



## FY' 2025 BUDGET





2024 Award as a “Silver Star Affiliate”, the second highest membership recognition status. Through our clean-up day efforts, educating and engaging community members, recruiting and managing volunteers, and hosting beautification events throughout the year, the City works continually to continually clean roadways, parks and streets.



## TABLE OF CONTENTS

<b>Introduction &amp; Overview .....</b>	<b>1</b>
Statement of Property Tax Revenues	
Legal Publications and Lobbying Disclosures	
Property Tax Rate Comparisons	
Reader’s Guide to the Budget Document	
City Officials	
Organization Chart	
Staffing Schedule	
Community Profile	
City Manager’s Budget Message	
<b>Budget &amp; Financial Policies .....</b>	<b>20</b>
Budget Calendar	
Budget Process	
Budget Policies	
Accounting and Budgeting Basis and Control	
<b>Fund Structure &amp; Financial Analysis .....</b>	<b>28</b>
Fund Structure	
Fund Structure Chart	
Fund Relationship Table	
Fund Trend Analysis	
Summary of FY 25 Expenditures by Fund & Department (including Transfers)	
Major Revenue Sources	
<b>General Fund .....</b>	<b>37</b>
General Fund Introduction	
General Fund Revenues, Expenditures, & Transfers	
General Fund Expenditures by Department	
General Fund Department Summaries	
Mayor and City Council	
City Secretary	
Administration/City Manager	
Municipal Court	
Finance	
Human Resources & Civil Service	
Planning / Development	
Public Works	
Police	
Fire	
Garage	
Building Permits	
Code Compliance	
Building Maintenance	
Civic & Convention Center	
Non-Departmental	
Transfers between Funds	





Bronze Scenic City Certification – Five Year Award (2024 - 2029). Previously, the City was selected as a “Recognized Scenic City” during the four years, 2019 through 2024. The Scenic City Certification program recognizes cities for their demonstrated commitment to high-quality scenic standards for public roadway and spaces. Cities apply to the evaluation criteria for the award include streetscapes, the protection of trees and landscape as well as lighting; sign control and sidewalks; ordinances, design standards and new development; utilities and cable line programs; litter and graffiti prohibition, beautification programs such as our “Keep Forest Hill Beautiful” projects.



## TABLE OF CONTENTS (Continued)

---

<b>Special Revenue Funds .....</b>	<b>52</b>
Overview	
Court Funds	
Police Funds	
Grant Funds	
Community Development Corporation	
Capital Type Funds	
Other	
<b>Debt Service Fund .....</b>	<b>56</b>
Overview	
Ad Valorem Tax Rate & Debt Service Limit	
Debt Services & Funding Commitments	
Annual Debt Service Requirements	
<b>Enterprise / Proprietary Funds .....</b>	<b>59</b>
Overview	
Enterprise Funds Revenue, Expenditure, & Transfers	
Enterprise Fund Expenditures by Department	
Utility Billing	
Water/Sewer Operations	
Non-Departmental	
<b>Capital Improvement Plan and Funds .....</b>	<b>63</b>
Overview	
Capital Projects Budget	
Capital Planning	
Street Improvements	
Water/Sewer Improvements	
Funding Lines	
Five Year Capital Improvement Program Plan	
<b>Supplemental Information .....</b>	<b>67</b>
Community Information	
Public Hearings	
Resolutions & Ordinances	
Glossary	



## INTRODUCTION & OVERVIEW



## Statement of Property Tax Revenues

This budget will raise more revenues from property taxes than last year's budget by an amount of \$137,462, which is a 1.93% increase from last year's budget. The taxable appraised value from new property added to the tax roll this year is \$11,055,511.



## Legal Publications and Lobbying Disclosure required by HB 1495

Over the last 12 months, the City incurred \$1,480 in expenses related to notices required by law to be published in the newspapers and \$2,000 is included in the proposed fiscal year 2025 budget for the same purpose.

Over the last 12 months, the City incurred \$0 in expenditures related to lobbying and \$0 is included in the proposed fiscal year 2025 budget for this same purpose.

## Property Tax Rate Comparisons

Tax Rates Expressed Per \$100 of Valuation	2023	2024	Change
No New Revenue Rate		0.695028	
Voter Approval Tax Rate		0.753722	
De Minimis Tax Rate		0.743743	
Debt Service (Interest & Sinking) Rate		0.000000	
Proposed Total tax rate (per \$100 of value)	0.724094	0.724094	No Change of 0%
Average homestead taxable value	\$ 141,021	\$ 155,144	Increase of \$14,123 or 10.01%
Tax on average homestead	\$ 1,021	\$ 1,123	Increase of \$102 or 10.01%
Total tax levy on all properties	\$ 7,133,313	\$ 7,270,775	Increase of \$137,462 or 1.93%

## **Reader's Guide to this Budget Document**

This budget document for the City of Forest Hill, Texas is for the fiscal year beginning October 1, 2024 and ending September 30, 2025. This document will: (1) serve as a policy document; (2) a financial plan; (3) an operations guide; (4) a communication device to our readers; (5) be used by City Management as a guide for operations as approved by the City Council for the fiscal year; (6) be a communication device for City Council to staff and citizens for objectives, goals, and the mission of the City; (7) to inform City Council and citizens of accomplishments and services; and (8) a tool for current and prospective citizens and business to learn about the City and where it is going.

### **INTRODUCTORY INFORMATION**

The Table of Contents should aid a user of this document in the detailed organization of this book. The Introduction and Overview section includes the City Manager's Budget Message, the City's organizational chart, budget calendar and budget policies, Vision Statement, the City's overall financial structure including graphical information, and major revenue sources. The City Manager's message is a guide to understanding decisions made during the long budget process.

### **FINANCIAL SUMMARIES**

The next sections of this document include the detailed financial information of the City of Forest Hill budget. These sections are broken down by fund types. The fund types used by the City are General, Special Revenue, Debt Service, Capital Projects, and Proprietary funds. Each fund section will provide financial summaries, general information, and management assumptions in the budget preparation. A few of the major operating funds are more detailed in showing objectives, goals, staffing, organizational structures, and accomplishments by division. The Capital Project Fund details current and future projects. The debt service fund section also provides individual debt service reimbursement schedules.

### **GLOSSARY**

The glossary section of the book provides both a glossary of terms and an abbreviation guide to aid users with technical terms as well as industry jargon that appears in the document.

### **BUDGET ORDINANCES**

The budget ordinance section provides the actual policy passed by the City Council to implement this budget, as well as some required publications.

## City Officials

Elected Officials	Elected Position
Ms. Stephanie Boardingham	Mayor
Ms. Carlie Jones	Deputy Mayor Pro Tem, Place 1
Mr. Anthony Cook	Council Member, Place 2
Mr. Timey Boardingham	Council Member, Place 3
Mr. Silas Robinson	Council Member, Place 4
Mr. Keith R. Smith	Mayor Pro Tem, Place 5
Mr. Jesus Rivas	Council Member, Place 6

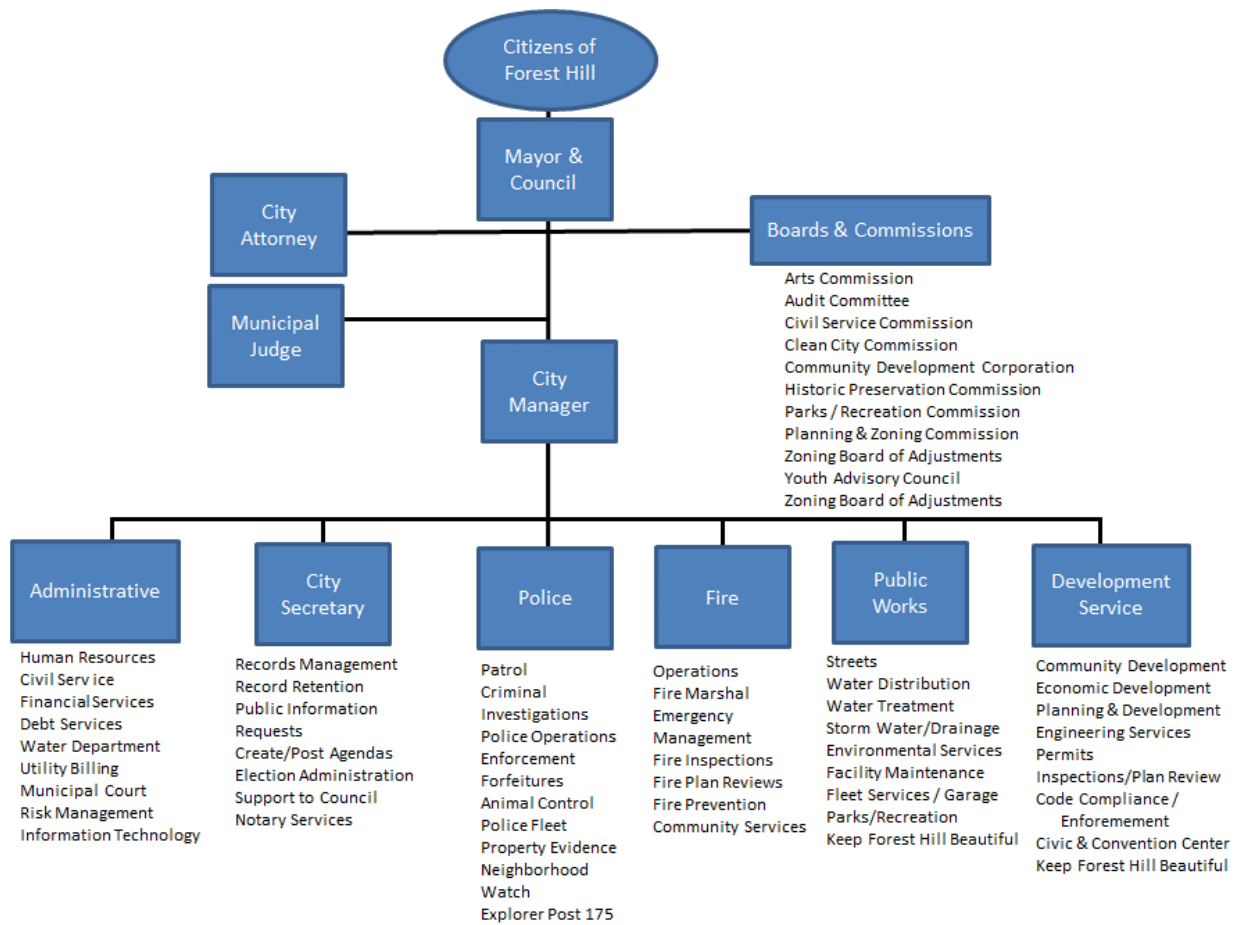
Appointed Officials	Title
Ms. Venus M. Wehle	City Manager
Ms. Victoria Thomas	City Attorney
Mr. Glenn Lewis	Municipal Judge



Photo from July 2024 Council Meeting / Yard of the Month Awards



## Organization Chart



## Staffing Schedule

<u>Department</u>	<u>Position Description</u>	<u>Full-Time Incumbents</u>	<u>Vacancies</u>
<b>Administration</b>	City Manager	1	0
	City Secretary	1	0
<b>Finance</b>	Finance Director*	1	0
	Senior Accountant	0	1
	AP/Payroll Specialist	0	1
<b>Human Resources</b>	Human Resources/Civil Service Director	1	0
	Human Resources Generalist	0	1
<b>Community Development</b>	Development Services Coordinator	0	1
<b>Permit Department</b>	Permit Clerk	1	1
<b>Code Compliance</b>	Code Enforcement Officer	1	0
<b>Civic &amp; Convention Center</b>	Center Director	1	0
<b>Municipal Court</b>	Court Supervisor	1	0
	Deputy Court Clerk	1	1
<b>Utility Billing</b>	Utility Billing/Permit Supervisor	1	0
	Utility Billing Clerk	2	0
	Water Technicians (meter readers)	2	0
	Water Technician/Grease Trap Inspector	1	0
<b>Public Works - Administration/Fleet/Garage</b>	Public Works Director	1	0
	Administrative Assistant	1	0
	Mechanic	1	0
<b>Public Works - Streets</b>	Crew Leader	1	0
	Field Technician	3	0
<b>Public Works - Water/Sewer</b>	Crew Leader	1	0
	Field Technician	3	2
<b>Public Works - Parks</b>	Crew Leader	1	0
	Field Technician	4	0
<b>Police Department</b>	Police Chief	0	1
	Administrative Assistant	1	0
	Property Room Technician	0	1
	Officers	6	12
	Police Captain	2	0
	Police Corporal	3	1
	Police Sergeant	4	0
	Records Clerk	1	0
<b>Fire Department</b>	Fire Chief/Fire Marshal	1	0
	Battalion Chief	1	0
	Administrative Assistant	1	0
	Fire Lieutenant	2	1
	Fire Engineer	3	0
	Firefighter	9	0
<b>Buildings-Custodian</b>	Custodial Technician	1	0
		<b>66</b>	<b>24</b>
		<b>90</b>	

\*Position currently filled by Interim Finance Director

## Community Profile

The City of Forest Hill is located in south central Tarrant County, seven miles southeast of downtown Fort Worth. The City's location boasts prime positioning at the hub of Fort Worth, Arlington and Mansfield on the highly traveled I-20 corridor. The city is home to an estimated 13,942 residents (2020 census) and more than 300 businesses. Major employers include Conatser Construction, TAS Environmental Services, United Rentals, Chase Bank, Starbucks, Luby's Cafeteria, Sunshine Pediatric Day Center, J. Mor Machinery, Best Western Plus, Holiday Inn Express, Hampton Inn & Suites, La Quinta Inn & Suites, Midwest Wrecking, Arthur Hager AC, Cowtown Charters, O'Reilly's Auto Parts, Walgreens, CVS, and the Community Learning Center.

### AREA MAP



### GEOGRAPHY

Elevation	682 feet
Area	4.2 Square Miles

### CITY GOVERNMENT

Type	Home Rule
Number on Council	7
Paid Police	28 Does not include Police Chief
Paid Firefighters	16 Does not include Fire Chief
City Zoning Body	Yes
Master Plan	Yes



## **FACILITY LOCATIONS**

City Hall	3219 E. California Parkway
Fire Department	6304 Wanda Lane
Police Department	3336 Horton Road
Police / Fire Substation	6800 Forest Hill Drive
Public Works	3101 Horton Road
Civic & Convention Center	6901 Wichita Street
Senior Citizens Center	7004 Forest Hill Drive
Texas Western Model Railroad Club	6808 Forest Hill Drive
Historical Society Building	3415 Horton Road



### **LIBRARY**

The Forest Hill Public Library is funded by a Special Sales Tax. The Library is located at 6962 Forest Hill Drive, Forest Hill, TX 76140. Library revenues and expenditures are not included in the City of Forest Hill budget. The library is a separate entity with its own Board and Charter.

## **SALES TAX RATES**

The City of Forest Hill has a Sales Tax Rate of 8.25%. The rate is composed of the following components:

State of Texas	6.25%
City of Forest Hill	1.75%
Special Library Rate	<u>.25%</u>
Total	<u>8.25%</u>

For the 1.75% that the City receives, it is broken out as follows:

General Fund	1.00%
Community Development	.50%
Street Improvement	<u>.25%</u>
Total	<u>1.75%</u>

## **PROPERTY TAXES**

2025 Property Tax Rate	\$..724094 per \$100 valuation
2024 Certified Net Taxable Value	\$1,004,120,288

## **HISTORY**

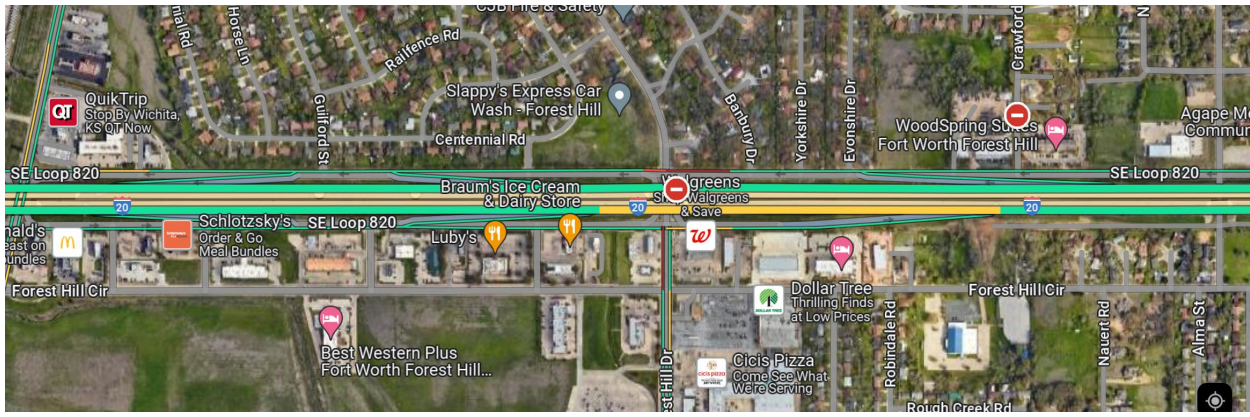
Forest Hill began as a community around 1860. It was called Brambleton Station and Forest Hill Village before being named Forest Hill. By 1896 the community had its first schools and was established as a suburb of Fort Worth. In 1905, Old Mansfield Road and Forest Hill Drive were the city's two main roads. In 1912 citizens drilled a "crooked hole well," the first private water system in the community. Forest Hill gained a new source of water in the early 1940s when the original owners of the private water system sold it to the Texas Water Company. By 1925 the community had twenty-five residents and two businesses. In approximately 1944, the Trentman Company and the Johnson Campbell Company began building homes. The community was incorporated on March 16, 1946, with a population of approximately 500 citizens. On April 8th of that year, "the village" was relabeled as a "City". By 1954 the volunteer fire department, the police department, and the Corporation Court opened. The city had 1,519 people in the mid-1950s, and by 1967, the city had 3,800. The city's growth was due in part to its proximity to Fort Worth. By the early 1970s, the City adopted the Forest Hill Home Rule Charter in order to more easily annex territory and to allow for better governance. The City's population was 10,250 in 1976 and 11,482 in 1990. In the 1970s, Forest Hill citizens elected its first female mayor, Jackie Larson.

## **HIGHWAY / STREETS**

Forest Hill is located along one of the busiest freeways in North Texas. Approximately 200,000 vehicles per day travel along IH-20. Numerous eastbound and westbound off-ramps provide direct access to the City's arterial roadway network. Interstate 20 runs through the heart of Forest Hill and provides access to Highway 287, Southeast Loop Interstate 820 and Interstate 35. These major thoroughfares intersect to form one of the highest traffic count areas in southern Tarrant County.

Residents enjoy easy access to the five area airports –

Dallas Love Field	37 miles
DFW International	23 miles
Alliance Airport	26 miles
Meacham International	15 miles
Fort Worth Spinks Airport	11 miles



## DEMOGRAPHICS

Since the most recent census, the population of Forest Hill is recorded at 13,942. The City is currently growing at a rate of 0.5% annually, and its population has increased by 2.05% since the 2020 census. The average household income in Forest Hill is \$67,288. Males comprise 42.7% and females 57.3% of the population of the City. The median age in Forest Hill is 31.7 years: 32.7 years for males and 31.4 years for females.

The United States Census Bureau lists the racial composition of Forest Hill as 48.2% Hispanic, 42.7% Black or African American, and White: 39.9%

## EDUCATION

In 1896 Forest Hill schools had three teachers, 91 Caucasian students, and 15 African American students. By 1905, Forest Hill had two schools, four teachers and 226 students, but not schools for African American students.

Today children in Forest Hill attend school either in the Everman Independent School District (EISD) or in the Fort Worth Independent School District (FWISD), or attend local charter schools.

Two primary schools, Harlean Beal Elementary School and David K. Sellars Elementary School, serve separate areas within the FWISD section of Forest Hill. The FWISD secondary schools that serve Forest Hill and are located in Fort Worth, and include Glencrest 6th Grade School, Forest Oak Middle School, and O. D. Wyatt High School.

Students living in the Everman Independent School District portion of the city attend Roger E. Souder, Bishop, Hommel, E. Ray, and Townley Elementary Schools; Johnson 6th Grade Campus; Dan Powell Intermediate School; Baxter and Everman Junior High Schools; Everman High School and Everman Academy High School.

Area Colleges and Universities include Tarrant County College South Campus – Fort Worth; Texas Christian University – Fort Worth; Texas Wesleyan University – Fort Worth; and the University of Texas – Arlington.



## **WATER AND SEWER UTILITY**

The City of Forest Hill purchases Water and Sewer Services from the City of Fort Worth.

## **WATER AND SEWER UTILITY**

### **Water Source**

Maximum Daily Water System Capacity  
Maximum Daily Water Use to Date  
Pressure on Water Mains  
Water Ground Storage Capacity  
Water Elevated Water Storage  
Water Size of Mains  
Water System Looped  
Sewer  
Sewer Maximum Capacity  
Sewer Daily Use to Date

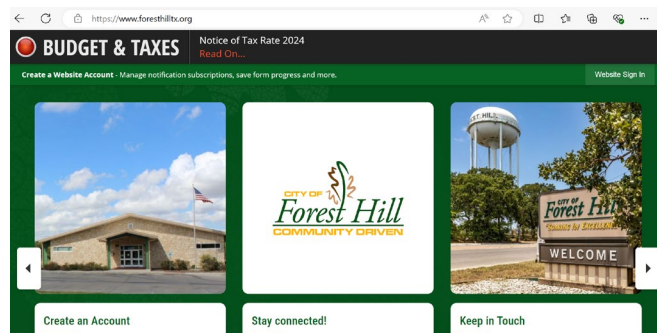
### **Surface**

2,250,000 Gallons  
2,400,000 Gallons  
65-80 pressure per inch  
1,000,000 Gallons  
1,250,000 Gallons  
2-12 inches  
Yes  
Lift Station  
96,000,000 Gallons  
72,000,000 Gallons

## **WEBSITE**

The URL for the City Website is [www.foresthilltx.org](http://www.foresthilltx.org)

The City's user-friendly website allows citizens, business owners/managers, and those looking to move to Forest Hill the opportunity to view the budget, pay water bills and court fines, view City meetings, review agendas and meeting minutes, and much more.



## **City Manager's Budget Message**

The City Manager's Budget Message follows this page.



# THE CITY OF FOREST HILL

OFFICE OF THE  
CITY MANAGER

## MEMO

July 31, 2024

To the Honorable Mayor Boardingham and Members of the City Council,

As City Manager, my role carries many, many responsibilities including that the money entrusted to the City is spent prudently, and in response to our City's needs. Today, it is my honor to submit to you the Proposed Operating Budget and Plan of Municipal Services for the Fiscal Year beginning October 1, 2024 and ending September 30, 2025.

We are living in challenging times; recognizing the current economic environment, a Presidential election is just a few months away, interest rates are at an all-time high, and food and gas prices continue to rise, with many in our City struggling to make ends meet. We must be strategic. We must explore new sources of funding. And we must be willing to make the hard decisions that may unexpectedly confront us.

We will budget for resilience.

Adoption of a City's budget is a key policy decision of the Mayor and Council and has the overarching effect of establishing a direction for the City of Forest Hill not only for FY 2025 but for the next several years. When passed, our budget will serve as a policy statement that charges this administration with the responsibility of accomplishing the goals and objectives contained in the pages of this document with transparency and accountability.

The FY 2025 budget was compiled after many months of careful planning and review, collaborating with City department leaders and our team members to forecast, assess, and set priorities. It is designed to meet the challenges faced by the City in the coming year using our tremendously dedicated workforce and support of our community. Making tough choices, we believe the proposed budget will assist us in providing quality services to our residents, encouraging us to do better each day, all while being fiscal stewards of the City's money. Our goals with this proposed budget are these: to be innovative in creating programs that serve our entire community, to provide the necessary tools for the success of our staff, and plan for the future. This budget is presented to you in compliance with Texas Local Government Code Chapter 102 and the Home Rule Charter of the City of Forest Hill, Texas.

## Fiscal Year 2025 Proposed Budget



Fund	Description	FY 25 Budgeted Revenue	FY 25 Budgeted Expenditure	FY25 Budget by Fund	Notes	Fund Balance @ 9/30/2023
1	General Fund	12,573,397	12,968,397	(395,000)	One Time Cost from Reserves (Note 1)	6,459,573
4	Youth Diversion Fund	9,700	19,200	(9,500)	Fund Balance Available	144,366
5	Court Technology Fund	4,100	21,200	(17,100)	Fund Balance Available	43,382
6	Court Safety	5,304	-	5,304		144,666
10	Hotel Occupancy Tax Fund	880,000	350,000	530,000		4,841,021
14	Park Improvement Fund	14,000	5,100	8,900		268,240
15	Library Fund	112,474	112,474	(0)		43,064
16	PEG Channel Fund	5,550	10,000	(4,450)	Fund Balance Available	16,191
21	PD Explorer Fund	470	4,300	(3,830)	Fund Balance Available	4,165
22	PD Forfeiture Fund	900	15,000	(14,100)	Fund Balance Available	24,839
23	PD Community Relations Fund	250	8,400	(8,150)	Fund Balance Available	8,144
24	Police Standards & Education Fund	125	16,000	(15,875)	Fund Balance Available	16,019
28	Police Restricted Donations	75		75		2,611
30	Debt Service Fund	192,026	472,754	(280,728)	Fund Balance Available	783,645
49	Community Development Corp Fund	1,342,809	654,276	688,532		3,858,768
50	Capital Equipment Replacement Fund	200		200		14,473
51	Capital Improvement Fund	12,000		12,000		455,325
52	Street Improvement Fund	673,904	891,220	(217,316)	Fund Balance Available	1,433,853
53	Tree Mitigation Fund	15,000		15,000		473,896
54	Fleet Fund	60,600	60,600	(0)		-
55	Forest Hill Grant Fund	10		10		545
56	Cares Act COVID Relief Fund	-	-	-		-
57	Opioid Settlement Fund	7,500		7,500		-
58	American Rescue Plan Act	1,928,685	1,928,685	-		-
60	Water/Sewer Fund	5,960,850	5,889,980	70,870		12,819,817
61	Water/Sewer CIP Fund	6,000		6,000		106,585
62	Sanitation Fund	919,800	938,000	(18,200)	Fund Balance Available	674,809
65	Storm Water Fund	360,000	475,000	(115,000)	Fund Balance Available	1,513,024
67	Wichita Street Improv Fund	2,900,000	2,900,000	-		-
68	Community Benefit Fund	75,000		75,000		-
80	Wastewater Impact Fund	10		10		376
<b>Grand Total</b>		<b>28,060,739</b>	<b>27,740,586</b>	<b>320,153</b>		

Note 1: This proposed budget includes the following one-time expenses. It is proposed to use Unrestricted General Fund Balance to cover these items. Currently the General Fund as reservers of \$6,459,573 available, of which \$3,241,649 are Reserved.

Accounting Software	250,000.00
City Website	35,000.00
Street Equipment	70,000.00
Pending Employee Retirement	40,000.00
	<u>395,000.00</u>

### CITY MANAGER'S MEMO – page 2 Proposed Budget and Plan of Municipal Services for FY 2025





## BUDGET PRIORITIES

Priorities to be addressed in the FY 2025 budget include:

- Retain the Ad Valorem Tax rate at \$0.724094
- Develop and maintain a balanced budget;
- Street infrastructure reconstruction projects:
  - ◆ Woodbridge Drive CDBG-CV project on Woodbridge Drive;
  - ◆ Woodbridge Drive 50<sup>th</sup> Year CDBG project on Woodbridge Drive;
  - ◆ Falmouth from Woodbridge to Chimney Rock using ARPA funding;
  - ◆ Alandale Drive from Wanda Street to Scotsdale Drive reconstruction using ARPA funding;
  - ◆ Forest Hill Circle from Forest Hill Drive to Anglin Drive repairs to damaged concrete (in partnership with TXDOT and SouthPoint Constructors)
- Complete Drainage Study researching flooding along Bisbee Street, Melinda Drive, Marshall Street, Burly Street, Wanda Street, and Alandale Drive;
- Provide funding for Trinity Metro transportation ZipZone program;
- Continue to address the aging and out-of-service fleet vehicles through Enterprise partnership;
- Provide funding for our on-going meter replacement program;
- Continue to provide funding for City facility improvement projects;
- Provide funding for retail recruitment project;
- Provide funding for Kroger/Tarrant Area Food Bank home delivery program;
- Provide funding for new radios for Fire and Police Departments;
- Provide funding for additional security cameras at City facilities;
- Provide funding for new City software system for Finance/Water/UB/Court/Permits;
- Provide funding for Dispatch, Jail, and Animal Control and Shelter Services through regionalization partnership with City of Everman;
- Provide funding for ambulance services;
- Continued participation in the HOME Investment Partnership Grant Program with the Tarrant County Community Development Department serving the elderly and disabled;
- Provide adequate funding for salary and health benefits for the City Employees, while considering a 4% pay raise;
- Continue to enhance the quality of life of our citizens and visitors by improving City Parks;
- Address organizational issues within City government while emphasizing quality customer service at all levels of the organization;
- Continue promoting a positive environment for economic development and social activities and make Forest Hill an ideal place to live, work, play, and stay.



## BUDGET ASSUMPTIONS

- Maintaining the current Ad Valorem Tax Rate;
- Payments to the City of Fort Worth for water and sewer service rates for our citizens and businesses;
- Providing employee insurance benefits for medical, dental, vision, life and disability insurance at reasonable rates;
- Providing compensation and benefits that recruit and retain a quality workforce.

## CAPITAL PROJECTS

Capital Projects for FY 2025 may include:

- Improvements to numerous streets including reconstruction and infrastructure;
- Improvements to storm drains, culverts, and ditches;
- Equipment replacements including radios for the Fire and Police Departments;
- Equipment replacements in the Police Department as part of the AXON agreement;
- Vehicle and equipment replacements for the Public Works, Water, Fire and Police Departments;
- TCEQ mandate regarding clean up at Griggs Park.

## GRANTS REVENUE

The American Rescue Plan Act has provided the City with funding that can be utilized for specific projects. City staff presented and received approval in FY 2023 and FY 2024 from the City Council for project expenditures for the Fire and Police Departments as well as the purchase of back-up generators for City facilities. FY 2025 expenditures will be infrastructure improvements as approved by the City Council in the first quarter of 2024.

The City has been awarded \$850,000 for the "FY24 EDI Community Project Funding Grant." These federal dollars will support a renovation of the current Senior Center to become the "Forest Hill Activity Center" to provide for activities for not only our seniors but our youth.

In the coming months, staff will explore grant funding through LEOSE, the Law Enforcement Officer Safety Education program; research funding for bullet proof vests, and will continue with our Mutual Aid efforts with Tarrant County and our surrounding community partners.



## COMMUNITY & ECONOMIC DEVELOPMENT

It's understood that community and economic development run hand-in-hand. Community development creates the resources for improving our business base and our quality of life while economic development brings these together to benefit our community generating growth and economic prosperity.

City government, retail, manufacturing, our non-profit organization, and local schools interact, working together for the good of our community. Empowering and uplifting the residents of Forest Hill, help us to achieve our goals and to secure a sustainable future through unity. Working together, with a "can-do" attitude and spirit, creates a culture of collaboration and excellence. From our residents, to our business stakeholders, we are stronger together - and together creating the building blocks for equitable opportunities, programs, and improved services.

Current City community and economic development projects include:

- Wichita St. Expansion Project with the City of Everman, City of Fort Worth and Tarrant County;
- Southeast Connector Project – freeway expansion project with TXDOT;
- Traffic Signalization Project at Forest Hill Dr. and Forest Hill Circle with NCTCOG;
- Traffic Signalization Projects at Wichita St. and Valley Forge Trail with NCTCOG;
- Traffic Signalization Project at Valley Forge Trail and Forest Hill Dr.; request to NCTCOG for review and funding;
- Forest Hill Drive Traffic Study in cooperation with NCTCOG, City of Everman, City of Fort Worth and Tarrant County;
- Forest Hill Drive expansion project south of Lon Stephenson to Shelby Road with NCTCOG, the City of Everman and the City of Fort Worth;
- Alta Mesa expansion project along Lon Stephenson with NCTCOG and the City of Fort Worth;
- Forest Hill Activity Center project utilizing \$850,000 in grant money awarded for the F24 Community Project Funding (Federal Government);
- Utilization of remaining ARPA funds for two road construction projects:
  1. Falmouth Drive from Woodbridge Drive to Chimney Rock Drive; design, survey, sanitary sewer, and roadway reconstruction; and
  2. Alandale Drive from Marshall Street to Anglin Drive; design, survey, sanitary sewer replacement and roadway reconstruction;
- Installation of 60 new LED streetlights in partnership with ONCOR on Mansfield Highway at no cost to the City;
- Tarrant County HOME Investment Partnership Grant Program;
- Trinity Metro ZipZone transportation program;
- Tarrant Area Food Bank/Kroger Boost Program;
- Mutual aid agreements with Tarrant County and surrounding communities;
- Ongoing pothole, street repairs, and improvements to drainage system.





## COMMUNITY & ECONOMIC DEVELOPMENT (CONTINUED)

- Residential Projects:
  - ◇ "Whispering Oaks Estates" – single family homes
  - ◇ "Anglin Estates" – single family homes
  - ◇ "Creeside" – single family homes
  - ◇ Future residential development on Forest Hill Circle between Margaret Drive and Trailwood Drive
- Commercial Projects:
  - ◇ Recruitment of grocery store
  - ◇ Retail Strip Center tenant recruitment along Interstate 20
  - ◇ Mixed Use development recruitment along Forest Hill Circle
  - ◇ Recruitment for vacant Denny's and Wendy's restaurants
  - ◇ Flex Office/warehouse development on California Parkway
  - ◇ Light Industrial recruitment for former Horton Tree Service property and Global Signs property

## PUBLIC SAFETY

The City of Forest Hill Public safety employees are highly trained professionals who, each and every day, serve and protect, and demonstrate community pride. They work in every condition possible: extreme heat, cold, rain, and sometimes even snow. They not only risk their lives, but often save the lives of those to whom they are providing aid.

These talented team members strive to build strong relationships with the residents of our community and our business leaders using the following initiatives:

### **Fire Rescue/EMS:**

- Regionalization of Fire Dispatch Services;
- Improvements to the Emergency Management Office;
- Weekly Blood Pressure Checks;
- CPR training;
- Health and Safety Fairs participation with local businesses and surrounding Communities;
- Community Fire Safety presentations;
- Future programs include implementing the "Vile of Life" program, Senior Citizen programs to assist with smoke detectors, carbon monoxide detectors, battery checks and installation; and education on "falls".



## **PUBLIC SAFETY - continued**

### **Police Department:**

- Regionalization of Police Dispatch Services;
- Regionalization of animal control services, creating the Municipal Animal Services Division;
- Regionalization of Jail Services;
- Develop crime prevention program for businesses and residents;
- Implement Community Policing programs;
- Increasing community engagement; participate in more events with local businesses and non-profits including churches;
- Support the efforts of Forest Hill Explorer Post #175.

## **ORGANIZATIONAL EFFICIENCY**

Organizational efficiency is the process of developing strategies that increase output by using fewer resources and less time and money. While there may be no perfect way to optimize our organization's business routine, there are creative and productive means to meet our daily goals efficiently and improve performance.

Over the past year, our dedicated team of City employees has been continuously adjusting and re-evaluating business practices to best meet the needs of our community and respond to the leadership priorities of the Mayor and Council. Additionally, departmental Directors strive to create a team environment that motivates and retains employees. In working together, dynamic and sustained changes can occur. Developing a culture of pride, engaging and listening to our staff, having an open-door policy, and communicating is critical to the success of the City. Participating in professional training, providing in-house training and cross-training employees produces more collaborative team members, increases their engagement and brings significant return on investment.

From the City Secretary's office fulfilling Open Records Requests, to Public Works, the Municipal Court, Water Department, and Code Compliance, the Forest Hill team consistently works to provide quality services, compassion in their interactions with our residents in an every-day effort to improve the quality of life in Forest Hill. When you create a sense of team spirit and civic pride, there's no limit to our accomplishments and rewards.





## BUILDING FOR THE FUTURE

Under the guidance of extraordinary leadership, the budget exercise is one of creating transparency and accountability while balancing the needs of the community and budgetary allocations. In an ever-changing landscape, we must work together to undertake the issues presented to us. It's truly a team effort.

As we continue on the journey to create a community that is economically vital, safe, and thriving, we seek the guidance of our Mayor and City Council to move our City forward. This budget document is a superb example of the work of a team dedicated to efficiency, resourcefulness, and service.

We look forward to the Mayor and Council's continued insight, direction and leadership as we continue to work through future challenges, all while providing quality services to our community. The FY2025 budget conveys your vision for City services and maximizes the benefits to our citizens and businesses. The City's work is a reflection of our *COMMUNITY DRIVEN* spirit, financial transparency, and accountability.

Proud to Serve Forest Hill,

Venus M. Wehle, PCED  
City Manager

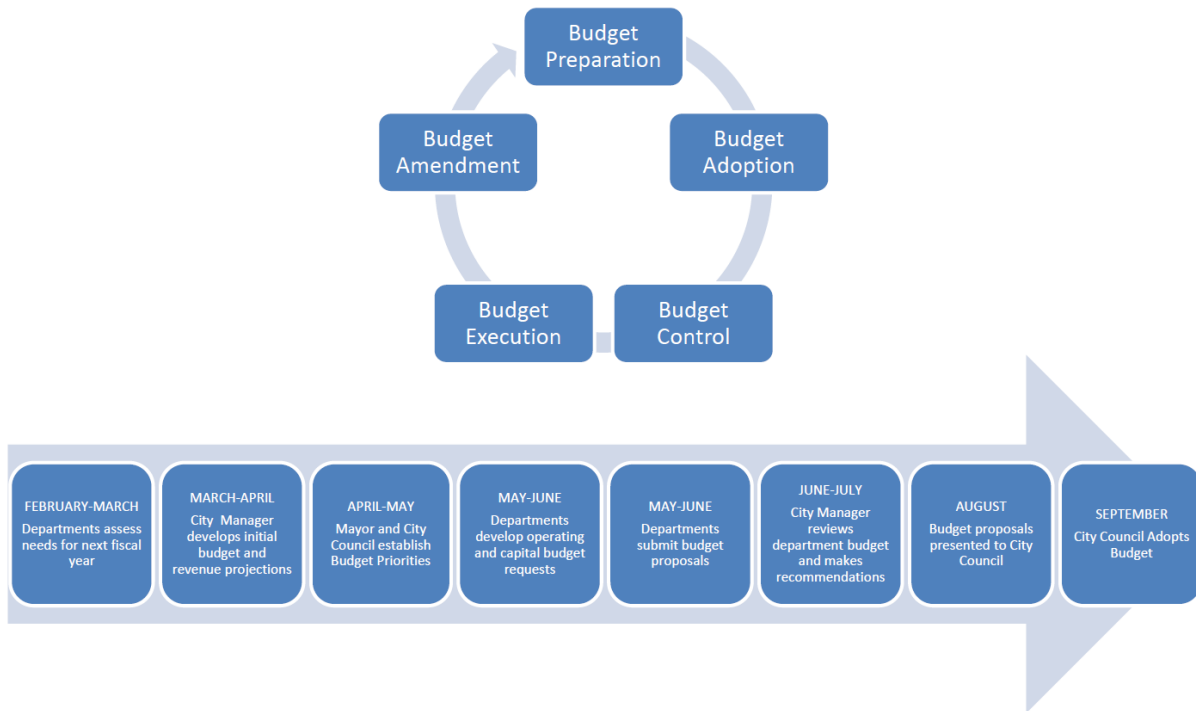


## Budget & Financial Policies

## Budget Calendar

CITY OF FOREST HILL / BUDGET CALENDAR FISCAL YEAR 2025	
(Note: Dates Subject to Change)	
	
Date	Event
January 2024	Request Benefit Coordinator, Brinson Benefits, to issue proposals for employment benefits to begin 10/1/2024
April 2024	Budget instructions distributed to department heads to provide additional personnel and capital needs to City Manager
April 25, 2024	Tarrant County Chief Appraiser sends notice of 2024 preliminary appraised values
May 13, 2024	Finalize Budget Calendar
May 29, 2024	Human Resources and Finance meets with Brinson Benefits to receive responses to benefits proposal
May / June 2024	City Manager meets with Police Association to negotiate any changes to the Meet and Confer Agreement
May / June 2024	City Manager receives input from Council for budget priorities
May / June 2024	City Manager and Finance meets with City Engineer to revise infrastructure capital schedules (Charter Section 6.04)
May 2024	Finance completes preliminary proposed revenue estimates
June 2024	Department heads submit supply and contract budget lines and other budget requests to Finance Department
June 2024	Schedule meetings - City Manager and Finance with Department heads on proposed departmental budgets
June 2024	Receive retirement rates from State of Texas & benefit rates from HR
June 2024	Finance prepares staffing salary schedules to include benefits for current and new positions recommended by City Manager
July 2024	City Manager and Finance review 5 Year capital plan for inclusion in the budget (Charter Section 6.04)
July 2, 2024	<b>Regular July Council Meeting</b> -- Council approves dates for workshops and Sept 5 budget hearing date (Charter Section 6.05)
July 15-19, 2024	City Manager prepares budget message (Charter Section 6.02)
July 15-19, 2024	City Manager rolls out FY26 Budget Calendar as part of the FY25 budget process
July 23, 2024	Special called meeting to discuss budget priorities, and 5 year CIP (Charter Section 6.04)
July 25, 2024	Tarrant County Chief Appraiser delivers certified property tax roll (Texas Tax Code Section 26.01a)
July 26, 2024	Finance Calculates No New Revenue, Voter Approval, and DeMinimus Tax Rates and provides to the City Manager
July 30, 2024	Finance Department submits preliminary proposed budget to City Manager
July 31, 2024	Last day by City Charter Section 6.02 for City Manager to present budget to City Secretary and Council (via email) Section 6.02. (Note: Per Texas Local Government Code Section 102.005, the last day to file the proposed budget is August 29.)
July 31 to August 2, 2024	Prepare proposed budget for posting on City Website with any State required notices (must be filed before the 30th day before the governing body makes the tax levy. Proposed budget must be available in person and on-line.)
August 6, 2024	<b>Regular August Council Meeting 6pm -- Budget Workshop</b> staff to present departmental budgets. Council to vote on proposed tax rate to be published in paper of record (Commercial Recorder). Council announces the date, time and place of vote on budget and tax rate to be September 17, 2024. (Note: Per Texas Tax Code Section 26.04e, the last day to submit tax rates to Council is 7 August 2024 and the last possible day for Council to propose a tax rate is September 22.)
August 7, 2024	As required by Tax Code Section 26.04e, Post Notice About 2024 Tax Rates on City Website.
August 20, 2024	<b>Special Council Meeting 6pm -- Budget Workshop</b> continue budgetary discussion, staff available to answer questions from council
August 21, 2024	Deliver notice of tax rates to local newspaper for publication and post on City website (Note: website posting must remain from date published until the public hearing on the budget is concluded.
August 23, 2024	1/4 page Notice of Proposed Tax Rate and Public Hearing on Budget to appear in Friday paper of record (Commercial Recorder) not earlier than the 30th or later than the 10th day before the date of the hearing. Must be done by September 1. (Note: date of publication must be at least 7 days before public hearing) (Note: The last day to publish notice of budget hearing per Texas Local Government Code Section 102.0065c is September 18)
September 1, 2024	Last day to designate a independent CPA to perform an annual audit of the financial statement (Charter Section 6.10)
September 3, 2024	<b>Regular September Council Meeting 6pm</b>
September 17, 2024	<b>Regular September Council Meeting 6pm -- Public Hearing on Budget and Tax Rate</b> (Must be set for date occurring after 15th day after proposed budget filed with City Secretary, but before tax rate adoption. Public holiday or weekend permitted; Quorum required) <b>Motion for Adoption of the Budget and Motion for Tax Rate and Ordinance and Possible Separate Ratification Vote of Budget that will Raise Total Property Tax Revenue</b> (Note: Attorney to provide special language for the motion.) Note: Must be a record vote on tax rate, must adopt tax rate within 60 days after certified roll is received or by September 29, whichever is
September 17, 2024	Council considers Resolution to process blanket purchase orders for items approved in the budget
September 18, 2024	Submit approved tax rates to Tarrant County and Tarrant County Appraisal District
September 24, 2024	Post notices for any new Request for Proposals needed for items approved in the budget. Proposals may be received, but no contract awarded until after October 1, 2024.
September 25, 2024	Post adopted budget on City website and have available in City Secretaries Office and local library for review by the public
September 27, 2024	Load Approved budget into STW
September 30, 2024	Last day to adopt the budget (Charter Section 6.05)
October 1, 2024	The Tarrant County Tax Assessor prepares and mails tax bills
Note: If Proposed Tax Rate Exceeds Calculated Tax Rates	If proposed tax rate exceeds the no new revenue tax rate or voter approved tax rate, a second Notice of Tax Revenue Increase will need to be posted with a second public hearing. If that occurs, amendments will be made to this calendar. If this situation occurs, Texas Tax Code Section 26.065 requires continuous notice of the tax rate public hearing on the internet and television. The last possible day to begin the continuous notice is 22 September 2024.

## Budget Process



## **Budget Policies**

The City of Forest Hill budget format includes goals, objectives, various summaries, statistical information, and revenue sources. They are provided to help define the City's goals, purposes, and assumptions for projections. The budget document and organization of the budget are described below.

### **BUDGET PROCESS**

The City of Forest Hill has implemented a performance-based budgeting process. Each department prepares a budget by completing a budget workbook. Any operating expense which exceeds the prior years' funding level, is evaluated and a recommendation to the City Manager is made.

#### **Development of City Council Goals**

The City Council provides to the City Manager regarding priorities and areas, which may need improvement, or funding. City Council budget issues are discussed at budget workshops. Council responses and feedback from discussions are then used during further budget reviews.

#### **Departmental Budget Workshops**

During the departmental budget workshops, the staff is informed of the budgeting concepts, guidelines, and forms. A needs assessment is provided by all departments to the City Manager.

#### **Revenue Projections**

The City Manager makes revenue projections. Projections are made based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated Staff members. The budget revenue projections occurs concurrently with departmental budget development and extends until the budget is adopted based upon the receipt of any new information.

#### **Proposed Budget Compilation**

Once the departmental budget requests are completed and are reviewed by the City Manager, a preliminary draft of the proposed budget is prepared by the City Manager and submitted to the City Council for review and reference during budget workshops. At this time the funding level is weighted against available resources. A tax rate may or may not be recommended depending upon Council's priorities and issues previously expressed in the budget process.

#### **City Council Budget Workshops**

Recommendations concerning the proposed budget are discussed with the City Council. The proposed budget is not actually submitted until after initial discussions regarding major issues are presented to the Council.



## **BUDGET PROCESS (CONTINUED)**

### **Public Hearing / Budget Adoption**

A public hearing on the budget and tax rate is held prior to adoption. Citizens or any other individual may make formal comment either “for” or “against” the proposed budget. The public also has the opportunity to attend City Council budget workshops. City Council may take action to modify the proposed budget. The Council must also adopt a tax rate to support adopted funding levels.

### **Budget Amendment Process**

Budget estimates may be amended and increased as the need arises to permit appropriation and expenditure of unexpended cash balances on hand and unanticipated revenues. Such amendment may be considered and adopted at any time during the fiscal year covered by the budget by filing the amendments for Council approval.

## **DEPARTMENT SUMMARIES**

Each department is described by narrative information in the budget in order to provide a description of the services provided. Each area includes the following information:

### **Program Description**

This section outlines the general responsibility performed by the department and identifies expenditure items in the budget that support the description and goals of the department.

### **Expenditure Summary**

The summary of expenditures shows the category of expenses for each department. Transfers are not included at the department level.

## **FINANCIAL POLICIES**

### **Definition of a Balanced Budget**

The annual operating budget submitted to the City Council will be balanced; expenditures not exceeding current year revenues plus available fund balance, reserves, and transfers.

### **Minimum Fund Balance and Working Capital Policies**

The Program of Services submitted to the City Council shall strive to maintain a minimum unreserved fund balance of 90 days of annual operating expenditures for the General Fund and a minimum working capital equivalent to 15 days of annual operating expenses for the Water and Sewer Fund. The City has presented here within, a balanced budget that will retain the goal of maintaining the minimums anticipated.

### **Operating Budget Policies**

The City of Forest Hill budgets resources on a fiscal year, which begins October 1st and ends September 30th of the following year. The operating budget will be developed on an annual basis. Appropriations for each year will be approved annually by the City Council.

## **FINANCIAL POLICIES (CONTINUED)**

The operating budget shall be linked to Financial and Strategic Plans.

The City Manager will prepare and present the City's annual operating budget to City Council for their approval. The City Council has the final responsibility for adopting the budget and for making the necessary appropriations.

The annual adopted budget shall be comprehensive in scope and include all annually budgeted operating funds.

The proposed operating budget shall appropriate sufficient funds for operations to maintain existing quality and scope of City Services.

The basis of budgeting shall be modified accrual in the Governmental Funds and full accrual (working capital) in the Proprietary Funds.

An annual budget calendar shall be prepared including statutory public meeting and tax notice requirements.

Specific City Council action shall be required to amend the operating budget.

Where possible, the City will integrate performance measurement, service level, and productivity indicators in the City's published budget document.

## **CAPITAL BUDGET POLICIES**

Non-recurring capital expenditures are budgeted as debt funded or operating accounts if minor.

Operating expenditures that are incurred from non-recurring capital expenditures are included and anticipated in each operating fund's budget.

Definition of a capital project- a capital asset expected to have a useful life greater than two years and an estimated cost of \$5,000 or more. Capital projects include the following:

- Construction, purchase, or major renovation of buildings, utility systems, streets, intersections, or other structure
- Purchase of land or land rights and major landscaping projects;
- Any engineering study or master plan needed for the delivery of a capital project;
- Any major repair, renovation or replacement that extends the useful operational life by at least two years or expands capacity of an existing facility.

Projects meeting the above definition will be included in the Capital Improvement Plan (CIP) rather than the annual operating budget document.

As a planning document, the City shall adopt annually the first year of a five year rolling projection of the City's capital needs as well as the future financing requirements in the form of a CIP. The CIP shall be linked to the City financial and strategic plans.

## **CAPITAL BUDGET POLICIES (CONTINUED)**

As a planning document, the CIP does not impart any spending authority.

Spending authority for capital projects is the capital budget.

The capital budget shall include only capital projects with budgets appropriated by specific City Council action. Capital project budgets shall be appropriated on project by project, multi-year basis (project budget amounts are approved through completion of the project).

The capital budget does not run concurrently with the operating budget fiscal year.

City staff shall identify the estimated costs and project schedule for each capital project proposal before it is submitted to the City Council for approval.

The City Manager shall in writing identify specific available funding sources for each capital project budget proposal before it is submitted to the City Council for approval.

Expenditure tracking for components of the capital budget will be updated quarterly to ensure project completion against budget and established timelines.

Change orders resulting in a change in the project cost shall require an amendment to the capital budget.

Capital improvements may impact the operating budget. Addition of new infrastructure can lead to expanded programs and a need to hire personnel to manage program operations. Replacement of aging structures may decrease operating and maintenance expenditures due to energy efficiencies and reduced repair needs. City staff will analyze, and when necessary, include operating budget impact statements in the CIP.

### **Utility Rates**

Utility rates will be reviewed annually to adjust operating revenues to meet operating costs and changes in contractual services.

### **Budget Administration**

City departments will regularly review programs and services to adjust service levels and operating costs.

All departments will be responsible for exploring the available grant opportunities and seek those matching City needs.

### **Basis of Presentation**

City accounts are organized on the basis of fund and account groups, each of which is considered a separate accounting entity.

### **Annual Publications**

The Annual Budget and Annual Financial Report may be submitted to the Government Finance Officers Association (GFOA) applicable Distinguished Award Program annually.

## Accounting and Budgeting Basis and Control

All governmental funds are budgeted and accounted for using a current financial resources measurement focus. This means, only current assets and liabilities are included on the balance sheet. Operating revenues of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary fund types, including enterprise funds (i.e., Water and Sewer, Drainage Utility), are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (assets net of liabilities) is segregated into invested in capital assets, net of related debt and unrestricted net asset components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net assets.

Financial information is presented using the modified accrual basis of accounting for all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current accounting period, or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem, franchise and sales tax revenues are recognized under the susceptible to accrual concept, since they are both measurable and available within 60 days after year end. Licenses and permits, charges for services (except for water and sewer billings), fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until received. Expenditures are recorded when the related fund liability is incurred. Interest on long-term debt is recorded as a liability when due in the debt service fund for payments to be made early in the following years.

The accrual basis of accounting is used in Proprietary Fund types, i.e., Enterprise Funds for financial reporting purposes. Under the full accrual basis of accounting, revenues and expenses are identified with a specific period of time, and are recorded as incurred, without regard to the date of receipt or payment of cash. For example, water and wastewater service charges are customarily recognized as revenues when billed, rather than at the time when the actual payment of the bill is received, in contrast to license and permit fees, which are recognized as revenues when payment is received in cash. This method of accounting is used for financial reporting purpose in the City's comprehensive annual financial report; however, for budget presentation purposes, working capital is recognized as fund balance. Working capital, rather than unrestricted net assets, is used to represent fund balance in Enterprise Funds (which is similar to using the modified accrual basis). Using the working capital approach, depreciation expense is not budgeted, and capital outlay and debt service principal are budgeted as expenses. Working capital is generally defined as the difference between current assets and current liabilities, and provides a more thorough analysis of proprietary fund reserves for budget purposes than does the presentation of net assets. In addition, budgeting capital outlay as an expense for budgetary purposes allows the proposed capital purchases to be reviewed and authorized by City Council.



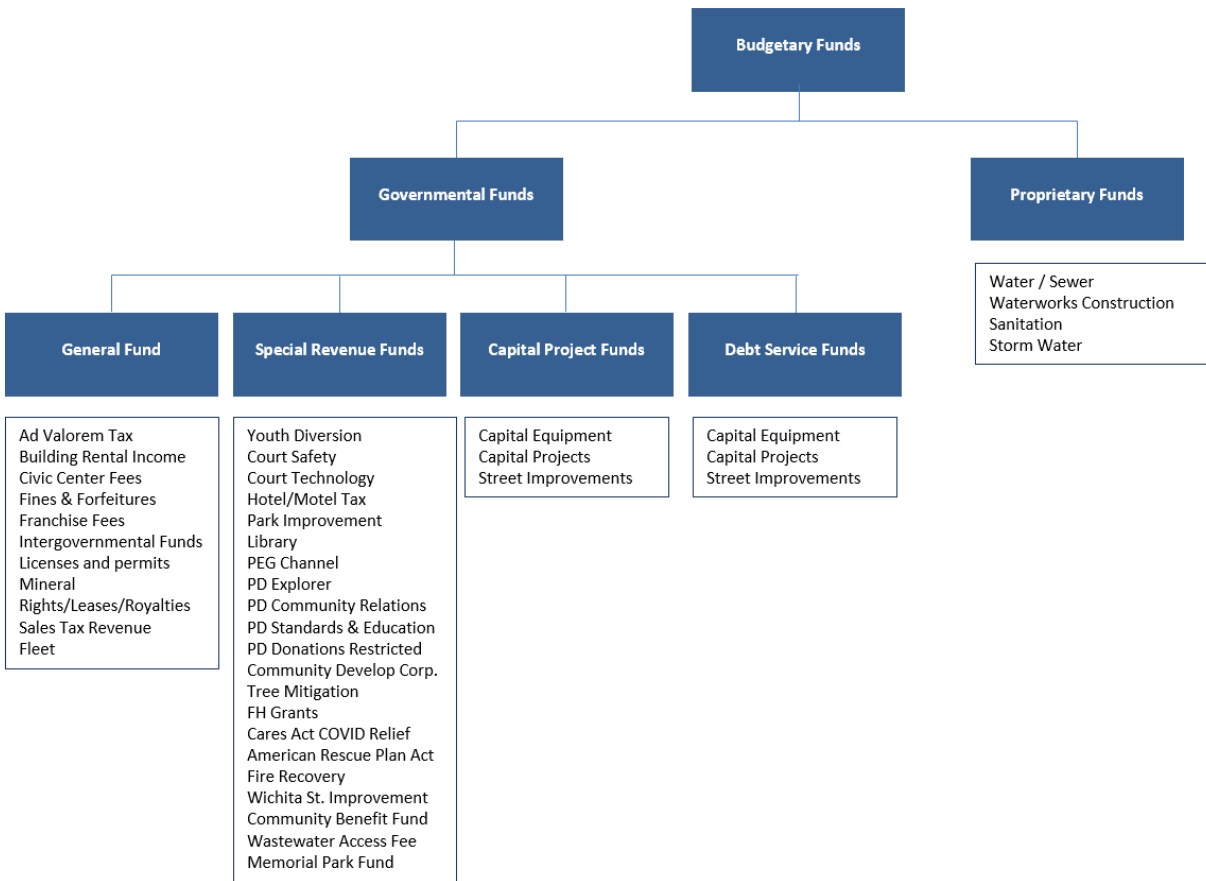
## FUND STRUCTURE & FINANCIAL ANALYSIS



## Fund Structure

Number	Funds	Type	Basis of Budgeting and Accounting
<b>Governmental Funds</b>			
1	General	General	Modified Accrual
4	Youth Diversion Fund	Special Revenue	Modified Accrual
5	Court Technology	Special Revenue	Modified Accrual
6	Court Safety	Special Revenue	Modified Accrual
10	Hotel Occupancy Tax Fund	Special Revenue	Modified Accrual
14	Park Improvement Fund	Special Revenue	Modified Accrual
15	Library Fund	Special Revenue	Modified Accrual
16	PEG Channel Fund	Special Revenue	Modified Accrual
21	Law Enforcement Explorer	Special Revenue	Modified Accrual
22	Police Forfeiture	Special Revenue	Modified Accrual
23	Police Community Relations	Special Revenue	Modified Accrual
24	Police Standards and Education	Special Revenue	Modified Accrual
28	Police Donations Restricted	Special Revenue	Modified Accrual
30	Debt Service	Long Term Debt	Modified Accrual
49	Community Development Corp.	Special Revenue	Modified Accrual
50	Capital Equipment	Capital	Modified Accrual
51	Capital Projects	Capital	Modified Accrual
52	Street Improvements	Capital	Modified Accrual
53	Tree Mitigation Fund	Special Revenue	Modified Accrual
54	Fleet Fund	General	Modified Accrual
55	Forest Hill Grant Fund	Special Revenue	Modified Accrual
56	Cares Act COVID Relief Fund	Special Revenue	Modified Accrual
57	Opioid Settlement Fund	Special Revenue	Modified Accrual
58	American Rescue Plan Act	Special Revenue	Modified Accrual
59	Fire Recovery	Special Revenue	Modified Accrual
67	Wichita Street Improv Fund	Special Revenue	Modified Accrual
68	Community Benefit Fund	Special Revenue	Modified Accrual
80	Wastewater Access Fee	Special Revenue	Modified Accrual
98	Memorial Park Fund	Special Revenue	Modified Accrual
<b>Enterprise / Proprietary Funds</b>			
60	Water & Sewer	Enterprise	Full Accrual
61	Waterworks Construction	Capital	Full Accrual
62	Sanitation	Enterprise	Full Accrual
65	Storm Water	Enterprise	Full Accrual

## Fund Structure Chart



### GOVERNMENTAL FUND TYPES

**The General Fund** is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds area are accounted for in this fund. The General Fund appropriations are adopted as part of the annual budget process. The General Fund is accounted and budgeted on the modified accrual basis.

**Special Revenue Funds** are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Normally, unused balances are returned to the grantor at the close of specified project period. Special Revenue Funds appropriations are adopted as part of the annual budget process.

## Fund Structure Chart (Continued)

### GOVERNMENTAL FUND TYPES (CONTINUED)

**The Debt Service Fund** is used to account for tax revenues and for the payment of principal, interest, and related costs on long-term debts for which a tax has been dedicated. Any unused sinking fund balances are used to lower outstanding bonds. The Debt Service Fund appropriations are adopted as part of the annual budget process. Debt Service Funds are accounted for and budgeted on the modified accrual basis.

**Capital Projects Funds** are used to account for capital outlay projects financed from general debt issued by the City. Capital Project Funds are not part of the annual budget process. Capital Project Fund appropriations require specific action by the City Council, are adopted on an individual project basis, and may be appropriated on a multi-year basis. General Capital Project funds are accounted for and budgeted on the modified accrual basis.

These types of funds are also used to account for activities to plan the replacement of capital transportation, information technology and other heavy equipment in accordance with replacement schedules based on life of equipment and usage.

### Enterprise / Proprietary Fund Types

The **Water and Sewer Fund** accounts for revenues and expenses on a full accrual basis. Water, sewer, and solid waste services are delivered to the citizens and businesses of the City. The total operating, capital and debt costs are recovered from the utility rates charged for the delivery of these services. The Water and Sewer Operating Fund appropriations are adopted as part of the annual budget process. The Water and Sewer Operating Fund is budgeted on the modified accrual (working capital) basis.

Reconciliation between the net changes in working capital to the change in net assets **GAAP** (Generally Accepted Accounting Principles) basis are provided in the utility fund summary schedule in the Enterprise Funds section of this document. Water and Sewer Fund capital projects are not part of the annual budget process.

Utility Capital Project Fund appropriations require specific action by the City Council, are adopted on an individual project basis, and may be appropriated on a multi-year basis.

## Fund Relationship Table

The following table depicts the relationship between the departments of the City and the various major and non-major operating funds that each utilizes and/or manages. Expenditure and revenue history, as well as 2023-2024 budget information can be found in the Annual Appropriated Funds Summary of this document.

Departments	General Funds										Special Revenue Funds										Capital	Debt	Enterprise/ Proprietary Funds
	General Fund (01)	Fleet Fund (54)	Youth Division Fund (04)	Court Technology (05)	Hotel Occupancy Tax Fund (10)	Park Improvement Fund (14)	PDS Channel Fund (15)	Law Enforcement Explorer (21)	Police Community Relations (23)	Police Standards & Education (24)	Community Development Corp. (49)	Forest Hill Grand Fund (53)	Cares Act COVID Relief Fund (55)	American Rescue Plan Act (56)	Wichita Street Improvement Fund (57)	Wastewater Impact Fee (68)	Memorial Park Fund (60)	Capital Equipment (60)	Street Projects (51)	Debt Service (30)	Water & Sewer (60)	Sanitation (62)	Storm Water Drainage (65)
Mayor and Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Municipal Court	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HR/Civil Service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Develop. Corp.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Streets Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parks Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Police Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fire Department	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fleet Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Code Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Permit and License	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Buildings and Grounds	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Civic Center	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Utility Billing/ Water Dept.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Public Works	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Fund Trend Analysis

General Fund (01) Trend Analysis					Water Fund (60) Trend Analysis				
Budget Year	Personnel	Other	Total	Prior Year Variance +/-	Budget Year	Personnel	Other	Total	Prior Year Variance +/-
2015	\$ 5,053,074	\$ 2,324,572	\$ 7,377,646	0.00%	2015	\$ 895,984	\$ 3,501,548	\$ 4,397,532	0.00%
2016	\$ 5,872,865	\$ 2,403,163	\$ 8,276,028	12.18%	2016	\$ 1,180,845	\$ 3,514,412	\$ 4,695,257	6.77%
2017	\$ 5,957,725	\$ 2,469,271	\$ 8,426,996	1.82%	2017	\$ 895,984	\$ 3,658,110	\$ 4,554,094	-3.01%
2018	\$ 5,700,165	\$ 2,525,788	\$ 8,225,953	-2.39%	2018	\$ 1,172,350	\$ 3,691,000	\$ 4,863,350	6.79%
2019	\$ 6,313,281	\$ 2,755,148	\$ 9,068,429	10.24%	2019	\$ 1,092,307	\$ 3,435,300	\$ 4,527,607	-6.90%
2020	\$ 7,054,046	\$ 2,792,448	\$ 9,846,494	19.70%	2020	\$ 1,055,807	\$ 3,574,400	\$ 4,630,207	2.27%
2021	\$ 7,151,615	\$ 3,159,250	\$ 10,310,865	4.72%	2021	\$ 1,222,700	\$ 3,653,350	\$ 4,876,050	5.31%
2022	\$ 7,051,972	\$ 3,713,650	\$ 10,765,622	4.41%	2022	\$ 1,238,500	\$ 4,117,200	\$ 5,355,700	9.84%
2023	\$ 6,747,964	\$ 3,917,106	\$ 10,665,070	-0.93%	2023	\$ 1,013,523	\$ 3,955,955	\$ 4,969,478	-7.21%
Bud. 2024	\$ 7,773,800	\$ 4,463,951	\$ 12,237,751	14.75%	Est. 2024	\$ 927,221	\$ 4,049,906	\$ 4,977,127	0.15%
Bud. 2025	\$ 8,110,817	\$ 4,857,577	\$ 12,968,394	5.97%	Bud. 2025	\$ 801,177	\$ 5,088,803	\$ 5,889,980	18.34%

The City of Forest Hill's main goal is to instilling confidence in the integrity of the City government. Through a commitment to excellence in leadership and staff development, employees have been trained and enriched in knowledge and education. The cost of training, education and salary adjustments have resulted in increased personnel costs year to year.

Public Works ensures a continuous supply of high-quality drinking water and ensures safe disposal of wastewater in a responsive, cost-effective manner while improving service to citizens and businesses. The cost of planning for future needs has increased our operating costs thus resulting in the increase variances. Since 2015, continual fund increases have occurred to fulfill this mission.

## Summary of FY25 Expenditures by Fund & Department (including Transfers)

Department Number	General Fund and Department Name	Proposed Budget
1	Mayor & City Council	\$ 199,816
2	City Secretary	\$ 166,995
3	Administration	\$ 389,307
5	Municipal Court	\$ 285,688
6	Finance	\$ 534,519
7	Human Resources/ Civil Service	\$ 208,370
9	Planning / Development	\$ 163,981
11	Public Works	\$ 1,467,168
16	Police	\$ 4,713,150
20	Fire	\$ 2,787,654
24	Garage	\$ 177,639
27	Permits	\$ 148,823
28	Code Compliance	\$ 133,011
30	Building Maintenance	\$ 60,659
40	Civic Center	\$ 187,691
99	Non Departmental	\$ 1,343,926
	<b>Total</b>	<b>\$ 12,968,397</b>
Fund	Enterprise Funds	Proposed Budget
60	Water & Sewer Utility Fund	\$ 5,889,980
62	Sanitation	\$ 938,000
65	Drainage	\$ 475,000
	<b>Total</b>	<b>\$ 7,302,980</b>
Fund Number	Other Funds and Department Name	Proposed Budget
4	Youth Diversion Fund	\$ 19,200
5	Municipal Court Technology Fund	\$ 21,200
10	Hotel Occupancy Tax Fund	\$ 350,000
14	Park Improvement Fund	\$ 5,100
15	Library Fund	\$ 112,474
16	PEG Channel Fund	\$ 10,000
21	Law Enforcement Explorer	\$ 4,300
22	Police Forfeiture	\$ 15,000
23	Police Community Relations	\$ 8,400
24	Police Standards & Education	\$ 16,000
30	Debt Service Fund	\$ 472,754
49	Community Development Corporation	\$ 654,276
52	Street Improvement Fund	\$ 891,220
54	Fleet	\$ 60,600
58	American Rescue Plan Act	\$ 1,928,685
67	Wichita Street Improvement Fund	\$ 2,900,000
	<b>Total</b>	<b>\$ 7,469,209</b>
	<b>Total Proposed Budget</b>	<b>\$ 27,740,586</b>



## Major Revenue Sources

The major revenue sources for the City are:

- Ad valorem (property) taxes
- Sales tax
- Franchise fees
- Hotel/Motel occupancy tax
- Other Governmental Sources
- Water and sewer service

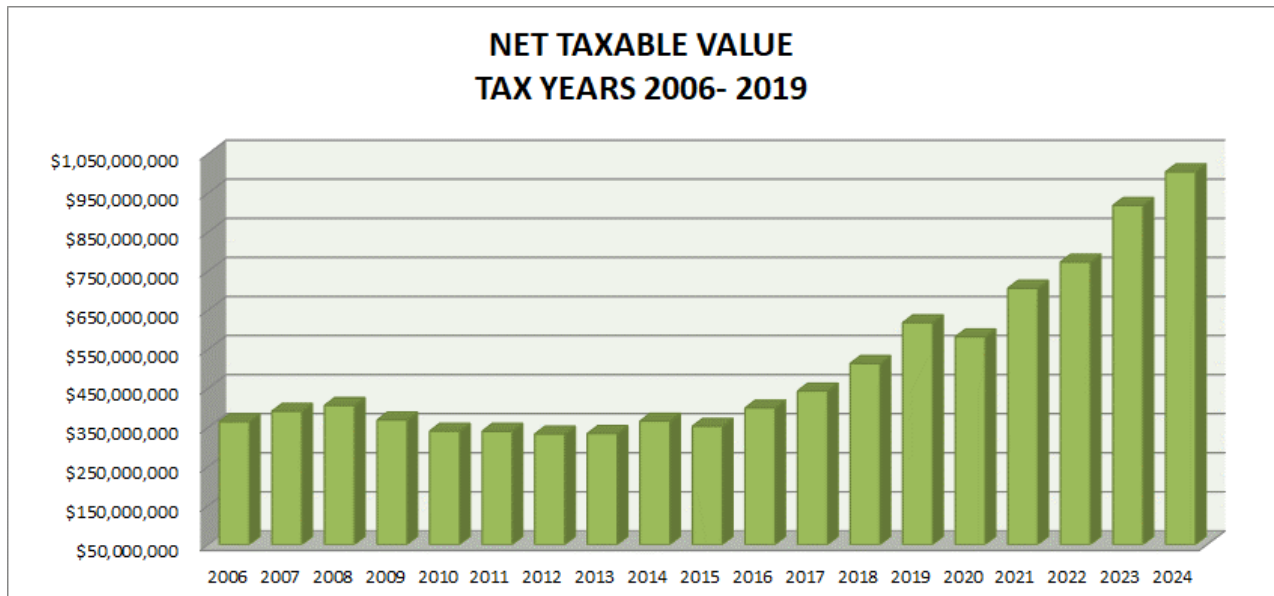
Each of these sources of revenue plays a vital role in determining the fiscal health of the City.

### REVENUE FORECASTING

Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions with the national, state, and local economy. Any changes in law that might affect revenue streams must also be considered.

### AD VALOREM TAXES – NET TAXABLE VALUE

Ad valorem taxes attach an enforceable lien on all real, personal, and business property in the City of Forest Hill. The amounts of property taxes that the City expects to collect are based on the certified roll calculated by the Tarrant Appraisal District, on behalf of the City. The July 2024 certified net taxable value of \$1,004,120,288 is a 9.39% increase from the July 2023 net taxable value of \$917,909,069. The tax year is the calendar year beginning January 1, while the fiscal year begins October 1 each year.



### **AD VALOREM TAXES – PROPOSED RATE**

This budget is built on a tax rate of \$.724094 per \$100 valuation. This is the same as last year's adopted tax rate. The no new revenue tax rate is based on a tax rate that would produce the same amount if applied to the same properties taxed in both years with an increment of 3.5%. For the FY 2025 year, the no new revenue rate calculated by the City is \$.695028 per \$100 of assessed valuation. Because the City has less than 30,000 residents, it is allowed to calculate the de minimis rate, which is the no new revenue rate plus the tax rate that would raise an additional \$500,000. The FY 2025 de minimis rate is \$.743743. Since the proposed tax rate of \$.724094 is less than the de minimis rate of .743743 and the rate that would be calculated as a special taxing district (\$.751189) under Section 26.075 of the Texas Tax Code, the voters may not petition the City to hold an election for a lower tax rate. The rate of \$.724094 per \$100 valuation is the maintenance and operations (M&O) rate as the City has a \$0.000000 interest and sinking (I&S) rate (for FY 25 due to having ample funds in the Debt Service Fund to pay the bonded debt for FY 2025).

### **AD VALOREM TAXES -- COLLECTIONS**

For fiscal year 2025, the property tax levy will amount to an estimated \$7,270,775 an increase of 1.93% over the previous fiscal year's tax levy amount of \$7,133,313. The City has a contract with the Tarrant County Tax Assessor Collector's Office for the billing and collection of ad valorem taxes.

### **SALES TAX**

Sales tax collections are based on economic activity and vary with changes in the local economy. Estimated FY 2025 collections (in the General Fund) of \$2,411,605 are consistent with current year's collections of \$2.423M adjusted for expected decreases due current year month over month declines in sales tax revenues due to high inflation and decreased spending.

The local sales tax rate is 8.25%. Businesses within the city limits collect the tax and remit the tax to the State of Texas Comptroller. Of the 8.25%, 6.25% is retained by the State of Texas. The division of the 1.75% City of Forest Hill Sales Tax is shown below by Fund.

The City of Forest Hill has a Sales Tax Rate of 8.25%. The rate is composed of the following components:

<b><u>Total Breakdown</u></b>		<b><u>City Portion Breakdown</u></b>	
State of Texas	6.25%	General Fund	1.00%
City of Forest Hill	1.75%	Community Development	.50%
Special Library Rate	<u>.25%</u>	Street Improvement	<u>.25%</u>
Total	<u>8.25%</u>	Total	<u>1.75%</u>



### **COMMUNITY DEVELOPMENT FUND – SALES TAX RECIPIENT**

The Community Development Corporation (CDC) Fund is a component entity of the City of Forest Hill. The CDC receives sales tax revenues which are restricted by State Law for community and economic development uses. The programs of the CDC are administered by the Community Development Corporation Board appointed by the City Council.

The CDC also transfers funds to the Debt Service Fund to provide 100% of the annual debt service payment requirements for the Series 2014 general obligation refunding bonds.

The CDC does not have any physical location or any employees and therefore transfers funds annually to the General Fund to pay for services received from use of City facilities and City staff.

### **STREET IMPROVEMENT FUND – SALES TAX RECIPIENT**

The Street Improvement Fund accounts for the use of sales tax that is restricted for street repairs and maintenance in the City. The fund also provides resources for the Streets-CIP Program via budgeted inter-fund transfer to the capital projects fund. Street personnel are paid from the General Fund, so the Street Improvement Fund transfers funds to the General Fund annually to pay for street repairs.

### **FRANCHISE FEES**

The City of Forest Hill receives franchise fee payments for the use of its streets and right-of-ways. Companies involved in sanitation, telecommunications, and utilities must pay the City for the use of its streets and right-of-ways. Franchise fees are a significant source of income for the City.

### **HOTEL / MOTEL OCCUPANCY TAX**

Motel taxes are 13% (6% State of Texas and 7% City of Forest Hill) of the cost of the stay. The taxes are remitted to the City monthly by each hotel/motel property in the City. Periodic audits may be conducted by the Director of Finance.

### **OTHER GOVERNMENTAL FUND REVENUE SOURCES**

The City has other types of revenue. Two categories are 1) Licenses, permits and fees and 2) Fines and forfeitures. Licenses and permits include items such as construction permits, impact fees, fence permits, pet licenses, and garage sale permits. Fines and forfeitures include items related to the Municipal Court and Police Department such as traffic enforcement ticket collections, code enforcement collections, and warrant collections.

### **WATER AND SEWER SERVICE REVENUES**

The City's Water and Sewer Fund is a proprietary fund that is set up to run much like that of a private business / for profit entity, by recovering operating, debt and capital costs from user charges and maintaining a reserve for emergencies. The major revenue sources are water, sewer, drainage, and sanitation (trash) service charges. Bills are sent to residents monthly and fees collected. Consumption trends are monitored for providing services and projecting revenues. The City purchases water and sewer services from the City of Fort Worth. A franchise contract is in effect for sanitation. The City provides drainage services.



## GENERAL FUND

## General Fund Introduction

The General Fund budget supports functions and activities that are traditionally provided by local government. These include police and fire protection, parks and recreation, streets and facilities maintenance and repairs, and general administration. Revenues to finance these programs are derived principally from ad valorem taxes, local sales taxes, franchise fees and transfers from the City's proprietary fund and special revenue funds.

## General Fund Revenues, Expenditures, & Transfers

Description	23 Actuals	24 Budget	25 Budget
<b>Revenues</b>			
Property Tax	6,408,959	6,823,966	7,507,116
Sales Tax	2,364,842	2,325,351	2,411,605
Franchise Fees	754,087	1,151,968	551,446
Licenses and Permits	359,242	442,328	266,040
Fines and Forfeitures	156,742	71,324	178,952
Intergovernmental	46,838	-	8,500
Rental Income	537,519	501,239	514,675
Interest	314,513	265,301	300,000
Donations	8,382	14,264	10,298
Mineral Rights/Royalties	28,718	49,609	6,518
Miscellaneous	152,726	211,773	94,048
<b>Subtotal Revenues</b>	<b>\$ 11,132,568</b>	<b>\$ 11,857,122</b>	<b>\$ 11,849,197</b>
<b>Expenditures</b>			
Personnel	6,747,964	7,773,800	8,110,817
Material & Supplies	957,878	1,371,925	1,306,615
Contractual Services	2,338,632	2,399,991	3,003,929
Training and Travel	73,685	107,928	95,600
Capital Outlay	296,911	334,607	230,509
<b>Subtotal Expenditures</b>	<b>\$ 10,415,071</b>	<b>\$ 11,988,252</b>	<b>\$ 12,747,470</b>
<b>Transfers In</b>	<b>\$ 746,202</b>	<b>\$ 381,653</b>	<b>\$ 724,200</b>
<b>Transfers Out</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 220,926</b>
<b>Total General Fund</b>	<b>\$ 1,213,699</b>	<b>\$ 524</b>	<b>\$ (395,000)</b>

## General Fund Expenditures by Department (excluding Transfers)

Department	23 Actuals	24 Budget	25 Budget
1 Mayor & City Council	216,150	218,116	199,816
2 City Secretary	131,854	144,357	166,995
3 Administration	445,478	476,333	389,307
5 Municipal Court	320,828	365,054	285,688
6 Finance	399,831	464,228	534,519
7 Human Resources/ Civil Service	85,644	164,201	208,370
9 Planning / Development	126,237	145,913	163,981
11 Public Works	689,010	932,621	1,467,168
16 Police	4,148,113	4,886,585	4,713,150
20 Fire	2,600,249	2,532,255	2,787,654
24 Garage	94,320	238,946	177,639
27 Permits	116,918	145,399	148,823
28 Code Compliance	116,686	137,367	133,011
30 Building Maintenance	-	45,120	60,659
40 Civic Center	132,066	193,985	187,691
99 Non Departmental	791,688	897,772	1,123,000
<b>Total Expenditures by Department</b>	<b>\$ 10,415,071</b>	<b>\$ 11,988,252</b>	<b>\$ 12,747,470</b>

## General Fund Department Summaries

### MAYOR AND CITY COUNCIL

**FUND / DEPARTMENT / PROGRAM: 01-01-51**

#### **Program Description**

The City of Forest Hill is responsible for maintaining a safe, pleasant environment by providing effective governance and the efficient delivery of public service. The City of Forest Hill is a “home-rule” city operating under the City Charter originally adopted in 1946. The City is operated by a Council-Manager form of government with a Mayor, six Council Members (all elected at large), and a City Manager. The Council meets in regular sessions at 6:00 p.m. on the 1st Tuesday of each month.

Items funded within the Mayor and Council budget include city-sponsored Boards and events such as – Historical Board, Parks Board, Mayor’s Youth Advisory Council, Veterans Day, Memorial Day, Juneteenth, Easter Events, Black History Month, Family Fun Day, Mayor’s Back to School, Hispanic Heritage, National Night Out, Holiday Event, City Wide Clean Up Days, and the Mayor for a Day. Travel & Training is budgeted for each council position. The Tarrant Area Food Bank/Kroger Boost program is budgeted at \$21,450.

#### **Expenditure Summary**

##### **Mayor & Council Expenditure Summary**

Category	23 Actuals	24 Budget	25 Budget
Materials & Supplies	\$ 37,144	\$ 50,816	\$ 56,866
Contractual Services	\$ 164,295	\$ 134,300	\$ 109,450
Training and Travel	\$ 14,712	\$ 33,000	\$ 33,500
<b>Totals</b>	<b>\$ 216,150</b>	<b>\$ 218,116</b>	<b>\$ 199,816</b>



### CITY SECRETARY

**FUND / DEPARTMENT / PROGRAM: 01-02-52**

#### **Program Description**

The City Secretary is the clerk for the City Council and, as such, is responsible for documentation, publication, and archiving of all official records. The City Secretary serves as the chief election official for all elections. The department has responsibility for coordinating a Records Management Program and also provides clerical assistance to other departments. The City Secretary's office acts as a public information center by receiving and processing Open Record Requests and maintaining the City Website. Included in this departmental budget is \$9,600 for Open Records Software.

#### **Expenditure Summary**

<b>City Secretary Expenditure Summary</b>			
Category	23 Actuals	24 Budget	25 Budget
Personnel	\$ 115,466	\$ 123,585	\$ 132,275
Materials & Supplies	\$ 4,963	\$ 7,173	\$ 14,420
Contractual Services	\$ 6,908	\$ 8,378	\$ 15,800
Training and Travel	\$ 4,516	\$ 5,220	\$ 4,500
<b>Totals</b>	<b>\$ 131,854</b>	<b>\$ 144,357</b>	<b>\$ 166,995</b>



**ADMINISTRATION / CITY MANAGER**  
**FUND / DEPARTMENT / PROGRAM: 01-03-53**

**Program Description**

The City Manager is the Chief Executive Officer of the City. It is their duty, under the City Charter, to execute and implement policies as established by the City Council. The City Manager is responsible for the 1) overall coordination of the City's governmental activities, 2) efficient operation of the City of Forest Hill, 3) management of staff and communication of organizational goals and values to the public.

**Expenditure Summary**

<b>Administration / City Manager Expenditure Summary</b>			
<b>Category</b>	<b>23 Actuals</b>	<b>24 Budget</b>	<b>25 Budget</b>
Personnel	284,364	290,037	254,542
Materials & Supplies	21,008	19,016	83,050
Contractual Services	2,020	4,877	47,715
Training and Travel	4,382	5,700	4,000
<b>Totals</b>	<b>\$ 311,773</b>	<b>\$ 319,631</b>	<b>\$ 389,307</b>

**MUNICIPAL COURT**  
**FUND / DEPARTMENT / PROGRAM: 01-05-55**

**Program Description**

The Municipal Court enhances safety and security in Forest Hill and improves the quality of life within the City by processing citations, working with defendants on court issues to include payments and deferred payment plans, issuing warrants and fines, keeping training current, serving as the juvenile case management team, and being the liaison with the City Judge and City Prosecutor.

**Expenditure Summary**

<b>Municipal Court Expenditure Summary</b>			
<b>Category</b>	<b>23 Actuals</b>	<b>24 Budget</b>	<b>25 Budget</b>
Personnel	\$ 221,468	\$ 254,204	\$ 186,018
Materials & Supplies	\$ 4,777	\$ 12,350	\$ 6,560
Contractual Services	\$ 91,043	\$ 93,500	\$ 91,110
Training and Travel	\$ 3,540	\$ 5,000	\$ 2,000
<b>Totals</b>	<b>\$ 320,828</b>	<b>\$ 365,054</b>	<b>\$ 285,688</b>

**FINANCE**

**FUND / DEPARTMENT / PROGRAM: 01-06-56**

**Program Description**

The Finance Department coordinates and maintains the City's financial activities to ensure proper use and investment of the City's funds. The department is responsible for all of the City's accounting and financial reporting as well as providing timely budgetary and other financial information to the community, City Council, management and various departments of the City. The Finance Department is the primary liaison with the City Auditors, City Financial Advisors, Rating Agencies, Banks, Brokerages, Investment Pools, Tarrant County Tax Assessor Collector, and Suppliers.

**Expenditure Summary**

<b>Finance Expenditure Summary</b>			
<b>Category</b>	<b>23 Actuals</b>	<b>24 Budget</b>	<b>25 Budget</b>
Personnel	\$ 258,569	\$ 329,853	\$ 340,659
Materials & Supplies	\$ 4,872	\$ 35,075	\$ 21,000
Contractual Services	\$ 134,225	\$ 94,300	\$ 167,860
Training and Travel	\$ 2,165	\$ 5,000	\$ 5,000
<b>Totals</b>	<b>\$ 399,831</b>	<b>\$ 464,228</b>	<b>\$ 534,519</b>

**HUMAN RESOURCES & CIVIL SERVICE**

**FUND / DEPARTMENT / PROGRAM: 01-07-57**

**Program Description**

The Human Resources & Civil Service program administers the personnel policy, employee recruitment, staff relations and employee classifications. The program is also responsible for compensation administration, personnel records and management, administration of employee benefits, and workers compensation insurance. The program also monitors City policies and compliance with Federal and State laws governing municipal employment practices.

**Expenditure Summary**

<b>Human Resources &amp; Civil Service Expenditure Summary</b>			
<b>Category</b>	<b>23 Actuals</b>	<b>24 Budget</b>	<b>25 Budget</b>
Personnel	\$ 76,071	\$ 135,301	\$ 185,934
Materials & Supplies	\$ 3,222	\$ 7,500	\$ 5,586
Contractual Services	\$ 5,566	\$ 17,400	\$ 12,850
Training and Travel	\$ 785	\$ 4,000	\$ 4,000
<b>Totals</b>	<b>\$ 85,644</b>	<b>\$ 164,201</b>	<b>\$ 208,370</b>

**PLANNING / DEVELOPMENT**  
**FUND / DEPARTMENT / PROGRAM: 01-09-14**

**Program Description**

The Planning and Development Department provides community growth opportunities and quality of life improvements within the City through the enforcement of Planning and Zoning Ordinances and Subdivision Regulations. Plat reviews are conducted and fees for permits, licenses, inspections, and code violations are collected at the City Hall Permit / Planning window.

This department also maintains the MS4 (Storm Water Management Handbook).



**Expenditure Summary**

Planning / Development Expenditure Summary				
Category	23 Actuals	24 Budget	25 Budget	
Personnel	\$ -	\$ 36,943	\$	58,161
Materials & Supplies	\$ 531	\$ 1,570	\$	450
Contractual Services	\$ 125,706	\$ 106,900	\$	103,870
Training and Travel	\$ -	\$ 500	\$	1,500
Totals	\$ 126,237	\$ 145,913	\$	163,981

**PUBLIC WORKS ADMINISTRATION / PARKS / STREETS / BUILDING & GROUNDS**

**FUND / DEPARTMENT / PROGRAM: 01-11-XX**

**Program Description**

Public Works Administration provides direction and guidance concerning street maintenance; water treatment, distribution and wastewater collection; storm sewer systems maintenance; park & recreation facilities maintenance; fleet maintenance; liaison with City Engineers, and development & implementation of the Capital Improvement Plan (CIP). Street maintenance includes sweeping, patching, rebuilding, curbing, and guttering. Park maintenance includes restroom maintenance, mowing, landscaping, and watering. Buildings & Grounds includes ongoing maintenance, supplies and utilities for physical facilities owned and operated by the City including City Hall, Police Headquarters, Fire Department, Police and Fire Substation, Public Works facility, Senior Center, Civic & Convention Center, and the former Community Center.

This department benefits other fund groups. Those funds (Water Sewer Fund, Street Improvement Fund, Storm Water Fund, Sanitation Fund) make transfers into the General Fund to cover their allocative share of this department as well as other General Fund Departments (City Secretary, City Manager, Human Resources, and Finance).

**PUBLIC WORKS ADMINISTRATION / PARKS / STREETS / BUILDING & GROUNDS (CONTINUED)**

**Expenditure Summary**

Public Works Administration / Streets / Parks / Building Maintenance					
Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
16a Tran Out	\$	250,000	\$	250,000	\$ -
Personnel	\$	299,352	\$	409,292	\$ 854,543
Materials & Supplies	\$	189,239	\$	278,200	\$ 296,375
Contractual Services	\$	200,419	\$	244,529	\$ 315,650
Training and Travel	\$	-	\$	600	\$ 600
Totals	\$	689,010	\$	932,621	\$ 1,467,168

**POLICE**  
**FUND / DEPARTMENT / PROGRAM: 01-16-XX**

**Program Description**

The Police Department is organized into three (3) inter-related bureaus responsible for providing law enforcement services to the citizens and visitors of the City of Forest Hill, and other entities who request aid through preserving human life, maintaining public order, protecting the rights of persons and property, and enforcing the applicable Federal and State law, and City ordinances all while making the City a better place to live, work, play, and stay. Each bureau is further divided into a division which has specific responsibilities and assignments. The three bureaus are:

- 1) Police Administration provides overall leadership and direction and is responsible for policies and procedures that govern the operations and personnel activities of the entire department.
- 2) The second bureau is Administrative Services, commanded by a Police Captain. The Administrative Captain, under the general direction of the Chief of Police, plans and manages the activities, operations, and subordinate personnel under their command in the Administrative Services Bureau. The Administrative Services Bureau is divided into multiple divisions: Emergency Communication, Criminal Investigation, Internal Affairs, Records, Jail, Animal Control, and other areas.
- 3) The Operations Bureau, a vital component of the police department, is under the command of a Police Captain who operates under the general direction of the Chief of Police. The Operations Captain is crucial in planning and managing the bureau's activities, operations, and personnel. The Operations Bureau comprises various divisions: Property/Evidence Management, Crime Prevention, Community Relations, Training, Traffic Enforcement, Sex Offender Registration, and Patrol. Patrol, the most prominent and visible division, is responsible for responding to calls for service, performing routine patrols, conducting traffic and investigative stops, making arrests, and other related tasks.



**POLICE (CONTINUED)**

**Expenditure Summary**

Police				
Expenditure Summary				
Category	23 Actuals	24 Budget	25 Budget	
Personnel	\$ 2,854,373	\$ 3,638,851	\$ 3,519,523	
Materials & Supplies	\$ 486,431	\$ 354,685	\$ 271,378	
Contractual Services	\$ 620,922	\$ 678,586	\$ 822,743	
Training and Travel	\$ 31,155	\$ 32,860	\$ 22,000	
Capital Outlay	\$ 155,232	\$ 181,604	\$ 77,506	
<b>Totals</b>	<b>\$ 4,148,113</b>	<b>\$ 4,886,585</b>	<b>\$ 4,713,150</b>	



**FIRE**  
**FUND / DEPARTMENT / PROGRAM: 01-20-XX**

**Program Description**

The Fire Department is charged with protecting lives and property from fire and other disasters and rendering lifesaving assistance during medical emergencies. Fire personnel respond to all requests for help and assist those in need. Other activities include fire apparatus, fire hydrant maintenance, pre-fire planning, fire prevention services, development plan reviews, testing of new commercial construction, inspection of fire alarm and sprinkler systems, hazardous materials response, compliance with safety standards, annual inspections, community education, and the training & certification of personnel.

Forest Hill firefighters are trained to respond to all fires, medical assistance, hazardous materials incidents, swift water rescues, and other emergencies. When not responding to emergencies, firefighters perform various activities, such as conducting annual inspections of local businesses, inspecting and maintaining fire hydrants, training, and providing station tours for the public.

MedStar provides Ambulance Operations in Forest Hill and its neighboring communities and cities. The City of Fort Worth will absorb the contracted ambulance provider during the upcoming fiscal year.

Every front-line fire apparatus is staffed with at least two Texas-certified Firefighters/EMTs, with a full complement of basic life support (BLS) equipment, supplies, and medications. This allows the fire department to provide BLS services at the scene of traffic collisions, rescues, and medical assistance of all varieties. This first-response capability decreases call-to-scene times and assists ambulance-based paramedics in the delivery of life-saving care.



The City of Forest Hill Emergency Management Coordinator (EMC) assesses risks and vulnerabilities to regional hazards and develops strategies to eliminate or reduce risk to life and property. The EMC also collaborates with local, state, federal, nonprofit, and private agencies to address those hazards collaboratively. The EMC will activate the Emergency Operation Center (EOC) during large-scale events/emergencies or disasters where decision-makers from multiple response agencies will come together to address the emergency. The EMC also provides emergency alerts/notifications with vital information and instructions to the community through media, radio, and landline phones.

**Expenditure Summary**

Fire Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	2,195,462	\$	2,064,016	\$ 2,077,880
Materials & Supplies	\$	138,115	\$	135,250	\$ 164,050
Contractual Services	\$	112,585	\$	165,486	\$ 376,721
Training and Travel	\$	12,407	\$	14,500	\$ 16,000
Capital Outlay	\$	141,680	\$	153,003	\$ 153,003
Totals	\$	2,600,249	\$	2,532,255	\$ 2,787,654

## GARAGE

**FUND / DEPARTMENT / PROGRAM: 01-24-04**



### **Program Description**

The City Garage is the liaison with Enterprise Rental for the leasing of city vehicles. The Garage is also responsible for the ongoing maintenance and/or coordination for maintenance and repairs of vehicles and equipment utilized in City operations.

### **GARAGE (CONTINUED)**

#### **Expenditure Summary**

Garage Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	86,459	\$	99,246	\$ 96,864
Materials & Supplies	\$	420	\$	127,500	\$ 63,175
Contractual Services	\$	7,441	\$	10,700	\$ 16,100
Training and Travel	\$	-	\$	1,500	\$ 1,500
Totals	\$	94,320	\$	238,946	\$ 177,639

**PERMITS**

**FUND / DEPARTMENT / PROGRAM: 01-27-27**

**Program Description**

The Building Permits / Inspection department reviews major codes and makes recommendations to the respective boards which oversees development. This includes administering permits, record keeping, legal issues, and zoning applications.

**Expenditure Summary**

Permits					
Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	108,984	\$	112,699	\$ 116,223
Materials & Supplies	\$	7,854	\$	32,500	\$ 32,600
Contractual Services	\$	80	\$	200	\$ -
Totals	\$	116,918	\$	145,399	\$ 148,823

**CODE COMPLIANCE**  
**FUND / DEPARTMENT / PROGRAM: 01-28-28**

**Program Description**

Code Compliance enforces the codes, responds to related complaints, protects historically significant structures, and administers the demolition program. Code compliance may issue citations when warranted for failure to comply with City ordinances. Code compliance may also contract or arrange for resident assistance (mowing, demolition, etc.) while placing a lien on the property for the cost of the assistance.

**Expenditure Summary**

Code Compliance Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	80,192	\$	81,902	\$ 95,046
Materials & Supplies	\$	22,339	\$	45,980	\$ 24,905
Contractual Services	\$	14,143	\$	9,460	\$ 12,060
Training and Travel	\$	11	\$	25	\$ 1,000
<b>Totals</b>	<b>\$</b>	<b>116,686</b>	<b>\$</b>	<b>137,367</b>	<b>\$ 133,011</b>

**CITY HALL MAINTENANCE**  
**FUND / DEPARTMENT / PROGRAM: 01-30-03**

**Program Description**

City Hall Maintenance captures the janitorial services and other maintenance for the City Hall Building.

**Expenditure Summary**

City Hall Maintenance Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	-	\$	44,620	\$ 60,659
Materials & Supplies	\$	-	\$	500	\$ -
Totals	\$	-	\$	45,120	\$ 60,659

**CIVIC CENTER**  
**FUND / DEPARTMENT / PROGRAM: 01-40-40**

**Program Description**

The Forest Hill Civic and Convention Center staff is responsible for coordinating and maintaining comprehensive management of the City's Civic & Convention Center building, actively marketing the center as a destination location within South Tarrant County, and hosting successful conferences, meetings and events.



**Expenditure Summary**

Civic Center Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	58,149	\$	87,171	\$ 112,491
Materials & Supplies	\$	14,263	\$	45,331	\$ 16,200
Contractual Services	\$	59,643	\$	61,461	\$ 59,000
Training and Travel	\$	11	\$	23	\$ -
<b>Totals</b>	<b>\$</b>	<b>132,066</b>	<b>\$</b>	<b>193,985</b>	<b>\$ 187,691</b>

**NON DEPARTMENTAL**  
**FUND / DEPARTMENT / PROGRAM: 01-99-99**

**Program Description**

This department provides non-departmental specific services supporting General Fund operations including copier leases, printing supplies, unemployment insurance, property and liability insurance, worker's compensation insurance, and information technology services.

**Expenditure Summary**

Non Departmental Expenditure Summary					
Category	23 Actuals		24 Budget		25 Budget
Personnel	\$	60,873	\$	10,920	\$ 20,000
Materials & Supplies	\$	-	\$	200,000	\$ 250,000
Contractual Services	\$	730,815	\$	686,852	\$ 853,000
Totals	\$	791,688	\$	897,772	\$ 1,123,000

**TRANSFERS BETWEEN FUNDS**

From/To Fund	Account	Description	Budget	Notes
To General Fund	01-4904-00-00	ADMIN SERVICES FEES-	(19,200.00)	Services from Court GF
From Youth Diversion	04-9501-05-55	ADMN FEE-SALARIES, I	19,200.00	Services from Court GF
To General Fund	01-4910-00-00	ADMIN SERVICES FEES-	(50,000.00)	Services from General Fund
From Hotel Occupancy	10-9501-40-40	ADMN FEE-SALARIES, I	50,000.00	Services from General Fund
To General Fund	01-4962-00-00	ADMIN SERVICES FEE-S	(50,000.00)	Services from the General Fund
From Sanitation	62-9501-99-99	ADMN FEE-SALARIES, I	50,000.00	Services from the General Fund
To General Fund	01-4949-00-00	ADMIN SERVICES FEES-	(150,000.00)	Services from the General Fund
From CDC	49-9501-09-49	ADMN FEE-SALARIES, I	150,000.00	Services from the General Fund
To General Fund	01-4952-00-00	ADMIN SERVICES FEES-	(30,000.00)	Services from the General Fund
From Street Improv	52-9501-99-99	ADMN FEE-SALARIES, I	30,000.00	Services from the General Fund
To General Fund	01-4960-00-00	ADMIN SERVICES FEES-	(400,000.00)	Services from the General Fund
From Water Sewer	60-9501-99-99	ADMN FEE-SALARIES, I	400,000.00	Services from the General Fund
To General Fund	01-4965-00-00	ADMIN SERVICES FEE-S	- 25,000.00	Services from the General Fund
From Storm Water	65-9501-11-65	ADMN FEE-SALARIES, I	25,000.00	Services from the General Fund
To Debt Service	30-9449-00-00	TRANS FROM FH CDC FU	(167,026.20)	Debt Service Schedule
From CDC	49-9530-09-49	TRANS TO DEBT SERVIC	167,026.20	Debt Service Schedule
To Fleet	54-9401-00-00	TRANSFER FROM GENERA	(220,926.39)	Enterprise Vehicles
From General Fund	01-9554-99-99	TRANS TO FLEET	220,926.39	Enterprise Vehicles
To Fleet	54-9460-00-00	TRANSFER FROM GENERA	(268,477.41)	Enterprise Vehicles
From Water Sewer	60-9554-99-99	TRANS TO FLEET	268,477.41	Enterprise Vehicles





## SPECIAL REVENUE FUNDS

# OTHER FUNDS

## Special Revenue Overview

Special Revenue Funds are used to account for specific revenues that are legally restricted as to expenditure for particular purposes. As a governmental fund type, special revenue funds are accounted for and budgeted on a modified accrual basis. Special revenue funds appropriations are adopted on an annual basis as part of the operating budget.

## Summary Court Special Revenue Funds

The Youth Diversion Fund, Court Technology Fund, and Court Safety Fund each account for the portion of fines for traffic violations that are restricted by State Law to be used to finance the Youth Diversion Manager (the City of Forest Hill Court Supervisor serves in this capacity), court technology, and court safety, respectively. Budgeted amounts for each fund are shown below.

Fund	Description	FY 25 Budgeted	FY 25 Budgeted	FY25 Budget by		Notes	Fund Balance @
		Revenue	Expenditure	Fund			9/30/2023
04	Youth Diversion Fund	9,700	19,200	(9,500)	Fund Balance Available		144,366
05	Court Technology Fund	4,100	21,200	(17,100)	Fund Balance Available		43,382
06	Court Safety	5,304	-	5,304			144,666

## Summary Police Special Revenue Funds

The Police Explorer, Forfeiture, Community Relations, and Restricted Donations funds can only be used with approval of the Police Chief and are generally used for community programs and activities for crime awareness and prevention. The Police Standards & Education Fund receives LEOSE, Law Enforcement Officer Standards & Education grant funds from the State of Texas and can only be used for training for sworn officers, as approved by the Police Chief, in accordance with State Law.

The Forest Hill Explorer Post 175 is nationally recognized as a work-based curriculum that teaches introductory skills to young adults (ages 14 to 21, with a C grade point average or better) who want a career in law enforcement. Participants learn leadership skills and assist Forest Hill Police Officers with community events like National Night Out, traffic control, the Ride-Along program, Explorer competitions (such as the annual Fort Worth Explorer SWAT Camp and Explorer academies). The program is a partnership through the Boy Scouts of America, the Learning For Life program, and the Forest Hill Police Department.

Fund	Description	FY 25 Budgeted	FY 25 Budgeted	FY25 Budget by		Notes	Fund Balance @
		Revenue	Expenditure	Fund			9/30/2023
21	Police Explorer Fund	470	4,300	(3,830)	Fund Balance Available		4,165
22	Police Forfeiture Fund	900	15,000	(14,100)	Fund Balance Available		24,839
23	Police Community Relations Fund	250	8,400	(8,150)	Fund Balance Available		8,144
24	Police Standards & Education Fund	125	16,000	(15,875)	Fund Balance Available		16,019
28	Police Restricted Donations	75		75			2,611

## Summary Grant Funds

The City has various grant funds, some of which have other deferred revenue booked as a liability on the balance sheet that is pledged for future obligations related to the grants. The opioid settlement is a newly received grant for which the funds must be spent on opioid remediation efforts with at least 70% spent on prospective opioid-related expenses, including expanding access to treatment and buying the overdose reversal medication naloxone and only 15% can be spent for administrative expenses. The funds should be spent to save lives, use evidence to direct spending, invest in youth prevention, focus on racial equity, and develop a fair and transparent process for deciding how to spend the funds.

Fund	Description	FY 25 Budgeted Revenue	FY 25 Budgeted Expenditure	FY25 Budget by Fund	Notes	Fund Balance @ 9/30/2023
55	Forest Hill Grant Fund	10		10		545
56	Cares Act COVID Relief Fund	-	-	-		-
57	Opioid Settlement Fund	7,500		7,500		-
58	American Rescue Plan Act	1,928,685	1,928,685	-		-

## Summary Community Development Corporation Fund

The Community Development Corporation (CDC) is a component unit of the City of Forest Hill. The City serves as a fiduciary for the CDC funds. This corporation provides opportunity for growth and improving the quality of life within the City through the initiation of various economic development programs.

The Community Development Corporation Fund is a special revenue fund receives sales tax revenues which are restricted by State Law for community and economic development. The funds are administered by the Community Development Corporation Board appointed by the City Council.

The Community Development Corporation Fund transfers funds to the Debit Service Fund to provide 100% of the annual debt service payment requirements for the Series 2014 general obligation refunding bonds. This bond issue will be fully paid in 2025.

Fund	Description	FY 25 Budgeted Revenue	FY 25 Budgeted Expenditure	FY25 Budget by Fund	Notes	Fund Balance @ 9/30/2023
49	Community Development Corp Fund	1,342,809	654,276	688,532		3,858,768

## Summary Capital Type Funds

Several of the Special Funds are related to capital items, as identified below. The street improvement fund accounts for the use of sales tax that is restricted for the use of street repairs and maintenance in the City. The fund also provides resources for the Streets-CIP Program via budgeted inter-fund transfer to the capital projects fund. The Wichita Street Improvement Fund received funds from the City of Fort Worth beginning in fiscal year 2023 for a joint street widening project, the terms of which are specified in an inter-local agreement. The Community Benefit Fund and Tree Mitigation fund receive funds from developers for specific purposes identified in the development agreement or City ordinance.



## Summary Capital Type Funds (Continued)

The Fleet Fund is an internal fund used to keep track of the cost of the City vehicle program with Enterprise Rental Car Company. The vehicles are leased from 5 to 7 years and are refreshed as needed.

Fund	Description	FY 25 Budgeted Revenue	FY 25 Budgeted Expenditure	FY25 Budget by Fund	Notes	Fund Balance @ 9/30/2023
50	Capital Equipment Replacement Fund	200		200		14,473
51	Capital Improvement Fund	12,000		12,000		455,325
52	Street Improvement Fund	673,904	891,220	(217,316)	Fund Balance Available	1,433,853
67	Wichita Street Improv Fund	2,900,000	2,900,000	-		-
68	Community Benefit Fund	75,000		75,000		-
80	Wastewater Impact Fund	10		10		376
53	Tree Mitigation Fund	15,000		15,000		473,896
54	Fleet Fund	60,600	60,600	(0)		-

## Summary Other Special Funds

There are 4 funds with special purposes that are not grouped above as Court, Police, Grant, or Capital Type funds.

- 1) Hotel Occupancy Tax Fund -- accounts for the hotel taxes collected from hotels and motels located in the City of Forest Hill. These taxes are restricted for use for the promotion of tourism and economic development in the City.
- 2) Park Improvement Fund accounts for donations for park improvements and uses are specified by City ordinance.
- 3) Library Fund – through inter-local agreement with the Forest Hill Library, the City pays the salary and benefits of the librarian. The City issues a quarterly invoice for the cost, and the library pays the invoice within 10 days.
- 4) PEG Channel Fund – Under Chapter 66 of the Texas Utilities Code and Chapter 283 of the Texas Local Government Code, cities receive quarterly a 5% right-of-way rental (franchise) fees from “bundled” cable and telecommunications providers. Funds are deposited in the General Fund and the City Council determines how they are spent. However, state law imposes limitations on the use of and accounting related to a one-percent PEG fee from the same providers. Under Chapter 66, the Public, Educational, and Government (PEG) fee is paid quarterly in the same manner as the five percent franchise fee; however, the law requires the City to: (a) establish a separate account for the PEG fee revenue; and (b) maintain “a record of each deposit to and disbursement from [the PEG fee] the separate account, including a record of the payee and purpose of each disbursement.” Additionally, under Chapter 66, a PEG fee may be spent only as permitted by federal law (47 U.S.C. § 521, et seq. Federal Cable Law). Federal law provides that the fee must be used for “capital costs for PEG facilities.”

Fund	Description	FY 25 Budgeted Revenue	FY 25 Budgeted Expenditure	FY25 Budget by Fund	Notes	Fund Balance @ 9/30/2023
10	Hotel Occupancy Tax Fund	880,000	350,000	530,000		4,841,021
14	Park Improvement Fund	14,000	5,100	8,900		268,240
15	Library Fund	112,474	112,474	(0)		43,064
16	PEG Channel Fund	5,550	10,000	(4,450)	Fund Balance Available	16,191



## DEBT SERVICE FUND

## Debt Service Fund Overview

The Debt Service Fund (Interest and Sinking Fund, or I&S) was established for the purpose of servicing the City's general obligation debt. Revenue sources for the fund include the interest and sinking (I&S) portion of the annual ad valorem tax levy, tax collections penalties and interest, interest earnings, and inter-fund transfers. Debt service payments are forwarded to the designated paying agent bank as semi-annual principal and interest requirements come due for each debt issue.

In the current year budget (fiscal year 2024) the City had accumulated fund balance in the amount of \$783,645 from over collections in prior years for Interest & Sinking. The City eliminated the I&S tax rate at that time and used the fund balance to pay current year principal & interest payments. There is a projection of \$530,129 in fund balances at the beginning of fiscal year 2025, which will be adequate to cover the bond principal and interest payments for the year.

In fiscal years 2026 and 2027, the amount of fund balance is projected to not cover the amount needed for principal and interest payments. The City may have to reinstitute the I&S tax rate at that time or fund the payments from other City revenue sources.

Fund 30 Debt Service	Revenue CDC	Interest	Rev Taxes	Payments	Balance
Beginning Fund Balance 09/30/2023					783,645.00
FY24	160,955.80	28,000.00	25,037.00	467,508.56	530,129.24
FY25	167,026.20	25,000.00	-	472,353.46	249,801.98
FY26		12,000.00		303,494.38	(41,692.40)
FY27				301,235.75	(342,928.15)

## Ad Valorem Tax Rate and Debt Service Limit

The maximum total ad valorem tax rate for home rule cities in the State of Texas (including the maintenance and operation and interest and sinking portions of the ad valorem tax rate) is limited by statute to \$2.50 per \$100 of assessed valuation. A portion of the \$2.50 maximum is used for the maintenance and operations portion of the tax levy. For the issuance of new debt, the State Attorney General limits the total I&S tax rate to \$1.50 (at a 90% collection rate).

The I&S portion of the proposed ad valorem tax rate for 2024-2025 is \$0.0000 per \$100 of assessed valuation, or 0% of the total tax rate of \$0.724094 per \$100 valuation.

## Debt Service & Funding Commitments

Debt Series	Debt Service Fund (I&S Ad Valorem Tax Levy)	Inter-fund Transfer Community Development Corporation Fund (Sales Tax supported)	Water & Sewer Utility Fund (Utility Rate Supported)
2007 Certificates of Obligation	100%	0%	0%
2009 Certificates of Obligation	100%	0%	0%
2014 General Obligation Refunding	0%	100%	0%



## Annual Debt Service Requirements

Fiscal Year	2007 CO*	2009 CO*	2014 GO REF**	Total
2025	193,734	111,594	167,026	472,354
2026	191,385	112,109	-	303,494
2027	188,830	112,406	-	301,236
Total	<u>\$ 573,949</u>	<u>\$ 336,109</u>	<u>\$ 167,026</u>	<u>\$ 1,077,084</u>

\*Funded from the I&S Ad Valorem Tax Levy (100%)

\*\*Funded from the Community Development Corporation Sales Tax (100%)

### Certificate of Obligation Debt Service Fund

Annual Debt Service Requirement

Series 2007 Certificates of Obligation (\$2,700,000)

Supported by Interest & Sinking Ad Valorem Taxes

		Debt			
Year Ending	Outstanding				
Sept. 30	Oct. 1	Principal	Interest Rate	Interest	Total
2025	540,000	175,000	4.140%	18,734	193,734
2026	365,000	180,000	4.140%	11,385	191,385
2027	185,000	185,000	4.140%	3,830	188,830
Total		<u>540,000</u>		<u>33,949</u>	<u>573,949</u>

Total Bonds Outstanding 540,000  
 Total Original Issue 2,700,000  
 Issue Date 9/20/2007  
 Next Call Date Callable on any date at par plus prepayment fee

Use of Proceeds: Construction of land, streets, and payment of legal, engineering, and/or professional fees associated with these projects

### Certificate of Obligation Debt Service Fund

Annual Debt Service Requirement

Series 2009 Certificates of Obligation (\$2,350,000)

Supported by Interest & Sinking Ad Valorem Taxes

		Debt			
Year Ending	Outstanding				
Sept. 30	Oct. 1	Principal	Interest Rate	Interest	Total
2025	315,000	100,000	4.375%	11,594	111,594
2026	215,000	105,000	4.375%	7,109	112,109
2027	110,000	110,000	4.375%	2,406	112,406
Total		<u>315,000</u>		<u>21,109</u>	<u>336,109</u>

Total Bonds Outstanding 315,000  
 Total Original Issue 2,350,000  
 Issue Date 9/20/2007  
 Next Call Date Callable 2/1/2018 at par

Use of Proceeds: Construction of recreation center, streets, parks, technology and payment of legal, engineering, and/or professional fees associated with these projects

### General Obligation Debt Service Fund

Annual Debt Service Requirement

Series 2014 General Obligation Refunding (\$2,365,000)

Supported by Community Development Fund

		Debt			
Year Ending	Outstanding				
Sept. 30	Oct. 1	Principal	Interest Rate	Interest	Total
2025	165,000	165,000	2.458%	2,026	167,026
Total		<u>165,000</u>		<u>2,026</u>	<u>167,026</u>

Total Bonds Outstanding 165,000  
 Total Original Issue 2,365,000  
 Issue Date 3/13/2014  
 Next Call Date Callable 9/1/19 at par

Use of Proceeds: Refunding of higher interest bonds



## ENTERPRISE / PROPRIETARY FUNDS

WATER / SEWER, WATERWORKS CONSTRUCTION, SANITATION &  
STORM WATER DRAINAGE FUNDS

## Enterprise / Proprietary Funds Overview

The Water and Sewer (Fund 60), Waterworks Construction (Fund 61), Sanitation (Fund 62), and Storm Water Drainage (Fund 65) Funds comprise the City proprietary fund and account for all operations and maintenance of the City's water distribution, wastewater collection, trash, and drainage systems. Revenues to support this Proprietary Fund are derived from user fees billed to commercial and residential customers in the City. The Water and Sewer (Fund 60) is sometimes referred to as an Enterprise Fund.

Proprietary Funds / Enterprise Funds are funds established to account for operations of an enterprise activity that acts like a "for profit" entity. Enterprise funds generally are segregated as to purpose and use from other funds of the governmental entity with the intent that revenues generated by the enterprise activity are deposited and will be devoted principally to funding all operations of the enterprise activity, including payment of debt service on securities issued to finance such activity. In some cases, however, the governmental entity may be permitted to use funds in an enterprise fund for other purposes and to use other funds to pay costs otherwise payable from the enterprise fund.

As a proprietary fund, the fund is accounted for on a full accrual basis and is budgeted on a modified accrual (working capital) basis.

## Enterprise Funds (60, 61, 62, 65) Revenues, Expenditures, & Transfers

Description	23 Actuals	24 Budget	25 Budget
<b>Revenues</b>			
Water Sales	2,528,530	2,039,085	2,693,850
Sewer Sales	2,506,831	2,100,000	2,600,000
Drainage Sales	289,844	262,000	300,000
Sanitation Sales	603,977	583,000	700,000
Franchise Fees	169,439	156,000	192,000
Late Charges	129,039	179,000	193,000
Tap Fees	70,952	40,000	43,000
Inter-Governmental	169,964	169,964	-
Interest	11,231	310,300	403,800
Miscellaneous	85,978	91,700	121,000
<b>Subtotal Revenues</b>	<b>\$ 6,565,785</b>	<b>\$ 5,931,049</b>	<b>\$ 7,246,650</b>
<b>Expenditures</b>			
Personnel	917,664	976,628	801,177
Material & Supplies	605,000	509,830	621,725
Contractual Services	3,746,332	3,892,340	4,968,100
Debt Service Principal	70,950	-	-
Debt Service Interest	1,064	-	-
Training and Travel	5,000	6,000	8,500
Capital Outlay	-	-	160,000
<b>Subtotal Expenditures</b>	<b>\$ 5,346,010</b>	<b>\$ 5,384,798</b>	<b>\$ 6,559,502</b>
<b>Transfers In</b>			
<b>Transfers Out</b>	<b>\$ 474,987</b>	<b>\$ 251,482</b>	<b>\$ 743,477</b>
<b>Total Enterprise Funds</b>	<b>\$ 744,789</b>	<b>\$ 294,769</b>	<b>\$ (56,330)</b>

## Enterprise Funds (60, 61, 62, 65) Expenditures by Department (Excluding Transfers)

Department	23 Actuals	24 Budget	25 Budget
1 Utility Billing	430,804	438,091	473,549
2 Public Works	4,259,044	4,497,149	5,222,953
3 Non Departmental	656,162	449,559	863,000
<b>Total Expenditures by Department</b>	<b>\$ 5,346,010</b>	<b>\$ 5,384,798</b>	<b>\$ 6,559,502</b>

**UTILITY BILLING**  
**FUND / DEPARTMENT / PROGRAM: 60-06-63**

**Program Description**

Utility Billing is responsible for accurate billing, timely collections, meter reading, extension granting, cut-off management, and customer service for the City's water, sewer, and sanitation services. Utility Billing is also responsible for the timely replacement of water meters within the life expectancy of ten years.

**Expenditure Summary**

Utility Billing Expenditure Summary			
Category	23 Actuals	24 Budget	25 Budget
Personnel	\$ 295,064	\$ 351,646	\$ 359,474
Materials & Supplies	\$ 107,000	\$ 57,705	\$ 80,475
Contractual Services	\$ 25,740	\$ 25,740	\$ 28,600
Travel & Training	\$ 3,000	\$ 3,000	\$ 5,000
<b>Totals</b>	<b>\$ 430,804</b>	<b>\$ 438,091</b>	<b>\$ 473,549</b>

**PUBIC WORKS**  
**FUND / DEPARTMENT / PROGRAM: 60-11-17 / 65-11-65**

**Program Description**

Public Works Water and Sewer Operations is responsible for the delivery of services and the operation, repair and maintenance of the utility's water and sewer system.

**Expenditure Summary**

Public Works Expenditure Summary			
Category	23 Actuals	24 Budget	25 Budget
Personnel	\$ 622,600	\$ 624,897	\$ 441,703
Materials & Supplies	\$ 498,000	\$ 452,125	\$ 541,250
Contractual Services	\$3,105,040	\$3,400,500	\$4,051,500
Travel & Training	\$ 2,000	\$ 3,000	\$ 3,500
Capital Outlay	0		160000
<b>Totals</b>	<b>\$4,227,640</b>	<b>\$4,480,522</b>	<b>\$5,197,953</b>



**NON DEPARTMENTAL**  
**FUND / DEPARTMENT / PROGRAM: 01-02-00**

**Program Description**

Non-departmental services supporting the Water and Sewer Utility Fund's operations included principal and interest payments for utility system supported long-term debt in prior years. Currently, utility system capital repairs and replacements, inter-fund transfers, and sanitation services are accounted for as non-departmental items.

**Expenditure Summary**

<b>Non Departmental Expenditure Summary</b>			
<b>Category</b>	<b>23 Actuals</b>	<b>24 Budget</b>	<b>25 Budget</b>
Personnel	\$ -	\$ 86	\$ -
Contractual Services	\$ 615,552	\$ 466,100	\$ 888,000
Debt Service Principal	\$ 70,950		\$ -
Debt Service Interest	\$ 1,064		\$ -
<b>Totals</b>	<b>\$ 687,566</b>	<b>\$ 466,186</b>	<b>\$ 888,000</b>



## CAPITAL IMPROVEMENT PLAN AND FUNDS



## OVERVIEW

The City accounts for the acquisition and construction of capital assets in the Capital Projects Fund. As a governmental fund, the Capital Projects Fund is budgeted and accounted for on a modified accrual basis.

Definition of a capital project - a capital asset expected to have a useful life greater than two years and an estimated cost of \$5,000 or more. Capital projects include:

- Construction, purchase, or major renovation of buildings, utility system, streets, intersections, or other structures;
- Purchase of land or land rights and major landscaping projects;
- Any engineering study or master plan needed for the delivery of a capital project;
- Any major repair, renovation or replacement that extends the useful operational life by at least two years or expands capacity of an existing facility.

## CAPITAL PROJECTS BUDGET

The spending authority for capital projects is the capital budget which includes only capital projects appropriated by specific City Council action. City staff identifies estimated costs, project schedule and available sources of funding for each capital project before it is submitted to the City Council for appropriation and inclusion into the capital budget.

Revenue sources for the Capital Projects Fund include proceeds from tax supported general obligation debt, inter-fund transfers from operating and special revenue funds, and interest earnings. Appropriations for capital expenditures in the capital projects fund may be included as part of the annual budget or may be adopted on a project by project basis and extending beyond one year through the project completion.

## CAPITAL PLANNING

Future capital needs are to be identified and considered for inclusion in the Capital Improvement Plan (CIP) of the City. The CIP is to be a multi-year projection of the City's capital needs and financing requirements. As a planning document, the CIP will not impart any spending authority.

The City commissioned a Comprehensive Master Plan and the final report was delivered to the City in August 2010. Since that time, the City developed its own master 5-year CIP, which can be found in this budget. Further development of the CIP will be linked to the Comprehensive Master Plan and financial strategic plans.

## STREET IMPROVEMENTS

A multi-year Capital Improvement Plan for Streets was completed in August 2015 and the City uses this plan to define and prioritize the near- and long-term repair, replacement and improvements of City streets. The major funding source for the street maintenance and improvements program is the Street Maintenance Sales Tax Special Revenue Fund.

## **STREET IMPROVEMENTS (Continued)**

Items that are considered in determining priority are water, sanitary sewer and/ or storm drain improvements as these projects can be scheduled as complete reconstruction projects, or delayed so that utilities can be constructed first. In some cases, streets falling into this category are recommended for 2" overlay or slurry seal work to preclude further pavement deterioration until utility improvements can be completed. An interagency agreement with Tarrant County provides for shared cost related to street base, overlay, and slurry seal. The county provides labor and equipment and the City provides supplies.

Updates to the 1990 Thoroughfare Plan were made in the 2010 Comprehensive Master Plan. If the pavement structure of the current street section needs rehabilitation exceeding the overlay process, these projects take longer to complete.

Some streets which were rehabilitated or reconstructed over the past 10-15 years and were periodically maintained through crack sealing continue to develop surface cracks. These cracks, if unsealed, can destroy permanent foundation by allowing water to enter the subgrade, causing clay pockets to expand and contract again during dry periods. Therefore, street projects recommend slurry sealing. Non-recurring or one-time revenues should, to the extent possible, only be used for one-time expenditures (expenditures not expected to recur and requiring future appropriations) to avoid future shortfalls.

Mill and overlay repair is less costly as the mill product can be used for recycled material on other projects.

## **WATER and SEWER IMPROVEMENTS**

Water and Sewer improvements require removal of existing pipe, excavation to required depth, approximately 6" sand below pipe, pipe, approximately 6" sand above pipe, 6" of road base, and 2" of asphalt or permanent road base.

## **FUNDING LINES**

The adopted budget includes appropriations for projects listed in the five-year CIP-Street program in the general fund, street fund, and water sewer fund. As these projects are completed, the capitalizable value will be moved to the Capital Improvements Fund. Costs are addressed on a project-by-project basis and potentially funded from available fund balance in the Capital Projects Fund.

## 5 Year, Time-Phased Plan 2023-2029

Street/Water/Sewer Improvement Projects															
Street Name	Length	Width	Description	Street	Water	Sewer	Completed	2023	2024	2025	2026	2027	2028	2029	BEYOND/TOTAL
Bowling Green St. & Brambleton Pl.	1,050	30	Crawford Ln. to Neil St.	\$139,000.00	\$230,000.00		street/water								\$189,000.00
Alandale Dr.	580	30	Wanda Ln. to Scotsdale Dr.		\$120,000.00		water								\$45,000.00
Trailwood Dr./Woody Ln./Woodview Ln.	2,500	30	(Trailwood Dr.) - Forest Hill Cir. to Parkwood Dr.; (Woody/Woodview)-Anglin Dr. to Trailwood Dr.	\$580,370.00	(included: some curb & gutter)		street								\$300,000.00
Forest Hill Dr.	3,400	40	Mansfield Hwy. to Lon Stephenson Rd.; repair damaged concrete	\$1,000,000.00			street								\$0.00
Grady St.	1,960	30	Forest Hill Dr. to Wichita St.	\$160,000.00	DONE		street	\$160,000.00							\$176,400.00
Griggs St.	1,200	30	Dorsey St. to Leonard St.; reconstruction	\$92,400.00	DONE		street	\$92,400.00							\$112,800.00
Truett St.	2,262	30	Cardinal Ridge to Orchard St.	\$220,000.00		\$370,000.00	street/sewer								\$0.00
Story St.	800	30	Truett St. to Forest Hill Dr., Truett St. to Crawford Ln., mill work	\$80,000.00	DONE	\$75,200.00	street/sewer	\$80,000.00							\$75,200.00
Wanda Ln.	3,500	30	Marshall St. to Leonard St., overlay	\$269,500.00	DONE		street								\$315,000.00
Nauret Rd.	1,300	30	Forest Hill Circle to Koldin Trail; overlay	\$120,000.00			street								\$219,700.00
Salem Ct.	520		Curb & gutter; damaged prior project	\$40,000.00			street								\$87,880.00
Leonard St.			Hartman Rd. to Shady Hill Dr.; overlay	\$49,408.00	DONE		street	\$49,408.00							\$315,000.00
George Ave.			Forest Hill Dr. to Wichita St.; overlay	\$178,364.00			street	\$178,364.00							\$185,900.00
Shady Hill Lane N	820	30	Wanda Ln. to Cul-De-Sac	\$140,000.00	\$168,617.00		street/water								\$77,080.00
Woodbridge Dr. *CDBG funding= \$211,691	2,173	30	Forest Hill Dr. to Folkstone Dr.		\$276,530.00		water		\$65,000.00						\$334,262.00
Woodbridge Dr. *CDBG CARES ACT funding=\$197,369	595		3500 & 7300 block of Woodbridge		\$213,369.00					\$16,000.00					\$186,400.00
Woodbridge Dr. *50th Yr. CDBG funding = \$180,000	645		7300 blk. Woodbridge, s of Lee St.		\$215,213.00					\$35,123.00					\$100,630.00
Falmouth Drive *ARPA Funding	1,170	30	Woodbridge Dr. to Chimney Rock Dr.	\$1,188,639 (includes sewer)	DONE	*included									
Alandale Dr.	560	30	Marshall St. to Anglin Dr.	\$997,600 (includes sewer)		*included			\$507,554.00						
Bowling Green St.			Crawford Ln. to Neil St.	\$110,000.00	DONE	\$250,000.00									\$360,000.00
Brambleton Pl.			Crawford Ln. to Neil St.	\$110,000.00	DONE	\$500,000.00									\$610,000.00
Oak Crest Drive West	480	30	IH20 to Mansfield Hwy.	\$200,000.00		\$60,000.00									\$260,000.00
Trailwood Dr./Woody Ln./Woodview Ln.	2,500	30	(Trailwood Dr.) - Forest Hill Cir. to Parkwood Dr.; (Woody/Woodview)-Anglin Dr. to Trailwood Dr.	DONE	DONE	\$750,000.00									\$750,000.00
Wichita St.			Mansfield Hwy. to I20	\$1,000,000.00	\$900,000.00	\$1,300,000.00									\$2,200,000.00
West Lane	900	30	Truett St. to Spencer St., reconstruction	\$100,000.00	DONE										\$84,600.00
Orchard St.			Forest Hill Dr. to Wichita St.	\$200,000.00	DONE	\$350,000.00									\$550,000.00
Orchard St.			Forest Hill Dr. to Crawford Ln.	\$500,000.00	\$380,000.00	\$500,000.00									\$1,380,000.00
Folkstone Dr.	2,436	30	Lon Stephenson Rd. to Chimney Rock Dr.	\$520,000.00											\$520,000.00
Folkstone Dr.	2,800	30	Lon Stephenson Rd. to Chimney Rock Dr.		\$515,000.00	\$470,000.00									\$985,000.00
Woodbridge Dr. (6" - need to modify to 8")			Forest Hill Dr. to Chimney Rock Dr.	\$470,000.00											\$470,000.00
Woodbridge Dr.			Folkstone Dr. to Chimney Rock Dr.		\$280,000.00										\$280,000.00
Nauret Rd.	1,300	30	Forest Hill Cir. to Koldin Trail	DONE	\$280,000.00	\$350,000.00									\$630,000.00
Banbury St.	2,500		Falcon St. to California Pkwy.	\$300,000.00	\$350,000.00	\$500,000.00									\$1,150,000.00
Alhambra St.	2,200		Crawford Ln. to Forest Hill Dr.	DONE	DONE	\$380,000.00									\$380,000.00
Margaret Dr./Casey Ave./Alma St.				\$600,000.00	DONE	\$500,000.00									\$1,100,000.00
Burly St.	1,550	30	Neil St. to Hartman Rd.; curb & gutter	DONE	DONE	\$350,000.00									\$350,000.00
Lookout Dr.	3,000	30	Water Line Replacement	\$300,000.00	\$600,000.00	\$900,000.00									\$1,800,000.00
Forest Hill Circle	4,000	40	Forest Hill Dr. to Anglin Dr.; repair damaged concrete	TXDOT	DONE	DONE		TXDOT TO PAY							\$0.00
Salem Ct.	520			\$50,000.00	\$80,000.00	\$120,000.00									\$250,000.00
Friar Ct. (CDBG future?)	800		Friar Ct.	\$120,000.00	\$150,000.00	\$250,000.00									\$520,000.00
Stonewall Rd.	2,500		Valley Forge Trl., Old Hickory Trl.	\$200,000.00	\$300,000.00	\$450,000.00									\$950,000.00
Shady Hill Lane N	820	30	Wanda Ln. to Cul-De-Sac	DONE	DONE	\$500,000.00									\$500,000.00
Brambleton Pl.	3,000		Forest Haven to Neil	\$260,000.00	DONE	\$400,000.00									\$660,000.00
Total				\$6,109,042.00	\$5,058,749.00	\$5,605,200.00		\$560,172.00	\$65,000.00	\$558,677.00					\$19,459,852.00

### Drainage Projects

Street Name	Cost of project	2023	2024	2025	2026	2027	2028	2029	BEYOND/TOTAL
Melinda Street (remove culvert pipe and replace with flume)	\$38,000.00	\$38,000.00							
Marshall/Melinda/Crawford Ln/Burly/Bowling Green - TNP Drainage Study	\$351,000.00	\$48,822.00	\$312,708.00						
Independence Lane/Lookout - ditch repair	\$500,000.00								\$500,000.00
Concrete channel improvements-I20 frontage near Hampton & LaQuinta, Captain D's & 7-11	\$2,000,000.00								\$2,000,000.00
Plantation St. - Forest Hill Drive to Carriage Hill	\$1,000,000.00								\$1,000,000.00
Robindale St. - Forest Hill Drive to Carriage Hill	\$1,000,000.00								\$1,000,000.00
Griggs Park - TCEQ mandate clean-up	\$5,889,000.00		\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00		
	\$5,889,000.00	\$86,822.00	\$562,708.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$0.00	\$4,500,000.00
		complete	drainage study completed 9/24						

### Other Projects

	Estimated Costs	2023	2024	2025	2026	2027	2028	2029	TOTAL COST
Fleet Management and Vehicle Rotation		\$367,000.00	\$459,000.00	\$443,000.00	\$290,000.00	\$407,000.00			\$1,966,000.00



## SUPPLEMENTAL INFORMATION

City of Forest Hill, Texas  
Fiscal Year 2024-2025  
Budget Hearing

Notice is hereby given that the Forest Hill City Council will conduct a Public Hearing on the FY 2024-2025 proposed budget for the City of Forest Hill, Texas, at 6:00 p.m. on September 3, 2024, in the Council Chambers, 3219 California Parkway, Forest Hill, Texas 76119.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$137,462, which is a 1.93 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 \$80,053.

Members of the public are encouraged to review the proposed budget information and attend the public hearing to express their views.

The proposed budget is available for public inspection at City Hall, City Secretary's Office, 3219 California Parkway, Forest Hill, Texas 76119, Monday through Friday, 8 a.m. to 5 p.m., and on the City's website, [www.foresthilltx.org](http://www.foresthilltx.org).

## NOTICE OF PUBLIC HEARING ON TAX INCREASE

PROPOSED TAX RATE \$ .724094 per \$100  
NO-NEW-REVENUE TAX RATE \$ .695028 per \$100  
VOTER-APPROVAL TAX RATE \$ .753722 per \$100

The no-new-revenue tax rate is the tax rate for the 2024 tax year that will raise the same amount of property tax revenue for The City of Forest Hill from the same properties in both the 2023 tax year and the 2024 tax year.

The voter-approval tax rate is the highest tax rate that The City of Forest Hill may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that The City of Forest Hill is proposing to increase property taxes for the 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 17, 2024 at 6pm at 3219 E. California Parkway, Forest Hill, TX 76119, City of Forest Hill City Hall, Council Chambers.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, The City of Forest Hill is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council of the City of Forest Hill at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount = ( tax rate ) x ( taxable value of your property ) / 100

FOR the proposal: Mayor Stephanie Boardingham, Mayor Pro Tem, Keith Smith, Deputy Mayor Pro Tem Carlie Jones, Council Member Anthony Cook, Council Member Timey Boardingham, Council Member Silas Robinson, Council Member Jesus Rivas

AGAINST the proposal: None

PRESENT and not voting: None

ABSENT: None

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by The City of Forest Hill last year to the taxes proposed to be imposed on the average residence homestead by The City of Forest Hill this year.

	2023	2024	Change
<b>Proposed Total tax rate (per \$100 of value)</b>	<b>0.724094</b>	<b>0.724094</b>	<b>No Change of 0%</b>
<b>Average homestead taxable value</b>	<b>\$ 141,021</b>	<b>\$ 155,144</b>	<b>Increase of \$14,123 or 10.01%</b>
<b>Tax on average homestead</b>	<b>\$ 1,021</b>	<b>\$ 1,123</b>	<b>Increase of \$102 or 10.01%</b>
<b>Total tax levy on all properties</b>	<b>\$ 7,133,313</b>	<b>\$ 7,270,775</b>	<b>Increase of \$137,462 or 1.93%</b>

For assistance with tax calculations, please contact the tax assessor for The City of Forest Hill at 817-884-1100 or [taxoffice@tarrantcountytexas.gov](mailto:taxoffice@tarrantcountytexas.gov), or visit [Tax Estimator \(tarrantcountytexas.gov\)](https://www.tarrantcountytexas.gov/TaxEstimator) for more information.



**CITY OF FOREST HILL**  
**ORDINANCE NO. 2024-09**

**AN ORDINANCE ADOPTING THE BUDGET FOR FISCAL YEAR OCTOBER 1, 2024, THROUGH SEPTEMBER 30, 2025, FOR THE CITY OF FOREST HILL, TEXAS; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, an annual budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025, has been duly created by the financial office of the City of Forest Hill, Texas, in accordance with Chapter 102.002 of the Local Government Code; and

**WHEREAS**, as required by Section 7.02 of the City Charter, the City Manager has prepared and submitted to the City Council a proposed budget of expenditures and revenues of the City for the fiscal year beginning October 1, 2024 and ending September 30, 2025; and

**WHEREAS**, the financial office for the City of Forest Hill has filed the proposed budget in the office of the City Secretary, and the proposed budget was made available for public inspection in accordance with Chapter 102.005 of the Local Government Code; and

**WHEREAS**, a public hearing as required by Chapter 102.006 of the Local Government Code was held following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed budget; and

**WHEREAS**, after full and final consideration, it is the opinion of the Forest Hill City Council that the 2024-2025 fiscal year budget, as hereinafter set forth, should be adopted.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, THAT:**

**SECTION 1.** That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Forest Hill, Texas, said budget being in the amount of \$28,060,739.00, providing a complete financial plan for the fiscal year beginning October 1, 2024, and ending September 30, 2025 as submitted to the City Council by the City Manager, a copy of which is on file in the City Secretary's Office and incorporated herein by reference, be and the same is hereby adopted and approved as the budget of the City of Forest Hill, Texas for the fiscal year beginning October 1, 2024 and ending September 30, 2025.

**SECTION 2.** That the sum of \$28,060,739.00 is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025.

**SECTION 3.** That the expenditures during the fiscal year beginning October 1, 2024, and ending September 30, 2025, shall be made in accordance with the budget approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the City of Forest Hill, Texas.

**SECTION 4.** This budget will raise more revenue from property taxes than last year's budget by an amount of \$137,462, which is a 1.93 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 \$80,053.

**SECTION 5.** That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2024-2025 are hereby ratified, and the budget Ordinance for the fiscal year 2024-2025, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

**SECTION 6.** That specific authority is given to the City Manager to take and/or make the following actions:

1. Transfer of appropriations budgeted from one account classification to another account classification within the same department.
2. Transfer of appropriations from a designated appropriation from one department or activity to another department or activity within the same fund.

**SECTION 7.** All ordinances of the City of Forest Hill, Texas, in conflict with the provisions of this ordinance, be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 8.** Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, which shall remain in full force and effect.

**SECTION 9.** This Ordinance shall take effect from and after its passage.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:


	Aye	Nay
Stephanie Boardingham, Mayor	✓	
Carlie Jones, Councilmember Place 1	Absent	
Anthony Cook, Councilmember Place 2	✓	
Timey Boardingham, Councilmember Place 3	✓	
Silas Robinson, Councilmember Place 4	✓	
Keith R. Smith, Councilmember Place 5	✓	
Jesus Rivas, Councilmember Place 6	Absent	

WITH 5 VOTING "AYE" AND 0 VOTING "NAY", THIS ORDINANCE NO. 2024-09 IS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TARRANT COUNTY, TEXAS, ON THE 17th DAY OF SEPTEMBER 2024.

APPROVED:

  
Stephanie Boardingham, Mayor

ATTEST:

  
Amy L. Anderson, TRMC, CMC  
City Secretary

APPROVED AS TO FORM:

  
Autumn Keefer, Asst. City Attorney



**CITY OF FOREST HILL, TEXAS**

**RESOLUTION NO. 2024-28**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS  
APPROVING THE TAX ASSESSMENT ROLL FOR 2024.**

**WHEREAS**, section 26.09, subsection (e) of the Texas Property Tax Code, provides that the tax assessor for each taxing unit shall submit the unit's assessment roll to the government body for approval.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS THAT:**

**I.**

The tax assessment roll for 2024 for the City of Forest Hill, Texas based on appraisal values provided by the Tarrant Appraisal District is hereby approved.

**II.**


This Resolution shall be effective and be in full force from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor and City of Forest Hill, Texas.

**DULY RESOLVED AND ADOPTED ON THIS THE 17th DAY OF SEPTEMBER 2024,  
BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TARRANT COUNTY,  
TEXAS.**

**APPROVED:**

  
Stephanie Boardingham, Mayor

**ATTEST:**

  
Amy L. Anderson, TRMC, CMC  
City Secretary

**APPROVED AS TO FORM:**

  
Autumn Keefer, Asst. City Attorney

**CITY OF FOREST HILL**

**ORDINANCE NO. 2024-10**

**AN ORDINANCE OF THE CITY OF FOREST HILL, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE FISCAL YEAR 2024-2025 BUDGET; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Section 102.007 of the Texas Local Government Code provides in part that the adoption of a budget that will raise more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget; and

**WHEREAS**, Section 102.007 of the Texas Local Government Code requires that this ratification be in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tex. Tax Code, or other law; and

**WHEREAS**, the Fiscal Year 2024-2025 Budget, as adopted, will raise more revenue from property taxes than in the previous year, and the City Council desires by adoption of this Ordinance to ratify the property tax increase reflected in the City's Fiscal Year 2024-2025 Annual Budget.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, THAT:**

**Section 1.** The Forest Hill City Council, as the governing body of the City of Forest Hill, Texas, having adopted the Fiscal Year 2024-2025 annual Budget that will raise more revenue from property taxes than in the previous year, hereby ratifies the property tax increase reflected in the Fiscal Year 2024-2025 annual Budget.

**Section 2.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof.

**Section 3.** This Ordinance shall be in full force effective from and after its passage and approval.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Stephanie Boardingham, Mayor	✓	
Carlie Jones, Councilmember Place 1	Absent	
Anthony Cook, Councilmember Place 2	✓	
Timey Boardingham, Councilmember Place 3	✓	
Silas Robinson, Councilmember Place 4	✓	
Keith R. Smith, Councilmember Place 5	✓	
Jesus Rivas, Councilmember Place 6	Absent	

WITH 5 VOTING “AYE” AND 1 VOTING “NAY”, THIS ORDINANCE NO. 2024-10 IS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TARRANT COUNTY, TEXAS, ON THE 17th DAY OF SEPTEMBER 2024.

APPROVED:

Stephanie Boardingham  
Stephanie Boardingham, Mayor

ATTEST:

Amy L. Anderson  
Amy L. Anderson, TRMC, CMC  
City Secretary

APPROVED AS TO FORM:

Autumn Keefer  
Autumn Keefer, Asst. City Attorney



**CITY OF FOREST HILL**  
**ORDINANCE NO. 2024-11**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, ADOPTING AND LEVYING AD VALOREM TAXES FOR THE YEAR 2024 (FISCAL YEAR 2024-2025) AT A RATE OF \$0.724094 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF FOREST HILL AS OF JANUARY 1, 2024, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF FOREST HILL; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, following public notices duly posted and published in all things as required by law, public hearings were held by and before the City Council of the City of Forest Hill, the subject of which was the proposed tax rate for the City of Forest Hill for Fiscal Year 2024-2025, submitted by the City Manager in accordance with provisions of the City Charter and state statutes; and

**WHEREAS**, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, THAT:**

**SECTION 1.** There is hereby approved, adopted, and levied for the tax year 2024 on all taxable property, real, personal, and mixed, situated within the corporate limits of the City of Forest Hill, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.724094 on each One Hundred Dollars (\$100) assessed valuation of taxable property, which consists of two components each one of which is separately approved by the Council as follows:

- (a) \$0.00 per One Hundred Dollars (\$100) of taxable value, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C) of the Texas Property Tax Code (Tax Code), less any amount of additional sales and use tax revenue that will be used to pay debt service; and
- (b) \$0.724094 per One Hundred Dollars (\$100) taxable value, the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the City for the coming year.

## **SECTION 2.**

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

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.18 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$29.07.**

**SECTION 3.** All ad valorem taxes shall become due and payable on October 1, 2024, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2025. There shall be no discount for payment of taxes prior to February 1, 2025. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided; however, a tax delinquent on July 1, 2025, incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes for the year 2024 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2024 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2023 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

**SECTION 4.** The Tarrant County Tax Assessor/Collector is hereby authorized to assess and collect the taxes of the City of Forest Hill, Texas.

**SECTION 5.** The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.



**SECTION 6.** Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, which shall remain in full force and effect.

**SECTION 7.** All ordinances of the City of Forest Hill, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 8.** This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

**UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:**

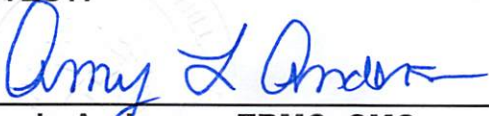
	Aye	Nay
Stephanie Boardingham, Mayor	✓	
Carlie Jones, Councilmember Place 1	Absent	
Anthony Cook, Councilmember Place 2	✓	
Timey Boardingham, Councilmember Place 3	✓	
Silas Robinson, Councilmember Place 4	✓	
Keith R. Smith, Councilmember Place 5	✓	
Jesus Rivas, Councilmember Place 6	Absent	

WITH 5 VOTING "AYE" AND 0 VOTING "NAY", THIS ORDINANCE NO. 2024-11 IS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TARRANT COUNTY, TEXAS, ON THE 17th DAY OF SEPTEMBER 2024.

APPROVED:

  
Stephanie Boardingham, Mayor

ATTEST:

  
Amy L. Anderson, TRMC, CMC  
City Secretary

APPROVED AS TO FORM:

  
Autumn Keefer, Asst. City Attorney

## Glossary

The *City of Forest Hill Adopted Budget* contains specialized and technical terminology that is unique to public finance and budgeting. To help both City departments and the general citizenry understand the terminology used during the budget process, this glossary is included in the adopted and published budget document as a reference.

**Accrual Accounting:** A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent. For example, in accrual accounting, revenue that was earned between June 1 and September 30, but for which payment was not received until October 1 through November 30, is recorded as being received on September 30 rather than October 1 through November 30.

**Appropriation:** A legal authorization made by the City Council that permits the City to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time in which it may be expended.

**Appropriation Ordinance:** The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

**Assessed Valuation:** A value that is established for real or personal property for use as a basis for levying property taxes.

**Audit:** A comprehensive examination of how an organization's resources were actually utilized, concluding in a written report of the findings. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the organization met its stated goals.

**Balanced Budget:** A budget in which planned expenditures can be met by current income from taxation and other central government receipts.

**Balance Sheet:** A financial statement that discloses the assets, liabilities, and equity of a specific governmental fund as of a specific date.

**Bond:** An interest-bearing certificate of debt; a written contract by an issuer to pay to the lender a fixed principal amount on a stated future date and a series of interest payments on the principal amount until it is paid.

**Budget:** A financial plan for a specified period of time (i.e. a fiscal year) that includes all planned expenditures for various municipal services and the proposed means of financing them.

**Budget Adjustment:** A legal procedure utilized during the fiscal year by the City staff and City Council to revise a budget appropriation. The City of Forest Hill's City Charter requires City Council approval through the adoption of a

supplemental appropriation ordinance (which specifies both the source of revenue and the appropriate expenditure account) for any inter-departmental or inter-fund adjustments. City staff has the prerogative to adjust expenditures within a departmental budget.

**Budget Calendar:** The schedule of key dates or milestones which the City departments follow in the preparation, adoption and administration of the budget.

**Budget Document:** The instrument used by the City staff to present a comprehensive financial program to the City Council.

**Budget Message:** The opening section of the Budget Document that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager. The Budget Message is also referred to as the City Manager's Message or Budget Transmittal Letter.

**Budget Re-estimate:** Process of taking year-to-date financial information, using that information to project future financial performance for the remainder of the fiscal year, then comparing the result to the fiscal year budgeted amount as a way to gauge financial performance. The re-estimate process takes place throughout the fiscal year for most funds.

**Budgetary Control:** The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Budgeted Funds:** Funds that are planned for certain uses, but have not yet been formally or legally appropriated by the legislative body. The budget document that is submitted for City Council approval is comprised of budgeted funds.

**Capital Project Budget:** The portion of the annual operating budget that appropriates funds for the purchase of capital equipment items. These expenditures are often separated from regular operating items, such as salaries, services, and supplies. The Capital Equipment Budget includes funds for capital equipment purchases, which are usually distinguished from operating items according to their value and projected useful life. Examples include vehicles, minor equipment, furniture, machinery, building improvements, and special tools. The dollar value varies according to the policy established by each jurisdiction. For the City of Forest Hill, this limit is \$5,000.

**Capital Improvement Program:** A plan for capital expenditures to provide long-lasting physical improvements to be acquired over a fixed period of years.

**Capital Improvement Program Budget:** A Capital Improvement Program (CIP) Budget is a separate budget from the operating budget. Items in the CIP are usually construction projects designed to improve the value of government assets. Examples of capital improvement projects include new roads, sewer lines, buildings, recreational facilities, and large scale remodeling. The City Council receives a separate document that details the CIP costs for the upcoming fiscal year.

**Cash Basis Accounting:** A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

**Cash Balance:** The amount of cash on hand and cash equivalents at any point in time, net of inflows and outflows.

**Cash Management:** The management of the cash that is necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

**Character:** A basis for distinguishing types of expenditures; the five major characters used by the City of Forest Hill are: personnel services, supplies, contractual services, capital outlays, and debt service.

- The **Personnel Services** category includes all salary, benefit and supplement costs associated with employees compensations.

- The **Supplies** category includes expenditures for items costing less than \$5,000 per unit, or for items costing more than \$5,000 with a useful life of less than two years. Examples of supplies include basic office supplies, books and magazines; materials used in city operations including paving material, streetlights, signals, and library books; postage, uniforms, and vehicle related costs including parts, supplies and fuel. In addition, minor equipment is budgeted as a supply cost. Minor equipment is distinguished from capital outlays by the \$5,000 cost per unit threshold and includes items like minor audio/video equipment, water meters, scanners, fax machines, and minor appliances.

- Expenditures in the **Contractual** category represent activities performed under expressed or implied agreements involving the use of equipment or commodities; and for professional, specialized or trade services rendered. In addition to external contracts for goods and services, this category includes services provided to City departments through Internal Service Funds including Information Technology services, labor charges for Equipment Services, and copy and graphic services provided through the Office Services Fund. Contractual services also include payment of utilities for electricity, gas, water, wastewater, and storm water. Finally, transfers among Funds are captured as contractual costs. These include transfers for insurance, healthcare, and administrative services.

- The **Capital Outlays** category reflect all outlays that result in the acquisition of, or additions to, the City's fixed assets (assets of a long-term nature which are intended to be held or used beyond the current fiscal year and which may be eligible for depreciation), including real and tangible assets. Capital Outlays must cost at least \$5,000 and must have an expected life of two or more years. Primarily four types of fixed assets (Capital Outlays) are used: 1) Land; 2) Improvements other than buildings; 3) Buildings; and 4) Equipment.

- The **Debt Service** category includes money paid on loans and bonds by the City, as a borrower, of the principal and interest.

**Commitment:** The pledge of appropriated funds to purchase an item or service. Funds are committed when a requisition is issued through the Finance Division of the City.

**Current Taxes:** Taxes that are levied and due within one year.

**Debt Service:** The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.



**Delinquent Taxes:** Taxes that remain unpaid on and after the date due, after which a penalty for nonpayment is attached.

**Department:** A major administrative division of the City that indicates over all management responsibility for an operation or group of related operations within a functional area.

**Depreciation:** The process of estimating and recording the lost usefulness or expired useful life from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

**Designations:** Designations are the desired uses of fund balance which are discretionary in nature in that the requested items were not budgeted in the prior year. To be a valid designation request, the department must not have spent all of their prior year budget (i.e. have savings), and must provide justification for the request approved by the City Manager.

**Disbursement:** Payment for goods and services in cash or check.

**Effectiveness:** A measure of how adequately the intended purpose is accomplished and the intended or expected results are produced.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service. Committed funds become encumbered when a purchasing requisition becomes an actual purchase order.

**Enterprise Fund:** A governmental accounting fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to recover the cost of providing goods through user fees. Rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds within the City of Forest Hill are established for services such as water and sewer.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year. It may also be defined as the proposed financing sources estimated to finance the proposed projected expenditure.

**Expenditure:** Decreases in the use of net financial resources other than through inter-fund transfer.

**Expenses:** Outflow or other depletion of assets or incurrence of liabilities during a specific period of time which results from the delivery or production of goods, rendering of services, or carrying out of other activities that constitute the entity's ongoing major central operations.

**Fiscal Year:** The twelve-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Forest Hill's fiscal year is October 1 through September 30.

**Fixed Assets:** Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Full Faith and Credit:** A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

**Function:** A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal or major service.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts that records all financial transactions for specific activities of government functions. Seven major fund types and two account groups are commonly used: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, general fixed asset account group, and general long-term debt account group.

**Fund Balance:** The difference between a fund's assets and its liabilities. Portions of the fund balance may be reserved for various purposes, such as non-spendable, restricted, committed, assigned, and unassigned.

**General Fund:** The largest fund within the City that accounts for all financial resources of the government except for those required to be accounted for in another fund. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, public health, parks and community services, public works, and general administration.

**General Ledger:** A file that contains a listing of the various accounts necessary to reflect the financial position and results of governmental operations.

**General Obligation Bonds:** Bonds that finance a variety of public projects such as streets, buildings, and improvements. The repayment of these bonds is usually made from the debt service portion of the City's property tax, and these bonds are backed by the full faith and credit of the issuing government.

**Goal:** The result or achievement towards which an effort is directed and intended to accomplish.

**Grant:** A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed to the grantee.

**Inter-fund Transfers:** Amounts transferred from one fund to another.

**Intergovernmental Revenue:** Revenue received from another government entity for a specified purpose. In Forest Hill, these are the funds from Tarrant County, the State of Texas, and through the recovery of indirect costs from federal and state agencies.

**Inventory:** A detailed listing of property currently held by the government showing quantities, descriptions and values of the property, units of measure, and unit prices.

**Invoice:** A bill requesting payment for goods or services by a vendor or other governmental unit.

**Levy:** To impose taxes, special assessments, or service charges for the support of City activities.

**Line-Item Budget:** A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately along with the dollar amount budgeted for each specified category.

**Long -Term Debt:** Any un-matured debt that is not a fund liability and at the same time has a maturity of more than one year.

**Modified Accrual Accounting:** A basis of accounting in which revenues should be recognized in the accounting period in which they become available and measurable and expenditures are recorded in the accounting period that they are incurred. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

**Objective:** The reason for making specific efforts or taking deliberate actions with the intent to attain or accomplish an identified goal, targeted level, or meet a defined purpose.

**Operating Budget:** The portion of the budget pertaining to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

**Operating Fund:** A fund restricted to a single fiscal year.

**Performance:** The execution or accomplishment of work which produces results.

**Performance Budget:** A budget that focuses upon activities rather than line items. Workload and unit cost data are collected in order to assess the efficiency of services. Typical data collected might include miles of streets paved per year, cost of paved streets per mile, tons of garbage collected per employee hour, or cost per employee hour of garbage collection.

**Performance Measures:**

Specific quantitative and qualitative measures of work performed as an objective of the department.

**Program Budget:** A budget that focuses upon the goal and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes or expenditures.

**Property Tax:** Taxes levied on both real and personal property according to the property's valuation and the tax rate.

**Reconciliation:** A detailed analysis of changes in revenue or expenditure balances within a fund.

**Requisition:** A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

**Reserve:** An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.

**Retained Earnings:** The difference between assets and liabilities for enterprise and internal service funds.

**Revenue:** Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers, and increases in net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers. Included are such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

**Revenue Bonds:** Bonds usually sold for constructing a project that will produce revenue for the government. All or part of the revenue is used to pay the principal and interest of the bond.

**Rollover:** Rollovers are the desired uses of fund balance for the purpose of meeting prior year commitments. Rollovers may be requested for items that, a) were budgeted in the prior fiscal year, b) are from departments that did not spend to their appropriated budget the prior year (i.e. , have savings), and c) can demonstrate that the funds were encumbered for the purpose identified in the rollover request.

**Source of Revenue:** Revenues are classified according to their source or point of origin.

**Unassigned Balance:** The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purchases.