



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

8:00 AM
July 7, 2026

4700 Drexel Drive, Highland Park, TX 75205
Executive Conference Room, Second Floor

I. CALL TO ORDER

II. PUBLIC COMMENT

This portion of the agenda is the public's opportunity to address the Town Council about any item listed on the agenda, except public hearings. Comments related to public hearings will be heard when the specific hearing begins. Public comments are limited to three (3) minutes per speaker, unless otherwise required by law. Per the Texas Open Meetings Act, the Town Council is not permitted to take action on or discuss any item not listed on the agenda. Items suggested for action may be placed on a future agenda at the Town Council's sole discretion.

III. FUTURE AGENDA DISCUSSION

- A. Review and discuss proposed ordinance changes related to water, sewer and stormwater infrastructure, including installation and maintenance responsibilities and fee changes.

IV. REPORTS

- A. Review and discuss the Proposed Budget and Plan of Municipal Services for Fiscal Year 2026-27.

V. REQUEST FOR FUTURE AGENDA ITEMS

- A. Review, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council Meeting agenda.

VI. CLOSED SESSION

In accordance with the Texas Government Code, Section 551.001, the Town Council will recess into Executive Session to discuss the following:

- A. § 551.071: Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter re: DART withdraw.

VII. OPEN SESSION

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

VIII. ADJOURNMENT

Any item on this posted agenda could be discussed in closed session as long as it is within one of

the permitted categories under Sections 551.071 through 551.076 and 551.087 of the Texas Government Code.

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon being recognized by the presiding officer or the consent of the body.

SPECIAL ACCOMMODATIONS FOR TOWN COUNCIL MEETINGS: Let us know if you need special assistance of any kind.

Please contact the Town of Highland Park Administrative staff at (214) 521-4161 from 7:30 a.m. - 4:30 p.m., Monday through Friday.



Town of Highland Park, Texas Taxpayer Impact Statement

This Taxpayer Impact Statement is required under Texas Government Code 551.043, as amended by HB 1522, effective September 1, 2025. In accordance with the statute, the Town is required to post a Taxpayer Impact Statement with the agenda for any meeting at which the Town Council will discuss or adopt a budget, to include budget amendments. The information required to be included in the statement is dictated by the statute.

Median Taxable Value - Detached Single Family Residence

Tax Year 2024	\$2,073,347
Tax Year 2025	\$2,271,358
Change	9.55%

Annual Tax Bill Calculation*

Rate Type	Tax Rate per \$100 Valuation	Estimated Tax Bill
2024 Adopted Rate	0.208550	\$4,323.97
2025 No-New-Revenue Rate	0.191974	\$4,360.42
2025 Adopted Rate	0.199296	\$4,526.73

Calculations*

Rate Type	Calculations
2024 Adopted Rate	$(\$2,073,347 / 100) \times 0.208550 = \$4,323.97$
2025 No-New-Revenue Rate	$(\$2,271,358 / 100) \times 0.191974 = \$4,360.42$
2025 Adopted Rate	$(\$2,271,358 / 100) \times 0.199296 = \$4,526.73$

* Calculation based on Median Taxable Value of detached single-family residence as reported by the Dallas Central Appraisal District. Individual results may vary due to applicable exemptions.



**Town of Highland Park
Town Council Study Session
Tuesday, July 7, 2026**

Item Coversheet

Review and discuss proposed ordinance changes related to water, sewer and stormwater infrastructure, including installation and maintenance responsibilities and fee changes.

PRESENTED BY: Richard Wagner, Engineering Services Manager

BACKGROUND:

This item is presented for Town Council discussion regarding proposed amendments to the Town's Code of Ordinances intended to clarify existing requirements, establish consistent administrative procedures, and address issues identified during the review of recent development projects. Staff will share additional details during the meeting presentation.

Section 3.02.008 - Drainage from Property with Subsurface Improvements or Pumped Discharges

The existing ordinance does not clearly distinguish between stormwater discharges that must be connected to the Town's underground stormwater system and those that may be discharged to a street, alley, or easement. This lack of clarity has resulted in differing interpretations during the development review process, particularly for new homes with basements, where groundwater infiltration can generate significant and continuous pumped discharges. Improper management of these discharges can create nuisance conditions, safety concerns, and impacts on adjacent properties and public infrastructure. The proposed revisions will include:

- Requiring all groundwater collection systems, including sump pumps, foundation drains, under drains, and similar subsurface drainage systems, to discharge to the Town's underground stormwater system, or utilize an alternative groundwater discharge method approved by the Town; and
- Allowing pumps intended to remove surface runoff, including irrigation-related water, to discharge to a street, alley, or easement.

Section 13.02.004 - Water Meters and Connections

The current ordinance does not clearly define the responsibilities of property owners and the Town when installing and maintaining water service connections, resulting in uncertainty during the permitting and construction process. The proposed revisions will:

- Clarify that all new water services for new home construction, remodels, etc. are the responsibility of the property owner for the installation of the water tap and service line including excavation, installation and restoration of the street, alley or easement to Town standards.
- Clarify the property owner is responsible for the maintenance and repair of the water service from the water meter to the occupied building. The Town is responsible for the maintenance and repair of the water service from the water main to the water meter.
- Establish meter sizing requirements for residential properties, including two-inch meters for combined domestic and fire service connections and one-inch meters for irrigation service connections.
- Update water connection and installation fees to reflect current costs and relocate such fees to the Town's Master Fee Schedule.

Section 13.02.007 - Sewer Connections

The current ordinance specifies that property owners are responsible for excavating and restoring the street, alley, or easement for a sewer connection; while the Town is responsible for installing the sewer connection and lateral. This creates conflict and confusion related to the responsibility of the service installation. Additionally, the ordinance does not clearly specify maintenance and repair responsibilities after installation for sewer laterals between the property line and the public sewer main. This lack of clarity has resulted in differing interpretations during the development review process. The proposed revisions will:

- Clarify that all new sewer services for new home construction, remodels, etc. are the responsibility of the property owner for the installation of the sewer tap and service line including excavation, installation and restoration of the street, alley or easement to Town standards;
- Clarify the property owner is responsible for the maintenance and repair of the sewer lateral from the occupied building to the cleanout/property line. The Town is responsible for the maintenance and repair of the sewer lateral from the cleanout/property line to the sanitary sewer main. Where the sewer lateral does not include a cleanout on the property line, the property owner is responsible for the maintenance and repair of the entire sewer lateral to the main.
- Update the sewer connection fee to reflect current costs and relocate the fee to the Town's Master Fee Schedule.

RECOMMENDATION

This item is provided as information for review and comments with no action proposed for Town Council consideration. Refer to the attached draft language proposed for the ordinances.

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

Proposed Ordinance Change - Subsurface Improvements -r, Proposed Ordinance Change - Water -r, Sewer - Proposed Ordinance Change -r

Proposed Ordinance Change - Subsurface Improvements

Proposed Ordinance

§ 3.02.008 Drainage from property with subsurface improvements or pumped discharges.

(a) Definitions

Groundwater

Water occurring beneath the ground surface within the soil, sand, gravel, rock or other geologic formations.

Surface Water

Water occurring or flowing on the ground surface, including runoff from precipitation, irrigation, or similar sources.

(b) Prior to the issuance of a building permit for construction of a structure with subsurface improvements, including basements, crawl spaces, below-grade garages, or other below-grade structures:

- (1) A groundwater investigation prepared by a registered professional engineer licensed in the State of Texas shall be submitted to the Town.
- (2) The groundwater investigation shall include:
 - a. An evaluation of existing groundwater conditions;
 - b. Seasonal groundwater fluctuations, where available;
 - c. Soil and subsurface conditions;
 - d. The anticipated need for temporary or permanent dewatering;
 - e. Potential impacts on adjacent properties and public infrastructure; and
 - f. A determination of whether groundwater is likely to enter any proposed basement, crawl space, foundation drainage system, or other below-grade structure.

- (3) The groundwater investigation shall be accompanied by a drainage plan and letter of recommendation specifying:
 - a. Foundation drainage and underdrain systems, if required;
 - b. Sump pump installations, if required;
 - c. The proposed method of removing groundwater from around the foundation; and
 - d. The proposed method of discharging groundwater to the Town's subsurface stormwater system.
 - (4) The Director of Engineering may require additional geotechnical information, groundwater monitoring, testing, or engineering analysis as necessary to evaluate site conditions and determine compliance with this section.
- (b) Any sump pump, foundation drain, underdrain, or similar system designed to collect and pump groundwater from properties with subsurface improvements shall be connected to the Town's subsurface stormwater system.
 - (c) Where the Town's subsurface stormwater system is not reasonably accessible to the property, or where the Town determines the connection is impractical, the property owner may propose an alternative groundwater management and discharge method for review and approval by the Director of Engineering.
 - (d) Pumps designed solely to remove temporary stormwater, surface runoff, or irrigation-related water may discharge to a street gutter, approved drainage facility, or other location approved by the Director of Engineering, provided such discharge does not:
 - (1) Flood adjacent properties;
 - (2) Damage public infrastructure;
 - (3) Cause erosion; or
 - (4) Create a nuisance condition.
 - (e) Notwithstanding any approval previously granted under this section, if the Town determines that a surface water discharge is creating or contributing to the issues in Section (d), the Town may require corrective action by the property owner.

Proposed Ordinance Change - Water

Proposed Ordinance

§ 13.02.004 Water meters and connections

- (a) Water Service. All persons owning property in the Town with occupied buildings are required to have a connection to the Town's potable water system.
- (b) Type and number of services. Residential properties are required to have a 2-inch domestic/fire service, and a 1-inch irrigation service. Residential property owners may request a 1-inch domestic/fire service be installed in lieu of a 2-inch service, if engineering calculations submitted to the Town support that a 1-inch service is adequate. Commercial property service sizes will vary depending on the application and use and are subject to approval by the Director Engineering.
- (c) Service Installation. The property owner is responsible for installing the required water service taps, excavation of the street, alley or easement, installation of the water services to the property line and restoring the public right-of-way to its original condition. The property owner or their contractor shall comply with all Town ordinances and engineering standards regulating water connections on public property. A permit is required for the water connections. The permit fee, required for the cost of the service inspections, shall be adopted by the Town Council in the Master Fee Ordinance.
- (d) Service Maintenance. The Town is responsible for future maintenance and repair of the water service from the water main to the water meter. The property owner is responsible for future maintenance and repair of the water service from the water meter to the occupied building.

(e) Meter installation and fee. All water connections to the Town's potable water system are required to have a meter. Meters for water service shall be furnished and connected by the Town. The Town shall charge, and shall collect in advance, a fee for furnishing and connecting the meter in accordance with the Master Fee Ordinance. The location, installation, size, type and number of meters on the premises shall be at the direction of the Director of Engineering.

(f) Request for different meter location. A request for a different meter location, other than that prescribed by the Director of Engineering, shall be submitted for review and approval. If approval is granted, the property owner shall bear the entire expense of any excavation or extension of existing lines necessary to make the requested connection.

(g) Equipment to remain property of Town. All meters, curb cocks, valves, meter boxes, and fixtures, installed or used by the Town as provided herein, including those furnished at the property owner's expense, shall remain under the direct control and property of the Town.

(h) Maintenance of meters. All meters, when rendered unserviceable through normal wear and tear, shall be maintained, repaired and renewed as necessary exclusively by the Town. When such maintenance, including adjustment, repair or replacement, of any meter is rendered necessary by the act, neglect, negligence or carelessness of the owner or occupant of the premises, any expense thereby incurred by the Town shall be charged against and collected from the property owner and, if such charges are not paid when billed, services shall be discontinued within ten (10) days of such default of payment.

(i) Stop and waste cock. The property owner shall install inside the property line a stop and waste cock of a design approved by the Director of Engineering, at a location accessible in the event of an emergency. The curb cock at the meter shall not be used in lieu of the stop and waste cock required by this subsection.

(j) Backflow prevention device. In accordance with Town Article 13.09 Backflow Prevention, backflow prevention assemblies are required on all high-hazard connections, commercial facilities, fire protection systems, irrigation systems, and specific residential connections where an actual or potential hazard exists.

(k) Reading of meters.

(1) All meters shall be read monthly, as may be practicable, by the Town, and bills rendered therefore, as provided in section [13.02.044](#) of this article.

(2) An estimate of the quantity of water delivered to the premises and billed if:

(A) The meter reader is unable to procure a reading of the meter because access to the meter is obstructed in any manner subject to the control of the property owner;

(B) The meter cannot be located by the meter reader;

(C) The meter does not properly function or is otherwise defective, as provided in subsection (k) of this section;

(D) Adverse weather or other acts of God prevent the reading of the meter;

(E) No meter is in place at the premises; or

(F) A meter reading is not available to the billing section of the Town at the time of preparation of the bill for any other reason.

(3) All estimates herein allowed shall be based upon:

(A) Past consumption history at the premises, adjusted for seasonal consumption; or

(B) If there is no history, then upon consumption of the same type of property owner under similar conditions as adjusted for seasonal consumption.

(4) The property owner shall pay the Town the amount of the bill rendered, as provided in Section 13.02.044 of this article; provided that, in the event that the property owner demonstrates that an estimate allowed by this subsection is excessive, the property owner shall pay an amount based upon:

(A) An actual meter reading on the premises; or

(B) A revised estimate made by the Town as provided in subsection (j)(3) of this section.

(l) Testing of meters. In the event that a water property owner of the Town requests the Town to remove and test a property owner's water meter, the Town shall cause such testing to be done only when a property owner's request is in writing and contains a promise by the property owner to the Town to pay for all expenses incurred by it for such test. If, upon such removal and test, the meter is found by the Town to register more than two (2) percent more water than actually passes through it for meters of one (1) inch or smaller, or three (3) percent for meters larger than one (1) inch in size, the fee charged the property owner under this subsection shall be credited to his account. Whenever a meter has been found by the Town to be out of order, as herein defined, the property owner shall be charged with an average daily consumption, as shown by the corrected meter, for the ninety-day period preceding the filing of the request.

(m) Connection for sprinkler or fire service system.

(1) No connection for a sprinkler or fire service system shall be permitted on any premises without a meter, or a detector check with a bypass meter; provided that such installation may be allowed after written application therefore has been made to and granted in writing by the Town and approved by the Director of Community Development.

(2) Should it be found that any such connection has been made otherwise than as authorized in this subsection, or that any water has been used from a sprinkler or fire service system for any purpose other than extinguishing a fire, or that waste of water is permitted from such connection through leakage in the pipes or fixtures, the water service to the premises concerned shall be shut off and not turned on until a meter of the size and type prescribed by the Director of Engineering shall have been installed as provided in this section. In any event above enumerated, the property owner shall make application for service as prescribed in this article for new applicants.

(3) The costs of purchase, installation, maintenance and inspection of all equipment required by this article for the installation and operation of sprinkler and fire service systems shall be at the expense of the property owners.

(n) Water at construction sites. The Director of Engineering shall have authority to permit water to be supplied to a construction site without a meter under such regulations as they may issue.

Master Fee Schedule

III. Utilities

6. Water Connection Fee \$300

7. Water Meter Installation

(1) 1-inch meter: \$1,000.00.

(2) 2-inch meter: \$2,000.00.

(3) Meter larger than 2-inch: Cost.

Proposed Ordinance Change - Sewer

§ 13.02.007 **Sewer connections.**

- (a) Sewer Service. All persons owning or occupying property in the Town with occupied buildings thereon situated are required to have a connection with the sanitary sewer of the Town.
- (b) Service Installation. The property owner is responsible for installing the required sanitary sewer tap, excavating the street, alley or easement, installing the sanitary sewer service line to the property line and restoring the public right-of-way to its original condition. The property owner or their contractor shall comply with all Town ordinances and engineering standards regulating sewer connections on public property. A permit is required for the sewer connection. The permit fee, required for the cost of the service inspections, shall be adopted by the Town Council in the Master Fee Ordinance and may be amended from time to time.
- (c) Service Maintenance. Where a sewer connection includes a cleanout, the property owner is responsible for maintenance and repair of the sewer lateral from the building to the cleanout/property line, and the Town is responsible for maintenance and repair of the lateral from the cleanout/property line to the sanitary sewer main. Where a sewer connection does not include a cleanout on the property line, the property owner is responsible for maintenance and repair of the entire sewer lateral, including the connection with the sanitary sewer main.

Master Fee Schedule

III. Utilities

8. Sewer Connection Fee \$300

(Ordinance 1875, sec. 10, adopted 11/14/11)



**Town of Highland Park
Town Council Study Session
Tuesday, July 7, 2026**

Item Coversheet

**Review and discuss the Proposed Budget and Plan of Municipal
Services for Fiscal Year 2026-27.**

PRESENTED BY: John Samford, Director of Finance

BACKGROUND:

Pursuant to the Town Charter, each year the Town Administrator is required to submit a proposed budget for the ensuing fiscal year no later than 30 days prior to the end of the current fiscal year to the Town Council for its review, consideration, and revision if desired. The Town Council shall call a public hearing or hearings on the budget. The Town Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law, debt service, or estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

The budget ultimately adopted by the Council must set forth the appropriations for services, functions, and activities of the various Town departments and agencies, and shall meet all fund requirements provided by law. If a budget is not adopted by the 15th day of September, the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly until such time as a budget for the ensuing fiscal year is adopted. The levy of property tax will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by September 15th of the current fiscal year.

Staff will provide a presentation to the Town Council on the Proposed Budget and Plan of Municipal Services for Fiscal Year 2026-27 ("Proposed Budget").

The Proposed Budget was presented to the Finance & Audit Advisory Committee on June 23, 2026. A public hearing on the Proposed Budget is scheduled at 8:00 a.m. on August 11, 2026. The Town Council is scheduled to consider approval of the Proposed Budget at its meeting on Tuesday, September 1, 2026.

RECOMMENDATION

This agenda item is presented for discussion purposes only.

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

FY2026-27 Proposed Budget , FY2027-36 Proposed CIP



THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference

FISCAL YEAR

2026-27

PROPOSED BUDGET

AND PLAN
OF MUNICIPAL SERVICES



Photography by Kasie Noel



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Town of Highland Park

Proposed Budget and Plan of Municipal Services For the Fiscal Year 2026-2027

This budget will raise more total property taxes than last year's budget by an amount of \$939,616*, which is a 4.6 percent* increase from last year's budget, and of that amount, \$219,247* is tax revenue to be raised from new property added to the tax roll this year.

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

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Proposed 2026-27*	Adopted 2025-25
Property Tax Rate:	\$0.191888/100	\$0.199296/100
No-New-Revenue Tax Rate:	\$0.185399/100	\$0.191974/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.185399/100	\$0.192557/100
Voter-Approval Tax Rate:	\$0.191888/100	\$0.199296/100
Debt Rate:	\$0.000000/100	\$0.000000/100

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 01, 2025

Christopher P. Morill

Executive Director

Town of Highland Park, Texas

Proposed Budget and Plan of Municipal Services

October 1, 2026, through September 30, 2027

Mayor & Town Council

Will C. Beecherl, Mayor

Don Snell, Mayor Pro Tem

Alan Friedman, Council Member

Leland White, Council Member

Margaret Keliher, Council Member

Mike Tibbals, Council Member

Town Staff

Tobin E. Maples, AICP, Town Administrator

Taylor Lough, Assistant Town Administrator

John Samford, CPA, CTP, Director of Finance

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

Letecia McNatt, Director of Policy Development & Strategic Initiatives

Chuck McGinnis, Director of Public Safety

Jeff Armstrong, AICP, Director of Community Development

Kortney Nelson, MLS, Town Librarian

Joanna Mekeal, TMRC, Town Secretary



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Town of Highland Park
Fiscal Year 2026-27 Proposed Budget
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MAYOR
William C. Beecherl

MAYOR PRO TEM
Don Snell

TOWN ADMINISTRATOR
Tobin E. Maples, AICP



TOWN COUNCIL
MEMBERS

Alan Friedman
Margaret S.C. Keliher
Mike Tibbals
Leland White

June 30, 2026

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

In accordance with Texas Statutes and the Town of Highland Park Charter, it is our honor to present the Proposed Budget and Plan of Municipal Services (“Proposed Budget”) for the fiscal year beginning October 1, 2026, and ending September 30, 2027 (“FY27”). The Proposed Budget incorporates a property tax rate of 19.1888 cents per \$100 of taxable assessed value, representing a reduction of 0.7408 cents from the prior year’s rate of 19.9296 cents.

This budget was developed through the collaborative efforts of all Town departments and reflects a careful balance between citizen-driven service expectations, risk management considerations, and capital investment needs within the constraints of available resources. The Proposed Budget is balanced and continues the Town’s longstanding tradition of financial stewardship, strength, and resiliency. It serves as:

- The fiduciary policy framework establishing service delivery expectations and accountability for both the citizenry and staff.
- A financial plan estimating expenditures for the fiscal year and identifying the means of financing them.
- An operational guide for deploying human, material, and capital project resources throughout the fiscal year.

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

The Proposed Budget was prepared and shaped through a lengthy process obtaining input from Town Staff, Town Council deliberations and directives, and recommendations from the Town's Finance and Audit Advisory Committee. Throughout the process, opportunities were granted to the public to provide input and suggestions to ensure that all stakeholders could be heard. Of particular significance this year, the Town Council adopted a new Strategic Plan on June 2, 2026 — the product of the Town's first community survey, focus groups, workshops with the Council and staff, and extensive opportunities for public engagement. The Strategic Plan organizes the Town's priorities into six strategic priority areas: Engagement and Connection, Community Character, Facilities and Infrastructure, Safety and Security, Financial Stewardship, and Operational Excellence. The Proposed Budget reflects a deliberate effort to align resources with each of these priority areas.

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

The FY 2026 (“FY26”) budget presented for comparative purposes throughout this document is the “Amended Budget”, which reflects Town Council approved amendments to the originally adopted FY26 budget.

Budget Brief

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

Budget Revenue Components

Total budgeted revenues, including interfund transfers, total **\$84,178,079**. Consistent with the community's long standing vision of Highland Park as a "bedroom community by design," the Town does not depend on the diversified revenue structures common in many Texas municipalities. Instead, its financial stability is rooted in a strong residential tax base. Within the Town's General Fund, residential property taxes account for more than 50% of operating revenues. This reliance reflects Highland Park's predominantly residential character and its limited commercial development.

From a Town-wide perspective, total property taxes (including commercial) are the Town's largest revenue source, generating approximately \$21,356,210, or 29% of total operating revenues. The remaining revenues are derived from sales taxes; building inspection and permit fees; user fees for services such as water, wastewater, and solid waste; franchise fees; interest earnings; contributions; and intergovernmental revenues. Together, these sources make up majority of the balance of the Town's operating revenues.

Property Taxes

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

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

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

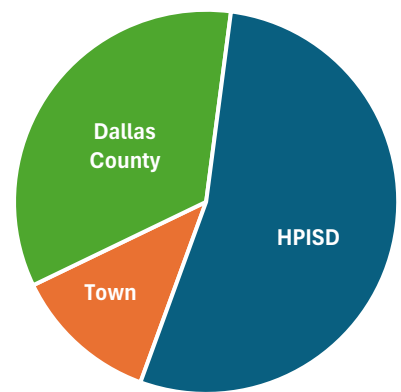
Proposed Tax Rate

As stated above, at 29.3% of total revenues (excluding inter-fund transfers), the M&O ad valorem tax is the largest and most stable revenue source for the Town. The Town's proposed M&O property tax rate for FY27 is 19.1888 cents per \$100 of valuation, which is 3.7% lower than last year's property tax rate of 19.9296 cents.

Estimated taxable property values are growing at approximately 9.0% for FY27, or \$921M over the previous year certified values, primarily because of increased reassessments. There is an estimated \$114M of new construction added to the tax rolls according to the Dallas Central Appraisal District Second Preliminary Estimated Values letter dated June 1, 2026.

The proposed tax rate of 19.1888 cents allows the Town to generate additional property tax revenue (due to higher assessed values) without exceeding the Voter Approval Rate as set out in State law. The Voter Approval Rate (VAR) is equal to the No New Revenue (NNR) Rate plus 3.5% and any unused tax increment over the last three years. The NNR Rate is the tax rate that would generate the same amount of revenue as the prior year tax rate on those properties that existed on the tax rolls in the prior year. New construction is not included in the calculation. Unused increment is the difference between the No New Revenue Rate and the Voter Approval Rate that has not been used in the last three years. Any tax rate adjustment higher than the Voter Approval Rate requires an election of voters.

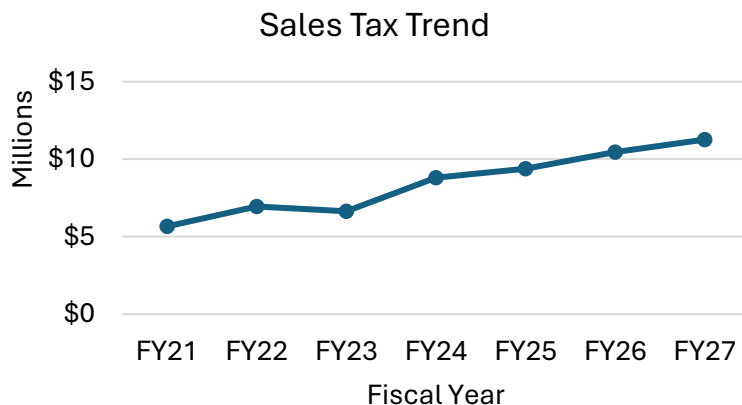
It cannot be overstated that State-imposed revenue constraints on local jurisdictions make it increasingly challenging to fund necessary projects—particularly capital improvements—and new initiatives. Notably, the Town maintains by far the lowest tax rate of the three taxing jurisdictions serving Highland Park. The average Highland Park homeowner pays approximately \$6,697 (12.3%) of their total tax bill for Town services, while the remaining \$47,771 is distributed between Dallas County (34.2%) and HPISD (53.5%). This distinction is made possible in large part by the Town’s robust average taxable value for single-family homes. As of the date of this letter, the 2026 tax year average taxable values for Dallas County and HPISD were not available; therefore, the 2025 taxable values are used for the purpose of this illustration.



Prior to FY22, the Town was able to adjust its tax rate above the No New Revenue Rate (“Effective Rate” at that time) up to 8%. SB 2, approved by the Texas Legislature in 2019 changed that to 3.5%. For illustrative purposes, this change for FY27 results in the Town forgoing approximately \$926,000 in annual revenue that could be set aside for capital improvements. Extended over a 10-year planning horizon, this change in tax law has a significant impact on the resources the Town can raise to fund projects without holding a Town-wide election or issuing debt as an alternative funding mechanism.

Sales Taxes

Built on sustaining the current mix of retail outlets, sales tax revenue accounts for 15.4% of total revenue (excluding inter-fund transfers). The Town has been fortunate over the last few years, experiencing a significant climb in sales tax revenue directly related to increased retail activity throughout the Town, but particularly at the Highland Park Shopping Village. It is anticipated that the Town will continue to see some growth in the future and the Town's 10-year financial plan applies a conservative outlook for planning purposes. Following the voters' decision to withdraw from the



Dallas Area Rapid Transit (DART) system, this revenue source is anticipated to exceed current projections. Upon satisfaction of the Town's proportional share of DART's outstanding obligations and voter approval of the future allocation of the sales tax previously dedicated to DART, the Town's 10-year financial model will be updated to incorporate the revised revenue assumptions and associated long-term fiscal impacts.

Building Inspection/Permit Fees

Revenue from building activity accounts for approximately 2.1% of total revenue, excluding inter-fund transfers. Given the strength and diversity of the North Texas economy, coupled with continued rapid population growth and ongoing corporate relocations, staff expect building activity fees to remain a strong and dependable source of revenue. For FY27, this revenue source is projected at just under \$1.54M.

Water, Sewer, Solid Waste Fees

The fees charged to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 19.0% of total revenue (excluding inter-fund transfers) at \$13.9M for FY27.

The Town's FY27 financial model is predicated on a certain level of annual water consumption. The five-year rolling average of water consumption is approximately 978 million gallons. Consumption patterns in the current fiscal year suggest that the Town will generate more revenue than what was anticipated in the annual revenue budget for FY26.

The cost to purchase water and treat wastewater is only one component of the retail rate. Other components include the cost of capital improvements, salaries, and repair and maintenance cost. The Proposed Budget provides for an adjustment to water and sewer rates in FY27 of 5.5%. The financial plan for the Utility Fund also reflects annual increases of 3-4% over the next nine years. The rate adjustment for FY27 will increase the monthly bill for a household using 10,000 gallons by approximately \$10.05 and generate an estimated \$676,000 in additional annual revenue for the Town, compared to the prior year's amended budget, excluding water sales revenue from internal billings for Town government usage. As presented in the CIP, the rate adjustment allows the Town

to continue the pay-as-you-go program of funding capital and maintains reserves at a level that funds future planned projects. The last rate adjustment was approved by the Town Council in FY26. During the FY22 budget process, when the last rate study was completed, the Town Council requested that, to the extent possible, smaller annual adjustments be projected for planning purposes rather than larger, periodic rate adjustments.

Rates charged by the Town for the collection and disposal of solid waste make up 2.7% of total revenues. Contracts outsourced to provide these services stipulate annual rate increases, based on different Consumer Price Indices (CPI). As a result of these contract provisions, rates charged to customers are growing by 3.5%, adjusting the average resident's monthly billing by \$1.34 for alley service and \$2.52 for pack-out service (including the fee for recycling). For more information on Water, Wastewater, and Solid Waste contract expenditures, please refer to the Water, Wastewater & Solid Waste Contracts section of this letter.

To address future capital needs, storm water fees are increasing by 25%. For a lot size between 10,001 and 21,800 square feet, this equates to an increase of \$14.78 or \$73.90 per month.

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

Type of Service	Actual FY 2025-26	Proposed FY 2026-27	\$ Change	% Change
Stormwater	\$ 59.12	\$ 73.90	\$ 14.78	25.0%
Water	94.64	99.80	5.16	5.5%
Sewer	88.89	93.78	4.89	5.5%
Solid Waste Collection	38.35	39.69	1.34	3.5%
Total	\$ 281.00	\$ 307.17	\$ 26.17	9.3%

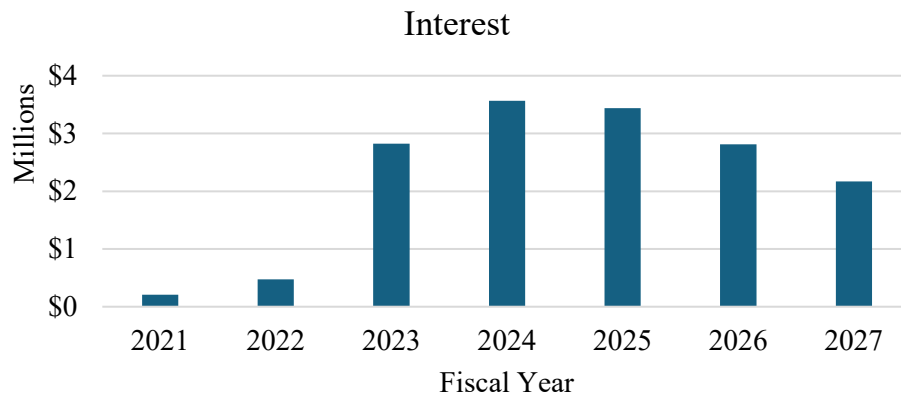
Assumptions:

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

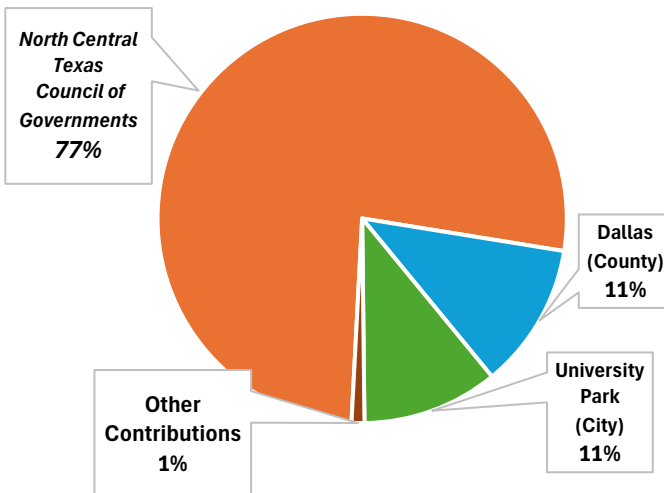
The table above does not include the Backflow Prevention Program which was initiated in 2026 to comply with the U.S. EPA Federal Clean Water Act of 1972. The cost for backflow assembly testing will be added to utility bills at a cost of \$75 per domestic and irrigation devices and \$85 for fire lines and commercial.

Interest Revenue

Interest revenue has grown dramatically over the last several years and for FY27, the Proposed Budget anticipates that this revenue source will make up 3.0%, or \$2.2M, of the Town's operating revenue. This amount represents a decline when compared to the FY26 year-end projection and a conservative outlook for FY27. While the growth in interest revenue has been positive for the Town and is currently providing another significant revenue source, the 10-year financial model projects an average annual yield of 2.5% rather than the approximately 3-4% currently realized.



Intergovernmental Revenue & Contributions



There are significant resources expected to be provided from other participating governmental entities and contributors in support of the capital expenditures approved for next year. These resources make up 17.9%, or \$13.0M, of total revenues for FY27. Most of these resources are planned to be used toward the Wycliff Avenue Reconstruction (bridge) capital improvement project. The breakdown of anticipated external resources is shown in the adjacent pie chart.

Budget Expenditures

Overall, FY27 expenditures, excluding inter-fund transfers, are decreasing by 19.1% when compared to the FY26 Amended Budget and by 17.0% when compared to FY26 year-end projections. The large decrease compared to FY26 year-end projections is primarily due to Wycliff bridge project in FY26.

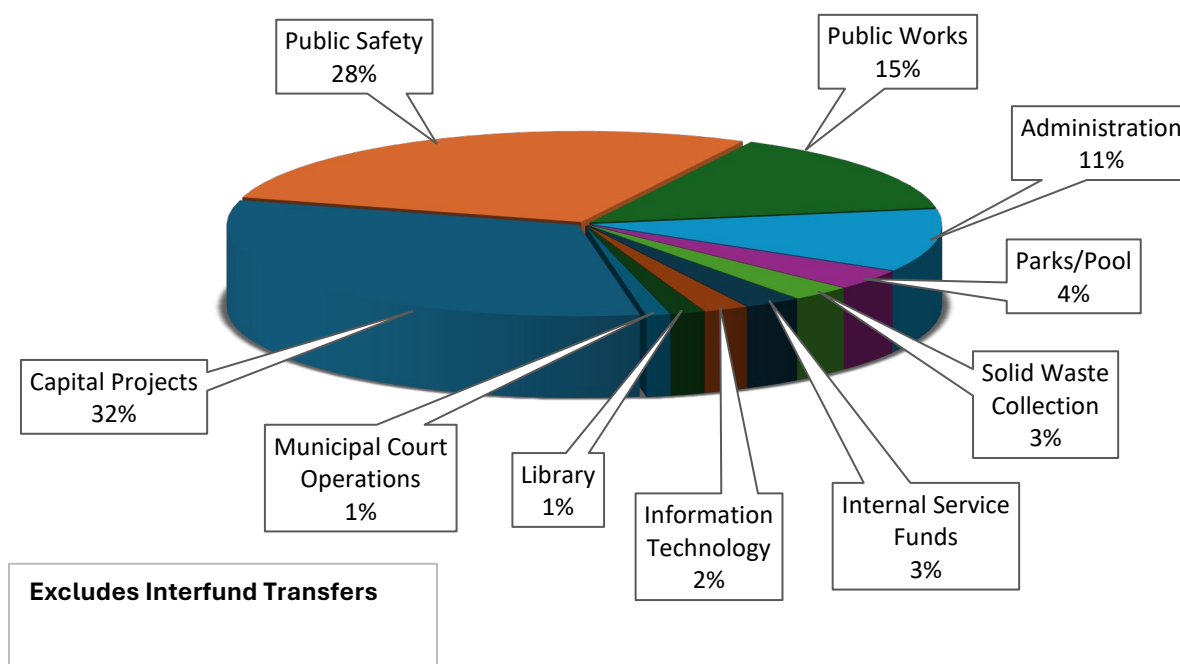
As it relates to inflation, the Consumer Price Index for All Urban Consumers (CPI-U) in the Dallas–Fort Worth–Arlington area rose 2.61% for the last 12 months, ending in May 2026, a significant increase compared to the 0.59% reported during the same period the prior year. Ongoing geopolitical conflicts and trade instability continue to contribute to broader economic uncertainty.

The table below summarizes expenditures by type for FY25, FY26 (amended budget and projected year-end), and the proposed FY27 budget.

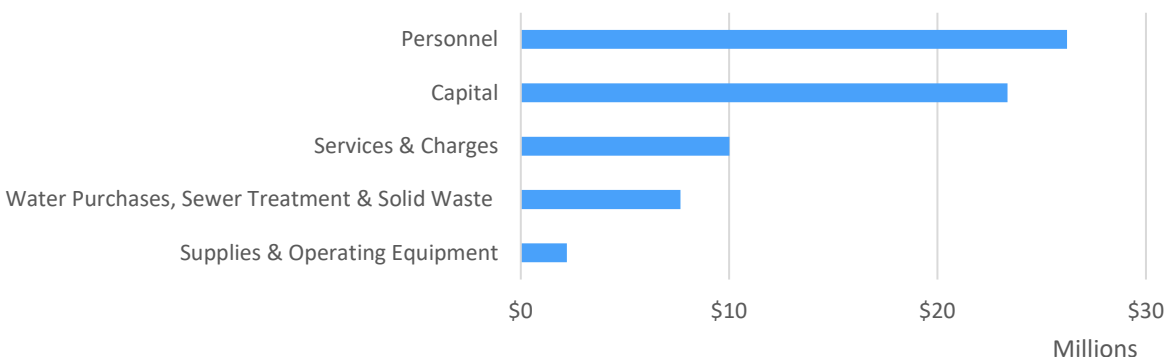
**COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION**

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
Personnel Services				
Payroll	\$ 17,387,765	\$ 18,564,283	\$ 18,427,595	\$ 19,703,605
Payroll Taxes	1,231,018	1,360,717	1,340,915	1,446,735
Retirement	2,312,776	2,343,010	2,287,935	2,445,565
Insurance	1,611,466	2,120,050	2,063,075	2,624,005
Total Personnel	\$ 22,543,025	\$ 24,388,060	\$ 24,119,520	\$ 26,219,910
Supplies & Equipment	5,755,645	6,282,234	6,565,964	6,812,467
Services & Charges	8,822,980	11,977,850	11,771,370	13,073,659
Capital Outlay	13,295,310	43,157,397	41,248,895	23,352,840
TOTAL EXPENDITURES	\$ 50,416,960	\$ 85,805,541	\$ 83,705,749	\$ 69,458,876

The Proposed Budget is made up of a variety of functions, and it is helpful to understand where the Town's resources are focused. To that end, the following graphic provides a breakdown of expenditures for FY27 by service area. As can be seen, when reviewing the use of resources by function or service area, public safety, public works (e.g., engineering, water, sewer and storm water) and capital projects make up the lion's share of costs incurred by the Town.



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



New Programs & Services

The Proposed Budget provides the resources needed to maintain the high level of service that residents and businesses expect and includes recommendations that further enhance these services (not all inclusive) within each strategic plan priority area outlined below.

Strategic Plan Alignment

The FY27 Proposed Budget is the first to be prepared in direct alignment with the Town's newly adopted Strategic Plan. The Town's priority areas are reflected in the investments and initiatives recommended for the coming fiscal year.

Engagement and Connection

Recognizing that trusted government is relationship-driven government, the Proposed Budget supports the continuation of the **Town-wide microtransit program** following the community's decision to depart from the Dallas Area Rapid Transit system. Additionally, **a dedicated communications and engagement full-time equivalent position** has been included to enhance organizational capacity and strengthen the Town's connection with its residents. A portion of the cost associated with the new position will be offset through a reduction in the Town's third-party communications contract.

Community Character

Highland Park's identity is inseparable from its physical environment. The Proposed Budget funds the development of a Town-wide **right-of-way tree maintenance program** designed to preserve and enhance the Town's tree canopy — one of the most distinctive and enduring features of Highland Park's neighborhood character. An additional **full-time equivalent position** in Community Development is also included to provide technical assistance to residents and builders seeking permits and inspections, strengthen service delivery, support the Department's ongoing modernization efforts, facilitate implementation of the Town's updated zoning ordinance, and help ensure future development reflects the community character, design standards, and quality expectations that residents value.

Facilities and Infrastructure

Protecting the Town's physical assets is essential to deliver reliable services over the long term. The Proposed Budget includes increased funding for **building maintenance** and needed repairs to the historic Town Hall, as well as implementation of an **RFID project** for the Town Library to improve efficiency and the maintenance of Library assets. A **fire hydrant maintenance program** is also incorporated to ensure the continued operational readiness of this critical public safety infrastructure.

Safety and Security

The safety of residents remains among the Town's highest obligations. The Proposed Budget provides for additional **Flock Safety license plate readers** to enhance situational awareness across the Town, **voice amplifiers** to improve field communication for first responders, and **thermal imagers** to provide clear vision in low-visibility conditions. In response to state legislation, funding is also included for **cancer screenings for certified firefighters** — an investment in the long-term health and wellbeing of the Town's first responder team.

Operational Excellence

The Town's ability to deliver premier services depends on the strength of its people and the quality of its systems. The Proposed Budget invests in staff **training and professional development**, including both technical and leadership training opportunities. Additional **field tools** identified through a Town-wide inventory are incorporated to improve operational effectiveness. A **full-time equivalent position in the Human Resources** department has been added to increase support capacity for team members. Finally, the Proposed Budget implements targeted **market compensation adjustments** informed by the Town-wide compensation and benefits study completed in the prior year, ensuring the Town remains competitive in attracting and retaining the talent necessary to serve this community at the highest level.

Financial Stewardship

Financial stewardship is reflected throughout the FY27 Proposed Budget by **aligning available resources with the Town's strategic priorities**, operational needs, and long-term financial sustainability. The budget maintains the Town's commitment to responsible fiscal management by balancing service expectations with prudent investment, preserving financial stability, and ensuring resources are allocated where they provide the greatest value to residents.

Consistent with the Strategic Plan's emphasis on efficient and reliable financial systems, the Proposed Budget also includes funding for the planned **upgrade of the Town's financial enterprise technology system**. This investment will modernize financial operations, improve processing efficiency, strengthen reporting capabilities, and support informed decision-making for years to come.

Compensation & Benefits

Personnel costs make up 37.7% of the operations and capital budget of the Town and are increasing by 7.5% compared to the prior year amended budget and 8.7% compared to FY26 year-end projections. Year-end projections are expected to be slightly lower than the budget primarily due to salary savings resulting from new and vacant positions being filled during the year rather than at the beginning of the year.

The Town's benefit consultant, Paypoint HR, presented a compensation and benefits study to the Town Council on May 19, 2026. The study compared existing pay to compensation scales of comparison organizations. The Town's overall compensation structure remains competitive, averaging in the top third of comparison cities previously established by a compensation committee created by the Mayor during the FY24 budget process. These cities include Addison, Frisco, Richardson, Southlake, and University Park. The consultant identified opportunities to enhance clarity around career progression and pay ladders within the pay plan as well as opportunities to enhance retirement plan options and medical benefits to be more aligned with the Town's market competitors in the Dallas-Fort Worth Metroplex.

The Proposed Budget includes adoption of three new pay plans for exempt and non-exempt positions, sworn officers, and seasonal positions. These plans set out pay ranges (minimum to maximum) establishing the amount the Town is willing to pay for a specific position. The Town evaluated the compensation study results as well as comparing pay plans to comparison cities.

The new pay plans result in market adjustments for 17 employees with base pay below the proposed minimum of their position's proposed grade. Including estimated taxes and benefits the financial impact included in the proposed budget is just under \$95,000. The new plan for exempt and non-exempt positions combines two previously separate plans and moves 11 positions from non-exempt to exempt based on criteria set by the Department of Labor.

The Proposed Budget incorporates a merit adjustment of up to 6% for first responders and 3.5% for civilian personnel. While all employees will be eligible for a merit adjustment, pay adjustments are limited to the top of each pay range assigned to each position within the Town's pay plan.

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

The compensation study suggested the Town's offerings through the Texas Municipal Retirement System (TMRS) are below market. As of the date of this letter the Town Council is evaluating potential changes to the plan. There are 108 possible plan design combinations for the Town of Highland Park with 54 combinations of USC and COLA for both the 7% and 8% contribution options. Plan changes will have an impact on the Town's contribution rate and funded ratio. The Town's pension liability is impacted year-to-year by market conditions, actuarial assumptions adopted by TMRS and actions of the Town as it relates to compensation and annual retirements. The Town has made additional contributions annually since FY21 to reduce unfunded liability over time.

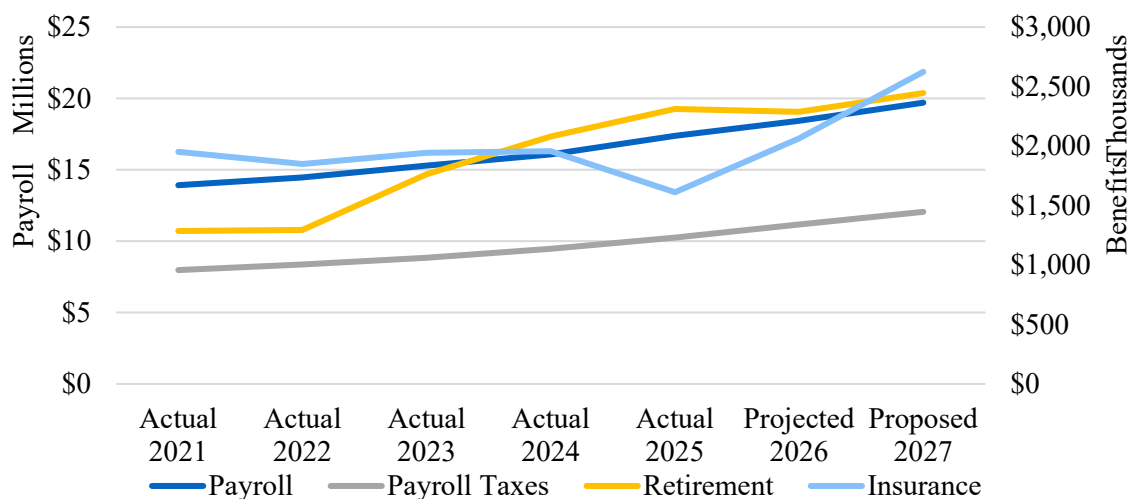
The Town's portion of the Texas Municipal Retirement System (TMRS) retirement is increasing by about \$103,000 (4.4%) over the FY26 budget and about \$158,000 (6.9%) over the FY26 year-end projection primarily due to compensation and market adjustments and the addition of three new full-time equivalent positions. The Town's pension obligation represents the Town's single largest liability totaling \$101,982,957 and is currently funded at 96.3% according to the Town's December 31, 2025, TMRS Actuarial Valuation Report. Additional contributions to TMRS included in the Proposed Budget for FY27 total \$250,000. The additional contributions are intended to bring down the Town's unfunded portion of this liability sooner than would otherwise be achieved by paying the required annual contribution determined by TMRS.

The Town has periodically provided updated service credits (USC) for current employees and cost of living adjustments (COLA). COLAs are calculated using prior year consumer price index (CPI) as measured from the date of retirement. Cities may choose 30, 50, or 70 percent of the change in CPI granted. USC must be provided to current employees when a COLA is approved. In 2023, 50% USC was provided and 75% USC was provided in 2020. In 2023 and 2008, 50% COLA was provided for retirees.

The Mayor's Compensation Committee is currently evaluating the Town's overall compensation and benefits program, including potential modifications to the Town's TMRS benefits structure. The Committee is reviewing available data, benchmarking information, and long-term financial implications to determine whether any changes are warranted and, if so, what recommendations should be presented to the Town Council for consideration.

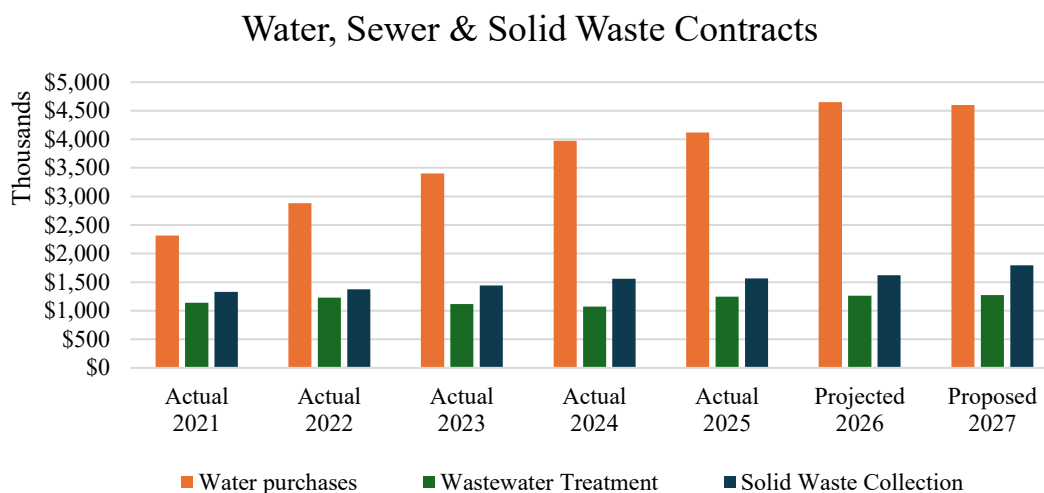
The Proposed Budget incorporates a 25% increase in costs associated with medical and dental insurance. The increase presented in this category is twofold. As of the date of this letter the Town's current provider, Cigna has provided renewal of the Town's fully insured plan with a 36% increase. The increase is driven by higher-than-expected claims experience over the past 12 months. Based on the carrier's underwriting, the underlying need was closer to 43%. It is important to note that last year's renewal was 8% due to the negotiated rate cap from the prior renewal. Without the rate cap last year, the renewal would have been closer to 27%. While the plan has underperformed from a loss ratio standpoint, the Town has averaged modest increases, reflecting prior favorable experience and rate actions over a longer period.

As for trends in personnel costs, the chart below provides actual expenditures for the last five years, projected year-end for FY26 and what is included in the Proposed Budget for FY27. Payroll costs have, on average, trended at about 5.5%. This average increase includes the nine additional staff members for DPS in FY24, six new full-time positions added in FY25, and three new positions in FY26, including a new position within the Finance Department approved by the Town Council in April 2026. The retirement cost through TMRS has increased the most at an average 11.3% predominantly due to the updated service credits for active employees and cost of living adjustments for retirees periodically provided by the Town in 2023 and 2020. Health insurance has shown the lowest increase, averaging 5.1%, largely due to the Town's low loss ratio over the past several years.



Water, Wastewater & Solid Waste Contracts

Contracts for the purchase of treated water, the treatment of wastewater, and the collection and disposal of solid waste represent 11.0% of the total operating and capital budget. As can be seen in the chart below these costs have grown over the last several years due to various reasons such as inflation, rate adjustments from providers through contract provisions and, in the case of water purchases, increase in consumption.



The Town purchases treated water from the Dallas County Park Cities Municipal Utility District (District). The rate charged by the District increased substantially by 26.75% in FY24, followed by more moderate increases of 4.6% in FY25 and 5.0% in both FY26 and FY27. These increases have been implemented by the District to build reserves to adequately fund capital needs as well as to address increases in operational costs. The 5.0% adjustment combined with the increased consumption expectation based on a rolling five-year average for FY27 is increasing the Proposed Budget by about \$240,000 for this expenditure.

The cost for the treatment of wastewater contracted through the City of Dallas Water Utilities (DWU) is increasing 1.0% or \$12,435 over the FY26 budget. There are a few factors affecting this cost for the next fiscal year. First, the DWU is decreasing the volumetric rate charged for this service by 5.3%. Second, the calculated winter average consumption Townwide between 2025 and 2026 increased by 5.0%. The volume of wastewater used to assess the rate is determined by calculating the winter average consumption of water Townwide and can fluctuate from year to year. Water consumption that is captured through irrigation meters is not considered in this calculation. Finally, once the winter average water consumption is calculated, the DWU adds a factor for inflow and infiltration, which is increasing by 1.6%. DWU conducts a Wholesale Cost of Service Study each year, justifying the rate they are charging for the treatment of wastewater. On average, over the last ten years, this expense has been growing at about 3.3% per year.

The collection of solid waste and recyclable materials is contracted through Republic, a private solid waste provider. The current contract expires in 2027 and provides for an adjustment in rates charged by Republic each year based on the Consumer Price Index U.S. City Average for All Urban Consumers, Garbage and Trash Collection, Not Seasonally Adjusted. Additionally, the solid waste

collected in Town is disposed of at a landfill in Ferris, Texas operated by Waste Management. The contract that the Town has with Waste Management is set to expire when the landfill ceases to be active. Current estimates, provided by TCEQ, indicate the landfill has 13 years of life remaining. Increases in rates charged under this contract are based on the Consumer Price Index for All Urban Consumers. Overall, the Proposed Budget anticipates an increase in costs for the collection and disposal of solid waste of approximately 6.3%, or \$106,000, for FY27. This cost has been trending at an average of about 3.5% per year.

Capital Improvement Plan

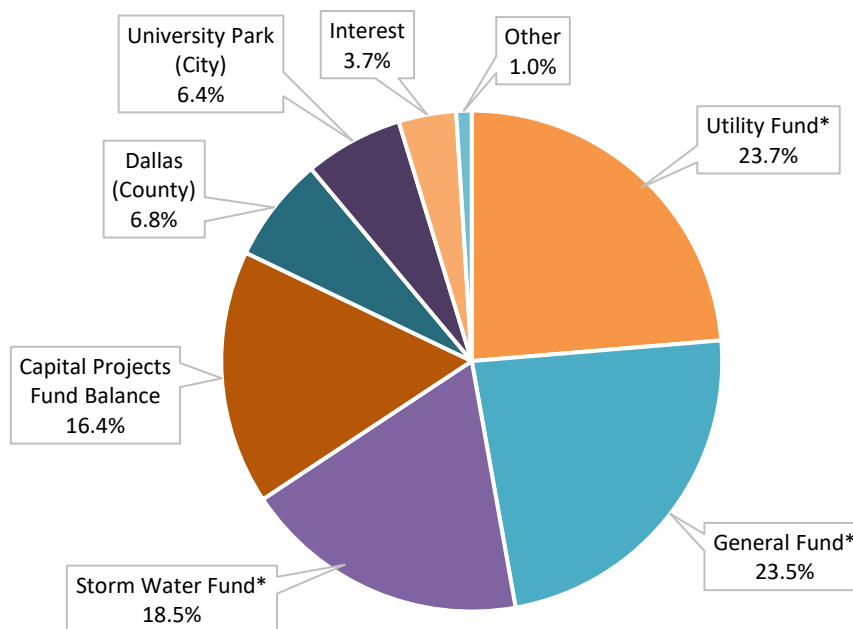
The Town's Capital Improvement Plan (CIP) makes up 32% of the overall operating and capital budget proposed for FY27. As shown below, the overall 10-year plan decreases by \$20.7M.

	FY 2027-2036 Adopted CIP		FY 2026-2035 CIP ⁽¹⁾
	FY 2027	10-Year	10-Year
Capital Project Fund:			
Roads & Bridges	\$ 9,453,540	\$ 75,925,125	\$ 91,852,852
Parks & Recreation	776,385	4,397,770	3,898,601
Landscaping	775,000	1,325,000	1,000,000
Facilities	-	-	-
Public Safety	-	-	-
Project Contingency	300,000	3,200,000	3,750,000
Sub-total*	\$ 11,304,925	\$ 84,847,895	\$ 100,501,453
Utility Fund:			
Water & Sewer Improvements	\$ 2,247,000	\$ 15,075,560	\$ 16,521,911
30" Interceptor - Transportation Project	2,100,000	4,912,000	5,514,679
Facilities	-	-	-
Water Tank Replacement	1,268,200	1,268,200	768,180
Utility Portion of Road Projects	801,300	6,918,100	7,184,810
Sub-total*	\$ 6,416,500	\$ 28,173,860	\$ 29,989,580
Storm Water Drainage Fund:			
Drainage Facility Improvements & Studies	\$ 250,000	\$ 11,241,380	\$ 9,374,936
Storm Water Portion of Road Projects	1,973,800	13,943,000	12,003,457
Exall & Connor Lakes Dredging	500,000	1,000,000	5,000,000
Hackberry Creek	1,590,000	5,890,000	8,900,000
Sub-total*	\$ 4,313,800	\$ 32,074,380	\$ 35,278,393
Total CIP	\$ 22,035,225	\$ 145,096,135	\$ 165,769,426

⁽¹⁾ Amounts based on CIP approved in the FY26 Adopted Budget

Major projects planned in the FY27 Proposed Budget include continued reconstruction of the Wycliffe Avenue bridge and associated utility improvements; additional phases of the Hackberry Creek projects; reconstruction of Holland Avenue (from the Town limits to Westside); Dartmouth improvements (Abbott to the east Town limits) and related utilities; reconstruction of Hillcrest Avenue (Princeton to Drexel) with associated utility work; Potomac Avenue reconstruction (Town

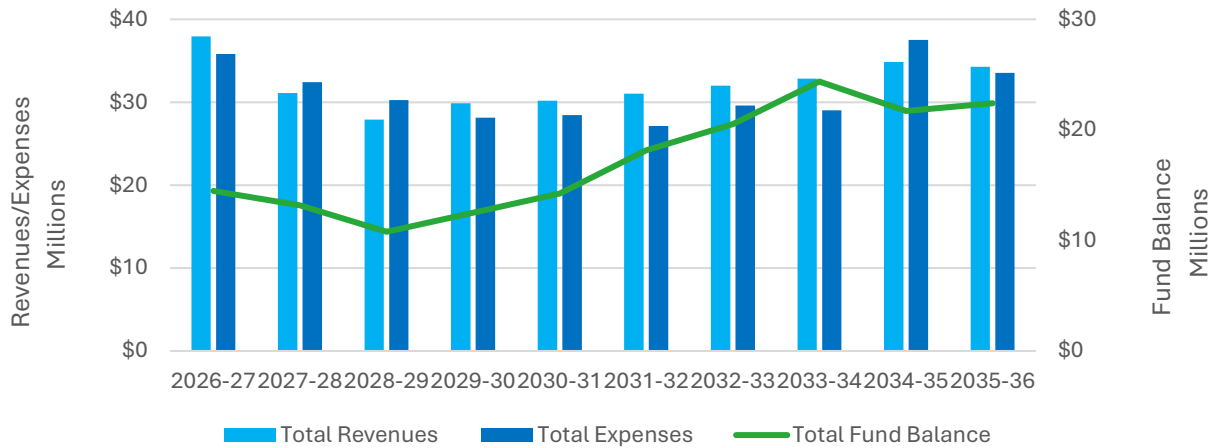
limits to Douglas) and related utility improvements; and reconstruction of Westside Avenue (Lemmon to Bordeaux) with associated utility improvements. The CIP is funded through a variety of sources such as water rates, sewer rates, stormwater fees, grants, contributions, etc. Shown below is a graph illustrating the sources of funding for the capital expenditures planned for FY27. This excludes capital expenditures funded through the internal service funds and focuses solely on those included in the CIP.



*Current Revenue & Fund Balance

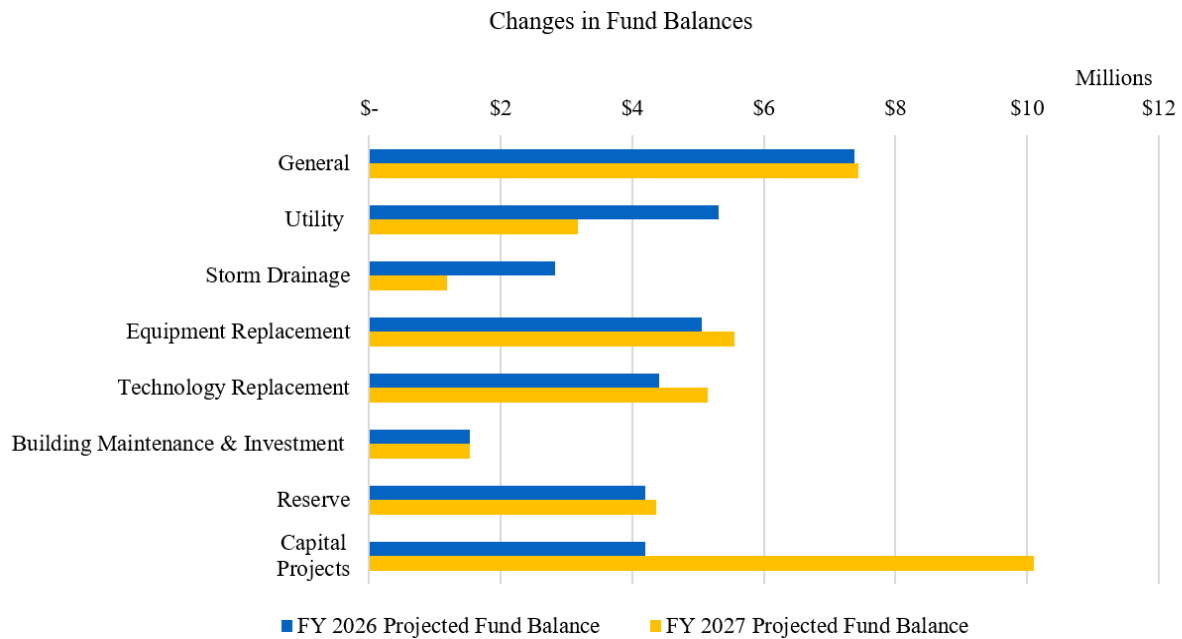
The amount of funds the Town annually strives to transfer from the Town's General Fund in support of the CIP, that is not considered excess fund balance, is equivalent to approximately 4 cents of the property tax rate. However, for FY27 this transfer is closer to 5 cents of the Town's property tax rate. This annual transfer is programmed similarly throughout the 10-year CIP.

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



Fund Balances

Each fund maintained by the Town has a fund balance representing the accumulation of revenues over expenses from one year to the next. The Town’s financial policies require the General Fund to maintain an unassigned Fund Balance equal to 17% of non-capital expenditures, the Utility Fund to maintain net working capital of at least 25% of non-capital expenditures, and the Capital Projects Fund to maintain a committed fund balance of \$2M as conditions warrant. The Proposed Budget achieves this requirement for these three funds. Overall, the Fund Balance for the Town is expected to increase from \$38.8M to \$39.7M for FY27. The graph below shows the change in fund balance for funds with balances over \$500,000 for FY27.



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

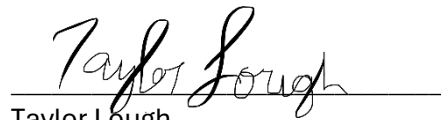
Because the Town government is a people organization, there is no question that the Town's one hundred and thirteen (113) year history as an organization that cares about the community and its members will continue to be an asset. The Town's purpose is only accomplished thanks to the talents and dedication of Town employees. Accordingly, it is important to extend gratitude to all the Town's employees for the outstanding service they provide to the citizenry daily and for their effective contributions of time and energy toward the preparation of the FY27 budget. These are the people entrusted with life and death decisions, with maintenance and operation of essential systems, and with helping make Highland Park a "haven for home and fireside."

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

Respectfully,



Tobin Maples, AICP
Town Administrator



Taylor Lough
Assistant Town Administrator



John Samford, CPA, CTP
Director of Finance

ORDINANCE NO. XXXX

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027, 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”):

Section 1. 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.

Section 2. That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$80,699,081 including \$ 11,240,205 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2026, and ending September 30, 2027, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

Section 3. That, a copy of said proposed budget was filed in the office of the Town Secretary on June 30, 2026, and more than thirty (30) days prior to the end of the fiscal year 2026, 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 the date the Town Council makes its tax levy for the fiscal year, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

Section 4. That, notice of public hearing on the proposed budget on August 11, 2026, was duly advertised by the Town, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

Section 5. That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 1, 2026, following the public hearing, and a copy of said official budget, including amendments, is attached hereto and made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 1st day of September 2026.

APPROVED AS TO FORM:

Susan Thomas
Town Attorney

ATTEST:

Joanna Mekeal
Town Secretary

APPROVED:

Will C. Beecherl
Mayor

Sample Ordinance – Subject to Change

ORDINANCE NO. XXXX

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2026 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:

Section 1. 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.

Section 2. That, for the tax year 2026, there is hereby levied an ad valorem tax of \$0.191888 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 2026, 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.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.50 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-7.41.

Section 3. 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 2026-2027.

Section 4. That said tax shall be due and payable October 1, 2026.

Section 5. That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2026 levy.

Section 6. That this Ordinance shall become effective from and after its adoption and publication as required by law after its passage by at least 60% of the Council by a record vote.

PASSED AND APPROVED this 1st day of September 2026.

Sample Ordinance – Subject to Change

APPROVED AS TO FORM:

Susan Thomas
Town Attorney

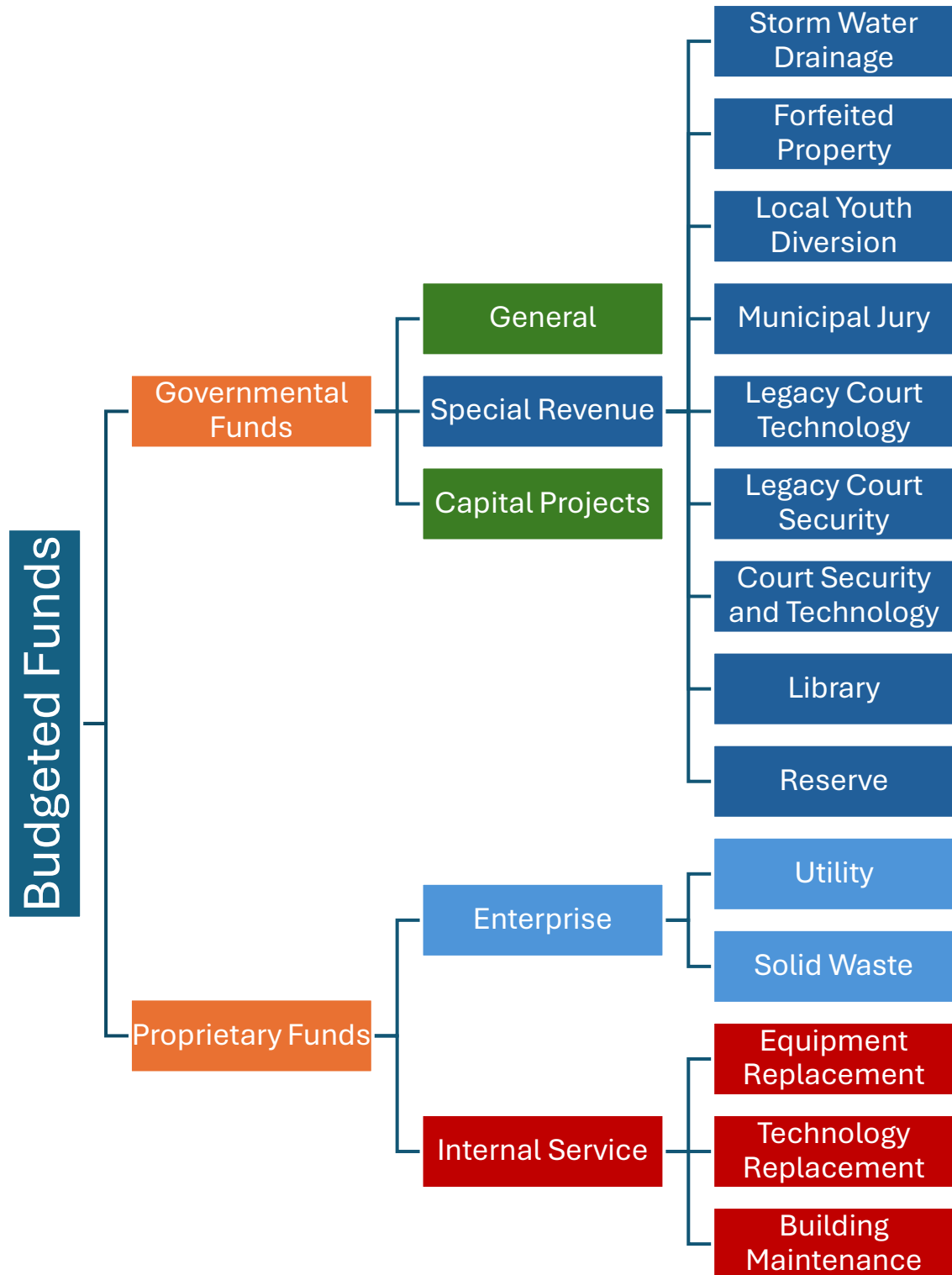
ATTEST:

Joanna Mekeal
Town Secretary

APPROVED:

Will C. Beecherl
Mayor

Town of Highland Park, Texas
Budgetary Fund Structure
Fiscal Year 2026-27





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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 47,563,336	\$ 49,913,196	\$ 56,370,694	\$ 36,223,373
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 19,499,123	\$ 20,433,960	\$ 20,416,195	\$ 21,356,210
Water Sales	9,155,305	9,754,780	10,133,015	10,336,590
Sewer Charges	3,134,075	3,434,185	3,269,280	3,543,255
Sales Taxes	9,388,670	9,833,320	10,450,000	11,265,100
Sanitation/Recycling Charges	1,848,993	1,917,715	1,914,355	1,984,935
Franchise Fees	979,516	1,016,500	1,055,300	1,072,540
Building Inspection Fees/Permits	1,550,533	1,432,885	1,746,885	1,538,455
Municipal Court Fines/Fees	525,169	572,580	539,560	580,350
Interest Earnings	3,439,026	2,399,780	2,813,140	2,171,265
Storm Water Fees	1,142,518	2,287,190	2,271,595	2,839,010
Other Revenues	8,561,390	21,655,575	8,949,103	16,250,164
TOTAL REVENUES	\$ 59,224,318	\$ 74,738,470	\$ 63,558,428	\$ 72,937,874
OTHER SOURCES				
Transfers In	\$ 14,827,481	\$ 11,914,218	\$ 13,914,218	\$ 11,240,205
TOTAL OTHER SOURCES	\$ 14,827,481	\$ 11,914,218	\$ 13,914,218	\$ 11,240,205
TOTAL REVENUES/SOURCES	\$ 74,051,799	\$ 86,652,688	\$ 77,472,646	\$ 84,178,079
EXPENDITURES				
Personnel Services				
Payroll	\$ 17,387,765	\$ 18,564,283	\$ 18,427,595	\$ 19,703,605
Payroll Taxes	1,231,018	1,360,717	1,340,915	1,446,735
Retirement	2,312,776	2,343,010	2,287,935	2,445,565
Insurance	1,611,466	2,120,050	2,063,075	2,624,005
Total Personnel	\$ 22,543,025	\$ 24,388,060	\$ 24,119,520	\$ 26,219,910
Supplies & Equipment	5,755,645	6,282,234	6,565,964	6,812,467
Services & Charges	8,822,980	11,977,850	11,771,370	13,073,659
Capital Outlay	13,295,310	43,157,397	41,248,895	23,352,840
TOTAL EXPENDITURES	\$ 50,416,960	\$ 85,805,541	\$ 83,705,749	\$ 69,458,876
OTHER USES				
Transfers Out	14,827,481	11,914,218	13,914,218	11,240,205
TOTAL OTHER USES	\$ 14,827,481	\$ 11,914,218	\$ 13,914,218	\$ 11,240,205
TOTAL USES	\$ 65,244,441	\$ 97,719,759	\$ 97,619,967	\$ 80,699,081
ENDING FUND BALANCE	\$ 56,370,694	\$ 38,846,125	\$ 36,223,373	\$ 39,702,371

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

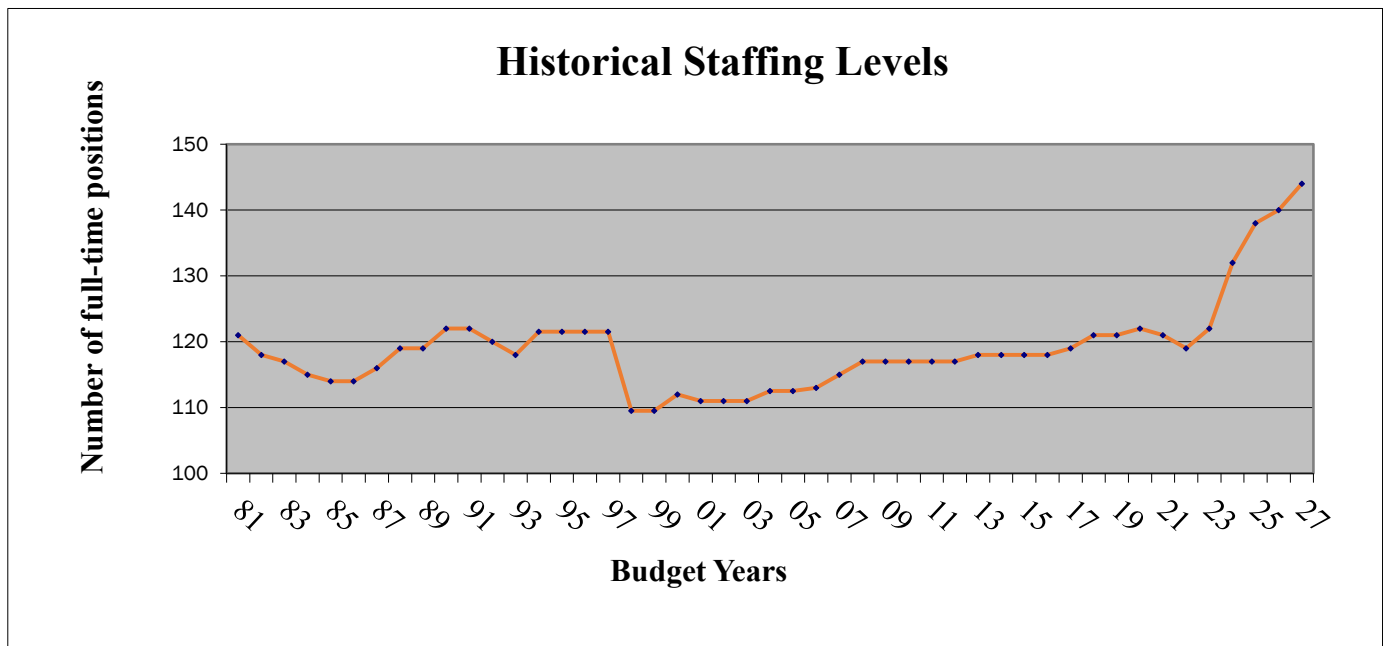
	<u>General</u>	<u>Utility</u>	<u>Solid Waste*</u>	<u>Storm Drainage</u>	<u>Equipment Replacement</u>	<u>Technology Replacement</u>	<u>Building Maintenance & Investment</u>
BEGINNING FUND BALANCE	\$ 7,378,565	\$ 5,317,086	\$ 502,930	\$2,831,384	\$ 5,061,907	\$ 4,404,703	\$ 1,528,293
REVENUES:							
Property Taxes	\$ 21,356,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	10,336,590	-	-	-	-	-
Sewer Charges	-	3,543,255	-	-	-	-	-
Sales Taxes	11,265,100	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,984,935	-	-	-	-
Franchise Fees	1,072,540	-	-	-	-	-	-
Building Inspection Fees/Permits	1,491,585	46,870	-	-	-	-	-
Municipal Court Fines/Fees	525,395	-	-	-	-	-	-
Interest Earnings	642,485	369,405	26,255	237,190	220,335	189,465	84,965
Storm Water Drainage Fees	-	-	-	2,839,010	-	-	-
All Other	2,249,245	2,151,209	-	-	10,000	245,125	19,880
TOTAL REVENUES	\$ 38,602,560	\$ 16,447,329	\$ 2,011,190	\$ 3,076,200	\$ 230,335	\$ 434,590	\$ 104,845
Transfers from Other Funds	1,935,445	731,700	17,200	-	987,885	545,350	1,048,260
TOTAL REVENUES & TRANSFERS	\$ 40,538,005	\$ 17,179,029	\$ 2,028,390	\$ 3,076,200	\$ 1,218,220	\$ 979,940	\$ 1,153,105
TOTAL AVAILABLE RESOURCES	\$ 47,916,570	\$ 22,496,115	\$ 2,531,320	\$ 5,907,584	\$ 6,280,127	\$ 5,384,643	\$ 2,681,398
EXPENDITURES:							
Personnel Services:							
Payroll	\$ 17,608,560	\$ 1,974,185	\$ -	\$ -	\$ -	\$ -	\$ 120,860
Taxes	1,291,220	146,270	-	-	-	-	9,245
Retirement (TMRS)	2,182,425	247,960	-	-	-	-	15,180
Insurance	2,340,320	260,000	-	-	-	-	23,685
Total Personnel	\$ 23,422,525	\$ 2,628,415	\$ -	\$ -	\$ -	\$ -	\$ 168,970
Supplies & Equipment	\$ 1,564,069	\$ 5,089,796	\$ 35,000	\$ 7,500	\$ -	\$ -	\$ 45,906
Services & Charges	7,904,508	2,384,712	1,880,400	201,615	3,000	-	644,504
Capital Outlay	-	6,416,500	-	4,313,800	718,520	244,720	292,570
TOTAL EXPENDITURES	\$ 32,891,102	\$ 16,519,423	\$ 1,915,400	\$ 4,522,915	\$ 721,520	\$ 244,720	\$ 1,151,950
Transfers to Other Funds	7,583,845	2,803,750	158,815	201,625	-	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 40,474,947	\$ 19,323,173	\$ 2,074,215	\$ 4,724,540	\$ 721,520	\$ 244,720	\$ 1,151,950
ENDING FUND BALANCE	\$ 7,441,623	\$ 3,172,942	\$ 457,105	\$ 1,183,044	\$ 5,558,607	\$ 5,139,923	\$ 1,529,448
FUND BALANCE MINIMUM	\$ 5,999,941	\$ 3,053,171	\$ -	\$ -	\$ -	\$ -	\$ -
AVAILABLE FUND BALANCE	\$ 1,441,682	\$ 119,771	\$ 457,105	\$ 1,183,044	\$ 5,558,607	\$ 5,139,923	\$ 1,529,448

*The Solid Waste Fund is combined with the Utility Fund in the Town's Annual Comprehensive Financial Report.

Forfeited Property	Local Youth Diversion	Municipal Jury	Legacy Court Technology	Legacy Court Security	Municipal Court Building Security & Technology	Library	Reserve	Capital Projects	FY 2027 Proposed	FY 2026 Budget
\$ 115,007	\$ 131,646	\$ 2,385	\$ 80,425	\$ 2,280	\$ 36,361	\$ 434,283	\$ 4,195,395	\$ 4,200,723	\$ 36,223,373	\$ 49,913,196
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,356,210	\$ 20,433,960
-	-	-	-	-	-	-	-	-	10,336,590	9,754,780
-	-	-	-	-	-	-	-	-	3,543,255	3,434,185
-	-	-	-	-	-	-	-	-	11,265,100	9,833,320
-	-	-	-	-	-	-	-	-	1,984,935	1,917,715
-	-	-	-	-	-	-	-	-	1,072,540	1,016,500
-	-	-	-	-	-	-	-	-	1,538,455	1,432,885
-	19,005	380	-	-	35,570	-	-	-	580,350	572,580
4,230	4,345	85	3,620	70	490	16,250	160,320	211,755	2,171,265	2,399,780
-	-	-	-	-	-	-	-	-	2,839,010	2,287,190
-	-	-	-	-	-	74,705	-	11,500,000	16,250,164	21,655,575
\$ 4,230	\$ 23,350	\$ 465	\$ 3,620	\$ 70	\$ 36,060	\$ 90,955	\$ 160,320	\$ 11,711,755	\$ 72,937,874	\$ 74,738,470
-	-	-	-	-	-	-	-	5,974,365	11,240,205	11,914,218
\$ 4,230	\$ 23,350	\$ 465	\$ 3,620	\$ 70	\$ 36,060	\$ 90,955	\$ 160,320	\$ 17,686,120	\$ 84,178,079	\$ 86,652,688
\$ 119,237	\$ 154,996	\$ 2,850	\$ 84,045	\$ 2,350	\$ 72,421	\$ 525,238	\$ 4,355,715	\$ 21,886,843	\$ 120,401,452	\$ 136,565,884
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,703,605	\$ 18,564,283
-	-	-	-	-	-	-	-	-	1,446,735	1,360,717
-	-	-	-	-	-	-	-	-	2,445,565	2,343,010
-	-	-	-	-	-	-	-	-	2,624,005	2,120,050
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ 26,219,910	\$ 24,388,060
\$ -	\$ 500	\$ 250	\$ 2,820	\$ -	\$ -	\$ 66,626	\$ -	\$ -	\$ 6,812,467	\$ 6,282,234
500	1,500	-	51,700	-	-	1,220	-	-	13,073,659	11,977,850
-	-	-	-	-	-	61,805	-	11,304,925	23,352,840	43,157,397
\$ 500	\$ 2,000	\$ 250	\$ 54,520	\$ -	\$ -	\$ 129,651	\$ -	\$ 11,304,925	\$ 69,458,876	\$ 85,805,541
-	-	-	-	2,350	19,360	-	-	470,460	\$ 11,240,205	11,914,218
\$ 500	\$ 2,000	\$ 250	\$ 54,520	\$ 2,350	\$ 19,360	\$ 129,651	\$ -	\$ 11,775,385	\$ 80,699,081	\$ 97,719,759
\$ 118,737	\$ 152,996	\$ 2,600	\$ 29,525	\$ -	\$ 53,061	\$ 395,587	\$ 4,355,715	\$ 10,111,458	\$ 39,702,371	\$ 38,846,125
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 11,053,112	\$ 10,378,431
\$ 118,737	\$ 152,996	\$ 2,600	\$ 29,525	\$ -	\$ 53,061	\$ 395,587	\$ 4,355,715	\$ 8,111,458	\$ 28,649,259	\$ 28,467,694

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

	Budget FY 2025		Budget FY 2026		Proposed FY 2027	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	2.0	0.0	3.0	0.0	3.0	0.0
Public Safety	82.0	0.0	84.0	0.0	84.0	0.0
Policy & Strategic Initiatives	2.0	0.0	2.0	0.0	3.0	0.5
Street	3.0	0.0	3.0	0.0	3.0	0.0
Library	6.0	0.5	6.0	0.5	6.0	0.6
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	4.1
Municipal Court	3.0	1.3	3.0	1.3	3.0	1.4
Finance	6.0	0.0	4.0	0.0	5.0	0.0
Community Development	7.0	0.0	7.0	0.0	8.0	0.0
Information Technology	2.0	0.0	2.0	0.0	2.0	0.0
Human Resources	0.0	0.0	1.0	0.0	2.0	0.0
Sub-Total General Fund	120.0	5.2	122.0	5.2	126.0	6.6
Utility Fund						
Utility Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	6.0	0.0	6.0	0.0	6.0	0.0
Sanitary Sewer	2.0	0.0	2.0	0.0	2.0	0.0
Engineering	6.0	0.0	6.0	0.0	6.0	0.0
Sub-Total Utility Fund	17.0	0.0	17.0	0.0	17.0	0.0
Building Maintenance Fund						
Facilities	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total Maintenance Fund	1.0	0.0	1.0	0.0	1.0	0.0
Total	138.0	5.2	140.0	5.2	144.0	6.6



GENERAL FUND

The General Fund is the financial structure used for the accounting of receipt of resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental services and/or functions. These governmental services and/or functions include Public Safety (Police, Fire and Emergency Medical Services), Streets, Community Development (Planning & Zoning, Code Enforcement, Building Permits & Inspections), Parks and Recreation, Town Swimming Pool, Library, and General Governmental functions (Administrative Services, Finance, Human Resources, Information Technology, and Municipal Court).

Basis of Accounting

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



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GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 8,307,786	\$ 6,681,663	\$ 8,093,421	\$ 7,378,565
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 29,409,237	\$ 30,823,265	\$ 31,419,245	\$ 33,182,895
Franchise Fees	979,516	1,016,500	1,055,300	1,072,540
Licenses & Permits	1,549,980	1,392,385	1,754,795	1,549,475
Charges for Services	1,253,338	1,352,100	1,310,010	1,453,120
Fines & Forfeits	335,078	412,060	368,630	280,385
Miscellaneous	1,246,299	970,875	1,085,525	1,064,145
Total Revenues	\$ 34,773,448	\$ 35,967,185	\$ 36,993,505	\$ 38,602,560
Other Sources:				
Transfers In	\$ 1,575,100	\$ 1,702,810	\$ 1,702,810	\$ 1,935,445
Total Other Sources	\$ 1,575,100	\$ 1,702,810	\$ 1,702,810	\$ 1,935,445
Total Revenues/Sources	\$ 36,348,548	\$ 37,669,995	\$ 38,696,315	\$ 40,538,005
EXPENDITURES/USES OF FUNDS				
Administration Department	\$ 913,775	\$ 1,469,953	\$ 1,365,848	1,435,482
Department of Public Safety	17,181,676	18,514,428	18,460,847	19,627,633
Policy & Strategic Initiatives	284,268	411,947	369,284	502,950
Street Department	340,537	457,891	437,992	491,934
Library Department	860,566	928,904	910,596	974,646
Parks & Recreation Department	1,877,549	2,014,979	2,072,010	2,230,933
Pool Department	238,729	280,689	278,239	295,165
Municipal Court Department	626,306	659,182	684,477	715,950
Finance Department	1,137,600	992,771	987,575	1,220,150
Community Development	1,064,198	1,194,522	1,178,534	1,384,506
Information Technology Department	885,549	1,214,036	1,154,818	1,433,629
Human Resources Department	-	274,401	269,371	423,799
Non-Departmental	973,035	2,026,803	2,023,825	2,154,325
Total Expenditures	\$ 26,383,788	\$ 30,440,506	\$ 30,193,416	\$ 32,891,102
Other Uses:				
Transfers to Other Funds	\$ 10,179,125	\$ 7,217,755	\$ 9,217,755	\$ 7,583,845
Total Other Uses	\$ 10,179,125	\$ 7,217,755	\$ 9,217,755	\$ 7,583,845
Total Expenditures/Uses	\$ 36,562,913	\$ 37,658,261	\$ 39,411,171	\$ 40,474,947
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (214,365)	\$ 11,734	\$ (714,856)	\$ 63,058
Fund Balance	\$ 8,093,421	\$ 6,693,397	\$ 7,378,565	\$ 7,441,623
Ideal Fund Balance	\$ 4,729,806	\$ 5,576,131	\$ 5,534,126	\$ 5,999,941
Fund Balance in Excess of Minimum	\$ 3,363,615	\$ 1,117,266	\$ 1,844,439	\$ 1,441,682

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 8,307,786	\$ 6,681,663	\$ 8,093,421	\$ 7,378,565
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 29,409,237	\$ 30,823,265	\$ 31,419,245	\$ 33,182,895
Franchise Fees	979,516	1,016,500	1,055,300	1,072,540
Licenses & Permits	1,549,980	1,392,385	1,754,795	1,549,475
Charges for Services	1,253,338	1,352,100	1,310,010	1,453,120
Fines & Forfeits	335,078	412,060	368,630	280,385
Miscellaneous	1,246,299	970,875	1,085,525	1,064,145
Total Revenues	\$ 34,773,448	\$ 35,967,185	\$ 36,993,505	\$ 38,602,560
Other Sources:				
Transfers In	\$ 1,575,100	\$ 1,702,810	\$ 1,702,810	\$ 1,935,445
Total Other Sources	\$ 1,575,100	\$ 1,702,810	\$ 1,702,810	\$ 1,935,445
Total Revenues/Sources	\$ 36,348,548	\$ 37,669,995	\$ 38,696,315	\$ 40,538,005
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 15,812,757	\$ 16,607,939	\$ 16,541,220	\$ 17,608,560
Payroll Taxes	1,116,172	1,214,422	1,202,200	1,291,220
Retirement	1,983,873	2,091,874	2,050,535	2,182,425
Insurance	1,452,384	1,885,719	1,841,295	2,340,320
Total Personnel	\$ 20,365,186	\$ 21,799,954	\$ 21,635,250	\$ 23,422,525
Supplies & Equipment	1,207,955	1,431,956	1,424,840	1,564,069
Services & Charges	4,810,646	7,208,596	7,133,326	7,904,508
Capital Outlay	-	-	-	-
Total Expenditures	\$ 26,383,787	\$ 30,440,506	\$ 30,193,416	\$ 32,891,102
Other Uses:				
Transfers Out	\$ 10,179,125	\$ 7,217,755	\$ 9,217,755	\$ 7,583,845
Total Other Uses	\$ 10,179,125	\$ 7,217,755	\$ 9,217,755	\$ 7,583,845
Rounding	1	-	-	-
Total Expenditures/Uses	\$ 36,562,913	\$ 37,658,261	\$ 39,411,171	\$ 40,474,947
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (214,365)	\$ 11,734	\$ (714,856)	\$ 63,058
Fund Balance	\$ 8,093,421	\$ 6,693,397	\$ 7,378,565	\$ 7,441,623
Ideal Fund Balance	\$ 4,729,806	\$ 5,576,131	\$ 5,534,126	\$ 5,999,941
Fund Balance in Excess of Minimum	\$ 3,363,615	\$ 1,117,266	\$ 1,844,439	\$ 1,441,682

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
Taxes				
Ad Valorem Taxes	\$ 19,453,764	\$ 20,376,195	\$ 20,376,195	\$ 21,306,415
Delinquent Ad Valorem Taxes	45,360	57,765	40,000	49,795
Town Sales Tax	9,388,670	9,833,320	10,450,000	11,265,100
Mixed Beverage Tax	521,443	555,985	553,050	561,585
<i>Subtotal</i>	\$ 29,409,237	\$ 30,823,265	\$ 31,419,245	\$ 33,182,895
Franchise Fees				
Electric Utility Franchise Fees	\$ 468,347	\$ 468,410	\$ 454,325	\$ 448,690
CATV / PEG Franchise Fees	11,542	12,805	33,140	36,850
Natural Gas Utility Franchise Fees	337,235	350,600	392,925	414,935
Telecom Franchise Fees	31,262	32,460	29,685	27,490
CATV Franchise Fees	42,983	48,825	45,040	45,240
Solid Waste	40,021	53,470	36,990	34,465
Carriages	48,126	49,930	63,195	64,870
<i>Subtotal</i>	\$ 979,516	\$ 1,016,500	\$ 1,055,300	\$ 1,072,540
Licenses & Permits				
Beverage Licenses	\$ -	\$ 4,640	\$ -	\$ -
Health Permits	10,090	9,175	14,070	15,450
Alarm Permits	99,691	98,675	98,570	98,965
Electrical Licenses	-	-	-	-
Building Permits	1,383,108	1,216,330	1,580,290	1,374,060
Electrical Permits	47,306	53,165	51,045	50,460
Excavation Permits	135	295	-	-
Carriage Licenses	5,700	5,890	5,890	5,500
Animal Licenses	3,950	4,215	4,930	5,040
<i>Subtotal</i>	\$ 1,549,980	\$ 1,392,385	\$ 1,754,795	\$ 1,549,475
Charges For Services				
E911 Users' Fee	\$ 101,085	\$ 105,340	\$ 95,640	\$ 93,540
Alarm Monitoring Fees	609,508	634,525	620,840	646,380
Emergency Medical Fees	190,152	224,225	211,515	208,280
Board Hearing Fee	5,900	1,820	2,460	2,355
Swimming Pool Concessions	11,848	14,230	14,910	14,820
Swimming Pool Daily Fees	25,800	45,685	45,835	46,210
Swimming Pool Annual Fees	67,770	81,670	81,850	82,370
Tennis Court Use Fees	27,840	27,585	28,570	29,085
Animal Pound Fees	900	1,370	1,160	1,165
Child Safety Fees	10,793	9,140	9,425	9,350
Library Non-resident Fees	5,118	4,605	4,435	4,500
Court Administration Fees	8,762	6,580	9,560	10,560
Warrant Fees	26,026	20,715	25,545	25,985

**GENERAL FUND
STATEMENT OF REVENUES**

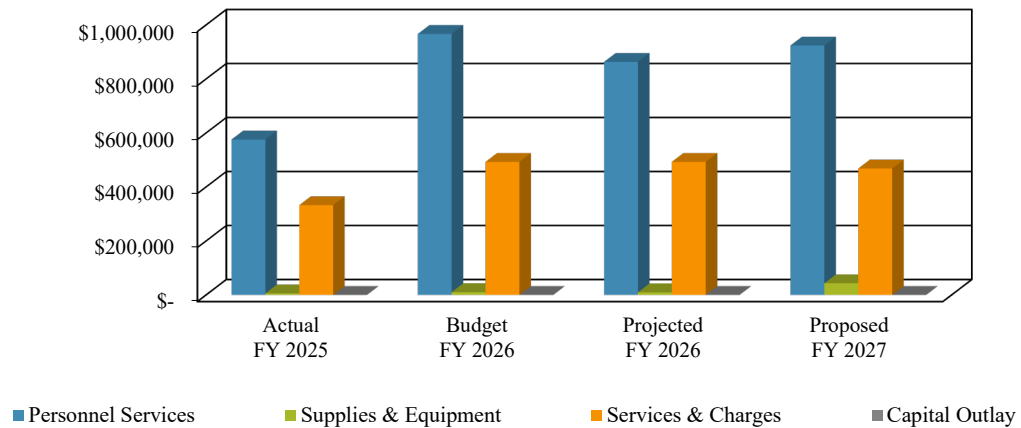
	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
Court Fees	58,039	52,085	52,565	54,665
Building Registration Fees	65,500	74,430	67,295	65,300
Plan Review Fees	6,500	27,350	2,500	1,765
Deferred Adjudication Fees	31,797	20,745	35,905	156,790
<i>Subtotal</i>	\$ 1,253,338	\$ 1,352,100	\$ 1,310,010	\$ 1,453,120
Fines & Forfeits				
Municipal Court Fines	\$ 331,785	\$ 409,160	\$ 365,455	\$ 277,395
Library Fines	2,071	1,520	1,575	1,555
Lost Book Charges	1,172	925	985	960
Invalid Alarm Fines	50	455	615	475
<i>Subtotal</i>	\$ 335,078	\$ 412,060	\$ 368,630	\$ 280,385
Miscellaneous				
Interest	\$ 837,030	\$ 538,575	\$ 590,245	\$ 641,285
Interest-Dallas County	7,850	665	385	1,200
Penalty & Interest - Tax Collection	95,010	102,225	90,605	97,050
Sale of Assets	10,000	-	-	-
Rental-Town Property	243,828	265,380	265,150	272,750
Library Donations	3,743	3,710	3,790	3,860
Contributions	1,638	10,810	35,435	12,000
Intergovernmental Revenue	12,925	-	-	-
Town Property Damage Refund	-	-	-	-
Miscellaneous	34,275	49,510	99,915	36,000
<i>Subtotal</i>	\$ 1,246,299	\$ 970,875	\$ 1,085,525	\$ 1,064,145
Total Revenues	\$ 34,773,448	\$ 35,967,185	\$ 36,993,505	\$ 38,602,560



Administration Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 575,644	\$ 966,740	\$ 863,235	\$ 923,815	-4.44%
Supplies & Equipment	5,685	10,347	9,747	43,281	318.30%
Services & Charges	332,446	492,866	492,866	468,386	-4.97%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 913,775	\$ 1,469,953	\$ 1,365,848	\$ 1,435,482	-2.35%



EMPLOYEE CLASSIFICATION & PAY GRADE

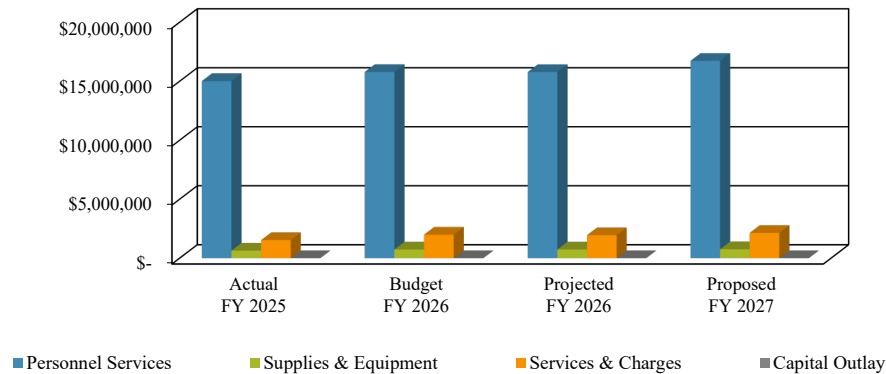
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Town Administrator	114	1.0	1.0	1.0
Assistant Town Administrator	113	0.0	1.0	1.0
Town Secretary	109	1.0	1.0	1.0
Total Employees		2.0	3.0	3.0



Department of Public Safety

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 15,012,799	\$ 15,788,109	\$ 15,779,720	\$ 16,729,735	5.96%
Supplies & Equipment	640,180	736,119	734,127	759,019	3.11%
Services & Charges	1,528,697	1,990,200	1,947,000	2,138,879	7.47%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 17,181,676	\$ 18,514,428	\$ 18,460,847	\$ 19,627,633	6.01%



EMPLOYEE CLASSIFICATION & PAY GRADE

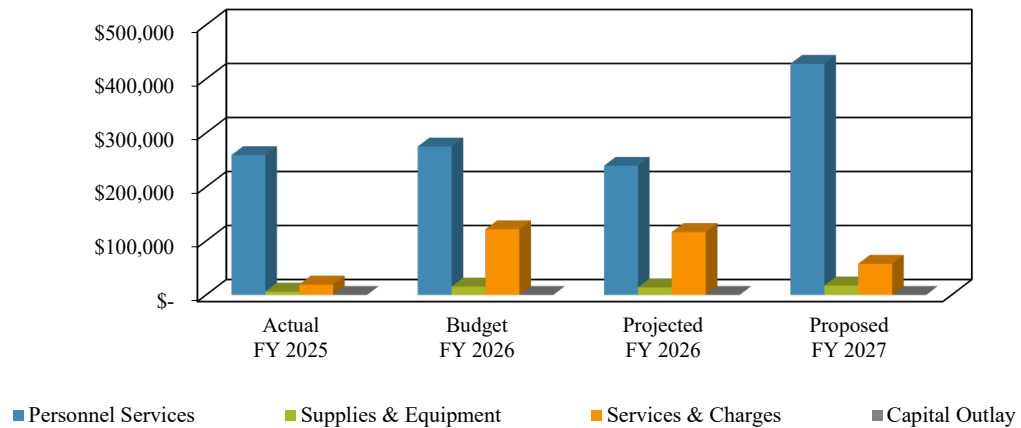
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Director of Public Safety	113	1.0	1.0	1.0
Assistant Director of Public Safety	112	2.0	1.0	1.0
Deputy Chief	111	4.0	4.0	4.0
Captain	206	3.0	3.0	3.0
Lieutenant	205	6.0	6.0	6.0
Sergeant	204	4.0	5.0	5.0
Investigator	203	3.0	3.0	3.0
Public Safety Officer	203	43.0	43.0	43.0
Police Officer	202	1.0	1.0	1.0
Communications Manager	108	1.0	1.0	1.0
Communications Supervisor	106	1.0	1.0	1.0
Records Manager	106	0.0	1.0	1.0
Alarm Specialist	105	1.0	1.0	1.0
Crime Analyst	104	1.0	1.0	1.0
Communications Specialist	104	9.0	9.0	9.0
Parking Enforcement Officer	104	0.0	1.0	1.0
Administrative Secretary	104	2.0	2.0	2.0
Total Employees		82.0	84.0	84.0



Policy & Strategic Initiatives Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 258,913	\$ 274,878	\$ 239,155	\$ 427,970	55.69%
Supplies & Equipment	6,172	15,492	13,792	17,385	12.22%
Services & Charges	19,183	121,577	116,337	57,595	-52.63%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 284,268	\$ 411,947	\$ 369,284	\$ 502,950	22.09%



EMPLOYEE CLASSIFICATION & PAY GRADE

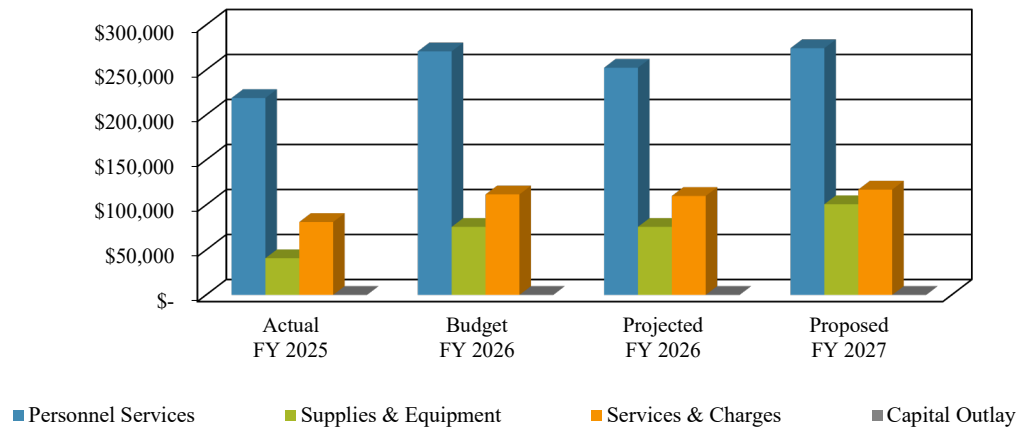
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Director of Policy Development	110	1.0	1.0	1.0
Strategic Communications Coordinator	104	0.0	0.0	1.0
Strategic Initiatives Coordinator	104	0.0	0.0	1.0
Administrative Assistant	103	1.0	1.0	0.0
Graduate Intern	N/A	0.0	0.5	0.5
Total Employees		2.0	2.5	3.5



Street Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 218,775	\$ 270,604	\$ 252,450	\$ 274,125	1.30%
Supplies & Equipment	40,775	75,595	75,595	100,769	33.30%
Services & Charges	80,987	111,692	109,947	117,040	4.79%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 340,537	\$ 457,891	\$ 437,992	\$ 491,934	7.43%



EMPLOYEE CLASSIFICATION & PAY GRADE

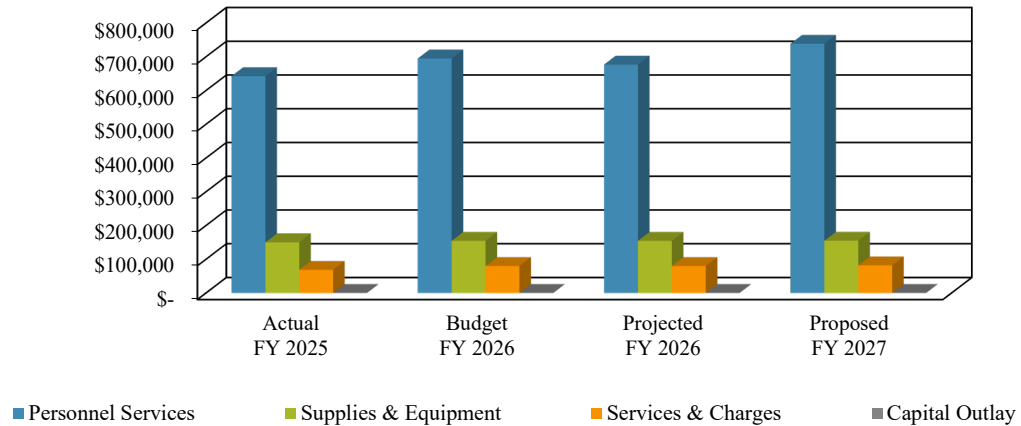
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Public Works Maintenance Worker II	103	2.0	2.0	2.0
Public Works Maintenance Worker I	102	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0



Library Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 642,345	\$ 694,718	\$ 676,560	\$ 738,230	6.26%
Supplies & Equipment	149,772	154,403	154,353	154,665	0.17%
Services & Charges	68,449	79,783	79,683	81,751	2.47%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 860,566	\$ 928,904	\$ 910,596	\$ 974,646	4.92%



EMPLOYEE CLASSIFICATION & PAY GRADE

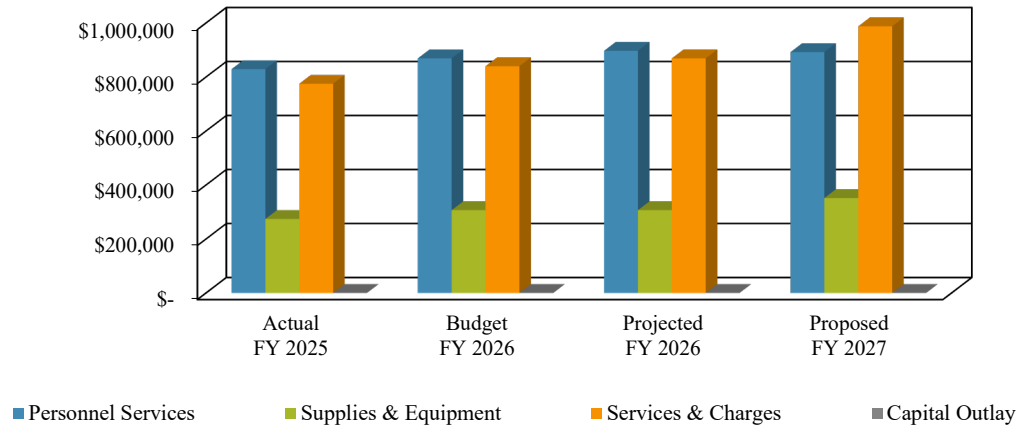
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Town Librarian	110	1.0	1.0	1.0
Librarian	105	2.0	2.0	2.0
Administrative Assistant	103	1.0	1.0	1.0
Library Associate (Full-Time)	102	2.0	2.0	2.0
Library Associate (Part-Time)	102	0.5	0.5	0.6
Total Employees		6.5	6.5	6.6



Parks & Recreation Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 828,801	\$ 868,699	\$ 896,800	\$ 891,910	2.67%
Supplies & Equipment	273,898	306,540	306,540	351,360	14.62%
Services & Charges	774,850	839,740	868,670	987,663	17.62%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,877,549	\$ 2,014,979	\$ 2,072,010	\$ 2,230,933	10.72%



EMPLOYEE CLASSIFICATION & PAY GRADE

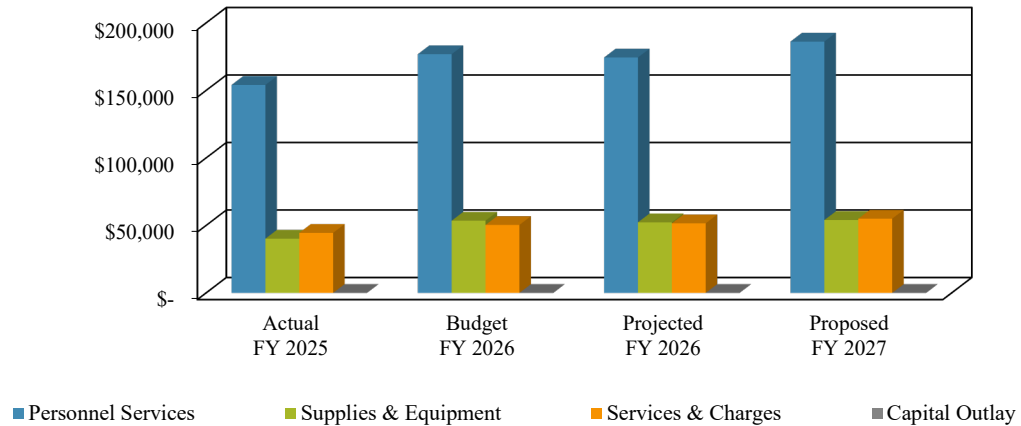
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Superintendent	108	1.0	1.0	1.0
Parks Operations Supervisor	106	0.0	0.0	1.0
Irrigation/Mosquito Inspector	104	1.0	1.0	0.0
Parks Maintenance Worker III	104	1.0	1.0	1.0
Parks Maintenance Worker II	103	3.0	3.0	3.0
Parks Maintenance Worker I	101	1.0	1.0	1.0
Total Employees		7.0	7.0	7.0



Pool Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 154,039	\$ 176,840	\$ 174,390	\$ 186,175	5.28%
Supplies & Equipment	40,196	53,500	52,300	54,000	0.93%
Services & Charges	44,494	50,349	51,549	54,990	9.22%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 238,729	\$ 280,689	\$ 278,239	\$ 295,165	5.16%



EMPLOYEE CLASSIFICATION & PAY GRADE

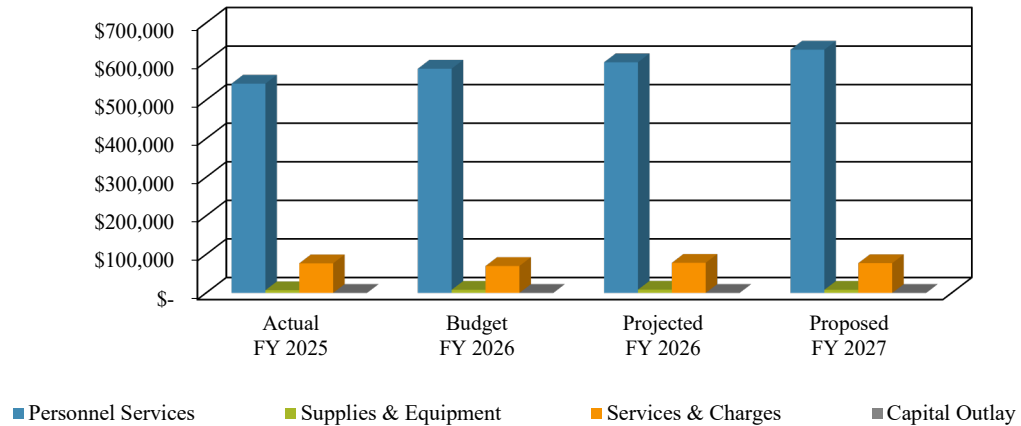
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Seasonal Pool Staffing	S	3.4	3.4	4.1
Total Employees		3.4	3.4	4.1



Municipal Court Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 542,590	\$ 581,297	\$ 598,005	\$ 630,655	8.49%
Supplies & Equipment	6,974	8,040	8,427	8,090	0.62%
Services & Charges	76,742	69,845	78,045	77,205	10.54%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 626,306	\$ 659,182	\$ 684,477	\$ 715,950	8.61%



EMPLOYEE CLASSIFICATION & PAY GRADE

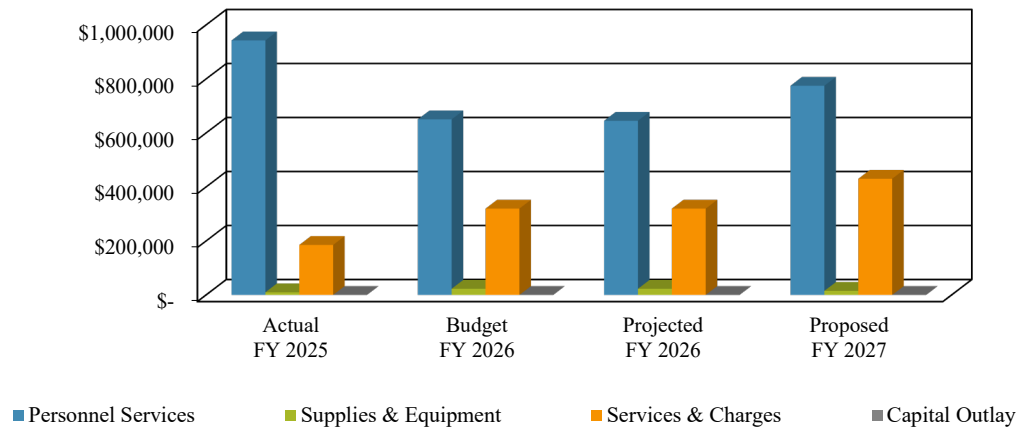
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Municipal Town Judge (Part-Time)	N/A	0.5	0.5	0.5
Court Administrator	107	1.0	1.0	1.0
Assistant Court Administrator	105	0.0	1.0	1.0
Senior Court Clerk	103	1.0	0.0	0.0
Court Clerk	102	1.0	1.0	1.0
Marshall/Bailiff (Part-time)	PT	0.5	0.5	0.5
Court Security (Part-time)	PT	0.3	0.3	0.4
Total Employees		4.3	4.3	4.4



Finance Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 942,586	\$ 650,226	\$ 645,030	\$ 774,785	19.16%
Supplies & Equipment	9,867	22,822	22,870	15,035	-34.12%
Services & Charges	185,147	319,723	319,675	430,330	34.59%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,137,600	\$ 992,771	\$ 987,575	\$ 1,220,150	22.90%



EMPLOYEE CLASSIFICATION & PAY GRADE

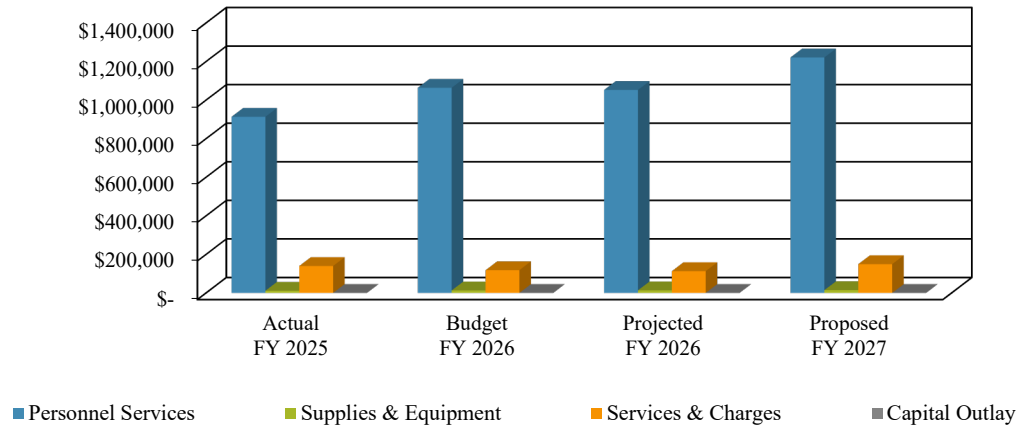
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Assistant Town Administrator	113	1.0	0.0	0.0
Director of Finance	112	1.0	1.0	1.0
Controller	108	0.0	0.0	1.0
Accounting Supervisor	106	1.0	1.0	0.0
Accountant	105	0.0	0.0	1.0
Senior Accounting Tech	104	1.0	1.0	1.0
Human Resources Coordinator	104	1.0	0.0	0.0
Administrative Assistant	103	1.0	1.0	1.0
Total Employees		6.0	4.0	5.0



Community Development Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 913,159	\$ 1,063,739	\$ 1,052,425	\$ 1,220,820	14.77%
Supplies & Equipment	11,340	12,825	13,325	14,466	12.80%
Services & Charges	139,699	117,958	112,784	149,220	26.50%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,064,198	\$ 1,194,522	\$ 1,178,534	\$ 1,384,506	15.90%



EMPLOYEE CLASSIFICATION & PAY GRADE

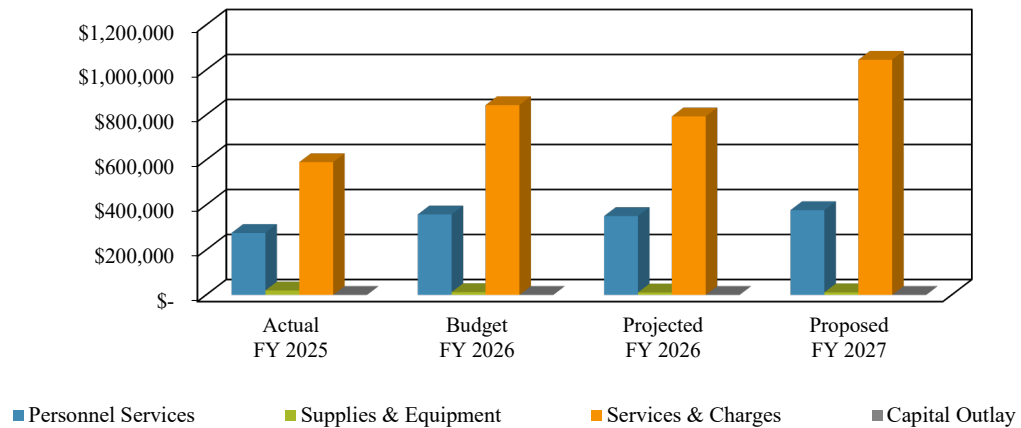
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Director of Community Development	110	1.0	1.0	1.0
Chief Building Official	109	1.0	1.0	1.0
Senior Building Inspector	106	1.0	1.0	1.0
Building Inspector	105	2.0	2.0	2.0
Plans Examiner	104	1.0	1.0	1.0
Building Permit Technician	103	1.0	1.0	2.0
Total Employees		7.0	7.0	8.0



Information Technology Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 275,537	\$ 357,782	\$ 350,410	\$ 376,795	5.31%
Supplies & Equipment	19,940	12,650	11,029	11,650	-7.91%
Services & Charges	590,072	843,604	793,379	1,045,184	23.90%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 885,549	\$ 1,214,036	\$ 1,154,818	\$ 1,433,629	18.09%



EMPLOYEE CLASSIFICATION & PAY GRADE

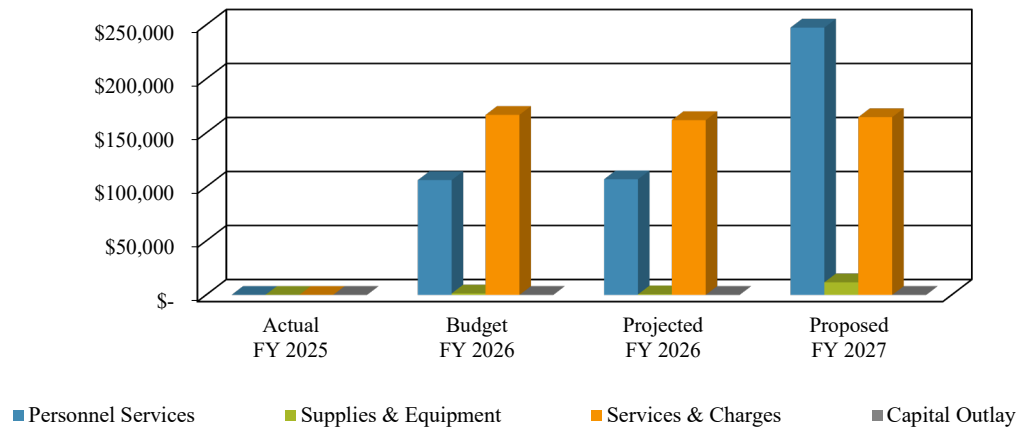
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Manager of Information Technology	109	1.0	1.0	1.0
Systems Analyst	108	1.0	1.0	1.0
Total Employees		2.0	2.0	2.0



Human Resources Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ -	\$ 106,322	\$ 107,070	\$ 247,510	132.79%
Supplies & Equipment	-	1,373	485	11,679	750.62%
Services & Charges	-	166,706	161,816	164,610	-1.26%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ -	\$ 274,401	\$ 269,371	\$ 423,799	54.45%



EMPLOYEE CLASSIFICATION & PAY GRADE

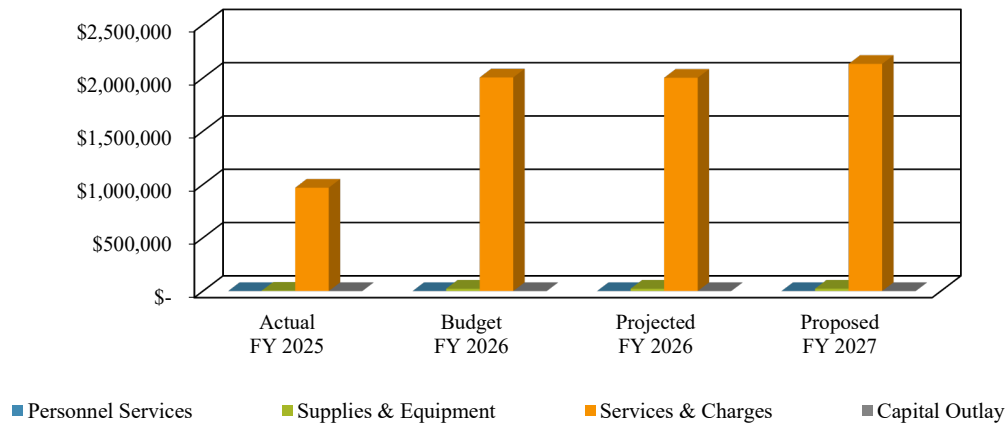
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Human Resources Manager	107	0.0	0.0	1.0
Human Resources Coordinator	104	0.0	1.0	1.0
Total Employees		0.0	1.0	2.0



Non Departmental

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Equipment	3,155	22,250	22,250	22,670	1.89%
Services & Charges	969,880	2,004,553	2,001,575	2,131,655	6.34%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 973,035	\$ 2,026,803	\$ 2,023,825	\$ 2,154,325	6.29%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

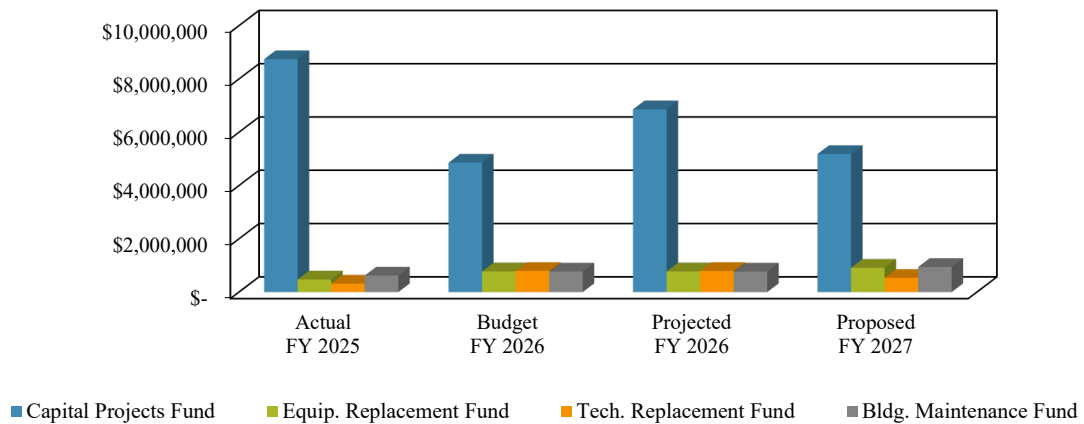
- 1 Supplies & Equipment provides \$17,245 as a contingency in the event fuel costs exceed the amount budgeted in each department.
- 2 The Services & Charges category includes \$1,700,000 for the Highland Park On-Demand microtransit program, \$205,000 to continue reducing the Town's unfunded pension liability with the Texas Municipal Retirement System, and \$220,752 to repay the State for sales tax that was inadvertently remitted to the Town.



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Capital Projects Fund	\$ 8,740,525	\$ 4,857,490	\$ 6,857,490	\$ 5,181,175	6.66%
Solid Waste Fund	30,500	26,700	26,700	17,200	-35.58%
Equip. Replacement Fund	472,000	773,085	773,085	911,050	17.85%
Tech. Replacement Fund	316,000	792,915	792,915	533,390	-32.73%
Bldg. Maintenance Fund	620,100	767,565	767,565	941,030	22.60%
Total Department	\$ 10,179,125	\$ 7,217,755	\$ 9,217,755	\$ 7,583,845	5.07%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The FY2027 Proposed Budget includes a transfer to the Capital Projects Fund equivalent to 4.62 cents of the Town's property tax rate.
- 2 The transfer of \$17,200 to the Solid Waste Fund is derived from franchise fees charged to companies providing roll-off trash container service in Town.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the current fiscal year.
- 4 The transfer to the Building Maintenance Fund is based on the overall budget of the Building Maintenance Fund and includes a maintenance component and a fund balance component. The General Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center. The Utility Fund makes a similar transfer based on the number of employees in the Utility Fund that use the Town Hall and Service Center.

UTILITY FUND

The Utility Fund is the financial structure used for the accounting of providing water and sanitary sewer service to the residents of the Town and the billing and collection of charges to customers to pay for said services.

Basis of Accounting

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

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 6,207,206	\$ 5,546,798	\$ 6,282,884	\$ 5,317,086
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 47,985	\$ 61,315	\$ 45,755	\$ 46,870
Charges for Services	12,413,990	13,580,310	13,629,345	14,416,500
Fines & Forfeits	71,422	91,985	88,970	90,530
Miscellaneous	631,182	2,203,795	4,269,400	1,893,429
Total Revenues	\$ 13,164,579	\$ 15,937,405	\$ 18,033,470	\$ 16,447,329
Other Sources:				
Transfers In	\$ 503,800	\$ 575,775	\$ 575,775	\$ 731,700
Total Other Sources	\$ 503,800	\$ 575,775	\$ 575,775	\$ 731,700
Total Revenues/Sources	\$ 13,668,379	\$ 16,513,180	\$ 18,609,245	\$ 17,179,029
EXPENSES - BY DEPARTMENT				
Utility Customer Service Department	\$ 461,831	\$ 483,800	\$ 462,680	\$ 545,339
Water Department	8,089,183	7,532,414	9,386,555	8,871,960
Sanitary Sewer Department	1,769,299	5,901,682	5,911,816	5,300,370
Engineering Department	944,832	1,546,228	1,310,504	1,801,754
Total Expenses	\$ 11,265,145	\$ 15,464,124	\$ 17,071,555	\$ 16,519,423
Other Uses:				
Transfers Out	\$ 2,327,556	\$ 2,503,488	\$ 2,503,488	\$ 2,803,750
Total Other Uses	\$ 2,327,556	\$ 2,503,488	\$ 2,503,488	\$ 2,803,750
Total Expenses/Uses	\$ 13,592,701	\$ 17,967,612	\$ 19,575,043	\$ 19,323,173
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 75,678	\$ (1,454,432)	\$ (965,798)	\$ (2,144,144)
ENDING FUND BALANCE	\$ 6,282,884	\$ 4,092,366	\$ 5,317,086	\$ 3,172,942
Ideal Fund Balance	\$ 2,463,394	\$ 2,802,300	\$ 2,808,246	\$ 3,053,171
Fund Balance in Excess of Minimum	\$ 3,819,491	\$ 1,290,067	\$ 2,508,840	\$ 119,771

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 6,207,206	\$ 5,546,798	\$ 6,282,884	\$ 5,317,086
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 47,985	\$ 61,315	\$ 45,755	\$ 46,870
Charges for Services	12,413,990	13,580,310	13,629,345	14,416,500
Fines & Forfeits	71,422	91,985	88,970	90,530
Miscellaneous	631,182	2,203,795	4,269,400	1,893,429
Total Revenues	\$ 13,164,579	\$ 15,937,405	\$ 18,033,470	\$ 16,447,329
Other Sources:				
Transfers In	\$ 503,800	\$ 575,775	\$ 575,775	\$ 731,700
Total Other Sources	\$ 503,800	\$ 575,775	\$ 575,775	\$ 731,700
Total Revenues/Sources	\$ 13,668,379	\$ 16,513,180	\$ 18,609,245	\$ 17,179,029
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,504,598	\$ 1,867,062	\$ 1,782,425	\$ 1,974,185
Payroll Taxes	109,867	139,465	131,165	146,270
Retirement	320,549	239,779	225,130	247,960
Insurance	153,736	219,735	205,185	260,000
Total Personnel	\$ 2,088,750	\$ 2,466,041	\$ 2,343,905	\$ 2,628,415
Supplies & Equipment	4,433,917	4,701,099	4,991,754	5,089,796
Services & Charges	1,625,472	2,198,018	2,053,286	2,384,712
Capital Outlay	3,117,006	6,098,966	7,682,610	6,416,500
Total Expenses	\$ 11,265,145	\$ 15,464,124	\$ 17,071,555	\$ 16,519,423
Other Uses:				
Transfers Out	\$ 2,327,556	\$ 2,503,488	\$ 2,503,488	\$ 2,803,750
Total Other Uses	\$ 2,327,556	\$ 2,503,488	\$ 2,503,488	\$ 2,803,750
Total Expenses/Uses	\$ 13,592,701	\$ 17,967,612	\$ 19,575,043	\$ 19,323,173
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 75,678	\$ (1,454,432)	\$ (965,798)	\$ (2,144,144)
ENDING FUND BALANCE	\$ 6,282,884	\$ 4,092,366	\$ 5,317,086	\$ 3,172,942
Ideal Fund Balance	\$ 2,463,394	\$ 2,802,300	\$ 2,808,246	\$ 3,053,171
Fund Balance in Excess of Minimum	\$ 3,819,491	\$ 1,290,067	\$ 2,508,840	\$ 119,771

**UTILITY FUND
STATEMENT OF REVENUES**

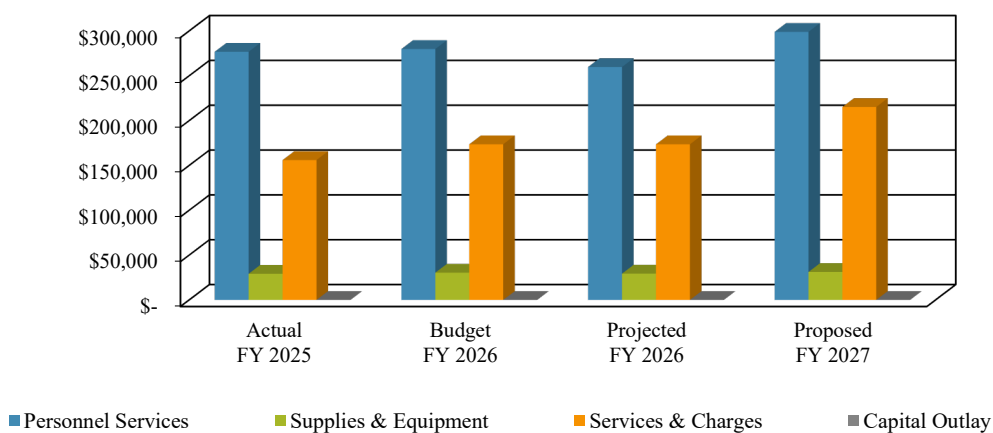
	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
Licenses & Permits				
Plumbing Permits	\$ 47,985	\$ 61,315	\$ 45,755	\$ 46,870
<i>Subtotal</i>	\$ 47,985	\$ 61,315	\$ 45,755	\$ 46,870
Charges For Services				
Water Sales	\$ 8,928,273	\$ 9,484,960	\$ 9,847,365	\$ 10,051,815
Inter-Dept Water Sales	227,032	269,820	285,650	284,775
Sewer Charges	3,134,075	3,434,185	3,269,280	3,543,255
Meter Installation	120,255	56,230	78,800	82,310
Backflow Testing Fees	-	330,000	144,000	450,000
Other Charges	4,355	5,115	4,250	4,345
<i>Subtotal</i>	\$ 12,413,990	\$ 13,580,310	\$ 13,629,345	\$ 14,416,500
Fines & Forfeits				
Late Payment Penalties	\$ 71,422	\$ 91,985	\$ 88,970	\$ 90,530
<i>Subtotal</i>	\$ 71,422	\$ 91,985	\$ 88,970	\$ 90,530
Miscellaneous				
Interest	\$ 482,355	\$ 362,475	\$ 393,750	\$ 369,405
Sale of Assets	(11,918)	-	-	-
Contributions	159,081	1,840,000	3,875,000	1,523,024
Miscellaneous	1,664	1,320	650	1,000
<i>Subtotal</i>	\$ 631,182	\$ 2,203,795	\$ 4,269,400	\$ 1,893,429
Total Revenues	\$ 13,164,579	\$ 15,937,405	\$ 18,033,470	\$ 16,447,329



Utility Customer Service Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 276,725	\$ 279,820	\$ 259,780	\$ 298,975	6.85%
Supplies & Equipment	29,134	30,390	29,350	31,182	2.61%
Services & Charges	155,972	173,590	173,550	215,182	23.96%
Capital Outlay	-	-	-	-	-
Total Department	\$ 461,831	\$ 483,800	\$ 462,680	\$ 545,339	12.72%



EMPLOYEE CLASSIFICATION & PAY GRADE

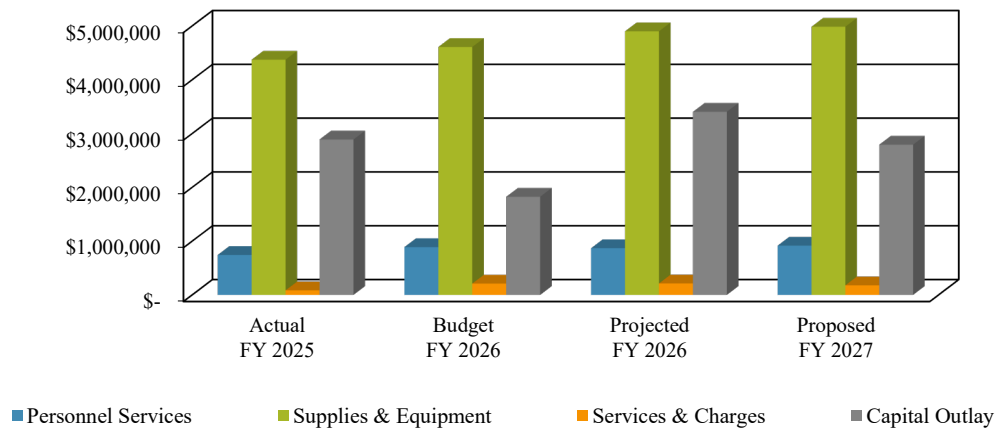
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Customer Service Supervisor	106	1.0	1.0	1.0
Customer Service Specialist	103	2.0	2.0	2.0
Total Employees		3.0	3.0	3.0



Water Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 743,017	\$ 888,841	\$ 868,630	\$ 915,700	3.02%
Supplies & Equipment	4,372,396	4,608,760	4,900,455	4,985,180	8.17%
Services & Charges	85,055	210,330	213,795	178,730	-15.02%
Capital Outlay	2,888,715	1,824,483	3,403,675	2,792,350	-
Total Department	\$ 8,089,183	\$ 7,532,414	\$ 9,386,555	\$ 8,871,960	17.78%



EMPLOYEE CLASSIFICATION & PAY GRADE

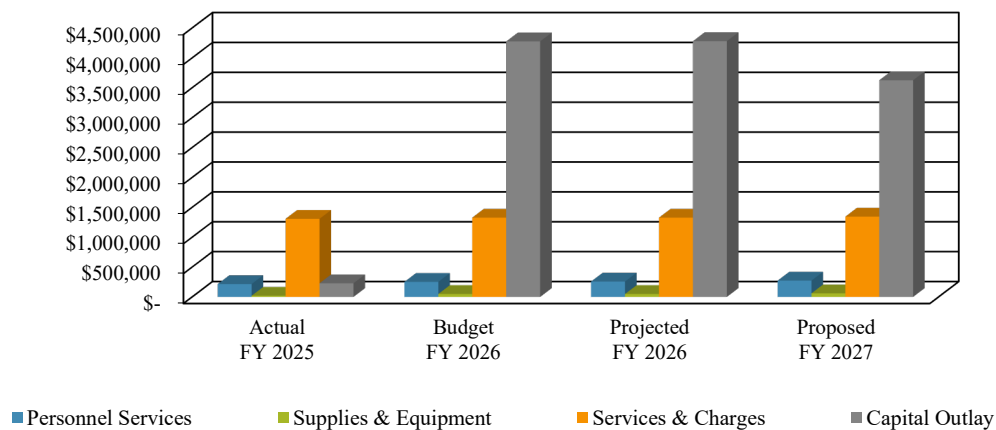
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Public Works Superintendent	108	1.0	1.0	1.0
Public Works Operations Supervisor	106	1.0	1.0	1.0
Project Coordinator	105	1.0	1.0	1.0
Public Works Maintenance Worker III	104	3.0	3.0	3.0
Total Employees		6.0	6.0	6.0



Sanitary Sewer Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 214,973	\$ 251,436	\$ 257,505	\$ 272,515	8.38%
Supplies & Equipment	19,617	49,055	49,055	60,040	22.39%
Services & Charges	1,306,417	1,326,708	1,326,321	1,343,665	1.28%
Capital Outlay	228,292	4,274,483	4,278,935	3,624,150	-
Total Department	\$ 1,769,299	\$ 5,901,682	\$ 5,911,816	\$ 5,300,370	-10.19%



EMPLOYEE CLASSIFICATION & PAY GRADE

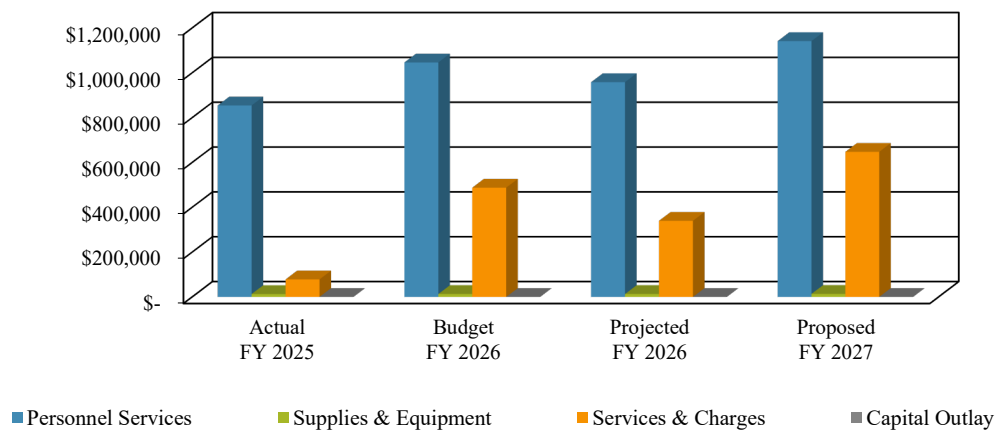
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Public Works Maintenance Worker III	104	2.0	2.0	2.0
Total Employees		2.0	2.0	2.0



Engineering Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 854,035	\$ 1,045,944	\$ 957,990	\$ 1,141,225	9.11%
Supplies & Equipment	12,769	12,894	12,894	13,394	3.88%
Services & Charges	78,028	487,390	339,620	647,135	32.78%
Capital Outlay	-	-	-	-	N/A
Total Department	\$ 944,832	\$ 1,546,228	\$ 1,310,504	\$ 1,801,754	16.53%



EMPLOYEE CLASSIFICATION & PAY GRADE

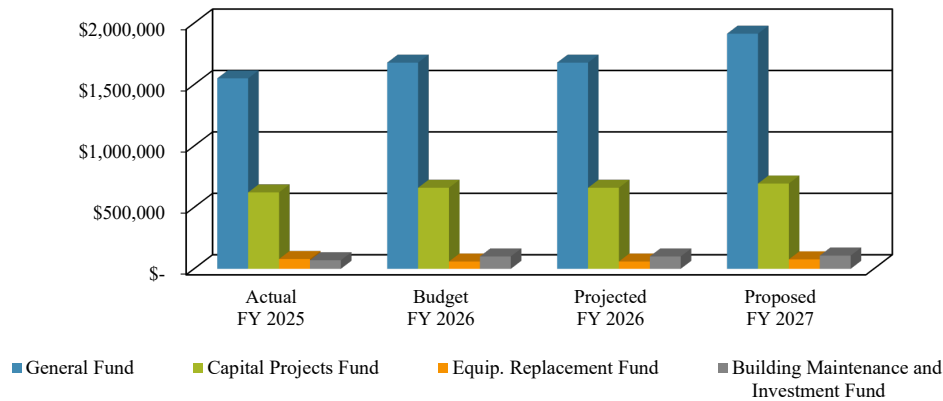
Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Director of Engineering	112	1.0	1.0	1.0
Assistant Director of Engineering	110	1.0	1.0	1.0
Manager of Engineering Services	109	1.0	1.0	1.0
Project Coordinator	105	1.0	1.0	1.0
Construction Inspector	105	2.0	2.0	2.0
Total Employees		6.0	6.0	6.0



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
General Fund	\$ 1,550,500	\$ 1,678,210	\$ 1,678,210	\$ 1,913,735	14.03%
Capital Projects Fund	622,121	659,448	659,448	693,990	5.24%
Equip. Replacement Fund	79,650	59,265	59,265	76,835	29.65%
Tech. Replacement Fund	5,785	6,075	6,075	11,960	96.87%
and Investment Fund	69,500	100,490	100,490	107,230	6.71%
Total Department	\$ 2,327,556	\$ 2,503,488	\$ 2,503,488	\$ 2,803,750	11.99%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

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



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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.

Basis of Accounting

The basis of accounting for the Solid Waste Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 417,064	\$ 471,282	\$ 484,765	\$ 502,930
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,849,793	1,917,715	1,914,355	1,984,935
Miscellaneous	27,210	23,820	25,875	26,255
Total Revenues	\$ 1,877,003	\$ 1,941,535	\$ 1,940,230	\$ 2,011,190
Other Sources:				
Transfers In	\$ 30,500	\$ 26,700	\$ 26,700	\$ 17,200
Total Other Sources	\$ 30,500	\$ 26,700	\$ 26,700	\$ 17,200
Total Revenues/Sources	\$ 1,907,503	\$ 1,968,235	\$ 1,966,930	\$ 2,028,390
EXPENSES - BY DEPARTMENT				
Sanitation Department	\$ 1,685,002	\$ 1,808,265	\$ 1,798,150	\$ 1,915,400
Total Expenses	\$ 1,685,002	\$ 1,808,265	\$ 1,798,150	\$ 1,915,400
Other Uses:				
Transfers Out	\$ 154,800	\$ 150,615	\$ 150,615	\$ 158,815
Total Other Uses	\$ 154,800	\$ 150,615	\$ 150,615	\$ 158,815
Total Expenses/Uses	\$ 1,839,802	\$ 1,958,880	\$ 1,948,765	\$ 2,074,215
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 67,701	\$ 9,355	\$ 18,165	\$ (45,825)
ENDING FUND BALANCE	\$ 484,765	\$ 480,637	\$ 502,930	\$ 457,105
Ideal Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance in Excess of Minimum	\$ 484,765	\$ 480,637	\$ 502,930	\$ 457,105
 <i>Fund Balance % of Operating Expenditures</i>	 <i>27.7%</i>	 <i>25.8%</i>	 <i>27.1%</i>	 <i>23.1%</i>

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 417,064	\$ 471,282	\$ 484,765	\$ 502,930
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,849,793	1,917,715	1,914,355	1,984,935
Miscellaneous	27,210	23,820	25,875	26,255
Total Revenues	\$ 1,877,003	\$ 1,941,535	\$ 1,940,230	\$ 2,011,190
Other Sources:				
Transfers In	\$ 30,500	\$ 26,700	\$ 26,700	\$ 17,200
Total Other Sources	\$ 30,500	\$ 26,700	\$ 26,700	\$ 17,200
Total Revenues/Sources	\$ 1,907,503	\$ 1,968,235	\$ 1,966,930	\$ 2,028,390
EXPENSES - BY TYPE				
Supplies & Equipment	\$ 25,000	\$ 35,000	\$ 35,000	\$ 35,000
Services & Charges	1,660,002	1,773,265	1,763,150	1,880,400
Capital Outlay	-	-	-	-
Total Expenses	\$ 1,685,002	\$ 1,808,265	\$ 1,798,150	\$ 1,915,400
Other Uses:				
Transfers Out	\$ 154,800	\$ 150,615	\$ 150,615	\$ 158,815
Total Other Uses	\$ 154,800	\$ 150,615	\$ 150,615	\$ 158,815
Total Expenses/Uses	\$ 1,839,802	\$ 1,958,880	\$ 1,948,765	\$ 2,074,215
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 67,701	\$ 9,355	\$ 18,165	\$ (45,825)
ENDING FUND BALANCE	\$ 484,765	\$ 480,637	\$ 502,930	\$ 457,105

**SOLID WASTE FUND
STATEMENT OF REVENUES**

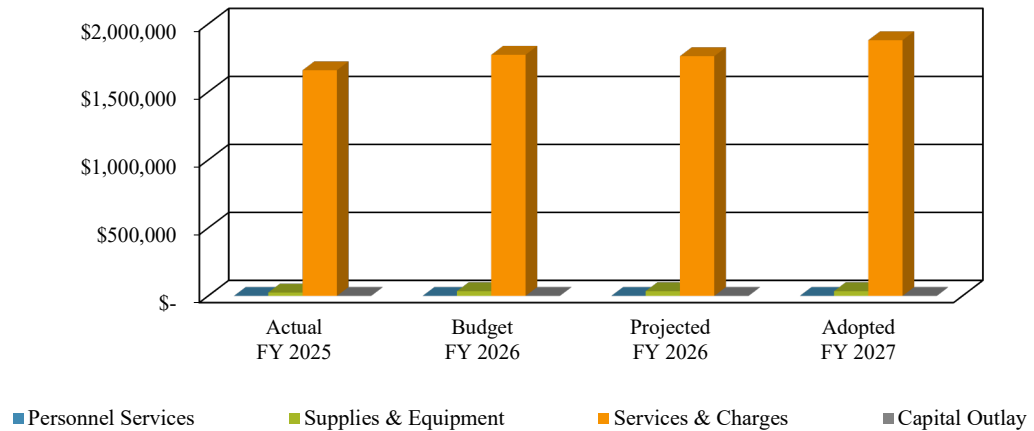
	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
Charges For Services				
Sanitation Collection Charges	\$ 1,689,685	\$ 1,751,660	\$ 1,748,655	\$ 1,813,295
Recycling Charges	160,108	166,055	165,700	171,640
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,849,793	\$ 1,917,715	\$ 1,914,355	\$ 1,984,935
Miscellaneous				
Interest	\$ 27,210	\$ 23,820	\$ 25,875	\$ 26,255
Miscellaneous	-	-	-	-
<i>Subtotal</i>	\$ 27,210	\$ 23,820	\$ 25,875	\$ 26,255
Total Revenues	\$ 1,877,003	\$ 1,941,535	\$ 1,940,230	\$ 2,011,190



Sanitation Department

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Adopted	% Change 2026 to 2027
Personnel Services	\$ -	\$ -	\$ -	\$ -	
Supplies & Equipment	25,000	35,000	35,000	35,000	0.00%
Services & Charges	1,660,002	1,773,265	1,763,150	1,880,400	6.04%
Capital Outlay	-	-	-	-	
Total Department	\$ 1,685,002	\$ 1,808,265	\$ 1,798,150	\$ 1,915,400	5.92%

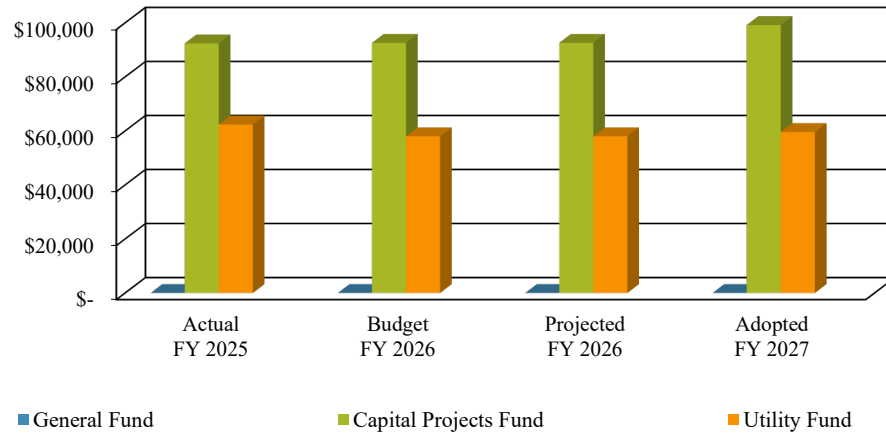




Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Adopted	% Change 2026 to 2027
General Fund	\$ -	\$ -	\$ -	\$ -	
Capital Projects Fund	92,400	92,600	92,600	99,200	7.13%
Utility Fund	62,400	58,015	58,015	59,615	2.76%
Total Department	\$ 154,800	\$ 150,615	\$ 150,615	\$ 158,815	5.44%



OTHER FUNDS

Stormwater Drainage Fund – The Stormwater Drainage Fund is a capital projects fund that 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.

Local Youth Diversion Fund - This special revenue fund accounts for the Local Consolidated Fee assessed to defendants, as mandated by state law. The funds are designated to support a local mental health authority, juvenile alcohol and substance abuse programs, educational and leadership initiatives, teen court programs, and other projects aimed at preventing or reducing juvenile court referrals.

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.

Legacy Court Technology Fund – This special revenue fund accounts for the Local Consolidated Fee assessed to defendants, as mandated by state law, for technological enhancements to the Municipal Court and is applicable to amounts collected on or before May 28, 2025.

Legacy Court Security Fund – This special revenue fund accounts for the Local Consolidated Fee assessed to defendants, as required by state law, to support Municipal Court security and is applicable to amounts collected on or before May 28, 2025.

Municipal Court Building Security and Technology Fund - This special revenue fund accounts for the Local Consolidated Fee assessed to defendants, as required by state law, to support both technological enhancements and security for the Municipal Court and is applicable to amounts collected on or after May 29, 2025.

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

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

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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. The Town of Highland Park does not have any outstanding bank or bonded debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 4,448,926	\$ 4,040,521	\$ 5,513,919	\$ 2,831,384
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 1,142,518	\$ 2,287,190	\$ 2,271,595	\$ 2,839,010
Interest	297,616	241,950	246,405	237,190
Total Revenues	\$ 2,440,134	\$ 2,529,140	\$ 2,518,000	\$ 3,076,200
Other Sources:				
Transfers In	\$ 1,700,000	\$ 1,500,000	\$ 1,500,000	\$ -
Total Other Sources:	1,700,000	1,500,000	1,500,000	-
Total Revenues/Sources:	\$ 4,140,134	\$ 4,029,140	\$ 4,018,000	\$ 3,076,200
EXPENSES/USES OF FUNDS				
Supplies & Equipment	5,228	7,500	7,500	7,500
Services & Charges	186,404	200,120	200,105	201,615
Capital Outlay	2,728,109	7,897,737	6,310,620	4,313,800
Total Expenditures	\$ 2,919,741	\$ 8,105,357	\$ 6,518,225	\$ 4,522,915
Transfers	155,400	182,310	182,310	201,625
Total Expenditures/Uses of Funds	\$ 3,075,141	\$ 8,287,667	\$ 6,700,535	\$ 4,724,540
Excess of Revenues/Sources Over Expenses/Uses	\$ 1,064,993	\$ (4,258,527)	\$ (2,682,535)	\$ (1,648,340)
ENDING FUND BALANCE	5,513,919	\$ (218,006)	\$ 2,831,384	\$ 1,183,044

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources primarily for the acquisition of the Town's rolling stock. The General and Utility Funds are charged for the cost of use of their respectively assigned vehicles and equipment at a rate equal to the straight-line depreciation of original cost adjusted for inflation to ensure adequate funding is provided at the time of replacement. The incurred costs are recorded as expenditures/expenses within the respective funds and as revenues in the Equipment Replacement Fund on the accrual basis of accounting. The basis of accounting for the Equipment Replacement Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures, and depreciation expense is not included in budgeted expenditures.

All rolling stock is scheduled for replacement, and each vehicle and piece of equipment is evaluated annually for mileage, condition and maintenance costs before a final decision for replacement is made.

Equipment planned to be purchased during FY 2026-27 includes:

- Planned Pursuit Vehicle Replacements (Public Safety): \$440,520
- Planned Utility Vehicle Replacement (Water): \$83,500
- Voice Amplifiers (Public Safety): \$65,000
- License Plate Readers (LPR) Cameras and System Upgrade (Public Safety: \$58,800
- Thermal Imagers (Public Safety): \$50,000
- Stair Chair (Public Safety): \$20,700

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 4,632,718	\$ 4,928,420	\$ 5,009,212	\$ 5,061,907
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	233,675	180,230	222,300	220,335
Sale of Assets	10,650	10,000	44,715	10,000
Contributions	-	-	-	-
Total Revenues	\$ 244,325	\$ 190,230	\$ 267,015	\$ 230,335
Transfers	551,650	832,350	832,350	987,885
Total Revenues/Sources	\$ 795,975	\$ 1,022,580	\$ 1,099,365	\$ 1,218,220
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Vehicle Disposal	-	3,000	3,000	3,000
Rolling Stock Acquisition	350,967	974,005	969,000	524,020
Equipment Acquisition	68,514	74,670	74,670	194,500
Total Expenditures	\$ 419,481	\$ 1,051,675	\$ 1,046,670	\$ 721,520
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 419,481	\$ 1,051,675	\$ 1,046,670	\$ 721,520
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 376,494	\$ (29,095)	\$ 52,695	\$ 496,700
ENDING FUND BALANCE	\$ 5,009,212	\$ 4,899,325	\$ 5,061,907	\$ 5,558,607

TECHNOLOGY REPLACEMENT FUND

The Technology Replacement Fund accounts for the Town's investment in technology equipment. This type of equipment includes computers, servers, radios, telephones, specialty equipment and networking assets. All assets are scheduled for replacement based upon estimated useful life that covers the respective warranty periods of the assets.

This budget provides funding for the purchase and/or upgrade of the following technology related assets:

- Annual Computer Replacements (Various Departments): \$229,720
- New Computers for Operations Supervisors (Public Safety): \$9,000
- New Air-Gapped Forensic Workstation Computer (Public Safety): \$6,000

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 3,171,125	\$ 3,500,623	\$ 3,811,103	\$ 4,404,703
REVENUES/SOURCES OF FUNDS				
Interest	\$ 490,104	\$ 137,655	\$ 188,350	\$ 189,465
Sale of Assets	115	-	5,000	5,000
Contributions	946,251	233,131	421,185	240,125
Total Revenues	\$ 1,436,470	\$ 370,786	\$ 614,535	\$ 434,590
Transfers	321,785	798,990	798,990	545,350
Total Revenues/Sources	\$ 1,758,255	\$ 1,169,776	\$ 1,413,525	\$ 979,940
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Technology Equipment Acquisition	1,118,277	819,925	819,925	244,720
Total Expenditures	\$ 1,118,277	\$ 819,925	\$ 819,925	\$ 244,720
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 1,118,277	\$ 819,925	\$ 819,925	\$ 244,720
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 639,978	\$ 349,851	\$ 593,600	\$ 735,220
ENDING FUND BALANCE	\$ 3,811,103	\$ 3,850,474	\$ 4,404,703	\$ 5,139,923

BUILDING MAINTENANCE & INVESTMENT FUND

The Building Maintenance and Investment Fund was established to ensure adequate funding for the maintenance and operation of the Town's newly renovated Town Hall as well as the Town's Service Center, which houses Parks and Public Works operations. Significant facility maintenance and capital expenditures planned for FY 2026-27 include:

- Mold Remediation and Restoration (Town Hall): \$150,000
- Swimming Pool Improvements – Baby Pool Awning Replacement (\$69,620); Perimeter Pool Drainage Grate (\$47,950); Phase II Shower Improvements (\$25,000)
- HVAC Upgrade and Duct Cleaning (Town Hall): \$65,950

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

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

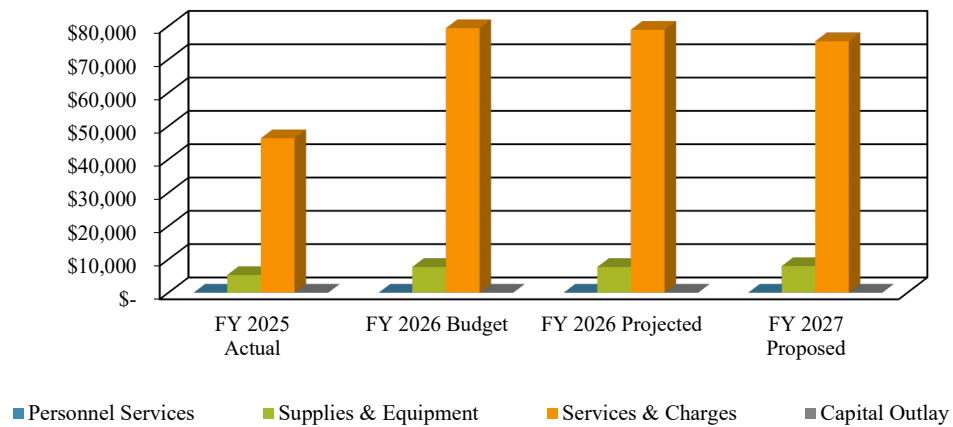
	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 1,621,690	\$ 1,584,264	\$ 1,611,693	\$ 1,528,293
REVENUES/SOURCES OF FUNDS				
Interest	\$ 79,791	\$ 58,195	\$ 80,830	\$ 84,965
Miscellaneous	99,656	18,900	19,550	19,880
Total Revenues	\$ 179,447	\$ 77,095	\$ 100,380	\$ 104,845
Transfers	689,600	868,055	868,055	1,048,260
Total Revenues/Sources	\$ 869,047	\$ 945,150	\$ 968,435	\$ 1,153,105
EXPENDITURES/USES OF FUNDS				
Personnel Services	\$ 89,088	\$ 122,065	\$ 140,365	\$ 168,970
Supplies & Equipment	41,981	41,420	44,298	45,906
Services & Charges	486,580	557,395	579,172	644,504
Capital Outlay	261,395	271,000	288,000	292,570
Total Expenditures	\$ 879,044	\$ 991,880	\$ 1,051,835	\$ 1,151,950
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 879,044	\$ 991,880	\$ 1,051,835	\$ 1,151,950
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (9,997)	\$ (46,730)	\$ (83,400)	\$ 1,155
ENDING FUND BALANCE	\$ 1,611,693	\$ 1,537,534	\$ 1,528,293	\$ 1,529,448



Service Center

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Equipment	5,312	7,700	7,700	8,000	3.90%
Services & Charges	46,360	79,400	78,920	75,458	-4.96%
Capital Outlay	-	-	-	-	N/A
Total Department	\$ 51,672	\$ 87,100	\$ 86,620	\$ 83,458	-4.18%

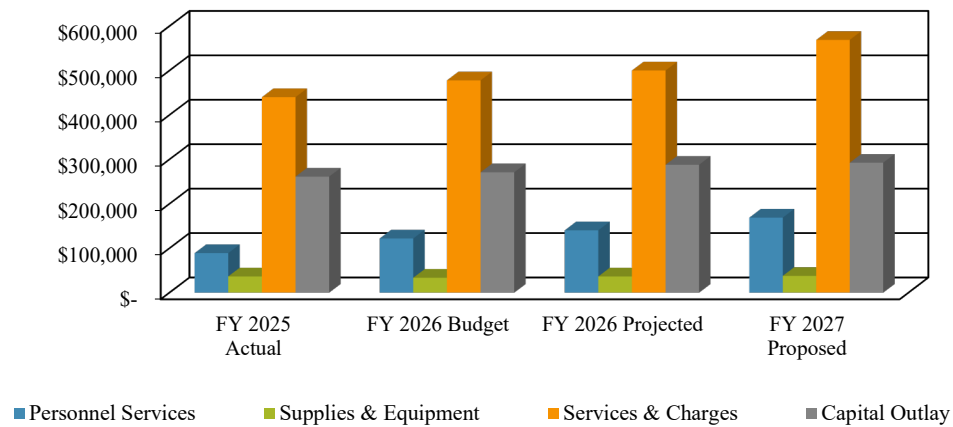




Municipal Building

EXPENDITURE SUMMARY

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed	% Change 2026 to 2027
Personnel Services	\$ 89,088	\$ 122,065	\$ 140,365	\$ 168,970	38.43%
Supplies & Equipment	36,669	33,720	36,598	37,906	12.41%
Services & Charges	440,220	477,995	500,252	569,046	19.05%
Capital Outlay	261,395	271,000	288,000	292,570	7.96%
Total Department	\$ 827,372	\$ 904,780	\$ 965,215	\$ 1,068,492	18.09%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2025 Budget	FY2026 Budget	FY2027 Budget
Facilities Maintenance Manager	107	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 45,221	\$ 53,381	\$ 104,952	\$ 115,007
REVENUES/SOURCES OF FUNDS				
Forfeitures	\$ 55,075	\$ 2,500	\$ 5,985	\$ -
Interest	5,004	5,060	4,570	4,230
Total Revenues	\$ 60,079	\$ 7,560	\$ 10,555	\$ 4,230
Transfers	-	-	-	-
Total Revenues/Sources	\$ 60,079	\$ 7,560	\$ 10,555	\$ 4,230
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	348	500	500	500
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 348	\$ 500	\$ 500	\$ 500
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 59,731	\$ 7,060	\$ 10,055	\$ 3,730
ENDING FUND BALANCE	\$ 104,952	\$ 60,441	\$ 115,007	\$ 118,737

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 89,065	\$ 108,335	\$ 109,766	\$ 131,646
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 16,316	\$ 15,015	\$ 17,475	\$ 19,005
Interest	4,385	3,610	4,405	4,345
Total Revenues	\$ 20,701	\$ 18,625	\$ 21,880	\$ 23,350
Transfers	-	-	-	-
Total Revenues/Sources	\$ 20,701	\$ 18,625	\$ 21,880	\$ 23,350
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ 500
Service & Charges	-	-	-	1,500
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ 2,000
Transfers	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ 2,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 20,701	\$ 18,625	\$ 21,880	\$ 21,350
ENDING FUND BALANCE	\$ 109,766	\$ 126,960	\$ 131,646	\$ 152,996

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 1,781	\$ 2,151	\$ 2,195	\$ 2,385
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 326	\$ 285	\$ 350	\$ 380
Interest	88	75	90	85
Total Revenues	\$ 414	\$ 360	\$ 440	\$ 465
Transfers	-	-	-	-
Total Revenues/Sources	\$ 414	\$ 360	\$ 440	\$ 465
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ 250	\$ 250	\$ 250
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ 250	\$ 250	\$ 250
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 414	\$ 110	\$ 190	\$ 215
ENDING FUND BALANCE	\$ 2,195	\$ 2,261	\$ 2,385	\$ 2,600

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 130,958	\$ 126,533	\$ 117,930	\$ 80,425
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 17,190	\$ 24,245	\$ -	\$ -
Interest	5,859	5,165	3,905	3,620
Total Revenues	\$ 23,049	\$ 29,410	\$ 3,905	\$ 3,620
Transfers	-	-	-	-
Total Revenues/Sources	\$ 23,049	\$ 29,410	\$ 3,905	\$ 3,620
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 2,427	\$ 5,026	\$ 3,574	\$ 2,820
Service & Charges	33,650	35,606	37,836	51,700
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 36,077	\$ 40,632	\$ 41,410	\$ 54,520
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (13,028)	\$ (11,222)	\$ (37,505)	\$ (50,900)
ENDING FUND BALANCE	\$ 117,930	\$ 115,311	\$ 80,425	\$ 29,525

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

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 32,005	\$ 32,355	\$ 25,880	\$ 2,280
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 16,917	\$ 23,750	\$ -	\$ -
Interest	1,558	1,450	1,000	70
Total Revenues	\$ 18,475	\$ 25,200	\$ 1,000	\$ 70
Transfers	-	-	-	-
Total Revenues/Sources	\$ 18,475	\$ 25,200	\$ 1,000	\$ 70
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	24,600	24,600	24,600	2,350
Total Expenditures/Uses	\$ 24,600	\$ 24,600	\$ 24,600	\$ 2,350
Excess Revenues/Sources Over Expenditures/Uses	\$ (6,125)	\$ 600	\$ (23,600)	\$ (2,280)
ENDING FUND BALANCE	\$ 25,880	\$ 32,955	\$ 2,280	\$ -

**MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ -	\$ 14,945	\$ 18,011	\$ 36,361
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 18,011	\$ -	\$ 32,705	\$ 35,570
Interest	-	-	590	490
Total Revenues	\$ 18,011	\$ -	\$ 33,295	\$ 36,060
Transfers	-	-	-	-
Total Revenues/Sources	\$ 18,011	\$ -	\$ 33,295	\$ 36,060
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ 14,945	\$ 14,945	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ 14,945	\$ 14,945	\$ -
Transfers	-	-	-	19,360
Total Expenditures/Uses	\$ -	\$ 14,945	\$ 14,945	\$ 19,360
Excess Revenues/Sources Over Expenditures/Uses	\$ 18,011	\$ (14,945)	\$ 18,350	\$ 16,700
ENDING FUND BALANCE	\$ 18,011	\$ -	\$ 36,361	\$ 53,061

LIBRARY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 392,773	\$ 430,956	\$ 419,551	\$ 434,283
REVENUES/SOURCES OF FUNDS				
Interest	\$ 18,568	\$ 16,110	\$ 16,485	\$ 16,250
Library Donations	48,461	80,555	77,210	74,705
Total Revenues	\$ 67,029	\$ 96,665	\$ 93,695	\$ 90,955
Transfers	-	-	-	-
Total Revenues/Sources	\$ 67,029	\$ 96,665	\$ 93,695	\$ 90,955
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 39,140	\$ 45,038	\$ 43,803	\$ 66,626
Services & Charges	\$ 1,111	\$ 1,350	\$ 995	\$ 1,220
Capital Outlay	-	34,165	34,165	61,805
Total Expenditures	\$ 40,251	\$ 80,553	\$ 78,963	\$ 129,651
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 40,251	\$ 80,553	\$ 78,963	\$ 129,651
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 26,778	\$ 16,112	\$ 14,732	\$ (38,696)
ENDING FUND BALANCE	\$ 419,551	\$ 447,068	\$ 434,283	\$ 395,587

**RESERVE FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 4,866,208	\$ 4,035,790	\$ 4,037,482	\$ 4,195,395
REVENUES/SOURCES OF FUNDS				
Interest	\$ 182,182	\$ 136,800	\$ 165,345	\$ 160,320
Real Property Sales Proceeds	-	-	492,568	-
Miscellaneous	7,859	-	-	-
Total Revenues	\$ 190,041	\$ 136,800	\$ 657,913	\$ 160,320
Transfers	-	-	-	-
Total Revenues/Sources	\$ 190,041	\$ 136,800	\$ 657,913	\$ 160,320
EXPENDITURES/USES OF FUNDS				
Service & Charges	\$ 18,767	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Total Expenditures	\$ 18,767	\$ -	\$ -	\$ -
Transfers	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ -
Total Expenditures/Uses	\$ 1,018,767	\$ 500,000	\$ 500,000	\$ -
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (828,726)	\$ (363,200)	\$ 157,913	\$ 160,320
ENDING FUND BALANCE	\$ 4,037,482	\$ 3,672,590	\$ 4,195,395	\$ 4,355,715

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Proposed
BEGINNING FUND BALANCE	\$ 10,198,813	\$ 18,370,124	\$ 20,727,930	\$ 4,200,723
REVENUES/SOURCES OF FUNDS				
Interest	\$ 927,568	\$ 687,945	\$ 868,610	\$ 211,755
Contributions	4,783,545	16,722,529	1,400,000	11,500,000
Total Revenues	\$ 5,711,113	\$ 17,410,474	\$ 2,268,610	\$ 11,711,755
Transfers	9,455,046	5,609,538	7,609,538	5,974,365
Total Revenues/Sources	\$ 15,166,159	\$ 23,020,012	\$ 9,878,148	\$ 17,686,120
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 5,651,042	\$ 26,986,929	\$ 25,069,905	\$ 11,304,925
Total Expenditures	\$ 5,651,042	\$ 26,986,929	\$ 25,069,905	\$ 11,304,925
Transfers	986,000	1,335,450	1,335,450	470,460
Total Expenditures/Uses	\$ 6,637,042	\$ 28,322,379	\$ 26,405,355	\$ 11,775,385
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 8,529,117	\$ (5,302,367)	\$ (16,527,207)	\$ 5,910,735
FUND BALANCE	\$ 20,727,930	\$ 13,067,757	\$ 4,200,723	\$ 10,111,458
FUND BALANCE MINIMUM	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
FUND BALANCE SURPLUS	18,727,930	\$ 11,067,757	\$ 2,200,723	\$ 8,111,458

APPENDIX



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PROPOSED EXEMPT AND NON-EXEMPT PAY PLAN

Classification Titles	Grade	FLSA	Pay Basis	Min	Mid	Max
Parks Maintenance Worker I	101	NE	Annual: Hourly:	\$ 41,579.20 \$ 19.990	\$ 51,968.80 \$ 24.985	\$ 62,358.40 \$ 29.980
Court Clerk	102	NE	Annual:	\$ 47,816.08	\$ 59,770.10	\$ 71,724.12
Library Associate		NE	Hourly:	\$ 22.989	\$ 28.736	\$ 34.483
Public Works Maintenance Worker I		NE				
Administrative Assistant	103	NE	Annual:	\$ 54,988.49	\$ 68,735.62	\$ 82,482.74
Building Permit Technician		NE	Hourly:	\$ 26.437	\$ 33.046	\$ 39.655
Customer Service Specialist		NE				
Parks Maintenance Worker II		NE				
Public Works Maintenance Worker II		NE				
Communications Specialist	104	NE	Annual:	\$ 63,236.77	\$ 79,045.96	\$ 94,855.15
Crime Analyst		NE	Hourly:	\$ 30.402	\$ 38.003	\$ 45.603
DPS Administrative Secretary		NE				
Human Resources Coordinator		NE				
Parking Enforcement Officer		NE				
Parks Maintenance Worker III		NE				
Plans Examiner		NE				
Public Works Maintenance Worker III		NE				
Secretary to the Director of Public Safety		NE				
Senior Accounting Technician		NE				
Accountant	105	EX	Annual:	\$ 72,722.28	\$ 90,902.85	\$ 109,083.42
Alarm Specialist		NE	Hourly:	\$ 34.963	\$ 43.703	\$ 52.444
Assistant Court Administrator		NE				
Building Inspector		NE				
Construction Inspector		NE				
Librarian		NE				
Project Coordinator		NE				
Communications Supervisor	106	NE	Annual:	\$ 83,630.62	\$ 104,538.28	\$ 125,445.93
Customer Service Supervisor		EX	Hourly:	\$ 40.207	\$ 50.259	\$ 60.311
Parks Operations Supervisor		EX				
Public Works Operations Supervisor		EX				
Records Manager		EX				
Senior Building Inspector		NE				
		NE				

Classification Titles	Grade	FLSA	Pay Basis	Min	Mid	Max
Court Administrator	107	EX	Annual:	\$ 96,175.22	\$ 120,219.02	\$ 144,262.82
Facilities Maintenance Manager		EX	Hourly:	\$ 46.238	\$ 57.798	\$ 69.357
Communications Manager	108	EX	Annual:	\$ 110,601.50	\$ 138,251.87	\$ 165,902.25
Construction Manager		EX	Hourly:	\$ 53.174	\$ 66.467	\$ 79.761
Controller		EX				
Superintendent		EX				
Systems Analyst		EX				
Chief Building Official	109	EX	Annual:	\$ 127,191.72	\$ 158,989.65	\$ 190,787.59
Manager of Engineering Services		EX	Hourly:	\$ 61.150	\$ 76.437	\$ 91.725
Manager of Information Technology		EX				
Town Secretary		EX				
Assistant Director of Engineering, Public Works, and Parks	110	EX	Annual:	\$ 146,270.48	\$ 182,838.10	\$ 219,405.72
Director of Community Development		EX	Hourly:	\$ 70.322	\$ 87.903	\$ 105.484
Director of Policy Development		EX				
Town Librarian		EX				
Deputy Chief	111	EX	Annual:	\$ 168,211.05	\$ 210,263.82	\$ 252,316.58
		EX	Hourly:	\$ 80.871	\$ 101.088	\$ 121.306
Assistant Director of Public Safety	112	EX	Annual:	\$ 193,442.71	\$ 241,803.39	\$ 290,164.07
Director of Engineering, Public Works, and Parks		EX	Hourly:	\$ 93.001	\$ 116.252	\$ 139.502
Director of Finance		EX				
Assistant Town Administrator	113	EX	Annual:	\$ 222,459.12	\$ 278,073.90	\$ 333,688.68
Director of Public Safety		EX	Hourly:	\$ 106.951	\$ 133.689	\$ 160.427
Town Administrator	114	EX	Annual:	By Contract		
			Hourly:			

* Rates listed reflects the base pay within each grade. These amounts do not reflect pay related to incentives or assignment pay.

* Court Security Guards start at \$50/hour with 4 hours per week.

* Exempt employees are not eligible for incentive pay.

Incentive Pay

Court Certification Level I	2.00%
Court Certification Level II	5.00%
Crew Chief/Section Supervisor/Utility System Certification	5.00%
Licensed Irrigator	5.00%



PROPOSED PUBLIC SAFETY PAY PLAN

Classification Titles	Grade	Pay Basis	Min	Mid	Max
Apprentice	201	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$78,727.27 \$24.224 \$37.850	\$82,663.64 \$25.435 \$39.742	\$86,600.00 \$26.646 \$41.635
Fire Fighter Police Officer	202	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$86,355.70 \$26.571 \$41.517	\$92,832.38 \$28.564 \$44.631	\$99,309.06 \$30.557 \$47.745
Public Safety Officer	203	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$96,385.25 \$29.657 \$46.339	\$122,560.50 \$37.711 \$58.923	\$128,735.75 \$39.611 \$61.892
Sergeant	204	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$124,156.50 \$38.202 \$59.691	\$138,233.73 \$42.533 \$66.459	\$152,310.96 \$46.865 \$73.226
Lieutenant	205	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$142,798.50 \$43.938 \$68.653	\$158,834.00 \$48.872 \$76.363	\$174,869.50 \$53.806 \$84.072
Captain	206	Annual: Operations Hourly (3,250): Admin Hourly (2,080):	\$157,082.25 \$48.333 \$75.520	\$174,718.38 \$53.760 \$83.999	\$192,354.50 \$59.186 \$92.478

* Rates listed reflects the base pay within each grade. These amounts do not reflect pay related to incentives or assignment pay.

DPS Incentive Pay

EMT	2.00%
Paramedic	8.00%

DPS Assignment Pay

CID Investigator	7.50%
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PROPOSED

SEASONAL PAY PLAN

Classification Titles	Grade	Pay Basis	Year 1	Year 2	Year 3+
Concession Attendants	S-1	Hourly:	\$ 12.19	\$ 13.33	-
Lifeguards	S-2	Hourly:	\$ 15.16	\$ 16.34	\$ 17.51
Lead Lifeguards Swim Instructors	S-3	Hourly:	\$ 20.00	-	-
Assistant Pool Manager	S-4	Hourly:	\$ 27.95	\$ 28.79	-
Pool Manager	S-4	Hourly:	\$ 30.00	\$ 30.90	-

* Seasonal employees are not eligible for incentive or assignment pay.

Budget Calendar Fiscal Year 2026-27

Date	Activity
February 16	FY 2026-27 budget kick-off meeting with departments.
March 2	Deadline to provide exemption resolutions for 2026 (for appraisal notices) to the Dallas Central Appraisal District (DCAD).
March 9	Departments submit initial projections for FY 2025-26 revenues and expenditures to the Finance Department. Departments submit base budget requests to the Finance Department. This includes any requests for new or replacement capitalized fixed assets.
March 16	Departments submit any new programs to the Finance Department. Departments submit proposed changes to rates and fees in the Town's Master Fee Schedule. Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.
Week of March 16	Meet and discuss the Town's 10-year Capital Improvement Plan with applicable Department Directors.
Week of March 23	Finance Department review of Departmental budget requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
April 13	Departments submit revised projections of FY 2025-26 revenues and expenditures to the Finance Department. Departments submit updated program descriptions, accomplishments, objectives, and key performance indicators to the Director of Policy Development & Strategic Initiatives.
April 15	Receive preliminary (4/30) Certification Estimate Letter from DCAD
April 20	Deadline to provide exemption resolutions (to be reflected on 1st Estimated Values Report) to DCAD.
Week of April 20	Department meetings with Town Administrator on proposed budget requests.
May 4	Departments submit final projection of FY 2025-26 revenues and expenditures to the Finance Department.
May 5*	Review and discuss with the Town Council the progress of the FY 2026-27 budget process and the Council's priorities and expectations of the FY 2026-27 budget.
May 11	Receive preliminary EVR (Estimated Value Report) from DCAD.
June 2*	Review and discuss with the Town Council the progress of the FY 2026-27 budget process and the Council's priorities and expectations of the FY 2026-27 budget.
June 16*	Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.
June 18	Deliver draft proposed budget and 10-year Capital Improvement Plan to Finance & Audit Advisory Committee.
June 23	Finance & Audit Advisory Committee meet to discuss draft proposed budget and 10-year Capital Improvement Plan to Finance & Audit Advisory Committee.

Date	Activity
June 30	FY 2026-27 Proposed Budget filed with the Town Secretary, delivered to the Town Council, and posted on the Town webpage.
July 1	Deadline to provide exemption resolutions (for certification) to DCAD.
July 7*	Review and discuss the Proposed Budget with the Town Council.
July 21*	Review and discuss the Proposed Budget with the Town Council.
July 25	Receive 2025 Certified Appraisal Roll from DCAD.
July 27	Deliver notice of the August 11 public hearing on the FY 2026-27 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.
July 30	Publication of the notice for the August 11 public hearing on the FY 2026-27 Proposed Budget in the newspaper.
August 6	Submit certified No-New-Revenue and Voter Approval Rate to Council and post on Website.
August 11**	<i>Special Called Town Council meeting</i> Conduct public hearing on FY 2026-27 Proposed Budget. Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2026-27. • Call a public hearing on the property tax rate on September 1. • Announce date and time of public hearing to adopt the tax rate on September 1. Town Council sets preliminary ad valorem tax rate. Call for a Voter Approval Tax Rate Election (VATRE) if the preliminary tax rate set by the Town Council exceeds the voter-approval tax rate.
August 18*	Review and discuss the Proposed Budget with the Town Council (<i>if necessary</i>).
August 21	Deliver notice of the September 1 public hearing on the FY 2026-27 property tax rate and vote to adopt the property tax rate to the newspaper and publish notice on the Town's website.
August 24	Last day to adopt a tax rate exceeding the voter-approval tax rate. This deadline only applies if the de minimis rate exceeds the voter-approval rate. Publication of the notice of the September 1 public hearing on the FY 2026-27 property tax rate and vote to adopt the property tax rate on the Town's website.
August 26	Publication of the notice of the September 1 Public Hearing on the FY 2026-27 property tax rate and vote to adopt the property tax rate in the newspaper.
September 1**	Conduct public hearing on the property tax rate. Town Council considers approval of: • Ordinance adopting the FY 2026-27 Proposed Budget and related Capital Improvement Plan (CIP). • Ordinance adopting the 2026 property tax rate for FY 2026-27. • Ratification of a property tax increase (If applicable) • Resolution approving the FY 2026-27 Master Fee Schedule. • Resolution approving the FY 2026-27 Pay Plan
September 4	Provide approved property tax ordinance and property tax rate to Dallas County Tax Office (DCTO) and the DCAD.

* Indicates a Town Council Study Session

** Indicates a Town Council Meeting

CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS

Chapter 9 Financial Administration

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

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

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

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

9.05 Annual Budget.

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

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

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

receipts, unless the ensuing fiscal year budget is approved by September 15th of the current fiscal year.

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

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

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

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

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

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

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

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

9.14 Administration of Budget. Payments and Obligations Prohibited: No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the Town Administrator or the Town Administrator's designee first certifies that there is a sufficient unencumbered balance in such allotment or

appropriations and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable.

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

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

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



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I. PURPOSE STATEMENT

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

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

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

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

A. ACCOUNTING - The Director shall be responsible for establishing and maintaining a chart of accounts and for the proper recording of financial transactions in accordance with GAAP. Additionally, the Town is solely responsible for its reporting of its financial affairs, both internally and externally.

B. AUDITING - The Town's Charter, in accordance with Chapter 103 of the Local

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

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

- C. AUDITORS RESPONSIBLE TO THE COUNCIL** -Auditors for the Town shall be responsible to the Council and shall have access to direct communication with the Mayor and Council at such times as the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- D. SELECTION/AUDITOR ROTATION** - The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected

firm with two (2) one (1) year extensions. The Council shall, however, retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.

E. EXTERNAL FINANCIAL REPORTING - Upon the completion and acceptance of the annual audit by the Town's auditors, the Town shall prepare a written or electronic representation of an Annual Comprehensive Financial Report (ACFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The ACFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. If this time requirement cannot be met, the Director shall report to the Administrator and the Council of the delay and the reasons for same.

F. INTERNAL FINANCIAL REPORTING - The Director shall prepare monthly, a written or electronic representation of a summary of the Town's financial affairs and submit same to the Administrator and Council within thirty (30) calendar days following the end of each calendar month. Each such report shall accurately reflect the Town's current cash position, revenue and expenditure/expense performance as well as any additional information that reflects the Town's fiscal position.

III. OPERATING BUDGET

A. PREPARATION - Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital

purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.

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

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

The budget review process shall include Council participation in the development of each of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

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

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

2. Adoption - Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official

Budget effective for the fiscal year beginning October 1st.

3. Amending the Official Budget - Amendments to the Official Budget shall be made at regularly scheduled Council meetings with a notice of the proposed amendment posted and publicized at least three (3) days prior to the meeting.

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

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

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

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

- B. BALANCED BUDGET** - It is desirable that the budget provide sufficient current revenues to fund that year's budgeted non-capital expenditures/expenses. Regardless of this objective, the budget shall be balanced with sources of working capital (revenues, cash surplus) equal to or greater than uses of working capital (expenditures/ expenses, capital outlays).

C. BUDGET MANAGEMENT & PERFORMANCE - The Director shall prepare and distribute monthly financial reports to enable the Department Directors to best manage their department budgets and to enable the Director to monitor and control the budget as authorized by the Administrator. Written summaries of the monthly financial reports shall be presented to the Council in accordance with Section II, Paragraph F, of this policy statement. Such reports shall be in a form which will enable the Council to be fully informed of the overall budget performance of the Town.

D. END OF YEAR APPROPRIATIONS – For all Town funds for which a budget is required and/or prepared, with the exception of capital project budgets, 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, appropriations for individual capital projects 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 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract, in excess of the threshold established for competitive bidding within Chapter 252 of the Local Government Code, shall be submitted to the Council by the Administrator for Council approval. The adoption of the annual budget gives the Administrator the authority to approve all other purchases for goods or services in accordance with each department's approved budget. Contracts entered into by the Town for the purchase of goods or services will be reviewed by the Town Attorney prior to execution.

The purchase of goods or services at a total cost of \$3,000 or more must be made through the Town's purchase order system. An electronic representation of a written purchase order shall also be used for vendors requiring formal Town authorization regardless of the dollar amount. All purchase orders require the approval of the Department Director or Department Director Designee (as defined in section XI. Financial Glossary) and the Director of Finance. Purchase orders greater than \$50,000 require the approval of the Department Director, Director of Finance, and Town Administrator or Town Administrator designee.

In an emergency procurement situation (as defined in section XI. Financial Glossary) where a purchase order could not have been obtained prior to making a purchase, a department must obtain a purchase order as soon as practicable after making the purchase. An emergency purchase order request must be accompanied by a memo signed by the appropriate department head that describes the nature of the emergency and reason(s) why a purchase order could not have been obtained in advance of making the emergency purchase. A substantiated

emergency procurement made without a valid purchase order is not considered a violation of this policy.

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

Approval Threshold*	Approval Requirement
Accounts Payable Vouchers and Disbursements Less than or Equal to \$5,000	Department Director or Department Director Designee Finance Department Accounting Supervisor
Accounts Payable Vouchers and Disbursements More than \$5,000 but Less than or Equal to \$50,000	Department Director or Department Director Designee Director of Finance
Disbursements More than \$50,000	Department Director Director of Finance Town Administrator or Town Administrator Designee**

* Approval thresholds apply to disbursements on an individual basis, not in the aggregate.

** Town Administrator or Town Administrator Designee approval only applies to disbursements that require original signature as defined in Section VI. B. of this policy.

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

E. PROMPT PAYMENT - All invoices approved for payment by the proper Town authorities shall be paid by the Finance Department within thirty (30) calendar days

of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

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

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

G. CONTRACTS FOR GOODS AND SERVICES

This section is provided to address the development and execution of contracts that are not required to be presented to the Town Council for approval. For the purposes of this policy, the terms contracts and agreements are considered synonymous.

1. Any contract for goods and/or services that does not require Town Council approval will be executed by the Town Administrator or his/her designee.
2. Contracts for goods and/or services will be written in a standard form provided by the Town Attorney.
3. Any deviations or modifications to the Town's standard form agreement must be approved by the Town Attorney to prior execution.
4. In the event a contract being considered by Town Staff is not in the Town's standard form agreement, the Town Attorney will review and approve the form of the agreement prior to execution.
5. While circumstances of a procurement typically dictate the necessity of a contract, Town Staff should consider using a contract for the purchase of goods and services in the following instances:
 - a. Work is being performed by a third party on Town Property.
 - b. Services being procured are set out by a specific scope of work.

- c. Specific details regarding specifications, delivery terms or payment options are negotiated.
 - d. The product being procured includes a warranty from the vendor.
 - e. The procurement being made carries risk to the Town that needs to be mitigated through indemnification and subrogation clauses.
6. Designees of the Town Administrator for the purposes of developing and executing contracts are as follows:
- a. Contracts valued at less than \$100,000 but more than \$50,000 must receive the approval of the Town Administrator.
 - b. Contracts valued between \$25,000 and \$49,999 can be executed by the department director with a copy provided to the Town Administrator.
 - c. Contracts valued between \$0 and \$24,999 can be executed by the Department Director Designee with a copy provided to the department director.
 - d. In all cases, directors have the authority to sign any contract that does not require the Town Administrator's signature.

The Town Administrator may approve a contract valued below \$50,000, which satisfies all subordinate approvals.

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. Individual (non- aggregate) disbursements less than \$50,000

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

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

C. CAPITAL ASSETS ACCOUNTING AND INVENTORY -

The Town's capital assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's capital assets lies with the Department Director in whose department the capital asset is assigned. The Finance Department shall assign an asset number in the Town's capital asset database and shall maintain the permanent records of the Town's capital assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life.

The recording of the cost or value of capitalized capital assets into the Town's financial records and capital asset database shall be consistent with the definition of capitalized assets. Accessioned Library materials can be capitalized on a lump-sum basis rather than on a per item basis. Assets purchased from the Town's Equipment or Technology Replacement Funds (Internal Service Funds) that are individually below the capitalized asset threshold can be capitalized annually on a lump-sum basis rather than on a per-item basis. Refer to the definition of "Capitalized Asset" in the glossary of this policy.

Rehabilitations, renovations, remodels, and repairs to Town's capital assets are capitalized to extent the total cost of the rehabilitation, renovation, remodel, and repair exceeds \$25,000 and extends the underlying assets useful life. Rehabilitations, renovations, repairs and remodels below this threshold are considered routine repair and maintenance expenditures.

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

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

1. Physical security - computer systems infrastructure shall be in a location inaccessible to unauthorized personnel. Only authorized external access to the system via telephone, microwave or radio frequency shall be installed.
2. Password security - All users of the Town's financial management system shall be assigned his/her personal password for access into the system. Each user shall be given access permission 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 capital asset or the improvement to an existing capital 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 Asset – A 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 two (2) years and an original acquisition cost or value of \$15,000 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 Improvement Plan budget.

Competitive Bidding Process – a competitive procurement process that satisfies the requirements of Chapter 252 of the Local Government Code of Texas, as amended.

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) month period.

Department Director Designee – an Assistant Director or equivalent, or a person reporting directly to the Department Director that is a supervisor/manager by title or job function.

Director of Finance - the 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 vouchers or 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.

Emergency Procurement – An unforeseen procurement that was necessary to:

- Preserve the property of the municipality
- Preserve or protect the public health or safety of the municipality's residents or employees
- Prevent unforeseen damage to public machinery, equipment, or other property

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.

Fiscal Year (FY) - the period of October 1st through the following September 30th. (e.g. FY 2013 or FY13 refers to the fiscal year from October 1, 2012 through September 30, 2013)

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-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 and individual capital projects, which can span multiple fiscal years.

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



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ADA - Americans with Disabilities Act

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

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

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

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

Audit - A process that involves obtaining audit evidence to provide an opinion on whether financial statements are presented fairly, in all material respects, in accordance with applicable financial reporting frameworks. This process is essential for ensuring the integrity of financial reporting and maintaining public confidence in government financial practices and is performed by an independent and qualified auditor.

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

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

Capital Improvement 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.

Capital Outlays - Expenditures which result in the acquisition of or addition of capital 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 Asset – A 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 two (2) years and an original acquisition cost or value of \$15,000 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.

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 - A competitive procurement process that satisfies the requirements of Chapter 252 of the Local Government Code of Texas, as amended.

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

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

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

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

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

DART – Dallas Area Rapid Transit.

DCC – Dallas Country Club.

DCCCD – Dallas County Community College District.

DCHD – Dallas County Hospital District.

DCPCMUD - Dallas County Park Cities Municipal Utility District.

DISD – Dallas Independent School District.

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

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

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

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

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

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

DWU - Dallas Water Utilities.

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

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

Emergency Procurement – An unforeseen procurement that was necessary to:

- Preserve the property of the municipality
- Preserve or protect the public health or safety of the municipality's residents or employees
- Prevent unforeseen damage to public machinery, equipment, or other property

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

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

Equity - See Fund Balance and Retained Earnings.

ERF - Equipment Replacement Fund.

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

FASB – Financial Accounting Standards Board.

Fiscal Year (FY) - The period of October 1st through the following September 30th. (e.g. FY 2013 or FY13 refers to the fiscal year from October 1, 2012 through September 30, 2013)

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

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

GASB - Governmental Accounting Standards Board.

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

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

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

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

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

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

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

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

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

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

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

GTOT - Government Treasurers' Organization of Texas.

HPDPS - Highland Park Department of Public Safety.

HPISD - Highland Park Independent School District.

HPSV - Highland Park Shopping Village.

HSA - Health Savings Account.

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

Inter-fund Transfer - See Transfer.

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

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

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

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

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

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

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

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

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

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

NCTCOG – North Central Texas Council of Governments.

Non-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, 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 and individual capital projects, which can span multiple fiscal years.

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

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

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

Proprietary Fund - See Utility Fund and Internal Service Fund.

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

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

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

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

SSO - Sanitary Sewer Overflow.

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

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

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

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

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

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

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

TCEQ - Texas Commission on Environmental Quality.

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

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

TMRS - The Texas Municipal Retirement System.

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

TWDB - Texas Water Development Board.

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

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

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

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

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

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

Working Capital - See Net Working Capital.



THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference

FISCAL YEAR

2027-36

PROPOSED CAPITAL IMPROVEMENT PLAN



Photography by Kasie Noel

The Capital Improvement Plan (CIP) and Financial Forecast

Each year, during the annual budget process, the Town studies the 10-year plan for capital improvements throughout the Town. Additionally, the Town's finance department, assembles information to forecast revenues and operating expenditures/expenses for the 10-year planning horizon. Forecasting anticipated results of operations allows the Town to assess the level of resources that are expected to be available to be applied towards capital improvements. During this process, projects are added, modified or removed and a new 10-year CIP is approved. Historically, the Town has funded the CIP through existing resources and has not issued debt since the 1970's. This focus on a pay-as-you-go system allows Town's resources to be applied towards capital projects within the community with none being used towards carrying cost that otherwise would exist with a debt program.

CIP Development

Along with the development of the annual budget for the ensuring fiscal year, the 10-year CIP is updated to incorporate any necessary changes. These changes may consist of new projects and revisions to existing projects either in scope, in cost or both. The process to update the CIP follows a similar process that is completed with the development of the annual budget. Steps include seeking input from departments, management, the Finance & Audit Advisory Committee and ultimately the Town Council. Once completed, the CIP is monitored for progress and needed amendments.



TEN YEAR CAPITAL IMPROVEMENT PLAN
FORECAST BASIC ASSUMPTIONS

10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General & Capital Projects Funds

Revenues:

- Property tax revenue is projected to grow at a rate of 4.5% per year.
- Building and permits revenue is indexed at 3.0% per year.
- Sales tax revenue growth rates are as follows based on economic forecast:
 - Increased 2025-26 projection to \$10.450M based on revised forecast
 - 2026-27: 7.8%
 - 2027-28: 3.4%
 - 2028-29: 3.1%
 - 2029-30: 2.8%
 - 2030-31 and beyond: 2.5%
- Interest revenue is based on 2.5% of fund balance for years after FY27.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from 1.0% to 3.0% based on trends for each revenue category.

Expenditures:

- Payroll expense is indexed at 3.75% 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 budget.
 - TMRS contribution rate is based on the current 12.56% employer contribution rate
 - Health Insurance is projected to increase at a rate of 5% per year.
- “Supplies & Equipment” and “Services and Charges” are projected to grow at 3.0% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$25,000 per year has been allocated in FY 2027-28 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 are a function of the difference between operating revenues and expenses, while maintaining the policy driven ideal fund balance requirement (17% of operating expenses) within the General Fund.
- Project costs have been updated to reflect current costs and are adjusted for future inflation, which varies depending on the type of project.

Storm Water Drainage Utility Fund

Revenues:

- The financial forecast reflects storm water revenues being indexed each year to accommodate the 10-year Capital Improvement Plan. The annual rate adjustments anticipated to fund this 10-year plan are as follows:
 - 2026-27: 25.0%
 - 2027-28: 25.0%
 - 2028-29: 25.0%
 - 2029-30: 15.0%
 - 2030-31 and beyond: 0.0%
- The annual subsidy transfers from the Capital Projects Fund to the Stormwater Drainage Utility Fund of

\$1,000,000 for fiscal year 2026-27 and transfers ranging between \$350,000 and \$1,525,000 per year for the remaining nine years have been eliminated.

- Repayment of the \$4,100,000 internal loan from the Reserve Fund to facilitate improvements to Hackberry Creek is scheduled be repaid over several years beginning in FY 2030-31.

Expenditures:

- “Supplies & Equipment” and “Services & Charges” are indexed at 3.0% each year.
- Transfers out are indexed at 2.2% per year.
- Project costs have been updated to reflect current costs and are adjusted for future inflation, which varies depending on the type of project.

Utility Fund

Utility rates are set to meet the annual revenue requirement within the Utility Fund. This fund includes the cost of capital expenditures, and the Utility Fund uses a Pay-as-You-Go funding strategy. It should be noted, however, that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The 10-year financial model includes an annual water and sewer rate adjustment.

Revenues:

- The annual water rate adjustments anticipated to fund increasing operating costs and to fund planned capital improvements to the utility system are as follows:
 - 2026-27: 5.5%
 - 2027-28: 4.0%
 - 2028-29: 4.0%
 - 2029-30: 4.0%
 - 2030-31 and beyond: 3.0%
- The annual wastewater rate adjustments anticipated to fund increasing operating costs and to fund planned capital improvements to the utility system are as follows:
 - 2026-27: 5.5%
 - 2027-28: 3.0%
 - 2028-29: 3.0%
 - 2029-30: 3.0%
 - 2030-31 and beyond: 3.0%
- Contributions from external sources based on anticipated receipt timing
- Interest revenue is based on 2.5% of fund balance for years after FY27.
- Other operational revenues are indexed based on five-year trends ranging from 1.0% to 3.0% based on trends for each revenue category.
- Transfers-in is indexed at 2.5% per year beyond FY2026-27

Expenditures:

- Personnel Services follow the same assumptions used in the General Fund financial model
- “Supplies & Equipment” and “Services & Charges” are indexed at 3.0% each year
- Water purchase is indexed at 5.0% per year based on the Dallas County Park Cities Municipal Utility District financial forecast
- Wastewater treatment cost (Dallas Water Utilities) indexed at 3.0% per year.
- Transfers out to the Capital Projects Fund is based on 5% of water and wastewater sales for the Town’s right-of-way maintenance/rehabilitation program
- Other transfers-out are indexed at 2.2% per year
- Project costs have been updated to reflect current costs and are adjusted for future inflation, which varies depending on the type of project.

GENERAL & CAPITAL PROJECTS FUND
10 YEAR FINANCIAL MODEL

TOWN OF HIGHLAND PARK, TEXAS											
10- YEAR FINANCIAL MODEL - PAY AS YOU GO											
GENERAL FUND & CAPITAL PROJECTS FUND											
GENERAL FUND											
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
BEGINNING FUND BALANCE	\$ 8,093,421	\$ 7,378,565	\$ 7,441,623	\$ 7,699,123	\$ 7,974,596	\$ 8,236,756	\$ 8,449,299	\$ 8,610,249	\$ 8,717,912	\$ 8,770,694	\$ 8,767,108
REVENUES:											
Property Taxes (1)	\$ 20,416,195	\$ 21,356,210	\$ 22,317,239	\$ 23,321,515	\$ 24,370,983	\$ 25,467,677	\$ 26,613,722	\$ 27,811,339	\$ 29,062,849	\$ 30,370,677	\$ 31,737,357
Sales Taxes	10,450,000	11,265,100	11,648,113	12,009,205	12,345,463	12,654,100	12,970,453	13,294,714	13,627,082	13,967,759	14,316,953
Franchise Fees	1,055,300	1,072,540	1,083,265	1,094,098	1,105,039	1,116,089	1,127,250	1,138,523	1,149,908	1,161,407	1,173,021
Building Inspection Fees/Permits	1,703,590	1,493,940	1,538,758	1,584,921	1,632,469	1,681,443	1,731,886	1,783,843	1,837,358	1,892,479	1,949,253
Municipal Court Fines/Fees	498,455	534,745	540,092	545,493	550,948	556,457	562,022	567,642	573,318	579,051	584,842
Interest Earnings	590,630	642,485	439,403	453,968	470,500	486,863	502,132	516,487	529,903	542,355	553,824
All Other	2,279,335	2,237,540	2,293,479	2,350,816	2,409,586	2,469,826	2,531,572	2,594,861	2,659,733	2,726,226	2,794,382
TOTAL REVENUES	\$ 36,993,505	\$ 38,602,560	\$ 39,860,349	\$ 41,360,016	\$ 42,884,988	\$ 44,432,455	\$ 46,039,037	\$ 47,707,409	\$ 49,440,151	\$ 51,239,954	\$ 53,109,632
Transfers from Other Funds	1,702,810	1,935,445	1,978,025	2,021,542	2,066,016	2,111,468	2,157,920	2,205,394	2,253,913	2,303,499	2,354,176
TOTAL REVENUES & TRANSFERS-IN	\$ 38,696,315	\$ 40,538,005	\$ 41,838,374	\$ 43,381,558	\$ 44,951,004	\$ 46,543,923	\$ 48,196,957	\$ 49,912,803	\$ 51,694,064	\$ 53,543,453	\$ 55,463,808
EXPENDITURES:											
Personnel Services:											
Payroll	\$ 16,541,220	\$ 17,608,560	\$ 18,268,881	\$ 18,953,964	\$ 19,664,738	\$ 20,402,166	\$ 21,167,247	\$ 21,961,019	\$ 22,784,557	\$ 23,638,978	\$ 24,525,440
Taxes	1,202,200	1,291,220	1,397,569	1,449,978	1,504,352	1,560,766	1,619,294	1,680,018	1,743,019	1,808,382	1,876,196
Retirement (TMRS)	2,050,535	2,182,425	2,294,571	2,380,618	2,469,891	2,562,512	2,658,606	2,758,304	2,861,740	2,969,056	3,080,395
Insurance	1,841,295	2,340,320	2,457,336	2,580,203	2,709,213	2,844,674	2,986,908	3,136,253	3,293,066	3,457,719	3,630,605
Total Personnel	\$ 21,635,250	\$ 23,422,525	\$ 24,418,357	\$ 25,364,763	\$ 26,348,194	\$ 27,370,118	\$ 28,432,055	\$ 29,535,594	\$ 30,682,382	\$ 31,874,135	\$ 33,112,636
Supplies & Equipment	\$ 1,424,840	\$ 1,564,069	\$ 1,575,168	\$ 1,622,423	\$ 1,671,096	\$ 1,721,229	\$ 1,772,866	\$ 1,826,052	\$ 1,880,834	\$ 1,937,259	\$ 1,995,377
Services & Charges	7,133,326	7,904,508	7,966,647	8,205,646	8,451,815	8,705,369	8,966,530	9,235,526	9,512,592	9,797,970	10,091,909
Capital Outlay:											
Equipment	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
CIP	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 30,193,416	\$ 32,891,102	\$ 33,985,172	\$ 35,217,832	\$ 36,496,105	\$ 37,821,716	\$ 39,196,451	\$ 40,622,172	\$ 42,100,808	\$ 43,634,364	\$ 45,224,922
Transfers to Capital Projects Fund	6,857,490	5,181,175	5,132,965	5,363,948	5,605,326	5,857,566	6,121,156	6,396,608	6,684,455	6,985,256	7,299,592
Transfers to Other Funds	2,360,265	2,402,670	2,462,737	2,524,305	2,587,413	2,652,098	2,718,400	2,786,360	2,856,019	2,927,419	3,000,604
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 39,411,171	\$ 40,474,947	\$ 41,580,874	\$ 43,106,085	\$ 44,688,844	\$ 46,331,380	\$ 48,036,007	\$ 49,805,140	\$ 51,641,282	\$ 53,547,039	\$ 55,525,118
ENDING FUND BALANCE	\$ 7,378,565	\$ 7,441,623	\$ 7,699,123	\$ 7,974,596	\$ 8,236,756	\$ 8,449,299	\$ 8,610,249	\$ 8,717,912	\$ 8,770,694	\$ 8,767,108	\$ 8,705,798
FUND BALANCE MINIMUM	\$ 5,534,126	\$ 5,999,941	\$ 6,191,895	\$ 6,411,913	\$ 6,639,948	\$ 6,876,298	\$ 7,121,275	\$ 7,375,200	\$ 7,638,411	\$ 7,911,253	\$ 8,194,089
FUND BALANCE SURPLUS	\$ 1,844,439	\$ 1,441,682	\$ 1,507,228	\$ 1,562,683	\$ 1,596,808	\$ 1,573,001	\$ 1,488,974	\$ 1,342,712	\$ 1,132,283	\$ 855,855	\$ 511,709
CAPITAL PROJECTS FUND											
Beginning Balance	\$ 20,727,930	\$ 4,200,723	\$ 10,111,458	\$ 7,935,345	\$ 5,161,177	\$ 6,330,977	\$ 6,455,497	\$ 7,495,754	\$ 7,025,351	\$ 7,519,616	\$ 6,911,434
Total Annual Project Funding (2)	9,878,148	17,686,120	11,625,924	6,910,480	7,611,515	7,417,271	7,708,952	8,036,117	8,088,662	8,429,050	8,506,207
Total Expenditures	26,405,355	11,775,385	13,802,037	9,684,648	6,441,715	7,292,751	6,668,694	8,506,521	7,594,396	9,037,232	9,315,272
Ending Balance	\$ 4,200,723	\$ 10,111,458	\$ 7,935,345	\$ 5,161,177	\$ 6,330,977	\$ 6,455,497	\$ 7,495,754	\$ 7,025,351	\$ 7,519,616	\$ 6,911,434	\$ 6,102,369
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over (Under) Contingency	\$ 2,200,723	\$ 8,111,458	\$ 5,935,345	\$ 3,161,177	\$ 4,330,977	\$ 4,455,497	\$ 5,495,754	\$ 5,025,351	\$ 5,519,616	\$ 4,911,434	\$ 4,102,369

(1) Growth in property taxes projected at 4.5% per year after FY 2026-27

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

CAPITAL PROJECTS FUND
10 YEAR FORECAST

TOWN OF HIGHLAND PARK, TEXAS
CAPITAL PROJECTS FUND
FISCAL YEARS 2027-2036

Project/Funding Source	Phase	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
<i>Beginning Balance</i>		\$ 20,727,930	\$ 4,200,723	\$ 10,111,458	\$ 7,935,345	\$ 5,161,177	\$ 6,330,977	\$ 6,455,497	\$ 7,495,754	\$ 7,025,351	\$ 7,519,616	\$ 6,911,434	\$ 4,200,723
<i>Annual Project Funding</i>													
General Fund CIP Transfer		\$ 1,815,740	\$ 1,884,935	\$ 1,924,519	\$ 1,964,934	\$ 2,006,198	\$ 2,048,328	\$ 2,091,343	\$ 2,135,261	\$ 2,180,101	\$ 2,225,883	\$ 2,272,627	\$ 20,734,129
Solid Waste Fund 5% Transfer		92,600	99,200	100,192	101,194	102,206	103,228	104,260	105,303	106,356	107,420	108,494	1,037,853
Utility Fund 5% W&S Transfer		659,448	693,990	719,980	746,955	774,954	798,202	822,148	846,813	872,217	898,384	925,335	8,098,977
Supplemental General Fund Transfer		3,633,470	1,887,960	1,800,166	1,990,734	2,190,848	2,400,958	2,621,533	2,853,067	3,096,074	3,351,093	3,618,685	25,811,118
Increased CIP Revenue from Growth in Property Values: 2014-16		1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	1,408,280	14,082,800
Contributions - DART		-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue													
NCTCOG (TXDOT)		500,000	10,000,000	2,020,000	-	-	-	-	-	-	-	-	12,020,000
City of Dallas (Stormwater)		400,000	-	-	-	-	-	-	-	-	-	-	-
External Funding		500,000	-	-	-	-	-	-	-	-	-	-	-
Dallas County MCIP		-	1,500,000	3,400,000	500,000	1,000,000	500,000	500,000	500,000	250,000	250,000	-	8,400,000
Interest Revenue		868,610	211,755	252,786	198,384	129,029	158,274	161,387	187,394	175,634	187,990	172,786	1,835,420
<i>Total Annual Project Funding</i>		\$ 9,878,148	\$ 17,686,120	\$ 11,625,924	\$ 6,910,480	\$ 7,611,515	\$ 7,417,271	\$ 7,708,952	\$ 8,036,117	\$ 8,088,662	\$ 8,429,050	\$ 8,506,207	\$ 92,020,297
<i>Expenditures</i>													
Park Renovation/Rehabilitation Program		\$ 267,815	\$ 276,385	\$ 285,230	\$ 294,355	\$ 303,775	\$ 313,495	\$ 323,525	\$ 333,880	\$ 344,565	\$ 355,590	\$ 366,970	\$ 3,197,770
Park Comprehensive Plan		100,000	-	-	-	-	-	-	-	-	-	-	-
Parks - Davis Park Playground Improvements		-	500,000	-	-	-	-	-	-	-	-	-	500,000
Parks - Abbott Park Playground Improvements		-	-	400,000	-	-	-	-	-	-	-	-	400,000
Parks - Fairfax Park Playground Improvements		-	-	-	300,000	-	-	-	-	-	-	-	300,000
Parks - Ashley Priddy Fountain Rehabilitation		68,000	-	-	-	-	-	-	-	-	-	-	-
Hackberry Creek Landscaping - Phase 2 - Euclid to Armstrong		-	-	-	-	-	-	-	-	-	-	-	-
Hackberry Creek Landscaping - Beverly Crossing		200,000	-	-	-	-	-	-	-	-	-	-	-
Hackberry Creek Landscaping Phase 1A - Byron to Beverly		-	775,000	-	-	-	-	-	-	-	-	-	775,000
Hackberry Creek Landscaping Phase 1B - Beverly to Miramar		-	-	550,000	-	-	-	-	-	-	-	-	550,000
Town Facility Design		-	-	-	-	-	-	-	-	-	-	-	-
Town Facility Construction		-	-	-	-	-	-	-	-	-	-	-	-
Street Light Program		164,865	170,140	175,585	181,205	187,005	192,990	199,165	205,540	212,115	218,905	225,910	1,968,560
Sidewalk Rehabilitation Program		213,005	219,820	226,855	234,115	241,605	249,335	257,315	265,550	274,050	282,820	291,870	2,543,335
Right of Way Improvements		1,255,600	1,295,780	1,337,245	1,380,035	1,424,195	1,469,770	1,516,805	1,565,345	1,615,435	1,667,130	1,720,480	14,992,220
Oaklawn at Herschel Pedestrian Improvements		60,500	-	-	-	-	-	-	-	-	-	-	-
Pavement Asset Management Plan Updated (every 5 years)		-	-	-	-	100,000	-	-	-	-	120,000	-	220,000
Water/Sewer/Alley Renewals		-	1,498,000	-	1,602,860	-	1,715,060	-	1,835,115	-	1,963,575	-	8,614,610
Bridge Rehabilitation (Mockingbird)		-	500,000	-	-	-	-	-	-	-	-	-	500,000
Wycliffe Reconstruction - Oaklawn to E Town Limits (27)	Design	110,600	-	-	-	-	-	-	-	-	-	-	-
Wycliffe Reconstruction - Oaklawn to E Town Limits (27)	Construction	16,100,000	-	-	-	-	-	-	-	-	-	-	-
Wycliffe Reconstruction - Oaklawn to E Town Limits - Construction Admin	Construction	400,000	-	-	-	-	-	-	-	-	-	-	-
Wycliffe Reconstruction - Oaklawn to E Town Limits - Dedicated Inspector	Construction	26,000	156,000	130,000	-	-	-	-	-	-	-	-	286,000
Wycliffe Reconstruction - Oaklawn to E Town Limits - Owner's Rep	Construction	600,000	-	-	-	-	-	-	-	-	-	-	-
Eastern Avenue Reconstruction - Westside to Mockingbird (40)	Design	303,300	-	-	-	-	-	-	-	-	-	-	-
Eastern Avenue Reconstruction - Westside to Mockingbird (40)	Construction	2,002,850	-	-	-	-	-	-	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	Design	249,800	-	-	-	-	-	-	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	Construction	2,147,570	-	-	-	-	-	-	-	-	-	-	-
Holland Avenue Reconstruction - Town limits to Westside (46)	Construction	-	742,800	-	-	-	-	-	-	-	-	-	742,800
Potomac Avenue Reconstruction - Town Limit to Douglas (48)	Design	-	82,900	-	-	-	-	-	-	-	-	-	82,900
Potomac Avenue Reconstruction - Town Limit to Douglas (48)	Construction	-	670,600	-	-	-	-	-	-	-	-	-	670,600
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Design	-	147,100	-	-	-	-	-	-	-	-	-	147,100
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Construction	-	1,190,000	-	-	-	-	-	-	-	-	-	1,190,000
Dartmouth Drainage Improvements - Abbott to E Town Limits (96)	Design	-	46,700	-	-	-	-	-	-	-	-	-	46,700
Dartmouth Drainage Improvements - Abbott to E Town Limits (96)	Construction	-	377,800	-	-	-	-	-	-	-	-	-	377,800
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Design	-	161,100	-	-	-	-	-	-	-	-	-	161,100
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Construction	-	1,303,400	-	-	-	-	-	-	-	-	-	1,303,400
Preston/Armstrong/Lakeside Intersection Reconstruction	Design	-	891,400	-	-	-	-	-	-	-	-	-	891,400
Preston/Armstrong/Lakeside Intersection Reconstruction	Construction	-	-	6,061,600	-	-	-	-	-	-	-	-	6,061,600

TOWN OF HIGHLAND PARK, TEXAS
CAPITAL PROJECTS FUND
FISCAL YEARS 2027-2036

Project/Funding Source	Phase	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
Lomo Alto Drive Resurface - Lemmon to Mockingbird (56)	Design	-	-	71,400	-	-	-	-	-	-	-	-	71,400
Lomo Alto Drive Resurface - Lemmon to Mockingbird (56)	Construction	-	-	578,000	-	-	-	-	-	-	-	-	578,000
Beverly Drive Reconstruction - Preston to Fairfield (61)	Design	-	-	355,000	-	-	-	-	-	-	-	-	355,000
Beverly Drive Reconstruction - Preston to Fairfield (61)	Construction	-	-	1,350,000	-	-	-	-	-	-	-	-	1,350,000
Fairfax Avenue Reconstruction - Douglas to Preston (61)	Design	-	-	142,900	-	-	-	-	-	-	-	-	142,900
Fairfax Avenue Reconstruction - Douglas to Preston (61)	Construction	-	-	1,156,000	-	-	-	-	-	-	-	-	1,156,000
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Design	-	-	-	240,000	-	-	-	-	-	-	-	240,000
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Construction	-	-	-	1,941,700	-	-	-	-	-	-	-	1,941,700
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Design	-	-	-	298,800	-	-	-	-	-	-	-	298,800
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Construction	-	-	-	2,417,300	-	-	-	-	-	-	-	2,417,300
Potomac - Hackberry Creek to Golf (59)	Design	-	-	-	-	185,800	-	-	-	-	-	-	185,800
Potomac - Hackberry Creek to Golf (59)	Construction	-	-	-	-	1,503,400	-	-	-	-	-	-	1,503,400
Normandy - Hackberry Creek to Golf (79)	Design	-	-	-	-	148,700	-	-	-	-	-	-	148,700
Normandy - Hackberry Creek to Golf (79)	Construction	-	-	-	-	1,202,700	-	-	-	-	-	-	1,202,700
Westside Drive Resurface - Bordeaux to Mockingbird	Design	-	-	-	-	37,200	-	-	-	-	-	-	37,200
Westside Drive Resurface - Bordeaux to Mockingbird	Construction	-	-	-	-	300,700	-	-	-	-	-	-	300,700
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Design	-	-	-	-	-	103,000	-	-	-	-	-	103,000
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Construction	-	-	-	-	-	833,200	-	-	-	-	-	833,200
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Design	-	-	-	-	-	175,600	-	-	-	-	-	175,600
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Construction	-	-	-	-	-	1,421,000	-	-	-	-	-	1,421,000
Roland Avenue Reconstruction - Bordeaux to Mockingbird (54)	Design	-	-	-	-	-	-	177,900	-	-	-	-	177,900
Roland Avenue Reconstruction - Bordeaux to Mockingbird (54)	Construction	-	-	-	-	-	-	1,439,000	-	-	-	-	1,439,000
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Design	-	-	-	-	-	-	211,500	-	-	-	-	211,500
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Construction	-	-	-	-	-	-	1,711,200	-	-	-	-	1,711,200
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	Design	-	-	-	-	-	-	-	175,500	-	-	-	175,500
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	Construction	-	-	-	-	-	-	-	1,419,900	-	-	-	1,419,900
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Design	-	-	-	-	-	-	-	204,600	-	-	-	204,600
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Construction	-	-	-	-	-	-	-	1,655,500	-	-	-	1,655,500
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Design	-	-	-	-	-	-	-	-	164,700	-	-	164,700
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Construction	-	-	-	-	-	-	-	-	1,332,800	-	-	1,332,800
Mockingbird Lane Rehabilitation - DNT to Hillcrest (73)	Design	-	-	-	-	-	-	-	-	307,100	-	-	307,100
Mockingbird Lane Rehabilitation - DNT to Hillcrest (73)	Construction	-	-	-	-	-	-	-	-	2,484,400	-	-	2,484,400
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Design	-	-	-	-	-	-	-	-	-	227,000	-	227,000
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Construction	-	-	-	-	-	-	-	-	-	1,837,000	-	1,837,000
Armstrong Parkway Reconstruction - Douglas to Preston (EB) (75)	Design	-	-	-	-	-	-	-	-	-	164,100	-	164,100
Armstrong Parkway Reconstruction - Douglas to Preston (EB) (75)	Construction	-	-	-	-	-	-	-	-	-	1,327,900	-	1,327,900
Westside Drive Reconstruction - Bordeaux to Beverly (54)	Design	-	-	-	-	-	-	-	-	-	-	257,800	257,800
Westside Drive Reconstruction - Bordeaux to Beverly (54)	Construction	-	-	-	-	-	-	-	-	-	-	2,127,700	2,127,700
Westside Drive Reconstruction - Beverly to Mockingbird (60)	Design	-	-	-	-	-	-	-	-	-	-	178,600	178,600
Westside Drive Reconstruction - Beverly to Mockingbird (60)	Construction	-	-	-	-	-	-	-	-	-	-	1,444,800	1,444,800
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Design	-	-	-	-	-	-	-	-	-	-	199,500	199,500
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Construction	-	-	-	-	-	-	-	-	-	-	1,614,100	1,614,100
Contingency		800,000	300,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,200,000
Total Expenditures		\$ 25,069,905	\$ 11,304,925	\$ 13,319,815	\$ 9,190,370	\$ 5,935,080	\$ 6,773,450	\$ 6,136,410	\$ 7,960,930	\$ 7,035,165	\$ 8,464,020	\$ 8,727,730	\$ 84,847,895
Transfers-Out													
Storm Water Fund		\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Fund		335,450	470,460	482,222	494,278	506,635	519,301	532,284	545,591	559,231	573,212	587,542	5,270,756
Total Transfers-Out		\$ 1,335,450	\$ 470,460	\$ 482,222	\$ 494,278	\$ 506,635	\$ 519,301	\$ 532,284	\$ 545,591	\$ 559,231	\$ 573,212	\$ 587,542	\$ 5,270,756
Total Expenditures & Transfers Out		26,405,355	11,775,385	13,802,037	9,684,648	6,441,715	7,292,751	6,668,694	8,506,521	7,594,396	9,037,232	9,315,272	90,118,651
Ending Balance		\$ 4,200,723	\$ 10,111,458	\$ 7,935,345	\$ 5,161,177	\$ 6,330,977	\$ 6,455,497	\$ 7,495,754	\$ 7,025,351	\$ 7,519,616	\$ 6,911,434	\$ 6,102,369	\$ 6,102,369
Construction Contingency		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Over(Under) Contingency		\$ 2,200,723	\$ 8,111,458	\$ 5,935,345	\$ 3,161,177	\$ 4,330,977	\$ 4,455,497	\$ 5,495,754	\$ 5,025,351	\$ 5,519,616	\$ 4,911,434	\$ 4,102,369	\$ 4,102,369

*Excludes FY 2025-26

STORM WATER DRAINAGE UTILITY FUND
10 YEAR FORECAST

TOWN OF HIGHLAND PARK, TEXAS
STORM WATER FUND
FISCAL YEARS 2027-2036

Project/Funding Source	Project Phase												
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
<i>Beginning Balance</i>		\$ 5,513,919	\$ 2,831,384	\$ 1,183,044	\$ 166,534	\$ 1,799,201	\$ 22,514	\$ 2,518,220	\$ 4,245,709	\$ 7,538,941	\$ 9,319,138	\$ 9,589,294	\$ 2,831,384
<i>Revenues</i>													
Storm Water Charges		\$ 2,271,595	\$ 2,839,010	\$ 3,548,763	\$ 4,435,953	\$ 5,101,346	\$ 5,101,346	\$ 5,101,346	\$ 5,101,346	\$ 5,101,346	\$ 5,101,346	\$ 5,101,346	\$ 46,533,148
Interest Earnings		246,405	237,190	29,576	4,163	44,980	563	62,956	106,143	188,474	232,978	239,732	1,146,755
<i>Total Revenues</i>		\$ 2,518,000	\$ 3,076,200	\$ 3,578,339	\$ 4,440,116	\$ 5,146,326	\$ 5,101,909	\$ 5,164,302	\$ 5,207,489	\$ 5,289,820	\$ 5,334,325	\$ 5,341,078	\$ 47,679,903
Transfer-In as Advance from Reserve Fund		\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer-In from Capital Projects Fund		1,000,000	-	-	-	-	-	-	-	-	-	-	-
<i>Total Transfers-In</i>		1,500,000	-	-	-	-	-	-	-	-	-	-	-
<i>Total Revenues & Transfers - In</i>		\$ 4,018,000	\$ 3,076,200	\$ 3,578,339	\$ 4,440,116	\$ 5,146,326	\$ 5,101,909	\$ 5,164,302	\$ 5,207,489	\$ 5,289,820	\$ 5,334,325	\$ 5,341,078	\$ 47,679,903
<i>Expenditures</i>													
Supplies & Equipment		\$ 7,500	\$ 7,500	\$ 7,725	\$ 7,957	\$ 8,196	\$ 8,442	\$ 8,695	\$ 8,956	\$ 9,225	\$ 9,502	\$ 9,787	\$ 85,985
Services & Charges		200,105	201,615	207,663	213,893	220,310	226,919	233,727	240,739	247,961	255,400	263,062	2,311,289
<i>Total Operating Expenditures</i>		\$ 207,605	\$ 209,115	\$ 215,388	\$ 221,850	\$ 228,506	\$ 235,361	\$ 242,422	\$ 249,695	\$ 257,186	\$ 264,902	\$ 272,849	\$ 2,397,274
Capital Outlay:													
Hackberry Creek Phase 2 - Euclid to Armstrong	Construction	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,300,000
Hackberry Creek Phase 1A - Byron to Beverly	Construction	2,431,100	-	-	-	-	-	-	-	-	-	-	-
Hackberry Creek Phase 1B - Beverly to Miramar	Construction	-	1,590,000	-	-	-	-	-	-	-	-	-	1,590,000
Drainage Easement Projects	Design	-	250,000	-	267,805	-	286,880	-	307,315	-	329,200	-	1,441,200
Drainage Easement Projects	Construction	1,623,500	-	1,700,000	-	1,821,080	-	1,950,790	-	2,089,735	-	2,238,575	9,800,180
Exall Lake Dredging	Construction	2,150,000	-	-	-	-	200,000	-	-	-	-	200,000	400,000
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	Construction	24,400	-	-	-	-	-	-	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	Construction	81,620	-	-	-	-	-	-	-	-	-	-	-
Conner Lake Dredging	Construction	-	500,000	-	-	-	50,000	-	-	-	-	50,000	600,000
Potomac Avenue Reconstruction - Town Limit to Douglas (48)	Design	-	5,800	-	-	-	-	-	-	-	-	-	5,800
Potomac Avenue Reconstruction - Town Limit to Douglas (48)	Construction	-	47,200	-	-	-	-	-	-	-	-	-	47,200
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Design	-	5,800	-	-	-	-	-	-	-	-	-	5,800
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Construction	-	47,200	-	-	-	-	-	-	-	-	-	47,200
Dartmouth - Abbott to E Town Limits (96)	Design	-	200,800	-	-	-	-	-	-	-	-	-	200,800
Dartmouth - Abbott to E Town Limits (96)	Construction	-	1,624,500	-	-	-	-	-	-	-	-	-	1,624,500
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Design	-	4,700	-	-	-	-	-	-	-	-	-	4,700
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Construction	-	37,800	-	-	-	-	-	-	-	-	-	37,800
Central Potomac Inlets/Townwide Inlets	Construction	-	-	324,700	-	-	-	-	-	-	-	-	324,700
Beverly Drive Reconstruction - Preston to Fairfield (61)	Construction	-	-	81,600	-	-	-	-	-	-	-	-	81,600
Beverly Drive Reconstruction - Preston to Fairfield (61)	Design	-	-	659,900	-	-	-	-	-	-	-	-	659,900
Fairfax Avenue Reconstruction - Douglas to Preston (61)	Construction	-	-	154,800	-	-	-	-	-	-	-	-	154,800
Fairfax Avenue Reconstruction - Douglas to Preston (61)	Design	-	-	1,252,400	-	-	-	-	-	-	-	-	1,252,400
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Construction	-	-	-	60,700	-	-	-	-	-	-	-	60,700
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Design	-	-	-	491,300	-	-	-	-	-	-	-	491,300
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Construction	-	-	-	6,100	-	-	-	-	-	-	-	6,100
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Design	-	-	-	49,100	-	-	-	-	-	-	-	49,100
Potomac - Hackberry Creek to Golf (59)	Construction	-	-	-	-	111,500	-	-	-	-	-	-	111,500
Potomac - Hackberry Creek to Golf (59)	Design	-	-	-	-	902,100	-	-	-	-	-	-	902,100
Normandy - Hackberry Creek to Golf (79)	Construction	-	-	-	-	92,900	-	-	-	-	-	-	92,900
Normandy - Hackberry Creek to Golf (79)	Design	-	-	-	-	751,700	-	-	-	-	-	-	751,700
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Construction	-	-	-	-	-	6,300	-	-	-	-	-	6,300
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Design	-	-	-	-	-	51,100	-	-	-	-	-	51,100
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Construction	-	-	-	-	-	50,200	-	-	-	-	-	50,200
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Design	-	-	-	-	-	406,400	-	-	-	-	-	406,400
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Construction	-	-	-	-	-	-	2,100	-	-	-	-	2,100
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Design	-	-	-	-	-	-	16,700	-	-	-	-	16,700
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	Construction	-	-	-	-	-	-	-	67,000	-	-	-	67,000
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	Design	-	-	-	-	-	-	-	542,500	-	-	-	542,500

TOWN OF HIGHLAND PARK, TEXAS
STORM WATER FUND
FISCAL YEARS 2027-2036

Project/Funding Source	Project Phase												
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Construction	-	-	-	-	-	-	-	2,000	-	-	-	2,000
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Design	-	-	-	-	-	-	-	16,000	-	-	-	16,000
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Construction	-	-	-	-	-	-	-	-	47,100	-	-	47,100
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Design	-	-	-	-	-	-	-	-	380,800	-	-	380,800
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Construction	-	-	-	-	-	-	-	-	-	410,300	-	410,300
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Design	-	-	-	-	-	-	-	-	-	3,319,800	-	3,319,800
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Construction	-	-	-	-	-	-	-	-	-	-	188,300	188,300
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Design	-	-	-	-	-	-	-	-	-	-	1,523,800	1,523,800
Total Capital Outlay		\$ 6,310,620	\$ 4,313,800	\$ 4,173,400	\$ 2,375,005	\$ 6,479,280	\$ 1,050,880	\$ 1,969,590	\$ 934,815	\$ 2,517,635	\$ 4,059,300	\$ 4,200,675	\$ 32,074,380
Total Expenditures		\$ 6,518,225	\$ 4,522,915	\$ 4,388,788	\$ 2,596,855	\$ 6,707,786	\$ 1,286,241	\$ 2,212,012	\$ 1,184,510	\$ 2,774,821	\$ 4,324,202	\$ 4,473,524	\$ 34,471,654
Transfer to Reserve Fund for Repayment of Advance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,100,000
Transfers Out to Utility Fund		182,310	201,625	206,061	210,594	215,227	219,962	224,801	229,747	234,801	239,967	245,246	2,228,031
Total Transfers-In		\$ 182,310	\$ 201,625	\$ 206,061	\$ 210,594	\$ 215,227	\$ 1,319,962	\$ 1,224,801	\$ 729,747	\$ 734,801	\$ 739,967	\$ 11,381,545	\$ 6,328,031
Total Expenditures & Transfers-Out		\$ 6,700,535	\$ 4,724,540	\$ 4,594,849	\$ 2,807,449	\$ 6,923,013	\$ 2,606,203	\$ 3,436,813	\$ 1,914,257	\$ 3,509,622	\$ 5,064,169	\$ 5,218,770	\$ 40,799,685
Ending Balance		\$ 2,831,384	\$ 1,183,044	\$ 166,534	\$ 1,799,201	\$ 22,514	\$ 2,518,220	\$ 4,245,709	\$ 7,538,941	\$ 9,319,138	\$ 9,589,294	\$ 9,711,602	\$ 9,711,602
*Excludes FY 2025-26													
Rate Adjustment Requirement		100.0%	25.0%	25.0%	25.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

UTILITY FUND (WATER & WASTEWATER)
10 YEAR FORECAST

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2027-2036

Project/Funding Source	Project Phase	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
Beginning Balance		\$ 6,282,884	\$ 5,317,086	\$ 3,172,942	\$ 5,056,059	\$ 3,819,847	\$ 6,162,082	\$ 5,274,334	\$ 6,407,358	\$ 5,969,377	\$ 7,531,850	\$ 5,203,080	\$ 5,317,086
Revenues													
Water Sales**		\$ 10,133,015	\$ 10,336,590	\$ 10,750,054	\$ 11,180,057	\$ 11,627,259	\$ 11,976,077	\$ 12,335,359	\$ 12,705,421	\$ 13,086,584	\$ 13,479,181	\$ 13,883,557	\$ 121,360,138
Sewer Charges**		3,269,280	3,543,255	3,649,553	3,759,040	3,871,811	3,987,965	4,107,604	4,230,832	4,357,757	4,488,490	4,623,145	40,619,452
Permit Revenue		45,755	46,870	47,339	47,812	48,290	48,773	49,261	49,754	50,252	50,755	51,263	490,369
Interest Earnings		393,750	369,405	79,324	126,401	95,496	154,052	131,858	160,184	149,234	188,296	130,077	1,584,328
Contributions													
Franchise Utilities (Cell Antenna Screening - ATT, Verizon, T-Mobile)		-	120,000	-	-	-	-	-	-	-	-	-	120,000
University Park (30" Interceptor - Wycliffe)		-	453,024	-	-	-	-	-	-	201,150	1,204,850	-	1,859,024
University Park (30" Interceptor - Wycliffe to Armstrong)		-	950,000	-	-	-	-	-	-	-	-	-	950,000
City of Dallas (DWU)		3,875,000	-	-	-	-	-	-	-	-	-	-	-
Backflow Testing Fees		144,000	450,000	463,500	477,405	491,727	506,479	521,673	537,323	553,443	570,046	587,147	5,158,743
Other Revenues		172,670	178,185	182,640	187,206	191,886	196,683	201,600	206,640	211,806	217,101	222,529	1,996,276
Total Revenues		\$ 18,033,470	\$ 16,447,329	\$ 15,172,410	\$ 15,777,921	\$ 16,326,469	\$ 16,870,029	\$ 17,347,356	\$ 17,890,154	\$ 18,610,226	\$ 20,198,719	\$ 19,497,718	\$ 174,138,330
Additional Transfer-In from the Capital Projects Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers-In		575,775	731,700	749,993	768,743	787,962	807,661	827,853	846,480	867,642	889,333	911,566	8,188,933
Total Revenues & Transfers-In		\$ 18,609,245	\$ 17,179,029	\$ 15,922,403	\$ 16,546,664	\$ 17,114,431	\$ 17,677,690	\$ 18,175,209	\$ 18,736,634	\$ 19,477,868	\$ 21,088,052	\$ 20,409,284	\$ 182,327,263
Expenditures													
Personnel Services		\$ 2,343,905	\$ 2,628,415	\$ 2,726,981	\$ 2,829,243	\$ 2,935,340	\$ 3,045,415	\$ 3,159,618	\$ 3,278,104	\$ 3,401,033	\$ 3,528,572	\$ 3,660,893	\$ 31,193,614
Supplies & Equipment		338,849	488,866	489,601	504,289	519,418	535,001	551,051	567,583	584,610	602,148	620,212	5,462,779
Water Purchases		4,652,905	4,600,930	4,830,977	5,072,525	5,326,152	5,592,459	5,872,082	6,165,686	6,473,971	6,797,669	7,137,553	57,870,003
Services & Charges		2,053,286	2,384,712	2,416,372	2,488,863	2,563,529	2,640,435	2,719,648	2,801,237	2,885,274	2,971,832	3,060,987	26,932,889
Total Operating Expenditures		\$ 9,388,945	\$ 10,102,923	\$ 10,463,931	\$ 10,894,920	\$ 11,344,439	\$ 11,813,310	\$ 12,302,399	\$ 12,812,610	\$ 13,344,888	\$ 13,900,221	\$ 14,479,645	\$ 121,459,285
Capital Outlay:													
Water/Sewer/Alley Renewals	Design	\$ 350,000	\$ -	\$ 374,500	\$ -	\$ 400,715	\$ -	\$ 428,765	\$ -	\$ 458,780	\$ -	\$ 490,895	\$ 2,153,655
Water/Sewer/Alley Renewals	Construction	-	2,247,000	-	2,404,290	-	2,572,590	-	2,752,670	-	2,945,355	-	12,921,905
30" Interceptor - Wycliffe Reconstruction Project	Construction	906,100	-	-	-	-	-	-	-	-	-	-	-
30" Interceptor - Wycliffe to Armstrong	Construction	-	2,100,000	-	-	-	-	-	-	-	-	-	2,100,000
Wycliffe Reconstruction - Water and Sewer Improvements - TOWN	Construction	2,042,550	-	-	-	-	-	-	-	-	-	-	-
Wycliffe Reconstruction - Water and Sewer Improvements - DWU	Construction	3,875,000	-	-	-	-	-	-	-	-	-	-	-
Apartment Complex Demolition	Construction	19,160	-	-	-	-	-	-	-	-	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	Construction	163,000	-	-	-	-	-	-	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	Construction	276,800	-	-	-	-	-	-	-	-	-	-	-
Holland Elevated Storage Tank Replacement	Design	50,000	-	-	-	-	-	-	-	-	-	-	-
Decommission Holland EST	Construction	-	500,000	-	-	-	-	-	-	-	-	-	500,000
Holland Ave Reconstruction - Town limits to Westside	Construction	-	468,200	-	-	-	-	-	-	-	-	-	468,200
Cell Antenna Screening	Construction	-	300,000	-	-	-	-	-	-	-	-	-	300,000
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Design	-	43,800	-	-	-	-	-	-	-	-	-	43,800
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	Construction	-	354,200	-	-	-	-	-	-	-	-	-	354,200
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Design	-	44,400	-	-	-	-	-	-	-	-	-	44,400
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	Construction	-	358,900	-	-	-	-	-	-	-	-	-	358,900
Beverly Drive Reconstruction - Preston to Fairfield (61)	Design	-	-	35,700	-	-	-	-	-	-	-	-	35,700
Beverly Drive Reconstruction - Preston to Fairfield (61)	Construction	-	-	289,000	-	-	-	-	-	-	-	-	289,000
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Design	-	-	-	45,400	-	-	-	-	-	-	-	45,400
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	Construction	-	-	-	367,000	-	-	-	-	-	-	-	367,000
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Design	-	-	-	123,300	-	-	-	-	-	-	-	123,300
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	Construction	-	-	-	997,400	-	-	-	-	-	-	-	997,400
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Design	-	-	-	-	-	24,000	-	-	-	-	-	24,000
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	Construction	-	-	-	-	-	194,200	-	-	-	-	-	194,200
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Design	-	-	-	-	-	94,800	-	-	-	-	-	94,800
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	Construction	-	-	-	-	-	766,700	-	-	-	-	-	766,700
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Design	-	-	-	-	-	-	38,700	-	-	-	-	38,700
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	Construction	-	-	-	-	-	-	312,800	-	-	-	-	312,800
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (54)	Design	-	-	-	-	-	-	86,400	-	-	-	-	86,400
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (54)	Construction	-	-	-	-	-	-	698,700	-	-	-	-	698,700
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Design	-	-	-	-	-	-	-	39,400	-	-	-	39,400
Beverly Drive Reconstruction - Fairfield to Drexel (65)	Construction	-	-	-	-	-	-	-	319,100	-	-	-	319,100

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2027-2036

Project/Funding Source	Project Phase												
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total*
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Design	-	-	-	-	-	-	-	-	41,800	-	-	41,800
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	Construction	-	-	-	-	-	-	-	-	338,500	-	-	338,500
30" Interceptor - Beverly to Mockingbird	Design	-	-	-	-	-	-	-	-	402,300	-	-	402,300
30" Interceptor - Beverly to Mockingbird	Construction	-	-	-	-	-	-	-	-	-	2,409,700	-	2,409,700
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Design	-	-	-	-	-	-	-	-	-	82,700	-	82,700
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	Construction	-	-	-	-	-	-	-	-	-	669,500	-	669,500
Westside Drive Reconstruction - Bordeaux to Beverly (54)	Design	-	-	-	-	-	-	-	-	-	-	13,300	13,300
Westside Drive Reconstruction - Bordeaux to Beverly (54)	Construction	-	-	-	-	-	-	-	-	-	-	107,200	107,200
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Design	-	-	-	-	-	-	-	-	-	-	47,400	47,400
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	Construction	-	-	-	-	-	-	-	-	-	-	383,800	383,800
Total Capital Expenditures		\$ 7,682,610	\$ 6,416,500	\$ 699,200	\$ 3,937,390	\$ 400,715	\$ 3,652,290	\$ 1,565,365	\$ 3,111,170	\$ 1,241,380	\$ 6,107,255	\$ 1,042,595	\$ 28,173,860
Total Expenditures		\$ 17,071,555	\$ 16,519,423	\$ 11,163,131	\$ 14,832,310	\$ 11,745,154	\$ 15,465,600	\$ 13,867,764	\$ 15,923,780	\$ 14,586,268	\$ 20,007,476	\$ 15,522,240	\$ 149,633,145
Transfers-Out		2,503,488	2,803,750	2,876,155	2,950,565	3,027,044	3,099,838	3,174,420	3,250,835	3,329,127	3,409,346	3,491,539	31,412,619
Total Expenditures & Transfer-Out		\$ 19,575,043	\$ 19,323,173	\$ 14,039,286	\$ 17,782,876	\$ 14,772,197	\$ 18,565,438	\$ 17,042,184	\$ 19,174,615	\$ 17,915,395	\$ 23,416,822	\$ 19,013,778	\$ 181,045,764
Operating Reserve		\$ 2,808,246	\$ 3,053,171	\$ 3,155,026	\$ 3,274,633	\$ 3,399,132	\$ 3,528,737	\$ 3,663,668	\$ 3,804,158	\$ 3,950,449	\$ 4,102,796	\$ 4,261,462	\$ 4,261,462
Capital & Rate Stabilization Reserve		2,508,840	119,771	1,901,033	545,214	2,762,950	1,745,597	2,743,690	2,165,219	3,581,401	1,100,284	2,337,123	2,337,123
Ending Balance		\$ 5,317,086	\$ 3,172,942	\$ 5,056,059	\$ 3,819,847	\$ 6,162,082	\$ 5,274,334	\$ 6,407,358	\$ 5,969,377	\$ 7,531,850	\$ 5,203,080	\$ 6,598,585	\$ 6,598,585
Ideal Fund Balance (25% of Operating Expenses)		2,808,246	3,053,171	3,155,026	3,274,633	3,399,132	3,528,737	3,663,668	3,804,158	3,950,449	4,102,796	4,261,462	4,261,462
Over(Under) Ideal Fund Balance		\$ 2,508,840	\$ 119,771	\$ 1,901,033	\$ 545,214	\$ 2,762,950	\$ 1,745,597	\$ 2,743,690	\$ 2,165,219	\$ 3,581,401	\$ 1,100,284	\$ 2,337,123	\$ 2,337,123

*Excludes FY 2025-26

** Includes a 5.5% increase to water and sewer rates for FY 2026-27; 4.0% increase to water rates and 3.0% increase to sewer rates in FY 2027-28 through FY 2029-30; 3.0% increase to water and sewer rates for FY 2030-31 and beyond.



**Town of Highland Park
Town Council Study Session
Tuesday, July 7, 2026**

Item Coversheet

Review, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council Meeting agenda.

PRESENTED BY: Joanna Mekeal, Town Secretary

BACKGROUND:

This item is provided at the request of the Mayor for a member of the Town Council to request that an item be placed on a future Town Council study session agenda for discussion or consideration. Town Council discussion and consideration would be limited to including a potential agenda item and scheduling such on a future agenda. The agenda item would be included in the study session agenda of regular Town Council meetings.

RECOMMENDATION

Staff recommends approval of the inclusion of the agenda item for future regular Town Council meetings (not special or emergency).

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

None