



*Town of Highland Park, Texas*  
**TOWN COUNCIL STUDY SESSION**  
**AGENDA**

8:00 AM  
September 6, 2022

4700 Drexel Drive, Highland  
Park TX 75205  
Map Room (2nd Floor)

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## **FUTURE AGENDAS DISCUSSION**

- Review and discuss approval of an ordinance amending the Fiscal Year 2021-22 Adopted Budget.
- Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2022-23.
- Review, discuss and consider an amendment to a water tower license agreement with Verizon Wireless.
- Review and discuss an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding 2022 Rate Review Mechanism filings.
- Review and discuss interlocal agreements with Dallas County for: (i) food establishment inspections and vector and/or mosquito control and (ii) health services.
- Review and discuss approval of managed services agreement with Axxys Technologies.

## **REPORTS**

- Review and discuss the monthly and/or quarterly Financial and Investment Reports for the period ending June 30, 2022.

## **CLOSED SESSION**

1. In accordance with the Texas Government Code Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene into closed session for consultation with and to receive legal advice from the Town Attorney regarding structures in front yards and Ordinance No. 2080.

## **OPEN SESSION**

1. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item 1. above, shall be made, if any.

## **ADJOURNMENT**

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Any item on this posted agenda could be discussed in closed session as long as it is within one of the permitted categories under Sections 551.071 through 551.076 and 551.087 of the Texas Government Code

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon

being recognized by the presiding officer or the consent of the body.

**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 6, 2022

Department: Fiscal & Human Resources

Presenter: Steven Alexander

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### TITLE

Review and discuss approval of an ordinance amending the Fiscal Year 2021-22 Adopted Budget.

### BACKGROUND

This agenda item provides an opportunity for the Town Council (the "Council") to review and discuss the proposed amendments to the Fiscal Year 2021-22 Adopted Budget ("FY 2022 Budget").

The current budget was adopted by the Town Council on September 14, 2021. Through the course of the year, Town Staff has identified amendments to the Adopted Budget for Town Council's consideration.

The Department of Public Safety has identified two areas in which funding is needed to address personnel costs that are not included in the FY 2022 budget. The overtime expenditures incurred during FY 2022 are expected to exceed the current budget of \$375,797 by \$270,000. Additionally, a personnel staffing and management analysis study for DPS was approved at the July 22, 2022 Town Council Meeting.

In the Swimming Pool Department, assistant managers were hired for an additional week of lap swim at the beginning of the season and increases in hourly wages were provided to all positions to ensure sufficiency of staffing throughout the season. These steps resulted in the need for \$13,400 to fund salaries. Additionally, pool chemicals have exceeded the budget by \$5,000 and repairs have exceeded the budget by \$3,000. This is largely due to inflation as well as the needed replacement of a sand filter.

In the Building Inspection Department, an update to the shared parking model at the Highland Park Shopping Village was approved at the May 17, 2022 Town Council Meeting. The cost of this study is \$64,830.

<b>Fund/Department</b>	<b>Amount</b>	<b>Purpose</b>	<b>Funding Source</b>
<b>General Fund</b>			
Public Safety	\$270,000	Overtime	Fund Balance
Public Safety	49,000	Staffing Study	Fund Balance
Swimming Pool	13,400	Salaries	Fund Balance
Swimming Pool	3,000	Repairs	Fund Balance
Swimming Pool	5,000	Chemicals	Fund Balance
Building Inspection	<u>64,830</u>	Shared Parking Model Study	Fund Balance
<b>Total General Fund</b>	<b>\$405,230</b>		

## **RECOMMENDATION**

Staff recommends approval.

## **FINANCIAL IMPACT**

The proposed budget amendment increases appropriations of the Town's Adopted Budget for Fiscal Year 2021-22 by \$414,830 which is proposed to be funded through fund balance within the General Fund.

## **ATTACHMENTS:**

<b>File Name</b>	<b>Description</b>
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Proposed_Ordinance_No._2109_FY_2022_Adopted_Budget_Amendment.pdf	Proposed Ordinance No. 2109
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ORDINANCE NO. 2109

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, AMENDING THE TOWN'S ADOPTED FISCAL YEAR 2021-22 COMBINED BUDGET.

WHEREAS, the Town Council of the Town of Highland Park, Texas (the "Town") adopted the Fiscal Year 2021-22 Combined Budget on September 14, 2021; and

WHEREAS, amendments are needed to the Adopted Budget within the General Fund to increase existing appropriations; and

WHEREAS, the increases of the proposed appropriations are related to DPS overtime and staffing study, swimming pool chemicals and parking model study within the General Fund; and

WHEREAS, the proposed amendments increase the overall appropriations within the Adopted Budget by \$405,230; and

WHEREAS, changes in appropriated funds require the approval of the Town Council, in accordance with the Chapter 9, Financial Administration, Section 9.07, Appropriations, of the Charter of the Town of Highland Park, Texas;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Highland Park, Texas, that the Town's Fiscal Year 2022 Combined Budget is hereby amended as follows:

**General Fund Amendment:**

Change in Appropriations - DPS

Increase in Appropriations related to overtime	\$ 270,000
Increase in Appropriations related to staffing study	\$ 49,000
Total Change in Appropriations - DPS	<u>\$ 319,000</u>

Change in Appropriations - Swimming Pool

Increase in Appropriations related to salaries	\$ 13,400
Increase in Appropriations related to repairs	\$ 3,000
Increase in Appropriations related to chemicals	\$ 5,000
Total Change in Appropriations - Swimming Pool	<u>\$ 21,400</u>

Change in Appropriations - Building Inspection

Increase in Appropriations related to parking model study	\$ 64,830
Total Change in Appropriations - Building Inspection	<u>\$ 64,830</u>

Net Change to the General Fund	\$ (405,230)
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PASSED AND APPROVED this 20<sup>th</sup> day of September, 2022.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle  
Town Attorney

Will C. Beecherl  
Mayor

ATTEST:

Joanna Mekeal  
Town Secretary



# TOWN OF HIGHLAND PARK

## Agenda Briefing

Council Meeting: September 6, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

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### TITLE

Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2022-23.

### BACKGROUND

Pursuant to the Town Charter, each year the Town Administrator is required to submit a proposed budget for the ensuing fiscal year not later than 30 days prior to the end of the current fiscal year to the Town Council for its review, consideration, and revision if desired. The Town Council shall call a public hearing or hearings on the budget. The Town 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.

The budget ultimately adopted by the Council 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. If a budget is not adopted 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 a budget for the ensuing fiscal year is adopted. 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.

The Proposed Budget was provided to the Town Council, the Finance & Audit Advisory Committee, and the Town Secretary on July 29, 2022. Public hearings on the Proposed Budget are scheduled at 8:00 a.m. on August 16, 2022 and 8:00 a.m. on September 6, 2022. The Town Council is scheduled to consider approval of the Proposed Budget at its meeting on Tuesday, September 13, 2022.

### RECOMMENDATION

This item is presented for discussion only; no action is required at this time.

### FINANCIAL IMPACT

None at this time.

### ATTACHMENTS:

File Name	Description
Proposed_Budget_FY_2022_-_23.pdf	FY 2023 Proposed Budget

# FY 2022-23

## **Proposed Budget & Plan of Municipal Services**



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# **Town of Highland Park**

## **Proposed Budget**

### **Operating and Capital**

## **For the Fiscal Year 2022-2023**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,555,362 which is a 10.1 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$279,190.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Proposed 2022-23	Adopted 2021-22
Property Tax Rate:	\$0.230000/100	\$0.230000/100
No-New-Revenue Tax Rate:	\$0.209555/100	\$0.224473/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.210747/100	\$0.225701/100
Voter-Approval Tax Rate:	\$0.257297/100	\$0.251387/100
Debt Rate:	\$0.000000/100	\$0.000000/100

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Highland Park  
Texas**

For the Fiscal Year Beginning

**October 01, 2021**

*Christopher P. Morill*

**Executive Director**

# **TOWN OF HIGHLAND PARK, TEXAS**

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

AS SUBMITTED TO  
THE MAYOR AND THE TOWN COUNCIL

**WILL C. BEECHERL**  
MAYOR

**CRAIG PENFOLD**  
MAYOR PRO TEM

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

**BILL LINDLEY**  
TOWN ADMINISTRATOR

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

**KAREN KURTIN**  
DEPUTY CHIEF FINANCIAL OFFICER

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MAYOR  
*William C. Beecherl*  
MAYOR PRO TEM  
*Craig Penfold*  
TOWN ADMINISTRATOR  
*Bill Lindley*



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

July 29, 2022

Mayor Beecherl and Members of the Town Council:

I am pleased to present for your consideration the Town Administrator's Proposed Budget for FY 2023. The Proposed Budget was carefully prepared through the direction of the Director of Administrative Services & CFO and the collective efforts of all departments to balance the identified needs of the community with a sustainable and sound financial plan. It is important to note that the Proposed Budget is subject to change as a result of adjustments made by the Town Council or to the extent items are identified by Town Staff during the remainder of the budgetary process. The Proposed Budget is focused on achieving the following broad goals:

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

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

The Proposed Budget of \$52,195,245 (excluding interfund transfers) represents an increase of \$8,665,203, or 20%, compared to the FY 2022 Adopted Budget, as follows:

	FY 2022	FY 2023	% Change
General Fund	\$ 21,822,416	\$ 24,066,666	10%
Capital Projects Fund	\$ 8,293,846	\$ 9,556,951	15%
Solid Waste Fund	\$ 1,482,247	\$ 1,554,252	5%
Utility Fund	\$ 8,774,407	\$ 11,861,952	35%
Storm Water Drainage Fund	\$ 1,796,750	\$ 2,189,750	22%
Other Funds	\$ 1,360,376	\$ 2,965,674	118%
Total	\$ 43,530,042	\$ 52,195,245	20%

The increase between fiscal years is predominately due to needed funding to sustain a competitive compensation program for employees, provide a cost-of-living adjustment for Town retirees, and complete capital projects in the Capital Projects Fund, Utility Fund and Storm Water Drainage Fund. Most notably, funding for capital projects for FY 2023 includes the reconstruction of Westside Drive, Mockingbird Lane and Potomac, replacement of the Town's elevated water tank, road resurfacing, drainage easements and the Town's water and sewer infrastructure. Total increases over the FY 2022 Adopted Budget stemming from capital improvement projects amount to \$4.3M. Also driving next year's budget is the replacement of \$1.6M in equipment funded from the Equipment Replacement Fund and Technology Replacement Fund. Finally, a portion of the increase in appropriations is directly related to an advance of funds from the Reserve Fund to the Storm Water Fund in the amount of \$600,000 to facilitate the Hackberry Creek Project. In total, 67% of the overall increase is in direct connection with capital and/or equipment replacement funding.

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

## **REVENUE SOURCES**

Making up approximately 78% of total revenues, key revenue sources for the Town continue to include Property Taxes, Sales Taxes, Building Permit Fees and user fees associated with specific services such as the purchase and distribution of treated water, collection and treatment of wastewater; and the collection and disposal of solid waste.

***Property Taxes*** - Property taxes are the largest and most stable revenue source for the Town, making up 35.5% of total revenue. Taxable property values are growing at approximately 10.3%, or \$695M for FY 2023 of the originally certified values provided in July of 2021. Most of this increase results from reassessments; however, \$121M (an increase of \$27M from the current fiscal year) is related to new construction. The Proposed Budget recommends keeping the tax rate at 23 cents per \$100 of taxable assessed values.

Maintaining the current tax rate of 23 cents is believed to be a fiscally prudent course of action allowing the Town to generate more property tax revenue (due to higher assessed values) and staying below the Voter Approval Rate as set out in State law. The Voter Approval Rate is equal to the No New Revenue Rate plus 3.5% and any unused tax increment over the last three years. The No New Revenue Rate is the tax rate that would generate the same amount of revenue as the prior year tax rate on those properties that existed on the tax rolls in the prior year. New construction is not included in the calculation. Unused increment is the difference between the No New Revenue Rate and the Voter Approval Rate that is not used in the last three years. Any tax rate adjustment higher than the Voter Approval Rate, requires an election of voters.

It cannot be stressed enough that revenue constraints imposed by the State on local jurisdictions make it more and more difficult to fund needed projects (particularly capital) and initiatives. It is interesting to note that the Town has, by far, the lowest tax rate of the other two taxing jurisdictions in the Town. Currently, the average Highland Park homeowner pays approximately \$4,754 in taxes for Town services, while the remainder of their tax bill, \$36,121, goes to Dallas County (31.2%) and HPISD (57.2%). This distinction is afforded by the Town's average taxable home value in 2022 which is \$487,928 more than HPISD and \$2,018,397 more than Dallas County.

**Sales Taxes** – Built on sustaining the current mix of retail outlets, sales taxes account for 13.8% of total revenue and are proposed to increase when compared to the prior year-end actual (FY 2021) of \$5.7M. This increase is directly related to growing retail activity during the current year. The Town has been fortunate over the last couple of years during the pandemic as sales taxes were not affected to the extent originally anticipated. In fact, the Town has seen a significant increase in sales tax revenue directly related to increased retail activity throughout the Town, but particularly at the Highland Park Shopping Village. It is anticipated that this trend will continue into the foreseeable future. However, the Town’s 10-year financial plan applies a more conservative outlook for planning purposes. As it relates to retail sales, the July 2022 *Beige Book for the Eleventh District* reported the “*Retailers reported sustained weakness in overall sales, with tight inventories and ongoing supply chain challenges continuing to hamper growth, though there were some reports of higher prices and rising interest rates damping demand as well. Auto dealers cited continued declines in sales stemming from low inventories. Overall outlooks were pessimistic and highly uncertain due to supply challenges and expectations of weaker demand ahead.*” The Town’s financial model projects future growth of the current sales tax revenue stream for FY 2023 to remain relatively flat compared to FY 2022 and projects future growth of 2.5% per year.

**User Fees** –Revenue from building activity accounts for approximately 3.0% of total revenue. In 2019 the structure of fees, based on State law, changed from an assessment based on construction value to a per square foot fee. Town staff continues to closely monitor the results of the revised construction permit fees; however, at this point, permit revenues are relatively constant and construction activity in Town has remained fairly robust. Revenues related to building activity in Town are projected to be \$1.4M for FY 2023. While indications from local builders indicates activity for next year similar to this year, the July 2022 *Beige Book for the Eleventh District* reported that “*conditions in the housing market eroded more quickly than anticipated during the reporting period. Sales were off notably from earlier in the year and both online and foot traffic slowed markedly. Cancellations rose in part due to loan qualification issues. Buyers were hesitant to move forward and were looking for better deals, and builders noted offering incentives again to drive sales. Home prices were largely flat. One contact said that lenders were raising capital requirements on new acquisition and development loans. Contacts said several new land deals were on pause due to rising uncertainty in the market. Outlooks were negative, and sales and starts expectations were being revised downward.*”

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

The fees assessed to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 22.2% of total revenue at \$10.7M for FY 2023.

The Town’s FY 2022 financial model is predicated on a certain level of annual water consumption. With the consistent decline in water sales over the last few years, the five-year rolling average has declined from 926 million gallons per year to a projected 925 million gallons. Consumption patterns in the current fiscal year suggest that the Town will fall slightly below its annual revenue budget for FY 2022.

Consistent with the current CIP, the Proposed Budget provides for an adjustment to water and sewer rates in FY 2023. The only change from the current CIP is that for FY 2023 a rate adjustment is being proposed of 5% rather than the originally anticipated 3% for water rates. This is due predominately due to the Dallas County Park Cities Municipal Utility District (“District”) increasing the Town’s cost of

water by 10% for FY 2023. Sewer rates are still projected to grow by 3% as presented in the current CIP. The proposed adjustment to rates will result in an average monthly bill increase of approximately \$10.44 and an annual increase in revenue to the Town totaling an estimated \$383,000. These adjustments are also fairly consistent with recommendations made by Newgen Strategies and Solutions who completed a water/sewer cost of service and rate design study in FY 2021. As presented in the CIP, the rate adjustment proposed allows the Town to continue the pay-as-you-go program of funding capital and maintains reserves at a level that funds future planned projects. The last rate adjustment was approved by Town Council in FY 2022. During the FY 2022 budget process, Town Council requested that smaller annual adjustments be projected for planning purposes rather than periodic larger rate adjustments.

Rates charged by the Town for the collection and disposal of solid waste make up 3.5% of total revenues. Contracts outsourced to provide these services stipulate annual rate increases, based on different Consumer Price Indices (CPI). Current information indicates that, rates charged to customers are proposed to grow by 5.4%, adjusting the average resident's monthly billing by \$1.71 for alley service and \$3.12 for pack-out service.

## **EXPENDITURES**

Key expenditures, totaling 85% of the overall appropriations consist of compensation and benefits for Town employees, contracts related to purchasing treated water, treatment of wastewater, collection of solid waste, and capital improvements. The following is a summary of the more significant adjustments to these areas proposed for next fiscal year.

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

Major components of the Town's compensation and benefits program include salaries, pension (Texas Municipal Retirement System [TMRS]), and health insurance. Overall, this category of expenses is proposed to grow by \$1,984,812 or 10.6%, and addresses compensation adjustments as well as changes in costs related to employee benefits.

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

benefits. This increase is partly offset by staffing changes that occurred over the prior year due primarily to retirements.

The Town's contribution rate for TMRS is proposed to increase from 8.48% to 12.92% as a direct result of providing a Cost of Living Adjustment (COLA) to retirees. The Town has historically provided a COLA for retirees through TMRS on an ad hoc basis rather than on a recurring basis. The last COLA provided was in 2008. At that time the Town provided a COLA at 50% of the change in the Consumer Price Index which is applied to each retiree from the date they retired. The resulting increase is then added to their original annuity at the time of retirement which ultimately takes into account other COLA's they have received over time when compared to the annuity that they currently receive. The overall increase to the budget to provide the COLA for FY 2023 is \$511,279. A relatively small portion of this increase (\$65,635) is related to an Updated Service Credit (USC) for current employees. TMRS rules require USC's anytime a city approves a COLA for retirees. Providing for a COLA, and by requirement an USC, there is a resulting increase in the Town's annual contribution to TMRS and an increase in the Town's overall pension liability. In order to address the increased pension liability that would result from implementing the COLA/USC, the Proposed Budget includes an increase of \$67,000 to the additional contribution to TMRS started in the FY 2021 Adopted Budget. This brings the total additional annual contribution to TMRS to \$250,000. If additional contributions are made each year, the Town can reduce any unfunded liability over time. Currently TMRS projects the Town's liability to be 97.6% funded. This is up from the previous year of 96.4% funded. On average, the Town's comparison cities have a funded ratio of approximately 91.8%. If approved, it is anticipated that the Town's funded ratio will be approximately 92.1%. While the Town has enjoyed a funding ratio in prior years above 100%; it has not always been the case. The funding status of the Town's pension liability is impacted from year-to-year by market conditions, actuarial assumptions adopted by TMRS and actual experience of the Town as it relates to compensation and annual retirements.

It is important to note that the Town's annual financial statements present the status of the pension plan in accordance with the Governmental Accounting Standards Board Statement No. 68 (GASB 68). Since GASB 68 measures the plan assets differently than TMRS, the resulting net pension asset or liability differs from the amounts presented by TMRS. Plan measurement occurs at the end of December of each year. For example, at the end of calendar year 2021, TMRS calculated the Town's plan assets to plan liabilities at 97.6%; whereas under GASB 68, this ratio was reflected at 106%.

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

***Water, Sewer & Solid Waste Contracts*** - The Town purchases treated water for resale from the Dallas County Park Cities Municipal Utility District ("District"). As noted earlier, the District has requested a 10% increase in the rate they charge the Town for water purchases. Additionally, the District has modified its methodology when it comes to projected water sales by moving from a 10-year to a 5-year rolling average. It is anticipated that doing this will create a more accurate prediction of ensuing years' water sales. The proposed rate increase from the District is needed to adequately provide funding for impending capital purchases. The 10% adjustment results in an anticipated increase in costs of \$260,000 when compared to the current year budget. The cost of water to be purchased for FY 2023 is anticipated

to be \$2,850,000. Wastewater is treated by the City of Dallas (“City”). Each year, the City conducts a cost-of-service study related to the wholesale wastewater rate they charge. Based on the results of the study this year, the FY 2023 base rate for wastewater charged to the Town is declining (5.6%). The City also applies an inflow and infiltration rate which is a multiplier on the Town’s winter average consumption. That multiplier is increasing by 4.6%. Each year, the City requests the Town’s winter water consumption in calculating the Town’s winter average that is used to determine the Town’s monthly billing for the upcoming fiscal year. The Town’s prior year winter average declined by (8.0%) between fiscal years 2022 and 2021, resulting in an approximate reduction in wastewater treatment costs of (9.1%). The cost of wastewater treatment is anticipated to be \$1,118,772 in FY 2023. The Town’s current 10-year financial model projects a 3% increase each year in the cost of water; however, due to the existing capital needs presented by the District, the increase is now projected to be 10% each over the next two fiscal years and then 7% in the third year. Subsequent years are then projected to grow by 3%.

In FY 2018, the Town entered into a new solid waste collection agreement with Republic Services that went into effect in January of 2018. As noted previously, the 10-year agreement includes a CPI indexed rate adjustment based on the CPI for All Urban Consumers, Garbage and Trash Collection. This index is currently reflecting an increase of 5.87%, resulting in the Proposed Budget for this service growing by \$61,900. Moreover, the Town’s contract for solid waste disposal is indexed to CPI but capped at a 5% increase each year. Overall, the annual cost for FY 2023 related to collection and disposal service is \$1,455,752.

***Capital Improvements*** – Operating on a cash funded basis, the Town’s 10-year financial model continues allocating 4.2 cents of the proposed 23 cent tax rate towards funding the Town’s Capital Improvement Plan (CIP) in FY 2023. Additionally, in an effort to sustain the overall CIP and address rising construction costs, the FY 2023 Proposed Budget includes an additional \$1,200,000 to be transferred to the capital program. This is possible through the Town maintaining its current tax rate of 23 cents. In FY 2020, the 10-year financial model established a minimum of 4.2 cents of the Town’s 23 cents tax rate to be applied each year starting in FY 2021. Despite the pandemic that occurred during the past couple of years, the Town has been able to sustain this program. Maintaining a fixed portion of the tax rate to be applied toward the CIP each year, requires anticipated operational costs to be constrained in future years. To that end, the financial model developed in FY 2020 changed the anticipated increase in personnel costs to reflect a 3.25% growth rate, and other operational costs are held to a 3% growth rate. In years prior to FY 2020 the financial model anticipated a 4.5% annual growth in personnel costs and 3.5% in other operational costs.

The CIP is comprised of three major components including the Capital Projects Fund, Utility Fund, and Storm Water Drainage Fund. Overall, the CIP for FY 2023 and the 10-years presented is proposed to cost \$16,838,951 and \$119,168,804, respectively, and provides for the following projects.

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

\*Excludes transfers-out.

<sup>(1)</sup> Amounts based on CIP approved in the FY 2022 Adopted Budget

The CIP's 10-year financial model anticipates a 3.5% increase each year in Taxable Assessed Values, reflecting the impact of Senate Bill 2 that was effective starting in January 2020. The model anticipates the Town maintaining the proposed tax rate and a 2.5% increase in sales tax revenue in years following FY 2023. In years past the anticipated growth in sales tax was 4%, but due to a fairly large growth in sales tax over the last two years, a more conservative outlook was taken when projecting over the next 10 years. In addition to the adjustment in water and sewer rates proposed for FY 2023, mentioned earlier, the CIP also anticipates annual water and sewer rate adjustments as previously discussed with the Town Council, as well as, continued adjustments to storm water drainage rates based on the Consumer Price Index. The plan assumes a reduced 2% annual rate of return on investments for years beyond FY 2023. The Proposed CIP incorporates funding anticipated to be received from Dallas Area Rapid Transit (DART), as well as anticipated funding participation from Dallas County and University Park. From a project cost standpoint, due to the current inflationary environment, the CIP incorporates a 5% adjustment to all current project costs and then an additional 2% inflation adjustment each year in an effort to keep up with increasing costs of construction.

Following the Town Council's direction, Town Staff initiated studies assessing the Town's infrastructure. These studies include an assessment of the Town's storm water system with Phase II currently underway. This work will likely result in additional projects being incorporated into the CIP. As other projects are further identified or refined, the prioritization, scope, and estimated cost for each will be updated for consideration by the Town Council.

## ONGOING INITIATIVES

***School Security*** - The Proposed Budget continues funding for police officers at Armstrong Elementary School and Bradford Elementary School. The \$200,000 in funding set aside for this program is provided as a reimbursement to the Highland Park Independent School District (HPISD). The Highland Park DPS also continues to provide two patrol units to the program, that would otherwise be replaced through the Town's equipment replacement program, as a way of providing a more pronounced presence at the two campuses. Augmenting campus security, the Proposed Budget continues funding of 25% (\$53,125) towards the cost of the City of University Park providing a police officer at McCulloch Intermediate and Highland Park High School and separately at Highland Park High School.

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

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

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

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

## AMERICAN RESCUE PLAN ACT FUNDING

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

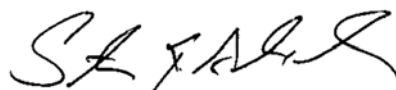
## CONCLUSION

Town staff has committed significant time and energy toward the development of the Proposed Budget and believes that through its implementation, the Town Council will continue to see excellence in meeting the expectations of residents and businesses. The Proposed Budget makes smart investments in many programs needed to keep pace with residents' service expectations. At the same time, it attempts to strike a fair balance between residents who would like to see more services with those who are attentive to rising property valuations and tax payments. Overall, the Proposed Budget is a financial plan, providing residents with a full scope of high-quality municipal services, especially our remarkable Department of Public Safety.

Once again, thank you to the Mayor and Town Council Members for the vision and direction throughout this process, and all the hard work by the Department Heads and staff. Special appreciation goes to Karen Kurtin, Deputy Chief Financial Officer, for the attention, care, and long hours devoted to developing the Proposed Budget for the Town Council's consideration. With the effective work of the Finance Department and that of each Department, the Town is operating with a clear plan of maintaining fiscal strength and stability. The Proposed Budget will enable the Town to continue its quality of life as a thriving and safe community that cherishes its location, unites in its diversity, and evolves to meet the continuous challenges that success brings. To that end, the staff looks forward to answering any questions the Town Council may have and working with it to complete the budget process for FY 2023.

Bill Lindley

William Lindley  
Town Administrator



Steve Alexander  
Director of Administrative Services and CFO

## Budgeted Funds

### GENERAL FUND

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

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

#### Revenues:

The Proposed Budget includes a property tax rate of \$0.23 per \$100 of taxable assessed value (T.A.V.), which is consistent with the prior year. Based on the certified tax rolls provided by the Dallas Central Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by \$1,555,362. Of this amount, 82.2% is generated from existing property revaluation and 13.4% is generated by new construction.

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

### Historical Property Tax Information

Tax Year	Tax Rate	Taxable Assessed Value (T.A.V.)	% Change in T.A.V.	Tax Levy
2002	0.2208	\$2,628,830,785	8.77%	\$5,804,458
2003	0.2300	\$2,770,409,688	5.39%	\$6,371,942
2004	0.2300	\$2,911,465,259	5.09%	\$6,696,370
2005	0.2300	\$3,175,218,560	9.06%	\$7,303,003
2006	0.2250	\$3,605,667,701	13.56%	\$8,112,752
2007	0.2200	\$4,040,272,597	12.05%	\$8,888,600
2008	0.2200	\$4,364,487,558	8.02%	\$9,601,873
2009	0.2200	\$4,573,579,178	4.79%	\$10,061,874
2010	0.2200	\$4,437,430,774	-2.98%	\$9,762,348
2011	0.2200	\$4,406,947,910	-0.69%	\$9,695,285
2012	0.2200	\$4,446,174,261	0.89%	\$9,781,583
2013	0.2200	\$4,598,788,373	3.43%	\$10,117,334
2014	0.2200	\$4,924,894,226	7.09%	\$10,834,767
2015	0.2200	\$5,324,500,745	8.11%	\$11,713,902
2016	0.2200	\$5,765,524,023	8.28%	\$12,684,153
2017	0.2200	\$6,012,113,607	4.28%	\$13,226,650
2018	0.2200	\$6,292,473,542	4.66%	\$13,843,442
2019	0.2300	\$6,463,192,448	2.71%	\$14,716,689
2020	0.2300	\$6,532,652,955	1.07%	\$14,874,851
2021	0.2300	\$6,783,128,145	3.83%	\$15,445,183
2022	0.2300	\$7,466,203,174	10.07%	\$17,000,545

The continued growth in property tax revenues has allowed the Town to address increases in operational costs, and increase funding toward the Town's Capital Improvement Program, as well as the Town's equipment, technology, and facilities replacement programs.

Other significant revenue changes for FY 2023 include:

- Sales tax receipts, the fund's second largest source of revenue, is estimated at \$6,640,091, representing a 17.2% increase over the year-end actual for FY 2021. Projected increases in this revenue source are significant and give some pause as to the sustainability of the current increases in retail sales.
- The continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. Total building permit revenue in FY 2023 is projected at \$1,234,967, which is consistent with collections over the last five years after adjusting for significant one-time construction projects.
- Municipal Court revenues are expected to be lower than the amount budgeted in the Adopted Budget for FY 2022, due to the number of citations being issued remaining at levels experienced during the pandemic. Revenues for FY 2023 have been conservatively budgeted tracking more consistent with what has been experienced during FY 2022.
- The Proposed Budget also reflects the recognition of \$2,250,000 in intergovernmental revenue related to the American Rescue Plan. This revenue is being applied towards operating costs within the Department of Public Safety.

## **Expenditures:**

The operations portion of the Budget funds the day-to-day activities of the Town, such as personnel services, commodities, contractual services, and equipment replacement. Entity-wide personnel costs account for 39.6% of the overall budget, excluding transfers, and 77.5% in the General Fund. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

**Compensation-** As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. To this end, the General Fund budget includes \$872,471 (inclusive of additional taxes, TMRS, etc.) for compensation increases. The compensation program proposed for FY 2023 is continued from the prior, in that both exempt and non-exempt employees will have the opportunity to receive up to a 3.5% merit adjustment in their annual pay. Additionally, the Proposed includes an Across the Board (ATB) increase of 3%. The quarterly performance stipend, applicable only to non-exempt employees, remains capped at 6%.

During FY 2021, the Council updated the list of comparable cities and corresponding salary survey information for the Town's compensation program. The system provides a financially sustainable model that ensures a fair and predictable method of career progression and compensation for employees. Not only was the Council able to confirm its labor market and define market positions, it also confirmed that the current pay structure should be maintained and adjusted as market conditions warrant. In reviewing the pay ranges of the Town's comparison cities this year, the survey results indicate that, over the last year, some market position has been lost due to a number of the cities adjusting pay plans. As such, the Proposed Budget recommends adjusting pay ranges 5% to maintain a competitive market position.

**Pension-** The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. The pension contribution rate paid by the Town is expected to increase in FY 2023 to accommodate funding a Cost of Living Adjustment (COLA) for retirees. The TMRS offers cities the opportunity to provide a COLA at 30, 50

or 70 percent of the change in the Consumer Price Index (CPI). Prior to FY 2023, the last time the Town provided this benefit, which was at 50%, was in 2008. Many of the Town's comparison cities provide this benefit on an annual basis, at 30%-70%. In FY 2023, the Town's contribution will be a blended rate of 8.48% to 12.92% of payroll, with the new rate effective January 1, 2023. The Town will still maintain a high funded ratio projected by TMRS at approximately 92.1%.

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

**Capital Improvement Plan-** The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$4,311,570. This transfer is increasing by \$1,491,144 when compared to the originally Adopted Budget for FY 2022. This is a direct result of the increased projected revenues from maintaining the current property tax rate. This transfer includes \$1,408,280 that is sustained as a result of funding from enhanced revenue provided by the growth in property values from tax years 2014 - 2016. Maintaining this funding source for the Town's Capital Projects Fund was a major focus in preparing the Proposed Budget as the Council continues its focus on a pay-as-you-go system to fund infrastructure needs.

**Other significant items within the General Fund include:**

- The Proposed Budget includes \$44,350 for continued quarterly reviews of policing and municipal court data as well as a use of force analysis to be performed by Del Carmen Consulting.
- Continued funding to support added security at the Highland Park Independent School District elementary schools in the amount of \$200,000.
- Continued funding in the amount of \$250,000 to pay down the Town's unfunded net pension liability. This amount includes the Utility Fund portion and is Proposed to increase by \$67,000 from the \$183,000 included in the FY 2022 Adopted Budget.
- In an effort to improve efficiencies in managing internal and external requests for service, \$160,000 is included in the Proposed Budget for the implementation of a work order management system. Currently, the Town uses a Customer Response Management (CRM) system to manage work orders.
- The Department of Public Safety Proposed Budget includes an additional \$330,000 over the FY 2022 Adopted Budget to address increasing overtime costs. These costs have grown predominately due to vacancies being experienced from year to year. Moreover, in order to address the length of time it takes to refill public safety officer positions, \$450,000 is included to cover the cost of three public safety officer over hires. Doing this will allow DPS to fill positions and begin fulfilling training requirements prior to currently filled positions opening up.
- The Proposed Budget incorporates a new administrative assistant position in the Finance Department to manage administrative duties currently being completed by human resource, finance and information technology personnel. Providing this position will allow staff the appropriate time to focus on their areas of expertise. The majority of this position is funded through the reallocation of resources that have historically been used for human resources consulting services.
- Additional funding is included in DPS to address an increase in cost related to the Highland Park Independent School District (HPISD) crossing guard program in the amount of \$27,000.

- The DPS Proposed Budget also included \$88,000 to fund ongoing maintenance costs associated with the new public safety radio communication system.
- The Development Services Proposed Budget includes \$50,000 in additional funding for third party inspection services to address plans review and inspection services related to increased building activity.

### **Fund Balance:**

The Town's financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Proposed Budget reflects an ending fund balance of \$8,722,768 meeting this policy requirement. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town's budget. Any excess revenue and unallocated appropriation, above the 17% fund balance requirement, is transferred to the Capital Projects Fund.

### **UTILITY FUND**

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

### **Revenues:**

Utility Fund operating revenues for FY 2023 are anticipated to be \$10,922,520, which is an increase of 4.0%, or \$416,799, when compared to the Adopted Budget for FY 2022. This increase is primarily related to the adjustment in water and sewer rates, as well as increases in Transfers In.

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

### **Expenditures:**

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for the Utility Fund are contractually related to water purchases and sanitary sewer treatment attributing to 33.5%, or \$3,968,772 of the overall costs projected for FY 2023, excluding transfers. The Proposed Budget also includes \$5,279,200 for capital outlay and capital improvements related to the Town's utility system. Compensation and benefits within the Utility Fund are increasing this budget by \$92,620 (inclusive of additional taxes, TMRS, etc.), due primarily to proposed merit adjustments of up to 3.5% and the proposed ATB adjustment of 3.0%.

The amount charged by the City of Dallas for the treatment of wastewater is being reduced by 9.1% due to the Town experiencing a lower winter average of water consumption in FY 2022 as compared to FY 2021 and a slight reduction in the rate charged by the City. The contract with the City of Dallas represents \$1,118,772 of the Utility Fund Proposed Budget. The Dallas County Park Cities Municipal Utility District (District) is increasing the rate they charge the Town for the purchase of treated water by approximately 10%. Overall water purchases account for \$2,850,000 of the Utility Fund Proposed Budget. The increase from the District is directly related to additional funds they need to fund capital improvements.

## **Fund Balance (Net Working Capital):**

Similar to the General Fund, the Town's fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. The budget reflects a projected ending fund balance that exceeds 25% of operating expenditures or \$2,016,807. The ending fund balance in the Utility Fund is projected to be \$6,177,395. Excess fund balance is used to provide for rate stabilization during years of low water sales and to fund future capital needs.

## **SOLID WASTE FUND**

The Solid Waste Fund was added in FY 2017. This fund is used to account for all revenues and expenses associated with providing solid waste services to Town residents and businesses. In previous years, the Town accounted for this activity within the General Fund; however, to ensure that the rates charged for this activity cover the full cost of providing this service, it is appropriate for this activity to be accounted for within its own fund.

### **Revenues:**

Solid waste revenues are projected to be \$1,735,265 exclusive of transfers, representing a 6.3% increase over the Adopted Budget for FY 2022. Revenues consist of charges for solid waste services and recycling. Rates charged for the provision of solid waste are increasing to accommodate an increase in the cost of service from the Town's service provider. Overall, the increase in monthly rates is 5.4%, and will ultimately increase the monthly solid waste bill for regular service by \$1.71 and pack-out service by \$3.12. The adjustment is generally tied to the Consumer Price Index (CPI) each year.

### **Expenditures:**

Solid waste service is outsourced to the private sector and primarily consists of solid waste collection costs and disposal costs. Contracts for these services are budgeted at \$1,346,388 and \$109,364 respectively for FY 2023. In FY 2019, based on the Town Council's review and approval, the Town began offering residential collection service for household hazardous wastes, as well as annual household hazardous waste events, budgeted at \$46,000. The purchase, maintenance, and handling of solid waste containers is completed by Town staff. The Proposed Budget for FY 2023 includes \$25,000 for the purchase of new containers. The Proposed Budget for the Solid Waste Fund also includes a Transfer-Out of \$84,000 to the Capital Projects Fund, which represents 5% of projected revenues for FY 2023.

### **Fund Balance:**

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

## **STORM WATER DRAINAGE FUND**

The Storm Water 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 drainage fees are assessed each month on the utility bills to provide a funding source for this fund. The monthly storm water fee is based on the size of the lot. Residential properties are currently charged between \$4.82 and \$38.02 per month for each dwelling unit that is on the property, based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

**Revenues:**

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

**Expenditures:**

The Storm Water Drainage Fund accounts for expenditures related to street sweeping and other drainage-related items. The overall appropriations proposed for this fund total \$2,296,958 and include an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The most significant items in this budget include \$600,000 set aside for improvements to Hackberry Creek, \$630,000 for drainage easement projects and \$652,800 in funding associated with utility improvements in connection with street improvement projects.

**Fund Balance:**

There is not a fund balance requirement for the Storm Water Drainage Fund. The fund balance projected at the end of FY 2023 is \$1,366,915. This fund balance is committed to improvements to the Town's storm water drainage system.

**CAPITAL PROJECTS FUND**

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

The ten-year Capital Improvement Plan has been updated for items communicated to the Town Council during the current fiscal year and is incorporated in the Capital Improvements Section of the 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 \$8,146,336 for FY 2023 and are primarily made up of transfers from other funds. The Utility Fund and the Solid Waste Fund transfer 5% of revenues collected from water, sewer, and solid waste rates. These two transfers make up \$617,654 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding equates to \$4,311,570 for the next fiscal

year. In FY 2015, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional \$342,651 per year toward the Capital Improvement Plan. This practice continued for the following two fiscal years, and as a result of the increase in taxable assessed values of properties within the Town, the Proposed Budget allocates \$1,408,280 from additional property tax revenue to meet existing and future capital needs. To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund.

Funding of \$1,891,543 in FY 2023 anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) has been included in the Proposed Budget. Additionally, funding participation anticipated from Dallas County in the amount of \$975,000 has also been incorporated into the CIP.

### **Expenditures:**

Expenditures in the Capital Projects fund are budgeted to be \$10,754,776, with \$1,142,384 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and \$3,080,400 for Westside Drive reconstruction. Some of the other projects in the Proposed Budget include \$418,665 related to park renovations and improvements to the Town swimming pool, \$1,300,000 for Mockingbird Lane reconstruction, and \$650,000 for Potomac Drive reconstruction. The 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 \$1,000,000 transfer to the Storm Water Drainage Fund to meet capital funding needs.

During the course of FY 2020, Town staff began studying the Town's infrastructure related to streets, water, and wastewater. A study of the Town's storm water system will also be completed in the near future. The studies identified recommendations related to the scope and project estimates for several existing projects. It is likely that, once complete, the Storm Water Studies will identify additional projects that will need to be factored into the CIP. The Capital Improvements section of this document provides the planned CIP over the next 10 years reflecting identified projects and associated cost estimates.

### **Fund Balance:**

The Town's fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The Proposed Budget for FY 2023 projects the fund balance of the Capital Projects Fund to be at \$6,170,955 at year-end, which meets the required minimum.

### **OTHER FUNDS**

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

### **Equipment Replacement Fund:**

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be \$623,918 and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to ensure that adequate funding is provided at the time of replacement. Total expenditures are budgeted at \$289,609 to replace the two DPS motorcycle units, a backhoe and tractor for Public Works Department and a pick-up truck for the Parks Department. The fund balance projected within this fund at the end of the next fiscal year is \$3,826,487.

### **Technology Replacement Fund:**

This fund accounts for the resources needed to manage the replacement and upgrade of software and hardware-related equipment. Revenues within this fund are primarily derived from transfers from the General Fund and the Utility Fund and total \$561,448. The transfers to this fund are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to ensure that adequate funding is provided at the time of replacement. Expenditures within this fund are budgeted at \$1,357,777 and cover a variety of technology replacements and upgrades. These include the purchase of replacement computers, upgrading the DPS records management system, replacing the Town's network and server equipment that are at the end of their useful lives, and upgrading the Town's content manager. Funding also continues maintenance and cloud storage for body cameras and in-car camera systems for DPS. The fund balance projected within this fund at the end of the next fiscal year is \$2,801,658.

### **Building Maintenance & Investment Fund:**

The Building Maintenance & Investment Fund accounts for the resources needed to maintain the Town Hall and the Service Center, as well as plan for significant replacements and upgrades in the future. Town staff developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be \$742,473 and are derived from transfers from the General Fund and the Utility Fund. These transfers are 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 \$633,382. In an effort to provide a higher level of focus on maintaining the Town Hall and Service Center, the Proposed Budget includes a new facilities manager position. Partially funded through the reallocation of resources previously used to outsource facilities maintenance, the net impact of adding this position is approximately \$65,000. Through sound planning and a practice to set aside funding for future needs, fund balance in this fund continues to grow in anticipation of major improvements or repairs. The fund balance projected within this fund at the end of the next fiscal year is \$1,368,679.

### **Forfeited Property Fund:**

This special revenue fund is used to account for the receipt of forfeited assets resulting from criminal activities and the funding of crime prevention programs and equipment. The use of these resources is restricted by their enabling statutes. Fund balance at end of FY 2023 is projected to be \$35,634.

### **Truancy Prevention Fund, Municipal Jury Fund, Court Technology Fund & Court Security Fund:**

These four special revenue funds are used to account for revenues provided by a State-approved administrative fee added to citations. The Truancy Prevention Fund and Municipal Jury Fund were added in FY 2020 in response to changes in the Local Consolidated Fee effective January 1, 2020. The use of the resources in these

special revenue funds is restricted by their enabling statutes. Revenues within the Truancy Prevention Fund are projected to be \$21,390. Revenues within the Municipal Jury Fund are projected to be \$428. Revenues within the Court Security Fund are projected to be \$34,486, which for the most part, is transferred annually to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be \$35,794 and are used to fund technological improvements that work to the benefit of the Municipal Court. All four funds are projected to maintain fund balances at the end of FY 2023, with \$75,467 remaining in the Truancy Prevention Fund, \$1,508 remaining in the Municipal Jury Fund, \$118,618 remaining in the Court Technology Fund and \$43,210 remaining in the Court Security Fund.

#### **Library Fund:**

The Library Special Revenue Fund was established to account for resources received from royalties that are restricted for the Library. Revenues anticipated for next fiscal year total \$60,995. The Proposed Budget for FY 2023 of \$45,200 is to be used primarily for book purchases. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$330,691.

#### **DPS Technology Fund:**

The DPS Technology Fund was established during FY 2014 and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and have been held within this fund to be applied to technological improvements related to public safety within the Town. Revenues related to this contract will be accounted for within the Technology Replacement Fund in FY 2023 and in subsequent years. The funding will continue to be applied towards public safety technological improvements. Fund Balance within this fund amounting to \$291,000 is being transferred to the Capital Projects Fund in order to partially reimburse the Capital Projects Fund for the purchase of the public safety communication system as has been planned for in prior years.

#### **Reserve Fund**

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

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

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 33,561,920</b>	<b>\$ 27,926,372</b>	<b>\$ 42,579,650</b>	<b>\$ 45,200,014</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Property Taxes	\$ 15,201,900	\$ 15,495,731	\$ 15,487,088	\$ 17,058,331
Water Sales	6,553,152	7,379,679	7,158,639	7,675,776
Sewer Charges	2,783,879	2,909,640	2,825,935	2,997,300
Sales Taxes	5,663,645	4,278,043	6,800,087	6,640,091
Sanitation/Recycling Charges	1,537,234	1,603,552	1,594,508	1,688,228
Franchise Fees	884,641	918,868	972,579	932,414
Building Inspection Fees/Permits	1,661,691	1,336,719	1,650,957	1,457,044
Municipal Court Fines/Fees	622,861	1,230,406	659,513	682,313
Interest Earnings	209,257	211,343	267,892	489,921
Storm Water Fees	427,247	441,692	440,000	453,200
Other Revenues	13,413,579	6,224,181	6,393,174	7,955,778
<b>TOTAL REVENUES</b>	<b>\$ 48,959,086</b>	<b>\$ 42,029,854</b>	<b>\$ 44,250,372</b>	<b>\$ 48,030,396</b>
<b>OTHER SOURCES</b>				
Transfers In	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 11,949,099
<b>TOTAL OTHER SOURCES</b>	<b>\$ 6,602,930</b>	<b>\$ 8,978,970</b>	<b>\$ 8,978,970</b>	<b>\$ 11,949,099</b>
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 55,562,016</b>	<b>\$ 51,008,824</b>	<b>\$ 53,229,342</b>	<b>\$ 59,979,495</b>
<b>EXPENDITURES</b>				
Personnel Services				
Payroll	\$ 13,923,547	\$ 14,369,333	\$ 14,324,723	\$ 15,635,758
Payroll Taxes	957,222	1,043,904	1,024,155	1,109,974
Retirement	1,285,791	1,296,658	1,285,398	1,832,471
Insurance	1,951,008	1,962,970	1,892,057	2,079,474
Total Personnel	\$ 18,117,568	\$ 18,672,865	\$ 18,526,333	\$ 20,657,677
Supplies & Equipment	3,638,331	4,040,739	4,163,510	5,014,253
Services & Charges	6,922,558	7,453,292	7,378,369	7,961,041
Capital Outlay	11,029,044	13,363,146	11,561,796	18,562,274
<b>TOTAL EXPENDITURES</b>	<b>\$ 39,707,501</b>	<b>\$ 43,530,042</b>	<b>\$ 41,630,008</b>	<b>\$ 52,195,245</b>
<b>OTHER USES</b>				
Transfers Out	6,836,785	8,978,970	8,978,970	11,949,099
<b>TOTAL OTHER USES</b>	<b>\$ 6,836,785</b>	<b>\$ 8,978,970</b>	<b>\$ 8,978,970</b>	<b>\$ 11,949,099</b>
<b>TOTAL USES</b>	<b>\$ 46,544,286</b>	<b>\$ 52,509,012</b>	<b>\$ 50,608,978</b>	<b>\$ 64,144,344</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 42,579,650</b>	<b>\$ 26,426,184</b>	<b>\$ 45,200,014</b>	<b>\$ 41,035,165</b>

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

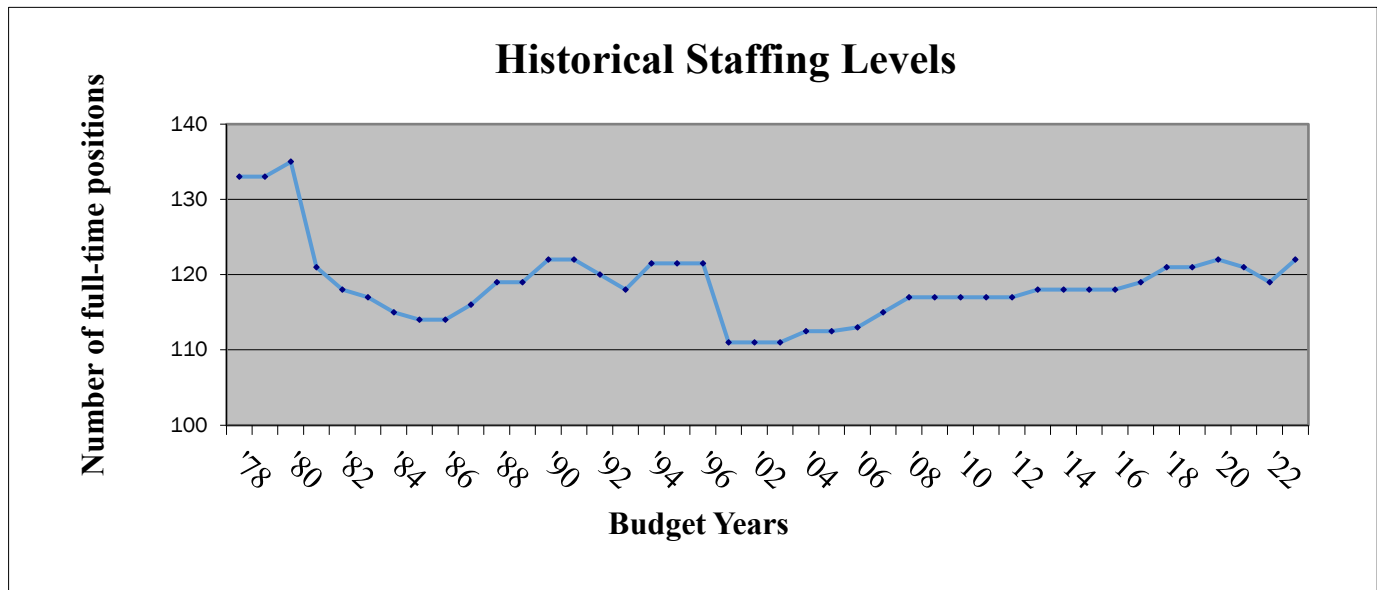
	<u>General</u>	<u>Utility</u>	<u>Solid Waste</u>	<u>Storm Drainage</u>	<u>Equipment Replacement</u>	<u>Technology Replacement</u>	<u>Building Maintenance &amp; Investment</u>	<u>Forfeited Property</u>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 8,647,039</b>	<b>\$ 6,510,485</b>	<b>\$ 289,662</b>	<b>\$1,584,186</b>	<b>\$ 3,492,178</b>	<b>\$ 3,597,987</b>	<b>\$ 1,259,588</b>	<b>\$ 32,822</b>
<b>REVENUES:</b>								
Property Taxes	\$ 17,058,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	7,675,776	-	-	-	-	-	-
Sewer Charges	-	2,997,300	-	-	-	-	-	-
Sales Taxes	6,640,091	-	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,688,228	-	-	-	-	-
Franchise Fees	932,414	-	-	-	-	-	-	-
Building Inspection Fees/Permits	1,391,838	65,206	-	-	-	-	-	-
Municipal Court Fines/Fees	591,845	-	-	-	-	-	-	-
Interest Earnings	150,166	77,481	3,737	26,487	32,518	34,915	12,511	312
Storm Water Drainage Fees	-	-	-	453,200	-	-	-	-
All Other	4,175,946	106,757	-	600,000	27,500	100,076	18,516	2,500
<b>TOTAL REVENUES</b>	<b>\$ 30,940,631</b>	<b>\$ 10,922,520</b>	<b>\$ 1,691,965</b>	<b>\$ 1,079,687</b>	<b>\$ 60,018</b>	<b>\$ 134,991</b>	<b>\$ 31,027</b>	<b>\$ 2,812</b>
Transfers from Other Funds	1,359,300	2,624,472	43,300	1,000,000	563,900	426,457	711,446	-
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>\$ 32,299,931</b>	<b>\$ 13,546,992</b>	<b>\$ 1,735,265</b>	<b>\$ 2,079,687</b>	<b>\$ 623,918</b>	<b>\$ 561,448</b>	<b>\$ 742,473</b>	<b>\$ 2,812</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 40,946,970</b>	<b>\$ 20,057,477</b>	<b>\$ 2,024,927</b>	<b>\$ 3,663,873</b>	<b>\$ 4,116,096</b>	<b>\$ 4,159,435</b>	<b>\$ 2,002,061</b>	<b>\$ 35,634</b>
<b>EXPENDITURES:</b>								
Personnel Services:								
Payroll	\$ 14,098,160	\$ 1,436,014	\$ -	\$ -	\$ -	\$ -	\$ 101,584	\$ -
Taxes	1,004,553	105,421	-	-	-	-	-	-
Retirement (TMRS)	1,661,082	171,389	-	-	-	-	-	-
Insurance	1,884,784	194,690	-	-	-	-	-	-
Total Personnel	\$ 18,648,579	\$ 1,907,514	\$ -	\$ -	\$ -	\$ -	\$ 101,584	\$ -
Supplies & Equipment	\$ 1,176,588	\$ 3,104,444	\$ 25,000	\$ 7,100	\$ -	\$ -	\$ 54,587	\$ -
Services & Charges	4,241,499	1,570,794	1,529,252	179,850	2,063	-	399,211	-
Capital Outlay	-	5,279,200	-	2,002,800	287,546	1,357,777	78,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,066,666</b>	<b>\$ 11,861,952</b>	<b>\$ 1,554,252</b>	<b>\$ 2,189,750</b>	<b>\$ 289,609</b>	<b>\$ 1,357,777</b>	<b>\$ 633,382</b>	<b>\$ -</b>
Transfers to Other Funds	8,157,536	2,018,130	152,800	107,208	-	-	-	-
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 32,224,202</b>	<b>\$ 13,880,082</b>	<b>\$ 1,707,052</b>	<b>\$ 2,296,958</b>	<b>\$ 289,609</b>	<b>\$ 1,357,777</b>	<b>\$ 633,382</b>	<b>\$ -</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 8,722,768</b>	<b>\$ 6,177,395</b>	<b>\$ 317,875</b>	<b>\$ 1,366,915</b>	<b>\$ 3,826,487</b>	<b>\$ 2,801,658</b>	<b>\$ 1,368,679</b>	<b>\$ 35,634</b>
<b>FUND BALANCE MINIMUM</b>	<b>\$ 4,745,147</b>	<b>\$ 2,016,807</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE SURPLUS</b>	<b>\$ 3,977,621</b>	<b>\$ 4,160,588</b>	<b>\$ 317,875</b>	<b>\$ 1,366,915</b>	<b>\$ 3,826,487</b>	<b>\$ 2,801,658</b>	<b>\$ 1,368,679</b>	<b>\$ 35,634</b>

<u>Truancy Prevention</u>	<u>Municipal Jury</u>	<u>Court Technology</u>	<u>Court Security</u>	<u>Library Fund</u>	<u>DPS Technology</u>	<u>Reserve</u>	<u>Capital Projects</u>	<u>Proposed FY 2023</u>	<u>Adopted FY 2022</u>
\$ 54,077	\$ 1,080	\$ 122,530	\$ 33,324	\$ 314,896	\$ 291,000	\$ 10,189,765	\$ 8,779,395	\$ 45,200,014	\$ 27,926,372
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	17,058,331	15,495,731
-	-	-	-	-	-	-	-	7,675,776	7,379,679
-	-	-	-	-	-	-	-	2,997,300	2,909,640
-	-	-	-	-	-	-	-	6,640,091	4,278,043
-	-	-	-	-	-	-	-	1,688,228	1,603,552
-	-	-	-	-	-	-	-	932,414	918,868
-	-	-	-	-	-	-	-	1,457,044	1,226,078
21,000	420	34,836	34,212	-	-	-	-	682,313	1,205,926
390	8	958	274	2,765	-	87,540	59,569	489,631	211,343
-	-	-	-	-	-	-	-	453,200	441,692
-	-	-	-	58,230	-	-	2,866,543	7,956,068	6,359,302
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 2,926,112	\$ 48,030,396	\$ 42,029,854
-	-	-	-	-	-	-	5,220,224	11,949,099	8,978,970
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 8,146,336	\$ 59,979,495	\$ 51,008,824
\$ 75,467	\$ 1,508	\$ 158,324	\$ 67,810	\$ 375,891	\$ 291,000	\$ 10,277,305	\$ 16,925,731	\$ 105,179,509	\$ 78,935,196
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,635,758	\$ 14,369,333
-	-	-	-	-	-	-	-	1,109,974	1,043,904
-	-	-	-	-	-	-	-	1,832,471	1,296,658
-	-	-	-	-	-	-	-	2,079,474	1,962,970
\$ -	\$ -	\$ -	\$ -	-	-	-	\$ -	\$ 20,657,677	\$ 18,672,865
\$ -	\$ -	\$ 2,304	\$ -	\$ 44,230	\$ -	\$ 600,000	\$ -	\$ 5,014,253	\$ 4,040,739
-	-	37,402	-	970	-	-	-	7,961,041	7,453,292
-	-	-	-	-	-	-	9,556,951	18,562,274	13,363,146
\$ -	\$ -	\$ 39,706	\$ -	\$ 45,200	\$ -	\$ 600,000	\$ 9,556,951	\$ 52,195,245	\$ 43,530,042
-	-	-	24,600	-	291,000	-	1,197,825	\$ 11,949,099	8,978,970
\$ -	\$ -	\$ 39,706	\$ 24,600	\$ 45,200	\$ 291,000	\$ 600,000	\$ 10,754,776	\$ 64,144,344	\$ 52,509,012
\$ 75,467	\$ 1,508	\$ 118,618	\$ 43,210	\$ 330,691	\$ -	\$ 9,677,305	\$ 6,170,955	\$ 41,035,165	\$ 26,426,184
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 8,761,954	\$ 6,737,092
\$ 75,467	\$ 1,508	\$ 118,618	\$ 43,210	\$ 330,691	\$ -	\$ 9,677,305	\$ 4,170,955	\$ 32,273,211	\$ 19,689,092

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

	<b>Budget FY 2021</b>		<b>Budget FY 2022</b>		<b>Adopted FY 2023</b>	
	<b>Full-Time</b>	<b>Part-Time</b>	<b>Full-Time</b>	<b>Part-Time</b>	<b>Full-Time</b>	<b>Part-Time</b>
<b>General Fund</b>						
Administration	2.0	0.0	2.0	0.0	2.0	0.0
Public Safety	73.0	0.0	73.0	0.0	73.0	0.0
Town Services	3.0	0.0	2.0	0.0	2.0 *	0.0
Street	3.0	0.0	3.0	0.0	3.0	0.0
Street Lighting	1.0	0.0	0.0	0.0	0.0	0.0
Library	5.0	1.5	5.0	1.5	6.0	0.5
Parks & Recreation	7.0	0.0	7.0	0.0	7.0	0.0
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	2.0	2.1	2.0	2.1	2.0	2.1
Finance	5.0	0.0	5.0	0.0	6.0	0.0
Building Inspection	5.0	0.0	5.0	0.0	5.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
<b>Sub-Total General Fund</b>	<b>107.0</b>	<b>7.0</b>	<b>105.0</b>	<b>7.0</b>	<b>107.0</b>	<b>6.0</b>
<b>Utility Fund</b>						
Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.0	0.0	5.0	0.0	5.0	0.0
Sewer	2.0	0.0	2.0	0.0	2.0	0.0
Engineering	4.0	0.0	4.0	0.0	4.0	0.0
<b>Sub-Total Utility Fund</b>	<b>14.0</b>	<b>0.0</b>	<b>14.0</b>	<b>0.0</b>	<b>14.0</b>	<b>0.0</b>
<b>Building Maintenance Fund</b>						
Customer Service	0.0	0.0	0.0	0.0	1.0	0.0
<b>Sub-Total Maintenance Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>
<b>Total</b>	<b>121.0</b>	<b>7.0</b>	<b>119.0</b>	<b>7.0</b>	<b>122.0</b>	<b>6.0</b>

\* Excludes one position, which is authorized, but unfunded in FY 2023



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, 2022, AND ENDING SEPTEMBER 30, 2023, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

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

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

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

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$64,144,344, including \$11,949,099 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2022, and ending September 30, 2023, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 29, 2022, and more than thirty (30) days prior to the end of the fiscal year 2021, 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, 2021, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 16, 2022, and September 6, 2022, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 13, 2022, following the public hearing, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 13th day of September 2022.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle  
Town Attorney

Will C. Beecherl  
Mayor

ATTEST:

Joanna Mekeal  
Town Secretary

ORDINANCE NO.

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

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

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

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

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

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

That, for the tax year 2022, there is hereby levied an ad valorem tax of \$0.230000 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2022, and not exempted from taxation by the constitution and laws of the State of Texas.

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

**THAT, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 9.14% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.**

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

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

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

PASSED AND APPROVED this 13th day of September 2022.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle  
Town Attorney

Will C. Beecherl  
Mayor

ATTEST:

Joanna Mekeal  
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, 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 BY DEPARTMENT**

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

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

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

**GENERAL FUND  
STATEMENT OF REVENUES**

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

**GENERAL FUND  
STATEMENT OF REVENUES**

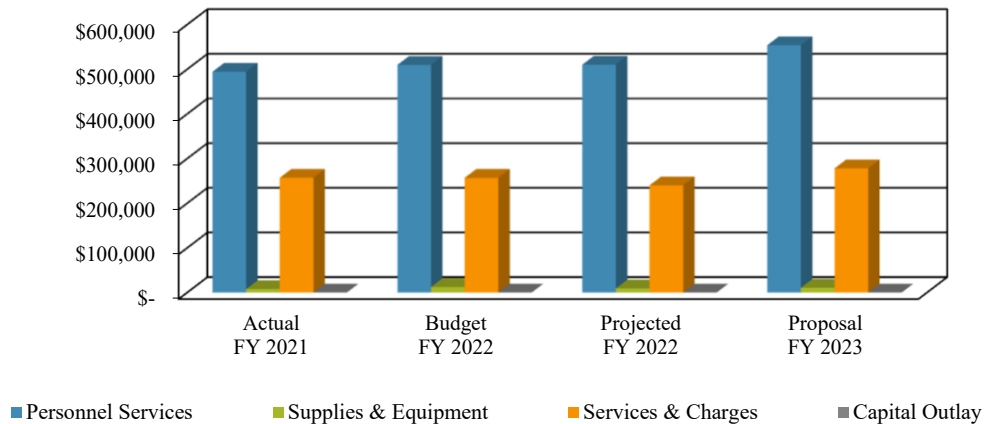
	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
Building Registration Fees	88,875	79,833	77,177	78,951
Plan Review Fees	39,750	30,808	24,428	24,917
Deferred Adjudication Fees	168,644	426,206	155,809	158,926
<i>Subtotal</i>	<b>\$ 1,333,956</b>	<b>\$ 1,648,693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



## Administrative Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

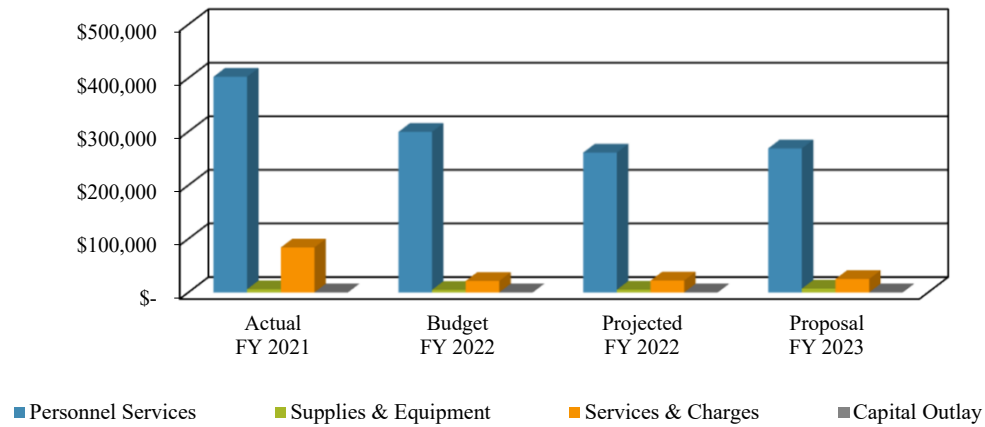
- 1 The Administrative Department budget includes the salaries of the Town Administrator and the Town Secretary (two full-time positions).
- 2 Supplies and equipment include \$2,500 for the IMPACT program and \$2,500 for the Town Hall 101 program.
- 3 Services & Charges includes \$217,800 in legal expenses. This category increased due to an increase in rates for legal services.



## Development Services Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

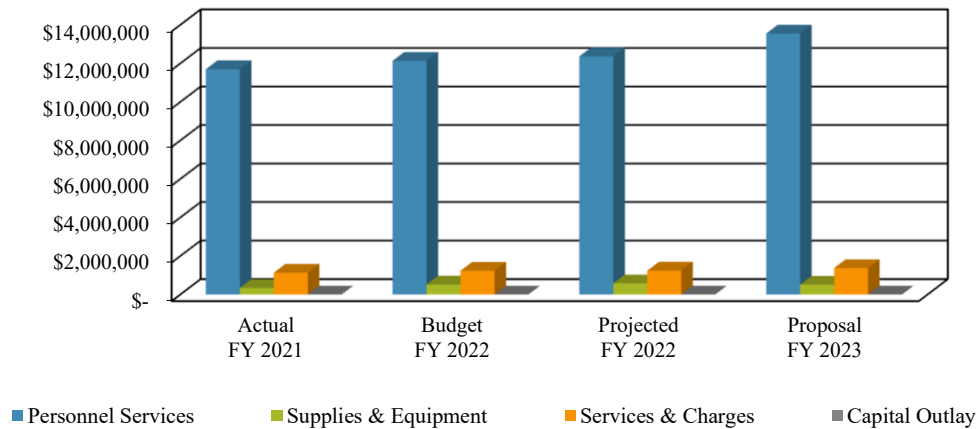
- 1 Personnel Services includes the salaries of two full-time employees.
- 2 Services & Charges is increasing due to post pandemic travel and training, which had been curtailed in the FY 2022.



## Department of Public Safety

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

1

The FY 2023 Personnel Services budget includes 78 full-time employees, representing 73 authorized positions and three over hire positions to minimize the effect of unanticipated vacancies. In addition, funding is provided for two retiree payouts and for two positions to fill these anticipated vacancies. The overtime budget has been correspondingly increased by \$330,000 in response to these vacancies.

2

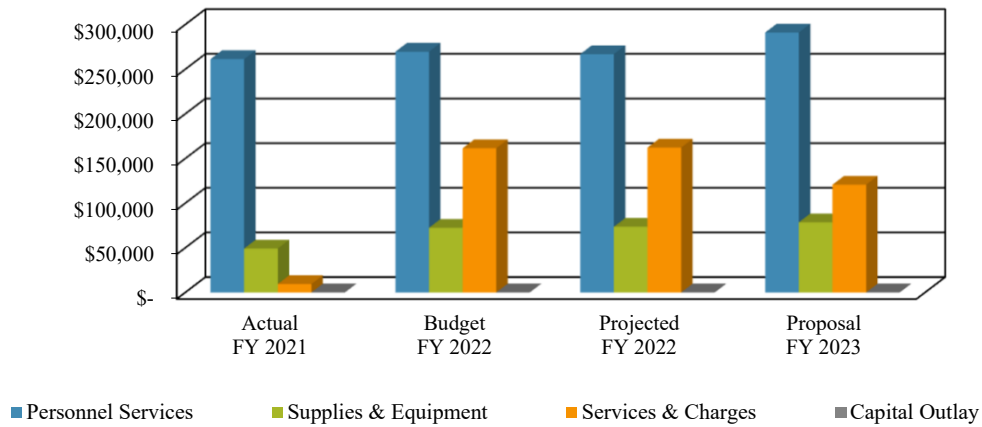
Services & Charges includes \$200,000 to fund resource officers for the Highland Park Independent School District. The increase is primarily related to upward inflationary pressures as well as increased funding of \$27,000 for HPISD crossing guards.



## Street Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

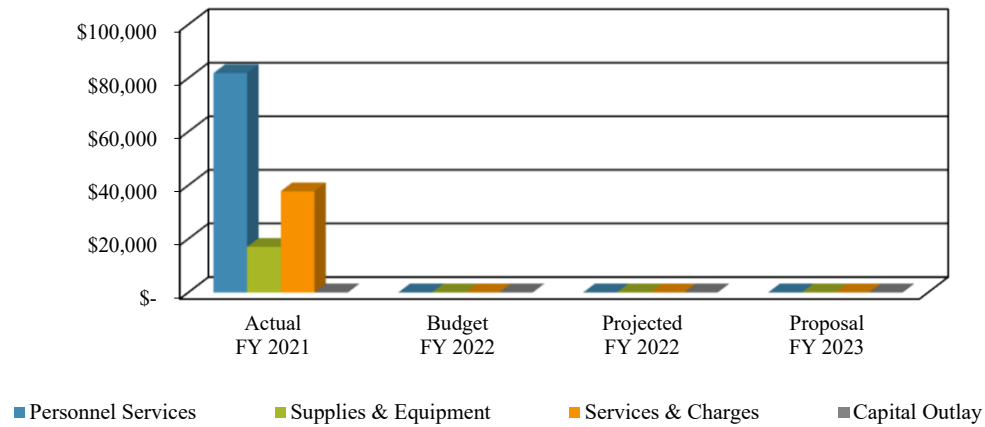
- 1 Personnel Services includes three full-time employees.
- 2 Supplies & Equipment increase is primarily related to additional replacements of street signs and
- 3 The decrease in Services & Charges is related to the budget shift of street lighting purchases, third party electrical work and LED conversions to the Capital Project Fund.



## Street Lighting Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

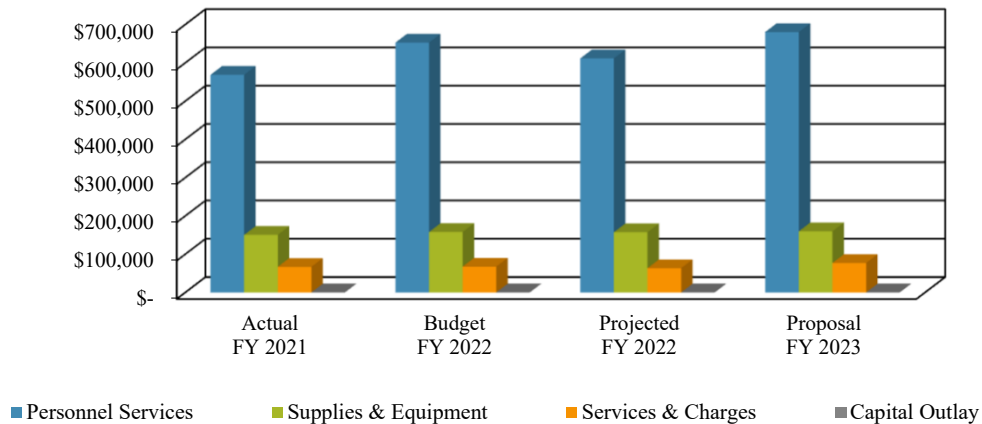
- 1 This department was combined with the Street Department effective October 1, 2021.



## Library Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

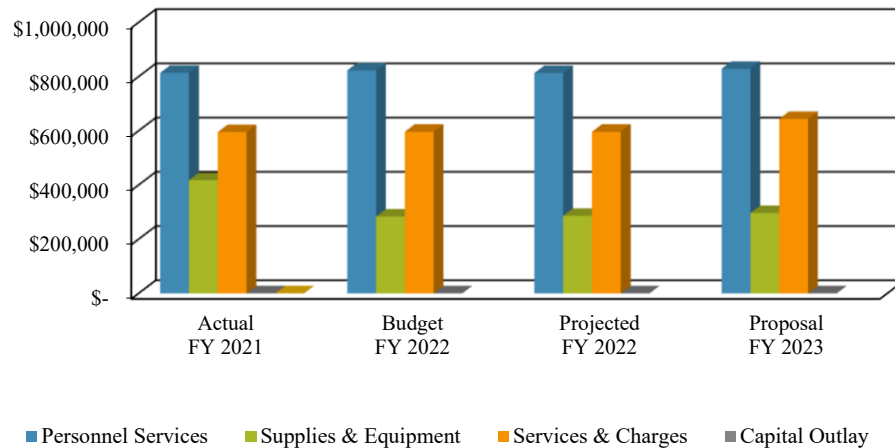
- 1 Personnel Services in FY 2022 included five full-time employees and three part-time employees. In order to provide more consistent staffing, funds were reallocated to provide for six full-time and one part-time employee.
- 2 Services & Charges have increased due to increased youth and adult programming.



## Parks Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

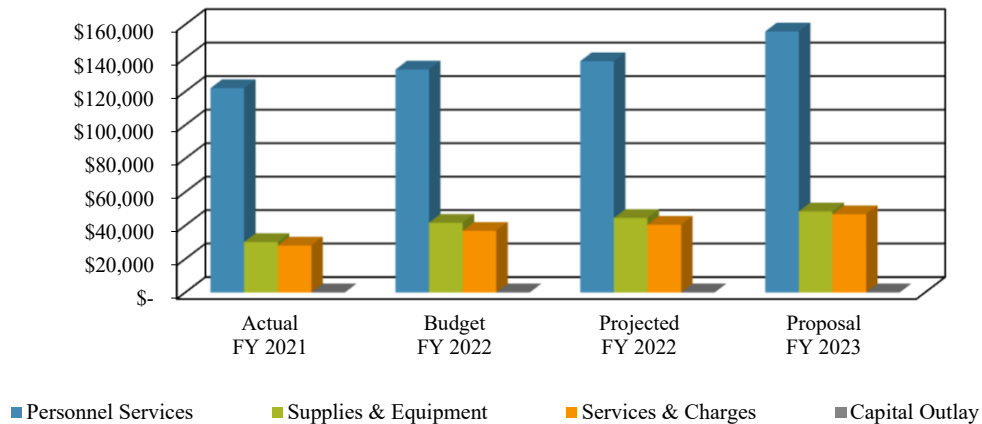
- 1 Personnel Services provides funding for seven full-time employees.
- 2 Supplies & Equipment increased due to upward inflationary pressure, which affected the cost of fuel as well other items in this grouping. Additionally, budgetary increases were incorporated for plants and vegetation and related planting materials for Armstrong Parkway.
- 3 The increase in Services & Charges is primarily related to upward inflationary pressure affecting third-party contacts for mowing and park maintenance. In addition, recreational programming has been returned to pre-pandemic levels.



## Pool Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

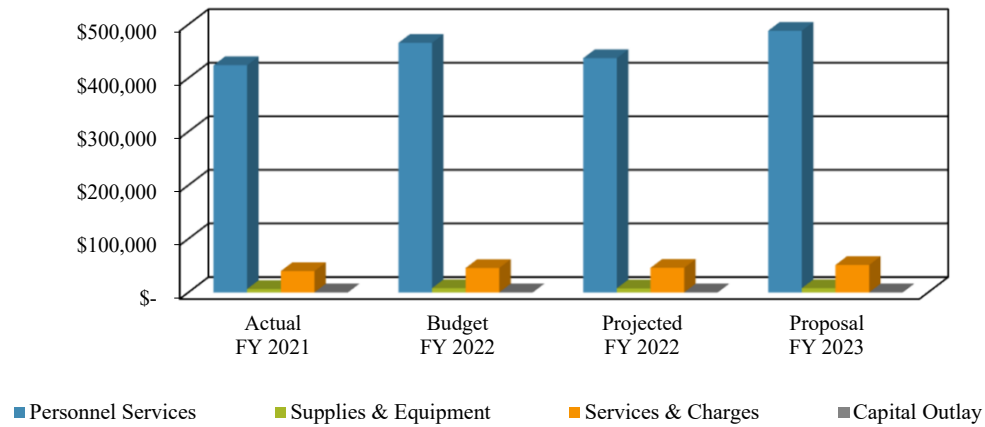
- 1 Personnel Services includes funding for 36 temporary seasonal employees needed to operate the pool, an increase of three over FY 2022. In an effort to attract and retain life guards, a market adjustment to pay was implemented in FY 2022 for the life guard position.
- 2 Supplies & Equipment increased primarily due to higher cost of chemicals.



## Municipal Court Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

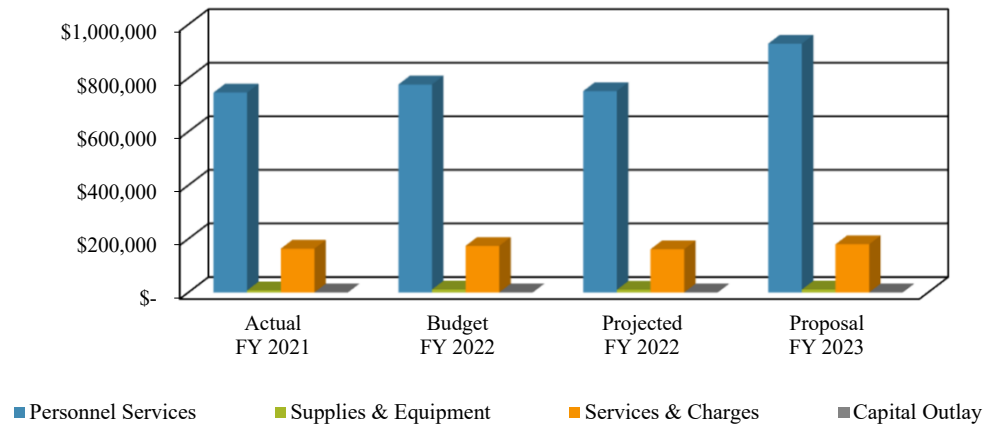
- 1 Personnel Services includes funding for two full-time employees, the Municipal Judge, a part-time bailiff, a part-time court assistant, and three part time court security officers.
- 2 Services & Charges has increased due to the return of post-pandemic travel and training as well as increased legal fees for prosecution services.



## Finance Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

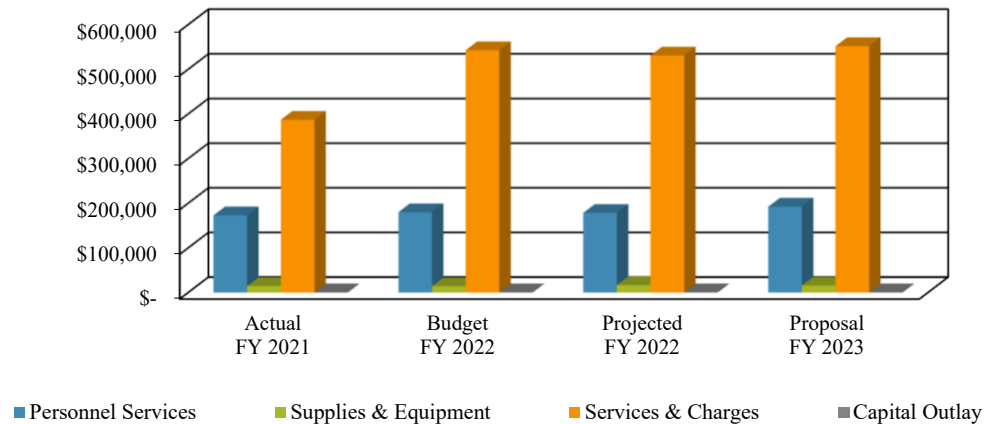
- 1 Personnel Services includes six full-time employees, an increase of one for an Administrative Assistant, who will perform administrative tasks currently performed by the Human Resources Manager, the IT Manager, and Finance Department personnel. This position will be funded by decreases in human resource consulting, both in the General Fund and in the Utility Fund.
- 2 Services & Charges increased due to the return of post-pandemic travel and training and increases in third party software for accounting and human resources functions. This category includes \$59,932 for Professional Services and \$52,075 for Contract Services. Professional Services are primarily related to the annual financial statement audit. Contract Services include investment advisory and emergency medical service billing and collections.



## Information Technology Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

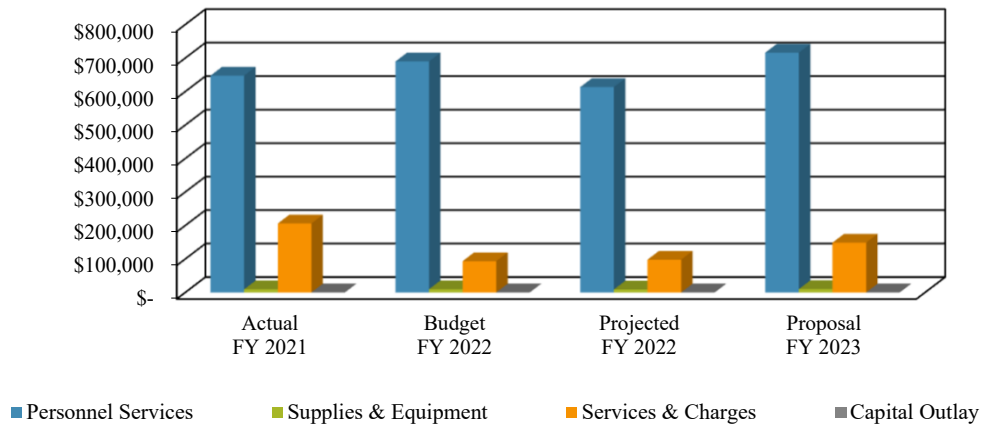
- 1 Personnel Services provides funding for one full-time employee.
- 2 Supplies & Equipment increased due to minor equipment repair.
- 3 Services & Charges includes funding for the Town's third-party managed services contract totaling \$220,856, including enhanced IT security services. In FY 2023, server support maintenance and UPS battery replacement were removed from this budget as those items are being replaced through the Technology Replacement Fund and those costs are included with the new hardware. Additionally, this category includes \$34,000 for other IT security related projects, a variety of security software applications, application software, and funding to maintain the Town's Uninterruptible Power Supply (UPS).



## Building Inspection Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

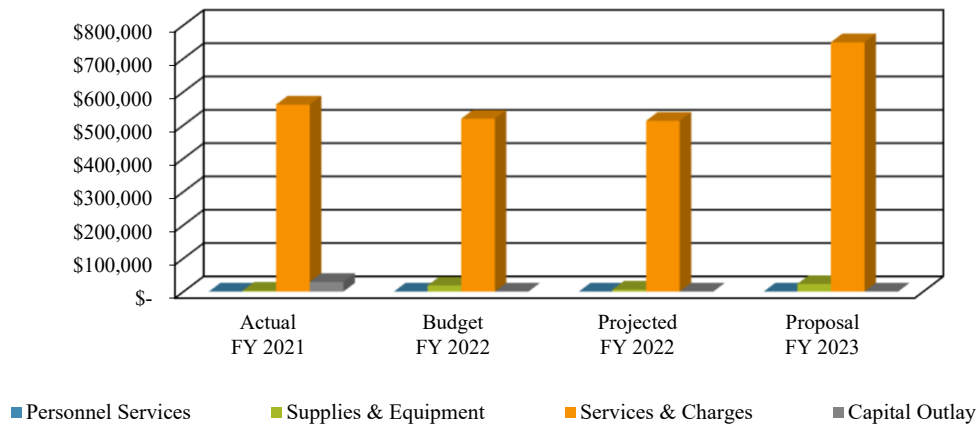
- 1 Personnel Services provides funding for five full-time employees.
- 2 Services & Charges includes \$100,000 for third-party inspection services, an increase of \$50,000.



## Non-Departmental

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

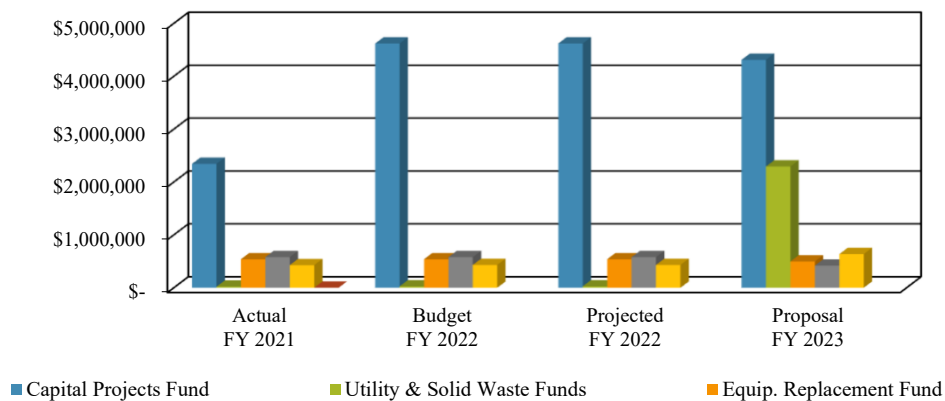
- 1 Supplies & Equipment provides \$17,063 as a contingency in the event fuel costs exceed the amount budgeted in each department, which was increased from FY 2022 by \$4,563.
- 2 Included in Services & Charges is \$205,000, an increase of \$55,000 over FY 2022, to reduce an anticipated actuarial liability related to the proposed addition of a Cost of Living Adjustment for retirees and Updated Service Credits for current employees through the Texas Municipal Retirement System and a contingency of \$50,000 related to Public Safety support for HPISD. Additionally, a work order system for the Town is proposed (\$160,400). Other items in this category include Dallas Central Appraisal District (\$60,464), racial profiling reporting and municipal court data monitoring (\$44,350), benefits management (\$30,000) and website management (\$30,600).



## Transfers to Other Funds

### EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposal	% Change 2022 to 2023
Capital Projects Fund	\$ 2,345,052	\$ 4,620,426	\$4,620,426	\$ 4,311,570	-6.68%
Utility & Solid Waste Funds	20,000	27,500	27,500	2,293,939	0.00%
Equip. Replacement Fund	540,000	540,000	540,000	497,000	-7.96%
Tech. Replacement Fund	579,927	579,927	579,927	418,781	-27.79%
Bldg. Maintenance Fund	427,800	432,100	432,100	636,246	47.25%
<b>Total Department</b>	<b>\$ 3,912,779</b>	<b>\$ 6,199,953</b>	<b>\$6,199,953</b>	<b>\$ 8,157,536</b>	<b>31.57%</b>



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 In FY 2022, a supplemental transfer to the Capital Projects Fund of \$1,800,000 was made. Increases in taxable assessed values coupled with preservation of the tax rate allow for an increased transfer of approximately \$1,200,000 in FY 2023.
- 2 A supplemental transfer to the Utility Fund will be made in FY 2023, which is attributed to federal funding received in the General Fund from the American Rescue Plan Act of 2021.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the next fiscal year.
- 4 The transfer to the Building Maintenance Fund is based on the overall budget of the Building Maintenance Fund and includes a maintenance component and a fund balance component. The General Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center. The Utility Fund makes a similar transfer based on the number of employees in the Utility Fund that use the Town Hall and Service Center. Increases in FY 2023 are driven by the Town's building maintenance plan.

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## **UTILITY FUND**

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

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

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 6,895,526</b>	<b>\$ 6,063,881</b>	<b>\$ 6,511,046</b>	<b>\$ 6,510,485</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,716,056
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 10,922,520</b>
<b>Other Sources:</b>				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
<b>Total Other Sources</b>	<b>\$ 349,857</b>	<b>\$ 364,300</b>	<b>\$ 364,300</b>	<b>\$ 2,624,472</b>
<b>Total Revenues/Sources</b>	<b>\$ 9,912,606</b>	<b>\$ 11,872,021</b>	<b>\$ 10,578,980</b>	<b>\$ 13,546,992</b>
<b>EXPENSES - BY TYPE</b>				
Personnel Services				
Payroll	\$ 1,298,586	\$ 1,315,154	\$ 1,207,511	\$ 1,436,014
Payroll Taxes	91,970	101,852	86,627	105,421
Retirement	121,291	125,306	109,465	171,389
Insurance	175,981	201,596	178,627	194,690
<b>Total Personnel</b>	<b>\$ 1,687,828</b>	<b>\$ 1,743,908</b>	<b>\$ 1,582,230</b>	<b>\$ 1,907,514</b>
Supplies & Equipment	2,495,667	2,792,971	2,858,254	3,104,444
Services & Charges	1,555,005	1,714,528	1,700,370	1,570,794
Capital Outlay	2,352,266	2,523,000	2,523,000	5,279,200
<b>Total Expenses</b>	<b>\$ 8,090,766</b>	<b>\$ 8,774,407</b>	<b>\$ 8,663,854</b>	<b>\$ 11,861,952</b>
<b>Other Uses:</b>				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
<b>Total Other Uses</b>	<b>\$ 2,206,321</b>	<b>\$ 1,915,687</b>	<b>\$ 1,915,687</b>	<b>\$ 2,018,130</b>
<b>Total Expenses/Uses</b>	<b>\$ 10,297,087</b>	<b>\$ 10,690,094</b>	<b>\$ 10,579,541</b>	<b>\$ 13,880,082</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (384,481)</b>	<b>\$ 1,181,927</b>	<b>\$ (561)</b>	<b>\$ (333,090)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,511,046</b>	<b>\$ 7,692,973</b>	<b>\$ 6,510,485</b>	<b>\$ 6,177,395</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,851,046</b>	<b>\$ 1,910,028</b>	<b>\$ 1,889,328</b>	<b>\$ 2,016,807</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 4,660,000</b>	<b>\$ 5,782,945</b>	<b>\$ 4,621,157</b>	<b>\$ 4,160,588</b>

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

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 6,895,526</b>	<b>\$ 6,063,881</b>	<b>\$ 6,511,046</b>	<b>\$ 6,510,485</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,716,056
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 10,922,520</b>
<b>Other Sources:</b>				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
<b>Total Other Sources</b>	<b>\$ 349,857</b>	<b>\$ 364,300</b>	<b>\$ 364,300</b>	<b>\$ 2,624,472</b>
<b>Total Revenues/Sources</b>	<b>\$ 9,912,606</b>	<b>\$ 11,872,021</b>	<b>\$ 10,578,980</b>	<b>\$ 13,546,992</b>
<b>EXPENSES - BY DEPARTMENT</b>				
Utility Customer Service Department	\$ 492,503	\$ 505,700	\$ 505,419	\$ 497,101
Water Department	5,001,540	5,330,791	5,387,230	7,556,692
Sanitary Sewer Department	1,957,543	2,245,079	2,125,723	3,010,257
Engineering Department	639,179	692,837	645,482	797,902
<b>Total Expenses</b>	<b>\$ 8,090,765</b>	<b>\$ 8,774,407</b>	<b>\$ 8,663,854</b>	<b>\$ 11,861,952</b>
<b>Other Uses:</b>				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
<b>Total Other Uses</b>	<b>\$ 2,206,321</b>	<b>\$ 1,915,687</b>	<b>\$ 1,915,687</b>	<b>\$ 2,018,130</b>
<b>Total Expenses/Uses</b>	<b>\$ 10,297,086</b>	<b>\$ 10,690,094</b>	<b>\$ 10,579,541</b>	<b>\$ 13,880,082</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (384,480)</b>	<b>\$ 1,181,927</b>	<b>\$ (561)</b>	<b>\$ (333,090)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 6,511,046</b>	<b>\$ 7,692,973</b>	<b>\$ 6,510,485</b>	<b>\$ 6,177,395</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,851,046</b>	<b>\$ 1,910,028</b>	<b>\$ 1,889,328</b>	<b>\$ 2,016,807</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 4,660,000</b>	<b>\$ 5,782,945</b>	<b>\$ 4,621,157</b>	<b>\$ 4,160,588</b>

**UTILITY FUND  
STATEMENT OF REVENUES**

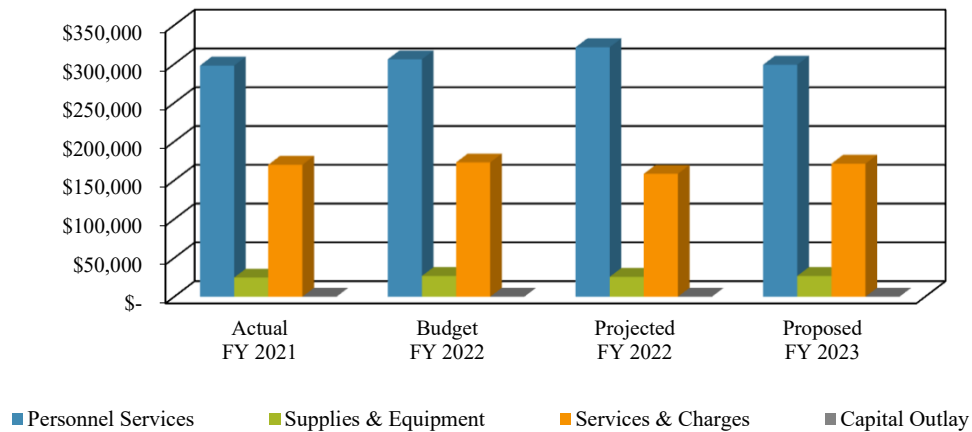
	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>Licenses &amp; Permits</b>				
Plumbing Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
<i>Subtotal</i>	<b>\$ 65,775</b>	<b>\$ 63,294</b>	<b>\$ 62,513</b>	<b>\$ 65,206</b>
<b>Charges For Services</b>				
Water Sales	\$ 6,456,844	\$ 7,252,554	\$ 7,032,924	\$ 7,554,402
Inter-Dept Water Sales	96,308	127,125	125,715	121,374
Sewer Charges	2,783,879	2,909,640	2,825,935	2,997,300
Meter Installation	35,650	41,686	41,440	37,718
Other Charges	5,752	4,570	5,541	5,262
<i>Subtotal</i>	<b>\$ 9,378,433</b>	<b>\$ 10,335,575</b>	<b>\$ 10,031,555</b>	<b>\$ 10,716,056</b>
<b>Fines &amp; Forfeits</b>				
Late Payment Penalties	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
<i>Subtotal</i>	<b>\$ 62,429</b>	<b>\$ 62,623</b>	<b>\$ 59,480</b>	<b>\$ 61,577</b>
<b>Miscellaneous</b>				
Interest	\$ 53,783	\$ 44,229	\$ 46,653	\$ 77,481
Sale of Assets	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	2,329	1,002,000	14,479	2,200
<i>Subtotal</i>	<b>\$ 56,112</b>	<b>\$ 1,046,229</b>	<b>\$ 61,132</b>	<b>\$ 79,681</b>
<b>Total Revenues</b>	<b>\$ 9,562,749</b>	<b>\$ 11,507,721</b>	<b>\$ 10,214,680</b>	<b>\$ 10,922,520</b>



## Utility Customer Service Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

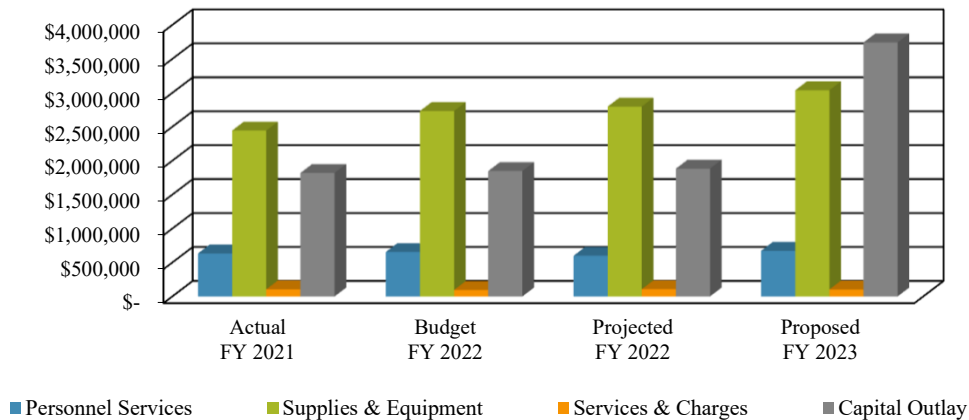
- 1 Personnel Services provides funding for three full-time employees.
- 2 Services & Charges decreased for FY 2023 due to the reallocation of funds from a human resources consultant to a full time Administrative Assistant in the Finance Department. This position will perform administrative tasks currently performed by the Human Resources Manager, the IT Manager, and Finance Department personnel. This position will also be funded by decreases in human resource consulting in the General Fund - Non-Departmental. This category also provides, \$9,900 for the Town's employee wellness platform through Circle Wellness, and \$45,000 to reduce the Town's net pension liability with TMRS, an increase of \$12,000 over FY 2022.



## Water Department

### EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change 2022 to 2023
Personnel Services	\$ 633,243	\$ 654,544	\$ 599,546	\$ 672,986	2.82%
Supplies & Equipment	2,443,867	2,732,347	2,797,546	3,038,373	11.20%
Services & Charges	105,268	95,900	107,163	103,233	7.65%
Capital Outlay	1,819,162	1,848,000	1,882,975	3,742,100	102.49%
<b>Total Department</b>	<b>\$ 5,001,540</b>	<b>\$ 5,330,791</b>	<b>\$5,387,230</b>	<b>\$ 7,556,692</b>	<b>41.76%</b>



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

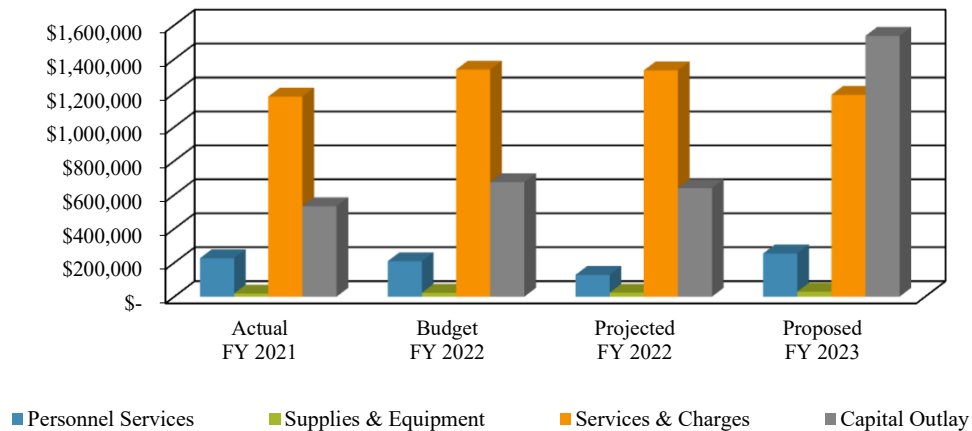
- 1 Personnel Services provides funding for five full-time employees.
- 2 The increase in Supplies & Equipment reflects higher water purchase costs due to a rate increase. Water purchases cost is based on a projection of 968,795,400 gallons, the average of the last five years, at a rate of \$2.87 per 1,000 gallons (a rate increase of 10.0%). In addition, \$89,920 has been included for meter replacement, an increase of 53,320 over FY 2022.
- 3 The increase in Services & Charges is related to the budgeted purchase of four iPads and data plans for field staff to improve communication and work flow within this department.
- 4 Capital Outlay includes \$1,175,000 for the Town's water infrastructure rehabilitation program, \$2,205,000 for the elevated water tank construction, \$285,600 for Hillcrest Avenue reconstruction and \$76,500 for Westside Drive reconstruction.



## Sanitary Sewer Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

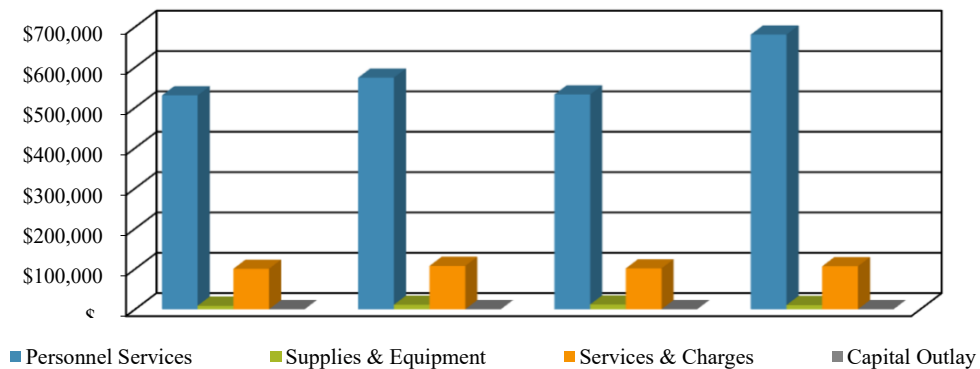
- 1 Personnel Services provides funding for two full-time employees.
- 2 In Supplies & Equipment, the increase is primarily related to the lease of a color copier for use at the Service Center.
- 3 In Services & Charges, wastewater treatment expense, a service provided by the City of Dallas, has decreased 9.1% to \$1,118,772. The decrease is partly related to the Town's winter average and non-irrigation water consumption being lower than in FY 2022.
- 4 Capital Outlay includes \$1,175,000 for the Town's sanitary sewer infrastructure rehabilitation program, \$285,600 for Hillcrest Avenue reconstruction and \$76,500 for Westside Drive reconstruction. In FY 2022, the Town budgeted only sanitary sewer infrastructure rehabilitation in this department.



## Engineering Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

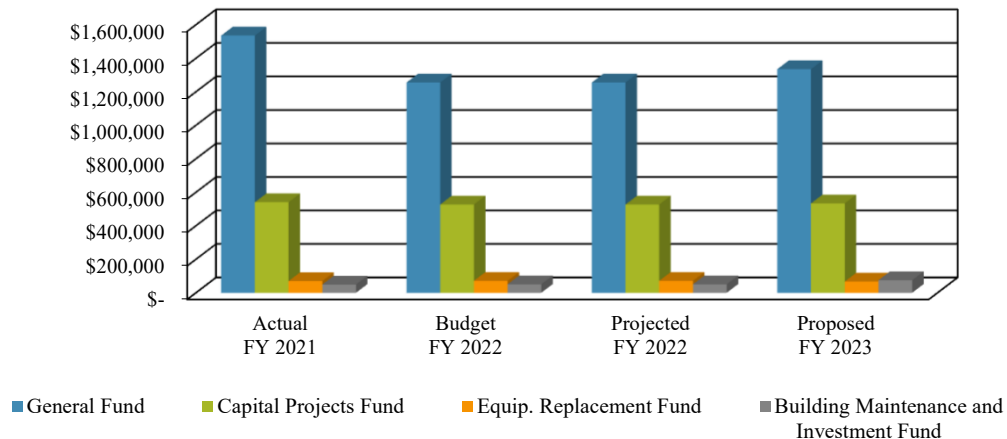
- 1 Personnel Services provides funding for four full-time employees. In FY 2022, a budgeting shift of \$30,000 was made from Personnel Services to Services & Charges to reflect the outsourcing of the management of the Geographical Information System (GIS) and the purchase of an upgraded mapping system. In addition, the Project Coordinator was promoted to Assistant Director of Engineering, an exempt position.
- 2 Changes related to Services & Charges is discussed above.



## Transfers to Other Funds

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

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

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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 BY TYPE**

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

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

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

**SOLID WASTE FUND  
STATEMENT OF REVENUES**

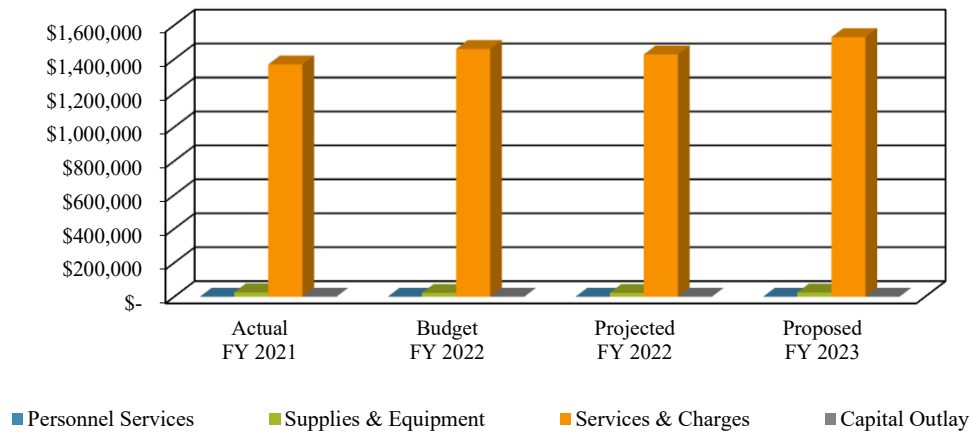
	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>Charges For Services</b>				
Sanitation Collection Charges	\$ 1,408,470	\$ 1,468,095	\$ 1,458,308	\$ 1,543,911
Recycling Charges	130,204	135,457	136,200	144,317
Other Charges	-	-	-	-
<i>Subtotal</i>	<b>\$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



## Sanitation Department

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

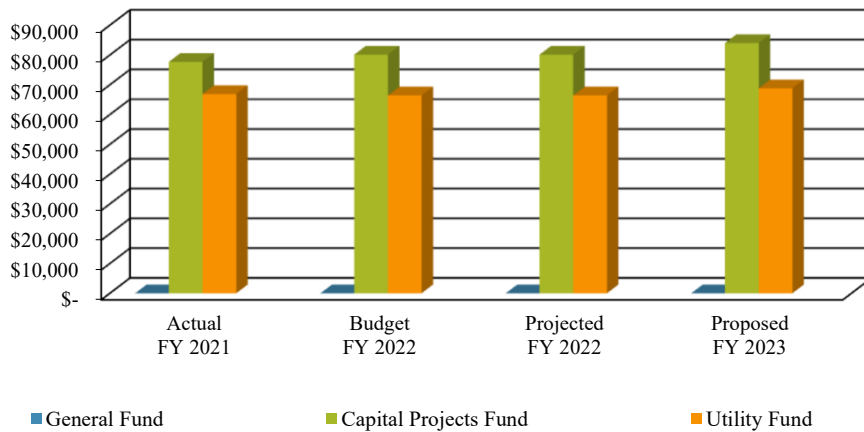
- 1 Supplies & Equipment includes the purchase of replacement rollout containers for solid waste and recycling collection.
- 2 Service & Charges provides for the cost of solid waste and recycling collection, as well as disposal costs at the landfill, and tree trimming for alleys and easements. The increase in collection cost reflects the contractual increases from the Town's third-party solid waste collector.



## Transfers to Other Funds

### EXPENDITURE SUMMARY

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



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The transfer to the Capital Projects Fund represents a 5% franchise fee based on solid waste and recycling revenue.
- 2 The transfer to the Utility Fund represents administrative cost for billing and collection of solid waste services.

## OTHER FUNDS

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

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

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

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

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

**Truancy Prevention Fund** – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juvenile case managers.

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

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

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

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

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

**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, 2021, does not have any outstanding debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

**Reserve Fund** – The purpose of the Reserve Fund is to account for proceeds from land sales. Resources are Committed for Capital Projects.

**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**

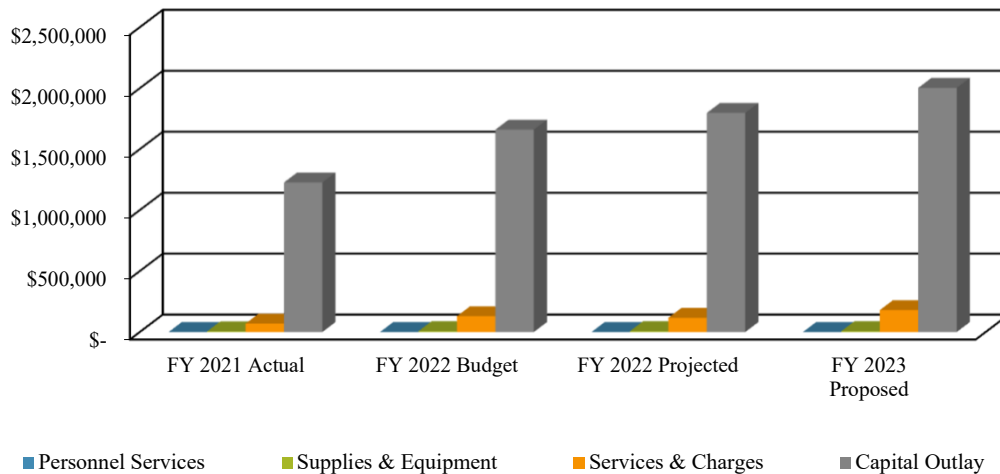
	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 3,642,201</b>	<b>\$ 2,569,297</b>	<b>\$ 2,856,758</b>	<b>\$ 1,584,186</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 427,247	\$ 441,692	\$ 440,000	\$ 453,200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



## Stormwater Drainage Fund

### EXPENDITURE SUMMARY

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>	<b>% Change 2020 to 2021</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	4,960	7,100	7,100	7,100	0.00%
Services & Charges	68,931	129,650	116,703	179,850	38.72%
Capital Outlay	1,226,801	1,660,000	1,797,462	2,002,800	20.65%
<b>Total Department</b>	<b>\$ 1,300,692</b>	<b>\$ 1,796,750</b>	<b>\$1,921,265</b>	<b>\$ 2,189,750</b>	<b>21.87%</b>



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

- Services & Charges include a street sweeping contract of \$80,000, an increase of \$37,000 over FY 2022. Additional items in this category include drainage engineering services of \$27,500 and dam and bridge maintenance of \$20,000.
- Capital Projects include improvements for Hackberry Creek for \$600,000, Drainage Easement Projects for \$630,000, Drainage Studies for \$120,000, drainage improvements related to Westside Drive reconstruction for \$591,600 and drainage improvements related to Hillcrest Avenue reconstruction for \$61,200.

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

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

**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>VIN (Last 4)</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Scheduled Replacement</b>
<b>PUBLIC SAFETY</b>					
Administration	4941	Chevrolet Tahoe	2015	2015	2024
Administration	6495	Chevrolet Tahoe	2021	2021	2026
Administration	4483	Chevrolet Tahoe	2021	2021	2026
CID	5037	Chevrolet Tahoe	2022	2022	2027
CID	7716	Chevrolet Tahoe	2022	2022	2027
CID	9448	Chevrolet Tahoe	2022	2022	2027
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	8465	Pierce	2017	2017	2038
Fire Apparatus	3538	Pierce	2021	2021	2041
MICU	3067	International	2006	2006	2022 - on order
MICU	6639	International	2010	2010	2025
MICU	2794	International	2018	2017	2032
Animal Services	1769	Dodge	2013	2013	2024
Police	7888	Chevrolet Tahoe	2019	2019	2024
Police	8694	Chevrolet Tahoe	2019	2019	2024
Police	8004	Chevrolet Tahoe	2019	2019	2024
Police	9427	Chevrolet Tahoe	2019	2019	2024
Police	8074	Chevrolet Tahoe	2019	2019	2024
Police	2825	Chevrolet Tahoe	2022	2022	2027
Police	2815	Chevrolet Tahoe	2022	2022	2027
Police	2820	Chevrolet Tahoe	2022	2022	2027
Motorcycle Unit	0035	Honda	2015	2016	2023
Motorcycle Unit	0029	Honda	2016	2018	2023
<b>STREET</b>					
Dump Truck	4906	Ford	2019	2019	2029
Pickup	3663	Chevrolet	2018	2018	2024
Pickup	9414	Chevrolet	2018	2018	2024
Asphalt Roller	1008	Bomag	2015	2015	2025
Snow Plow	5953	Ford	2010	2010	2025
<b>STREET LIGHTING</b>					
Truck w/ Aerial lift	7821	Ford	2019	2020	2030
Pickup	1837	Chevrolet	2012	2012	2024
<b>PARKS</b>					
Truck w/ Aerial lift	8247	Chevrolet	2008	2008	2024
Pickup	1319	Chevrolet	2018	2018	2024
Truck w/ Landscape body	3818	Chevrolet	2018	2018	2025
Pickup	5690	Chevrolet	2018	2018	2025
Pickup	9970	Chevrolet	2013	2013	2023
Pickup	9275	Chevrolet	2021	2021	2026
<b>SERVICE CENTER</b>					
Front-End Loader	758	Case	2011	2011	2022
<b>WATER</b>					
Pickup	0678	Chevrolet	2013	2013	2021 - on order
Pickup	9155	Chevrolet	2013	2013	2023
Pickup	6902	Chevrolet	2018	2018	2025
Pickup	6245	Chevrolet	2018	2018	2025
<b>SEWER</b>					
Truck-4 ½ Ton w/ Flusher	8644	Ford	2019	2019	2026
Dump Truck	1795	Ford	2019	2020	2029
Loader/Backhoe	0257	John Deere	2012	2012	2023
Pickup	0486	Chevrolet	2018	2018	2023
Backhoe	5634	Case	2014	2014	2024

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

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

Town of Highland Park  
Technology Asset Replacement Schedule  
For the Fiscal Year Ending September 30, 2022

<b>Fund</b>	<b>Dept</b>	<b>Department</b>	<b>Description</b>	<b>Asset Value</b>
1	1	Administration	Laserfiche link to website	\$ 37,250
1	2	Public Safety	Body Camera Maintenance	\$ 124,285
			Tyler Technologies upgrade of the Law Enforcement Records Management System to Enterprise Records Management and	
1	2	Public Safety	Server Migration	\$ 99,790
1	2	Public Safety	UPS Replacement	\$ 95,632
1	17	IT	Network Replacement	\$ 250,000
1	17	IT	Server Replacement	\$ 450,000
1	17	IT	Council A/V System Replacement	\$ 65,000
1	17	IT	Council Video Conferencing	\$ 35,000
			Replacement Computers & Deployment	
1	17	IT	Services	\$ 192,820
1	17	IT	Cyber Security Related Replacement	\$ 8,000
<b>Total</b>				<b>\$ 1,357,777</b>

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

The Town will be replacing 67 laptop and desktop computers in FY 2023.

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

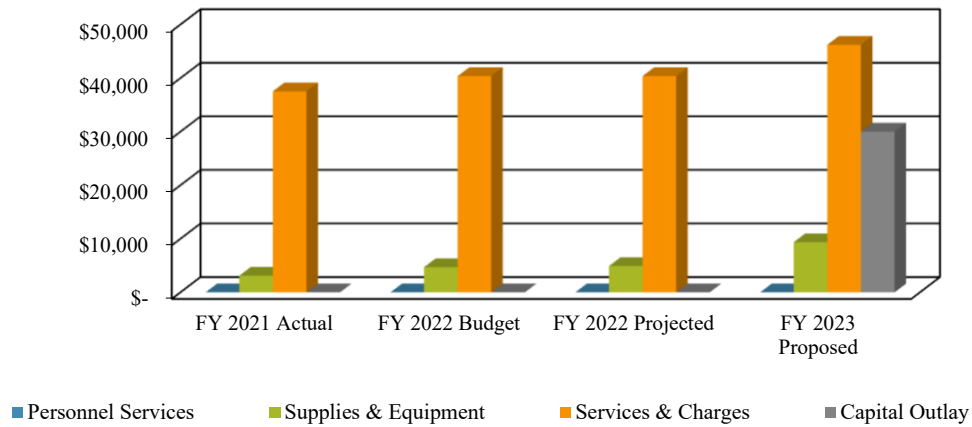
	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Proposed</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 1,037,417</b>	<b>\$ 974,990</b>	<b>\$ 1,168,965</b>	<b>\$ 1,259,588</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 4,328	\$ 5,856	\$ 6,413	\$ 12,511
Miscellaneous	40,142	-	19,214	18,516
<b>Total Revenues</b>	<b>\$ 44,470</b>	<b>\$ 5,856</b>	<b>\$ 25,627</b>	<b>\$ 31,027</b>
Transfers	477,300	483,000	483,000	711,446
<b>Total Revenues/Sources</b>	<b>\$ 521,770</b>	<b>\$ 488,856</b>	<b>\$ 508,627</b>	<b>\$ 742,473</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services	\$ -	\$ -	\$ -	\$ 101,584
Supplies & Equipment	35,974	37,000	32,900	54,587
Services & Charges	342,358	373,007	385,104	399,211
Capital Outlay	11,890	-	-	78,000
<b>Total Expenditures</b>	<b>\$ 390,222</b>	<b>\$ 410,007</b>	<b>\$ 418,004</b>	<b>\$ 633,382</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 390,222</b>	<b>\$ 410,007</b>	<b>\$ 418,004</b>	<b>\$ 633,382</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 131,548</b>	<b>\$ 78,849</b>	<b>\$ 90,623</b>	<b>\$ 109,091</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,168,965</b>	<b>\$ 1,053,839</b>	<b>\$ 1,259,588</b>	<b>\$ 1,368,679</b>



## Service Center

### EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change 2020 to 2021
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	3,100	4,700	4,900	9,372	99.40%
Services & Charges	37,531	40,375	40,375	46,240	14.53%
Capital Outlay	-	-	-	30,000	0.00%
<b>Total Department</b>	<b>\$ 40,631</b>	<b>\$ 45,075</b>	<b>\$ 45,275</b>	<b>\$ 85,612</b>	<b>89.93%</b>



### SIGNIFICANT BUDGETARY ITEMS/CHANGES

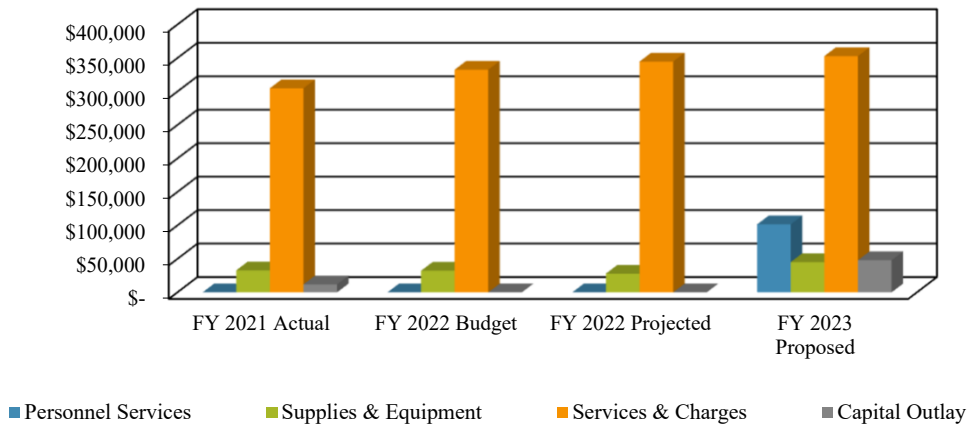
- 1 Supplies & Equipment increased due to the replacement of two breakroom refrigerators and one dishwasher at the Service Center.
- 2 Services & Charges increased due to the addition of an HVAC assessment at the Service Center and increased costs for third party janitorial and maintenance services.
- 3 Capital Outlay in FY 2023 includes a diesel pump and card reader system at the Service Center.



# Municipal Building

## EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change 2020 to 2021
Personnel Services	\$ -	\$ -	\$ -	\$ 101,584	-
Supplies & Equipment	32,874	32,300	28,000	45,215	39.98%
Services & Charges	304,827	332,632	344,729	352,971	6.11%
Capital Outlay	11,890	-	-	48,000	-
<b>Total Department</b>	<b>\$ 349,591</b>	<b>\$ 364,932</b>	<b>\$ 372,729</b>	<b>\$ 547,770</b>	<b>50.10%</b>



## SIGNIFICANT BUDGETARY ITEMS/CHANGES

- Personnel Services includes the addition of one full time employee, a Facilities Manager, in FY 2023. This position is being partially funded by reduced costs of contracted services with the Town's facilities maintenance third-party provider.
- Supplies & Equipment includes supply items for Town Hall such as seasonal decorations and special projects (\$10,500), custodial supplies (\$7,000), bulbs, ceiling tiles, and funding for general maintenance within DPS and Town Hall throughout the year (\$13,000). The increase is primarily related to the purchase of three refrigerators, two dishwashers and a vent hood for Town Hall.
- The increase in Services & Charges includes funding for air duct cleaning (\$12,000), additional repair and maintenance charges for the exterior of Town Hall (\$11,820) and a roof top air conditioning unit replacement (\$11,504). In addition, this category was affected by upward inflationary pressures.
- Capital Outlay in FY 2023 is related to a building maintenance software system.

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

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

**TRUANCY PREVENTION**  
**STATEMENT OF REVENUES & EXPENDITURES**

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

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

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

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

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

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

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

**LIBRARY FUND**  
**STATEMENT OF REVENUES & EXPENDITURES**

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

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

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

**RESERVE FUND  
STATEMENT OF REVENUES & EXPENDITURES**

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

## **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**

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

<sup>1</sup> 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**

**FISCAL YEARS 2023-2032**

<b>Project/Funding Source</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Beginning Balance</b>	<b>\$ 6,667,069</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>	<b>\$ 7,677,070</b>	<b>\$ 6,618,777</b>
<b>Annual Project Funding</b>					
General Fund CIP Transfer	\$ 1,216,238	\$ 1,241,779	\$ 1,267,856	\$ 1,294,481	\$ 1,321,665
Solid Waste Fund 5% Transfer	80,100	84,000	84,840	85,688	86,545
Utility Fund 5% W&S Transfer	526,983	533,654	538,991	544,381	549,825
Supplemental General Fund Transfer	1,995,908	1,661,511	3,236,967	1,822,800	1,712,011
Increased CIP Revenue from Growth in Property Values - 2014	342,651	342,651	342,651	342,651	342,651
Increased CIP Revenue from Growth in Property Values - 2015	705,188	705,188	705,188	705,188	705,188
Increased CIP Revenue from Growth in Property Values - 2016	360,441	360,441	360,441	360,441	360,441
Contributions - DART	1,643,020	1,891,543	1,957,906	2,026,414	
Intergovernmental Revenue					
TCEQ	104,000	-	-	-	-
University Park	1,127,209	-	-	-	-
Dallas County MCIP	525,000	975,000	750,000	4,150,000	1,000,000
Dallas County Road and Bridge	275,000	-	-	-	-
Transfer from DPS Technology Fund	94,330	291,000	100,075	103,077	106,170
Interest Revenue	33,810	59,569	154,274	191,927	165,469
<b>Total Annual Project Funding</b>	<b>\$ 9,029,878</b>	<b>\$ 8,146,336</b>	<b>\$ 9,499,189</b>	<b>\$ 11,627,048</b>	<b>\$ 6,349,965</b>
<b>Expenditures</b>					
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	250,000	-	-	-	-
Park Renovation/Rehabilitation Program	211,885	243,665	251,462	259,509	267,813
DPS Needs Assessment	-	50,000	-	-	-
Street Light Painting	25,000	-	-	-	-
Street Light Program	-	150,000	154,800	159,754	164,866
Sidewalk Rehabilitation Program	-	250,000	200,000	206,400	213,005
Street Resurfacing & Miscellaneous Concrete	1,106,961	1,142,384	1,178,940	1,216,666	1,255,599
Bridge Rehabilitation (Mockingbird and Beverly)	-	-	500,000	-	-
Transportation Improvement Program	160,000	1,061,208	1,500,000	900,000	-
Lakeside Drive Reconstruction & 30" Sewer Line	4,323,420	329,294	-	-	-
Airline Drive Rehabilitation	232,755	-	-	-	-
Mockingbird Lane (East) Rehabilitation	114,531	-	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	100,000	-	-	-
Mockingbird Lane (West) Reconstruction	-	1,300,000	-	-	-
Potomac Reconstruction	-	650,000	-	-	-
Swimming Pool Improvements	-	200,000	-	-	-
Service Center Needs Assessment	-	50,000	-	-	-
Teddy Bear Garden Pedestrian Access & Landscaping	-	500,000	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	3,080,400	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	-	2,174,436	-	-
Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction	-	-	480,665	4,457,074	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	2,302,821	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	1,825,278	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	1,472,108
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	2,261,201
Lomo Alto Drive Reconstruction - Lemmon to Bordeaux	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Bordeaux to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady	-	-	-	-	-
Beverly Drive Reconstruction - Preston to Drexel	-	-	-	-	-
Mockingbird Lane Rehabilitation - DNT to Hillcrest	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Beverly Drive Reconstruction - Westside Drive to Armstrong Parkway	-	-	-	-	-
Beverly Drive Reconstruction - Drexel to East Town Limits	-	-	-	-	-
Contingency	-	450,000	350,000	550,000	250,000
<b>Total Expenditures</b>	<b>\$ 6,424,552</b>	<b>\$ 9,556,951</b>	<b>\$ 6,790,303</b>	<b>\$ 11,877,502</b>	<b>\$ 5,884,592</b>
<b>Transfers-Out</b>					
Storm Water Fund	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 600,000	\$ 600,000
Utility Fund	193,000	197,825	202,771	207,840	213,036
<b>Total Transfers-Out</b>	<b>\$ 493,000</b>	<b>\$ 1,197,825</b>	<b>\$ 1,202,771</b>	<b>\$ 807,840</b>	<b>\$ 813,036</b>
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 6,917,552</b>	<b>\$ 10,754,776</b>	<b>\$ 7,993,074</b>	<b>\$ 12,685,342</b>	<b>\$ 6,697,628</b>
<b>Ending Balance*</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>	<b>\$ 7,677,070</b>	<b>\$ 6,618,777</b>	<b>\$ 6,271,115</b>
<b>Construction Contingency</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b>Over(Under) Contingency</b>	<b>\$ 6,779,395</b>	<b>\$ 4,170,955</b>	<b>\$ 5,677,070</b>	<b>\$ 4,618,777</b>	<b>\$ 4,271,115</b>

\*\*Excludes FY 201-22.



2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total**
\$ 6,271,115	\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892	\$ 8,779,395
\$ 1,349,420	\$ 1,377,758	\$ 1,406,691	\$ 1,436,232	\$ 1,466,393	\$ 1,497,187	\$ 13,659,462
87,410	88,284	89,167	90,059	90,960	91,870	878,823
555,323	560,876	566,485	572,150	577,872	583,651	5,583,208
1,604,725	1,601,072	1,601,187	1,605,212	1,613,291	1,725,576	18,184,352
342,651	342,651	342,651	342,651	342,651	342,651	3,426,510
705,188	705,188	705,188	705,188	705,188	705,188	7,051,880
360,441	360,441	360,441	360,441	360,441	360,441	3,604,410
						5,875,863
						-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,375,000
250,000	-	-	-	250,000	-	500,000
109,355	112,635	116,014	119,495	123,080	126,772	1,307,673
156,778	171,204	183,606	169,302	108,186	102,347	1,462,661
\$ 6,021,290	\$ 6,320,109	\$ 6,371,430	\$ 6,400,729	\$ 6,638,062	\$ 6,535,683	\$ 73,909,842
-	-	-	-	-	-	\$ -
276,383	285,227	294,354	303,773	313,494	323,526	2,819,206
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
170,142	175,587	181,206	187,005	192,989	199,165	1,735,514
219,821	226,855	234,114	241,606	249,337	257,316	2,298,454
1,295,778	1,337,243	1,380,035	1,424,196	1,469,770	1,516,803	13,217,414
-	-	-	-	-	-	\$ 500,000
-	-	-	-	-	-	3,461,208
-	-	-	-	-	-	329,294
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	100,000
-	-	-	-	-	-	1,300,000
-	-	-	-	-	-	650,000
-	-	-	-	-	-	200,000
-	-	-	-	-	-	50,000
-	-	-	-	-	-	500,000
-	-	-	-	-	-	3,080,400
-	-	-	-	-	-	2,174,436
-	-	-	-	-	-	4,937,738
-	-	-	-	-	-	2,302,821
-	-	-	-	-	-	1,825,278
-	-	-	-	-	-	1,472,108
-	-	-	-	-	-	2,261,201
2,638,753	-	-	-	-	-	2,638,753
-	1,680,234	-	-	-	-	1,680,234
-	1,295,087	-	-	-	-	1,295,087
-	-	2,136,555	-	-	-	2,136,555
-	-	1,837,897	-	-	-	1,837,897
-	-	-	3,360,319	-	-	3,360,319
-	-	-	2,343,319	-	-	2,343,319
-	-	-	-	2,210,921	-	2,210,921
-	-	-	-	1,544,060	-	1,544,060
-	-	-	-	-	2,437,989	2,437,989
-	-	-	-	-	2,437,989	2,437,989
225,000	250,000	300,000	400,000	300,000	350,000	3,425,000
\$ 4,825,877	\$ 5,250,233	\$ 6,364,161	\$ 8,260,218	\$ 6,280,571	\$ 7,522,788	\$ 72,613,195
\$ 400,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 5,350,000
218,362	223,821	229,417	235,152	241,031	247,057	2,216,312
\$ 618,362	\$ 573,821	\$ 579,417	\$ 585,152	\$ 591,031	\$ 597,057	\$ 7,566,312
\$ 5,444,239	\$ 5,824,054	\$ 6,943,578	\$ 8,845,370	\$ 6,871,602	\$ 8,119,845	\$ 80,179,507
\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892	\$ 2,509,730	\$ 2,509,730
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 4,848,166	\$ 5,344,220	\$ 4,772,072	\$ 2,327,432	\$ 2,093,892	\$ 509,730	\$ 509,730

**TOWN OF HIGHLAND PARK, TEXAS**

**STORM WATER FUND**

**FISCAL YEARS 2023-2032**

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

\* \*Excludes FY 2021-22

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

**TOWN OF HIGHLAND PARK, TEXAS**

**UTILITY FUND**

**FISCAL YEARS 2023-2032**

Project/Funding Source	*	*	*	*	*
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Beginning Balance</b>	<b>\$ 6,511,046</b>	<b>\$ 6,510,485</b>	<b>\$ 6,177,395</b>	<b>\$ 4,867,668</b>	<b>\$ 3,303,244</b>
<b>Revenues</b>					
Water Sales	\$ 7,158,639	\$ 7,675,776	\$ 8,081,744	\$ 8,451,637	\$ 8,705,186
Sewer Charges	2,825,935	2,997,300	3,086,837	3,179,442	3,274,825
Permit Revenue	62,513	65,206	64,000	64,000	64,000
Interest Earnings	46,653	77,481	123,548	97,353	66,065
Contributions	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	1,315,155
Other Revenues	120,940	106,757	107,000	107,000	107,000
<b>Total Revenues</b>	<b>\$ 10,214,680</b>	<b>\$ 10,922,520</b>	<b>\$ 11,463,129</b>	<b>\$ 11,899,432</b>	<b>\$ 13,532,231</b>
Transfers-In	364,300	2,624,472	382,710	391,130	399,735
<b>Total Revenues &amp; Transfers-In</b>	<b>\$ 10,578,980</b>	<b>\$ 13,546,992</b>	<b>\$ 11,845,839</b>	<b>\$ 12,290,562</b>	<b>\$ 13,931,966</b>
<b>Expenditures</b>					
Personnel Services	\$ 1,582,230	\$ 1,907,514	\$ 1,969,508	\$ 2,033,517	\$ 2,099,606
Supplies & Equipment	2,858,254	3,104,444	3,397,577	3,624,504	3,733,239
Services & Charges	1,700,370	1,570,794	1,617,918	1,666,456	1,716,450
<b>Total Operating Expenditures</b>	<b>\$ 6,140,854</b>	<b>\$ 6,582,752</b>	<b>\$ 6,985,003</b>	<b>\$ 7,324,477</b>	<b>\$ 7,549,295</b>
Capital Outlay:					
Water & Sanitary Sewer Infrastructure Replace./Rehab.	\$ 1,280,050	\$ 2,350,000	\$ 350,000	\$ 2,573,166	\$ 350,000
Lakeside Drive Reconstruction & 30" Sewer Line	-	-	-	-	2,630,310
Gillon Pump Station Improvements	573,000	-	-	-	-
Holland Elevated Storage Tank Replacement	669,950	2,205,000	3,745,000	-	-
Potential Projects					
Sewanee Avenue Water and Sewer Improvements	-	-	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	153,000	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	571,200	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	1,114,268	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	711,009	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	573,689
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	452,457
Lomo Alto Drive Reconstruction - Lemmon to Bordeaux	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Armstrong Parkway Rehabilitation - Arcady to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Bordeaux to Beverly	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 2,523,000</b>	<b>\$ 5,279,200</b>	<b>\$ 4,095,000</b>	<b>\$ 4,398,444</b>	<b>\$ 4,006,456</b>
<b>Total Expenditures</b>	<b>\$ 8,663,854</b>	<b>\$ 11,861,952</b>	<b>\$ 11,080,003</b>	<b>\$ 11,722,921</b>	<b>\$ 11,555,751</b>
Transfers-Out	1,915,687	2,018,130	2,075,564	2,132,065	2,183,623
<b>Total Expenditures &amp; Transfer-Out</b>	<b>\$ 10,579,541</b>	<b>\$ 13,880,082</b>	<b>\$ 13,155,567</b>	<b>\$ 13,854,986</b>	<b>\$ 13,739,374</b>
Operating Reserve	\$ 1,889,329	\$ 2,016,807	\$ 2,125,535	\$ 2,218,747	\$ 2,283,480
Rate Stabilization Reserve	4,621,156	4,160,588	2,742,133	1,084,497	1,212,356
<b>Ending Balance</b>	<b>6,510,485</b>	<b>6,177,395</b>	<b>4,867,668</b>	<b>3,303,244</b>	<b>3,495,836</b>
Ideal Fund Balance ( 25% of Operating Expenses)	\$ 1,889,329	\$ 2,016,807	\$ 2,125,535	\$ 2,218,747	\$ 2,283,480
<b>Over(Under) Ideal Fund Balance</b>	<b>\$ 4,621,156</b>	<b>\$ 4,160,588</b>	<b>\$ 2,742,133</b>	<b>\$ 1,084,497</b>	<b>\$ 1,212,356</b>

\* Includes 3% rate adjustment for Water Sales and Sewer Charges in FY 2022 and each year thereafter through FY 2030.

\* \*Excludes FY 2021-22

*	*	*	*			
2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total**
\$ 3,495,836	\$ 2,655,773	\$ 3,800,313	\$ 3,276,578	\$ 3,745,089	\$ 2,879,954	\$ 6,510,485
\$ 8,966,341	\$ 9,235,332	\$ 9,508,452	\$ 9,789,765	\$ 9,789,765	\$ 9,789,765	\$ 89,993,763
3,373,070	3,474,262	3,474,262	3,474,262	3,474,262	3,474,262	33,282,784
64,000	64,000	64,000	64,000	64,000	64,000	641,206
69,917	53,115	76,006	65,532	74,902	57,599	761,518
-	-	-	-	-	-	-
-	-	-	-	-	1,030,050	2,345,205
107,000	107,000	107,000	107,000	107,000	107,000	1,069,757
\$ 12,580,328	\$ 12,933,709	\$ 13,229,720	\$ 13,500,559	\$ 13,509,929	\$ 14,522,676	\$ 128,094,233
408,529	417,517	426,702	436,089	445,683	455,488	6,388,055
\$ 12,988,857	\$ 13,351,226	\$ 13,656,422	\$ 13,936,648	\$ 13,955,612	\$ 14,978,164	\$ 134,482,288
\$ 2,167,843	\$ 2,238,298	\$ 2,311,043	\$ 2,386,152	\$ 2,463,702	\$ 2,543,772	\$ 22,120,955
3,845,236	3,960,593	4,079,411	4,201,793	4,327,847	4,457,682	38,732,326
1,767,944	1,820,982	1,875,611	1,931,879	1,989,835	2,049,530	18,007,399
\$ 7,781,023	\$ 8,019,873	\$ 8,266,065	\$ 8,519,824	\$ 8,781,384	\$ 9,050,984	\$ 78,860,680
\$ 2,740,483	\$ 350,000	\$ 2,918,680	\$ 350,000	\$ 3,122,988	\$ 350,000	\$ 15,455,317
-	-	-	-	-	2,060,101	4,690,411
-	-	-	-	-	-	-
-	-	-	-	-	-	5,950,000
-	-	-	-	-	-	-
-	-	-	-	-	-	153,000
-	-	-	-	-	-	571,200
-	-	-	-	-	-	1,114,268
-	-	-	-	-	-	711,009
-	-	-	-	-	-	573,689
-	-	-	-	-	-	452,457
1,070,958	-	-	-	-	-	1,070,958
-	795,071	-	-	-	-	795,071
-	751,150	-	-	-	-	751,150
-	-	654,751	-	-	-	654,751
-	-	-	1,516,265	-	-	1,516,265
-	-	-	690,107	-	-	690,107
-	-	-	-	486,403	-	486,403
\$ 3,811,441	\$ 1,896,221	\$ 3,573,431	\$ 2,556,372	\$ 3,609,390	\$ 2,410,101	\$ 35,636,056
\$ 11,592,464	\$ 9,916,094	\$ 11,839,496	\$ 11,076,196	\$ 12,390,774	\$ 11,461,085	\$ 114,496,736
2,236,455	2,290,593	2,340,661	2,391,940	2,429,973	2,468,842	22,567,846
\$ 13,828,919	\$ 12,206,687	\$ 14,180,157	\$ 13,468,137	\$ 14,820,747	\$ 13,929,926	\$ 137,064,582
\$ 2,350,127	\$ 2,418,746	\$ 2,489,398	\$ 2,562,141	\$ 2,637,039	\$ 2,714,156	\$ 2,714,156
305,646	1,381,567	787,180	1,182,948	242,915	1,214,036	1,214,036
2,655,773	3,800,313	3,276,578	3,745,089	2,879,954	3,928,192	3,928,192
\$ 2,350,127	\$ 2,418,746	\$ 2,489,398	\$ 2,562,141	\$ 2,637,039	\$ 2,714,156	\$ 2,714,156
\$ 305,646	\$ 1,381,567	\$ 787,180	\$ 1,182,948	\$ 242,915	\$ 1,214,036	\$ 1,214,036

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## 10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

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### **General Fund**

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

- Property tax revenue is based on estimated taxable assessed values (T.A.V.) and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 3.5% per year. The tax rate is assumed to remain constant at \$0.23 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year.
- Sales tax is indexed at 2.5% which reflects historical trends.
- Interest revenue is based on 2% of fund balance for years after FY 2024.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from 2.57% to 3.44% based on the revenue category.

#### ***Expenditures:***

- Payroll expense is indexed at 3.25% each year.
- Payroll taxes (FICA) and retirement contributions are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the Adopted Budget. Health Insurance is projected to increase at a rate of 7.3% per year.
- "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.0% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$10,000 per year has been allocated in fiscal year 2024-25 and thereafter to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.
- Project cost for all funds have annual inflation included at 2%. Project costs have also been increased by 5% to address current inflation. A construction contingency is added beginning in fiscal year 2022 – 2023.

### **Storm Water Utility Fund**

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

- Storm water revenues are indexed each year by 2.2%.
- A transfer from the Capital Improvement Fund of \$300,000 for fiscal year 2022-23 and transfers ranging between \$350,000 and \$1,000,000 per year for the remaining nine years is anticipated.
- The Storm Water Utility Fund also anticipates an internal loan from the Reserve Fund to facilitate improvements to Hackberry Creek over the next three years. The internal loan will be repaid over 10 years from the year the funds are provided.

#### ***Expenditures:***

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

## **Utility Fund**

Utility rates are set to meet the annual revenue requirement within the Utility Fund. This fund includes the cost of capital expenditures, and the Utility Fund uses a Pay-as-You-Go funding strategy. It should be noted, however, that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The ten-year financial model includes a water and wastewater rate adjustment of 3.0% every year beginning in fiscal year 2024-25. In fiscal year 2022 – 2023, a rate increase of 5% and 3% for water and sewer, respectively, is proposed. The additional 2% added to the 3% water rate adjustment in FY 2023 is related to the funding of capital requirements of the Dallas County Park Cities Municipal Utility District.

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

<b>GENERAL FUND</b>					
Estimated Tax Rate Per \$100 T.A.V.	23.00 Cents 2021-22	23.00 Cents 2022-23	23.00 Cents 2023-24	23.00 Cents 2024-25	23.00 Cents 2025-26
<b>BEGINNING FUND BALANCE</b>	\$ 7,717,749	\$ 8,647,039	\$ 8,722,768	\$ 7,252,188	\$ 7,186,263
<b>REVENUES:</b>					
Property Taxes	\$ 15,487,088	\$ 17,058,331	\$ 17,630,564	\$ 18,246,408	\$ 18,883,808
Sales Taxes	6,800,087	6,640,091	6,806,093	6,976,245	7,150,651
Franchise Fees	972,579	932,414	956,337	980,873	1,006,039
Building Inspection Fees/Permits	1,590,694	1,395,104	1,443,933	1,494,471	1,546,777
Municipal Court Fines/Fees	581,359	602,203	623,280	645,095	667,673
Interest Earnings	73,955	150,456	335,955	300,860	304,273
All Other	2,199,145	4,162,032	1,977,780	2,045,789	2,116,136
<b>TOTAL REVENUES</b>	<b>\$ 27,704,907</b>	<b>\$ 30,940,631</b>	<b>\$ 29,773,942</b>	<b>\$ 30,689,741</b>	<b>\$ 31,675,357</b>
Transfers from Other Funds	1,280,000	1,359,300	1,389,205	1,419,768	1,451,003
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>\$ 28,984,907</b>	<b>\$ 32,299,931</b>	<b>\$ 31,163,147</b>	<b>\$ 32,109,509</b>	<b>\$ 33,126,360</b>
<b>EXPENDITURES:</b>					
Personnel Services:					
Payroll	13,117,212	14,098,160	\$ 14,556,350	\$ 15,029,431	\$ 15,517,888
Taxes	937,528	1,004,553	1,049,513	1,083,622	1,118,840
Retirement (TMRS)	1,175,933	1,661,082	1,880,680	1,941,802	2,004,911
Insurance	1,713,430	1,884,784	2,022,373	2,170,006	2,328,417
Total Personnel	\$ 16,944,103	\$ 18,648,579	\$ 19,508,916	\$ 20,224,862	\$ 20,970,056
Supplies & Equipment	1,201,401	1,176,588	\$ 1,211,886	\$ 1,248,243	\$ 1,285,690
Services & Charges	3,710,160	4,241,499	4,368,744	4,499,806	4,834,800
Capital Outlay:					
Equipment	-	-	-	10,000	10,000
CIP	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,855,664</b>	<b>\$ 24,066,666</b>	<b>\$ 25,089,546</b>	<b>\$ 25,982,911</b>	<b>\$ 27,100,546</b>
Transfers to Capital Projects Fund	4,620,426	4,311,570	5,913,103	4,525,561	4,441,956
Transfers to Other Funds	1,579,527	3,845,966	1,631,077	1,666,961	1,703,634
<b>TOTAL EXPENDITURES &amp; TRANSFERS-OUT</b>	<b>\$ 28,055,617</b>	<b>\$ 32,224,202</b>	<b>\$ 32,633,727</b>	<b>\$ 32,175,433</b>	<b>\$ 33,246,136</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 8,647,039</b>	<b>\$ 8,722,768</b>	<b>\$ 7,252,188</b>	<b>\$ 7,186,263</b>	<b>\$ 7,066,487</b>
<b>FUND BALANCE MINIMUM</b>	<b>\$ 3,983,982</b>	<b>\$ 4,745,147</b>	<b>\$ 4,542,506</b>	<b>\$ 4,698,778</b>	<b>\$ 4,895,011</b>
<b>FUND BALANCE SURPLUS</b>	<b>\$ 4,663,057</b>	<b>\$ 3,977,621</b>	<b>\$ 2,709,682</b>	<b>\$ 2,487,485</b>	<b>\$ 2,171,476</b>
<b>CAPITAL PROJECTS FUND</b>					
<b>Beginning Balance</b>	<b>\$ 6,667,069</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>	<b>\$ 7,677,070</b>	<b>\$ 6,618,777</b>
Total Annual Project Funding (1)	9,029,878	8,146,336	9,499,189	11,627,048	6,349,965
Total Expenditures	6,917,552	10,754,776	7,993,074	12,685,342	6,697,628
<b>Ending Balance*</b>	<b>\$ 8,779,395</b>	<b>\$ 6,170,955</b>	<b>\$ 7,677,070</b>	<b>\$ 6,618,777</b>	<b>\$ 6,271,115</b>
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Over(Under) Contingency</b>	<b>\$ 6,779,395</b>	<b>\$ 4,170,955</b>	<b>\$ 5,677,070</b>	<b>\$ 4,618,777</b>	<b>\$ 4,271,115</b>
<b>PROPERTY TAX ASSUMPTIONS</b>					
<b>Property Tax Revenue</b>	<b>\$ 15,487,088</b>	<b>\$ 17,058,331</b>	<b>\$ 17,630,564</b>	<b>\$ 18,246,408</b>	<b>\$ 18,883,808</b>
<b>Property Values (2)</b>	<b>\$ 6,781,705,819</b>	<b>\$ 7,466,203,174</b>	<b>\$ 7,727,520,285</b>	<b>\$ 7,997,983,495</b>	<b>\$ 8,277,912,917</b>
<b>Tax Rate</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>

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

(2) Growth in taxable assessed value (T.A.V.) projected at 3.5% per year after FY 2021-22.

<b>23.00 Cents</b> <b>2026-27</b>	<b>23.00 Cents</b> <b>2027-28</b>	<b>23.00 Cents</b> <b>2028-29</b>	<b>23.00 Cents</b> <b>2029-30</b>	<b>23.00 Cents</b> <b>2030-31</b>	<b>23.00 Cents</b> <b>2031-32</b>
\$ 7,066,487	\$ 7,078,489	\$ 7,116,555	\$ 7,172,140	\$ 7,235,720	\$ 7,296,717
\$ 19,543,516	\$ 20,226,314	\$ 20,933,010	\$ 21,664,440	\$ 22,421,471	\$ 23,204,997
7,329,417	7,512,652	7,700,468	7,892,980	8,090,305	8,292,563
1,031,851	1,058,325	1,085,478	1,113,328	1,141,892	1,171,189
1,600,914	1,656,946	1,714,939	1,774,962	1,837,086	1,901,384
691,042	715,228	740,261	766,170	792,986	820,741
306,962	312,447	318,639	325,361	332,428	339,633
2,188,902	2,264,170	2,342,027	2,422,561	2,505,864	2,592,032
\$ 32,692,604	\$ 33,746,082	\$ 34,834,822	\$ 35,959,802	\$ 37,122,032	\$ 38,322,539
1,482,925	1,515,549	1,548,891	1,582,967	1,617,792	1,653,383
\$ 34,175,529	\$ 35,261,631	\$ 36,383,713	\$ 37,542,769	\$ 38,739,824	\$ 39,975,922
\$ 16,022,219	\$ 16,542,941	\$ 17,080,587	\$ 17,635,706	\$ 18,208,866	\$ 18,800,654
1,155,202	1,192,746	1,231,510	1,271,534	1,312,859	1,355,527
2,070,071	2,137,348	2,206,812	2,278,533	2,352,585	2,429,044
2,498,391	2,680,774	2,876,470	3,086,453	3,311,764	3,553,523
\$ 21,745,883	\$ 22,553,809	\$ 23,395,380	\$ 24,272,226	\$ 25,186,075	\$ 26,138,748
\$ 1,324,261	\$ 1,363,989	\$ 1,404,909	\$ 1,447,056	\$ 1,490,468	\$ 1,535,182
4,979,844	5,129,239	5,283,116	5,441,609	5,604,857	5,773,003
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
\$ 28,059,988	\$ 29,057,037	\$ 30,093,405	\$ 31,170,891	\$ 32,291,400	\$ 33,456,933
4,362,425	4,387,110	4,416,158	4,449,724	4,487,964	4,631,043
1,741,114	1,779,419	1,818,566	1,858,574	1,899,463	1,941,251
\$ 34,163,527	\$ 35,223,565	\$ 36,328,129	\$ 37,479,189	\$ 38,678,827	\$ 40,029,227
\$ 7,078,489	\$ 7,116,555	\$ 7,172,140	\$ 7,235,720	\$ 7,296,717	\$ 7,243,412
\$ 5,064,487	\$ 5,240,497	\$ 5,423,335	\$ 5,613,309	\$ 5,810,747	\$ 6,015,991
\$ 2,014,002	\$ 1,876,058	\$ 1,748,805	\$ 1,622,411	\$ 1,485,970	\$ 1,227,421
\$ 6,271,115	\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892
6,021,290	6,320,109	6,371,430	6,400,729	6,638,062	6,535,683
5,444,239	5,824,054	6,943,578	8,845,370	6,871,602	8,119,845
\$ 6,848,166	\$ 7,344,220	\$ 6,772,072	\$ 4,327,432	\$ 4,093,892	\$ 2,509,730
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 4,848,166	\$ 5,344,220	\$ 4,772,072	\$ 2,327,432	\$ 2,093,892	\$ 509,730
\$ 19,543,516	\$ 20,226,314	\$ 20,933,010	\$ 21,664,440	\$ 22,421,471	\$ 23,204,997
\$ 8,567,639,870	\$ 8,867,507,265	\$ 9,177,870,019	\$ 9,499,095,470	\$ 9,831,563,811	\$ 10,175,668,545
0.23	0.23	0.23	0.23	0.23	0.23

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## **APPENDIX**

## *Budget Calendar Fiscal Year 2022 - 2023*

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April 5	Budget kick-off memo to departments.
April 15	Departments submit initial projection of FY 2021-22 revenues and expenditures to the Finance Department.
April 20	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets.
April 22	Deliver notice for the May 17 Public Hearing in the newspaper. The notice will run on April 29 and May 6. Provide notice to Town Secretary for publishing on website.
April 26	Departments submit any new programs to the Finance Department.  Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.
April 29	Meet and discuss the Town's 10-year Capital Improvement Plan with Department Directors.
May 2 - May 13	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
May 9	Receive preliminary taxable assessed values from Dallas Central Appraisal District (DCAD).
<b><u>May 17</u></b>	Public Hearing for citizen comment on the development of the FY 2022-23 Budget.  Review and discuss with the Town Council the progress of the FY 2022-23 budget process and the Council's priorities and expectations of the FY 2022-23 Budget.  Departments submit revised projection of FY 2021-22 revenues and expenditures to the Finance Department.
May 30 – June 2	Departmental meetings with Town Administrator on Budget Requests.
<b>June 21</b>	Review and discuss with the Town Council the progress of the FY 2022-23 budget process and the Council's priorities and expectations of the FY 2022-23 Budget.  Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.
July 8	Departments submit final projection of FY 2021-22 revenues and expenditures to the Finance Department.

## *Budget Calendar Fiscal Year 2022 - 2023*

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July 21	Finance & Audit Advisory Committee meet to discuss proposed Capital Improvement Plan and Operational Budget for FY 2022-23.
July 25	Receive Certified Appraisal Roll from DCAD.
July 29	FY 2022-23 Proposed Budget delivered to the Town Council and the Town Secretary.
<b>August 2</b>	<p>Council sets date to call Public Hearing on the FY 2022-23 Proposed Budget [Town Charter 9.05(A)].</p> <p>Review and discuss the Proposed Budget and Capital Improvement Plan for FY 2022-23.</p> <p>Deliver notice of the August 16 and September 6 Public Hearing on the FY 2022-23 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.</p>
August 4	Publication of the notice for the August 16 and September 6 First and Second Public Hearing on the FY 2022-23 Proposed Budget in the newspaper.
August 15	Publication of notice the August 16 and September 6 First and Second Public Hearing on FY 2022-23 Proposed Budget in the newspaper.
<b><u>August 16</u></b>	<p>First Public Hearing on FY 2022-23 Proposed Budget.</p> <p>Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2022-23 and schedule one public hearing on the proposal.</p> <p>Town Council sets preliminary ad valorem tax rate.</p> <p><i>NOTE: If a tax rate is proposed that exceeds the 'No-New-Revenue Tax Rate', take a record vote, publish the required notices, and schedule the required public meeting.</i></p> <p>Call Public Hearing on Tax Increase.</p> <p>Deliver notice of Public Hearing on Tax Increase to the newspaper. Provide notice to Town Secretary for publishing on website.</p> <p>Announce date and time of Public Hearing to adopt the tax rate.</p>
August 19	Publication of notice for September 6 Public Hearing on Tax Increase in the newspaper.
August 22	Publication of notice for September 6 Public Hearing on Tax Increase and publication of notice for September 6 Public Hearing on FY 2022-23 Proposed Budget in the newspaper.

## *Budget Calendar Fiscal Year 2022 - 2023*

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### **September 6**

Second Public Hearing on FY 2022-23 Proposed Budget.

Public Hearing on Property Tax Revenue Increase (if necessary)

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

### **September 13\***

Town Council considers approval of:

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

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

***NOTE: Dates in bold indicate a Town Council study session; Dates in bold and underlined indicate a Town Council meeting; Dates in bold with an asterisk (\*) indicate a special called meeting.***

## **CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS**

### **Chapter 9 Financial Administration**

9.01 Director of Finance; Appointment. There shall be a Department of Finance, the director of which shall be appointed by the Town Administrator. The Director of Finance can be ex-officio Town Treasurer. The Director of Finance shall provide a bond with such surety and in such amount as the Council may require and the premiums on such bond shall be paid by the Town.

9.02 Director of Finance; Qualifications. The Director of Finance shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control.

9.03 Jurisdiction. The Director of Finance shall have custody of all public monies, funds, notes and bonds and other securities belonging to the Town. The Director of Finance shall make payments out of Town funds upon orders signed by the Town officers as herein provided. The Director of Finance shall render a full and accurate statement to the Town Administrator and the Council of receipts and payments at such times as the Town Administrator or Council may require, such statements to be made in such form as the Town Administrator may prescribe. The Director of Finance shall perform such other acts and duties as the Council may prescribe.

9.04 Fiscal Year. The fiscal year of the Town shall begin on the first day of October and end on the following September 30th, but the fiscal year may be changed by the Council by ordinance provided that no change shall be effective until six (6) months after final passage of such ordinance.

9.05 Annual Budget.

A. Preparation of Budget: The Department Heads of the Town shall prepare annual departmental budget requests for the ensuing fiscal year as directed by the Town Administrator and submit said requests to the Town Administrator for review. It shall be the duty of the Town Administrator to submit an annual budget not later than thirty (30) days prior to the end of the current fiscal year to the Council for its review, consideration and revision if desired. The Council shall call a public hearing or hearings on the budget. The Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

B. Adoption: The budget as adopted must set forth the appropriations for services, functions and activities of the various Town departments and agencies, and shall meet all fund requirements provided by law and required by bond covenants.

C. Failure to Adopt: If the Council fails to adopt the budget by the 15th day of September, the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month to month basis with all items in it prorated accordingly until such time as the Council adopts a budget for the ensuing fiscal year. The levy of property tax will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by September 15th of the current fiscal year.

9.06 Public Record. Copies of the budget as adopted shall be public records and shall be made available to the public upon request.

9.07 Appropriations. During the fiscal year the Council shall have the power to transfer funds allocated by the budget to one activity, function or department, to another activity, function or department, and to re-estimate revenues and expenditures.

9.08 Emergency Appropriations. At any time in the fiscal year the Council may make emergency appropriations to meet a pressing need for public expenditures in order to protect the public health, safety or welfare.

9.09 Borrowing. The Council shall have the power, except as prohibited by law, to borrow money by whatever method it may deem to be in the public interest.

9.10 General Obligation Bonds and Other Evidence of Indebtednesses. The Town shall have the power to borrow money on the credit of the Town and to issue general obligation bonds and other evidence of indebtednesses for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the Town previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

9.11 Revenue Bonds. The Town shall have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas.

9.12 Bonds Incontestable. All bonds and evidences of indebtedness of the Town having been issued and sold and having been delivered to the purchaser thereof or delivered to the claimant thereof shall thereafter be incontestable and all bonds issued to refund outstanding bonds or other evidence of indebtednesses previously issued shall and after said issuance be incontestable.

9.13 Lapse of Appropriations. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

9.14 Administration of Budget. Payments and Obligations Prohibited: No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the Town Administrator or the Town Administrator's designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriations and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable.

9.15 Financial Reports. The Town Administrator shall submit to the Council each month the financial condition of the Town by budget item, budget estimate versus accruals for the preceding month and for the fiscal year to date. The financial records of the Town will be maintained on an accrual basis to support this type of financial management.

9.16 Independent Audit. At the close of each fiscal year, and at such times as it may be deemed necessary, the Council shall cause an independent audit to be made of all accounts of the Town by a certified public accountant. The certified public accountant so selected shall have no personal interest, directly or indirectly, in the financial affairs of the Town or any of its officers. Upon completion of the audit, the results thereof in a summary form shall be placed on file in the Town Secretary's office as a public record for the public's information.

9.17 Purchasing. All purchases made and contracts executed by the Town shall be made in accordance with the requirements of the Constitution and Statutes of the State of Texas.

## **I. PURPOSE STATEMENT**

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

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

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

## **II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

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

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

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

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

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

### **III. OPERATING BUDGET**

- A. PREPARATION** - Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.

1. **Proposed Budget** - A proposed budget shall be prepared by the Administrator and the Director with the participation of all of the Town's Department Directors/Heads, covering the operational and capital expenditures of the Town in accordance with the provisions of the Town Charter.

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

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

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

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

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

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

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

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

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

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

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

of the Town.

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

#### **IV. REVENUE MANAGEMENT**

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

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

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

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

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

## **V. EXPENDITURE/EXPENSE CONTROL**

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

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

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

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

to processing.

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

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

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

## **VI. ASSET MANAGEMENT**

- A. INVESTMENTS** - The Director shall promptly invest all Town funds in accordance with the Town's Statement of Investment Policies as adopted by the Town Council.

- B. CASH MANAGEMENT** - The Town's cash flow shall be managed by the Director to maximize the cash available for investment. The Finance Department shall, as authorized by Council, affix, via mechanical or electronic means, a facsimile, bearing the joint signatures of the Town's Administrator and the Director, for the disbursement of Town issued checks for:

1. Payroll;
2. Federal income tax and social security tax transfers;
3. Texas Municipal Retirement System deposits;
4. Unemployment compensation claim reimbursements;
5. Payments of money held in trust where the Town acts as a collecting agent;
6. Utility services;
7. Employee benefits programs;
8. Installment payments approved by Council on contracts or projects;
9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
10. Disbursements less than \$1,000

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

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

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

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

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

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

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

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

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

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

## **VII. FINANCIAL CONDITION**

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

**B. FUND BALANCE - GOVERNMENTAL FUNDS**

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

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

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

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

### 3. *Minimum Unassigned Fund Balance*

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

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

### 4. *Order of Expenditure of Funds*

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

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

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

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

**E. RISK FINANCING** - All reasonable options shall be investigated by the Director to finance risks.

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

## **VIII. INTERNAL CONTROLS**

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

## **IX. DEBT MANAGEMENT**

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

## **X. ANNUAL REVIEW OF POLICIES**

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

## **XI. FINANCIAL GLOSSARY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

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

Facsimile Signature Machine - a mechanical device used to imprint signature facsimiles upon

Town vouchers rendering them as negotiable instruments.

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

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

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

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

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

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

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

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

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

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

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

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

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

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

Net Working Capital - current assets less current liabilities.

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

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

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

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

Proprietary Fund - see Utility Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

## **GLOSSARY**

## GLOSSARY

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**ADA** Americans with Disabilities Act

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## GLOSSARY

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

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

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

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

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

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

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

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

**CIP** Capital Improvement Plan

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

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

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

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

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

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

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

**DCC** Dallas Country Club.

**DCPCMUD** Dallas County Park Cities Municipal Utility District.

## GLOSSARY

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

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

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

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

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

**DWU** Dallas Water Utilities.

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

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

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

**Equity** See Fund Balance and Retained Earnings.

**ERF** Equipment Replacement Fund.

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

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

**FASB** – Financial Accounting Standards Board.

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

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

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

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

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

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

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

**GAAP** - see Generally Accepted Accounting Principles

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

**GASB** Governmental Accounting Standards Board.

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

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

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

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

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

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

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

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

## GLOSSARY

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

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

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

**HPDPS** Highland Park Department of Public Safety.

**HPISD** Highland Park Independent School District.

**HPSV** Highland Park Shopping Village.

**HSA** Health Savings Account.

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

**Inter-fund Transfer** See **Transfer**

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

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

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

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

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

**Major Fund** The General, Utility and Capital Projects Funds.

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

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

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

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

## **GLOSSARY**

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

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

**Official Budget** The budget as adopted by the Council.

**One-Time Revenues** See Non-Recurring Revenues.

**OPEB** – Other Post-Employment Benefits.

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

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

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

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

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

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

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

**Proprietary Fund** See Utility Fund and Internal Service Fund.

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

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

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

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

**SSO** Sanitary Sewer Overflow.

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

## GLOSSARY

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

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

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

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

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

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

**TCEQ** Texas Commission on Environmental Quality.

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

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

**TMRS** The Texas Municipal Retirement System

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

**TWDB** Texas Water Development Board.

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

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

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

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

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

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

**Working Capital** See Net Working Capital

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# **TOWN OF HIGHLAND PARK**

## **Agenda Briefing**

Council Meeting: September 6, 2022

Department: Fiscal and Human Resources

Presenter: Steven J. Alexander

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### **TITLE**

Review, discuss and consider an amendment to a water tower license agreement with Verizon Wireless.

### **BACKGROUND**

The Town Council approved an agreement with Verizon Wireless in December of 2016 for a license to install and maintain a cellular site at the water tower located at 5005 Holland Avenue.

Over the past several months, at the request of Verizon, Town staff has negotiated an amendment to the existing agreement to allow Verizon to modify and add equipment to the water tower. The equipment is needed for 5G service and is expected to be installed in November of 2022.

In order to install the equipment, Verizon must meet all of the requirements for equipment modification set out in the existing agreement. The existing agreement expires in October of 2026, but has opportunities to renew in 5-year increments with the approval of Town Council.

The proposed amendment to the existing agreement authorizes the modification and addition of equipment and adjusts the monthly lease paid by Verizon. The Town Attorney has reviewed the proposed amendment.

### **RECOMMENDATION**

Staff recommends Town Council approve the proposed amendment to the water tower license agreement.

### **FINANCIAL IMPACT**

The proposed lease amendment increases the current lease payment by \$1,000 per month.

### **ATTACHMENTS:**

**File Name**

**Description**



# **TOWN OF HIGHLAND PARK**

## **Agenda Briefing**

Council Meeting: September 6, 2022

Department: Finance & Human Resources

Presenter: Steve Alexander

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### **TITLE**

Review and discuss an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding 2022 Rate Review Mechanism filings.

### **BACKGROUND**

The Town, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or the “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company, pursuant to Section 104.301 of the Texas Utilities Code, for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, several modifications have been made to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in the early part of 2018. On or about April 1, 2022, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost of service in a test year ending on December 31, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces Atmos’ request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Ordinance before September 1, 2022.

### **RECOMMENDATION**

Staff recommends approval.

### **FINANCIAL IMPACT**

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. A bill impact comparison is attached.

### **ATTACHMENTS:**

**File Name**

2021\_Atmos\_Mid-  
Tex\_RRM\_Settlement\_Resolution\_Attachments.pdf  
Attachment\_1\_-\_2022\_-\_CY21\_MTX\_RRM\_-\_Tariffs.pdf  
Attachment\_2\_-\_2022\_-\_CY21\_MTX\_RRM\_-\_  
\_Pension\_Benchmark.pdf  
2022\_-\_CY21\_MTX\_RRM\_-\_Average\_Bill.pdf

**Description**

ACSC RRM Settlement Ordinance Attachments  
Attachment 1 - Tariffs  
Attachment 2 - Pension Benchmark  
Average Bill

**Exhibit A**  
**to 2021 RRM Resolution or Ordinance**

**Mid-Tex Tariffs**  
**Effective December 1, 2021**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

**Application**

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 20.85 per month
Rider CEE Surcharge	\$ 0.05 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 20.90 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.27979 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

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<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE: Page</b>

#### Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

#### Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

#### Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 56.50 per month
Rider CEE Surcharge	\$ 0.01 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 56.51 per month</b>
Commodity Charge – All Ccf	\$ 0.12263 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

#### Agreement

An Agreement for Gas Service may be required.

#### Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

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<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

### Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

### Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

### Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

### Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

### Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

#### Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

#### Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

#### Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

#### Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

#### Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**Agreement**

A transportation agreement is required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

$i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf

$R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.

$HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class

$NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

$ADD$  = billing cycle actual heating degree days.

$BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j$ th customer in  $i$ th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the  $j$ th customer in  $i$ th rate schedule.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2021</b>	<b>PAGE:</b>

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	11.88	0.1459	85.39	0.6996
Austin	10.34	0.1452	194.82	0.9398
Dallas	15.21	0.1915	148.19	1.0986
Waco	10.63	0.1373	130.39	0.7436
Wichita Falls	12.63	0.1398	109.17	0.5803

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**Exhibit B**  
**to 2021 RRM Resolution or Ordinance**

**Mid-Tex**  
**2021 Benchmark for Pensions**  
**and Retiree Benefits**

Line No.	Description	Shared Services		Mid-Tex Direct		Adjustment Total					
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan		Post-Employment Benefit Plan				
	(a)	(b)	(c)	(d)	(e)	(g)					
Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson											
1	Report as adjusted (1) (2) (3)	\$	2,917,949	\$	4,908,358	\$	5,447,063	\$	293,818	\$	6,600,073
2	Allocation to Mid-Tex		43.68%		43.68%		76.11%		100.00%		76.11%
Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)											
3		\$	1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057
4	O&M and Capital Allocation Factor		100.00%		100.00%		100.00%		100.00%		100.00%
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$	1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057
6											
7											
Summary of Costs to Approve (1):											
8											
9											
10	O&M Expense Factor (WP_F-2.3, Ln 2)		75.07%		75.07%		38.66%		11.00%		38.66%
11											
12											
13	Total Pension Account Plan										
14	Total Post-Employment Benefit Plan	\$	956,873	\$	1,609,582	\$	1,602,484	\$	32,322	\$	1,941,691
15	Total Supplemental Executive Benefit Plan										
16	Total (Ln 13 + Ln 14 + Ln 15)	\$	956,873	\$	1,609,582	\$	1,602,484	\$	32,322	\$	1,941,691

1. Studies not applicable to Mid-Tex or Shared Services are omitted.

2. Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP\_F-2.3 and WP\_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

**Exhibit C**  
**to 2021 RRM Resolution or Ordinance**

**Mid-Tex 2021 Schedule for**  
**Amortization for Regulatory Liability**

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**RATE BASE ADJUSTMENTS**  
**TEST YEAR ENDING DECEMBER 31, 2020**  
**AMORTIZATION OF REGULATORY LIABILITY**

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2017 (3)	\$ -	\$ -	\$ (51,477,654)	\$ -	\$ -	\$ 343,746,535	\$ -	\$ 292,268,881
2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
3	2019	(50,982,677)	1,979,910	(49,002,767)	340,232,667	(14,057,872)	326,174,795	(12,077,963)	277,172,028
4	2020	(49,002,767)	1,979,910	(47,022,857)	326,174,795	(13,988,908)	312,185,886	(12,008,999)	265,163,029
5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
8	2024	(39,598,195)	1,979,910	(37,618,286)	165,460,703	(60,167,528)	105,293,175	(58,187,619)	67,674,889
9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0		1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-		1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-		1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-		1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-		1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-		1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-		1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-		1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-		1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-		1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-		1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-		1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-		1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-		1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-		1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-		1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-		1,979,910	0
28									
29	Revenue Related Tax Factor				See WP_F-5.1			6.79%	
30	Revenue Related Taxes on Annual Amortization				Amortization * Tax Factor		\$	3,949,355	
31	Amortization Including Revenue Related Taxes				Amortization + Taxes		\$	<u>62,136,973</u>	
32									
33	Notes:								
34	1. The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.								
35	2. The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.								
36	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.								

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Application**

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 21.55 per month
Rider CEE Surcharge	\$ 0.05 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 21.60 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.36223 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

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<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Application**

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 63.50 per month
Rider CEE Surcharge	(\$ 0.01) per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 63.49 per month</b>
Commodity Charge – All Ccf	\$ 0.14137 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

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<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Application**

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Application**

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Imbalance Fees**

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**Monthly Imbalance Fees**

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**Agreement**

A transportation agreement is required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

$i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf

$R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.

$HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class

$NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

$ADD$  = billing cycle actual heating degree days.

$BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j$ th customer in  $i$ th rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the  $j$ th customer in  $i$ th rate schedule.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2022</b>	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.58	0.1422	88.85	0.6666
Austin	9.90	0.1372	233.56	0.7819
Dallas	14.17	0.1938	186.38	0.9394
Waco	10.07	0.1308	140.10	0.7170
Wichita Falls	11.43	0.1398	131.57	0.5610

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL**  
**TEST YEAR ENDING DECEMBER 31, 2021**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2022 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,715,323	\$ 982,708	\$ 3,137,022	\$ 313,319	\$ (341,412)	
2	Allocation to Mid-Tex	44.72%	44.72%	76.88%	100.00%	76.88%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	\$ 3,669,182
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.88%	79.88%	38.60%	11.00%	38.60%	
11							
12							
13	Total Pension Account Plan	\$ 612,700		\$ 931,100			\$ 1,543,800
14	Total Post-Employment Benefit Plan		\$ 351,016			\$ (101,335)	249,681
15	Total Supplemental Executive Benefit Plan				\$ 34,465		34,465
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 612,700	\$ 351,016	\$ 931,100	\$ 34,465	\$ (101,335)	\$ 1,827,946

18 Notes:

19 1. Studies not applicable to Mid-Tex or Shared Services are omitted.

20 2. Mid-Tex is proposing that the Fiscal Year 2022 Willis Towers Watson actuarial amounts shown on WP\_F-2.3 and WP\_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount.

21 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**AVERAGE BILL COMPARISON - BASE RATES**  
**TEST YEAR ENDING DECEMBER 31, 2021**

Line No.						Current	Proposed	Change
1	<b>Rate R @ 43.8 Ccf</b>							
2	Customer charge					\$ 20.85		
3	Consumption charge	43.8	CCF	X \$ 0.27979	=	12.25		
4	Rider GCR Part A	43.8	CCF	X \$ 0.35744	=	15.66		
5	Rider GCR Part B	43.8	CCF	X \$ 0.35918	=	15.73		
6	Subtotal					\$ 64.49		
7	Rider FF & Rider TAX			X 0.06408	=	4.13		
8	Total					<u>\$ 68.62</u>		
9								
10	Customer charge						\$ 21.55	
11	Consumption charge	43.8	CCF	X \$ 0.36223	=		15.87	
12	Rider GCR Part A	43.8	CCF	X \$ 0.35744	=		15.66	
13	Rider GCR Part B	43.8	CCF	X \$ 0.35918	=		15.73	
14	Subtotal						\$ 68.81	
15	Rider FF & Rider TAX			X 0.06408	=		4.41	
16	Total						<u>\$ 73.22</u>	\$ 4.60
17								6.71%
18								
19	<b>Rate C @ 345.7 Ccf</b>							
20	Customer charge					\$ 56.50		
21	Consumption charge	345.7	CCF	X \$ 0.12263	=	42.39		
22	Rider GCR Part A	345.7	CCF	X \$ 0.35744	=	123.56		
23	Rider GCR Part B	345.7	CCF	X \$ 0.26532	=	91.71		
24	Subtotal					\$ 314.16		
25	Rider FF & Rider TAX			X 0.06408	=	20.13		
26	Total					<u>\$ 334.29</u>		
27								
28	Customer charge						\$ 63.50	
29	Consumption charge	345.7	CCF	X \$ 0.14137	=		48.87	
30	Rider GCR Part A	345.7	CCF	X \$ 0.35744	=		123.56	
31	Rider GCR Part B	345.7	CCF	X \$ 0.26532	=		91.71	
32	Subtotal						\$ 327.64	
33	Rider FF & Rider TAX			X 0.06408	=		20.99	
34	Total						<u>\$ 348.63</u>	\$ 14.34
35								4.29%

**ATMOS ENERGY CORP., MID-TEX DIVISION  
AVERAGE BILL COMPARISON - BASE RATES  
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.							Current	Proposed	Change
36	<b>Rate I @ 4278 MMBTU</b>								
37	Customer charge					\$ 1,054.75			
38	Consumption charge	1,500	MMBTU	X \$	0.4330 =	649.50			
39	Consumption charge	2,778	MMBTU	X \$	0.3171 =	880.80			
40	Consumption charge	0	MMBTU	X \$	0.0680 =	-			
41	Rider GCR Part A	4,278	MMBTU	X \$	3.4906 =	14,931.86			
42	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
43	Subtotal					\$ 19,863.24			
44	Rider FF & Rider TAX		\$ 19,863.24	X	0.06408 =	1,272.82			
45	Total					<u>\$ 21,136.06</u>			
46									
47	Customer charge						\$ 1,204.50		
48	Consumption charge	1,500	MMBTU	X \$	0.4939 =	740.85			
49	Consumption charge	2,778	MMBTU	X \$	0.3617 =	1,004.69			
50	Consumption charge	0	MMBTU	X \$	0.0776 =	-			
51	Rider GCR Part A	4,278	MMBTU	X \$	3.4906 =	14,931.86			
52	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
53	Subtotal					\$ 20,228.23			
54	Rider FF & Rider TAX		\$ 20,228.23	X	0.06408 =	1,296.21			
55	Total					<u>\$ 21,524.44</u>	\$	388.38	
56									1.84%
57	<b>Rate T @ 4278 MMBTU</b>								
58	Customer charge					\$ 1,054.75			
59	Consumption charge	1,500	MMBTU	X \$	0.4330 =	649.50			
60	Consumption charge	2,778	MMBTU	X \$	0.3171 =	880.80			
61	Consumption charge	0	MMBTU	X \$	0.0680 =	-			
62	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
63	Subtotal					\$ 4,931.38			
64	Rider FF & Rider TAX		\$ 4,931.38	X	0.06408 =	316.00			
65	Total					<u>\$ 5,247.38</u>			
66									
67	Customer charge						\$ 1,204.50		
68	Consumption charge	1,500	MMBTU	X \$	0.4939 =	740.85			
69	Consumption charge	2,778	MMBTU	X \$	0.3617 =	1,004.69			
70	Consumption charge	0	MMBTU	X \$	0.0776 =	-			
71	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
72	Subtotal					\$ 5,296.37			
73	Rider FF & Rider TAX		\$ 5,296.37	X	0.06408 =	339.39			
74	Total					<u>\$ 5,635.76</u>	\$	388.38	
75									7.40%



# **TOWN OF HIGHLAND PARK**

## **Agenda Briefing**

Council Meeting: September 6, 2022

Department: Development Services

Presenter: Chelsey Gordon

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### **TITLE**

Review and discuss interlocal agreements with Dallas County for: (i) food establishment inspections and vector and/or mosquito control and (ii) health services.

### **BACKGROUND**

The Town contracts with the Dallas County Department of Health and Human Services (the "County") for (i) food establishment inspections and vector and/or mosquito control and (ii) a variety of general public health services. These services are provided under two separate agreements which will begin on October 1, 2022, and run through September 30, 2023.

#### **Food Establishment Agreement:**

Under this Agreement, the Dallas County Health and Human Services Department (the "County") conducts a minimum of two inspections of each food establishment in the Town during the year at a cost of \$150.00 per establishment. The Town recovers this charge through the issuance of a health permit in the amount of \$200.00 per permit to each food establishment. If the County deems it necessary to conduct more than two inspections during the year, the County will charge the Town \$75.00 per inspection, which the Town subsequently bills to the food establishment. Under this agreement, the County may also provide additional environmental services such as vector control and/or mosquito abatement as needed or identified.

#### **Health Services Agreement:**

The County provides a variety of health-related services for the Town's residents including, but not limited to disease control services, laboratory services, immunizations, child health care, and others at an annual cost of \$132.00.

### **RECOMMENDATION**

The staff recommends approval of both interlocal agreements with Dallas County.

### **FINANCIAL IMPACT**

#### **Food Establishment Agreement:**

The Town currently has 36 food establishments which are subject to inspections and fees. The annual cost of these inspections is \$5,400.

#### **Health Services Agreement:**

The annual cost for health services is \$132.00 and funding is provided in the FY 2022-23 annual budget.

**ATTACHMENTS:****File Name**

Food\_Establishment\_Agreement\_2022-2023-  
\_Town\_of\_Highland\_Park.pdf

Town\_of\_Highland\_Park\_FY\_2023\_Health\_Services\_ILA.pdf

**Description**

Food Establishment Agreement 2022-2023

Health Services Agreements 2022-2023

STATE OF TEXAS	§	INTERLOCAL AGREEMENT FOR FOOD
	§	ESTABLISHMENT INSPECTION AND
	§	ENVIRONMENTAL HEALTH SERVICES BETWEEN
	§	DALLAS COUNTY, ON BEHALF OF DALLAS
	§	COUNTY HEALTH AND HUMAN SERVICES, AND
COUNTY OF DALLAS	§	TOWN OF HIGHLAND PARK

## SECTION 1: PARTIES

This Interlocal Agreement ("Agreement") is made by and between the Town of Highland Park, Texas ("Town"), a Texas municipal corporation, and Dallas County, Texas, a political subdivision of the State of Texas on behalf of the Dallas County Health and Human Services (collectively "County" or "DCHHS"), pursuant to the authorities granted by Chapter 791 of the Texas Local Government Code (known as the Interlocal Cooperation Act), Texas Health and Safety Code Chapter 437, Food and Drug Health Regulations, and 121, Local Regulation of Public Health, along with Title 25 Texas Administrative Code, Chapter 229, and any other applicable laws, as well as the Town ordinance for inspection services of food establishments within Town's jurisdiction and other environmental health services to Town. The County or the Town may hereinafter be referred to individually as "Party", or collectively, as the "Parties".

## SECTION 2: TERM

The Term of this Agreement is for a period commencing on the Effective Date as defined herein and continuing through September 30, 2023 unless otherwise stated in this Agreement. ("Term")

## SECTION 3: INSPECTION SERVICES AND REQUIREMENTS

- A. The County will perform a minimum of two (2) inspections (one every six months) during the Term of each food establishment for which the Town has submitted an inspection request and for which a fee has been collected from the said food establishment;
- B. Additional follow-up inspections will be performed as deemed necessary by the County;
- C. Any additional request for follow-up inspections by the Town of food establishments, including food establishments that are closed due to non-compliance with the State and other applicable rules and regulations will be charged additional fees;
- D. Each food establishment inspection will be made by a Registered Professional Sanitarian employed by DCHHS, in compliance with all state laws and regulations;
- E. An examination of the following will be made during each inspection: food and food protection; personnel; food equipment and utensils; water source; sewage; plumbing; toilet and hand-washing facilities; garbage and refuse disposal; insect, rodent, and animal control; floors, walls, and ceiling; light; ventilation; and other operations.

## SECTION 4: FEES AND PAYMENTS TO THE COUNTY

- A. The Town will collect and submit to the County a fee of One Hundred Fifty and 00/100 Dollars (\$150.00) per a Term for each food establishment inspected.

B. Beginning with the third inspection of a food establishment, the Town will pay a Seventy Five and 00/100 Dollars (\$75.00) fee for each additional inspection of that establishment requested by the Town.

C. The Town will collect Seventy Five and 00/100 Dollars (\$75.00) to be paid to the County for a re-opening or inspection fee of a food establishment that has been closed due to non-compliance of Chapter 437 of the Texas Health and Safety Code, or any other state rules and regulations.

D. The fees are not subject to change without notice and agreement by the Town. If additional costs are associated with the services under this Agreement, County will notify Town of those additional costs and invoice the Town separately for those additional costs.

E. The Town shall pay County the stipulated fees within thirty (30) days of the monthly request for payment, or if County fails to make the payment request, then Town shall pay the stipulated fees no later than the last date of this Agreement Term upon receipt of not less than thirty (30) days advance written notice from the County of amounts due. Any payment not made within thirty (30) days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.

## **SECTION 5: OTHER ENVIRONMENTAL HEALTH SERVICES**

A. Upon written request from Town, the County will respond to Vector and/or Mosquito Control complaints by inspecting the property and surrounding area for standing water and provide the treatment of water that contains immature mosquitoes with larvicide. If there is a mosquito borne disease in the area, the County will provide ground application services that include spraying for adult mosquitoes ("adulticiding"), and treating standing water with larvicide ("larvaciding").

B. In the event aerial spraying is needed to control St. Louis Encephalitis or West Nile virus throughout the County, the Town will have the option to participate in the County's emergency aerial mosquito spraying plan. Should the Town agree to participate in the plan, the Town must provide written notice to County and agree to the following:

- 1) Indicate the areas and amount of acres to be sprayed; and
- 2) Pay the Town's proportioned share of the cost based upon the number of acres to be sprayed multiplied by the per-acre spraying cost.

## **SECTION 6: RECORDS**

The County will keep a copy of all inspection reports and will on a monthly basis send such inspection reports to the Town. If the County receives a request for inspection records, the County will respond in accordance with Texas Government Code, Chapter 552, also known as the "Texas Public Information Act".

## **SECTION 7: TERMINATION**

A. Without Cause: This Agreement may be terminated in writing, without cause, by either party upon thirty (30) days prior written notice to the other party;

B. With Cause: The County reserves the right to terminate the Agreement immediately and upon provision of written notice to Town, in whole or in part, at its sole discretion, for the following reasons:

- 1) Lack of, or reduction in, funding or resources;
- 2) The Town's non-performance of the specifications of this Agreement or non-compliance with the terms of this Agreement;
- 3) In County's sole discretion, if termination is necessary to protect the health and safety of County employees;
- 4) The Town's improper, misuse or inept use of funds or resources; and/or
- 5) The Town's submission of data, statements and/or reports that are incorrect, incomplete and/or false in any way.

## **SECTION 8: TOWN ORDINANCE**

In order for this Agreement to be valid, the Town must have or adopt a Town ordinance that provides for the inspection of food establishments by a Registered Professional Sanitarian. The Town must require the payment of a fee(s) by each food establishment. Ordinance enforcement shall be the responsibility of the Town.

## **SECTION 9: INDEMNIFICATION**

**A. The County, not waiving any rights or its sovereign immunity, agrees to the extent allowed by the Texas Torts Claim Act to be responsible for any liability or damages the County may suffer as a result of claims, demands, costs or judgments, including all reasonable attorney's fees, against the County including workers compensation claims, arising out of the performance of the County employees under this Agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) or corporations(s) occurring during the performance of this Agreement and caused by the sole negligence of the County, its agents, officers, and/or employees.**

**B. The Town, not waiving any rights or its sovereign immunity, agrees to the extent allowed by the Texas Torts Claim Act to be responsible for any liability or damages that the Town may suffer as a result of claims, demands, costs or judgments, including all reasonable attorney's fees, against the Town including workers compensation claims, arising out of the performance of the Town employees under this Agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) or corporations(s) occurring during the performance of this Agreement and caused by the sole negligence of the Town, its agents, officers, and/or employees.**

**C. County and Town agree that any such liability or damages as stated above occurring during the performance of this Agreement caused by the joint or comparative negligence of their employees, students, agents, or officers shall be determined in accordance with comparative responsibility laws of the State of Texas.**

**D. This Section 9 shall survive termination, expiration, or suspension of this Agreement.**

## **SECTION 10: INSURANCE**

The Town agrees that it will at all times during the term of this Agreement maintain in full force and effect insurance, or self-insurance, to the extent permitted by applicable law under a plan of self-insurance, that is also maintained in accordance with sound accounting practices. It is expressly

agreed that Town will be solely responsible for all cost of such insurance; any and all deductible amounts in any policy; and in the event that the insurance company should deny coverage. It is the intent of this provision that the Town's insurance covers all cost and expense so that County will not sustain any expense, cost, liability or financial risk as a result of any of the performance of services under this Agreement; as all such liability, cost, expense, premiums and deductibles are the sole responsibility and risk of the Town.

## **SECTION 11: NOTICE**

Any notice or certification required or permitted to be delivered under this Agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

### COUNTY

Clay Lewis Jenkins, County Judge  
Dallas County  
411 Elm St, 2<sup>nd</sup> Floor  
Dallas, Texas 75202

### TOWN

Bill Lindley, Town Administrator  
Town of Highland Park  
4700 Drexel Drive  
Dallas, TX 75205

W/copy to:

Philip Huang, Director DCHHS  
2377 N Stemmons Fwy #820  
Dallas, TX 75207

## **SECTION 12: MISCELLANEOUS PROVISIONS**

### **12.1 ENTIRE AGREEMENT AND AMENDMENT**

This Agreement, including any Exhibits and Attachments, constitutes the entire agreement between the parties and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the Parties. Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in federal or state law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

### **12.2 COUNTERPARTS, NUMBER/GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the Party whose name is contained therein. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

### **12.3 SEVERABILITY**

If any provision of this Agreement is construed to be illegal, invalid, void or unenforceable, this construction will not affect the legality or validity of any of the remaining provisions. The unenforceable or illegal provision will be deemed stricken and deleted, but the remaining provisions shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

### **12.4 FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained in this Agreement, the obligations of the County under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the term of the Agreement and any pertinent extensions. The Town shall not have a right of action against County in the event County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years. In the event that County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, County, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to the Town at the earliest possible time prior to the end of its fiscal year.

### **12.5 DEFAULT/CUMULATIVE RIGHTS/MITIGATION**

It is not a waiver of default if the non-defaulting party fails to declare a default or delays in taking any action. Waiver of any term, covenant, condition or violation of this Agreement shall not be deemed or construed a waiver unless made in authorized written instrument, nor shall such waiver be deemed or construed a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Pursuit of any remedy provided in this Agreement shall not preclude pursuit of any other remedies herein provided or any other remedies provided by law or equity, including injunctive relief, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any obligation of the defaulting party hereunder or of any damages accruing by reason of the violation of any of the terms, provisions, and covenants herein contained. The Town has a duty to mitigate damages.

### **12.6 GOVERNMENTAL IMMUNITY**

**This Agreement is expressly made subject to Town's and County's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practice and Remedies Code and all applicable State and federal laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that Town or County has by operation of law, or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.**

### **12.7 COMPLIANCE WITH LAWS AND VENUE**

In providing services required by this Agreement, Town must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and venue shall lie exclusively in Dallas County, Texas.

## **12.8 RELATIONSHIP OF PARTIES**

Each Party is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of the other Party.

## **12.9 CONTRA PROFERENTUM**

The doctrine of contra proferentum shall not apply to this Agreement. If an ambiguity exists in this Agreement, the Agreement shall not be construed against the party who drafted the Agreement and such party shall not be responsible for the language used.

## **12.10 ASSIGNMENT**

Neither Party may transfer or assign its interest in this Agreement without prior written consent of the non-assigning Party. County approval to transfer or assign Town's interest in this Agreement is subject to formal approval by the Dallas County Commissioners Court. Town approval to transfer or assign County's duties to perform this Agreement is subject to formal approval by the Highland Park Town Council.

## **12.11 CONTINUING OBLIGATIONS**

All obligations of this Agreement which expressly or by their nature survive the expiration, termination or transfer of this Agreement shall continue in full force and effect after and notwithstanding its expiration, termination or transfer until such are satisfied in full or by their nature expire.

## **12.12 FORCE MAJEURE**

Neither Party shall be in default or responsible for delays or failures in performance resulting from causes beyond its control. Such causes include but are not limited to acts of God, fire, storm, flood, earthquake, natural disaster, nuclear accident, strike, air traffic disruption, lockout, riot, freight embargo, public regulated utility, or governmental statutes, orders, or regulations superimposed after the fact. Any party delayed by force majeure shall as soon as reasonably possible give the other party written notice of the delay. The Party delayed shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the Party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Agreement as soon as practicable. The date of delivery or of performance shall be extended for at least a minimum time period equal to the time lost by reason of the delay.

## **12.13 BINDING EFFECT**

This Agreement and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

## **12.14 SIGNATORY WARRANTY**

Town and County represent that each has the full right, power and authority to enter and perform this Agreement in accordance with all of the terms and conditions herein, and that the execution and delivery of this Agreement is made by authorized representatives of the parties to validly and legally bind the parties to all terms, performances and provisions set forth in this Agreement.

EXECUTED THIS 1st DAY OF October 2022. ("Effective Date")

**FOR DALLAS COUNTY:**

BY: Clay Lewis Jenkins  
County Judge

DATE: \_\_\_\_\_

**Recommended:**

BY: Dr. Philip Huang  
Director, DCHHS

**Approved as to Form\*:**

JOHN CREUZOT  
CRIMINAL DISTRICT ATTORNEY  
DALLAS COUNTY, TEXAS

RUSSELL RODEN  
CHIEF, CIVIL DIVISION

\_\_\_\_\_  
BY: James R. Palomo  
Assistant District Attorney

**FOR TOWN:**

BY: Bill Lindley  
Town Administrator

DATE: \_\_\_\_\_

**Recommended (TOWN):**

BY: Joanna Mekeal  
Title: Town Secretary

**Approved as to Form (TOWN):**

\_\_\_\_\_  
BY: Matthew C. G. Boyle  
Title: Town Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client, Dallas County. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

THE STATE OF TEXAS	§	INTERLOCAL AGREEMENT FOR
	§	COORDINATED HEALTH SERVICES
	§	BETWEEN DALLAS COUNTY, TEXAS, ON
	§	BEHALF OF DALLAS COUNTY HEALTH
COUNTY OF DALLAS	§	AND HUMAN SERVICES, AND THE TOWN
	§	OF HIGHLAND PARK, TEXAS

## 1. PARTIES

**Whereas**, Dallas County (“County”) has offered to provide certain health services to the various cities throughout Dallas County on a contract for services basis; and

**Whereas**, the Town of Highland Park, Texas (“Town”) desires to participate with County in establishing coordinated health services for Town and Dallas County; and

**Whereas**, County will operate certain health services for the residents of Town in order to promote the effectiveness of local public health services and goals (“Program”); and

**Whereas**, the cooperative effort will allow cities located within Dallas County to participate in providing public health services for their residents; and

**Whereas**, such cooperative effort serves and furthers the public purpose and benefits the citizens of County as a whole.

**Now therefore**, County, on behalf of Dallas County Health and Human Services (“DCHHS”), enters into this Interlocal Agreement (“Agreement”) with Town, pursuant to the authorities of the Texas Health and Safety Code Chapter 121, the Texas Government Code Chapter 791, and other applicable laws for health services to Town.

## 2. HEALTH SERVICES TO BE PERFORMED

A. County agrees to operate the Program, which will include the following health services:

- 1) Tuberculosis Control Services: providing preventive, diagnostic treatment, and epidemiological services;
- 2) Sexually Transmitted Disease Control Services: consisting of education to motivate people to use preventive measures and to seek early treatment, prophylaxis, epidemiological investigation, and counseling in accordance with County policy;
- 3) Communicable Disease Control Services: providing information concerning immunization and communicable diseases and coordinating with the Texas Department of State Health Services (“DSHS”) in monitoring communicable diseases;

- 4) Laboratory Services: performing chemical, biological, and bacteriological analysis and tests on which are based diagnosis of disease, effectiveness of treatment, the quality of the environment, the safety of substance for human consumption, and the control of communicable disease.
- B. County agrees to provide to Town, in accordance with state and federal law, the following public health services:
- 1) Immunizations;
  - 2) Child health care;
  - 3) High risk infant case management; and
  - 4) Home visits.
- County also agrees to work with Town in order to decentralize clinics and to plan and provide for desired services by Town; however, any other services that Town requires, in addition to the above mentioned services, may result in additional fees to Town.
- C. County agrees to charge a sliding-scale fee based on ability to pay to all residents of every municipality, including Town, in Dallas County. The fees charged by County for the services listed in Section 2A of this Agreement will be used to offset the Town's Program costs for the next Agreement Term. A schedule of fees to be charged by County is set out in Exhibit A, attached and incorporated herein by reference for all purposes.
- D. County agrees that the level of service provided in the Program for Town will not be diminished below the level of service provided to Town for the same services in the prior Agreement Term except as indicated in Section 2E of this Agreement. For purposes of Section 2E, level of service is measured by the number of patient visits and number of specimens examined. County will submit to Town a monthly statement, which will also include the number of patient visits and number of specimens examined during the preceding month.
- E. The possibility exists of reductions in state and federal funding to the Program that could result in curtailment of services, if not subsidized at the local level. County will notify Town in writing of any amount of reduction, and any extent to which services will be curtailed as a result. The notice will also include an amount that Town may elect to pay to maintain the original level of services. Town will notify County in writing no later than fourteen (14) calendar days after the date of Town's receipt of the notice of funding reduction as to Town's decision to pay the requested amount or to accept the curtailment of service. If Town elects to pay the requested amount, payment is due no later than forty-five (45) calendar days after the date of the notice of funding reduction.

### **3. BUDGET**

- A. County agrees to submit to Town by July 31st of each year a proposed budget describing the proposed level of services for the next Agreement Term;

- B. For the Term of this Agreement, County agrees to provide the services listed in Section 2 of this Agreement at the level of services and for the amount stated in Exhibit B, C, and D which is attached and incorporated herein by reference for all purposes;
- C. Payment. Town shall pay County the following amount, as stated in Exhibit D One Hundred Thirty Two and 00/100 Dollars (\$132.00), which is the agreed upon amount for Town's share of the total cost of the Program less federal and state funding.
- D. In lieu of paying the actual dollar amount stated in this Agreement, Town has the option, to the extent authorized by law, ordinances or policy, of making a request to negotiate for in-kind services that are equal in value to the total amount.
- E. This Agreement is contingent upon Town's appropriation of funds, or ability to perform in-kind services as described in Section 3D of this Agreement, for the services set forth herein. In the event Town fails to appropriate such funds, or provide in-kind services, County shall not incur any obligations under this Agreement.

#### **4. ASSURANCES**

- A. County shall operate and supervise the Program.
- B. Nothing in this Agreement shall be construed to restrict the authority of Town over its health programs or environmental health programs or to limit the operations or services of those programs.
- C. Town agrees to provide to County or assist County in procuring adequate facilities to be used for the services under this Agreement. These facilities must have adequate space, waiting areas, heating, air conditioning, lighting, and telephones. None of the costs and maintenance expenses associated with these facilities shall be the responsibility of County and County shall not be liable to Town or any third party for the condition of the facilities, including any premises defects.
- D. Town and County agree that other cities/towns/municipalities may join the Program by entering into an agreement with County that contains the same basic terms and conditions as this Agreement.
- E. Each party paying for the performance of governmental functions or services under this Agreement must make those payments from current revenues available to the paying party.

#### **5. FINANCING OF SERVICES**

- A. The health services provided under this Agreement will be financed as follows:
  - 1) Town and County will make available to the Program all appropriate federal and state funds, personnel, and equipment to provide the health services included under this Agreement and will use best efforts to cause these funds and resources to continue to increase.

- 2) Town shall pay to County, or provide in-kind services, its share of budgeted costs that are in excess of the federal and state funding for providing the health services under this Agreement. Budgeted costs shall not exceed those reflected in Exhibits B, C, and D for the appropriate Agreement Term.
- B. County shall bill Town each month an amount equal to one-twelfth (1/12) of its share of annual budgeted costs that exceed federal and state funding for the expenses of the preceding month.
- C. Any payment not made within thirty (30) calendar days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.
- D. Town and County agree that no more than ten percent (10%) of the Town's cost of participating in the Program will be used for administration of the Program.

## **6. TERM**

The Term of this Agreement shall be effective from October 1, 2022 through September 30, 2023, unless otherwise stated in this Agreement.

## **7. TERMINATION**

- A. Without Cause: This Agreement may be terminated in writing, without cause, by either party upon thirty (30) calendar days prior written notice to the other party.
- B. With Cause: Either party may terminate the Agreement immediately, in whole or in part, at its sole discretion, by written notice to the other party, for the following reasons:
  - 1) Lack of, or reduction in, funding or resources;
  - 2) Non-performance;
  - 3) The improper, misuse, or inept use of funds or resources directly related to this Agreement;
  - 4) The submission of data, statements, and/or reports that is incorrect, incomplete, and/or false in any way.

## **8. RESPONSIBILITY**

**County and Town agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or Town or their respective officials, officers, employees, or agents under Texas or other law and without waiving any available defenses under Texas or other law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.**

## **9. INSURANCE**

Town and County agree that they will, at all times during the Term of this Agreement, maintain in full force and effect insurance or self-insurance to the extent permitted by applicable laws. Town and County will be responsible for their respective costs of such insurance, any and all deductible amounts in any policy and any denials of coverage made by their respective insurers.

## **10. ACCESS TO RECORDS RELEVANT TO PROGRAM**

Town and County agree to provide to the other upon request, copies of the books and records relating to the Program. Town and County further agree to give Town and County health officials access to all Program activities. Both Town and County agree to adhere to all applicable confidentiality provisions, including those relating to Human Immunodeficiency Virus (HIV) and Sexually Transmitted Disease (STD) information, as mandated by federal and state law, as well as by DSHS.

## **11. NOTICE**

Any notice to be given under this Agreement shall be deemed to have been given if reduced to writing and delivered in person by a reputable courier service or mailed by Registered Mail, postage pre-paid, to the party who is to receive such notice, demand or request at the addresses set forth below. Such notice, demand or request shall be deemed to have been given, if by courier, at the time of delivery, or if by mail, three (3) business days subsequent to the deposit of the notice in the United States mail in accordance herewith. The names and addresses of the parties' hereto to whom notice is to be sent are as follows:

**Dr. Philip Huang, Director**  
Dallas County Health & Human Services  
2377 N. Stemmons Freeway, LB 12  
Dallas, TX 75207-2710

Mr. Bill Lindley, Town Administrator  
Town of Highland Park  
4700 Drexel Drive  
Highland Park, TX 75205

## **12. IMMUNITY**

**This Agreement is expressly made subject to County's and Town's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practices and Remedies Code, and all applicable federal and state laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that Town or County has by operation of law or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.**

## **13. COMPLIANCE WITH LAWS AND VENUE**

In providing services required by this Agreement, Town and County must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and exclusive venue shall lie in Dallas County, Texas.

## **14. AMENDMENTS AND CHANGES IN THE LAW**

No modification, amendment, novation, renewal, or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition or deletion to the terms of this Agreement which are required by changes in federal or state law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by said law.

#### **15. ENTIRE AGREEMENT**

This Agreement, including all exhibits and attachments, constitutes the entire agreement between the parties hereto and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written.

#### **16. BINDING EFFECT**

This Agreement and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

#### **17. GOVERNMENT FUNDED PROJECT**

If this Agreement is funded in part by either the State of Texas or the federal government, County and Town agree to timely comply without additional cost or expense to the other party, unless otherwise specified herein, to any statute, rule, regulation, grant, contract provision, or other state or federal law, rule, regulation, or other similar restriction that imposes additional or greater requirements than stated herein and that is directly applicable to the services rendered under the terms of this Agreement.

#### **18. DEFAULT/ CUMULATIVE RIGHTS/ MITIGATION**

In the event of a default by either party, it is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. Both parties have a duty to mitigate damages.

#### **19. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained herein, the obligations of County and Town under this Agreement are expressly contingent upon the availability of funding for each item and obligation contained herein for the Term of the Agreement and any extensions thereto. Town and County shall have no right of action against the other party in the event the other party is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future Agreement Terms. In the event that County or Town is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, each party, at its sole discretion, may provide funds from

a separate source or may terminate this Agreement by written notice to the other party at the earliest possible time.

## **20. COUNTERPARTS, NUMBER, GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

## **21. PREVENTION OF FRAUD AND ABUSE**

Town and County shall establish, maintain, and utilize internal management procedures sufficient to provide for the proper, effective management of all activities funded under this Agreement. Any known or suspected incident of fraud or program abuse involving County or Town's employees or agents shall be reported immediately for appropriate action. Moreover, Town and County warrant to be not listed on a local, county, state, or federal consolidated list of debarred, suspended, and ineligible contractors and grantees. Town and County agree that every person who as part of their employment, receives, disburses, handles or has access to funds collected pursuant to this Agreement does not participate in accounting or operating functions that would permit them to conceal accounting records and the misuse of said funds. Each party shall, upon notice by the other party, refund their respective expenditures that are contrary to this Agreement.

## **22. AGENCY / INDEPENDENT CONTRACTOR**

County and Town agree that the terms and conditions of this Agreement do not constitute the creation of a separate legal entity or the creation of legal responsibilities of either party other than under the terms of this Agreement. County and Town are and shall be acting as independent contractors under this Agreement; accordingly, nothing contained in this Agreement shall be construed as establishing a master/servant, employer/employee, partnership, joint venture, or joint enterprise relationship between County and Town. Town and County are responsible for their own acts, forbearance, negligence and deeds, and for those of their respective officials, agents or employees in conjunction with the performance of work covered under this Agreement.

## **23. SEVERABILITY**

If any provision of this Agreement is construed to be illegal or invalid, this will not affect the legality or validity of any of the other provisions in this Agreement. The illegal or invalid provision will be deemed stricken and deleted, but all other provisions shall continue and be given effect as if the illegal or invalid provisions had never been incorporated.

## **24. SIGNATORY WARRANTY**

Each person signing and executing this Agreement does hereby warrant and represent that such person has been duly authorized to execute this Agreement on behalf of Town or County, as the case may be.

**DALLAS COUNTY:**

**TOWN OF HIGHLAND PARK:**

\_\_\_\_\_  
By: Clay Lewis Jenkins  
Dallas County Judge

DATE: \_\_\_\_\_

**Recommended:**

\_\_\_\_\_  
By:  
Town Manager/Mayor

DATE: \_\_\_\_\_

**Attested:**

\_\_\_\_\_  
By: Dr. Philip Huang  
Director, DCHHS

**Approved as to Form\*:**  
JOHN CREUZOT  
DISTRICT ATTORNEY

\_\_\_\_\_  
By:  
Town Secretary

**Approved as to Form:**

\_\_\_\_\_  
By: Lacey B. Lucas  
Assistant District Attorney

\_\_\_\_\_  
By:  
Town Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

## FEE SCHEDULE

**SEXUAL HEALTH CLINIC**

Office Visits	\$20/visit
Blood Drawing	\$5 each
Chemical Lesion Reduction	\$45 each
Medical Records Copies	\$5 each
Cryotherapy	\$15 each

**TUBERCULOSIS CLINIC**

TB Testing-Level I (Office Visit)	\$30/Visit
TB Testing-Level II (IGRA)	\$50 each
Chest X-Ray Copies	\$5 each

**LABORATORY**

GC Culture	\$14 each
GEN Probe GC/CT Combo	\$15 each
Trichomonas Testing	\$17 each
HIV 1&2 Test	\$15 each
HIV Test - Rapid	\$20 each
MTB Testing for TB	\$85 each
TB Culture & Concentration	\$25 each
TB Identification	\$15 each
TB Susceptibility	\$31 each
TB Acid Fast Stain	\$8 each

**NURSING SERVICE**

Hepatitis A Havrix*	\$55/Injection
Hepatitis B Vaccine*	\$60/Injection
Twinrix	\$105/Injection
Rabies (PE)	\$340/Injection
IPV	\$50/Injection
Pneumococcal*	\$125/Injection
Adacel (Pertusis) (Tdap)	\$35/injection
HIB	\$25/injection
Japanese Encephalitis	\$335/Injection
Typhoid (Polysaccharide)	\$90/Injection
Typhoid (Oral)	\$75 box
Yellow Fever Vaccine**	\$185/Injection
Boostrix Vaccine*(Tdap)	\$50/Injection
Influenza Vaccine*	\$30/Injection
Influenza (High Dose)	\$70/Injection
Rabies Administrative Fee/	
Serves State Vaccine	\$25 each
Foreign Travel Office Visit Fee	\$25/visit
TD*	\$50/Injection

**ENVIRONMENTAL HEALTH**

Septic Tank Inspection	\$310/Commercial/Business
	\$260/Residential
Septic Tank Re-inspection	\$35/Residential
	\$85/Commercial
Food Establishment Inspection	\$150/yr./establishment
Half-Way Houses & Boarding	\$75/plus \$25 for each
Homes, Residential	additional unit on site
Mosquito Spraying for Non-	
contracting cities	\$185/ per hour
Water Sample	\$50
Mosquito Testing	\$35
Food Mgr. Cert. Program	\$100/per person
Food Mgr. Cert. Retesting	\$50/per person

Note: 1) # Indicates \$10 charge for State fee

**INFECTIOUS DISEASES**

Non-Contagious Disease Certification Letter	\$20 each
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Comprehensive TB Testing & Evaluation (Incl. Chest X-ray)	\$80 each
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Pregnancy Test	\$20 each
Urinalysis	\$15 each
Dark Field	\$16 each
Herpes Culture	\$38 each
HIV-1 RNA Testing	\$115 each
HIV-1 Quant Assay Testing	\$80 each
Herpes Type 1 & 2 Serology	\$50 each
Residual Clinical Specimens	\$5 each

Varivax*	\$155/Injection
Meningococcal (MCV4)*	\$140/Injection
Shingrix	\$185/Injection
Gardasil (HPV)*	\$260/Injection
Hepatitis A (Pediatric)	\$45/Injection
Hepatitis B (Pediatric)	\$30/Injection
DT	\$70/Injection
DTaP (Daptacel)	\$40/Injection
DTap-HepB-IPV	\$85/Injection
DTaP-IPV	\$65/Injection
Rotavirus	\$140/Injection
PCV13	\$235/Injection
MMR*	\$100/Injection

***Communicable Disease Program:***

Hepatitis A/B/C Screening General \$35/Test

Hepatitis A/B/C Screening Qualified \$10/Test

***Immunization/VFC Program:***

DPT,DT,Hib,	\$5/Per child
Well Baby	\$5/Visit
Diabetic Testing	\$5/Test
Immunization Record	\$5 each
Foreign Travel Yellow Card	\$5 each

Note: (1)\*Vaccines marked with asterisks are part of the Adult Safety Net Program (ASNP). Clients eligible to receive through the ASNP will be charged a fee of \$10/shot. (2) \*\*Vaccine Unavailable.

Day Care Center Inspections	\$2/per authorized child
Temporary Food Permit	\$75/plus \$10 per day
Funeral Home Inspection	\$200
FHA, VA, Conventional Loans	\$125/Licensed
	\$150/Unlicensed
Annual Group Home Inspection	\$50
Food Handler Class	\$15/per person
Sub-division Plat Approval	\$200/Residential
	\$150/Commercial
Animal Control/Quarantine	\$7/per day
Animal Control/Vicious Animal	\$12/per day
Food Manager Re-certification	\$50/Test
W/Multiple Test Sites	

# Dallas County Health and Human Services

## Annual Summary of Services

January 1, 2021 thru December 31, 2021

### Exhibit B

	Tuberculosis	Sexually Transmitted Diseases	Laboratory	Communicable Diseases
Municipality				
Addison	24	24	62	26
Balch Springs	587	587	292	43
Carrollton	517	517	301	155
Cedar Hill	237	237	200	71
Cockrell Hill	0	0	0	47
Coppell	133	133	27	33
Dallas	14,681	14,681	49,019	25,643
Desoto	237	237	282	270
Duncanville	344	344	243	66
Farmers Branch	100	100	173	69
Garland	3,307	3,307	1,864	113
Glenn Heights	41	41	64	34
Grand Prairie	812	812	1,142	315
Highland Park	0	0	0	11
Hutchins	21	21	56	8
Irving	2,197	2,197	1,964	430
Lancaster	289	289	354	57
Mesquite	529	529	1,129	350
Richardson	402	402	236	215
Rowlett	304	304	187	30
Sachse	63	63	20	8
Seagoville	124	124	180	31
Sunnyvale	0	0	1	48
University Park	0	0	0	15
Wilmer	10	10	61	3
Out of County	644	644	23,242	547
Total	25,603	25,603	81,099	28,638

# Dallas County Health and Human Services

## Contract Cost by Category

### FY2023

**Exhibit C**

	Tuberculosis	Sexually Transmitted Diseases	Laboratory	Communicable Diseases	FY '22 Contract Total
<b>Municipality</b>					
Addison	\$ 2,676	\$ 12,609	\$ 2,499	\$ 849	\$ 2,500
Balch Springs	\$ 65,452	\$ 19,486	\$ 11,770	\$ 1,404	\$ 9,377
Carrollton	\$ 57,647	\$ 42,247	\$ 12,132	\$ 5,061	\$ 23,823
Cedar Hill	\$ 26,426	\$ 38,153	\$ 8,061	\$ 2,318	\$ 2,498
Cockrell Hill	\$ -	\$ -	\$ -	\$ 1,535	\$ 1,011
Coppell	\$ 14,830	\$ 6,877	\$ 1,088	\$ 1,078	\$ 3,131
Dallas	\$ 1,636,967	\$ 1,378,585	\$ 1,975,816	\$ 837,310	\$ 1,754,252
Desoto	\$ 26,426	\$ 57,311	\$ 11,367	\$ 8,816	\$ 17,620
Duncanville	\$ 38,357	\$ 26,527	\$ 9,795	\$ 2,155	\$ 11,273
Farmers Branch	\$ 11,150	\$ 21,451	\$ 6,973	\$ 2,253	\$ 6,856
Garland	\$ 368,739	\$ 108,728	\$ 75,133	\$ 3,690	\$ 80,156
Glenn Heights	\$ 4,572	\$ 20,796	\$ 2,580	\$ 1,110	\$ 574
Grand Prairie	\$ 90,540	\$ 70,247	\$ 46,031	\$ 10,286	\$ 38,854
Highland Park	\$ -	\$ 164	\$ -	\$ 359	\$ 132
Hutchins	\$ 2,342	\$ 7,041	\$ 2,257	\$ 261	\$ 3,149
Irving	\$ 244,971	\$ 141,314	\$ 79,163	\$ 14,041	\$ 81,906
Lancaster	\$ 32,224	\$ 51,908	\$ 14,269	\$ 1,861	\$ 12,106
Mesquite	\$ 58,985	\$ 104,143	\$ 45,507	\$ 11,428	\$ 31,608
Richardson	\$ 44,824	\$ 27,346	\$ 9,512	\$ 7,020	\$ 23,756
Rowlett	\$ 33,897	\$ 16,866	\$ 7,537	\$ 980	\$ 4,925
Sachse	\$ 7,025	\$ 1,801	\$ 806	\$ 261	\$ 362
Seagoville	\$ 13,826	\$ 10,480	\$ 7,255	\$ 1,012	\$ 6,440
Sunnyvale	\$ -	\$ 1,146	\$ 40	\$ 1,567	\$ 99
University Park	\$ -	\$ 491	\$ -	\$ 490	\$ 48
Wilmer	\$ 1,115	\$ 6,059	\$ 2,459	\$ 98	\$ 2,597
Out of County	\$ 71,808	\$ 607,992	\$ 936,819	\$ 17,861	\$ 77,142
<b>Total</b>	<b>\$ 2,854,797</b>	<b>\$ 2,779,767</b>	<b>\$ 3,268,870</b>	<b>\$ 935,104</b>	<b>\$ 2,196,195</b>

# Dallas County Health and Human Services

## Total Contract Costs

### FY2023

**Exhibit D**

#### **Municipality**

Addison	\$ 2,500
Balch Springs	\$ 9,377
Carrollton	\$ 23,823
Cedar Hill	\$ 2,498
Cockrell Hill	\$ 1,011
Coppell	\$ 3,131
* Dallas	\$ 1,754,252
* Desoto	\$ 17,620
* Duncanville	\$ 11,273
Farmers Branch	\$ 6,856
* Garland	\$ 80,156
Glenn Heights	\$ 574
Grand Prairie	\$ 38,854
Highland Park	\$ 132
Hutchins	\$ 3,149
Irving	\$ 81,906
Lancaster	\$ 12,106
* Mesquite	\$ 31,608
* Richardson	\$ 23,756
* Rowlett	\$ 4,925
* Sachse	\$ 362
* Seagoville	\$ 6,440
Sunnyvale	\$ 99
University Park	\$ 48
Wilmer	\$ 2,597
* Out of County	\$ 77,142

#### **Total**

**\$ 2,196,195**

\*Non-contracting



# **TOWN OF HIGHLAND PARK**

## **Agenda Briefing**

Council Meeting: September 6, 2022

Department: Information Services

Presenter: Shone M. Doville

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### **TITLE**

Review and discuss approval of managed services agreement with Axxys Technologies.

### **BACKGROUND**

This item is scheduled as an opportunity for the Town Council to review proposals for managed services of the Town's technology infrastructure. The Town released a Request for Proposal (RFP) for managed technology services May 2, 2022. Three companies responded including Centre Technologies, GTS Technologies and Axxys Technologies. Of the three respondents, only Axxys Technologies submitted a proposal.

Historically, the Town has utilized contract services to manage maintenance and support of the Town's technology infrastructure. Town Staff has determined that the managed services agreement model serves the Town well, providing the most efficient and cost-effective method of meeting departmental needs.

Axxys Technologies has proven to be an effective partner in meeting the technology needs of the Town and continues to be responsive in assisting Town Staff on technology matters. Axxys Technologies has been the Town's managed service provider since 2013. Services provided under the managed service agreement by the company include:

- Networking
- Servers
- Phone System
- Application Support
- Identity and Access Management
- Email
- After-hours support

### **RECOMMENDATION**

The Town staff makes the recommendation for approval of contracting with Axxys Technologies to provide managed services to the Town. The agreement, reviewed by the Town Attorney, is for three years at an annual cost of \$210,456.00 which is no increase from the current year agreement. The agreement provides for an annual escalator not to exceed 5% for each year the agreement is extended. The Town staff has reviewed the scope of work and pricing finding it is competitive with the market.

## **FINANCIAL IMPACT**

The annual cost of this services agreement is \$210,456.00 and is fully funded in the Town's 2022-2023 Budget.

## **ATTACHMENTS:**

<b>File Name</b>	<b>Description</b>
ToHP_MSP_RFP.pdf	Managed Services RFP
ToHP_Recurring_Statement_of_Work_Agreement_7-2022_-_JMS.pdf	Axys Managed Services Agreement

# **Request for Proposal**

## **Technology Managed Services Provider**

### **Introduction**

The Town of Highland Park is located three miles north of Dallas. It provides all normal city services. The Town employs approximately 119 full-time positions and has an annual budget of \$43,418,402.

### **RFP Objective**

This Request will be used to obtain proposals from qualified IT managed service providers. This information will allow the Town of Highland Park to review proposals and enter into negotiations with the vendor whose proposal is most advantageous to the Town with price and other factors considered.

Following negotiation, the successful proposer will be asked to enter into a contract with the Town. The length of the contract is proposed to be 1 year and will be renewable for up to 5 years.

### **Project Description**

The Town of Highland Park would like to contract with an IT Managed Services Provider for the support and maintenance of the following:

- Network Support/Maintenance
- O365
- Security Services
- Application Management/Support
- Infrastructure Support/Maintenance
- Network Security
- On Site and Remote Client Service
- 24/7 System Monitoring and Response
- On Site Services 5 Days per Week (40 hours)

### **Submittal of Proposals**

Proposals should be submitted following the guidelines listed in the RFP. Additional information, options, fee alternatives, and materials are welcome, but should be submitted following the specifics listed in this RFP. Proposals become public record, so proposers should be careful when submitting proprietary information.

Proposals are to be submitted electronically in Microsoft Word or Adobe Acrobat formats only to:

Shone M. Doville  
Information Technology Manager  
4700 Drexel Drive  
Dallas, TX 75205

(214)559-9447

Email to: [sdoville@hptx.org](mailto:sdoville@hptx.org)

Please put “**Proposal for IT Managed Services Provider**” in the subject line. Proposals received following the deadline will not be considered.

All proposals shall include a statement indicating that the submitter is authorized to offer this proposal by his/her company and may bind the company under contract if selected.

### **Timeline**

The Town of Highland Park intends to finalize the vendor selection process according to the following schedule. Any changes in this schedule will be at the sole discretion of the Town of Highland Park.

May 2, 2022,	RFP available and advertised
June 1, 2022,	Site Visit for Proposers
June 21, 2022,	Proposals Due
June 27-30, 2022,	Proposals evaluated/negotiation with selected firm
July 6, 2022,	Town Administrative Committee review
July 7, 2022,	Award contract by Town Council
July 15, 2022,	Begin Work

### **Selection**

The Town of Highland Park is using a competitive negotiation process to award a contract to the successful proposer. Although cost is a significant criterion for selection, the Town contract will be awarded based upon several criteria evaluated based upon the submitted proposal.

### **IT Environment**

The successful bidder will have experience and/or knowledge with the components of the Town’s technical environment:

Dell VxRail Hyper Converged servers in one data center located at Townhall.

VMware vSphere 6 environment with 35 virtual machines.

Cisco Managed switches with 30 VLANs.

Cisco VoIP Phone system.

Sophos Firewalls.

Barracuda O365 Backup.

Ten standalone Dell/HP physical servers.

Datto Cloud Backup

Printers/Scanners/Copiers

Video Surveillance server and 62 IP cameras

135 Workstations/Laptops

Application Support:

- Tyler Technologies (Incode v9, v10)
- New World Systems CAD, RMS, Mobile
- Microsoft Office
- Adobe Acrobat
- Microsoft Windows 10/11
- Microsoft SQL 2012-2019
- Microsoft Server 2012-2019
- Microsoft Active Directory
- Microsoft Group Policy
- Microsoft Office 365
- VMware vSphere 6/7
- TLC Library Automation
- Sophos EDR
- Sophos Antivirus

## **Certifications, Licenses, Experience, and Compliance**

The Proposer should have full time staff that possesses the following certifications:

- VMware VCP6 or 7
- Cisco CCNP
- Microsoft O365/Enterprise Administration
- (ISC)2 CISSP

The Proposer must be a Microsoft Certified Partner.

The Proposer must complete and submit a CJIS Security Addendum.

All Proposer staff working on the Town Infrastructure must pass a CJIS criminal background check.

The Proposer must have an office located within 30 miles of Dallas.

The Proposer must provide five client references from the local metro area.

The Proposer must demonstrate a minimum 5 years of experience providing Managed Services.

## **Insurance**

Proposers shall comply with the Town's insurance requirements.

## **Questions concerning RFP and/or site visits.**

Proposers may attend a site visit and briefing on June 1, 2022 at 10 am at the Executive Conference room located at 4700 Drexel Drive Dallas TX 7505. Please call or email to indicate that you plan on attending this meeting.

## **Questions for the Proposer**

### **1. General Company Information**

Provide a company profile, including background, history, size, locations, certifications, credentials, etc. Please provide details of your company's practices for staying current on regulations, legislation, certifications, and compliance. Especially, as it relates to HIPPA, CJIS, PCI, public records, and local government. Describe all staff that will be utilized to perform contractual duties under your proposal, and their certifications, experience, and duties.

Provide references of 5 similar sized or larger clients that the proposer is currently providing managed services for.

### **2. Security**

Describe your strategy for securing your clients data. Include your company's policies as well as any security certifications that you possess. Explain how you will insure that the CJIS security policy will be adhered to.

Describe your company's security certification and expertise.

### **3. Client Relationship Management**

Describe how you would manage customer relationships with the Town "clients".

- Describe how will you propose changes in technicians assigned to the contract and seek approval to such changes from the Town.
- Describe your training program.

- Describe all support staff that would be expected to serve the Town, including executive, project, and account staff.
- Describe the responsibilities of each individual proposed to be assigned to the Town's account.
- Describe the hours of operation for on-site staff as well as help desk staff.
- Describe how afterhours support would be available.
- Describe how you would report to the Town's IT manager and users about the status of systems; elicit needs of users, needs for change, etc.

#### **4. Service Levels**

Describe service levels you will provide to the Town.

- Describe your work order/trouble ticket system.
- Describe software update management platform.
- Describe vulnerability management.
- Describe dark web monitoring.
- Describe SIEM/SOC operations.
- Describe availability of key staff during normal business hours.
- Describe how staff is available 24/7.
- Provide your guaranteed response time for issues dependent on the severity and time of day.
- Provide your average response time for afterhours issues.
- Scheduled down times for routine maintenance.
- How are scheduled down times determined; how communicated?
- How do you propose that the services level agreement be enforced?
- Describe your communication strategy for keeping the Town informed of system condition and changes.
- Describe how your on-site support representative would work and describe any special requirements that would need to be filled by the Town.
- Describe how major software upgrades would be applied and what upgrades would require additional fees.

#### **5. Change Control**

The Town of Highland Park requires preapproval by the Information Technology Manager of any changes made to the computing environment.

- Please demonstrate how you would institute change control in the Town of Highland Park computing environment.

#### **6. Monitoring**

- Describe your monitoring tools and strategies to monitor and insure the stability of the computing environment.
- Describe how these monitoring results would be communicated to the Town.

#### **7. Documentation and Records**

- Describe how you would document and record maintenance, installation, performance, and changes to the system.
- Describe the documentation that you would make available to the Town at the end of the contract period.
- Describe how you would maintain confidentiality in strict conformance with all applicable laws, and regulations.

#### **8. Fees**

Please provide all fees associated with the proposed contract for services. The following should be included in your base bid:

- Fees for services initiation
- Ongoing monthly fees and what is included and excluded.
- Fees for connectivity to support site.

Optional Fees:

- Extra work which is outside the proposal
- Optional ongoing services
- Ad-hoc services
- Escalation fees
- Off-site disaster recovery
- Response and emergency fees

### **Significant Evaluation Factors**

Responses shall be reviewed on these critical factors with the indicated relative importance factors.

- 1. Company experience, certifications, expertise, references from similar clients: 20%**
- 2. Client Relationship approach: 20%**
- 3. Service levels: 30%**
- 4. Management (Change Control, Monitoring, Documentation): 15%**
- 5. Fees: 15%**





## RECURRING STATEMENT OF WORK AGREEMENT

**THIS RECURRING STATEMENT OF WORK AGREEMENT** (Agreement), dated and effective as of October 1, 2022 (Agreement Date) is made by and between Axxys Technologies, Inc., (Consultant) a Texas Corporation and Town of Highland Park (Company) with a principal business address of 4700 Drexel Drive, Highland Park, Texas 75205 (together, the "Parties"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the following terms and conditions will apply to services under this Agreement, or to any other services that may be provided hereunder by Consultant via authorized Addendum to this Agreement as follows.

This agreement constitutes a Statement of Work under the Master Services Agreement, and the terms of the Master Services Agreement are included by reference herein.

### Term of Agreement

This agreement is effective October 1, 2022, and shall remain in force for an "Initial Term" of **36** months. The rates quoted herein may increase 3% TO 5% annually on the anniversary of the Agreement Date.

### Managed Services Plan

<b>Service Start Date:</b>	<b>10/1/2022</b>	
<b>Recurring Charges (NOT Including Appropriate Sales Taxes):</b>	<b>Quantity</b>	<b>Fees</b>
Managed Services (\$140.00/User)	[87] Users	\$12,180.00
<b>Recurring Total</b>		<b>\$12,180.00</b>
<b>Non-Recurring Fees: (NOT Including Appropriate Sales Taxes)</b>		
Managed Services Setup – [ONBOARDING MONTH START]		\$0.00
<b>Total Non-Recurring Fees</b>		<b>\$0.00</b>

### **Description of Services**

Consultant will provide Managed IT Services to Company which may include:

- **24x7 Pro-Active Network Monitoring:** Consultant will monitor key functions and establish performance thresholds on specified servers. This includes backups, Internet connectivity and other critical functions. Consultant will respond to these alerts within a timely manner as to minimize impact to Company
- **Unlimited Business Hours Remote Support:** Unlimited remote support and management will be provided for all basic support needs related to the operating system, Internet connectivity, email access and standard Microsoft Office applications during Business Hours.
- **Unlimited Business Hours Onsite Support:** Unless otherwise specified, Onsite Support will be provided for all basic support needs related to the hardware, operating system, Internet connectivity, email access and standard Microsoft Office applications. Onsite support is provided for all devices covered under this Agreement.
- **After Hours Support:** After Hours remote support for issues occurring between 5:30 PM – 7:00 AM M – F,

as well as Saturday, Sunday, and Holidays. After hours support built into this Agreement is to be used for business impacting critical issues. In the event Axxys is deployed onsite after regular business hours and Saturdays, time will be billed at 1.5 times the published hourly rate and 2 times the published hourly rate on Sundays and holidays.

- **Email Services:** Consultant will provide support for continuity of email services based upon the number of users specified.
- **Network Device Connectivity:** Consultant will manage and remediate any issues or problems related to internal network switches and routers (if telecom or Internet providers allow access). Additional fees may be incurred for replacement of equipment or upgrades.
- **File and Print Services:** Includes all services and management of file and directory. This includes deleting unnecessary files and establishing user directories for file management. Consultant will also establish network printers on the network and provide user access to these printers.
- **File Storage:** Consultant will maintain the directory structure and perform optimization on network storage devices and drives. Should file storage requirements exceed the limitations of the server, additional fees may be incurred to expand the storage.
- **Remote Office Connectivity:** Consultant will provide support for all remote office connectivity at the location address stated on this Agreement. Additional charges may be incurred for providing on site services to remote locations and users.
- **Firewall:** This includes maintaining the appropriate configuration and updates of the firewall to secure the network according to manufacturer specifications as well as client Information Security Policies.
- **Unified Communications:** Includes all services and management of Cisco, Teams and Zultys communication systems.
- **Documentation as appropriate to include:** Monthly Health Checkup, Network Information, Network Map, Admin Password Change Guide, AD Review, PC Setup Guide, Business IT Analysis, IT Recovery Guide, Regular Business Review, Unified Communications File, Call Flow Diagram, UC Recovery Guide
- **Strategic Consulting Services:** Collaborate with Company to form strategic IT goals, plan the IT budget, analyze and fine tune business processes, develop technology roadmap, identify opportunities to leverage technology tools while focusing on business and IT alignment.
- **Managed Security Services – (If selected – Scope of services dependent on agreed upon plan and a separate Managed Security Service agreement)**

***What is not included:***

- **Project Based Work:** Consultant will invoice for services that provide new capabilities and/or solutions deemed as projects based upon approval by Company.
- **Other locations not listed in this Agreement:** On site Services or support for other locations not listed in this Agreement may incur additional charges. These charges will be invoiced at the Consultant published hourly rate specified.
- **Cabling and relocation services:** Extra charges may be incurred to provide for extra network cabling drops and services related to relocating workstations, access points, printers, and telephones.

- **Off-site storage of data backup:** Company maintains their own agreement for off-site storage of data backup unless specifically noted in the Service Plan section of this agreement or Company agrees to optional *Data Backup and Disaster Recovery Service Agreement*.
- **Parts, equipment and software:** Additional charges will be incurred for repair parts on Company equipment.
- **Unlimited Mitigation Based on Newly Identified Risks:** Axxys will work with company to ensure that risks identified are evaluated for business impact and a plan devised with company to mitigate newly identified risks. Because some risks may be best mitigated via non-technical means such as administrative policy, or business adjustment, while others may require investment in new tools and technologies, mitigation of risks is limited and requires review and approval.
- **Unlimited Incident Response and Mitigation Following an Incident:** Axxys will work with company to evaluate identified risks based on the NIST Incident Response methodology of Preparation, Detection & Analysis, Containment, Eradication & Recovery, and Post Event Activity. Incident Response will be limited to 2 hours per incident with a maximum of 2 incidents per month.
- **After Hours Support (Non-Critical):** Support for non-critical servers, applications, or users outside of normal Business Hours. If support is required for non-critical servers, applications, or users, additional charges will be incurred at the published after-hours billing rates.

### Managed Security Service Plan

Service Start Date:	10/01/2022	Quantity
Scoped Objects/Entities		
Users		87
Mailboxes		134
Workstations/Laptops		140
Servers		35

**Recurring Charges (NOT Including Appropriate Sales Taxes): \$60 per user per month**

**Fees: \$5,220.00**

### MANAGED SECURITY SERVICES

This service plan is based on a risk-based approach to security services for Company in partnership with the Consultant. To be successful the Parties must work together to implement an effective governance and managed security program utilizing the solutions and services herein and may require additional resources based on results of ongoing risk, threat, vulnerability, and security management.

Primary governing influences or compliance needs include (select those that apply):

- |                                |  |
|--------------------------------|--|
| <input type="checkbox"/> HIPAA | <input type="checkbox"/> PCI DSS         |
| X NIST CSF                     | <input type="checkbox"/> DFARS (800-171) |

Please choose desired Security Package

- |  |  |
|--|--|
| <input type="checkbox"/> Security Partial 1 (SP1)  | <input type="checkbox"/> Security Adaptive 1 (SA1) |
| <input type="checkbox"/> Security Informed 1 (SI1) | <input type="checkbox"/> Security HIPAA 1 (SH1)    |
| X Security Repeatable 1 (SR1)                      |  |

**Additional DUO MFA Users – (46 users x \$3 per user per month)**

**\$138.00**

**Recurring Total**

**\$5,358.00**

## Description of Services

### Security Services Overview

		MSP +	MSP +	MSP +	MSP +	MSP +	MSP +	MSP +
	NOCaaS	MSSP Partial	MSSP Informed	MSSP Repeatable	MSSP Adaptive	HIPAA	PCI DSS	CMMC
<b>SERVICES / SOLUTIONS</b>								
Systems Management Portal	X	X	X	X	X	X	X	X
Axxys AIM Management Agent	X	X	X	X	X	X	X	X
Axxys AIM Antivirus	X	X	X	X	X	X	X	X
Axxys AIM Windows Agent Patching	X	X	X	X	X	X	X	X
Axxys AIM 3rd Party Patching *	X	X	X	X	X	X	X	X
Axxys Support Center Portal	X	X	X	X	X	X	X	X
Monthly Systems Health Report	X	X	X	X	X	X	X	X
Help Desk		X	X	X	X	X	X	X
Services Desk		X	X	X	X	X	X	X
vCIO		X	X	X	X	X	X	X
MSP Deliverables Package		X	X	X	X	X	X	X
Systems Documentation		X	X	X	X	X	X	X
IT Recovery Planning		X	X	X	X	X	X	X
add additional MSP Deliverables		X	X	X	X	X	X	X
Quarterly Business Review		X	X	X	X	X	X	X
Basic Risk Assessment (NIST CSF, CIS20, or SRA)			X	X	X	X	X	X
Security Policy (Annual Updates)			X	X	X	X	X	X
Network Segmentation			X	X	X	X	X	X
Endpoint Detection & Response			X	X	X	X	X	X
Security Awareness Training			X	X	X	X	X	X
Monthly Phish-Testing Campaigns			X	X	X	X	X	X
Quarterly Vulnerability Tests - Internal			X	X	X	X	X	X
Quarterly Vulnerability Tests - External			X	X	X	X	X	X
Disk Encryption Management			X	X	X	X	X	X
Multifactor Authentication Services			X	X	X	X	X	X
Email Security with ATP/Link Protection			X	X	X	X	X	X
Office 365 Secure Score Review			X	X	X	X	X	X
DNS Filtering Service			X	X	X	X	X	X
Dark Web Monitoring			X	X	X	X	X	X
Quarterly Security Review			X	X	X	X	X	X
Critical Vulnerability Remediation			X	X	X	X	X	X
Risk Assessment (Annual Updates)				X	X	X	X	X
Security Information & Event Management				X	X	X	X	X
Security Operations Center Services				X	X	X	X	X
Cloud App Security Services				X	X		X	X
Single Sign-On Services				X	X		X	X
Advanced Email Compliance/Backup				X	X		X	X
SPF/DKIM/DMARC Setup				X	X		X	X
vCISO				X	X	X	X	X
Compliance Management Tool (Futurefeed.co) - DFARS only								X
Compliance Management Tool - HIPAA only (HSN)						X		
Compliance Management Tool - PCI DSS only (Qyalys PCI - 3 ext lps)							X	
Critical/High Vulnerability Remediation				X	X		X	X
Incident Response Planning					X	X	X	X
IT Recovery / BCP Planning (Annual Testing)					X	X	X	X
Privileged Account Management							X	X
Quarterly Threat Hunting					X		X	X
UEBA (User and Entity Behavior Analytics)							X	X
Endpoint Managed Detection & Response					X		X	X
Threat Intelligence Services					X		X	X
Perimeter Managed Detection & Response / Synchronized Security							X	X
Custom Security Metrics Reporting					X		X	X
PHI/PII/NPI/CUI Data Identification and Monitoring					X	X	X	X
Critical/High Vulnerability Remediation					X		X	X

The chart above outlines the services included in each security package. For a more detailed description of each service, see the information below which has been correlated to the associated NIST CSF category of IDENTIFY, PROTECT, DETECT, RESPOND, RECOVER.

Consultant will provide Managed Security Services to Company which may include (based on package chosen):

#### IDENTIFY

- **AM – Asset Management**
  - Axxys may provide access and use of Axxys Infrastructure Management (AIM) system that will inventory network connected and agent-based systems including applicable software/firmware and versioning where capable.
- **BE – Business Environment**
  - Axxys may meet with company on a regular basis to review and understand business objectives, processes, and baseline technology and data hygiene, management and maintenance
  - Axxys may provide data discovery and classification services
- **GV – Governance**
  - Axxys may meet with company on a regular basis to review overall security management, current state, and desired state via Business Review and Security Executive Summary Review
  - Axxys will work with company to develop and regularly audit and update security policies to help establish desired security posture for organization
  - Axxys may provide compliance management portal
- **RA – Risk Assessment**
  - Axxys may perform a risk assessment annually based on the NIST Cybersecurity Framework. If company is regulated by compliance directive the applicable framework will guide the risk assessment process (such as HIPAA, PCI DSS, DFARS, etc).
- **RM – Risk Management**
  - Axxys may meet with company on a regular basis to review risks, threats, and vulnerabilities to establish and understand desired posture and mitigation strategies

#### PROTECT

- **AC – Access Control**
  - Axxys may regularly review privileged accounts utilized for critical systems
  - Axxys may work with company to implement multifactor authentication to protect critical systems and data
  - Axxys may work with company to implement single sign-on (SSO) services where desired and feasible
- **AT – Awareness Training**
  - Axxys may provide security training curriculum and education management for authorized users
  - Axxys may provide regular and ongoing phish testing to educate authorized users
- **DS – Data Security**
  - Axxys may provide antivirus/antimalware to identified and managed server and workstation assets via Axxys AIM system.
  - Axxys may work with company to implement and manage disk encryption for systems
- **IP – Information Protection**
  - Baseline configurations may be established for systems and policies developed for updates, testing, and patching to minimize downtime or disruption while maintaining a secure environment/system.
  - Axxys may perform regular vulnerability scans against internal and external assets to identify emerging vulnerabilities to company. Mitigation options may be provided to company for review and approval
- **PT – Protective Technology**
  - For Office 365 deployments with appropriate license Axxys may work with company tenant to implement desired recommendations from Office SecureScore/Security recommendations

- Axxys may provide Cloud Access Security Broker technology to monitor and implement policy for cloud based/online systems and data
- Axxys may provide a Threat Intelligence Platform (TIP) for monitoring and enhancing system protection
- Axxys may work with company to evaluate, plan and segment the information systems network to secure systems with critical of sensitive information
- Axxys may provide mobile device management for smartphones, tablets, or other mobile devices
- Axxys may provide User and Entity Behavior Analysis for critical systems/users
- Axxys may provide Insider Threat detection services

## DETECT

- AE – Anomalies and Events
  - Axxys may provide Security Information and Event Management services
  - Axxys may provide Security Operations Center services
  - Axxys may perform limited threat hunting activities quarterly to proactive seek unidentified threats or vulnerabilities
- CM – Continuous Monitoring
  - Axxys may provide reputation based, DNS filtering services
  - Axxys may provide email security filtering with advanced threat protection services such as link rewrite, sandboxing
  - Axxys may provide advanced email protection services such as domain fraud monitoring (SPF, DKIM, DMARC), Business Email Compromise (BEC) detection, and incident forensics.
- DP – Detection Processes
  - Axxys may provide Endpoint Detection & Response for endpoints (servers and workstations)

## RESPOND

- RP – Response Planning
  - Axxys may work with company to develop an Incident Response Plan, Policy, and Runbooks for desired scenarios
- CO – Communications
  - Axxys may work with company to review response plans on a regular basis including annual updates to IR documents
- AN – Analysis
  - Axxys may work with company to review IR plans and perform quarterly table top exercises
- MI – Mitigations
  - Mitigation/Response services may be scoped and estimated for company approval
  - Axxys may provide Managed Detection & Response services
- IM – Improvements
  - Axxys may work with company to suggest improvements to response plans based on threat intelligence from industry partners and organizations

## RECOVER

- RP – Recovery Planning
  - Axxys may work with company to develop and regularly review recovery plans and systems
  - Axxys may implement archiving/compliance and backup technology for email or online systems protection
- IM – Improvements
  - Axxys may work with company to evaluate backup and recovery plans and recommend improvements where possible
- CO – Communications
  - Axxys may provide status updates related to recovery planning/testing

- Axxys may provide lessons learned communications to company after testing recovery plans

**What Is Not Included*****Unlimited Mitigation Based on Newly Identified Risks***

Axxys will work with company to ensure that risks identified are evaluated for business impact and a plan devised with company to mitigate newly identified risks. Because some risks may be best mitigated via non-technical means such as administrative policy, or business adjustment, while others may require investment in new tools and technologies, mitigation of risks is limited and requires review and approval.

***Unlimited Incident Response and Mitigation Following an Incident***

Axxys will work with company to evaluate identified risks based on the NIST Incident Response methodology of Preparation, Detection & Analysis, Containment, Eradication \* & Recovery, and Post Event Activity. Incident Response will be limited to 2 hours per incident with a maximum of 2 incidents per month.

**Master Services Agreement**

Company agrees to all terms and conditions as defined in the Master Services Agreement. This includes, but is not limited to, surcharges for services provided outside normal business hours, out-of-pocket expenses, travel, sales tax, freight, and products.

**Billing and Payments**

Consultant will bill Company the appropriate service rate on a monthly basis. Invoices will be sent on or after the 26<sup>th</sup> of each month prior to services performed and payment will be due by the 15<sup>th</sup> of each month for which services are invoiced under this Agreement. These terms apply to this agreement and may be different than Company's normal terms. Payment not received by the 15<sup>th</sup> day of the month will be considered late. Company accepts responsibility for payment of all services rendered under this agreement.

Consultant will audit the Company environment for covered item changes on a regular basis.

This Agreement is a labor only agreement. If free parking is not provided, Consultant will charge the Company for actual parking fees incurred. If Consultant is required to travel to remote Company locations or on the behalf of the Company for any reason, travel charges will be charged to the Company.

Late payments may be subject to a penalty and interest in the amount of 1.5% per month of the total amount past due. Applicable sales tax will be added to all invoices. Payments for all invoices will be due and payable to Axxys Technologies, Inc., 5850 Granite Parkway Suite 700 Plano, Texas 75024, Collin County.

It is the intent of the parties that this Agreement be governed by and construed in accordance with the laws of the State of Texas. This Agreement is performable, at least in part, in Collin County, Texas.

**Default and Termination**

Consultant, by written notice to the Company, may terminate this Agreement within ten (10) days after written notice of any delinquency in the payment of any invoice amount.

Company may not terminate services during the first year of this Agreement. After initial 1 year term either party may terminate this Agreement for any reason, upon providing thirty (30) day prior written notice to the other party; provided, however:

- i) Provisions relating to Confidentiality, Limitation of Liability, and Non-Solicitation shall not be affected by the termination of this Agreement, but shall survive.
- ii) Consultant shall be entitled to payment of all Fees due to Consultant for services performed, and expenses incurred in connection therewith, up to the effective date of termination.

If either party elects to terminate this Agreement, the parties agree to cooperate reasonably to transition to Consultant's successor; provided however that Consultant will have no obligation to perform Services for which it has not been or is not being paid. If Company so requests and provided Company has paid and continues to pay Consultant in full all Fees due and payable hereunder, Consultant will continue to provide Services during the transition period. Additionally, the parties agree to cooperate reasonably to coordinate the graceful removal/uninstall of all software products licensed to Consultant.

Consultant may terminate this Agreement at any time if Company uses abusive or obscene language or is harassing when communicating with Consultant employees or representatives.

Upon termination by either of the Parties, Consultant will reimburse Company for any payments Company has paid or pre-paid for services or products Consultant has not yet provided or will provide. However, any paid or pre-paid amounts may be used to retire any unpaid balances for services already performed or products already ordered or delivered.

Consultant will provide services in a competent manner, comparable to industry standards. If Consultant does not provide services in such manner and cannot rectify the problem(s), within thirty (30) days from Company's written notice in which Company identifies the problem(s), Company will have the right to terminate this agreement.

The initial term of this Agreement is for one (1) year beginning with the start date listed in the Agreement Date found on page one. After the initial term of this Agreement, the Agreement will automatically renew each year for one (1) additional year and will be subject to the thirty (30) day cancelation provisions above. Price may change after initial Agreement term upon Consultant providing thirty (30) days written notification of price changes.

Audit of items covered under this Agreement will be made regularly and monthly fees may change based on the regular audit and the addition or deletion of covered items.

BY THE SIGNATURES OF THE DULY AUTHORIZED REPRESENTATIVES BELOW, CONSULTANT AND COMPANY, INTENDING TO BE LEGALLY BOUND, AGREE TO ALL OF THE PROVISIONS OF THIS AGREEMENT.

**CONSULTANT:** Axxys Technologies, Inc.

BY: \_\_\_\_\_  
NAME: Blake Britton  
TITLE: Vice President

DATE: \_\_\_\_\_

**COMPANY:** TOWN OF HIGHLAND PARK

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_





# TOWN OF HIGHLAND PARK

## Agenda Briefing

Council Meeting: September 6, 2022

Department: Fiscal & Human Resources

Presenter: Karen Kurtin

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### TITLE

Review and discuss the monthly and/or quarterly Financial and Investment Reports for the period ending June 30, 2022.

### BACKGROUND

The Financial and Investment Report is for the period ending June 30, 2022, which marks the completion of the ninth month of the 2021-22 fiscal year. Therefore, the Year-to-Date percentage for budgetary comparison purposes is 75.0%.

General and Utility Fund combined revenues amount to \$32,781,295 which is 86.0% of the annual budgeted amounts.

The General and Utility Fund combined expenditures and encumbrances amount to \$28,335,395 or 73.2% of the Fiscal Year 2021-22 Combined Budget. Discussion about specific revenue and expenditure categories is included in the accompanying report.

The June 2022 Investment Report and Quarterly Investment Report are also provided for your review. The total market value of the Town's cash and investment portfolio on June 30th was \$57,714,458, yielding an average weighted return of 1.21%, with an average maturity of 120 days.

The current quarter and fiscal year-to-date average yield for the portfolio are 1.21% and 0.68%, respectively. Quarterly and year-to-date investment income was approximately \$106,332 and \$205,460, respectively.

These reports were provided to the Finance & Audit Advisory Committee on August 30, 2022.

### RECOMMENDATION

No action is required by the Town Council as the item is provided only for discussion.

### FINANCIAL IMPACT

None.

### ATTACHMENTS:

File Name	Description
Combined_Financial_and_Investment_Report_June_2022.pdf	Combined Financial and Investment Report June 2022
Quarterly_Investment_Report_June_2022.pdf	Quarterly Investment Report June 2022

# Monthly Financial Report

for the period ending

**June 30, 2022**



THE TOWN OF

*Highland Park*  
TEXAS

*An American Community Making a Difference*

## OVERVIEW

As of June 30, 2022, General and Utility Fund combined revenues are \$32,781,295. This is 86.0% of the annual budgeted amounts.

Combined expenses and encumbrances of \$28,335,395 are 73.2% of the annual budget. June 30th marks the ninth month of the FY 2022 Budget Year. Therefore, the year to date budget percentage for budgetary comparison is 75.0%.

## YEAR TO DATE (YTD) ACTIVITY

- ▲ **Property Taxes** are 100.0% of the YTD projection
- ▲ **Sales Taxes** are 161.9% of the YTD projection
- ▲ **Building Permits** are 141.2% of the YTD projection
- ▲ **Water Sales** are 102.2% of the YTD projection

## COMPARISON TO LAST YEAR

- ▲ **Property Taxes** are 101.7% of prior year
- ▲ **Sales Taxes** are 135.0% of prior year
- ▲ **Building Permits** are 104.3% of prior year
- ▲ **Water Sales** are 113.4% of prior year

# GENERAL FUND REVENUES

Revenue Signal Key	
●	> 100% of Projected
●	95-100% of Projected
●	< 95% of Projected

	June 2022				Year To Date as of June 2022				Year To Date as of June 2022			Year To Date as of June 2021		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Budget	%	Actual	Budget	%
Property Taxes	●	\$ 35,632	\$ 55,867	63.8%	●	\$ 15,383,680	\$ 15,376,735	100.0%	\$ 15,383,680	\$ 15,495,731	99.3%	\$ 15,119,348	\$ 14,922,693	101.3%
Sales Taxes	●	611,159	326,397	187.2%	●	5,258,470	3,248,803	161.9%	5,258,470	4,278,043	122.9%	3,895,461	3,600,000	108.2%
Mixed Beverage Taxes	●	46,418	34,942	132.8%	●	354,344	279,868	126.6%	354,344	375,988	94.2%	307,986	319,998	96.2%
Franchise Fees	●	1,491	6,014	24.8%	●	827,113	770,598	107.3%	827,113	918,868	90.0%	768,027	916,811	83.8%
Licenses and Permits	●	169,963	112,060	151.7%	●	1,228,980	895,293	137.3%	1,228,980	1,260,715	97.5%	1,194,271	1,262,194	94.6%
Charges for Services	●	141,185	159,069	88.8%	●	1,037,407	1,240,688	83.6%	1,037,407	1,648,693	62.9%	1,013,971	1,504,349	67.4%
Fines and Forfeitures	●	15,618	36,277	43.1%	●	206,537	356,747	57.9%	206,537	466,200	44.3%	169,591	472,491	35.9%
Earnings on Investments	●	13,114	5,147	254.8%	●	52,597	46,325	113.5%	52,597	61,767	85.2%	48,713	96,001	50.7%
Miscellaneous	●	98,090	37,110	264.3%	●	566,690	333,994	169.7%	566,690	446,325	127.0%	597,010	366,858	162.7%
Transfers	-	-	-	-	●	640,000	640,000	100.0%	640,000	1,280,000	50.0%	663,150	1,326,300	50.0%
Total Revenues	●	\$ 1,132,670	\$ 772,883	146.6%	●	\$ 25,555,818	\$ 23,189,051	110.2%	\$ 25,555,818	\$ 26,232,330	97.4%	\$ 23,777,528	\$ 24,787,695	95.9%

## YEAR TO DATE OVERVIEW

Through June 30th, General Fund non-property tax revenues of \$10,172,138 are \$2,359,822 more than originally projected. Total revenues (including Property Taxes) are \$2,366,767 more than projected and are up 7.5% compared to the same period in the prior fiscal year.

## PROPERTY TAXES

Tax collections of \$15,383,680 year to date have been received. Year to date, 99.3% of the annual budget has been collected. In the prior fiscal year 101.3% had been collected at this time.

## SALES TAXES

Total revenues of \$5,258,470 are \$2,009,667 more than projected year to date. Current year revenue is \$1,363,009 more than this time last year.

## MIXED BEVERAGE TAXES

Mixed Beverage Tax receipts of \$354,344 are \$74,476 more than projected for this time of the year and \$46,358 more than this time last year. Mixed Beverage Taxes are received monthly.

## FRANCHISE FEES

Franchise Fees total \$827,113 which is \$56,515 more than projected and up \$59,086 when compared to the amount received during the same period in the prior fiscal year. Franchise Fees are received monthly and quarterly with the exception of the Natural Gas franchise fee, which is one-time payment received each year in the month of February.

## LICENSES AND PERMITS

Revenues of \$1,228,980 are \$333,687 more than projected year to date, and are \$34,709 more than the amount received prior year to date. Licenses and permits accounts primarily for building permits, but also includes electrical and alarm permits as well as beverage and carriage service licenses.

## CHARGES FOR SERVICES

Revenues of \$1,037,407 are (\$203,281) less than projected year to date. Revenues are more than the previous fiscal year by \$23,436.

## FINES AND FORFEITURES

Total revenues of \$206,537 are (\$150,210) less than projected through the end of June and \$36,946 more than the same period in the prior fiscal year.

## EARNINGS ON INVESTMENTS

Interest earnings of \$52,597 are \$6,272 more than projected.

## MISCELLANEOUS REVENUES

Total revenues of \$566,690 are up \$232,696 from the amount projected through June. Miscellaneous revenues include penalties on delinquent property taxes, tower lease rental charges, donations, contributions, and other non-major revenues. The increase is related to the donation of \$110,000 received from the Highland Park Quality of Life Foundation as well as hold over payments from TMobile for tower lease rentals and unanticipated revenues for damage to Town property.

## TRANSFERS

Biannual transfers consist of a reimbursement from the Utility Fund for the fund's share of G&A expenses and a transfer from the Court Security Fund to reimburse the General Fund for payroll related costs associated with the court bailiff.

# GENERAL FUND EXPENDITURES

## YEAR TO DATE OVERVIEW

June 30, 2022, marks the ninth month of the FY 2022 budget year. The year to date budget percentage for budgetary comparison is therefore 75.0%. Total General Fund expenditures and encumbrances of \$20,956,548 are 74.8% of the annual budget.

## ADMINISTRATION

Administration has expended and encumbered 71.5% of the departmental budget or \$556,703.

## PUBLIC SAFETY

Public Safety expended and encumbered 74.4% of the departmental budget or \$10,325,644.

## DEVELOPMENT SERVICES

Development Services expended and encumbered 66.1% of the departmental budget or \$215,263.

## PARKS

Parks has expended and encumbered \$1,394,248 or 81.9% of the departmental budget.

## FINANCE

Finance has expended and encumbered \$689,863 or 71.8% of the departmental budget.

## BUILDING INSPECTION

Building Inspection has expended and encumbered \$524,230 or 66.2% of the departmental budget.

## NON-DEPARTMENTAL

Non-Departmental has expended and encumbered \$466,063 or 86.8% of the departmental budget.

## INFORMATION TECHNOLOGY

Information Technology has expended and encumbered \$634,141 or 86.2% of the departmental budget.

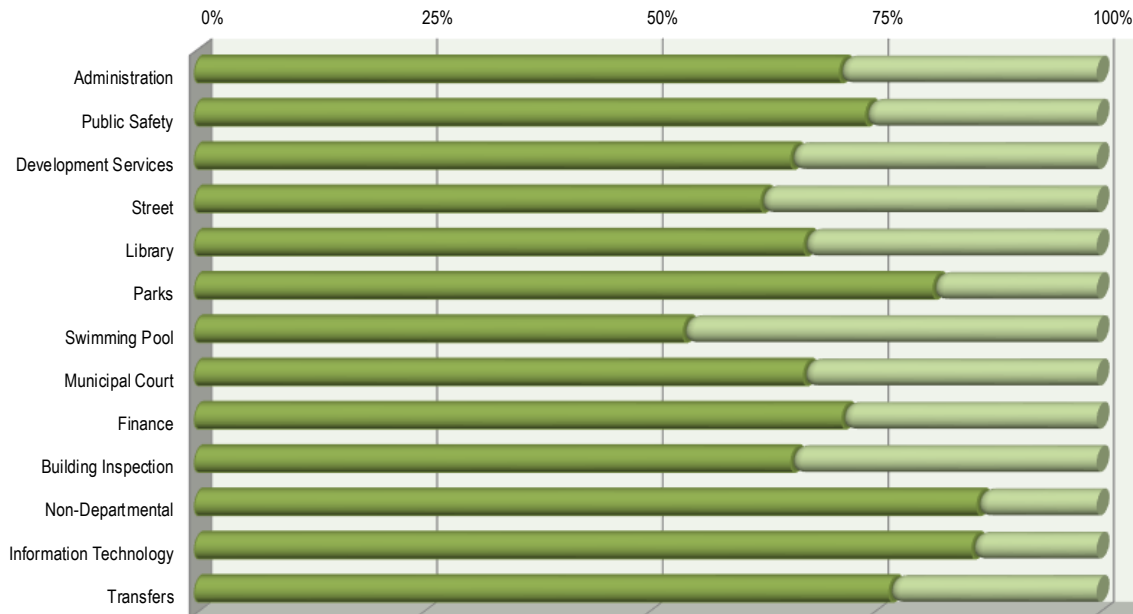
## TRANSFERS

Biannual transfers include a transfer to the CIP Fund for infrastructure maintenance / rehabilitation. Transfers to the Equipment and Technology Replacement Funds accumulate resources for future equipment and technology purchases. A transfer to the Building Maintenance Fund supports the operational and maintenance budgets of Town Hall and the Service Center. Transfers to the Internal Service Funds occur once a year in January.

	Year To Date as of June 2022			Year To Date as of June 2021		
	Actual	Annual Budget	% of Budget	Actual	Annual Budget	% of Budget
Administration	\$ 556,703	\$ 778,325	71.5%	\$ 576,479	\$ 787,656	73.2%
Public Safety	10,325,644	13,878,407	74.4%	9,567,058	13,439,034	71.2%
Development Services	215,263	325,527	66.1%	334,261	562,003	59.5%
Street	316,017	503,315	62.8%	241,081	334,172	72.1%
Street Lighting	-	-	-	124,436	185,480	67.1%
Library	593,155	877,714	67.6%	584,012	867,909	67.3%
Parks	1,394,248	1,702,691	81.9%	1,391,999	1,662,699	83.7%
Swimming Pool	114,653	211,532	54.2%	79,593	199,422	39.9%
Municipal Court	350,578	519,049	67.5%	344,813	522,561	66.0%
Finance	689,863	960,717	71.8%	691,056	958,024	72.1%
Building Inspection	524,230	792,414	66.2%	691,427	791,431	87.4%
Non-Departmental	466,063	537,093	86.8%	465,741	508,729	91.5%
Information Technology	634,141	735,632	86.2%	500,175	602,812	83.0%
Transfers	4,775,990	6,199,953	77.0%	2,730,253	3,912,779	69.8%
Total Expenditures	\$ 20,956,548	\$ 28,022,369	74.8%	\$ 18,322,384	\$ 25,334,711	72.3%

YTD Expenditures & Encumbrances Compared to Annual Budget

■ Actual



# UTILITY FUND REVENUES

Revenue Signal Key	
<span style="color: green;">●</span>	> 100% of Projected
<span style="color: orange;">●</span>	95-100% of Projected
<span style="color: red;">●</span>	< 95% of Projected

	June 2022				Year To Date as of June 2022				Year To Date as of June 2022			Year To Date as of June 2021		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Budget	%	Actual	Budget	%
Water Sales	<span style="color: green;">●</span>	\$ 710,638	\$ 653,504	108.7%	<span style="color: green;">●</span>	\$ 4,806,596	\$ 4,704,957	102.2%	\$ 4,806,596	\$ 7,379,679	65.1%	\$ 4,240,390	\$ 7,266,056	58.4%
Sanitary Sewer Charges	<span style="color: green;">●</span>	253,097	250,563	101.0%	<span style="color: orange;">●</span>	2,058,916	2,098,938	98.1%	2,058,916	2,909,640	70.8%	2,037,473	2,973,969	68.5%
Other Charges for Service	<span style="color: red;">●</span>	2,820	3,855	73.2%	<span style="color: green;">●</span>	35,256	34,692	101.6%	35,256	46,256	76.2%	30,612	45,293	67.6%
Licenses and Permits	<span style="color: green;">●</span>	5,340	5,275	101.2%	<span style="color: orange;">●</span>	46,965	47,471	98.9%	46,965	63,294	74.2%	49,540	62,347	79.5%
Fines and Forfeitures	<span style="color: red;">●</span>	3,701	6,751	54.8%	<span style="color: green;">●</span>	44,611	41,714	106.9%	44,611	62,623	71.2%	43,789	68,666	63.8%
Earnings on Investments	<span style="color: green;">●</span>	7,670	3,686	208.1%	<span style="color: green;">●</span>	36,642	33,172	110.5%	36,642	44,229	82.8%	45,467	86,713	52.4%
Miscellaneous	<span style="color: red;">●</span>	47	167	28.1%	<span style="color: green;">●</span>	14,341	1,500	956.1%	14,341	1,002,000	1.4%	1,830	2,000	91.5%
Transfers	-	-	-	-	<span style="color: green;">●</span>	182,150	182,150	100.0%	182,150	364,300	50.0%	174,928	349,857	50.0%
Total Revenues	<span style="color: green;">●</span>	\$ 983,313	\$ 923,801	106.4%	<span style="color: green;">●</span>	\$ 7,225,477	\$ 7,144,594	101.1%	\$ 7,225,477	\$ 11,872,021	60.9%	\$ 6,624,029	\$ 10,854,901	61.0%

## YEAR TO DATE OVERVIEW

Total Utility Fund operational revenues (excluding transfers) of \$7,043,327 are \$80,883 more than projected year to date and are up 9.2% when compared to the amount received through the same period in the prior year.

## WATER SALES

Revenues totaling \$4,806,596 are \$101,639 more than projected year to date. Water sales are up about \$566,206 when compared to the amount of revenue generated during the same period last year.

## SEWER CHARGES

Revenues of \$2,058,916 are (\$40,022) less than projected through the end of June. Revenues for sanitary sewer are up \$21,443 when compared to this same period for the previous fiscal year. Sanitary sewer billings are driven by water consumption.

## OTHER CHARGES FOR SERVICES

Year to date revenues of \$35,256 are \$564 more than projected. This revenue source is primarily driven by charges for meter installations.

## LICENSES AND PERMITS

Licenses and permits revenue (i.e. Plumbing Permits) of \$46,965 or (\$506) less than projected and (\$2,575) less than the amount received through the same period of the prior fiscal year.

## FINES AND FORFEITURES

Revenues (penalties assessed on past due utility bills) of \$44,611 are \$2,897 more than the year to date projection. Late payment penalty revenue is driven by payment timing and the size of the past due balance.

## EARNINGS ON INVESTMENTS

Interest earnings are \$36,642 and \$3,470 above projection.

## MISCELLANEOUS REVENUE

Miscellaneous Revenue accounts for contributions, cost sharing related to repairs, maintenance, and capital projects from outside organizations.

## TRANSFERS

Biannual transfers consist of a transfer from the Solid Waste Fund for reimbursement of the Solid Waste Fund's share of Utility Fund admin costs. Additionally, transfers from the Capital Project and Storm Water Drainage Funds offset related Engineering services.

# UTILITY FUND EXPENDITURES

	Year To Date as of June 2022			Year To Date as of June 2021		
	<u>Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>	<u>Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Utility Administration	\$ 437,026	\$ 505,700	86.4%	\$ 399,637	\$ 547,695	73.0%
Water	3,991,672	5,330,791	74.9%	3,560,698	5,830,091	61.1%
Sewer	1,466,812	2,245,079	65.3%	1,433,508	2,637,446	54.4%
Engineering	458,841	692,837	66.2%	491,317	685,110	71.7%
Transfers	1,024,496	1,915,687	53.5%	1,051,298	1,972,466	53.3%
Total Expenses	\$ 7,378,847	\$ 10,690,094	69.0%	\$ 6,936,458	\$ 11,672,808	59.4%

## OVERVIEW

June 30, 2022, marks the ninth month of FY 2022 budget year. The year to date budget percentage for budgetary comparison is therefore 75.0%. Year to date expenditures, plus encumbrances and less non-cash expenditures of depreciation and bad debts, total \$7,378,847 or 69.0% of annual budget.

## UTILITY ADMINISTRATION

The Utility Administration budget expended and encumbered is \$437,026 which represents 86.4% of the departmental operating budget.

## WATER

At \$3,991,672 the Water Department has expended and encumbered 74.9% of the annual budget amount and includes \$1,648,894 related to capital improvements.

## SEWER

At \$1,466,812 the Sewer Department has expended and encumbered 65.3% of the annual budget amount, of which \$351,375 relate to capital improvements.

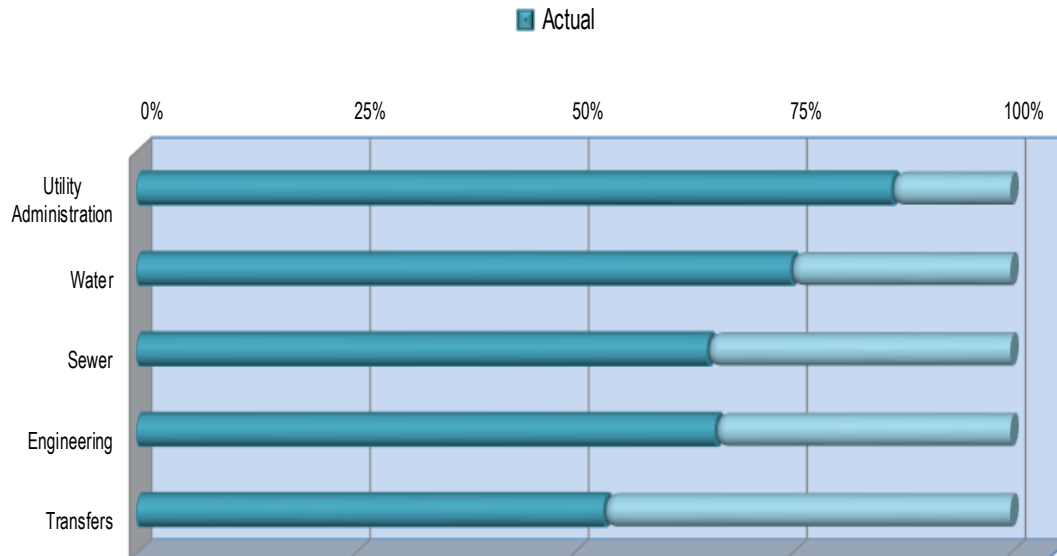
## ENGINEERING

The Engineering budget expended and encumbered \$458,841 which represents 66.2% of the departmental operating budget.

## TRANSFERS

Biannual transfers to other funds include a transfer to the General Fund for the Utility Fund's share of General Fund G&A expenses and a transfer to the CIP Fund based on 5% of water and sanitary sewer revenues. A transfer to the Building Maintenance Fund is made for the Utility Fund's share of building maintenance expenditures, and a transfer to the Equipment and Technology Replacement Funds is made to fund future equipment and technology purchases. Total transfers to the Internal Service Funds occur once a year, in the month of January.

YTD Expenditures & Encumbrances Compared to Annual Budget



# WORKING CAPITAL SUMMARY

<b>Fund</b>	<b>Working Capital (1)</b>	<b>Dedicated Funds (2)</b>	<b>Available Working Capital (3)</b>	<b>Outstanding Encumbrances</b>
General Fund	\$ 13,177,011	\$ 3,978,330	\$ 9,198,681	\$ 620,403
Reserve Fund (4)	10,177,103	10,177,103	-	-
Utility Fund	9,485,985	1,910,028	7,575,957	2,575,938
Solid Waste Fund	332,025	332,025	-	3,712
Capital Projects Fund	10,407,916	10,407,916	-	5,937,456
Equipment Replacement Fund	3,700,558	3,700,558	-	327,432
Technology Replacement Fund	3,770,725	3,770,725	-	115,516
Storm Water Drainage Utility Fund	2,781,596	2,781,596	-	398,918
Building Maintenance Fund	1,394,048	1,394,048	-	22,932
Municipal Court Technology Fund	115,160	115,160	-	576
Municipal Court Security Fund	37,477	37,477	-	-
DPS Technology Fund	304,835	304,835	-	-
Other Funds	415,845	415,845	-	10,331
	<u>\$ 56,100,284</u>	<u>\$ 39,325,646</u>	<u>\$ 16,774,638</u>	<u>\$ 10,013,214</u>

- (1) Working Capital is defined as current assets less current liabilities. The Working Capital totals have not been reduced by outstanding encumbrances because expenditures are recognized in the period the liability is incurred. As June 30, 2022, the Town had a total of \$10,013,214 in outstanding encumbrances.
- (2) Dedicated funds represent the amount of Working Capital that has been reserved to comply with financial management policies, special purpose, or lawful requirements.
- (3) Available Working Capital is the amount of Working Capital in excess of dedicated funds.
- (4) The Reserve Fund holds proceeds from land sales completed by the Town.

## CASH AND INVESTMENTS

The market value of the Town's investment portfolio at June 30, 2022 was \$57,714,458. This amount is 100.00% of the recorded book value of \$57,714,458. The Town's investment practice is to invest funds for specific maturity or call dates (passive investment management), rather than buy and sell based upon market conditions (active investment management). The total portfolio yield is 1.21%.

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Steven J. Alexander  
Chief Financial Officer

**TOWN OF HIGHLAND PARK**  
**FINANCIAL STATEMENT**  
**AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>01 -GENERAL FUND</b>						
<b>REVENUE SUMMARY</b>						
31-TAXES	20,149,762	693,209	20,996,494	104.20	-	(846,732)
32-FRANCHISE FEES	918,868	1,491	827,113	90.01	-	91,755
33-LICENSES & PERMITS	1,260,715	169,963	1,228,980	97.48	-	31,735
34-CHARGES FOR SERVICE	1,648,693	141,185	1,037,407	62.92	-	611,286
35-FINES & FORFEITS	466,200	15,618	206,537	44.30	-	259,663
36-EARNINGS ON INVESTMENT	61,767	13,114	52,597	85.15	-	9,170
37-SALE OF ASSETS	1,000	-	-	-	-	1,000
38-MISCELLANEOUS	445,325	98,090	566,690	127.25	-	(121,365)
39-TRANSFERS	1,280,000	-	640,000	50.00	-	640,000
<b>*** TOTAL REVENUES ***</b>	<b><u>26,232,330</u></b>	<b><u>1,132,670</u></b>	<b><u>25,555,818</u></b>	<b><u>97.42</u></b>	<b><u>-</u></b>	<b><u>676,512</u></b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	778,325	67,987	553,012	71.53	3,691	221,622
02-PUBLIC SAFETY	13,878,407	1,182,917	10,258,493	74.40	67,151	3,552,763
04-TOWN SERVICES	325,527	21,063	244,647	66.13	(29,384)	110,264
05-STREET	503,315	29,070	297,415	62.79	18,602	187,298
07-LIBRARY	877,714	69,667	590,686	67.58	2,469	284,559
08-PARKS & RECREATION	1,702,691	175,409	1,337,307	81.88	56,941	308,443
09-SWIMMING POOL	211,532	41,360	113,570	54.20	1,083	96,879
10-MUNICIPAL COURT	519,049	37,980	349,281	67.54	1,297	168,471
11-FINANCE	960,717	71,891	717,082	71.81	(27,219)	270,854
12-BUILDING INSPECTION	792,414	67,003	515,133	66.16	9,097	268,184
15-NON-DEPARTMENTAL	537,093	10,542	447,137	86.78	18,926	71,030
17-INFORMATION TECHNOLOG	735,632	45,320	551,221	86.20	82,920	101,491
50-INTERFUND TRANSFERS	6,199,953	-	4,775,990	77.03	-	1,423,963
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>28,022,369</u></b>	<b><u>1,820,209</u></b>	<b><u>20,750,974</u></b>	<b><u>74.79</u></b>	<b><u>205,574</u></b>	<b><u>7,065,821</u></b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

		<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>01 -GENERAL FUND - DETAIL</b>							
<b>REVENUES</b>							
<b>31-TAXES</b>							
3110	PROPERTY TAXES-CURRENT YEAR	15,445,183	34,902	15,360,745	99.45	-	84,438
3111	PROPERTY TAXES-PRIOR YEARS	50,548	730	22,935	45.37	-	27,613
3113	SALES TAX REVENUE	4,278,043	611,159	5,258,470	122.92	-	(980,427)
3114	MIXED BEVERAGE	375,988	46,418	354,344	94.24	-	21,644
<b>*** REVENUE CATEGORY TOTALS ***</b>		<b>20,149,762</b>	<b>693,209</b>	<b>20,996,494</b>	<b>104.20</b>	<b>-</b>	<b>(846,732)</b>
<b>32-FRANCHISE FEES</b>							
3260	FRANCHISE FEE - PEG FEES	20,782	-	13,276	63.88	-	7,506
3261	FRANCHISE FEE - ONCOR ELECTRIC	505,331	-	366,373	72.50	-	138,958
3262	FRANCHISE FEE - ATMOS ENERGY	194,202	-	262,209	135.02	-	(68,007)
3263	FRANCHISE FEE - TELECOM	60,663	-	32,789	54.05	-	27,874
3264	FRANCHISE FEE - CABLE TV	48,000	-	36,969	77.02	-	11,031
3265	SOLID WASTE CONTAINER FEES	55,641	1,491	68,392	122.92	-	(12,751)
3270	FRANCHISE FEE - CARRIAGES	34,249	-	47,105	137.54	-	(12,856)
<b>*** REVENUE CATEGORY TOTALS ***</b>		<b>918,868</b>	<b>1,491</b>	<b>827,113</b>	<b>90.01</b>	<b>-</b>	<b>91,755</b>
<b>33-LICENSES &amp; PERMITS</b>							
3301	BEVERAGE LICENSES	6,144	-	250	4.07	-	5,894
3302	HEALTH PERMITS	6,792	1,400	4,550	66.99	-	2,242
3303	ALARM PERMITS	73,395	7,600	71,999	98.10	-	1,396
3306	ELECTRICAL LICENSES	-	-	-	-	-	-
3310	BUILDING PERMITS	1,109,984	155,507	1,102,112	99.29	-	7,872
3312	ELECTRICAL PERMITS	52,500	5,366	40,839	77.79	-	11,661
3313	EXCAVATION PERMITS	300	-	255	85.00	-	45
3350	CARRIAGE SERVICES	6,100	-	5,015	82.21	-	1,085
3370	ANIMAL LICENSES	5,500	90	3,960	72.00	-	1,540
<b>*** REVENUE CATEGORY TOTALS ***</b>		<b>1,260,715</b>	<b>169,963</b>	<b>1,228,980</b>	<b>97.48</b>	<b>-</b>	<b>31,735</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>34-CHARGES FOR SERVICE</b>						
3407 E911 MONTHLY FEES	121,078	7,925	83,621	69.06	-	37,457
3408 ALARM MONITORING FEES	456,983	42,444	388,781	85.08	-	68,202
3425 EMERGENCY MEDICAL FEES	170,453	18,883	147,920	86.78	-	22,533
3469 SWIMMING POOL CONCESSIONS	5,000	7,598	9,142	182.84	-	(4,142)
3470 BOARD/COMMISSION/REPLAT FEES	3,000	500	2,350	78.33	-	650
3471 SWIMMING POOL DAILY FEES	20,000	8,425	12,208	61.04	-	7,792
3472 SWIMMING POOL SEASON FEES	52,545	21,990	77,550	147.59	-	(25,005)
3473 TENNIS COURT FEES	14,225	1,720	17,840	125.41	-	(3,615)
3474 ANIMAL POUND FEES	720	-	360	50.00	-	360
3475 CHILD SAFETY FEES	9,461	578	7,464	78.89	-	1,997
3476 LIBRARY FEES	3,000	17	1,322	44.07	-	1,678
3477 COURT ADMINISTRATION FEES	36,169	1,190	9,266	25.62	-	26,903
3478 COURT WARRANT FEES	47,711	1,834	23,198	48.62	-	24,513
3479 COURT FEES	171,501	5,885	63,999	37.32	-	107,502
3480 BUILDING REGISTRATION FEES	79,833	6,625	56,250	70.46	-	23,583
3481 PLAN REVIEW FEES	30,808	2,000	17,500	56.80	-	13,308
3485 DEFERRED ADJUDICATION	426,206	13,571	118,636	27.84	-	307,570
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>1,648,693</b>	<b>141,185</b>	<b>1,037,407</b>	<b>62.92</b>	<b>-</b>	<b>611,286</b>
<b>35-FINES &amp; FORFEITS</b>						
3511 MUNICIPAL COURT FINES	458,900	15,405	202,729	44.18	-	256,171
3513 LIBRARY FINES	2,600	136	1,159	44.58	-	1,441
3515 LOST BOOK CHARGES	700	77	699	99.86	-	1
3516 INVALID ALARM FINE	4,000	-	1,950	48.75	-	2,050
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>466,200</b>	<b>15,618</b>	<b>206,537</b>	<b>44.30</b>	<b>-</b>	<b>259,663</b>
<b>36-EARNINGS ON INVESTMENTS</b>						
3610 INTEREST EARNED	61,433	13,114	52,366	85.24	-	9,067
3650 INTEREST EARNED-DALLAS COUNTY	334	-	231	69.16	-	103
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>61,767</b>	<b>13,114</b>	<b>52,597</b>	<b>85.15</b>	<b>-</b>	<b>9,170</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>37-SALE OF ASSETS</b>						
3746 SALE OF CAPITAL ASSETS	1,000	-	-	-	-	1,000
3747 SALE OF IMPOUNDED PROPERTY	-	-	-	-	-	-
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>38-MISCELLANEOUS</b>						
3810 PENALTY & INTEREST, PROP TAXES	78,115	3,056	64,002	81.93	-	14,113
3820 RENTAL OF TOWN PROPERTY	231,835	59,998	260,662	112.43	-	(28,827)
3850 DONATIONS TO LIBRARY	-	138	3,679	-	-	(3,679)
3860 CONTRIBUTIONS	110,000	1,050	153,080	139.16	-	(43,080)
3866 CONTRIBS - OTHER GOVT	-	-	-	-	-	-
3870 INTERGOVERNMENTAL REVENUE	-	-	-	-	-	-
3880 DAMAGE TO TOWN PROPERTY	-	25,223	54,890	-	-	(54,890)
3890 MISCELLANEOUS	25,375	8,625	30,377	119.71	-	(5,002)
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>445,325</b>	<b>98,090</b>	<b>566,690</b>	<b>127.25</b>	<b>-</b>	<b>(121,365)</b>
<b>39-TRANSFERS</b>						
3920 INTER FUND TRANSFER -UF	1,255,400	-	627,700	50.00	-	627,700
3930 INTER FUND TRANSFER -ECF	-	-	-	-	-	-
3933 INTER-FUND TRANSFER -CSF	24,600	-	12,300	50.00	-	12,300
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>1,280,000</b>	<b>-</b>	<b>640,000</b>	<b>50.00</b>	<b>-</b>	<b>640,000</b>
<b>*** TOTAL REVENUES ***</b>	<b>26,232,330</b>	<b>1,132,670</b>	<b>25,555,818</b>	<b>97.42</b>	<b>-</b>	<b>676,512</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>10 -CAPITAL PROJECTS FUND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	44,510	6,885	26,558	59.67	-	17,952
38-MISCELLANEOUS	3,168,020	2,041,848	2,635,528	83.19	-	532,492
39-TRANSFERS	5,321,839	-	3,560,920	66.91	-	1,760,919
<b>*** TOTAL REVENUES ***</b>	<b>8,534,369</b>	<b>2,048,733</b>	<b>6,223,006</b>	<b>72.92</b>	<b>-</b>	<b>2,311,363</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	-	3,000	352,700	-	(352,700)	-
05-STREET	7,831,961	273,808	2,386,118	76.88	3,634,932	1,810,911
08-PARKS	461,885	-	156,679	39.02	23,545	281,661
50-INTERFUND TRANSFERS	493,000	-	246,500	50.00	-	246,500
<b>*** TOTAL EXPENDITURES ***</b>	<b>8,786,846</b>	<b>276,808</b>	<b>3,141,997</b>	<b>73.38</b>	<b>3,305,777</b>	<b>2,339,072</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>19 -SOLID WASTE FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	1,603,552	132,784	1,195,882	74.58	-	407,670
36-EARNINGS ON INVESTMENT	1,702	338	1,336	78.50	-	366
38-MISCELLANEOUS	-	-	-	-	-	-
39-TRANSFERS	27,500	-	13,750	50.00	-	13,750
<b>*** TOTAL REVENUES ***</b>	<b><u>1,632,754</u></b>	<b><u>133,122</u></b>	<b><u>1,210,968</u></b>	<b><u>74.17</u></b>	<b><u>-</u></b>	<b><u>421,786</u></b>
<b>EXPENDITURE SUMMARY</b>						
16-SANITATION	1,482,247	124,284	1,067,820	72.04	-	414,427
50-INTERFUND TRANSFERS	146,500	-	73,250	50.00	-	73,250
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>1,628,747</u></b>	<b><u>124,284</u></b>	<b><u>1,141,070</u></b>	<b><u>70.06</u></b>	<b><u>-</u></b>	<b><u>487,677</u></b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>20 -UTILITY FUND</b>						
<b>REVENUE SUMMARY</b>						
33-LICENSES & PERMITS	63,294	5,340	46,965	74.20	-	16,329
34-CHARGES FOR SERVICE	10,335,575	966,555	6,900,768	66.77	-	3,434,807
35-FINES & FORFEITS	62,623	3,701	44,611	71.24	-	18,012
36-EARNINGS ON INVESTMENT	44,229	7,670	36,642	82.85	-	7,587
37-SALE OF ASSETS	-	-	-	-	-	-
38-MISCELLANEOUS	1,002,000	47	14,341	1.43	-	987,659
39-TRANSFERS	364,300	-	182,150	50.00	-	182,150
<b>*** TOTAL REVENUES ***</b>	<b><u>11,872,021</u></b>	<b><u>983,313</u></b>	<b><u>7,225,477</u></b>	<b><u>60.86</u></b>	<b><u>-</u></b>	<b><u>4,646,544</u></b>
<b>EXPENDITURE SUMMARY</b>						
21-ADMINISTRATION	505,700	33,596	434,808	86.42	2,218	68,674
22-WATER	5,330,791	615,012	3,647,794	74.88	343,878	1,339,119
23-SEWER	2,245,079	406,018	1,598,375	65.33	(131,563)	778,267
25-ENGINEERING	692,837	83,089	448,877	66.23	9,964	233,996
50-INTERFUND TRANSFERS	1,915,687	-	1,024,496	53.48	-	891,191
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>10,690,094</u></b>	<b><u>1,137,715</u></b>	<b><u>7,154,350</u></b>	<b><u>69.03</u></b>	<b><u>224,497</u></b>	<b><u>3,311,247</u></b>

TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>20 -UTILITY FUND - DETAIL</b>						
<b>REVENUES</b>						
<b>33-LICENSES &amp; PERMITS</b>						
3315 PLUMBING PERMITS	63,294	5,340	46,965	74.20	-	16,329
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>63,294</b>	<b>5,340</b>	<b>46,965</b>	<b>74.20</b>	<b>-</b>	<b>16,329</b>
<b>34-CHARGES FOR SERVICE</b>						
3401 WATER SALES	7,252,554	693,916	4,713,786	64.99	-	2,538,768
3402 WATER SALES - TOWN	127,125	16,722	92,810	73.01	-	34,315
3403 SANITARY SEWER CHARGES	2,909,640	253,097	2,058,916	70.76	-	850,724
3460 METER INSTALLATION	41,686	2,250	31,100	74.61	-	10,586
3465 OTHER UTILITY CHARGES	4,570	570	4,156	90.94	-	414
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>10,335,575</b>	<b>966,555</b>	<b>6,900,768</b>	<b>66.77</b>	<b>-</b>	<b>3,434,807</b>
<b>35-FINES &amp; FORFEITS</b>						
3520 PENALTY CHARGES FOR LATE PMT	62,623	3,701	44,611	71.24	-	18,012
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>62,623</b>	<b>3,701</b>	<b>44,611</b>	<b>71.24</b>	<b>-</b>	<b>18,012</b>
<b>36-EARNINGS ON INVESTMENTS</b>						
3610 INTEREST EARNED	44,229	7,670	36,642	82.85	-	7,587
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>44,229</b>	<b>7,670</b>	<b>36,642</b>	<b>82.85</b>	<b>-</b>	<b>7,587</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>38-MISCELLANEOUS</b>						
3866 CONTRIBUTIONS- OTHER GOV'T	-	-	-	-	-	-
3867 CONTRIBS - OTHER ENTITIES	-	-	-	-	-	-
3870 INTERGOVERNMENTAL REVENUE	1,000,000	-	-	-	-	1,000,000
3880 DAMAGE TO TOWN PROPERTY	-	-	-	-	-	-
3890 MISCELLANEOUS	2,000	47	14,341	717.05	-	(12,341)
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>1,002,000</b>	<b>47</b>	<b>14,341</b>	<b>1.43</b>	<b>-</b>	<b>987,659</b>
<b>39-TRANSFERS</b>						
3901 INTER FUND TRANSFER -GENERAL	-	-	-	-	-	-
3910 INTER-FUND TRANSFER CPF	193,000	-	96,500	50.00	-	96,500
3919 INTER-FUND TRANSFER SOLID WASTE	66,400	-	33,200	50.00	-	33,200
3923 TRANSFER FROM SWDUF	104,900	-	52,450	50.00	-	52,450
<b>*** REVENUE CATEGORY TOTALS ***</b>	<b>364,300</b>	<b>-</b>	<b>182,150</b>	<b>50</b>	<b>-</b>	<b>182,150</b>
<b>*** TOTAL REVENUES ***</b>	<b>11,872,021</b>	<b>983,313</b>	<b>7,225,477</b>	<b>60.86</b>	<b>-</b>	<b>4,646,544</b>

**TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)**

	<b>ANNUAL BUDGET</b>	<b>CURRENT PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>% OF BUDGET</b>	<b>Y-T-D ENCUMB.</b>	<b>BUDGET BALANCE</b>
<b>21 -EQUIPMENT REPLACEMENT FND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	15,833	4,221	16,892	106.69	-	(1,059)
37-SALE OF ASSETS	21,000	-	90,752	432.15	-	(69,752)
38-MISCELLANEOUS	-	-	-	-	-	-
39-TRANSFERS	611,540	-	611,540	100.00	-	-
<b>*** TOTAL REVENUES ***</b>	<b>648,373</b>	<b>4,221</b>	<b>719,184</b>	<b>110.92</b>	<b>-</b>	<b>(70,811)</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	778,665	21,714	429,677	91.00	278,911	70,077
<b>*** TOTAL EXPENDITURES ***</b>	<b>778,665</b>	<b>21,714</b>	<b>429,677</b>	<b>91.00</b>	<b>278,911</b>	<b>70,077</b>
<b>22 -TECHNOLOGY REPL. FUND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	15,435	4,202	15,838	102.61	-	(403)
37-SALE OF ASSETS	-	-	-	-	-	-
38-MISCELLANEOUS	-	-	-	-	-	-
39-TRANSFERS	590,791	-	590,791	100.00	-	-
<b>*** TOTAL REVENUES ***</b>	<b>606,226</b>	<b>4,202</b>	<b>606,629</b>	<b>100.07</b>	<b>-</b>	<b>(403)</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	109,210	-	49,611	50.71	5,771	53,828
<b>*** TOTAL EXPENDITURES ***</b>	<b>109,210</b>	<b>-</b>	<b>49,611</b>	<b>50.71</b>	<b>5,771</b>	<b>53,828</b>

TOWN OF HIGHLAND PARK  
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	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>23 -STORMWATER DRAINAGE FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	441,692	36,710	329,720	74.65	-	111,972
36-EARNINGS ON INVESTMENT	15,979	2,844	10,540	65.96	-	5,439
39-TRANSFERS	300,000	-	150,000	50.00	-	150,000
<b>*** TOTAL REVENUES ***</b>	<b>757,671</b>	<b>39,554</b>	<b>490,260</b>	<b>64.71</b>	<b>-</b>	<b>267,411</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	1,796,750	26,619	602,913	52.53	340,887	852,950
50-INTERFUND TRANSFERS	104,900	-	52,450	50.00	-	52,450
<b>*** TOTAL EXPENDITURES ***</b>	<b>1,901,650</b>	<b>26,619</b>	<b>655,363</b>	<b>52.39</b>	<b>340,887</b>	<b>905,400</b>
<b>24 -BUILDING MAINTENANCE FUND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	5,856	1,191	4,481	76.52	-	1,375
38-MISCELLANEOUS	-	1,544	14,578	-	-	(14,578)
39-TRANSFERS	483,000	-	483,000	100.00	-	-
<b>*** TOTAL REVENUES ***</b>	<b>488,856</b>	<b>2,735</b>	<b>502,059</b>	<b>102.70</b>	<b>-</b>	<b>(13,203)</b>
<b>EXPENDITURE SUMMARY</b>						
13-SERVICE CENTER	45,075	2,887	31,630	84.08	6,270	7,175
14-MUNICIPAL BUILDING	364,932	29,735	268,670	73.34	(1,014)	97,276
<b>*** TOTAL EXPENDITURES ***</b>	<b>410,007</b>	<b>32,622</b>	<b>300,300</b>	<b>74.52</b>	<b>5,256</b>	<b>104,451</b>

TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
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	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>25 - TRUANCY PREVENTION FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	24,000	1,615	15,529	64.70	-	8,471
36-EARNINGS ON INVESTMENT	<u>107</u>	<u>33</u>	<u>118</u>	<u>110.28</u>	<u>-</u>	<u>(11)</u>
<b>*** TOTAL REVENUES ***</b>	<b><u>24,107</u></b>	<b><u>1,648</u></b>	<b><u>15,647</u></b>	<b><u>64.91</u></b>	<b><u>-</u></b>	<b><u>8,460</u></b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>26 - MUNICIPAL JURY FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	480	32	311	64.79	-	169
36-EARNINGS ON INVESTMENT	<u>2</u>	<u>1</u>	<u>2</u>	<u>100.00</u>	<u>-</u>	<u>-</u>
<b>*** TOTAL REVENUES ***</b>	<b><u>482</u></b>	<b><u>33</u></b>	<b><u>313</u></b>	<b><u>64.94</u></b>	<b><u>-</u></b>	<b><u>169</u></b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>31 -FORFEITED PROPERTY FUND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	139	29	100	71.94	-	39
37-SALE OF ASSETS	<u>4,140</u>	<u>-</u>	<u>4,316</u>	<u>104.25</u>	<u>-</u>	<u>(176)</u>
<b>*** TOTAL REVENUES ***</b>	<b><u>4,279</u></b>	<b><u>29</u></b>	<b><u>4,416</u></b>	<b><u>103.20</u></b>	<b><u>-</u></b>	<b><u>(137)</u></b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATION	<u>2,640</u>	<u>-</u>	<u>1,640</u>	<u>62.12</u>	<u>-</u>	<u>1,000</u>
<b>*** TOTAL EXPENDITURES ***</b>	<b><u>2,640</u></b>	<b><u>-</u></b>	<b><u>1,640</u></b>	<b><u>62.12</u></b>	<b><u>-</u></b>	<b><u>1,000</u></b>

TOWN OF HIGHLAND PARK  
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	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>32 -COURT TECHNOLOGY FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	36,810	2,640	25,615	69.59	-	11,195
36-EARNINGS ON INVESTMENT	452	95	383	84.73	-	69
<b>*** TOTAL REVENUES ***</b>	<b>37,262</b>	<b>2,735</b>	<b>25,998</b>	<b>69.77</b>	<b>-</b>	<b>11,264</b>
<b>EXPENDITURE SUMMARY</b>						
<b>01-ADMINISTRATION</b>	<b>27,364</b>	<b>743</b>	<b>23,222</b>	<b>86.97</b>	<b>576</b>	<b>3,566</b>
<b>*** TOTAL EXPENDITURES ***</b>	<b>27,364</b>	<b>743</b>	<b>23,222</b>	<b>86.97</b>	<b>576</b>	<b>3,566</b>
<b>33 -COURT SECURITY FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	28,629	2,593	25,113	87.72	-	3,516
36-EARNINGS ON INVESTMENT	96	25	89	92.71	-	7
<b>*** TOTAL REVENUES ***</b>	<b>28,725</b>	<b>2,618</b>	<b>25,202</b>	<b>87.74</b>	<b>-</b>	<b>3,523</b>
<b>EXPENDITURE SUMMARY</b>						
<b>01-ADMINISTRATION</b>	<b>24,600</b>	<b>-</b>	<b>12,300</b>	<b>50.00</b>	<b>-</b>	<b>12,300</b>
<b>*** TOTAL EXPENDITURES ***</b>	<b>24,600</b>	<b>-</b>	<b>12,300</b>	<b>50.00</b>	<b>-</b>	<b>12,300</b>

TOWN OF HIGHLAND PARK  
FINANCIAL STATEMENT  
AS OF: JUNE 30, 2022 (Unaudited)

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<b>35 -LIBRARY FUND</b>						
<b>REVENUE SUMMARY</b>						
36-EARNINGS ON INVESTMENT	1,340	270	1,114	83.13	-	226
38-MISCELLANEOUS	39,990	1,616	40,536	101.37	-	(546)
<b>*** TOTAL REVENUES ***</b>	<b>41,330</b>	<b>1,886</b>	<b>41,650</b>	<b>100.77</b>	<b>-</b>	<b>(320)</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATIVE	32,490	14	21,299	67.97	786	10,405
<b>*** TOTAL EXPENDITURES ***</b>	<b>32,490</b>	<b>14</b>	<b>21,299</b>	<b>67.97</b>	<b>786</b>	<b>10,405</b>
<b>36 -DPS TECHNOLOGY FUND</b>						
<b>REVENUE SUMMARY</b>						
34-CHARGES FOR SERVICE	-	-	-	-	-	-
36-EARNINGS ON INVESTMENT	1,315	258	1,052	80.00	-	263
38-TPI LEASE RECEIPTS	94,330	-	64,598	68.48	-	29,732
<b>*** TOTAL REVENUES ***</b>	<b>95,645</b>	<b>258</b>	<b>65,650</b>	<b>68.64</b>	<b>-</b>	<b>29,995</b>
<b>EXPENDITURE SUMMARY</b>						
01-ADMINISTRATIVE	-	-	-	-	-	-
50-INTERFUND TRANSFERS	94,330	-	47,165	50.00	-	47,165
<b>*** TOTAL EXPENDITURES ***</b>	<b>94,330</b>	<b>-</b>	<b>47,165</b>	<b>50.00</b>	<b>-</b>	<b>47,165</b>

Town of Highland Park, Texas  
Summary of Cash and Investment Activity  
For the Month Ending: June 30, 2022

	Par Value	Book Value	Market Value	Ratio Market-to-Book Value
<b>Beginning Balances</b>				
Cash	\$ 27,540,124	\$ 27,540,124	\$ 27,540,124	100.0%
Investments	\$ 28,898,078	\$ 28,898,078	\$ 28,898,078	100.0%
<b>Total</b>	<b>\$ 56,438,202</b>	<b>\$ 56,438,202</b>	<b>\$ 56,438,202</b>	<b>100.0%</b>
<b>Activity</b>				
Cash	\$ (3,734,793)	\$ (3,734,793)	\$ (3,734,793)	
Investments				
Purchases	\$ 5,011,049	\$ 5,011,049	\$ 5,011,049	
Maturities/Calls	\$ -	\$ -	\$ -	
Net Monthly Activity	\$ 1,276,256	\$ 1,276,256	\$ 1,276,256	
<b>Ending Balances</b>				
Cash	\$ 23,805,331	\$ 23,805,331	\$ 23,805,331	100.0%
Investments	\$ 33,909,127	\$ 33,909,127	\$ 33,909,127	100.0%
<b>Total</b>	<b>\$ 57,714,458</b>	<b>\$ 57,714,458</b>	<b>\$ 57,714,458</b>	<b>100.0%</b>



# Town of Highland Park, Texas

## Summary of Cash and Investment Activity For the Month Ending: June 30, 2022

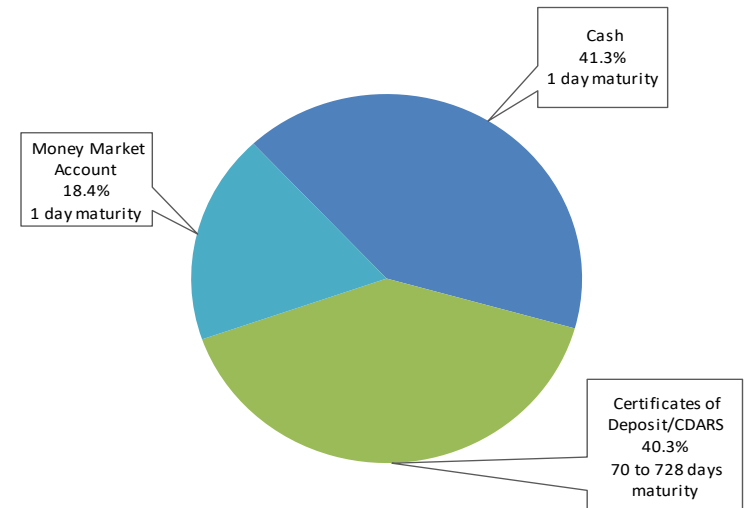
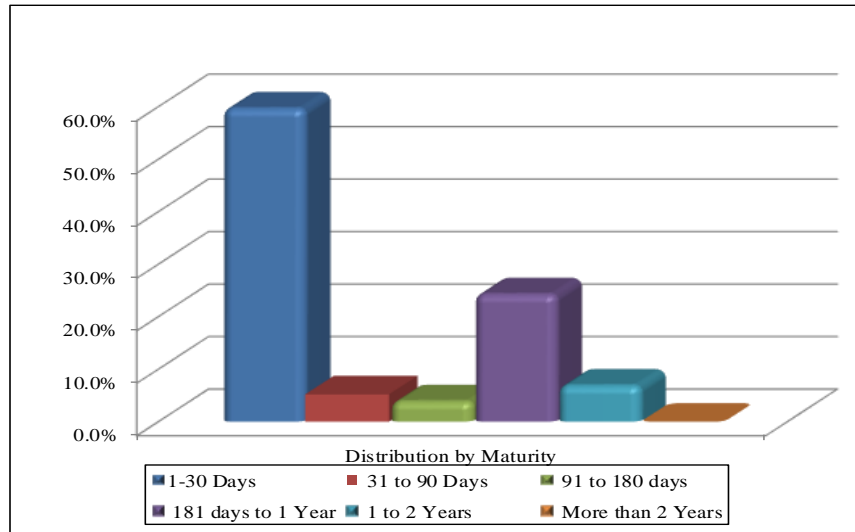
Transaction Information				Beginning			Ending		
Dates		Account / CUSIP	Security Type	Par Value	Book Value	Market Value	Par Value	Book Value	Market Value
Purchase	Maturity								
		NexBank	MONEY MARKET ACCOUNT	\$ 10,637,576	\$ 10,637,576	\$ 10,637,576	\$ 10,647,981	\$ 10,647,981	\$ 10,647,981
20-May-21	18-May-23	INTRAFICD8108	CERTIFICATE OF DEPOSIT	2,008,996	2,008,996	2,008,996	2,008,996	2,008,996	2,008,996
09-Sep-21	08-Sep-22	INTRAFICD7281	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
24-Mar-22	22-Sep-22	INTRAFICD9755	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26-Nov-21	25-Nov-22	INTRAFICD8932	CERTIFICATE OF DEPOSIT	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
30-Jun-22	29-Dec-22	INTRAFICD4088	CERTIFICATE OF DEPOSIT	-	-	-	2,000,000	2,000,000	2,000,000
24-Mar-22	23-Mar-23	INTRAFICD9739	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
05-May-22	04-May-23	INTRAFICD1962	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
12-May-22	11-May-23	INTRAFICD4938	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
27-Jun-22	27-Jun-23	CD0952	CERTIFICATE OF DEPOSIT	-	-	-	2,000,644	2,000,644	2,000,644
26-Nov-21	24-Nov-23	INTRAFICD1429	CERTIFICATE OF DEPOSIT	1,000,799	1,000,799	1,000,799	1,000,799	1,000,799	1,000,799
02-Dec-21	30-Nov-23	INTRAFICD9042	CERTIFICATE OF DEPOSIT	1,000,707	1,000,707	1,000,707	1,000,707	1,000,707	1,000,707
17-Feb-22	16-Feb-23	INTRAFICD2441	CERTIFICATE OF DEPOSIT	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
05-May-22	02-May-24	INTRAFICD1989	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
30-Jun-22	27-Jun-24	INTRAFICD4096	CERTIFICATE OF DEPOSIT	-	-	-	1,000,000	1,000,000	1,000,000
Total of Investments				\$ 28,898,078	\$ 28,898,078	\$ 28,898,078	\$ 33,909,127	\$ 33,909,127	\$ 33,909,127
Cash					\$ 27,540,124	\$ 27,540,124		\$ 23,805,331	\$ 23,805,331
Total Investments & Cash					\$ 56,438,202	\$ 56,438,202		\$ 57,714,458	\$ 57,714,458

# Town of Highland Park, Texas

## Summary of Cash and Investment Activity For the Month Ending: June 30, 2022

Distribution by Maturity		
	Par Value	Percent
1-30 Days	\$ 34,453,312	59.7%
31 to 90 Days	\$ 3,000,000	5.2%
91 to 180 days	\$ 2,250,000	3.9%
181 days to 1 Year	\$ 14,009,640	24.3%
1 to 2 Years	\$ 4,001,506	6.9%
More than 2 Years	\$ -	0.0%
	<u>\$ 57,714,458</u>	<u>100.0%</u>

Distribution by Investment Type			
	Book Value	Percent	Maximum Percentages
Cash	\$ 23,805,331	41.3%	N/A
U. S. Agencies & Instrumentalities	\$ -	0.0%	80%
Eligible Investment Pools	\$ -	0.0%	75%
Certificates of Deposit/CDARS	\$ 23,261,146	40.3%	100%
U. S. Treasury Bills / Notes / Bonds	\$ -	0.0%	100%
Money Market Account	\$ 10,647,981	18.4%	100%
Repurchase Agreements	\$ -	0.0%	0%
	<u>\$ 57,714,458</u>	<u>100.0%</u>	
Pledged Collateral on Deposits	\$ 72,949,236		



# Town of Highland Park, Texas

## Summary of Cash and Investment Activity For the Month Ending: June 30, 2022

Purchase Date	Maturity Date	Account / CUSIP Number	Security Type	Par Value	Price	Yield	Principal	Book Value	Market Value	Gain / (loss)	Days to Maturity
NA	NA	NA	Cash in Bank	\$ 23,805,331	\$ 100.00	0.82%	\$ 23,805,331	\$ 23,805,331	\$ 23,805,331	\$ -	1
NA	NA	NA	NEXBANK	10,647,981	100.00	120%	10,647,981	10,647,981	10,647,981	-	1
20-May-21	18-May-23	INTRAFICD8108	CERTIFICATE OF DEPOSIT	2,008,996	100.00	0.45%	2,008,996	2,008,996	2,008,996	-	322
09-Sep-21	08-Sep-22	INTRAFICD7281	CERTIFICATE OF DEPOSIT	2,000,000	100.00	0.36%	2,000,000	2,000,000	2,000,000	-	70
24-Mar-22	22-Sep-22	INTRAFICD9755	CERTIFICATE OF DEPOSIT	1,000,000	100.00	126%	1,000,000	1,000,000	1,000,000	-	84
26-Nov-21	25-Nov-22	INTRAFICD8932	CERTIFICATE OF DEPOSIT	2,250,000	100.00	0.46%	2,250,000	2,250,000	2,250,000	-	148
30-Jun-22	29-Dec-22	INTRAFICD4088	CERTIFICATE OF DEPOSIT	2,000,000	100.00	2.54%	2,000,000	2,000,000	2,000,000	-	182
24-Mar-22	23-Mar-23	INTRAFICD9739	CERTIFICATE OF DEPOSIT	2,000,000	100.00	162%	2,000,000	2,000,000	2,000,000	-	266
05-May-22	04-May-23	INTRAFICD1962	CERTIFICATE OF DEPOSIT	1,000,000	100.00	2.34%	1,000,000	1,000,000	1,000,000	-	308
12-May-22	11-May-23	INTRAFICD4938	CERTIFICATE OF DEPOSIT	2,000,000	100.00	2.19%	2,000,000	2,000,000	2,000,000	-	315
27-Jun-22	27-Jun-23	CD0952	CERTIFICATE OF DEPOSIT	2,000,644	100.00	2.94%	2,000,644	2,000,644	2,000,644	-	362
26-Nov-21	24-Nov-23	INTRAFICD1429	CERTIFICATE OF DEPOSIT	1,000,799	100.00	0.81%	1,000,799	1,000,799	1,000,799	-	512
02-Dec-21	30-Nov-23	INTRAFICD9042	CERTIFICATE OF DEPOSIT	1,000,707	100.00	0.86%	1,000,707	1,000,707	1,000,707	-	518
17-Feb-22	16-Feb-23	INTRAFICD2441	CERTIFICATE OF DEPOSIT	3,000,000	100.00	1.39%	3,000,000	3,000,000	3,000,000	-	231
05-May-22	02-May-24	INTRAFICD1989	CERTIFICATE OF DEPOSIT	1,000,000	100.00	2.99%	1,000,000	1,000,000	1,000,000	-	672
30-Jun-22	27-Jun-24	INTRAFICD4096	CERTIFICATE OF DEPOSIT	1,000,000	100.00	3.49%	1,000,000	1,000,000	1,000,000	-	728
Totals/Weighted Average				\$ 57,714,458		1.21%	\$ 57,714,458	\$ 57,714,458	\$ 57,714,458	\$ -	120
Benchmark - TEXPOOL						1.00%					

# Town of Highland Park, Texas

## Cash and Investment Distribution By Fund For the Month Ending: June 30, 2022

Transaction Information				Ending			General	CPF	Solid	Utility	Equip.	Tech.	SWDF	BM&I	M/C Truancy	M/C	Forf.	M/C	M/C	Library	DPS
Dates		Account / CUSIP	Security	Par	Book	Market			Waste		Repl.	Repl.			Prevention	Jury	Prop.	Tech	Security		Tech.
Purchase	Maturity	Number	Type	Value	Value	Value	01	10	19	20	21	22	23	24	25	26	31	32	33	35	36
		NexBank	MONEY MARKET ACCOUNT	10,647,981	10,647,981	10,647,981	\$ 2,142,036	\$ 3,609,133	\$ 104,624	\$ 1,346,508	\$ 1,576,972	\$ 1,069,277	\$ -	\$ 428,037	\$ -	\$ -	\$ -	\$ 53,352	\$ -	\$ 159,021	\$ 159,021
20-May-21	18-May-23	INTRAFICD8108	CERTIFICATE OF DEPOSIT	2,008,996	2,008,996	2,008,996	1,004,498	502,249	-	502,249	-	-	-	-	-	-	-	-	-	-	-
09-Sep-21	08-Sep-22	INTRAFICD7281	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24-Mar-22	22-Sep-22	INTRAFICD9755	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-
26-Nov-21	25-Nov-22	INTRAFICD8932	CERTIFICATE OF DEPOSIT	2,250,000	2,250,000	2,250,000	2,250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30-Jun-22	29-Dec-22	INTRAFICD4088	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-
24-Mar-22	23-Mar-23	INTRAFICD9739	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	-	-	-	-	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-
05-May-22	04-May-23	INTRAFICD1962	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12-May-22	11-May-23	INTRAFICD4938	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27-Jun-22	27-Jun-23	CD0952	CERTIFICATE OF DEPOSIT	2,000,644	2,000,644	2,000,644	1,000,322	-	-	-	200,065	600,192	-	200,065	-	-	-	-	-	-	-
26-Nov-21	24-Nov-23	INTRAFICD429	CERTIFICATE OF DEPOSIT	1,000,799	1,000,799	1,000,799	1,000,799	-	-	-	-	-	-	-	-	-	-	-	-	-	-
02-Dec-21	30-Nov-23	INTRAFICD9042	CERTIFICATE OF DEPOSIT	1,000,707	1,000,707	1,000,707	1,000,707	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17-Feb-22	16-Feb-23	INTRAFICD2441	CERTIFICATE OF DEPOSIT	3,000,000	3,000,000	3,000,000	1,500,000	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-
05-May-22	02-May-24	INTRAFICD1989	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	-	-	-	-	250,000	250,000	500,000	-	-	-	-	-	-	-	-
30-Jun-22	27-Jun-24	INTRAFICD4096	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total of Investments				\$ 33,909,127	\$ 33,909,127	\$ 33,909,127	15,898,362	5,111,382	104,624	5,348,757	3,027,037	2,919,469	500,000	628,102	-	-	-	53,352	-	159,021	159,021
Cash				\$ 23,805,331	\$ 23,805,331	\$ 23,805,331	8,983,703	5,395,732	361,578	3,986,577	668,002	845,737	2,289,029	772,309	48,833	977	41,483	62,550	37,477	165,530	145,814
Total Investments & Cash				\$ 57,714,458	\$ 57,714,458	\$ 57,714,458	24,882,065	10,507,114	466,202	9,335,334	3,695,039	3,765,206	2,789,029	1,400,411	48,833	977	41,483	115,902	37,477	324,551	304,835

# Town of Highland Park, Texas

## Summary of Cash and Investment Activity For the Month Ending: June 30, 2022

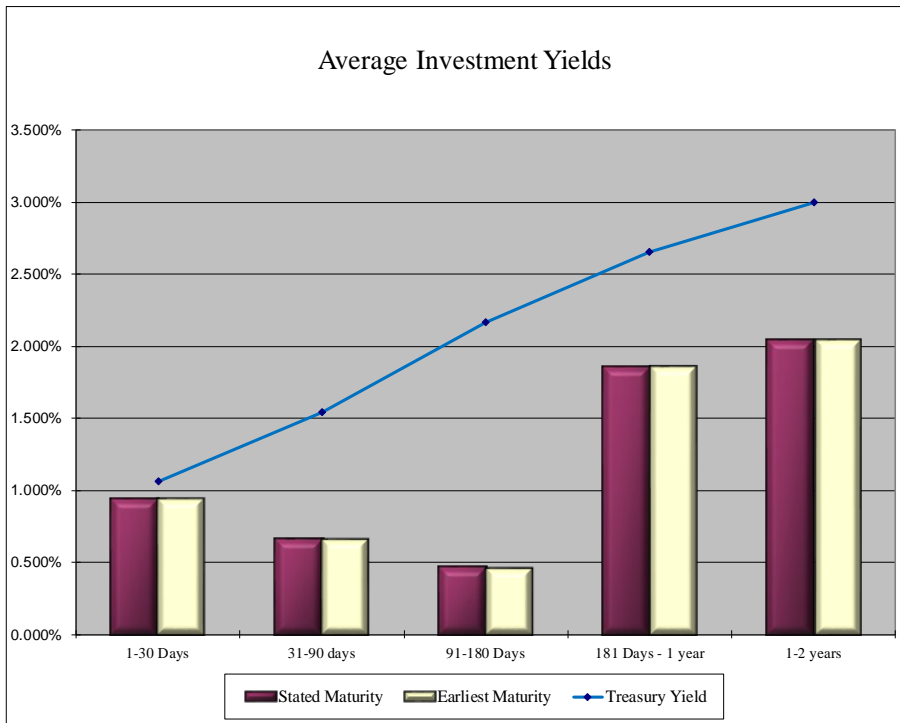
Investment Purchase Transaction Information														
Account Number	Security Type	Par Value	Book Value	General 01	Capital Projects 10	Solid Waste 19	Utility 20	Equipment Replacement 21	Technology Replacement 22	SWDU 23	BM&I 24	Court Technology 32	Library 35	DPS Technology 36
NA	MONEY MARKET ACCOUNT	\$ 10,405	\$ 10,405	\$ 2,094	\$ 3,527	\$ 102	\$ 1,316	\$ 1,541	\$ 1,045	\$ -	\$ 418	\$ 52	\$ 155	\$ 155
INTRAFICD4088	CERTIFICATE OF DEPOSIT	2,000,000	2,000,000	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-
INTRAFICD4096	CERTIFICATE OF DEPOSIT	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-
CD0952	CERTIFICATE OF DEPOSIT	2,000,644	2,000,644	1,000,322	-	-	-	200,065	600,192	-	200,065	-	-	-
Total		\$ 5,011,049	\$ 5,011,049	\$ 2,002,416	\$ 1,003,527	\$ 102	\$ 1,001,316	\$ 201,606	\$ 601,237	\$ -	\$ 200,483	\$ 52	\$ 155	\$ 155

# Town of Highland Park, Texas

## Summary of Cash and Investment Activity For the Month Ending: June 30, 2022

Summary of Investment Earnings															
Investment Type	General * 01	Capital Projects 10	Solid Waste 19	Utility 20	Equipment Replacement 21	Technology Replacement 22	Stormwater Drainage 23	Bldg Maint & Investment 24	M/C Truancy Prevention 25	Forfeited Property 31	M/C Technology 32	M/C Security 33	Library 35	DPS Technology 36	Total
Bank Interest	\$ 8,202	\$ 3,172	\$ 236	\$ 3,419	\$ 667	\$ 1,017	\$ 1,611	\$ 708	\$ 33	\$ 29	\$ 42	\$ 25	\$ 115	\$ 103	\$ 19,379
CD / Money Market / Other	\$ 12,853	\$ 3,713	\$ 102	\$ 4,251	\$ 3,553	\$ 3,186	\$ 1,233	\$ 482	\$ -	\$ -	\$ 52	\$ -	\$ 155	\$ 155	\$ 29,736
<b>Total</b>	<b>\$ 21,055</b>	<b>\$ 6,885</b>	<b>\$ 338</b>	<b>\$ 7,670</b>	<b>\$ 4,220</b>	<b>\$ 4,203</b>	<b>\$ 2,844</b>	<b>\$ 1,190</b>	<b>\$ 33</b>	<b>\$ 29</b>	<b>\$ 94</b>	<b>\$ 25</b>	<b>\$ 270</b>	<b>\$ 258</b>	<b>\$ 49,115</b>

\* Includes bank interest earned by the Reserve Fund



181 Days to 1 year includes CDs purchased in May 2021 and February—June 2022 at rates between .45% and 2.94%. 1—2 years includes CDs purchased between November 2021 and June 2022 at rates between .81% and 3.49%.

This monthly report is in full compliance with the investment strategies as established in the Town's Investment Policies and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Steven J. Alexander  
Dir. of Admin. Services & CFO



***Town of Highland Park***  
**QUARTERLY INVESTMENT REPORT**

**For the Quarter Ended**

**June 30, 2022**

**Prepared by**  
**Valley View Consulting, L.L.C.**

The investment portfolio of the Town of Highland Park is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

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Director of Administrative Services & CFO

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Deputy Chief Financial Officer

**Disclaimer:** These reports were compiled using information provided by the Town. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

## Strategy Summary

### Quarter End Results by Investment Category:

Asset Type	March 31, 2022		June 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA	\$ 33,295,170	\$ 33,295,170	\$ 23,805,331	\$ 23,805,331	0.82%
MMA	10,625,245	10,625,245	10,647,981	10,647,981	1.20%
CDs	14,251,506	14,251,506	23,261,146	23,261,146	1.61%
<b>Totals</b>	<b>\$ 58,171,921</b>	<b>\$ 58,171,921</b>	<b>\$ 57,714,458</b>	<b>\$ 57,714,458</b>	<b>1.21%</b>

#### Current Quarter Weighted Average Yield (1)

Total Portfolio	1.21%
Rolling Three Month Treasury	1.13%
Rolling Six Month Treasury	1.15%
TexPool	1.00%

#### Fiscal Year-to-Date Weighted Average Yield (2)

Total Portfolio	0.68%
Rolling Three Month Treasury	0.50%
Rolling Six Month Treasury	0.53%
Average Monthly TexPool	0.25%

#### Interest Earnings (Approximate)

Quarterly Interest Income	\$ 106,332
Year-to-date Interest Income	\$ 205,460

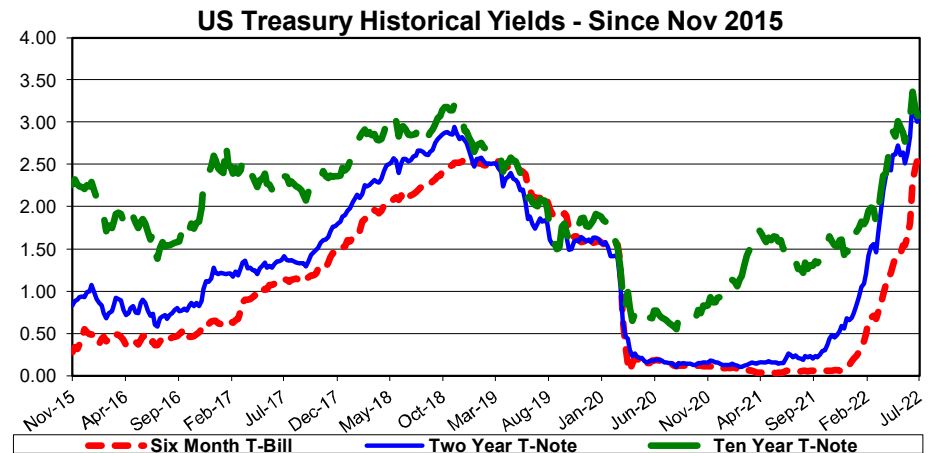
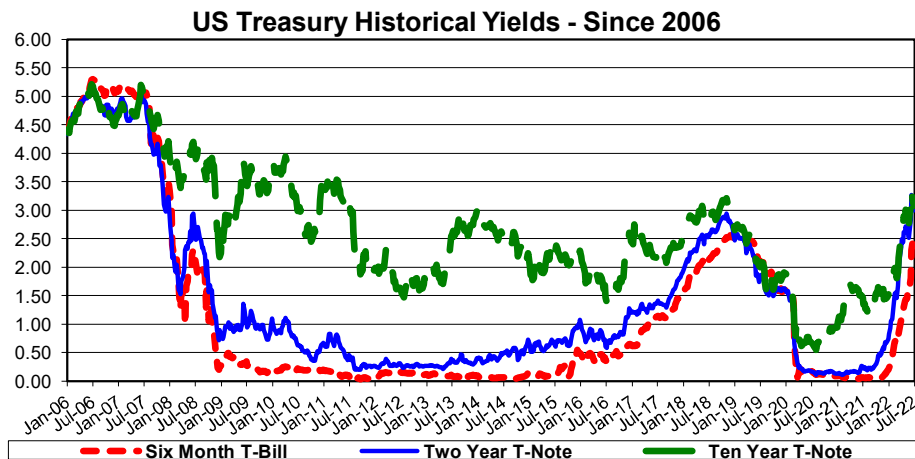
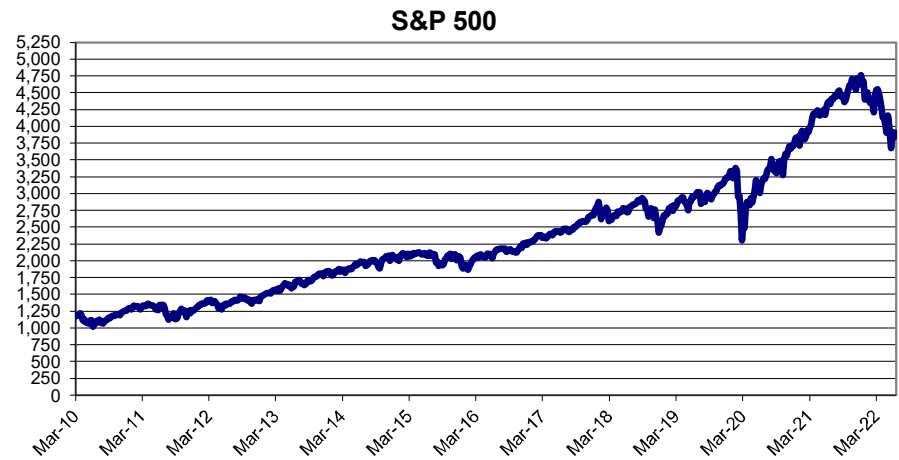
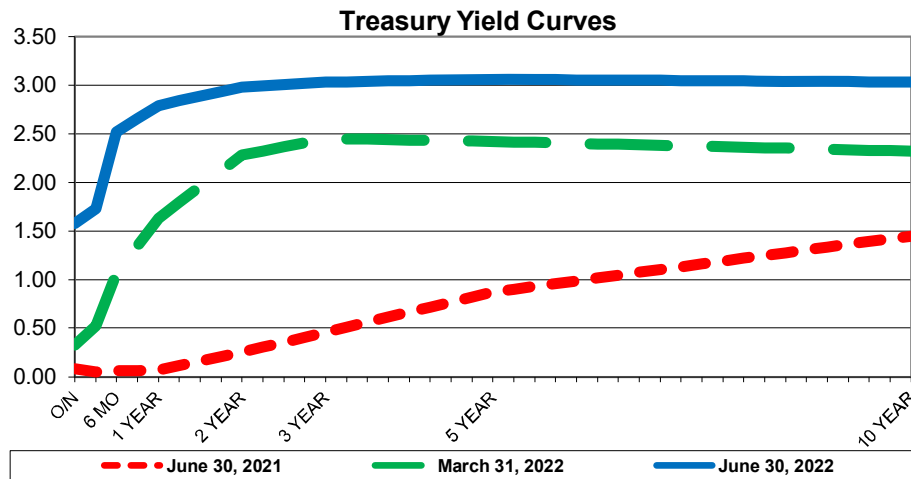
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank and money market balances.

(2) **Fiscal Year-to-Date Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

## Economic Overview

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



## Investment Holdings

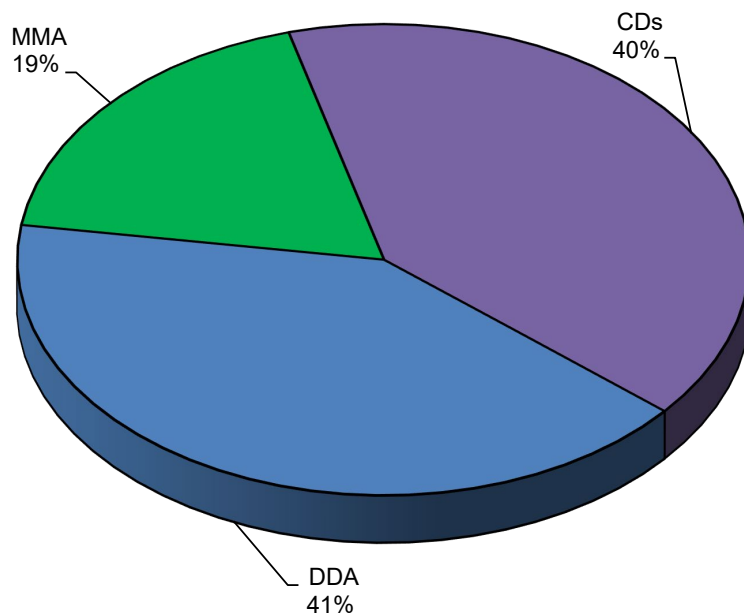
June 30, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
PlainsCapital Bank - Cash		0.82%	07/01/22	06/30/22	\$ 23,805,331	\$ 23,805,331	1.00	\$ 23,805,331	1	0.82%
NexBank MMA		1.20%	07/01/22	06/30/22	10,647,981	10,647,981	1.00	10,647,981	1	1.20%
PlainsCapital Bank IntraFi CD		0.36%	09/08/22	09/09/21	2,000,000	2,000,000	100.00	2,000,000	70	0.36%
PlainsCapital Bank IntraFi CD		1.26%	09/22/22	03/24/22	1,000,000	1,000,000	100.00	1,000,000	84	1.26%
PlainsCapital Bank IntraFi CD		0.46%	11/25/22	11/26/21	2,250,000	2,250,000	100.00	2,250,000	148	0.46%
PlainsCapital Bank IntraFi CD		2.54%	12/29/22	06/30/22	2,000,000	2,000,000	100.00	2,000,000	182	2.54%
PlainsCapital Bank IntraFi CD		1.39%	02/16/23	02/17/22	3,000,000	3,000,000	100.00	3,000,000	231	1.39%
PlainsCapital Bank IntraFi CD		1.62%	03/23/23	03/24/22	2,000,000	2,000,000	100.00	2,000,000	266	1.62%
PlainsCapital Bank IntraFi CD		2.34%	05/04/23	05/05/22	1,000,000	1,000,000	100.00	1,000,000	308	2.37%
PlainsCapital Bank IntraFi CD		2.19%	05/11/23	05/12/22	2,000,000	2,000,000	100.00	2,000,000	315	2.21%
PlainsCapital Bank IntraFi CD		0.45%	05/18/23	05/20/21	2,008,996	2,008,996	100.00	2,008,996	322	0.45%
East West Bank CD		2.94%	06/27/23	06/27/22	2,000,644	2,000,644	100.00	2,000,644	362	2.98%
PlainsCapital Bank IntraFi CD		0.81%	11/24/23	11/26/21	1,000,799	1,000,799	100.00	1,000,799	512	0.81%
PlainsCapital Bank IntraFi CD		0.86%	11/30/23	12/02/21	1,000,707	1,000,707	100.00	1,000,707	518	0.86%
PlainsCapital Bank IntraFi CD		2.99%	05/02/24	05/05/22	1,000,000	1,000,000	100.00	1,000,000	672	3.04%
PlainsCapital Bank IntraFi CD		3.49%	06/27/24	06/30/22	1,000,000	1,000,000	100.00	1,000,000	728	3.55%
					<b>\$ 57,714,458</b>	<b>\$ 57,714,458</b>		<b>\$ 57,714,458</b>	<b>120</b>	<b>1.21%</b>
									<b>(1)</b>	<b>(2)</b>

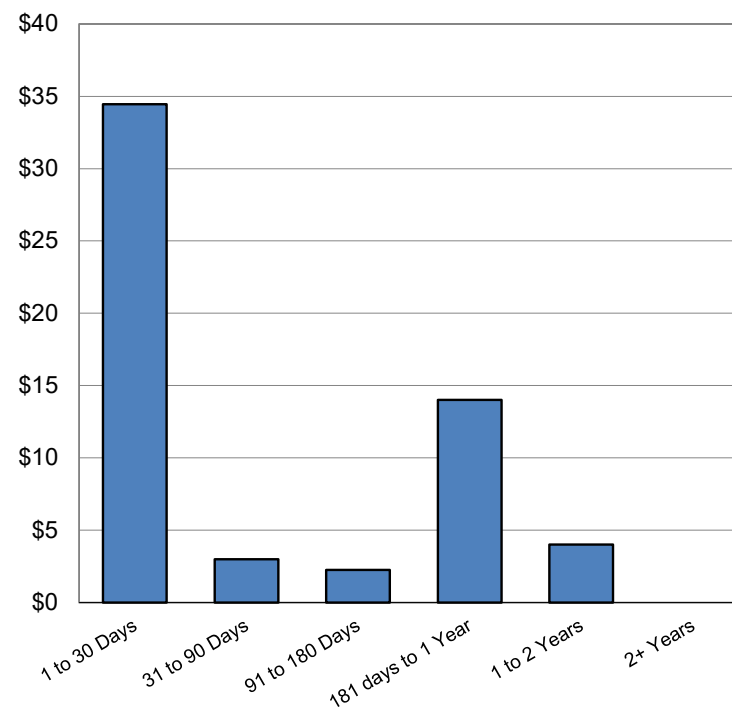
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts and money market funds are assumed to have an one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts and money market funds.

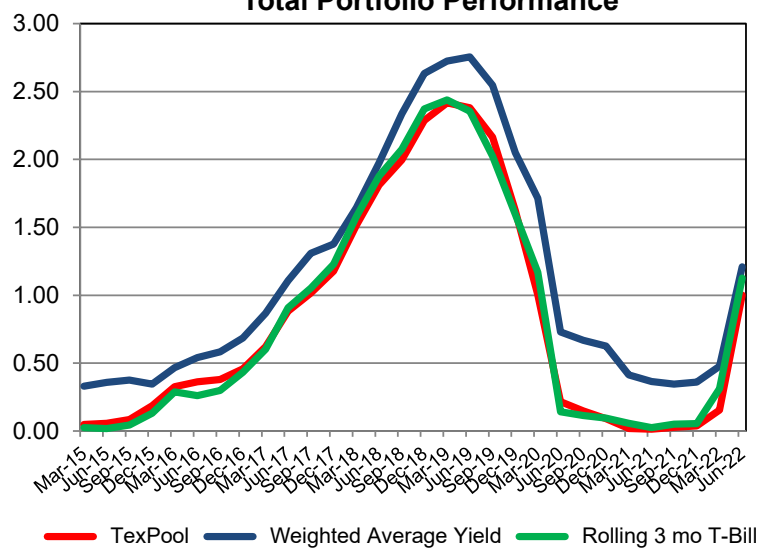
**Portfolio Composition**



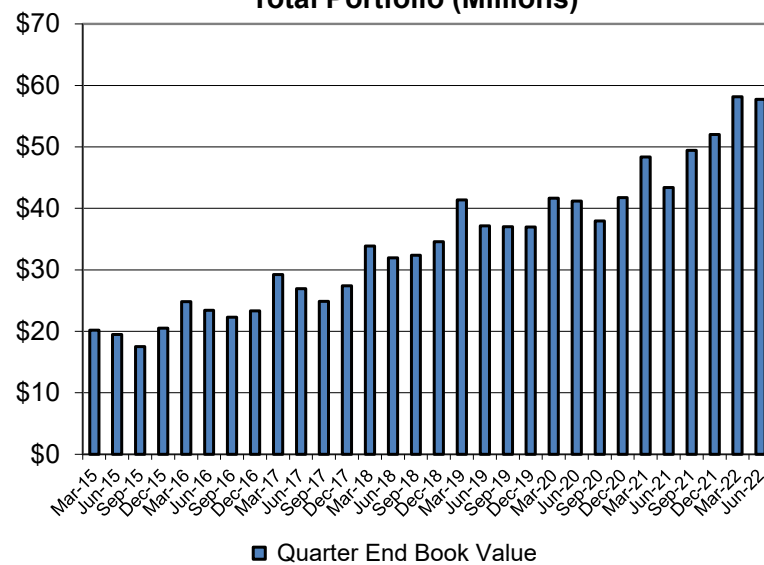
**Distribution by Maturity (Millions)**



**Total Portfolio Performance**



**Total Portfolio (Millions)**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
PlainsCapital Bank - Cash	0.82%	07/01/22	\$ 33,295,170	\$ —	\$ (9,489,839)	\$ 23,805,331	\$ 33,295,170	\$ (9,489,839)	\$ 23,805,331
NexBank MMA	1.20%	07/01/22	10,625,245	22,736	—	10,647,981	10,625,245	22,736	10,647,981
PlainsCapital Bank IntraFi CD	0.36%	09/08/22	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
PlainsCapital Bank IntraFi CD	1.26%	09/22/22	1,000,000	—	—	1,000,000	1,000,000	—	1,000,000
PlainsCapital Bank IntraFi CD	0.46%	11/25/22	2,250,000	—	—	2,250,000	2,250,000	—	2,250,000
PlainsCapital Bank IntraFi CD	2.54%	12/29/22	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
PlainsCapital Bank IntraFi CD	1.39%	02/16/23	3,000,000	—	—	3,000,000	3,000,000	—	3,000,000
PlainsCapital Bank IntraFi CD	1.62%	03/23/23	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
PlainsCapital Bank IntraFi CD	2.37%	05/04/23	—	1,000,000	—	1,000,000	—	1,000,000	1,000,000
PlainsCapital Bank IntraFi CD	2.21%	05/11/23	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
PlainsCapital Bank IntraFi CD	0.45%	05/18/23	2,000,000	8,996	—	2,008,996	2,000,000	8,996	2,008,996
East West Bank CD	2.98%	06/27/23	—	2,000,644	—	2,000,644	—	2,000,644	2,000,644
PlainsCapital Bank IntraFi CD	0.81%	11/24/23	1,000,799	—	—	1,000,799	1,000,799	—	1,000,799
PlainsCapital Bank IntraFi CD	0.86%	11/30/23	1,000,707	—	—	1,000,707	1,000,707	—	1,000,707
PlainsCapital Bank IntraFi CD	3.04%	05/02/24	—	1,000,000	—	1,000,000	—	1,000,000	1,000,000
PlainsCapital Bank IntraFi CD	3.55%	06/27/24	—	1,000,000	—	1,000,000	—	1,000,000	1,000,000
<b>TOTAL/AVERAGE</b>	<b>1.21%</b>		<b>\$ 58,171,921</b>	<b>\$ 9,032,376</b>	<b>\$ (9,489,839)</b>	<b>\$ 57,714,458</b>	<b>\$ 58,171,921</b>	<b>\$ (457,463)</b>	<b>\$ 57,714,458</b>

**Allocation  
June 30, 2022**

**Book & Market Value**

	<b>Total</b>	<b>General</b>	<b>Capital Projects</b>	<b>Solid Waste</b>	<b>Utility</b>	<b>Equipment Replacement</b>	<b>Technology Replacement</b>	<b>Stormwater Drainage</b>
<b>PlainsCapital Bank - Cash</b>	\$ 23,805,331	\$ 8,983,703	\$ 5,395,732	\$ 361,578	\$ 3,986,577	\$ 668,002	\$ 845,737	\$ 2,289,029
<b>NexBank MMA</b>	10,647,981	2,142,036	3,609,133	104,624	1,346,508	1,576,972	1,069,277	—
<b>09/08/22—PlainsCapital Bank IntraFi CD</b>	2,000,000	2,000,000	—	—	—	—	—	—
<b>09/22/22—PlainsCapital Bank IntraFi CD</b>	1,000,000	—	—	—	1,000,000	—	—	—
<b>11/25/22—PlainsCapital Bank IntraFi CD</b>	2,250,000	2,250,000	—	—	—	—	—	—
<b>12/29/22—PlainsCapital Bank IntraFi CD</b>	2,000,000	—	1,000,000	—	1,000,000	—	—	—
<b>02/16/23—PlainsCapital Bank IntraFi CD</b>	3,000,000	1,500,000	—	—	1,500,000	—	—	—
<b>03/23/23—PlainsCapital Bank IntraFi CD</b>	2,000,000	—	—	—	—	1,000,000	1,000,000	—
<b>05/04/23—PlainsCapital Bank IntraFi CD</b>	1,000,000	1,000,000	—	—	—	—	—	—
<b>05/11/23—PlainsCapital Bank IntraFi CD</b>	2,000,000	2,000,000	—	—	—	—	—	—
<b>05/18/23—PlainsCapital Bank IntraFi CD</b>	2,008,996	1,004,498	502,249	—	502,249	—	—	—
<b>06/27/23—East West Bank CD</b>	2,000,644	1,000,322	—	—	—	200,065	600,192	—
<b>11/24/23—PlainsCapital Bank IntraFi CD</b>	1,000,799	1,000,799	—	—	—	—	—	—
<b>11/30/23—PlainsCapital Bank IntraFi CD</b>	1,000,707	1,000,707	—	—	—	—	—	—
<b>05/02/24—PlainsCapital Bank IntraFi CD</b>	1,000,000	—	—	—	—	250,000	250,000	500,000
<b>06/27/24—PlainsCapital Bank IntraFi CD</b>	1,000,000	1,000,000	—	—	—	—	—	—
<b>Total</b>	<b>\$ 57,714,458</b>	<b>\$24,882,065</b>	<b>\$ 10,507,114</b>	<b>\$ 466,202</b>	<b>\$ 9,335,334</b>	<b>\$ 3,695,039</b>	<b>\$ 3,765,206</b>	<b>\$ 2,789,029</b>

**Allocation  
June 30, 2022**

(Continued)

**Book & Market Value**

	<b>Building Maintenance</b>	<b>Truancy Prevention</b>	<b>Municipal Jury</b>	<b>Forfeited Property</b>	<b>Court Technology</b>	<b>Court Security</b>	<b>Library</b>	<b>DPS Tech</b>
<b>PlainsCapital Bank - Cash</b>	\$ 772,309	\$ 48,833	\$ 977	\$ 41,483	\$ 62,550	\$ 37,477	\$ 165,530	\$ 145,814
<b>NexBank MMA</b>	428,037	—	—	—	53,352	—	159,021	159,021
<b>09/08/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>09/22/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>11/25/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>12/29/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>02/16/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>03/23/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>05/04/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>05/11/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>05/18/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>06/27/23—East West Bank CD</b>	200,065	—	—	—	—	—	—	—
<b>11/24/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>11/30/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>05/02/24—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>06/27/24—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 1,400,411</b>	<b>\$ 48,833</b>	<b>\$ 977</b>	<b>\$ 41,483</b>	<b>\$ 115,902</b>	<b>\$ 37,477</b>	<b>\$ 324,551</b>	<b>\$ 304,835</b>

**Allocation  
March 31, 2022**

**Book & Market Value**

	<b>Total</b>	<b>General</b>	<b>Capital Projects</b>	<b>Solid Waste</b>	<b>Utility</b>	<b>Equipment Replacement</b>	<b>Technology Replacement</b>	<b>Stormwater Drainage</b>
<b>PlainsCapital Bank - Cash</b>	\$ 33,295,170	\$16,217,626	\$ 2,610,388	\$ 309,798	\$ 6,467,764	\$ 1,352,172	\$ 1,710,751	\$ 3,127,103
<b>NexBank MMA</b>	10,625,245	2,137,460	3,601,427	104,401	1,343,633	1,573,605	1,066,993	—
<b>09/08/22—PlainsCapital Bank IntraFi CD</b>	2,000,000	2,000,000	—	—	—	—	—	—
<b>09/22/22—PlainsCapital Bank IntraFi CD</b>	1,000,000				1,000,000			
<b>11/25/22—PlainsCapital Bank IntraFi CD</b>	2,250,000	2,250,000	—	—	—	—	—	—
<b>02/16/23—PlainsCapital Bank IntraFi CD</b>	3,000,000	1,500,000	—	—	1,500,000	—	—	—
<b>03/23/23—PlainsCapital Bank IntraFi CD</b>	2,000,000	—	—	—	—	1,000,000	1,000,000	—
<b>05/18/23—PlainsCapital Bank IntraFi CD</b>	2,000,000	1,000,000	500,000	—	500,000	—	—	—
<b>11/24/23—PlainsCapital Bank IntraFi CD</b>	1,000,799	1,000,799	—	—	—	—	—	—
<b>11/30/23—PlainsCapital Bank IntraFi CD</b>	1,000,707	1,000,707	—	—	—	—	—	—
<b>Total</b>	<b>\$ 58,171,921</b>	<b>\$27,106,592</b>	<b>\$ 6,711,815</b>	<b>\$ 414,199</b>	<b>\$10,811,397</b>	<b>\$ 3,925,777</b>	<b>\$ 3,777,744</b>	<b>\$ 3,127,103</b>

**Allocation  
March 31, 2022**

(Continued)

**Book & Market Value**

	<b>Building Maintenance</b>	<b>Truancy Prevention</b>	<b>Municipal Jury</b>	<b>Forfeited Property</b>	<b>Court Technology</b>	<b>Court Security</b>	<b>Library</b>	<b>DPS Tech</b>
<b>PlainsCapital Bank - Cash</b>	\$ 1,053,557	\$ 43,383	\$ 867	\$ 34,114	\$ 55,012	\$ 28,733	\$ 162,560	\$ 121,342
<b>NexBank MMA</b>	427,123	—	—	—	53,239	—	158,682	158,682
<b>09/08/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>09/22/22—PlainsCapital Bank IntraFi CD</b>								
<b>11/25/22—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>02/16/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>03/23/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>05/18/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>11/24/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>11/30/23—PlainsCapital Bank IntraFi CD</b>	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 1,480,680</b>	<b>\$ 43,383</b>	<b>\$ 867</b>	<b>\$ 34,114</b>	<b>\$ 108,251</b>	<b>\$ 28,733</b>	<b>\$ 321,242</b>	<b>\$ 280,024</b>