Town of Highland Park, Texas
TOWN COUNCIL STUDY SESSION
AGENDA

8:00 AM
June 3, 2025

4700 Drexel Drive Highland Park, TX 75205
Executive Conference Room, 2nd 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, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council Meeting agenda.

IV. REPORTS

A. Review and discuss the development of the Fiscal Year 2025-26 Combined Operating and Capital Budget.

V. CLOSED SESSION

A. In accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss §551.071: Consultation with Attorney regarding pending or contemplated litigation or settlement offer re: USAI, LP v. Town of Highland Park - Cause No. DC-20-80213.

B. In accordance with the Texas Government Code, Chapter 551, Subchapter D, Section 551.072 – REAL ESTATE – the Town Council will convene into closed session to deliberate the purchase, exchange, lease, or value of real property.

VI. OPEN SESSION

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

VII. 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
Town Council Study Session
Tuesday, June 3, 2025

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 for a Town Council member 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 and scheduling a potential agenda item on a future agenda. The agenda item would be included as part of the study session agenda of regular Town Council meetings.

RECOMMENDATION

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

FINANCIAL IMPACT

N/A

ATTACHMENTS

None

Town of Highland Park
Town Council Study Session
Tuesday, June 3, 2025

Item Coversheet

Review and discuss the development of the Fiscal Year 2025-26 Combined Operating and Capital Budget.

PRESENTED BY: John Samford, Director of Finance

BACKGROUND:

In accordance with the Town Charter, each year, the staff develops a proposed budget to submit to the Town Council for the ensuing fiscal year. The budget ultimately adopted is the result of a process that receives input from citizens, Town Departments, Town Management, and the Town Council.

The purpose of this agenda item is to provide an opportunity for staff to receive comments from the Town Council relating to the Fiscal Year 2025-26 Combined Operating and Capital Budget (the "FY 2026 Budget") process and/or any item(s) the Town Council would like the staff to consider, study, or incorporate into the FY 2026 Budget. While there will be additional opportunities for the Town Council to provide direction regarding the FY 2026 Budget, this meeting is designed to receive input from the Town Council at a time when the Proposed Budget is being developed.

Accompanying this agenda item is a copy of the current operating budget ("FY 2025") and a copy of the presentation on the FY 2026 budget development process provided to the Town Council at the May 6, 2025 Town Council Study Session. These items are provided for reference purposes.

RECOMMENDATION

Staff seeks input and direction from the Town Council during the process of developing the FY 2025-26 Budget.

FINANCIAL IMPACT

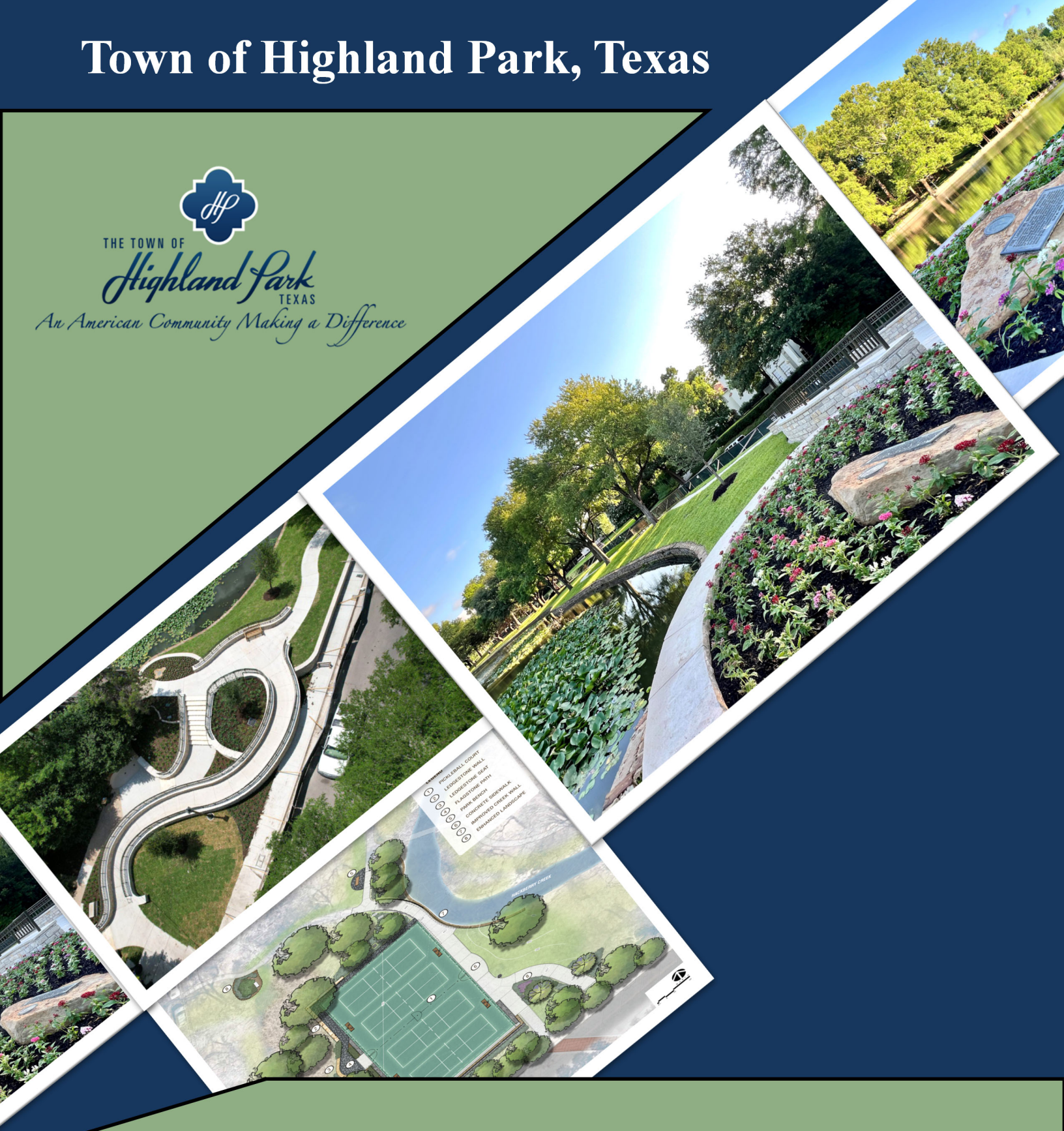
None at this time.

ATTACHMENTS

FY2024-25 Adopted Budget, FY25-26 Budget Discussion Presentation_5.6.25_Final

Town of Highland Park, Texas

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



Fiscal Year 2024-25 Adopted Budget and Plan of Municipal Services

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Town of Highland Park
Adopted Budget and Plan of Municipal Services
For the Fiscal Year 2024-2025

This budget will raise more revenue from property taxes than last year's budget by an amount of $1,154,143 which is a 6.26 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $267,664.

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

FOR: Mayor Pro Tem Don Snell
Council Member Alan Friedman
Council Member Leland White

AGAINST:

PRESENT and not voting: Mayor Will C. Beecherl

ABSENT: Council Member Lydia Novakov
Council Member Marc Myers

Tax Rate:	Adopted 2024-25	Adopted 2023-24
Property Tax Rate:	$0.208550/100	$0.220530/100
No-New-Revenue Tax Rate:	$0.198103/100	$0.203305/100
No-New-Revenue Maintenance & Operations Tax Rate:	$0.198989/100	$0.203885/100
Voter-Approval Tax Rate:	$0.208550/100	$0.220530/100
Debt Rate:	$0.000000/100	$0.000000/100

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Highland Park
Texas

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morrill

Executive Director

Town of Highland Park, Texas

Adopted Budget and Plan of Municipal Services

October 1, 2024, through September 30, 2025

Mayor & Town Council

Will C. Beecherl, Mayor

Don Snell, Mayor Pro Tem

Alan Friedman, Council Member

Marc Myers, Council Member

Lydia Novakov, Council Member

Leland White, Council Member

Town Staff

Tobin E. Maples, AICP, Town Administrator

Steven J. Alexander, CPA, Assistant Town Administrator

Jeff Armstrong, Director of Community Development

John Samford, CPA, Director of Finance

Lori Chapin, P.E., Director of Engineering

Chelsey Gordon, Director of Policy Development & Strategic Initiatives

Chuck McGinnis, Director of Public Safety

Kortney Nelson, Town Librarian

Joanna Mekeal, TRMC, Town Secretary

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GUIDING PRINCIPLES

Town Preamble

A haven for home and fireside. Undisturbed by conflict of commercial or political interests. The function of government in Highland Park is protection of the home. Citizens who cherish their homes will vigilantly preserve their heritage of self-government.

Organizational Mission Statement

Highland Park provides residents quality public services that contribute to a healthy, safe, and prosperous neighborhood of tranquility and natural beauty.

Organizational Vision Statement

- Sense of Place – Maintain Highland Park's distinctive neighborhoods with meandering tree-lined roads interspaced with flowering parks;
- Leadership – Continue Highland Park being a premier place to live, supported by high quality and enduring development standards;
- Caring Community – Recognize Highland Park's small town charm and values of informed residents, while appreciating the community's legacy;
- Exemplary Governance – Demonstrate respect, stewardship, vision, and transparency in all things said and done; and,
- Service Excellence – Deliver public service that is responsive and professional, while balancing efficiency, effectiveness, and financial stewardship.

Organizational Values Statement

- Integrity – WE are worthy of the public's trust in all things by dealing honestly and respectfully with the public, and with each other, at all times
- Innovation – WE value progressive thinking, creativity, flexibility, and adaptability in service delivery
- Accountability – WE take personal responsibility for our actions or inaction while putting the interest of the public first ensuring the efficient, cost-effective, and sustainable use of public resources
- Commitment to Excellence – WE behave responsively in the delivery of services to the public with our work characterized by its quality and by the diligence with which it is executed, while proactively seeking to solve problems in advance
- Respect - WE treat others as we would like to be treated
- Teamwork – WE work together toward common goals, through cooperation and partnership
- Communication – WE are purposeful in interacting effectively with our citizens and the community at large focusing on maintaining an environment of open communication that invites the public to participate in decisions concerning Town services and the funding of those services

The Town Council Priorities presented below were developed through a strategic planning process held with Town Council in FY 2013. Based on those priorities, the Town has consistently developed its annual budgets with the budgetary goals listed below in mind.

Town Council Priorities

P1 Maintain respect for the Town's rich history and heritage

P2 Support the Highland Park Independent School District

P3 Provide quality Town services – and leverage the quality of those services by collaborating with the City of University Park, Southern Methodist University, Highland Park Village, the Dallas Country Club and by accessing the functional expertise of the Town's residents

P4 Continue the Town's financial stability

Budgetary Goals for Fiscal Year 2024-25

G1 Meet citizens' needs.

G2 Continue providing high quality services and excellence in customer service.

G3 Retain and attract quality employees.

G4 Sustain the Town's cash funded Capital Improvement Plan (CIP).

Department/Objective for Fiscal Year 2025	Town Council Priorities	Budgetary Goals
Administration		
Coordinate the implementation of Town Council goals and objectives with all Town departments		G1, G2
Continue the process of duplicating permanent records into electronic document imaging format and coordinate the same with each department	P1	
Implementation of the Town's first open records software system		G1, G2
Develop recommendations from the Town-wide parking and traffic assessment		G1, G2
Begin advanced strategic planning initiative		G2
Guide and implement the restructuring of the reorganization of Town departments		G1
Community Services		
Respond to requests for information from residents in a timely manner	P3	G2
Stay updated on the latest mosquito management program and responses		G1
Communicate and educate our residents and the public on mosquito control best practices	P3	G1
Assess Town Hall 101 Program and make recommendations on how to increase participant engagement	P3	G2
Develop a social media policy to increase the Town's footprint on social media		G2
Continue to assess how to improve resident engagement and update Town website and recreation software	P3	G2
Develop increased community programming and recreational opportunities	P3	G2
Department of Public Safety		
Continue work with Architect Design Group on Needs Analysis/Assessment for Town facilities	P3	G1, G2, G3
Manage the relocation of Motorola radio equipment to the new elevated storage tank on Holland		G1
Implement Dynamark for the improved handling of alarms monitored by the Town		G1
Implement FLOCK License Plate Recognition (LPR) cameras in strategic locations on thoroughfares in Town		G1
Continue work on obtaining best practice certifications in both Fire and EMS		G1
Continue engaging the public through community outreach efforts		G1, G2
Continue to work towards the implementation of the state mandated NextGen 9-1-1 program	P3	G1, G2
Continue fostering a culture focused on exceptional service and boosting employee morale		G2, G3
Street		
Support water and sanitary sewer functions		G1
Respond to emergencies related to streets, water, sanitary sewer, and stormwater		G1
Maintain the Town's streets, alleys, easements, sidewalks, bridges, stormwater inlets, signs and striping	P4	G1
Maintain street lighting including painting, repairs and LED conversions	P4	G1
Continue to inventory established street signage for future repair and replacement	P4	
Continue the repair and replacement program for Street Lighting	P4	
Continue the inspection and repair of storm inlets		G1

Department/Objective for Fiscal Year 2025	Town Council Priorities	Budgetary Goals
Library		
Continue implementing projects from the updated *Next Steps* document for the Library Master Plan		G2
Further establish the library's brand to attract new users and increase engagement with current users by assessing emerging roles for the library within community life and tailoring marketing efforts to address and reflect those roles	P1	G2
Assess the influence of and consistently strengthen the library's volunteer program		G1
Prioritize the customer experience to identify means for increasing ease of access to materials and services		G2
Parks		
Update and continue to implement a Parks Operations and Maintenance Plan	P4	G1
Implement work order management software for park inspections	P3	G2
Develop Parkway Tree Maintenance Program	P4	
Develop a Parks Capital Improvement Plan	P4	G1
Construct Prather Park Court Improvements (conversion of Tennis Court #1 into four pickleball courts)	P3	G2
Swimming Pool		
Provide a safe and clean facility for the enjoyment of the Town's residents	P3	G1, G2
Implement new system to inventory and track concessions purchases		G2
Maintain the expanded pool season	P3	G2
Complete facility improvements including restroom renovations and updates to mechanical equipment	P3	G1
Continue to assess water quality protocol by refining data collection activities		G1
Work to develop and meet with a resident advisory committee to discuss pool operations for future years	P3	G1
Municipal Court		
Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office	P1	G1
Utilize the Court software to assist in time management and improve customer service		G2
Continue to collect and monitor data associated with the disposition of citations as part of the Town's ongoing effort to ensure fair and consistent adjudication of cases	P3	G2
Evaluate new laws passed during the 2025 State Legislative session to determine their impact on court procedures and implement necessary changes		G1
Maintain Court calendar and website to allow defendants swift access to the Court system	P1, P3	G1

Department/Objective for Fiscal Year 2025	Town Council Priorities	Budgetary Goals
Finance		
Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial reports	P4	G1
Manage the Town's investment portfolio in accordance with the Town's Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return	P4	G1,G4
Develop a Popular Annual Financial Report (PAFR) for greater transparency to residents	P4	G2
Execute timely and accurate payment of vendor invoices	P4	G1, G2
Receive the Government Finance Officers Association's ("GFOA") Certificate of Achievement for Excellence in Financial Reporting for the ACFR and the Distinguished Budget Presentation Award for the Annual Budget	P1	G1
Continue efforts to streamline financial processes to improve processing efficiency	P4	
Evaluate a major upgrade to the Town's ERP/financial system and/or explore market alternatives	P4	
Building Inspection		
Provide quality redevelopment for the Town	P1	G2
Provide timely and accurate plan review services with new residential and remodel/addition plan reviews averaging two weeks	P3	G2
Implement a new software platform (OpenGov) for building/construction permitting		G2
Reestablish regular meetings with the building community		G2
Improve development processes		G1, G2
Provide excellence in customer service and proactive response in enforcement activities related to construction site management, occupied property maintenance, and illegal sign placement		G1, G2
Information Technology		
Replace network infrastructure that has reached the end of its useful life		G1
Develop a ten-year business plan		G1, G2
Replace security access control system		G1, G2
Conduct third party security testing	P3	G1
Complete department network upgrades and computer replacements as scheduled	P4	G3
Minimize operational disruption to users of the Town's network system and enterprise	P3	G2
Utility Customer Service		
Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption using electronic readings to identify the time and date of consumption	P3	G2
Promote the WaterSmart Customer Portal through one-on-one conversations, group messaging and marketing opportunities	P3	G2
Pursue additional methods to increase WaterSmart registration and participation	P3	G2
Develop welcome packets for new residents		G2

Department/Objective for Fiscal Year 2025	Town Council Priorities	Budgetary Goals
Water Department		
Conduct routine maintenance on the Town's water system		G1
Provide funding for infrastructure replacement program through the water rate structure	P4	G4
Complete one-third of the Lead Service Line Inventory investigations		G1
Complete the construction of the new 750,000 gallon elevated storage tank and place into operation		G1, G2
Continue the Town's meter replacement program	P4	G1
Continue NFPA annual inspections and maintenance on all hydrants in the Town		G1
Sanitary Sewer		
Decrease I&I into the wastewater collection system		G1
Complete infrastructure improvements to the sanitary sewer system to reduce or eliminate overflows	P4	G1
Replace existing manhole lids and rings with new watertight lids and rings as well as replace old and damaged rain guards		G1
Continue Town's program of systematically flushing and cleaning sanitary sewer mains	P3	G1, G2
Engineering		
Comply with the annual reporting requirements for state and federal agencies		G1
Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps	P4	G1
Complete design, bid, award, and begin construction of the 2024 Alley Reconstruction and Utility Improvements project		G1
Complete design, bid, award, and begin construction of the 2024 Drainage Easement Project		G1
Complete design, bid, award, and begin construction of the Wycliffe Avenue Reconstruction Project	P3	G1
Complete design, bid, award, and begin construction of Potomac/Auburndale Avenue Reconstruction project from Key Street to Hillcrest Avenue including stormwater improvements		G1
Complete design, bid, award, and begin construction of the Beverly Drive Reconstruction project from Westside Drive to Eastern Avenue		G1
Complete design, bid, award, and begin construction of the Beverly Drive and Miramar Avenue Hackberry Creek Roadway Crossings		G1
Complete construction of the replacement of the Holland Elevated Storage Tank		G1
Complete the 2024 Traffic Signal Upgrades		G1
Complete and award construction of the dredging of Exall Lake		G1

Town of Highland Park
Fiscal Year 2024-25 Adopted Budget
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MAYOR
Will C. Beecherl

MAYOR PRO TEM
Don Snell

TOWN ADMINISTRATOR
Tobin E. Maples, AICP

TOWN COUNCIL MEMBERS
Alan Friedman
Marc Myers
Lydia Novakov
Leland White

September 3, 2024

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 my honor to present to you the Adopted Budget and Plan of Municipal Services (Adopted Budget) for the fiscal year beginning October 1, 2024, and ending September 30, 2025 (FY 2024-25). The Adopted Budget incorporates a property tax rate of 20.8550 cents per $100 of taxable assessed value which is a reduction from the prior year tax rate (22.0530 cents) of 1.198 cents. The Adopted Budget was carefully developed through the collective efforts of all departments and endeavors to balance citizen-driven service expectations, risk management strategies, and capital investment initiatives with available resources. Accordingly, the Adopted Budget is balanced and preserves the Town's rich history of financial stewardship, strength, and resiliency and serves as:

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

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

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

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

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 a *"Budget in Brief"* can be found on the Town's website at www.hptx.org. General highlights of the Adopted Budget are as follows:

Budgetary Process

Date	Item of Significance
July 12	FY 2024-25 Proposed Budget delivered to the Town Council and the Town Secretary
July 16	Present the Proposed Budget for FY 2024-25 to the Town Council
July 17	Meet with the Finance & Audit Advisory Committee to discuss the Proposed Budget
July 25	Receive Certified Appraisal Roll from Dallas Central Appraisal District
August 6	Public Hearing on FY 2024-25 Proposed Budget Town Council sets preliminary ad valorem tax rate
August 20	Review and discuss the Proposed Budget with Town Council
September 3	Public Hearing on Tax Increase (if necessary) Town Council considers for approval: • Adoption of FY 2024-25 Proposed Budget and 2025-2034 Capital Improvement Plan • Adoption of tax rate • Adoption of the Master Fee Schedule

Budget Revenue Components

Revenue sources for the Town total $77,930,396 including inter-fund transfers. Honoring the predominate citizen directive to preserve and protect the characteristics of a "bedroom community by design," Highland Park does not budget with a diversified revenue portfolio like most cities in Texas. When considering total operating revenues exclusive of inter-fund transfers, 94.0% of total revenues are derived from property taxes, sales taxes, building inspection and permit fees, user fees associated with specific services (e.g., water, wastewater and solid waste), interest earnings and intergovernmental revenue.

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

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

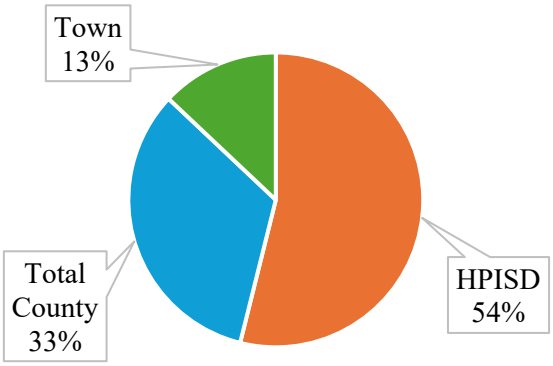
The Town of Highland Park *does not* carry any debt, so the I&S portion of the adopted tax rate is $0.00. The Town only assesses and collects the M&O portion of the combined tax rate.

Adopted Tax Rate

At 29.0% of total revenues, the M&O ad valorem tax is the largest and most stable revenue source for the Town. The Town's adopted M&O property tax rate for Fiscal Year 2024-25 is 20.8550 cents per $100 of valuation, which is 5.4% lower than last year's property tax rate of 22.0530 cents.

Estimated taxable property values are growing at approximately 11.2% for FY 2024-25, or $943M over the certified values provided in July of 2023. Most of this increase results from reassessments; however, $127M is related to new construction.

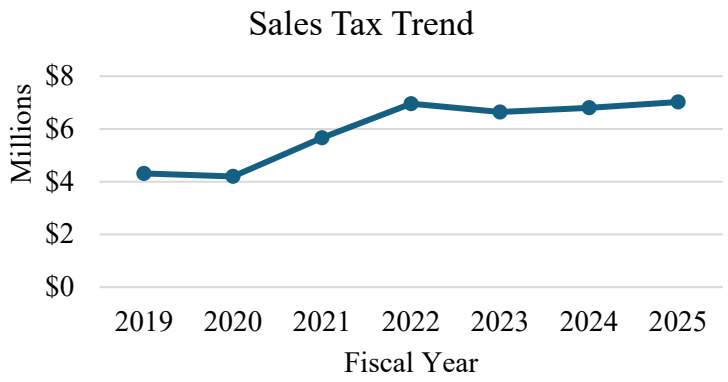
The adopted tax rate of 20.8550 cents allows the Town to generate additional property tax revenue (due to higher assessed values) without exceeding the Voter Approval Rate as set out in State law. The Voter Approval Rate (VAR) is equal to the No New Revenue (NNR) Rate plus 3.5% and any unused tax increment over the last three years. The NNR Rate is the tax rate that would generate the same amount of revenue as the prior year tax rate on those properties that existed on the tax rolls in the prior year. New construction is not included in the calculation. Unused increment is the difference between the No New Revenue Rate and the Voter Approval Rate that has not been used in the last three years. Any tax rate adjustment higher than the Voter Approval Rate requires an election of voters.



It cannot be stressed enough that revenue constraints imposed by the State on local jurisdictions make it more and more difficult to fund needed projects (particularly capital) and initiatives. It is interesting to note that the Town has, by far, the lowest tax rate of the other two taxing jurisdictions in the Town. For FY 2024-25, the average Highland Park homeowner will pay approximately $6,030 (13.0%) in taxes for Town services, while the remainder of their tax bill, $40,480, goes to Dallas County (33.1%) and HPISD (53.9%). This distinction is afforded in large part by the Town's robust average taxable home value for single family homes. For example, in 2024, Dallas Central Appraisal District reports the Town's average taxable value at $2,891,467, which is $324,413 more than HPISD and $2,201,564 more than Dallas County.

Prior to FY 2022, 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 FY 2025 results in the Town forgoing nearly $900K in annual revenue that could be set aside for capital improvements. Extended over a 10-year planning horizon, this change in tax law has a significant impact on the resources the Town can raise to fund projects without holding a Town-wide election or issuing debt as an alternative funding mechanism.

Sales Taxes – Built on sustaining the current mix of retail outlets, sales tax revenue accounts for 10.5% of total revenue (exclusive of transfers) and is anticipated to increase by 3.2% when compared to the year-end projection for FY 2024. The Town has been fortunate over the last few years, experiencing a significant climb in sales tax revenue directly related to increased retail activity throughout the Town, but particularly at the Highland Park Shopping Village. It is anticipated that the Town will continue to see some growth in the future and the Town's 10-year financial plan applies a conservative outlook for planning purposes projecting sales taxes to grow at 2.5% per year. This revenue source may grow at a faster pace than currently projected, and the Town's 10-year financial model will be updated for any new trends.



Building Inspection/Permit Fees – Revenue from building activity accounts for approximately 2.3% of total revenue. In 2019 the structure of permit fees, based on State law, changed from an assessment based on construction value to a per square foot fee for residential construction. This fee has not been adjusted since that time. Permit revenues are relatively constant and construction activity in Town has remained strong. As discussed under the New Programs and Services header below, the Town is adding a chief building official and a senior building inspector and new permitting software to enhance the Town's capacity to manage existing demand and to improve the permitting process from a customer service perspective. Accordingly, the Adopted Budget recommends a 10% increase in the permit fee currently charged to fund the added costs.

Inclusive of the 10% increase mentioned above, revenues related to building activity in Town are projected to be $1.8M for FY 2024-25. It is anticipated that construction activity within the Town will continue at a pace similar to FY 2023-24.

Water, Sewer, Solid Waste Fees

The fees assessed to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 21.3% of total revenue at $14.3M for FY 2024-25.

The Town's FY 2024-25 financial model is predicated on a certain level of annual water consumption. The five-year rolling average of water consumption is approximately 943 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 FY 2023-24.

The cost to purchase water and treat wastewater is only one component of the retail rate. Other components include the cost of capital improvements, salaries, and repair and maintenance cost. Consistent with the current CIP, the Adopted Budget provides for an adjustment to water and sewer rates in FY 2024-25; however, with the addition of personnel within the Utility Fund compounded by a 4.6% increase in the Town's cost to purchase water from the Dallas County Park Cities Municipal Utility District (District) and a 16.4% increase in the cost of wastewater treatment provided by the City of Dallas (City), the increase to water and sewer rates for FY 2024-25 is 6.5%. Moreover, the financial plan for the Utility Fund now reflects an annual 3.9% rate adjustment to water rates and a 3% adjustment to sewer rates over the following 9 years. The prior year financial plan reflected a 3% adjustment through FY 2030-31. The adjustment to rates for FY2024-25 will result in an increase in the monthly bill for a household using 10,000 gallons of approximately $10.81 and an annual increase in revenue to the Town totaling an estimated $751,803 when compared to the prior year budget. A rate design study completed in FY 2020-21 recommended annual rate adjustments of 3%; however, at the time the rate study was completed, the increases in water costs from the District were anticipated to be around 3% per year and not the larger increases experienced in recent years. Moreover, the Adopted Budget recommends the addition of staffing which was not considered at the time of the study. 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 FY 2023-24. During the FY 2022 budget process, when the last rate study was completed, the Town Council requested that, to the extent possible, smaller annual adjustments be projected for planning purposes rather than periodic larger rate adjustments.

Rates charged by the Town for the collection and disposal of solid waste make up 2.7% 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 4%, adjusting the average resident's monthly billing by $1.42 for alley service and $2.67 for pack-out service (inclusive of the fee for recycling).

To address future capital needs, storm water fees are increasing by 100%. For a lot size between 10,001 and 21,800 square feet, this equates to an increase of $14.78/month.

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

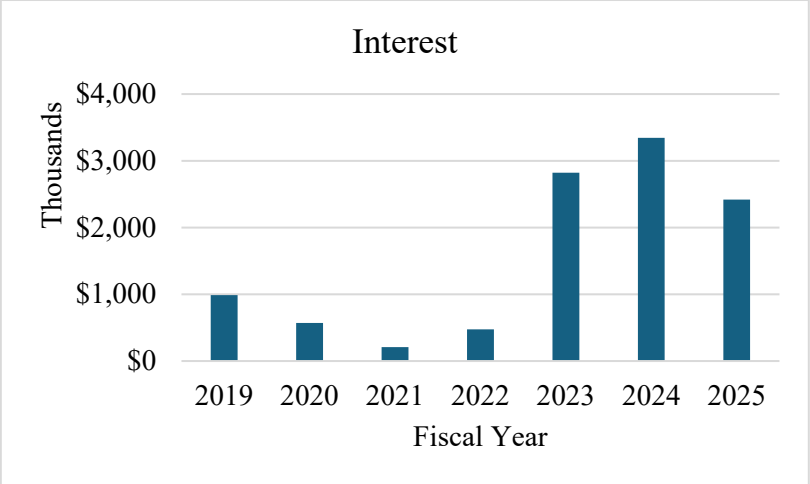
Type of Service	FY 2023-24	Adopted FY 2024-25	Change	% Change
Stormwater	$ 14.78	$ 29.56	$ 14.78	100.00%
Water	85.54	91.08	5.54	6.48%
Sewer	81.00	86.27	5.27	6.51%
Solid Waste Collection	35.63	37.05	1.42	3.99%
Alarm Monitoring - Basic	28.00	31.60	3.60	12.86%
Total	**$ 244.95**	**$ 275.56**	**$ 30.61**	**12.50%**

Assumptions:

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

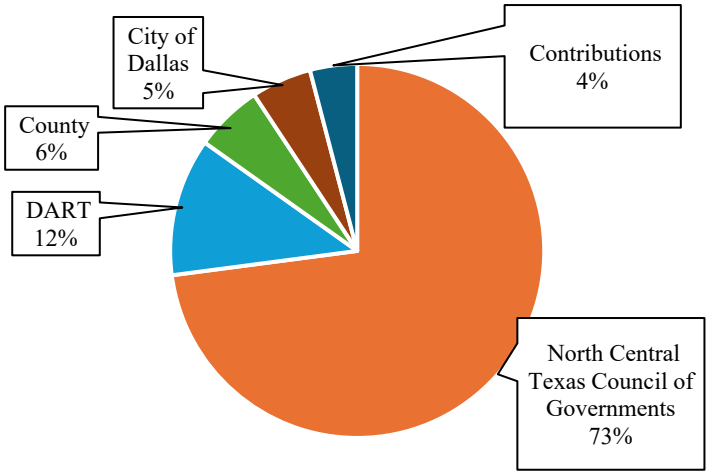
Interest Revenue

Interest revenue has grown dramatically over the last two years and for FY 2024-25, the Adopted Budget anticipates that this revenue source will make up 3.6%, or $2.4M, of the Town's operating revenue. This amount represents a decline when compared to the FY 2023-24 Adopted Budget and year-end projections. The decline is due in part to an expectation that the Federal Reserve will lower interest rates during FY 2024-25. It is unknown as to how much interest rates will ultimately decline next year. Further, the Adopted Budget for FY 2024-25 accounts for lower interest earnings due to projected fund balance reductions associated with high dollar capital projects currently underway or in the planning phase. 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 5% currently being earned.



Intergovernmental Revenue & Contributions

There are significant resources expected to be provided from other governmental entities and contributors in support of the capital expenditures approved for next year. These resources make up 25.4%, or $17M, of all revenues for FY 2024-25. Most of these resources are planned to be used toward the Wycliff Bridge capital improvement project. The itemization of anticipated external resources can be seen in the adjacent pie chart.



It is important to note that the agreement with DART that provides funding through the Transit Related Improvement Program (TRIP) is set to expire in FY 2024-25 with a residual payment expected to be made in FY 2025-26. While efforts are currently underway to secure funding in future years, the 10-year CIP does not contemplate additional funding beyond FY 2025-26 from this program.

Budget Expenditures

Overall, FY 2024-25 expenditures are increasing by 32.7% when compared to the FY 2023-24 Adopted Budget and by 37.57% when compared to FY 2023-24 year-end projections. A significant share (89.2%) of the increase is a direct result of contracts related to purchasing treated water, treatment of wastewater, collection of solid waste, and capital improvements. Approximately 4.4% of the increase stems from additional personnel being recommended while 3.9% of the increase is related to compensation adjustments for employees.

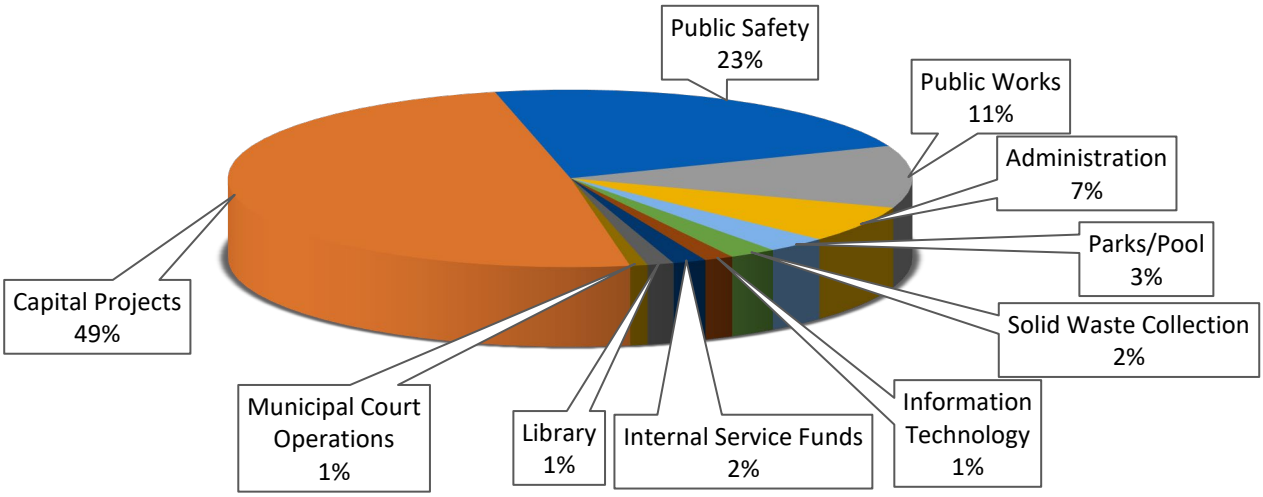
While maintenance, operational, and capital improvement costs are growing by approximately 32.7%, I am particularly pleased the Adopted Budget programs needed staff in the Building Inspections, Information Technology, Engineering, and Public Works departments, addresses the effects of a stubborn inflationary environment, and incorporates funding to care for the Town's employees while maintaining the Town Council's 10-year financial model.

As it pertains to inflation, it is important to note that the inflation rate published by the Bureau of Labor Statistics (CPI for All Urban Consumers, All Items) for the Dallas-Fort Worth Metropolitan was 2.6% in the Dallas area compared to this time last year for September, but remained stubbornly high at 5% through May of 2024. The table below provides a summary of expenditures, by type, for FY 2022-23, FY 2023-24 (budget & projected year-end) and adopted for FY 2024-25.

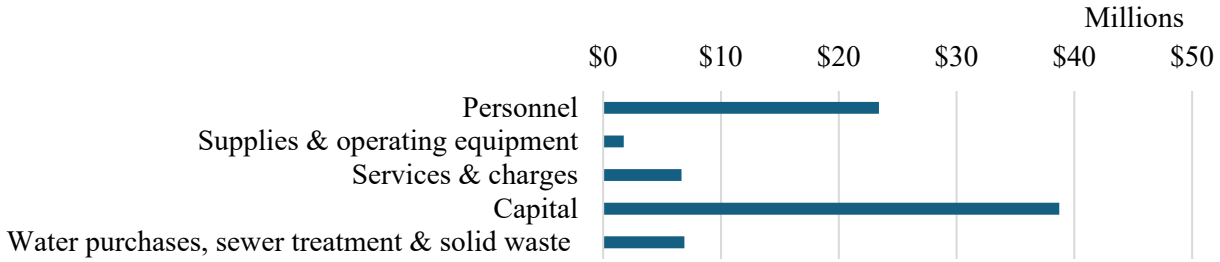
COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
Personnel Services				
Payroll	$ 15,302,553	$ 16,926,622	$ 16,568,933	$ 17,995,067
Payroll Taxes	1,061,007	1,195,839	1,204,589	1,313,854
Retirement	1,763,835	2,177,966	2,147,905	2,262,241
Insurance	1,944,210	2,119,531	1,966,862	1,840,045
Total Personnel	$ 20,071,605	$ 22,419,958	$ 21,888,289	$ 23,411,207
Supplies & Equipment	4,971,556	5,534,129	5,850,200	5,759,194
Services & Charges	7,590,604	8,206,605	8,591,863	9,522,918
Capital Outlay	12,919,797	22,175,406	19,942,865	38,719,386
TOTAL EXPENDITURES	**$ 45,553,562**	**$ 58,336,098**	**$ 56,273,217**	**$ 77,412,705**

The Adopted 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 FY 2024-25 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 Adopted Budget provides the resources necessary to continue the high level of service that residents and business owners expect and makes recommendations that enhance those services. Recommendations made include additional staffing and reclassification of current positions, software modifications and additions, and enhanced consulting services focused on specific challenges within the community. These recommendations include the following:

The Adopted Budget includes six new positions, and one position reclassification programmed to address areas that lack departmental resiliency and where demand for core services exceed existing capacity.

Information Systems Analyst – New FTE - $172,030

The Town has one full-time position dedicated to the management, implementation and maintenance of technology. While the Town does contract with a managed service provider to address day-to-day technology issues, there are significant matters pertaining to security, planning, and governance of technology that must be managed regularly. To be more responsive to departmental needs, maintain a greater focus on cyber security issues and create an in-house position that serves as back-up (departmental resiliency) to the information technology manager, this position has been added to the Adopted Budget.

Chief Building Official - New FTE - $159,751

Currently, the director of development services is not only the director over planning, zoning, and code enforcement, but also serves as the Town's chief building official. In many cities, the chief building official is a separate position solely focused on ongoing construction activity in the Town and ensuring that building codes are up to date and consistently followed. The Town continues to experience a significant amount of residential and commercial activity that is expected to continue into the foreseeable future. The addition of a chief building official will provide improved oversight with regards to plans review, construction inspection and building code interpretation.

Senior Building Inspector - New FTE - $140,271

The Town has two full-time building inspectors dedicated to the building and code enforcement function. To address the high demand for services, the Town supplements this function with third-party services. It is anticipated that the volume of construction activity within Town will continue for the foreseeable future. The addition of a senior building inspector will enhance quality control efforts relative to departmental deliverables, provide an opportunity to reduce departmental reliance on outsourced services, and ensure a personal and proactive approach to both building inspections and code enforcement matters. The cost of the senior building inspector is partially offset through the reduction of contract services by $50,000.

Construction (Infrastructure) Inspector – New FTE - $127,768

The Town has one full-time construction inspector, responsible for inspecting private construction work being conducted in the Town's rights-of-way as well as all of the Town's CIP projects. Based on the volume of construction activity and the Town's robust CIP, the level of effort required to successfully perform the necessary inspections exceeds current staffing capacity. Moreover, current calculations indicate that the work hours required to address the inspection of private work being completed to public infrastructure is 1,375 leaving only 513 hours (considering holidays/vacation) left, or 10 hours per week, to provide inspections of Town related infrastructure projects.

Civil Engineer - New FTE - $145,963

Prior to FY 2017, the Town had two professional engineers on staff. Through staff attrition and a targeted effort to outsource much of the engineering work, one of the positions was eliminated. While the Town does contract with third-party professional service firms to design the Town's civil engineering works and perform other day-to-day engineering functions, there are significant matters that warrant regular attention. To be more responsive to departmental needs, maintain a greater focus on the size and complexity of the Town's CIP, and create an in-house position that serves as a back-up (departmental resiliency) to the Town Engineer, this position has been added to the Adopted Budget. The cost of the civil engineer included in the Adopted Budget is partially offset through the reduction of contract services by $20,000 related to engineering consulting services.

Public Works Operations Supervisor – New FTE - $137,775

Public works has identified through tracking their work efforts that additional staff capacity is needed to address programmed work. While the assessment completed justifies a greater need, the Adopted Budget includes one full-time employee be added to oversee work crews and assist in the field where needed. This addition will allow the public works superintendent to dedicate more time to managing resources in an effective manner and enhance departmental resiliency.

Parks Supervisor - Reclassification - $5,360

Currently the Parks Department has a Superintendent, an Irrigation & Mosquito Inspector, (1) Parks Maintenance Worker III, (3) Parks Maintenance Worker II, and (1) Parks Maintenance Worker I. The irrigation and mosquito

inspector primarily works independently but has evolved over the years to work on more than just irrigation and mosquito inspections. Work includes all levels of park maintenance and serving as lead on special projects. With the increase in park capital projects each year, the Parks Superintendent is diverted from overseeing daily work of staff. This reclassification will support the superintendent (departmental resiliency) in overseeing work in the field and serve as the lead worker in day-to-day park maintenance.

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

Department	Description	Fiscal Expenditure	Purpose	Fund
Administration	Parking and transportation consulting fees	$ 150,000	Develop solutions and regulations related to parking and transporation issues	General Fund
DPS	S and A Exam Consulting	6,865	Improve recruitment exam quality	General Fund
DPS	FLOCK Safety Program	66,700	Enhance public safety throughout Town	General Fund
DPS	ERAD CID Software	6,450	Focus on financial crimes investigations	General Fund
DPS	Alarm Monitoring Tech Support	70,289	Provide third-party support towards alarm monitoring	General Fund
Parks	GIS Assest Coding	50,000	Digitize and track park assets through GIS	General Fund
Library	People Counter	2,950	Enhance data gathering efforts on library use	General Fund
Library	Funds to produce a three-panel retractable banner display	1,375	Improved marketing of the Town's library	General Fund
Building Inspections	Digitization of files	5,000	Improve access and preservation of Town records	General Fund
Non-Departmental	Permitting & Asset Management Software	177,000	Improve permitting processes and enhance management of Town Assets	General Fund
	TOTAL GENERAL FUND	**$ 536,629**		
Engineering	GIS	150,000	Enhance the Town's digital inventory and management of assets	Utility Fund
	TOTAL UTILITY FUND	**$ 150,000**		

Compensation & Benefits

Personnel costs make up 30.2% of the operations and capital budget of the Town and are increasing by 4.4% compared to the prior year Adopted Budget and 7.0% compared to FY 2023-24 year-end projections. Year-end projections are expected to be lower than the Adopted 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.

In addition to the new full-time positions being added, the Adopted Budget incorporates a merit adjustment of up to 6% for first responders and 3.5% for civilian personnel. While all employees will be eligible for a merit adjustment, pay adjustments are limited to the top of each pay range assigned to each position within the Town's pay plan. As such, employees currently at the top of the respective pay scale, will receive a merit adjustment limited to the amount the upper end of the pay structure is adjusted. In total, the pay adjustments being included in the Adopted Budget increase personnel costs by $737,891. This cost is partially offset by staffing turnover and reorganizations that occurred during FY 2023-24.

The Town maintains three separate pay plans covering sworn officers, hourly employees that are not sworn officers and salaried positions. These pay plans set out pay ranges (minimum to maximum) establishing the amount the Town is willing to pay for a specific position. Each year the Town compares these pay plans to a group of comparison cities previously established by a compensation committee created by the Mayor during the FY 2023-24 budget process. These cities include:

Addison
Frisco
Richardson
Southlake
University Park

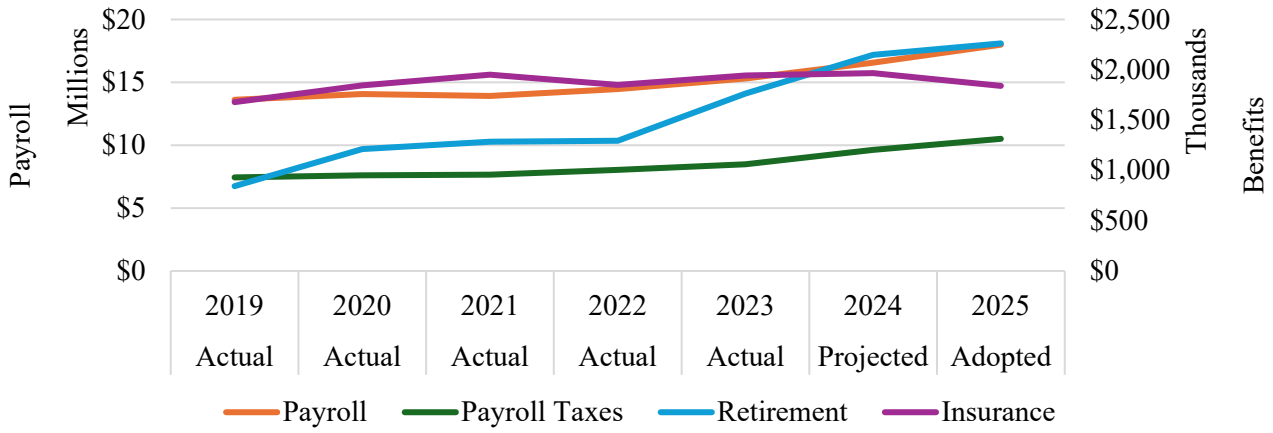
Based on the most recent survey work completed by the Town's compensation consultant, the Adopted Budget incorporates a 3% structural increase in each of the three pay plans. This allows the Town to retain its market position and accommodates merit adjustments incorporated into the budget.

Payroll taxes are made up of the Town's required contributions for Social Security and Medicare. These costs are increasing primarily due to the change in the social security threshold that limits the amount of an employee's gross wages that is subject to Social Security taxes. Naturally, both Social Security and Medicare contributions are impacted by pay adjustments and new personnel additions.

While the rate the Town pays towards the Texas Municipal Retirement System (TMRS) is dropping from 13.2% of payroll to 12.56%, this category is increasing primarily due to compensation adjustments and the addition of personnel. The Town's pension obligation represents the single largest liability presented in the Town's financial statements totaling $96,861,195 but is currently funded at 92.9% according to TMRS. Additional contributions to TMRS included in the Adopted Budget for FY 2024-25 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.

Town staff recently worked with Lockton-Dunning to competitively bid out health insurance (medical, dental & vision). Based on lower utilization of the health insurance plan by Town employees, premiums bid by carriers that participated in the process came in lower than the current rates paid for health insurance. The Adopted Budget incorporates a 14% reduction in premium costs for the medical portion of health insurance as a result of those bids. The rates for dental and vison are remaining relatively the same as in FY 2023-24. The increase presented in this category is primarily related to the addition of personnel.

As for trends in personnel costs, the chart below provides actual expenditures for the last five years, projected year-end for FY 2023-24 and what is included in the Adopted Budget for FY 2024-25. Payroll costs have, on average, trended at 4.8%. This average increase includes the 9 additional staff members for DPS in FY 2023-24 and the six new full-time positions added for FY 2024-25. The retirement cost through TMRS has increased the most at an average 17.4% predominantly due to the updated service credits for active employees and cost of living adjustments for retirees periodically provided by the Town over the last five years. Health insurance has trended the lowest at an average of 3.38% due to the Town's loss ratio being low for the last few 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 8.9% of the total operating budget. As can be seen in the chart below these costs have grown over the last several years due to various reasons such as inflation, rate adjustments from providers through contract provisions and, in the case of water purchases, increase in consumption.

The Town purchases treated water from the Dallas County Park Cities Municipal Utility District (District). The rate charged by the District grew significantly by 10% in FY 2022-23, 26.75% in FY 2023-24 and 4.6% for FY 2024-25. These increases have been implemented by the District in an effort to build reserves to adequately fund capital needs as well as address increases in operational costs. The 4.6% adjustment for FY 2024-25 is increasing the Adopted Budget by $213,740.

The cost for the treatment of wastewater contracted through the City of Dallas (City) is increasing 16.4% or $175,884 over FY 2023-24. There are a few factors impacting this cost for the next fiscal year. First, the City is increasing the volumetric rate charged for this service by 5.1%. Second, the Town's calculated winter average consumption between FY 2022-23 and FY 2023-24 grew by 4.8%. This is important to know because the volume of wastewater used to assess the rate is determined by calculating the Town's winter average consumption of water. Water consumption that is captured through irrigation meters is not considered in this calculation. Finally, once the winter average water consumption is calculated, the City adds a factor for inflow and infiltration, which is increasing by 5.6%. It is important to note that the City conducts a Wholesale Cost of Service Study each year in justifying the rate they are charging for the treatment of wastewater. On average, this expense has been growing 3.25% 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. This index shows an increase of approximately 4% over the last year. 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 15 years of life remaining. Increases in rates charged under this contract are based on the Consumer Price Index for All Urban Consumers which, as of May, was approximately 3%. Overall, the Adopted Budget anticipates an increase in costs for the collection and disposal of solid waste of approximately 4%, or $77,560, for FY 2024-25. This cost has been trending at an average 5.01% per year

Capital Improvement Plan

The Town's Capital Improvement Plan (CIP) makes up 50.0% of the overall operating and capital budget adopted for FY 2024-25. As shown below, the overall 10-year plan is growing by $26.2M.

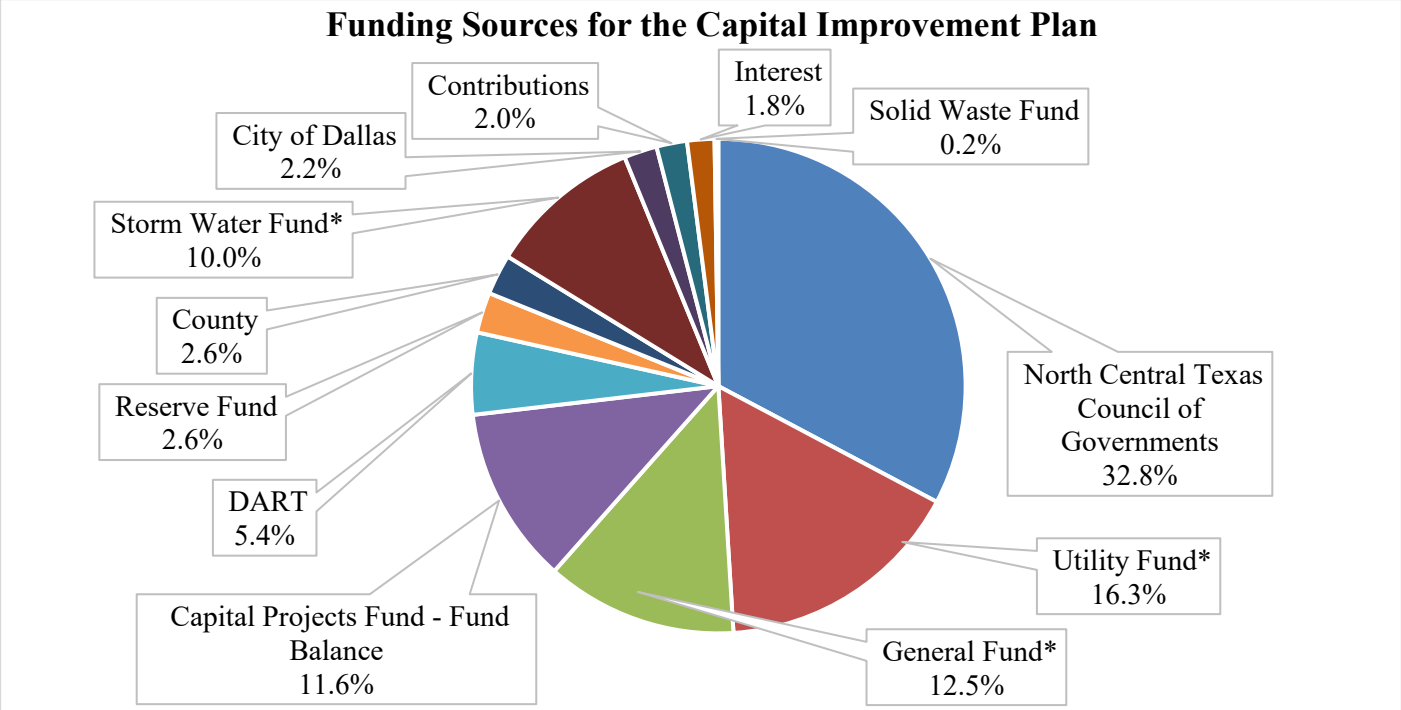
	FY 2025-2034 Adopted CIP		FY 2024-2033 CIP [1]
	FY 2025	10-Year	10-Year
Capital Project Fund:			
Roads & Bridges	$ 24,634,820	$ 88,401,154	$ 73,641,790
Parks & Recreation	259,509	3,002,521	4,909,420
Facilities	77,400	77,400	180,000
Public Safety	975,000	975,000	-
Contingency	900,000	4,100,000	4,050,000
Sub-total*	**$ 26,846,729**	**$ 96,556,075**	**$ 82,781,210**
Utility Fund:			
Water & Sewer Improvements	$ 2,573,216	$ 16,446,964	$ 16,446,914
30" Interceptor - Transportation Project	511,250	2,645,409	3,070,519
Facilities	100,000	100,000	-
Water Tank Replacement	725,000	725,000	7,850,000
Utility Portion of Road Projects	2,300,000	10,867,397	7,693,889
Sub-total*	**$ 6,209,466**	**$ 30,784,770**	**$ 35,061,322**
Storm Water Drainage Fund:			
Drainage Facility Improvements & Studies	$ 1,625,000	$ 7,675,000	$ 450,000
Storm Water Portion of Road Projects	675,000	10,048,728	9,682,605
Exall & Connor Lakes Dredging	2,000,000	6,250,000	1,000,000
Hackberry Creek	500,000	9,900,000	6,000,000
Sub-total*	**$ 4,800,000**	**$ 33,873,728**	**$ 17,132,605**
Total CIP	**$ 37,856,195**	**$ 161,214,572**	**$ 134,975,137**

***Excludes transfers-out.**

[1] Amounts based on CIP approved in the FY 2024 Adopted Budget

The increase presented in the FY 2024-25 Adopted Budget as compared to the FY 2023-24 Adopted Budget is primarily driven by the addition of storm water projects, such as dredging of Exall and Connor lakes ($5.2M), drainage facility improvements ($7.2M), additional phasing of the Hackberry Creek projects ($3.9M), an increase in the anticipated cost of the Wycliff Bridge project ($6.7M) and the addition of approximately $1.0M to move the DPS communication system from the old elevated water tank to the new tank.

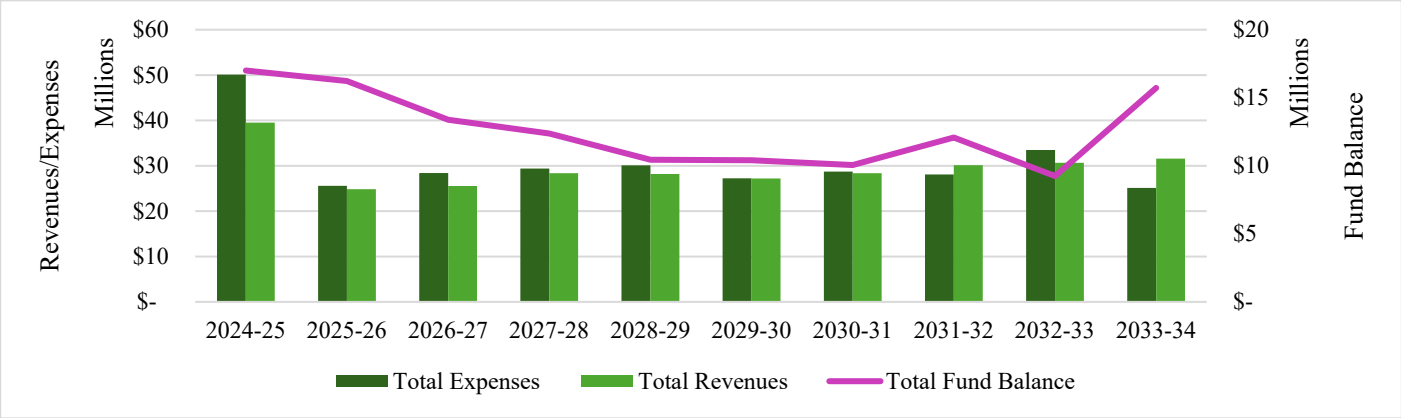
The CIP is funded through a variety of sources such as water rates, sewer rates, storm water fees, grants, contributions, etc. Below is a graph that shows where the resources are derived to fund capital expenditures planned for FY 2024-25. This does not include the capital expenditures funded within the internal services funds, but rather focuses on those presented within the CIP.



*Current Revenue & Fund Balance

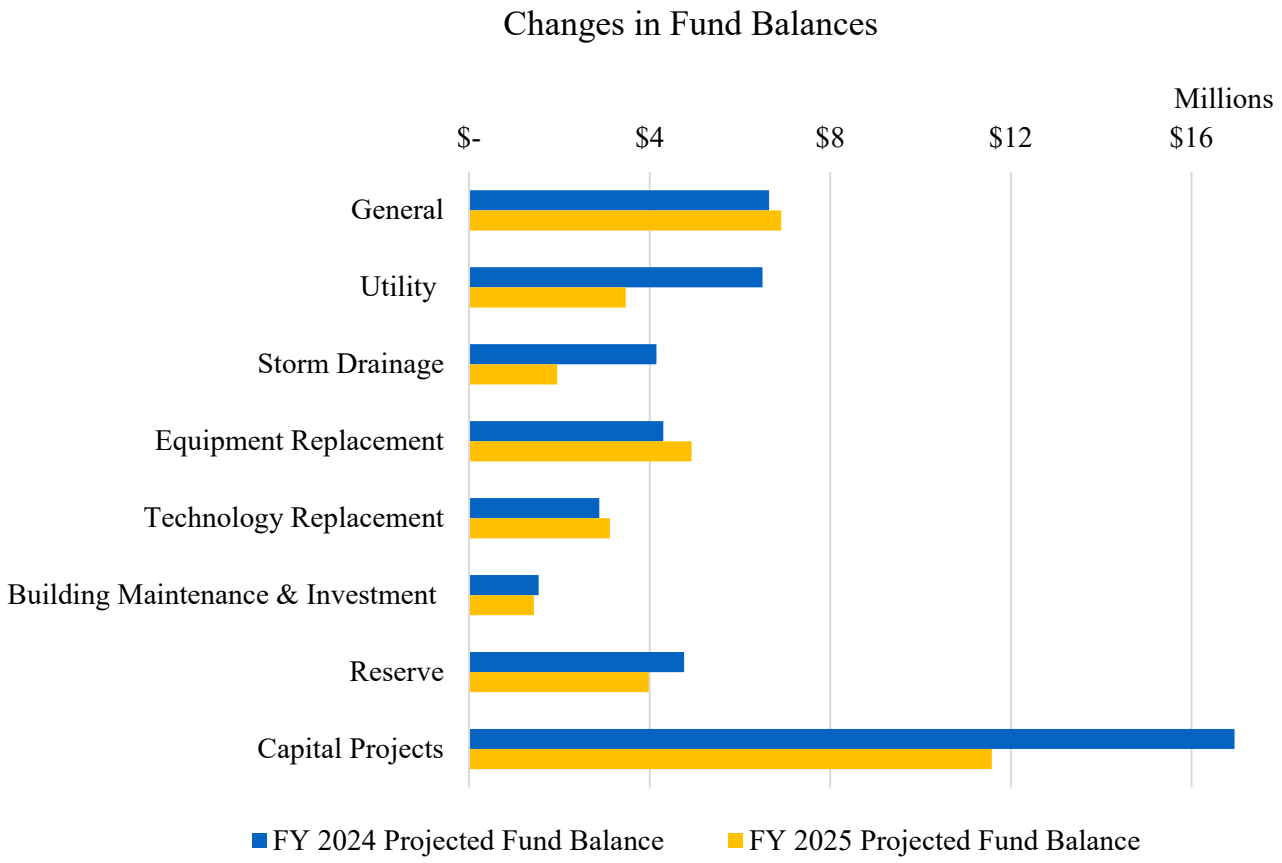
It is important to note that the amount of funds the Town annually strives to transfer from the Town's General Fund in support of the CIP, that is not considered excess fund balance, is equivalent to approximately 4 cents of the property tax rate. However, for FY 2024-25 this transfer is closer to 5 cents of the Town's property tax rate resulting from an additional sustained transfer of $1.2M made possible by the Town maintaining its tax rate at 23 cents in FY 2023. This annual transfer is programmed similarly throughout the 10-year CIP.

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



Fund Balances

Each fund maintained by the Town has a fund balance representing the accumulation of revenues over expenses from one year to the next. The Town's financial policies require the General Fund, Utility Fund and the Capital Projects Fund to maintain a minimum fund balance. The Adopted Budget achieves this requirement for these three funds. Overall, Fund Balance for the Town is expected to decline from $48.7M to $38.4M for FY 2024-25 as a direct result of capital improvements planned during the year. The graph below shows the change in fund balance for funds with balances over $500k for FY 2024-25.



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

Because the Town government is a people organization, there is no question that the Town's one hundred and eleven (111) year history as an organization that cares about the community and its members will continue to be an asset. The Town's purpose is only accomplished thanks to the talents and dedication of Town employees. Accordingly, it is important to extend gratitude to all of the Town's employees for the outstanding service they provide to the citizenry on a daily basis and give credit to department heads and managers for their effective contributions of time and energy toward the preparation of the FY 2024-25 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

Steven J. Alexander
Assistant Town Administrator

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

	General	Utility	Solid Waste	Storm Drainage	Equipment Replacement	Technology Replacement	Building Maintenance & Investment
BEGINNING FUND BALANCE	**$ 6,643,008**	**$ 6,497,650**	**$ 356,399**	**$4,149,734**	**$ 4,301,255**	**$ 2,884,565**	**$ 1,542,450**
REVENUES:							
Property Taxes	$ 19,463,027	$ -	$ -	$ -	$ -	$ -	$ -
Water Sales	-	9,176,886	-	-	-	-	-
Sewer Charges	-	3,265,533	-	-	-	-	-
Sales Taxes	7,020,752	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,824,985	-	-	-	-
Franchise Fees	995,600	-	-	-	-	-	-
Building Inspection Fees/Permits	1,717,900	62,000	-	-	-	-	-
Municipal Court Fines/Fees	419,829	-	-	-	-	-	-
Interest Earnings	601,000	286,000	26,015	137,000	222,567	148,000	70,000
Storm Water Drainage Fees	-	-	-	1,129,560	-	-	-
All Other	2,156,611	787,125	-	-	10,000	210,000	-
TOTAL REVENUES	**$ 32,374,719**	**$ 13,577,544**	**$ 1,851,000**	**$ 1,266,560**	**$ 232,567**	**$ 358,000**	**$ 70,000**
Transfers from Other Funds	1,575,100	503,800	30,500	1,700,000	551,650	321,785	689,600
TOTAL REVENUES & TRANSFERS	**$ 33,949,819**	**$ 14,081,344**	**$ 1,881,500**	**$ 2,966,560**	**$ 784,217**	**$ 679,785**	**$ 759,600**
TOTAL AVAILABLE RESOURCES	**$ 40,592,827**	**$ 20,578,994**	**$ 2,237,899**	**$ 7,116,294**	**$ 5,085,472**	**$ 3,564,350**	**$ 2,302,050**
EXPENDITURES:							
Personnel Services:							
Payroll	$ 16,076,334	$ 1,827,613	$ -	$ -	$ -	$ -	$ 91,120
Taxes	1,171,169	135,715	-	-	-	-	6,970
Retirement (TMRS)	2,018,180	232,471	-	-	-	-	11,590
Insurance	1,624,488	200,712	-	-	-	-	14,845
Total Personnel	$ 20,890,171	$ 2,396,511	$ -	$ -	$ -	$ -	$ 124,525
Supplies & Equipment	$ 1,314,572	$ 4,321,271	$ 25,000	$ 7,600	$ -	$ -	$ 44,060
Services & Charges	5,286,729	1,855,557	1,714,254	198,685	-	-	445,050
Capital Outlay	10,000	6,209,466	-	4,800,000	154,332	446,859	252,000
TOTAL EXPENDITURES	**$ 27,501,472**	**$ 14,782,805**	**$ 1,739,254**	**$ 5,006,285**	**$ 154,332**	**$ 446,859**	**$ 865,635**
Transfers to Other Funds	6,179,125	2,327,556	154,800	155,400	-	-	-
TOTAL EXPENDITURES & TRANSFERS	**$ 33,680,597**	**$ 17,110,361**	**$ 1,894,054**	**$ 5,161,685**	**$ 154,332**	**$ 446,859**	**$ 865,635**
ENDING FUND BALANCE	**$ 6,912,230**	**$ 3,468,633**	**$ 343,845**	**$ 1,954,609**	**$ 4,931,140**	**$ 3,117,491**	**$ 1,436,415**
FUND BALANCE MINIMUM	**$ 4,918,112**	**$ 2,569,694**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
FUND BALANCE SURPLUS	**$ 1,994,118**	**$ 898,940**	**$ 343,845**	**$ 1,954,609**	**$ 4,931,140**	**$ 3,117,491**	**$ 1,436,415**

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

Explanation of Significant Changes in Fund Balances

Utility Fund - Fund balance within the Utility Fund is declining by approximately $3.0 M predominately due to capital projects adopted for FY 2025.

Internal Service Funds - The fund balances within the Technology Replacement Fund, Equipment Replacement Fund and the Building Maintenance Fund are intended for capital equipment purchases. Between the three funds, fund balances are growing by approximately $750K.

Reserve Fund - Fund balance in the Reserve Fund is dropping approximately $1.0M. The reduction is a result of transferring funds to the Storm Water Fund as an internal loan for the Hackberry Creek project.

Capital Projects Fund - Fund balance within the Capital Projects Fund is declining by approximately $5.5M as a result of the capital projects adopted for FY 2025.

-

Forfeited Property	Truancy Prevention	Municipal Jury	Court Technology	Court Security	Library Fund	Reserve	Capital Projects	Adopted FY 2025	Budget FY 2024
$ 44,106	**$ 88,591**	**$ 1,772**	**$ 111,621**	**$ 31,786**	**$ 388,292**	**$ 4,762,219**	**$ 16,953,158**	**$ 48,756,606**	**$ 49,621,867**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	19,463,027	18,515,422
-	-	-	-	-	-	-	-	9,176,886	8,508,723
-	-	-	-	-	-	-	-	3,265,533	3,064,870
-	-	-	-	-	-	-	-	7,020,752	6,502,058
-	-	-	-	-	-	-	-	1,824,985	1,754,793
-	-	-	-	-	-	-	-	995,600	975,542
-	-	-	-	-	-	-	-	1,779,900	1,625,567
-	15,100	300	23,700	23,300	-	-	-	482,229	519,747
6,877	3,773	75	5,753	1,478	18,200	216,255	675,000	2,417,993	2,687,727
-	-	-	-	-	-	-	-	1,129,560	543,324
2,500	-	-	-	-	53,800	-	16,326,414	19,546,450	5,749,434
$ 9,377	**$ 18,873**	**$ 375**	**$ 29,453**	**$ 24,778**	**$ 72,000**	**$ 216,255**	**$ 17,001,414**	**$ 67,102,915**	**$ 50,447,207**
-	-	-	-	-	-	-	5,455,046	10,827,481	11,920,415
$ 9,377	**$ 18,873**	**$ 375**	**$ 29,453**	**$ 24,778**	**$ 72,000**	**$ 216,255**	**$ 22,456,460**	**$ 77,930,396**	**$ 62,367,622**
$ 53,483	**$ 107,464**	**$ 2,147**	**$ 141,074**	**$ 56,564**	**$ 460,292**	**$ 4,978,474**	**$ 39,409,618**	**$ 126,687,002**	**$ 111,989,489**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,995,067	$ 16,926,622
-	-	-	-	-	-	-	-	1,313,854	1,195,839
-	-	-	-	-	-	-	-	2,262,241	2,177,966
-	-	-	-	-	-	-	-	1,840,045	2,119,531
$ -	$ -	$ -	$ -	$ -			$ -	$ 23,411,207	$ 22,419,958
$ -	$ -	$ -	$ 3,504	$ -	$ 43,187	$ -	$ -	$ 5,759,194	$ 5,534,129
-	-	-	21,423	-	1,220	-	-	9,522,918	8,206,605
-	-	-	-	-	-	-	26,846,729	38,719,386	22,175,406
$ -	**$ -**	**$ -**	**$ 24,927**	**$ -**	**$ 44,407**	**$ -**	**$ 26,846,729**	**$ 77,412,705**	**$ 58,336,098**
-	-	-	-	24,600	-	1,000,000	986,000	$ 10,827,481	11,920,415
$ -	**$ -**	**$ -**	**$ 24,927**	**$ 24,600**	**$ 44,407**	**$ 1,000,000**	**$ 27,832,729**	**$ 88,240,186**	**$ 70,256,513**
$ 53,483	**$ 107,464**	**$ 2,147**	**$ 116,147**	**$ 31,964**	**$ 415,885**	**$ 3,978,474**	**$ 11,576,889**	**$ 38,446,816**	**$ 41,732,976**
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,000,000**	**$ 9,487,806**	**$ 6,737,092**
$ 53,483	**$ 107,464**	**$ 2,147**	**$ 116,147**	**$ 31,964**	**$ 415,885**	**$ 3,978,474**	**$ 9,576,889**	**$ 28,959,011**	**$ 34,995,884**

ORGANIZATIONAL MATRIX – DEPARTMENT ASSIGNMENT BY FUND

This annual budget is presented by fund. This matrix shows the assignment of departments by fund within the budget. Listed across the top of the matrix are the departments. The operating funds are shown in the left column of the matrix. The divisions are listed within the matrix as they correspond to their respective department and operating fund.

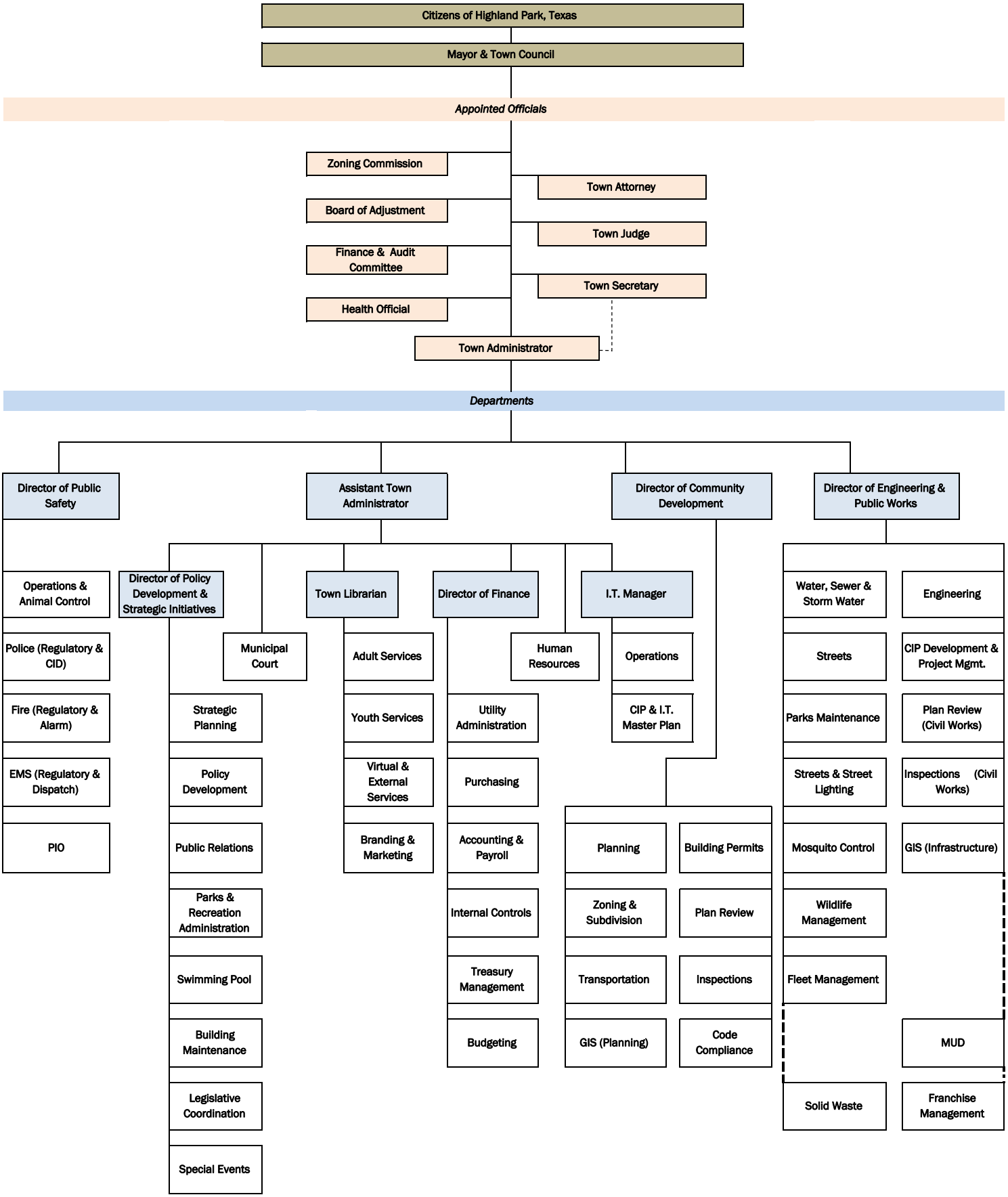
	Departments					
Fund	**Administration**	**Department of Public Safety**	**Community Services**	**Library**	**Finance**	**Engineering**
General	**Operations** *(Human Resource) (Info. Tech.) (Municipal Court) (Parks Admin.) (Pool)*	**Operations**	**Operations** *(Building Insp.) (P&Z) (Code Enforcement)*	**Operations**	**Operations** *(Finance) (Risk Management)*	**Operations** *(Street) (Street Lighting) (Parks)*
Utility					**Operations** *(Utility Admin)*	**Operations & Capital** *(Water) (Sewer)*
Solid Waste						**Contracts**
Stormwater Drainage						**Contracts & Capital**
Building Maintenance & Investment	**Contracts & Capital** *(Service Center) (Town Hall)*					
Forfeited Property Fund						
Truancy Prevention Fund	**Operations** *(Municipal Court)*					
Municipal Jury Fund	**Operations** *(Municipal Court)*					
Court Technology	**Contracts & Capital** *(Municipal Court)*					
Court Security	**Operations** *(Municipal Court)*					
Equipment Replacement	**Capital**	**Capital**	**Capital**	**Capital**		**Capital**
Technology Replacement	**Capital**	**Capital**	**Capital**	**Capital**	**Capital**	**Capital**
Capital Projects		**Capital** *(Communication System)*				**Capital** *(Governmental Infrastructure, Parks & Right-of-Way Improvements)*

March 11	Budget kick-off memo to departments.
March 25	Departments submit initial projection of FY 2023-24 revenues and expenditures to the Finance Department.
April 1	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets.
	Deliver notice for the May 7 Public Hearing in the newspaper. The notice will run on April 24. Provide notice to Town Secretary for publishing on website.
April 5	Departments submit any new programs to the Finance Department.
	Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.
April 8	Meet and discuss the Town's 10-year Capital Improvement Plan with Department Directors.
April 22 - May 3	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
May 7	Departments submit revised projection of FY 2023-24 revenues and expenditures to the Finance Department.
May 10	Departments submit updated program descriptions, accomplishments, objectives, and key performance indicators to the Finance Department.
May 13	Receive preliminary taxable assessed values from Dallas Central Appraisal District (DCAD).
May 6 - 17	Departmental meetings with Town Administrator on Budget Requests.
June 14	Departments submit final projection of FY 2023-24 revenues and expenditures to the Finance Department.
June 18	Review and discuss with the Town Council the progress of the FY 2024-25 budget process and the Council's priorities and expectations of the FY 2024-25 Budget.
	Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.
July 7	Deliver notice of the August 6 Public Hearing on the FY 2024-25 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.
July 12	FY 2024-25 Proposed Budget delivered to the Town Council and the Town Secretary.
July 16	Review and discuss the Proposed Budget with Town Council.

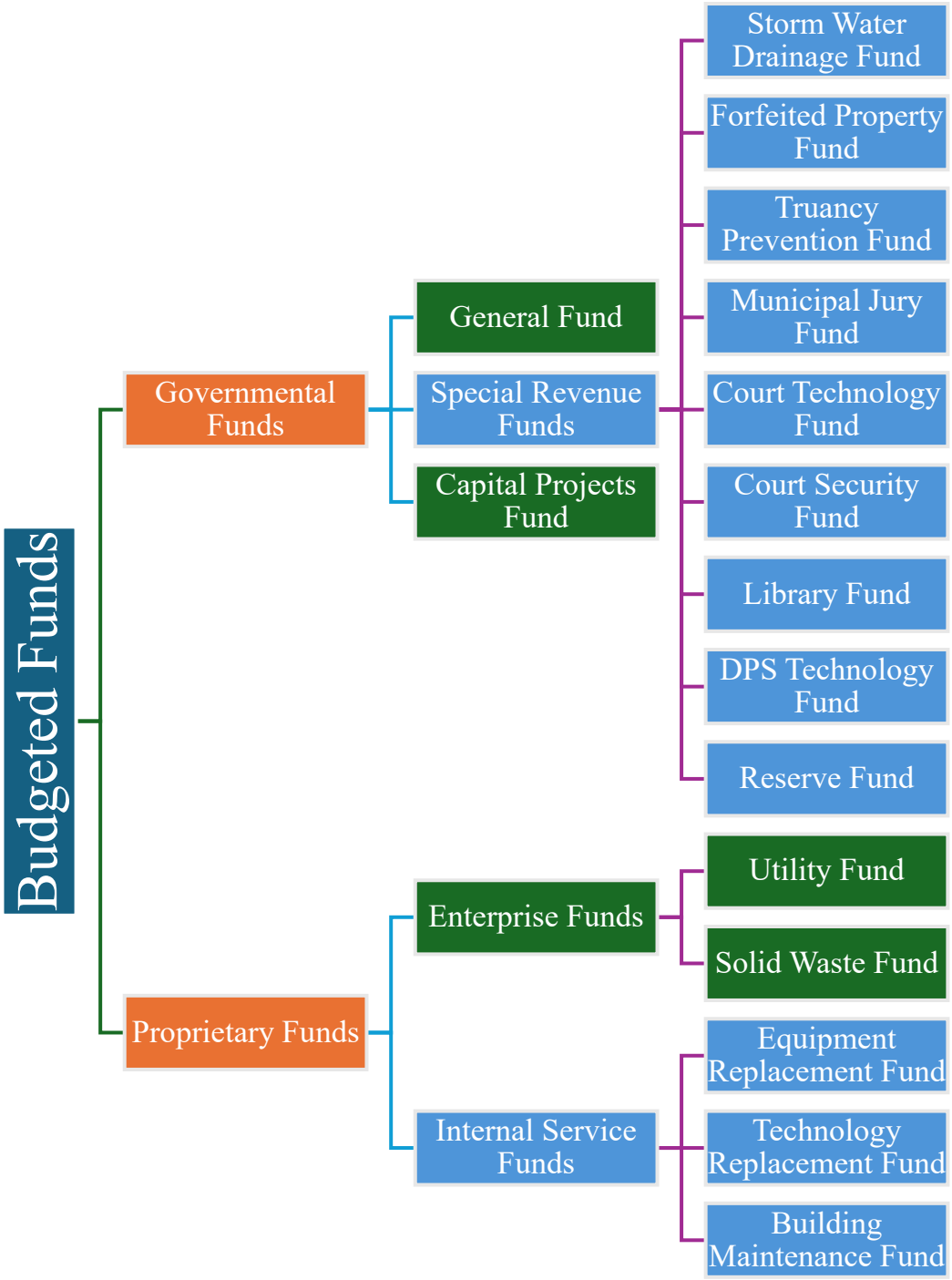
	Council sets date to call Public Hearing on the FY 2024-25 Proposed Budget [Town Charter 9.05(A)] for August 6.
July 17	Finance & Audit Advisory Committee meet to discuss proposed Capital Improvement Plan and Operational Budget for FY 2024-25.
July 25	Receive Certified Appraisal Roll from DCAD.
	Publication of the notice for the August 6 Public Hearing on the FY 2024-25 Proposed Budget in the newspaper.
August 6	Public Hearing on FY 2024-25 Proposed Budget.
	Review and discuss the Proposed Budget with Town Council.
	Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2024-25 and schedule one public hearing on the proposal.
	Town Council sets preliminary ad valorem tax rate.
	NOTE: If a tax rate is proposed that exceeds the 'No-New-Revenue Tax Rate', take a record vote, publish the required notices, and schedule the required public meeting.
	Call Public Hearing on Tax Increase for September 3.
	Deliver notice of Public Hearing on Tax Increase to the newspaper. Provide notice to Town Secretary for publishing on website.
	Announce date and time of Public Hearing to adopt the tax rate for September 3.
August 20	Review and discuss the Proposed Budget with Town Council.
August 28	Publication of notice for the September 3 Public Hearing and Meeting to Vote on Tax Rate in the newspaper.
September 3	Public Hearing on the Tax Rate
	Town Council considers approval of: ○ FY 2024-25 Proposed Budget. ➢ Schedule of Changes from Proposed Budget to Final ○ Adoption of a tax rate. ○ Master Fee Schedule. ○ FY 2024-25 Pay Plan
	Provide approved property tax ordinance and property tax rate to Dallas County Tax Office and the Dallas Central Appraisal District.

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

Town of Highland Park, Texas
Organizational Structure - As of October 31, 2024



Town of Highland Park, Texas
Budgetary Fund Structure
FY 2024-25



Note: In the Annual Comprehensive Financial Report (ACFR), the Solid Waste and Utility Funds are combined. Additionally, the Reserved Fund is combined with the General Fund for reporting purposes.

ORDINANCE NO. 2133

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

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

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

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

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling $88,240,186, including $10,827,481 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2024, and ending September 30, 2025, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 12, 2024, and more than thirty (30) days prior to the end of the fiscal year 2024, in accordance with the provisions of Section 4.02 (d), (4) and Section 9.05 of the Town Charter, and not less than thirty (30) days prior to October 1, 2024, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 6, 2024, was duly advertised by the Town, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 3, 2024, following the public hearing, and a copy of said official budget, including amendments, is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 3rd day of September 2024.

APPROVED AS TO FORM:

Susan Thomas
Town Attorney

APPROVED:

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary

ORDINANCE NO. 2134

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2024 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

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

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

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

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

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

That, for the tax year 2024, there is hereby levied an ad valorem tax of $0.208550 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 2024, and not exempted from taxation by the constitution and laws of the State of Texas.

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

THAT, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.8% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $-11.98.

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 2024-2025.

That said tax shall be due and payable October 1, 2024.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2024 levy.

PASSED AND APPROVED this 3rd day of September 2024.

APPROVED AS TO FORM:

Susan Thomas
Town Attorney

APPROVED:

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary

COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 45,367,500**	**$ 49,621,867**	**$ 51,327,217**	**$ 48,756,606**
REVENUES/SOURCES OF FUNDS				
Property Taxes	$ 16,985,988	$ 18,515,422	$ 18,442,898	$ 19,463,027
Water Sales	8,782,118	8,508,723	9,424,917	9,176,886
Sewer Charges	2,965,416	3,064,870	3,057,631	3,265,533
Sales Taxes	6,641,364	6,502,058	6,800,193	7,020,752
Sanitation/Recycling Charges	1,670,811	1,754,793	1,782,354	1,824,985
Franchise Fees	1,001,560	975,542	1,006,175	995,600
Building Inspection Fees/Permits	1,615,468	1,625,567	1,573,656	1,779,900
Municipal Court Fines/Fees	445,188	519,747	406,694	482,229
Interest Earnings	2,822,423	2,669,351	3,344,487	2,417,993
Storm Water Fees	470,650	543,324	564,780	1,129,560
Other Revenues	8,112,293	5,767,810	7,298,821	19,546,450
TOTAL REVENUES	**$ 51,513,279**	**$ 50,447,207**	**$ 53,702,606**	**$ 67,102,915**
OTHER SOURCES				
Transfers In	$ 16,549,969	$ 11,920,415	$ 11,910,187	$ 10,827,481
TOTAL OTHER SOURCES	**$ 16,549,969**	**$ 11,920,415**	**$ 11,910,187**	**$ 10,827,481**
TOTAL REVENUES/SOURCES	**$ 68,063,248**	**$ 62,367,622**	**$ 65,612,793**	**$ 77,930,396**
EXPENDITURES				
Personnel Services				
Payroll	$ 15,302,553	$ 16,926,622	$ 16,568,933	$ 17,995,067
Payroll Taxes	1,061,007	1,195,839	1,204,589	1,313,854
Retirement	1,763,835	2,177,966	2,147,905	2,262,241
Insurance	1,944,210	2,119,531	1,966,862	1,840,045
Total Personnel	$ 20,071,605	$ 22,419,958	$ 21,888,289	$ 23,411,207
Supplies & Equipment	4,971,556	5,534,129	5,850,200	5,759,194
Services & Charges	7,590,604	8,206,605	8,591,863	9,522,918
Capital Outlay	12,919,797	22,175,406	19,942,865	38,719,386
TOTAL EXPENDITURES	**$ 45,553,562**	**$ 58,336,098**	**$ 56,273,217**	**$ 77,412,705**
OTHER USES				
Transfers Out	16,549,969	11,920,415	11,910,187	10,827,481
TOTAL OTHER USES	**$ 16,549,969**	**$ 11,920,415**	**$ 11,910,187**	**$ 10,827,481**
TOTAL USES	**$ 62,103,531**	**$ 70,256,513**	**$ 68,183,404**	**$ 88,240,186**
ENDING FUND BALANCE	**$ 51,327,217**	**$ 41,732,976**	**$ 48,756,606**	**$ 38,446,816**

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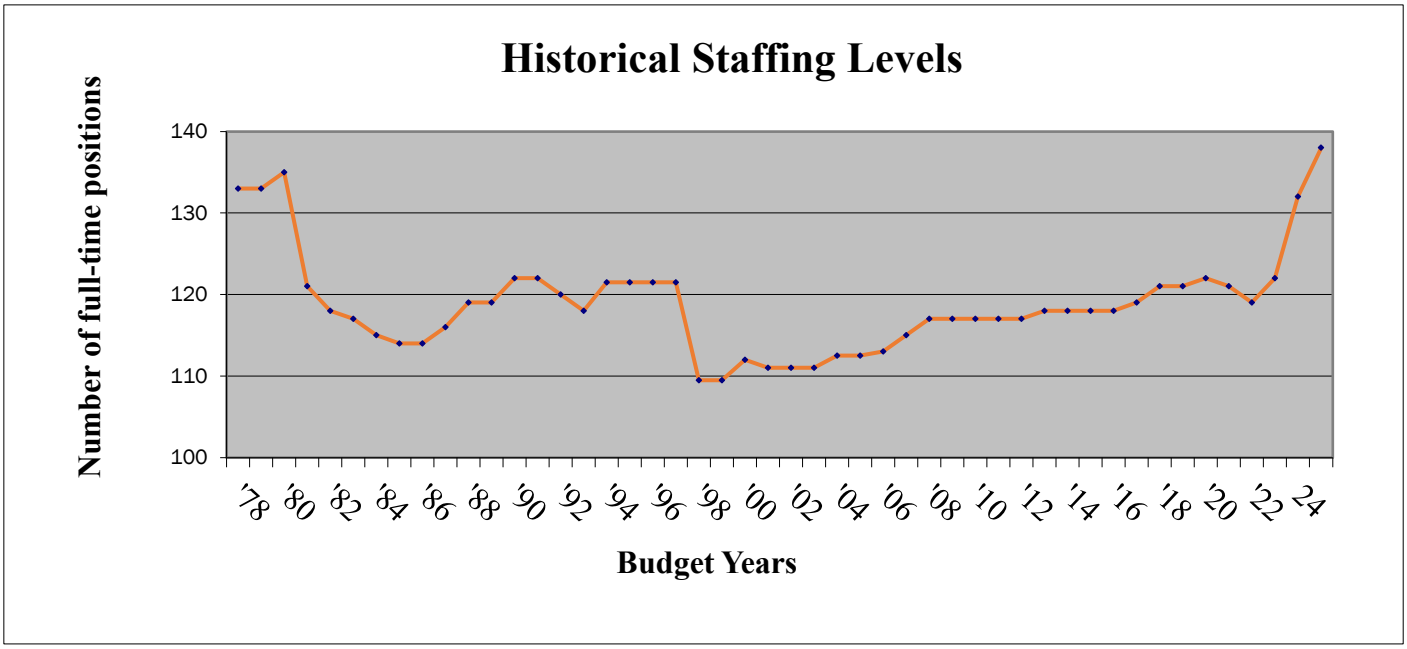
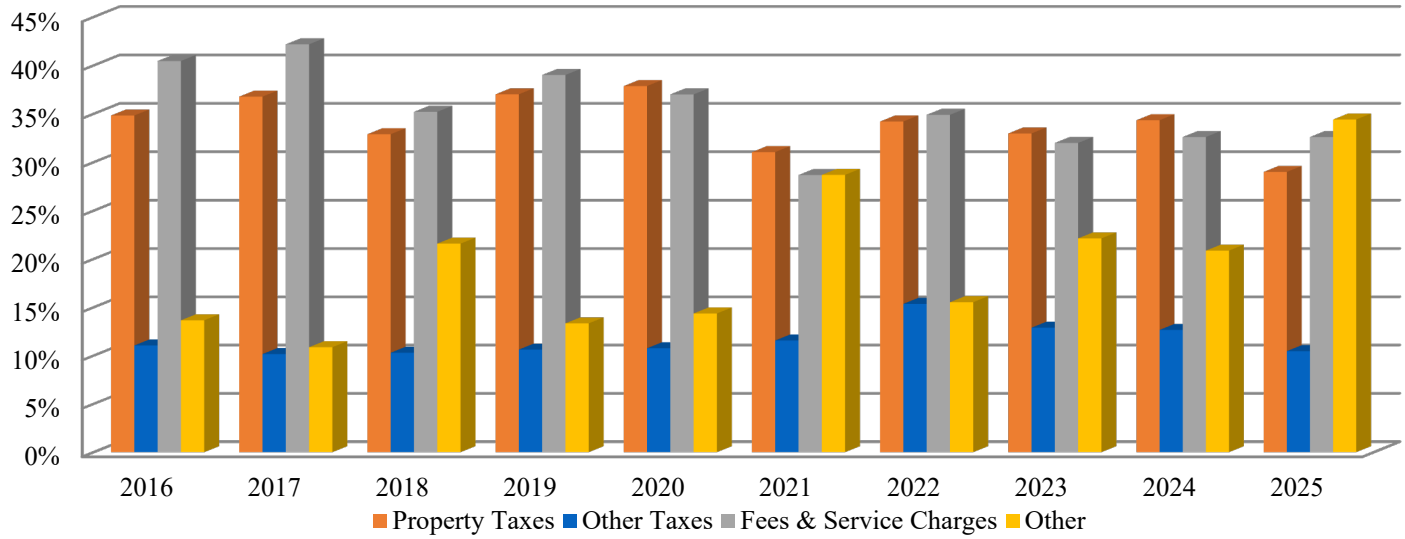
Town of Highland Park Authorized Personnel
By Fund and By Department
(Expressed in Full-Time Equivalent)

	Budget FY 2023		Budget FY 2024		Adopted FY 2025	
	Full-Time	**Part-Time**	**Full-Time**	**Part-Time**	**Full-Time**	**Part-Time**
General Fund						
Administration	2.0	0.0	2.0	0.0	2.0	0.0
Public Safety	73.0	0.0	82.0	0.0	82.0	0.0
Community Services	2.0	0.0	2.0	0.0	2.0	0.0
Street	3.0	0.0	3.0	0.0	3.0	0.0
Library	6.0	0.5	6.0	0.5	6.0	0.5
Parks & Recreation	7.0	0.0	7.0	0.0	7.0	0.0
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	2.0	2.1	3.0	1.3	3.0	1.3
Finance	6.0	0.0	6.0	0.0	6.0	0.0
Building Inspection	5.0	0.0	5.0	0.0	7.0	0.0
Information Technology	1.0	0.0	1.0	0.0	2.0	0.0
Sub-Total General Fund	107.0	6.0	117.0	5.2	120.0	5.2
Utility Fund						
Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.0	0.0	5.0	0.0	6.0	0.0
Sewer	2.0	0.0	2.0	0.0	2.0	0.0
Engineering	4.0	0.0	4.0	0.0	6.0	0.0
Sub-Total Utility Fund	14.0	0.0	14.0	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	122.0	6.0	132.0	5.2	138.0	5.2

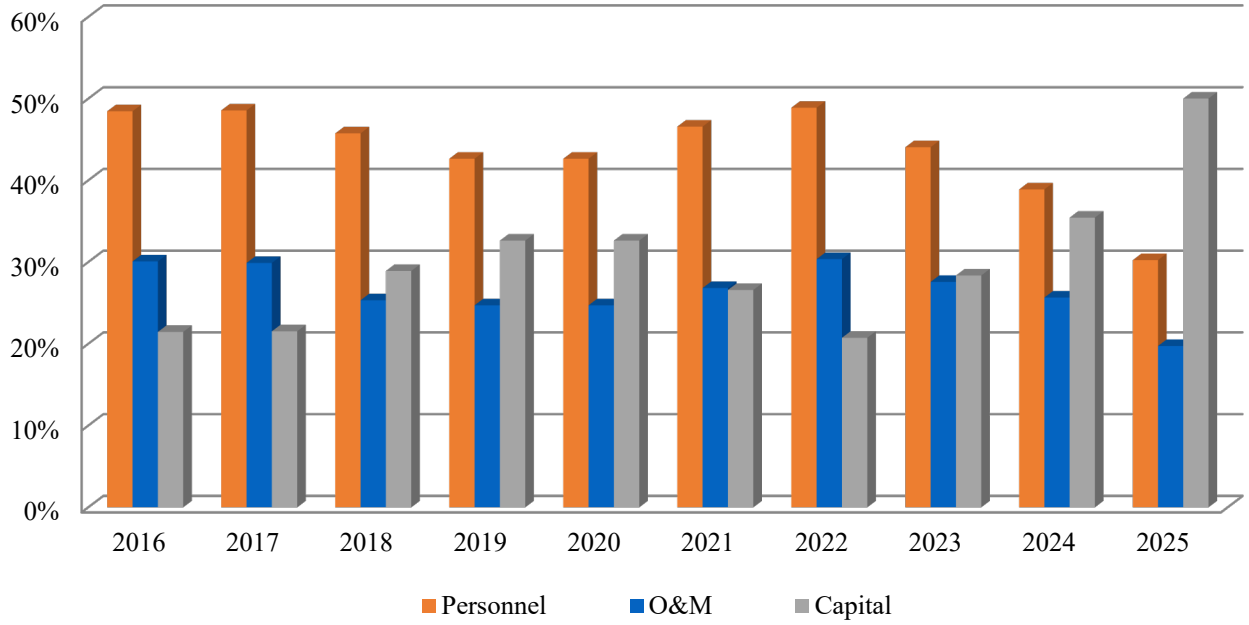


REVENUES BY TYPE FOR ALL FUNDS



As indicated above, the Town's operations are funded primarily through property taxes, service charges and fees. The growth in both recognized and projected property tax dollars is supported by the Town's healthy property values and its favorable tax rate (see page 47). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as "other receipts" include court fines and fees and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 174.

EXPENDITURES/EXPENSES BY TYPE FOR ALL FUNDS



Personnel costs compromise the majority of the Town's cost of operations. Municipal governments, as any service organization, are labor intensive. However, the graph above reflects the growth in the amount of funding committed to capital improvements resulting in personnel costs representing a lower percentage of overall funds distributed. Additional detail on expenditure history/trends is presented on page 176.

2024 TAX RATE FOR HIGHLAND PARK
COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES
(PER $100)

Dallas	$0.704700
Garland	0.689746
Mesquite	0.690000
Carrollton	0.538750
Farmers Branch	0.543500
Irving	0.589100
Southlake*	0.305000
Frisco*	0.425517
Richardson*	0.542180
Addison*	0.609822
University Park*	0.229964
Highland Park	**0.208550**

Source: County Tax Office
**One of the Town's comparison cities.*

AD VALOREM TAX ANALYSIS
2024 TAX ROLL

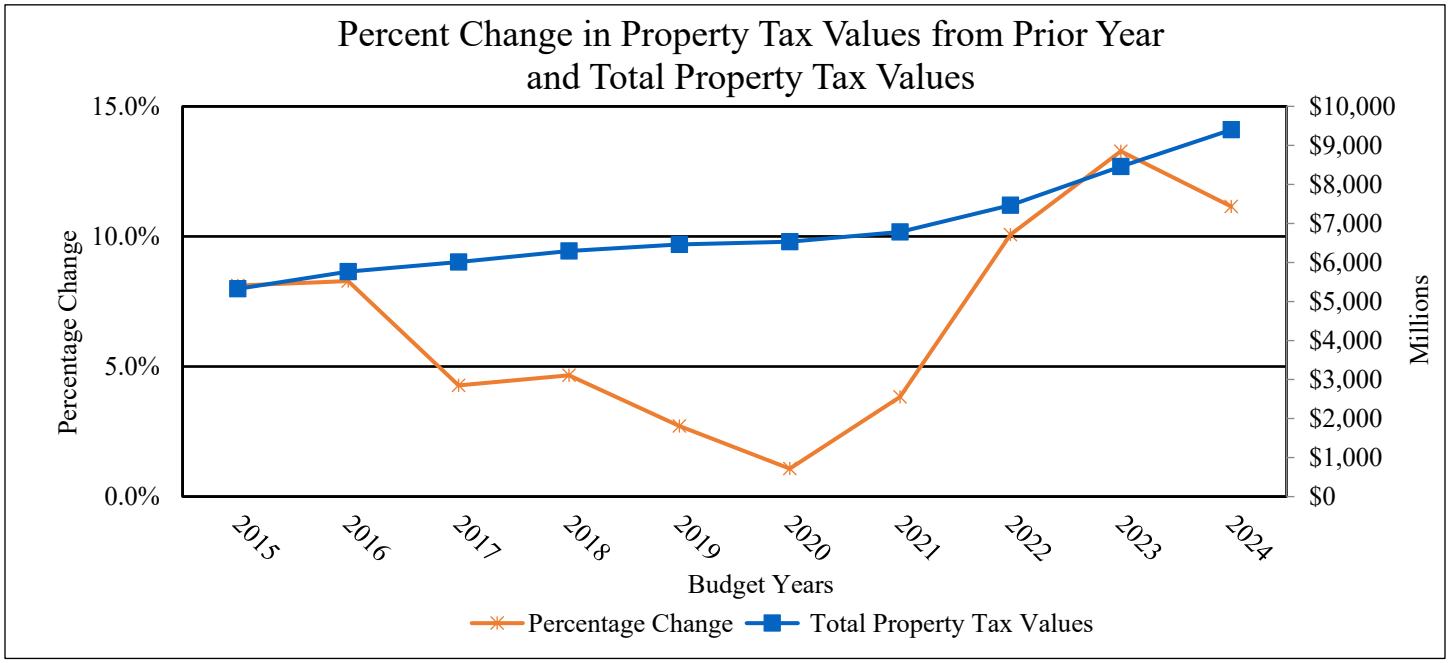
Assessed Valuation (100%)	$13,701,069,280
Taxable Valuation*	$9,400,167,194
Rate per $100	$0.208550
Total Tax Levy	$19,608,0449
Percent of Collection	99.0
Estimated Current Tax Collections	**$19,408,009**

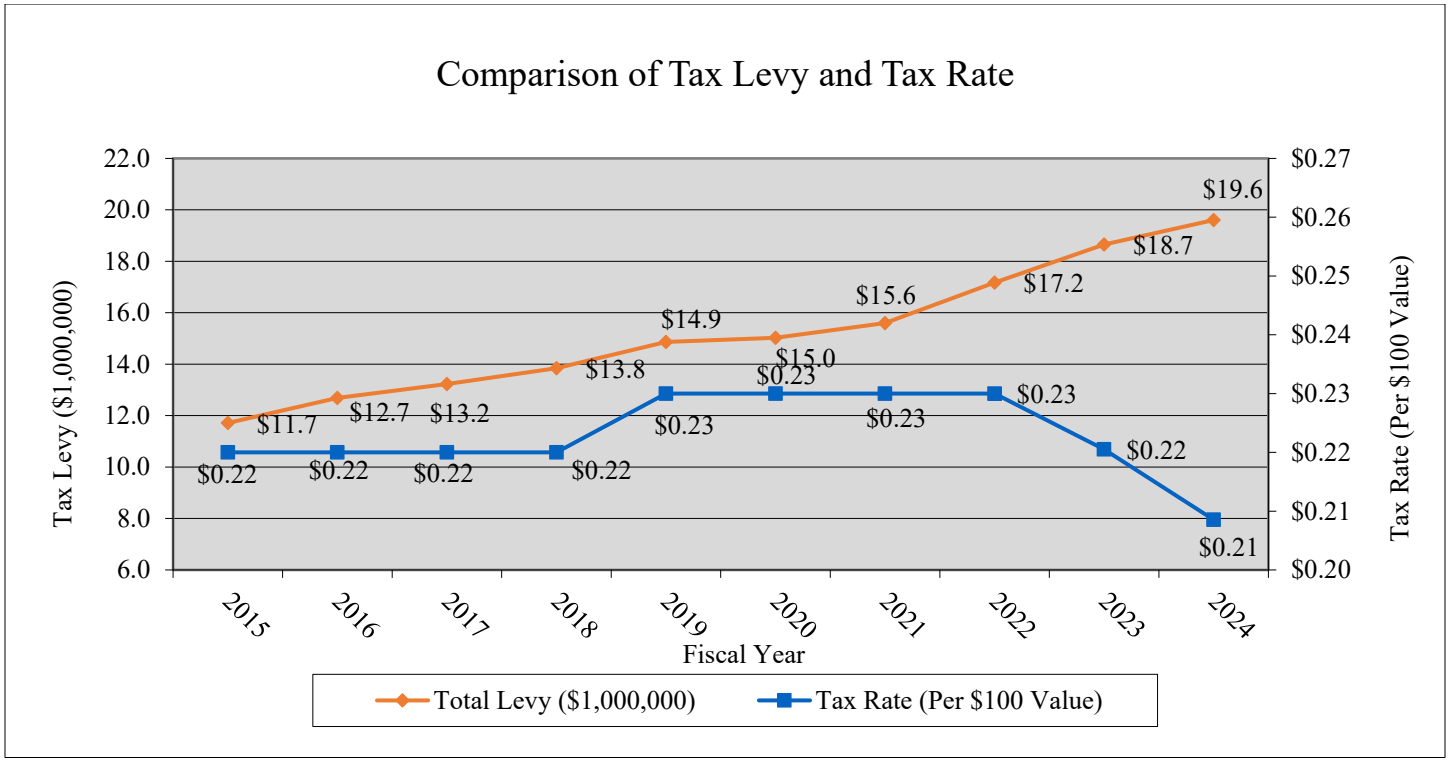
*Certified Appraisal Roll plus Disputed Values

SUMMARY OF PROJECTED
FISCAL YEAR 2024-25 TAX COLLECTIONS

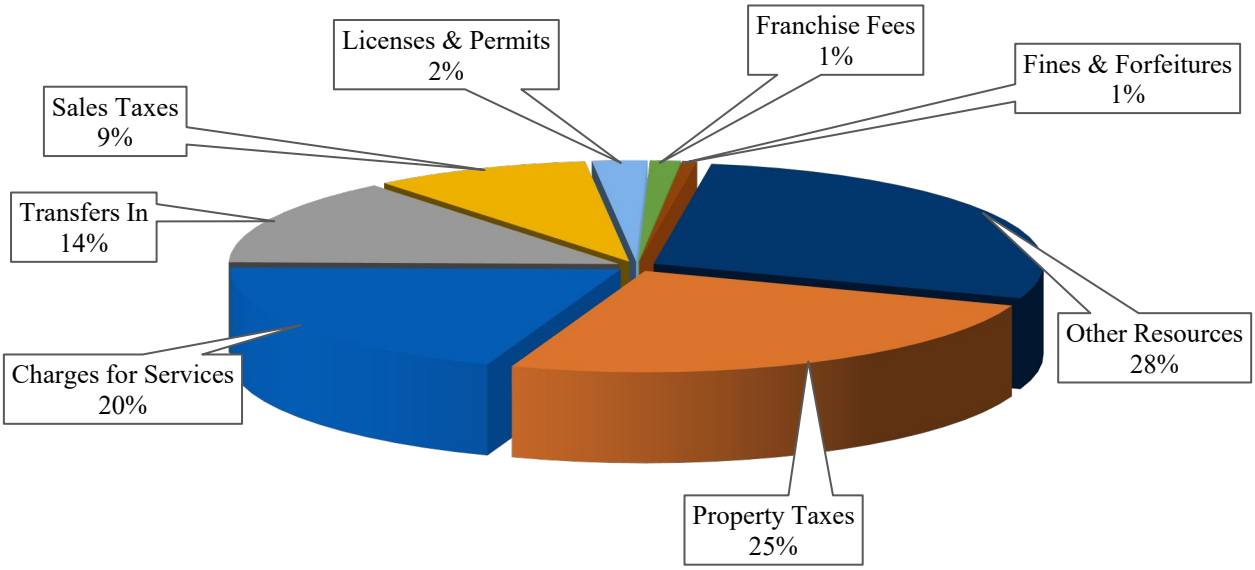
Current Taxes	$19,408,009
Delinquent Taxes	55,018
Total Tax Collections	**$19,463,027**
Penalty & Interest on Taxes	90,000
Total Tax Related Collections	**$19,553,027**

ASSESSED PROPERTY VALUES
INCREASED/DECREASE BY BUDGET YEAR



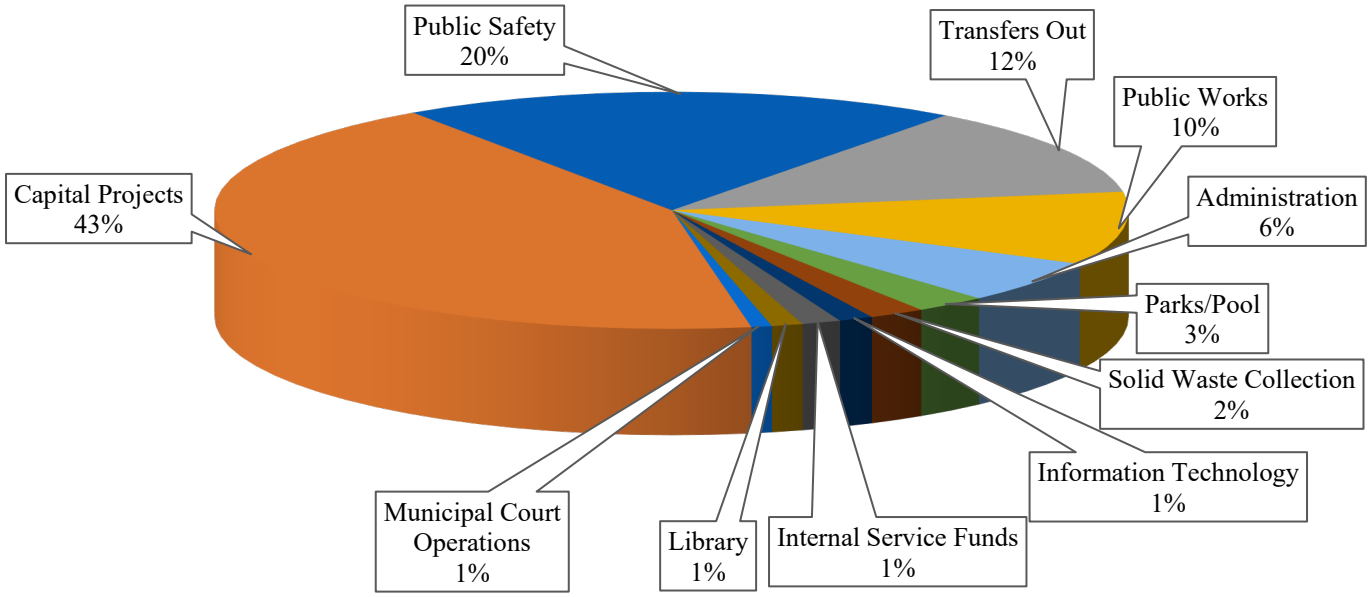


PROJECTED RESOURCES FOR ALL FUNDS
Fiscal Year 2024-2025



Property Taxes	$	19,463,027
Charges for Services		15,396,964
Sales Taxes		7,020,752
Licenses & Permits		1,779,900
Franchise Fees		995,600
Fines & Forfeitures		482,229
Other Resources		21,964,443
	$	**67,102,915**

BUDGETED DISBURSEMENTS
Fiscal Year 2024-2025



BY FUNCTION

Capital Projects	$	38,108,195
Public Safety	$	17,488,509
Transfers Out	$	10,827,481
Public Works	$	8,796,596
Administration	$	5,147,128
Parks/Pool	$	2,241,443
Solid Waste Collection	$	1,739,254
Information Technology	$	1,068,196
Internal Service Funds	$	1,214,826
Library	$	967,140
Municipal Court Operations	$	641,418
	$	88,240,185

Budgeted Funds

GENERAL FUND

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

Total revenues and transfers-in for FY 2025 in the General Fund are $33,949,819 and are increasing by $1,749,546 or 5.4% when compared to the previous fiscal year Adopted Budget. Operational expenditures represent $27,501,472, or 81,7% of the overall General Fund Budget, with the remaining balance of $6,179,125 being transfers to other funds. The Transfer to the Capital Projects Fund is $4,740,525, or 14.1% of the General Fund Adopted Budget.

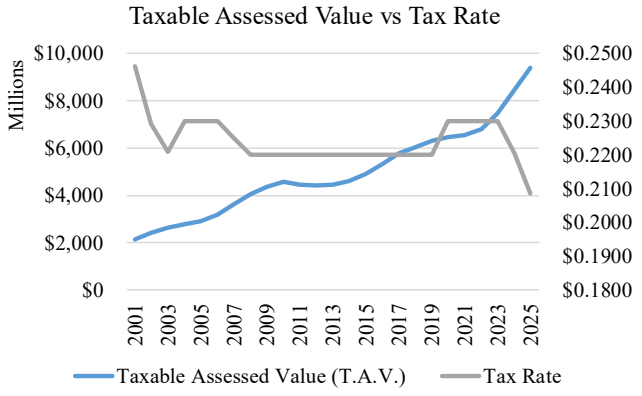
Revenues:

The Adopted Budget includes a property tax rate of 20.8550 cents per $100 of taxable assessed value (T.A.V.), which is lower than the prior year tax rate of 22.0530 cents. Based on the certified tax rolls provided by the Dallas Central Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by $1,154,143. Of this amount, 76.8% is generated from existing property revaluation and 23.2% is generated by new construction.

Historically, the Town has enjoyed a low property tax rate and positive increases in T.A.V. Over the last 10 years, the Town has experienced an average annual increase in T.A.V. of 6.74%. The Taxable Assessed Value is based on the final certified taxable assessed value data provided by the Dallas Central Appraisal District as of July 25, 2024.

Historical Property Tax Information

Tax Year	Fiscal Year	Tax Rate	Taxable Assessed Value (T.A.V.)	% Change in T.A.V.	Tax Levy
2000	2001	$ 0.2462	$2,146,638,147	10.66%	$5,285,023
2001	2002	$ 0.2290	$2,416,780,567	12.58%	$5,534,428
2002	2003	$ 0.2208	$2,628,830,785	8.77%	$5,804,458
2003	2004	$ 0.2300	$2,770,409,688	5.39%	$6,371,942
2004	2005	$ 0.2300	$2,911,465,259	5.09%	$6,696,370
2005	2006	$ 0.2300	$3,175,218,560	9.06%	$7,303,003
2006	2007	$ 0.2250	$3,605,667,701	13.56%	$8,112,752
2007	2008	$ 0.2200	$4,040,272,597	12.05%	$8,888,600
2008	2009	$ 0.2200	$4,364,487,558	8.02%	$9,601,873
2009	2010	$ 0.2200	$4,573,579,178	4.79%	$10,061,874
2010	2011	$ 0.2200	$4,437,430,774	-2.98%	$9,762,348
2011	2012	$ 0.2200	$4,406,947,910	-0.69%	$9,695,285
2012	2013	$ 0.2200	$4,446,174,261	0.89%	$9,781,583
2013	2014	$ 0.2200	$4,598,788,373	3.43%	$10,117,334
2014	2015	$ 0.2200	$4,924,894,226	7.09%	$10,834,767
2015	2016	$ 0.2200	$5,324,500,745	8.11%	$11,713,902
2016	2017	$ 0.2200	$5,765,524,023	8.28%	$12,684,153
2017	2018	$ 0.2200	$6,012,113,607	4.28%	$13,226,650
2018	2019	$ 0.2200	$6,292,473,542	4.66%	$13,843,442
2019	2020	$ 0.2300	$6,463,192,448	2.71%	$14,716,689
2020	2021	$ 0.2300	$6,532,652,955	1.07%	$14,874,851
2021	2022	$ 0.2300	$6,783,128,145	3.83%	$15,445,183
2022	2023	$ 0.2300	$7,466,203,174	10.07%	$17,000,545
2023	2024	$ 0.2205	$8,457,359,481	13.28%	$18,464,505
2024	2025	$ 0.2086	$9,400,167,194	11.15%	$19,408,008



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

Other significant revenue changes for FY 2025 include:

- Sales tax receipts, the fund's second largest source of revenue, is estimated at $7,020,752, representing a 3.2% increase compared to the year-end projection for FY 2024. Since FY 2021, this revenue source has grown significantly resulting in some caution being exercised in projecting future sales tax revenue growth over the 10-year planning horizon.
- The continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. Total building permit revenue in FY 2025 is projected at $1,726,725. The increase of approximately 9.2% over the prior year's adopted budget is attributed to a 10% increase in permit fees implemented to address increased operational costs associated with building activity within the community.

Expenditures:

The operations portion of the Budget funds the day-to-day activities of the Town, such as personnel services, commodities, contractual services, and equipment replacement. Entity-wide, personnel costs account for 30.2% of the overall budget, excluding transfers, and 76.0% in the General Fund. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

Compensation- As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees the Town enjoys.

During FY 2023, the Mayor appointed a compensation committee made up of the Mayor and two Council Members. This committee identified five comparison cities to use in determining the Town's position to market as it relates to compensation. These cities include Addison, Frisco, Richardson, Southlake and University Park. Upon surveying the comparison cities' pay plans and comparing the average of those plans to the Town's pay structure, it was determined that an increase of 3% to the Town's pay structure be implemented. This structural change also provided an opportunity for those employees at the top of their respective pay range currently to be eligible for a pay adjustment. Additionally, the compensation program for FY 2025 includes a merit adjustment for all employees based on their annual performance evaluations. The merit adjustments include up to 3.5% for civilian personnel and up to 6% for first responders. To accommodate these changes to the Town's compensation program for FY 2025, $684,593 (inclusive of additional employment taxes, TMRS, etc.) is included in the General Fund. All pay adjustments are limited to the top of the pay range for each position.

Pension- The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. The pension contribution rate paid by the Town is decreasing slightly in FY 2025. Overall, $2,018,180 is included in the FY 2025 Adopted Budget for contributions to TMRS related to compensation paid to employees.

Health Insurance- Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees, and continuing to be an employer of choice. Town Council approved remaining with Cigna, the current health insurance provider, for FY 2025. Town Staff, working with Lockton Dunning, the Town's benefits consultant, was able to secure a significant premium reduction for next year from Cigna as the Town's loss ratio remains relatively low. The FY 2025 Adopted Budget maintains the

annual contribution of $2,800 to employees' Health Savings Accounts. In accordance with federal regulations, the minimum deductible for high deductible health plans for an individual is increasing to $3,200.

Capital Improvement Plan- The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at $4,740,525. This transfer is increasing slightly when compared to the originally Adopted Budget for FY 2024. This transfer includes $1,408,280 that is sustained as a result of funding from enhanced revenue provided by the growth in property values from tax years 2014 - 2016. Moreover, the transfer includes $1,200,000 of increased funding resulting from the Town keeping its tax rate constant in FY 2023. Maintaining this funding source for the Town's Capital Projects Fund was a major focus in preparing the Adopted Budget as the Council continues its focus on a pay-as-you-go system to fund infrastructure needs.

Other significant items within the General Fund include:

- Focusing on enhance public safety, the Adopted Budget includes $136,989 in additional funding to implement Flock security cameras throughout the Town and engage a third-party company to monitor and provide technical support for the Town's alarm monitoring system.
- Continued funding to support added security at the Highland Park Independent School District elementary schools in the amount of $200,000 and additional funding to assist with security at Boone Elementary, $221,000 to fund school crossing guards and $66,400 in funding related to the school resources officer DARE programs.
- Continued funding in the amount of $250,000 to pay down the Town's unfunded net pension liability. This amount includes the Utility Fund portion.
- To improve managing internal and external requests for service, $177,000 is included in the Adopted Budget for the implementation of a work order and asset management system. Currently, the Town uses a Customer Response Management (CRM) system to manage work orders.
- Three new positions have been incorporated into the General Fund to manage the existing workload, enhance services to the public and build departmental resiliency. These positions include:
    - *Information Systems Analyst – New FTE - $172,030*
    - *Chief Building Official - New FTE - $159,751*
    - *Senior Building Inspector - New FTE - $140,271*
- To identify recommendations and solutions related to parking and transportation issues throughout the community, $150,000 in consulting service fees is provided for in the administration department.

Fund Balance:

The Town's financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Adopted Budget reflects an ending fund balance of $6,912,230 meeting this policy requirement. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies that may impact the Town's budget. Any excess revenue and unallocated appropriation, above the 17% fund balance requirement, is transferred to the Capital Projects Fund.

UTILITY FUND

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

Revenues:

Utility Fund operating revenues for FY 2025 are anticipated to be $14,081,344, which is an increase of 10.7%, or $1,362,180, when compared to the Adopted Budget for FY 2024. This increase is primarily related to the adjustment in water and sewer rates, as well as a significant increase in external resources for capital projects.

The Adopted Budget includes an adjustment to water and sewer rates of 6.5% for FY 2025. The Town's 5-year rolling average of water sales is increasing due to recent higher consumption patterns over the last couple of years and the financial model remains sustainable under the current plan of adjusting rates each year. The next rate adjustment is scheduled for FY 2026 at 3.9% for water and 3.0% for sewer.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for the Utility Fund are contractually related to water purchases and sanitary sewer treatment attributing to 35.6%, or $5,261,576 of the overall costs adopted for FY 2025, excluding transfers. The Adopted Budget also includes $6,209,466 for capital outlay and capital improvements related to the Town's utility system. Compensation and benefits within the Utility Fund are increasing this budget by $54,200 (inclusive of additional employment taxes, TMRS, etc.), due primarily to a 3% increase in the pay plan structure and merit adjustments of up to 3.5% provided in the Adopted Budget.

The amount budgeted to pay the City of Dallas for the treatment of wastewater is being increased by 16.4%. This increase is due to the Town experiencing a higher winter average of water consumption in FY 2024 as compared to FY 2023 and an increase of 5.6% to the inflow and infiltration rate applied to the Town's winter average by the City. A 5.1% increase in the volumetric rate charged by the City is also driving this expense. The contract with the City of Dallas represents $1,247,836 of the Utility Fund Adopted Budget. The Dallas County Park Cities Municipal Utility District (District) is increasing the rate they charge the Town for the purchase of treated water by approximately 4.6%. Overall water purchases account for $4,013,740 of the Utility Fund Adopted Budget. According to the District, the increase is directly related to additional funds they need to fund operational reserves and capital improvements.

Fund Balance (Net Working Capital):

Similar to the General Fund, the Town's fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. The budget reflects a projected ending fund balance that exceeds 25%, or $2;569,694, of operating expenditures. The ending fund balance in the Utility Fund is projected to be $3,468,633. Excess fund balance is used to provide for rate stabilization during years of low water sales and to fund future capital needs. The fund balance for this fund is declining due to planned capital projects that were ongoing at the end of the prior year and that are planned for FY 2025.

SOLID WASTE FUND

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

Revenues:

Solid waste revenues are projected to be $1,851,000 exclusive of transfers, representing a 4.3 increase over the Adopted Budget for FY 2024. Revenues consist of charges for solid waste services and recycling. Rates charged for the provision of solid waste are increasing to accommodate the growing cost of service from the Town's service provider. Overall, the increase in monthly rates is 4.0%, and will ultimately increase the monthly solid waste bill for regular service by $1.42 and pack-out service by $2.67 (inclusive of recycling). The adjustment is generally tied to the Consumer Price Index (CPI) each year.

Expenditures:

Solid waste service is outsourced to the private sector and primarily consists of solid waste collection costs and disposal costs. Contracts for these services are budgeted at $1,515,835 and $112,918 respectively for FY 2025. In FY 2019, based on the Town Council's review and approval, the Town began offering residential collection service for household hazardous waste, as well as annual household hazardous waste events, budgeted at $30,000. The purchase, maintenance, and handling of solid waste containers is completed by Town staff. The Adopted Budget for FY 2025 includes $25,000 for the purchase of new containers. The Adopted Budget for the Solid Waste Fund also includes a Transfer-Out of $92,400 to the Capital Projects Fund, which represents 5% of projected revenues for FY 2025.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund, however, the fund balance projected at the end of FY 2025 is $343,845.

STORM WATER DRAINAGE UTILITY FUND

The Storm Water Drainage Utility Fund accounts for sources and uses of resources related to the maintenance, repair, and construction of the public storm water related services and facilities. Storm water drainage fees are assessed each month on the utility bills to provide a funding source for this fund. The monthly storm water fee is based on the size of the lot. For FY 2025 residential properties will be charged between $12.60 and $99.46 per month for each dwelling unit that is on the property, based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

Revenues:

Revenues from storm water fees in the Storm Water Drainage Utility Fund are projected to be $1,129,560. Rates charged for storm water drainage are being increased by 100% for FY 2025 to generate funds needed for planned capital improvements. The Adopted Budget includes a transfer from the Capital Projects Fund of $700,000 to fund future storm water drainage projects within this fund. Moreover, $1,000,000 is being transferred from the Town's Reserve Fund to provide funding for the Hackberry Creek project. The funding from the Reserve Fund will be paid back to the Reserve Fund over time once the project is complete.

Expenditures:

The Storm Water Drainage Utility Fund accounts for expenditures related to street sweeping and other drainage- related items. The overall appropriations adopted for this fund total $5,161,685 and include an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The most significant items in this budget include $500,000 for improvements related to the Hackberry Creek project, $1,700,000 for drainage easement projects throughout Town, $2,000,000 for dredging Exall and

Connor Lakes and $525,000 associated with utility improvements in connection with the reconstruction of Potomac and Auburndale.

Fund Balance:

There is not a fund balance requirement for the Storm Water Drainage Utility Fund. The fund balance projected at the end of FY 2025 is $1,954,609. This fund balance is committed to improvements to the Town's storm water drainage system.

CAPITAL PROJECTS FUND

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

The ten-year Capital Improvement Plan has been updated for items communicated to the Town Council during the current fiscal year and is incorporated in the Capital Improvements Section of the Adopted Budget. This plan establishes a multi-year funding schedule for the purchase, construction, or replacement of physical assets of the Town. The Capital Improvements Section of the Adopted Budget also includes a 10-year financial forecast developed and updated on a pay-as-you-go basis.

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

Revenues:

Revenues in the Capital Projects Fund are projected to be $22,456,460 for FY 2025 and are primarily made up of transfers from other funds. The Utility Fund and the Solid Waste Fund transfer 5% of revenues collected from water, sewer, and solid waste rates. These two transfers make up $714,521 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding equates to $4,740,525 for the next fiscal year. In FY 2015, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional $342,651 per year toward the Capital Improvement Plan. This practice continued for the following two fiscal years, and as a result of the increase in taxable assessed values of properties within the Town, the Adopted Budget allocates $1,408,280 from additional property tax revenue to meet existing and future capital needs. To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund.

Funding of $2,026,414 in FY 2025 anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) has been included in the Adopted Budget. Additionally, funding participation anticipated from the North Central Texas Council of Governments (NCTCOG) of $12,400,000, Dallas County in the amount of $1,000,000 and other external contributions towards the Town's CIP of $900,000 have also been incorporated into the CIP.

Expenditures:

Expenditures in the Capital Projects fund are budgeted at $27,832,729, with $17,800,000 appropriated for improvements to the Wycliff bridge, $1,382,820 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and $1,500,000 for the reconstruction of Potomac and Auburndale. Additionally, there is $2,852,000 in funding for improvements to Beverly Drive, $700,000 to reconstruct Holland Avenue, and $975,000 for the relocation of the Town's public safety communication equipment from the existing elevated water storage tank to the new water tank once complete. Some of the other projects in the Adopted Budget include $259,509 related to park renovations, $77,400 for improvements at the Town swimming pool, and $200,000 for traffic signal improvements. The Adopted Budget also includes an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund and a $700,000 transfer to the Storm Water Drainage Fund to meet capital funding needs.

During FY 2020, Town staff began studying the Town's infrastructure related to streets, water, and wastewater. A study of the Town's storm water system will also be finalized in the near future. These studies have resulted in a number of projects being added to the CIP. The Capital Improvements Section of this document provides the planned CIP over the next 10 years reflecting identified projects and associated cost estimates.

Fund Balance:

The Town's fiscal policies promote maintaining a $2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum $2,000,000, the policy states that a plan should be put in place to rebuild the fund balance. The Adopted Budget for FY 2025 projects the fund balance of the Capital Projects Fund to be $11,576,889 at year-end, which meets the required minimum.

OTHER FUNDS

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

Equipment Replacement Fund:

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be $784,217 and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to ensure that adequate funding is provided at the time of replacement. Total expenditures are budgeted at $154,332 to replace a pick-up truck ($73,670), walk-behind roller ($13,853), and other earth moving equipment ($21,793) for public works. The budget for this fund also includes $45,016 to replace emergency medical equipment for DPS. The fund balance projected within this fund at the end of the next fiscal year is $4,931,140.

Technology Replacement Fund:

This fund accounts for the resources needed to manage the replacement and upgrade of software and hardware-related equipment. Revenues within this fund are primarily derived through transfers from the General Fund and the Utility Fund and total $679,785. The transfers to this fund are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to ensure that adequate funding is provided at the time of replacement. Expenditures within this fund are budgeted at $446,859 and cover a variety of technology replacements and upgrades. These items include the scheduled replacement of computers within specific departments, replacement of computers ($160,000), firewalls ($27,320), building access controls ($72,000) and expenses related to the body camera system for DPS . The fund balance projected within this fund at the end of the next fiscal year is $3,117,491.

Building Maintenance & Investment Fund:

The Building Maintenance & Investment Fund accounts for the resources needed to maintain the Town Hall and the Service Center, as well as plan for significant replacements and upgrades in the future. Town staff developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be $759,600 and are derived from transfers from the General Fund and the Utility Fund. These transfers are based on the annual budget of the Building Maintenance Fund, which is proportionally divided between the General Fund and the Utility Fund, based on the number of employees within each fund who utilize the Service Center and Town Hall. Expenditures within this fund are budgeted to be $865,635. The Town continues to allocate funding towards this fund in a manner that will facilitate funding for future capital maintenance items. The fund balance projected within this fund at the end of the next fiscal year is $1,436,415.

Forfeited Property Fund:

This special revenue fund is used to account for the receipt of forfeited assets resulting from criminal activities and the funding of crime prevention programs and equipment. The use of these resources is restricted by their enabling statutes. Fund balance at end of FY 2025 is projected to be $53,483.

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

These four special revenue funds are used to account for revenues provided by a State-approved administrative fee added to citations. The Truancy Prevention Fund and Municipal Jury Fund were added in FY 2020 in response to changes in the Local Consolidated Fee effective January 1, 2020. The use of the resources in these special revenue funds is restricted by their enabling statutes. Revenues within the Truancy Prevention Fund are projected to be $18,873. Revenues within the Municipal Jury Fund are projected to be $375. Revenues within the Court Security Fund are projected to be $24,778, which for the most part, is transferred annually to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be $29,453 and are used to fund technological improvements that work to the benefit of the Municipal Court. All four funds are projected to maintain fund balances at the end of FY 2025, with $107,464 remaining in the Truancy Prevention Fund, $2,147 remaining in the Municipal Jury Fund, $116,147 remaining in the Court Technology Fund and $31,964 remaining in the Court Security Fund.

Library Fund:

The Library Special Revenue Fund was established to account for resources received from royalties that are restricted for the Library. Revenues anticipated for next fiscal year total $72,000. The Adopted Budget for

FY 2025 of $44,407 is to be used primarily for book purchases. Fund balance in the Library Fund at the end of next fiscal year is projected to be $415,885.

DPS Technology Fund:

The DPS Technology Fund was established during FY 2014 and was used to account for resources received from the subleasing of telecommunications facilities located on Town property. This fund was closed in FY 2023 with the revenues being moved to the Technology Replacement Fund. Future revenues from the lease of space on the monopole at Town Hall will be used to fund public safety technological improvements. Fund balance totaling $291,000 that existed within this fund was transferred to the Capital Projects Fund to reimburse the Capital Projects Fund for a portion of the public safety communication system as was planned in prior years.

Reserve Fund:

The Reserve Fund was established in FY 2021 to account for resources the Town has received through the sale of surplus property. The Adopted Budget transfers a portion of the funds, in the amount of $1,000,000, to the Storm Water Drainage Utility Fund to provide resources for the Hackberry Creek project. Once complete, the Storm Water Drainage Utility Fund will reimburse the Reserve Fund over time. At the end of FY 2025 it is anticipated that fund balance within this fund will be $3,978,474.

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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, Building Inspections, Parks, Pool, Library, and General Governmental (Administrative Services, Finance, and Municipal Court).

Basis of Accounting

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

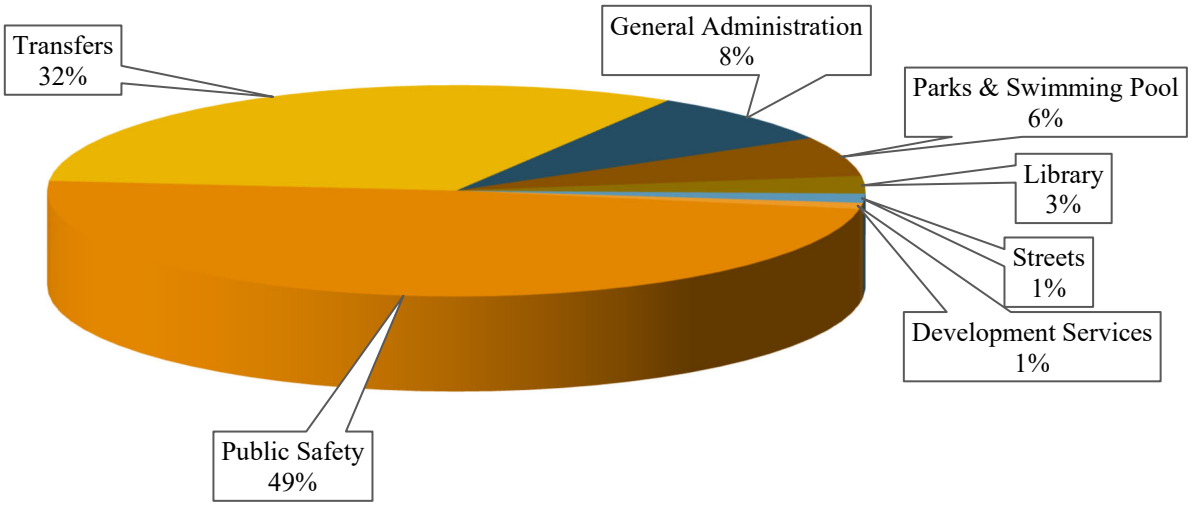
GENERAL FUND OVERVIEW

Resources are comprised of property taxes (ad valorem) levied by the Town, a 1% sales tax levied on taxable commodities and services as defined by state law, fees for right-of-way access, services offered and rendered by the Town, use of Town facilities, fines, interest on the investment of fund cash, permits related to building code requirements and a number of other sources as shown in detail on pages 46-47.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected $19,408,009 or 57.2% of General Fund revenues come from property taxes. This compares to 51.1% and 56.92% for fiscal years 2022-23 and 2023-24, respectively. Since tax year 2015, the total market value of property in the Town has increased 115.27% ($7,054,173,870) driven in part by $976,934,974 from new construction. It is important to note that since the Town is fully built-out, new construction replaces older structures. The strong redevelopment activity within the Town remains a very positive indicator of sustainable property values and tax rate.

The following graph shows the ratio distribution of total property tax dollars toward general governmental functions after having applied function specific revenues toward the function budget and then having applied other general revenues proportionally.

Property Tax Dollar Distribution



The stability of the local economy is further exemplified through sales tax receipts. The Highland Park Shopping Village and the two (2) commercial areas along Oak Lawn Avenue and Lomo Alto Drive have provided this strong and reliable revenue stream. For this Budget and the previous two (2) fiscal years, sales tax receipts make up 20,7%, 21.0%, and 20.0%, respectively, of total revenues for the General Fund.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT

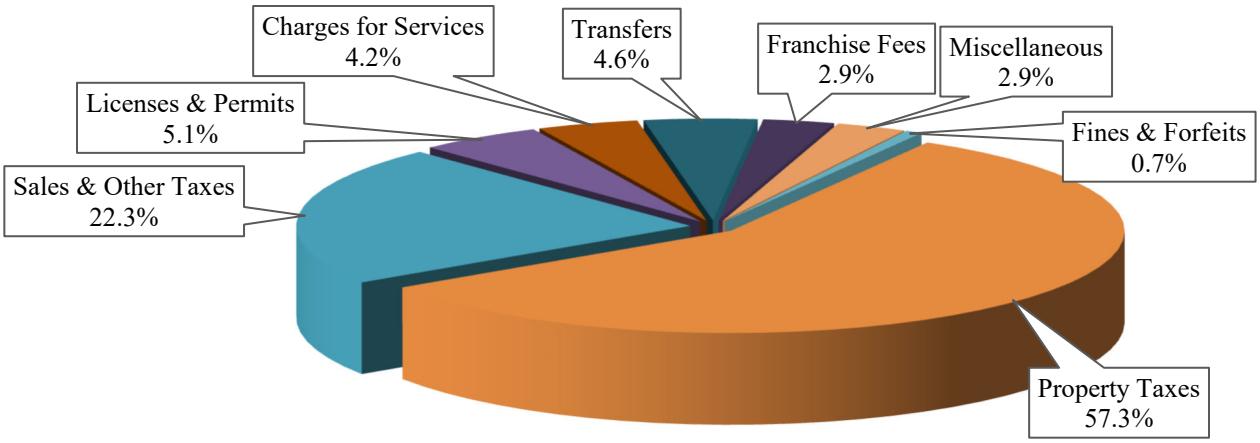
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 8,759,335**	**$ 5,203,309**	**$ 6,388,614**	**$ 6,643,008**
REVENUES/SOURCES OF FUNDS				
Taxes	$ 24,155,554	$ 25,549,222	$ 25,771,653	$ 27,023,779
Franchise Fees	1,001,560	975,542	1,006,175	995,600
Licenses & Permits	1,583,832	1,581,300	1,522,032	1,726,725
Charges for Services	1,292,754	1,323,912	1,265,222	1,411,914
Fines & Forfeits	240,976	232,054	233,300	233,500
Miscellaneous	3,592,610	1,090,043	1,078,772	983,201
Total Revenues	**$ 31,867,286**	**$ 30,752,073**	**$ 30,877,154**	**$ 32,374,719**
Other Sources:				
Transfers In	$ 1,359,300	$ 1,448,200	$ 1,448,200	$ 1,575,100
Total Other Sources	**$ 1,359,300**	**$ 1,448,200**	**$ 1,448,200**	**$ 1,575,100**
Total Revenues/Sources	**$ 33,226,586**	**$ 32,200,273**	**$ 32,325,354**	**$ 33,949,819**
EXPENDITURES/USES OF FUNDS				
Administration Department	$ 799,143	$ 806,977	$ 790,521	$ 1,007,509
Community Services	297,258	333,225	292,388	312,748
Department of Public Safety	15,195,363	17,151,158	16,809,811	17,488,509
Street Department	433,097	499,970	450,774	482,001
Library Department	880,517	911,196	882,746	922,733
Parks Department	1,747,795	1,833,533	1,904,770	1,963,343
Pool Department	234,993	277,184	280,096	278,100
Municipal Court Department	514,846	608,984	597,335	616,491
Finance Department	1,103,658	1,195,999	1,205,162	1,202,450
Building Inspection Department	923,336	917,500	884,637	1,148,360
Information Technology Department	693,956	816,763	838,542	1,068,196
Non-Departmental	615,809	678,876	976,628	1,011,032
Total Expenditures	**$ 23,439,771**	**$ 26,031,365**	**$ 25,913,410**	**$ 27,501,472**
Other Uses:				
Transfers to Other Funds	$ 12,157,536	$ 6,168,878	$ 6,157,550	$ 6,179,125
Total Other Uses	**$ 12,157,536**	**$ 6,168,878**	**$ 6,157,550**	**$ 6,179,125**
Total Expenditures/Uses	**$ 35,597,307**	**$ 32,200,243**	**$ 32,070,960**	**$ 33,680,597**
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	**$ (2,370,721)**	**$ 30**	**$ 254,394**	**$ 269,222**
Fund Balance	**$ 6,388,614**	**$ 5,203,339**	**$ 6,643,008**	**$ 6,912,230**
Ideal Fund Balance	**$ 4,627,929**	**$ 4,670,575**	**$ 4,648,290**	**$ 4,918,112**
Fund Balance in Excess of Minimum	**$ 1,760,685**	**$ 532,764**	**$ 1,994,718**	**$ 1,994,118**

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

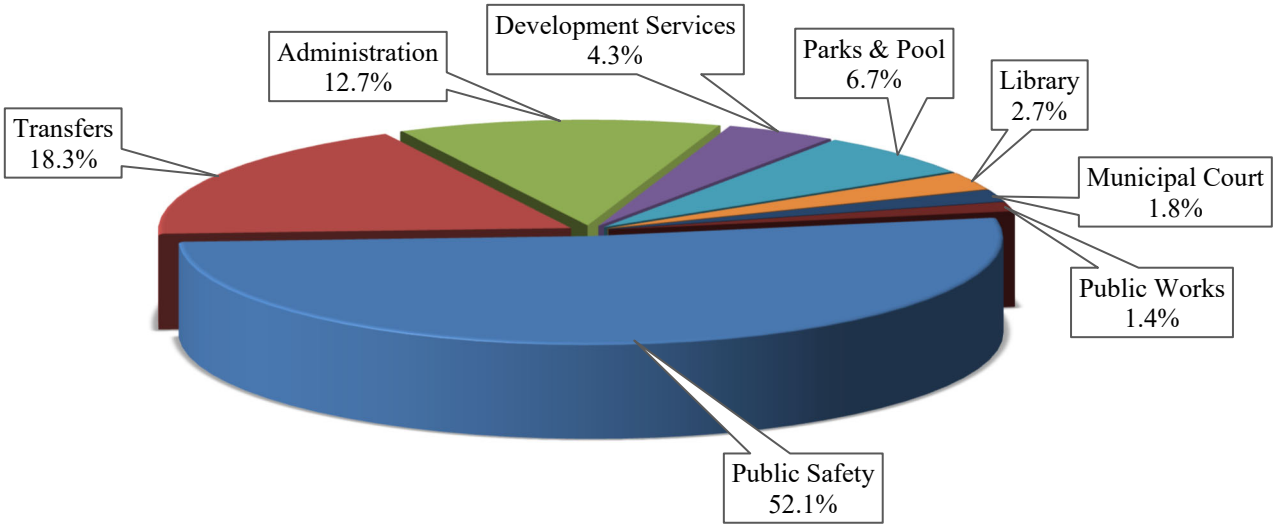
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 8,759,335**	**$ 5,203,309**	**$ 6,388,614**	**$ 6,643,008**
REVENUES/SOURCES OF FUNDS				
Taxes	$24,155,554	$ 25,549,222	$ 25,771,653	$ 27,023,779
Franchise Fees	1,001,560	975,542	1,006,175	995,600
Licenses & Permits	1,583,832	1,581,300	1,522,032	1,726,725
Charges for Services	1,292,754	1,323,912	1,265,222	1,411,914
Fines & Forfeits	240,976	232,054	233,300	233,500
Miscellaneous	3,592,610	1,090,043	1,078,772	983,201
Total Revenues	**$31,867,286**	**$ 30,752,073**	**$ 30,877,154**	**$ 32,374,719**
Other Sources:				
Transfers In	$ 1,359,300	$ 1,448,200	$ 1,448,200	$ 1,575,100
Total Other Sources	**$ 1,359,300**	**$ 1,448,200**	**$ 1,448,200**	**$ 1,575,100**
Total Revenues/Sources	**$33,226,586**	**$ 32,200,273**	**$ 32,325,354**	**$ 33,949,819**
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	$13,857,964	$ 15,377,815	$ 15,077,721	$ 16,076,334
Payroll Taxes	959,255	1,082,594	1,098,100	1,171,169
Retirement	1,590,813	1,976,428	1,952,077	2,018,180
Insurance	1,740,643	1,901,481	1,773,481	1,624,488
Total Personnel	$18,148,675	$ 20,338,318	$ 19,901,379	$ 20,890,171
Supplies & Equipment	1,200,454	1,327,984	1,278,858	1,314,572
Services & Charges	4,028,016	4,350,869	4,717,173	5,286,729
Capital Outlay	62,625	14,194	16,000	10,000
Total Expenditures	**$23,439,770**	**$ 26,031,365**	**$ 25,913,410**	**$ 27,501,472**
Other Uses:				
Transfers Out	$12,157,536	$ 6,168,878	$ 6,157,550	$ 6,179,125
Total Other Uses	**$12,157,536**	**$ 6,168,878**	**$ 6,157,550**	**$ 6,179,125**
Total Expenditures/Uses	**$35,597,306**	**$ 32,200,243**	**$ 32,070,960**	**$ 33,680,597**
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	**$ (2,370,720)**	**$ 30**	**$ 254,394**	**$ 269,222**
Fund Balance	**$ 6,388,614**	**$ 5,203,339**	**$ 6,643,008**	**$ 6,912,230**
Ideal Fund Balance	**$ 4,627,929**	**$ 4,670,575**	**$ 4,648,290**	**$ 4,918,112**
Fund Balance in Excess of Minimum	**$ 1,760,685**	**$ 532,764**	**$ 1,994,718**	**$ 1,994,118**

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



GENERAL FUND
STATEMENT OF REVENUES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
Taxes				
Ad Valorem Taxes	$ 16,980,399	$ 18,464,505	$ 18,399,454	$ 19,408,009
Delinquent Ad Valorem Taxes	5,589	50,917	43,444	55,018
City Sales Tax	6,641,364	6,502,058	6,800,193	7,020,752
Mixed Beverage Tax	528,201	531,742	528,562	540,000
Subtotal	**$ 24,155,553**	**$ 25,549,222**	**$ 25,771,653**	**$ 27,023,779**
Franchise Fees				
Electric Utility Franchise Fees	$ 471,641	$ 479,552	$ 478,144	$ 480,145
CATV / PEG Franchise Fees	15,912	17,705	15,005	15,455
Natural Gas Utility Franchise Fees	333,645	261,357	306,290	307,000
Telecom Franchise Fees	38,417	43,261	35,425	35,000
CATV Franchise Fees	51,360	48,217	50,809	50,000
Solid Waste	51,225	83,155	60,540	61,000
Carriages	39,361	42,295	59,962	47,000
Subtotal	**$ 1,001,561**	**$ 975,542**	**$ 1,006,175**	**$ 995,600**
Licenses & Permits				
Beverage Licenses	$ 7,980	$ 6,140	$ 6,140	$ 6,100
Health Permits	8,450	6,825	6,800	6,900
Alarm Permits	97,170	96,420	97,931	96,500
Electrical Licenses	-	-	-	-
Building Permits	1,402,129	1,408,210	1,350,206	1,552,855
Electrical Permits	59,652	53,585	53,585	56,800
Excavation Permits	180	245	245	245
Carriage Licenses	5,400	5,163	5,325	5,325
Animal Licenses	2,871	4,712	1,800	2,000
Subtotal	**$ 1,583,832**	**$ 1,581,300**	**$ 1,522,032**	**$ 1,726,725**
Charges For Services				
E911 Users' Fee	$ 104,130	$ 109,611	$ 105,440	$ 109,790
Alarm Monitoring Fees	531,494	539,982	539,772	614,224
Emergency Medical Fees	221,513	171,880	216,024	205,000
Board Hearing Fee	2,800	3,450	1,700	1,700
Swimming Pool Concessions	15,177	15,507	15,452	15,732
Swimming Pool Daily Fees	44,737	41,238	44,492	44,625
Swimming Pool Annual Fees	83,596	79,441	81,166	81,175
Tennis Court Use Fees	27,080	23,693	27,800	28,539
Animal Pound Fees	630	690	690	700
Child Safety Fees	9,646	9,626	9,382	9,000
Library Non-resident Fees	4,300	3,912	3,580	3,600
Court Administration Fees	7,107	9,812	7,237	7,371
Warrant Fees	24,237	25,649	21,575	21,000
Court Fees	46,772	71,066	57,776	60,030
Building Registration Fees	74,750	75,104	75,000	75,000

GENERAL FUND
STATEMENT OF REVENUES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
Plan Review Fees	24,000	25,417	32,500	33,000
Deferred Adjudication Fees	70,786	117,834	25,636	101,428
Subtotal	**$ 1,292,755**	**$ 1,323,912**	**$ 1,265,222**	**$ 1,411,914**
Fines & Forfeits				
Municipal Court Fines	$ 237,033	$ 227,305	$ 230,000	$ 230,000
Library Fines	1,571	1,356	1,500	1,500
Lost Book Charges	1,272	1,026	700	1,000
Invalid Alarm Fines	1,100	2,367	1,100	1,000
Subtotal	**$ 240,976**	**$ 232,054**	**$ 233,300**	**$ 233,500**
Miscellaneous				
Interest	$ 766,357	$ 710,178	$ 628,417	$ 600,000
Interest-Dallas County	4,992	1,000	1,000	1,000
Penalty & Interest - Tax Collection	73,706	83,346	96,000	90,000
Sale of Assets	-	1,000	-	-
Rental-Town Property	332,753	224,406	285,905	230,451
Library Donations	6,925	4,000	4,000	3,000
Contributions	18,539	17,200	17,200	17,500
Intergovernmental Revenue	2,311,343	-	-	-
Town Property Damage Refund	23,654	15,000	-	-
Miscellaneous	54,342	33,913	46,250	41,250
Subtotal	$ 3,592,611	$ 1,090,043	$ 1,078,772	$ 983,201
Total Revenues	**$ 31,867,288**	**$ 30,752,073**	**$ 30,877,154**	**$ 32,374,719**

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

  Projected collections of levied Ad Valorem Property Taxes:

  Current Levy $19,408,009
  Delinquent Taxes $55,018

  Taxable property values increased approximately $943 million, or 11.2%. This growth was in part fueled by new construction which added approximately $127 million to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing older homes. The schedule in the Appendix/Community Information presents the changes in taxable values in the Town for the most recent ten-year period. The fiscal year 2024-25 Adopted Budget reflects an increase in property tax revenues, based on a tax rate of $0.208550/$100 valuation, of $943,503 when compared to the amount the fiscal year 2023-24 Adopted Budget.

- **Sales Tax/Other Taxes**

  Since FY 2015, sales tax revenues have increased approximately 200%. The amount budgeted for FY 2025 is fairly consistent with the prior fiscal year. The Town's sales tax revenues come from a local option 1% sales tax that is collected by the State Comptroller's Office and remitted monthly, net of a 2% processing charge. These revenues are primarily generated in the three limited, but upscale commercial areas. A ten-year comparison of Sales Tax revenues is included in the Appendix/Historical Revenue and Expenditure Trend Data.

- **Franchise Fees**

  Receipts for franchised services for FY 2024-25 are projected based upon historical trends. The electric franchise is based upon kWh sold as opposed to gross receipts, (a result of electric power deregulation). Fees from the telephone providers are based upon the number and type of connections, rather than gross receipts. The enabling State legislation for this fee also provides for the annual indexing of the franchise fee schedule. In accordance with the existing natural gas franchise agreement, franchise fees are set at 5% of gross receipts on a calendar year basis and remitted each February. Pursuant to HB 1152, which was effective in January of 2020, companies that offer both telecommunications and cable TV services are exempt from paying the lesser of a) telecommunications right-of-way fees (fixed rate per access line) or b) cable TV franchise fees. As a result of this State legislation approved in the 86th legislative session, revenues have declined and remain lower compared to FY 2018-19 by approximately $110,000.

  The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For FY 2024-25, this revenue source is projected to increase by approximately $45,643 as compared to the amount budgeted during the FY 2023-24.

- **Licenses & Permits**

  Although new home construction is expected to be maintained at a steady rate, there are no large commercial projects anticipated in FY 2024-25. The increase in building permit revenue anticipated for FY 2024-25 is directly attributed to a 10% increase in building permit fees. A schedule of revenues generated over the last ten fiscal years is in the Appendix/Historical Revenue and Expenditure Trend Data. Pursuant to HB 852, which was passed in 2019 by the Texas Legislature, cities may not base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building. A schedule of construction activity prior to FY 2024-25 is provided in the Appendix/Community Information.

- **Charges for Services**

  The total revenues received for services are projected to grow slightly as a result of an increase in alarm monitoring fees of $3.60 per month. This increase was necessary to fund a third-party service to maintain and oversee the Town's alarm monitoring equipment.

- **Fines & Forfeits**

  Municipal Court fines have been projected conservatively and reflect amounts similar to actual amounts received in FY 2023-24.

- **Miscellaneous**

  Projected interest earnings of $600,000 are down compared to the prior year due to less investible funds anticipated and an expected decrease in the federal funds rate set by the Federal Reserve. The Town transfers surplus fund balance within the General Fund to the Capital Projects Fund to meet future capital needs. The rental of Town property (cell phone antennae sites) is projected at $230,451 and is based on existing contracts. The past merger of Sprint and T-Mobile is anticipated to reduce this revenue stream once the Sprint equipment is removed from the Town's property.

Administration Department

DEPARTMENT DESCRIPTION

The Administration Department is responsible for the day-to-day general governmental administration of the Town including coordinating, directing, and reviewing departmental operations in the implementation of policy directives provided by the Mayor and Town Council. The Town Secretary function in this department is responsible for documenting and maintaining agendas and minutes of the Town Council meetings, the preparation, indexing, and codification of Town ordinances, and the preparation and indexing of Town resolutions as well as scheduling and organizing Town elections.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Coordinated the implementation of Town Council goals and objectives with all Town departments
- Prepared, published, and posted meeting agendas in accordance with state requirements
- Provided complete and accurate minutes of all public meetings
- Responded to requests for information from the public in a timely manner
- Continued the process of duplicating permanent records into an electronic document imaging format
- Supervised and directed the Town's Capital Improvement Plan
- Engaged a consulting company to assess parking and traffic issues throughout the Town
- Worked closely with the Department of Public Safety to restructure the department

OBJECTIVES FOR FISCAL YEAR 2025

- Coordinate the implementation of Town Council goals and objectives with all Town departments
- Continue the process of duplicating permanent records into electronic document imaging format and coordinate the same with each department
- Implementation of the Town's first open records software system
- Develop recommendations from the Town-wide parking and traffic assessment
- Begin advanced strategic planning initiative
- Guide and implement the restructuring of the reorganization of Town departments

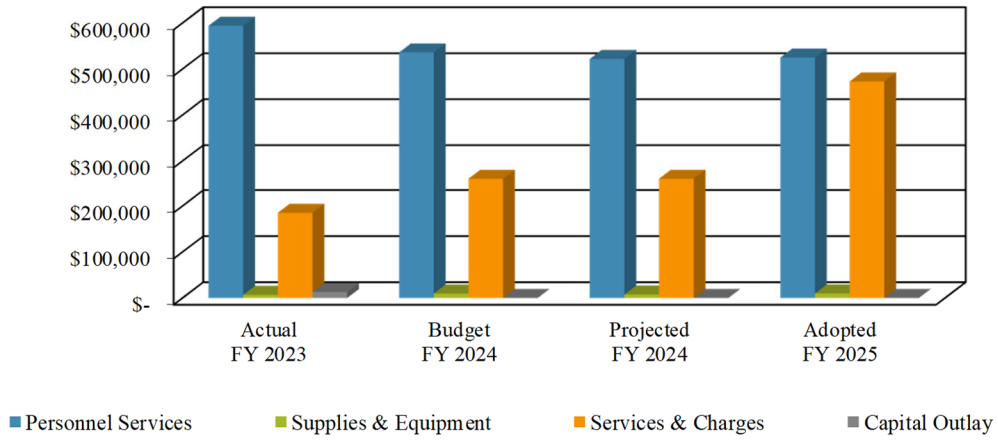
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Town Council Agenda Packets Distributed At Least 72 Hours Prior to Meeting	100%	100%	100%	100%
Average Working Days to Respond to Public Information Requests	7.1	5.6	7.0	7.0
Town Council Meeting Minutes Approved at the Following Meeting	100%	100%	100%	100%

Administration Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 594,056	$ 536,047	$ 521,691	$ 524,681	-2.12%
Supplies & Equipment	6,823	9,644	7,544	9,937	3.04%
Services & Charges	185,137	261,286	261,286	472,891	80.99%
Capital Outlay	13,127	-	-	-	0.00%
Total Department	**$ 799,143**	**$ 806,977**	**$ 790,521**	**$ 1,007,509**	24.85%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Town Administrator	Not Classified	1.0	1.0	1.0
Town Secretary	8	1.0	1.0	1.0
Total Employees		2.0	2.0	2.0

Community Services

DEPARTMENT DESCRIPTION

The Community Services Department is responsible for the day-to-day general administration of Development Services, Parks, and Facilities for the Town. This includes coordinating, directing and reviewing departmental operations in the implementation of programs and directives provided by the Town Administrator, Mayor and Town Council. Major events/initiatives include the annual Tree Lighting event held in Armstrong Parkway, Park Cities 4th of July event, recreational events and programs, seasonal decoration of interior and exterior grounds of Town Hall, annual events at the swimming pool and the design and implementation of floral plantings and landscaping in Town parkways, bridges, and parks.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Responded to requests for information from citizens and assisted citizens in a timely manner
- Stayed updated and informed on the latest mosquito management program and responses
- Completed Town Hall 101 Program
- Completed messaging and forwarding of updated information to Town residents
- Held recreational events and programming
- Continued publication of the Monarch Herald Newsletter

OBJECTIVES FOR FISCAL YEAR 2025

- Respond to requests for information from residents in a timely manner
- Stay updated on the latest mosquito management program and responses
- Communicate and educate our residents and the public on mosquito control best practices
- Assess Town Hall 101 Program and make recommendations on how to increase participant engagement
- Develop a social media policy to increase the Town's footprint on social media
- Continue to assess how to improve resident engagement and update Town website and recreation software
- Develop increased community programming and recreational opportunities

PERFORMANCE INDICATORS

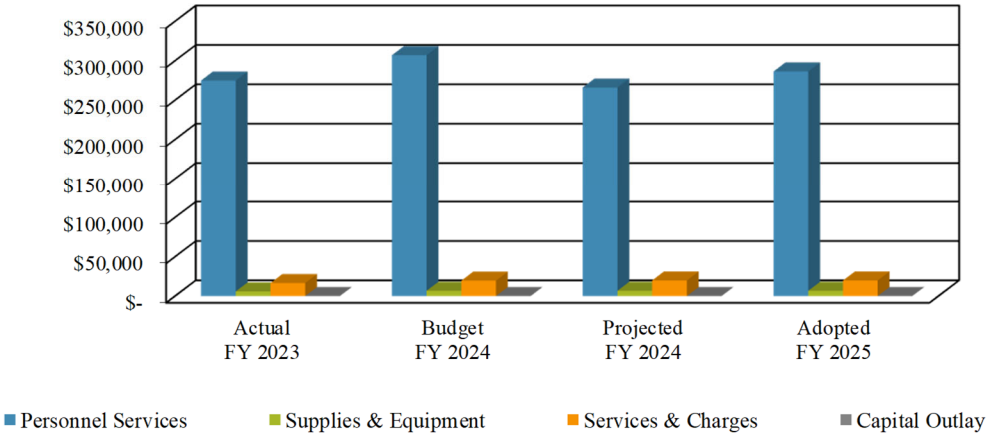
	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Tai Chi Classes Held (no longer offered)	54	41	0	0
Meditation Classes Held	60	43	49	50
Yoga in the Park Classes Held*	0	0	10	12
Percent Response to Resident Inquiries within 24-hours	100	100	100	100
Monarch Herald Resident Newsletter (issues per year)	12	12	12	12
HP Office Voice Employee Newsletter (issues per year)	12	12	10	12

* New program beginning November 2023

Community Services

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 274,840	$ 307,009	$ 265,948	$ 286,338	-6.73%
Supplies & Equipment	5,875	6,670	6,670	6,670	0.00%
Services & Charges	16,543	19,546	19,770	19,740	0.99%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 297,258**	**$ 333,225**	**$ 292,388**	**$ 312,748**	-6.15%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Assistant Development Services Director	E	1.0	1.0	1.0
Administrative Assistant	3	0.0	0.0	1.0
Management Assistant	5	1.0	1.0	0.0
Total Employees		2.0	2.0	2.0

Department of Public Safety

DEPARTMENT DESCRIPTION

The Department of Public Safety is responsible for enforcement of State statutes and Town Ordinances, maintenance of public order, enforcement of traffic codes, maintenance of safe traffic flow, fire suppression and prevention, control of animals, and rapid response to medical emergencies. Supervised by the Director of Public Safety, these responsibilities are met through uniformed personnel, trained, skilled, and certified in both police and fire disciplines and in many instances, emergency medical capabilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Successfully recruited and onboarded 9 new employees to reach 82 approved FTEs
- Successfully restructured the administrative function of DPS
- Replaced all AED Units in Town with new Zoll AED Units
- Implemented ESO Logistics Management software for better asset management and reporting
- Successfully engaged the community to form Public/Private Outreach Programs
- Onboarded Prepared 9-1-1 into communications
- Successful reaccreditation from CALEA accreditation agency
- Maintained Class 1 ISO rating for the Town through the State Fire Marshal's Office

OBJECTIVES FOR FISCAL YEAR 2025

- Continue work with Architect Design Group on Needs Analysis/Assessment for Town facilities
- Manage the relocation of Motorola radio equipment to the new elevated storage tank on Holland
- Implement Dynamark for the improved handling of alarms monitored by the Town
- Implement FLOCK License Plate Recognition (LPR) cameras in strategic locations on thoroughfares in Town
- Continue work on obtaining best practice certifications in both Fire and EMS
- Continue engaging the public through community outreach efforts
- Continue to work towards the implementation of the state mandated NextGen 9-1-1 program
- Continue fostering a culture focused on exceptional service and boosting employee morale

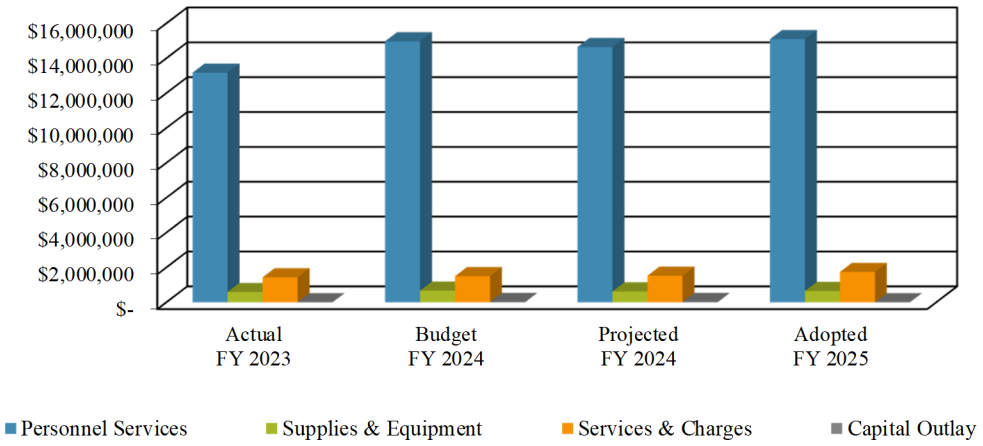
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Projected
Call Responses				
Police	10,011	9,842	11,460	10,438
Fire	834	1057	1074	988
Emergency Medical	435	482	467	461
Other Activity				
Fire Inspections	698	739	962	800
Major Crimes Reported	192	208	221	207
Response Time (minutes)				
Police	3.1	3.7	3.1	3.3
Fire	2.2	2.1	2.6	2.3
Emergency Medical	3.1	3.7	3.5	3.4

Department of Public Safety

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 13,173,917	$ 14,972,049	$ 14,641,588	$ 15,098,688	0.85%
Supplies & Equipment	588,364	667,832	625,045	649,956	-2.68%
Services & Charges	1,433,082	1,497,083	1,527,178	1,739,865	16.22%
Capital Outlay	-	14,194	16,000	-	0.00%
Total Department	**$ 15,195,363**	**$ 17,151,158**	**$ 16,809,811**	**$ 17,488,509**	1.97%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Director	E-4	1.0	1.0	1.0
Assistant Director	E-3	2.0	2.0	2.0
Deputy Chief	E-2	0.0	0.0	4.0
Captain	G	4.0	6.0	3.0
Lieutenant	F	5.0	6.0	6.0
Sergeant	E	5.0	5.0	4.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	37.0	43.0	43.0
Police Officer	B	2.0	1.0	1.0
Communications Manager	8	1.0	1.0	1.0
Communications Supervisor	6	1.0	1.0	1.0
Crime Analsyst	4	0.0	0.0	1.0
CID Clerk	4	0.0	1.0	0.0
Accreditation Manager	6	1.0	0.0	0.0
Communications Specialist	4	8.0	9.0	9.0
Alarm Specialist	5	1.0	1.0	1.0
Administrative Secretary	4	2.0	2.0	2.0
Total Employees		73.0	82.0	82.0

Street Department

DEPARTMENT DESCRIPTION

The Street Department is responsible for the repair and maintenance of the Town's infrastructure including an estimated 48-curb miles of streets, 15 miles of alleys, 519 storm inlets and associated piping, 630 streetlights, 13 traffic signals, 5,000 traffic signs, sidewalks, multiple bridges and roadway striping.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Repaired and maintained street surfaces utilizing recycled asphalt and new asphalt as needed
- Updated the Town streetlights inventory and electrical appurtenances and evaluated condition for repair and replacement program throughout the Town
- Repaired damaged storm sewers
- Inventoried and cleaned storm inlets and easement drainage flumes monthly
- Responded to emergency calls for all Town infrastructure
- Assisted with major storm cleanup

OBJECTIVES FOR FISCAL YEAR 2025

- Support water and sanitary sewer functions
- Respond to emergencies related to streets, water, sanitary sewer, and stormwater
- Maintain the Town's streets, alleys, easements, sidewalks, bridges, stormwater inlets, signs and striping
- Maintain street lighting including painting, repairs and LED conversions
- Continue to inventory established street signage for future repair and replacement
- Continue the repair and replacement program for Street Lighting
- Continue the inspection and repair of storm inlets

MAJOR BUDGET ITEMS

- $36,750 Repair materials
- $10,500 Street signage
- $15,000 Traffic signal consultants
- $38,267 Electrical service for street lights and traffic signals

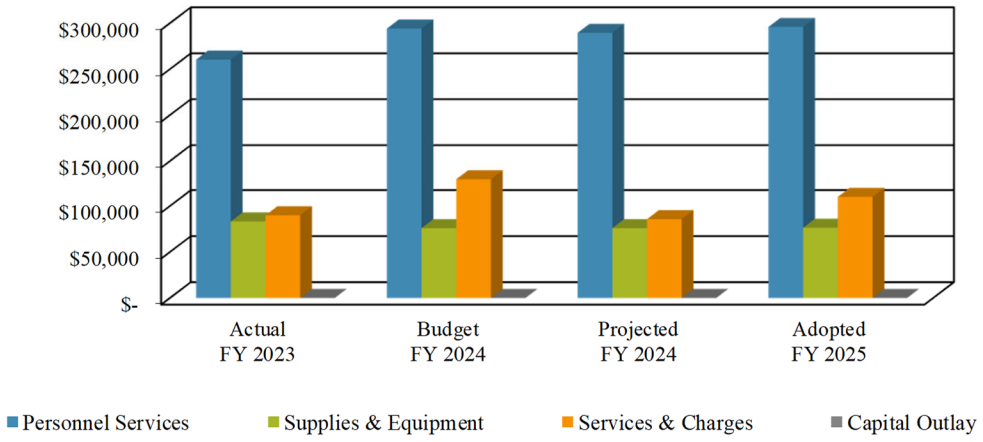
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Asphalt Repairs (Tons)	38	37.12	40	40
Average Annual Cleanings per Inlet	2.8	2.7	2.9	2.9
Storm Inlets Checked Monthly	100%	100%	100%	100%

Street Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 260,223	$ 294,056	$ 289,360	$ 295,803	0.59%
Supplies & Equipment	83,115	75,829	75,829	76,329	0.66%
Services & Charges	89,759	130,085	85,585	109,869	-15.54%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 433,097**	**$ 499,970**	**$ 450,774**	**$ 482,001**	-3.59%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Public Works Maint. Worker II	3	2.0	2.0	2.0
Public Works Maint. Worker I	2	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0

Library Department

DEPARTMENT DESCRIPTION

The Library powers imagination through creativity and discovery while providing quality public library access which fulfills the informational, educational, recreational and research needs of the community.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Completed and launched a Library specific application for use on Android and Apple mobile devices
- Created a Texas History online resources pathfinder as a featured part of the library's website. The pathfinder includes authoritative resources from organizations, such as the Texas Historical Commission, Texas State Historical Association, Texas State Library and Archives Commission, and The University of North Texas Libraries
- Increased Library programs for youth and adults, including additional STEAM (Science, Technology, Engineering, Art, and Mathematics) events for youth, such as a monthly STEAM Cinema program
- Introduced a vibrant, new logo for the library to communicate the library's function in the community
- Designed policies and procedures for the Book-A-Librarian service, which will provide personalized reference and research assistance to patrons

OBJECTIVES FOR FISCAL YEAR 2025

- Continue implementing projects from the updated *Next Steps* document for the Library Master Plan
- Further establish the library's brand to attract new users and increase engagement with current users by assessing emerging roles for the library within community life and tailoring marketing efforts to address and reflect those roles
- Assess the influence of and consistently strengthen the library's volunteer program
- Prioritize the customer experience to identify means for increasing ease of access to materials and services

MAJOR BUDGET ITEMS

- *Acquisition of new materials - books ($39,169), e-books ($13,000), e-audio books ($18,860), and children's books ($17,636). An additional $10,881 in funding is included for streaming services.*

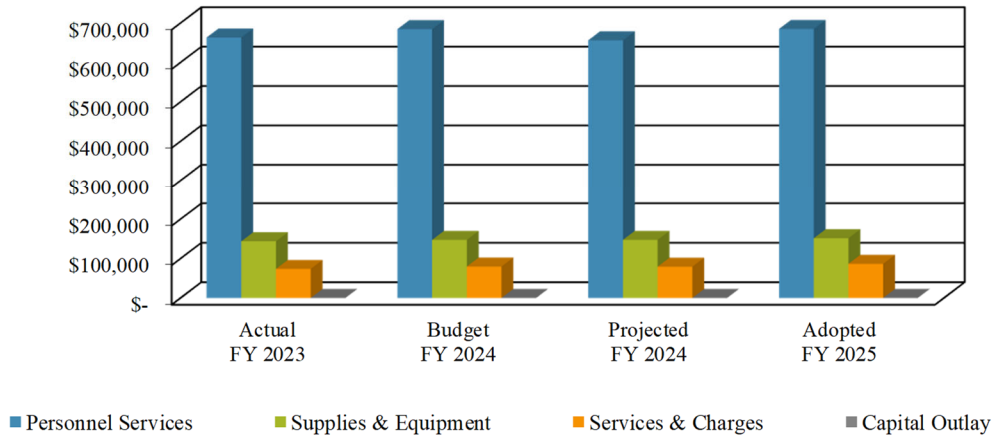
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Collection/Circulation				
Total Circulation (Physical & Digital)	67,005	71,166	74,749	76,244
eBooks and eAudiobooks Circulation	11,828	13,525	15,433	15,896
User Cards Issued/Outstanding				
Resident (excludes renewals)	473	510	552	565
Non-Resident	25	28	27	24
Total Valid Cards	498	538	579	591
Program Participation				
Total Program Participants	4,437	4,501	5,471	5,745

Library Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 663,188	$ 684,400	$ 656,264	$ 684,838	0.06%
Supplies & Equipment	143,688	147,235	147,235	151,266	2.74%
Services & Charges	73,641	79,561	79,247	86,629	8.88%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 880,517**	**$ 911,196**	**$ 882,746**	**$ 922,733**	1.27%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Town Librarian	E	1.0	1.0	1.0
Librarian	5	2.0	2.0	2.0
Library Administrative Assistant	3	1.0	1.0	1.0
Library Associate (Full-Time)	2	2.0	2.0	2.0
Library Associate (Part-Time)	2	0.5	0.5	0.5
Total Employees		6.5	6.5	6.5

Parks & Recreation

DEPARTMENT DESCRIPTION

Parks and Recreation is responsible for the management and maintenance of the Town's 22 park locations, 12 traffic islands, 7 tennis courts, 2 pickleball courts, swimming pool and Town Hall landscape. This department also manages the Town's recreation program. These activities promote the "quality of life" in Highland Park by providing a high standard of customer service and safe, well-maintained facilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Rebid and negotiated chemical application and mowing contracts
- Managed the Town's contracts for labor, turf maintenance, park maintenance, chemical application, tree trimming, and landscape lighting
- Maintained parks, parkway trees, swimming pool and tennis courts
- Completed design and installation of landscaping for the Teddy Bear Garden Improvements
- Completed design and installation of landscaping for the Lakeside Park Rehabilitation Project
- Completed design for the conversion of Tennis Court # 1 into 4 Pickleball courts

OBJECTIVES FOR FISCAL YEAR 2025

- Update and continue to implement a Parks Operations and Maintenance Plan
- Implement work order management software for park inspections
- Develop Parkway Tree Maintenance Program
- Develop a Parks Capital Improvement Plan
- Construct Prather Park Court Improvements (conversion of Tennis Court #1 into four pickleball courts)

MAJOR BUDGET ITEMS

- Plant and Vegetation Material ($121,750); Planting Material ($35,900)
- Town-wide maintenance contracts for Turf Maintenance ($158,900) Tree Trimming and Maintenance ($80,520); Landscape Lighting ($16,500); Recreation Program ($20,000)

PERFORMANCE INDICATORS

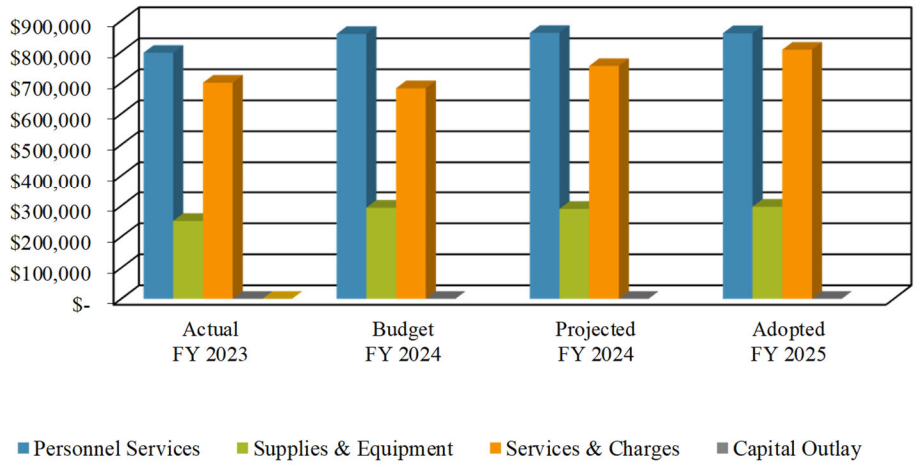
	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Number of Bulbs	23,350	24,850	25,000	27,000
Number of Quandrant Based Mosquito Sprays	7	9	9	10
Number of Annual Color Change Outs	3	3	3	3
Tennis Court Reservations	11,220	14,559	16,205	15,000
Pickleball Court Reservations*	-	9,715	9,471	13,000

Tracking starting in FY 2023.

Parks & Recreation

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 796,575	$ 857,374	$ 860,751	$ 859,742	0.28%
Supplies & Equipment	251,198	293,878	289,878	296,953	1.05%
Services & Charges	700,022	682,281	754,141	806,648	18.23%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 1,747,795**	**$ 1,833,533**	**$ 1,904,770**	**$ 1,963,343**	7.08%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Superintendent	8	0.0	1.0	1.0
Foreman	8	1.0	0.0	0.0
Parks Maintenance Specialist	4	1.0	1.0	1.0
Irrigation/Mosquito Inspector	4	1.0	1.0	1.0
Parks Maintenance Worker II	3	3.0	3.0	3.0
Parks Maintenance Worker I	1	1.0	1.0	1.0
Total Employees		7.0	7.0	7.0

Pool Department

DEPARTMENT DESCRIPTION

The Town's swimming pool facility is maintained by the Parks Department. The early swimming season begins in April and the regular season coincides with the school district's summer vacation. The Pool Department provides for an extended season which concludes at the end of November.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Provided a safe and clean facility for use of Town residents
- Maintained the expanded pool season and swimming programs
- Installed a new sundeck, sand filter, building roofs, and shade structure for mechanical equipment
- Implemented new software for pool administration
- Completed a Swimming Pool Assessment
- Continued to assess water quality protocol by refining data collection activities

OBJECTIVES FOR FISCAL YEAR 2025

- Provide a safe and clean facility for the enjoyment of the Town's residents
- Implement new system to inventory and track concessions purchases
- Maintain the expanded pool season
- Complete facility improvements including restroom renovations and updates to mechanical equipment
- Continue to assess water quality protocol by refining data collection activities
- Work to develop and meet with a resident advisory committee to discuss pool operations for future years

MAJOR BUDGET ITEMS

- Provision of staffing to accommodate the extended pool season and introduction of in-house swim instructors.

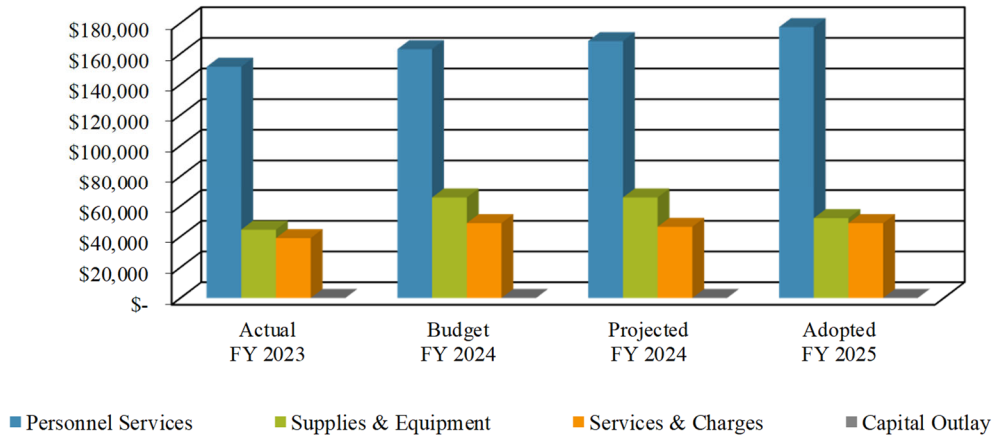
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Annual Pool Passes Sold	1,433	1,443	1,315	1,400
Daily Pool Passes Sold	2,676	2,360	1,762	2,000
Water Aerobics Classes Held	22	32	36	36
Lap Swim Average Daily Attendance	30.9	27.0	19.0	25
Open Swim Average Daily Attendance	175.8	138.0	113.0	120

Pool Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 151,456	$ 162,926	$ 168,180	$ 177,272	8.81%
Supplies & Equipment	44,525	65,515	65,515	52,050	-20.55%
Services & Charges	39,012	48,743	46,401	48,778	0.07%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 234,993**	**$ 277,184**	**$ 280,096**	**$ 278,100**	0.33%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Manager/Assistant Manager/Lifeguards	NA	3.4	3.4	3.4
Total Full Time Equivalent Employees*		3.4	3.4	3.4

* All positions within the pool department are part-time seasonal resulting in a relatively low full-time equivalent count.

Municipal Court Department

DEPARTMENT DESCRIPTION

The Municipal Court is the Court of Original Jurisdiction for all Class "C" Misdemeanors that occur within the Town limits. Duties include the efficient and effective delivery of customer service regarding traffic, criminal, Town ordinance and other miscellaneous violations of Code offenses within the Town's jurisdiction.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Maintained accurate records of documents and dispositions filed with the Court while providing prompt and courteous responses at the Court office.
- Improved daily operations in the court by participating in relevant training sessions and webinars
- Improved collections by streamlining the warrant process
- Updated the Court policies & procedures manual and implemented necessary changes
- Utilized the Court software to assist in time management and improve customer service
- Obtained approval and funding to convert the part-time court clerk to a full-time position
- Received a clean assessment from Dr. Alex del Carmen on the fair adjudication of cases
- Maintained the Court calendar, allowing defendants swift access to the Court system

OBJECTIVES FOR FISCAL YEAR 2025

- Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office
- Utilize the Court software to assist in time management and improve customer service
- Evaluate new laws passed during the 2025 State Legislative session to determine their impact on court procedures and implement necessary changes
- Continue to collect and monitor data associated with the disposition of citations as part of the Town's ongoing effort to ensure fair and consistent adjudication of cases
- Maintain Court calendar and website to allow defendants swift access to the Court system

MAJOR BUDGET ITEMS

- Municipal Court Prosecution Services ($35,700)

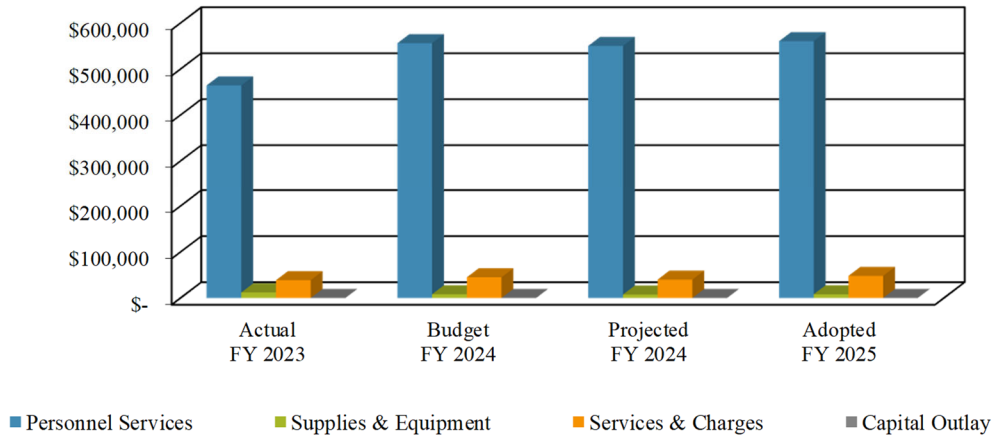
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Cases Filed				
Traffic	3,692	2,960	3,621	4,215
Parking	1,150	841	869	930
State Law	104	105	109	130
Town Ordinance	55	62	67	83
Total	5,001	3,968	4,666	5,358
Cases Disposed				
Prior to Trial	1,704	1,299	1,634	1,975
At Trial	283	319	299	223
Compliance Dismissals	1,749	980	1,530	1,785
Total	3,736	2,598	3,463	3,983
Percent Disposed to Filed	74.7%	65.5%	74.2%	74.3%

Municipal Court Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 464,158	$ 556,007	$ 550,126	$ 560,424	0.79%
Supplies & Equipment	12,008	8,040	7,331	8,000	-0.50%
Services & Charges	38,680	44,937	39,878	48,067	6.97%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 514,846**	**$ 608,984**	**$ 597,335**	**$ 616,491**	1.23%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Court Administrator	6	0.0	1.0	1.0
Senior Court Clerk II	5	1.0	0.0	0.0
Senior Court Clerk	3	0.0	1.0	1.0
Deputy Court Clerk	3	1.0	0.0	0.0
Court Clerk	2	0.0	1.0	1.0
Court Clerk (Part-time)	3	0.8	0.0	0.0
Marshall/Bailiff (Part-time)	NA	0.5	0.5	0.5
Court Security (Part-time)	NA	0.3	0.3	0.3
Total Employees		4.1	4.3	4.3

Finance Department

DEPARTMENT DESCRIPTION

The Finance Department is responsible for the accurate maintenance of all fiscal, human resources, and budget records pertaining to the operations of the Town. Areas of responsibility include general accounting, treasury functions, the annual audit, the preparation of the Annual Comprehensive Financial Report ("ACFR"), preparation of monthly financial and investment report for management, payment of all Town obligations, payroll processing, personnel administration, preparation of the Annual Budget, employee benefits administration, risk management and liability, and property insurance management.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Received the Government Finance Officers Association's ("GFOA") Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2023 ACFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2024
- Effectively managed the Town's investment portfolio in accordance with the Town's Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return
- Successfully implemented new credit card processor to ensure continuity of credit card payment processing
- Implemented enhanced anti-counterfeit measures to reduce the likelihood of inadvertently accepting counterfeit bills

OBJECTIVES FOR FISCAL YEAR 2025

- Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial reports
- Manage the Town's investment portfolio in accordance with the Town's Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return
- Develop a Popular Annual Financial Report (PAFR) for greater transparency to residents
- Execute timely and accurate payment of vendor invoices
- Receive the Government Finance Officers Association's ("GFOA") Certificate of Achievement for Excellence in Financial Reporting for the ACFR and the Distinguished Budget Presentation Award for the Annual Budget
- Continue efforts to streamline financial processes to improve processing efficiency
- Evaluate a major upgrade to the Town's ERP/financial system and/or explore market alternatives

PERFORMANCE INDICATORS

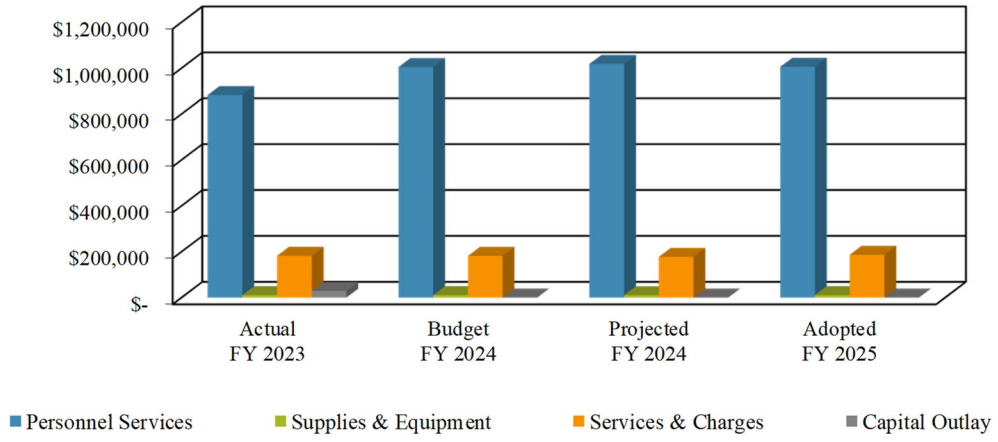
	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Awards Achieved from GFOA	2	2	2	2
Awards Achieved from GTOT*	**	1	**	1
Working days from fiscal year end to ACFR issuance	87	82	87	85
Employee Turn Over Ratio (regular and retirees)	17.8%	9.3%	8.4%	11.4%
Employee Turn Over Ratio (regular only)	9.9%	5.1%	6.9%	6.5%

*Award applies to two fiscal years

Finance Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 882,398	$ 1,004,141	$ 1,017,818	$ 1,005,448	0.13%
Supplies & Equipment	10,484	10,422	10,092	10,592	1.63%
Services & Charges	182,138	181,436	177,252	186,410	2.74%
Capital Outlay	28,638	-	-	-	0.00%
Total Department	**$ 1,103,658**	**$ 1,195,999**	**$ 1,205,162**	**$ 1,202,450**	0.54%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Assistant Town Administrator	E-4	0.0	1.0	1.0
Director of Admin Services & CFO	E-4	1.0	0.0	0.0
Director of Finance	E-2	0.0	1.0	1.0
Deputy Chief Financial Officer	E	1.0	0.0	0.0
Accounting Supervisor	6	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	1.0
Human Resources Coordinator	4	1.0	1.0	1.0
Administrative Assistant	3	1.0	1.0	1.0
Total Employees		6.0	6.0	6.0

Building Inspection Department

DEPARTMENT DESCRIPTION

The Building Inspection Department provides for the health, safety and general welfare of the Town by development, implementation and enforcement of building, plumbing, electrical and mechanical codes, zoning ordinances and code of ordinances. The Department also interprets and enforces specific provisions of State statutes such as The Texas Plumbing License Law, The Texas Architectural Barriers Act, The Texas Department of Licensing and Regulation, the Texas Commission on Environmental Quality and the Texas Department of State Health Services and statutes found in the Texas Local Government Code.

ACCOMPLISHMENTS OF FISCAL YEAR 2024

- Processed approximately 932 building, 200 mechanical, 256 electrical, and 408 plumbing permits generating approximately $1,179,377 in permit revenues
- Processed approximately 617 contractor registrations
- Processed approximately 114 residential plan reviews related to both remodel and new construction projects
- Performed approximately 7,843 building inspections related the previously mentioned projects

OBJECTIVES FOR FISCAL YEAR 2025

- Provide quality redevelopment for the Town
- Provide timely and accurate plan review services with new residential and remodel/addition plan reviews averaging two weeks
- Implement a new software platform (OpenGov) for building/construction permitting
- Reestablish regular meetings with the building community
- Improve development processes
- Provide excellence in customer service and proactive response in enforcement activities related to construction site management, occupied property maintenance, and illegal sign placement

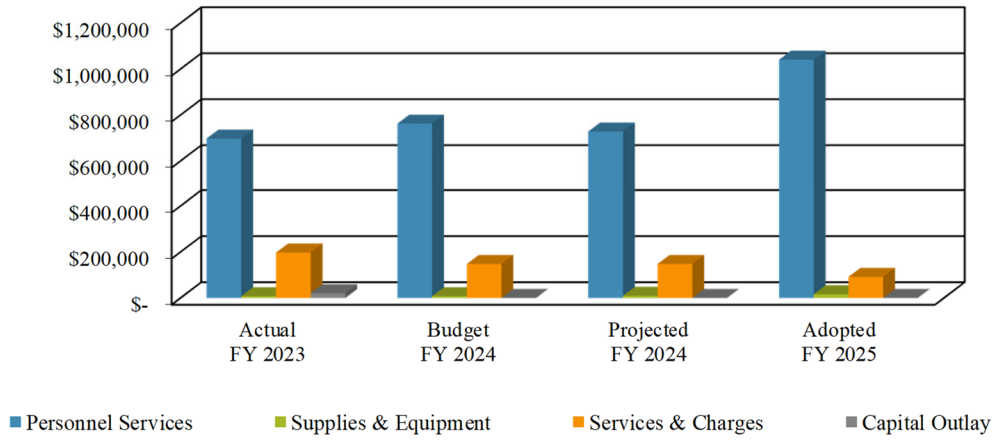
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Number of Inspections Performed	5,922	5,900	7,843	7,500
Total Permits Issued	1,700	1,700	1,796	1,800
Total Permit Fees & Licenses (in thousands)	$ 1,595	$ 1,533	$ 1,542	$ 1,600

Building Inspection Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 697,532	$ 761,939	$ 727,826	$ 1,040,439	36.55%
Supplies & Equipment	7,789	7,806	9,056	16,181	107.29%
Services & Charges	197,154	147,755	147,755	91,740	-37.91%
Capital Outlay	20,861	-	-	-	0.00%
Total Department	**$ 923,336**	**$ 917,500**	**$ 884,637**	**$ 1,148,360**	25.16%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Assistant Director of Town Services	E-1	0.0	0.0	0.0
Director of Development Services	E-1	1.0	1.0	1.0
Chief Building Official	8	0.0	0.0	1.0
Senior Building Inspector	7	0.0	0.0	1.0
Building Inspector	6	2.0	2.0	2.0
Development Services Coordinator	6	1.0	0.0	0.0
Plans Examiner	4	0.0	1.0	1.0
Building Permit Technician	3	1.0	1.0	1.0
Total Employees		5.0	5.0	7.0

Information Technology Department

DEPARTMENT DESCRIPTION

The Information Technology (IT) Department facilitates the organization of Information Technology throughout the Town; leverages emerging technologies to reduce cost, limits growth in the workforce, improves services to citizens and employees; provides the most innovative and cost-effective technology services; continually endeavors to identify and mitigate cybersecurity risks. The IT budget includes the personnel cost associated with the IT Manager position, necessary supplies and system-wide associated costs for network connectivity and network user support.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Acquired a new uninterruptible power supply and located the new unit in the server room freeing up space in the engine bay
- Replaced video surveillance system at Town Hall
- Conducted third party security testing
- Completed department network upgrades and computer replacements as scheduled
- Minimized operational disruption to users of the Town's network system and enterprise

OBJECTIVES FOR FISCAL YEAR 2025

- Replace network infrastructure that has reached the end of its useful life
- Develop a ten-year business plan
- Replace security access control system
- Conduct third party security testing
- Complete department network upgrades and computer replacements as scheduled
- Minimize operational disruption to users of the Town's network system and enterprise

MAJOR BUDGET ITEMS

- Managed service agreement ($244,800)
- Microsoft enterprise agreement ($101,953)

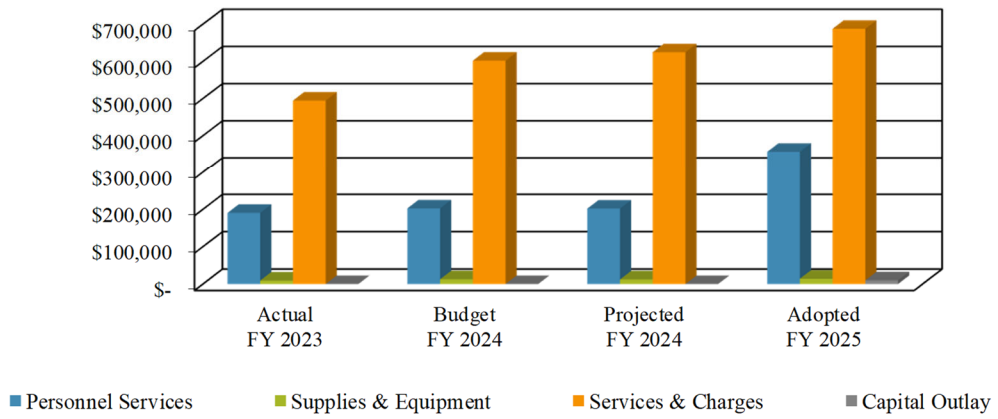
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Projected
Help Desk Support				
Support Requests	1,428	1,422	1,567	1,450
Service Hours	1,391	1,378	1,488	1,322
Network Uptime	99%	99%	99%	99%
Application Uptime	99%	99%	99%	99%

Information Technology Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 190,332	$ 202,370	$ 201,827	$ 356,498	76.16%
Supplies & Equipment	9,313	12,650	12,200	14,150	11.86%
Services & Charges	494,311	601,743	624,515	687,548	14.26%
Capital Outlay	-	-	-	10,000	0.00%
Total Department	**$ 693,956**	**$ 816,763**	**$ 838,542**	**$ 1,068,196**	30.78%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Information Technology Manager	E	1.0	1.0	1.0
Systems Analyst	8	0.0	0.0	1.0
Total Employees		1.0	1.0	2.0

Non-Departmental

DEPARTMENT DESCRIPTION

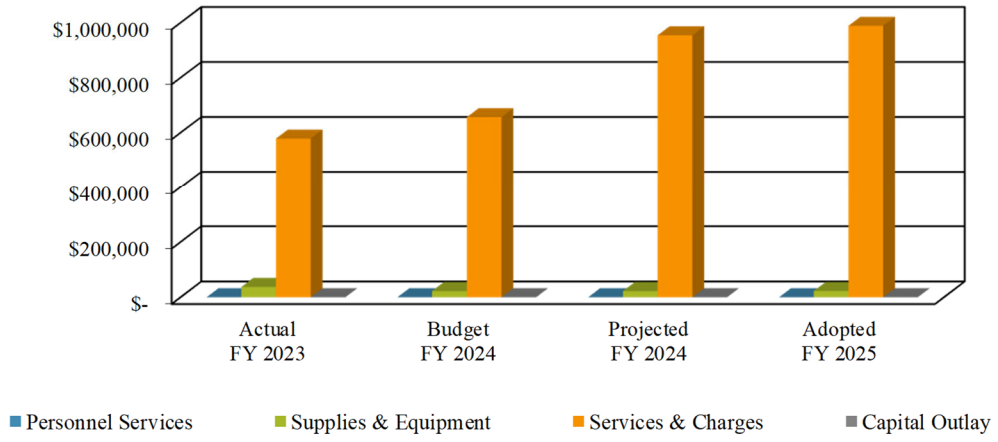
As a means of setting aside funds for expenditures that are not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherent public policy nature have been included in this cost center.

MAJOR BUDGET ITEMS

- Texas Municipal Retirement System supplemental contributions ($205,000)
- Work Order System ($177,000)
- Dallas Central Appraisal District ($79,667)
- Website Consulting and Maintenance ($30,240)
- Racial profiling reporting and Court data monitoring ($39,800)
- Health Insurance Consulting ($30,000)

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ -	$ -	$ -	$ -	0.00%
Supplies & Equipment	37,273	22,463	22,463	22,488	0.11%
Services & Charges	578,536	656,413	954,165	988,544	50.60%
Capital Outlay	-	-	-	-	0.00%
Total Department	**$ 615,809**	**$ 678,876**	**$ 976,628**	**$ 1,011,032**	48.93%



Transfer to Other Funds

DEPARTMENT DESCRIPTION

This Budget provides for a transfer of $4,740,525 in current revenues to the Capital Projects Fund as part of the Town's pay-as-you-go philosophy towards funding the capital improvement plan. This transfer is made possible through increases in taxable assessed values coupled with the Town approving a tax rate at the Voter Approval Rate.

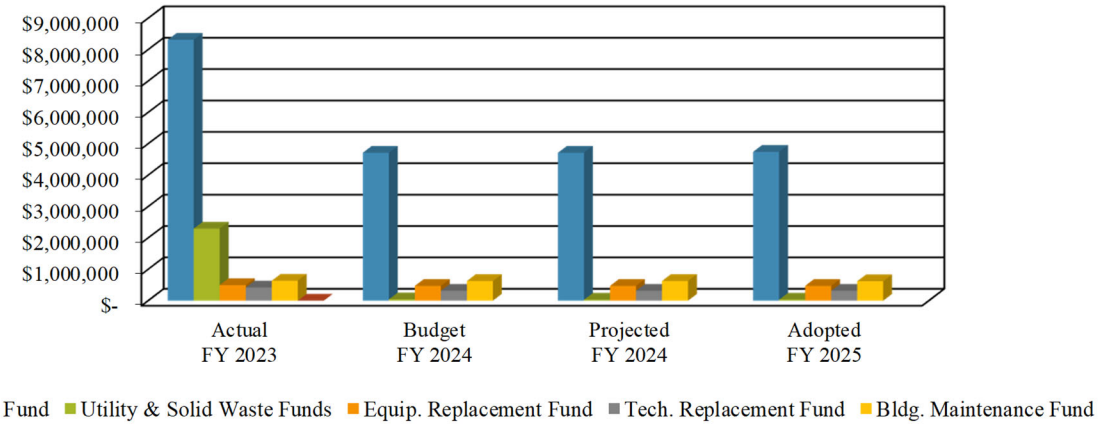
Other transfers include:

- Transfers to the Equipment Replacement Fund for future asset acquisition ($472,000)
- Transfers to the Technology Replacement Fund for future asset acquisition and upgrades ($316,000)
- Transfer to the Building Maintenance & Investment Fund representing the General Fund's share of Building Maintenance costs ($620,100)
- Transfer to the Solid Waste Fund to assist with funding the Household Hazardous Waste program ($30,500)

The Town's Statement of Financial Policies provides for the transfer of excess General Fund revenues over expenditures and encumbrances at the close of each fiscal year to the Capital Projects Fund.

TRANSFER SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Capital Projects Fund	$ 8,311,570	$ 4,712,080	$ 4,712,080	$ 4,740,525	0.60%
Utility & Solid Waste Funds	2,293,939	41,600	30,272	30,500	-26.68%
Equip. Replacement Fund	497,000	472,000	472,000	472,000	0.00%
Tech. Replacement Fund	418,781	315,598	315,598	316,000	0.13%
Bldg. Maintenance Fund	636,246	627,600	627,600	620,100	-1.20%
Total Department	**$ 12,157,536**	**$ 6,168,878**	**$ 6,157,550**	**$ 6,179,125**	0.17%



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UTILITY FUND

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

Basis of Accounting

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

UTILITY FUND OVERVIEW

The determination of the revenues necessary to fund the various services for FY 2024-25 begins with the calculation of total costs associated with services provided as well as anticipated capital improvements to be funded through water and wastewater rates. Program revenue, not generated through water and wastewater rates, are netted against anticipated costs for the upcoming fiscal year leaving the amount of costs to be recovered through water and wastewater rates (the "revenue requirement"). The Town maintains a rate structure that is tiered based on the amount of water consumed. Projected water consumption for the upcoming fiscal year is determined based on historical averages. By applying the projected consumption for the upcoming fiscal year to the Town's rate structure, rates necessary to generate the annual revenue requirement can be determined. For FY 2024-25, an adjustment of 6.5% was made to the rate structure for water and a 6.5 % adjustment was made for wastewater. The last time the Town increased its rate structure occurred in FY 2023-24 when an adjustment of 7.55% was made for water and 3% for wastewater.

- **Licenses and Permits**

  By ordinance, the Town requires the purchase of a permit for plumbing services performed within the Town.

- **Charges for Services**

  Water

  Revenues from the retail sale of water are projected to be $8,948,886 a $551,140 or 6.6% increase from the FY 2023-24 Adopted Budget. The Town anticipates selling 942,833,000 gallons of water during fiscal year 2024-25.

  The schedule in the Appendix/Historical Revenue and Expenditure Data reflects water sales (per 1,000 gallons) by category of use for the past ten (10) fiscal years.

  Wastewater

  The projected revenues from wastewater charges amount to $3,265,533 or about a 6.5% increase from the FY 2023-24 Adopted Budget.

- **Miscellaneous**

  Charges for meter replacements/installations are projected to be $32,000, which is comparable to the amount budgeted during FY 2023-24.

  Interest earnings are projected to be lower for FY 2024-25 due to anticipated lower yields as the Federal Reserve lowers the federal funds rate. There is also a reduction in investible funds resulting from the completion of ongoing capital projects. Interest earnings within the Utility Fund are projected to be $286,000 in FY 2024-25.

The total cost for Utility Fund services for FY 2024-25 is $14,782,805 (excluding transfers out) which is ($744,815) less than the budget adopted for FY 2023-24. This decrease is being primarily driven by the Holland Elevated Storage Tank Replacement project, the bulk of which was budgeted in FY 2023-24.

Approximately 35.6% of the overall Utility Fund Budget is related to contractual costs associated with 1) the purchase of treated water for resale from the Dallas County Park Cities Municipal Utility District (contract expires April 2032); and Sanitary Sewer Treatment from Dallas Water Utilities (contract expires February 2044).

Another significant portion of both the budget for FY 2024-25, as well as the work program associated with it, relates to the maintenance and/or replacement of the Town's water and wastewater system infrastructure. Since 1990, the Town has chosen to fund water and wastewater system infrastructure maintenance/replacement with current revenues. This Adopted Budget provides $3,180,449 from utility service revenues to fund the projects selected for FY 2024-25. The remainder of the $3,029,017 allocated for capital projects during FY 2024-25 is derived from accumulated resources in fund balance.

The Utility Fund will also contribute $1,550,500 to the General Fund for reimbursement of general & administrative costs for FY 2024-25. Additionally, the Utility Fund will provide $622,121 in funding of the Town's annual right-of-way maintenance/rehabilitation program. This amount represents 5% of water and wastewater sales, a right-of-way use fee and is reported as an inter-fund transfer to the Capital Projects Fund.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 139.

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 5,723,150**	**$ 10,099,572**	**$ 10,547,693**	**$ 6,497,650**
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	$ 54,757	$ 63,006	$ 62,120	$ 62,000
Charges for Services	11,773,524	11,611,453	12,527,698	12,480,419
Fines & Forfeits	78,044	63,482	79,480	75,000
Miscellaneous	826,142	506,723	749,224	960,125
Total Revenues	**$12,732,467**	**$ 12,244,664**	**$ 13,418,522**	**$ 13,577,544**
Other Sources:				
Transfers In	$ 2,624,472	$ 474,500	$ 475,600	$ 503,800
Total Other Sources	**$ 2,624,472**	**$ 474,500**	**$ 475,600**	**$ 503,800**
Total Revenues/Sources	**$15,356,939**	**$ 12,719,164**	**$ 13,894,122**	**$ 14,081,344**
EXPENSES - BY DEPARTMENT				
Utility Customer Service Department	$ 416,434	$ 461,735	$ 449,236	$ 465,029
Water Department	5,234,812	12,624,338	12,982,522	8,627,893
Sanitary Sewer Department	2,034,858	1,576,598	1,498,343	4,412,146
Engineering Department	828,162	864,949	845,627	1,277,737
Total Expenses	**$ 8,514,266**	**$ 15,527,620**	**$ 15,775,728**	**$ 14,782,805**
Other Uses:				
Transfers Out	$ 2,018,130	$ 2,168,437	$ 2,168,437	$ 2,327,556
Total Other Uses	$ 2,018,130	**$ 2,168,437**	**$ 2,168,437**	**$ 2,327,556**
Total Expenses/Uses	**$10,532,396**	**$ 17,696,057**	**$ 17,944,165**	**$ 17,110,361**
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	**$ 4,824,543**	**$ (4,976,893)**	**$ (4,050,043)**	**$ (3,029,017)**
ENDING FUND BALANCE	**$10,547,693**	**$ 5,122,679**	**$ 6,497,650**	**$ 3,468,633**
Ideal Fund Balance	**$ 2,129,707**	**$ 2,291,889**	**$ 2,342,509**	**$ 2,569,694**
Fund Balance in Excess of Minimum	**$ 8,417,986**	**$ 2,830,790**	**$ 4,155,141**	**$ 898,940**

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

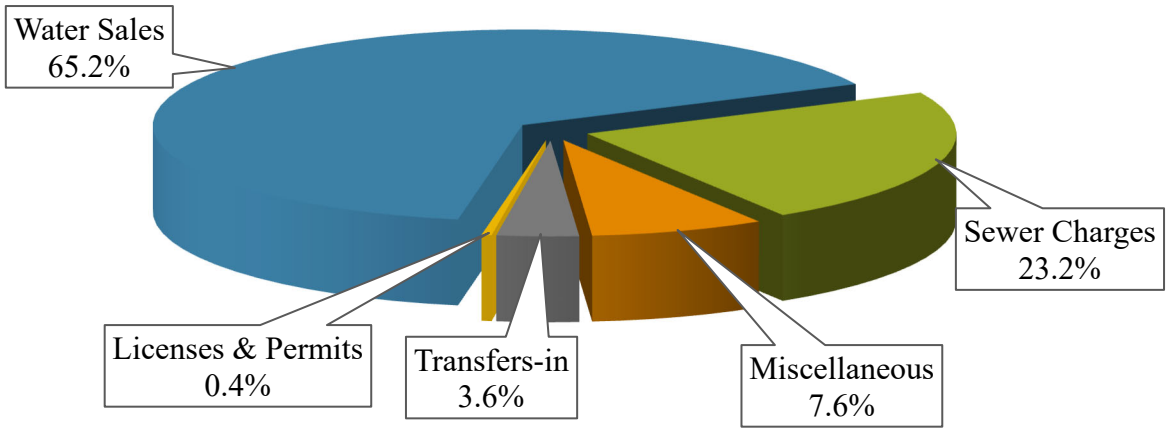
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 5,723,150**	**$ 10,099,572**	**$ 10,547,693**	**$ 6,497,650**
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	$ 54,757	$ 63,006	$ 62,120	$ 62,000
Charges for Services	11,773,524	11,611,453	12,527,698	12,480,419
Fines & Forfeits	78,044	63,482	79,480	75,000
Miscellaneous	826,142	506,723	749,224	960,125
Total Revenues	**$12,732,467**	**$ 12,244,664**	**$ 13,418,522**	**$ 13,577,544**
Other Sources:				
Transfers In	$ 2,624,472	$ 474,500	$ 475,600	$ 503,800
Total Other Sources	$ 2,624,472	**$ 474,500**	**$ 475,600**	**$ 503,800**
Total Revenues/Sources	**$15,356,939**	**$ 12,719,164**	**$ 13,894,122**	**$ 14,081,344**
EXPENSES - BY TYPE				
Personnel Services				
Payroll	$ 1,381,626	$ 1,457,615	$ 1,405,968	$ 1,827,613
Payroll Taxes	97,008	106,269	100,452	135,715
Retirement	165,232	189,672	184,956	232,471
Insurance	192,644	206,446	177,959	200,712
Total Personnel	**$ 1,836,510**	**$ 1,960,002**	**$ 1,869,335**	**$ 2,396,511**
Supplies & Equipment	3,661,700	4,086,503	4,450,160	4,321,271
Services & Charges	1,536,143	1,531,115	1,506,233	1,855,557
Capital Outlay	1,479,913	7,950,000	7,950,000	6,209,466
Total Expenses	**$ 8,514,266**	**$ 15,527,620**	**$ 15,775,728**	**$ 14,782,805**
Other Uses:				
Transfers Out	$ 2,018,130	$ 2,168,437	$ 2,168,437	$ 2,327,556
Total Other Uses	**$ 2,018,130**	**$ 2,168,437**	**$ 2,168,437**	**$ 2,327,556**
Total Expenses/Uses	**$10,532,396**	**$ 17,696,057**	**$ 17,944,165**	**$ 17,110,361**
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	**$ 4,824,543**	**$ (4,976,893)**	**$ (4,050,043)**	**$ (3,029,017)**
ENDING FUND BALANCE	**$10,547,693**	**$ 5,122,679**	**$ 6,497,650**	**$ 3,468,633**
Ideal Fund Balance	**$ 2,129,707**	**$ 2,291,889**	**$ 2,342,509**	**$ 2,569,694**
Fund Balance in Excess of Minimum	**$ 8,417,986**	**$ 2,830,790**	**$ 4,155,141**	**$ 898,940**

UTILITY FUND
STATEMENT OF REVENUES

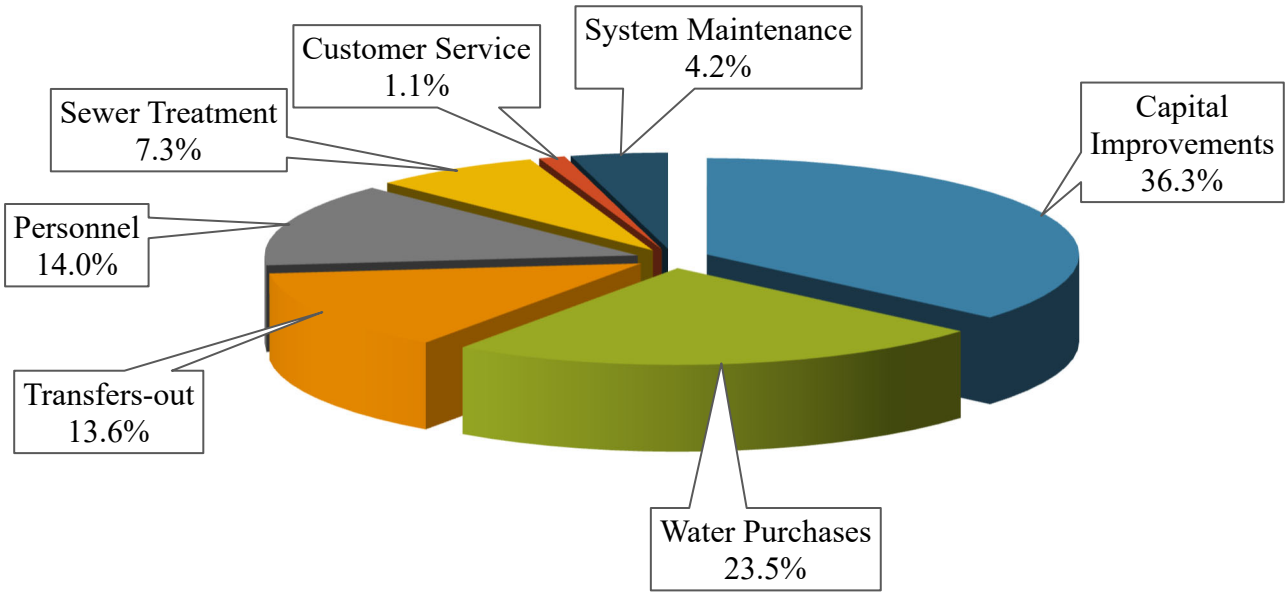
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
Licenses & Permits				
Plumbing Permits	$ 54,757	$ 63,006	$ 62,120	$ 62,000
Subtotal	**$ 54,757**	**$ 63,006**	**$ 62,120**	**$ 62,000**
Charges For Services				
Water Sales	$ 8,556,586	$ 8,397,746	$ 9,171,354	$ 8,948,886
Inter-Dept Water Sales	225,532	110,977	253,563	228,000
Sewer Charges	2,965,416	3,064,870	3,057,631	3,265,533
Meter Installation	20,450	31,856	39,150	32,000
Other Charges	5,540	6,004	6,000	6,000
Subtotal	**$ 11,773,524**	**$ 11,611,453**	**$ 12,527,698**	**$ 12,480,419**
Fines & Forfeits				
Late Payment Penalties	$ 78,044	$ 63,482	$ 79,480	$ 75,000
Subtotal	**$ 78,044**	**$ 63,482**	**$ 79,480**	**$ 75,000**
Miscellaneous				
Interest	$ 537,902	$ 503,713	$ 748,224	$ 286,000
Sale of Assets	-	-	-	-
Contributions	278,999	-	-	-
Miscellaneous	9,241	3,010	1,000	674,125
Subtotal	**$ 826,142**	**$ 506,723**	**$ 749,224**	**$ 960,125**
Total Revenues	**$ 12,732,467**	**$ 12,244,664**	**$ 13,418,522**	**$ 13,577,544**

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED EXPENSES AND USES BY TYPE



Utility Customer Service Department

DEPARTMENT DESCRIPTION

The Utility Customer Service Department is responsible for the administration of the billing and collection of payment for water, sanitary sewer, and sanitation services in accordance with rates set by the Town Council. Other services managed by the department include annual animal licensing, tennis and swim permit sales. This department serves as the Town's main telephone operator, providing prompt and courteous service by addressing questions and concerns of citizens and visitors.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Maintained the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- Continued monthly consumption analysis, identifying abnormal consumption based on historical data, using electronic readings to identify the time and date of consumption
- Effectively managed online sales of tennis and annual/daily swim permits in CivicRec
- Continued promotion of the WaterSmart Customer Portal to consumers
- Utilized the CivicRec registration and reservation system to register customers for the Household Hazardous Waste Event and provide the required form for items eligible for drop-off
- Effectively promoted electronic bill delivery (e-bill) resulting in an approximate overall 20% increase in the number of e-bills processed (reduces costs associated with printing and mailing paper bills)

OBJECTIVES FOR FISCAL YEAR 2025

- Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption using electronic readings to identify the time and date of consumption
- Promote the WaterSmart Customer Portal through one-on-one conversations, group messaging and marketing opportunities
- Pursue additional methods to increase WaterSmart registration and participation
- Develop welcome packets for new residents

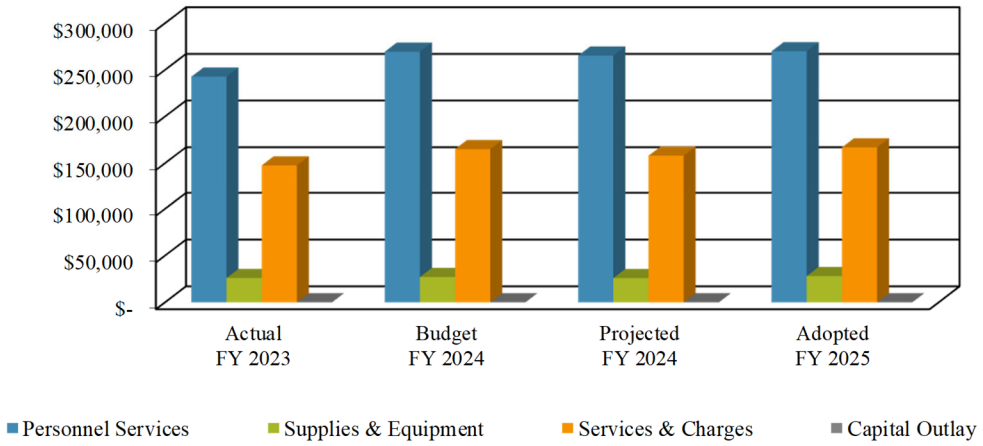
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Utility Service				
WaterSmart Participation	59.0%	58.0%	58.0%	61%
WaterSmart Leak Alerts	6,532	7,702	6,679	7,350
New Deposits (#)	247	237	256	250
Service Requests Processed	3,337	3,879	2,661	3390
Percent of Survey Responses with a Superior Rating for Employee Knowledge and Timely Request Processing	92.5%	95.2%	90.0%	0.926
Billing & Payment Options				
Bills Prepared	35,495	35,093	34,239	33,295
E-Bills Prepared	5,227	5,846	6,961	7,310
Bank Draft Customers (recurring)	1,502	1,499	1,505	1,575
Credit Card Draft Customers (recurring)	423	505	563	575

Utility Customer Service Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 242,769	$ 269,466	$ 265,258	$ 269,974	0.19%
Supplies & Equipment	$ 26,066	$ 27,184	$ 25,945	$ 28,122	3.45%
Services & Charges	$ 147,599	$ 165,085	$ 158,033	$ 166,933	1.12%
Capital Outlay	$ -	$ -	$ -	$ -	-
Total Department	**$ 416,434**	**$ 461,735**	**$ 449,236**	**$ 465,029**	0.71%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	2.0	2.0	2.0
Total Employees		3.0	3.0	3.0

Water Department

DEPARTMENT DESCRIPTION

The Water Department is responsible for providing the Town with a reliable supply of potable water. The maintenance of the water distribution system includes over 40 miles of water mains, 262 fire hydrants, one elevated storage tank (750,000 gallons) and one ground storage tank (1,500,000 gallons). Treated water is purchased from the Dallas County Park Cities Municipal Utility District.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Conducted routine maintenance on the Town's water system
- Conducted National Fire Protection Association (NFPA) inspections and maintenance on all hydrants in the Town
- Continued the replacement of aging water lines through the Town's CIP program
- Continued replacement of water meters

OBJECTIVES FOR FISCAL YEAR 2025

- Conduct routine maintenance on the Town's water system
- Provide funding for infrastructure replacement program through the water rate structure
- Complete one-third of the Lead Service Line Inventory investigations
- Complete the construction of the new 750,000 gallon elevated storage tank and place into operation
- Continue the Town's meter replacement program
- Continue NFPA annual inspections and maintenance on all hydrants in the Town

MAJOR BUDGET ITEMS

- Purchase of treated water from the Dallas County Park Cities Municipal Utility District at an anticipated cost of $4,013,740
- Water system capital improvements totaling $3,387,858
- Addition of a operations supervisor at an estimated cost of $137,775

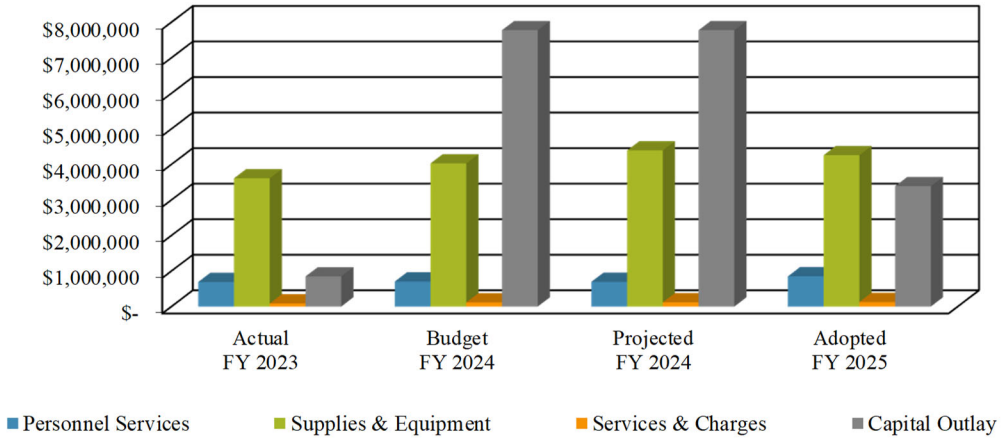
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Water Meters Installed/Replaced	326	222	275	300
Percent of Survey Responses with a Superior Rating for Employee Knowledge and Timely Request Processing	88.7%	89.9%	89.0%	89.0%

Water Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 692,339	$ 703,925	$ 695,043	$ 851,186	20.92%
Supplies & Equipment	3,607,743	4,027,422	4,392,318	4,259,252	5.76%
Services & Charges	87,952	117,991	120,161	129,597	9.84%
Capital Outlay	846,778	7,775,000	7,775,000	3,387,858	-56.43%
Total Department	**$ 5,234,812**	**$ 12,624,338**	**$12,982,522**	**$ 8,627,893**	-31.66%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Superintendent	8	1.0	1.0	1.0
Operations Supervisor	6	0.0	0.0	1.0
Public Works Coordinator	5	1.0	1.0	1.0
Public Works Maintenance Worker III	4	3.0	3.0	3.0
Total Employees		5.0	5.0	6.0

Sanitary Sewer Department

DEPARTMENT DESCRIPTION

The Sanitary Sewer Department is responsible for providing the Town with a reliable and sound system of wastewater collection. The operation of the wastewater collection system includes approximately 37 miles of sewer mains serving 3,200 customers and approximately 500 manholes. The Town contracts with Dallas Water Utilities for the treatment of wastewater.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Sanitary sewer collection system maintained, keeping service interruptions to a minimum
- Continued Town's program of systematically flushing sanitary sewer lines twice annually
- Continued to address inflow and infiltration (I&I) through infrastructure maintenance and replacement
- Installed new watertight manholes to mitigate I&I and overflow

OBJECTIVES FOR FISCAL YEAR 2025

- Decrease I&I into the wastewater collection system
- Complete infrastructure improvements to the sanitary sewer system to reduce or eliminate overflows
- Replace existing manhole lids and rings with new watertight lids and rings as well as replace old and damaged rain guards
- Continue Town's program of systematically flushing and cleaning sanitary sewer mains

MAJOR BUDGET ITEMS

- Annual wastewater treatment expense totaling $1,247,836

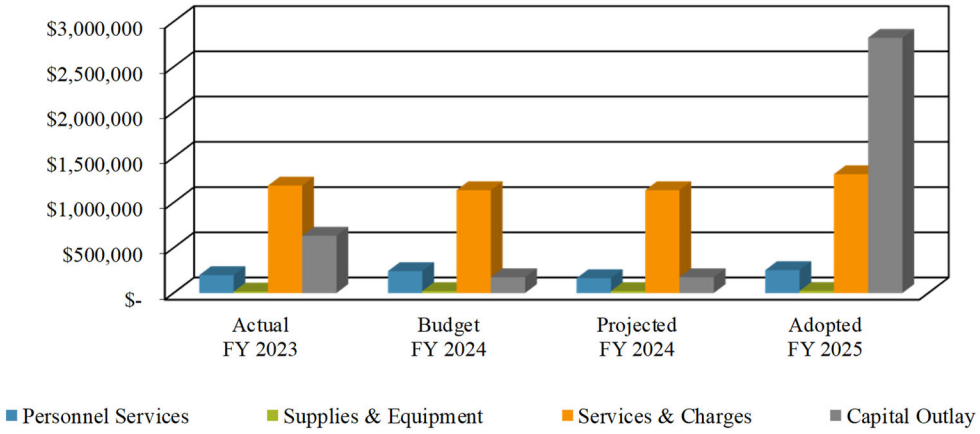
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Service Calls	49	16	25	25
Sewer Mains Cleaned (Flushed)	486	652	500	600
Percent of Survey Responses with a Superior Rating for Employee Knowledge and Timely Request Processing	80.0%	89.6%	89.0%	89%

Sanitary Sewer Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 197,907	$ 242,574	$ 164,319	$ 253,626	4.56%
Supplies & Equipment	16,452	21,685	21,685	23,685	9.22%
Services & Charges	1,187,364	1,137,339	1,137,339	1,313,227	15.46%
Capital Outlay	633,135	175,000	175,000	2,821,608	1512.35%
Total Department	**$ 2,034,858**	**$ 1,576,598**	**$ 1,498,343**	**$ 4,412,146**	179.85%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Public Works Maintenance Worker III	4	2.0	2.0	2.0
Total Employees		2.0	2.0	2.0

Engineering Department

DEPARTMENT DESCRIPTION

The Engineering department is responsible for the planning, design, construction and inspection of capital improvement projects for the Town. Projects include roadway reconstruction and rehabilitation, waterline and wastewater line replacement, and drainage improvements. The department is also responsible for floodplain management, traffic control, and Geographic Information System Mapping.

ACCOMPLISHMENTS FOR FISCAL YEAR 2024

- Met annual objectives and reporting requirements to state and federal agencies
- Awarded the design contract for the 2024 Alley Reconstruction and Utility Improvements
- Awarded the design contract for the 2024 Drainage Easement Project
- Awarded the construction contract for the Holland Elevated Storage Tank Project
- Completed 25,000 linear feet of smoke testing in connection with the Sanitary Sewer Overflow Initiative
- Completed the construction of Lakeside Park Hardscape Project
- Completed construction of Mockingbird Lane Reconstruction from Westside Drive to Eastern Avenue
- Completed sidewalk and parkway improvements at Armstrong Elementary School
- Completed approximately 783,550 SF of pavement preservation
- Completed approximately 17,870 SY of asphalt resurfacing
- Completed the 2023 Traffic Signal Upgrades

OBJECTIVES FOR FISCAL YEAR 2025

- Comply with the annual reporting requirements for state and federal agencies
- Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps
- Complete design, bid, award, and begin construction of the 2024 Alley Reconstruction and Utility Improvements project
- Complete design, bid, award, and begin construction of the 2024 Drainage Easement Project
- Complete design, bid, award, and begin construction of the Wycliffe Avenue Reconstruction Project
- Complete design, bid, award, and begin construction of Potomac/Auburndale Avenue Reconstruction project from Key Street to Hillcrest Avenue including stormwater improvements
- Complete design, bid, award, and begin construction of the Beverly Drive Reconstruction project from Westside Drive to Eastern Avenue
- Complete design, bid, award, and begin construction of the Beverly Drive and Miramar Avenue Hackberry Creek Roadway Crossings
- Complete construction of the replacement of the Holland Elevated Storage Tank
- Complete the 2024 Traffic Signal Upgrades
- Complete and award construction of the dredging of Exall Lake

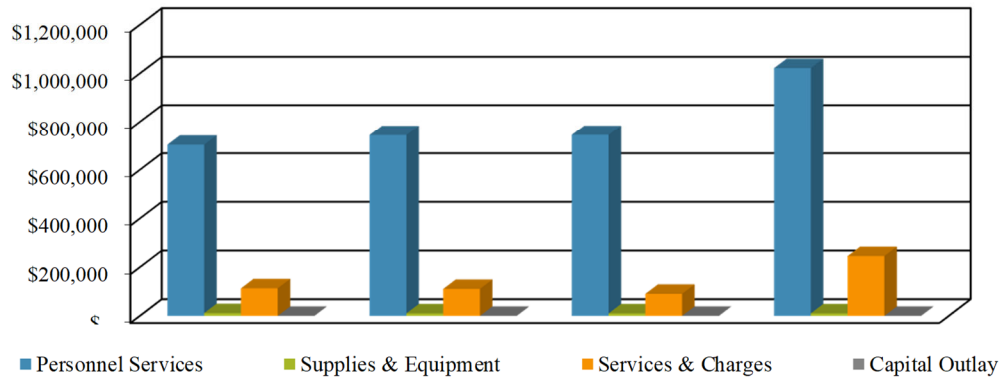
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Sanitary Sewer Overflows	2	-	-	-
Street Resurfacing (Linear Feet)	6,400	3,300	6,400	6,400
Water Main Replacement (Linear Feet)	5,234	2,200	2,300	3,300
Sanitary Sewer Main Replacement (Linear Feet)	5,044	3,300	2,200	3,300

Engineering Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ 703,495	$ 744,037	$ 744,715	$ 1,021,725	37.32%
Supplies & Equipment	11,439	10,212	10,212	10,212	0.00%
Services & Charges	113,228	110,700	90,700	245,800	122.04%
Capital Outlay	-	-	-	-	-
Total Department	**$ 828,162**	**$ 864,949**	**$ 845,627**	**$ 1,277,737**	47.72%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2023 Budget	FY2024 Budget	FY2025 Budget
Director of Engineering	E-3	1.0	1.0	1.0
Asst. Dir. of Engineering & PW	E	1.0	1.0	1.0
Engineering Technician	8	0.0	0.0	1.0
Project Coordinator	5	0.0	0.0	0.0
Construction Inspector	5	1.0	1.0	2.0
Engineering Tech	5	0.0	0.0	0.0
Project Manager	5	1.0	1.0	1.0
Total Employees		4.0	4.0	6.0

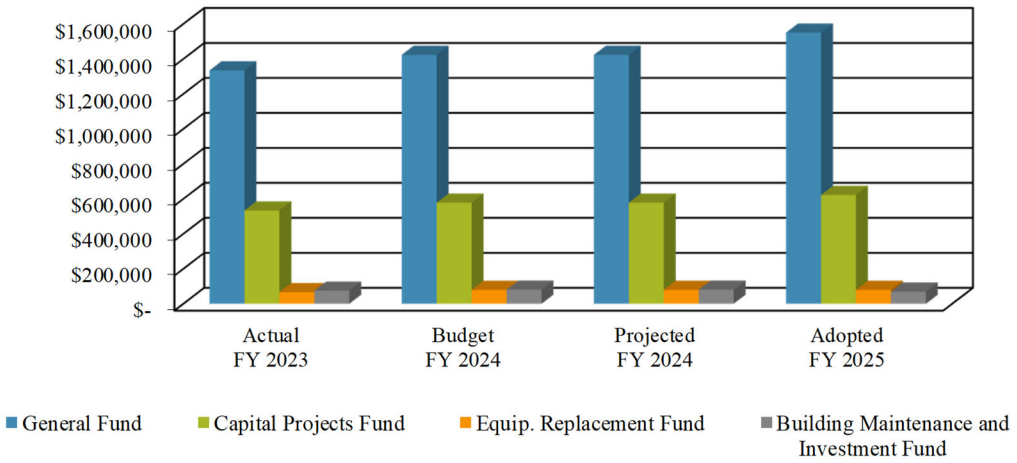
Transfer to Other Funds

DEPARTMENT DESCRIPTION

This Budget provides for the transfer of $2,327,556 from the Utility Fund to other funds. Included is a transfer of $1,550,500 to the General Fund for G&A cost reimbursement, $621,151 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

TRANSFER SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
General Fund	$ 1,334,700	$ 1,423,600	$ 1,423,600	$ 1,550,500	8.91%
Capital Projects Fund	533,654	578,502	578,502	622,121	7.54%
Equip. Replacement Fund	66,900	79,650	79,650	79,650	0.00%
Tech. Replacement Fund	7,676	5,785	5,785	5,785	0.00%
Building Maintenance and Investment Fund	75,200	80,900	80,900	69,500	-14.09%
Total Department	**$ 2,018,130**	**$ 2,168,437**	**$ 2,168,437**	**$ 2,327,556**	7.34%



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

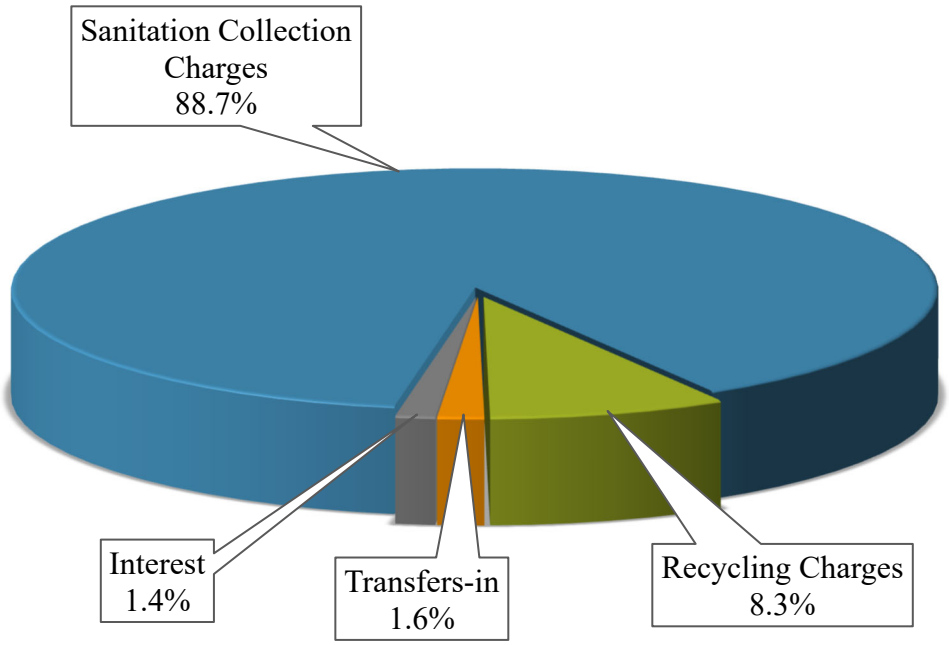
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 317,371**	**$ 352,313**	**$ 385,815**	**$ 356,399**
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,670,811	1,754,793	1,782,354	1,824,985
Miscellaneous	22,407	19,490	28,495	26,015
Total Revenues	**$ 1,693,218**	**$ 1,774,283**	**$ 1,810,849**	**$ 1,851,000**
Other Sources:				
Transfers In	$ 43,300	$ 41,600	$ 30,272	$ 30,500
Total Other Sources	**$ 43,300**	**$ 41,600**	**$ 30,272**	**$ 30,500**
Total Revenues/Sources	**$ 1,736,518**	**$ 1,815,883**	**$ 1,841,121**	**$ 1,881,500**
EXPENSES - BY DEPARTMENT				
Sanitation Department	$ 1,515,274	$ 1,655,692	$ 1,724,137	$ 1,739,254
Total Expenses	**$ 1,515,274**	**$ 1,655,692**	**$ 1,724,137**	**$ 1,739,254**
Other Uses:				
Transfers Out	$ 152,800	$ 145,300	$ 146,400	$ 154,800
Total Other Uses	**$ 152,800**	**$ 145,300**	**$ 146,400**	**$ 154,800**
Total Expenses/Uses	**$ 1,668,074**	**$ 1,800,992**	**$ 1,870,537**	**$ 1,894,054**
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	**$ 68,444**	**$ 14,891**	**$ (29,416)**	**$ (12,554)**
ENDING FUND BALANCE	**$ 385,815**	**$ 367,204**	**$ 356,399**	**$ 343,845**
Ideal Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**
Fund Balance in Excess of Minimum	**$ 385,815**	**$ 367,204**	**$ 356,399**	**$ 343,845**

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

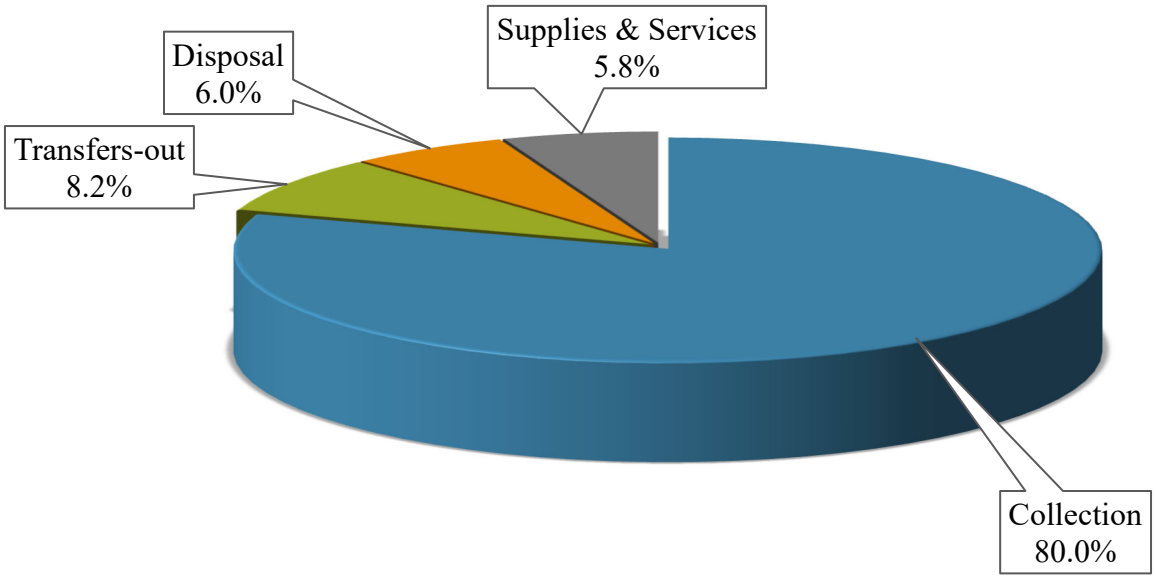
	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 317,371**	**$ 352,313**	**$ 385,815**	**$ 356,399**
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,670,811	1,754,793	1,782,354	1,824,985
Miscellaneous	22,407	19,490	28,495	26,015
Total Revenues	**$ 1,693,218**	**$ 1,774,283**	**$ 1,810,849**	**$ 1,851,000**
Other Sources:				
Transfers In	$ 43,300	$ 41,600	$ 30,272	$ 30,500
Total Other Sources	$ 43,300	**$ 41,600**	**$ 30,272**	**$ 30,500**
Total Revenues/Sources	**$ 1,736,518**	**$ 1,815,883**	**$ 1,841,121**	**$ 1,881,500**
EXPENSES - BY TYPE				
Supplies & Equipment	$ 23,335	$ 25,000	$ 25,000	$ 25,000
Services & Charges	1,491,939	1,630,692	1,699,137	1,714,254
Capital Outlay	-	-	-	-
Total Expenses	**$ 1,515,274**	**$ 1,655,692**	**$ 1,724,137**	**$ 1,739,254**
Other Uses:				
Transfers Out	$ 152,800	$ 145,300	$ 146,400	$ 154,800
Total Other Uses	**$ 152,800**	**$ 145,300**	**$ 146,400**	**$ 154,800**
Total Expenses/Uses	**$ 1,668,074**	**$ 1,800,992**	**$ 1,870,537**	**$ 1,894,054**
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	**$ 68,444**	**$ 14,891**	**$ (29,416)**	**$ (12,554)**
ENDING FUND BALANCE	**$ 385,815**	**$ 367,204**	**$ 356,399**	**$ 343,845**

SOLID WASTE FUND

BUDGETED REVENUES AND SOURCES BY TYPE



BUDGETED EXPENSES AND USES BY TYPE



SOLID WASTE FUND
STATEMENT OF REVENUES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
Charges For Services				
Sanitation Collection Charges	$ 1,527,938	$ 1,604,727	$ 1,628,256	$ 1,668,916
Recycling Charges	142,873	150,066	154,098	156,069
Other Charges	-	-	-	-
Subtotal	**$ 1,670,811**	**$ 1,754,793**	**$ 1,782,354**	**$ 1,824,985**
Miscellaneous				
Interest	$ 22,407	$ 19,490	$ 28,495	$ 26,015
Miscellaneous	-	-	-	-
Subtotal	**$ 22,407**	**$ 19,490**	**$ 28,495**	**$ 26,015**
Total Revenues	**$ 1,693,218**	**$ 1,774,283**	**$ 1,810,849**	**$ 1,851,000**

Sanitation Department

DEPARTMENT DESCRIPTION

The collection and disposal of the Town's solid waste, brush, and recyclable materials is performed under contract by Republic Services. The Town also contracts for sanitary landfill access with Skyline Landfill. This Department serves as the cost center for these services.

ACCOMPLISHMENTS OF FISCAL YEAR 2024

- Provided a quick response to complaints
- Assisted with brush pickup from major storm event that occurred in May
- Transitioned to Republic for the storage and delivery of all trash and recycling polycarts
- Partnered with University Park to provide two recycling events for both communities
- Held two Household Hazardous Waste collection events for residents

OBJECTIVES FOR FISCAL YEAR 2025

- Provide a quick response to complaints
- Contract administration and vendor coordination for related services
- Continue awareness and promotion of the Household Hazardous Waste and Recycling Programs
- Continue to participate in the Park Cities Recycling event with the City of University Park
- Continue the Household Hazardous Waste (HHW) program for residents

MAJOR BUDGET ITEMS

- Replacement Poly Carts ($25,000)
- Service Contracts
  - Solid Waste Collection $ 1,352,241
  - Recyclables Collection $ 163,593
  - Tree Trimming $ 30,000
  - Household Hazardous Waste $ 30,000
  - Solid Waste Disposal $ 112,918
- Parks Cities Recycling Event $ 6,000

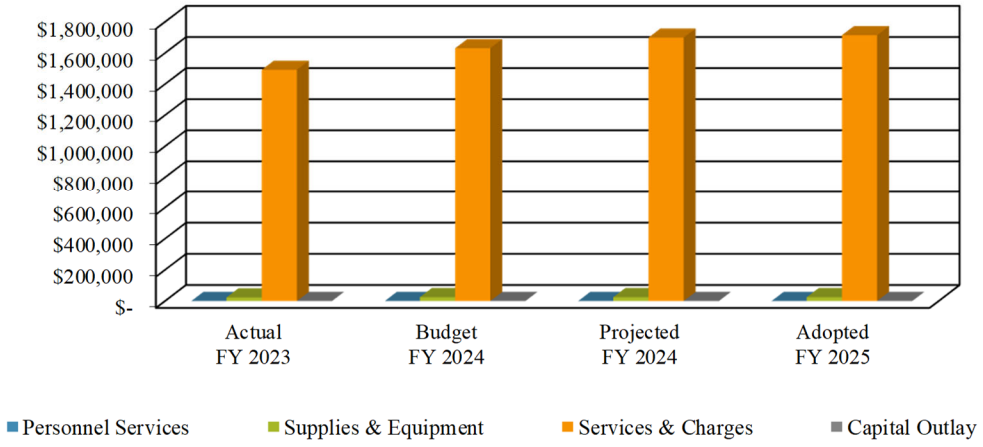
PERFORMANCE INDICATORS

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected
Collection (Tonnage)				
Compacted Waste	4,488	5,045	5,298	5,172
Loose Waste (Brush)	938	955	956	956
Recycling	1,433	968	1,100	1,034
Contract Expenses				
Collection	$ 1,135,211	$ 1,198,426	$ 1,297,180	1,352,241
Disposal	101,506	99,715	107,763	112,918
Recycling	134,762	153,166	157,301	163,593
Cost per Ton				
Collection	$ 209.22	$ 199.74	$ 207.42	$ 220.67
Disposal	18.71	16.62	17.23	18.43
Recycling	94.04	158.23	143.00	158.21

Sanitation Department

EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
Personnel Services	$ -	$ -	$ -	$ -	
Supplies & Equipment	$ 23,335	$ 25,000	$ 25,000	$ 25,000	0.00%
Services & Charges	$ 1,491,939	$ 1,630,692	$ 1,699,137	$ 1,714,254	5.12%
Capital Outlay	$ -	$ -	$ -	$ -	
Total Department	**$ 1,515,274**	**$ 1,655,692**	**$ 1,724,137**	**$ 1,739,254**	5.05%



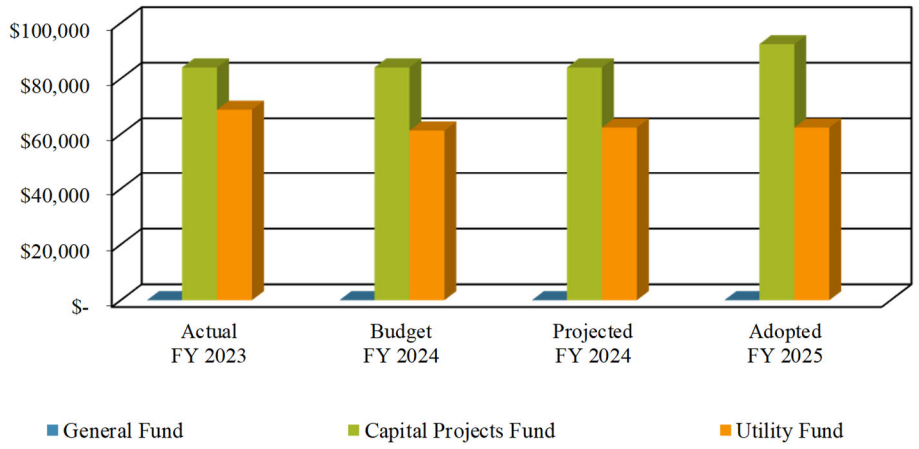
Transfer to Other Funds

DEPARTMENT DESCRIPTION

This Budget provides for the transfer of $154,800 from the Solid Waste Fund to other funds. Included is a transfer of $92,400 to the Capital Projects Fund, representing the franchise fee, which is 5% on solid waste collection and recycling charges, and $62,400 to the Utility Fund representing administrative costs for billing and collection of operations.

TRANSFER SUMMARY

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted	% Change 2024 to 2025
General Fund	$ -	$ -	$ -	$ -	
Capital Projects Fund	84,000	84,000	84,000	92,400	10.00%
Utility Fund	68,800	61,300	62,400	62,400	1.79%
Total Department	**$ 152,800**	**$ 145,300**	**$ 146,400**	**$ 154,800**	6.54%



OTHER FUNDS

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

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

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

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

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

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

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

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

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

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

DPS Technology Fund – This fund accounts for the receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety. The fund balance was transferred to the Capital Projects Fund in FY2022-23. Lease receipts, the fund's primary revenue source, are now reported in the Technology Replacement Fund.

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

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

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

The Town of Highland Park, as of September 30, 2024, does not have any outstanding debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

STORM WATER DRAINAGE UTILITY FUND

In December 2003, the Town established a Storm Water Drainage Utility in accordance with Subchapter C of Chapter 402 of the Texas Local Government Code. The Storm Water Drainage Utility was established as a mechanism 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. The enabling ordinance also provides the assessment, levy and collection of an equitable fee structure for funding the system. The Storm Water Drainage Fund is the financial structure used for the accounting of the receipt of resources (revenues) and uses of resources (expenditures) to fund the following:

- Infrastructure maintenance/reconstruction;
- Educational materials/school storm water programs;
- Requirements for control of erosion, sediment, and other pollutants on construction sites;
- Site-plan approval processes requiring post-construction storm water controls;
- Procedures for inspecting and monitoring structural best management practices;
- Street sweeping and catch basin cleaning; and
- Recycling, pollution prevention programs.

As it relates to operations, this fund provides the Town's supplies of pet mitts maintained throughout the Town's parks and educational materials totaling $7,600, $85,000 for street sweeping, $40,000 for incidental repair/maintenance projects, $15,000 for creek cleaning and $42,500 is provided for professional services and other fees. This budget also provides capital expenditures including $500,000 to fund a portion of the Hackberry Creek corridor improvement project. Other capital funding within the Adopted Budget for the Storm Water Drainage Fund includes $1,500,000 for drainage easement projects and $2,000,000 for the dredging of Exall and Connor Lakes. Another $525,000 is appropriated for storm water improvements in connection with the reconstruction of Potomac and Auburndale.

The budgetary and accounting basis for the Storm Water Drainage Fund is the modified accrual basis.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 139.

STORM WATER DRAINAGE UTILITY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 2,391,657**	**$ 2,409,850**	**$ 2,561,438**	**$ 4,149,734**
REVENUES/SOURCES OF FUNDS				
Charges for Services	$ 470,650	$ 543,324	$ 564,780	$ 1,129,560
Interest	134,831	112,947	162,741	137,000
Total Revenues	**$ 605,481**	**$ 656,271**	**$ 727,521**	**$ 1,266,560**
Other Sources:				
Transfers In	$ 1,600,000	$ 3,000,000	$ 3,000,000	$ 1,700,000
Total Other Sources:	**1,600,000**	**3,000,000**	**3,000,000**	**1,700,000**
Total Revenues/Sources:	**$ 2,205,481**	**$ 3,656,271**	**$ 3,727,521**	**$ 2,966,560**
EXPENSES/USES OF FUNDS				
Supplies & Equipment	5,825	7,600	7,600	7,600
Services & Charges	145,373	186,385	186,125	198,685
Capital Outlay	1,777,294	3,070,000	1,800,000	4,800,000
Total Expenditures	**$ 1,928,492**	**$ 3,263,985**	**$ 1,993,725**	**$ 5,006,285**
Transfers	107,208	145,500	145,500	155,400
Total Expenditures/Uses of Funds	**$ 2,035,700**	**$ 3,409,485**	**$ 2,139,225**	**$ 5,161,685**
Excess of Revenues/Sources Over Expenses/Uses	**$ 169,781**	**$ 246,786**	**$ 1,588,296**	**$ (2,195,125)**
ENDING FUND BALANCE	**$2,561,438**	**$ 2,656,636**	**$ 4,149,734**	**$ 1,954,609**

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 2025 include the following:

DPS	Auto Pulse Starter Kit	45,016
Streets	2025 CHEVROLET 3500HD SILVERADO 4X2 REGULAR CAB	73,670
Streets	2024 Multiquip V305EK Walk-Behind Roller	13,853
Water	2024 #M Hydraulic Breaker for CX26C	9,645
Water	2024 MAXXD DJX8314 DJX 83X14 14K DUMP TRAILER	12,148

EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 3,769,029**	**$ 4,264,238**	**$ 4,078,848**	**$ 4,301,255**
REVENUES/SOURCES OF FUNDS				
Charges for Services	$ -	$ -	$ -	$ -
Interest	167,490	160,615	224,912	222,567
Sale of Assets	45,256	10,000	10,000	10,000
Contributions	-	-	-	-
Total Revenues	**$ 212,746**	**$ 170,615**	**$ 234,912**	**$ 232,567**
Transfers	563,900	551,650	551,650	551,650
Total Revenues/Sources	**$ 776,646**	**$ 722,265**	**$ 786,562**	**$ 784,217**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ -	$ -	$ -	$ -
Vehicle Disposal	3,394	1,250	1,250	-
Rolling Stock Acquisition	463,433	493,002	493,002	73,670
Equipment Acquisition	-	69,903	69,903	80,662
Total Expenditures	**$ 466,827**	**$ 564,155**	**$ 564,155**	**$ 154,332**
Transfers	-	-	-	-
Total Expenditures/Uses	**$ 466,827**	**$ 564,155**	**$ 564,155**	**$ 154,332**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 309,819**	**$ 158,110**	**$ 222,407**	**$ 629,885**
ENDING FUND BALANCE	**$ 4,078,848**	**$ 4,422,348**	**$ 4,301,255**	**$ 4,931,140**

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
Administration	4941	Chevrolet Tahoe	2015	2015	2026
Administration	6495	Chevrolet Tahoe	2021	2021	2026
Administration	4483	Chevrolet Tahoe	2021	2021	2026
CID	5037	Chevrolet Tahoe	2022	2022	2027
CID	7716	Chevrolet Tahoe	2022	2022	2027
CID	9448	Chevrolet Tahoe	2022	2022	2027
Fire Apparatus	2082	Pierce	2011	2011	2031
Fire Apparatus	8465	Pierce	2017	2017	2037
Fire Apparatus	3538	Pierce	2021	2021	2041
MICU	6639	International	2010	2010	2026
MICU	2794	International	2018	2017	2032
MICU	7129	International	2022	2022	2037
Animal Services	1769	Dodge	2013	2013	2026
Police	7888	Chevrolet Tahoe	2019	2019	2024
Police	8694	Chevrolet Tahoe	2019	2019	2024
Police	8004	Chevrolet Tahoe	2019	2019	2024
Police	9427	Chevrolet Tahoe	2019	2019	2024
Police	8074	Chevrolet Tahoe	2019	2019	2024
Police	2825	Chevrolet Tahoe	2022	2022	2027
Police	2815	Chevrolet Tahoe	2022	2022	2027
Police	2820	Chevrolet Tahoe	2022	2022	2027
STREET					
Dump Truck	4906	Ford	2019	2019	2029
Pickup	3663	Chevrolet	2018	2018	2028
Pickup	9414	Chevrolet	2018	2018	2028
Asphalt Roller	1008	Bomag	2015	2015	2025
Snow Plow	5953	Ford	2010	2010	2025
Truck w/ Arial lift	7821	Ford	2019	2020	2030
Pickup	1837	Chevrolet	2012	2012	2024
PARKS					
Truck w/ Arial lift	8247	Chevrolet	2008	2008	2026
Pickup	1319	Chevrolet	2018	2018	2026
Truck w/ Landscape body	3818	Chevrolet	2018	2018	2026
Loader/Backhoe	0257	John Deere	2012	2012	2026
Pickup	5690	Chevrolet	2018	2018	2026
Pickup	9275	Chevrolet	2021	2021	2027
Pickup	5664	Chevrolet	2022	2023	2028
SERVICE CENTER					
Front-End Loader	758	Case	2011	2011	2030
Pickup	9970	Chevrolet	2013	2013	2026
WATER					
Pickup	9427	Chevrolet	2022	2021	2032
Pickup	9155	Chevrolet	2013	2013	2024
Pickup	6902	Chevrolet	2018	2018	2028
Pickup	6245	Chevrolet	2018	2018	2028
Mini Excavator	3927	Case	2023	2023	2033
Backhoe	5019	Case	2023	2023	2033
SEWER					
Truck-4 ½ Ton w/ Flusher	8644	Ford	2019	2019	2029
Dump Truck	1795	Ford	2019	2020	2029
Pickup	0486	Chevrolet	2018	2018	2028

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, and networking assets. All assets are scheduled for replacement based upon estimated useful life that covers the respective warranty periods of the assets. Annual revenues budgeted in the DPS Technology Fund are now budgeted in this fund. The DPS Technology Fund was closed in FY 2023.

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

- Body Camera System Equipment & Maintenance ($187,539)
- Replace Firewalls ($27,320)
- Replacement Computers & Deployment Services ($160,000)
- Avigilon Access Controls ($72,000)

The purchase of Body Cameras, including body worn cameras for individual officers, in-car and motorcycle mounted cameras, cameras for the DPS interview room, and related hardware and software to integrate, transfer, and redact images was completed in FY 2021. Ongoing software maintenance and cloud storage will be required through FY 2027.

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.

TECHNOLOGY REPLACEMENT FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 3,315,336**	**$ 3,251,289**	**$ 3,231,256**	**$ 2,884,565**
REVENUES/SOURCES OF FUNDS				
Interest	$ 185,373	$ 152,203	$ 194,289	$ 148,000
Sale of Assets	-	-	-	-
Contributions	96,344	104,976	157,464	210,000
Total Revenues	**$ 281,717**	**$ 257,179**	**$ 351,753**	**$ 358,000**
Transfers	426,457	321,383	321,383	321,785
Total Revenues/Sources	**$ 708,174**	**$ 578,562**	**$ 673,136**	**$ 679,785**
EXPENDITURES/USES OF FUNDS				
Services & Charges	$ -	$ 33,000	$ 33,000	$ -
Technology Equipment Acquisition	792,254	986,827	986,827	446,859
Total Expenditures	**$ 792,254**	**$ 1,019,827**	**$ 1,019,827**	**$ 446,859**
Transfers	-	-	-	-
Total Expenditures/Uses	**$ 792,254**	**$ 1,019,827**	**$ 1,019,827**	**$ 446,859**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ (84,080)**	**$ (441,265)**	**$ (346,691)**	**$ 232,926**
ENDING FUND BALANCE	**$ 3,231,256**	**$ 2,810,024**	**$ 2,884,565**	**$ 3,117,491**

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. A major objective for FY 2024-25 will be the continued development of a replacement schedule of major equipment and materials of the Town Hall building while strengthening the fund balance.

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. With completion of a maintenance and replacement schedule, future funding will be computed accordingly. The budgetary and accounting basis for the Building Maintenance & Investment Fund is the modified accrual basis.

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

BUILDING MAINTENANCE & INVESTMENT FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 1,212,568**	**$ 1,416,491**	**$ 1,498,415**	**$ 1,542,450**
REVENUES/SOURCES OF FUNDS				
Interest	$ 74,009	$ 71,528	$ 93,830	$ 70,000
Miscellaneous	20,784	18,516	-	-
Total Revenues	**$ 94,793**	**$ 90,044**	**$ 93,830**	**$ 70,000**
Transfers	711,446	708,500	708,500	689,600
Total Revenues/Sources	**$ 806,239**	**$ 798,544**	**$ 802,330**	**$ 759,600**
EXPENDITURES/USES OF FUNDS				
Personnel Services	$ 86,420	$ 121,638	$ 117,575	$ 124,525
Supplies & Equipment	41,715	42,700	43,440	44,060
Services & Charges	363,713	452,213	421,002	445,050
Capital Outlay	28,544	176,278	176,278	252,000
Total Expenditures	**$ 520,392**	**$ 792,829**	**$ 758,295**	**$ 865,635**
Transfers	-	-	-	-
Total Expenditures/Uses	**$ 520,392**	**$ 792,829**	**$ 758,295**	**$ 865,635**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 285,847**	**$ 5,715**	**$ 44,035**	**$ (106,035)**
ENDING FUND BALANCE	**$ 1,498,415**	**$ 1,422,206**	**$ 1,542,450**	**$ 1,436,415**

FORFEITED PROPERTY FUND

The Forfeited Property Fund was established as set forth by Title 1, Chapter 59 of the Texas Code of Criminal Procedures and accounts for all forfeitures of seized contraband awarded to the Town's Department of Public Safety (DPS) by the State of Texas.

Proceeds from the sale of forfeited property are allocated, after the deduction of court costs, with forty percent of the proceeds going to the DPS. The proceeds may not be used to offset or decrease total salaries, expenses, and allowances that the Department of Public Safety receives as part of their operating budget and must be used solely for law enforcement purposes only.

The budgetary and accounting basis for the Forfeited Property Fund is the modified accrual basis.

FORFEITED PROPERTY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 31,213**	**$ 34,374**	**$ 32,581**	**$ 44,106**
REVENUES/SOURCES OF FUNDS				
Forfeitures	$ -	$ 2,500	$ 4,025	$ 2,500
Interest	1,368	2,746	7,500	6,877
Total Revenues	**$ 1,368**	**$ 5,246**	**$ 11,525**	**$ 9,377**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 1,368**	**$ 5,246**	**$ 11,525**	**$ 9,377**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ -	$ -	$ -	$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	**$ -**	**$ -**	**$ -**	**$ -**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 1,368**	**$ 5,246**	**$ 11,525**	**$ 9,377**
ENDING FUND BALANCE	**$ 32,581**	**$ 39,620**	**$ 44,106**	**$ 53,483**

TRUANCY PREVENTION FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 "Local Consolidated Fee on Conviction of Non-jailable Misdemeanor" now sets out statutory requirements for the collection, accounting and expenditure of the $14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 35.7143% of this fee to be dedicated towards local truancy prevention and diversion.

These funds may only be used to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of juvenile case manager. Money may not be used to supplement the income of an employee whose primary role is not juvenile case management.

The budgetary and accounting basis for the Truancy Prevention Fund is the modified accrual basis.

TRUANCY PREVENTION
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 52,591**	**$ 68,585**	**$ 69,526**	**$ 88,591**
REVENUES/SOURCES OF FUNDS				
Court Fees	$ 13,832	$ 15,000	$ 15,068	$ 15,100
Interest	3,103	2,498	3,997	3,773
Total Revenues	**$ 16,935**	**$ 17,498**	**$ 19,065**	**$ 18,873**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 16,935**	**$ 17,498**	**$ 19,065**	**$ 18,873**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ -	$ -	$ -	$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**
Transfers	-	-	-	-
Total Expenditures/Uses	**$ -**	**$ -**	**$ -**	**$ -**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 16,935**	**$ 17,498**	**$ 19,065**	**$ 18,873**
ENDING FUND BALANCE	**$ 69,526**	**$ 86,083**	**$ 88,591**	**$ 107,464**

MUNCIPAL JURY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 "Local Consolidated Fee on Conviction of Non-jailable Misdemeanor" now sets out statutory requirements for the collection, accounting and expenditure of the $14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for .7143% of this fee to be accounted for within a Municipal Jury Fund.

These funds may only be used by the municipality to fund juror reimbursements and otherwise finance jury services.

The budgetary and accounting basis for the Municipal Jury Fund is the modified accrual basis.

MUNICIPAL JURY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 1,052**	**$ 1,370**	**$ 1,391**	**$ 1,772**
REVENUES/SOURCES OF FUNDS				
Court Fees	$ 277	$ 300	$ 301	$ 300
Interest	62	50	80	75
Total Revenues	**$ 339**	**$ 350**	**$ 381**	**$ 375**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 339**	**$ 350**	**$ 381**	**$ 375**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ -	$ -	$ -	$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	**$ -**	**$ -**	**$ -**	**$ -**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 339**	**$ 350**	**$ 381**	**$ 375**
ENDING FUND BALANCE	**$ 1,391**	**$ 1,720**	**$ 1,772**	**$ 2,147**

COURT TECHNOLOGY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 "Local Consolidated Fee on Conviction of Non-jailable Misdemeanor" now sets out statutory requirements for the collection, accounting and expenditure of the $14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 28.5714% of this fee to be accounted for within a Court Technology Fund.

These funds may only be used to finance the purchase, or to maintain, technological enhancements for the municipal court.

The Town has used these funds to acquire replacement computers, imaging software for case archiving, maintenance and upgrades to the case management system and website administration costs to enable online fine payment.

This Budget includes appropriations for software, hardware, website maintenance contracts, and other Court technology related expenditures ($24,927).

The budgetary and accounting basis for the Court Technology Fund is the modified accrual basis.

COURT TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 106,053**	**$ 110,554**	**$ 111,328**	**$ 111,621**
REVENUES/SOURCES OF FUNDS				
Court Fees	$ 22,793	$ 26,657	$ 24,765	$ 23,700
Interest	5,641	4,637	6,175	5,753
Total Revenues	**$ 28,434**	**$ 31,294**	**$ 30,940**	**$ 29,453**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 28,434**	**$ 31,294**	**$ 30,940**	**$ 29,453**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ 2,304	$ 2,804	$ 3,604	$ 3,504
Service & Charges	20,855	20,181	27,043	21,423
Capital Outlay	-	-	-	-
Total Expenditures/Uses	**$ 23,159**	**$ 22,985**	**$ 30,647**	**$ 24,927**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 5,275**	**$ 8,309**	**$ 293**	**$ 4,526**
ENDING FUND BALANCE	**$ 111,328**	**$ 118,863**	**$ 111,621**	**$ 116,147**

COURT SECURITY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 "Local Consolidated Fee on Conviction of Non-jailable Misdemeanor" now sets out statutory requirements for the collection, accounting and expenditure of the $14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 35% of this fee to be accounted for within a Court Security Fund.

Funds may only be used for security personnel, services, and items related to buildings that house the operation of the municipal court.

The Town has used these funds to acquire security glass at the court clerks work area, "bullet proofing" the judges desk, court room/building burglar and fire alarm services and bailiff services during court proceedings.

This Budget provides for a transfer of $24,600 to the General Fund for the services of the part-time position of Town Marshall/Bailiff.

The budgetary and accounting basis for the Court Security Fund is the modified accrual basis.

COURT SECURITY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 31,013**	**$ 29,382**	**$ 30,350**	**$ 31,786**
REVENUES/SOURCES OF FUNDS				
Court Fees	$ 22,351	$ 26,124	$ 24,336	$ 23,300
Interest	1,586	1,293	1,700	1,478
Total Revenues	**$ 23,937**	**$ 27,417**	**$ 26,036**	**$ 24,778**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 23,937**	**$ 27,417**	**$ 26,036**	**$ 24,778**
EXPENDITURES/USES OF FUNDS				
Services & Charges	$ -	$ -	$ -	$ -
Capital Outlay	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**
Transfers	24,600	24,600	24,600	24,600
Total Expenditures/Uses	**$ 24,600**	**$ 24,600**	**$ 24,600**	**$ 24,600**
Excess Revenues/Sources Over Expenditures/Uses	**$ (663)**	**$ 2,817**	**$ 1,436**	**$ 178**
ENDING FUND BALANCE	**$ 30,350**	**$ 32,199**	**$ 31,786**	**$ 31,964**

LIBRARY FUND

The Library Fund was created in 2012 to account for proceeds bequeathed to the Highland Park Library by Addison P. Moore. Before Mr. Moore's passing, he showed a keen interest in technology and had discussions with the Librarian regarding technology used by the Library. In the spirit of Mr. Moore's interests, this fund is used primarily to improve technology in the Town's Library.

Annual Library Donations received in this fund include revenue producing assets received from the Addison P. Moore estate.

The FY 2024-25 Adopted Budget includes funding for the purpose of acquiring digital and physical library materials.

The budgetary and accounting basis for the Library Fund is the modified accrual basis.

LIBRARY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 326,377**	**$ 366,459**	**$ 359,319**	**$ 388,292**
REVENUES/SOURCES OF FUNDS				
Interest	$ 17,466	$ 14,630	$ 19,755	$ 18,200
Library Donations	52,870	56,538	51,656	53,800
Total Revenues	**$ 70,336**	**$ 71,168**	**$ 71,411**	**$ 72,000**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 70,336**	**$ 71,168**	**$ 71,411**	**$ 72,000**
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	$ 36,223	$ 41,538	$ 41,538	$ 43,187
Services & Charges	1,171	900	900	1,220
Total Expenditures	**$ 37,394**	**$ 42,438**	**$ 42,438**	**$ 44,407**
Transfers	-	-	-	-
Total Expenditures/Uses	**$ 37,394**	**$ 42,438**	**$ 42,438**	**$ 44,407**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 32,942**	**$ 28,730**	**$ 28,973**	**$ 27,593**
ENDING FUND BALANCE	**$ 359,319**	**$ 395,189**	**$ 388,292**	**$ 415,885**

DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. Resources within this fund have been transferred into the Capital Projects Fund to reimburse the fund for a portion of the cost of the public safety communication system. Going forward, annual revenues that have historically been accounted for within in this fund, will be budgeted for within the Technology Replacement Fund. This fund is now closed.

The budgetary and accounting basis for the DPS Technology Fund is the modified accrual basis.

DPS TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 291,870**	**$ -**	**$ -**	**$ -**
REVENUES/SOURCES OF FUNDS				
Interest	$ -	$ -	$ -	$ -
Fiber Line Lease Receipts	-	-	-	-
Total Revenues	**$ -**	**$ -**	**$ -**	**$ -**
Transfers	-	-	-	-
Total Revenues/Sources	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES/USES OF FUNDS				
Services & Charges	$ -	$ -	$ -	$ -
Technology Equipment Acquisition	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**
Transfers	291,870	-	-	-
Total Expenditures/Uses	**$ 291,870**	**$ -**	**$ -**	**$ -**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ (291,870)**	**$ -**	**$ -**	**$ -**
ENDING FUND BALANCE	**$ -**	**$ -**	**$ -**	**$ -**

RESERVE FUND

Created in FY 2021-22, this fund was established to account for revenues the Town receives from the sale of real property. Approximately two years ago, the Town sold right-of-way located between the Shops of Highland Park and property used as a parking area for the Shops of Highland Park. During Fiscal Year 2021-22, the Town sold property it owned in the City of Dallas. The property was previously used by the Town as a landfill and has been closed for many years. Transfers presented are loans to the Storm Water Drainage Fund for the purpose of funding the Hackberry Creek Project. Once the project is complete, the Storm Water Drainage Fund will begin repaying the funds back into the Reserve Fund.

The budgetary and accounting basis for the Reserve Fund is the modified accrual basis.

RESERVE FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 10,219,403**	**$ 10,023,488**	**$ 9,964,946**	**$ 4,762,219**
REVENUES/SOURCES OF FUNDS				
Interest	$ 345,543	$ 417,013	$ 401,214	$ 216,255
Total Revenues	**$ 345,543**	**$ 417,013**	**$ 401,214**	**$ 216,255**
Transfers	-	-	-	-
Total Revenues/Sources	**$ 345,543**	**$ 417,013**	**$ 401,214**	**$ 216,255**
EXPENDITURES/USES OF FUNDS				
Capital Outlay	$ -	$ 3,700,000	$ 3,603,941	$ -
Total Expenditures	**$ -**	**$ 3,700,000**	**$ 3,603,941**	**$ -**
Transfers	$ 600,000	$ 2,000,000	$ 2,000,000	$ 1,000,000
Total Expenditures/Uses	**$ 600,000**	**$ 5,700,000**	**$ 5,603,941**	**$ 1,000,000**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ (254,457)**	**$ (5,282,987)**	**$ (5,202,727)**	**$ (783,745)**
ENDING FUND BALANCE	**$ 9,964,946**	**$ 4,740,501**	**$ 4,762,219**	**$ 3,978,474**

CAPITAL PROJECTS FUND

The Capital Projects Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources for capital expenditures that are typically in excess of $100,000. The basis of accounting for the Capital Projects Fund is the modified accrual basis.

Since 1980, the Town has been aggressive in funding all capital outlay and large dollar maintenance needs through current revenues and reserves. The Town has been managed to fund its capital program without incurring debt and intends to continue operating on a pay-as-you-go basis.

The FY 2024-25 Adopted Budget includes transfers to the Capital Projects Fund from the General, Utility, and Solid Waste Funds. The transfers from the General Fund include growth in property values over several years (see page 140) and are earmarked specifically for capital projects. This, in conjunction with the ten-year financial model, (see pages 152-156) are used to plan capital needs while not impacting the General Fund's operating budget or reducing Town services offered to the community. The detail regarding these transfers is presented on pages 93, 110, and 118. In addition to these transfers, the Town's Financial Management Policies also provide for the transfer of any annual operating surplus realized by the General Fund for each preceding fiscal year.

Town Council continues to focus its attention to the maintenance and preservation of the Town's public infrastructure, including roads and bridges, utility lines, inlets, parks, traffic signs and signals, and other major technology projects.

The budget for the Capital Projects Fund includes funding of $1,782,820 for the 2025 right-of-way rehabilitation program which includes streetlights, sidewalks, street resurfacing, traffic signal upgrades, and miscellaneous concrete. Funding for improvements to Potomac and Auburndale in the amount of $1,500,000 is also included. Parks and recreation improvement funding totaling $336,909 has been appropriated for the annual park renovation program and improvements to the Town's swimming pool. Improvements to Beverly Drive and Holland Avenue totaling $3,552,000 are also incorporated into the CIP along with $17,800,000 in funding towards the reconstruction of the Wycliff bridge. As the completion of the new elevated water storage tank is expected during FY 2024-25, $975,000 in funding has been allocated towards relocating the public safety communication equipment from the old water tank to the new tank.

Lastly, this budget includes reimbursement of $286,000 in personnel costs to the Utility Fund, representing that portion of Engineering Department personnel costs associated with Capital Projects Fund funded projects, and a transfer of $700,000 to the Storm Water Utility Fund to assist in funding improvements to the Town's storm water drainage system.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 139.

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Adopted
BEGINNING FUND BALANCE	**$ 8,219,484**	**$ 11,990,593**	**$ 12,065,697**	**$ 16,953,158**
REVENUES/SOURCES OF FUNDS				
Interest	$ 554,296	$ 513,186	$ 822,158	$ 675,000
Contributions	3,584,383	3,418,906	4,805,335	16,326,414
Total Revenues	**$ 4,138,679**	**$ 3,932,092**	**$ 5,627,493**	**$ 17,001,414**
Transfers	9,221,094	5,374,582	5,374,582	5,455,046
Total Revenues/Sources	**$ 13,359,773**	**$ 9,306,674**	**$ 11,002,075**	**$ 22,456,460**
EXPENDITURES/USES OF FUNDS				
Capital Projects	$ 8,315,735	$ 5,715,202	$ 4,846,914	$ 26,846,729
Total Expenditures	**$ 8,315,735**	**$ 5,715,202**	**$ 4,846,914**	**$ 26,846,729**
Transfers	1,197,825	1,267,700	1,267,700	986,000
Total Expenditures/Uses	**$ 9,513,560**	**$ 6,982,902**	**$ 6,114,614**	**$ 27,832,729**
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	**$ 3,846,213**	**$ 2,323,772**	**$ 4,887,461**	**$ (5,376,269)**
ENDING FUND BALANCE	**$12,065,697**	**$ 14,314,365**	**$ 16,953,158**	**$ 11,576,889**

DEBT

Legal Debt Margin Information
And Debt Service Status

As a home rule city, the Town of Highland Park is not limited by the law in the amount of debt it may issue. The Town's charter (Section 9.10) states:

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 indebtedness 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.

The Town of Highland Park, as of September 30, 2024, does not have any outstanding debt. The FY 2024-25 Adopted Budget does not include any issuance of debt to fund short-term or long-range capital projects. The Town funds capital projects on a pay-as-you-go basis.

The Town is permitted by Article XI, Section 5, of the *State of Texas Constitution* to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 0.0%.

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.

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TEN YEAR CAPITAL IMPROVEMENT PLAN & FINANCIAL FORECAST

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2025-2034

Project/Funding Source	2023-24	2024-25	2025-26	2026-27	2027-28
Beginning Balance	**$ 12,065,697**	**$ 16,953,158**	**$ 11,576,889**	**$ 10,778,091**	**$ 9,750,663**
Annual Project Funding					
General Fund CIP Transfer	$ 1,267,856	$ 1,294,481	$ 1,321,665	$ 1,349,420	$ 1,377,758
Solid Waste Fund 5% Transfer	84,000	92,400	93,324	94,257	95,200
Utility Fund 5% W&S Transfer	578,502	622,121	644,443	668,067	692,567
Supplemental General Fund Transfer	2,035,944	2,037,764	2,490,218	1,746,254	2,510,806
Increased CIP Revenue from Growth in Property Values - 2014	342,651	342,651	342,651	342,651	342,651
Increased CIP Revenue from Growth in Property Values - 2015	705,188	705,188	705,188	705,188	705,188
Increased CIP Revenue from Growth in Property Values - 2016	360,441	360,441	360,441	360,441	360,441
Contributions - DART	3,463,604	2,026,414	600,000	-	-
Intergovernmental Revenue					
TCEQ	461,000	-	-	-	-
NCTCOG	-	12,400,000	-	-	-
City of Dallas	-	400,000	-	-	-
External Funding		500,000			
Dallas County MCIP	880,731	1,000,000	500,000	1,000,000	2,400,000
Dallas County Road and Bridge	-	-	-	-	-
Interest Revenue	822,158	675,000	289,422	269,452	243,767
Total Annual Project Funding	**$ 11,002,075**	**$ 22,456,460**	**$ 7,347,351**	**$ 6,535,730**	**$ 8,728,377**
Expenditures					
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	-	-	-	-	-
Park Renovation/Rehabilitation Program	$ 251,462	$ 259,509	$ 267,813	$ 276,383	$ 285,227
Lakeside Park Phase I Improvements	1,500,000	-	-	-	-
Lakeside Park Phase II Improvements	500,000	-	-	-	-
Town Needs Assessment	125,000	-	-	-	-
DPS Radio Equipment Relocation	-	975,000	-	-	-
Street Light Program	154,800	159,754	164,866	170,142	175,587
Sidewalk Rehabilitation Program	200,000	206,400	213,005	219,821	226,855
Street Resurfacing & Miscellaneous Concrete	1,178,940	1,216,666	1,255,599	1,295,778	1,337,243
Traffic Signal Upgrades	202,588	200,000	-	-	-
Pavement Asset Management Plan Update (5-year)	89,500	-	-	-	-
Bridge Rehabilitation (Mockingbird and Beverly)	-	-	500,000	-	-
Wycliffe Project	564,624	17,300,000	-	-	-
Wycliffe Project - Administration	-	500,000			
Potomac & Auburndale Reconstruction	-	1,500,000	-	-	-
Swimming Pool Improvements	-	77,400	-	-	-
Service Center Generator	80,000	-	-	-	-
Beverly Drive/Miramar Avenue HB Creek Roadway Crossings	-	1,822,000	-		-
Holland Avenue - Town limits to Westside (48)	-	700,000	-	-	-
Beverly Drive Reconstruction - Westside Drive to Eastern (59)	-	1,030,000	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	-	-	2,314,890	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	-	1,836,826	-	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	-	1,337,122	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	-	1,464,467	-
Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction	-	-	-	848,966	5,953,377
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-	1,796,837
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-	-
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (46)	-	-	-	-	-
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	-	-
Westside Drive Reconstruction - Bordeaux to Beverly (54)	-	-	-	-	-
Westside Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Arcady to Beverly (53)	-	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady (68)	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-	-
Mockingbird Lane Rehabilitation - DNT to Hillcrest (73)	-	-	-	-	-
Contingency	-	900,000	300,000	650,000	350,000
Total Expenditures	**$ 4,846,914**	**$ 26,846,729**	**$ 6,852,999**	**$ 6,262,680**	**$ 10,125,126**
Transfers-Out					
Storm Water Fund	$ 1,000,000	$ 700,000	$ 1,000,000	$ 1,000,000	$ 1,525,000
Utility Fund	267,700	286,000	293,150	300,479	307,991
Total Transfers-Out	$ 1,267,700	$ 986,000	$ 1,293,150	$ 1,300,479	$ 1,832,991
Total Expenditures & Transfers Out	$ 6,114,614	$ 27,832,729	$ 8,146,149	$ 7,563,159	$ 11,958,117
Ending Balance*	**$ 16,953,158**	**$ 11,576,889**	**$ 10,778,091**	**$ 9,750,663**	**$ 6,520,923**
Construction Contingency	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**
Over(Under) Contingency	**$ 14,953,158**	**$ 9,576,889**	**$ 8,778,091**	**$ 7,750,663**	**$ 4,520,923**

**Excludes FY 2023-24.

2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total**
$ 6,520,923	**$ 6,144,254**	**$ 3,641,090**	**$ 4,224,290**	**$ 4,625,956**	**$ 3,187,856**	**$ 16,953,158**
$ 1,406,691	$ 1,436,232	$ 1,466,393	$ 1,497,187	$ 1,528,628	$ 1,560,729	14,239,184
96,152	97,114	98,085	99,066	100,057	101,058	966,713
717,975	744,327	771,657	800,002	829,400	859,579	7,350,137
3,884,312	2,867,231	3,058,190	3,663,245	3,977,401	4,203,028	30,438,449
342,651	342,651	342,651	342,651	342,651	342,651	3,426,510
705,188	705,188	705,188	705,188	705,188	705,188	7,051,880
360,441	360,441	360,441	360,441	360,441	360,441	3,604,410
-	-	-	-	-	-	2,626,414
-	-	-	-	-	-	-
-	-	-	-	-	-	12,400,000
-	-	-	-	-	-	400,000
						500,000
500,000	-	1,000,000	1,500,000	1,000,000	1,000,000	9,900,000
-	-	-	-	-	250,000	250,000
163,023	153,606	91,027	105,607	115,649	79,696	2,186,250
$ 8,176,434	**$ 6,706,791**	**$ 7,893,633**	**$ 9,073,387**	**$ 8,959,415**	**$ 9,462,370**	**$ 95,339,948**
-	-	-	-	-	-	$ -
$ 294,354	$ 303,773	$ 313,494	$ 323,526	$ 333,879	$ 344,563	$ 3,002,521
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	975,000
181,206	187,005	192,989	199,165	205,538	212,115	1,848,367
234,114	241,606	249,337	257,316	265,550	274,048	2,388,052
1,380,035	1,424,196	1,469,770	1,516,803	1,565,341	1,615,432	14,076,863
-	-	-	-	-	-	200,000
-	-	-	-	-	-	-
-	-	-	-	-	-	500,000
-	-	-	-	-	-	17,300,000
						500,000
-	-	-	-	-	-	1,500,000
-	-	-	-	-	-	77,400
-	-	-	-	-	-	-
-	-	-	-	-	-	1,822,000
-	-	-	-	-	-	700,000
-	-	-	-	-	-	1,030,000
-	-	-	-	-	-	2,314,890
-	-	-	-	-	-	1,836,826
-	-	-	-	-	-	1,337,122
-	-	-	-	-	-	1,464,467
-	-	-	-	-	-	6,802,343
-	-	-	-	-	-	1,796,837
2,181,664	-	-	-	-	-	2,181,664
2,716,039	-	-	-	-	-	2,716,039
-	1,554,104		-	-	-	1,554,104
-	1,752,872	-	-	-	-	1,752,872
-	2,122,816	-	-	-	-	2,122,816
-	-	1,470,318	-	-	-	1,470,318
-	-	936,179	-	-	-	936,179
-	-	1,596,673	-	-	-	1,596,673
-	-	-	1,675,473	-	-	1,675,473
-	-	-	1,786,781	-	-	1,786,781
-	-	-	1,922,693	-	-	1,922,693
-	-	-	-	1,595,449	-	1,595,449
-		-	-	1,860,162	-	1,860,162
-	-	-	-	3,523,133	-	3,523,133
-	-	-	-	-	1,497,535	1,497,535
-	-	-	-	-	2,791,497	2,791,497
250,000	300,000	400,000	300,000	350,000	300,000	4,100,000
$ 7,237,411	**$ 7,886,372**	**$ 6,628,760**	**$ 7,981,757**	**$ 9,699,051**	**$ 7,035,190**	**$ 96,556,075**
$ 1,000,000	$ 1,000,000	$ 350,000	$ 350,000	$ 350,000	$ -	$ 7,275,000
315,691	323,583	331,673	339,965	348,464	357,176	3,204,172
$ 1,315,691	$ 1,323,583	$ 681,673	$ 689,965	$ 698,464	$ 357,176	$ 10,479,172
$ 8,553,102	$ 9,209,955	$ 7,310,433	$ 8,671,722	$ 10,397,515	$ 7,392,366	$ 107,035,247
$ 6,144,254	**$ 3,641,090**	**$ 4,224,290**	**$ 4,625,956**	**$ 3,187,856**	**$ 5,257,860**	**$ 5,257,860**
$ 2,000,000	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**
$ 4,144,254	**$ 1,641,090**	**$ 2,224,290**	**$ 2,625,956**	**$ 1,187,856**	**$ 3,257,860**	**$ 3,257,860**

TOWN OF HIGHLAND PARK, TEXAS

STORM WATER FUND

FISCAL YEARS 2025-2034

Project/Funding Source	2023-24	2024-25	2025-26	2026-27	2027-28
Beginning Balance	**$ 2,561,438**	**$ 4,149,734**	**$ 1,954,609**	**$ 537,439**	**$ 381,818**
Revenues					
Storm Water Charges	$ 564,780	$ 1,129,560	$ 2,259,120	$ 2,936,856	$ 3,436,122
Interest Earnings	$ 162,741	$ 137,000	48,865	13,436	9,545
Total Revenues	**$ 727,521**	**$ 1,266,560**	**$ 2,307,985**	**$ 2,950,292**	**$ 3,445,667**
Transfer-In as Advance from Reserve Fund	$ 2,000,000	$ 1,000,000	500,000	-	-
Transfer-In from Capital Projects Fund	1,000,000	700,000	1,000,000	1,000,000	1,525,000
Total Transfers-In	**3,000,000**	**1,700,000**	**1,500,000**	**1,000,000**	**1,525,000**
Total Revenues & Transfers - In	**$ 3,727,521**	**$ 2,966,560**	**$ 3,807,985**	**$ 3,950,292**	**$ 4,970,667**
Expenditures					
Supplies & Equipment	$ 7,600	$ 7,600	$ 7,767	$ 7,938	$ 8,113
Services & Charges	186,125	198,685	203,056	207,523	212,089
Total Operating Expenditures	**$ 193,725**	**$ 206,285**	**$ 210,823**	**$ 215,461**	**$ 220,202**
Capital Outlay:					
Master Plan & Improvements for Hackberry Creek	$ 1,300,000	$ 500,000	$ 3,000,000	$ -	$ 2,100,000
Drainage Easement Projects	250,000	1,500,000	250,000	1,200,000	250,000
Exall and Connor Lake Bathymetry Studies	-	50,000	-	-	-
Stormwater Analysis - Master Plan		75,000	-	-	-
Exall & Connor Lakes Dredging	250,000	2,000,000	1,000,000	1,000,000	-
Holland Ave - Town limits to Westside	-	150,000	-	-	-
Potomac & Auburndale Reconstruction	-	525,000	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	-	-	520,200	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	-	85,313	-	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	-	1,485,691	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	-	42,448	-
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-	1,780,601
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-	-
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (46)	-	-	-	-	-
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	-	-
Westside Drive Reconstruction - Bordeaux to Beverly (54)	-	-	-	-	-
Westside Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Arcady to Beverly (53)	-	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady (68)	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-	-
Total Capital Outlay	**$ 1,800,000**	**$ 4,800,000**	**$ 4,855,513**	**$ 3,728,140**	**$ 4,130,601**
Total Expenditures	**$ 1,993,725**	**$ 5,006,285**	**$ 5,066,336**	**$ 3,943,601**	**$ 4,350,803**
Transfer to Reserve Fund for Repayment of Advance	-	-	-	-	-
Transfers Out to Utility Fund	145,500	155,400	158,819	162,313	165,884
Total Transfers-In	**145,500**	**155,400**	**158,819**	**162,313**	**165,884**
Total Expenditures & Transfers-Out	**$ 2,139,225**	**$ 5,161,685**	**$ 5,225,155**	**$ 4,105,914**	**$ 4,516,687**
Ending Balance	**$ 4,149,734**	**$ 1,954,609**	**$ 537,439**	**$ 381,818**	**$ 835,798**

* *Excludes FY 2023-24.

Rate Adjustment Anticipated	**100%**	**100%**	**30%**	**17%**

2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total**
$ 835,798	**$ 866,493**	**$ 1,978,685**	**$ 2,247,356**	**$ 2,031,725**	**$ 2,068,419**	**$ 4,149,734**
$ 3,745,372	$ 3,745,372	$ 3,745,372	$ 3,745,372	$ 3,745,372	$ 3,745,372	$ 32,233,892
20,895	21,662	49,467	56,184	50,793	51,710	459,559
$ 3,766,267	**$ 3,767,035**	**$ 3,794,840**	**$ 3,801,556**	**$ 3,796,166**	**$ 3,797,083**	**$ 32,693,451**
-	-	-	-	-	-	1,500,000
1,000,000	1,000,000	350,000	350,000	350,000	-	$ 7,275,000
1,000,000	**1,000,000**	**350,000**	**350,000**	**350,000**	**-**	**8,775,000**
$ 4,766,267	**$ 4,767,035**	**$ 4,144,840**	**$ 4,151,556**	**$ 4,146,166**	**$ 3,797,083**	**$ 41,468,451**
$ 8,291	$ 8,473	$ 8,659	$ 8,849	$ 9,044	$ 9,243	$ 83,977
216,755	221,524	226,398	231,379	236,469	241,671	2,195,549
$ 225,046	**$ 229,997**	**$ 235,057**	**$ 240,228**	**$ 245,513**	**$ 250,914**	**$ 2,279,526**
$ 1,500,000	$ 2,800,000	$ -	$ -	$ -	$ -	$ 9,900,000
1,200,000	250,000	1,200,000	250,000	1,200,000	250,000	7,550,000
-	-	-	-	-	-	50,000
						75,000
750,000	-	750,000	-	750,000	-	6,250,000
-	-	-	-	-	-	150,000
-	-	-	-	-	-	525,000
-	-	-	-	-	-	520,200
-	-	-	-	-	-	85,313
-	-	-	-	-	-	1,485,691
-	-	-	-	-	-	42,448
-	-	-	-	-	-	1,780,601
835,789	-	-	-	-	-	835,789
55,204	-	-	-	-	-	55,204
-	-		-	-	-	-
-	201,583	-	-	-	-	201,583
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	57,434	-	-	-	57,434
-	-	456,603	-	-	-	456,603
-	-	-	1,581,740	-	-	1,581,740
-	-	-	1,095,502	-	-	1,095,502
-	-	-	18,747	-	-	18,747
-	-	-	-	609,497	-	609,497
-		-	-	17,926	-	17,926
-	-	-	-	101,583	-	101,583
-	-	-	-	-	427,867	427,867
$ 4,340,993	**$ 3,251,583**	**$ 2,464,037**	**$ 2,945,988**	**$ 2,679,006**	**$ 677,867**	**$ 33,873,728**
$ 4,566,039	**$ 3,481,580**	**$ 2,699,094**	**$ 3,186,216**	**$ 2,924,519**	**$ 928,781**	**$ 36,153,254**
-	-	1,000,000	1,000,000	1,000,000	500,000	3,500,000
169,533	173,263	177,075	180,971	184,952	189,021	1,717,231
169,533	**173,263**	**1,177,075**	**1,180,971**	**1,184,952**	**689,021**	**5,217,231**
$ 4,735,572	**$ 3,654,843**	**$ 3,876,169**	**$ 4,367,187**	**$ 4,109,471**	**$ 1,617,802**	**$ 41,370,485**
$ 866,493	**$ 1,978,685**	**$ 2,247,356**	**$ 2,031,725**	**$ 2,068,419**	**$ 4,247,700**	**$ 4,247,700**
9%	**0%**	**0%**	**0%**	**0%**	**0%**	

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2025-2034

Project/Funding Source	* 2023-24	* 2024-25	* 2025-26	* 2026-27	* 2027-28
Beginning Balance	**$ 10,547,693**	**$ 6,497,650**	**$ 3,468,633**	**$ 4,915,463**	**$ 3,252,801**
Revenues					
Water Sales	$ 9,424,917	$ 9,176,886	$ 9,534,785	$ 9,906,642	$ 10,293,001
Sewer Charges	3,057,631	3,265,533	3,354,068	3,454,690	3,558,331
Permit Revenue	62,120	62,000	64,000	64,000	64,000
Interest Earnings	748,224	286,000	86,716	122,887	81,320
Intergovernmental Revenue	-	255,625	-	865,946	-
City of Dallas		417,500			
Other Revenues	125,630	114,000	118,560	123,302	128,234
Total Revenues	**$ 13,418,522**	**$ 13,577,544**	**$ 13,158,129**	**$ 14,537,466**	**$ 14,124,886**
Transfers-In	475,600	503,800	514,884	526,211	537,788
Total Revenues & Transfers-In	**$ 13,894,122**	**$ 14,081,344**	**$ 13,673,013**	**$ 15,063,677**	**$ 14,662,674**
Expenditures					
Personnel Services	$ 1,869,335	$ 2,396,511	$ 2,507,280	$ 2,601,303	$ 2,698,852
Supplies & Equipment	261,979	307,531	316,757	326,260	336,048
Water Purchases	4,188,181	4,013,740	4,214,427	4,425,148	4,646,406
Services & Charges	1,506,233	1,855,557	1,761,224	1,814,061	1,868,483
Total Operating Expenditures	**$ 7,825,728**	**$ 8,573,339**	**$ 8,799,688**	**$ 9,166,772**	**$ 9,549,789**
Capital Outlay:					
Water & Sanitary Sewer Infrastructure Replace./Rehab.	$ 350,000	$ 2,573,216	$ 350,000	$ 2,740,483	$ 350,000
30" Interceptor - Transportation Project	-	511,250	-	-	-
30" Interceptor - Wycliffe to Armstrong	-	-	-	1,731,891	-
30" Interceptor - Beverly to Mockingbird	-	-	-	-	-
Transportation Project - Water and Sewer		1,850,000			
Holland Elevated Storage Tank Replacement	7,600,000	300,000	-	-	-
Decommission Holland EST	-	300,000	-	-	-
Holland Ave - Town limits to Westside	-	450,000	-	-	-
Cell Site Antenna Screening	-	125,000	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln (40)	-	-	567,018	-	-
Douglas Avenue Reconstruction - South Town Limits to Arcady (53)	-	-	281,948	-	-
Westside Drive Reconstruction - Lemmon to Bordeaux (36)	-	-	-	397,953	-
Hillcrest Avenue Reconstruction - Princeton to Drexel (35)	-	-	-	403,259	-
Apartment Complex Demolition	-	100,000	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Westway (45)	-	-	-	-	654,871
Douglas Avenue Reconstruction - Beverly to North Town Limits (51)	-	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard (56)	-	-	-	-	-
Roland Avenue Reconstruction - Bordeaux Av to Mockingbird (46)	-	-	-	-	-
Beverly Drive Reconstruction - Preston to Fairfield (61)	-	-	-	-	-
Westside Drive Reconstruction - Bordeaux to Beverly (54)	-	-	-	-	-
Westside Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Hillcrest Avenue Reconstruction - Abbott to Princeton (63)	-	-	-	-	-
Armstrong Parkway Reconstruction - Arcady to Beverly (62)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Westway to Arcady (60)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Arcady to Beverly (53)	-	-	-	-	-
Beverly Drive Reconstruction - St. Johns to Hillcrest (65)	-	-	-	-	-
Lomo Alto Drive Reconstruction - Beverly to Mockingbird (60)	-	-	-	-	-
Beverly Drive Reconstruction - Fairfield to Drexel (65)	-	-	-	-	-
Armstrong Parkway Reconstruction - Douglas to Arcady (68)	-	-	-	-	-
Armstrong Parkway Reconstruction - Beverly to Mockingbird (68)	-	-	-	-	-
Mockingbird Lane Rehabilitation - DNT to Hillcrest (73)	-	-	-	-	-
Total Capital Expenditures	**$ 7,950,000**	**$ 6,209,466**	**$ 1,198,966**	**$ 5,273,586**	**$ 1,004,871**
Total Expenditures	**$ 15,775,728**	**$ 14,782,805**	**$ 9,998,654**	**$ 14,440,358**	**$ 10,554,660**
Transfers-Out	$ 2,168,437	$ 2,327,556	2,227,529	2,285,980	2,346,075
Total Expenditures & Transfer-Out	**$ 17,944,165**	**$ 17,110,361**	**$ 12,226,183**	**$ 16,726,339**	**$ 12,900,735**
Operating Reserve	$ 2,340,639	$ 2,569,694	$ 2,595,694	$ 2,696,172	$ 2,800,824
Capital & Rate Stabilization Reserve	4,157,011	898,939	2,319,769	556,629	2,213,917
Ending Balance	**6,497,650**	**3,468,633**	**4,915,463**	**3,252,801**	**5,014,741**
Ideal Fund Balance (25% of Operating Expenses)	**$ 2,340,639**	**$ 2,569,694**	**$ 2,595,694**	**$ 2,696,172**	**$ 2,800,824**
Over(Under) Ideal Fund Balance	**$ 4,157,011**	**$ 898,939**	**$ 2,319,769**	**$ 556,629**	**$ 2,213,917**

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

* *Excludes FY 2023-24

*	*	*	*	*	*	
2028-29	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**Total****
$ 5,014,741	**$ 3,437,594**	**$ 4,787,225**	**$ 3,581,151**	**$ 5,423,831**	**$ 3,990,272**	**$ 6,497,650**
$ 10,694,428	$ 11,111,511	$ 11,544,859	$ 11,995,109	$ 12,462,919	$ 12,942,741	$ 109,662,880
3,665,081	3,775,033	3,888,284	4,004,933	4,125,081	4,248,833	37,339,867
64,000	64,000	64,000	64,000	64,000	64,000	638,000
125,369	85,940	119,681	89,529	135,596	99,757	1,232,793
-		-	-	-	201,134	1,322,705
						417,500
133,364	138,698	144,246	150,016	156,017	162,258	1,368,696
$ 14,682,242	**$ 15,175,182**	**$ 15,761,070**	**$ 16,303,587**	**$ 16,943,612**	**$ 17,718,722**	**$ 151,982,441**
549,619	561,711	574,069	586,699	599,606	612,797	5,567,184
$ 15,231,861	**$ 15,736,893**	**$ 16,335,139**	**$ 16,890,286**	**$ 17,543,218**	**$ 18,331,519**	**$ 157,549,625**
$ 2,800,059	$ 2,905,061	$ 3,014,001	$ 3,127,026	$ 3,244,289	$ 3,365,950	$ 28,660,332
346,129	356,513	367,208	378,224	389,571	401,258	3,525,499
4,878,726	5,122,662	5,378,795	5,647,735	5,930,122	6,226,628	50,484,390
1,924,537	1,982,273	2,041,741	2,102,993	2,166,083	2,231,065	19,748,017
$ 9,949,451	**$ 10,366,509**	**$ 10,801,745**	**$ 11,255,978**	**$ 11,730,065**	**$ 12,224,901**	**$ 102,418,238**
$ 2,918,680	$ 350,000	$ 3,122,988	$ 350,000	$ 3,341,597	$ 350,000	$ 16,446,964
-	-	-	-	-	-	511,250
-	-	-	-	-	-	1,731,891
-	-	-	-	-	402,268	402,268
-	-	-	-	-	-	1,850,000
-	-	-	-	-	-	300,000
-	-	-	-	-	-	300,000
-	-	-	-	-	-	450,000
-	-	-	-	-	-	125,000
-	-	-	-	-	-	567,018
-	-	-	-	-	-	281,948
-	-	-	-	-	-	397,953
-	-	-	-	-	-	403,259
-	-	-	-	-	-	100,000
-	-	-	-	-	-	654,871
412,374	-	-	-	-	-	412,374
1,120,642	-	-	-	-	-	1,120,642
-	754,529		-	-	-	754,529
-	337,849	-	-	-	-	337,849
-	106,985	-	-	-	-	106,985
-	-	-	-	-	-	-
-	-	218,250	-	-	-	218,250
-	-	861,514	-	-	-	861,514
-	-	-	398,364	-	-	398,364
-	-	-	87,874	-	-	87,874
-	-	-	351,498	-	-	351,498
-	-	-	-	-	-	-
-		-	-	358,528	-	358,528
-	-	-	-	873,613	-	873,613
-	-	-	-	-	380,326	380,326
-	-	-	-	-	-	-
$ 4,451,696	**$ 1,549,363**	**$ 4,202,752**	**$ 1,187,736**	**$ 4,573,737**	**$ 1,132,594**	**$ 30,784,770**
$ 14,401,147	**$ 11,915,872**	**$ 15,004,498**	**$ 12,443,715**	**$ 16,303,802**	**$ 13,357,496**	**$ 133,203,008**
2,407,861	2,471,390	2,536,715	2,603,891	2,672,975	2,743,712	24,623,684
$ 16,809,008	**$ 14,387,262**	**$ 17,541,213**	**$ 15,047,606**	**$ 18,976,777**	**$ 16,101,208**	**$ 157,826,691**
$ 2,909,834	$ 3,023,393	$ 3,141,701	$ 3,264,967	$ 3,393,410	$ 3,527,258	$ 3,527,258
527,760	1,763,832	439,450	2,158,864	596,862	2,693,325	2,693,325
3,437,594	**4,787,225**	**3,581,151**	**5,423,831**	**3,990,272**	**6,220,583**	**6,220,583**
$ 2,909,834	**$ 3,023,393**	**$ 3,141,701**	**$ 3,264,967**	**$ 3,393,410**	**$ 3,527,258**	**$ 3,527,258**
$ 527,760	**$ 1,763,832**	**$ 439,450**	**$ 2,158,864**	**$ 596,862**	**$ 2,693,325**	**$ 2,693,325**

CAPITAL PROJECTS FUND

Park Renovation/Rehabilitation Program

- Estimated Project Cost - $3,002,521
- FY 2024-25 Funding - $259,509
- Project Year(s) - Annually
- Improve the safety and the beauty of Town Parks by systematically updating the irrigation, lighting, playgrounds, site amenities, walkways, turf and groundcover areas to enhance the overall park experience.
- ***The ultimate impact on the operating budget related to this program will be known once the design work for each year's project is complete.***

DPS Radio Equipment Relocation

- Estimated Project Cost - $975,000
- FY 2024-25
- Includes removing radio antennas and equipment housing from the existing elevated water storage tank location and moving them to the location near the new elevated water storage tank replacing equipment as needed.
- ***Project is necessitated by the impending demolition of the existing elevated water storage tank which currently provides a platform for a portion of the Town's public safety communication system.***

Street Light Program

- Estimated Project Cost - $1,848,367
- FY 2024-25 Funding - $159,754
- Project Year(s) - Annually
- Includes painting and/or replacing streetlights.
- ***Project works to maintain streetlights through painting to extend the life and replacement is needed.***

Sidewalk Rehabilitation Program

- Estimated Project Cost - $2,388,052
- FY 2024-25 Funding - $206,400
- Project Year(s) - Annually
- Includes repairing or replacing sidewalks that have either reached the end of their useful life or have become unsafe for people using sidewalks.
- ***Project works to maintain sidewalks and improve accessibility for pedestrian traffic.***

Street Resurfacing & Miscellaneous Concrete

- Estimated Project Cost - $14,076,863
- FY 2024-25 Funding - $1,216,666
- Project Year(s) – Annually
- An annual program of rehabilitating & restoring asphalt road surfaces, and constructing concrete repairs to curb and gutters, streets, alleys and sidewalks.
- ***The program is intended to, among other things, provide funding for continued right of way maintenance in an effort to extend the life of the roadways. This allows more current resources to be devoted to those roadway projects that need to be reconstructed.***

Traffic Signal Upgrades

- Estimated Project Cost - $200,000
- FY 2024-25
- Project Year(s) –FY 2024-25
- Upgrades include conflict monitors, controller cabinets and controllers, backup batteries, upgraded emergency pre-emption, vehicle detection and other operational upgrades.
- ***The program is intended to provide funding to update degraded and antiquated traffic signals and improve operations, reliability and efficiency.***

Mockingbird Bridge Rehabilitation

- Estimated Project Cost - $500,000
- Project Year(s) – FY 2025-26
- Includes structural evaluation of the existing bridge railing, removal of deteriorated paint, concrete repairs as needed and new paint. Project may include additional sidewalk improvements to enhance pedestrian safety.
- ***Project works to maintain the integrity of the bridge railing, including aesthetics and functionality allowing for pedestrian safety.***

Beverly Drive/Miramar Avenue HB Creek Roadway Crossings

- Estimated Project Cost – $1,822,000
- Project Year(s) – FY 2024-25
- Limits – Drexel Drive to St. Johns Drive
- Project includes road reconstruction in connection with improvements to the Hackberry Creek corridor.
- ***Project includes reconstruction of the roadway and culvert improvements, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway to be allocated towards other transportation related maintenance.***

Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction

- Estimated Project Cost – $6,802,343
- Project Year(s) – FY 2026-27 and FY 2027-28
- Limits - Armstrong Parkway at Preston and Lakeside; Oaklawn from Armstrong to Wycliffe
- Additional Funding Sources –Dallas County MCIP $2,400,000
- Road reconstruction and signal improvements.
- ***Project is a complete reconstruction of the roadway and signal improvements, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and traffic signals to be allocated towards other transportation related maintenance.***

Mockingbird Lane Rehabilitation

- Estimated Project Cost – $2,791,497
- Project Year(s) – FY 2033-34
- Limits – Dallas North Tollway to Hillcrest Road
- Additional Funding Source – Dallas County Road and Bridge - $250,000
- Project includes concrete repairs and street resurfacing as well as curb and gutters, sidewalks, and ADA ramps, as needed.
- ***Roadway is currently maintained on an as needed basis. Project rehabilitates the roadway allowing the refocus of any maintenance dollars that would otherwise be used on this road to other areas.***

STORM WATER FUND

Improvements for Hackberry Creek

- Estimated Project Cost –$11,800,000 ($600,000 funded in FY 2022-23; $1,300,000 funded in FY 2023-24)
- FY 2024-25 Funding - $500,000
- Project Year(s) – FY 2022-23 through 2029-30
- The project encompasses the area generally from Byron Avenue to Armstrong Avenue and between St. Johns Drive and Drexel Drive.
- Key design elements include erosion mitigation, creek wall replacement/repairs, replacement/repair of stormwater outfalls, sidewalk/stair/handrail replacement, roadway crossings and culvert improvements and aesthetics including landscaping and irrigation. Project also includes reconstructing Tennis Court #1 into multiple pickleball courts.
- ***Project impact on the operating budget will not be known until design work is complete.***

Drainage Easement Projects

- Estimated Project Cost –$7,550,000
- FY 2024-25 Funding - $1,500,000
- Project Year(s) – FY 2024-25 through FY 2033-34
- Improvements may include grading, adjustments to existing inlets, installing new inlets and associated storm drain-pipe and construction of a concrete flume.
- ***Project is anticipated to address local drainage issues within the easements and is expected to have minimal impact on the operating budget.***

Exall and Connor Lakes Dredging

- Estimated Project Cost –$6,250,000
- FY 2024-25 Funding - $2,000,000
- Project Year(s) – FY 2024-25 through FY 2032-33
- Improvements consist of removing silt from Exall Lake and Connor Lake to restore water depth and improve the aquatic ecosystem and water quality.
- ***Project is anticipated to address water quality and is not expected to impact the operating budget.***

UTILITY FUND

Water & Sanitary Sewer Infrastructure Replacement/Rehabilitation:

- Estimated Project Cost - $16,446,964
- FY 2024-25 Funding - $2,573,216
- Project Year(s) – Annually
- An annual program to replace aging water and sewer mains.
- ***Program is intended to replace aging infrastructure and is expected to reduce utility line maintenance efforts in the areas where lines are replaced. This will allow maintenance dollars to be applied to other areas.***

30" Sewer Interceptor

- Estimated Project Cost – $2,134,159
- Project Years(s) –, FY 2026-27 and FY 2033-34
- Limits:
  - Design and Construction ($1,731,891) - Wycliffe Avenue to Armstrong Avenue
  - Design and Construction ($402,268) - Beverly Drive to Mockingbird Lane
- Additional Funding Source – University Park $1,067,080
- The project will consist of rehabilitating the 30-inch sanitary sewer interceptor.
- ***This project will allow maintenance dollars to be applied to other areas.***

PROJECTS PRESENT IN MULTIPLE FUNDS

Transportation (Wycliff) Improvement Program

- Estimated Project Cost - $ $21,961,250(Design funding of $1,800,000 was provided in FY 2022-23 & FY 2023-24)
- FY 2024-25 Funding - $20,161,250
  - Capital Projects Fund $17,800,000
  - Utility Fund $2,361,250
- Project Year(s) – FY 2022-23, FY 2023-24 & FY 2024-25
- Limits –Oaklawn Avenue to East Town limits
- Additional Funding Sources – Dallas County MCIP $1,000,000; NCTCOG/TXDOT $12,400,000; TCEQ $461,000; City of Dallas $417,500; University Park $255,625
- Includes a complete reconstruction of Wycliffe Avenue over Turtle Creek, via a bridge structure, reconstructing the dam and weir and improving the conveyance of storm water within Turtle Creek.
- ***Project will mitigate future flooding occurring over Wycliffe Avenue while enhancing the public's safety in this area.***

Potomac & Auburndale Reconstruction

- Estimated Project Cost – $2,025,000
  - Capital Projects Fund $1,500,000
  - Storm Water Drainage Fund $525,000
- Project Year(s) – FY 2024-25
- Limits – Key Street to Hillcrest Avenue
- Project includes the total reconstruction of the road including drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway to be committed to other roadways.***

Holland Elevated Storage Tank Replacement

- Estimated Project Cost – $10,295,000 ($670,000 for design was funded FY 2021-22 & $7,600,000 in construction costs funded in FY 2023-24)
  - Capital Projects Fund $700,000
  - Storm Water Fund $150,000
  - Utility Fund $1,175,000 (Includes $300,000 for water tank construction costs, $300,000 for removal of existing tank, $450,000 water/sewer infrastructure in Holland Avenue and $125,000 for screening of antennas on the water tank)
- Project Year(s) – FY 2021-22 through FY 2024-25
- Improvements consist of replacing the existing elevated storage tank (EST) with a new EST at the Town's Service Center on Holland Avenue. In addition to the new EST, improvements include relocating the department of public safety radio system, roadway reconstruction, water, sewer, and drainage improvements and decommissioning the existing EST.
- ***Project will replace the existing end of life elevated storage tank with a new elevated storage tank. The new EST will provide improved water pressures throughout the community. It is anticipated that with the new EST, maintenance dollars can be devoted to other areas of the utility system.***

Beverly Drive Reconstruction

- Estimated Project Cost – $7,851,858
  - Capital Projects Fund $6,565,727
    - Limits
      - Phase I includes Westside Drive to Eastern Avenue ($1,030,000)
      - Phase II includes Preston Road to Fairfield Avenue ($1,752,872)
      - Phase III includes St. Johns to Hillcrest Avenue ($1,922,693)
      - Phase IV includes Fairfield Drive to Drexel Drive ($1,860,162)
  - Storm Water Drainage Fund – $238,256
    - Limits
      - Phase I includes Westside Drive to Eastern Avenue ($0)
      - Phase II includes Preston Road to Fairfield Avenue ($201,583)
      - Phase III includes St. Johns to Hillcrest Avenue ($18,747)
      - Phase IV includes Fairfield Drive to Drexel Drive ($17,926)
  - Utility Fund $1,047,875
    - Limits
      - Phase I includes Westside Drive to Eastern Avenue ($0)
      - Phase II includes Preston Road to Fairfield Avenue ($337,849)
      - Phase III includes St. Johns to Hillcrest Avenue ($351,498)
      - Phase IV includes Fairfield Drive to Drexel Drive ($358,528)
- Project Year(s) – FY 2024-25, FY 2029-30, FY 2031-32 & FY 2032-33
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Eastern Avenue Reconstruction

- Estimated Project Cost – $2,944,332
    - Capital Projects Fund $2,314,890
    - Storm Water Drainage Fund $62,424
    - Utility Fund $567,018
- Project Year(s) – FY 2025-26
- Limits – Westside Drive to Mockingbird Lane
- Additional Funding Source – Dallas County MCIP - $500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Douglas Avenue Reconstruction

- Estimated Project Cost – $5,633,914
    - Capital Projects Fund $4,018,490
        - Limits
            - Phase I includes South Town limits to Arcady Avenue ($1,836,826)
            - Phase II includes Beverly Drive to North Town limits ($2,181,664)
    - Storm Water Drainage Fund $921,102
        - Limits
            - Phase I includes South Town limits to Arcady Avenue ($85,313)
            - Phase II includes Beverly Drive to North Town limits ($835,789)
    - Utility Fund $694,322
        - Limits
            - Phase I includes South Town limits to Arcady Avenue ($281,948)
            - Phase II includes Beverly Drive to North Town limits ($412,374)
- Project Year(s) – FY 2025-26 & FY 2028-29
- Additional Funding Source – anticipated Dallas County MCIP - $500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Abbott Avenue Reconstruction

- Estimated Project Cost – $3,351,885
    - Capital Projects Fund $2,176,039
    - Storm Water Drainage Fund $55,204
    - Utility Fund $1,120,642
- Project Year(s) – FY 2028-29
- Limits - Armstrong Avenue to Harvard Avenue
- Additional Funding Source – Dallas County MCIP - $500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Westside Drive Reconstruction

- Estimated Project Cost – $6,920,885
    - Capital Projects Fund $4,930,256
        - Limits
            - Phase I includes Lemmon Avenue to Bordeaux Avenue ($1,337,122)
            - Phase II includes Bordeaux Avenue to Beverly Drive ($2,122,816)

        - Phase III includes Beverly Drive to Mockingbird Lane ($1,470,318)
    - Storm Water Drainage Fund $1,485,691
        - Limits
            - Phase I includes Lemmon Avenue to Bordeaux Avenue ($1,485,691)
            - Phase II includes Bordeaux Avenue to Beverly Drive ($0)
            - Phase III includes Beverly Drive to Mockingbird Lane ($0)
    - Utility Fund $504,938
        - Limits
            - Phase I includes Lemmon Avenue to Bordeaux Avenue ($397,953)
            - Phase II includes Bordeaux Avenue to Beverly Drive ($106,985)
            - Phase III includes Beverly Drive to Mockingbird Lane ($0)
- Project Years(s) – FY 2026-27, FY 2029-30 & FY 2030-31
- Additional Funding Source – Dallas County MCIP - $500,000 in the Capital Projects Fund.
- Project includes the total reconstruction of the road, including water, sewer and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Hillcrest Avenue Reconstruction

- Estimated Project Cost – $3,122,037
    - Capital Projects Fund $2,400,646
        - Limits
            - Phase I includes Princeton Avenue to Drexel Drive ($1,464,467)
            - Phase II includes Abbott Avenue to Princeton Avenue ($936,179)
    - Storm Water Drainage Fund $99,882
        - Limits
            - Phase I includes Princeton Avenue to Drexel Drive ($42,448)
            - Phase II includes Abbott Avenue to Princeton Avenue ($57,434)
    - Utility Fund $621,509
        - Limits
            - Phase I includes Princeton Avenue to Drexel Drive ($403,259)
            - Phase II includes Abbott Avenue to Princeton Avenue ($218,250)
- Project Year(s) – FY 2026-27 & FY 2030-31
- Additional Funding Source – Dallas County MCIP - $500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Lomo Alto Drive Reconstruction

- Estimated Project Cost – $13,062,989
    - Capital Projects Fund $6,854,540
        - Limits
            - Phase I includes Lemmon Avenue to Westway Avenue ($1,796,837)
            - Phase II includes Westway Avenue to Arcady Avenue ($1,675,473)
            - Phase III includes Arcady Avenue to Beverly Drive ($1,786,781)
            - Phase IV includes Beverly Drive to Mockingbird Lane ($1,595,449)
    - Storm Water Drainage Fund – $5,067,340
        - Limits
            - Phase I includes Lemmon Avenue to Westway ($1,780,601)
            - Phase II includes Westway to Arcady ($1,581,740)
            - Phase III includes Arcady to Beverly ($1,095,502)
            - Phase IV includes Beverly to Mockingbird Lane ($609,497)

- Utility Fund $1,141,109
  - Limits
    - Phase I includes Lemmon Avenue to Westway Avenue ($654,871)
    - Phase II includes Westway Avenue to Arcady Avenue ($398,364)
    - Phase III includes Arcady Avenue to Beverly Drive ($87,874)
    - Phase IV includes Beverly to Mockingbird Lane ($0)
- Project Year(s) – FY 2027-28, FY 2031-32 & FY 2032-33
- Additional Funding Source – anticipated Dallas County MCIP $1,500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Roland Avenue Reconstruction

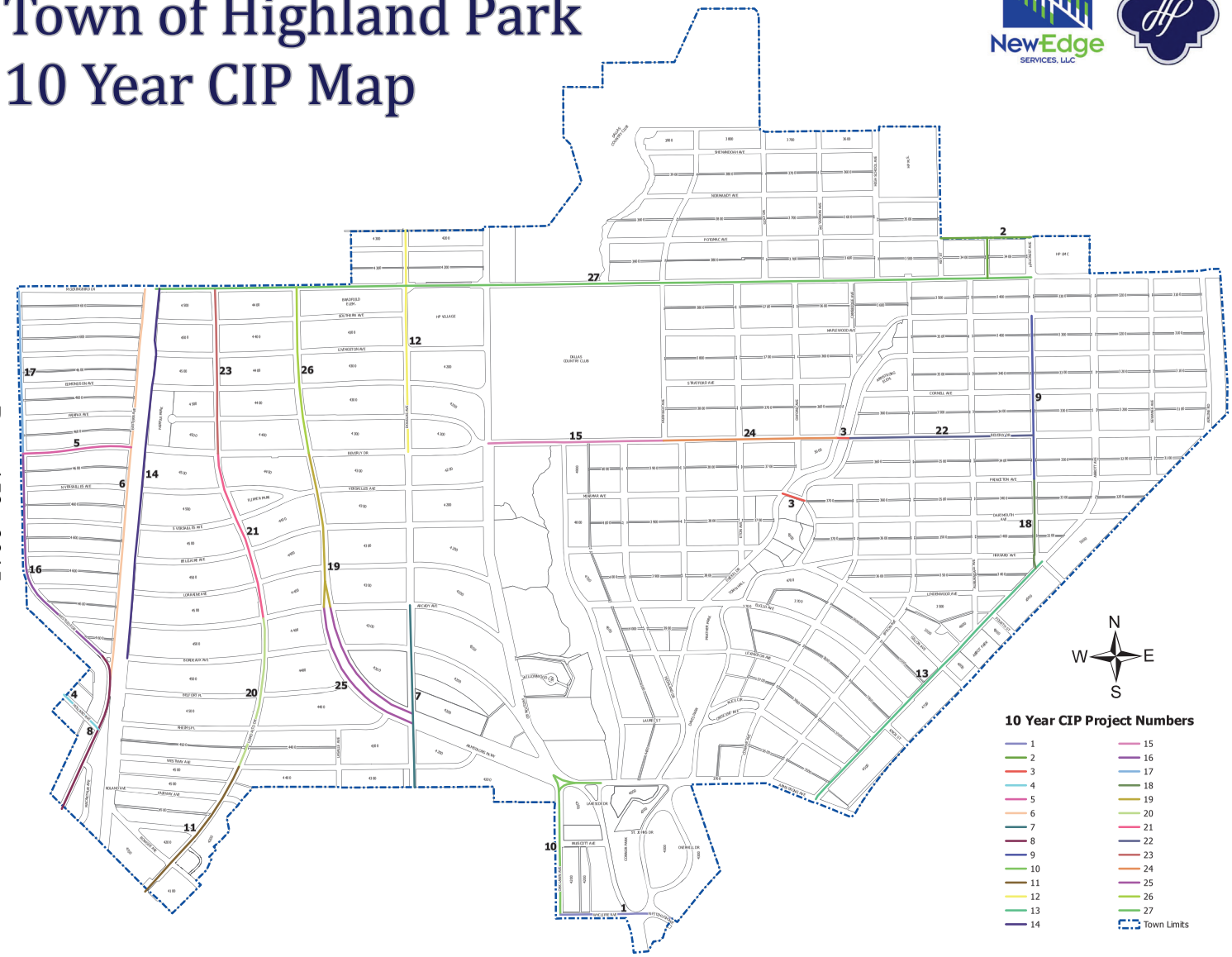
- Estimated Project Cost – $2,263,366
  - Capital Projects Fund $1,554,104
  - Utility Fund $754,529
- Project Year(s) – FY 2029-30
- Limits –Bordeaux Avenue to Mockingbird Lane
- Project includes the total reconstruction of the road, including water and sewer improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

Armstrong Parkway Reconstruction & Rehabilitation

- Estimated Project Cost – $9,718,847
  - Capital Projects Fund $6,617,341
    - Limits
      - Phase I includes Arcady Avenue to Beverly Drive ($1,596,673)
      - Phase II includes Douglas Avenue to Arcady Avenue ($3,523,133)
      - Phase III includes Beverly Drive to Mockingbird Lane ($1,497,535)
  - Storm Water Drainage Fund $986,053
    - Limits
      - Phase I includes Arcady Avenue to Beverly Drive ($456,603)
      - Phase II includes Douglas Avenue to Arcady Avenue ($101,583)
      - Phase III includes Beverly Drive to Mockingbird Lane ($427,867)
  - Utility Fund $2,115,453
    - Limits
      - Phase I includes Arcady Avenue to Beverly Drive ($861,514)
      - Phase II includes Douglas Avenue to Arcady Avenue ($873,613)
      - Phase III includes Beverly Drive to Mockingbird Lane ($380,326)
- Project Year(s) –FY 2030-31, FY 2032-33 & FY 2033-34
- Additional Funding Source – anticipated Dallas County MCIP - $1,000,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sewer, and drainage improvements.
- ***Project is a complete reconstruction, which will allow current maintenance dollars that may otherwise be spent maintaining this roadway and existing utility infrastructure to be allocated towards other infrastructure related maintenance.***

MCIP – Major Capital Improvement Program.

Town of Highland Park
10 Year CIP Map



Project #	Project Name	Limits Location	Fiscal Year	Street Rating (PCI Score)
1	Wycliffe Reconstruction Project	East Town Limits to Oaklawn	2025	30
2	Potomac and Auburndale Reconstruction	Hillcrest to Key, Mockingbird to Potomac	2025	18/34
3	Beverly/ Miramar HB Creek Crossings	Drexel to St. Johns	2025	NA
4	Holland Ave	Town limits to Westside	2025	48
5	Beverly Drive Reconstruction	Westside to Eastern	2025	59
6	Eastern Avenue Reconstruction	Westside to Mockingbird	2026	40
7	Douglas Avenue Reconstruction	South Limits to Arcady	2026	53
8	Westside Drive Reconstruction	Lemmon to Bordeaux	2027	36
9	Hillcrest Avenue Reconstruction	Princeton to Drexel	2027	35
10	Preston Rd/ Armstrong/ Lakeside Dr Intersection	Wycliffe to Armstrong	2028	26
11	Lomo Alto Drive Reconstruction	Lemmon to Westway	2028	45
12	Douglas Avenue Reconstruction	Beverly to North Town Limits	2029	51
13	Abbott Avenue Reconstruction	Armstrong to Harvard	2029	56
14	Roland Avenue Reconstruction	Mockingbird to Bordeaux	2030	46
15	Beverly Drive Reconstruction	Preston to Fairfield	2030	61
16	Westside Drive Reconstruction	Bordeaux to Beverly	2030	54
17	Westside Drive Reconstruction	Beverly to Mockingbird	2031	60
18	Hillcrest Avenue Reconstruction	Abbott to Princeton	2031	63
19	Armstrong Parkway Reconstruction	Arcady to Beverly	2031	62
20	Lomo Alto Drive Reconstruction	Westway to Arcady	2032	60
21	Lomo Alto Drive Reconstruction	Arcady to Beverly	2032	53
22	Beverly Drive Reconstruction	St. Johns to Hillcrest	2032	65
23	Lomo Alto Drive Reconstruction	Beverly to Mockingbird	2033	60
24	Beverly Drive Reconstruction	Fairfield to Drexel	2033	65
25	Armstrong Parkway Reconstruction	Douglas to Arcady	2033	68
26	Armstrong Parkway Reconstruction	Beverly to Mockingbird	2304	68
27	Mockingbird Lane Rehabilitation	DNT to Hillcrest	2034	73

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General Fund

Revenues:

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

Expenditures:

- Payroll expense is indexed at 3.75% each year. This amount is up from prior years reflecting the return to annual merit increases of up to 6% for first responders in the Department of Public Safety.
- Payroll taxes (FICA) and retirement contributions are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the Adopted Budget. Health Insurance is projected to increase at a rate of 5% per year.
- "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.0% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, $10,000 per year has been allocated in FY 2025-26 and thereafter to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.
- Project costs have been updated to reflect current costs and are adjusted for future inflation at 2% per year. A construction contingency was added beginning in FY 2022 – 2023.

Storm Water Drainage Utility Fund

Revenues:

- The financial forecast reflects storm water revenues being indexed each year to accommodate the 10-year Capital Improvement Plan. The annual increase anticipated over the next five years is a change from previous years in an effort to address future capital needs within this fund.
- A transfer from the Capital Improvement Fund of $700,000 for fiscal year 2024-25 and transfers ranging between $350,000 and $1,525,000 per year for the remaining nine years is anticipated.
- The Storm Water Drainage Utility Fund also anticipates an internal loan from the Reserve Fund to facilitate improvements to Hackberry Creek over the next four years. The internal loan will be repaid over several years beginning in FY 2030-31.

Expenditures:

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

Utility Fund

Utility rates are set to meet the annual revenue requirement within the Utility Fund. This fund includes the cost of capital expenditures, and the Utility Fund uses a Pay-as-You-Go funding strategy. It should be noted, however, that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The ten-year financial model includes an annual water and sewer rate adjustment. For FY 2024-25, an increase of 6.5% for water and sewer rates is proposed to address increasing operating costs. These increases are attributed to additional personnel, a 4.6% increase in the cost of treated water purchased from the Dallas County Park Cities Municipal Utility District and a 16.4% increase in the cost of sewer treatment provided by the City of Dallas.

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

GENERAL FUND	2023-24	2024-25	2025-26	2026-27	2027-28
BEGINNING FUND BALANCE	$ 6,388,614	$ 6,643,008	$ 6,912,231	$ 6,499,196	$ 7,131,159
REVENUES:					
Property Taxes	$ 18,442,898	$ 19,463,027	$ 20,372,319	$ 21,378,797	$ 22,435,099
Sales Taxes	6,800,193	7,020,752	7,196,271	7,376,178	7,560,582
Franchise Fees	1,006,175	995,600	1,005,556	1,015,612	1,025,768
Building Inspection Fees/Permits	1,513,236	1,719,600	1,771,188	1,824,324	1,879,054
Municipal Court Fines/Fees	351,606	428,829	433,117	437,448	441,822
Interest Earnings	629,417	601,000	350,000	381,042	405,651
All Other	2,133,629	2,145,911	2,231,747	2,321,017	2,413,858
TOTAL REVENUES	$ 30,877,154	$ 32,374,719	$ 33,360,198	$ 34,734,418	$ 36,161,834
Transfers from Other Funds	1,448,200	1,575,100	1,609,752	1,645,167	1,681,361
TOTAL REVENUES & TRANSFERS-IN	$ 32,325,354	$ 33,949,819	$ 34,969,950	$ 36,379,585	$ 37,843,195
EXPENDITURES:					
Personnel Services:					
Payroll	15,077,721	16,076,334	$ 16,679,197	$ 17,304,667	$ 17,953,592
Taxes	1,098,100	1,171,169	1,202,570	1,247,666	1,294,454
Retirement (TMRS)	1,952,077	2,018,180	2,201,654	2,284,216	2,369,874
Insurance	1,773,481	1,624,488	1,869,812	1,963,303	2,061,468
Total Personnel	$ 19,901,379	$ 20,890,171	$ 21,953,234	$ 22,799,853	$ 23,679,388
Supplies & Equipment	1,278,858	1,314,572	$ 1,354,009	$ 1,394,629	$ 1,436,468
Services & Charges	4,717,173	5,286,729	5,375,331	5,536,591	5,702,689
Capital Outlay:					
Equipment	16,000	10,000	10,000	10,000	10,000
CIP	-	-	-	-	-
TOTAL EXPENDITURES	$ 25,913,410	$ 27,501,471	$ 28,692,574	$ 29,741,073	$ 30,828,545
Transfers to Capital Projects Fund	4,712,080	4,740,525	5,220,163	4,503,954	5,296,844
Transfers to Other Funds	1,445,470	1,438,600	1,470,249	1,502,595	1,535,652
TOTAL EXPENDITURES & TRANSFERS-OUT	$ 32,070,960	$ 33,680,596	$ 35,382,985	$ 35,747,621	$ 37,661,041
ENDING FUND BALANCE	$ 6,643,008	$ 6,912,231	$ 6,499,196	$ 7,131,159	$ 7,313,314
FUND BALANCE MINIMUM	$ 4,648,290	$ 4,918,112	$ 5,125,980	$ 5,309,723	$ 5,500,214
FUND BALANCE SURPLUS	$ 1,994,718	$ 1,994,119	$ 1,373,216	$ 1,821,436	$ 1,813,100
CAPITAL PROJECTS FUND					
Beginning Balance	**$ 12,065,697**	**$ 16,953,158**	**$ 11,576,889**	**$ 10,778,091**	**$ 9,750,663**
Total Annual Project Funding (1)	11,002,075	22,456,460	7,347,351	6,535,730	8,728,377
Total Expenditures	6,114,614	27,832,729	8,146,149	7,563,159	11,958,117
Ending Balance*	$ 16,953,158	$ 11,576,889	$ 10,778,091	$ 9,750,663	$ 6,520,923
Construction Contingency	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
Over(Under) Contingency	**$ 14,953,158**	**$ 9,576,889**	**$ 8,778,091**	**$ 7,750,663**	**$ 4,520,923**
PROPERTY TAX ASSUMPTIONS					
Property Tax Revenue	**$ 18,442,898**	**$ 19,463,027**	**$ 20,372,319**	**$ 21,378,797**	**$ 22,435,099**
Property Values (2)	**$ 8,457,359,481**	**$ 9,400,167,194**	**$ 9,849,188,007**	**$ 10,292,401,468**	**$ 10,755,559,534**
Tax Rate	**0.220530**	**0.208550**	**0.208573**	**0.209469**	**0.210369**

(1) Includes funding from other funds and external sources.
(2) Growth in taxable assessed value (T.A.V.) projected at 4.5% per year after FY 2024-25.

2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
$ 7,313,314	$ 6,447,226	$ 6,920,392	$ 7,572,559	$ 8,040,650	$ 8,628,877
$ 23,543,693	$ 24,707,166	$ 25,918,061	$ 27,209,613	$ 28,554,549	$ 29,965,916
7,749,597	7,943,337	8,141,920	8,345,468	8,554,105	8,767,958
1,036,026	1,046,386	1,056,850	1,067,419	1,078,093	1,088,874
1,935,426	1,993,489	2,053,294	2,114,893	2,178,340	2,243,690
446,240	450,702	455,209	459,761	464,359	469,003
419,353	407,175	428,730	455,340	477,958	503,965
2,510,412	2,610,828	2,715,261	2,823,871	2,936,826	3,054,299
$ 37,640,747	$ 39,159,083	$ 40,769,325	$ 42,476,365	$ 44,244,230	$ 46,093,705
1,718,351	1,756,155	1,794,790	1,834,275	1,874,629	1,915,871
$ 39,359,098	$ 40,915,238	$ 42,564,115	$ 44,310,640	$ 46,118,859	$ 48,009,576
$ 18,626,852	$ 19,325,359	$ 20,050,060	$ 20,801,937	$ 21,582,010	$ 22,391,335
1,342,996	1,393,358	1,445,609	1,499,820	1,556,063	1,614,415
2,458,744	2,550,947	2,646,608	2,745,856	2,848,825	2,955,656
2,164,542	2,272,769	2,386,407	2,505,727	2,631,014	2,762,565
$ 24,593,134	$ 25,542,433	$ 26,528,684	$ 27,553,340	$ 28,617,912	$ 29,723,971
$ 1,479,562	$ 1,523,949	$ 1,569,667	$ 1,616,757	$ 1,665,260	$ 1,715,218
5,873,770	6,049,983	6,231,482	6,418,426	6,610,979	6,809,308
			-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
$ 31,956,466	$ 33,126,365	$ 34,339,833	$ 35,598,523	$ 36,904,151	$ 38,258,497
6,699,283	5,711,743	5,932,863	6,568,712	6,914,309	7,172,037
1,569,436	1,603,964	1,639,251	1,675,314	1,712,171	1,749,839
$ 40,225,185	$ 40,442,072	$ 41,911,948	$ 43,842,549	$ 45,530,631	$ 47,180,373
$ 6,447,226	$ 6,920,392	$ 7,572,559	$ 8,040,650	$ 8,628,877	$ 9,458,080
$ 5,697,703	$ 5,902,456	$ 6,114,744	$ 6,334,852	$ 6,563,075	$ 6,799,717
$ 749,523	$ 1,017,936	$ 1,457,815	$ 1,705,798	$ 2,065,802	$ 2,658,363
$ 6,520,923	**$ 6,144,254**	**$ 3,641,090**	**$ 4,224,290**	**$ 4,625,956**	**$ 3,187,856**
8,176,434	6,706,791	7,893,633	9,073,387	8,959,415	9,462,370
8,553,102	9,209,955	7,310,433	8,671,722	10,397,515	7,392,366
$ 6,144,254	$ 3,641,090	$ 4,224,290	$ 4,625,956	$ 3,187,856	$ 5,257,860
$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
$ 4,144,254	**$ 1,641,090**	**$ 2,224,290**	**$ 2,625,956**	**$ 1,187,856**	**$ 3,257,860**
$ 23,543,693	**$ 24,707,166**	**$ 25,918,061**	**$ 27,209,613**	**$ 28,554,549**	**$ 29,965,916**
$ 11,239,559,713	**$ 11,745,339,900**	**$ 12,273,880,195**	**$ 12,826,204,804**	**$ 13,403,384,020**	**$ 14,006,536,301**
0.211273	**0.212181**	**0.213009**	**0.214008**	**0.214928**	**0.215851**

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COMMUNITY INFORMATION

HIGHLAND PARK, TEXAS

HISTORY

In 1837, after a savage Indian battle, the remnants of a Texas Ranger scouting expedition camped in a lovely spot along "the creek with all the turtles". These survivors were the first recorded Anglo-Americans in the area that is now known as Highland Park.

A year later, an old Caddo Indian trace was surveyed by the Republic of Texas to become part of a National Central Road to run north from Austin to the Red River. This road was also used as a segment of the old Shawnee Trail for cattle drives to Missouri. Today that road is known as Preston Road, the first paved street in Highland Park and one of the first major highways in this area.

In 1843, Dr. John Cole, of Virginia, acquired 420 acres as a headright from the Republic of Texas. This acreage includes the area of what was to become both Highland Park and University Park. In 1851, this land was inherited by Dr. Cole's son, Joseph Larkin Cole.

Between 1886 and 1889, Colonel Henry Exall, of Kentucky and Virginia, along with other investors, acquired the Cole property. Colonel Exall constructed a dam on Turtle Creek in 1890, creating Exall Lake, and began laying out the graveled streets. After a financial setback, Colonel Exall farmed and raised trotting horses in this area he called Lomo Alto (high land).

In 1907, John S. Armstrong purchased the land and along with his two sons-in-law, Edgar L. Flippen and Hugh E. Prather, Sr. began development of a residential community to be called Highland Park, so named because of its higher elevation as compared to the surrounding area and because of a plan to reserve 20% of the developed land for parks. The plans for the development of the area were laid out by Wilbur David Clark who had laid out Beverly Hills, California, and the first lots were sold in 1909, in an area bounded by Armstrong, Abbott and Gillon Avenues and Hackberry Creek.

In 1913, the Town was incorporated by a vote of its residents and the evolvement of present day Highland Park began.

LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 8,864 residents.

Highland Park is traversed by Turtle Creek and Hackberry Creek, the natural beauty of which has been enhanced by the Town and private property owners through landscaping and lakes.

MISCELLANEOUS STATISTICAL DATA

Form of Government ..... Council - Manager
Incorporation Date ..... December 1913
Adoption Of Home Rule Charter Date ..... August 1975
Adoption of Revised Town Charter ..... March, 2004

Town Characteristics

Area ..... 1,445 Acres (2.26 Square Miles)

Population (2010 Census) 8,564
Population (2020 Census) 8,864
Population (2022 Estimate) 8,719
Population (2023 Estimate) 8,642

Proportion of Taxable Property Values

Residential 93.8%
Business Personal Property 1.2%
Commercial 4.8%
Utilities 0.2%

Public Safety Personnel

Cross-trained (Police/Fire/Paramedic) 66
Police Officer 1
Part time Court Bailiffs 3

Water and Sewer Utility System

Water Connections at September 30, 2024

Residential 3,084
Residential Multifamily 37
Commercial 92
Irrigation 2,363
Municipal 75
Total 5,651

Sewer Connections

Residential 3,028
Residential Multifamily 34
Commercial 89
Municipal 3
Total 3,154

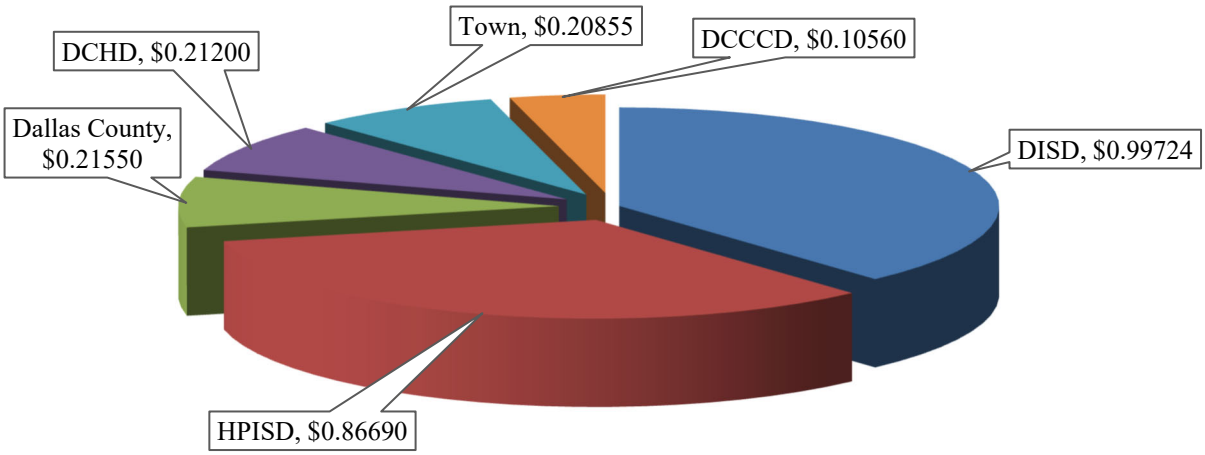
Infrastructure

Sanitary Sewers ..... 37.18 Miles
Parks ..... 22 with 59.3 Acres
Storm Sewers ..... 12.22 Miles
Paved Streets ..... 41.79 Miles

Highland Park

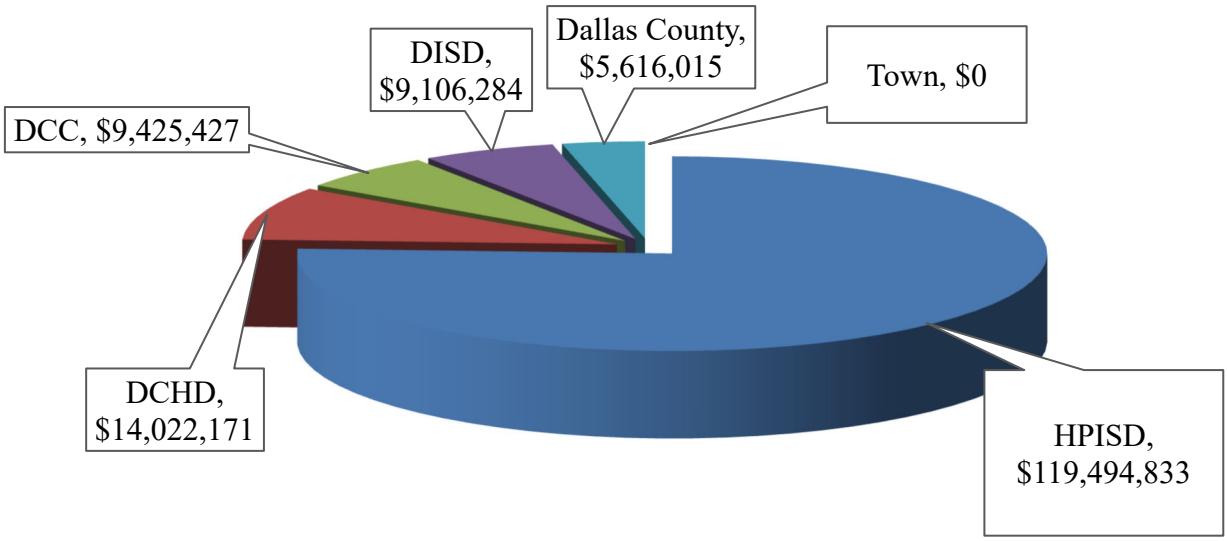
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates – 2024



Per $100 Taxable Valuation

Direct and Overlapping Debt – 2023



DCHD – Dallas County Hospital District
DCCCD – Dallas County Community College District
DISD – Dallas Independent School District
HPISD – Highland Park Independent School District

TOWN OF HIGHLAND PARK
Appraised and Taxable Property Values
Current and Last Nine Tax Years

	Appraised Property Value			
Tax Year	Real Property	Business Personal Property	Total	Taxable Value
2015	$ 6,588,993,380	$ 78,087,300	$ 6,667,080,680	$ 5,324,500,745
2016	$ 7,125,427,370	$ 91,050,750	$ 7,216,478,120	$ 5,765,524,023
2017	$ 7,136,257,020	$ 88,973,310	$ 7,225,230,330	$ 6,012,113,607
2018	$ 7,622,177,870	$ 99,755,280	$ 7,721,933,150	$ 6,292,473,542
2019	$ 7,853,250,380	$ 106,359,070	$ 7,959,609,450	$ 6,463,192,448
2020*	$ 8,041,214,480	$ 108,081,240	$ 8,149,295,720	$ 6,616,458,934
2021	$ 8,269,469,480	$ 99,364,670	$ 8,368,834,150	$ 6,783,128,145
2022	$ 13,574,894,680	$ 110,170,080	$ 13,685,064,760	$ 7,466,203,174
2023	$ 11,674,856,260	$ 109,992,840	$ 11,784,849,100	$ 8,457,359,481
2024	$ 13,611,084,470	$ 110,170,080	$ 13,721,254,550	$ 9,400,167,194

The difference between the appraised value and the taxable value represents the value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a $50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provide under the Texas Property Tax Code.

* Due to the ongoing pandemic, the initial certification by the Dallas Central Appraisal Disctrict was low due to a significant number of protests pending at time of certification. The data provided herein is current at the time of writing this document and was not available at the time of budget adoption.

PRINCIPAL TAXPAYERS - 2024 TAX ROLL

Taxpayer	Type of Property	Taxable Valuation	% of Taxable Valuation
HP Village Partners LP	Commercial	$ 262,000,000	2.79%
4101 Trust	Residential	45,537,150	0.48%
Dallas Country Club	Commercial	41,400,860	0.44%
Muse, John R	Residential	39,470,000	0.42%
Crow, Harlen	Residential	39,070,000	0.42%
Ware, Leslie	Residential	33,145,200	0.35%
L & B Depp UCEPP 5500	Commercial	28,000,000	0.30%
Intercity Investment	Commercial	27,558,040	0.29%
Jones. Jerral W. & Gene C.	Residential	22,200,160	0.24%
LDO Holdings LLC	Residential	21,722,000	0.23%

EMPLOYMENT DATA BY INDUSTRY

Employer Industry	Number of establishments	Annual Payroll ($1,000's)	Employees
Wholesale trade	D	$ 1,386	20 to 99
Retail trade	60	$ 26,886	622
Information	D	D	20 to 99
Finance and insurance	D	D	250 to 499
Real estate and rental and leasing	D	D	20 to 99
Professional, scientific, and technical services	61	$ 12,428	142
Administrative and support and waste management and remediation services	18	$ 6,211	78
Educational services	3	$ 196	10
Health care and social assistance	30	$ 4,320	106
Arts, entertainment, and recreation	9	$ 16,908	335
Accommodation and food services	16	$ 11,729	495
Other services (except public administration)	12	$ 5,098	204

"D" = Individual company data withheld according to the U.S. Census Bureau website.

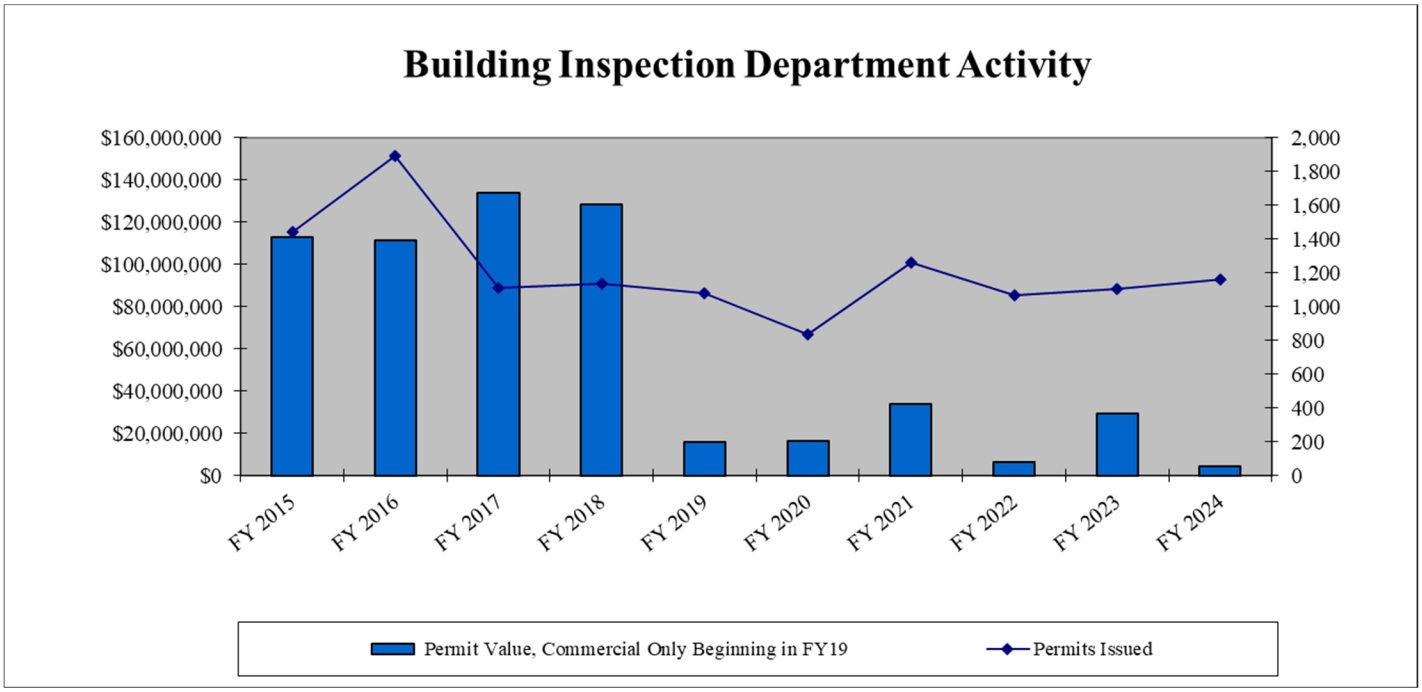
The Town of Highland Park is a relatively small municipality with a radius of about 2.26 square miles. The Town's most recent estimated population is approximately 8,642. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the U. S. Census Bureau. This Census does not include information on individual businesses; rather, it contains only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: The data above was obtained from the 2017 Economic Census.

TOWN OF HIGHLAND PARK
Construction and Property Values
Last Ten Fiscal Years

Commercial Construction			Residential Construction		Property Market Value**	
Fiscal Year	Number of Permits	Value	Number of Permits	Value	Real Property	Personal Property
2015	48	$ 12,690,806	1,162	$ 100,306,992	$ 6,040,379,500	$ 79,298,850
2016	29	$ 8,623,479	1,865	$ 102,641,000	$ 6,588,993,380	$ 78,087,300
2017	30	$ 23,812,724	1,083	$ 110,263,580	$ 7,125,427,370	$ 91,050,750
2018	22	$ 45,226,370	1,117	$ 83,254,000	$ 7,136,257,020	$ 88,973,310
2019	19	$ 15,979,770	1,062	*	$ 7,622,177,870	$ 99,755,280
2020	26	$ 16,227,820	808	*	$ 7,853,250,380	$ 106,359,070
2021	23	$ 33,720,046	1,239	*	$ 8,041,214,480	$ 108,081,240
2022	16	$ 6,286,811	1,052	*	$ 8,269,469,480	$ 99,364,670
2023	24	$ 29,259,939	1,079	*	$ 9,436,378,970	$ 104,583,140
2024	18	$ 4,455,028	1,146	*	$ 11,674,856,260	$ 109,992,840

* Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit revenue or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

** Source: Dallas Central Appraisal District (DCAD).



Regarding the drop in permit values, please refer to the note above regarding H.B. 852.

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PAY PLAN

For FY 2025, the Adopted Budget provides for an annual merit adjustment for first responders (Public Safety Officers and Dispatchers) up to 6%. All other full-time non-exempt employees and civilian exempt employees will be eligible for up to a 3.5% merit adjustment in FY 2025. This adjustment will be based on the score they receive on their annual performance evaluations to be provided at the end of the current fiscal year.

Any pay adjustment for FY 2025 will be limited by the maximum of the pay range for each employee. Employees may not receive base pay above the Maximum of the Pay Plan.

In FY 2024 a compensation survey was completed. The Pay Plans incorporated in the Town's FY 2025 Adopted Budget are designed to maintain equity in the Town's designated public-sector market and reflect an increase over the pay plans approved for FY 2024 of 3%. The market cities the Town benchmarks against include the following:

Addison
Frisco
Richardson
Southlake
University Park

The pay grades for Public Safety positions (all non-exempt) are structured based on market data for relative duties and responsibilities of the blended police and fire functions. The Public Safety Officer ("PSO") position is the anchor of the pay plan on which all other public safety positions and grades are determined. The target midpoint of the pay range for the PSO position is set at 20% above the average of the police officer position in our target market. The differential of 20% is to recognize the dual discipline duties of police and fire required by the PSO position and public safety supervisors.

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

TOWN OF HIGHLAND PARK GRADED PAY PLAN
NON-EXEMPT EMPLOYEES
FISCAL YEAR 2025

		Hourly Base Pay Range	
Grade	**Position**	**Minimum**	**Maximum**
8	Communications Manager Superintendent Town Secretary Chief Building Official Systems Analyst	$47.592	$73.202
7	Civil Engineer Senior Building Inspector	$41.375	$63.654
6	Accounting Supervisor Building Inspector Communications Supervisor Court Administrator Customer Service Supervisor Development Services Coordinator Facilities Maintenance Manager Town Services Coordinator	$35.975	$55.337
5	Alarm Specialist Construction Inspector Librarian Project Coordinator	$31.275	$48.133
4	Communications Specialist DPS Administrative Secretary Human Resources Coordinator Irrigation/Mosquito Inspector Parks Maintenance Worker III Plans Examiner Public Works Maintenance Worker III Secretary to the Director Senior Accounting Technician	$27.201	$41.842
3	Building Permit Technician Customer Service Specialist II Senior Court Clerk Finance & HR Administrative Assistant Administrative Assistant Library Administrative Assistant Parks Maintenance Worker II Public Works Maintenance Worker II	$23.658	$36.389
2	Court Clerk Library Associate/Assistant Public Works Maintenance Worker I	$20.571	$31.646
1	Parks Maintenance Worker I	$17.887	$27.509

Court Security Guards start at $50.00/hour with 4 hours per week.

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

TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2025

		Hourly Base Pay Range Shift Duty*			Hourly Base Pay Range Administration**	
Grade	**Position**	**Minimum**	**Maximum**		**Minimum**	**Maximum**
G	Captain	$46.925	$57.462		$73.320	$89.785
F	Lieutenant	$42.659	$52.239		$66.654	$81.623
E	Sergeant	$37.089	$45.417		$57.952	$70.964
D	Unassigned	-	-		-	-
C	Public Safety Officer	$28.793	$38.458		$44.989	$60.090
B	Fire Fighter or Police Officer	$23.998	$29.366		$37.496	$45.884
A	Public Safety Apprentice	$22.905	$25.494		$35.789	$39.834

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

***Shift Duty is based on 3,250 hours in one year.**
****Administration is based on 2,080 hours in one year.**

TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
FISCAL YEAR 2025

Grade	Position	Minimum	Maximum
E-4	Assistant Town Administrator Director of Public Safety	$181,977	$263,775
E-3	Assistant Director of Public Safety Director of Engineering	$165,433	$239,793
E-2	Deputy Chief Director of Finance	$157,180	$227,834
E-1	Development Services Director Director of Policy and Strategic Initiatives	$145,272	$210,156
E-0	Assistant Development Services Director Assistant Director of Engineering IT Manager Town Librarian	$126,324	$182,747

Exempt positions are not eligible for incentives or assignment pay.

INCENTIVE & ASSIGNMENT PAY

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

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

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

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

TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2025

Incentive Pay

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

Assignment Pay

Public Safety Investigator Assignment	+7.5%

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HISTORICAL REVENUE & EXPENDITURE TREND DATA

TOWN OF HIGHLAND PARK
REVENUE HISTORY TREND DATA
BY MAJOR SOURCE

	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019
Property Taxes	$ 11,573,644	$ 12,593,539	$ 13,266,804	$ 13,771,615
Water Sales	6,699,336	6,688,572	7,291,607	6,557,798
Sanitary Sewer Charges	2,788,561	2,787,880	2,808,651	2,744,988
Sales Tax	3,606,074	3,480,389	4,071,324	4,312,342
Sanitation & Recycling Charges	1,235,509	1,236,532	1,390,789	1,466,140
Franchise Fees	1,021,288	1,037,497	1,036,561	1,085,951
Building Activity Fees	1,031,156	1,464,379	1,232,128	1,405,605
Court Fines/Fees	1,019,914	1,181,779	1,075,200	1,368,822
Interest on Investments	106,120	244,823	546,103	988,493
Other Charges for Service	-	-	-	-
Storm Water Drainage Fees	386,838	390,126	399,396	413,844
All Other	1,873,641	1,965,698	2,137,470	2,427,565
Sub-Total	31,342,081	33,071,214	35,256,033	36,543,163
Proceeds from Land Sale	-	-	-	-
Capital Contributions for External Entities	1,437,483	1,170,770	1,661,370	5,323,455
Total	$ 32,779,564	$ 34,241,984	$ 36,917,403	$ 41,866,618

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected FY 2024	Adopted FY 2025
$ 14,772,729	$ 15,201,900	$ 15,493,542	$ 16,985,988	$ 18,442,898	$ 19,463,027
6,983,139	6,553,152	8,107,798	8,782,118	9,424,917	9,176,886
2,760,303	2,783,879	2,929,541	2,965,416	3,057,631	3,265,533
4,198,191	5,663,645	6,954,907	6,641,364	6,800,193	7,020,752
1,515,618	1,537,234	1,592,174	1,670,811	1,782,354	1,824,985
938,957	884,641	997,855	1,001,560	1,006,175	995,600
1,348,756	1,661,691	1,588,098	1,615,468	1,573,656	1,779,900
780,886	622,861	589,294	445,188	406,694	482,229
569,156	209,257	474,564	2,822,423	3,344,487	2,417,993
-	-	-	-	-	-
426,626	427,247	439,595	470,650	564,780	1,129,560
2,390,537	2,489,160	2,824,342	1,937,568	2,493,486	3,220,036
36,684,898	38,034,667	41,991,710	45,338,554	48,897,271	50,776,501
-	9,161,467	-	-	-	-
2,325,693	1,762,952	3,295,857	6,174,725	4,805,335	16,326,414
$ 39,010,591	$ 48,959,086	$ 45,287,567	$ 51,513,279	$ 53,702,606	$ 67,102,915

TOWN OF HIGHLAND PARK
EXPENDITURE HISTORY TREND DATA
BY TYPE FOR ALL FUNDS SUBJECT TO APPROPRIATION

	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019
Personnel				
Payroll	$ 12,138,107	$ 12,397,961	$ 12,910,890	$ 13,616,196
Benefits	2,728,154	2,943,700	3,366,911	3,452,656
Subtotal	$ 14,866,261	$ 15,341,661	$ 16,277,801	$ 17,068,852
Supplies & Equipment	3,522,677	3,541,913	3,871,652	3,439,159
Services & Charges	5,421,227	5,903,472	6,094,929	6,011,249
Total Operating Costs	23,810,165	24,787,046	26,244,382	26,519,260
Capital Outlay	5,062,747	6,803,123	5,382,027	10,786,728
Total	$ 28,872,912	$ 31,590,169	$ 31,626,409	$ 37,305,988

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected FY 2024	Adopted FY 2025
$ 14,067,783	$ 13,923,547	$ 14,469,382	$ 15,302,553	$ 16,568,933	$ 17,995,067
4,007,867	4,194,021	4,150,468	4,769,052	5,319,356	5,416,140
$ 18,075,650	$ 18,117,568	$ 18,619,850	$ 20,071,605	$ 21,888,289	$ 23,411,207
3,581,462	3,638,331	4,184,461	4,971,556	5,850,200	5,759,194
6,211,733	6,922,558	7,381,419	7,590,604	8,591,863	9,522,918
27,868,845	28,678,457	30,185,730	32,633,765	36,330,352	38,693,319
8,032,302	11,029,044	7,900,023	12,919,797	19,942,865	38,719,386
$ 35,901,147	$ 39,707,501	$ 38,085,753	$ 45,553,562	$ 56,273,217	$ 77,412,705

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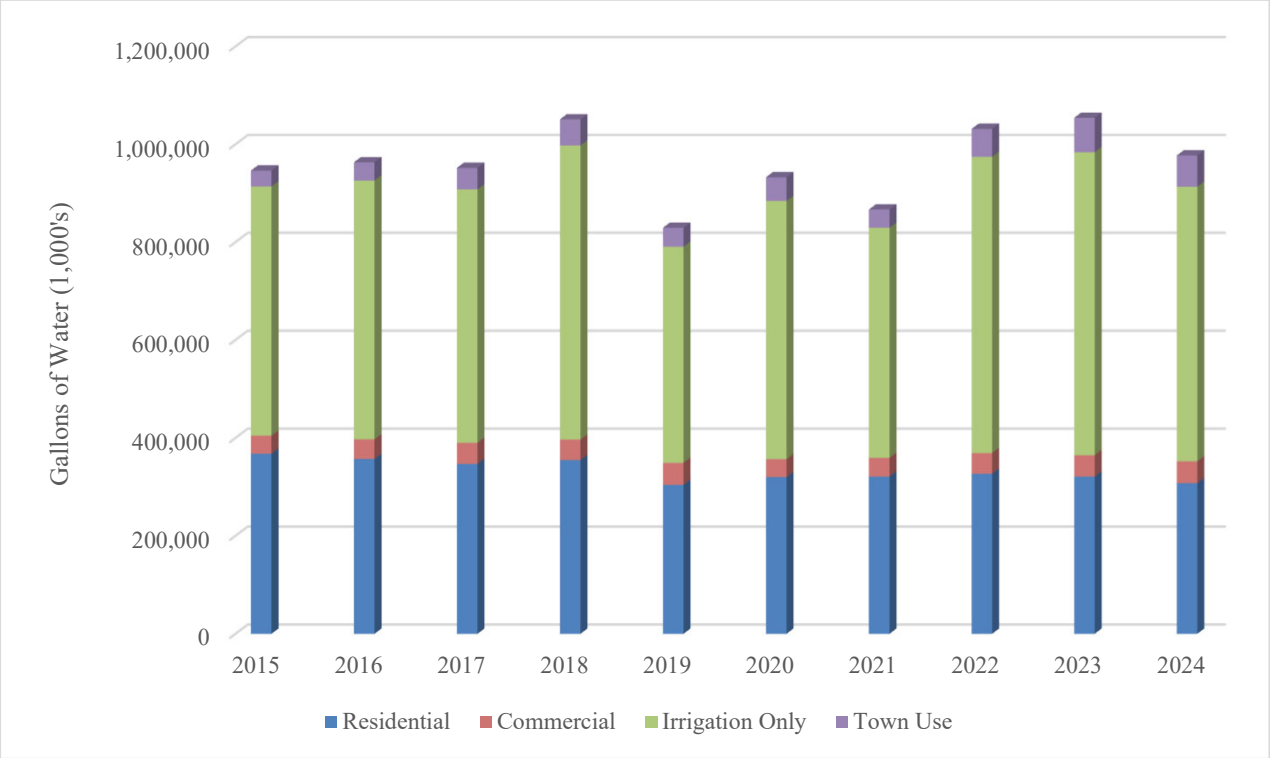
HISTORICAL WATER SALES DATA

TOWN OF HIGHLAND PARK

HISTORICAL WATER SALES BY SERVICE TYPE

1,000 GALLONS

Fiscal Year	Residential	Commercial	Irrigation Only	Town Use	Total	# Service Meters
2015	367,780	36,758	509,248	32,472	946,258	5,474
2016	356,903	40,327	528,651	37,284	963,165	5,520
2017	346,993	43,020	517,801	43,944	951,758	5,516
2018	354,791	41,954	600,904	53,275	1,050,924	5,535
2019	304,193	44,922	441,619	38,581	829,315	5,546
2020	320,032	36,689	527,453	48,361	932,535	5,553
2021	321,139	38,127	470,153	37,263	866,682	5,574
2022	326,654	42,526	605,225	57,108	1,031,513	5,577
2023	321,035	43,700	619,037	70,351	1,054,123	5,602
2024	307,458	44,684	560,991	63,948	977,081	5,651



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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FINANCIAL MANAGEMENT POLICIES
(As Amended September 2024)

I. PURPOSE STATEMENT

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

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

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

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

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

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

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

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

D. **SELECTION/AUDITOR ROTATION -** The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected firm with two (2) one (1) year extensions. The Council shall however retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.

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

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

III. OPERATING BUDGET

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

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

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

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

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

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

2. Adoption - Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official Budget effective for the fiscal year beginning October 1st.

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

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

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

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

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

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

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

in a form which will enable the Council to be fully informed of the overall budget performance of the Town.

D. END OF YEAR APPROPRIATIONS – For all Town funds for which a budget is required and/or prepared, excluding the Capital Projects Fund, unencumbered appropriations expire at the close of each fiscal year. Budgets for operating funds are prepared on a fiscal year basis. Capital projects, on the other hand, may span two or more years. Accordingly, individual projects are budgeted in the Capital Projects Fund and appropriations expire at project closure.

E. PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS Where appropriate, performance measures and productivity indicators shall be included in the annual budget. This information shall also be reported by the Administrator to the Council on a quarterly basis.

IV. REVENUE MANAGEMENT

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

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

B. CERTAINTY – An understanding of the revenue source increases the reliability of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.

C. EQUITY - The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.

D. REVENUE ADEQUACY - The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.

E. DIVERSIFICATION AND STABILITY - Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).

F. NON-RECURRING REVENUES - It is desirable that non- recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.

G. PROPERTY TAX REVENUES - All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of

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

H. USER-BASED FEE - As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".

I. UTILITY RATES - As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.

J. INTEREST INCOME - The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.

K. REVENUE MONITORING - All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

V. EXPENDITURE/EXPENSE CONTROL

A. APPROPRIATIONS - The Town's budget shall be a line- item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.

B. AMENDMENTS TO THE BUDGET - In accordance with Town Charter, all budget amendments shall be approved by the Council.

C. CENTRAL CONTROL - No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.

D. PURCHASING -All Town purchases and contracts over $3,000 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract, 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 $1,000 or more must be made through the Town's purchase order system. Written purchase orders shall also be used for vendors requiring formal Town authorization regardless of the dollar amount.

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

the respective Department Director prior to processing.

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 opening of submittals prior to the advertised opening date and time, these submittals shall be received in a password protected digital account only accessible at the date and time advertised for the opening. The information technology department, or third party used to collect the submittals, will certify that the submittals were not opened until the advertised date and time. Any bids submitted after the advertised date and time will not be considered. If any submitted bids are opened prior to the advertised opening date and time, all bids will be considered rejected and the process will be redone.

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

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

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

VI. ASSET MANAGEMENT

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

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

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

All other Town issued checks not meeting the above criteria shall be signed, in original, by two (2) authorized signatories. Payment authorization shall be in accordance with the pay authorization

criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

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

C. **FIXED ASSETS ACCOUNTING AND INVENTORY** - The Town's fixed assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's fixed assets lies with the Department Director in whose department the fixed asset is assigned. The Finance Department shall supervise the marking of fixed assets with numbered Town property tags and shall maintain the permanent records of the Town's fixed assets including description, cost, department of responsibility, date of acquisition, depreciation, and expected useful life.

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

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

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

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

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

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

VII. FINANCIAL CONDITION

A. **NO OPERATING DEFICITS** - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short- term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only

for emergencies or for the payment of non-recurring expenditures as approved by the Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. FUND BALANCE - GOVERNMENTAL FUNDS

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

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

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

3. *Minimum Unassigned Fund Balance*

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

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

4. *Order of Expenditure of Funds*

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

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

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

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

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

VIII. INTERNAL CONTROLS

A. **WRITTEN PROCEDURES** - Wherever possible, written procedures shall be established and maintained by the Director for all activities involving cash handling and/or accounting throughout the Town. These procedures shall embrace the general concepts of fiscal responsibility outlined in this statement.

B. **DEPARTMENT DIRECTORS RESPONSIBLE** - Each Department Director shall be responsible to ensure that good internal controls are followed at all times throughout his or her department, that all approved, written Finance Department directives on internal controls are implemented and that all independent auditor internal control recommendations, as embraced by the Council and furnished by the Finance Department, are met.

IX. DEBT MANAGEMENT

A. **LONG-TERM DEBT** - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.

B. **FINANCING ALTERNATIVES** - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.

C. **RATINGS** - The Director shall make full disclosure of the Town's operations to both nationally recognized rating agencies, Standard & Poors and Moody's.

X. ANNUAL REVIEW OF POLICIES

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

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GLOSSARY

ADA - Americans with Disabilities Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CIP - Capital Improvement Plan.

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

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

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

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

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

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

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

DART – Dallas Area Rapid Transit.

DCC – Dallas Country Club.

DCCCD – Dallas County Community College District.

DCHD – Dallas County Hospital District.

DCPCMUD - Dallas County Park Cities Municipal Utility District.

DISD – Dallas Independent School District.

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

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

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

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

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

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

DWU - Dallas Water Utilities.

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

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

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

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

Equity - See Fund Balance and Retained Earnings.

ERF - Equipment Replacement Fund.

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

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

FASB – Financial Accounting Standards Board.

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

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

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

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

GASB - Governmental Accounting Standards Board.

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

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

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

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

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

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

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

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

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

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

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

GTOT - Government Treasurers' Organization of Texas.

HPDPS - Highland Park Department of Public Safety.

HPISD - Highland Park Independent School District.

HPSV - Highland Park Shopping Village.

HSA - Health Savings Account.

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

Inter-fund Transfer - See Transfer.

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

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

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

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

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

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

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

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

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

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

NCTCOG – North Central Texas Council of Governments.

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

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

Official Budget - The budget as adopted by the Council.

One-Time Revenues - See Non-Recurring Revenues.

OPEB – Other Post-Employment Benefits.

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

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

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

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

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

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

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

Proprietary Fund - See Utility Fund and Internal Service Fund.

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

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

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

DOES NOT increase a liability (e.g. proceeds from a loan);
DOES NOT represent a repayment of an expenditure already made;
DOES NOT represent a cancellation of certain liabilities; and
DOES NOT represent an increase in contributed capital.

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

SSO - Sanitary Sewer Overflow.

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

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

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

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

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

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

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

TCEQ - Texas Commission on Environmental Quality.

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

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

TMRS - The Texas Municipal Retirement System.

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

TWDB - Texas Water Development Board.

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

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

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

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

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

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

Working Capital - See Net Working Capital.

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2024 TAX RATE CALCULATION WORKSHEET

2024 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

BML 7-26-24

Town of Highland Park	214.559.9360
Taxing Unit Name	Phone *(area code and number)*
4700 Drexel Dr, Highland Park, TX 75205	www.hptx.org
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements.*

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	**Prior year total taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[1]	$ 8,176,728,049
2.	**Prior year tax ceilings.** Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step.[2]	$ 0
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.	$ 8,176,728,049
4.	**Prior year total adopted tax rate.**	$ 0.220530 /$100
5.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.**	
	A. Original prior year ARB values:	$ 222,035,010
	B. Prior year values resulting from final court decisions:	- $ 197,313,380
	C. Prior year value loss. Subtract B from A.[3]	$ 24,721,630
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.**	
	A. Prior year ARB certified value:	$ 215,781,490
	B. Prior year disputed value:	- $ 82,548,812
	C. Prior year undisputed value. Subtract B from A.[4]	$ 133,232,678
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.	$ 157,954,308

[1] Tex. Tax Code §26.012(14)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(13)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 8,334,682,357
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024.** Enter the prior year value of property in deannexed territory.[5]	$ 0
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. A. **Absolute exemptions.** Use prior year market value: ..... $ 2,544,574 B. **Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: ..... + $ 34,675,497 C. **Value loss.** Add A and B.[6]	$ 37,220,071
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use proper- ties that qualified in the prior year. A. **Prior year market value:** ..... $ 0 B. **Current year productivity or special appraised value:** ..... - $ 0 C. **Value loss.** Subtract B from A.[7]	$ 0
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 37,220,071
13.	**Prior year captured value of property in a TIF.** Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund.[8] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 0
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 8,297,462,286
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 18,298,393
16.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year.[9]	$ 69,431
17.	**Adjusted prior year levy with refunds and TIF adjustment.** Add Lines 15 and 16.[10]	$ 18,367,824
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11] A. **Certified values:** ..... $ 9,384,622,358 B. **Counties:** Include railroad rolling stock values certified by the Comptroller's office: ..... + $ C. **Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - $ 0 D. **Tax increment financing:** Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12] ..... - $ 0 E. **Total current year value.** Add A and B, then subtract C and D.	$ 9,384,622,358

[5] Tex. Tax Code §26.012(15)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.03(c)
[9] Tex. Tax Code §26.012(13)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012, 26.04(c-2)
[12] Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	**Total value of properties under protest or not included on certified appraisal roll.** [13] **A. Current year taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [14] ..... $ 15,544,836 **B. Current year value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [15] ..... + $ 0 **C. Total value under protest or not certified.** Add A and B.	$ 15,544,836
20.	**Current year tax ceilings.** Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the home- steads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step.[16]	$ 0
21.	**Current year total taxable value.** Add Lines 18E and 19C. Subtract Line 20. [17]	$ 9,400,167,194
22.	**Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.** Include both real and personal property. Enter the current year value of property in territory annexed. [18]	$ 0
23.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for the current year. [19]	$ 128,345,298
24.	**Total adjustments to the current year taxable value.** Add Lines 22 and 23.	$ 128,345,298
25.	**Adjusted current year taxable value.** Subtract Line 24 from Line 21.	$ 9,271,821,896
26.	**Current year NNR tax rate.** Divide Line 17 by Line 25 and multiply by $100. [20]	$ 0.198103 /$100
27.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. [21]	$ _____ /$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ 0.220530 /$100
29.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 8,334,682,357

[13] Tex. Tax Code §26.01(c) and (d)
[14] Tex. Tax Code §26.01(c)
[15] Tex. Tax Code §26.01(d)
[16] Tex. Tax Code §26.012(6)(B)
[17] Tex. Tax Code §26.012(6)
[18] Tex. Tax Code §26.012(17)
[19] Tex. Tax Code §26.012(17)
[20] Tex. Tax Code §26.04(c)
[21] Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	**Total prior year M&O levy.** Multiply Line 28 by Line 29 and divide by $100	$ 18,380,475
31.	**Adjusted prior year levy for calculating NNR M&O rate.**	
	A. **M&O taxes refunded for years preceding the prior tax year.** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding the prior tax year. + $ 69,431	
	B. **Prior year taxes in TIF.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0. – $ 0	
	C. **Prior year transferred function.** If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- $ 0	
	D. **Prior year M&O levy adjustments.** Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. $ 69,431	
	E. Add Line 30 to 31D.	$ 18,449,906
32.	**Adjusted current year taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,271,821,896
33.	**Current year NNR M&O rate (unadjusted).** Divide Line 31E by Line 32 and multiply by $100.	$ 0.198989 /$100
34.	**Rate adjustment for state criminal justice mandate.** [23]	
	A. **Current year state criminal justice mandate.** Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. $ 0	
	B. **Prior year state criminal justice mandate.** Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. – $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100. $ 0.000000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	$ /$100
35.	**Rate adjustment for indigent health care expenditures.** [24]	
	A. **Current year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose. $ 0	
	B. **Prior year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. – $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100. $ 0.000000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	$ 0.000000 /$100

[22] [Reserved for expansion]
[23] Tex. Tax Code §26.044
[24] Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	**Rate adjustment for county indigent defense compensation.** [25]	
	A. **Current year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30,of the current tax year, less any state grants received by the county for the same purpose..... $ 0	
	B. **Prior year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100..... $ 0.000000 /$100	
	D. Multiply B by 0.05 and divide by Line 32 and multiply by $100..... $ 0.000000 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.	$ 0.000000 /$100
37.	**Rate adjustment for county hospital expenditures.** [26]	
	A. **Current year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year..... $ 0	
	B. **Prior year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023..... $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100..... $ 0.000000 /$100	
	D. Multiply B by 0.08 and divide by Line 32 and multiply by $100..... $ 0.000000 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.	$ 0.000000 /$100
38.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.	
	A. **Amount appropriated for public safety in the prior year.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year..... $ 0	
	B. **Expenditures for public safety in the prior year.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year..... $ 0	
	C. Subtract B from A and divide by Line 32 and multiply by $100 ..... $ 0.000000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	$ 0.000000 /$100
39.	**Adjusted current year NNR M&O rate.** Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	$ 0.198989 /$100
40.	**Adjustment for prior year sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.	
	A. Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent..... $ 0	
	B. Divide Line 40A by Line 32 and multiply by $100..... $ 0.000000 /$100	
	C. Add Line 40B to Line 39.	$ 0.198989 /$100
41.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	$ 0.205953 /$100

[25] Tex. Tax Code §26.0442
[26] Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	***Disaster Line 41 (D41):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.[27] If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	$ 0.000000 /$100
42.	**Total current year debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes, **(2)** are secured by property taxes, **(3)** are scheduled for payment over a period longer than one year, and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.[28] Enter debt amount ..... $ 0 **B.** Subtract **unencumbered fund amount** used to reduce total debt. ..... – $ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) ..... – $ 0 **D.** Subtract **amount paid** from other resources ..... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 0
43.	**Certified prior year excess debt collections.** Enter the amount certified by the collector.[29]	$ 0
44.	**Adjusted current year debt.** Subtract Line 43 from Line 42E.	$ 0
45.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector.[30] ..... 100.00 % **B.** Enter the prior year actual collection rate. ..... 99.13 % **C.** Enter the 2022 actual collection rate. ..... 100.08 % **D.** Enter the 2021 actual collection rate. ..... 99.46 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.[31]	100.00 %
46.	**Current year debt adjusted for collections.** Divide Line 44 by Line 45E.	$ 0
47.	**Current year total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,400,167,194
48.	**Current year debt rate.** Divide Line 46 by Line 47 and multiply by $100.	$ 0.000000 /$100
49.	**Current year voter-approval tax rate.** Add Lines 41 and 48.	$ 0.205953 /$100
D49.	***Disaster Line 49 (D49):* Current year voter-approval tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	$ 0.000000 /$100

[27] Tex. Tax Code §26.042(a)
[28] Tex. Tax Code §26.012(7)
[29] Tex. Tax Code §26.012(10) and 26.04(b)
[30] Tex. Tax Code §26.04(b)
[31] Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	**COUNTIES ONLY.** Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate.	$ 0.000000 /$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	**Taxable Sales.** For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. [32] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	$ 0
52.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. [33] **Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.** Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. [34] **- or -** **Taxing units that adopted the sales tax before November of the prior year.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 0
53.	**Current year total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,400,167,194
54.	**Sales tax adjustment rate.** Divide Line 52 by Line 53 and multiply by $100.	$ 0.000000 /$100
55.	**Current year NNR tax rate, unadjusted for sales tax.**[35] Enter the rate from Line 26 or 27, as applicable, on the *No-New-Revenue Tax Rate Worksheet.*	$ 0.198103 /$100
56.	**Current year NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.** Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year.	$ 0.198103 /$100
57.	**Current year voter-approval tax rate, unadjusted for sales tax.**[36] Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the *Voter-Approval Tax Rate Worksheet.*	$ 0.205953 /$100
58.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 54 from Line 57.	$ 0.205953 /$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [37] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [38]	$ 0
60.	**Current year total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,400,167,194
61.	**Additional rate for pollution control.** Divide Line 59 by Line 60 and multiply by $100.	$ 0.000000 /$100

[32] Tex. Tax Code §26.041(d)
[33] Tex. Tax Code §26.041(i)
[34] Tex. Tax Code §26.041(d)
[35] Tex. Tax Code §26.04(c)
[36] Tex. Tax Code §26.04(c)
[37] Tex. Tax Code §26.045(d)
[38] Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
62.	**Current year voter-approval tax rate, adjusted for pollution control.** Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	$ 0.205953 /$100

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. [39] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. [40] In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate that was used must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; [41]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [42] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. [43]

Individual components can be negative, but the overall rate will be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [44]

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	**Year 3 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.220530 /$100
	B. Unused increment rate (Line 66)	$ 0.009510 /$100
	C. Subtract B from A	$ 0.211020 /$100
	D. Adopted Tax Rate	$ 0.220530 /$100
	E. Subtract D from C	$ -0.009510 /$100
	F. 2023 Total Taxable Value (Line 60)	$ 8,457,359,481
	G. Multiply E by F and divide the results by $100	$ 0
64.	**Year 2 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.239510 /$100
	B. Unused increment rate (Line 66)	$ 0.021387 /$100
	C. Subtract B from A	$ 0.218123 /$100
	D. Adopted Tax Rate	$ 0.230000 /$100
	E. Subtract D from C	$ -0.011877 /$100
	F. 2022 Total Taxable Value (Line 60)	$ 7,466,203,174
	G. Multiply E by F and divide the results by $100	$ 0
65.	**Year 1 Foregone Revenue Amount. Subtract the 2021 unused increment rate and 2021 actual tax rate from the 2021 voter-approval tax rate. Multiply the result by the 2021 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.251387 /$100
	B. Unused increment rate (Line 65)	$ 0.017787 /$100
	C. Subtract B from A	$ 0.233600 /$100
	D. Adopted Tax Rate	$ 0.230000 /$100
	E. Subtract D from C	$ 0.003600 /$100
	F. 2021 Total Taxable Value (Line 60)	$ 6,783,128,145
	G. Multiply E by F and divide the results by $100	$ 244,192
66.	**Total Foregone Revenue Amount.** Add Lines 63G, 64G and 65G	$ 244,192 /$100
67.	**2024 Unused Increment Rate.** Divide Line 66 by Line 21 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0.002597 /$100
68.	**Total 2024 voter-approval tax rate, including the unused increment rate.** Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	$ 0.208550 /$100

[39] Tex. Tax Code §26.013(b)
[40] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[41] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[42] Tex. Tax Code §§26.0501(a) and (c)
[43] Tex. Local Gov't Code §120.007(d)
[44] Tex. Local Gov't Code §120.007(d)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [44]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [45]

Line	De Minimis Rate Worksheet	Amount/Rate
69.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 39 of the *Voter-Approval Tax Rate Worksheet.*	0.198989
70.	**Current year total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,400,167,194
71.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 70 and multiply by $100.	$ 0.005319 /$100
72.	**Current year debt rate.** Enter the rate from Line 48 of the *Voter-Approval Tax Rate Worksheet.*	$ 0.000000 /$100
73.	**De minimis rate.** Add Lines 69, 71 and 72.	$ 0.204308 /$100

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.[48]

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year. [49]

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
74.	**2023 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0.220530 /$100
75.	**Adjusted 2023 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2023 and the taxing unit calculated its 2023 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2023 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.* **- or -** If a disaster occurred prior to 2023 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2023, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2023 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [50] Enter the final adjusted 2023 voter-approval tax rate from the worksheet. **- or -** If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	$ 0.000000 /$100
76.	**Increase in 2023 tax rate due to disaster.** Subtract Line 75 from Line 74.	$ 0.000000 /$100
77.	**Adjusted 2023 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 8,297,462,286
78.	**Emergency revenue.** Multiply Line 76 by Line 77 and divide by $100.	$ 0
79.	**Adjusted 2023 taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$ 9,271,821,896
80.	**Emergency revenue rate.** Divide Line 78 by Line 79 and multiply by $100. [51]	$ 0.000000 /$100

[45] Tex. Tax Code §26.04(c)(2)(B)
[46] Tex. Tax Code §26.012(8-a)
[47] Tex. Tax Code §26.063(a)(1)
[48] Tex. Tax Code §26.042(b)
[49] Tex. Tax Code §26.042(f)
[50] Tex. Tax Code §§26.42(c)
[51] Tex. Tax Code §§26.42(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
81.	**Current year voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate).	$ 0.208550 /$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. ..... $ 0.198103 /$100
As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
Indicate the line number used: 26

Voter-approval tax rate ..... $ 0.208550 /$100
As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).
Indicate the line number used: 68

De minimis rate. ..... $ 0.204308 /$100
If applicable, enter the current year de minimis rate from Line 73.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.[52]

print here John R. Ames, PCC, CTA
Printed Name of Taxing Unit Representative

sign here
Taxing Unit Representative

7/26/24
Date

[52] Tex. Tax Code §§26.04(c-2) and (d-2)

Reset Print

FY 2025-26 Budget Update

May 6, 2025

Review and discuss the development of the Fiscal Year 2025-26 Combined Operating and Capital Budget.

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Background

- The purpose of this agenda item is to provide an opportunity for staff to receive comments from the Town Council relating to the Fiscal Year 2025-26 Combined Operating and Capital Budget process and/or any item(s) the Town Council would like the staff to consider, study, or incorporate into the FY 2026 Budget.

Recommendation

- Staff seeks input and direction from the Town Council during the process of developing the FY 2026 Budget.

Financial Impact

- None – Discussion Only

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Property Taxes

Property Value Estimates

- Staff has received the Preliminary Estimate of Value report from the Dallas Central Appraisal District
  - The **2025 Preliminary Taxable Value** of **$10,425,060,983** represents an **11.1%** increase over 2024 Certified Taxable Value
  - The **2025 New Construction Taxable Value** of **$172,485,492** is up **35.7%**

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Property Value Estimates (Cont'd)

- 2025 Certified Taxable Value Estimate = $10,267,741,041 (9.4% Increase)

- 2025 New Construction Certified Taxable Value Estimate = $161,906,573 (27.4% Increase)

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Property Tax Rate Estimates - NNR

Tax Year 2024 (FY25) Tax Rate	0.208550

FY26 Est. No-New-Revenue Rate (NNR)	0.193666
FY26 Est. Levy – NNR @ 99.5% Collection Rate	$ 19,785,765
FY26 Est. NNR Revenue Increase	$ 377,756
NNR Rate Reduction	0.014884

1.95%

No New Revenue Tax Rate: "…a tax rate that would produce the same amount of taxes if applied to the same properties that are taxed in both years"

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Property Tax Rate Estimates - VAR

Tax Year 2024 (FY25) Tax Rate	0.208550

FY26 Est. Voter Approval Rate (VAR)	**0.200445**
FY26 Est. Levy – VAR @ 99.5% Collection Rate	**$ 20,478,265**
FY26 Est. VAR Revenue Increase	**$ 1,070,256**
VAR Rate Reduction	**0.008105**

5.51%

- Voter Approval Tax Rate: "No-new-revenue maintenance and operations tax rate times 1.035) plus current debt plus unused increment rate."
- VAR is the highest rate a taxing entity may adopt without voter approval

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Value of 1 Cent

- One Cent on the Tax Rate (Estimate) = $1.022M

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Property Tax Key Upcoming Dates

Date	Activity
May 12	DCAD to Release Regular Preliminary Estimates
May 15	Deadline to Protest Real Property
July 25	DCAD to Release Certified Values

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Sales Taxes

Sales Tax Preliminary Estimate

FY2024 Actual	FY 2025 Budget	FY 2025 Projection	FY 2026 Prelim	FY 2026 Prelim $ Increase	FY 2026 Prelim % Increase
$ 8,801,419	$ 7,020,752	$ 8,668,000	$ 8,208,320	$ 1,187,568	16.9%

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Other Key Revenue Assumptions

Building Permit Revenue

Subject to change

- Building permit revenue is **down significantly** to the current budget
- For FY25-26, the **working forecast of $1,216,330** is **down 21.7%** to the current year budget and **up 1.1%** to what we anticipate receiving in the current fiscal year
- Staff will review the rate structure and will bring forward any recommended adjustments

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Other Key Revenue Assumptions

(Recommendations Subject to Change)

Revenue Type	Proposed Increase Assumption*
Water Rates	3.9%
Sanitary Sewer Rates	3.0%
Stormwater Rates	100.0%
Solid Waste (Trash & Recycling Services)	3.5%

*Working proposal – recommendations subject to change as the FY25-26 budget development progresses forward

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FY2025-26 Budget Development Process Key Dates

FY2025-26 Budget Development Process

Key Upcoming Dates

Date	Meeting Type	Activity
Tuesday, May 6	Town Council Study Session	• Review and discuss with the Town Council the progress of the FY 2025-26 budget process and the Council's priorities and expectations of the FY 2025-26 Budget
Tuesday, June 3	Town Council Study Session	• Review and discuss with the Town Council the progress of the FY 2025-26 budget process and the Council's priorities and expectations of the FY 2025-26 Budget • Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan
Thursday, June 26	N/A	• FY 2025-26 Proposed Budget delivered to the Town Council and the Town Secretary and available for public inspection
Tuesday, July 1	Town Council Study Session	• Review and discuss the Proposed Budget with Town Council • Council sets date to call Public Hearing on the FY 2025-26 Proposed Budget [Town Charter 9.05(A)] for August 5
Friday, July 25	N/A	• Receive Certified Property Values from the Dallas Central Appraisal District
Tuesday, August 5	Town Council Meeting	• Public Hearing on FY 2025-26 Proposed Budget • Town Council sets preliminary ad valorem tax rate • Call Public Hearing on Tax Rate for September 2
Tuesday, August 19	Town Council Meeting	• Review and discuss the Proposed Budget with Town Council • *Call for a Voter Approval Tax Rate Election (VATRE) if the preliminary tax rate set by the Town Council exceeds the Voter Approval Rate*
Tuesday, September 2	Town Council Meeting	• Public hearing on the tax rate • Town Council considers approval of the FY2025-26 Proposed Budget, 10-Year Capital Improvement Plan, and ordinance adopting the 2025 property tax rate for FY2025-26

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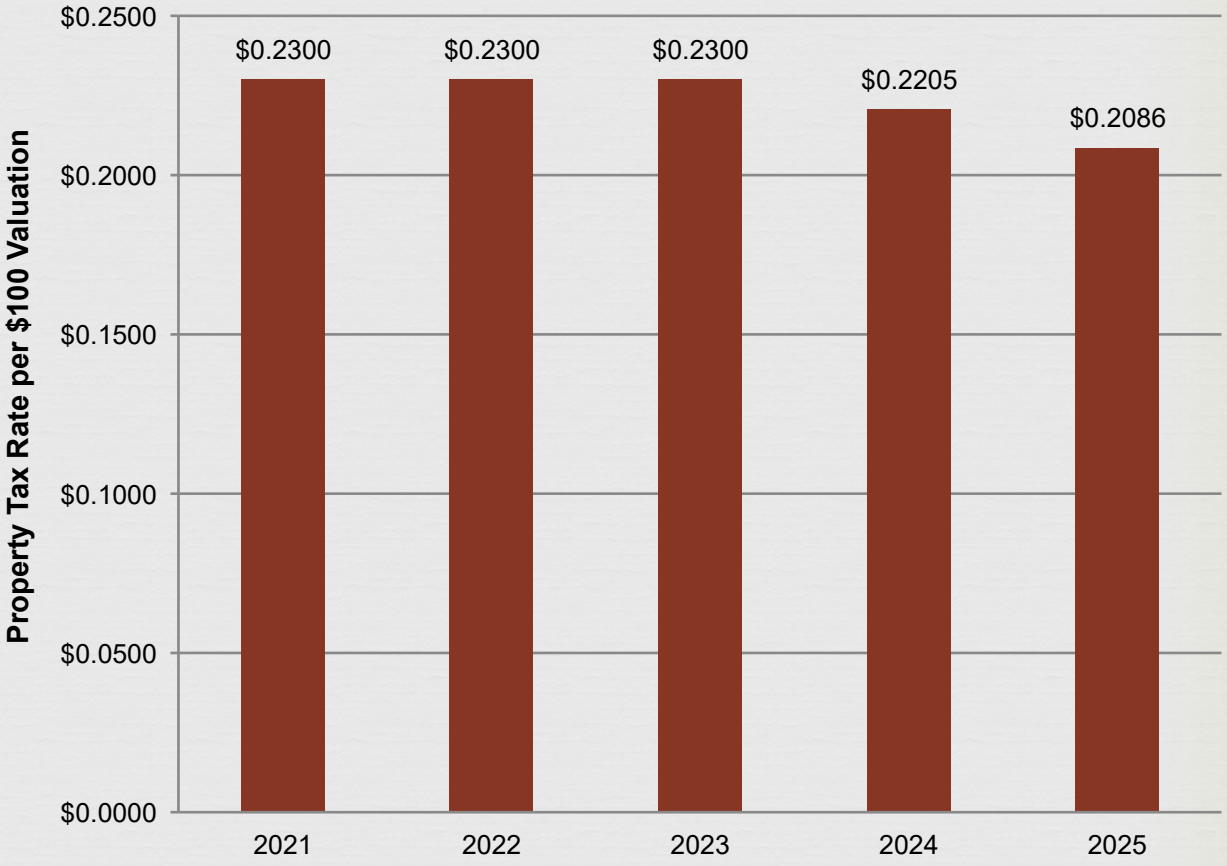
General Fund

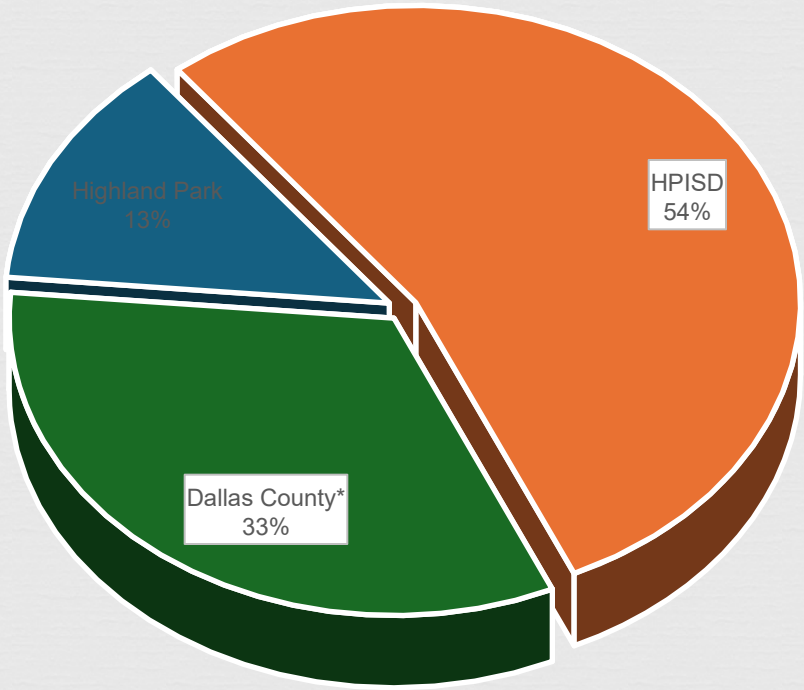
Property Tax Rate History



Property Tax Rates

(Per $100 T.A.V.)

Highland Park	$ 0.208550
HPISD	$ 0.866900
Dallas County*	$ 0.533095
Total	$ 1.608545

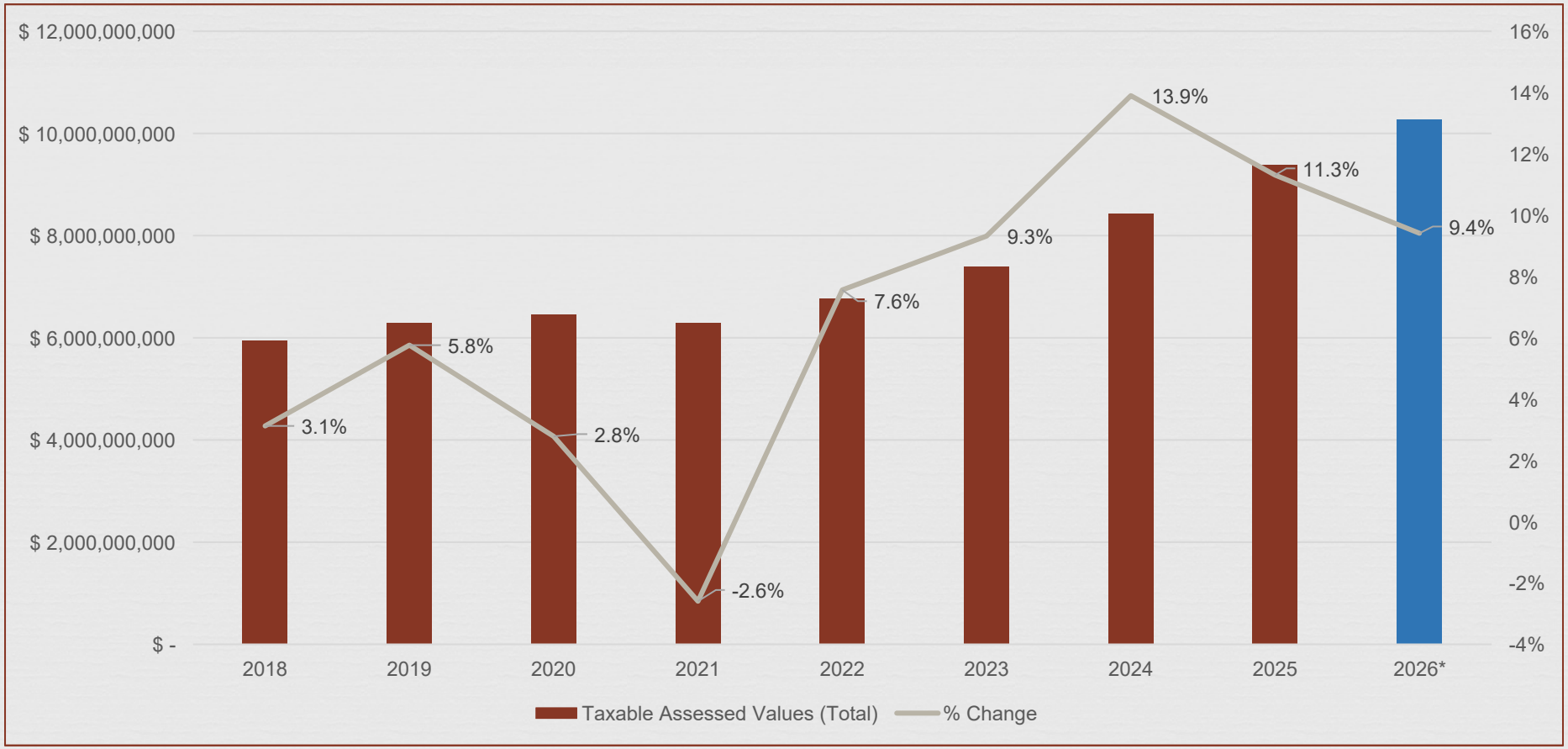


Dallas	$ 0.704700
Mesquite	$ 0.690000
Garland	$ 0.689746
Addison**	$ 0.609822
Irving	$ 0.589100
Farmers Branch	$ 0.543500
Richardson**	$ 0.542180
Carrollton	$ 0.538750
Frisco**	$ 0.425517
Southlake**	$ 0.305000
University Park**	$ 0.229964
Highland Park	***$ 0.208550***

**Denotes a Comparison Municipality

*Dallas County includes the County, College District, and the Hospital District

Certified Total Taxable Assessed Value History



*** Tax Year 2025 (FY26) Projected**

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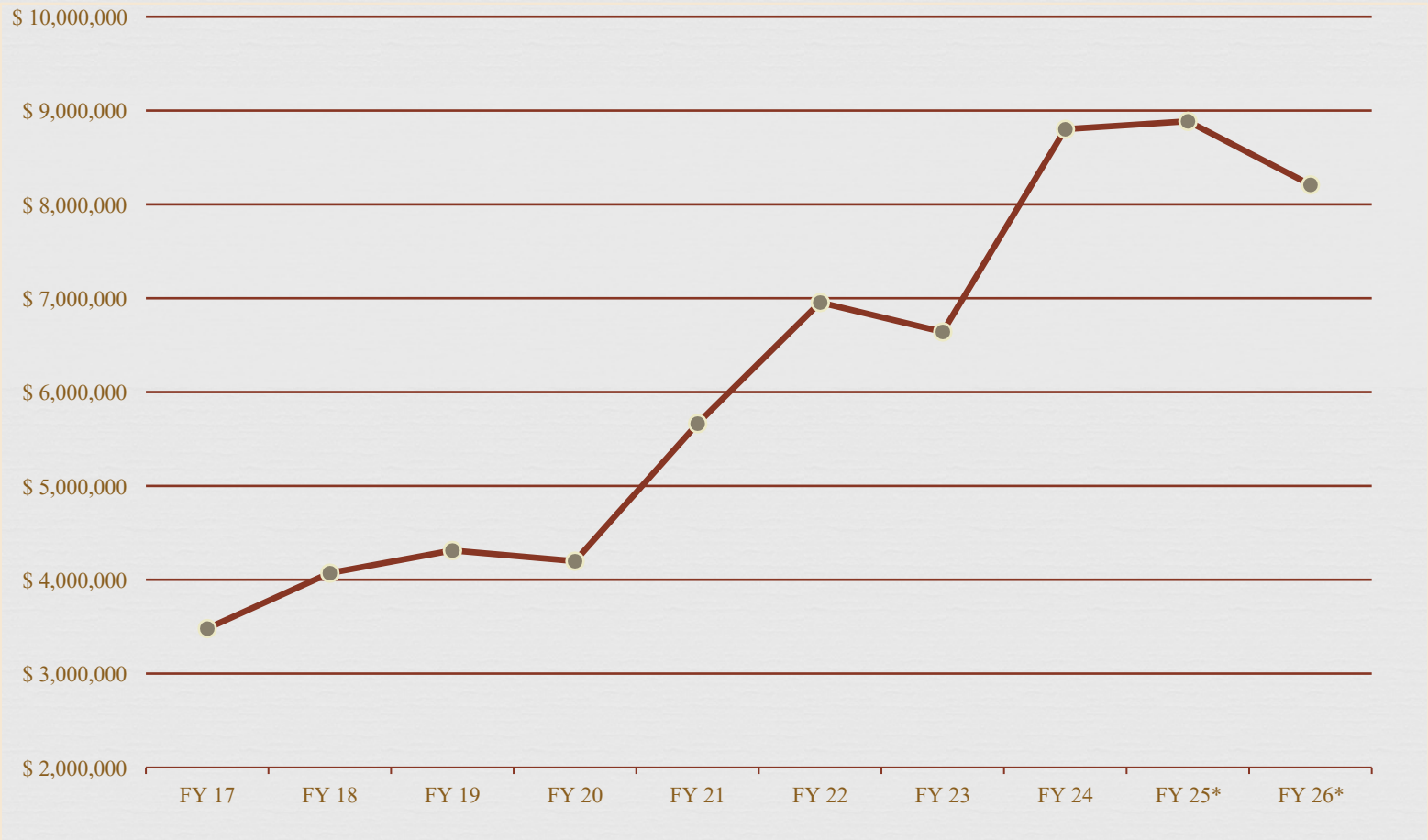
Sales Tax Revenue History



*** Projected**

3-YR CAGR**	2022-2025	8.510%
5-YR CAGR**	**2020-2025**	**16.179%**
10-YR CAGR**	2015-2025	9.719%

**** Net Payment, includes audit adjustments and prior period collections**

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Capital Improvement Plan

2026-2028

Capital Improvement Plan – General Capital Improvements

Project	2025-26	2026-27	2027-28
Park Renovation/Rehabilitation Program	$ 267,813	$ 276,383	$ 285,227
Street Light Program	$ 164,866	$ 170,142	$ 175,587
Sidewalk Rehabilitation Program	$ 213,005	$ 219,821	$ 226,855
Street Resurfacing & Miscellaneous Concrete	$ 1,255,599	$ 1,295,778	$ 1,337,243
Bridge Rehabilitation (Mockingbird and Beverly)	$ 500,000		
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	$ 2,314,890		
Douglas Avenue Reconstruction - South Town Limits to Arcady	$ 1,836,826		
Westside Drive Reconstruction - Lemmon to Bordeaux		$ 1,337,122	
Hillcrest Avenue Reconstruction - Princeton to Drexel		$ 1,464,467	
Preston Road/Armstrong/Lakeside Drive Intersection		$ 848,966	$ 5,953,377

Capital Improvement Plan – Stormwater Improvements

Project	2025-26	2026-27	2027-28
Master Plan & Improvements for Hackberry Creek	$ 3,000,000		$ 2,100,000
Drainage Easement Projects	$ 250,000	$ 1,200,000	$ 250,000
Exall & Connor Lakes Dredging	$ 1,000,000	$ 1,000,000	
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	$ 520,200		
Douglas Avenue Reconstruction - South Town Limits to Arcady	$ 85,313		
Westside Drive Reconstruction - Lemmon to Bordeaux		$ 1,485,691	
Hillcrest Avenue Reconstruction - Princeton to Drexel		$ 42,448	
Lomo Alto Drive Reconstruction - Lemmon to Westway			$ 1,780,601

Capital Improvement Plan – Utility Fund Improvements

Project	2025-26	2026-27	2027-28
Water & Sanitary Sewer Infrastructure Replace./Rehab.	$ 350,000	$ 2,740,483	$ 350,000
30" Interceptor - Wycliffe to Armstrong		$ 1,731,891	
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	$ 567,018		
Douglas Avenue Reconstruction - South Town Limits to Arcady	$ 281,948		
Westside Drive Reconstruction - Lemmon to Bordeaux		$ 397,953	
Hillcrest Avenue Reconstruction - Princeton to Drexel		$ 403,259	
Lomo Alto Drive Reconstruction - Lemmon to Westway			$ 654,871