Can You Predict the Future?
Discussion Items

- Highland Park CIP Development Process
- Role of the Finance & Audit Committee
- Building a Financial Model for CIP
- Post Financial Model & CIP Development
  - Monitoring
  - Reporting
  - Updating
CIP Development

- Develop a CIP submittal Form
  - Keep it simple:
    - Project Name
    - Project Year
    - Project Ranking
    - Project Justification
    - Anticipated Funding Source(s)
CAPITAL IMPROVEMENTS PROGRAM REQUEST

Department: ____________________________  (11) PRIORITY # ____________
Department No: ________________________  (12) Project Yr ____________

(1) Project Name: ______________________

(2) Resubmission? Yes ☐ No ☐

(3) PROJECT DESCRIPTION*:

(4) Project Cost: $ _______________________

(5) Method of Financing? ______________________

(6) Are plans & specifications required? Yes ☐ No ☐

(7) Estimated Annual Maintenance & Operations Cost: $ _______________________

(8) Are new personnel involved? Yes ☐ No ☐

(9) JUSTIFICATION:

*(10) Map/Diagram: Please Attach
CIP Development

• Engage Departments to Obtain their CIP Requests for period of plan (e.g. 5, 10, 15 Years)
  – Remind departments to consider inflation in their project costs estimate(s).
  – Request departments to also prioritize their own submittals.
  – Require that departments submit detailed cost estimates, pictures, quotes from vendors if available.
  – Be clear of project value thresh holds if any.
CIP Development

• Project Ranking
  • Identify criteria by which projects will be ranked.
    – Safety, Health & Welfare
    – Impact on Economic Development
    – Availability of Outside Resources
    – Quality of Life
    – Budgetary Impact
    – Consistency with Established Goals & Objectives
  • Consider having department heads rank all projects.
## Weighting & Scoring Criteria

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<th>Town Services</th>
<th>Quality of Life</th>
<th>Necessity</th>
<th>Outside Financial</th>
<th>Budgetary Impact</th>
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## Weighting & Scoring Criteria

### Safety:

The level of risk or hazard to public health and safety that includes the determination of potential for loss of life, personal injury, loss of property or property value.

- **3** = Very high - proven and obvious, potential of imminent loss.
- **2** = High - known and worthy of serious consideration.
- **1** = Moderate - foreseeable need with time to assess.
- **0** = Low or cannot be determined on submitted data.

### Town Services:

The maintenance of existing or the development of new services, facilities, and infrastructure which allows the Town to deliver essential services to residents.

- **4** = New service, facility or infrastructure.
- **3** = Enhancement of existing services, facility or infrastructure.
- **2** = Reengineering of existing service, facility or infrastructure.
- **1** = Maintenance of existing service, facility or infrastructure.
- **0** = Not Applicable.

### Quality of Life:

The maintenance and enhancement of the Town's infrastructure and services which supports our residential community, and economic viability of the community.

- **2** = Economic contribution - project impacts safety, health, welfare and economic base of the Town's citizenry and property.
- **1** = Esthetic contribution - project enhances the quality of life and would provide a cultural, recreational or beautification benefit to the community.
- **0** = Not Applicable.
## Scoring Projects

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<tr>
<th>Project Description</th>
<th>Safety Score</th>
<th>Safety Weighted Score</th>
<th>Town Services Score</th>
<th>Town Services Weighted Score</th>
<th>Quality of Life Score</th>
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Finance & Audit Advisory Committee

• Define Scope of Work
  – Audit
  – CIP
  – Financial Planning
  – Financial Policies
  – Budget

• Members
  – Terms
  – Citizens vs. Non-Citizens
  – Council Members
  – Members Background

• Set Frequency of Meetings
Finance & Audit Advisory Committee

• Role of FAAC with the CIP.
  – CIP development versus Funding Plan for CIP
  – FAAC should be aware of projects and understand how project estimates were developed.
Building a Financial Model

• Assess Available Fund Balances
  – Consider minimum fund balance requirements.
  – Review policies that allow year-end surpluses to be used toward CIP.
  – With Pay-as-You-Go develop policies that make annual transfers to Capital Projects Fund.
Building a Financial Model

• Projecting Key Revenues
  – Trend Analysis
  – Judgement & Experience
  – Internal Factors
    • Policy Matters
    • Changes in Operations
    • Departmental Knowledge
    • Consider Annual Fee Adjustments
  – External Factors
    • Contact Key Retailers
    • Meet with Appraisal District/Tax Assessor & Collector
    • Legislative Changes
    • Contact Utility Companies to Discuss their Projections
    • Understand Growth Patterns within Community (Residential, Commercial & Industrial)
Building a Financial Model

• Projecting Expenses
  – Personnel Expenses
    • Trend Analysis
    • Changes in Health Insurance, Retirement, FICA Threshold, COLA’s & Merit Increases
    • Anticipated Addition of Personnel
  – Supplies/Repairs & Maintenance
    • Trend Analysis
    • Known Additions to Equipment & Facilities
Building a Financial Model

• Projecting Expenses
  – Contract Services
    • Trend Analysis
    • Know Contracts Being Added
    • Annual Increases to Contracts
  – Capital
    • As Appropriate, Anticipate Annual Capital
      – Look to departmental planning needs
      – Analyze typical annual spending
General Fund

Revenues:

- Property tax revenue in each scenario is based on estimated taxable assessed values and the tax rate projected for each fiscal year. The Town’s taxable assessed value is projected to grow at a rate of 5% per year.
- Building and permits revenue is conservatively indexed at 2.5% per year.
- Sales tax is conservatively indexed at 3.5%.
- Interest revenue is based on .49% of fund balance.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from .83% to 4.71% based on the revenue category.

Expenditures:

- Payroll expense is indexed at 4.5% each year similar to the trend over the last five years.
- Payroll taxes (FICA), Retirement and Health Insurance are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the 2015 Proposed Budget.
- While less than five-year trending, “Supplies & Equipment” and “Services and Charges” are projected to grow at 3.5% per year.
- Most capital/Equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, $50,000 per year has been allocated starting in fiscal year 2018-19 to address unanticipated capital needs in the General Fund.
- “Transfers to Other Funds” represents the General Fund’s portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.
Document Your Assumptions

STATUS QUO – PAY-AS-YOU-GO – This scenario uses the assumptions above and maintains the current property tax rate going forward, relying solely on increased increasing property values to facilitate funding capital improvements. Based on this model and planned projects:

- Fund balance within the Capital Projects Fund is below ideal fund balance starting in fiscal year 2017-18.
- At the end of the 10-year timeframe, reserves are fully depleted in the Capital Projects Fund and the resulting fund balance is $245,625 below ideal fund balance.

DEBT ISSUANCE – Under this scenario, $9M in debt (20 Year/3.5% interest) is issued in fiscal year 2014-15 to fund projects.

- Model assumes traditional level debt structure.
- The transfer to the Capital Projects Fund is reduced by a debt service payment each year of approximately $635,000 per year.
- Fund balance and ideal fund balance is sustained throughout the 10-year period.
- At the end of the 10-year period, fund balance is $411,500 more than the ideal fund balance.

MODIFIED – PAY-AS-YOU-GO – Enhanced revenue, to fund the CIP, recognized through increasing the property tax rate when necessary is the focus of this scenario.

- The property tax rate, under this model, would need to increase to 23 cents per $100 of T.A.V. in fiscal year 2016-17 and remain at that level until fiscal year 2020-21.
- Fund balance and ideal fund balance is sustained throughout the 10-year period.
- At the end of the 10-year period, fund balance is $725,423 more than the ideal fund balance.
## Building a Financial Model
### Bringing it All Together

#### GENERAL FUND

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<td>Sanitation/Recycling Charges</td>
<td>1,248,500</td>
<td>1,251,748</td>
<td>1,255,004</td>
<td>1,258,268</td>
<td>1,261,541</td>
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<tr>
<td>Franchise Fees</td>
<td>1,085,470</td>
<td>1,113,320</td>
<td>1,141,884</td>
<td>1,171,181</td>
<td>1,201,230</td>
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<tr>
<td>Building Inspection Fees/Permits</td>
<td>1,220,760</td>
<td>1,277,746</td>
<td>1,337,392</td>
<td>1,399,822</td>
<td>1,465,167</td>
</tr>
<tr>
<td>Municipal Court Fines/Fees</td>
<td>1,036,500</td>
<td>1,077,960</td>
<td>1,121,078</td>
<td>1,165,921</td>
<td>1,212,558</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>33,000</td>
<td>34,576</td>
<td>36,053</td>
<td>37,596</td>
<td>39,210</td>
</tr>
<tr>
<td>All Other</td>
<td>1,412,028</td>
<td>1,455,227</td>
<td>1,499,748</td>
<td>1,545,631</td>
<td>1,592,918</td>
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<tr>
<td>TOTAL REVENUES</td>
<td>$ 21,326,020</td>
<td>$ 22,299,828</td>
<td>$ 23,283,123</td>
<td>$ 24,313,231</td>
<td>$ 25,392,427</td>
</tr>
<tr>
<td>Transfers from Other Funds</td>
<td>1,131,100</td>
<td>1,155,984</td>
<td>1,181,416</td>
<td>1,207,407</td>
<td>1,233,970</td>
</tr>
<tr>
<td>TOTAL REVENUES &amp; TRANSFERS-IN</td>
<td>$ 22,457,120</td>
<td>$ 23,455,812</td>
<td>$ 24,464,539</td>
<td>$ 25,520,638</td>
<td>$ 26,626,397</td>
</tr>
</tbody>
</table>
## Building a Financial Model

### Bringing it All Together

#### GENERAL FUND

**Estimated Tax Rate Per $100 T.A.V.**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>22.00 Cents</td>
<td>22.00 Cents</td>
<td>22.00 Cents</td>
<td>22.00 Cents</td>
<td>22.00 Cents</td>
</tr>
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</table>

#### EXPENDITURES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>$10,859,603</td>
<td>$11,348,285</td>
<td>$11,858,958</td>
<td>$12,392,611</td>
<td>$12,950,278</td>
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<tr>
<td>Taxes</td>
<td>779,774</td>
<td>818,211</td>
<td>855,031</td>
<td>893,507</td>
<td>933,715</td>
</tr>
<tr>
<td>Retirement (TMRS)</td>
<td>349,640</td>
<td>362,010</td>
<td>378,301</td>
<td>395,324</td>
<td>413,114</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,343,667</td>
<td>1,441,755</td>
<td>1,547,003</td>
<td>1,659,934</td>
<td>1,781,109</td>
</tr>
<tr>
<td><strong>Total Personnel</strong></td>
<td>$13,332,684</td>
<td>$13,970,261</td>
<td>$14,639,292</td>
<td>$15,341,377</td>
<td>$16,078,216</td>
</tr>
<tr>
<td><strong>Supplies &amp; Equipment</strong></td>
<td>$988,644</td>
<td>$1,023,247</td>
<td>$1,059,061</td>
<td>$1,096,128</td>
<td>$1,134,492</td>
</tr>
<tr>
<td><strong>Services &amp; Charges</strong></td>
<td>4,178,396</td>
<td>4,324,640</td>
<td>4,476,002</td>
<td>4,632,662</td>
<td>4,794,805</td>
</tr>
<tr>
<td><strong>Capital Outlay:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sustaining Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>CIP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$18,499,724</td>
<td>$19,318,148</td>
<td>$20,174,355</td>
<td>$21,120,167</td>
<td>$22,057,513</td>
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<tr>
<td>Transfers to Capital Projects Fund</td>
<td>2,595,256</td>
<td>2,601,330</td>
<td>2,716,688</td>
<td>2,788,829</td>
<td>2,918,075</td>
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<tr>
<td>Transfers to Other Funds</td>
<td>1,362,140</td>
<td>1,392,107</td>
<td>1,422,733</td>
<td>1,454,034</td>
<td>1,486,022</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES &amp; TRANSFERS-OUT</strong></td>
<td>$22,457,120</td>
<td>$23,311,585</td>
<td>$24,313,777</td>
<td>$25,363,029</td>
<td>$26,461,610</td>
</tr>
<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>$3,532,438</td>
<td>$3,520,743</td>
<td>$3,671,505</td>
<td>$3,829,114</td>
<td>$3,993,901</td>
</tr>
<tr>
<td><strong>FUND BALANCE MINIMUM</strong></td>
<td>$3,376,517</td>
<td>$3,520,743</td>
<td>$3,671,505</td>
<td>$3,829,114</td>
<td>$3,993,901</td>
</tr>
<tr>
<td><strong>FUND BALANCE SURPLUS</strong></td>
<td>$155,921</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
Building a Financial Model
Bringing it All Together

<table>
<thead>
<tr>
<th>Estimated Tax Rate Per $100 T.A.V.</th>
<th>22.00 Cents</th>
<th>22.00 Cents</th>
<th>22.00 Cents</th>
<th>22.00 Cents</th>
<th>22.00 Cents</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CAPITAL PROJECTS FUND</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$3,374,263</td>
<td>$4,363,684</td>
<td>$4,688,850</td>
<td>$4,122,525</td>
<td>$4,612,127</td>
</tr>
<tr>
<td>Total Annual Project Funding</td>
<td>4,520,343</td>
<td>3,805,627</td>
<td>3,269,749</td>
<td>3,836,327</td>
<td>3,584,817</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>3,530,921</td>
<td>3,480,461</td>
<td>3,836,075</td>
<td>3,346,724</td>
<td>3,197,490</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$4,363,684</td>
<td>$4,688,850</td>
<td>$4,122,525</td>
<td>$4,612,127</td>
<td>$4,999,454</td>
</tr>
<tr>
<td>Ideal Fund Balance</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Over(Under) Ideal Fund Balance</td>
<td>$2,363,684</td>
<td>$2,688,850</td>
<td>$2,122,525</td>
<td>$2,612,127</td>
<td>$2,999,454</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPERTY TAX ASSUMPTIONS</th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Revenue</td>
<td>$11,596,762</td>
<td>$12,211,601</td>
<td>$12,820,431</td>
<td>$13,459,702</td>
<td>$14,130,937</td>
</tr>
<tr>
<td>Property Values</td>
<td>$5,324,500,745</td>
<td>$5,590,725,782</td>
<td>$5,870,262,071</td>
<td>$6,163,775,175</td>
<td>$6,471,963,934</td>
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<tr>
<td>Tax Rate</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
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</tbody>
</table>
# CIP Sources of Revenue

<table>
<thead>
<tr>
<th>Project/Funding Source</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$3,374,263</td>
<td>$4,363,684</td>
<td>$4,688,850</td>
<td>$4,122,525</td>
<td>$4,612,127</td>
<td>$3,374,263</td>
</tr>
<tr>
<td><strong>Annual Project Funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund CIP Transfer</td>
<td>$1,070,700</td>
<td>$1,093,185</td>
<td>$1,116,142</td>
<td>$1,139,581</td>
<td>$1,163,512</td>
<td>$5,583,120</td>
</tr>
<tr>
<td>General Fund 5% Solid Waste Transfer</td>
<td>62,400</td>
<td>63,024</td>
<td>63,654</td>
<td>64,291</td>
<td>64,934</td>
<td>318,303</td>
</tr>
<tr>
<td>Utility Fund 5% W&amp;S Transfer</td>
<td>436,000</td>
<td>440,360</td>
<td>444,764</td>
<td>449,212</td>
<td>453,704</td>
<td>2,224,040</td>
</tr>
<tr>
<td>Supplemental General Fund Transfer</td>
<td>414,317</td>
<td>397,282</td>
<td>489,053</td>
<td>537,118</td>
<td>641,790</td>
<td>2,479,560</td>
</tr>
<tr>
<td>Increased CIP Revenue from Growth in Property Values - 2014</td>
<td>342,651</td>
<td>342,651</td>
<td>342,651</td>
<td>342,651</td>
<td>342,651</td>
<td>1,713,255</td>
</tr>
<tr>
<td>Increased CIP Revenue from Growth in Property Values - 2015</td>
<td>705,188</td>
<td>705,188</td>
<td>705,188</td>
<td>705,188</td>
<td>705,188</td>
<td>3,525,940</td>
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<tr>
<td>Surplus Transfer from General Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental Revenue</td>
<td>1,393,160</td>
<td>659,760</td>
<td>-</td>
<td>490,360</td>
<td>100,000</td>
<td>2,643,280</td>
</tr>
<tr>
<td>Transfer from DPS Technology Fund</td>
<td>79,452</td>
<td>81,835</td>
<td>84,290</td>
<td>86,819</td>
<td>89,424</td>
<td>421,819</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>16,475</td>
<td>22,342</td>
<td>24,007</td>
<td>21,107</td>
<td>23,614</td>
<td>107,545</td>
</tr>
<tr>
<td><strong>Total Annual Project Funding</strong></td>
<td>$4,520,343</td>
<td>$3,805,627</td>
<td>$3,269,749</td>
<td>$3,836,327</td>
<td>$3,584,817</td>
<td>$19,016,862</td>
</tr>
</tbody>
</table>
## CIP Projects Costs

### Expenditures

<table>
<thead>
<tr>
<th>Project/Funding Source</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Wide Video &amp; LPR System Study</td>
<td>$100,000</td>
<td>-</td>
<td>$334,148</td>
<td>$334,148</td>
<td>$334,148</td>
<td>$100,000</td>
</tr>
<tr>
<td>Project 25 Dallas City/County Radio System</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,002,444</td>
</tr>
<tr>
<td>Flippen Park Improvements</td>
<td>-</td>
<td>110,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>110,000</td>
</tr>
<tr>
<td>Tennis Court Reconstruction</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Street Resurfacing &amp; Miscellaneous Concrete</td>
<td>925,301</td>
<td>945,658</td>
<td>966,462</td>
<td>987,724</td>
<td>1,009,454</td>
<td>4,834,599</td>
</tr>
<tr>
<td>Preston Road Rehabilitation</td>
<td>1,786,320</td>
<td>1,319,520</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,105,840</td>
</tr>
<tr>
<td>Livingston Avenue Rehabilitation</td>
<td>-</td>
<td>378,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>378,000</td>
</tr>
<tr>
<td>Lakeside Drive Rehabilitation</td>
<td>-</td>
<td>-</td>
<td>1,800,000</td>
<td>-</td>
<td>-</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Douglas Avenue</td>
<td>-</td>
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<td>-</td>
<td>500,280</td>
<td>601,440</td>
<td>1,101,720</td>
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<tr>
<td>Armstrong Parkway Rehabilitation</td>
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<td>-</td>
<td>-</td>
<td>780,720</td>
<td>-</td>
<td>780,720</td>
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<tr>
<td>Transfers to Stormwater Fund</td>
<td>350,000</td>
<td>350,000</td>
<td>350,000</td>
<td>350,000</td>
<td>350,000</td>
<td>1,750,000</td>
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<tr>
<td>Future Unidentified Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Project Personnel Costs</td>
<td>319,300</td>
<td>327,283</td>
<td>335,465</td>
<td>343,852</td>
<td>352,448</td>
<td>1,678,348</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$3,530,921</td>
<td>$3,480,461</td>
<td>$3,836,075</td>
<td>$3,346,724</td>
<td>$3,197,490</td>
<td>$17,391,671</td>
</tr>
</tbody>
</table>

### Ending Balance

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ideal Fund Balance</strong></td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>Over(Under) Ideal Fund Balance</strong></td>
<td>$2,363,684</td>
<td>$2,688,850</td>
<td>$2,122,525</td>
<td>$2,612,127</td>
<td>$2,999,454</td>
<td>$2,999,454</td>
</tr>
</tbody>
</table>
Periodic Monitoring

• Meet quarterly with Departments
  – Discuss status of projects.
    • Scope changes
    • Project cost revisions
    • Funding changes
  – Cover any new projects that have been identified that were not originally planned.

• Annually monitor revenues and expenses to identify and assess for any changes in assumptions
Reporting Results

• Internal Review
  – Discuss Annual Results with Departments

• FAAC & Council
  – Year End Assessment
    • Actual Versus Projection
    • Explain Material Variances
    • Recommended Adjustments to Model
Updating the Financial Model & CIP

1. Work with Departments to Update Project Estimates & Identify New Projects
2. Prioritize Projects Based on Scoring Mechanism
3. Present Project List to Council and Receive Input and Consensus on Projects
4. Update & Develop Financial Model to Incorporate New/Revised Assumption & Updated CIP
5. Include CIP in Proposed Budget & Seek Council Approval of CIP
6. Present New Financial Model & CIP to Finance & Audit Advisory Committee
7. Monitor Quarterly and Report Year-End Results to Council / Finance & Audit Advisory Committee
Equipment/Technology Replacement

- Capital Planning and Financial Modeling can be Applied to Other Areas of the Organization
  - Equipment & Fleet
  - Technology
  - Capital Maintenance of Facilities
Questions
Contact Information
Steven J. Alexander
Town of Highland Park, Texas
salexander@HPTX.org
214-559-9403