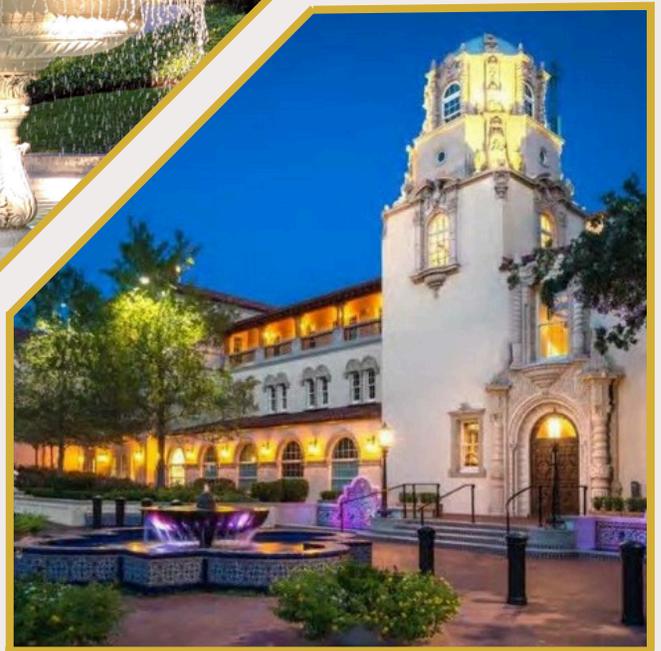




THE TOWN OF
Highland Park
TEXAS
An American Community Making a Difference

TOWN OF HIGHLAND PARK, TEXAS



**FISCAL YEAR 2025-26 PROPOSED BUDGET AND PLAN
OF MUNICIPAL SERVICES**



Town of Highland Park

Proposed Budget and Plan of Municipal Services

For the Fiscal Year 2025-2026

This budget will raise more total property taxes than last year's budget by an amount of \$976,445, which is a 5.0 percent increase from last year's budget, and of that amount, \$323,855 is tax revenue to be raised from new property added to the tax roll this year.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Proposed 2025-26*	Adopted 2024-25
Property Tax Rate:	\$0.200537/100	\$0.208550/100
No-New-Revenue Tax Rate:	\$0.193756/100	\$0.198103/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.193756/100	\$0.198989/100
Voter-Approval Tax Rate:	\$0.200537/100	\$0.208550/100
Debt Rate:	\$0.000000/100	\$0.000000/100

***Estimated and will change. Calculation made prior to tax rolls being certified.**

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

Sample Notice – Subject to Change



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morill

Executive Director

Town of Highland Park, Texas

Proposed Budget and Plan of Municipal Services

October 1, 2025, through September 30, 2026

Mayor & Town Council

Will C. Beecherl, Mayor

Don Snell, Mayor Pro Tem

Alan Friedman, Council Member

Marc Myers, Council Member

Lydia Novakov, Council Member

Leland White, Council Member

Town Staff

Tobin E. Maples, AICP, Town Administrator

Assistant Town Administrator (Vacant)

John Samford, CPA, Director of Finance

Lori Chapin, P.E., Director of Engineering & Public Works

Chelsey Gordon, Director of Policy Development & Strategic Initiatives

Chuck McGinnis, Director of Public Safety

Jeff Armstrong, AICP, Director of Community Development

Kortney Nelson, MLS, Town Librarian

Joanna Mekeal, TMRC, Town Secretary



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MAYOR
Will C. Beecherl

MAYOR PRO TEM
Don Snell

TOWN ADMINISTRATOR
Tobin E. Maples, AICP



TOWN COUNCIL
MEMBERS

Alan Friedman

Marc Myers

Lydia Novakov

Leland White

June 27, 2025

Honorable Mayor Beecherl, Members of the Town Council and Citizens of the Town of Highland Park:

In accordance with Texas Statutes and the Town of Highland Park Charter, it is our honor to present to you the Proposed Budget and Plan of Municipal Services (“Proposed Budget”) for the fiscal year beginning October 1, 2025, and ending September 30, 2026 (“FY26”). The Proposed Budget incorporates a property tax rate of 20.0537 cents per \$100 of taxable assessed value, which is a reduction from the prior year tax rate (20.8550 cents) or 0.8013 cents. The Proposed Budget was carefully developed through the collective efforts of all departments and endeavors to balance citizen-driven service expectations, risk management strategies, and capital investment initiatives with available resources. Accordingly, the Proposed Budget is balanced and preserves the Town’s rich history of financial stewardship, strength, and resiliency and serves as:

- ❖ The fiduciary policy position establishing service delivery expectations and accountability for the citizenry and staff.
- ❖ A plan of financial operations estimating expenditures for the fiscal year and the means of financing; and
- ❖ An operational plan for the programming and mobilization of human, material, and capital project resources during the fiscal year.

In essence, the Proposed Budget represents the single most important management tool of the governing body and staff.

The Proposed Budget was prepared and shaped through a lengthy process obtaining input from Town Staff, Town Council deliberations and directives, and recommendations from the Town’s Finance and Audit Advisory Committee. Throughout the process, opportunities were granted to the public to provide input and suggestions to ensure that all stakeholders could be heard.

The leadership, insight, and guidance provided by the Town Council and the Finance and Audit Advisory Committee is greatly appreciated. It is the selfless dedication and volunteerism of the individuals serving in these roles that allow great strides to be made in honoring the visionaries of the past and to continue their rich legacy through commitment to public service.

The FY 2025 (“FY25”) budget presented for comparative purposes throughout this document is the “Amended Budget”, which reflects Town Council approved amendments to the original FY25 budget.

Budget Brief

The annual budget is the Town’s primary policy document. It represents the culmination of a financial process that couples the values of the community with the expertise of its public servants, inclusive of a fiduciary duty projected over a ten-year planning horizon. [Presentations](#) made to the Town Council as well as other budget-related information can be found on the Town’s website at www.hptx.org. General highlights of the Proposed Budget are as follows:

Budgetary Process

Date	Item of Significance
June 26	FY26 Proposed Budget delivered to the Town Council and the Town Secretary
June 27	Meet with the Finance & Audit Advisory Committee to discuss the FY 26 Proposed Budget
July 1	Present the Proposed Budget for FY 2025-26 to the Town Council
July 25	Receive 2025 Certified Appraisal Roll from Dallas Central Appraisal District
August 5	Public Hearing on FY26 Proposed Budget Town Council sets preliminary ad valorem tax rate <i>On or before August 18, call for a Voter Approval Tax Rate Election (VATRE) if the preliminary tax rate set by the Town Council exceeds the Voter Approval Rate</i>
August 19	Review and discuss the FY26 Proposed Budget with Town Council
September 2	Public Hearing on the Tax Rate Town Council considers: <ul style="list-style-type: none"> • Adoption of the FY26 Proposed Budget and 10-Year Capital Improvement Plan • Adoption of the 2025 property tax rate • Adoption of the Master Fee Schedule

Budget Revenue Components

Revenue sources for the Town total \$84,851,178 including inter-fund transfers. Honoring the predominate citizen directive to preserve and protect the characteristics of a “bedroom community by design,” Highland Park does not budget with a diversified revenue portfolio like most cities in Texas. When considering total operating revenues, exclusive of inter-fund transfers, 95.2% of total revenues are derived from property taxes, sales taxes, building inspection and permit fees, user fees associated with specific services (e.g., water, wastewater and solid waste), franchise fees, interest earnings, contributions and intergovernmental revenue.

Property Taxes - For Texas cities, the total ad valorem tax rate is comprised of a Maintenance and Operating (M&O) rate and an Interest and Sinking (I&S) rate. Each of these has separate sets of taxation rules as established by the State Legislature and when combined, equals the total ad valorem rate assessed.

The M&O rate pays for services like public safety (police, fire, & EMS), library, parks, and town administration. The Town Council sets the M&O rate annually based on a cost build-up to deliver desired town services. The I&S rate is set to pay debt service on obligation bonds typically issued to fund major capital investments like reconstructing streets. If obligation bonds are issued, the I&S rate moves up or down each year depending on the amortization schedule and total taxable property values as determined by Dallas Central Appraisal District.

The Town of Highland Park *does not* carry any debt, so the I&S portion of the Proposed tax rate is \$0.00. The Town only assesses and collects the M&O portion of the combined tax rate.

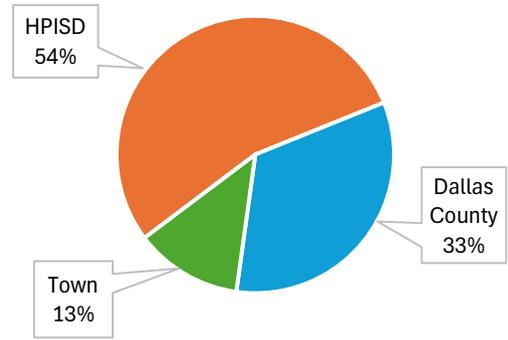
Proposed Tax Rate

At 28.0% of total revenues (exclusive of inter-fund transfers), the M&O ad valorem tax is the largest and most stable revenue source for the Town. The Town’s proposed M&O property tax rate for FY26 is 20.0537 cents per \$100 of valuation, which is 3.8% lower than last year’s property tax rate of 20.8550 cents.

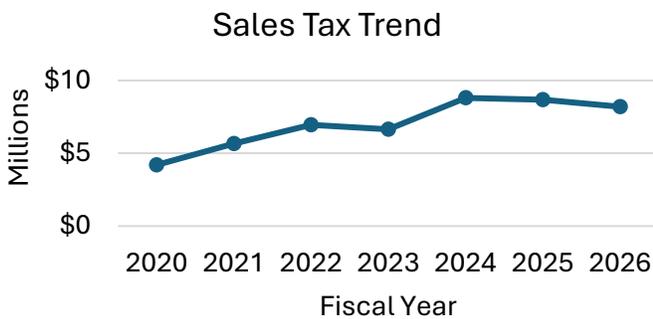
Estimated taxable property values are growing at approximately 9.4% for FY26, or \$878M over the certified values provided in July of 2024. Most of this increase results from reassessments; however, an estimated \$161M is related to new construction.

The proposed tax rate of 20.0537 cents allows the Town to generate additional property tax revenue (due to higher assessed values) without exceeding the Voter Approval Rate as set out in State law. The Voter Approval Rate (VAR) is equal to the No New Revenue (NNR) Rate plus 3.5% and any unused tax increment over the last three years. The NNR Rate is the tax rate that would generate the same amount of revenue as the prior year tax rate on those properties that existed on the tax rolls in the prior year. New construction is not included in the calculation. Unused increment is the difference between the No New Revenue Rate and the Voter Approval Rate that has not been used in the last three years. Any tax rate adjustment higher than the Voter Approval Rate requires an election of voters.

It cannot be stressed enough that revenue constraints imposed by the State on local jurisdictions make it more and more difficult to fund needed projects (particularly capital) and initiatives. It is interesting to note that the Town has, by far, the lowest tax rate of the other two taxing jurisdictions in the Town. Based on estimated 2025 Ad Valorem tax rates, the average Highland Park homeowner will pay approximately \$5,938 (12.8%) in taxes for Town services, while the remainder of their tax bill, \$40,480, goes to Dallas County (33.2%) and HPISD (54.0%). This distinction is afforded in large part by the Town’s robust average taxable home value for single family homes. For example, in 2024, Dallas Central Appraisal District reports the Town’s average taxable value at \$2,891,467 which is \$689,903 more than HPISD and \$2,567,054 more than Dallas County.



Prior to FY22, the Town was able to adjust its tax rate above the No New Revenue Rate (“Effective Rate” at that time) up to 8%. SB 2, approved by the Texas Legislature in 2019 changed that to 3.5%. For illustrative purposes, this change for FY26 results in the Town forgoing nearly \$900K in annual revenue that could be set aside for capital improvements. Extended over a 10-year planning horizon, this change in tax law has a significant impact on the resources the Town can raise to fund projects without holding a Town-wide election or issuing debt as an alternative funding mechanism.



Sales Taxes – Built on sustaining the current mix of retail outlets, sales tax revenue accounts for 11.2% of total revenue (exclusive of inter-fund transfers) and is anticipated to decrease by 5.3% when compared to the year-end projection for FY25 due to the receipt of one-time prior period collections and audit adjustments. The Town has been fortunate over the last few years, experiencing a significant climb in sales tax revenue directly related to increased retail activity throughout the Town, but particularly at the Highland Park Shopping Village. It is anticipated that the Town will

continue to see some growth in the future and the Town’s 10-year financial plan applies a conservative outlook for planning purposes projecting sales taxes to grow at 2.5% per year. This revenue source may grow at a faster pace than currently projected, and the Town’s 10-year financial model will be updated for any new trends.

Building Inspection/Permit Fees – Revenue from building activity accounts for approximately 2.0% of total revenue, exclusive of inter-fund transfers. In FY25, permit fees attributable to remodels is trending lower than what was originally anticipated as of the date of this letter. Given the strength and diversity of the North Texas economy—coupled with continued rapid population growth and ongoing corporate relocations—staff expects building activity fees to remain a strong and dependable source of revenue. However, due to broader economic uncertainties stemming from geopolitical conflicts and trade instability related to tariff pressures, this revenue source is conservatively projected at \$1.4 million for FY26.

Water, Sewer, Solid Waste Fees

The fees assessed to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 20.8% of total revenue at \$15.2M for FY26.

The Town's FY26 financial model is predicated on a certain level of annual water consumption. The five-year rolling average of water consumption is approximately 972 million gallons. Consumption patterns in the current fiscal year suggest that the Town will generate more revenue than what was anticipated in the annual revenue budget for FY25.

The cost to purchase water and treat wastewater is only one component of the retail rate. Other components include the cost of capital improvements, salaries, and repair and maintenance cost. Consistent with the current CIP, the Proposed Budget provides for an adjustment to water and sewer rates in FY26 of 3.9% and 3%, respectively. The financial plan for the Utility Fund also reflects an annual 3.9% rate adjustment to water rates and a 3% adjustment to sewer rates over the following 9 years. The adjustment to rates for FY26 will result in an increase in the monthly bill for a household using 10,000 gallons of approximately \$6.18 and an annual increase in revenue to the Town totaling an estimated \$704,726 when compared to the prior year budget, excluding water sales revenue derived from internal billings for Town government usage. As presented in the CIP, the rate adjustment allows the Town to continue the pay-as-you-go program of funding capital and maintains reserves at a level that funds future planned projects. The last rate adjustment was approved by the Town Council in FY25. During the FY22 budget process, when the last rate study was completed, the Town Council requested that, to the extent possible, smaller annual adjustments be projected for planning purposes rather than periodic larger rate adjustments.

Rates charged by the Town for the collection and disposal of solid waste make up 2.6% of total revenues. Contracts outsourced to provide these services stipulate annual rate increases, based on different Consumer Price Indices (CPI). As a result of these contract provisions, rates charged to customers are growing by 3.5%, adjusting the average resident's monthly billing by \$1.30 for alley service and \$2.43 for pack-out service (inclusive of the fee for recycling).

For more information on Water, Wastewater, and Solid Waste contract expenditures, please refer to the **Water, Wastewater & Solid Waste Contracts** section of this letter.

To address future capital needs, storm water fees are increasing by 100%. For a lot size between 10,001 and 21,800 square feet, this equates to an increase of \$29.56 or \$59.12 per month.

The table below shows the estimated impact to a resident's monthly utility bill based on the set of assumptions listed below the table.

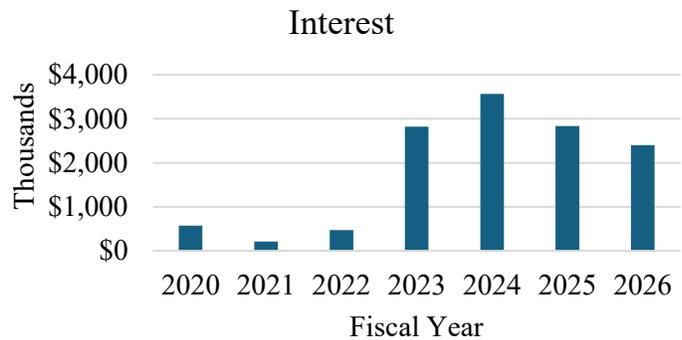
Type of Service	Actual FY 2024-25	Proposed FY 2025-26	\$ Change	% Change
Stormwater	\$ 29.56	\$ 59.12	\$ 29.56	100.0%
Water	91.08	94.64	3.56	3.9%
Sewer	86.27	88.89	2.62	3.0%
Solid Waste Collection	37.05	38.35	1.30	3.5%
Total	\$ 243.96	\$ 281.00	\$ 37.04	15.2%

Assumptions:

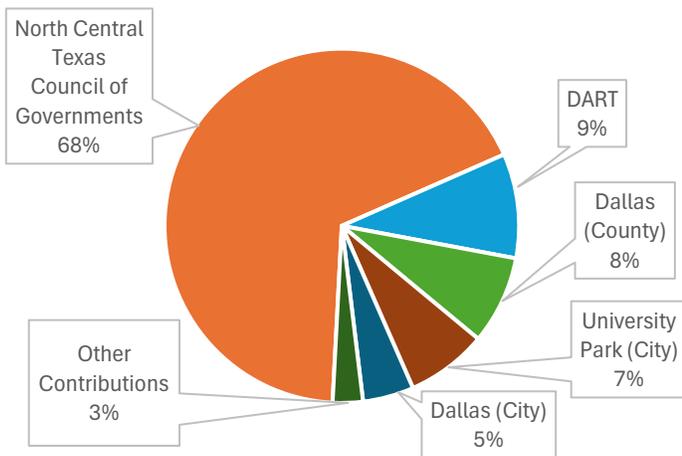
Stormwater - Lot Size in Sqare Feet	10,000-21,800
Water Domestic Gallons Per Month	10,000
Water Irrigation Gallons Per Month	0
Sewer Gallons Per Month	10,000
Solid Waste Service	Alley Service with Recycling

Interest Revenue

Interest revenue has grown dramatically over the last several years and for FY26, the Proposed Budget anticipates that this revenue source will make up 3.3%, or \$2.4M, of the Town’s operating revenue. This amount represents a decline when compared to the FY25 year-end projection. The conservative outlook is due in part to an expectation that the Federal Reserve will lower interest rates during FY26. While the growth in interest revenue has been positive for the Town and is currently providing another significant revenue source, the 10-year financial model projects an average annual yield of 2.5% rather than the approximately 4-5% currently realized.



Intergovernmental Revenue & Contributions



There are significant resources expected to be provided from other participating governmental entities and contributors in support of the capital expenditures approved for next year. These resources make up 25.4%, or \$18.6M, of all revenues for FY26. Most of these resources are planned to be used toward the Wycliff Avenue Reconstruction (bridge) capital improvement project. The itemization of anticipated external resources can be seen in the adjacent pie chart.

It is important to note that the agreement with DART that provides funding through the Transit Related Improvement Program (TRIP) is set to expire in

FY25 with residual payments expected to be received in FY26.

Budget Expenditures

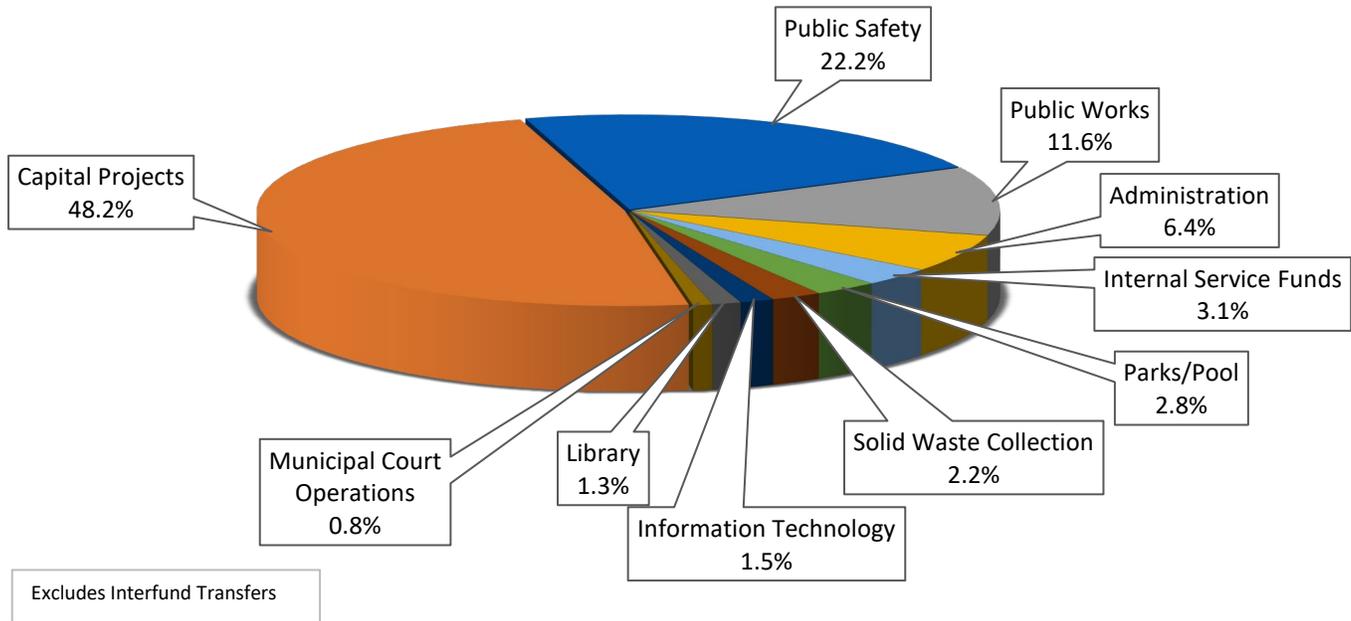
Overall, FY26 expenditures, inclusive of inter-fund transfers, are increasing by 6.0% when compared to the FY25 Amended Budget and by 30.7% when compared to FY25 year-end projections. The large increase over FY25 year-end projections is primarily due to Wycliff project shifting to FY26. A significant share (85.5%) of the increase over the FY25 Amended Budget, exclusive of inter-fund transfers, is attributed to salary increases for personnel and related fringe benefits, the estimated increase in the cost of purchasing treated water from the Dallas County Park Cities Municipal Utilities District (DCPCMUD), capital improvements and acquisitions, and the implementation of a Town-wide backflow prevention program to comply with Texas Commission on Environmental Quality (TCEQ) requirements relating to the prevention of contaminants in drinking water. In addition, transfers to the internal service funds are increasing by \$886,360 to fund future replacement of vehicles, equipment, and technology assets and to provide funding for the operation and maintenance of Town facilities.

As it pertains to inflation, the Consumer Price Index for All Urban Consumers (CPI-U) in the Dallas-Fort Worth-Arlington area advanced 0.59% for the 12 months ending in May 2025, which is significantly lower than the 5.03% reported during the same period in the prior year. While the Fed has made significant strides in lowering the rate of inflation, there is still significant economic uncertainty due to ongoing geopolitical conflicts and trade instability resulting from tariff pressures. The table below provides a summary of expenditures, by type, for FY24, FY25 (amended budget & projected year-end) and proposed for FY26.

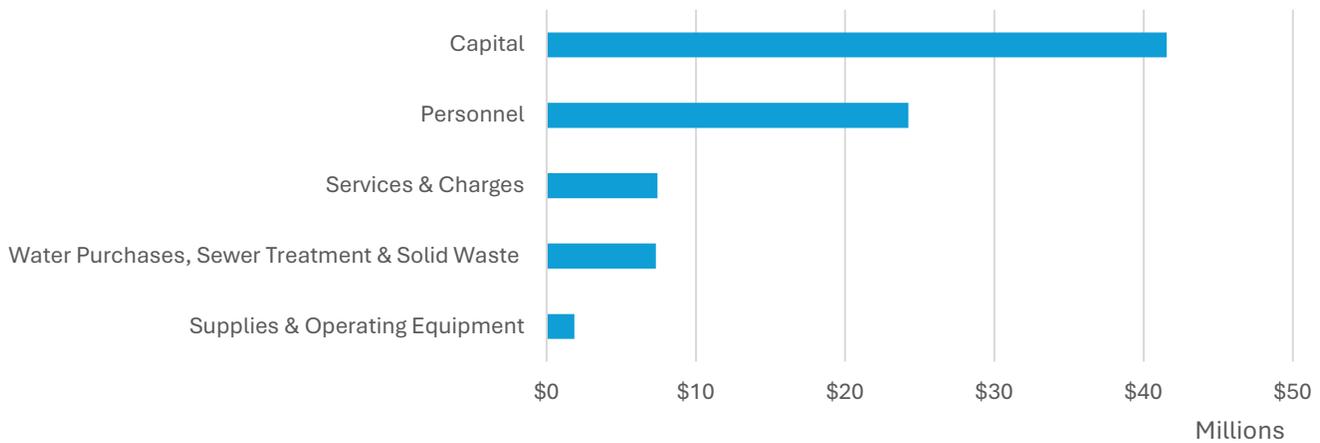
COMBINED BUDGET SUMMARY FOR ALL FUNDS SUBJECT TO APPROPRIATION

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Personnel Services				
Payroll	\$ 16,087,578	\$ 17,994,287	\$ 17,431,825	\$ 18,450,952
Payroll Taxes	1,136,022	1,313,854	1,261,240	1,344,473
Retirement	2,081,221	2,262,241	2,188,230	2,317,693
Insurance	1,955,475	1,840,045	1,662,540	2,116,079
Total Personnel	\$ 21,260,296	\$ 23,410,427	\$ 22,543,835	\$ 24,229,197
Supplies & Equipment	4,883,154	5,774,194	5,871,493	6,212,853
Services & Charges	8,561,582	9,508,698	9,702,363	10,365,083
Capital Outlay	18,455,352	39,381,059	19,117,856	41,533,467
TOTAL EXPENDITURES	\$ 53,160,384	\$ 78,074,378	\$ 57,235,547	\$ 82,340,600

The Proposed Budget is made up of a variety of functions and it is helpful to understand where the Town's resources are focused. To that end, the following graphic provides a breakdown of expenditures for FY26 by service area. As can be seen, when reviewing the use of resources by function or service area, public safety, public works (e.g., engineering, water, sewer and storm water) and capital projects make up the lion's share of costs incurred by the Town.



The second graphic below demonstrates how resources are allocated based on type of expenditure (e.g., personnel cost, capital, supplies, service agreements and water, sewer & solid waste contracts).



New Programs & Services

The Proposed Budget provides the resources necessary to continue the high level of service that residents and business owners expect and makes recommendations that enhance those services. Recommendations made include enhanced maintenance of Town facilities and the Town swimming pool, reclassification of a current position within the Municipal Court to solidify the leadership continuity plan, software and technology additions and modifications, implementation of a Backflow Prevention Program to comply with regulatory requirements, and enhanced consulting services focused on specific challenges within the community.

The following table provides a list of new items incorporated into the Proposed Budget and a brief description of the purpose and cost of each.

Fund	Department	Description	Purpose	Fiscal Expenditure
General	Policy & Strategic Initiatives	Marketing and Strategic Communications Plan	Marketing and Strategic Communications	69,600
General	Policy & Strategic Initiatives	Envisio Software for Strategic Planning	Envisio Software for Strategic Planning	26,000
General	Policy & Strategic Initiatives	Internship Program	To provide for a Town-wide Internship Program	18,567
General	Informaton Technology	Armis Asset Management	Armis is a security auditing and inventory management platform	30,960
General	Informaton Technology	Intune Mobile Device Management	This cloud platform will allow us the ability to manage and deploy applications	10,441
General	Informaton Technology	Smarsh SMS Archiving	This service archives all SMS/MMS text messaging from Town equipment for Open Records compliance	10,307
General	Municipal Court	Upgrade of Sr. Court Clerk Position	Upgrade of Sr. Court Clerk Position (Paygrade 3) to Assistant Court Administrator (Paygrade 5).	4,939
General	Administration	Internship Program	Reduction to Admin Budget to Offset Internship Program Cost	(18,567)
TOTAL GENERAL FUND				152,247
Utility	Engineering	Backflow Prevention Program	Town-wide Backflow Inspections	300,000
Utility	Engineering	Backflow Prevention Program	Backflow Inventory	30,000
Utility	Engineering	Backflow Prevention Program	Revenue Offset from Billings	(330,000)
TOTAL UTILITY FUND				-
Building Maint. & Investment	Municipal Buildings	Primary Town Hall Fountain Rehab	Retile the primary Town Hall fountain and surrounding area. The materials will need to be ordered and paid for in FY25	63,000
Building Maint. & Investment	Municipal Buildings	Town Hall Plaza Rehab	Rehab or full construction of plaza tile	50,000
Building Maint. & Investment	Municipal Buildings	Engine Bay Door Openers	Replace the Engine Bay Door openers	26,000
Building Maint. & Investment	Municipal Buildings	Building Stucco	Degredation to exterior of Town Hall; Stucco repair, texturing, etc.	12,000
Building Maint. & Investment	Swimming Pool	Main Pool Cover	Pool cover is over 20 years old, is dry rotted and falling apart. The cover is needed for winterizing the pool.	50,000
Building Maint. & Investment	Swimming Pool	Pool Improvements	Private Changing Area & Shower Remodel	30,000
Building Maint. & Investment	Swimming Pool	Pool Chiller	Add a pool chiller to the Main Pool.	25,000
Building Maint. & Investment	Swimming Pool	Baby Pool Cover	Pool cover is over 20 years old, is dry rotted and falling apart. The cover is needed for winterizing the pool.	15,000
TOTAL BUILDING MAINT. & INVESTMENT FUND				271,000
Library	Library	Portable Teaching Kitchen	Teaching Demonstration Kitchen	18,650
Library	Library	Display Case	Display Case for Library Materials & Special Collections	10,265
Library	Library	PolyPrinter 229N (a model of 3D printer)	Printer & Supplies	5,250
Library	Library	Donations Offset	Donations Offset	(34,165)
TOTAL LIBRARY FUND				-
GRAND TOTAL				423,247

General Fund Re-Organization

This Proposed Budget re-aligns certain expenditures consistent with the re-organization of General Fund departments and to better track costs within the appropriate department budget.

With respect to the Non-Departmental budget, \$115,100 of costs attributable to Finance related activities have been moved to the Finance Department budget. These costs include the Dallas Central Appraisal District annual appraisal fee (\$81,200), the OpenGov Transparency & Reporting software fee (\$10,780), the Other Post Employment Benefits (OPEB) annual actuarial valuation professional services fee (\$9,000), and the Dallas County Tax Assessor Tax collection fee (\$5,320). In addition, \$117,240 of costs attributable to Human Resources (“HR”) related activities have been moved from the Non-Departmental budget to the new HR Department. These costs include the budget estimate for employee engagement and awards functions (\$38,200), benefit and other HR consulting (\$40,000), and the budget for the NeoGov HR software. Other costs (\$206,355) moved from the Non-Departmental budget to other department budgets include the OpenGov Permitting and Asset Management software cost (\$105,411), the budget estimates for public safety and Municipal Court consulting (\$39,800), cyber insurance (\$27,040), and the budget for the cost of elections (\$25,000).

The salary, benefits, and professional development costs associated with the Assistant Town Administrator (\$363,658) and the HR Coordinator (\$116,973) positions have been moved from the Finance Department to the Administration and the HR department budgets, respectively.

Compensation & Benefits

Personnel costs make up 29.4% of the operations and capital budget of the Town and are increasing by 3.5% compared to the prior year budget and 7.5% compared to FY25 year-end projections. Year-end projections are expected to be lower than the budget primarily due to salary savings resulting from new and vacant positions being filled during the year rather than at the beginning of the year.

The Proposed Budget incorporates a merit adjustment of up to 6% for first responders and 3.5% for civilian personnel. While all employees will be eligible for a merit adjustment, pay adjustments are limited to the top of each pay range assigned to each position within the Town’s pay plan. As such, employees currently at the top of the respective pay scale, will receive a merit adjustment limited to the amount the upper end of the pay structure is adjusted. In total, the pay adjustments being included in the Proposed Budget increase personnel costs by \$818,770 over the prior year budget.

The Town maintains three separate pay plans covering sworn officers, hourly employees that are not sworn officers and salaried positions. These pay plans set out pay ranges (minimum to maximum) establishing the amount the Town is willing to pay for a specific position. Each year the Town compares these pay plans to a group of comparison cities previously established by a compensation committee created by the Mayor during the FY24 budget process. These cities include:

Addison
Frisco
Richardson
Southlake
University Park

The Proposed Budget incorporates a 3% structural increase in each of the three pay plans. This allows the Town to retain its market position and accommodates merit adjustments incorporated into the budget.

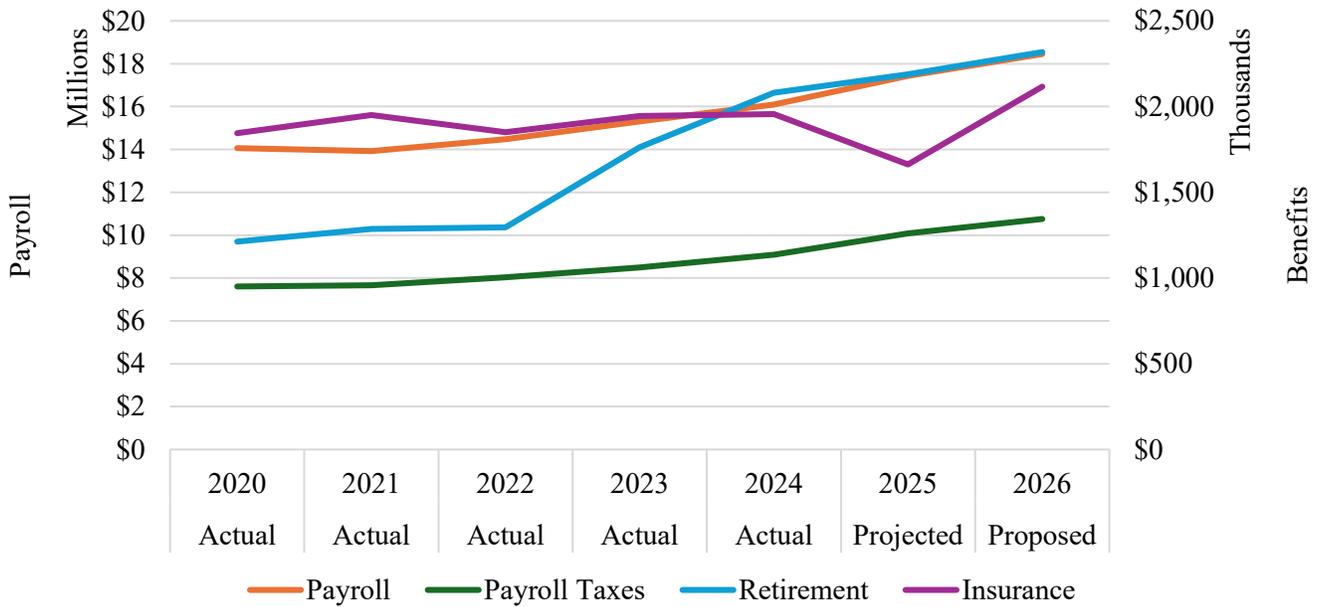
Payroll taxes are made up of the Town’s required contributions for Social Security and Medicare. Naturally, both Social Security and Medicare contributions are impacted by pay adjustments and new personnel additions.

The Town’s portion of the Texas Municipal Retirement System (TMRS) retirement is increasing by about 55k (2.5%) over the FY25 budget and about 129k (5.9%) over the FY25 year-end projection primarily due to compensation adjustments. The Town’s pension obligation represents the single largest liability presented in the Town’s financial statements totaling \$99,439,862 but is currently funded at 94.3% according to TMRS. Additional contributions to TMRS included in the Proposed Budget for FY26 total \$250,000. The additional contributions are intended to bring down the Town’s unfunded portion of this liability sooner than would otherwise be achieved by paying the required annual contribution determined by TMRS.

The Proposed Budget incorporates a 15% increase in costs associated with medical and dental insurance. The increase presented in this category is two-fold. The prior year budget reflects a 185k “sign-on” credit as a result of the medical insurance bid process coupled with a contractual increase of 8% for FY26.

As for trends in personnel costs, the chart below provides actual expenditures for the last five years, projected year-end for FY25 and what is included in the Proposed Budget for FY26. Payroll costs have, on average, trended at 4.5%. This average increase includes the 9 additional staff members for DPS in FY24 and the six new full-time positions added in FY25. The retirement cost through TMRS has increased the most at an average 16.5% predominantly due to the updated service credits for active employees and cost of living adjustments for retirees

periodically provided by the Town over the last five years. Health insurance has trended the lowest at an average of 4.1% due to the Town’s loss ratio being low for the last few years.



The Town has engaged the services of a consultant to conduct a compensation study during the summer of 2025. The compensation study is a work-in-process as of the date of this letter. The results of the compensation study will be presented to the Town Council and incorporated into the Proposed Budget, as deemed necessary, by the Town Council.

Water, Wastewater & Solid Waste Contracts

Contracts for the purchase of treated water, the treatment of wastewater, and the collection and disposal of solid waste represent 8.9% of the total operating and capital budget. As can be seen in the chart below these costs have grown over the last several years due to various reasons such as inflation, rate adjustments from providers through contract provisions and, in the case of water purchases, increase in consumption.



The Town purchases treated water from the Dallas County Park Cities Municipal Utility District (District). The rate charged by the District grew significantly by 26.75% in FY24, 4.6% for FY25, and 5.0% for FY26. These increases have been implemented by the District in an effort to build reserves to adequately fund capital needs as well as address increases in operational costs. The 5.0% adjustment combined with the increased consumption expectation based on a rolling five year average for FY26 is increasing the Proposed Budget by \$347k for this expenditure.

The cost for the treatment of wastewater contracted through the City of Dallas Water Utilities (DWU) is increasing 1.1% or \$14,129 over the FY25 budget. There are a few factors impacting this cost for the next fiscal year. First, the DWU is increasing the volumetric rate charged for this service by 3.8%. Second, the Town's calculated winter average consumption between FY24 and FY25 decreased by 5.9%. This is important to know because the volume of wastewater used to assess the rate is determined by calculating the Town's winter average consumption of water and can fluctuate from year to year. Water consumption that is captured through irrigation meters is not considered in this calculation. Finally, once the winter average water consumption is calculated, the DWU adds a factor for inflow and infiltration, which is increasing by 3.6%. It is important to note that the DWU conducts a Wholesale Cost of Service Study each year in justifying the rate they are charging for the treatment of wastewater. On average, this expense has been growing 3.5% per year.

The collection of solid waste and recyclable materials is contracted through Republic, a private solid waste provider. The current contract expires in 2027 and provides for an adjustment in rates charged by Republic each year based on the Consumer Price Index U.S. City Average for All Urban Consumers, Garbage and Trash Collection, Not Seasonally Adjusted. Additionally, the solid waste collected in Town is disposed of at a landfill in Ferris, Texas operated by Waste Management. The contract that the Town has with Waste Management is set to expire when the landfill ceases to be active. Current estimates, provided by TCEQ, indicate the landfill has 14 years of life remaining. Increases in rates charged under this contract are based on the Consumer Price Index for All Urban Consumers. Overall, the Proposed Budget anticipates an increase in costs for the collection and disposal of solid waste of approximately 3.5%, or \$57k, for FY26. This cost has been trending at an average of slightly above 3.5% per year

Capital Improvement Plan

The Town's Capital Improvement Plan (CIP) makes up 48% of the overall operating and capital budget adopted for FY26. As shown below, the overall 10-year plan is growing by \$4.6M.

	FY 2026-2035 Adopted CIP		FY 2025-2034
	FY 2026	10-Year	CIP ⁽¹⁾
Capital Project Fund:			
Roads & Bridges	\$ 24,945,186	\$ 91,852,852	\$ 88,401,154
Parks & Recreation	567,813	3,898,601	3,002,521
Landscaping	500,000	1,000,000	-
Facilities	-	-	77,400
Public Safety	-	-	975,000
Contingency	900,000	3,750,000	4,100,000
Sub-total*	\$ 26,912,999	\$100,501,453	\$ 96,556,075
Utility Fund:			
Water & Sewer Improvements	\$ 2,200,000	\$ 16,521,911	\$ 16,446,964
30" Interceptor - Transportation Project	2,750,000	5,514,679	2,645,409
Facilities	-	-	100,000
Water Tank Replacement	300,000	768,180	725,000
Utility Portion of Road Projects	848,966	7,184,811	10,867,397
Sub-total*	\$ 6,098,966	\$ 29,989,580	\$ 30,784,770
Storm Water Drainage Fund:			
Drainage Facility Improvements & Studies	\$ 750,000	\$ 9,374,936	\$ 7,675,000
Storm Water Portion of Road Projects	147,737	12,003,457	10,048,728
Exall & Connor Lakes Dredging	3,000,000	5,000,000	6,250,000
Hackberry Creek	2,500,000	8,900,000	9,900,000
Sub-total*	\$ 6,397,737	\$ 35,278,393	\$ 33,873,728
Total CIP	\$ 39,409,702	\$165,769,426	\$161,214,573

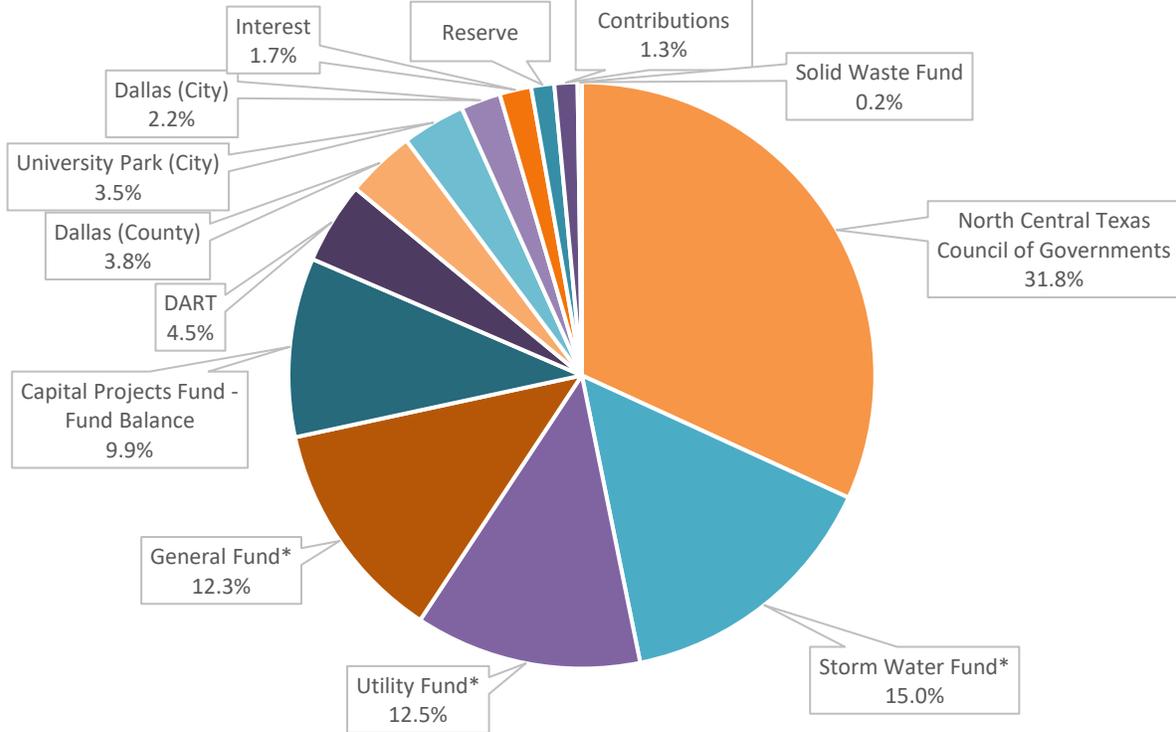
*Excludes transfers-out.

⁽¹⁾ Amounts based on CIP approved in the FY25 Adopted Budget

Major projects planned in the FY26 Proposed Budget include reconstruction of the Wycliffe Avenue bridge and related utility improvements (\$20.6M), dredging of Exall and Connor lakes (\$3.0M), additional phasing of the Hackberry Creek projects (\$3.0M), Eastern Avenue reconstruction (Westside to Mockingbird) and related utility improvements (\$2.9M), 30" Interceptor (2.8M), and Douglas Avenue reconstruction (south Town Limits to Arcady) along with related utility improvements (\$2.2M).

The CIP is funded through a variety of sources such as water rates, sewer rates, stormwater fees, grants, contributions, etc. Below is a graph that shows where the resources are derived to fund capital expenditures planned for FY26. This does not include the capital expenditures funded within the internal services funds, but rather focuses on those presented within the CIP.

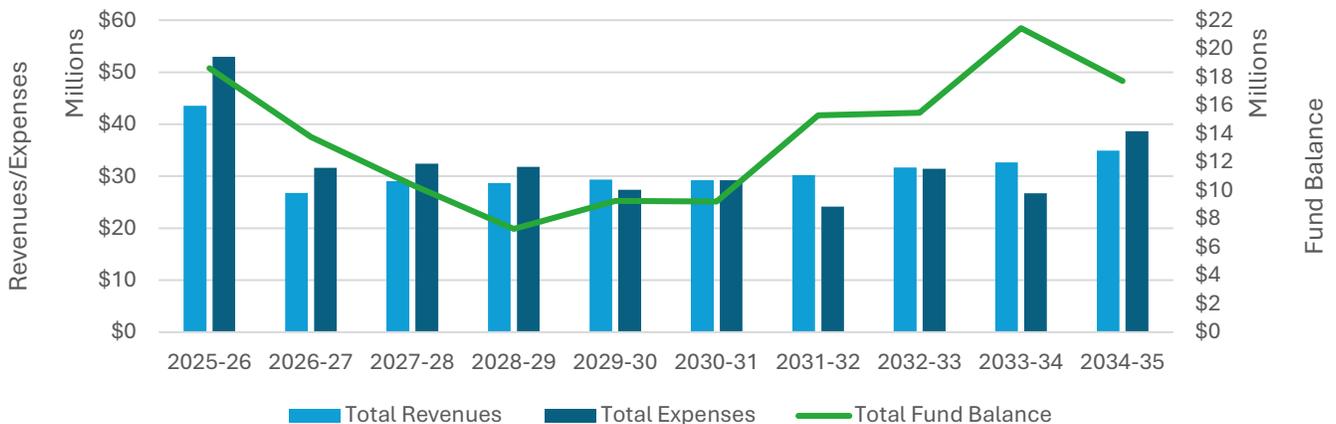
Funding Sources for the Capital Improvement Plan



*Current Revenue & Fund Balance

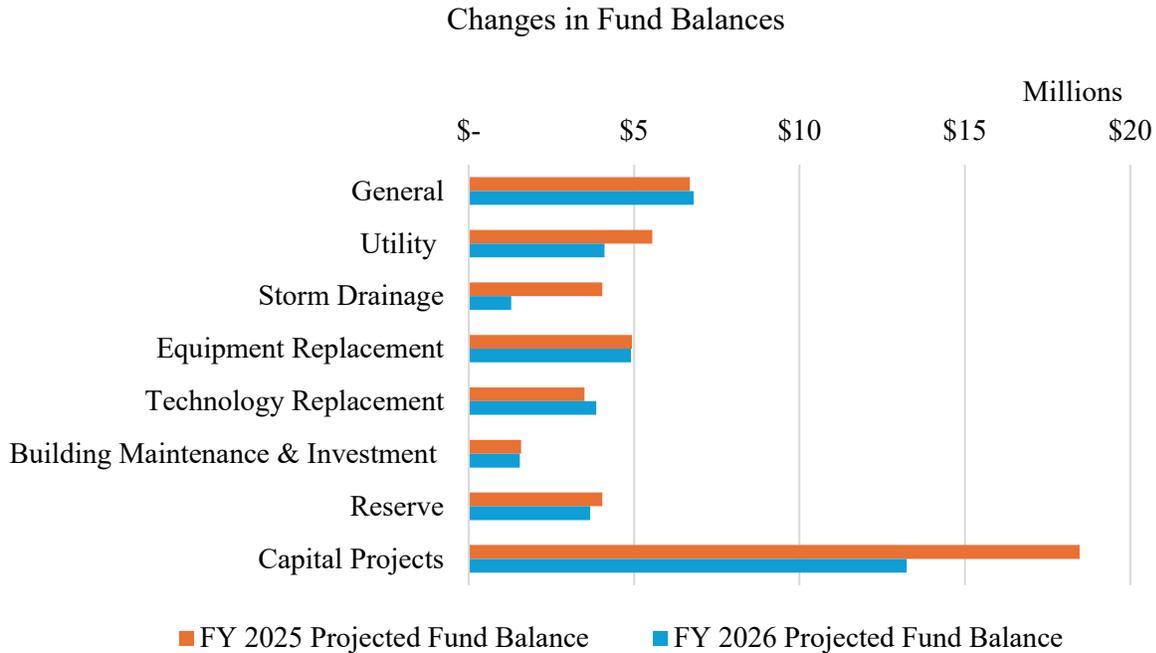
It is important to note that the amount of funds the Town annually strives to transfer from the Town’s General Fund in support of the CIP, that is not considered excess fund balance, is equivalent to approximately 4 cents of the property tax rate. However, for FY26 this transfer is closer to 5 cents of the Town’s property tax rate. This annual transfer is programmed similarly throughout the 10-year CIP.

Looking at the 10-year CIP for each fund, (the Capital Projects Fund, the Utility Fund and the Storm Water Fund) based on a variety of growth assumptions for revenues and operating expenditures, the plan is sustainable. Naturally, the actual costs of projects and results of operations may require adjustments to the plan.



Fund Balances

Each fund maintained by the Town has a fund balance representing the accumulation of revenues over expenses from one year to the next. The Town’s financial policies require the General Fund, Utility Fund and the Capital Projects Fund to maintain a minimum fund balance. The Proposed Budget achieves this requirement for these three funds. Overall, the Fund Balance for the Town is expected to increase from \$38.4M to \$40.7M for FY26. The graph below shows the change in fund balance for funds with balances over \$500k for FY26.



In closing, it is important to reiterate staff’s appreciation to the Town Council for their volunteerism, leadership, and direction. Knowing successful local governance is relationship driven, it is essential that policies are formulated and administered that reflect the values of the community, maintain the integrity of premier service delivery functions, ensure the Town is prepared to meet the many challenges associated with aging infrastructure, and provide for the recruitment and retention of vital team members who move Highland Park every day.

Because the Town government is a people organization, there is no question that the Town’s one hundred and twelve (112) year history as an organization that cares about the community and its members will continue to be an asset. The Town’s purpose is only accomplished thanks to the talents and dedication of Town employees. Accordingly, it is important to extend gratitude to all of the Town’s employees for the outstanding service they provide to the citizenry on a daily basis and give credit to department heads and managers for their effective contributions of time and energy toward the preparation of the FY26 budget. These are the people entrusted with life and death decisions, with maintenance and operation of essential systems, and with helping make Highland Park a “haven for home and fireside.”

Mayor and Council, thank you again for your leadership. Please know your Team of dedicated public servants is energized to preserve and protect the unique quality of life that makes Highland Park special. It remains an honor and privilege to serve in Highland Park.

Respectfully,

Tobin E. Maples

 Tobin Maples, AICP
 Town Administrator

John Samford

 John Samford, CPA, CTP
 Director of Finance

ORDINANCE NO. XXXX

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 30, 2026, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

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

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

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

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$94,2004,818, including \$11,864,218 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2025, and ending September 30, 2026, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on June 27, 2025, and more than thirty (30) days prior to the end of the fiscal year 2025, in accordance with the provisions of Section 4.02 (d), (4) and Section 9.05 of the Town Charter, and not less than thirty (30) days prior to October 1, 2025, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 5, 2025, was duly advertised by the Town, 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 2, 2025, following the public hearing, and a copy of said official budget, including amendments, is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 2nd day of September 2025.

APPROVED AS TO FORM:

APPROVED:

Susan Thomas, PhD
Town Attorney

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary

Sample Ordinance – Subject to Change

ORDINANCE NO. XXXX

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2025 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

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

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

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

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

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

That, for the tax year 2025, there is hereby levied an ad valorem tax of \$0.200537 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 2025, and not exempted from taxation by the constitution and laws of the State of Texas.

THAT, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THAT, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.50% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-8.01.

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 2025-2026.

That said tax shall be due and payable October 1, 2025.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2025 levy.

PASSED AND APPROVED this 2nd day of September 2025.
APPROVED AS TO FORM:

APPROVED:

Susan Thomas, PhD
Town Attorney

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary

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

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 49,142,538	\$ 48,756,606	\$ 49,844,855	\$ 50,009,676
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 18,372,869	\$ 19,463,027	\$ 19,443,685	\$ 20,432,450
Water Sales	8,817,873	9,176,886	9,386,385	9,754,780
Sewer Charges	2,977,122	3,265,533	3,239,715	3,434,185
Sales Taxes	8,801,419	7,020,752	8,668,000	8,208,320
Sanitation/Recycling Charges	1,783,439	1,824,985	1,852,365	1,917,715
Franchise Fees	975,703	995,600	1,012,810	1,016,500
Building Inspection Fees/Permits	1,355,547	1,779,900	1,416,285	1,432,885
Municipal Court Fines/Fees	477,169	482,229	444,110	447,580
Interest Earnings	3,568,274	2,417,993	2,835,995	2,399,780
Storm Water Fees	571,749	1,129,560	1,142,825	2,287,190
Other Revenues	6,161,537	20,208,123	7,958,193	21,655,575
TOTAL REVENUES	\$ 53,862,701	\$ 67,764,588	\$ 57,400,368	\$ 72,986,960
OTHER SOURCES				
Transfers In	\$ 10,520,415	\$ 10,827,481	\$ 14,827,481	\$ 11,864,218
TOTAL OTHER SOURCES	\$ 10,520,415	\$ 10,827,481	\$ 14,827,481	\$ 11,864,218
TOTAL REVENUES/SOURCES	\$ 64,383,116	\$ 78,592,069	\$ 72,227,849	\$ 84,851,178
EXPENDITURES				
Personnel Services				
Payroll	\$ 16,087,578	\$ 17,994,287	\$ 17,431,825	\$ 18,450,952
Payroll Taxes	1,136,022	1,313,854	1,261,240	1,344,473
Retirement	2,081,221	2,262,241	2,188,230	2,317,693
Insurance	1,955,475	1,840,045	1,662,540	2,116,079
Total Personnel	\$ 21,260,296	\$ 23,410,427	\$ 22,543,835	\$ 24,229,197
Supplies & Equipment	4,883,154	5,774,194	5,871,493	6,212,853
Services & Charges	8,561,582	9,508,698	9,702,363	10,365,083
Capital Outlay	18,455,352	39,381,059	19,117,856	41,533,467
TOTAL EXPENDITURES	\$ 53,160,384	\$ 78,074,378	\$ 57,235,547	\$ 82,340,600
OTHER USES				
Transfers Out	10,520,415	10,827,481	14,827,481	11,864,218
TOTAL OTHER USES	\$ 10,520,415	\$ 10,827,481	\$ 14,827,481	\$ 11,864,218
TOTAL USES	\$ 63,680,799	\$ 88,901,859	\$ 72,063,028	\$ 94,204,818
ENDING FUND BALANCE	\$ 49,844,855	\$ 38,446,816	\$ 50,009,676	\$ 40,656,036

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

	<u>General</u>	<u>Utility</u>	<u>Solid Waste</u>	<u>Storm Drainage</u>	<u>Equipment Replacement</u>	<u>Technology Replacement</u>	<u>Building Maintenance & Investment</u>
BEGINNING FUND BALANCE	\$ 6,681,663	\$ 5,546,798	\$ 471,282	\$4,040,521	\$ 4,928,420	\$ 3,500,623	\$ 1,584,264
REVENUES:							
Property Taxes	\$ 20,432,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	9,754,780	-	-	-	-	-
Sewer Charges	-	3,434,185	-	-	-	-	-
Sales Taxes	8,208,320	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,917,715	-	-	-	-
Franchise Fees	1,016,500	-	-	-	-	-	-
Building Inspection Fees/Permits	1,371,570	61,315	-	-	-	-	-
Municipal Court Fines/Fees	384,285	-	-	-	-	-	-
Interest Earnings	539,240	362,475	23,820	241,950	180,230	137,655	58,195
Storm Water Drainage Fees	-	-	-	2,287,190	-	-	-
All Other	2,263,310	2,324,650	-	-	10,000	233,131	18,900
TOTAL REVENUES	\$ 34,215,675	\$ 15,937,405	\$ 1,941,535	\$ 2,529,140	\$ 190,230	\$ 370,786	\$ 77,095
Transfers from Other Funds	1,702,810	575,775	26,700	1,500,000	782,350	798,990	868,055
TOTAL REVENUES & TRANSFERS	\$ 35,918,485	\$ 16,513,180	\$ 1,968,235	\$ 4,029,140	\$ 972,580	\$ 1,169,776	\$ 945,150
TOTAL AVAILABLE RESOURCES	\$ 42,600,148	\$ 22,059,978	\$ 2,439,517	\$ 8,069,661	\$ 5,901,000	\$ 4,670,399	\$ 2,529,414
EXPENDITURES:							
Personnel Services:							
Payroll	\$ 16,476,608	\$ 1,885,062	\$ -	\$ -	\$ -	\$ -	\$ 89,282
Taxes	1,198,178	139,465	-	-	-	-	6,830
Retirement (TMRS)	2,066,557	239,779	-	-	-	-	11,357
Insurance	1,871,408	230,085	-	-	-	-	14,586
Total Personnel	\$ 21,612,751	\$ 2,494,391	\$ -	\$ -	\$ -	\$ -	\$ 122,055
Supplies & Equipment	\$ 1,378,912	\$ 4,700,043	\$ 35,000	\$ 7,500	\$ -	\$ -	\$ 41,420
Services & Charges	5,642,357	2,160,305	1,773,265	200,120	3,000	-	548,580
Capital Outlay	-	6,098,966	-	6,397,737	998,675	819,925	271,000
TOTAL EXPENDITURES	\$ 28,634,020	\$ 15,453,705	\$ 1,808,265	\$ 6,605,357	\$ 1,001,675	\$ 819,925	\$ 983,055
Transfers to Other Funds	7,167,755	2,503,488	150,615	182,310	-	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 35,801,775	\$ 17,957,193	\$ 1,958,880	\$ 6,787,667	\$ 1,001,675	\$ 819,925	\$ 983,055
ENDING FUND BALANCE	\$ 6,798,373	\$ 4,102,785	\$ 480,637	\$ 1,281,994	\$ 4,899,325	\$ 3,850,474	\$ 1,546,359
FUND BALANCE MINIMUM	\$ 5,260,528	\$ 2,799,695	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ 1,537,845	\$ 1,303,090	\$ 480,637	\$ 1,281,994	\$ 4,899,325	\$ 3,850,474	\$ 1,546,359

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

Explanation of Significant Changes in Fund Balances

Utility Fund - Fund balance within the Utility Fund is declining by approximately \$1.4 M predominately due to capital projects planned in FY26.

Stormwater Drainage Fund - Fund balance within the Stormwater Drainage Fund is declining by approximately \$2.8M predominately due to capital projects planned in FY26.

Internal Service Funds - The fund balances within the Technology Replacement Fund, Equipment Replacement Fund and the Building Maintenance Fund are intended for capital equipment purchases and maintenance of Town facilities. Between the three funds, fund balances are growing by approximately \$283K.

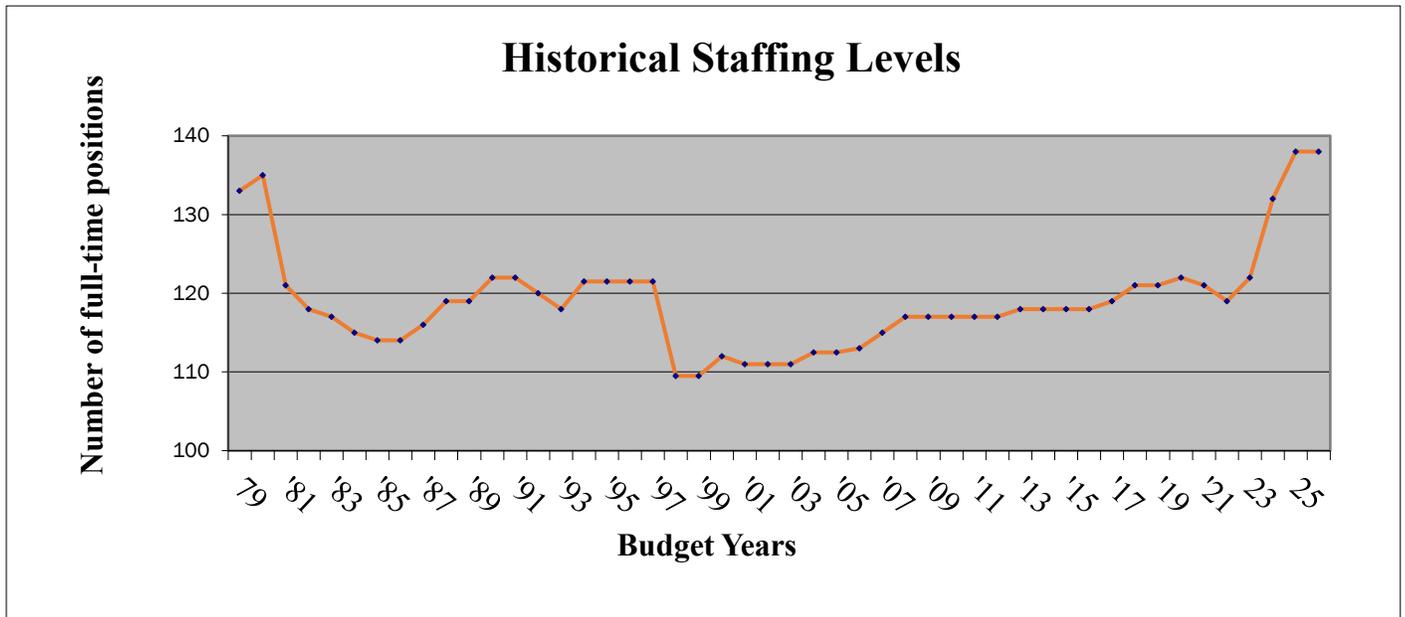
Reserve Fund - Fund balance within the Reserve Fund is declining by 363k due to a transfer to the Stormwater Fund as an internal loan in the amount of \$500k for stormwater drainage projects.

Capital Projects Fund - Fund balance within the Capital Projects Fund is declining by 5.2M as a result of capital projects proposed for FY26.

<u>Forfeited Property</u>	<u>Local Youth Diversion Fund</u>	<u>Municipal Jury</u>	<u>Court Technology</u>	<u>Court Security</u>	<u>Library Fund</u>	<u>Reserve</u>	<u>Capital Projects</u>	<u>FY 2026 Proposed</u>	<u>FY 2025 Budget</u>
\$ 53,381	\$ 108,335	\$ 2,151	\$ 126,533	\$ 32,355	\$ 430,956	\$ 4,035,790	\$ 18,466,604	\$ 50,009,676	\$ 48,756,606
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20,432,450	19,463,027
-	-	-	-	-	-	-	-	9,754,780	9,176,886
-	-	-	-	-	-	-	-	3,434,185	3,265,533
-	-	-	-	-	-	-	-	8,208,320	7,020,752
-	-	-	-	-	-	-	-	1,917,715	1,824,985
-	-	-	-	-	-	-	-	1,016,500	995,600
-	-	-	-	-	-	-	-	1,432,885	1,779,900
-	15,015	285	24,245	23,750	-	-	-	447,580	482,229
5,060	3,610	75	5,165	1,450	16,110	136,800	687,945	2,399,780	2,417,993
-	-	-	-	-	-	-	-	2,287,190	1,129,560
2,500	-	-	-	-	80,555	-	16,722,529	21,655,575	20,208,123
\$ 7,560	\$ 18,625	\$ 360	\$ 29,410	\$ 25,200	\$ 96,665	\$ 136,800	\$ 17,410,474	\$ 72,986,960	\$ 67,764,588
-	-	-	-	-	-	-	5,609,538	11,864,218	10,827,481
\$ 7,560	\$ 18,625	\$ 360	\$ 29,410	\$ 25,200	\$ 96,665	\$ 136,800	\$ 23,020,012	\$ 84,851,178	\$ 78,592,069
\$ 60,941	\$ 126,960	\$ 2,511	\$ 155,943	\$ 57,555	\$ 527,621	\$ 4,172,590	\$ 41,486,616	\$ 134,860,854	\$ 127,348,675
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,450,952	\$ 17,994,287
-	-	-	-	-	-	-	-	1,344,473	1,313,854
-	-	-	-	-	-	-	-	2,317,693	2,262,241
-	-	-	-	-	-	-	-	2,116,079	1,840,045
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,229,197	\$ 23,410,427
\$ -	\$ -	\$ 250	\$ 4,690	\$ -	\$ 45,038	\$ -	\$ -	\$ 6,212,853	\$ 5,774,194
500	-	-	35,606	-	1,350	-	-	10,365,083	9,508,698
-	-	-	-	-	34,165	-	26,912,999	41,533,467	39,381,059
\$ 500	\$ -	\$ 250	\$ 40,296	\$ -	\$ 80,553	\$ -	\$ 26,912,999	\$ 82,340,600	\$ 78,074,378
-	-	-	-	24,600	-	500,000	1,335,450	11,864,218	10,827,481
\$ 500	\$ -	\$ 250	\$ 40,296	\$ 24,600	\$ 80,553	\$ 500,000	\$ 28,248,449	\$ 94,204,818	\$ 88,901,859
\$ 60,441	\$ 126,960	\$ 2,261	\$ 115,647	\$ 32,955	\$ 447,068	\$ 3,672,590	\$ 13,238,167	\$ 40,656,036	\$ 38,446,816
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 10,060,223	\$ 9,487,806
\$ 60,441	\$ 126,960	\$ 2,261	\$ 115,647	\$ 32,955	\$ 447,068	\$ 3,672,590	\$ 11,238,167	\$ 30,595,814	\$ 28,959,010

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

	Budget FY 2024		Budget FY 2025		Proposed FY 2026	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	2.0	0.0	2.0	0.0	3.0	0.0
Public Safety	82.0	0.0	82.0	0.0	82.0	0.0
Policy & Strategic Initiatives	2.0	0.0	2.0	0.0	2.0	0.0
Street	3.0	0.0	3.0	0.0	3.0	0.0
Library	6.0	0.5	6.0	0.5	6.0	0.5
Parks & Recreation	7.0	0.0	7.0	0.0	7.0	0.0
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	3.0	1.3	3.0	1.3	3.0	1.3
Finance	6.0	0.0	6.0	0.0	4.0	0.0
Community Development	5.0	0.0	7.0	0.0	7.0	0.0
Information Technology	1.0	0.0	2.0	0.0	2.0	0.0
Human Resources	0.0	0.0	0.0	0.0	1.0	0.0
Sub-Total General Fund	117.0	5.2	120.0	5.2	120.0	5.2
Utility Fund						
Utility Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.0	0.0	6.0	0.0	6.0	0.0
Sanitary Sewer	2.0	0.0	2.0	0.0	2.0	0.0
Engineering	4.0	0.0	6.0	0.0	6.0	0.0
Sub-Total Utility Fund	14.0	0.0	17.0	0.0	17.0	0.0
Building Maintenance Fund						
Facilities	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total Maintenance Fund	1.0	0.0	1.0	0.0	1.0	0.0
Total	132.0	5.2	138.0	5.2	138.0	5.2



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), Streets, Community Development (Planning & Zoning, Code Enforcement, Building Permits & Inspections), Parks, Pool, Library, and General Governmental (Administrative Services, Finance, Human Resources, Information Technology, and Municipal Court).

Basis of Accounting

The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 6,027,660	\$ 6,643,008	\$ 8,818,231	\$ 6,681,663
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 27,688,512	\$ 27,023,779	\$ 28,645,540	\$ 29,196,755
Franchise Fees	975,703	995,600	1,012,810	1,016,500
Licenses & Permits	1,296,207	1,726,725	1,376,185	1,392,385
Charges for Services	1,251,987	1,411,914	1,320,940	1,352,100
Fines & Forfeits	312,242	233,500	278,245	287,060
Miscellaneous	1,224,588	983,201	999,835	970,875
Total Revenues	\$ 32,749,239	\$ 32,374,719	\$ 33,633,555	\$ 34,215,675
Other Sources:				
Transfers In	\$ 1,448,200	\$ 1,575,100	\$ 1,575,100	\$ 1,702,810
Total Other Sources	\$ 1,448,200	\$ 1,575,100	\$ 1,575,100	\$ 1,702,810
Total Revenues/Sources	\$ 34,197,439	\$ 33,949,819	\$ 35,208,655	\$ 35,918,485
EXPENDITURES/USES OF FUNDS				
Administration Department	\$ 741,957	\$ 1,007,509	\$ 1,061,743	\$ 1,469,653
Department of Public Safety	16,486,942	17,488,509	17,221,259	18,254,189
Policy & Strategic Initiatives	277,548	312,748	286,164	431,601
Street Department	394,658	482,001	437,551	475,856
Library Department	864,899	922,733	883,603	951,168
Parks & Recreation Department	1,889,216	1,963,343	1,956,493	2,018,122
Pool Department	269,891	278,100	272,943	281,121
Municipal Court Department	603,223	616,491	617,068	659,326
Finance Department	1,187,371	1,202,450	1,197,495	902,510
Community Development	814,114	1,148,360	1,240,079	1,224,136
Information Technology Department	773,246	1,068,196	984,363	1,215,134
Human Resources Department	-	-	-	274,401
Non-Departmental	934,925	1,011,032	1,007,337	476,803
Total Expenditures	\$ 25,237,990	\$ 27,501,472	\$ 27,166,098	\$ 28,634,020
Other Uses:				
Transfers to Other Funds	\$ 6,168,878	\$ 6,179,125	\$ 10,179,125	\$ 7,167,755
Total Other Uses	\$ 6,168,878	\$ 6,179,125	\$ 10,179,125	\$ 7,167,755
Total Expenditures/Uses	\$ 31,406,868	\$ 33,680,597	\$ 37,345,223	\$ 35,801,775
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 2,790,571	\$ 269,222	\$ (2,136,568)	\$ 116,710
Fund Balance	\$ 8,818,231	\$ 6,912,230	\$ 6,681,663	\$ 6,798,373
Ideal Fund Balance	\$ 4,528,952	\$ 4,918,112	\$ 4,861,456	\$ 5,260,528
Fund Balance in Excess of Minimum	\$ 4,289,279	\$ 1,994,118	\$ 1,820,207	\$ 1,537,845

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 6,027,660	\$ 6,643,008	\$ 8,818,231	\$ 6,681,663
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 27,688,512	\$ 27,023,779	\$ 28,645,540	\$ 29,196,755
Franchise Fees	975,703	995,600	1,012,810	1,016,500
Licenses & Permits	1,296,207	1,726,725	1,376,185	1,392,385
Charges for Services	1,251,987	1,411,914	1,320,940	1,352,100
Fines & Forfeits	312,242	233,500	278,245	287,060
Miscellaneous	1,224,588	983,201	999,835	970,875
Total Revenues	\$ 32,749,239	\$ 32,374,719	\$ 33,633,555	\$ 34,215,675
Other Sources:				
Transfers In	\$ 1,448,200	\$ 1,575,100	\$ 1,575,100	\$ 1,702,810
Total Other Sources	\$ 1,448,200	\$ 1,575,100	\$ 1,575,100	\$ 1,702,810
Total Revenues/Sources	\$ 34,197,439	\$ 33,949,819	\$ 35,208,655	\$ 35,918,485
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 14,613,177	\$ 16,075,554	\$ 15,746,415	\$ 16,476,608
Payroll Taxes	1,031,718	1,171,169	1,138,475	1,198,178
Retirement	1,888,164	2,018,180	1,974,305	2,066,557
Insurance	1,765,320	1,624,488	1,494,415	1,871,408
Total Personnel	\$ 19,298,379	\$ 20,889,391	\$ 20,353,610	\$ 21,612,751
Supplies & Equipment	1,199,643	1,329,572	1,327,567	1,378,912
Services & Charges	4,686,075	5,272,509	5,477,021	5,642,357
Capital Outlay	53,895	10,000	7,900	-
Total Expenditures	\$ 25,237,992	\$ 27,501,472	\$ 27,166,098	\$ 28,634,020
Other Uses:				
Transfers Out	\$ 6,168,878	\$ 6,179,125	\$ 10,179,125	\$ 7,167,755
Total Other Uses	\$ 6,168,878	\$ 6,179,125	\$ 10,179,125	\$ 7,167,755
Rounding	(2)	-	-	
Total Expenditures/Uses	\$ 31,406,868	\$ 33,680,597	\$ 37,345,223	\$ 35,801,775
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 2,790,571	\$ 269,222	\$ (2,136,568)	\$ 116,710
Fund Balance	\$ 8,818,231	\$ 6,912,230	\$ 6,681,663	\$ 6,798,373
Ideal Fund Balance	\$ 4,528,952	\$ 4,918,112	\$ 4,861,456	\$ 5,260,528
Fund Balance in Excess of Minimum	\$ 4,289,279	\$ 1,994,118	\$ 1,820,207	\$ 1,537,845

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Taxes				
Ad Valorem Taxes	\$ 18,358,728	\$ 19,408,009	\$ 19,388,600	\$ 20,374,690
Delinquent Ad Valorem Taxes	14,141	55,018	55,085	57,760
City Sales Tax	8,801,419	7,020,752	8,668,000	8,208,320
Mixed Beverage Tax	514,224	540,000	533,855	555,985
<i>Subtotal</i>	\$ 27,688,512	\$ 27,023,779	\$ 28,645,540	\$ 29,196,755
Franchise Fees				
Electric Utility Franchise Fees	\$ 467,293	\$ 480,145	\$ 472,345	\$ 468,410
CATV / PEG Franchise Fees	13,863	15,455	16,320	12,805
Natural Gas Utility Franchise Fees	306,290	307,000	337,235	350,600
Telecom Franchise Fees	34,373	35,000	35,455	32,460
CATV Franchise Fees	49,069	50,000	49,010	48,825
Solid Waste	44,853	61,000	54,320	53,470
Carriages	59,962	47,000	48,125	49,930
<i>Subtotal</i>	\$ 975,703	\$ 995,600	\$ 1,012,810	\$ 1,016,500
Licenses & Permits				
Beverage Licenses	\$ 2,850	\$ 6,100	\$ 4,065	\$ 4,640
Health Permits	5,750	6,900	9,250	9,175
Alarm Permits	97,769	96,500	97,340	98,675
Electrical Licenses	-	-	-	-
Building Permits	1,129,338	1,552,855	1,202,535	1,216,330
Electrical Permits	52,604	56,800	52,640	53,165
Excavation Permits	470	245	300	295
Carriage Licenses	5,485	5,325	5,700	5,890
Animal Licenses	1,941	2,000	4,355	4,215
<i>Subtotal</i>	\$ 1,296,207	\$ 1,726,725	\$ 1,376,185	\$ 1,392,385
Charges For Services				
E911 Users' Fee	\$ 151,952	\$ 109,790	\$ 106,820	\$ 105,340
Alarm Monitoring Fees	545,557	614,224	607,265	634,525
Emergency Medical Fees	178,623	205,000	216,660	224,225
Board Hearing Fee	1,200	1,700	1,790	1,820
Swimming Pool Concessions	12,239	15,732	15,730	14,230
Swimming Pool Daily Fees	28,423	44,625	44,700	45,685
Swimming Pool Annual Fees	74,910	81,175	81,175	81,670
Tennis Court Use Fees	28,920	28,539	26,005	27,585
Animal Pound Fees	630	700	1,310	1,370
Child Safety Fees	9,978	9,000	9,190	9,140
Library Non-resident Fees	4,841	3,600	4,150	4,605
Court Administration Fees	7,903	7,371	7,035	6,580
Warrant Fees	24,430	21,000	21,785	20,715

**GENERAL FUND
STATEMENT OF REVENUES**

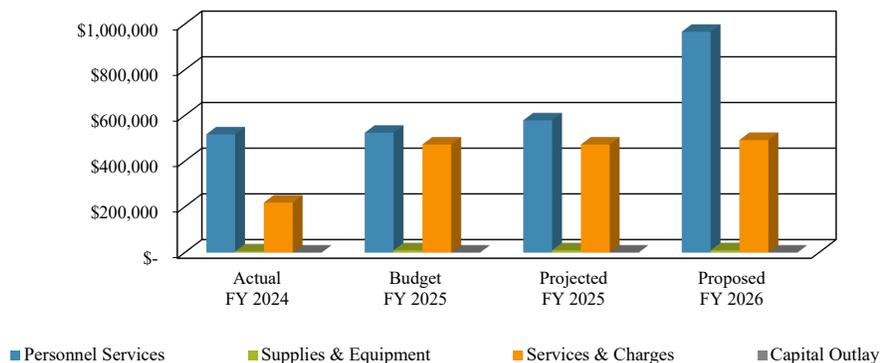
	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Court Fees	52,189	60,030	54,690	52,085
Building Registration Fees	77,125	75,000	72,875	74,430
Plan Review Fees	33,750	33,000	27,000	27,350
Deferred Adjudication Fees	19,317	101,428	22,760	20,745
<i>Subtotal</i>	\$ 1,251,987	\$ 1,411,914	\$ 1,320,940	\$ 1,352,100
Fines & Forfeits				
Municipal Court Fines	\$ 308,521	\$ 230,000	\$ 275,010	\$ 284,160
Library Fines	2,029	1,500	1,585	1,520
Lost Book Charges	942	1,000	985	925
Invalid Alarm Fines	750	1,000	665	455
<i>Subtotal</i>	\$ 312,242	\$ 233,500	\$ 278,245	\$ 287,060
Miscellaneous				
Interest	\$ 659,301	\$ 600,000	\$ 574,680	\$ 538,575
Interest-Dallas County	6,823	1,000	665	665
Penalty & Interest - Tax Collection	111,668	90,000	99,380	102,225
Sale of Assets	-	-	-	-
Rental-Town Property	382,857	230,451	260,570	265,380
Library Donations	2,469	3,000	3,595	3,710
Contributions	4,669	17,500	11,665	10,810
Intergovernmental Revenue	2,649	-	-	-
Town Property Damage Refund	(5,839)	-	-	-
Miscellaneous	59,991	41,250	49,280	49,510
<i>Subtotal</i>	\$ 1,224,588	\$ 983,201	\$ 999,835	\$ 970,875
Total Revenues	\$ 32,749,239	\$ 32,374,719	\$ 33,633,555	\$ 34,215,675



Administration Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 517,666	\$ 524,681	\$ 578,915	\$ 966,752	84.26%
Supplies & Equipment	5,218	9,937	9,937	10,035	0.99%
Services & Charges	219,073	472,891	472,891	492,866	4.22%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 741,957	\$ 1,007,509	\$ 1,061,743	\$ 1,469,653	45.87%



EMPLOYEE CLASSIFICATION & PAY GRADE

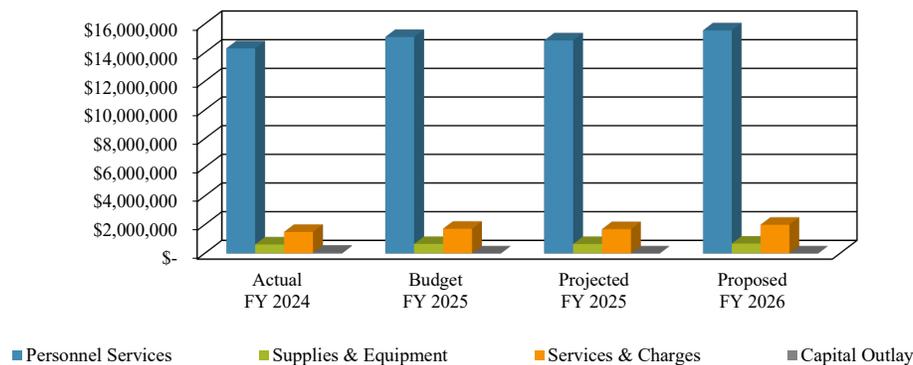
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Town Administrator	N/A	1.0	1.0	1.0
Assistant Town Administrator	E-4	0.0	0.0	1.0
Town Secretary	NE-8	1.0	1.0	1.0
Total Employees		2.0	2.0	3.0



Department of Public Safety

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 14,303,671	\$ 15,098,688	\$ 14,862,525	\$ 15,561,731	3.07%
Supplies & Equipment	626,739	664,956	663,001	689,407	3.68%
Services & Charges	1,502,637	1,724,865	1,695,733	2,003,051	16.13%
Capital Outlay	53,895	-	-	-	0.00%
Total Department	\$ 16,486,942	\$ 17,488,509	\$ 17,221,259	\$ 18,254,189	4.38%



EMPLOYEE CLASSIFICATION & PAY GRADE

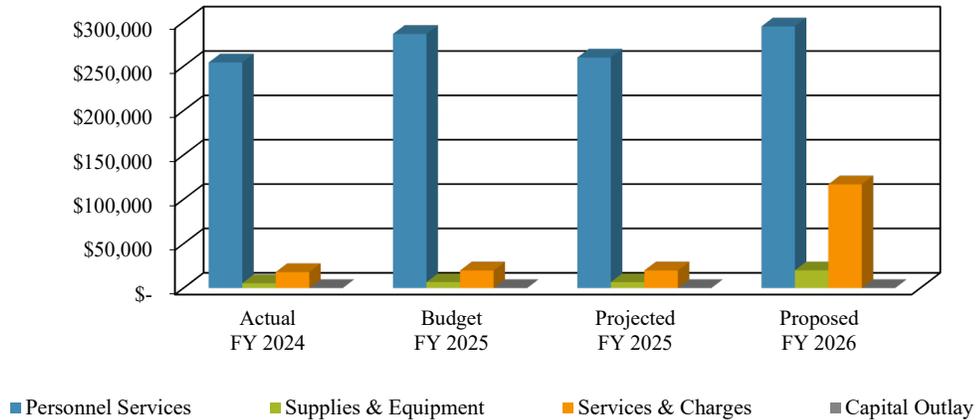
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Public Safety	E-4	1.0	1.0	1.0
Assistant Director of Public Safety	E-3	2.0	2.0	1.0
Deputy Chief	E-2	0.0	4.0	4.0
Captain	G	6.0	3.0	3.0
Lieutenant	F	6.0	6.0	6.0
Sergeant	E	5.0	4.0	5.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	43.0	43.0	43.0
Police Officer	B	1.0	1.0	1.0
Communications Manager	NE-8	1.0	1.0	1.0
Communications Supervisor	NE-6	1.0	1.0	1.0
Alarm Specialist	NE-5	1.0	1.0	1.0
Crime Analyst	NE-4	0.0	1.0	1.0
CID Clerk	NE-4	1.0	0.0	0.0
Communications Specialist	NE-4	9.0	9.0	9.0
Administrative Secretary	NE-4	2.0	2.0	2.0
Total Employees		82.0	82.0	82.0



Policy & Strategic Initiatives Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 254,224	\$ 286,338	\$ 259,790	\$ 294,844	2.97%
Supplies & Equipment	5,381	6,670	6,634	19,930	198.80%
Services & Charges	17,943	19,740	19,740	116,827	491.83%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 277,548	\$ 312,748	\$ 286,164	\$ 431,601	38.00%



EMPLOYEE CLASSIFICATION & PAY GRADE

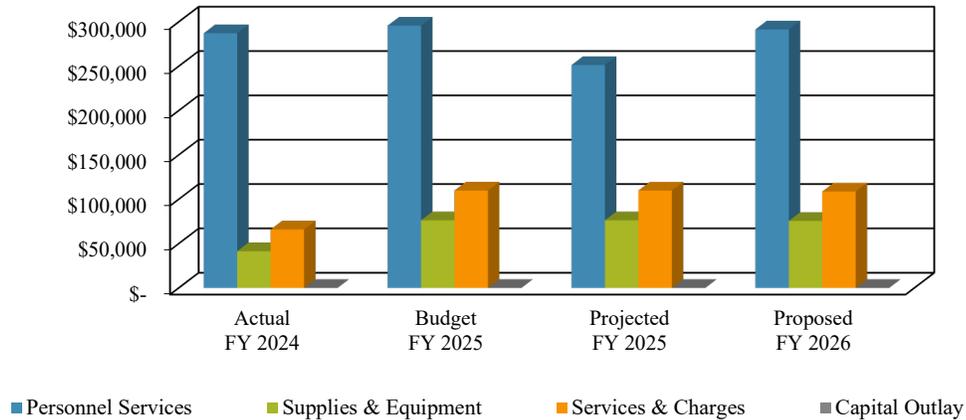
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Dir. of Policy Dev. & Strat. Int.	E-1	0.0	1.0	1.0
Administrative Assistant	NE-3	0.0	1.0	1.0
Total Employees		0.0	2.0	2.0



Street Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 287,284	\$ 295,803	\$ 251,375	\$ 291,506	-1.45%
Supplies & Equipment	41,471	76,329	76,329	75,595	-0.96%
Services & Charges	65,903	109,869	109,847	108,755	-1.01%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 394,658	\$ 482,001	\$ 437,551	\$ 475,856	-1.27%



EMPLOYEE CLASSIFICATION & PAY GRADE

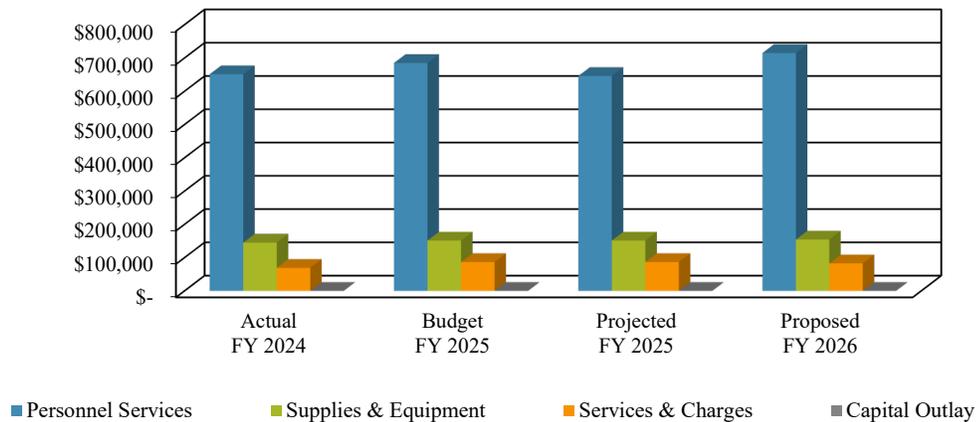
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Public Works Maintenance Worker II	NE-3	2.0	2.0	2.0
Public Works Maintenance Worker I	NE-2	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0



Library Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 651,015	\$ 684,838	\$ 645,705	\$ 714,698	4.36%
Supplies & Equipment	144,904	151,266	151,266	154,067	1.85%
Services & Charges	68,980	86,629	86,632	82,403	-4.88%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 864,899	\$ 922,733	\$ 883,603	\$ 951,168	3.08%



EMPLOYEE CLASSIFICATION & PAY GRADE

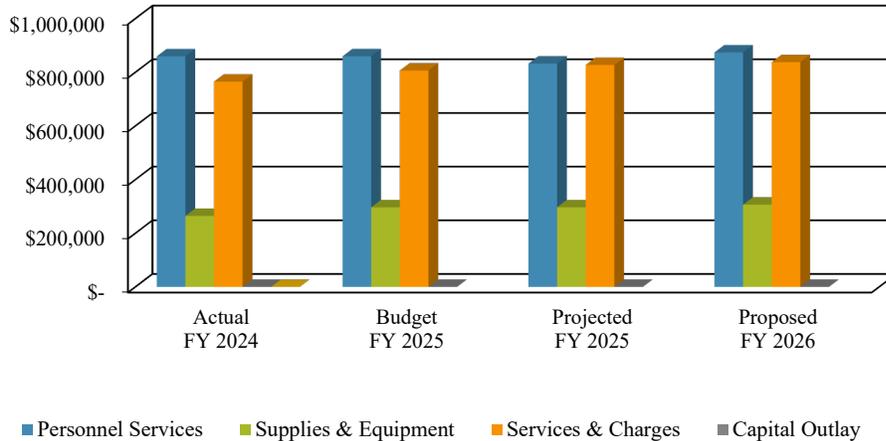
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Town Librarian	E-0	1.0	1.0	1.0
Librarian	NE-5	2.0	2.0	2.0
Administrative Assistant	NE-3	1.0	1.0	1.0
Library Associate (Full-Time)	NE-2	2.0	2.0	2.0
Library Associate (Part-Time)	NE-2	0.5	0.5	0.5
Total Employees		6.5	6.5	6.5



Parks & Recreation Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 859,340	\$ 859,742	\$ 832,300	\$ 873,972	1.66%
Supplies & Equipment	264,765	296,953	296,953	306,540	3.23%
Services & Charges	765,111	806,648	827,240	837,610	3.84%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,889,216	\$ 1,963,343	\$1,956,493	\$ 2,018,122	2.79%



EMPLOYEE CLASSIFICATION & PAY GRADE

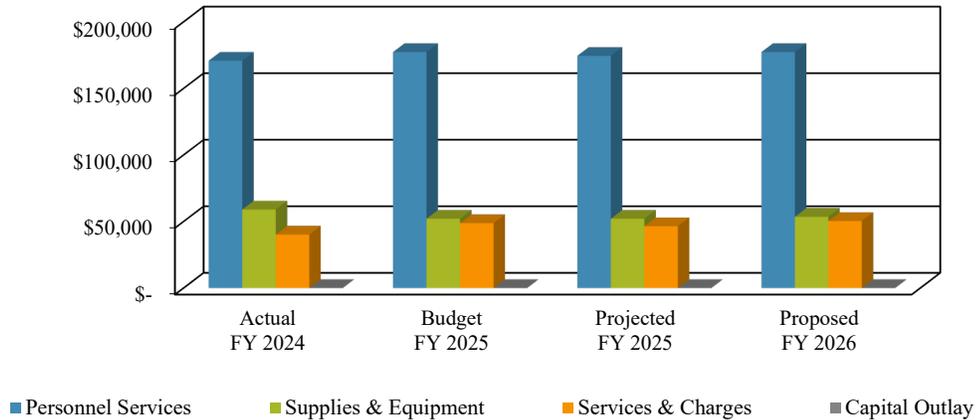
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Superintendent	NE-8	1.0	1.0	1.0
Irrigation/Mosquito Inspector	NE-4	1.0	1.0	1.0
Parks Maintenance Worker III	NE-4	1.0	1.0	1.0
Parks Maintenance Worker II	NE-3	3.0	3.0	3.0
Parks Maintenance Worker I	NE-1	1.0	1.0	1.0
Total Employees		7.0	7.0	7.0



Pool Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 170,794	\$ 177,272	\$ 174,440	\$ 177,272	0.00%
Supplies & Equipment	58,981	52,050	52,050	53,500	2.79%
Services & Charges	40,116	48,778	46,453	50,349	3.22%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 269,891	\$ 278,100	\$ 272,943	\$ 281,121	1.09%



EMPLOYEE CLASSIFICATION & PAY GRADE

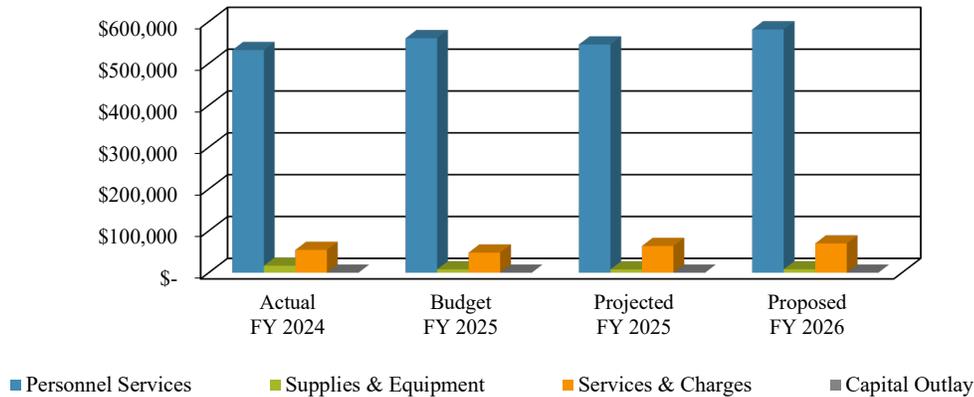
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Manager/Asst. Manager/Lifeguard	N/A	3.4	3.4	3.4
Total Employees		3.4	3.4	3.4



Municipal Court Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 532,118	\$ 560,424	\$ 545,480	\$ 581,441	3.75%
Supplies & Equipment	16,642	8,000	7,800	8,040	0.50%
Services & Charges	54,463	48,067	63,788	69,845	45.31%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 603,223	\$ 616,491	\$ 617,068	\$ 659,326	6.95%



EMPLOYEE CLASSIFICATION & PAY GRADE

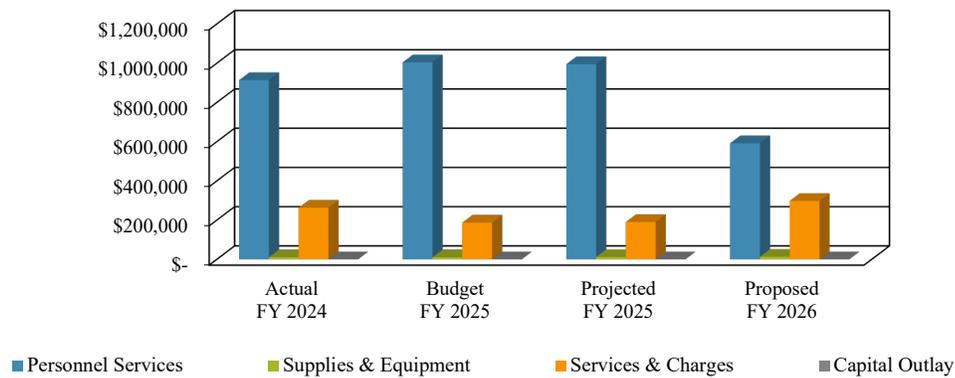
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Municipal Town Judge (Part-Time)	N/A	0.5	0.5	0.5
Court Administrator	NE-6	1.0	1.0	1.0
Senior Court Clerk	NE-3	1.0	1.0	1.0
Court Clerk	NE-2	1.0	1.0	1.0
Marshall/Bailiff (Part-time)	PT	0.5	0.5	0.5
Court Security (Part-time)	PT	0.3	0.3	0.3
Total Employees		4.3	4.3	4.3



Finance Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 913,873	\$ 1,004,668	\$ 995,215	\$ 591,860	-41.09%
Supplies & Equipment	10,481	10,592	11,775	12,820	21.03%
Services & Charges	263,017	187,190	190,505	297,830	59.11%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,187,371	\$ 1,202,450	\$ 1,197,495	\$ 902,510	-24.94%



EMPLOYEE CLASSIFICATION & PAY GRADE

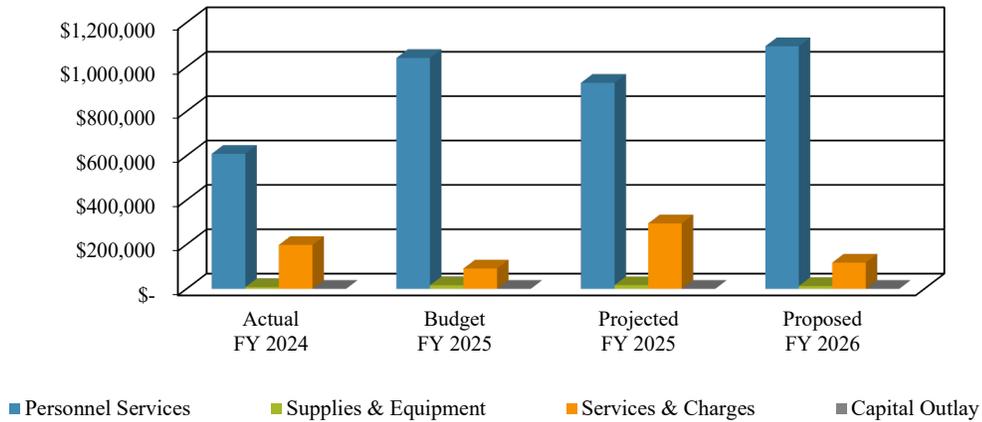
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Assistant Town Administrator	E-4	1.0	1.0	0.0
Director of Finance	E-2	1.0	1.0	1.0
Accounting Supervisor	NE-6	1.0	1.0	1.0
Senior Accounting Tech	NE-4	1.0	1.0	1.0
Human Resources Coordinator	NE-4	1.0	1.0	0.0
Administrative Assistant	NE-3	1.0	1.0	1.0
Total Employees		6.0	6.0	4.0



Community Development Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 608,629	\$ 1,040,439	\$ 928,620	\$ 1,093,473	5.10%
Supplies & Equipment	7,630	16,181	16,736	12,705	-21.48%
Services & Charges	197,855	91,740	294,723	117,958	28.58%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 814,114	\$ 1,148,360	\$ 1,240,079	\$ 1,224,136	6.60%



EMPLOYEE CLASSIFICATION & PAY GRADE

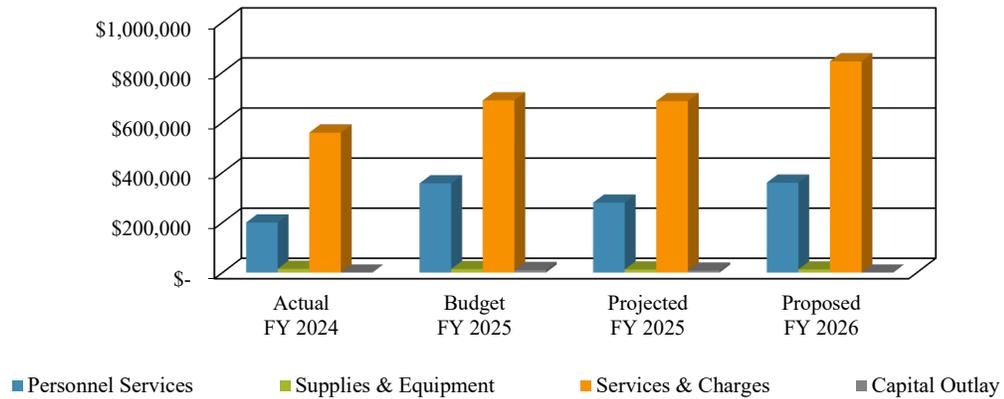
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Community Development	E-1	1.0	1.0	1.0
Chief Building Official	NE-8	0.0	1.0	1.0
Senior Building Inspector	NE-7	0.0	1.0	1.0
Building Inspector	NE-6	2.0	2.0	2.0
Plans Examiner	NE-4	1.0	1.0	1.0
Building Permit Technician	NE-3	1.0	1.0	1.0
Total Employees		5.0	7.0	7.0



Information Technology Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 199,763	\$ 356,498	\$ 279,245	\$ 358,880	0.67%
Supplies & Equipment	14,840	14,150	12,601	12,650	-10.60%
Services & Charges	558,643	687,548	684,617	843,604	22.70%
Capital Outlay	-	10,000	7,900	-	0.00%
Total Department	\$ 773,246	\$ 1,068,196	\$ 984,363	\$ 1,215,134	13.76%



EMPLOYEE CLASSIFICATION & PAY GRADE

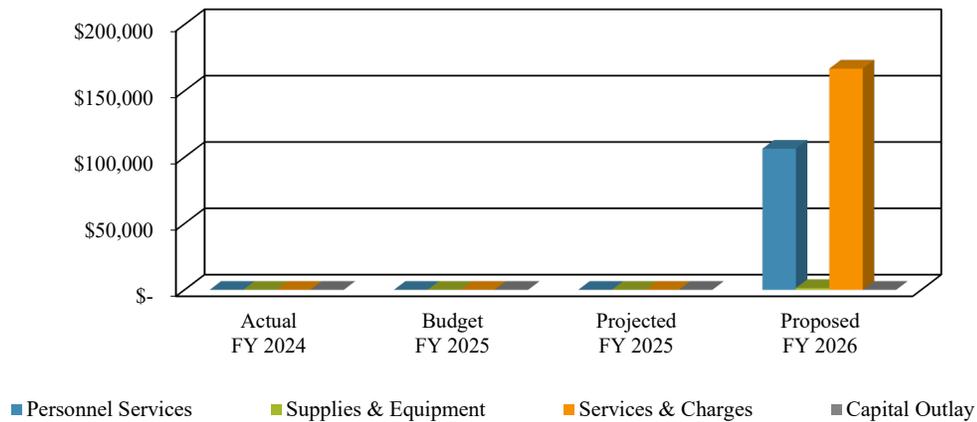
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Manager of Information Services	E-0	1.0	1.0	1.0
Systems Analyst	NE-8	0.0	1.0	1.0
Total Employees		1.0	2.0	2.0



Human Resources Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ 106,322	N/A
Supplies & Equipment	-	-	-	1,373	N/A
Services & Charges	-	-	-	166,706	N/A
Capital Outlay	-	-	-	-	N/A
Total Department	\$ -	\$ -	\$ -	\$ 274,401	N/A



EMPLOYEE CLASSIFICATION & PAY GRADE

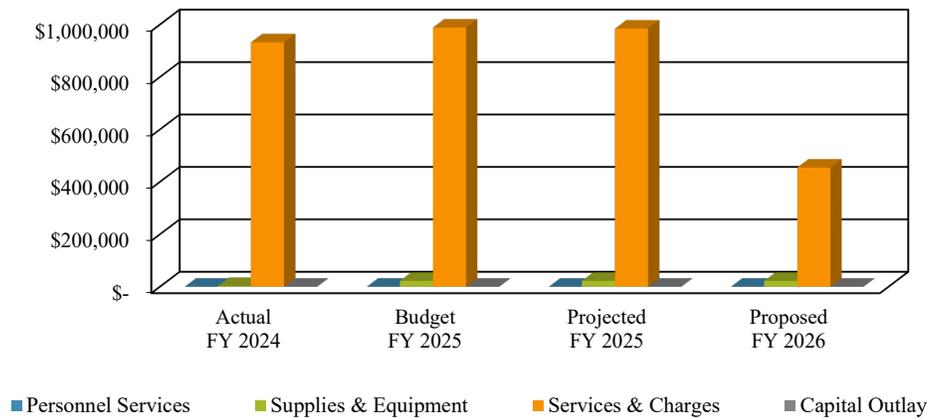
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Human Resources Coordinator	NE-4	0.0	0.0	1.0
Total Employees		0.0	0.0	1.0



Non Departmental

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	2,592	22,488	22,485	22,250	-1.06%
Services & Charges	932,333	988,544	984,852	454,553	-54.02%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 934,925	\$1,011,032	\$1,007,337	\$ 476,803	-52.84%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

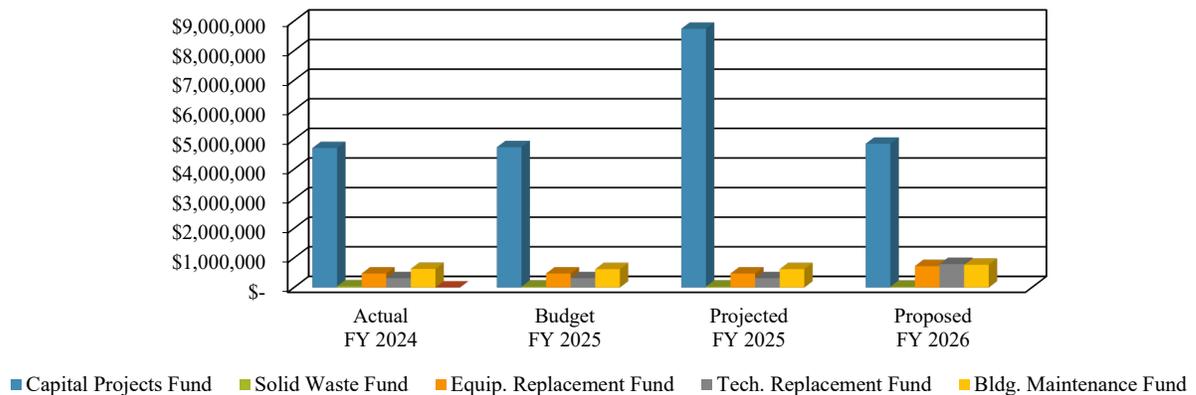
- 1 Supplies & Equipment provides \$16,825 as a contingency in the event fuel costs exceed the amount budgeted in each department.
- 2 The reduction in Services & Charges is primarily due to a variety of costs moved out of this budget to other department budgets within the General Fund to better align costs with the appropriate department operation. Other significant items in this category include \$205,000 to continue reducing the Town's unfunded pension liability with the Texas Municipal Retirement System and \$220,752 to repay the State for sales tax inadvertently paid to the Town.



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Capital Projects Fund	\$ 4,712,080	\$ 4,740,525	\$ 8,740,525	\$ 4,857,490	2.47%
Solid Waste Fund	41,600	30,500	30,500	26,700	-12.46%
Equip. Replacement Fund	472,000	472,000	472,000	723,085	53.20%
Tech. Replacement Fund	315,598	316,000	316,000	792,915	150.92%
Bldg. Maintenance Fund	627,600	620,100	620,100	767,565	23.78%
Total Department	\$ 6,168,878	\$ 6,179,125	\$ 10,179,125	\$ 7,167,755	16.00%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The FY2026 Proposed Budget includes a transfer to the Capital Projects Fund equivalent to 4.73 cents of the Town's property tax rate.
- 2 The transfer of \$26,700 to the Solid Waste Fund is derived from franchise fees charged to companies providing roll-off trash container service in Town.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the current fiscal year.
- 4 The transfer to the Building Maintenance Fund is based on the overall budget of the Building Maintenance Fund and includes a maintenance component and a fund balance component. The General Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center. The Utility Fund makes a similar transfer based on the number of employees in the Utility Fund that use the Town Hall and Service Center.



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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.

Basis of Accounting

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.



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UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 9,580,994	\$ 6,497,650	\$ 5,853,706	\$ 5,546,798
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,260	\$ 62,000	\$ 60,935	\$ 61,315
Charges for Services	11,863,025	12,480,419	12,683,975	13,580,310
Fines & Forfeits	77,805	75,000	90,270	91,985
Miscellaneous	1,117,943	960,125	513,380	2,203,795
Total Revenues	\$ 13,121,033	\$ 13,577,544	\$ 13,348,560	\$ 15,937,405
Other Sources:				
Transfers In	\$ 474,500	\$ 503,800	\$ 503,800	\$ 575,775
Total Other Sources	\$ 474,500	\$ 503,800	\$ 503,800	\$ 575,775
Total Revenues/Sources	\$ 13,595,533	\$ 14,081,344	\$ 13,852,360	\$ 16,513,180
EXPENSES - BY DEPARTMENT				
Utility Customer Service Department	\$ 450,353	\$ 465,029	\$ 457,705	\$ 483,457
Water Department	11,178,762	8,627,893	7,327,834	7,517,831
Sanitary Sewer Department	2,697,266	4,412,146	2,895,171	5,907,022
Engineering Department	828,003	1,277,737	1,151,002	1,545,395
Total Expenses	\$ 15,154,384	\$ 14,782,805	\$ 11,831,712	\$ 15,453,705
Other Uses:				
Transfers Out	\$ 2,168,437	\$ 2,327,556	\$ 2,327,556	\$ 2,503,488
Total Other Uses	\$ 2,168,437	\$ 2,327,556	\$ 2,327,556	\$ 2,503,488
Total Expenses/Uses	\$ 17,322,821	\$ 17,110,361	\$ 14,159,268	\$ 17,957,193
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (3,727,288)	\$ (3,029,017)	\$ (306,908)	\$ (1,444,013)
ENDING FUND BALANCE	\$5,853,706	\$ 3,468,633	\$ 5,546,798	\$ 4,102,785
Ideal Fund Balance	\$ 2,277,434	\$ 2,569,694	\$ 2,517,537	\$ 2,799,695
Fund Balance in Excess of Minimum	\$ 3,576,272	\$ 898,940	\$ 3,029,261	\$ 1,303,090

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 9,580,994	\$ 6,497,650	\$ 5,853,706	\$ 5,546,798
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,260	\$ 62,000	\$ 60,935	\$ 61,315
Charges for Services	11,863,025	12,480,419	12,683,975	13,580,310
Fines & Forfeits	77,805	75,000	90,270	91,985
Miscellaneous	1,117,943	960,125	513,380	2,203,795
Total Revenues	\$ 13,121,033	\$ 13,577,544	\$ 13,348,560	\$ 15,937,405
Other Sources:				
Transfers In	\$ 474,500	\$ 503,800	\$ 503,800	\$ 575,775
Total Other Sources	\$ 474,500	\$ 503,800	\$ 503,800	\$ 575,775
Total Revenues/Sources	\$ 13,595,533	\$ 14,081,344	\$ 13,852,360	\$ 16,513,180
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,416,114	\$ 1,827,613	\$ 1,604,630	\$ 1,885,062
Payroll Taxes	100,249	135,715	116,610	139,465
Retirement	185,499	232,471	203,660	239,779
Insurance	178,516	200,712	161,510	230,085
Total Personnel	\$ 1,880,378	\$ 2,396,511	\$ 2,086,410	\$ 2,494,391
Supplies & Equipment	4,172,393	4,321,271	4,421,776	4,700,043
Services & Charges	1,467,031	1,855,557	1,856,526	2,160,305
Capital Outlay	7,634,582	6,209,466	3,467,000	6,098,966
Total Expenses	\$ 15,154,384	\$ 14,782,805	\$ 11,831,712	\$ 15,453,705
Other Uses:				
Transfers Out	\$ 2,168,437	\$ 2,327,556	\$ 2,327,556	\$ 2,503,488
Total Other Uses	\$ 2,168,437	\$ 2,327,556	\$ 2,327,556	\$ 2,503,488
Total Expenses/Uses	\$ 17,322,821	\$ 17,110,361	\$ 14,159,268	\$ 17,957,193
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (3,727,288)	\$ (3,029,017)	\$ (306,908)	\$ (1,444,013)
ENDING FUND BALANCE	\$ 5,853,706	\$ 3,468,633	\$ 5,546,798	\$ 4,102,785
Ideal Fund Balance	\$ 2,277,434	\$ 2,569,694	\$ 2,517,537	\$ 2,799,695
Fund Balance in Excess of Minimum	\$ 3,576,272	\$ 898,940	\$ 3,029,261	\$ 1,303,090

**UTILITY FUND
STATEMENT OF REVENUES**

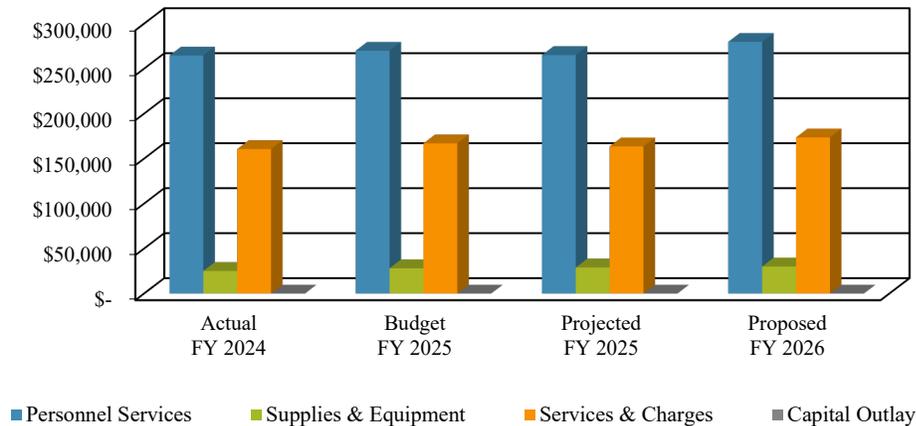
	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Licenses & Permits				
Plumbing Permits	\$ 62,260	\$ 62,000	\$ 60,935	\$ 61,315
<i>Subtotal</i>	\$ 62,260	\$ 62,000	\$ 60,935	\$ 61,315
Charges For Services				
Water Sales	\$ 8,553,381	\$ 8,948,886	\$ 9,157,415	\$ 9,484,960
Inter-Dept Water Sales	264,492	228,000	228,970	269,820
Sewer Charges	2,977,122	3,265,533	3,239,715	3,434,185
Meter Installation	64,050	32,000	52,820	56,230
Other Charges	3,980	6,000	5,055	335,115
<i>Subtotal</i>	\$ 11,863,025	\$ 12,480,419	\$ 12,683,975	\$ 13,580,310
Fines & Forfeits				
Late Payment Penalties	\$ 77,805	\$ 75,000	\$ 90,270	\$ 91,985
<i>Subtotal</i>	\$ 77,805	\$ 75,000	\$ 90,270	\$ 91,985
Miscellaneous				
Interest	\$ 754,752	\$ 286,000	\$ 465,375	\$ 362,475
Sale of Assets	-	-	-	-
Contributions	362,000	-	46,630	1,840,000
Miscellaneous	1,191	674,125	1,375	1,320
<i>Subtotal</i>	\$ 1,117,943	\$ 960,125	\$ 513,380	\$ 2,203,795
Total Revenues	\$ 13,121,033	\$ 13,577,544	\$ 13,348,560	\$ 15,937,405



Utility Customer Service Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 264,634	\$ 269,974	\$ 265,115	\$ 279,789	3.64%
Supplies & Equipment	25,109	28,122	28,992	30,078	6.96%
Services & Charges	160,610	166,933	163,598	173,590	3.99%
Capital Outlay	-	-	-	-	-
Total Department	\$ 450,353	\$ 465,029	\$ 457,705	\$ 483,457	3.96%



EMPLOYEE CLASSIFICATION & PAY GRADE

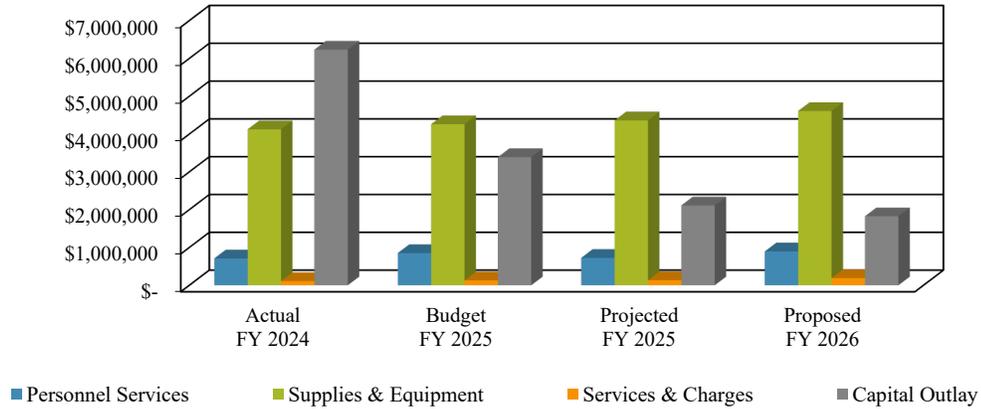
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Customer Service Supervisor	NE-6	1.0	1.0	1.0
Customer Service Specialist II	NE-3	2.0	2.0	2.0
Total Employees		3.0	3.0	3.0



Water Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 710,174	\$ 851,186	\$ 724,585	\$ 894,398	5.08%
Supplies & Equipment	4,124,961	4,259,252	4,358,887	4,608,760	8.21%
Services & Charges	111,531	129,597	134,362	190,190	46.75%
Capital Outlay	6,232,096	3,387,858	2,110,000	1,824,483	-46.15%
Total Department	\$ 11,178,762	\$ 8,627,893	\$ 7,327,834	\$ 7,517,831	-12.87%



EMPLOYEE CLASSIFICATION & PAY GRADE

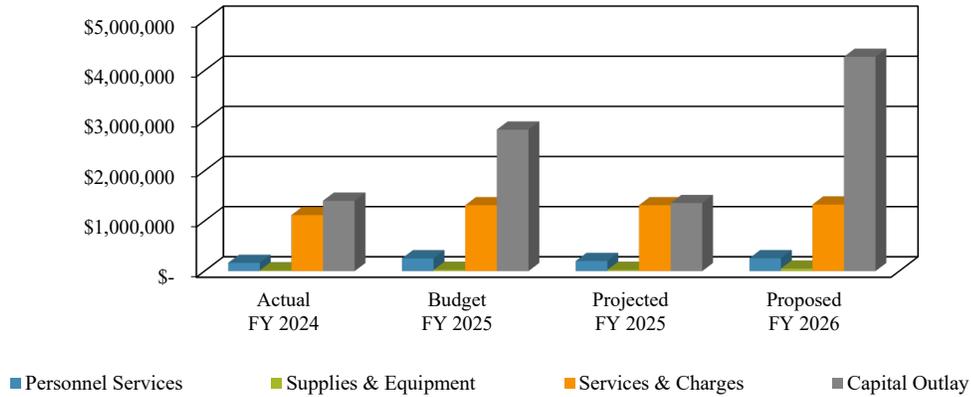
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Public Works Superintendent	NE-8	1.0	1.0	1.0
PW Operations Supervisor	NE-6	0.0	1.0	1.0
Project Coordinator	NE-5	1.0	1.0	1.0
PW Maintenance Worker III	NE-4	3.0	3.0	3.0
Total Employees		5.0	6.0	6.0



Sanitary Sewer Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 163,834	\$ 253,626	\$ 201,720	\$ 256,349	1.07%
Supplies & Equipment	13,740	23,685	23,685	49,055	107.11%
Services & Charges	1,117,206	1,313,227	1,312,766	1,327,135	1.06%
Capital Outlay	1,402,486	2,821,608	1,357,000	4,274,483	51.49%
Total Department	\$ 2,697,266	\$ 4,412,146	\$ 2,895,171	\$ 5,907,022	33.88%



EMPLOYEE CLASSIFICATION & PAY GRADE

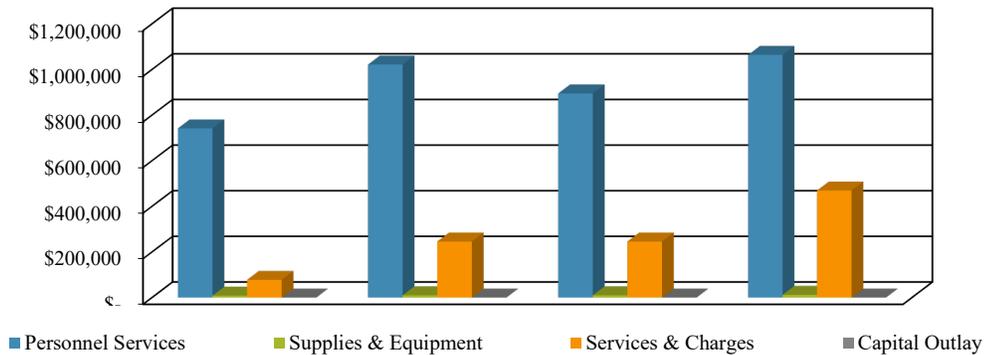
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
PW Maintenance Worker III	NE-4	2.0	2.0	2.0
Total Employees		2.0	2.0	2.0



Engineering Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 741,736	\$ 1,021,725	\$ 894,990	\$ 1,063,855	4.12%
Supplies & Equipment	8,584	10,212	10,212	12,150	18.98%
Services & Charges	77,683	245,800	245,800	469,390	90.96%
Capital Outlay	-	-	-	-	-
Total Department	\$ 828,003	\$ 1,277,737	\$ 1,151,002	\$ 1,545,395	20.95%



EMPLOYEE CLASSIFICATION & PAY GRADE

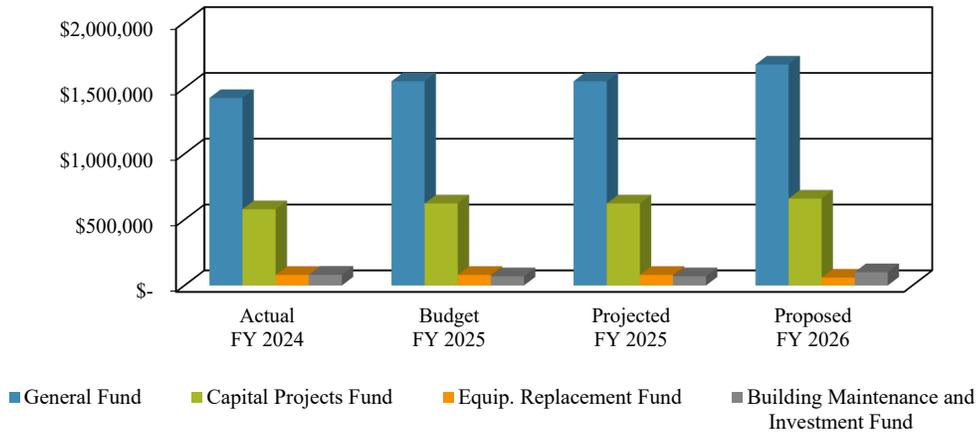
Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Director of Engineering	E-3	1.0	1.0	1.0
Assistant Director of Engineering	E-0	1.0	1.0	1.0
Civil Engineer	NE-7	0.0	1.0	1.0
Project Manager	NE-5	1.0	1.0	1.0
Construction Inspector	NE-5	1.0	2.0	2.0
Total Employees		4.0	6.0	6.0



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
General Fund	\$ 1,423,600	\$ 1,550,500	\$1,550,500	\$ 1,678,210	8.24%
Capital Projects Fund	578,502	622,121	622,121	659,448	6.00%
Equip. Replacement Fund	79,650	79,650	79,650	59,265	-25.59%
Tech. Replacement Fund	5,785	5,785	5,785	6,075	5.01%
Building Maintenance and	80,900	69,500	69,500	100,490	44.59%
Total Department	\$ 2,168,437	\$ 2,327,556	\$2,327,556	\$ 2,503,488	7.56%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The transfer to the General Fund represents a reimbursement for General & Administrative services
- 2 The transfer to the Capital Projects Fund represents a right-of-way use fee based on 5% of water and sanitary sewer revenues.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the current fiscal year.
- 4 The transfer to the Building Maintenance & Investment Fund is based on the overall budget of the that fund and includes a maintenance component and a fund balance component. The Utility Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center.

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.

Basis of Accounting

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 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 385,817	\$ 356,399	\$ 426,947	\$ 471,282
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,783,919	1,824,985	1,852,365	1,917,715
Miscellaneous	30,464	26,015	28,065	23,820
Total Revenues	\$ 1,814,383	\$ 1,851,000	\$ 1,880,430	\$ 1,941,535
Other Sources:				
Transfers In	\$ 41,600	\$ 30,500	\$ 30,500	\$ 26,700
Total Other Sources	\$ 41,600	\$ 30,500	\$ 30,500	\$ 26,700
Total Revenues/Sources	\$ 1,855,983	\$ 1,881,500	\$ 1,910,930	\$ 1,968,235
EXPENSES - BY DEPARTMENT				
Sanitation Department	\$ 1,669,553	\$ 1,739,254	\$ 1,711,795	\$ 1,808,265
Total Expenses	\$ 1,669,553	\$ 1,739,254	\$ 1,711,795	\$ 1,808,265
Other Uses:				
Transfers Out	\$ 145,300	\$ 154,800	\$ 154,800	\$ 150,615
Total Other Uses	\$ 145,300	\$ 154,800	\$ 154,800	\$ 150,615
Total Expenses/Uses	\$ 1,814,853	\$ 1,894,054	\$ 1,866,595	\$ 1,958,880
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 41,130	\$ (12,554)	\$ 44,335	\$ 9,355
ENDING FUND BALANCE	\$ 426,947	\$ 343,845	\$ 471,282	\$ 480,637
Ideal Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance in Excess of Minimum	\$ 426,947	\$ 343,845	\$ 471,282	\$ 480,637

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

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 385,817	\$ 356,399	\$ 426,947	\$ 471,282
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,783,919	1,824,985	1,852,365	1,917,715
Miscellaneous	30,464	26,015	28,065	23,820
Total Revenues	\$ 1,814,383	\$ 1,851,000	\$ 1,880,430	\$ 1,941,535
Other Sources:				
Transfers In	\$ 41,600	\$ 30,500	\$ 30,500	\$ 26,700
Total Other Sources	\$ 41,600	\$ 30,500	\$ 30,500	\$ 26,700
Total Revenues/Sources	\$ 1,855,983	\$ 1,881,500	\$ 1,910,930	\$ 1,968,235
EXPENSES - BY TYPE				
Supplies & Equipment	\$ 25,000	\$ 25,000	\$ 25,000	\$ 35,000
Services & Charges	1,644,553	1,714,254	1,686,795	1,773,265
Capital Outlay	-	-	-	-
Total Expenses	\$ 1,669,553	\$ 1,739,254	\$ 1,711,795	\$ 1,808,265
Other Uses:				
Transfers Out	\$ 145,300	\$ 154,800	\$ 154,800	\$ 150,615
Total Other Uses	\$ 145,300	\$ 154,800	\$ 154,800	\$ 150,615
Total Expenses/Uses	\$ 1,814,853	\$ 1,894,054	\$ 1,866,595	\$ 1,958,880
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 41,130	\$ (12,554)	\$ 44,335	\$ 9,355
ENDING FUND BALANCE	\$ 426,947	\$ 343,845	\$ 471,282	\$ 480,637

**SOLID WASTE FUND
STATEMENT OF REVENUES**

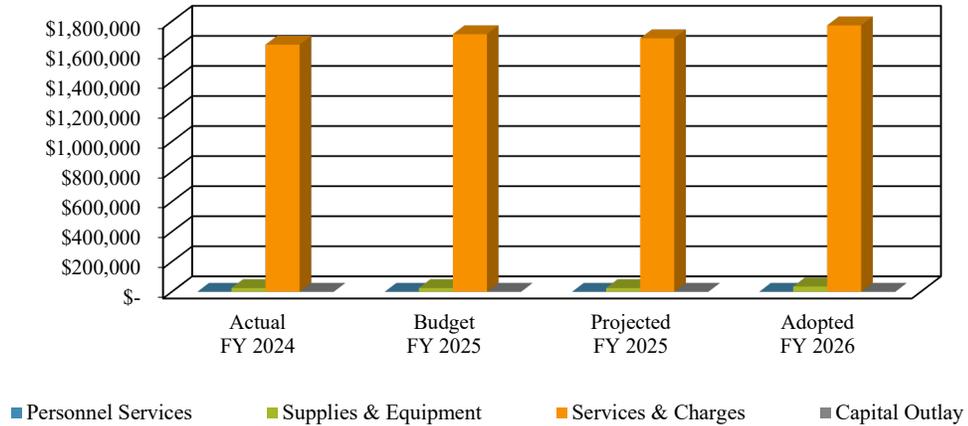
	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Charges For Services				
Sanitation Collection Charges	\$ 1,629,594	\$ 1,668,916	\$ 1,690,615	\$ 1,750,220
Recycling Charges	154,325	156,069	161,750	167,495
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,783,919	\$ 1,824,985	\$ 1,852,365	\$ 1,917,715
Miscellaneous				
Interest	\$ 30,464	\$ 26,015	\$ 28,065	\$ 23,820
Miscellaneous	-	-	-	-
<i>Subtotal</i>	\$ 30,464	\$ 26,015	\$ 28,065	\$ 23,820
Total Revenues	\$ 1,814,383	\$ 1,851,000	\$ 1,880,430	\$ 1,941,535



Sanitation Department

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Adopted	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	
Supplies & Equipment	25,000	25,000	25,000	35,000	40.00%
Services & Charges	1,644,553	1,714,254	1,686,795	1,773,265	3.44%
Capital Outlay	-	-	-	-	
Total Department	\$ 1,669,553	\$ 1,739,254	\$ 1,711,795	\$ 1,808,265	3.97%

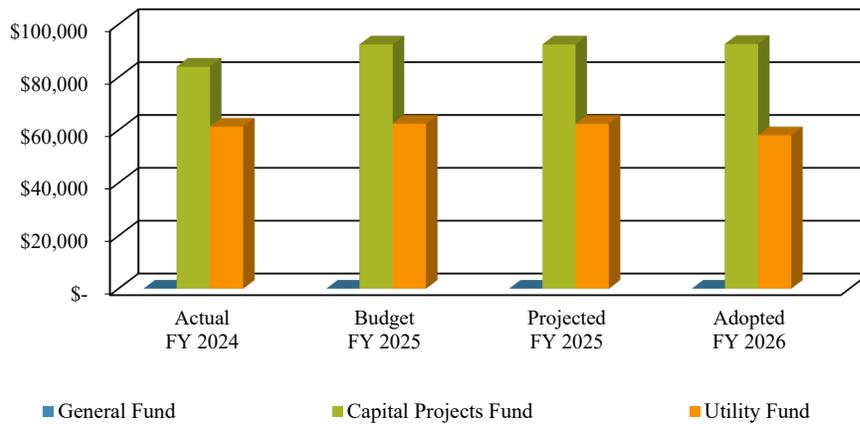




Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Adopted	% Change 2025 to 2026
General Fund	\$ -	\$ -	\$ -	\$ -	
Capital Projects Fund	84,000	92,400	92,400	92,600	0.22%
Utility Fund	61,300	62,400	62,400	58,015	-7.03%
Total Department	\$ 145,300	\$ 154,800	\$ 154,800	\$ 150,615	-2.70%



OTHER FUNDS

Storm Water Drainage Fund – This special revenue fund accounts for the collection of fees to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town.

Equipment Replacement Fund – This internal service fund is used to account for the accumulation of resources for the future replacement of equipment owned and operated by the Town.

Technology Replacement Fund – The purpose of this internal service fund is to account for accumulated resources ultimately used for the future replacement of the Town’s computer information systems hardware and software.

Building Maintenance & Investment Fund – As an internal service fund, this fund accounts for resources provided by other operational funds for the maintenance and future improvements to Town facilities.

Local Youth Diversion Fund - This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law to be used for the support of a local mental health authority, juvenile alcohol and substance abuse programs, educational and leadership programs, teen court programs, and any other project designed to prevent or reduce the number of juvenile referrals to the court.

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

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 Local Consolidated Fee charged to defendants as specified by state law as related to technological enhancements for Municipal Court.

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

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

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

Debt Service Fund – The purpose of a debt service fund is to account for and report resources that are restricted, committed, or assigned to expenditure for principal and interest (GASB Statement No. 54). The Town of Highland Park, as of September 30, 2025, does not have any outstanding bank or bonded debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

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

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 3,586,082	\$ 4,149,734	\$ 4,670,586	\$ 4,040,521
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 571,749	\$ 1,129,560	\$ 1,142,825	\$ 2,287,190
Interest	170,659	137,000	292,295	241,950
Total Revenues	\$ 742,407	\$ 1,266,560	\$ 1,435,120	\$ 2,529,140
Other Sources:				
Transfers In	\$ 1,000,000	\$ 1,700,000	\$ 1,700,000	\$ 1,500,000
Total Other Sources:	1,000,000	1,700,000	1,700,000	1,500,000
Total Revenues/Sources:	\$ 1,742,407	\$ 2,966,560	\$ 3,135,120	\$ 4,029,140
EXPENSES/USES OF FUNDS				
Supplies & Equipment	6,366	7,600	7,600	7,500
Services & Charges	210,820	198,685	198,685	200,120
Capital Outlay	295,217	4,800,000	3,403,500	6,397,737
Total Expenditures	\$ 512,403	\$ 5,006,285	\$ 3,609,785	\$ 6,605,357
Transfers	145,500	155,400	155,400	182,310
Total Expenditures/Uses of Funds	\$ 657,903	\$ 5,161,685	\$ 3,765,185	\$ 6,787,667
Excess of Revenues/Sources Over Expenses/Uses	\$ 1,084,504	\$ (2,195,125)	\$ (630,065)	\$ (2,758,527)
ENDING FUND BALANCE	4,670,586	\$ 1,954,609	\$ 4,040,521	\$ 1,281,994

**EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 2,994,568	\$ 4,301,255	\$ 4,302,922	\$ 4,928,420
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	236,237	222,567	218,180	180,230
Sale of Assets	18,712	10,000	10,000	10,000
Contributions	733,000	-	-	-
Total Revenues	\$ 987,949	\$ 232,567	\$ 228,180	\$ 190,230
Transfers	551,650	551,650	551,650	782,350
Total Revenues/Sources	\$ 1,539,599	\$ 784,217	\$ 779,830	\$ 972,580
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Vehicle Disposal	1,403	-	-	3,000
Rolling Stock Acquisition	204,946	73,670	73,670	924,005
Equipment Acquisition	24,896	80,662	80,662	74,670
Total Expenditures	\$ 231,245	\$ 154,332	\$ 154,332	\$ 1,001,675
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 231,245	\$ 154,332	\$ 154,332	\$ 1,001,675
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 1,308,354	\$ 629,885	\$ 625,498	\$ (29,095)
ENDING FUND BALANCE	\$ 4,302,922	\$ 4,931,140	\$ 4,928,420	\$ 4,899,325

Town of Highland Park
 Equipment Replacement Fund No. 21
 FY2025-26 Proposed New Capital Purchases

Department	Description	Purpose	Total
DPS	2025 Ford F450 M333 (Ambulance)	Scheduled Replacement of Asset 04687	488,872
Parks & Recreation	2024 Ford F-600 Bucket Truck	Scheduled Replacement of Asset 04457	174,792
DPS	Replacement Patrol Vehicle	Scheduled Replacement of Asset 19011	86,781
DPS	Replacement Patrol Vehicle	Scheduled Replacement of Asset 19010	86,780
DPS	Replacement Patrol Vehicle	Scheduled Replacement of Asset 22003	86,780
DPS	Extraction Kit	Additional extraction kit to equip to replace end of life extraction kit on Engine 332	51,534
DPS	Mentalix Fingerprint Machine	New more technologically advanced and efficient fingerprint technology for DPS	23,133
Total			998,672

**TECHNOLOGY REPLACEMENT FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 2,993,588	\$ 2,884,565	\$ 3,108,085	\$ 3,500,623
REVENUES/SOURCES OF FUNDS				
Interest	\$ 217,035	\$ 148,000	\$ 170,285	\$ 137,655
Sale of Assets	-	-	-	-
Contributions	69,558	871,673	1,009,000	233,131
Total Revenues	\$ 286,593	\$ 1,019,673	\$ 1,179,285	\$ 370,786
Transfers	321,383	321,785	321,785	798,990
Total Revenues/Sources	\$ 607,976	\$ 1,341,458	\$ 1,501,070	\$ 1,169,776
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Technology Equipment Acquisition	493,479	1,108,532	1,108,532	819,925
Total Expenditures	\$ 493,479	\$ 1,108,532	\$ 1,108,532	\$ 819,925
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 493,479	\$ 1,108,532	\$ 1,108,532	\$ 819,925
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 114,497	\$ 232,926	\$ 392,538	\$ 349,851
ENDING FUND BALANCE	\$ 3,108,085	\$ 3,117,491	\$ 3,500,623	\$ 3,850,474

Town of Highland Park
 Technology Replacement Fund No. 22
 FY2025-26 Proposed New Capital Purchases

Department	Description	Purpose	Total
DPS	AXON Tasers (55)	Replacement Tasers	346,274
Informaton Technology	Door Access Controls System	The Town's existing door access control system is end of life.	125,000
Informaton Technology	Tyler Technologies ERP Pro Upgrade	This project is for upgrading the Town's finacial software from Incode version 9 to Incode version 10.	120,000
Informaton Technology	Annual Computer Replacement	Annual Computer Replacement	93,360
DPS	Nextlog DX Recorder	Nextlog DX Recorder for NextGen 911	70,991
Informaton Technology	Phone System Replacement	Migrate the Town's current phone system to Microsoft Teams Phone.	36,260
Informaton Technology	Meraki Wireless Access Points	Meraki Wireless Access Points	28,036
Total			819,922

**BUILDING MAINTENANCE & INVESTMENT FUND
STATEMENT OF REVENUES & EXPENDITURES**

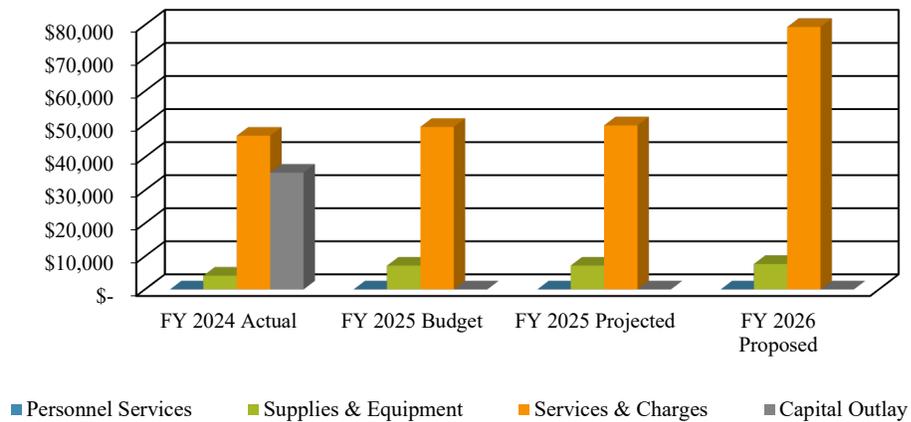
	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 1,500,061	\$ 1,542,450	\$ 1,588,769	\$ 1,584,264
REVENUES/SOURCES OF FUNDS				
Interest	\$ 103,522	\$ 70,000	\$ 71,080	\$ 58,195
Miscellaneous	19,401	-	99,448	18,900
Total Revenues	\$ 122,923	\$ 70,000	\$ 170,528	\$ 77,095
Transfers	708,500	689,600	689,600	868,055
Total Revenues/Sources	\$ 831,423	\$ 759,600	\$ 860,128	\$ 945,150
EXPENDITURES/USES OF FUNDS				
Personnel Services	\$ 81,541	\$ 124,525	\$ 103,815	\$ 122,055
Supplies & Equipment	39,882	44,060	44,060	41,420
Services & Charges	477,895	445,050	441,758	548,580
Capital Outlay	143,397	252,000	275,000	271,000
Total Expenditures	\$ 742,715	\$ 865,635	\$ 864,633	\$ 983,055
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 742,715	\$ 865,635	\$ 864,633	\$ 983,055
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 88,708	\$ (106,035)	\$ (4,505)	\$ (37,905)
ENDING FUND BALANCE	\$ 1,588,769	\$ 1,436,415	\$ 1,584,264	\$ 1,546,359



Service Center

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	4,147	7,200	7,200	7,700	6.94%
Services & Charges	46,494	49,179	49,631	79,400	61.45%
Capital Outlay	35,329	-	-	-	0.00%
Total Department	\$ 85,970	\$ 56,379	\$ 56,831	\$ 87,100	54.49%

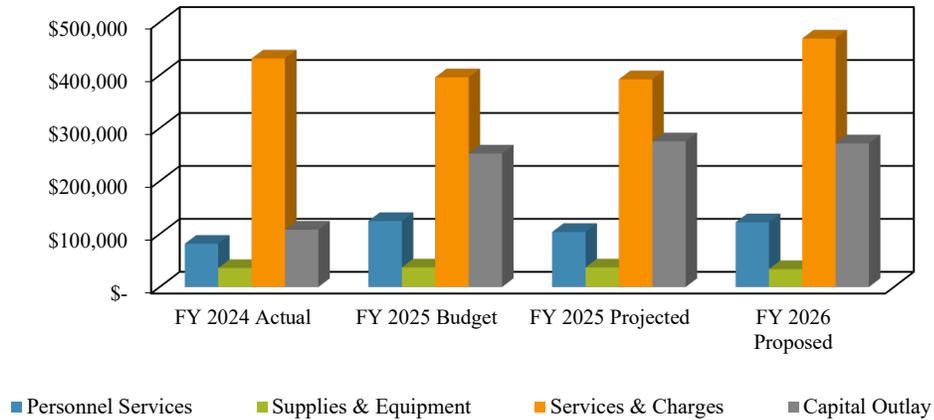




Municipal Building

EXPENDITURE SUMMARY

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	% Change 2025 to 2026
Personnel Services	\$ 81,541	\$ 124,525	\$ 103,815	\$ 122,055	-1.98%
Supplies & Equipment	35,735	36,860	36,860	33,720	-8.52%
Services & Charges	431,401	395,871	392,127	469,180	18.52%
Capital Outlay	108,068	252,000	275,000	271,000	-
Total Department	\$ 656,745	\$ 809,256	\$ 807,802	\$ 895,955	10.71%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2024 Budget	FY2025 Budget	FY2026 Budget
Facilities Maintenance Manager	NE-6	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0

**LOCAL YOUTH DIVERSION FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 69,526	\$ 88,591	\$ 89,065	\$ 108,335
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 15,234	\$ 15,100	\$ 14,975	\$ 15,015
Interest	4,305	3,773	4,295	3,610
Total Revenues	\$ 19,539	\$ 18,873	\$ 19,270	\$ 18,625
Transfers	-	-	-	-
Total Revenues/Sources	\$ 19,539	\$ 18,873	\$ 19,270	\$ 18,625
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 19,539	\$ 18,873	\$ 19,270	\$ 18,625
ENDING FUND BALANCE	\$ 89,065	\$ 107,464	\$ 108,335	\$ 126,960

**MUNICIPAL JURY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 1,390	\$ 1,772	\$ 1,781	\$ 2,151
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 305	\$ 300	\$ 285	\$ 285
Interest	86	75	85	75
Total Revenues	\$ 391	\$ 375	\$ 370	\$ 360
Transfers	-	-	-	-
Total Revenues/Sources	\$ 391	\$ 375	\$ 370	\$ 360
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ 250
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ 250
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 391	\$ 375	\$ 370	\$ 110
ENDING FUND BALANCE	\$ 1,781	\$ 2,147	\$ 2,151	\$ 2,261

**FORFEITED PROPERTY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 32,581	\$ 44,106	\$ 45,221	\$ 53,381
REVENUES/SOURCES OF FUNDS				
Forfeitures	\$ 10,026	\$ 2,500	\$ 2,500	\$ 2,500
Interest	2,614	6,877	6,010	5,060
Total Revenues	\$ 12,640	\$ 9,377	\$ 8,510	\$ 7,560
Transfers	-	-	-	-
Total Revenues/Sources	\$ 12,640	\$ 9,377	\$ 8,510	\$ 7,560
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	350	500
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ 350	\$ 500
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 12,640	\$ 9,377	\$ 8,160	\$ 7,060
ENDING FUND BALANCE	\$ 45,221	\$ 53,483	\$ 53,381	\$ 60,441

**COURT TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 111,326	\$ 111,621	\$ 119,808	\$ 126,533
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 24,847	\$ 23,700	\$ 24,320	\$ 24,245
Interest	6,619	5,753	6,130	5,165
Total Revenues	\$ 31,466	\$ 29,453	\$ 30,450	\$ 29,410
Transfers	-	-	-	-
Total Revenues/Sources	\$ 31,466	\$ 29,453	\$ 30,450	\$ 29,410
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 2,804	\$ 3,504	\$ 2,305	\$ 4,690
Service & Charges	20,180	21,423	21,420	35,606
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 22,984	\$ 24,927	\$ 23,725	\$ 40,296
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 8,482	\$ 4,526	\$ 6,725	\$ (10,886)
ENDING FUND BALANCE	\$ 119,808	\$ 116,147	\$ 126,533	\$ 115,647

**COURT SECURITY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 30,350	\$ 31,786	\$ 32,005	\$ 32,355
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 24,424	\$ 23,300	\$ 23,250	\$ 23,750
Interest	1,831	1,478	1,700	1,450
Total Revenues	\$ 26,255	\$ 24,778	\$ 24,950	\$ 25,200
Transfers	-	-	-	-
Total Revenues/Sources	\$ 26,255	\$ 24,778	\$ 24,950	\$ 25,200
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	\$ 1,655	\$ 178	\$ 350	\$ 600
ENDING FUND BALANCE	\$ 32,005	\$ 31,964	\$ 32,355	\$ 32,955

**LIBRARY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 361,618	\$ 388,292	\$ 391,051	\$ 430,956
REVENUES/SOURCES OF FUNDS				
Interest	\$ 21,042	\$ 18,200	\$ 18,890	\$ 16,110
Library Donations	46,939	53,800	65,420	80,555
Total Revenues	\$ 67,981	\$ 72,000	\$ 84,310	\$ 96,665
Transfers	-	-	-	-
Total Revenues/Sources	\$ 67,981	\$ 72,000	\$ 84,310	\$ 96,665
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 37,067	\$ 43,187	\$ 43,185	\$ 45,038
Services & Charges	\$ 1,481	\$ 1,220	\$ 1,220	\$ 1,350
Capital Outlay	-	-	-	34,165
Total Expenditures	\$ 38,548	\$ 44,407	\$ 44,405	\$ 80,553
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 38,548	\$ 44,407	\$ 44,405	\$ 80,553
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 29,433	\$ 27,593	\$ 39,905	\$ 16,112
ENDING FUND BALANCE	\$ 391,051	\$ 415,885	\$ 430,956	\$ 447,068

**RESERVE FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 7,964,948	\$ 4,762,219	\$ 4,866,208	\$ 4,035,790
REVENUES/SOURCES OF FUNDS				
Interest	\$ 469,910	\$ 216,255	\$ 180,310	\$ 136,800
Miscellaneous	102,339	-	7,860	-
Total Revenues	\$ 572,249	\$ 216,255	\$ 188,170	\$ 136,800
Transfers	-	-	-	-
Total Revenues/Sources	\$ 572,249	\$ 216,255	\$ 188,170	\$ 136,800
EXPENDITURES/USES OF FUNDS				
Service & Charges	\$ 52,145	\$ -	\$ 18,588	\$ -
Capital Outlay	3,618,844	-	-	-
Total Expenditures	\$ 3,670,989	\$ -	\$ 18,588	\$ -
Transfers	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 500,000
Total Expenditures/Uses	\$ 3,670,989	\$ 1,000,000	\$ 1,018,588	\$ 500,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (3,098,740)	\$ (783,745)	\$ (830,418)	\$ (363,200)
ENDING FUND BALANCE	\$ 4,866,208	\$ 3,978,474	\$ 4,035,790	\$ 3,672,590

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.).



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

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
BEGINNING FUND BALANCE	\$ 11,502,030	\$ 16,953,158	\$ 15,530,470	\$ 18,466,604
REVENUES/SOURCES OF FUNDS				
Interest	\$ 883,073	\$ 675,000	\$ 797,950	\$ 687,945
Contributions	3,024,581	16,326,414	4,370,730	16,722,529
Total Revenues	\$ 3,907,654	\$ 17,001,414	\$ 5,168,680	\$ 17,410,474
Transfers	5,374,582	5,455,046	9,455,046	5,609,538
Total Revenues/Sources	\$ 9,282,236	\$ 22,456,460	\$ 14,623,726	\$ 23,020,012
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 5,986,096	\$ 26,846,729	\$ 10,701,592	\$ 26,912,999
Total Expenditures	\$ 5,986,096	\$ 26,846,729	\$ 10,701,592	\$ 26,912,999
Transfers	1,267,700	986,000	986,000	1,335,450
Total Expenditures/Uses	\$ 7,253,796	\$ 27,832,729	\$ 11,687,592	\$ 28,248,449
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 2,028,440	\$ (5,376,269)	\$ 2,936,134	\$ (5,228,437)
FUND BALANCE	\$ 15,530,470	\$ 11,576,889	\$ 18,466,604	\$ 13,238,167
FUND BALANCE MINIMUM	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
FUND BALANCE SURPLUS	13,530,470	\$ 9,576,889	\$ 16,466,604	\$ 11,238,167

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2026-2035

Project/Funding Source	2024-25	2025-26	2026-27	2027-28
Beginning Balance	\$ 15,530,470	\$ 18,466,604	\$ 13,238,167	\$ 9,712,084
Annual Project Funding				
General Fund CIP Transfer	\$ 2,069,755	\$ 2,294,945	\$ 2,343,139	\$ 2,392,345
Solid Waste Fund 5% Transfer	92,400	92,600	93,526	94,461
Utility Fund 5% W&S Transfer	622,121	659,448	683,621	708,691
Supplemental General Fund Transfer	5,262,490	1,154,265	759,699	1,503,739
Increased CIP Revenue from Growth in Property Values: 2014-16	1,408,280	1,408,280	1,408,280	1,408,280
Contributions - DART	4,370,730	1,772,529	1,330,000	-
Intergovernmental Revenue				
NCTCOG (TXDOT)	-	12,550,000	-	-
City of Dallas (Stormwater)	-	400,000	-	-
External Funding	-	500,000	-	-
Dallas County	-	1,500,000	1,000,000	2,400,000
Interest Revenue	797,950	687,945	330,954	242,802
Total Annual Project Funding	\$ 14,623,726	\$ 23,020,012	\$ 7,949,219	\$ 8,750,318
Expenditures				
Park Renovation/Rehabilitation Program	\$ 259,509	\$ 267,813	\$ 276,383	\$ 285,227
Parks - Davis Park Playground Improvements	-	200,000	-	-
Parks - Abbott Park Playground Improvements	-	-	300,000	-
Parks - Fairfax Park Playground Improvements	-	-	-	200,000
Parks - Ashley Priddy Fountain Rehabilitation	-	100,000	-	-
Hackberry Creek Landscaping Design - Byron to Miramar	150,000	-	-	-
Hackberry Creek Landscaping Phase 1A - Byron to Beverly	-	500,000	-	-
Hackberry Creek Landscaping Phase 1B - Beverly to Miramar	-	-	500,000	-
Facilities - Building Improvements	119,000	-	-	-
Swimming Pool Improvements	77,400	-	-	-
DPS Radio Equipment Relocation	720,519	-	-	-
Street Light Program	159,754	164,866	170,142	175,587
Sidewalk Rehabilitation Program	206,400	213,005	219,821	226,855
Right of Way Improvements	1,266,666	1,255,599	1,295,778	1,337,243
Traffic Signal Upgrades	224,439	-	-	-
Oaklawn at Herschel Pedestrian Improvements	100,000	-	-	-
Pavement Asset Management Plan Updated (every 5 years)	-	-	-	-
Water/Sewer/Alley Renewals	1,400,000	-	1,498,000	-
Bridge Rehabilitation (Mockingbird and Beverly)	-	500,000	-	-
Wycliffe Reconstruction - Oaklawn to E Town Limits	1,049,900	17,660,000	-	-
Wycliffe Construction Administration - Oaklawn to E Town Limits	-	1,000,000	-	-
Potomac & Auburndale Reconstruction	1,500,000	-	-	-
Beverly/Miramar Hackberry Creek Roadway Crossings	1,908,005	-	-	-
Holland Avenue Reconstruction - Town limits to Westside (48)	-	-	742,846	-
Beverly Drive Reconstruction - Westside to Eastern (59)	1,560,000	-	-	-
Eastern Avenue Reconstruction - Westside to Mockingbird (40)	-	2,314,890	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	1,836,826	-	-
Potomac Avenue - Town Limit to Douglas (60)	-	-	753,458	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	1,337,122	-
Dartmouth - Abbott to E Town Limits (96)	-	-	424,483	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	1,464,467	-
Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction	-	-	848,966	5,953,377
Lomo Alto Drive Resurface - Lemmon to Mockingbird	-	-	-	649,459
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	1,684,806
Fairfax Avenue Reconstruction - Douglas to Preston (61)	-	-	-	1,298,919
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-
Potomac - Hackberry Creek to Golf (59)	-	-	-	-
Normandy - Hackberry Creek to Golf (79)	-	-	-	-
Westside Drive Resurface - Bordeaux to Mockingbird	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-
Roland Avenue Reconstruction - Bordeaux to Mockingbird (46)	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-
Mockingbird Lane Rehabilitation - DNT to Hillcrest (73)	-	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Preston (EB) (75)	-	-	-	-
Contingency	-	900,000	300,000	350,000
Total Expenditures	\$ 10,701,592	\$ 26,912,999	\$ 10,131,466	\$ 12,161,472
Transfers-Out				
Storm Water Fund	\$ 700,000	\$ 1,000,000	\$ 1,000,000	\$ 1,525,000
Utility Fund	286,000	335,450	343,836	352,432
Total Transfers-Out	\$ 986,000	\$ 1,335,450	\$ 1,343,836	\$ 1,877,432
Total Expenditures & Transfers Out	11,687,592	28,248,449	11,475,302	14,038,904
Ending Balance*	\$ 18,466,604	\$ 13,238,167	\$ 9,712,084	\$ 4,423,498
Construction Contingency	2,000,000	2,000,000	2,000,000	2,000,000
Over(Under) Contingency	\$ 16,466,604	\$ 11,238,167	\$ 7,712,084	\$ 2,423,498

**Excludes FY 2024-25

2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total**
\$ 4,423,498	\$ 2,069,839	\$ 2,844,276	\$ 3,042,691	\$ 4,138,099	\$ 3,803,629	\$ 4,446,754	\$ 18,466,604
\$ 2,442,584	\$ 2,493,878	\$ 2,546,249	\$ 2,599,720	\$ 2,654,314	\$ 2,710,055	\$ 2,766,966	\$ 25,244,195
95,406	96,360	97,324	98,297	99,280	100,273	101,276	968,803
734,690	761,654	789,620	818,623	848,704	879,584	911,600	7,796,236
2,706,308	2,117,860	2,288,869	2,469,833	2,911,275	3,113,745	3,327,828	22,353,421
1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	14,082,800
-	-	-	-	-	-	-	3,102,529
-	-	-	-	-	-	-	12,550,000
-	-	-	-	-	-	-	400,000
-	-	-	-	-	-	-	500,000
500,000	1,000,000	500,000	500,000	500,000	250,000	250,000	8,400,000
110,587	51,746	71,107	76,067	103,452	95,091	111,169	1,880,921
\$ 7,997,855	\$ 7,929,778	\$ 7,701,449	\$ 7,970,820	\$ 8,525,306	\$ 8,557,028	\$ 8,877,119	\$ 97,278,905
\$ 294,354	\$ 303,773	\$ 313,494	\$ 323,526	\$ 333,879	\$ 344,563	\$ 355,589	\$ 3,098,601
-	-	-	-	-	-	-	200,000
-	-	-	-	-	-	-	300,000
-	-	-	-	-	-	-	200,000
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
181,206	187,005	192,989	199,165	205,538	212,115	218,903	1,907,516
234,114	241,606	249,337	257,316	265,550	274,048	282,818	2,464,470
1,380,035	1,424,196	1,469,770	1,516,803	1,565,341	1,615,432	1,667,126	14,527,323
-	-	-	-	-	-	-	-
100,000	-	-	-	-	120,000	-	220,000
1,602,860	-	1,715,060	-	1,835,114	-	1,963,572	8,614,607
-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	17,660,000
-	-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	742,846
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,314,890
-	-	-	-	-	-	-	1,836,826
-	-	-	-	-	-	-	753,458
-	-	-	-	-	-	-	1,337,122
-	-	-	-	-	-	-	424,483
-	-	-	-	-	-	-	1,464,467
-	-	-	-	-	-	-	6,802,343
-	-	-	-	-	-	-	649,459
-	-	-	-	-	-	-	1,684,806
-	-	-	-	-	-	-	1,298,919
2,181,664	-	-	-	-	-	-	2,181,664
2,716,039	-	-	-	-	-	-	2,716,039
-	1,689,244	-	-	-	-	-	1,689,244
-	1,351,395	-	-	-	-	-	1,351,395
-	337,849	-	-	-	-	-	337,849
-	-	936,179	-	-	-	-	936,179
-	-	1,596,673	-	-	-	-	1,596,673
-	-	-	1,616,890	-	-	-	1,616,890
-	-	-	1,922,693	-	-	-	1,922,693
-	-	-	-	1,595,449	-	-	1,595,449
-	-	-	-	1,860,162	-	-	1,860,162
-	-	-	-	-	1,497,535	-	1,497,535
-	-	-	-	-	2,791,497	-	2,791,497
-	-	-	-	-	-	2,064,001	2,064,001
-	-	-	-	-	-	1,492,049	1,492,049
300,000	250,000	300,000	300,000	450,000	300,000	300,000	3,750,000
\$ 8,990,271	\$ 5,785,067	\$ 6,773,502	\$ 6,136,393	\$ 8,111,033	\$ 7,155,190	\$ 8,344,059	\$ 100,501,453
\$ 1,000,000	\$ 1,000,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 7,275,000
361,243	370,274	379,531	389,019	398,744	408,713	418,931	3,758,173
\$ 1,361,243	\$ 1,370,274	\$ 729,531	\$ 739,019	\$ 748,744	\$ 758,713	\$ 768,931	\$ 11,033,173
10,351,514	7,155,341	7,503,033	6,875,412	8,859,777	7,913,903	9,112,990	111,534,626
\$ 2,069,839	\$ 2,844,276	\$ 3,042,691	\$ 4,138,099	\$ 3,803,629	\$ 4,446,754	\$ 4,210,883	\$ 4,210,883
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
\$ 69,839	\$ 844,276	\$ 1,042,691	\$ 2,138,099	\$ 1,803,629	\$ 2,446,754	\$ 2,210,883	\$ 2,210,883

TOWN OF HIGHLAND PARK, TEXAS

STORM WATER FUND

FISCAL YEARS 2026-2035

Project/Funding Source	2024-25	2025-26	2026-27	2027-28
Beginning Balance	\$ 4,670,586	\$ 4,040,521	\$ 1,281,994	\$ 837,202
Revenues				
Storm Water Charges	\$ 1,142,825	\$ 2,287,190	\$ 2,858,988	\$ 3,287,836
Interest Earnings	292,295	241,950	32,050	20,930
Total Revenues	\$ 1,435,120	\$ 2,529,140	\$ 2,891,037	\$ 3,308,766
Transfer-In as Advance from Reserve Fund	\$ 1,000,000	\$ 500,000	\$ -	\$ -
Transfer-In from Capital Projects Fund	700,000	1,000,000	1,000,000	1,525,000
Total Transfers-In	1,700,000	1,500,000	1,000,000	1,525,000
Total Revenues & Transfers - In	\$ 3,135,120	\$ 4,029,140	\$ 3,891,037	\$ 4,833,766
Expenditures				
Supplies & Equipment	\$ 7,600	\$ 7,500	\$ 7,665	\$ 7,834
Services & Charges	198,685	200,120	204,523	209,023
Total Operating Expenditures	\$ 206,285	\$ 207,620	\$ 212,188	\$ 216,857
Capital Outlay:				
Master Plan & Improvements for Hackberry Creek	\$ 500,000	\$ -	\$ -	\$ -
Prather Park Tennis Court - Contingency	100,000	-	-	-
Hackberry Creek Phase 1A - Byron to Beverly	-	2,500,000	-	-
Hackberry Creek Phase 1B - Beverly to Miramar	-	-	2,100,000	-
Drainage Easement Projects	1,500,000	700,000	-	250,000
Exall and Connor Lake Bathymetry Studies	-	50,000	-	-
Stormwater Analysis - Master Plan	75,000	-	-	-
Exall Lake Dredging	-	2,000,000	-	2,000,000
Conner Lake Dredging	-	1,000,000	-	-
Holland Ave Reconstruction - Town limits to Westside	-	-	150,000	-
Potomac & Auburndale Reconstruction	835,000	-	-	-
Lakeside Stormwater Repair	393,500	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	-	62,424	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	85,313	-	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	53,060	-
Dartmouth - Abbott to E Town Limits (96)	-	-	1,591,812	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	42,448	-
Central Potomac Inlets/Townwide Inlets	-	-	-	324,730
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	741,466
Fairfax Avenue Reconstruction - Douglas to Preston (61)	-	-	-	1,190,675
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-
Potomac - Hackberry Creek to Golf (59)	-	-	-	-
Normandy - Hackberry Creek to Golf (79)	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-
Total Capital Outlay	\$ 3,403,500	\$ 6,397,737	\$ 3,937,321	\$ 4,506,871
Total Expenditures	\$ 3,609,785	\$ 6,605,357	\$ 4,149,509	\$ 4,723,728
Transfer to Reserve Fund for Repayment of Advance	-	-	-	-
Transfers Out to Utility Fund	155,400	182,310	186,321	190,420
Total Transfers-In	155,400	182,310	186,321	190,420
Total Expenditures & Transfers-Out	\$ 3,765,185	\$ 6,787,667	\$ 4,335,830	\$ 4,914,148
Ending Balance	\$ 4,040,521	\$ 1,281,994	\$ 837,202	\$ 756,819

**Excludes FY 2024-25

Rate Adjustment Anticipated	100.0%	100.0%	25.0%	15.0%
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2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total**
\$ 756,819	\$ 1,173,609	\$ 666,837	\$ 1,158,528	\$ 3,853,141	\$ 4,401,335	\$ 7,493,482	\$ 4,040,521
\$ 3,616,619	\$ 3,797,450	\$ 3,911,374	\$ 4,028,715	\$ 4,149,576	\$ 4,274,064	\$ 4,402,286	\$ 36,614,096
18,920	29,340	16,671	28,963	96,329	110,033	187,337	782,524
\$ 3,635,540	\$ 3,826,790	\$ 3,928,045	\$ 4,057,678	\$ 4,245,905	\$ 4,384,097	\$ 4,589,623	\$ 37,396,620
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
1,000,000	1,000,000	350,000	350,000	350,000	350,000	350,000	\$ 7,275,000
1,000,000	1,000,000	350,000	350,000	350,000	350,000	350,000	7,775,000
\$ 4,635,540	\$ 4,826,790	\$ 4,278,045	\$ 4,407,678	\$ 4,595,905	\$ 4,734,097	\$ 4,939,623	\$ 45,171,620
\$ 8,006	\$ 8,182	\$ 8,362	\$ 8,546	\$ 8,734	\$ 8,926	\$ 9,122	\$ 82,877
213,622	218,322	223,125	228,034	233,051	238,178	243,418	2,211,416
\$ 221,628	\$ 226,504	\$ 231,487	\$ 236,580	\$ 241,785	\$ 247,104	\$ 252,540	\$ 2,294,293
\$ 1,500,000	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,300,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,500,000
-	-	-	-	-	-	-	2,100,000
1,717,350	250,000	1,837,565	250,000	1,966,194	250,000	2,103,828	9,324,936
-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,000,000
-	-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	-	150,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	62,424
-	-	-	-	-	-	-	85,313
-	-	-	-	-	-	-	53,060
-	-	-	-	-	-	-	1,591,812
-	-	-	-	-	-	-	42,448
-	-	-	-	-	-	-	324,730
-	-	-	-	-	-	-	741,466
-	-	-	-	-	-	-	1,190,675
529,959	-	-	-	-	-	-	529,959
55,204	-	-	-	-	-	-	55,204
-	1,013,546	-	-	-	-	-	1,013,546
-	844,622	-	-	-	-	-	844,622
-	-	57,434	-	-	-	-	57,434
-	-	456,603	-	-	-	-	456,603
-	-	-	18,747	-	-	-	18,747
-	-	-	-	609,497	-	-	609,497
-	-	-	-	17,926	-	-	17,926
-	-	-	-	-	427,867	-	427,867
-	-	-	-	-	-	3,730,123	3,730,123
\$ 3,802,513	\$ 4,908,168	\$ 2,351,601	\$ 268,747	\$ 2,593,618	\$ 677,867	\$ 5,833,951	\$ 35,278,393
\$ 4,024,141	\$ 5,134,672	\$ 2,583,088	\$ 505,327	\$ 2,835,403	\$ 924,971	\$ 6,086,491	\$ 37,572,686
-	-	1,000,000	1,000,000	1,000,000	500,000	500,000	4,000,000
194,609	198,890	203,266	207,738	212,308	216,979	221,753	2,014,594
194,609	198,890	1,203,266	1,207,738	1,212,308	716,979	16,372,317	6,014,594
\$ 4,218,750	\$ 5,333,562	\$ 3,786,354	\$ 1,713,065	\$ 4,047,711	\$ 1,641,950	\$ 6,808,244	\$ 43,587,280
\$ 1,173,609	\$ 666,837	\$ 1,158,528	\$ 3,853,141	\$ 4,401,335	\$ 7,493,482	\$ 5,624,861	\$ 5,624,861

10.0% 5.0% 3.0% 3.0% 3.0% 3.0% 3.0%

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2026-2035

Project/Funding Source	*	*	*	*	*
	2024-25	2025-26	2026-27	2027-28	2028-29
Beginning Balance	\$ 5,853,706	\$ 5,546,798	\$ 4,102,785	\$ 3,208,324	\$ 5,197,896
Water Sales	\$ 9,386,385	\$ 9,754,780	\$ 10,135,216	\$ 10,530,489	\$ 10,941,178
Sewer Charges	3,239,715	3,434,185	3,537,211	3,643,327	3,752,627
Permit Revenue	60,935	61,315	64,000	64,000	64,000
Interest Earnings	465,375	362,475	102,570	80,208	129,947
Contributions	-	-	-	-	-
University Park (30" Interceptor - Wycliffe)	-	375,000	-	-	-
University Park (30" Interceptor - Wycliffe to Armstrong)	-	1,000,000	-	-	-
City of Dallas (DWU)	-	465,000	-	-	-
Other Revenues	196,150	484,650	504,036	524,197	545,165
Total Revenues	\$ 13,348,560	\$ 15,937,405	\$ 14,343,033	\$ 14,842,222	\$ 15,432,918
Additional Transfer-In from the Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers-In	503,800	575,775	588,442	601,388	614,619
Total Revenues & Transfers-In	\$ 13,852,360	\$ 16,513,180	\$ 14,931,475	\$ 15,443,610	\$ 16,047,537
Expenditures					
Personnel Services	\$ 2,086,410	\$ 2,494,391	\$ 2,587,931	\$ 2,684,978	\$ 2,785,665
Supplies & Equipment	326,591	338,833	348,998	359,468	370,252
Water Purchases	4,095,185	4,361,210	4,579,271	4,808,234	5,048,646
Services & Charges	1,856,526	2,160,305	2,225,114	2,291,867	2,360,623
Total Operating Expenditures	\$ 8,364,712	\$ 9,354,739	\$ 9,741,314	\$ 10,144,547	\$ 10,565,186
Capital Outlay:					
Water/Sewer/Alley Renewals	\$ 2,100,000	\$ 350,000	\$ 2,247,000	\$ 350,000	\$ 2,404,290
30" Interceptor - Wycliffe Reconstruction Project	-	750,000	-	-	-
30" Interceptor - Wycliffe to Armstrong	307,000	2,000,000	-	-	-
30" Interceptor - Beverly to Mockingbird	-	-	-	-	-
Wycliffe Reconstruction - Water and Sewer Improvements	-	1,850,000	-	-	-
Holland Elevated Storage Tank Replacement	300,000	-	-	-	-
Decommission Holland EST	-	300,000	-	-	-
Holland Ave Reconstruction - Town limits to Westside	-	-	468,180	-	-
Cell Antenna Screening	260,000	-	-	-	-
Apartment Complex Demolition	500,000	-	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	-	567,018	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	281,948	-	-	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	397,953	-	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	403,259	-	-
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	324,730	-
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-	412,374
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-	1,120,642
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (46)	-	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-	-
Westside Drive Reconstruction - Bordeaux to Beverly (54)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Arcady to Beverly (53)	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady (68)	-	-	-	-	-
Total Capital Expenditures	\$ 3,467,000	\$ 6,098,966	\$ 3,516,392	\$ 674,730	\$ 3,937,306
Total Expenditures	\$ 11,831,712	\$ 15,453,705	\$ 13,257,706	\$ 10,819,277	\$ 14,502,492
Transfers-Out	2,327,556	2,503,488	2,568,230	2,634,761	2,703,134
Total Expenditures & Transfer-Out	\$ 14,159,268	\$ 17,957,193	\$ 15,825,936	\$ 13,454,038	\$ 17,205,626
Operating Reserve	\$ 2,517,537	\$ 2,799,695	\$ 2,906,481	\$ 3,017,654	\$ 3,133,407
Capital & Rate Stabilization Reserve	3,029,261	1,303,090	301,843	2,180,242	906,400
Ending Balance	\$ 5,546,798	\$ 4,102,785	\$ 3,208,324	\$ 5,197,896	\$ 4,039,807
Ideal Fund Balance (25% of Operating Expenses)	2,517,537	2,799,695	2,906,481	3,017,654	3,133,407
Over(Under) Ideal Fund Balance	\$ 3,029,261	\$ 1,303,090	\$ 301,843	\$ 2,180,242	\$ 906,400

* Includes a 6.5% adjustment water and sewer rates for FY 2025, and then a 3.9% adjustment to water rates and a 3% adjustment to sewer rates each

**Excludes FY 2024-25

	*	*	*	*	*	*	
	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total**
\$	4,039,807	\$ 5,751,065	\$ 5,023,038	\$ 7,293,740	\$ 7,277,382	\$ 9,500,021	\$ 5,546,798
\$	11,367,884	\$ 11,811,231	\$ 12,271,869	\$ 12,750,473	\$ 13,241,366	\$ 13,751,159	\$ 116,555,646
	3,865,206	3,981,162	4,100,597	4,223,615	4,350,323	4,480,833	39,369,086
	64,000	64,000	64,000	64,000	64,000	64,000	637,315
	100,995	143,777	125,576	182,344	181,935	237,501	1,647,326
	-	-	-	-	-	-	-
	-	-	-	-	201,134	1,181,206	1,757,340
	-	-	-	-	-	-	1,000,000
	-	-	-	-	-	-	465,000
	566,972	589,651	613,237	637,766	663,277	689,808	5,818,760
\$	15,965,057	\$ 16,589,821	\$ 17,175,279	\$ 17,858,198	\$ 18,702,035	\$ 20,404,506	\$ 167,250,473
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	628,141	641,960	656,276	670,714	685,470	700,550	6,363,335
\$	16,593,198	\$ 17,231,781	\$ 17,831,555	\$ 18,528,912	\$ 19,387,505	\$ 21,105,056	\$ 173,613,808
\$	2,890,127	\$ 2,998,507	\$ 3,110,951	\$ 3,227,612	\$ 3,348,647	\$ 3,474,221	\$ 29,603,030
	381,360	392,801	404,585	416,723	429,225	442,102	3,884,347
	5,301,078	5,566,132	5,844,439	6,136,660	6,443,493	6,765,668	54,854,831
	2,431,442	2,504,385	2,579,517	2,656,903	2,736,610	2,818,708	24,765,474
\$	11,004,007	\$ 11,461,825	\$ 11,939,492	\$ 12,437,898	\$ 12,957,975	\$ 13,500,699	\$ 113,107,682
\$	350,000	\$ 2,572,590	\$ 350,000	\$ 2,752,672	\$ 350,000	\$ 2,945,359	\$ 14,671,911
	-	-	-	-	-	-	750,000
	-	-	-	-	-	-	2,000,000
	-	-	-	-	402,268	2,362,411	2,764,679
	-	-	-	-	-	-	1,850,000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	300,000
	-	-	-	-	-	-	468,180
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	567,018
	-	-	-	-	-	-	281,948
	-	-	-	-	-	-	397,953
	-	-	-	-	-	-	403,259
	-	-	-	-	-	-	324,730
	-	-	-	-	-	-	412,374
	-	-	-	-	-	-	1,120,642
	754,529	-	-	-	-	-	754,529
	-	218,250	-	-	-	-	218,250
	-	861,514	-	-	-	-	861,514
	-	-	351,498	-	-	-	351,498
	-	-	-	358,528	-	-	358,528
	-	-	-	-	380,326	-	380,326
	-	-	-	-	-	752,241	752,241
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	1,104,529	\$ 3,652,355	\$ 701,498	\$ 3,111,199	\$ 1,132,594	\$ 6,060,011	\$ 29,989,580
\$	12,108,536	\$ 15,114,180	\$ 12,640,989	\$ 15,549,098	\$ 14,090,570	\$ 19,560,710	\$ 143,097,262
	2,773,404	2,845,628	2,919,864	2,996,172	3,074,296	3,154,595	28,173,572
\$	14,881,940	\$ 17,959,807	\$ 15,560,853	\$ 18,545,270	\$ 17,164,866	\$ 22,715,305	\$ 171,270,834
\$	3,253,939	\$ 3,379,458	\$ 3,510,183	\$ 3,646,341	\$ 3,788,172	\$ 3,935,924	\$ 3,935,924
	2,497,126	1,643,580	3,783,557	3,631,041	5,711,849	3,953,847	3,953,847
\$	5,751,065	\$ 5,023,038	\$ 7,293,740	\$ 7,277,382	\$ 9,500,021	\$ 7,889,771	\$ 7,889,771
	3,253,939	3,379,458	3,510,183	3,646,341	3,788,172	3,935,924	3,935,924
\$	2,497,126	\$ 1,643,580	\$ 3,783,557	\$ 3,631,041	\$ 5,711,849	\$ 3,953,847	\$ 3,953,847

10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General Fund

Revenues:

- Property tax revenue is based on estimated taxable assessed values (T.A.V.) and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 4.5% per year. The tax rate is projected at the voter approval rate each year and anticipates 1.014% of annual growth in T.A.V. related to new construction.
- Building and permits revenue is indexed at 3.0% per year.
- Sales tax is indexed at 2.5% which is more conservative than historical trends.
- Interest revenue is based on 2.5% of fund balance for years after FY 2026.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from 1.0% to 4.0% based on the revenue category.

Expenditures:

- Payroll expense is indexed at 3.75% each year. This amount is up from prior years reflecting the return to annual merit increases of up to 6% for first responders in the Department of Public Safety.
- 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 5% per year.
- "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.0% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$10,000 per year has been allocated in FY 2026-27 and thereafter to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.
- Project costs have been updated to reflect current costs and are adjusted for future inflation at 2% per year. A construction contingency was added beginning in FY 2022 – 2023.

Storm Water Drainage Utility Fund

Revenues:

- The financial forecast reflects storm water revenues being indexed each year to accommodate the 10-year Capital Improvement Plan. The annual rate adjustments anticipated to fund this 10-year plan are as follows:
 - 2025-26: 100%
 - 2026-27: 25.0%
 - 2027-28: 15.0%
 - 2028-29: 10.0%
 - 2029-30: 5.0%
 - 2030-31 through 2034-35: 3.0%
- A transfer from the Capital Improvement Fund of \$1,000,000 for fiscal year 2025-26 and transfers ranging between \$350,000 and \$1,525,000 per year for the remaining nine years is anticipated.
- The Storm Water Drainage Utility Fund also anticipates an internal loan from the Reserve Fund to facilitate improvements to Hackberry Creek over the next four years. The internal loan will be repaid over several years beginning in FY 2030-31.

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 10-year financial model includes an annual water and sewer rate adjustment.

For FY 2025-26, an increase of 3.9% for water and 3.0% for sewer rates is proposed to address increasing operating costs and to fund planned capital improvements to the utility system.

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

	2024-25	2025-26	2026-27	2027-28
BEGINNING FUND BALANCE	\$ 8,818,230	\$ 6,681,663	\$ 6,798,373	\$ 7,283,151
REVENUES:				
Property Taxes	\$ 19,443,685	\$ 20,432,450	\$ 21,418,027	\$ 22,476,280
Sales Taxes	8,668,000	8,208,320	8,413,528	8,623,866
Franchise Fees	1,012,810	1,016,500	1,026,665	1,036,932
Building Inspection Fees/Permits	1,357,140	1,373,390	1,414,592	1,457,030
Municipal Court Fines/Fees	390,470	393,425	397,359	401,333
Interest Earnings	575,345	539,240	394,450	414,250
All Other	2,186,105	2,252,350	2,342,444	2,436,142
TOTAL REVENUES	\$ 33,633,555	\$ 34,215,675	\$ 35,407,065	\$ 36,845,833
Transfers from Other Funds	1,575,100	1,702,810	1,740,272	1,778,558
TOTAL REVENUES & TRANSFERS-IN	\$ 35,208,655	\$ 35,918,485	\$ 37,147,337	\$ 38,624,391
EXPENDITURES:				
Personnel Services:				
Payroll	15,746,415	\$ 16,476,608	\$ 17,094,481	\$ 17,735,524
Taxes	1,138,475	1,198,178	1,232,512	1,278,731
Retirement (TMRS)	1,974,305	2,066,557	2,256,471	2,341,089
Insurance	1,494,415	1,871,408	1,964,978	2,063,227
Total Personnel	\$ 20,353,610	\$ 21,612,751	\$ 22,548,443	\$ 23,418,572
Supplies & Equipment	\$ 1,327,567	\$ 1,378,912	\$ 1,420,280	\$ 1,462,888
Services & Charges	5,477,021	5,642,357	5,811,627	5,985,976
Capital Outlay:				
Equipment	7,900	-	10,000	10,000
CIP	-	-	-	-
TOTAL EXPENDITURES	\$ 27,166,098	\$ 28,634,020	\$ 29,790,350	\$ 30,877,436
Transfers to Capital Projects Fund	8,740,525	4,857,490	4,511,118	5,304,364
Transfers to Other Funds	1,438,600	2,310,265	2,361,091	2,413,035
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 37,345,223	\$ 35,801,775	\$ 36,662,559	\$ 38,594,835
ENDING FUND BALANCE	\$ 6,681,663	\$ 6,798,373	\$ 7,283,151	\$ 7,312,706
FUND BALANCE MINIMUM	\$ 4,861,456	\$ 5,260,528	\$ 5,464,045	\$ 5,657,680
FUND BALANCE SURPLUS	\$ 1,820,207	\$ 1,537,845	\$ 1,819,106	\$ 1,655,026
CAPITAL PROJECTS FUND				
Beginning Balance	\$ 15,530,470	\$ 18,466,604	\$ 13,238,167	\$ 9,712,084
Total Annual Project Funding (1)	14,623,726	23,020,012	7,949,219	8,750,318
Total Expenditures	11,687,592	28,248,449	11,475,302	14,038,904
Ending Balance*	\$ 18,466,604	\$ 13,238,167	\$ 9,712,084	\$ 4,423,498
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over (Under) Contingency	\$ 16,466,604	\$ 11,238,167	\$ 7,712,084	\$ 2,423,498
PROPERTY TAX ASSUMPTIONS				
Property Tax Revenue	\$ 19,443,685	\$ 20,432,450	\$ 21,418,027	\$ 22,476,280
Property Values (2)	\$ 9,400,167,194	\$ 10,262,691,191	\$ 10,724,512,295	\$ 11,207,115,348
Tax Rate	0.208550	0.200537	0.201399	0.202264

(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 FY 2025-26.

	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
\$	7,312,706	\$ 6,439,762	\$ 6,455,568	\$ 6,647,058	\$ 7,034,650	\$ 7,390,274	\$ 7,981,324
\$	23,586,892	\$ 24,752,477	\$ 25,975,752	\$ 27,259,559	\$ 28,606,903	\$ 30,020,914	\$ 31,504,931
	8,839,463	9,060,450	9,286,961	9,519,135	9,757,113	10,001,041	10,251,067
	1,047,301	1,057,774	1,068,352	1,079,036	1,089,826	1,100,724	1,111,731
	1,500,741	1,545,763	1,592,136	1,639,900	1,689,097	1,739,770	1,791,963
	405,346	409,399	413,493	417,628	421,804	426,022	430,282
	424,220	411,964	422,204	437,413	458,010	478,317	505,008
	2,533,588	2,634,932	2,740,329	2,849,942	2,963,940	3,082,498	3,205,798
\$	38,337,551	\$ 39,872,759	\$ 41,499,227	\$ 43,202,613	\$ 44,986,693	\$ 46,849,286	\$ 48,800,780
	1,817,686	1,857,675	1,898,544	1,940,312	1,982,999	2,026,625	2,071,211
\$	40,155,237	\$ 41,730,434	\$ 43,397,771	\$ 45,142,925	\$ 46,969,692	\$ 48,875,911	\$ 50,871,991
\$	18,400,606	\$ 19,090,629	\$ 19,806,528	\$ 20,549,273	\$ 21,319,871	\$ 22,119,366	\$ 22,948,842
	1,326,684	1,376,434	1,428,051	1,481,603	1,537,163	1,594,806	1,654,612
	2,428,880	2,519,963	2,614,462	2,712,504	2,814,223	2,919,756	3,029,247
	2,166,389	2,274,708	2,388,444	2,507,866	2,633,259	2,764,922	2,903,168
\$	24,322,558	\$ 25,261,734	\$ 26,237,484	\$ 27,251,245	\$ 28,304,516	\$ 29,398,851	\$ 30,535,869
\$	1,506,775	\$ 1,551,978	\$ 1,598,537	\$ 1,646,493	\$ 1,695,888	\$ 1,746,765	\$ 1,799,168
	6,165,555	6,350,522	6,541,038	6,737,269	6,939,387	7,147,569	7,361,996
	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	-	-	-	-	-	-	-
\$	32,004,888	\$ 33,174,234	\$ 34,387,059	\$ 35,645,007	\$ 36,949,791	\$ 38,303,185	\$ 39,707,033
	6,557,172	6,020,018	6,243,398	6,477,833	6,973,869	7,232,080	7,503,074
	2,466,122	2,520,376	2,575,825	2,632,493	2,690,408	2,749,596	2,810,088
\$	41,028,182	\$ 41,714,628	\$ 43,206,282	\$ 44,755,333	\$ 46,614,067	\$ 48,284,861	\$ 50,020,195
\$	6,439,762	\$ 6,455,568	\$ 6,647,058	\$ 7,034,650	\$ 7,390,274	\$ 7,981,324	\$ 8,833,120
\$	5,858,372	\$ 6,066,384	\$ 6,281,990	\$ 6,505,475	\$ 6,737,134	\$ 6,977,273	\$ 7,226,210
\$	581,390	\$ 389,184	\$ 365,068	\$ 529,175	\$ 653,140	\$ 1,004,051	\$ 1,606,910
\$	4,423,498	\$ 2,069,839	\$ 2,844,276	\$ 3,042,691	\$ 4,138,099	\$ 3,803,629	\$ 4,446,754
	7,997,855	7,929,778	7,701,449	7,970,820	8,525,306	8,557,028	8,877,119
	10,351,514	7,155,341	7,503,033	6,875,412	8,859,777	7,913,903	9,112,990
\$	2,069,839	\$ 2,844,276	\$ 3,042,691	\$ 4,138,099	\$ 3,803,629	\$ 4,446,754	\$ 4,210,883
\$	2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$	69,839	\$ 844,276	\$ 1,042,691	\$ 2,138,099	\$ 1,803,629	\$ 2,446,754	\$ 2,210,883
\$	23,586,892	\$ 24,752,477	\$ 25,975,752	\$ 27,259,559	\$ 28,606,903	\$ 30,020,914	\$ 31,504,931
\$	11,711,435,539	\$ 12,238,450,138	\$ 12,789,180,394	\$ 13,364,693,512	\$ 13,966,104,720	\$ 14,594,579,432	\$ 15,251,335,507
	0.203133	0.204006	0.204882	0.205763	0.206647	0.207535	0.208426



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APPENDIX



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PAY PLAN

For FY 2026, the Proposed Budget provides for an annual merit adjustment for first responders (Public Safety Officers and Dispatchers) up to 6%. All other full-time non-exempt employees and civilian exempt employees will be eligible for up to a 3.5% merit adjustment in FY 2026. This adjustment will be based on the score they receive on their annual performance evaluations to be provided at the end of the current fiscal year.

Any pay adjustment for FY 2026 will be limited by the maximum of the pay range for each employee. Employees may not receive base pay above the Maximum of the Pay Plan.

The Pay Plans incorporated in the Town’s FY 2026 Proposed Budget are designed to maintain equity in the Town’s designated public-sector market and reflect an increase over the pay plans for FY 2026 of 3%. The market cities the Town benchmarks against include the following:

Addison
Frisco
Richardson
Southlake
University Park

The pay grades for Public Safety positions (all non-exempt) are structured based on market data for relative duties and responsibilities of the blended police and fire functions. The Public Safety Officer (“PSO”) position is the anchor of the pay plan on which all other public safety positions and grades are determined. The target midpoint of the pay range for the PSO position is 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.

Full-time employees (exempt and non-exempt) may earn up to \$2,100 per year for participation in the Town’s Wellness Program, designed to promote a healthy lifestyle. This program appears to be effective in that the Town continues to see reductions in its cost for health care.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
NON-EXEMPT EMPLOYEES
FISCAL YEAR 2026**

Grade	Position	Hourly Base Pay Range	
		Minimum	Maximum
8	Communications Manager Superintendent Town Secretary Chief Building Official Systems Analyst	\$49.020	\$75.398
7	Civil Engineer Senior Building Inspector	\$42.616	\$65.563
6	Accounting Supervisor Building Inspector Communications Supervisor Court Administrator Customer Service Supervisor Development Services Coordinator Facilities Maintenance Manager Town Services Coordinator Public Works Operations Supervisor	\$37.054	\$56.997
5	Alarm Specialist Construction Inspector Librarian Project Coordinator Project Manager	\$32.213	\$49.577
4	Communications Specialist Crime Analyst DPS Administrative Secretary Human Resources Coordinator Irrigation/Mosquito Inspector Parks Maintenance Worker III Plans Examiner Public Works Maintenance Worker III Secretary to the Director Senior Accounting Technician	\$28.017	\$43.097
3	Building Permit Technician Customer Service Specialist II Senior Court Clerk Finance & HR Administrative Assistant Administrative Assistant Library Administrative Assistant Parks Maintenance Worker II Public Works Maintenance Worker II	\$24.368	\$37.481
2	Court Clerk Library Associate Public Works Maintenance Worker I	\$21.188	\$32.596
1	Parks Maintenance Worker I	\$18.424	\$28.335

Court Security Guards start at \$50.00/hour with 4 hours per week. Base Minimum and Base Maximum reflect the range within each grade. reflect pay These amounts do not related to incentives or assignment pay.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2026**

Grade	Position	Hourly Base Pay Range Shift			Hourly Base Pay Range	
		Minimum	Maximum		Minimum	Maximum
G	Captain	\$48.333	\$59.186		\$75.520	\$92.479
F	Lieutenant	\$43.938	\$53.806		\$68.653	\$84.072
E	Sergeant	\$38.202	\$46.779		\$59.690	\$73.093
D	Unassigned	-	-		-	-
C	Public Safety Officer	\$29.657	\$39.611		\$46.338	\$61.893
B	Fire Fighter or Police Officer	\$24.718	\$30.247		\$38.621	\$47.261
A	Public Safety Apprentice	\$23.592	\$26.259		\$36.863	\$41.029

Base Minimum and Base Maximum reflect the range within each grade. These amounts do not reflect pay related to incentives or assignment pay.

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

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

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
FISCAL YEAR 2026**

Grade	Position	Minimum	Maximum
E-4	Assistant Town Administrator Director of Public Safety	\$187,436	\$271,688
E-3	Assistant Director of Public Safety Director of Engineering	\$170,396	\$246,987
E-2	Deputy Chief Director of Finance	\$161,895	\$234,669
E-1	Development Services Director Director of Policy and Strategic Initiatives	\$149,630	\$216,461
E-0	Assistant Development Services Director Assistant Director of Engineering IT Manager Town Librarian	\$130,114	\$188,229

Exempt positions are not eligible for incentives or assignment pay.

INCENTIVE & ASSIGNMENT PAY

Additional training and responsibilities are required of numerous Town job positions. The Pay Plan includes the following incentives and assignments that the Town recognizes through additional pay. These pay types are not included in the pay ranges shown above, but rather are additions to base pay.

Incentive pay is provided in connection with a particular certification attained by the employee in connection with their specific job function. Assignment pay is provided in connection with a specific duty required by the Town.

Incentives are not cumulative. The Town will pay the incentive in connection with the highest certification attained. Multiple incentives will only be paid to an employee at the expressed approval of the Town Administrator.

Incentive and/or assignment pay must be approved by the department director and must be job appropriate for the position receiving the pay type.

Incentive Pay

Emergency Medical Technician	+2%
Paramedic	+8%
Crew Chief/Section Supervisor/Utility System Certification	+5%
Licensed Irrigator	+5%
Court Certification Level I	+2%
Court Certification Level II	+5%

Assignment Pay

Public Safety Investigator Assignment	+7.5%
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Budget Calendar Fiscal Year 2025-2026

Date	Activity
February 17	FY 2025-26 budget kick-off meeting with departments
March 7	<p>Departments submit initial projections for FY 2024-25 revenues and expenditures to the Finance Department.</p> <p>Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets.</p> <p>Deadline to Provide Exemption Resolutions for 2025 (for Appraisal Notices) to the Dallas Central Appraisal District (DCAD).</p>
March 14	<p>Departments submit any new programs to the Finance Department.</p> <p>Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.</p>
Week of March 17	Meet and discuss the Town's 10-year Capital Improvement Plan with Department Directors.
Week of March 24	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
April 11	Departments submit revised projection of FY 2024-25 revenues and expenditures to the Finance Department.
April 15	Receive preliminary (4/30) Certification Estimate Letter from DCAD
April 18	Departments submit updated program descriptions, accomplishments, objectives, and key performance indicators to the Finance Department.
April 21	Deadline to provide Exemption Resolutions (to be reflected on 1st Estimated Values Report) to DCAD
Week of April 21	Departmental meetings with Town Administrator on Budget Requests.
May 2	Departments submit final projection of FY 2024-25 revenues and expenditures to the Finance Department.
May 12	Receive preliminary EVR (Estimated Value Report) from DCAD
May 6	Review and discuss with the Town Council the progress of the FY 2025-26 budget process and the Council's priorities and expectations of the FY 2025-26 Budget.
June 3	<p>Review and discuss with the Town Council the progress of the FY 2025-26 budget process and the Council's priorities and expectations of the FY 2025-26 Budget.</p> <p>Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.</p>
June 20	Deliver draft proposed budget and 10-year Capital Improvement Plan to Finance & Audit Advisory Committee
June 26	FY 2025-26 Proposed Budget delivered to the Town Council and the Town Secretary.
June 27	Finance & Audit Advisory Committee meet to discuss proposed Capital Improvement Plan and Operational Budget for FY 2025-26.
July 1	<p>Review and discuss the Proposed Budget with Town Council.</p> <p>Council sets date to call Public Hearing on the FY 2025-26 Proposed Budget [Town Charter 9.05(A)] for August 5.</p>

Date	Activity
	Deadline to Provide Exemption Resolutions (for Certification) to DCAD
July 18	Deliver notice of the August 5 Public Hearing on the FY 2025-26 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.
July 25	Publication of the notice for the August 5 Public Hearing on the FY 2025-26 Proposed Budget in the newspaper.
<u>August 5</u>	<p>Receive 2025 Certified Appraisal Roll from DCAD</p> <p>Public Hearing on FY 2025-26 Proposed Budget.</p> <p>Review and discuss the Proposed Budget with Town Council.</p> <p>Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2025-26 and schedule one public hearing on the proposal.</p> <p>Town Council sets preliminary ad valorem tax rate.</p> <p>NOTE: If a tax rate is proposed that exceeds the ‘No-New-Revenue Tax Rate’, take a record vote, publish the required notices, and schedule the required public meeting.</p> <p>Call Public Hearing on Tax Rate for September 2.</p> <p>Deliver notice of Public Hearing on Tax Increase to the newspaper. Provide notice to Town Secretary for publishing on website.</p> <p>Announce date and time of Public Hearing to adopt the tax rate for September 2.</p> <p><i>On or before August 18</i>, call for a Voter Approval Tax Rate Election (VATRE) if the preliminary tax rate set by the Town Council exceeds the Voter Approval Rate.</p>
<u>August 19</u>	Review and discuss the Proposed Budget with Town Council.
August 21 & 28	Publication of notice for the September 2 Public Hearing and Meeting to Vote on Tax Rate in the newspaper.
<u>September 2</u>	<p>Public Hearing on the Tax Rate</p> <p>Town Council considers approval of:</p> <ul style="list-style-type: none"> • Ordinance adopting the FY 2025-26 Proposed Budget and related Capital Improvement Plan (CIP). • Ordinance Adopting the 2025 property tax rate for FY 2025-26. • Resolution approving the FY 2026 Master Fee Schedule. • Resolution approving the FY 2025-26 Pay Plan <p>Provide approved property tax ordinance and property tax rate to Dallas County Tax Office (DCTO) and the DCAD</p>

NOTE: Dates in bold indicate a Town Council study session; Dates in bold and underlined indicate a Town Council meeting

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
(As Amended January 2025)

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 Finance, 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 or electronic representation of an Annual Comprehensive Financial Report (ACFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The ACFR 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 or electronic representation of a 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, in excess of the threshold established for competitive bidding within Chapter 252 of the Local Government Code, 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. Contracts entered into by the Town for the purchase of goods or services will be reviewed by the Town Attorney prior to execution.

The purchase of goods or services at a total cost of \$3,000 or more must be made through the Town's purchase order system. An electronic representation of a written purchase order shall also be used for vendors requiring formal Town authorization regardless of the dollar amount. All purchase orders require the approval of the Department Director or Department Director Designee (as defined in section XI. Financial Glossary) and the Director of Finance. Purchase orders greater than \$45,000 require the approval of the Department Director, Director of Finance, and Town Administrator or Town Administrator designee.

In an emergency procurement situation (as defined in section XI. Financial Glossary) where a purchase order could not have been obtained prior to making a purchase, a department must obtain a purchase order as soon as practicable after making the purchase. An emergency purchase order request must be accompanied by a memo signed by the appropriate department head that describes the nature of the emergency and reason(s) why a purchase order could not have been obtained in advance of making the emergency purchase. A substantiated emergency procurement made without a valid purchase order is not considered a

violation of this policy.

Any payment for the purchase of goods or services by the Town at a total cost of less than \$3,000 may be made via an electronic representation of a written Accounts Payable Voucher, signed and submitted by the applicable Department Director or Department Director Designee to the Town's Finance Department. The following approval thresholds shall apply to all disbursement of funds:

Approval Threshold	Approval Requirement
Accounts Payable Vouchers and Disbursements Less than or Equal to \$1,000	Department Director or Department Director Designee Finance Department Accounting Supervisor
Accounts Payable Vouchers and Disbursements More than \$1,000 but Less than or Equal to \$45,000	Department Director or Department Director Designee Director of Finance
Disbursements More than \$45,000	Department Director Director of Finance Town Administrator or Town Administrator Designee

In accordance with Section 252.0415 of the Texas Local Government Code, the Town is authorized to receive sealed bids or proposals electronically. To ensure the identification, security and confidentiality and prevent the opening of submittals prior to the advertised opening date and time, these submittals shall be received password protected digital account only accessible at the date and time advertised for the opening. The information technology department, or third party used to collect the submittals, will certify that the submittals were not opened until the advertised date and time. Any bids submitted after the advertised date and time will not be considered. If any submitted bids are opened prior to the advertised opening date and time, all bids will be considered rejected and the process will be redone.

- 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 \$3,000

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 signature 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:

1. 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.

2. 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 system networks. The Master Security Officer may appoint other Town employees to serve as Security Officers. The Town shall take all precautions necessary to protect the integrity and safety of its information technology.

VII. FINANCIAL CONDITION

A. NO OPERATING DEFICITS - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short-term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only for emergencies or for the payment of non-recurring expenditures as approved by the Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. FUND BALANCE - GOVERNMENTAL FUNDS

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Storm Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

The Town shall maintain a committed fund balance in the Capital Projects Fund of \$2,000,000.00 as conditions warrant. The Town Council shall have sole authority for the use of any portion, or all of, the committed fund balance in the Capital Projects Funds. Such decision to use the Capital Projects Fund's committed fund balance should include a plan for replenishing the committed fund balance of the Capital Projects Fund to its desired level.

2. *Assigned Fund Balance* - The Town Council has authorized the Town's Director of Fiscal and Human Resources to assign fund balance to a specific purpose in accordance to Generally Accepted Accounting Principles and in the normal conduct of business. An example is resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.

3. *Minimum Unassigned Fund Balance*

The Town shall maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures as approved by the Town Council

in current Annual Budget.

If Unassigned Fund Balance exceeds the target set by policy, the Town may use surpluses for onetime expenditures. If unassigned fund balance falls below the target, the Town will reduce recurring expenditures to eliminate any structural deficit for such period as necessary until the unassigned fund balance meets the minimum balance as required by this policy.

4. *Order of Expenditure of Funds*

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council, and Unassigned Fund Balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

At the close of each fiscal year, any operating surplus (revenues less expenditures less encumbrances) shall be transferred, by Council action, from the General Fund to the Capital Projects Fund.

C. NET WORKING CAPITAL - UTILITY FUND

The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five percent (25%) of non-capital expenditures as approved by the Town Council in the Annual Budget.

D. RISK MANAGEMENT - The Town shall provide, where possible, for the safety of the public and the Town's employees in order to minimize the Town's risk of loss of resources through liability claims.

E. RISK FINANCING - All reasonable options shall be investigated by the Director to finance risks. Such options may include risk transfer, insurance and risk retention.

VIII. INTERNAL CONTROLS

- A. WRITTEN PROCEDURES** - Wherever possible, written procedures shall be established and maintained by the Director for all activities involving cash handling and/or accounting throughout the Town. These procedures shall embrace the general concepts of fiscal responsibility outlined in this statement.
- B. DEPARTMENT DIRECTORS RESPONSIBLE** - Each Department Director shall be responsible to ensure that good internal controls are followed at all times throughout his or her department, that all approved, written Finance Department directives on internal controls are implemented and that all independent auditor internal control recommendations, as embraced by the Council and furnished by the Finance Department, are met.

IX. DEBT MANAGEMENT

- A. LONG-TERM DEBT** - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.
- B. FINANCING ALTERNATIVES** - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.
- C. RATINGS** - The Director shall make full disclosure of the Town's operations to both nationally recognized rating agencies, Standard & Poors and Moody's.

X. ANNUAL REVIEW OF POLICIES

The Town's Financial Management Policies shall be reviewed by the Director and Administrator at least annually and any proposed revisions shall be presented to the Council for approval.



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GLOSSARY



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ADA - Americans with Disabilities Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CIP - Capital Improvement Plan.

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

Competitive Bidding Process - The process following State law requiring that on purchases of \$25,000 and more, the Town must advertise, solicit, and publicly open sealed bids from prospective vendors. After a review period the Council then awards the bid to the successful bidder.

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

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

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

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

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

DART – Dallas Area Rapid Transit.

DCC – Dallas Country Club.

DCCCD – Dallas County Community College District.

DCHD – Dallas County Hospital District.

DCPCMUD - Dallas County Park Cities Municipal Utility District.

DISD – Dallas Independent School District.

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.

Deficit - When a government spends more in a given year than it collects in revenues.

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

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

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

DWU - Dallas Water Utilities.

Electronic signature - Electronically imprinted signature facsimiles generated through the Town’s computer equipment upon Town issued checks, rendering them as negotiable instruments.

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

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

Enterprise Fund - An enterprise fund is a self-supporting fund that sells goods and services to the public for a fee. It is one of two proprietary fund types available for use by governments. The other is an internal service fund.

Equity - See Fund Balance and Retained Earnings.

ERF - Equipment Replacement Fund.

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

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

FASB – Financial Accounting Standards Board.

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

Fixed Assets - Purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings or accessioned Library materials with a useful life greater than one (1) year.

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

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

GASB - Governmental Accounting Standards Board.

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

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

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

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

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

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

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

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

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

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

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

GTOT - Government Treasurers' Organization of Texas.

HPDPS - Highland Park Department of Public Safety.

HPISD - Highland Park Independent School District.

HPSV - Highland Park Shopping Village.

HSA - Health Savings Account.

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

Inter-fund Transfer - See Transfer.

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

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

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

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

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

Major Fund - The General, Utility and Capital Projects Funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of the corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

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

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

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

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

NCTCOG – North Central Texas Council of Governments.

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

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

Official Budget - The budget as adopted by the Council.

One-Time Revenues - See Non-Recurring Revenues.

OPEB – Other Post-Employment Benefits.

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

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

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

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

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

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

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

Proprietary Fund - See Utility Fund and Internal Service Fund.

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

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

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

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

SSO - Sanitary Sewer Overflow.

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

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

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

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

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

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

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

TCEQ - Texas Commission on Environmental Quality.

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

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

TMRS - The Texas Municipal Retirement System.

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

TWDB - Texas Water Development Board.

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

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

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

Utility Fund - The fund used to account for operations and improvements related to the Town's water and sanitary sewer system.

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

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

Working Capital - See Net Working Capital.