

Town of Highland Park, Texas TOWN COUNCIL MEETING A G E N D A

7:00 AM September 11, 2017

4700 Drexel Drive Executive Conference Room

WORK SESSION - 7:00 AM

I. CALL TO ORDER

II. DISCUSSION

- A. Review and discuss the proposed Fiscal Year 2017-2018 Proposed Budget.
- B. Review and discuss the proposed Fiscal Year 2017-2018 Property Tax Rate.
- C. Discuss any of the agenda items provided on the Regular Agenda of the September 11, 2017 Town Council meeting.

TOWN COUNCIL REGULAR AGENDA - 7:00 A.M.

I. CALL TO ORDER

II. INVOCATION

III. CITIZEN COMMENTS REGARDING ITEMS NOT ON THE AGENDA

This is an opportunity for the public to address the Town Council on any subject not on the Agenda. In accordance with the Texas Open Meetings Act, the Town Council may not discuss issues raised or make any decision at this time. Issues raised may be referred to Town staff for research and possible future action.

IV. PUBLIC HEARING

- A. Conduct a public hearing to receive the recommendation of the Zoning Commission and public comments regarding a request to amend the Town's Zoning Ordinance by combining 4822 and 4824 Abbott Avenue into one building site.
- B. Conduct a public hearing to receive public comments regarding a request to replat Lots 12 and 13, Block 89, Highland Park Addition, Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, bearing the street addresses of 4822 and 4824 Abbott Avenue, into one lot.

V. CONSENT AGENDA

All items under the Consent Agenda are considered to be routine by the Town Council and will be enacted by one motion and vote. There will be no separate discussion of items unless a request by a Council Member is made prior to the time of the Town Council voting on the motion. In such event, the item will be removed, without debate, from the general order of business and considered in its normal sequence.

A. Consider approval of an Interlocal Agreement with Dallas Area Rapid Transit.

VI. MAIN AGENDA

- A. Consider approval of an ordinance amending the Town's Zoning Ordinance by combining 4822 and 4824 Abbott Avenue into one building site.
- B. Consider approval of a request to replat Lots 12 and 13, Block 89, Highland Park Addition, Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, bearing the street addresses of 4822 and 4824 Abbott Avenue, into one lot.
- C. Consider approval of an ordinance adopting the Fiscal Year 2017-18 Proposed Budget in an amount not to exceed \$44,162,939.
- D. Consider approval of an ordinance setting the Town's 2017 ad valorem tax rate in an amount not to exceed \$0.220000 per \$100 of taxable assessed valuation of all taxable property for the 2017 Tax Year, as determined by the Dallas Central Appraisal District.
- E. Consider ratifying a property tax increase not to exceed \$553,695, which represents an increase of 4.37% over last year's adjusted levy, and includes \$276,963 in revenues generated from new property added to the tax roll.

VII. ADJOURNMENT

SPECIAL ACCOMMODATIONS FOR TOWN COUNCIL MEETINGS

Let us know if you need special assistance of any kind.

Please contact the Town of Highland Park Administrative staff at (214) 521-4161

7:30 a.m. to 4:30 p.m., Monday through Friday.



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Building Inspection Director: Ronnie Brown

TITLE

Conduct a public hearing to receive the recommendation of the Zoning Commission and public comments regarding a request to amend the Town's Zoning Ordinance by combining 4822 and 4824 Abbott Avenue into one building site.

BACKGROUND

The property owner submitted a request to combine 4822 and 4824 Abbott Avenue into one building site. On July 10, 2017, the Town Council referred this request to the Zoning Commission for a review and recommendation. On August 9, 2017, the Zoning Commission conducted a public hearing and unanimously recommended approval of the request. A public hearing is scheduled at 8:00 a.m. on Monday, September 11, 2017, for the Town Council to receive (i) the Zoning Commission's recommendation, and (ii) public input. If approved, the property owner plans to submit a permit application to construct a one-story addition to the south side of the residence on this combined building site, which will bear the street address of 4824 Abbott Avenue.

The definition of a Building Site in the Town's Zoning Ordinance prohibits a platted lot or combination of platted lots from being diminished in area or dimension from how it was originally utilized. The property owner understands that if this application is approved, the combined building site cannot be undone and/or restored to the original two building sites. The zoning application and replat document, which will be filed with Dallas County Deed Records, will reflect this statement of understanding by the property owner.

RECOMMENDATION

None. This item was reviewed by the Town Council at its study session on September 5, 2017.

FINANCIAL IMPACT

None

File Name

ATTACHMENTS:

2017-0809_Combining_4822__4824_Abbott_Avenue_into_One_Building_Site.docx

Draft of Zoning Commission meeting minutes

Notice 200ft Model (4822-24 Abbott).pdf

Map Indicating Location of the Properties

Description

TC_Notice_(PC_News)_-_4822_and_4824_Abbott_Combine Bldg Sites - 2017-09-11.docx
Public Hearing Notice

MINUTES OF A MEETING OF THE ZONING COMMISSION OF THE TOWN OF HIGHLAND PARK TEXAS HELD AT THE TOWN HALL 4700 DREXEL DRIVE ON WEDNESDAY, AUGUST 9, 2017, AT 4:00 PM TO CONSIDER A REQUEST FROM MR. AND MRS. MICHAEL CHRIS CHAMBLISS TO AMEND THE ZONING ORDINANCE TO COMBINE 4822 AND 4824 ABBOTT AVENUE INTO ONE BUILDING SITE.

Present at the meeting were: Margaret Keliher, Chair and Commission Members Brian Ficke, Alison Hunsicker, and Carolyn Seay.

Rick Jones was absent from the meeting.

Madam Chair Keliher called the meeting to order and explained the procedure the Commission would follow in considering the request.

Kirk Smith, Development Services Manager, described the case being considered. Mr. and Mrs. Michael Chris Chambliss were traveling overseas on business, and Mr. Randall Underwood was present to represent them. The owners requested combining the two properties 4822 and 4824 Abbott Avenue into one building site. The home on 4822 Abbott has been demolished and is now a vacant lot, and is being properly maintained.

Kirk Smith stated that notice of the meeting was mailed to property owners within two hundred feet (200') on July 27, 2017, and the agenda was posted on the bulletin boards at Town Hall on August 4, 2017.

Madam Chair Keliher asked if the Zoning Commission members had questions, to which there was no response.

Madam Chair Keliher asked if the Mr. Underwood wanted to make a presentation. Mr. Underwood stated that Kirk Smith made a thorough presentation and only had to add that if the Commission allowed the properties to be combined, the plan for the property is to add a sitting room addition and garage to the home at 4824 Abbott.

Madam Chair Keliher asked if the Zoning Commission member had questions, to which there was no response.

Madam Chair Keliher asked if anyone in the audience wished to speak in favor of the request. Mr. Seth Davidow, 4902 and 4904 Abbott Avenue, spoke in favor of the request. He owns two properties nearby and is considering a similar request.

Madam Chair Keliher asked if the Town received any correspondence in support of the request to which Kirk Smith replied that there was one letter in support of the request (and is included as Exhibit A to these minutes).

Madam Chair Keliher asked if anyone in the audience wished to speak in opposition to the request, to which there was no response.

Madam Chair Keliher asked if the Town received any correspondence in opposition of the request to which Kirk Smith replied in the negative.

Madam Chair Keliher asked for questions and/or comments from the Zoning Commission, to which there was no response.

On a motion by Carolyn Seay seconded by Alison Hunsicker the Zoning Commission voted unanimously in favor of recommending approval of a request from Mr. and Mrs. Michael Chris Chambliss to amend the Town's Zoning Ordinance to combine 4822 and 4824 Abbott Avenue into one building site with the address of 4824 Abbott Avenue.

Kirk Smith stated that the Town Council will conduct a public hearing in September to receive the recommendation of the Zoning Commission and consider final action on the zoning request.

There being no further business to come before the Zoning Commission the meeting was adjourned at 4:08 p.m.

APPROVED on this	day of	, 2017.
		BY:
		Margaret Keliher Chair
ATTEST:		
Tempest Brunson		

Town Services Coordinator

Exhibit A

From: LAURA ELCOCK
To: Kirk Smith

Subject: 4824 Abbott Avenue

Date: Monday, July 31, 2017 8:52:40 AM

Zoning Commission and Town Council Town of Highland Park 4700 Drexel Avenue Highland Park, TX 75205

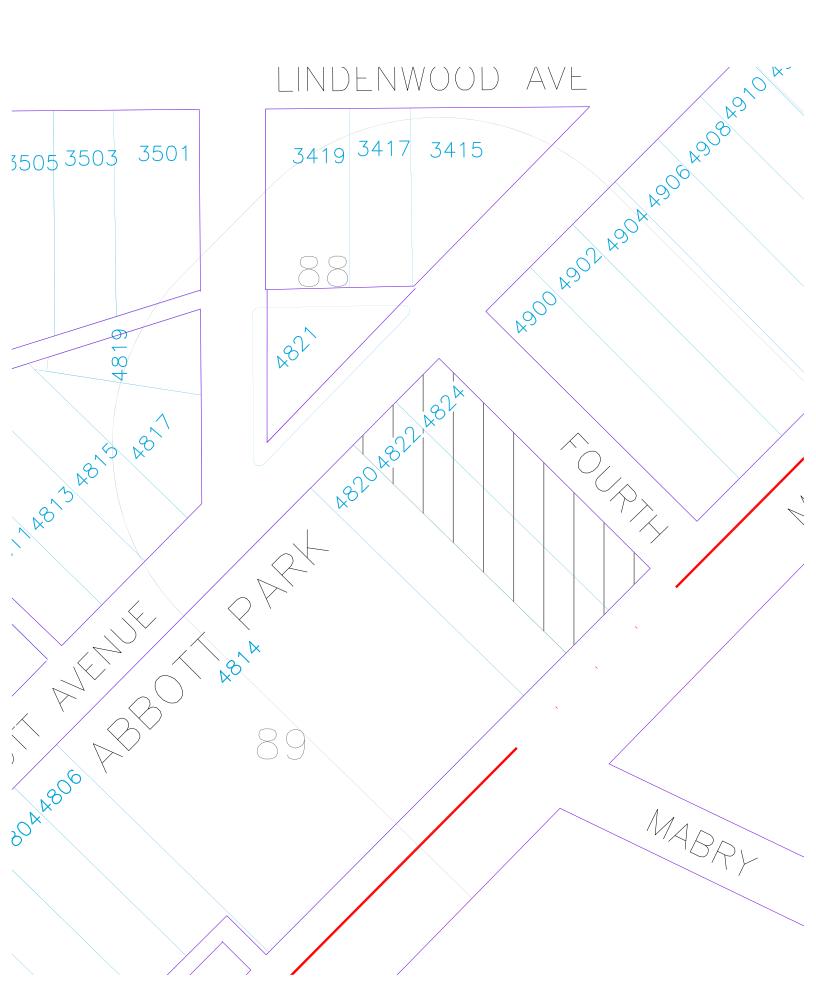
Attention: Kirk Smith

We are writing in support of Lesley and Chris Chambless' efforts to combine the two lots as one at 4824 Abbott. We believe this to be an enhancement for our block and the neighborhood.

Sincerely, Laura and Walter Elcock 4820 Abbott Avenue

Sent from my iPad

Sent from my iPad



TOWN OF HIGHLAND PARK, TEXAS TOWN COUNCIL PUBLIC HEARING

The Town Council will conduct a public hearing at 8:00 a.m. on Monday, September 11, 2017, at 4700 Drexel Drive, Highland Park, Texas, to receive a recommendation from the Zoning Commission on a request to combine 4822 and 4824 Abbott Avenue into one building site, and to receive public comments on this request.

For additional information regarding this application, contact Kirk Smith at (214) 521-4161 or ksmith@hptx.org.

Publish: August 24, 2017



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Engineering Director: Lori Chapin

TITLE

Conduct a public hearing to receive public comments regarding a request to replat Lots 12 and 13, Block 89, Highland Park Addition, Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, bearing the street addresses of 4822 and 4824 Abbott Avenue, into one lot.

BACKGROUND

The property owner submitted a request to combine 4822 and 4824 Abbott Avenue into one building site. A public hearing is scheduled at 8:00 a.m., on Monday, September 11, 2017, for the Town Council to receive public comments regarding a request to replat the properties into one lot, contingent upon the Council's approval to amend the Town's Zoning Ordinance to combine the two single-family building sites into one. The staff reviewed the replat and determined that it complies with the Town's zoning, subdivision regulations, and pertinent state law.

Description

RECOMMENDATION

None. This item was reviewed by the Town Council at its Study Session on September 5, 2017.

FINANCIAL IMPACT

None

ATTACHMENTS:

File Name

TC_Notice_(PC_News)4822_and_4824_Abbott _Replat_2017-09-11.docx	Notice of Public Hearing
4824_Abbott_Zoning_Application_w-Underwood_(Signed).pdf	Application for Replat
4822_and_4824_Abbott_Avenue_Replat.doc	Memo from Engineering

TOWN OF HIGHLAND PARK, TEXAS TOWN COUNCIL PUBLIC HEARING

The Town Council will conduct a public hearing at 8:00 a.m. on Monday, September 11, 2017, at 4700 Drexel Drive, Highland Park, Texas, to consider a request to replat Lot 12 and Lot 13, Block 89, Highland Park Addition, Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, bearing the street addresses of 4822 and 4824 Abbott Avenue, into one lot.

For additional information regarding the replat, contact Lori Chapin, P.E., Director of Engineering, at 214-521-4161. All persons interested in this request are invited to attend the public hearing.

Publish: August 24, 2017

Highland Park TEXAS

4700 Drexel Drive, Highland Park, TX 75205 214-521-4161 office 214-559-9335 fax

Department of Building Inspection

(PLEASE COMPLETE A SEPARATE APPLICATION FOR EACH REQUEST)

(The application WILL NOT be scheduled for a review until a completed application is submitted to the Building Inspection Department.)

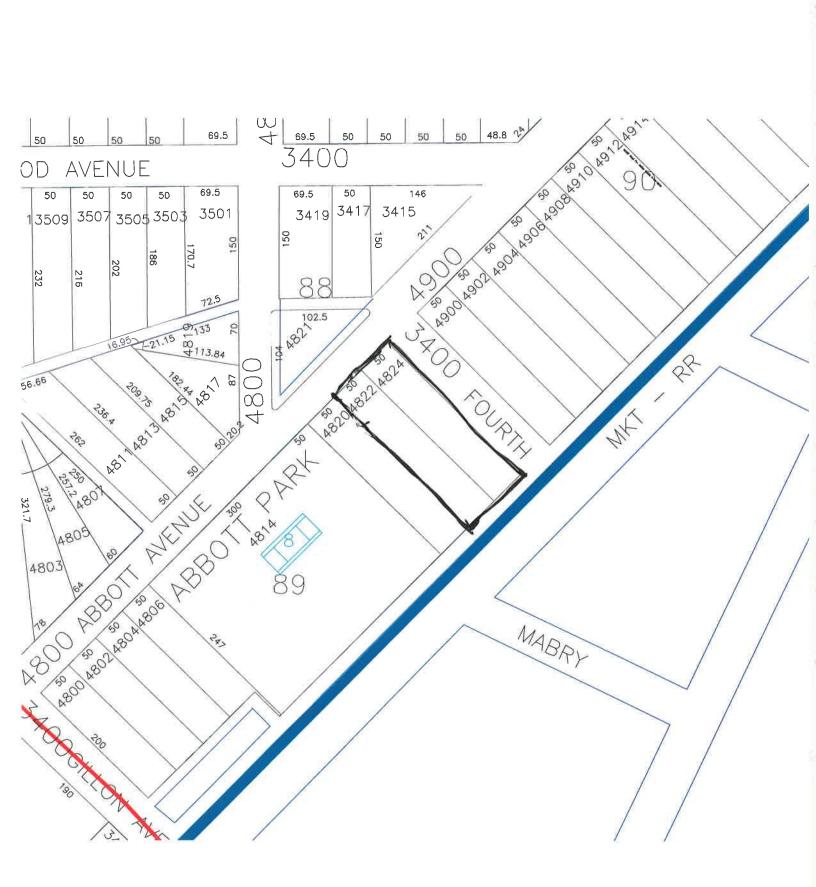
I. TYPE OF APPLICATION: (please check one)

 Zoning Change / Amendment (Combined Building Site) □ Planned Development - New □ Planned Development - Amendment □ Platting (Replat) 				
II. ADDRESS OF PROJECT:	4824 Abbott A	Avenue		
III. APPLICANT INFORMATION	N:			
X Lisley Chambles	Signature	Applicant or Agent of Owner		
Leslie Chambless	Printed Name	Randall Underwood		
4824 Abbott Ave	Mailing Address	25 HPV #100-337		
Highland Park, TX 75205		HP, TX 75205		
214-546-0143	Telephone Number	214-808-6113		
	Fax Number			

By my signature as Current Land Owner, I have applied to combine these properties into one building site. I hereby affirm that I recognize and understand per the Town of Highland Park's Zoning Ordinance, should these building sites be combined they cannot later be subdivided. This Zoning Change is considered permanent and will run with the property in perpetuity.

IV. PROJECT INFORMATION: (Complete all information)

Proposed Project Name (if applicable):
Street Address of Project: 4822 & 4824 ABBOTT AVENUE
Existing Zoning District: DISTRICT D - ONE FAMILY RESIDENCE
Proposed Zoning District (if applicable):
Legal Description(s) of Project (Lot, Block, Addition): LOTS 12 AND 13, BLOCK 89
FOURTH INSTALLMENT OF HIGHLAND PARK, VOL. 1, PG. 398 M.R.D.C.T.
V. APPLICATION EXPLANATION (Please type or print legibly, or submit a detailed explanation in letter format): We would like to platthe two above lots as one.





Memorandum

To: Ronnie Brown, Director of Town Services

Kirk Smith, Development Services Manager

From: Lori Chapin, P.E., Director of Engineering

Date: August 2, 2017

Subject: Replat for 4822 and 4824 Abbott Avenue, Highland Park, Texas

Lots 12 and 13, Block 89 of Highland Park Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, John Cole Survey, Abstract 268

We have reviewed the preliminary replat documents to combine two lots for the above referenced property, found them to be in compliance with the Town's subdivision regulations meeting all replat standards and recommend approval.



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Administration Director: Bill Lindley

TITLE

Consider approval of an Interlocal Agreement with Dallas Area Rapid Transit.

BACKGROUND

At its meeting on August 22, 2017, the Board of Directors for the Dallas Area Rapid Transit ("DART") approved a multi-year Interlocal Agreement (the "Agreement") with the Town. The Agreement provides a cumulative total of \$15,821,796 in payments to the Town over a nine- year period. The funding is generally equivalent to 42% of the transportation-related sales and use tax collected for remittance to DART by the State. Approval of the agreement was in response to discussions with the Town and the City of University Park for the development of a Transit Related Improvement Program ("TRIP" or the "Program").

The Program will provide reimbursement to the Town for transportation-related projects on an annual basis. The Agreement includes a list of Town-related projects identified over a ten-year period, including street and communications projects that are eligible for funding. The annual TRIP funding paid to the Town is a split between DART and the North Central Texas Council of Governments ("NCTCOG").

Various changes to the Town's previously approved agreement were made at the direction of the DART Board. These changes include:

- Providing a repeal of an Interlocal Agreement approved on July 5, 2017, between the Town and DART.
- In the event the Town Council calls an election
 - in the absence of a citizen petition to consider exiting DART, the Agreement is automatically cancelled and any previous funds paid to the Town by DART are reimbursed to DART, or
 - in response to the receipt of a citizen petition to consider exiting DART, any reimbursement to the Town for a project(s) is suspended pending the result of the election. Any previous funds paid to the Town are reimbursed to DART if the election results in the Town exiting DART.
- Reimbursement for each project will be made monthly upon submittal by the Town of supporting expenditure documentation.
- The addition by the Town of a completely new project beyond what is shown on Exhibit A requires formal DART Board approval; however, this requirement does not prohibit the Town's reallocation of available funds within approved projects.
- The approved agreement requires the retainage of 10% for each reimbursement. The final reimbursable payment will be released by DART after it receives a Certificate of Completion of the project from the Town.

• The Town must provide an updated list of the projects planned for reimbursement each year. The submittal will include an updated cost estimate, timeline for the project's completion, and the percentage of project cost sought for reimbursement.

RECOMMENDATION

Staff recommends approval of the revised Agreement with DART and authorizing the Town Administrator to sign the Agreement. The Town Council reviewed this item at its study session on September 5, 2017.

FINANCIAL IMPACT

The DART agreement provides an estimated average annual funding to the Town of \$1,757,977.

ATTACHMENTS:

File Name Description

DART_Interlocal_Agreement_9-11-2017_-final.docx DART_ILA 9-11-2017

INTERLOCAL AGREEMENT BETWEEN DALLAS AREA RAPID TRANSIT AND TOWN OF HIGHLAND PARK FOR IMPLEMENTATION OF THE APPROVED TOWN OF HIGHLAND PARK TRANSIT RELATED IMPROVEMENT PROGRAM

This Interlocal Agreement ("Agreement") is made and entered into by and between DALLAS AREA RAPID TRANSIT ("DART"), a regional transportation authority organized and existing pursuant to Chapter 452, Texas Transportation Code, and TOWN OF HIGHLAND PARK ("TOWN"), a Texas home rule municipal corporation. DART and the TOWN are collectively referred to herein as "the Parties".

RECITALS

WHEREAS, the DART Board of Directors has authorized the President/Executive Director or his designee to implement Policy IV.15, Non-Rail City Transit Related Improvement Policy ("TRIP Policy") as stipulated in Board Resolution No. 170003; and

WHEREAS, the TRIP Policy authorizes DART to make up to 21% of the sales tax collected within eligible municipalities for the period Fiscal Year ("FY") 2017 through FY 2025 available to be used for TRIP Policy reimbursement, and authorizes additional funds for reimbursement if provided by other sources; and

WHEREAS, in April 2017, the Regional Transportation Council ("RTC") approved a fixed amount of funding be made available to DART for the period FY 17 through FY 25, equivalent to approximately an additional 21% of the expected sales tax to be paid to DART from sales taxes collected within TRIP eligible cities, in order to permit DART to increase the amount of TRIP funding available for these cities; and

WHEREAS, TOWN has identified certain proposed eligible transit related improvement projects listed in Exhibit A attached hereto and incorporated herein (the "Projects") and submitted them to DART for reimbursement in accordance with the TRIP Policy; and

WHEREAS, DART has verified that the Projects meet the TRIP Policy criteria as more specifically described below; and

WHEREAS, TOWN will prepare and submit to DART final plans and specifications ("Engineering Documents") upon request and has provided probable estimated costs ("Project Budget") for each of the Projects listed in "Exhibit A" attached hereto and incorporated herein for all purposes; and

WHEREAS, the Texas Government Code and the Texas Transportation Code authorize local governments to contract with each other for the performance of governmental functions and services, including joint funding of transit related improvement projects; and

WHEREAS, it is the desire of the Parties to enter into an agreement for reimbursement by DART of certain of the costs of the Projects in accordance with the TRIP Policy; and

WHEREAS, the Town Council of the Town of Highland Park approved a similar Interlocal Agreement with DART on July 5, 2017, which is repealed and replaced with this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the Parties hereto, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. CONTRACT PERIOD

The TRIP Policy authorizes project cost reimbursement by DART to TOWN for the period FY 17 through FY 25. This Agreement provides for reimbursement for Projects for the period FY 17 through FY 25 (Oct. 1, 2017 through September 30, 2025) and terminates upon DART'S final reimbursement for the Projects listed on Exhibit A. This Agreement shall be effective on the date last signed by the Parties.

2. MAXIMUM FUNDING

The amount of annual TRIP Policy funding for Project reimbursement by DART to TOWN under this Agreement is made up of two components as follows:

- A. Reimbursement by DART to TOWN under this Agreement shall not exceed 21% of the actual fiscal year sales tax received by DART from TOWN, and accordingly involves a true-up procedure at the end of each fiscal year and described below in Table 1, Column 1.
- B. The TRIP Policy also authorizes DART to reimburse TOWN an additional estimated 21% of TOWN sales tax if funds to do so are provided to DART from the RTC, as shown in Table 1 Column 2 below. TOWN acknowledges that this portion of the reimbursement to TOWN is contingent in amount and availability to TOWN upon DART'S receipt of funds, pursuant to a separate agreement between DART and the North Central Texas Council of Governments. The funding provided to DART from the RTC will be no greater than the fixed amount as reflected below in Table 1 Column 2. Accordingly, when combined with the RTC funding provided to DART, the funding provided to TOWN for the TRIP Policy reimbursement is estimated at approximately 42% of the sales tax collected within TOWN each year. The table below describes amounts for the dual means of funding.

Table 1

Fiscal Year	DART 21 %	RTC 21 %	Total Estimated
	Column 1	Column 2	Reimbursement
			Column 3
FY 17	\$ 778,700	\$ 778,700	\$ 1,557,400
FY 18	\$ 802,061	\$ 802,061	\$ 1,604,122
FY 19	\$ 826,123	\$ 826,123	\$ 1,652,246
FY 20	\$ 850,907	\$ 850,907	\$ 1,701,814
FY 21	\$ 876,434	\$ 876,434	\$ 1,752,868
FY 22	\$ 902,727	\$ 902,727	\$ 1,805,454
FY 23	\$ 929,809	\$ 929,809	\$ 1,859,618
FY 24	\$ 957,703	\$ 957,703	\$ 1,915,406
FY 25	\$ 986,434	\$ 986,434	\$ 1,972,868
Total	\$ 7,910,898	\$ 7,910,898	\$ 15,821,796

Actual DART sales tax collections may vary in any given year from the estimates shown above in Table 1 Column 1. Accordingly, at the end of each fiscal year covered by this Agreement, DART'S Finance Department shall prepare a year-end calculation (a "true-up") of sales tax collected within the TOWN in order to accurately reflect the maximum funding allowable under the TRIP Policy for the fiscal year as described in subsection A above. If the estimate in Column 1 of Table 1 exceeds or understates the actual maximum reimbursement allowable under the Policy (21%), DART will adjust the reimbursement amount for the next fiscal year based on the difference. Based on the true-up: (a) any funds that could have been available to TOWN in a given year that were not used for reimbursement to TOWN may be used for and by TOWN in a subsequent year, and (b) any funds provided to TOWN that were in excess of the amounts that should have been provided to TOWN in a given year will be deducted from availability to TOWN in the subsequent year. The final one or more requests for reimbursement and payment of reimbursement for FY 25 shall be made following the month the actual sales taxes collected within TOWN can be determined and shall be based on the actual sales tax collected for FY 25 and adjusted for any applicable prior underpayment or overpayment.

The funding set out in Table 1 Column 2 above is a fixed amount for each year and will not change from year to year (but is subject to funding by the RTC), and therefore requires no subsequent true-up. In the event the RTC funds less than the fixed amount programmed or anticipated for all participating municipalities under the TRIP Policy, reimbursement funding will be proportionally reduced among the participating cities (including TOWN).

3. ELIGIBLE PROJECTS

To be eligible for reimbursement under the TRIP Policy, a Project must be authorized under and consistent with the provisions of Chapter 452 of the Texas Transportation Code. Projects may include planning, environmental impact studies, engineering, final design, right-of-way acquisition, construction, testing, inspection, surveying, operations and maintenance of a

transit capital or transit supportive capital project including traffic control systems and public safety communication systems, senior citizen transportation services, transit voucher programs or other transit services not otherwise available from DART.

Eligible Projects (Exhibit A) under this Agreement may include projects commenced during the period FY 17 through FY 25. TOWN may request reallocation of the reimbursement funds to other eligible Projects included in Exhibit A by a proposed amendment to this Agreement, which must be approved by the Parties (but without DART Board action). DART Board approval is required to add any additional project to Exhibit A as an eligible Project under this Agreement.

4. ENGINEERING RESPONSIBILITIES

- A. TOWN shall prepare and provide to DART (to the extent requested) the Engineering Documents, Project Budgets and all other documents, specifications, and engineering necessary for procurement and award of the contracts as necessary to complete the Projects and in accordance with the TOWN'S Code of Ordinances and Texas statutes.
- B. DART shall review the Engineering Documents and Project Budgets (the "Approved Plans") to verify compliance with the TRIP Policy. In the event changes to the Approved Plans are subsequently necessary for any reason, TOWN shall, at its own cost, make such corrections necessary to the Approved Plans. TOWN acknowledges DART has no responsibility for accuracy, completeness or constructability of the Approved Plans or for means or methods of procurement or construction and does not provide any warranty as to the Project itself or for suitability of the Project for any particular purpose.

5. CONSTRUCTION

- A. TOWN or TOWN'S contractor will perform the construction or implementation of the Projects in accordance with the Approved Plans and in accordance with all applicable local, state and federal laws, building codes, DART specifications, if applicable, and other applicable laws or regulations. TOWN or TOWN'S contractor will pursue construction of the Projects continuously through completion. Any work required or performed beyond the Approved Plans, including by example and not limitation, for utility relocation, purchasing real or other property, field changes, supplemental agreements, change orders, cost overruns or damages for owner delay that may become necessary for or to the Projects shall be the financial responsibility of the TOWN whether or not such work is reimbursable under the limitations of the TRIP Policy or this Agreement. TOWN will supervise and inspect all work performed for the Project and will provide such engineering, inspection and testing services as may be required to ensure that the construction and Project installation is accomplished in accordance with the Approved Plans. TOWN acknowledges DART has no inspection obligations, though DART representatives will be allowed reasonable access to the Project during design, construction, and implementation through final completion, and subsequently reasonable access for a period three years thereafter to all books and records relating to the Project.
- B. Upon completion of the Project (which must include functional use of the Project), TOWN shall provide to DART a "Certificate of Acceptance and Final Completion,"

acknowledging that the Project(s) has been completed in accordance with the Approved Plans. Additionally, within 30 days after receiving final reimbursement for the Project from DART, TOWN shall deliver to DART a final set of "as-built" plans for the Project. DART shall be allowed reasonable access to view or inspect the completed Project prior to providing the final reimbursement funds.

6. MAINTENANCE AND WARRANTY REQUIREMENTS

Upon completion of the Project, TOWN shall commence and continue to fully maintain the Project over the useful life of the Project. TOWN shall require and obtain a written warranty for all work related to the Project against defects in materials and workmanship for a minimum period of one (1) year from completion of the Project.

7. FUNDING AND REIMBURSEMENT PROCEDURES

- A. At the commencement of each fiscal year, TOWN shall provide to DART an updated schedule of total Project costs, timetable for completion, and projected percentage of project costs to be reimbursed by DART. No more than once per calendar month, DART will reimburse TOWN for Project costs for completed work based upon paid invoices, supported by written evidence of expenses and payments for eligible Project costs. Each invoice must include a written certification from an engineer specifying the work has been completed up to the point for which payment has been made in accordance with the Approved Plans and shall further specify any reasons for materials delays or deviation from the timetable provided. DART will not prepay any expenses or prepay for work before it is done.
- B. Any Project costs in excess of the maximum annual reimbursement allowable in this Agreement shall be paid by TOWN. TOWN acknowledges that this Agreement places limitations on reimbursement to TOWN and accordingly may not fully fund the cost of any particular Project.
- C. DART shall remit reimbursement funds by electronic transfer or by a check or warrant made payable to TOWN and not to any other party. DART, at DART'S discretion, may withhold ten percent (10%) of each reimbursement request and/or the entire final reimbursement request for any or all Projects until the requirements of paragraph 5.B. hereof are met.
- D. DART may cancel the TRIP Policy at any time, however, DART may not cancel the obligation to fund the Projects hereunder to the extent covered by this Agreement, other than (i) in the event of a default in the performance by TOWN of any obligation hereunder and TOWN'S failure to cure such default within ten days of receiving notice thereof from DART, or (ii) as set forth below.
- E. As provided in paragraph 5.A. hereof, upon reasonable written notice to TOWN, DART may access TOWN'S books and records relating to any Project to allow for review by DART'S financial, auditing and/or engineering staff.

8. <u>EFFECT OF TOWN'S WITHDRAWAL EL</u>ECTION

- A. If TOWN orders an election to withdraw from DART pursuant to Section 452.651(a) of the Texas Transportation Code, no new applications for reimbursement from TOWN will be considered, payments under this Agreement and any other existing agreements for TRIP Policy reimbursement for TOWN will be immediately stopped, and no new allocations of funds or payments under the TRIP Policy shall be made to TOWN. This Agreement and all other existing agreements with TOWN for TRIP Policy reimbursement shall be deemed mutually cancelled and no further funding or reimbursement shall be provided by DART for TOWN. Funds previously paid to TOWN for any TRIP project by DART, whether hereunder or otherwise, shall be included as part of TOWN'S total financial obligation to DART.
- B. If TOWN orders an election to withdraw from DART pursuant to Section 452.652 of the Texas Transportation Code (based on a withdrawal petition by citizens of TOWN) no new applications for reimbursement will be considered, payments under this Agreement and any other existing agreements for TRIP Policy reimbursement for TOWN will be immediately suspended, and no new or pending applications will be recommended for reimbursement, pending outcome of the election. If the withdrawal election fails, reimbursements to TOWN under this Agreement will resume. If the withdrawal election is successful and the TOWN withdraws from DART, no further applications will be addressed or received from TOWN and no new allocations of funds under the TRIP Policy shall be made to TOWN. This Agreement and all other existing agreements with TOWN for TRIP Policy reimbursement shall be deemed mutually cancelled and no further funding or reimbursement shall be provided by DART. Funds previously paid to TOWN for any TRIP project by DART, whether hereunder or otherwise, shall be included as part of the TOWN'S total financial obligation to DART.

9. MISCELLANEOUS

- A. Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement.
- B. <u>Entire Agreement</u>. The recitals and exhibits to this Agreement are incorporated herein for all purposes. This Agreement constitutes the entire agreement of DART and TOWN with respect to the subject matter hereof.
- C. <u>Amendment</u>. This Agreement may not be amended except in writing, and signed by the Party against whom enforcement of such amendment is sought.
- D. <u>Termination</u>. If either Party breaches or is in default of this Agreement, the non-defaulting Party may terminate this Agreement after twenty (20) days written notice to the other Party, allowing for cure of the default within this time period.
- E. <u>Governing Law and Construction</u>. This Agreement shall be governed and construed as to interpretation, enforcement, validity, construction, effect and in all other respects by the laws, statutes and decisions of the State of Texas. This Agreement shall be construed fairly and in accordance with its plain meaning, without regard to the Party who may have drafted parts or all of this Agreement.

- F. <u>Headings</u>. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.
- G. <u>Terminology</u>. "Hereunder," "hereof," and similar or related terminology refers to this entire Agreement. Where appropriate, all references to the singular shall include the plural and vice versa and all references to any gender shall include any and every other gender.
- H. <u>Execution of Multiple Originals</u>. This Agreement may be executed in any number of counterparts, each deemed to be an original.
- I. <u>Authority to Execute</u>. The individual signatories below represent they have authority to sign for and bind the respective Party.
- J. <u>Notices</u>. All notices pursuant to this Agreement shall be sent by certified mail return receipt requested or hand delivered with signed delivery evidence to the following persons:

TOWN: Steven J. Alexander

Director of Administrative Services and Chief Financial Officer

TOWN OF HIGHLAND PARK

Town of Highland Park 4700 Drexel Drive

Highland Park, TX 75205

DART: Todd Plesko,

DALLAS AREA RAPID TRANSIT

VP Service Planning and Scheduling

Dallas Area Rapid Transit

1401 Pacific Ave. Dallas, TX 75202

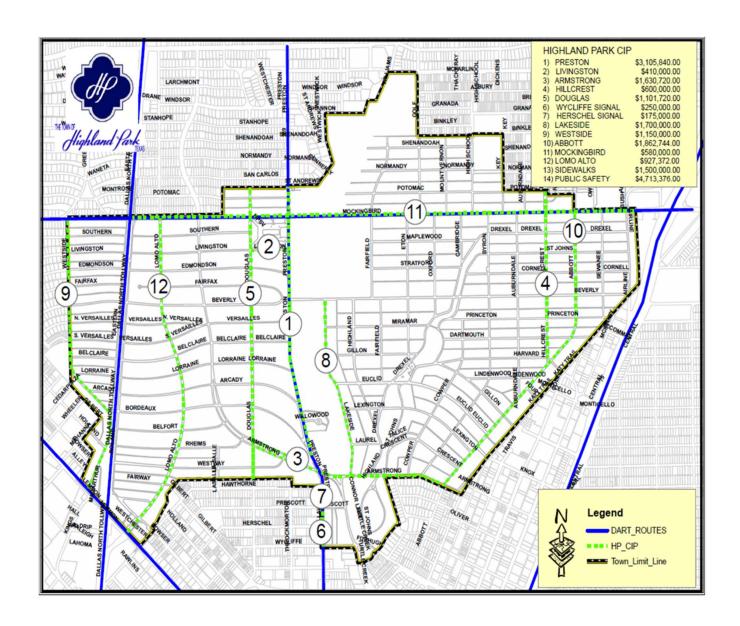
EXECUTED this the 11th day of September, 2017.

	TOWN OF INGINEERING TIME
By:	By:
Name: Gary C. Thomas	Name: Bill Lindley
President/Executive Director	Town Administrator
Date:	Date:

Exhibit "A"

	DART Pus Pouto		
Description of Problems Control	DART Bus Route	Takal Da	to the factories
Description of Eligible Highland Park Projects	Relevance	lotal Pr	oject Cost Estimate
Preston Road FY 2015-16 Carryover Phase 1	36 & On Call	\$	1,312,320
Preston Road Phase 2	36 & On Call	\$	1,793,520
Streets, Sidewalks & Miscellaneous Concrete Phase 1 within 1/2 mile of fixed route bus routes	31,36,521 & On Call	\$	5,040,739
Street Lighting Phase 1	31,36,521 & On Call	\$	125,500
Livingston Avenue Rehabilitation including Preston Intersection	36 & On Call	\$	410,000
Armstrong Parkway Reconstr./Rehab. Including Preston Intersection	36 & On Call	\$	1,630,720
Hillcrest Avenue Rehabilitation	521 & On Call	\$	600,000
Douglas Avenue Rehabilitation including intersection at Lemon	31 & On Call	\$	500,280
Wycliffe/Oak Lawn & Herschel/Oak Lawn traffic circle construction or signalization	36 & On Call	\$	1,600,000
Lakeside Drive Reconstruction including Preston Intersection	36 & On Call	\$	1,700,000
Project 25 Public Safety Radio System FY 2016-17 Carryover Phase 1	31, 36, 521 & On Call	\$	200,000
Project 25 Public Safety Radio System Phase 2	31, 36, 521 & On Call	\$	1,934,304
Turtle Creek Bridge At Wyclifff	36 & On Call	\$	9,000,000
Streets, Sidewalks & Miscellaneous Concrete Phase 2 within 1/2 mile			
of fixed route bus routes	31,36,521 & On Call	\$	4,644,951
Street Lighting Phase 2	31,36,521 & On Call	\$	100,000
Douglas Avenue Rehabilitation including Lemon Intersection	31 & On Call	\$	601,440
Westside Drive Reconstruction including Lemon Intersection	32 & On Call	\$	1,150,000
Abbott Avenue Rehab./Reconstr. Including Intersection with Mockingbird	521 & On Call	\$	1,862,744
Mockingbird Lane Resurfacing including intersections at Hillcrest and Preston	521 & On Call	\$	580,000
Lomo Alto Drive Rehabilitation including Lemon Intersection	31 & On Call	\$	927,372
Project 25 Public Safety Radio System Phase 3	31,36, 521 & On Call	\$	2,579,072
,			
DART Reimbursement Cap Estimate FY17 through FY25			\$15,821,796
Total Cost Estimate of Eligible Projects from Highland Park Capital Program			38,292,962
Town Acknowledged that Difference is not reimbursable by DART above Cap			(\$22,471,166)
Overall and annual DART Reimbursen	nent CAP are shown in t	able 1	
Highland Park Project Lim	it Map is attached		

Highland Park Project Limit Map





TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Building Inspection Director: Ronnie Brown

TITLE

Consider approval of an ordinance amending the Town's Zoning Ordinance by combining 4822 and 4824 Abbott Avenue into one building site.

BACKGROUND

Following a public hearing earlier in this meeting, the attached ordinance is presented for consideration by the Council to approve combining 4822 and 4824 Abbott Avenue into one building site, bearing the street address of 4824 Abbott Avenue.

RECOMMENDATION

Staff recommends approval. The Town Council reviewed this item at its study session on September 5, 2017.

FINANCIAL IMPACT

None.

ATTACHMENTS:

File Name

Description

Combining 4822 and 4824 Abbott Avenue into One Building Site.docx

ORDINANCE NO.

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS AMENDING CHAPTER 14 ZONING, ARTICLE 14.02 ZONING ORDINANCE EXHIBIT A, SECTION 4 ZONING DISTRICT MAP, OF THE CODE OF ORDINANCES OF THE TOWN OF HIGHLAND PARK, TEXAS, BY COMBINING 4822 AND 4824 ABBOTT AVENUE INTO ONE BUILDING SITE; AMENDING SECTION 26-101(B) TO INCLUDE 4824 ABBOTT AVENUE AS A COMBINED BUILDING SITE; PROVIDING CONDITIONS; PROVIDING A VALIDITY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCORPORATION INTO THE CODE OF ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the owner of 4822 and 4824 Abbott Avenue has requested the Town of Highland Park, Texas (the "Town") to combine the two single-family building sites into one; and

WHEREAS, on August 9, 2017, the Town's Zoning Commission conducted a public hearing and recommended approval of the request; and

WHEREAS, Chapter 14, Zoning, of the Code of Ordinances of the Town of Highland Park, Texas, is also known as the "Town's Zoning Ordinance;" and

WHEREAS, the Zoning Commission and the Town Council of the Town of Highland Park, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have held due hearings and afforded a full and fair hearing to all property owners generally, and to all persons interested and situated in the affected area and in the vicinity thereof, and the Town Council of the Town of Highland Park is of the opinion and finds that said zoning change should be granted and that the Zoning Ordinance and the Zoning District Map should be amended;

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

<u>SECTION 1.</u> That, Chapter 14 Zoning, Article 14.02 Zoning Ordinance Exhibit A, Section 4 Zoning District Map of the Town's Zoning Ordinance, as amended, is hereby amended to combine 4822 and 4824 Abbott Avenue, being Lots 12 and 13, Block 89, Highland Park Addition, Fourth Installment, into one building site on the zoning district map of the Town.

<u>SECTION 2.</u> That, Chapter 14 Zoning, Article 14.02 Zoning Ordinance Exhibit A, Section 26 List of Specific Use Permits, Planned Developments, and Combined Building Sites of the Town's Zoning Ordinance, as amended, is hereby amended to include 4824 Abbott Avenue as a combined building site in Subsection 26-101(b) as follows:

Zoning District	Address	<u>Date</u>
D	4824 Abbott Avenue	2017

<u>SECTION 3.</u> <u>Validity.</u> That, all ordinances of the Town of Highland Park in conflict with the provisions of this ordinance be, and the same are hereby superseded and all other provisions of the ordinances of the Town of Highland Park not in conflict with the provisions of this ordinance shall remain in full force and effect.

<u>SECTION 4.</u> Severability. That, should any paragraph, sentence, clause, phrase, or word of this ordinance be declared unconstitutional or invalid for any reason, the remainder of this ordinance shall not be affected.

<u>SECTION 5.</u> <u>Incorporation.</u> That, this ordinance shall be deemed to be incorporated into the Code of Ordinances of the Town of Highland Park, Texas.

<u>SECTION 6.</u> <u>Effective Date.</u> That, this ordinance shall take effect immediately following its passage, approval and publication as provided by law, and it is accordingly so ordained.

PASSED AND APPROVED this the 11th day of September, 2017.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle Town Attorney

Joel T. Williams, III Mayor

ATTEST.

Gayle Kirby Town Secretary

Agenda Briefing

Council Meeting: September 11, 2017

Department: Engineering Director: Lori Chapin

TITLE

Consider approval of a request to replat Lots 12 and 13, Block 89, Highland Park Addition, Fourth Installment, an addition to the Town of Highland Park, Dallas County, Texas, bearing the street addresses of 4822 and 4824 Abbott Avenue, into one lot.

BACKGROUND

The property owner submitted a request to combine 4822 and 4824 Abbott Avenue into one building site. A public hearing is scheduled at 8:00 a.m., on Monday, September 11, 2017, to consider a request to replat the properties into one lot, contingent upon the Town Council's approval to amend the Town's Zoning Ordinance to combine the two single-family building sites. The staff reviewed the replat and determined that it complies with the Town's zoning, subdivision regulations, and pertinent state law.

RECOMMENDATION

The staff recommends approval. This item was reviewed by the Town Council at its Study Session on September 5, 2017.

FINANCIAL IMPACT

None

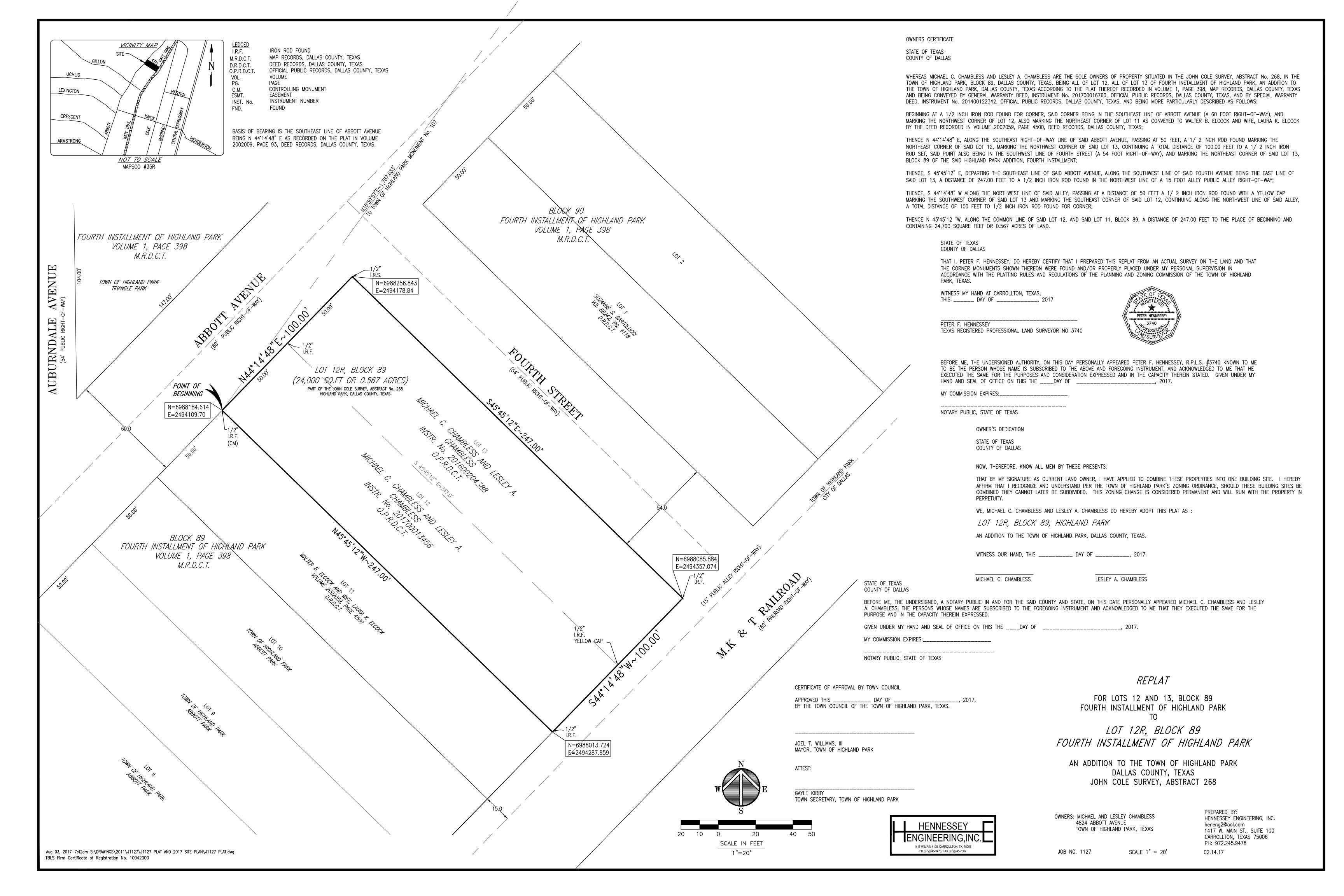
ATTACHMENTS:

File Name

J1127 PLAT-LOT 12R BLOCK 89.pdf

Description

RePlat Document





TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Fiscal & Human Resources Director: Steven J. Alexander

TITLE

Consider approval of an ordinance adopting the Fiscal Year 2017-18 Proposed Budget in an amount not to exceed \$44,162,939.

BACKGROUND

The Fiscal Year 2017-18 Proposed Budget provides: (i) funding for existing Town-provided services and operations; (ii) a competitive pay and benefit environment for employees; (iii) adequate funding of operating capital needs; and (iv) funding of the annual capital transfer from the General Fund to the Capital Projects Fund for future capital needs.

Funding for the Fiscal Year 2017-18 Proposed Budget includes a tax rate of \$0.22 per \$100 valuation, which will raise more total property tax than last year by \$553,695, or 4.37 percent. The property tax revenue to be raised from new property added to the tax roll is \$276,963.

On July 28, 2017, the Town Administrator submitted the Proposed Budget to the Town Secretary, the Town Council, and the Finance and Audit Advisory Committee. The Town Council reviewed the Proposed Budget at its study sessions on August 8, 2017, and August 22, 2017.

The Texas Local Government Code requires that the Town hold a public hearing on the Proposed Budget. Two public hearings were held on August 14, 2017, and August 28, 2017. Notice of these public hearings was published in The Park Cities News on July 27, 2017, and on August 10, 2017, and posted on the Town's website.

The Proposed Budget is available for public inspection at the Town Secretary's office or on the Town's website.

RECOMMENDATION

The staff recommends approval. The vote to adopt the budget must be a record vote of the Town Council. The Town Council reviewed this item at its study session on September 5, 2017.

FINANCIAL IMPACT

The adoption of the Fiscal Year 2017-18 Proposed Budget will provide funding for Town operations, operating capital, and capital transfers for the fiscal year beginning October 1, 2017 and ending on September 30, 2018.

ATTACHMENTS:

File Name

Adopting_the_Budget_for_FY_2017-18.docx FY_2017-18_Proposed_Budget.pdf

Description

Proposed Ordinance Proposed Budget

ORDINANCE NO.

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$44,162,939, including \$7,464,920 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2017, and ending September 30, 2018, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 28, 2017, and more than thirty (30) days prior to the end of the fiscal year 2015, 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, 2017, 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 14, 2017, and August 28, 2017, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 11, 2017, following the public hearing, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

APPROVED:

PASSED AND APPROVED this 11th day of September, 2017.

Matthew C.G. Boyle Town Attorney	Joel T. Williams, III Mayor
ATTEST:	

Gayle Kirby Town Secretary

APPROVED AS TO FORM:



Town of Highland Park Proposed Budget

Operating and Capital

For the Fiscal Year 2017-2018

This budget will raise more revenue from property taxes than last year's budget by an amount of \$553,695 which is a 4.37 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$276,963.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Adopted 2017-18	Adopted 2016-17
Property Tax Rate:	\$0.220000/100	\$0.220000/100
Effective Tax Rate:	\$0.214177/100	\$0.204043/100
Effective Maintenance & Operations Tax Rate:	\$0.214177/100	\$0.204043/100
Rollback Tax Rate:	\$0.231311/100	\$0.220366/100
Debt Rate:	\$0.000000/100	\$0.00000/100

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Highland Park

Texas

For the Fiscal Year Beginning

October 1, 2015

Executive Director

fry R. Ener

TOWN OF HIGHLAND PARK, TEXAS

PROPOSED BUDGET

OPERATING AND CAPITAL
OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018

AS SUBMITTED TO

THE MAYOR AND THE TOWN COUNCIL

JOEL T. WILLIAMS III MAYOR

BOB CARTERMAYOR PRO TEM

DAVID DOWLER ERIC GAMBRELL MARGO GOODWIN JOHN MCKNIGHT COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

STEVEN J. ALEXANDERDIRECTOR OF ADMINISTRATIVE SERVICES & CFO

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Memorandum

To: Mayor & Town Council Members

Via: Bill Lindley, Town Administrator

From: Steven J. Alexander, Director of Admin. Services & CFO

Date: July 28, 2017

Subject: Fiscal Year 2017-18 Proposed Budget Highlights

The Proposed Budget provided with this memorandum is structurally balanced for all funds, meaning, operating revenues cover operating expenditures in a manner that is sustainable, barring significant economic downturns, into the foreseeable future. Attached for your review is an entity-wide summary of major funds, an entity-wide summary of all funds and summary statements for each fund. Key highlights within the Proposed Budget include the following:

Operating Revenues:

Property Taxes – Taxable assessed values (T.A.V.) are anticipated to increase by 4.3% which is factored into the Proposed Budget. The tax rate proposed remains at 22 cents per \$100 of taxable assessed values. The most current information presented by Dallas Central Appraisal District (DCAD) shows a 4.3% increase in T.A.V., but approximately \$95.0 M in T.A.V. remains in dispute. The Proposed Budget anticipates that the amount under dispute will ultimately result in an estimated \$66.0 M in T.A.V. Construction values are making up \$125,892,289 of the total increase, which equates to \$276,963 of the total \$542,497 increase in property tax revenue. The special legislative session currently underway may result in legislation that impacts this proposal since two of the issues identified by Governor Abbott included:

- 1. Revenue caps (the Governor urged the legislature to pass S.B. 2 from the regular session a four-percent property tax cap).
- 2. Spending caps for both the state and cities equal to population growth plus inflation (this bill was not filed during the regular session).

Sales Taxes - With construction activity anticipated to continue at Highland Park Shopping Village and the potential rehabilitation of Preston and Livingston Roads, sales tax is expected to remain relatively flat for next fiscal year. While an increase of 4.6%, or \$164,286, over current year-end projections is proposed, this is driven in part by a reduction in sales tax revenue in the current year related to a repayment of sales tax revenue due to a prior period audit. This reduction is expected to be a one-time occurrence. Taking this matter into account, the anticipated growth in sales tax represents a 2.5% increase over what sales tax would have been for the current fiscal year without the prior period audit adjustment. This anticipated growth projection is also in line with DART's transit sales tax projections used to estimate the amount of funding to contribute to the Town for participating in DART's Transportation Related Improvements Program (TRIP).

Utility Revenues - Water and wastewater rates are planned to remain the same for fiscal year 2017-18; however, the financial forecast over the next 10 years anticipates rates increasing by 4.75% in fiscal year 2018-19.

Solid Waste Revenues - As previously presented to Town Council, based on the new contract with Republic Services, solid waste and recycling rates are proposed to increase 5.5% (CPI rate increase for October through December) and 10.8% beginning on January 1 for a total increase of 16.3% over current rates. This increase generates an additional \$167,612 in revenue and is necessary to maintain a balanced budget within the Solid Waste Fund.

Other Revenues - The Proposed Budget returns the accounting of alarm monitoring revenue back to the General Fund as was the practice in previous years. In recent years, the amount of revenue paid to Thrive has been accounted for within the DPS Technology Fund. The impact of this accounting change is General Fund revenues growing by \$202,238. This amount will no longer be reflected in the DPS Technology Fund. Going forward, the only revenues reported in the DPS Technology fund will relate to revenues received from Telecommunications Properties, Inc. derived from leasing tower space at Town Hall to cellular carriers. The Proposed Budget also anticipates an increase in the annual alarm permit fee charged to residents. This fee is proposed to increase from \$30 to \$48 per year which is comparable to other cities within the region.

Operating Expenditures:

Payroll - The Proposed Budget anticipates continuing the Town's pay for performance program and plans for a 3% increase in pay for those individuals that are not eligible for pay for performance or currently at the top of their pay range. Continuing the compensation program results in a \$441,308 increase in the General Fund (\$399,494) and Utility Fund (\$41,814) budgets (exclusive of additional taxes, TMRS contribution, etc.). Paradox Compensation Advisors is completing an update to the Town's compensation analysis, but anticipates the 3% adjustment to be in line with the Town's other comparison cities. As a side note, the Dallas Central Appraisal District (DCAD) has proposed a 4% compensation adjustment in next year's budget.

Pay for Performance & Fitness – The Proposed Budget continues to fund the Town's pay for performance and fitness programs for Fiscal Year 2017-18. Pay for performance provides a quarterly incentive in recognition of an employee's performance for the past quarter and allows an employee to earn up to 7% of their quarterly income. Additionally, those employees who participate in the Town's quarterly fitness program, can earn up to 2% of their quarterly pay based on how well they score on an agility test. Overall, the budget includes \$580,741 for pay for performance and \$229,341 for fitness.

Health Insurance - At a total additional cost of \$122,124, health insurance is budgeted to increase by 10%. Bids received from insurance carriers presented an 18%-22% increase to continue the existing health insurance benefit. As can be seen in the following table, the Town's loss ratio is high for fiscal year 2016-17, with the last couple of months being above 100%. IPS Advisors is in the process of completing negotiations with Cigna (the apparent low bidder), and finalizing plan design options that would allow the cost of the program to remain within the 10% increase proposed. Overall, the Proposed Budget includes \$1,801,299 for insurance related items including health, dental, workers' compensation and long-term disability.

Town of Highland Park Health / Dental Loss Ratio

	Total Claims*	Premium*	Loss Ratio
2011-2012	\$8,238	\$10,667	77.2%
2012-2013	\$11,846	\$11,566	102.4%
2013-2014	\$9,447	\$11,807	80.0%
2014-2015	\$13,762	\$12,965	106.1%
2015-2016	\$11,269	\$13,465	83.7%
2016-2017 (YTD)	\$13,380	\$13,484	99.2%

YTD - Oct - May 2017

TMRS - According to TMRS's *Actuarial Valuation Report* as of December 31, 2016, the Town's total required contribution rate for calendar year 2018 is 5.54% which is slightly above the current rate of 5.40%. In calendar year 2017 the Town experienced a significant increase in its contribution rate to TMRS, increasing from 3.19% to 5.40%. Since a change in the contribution rate is not effective until January of each year, the increase for calendar year 2017 is fully experienced in Fiscal Year 2017-18. Highland Park's total actuarial liability of \$71,505,794 related to retirement remains fully funded at 102.1%. In an effort to maintain this funding status, the Proposed Budget includes funding to cover the Town's normal cost rate for next year which equals 6.27%. Overall, this increases the budget for TMRS contributions by \$71,227.

In addition to the adjustments to *Personnel Services* discussed above, it is important to note that the Proposed Budget includes the addition of a Sergeant and Alarm Specialist in DPS at a budgeted cost of \$265,027, and a full-time Town Librarian position at a cost of \$152,847 that was previously funded through Contract Services. These costs are partially offset by the elimination of one Parks Maintenance Worker I position at an estimated cost of \$63,000 and funding the assistant foreman position in the Utility Fund for one-half of the next fiscal year reducing the Utility Fund operating budget by approximately \$45,000.

Supplies - Overall Supplies & Equipment is proposed to increase 2.37%, or \$91,699. The increase is primarily attributed to the increase in the cost of water purchases of \$150,386 resulting from the water rate increase adopted by Dallas County Park Cities Municipal Utility District (DCPCMUD) for Fiscal Year 2017 along with slightly larger anticipated water purchases. Other changes in supplies includes reductions in needed funds resulting from the completion of the vehicle ding & dent repairs in Fiscal Year 2017 (\$20,875) and non-recurring purchases of capital equipment (\$17,650).

Services & Charges – Increasing overall by 1.21%, or \$77,943, this expense category is impacted by the elimination of payments made to Thrive (\$230,000) which is partially offset by the addition of costs associated with TelGuard services totaling \$92,400. The Proposed Budget for the Utility Fund includes an increase in wastewater treatment charges assessed by the City of Dallas totaling \$99,602. Approximately \$56,000 has been included in the Utility Fund for additional human resources consulting services and wellness management services. Services and charges within the Parks Department are proposed to increase by \$77,274 due to a greater focus on outsourcing parks maintenance as opposed to filling vacant positions. Additionally, the Library had a significant decrease of approximately (\$153,000) in contract services with the departure of the former Town Librarian. Finally, with a new contract in effect January 1, 2018, contract services in the Solid Waste Fund is increasing \$145,720 for collection and recycling charges.

^{*}Total Claims / Premium numbers are shown as per capita (per employee)

New Programs Proposed:

- Addition of a motorcycle unit in DPS the budgeted cost of this program is \$141,619, which includes the cost of the motorcycle. Revenues anticipated within the budget have been limited to the overall cost of the program and are increasing court revenues by \$141,619. Any additional revenue that might result from the added unit could be used to address capital or other identified needs.
- Single sign-on (SSO) for Library Services Total net impact to the General Fund \$8,250
- *Addition of a plans reviewer* Fully funded within the General Fund, this position budgeted at \$79,568 is partially funded through the addition of a Sub-Contractor Registration fee of \$125 per registration and through applying the current plan review fee to renovation projects with a construction value of over \$100,000 Total net impact to the General Fund \$18,044.
- *Contract Labor in Parks* Increase in contract labor for parks with associated elimination of one full-time position Total net impact to the General Fund (\$18,530).

Capital Improvement Program (CIP):

Revenue Assumptions - There are three significant revenue assumption changes made in the CIP. Within the financial model for the General Fund, which is used to determine the annual transfer to the Capital Projects Fund, taxable assessed valuation growth has been reduced to 4.5%, as opposed to 5%, to take on a more conservative outlook and in anticipation of future revenue caps or tax rate growth limitations that may be legislatively set by the State. This change reduces anticipated property taxes over the 10-year period presented in the financial model by \$3,793,221. Sales tax growth has been trending the last couple of years less than what was initially projected. In the updated financial model, sales tax is anticipated to grow at a rate of 4% per year, versus the previously anticipated 5%. Reducing the sales tax revenue growth assumption results in a \$2,127,039 reduction in sales tax revenue over the 10-year planning horizon. Regarding the Utility Fund, revenue modeling previously anticipated a 4% increase in water and wastewater rates in alternating years beginning in Fiscal Year 2018-19. The updated model anticipates these increases to be at 4.75%, which is in part driven by the increased cost of water purchased from the DCPCMUD and treatment of wastewater by the City of Dallas.

DART – Through the recent approval of a Transportation Related Improvements Program (TRIP) policy by DART, the Town anticipates that DART will provide approximately \$1.7 million per year over the next 9 years toward the Town's CIP as it relates to transportation projects and/or projects that positively impact public transportation provided by DART. The annual contribution from DART, equal to 42% of the Town's sales tax that is paid to DART, has not been incorporated into the CIP, but if approved will allow the Town to focus its existing funding on projects not currently included in the CIP such as improvements to Wycliff Avenue, and the replacement of the elevated water storage tank at Holland Avenue. To the extent that the improvements to Wycliff Avenue could be incorporated into the CIP, the North Central Texas Council of Governments has indicated a willingness to participate by providing approximately \$5.0 million in funding toward the project.

Project Changes & Additions

- Livingston Avenue Rehab, Preston (Phase II & Phase III) Timing Modification All three projects moved out one year on the CIP.
- *Armstrong Bridges* (2) *Rehabilitation* **Timing modification** Project moved out one year on the CIP.

• **Potential Project Funding** – Initially the CIP included \$2,400,000 in anticipated project funding in the outer five-years of the plan. In order to accommodate the change in revenue assumptions mentioned above, these funding amounts were removed.

If you have any questions or require additional information, please let me know.

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Budgeted Funds

GENERAL FUND

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

The Proposed Budget for the General Fund Budget is \$23,304,376 representing an increase of \$1,096,916, or 4.9% over the previous fiscal year Adopted Budget. Operational expenditures represent \$19,330,342, or 82.9% of the General Fund Budget, with the remaining balance of \$3,974,034 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$2,657,228 representing 11.4% of the overall General Fund Proposed Budget.

Revenues:

The Proposed Budget includes a property tax rate of \$0.22 per \$100 of taxable assessed value (T.A.V.) which is the same tax rate assessed for the past 10 years. Based on the certified tax rolls provided by the Dallas County Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by \$542,497. Of this amount, 48.9% is from existing property revaluation, while the remaining 51.1% is from new construction.

Historically, the Town has enjoyed a low property tax rate and positive increases in T.A.V. Over the last 10 years, the Town has experienced an average annual increase in T.A.V. of 4.12%.

Town of Highland Park Historical Property Tax Information

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

^{*}Includes anticipated results for disputed values.

Between fiscal years 2008 and 2010, the Town benefitted from increased property values that resulted in increased revenues to fund operations and capital projects. Property values declined in fiscal years 2011 and 2012, and the Town chose to maintain the existing tax rate, resulting in a decline in property tax revenue. The economy began to rebound in fiscal year 2013, and as a result, the Town has experienced an increase in taxable assessed property values over the last six years. Keeping the tax rate constant has allowed the Town to use the resulting increase in property tax revenues to address increases in operational costs, and increase funding toward the Town's Capital Improvement Program, as well as the Town's equipment, technology and facilities replacement programs.

Additional revenues are derived from the Town leasing space to multiple cellular communication companies at the 5005 Holland Avenue location. The Town has recently approved new contracts ranging from 5 to 10 years. These leases currently generate approximately \$225,000 within the General Fund.

Other significant revenue changes for FY 2018 include:

- Sales tax receipts, the fund's second largest source of revenue is estimated at \$3,720,000, representing a 4.6% increase over the year end projection for 2016-17.
- Continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. During fiscal year 2016-17, building permit revenue is expected to be higher than originally anticipated. Nevertheless, using a conservative approach in estimating building permit revenue going forward, total building permit revenue in fiscal year 2017-18 is projected at \$960,000, which is equal to the amount budgeted in fiscal year 2016-17.
- Municipal Court revenues are expected to be higher than the amount budgeted in the Adopted Budget for fiscal year 2016-17 with the continuation of the traffic enforcement unit implemented during the previous year and the addition of another motorcycle unit. While not reliant on this revenue source, the Proposed Budget reflects the expected change in revenue equivalent to the cost of the new unit. Any revenues that might be generated above the cost could be used toward meeting capital or other operating needs.
- The Proposed Budget anticipates increases to various fees that were identified during a review of the Town's fee schedule. These fees include:
 - Plan review fees increase \$50 to \$250 per review
 - New Subcontractor registration fees \$125
 - o Alarm permits increase from \$30 to \$48 per year
 - o Library non-resident fees increase from \$200 to \$250 per year
 - Ambulance fees increase mileage rate from \$9 to \$15 per mile and add a new Treat/ No Transport fee of \$125

Expenditures:

The operations portion of the budget funds the day-to-day activities of the Town such as personnel services, commodities, contractual services, and equipment replacement. Entity-wide personnel costs account for 46.11% of the overall budget, excluding transfers. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

Compensation- As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. In recognition of this important goal, the General Fund budget includes \$399,494 (exclusive of additional taxes, TMRS, etc.) for compensation increases. Consistent with past

years, employees not at the top of their pay range are eligible for a merit increase up to 7%, while employees who have reached the top-end of their pay range, or employees who are not eligible for pay-for-performance increases, are budgeted to receive a 3% adjustment.

During fiscal year 2012-13, the Council updated the list of comparable cities and corresponding salary survey information for our compensation program. The system provides a financially sustainable model that ensures a fair and predictable method of career progression and compensation for employees. Not only was the Council able to confirm its labor market and define market positions, it also confirmed that the current pay structure should be maintained and adjusted as market conditions warrant. As noted, the Town's pay system is a pure pay-for-performance format, substantially different than most municipal systems which are tenure-based pay structures where employees are granted automatic pay increases.

Pension- The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. The pension contribution rate paid by the Town for employees is increasing by 2.6%, to 5.54% of payroll for fiscal year 2017-18. However, in an effort to maintain fully funding the Town's pension liability, the Proposed Budget includes funding to cover the Town's normal cost rate which equal 6.27% of total payroll. Overall, within the General Fund, pension cost is growing by \$172,440 when compared to the fiscal year 2016-17 Adopted Budget. Some of the benefit provisions offered by TMRS include Ad Hoc Updated Service Credits (USC) and Ad Hoc Cost of Living Adjustments (COLA). Participation is optional for these benefits and, in past years, the Town has not participated. While many other municipalities have provided these benefits, by choosing not to participate, the Town will save an estimated \$500,000 in overall retirement costs for fiscal year 2017-18.

Health Insurance- Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees and continuing to be an employer of choice. Based on bids from the health insurance market, the Town's current health insurance provider, Blue Cross Blue Shield (BCBS), provided a bid for next fiscal year of 22% to remain with the current plan design structure. Cigna, the lowest bidder, provided a bid of 18% for the Town to remain with the current design structure. Further discussions with Cigna indicate that if the Town were to move to their narrow network option, the Town could reduce the anticipated increase to 10%. Health plan design options are being analyzed and will be provided to the Town Council for consideration. The majority of the Town's employees, 88%, subscribe to the Health Savings Account (HSA) plan, while the remainder subscribe to the Preferred Provider Organization (PPO) plan.

Town Staff continues to assess the Town's wellness program and has included funding in the Proposed Budget to contract with Methodist Health Systems to assist the Town in designing and managing a wellness program focused on a maintaining a healthy workforce. The cost of this service is anticipated to be approximately \$25,000 and is shared evenly between the General Fund and the Utility Fund.

Capital Improvement Plan-The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$2,657,228. Of this amount, \$1,408,280 is sustained as a result of new funding from enhanced revenue provided by the growth in property value over the past three years. Maintaining this funding source to the Town's Capital Projects Fund was a major focus in preparing the Proposed Budget as the Council continues its focus on a pay-as-you-go system in funding infrastructure needs.

Other significant items within the General Fund include:

• The budget includes \$35,000 for racial profiling training and quarterly reviews of policing and municipal court data to be performed by Del Carmen Consulting.

- The Proposed Budget continues to allocate \$125,000 in anticipation of employee retirements that may occur during the fiscal year. This funding is used to fund the payout of compensated absences that are not budgeted for within each department.
- The transfer to the Equipment Replacement Fund, while staying relatively the same, includes another year of \$28,000 to set aside funds to replace the Department of Public Safety's self-contained breathing apparatus (SCBA) equipment.
- The Proposed Budget includes the expansion of the Town's traffic management program with the addition of a motorcycle unit. This additional motorcycle unit is budgeted at \$141,619.
- A plan review technician has been added to the building inspections department at a total cost of \$79,568. The majority of this position (\$56,524) is funded through added subcontractor registration fees and applying the plan review fee to all projects with an estimated construction value of \$100,000 or more.
- The Proposed Budget also includes \$366,788 related to the Town taking back the alarm monitoring program as opposed to outsourcing this service.

Fund Balance:

The Town's financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Proposed Budget reflects an ending fund balance of \$3,543,526 meeting this policy requirement. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town's budget. Any excess revenue and unallocated appropriation, above the 17% fund balance requirement, is transferred to the Capital Projects Fund.

UTILITY FUND

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

Revenues:

Utility Fund revenues proposed for fiscal year 2017-18 are \$11,122,347, which is an increase of 1.5%, or \$160,750, when compared to the Adopted Budget for fiscal year 2016-17. A large portion of the increase in revenue proposed is directly attributed to contributions anticipated to be received from Atmos Gas related to resurfacing of alleyways in conjunction with their gas line replacement program. The Proposed Budget anticipates water and wastewater rates to remain constant for fiscal year 2017-18.

The last rate adjustment was approved for fiscal year 2015-16 as a result of reduced consumption. The utility rates were set at a level to meet the Town's revenue requirement and begin funding a rate stabilization fund. Revenues being received from the current rate structure have recovered past revenue shortfalls and have funded a rate stabilization fund. However, as can be seen in the 10-year financial model for the Utility Fund, it is anticipated that the Town will need to revisit the rate structure in fiscal year 2018-19 in order to continue providing adequate funding to meet operational needs and capital funding requirements.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for this fund are contractually related to water purchases and sanitary sewer treatment attributing to 35.5%, or \$3,699,462 of the overall costs projected for fiscal year 2017-18. The Proposed Budget also includes \$2,533,000 for capital outlay and capital improvements related to the Town's utility system. Personnel costs within the Utility Fund are also impacted by the aforementioned changes in compensation and benefits.

The Proposed Budget for the Utility Fund includes an 11.1% increase in the cost of wastewater treatment paid to the City of Dallas. This increase in the wastewater treatment rate is increasing the sewer department budget by \$99,602. The Dallas County Park Cities Municipal Utility District ("District") has proposed a 1.11% decrease in the rate they charge the Town for water purchases. However, the increase that was approved by the District Board for fiscal year 2016-17 continues to impact the Town's annual cost by approximately \$106,671.

Fund Balance (Net Working Capital):

Similar to the General Fund, the Town's fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. The budget reflects a projected ending fund balance that exceeds 25% of operating expenditures, which represents \$1,849,215.

The ending fund balance in the Utility Fund is projected to be \$4,880,382. Excess fund balance will be set aside to maintain the rate stabilization fund and fund future capital needs.

SOLID WASTE FUND

The Solid Waste Fund is a new fund added in fiscal year 2016-17. This fund will be used to account for all revenues and expenses associated with providing solid waste services to Town residents and businesses. In previous years, the Town has accounted for this activity within the General Fund; however, to ensure that the rates charged for this activity cover the full cost of providing this service, it is considered appropriate for this activity to be accounted for within its own fund.

Revenues:

Solid waste revenues are projected to be \$1,425,038, representing a 15.5% increase over the Adopted Budget for fiscal year 2016-17. Revenues consists of charges for solid waste services and recycling. Rates charged for the provision of solid waste are proposed to increase to accommodate an increase in the cost of service from the Town's service provider. Overall, the increase in monthly rates proposed is 16.3% (5.5% CPI rate increase October 1st and 10.8% beginning on January 1st) and will ultimately increase the monthly solid waste bill for regular service by \$4.10 and pack-out service by \$7.28.

Expenditures:

Solid waste service is outsourced to the private sector and primarily consists of solid waste collection costs and disposal costs. Contracts for these services are budgeted at \$1,151,720 and \$105,200 respectively for fiscal year 2017-18. The purchase, maintenance and handling of solid waste containers is completed by internal staff. The Proposed Budget for fiscal year 2017-18 includes \$45,500 for the purchase of new containers. The Proposed Budget for the Solid Waste Fund also includes a Transfer-Out of \$71,700 to the Capital Projects Fund, which represents 5% of projected revenues for fiscal year 2017-18.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund. However, the fund balance projected at the end of fiscal year 2017-18 is \$17,015.

STORM WATER UTILITY FUND

The Storm Water Utility Fund accounts for sources and uses of resources related to the maintenance, repair, and construction of the public storm water related services and facilities. Storm water utility fees are assessed each month on the utility bills to provide a funding source for this fund. The monthly storm water fee is based on the size of the lot. Residential properties are currently charged between \$4.28 and \$33.76 per month for each dwelling unit that is on the property, based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

Revenues:

Revenues in the Storm Water Utility Fund, from storm water fees, are projected to be \$398,920, which is slightly higher than the revenue projected in the prior fiscal year. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index, for the Dallas-Fort Worth region which is currently 2.24%. The Proposed Budget also includes a transfer from the Capital Projects Fund of \$1,100,000, to fund future storm water drainage projects within this fund. This transfer is made possible through revenues being added to the Capital Projects Fund primarily as a result of increased property values the Town has experienced over the last few years.

Expenditures:

The Storm Water Utility Fund accounts for expenditures related to street sweeping and other drainage related items. The overall appropriations proposed for this fund total \$2,041,027, and include an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The most significant items in this budget include \$1,640,000 set aside for improvements to Hackberry Creek, and \$185,000 for the rehabilitation of bridges at Armstrong.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund and fund balance projected at the end of fiscal year 2017-18 is \$550,531. This fund balance is committed to improvements to the Town's storm water drainage system.

CAPITAL PROJECTS FUND

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

The five-year Capital Improvement Plan has been updated and is incorporated in the Capital Improvements Section of the Proposed Budget. This plan establishes a multi-year funding schedule for the purchase,

construction, or replacement of physical assets of the Town. The Capital Improvements Section of the Proposed Budget also includes a 10-year financial forecast developed and updated on a pay-as-you-go basis.

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

Revenues:

Revenues in the Capital Projects Fund are projected to be \$4,115,510 for fiscal year 2017-18 and are primarily made up of transfers from other funds. The Utility Fund and the Solid Waste Fund transfer 5% of revenues collected from water, sewer, and solid waste rates. These two transfers make up \$564,900 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding is annually indexed for inflation, and equates to \$22,900 for the next fiscal year. In fiscal year 2014-15, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional \$342,651 per year toward the Capital Improvement Plan. This practice has continued since then, and as a result of the increase in taxable assessed values of properties within the Town, the Proposed Budget allocates \$1,408,280 from additional property tax revenue to meet existing and future capital needs. In previous financial models this amount has been reflected within the "Supplemental General Fund Transfer." To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund.

Dallas County is also expected to fund 50% of the rehabilitation of Preston Road, which provides \$659,760 to the revenue budget for fiscal year 2017-18. Funding anticipated from the Dallas Area Rapid Transit (DART) Transportation Related Improvement Program (TRIP) has not been included in the Proposed Budget or the 10-year financial plan. Estimated at approximately \$1,700,000 per year on average, once approved, this funding will be incorporated into the plan.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$5,754,139, with \$975,919 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and \$1,319,520 for the rehabilitation of Preston Road. Some of the other projects in the Proposed Budget include \$471,000 related to park and parkway renovations, \$850,000 for Armstrong Parkway Reconstruction, \$200,000 for tennis court reconstruction, \$410,000 for Livingston Rehabilitation and \$100,000 for the heating of the swimming pool. The Proposed Budget also includes an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund, and a \$1,100,000 transfer to the Storm Water Drainage Fund to meet capital funding needs.

Fund Balance:

The Town's fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The Proposed Budget for fiscal year 2017-18 projects the fund balance of the Capital Projects Fund to be at \$2,743,315 at year-end, meeting the required minimum.

OTHER FUNDS

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

Equipment Replacement Fund:

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be \$508,521, and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at the time of replacement. Total expenditures are budgeted at \$515,989 to replace two public safety vehicles, two dump trucks, two trucks with aerial lifts, a truck equipped with a pipe hunter jet system, two vehicles within Town Services, and a SCBA compressor system. The fund balance projected within this fund at the end of the next fiscal year is \$2,525,279.

Technology Replacement Fund:

This fund accounts for the resources needed to manage the replacement and upgrade of software and hardware related equipment. Revenues within this fund are primarily derived from transfers from the General Fund and the Utility Fund and total \$498,719. The transfers to this fund are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at the time of replacement. Expenditures within this fund are budgeted at \$5,000. There are no significant replacements of technology equipment proposed for next fiscal year.

The fund balance projected within this fund at the end of the next fiscal year is \$1,846,715.

Building Maintenance Fund:

The Building Maintenance Fund accounts for the resources needed to maintain the Town Hall and the Service Center, as well as plan for significant replacements and upgrades in the future. Town Staff has developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be \$529,400, and are derived from transfers from the General Fund and the Utility Fund. These transfers are based on the annual budget of the Building Maintenance Fund, which is proportionally divided between the General Fund and the Utility Fund based on the number of employees within each fund who utilize the Service Center and Town Hall. Expenditures within this fund are budgeted to be \$522,327, which is 14.3% more than the amount budgeted in fiscal year 2016-17. This increase is primarily attributed to the replacement of air conditioner units at the department of public safety. Through sound planning and a practice to set aside funding for future needs, fund balance in this fund continues to grow in anticipation of major improvements or repairs. The Proposed Budget projects fund balance within this fund to grow by \$20,392.

Forfeited Property Fund:

This special revenue fund is used to account for receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment. The use of these resources is restricted by their enabling statutes. Fund balance at end of fiscal year 2017-18 is projected to be \$3,137.

Court Technology Fund & Court Security Fund:

These two special revenue funds are used to account for revenues provided by a State-approved administrative fee, added to citations. The use of these resources is restricted by their enabling statutes. Revenues within the Court Security Fund are projected to be \$29,239, which is annually transferred to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be \$37,180, and are used to fund technological improvements within the Municipal Court. Both funds are projected to maintain minimal fund balances at the end of fiscal year 2017-18, with \$91,005 remaining in the Court Technology Fund and \$9,795 remaining in the Court Security Fund.

Library Fund:

The Library Special Revenue Fund was established to account for resources received from royalties that are restricted for the Library. Revenues anticipated for next fiscal year total \$14,275. The Proposed Budget for fiscal year 2017-18 includes \$42,650 for the purpose of completing the comprehensive master plan for the Library, property tax payments, and technology purchases. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$181,012.

DPS Technology Fund:

The DPS Technology Fund was established during fiscal year 2013-14, and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, \$82,950 of the revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and will be used to fund technological improvements related to public safety within the Town. This fund had also been used to account for the portion of revenues received from alarm monitoring fees that were used to fund the contract with Thrive, the company engaged to assist the Town in providing direct alarm monitoring services to Town residents. As a result of the Town's plan to take back the direct management of alarm monitoring services, these revenues are reflected in the General Fund beginning in fiscal year 2017-18. Revenues within this fund for next fiscal year are anticipated to be \$83,323, and fund balance at the end of next fiscal year is projected to be \$188,914. Currently, the fund balance within this fund is anticipated to be used towards the acquisition of a new radio system for DPS through the Capital Projects Fund.

COMBINED BUDGET SUMMARY FOR ALL FUNDS SUBJECT TO APPROPRIATION

									% Change	
		FY 2016 FY 2017				FY 2017	FY 2018	from Budget to		
		Actual Budget				Projected		Proposed	Proposed	
BEGINNING FUND BALANCE	\$	14,017,098	\$	18,224,764	\$	18,224,764	\$	18,221,543		
REVENUES/SOURCES OF FUNDS										
Property Taxes	\$	11,573,644	\$	12,592,311	\$	12,624,341	\$	13,129,384	4.30%	
Water Sales		6,699,336		6,985,822		6,933,194		6,985,822	0.00%	
Sewer Charges		2,788,561		2,999,275		2,937,393		2,964,169	-1.20%	
Sales Taxes		3,606,074		3,779,265		3,555,714		3,720,000	-1.60%	
Sanitation/Recycling Charges		1,235,509		1,234,320		1,236,358		1,403,970	13.70%	
Franchise Fees		1,021,288		1,040,000		1,042,130		1,090,000	4.80%	
Building Inspection Fees/Permits		1,075,931		1,121,510		1,225,851		1,180,284	5.20%	
Municipal Court Fines/Fees		1,019,914		1,223,110		1,136,407		1,354,385	10.70%	
Interest Earnings		106,305		107,567		224,352		266,987	148.20%	
Storm Water Fees		386,838		390,450		390,180		398,920	2.20%	
Other Revenues		3,233,402		2,820,260		2,754,810		3,221,782	14.20%	
TOTAL REVENUES	\$	32,746,802	\$	34,293,890	\$	34,060,730	\$	35,715,703	4.10%	
OTHER SOURCES										
Transfers In	\$	7,310,594	\$	7,620,815	\$	7,697,730	\$	7,464,920	-2.00%	
TOTAL OTHER SOURCES	\$	7,310,594	\$	7,620,815	\$	7,697,730	\$	7,464,920		
TOTAL REVENUES/SOURCES	\$	40,057,396	\$	41,914,705	\$	41,758,460	\$	43,180,623	3.00%	
EXPENDITURES										
Personnel Services										
Payroll	\$	12,138,107	\$	12,678,479	\$	12,602,662	\$	13,309,165	5.00%	
Payroll Taxes		825,243		915,133		892,765		963,754	5.30%	
Retirement		409,319		604,698		612,111		790,424	30.70%	
Insurance		1,493,592		1,601,083		1,543,160		1,801,299	12.50%	
Total Personnel	\$	14,866,261	\$	15,799,393	\$	15,650,698	\$	16,864,642	6.70%	
Supplies & Equipment		3,522,677		3,869,851		3,815,409		3,961,550	2.40%	
Services & Charges		5,421,227		6,430,016		6,275,631		6,507,959	1.20%	
Capital Outlay		5,062,747		10,242,413		8,322,213		9,363,868	-8.60%	
Cost Allocation		-		-		-		-	N/A	
TOTAL EXPENDITURES	\$	28,872,912	\$	36,341,673	\$	34,063,951	\$	36,698,019	1.00%	
OTHER USES										
Transfers Out		6,976,818		7,620,815		7,697,730		7,464,920	-2.00%	
TOTAL OTHER USES	\$	6,976,818	\$	7,620,815	\$	7,697,730	\$	7,464,920	-2.00%	
TOTAL USES	\$	35,849,730	\$	43,962,488	\$	41,761,681	\$	44,162,939	0.50%	
ENDING FUND BALANCE	\$	18,224,764	\$	16,176,981	\$	18,221,543	\$	17,239,227		
ENDING FUND DALANCE	φ	10,224,704	Ψ	10,170,701	Φ	10,221,343	Ψ	11,437,441		

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

		General		Utility	All	Other Funds		Proposed FY 2018		Adopted FY 2017	% Change
BEGINNING FUND BALANCE	\$	3,543,393	\$	4,181,096	\$	10,497,054	\$	18,221,543	\$	18,224,764	-0.02%
REVENUES:											
Property Taxes	\$	13,129,384	\$	-	\$	-	\$	13,129,384	\$	12,592,311	4.27%
Water Sales		-		6,985,822		-		6,985,822		6,985,822	0.00%
Sewer Charges		-		2,964,169		-		2,964,169		2,999,275	-1.17%
Sales Taxes		3,720,000		-		-		3,720,000		3,779,265	-1.57%
Sanitation/Recycling Charges		-		-		1,403,970		1,403,970		1,234,320	13.74%
Franchise Fees		1,090,000		-		-		1,090,000		1,040,000	4.81%
Building Inspection Fees/Permits		1,013,860		64,000		-		1,077,860		1,071,160	0.63%
Municipal Court Fines/Fees		1,288,719		-		65,666		1,354,385		1,223,110	10.73%
Interest Earnings		109,300		37,356		120,081		266,737		106,180	151.21%
Storm Water Drainage Fees		-		-		398,920		398,920		390,450	2.17%
All Other		1,791,546		612,200		920,710		3,324,456		2,871,997	15.75%
TOTAL REVENUES	\$	22,142,809	\$	10,663,547	\$	2,909,347	\$	35,715,703	0 \$	34,293,890	4.15%
Transfers from Other Funds		1,161,700		458,800		5,844,420		7,464,920		7,620,815	-2.05%
TOTAL REVENUES & TRANSFERS	\$	23,304,509	\$	11,122,347	\$	8,753,767	\$	43,180,623	\$	41,914,705	3.02%
TOTAL AVAILABLE RESOURCES	\$	26,847,902	\$	15,303,443	\$	19,250,821	\$	61,402,166	\$	60,139,469	2.10%
EXPENDITURES:			'								_
Personnel Services:											
Payroll	\$	11,928,274	\$	1,380,891	\$		\$	13,309,165	\$	12,678,479	4.97%
Taxes	φ	860,741	Ф	103,013	φ	-	φ	963,754	φ	915,133	5.31%
Retirement (TMRS)		706,847		83,577		-		790,424		604,698	30.71%
· /						-					
Insurance	\$	1,578,225	Φ.	223,074	•		\$	1,801,299	\$	1,601,083	12.51%
Total Personnel	2	15,074,087	\$	1,790,555	\$	-	\$	16,864,642	3	15,799,393	6.74%
Supplies & Equipment	\$	942,276	\$	2,924,446	\$	94,828	\$	3,961,550	\$	3,869,851	2.37%
Services & Charges		3,266,739		1,418,496		1,822,724		6,507,959		6,430,016	1.21%
Capital Outlay		47,240		2,533,000		6,783,628		9,363,868		10,242,413	-8.58%
TOTAL EXPENDITURES	\$	19,330,342	\$	8,666,497	\$	8,701,180	\$	36,698,019	0 \$	36,341,673	0.98%
Transfers to Other Funds		3,974,034		1,756,564		1,734,322		7,464,920		7,620,815	-2.05%
TOTAL EXPENDITURES & TRANSFERS	\$	23,304,376	\$	10,423,061	\$	10,435,502	\$	44,162,939	\$	43,962,488	0.46%
ENDING FUND BALANCE	\$	3,543,526	\$	4,880,382	\$	8,815,319	\$	17,239,227	\$	16,176,981	6.57%
FUND BALANCE MINIMUM	\$	3,501,984	\$	1,849,215	\$	2,000,000	\$	7,351,199	\$	6,737,092	9.12%
FUND BALANCE SURPLUS	\$	41,542	\$	3,031,167	\$	6,815,319	\$	9,888,028	\$	9,439,889	4.75%

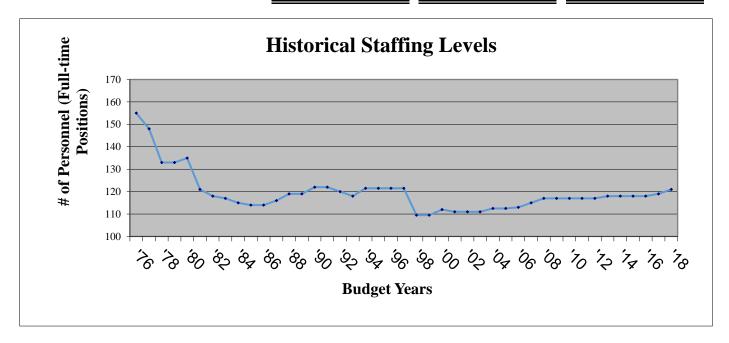
COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES TO FUND BALANCE ALL FUNDS SUBJECT TO APPROPRIATION

		General		Utility		Solid Waste	Ste	orm Drainage		Equipment Replacement	Technology Replacement	
BEGINNING FUND BALANCE	\$	3,543,393	\$	4,181,096	\$	9,489		\$1,081,538	\$	2,532,747	\$	1,352,996
REVENUES:												
Property Taxes	\$	13,129,384	\$	-	\$	-	\$	-	\$	-	\$	-
Water Sales		-		6,985,822		-		_		-		-
Sewer Charges		-		2,964,169		-		-		-		-
Sales Taxes		3,720,000		-		-		-		-		-
Sanitation/Recycling Charges		-		-		1,403,970		-		-		-
Franchise Fees		1,090,000		-		-		-		-		-
Building Inspection Fees/Permits		1,013,860		64,000		-		-		-		-
Municipal Court Fines/Fees		1,288,719		-		-		-		-		-
Interest Earnings		109,300		37,356		1,068		11,100		28,600		16,370
Storm Water Drainage Fees		-		-		-		398,920		-		-
All Other		1,791,546		612,200						45,000		2,500
TOTAL REVENUES	\$	22,142,809	\$	10,663,547	\$	1,405,038	\$	410,020	\$	73,600	\$	18,870
Transfers from Other Funds		1,161,700		458,800		20,000		1,100,000		434,921		479,849
TOTAL REVENUES & TRANSFERS	\$	23,304,509	\$	11,122,347	\$	1,425,038	\$	1,510,020	\$	508,521	\$	498,719
TOTAL AVAILABLE RESOURCES	\$	26,847,902	\$	15,303,443	\$	1,434,527	\$	2,591,558	\$	3,041,268	\$	1,851,715
EXPENDITURES:												
Personnel Services:												
Payroll	\$	11,928,274	\$	1,380,891	\$	_	\$	_	\$	_	\$	_
Taxes	-	860,741	-	103,013	-	_	-	_	-	_	-	_
Retirement (TMRS)		706,847		83,577		_		_		_		_
Insurance		1,578,225		223,074		_		_		_		_
Total Personnel	\$	15,074,087	\$	1,790,555	\$	-	\$	-	\$	-	\$	-
Supplies & Equipment	\$	942,276	\$	2,924,446	\$	45,500	\$	7,256	\$	_	\$	-
Services & Charges		3,266,739		1,418,496		1,257,712		95,271		3,600		5,000
Capital Outlay		47,240		2,533,000				1,825,000		512,389		
TOTAL EXPENDITURES	\$	19,330,342	\$	8,666,497	\$	1,303,212	\$	1,927,527	\$	515,989	\$	5,000
Transfers to Other Funds		3,974,034		1,756,564		114,300		113,500				-
TOTAL EXPENDITURES & TRANSFERS	\$	23,304,376	\$	10,423,061	\$	1,417,512	\$	2,041,027	\$	515,989	\$	5,000
ENDING FUND BALANCE	\$	3,543,526	\$	4,880,382	\$	17,015	\$	550,531	\$	2,525,279	\$	1,846,715
FUND BALANCE MINIMUM	\$	3,501,984	\$	1,849,215	\$	-	\$	-	\$	-	\$	-
FUND BALANCE SURPLUS	\$	41,542	\$	3,031,167	\$	17,015	\$	550,531	\$	2,525,279	\$	1,846,715

Ma	Building intenance & nvestment	Forfe	ited Property Fund	Cour	t Technology	Cou	art Security	Lib	orary Fund	DPS	Technology	Caj	pital Projects		Proposed FY 2018		Adopted FY 2017
\$	651,528	\$	10,095	\$	77,361	\$	5,156	\$	209,387	\$	184,813	\$	4,381,944	\$	18,221,543	\$	18,224,764
\$	-	\$	-	\$	_	\$	-	\$	-	\$	_	\$	-		13,129,384		12,592,311
	-		-		-		-		-		-		-		6,985,822		6,985,822
	-		-		-		-		-		-		-		2,964,169		2,999,275
	-		-		-		-		-		-		-		3,720,000		3,779,265
	-		-		-		-		-		-		-		1,403,970		1,234,320
	-		-		-		-		-		-		-		1,090,000		1,040,000
	-		-		-		-		-		-		-		1,077,860		1,071,160
	-		-		36,480		29,186		-		-		-		1,354,385		1,223,110
	5,100		42		700		53		2,275		373		54,400		266,737		106,180
	-				-		-		-		-		-		398,920		390,450
	16,000		2,500						12,000		82,950		759,760		3,324,456		2,871,997
\$	21 100	\$	2,542	\$	37,180	\$	29,239	\$	14,275	\$	83,323	\$	814,160	\$	35,715,703	\$	34,293,890
Ф	21,100 508,300	Ф	2,542	Ф	37,100	Ф	29,239	Þ	14,275	Ф	63,323	Ф	3,301,350	Ф	7,464,920	Ф	7,620,815
-	308,300												3,301,330		7,404,920	-	7,020,813
\$	529,400	\$	2,542	\$	37,180	\$	29,239	\$	14,275	\$	83,323	\$	4,115,510	\$	43,180,623	\$	41,914,705
\$	1,180,928	\$	12,637	\$	114,541	\$	34,395	\$	223,662	\$	268,136	\$	8,497,454	\$	61,402,166	\$	60,139,469
¢.		Φ.		r.		¢.		Φ.		¢.		¢.		ф	12 200 165	Φ.	12 (70 470
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	13,309,165	\$	12,678,479
	-		-		-		-		-		-		-		963,754		915,133
	-		-		-		-		-		-		-		790,424 1,801,299		604,698
\$	<u>-</u>	\$		\$		\$						\$		\$	16,864,642	\$	1,601,083
	-		_		_		_						-				
\$	38,000	\$	-	\$	4,072	\$	-	\$	-	\$	-	\$	-	\$	3,961,550	\$	3,869,851
	389,527		9,500		19,464		-		42,650		-		-		6,507,959		6,430,016
	94,800												4,351,439		9,363,868		10,242,413
\$	522,327	\$	9,500	\$	23,536	\$	-	\$	42,650	\$	-	\$	4,351,439	\$	36,698,019	\$	36,341,673
	-		-				24,600		<u> </u>		79,222		1,402,700	\$	7,464,920		7,620,815
\$	522,327	\$	9,500	\$	23,536	\$	24,600	\$	42,650	\$	79,222	\$	5,754,139	\$	44,162,939	\$	43,962,488
\$	658,601	\$	3,137	\$	91,005	\$	9,795	\$	181,012	\$	188,914	\$	2,743,315	\$	17,239,227	\$	16,176,981
\$		\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,000,000	\$	7,351,199	\$	6,737,092
\$	658,601	\$	3,137	\$	91,005	\$	9,795	\$	181,012	\$	188,914	\$	743,315	\$	9,888,028	\$	9,439,889

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

	Buc FY 2	lget 2016	Buc FY 2	lget 2017	Proposed FY 2018		
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	
General Fund							
Administration	2.0	0.0	2.0	0.0	2.0	0.0	
Public Safety	69.0	0.5	70.0	0.5	73.0	0.5	
Town Services	3.0	0.0	3.0	0.0	3.0	0.0	
Street	3.3	0.0	3.3	0.0	3.3	0.0	
Street Lighting	1.0	0.0	1.0	0.0	1.0	0.0	
Library	4.0	2.0	4.0	2.0	4.0	2.0	
Parks & Recreation	9.0	0.0	9.0	0.0	7.0	0.0	
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4	
Municipal Court	2.0	1.0	2.0	1.0	2.0	1.0	
Finance	5.0	0.0	5.0	0.0	5.0	0.0	
Building Inspection	4.0	0.0	4.0	0.0	5.0	0.0	
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0	
Sub-Total General Fund	103.3	6.9	104.3	6.9	106.3	6.9	
Utility Fund							
Adminstration	3.0	0.0	3.0	0.0	3.0	0.0	
Water	4.4	0.0	4.4	0.0	4.4	0.0	
Sewer	2.3	0.0	2.3	0.0	2.3	0.0	
Engineering	5.0	0.0	5.0	0.0	5.0	0.0	
Sub-Total Utility Fund	14.7	0.0	14.7	0.0	14.7	0.0	
Storm Water Drainage Fund							
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	
Sub-Total Storm Water Drainage Fund	0.0	0.0	0.0	0.0	0.0	0.0	
Total	118.0	6.9	119.0	6.9	121.0	6.9	



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

ORDINANCE NO.

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$44,162,939, including \$7,464,920 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2017, and ending September 30, 2018, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 28, 2017, and more than thirty (30) days prior to the end of the fiscal year 2016, 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, 2017, 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 14, 2017, and August 28, 2017, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 11, 2017, following the public hearing, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 11th day of September, 2017.

APPROVED AS TO FORM:	APPROVED:
Matthew C.G. Boyle	Joel T. Williams, III
Town Attorney	Mayor
ATTEST:	

Gayle Kirby **Town Secretary**

ORDINANCE NO								
AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE ALVALOREM TAXES FOR THE TAX YEAR 2017 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.								
BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK TEXAS:								
That, for the tax year 2017, there is hereby levied an ad valorem tax of \$0.220000 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2017, 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 2.72 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.								
That said tax shall be for the purpose of defraying current ethe Town of Highland Park, Texas, for the fiscal year 2018.	expense of the municipal government of							
That said tax shall be due and payable October 1, 2017.								
That all constitutional provisions and laws of the State of collection procedures are applicable to this 2017 levy.	Texas that pertain to delinquencies and							
PASSED AND APPROVED this 11th day of September 20	17.							
APPROVED AS TO FORM:	APPROVED:							
Matthew C.G. Boyle Town Attorney	Joel T. Williams, III Mayor							
ATTEST:								

Gayle Kirby Town Secretary

GENERAL FUND

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

GENERAL FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed	
BEGINNING FUND BALANCE	\$	4,515,176	\$	3,517,765	\$	3,517,765	\$	3,543,393
REVENUES/SOURCES OF FUNDS		, ,		, ,		, ,		, ,
Taxes	\$	15,371,124	\$	16,563,576	\$	16,390,403	\$	17,065,384
Franchise Fees	_	1,021,288	_	1,040,000	T	1,042,130		1,090,000
Licenses & Permits		1,050,004		1,106,705		1,215,745		1,139,087
Charges for Services		2,477,505		1,403,620		1,415,701		1,798,145
Fines & Forfeits		474,178		539,900		452,877		584,985
Miscellaneous		381,089		383,270		455,217		465,208
Total Revenues	\$	20,775,188	\$	21,037,071	\$	20,972,073	\$	22,142,809
Other Sources:								
Transfers In	\$	1,092,931	\$	1,148,900	\$	1,148,900	\$	1,161,700
Total Other Sources	\$	1,092,931	\$	1,148,900	\$	1,148,900	\$	1,161,700
Total Revenues/Sources	\$	21,868,119	\$	22,185,971	\$	22,120,973	\$	23,304,509
EXPENDITURES/USES OF FUNDS								
Administration Department	\$	790,258	\$	753,194	\$	717,642	\$	743,185
Town Services		487,325		524,540		539,969		547,182
Department of Public Safety		10,733,899		11,131,434		11,287,202		12,060,980
Street Department		368,322		404,138		333,627		383,437
Street Lighting Department		164,602		185,661		182,810		185,751
Library Department		703,073		771,626		702,409		795,427
Parks Department		1,345,028		1,496,923		1,411,621		1,466,597
Pool Department		181,723		189,712		195,171		195,828
Municipal Court Department		375,111		380,175		377,612		402,762
Finance Department		758,081		824,983		812,165		862,276
Building Inspection Department		506,222		603,990		603,762		709,110
Sanitation Department		1,093,055		-		-		-
Information Technology Department		529,960		553,412		544,228		544,017
Non-Departmental Total Expenditures	\$	279,708 18,316,367	\$	416,690 18,236,478	\$	416,145 18,124,363	\$	433,790 19,330,342
Other Uses:	φ	10,310,307	φ	10,230,470	φ	10,124,303	φ	19,550,542
Transfers to Other Funds	\$	4,549,163	\$	3,970,982	\$	3,970,982	\$	3,974,034
Total Other Uses	\$	4,549,163	\$	3,970,982	\$	3,970,982	\$	3,974,034
Total Expenditures/Uses	\$	22,865,530	\$	22,207,460	\$	22,095,345	\$	23,304,376
Excess (Deficiency) of Revenues/Sources								
over Expenditures/Uses	\$	(997,411)	\$	(21,489)	\$	25,628	\$	133
Fund Balance	\$	3,517,765	\$	3,496,276	\$	3,543,393		3,543,526
Ideal Fund Balance	\$	3,283,954	\$	3,318,449	\$	3,300,355	\$	3,501,984
Fund Balance in Excess of Minimum	\$	233,811	\$	177,827	\$	243,038	\$	41,542

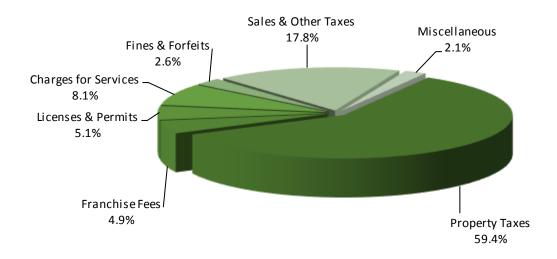
GENERAL FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected		FY 2018 Proposed	
BEGINNING FUND BALANCE	\$ 4,515,176	\$ 3,517,765	\$	3,517,765	\$	3,543,393
REVENUES/SOURCES OF FUNDS						
Taxes	\$ 15,371,124	\$ 16,563,576	\$	16,390,403	\$	17,065,384
Franchise Fees	1,021,288	1,040,000		1,042,130		1,090,000
Licenses & Permits	1,050,004	1,106,705		1,215,745		1,139,087
Charges for Services	2,477,505	1,403,620		1,415,701		1,798,145
Fines & Forfeits	474,178	539,900		452,877		584,985
Miscellaneous	381,089	383,270		455,217		465,208
Total Revenues	\$ 20,775,188	\$ 21,037,071	\$	20,972,073	\$	22,142,809
Other Sources:						
Transfers In	\$ 1,092,931	\$ 1,148,900	\$	1,148,900	\$	1,161,700
Total Other Sources	\$ 1,092,931	\$ 1,148,900	\$	1,148,900	\$	1,161,700
Total Revenues/Sources	\$ 21,868,119	\$ 22,185,971	\$	22,120,973	\$	23,304,509
EXPENDITURES/USES OF FUNDS						
Personnel Services						
Payroll	\$ 10,795,382	\$ 11,228,946	\$	11,302,568	\$	11,928,274
Payroll Taxes	734,359	809,197		804,238		860,741
Retirement	362,293	534,407		548,300		706,847
Insurance	1,327,569	1,404,192		1,377,304		1,578,225
Total Personnel	\$ 13,219,603	\$ 13,976,742	\$	14,032,410	\$	15,074,087
Supplies & Equipment	934,806	993,834		950,161		942,276
Services & Charges	3,805,182	3,254,622		3,136,192		3,266,739
Capital Outlay	 356,775	11,280	_	5,600		47,240
Total Expenditures	\$ 18,316,366	\$ 18,236,478	\$	18,124,363	\$	19,330,342
Other Uses:						
Transfers Out	\$ 4,549,163	\$ 3,970,982	\$	3,970,982	\$	3,974,034
Total Other Uses	\$ 4,549,163	\$ 3,970,982	\$	3,970,982	\$	3,974,034
Total Expenditures/Uses	\$ 22,865,529	\$ 22,207,460	\$	22,095,345	\$	23,304,376
Excess (Deficiency) of Revenues/Sources						
over Expenditures/Uses	\$ (997,410)	\$ (21,489)	\$	25,628	\$	133
Fund Balance	\$ 3,517,765	\$ 3,496,276	\$	3,543,393		3,543,526
Ideal Fund Balance	\$ 3,283,954	\$ 3,318,449	\$	3,300,355	\$	3,501,984
Fund Balance in Excess of Minimum	\$ 233,811	\$ 177,827	\$	243,038	\$	41,542

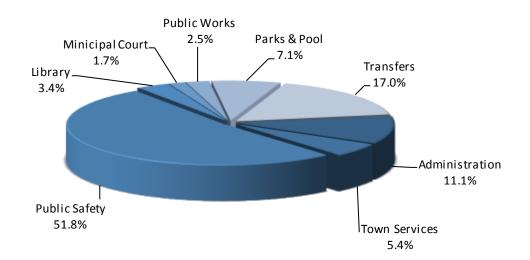
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GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



GENERAL FUND STATEMENT OF REVENUES

	FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed	
Taxes								
Ad Valorem Taxes	\$	11,580,927	\$	12,557,311	\$	12,594,104	\$	13,094,384
Delinquent Ad Valorem Taxes	·	(7,283)		35,000	ľ	30,237	·	35,000
City Sales Tax		3,606,074		3,779,265		3,555,714		3,720,000
Mixed Beverage Tax		191,406		192,000		210,348		216,000
Subtotal	\$	15,371,124	\$	16,563,576	\$	16,390,403	\$	17,065,384
Franchise Fees		, ,		, ,		, ,		, ,
Electric Utility Franchise Fees	\$	505,907	\$	530,000	\$	520,261	\$	530,000
Natural Gas Utility Franchise Fees	Ψ	184,367	Ψ	190,000	Ψ	174,235	Ψ	190,000
Telecom Franchise Fees		80,911		90,000		83,063		92,000
CATV Franchise Fees		212,946		195,000		209,768		210,000
Solid Waste		17,237		15,000		26,859		40,000
Carriages		19,919		20,000		27,944		28,000
Subtotal	\$	1,021,287	\$	1,040,000	\$	1,042,130	\$	1,090,000
Licenses & Permits	•	_,,	7	_,,,,,,,,	,	_,,,	•	_,,
Beverage Licenses	\$	4,565	\$	11,990	\$	12,930	\$	4,565
Health Permits	φ	5,550	Ψ	4,525	Ψ	5,925	φ	5,525
Alarm Permits		60,605		66,610		62,307		104,352
Electrical Licenses		18,000		18,750		18,500		18,500
Building Permits		917,580		960,000		1,070,794		960,000
Electrical Permits		32,506		33,900		34,362		35,000
Excavation Permits		345		510		285		360
Carriage Licenses		5,300		4,500		4,750		4,825
Animal Licenses		5,553		5,920		5,892		5,960
Subtotal	\$	1,050,004	\$	1,106,705	\$	1,215,745	\$	1,139,087
Charges For Services	Ψ	2,000,001	Ψ	1,100,700	Ψ	1,210,710	Ψ	1,100,007
Sanitation Charges	\$	1,137,022	\$		\$		\$	
Recycling Charges	φ	98,487	Ψ	_	Ψ	_	φ	_
E911 Users' Fee		130,834		138,100		132,027		134,450
Alarm Monitoring Fees		276,925		281,350		266,830		483,588
Emergency Medical Fees		168,983		182,500		200,830		225,239
Board Hearing Fee		1,600		3,260		2,400		2,200
Swimming Pool Daily Fees		21,432		17,800		21,432		26,000
Swimming Pool Annual Fees		76,840		82,700		82,700		85,000
Tennis Court Use Fees		11,722		12,000		11,402		12,000
Animal Pound Fees		1,722		1,000		1,080		1,000
Library Non-resident Fees		4,838		4,200		4,430		6,000
Court Administration Fees		25,848		30,360		32,910		33,000
Warrant Fees		54,892		65,700		62,970		63,000
Court Fees		140,030		174,300		180,600		182,410
Building Registration Fees		40,375		44,500		42,410		80,025

GENERAL FUND STATEMENT OF REVENUES

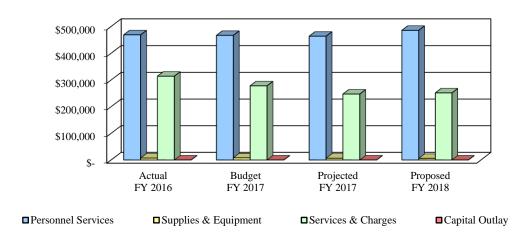
			FY 2017	FY 2017		FY 2018	
	 Actual		Budget		Projected		Proposed
Plan Review Fees	4,400		5,850		5,200		22,399
Deferred Adjudication Fees	282,016		360,000		365,000		441,834
Subtotal	\$ 2,477,504	\$	1,403,620	\$	1,415,701	\$	1,798,145
Fines & Forfeits							
Municipal Court Fines	\$ 465,897	\$	530,000	\$	437,557	\$	568,475
Library Fines	4,171		4,000		3,720		4,010
Lost Book Charges	1,761		900		900		1,000
Invalid Alarm Fines	2,350		5,000		10,700		11,500
Subtotal	\$ 474,179	\$	539,900	\$	452,877	\$	584,985
Miscellaneous							
Interest	\$ 44,448	\$	48,000	\$	76,500	\$	109,300
Interest-Dallas County	185		225		225		250
Penalty & Interest - Tax Collection	48,196		50,120		58,110		52,750
Sale of Assets	-		1,500		1,500		1,500
Sale of Impounded Property	-		-		-		-
Rental-Town Property	239,005		225,025		264,400		248,808
Library Donations	3,381		2,300		2,300		2,600
Contributions	10,000		6,000		17,275		10,000
Intergovernmental Revenue	3,912		4,000		-		-
Town Property Damage Refund	750		6,000		7,107		10,000
Miscellaneous	31,212		40,100		27,800		30,000
Subtotal	\$ 381,089	\$	383,270	\$	455,217	\$	465,208
Total Revenues	\$ 20,775,187	\$	21,037,071	\$	20,972,073	\$	22,142,809

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Administrative Department

EXPENDITURE SUMN	MAR	Y							
		FY 2016 Actual	_	FY 2017 Budget	_	Y 2017 rojected	_	TY 2018 roposed	% Change 2017 to 2018
Personnel Services	\$	468,868	\$	466,897	\$	463,817	\$	485,724	4.03%
Supplies & Equipment		7,147		8,100		6,400		5,750	-29.01%
Services & Charges		314,243		278,197		247,425		251,711	-9.52%
Capital Outlay		-		-		-		-	0.00%
Total Department	\$	790,258	\$	753,194	\$	717,642	\$	743,185	-1.33%

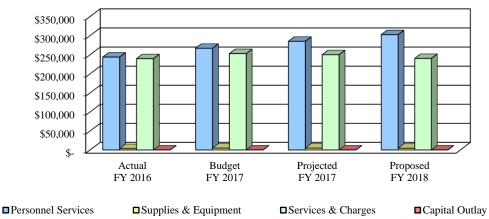


- 1 The Administrative Department budget includes the salaries of the Town Administrator and the Town Secretary.
- 2 Legal Expense includes \$170,000 for Town Attorney services and \$10,000 for other legal services as needed. Legal Expense proposed budget was reduced (\$20,000) from prior year budget.
- 3 Contract services include \$53,591 for Consulting. This is a (\$6,809) decrease from prior budget.
- 4 The Proposed Budget includes \$12,000 for election services, which is a \$500 increase from FY 2016-17 budget.



Town Services Department

		FY 2016 Actual	FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed		% Change 2017 to 2018
Personnel Services	\$	243,872	\$	266,849	\$	285,158	\$	302,471	13.35%
Supplies & Equipment		3,693		4,750		4,750		4,450	-6.32%
Services & Charges		239,760		252,941		250,061		240,261	-5.01%
Capital Outlay		-		-		-		-	0.00%
Total Department	\$	487,325	\$	524,540	\$	539,969	\$	547,182	4.32%

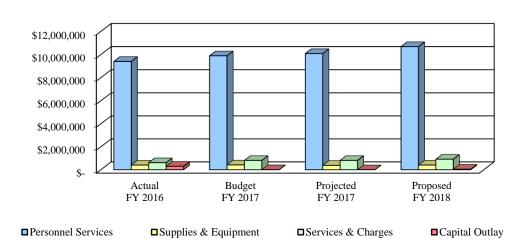


- Personnel Services is increasing as a result of annual pay adjustments, increases in health insurance, and a position reclassification that occurred during FY 2016-17.
- 2 Services & Charges reduction of (\$12,680) includes a decrease in Contract Services of (\$12,228).



Department of Public Safety

EXPENDITURE SUN	MARY				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services	\$ 9,406,513	\$ 9,891,244	\$ 10,086,737	\$ 10,684,714	8.02%
Supplies & Equipment	407,489	420,052	385,565	411,024	-2.15%
Services & Charges	613,081	814,458	814,900	918,002	12.71%
Capital Outlay	306,816	5,680	-	47,240	731.69%
Total Department	\$ 10,733,899	\$ 11,131,434	\$ 11,287,202	\$ 12,060,980	8.35%



- 1 The FY 2018 Personnel Services budget includes the addition of a full-time alarm monitor position and a Sergeant position to oversee the alarm monitoring program.
- Supplies & Equipment includes an overall reduction of (\$4,512) with an increase in vehicle maintenance \$3,660 primarily for insurance deductibles; police supplies increase of \$4,234 relating to Tasers and Taser parts and batteries; Non-capital tools decreased (\$5,500); Office & Computer supplies decreased (\$7,180).
- Services & Charges increased \$93,728 and includes \$92,400 for TelGuard services related to the alarm monitoring program; \$50,100 for the Town's share of the DARE & SRO programs; \$171,000 for crossing guards; and a \$10,700 increase for education reimbursement.
- 4 Services & Charges also includes a reduction in EMS Training of (\$6,076); Contract Services of (\$8,922); and Repair & Maintenance Services of (\$5,500).
- New programs include an additional motorcycle officer for traffic safety totaling \$141,619 which includes \$47,240 for a motorcycle unit.



EXPENDITURE SUMM	IAD	V							
EAFENDITURE SUMM	F	FY 2016 Actual		FY 2017 Budget		FY 2017 rojected		FY 2018 Proposed	% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$	279,644 40,352 48,326	\$	309,796 67,022 27,320	\$	248,885 64,022 20,720	\$	308,705 54,132 20,600	-0.35% -19.23% -24.60% 0.00%
Total Department	\$	368,322	\$	404,138	\$	333,627	\$	383,437	-5.12%
\$350,00 \$300,00 \$250,00 \$200,00 \$150,00 \$50,00	00 00 00 00 00	Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
□Personnel Se	ervices	□ Supp!	lies ₹	& Equipment	I	□Services & C	harge	s □ Capi	tal Outlay

- Supplies & Equipment decreased (\$12,890) and includes reductions of (\$3,320) in vehicle maintenance and equipment repair; (\$5,070) after finishing the FY 2017 ding & dent repairs; (\$3,000) in street signage.
- 2 Services & Charges decreased (\$6,720), \$6,600 is related to professional services. Architectural landscaping services for Preston Road were budgeted and used in FY 2017 and a budget for this service is no longer needed.



EXPENDITURE SUMM		FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		Y 2018 roposed	% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$	105,067 15,440 44,095	\$	112,179 19,488 48,394 5,600	\$	109,828 18,988 48,394 5,600	\$	117,143 14,818 53,790	4.43% -23.96% 11.15% 0.00%
Total Department	\$	164,602	\$	185,661	\$	182,810	\$	185,751	0.05%
\$120,0 \$100,0 \$80,0 \$60,0 \$40,0	000								

■Personnel Services

Supplies & Equipment decreased (\$4,670), of which \$4,170 relates to the vehicle maintenance following the completion of the ding & dent repairs in FY 2017.

■Supplies & Equipment

■ Services & Charges

■Capital Outlay

Services & Charges includes \$5,600 for continue conflict monitoring program.



EXPENDITURE SUMM				EX 2017	т.	X/ 2017	т	FY 2018	0/ Change
		Y 2016 Actual		FY 2017 Budget		Y 2017 rojected	Proposed		% Change 2017 to 2018
Personnel Services	\$	355,835	\$	397,114	\$	392,517	\$	563,989	42.02%
Supplies & Equipment		147,064		153,116		152,212		156,618	2.29%
Services & Charges		200,174		221,396		157,680		74,820	-66.21%
Capital Outlay		-		-		-		-	0.00%
Total Department	\$	703,073	\$	771,626	\$	702,409	\$	795,427	3.08%
\$600,000) [
\$500,000) {								
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\$300,000) 								
\$200,000) 								
\$100,000	Ι,								
\$. <i>E</i>	Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
■Personnel Ser	vices	■Supp	lies &	& Equipment	I	■Services & C	harges	s □ Capi	ital Outlay

- Supplies & Equipment increase of \$3,500 includes additional book costs to address increases in costs of library collection material.
- 2 Services & Charges decrease includes the former Library Director's contract being replaced with a fulltime salaried position in Personnel Services.
- New Programs An EBSCO subscription, in the amount of \$8,250, would allow the Library to create a single sign-on for patrons to access the electronic databases provided by the Library.



	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services	\$ 733,066	\$ 790,063	\$ 701,946	\$ 688,083	-12.91%
Supplies & Equipment	191,754	212,772	215,587	207,152	-2.64%
Services & Charges	400,224	494,088	494,088	571,362	15.64%
Capital Outlay	19,984	-	-	-	0.00%
Total Department	\$ 1,345,028	\$ 1,496,923	\$1,411,621	\$ 1,466,597	-2.03%
\$800,0 \$700,0 \$600,0 \$500,0	000				
\$400,0 \$300,0 \$200,0 \$100,0	000				

■ Personnel Services

Supplies & Equipment includes eliminating (\$6,620) in vehicle maintenance after finishing the dent & ding repairs in FY 2017; uniforms decreased (\$2,400); Christmas lighting increased \$5,300 to include additional activities at the lighting ceremony.

■Supplies & Equipment

■ Capital Outlay

■ Services & Charges

Services & Charges includes an increase of \$77,274 for repair and maintenance services. This increase is a result of savings of \$49,274 from an unfilled parks position being used to contract third party landscape care started in mid FY 2017 and includes eliminating a parks worker I position in FY 2017-18 and using a portion of the salary savings, \$28,000, for additional contract labor in repair and maintenance.



EXPENDITURE SUMM	AR	Y							
		Y 2016 Actual		FY 2017 Budget		Y 2017 rojected		TY 2018 roposed	% Change 2017 to 2018
Personnel Services	\$	113,680	\$	110,950	\$	116,409	\$	119,922	8.09%
Supplies & Equipment		28,382		32,100		32,100		29,100	-9.35%
Services & Charges		39,661		46,662		46,662		46,806	0.31%
Capital Outlay		-		-		-		-	0.00%
Total Department	\$	181,723	\$	189,712	\$	195,171	\$	195,828	3.22%
\$120,000 \$100,000 \$80,000 \$60,000 \$40,000 \$20,000									
		Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
□Personnel Ser	vices	■Supp	lies &	È Equipment	ſ	■Services & C	harges	s ■Capi	tal Outlay

Supplies & Equipment net decrease of (\$3,000) reflects the addition of \$1,500 for plants and vegetation offset by the elimination of a \$4,500 pool aerator purchased in FY 2017.



EXPENDITURE SUMM	AR	Y							
		FY 2016 Actual		FY 2017 Budget		Y 2017 rojected		Y 2018 roposed	% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$	312,621 7,257 55,233	\$	331,460 5,350 43,365	\$	329,131 6,021 42,460	\$	352,423 6,202 44,137	6.32% 15.93% 1.78% 0.00%
Total Department	\$	375,111	\$	380,175	\$	377,612	\$	402,762	5.94%
\$400,000 \$350,000 \$300,000 \$250,000 \$200,000 \$150,000 \$50,000		Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
□Personnel Ser	vices	□Supp	lies &	& Equipment	ı	Services & C	harge	s □ Capi	tal Outlay

Supplies & Equipment increase of \$852 which includes printing and postage due to the increase in case correspondence by mail.



EXPENDITURE SUMM	AR'	Y							
		FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed	% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay Total Department	\$ \$	581,012 13,392 163,677 	\$ \$	640,950 14,444 169,589 - 824,983	\$ \$	13,221 161,169	\$ \$	682,915 13,220 166,141 - 862,276	6.55% -8.47% -2.03% 0.00% 4.52%
\$700,000 \$600,000 \$500,000 \$400,000 \$300,000 \$200,000 \$100,000									
□Personnel Serv	vices	Actual FY 2016 Supp	olies &	Budget FY 2017 & Equipment	I	Projected FY 2017 □ Services & C	harge	Proposed FY 2018	tal Outlay

Services & Charges includes an increase in the annual audit fee of \$2,000; additional \$1,000 for sales tax analysis and reporting; a decrease in accounting /consulting of (5,000); a 5% increase in annual maintenance charges for Tyler Technology software costing \$1,247 and a (\$4,750) decrease in travel and training.



Building Inspection Department

EXPENDITURE SUMM	AR	Y							
		FY 2016 Actual		FY 2017 Budget		Y 2017 rojected	FY 2018 Proposed		% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$	474,256 6,749 25,217	\$	506,490 7,040 90,460	\$	509,367 6,360 88,035	\$	605,950 7,910 95,250	19.64% 12.36% 5.30% 0.00%
Total Department	\$	506,222	\$	603,990	\$	603,762	\$	709,110	17.40%
\$700,000 \$600,000 \$500,000 \$400,000 \$300,000 \$100,000		Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
□Personnel Ser	vices		lies &	k Equipment	I	Services & C	harge		tal Outlay

- 1 Services & Charges includes a \$1,025 increase in travel & training for certification exams and professional development; \$2,280 for code enforcement lot mowing and MyGov licenses.
- New programs include adding a new plans examiner position and changing the scope of plan reviews to include all projects over \$100,000. Total costs of \$79,568 for this position would be offset by adding additional annual sub-contractor registration fees and increasing the scope of project reviews at \$250 per review for a net cost of \$18,044.



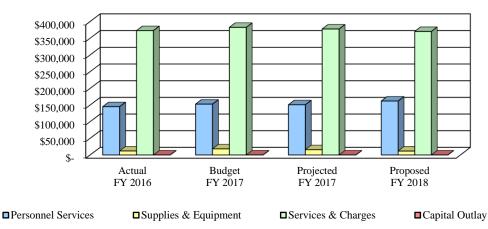
		2016 ctual		2017 dget		2017 ected		Y 2018 coposed	% Change 2017 to 2018
Personnel Services	\$	-	\$	-	\$	-	\$	-	0.00%
Supplies & Equipment		51,741		-		-		-	0.00%
Services & Charges	1,0	41,314		-		-		-	0.00%
Capital Outlay		-		-		-		-	0.00%
Total Department	\$ 1,0	93,055	\$	-	\$	-	\$	-	0.00%
\$1,200,00	00 1								
\$1,000,00									
\$800,00									
\$600,00	00								
\$400,00									
\$200,00		-+							
		Actual FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
■Personnel Se	rvices	Supp	lies & Eq	uipment	□Se	rvices & C	harges	■ Capita	al Outlay

1 Sanitation operations were moved to a separate enterprise fund in the FY 2016-17 Adopted Budget.



Information Technology Department

EXPENDITURE SUMN	IAR	Y							
		FY 2016 Actual	_	FY 2017 Budget	_	Y 2017 rojected	_	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$	145,169 11,971 372,820	\$	152,750 18,250 382,412	\$	150,840 15,785 377,603	\$	162,048 11,750 370,219	6.09% -35.62% -3.19% 0.00%
Total Department	\$	529,960	\$	553,412	\$	544,228	\$	544,017	-1.70%



- Supplies & Equipment includes moving (\$6,500) from IT budget to the Building Maintenance Improvement Fund (24) and is related to facility wiring and equipment.
- Services & Charges includes moving (\$10,900) from the IT budget to the Building Maintenance Improvement Fund (24) and is related to contract labor involved in running facility wiring and equipment repair; \$700 increase in repair and maintenance costs; cloud disaster recovery for \$13,440 added to facilitate offsite storage backup and recovery and (\$15,420) in savings is anticipated from the upcoming contract renewal for phone /internet service.

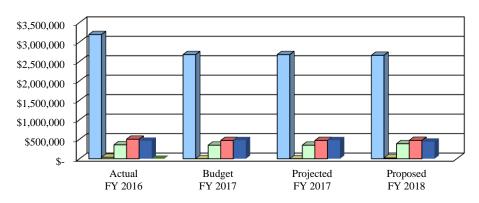


EXPENDITURE SUMM	AR	Y							
		Y 2016 Actual		FY 2017 Budget		Y 2017 rojected		7 2018 oposed	% Change 2017 to 2018
Personnel Services	\$	-	\$	-	\$	-	\$	-	0.00%
Supplies & Equipment		2,376		31,350		29,150		20,150	-35.73%
Services & Charges		247,357		385,340		386,995		413,640	7.34%
Capital Outlay		29,975		-		-		-	0.00%
Total Department	\$	279,708	\$	416,690	\$	416,145	\$	433,790	4.10%
\$500,000	1								
\$400,000	1								
\$300,000	1								
\$200,000	1								
\$100,000			7						
\$-		Actual		Dudant	_	Duningstad		Duanasad	
		FY 2016		Budget FY 2017		Projected FY 2017		Proposed FY 2018	
■Personnel Ser	vices	■Supp	lies &	Equipment		■Services & Cl	narges	■ Capit	al Outlay

- Included in Services & Charges is \$125,000.00 for retirement payout during the next fiscal year.
- The Proposed Budget includes additional funding of \$1,800 for Town Council events, a \$1,500 increase in Dallas Central Appraisal Districts charges, and a (\$11,200) decrease in fuel contingency costs.
- New programs include \$11,525 for employee health and wellness program administered through a local health system and \$13,475 for work related preventative health screenings.



	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
Capital Projects Fund	\$ 3,191,380	\$ 2,675,890	\$2,675,890	\$ 2,657,228	-0.70%
Utility & Solid Waste Funds	36,743	-	-	20,000	0.00%
Equip. Replacement Fund	357,140	347,549	347,549	386,694	11.26%
Tech. Replacement Fund	501,400	469,043	469,043	471,212	0.46%
Bldg. Maintenance Fund	462,500	478,500	478,500	438,900	-8.28%
Total Department	\$ 4,549,163	\$ 3,970,982	\$3,970,982	\$ 3,974,034	0.08%



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

- 1 Transfer to the Capital Projects Fund is sustained in large part due to property value growth.
- 2 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 next fiscal year. The transfer has been adjusted for inflation to maintain purchasing power.
- The transfer to the Building Maintenance & Investment 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. The (\$39,600) decrease in transfers reflects the replacement cost of capital assets amortized over the life of the asset.

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UTILITY FUND

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

UTILITY FUND STATEMENT OF REVENUES & EXPENSES

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed
BEGINNING FUND BALANCE	\$ 1,551,665	\$ 3,106,440	\$ 3,106,440	\$ 4,181,096
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,725	\$ 58,000	\$ 54,300	\$ 64,000
Charges for Services	9,542,262	9,992,747	9,907,227	10,003,991
Fines & Forfeits	74,806	72,400	71,400	74,000
Miscellaneous	 563,344	369,150	519,899	521,556
Total Revenues	\$ 10,243,137	\$ 10,492,297	\$ 10,552,826	\$ 10,663,547
Other Sources:				
Transfers In	\$ 446,595	\$ 469,300	\$ 469,300	\$ 458,800
Total Other Sources	\$ 446,595	\$ 469,300	\$ 469,300	\$ 458,800
Total Revenues/Sources	\$ 10,689,732	\$ 10,961,597	\$ 11,022,126	\$ 11,122,347
EXPENSES - BY DEPARTMENT				
Utility Administration Department	\$ 289,878	\$ 313,622	\$ 296,953	\$ 396,787
Water Department	4,746,755	4,956,001	4,828,749	4,729,635
Sanitary Sewer Department	1,711,872	2,344,009	2,332,975	2,776,847
Engineering Department	741,849	795,315	743,860	763,228
Total Expenses	\$ 7,490,354	\$ 8,408,947	\$ 8,202,537	\$ 8,666,497
Other Uses:				
Transfers Out	\$ 1,644,603	\$ 1,744,933	\$ 1,744,933	\$ 1,756,564
Total Other Uses	\$ 1,644,603	\$ 1,744,933	\$ 1,744,933	\$ 1,756,564
Total Expenses/Uses	\$ 9,134,957	\$ 10,153,880	\$ 9,947,470	\$ 10,423,061
Excess (Deficiency) of Revenues/Sources				
over Expenses/Uses	\$ 1,554,775	\$ 807,717	\$ 1,074,656	\$ 699,286
ENDING FUND BALANCE	\$ 3,106,440	\$ 3,914,157	\$ 4,181,096	\$ 4,880,382
Ideal Fund Balance	\$ 1,600,282	\$ 1,772,156	\$ 1,720,554	\$ 1,849,215
Fund Balance in Excess of Minimum	\$ 1,506,158	\$ 2,142,001	\$ 2,460,542	\$ 3,031,167

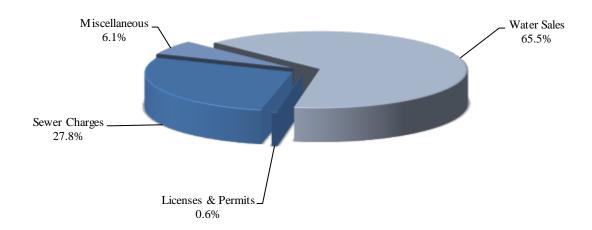
UTILITY FUND STATEMENT OF REVENUES & EXPENSES

	FY 2016	FY 2017	FY 2017	FY 2018
	Actual	Budget	Projected	Proposed
BEGINNING FUND BALANCE	\$ 1,551,665	\$ 3,106,440	\$ 3,106,440	\$ 4,181,096
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,725	\$ 58,000	\$ 54,300	\$ 64,000
Charges for Services	9,542,262	9,992,747	9,907,227	10,003,991
Fines & Forfeits	74,806	72,400	71,400	74,000
Miscellaneous	563,344	369,150	519,899	521,556
Total Revenues	\$ 10,243,137	\$ 10,492,297	\$ 10,552,826	\$ 10,663,547
Other Sources:				
Transfers In	\$ 446,595	\$ 469,300	\$ 469,300	\$ 458,800
Total Other Sources	\$ 446,595	\$ 469,300	\$ 469,300	\$ 458,800
Total Revenues/Sources	\$ 10,689,732	\$ 10,961,597	\$ 11,022,126	\$ 11,122,347
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,342,725	\$ 1,449,533	\$ 1,300,094	\$ 1,380,891
Payroll Taxes	90,885	105,936	88,527	103,013
Retirement	47,026	70,291	63,811	83,577
Insurance	 166,022	196,891	165,856	223,074
Total Personnel	\$ 1,646,658	\$ 1,822,651	\$ 1,618,288	\$ 1,790,555
Supplies & Equipment	2,551,875	2,787,732	2,783,199	2,924,446
Services & Charges	1,034,280	1,232,564	1,235,050	1,418,496
Capital Outlay	2,257,541	2,566,000	2,566,000	2,533,000
Total Expenses	\$ 7,490,354	\$ 8,408,947	\$ 8,202,537	\$ 8,666,497
Other Uses:				
Transfers Out	\$ 1,644,603	\$ 1,744,933	\$ 1,744,933	\$ 1,756,564
Total Other Uses	\$ 1,644,603	\$ 1,744,933	\$ 1,744,933	\$ 1,756,564
Total Expenses/Uses	\$ 9,134,957	\$ 10,153,880	\$ 9,947,470	\$ 10,423,061
Excess (Deficiency) of Revenues/Sources				
over Expenses/Uses	\$ 1,554,775	\$ 807,717	\$ 1,074,656	\$ 699,286
ENDING FUND BALANCE	\$ 3,106,440	\$ 3,914,157	\$ 4,181,096	\$ 4,880,382
Ideal Fund Balance	\$ 1,600,282	\$ 1,772,156	\$ 1,720,554	\$ 1,849,215
Fund Balance in Excess of Minimum	\$ 1,506,158	\$ 2,142,001	\$ 2,460,542	\$ 3,031,167

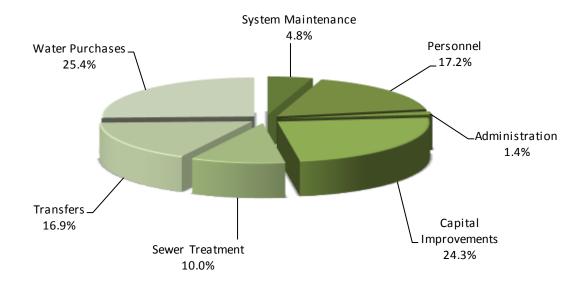
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UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



UTILITY FUND STATEMENT OF REVENUES

	FY 2016	FY 2017	FY 2017	FY 2018
	 Actual	Budget	Projected	Proposed
Licenses & Permits				
Plumbing Permits	\$ 62,725	\$ 58,000	\$ 54,300	\$ 64,000
Subtotal	\$ 62,725	\$ 58,000	\$ 54,300	\$ 64,000
Charges For Services				
Water Sales	\$ 6,590,256	\$ 6,900,266	\$ 6,833,997	\$ 6,899,686
Inter-Dept Water Sales	109,080	85,556	99,197	86,136
Sewer Charges	2,788,561	2,999,275	2,937,393	2,964,169
Meter Installation	51,050	4,450	31,370	50,500
Other Charges	 3,315	3,200	5,270	3,500
Subtotal	\$ 9,542,262	\$ 9,992,747	\$ 9,907,227	\$ 10,003,991
Fines & Forfeits				
Late Payment Penalties	\$ 74,806	\$ 72,400	\$ 71,400	\$ 74,000
Subtotal	\$ 74,806	\$ 72,400	\$ 71,400	\$ 74,000
Miscellaneous				
Interest	\$ 14,405	\$ 14,400	\$ 28,220	\$ 37,356
Sale of Assets	-	-	-	-
Contributions	545,244	352,000	485,105	482,000
Miscellaneous	3,695	2,750	6,574	2,200
Subtotal	\$ 563,344	\$ 369,150	\$ 519,899	\$ 521,556
Total Revenues	\$ 10,243,137	\$ 10,492,297	\$ 10,552,826	\$ 10,663,547



Department

		FY 2016 Actual	_	FY 2017 Budget	_	Y 2017 rojected	Y 2018 roposed	% Change 2017 to 2018
Personnel Services	\$	222,150	\$	230,636	\$	211,903	\$ 254,439	10.32%
Supplies & Equipment	\$	25,028	\$	32,712	\$	31,910	\$ 26,020	-20.46%
Services & Charges	\$	42,700	\$	50,274	\$	53,140	\$ 116,328	131.39%
Capital Outlay	\$	-	\$	-	\$	-	\$ -	-
Total Department	\$	289,878	\$	313,622	\$	296,953	\$ 396,787	26.52%
\$300,000	1							
\$250,000	+1							
\$200,000	\mathcal{M}							

Budget FY 2017 FY 2017 FY 2018 FY 2016 ■Personnel Services □Supplies & Equipment ■Services & Charges ■Capital Outlay

Projected

Proposed

SIGNIFICANT BUDGETARY ITEMS/CHANGES

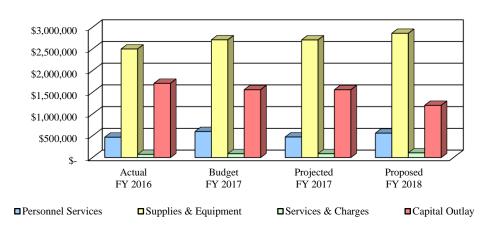
Actual

\$100,000 \$50,000

- Supplies & Equipment decreased (\$6,692) with \$5,400 being non-capital office equipment purchased in FY 2017.
- Services & Charges includes the \$12,450 addition of Itron analytics and customer portal software maintenance and a 5% increase in Tyler Technology software maintenance.
- New programs include \$11,525 for an employee health and wellness program administered through a local health system and \$45,000 for Human Resources Consulting Services.



EXPENDITURE SUMN	MARY				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services	\$ 467,743	\$ 598,159	\$ 472,824	\$ 561,087	-6.20%
Supplies & Equipment	2,499,672	2,710,034	2,708,117	2,859,940	5.53%
Services & Charges	72,036	87,808	87,808	107,608	22.55%
Capital Outlay	1,707,304	1,560,000	1,560,000	1,201,000	-23.01%
Total Department	\$ 4,746,755	\$ 4,956,001	\$4,828,749	\$ 4,729,635	-4.57%

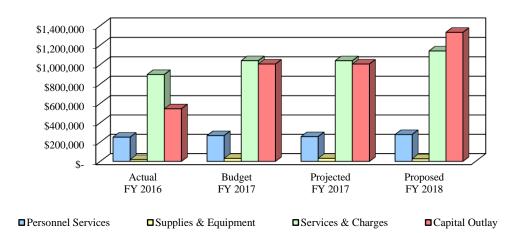


- Supplies & Equipment includes \$3,300 for Itron supplies. Water purchases cost is based on a projection of 1,070,998,000 gallons at a rate of \$2.48 per 1,000 gallons.
- 2 Services & Charges includes \$18,000 for Itron annual equipment maintenance.
- Capital Outlay includes \$169,000 for the Smart Water Meter Project (meter body replacement); \$927,000 in other water infrastructure improvements; \$75,000 for a water vault, water lines and new meter at 4242 Lomo Alto; \$30,000 on the Gillon pump station and water line by Dallas County Park Cities Municipal Utility District.



Sanitary Sewer Department

EXPENDITURE SUMN	MARY				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services	\$ 250,649	\$ 266,883	\$ 256,123	\$ 277,999	4.17%
Supplies & Equipment	18,448	30,566	30,672	26,686	-12.69%
Services & Charges	898,084	1,040,560	1,040,180	1,140,162	9.57%
Capital Outlay	544,691	1,006,000	1,006,000	1,332,000	32.41%
Total Department	\$ 1,711,872	\$ 2,344,009	\$2,332,975	\$ 2,776,847	18.47%

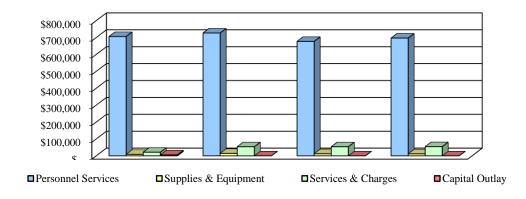


- Supplies & Equipment includes \$3,980 decrease in vehicle maintenance after completion of the dent & ding work in FY 2017.
- The wastewater treatment expense, \$1,038,890, is based on a projected 421,508,000 gallons to be treated and reflects an increase of \$99,602 resulting from a 11.1% rate increase by the City of Dallas.
- 3 Capital Outlay includes \$1,032,000 for the Town's Sanitary Sewer infrastructure rehabilitation program; \$100,000 for Turtle Creek 30" sewer interceptor project; \$1,000,000 study for Lakeside Drive rehab.



Engineering Department

EXPENDITURE SUMN	IAR	Y						
]	Y 2016 Actual	_	FY 2017 Budget	_	Y 2017 rojected	FY 2018 Proposed	% Change 2017 to 2018
Personnel Services	\$	706,115	\$	726,973	\$	677,438	\$ 697,030	-4.12%
Supplies & Equipment		8,728		14,420		12,500	11,800	-18.17%
Services & Charges		21,460		53,922		53,922	54,398	0.88%
Capital Outlay		5,546		-		-	-	-
Total Department	\$	741,849	\$	795,315	\$	743,860	\$ 763,228	-4.03%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

Supplies & Equipment includes a cost reduction of (\$2,800) due to completion of engineering files being digitized and no longer needing file scanning services.



	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018
General Fund	\$ 1,069,731	\$ 1,125,000	\$1,125,000	\$ 1,137,100	1.08%
Capital Projects Fund	476,289	499,255	499,255	493,200	-1.21%
Equip. Replacement Fund	41,080	48,503	48,503	48,227	-0.57%
Tech. Replacement Fund	7,500	8,775	8,775	8,637	-1.57%
Bldg. Maintenance Fund	50,003	63,400	63,400	69,400	9.46%
Total Department	\$ 1,644,603	\$ 1,744,933	\$1,744,933	\$ 1,756,564	0.67%
\$1,200,000 \$1,000,000 \$800,000 \$600,000					
\$400,000 \$200,000 \$-					

□ Capital Projects Fund

■General Fund

1 The transfer to the General Fund represents a reimbursement for General & Administrative services.

■Equip. Replacement Fund

■Bldg. Maintenance Fund

- The transfer to the Capital Projects Fund represents a right-of-way use fee based on 5% of water and sanitary sewer charges.
- 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 next fiscal year. The transfer has been adjusted for inflation to maintain purchasing power.
- The transfer to the Building Maintenance & Investment Fund is based on the overall budget of the Building Maintenance 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.

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SOLID WASTE FUND

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

SOLID WASTE FUND STATEMENT OF REVENUES & EXPENSES

	FY 2016 Actual*		FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed	
BEGINNING FUND BALANCE	\$	-	\$	-	\$	-	\$	9,489
REVENUES/SOURCES OF FUNDS								
Charges for Services		1,235,509		1,234,320		1,236,358		1,403,970
Miscellaneous	Φ.	1 225 500	ф	1 224 220	ф	683	ф	1,068
Total Revenues	\$	1,235,509	\$	1,234,320	\$	1,237,041	\$	1,405,038
Other Sources:	Φ		Ф		φ		Ф	20,000
Transfers In Total Other Sources	\$ \$	-	\$ \$	-	\$ \$	-	\$ \$	20,000 20,000
	-	4 44 500	·	4 00 4 00 0	·		•	ŕ
Total Revenues/Sources	\$	1,235,509	\$	1,234,320	\$	1,237,041	\$	1,425,038
EXPENSES - BY DEPARTMENT								
Sanitation Department	\$	1,093,055	\$	1,133,792	\$	1,131,152	\$	1,303,212
Total Expenses	\$	1,093,055	\$	1,133,792	\$	1,131,152	\$	1,303,212
Other Uses:								
Transfers Out	\$	98,518	\$	96,400	\$	96,400	\$	114,300
Total Other Uses	\$	98,518	\$	96,400	\$	96,400	\$	114,300
Total Expenses/Uses	\$	1,191,573	\$	1,230,192	\$	1,227,552	\$	1,417,512
Excess (Deficiency) of Revenues/Sources								
over Expenses/Uses	\$	43,936	\$	4,128	\$	9,489	\$	7,526
ENDING FUND BALANCE	\$	-	\$	4,128	\$	9,489	\$	17,015
Ideal Fund Balance	\$	-	\$	-	\$	-	\$	-
Fund Balance in Excess of Minimum	\$	-	\$	4,128	\$	9,489	\$	17,015

^{*}Prior year information presented for informational purposes only and is reflected in General Fund operations.

SOLID WASTE FUND STATEMENT OF REVENUES & EXPENSES

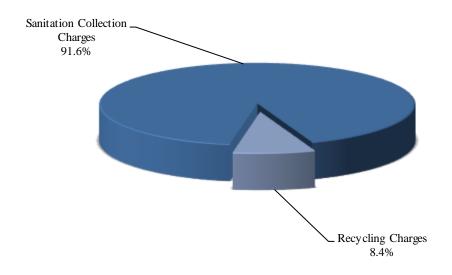
	FY 2016		FY 2017		FY 2017		FY 2018	
		Actual*		Budget]	Projected]	Proposed
BEGINNING FUND BALANCE	\$	-	\$	-	\$	-	\$	9,489
REVENUES/SOURCES OF FUNDS								
Charges for Services		1,235,509		1,234,320		1,236,358		1,403,970
Miscellaneous		-		-		683		1,068
Total Revenues	\$	1,235,509	\$	1,234,320	\$	1,237,041	\$	1,405,038
Other Sources:								
Transfers In	\$	-	\$	-	\$	-	\$	20,000
Total Other Sources	\$	-	\$	-	\$	-	\$	20,000
Total Revenues/Sources	\$	1,235,509	\$	1,234,320	\$	1,237,041	\$	1,425,038
EXPENSES - BY TYPE								
Personnel Services								
Payroll	\$	-	\$	-	\$	-	\$	-
Payroll Taxes		-		-		-		-
Retirement		-		-		-		-
Insurance		-		-		-		-
Total Personnel	\$	-	\$	-	\$	-	\$	-
Supplies & Equipment		51,741		45,500		45,500		45,500
Services & Charges		1,041,314		1,088,292		1,085,652		1,257,712
Capital Outlay	ф.	1 002 055	ф	1 122 502	ф	1 101 150	ф	- 1 202 212
Total Expenses	\$	1,093,055	\$	1,133,792	\$	1,131,152	\$	1,303,212
Other Uses:								
Transfers Out	\$	98,518	\$	96,400	\$	96,400	\$	114,300
Total Other Uses	\$	98,518	\$	96,400	\$	96,400	\$	114,300
Total Expenses/Uses	\$	1,191,573	\$	1,230,192	\$	1,227,552	\$	1,417,512
Excess (Deficiency) of Revenues/Sources								
over Expenses/Uses	\$	43,936	\$	4,128	\$	9,489	\$	7,526
ENDING FUND BALANCE	\$	-	\$	4,128	\$	9,489	\$	17,015

^{*}Prior year information presented for informational purposes only and is reflected in General Fund operations.

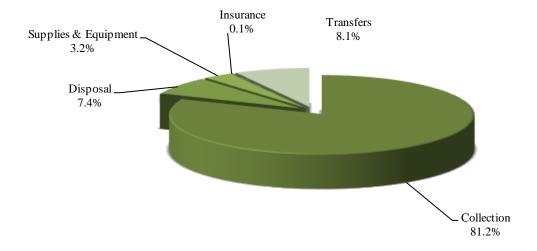
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SOLID WASTE FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



SOLID WASTE FUND STATEMENT OF REVENUES

	 FY 2016 Actual*		FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed		
Charges For Services							
Sanitation Collection Charges	\$ 1,137,022	\$	1,135,800	\$ 1,137,643	\$	1,286,160	
Recycling Charges	98,487		98,520	98,715		117,810	
Other Charges	-		-	-		-	
Subtotal	\$ 1,235,509	\$	1,234,320	\$ 1,236,358	\$	1,403,970	
Miscellaneous							
Interest	\$ -	\$	-	\$ 677	\$	1,068	
Miscellaneous	-		-	6		-	
Subtotal	\$ -	\$	-	\$ 683	\$	1,068	
Total Revenues	\$ 1,235,509	\$	1,234,320	\$ 1,237,041	\$	1,405,038	

^{*}Prior year information presented for informational purposes only and is reflected in General Fund operations.



EXPENDITURE SUMMARY									
	FY 2016 Actual*	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2017 to 2018				
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A				
Supplies & Equipment	\$ 51,741	\$ 45,500	\$ 45,500	\$ 45,500	0.00%				
Services & Charges	\$ 1,041,314	\$ 1,088,292	\$1,085,652	\$ 1,257,712	15.57%				
Capital Outlay	\$ -	\$ -	\$ -	\$ -	N/A				
Total Department	\$ 1,093,055	\$ 1,133,792	\$1,131,152	\$ 1,303,212	14.94%				
\$1,400,000 \$1,200,000 \$1,000,000 \$800,000 \$600,000 \$400,000 \$200,000 \$-									
	Actual* FY 2016	Budget FY 2017	Projected FY 2017	Proposed FY 2018					
□Personnel Ser	vices Suppl	lies & Equipment	□Services & Cha	arges Capita	al Outlay				

- 1 Sanitation operations were moved to a separate enterprise fund in the FY 2017 Budget.
- Service & Charges includes a \$145,720 increase for solid waste collection, recycling, and disposal services. This is based on inflationary increases in collection and disposal effective October 1, 2017 and the new contract with Republic Services effective January 1, 2018. The House Hold Hazardous Waste Program costs also increased to provide direct service for Town Residents.
- * Prior year information presented for informational purposes only and is reflected in General Fund.



	FY 2016 Actual*			FY 2018 Proposed	% Change 2017 to 2018
General Fund	\$ -	\$ -	\$ -	\$ -	N/A
Capital Projects Fund Utility Fund	61,775 36,743	61,700 34,700	61,700 34,700	71,700 42,600	16.21% 22.77%
Total Department	\$ 98,518	\$ 96,400	\$ 96,400	\$ 114,300	18.57%
\$80,000 \$70,000 \$60,000 \$50,000 \$40,000 \$30,000 \$20,000 \$10,000					
	Actual* FY 2016	Budget FY 2017	Projected FY 2017	Proposed FY 2018	

SIGNIFICANT BUDGETARY ITEMS/CHANGES

- The transfer to the Capital Projects Fund represents a 5% franchise fee based on solid waste and recycling collection revenue.
- 2 The transfer to the Utility Fund represents administrative cost for billing and collection of solid waste services.
- Prior year information presented for informational purposes only and is reflected in General Fund operations.

OTHER FUNDS

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

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

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

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

Forfeited Property Fund – This special revenue fund accounts for the forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

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

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

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

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

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

The Town of Highland Park, as of September 30, 2016, does not have any outstanding debt. The FY2017-18 Proposed Budget does not include any issuance of debt to fund short term or long range capital projects. The Town funds capital projects on a pay as you go basis and does not maintain a debt service fund.

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

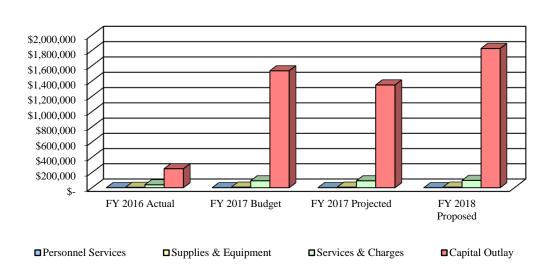
STORMWATER DRAINAGE UTILITY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed
BEGINNING FUND BALANCE	\$ 559,843	\$ 897,138	\$ 897,138	\$ 1,081,538
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 386,838	\$ 390,450	\$ 390,180	\$ 398,920
Interest	4,030	3,820	8,400	11,100
Miscellaneous	-	-	-	-
Total Revenues	\$ 390,868	\$ 394,270	\$ 398,580	\$ 410,020
Other Sources:				
Transfers In	\$ 350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,100,000
Total Other Sources:	350,000	1,350,000	1,350,000	1,100,000
Total Revenues/Sources:	\$ 740,868	\$ 1,744,270	\$ 1,748,580	\$ 1,510,020
EXPENSES/USES OF FUNDS				
Supplies & Equipment	5,051	7,100	7,100	7,256
Services & Charges	37,513	90,580	90,580	95,271
Capital Outlay	249,231	1,533,000	1,348,000	1,825,000
Total Expenditures	\$ 291,795	\$ 1,630,680	\$ 1,445,680	\$ 1,927,527
Transfers	111,778	118,500	118,500	113,500
Total Expenditures/Uses of Funds	\$ 403,573	\$ 1,749,180	\$ 1,564,180	\$ 2,041,027
Excess of Revenues/Sources				
Over Expenses/Uses	\$ 337,295	\$ (4,910)	\$ 184,400	\$ (531,007)
ENDING FUND BALANCE	\$ 897,138	\$ 892,228	\$ 1,081,538	\$ 550,531



Stormwater Drainage Fund

	Y 2016 Actual		2017 dget	FY 2017 Projected			2018 oposed	% Ch 2016 to	_
Personnel Services	\$ -	\$	-	\$	_	\$	_		-
Supplies & Equipment	5,051		7,100	,	7,100		7,256		2.20%
Services & Charges	37,513		90,580	90	0,580		95,271		5.18%
Capital Outlay	249,231	1,5	33,000	1,348	8,000	1,3	825,000	1	19.05%
Total Department	\$ 291,795	\$ 1,6	30,680	\$1,44	5,680	\$ 1,9	927,527	1	18.20%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

Capital Projects include the Master Plan & Improvements for Hackberry Creek for \$1,640,000 and Armstrong Bridges (2) rehabilitation at a cost of \$185,000 (project moved from FY 2017 to FY 2018).

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EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016			FY 2017		FY 2017	FY 2018	
		Actual		Budget]	Projected]	Proposed
BEGINNING FUND BALANCE	\$	3,041,055	\$	3,460,847	\$	3,460,847	\$	2,532,747
REVENUES/SOURCES OF FUNDS								
Charges for Services	\$	-	\$	-	\$	-	\$	-
Interest		14,898		13,100		39,200		28,600
Sale of Assets		65,883		30,000		30,000		45,000
Contributions		-		-		-		-
Total Revenues	\$	80,781	\$	43,100	\$	69,200	\$	73,600
Transfers		621,707		396,052		396,052		434,921
Total Revenues/Sources	\$	702,488	\$	439,152	\$	465,252	\$	508,521
EXPENDITURES/USES OF FUNDS								
Vehicle Disposal	\$	21,250	\$	3,600	\$	3,600	\$	3,600
Rolling Stock Acquisition		261,446		1,357,427		1,357,427		471,389
Equipment Acquisition		-		32,325		32,325		41,000
Total Expenditures	\$	282,696	\$	1,393,352	\$	1,393,352	\$	515,989
Transfers		-		-		_		-
Total Expenditures/Uses	\$	282,696	\$	1,393,352	\$	1,393,352	\$	515,989
Excess (Deficiency) of Revenues/Sources								
Over Expenditures/Uses	\$	419,792	\$	(954,200)	\$	(928,100)	\$	(7,468)
ENDING FUND BALANCE	\$	3,460,847	\$	2,506,647	\$	2,532,747	\$	2,525,279

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
Administration/CID	6193	Chevrolet Tahoe	2015	2014	2019
Administration/CID	6569	Chevrolet Tahoe	2015	2014	2019
Administration/CID	4620	Chevrolet Tahoe	2015	2015	2020
Command Vehicle	7668	Chevrolet Tahoe	2010	2010	2018
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	2259	Pierce Spartan	2000	2000	2021
Fire Apparatus	7230	Pierce Dash (T331)	2007	2007	2032
Ambulance	0650	International	1992	1992	Unscheduled
MICU	3067	Navistar	2006	2005	2021
MICU	6639	Frazier	2010	2010	2021
Pickup (Animal Control)	1769	Dodge	2013	2013	2018
Administration/CID	3154	Chevrolet Tahoe	2013	2013	2019
Police SUV	7995	Chevrolet Tahoe	2013	2013	2019
Police SUV	3154	Chevrolet Tahoe	2013	2013	2016
Police SUV	8210	Chevrolet Tahoe	2013	2013	2016
Police SUV	2677	Chevrolet Tahoe	2013	2013	2016
Police SUV	4941	Chevrolet Tahoe	2015	2015	2020
Police SUV	0055	Chevrolet Tahoe	2009	NA	NA
STREET					
Dump Truck	7754	Ford	2010	2011	2018
Pickup	6567	Chevrolet	2011	2011	2018
Asphalt Roller	NA	Bomag	2015	2015	2025
STREET LIGHTING					
Truck w/ Arial lift	8413	Ford	2009	2008	2018
Pickup	1837	Chevrolet	2012	2012	2019
PARKS					
Truck w/ Arial lift	8247	Chevrolet	2008	2008	2018
Pickup	9970	Chevrolet	2013	2013	2020
Van	3073	Chevrolet	2013	2013	2020
Truck w/ Dump body	6582	Chevrolet	2012	2012	2020
SERVICE CENTER					
Front-End Loader	NA	Case	2011	2011	2021
WATER					
Pickup	0678	Chevrolet	2013	2013	2020
Pickup Pickup	9155	Chevrolet	2013	2013	2020
Pickup Pickup	9133 0129	Chevrolet	2013	2013	2020
1 ionup	0147	CHCVIOICE	2011	2011	2010

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
SEWER					
Truck-4 ½ Ton w/ Flusher	1911	Ford	2011	2011	2018
Dump Truck	6311	Freightliner	2008	2008	2018
Loader/Backhoe	0257	John Deere	2012	2012	2020
Backhoe	5057	Ford	2004	2004	2014

TECHNOLOGY REPLACEMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016		FY 2017		FY 2017	FY 2018	
		Actual	Budget]	Projected	I	Proposed
BEGINNING FUND BALANCE	\$	750,269	\$ 1,287,063	\$	1,287,063	\$	1,352,996
REVENUES/SOURCES OF FUNDS							
Interest	\$	8,318	\$ 6,800	\$	15,818	\$	16,370
Sale of Assets		-	5,000		5,000		2,500
Contributions		-	-		-		-
Total Revenues	\$	8,318	\$ 11,800	\$	20,818	\$	18,870
Transfers		619,189	477,818		477,818		479,849
Total Revenues/Sources	\$	627,507	\$ 489,618	\$	498,636	\$	498,719
EXPENDITURES/USES OF FUNDS							
Services & Charges	\$	-	\$ 41,000	\$	41,000	\$	5,000
Technology Equipment Acquisition		90,713	391,703		391,703		-
Total Expenditures	\$	90,713	\$ 432,703	\$	432,703	\$	5,000
Transfers		_	-		-		-
Total Expenditures/Uses	\$	90,713	\$ 432,703	\$	432,703	\$	5,000
Excess (Deficiency) of Revenues/Sources							
Over Expenditures/Uses	\$	536,794	\$ 56,915	\$	65,933	\$	493,719
ENDING FUND BALANCE	\$	1,287,063	\$ 1,343,978	\$	1,352,996	\$	1,846,715

BUILDING MAINTENANCE & INVESTMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016		FY 2017	FY 2017		FY 2018	
	Actual		Budget	F	Projected	P	roposed
BEGINNING FUND BALANCE	\$	347,732	\$ 535,657	\$	535,657	\$	651,528
REVENUES/SOURCES OF FUNDS							
Interest	\$	1,631	\$ 1,600	\$	4,600	\$	5,100
Miscellaneous		17,215	16,000		16,443		16,000
Total Revenues	\$	18,846	\$ 17,600	\$	21,043	\$	21,100
Transfers		513,128	541,900		541,900		508,300
Total Revenues/Sources	\$	531,974	\$ 559,500	\$	562,943	\$	529,400
EXPENDITURES/USES OF FUNDS							
Supplies & Equipment	\$	27,065	\$ 31,825	\$	25,350	\$	38,000
Services & Charges		316,984	425,123		421,722		389,527
Capital Outlay		-	-		-		94,800
Total Expenditures	\$	344,049	\$ 456,948	\$	447,072	\$	522,327
Transfers		-	-		-		-
Total Expenditures/Uses	\$	344,049	\$ 456,948	\$	447,072	\$	522,327
Excess (Deficiency) of Revenues/Sources							
Over Expenditures/Uses	\$	187,925	\$ 102,552	\$	115,871	\$	7,073
ENDING FUND BALANCE	\$	535,657	\$ 638,209	\$	651,528	\$	658,601



Service Center

	FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		Y 2018 roposed	% Change 2016 to 2017
Personnel Services	\$	-	\$ -	\$	-	\$	_	
Supplies & Equipment		5,265	3,800		3,800		3,850	1.32%
Services & Charges		48,474	51,553		48,152		41,835	-18.85%
Capital Outlay		-	-		-		-	0.00%
Total Department	\$	53,739	\$ 55,353	\$	51,952	\$	45,685	-17.47%
\$60,000	0							
\$50,000	0							
\$40,000	0							
\$30,000	0							

□ Personnel Services □ Supplies & Equipment □ Services & Charges □ Capital Outlay

FY 2017 Projected

FY 2018 Proposed

FY 2017 Budget

SIGNIFICANT BUDGETARY ITEMS/CHANGES

FY 2016 Actual

\$10,000

1 Services & Charges includes a (\$14,000) decrease related to completion of two projects in FY 2017 and the addition of a time clock \$2,500.



EXPENDITURE SUMM	ARY FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	% Change 2016 to 2017
Personnel Services Supplies & Equipment Services & Charges Capital Outlay	\$ 21,800 268,510	\$ - 28,025 373,570	\$ - 21,550 373,570	\$ - 34,150 347,692 94,800	21.86% -6.93%
\$400,000 \$350,000 \$300,000 \$250,000 \$200,000 \$150,000 \$100,000	\$ 290,310	\$ 401,595	\$ 395,120	\$ 476,642	18.69%
\$50,000 \$-	FY 2016 Actual	FY 2017 Budget	FY 2017 Projecte Services & Ch	Proposed	ral Outlay

SIGNIFICANT BUDGETARY ITEMS/CHANGES

- Supplies & Equipment includes moving \$6,500 from the Information Technology Department in the General Fund to the Building Maintenance & Improvement Fund. These items relate to building maintenance and repair material such as low voltage cable, access control repair, and video repair.
- Services & Charges includes \$9,900 for labor costs on network cabling and access control repairs; \$50,000 to replace the roof above the Library/Town Hall; \$5,000 for TREMCO roof repair; and (\$97,500) reduction in completed building repairs in FY 2017.
- 3 Capital Outlay includes the scheduled equipment replacement of HVAC units located on the roof of Town Hall. This is part of the replacement program from the Camelot report.

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FORFEITED PROPERTY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016 Actual		FY 2017 Budget		FY 2017 Projected		FY 2018 Proposed	
BEGINNING FUND BALANCE	\$	8,331	\$	8,556	\$	8,556	\$	10,095
REVENUES/SOURCES OF FUNDS								
Forfeitures	\$	2,560	\$	3,000	\$	2,500	\$	2,500
Interest		34		42		39		42
Total Revenues	\$	2,594	\$	3,042	\$	2,539	\$	2,542
Transfers		-		-		-		-
Total Revenues/Sources	\$	2,594	\$	3,042	\$	2,539	\$	2,542
EXPENDITURES/USES OF FUNDS								
Supplies & Equipment	\$	-	\$	-	\$	-	\$	-
Service & Charges		2,369		2,500		1,000		9,500
Capital Outlay		-		-		-		-
Total Expenditures/Uses	\$	2,369	\$	2,500	\$	1,000	\$	9,500
Excess (Deficiency) of Revenues/Sources								
Over Expenditures/Uses	\$	225	\$	542	\$	1,539	\$	(6,958)
Fund Balance	\$	8,556	\$	9,098	\$	10,095	\$	3,137

COURT TECHNOLOGY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed		
BEGINNING FUND BALANCE	\$ 52,295	\$ 66,794	\$ 66,794	\$	77,361	
REVENUES/SOURCES OF FUNDS						
Court Fees	\$ 29,275	\$ 34,860	\$ 32,783	\$	36,480	
Interest	227	220	683		700	
Total Revenues	\$ 29,502	\$ 35,080	\$ 33,466	\$	37,180	
Transfers	-	-	-		-	
Total Revenues/Sources	\$ 29,502	\$ 35,080	\$ 33,466	\$	37,180	
EXPENDITURES/USES OF FUNDS						
Supplies & Equipment	\$ 3,881	\$ 3,860	\$ 4,099	\$	4,072	
Service & Charges	11,122	19,090	18,800		19,464	
Capital Outlay	-	-	_		-	
Total Expenditures/Uses	\$ 15,003	\$ 22,950	\$ 22,899	\$	23,536	
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 14,499	\$ 12,130	\$ 10,567	\$	13,644	
Fund Balance	\$ 66,794	\$ 78,924	\$ 77,361	\$	91,005	

COURT SECURITY FUND STATEMENT OF REVENUES & EXPENDITURES

	Y 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed		
BEGINNING FUND BALANCE	\$ 5,649	\$ 4,428	\$ 4,428	\$	5,156	
REVENUES/SOURCES OF FUNDS						
Court Fees	\$ 21,956	\$ 27,890	\$ 24,587	\$	29,186	
Interest	23	25	41		53	
Total Revenues	\$ 21,979	\$ 27,915	\$ 24,628	\$	29,239	
Transfers	 _	-	-		-	
Total Revenues/Sources	\$ 21,979	\$ 27,915	\$ 24,628	\$	29,239	
EXPENDITURES/USES OF FUNDS						
Services & Charges	\$ -	\$ -	\$ -	\$	-	
Capital Outlay	-	-	-		-	
Total Expenditures	\$ -	\$ -	\$ -	\$	-	
Transfers	 23,200	23,900	23,900		24,600	
Total Expenditures/Uses	\$ 23,200	\$ 23,900	\$ 23,900	\$	24,600	
Excess Revenues/Sources						
Over Expenditures/Uses	\$ (1,221)	\$ 4,015	\$ 728	\$	4,639	
ENDING FUND BALANCE	\$ 4,428	\$ 8,443	\$ 5,156	\$	9,795	

LIBRARY FUND STATEMENT OF REVENUES & EXPENDITURES

	I	FY 2016		FY 2017		FY 2017		FY 2018
		Actual		Budget]	Projected]	Proposed
BEGINNING FUND BALANCE	\$	223,443	\$	245,160	\$	245,160	\$	209,387
REVENUES/SOURCES OF FUNDS								
Interest	\$	1,199	\$	1,120	\$	2,266	\$	2,275
Library Donations		21,235		12,000		11,487		12,000
Total Revenues	\$	22,434	\$	13,120	\$	13,753	\$	14,275
Transfers		-		-		-		-
Total Revenues/Sources	\$	22,434	\$	13,120	\$	13,753	\$	14,275
EXPENDITURES/USES OF FUNDS								
Supplies & Equipment	\$	-	\$	-	\$	-	\$	-
Services & Charges		717		42,645		49,526		42,650
Total Expenditures	\$	717	\$	42,645	\$	49,526	\$	42,650
Transfers		-		-		-		-
Total Expenditures/Uses	\$	717	\$	42,645	\$	49,526	\$	42,650
Excess (Deficiency) of Revenues/Sources								
Over Expenditures/Uses	\$	21,717		(29,525)	\$ (35,773)		\$	(28,375)
ENDING FUND BALANCE	\$	245,160	\$	215,635	\$	209,387	\$	181,012

DPS TECHNOLOGY FUND STATEMENT OF REVENUES & EXPENDITURES

]	FY 2016		FY 2017		FY 2017	FY 2018		
		Actual		Budget	1	Projected	I	Proposed	
BEGINNING FUND BALANCE	\$	111,412	\$	187,239	\$	187,239	\$	184,813	
REVENUES/SOURCES OF FUNDS									
Interest	\$	688	\$	615	\$	1,983	\$	373	
Alarm Monitoring Charges		192,596		230,000		184,649		-	
Fiber line Lease Receipts		74,355		76,300		80,366		82,950	
Total Revenues	\$	267,639	\$	306,915	\$	266,998	\$	83,323	
Transfers		-		-		-		-	
Total Revenues/Sources	\$	267,639	\$	306,915	\$	266,998	\$	83,323	
EXPENDITURES/USES OF FUNDS									
Services & Charges	\$	191,812	\$	230,000	\$	192,509	\$	-	
Technology Equipment Acquisition		-		-		_		-	
Total Expenditures	\$	191,812	\$	230,000	\$	192,509	\$	-	
Transfers		-		-		76,915		79,222	
Total Expenditures/Uses	\$	191,812	\$	230,000	\$	269,424	\$	79,222	
Evenes (Deficiency) of Devenyor/Sources									
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$	75,827	\$	76,915	\$	(2,426)	¢	4,101	
Over Expenditures/Oses	Ψ	13,041	Ψ	70,913	Ψ	(2,420)	Φ	4,101	
ENDING FUND BALANCE	\$	187,239	\$	264,154	\$	184,813	\$	188,914	

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Constal Day South Frond
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 2016	FY 2017		FY 2017	FY 2018		
	 Actual	Budget]	Projected]	Proposed	
BEGINNING FUND BALANCE	\$ 2,827,307	\$ 4,907,677	\$	4,907,677	\$	4,381,944	
REVENUES/SOURCES OF FUNDS							
Interest	\$ 16,202	\$ 17,600	\$	45,700	\$	54,400	
Contributions	892,239	659,760		402,065		759,760	
Total Revenues	\$ 908,441	\$ 677,360	\$	447,765	\$	814,160	
Transfers	3,667,044	3,236,845		3,313,760		3,301,350	
Total Revenues/Sources	\$ 4,575,485	\$ 3,914,205	\$	3,761,525	\$	4,115,510	
EXPENDITURES/USES OF FUNDS							
Capital Projects	\$ 1,847,041	\$ 4,350,678	\$	2,621,158	\$	4,351,439	
Total Expenditures	\$ 1,847,041	\$ 4,350,678	\$	2,621,158	\$	4,351,439	
Transfers	648,074	1,666,100		1,666,100		1,402,700	
Total Expenditures/Uses	\$ 2,495,115	\$ 6,016,778	\$	4,287,258	\$	5,754,139	
Excess (Deficiency) of Revenues/Sources							
Over Expenditures/Uses	\$ 2,080,370	\$ (2,102,573)	\$	(525,733)	\$	(1,638,629)	
ENDING FUND BALANCE 1	\$ 4,907,677	\$ 2,805,104	\$	4,381,944	\$	2,743,315	

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

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND - PRELIMINARY DRAFT

FISCAL YEARS 2018-2027

Project/Funding Source		2016-17		2017-18		2018-19		2019-20
Beginning Balance	\$	5,094,916	\$	4,569,183	\$	2,930,554	\$	2,907,781
Annual Project Funding								
General Fund CIP Transfer	\$	1,096,320	\$	1,119,220	\$	1,142,724	\$	1,166,721
General Fund 5% Solid Waste Transfer	Ψ	61,700	Ψ	71,700	Ψ	72,417	Ψ	73,141
Utility Fund 5% W&S Transfer		499,255		493,200		498,132		503,113
Supplemental General Fund Transfer		171,290		129,728		231,731		179,459
Increased CIP Revenue from Growth in Property Values - 2014		342,651		342,651		342,651		342,651
Increased CIP Revenue from Growth in Property Values - 2015		705,188		705,188		705,188		705,188
Increased CIP Revenue from Growth in Property Values - 2016		360,441		360,441		360,441		360,441
Contributions		500,441		500,441		500,441		500,441
Contributions - DART		402,065		_		_		_
Intergovernmental Revenue		402,003		759,760		337,000		_
Transfer from DPS Technology Fund		76,915		79,222		81,599		84,047
Interest Revenue						27,547		
		45,700	_	54,400				27,333
Total Annual Project Funding	\$	3,761,525	\$	4,115,510	\$	3,799,430	\$	3,442,094
Expenditures								
Project 25 Public Safety Radio System	\$	200,000	\$	-	\$	334,148	\$	334,148
Fiber Connectivity to HPISD		100,000		-		-		-
Flippen Park Improvements		150,000		-		-		-
Tennis Court Reconstruction		300,000		200,000		200,000		-
Street Light Painting		25,500		25,000		25,000		25,000
Mockingbird Screening Wall		150,000		-		-		-
Toll Road Parkway Renovation		150,000		136,000		-		-
Preston Road Parkway Improvements		50,000		150,000		150,000		150,000
Heating of Swimming Pool		-		100,000		-		-
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.		-		-		-		250,000
Park Renovation/Rehabilitation Program		-		185,000		190,920		197,029
Service Center Study		-		-		-		-
Street Resurfacing & Miscellaneous Concrete		945,658		975,919		1,007,148		1,039,377
Livingston Avenue Rehabilitation		-		410,000		-		-
Preston Road Rehabilitation		-		1,319,520		474,000		-
Exall Lake Pedestrian Bridge		550,000		-		-		-
Armstrong Parkway Reconstruction/Rehabilitation		-		850,000		780,720		-
Hillcrest Avenue Rehabilitation		-		-		-		600,000
Douglas Avenue Rehabilitation		-		-		-		-
Wycliffe/Oak Lawn Signal Improvements		-		-		-		-
Herschel/Oak Lawn Signal Improvements		-		-		-		-
Westside Drive Reconstruction		-		-		-		-
Abbott Avenue Rehabilitation / Reconstruction		-		-		-		-
Mockingbird Lane Resurfacing		-		-		-		-
Lomo Alto Drive Rehabilitation		-		-		-		-
Total Expenditures	\$	2,621,158	\$	4,351,439	\$	3,161,936	\$	2,595,554
Transfers-Out								
Storm Water Fund	\$	1,350,000	\$	1,100,000	\$	350,000	\$	350,000
Project Personnel Costs		316,100		302,700		310,268		318,025
Total Transfers-Out	\$	1,666,100	\$	1,402,700	\$	660,268	\$	668,025
Total Expenditures & Transfers Out	\$	4,287,258	\$	5,754,139	\$	3,822,204	\$	3,263,579
Ending Balance*	\$	4,569,183	\$	2,930,554	\$	2,907,781	\$	3,086,295
Construction Contingency	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000
Over(Under) Contingency	\$	2,569,183	\$	930,554	\$	907,781	\$	1,086,295
*Includes DPS Technology Fund Balance **Excludes FY 2016		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ψ	200,004	Ψ	201,101	Ψ	2,000,275

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	2020-21		2021-22		2022-23		2023-24		2024-25		2025-26	2026-27		Tot	al 10 Years**
\$	3,086,295	\$	3,286,434	\$	2,802,711	\$	2,982,538	\$	2,637,329	\$	2,808,506	\$	2,810,773	\$	4,569,183
\$	1,191,222	\$	1,216,238	\$	1,241,779	\$	1,267,856	\$	1,294,481	\$	1,321,665	\$	1,349,420	\$	12,311,326
Ψ	73,872	Ψ	74,611	Ψ	75,357	Ψ	76,111	Ψ	76,872	Ψ	77,641	Ψ	78,417	Ψ	750,139
	508,144		513,225		518,357		523,541		528,776		534,064		539,405		5,159,957
	189,417		195,380		196,853		193,311		184,182		168,837		146,595		1,815,493
	342,651		342,651		342,651		342,651		342,651		342,651		342,651		3,426,510
	705,188		705,188		705,188		705,188		705,188		705,188		705,188		7,051,880
	360,441		360,441		360,441		360,441		360,441		360,441		360,441		3,604,410
	-		-		-		-		-		-		-		-
															-
	100,000		100,000		-		-		-		-		-		1,296,760
	86,569		89,166		91,841		94,596		97,434		100,357		103,367		908,197
	29,011		30,892		26,345		28,036		24,791		26,400		26,421		301,176
\$	3,586,515	\$	3,627,792	\$	3,558,812	\$	3,591,731	\$	3,614,816	\$	3,637,244	\$	3,651,905	\$	36,625,848
Ф	224 140	ф	224 140	Ф	2 007 222										
\$	334,148	\$	334,148	\$	334,148	\$	334,148	\$	334,148	\$	334,148	\$	334,148	\$	3,007,332
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		400,000
	25,000		25,000		25,000		25,000		25,000		25,000		25,000		250,000
	-		-		-		-		-		-		-		126,000
	-		-		-		-		-		-		-		136,000 450,000
	-		-		-		-		-		-		-		100,000
	_		_		-		-		_		_		_		250,000
	203,334		209,841		216,556		223,486		230,637		238,018		245,634		2,140,456
	150,000		207,041		210,330		223,400		230,037		230,010		243,034		150,000
	1,072,637		1,106,961		1,142,384		1,178,940		1,216,666		1,255,599		1,295,778		11,291,409
	-		-		-		-		-		-		-		410,000
	-		-		-		-		_		_		-		1,793,520
	-		-		-		-		_		_		-		-
	-		-		-		-		-		-		-		1,630,720
	-		-		-		-		-		-		-		600,000
	500,280		601,440		-		-		-		-		-		1,101,720
	250,000		-		-		-		-		-		-		250,000
	175,000		-		-		-		-		-		-		175,000
	-		1,150,000		-		-		-		-		-		1,150,000
	-		-		968,418		894,326		-		-		-		1,862,744
	-		-		-		580,000		-		-		-		580,000
	-		-		-		-		927,372		1,063,401		-		1,990,773
\$	2,710,399	\$	3,427,390	\$	2,686,506	\$	3,235,900	\$	2,733,823	\$	2,916,166	\$	1,900,560	\$	29,719,674
\$	350,000	\$	350,000	\$	350,000	\$	350,000	\$	350,000	\$	350,000	\$	350,000	\$	4,250,000
~	325,976	~	334,125	Í	342,478	7	351,040	7	359,816	7	368,811	+	378,031	7	3,391,270
\$	675,976	\$	684,125	\$	692,478	\$	701,040	\$	709,816	\$	718,811	\$	728,031	\$	7,641,270
\$	3,386,375	\$	4,111,515	\$	3,378,984	\$	3,936,940	\$	3,443,639	\$	3,634,977	\$	2,628,591	\$	37,360,944
\$	3,286,434	\$	2,802,711	\$	2,982,538	\$	2,637,329	\$	2,808,506	\$	2,810,773	\$	3,834,087	\$	3,834,087
\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000
	1,286,434	\$	802,711	\$	982,538	\$	637,329	\$	808,506	\$	810,773	\$	1,834,087	\$	1,834,087

TOWN OF HIGHLAND PARK, TEXAS

STORM WATER FUND - PRELIMINARY DRAFT

FISCAL YEARS 2018-2027

Project/Funding Source		2016-17		2017-18		2018-19	- 2	2019-20
Beginning Balance	\$	897,138	\$	1,081,538	\$	550,531	\$	547,850
Revenues								
Storm Water Charges	\$	390,180	\$	398,920	\$	414,994	\$	423,709
Interest Earnings		8,400		11,100		3,105		3,123
Total Revenues	\$	398,580	\$	410,020	\$	418,099	\$	426,832
Transfers - In		1,350,000		1,100,000		350,000		350,000
Total Revenues & Transfers - In	\$	1,748,580	\$	1,510,020	\$	768,099	\$	776,832
Expenditures								
Supplies & Equipment	\$	7,100	\$	7,256	\$	7,416	\$	7,579
Services & Charges		90,580		95,271	·	97,367	·	99,509
Total Operating Expenditures	\$	97,680	\$	102,527	\$	104,783	\$	107,088
Capital Outlay:								
Lexington Tunnel Internal Resurfacing	\$	35,000	\$	_	\$	_	\$	_
Douglas Park Drainage Improvement		_		_	·	_	·	_
Exall Lake Dredging & Silt Removal		-		-		-		-
Connor Park Shoreline Stabilization & Silt Removal		858,000		-		-		-
Southern & Livingston Drainage Improvements		80,000		-		-		-
Master Plan & Improvements for Hackberry Creek		375,000		1,640,000		550,000		550,000
Drainage Study & Impr Watershed in Northeast Area of Town		-		-		-		-
Armstrong Bridges (2) Rehabilitation		-		185,000		-		-
Potential Projects Total Capital Outlay	\$	1,348,000	\$	1,825,000	\$	550,000	\$	550,000
Town Capital Canaly	Ψ	1,0 10,000	Ψ	1,020,000	Ψ	220,000	<u> </u>	
Total Expenditures	\$	1,445,680	\$	1,927,527	\$	654,783	\$	657,088
Transfers-Out		118,500		113,500		115,997		118,549
Total Expenditures & Transfers-Out	\$	1,564,180	\$	2,041,027	\$	770,780	\$	775,637
	_			_,~ -,~ -,		,		,
Ending Balance	\$	1,081,538	\$	550,531	\$	547,850	\$	549,045

* *Excludes FY 2016-17.

2	2020-21	 2021-22	2	2022-23	 2023-24		2024-25	 2025-26	 2026-27	Tota	al 10 Years*
\$	549,045	\$ 554,210	\$	563,444	\$ 576,844	\$	594,511	\$ 591,431	\$ 668,060	\$	1,081,538
\$	432,607	\$ 441,692	\$	450,968	\$ 460,438	\$	470,107	\$ 479,979	\$ 490,059	\$	4,463,473
	3,159	 3,215		3,290	 3,386		3,385	 3,757	 4,152		41,672
•	435,766	\$ 444,907	\$	454,258	\$ 463,824	\$	473,492	\$ 483,736	\$ 494,211	\$	4,505,145
	350,000	350,000		350,000	350,000		350,000	350,000	350,000	\$	4,250,000
\$	785,766	\$ 794,907	\$	804,258	\$ 813,824	\$	823,492	\$ 833,736	\$ 844,211	\$	8,755,145
\$	7,746	\$ 7,916	\$	8,090	\$ 8,268	\$	8,450	\$ 8,636	\$ 8,826	\$	80,183
	101,698	 103,935		106,222	 108,559		110,947	 113,388	115,883		1,052,779
•	109,444	\$ 111,851	\$	114,312	\$ 116,827	\$	119,397	\$ 122,024	\$ 124,709	\$	1,132,962
\$	-	\$ -	\$	-	\$ -	\$	-	\$ -	\$ -	\$	-
	-	-		-	-		-	-	-		-
	-	-		-	-		-	-	-		-
	-	-		-	-		-	-	-		-
	550,000	550,000		550,000	550,000		500,000	_	-		5,440,000
	-	-		-	-		75,000	500,000	500,000		1,075,000
	-	-		-	-		-	-	-		185,000
\$	550,000	\$ 550,000	\$	550,000	\$ 550,000	\$	575,000	\$ 500,000	\$ 500,000	\$	6,700,000
\$	659,444	\$ 661,851	\$	664,312	\$ 666,827	\$	694,397	\$ 622,024	\$ 624,709	\$	7,832,962
	121,157	123,822		126,546	129,330		132,175	135,083	138,055		1,254,214
\$	780,601	\$ 785,673	\$	790,858	\$ 796,157	\$ 3	826,572.00	\$ 757,107.00	\$ 762,764.00	\$	9,087,176
3	554,210	\$ 563,444	\$	576,844	\$ 594,511	\$	591,431	\$ 668,060	\$ 749,507	\$	749,507

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND - PRELIMINARY DRAFT

FISCAL YEARS 2018-2027

						*						
Project/Funding Source		2016-17		2017-18		2018-19		2019-20				
Beginning Balance	\$	3,106,440	\$	4,181,096	\$	4,880,382	\$	3,083,055				
Revenues												
Water Sales	\$	6,933,194	\$	6,985,822	\$	7,317,649	\$	7,317,649				
Sanitary Sewer Charges	-	2,937,393	_	2,964,169	_	3,104,967	7	3,104,967				
Permit Revenue		54,300		64,000		64,000		64,000				
Interest Earnings		28,220		37,356		45,876		28,981				
Intergovernmental Revenue		352,000		352,000		-		-				
Other Revenues		247,719		260,200		107,000		107,000				
Total Revenues	\$	10,552,826	\$	10,663,547	\$	10,639,491	\$	10,622,596				
Transfers-In		469,300		458,800		468,894		479,210				
Total Revenues & Transfers-In	\$	11,022,126	\$	11,122,347	\$	11,108,385	\$	11,101,806				
Expenditures												
Personnel Services	\$	1,618,288	\$	1,790,555	\$	1,938,498	\$	2,025,730				
Supplies & Equipment	-	2,783,199	_	2,924,446	_	3,026,802	7	3,132,740				
Services & Charges		1,235,050		1,418,496		1,468,143		1,519,528				
Operating Capital		31,000		-		-		-				
Total Operating Expenditures	\$	5,667,537	\$	6,133,497	\$	6,433,443	\$	6,677,998				
Capital Outlay:												
Smart Water Meter Program	\$	535,000	\$	169,000	\$	-	\$	-				
Water & Sanitary Sewer Infrastructure Replace./Rehab.		2,000,000		2,064,000		2,130,048		2,198,210				
Turtle Creek 30-Inch Sanitary Sewer Interceptor Design		-		100,000		-		-				
Lakeside Drive Rehabilitation		-		200,000		2,500,000		-				
Elevated Water Tank		-		-		-		800,000				
In-line Booster Pump Study		-		-		20,000		-				
New Pump Station & Discharge Line at Gillon Pump Station Potential Projects		-		-		-		-				
Turtle Creek 30-Inch Sanitary Sewer Interceptor Impr. (\$1,100,000)		-		-		-		-				
Total Capital Expenditures	\$	2,535,000	\$	2,533,000	\$	4,650,048	\$	2,998,210				
Total Expenditures	\$	8,202,537	\$	8,666,497	\$	11,083,491	\$	9,676,208				
Transfers-Out		1,744,933		1,756,564		1,822,222		1,850,846				
Total Expenditures & Transfer-Out	\$	9,947,470	\$	10,423,061	\$	12,905,713	\$	11,527,054				
Operating Reserve	\$	1,729,735	\$	1,848,140	\$	1,933,634	\$	2,001,929				
Rate Stabilization Reserve		2,451,361		3,032,242		1,149,421		655,878				
Ending Balance		4,181,096		4,880,382		3,083,055		2,657,807				
Ideal Fund Balance (25% of Operating Expenses)	\$	1,729,735	\$	1,848,140	\$	1,933,634	\$	2,001,929				
Over(Under) Ideal Fund Balance	\$	2,451,361	\$	3,032,242	\$	1,149,421	\$	655,878				
** 1 1 AGEN : 1 :												

^{*} Includes 4.75% rate adjustment for Water Sales and Sanitary Sewer Sales

^{* *}Excludes FY 2016-17.

	*				*				*				*			
	2020-21		2021-22		2022-23		2023-24		2024-25		2025-26		2026-27	To	tal 10 Years**	
\$	2,657,807	\$	3,155,843	\$	3,303,054	\$	3,575,877	\$	3,469,420	\$	3,482,267	\$	3,085,042	\$	4,181,096	
\$	7,665,237	\$	7,665,237	\$	8,029,336	\$	8,029,336	\$	8,410,729	\$	8,410,729	\$	8,810,239	\$	78,641,961	
	3,252,453		3,252,453		3,406,944		3,406,944		3,568,774		3,568,774		3,738,291		33,368,738	
	64,000		64,000		64,000		64,000		64,000		64,000		64,000		640,000	
	24,983		29,665		31,049		33,613		32,613		32,733		28,999		325,868	
	-		-		-		-		-		-		-		352,000	
	107,000		107,000		107,000		107,000		107,000		107,000		107,000		1,223,200	
\$	11,113,673	\$	11,118,355	\$	11,638,329	\$	11,640,893	\$	12,183,116	\$	12,183,237	\$	12,748,529	\$	114,551,766	
	489,753		500,528		511,540		522,794		534,295		546,049		558,062		5,069,925	
\$	11,603,426	\$	11,618,883	\$	12,149,869	\$	12,163,687	\$	12,717,411	\$	12,729,286	\$	13,306,591	\$	119,621,691	
\$	2,116,888	\$	2,212,148	\$	2,311,695	\$	2,415,721	\$	2,524,428	\$	2,638,027	\$	2,756,738	\$	22,730,428	
Ψ	3,242,386	Ψ	3,355,870	Ψ	3,473,325	Ψ	3,594,891	Ψ	3,720,712	Ψ	3,850,937	Ψ	3,985,720	Ψ	34,307,829	
	1,572,711		1,627,756		1,684,727		1,743,692		1,804,721		1,867,886		1,933,262		16,640,922	
	-		-		-		-		-		-		-		-	
\$	6,931,985	\$	7,195,774	\$	7,469,747	\$	7,754,304	\$	8,049,861	\$	8,356,850	\$	8,675,720	\$	73,679,179	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	169,000	
	2,268,553		2,341,147		2,416,064		2,493,378		2,573,166		2,655,507		2,735,172		23,875,245	
	-		-		-		-				-		-		100,000	
	-		-		-		-		-		-		-		2,700,000	
	-		-		-		-		-		-		-		800,000 20,000	
	-		_		_		_		_		-		-		20,000	
	-		_		_		_		-		_		- -		_	
\$	2,268,553	\$	2,341,147	\$	2,416,064	\$	2,493,378	\$	2,573,166	\$	2,655,507	\$	2,735,172	\$	27,664,245	
\$	9,200,538	\$	9,536,921	\$	9,885,811	\$	10,247,682	\$	10,623,027	\$	11,012,357	\$	11,410,892	\$	101,343,424	
	1,904,853		1,934,750		1,991,235		2,022,462		2,081,537		2,114,154		2,175,939		19,654,562	
\$	11,105,391	\$	11,471,671	\$	11,877,046	\$	12,270,144	\$	12,704,564	\$	13,126,511	\$	13,586,831	\$	120,997,986	
\$	2,072,738	\$	2,146,161	\$	2,222,292	\$	2,301,238	\$	2,383,106	\$	2,468,008	\$	2,556,058	\$	2,556,058	
	1,083,105		1,156,893		1,353,585		1,168,182		1,099,161		617,034		248,743		248,743	
	3,155,843		3,303,054		3,575,877		3,469,420		3,482,267		3,085,042		2,804,801		2,804,801	
\$	2,072,738	\$	2,146,161	\$	2,222,292	\$	2,301,238	\$	2,383,106	\$	2,468,008	\$	2,556,058	\$	2,556,058	
\$	1,083,105	\$	1,156,893	\$	1,353,585	\$	1,168,182	\$	1,099,161	\$	617,034	\$	248,743	\$	248,743	

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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. For FY2017-18 the projection includes a 4.5% increase in T.A.V. based on preliminary values from DCAD. This amount may change as T.A.V. is finalized. The tax rate is assumed to remain constant at \$0.22 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year.
- Sales tax is indexed at 4.0% and was lowered from prior year's index of 5.0%. This reflects a lower trend growth realized the last two years.
- Interest revenue is based on .94% of fund balance.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from 2.57% to 3.38% based on the revenue category.

Expenditures:

- Payroll expense is indexed at 4.5% each year similar to the trend over the last five years.
- Payroll taxes (FICA), Retirement are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the Proposed Budget. Health Insurance is projected to increase at a rate of 7.3% per year.
- While less than five-year trending, "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.5% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$50,000 per year has been allocated starting in fiscal year 2018-19 to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.

Storm Water Fund

Revenues:

- Storm water revenues are indexed each year by 2.1%.
- A transfer from the Capital Improvement Fund of \$1,100,000 for FY2017-18and \$350,000 per year for the remaining nine years is anticipated.

Expenditures:

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

Utility Fund

Since utility rates are typically set to meet a certain revenue requirement within the Utility Fund, which takes into account the cost of capital expenditures, the Utility Fund is a Pay-as-You-Go scenario. It should be noted that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The project list presented for the Utility Fund is primarily made up of an annual rehabilitation and replacement program for the Town's water distribution and waste water collection system. The ten year financial model includes a water and waste water rate adjustment of 4.75% every two years starting in FY 2018-19.

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

GENERAL FUND

Estimated Tax Rate Per \$100 T.A.V.		22.00 Cents 2016-17	22.00 Cents 2017-18		22.00 Cents 2018-19		22.00 Cents 2019-20		22.00 Cents 2020-21	
BEGINNING FUND BALANCE	\$	3,517,765	\$	3,543,393	\$	3,543,526	\$	3,629,951	\$	3,788,692
REVENUES:										
Property Taxes Sales Taxes	\$	12,624,341 3,555,714	\$	13,129,384 3,720,000	\$	13,718,631 3,868,800	\$	14,334,394 4,023,552	\$	14,977,867 4,184,494
Sanitation/Recycling Charges		-		-		-		-		-
Franchise Fees Building Inspection Fees/Permits		1,042,130 1,123,941		1,090,000 1,013,860		1,117,966 1,049,345		1,146,649 1,086,072		1,176,068 1,124,085
Municipal Court Fines/Fees		1,079,037		1,288,719		1,333,824		1,380,508		1,428,826
Interest Earnings All Other		76,500 1,470,410		109,300 1,791,546		142,840 1,853,151		148,199 1,916,874		154,287 1,982,788
TOTAL REVENUES	\$	20,972,073	\$	22,142,809	\$	23,084,557	\$	24,036,248	\$	25,028,415
Transfers from Other Funds	Ψ	1,148,900	Ψ	1,161,700	Ψ	1,187,257	Ψ	1,213,377	<u> </u>	1,240,071
TOTAL REVENUES & TRANSFERS-IN	\$	22,120,973	\$	23,304,509	\$	24,271,814	\$	25,249,625	\$	26,268,486
EXPENDITURES:										
Personnel Services:	\$	11 202 569	\$	11,928,274	¢	12 465 046	ď	13,025,973	¢	12 612 142
Payroll Taxes	\$	11,302,568 804,238	•	11,928,274 860,741	\$	12,465,046 898,730	\$	939,173	\$	13,612,142 981,435
Retirement (TMRS)		548,300		706,847		593,336		620,036		647,938
Insurance Total Personnel	\$	1,377,304 14,032,410	\$	1,578,225 15,074,087	\$	1,693,435 15,650,547	\$	1,817,056 16,402,238	\$	1,949,701 17,191,217
Supplies & Equipment	\$	950,161	\$	942,276	\$	975.256	\$	1,009,390	\$	1.044.719
Services & Charges		3,136,192		3,266,739		3,381,075		3,499,413		3,621,892
Capital Outlay: Sustaining										
Equipment		5,600		47,240		50,000		50,000		50,000
CIP TOTAL EXPENDITURES	\$	18,124,363	\$	19,330,342	\$	20,056,878	\$	20,961,041	\$	21,907,828
Transfers to Capital Projects Fund		2,675,890		2,657,228		2,782,735		2,754,460		2,788,919
Transfers to Other Funds		1,295,092	_	1,316,806	_	1,345,776	_	1,375,383		1,405,641
TOTAL EXPENDITURES & TRANSFERS-OUT	\$	22,095,345	\$	23,304,376	\$	24,185,389	\$	25,090,884	\$	26,102,388
ENDING FUND BALANCE	\$	3,543,393	\$	3,543,526	\$	3,629,951	\$	3,788,692	\$	3,954,790
FUND BALANCE MINIMUM	\$	3,300,355	\$	3,501,984	\$	3,629,951	\$	3,788,692	\$	3,954,790
FUND BALANCE SURPLUS	\$	243,038	\$	41,542	\$	0	\$	0	\$	0
CAPITAL PROJECTS FUND										
Beginning Balance	\$	5,094,916	\$	4,569,183	\$	2,930,554	\$	2,907,781	\$	3,086,295
Total Annual Project Funding (1)		3,761,525		4,115,510		3,799,430		3,442,094		3,586,515
Total Expenditures		4,287,258		5,754,139		3,822,204		3,263,579		3,386,375
Ending Balance	\$	4,569,183	\$	2,930,554	\$	2,907,781	\$	3,086,295	\$	3,286,434
Construction Contingency	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000
Over(Under) Contingency	\$	2,569,183	\$	930,554	\$	907,781	\$	1,086,295	\$	1,286,434
PROPERTY TAX ASSUMPTIONS										
Property Tax Revenue	\$	12,624,341	\$	13,129,384	\$	13,718,631	\$	14,334,394	\$	14,977,867
Property Values (2)	\$	5,765,524,023	\$	6,012,113,607	\$	6,282,658,719	\$	6,565,378,362	\$	6,860,820,388
Tax Rate		0.22		0.22		0.22		0.22		0.22

⁽¹⁾ Includes funding from other funds and external sources.
(2) Growth in taxable assessed value (T.A.V.) projected at 4.5% per year after FY2017-18. FY2017-18 includes a 4.5% increase in T.A.V.

2	22.00 Cents		22.00 Cents		22.00 Cents		22.00 Cents		22.00 Cents	22.00 Cents		
	2021-22		2022-23		2023-24		2024-25		2025-26		2026-27	
\$	3,954,790	\$	4,128,606	\$	4,310,524	\$	4,500,944	\$	4,700,289	\$	4,909,00	
\$	15,650,296	\$	16,352,984	\$	17,087,293	\$	17,854,647	\$	18,656,531	\$	19,494,50	
	4,351,874		4,525,949		4,706,987		4,895,266		5,091,077		5,294,72	
	1,206,242		1,237,190		1,268,932		1,301,489		1,334,881		1,369,13	
	1,163,428		1,204,148		1,246,293		1,289,913		1,335,060		1,381,78	
	1,478,835		1,530,594		1,584,165		1,639,611		1,696,997		1,756,39	
	160,637 2,050,969		167,258 2,121,494		174,163 2,194,444		181,363 2,269,903		188,872 2,347,957		196,70 2,428,69	
\$	26,062,281	\$	27,139,617	\$	28,262,277	\$	29,432,192	\$	30,651,375	\$	31,921,9	
	1,267,353		1,295,235		1,323,730		1,352,852		1,382,615		1,413,0	
\$	27,329,634	\$	28,434,852	\$	29,586,007	\$	30,785,044	\$	32,033,990	\$	33,334,9	
\$	14,224,688	\$	14,864,799	\$	15,533,715	\$	16,232,732	\$	16,963,205	\$	17,726,5	
	1,025,600		1,071,752		1,119,981		1,170,380		1,223,047		1,278,0	
	677,095		707,564		739,405		772,678		807,449		843,7	
\$	2,092,030 18,019,413	\$	2,244,748 18,888,863	\$	2,408,614 19,801,715	\$	2,584,443 20,760,233	\$	2,773,107 21,766,808	\$	2,975,5 22,823,9	
\$	1,081,284	\$	1,119,129	\$	1,158,299	\$	1,198,839	\$	1,240,798	\$	1,284,2	
	3,748,658		3,879,861		4,015,656		4,156,204		4,301,671		4,452,2	
			-		-		-		-			
	50,000		50,000		50,000		50,000		50,000		50,0	
\$	22,899,355	\$	23,937,853	\$	25,025,670	\$	26,165,276	\$	27,359,277	\$	28,610,4	
	2,819,898		2,846,912		2,869,447		2,886,943		2,898,782		2,904,2	
	1,436,565		1,468,170		1,500,469		1,533,480		1,567,216		1,601,6	
\$	27,155,818	\$	28,252,935	\$	29,395,586	\$	30,585,699	\$	31,825,275	\$	33,116,4	
\$	4,128,606	\$	4,310,524	\$	4,500,944	\$	4,700,289	\$	4,909,004	\$	5,127,5	
\$	4,128,606	\$	4,310,524	\$	4,500,944	\$	4,700,289	\$	4,909,004	\$	5,127,5	
\$	0	\$	(0)	\$	(0)	\$	(0)	\$	(0)	\$		
ф	2.207.424	ф	2 002 711	ф	2 002 720	ф	2 (27 220	ф	2 000 504	ф	2010	
\$	3,286,434	\$	2,802,711	\$	2,982,538	\$	2,637,329	\$	2,808,506	\$	2,810,7	
	3,627,792		3,558,812		3,591,731		3,614,816		3,637,244		3,651,9	
¢	4,111,515	<u> </u>	3,378,984	<u>¢</u>	3,936,940	<u> </u>	3,443,639	<u> </u>	3,634,977 2,810,773	<u>¢</u>	2,628,5 3,834,0	
\$	2,802,711	\$	2,982,538	\$	2,637,329 2,000,000	\$	2,808,506	•	2,000,000	\$	2,000,0	
\$	802,711	\$	982,538	\$	637,329		808,506	\$	810,773	\$	1,834,0	
4	032,711	Ψ		Ψ	331,322)	Ψ	300,200	Ψ	010,773	Ψ		
\$	15,650,296	\$	16,352,984	\$	17,087,293	\$	17,854,647	\$	18,656,531	\$	19,494,5	
\$	7,169,557,305	\$	7,492,187,384	\$, , ,-	\$	8,181,655,928	\$	8,549,830,445	\$	8,934,572,8	
	0.22		0.22		0.22		0.22		0.22		0	

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APPENDIX

Fiscal Year 2017-18 Proposed Budget Calendar

February 21	Review and discuss the FY 2017-18 Budget Calendar with the Town Council and any projects or items of concern
February 22	Submit FY 2017-18 Budget Calendar to the Finance and Audit Advisory Committee for review and comment
February 24	Meet and discuss the Town's 5 year Capital Improvement Plan with Department Directors
March 3	Budget kick-off memo to departments with assumptions
March 17	Departments submit initial projection of FY 2016-17 revenues and expenditures to the Finance Department
March 24	Town Council Retreat (12:00 p.m. to 4:00 p.m.)
	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets
	Departments submit update on Capital Improvement Projects: completed, to be completed in current budget year, and projects that need to be moved
March 31	Departments submit any new programs, new fleet, and replacement fleet requests to the finance department
	Departments submit proposed updates, changes, or revisions to the Town's 5 year Capital Improvement Plan
April 3-7	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's 5 year Capital Improvement Plan with Department Directors
April 4	Review and discuss the FY 2017-18 budget process with Town Council, specifically with regard to any item Council would like staff to consider, study, or incorporate into the FY 2017-18 budget
April 6	Deliver notice for the April 24th Public Hearing in the newspaper. The notice will run on April 13 th and again on April 20 st .

Fiscal Year 2017-18 Proposed Budget Calendar

April 17-21	Departmental meetings with Town Administrator on Budget Requests							
April 18	Review and discuss the FY 2017-18 Budget and the Capital Improvement Plan with Town Council							
April 24	Public Hearing for citizen comment on the development of the FY 2017-18 Budget. This is an opportunity to receive public input with regard to the development of the 2017-18 budget							
May 5	Departments submit performance measurement forms to the Finance Department. These forms include departmental accomplishments during the 2016-17 fiscal year and objectives for the 2017-18 fiscal year							
May 16	Review and discuss with the Town Council the progress of the FY 2017-18 budget process and Council's priorities and expectations of the FY 2017-18 Budget							
May 18	Receive preliminary taxable assessed values from Dallas County Appraisal District (DCAD)							
May 19	Departments submit revised projection of FY 2016-17 revenues and expenditures to the Finance Department							
June 6	Review and discuss with the Town Council the progress of the FY 2017-18 budget process and any item Council would like staff to consider, study, or incorporate into the budget							
	Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 5 year Capital Improvement Plan							
June 22	Review and discuss the draft FY 2017-18 Proposed Budget with the Finance & Audit Advisory Committee							
July 14	Departments submit final projection of FY 2016-17 revenues and expenditures to the Finance Department							

Fiscal Year 2017-18 Proposed Budget Calendar

July 20	Deliver notice of the August 14 th Public Hearing on the FY 2017-18 Proposed Budget to the newspaper
July 24	Council sets date to call Public Hearing on the FY 2017-18 Proposed Budget (Town Charter 9.05(A))
July 25	Receive Certified Appraisal Roll from DCAD
July 27	Publication of the notice for the August 14 th Public Hearing on the FY 2017-18 Proposed Budget in the newspaper
July 28	FY 2017-18 Proposed Budget delivered to the Town Council and the Town Secretary
August 8	Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2017-18 and schedule two public hearings on the proposal
	Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2017-18
August 14	Public Hearing on FY 2017-18 Proposed Budget
	Town Council sets preliminary ad valorem tax rate
	NOTE: If a tax rate is proposed that exceeds the Effective Tax Rate, take a record vote, publish the required notices, and schedule the required public meetings
	Call Public Hearings on Tax Increase (if necessary)
	Deliver notice of Public Hearing on Tax Increase (if necessary) and Public Hearing on FY 2017-18 Proposed Budget to the newspaper
	Announce date and time of Public Hearing to adopt the tax rate
August 17	Publication of notice for the First and Second Public Hearings on Tax Increase (if necessary) and Public Hearing on FY 2017-18 Proposed Budget
August 28	Public Hearing on FY 2017-18 Proposed Budget
	First Public Hearing on Tax Increase (if necessary)

Fiscal Year 2017-18 Proposed Budget Calendar

September 5 Second Public Hearing on Tax Increase (if necessary)

September 11 Town Council considers approval of:

• FY 2017-18 Proposed Budget

• Adoption of a tax rate (governing body adopts the tax rate no less than three days but no more than 14 days after the second public hearing)

• Adoption of 2018-22 Capital Improvement Plan

• Adoption of the Master Fee Schedule

September 12 Provide approved property tax ordinance and property tax rate to Dallas County Tax Office and the Dallas Central Appraisal District.

NOTE: Dates in bold indicate a Town Council meeting or a Town Council Study Session.

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CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS

Chapter 9 Financial Administration

- 9.01 <u>Director of Finance</u>; <u>Appointment</u>. 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 <u>Director of Finance</u>; <u>Qualifications</u>. The Director of Finance shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control.
- 9.03 <u>Jurisdiction</u>. 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 <u>Fiscal Year</u>. 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. <u>Preparation of Budget</u>: 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. <u>Adoption</u>: 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. <u>Failure to Adopt</u>: 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 <u>Public Record.</u> Copies of the budget as adopted shall be public records and shall be made available to the public upon request.
- 9.07 <u>Appropriations</u>. 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 <u>Emergency Appropriations</u>. 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 <u>Borrowing</u>. 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 <u>Revenue Bonds</u>. 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 <u>Bonds Incontestable</u>. 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 <u>Lapse of Appropriations</u>. 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 <u>Administration of Budget</u>. 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 <u>Financial Reports</u>. 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 <u>Independent Audit</u>. 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 <u>Purchasing</u>. All purchases made and contracts executed by the Town shall be made in accordance with the requirements of the Constitution and Statutes of the State of Texas.

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I. PURPOSE STATEMENT

The purpose of this Statement of Financial Management Policies is to provide guidelines, in accordance with the applicable Texas Statutes and the Town of Highland Park Charter, Ordinances and Resolutions, for the Director of Fiscal & Human Resources, hereinafter called Director, in planning and directing the Town of Highland Park, hereinafter called Town, in its day-to-day financial affairs and in developing recommendations to the Town Administrator and Town Council, hereinafter called Administrator and Council, respectively.

The scope of these policies generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control and debt management, all to make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the Town in conformity to generally accepted accounting principles (GAAP), and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

It is the goal of the Statement of Financial Management Policies to enable the Town to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition. The watchwords of the management of the Town's financial affairs shall, at all times, include integrity, prudent stewardship, planning, accountability, and full disclosure.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

- **A. ACCOUNTING** The Director shall be responsible for establishing and maintaining a chart of accounts and for the proper recording of financial transactions in accordance with GAAP. Additionally, the Town is solely responsible for its reporting of its financial affairs, both internally and externally.
- B. AUDITING The Town's Charter, in accordance with Chapter 103 of the Local Government Code of Texas, as amended, requires that its financial affairs be audited annually by outside independent accountants (auditors), selected and appointed by the Council under contract. The auditor selected shall be a CPA firm, registered as a partnership or corporation of certified public accountants, holding a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the Town's audit in accordance with generally accepted auditing standards as required by Town Charter and applicable state and federal laws. The auditor's written report of the Town's financial affairs shall be completed by no later than January 15th following the Town's fiscal year-end. The auditor's report, together with its management letter shall be presented to the Administrator, the Director and Council within the aforesaid 120 day period. Thereafter, the Administrator, the Director and auditor shall jointly review the auditor's report and management letter with the Council's Administrative Committee within 30 calendar days after their receipt by the Town.

Within fifteen (15) days of this joint review, the Director shall respond in writing to the Administrator and Administrative Committee regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the joint review.

C. AUDITORS RESPONSIBLE TO THE COUNCIL -Auditors for the Town shall be responsible to the Council and shall have access to direct communication with the Mayor and

Council at such times as the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- **D. SELECTION/AUDITOR ROTATION -** The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected firm with two (2) one (1) year extensions. The Council shall however retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.
- **E. EXTERNAL FINANCIAL REPORTING** Upon the completion and acceptance of the annual audit by the Town's auditors, the Town shall prepare a written comprehensive annual financial report (CAFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The CAFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. If this time requirement cannot be met, the Director shall report to the Administrator and the Council of the delay and the reasons for same.
- **F. INTERNAL FINANCIAL REPORTING** The Director shall prepare monthly, a written summary of the Town's financial affairs and submit same to the Administrator and Council within thirty (30) calendar days following the end of each calendar month. Each such report shall accurately reflect the Town's current cash position, revenue and expenditure/expense performance as well as any additional information that reflects the Town's fiscal position.

III. OPERATING BUDGET

- **A. PREPARATION** Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.
 - 1. Proposed Budget A proposed budget shall be prepared by the Administrator and the Director with the participation of all of the Town's Department Directors/Heads, covering the operational and capital expenditures of the Town in accordance with the provisions of the Town Charter.

The budget shall include four (4) basic segments for review and evaluation. These segments are: 1) personnel costs, 2) operations and maintenance costs, 3) capital and (non-capital) project maintenance costs, and 4) revenues. Capital project costs shall reflect the approved Capital Improvement Plan ("CIP") which shall be updated and approved in conjunction with the adoption of the annual budget.

The budget review process shall include Council participation in the development of each

of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

The budget process shall span sufficient time to allow for ample time to address policy and fiscal issues by the Council and shall include a designated time and place for soliciting citizen input.

A copy of the proposed budget shall be filed with the Town Secretary not less than thirty (30) days prior to the end of the fiscal year in accordance with the provisions of the Town Charter.

- 2. Adoption Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official Budget effective for the fiscal year beginning October 1st.
- 3. Amending the Official Budget Amendments to the Official Budget shall be made at regularly scheduled Council meetings with a notice of the proposed amendment posted and publicized at least three (3) days prior to the meeting.

The Official Budget shall be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.

The Town's Utility (Proprietary) Fund, as set forth in the Town's budget, shall bear the applicable personnel and operating costs of the Town's general administration, information technology services, non-departmental specific expenditures, municipal building office space and other related costs plus the Town's Service Center operation based upon annual reviews of actual staff time allocation and facility use.

In addition to the aforesaid, the service rates for the sale of water, sanitary sewer services, solid waste collection/disposal services and recycling services shall include an amount equal to 5% of revenues for each respective service as street rental fees. These collected funds shall be transferred to the Capital Projects Fund toward funding of the Town's annual street resurfacing program.

All other direct expenses associated with the provision of utility services by the Town shall be expensed directly to the appropriate Department.

- **B. BALANCED BUDGET** It is desirable that the budget provide sufficient current revenues to fund that year's budgeted non-capital expenditures/expenses. Regardless of this objective, the budget shall be balanced with sources of working capital (revenues, cash surplus) equal to or greater than uses of working capital (expenditures/ expenses, capital outlays).
- C. BUDGET MANAGEMENT & PERFORMANCE The Director shall prepare and distribute monthly financial reports to enable the Department Directors to best manage their department budgets and to enable the Director to monitor and control the budget as authorized by the Administrator. Written summaries of the monthly financial reports shall be presented to the Council in accordance with Section II, Paragraph F, of this policy statement. Such reports shall be in a form which will enable the Council to be fully informed of the overall budget performance

of the Town.

- **D. END OF YEAR APPROPRIATIONS** For all Town funds for which a budget is required and/or prepared, excluding the Capital Projects Fund, unencumbered appropriations expire at the close of each fiscal year. Budgets for operating funds are prepared on a fiscal year basis. Capital projects, on the other hand, may span two or more years. Accordingly, individual projects are budgeted in the Capital Projects Fund and appropriations expire at project closure.
- **E. PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** Where appropriate, performance measures and productivity indicators shall be included in the annual budget. This information shall also be reported by the Administrator to the Council on a quarterly basis.

IV. REVENUE MANAGEMENT

A. SIMPLICITY - The Town, where possible and without sacrificing accuracy, shall strive to keep the Town's revenue system uncomplicated so as to reduce compliance costs for the taxpayer or service recipient and a corresponding decrease in the Town's costs of collection.

The criteria shall always be that the benefits of a revenue collected exceed the cost of producing that revenue.

- **B. CERTAINTY** An understanding of the revenue source increases the reliability of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.
- **C. EQUITY** The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.
- **D. REVENUE ADEQUACY** The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.
- **E. DIVERSIFICATION AND STABILITY** Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).
- **F. NON-RECURRING REVENUES** It is desirable that non- recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.
- G. PROPERTY TAX REVENUES All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of

delinquent property taxes in accordance with the Texas Property Tax Code, as amended.

- **H. USER-BASED FEE** As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".
- I. UTILITY RATES As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.
- **J. INTEREST INCOME** The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.
- **K. REVENUE MONITORING** All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

V. EXPENDITURE/EXPENSE CONTROL

- **A. APPROPRIATIONS** The Town's budget shall be a line- item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.
- **B. AMENDMENTS TO THE BUDGET -** In accordance with Town Charter, all budget amendments shall be approved by the Council.
- **C. CENTRAL CONTROL** No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.
- **D. PURCHASING** All Town purchases and contracts over \$3,000 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract shall be submitted to the Council by the Administrator for Council approval. The adoption of the annual budget gives the Administrator the authority to approve all other purchases for goods or services in accordance with each department's approved budget.

The purchase of goods or services at a total cost of \$1,000 or more must be made through the Town's purchase order system. Written purchase orders shall also be used for vendors requiring formal Town authorization regardless of the dollar amount.

Any payment for the purchase of goods or services by the Town at a total cost of less than \$1,000 may be made via a written Accounts Payable Voucher, signed and submitted by the applicable Department Director to the Town's Finance Department.

All documentation for the disbursement of funds by the Town's Finance Department shall require the signature of the Director in addition to the respective Department Director prior

to processing.

E. PROMPT PAYMENT - All invoices approved for payment by the proper Town authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director shall establish and maintain proper procedures which will enable the Town to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the amount of cash available for investing.

F. EQUIPMENT FINANCING - The applicable Town Department Director, the Administrator and the Director, when possible, shall evaluate the Town's option of equipment leasing in instances of Town equipment acquisitions of \$10,000 or more or in instances when the equipment has a useful life of five (5) or more years as an alternative for Council consideration in the acquisition of assets.

VI. ASSET MANAGEMENT

- **A. INVESTMENTS** The Director shall promptly invest all Town funds in accordance with the Town's Statement of Investment Policies as adopted by the Town Council.
- **B. CASH MANAGEMENT** The Town's cash flow shall be managed by the Director to maximize the cash available for investment. The Finance Department shall, as authorized by Council, affix, via mechanical or electronic means, a facsimile, bearing the joint signatures of the Town's Administrator and the Director, for the disbursement of Town issued checks for:
 - 1. Payroll;
 - 2. Federal income tax and social security tax transfers;
 - 3. Texas Municipal Retirement System deposits;
 - 4. Unemployment compensation claim reimbursements;
 - 5. Payments of money held in trust where the Town acts as a collecting agent;
 - 6. Utility services;
 - 7. Employee benefits programs;
 - 8. Installment payments approved by Council on contracts or projects;
 - 9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
 - 10. Disbursements less than \$1,000

All other Town issued checks not meeting the above criteria shall be signed, in original, by two (2) authorized signatories. Payment authorization shall be in accordance with the pay authorization criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

The Director may transfer funds, via electronic transfer, through verbal instructions to the Town's Depository only for payment of any obligation of the Town under the conditions applicable to the use of the facsimile machine under Paragraph B, this Section.

C. FIXED ASSETS ACCOUNTING AND INVENTORY - The Town's fixed assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's fixed assets lies with the Department Director in whose department the

fixed asset is assigned. The Finance Department shall supervise the marking of fixed assets with numbered Town property tags and shall maintain the permanent records of the Town's fixed assets including description, cost, department of responsibility, date of acquisition, depreciation, and expected useful life.

The recording of the cost or value of capitalized fixed assets into the Town's financial records and fixed asset database shall be consistent with the definition of capitalized fixed assets with two (2) exceptions: 1) accessioned Library materials shall be capitalized annually on a lump-sum basis rather than on a per-item basis and 2) an asset accounted for in the Town's Equipment Replacement Fund (Internal Service Fund) shall be recorded regardless of cost or value and marked with numbered Town property tags to allow for inventory tracking.

Non-capitalized fixed assets shall be recorded in the Town's fixed asset data base at a financial reporting cost or value of \$0.

The Finance Department shall also perform an annual inventory of assets using random sampling at the department level. Such inventory shall be performed by the Director or his or her designated agent in the presence of designated department personnel from the department of responsibility.

D. COMPUTER SYSTEM/DATA SECURITY - The Town shall provide security of its computer system and data files through:

Physical security - computer systems infrastructure shall be in a location inaccessible to unauthorized personnel. Only authorized external access to the system via telephone, microwave or radio frequency shall be installed.

Password security - All users of the Town's financial management system shall be assigned his/her personal password for access into the system. Each user shall be given access permissions to only those data files and functions necessary to perform assigned duties. The Town Administrator shall designate the Information Technology Manager as the Master Security Officer on the Town's computer networks. The Master Security Officer may appoint other Town employees to serve as Security Officers. The Town shall take all precautions necessary to protect the integrity and safety of its information technology.

VII. FINANCIAL CONDITION

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

B. FUND BALANCE - GOVERNMENTAL FUNDS

1. Committed Fund Balance - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the

commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Storm Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

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

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

3. Minimum Unassigned Fund Balance

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

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

4. Order of Expenditure of Funds

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

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

- **C. NET WORKING CAPITAL UTILITY FUND -** The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five percent (25%) of non-capital expenditures as approved by the Town Council in the Annual Budget.
- **D. RISK MANAGEMENT** The Town shall provide, where possible, for the safety of the public and the Town's employees in order to minimize the Town's risk of loss of resources through liability claims.
- **E. RISK FINANCING** All reasonable options shall be investigated by the Director to finance risks.

Such options may include risk transfer, insurance and risk retention.

VIII. INTERNAL CONTROLS

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

IX. DEBT MANAGEMENT

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

X. ANNUAL REVIEW OF POLICIES

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

XI. FINANCIAL GLOSSARY

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

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

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

<u>Budget</u> - 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).

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

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

<u>Capitalized Fixed Asset</u> – 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.

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

<u>Combined Budget</u> – 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 \$50,000 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.

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

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

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

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

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

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

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

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

<u>Expenditure/Expense</u> - 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.

<u>Fiscal Year (FY)</u> - the period of October 1st through the following September 30th. (e.g. – FY 2013 refers to the fiscal year from October 1, 2012 through September 30, 2013)

<u>Fixed Assets</u> - 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.

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

<u>Fund Balance</u> – 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

<u>General Administrative Costs</u> - 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.

<u>General Fund</u> - 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.

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

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

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

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

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

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

<u>Investments</u> - securities held for the production of revenues in the form of interest.

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

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

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

Net Working Capital - current assets less current liabilities.

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

<u>Non-Recurring Revenues</u> - resources recognized by the Town that are unique and occur one time. <u>Official Budget</u> - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

<u>Operating Budget</u> - 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.

<u>Proprietary Fund</u> - see Utility Fund

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

<u>Retained Earnings</u> - the equity account reflecting the accumulated earnings of the Utility Fund.

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

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

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

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

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

<u>Tax Levy</u> - 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.

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

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

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

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

<u>Utility Sales</u> - sales of treated water and sanitary sewer service.

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GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CIP Capital Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Inter-fund Transfer See **Transfer**

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

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

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

Major Fund The General, Utility and Capital Projects Funds.

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

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

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

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

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

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

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

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

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

Proprietary Fund See Utility Fund and Internal Service Fund.

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

Revenues The term designates an increase to a fund's assets which:

DOES NOT increase a liability (e.g. proceeds from a loan);

DOES NOT represent a repayment of an expenditure already made;

DOES NOT represent a cancellation of certain liabilities; and

DOES NOT represent an increase in contributed capital.

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

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

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

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

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

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

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

TMRS The Texas Municipal Retirement System

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

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

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

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

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

Working Capital See Net Working Capital

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TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Fiscal & Human Resources Director: Steven J. Alexander

TITLE

Consider approval of an ordinance setting the Town's 2017 ad valorem tax rate in an amount not to exceed \$0.220000 per \$100 of taxable assessed valuation of all taxable property for the 2017 Tax Year, as determined by the Dallas Central Appraisal District.

BACKGROUND

The Town's Fiscal Year 2017-18 Proposed Budget includes property tax revenues based on retaining an ad valorem tax rate of \$0.220000 per each \$100 of assessed valuation of all taxable property. The proposed 2017 tax rate is the same as the 2016 tax rate, and will result in a tax levy increase of \$553,695 in property tax revenues, of which \$276,963 is to be raised from new property added to the tax roll for 2017. The Town's property tax levy on the average residential homestead property in 2016 (\$1,791,096) was \$3,940.41. The tax levy on the average residential homestead property in 2017 (\$1,866,887) will be \$4,107.15, which is an increase of \$166.74.

In compliance with the Texas Property Tax Code, the Town published a required notice in *The Park Cities News* on August 17, 2017, and held two public hearings regarding the proposal to consider the adoption of a tax rate of \$0.220000 per each \$100 of assessed valuation of all taxable property. These public hearings were held on August 28, 2017 at 4:00 p.m. and on September 5, 2017, at 8:00 a.m. Both public hearings were held at 4700 Drexel Drive, Highland Park, Texas.

RECOMMENDATION

The staff recommends approval. Town Council reviewed this item at its study session on September 5, 2017.

Pursuant to Section 26.05(b) of the Texas Property Tax Code, the motion to adopt the ordinance setting the tax rate at \$0.220000 per each \$100 of assessed valuation of all taxable property must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.220000, which is effectively a 2.72 percent increase in the tax rate."

The vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance. This would represent three out of five voting Council Members.

FINANCIAL IMPACT

The adoption of a tax rate of \$0.22 per \$100 of taxable assessed valuation of all taxable property will provide a key funding source for General Fund operations for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

ATTACHMENTS:

File Name Description

Town_of_Highland_Park_2017_Adoption_of_Tax_Rate_Steps.pdf Adoption Tax Rate Instructions
Levying_the_Ad_Valorem_Tax_Rate_for_Tax_Year_2017.doc Proposed Ordinance

§26.05(b) of Property Tax Code Steps Required for Adoption of Tax Rate

Entity Name: Town of Highland Park

Date: 08/01/2017 08:38 AM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the effective tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.220000, which is effectively a 2.72 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.72 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

Town of Highland Park ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.72 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

ORDINANCE NO.

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2017 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

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

That, for the tax year 2017, there is hereby levied an ad valorem tax of \$0.220000 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2017, 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 2.72 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

That said tax shall be for the purpose of defraying current expense of the municipal government of the Town of Highland Park, Texas, for the fiscal year 2018.

That said tax shall be due and payable October 1, 2017.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2017 levy.

APPROVED:

PASSED AND APPROVED this 11th day of September 2017.

Matthew C.G. Boyle	Joel T. Williams, III
Town Attorney	Mayor

Gayle Kirby Town Secretary

ATTEST:

APPROVED AS TO FORM:

TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 11, 2017

Department: Fiscal & Human Resources Director: Steven J. Alexander

TITLE

Consider ratifying a property tax increase not to exceed \$553,695, which represents an increase of 4.37% over last year's adjusted levy, and includes \$276,963 in revenues generated from new property added to the tax roll.

BACKGROUND

Section 102.007(c) Municipal Budget, of the Texas Local Government Code, requires a separate vote of the governing body to ratify the property tax increase reflected in the budget, if the adoption of the budget generates more revenue from property taxes than in the previous year. This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate as required by Chapter 26 of the Texas Tax Code.

The calculation of the increased revenues for the purpose of this item is based on the adjusted tax rolls for 2016, as opposed to the certified tax rolls for 2016, resulting in increase in tax revenue of \$553,695.

RECOMMENDATION

The staff recommends approval. Town Council reviewed this item at its study session on September 5, 2017.

FINANCIAL IMPACT

None.

ATTACHMENTS:

File Name Description

No Attachments Available