



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

8:00 AM
September 13, 2022

4700 Drexel Drive, Highland
Park TX 75205
Town Council Chamber

I. CALL TO ORDER

II. MAIN AGENDA

- A. Consider approval of an ordinance adopting the Fiscal Year 2022-23 Proposed Budget in the amount of \$64,293,122, including interfund transfers of \$12,549,099.
- B. Consider approval of an ordinance setting the Town's 2022 ad valorem tax rate at \$0.230000 per \$100 of taxable assessed valuation of all taxable property for the 2022 Tax Year, as determined by the Dallas Central Appraisal District.
- C. Consider ratifying a property tax increase of \$1,693,234, which represents an increase of 10.94% over last year's adjusted levy, and includes \$279,189 in revenues generated from new property added to the tax roll.
- D. Consider approval of a resolution amending the Town's Master Fee Schedule effective October 1, 2022.

III. ADJOURNMENT

SPECIAL ACCOMMODATIONS FOR TOWN COUNCIL MEETINGS

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

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

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



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 13, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

TITLE

Consider approval of an ordinance adopting the Fiscal Year 2022-23 Proposed Budget in the amount of \$64,293,122, including interfund transfers of \$12,549,099.

BACKGROUND

The Fiscal Year 2022-23 Proposed Budget provides: (i) funding for existing Town-provided services and operations; (ii) a competitive pay and benefit environment for employees; (iii) adequate funding of operating capital needs; and (iv) funding the annual capital transfer from the General Fund to the Capital Projects Fund for future capital needs.

Funding for the Fiscal Year 2022-23 Proposed Budget includes a tax rate of \$0.230000 per \$100 valuation which will raise more total property taxes than last year by \$1,693,234, or 10.94%. The property tax revenue to be raised from new property added to the tax roll is \$279,189.

The Fiscal Year 2022-23 Proposed Budget includes fee changes to adjust for increases in service contracts. Solid waste collection and recycling charges are proposed to be adjusted based on the escalation of the current contract with the Town's third-party service providers resulting in an increase in rates ranging from 5.12% to 5.92%. Storm water drainage fees are proposed to increase by 9.0%. Water rates are proposed to be adjusted by 7.0%, which incorporates an increase from the Dallas County Park Cities Municipal Utility District of 15.89%. Sewer rates are proposed to increase 3.0%.

When compared to the Proposed Budget submitted to Town Council on July 29, 2022, the revised Proposed Budget reflects an increase in Water Sales and Water Purchases in the Utility Fund of \$148,778 from what was originally anticipated. When the Proposed Budget was initially presented, the cost of water purchases from the Dallas County Park Cities Municipal Utility District ("District") was anticipated to increase by 10%. However, due to higher bids related to chemical costs for next fiscal year received in August, the District is now proposing a 15.89% increase in rates to the Town. In addition, there is a reclassification of \$600,000 in the Storm Water Drainage Fund from "Revenues" to "Transfers-In" and a corresponding reclassification in the Reserve Fund from "Expense" to "Transfers-Out." Attached to this item are revised pages for the Proposed Budget reflecting these changes.

On July 29, 2022, the Town Administrator submitted the Proposed Budget to the Town Council, the Town Secretary, and the Finance and Audit Advisory Committee. The Town Council reviewed the Proposed Budget at its study sessions on August 2 and 16, 2022, and September 6, 2022.

The Texas Local Government Code requires that the Town conduct a public hearing on the Proposed Budget. Town Council conducted two public hearings on the Proposed Budget on August 16, 2022 and on September 6, 2022. Notices of the public hearings were posted on the Town's website and published in the *Daily Commercial Record* on August 4 and 15, 2022.

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

RECOMMENDATION

The staff recommends approval of the Fiscal Year 2022-23 Proposed Budget. The vote to adopt the budget must be a record vote of the Town Council. This item was reviewed by the Town Council at its meeting on September 6, 2022.

FINANCIAL IMPACT

The adoption of the Fiscal Year 2022-23 Proposed Budget will provide funding for Town operations, operating capital, and capital transfers for the fiscal year beginning October 1, 2022, and ending on September 30, 2023.

ATTACHMENTS:

File Name

HP_Ord_Adopting_the_Budget_for_FY23.docx
Updated_Budget_Sheets.pdf
Proposed_Budget_FY_2022_-_23.pdf

Description

Proposed Budget Ordinance - 2107
Updated Budget Sheets
Proposed Budget FY 2022 - 2023

ORDINANCE NO. 2107

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 \$64,293,122, including \$12,549,099 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 2022, 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, 2022, 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

COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 33,561,920	\$ 27,926,372	\$ 42,579,650	\$ 45,200,014
REVENUES/SOURCES OF FUNDS				
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	7,824,554
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	7,355,778
TOTAL REVENUES	\$ 48,959,086	\$ 42,029,854	\$ 44,250,372	\$ 47,579,174
OTHER SOURCES				
Transfers In	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 12,549,099
TOTAL OTHER SOURCES	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 12,549,099
TOTAL REVENUES/SOURCES	\$ 55,562,016	\$ 51,008,824	\$ 53,229,342	\$ 60,128,273
EXPENDITURES				
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	4,563,031
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
TOTAL EXPENDITURES	\$ 39,707,501	\$ 43,530,042	\$ 41,630,008	\$ 51,744,023
OTHER USES				
Transfers Out	6,836,785	8,978,970	8,978,970	12,549,099
TOTAL OTHER USES	\$ 6,836,785	\$ 8,978,970	\$ 8,978,970	\$ 12,549,099
TOTAL USES	\$ 46,544,286	\$ 52,509,012	\$ 50,608,978	\$ 64,293,122
ENDING FUND BALANCE	\$ 42,579,650	\$ 26,426,184	\$ 45,200,014	\$ 41,035,165

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

	<u>General</u>	<u>Utility</u>	<u>Solid Waste</u>	<u>Storm Drainage</u>	<u>Equipment Replacement</u>	<u>Technology Replacement</u>	<u>Building Maintenance & Investment</u>	<u>Forfeited Property</u>
BEGINNING FUND BALANCE	\$ 8,647,039	\$ 6,510,485	\$ 289,662	\$1,584,186	\$ 3,492,178	\$ 3,597,987	\$ 1,259,588	\$ 32,822
REVENUES:								
Property Taxes	\$ 17,058,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	7,824,554	-	-	-	-	-	-
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	-	-	27,500	100,076	18,516	2,500
TOTAL REVENUES	\$ 30,940,631	\$ 11,071,298	\$ 1,691,965	\$ 479,687	\$ 60,018	\$ 134,991	\$ 31,027	\$ 2,812
Transfers from Other Funds	1,359,300	2,624,472	43,300	1,600,000	563,900	426,457	711,446	-
TOTAL REVENUES & TRANSFERS	\$ 32,299,931	\$ 13,695,770	\$ 1,735,265	\$ 2,079,687	\$ 623,918	\$ 561,448	\$ 742,473	\$ 2,812
TOTAL AVAILABLE RESOURCES	\$ 40,946,970	\$ 20,206,255	\$ 2,024,927	\$ 3,663,873	\$ 4,116,096	\$ 4,159,435	\$ 2,002,061	\$ 35,634
EXPENDITURES:								
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	\$ 3,253,222	\$ 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	-
TOTAL EXPENDITURES	\$ 24,066,666	\$ 12,010,730	\$ 1,554,252	\$ 2,189,750	\$ 289,609	\$ 1,357,777	\$ 633,382	\$ -
Transfers to Other Funds	8,157,536	2,018,130	152,800	107,208	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 32,224,202	\$ 14,028,860	\$ 1,707,052	\$ 2,296,958	\$ 289,609	\$ 1,357,777	\$ 633,382	\$ -
ENDING FUND BALANCE	\$ 8,722,768	\$ 6,177,395	\$ 317,875	\$ 1,366,915	\$ 3,826,487	\$ 2,801,658	\$ 1,368,679	\$ 35,634
FUND BALANCE MINIMUM	\$ 4,745,147	\$ 2,054,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ 3,977,621	\$ 4,123,394	\$ 317,875	\$ 1,366,915	\$ 3,826,487	\$ 2,801,658	\$ 1,368,679	\$ 35,634

<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
-	-	-	-	-	-	-	-	7,824,554	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	7,356,068	6,359,302
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 2,926,112	\$ 47,579,174	\$ 42,029,854
-	-	-	-	-	-	-	5,220,224	12,549,099	8,978,970
\$ 21,390	\$ 428	\$ 35,794	\$ 34,486	\$ 60,995	\$ -	\$ 87,540	\$ 8,146,336	\$ 60,128,273	\$ 51,008,824
\$ 75,467	\$ 1,508	\$ 158,324	\$ 67,810	\$ 375,891	\$ 291,000	\$ 10,277,305	\$ 16,925,731	\$ 105,328,287	\$ 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	\$ -	\$ -	\$ -	\$ 4,563,031	\$ 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	\$ -	\$ -	\$ 9,556,951	\$ 51,744,023	\$ 43,530,042
-	-	-	24,600	-	291,000	600,000	1,197,825	\$ 12,549,099	8,978,970
\$ -	\$ -	\$ 39,706	\$ 24,600	\$ 45,200	\$ 291,000	\$ 600,000	\$ 10,754,776	\$ 64,293,122	\$ 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	\$ 8,799,149	\$ 6,737,092
\$ 75,467	\$ 1,508	\$ 118,618	\$ 43,210	\$ 330,691	\$ -	\$ 9,677,305	\$ 4,170,955	\$ 32,236,017	\$ 19,689,092

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,864,834
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 11,071,298
Other Sources:				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Other Sources	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Revenues/Sources	\$ 9,912,606	\$ 11,872,021	\$ 10,578,980	\$ 13,695,770
EXPENSES - BY TYPE				
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
Total Personnel	\$ 1,687,828	\$ 1,743,908	\$ 1,582,230	\$ 1,907,514
Supplies & Equipment	2,495,667	2,792,971	2,858,254	3,253,222
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
Total Expenses	\$ 8,090,766	\$ 8,774,407	\$ 8,663,854	\$ 12,010,730
Other Uses:				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Other Uses	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Expenses/Uses	\$ 10,297,087	\$ 10,690,094	\$ 10,579,541	\$ 14,028,860
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (384,481)	\$ 1,181,927	\$ (561)	\$ (333,090)
ENDING FUND BALANCE	\$ 6,511,046	\$ 7,692,973	\$ 6,510,485	\$ 6,177,395
Ideal Fund Balance	\$ 1,851,046	\$ 1,910,028	\$ 1,889,328	\$ 2,052,142
Fund Balance in Excess of Minimum	\$ 4,660,000	\$ 5,782,945	\$ 4,621,157	\$ 4,125,253

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges for Services	9,378,433	10,335,575	10,031,555	10,864,834
Fines & Forfeits	62,429	62,623	59,480	61,577
Miscellaneous	56,112	1,046,229	61,132	79,681
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 11,071,298
Other Sources:				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Other Sources	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Revenues/Sources	\$ 9,912,606	\$ 11,872,021	\$ 10,578,980	\$ 13,695,770
EXPENSES - BY DEPARTMENT				
Utility Customer Service Department	\$ 492,503	\$ 505,700	\$ 505,419	\$ 497,101
Water Department	5,001,540	5,330,791	5,387,230	7,705,470
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
Total Expenses	\$ 8,090,765	\$ 8,774,407	\$ 8,663,854	\$ 12,010,730
Other Uses:				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Other Uses	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Expenses/Uses	\$ 10,297,086	\$ 10,690,094	\$ 10,579,541	\$ 14,028,860
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (384,480)	\$ 1,181,927	\$ (561)	\$ (333,090)
ENDING FUND BALANCE	\$ 6,511,046	\$ 7,692,973	\$ 6,510,485	\$ 6,177,395
Ideal Fund Balance	\$ 1,851,046	\$ 1,910,028	\$ 1,889,328	\$ 2,052,142
Fund Balance in Excess of Minimum	\$ 4,660,000	\$ 5,782,945	\$ 4,621,157	\$ 4,125,253

**UTILITY FUND
STATEMENT OF REVENUES**

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
Licenses & Permits				
Plumbing Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
<i>Subtotal</i>	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges For Services				
Water Sales	\$ 6,456,844	\$ 7,252,554	\$ 7,032,924	\$ 7,703,180
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>	\$ 9,378,433	\$ 10,335,575	\$ 10,031,555	\$ 10,864,834
Fines & Forfeits				
Late Payment Penalties	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
<i>Subtotal</i>	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
Miscellaneous				
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>	\$ 56,112	\$ 1,046,229	\$ 61,132	\$ 79,681
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 11,071,298

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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 3,642,201	\$ 2,569,297	\$ 2,856,758	\$ 1,584,186
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 427,247	\$ 441,692	\$ 440,000	\$ 453,200
Interest	16,302	15,979	13,593	26,487
Total Revenues	\$ 443,549	\$ 457,671	\$ 453,593	\$ 479,687
Other Sources:				
Transfers In	\$ 175,000	\$ 300,000	\$ 300,000	\$ 1,600,000
Total Other Sources:	175,000	300,000	300,000	1,600,000
Total Revenues/Sources:	\$ 618,549	\$ 757,671	\$ 753,593	\$ 2,079,687
EXPENSES/USES OF FUNDS				
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
Total Expenditures	\$ 1,300,692	\$ 1,796,750	\$ 1,921,265	\$ 2,189,750
Transfers	103,300	104,900	104,900	107,208
Total Expenditures/Uses of Funds	\$ 1,403,992	\$ 1,901,650	\$ 2,026,165	\$ 2,296,958
Excess of Revenues/Sources Over Expenses/Uses	\$ (785,443)	\$ (1,143,979)	\$ (1,272,572)	\$ (217,271)
ENDING FUND BALANCE	\$ 2,856,758	\$ 1,712,779	\$ 1,584,186	\$ 1,366,915

RESERVE FUND
STATEMENT OF REVENUES & EXPENDITURES

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

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 \$1,693,234 which is a 10.94 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 \$279,189.

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:	\$0.239510/100	\$0.233600/100
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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Town of Highland Park
Fiscal Year 2022-23 Proposed Budget
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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 ⁽¹⁾
	FY 2023	10-Year	10 -Year
Capital Project Fund:			
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	
Sub-total*	\$ 9,556,951	\$ 72,613,195	\$ 60,570,269
Utility Fund:			
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
Sub-total*	\$ 5,279,200	\$ 35,636,056	\$ 35,993,418
Storm Water Drainage Fund:			
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
Sub-total*	\$ 2,002,800	\$ 10,919,553	\$ 6,919,563
Total CIP	\$ 16,838,951	\$ 119,168,804	\$ 103,483,250

*Excludes transfers-out.

⁽¹⁾ 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		Tax Levy
		(T.A.V.)	% Change in T.A.V.	
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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 33,561,920	\$ 27,926,372	\$ 42,579,650	\$ 45,200,014
REVENUES/SOURCES OF FUNDS				
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
TOTAL REVENUES	\$ 48,959,086	\$ 42,029,854	\$ 44,250,372	\$ 48,030,396
OTHER SOURCES				
Transfers In	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 11,949,099
TOTAL OTHER SOURCES	\$ 6,602,930	\$ 8,978,970	\$ 8,978,970	\$ 11,949,099
TOTAL REVENUES/SOURCES	\$ 55,562,016	\$ 51,008,824	\$ 53,229,342	\$ 59,979,495
EXPENDITURES				
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
TOTAL EXPENDITURES	\$ 39,707,501	\$ 43,530,042	\$ 41,630,008	\$ 52,195,245
OTHER USES				
Transfers Out	6,836,785	8,978,970	8,978,970	11,949,099
TOTAL OTHER USES	\$ 6,836,785	\$ 8,978,970	\$ 8,978,970	\$ 11,949,099
TOTAL USES	\$ 46,544,286	\$ 52,509,012	\$ 50,608,978	\$ 64,144,344
ENDING FUND BALANCE	\$ 42,579,650	\$ 26,426,184	\$ 45,200,014	\$ 41,035,165

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

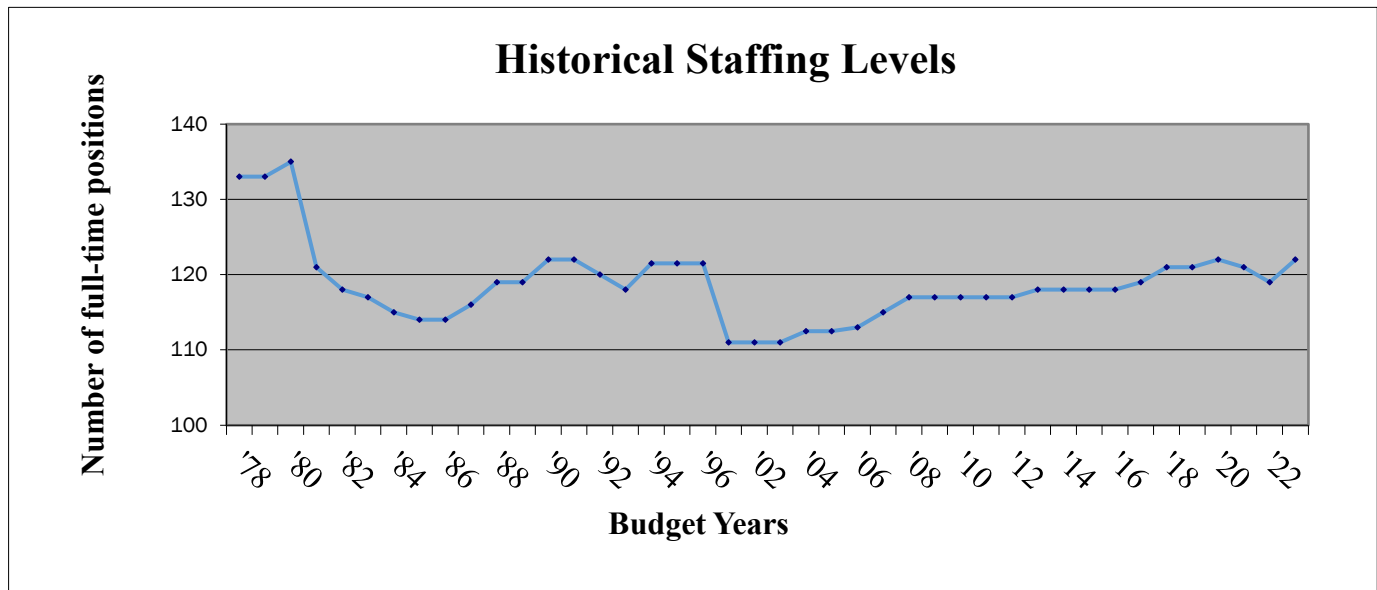
	<u>General</u>	<u>Utility</u>	<u>Solid Waste</u>	<u>Storm Drainage</u>	<u>Equipment Replacement</u>	<u>Technology Replacement</u>	<u>Building Maintenance & Investment</u>	<u>Forfeited Property</u>
BEGINNING FUND BALANCE	\$ 8,647,039	\$ 6,510,485	\$ 289,662	\$1,584,186	\$ 3,492,178	\$ 3,597,987	\$ 1,259,588	\$ 32,822
REVENUES:								
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
TOTAL REVENUES	\$ 30,940,631	\$ 10,922,520	\$ 1,691,965	\$ 1,079,687	\$ 60,018	\$ 134,991	\$ 31,027	\$ 2,812
Transfers from Other Funds	1,359,300	2,624,472	43,300	1,000,000	563,900	426,457	711,446	-
TOTAL REVENUES & TRANSFERS	\$ 32,299,931	\$ 13,546,992	\$ 1,735,265	\$ 2,079,687	\$ 623,918	\$ 561,448	\$ 742,473	\$ 2,812
TOTAL AVAILABLE RESOURCES	\$ 40,946,970	\$ 20,057,477	\$ 2,024,927	\$ 3,663,873	\$ 4,116,096	\$ 4,159,435	\$ 2,002,061	\$ 35,634
EXPENDITURES:								
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	-
TOTAL EXPENDITURES	\$ 24,066,666	\$ 11,861,952	\$ 1,554,252	\$ 2,189,750	\$ 289,609	\$ 1,357,777	\$ 633,382	\$ -
Transfers to Other Funds	8,157,536	2,018,130	152,800	107,208	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 32,224,202	\$ 13,880,082	\$ 1,707,052	\$ 2,296,958	\$ 289,609	\$ 1,357,777	\$ 633,382	\$ -
ENDING FUND BALANCE	\$ 8,722,768	\$ 6,177,395	\$ 317,875	\$ 1,366,915	\$ 3,826,487	\$ 2,801,658	\$ 1,368,679	\$ 35,634
FUND BALANCE MINIMUM	\$ 4,745,147	\$ 2,016,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ 3,977,621	\$ 4,160,588	\$ 317,875	\$ 1,366,915	\$ 3,826,487	\$ 2,801,658	\$ 1,368,679	\$ 35,634

<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)**

	Budget FY 2021		Budget FY 2022		Adopted FY 2023	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	2.0	0.0	2.0	0.0	2.0	0.0
Public Safety	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
Sub-Total General Fund	107.0	7.0	105.0	7.0	107.0	6.0
Utility Fund						
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
Sub-Total Utility Fund	14.0	0.0	14.0	0.0	14.0	0.0
Building Maintenance Fund						
Customer Service	0.0	0.0	0.0	0.0	1.0	0.0
Sub-Total Maintenance Fund	0.0	0.0	0.0	0.0	1.0	0.0
Total	121.0	7.0	119.0	7.0	122.0	6.0

* 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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 5,245,774	\$ 5,828,922	\$ 7,717,749	\$ 8,647,039
REVENUES/SOURCES OF FUNDS				
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
Total Revenues	\$ 26,132,408	\$ 24,952,330	\$ 27,704,907	\$ 30,940,631
Other Sources:				
Transfers In	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
Total Other Sources	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
Total Revenues/Sources	\$ 27,458,708	\$ 26,232,330	\$ 28,984,907	\$ 32,299,931
EXPENDITURES/USES OF FUNDS				
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
Total Expenditures	\$ 21,073,954	\$ 21,822,416	\$ 21,855,664	\$ 24,066,666
Other Uses:				
Transfers to Other Funds	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
Total Other Uses	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
Total Expenditures/Uses	\$ 24,986,733	\$ 28,022,369	\$ 28,055,617	\$ 32,224,202
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 2,471,975	\$ (1,790,039)	\$ 929,290	\$ 75,729
Fund Balance	\$ 7,717,749	\$ 4,038,883	\$ 8,647,039	\$ 8,722,768
Ideal Fund Balance	\$ 3,844,133	\$ 3,978,330	\$ 3,983,982	\$ 4,745,147
Fund Balance in Excess of Minimum	\$ 3,873,616	\$ 60,553	\$ 4,663,057	\$ 3,977,621

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 5,245,774	\$ 5,828,922	\$ 7,717,749	\$ 8,647,039
REVENUES/SOURCES OF FUNDS				
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
Total Revenues	\$ 26,132,408	\$ 24,952,330	\$ 27,704,907	\$ 30,940,631
Other Sources:				
Transfers In	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
Total Other Sources	\$ 1,326,300	\$ 1,280,000	\$ 1,280,000	\$ 1,359,300
Total Revenues/Sources	\$ 27,458,708	\$ 26,232,330	\$ 28,984,907	\$ 32,299,931
EXPENDITURES/USES OF FUNDS				
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	-	-	-
Total Expenditures	\$ 21,073,953	\$ 21,822,416	\$ 21,855,664	\$ 24,066,666
Other Uses:				
Transfers Out	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
Total Other Uses	\$ 3,912,779	\$ 6,199,953	\$ 6,199,953	\$ 8,157,536
Total Expenditures/Uses	\$ 24,986,732	\$ 28,022,369	\$ 28,055,617	\$ 32,224,202
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 2,471,976	\$ (1,790,039)	\$ 929,290	\$ 75,729
Fund Balance	\$ 7,717,749	\$ 4,038,883	\$ 8,647,039	\$ 8,722,768
Ideal Fund Balance	\$ 3,844,133	\$ 3,978,330	\$ 3,983,982	\$ 4,745,147
Fund Balance in Excess of Minimum	\$ 3,873,616	\$ 60,553	\$ 4,663,057	\$ 3,977,621

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
Taxes				
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>	\$ 21,298,033	\$ 20,149,762	\$ 22,741,745	\$ 24,176,201
Franchise Fees				
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>	\$ 884,641	\$ 918,868	\$ 972,579	\$ 932,414
Licenses & Permits				
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>	\$ 1,592,042	\$ 1,260,715	\$ 1,586,284	\$ 1,406,708
Charges For Services				
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**

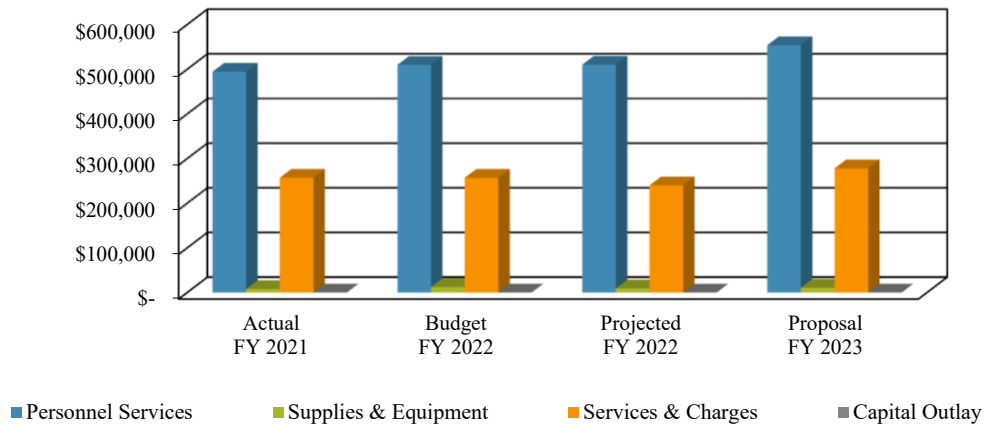
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
Building Registration Fees	88,875	79,833	77,177	78,951
Plan Review Fees	39,750	30,808	24,428	24,917
Deferred Adjudication Fees	168,644	426,206	155,809	158,926
<i>Subtotal</i>	\$ 1,333,956	\$ 1,648,693	\$ 1,369,852	\$ 1,368,405
Fines & Forfeits				
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>	\$ 245,039	\$ 466,200	\$ 286,366	\$ 292,299
Miscellaneous				
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>	\$ 778,695	\$ 508,092	\$ 695,259	\$ 2,764,604
Total Revenues	\$ 26,132,406	\$ 24,952,330	\$ 27,652,085	\$ 30,940,631



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%
Total Department	\$ 758,532	\$ 778,325	\$ 758,857	\$ 841,924	8.17%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

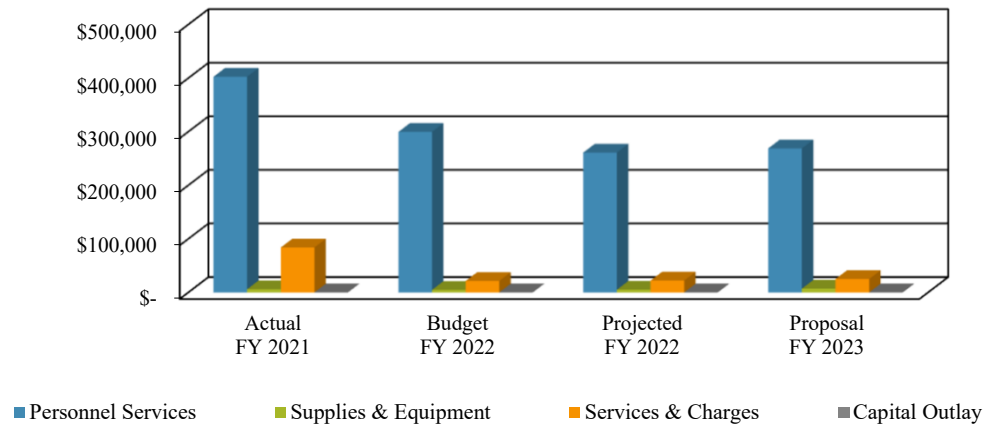
- 1 The Administrative Department budget includes the salaries of the Town Administrator and the Town Secretary (two full-time positions).
- 2 Supplies and equipment include \$2,500 for the IMPACT program and \$2,500 for the Town Hall 101 program.
- 3 Services & Charges includes \$217,800 in legal expenses. 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%
Total Department	\$ 492,333	\$ 325,527	\$ 288,007	\$ 300,702	-7.63%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

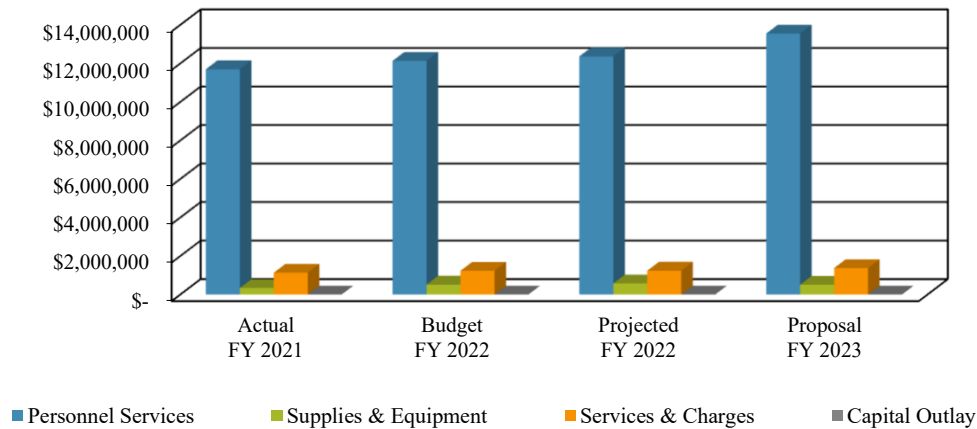
- 1 Personnel Services includes the salaries of two full-time employees.
- 2 Services & Charges is increasing due to post pandemic travel and training, which had been curtailed in the FY 2022.



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%
Total Department	\$ 13,158,033	\$ 13,878,407	\$ 14,179,656	\$ 15,425,913	11.15%



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

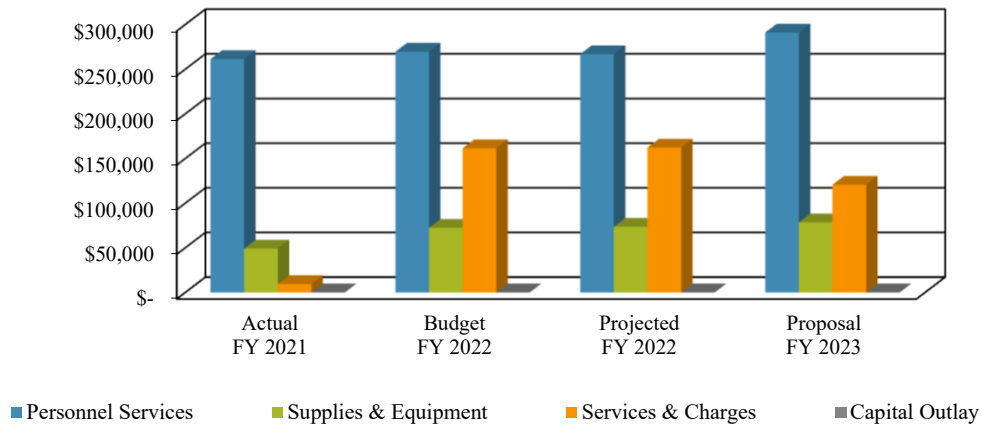
Services & Charges includes \$200,000 to fund resource officers for the Highland Park Independent School District. The increase is primarily related to upward inflationary pressures as well as increased funding of \$27,000 for HPISD crossing guards.



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%
Total Department	\$ 319,759	\$ 503,315	\$ 502,564	\$ 490,260	-2.59%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

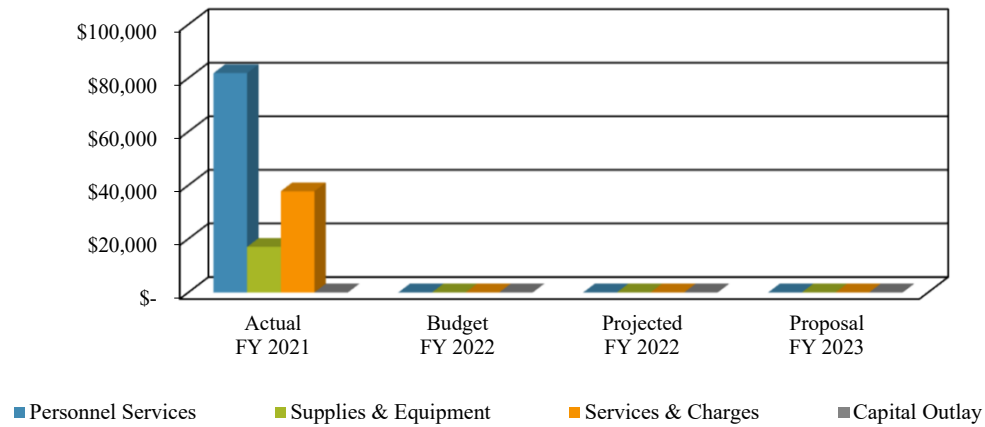
- 1 Personnel Services includes three full-time employees.
- 2 Supplies & Equipment increase is primarily related to additional replacements of street signs and
- 3 The decrease in Services & Charges is related to the budget shift of street lighting purchases, third party electrical work and LED conversions 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	-	-	-	-	
Total Department	\$ 136,635	\$ -	\$ -	\$ -	



SIGNIFICANT BUDGETARY ITEMS/CHANGES

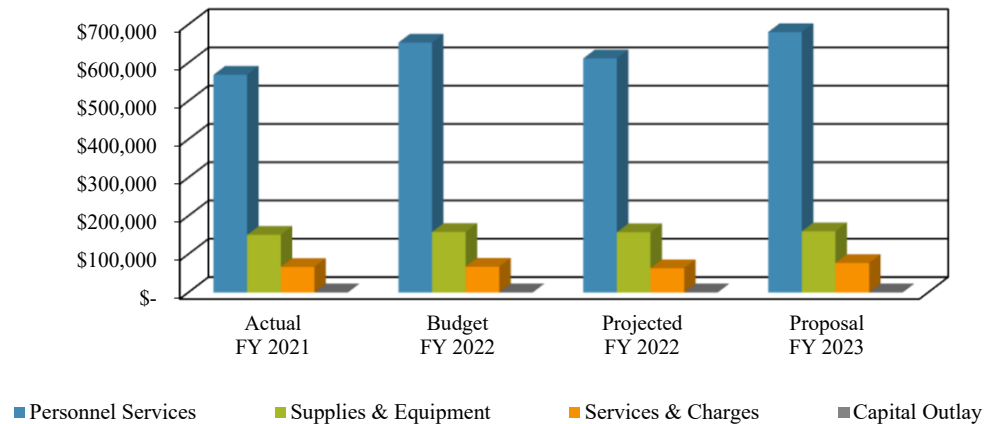
- 1 This department was combined with the Street Department effective October 1, 2021.



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%
Total Department	\$ 785,672	\$ 877,714	\$ 831,793	\$ 917,005	4.48%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

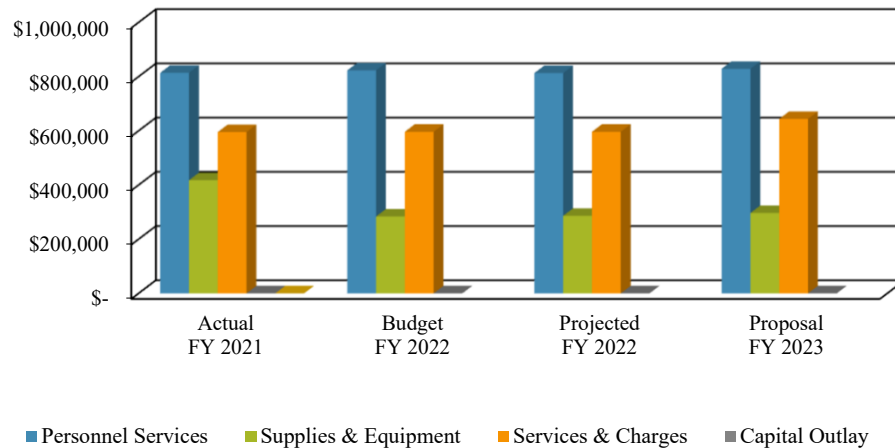
- 1 Personnel Services in FY 2022 included five full-time employees and three part-time employees. In order to provide more consistent staffing, funds were reallocated to provide for six full-time and one part-time employee.
- 2 Services & Charges have increased due to increased youth and adult programming.



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%
Total Department	\$ 1,826,610	\$ 1,702,691	\$ 1,695,259	\$ 1,768,615	3.87%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

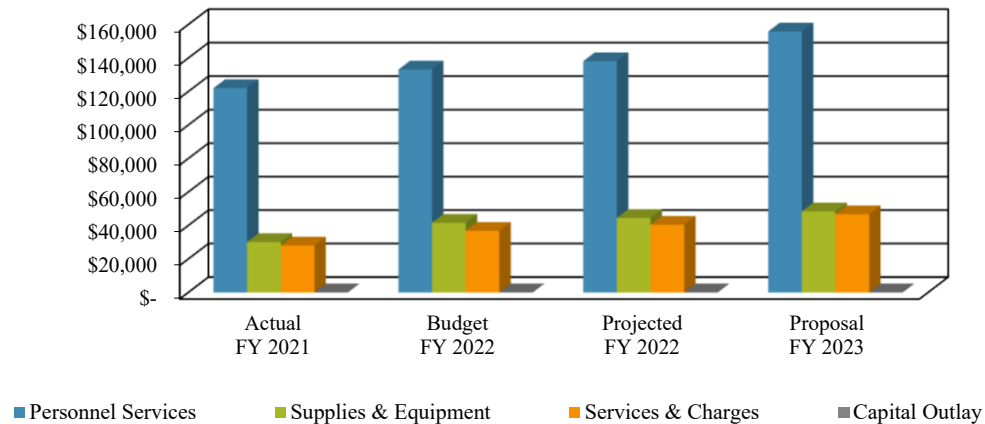
- 1 Personnel Services provides funding for seven full-time employees.
- 2 Supplies & Equipment increased due to upward inflationary pressure, which affected the cost of fuel as well other items in this grouping. Additionally, budgetary increases were incorporated for plants and vegetation and related 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%
Total Department	\$ 180,176	\$ 211,532	\$ 223,021	\$ 250,976	18.65%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

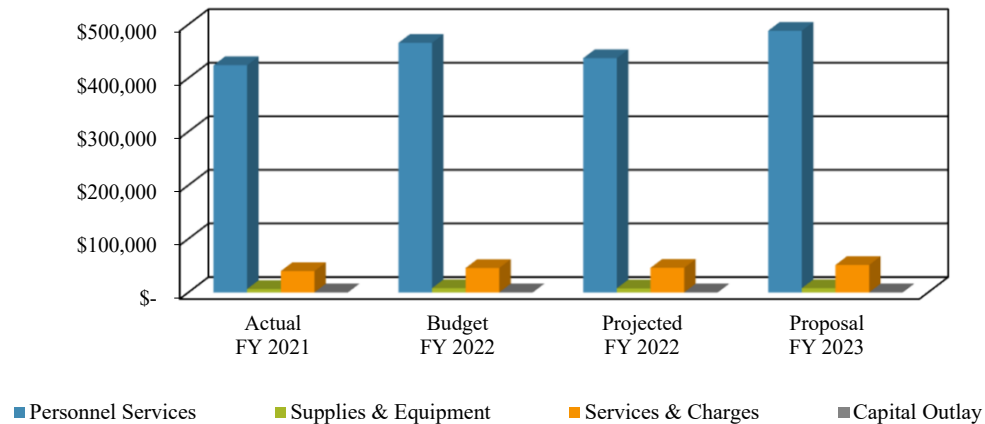
- 1 Personnel Services includes funding for 36 temporary seasonal employees needed to operate the pool, an increase of three over FY 2022. In an effort to attract and retain life guards, a market adjustment to pay was implemented in FY 2022 for the life guard position.
- 2 Supplies & Equipment increased 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%
Total Department	\$ 470,093	\$ 519,049	\$ 490,622	\$ 547,571	5.50%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

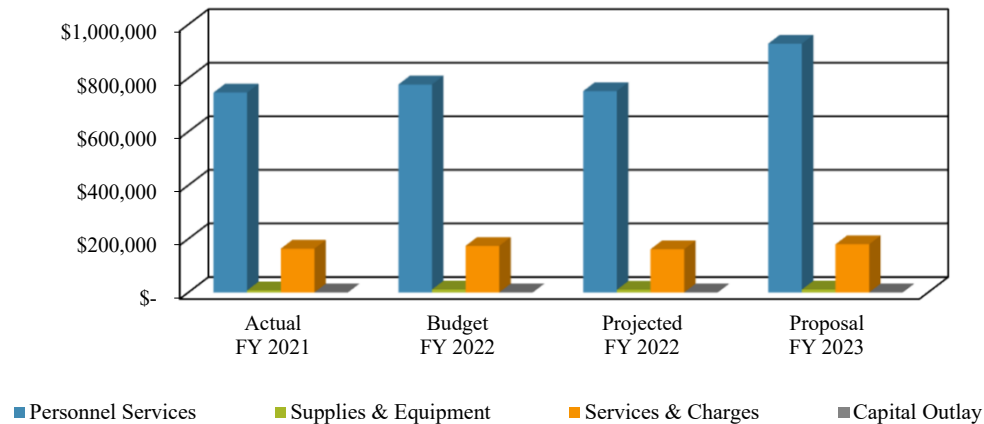
- 1 Personnel Services includes funding for two full-time employees, the Municipal Judge, a part-time bailiff, a part-time court assistant, and three part time court security officers.
- 2 Services & Charges has increased due to the return of post-pandemic travel and training as well as increased legal 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%
Total Department	\$ 916,765	\$ 960,717	\$ 922,528	\$ 1,118,895	16.46%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

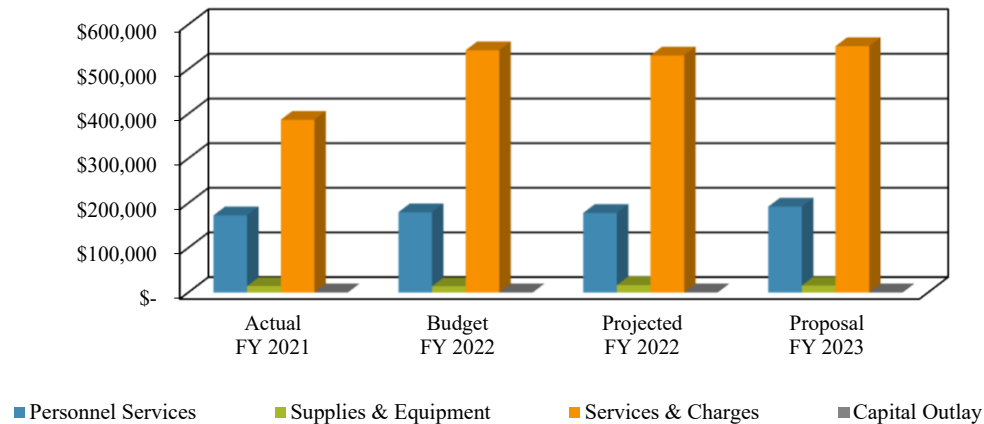
- 1 Personnel Services includes six full-time employees, an increase of one for an Administrative Assistant, who will perform administrative tasks currently performed by the Human Resources Manager, the IT Manager, and Finance Department personnel. This position will be funded by decreases in human resource 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%
Total Department	\$ 573,511	\$ 735,632	\$ 724,973	\$ 758,936	3.17%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

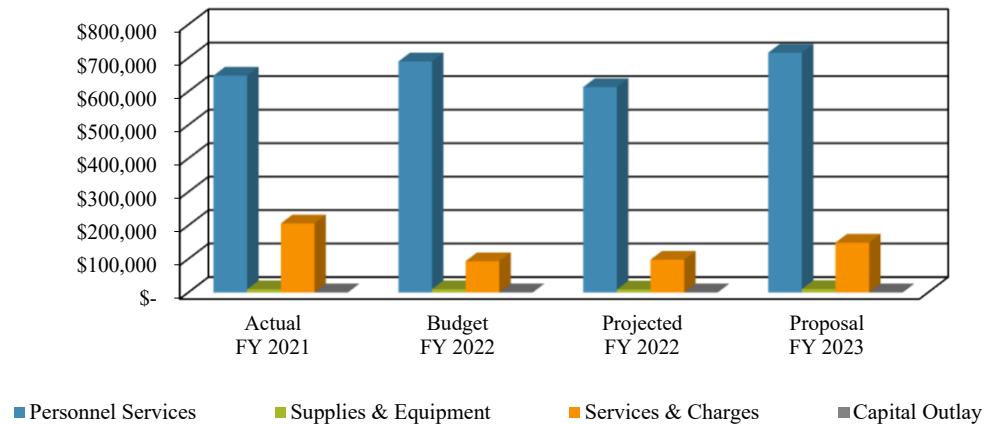
- 1 Personnel Services provides funding for one full-time employee.
- 2 Supplies & Equipment increased due to minor equipment repair.
- 3 Services & Charges includes funding for the Town's third-party managed services contract totaling \$220,856, including enhanced IT security services. In FY 2023, server 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%
Total Department	\$ 862,586	\$ 792,414	\$ 719,729	\$ 874,477	10.36%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

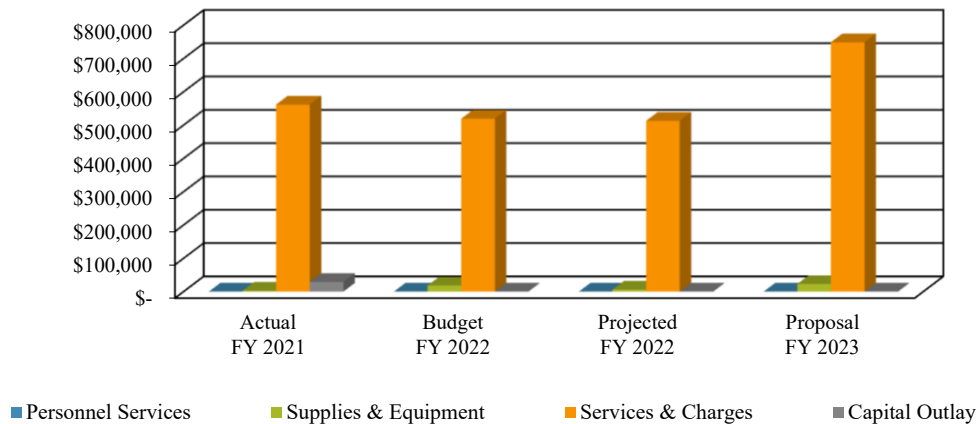
- 1 Personnel Services provides funding for five full-time employees.
- 2 Services & Charges includes \$100,000 for third-party inspection services, an increase of \$50,000.



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%
Total Department	\$ 593,249	\$ 537,093	\$ 518,655	\$ 771,392	43.62%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

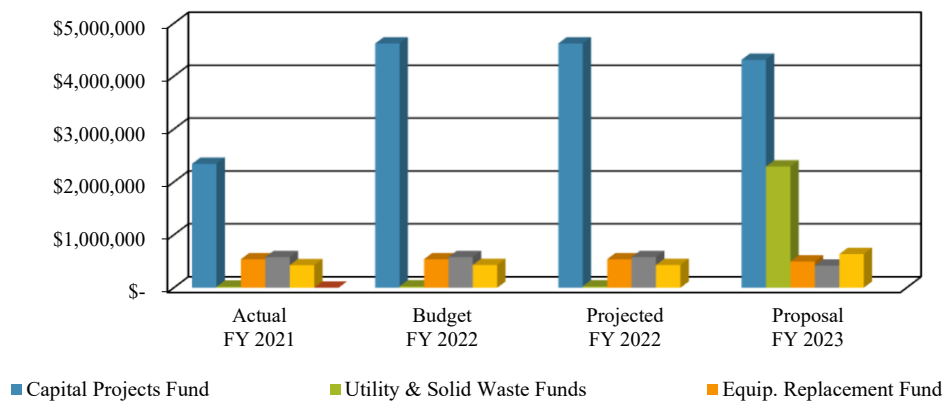
- 1 Supplies & Equipment provides \$17,063 as a contingency in the event fuel costs exceed the amount budgeted in each department, which was increased from FY 2022 by \$4,563.
- 2 Included in Services & Charges is \$205,000, an increase of \$55,000 over FY 2022, to reduce an anticipated actuarial liability 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%
Total Department	\$ 3,912,779	\$ 6,199,953	\$6,199,953	\$ 8,157,536	31.57%



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

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
REVENUES/SOURCES OF FUNDS				
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
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 10,922,520
Other Sources:				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Other Sources	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Revenues/Sources	\$ 9,912,606	\$ 11,872,021	\$ 10,578,980	\$ 13,546,992
EXPENSES - BY TYPE				
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
Total Personnel	\$ 1,687,828	\$ 1,743,908	\$ 1,582,230	\$ 1,907,514
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
Total Expenses	\$ 8,090,766	\$ 8,774,407	\$ 8,663,854	\$ 11,861,952
Other Uses:				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Other Uses	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Expenses/Uses	\$ 10,297,087	\$ 10,690,094	\$ 10,579,541	\$ 13,880,082
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (384,481)	\$ 1,181,927	\$ (561)	\$ (333,090)
ENDING FUND BALANCE	\$ 6,511,046	\$ 7,692,973	\$ 6,510,485	\$ 6,177,395
Ideal Fund Balance	\$ 1,851,046	\$ 1,910,028	\$ 1,889,328	\$ 2,016,807
Fund Balance in Excess of Minimum	\$ 4,660,000	\$ 5,782,945	\$ 4,621,157	\$ 4,160,588

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 6,895,526	\$ 6,063,881	\$ 6,511,046	\$ 6,510,485
REVENUES/SOURCES OF FUNDS				
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
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 10,922,520
Other Sources:				
Transfers In	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Other Sources	\$ 349,857	\$ 364,300	\$ 364,300	\$ 2,624,472
Total Revenues/Sources	\$ 9,912,606	\$ 11,872,021	\$ 10,578,980	\$ 13,546,992
EXPENSES - BY DEPARTMENT				
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
Total Expenses	\$ 8,090,765	\$ 8,774,407	\$ 8,663,854	\$ 11,861,952
Other Uses:				
Transfers Out	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Other Uses	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130
Total Expenses/Uses	\$ 10,297,086	\$ 10,690,094	\$ 10,579,541	\$ 13,880,082
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (384,480)	\$ 1,181,927	\$ (561)	\$ (333,090)
ENDING FUND BALANCE	\$ 6,511,046	\$ 7,692,973	\$ 6,510,485	\$ 6,177,395
Ideal Fund Balance	\$ 1,851,046	\$ 1,910,028	\$ 1,889,328	\$ 2,016,807
Fund Balance in Excess of Minimum	\$ 4,660,000	\$ 5,782,945	\$ 4,621,157	\$ 4,160,588

**UTILITY FUND
STATEMENT OF REVENUES**

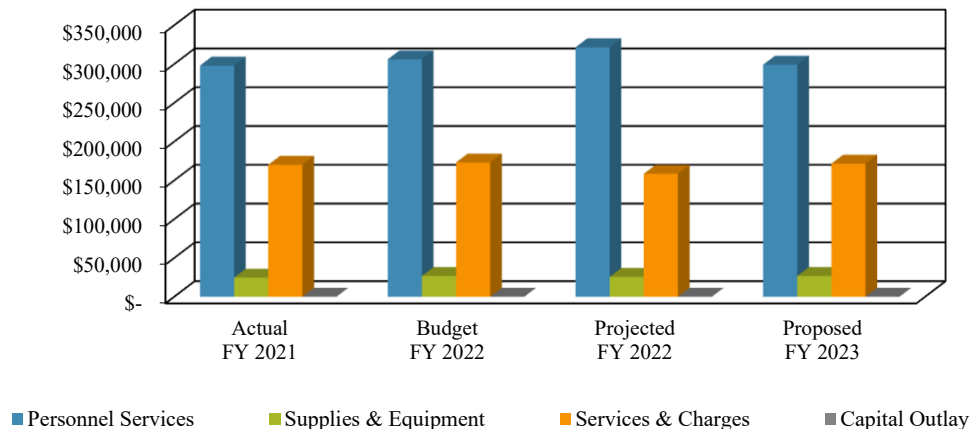
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
Licenses & Permits				
Plumbing Permits	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
<i>Subtotal</i>	\$ 65,775	\$ 63,294	\$ 62,513	\$ 65,206
Charges For Services				
Water Sales	\$ 6,456,844	\$ 7,252,554	\$ 7,032,924	\$ 7,554,402
Inter-Dept 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>	\$ 9,378,433	\$ 10,335,575	\$ 10,031,555	\$ 10,716,056
Fines & Forfeits				
Late Payment Penalties	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
<i>Subtotal</i>	\$ 62,429	\$ 62,623	\$ 59,480	\$ 61,577
Miscellaneous				
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>	\$ 56,112	\$ 1,046,229	\$ 61,132	\$ 79,681
Total Revenues	\$ 9,562,749	\$ 11,507,721	\$ 10,214,680	\$ 10,922,520



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	\$ -	\$ -	\$ -	\$ -	-
Total Department	\$ 492,503	\$ 505,700	\$ 505,419	\$ 497,101	-1.70%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

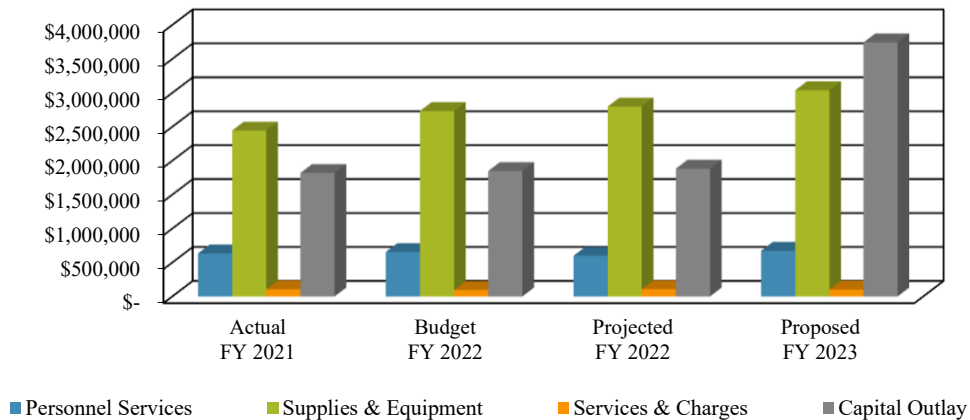
- 1 Personnel Services provides funding for three full-time employees.
- 2 Services & Charges decreased for FY 2023 due to the reallocation of funds from a human resources consultant to a full time Administrative Assistant in the Finance Department. This position will perform administrative tasks currently 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%
Total Department	\$ 5,001,540	\$ 5,330,791	\$5,387,230	\$ 7,556,692	41.76%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

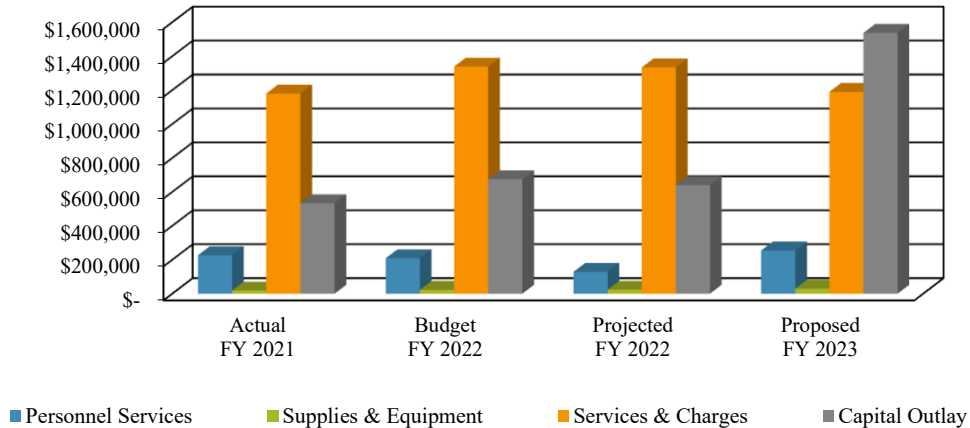
- 1 Personnel Services provides funding for five full-time employees.
- 2 The increase in Supplies & Equipment reflects higher water purchase costs due to a rate increase. Water purchases cost is based on a projection of 968,795,400 gallons, the average of the last five years, at a rate of \$2.87 per 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%
Total Department	\$ 1,957,543	\$ 2,245,079	\$2,125,723	\$ 3,010,257	34.08%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

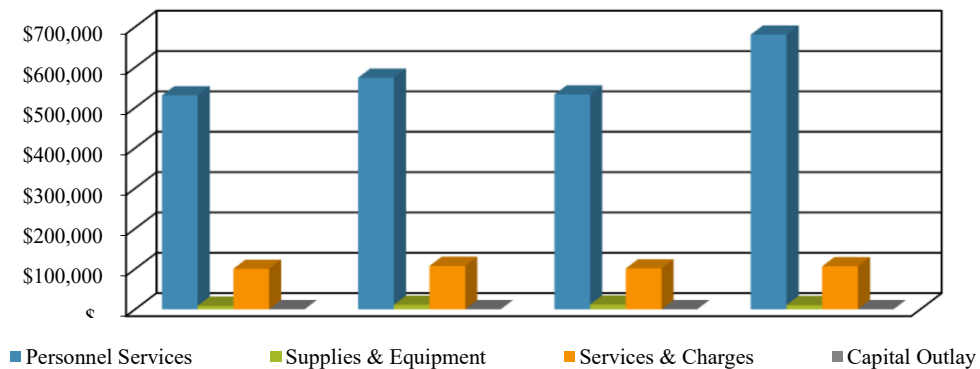
- 1 Personnel Services provides funding for two full-time employees.
- 2 In Supplies & Equipment, the increase is primarily related to the lease of a color copier for use at the Service Center.
- 3 In Services & Charges, wastewater treatment expense, a service provided by the City of Dallas, has decreased 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	-	-	-	-	-
Total Department	\$ 639,179	\$ 692,837	\$ 645,482	\$ 797,902	15.16%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

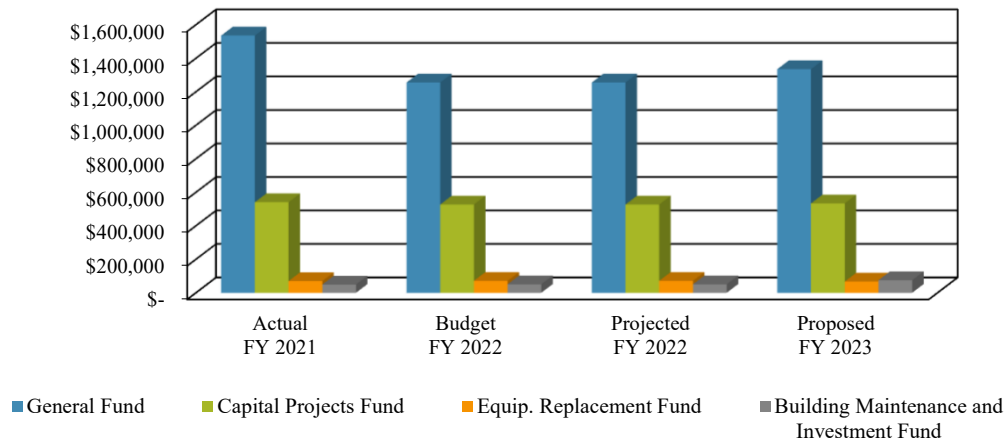
- 1 Personnel Services provides funding for four full-time employees. In FY 2022, a budgeting shift of \$30,000 was made from Personnel Services to Services & Charges to reflect the outsourcing of the management of the Geographical Information System (GIS) and the purchase of an upgraded mapping system. 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%
Total Department	\$ 2,206,321	\$ 1,915,687	\$ 1,915,687	\$ 2,018,130	5.35%



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

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

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

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

**SOLID WASTE FUND
STATEMENT OF REVENUES**

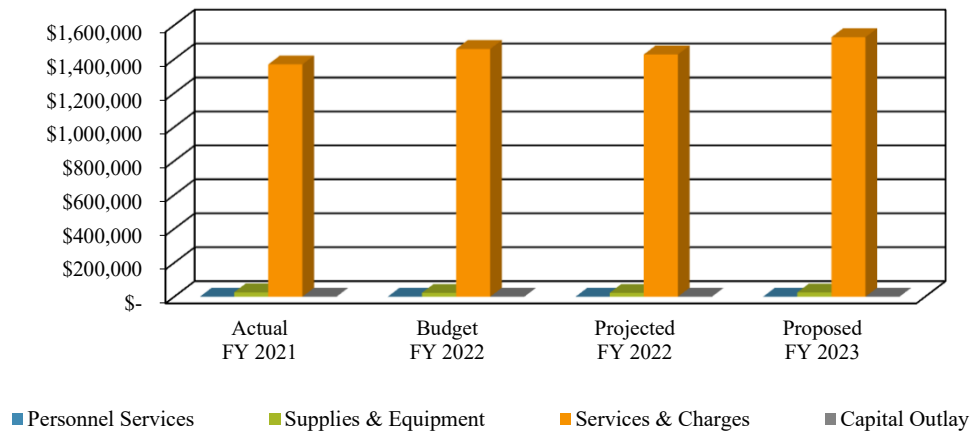
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
Charges For Services				
Sanitation Collection Charges	\$ 1,408,470	\$ 1,468,095	\$ 1,458,308	\$ 1,543,911
Recycling Charges	130,204	135,457	136,200	144,317
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,538,674	\$ 1,603,552	\$ 1,594,508	\$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



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	\$ -	\$ -	\$ -	\$ -	
Total Department	\$ 1,394,690	\$ 1,482,247	\$ 1,449,914	\$ 1,554,252	4.86%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

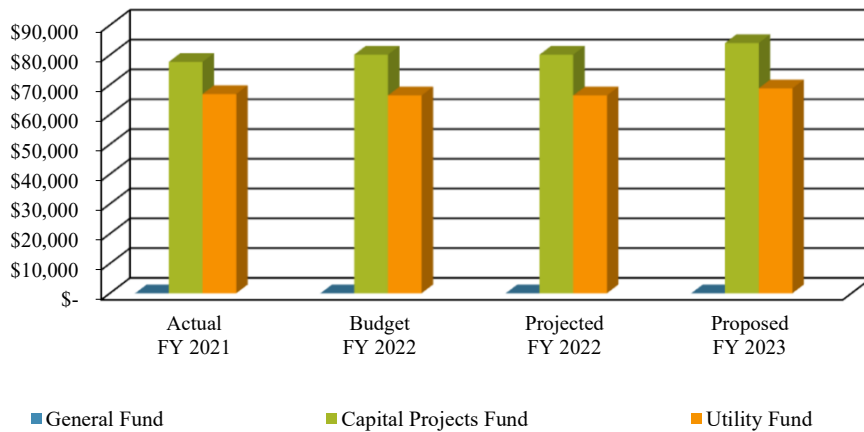
- 1 Supplies & Equipment includes the purchase of replacement rollout containers for solid waste and recycling collection.
- 2 Service & Charges provides for the cost of solid waste and recycling collection, as well as disposal costs at the landfill, and tree trimming for alleys and easements. The increase 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%
Total Department	\$ 144,600	\$ 146,500	\$ 146,500	\$ 152,800	4.30%



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**

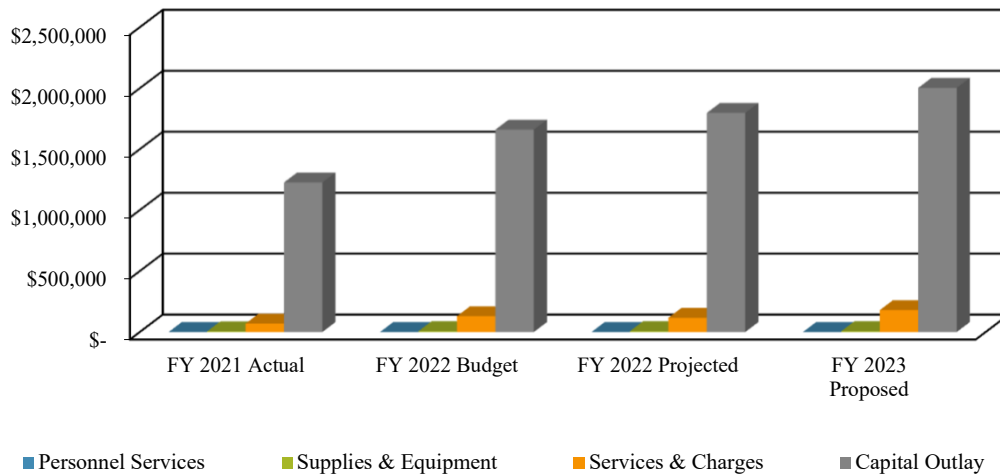
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 3,642,201	\$ 2,569,297	\$ 2,856,758	\$ 1,584,186
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 427,247	\$ 441,692	\$ 440,000	\$ 453,200
Interest	16,302	15,979	13,593	26,487
Miscellaneous	-	-	-	600,000
Total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



Stormwater Drainage Fund

EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	% Change 2020 to 2021
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%
Total Department	\$ 1,300,692	\$ 1,796,750	\$1,921,265	\$ 2,189,750	21.87%



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**

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

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
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
STREET					
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
STREET LIGHTING					
Truck w/ Aerial lift	7821	Ford	2019	2020	2030
Pickup	1837	Chevrolet	2012	2012	2024
PARKS					
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
SERVICE CENTER					
Front-End Loader	758	Case	2011	2011	2022
WATER					
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
SEWER					
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**

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

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

Fund	Dept	Department	Description	Asset Value
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
Total				\$ 1,357,777

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**

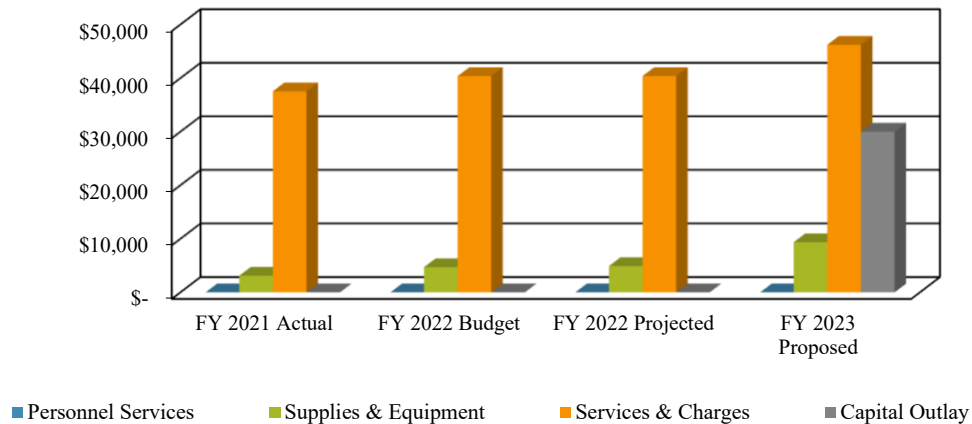
	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed
BEGINNING FUND BALANCE	\$ 1,037,417	\$ 974,990	\$ 1,168,965	\$ 1,259,588
REVENUES/SOURCES OF FUNDS				
Interest	\$ 4,328	\$ 5,856	\$ 6,413	\$ 12,511
Miscellaneous	40,142	-	19,214	18,516
Total Revenues	\$ 44,470	\$ 5,856	\$ 25,627	\$ 31,027
Transfers	477,300	483,000	483,000	711,446
Total Revenues/Sources	\$ 521,770	\$ 488,856	\$ 508,627	\$ 742,473
EXPENDITURES/USES OF FUNDS				
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
Total Expenditures	\$ 390,222	\$ 410,007	\$ 418,004	\$ 633,382
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 390,222	\$ 410,007	\$ 418,004	\$ 633,382
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 131,548	\$ 78,849	\$ 90,623	\$ 109,091
ENDING FUND BALANCE	\$ 1,168,965	\$ 1,053,839	\$ 1,259,588	\$ 1,368,679



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%
Total Department	\$ 40,631	\$ 45,075	\$ 45,275	\$ 85,612	89.93%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

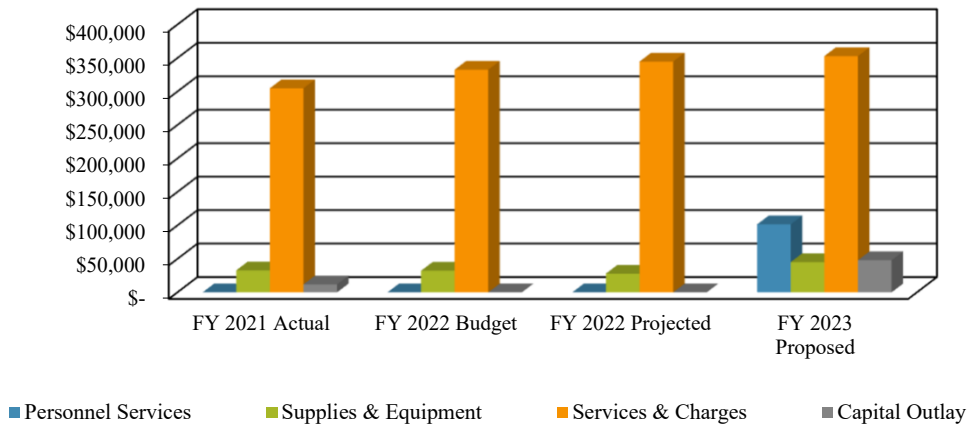
- 1 Supplies & Equipment increased due to the replacement of two breakroom refrigerators and one dishwasher at the Service Center.
- 2 Services & Charges increased due to the addition of an HVAC assessment at the Service Center and increased costs for third party janitorial and maintenance services.
- 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	-
Total Department	\$ 349,591	\$ 364,932	\$ 372,729	\$ 547,770	50.10%



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**

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

**TRUANCY PREVENTION
STATEMENT OF REVENUES & EXPENDITURES**

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

MUNICIPAL JURY FUND
STATEMENT OF REVENUES & EXPENDITURES

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

COURT TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES

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

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

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

LIBRARY FUND
STATEMENT OF REVENUES & EXPENDITURES

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

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

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

**RESERVE FUND
STATEMENT OF REVENUES & EXPENDITURES**

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

Capital Projects Fund

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

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

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

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

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2023-2032

Project/Funding Source	2021-22	2022-23	2023-24	2024-25	2025-26
Beginning Balance	\$ 6,667,069	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777
Annual Project Funding					
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
Total Annual Project Funding	\$ 9,029,878	\$ 8,146,336	\$ 9,499,189	\$ 11,627,048	\$ 6,349,965
Expenditures					
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
Total Expenditures	\$ 6,424,552	\$ 9,556,951	\$ 6,790,303	\$ 11,877,502	\$ 5,884,592
Transfers-Out					
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
Total Transfers-Out	\$ 493,000	\$ 1,197,825	\$ 1,202,771	\$ 807,840	\$ 813,036
Total Expenditures & Transfers Out	\$ 6,917,552	\$ 10,754,776	\$ 7,993,074	\$ 12,685,342	\$ 6,697,628
Ending Balance*	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777	\$ 6,271,115
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 6,779,395	\$ 4,170,955	\$ 5,677,070	\$ 4,618,777	\$ 4,271,115

**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
Beginning Balance	\$ 2,856,758	\$ 1,584,186	\$ 1,366,915	\$ 1,594,061	\$ 1,815,952
Revenues					
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
Total Revenues	\$ 453,593	\$ 1,079,687	\$ 2,487,776	\$ 2,501,988	\$ 2,516,298
Transfers - In	300,000	1,000,000	1,000,000	600,000	600,000
Total Revenues & Transfers - In	\$ 753,593	\$ 2,079,687	\$ 3,487,776	\$ 3,101,988	\$ 3,116,298
Expenditures					
Supplies & Equipment	\$ 7,100	\$ 7,100	\$ 7,256	\$ 7,416	\$ 7,579
Services & Charges	116,703	179,850	183,807	187,851	191,984
Total Operating Expenditures	\$ 123,803	\$ 186,950	\$ 191,063	\$ 195,267	\$ 199,563
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
Total Capital Outlay	\$ 1,797,462	\$ 2,002,800	\$ 2,960,000	\$ 2,572,854	\$ 3,344,163
Total Expenditures	\$ 1,921,265	\$ 2,189,750	\$ 3,151,063	\$ 2,768,121	\$ 3,543,726
Transfers-Out	104,900	107,208	109,567	111,977	114,440
Total Expenditures & Transfers-Out	\$ 2,026,165	\$ 2,296,958	\$ 3,260,630	\$ 2,880,098	\$ 3,658,166
Ending Balance	\$ 1,584,186	\$ 1,366,915	\$ 1,594,061	\$ 1,815,952	\$ 1,274,084

* *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
Beginning Balance	\$ 6,511,046	\$ 6,510,485	\$ 6,177,395	\$ 4,867,668	\$ 3,303,244
Revenues					
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
Total Revenues	\$ 10,214,680	\$ 10,922,520	\$ 11,463,129	\$ 11,899,432	\$ 13,532,231
Transfers-In	364,300	2,624,472	382,710	391,130	399,735
Total Revenues & Transfers-In	\$ 10,578,980	\$ 13,546,992	\$ 11,845,839	\$ 12,290,562	\$ 13,931,966
Expenditures					
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
Total Operating Expenditures	\$ 6,140,854	\$ 6,582,752	\$ 6,985,003	\$ 7,324,477	\$ 7,549,295
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	-	-	-	-	-
Total Capital Expenditures	\$ 2,523,000	\$ 5,279,200	\$ 4,095,000	\$ 4,398,444	\$ 4,006,456
Total Expenditures	\$ 8,663,854	\$ 11,861,952	\$ 11,080,003	\$ 11,722,921	\$ 11,555,751
Transfers-Out	1,915,687	2,018,130	2,075,564	2,132,065	2,183,623
Total Expenditures & Transfer-Out	\$ 10,579,541	\$ 13,880,082	\$ 13,155,567	\$ 13,854,986	\$ 13,739,374
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
Ending Balance	6,510,485	6,177,395	4,867,668	3,303,244	3,495,836
Ideal Fund Balance (25% of Operating Expenses)	\$ 1,889,329	\$ 2,016,807	\$ 2,125,535	\$ 2,218,747	\$ 2,283,480
Over(Under) Ideal Fund Balance	\$ 4,621,156	\$ 4,160,588	\$ 2,742,133	\$ 1,084,497	\$ 1,212,356

* 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

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

GENERAL FUND					
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
BEGINNING FUND BALANCE	\$ 7,717,749	\$ 8,647,039	\$ 8,722,768	\$ 7,252,188	\$ 7,186,263
REVENUES:					
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
TOTAL REVENUES	\$ 27,704,907	\$ 30,940,631	\$ 29,773,942	\$ 30,689,741	\$ 31,675,357
Transfers from Other Funds	1,280,000	1,359,300	1,389,205	1,419,768	1,451,003
TOTAL REVENUES & TRANSFERS-IN	\$ 28,984,907	\$ 32,299,931	\$ 31,163,147	\$ 32,109,509	\$ 33,126,360
EXPENDITURES:					
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	-	-	-	-	-
TOTAL EXPENDITURES	\$ 21,855,664	\$ 24,066,666	\$ 25,089,546	\$ 25,982,911	\$ 27,100,546
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
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 28,055,617	\$ 32,224,202	\$ 32,633,727	\$ 32,175,433	\$ 33,246,136
ENDING FUND BALANCE	\$ 8,647,039	\$ 8,722,768	\$ 7,252,188	\$ 7,186,263	\$ 7,066,487
FUND BALANCE MINIMUM	\$ 3,983,982	\$ 4,745,147	\$ 4,542,506	\$ 4,698,778	\$ 4,895,011
FUND BALANCE SURPLUS	\$ 4,663,057	\$ 3,977,621	\$ 2,709,682	\$ 2,487,485	\$ 2,171,476
CAPITAL PROJECTS FUND					
Beginning Balance	\$ 6,667,069	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777
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
Ending Balance*	\$ 8,779,395	\$ 6,170,955	\$ 7,677,070	\$ 6,618,777	\$ 6,271,115
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 6,779,395	\$ 4,170,955	\$ 5,677,070	\$ 4,618,777	\$ 4,271,115
PROPERTY TAX ASSUMPTIONS					
Property Tax Revenue	\$ 15,487,088	\$ 17,058,331	\$ 17,630,564	\$ 18,246,408	\$ 18,883,808
Property Values (2)	\$ 6,781,705,819	\$ 7,466,203,174	\$ 7,727,520,285	\$ 7,997,983,495	\$ 8,277,912,917
Tax Rate	0.23	0.23	0.23	0.23	0.23

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

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

23.00 Cents 2026-27	23.00 Cents 2027-28	23.00 Cents 2028-29	23.00 Cents 2029-30	23.00 Cents 2030-31	23.00 Cents 2031-32
\$ 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
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APPENDIX

Budget Calendar Fiscal Year 2022 - 2023

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).
<u>May 17</u>	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.
June 21	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

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.
August 2	<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.
<u>August 16</u>	<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

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

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

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

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

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

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

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 13, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

TITLE

Consider approval of an ordinance setting the Town's 2022 ad valorem tax rate at \$0.230000 per \$100 of taxable assessed valuation of all taxable property for the 2022 Tax Year, as determined by the Dallas Central Appraisal District.

BACKGROUND

The preliminary tax rate set by the Town Council for Fiscal Year 2022-23 is \$0.230000 per \$100 of taxable assessed valuation. The Town Council can adopt a tax rate at this amount or lower.

The Town's Fiscal Year 2022-23 Proposed Budget includes property tax revenues based on an ad valorem tax rate of \$0.230000 per each \$100 of assessed valuation of all taxable property. The proposed 2022 tax rate, consistent with the prior year, will result in a tax levy increase of \$1,693,234 in property tax revenues, of which \$279,189 is to be raised from new property added to the tax roll for 2022. The governing body of the Town proposes to use the revenue attributable to the tax rate increase for the purpose of funding increases in operating costs and the Town's Capital Improvement Program. The Town's property tax levy on the average residential homestead property in 2021(\$2,056,676) was \$4,730.35. The tax levy on the average residential homestead property in 2022 (\$2,281,509) will be \$5,247.47, which is an increase of \$517.12.

In compliance with the Texas Property Tax Code, the Town published a required notice in *The Daily Commercial Record* on August 25, 2022, and held a public hearing regarding the proposal to consider the adoption of a tax rate of \$0.230000 per each \$100 of assessed valuation of all taxable property. The public hearing was held on September 6, 2022, at 8:00 a.m.

RECOMMENDATION

The staff recommends approval. The Town Council reviewed this item at its meeting on September 6, 2022.

Pursuant to Section 26.05(b) of the Texas Property Tax Code, the motion to adopt the ordinance setting the tax rate at \$0.230000 per each \$100 of assessed valuation of all taxable property must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.230000, which is effectively a 9.76 percent increase in the tax rate."

The vote on the ordinance setting a tax rate that exceeds the no-new-revenue tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance. This would represent three of the five voting Town Council Members.

FINANCIAL IMPACT

The adoption of a tax rate of \$0.230000 per \$100 of taxable assessed valuation of all taxable property will provide a key funding source for General Fund operations for the fiscal year beginning October 1, 2022, and ending September 30, 2023.

ATTACHMENTS:

File Name	Description
HP_Ord_2108_Levying_the_Ad_Valorem_Tax_Rate_for_Tax_Year_2022.pdf	Proposed Ordinance No. 2108
Adoption_tax_rate_steps.pdf	Adoption of Tax Rate Steps 2022

ORDINANCE NO. 2108

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 9.76% 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

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

Entity Name: Town of Highland Park

Date: 08/09/2022 05:33 PM

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

This year's proposed tax rate exceeds the no-new-revenue tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote and 60% of the governing body must vote in favor of the adoption of the tax rate. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.230000, which is effectively a 9.76 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting:

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

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

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

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

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

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

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



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 13, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

TITLE

Consider ratifying a property tax increase of \$1,693,234, which represents an increase of 10.94% over last year's adjusted levy, and includes \$279,189 in revenues generated from new property added to the tax roll.

BACKGROUND

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

The calculation of the increased revenues for the purpose of this item is based on the adjusted tax rolls for 2021, as opposed to the certified tax rolls for 2021, resulting in an increase in tax revenue of \$1,693,234. The additional tax revenue represents a 10.94% increase over last year's adjusted levy, and includes \$279,189 in revenues generated from new property to the tax roll.

RECOMMENDATION

The staff recommends approval.

FINANCIAL IMPACT

None.

ATTACHMENTS:

File Name	Description
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No Attachments Available



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: September 13, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

TITLE

Consider approval of a resolution amending the Town's Master Fee Schedule effective October 1, 2022.

BACKGROUND

The Town manages its various fees for services through the maintenance of its Master Fee Schedule. Some fees are established to be sufficient to cover the cost of the respective service for which they are imposed (e.g., solid waste collection, building services fees) and others are set at levels which are intended to provide a partial offset of the cost (e.g., swimming pool use fees, Library fees). Some fees, such as the Water and Sewer fees and the Storm Water Drainage Utility fee, are established to generate resources to meet current and future funding needs.

The FY 2022-23 Proposed Budget includes fee changes to adjust for increases in service contracts, as well as to address increasing operating and capital costs.

Storm water drainage utility fees are proposed to be adjusted by 9.0%, similar to the current pace of inflation, and provide funding that is used towards the maintenance and improvement of the Town's storm water utility system.

Water rates and sewer rates are proposed to be adjusted by 7.0% and 3.0% respectively. The change in water rates is driven in part by increases in the Town's rate charged for the purchase of water from the Dallas County Park Cities Municipal Utility District (DCPCMUD). However, rates for both water and sewer are also changing to address increasing operating costs and facilitate the Town's 10-year capital plan.

Staff proposes to adjust solid waste collection and recycling charges based on the escalation of current contracts with the Town's third-party service providers resulting in an increase to rates ranging between 5.12% and 5.92%. The existing agreements provide for an annual increase in cost based on the Bureau of Labor Statistics ("BLS") *Consumer Price Index - All Urban Consumers for Garbage and Trash Collection in the U.S and the Consumer Price Index - All Urban Consumers*. Storm water drainage fees are also proposed to be adjusted by 9.0% based on the Bureau of Labor Statistics ("BLS") *Consumer Price Index - All items in Dallas-Ft. Worth-Arlington, Texas -All Urban Consumers*.

The proposed fee schedule is included and highlights all the proposed changes to the Town's current Master Fee Schedule.

RECOMMENDATION

The staff recommends approval.

FINANCIAL IMPACT

The proposed fee changes are anticipated to generate revenues which are incorporated into the FY 2022-23 Proposed Budget.

ATTACHMENTS:

File Name	Description
Res._No._011-22_-_Amending_the_Master_Fees_Schedule_-_Effective_10-01-2022_RED-LINE.pdf	Proposed Resolution

RESOLUTION NO. 011-2207-21

A RESOLUTION OF THE TOWN OF HIGHLAND PARK, TEXAS AMENDING ITS MASTER FEE SCHEDULE.

WHEREAS, the Town of Highland Park, Texas (the "Town") makes certain services, documents, publications, and facilities available to the public; and

WHEREAS, the Town wishes to make changes to the fees for services provided by the Town that are related to the collection and disposal of solid waste and recyclable materials; and the management of storm water; and

WHEREAS, the Town wishes to make changes to the fees for services provided by the Town that are related to the purchase and distribution of water and sewer collection and treatment, as they relate to gallons of water sold; and

WHEREAS, the new rates will be incorporated into bills delivered to customers at the end of October, 2022+;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Highland Park, Texas, that the Master Fee Schedule, as attached, is hereby amended, effective October 1, 2022+.

PASSED AND APPROVED this 134th day of September 2023+.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle
Beecher
Town Attorney

~~Margo Goodwin~~ Will C.
Mayor

ATTEST:

Joanna Mekeal
Town Secretary

TOWN OF HIGHLAND PARK, TX

MASTER FEE SCHEDULE

**APPROVED September 1~~3~~⁴,
202~~1~~⁴**

**MASTER FEE SCHEDULE
WITH CODE OF ORDINANCE REFERENCE (WHERE APPLICABLE) TABLE OF
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I. ADMINISTRATIVE SERVICES

1. Health Permit (Ch. 6, Sec. 6.03.005)

An annual fee listed below will be collected from each food service establishment for a health permit issued by the Town and thereafter for the renewal of such permit.

Annual Health Permit Fee	\$200.00
Additional inspections, if required	\$75.00 each
Partial year	\$75.00/inspection plus
	\$50.00 Administrative fee

2. Facility Rental (subject to conditions included with required application)

Highland Park Room/Court Room	\$750.00/day
Utilities & Maintenance	\$30.00/hour

3. Returned Check Charge

The maximum charge permitted under Texas law will be imposed by the Town for the collection of checks returned by the banks for the lack of funds when such checks are used in payment to the Town for deposits or obligations legally owned by the issuer of the said returned checks. The Director of Fiscal and Human Resources will add the returned check charge to the other obligations owned to the Town by the issuer of the returned checks. The same charge shall be applied to electronic funds transactions in which lack of funds prevents payment from being made.

The Director of Fiscal and Human Resources, with the approval of the Town Administrator, may waive such charge if the Town was negligent in the cashing of the check or if special circumstances deem the waives as appropriate; however, in all cases of a waiver complete records must be made of the reason for the waiver.

4. Photocopy Charges

Article 6252-17a of the Texas Statutes allows the Town to charge a reasonable fee to cover the costs of reproducing public documents for private use. The charge for reproducing such documents will be based on the following guidelines:

(1) Reproduction Charges

Standard size 8.5" x 14"	\$0.10/per page
Non-standard size	\$0.50/per page
Diskette	\$1.00/each
Rewritable CD (CD-RW)	\$1.00/each
Non-rewritable CD (CD-R)	\$1.00/each
Digital video disc (DVD)	\$3.00/each
Body worn camera recording - released	\$10.00 per recording
Body worn camera recording - unreleased	\$1.00 per full minute

- (2) Exception:
The charges in section (1) do not apply to official publications normally offered to the public free of charge.

Labor, overhead charge, document retrieval charge and computer resource charge as well as other charges as allowed by §70.3, Texas Administrative Code, as amended.

5. Library Services (Ch. 1, Sec. 10)

- (1) Use of Library

Resident	No charge
Non-resident:	
Unlimited usage	\$250.00/household/year
Limited use card - five (5) items	\$25.00/each

- (2) Late Return of Materials

Non-accessioned paperbacks	\$0.10/day to a maximum fine of \$1.00.
Accessioned materials not listed below	\$0.10/day to a maximum fine of \$5.00
Periodicals	\$0.10/day to a maximum fine equal to the current retail price of the periodical
Movies, Playaway Launch pad, Playaway View, and Books with DVD	\$1.00/day to a maximum fine equal to the current retail price of the material

- (3) Other Fees

Processing fee for lost materials	\$10.00/item
Fee for certified letter	\$5.00/letter
Standard Size Copy	\$0.10 per page
Standard Size Copy – Color	\$0.25 per page
11" X "17" Size Copy	\$0.20 per page
11" X "17" Size Copy – Color	\$0.50 per page

6. Miscellaneous Charges

Certification of any document	\$2.00 per document
Contract preparation for 9-1-1 service providers	\$125.00
Payroll deduction for Child Support	\$5.00/month/deduction

II. Building Inspection (Ch. 3)

1. Contractor Registration Fees:

Plumbing	No charge
Irrigation	\$125.00
Electrical	No Charge
Mechanical	\$125.00
General Contractor	\$125.00
Concrete	\$125.00
Bonded Concrete	\$125.00
Demolition	\$125.00
Drainage	\$125.00
Bonded Excavation	\$125.00
Landscape (Art. Turf)	\$125.00
Fence	\$125.00
Pool	\$125.00
Roofing	\$125.00
Sign	\$125.00
Certified Backflow Tester	\$125.00
Fire Sprinkler	No charge
Alarm	No charge

2. Plumbing Permit Fees

Permit fees covering the installation, alteration and repair of plumbing, plumbing fixtures, fittings and/or appurtenances shall be paid to the Town as follows:

Plumbing permit fee	\$75.00
Each fixture	\$ 5.00
Re-inspection	\$50.00
Water service line	\$10.00
Sewer service line	\$10.00
Irrigation systems	\$100.00

3. Gas Permit Fees

Permit fees covering the installation, alteration and repair of gas piping, gas appliances or gas equipment shall be as follows:

Gas permit fee	\$75.00
Each outlet	\$ 5.00
Re-inspection	\$50.00
Yard line	\$10.00

4. **Electrical Permit Fees**

Permit fees for covering the installation, alteration and repair of electric wiring, electric apparatus, and electric equipment shall be as follows:

Electrical permit fee	\$120.00
Each electrical circuit	\$2.00
Electrical service (per ampere)	\$0.10
Light fixtures (each)	\$1.00
Motors (each)	\$2.00
Swimming pool ground	\$10.00
Re-inspection	\$50.00

5. **Building Permit Fees**

Permit fees covering the erection, construction, enlargement, alteration, repair, movement, demolition, conversion, or equipping of any building or structure or any portion of any building or structure in the Town shall be as follows:

\$500.00-\$4,999.99	\$50.00
\$5,000.00 or more	1% of value to nearest \$1,000
New Residential Dwelling (A/C)	\$2.60 per Square Foot
Addition/Remodel Residential Dwelling	\$1.20 per Square Foot
Residential Dwelling Reroof, Foundation Repair, General Maintenance	\$180.00
Raze a main building	\$500.00
Raze an accessory building	\$100.00

6. **Plan Review Fee (non-refundable)**

Plan Review fee	\$250.00
Plan Review for residential renovation containing structural, egress, and/or kitchen/bathroom modification(s).	\$250.00

7. **Mechanical Permit Fees**

Permit fees covering the installation, alteration, repair, or replacement of mechanical systems, equipment, fixtures, fittings and/or appurtenances, including ventilating, heating, cooling, air conditioning and refrigeration systems or other energy-related systems, shall be as follows:

Residential New/Renov. (A/C area)	\$0.08 per Square Foot (\$50.00 min fee)
Commercial \$500.00 or more	1% of value to nearest \$1,000 (\$50.00 min fee)

8. Fire Sprinkler Permit Fees

Permit fees covering the installation, alteration, repair, movement, conversion, or equipping of a fire sprinkler system shall be as follows:

Residential New/Renov.(Sprinkler area)	\$0.02 per Square Foot (\$50.00 min fee)
\$5,000.00 or more	1% or value to nearest \$1,000 (\$50.00 min fee)

9. Right-of-Way Fees

Network Node application fee	\$500.00 (1-5 network nodes); \$250.00 (each additional network node); \$1,000.00 per pole
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III. Utilities (Ch. 13, Sec. 13.02)

1. Service Fees

After hour fee	\$100.00
Service Fee	\$50.00

2. Water Rates (Ch. 13, Sec 13.02.042)

Monthly service charge	\$17.93 per each customer unit served for any portion of a billing period	<u>\$19.19 per each customer unit served for any portion of a billing period</u>
Unit cost per 1,000 gallons metered:		
0-12,000 gallons	\$5.64	<u>\$6.03</u>
12,001-30,000 gallons	\$6.49	<u>\$6.94</u>
30,001-60,000 gallons	\$7.79	<u>\$8.34</u>
60,001 and greater	\$10.12	<u>\$10.83</u>

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3. Sewer Rates (Ch 13, Sec 13.02.043)

For water service that is connected to plumbing which drains into the sanitary sewer.

Monthly service charge	\$15.46 per each customer unit served for any portion of a billing period	\$15.92 per each customer unit served for any portion of a billing period
Unit cost per 1,000 gallons	\$6.09	\$6.27

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4. Grease Trap Inspection Fee (Ch 13, Sec 13.03.002)

For businesses who utilize a grease trap in their daily operations.

Grease Trap Permit Fee	\$150.00 per year
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5. Storm Water Rates (Ch 13, Sec 13.06.006)

For each dwelling unit receiving water or wastewater.

Monthly charge for residential property (property area in square feet):		
Up to 5,000	\$4.82	\$5.25
5,001-10,000	\$7.75	\$8.45
10,001-21,800	\$11.30	\$12.32
21,801-43,600	\$19.73	\$21.51
More than 43,600	\$38.02	\$41.44
Monthly charge for commercial property and unimproved property:		
Per each 100 square feet of land calculated to be the CDA of the commercial or unimproved real property	\$0.144	\$0.157
Maximum for unimproved property	\$38.02	\$41.44

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IV. Solid Waste Collection (Ch. 13, Section 13.05.043)

1. Collection Fees

For all bills rendered by the Town on or after October 1, 2021, for the removal of garbage and trash, the Town shall charge for its services in removing garbage and trash as follows:

- (1) The collection of service for a single-family or duplex residence:

Alley service	\$28.20/dwelling unit per month	\$29.70/dwelling unit per month	Formatted Table
Pack-out collection service	\$56.02/dwelling unit per month	\$58.93/dwelling unit per month	

- (2) The collection service charge for an apartment which receives collection services from the Sanitation Collection Department per dwelling unit:
~~\$25.64~~\$27.02 / per month.

- (3) For business and commercial establishments, schools and churches:

No. of Poly Carts	Monthly Charge	Monthly Charge	Formatted Table
1	\$139.97	\$147.14	
2	\$263.49	\$277.00	
3	\$384.04	\$403.72	
5	\$588.93	\$619.14	
10	\$1000.86	\$1,052.37	
11	\$1,083.25	\$1,139.01	

2. Solid Waste, Portable Toilet Service, and/or Grit and Grease Trap Franchise.
The filing fee for the required application for a non-exclusive franchise is \$300.00.

V. Charge for collection of recyclables (Ch. 13, Section 13.05.044)

For all bills rendered by the Town after October 1, 2021, for the collection of recyclables, the Town shall charge for its services in collecting recyclables as follows:

- (1) Collection of service for a single-family, a two-family (duplex) or a multifamily residence: (Ordinance 1762 adopted 09/08/2008)

\$3.55/dwelling unit per month	\$3.76/dwelling unit per month	Formatted Table
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VI. PUBLIC SAFETY AND JUDICAL

1. Accident Report:

Accident Report fee	\$6.00/report – no charge to other police and fire agencies
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2. Ambulance (MICU) Service (Ch. 6, Sec. 6.05.004)

Transportation to Dallas area hospitals for emergency medical services:

Mileage	\$15.00 / mile
Treatment / No Transport Fee	\$125.00

Additional fees will be charged for each emergency medical aid provided to the person or persons transported including, but not limited to, drugs, bandaging, oxygen, electrocardiogram (EKG), etc. The cost of these items will be as follows:

Town Provided Drugs & Supplies	Two and one-half times cost
Oxygen & Supplies	\$115.00
BLS – Resident Fee	\$800.00
BLS – Non-Resident Fee	\$900.00
ALS I - Resident Fee	\$900.00
ALS I – Non-Resident Fee	\$1,000.00
ALS II – Resident Fee	\$1,000.00
ALS II – Non-Resident Fee	\$1,100.00

3. Solicitor's License (Ch. 4, Sec. 4.04.034)

At the time the application is filed with the Department, the applicant shall pay, per each solicitor or peddler, a nonrefundable permit fee to the Town to cover the cost of processing the application and investigating the facts stated therein.

Solicitors' License	\$50.00
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4. Impoundment Fees for Animals (Ch. 2, Sec. 2.01.010)

Redemption of animal; fees.

Animal pound fee	\$90.00/animal
Animal redeemed after 72 hours	\$10.00/day

5. Alarm Permit/Direct Alarm Monitoring Fees (Ch. 4, Sec. 4.02.007)

A person who desires to install and/or operate an alarm system or a local alarm system in the Town after the effective date hereof shall register said security system with the Department of Public Safety.

(1) Annual fee

Alarm Permit annual fee	\$48.00
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(2) Monthly monitoring fees

Cellular service fee	\$35.00
Traditional phone line fee	\$28.00

(3) Restoration fee

Restoration fee	\$100.00
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(4) Alarm Inspection fees

Initial Inspection	No charge
First Re-inspection	\$50.00
Subsequent Re-inspection	\$100.00

(5) Charge for Invalid Alarms

First five (5) invalid alarms per year	No charge
Charge per invalid alarm in excess of five	\$50.00 each

6. Horse-Drawn Carriage Permit Fees (Ch. 12, Sec. 12.11) (Ordinance 1980 adopted 7/27/2015)

Carriage License (Business) - The annual fee for a carriage business registration shall be \$100 per license (business). In addition, the licensed business shall remit to the Town an amount equal to five percent (5%) of all gross revenues from all operations of the licensee within the Town. Said amounts shall be remitted no later than the thirtieth (30th) day after such revenue is earned. The licensee shall submit a monthly report to the Town accounting for its gross revenues under the license for any month in which revenue is earned pursuant to the license. As applied in this section, the term gross revenue shall exclude: 1) cash refunds or credits allowed on returns by customers; and 2) the amount of any city, county, state, or federal sales or excise tax on sales, which is both added to the selling price and paid to the taxing authority by licensee; and 3) the amount of any city, county, state, or federal admission tax or use tax or similar governmental charge which is paid to the relevant taxing authority by licensee."

Carriage License (Business)	\$100.00
Carriage Registration	\$50.00
Carriage Driver Permit	\$25.00

Effective October 1, 2022~~1~~

Page 9 of 10

7. Medical Records Fees

Retrieval fee (paper reports only)	\$30.00 including first ten (10) pages duplicated
Retrieval fee (electronically stored records)	\$45.00 including first ten (10) pages duplicated
Additional Pages	\$1.00 each – pages 11-60 \$0.50 each – pages 61-100 \$0.25 each – over 100
Fee for written responses to a written set of questions	\$25.00

8. Background Check Fee

Background Check Fee	\$40.00 plus actual costs from other agencies
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VII. PARKS AND RECREATION

1. Tennis Permits

All qualified residents of the Town of Highland Park, upon making application with the Utilities Office, may secure an annual Tennis Permit. Such permit shall be numbered and coded as to indicate the time of its validity. The charge shall be as follows:

Individual Permit	\$40.00
Family Permit	\$80.00

2. Swimming Pool Fees

(1) All residents of Highland Park, upon making application, may secure an Annual Swimming Pool Permit. The charge for Annual Swimming Pool Permits shall be:

Season Pass	\$60.00/resident
Family Season Pass	\$60.00/resident family member to a maximum of four (4), then \$30.00 for each additional family member when purchased same day.
Daily Pass	\$7.00