 10,756,040 | \$ 10,577,895 | \$ 5,207,828 | \$ 5,454,440 | \$ 5,462,038 | \$ 6,029,549 | \$ 72,320,431 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 3,437,929 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 200,000 |
| 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 250,000 |
| - | - | - | - | - | - | 150,000 |
| - | - | - | - | - | - | 120,000 |
| - | - | - | - | - | - | 250,000 |
| 225,662 | 232,883 | 240,335 | 248,026 | 255,963 | 264,154 | 2,361,837 |
| 1,178,940 | 1,216,666 | 1,255,599 | 1,295,778 | 1,337,243 | 1,380,035 | 12,025,620 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 740,000 |
| 4,500,000 | 4,500,000 | - | - | - | - | 10,000,000 |
| - | - | - | - | - | - | 6,670,000 |
| - | - | - | - | - | - | 610,000 |
| - | - | - | - | - | - | 730,000 |
| - | - | - | - | - | - | 1,260,000 |
| - | - | - | - | - | - | 1,020,000 |
| - | - | - | - | - | - | 1,050,000 |
| - | - | - | - | - | - | 2,840,000 |
| - | - | - | - | - | - | 1,960,000 |
| 4,000,000 | - | - | - | - | - | 4,400,000 |
| 1,637,000 | - | - | - | - | - | 1,637,000 |
| - | 2,050,000 | - | - | - | - | 2,050,000 |
| - | 1,630,000 | - | - | - | - | 1,630,000 |
| - | - | 1,520,000 | - | - | - | 1,520,000 |
| - | - | - | 1,752,000 | - | - | 1,752,000 |
| - | - | - | - | 1,433,000 | - | 1,433,000 |
| - | - | - | - | - | 3,110,000 | 3,110,000 |
| \$ 11,566,602 | \$ 9,654,549 | \$ 3,040,934 | \$ 3,320,804 | \$ 3,051,206 | \$ 4,779,189 | \$ 63,207,386 |
| \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 5,000,000 |
| 193,471 | 198,308 | 203,266 | 208,348 | 213,557 | 218,896 | 1,963,678 |
| \$ 693,471 | \$ 698,308 | \$ 703,266 | \$ 708,348 | \$ 713,557 | \$ 718,896 | \$ 6,963,678 |
| \$ 12,260,073 | \$ 10,352,857 | \$ 3,744,200 | \$ 4,029,152 | \$ 3,764,763 | \$ 5,498,085 | \$ 70,171,064 |
| \$ 3,290,440 | \$ 3,515,478 | \$ 4,979,106 | \$ 6,404,395 | \$ 8,101,670 | \$ 8,633,134 | \$ 8,633,134 |
| \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| \$ 1,290,440 | \$ 1,515,478 | \$ 2,979,106 | \$ 4,404,395 | \$ 6,101,670 | \$ 6,633,134 | \$ 6,633,134 |

TOWN OF HIGHLAND PARK, TEXAS

STORM WATER FUND

FISCAL YEARS 2020-2029

| Project/Funding Source | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
| Beginning Balance | \$ 2,947,770 | \$ 2,569,297 | \$ 1,024,502 | \$ 678,327 | \$ 777,349 |
| Revenues | | | | | |
| Storm Water Charges | \$ 413,009 | \$ 423,709 | \$ 432,607 | \$ 441,692 | \$ 450,968 |
| Interest Earnings | 76,604 | 23,495 | 27,662 | 18,315 | 20,988 |
| Total Revenues | \$ 489,613 | \$ 447,204 | \$ 460,269 | \$ 460,007 | \$ 471,956 |
| Transfers - In | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Total Revenues & Transfers - In | \$ 839,613 | \$ 797,204 | \$ 810,269 | \$ 810,007 | \$ 821,956 |
| Expenditures | | | | | |
| Supplies & Equipment | \$ 7,100 | \$ 7,100 | \$ 7,256 | \$ 7,416 | \$ 7,579 |
| Services & Charges | 75,760 | 78,800 | 80,534 | 82,306 | 84,117 |
| Total Operating Expenditures | \$ 82,860 | \$ 85,900 | \$ 87,790 | \$ 89,722 | \$ 91,696 |
| Capital Outlay: | | | | | |
| Connor Park Shoreline Stabilization & Silt Removal | \$ - | \$ - | \$ - | \$ - | \$ - |
| Drainage Studies | 63,476 | - | - | - | - |
| Stormwater Drainage Study Phase I | 200,000 | - | - | - | - |
| Master Plan & Improvements for Hackberry Creek | 550,000 | 640,000 | 500,000 | 500,000 | 500,000 |
| Douglas Park Drainage Improvement & Landscaping | - | 600,000 | - | - | - |
| Drainage Easement Projects | - | 900,000 | - | - | - |
| Stormwater Drainage Study Phase II | - | - | 200,000 | - | - |
| Mockingbird Bridge Rehabilitation | - | - | 250,000 | - | - |
| Douglas Park Drainage Improvement - Walk Reserve | 208,150 | - | - | - | - |
| Westside Drive Reconstruction - Lemmon to Mockingbird Ln | - | - | - | - | 550,000 |
| Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln | - | - | - | - | 60,000 |
| Abbott Avenue Reconstruction - Armstrong to Harvard | - | - | - | - | - |
| Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln | - | - | - | - | - |
| Douglas Avenue Reconstruction - South Town Limits to Beverly | - | - | - | - | - |
| Douglas Avenue Reconstruction - Beverly to North Town Limits | - | - | - | - | - |
| Total Capital Outlay | \$ 1,021,626 | \$ 2,140,000 | \$ 950,000 | \$ 500,000 | \$ 1,110,000 |
| Total Expenditures | \$ 1,104,486 | \$ 2,225,900 | \$ 1,037,790 | \$ 589,722 | \$ 1,201,696 |
| Transfers-Out | 113,600 | 116,099 | 118,653 | 121,263 | 123,931 |
| Total Expenditures & Transfers-Out | \$ 1,218,086 | \$ 2,341,999 | \$ 1,156,443 | \$ 710,985 | \$ 1,325,627 |
| Ending Balance | \$ 2,569,297 | \$ 1,024,502 | \$ 678,327 | \$ 777,349 | \$ 273,678 |

* *Excludes FY 2018-19.

| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total** |
|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|-------------------------|
| \$ 273,678 | \$ 321,135 | \$ 734,694 | \$ 96,337 | \$ 269,761 | \$ 61,984 | \$ 2,569,297 |
| \$ 460,438 7,389 | \$ 470,107 8,671 | \$ 479,979 19,837 | \$ 490,059 2,601 | \$ 500,350 7,284 | \$ 510,857 1,674 | \$ 4,660,766 137,915 |
| \$ 467,827 | \$ 478,778 | \$ 499,816 | \$ 492,660 | \$ 507,634 | \$ 512,531 | \$ 4,798,681 |
| 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | \$ 3,500,000 |
| \$ 817,827 | \$ 828,778 | \$ 849,816 | \$ 842,660 | \$ 857,634 | \$ 862,531 | \$ 8,298,681 |
| \$ 7,746 | \$ 7,916 | \$ 8,090 | \$ 8,268 | \$ 8,450 | \$ 8,636 | \$ 78,457 |
| 85,968 | 87,859 | 89,792 | 91,767 | 93,786 | 95,849 | 870,778 |
| \$ 93,714 | \$ 95,775 | \$ 97,882 | \$ 100,035 | \$ 102,236 | \$ 104,485 | \$ 949,235 |
| \$ - | \$ - | \$ 858,000 | \$ - | \$ - | \$ - | \$ 858,000 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 550,000 | - | 400,000 | 400,000 | 550,000 | 600,000 | 4,640,000 |
| - | - | - | - | - | - | 600,000 |
| - | - | - | - | - | - | 900,000 |
| - | - | - | - | - | - | 200,000 |
| - | - | - | - | - | - | 250,000 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 550,000 |
| - | - | - | - | - | - | 60,000 |
| - | 30,000 | - | - | - | - | 30,000 |
| - | 160,000 | - | - | - | - | 160,000 |
| - | - | - | 34,000 | - | - | 34,000 |
| - | - | - | - | 275,000 | - | 275,000 |
| \$ 550,000 | \$ 190,000 | \$ 1,258,000 | \$ 434,000 | \$ 825,000 | \$ 600,000 | \$ 8,557,000 |
| \$ 643,714 | \$ 285,775 | \$ 1,355,882 | \$ 534,035 | \$ 927,236 | \$ 704,485 | \$ 9,506,235 |
| 126,657 | 129,443 | 132,291 | 135,201 | 138,175 | 141,215 | 1,282,928 |
| \$ 770,371 | \$ 415,218 | \$ 1,488,173 | \$ 669,236 | \$ 1,065,411 | \$ 845,700 | \$ 10,789,163 |
| \$ 321,135 | \$ 734,694 | \$ 96,337 | \$ 269,761 | \$ 61,984 | \$ 78,814 | \$ 78,814 |

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2020-2029

| Project/Funding Source | * | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| Beginning Balance | \$ 5,721,841 | \$ 6,063,881 | \$ 5,728,337 | \$ 4,988,968 | \$ 7,450,026 |
| Revenues | | | | | |
| Water Sales | \$ 6,144,019 | \$ 7,296,171 | \$ 7,642,739 | \$ 7,642,739 | \$ 8,005,769 |
| Sanitary Sewer Charges | \$ 2,552,867 | 3,017,681 | 3,161,021 | 3,161,021 | 3,311,169 |
| Permit Revenue | 74,422 | 64,906 | 64,000 | 64,000 | 64,000 |
| Interest Earnings | 211,243 | 168,994 | 154,665 | 134,702 | 201,151 |
| Contributions-DART | - | - | - | - | - |
| Intergovernmental Revenue | 46,820 | - | - | - | - |
| Other Revenues | 112,390 | 112,699 | 107,000 | 107,000 | 107,000 |
| Total Revenues | \$ 9,141,761 | \$ 10,660,451 | \$ 11,129,425 | \$ 11,109,462 | \$ 11,689,089 |
| Additional Transfer-In from the Capital Projects Fund | \$ - | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| Transfers-In | 342,600 | 351,374 | 359,104 | 367,004 | 375,078 |
| Total Revenues & Transfers-In | \$ 9,484,361 | \$ 11,161,825 | \$ 11,638,529 | \$ 11,626,466 | \$ 12,214,167 |
| Expenditures | | | | | |
| Personnel Services | \$ 1,556,415 | \$ 1,799,300 | \$ 1,880,269 | \$ 1,964,881 | \$ 2,053,301 |
| Supplies & Equipment | 2,326,843 | 2,909,936 | 3,011,784 | 3,117,196 | 3,226,298 |
| Services & Charges | 1,422,088 | 1,544,285 | 1,598,335 | 1,654,277 | 1,712,177 |
| Operating Capital | - | - | - | - | - |
| Total Operating Expenditures | \$ 5,305,346 | \$ 6,253,521 | \$ 6,490,388 | \$ 6,736,354 | \$ 6,991,776 |
| Capital Outlay: | | | | | |
| Wastewater Master Plan | \$ 105,000 | \$ - | \$ - | \$ - | \$ - |
| Water & Sanitary Sewer Infrastructure Replace./Rehab. | 1,803,000 | 2,000,000 | 2,268,353 | - | 2,416,064 |
| Lakeside Drive Reconstruction & 30" Sewer Line | - | - | - | - | - |
| Gillon Pump Station Improvements | 80,000 | 300,000 | - | - | - |
| NE Water Pressure Capital Improvements | - | - | - | - | 400,000 |
| Holland Elevated Storage Tank Rehabilitation | - | 300,000 | 1,500,000 | - | - |
| Overhill Drive Reconstruction - St. John to St. John | - | 500,000 | - | - | - |
| Airline Drive Rehabilitation | - | 260,000 | - | - | - |
| Abbott Avenue Rehabilitation - Harvard to Mockingbird | - | - | 220,000 | - | - |
| Sewanee Avenue Water and Sewer Improvements | - | - | - | 500,000 | - |
| Westside Drive Reconstruction - Lemmon to Mockingbird Ln | - | - | - | - | 90,000 |
| Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln | - | - | - | - | 530,000 |
| Abbott Avenue Reconstruction - Armstrong to Harvard | - | - | - | - | - |
| Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln | - | - | - | - | - |
| Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av | - | - | - | - | - |
| Douglas Avenue Reconstruction - South Town Limits to Beverly | - | - | - | - | - |
| Douglas Avenue Reconstruction - Beverly to North Town Limits | - | - | - | - | - |
| Lomo Alto Drive Reconstruction - Lemmon to Lorraine | - | - | - | - | - |
| Total Capital Expenditures | \$ 1,988,000 | \$ 3,360,000 | \$ 3,988,353 | \$ 500,000 | \$ 3,436,064 |
| Total Expenditures | \$ 7,293,346 | \$ 9,613,521 | \$ 10,478,741 | \$ 7,236,354 | \$ 10,427,840 |
| Transfers-Out | 1,848,975 | 1,883,848 | 1,899,156 | 1,929,054 | 1,985,268 |
| Total Expenditures & Transfer-Out | \$ 9,142,321 | \$ 11,497,369 | \$ 12,377,897 | \$ 9,165,408 | \$ 12,413,108 |
| Operating Reserve | \$ 1,679,869 | \$ 1,905,419 | \$ 1,962,339 | \$ 2,031,306 | \$ 2,102,799 |
| Rate Stabilization Reserve | 4,384,012 | 3,822,918 | 3,026,629 | 5,418,720 | 5,148,287 |
| Ending Balance | 6,063,881 | 5,728,337 | 4,988,968 | 7,450,026 | 7,251,086 |
| Ideal Fund Balance (25% of Operating Expenses) | \$ 1,679,869 | \$ 1,905,419 | \$ 1,962,339 | \$ 2,031,306 | \$ 2,102,799 |
| Over(Under) Ideal Fund Balance | \$ 4,384,012 | \$ 3,822,918 | \$ 3,026,629 | \$ 5,418,720 | \$ 5,148,287 |

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

* *Excludes FY 2018-19.

| 2023-24 | * | | * | | | Total** |
|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | |
| \$ 7,251,086 | \$ 6,694,618 | \$ 5,631,701 | \$ 7,033,194 | \$ 6,953,374 | \$ 7,805,282 | \$ 6,063,881 |
| \$ 8,005,769 | \$ 8,386,043 | \$ 8,386,043 | \$ 8,784,380 | \$ 8,784,380 | \$ 8,784,380 | \$ 81,718,415 |
| 3,311,169 | 3,468,450 | 3,468,450 | 3,633,201 | 3,633,201 | 3,633,201 | 33,798,565 |
| 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 640,906 |
| 195,779 | 180,755 | 152,056 | 189,896 | 187,741 | 210,743 | 1,776,482 |
| - | - | - | - | - | - | - |
| 900,000 | - | 800,000 | - | - | - | 1,700,000 |
| 107,000 | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 | 1,075,699 |
| \$ 12,583,718 | \$ 12,206,248 | \$ 12,977,549 | \$ 12,778,478 | \$ 12,776,323 | \$ 12,799,324 | \$ 120,710,067 |
| \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 1,500,000 |
| 383,330 | 391,763 | 400,382 | 409,190 | 418,192 | 427,392 | 3,882,809 |
| \$ 13,117,048 | \$ 12,748,011 | \$ 13,527,931 | \$ 13,337,668 | \$ 13,344,515 | \$ 13,376,716 | \$ 126,092,876 |
| \$ 2,145,700 | \$ 2,242,257 | \$ 2,343,159 | \$ 2,448,601 | \$ 2,558,788 | \$ 2,673,933 | \$ 22,110,189 |
| 3,339,218 | 3,456,091 | 3,577,054 | 3,702,251 | 3,831,830 | 3,965,944 | 34,137,602 |
| 1,772,103 | 1,834,127 | 1,898,321 | 1,964,762 | 2,033,529 | 2,104,703 | 18,116,619 |
| - | - | - | - | - | - | - |
| \$ 7,257,021 | \$ 7,532,475 | \$ 7,818,534 | \$ 8,115,614 | \$ 8,424,147 | \$ 8,744,580 | \$ 74,364,410 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1,800,000 | 2,573,166 | 1,600,000 | 2,740,483 | - | 2,918,680 | 14,916,746 |
| - | - | - | - | - | - | 3,400,000 |
| 2,600,000 | - | - | - | 1,200,000 | - | 300,000 |
| - | - | - | - | - | - | 4,200,000 |
| - | - | - | - | - | - | 1,800,000 |
| - | - | - | - | - | - | 500,000 |
| - | - | - | - | - | - | 260,000 |
| - | - | - | - | - | - | 220,000 |
| - | - | - | - | - | - | 500,000 |
| - | - | - | - | - | - | 90,000 |
| - | - | - | - | - | - | 530,000 |
| - | 990,000 | - | - | - | - | 990,000 |
| - | 640,000 | - | - | - | - | 640,000 |
| - | - | 600,000 | - | - | - | 600,000 |
| - | - | - | 392,000 | - | - | 392,000 |
| - | - | - | - | 665,000 | - | 665,000 |
| - | - | - | - | - | 1,250,000 | 1,250,000 |
| \$ 4,400,000 | \$ 4,203,166 | \$ 2,200,000 | \$ 3,132,483 | \$ 1,865,000 | \$ 4,168,680 | \$ 31,253,746 |
| \$ 11,657,021 | \$ 11,735,641 | \$ 10,018,534 | \$ 11,248,097 | \$ 10,289,147 | \$ 12,913,260 | \$ 105,618,156 |
| 2,016,495 | 2,075,287 | 2,107,903 | 2,169,392 | 2,203,459 | 2,238,276 | 20,508,138 |
| \$ 13,673,516 | \$ 13,810,928 | \$ 12,126,437 | \$ 13,417,489 | \$ 12,492,606 | \$ 15,151,536 | \$ 126,126,294 |
| \$ 2,176,917 | \$ 2,253,760 | \$ 2,333,429 | \$ 2,416,032 | \$ 2,501,682 | \$ 2,590,494 | \$ 2,590,494 |
| 4,517,701 | 3,377,941 | 4,699,765 | 4,537,342 | 5,303,600 | 3,439,969 | 3,439,969 |
| 6,694,618 | 5,631,701 | 7,033,194 | 6,953,374 | 7,805,282 | 6,030,463 | 6,030,463 |
| \$ 2,176,917 | \$ 2,253,760 | \$ 2,333,429 | \$ 2,416,032 | \$ 2,501,682 | \$ 2,590,494 | \$ 2,590,494 |
| \$ 4,517,701 | \$ 3,377,941 | \$ 4,699,765 | \$ 4,537,342 | \$ 5,303,600 | \$ 3,439,969 | \$ 3,439,969 |

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CAPITAL PROJECTS FUND

Project 25 Public Safety Radio System

- Total Estimated Cost - \$3,437,929
- Project Year(s) - FY 2017-18 through FY 2020-21
- P-25 compliant radio system will:
 - Enhance communications among jurisdictions throughout Dallas County.
 - Be built on multiple levels/zones to provide multiple levels of redundancy.
 - Be designed to improve radio coverage over a wider geographical area.
 - Will provide better penetration into medium density buildings with portable hand-held radios.
 - Required additional \$260,000 in annual operating costs for system maintenance FY 2026

Tennis Court Reconstruction

- Estimated Project Cost - \$200,000
- 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)
- 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 - \$150,000
- Project Year(s) - FY 2017-18 through FY 2019-20
- 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.

Town Hall Security Enhancements

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

Armstrong Parkway Improvements

- Estimated Project Cost - \$250,000
- Project Year(s) - FY 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.

Ten Year Capital Improvement Plan Project Detail – By Fund

Park Renovation/Rehabilitation Program

- Estimated Project Cost - \$2,361,837
- 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 - \$12,025,620
- Project Year(s) – Annually
- An annual program of rehabilitating & restoring asphalt road surfaces, including concrete repairs to curb and gutters, streets, alleys and sidewalks.

Transportation Improvement Project

- Estimated Project Cost – \$10,000,000
- Project Year(s) – FY 2022-23 through FY 2024-25
- Additional Funding Sources – Dallas County -1,000,000 and North Central Texas Council of Governments - \$5,000,000

Mockingbird Lane (East) Rehabilitation

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

Armstrong Avenue Rehabilitation

- Estimated Project Cost – \$1,020,000
- Project Year(s) – FY 2020-21
- Limits – Lakeside Drive to Katy Trail
- Additional Funding Source – Dallas County - \$250,000
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.

Mockingbird Lane (West) Reconstruction

- Estimated Project Cost – \$1,050,000
- Project Year(s) – FY 2021-22
- Limits: Westside Drive to Eastern Avenue
- Additional Funding Source – Dallas County - \$250,000
- Project includes the total reconstruction of the road.

Preston Road Reconstruction (Phase C)

- Estimated Project Cost – \$4,400,000
- Project Year(s) – FY 2022-23 and FY 2023-24
- Limits - Preston Road @ Armstrong Parkway Intersection
- Additional Funding Sources –Dallas County - \$2,000,000
- Road reconstruction and signal improvements.

Armstrong Parkway Rehabilitation

- Estimated Project Cost – \$1,637,000
- Project Year(s) – FY 2023-24
- Limits - Douglas Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County - \$250,000
- Project includes concrete repairs, street resurfacing; curb and gutters, sidewalks, and ADA ramps, as needed.

STORM WATER FUND

Improvements for Hackberry Creek

- Estimated Project Cost –\$4,640,000
- Project Year(s) – FY 2016-17 through FY 2028-29
- 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.

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.

Douglas Park Drainage, Improvement and Landscaping

- Estimated Project Cost –\$600,000
- Project Year(s) – FY 2019-20
- The project will consist of improvements to address lack of topography and drainage, as well as landscaping improvements.

Drainage Easement Projects

- Estimated Project Cost –\$900,000
- Project Year(s) – FY 2019-20
- The drainage projects will be located within seven easements.
- Improvements could include grading, adjustments to existing inlets, installing new inlets and associated storm drain pipe and possible construction of a concrete flume.

Storm Water Drainage Study – Phase II

- Estimated Project Cost –\$200,000
- Project Year(s) – FY 2020-21
- The project will consist of modeling the Town’s storm water drainage system and assisting staff with recommending system improvements.

Mockingbird Bridge Rehabilitation

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

UTILITY FUND

Water & Sanitary Sewer Infrastructure Replacement/Rehabilitation:

- Estimated Project Cost - \$14,916,746
- Project Year(s) – Every other year
- An annual program to replace aging water and sanitary sewer mains throughout the Town.

Gillon Pump Station Improvement

- Estimated Project Cost – \$300,000
- Project Year(s) – FY 2018-19 through FY 2019-20
- Improvements include new automatic load rated power transfer switch and electrical relocation.

Northeast Water Pressure Capital Improvements

- Estimated Project Cost – \$4,200,000
- Project Year(s) – FY 2022-23 & FY 2023-24 & FY 2027-28
- To improve water pressures on the northeast side of Town, the construction of utility infrastructure including a 20” water line, 8.1 MGD pump, upsized University Park line from 24” to 30” and additional appurtenances. Assessment of other possible solutions are also being considered and may be proposed.

Holland Avenue Elevated Storage Tank Rehabilitation

- Estimated Project Cost – \$1,800,000
- 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 address any issues that might affect the tank’s service longevity.

Sewanee Avenue Water & Sewer Improvements

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

PROJECTS PRESENT IN MULTIPLE FUNDS

Overhill Drive Reconstruction

- Estimated Project Cost – \$1,240,00
 - Capital Projects Fund \$740,000
 - Utility Fund \$500,000
- Project Year(s) – FY 2019-20
- Limits – St. John to St. John
- Project includes the total reconstruction including replacement of utility lines.

Lakeside Drive Reconstruction & 30” Sewer Line

- Estimated Project Cost – \$10,070,000
 - Capital Projects Fund \$6,670,000
 - Project Years(s) – FY 2019-20 through FY 2021-22
 - Limits – Armstrong Avenue to Beverly Drive
 - Design (\$870,000)
 - Construction (\$2,300,000)
 - Construction (\$3,500,000)
 - Utility Fund \$3,400,000
 - Project Years(s) – FY 2023-24 and FY 2025-26
 - Limits – Armstrong Avenue to Beverly Drive
 - Design and Construction (\$1,800,000)
 - Design and Construction (\$1,600,000)
- Additional Funding Source – University Park – \$2,510,000 in the Capital Projects Fund and \$1,700,000 in the Utility Fund, total of \$4,210,000
- The project will consist of the 30” sanitary sewer interceptor replacement and associated roadway improvement for Lakeside Drive between Beverly and Wycliffe.

Airline Drive Rehabilitation

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

Abbott Avenue Rehabilitation:

- Estimated Project Cost – \$1,480,000
 - Capital Projects Fund \$1,260,000
 - Utility Fund \$220,000
- Project Year(s) – FY 2020-21
- Limits: Harvard Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County - \$250,000 in the Capital Projects Fund
- Project includes concrete repairs, street resurfacing; curb and gutters, sidewalks, and ADA ramps, as needed.
- Project includes utility improvements.

Ten Year Capital Improvement Plan Project Detail – By Fund

Westside Drive Reconstruction

- Estimated Project Cost – \$3,480,000
 - Capital Projects Fund \$2,840,000
 - Storm Water Drainage Fund \$550,000
 - Utility Fund \$90,000
- Project Year(s) – FY 2022-23
- Limits: Lemmon Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County - \$1,420,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water and drainage improvements.

Hillcrest Avenue Reconstruction

- Estimated Project Cost – \$2,550,000
 - Capital Projects Fund \$1,960,000
 - Storm Water Drainage Fund \$60,000
 - Utility Fund \$530,000
- Project Year(s) – FY 2022-23
- Limits - Abbott Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County - \$250,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Abbott Avenue Reconstruction

- Estimated Project Cost – \$3,070,000
 - Capital Projects Fund \$2,050,000
 - Storm Water Drainage Fund \$30,000
 - Utility Fund \$990,000
- Project Year(s) – FY 2024-25
- Limits - Armstrong Avenue to Harvard Avenue
- Additional Funding Source – Dallas County - \$1,025,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Eastern Avenue Reconstruction

- Estimated Project Cost – \$2,430,000
 - Capital Projects Fund \$1,630,000
 - Storm Water Drainage Fund \$160,000
 - Utility Fund \$640,000
- Project Year(s) – FY 2024-25
- Limits – Westside Drive to Mockingbird Lane
- Additional Funding Source – Dallas County - \$815,000
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Roland Avenue Reconstruction

- Estimated Project Cost – \$2,120,000
 - Capital Projects Fund \$1,520,000
 - Utility Fund \$600,000
- Project Year(s) – FY 2025-26
- Limits –Mockingbird Lane to Bordeaux Avenue
- Additional Funding Source – Dallas County - \$760,000
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Ten Year Capital Improvement Plan Project Detail – By Fund

Douglas Avenue Reconstruction

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

Lomo Alto Drive Reconstruction

- Estimated Project Cost – \$4,360,000
 - Capital Projects Fund \$3,110,000
 - Utility Fund \$1,250,000
- Project Year(s) – FY 2028-29
- Limits: Lemmon Avenue to Lorraine Avenue
- Additional Funding Source – Dallas County - \$1,150,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

TEN YEAR FINANCIAL FORECAST

10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General Fund

Revenues:

- Property tax revenue is based on estimated taxable assessed values (T.A.V.) and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 3.5% per year. The tax rate is assumed to remain constant at \$0.23 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year.
- Sales tax is indexed at 4.0% which reflects historical trends.
- Interest revenue is based on 2.7% 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 3.25% each year. This is a decrease from prior year trends of 4.5% in prior 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.
- "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.0% per year. This is a decrease from prior year trends of 3.5%.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$10,000 per year has been allocated in fiscal year 2020-21 and thereafter to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.

Storm Water Utility Fund

Revenues:

- Storm water revenues are indexed each year by 2.2%.
- A transfer from the Capital Improvement Fund of \$350,000 for fiscal year 2019-20 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 4.75% every two years beginning in fiscal year 2020-21.

**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 2018-19 | 23.00 Cents 2019-20 | 23.00 Cents 2020-21 | 23.00 Cents 2021-22 |
|---|------------------------|------------------------|------------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 4,540,892 | \$ 3,948,381 | \$ 3,923,381 | \$ 4,227,509 |
| REVENUES: | | | | |
| Property Taxes | \$ 13,701,099 | \$ 14,809,473 | \$ 15,310,750 | \$ 15,845,401 |
| Sales Taxes | 4,116,270 | 4,234,176 | 4,403,543 | 4,579,685 |
| Sanitation/Recycling Charges | - | - | - | - |
| Franchise Fees | 1,088,794 | 1,006,919 | 1,032,753 | 1,059,250 |
| Building Inspection Fees/Permits | 1,366,016 | 1,130,474 | 1,170,041 | 1,210,992 |
| Municipal Court Fines/Fees | 1,301,111 | 1,287,132 | 1,332,182 | 1,378,808 |
| Interest Earnings | 215,000 | 172,000 | 279,822 | 294,653 |
| All Other | 1,854,742 | 1,863,935 | 1,928,029 | 1,994,327 |
| TOTAL REVENUES | \$ 23,643,032 | \$ 24,504,109 | \$ 25,457,120 | \$ 26,363,116 |
| Transfers from Other Funds | 1,217,700 | 1,257,500 | 1,285,165 | 1,313,439 |
| TOTAL REVENUES & TRANSFERS-IN | \$ 24,860,732 | \$ 25,761,609 | \$ 26,742,285 | \$ 27,676,555 |
| EXPENDITURES: | | | | |
| Personnel Services: | \$ 1.05 | | | |
| Payroll | \$ 12,408,016 | \$ 12,775,829 | \$ 13,191,043 | \$ 13,619,752 |
| Taxes | 874,522 | 913,919 | 951,074 | 981,984 |
| Retirement (TMRS) | 773,096 | 1,102,981 | 1,319,104 | 1,361,975 |
| Insurance | 1,579,982 | 1,824,095 | 1,957,254 | 2,100,133 |
| Total Personnel | \$ 15,635,616 | \$ 16,616,824 | \$ 17,418,475 | \$ 18,063,845 |
| Supplies & Equipment | \$ 959,483 | \$ 1,013,750 | \$ 1,044,163 | \$ 1,075,488 |
| Services & Charges | 3,115,844 | 3,424,876 | 3,527,622 | 3,719,451 |
| Capital Outlay: | | | | |
| Sustaining | | | | |
| Equipment | 19,012 | - | 10,000 | 10,000 |
| CIP | - | - | - | - |
| TOTAL EXPENDITURES | \$ 19,729,955 | \$ 21,055,450 | \$ 22,000,260 | \$ 22,868,784 |
| Transfers to Capital Projects Fund | 4,219,077 | 3,118,232 | 2,789,485 | 2,887,117 |
| Transfers to Other Funds | 1,504,211 | 1,612,927 | 1,648,411 | 1,684,676 |
| TOTAL EXPENDITURES & TRANSFERS-OUT | \$ 25,453,243 | \$ 25,786,609 | \$ 26,438,157 | \$ 27,440,577 |
| ENDING FUND BALANCE | \$ 3,948,381 | \$ 3,923,381 | \$ 4,227,509 | \$ 4,463,487 |
| FUND BALANCE MINIMUM | \$ 3,606,576 | \$ 3,853,624 | \$ 4,018,574 | \$ 4,172,388 |
| FUND BALANCE SURPLUS | \$ 341,805 | \$ 69,757 | \$ 208,935 | \$ 291,099 |

CAPITAL PROJECTS FUND

| | | | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 4,084,725 | \$ 6,483,767 | \$ 3,917,220 | \$ 4,054,822 |
| Total Annual Project Funding (1) | 9,694,419 | 6,146,109 | 7,094,085 | 7,142,531 |
| Total Expenditures | 7,295,377 | 8,712,656 | 6,956,483 | 6,577,994 |
| Ending Balance* | \$ 6,483,767 | \$ 3,917,220 | \$ 4,054,822 | \$ 4,619,360 |
| Construction Contingency | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| Over(Under) Contingency | \$ 4,483,767 | \$ 1,917,220 | \$ 2,054,822 | \$ 2,619,360 |

PROPERTY TAX ASSUMPTIONS

| | | | | |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Property Tax Revenue | \$ 13,701,099 | \$ 14,809,473 | \$ 15,310,750 | \$ 15,845,401 |
| Property Values (2) | \$ 6,222,537,583 | \$ 6,481,852,784 | \$ 6,708,717,631 | \$ 6,943,522,748 |
| Tax Rate | 0.22 | 0.23 | 0.23 | 0.23 |

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

(2) Growth in taxable assessed value (T.A.V.) projected at 4.5% per year after FY2018-19. FY2018-19 includes a 4.0% increase in T.A.V

| 23.00 Cents | | | |
|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|----------------|----------------------|
| 2022-23 | | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | 2028-29 | |
| \$ | 4,463,487 | \$ | 4,724,897 | \$ | 4,994,915 | \$ | 5,270,421 | \$ | 5,347,725 | \$ | 5,411,115 | \$ | 5,455,070 |
| \$ | 16,398,765 | \$ | 16,971,497 | \$ | 17,564,275 | \$ | 18,177,799 | \$ | 18,812,797 | \$ | 19,470,020 | \$ | 20,150,246 |
| | 4,762,872 | | 4,953,387 | | 5,151,522 | | 5,357,583 | | 5,571,886 | | 5,794,761 | | 6,026,551 |
| | - | | - | | - | | - | | - | | - | | - |
| | 1,086,427 | | 1,114,301 | | 1,142,890 | | 1,172,213 | | 1,202,288 | | 1,233,135 | | 1,264,773 |
| | 1,253,377 | | 1,297,245 | | 1,342,649 | | 1,389,642 | | 1,438,279 | | 1,488,619 | | 1,540,721 |
| | 1,427,066 | | 1,477,013 | | 1,528,708 | | 1,582,213 | | 1,637,590 | | 1,694,906 | | 1,754,228 |
| | 307,331 | | 320,899 | | 334,933 | | 349,352 | | 358,666 | | 367,821 | | 376,711 |
| | 2,062,905 | | 2,133,841 | | 2,207,216 | | 2,283,114 | | 2,361,622 | | 2,442,830 | | 2,526,830 |
| \$ | 27,298,743 | \$ | 28,268,183 | \$ | 29,272,193 | \$ | 30,311,916 | \$ | 31,383,128 | \$ | 32,492,092 | \$ | 33,640,060 |
| | 1,342,335 | | 1,371,866 | | 1,402,047 | | 1,432,892 | | 1,464,416 | | 1,496,633 | | 1,529,559 |
| \$ | 28,641,078 | \$ | 29,640,049 | \$ | 30,674,240 | \$ | 31,744,808 | \$ | 32,847,544 | \$ | 33,988,725 | \$ | 35,169,619 |
| \$ | 14,062,394 | \$ | 14,519,422 | \$ | 14,991,303 | \$ | 15,478,520 | \$ | 15,981,572 | \$ | 16,500,973 | \$ | 17,037,255 |
| | 1,013,899 | | 1,046,850 | | 1,080,873 | | 1,116,001 | | 1,152,271 | | 1,189,720 | | 1,228,386 |
| | 1,406,239 | | 1,451,942 | | 1,499,130 | | 1,547,852 | | 1,598,157 | | 1,650,097 | | 1,703,726 |
| | 2,253,443 | | 2,417,945 | | 2,594,455 | | 2,783,850 | | 2,987,071 | | 3,205,127 | | 3,439,101 |
| \$ | 18,735,975 | \$ | 19,436,159 | \$ | 20,165,761 | \$ | 20,926,223 | \$ | 21,719,071 | \$ | 22,545,917 | \$ | 23,408,468 |
| \$ | 1,107,753 | \$ | 1,140,986 | \$ | 1,175,216 | \$ | 1,210,472 | \$ | 1,246,786 | \$ | 1,284,190 | \$ | 1,322,716 |
| | 3,816,035 | | 3,930,516 | | 4,048,431 | | 4,369,884 | | 4,500,981 | | 4,636,010 | | 4,775,090 |
| | - | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - |
| | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 |
| \$ | 23,669,763 | \$ | 24,517,661 | \$ | 25,399,408 | \$ | 26,516,579 | \$ | 27,476,838 | \$ | 28,476,117 | \$ | 29,516,274 |
| | 2,988,166 | | 3,092,752 | | 3,200,998 | | 3,313,033 | | 3,428,989 | | 3,549,004 | | 3,673,219 |
| | 1,721,739 | | 1,759,618 | | 1,798,329 | | 1,837,892 | | 1,878,326 | | 1,919,649 | | 1,961,882 |
| \$ | 28,379,669 | \$ | 29,370,031 | \$ | 30,398,735 | \$ | 31,667,504 | \$ | 32,784,153 | \$ | 33,944,771 | \$ | 35,151,374 |
| \$ | 4,724,897 | \$ | 4,994,915 | \$ | 5,270,421 | \$ | 5,347,725 | \$ | 5,411,115 | \$ | 5,455,070 | \$ | 5,473,314 |
| \$ | 4,314,855 | \$ | 4,465,437 | \$ | 4,621,915 | \$ | 4,818,560 | \$ | 4,988,678 | \$ | 5,165,580 | \$ | 5,349,586 |
| \$ | 410,042 | \$ | 529,478 | \$ | 648,506 | \$ | 529,165 | \$ | 422,437 | \$ | 289,490 | \$ | 123,728 |
| \$ | 4,619,360 | \$ | 4,794,474 | \$ | 3,290,440 | \$ | 3,515,478 | \$ | 4,979,106 | \$ | 6,404,395 | \$ | 8,101,670 |
| | 8,449,915 | | 10,756,040 | | 10,577,895 | | 5,207,828 | | 5,454,440 | | 5,462,038 | | 6,029,549 |
| | 8,274,801 | | 12,260,073 | | 10,352,857 | | 3,744,200 | | 4,029,152 | | 3,764,763 | | 5,498,085 |
| \$ | 4,794,474 | \$ | 3,290,440 | \$ | 3,515,478 | \$ | 4,979,106 | \$ | 6,404,395 | \$ | 8,101,670 | \$ | 8,633,134 |
| \$ | 2,000,000 | \$ | 2,000,000 | \$ | 2,000,000 | \$ | 2,000,000 | \$ | 2,000,000 | \$ | 2,000,000 | \$ | 2,000,000 |
| \$ | 2,794,474 | \$ | 1,290,440 | \$ | 1,515,478 | \$ | 2,979,106 | \$ | 4,404,395 | \$ | 6,101,670 | \$ | 6,633,134 |
| \$ | 16,398,765 | \$ | 16,971,497 | \$ | 17,564,275 | \$ | 18,177,799 | \$ | 18,812,797 | \$ | 19,470,020 | \$ | 20,150,246 |
| \$ | 7,186,546,044 | \$ | 7,438,075,156 | \$ | 7,698,407,786 | \$ | 7,967,852,059 | \$ | 8,246,726,881 | \$ | 8,535,362,322 | \$ | 8,834,100,003 |
| | 0.23 | | 0.23 |

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COMMUNITY INFORMATION

HIGHLAND PARK, TEXAS

HISTORY

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

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

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

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

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

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

LOCATION

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

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

MISCELLANEOUS STATISTICAL DATA

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

Town Characteristics

Area 1,445 Acres (2.26 Square Miles) Population (2010 Census)..... 8,564
 Population (Est. 2017 Census)..... 9,180

Proportion of Property Values

Residential..... 93.51% Commercial..... 4.83%
 Business Personal Property..... 1.66%

Public Safety Personnel

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

Water and Sewer Utility System

Water Connections

Residential..... 3,070
 Residential Multifamily 37
 Commercial..... 86
 Irrigation..... 2,281
 Municipal 72
 Total 5,546

Sewer Connections

Residential..... 3,016
 Residential Multifamily 37
 Commercial..... 88
 Municipal 3
 Total 3,144

Infrastructure

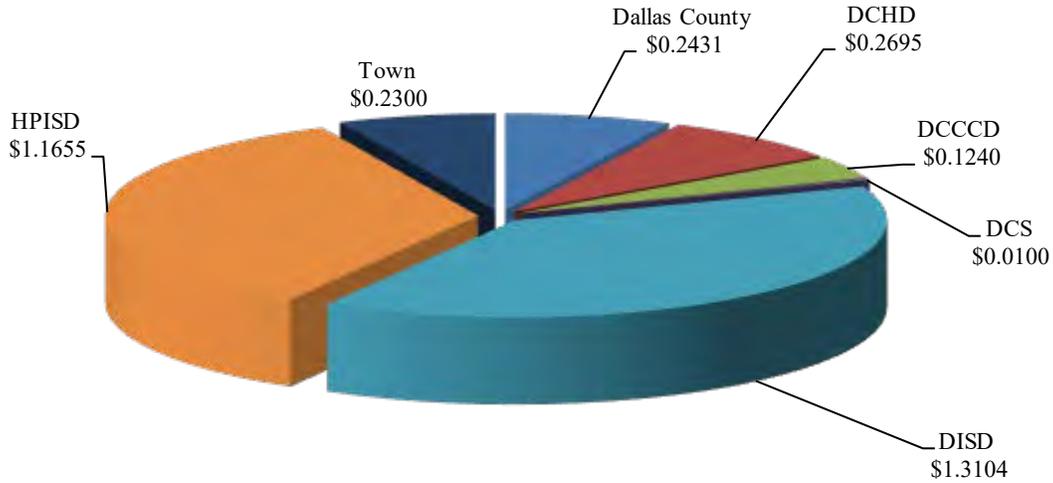
Sanitary Sewers..... 37.18 Miles Storm Sewers 12.22 Miles
 Parks..... 22 with 59.3 Acres Paved Streets 41.79 Miles



Highland Park

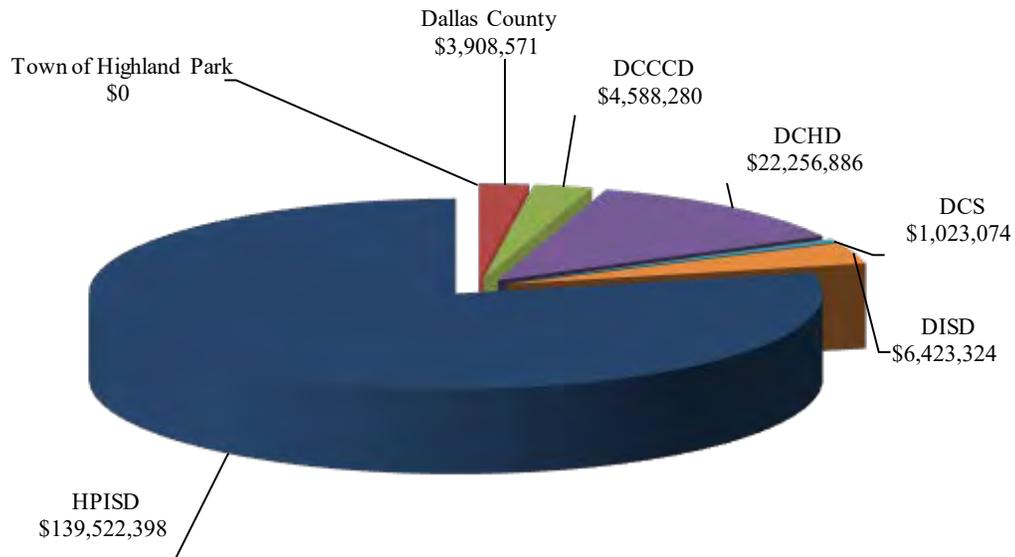
TOWN OF HIGHLAND PARK

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 Nine Tax Years

| Tax Year | Appraised Property Value | | | Taxable Value |
|----------|--------------------------|----------------------------------|------------------|------------------|
| | Real Property | Business Personal Property | Total | |
| 2010 | \$ 5,459,810,500 | \$ 59,316,040 | \$ 5,519,126,540 | \$ 4,437,430,774 |
| 2011 | \$ 5,407,849,850 | \$ 56,732,470 | \$ 5,464,582,320 | \$ 4,406,947,910 |
| 2012 | \$ 5,423,170,690 | \$ 61,252,130 | \$ 5,484,422,820 | \$ 4,446,174,261 |
| 2013 | \$ 5,580,077,680 | \$ 72,506,290 | \$ 5,652,583,970 | \$ 4,598,788,373 |
| 2014 | \$ 6,040,379,500 | \$ 79,298,850 | \$ 6,119,678,350 | \$ 4,924,894,226 |
| 2015 | \$ 6,589,202,920 | \$ 78,135,850 | \$ 6,667,338,770 | \$ 5,324,500,745 |
| 2016 | \$ 7,125,427,370 | \$ 91,050,750 | \$ 7,216,478,120 | \$ 5,765,524,023 |
| 2017 | \$ 7,246,975,530 | \$ 89,904,340 | \$ 7,336,879,870 | \$ 6,012,113,607 |
| 2018 | \$ 7,640,424,370 | \$ 89,567,460 | \$ 7,729,991,830 | \$ 6,292,473,542 |
| 2019 | \$ 7,835,471,260 | \$ 107,590,560 | \$ 7,943,061,820 | \$ 6,463,192,448 |

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

PRINCIPAL TAXPAYERS - 2019 TAX ROLL

| Taxpayer | Type of Property | Taxable Valuation | % of Taxable Valuation |
|----------------------------|---------------------|----------------------|------------------------------|
| HP Village Partners LP | Commercial | \$ 173,069,230 | 2.68% |
| Cox, Edwin L Trust | Residential | 40,224,530 | 0.62% |
| Muse, John R | Residential | 38,184,240 | 0.59% |
| Crow, Harlan | Residential | 37,630,108 | 0.58% |
| The 4500 Trust | Residential | 33,145,200 | 0.51% |
| Jones. Jerral W. & Gene C. | Residential | 21,358,031 | 0.33% |
| L & B Depp UCEPP 5500 | Commercial | 21,025,000 | 0.33% |
| Intercity Investment | Commercial | 20,573,270 | 0.32% |
| Mitchell, Amy | Residential | 19,828,200 | 0.31% |
| Dallas Country Club | Commercial | 17,140,230 | 0.27% |

PRINCIPAL EMPLOYERS*

| 2018 | | |
|---|--------------------------|-----------|
| 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 |

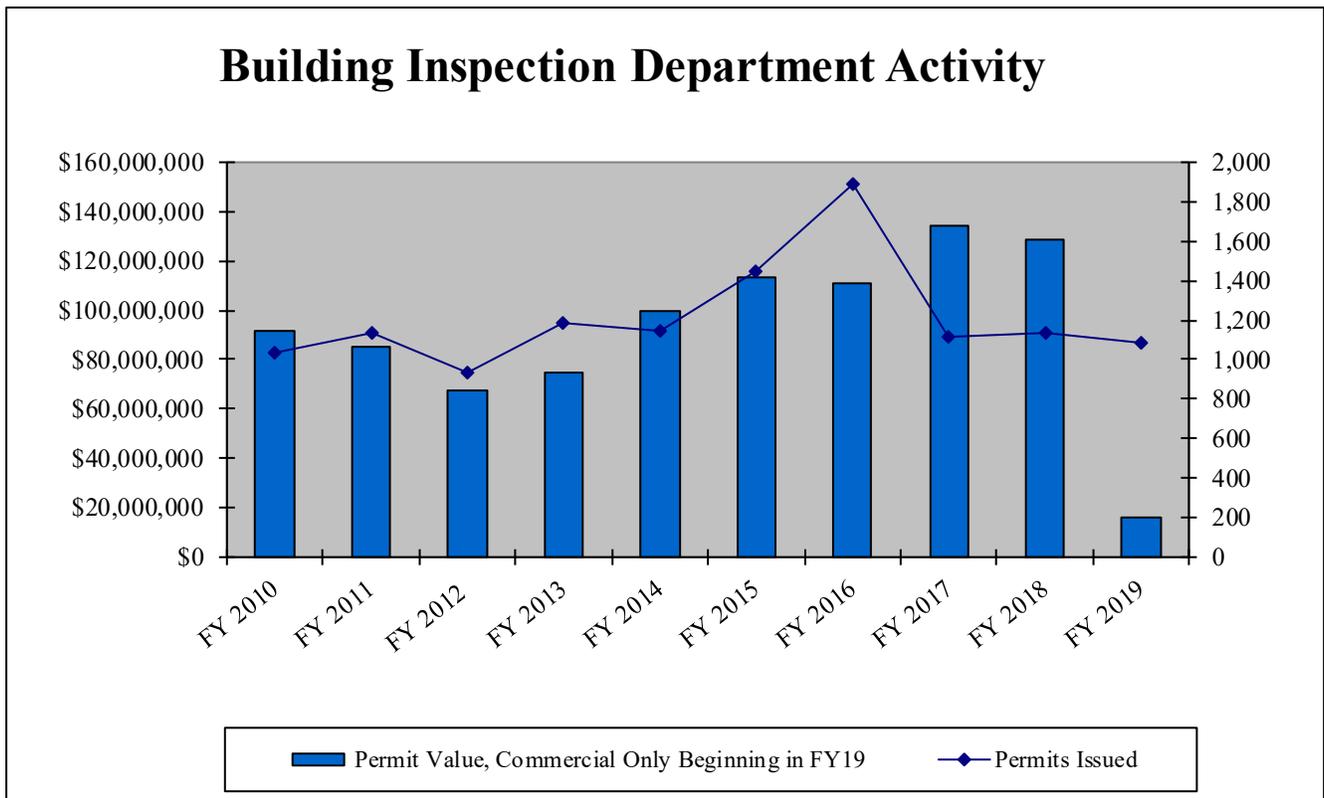
The Town of Highland Park is a relatively small municipality with a radius of about 2.26 square miles. The Town's most recent estimated population is approximately 9,180. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the 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: 2018 data was obtained from the 2012 Economic Census.

*Information was not available

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

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

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



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PAY PLAN

The Pay Plans incorporated in the Town's fiscal year 2019-20 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 0-6% 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 2020**

| Grade | Position | Hourly Base Pay Range | |
|-------|--|-----------------------|---------|
| | | Minimum | Maximum |
| 8 | Communications Manager Development Services Manager Foreman | \$45.01 | \$60.77 |
| 7 | Project Engineer Senior Building Inspector Town Secretary | \$39.14 | \$52.84 |
| 6 | Accreditation Manager Building Inspector Communications Supervisor Construction Coordinator Customer Service Supervisor Town Services Coordinator | \$34.04 | \$45.95 |
| 5 | Construction Inspector Electrical/Mechanical Tech Engineering Tech Library Assistant Project Coordinator Support Services Officer Court Clerk Alarm Specialist | \$29.60 | \$39.96 |
| 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 | \$25.74 | \$34.75 |
| 3 | Accounting Technician Building Permit Technician Customer Service Specialist II Deputy Court Clerk Parks Maintenance Worker II Public Works Maintenance Worker II | \$22.38 | \$30.21 |
| 2 | Customer Service Specialist I Library Associate Public Works Maintenance Worker I | \$19.46 | \$26.27 |
| 1 | Parks Maintenance Worker I | \$16.92 | \$22.85 |

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 2020**

| Grade | Position | Hourly Base Pay Range Shift Duty* | | | Hourly Base Pay Range Administration** | |
|-------|--------------------------------|--------------------------------------|---------|--|---|---------|
| | | Minimum | Maximum | | Minimum | Maximum |
| G | Captain | \$43.18 | \$47.50 | | \$67.47 | \$74.22 |
| F | Lieutenant | \$37.55 | \$41.30 | | \$58.67 | \$64.54 |
| E | Sergeant | \$32.65 | \$35.92 | | \$51.02 | \$56.12 |
| D | Unassigned | - | - | | - | - |
| C | Public Safety Officer | \$25.34 | \$30.41 | | \$39.59 | \$47.51 |
| B | Fire Fighter Police Officer | \$21.12 | \$23.23 | | \$32.99 | \$36.29 |
| A | Public Safety Apprentice | \$20.16 | \$20.16 | | \$31.49 | \$31.49 |

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 2020**

| Grade | Position | Minimum | Maximum |
|--------------|--|----------------|----------------|
| E-4 | Director of Public Safety Director of Administrative Services & CFO | \$178,578 | \$232,150 |
| E-3 | Director of Town Services Town Engineer | \$162,343 | \$211,044 |
| E-2 | Assistant Director of Public Safety | \$154,244 | \$200,519 |
| E-1 | Assistant Director of Town Services | \$132,969 | \$184,960 |
| E | Town Librarian IT Manager Controller | \$115,626 | \$160,836 |

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 6% 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 2011 | Actual FY 2012 | Actual FY 2013 | Actual FY 2014 | Actual FY 2015 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Taxes | \$ 9,709,443 | \$ 9,657,658 | \$ 9,689,485 | \$ 10,039,679 | \$ 10,763,525 |
| Water Sales | 5,785,103 | 5,442,217 | 5,576,020 | 5,370,747 | 5,996,115 |
| Sanitary Sewer Charges | 2,739,169 | 2,591,081 | 2,668,813 | 2,545,727 | 2,551,417 |
| Sales Tax | 2,564,337 | 2,923,273 | 2,952,203 | 3,437,806 | 3,514,625 |
| Sanitation & Recycling Charges | 1,254,786 | 1,254,087 | 1,242,590 | 1,231,340 | 1,236,438 |
| Franchise Fees | 995,485 | 1,078,503 | 965,140 | 1,024,423 | 1,051,657 |
| Building Activity Fees | 961,466 | 980,357 | 1,030,649 | 1,306,011 | 1,396,333 |
| Court Fines/Fees | 728,147 | 685,854 | 839,826 | 779,530 | 774,048 |
| Interest on Investments | 129,195 | 92,310 | 60,187 | 60,870 | 57,242 |
| Other Charges for Service | 1,467,229 | 1,951,688 | 1,821,027 | 1,764,849 | 1,390,401 |
| Storm Water Drainage Fees | 186,581 | 363,265 | 352,908 | 374,523 | 381,883 |
| All Other | 877,368 | 786,540 | 2,262,525 | 859,129 | 1,837,167 |
| Total | \$ 27,398,309 | \$ 27,806,833 | \$ 29,461,373 | \$ 28,794,634 | \$ 30,950,851 |

Source: Actual Column of Prior Year Budget Documents.

| | Actual FY 2016 | Actual FY 2017 | Actual FY 2018 | Projected FY 2019 | Adopted FY 2020 |
|--------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Property Taxes | \$ 11,573,644 | \$ 12,593,539 | \$ 13,266,804 | \$ 13,701,099 | \$ 14,752,289 |
| Water Sales | 6,699,336 | 6,688,572 | 7,291,607 | 6,144,019 | 7,296,171 |
| Sanitary Sewer Charges | 2,788,561 | 2,787,880 | 2,808,651 | 2,552,867 | 3,017,681 |
| Sales Tax | 3,606,074 | 3,480,389 | 4,071,324 | 4,116,270 | 4,234,176 |
| Sanitation & Recycling Charges | 1,235,509 | 1,236,532 | 1,390,789 | 1,463,571 | 1,516,399 |
| Franchise Fees | 1,021,288 | 1,037,497 | 1,036,561 | 1,088,794 | 1,006,919 |
| Building Activity Fees | 1,031,156 | 1,464,379 | 1,232,128 | 1,440,438 | 1,252,564 |
| Court Fines/Fees | 1,019,914 | 1,181,779 | 1,075,200 | 1,369,600 | 1,352,253 |
| Interest on Investments | 106,120 | 244,823 | 546,103 | 861,235 | 671,641 |
| Other Charges for Service | 1,373,008 | 1,358,006 | 1,420,196 | 1,475,912 | 1,528,553 |
| Storm Water Drainage Fees | 386,838 | 390,126 | 399,396 | 413,009 | 423,709 |
| All Other | 1,938,116 | 1,778,462 | 2,378,644 | 5,393,340 | 2,798,075 |
| Total | \$ 32,779,564 | \$ 34,241,984 | \$ 36,917,403 | \$ 40,020,154 | \$ 39,850,430 |

Source: Actual Column of Prior Year Budget Documents.

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

| | Actual FY 2011 | Actual FY 2012 | Actual FY 2013 | Actual FY 2014 | Actual FY 2015 |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel | | | | | |
| Payroll | \$ 10,142,629 | \$ 10,705,530 | \$ 11,139,374 | \$ 11,476,313 | \$ 11,681,953 |
| Benefits | 3,313,033 | 2,884,800 | 2,783,687 | 2,858,783 | 2,674,221 |
| Subtotal | \$ 13,455,662 | \$ 13,590,330 | \$ 13,923,061 | \$ 14,335,096 | \$ 14,356,174 |
| Supplies & Equipment | 3,727,917 | 3,578,680 | 3,830,378 | 3,627,234 | 3,680,111 |
| Services & Charges | 4,251,555 | 5,003,252 | 5,236,432 | 5,172,547 | 6,148,502 |
| Capital Outlay | 6,974,590 | 13,371,122 | 10,326,570 | 11,713,808 | 2,608,751 |
| Debt Service | - | - | - | - | - |
| Total | \$ 28,409,724 | \$ 35,543,384 | \$ 33,316,441 | \$ 34,848,685 | \$ 26,793,538 |

Source: Actual Column of Prior Year Budget Documents.

| | Actual FY 2016 | Actual FY 2017 | Actual FY 2018 | Projected FY 2019 | Adopted FY 2020 |
|----------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Personnel | | | | | |
| Payroll | \$ 12,138,107 | \$ 12,397,961 | \$ 12,910,890 | \$ 13,624,490 | \$ 14,138,404 |
| Benefits | 2,728,154 | 2,943,700 | 3,366,911 | 3,567,542 | 4,277,720 |
| Subtotal | \$ 14,866,261 | \$ 15,341,661 | \$ 16,277,801 | \$ 17,192,032 | \$ 18,416,124 |
| Supplies & Equipment | 3,522,677 | 3,541,913 | 3,871,652 | 3,389,062 | 3,944,383 |
| Services & Charges | 5,421,227 | 5,903,472 | 6,094,929 | 6,221,619 | 6,739,149 |
| Capital Outlay | 5,062,747 | 6,803,123 | 5,382,027 | 10,895,115 | 14,052,030 |
| Debt Service | - | - | - | - | - |
| Total | \$ 28,872,912 | \$ 31,590,169 | \$ 31,626,409 | \$ 37,697,828 | \$ 43,151,686 |

Source: Actual Column of Prior Year Budget Documents.

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HISTORICAL WATER SALES DATA

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

| <u>Fiscal Year</u> | <u>Residential</u> | <u>Commercial</u> | <u>Irrigation Only</u> | <u>Town Use</u> | <u>Total</u> | <u># Service Meters</u> |
|--------------------|--------------------|-------------------|------------------------|-----------------|--------------|-------------------------|
| 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 |
| 2019 | 304,193 | 44,922 | 441,619 | 38,581 | 829,315 | 5,546 |

GLOSSARY

GLOSSARY

ADA Americans with Disabilities Act

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

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

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

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

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

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

Capital/Major Project 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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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.

GLOSSARY

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

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

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

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

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

Inter-fund Transfer See **Transfer**

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

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

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

Major Fund The General, Utility and Capital Projects Funds.

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

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

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

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

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

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

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

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

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

GLOSSARY

Proprietary Fund See Utility Fund and Internal Service Fund.

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

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

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

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

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

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

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

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

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

TMRS The Texas Municipal Retirement System

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

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

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

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

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

Working Capital See Net Working Capital

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