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CITY OF FOREST HILL

Budget 2022 Fiscal Year

As Adopted by the Mayor and City Council
October 1, 2021 through September 30, 2022



SUBMITTED BY:
SHEYI I. IPAYE, CPM
CITY MANAGER

3219 California Parkway - Forest Hill, TX 76119 - 817-568-3000 - www.foresthilltx.org



... A District suburban atmosphere and has been called the "City of Brotherly Love" and the "City with Heart." Other names have included "Church Hill" due to the number of Churches and "The City with a Future" and "Gateway to the East and West." The latest branding includes "Community Drive" due to the continued involvement of citizens.



**PROUD TO BE
A Certified Scenic City**



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Mission

"The most important goal involving organizational issues is to instill confidence in the integrity of the city government. Through a commitment to excellence in leadership and staff development, employees can deal responsibly with citizen's concerns, resulting in the successful achievement of the goal."



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SECTION I

INTRODUCTION



This budget will raise more total property taxes than last year’s budget by \$892,000 or 11.47 percent, and of that amount, \$364,000 is tax revenue to be raised from new property added to the tax roll this year.

The members of the City Council voted on the budget as follows:

FOR: Clara Faulkner, Mayor
 Racquel Belle, Deputy Mayor Pro Tem, Place 1
 Beckie Hayes, Council member, Place 2
 Sonja Coleman, Council member, Place 3
 Ozell L. Birks, Council member, Place 4
 Carlie Jones, Council member, Place 5
 Malinda Miller, Mayor Pro Tem, Place 6

AGAINST: None

PRESENT AND NOT VOTING: None

ABSENT: None

PROPERTY TAX RATE COMPARISONS		
	Fiscal Year 2020-2021	Fiscal Year 2021-2022
Adopted Property Tax Rate	\$0.997340 per \$100	\$0.997342 per \$100
No-New-Revenue Tax Rate (Effective Tax Rate)	\$0.968013 per \$100	\$0.973045 per \$100
No-New-Revenue Maintenance & Operations	\$0.890092 per \$100	\$0.900276 per \$100
Voter-Approval Tax Rate (Rollback Tax Rate)	\$0.997342 per \$100	\$1.047388 per \$100
Debt Tax Rate	\$0.076097 per \$200	\$0.115601 per \$200

The total debt obligation secured by property taxes for the City of Forest Hill, Texas is \$664,602



The City of Forest Hill Property Tax Rate is currently at 0.997342 per \$100. According to the appraised property tax value, net taxable value and the estimated net taxable value, the City Property Tax Rate for 2021 is calculated at \$1.047388 per \$100.

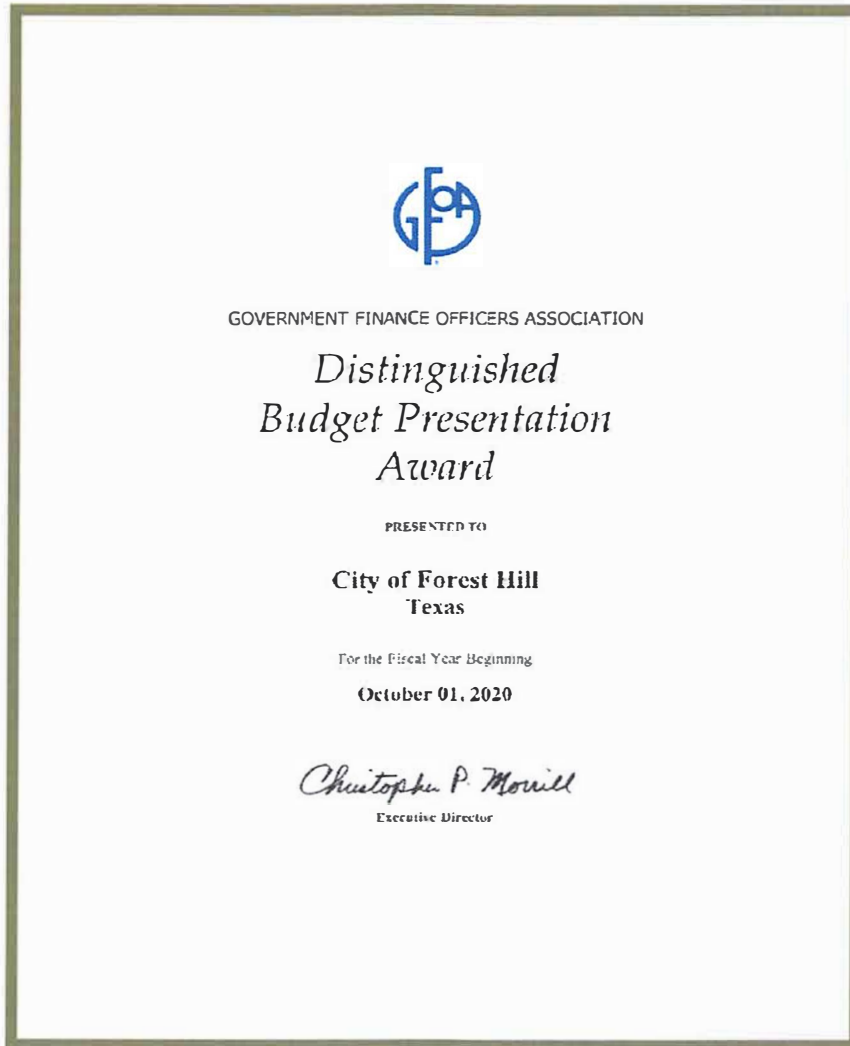


Legal Publications and Lobbying Disclosure required by HB 1495

Over the last 12 months, the City incurred \$203 in expense related to notices required by law to be published in the newspapers and \$1,000 is included in the Adopted FY 2022 budget for the same purpose.

Over the last 12 months, the City incurred \$0 in expense related to lobbying and \$0 is included in the Adopted FY 2022 budget for this same purpose.

BUDGET PRESENTATION AWARD



The Government Finance Officers Association of the United States and Canada (GFOA) presented a distinguished Budget Presentation Award to the City of Forest Hill for its annual budget for the Fiscal Year beginning October 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The City of Forest Hill has received the Distinguished Budget Presentation Award for eleven consecutive years.



USERS GUIDE TO THIS BUDGET DOCUMENT

This is the budget document for the City of Forest Hill, Texas for the fiscal year beginning October 1, 2021 and ending September 30, 2022. This document should serve as a policy document, a financial plan, and an operations guide to our City, as well as a communication device to our readers. Such a document is meant to be used by a wide variety of users. It should be used by City Management as a guide for operations as approved by the City Council for the fiscal year. It should be used by City Council as a communication device to staff and citizens for objectives, goals, and mission of the City. It should be used by staff to inform City Council and citizens of accomplishments and services. This document should also be used by current and prospective citizens and businesses 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 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, overall financial and graphical information, and major revenue sources. The City Manager's message should be reviewed before expecting to understand 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 fund, 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 funds detail current and future projects. The debt service fund section also provides individual debt service reimbursement schedules.

The 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 appear in the document.

The Budget Ordinances

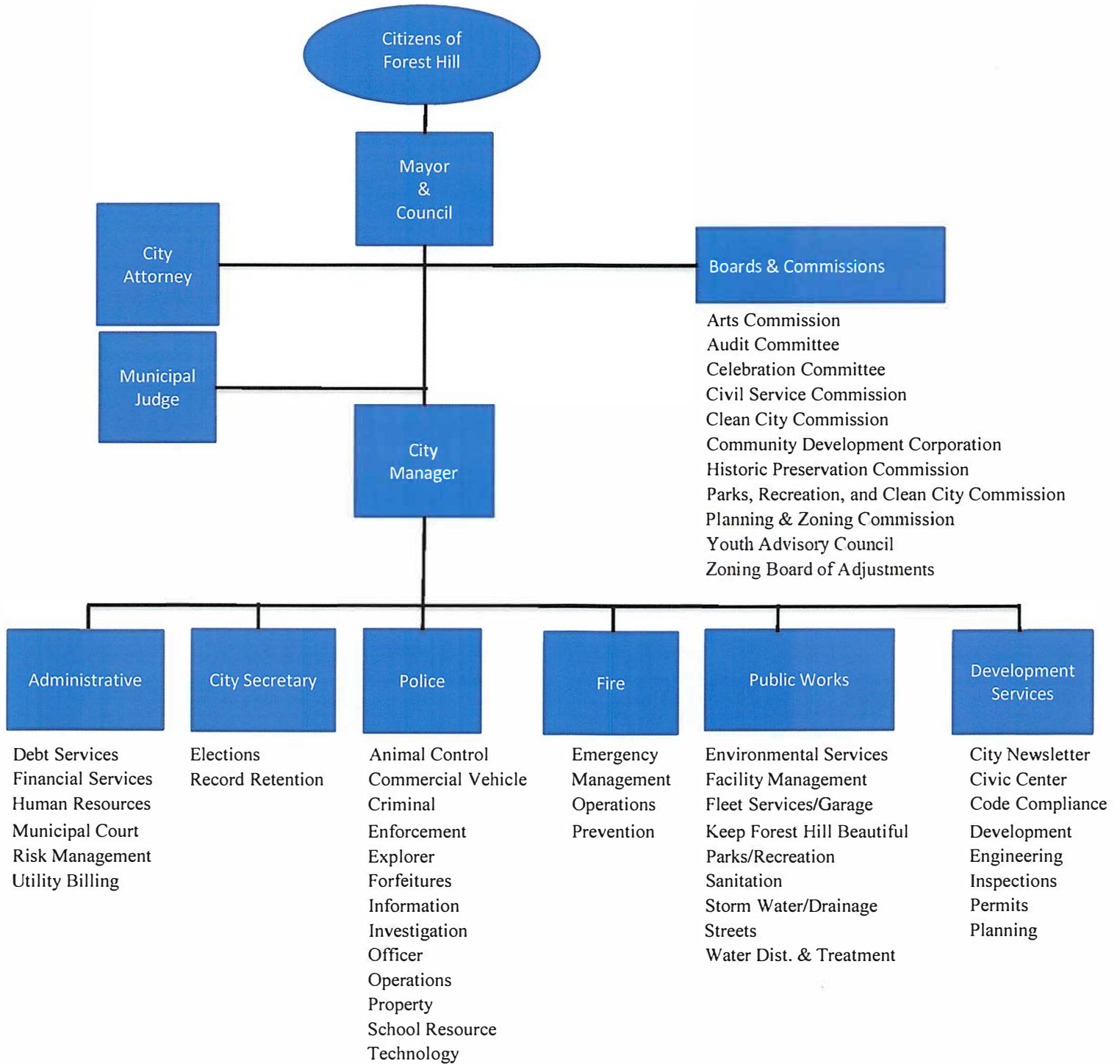
The budget ordinance section provides actual policy passed by the City Council implementing this budget as well as some required publications



CITY OFFICIALS

Elected Officials	Elected Position
Ms. Clara Faulkner	Mayor
Ms. Racquel Belle	Deputy Mayor Pro Tem, Place 1
Ms. Beckie Hayes	Council member, Place 2
Ms. Sonja Coleman	Council member, Place 3
Mr. Ozell Birks	Council member, Place 4
Ms. Carlie Jones	Council member, Place 5
Ms. Malinda Miller	Mayor Pro Tem, Place 6
Appointed Officials	Title
Mr. Sheyi I. Ipaye, CPM	City Manager
Ms. Victoria Thomas	City Attorney
Mr. Glenn Lewis	Municipal Judge

ORGANIZATION CHART





LIST OF CITY EMPLOYEES

<u>Department</u>	<u>Position Description</u>	<u>Full-Time Incumbents</u>	
<u>Administration</u>	City Manager	1	
	Administrative Assistant	1	
<u>Courts</u>	City Secretary	1	
	Court Supervisor	1	
	Court Clerk	2	
	Juvenile Case Manager	1	
	Warrant Clerk	1	
<u>Finance</u>	Warrant Officer	2	
	Finance Director	1	
	Senior Accountant	1	
	Accountant	1	
	Payroll/Accounting Clerk	1	
<u>Utility Billing</u>	Utility Billing Supervisor	1	
	Clerk	1	
	Meter Reader	1	
	Utility Billing Clerk	1	
<u>Human Resources</u>	Human Resources Director	1	
<u>Public Works</u>	Streets Labor Superintendent	1	
	Administrative Assistant	1	
	Building Maintenance Worker	3	
	Crew Leader	1	
	Field Supervisor	1	
	Mechanic	1	
	Water Laborer	6	
	Police Chief	1	
<u>Police</u>	Administrative Assistant	1	
	Animal Control Officer	2	
	Property Room Technician	1	
	Officer	13	
	Police Captain	1	
	Police Corporal	4	
	Police Detective	2	
	Police Dispatcher	4	
	Police Sergeant	1	
	Police Records Clerk	2	
	<u>Fire</u>	Fire Chief	1
		Administrative Assistant	1
Fire Lieutenant		3	
Fire Engineer		3	
Fire Fighter		9	
Fire Lieutenant		2	
<u>Permits</u>	Permit Clerk	1	
<u>Code Enforcement</u>	Code Enforcement Officer	2	
<u>Building</u>	Custodial Technician	1	
<u>Community Development</u>	Community Development Director	1	
	Event Coordinator	1	



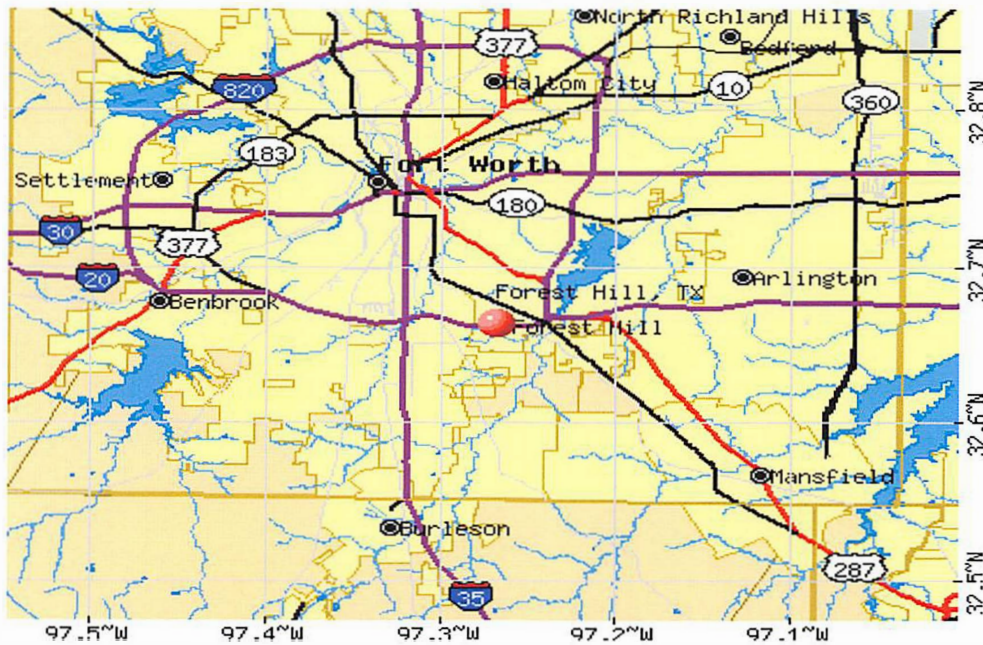
LIST OF CITY EMPLOYEES

Department	Position Description	Part-Time Incumbents
<u>Police</u>	Crossing Guard	2
	Police Officer	1
<u>Utility Billing</u>	Meter Reader	1
		<hr/>
		4
		<hr/> <hr/>

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, Mansfield and Kennedale on the highly traveled I-20 corridor. The city is home to 13,955 residents (April 1, 2020 census) and more than 300 businesses. Major employers include Conatser Construction, J. Wales Enterprises, TAS Environmental Services, United Rentals, Chase Bank, Starbucks, Denny's, Luby's Cafeteria, Best Western Plus, Holiday Inn Express, Hampton Inn & Suites, La Quinta Inn & Suites, Horton's Tree Service, Midwest Wrecking, Arthur Hager AC, Cowtown Charters, O'Reilly Auto Parts, Walgreens, and CVS to name a few.

Area Map



Geography

Elevation	682 Feet
Area	4.2 Square Miles

City Government

Type	Home Rule
Number on Council	7
Municipal Police	31
Paid Firefighters	16
City Zoning Body	Yes
Master Plan	Yes



Facility Locations

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

Library

There is a Public Library that is funded by a Special Sales Tax. The Library is located at 6962 Forest Hill Drive, Forest Hill, Texas 76140. The Library is not part of 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>0.25%</u>
Total	8.25%

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

General Fund	1.00%
Community Development	0.50%
Street Improvement	<u>0.25%</u>
Total	1.75%

Property Taxes

2021 Property Tax Rate	\$.997342 per \$100 valuation
2021 Certified Net Tax Value	\$701,337,999



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. By 1925 the community had 25 residents and two businesses. Forest Hill gained a new source of water in the early 1940’s. By 1944 Trentman Company and the Johnson Campbell Company began building homes. The owners of the private water system sold it to Texas Water Company. The community incorporated as a village on March 16, 1946. In the late 1940’s the city population was approximately 90 people. In 1949 the city petitioned to be relabeled as a city after reaching 500 citizens. On April 8 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 people. The city grew due to its proximity to Fort Worth. By the early 1970’s 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, it elected its first female mayor, Jackie Larson.

Transportation

Forest Hill is located along one of the busiest freeways in North Texas. Approximately 180,000 vehicles per day travel along IH-20. Four 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 West. These major thoroughfares intersect to form one of the highest traffic count areas in southern Tarrant County.

Forest Hill has a bus transportation service, which is used by residents to gain access to local businesses.

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

The 2022 estimated population is 16,880

As of the Census 2020, there were 13,955 people, 3,746 households or 3.47 persons per household residing in the city. The population density was 3,322.6 people per square mile. The racial makeup of the city was 5.3% White, 44.6% African American, 0.1% Native American, and 1.5% from two or more races. Hispanic or Latino of any race was 49.1% of the population.

There were 3,746 households out of which 32% had children under the age of 18 living with them, 55.1% were female householders, 11.5% were householders 65 years of age or older, and 8.0% were under 5 years of age. There were 594 veterans residing in the City of Forest Hill. The city owner-occupied housing unit rate was 73.6%.

The median income for a household in the city was \$41,496. The per capita income for the city was \$16,482. About 25.4% of the population were below the poverty line.

Education

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 Independence School District (FISD).

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, 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 6yh Grade Campus; Dan Powell Intermediate School; Baxter and Everman Junior High Schools; Everman High School and Everman Academy High school.



Education (Continued)

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 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

The City website allows citizens to view the budget, pay water bills and court fines, view City meeting, review agendas and meeting minutes, and more.



THE CITY OF FOREST HILL

**OFFICE OF THE CITY
MANAGER**

MEMO

Date: August 18th, 2021

In compliance with the Local Government Code 102 and the Home Rule Charter of the City of Forest Hill, Texas, I am pleased to submit to you the Proposed Annual Budget and Plan of Municipal Services for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022.

The total expenditure budget in FY 2021-2022 is \$20,888,270 of which \$10,758,740 is General Fund, \$6,570,550 is Enterprise Fund, \$669,000 is Debt Service, \$224,650 is Community Development, \$558,000 is Street Improvements, \$600,000 is Sanitation, \$510,000 is Drainage, \$28,500 is Court Technology, \$5,000 is Court Safety, and \$65,000 is Hotel Fund.

The FY 2021-2022 budget assumes the following:

- 1) A balanced budget
- 2) No furlough days included
- 3) No lay-offs other than the Court Call Center
- 4) Continue partnership with Blue Cross / Blue Shield
- 5) Payments to Fort Worth for water and sewer service rates remain unchanged

Capital Projects for FY 2021-2022 may include:

- 1) TCEQ mandate regarding clean up at Griggs Park
- 2) Replacement of old water meters and water lines
- 3) Improvement to the Police and Fire Department facilities
- 4) Improvements to roadway constructions
- 5) Home grant/ Housing rehabilitation projects in cooperation with Tarrant County
- 6) Equipment replacement for Police/Fire/Code Enforcement, and Public Works
- 7) Improvement to parking lot and monuments at the Veterans Park and Griggs Park



THE CITY OF FOREST HILL

Priorities to be addressed in the FY 2021-2022 budget include:

- 1) Continue to maintain current rate for Ad Valorem Tax at \$0.997342
- 2) Continue to support Youth Advisory Council
- 3) Continue to address the aging fleet vehicle requirements
- 4) Provide funding for the meter replacement program
- 5) Continue to provide funding for infrastructure needs and capital improvement projects including the roof at the Police Department, the roof at the Fire Department, and parking lot overlay/stripping
- 6) Street improvement program for FY 2021-2022 include:
 - a. Falmouth Street from Chimney Rock - Woodbridge Drive (\$165,000)
 - b. Grady Street from Forest Hill Drive - Wichita Street (\$160,000)
 - c. Leonard Street from Hartman Drive - Shady Hill Drive (\$225,000)
 - d. Nauret Road from Forest Hill Circle - Koldin Trail (\$120,000)
 - e. George from Forest Hill Drive - Wichita Street (\$185,000)
 - f. Folkstone from Chimney Rock - Woodbridge Drive (\$175,000)
 - g. West Lane from Truett Street - Spencer Drive (\$120,000)
 - h. Woodbridge Drive from Forest Hill Drive - Chimney Rock (\$285,000)
- 7) Provide adequate funding for pay and benefits for the City Employees, while considering a 3% pay raise and vacation buyback program to decrease future City liability
- 8) Continue to enhance the quality of life of our citizens and tourists by improving City Parks
- 9) Continue to provide professional services and publicity for our Civic and Convention Center
- 10) Address organizational issues within city government while emphasizing quality customer service at all levels of the organization
- 11) Continue promoting a positive environment for economic development activities and make Forest Hill an ideal place to live, play, and to do business in order to achieve stable and positive financial condition.

On this note, I am grateful for the opportunity to serve the Citizens of Forest Hill and the City Council. It has been a great pleasure working with excellent staff and citizens of Forest Hill for supporting the new fiscal approach designed to increase overall financial transparency and accountability.

Respectfully Submitted,

Sheyi I. Ipaye, CPM
City Manager



THE CITY OF FOREST HILL

OFFICE OF THE CITY MANAGER	<h1>MEMO</h1>

To: Honorable Mayor Faulkner and City Councilmembers

From: Sheyi I. Ipaye, CPM
City Manager

Subject: Fiscal Year 2021-2022 Budget Information

Date: September 24, 2021

At our last Council meeting on Tuesday, September 21, 2021 you requested some changes to the budget. Staff worked diligently and I present the following as it relates to items to be included in the FY 2021-2022 budget:

1. \$370,000 - 5% City of Forest Hill employee raise
2. \$50,000 – City of Forest Hill Park improvements
3. \$25,000 – Forest Hill Civic & Convention Center improvements

These items will increase the proposed budget by approximately \$442,000 dollars.

This increase will reduce the City reserve fund balance to approximately 50 days of annual operating expenditures for the General Fund.



SECTION II

Budget & Finance Policies

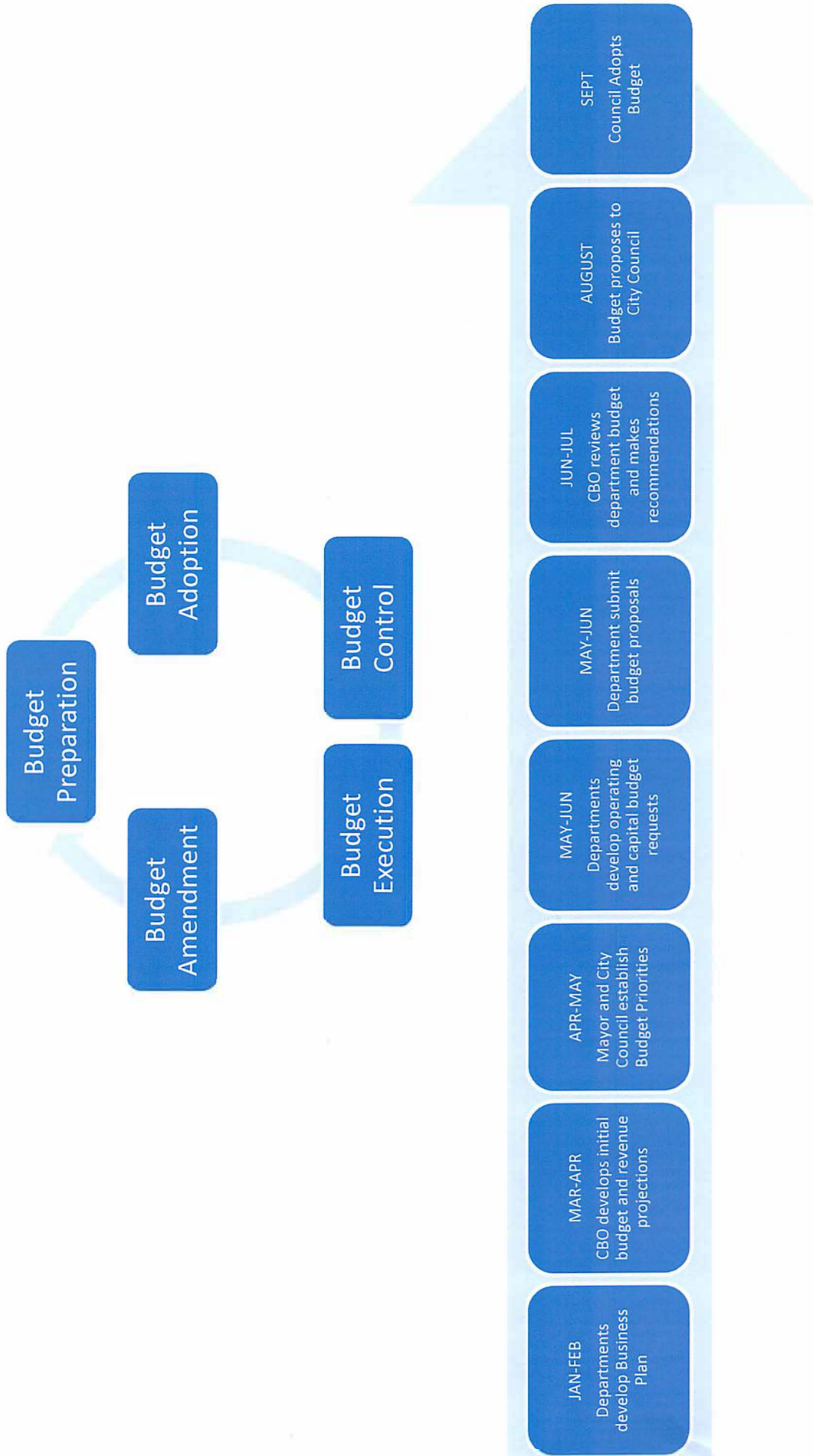


CITY OF FOREST HILL / TAX CALENDAR FY 2021 - 2022

April 1, 2021	Finalize budget calendar
May 3, 2021	Chief Appraiser sends notice of 2021 preliminary appraised values
May 12, 2021	Distribute budget instructions to Departments Distribute survey for priority list of expenditures
May 24, 2021	Finance completes preliminary proposed FY 2021-2022 revenue estimates
May 27, 2021	Human Resources completes salary worksheet Department heads submit supply and contract budget lines and other budget requests to Finance Department
June 1 - 15, 2021	Schedule meetings-City Manager with Department heads on proposed 2021-2022 budget
June 10, 2021	Receive retirement rates from State of Texas & benefit rates from HR
June 21, 2021	Finance Department submits preliminary proposed budget to City Manager
July 27, 2021	Chief Appraiser delivers 2021 certified appraisal to City of Forest Hill
July 30, 2021	Receive health insurance rates from Human Resources
July 30, 2021	Finance Department submits proposed budget to City Manager and City Secretary including update for insurance rates and revenue estimates
August 3, 2021	Deliver notice of effective and rollback tax rate to local newspaper. Public Hearings to occur August 17 and September 07 Publish Notice (72 hours) - City Council budget work session to discuss proposed tax rate and tax record vote if proposed tax rate will exceed the effective or rollback tax rate (whichever is lower)
August 9, 2021	Posting of proposed budget on City website Publish 1st quarter page Notice of Tax Revenue Increase (at least 7 days before public hearing) (1)
August 17, 2021	City Council Budget Work Session to discuss tax rate 1st Public hearing if proposed tax rate will exceed the effective or rollback tax rate (whichever is lower) City Council announces the date, time and place of vote on proposed tax rate to be September 7
August 23, 2021	Publish 2nd quarter page Notice of Tax Revenue Increase (at least 7 days before public hearing) (1)
September 7, 2020	Public hearing of City Council proposed FY 2021-2022 Budget
September 21, 2021	Public hearing if proposed tax rate exceeds the effective or rollback tax rate (whichever is lower) City Council adopts proposed FY 2021-2022 Budget City Council adopts proposed tax rate City Council ratifies property tax revenue increase effected in the budget Local Government Code 102.007 c
October 1, 2021	The Tarrant County Tax Assessor prepares and mails tax bills

(1) If proposed tax rate exceeds the effective or rollback tax rate

BUDGET PROCESS



BUDGET POLICIES

The City of Forest Hill budget format includes goals, objectives and performance measures. Various summaries, statistical information, and revenue sources 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.

Department Budget Workshops

During the departmental budget workshops, the staff is informed of the budgeting concepts, guidelines and forms.

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.



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 adopted budget. The public also has the opportunity to attend City Council budget workshops. City Council may take action to modify the adopted budget. The Council may 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 amendments may be considered and adopted at any time during the fiscal year covered by the budget by filing the amendments and upon publishing them and giving notice of the Public Hearing in the manner required in the State Law.

City Council Long Term Strategic Planning - Vision Statement

" In our on-going commitment to the citizens and businesses in the City of Forest Hill, we will endeavor each day to be fiscally responsible, knowing that we are held accountable for our actions, to move the city in a forward progression of economic development, to provide the best customer service to those who live, work and play within our city limits, and to be fair and honest in all that we do. With passion, integrity and professionalism, from within City Hall to our elected officials, we will be the leaders of the Community Driven spirit that will guide the success for Forest Hill into the future."

Department Summaries

Each department is described by narrative information in the final budget in order to provide an abbreviated idea of services provided. Summaries include the following information:

Program Description

The section outlines the general responsibility performed by the department.

Major Division Goals

Goals describe the benefit the department plans to provide to the community it serves, by identifying the end result the division wishes to achieve.

Major Division Objectives

Objectives are steps in accomplishing stated goals with specific time frames or measurable achievements to be completed in the current year.

Department Summaries

Workload Measures

Workload measures indicate the amount of work that has been done or projected workload levels.

Productivity Measures

The process of seeking best practices and attempting to emulate them. These should measure productivity, effectiveness, efficiency, or the impact of services provided.

Expenditure Summary

The summary of expenditures shows the category of expenses for each division's programs.

Personnel Summary

This section shows the personnel resources budgeted to carry out services.

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, revenue, 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. Due to the economic shortcomings in the prior years, the City has presented here within a balanced budget that will regain the goal of maintaining the minimums anticipated.

Operating Budget Policies

The City of Forest Hill budget resources are 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.



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 its 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 Adopted 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 modified accrual (working capital) in the proprietary funds.

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

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 Manger 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 component 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.

Governmental Funds 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 are 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.

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 Project 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.



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 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** 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.

Annual Publications

The Annual Program of Services is submitted to the **Government Financial Officers Association (GFOA)** Distinguished Budget Award Program annually.

The accounting and financial reporting treatment applied to a fund is determined by its "measurement focus."

All governmental funds (i.e., General Fund, Special Revenue funds, etc.) are budgeted and accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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. With this 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 periods, or soon enough thereafter to be used to pay liabilities of the current period. Ad volorem, 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 actually received. Expenditures are recorded when the related fund liability is incurred. Interest on general long-term debt is recorded as a fund liability when due or when amount have been accumulate 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 actually 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). Under 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 (e.g., cash and receivables, etc.) and current liabilities (e.g., accounts payable), 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.



SECTION III

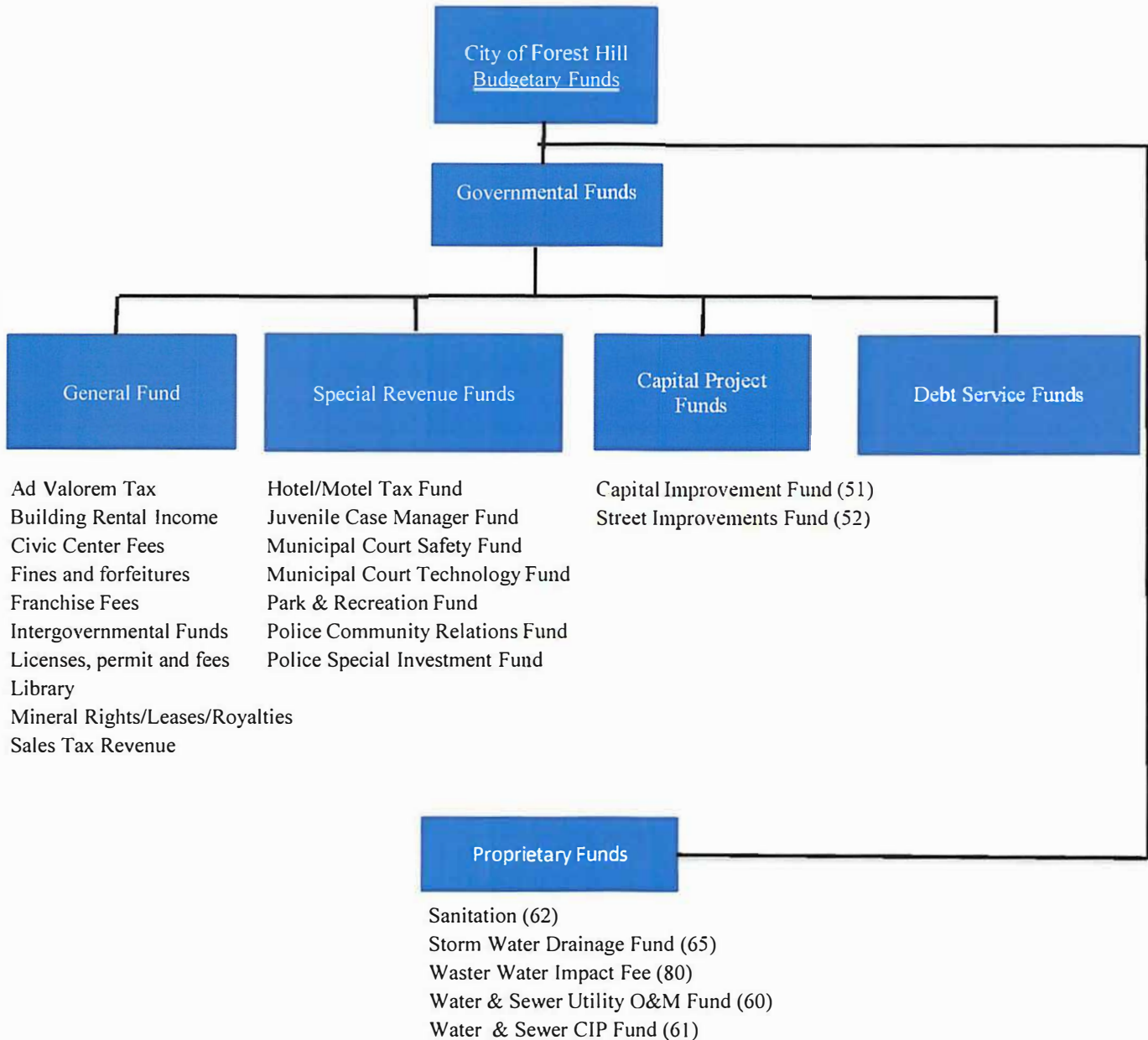
Fund Structure & Financial Analysis



FUND STRUCTURE

<u>Fund Number</u>	<u>Fund Category</u>	<u>Fund Type</u>	<u>Budgetary Basis</u>	<u>Basis Of Accounting</u>
Governmental Funds				
1	General	General	Modified Accrual	Modified Accrual
5	Municipal Court Technology	Special Revenue	Modified Accrual	Modified Accrual
6	Municipal Court Safety	Special Revenue	Modified Accrual	Modified Accrual
4	Juvenile Case Manager	Special Revenue	Modified Accrual	Modified Accrual
10	Motel Tax	Special Revenue	Modified Accrual	Modified Accrual
14	Park & Recreation Fund	Special Revenue	Modified Accrual	Modified Accrual
15	Library	General	Modified Accrual	Modified Accrual
18	Police Property Holding	Special Revenue	Modified Accrual	Modified Accrual
21	Law Enforcement Explorer	Special Revenue	Modified Accrual	Modified Accrual
22	Police Forfeiture	Special Revenue	Modified Accrual	Modified Accrual
23	Police Community Relations	Special Revenue	Modified Accrual	Modified Accrual
24	Police Standards and Education	Special Revenue	Modified Accrual	Modified Accrual
28	Police Donations Restricted	Special Revenue	Modified Accrual	Modified Accrual
30	Debt Service	Long Term Debt	Modified Accrual	Modified Accrual
49	Community Development Corp.	Special Revenue	Modified Accrual	Modified Accrual
50	Capital Equipment	Capital	Modified Accrual	Modified Accrual
51	Capital Projects	Capital	Modified Accrual	Modified Accrual
52	Street Improvements	Capital	Modified Accrual	Modified Accrual
80	Wastewater Access Fee	Special Revenue	Modified Accrual	Modified Accrual
Enterprise / Proprietary Funds				
60	Water & Sewer Utility O&M	Enterprise	Full Accrual	Full Accrual
61	Water & Sewer CIP Fund	Enterprise	Full Accrual	Full Accrual
62	Sanitation	Enterprise	Full Accrual	Full Accrual
65	Storm Water Drainage Fund	Enterprise	Full Accrual	Full Accrual

FUND STRUCTURE CHART



Governmental Funds Types

The General Fund is used to account for all finance transactions not specifically includable in other funds. The principal source of revenues in the General Fund are property taxes, sales and use taxes, franchised fees, hotel/motel taxes, permit fees, fines, and forfeitures, and building rentals. The primary source of expenditures in the General Fund are for general government, finance, public safety, public works, park maintenance and recreation, planning and zoning, and engineering.



Governmental Funds Types (Cont.)

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.

The Debt Service Fund is used to account for the payment of interest and principal on all general obligation debts of the City. The primary source of revenue for the debt service fund is property taxes. These funds are designated to meet current and future debt service requirements on general government debt.

Capital Project Funds are used to account for capital outlay projects financed from general debt issued by the City. Capital Project Funds are 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, IT and other heavy equipment in accordance with replacement schedules based on life of equipment and usage. The two funds utilized for this purpose are the Transportation Equipment Replacement and IT Replacement Funds.

Proprietary Fund Type

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Such funds are to be financed or recovered primarily through user charges. Other Enterprise Funds include the Sanitation Fund, which is used to account for user fees and expenses related to the City's garbage collection activities.



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 2021-2022 budget information can be found in the Annual Appropriated Funds Summary (pages 42-43) of this document.

Departments	Special Revenue Funds															Enterprise/ Proprietary Funds		
	General Fund	Municipal Court Technology (05)	Municipal Court Safety (06)	Juvenile Case Manager (04)	Motel/ Hotel Tax Fund (10)	Park & Recreation Fund (14)	Police Property Holding (18)	Police Forfeiture (21)	Police Community Relations (23)	Police Donations Restricted (28)	Community Development (29)	Water & Sewer Impact Fee (80)	Water & Sewer (60)	Sanitation (62)	Storm Water Drainage (65)			
Mayor and Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City Secretary	✓																	
Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Municipal Court	✓	✓	✓	✓														
Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HR/Civil Service/ Info Tech	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Dev. Service	✓												✓					
Public Works	✓				✓								✓	✓	✓	✓	✓	✓
Police Operations	✓					✓	✓	✓	✓	✓	✓							
Police Animal Control	✓																	
Fire Department	✓																	
Fleet Operations	✓																	
Code Compliance	✓																	
Permit and License	✓																	
Buildings and Grounds	✓												✓					
Civic Center	✓												✓					
Utility Billing / Water Dept	✓													✓	✓	✓	✓	✓



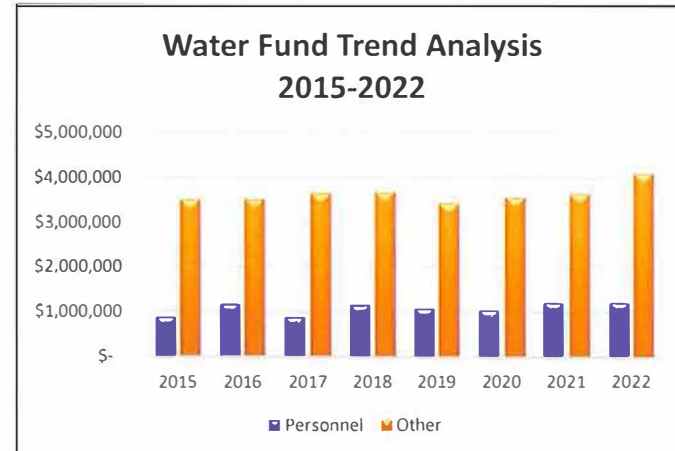
FUND TREND ANALYSIS

General Fund Trend Analysis

Budget Year	Personnel	Other	Total	Prior Year Variance +/-
2015	\$ 5,053,074	\$ 2,324,572	\$ 7,377,646	0.00%
2016	\$ 5,872,865	\$ 2,403,163	\$ 8,276,028	12.18%
2017	\$ 5,957,725	\$ 2,469,271	\$ 8,426,996	1.82%
2018	\$ 5,700,165	\$ 2,525,788	\$ 8,225,953	-2.39%
2019	\$ 6,313,281	\$ 2,755,148	\$ 9,068,429	10.24%
2020	\$ 7,054,046	\$ 2,792,448	\$ 9,846,494	19.70%
2021	\$ 7,151,615	\$ 3,159,250	\$ 10,310,865	4.72%
2022	\$ 7,051,972	\$ 3,713,650	\$ 10,765,622	4.41%

Water Fund Trend Analysis

Budget Year	Personnel	Other	Total	Prior Year Variance +/-
2015	\$ 895,984	\$ 3,501,548	\$ 4,397,532	0.00%
2016	\$ 1,180,845	\$ 3,514,412	\$ 4,695,257	6.77%
2017	\$ 895,984	\$ 3,658,110	\$ 4,554,094	-3.01%
2018	\$ 1,172,350	\$ 3,691,000	\$ 4,863,350	6.79%
2019	\$ 1,092,307	\$ 3,435,300	\$ 4,527,607	-6.90%
2020	\$ 1,055,807	\$ 3,574,400	\$ 4,630,207	2.27%
2021	\$ 1,222,700	\$ 3,653,350	\$ 4,876,050	5.31%
2022	\$ 1,238,500	\$ 4,117,200	\$ 5,355,700	9.84%



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 knowledge and education. Cost of training, education and salary adjustments has resulted in the increasing personnel costs from 2018 to 2019 and 2019 to 2020. That led to the 10.24% variance and 19.70% variance for these fiscal years.

The mission of the Water Utilities Department is to provide a continuous supply of high-quality drinking water and ensure safe disposal of wastewater in a responsive cost-effective manner while improving service to citizens. Cost of planning for future needs has increased our operating cost that resulted in the 9.84% increase variance. We adopted a fund increase to fulfil this mission.



**SUMMARY OF FY 2021-2022
ADOPTED EXPENDITURES BUDGET
GENERAL FUND, ENTERPRISE FUND & OTHER FUNDS**

Department Number	General Fund and Department Name	Adopted Budget
01	City Council	\$ 218,750
02	City Secretary	\$ 113,810
03	Administration	\$ 468,200
05	Municipal Court	\$ 607,100
06	Finance	\$ 538,700
07	Human Resources/ Civil Service	\$ 159,450
09	Planning / Development	\$ 94,800
11	Public Works and Parks	\$ 645,450
16	Police and Animal Control	\$ 3,671,550
20	Fire	\$ 2,218,000
24	Garage	\$ 285,475
27	Permits	\$ 136,200
28	Code Compliance	\$ 134,200
30	Building & Grounds	\$ 451,590
40	Civic Center	\$ 78,147
99	Non Department	\$ 1,010,500
XX	Transfers	\$ 254,000
	Total	\$ 11,085,922

Fund	Enterprise Fund and Department Name	Adopted Budget
60	Water & Sewer Utility Fund	\$ 4,914,350
62	Sanitation	\$ 600,000
65	Drainage	\$ 510,000
XX	Transfer	\$ 605,000
	Total	\$ 6,629,350

Fund Number	Other Funds and Department Name	Adopted Budget
04	Municipal Juvenile Case	\$ -
05	Municipal Court Tech	\$ 28,500
06	Municipal Court Safety Fund	\$ 5,000
10	Hotel	\$ 65,000
14	Parks	\$ 75,700
15	Library	\$ 74,000
30	Debt Service	\$ 669,000
49	Community Development	\$ 231,350
50	Capital Equipment	\$ 500,000
51	Capital Improvement	\$ 985,000
52	Street Improvement	\$ 558,000
XX	Transfers	\$ 424,130
	Total	\$ 3,615,680

Total Adopted Budget		\$ 21,330,952
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City of Forest Hill
Annual Appropriated Funds
Consolidated Funds Summary (Modified Accrual Basis)

	General Fund			Special Revenue Funds			Debt Service Fund		
	Actual 2019-20	Estimate 2020-21	Adopted 2021-22	Actual 2019-20	Estimate 2020-21	Adopted 2021-22	Actual 2019-20	Estimate 2020-21	Adopted 2021-22
Revenues:				(Funds 4,5,6,10,14,15,22,23,24,28,49,51,52,80,98)					
Property Tax	\$ 5,618,121	\$ 5,500,000	\$ 6,410,000	\$ -	\$ -	\$ -	\$ 505,704	\$ 583,000	\$ 565,000
Sales Tax	\$ 1,809,858	\$ 1,750,000	\$ 1,850,000	\$ 1,357,371	\$ 1,090,000	\$ 1,250,000	\$ -	\$ -	\$ -
Franchise taxes	\$ 565,405	\$ 350,000	\$ 490,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 397,115	\$ 308,000	\$ 316,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	\$ 143,347	\$ 493,000	\$ 349,000	\$ 18,253	\$ 35,000	\$ 17,000	\$ -	\$ -	\$ -
Intergovernmental	\$ 41,712	\$ 10,000	\$ 25,000	\$ 4,942	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Building Rental Income	\$ 281,716	\$ 235,000	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Civic Center Fees	\$ 80,707	\$ 180,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 122,005	\$ 29,000	\$ 58,000	\$ 122,005	\$ 29,000	\$ 58,000	\$ -	\$ -	\$ -
Interest	\$ 32,487	\$ 70,000	\$ 5,000	\$ 80,352	\$ 74,900	\$ 19,000	\$ 4,775	\$ 5,000	\$ 500
Mineral rights leases/ royalties	\$ 18,614	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ 1,750	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Tax	\$ -	\$ -	\$ -	\$ 478,519	\$ 435,000	\$ 304,000	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ 66,320	\$ -	\$ 74,000	\$ -	\$ -	\$ -
Subtotal Revenues	\$ 9,112,837	\$ 8,938,000	\$ 9,946,100	\$ 2,127,762	\$ 1,666,900	\$ 1,725,000	\$ 510,480	\$ 588,000	\$ 565,500
Other Financing Sources:									
Interfund transfers in	\$ 853,494	\$ 908,500	\$ 908,500	\$ 255,190	\$ 254,000	\$ 254,000	\$ 170,630	\$ 170,630	\$ 170,000
Subtotal Other Financing Sources	\$ 853,494	\$ 908,500	\$ 908,500	\$ 255,190	\$ 254,000	\$ 254,000	\$ 170,630	\$ 170,630	\$ 170,000
Total Revenues & Other Financing Sources	\$ 9,966,331	\$ 9,846,500	\$ 10,854,600	\$ 2,382,952	\$ 1,920,900	\$ 1,979,000	\$ 681,110	\$ 758,630	\$ 735,500
Appropriations:									
Personnel	\$ 6,570,928	\$ 7,131,015	\$ 7,051,972	\$ 66,458	\$ 133,370	\$ 216,300			
Materials/ minor equipment/ supplies	\$ 413,840	\$ 503,600	\$ 534,350	\$ 11,488	\$ 40,000	\$ 37,750			
Contractual Services	\$ 1,433,699	\$ 1,873,450	\$ 2,258,550	\$ 7,905	\$ 77,700	\$ 227,500	828	1,400	1,500
Training & Travel	\$ 89,613	\$ 94,550	\$ 134,250	\$ 2,807	\$ 35,000	\$ 22,500			
Capital lease payments	\$ 699,727	\$ 647,600	\$ 786,500	\$ 287,019	\$ 478,200	\$ 2,448,500			
Debt service principal							609,619	567,400	567,500
Debt service interest							54,933	100,552	100,000
Capital Outlay									
Subtotal Appropriations	\$ 9,207,807	\$ 10,250,215	\$ 10,765,622	\$ 375,677	\$ 764,270	\$ 2,952,550	\$ 665,380	\$ 669,352	\$ 669,000
Other Financing Uses:									
Interfund transfers out	\$ 269,941	\$ 254,000	\$ 254,000	\$ 422,124	\$ 474,130	\$ 424,130	\$ -	\$ -	\$ -
Debt issuance cost									
Miscellaneous Uses	\$ 61,604	\$ 60,650	\$ 74,400	\$ 975	\$ 6,500	\$ 6,000	\$ -	\$ -	\$ -
Total Appropriations:	\$ 9,539,352	\$ 10,564,865	\$ 11,094,022	\$ 798,776	\$ 1,244,900	\$ 3,382,680	\$ 665,380	\$ 669,352	\$ 669,000
Net Increase (Decrease) in Fund Balance	\$ 426,979	\$ (718,365)	\$ (239,422)	\$ 1,584,175	\$ 676,000	\$ (1,403,680)	\$ 15,730	\$ 89,278	\$ 66,500
Accrual adjustment for GAAP									
Beginning Budgetary Fund Balance	\$ 2,334,168	\$ 2,761,147	\$ 2,042,782	\$ 6,084,770	\$ 7,668,945	\$ 8,344,945	\$ 289,455	\$ 305,185	\$ 394,463
Ending Budgetary Fund Balance	\$ 2,761,147	\$ 2,042,782	\$ 1,803,360	\$ 7,668,945	\$ 8,344,945	\$ 6,941,265	\$ 305,185	\$ 394,463	\$ 460,963

City of Forest Hill
Annual Appropriated Funds
Consolidated Funds Summary (Modified Accrual Basis)

	Total Governmental Fund			Total Proprietary Funds (60,61,62,65)			Total		
	Actual 2019-20	Estimate 2020-21	Adopted 2021-22	Actual 2019-20	Estimate 2020-21	Adopted 2021-22	Actual 2019-20	Estimate 2020-21	Adopted 2021-22
Revenues:									
Property Tax	\$6,123,825	\$6,083,000	\$6,975,000				\$ 6,123,825	\$ 6,083,000	\$ 6,975,000
Sales Tax	\$3,167,228	\$2,840,000	\$3,100,000				\$ 3,167,228	\$ 2,840,000	\$ 3,100,000
Franchise taxes	\$565,405	\$350,000	\$490,000	\$182,727	\$130,000	\$100,000	\$ 748,132	\$ 480,000	\$ 590,000
Licenses and permits	\$397,115	\$308,000	\$316,100				\$ 397,115	\$ 308,000	\$ 316,100
Fines and forfeitures	\$161,600	\$528,000	\$366,000				\$ 161,600	\$ 528,000	\$ 366,000
Charges for Services	\$362,423	\$415,000	\$430,000				\$ 362,423	\$ 415,000	\$ 430,000
Intergovernmental	\$46,654	\$13,000	\$28,000				\$ 46,654	\$ 13,000	\$ 28,000
Interest Revenues	\$117,618	\$149,800	\$24,400	\$57,975	\$55,000	\$52,000	\$ 175,593	\$ 204,800	\$ 76,400
Miscellaneous	\$142,369	\$42,200	\$121,200	\$68,282	\$59,500	\$59,500	\$ 210,651	\$ 101,700	\$ 180,700
Water sales				\$2,524,611	\$2,500,000	\$2,600,000	\$ 2,524,611	\$ 2,500,000	\$ 2,600,000
Sewer sales				\$2,429,729	\$2,600,000	\$2,600,000	\$ 2,429,729	\$ 2,600,000	\$ 2,600,000
Sanitation sales				\$623,612	\$650,000	\$700,000	\$ 623,612	\$ 650,000	\$ 700,000
Drainage Fee				\$301,335	\$250,000	\$250,000	\$ 301,335	\$ 250,000	\$ 250,000
Late Charges				\$71,434	\$100,000	\$100,000	\$ 71,434	\$ 100,000	\$ 100,000
Tap Fees				\$67,908	\$92,500	\$92,500	\$ 67,908	\$ 92,500	\$ 92,500
Hotel Tax	\$478,519	\$400,000	\$300,000				\$ 478,519	\$ 400,000	\$ 300,000
Library	\$68,000	\$0	\$74,000				\$ 68,000	\$ -	\$ 74,000
Subtotal Revenues	\$ 11,630,755	\$ 11,129,000	\$ 12,224,700	\$ 6,327,614	\$ 6,437,000	\$ 6,554,000	\$ 17,958,369	\$ 17,566,000	\$ 18,778,700
Other Financing Sources:									
Interfund transfers in	1,196,961	1,333,130	1,283,130				\$ 1,196,961	\$ 1,333,130	\$ 1,283,130
Subtotal Other Financing Sources	\$ 1,196,961	\$ 1,333,130	\$ 1,283,130	\$ -	\$ -	\$ -	\$ 1,196,961	\$ 1,333,130	\$ 1,283,130
Total Revenues & Other Financing Sources	\$ 12,827,716	\$ 12,462,130	\$ 13,507,830	\$ 6,327,614	\$ 6,437,000	\$ 6,554,000	\$ 19,155,330	\$ 18,899,130	\$ 20,061,830
Appropriations:									
Personnel	\$6,637,387	\$7,264,385	\$7,268,272	\$978,331	\$1,220,700	\$1,297,300	\$ 7,615,718	\$ 8,485,085	\$ 8,565,572
Materials/ minor equipment/ supplies	\$425,298	\$543,600	\$572,100	\$127,144	\$325,700	\$297,500	\$ 552,442	\$ 869,300	\$ 869,600
Contractual Services	\$1,091,216	\$1,595,850	\$2,097,450	\$3,035,167	\$3,780,600	\$3,775,500	\$ 4,126,383	\$ 5,376,450	\$ 5,872,950
Miscellaneous Uses	\$154,999	\$196,700	\$237,150	\$576	\$4,500	\$4,000	\$ 155,575	\$ 201,200	\$ 241,150
Capital Outlay	\$986,746	\$1,124,800	\$3,234,000	\$567,861	\$508,000	\$503,000	\$ 1,554,607	\$ 1,632,800	\$ 3,737,000
Debt service payment	\$55,760	\$101,952	\$669,000	\$5,579	\$146,550	\$147,050	\$ 61,340	\$ 248,502	\$ 816,050
Sub-Total Appropriations:	\$ 9,351,405	\$ 10,827,287	\$ 14,077,972	\$ 4,714,659	\$ 5,986,050	\$ 6,024,350	\$ 14,066,064	\$ 16,813,337	\$ 20,102,322
Other Financing Uses:									
Interfund transfers out	\$ 591,961	\$ 728,130	\$ 678,130	\$605,000	\$605,000	\$605,000	\$ 1,196,961	\$ 1,333,130	\$ 1,283,130
Subtotal Other Financing Sources	\$ 591,961	\$ 728,130	\$ 678,130	\$ 605,000	\$ 605,000	\$ 605,000	\$ 1,196,961	\$ 1,333,130	\$ 1,283,130
Total Appropriations & Other Finance Uses	\$ 9,943,366	\$ 11,555,417	\$ 14,756,102	\$ 5,319,659	\$ 6,591,050	\$ 6,629,350	\$ 15,263,025	\$ 18,146,467	\$ 21,385,452
Net Increase (Decrease) in Fund Balance	\$ 2,884,350	\$ 906,713	\$ (1,248,272)	\$ 1,612,955	\$ 450,950	\$ 529,650	\$ 5,089,266	\$ 2,085,793	\$ (40,492)
Beginning Budgetary Fund Balance	\$ 8,063,440	\$ 10,947,790	\$ 11,854,503	\$ 9,846,343	\$ 11,459,298	\$ 11,910,248	\$ 17,909,783	\$ 22,407,088	\$ 23,764,751
Ending Budgetary Fund Balance	\$ 10,947,790	\$ 11,854,503	\$ 10,606,231	\$ 11,459,298	\$ 11,910,248	\$ 12,439,898	\$ 22,999,049	\$ 24,492,881	\$ 23,724,259



ANNUAL APPROPRIATED FUNDS - MAJOR REVENUE SOURCES

	Actual 2019-2020	Budget 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-22
GOVERNMENTAL FUNDS (Funds 1, 4, 5, 6, 10, 24, 30, 49, 50, 51, 52, 56, 98)				
Revenue by Types				
Property Tax	6,123,825	\$ 6,083,000	\$ 6,083,000	\$ 6,975,000
Sales Tax	3,167,228	2,840,000	2,840,000	3,250,000
Franchise taxes	565,405	350,000	350,000	490,000
Licenses and permits	397,115	308,000	308,000	316,100
Fines and forfeitures	161,600	528,000	528,000	366,000
Charges for Services	362,423	415,000	415,000	430,000
Intergovernmental	46,654	13,000	13,000	28,000
Interest Revenues	117,618	149,800	149,800	14,900
Miscellaneous	142,369	42,200	42,200	121,200
Hotel Tax	478,519	400,000	400,000	304,000
Library	68,000	0	0	74,000
Total Revenue	\$ 11,630,755	\$ 11,129,000	\$ 11,129,000	\$ 12,369,200
Other Financing Sources				
Inter-fund transfers in	\$ 1,196,961	\$ 1,333,130	\$ 1,333,130	\$ 1,283,130
Total Other Financing Sources	1,196,961	1,333,130	1,333,130	1,283,130
TOTAL GOVERNMENTAL FUNDS	12,827,716	12,462,130	12,462,130	13,652,330
PROPRIETARY FUND (Funds 60, 61, 62, 65)				
Charges for Services				
Water sales	2,524,611	59,500	59,500	59,500
Sewer sales	2,429,729	2,500,000	2,500,000	2,600,000
Sanitation sales	623,612	2,600,000	2,600,000	2,600,000
Drainage sales	301,335	650,000	650,000	700,000
Franchise	182,727	130,000	130,000	100,000
Total Charges for Services	6,062,014	5,939,500	5,939,500	6,059,500
Other Charges				
Late Charges	71,434	100,000	100,000	100,000
Miscellaneous	68,282	59,500	59,500	59,500
Tap Fees	67,908	92,500	92,500	92,500
Interest	57,975	55,000	55,000	52,000
Total Other Charges	265,599	307,000	307,000	304,000
TOTAL PROPRIETARY FUNDS	6,327,614	6,246,500	6,246,500	6,363,500
TOTAL APPROPRIATED FUNDS	19,155,330	18,708,630	18,708,630	20,015,830



MAJOR REVENUE SOURCES

The major revenue sources for the City are:

- Ad valorem (property) taxes
- Sales tax
- Franchise fees
- Motel 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 September 1, 2021 certified net taxable value of \$701,337,999 is a 6.74% increase from the September 1, 2019 net taxable value of \$657,056,752. The tax year begins January 1 and fiscal year end is September 30.

Ad Valorem Taxes - Proposed Tax Rate

The Fiscal Year 2021-2022 adopted tax rate is \$0.997342 per \$100 valuation. For fiscal year 2021-2022, the no-new-revenue tax rate is \$0.973045 per \$100 valuation. The no-new-revenue rate is tax rate for the 2021 tax year (2021 fiscal year) that will raise the same amount of property tax revenue for the City from the same properties in both 2020 tax year (2021 fiscal year) and the 2022 tax year (2022 fiscal year). For fiscal year 2021-2022, the voter-approval tax rate is \$1.047388 per \$100. The voter-approval rate is the highest tax that the city may adopt without holding an election to seek voter approval of the rate.

Ad Valorem Taxes - Collections

For the fiscal year 2019-2020, the property tax levy will amount to approximately \$6,183,985 a decrease of 1.08% of the previous fiscal year's tax levy amount of \$6,251,242

Sales Tax

Sales tax collections are based on economic activity and vary with changes in the local economy. Estimated FY 2021-2022 collections (in the General Fund) of \$1,850,000 are consistent with current year's collections of \$1.7M adjusted for increases due to changing tax laws and the State of Texas audits and monitoring of internet businesses. 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:

State of Texas	6.25 %
City of Forest Hill	1.75%
Special Library Rate	<u>0.25%</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	0.50%
Street Improvement	<u>0.25%</u>
Total	<u>1.75%</u>

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, amounting to an estimated \$550,000 per year for the last several years. Due to legislation that was enacted to take effect January 1, 2021, cable companies now will pay significantly less to Texas municipalities for franchise fees. Although the full effects of the legislation is not yet known, the City is estimating franchise fees will drop to \$490,000.

Hotel / Motel 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 estimated to collect \$316,100 and 2) Fines and forfeitures estimated to collect \$366,000. 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.

Community Development Corporation Fund

The Community Development Corporation Fund is a special revenue fund type and its uses of sales tax revenues are restricted by State Law for community and economic development. The programs of the fund are administered by the Community Development Corporation Board appointed by the City Council.

The Community Development Corporation Fund also includes inter-fund transfer to the Debt Service Fund to provide 100% of the annual debt service payment requirements for the Series 2014 general obligation refunding bonds.

Street Improvements Sales Tax Fund

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.



SECTION IV

General Fund



GENERAL FUND

DEPARTMENTAL PROGRAM DESCRIPTION, GOALS, OBJECTIVES AND BUDGET

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

SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, & CHANGES IN FUND BALANCE FY 2021-2022

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
REVENUES				
Property Tax	\$ 5,618,121	\$ 5,500,000	\$ 5,500,000	\$ 6,410,000
Sales Tax	1,809,858	1,750,000	1,750,000	1,850,000
Franchise Taxes	565,405	350,000	350,000	490,000
Licenses and Permits	397,115	308,000	308,000	316,100
Fines and forfeitures	143,347	493,000	493,000	349,000
Intergovernmental	41,712	10,000	10,000	25,000
Building Rental Income	281,716	235,000	235,000	280,000
Civic Center Fees	80,707	180,000	180,000	150,000
Interest	32,487	70,000	70,000	5,000
Donations	1,750	3,000	3,000	3,000
Mineral rights leases/ royalties	18,614	10,000	10,000	10,000
Miscellaneous	122,005	32,500	32,500	58,000
TOTAL REVENUES	\$ 9,112,836	\$ 8,941,500	\$ 8,941,500	\$ 9,946,100
EXPENDITURES				
MAYOR AND COUNCIL				
Personnel	\$ -	\$ -	\$ -	\$ -
Materials and Supplies	2,406	2,600	2,600	4,400
Other Services	121,433	161,850	161,850	174,350
Travel and Training	34,705	25,000	25,000	40,000
TOTAL MAYOR AND COUNCIL	158,543	189,450	189,450	218,750
CITY SECRETARY				
Personnel	84,421	88,450	88,450	102,810
Materials and Supplies	4,335	3,900	3,900	3,300
Other Services	3,977	9,700	9,700	6,700
Travel and Training	455	2,000	2,000	1,000
TOTAL CITY SECRETARY	93,188	104,050	104,050	113,810
ADMINISTRATION				
Personnel	407,695	376,300	376,300	419,900
Materials and Supplies	3,888	7,200	7,200	5,800
Other Services	20,822	24,500	24,500	24,500
Travel and Training	3,234	5,500	5,500	18,000
TOTAL ADMINISTRATION	435,639	413,500	413,500	468,200
MUNICIPAL COURT				
Personnel	441,439	432,000	432,000	495,000
Materials and Supplies	4,986	10,500	10,500	7,300
Other Services	73,663	77,000	77,000	100,800
Travel and Training	976	4,000	4,000	4,000
TOTAL MUNICIPAL COURT	521,064	523,500	523,500	607,100
FINANCE				
Personnel	258,285	360,000	360,000	386,200
Materials and Supplies	9,974	8,400	8,400	9,500
Other Services	172,400	102,500	102,500	138,000
Travel and Training	3,893	5,000	5,000	5,000
TOTAL FINANCE	444,553	475,900	475,900	538,700
HR CIVIL SERVICE				
Personnel	116,193	116,550	116,550	125,850
Materials and Supplies	3,190	3,100	3,100	2,600
Other Services	28,811	25,300	25,300	26,000
Travel and Training	1,094	1,500	1,500	5,000
TOTAL HR CIVIL SERVICE	149,288	146,450	146,450	159,450

**SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, & CHANGES IN
FUND BALANCE
FY 2021-2022**

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Proposed 2021-22
PLANNING AND DEVELOPMENT				
Personnel	1,307	193,150	193,150	0
Materials and Supplies	1,994	6,200	6,200	7,300
Other Services	84,913	81,300	81,300	86,500
Travel and Training	0	1,300	1,300	1,000
TOTAL PLANNING AND DEVELOPMENT	88,214	281,950	281,950	94,800
PERMIT				
Personnel	\$85,532	98,200	98,200	129,200
Materials and Supplies	\$4,127	4,300.00	4,300	7,000
Other Services	\$134	200.00	200	0
Travel and Training	\$0	-	-	-
TOTAL PERMIT	89,792.17	102,700	102,700	136,200
CODE COMPLIANCE				
Personnel	\$116,807	112,800	112,800	118,700
Materials and Supplies	\$9,193	7,000	7,000	8,200
Other Services	\$6,171	6,200.00	6,200	6,500
Travel and Training	\$634	800.00	800	800
TOTAL CODE COMPLIANCE	\$132,804	126,800	126,800	134,200
PUBLIC WORKS: ADMINISTRATION				
Personnel	246,282	281,225	281,225	260,250
Materials and Supplies	36,238	79,700	79,700	74,700
Other Services	198,892	324,500	324,500	310,500
Travel and Training	\$0	1,000	1,000.00	0
TOTAL PUBLIC WORKS	481,412	686,425	686,425	645,450
POLICE DEPARTMENT: ADMIN & OPERATIONS				
Personnel	2,717,420	2,933,855	2,933,855	2,746,850
Materials and Supplies	250,691	257,750	257,750	238,700
Other Services	389,995	314,050	314,050	508,600
Travel and Training	30,012	26,000	26,000	27,000
TOTAL POLICE DEPARTMENT	3,388,118	3,531,655	3,531,655	3,521,150
POLICE DEPARTMENT: ANIMAL CONTROL				
Personnel	122,061	116,585	116,585	117,900
Materials and Supplies	3,479	10,050	10,050	8,500
Other Services	24,798	23,000	23,000	23,000
Travel and Training	374	600	600	1,000
TOTAL POLICE DEPT-ANIMAL CONTROL	150,712	150,235	150,235	150,400
FIRE DEPARTMENT				
Personnel	1,674,741	1,731,500	1,731,500	1,876,800
Materials and Supplies	43,766	70,500	70,500	87,800
Other Services	134,860	147,900	147,900	230,400
Travel and Training	6,106	11,500	11,500	23,000
TOTAL FIRE DEPARTMENT	1,859,474	1,961,400	1,961,400	2,218,000
GARAGE				
Personnel	77,888	84,650	84,650	93,275
Materials and Supplies	554	2,000	2,000	16,000
Other Services	177,730	154,200	154,200	176,200
Travel and Training	-	-	-	-
TOTAL GARAGE	256,172	240,850	240,850	285,475
BUILDING & GROUNDS				
Personnel	40,970	38,050	38,050	40,640
Materials and Supplies	32,608	28,200	28,200	47,050
Other Services	396,652	350,000	350,000	363,900
Travel and Training	-	-	-	-
TOTAL BUILDING & GROUNDS	470,231	416,250	416,250	451,590

**SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, & CHANGES IN FUND BALANCE
FY 2021-2022**

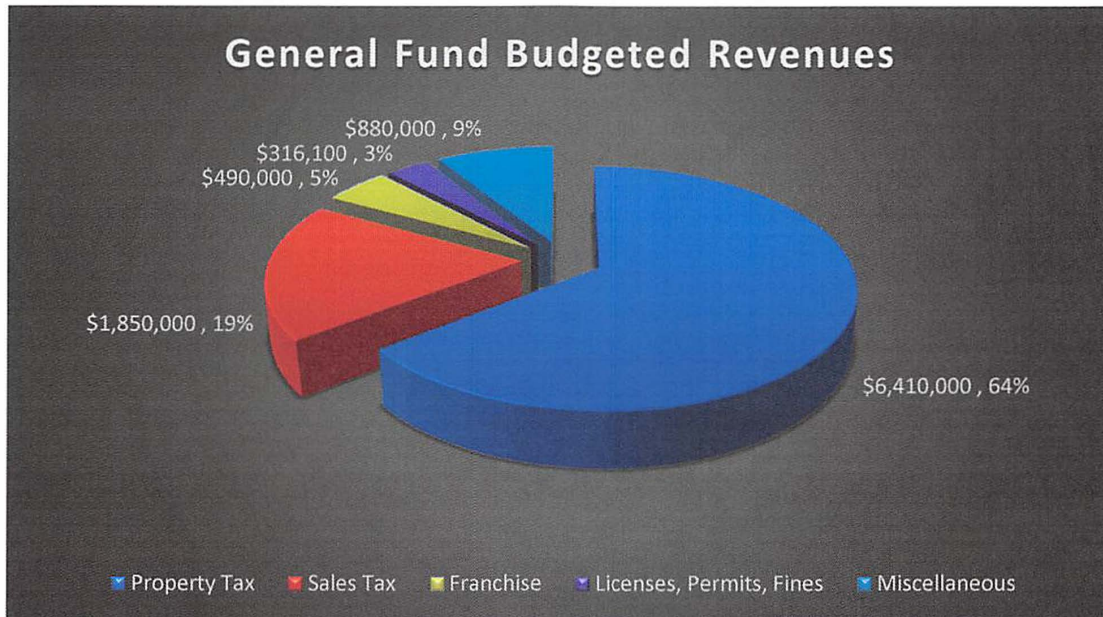
	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Proposed 2021-22
COMMUNITY DEVELOPMENT (CIVIC CENTER)				
Personnel	174,707	90,200	90,200	51,597
Materials and Supplies	627	1,100	1,100	1,100
Other Services	\$0	-	-	25,000
Travel and Training	99	350	350	450
TOTAL COMMUNITY DEVELOPMENT	175,432	91,650	91,650	78,147
NON DEPARTEMENTAL				
Personnel	5,182	77,500	77,500	87,000
Materials and Supplies	1,717	1,000	1,000	5,000
Other Services	359,654	779,500	779,500	918,500
Travel and Training	\$0	-	-	-
TOTAL NON DEPARTEMENTAL	366,552	858,000	858,000	1,010,500
TOTAL EXPENDITURES	\$ 9,261,190	\$ 10,300,765	\$ 10,300,765	\$ 10,831,922
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (148,354)	\$ (1,359,265)	\$ (1,359,265)	\$ (885,822)
OTHER FINANCING SOURCES (USES)				
TRANSFER FROM HOT FUND	\$ 64,000	\$ 65,000	\$ 65,000	\$ 65,000
TRANSFER FROM FHEDC FUND	100,000	150,000	150,000	150,000
TRANSFER FROM WWW FUND	500,000	500,000	500,000	500,000
TRANSFER FR COMM DEV CORP TO GENERAL FUND	-	-	-	-
TRANSFERS FROM JUVENILE CASE MGR FUND	2,494	3,500	3,500	3,500
TRANSFERS FROM MOTEL FUND	-	-	-	-
TRANSFERS FROM W&S UTILITY FUND	-	-	-	-
TRANSFERS FROM STREET IMPROVEMENT FUND	85,000	85,000	85,000	85,000
TRANSFERS FROM SANITATION FUND	62,000	65,000	65,000	65,000
TRANSFERS FROM STORM DRAINAGE FUND	40,000	40,000	40,000	40,000
TRANSFER TO MEMORIAL PARK FUND-99	(5,190)	(4,000)	(4,000)	(4,000)
TRANSFER TO STREET IMPROVEMENT FUND	(264,751)	(250,000)	(250,000)	(250,000)
SALE OF ASSETS PROCEEDS	-	-	-	-
CAPITAL LEASE PROCEEDS	-	-	-	-
INSURANCE PROCEEDS	-	-	-	-
NET TOTAL OTHER FINANCING SOURCES (USES)	\$ 583,553	\$ 654,500	\$ 654,500	\$ 654,500
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 435,199	\$ (704,765)	\$ (704,765)	\$ (231,322)
BEGINNING FUND BALANCE, OCTOBER 1	\$ 1,675,356	\$ 2,100,555	\$ 2,110,555	\$ 1,405,790
ENDING FUND BALANCE, SEPTEMBER 30	\$ 2,110,555	\$ 1,395,790	\$ 1,405,790	\$ 1,174,468
NUMBER OF DAYS IN RESERVE	83	49	50	40
EXPENDITURE PER DAY	25,373	28,221	28,221	29,676



FY 2021-2022 GENERAL FUND BUDGET

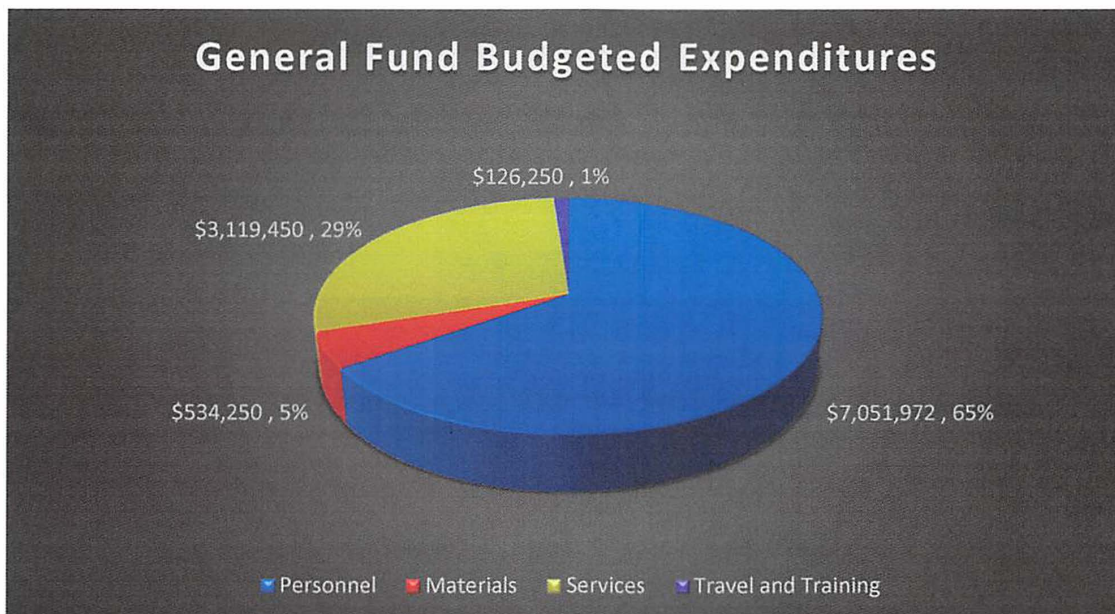
Revenue

The adopted general fund revenue for the City in FY 2022 is \$9,946,100. The following chart shows adopted revenues for each of the City's major operating funds.



Expenditures

The adopted general fund expenditure total for the City in FY 2022 is \$10,831,922. The following chart shows adopted expenditures for each of the City's major operating activities.





GENERAL FUND

MAYOR AND CITY COUNCIL
FUND/DEPARTMENT / PROGRAM: 01-01-00

Program Description

Forest Hill, a community incorporated on March 16, 1946, has a population of 13,000. The City of Forest Hill is primarily responsible for maintaining a safe, pleasant environment within the community 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 and a City Manager. The Mayor and the Council Members are elected at large.

The City meets in regular sessions at 7:00 p.m. on the 1st and 3rd Tuesday of each month.

Major Goals and Objectives Measured by Workload & Productivity Measure

- Goal 1: Enhance the quality of life in Forest Hill, Texas.
 - Objective 1: Continue to pursue recreational, cultural and aesthetic improvements in the community.
 - Objective 2: Provide funding of operational and capital expenditures for infrastructure improvements.
- Goal 2: Promote a positive environment for economic development in the community
 - Objective 1: Develop and support policies to encourage housing development
 - Objective 2: Develop and support policies to encourage commercial and industrial development.
- Goal 3: Address organizational issues with City government
 - Objective 1: Work to instill confidence in the integrity of City Government
 - Objective 1: Support development of a professional City Staff that can effectively and efficiently meet the needs of the community'

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Council Meetings	25	24	25	24
Work Sessions	6	2	6	2
Adopted Ordinances	27	24	27	24
PRODUCTIVITY MEASURES				
Improve Municipal Services	Yes	Yes	Yes	Yes
Improve Aesthetics of the City	Yes	Yes	Yes	Yes
New Business Added to Tax Roll	Yes	Yes	Yes	Yes
EXPENDITURE SUMMARY				
Personnel	\$ -	\$ 310	\$ 500	\$ -
Materials and Supplies	4,900	2,109	3,100	4,400
Other Services	156,050	123,321	160,850	174,350
Travel & Training	35,000	32,777	25,000	40,000
Total	195,950	158,517	188,950	218,750



CITY SECRETARY

FUND/ DEPARTMENT/ PROGRAM: 01-02-00

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,, including minutes, ordinances resolutions, contracts, deeds, and easements. The City Secretary serves as chief election official for all municipal elections. The department has primary responsibility for coordination a Records Management Program. The department provides clerical assistance to other departments through the Central Secretary position. Also, the City Secretary office acts as a public information center to visitors and guests upon entering the City Hall.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Provide City Council Agenda packets on a timely basis
- Goal 2: Post all necessary and required public notices on a timely basis
- Goal 3: Accurately record City Council minutes and submit for approval at the next City Council meeting
 - Objective 1: Prepare City Council minutes within seven (7) working days
 - Objective 2: Index and file official documents within two (2) weeks of final action.
- Goal 4: Administer City elections in full compliance of the City Charter and the Texas Election Code
- Goal 5: Provide timely response (within 10 days) to official public information requests.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Prepare and post City Council Agenda	27	25	24	24
Prepare Council Packets	27	25	24	24
Attend Council Meeting	27	25	24	24
Prepare Council Minutes	27	25	24	24
Administer Elections	2	2	2	2
Public Information Requests	272	205	250	250
PRODUCTIVITY MEASURES				
Approved Council Minutes	34	27	25	24
Percent of Public Information Request Completed	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel	42,136	68,984	85,994	102,810
Materials and Supplies	3,640	5,500	1,278	3,300
Other Services	5,353	9,200	2,931	6,700
Travel & Training	2,209	1,000	496	1,000
Total	53,338	84,684	90,699	113,810



ADMINISTRATION / CITY MANAGER

FUND/ DEPARTMENT/ PROGRAM: 01-03-00

Program Description

The City Manager is the Chief Executive Officer of the City. It is his duty, under the City Charter, to execute and implement policies as established by the City Council. He 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.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Enhance the quality of life in Forest Hill, Texas.
 - Objective 1: Continue to pursue recreational, cultural and aesthetic improvements in the City.
 - Objective 2: Provide funding of operational and capital expenditures for street improvements.

- Goal 2: Promote a positive environment for economic development in the community.
 - Objective 1: Support policies to encourage housing community development
 - Objective 2: Support policies to encourage commercial and industrial development.

- Goal 3: Address organizational issues with City government.
 - Objective 1: Develop policies, procedures and practices that promote high ethical
 - Objective 2: Implement training for effective customer service and instill confidence in the integrity of City Government
 - Objective 3: Hire and /or develop a staff that sets the highest professional standards for themselves and the organization.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Present Master Plan for Adoption and Update	Yes	Yes	Yes	Yes
Conduct Strategy Planning	Yes	Yes	Yes	Yes
Prepare Annual Operating Budget	Yes	Yes	Yes	Yes
Prepare Capital Projects Budget	Yes	Yes	Yes	Yes
Develop Ethics Policy for Adoption	Yes	Yes	Yes	Yes
PRODUCTIVITY MEASURES				
Improve Municipal Services	Yes	Yes	Yes	Yes
Address Organizational Issues	Yes	Yes	Yes	Yes
Improve Aesthetics of the City	Yes	Yes	Yes	Yes
Increase Business in the City	Yes	Yes	Yes	Yes
EXPENDITURE SUMMARY				
Personnel	356,928	414,936	381,800	419,900
Materials and Supplies	6,950	3,972	7,300	5,800
Other Services	24,500	22,030	19,000	24,500
Travel & Training	18,000	11,736	13,500	18,000
Total	406,378	452,674	496,609	468,200



MUNICIPAL COURT

FUND/ DEPARTMENT/ PROGRAM: 01-05-00

Program Description

Enhance safety and security in Forest Hill and improve the quality of life within the City

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Increase collection rate at the Municipal Court
 - Objective 1: Process citations daily.
 - Objective 2: Mail reminders and collection notices daily.
 - Objective 3: Call all defendants when their case becomes past due.
 - Objective 4: Issue Warrants and capias pro fine warrants timely.
 - Objective 5: Mail post warrant cards immediately when warrants are issued.
 - Objective 6: Participate in the Great Texas Warrant Round Up.
 - Objective 7: Warrant Collection Clerks to attend training with an emphasis on traffic citation

- Goal 2: Obtain and maintain Court Clerk Certifications
 - Objective 1: Maintain Court Administrator Level 3 Certification. Complete 20 hours of Municipal
 - Objective 2: Court continuing education and attend Legislative Update in Austin.
 - Objective 3: Deputy Court Clerk/JCM - Obtain Level 2 Certification by taking and passing the Level 2 exam and complete 12 hours of Municipal Court continuing education.
 - Objective 4: Part Time Court Clerk to obtain Level 2 Certification by taking and passing the Level 2 exam and complete 12 hours of Municipal Court continuing education.
 - Objective 5: Complete 12 hours of Municipal Court continuing education.

- Goal 3: Update Municipal Court Software to more effectively and efficiently process and maintain Municipal Court Records
 - Objective 1: Purchase a new server and coordinate software upgrade
 - Objective 2: Train Municipal Court Staff on the new process with the upgrades

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Court Dockets Prepared	180	173	196	196
Number of Cases Filed	6000	6077	6000	6000
Warrants issued	5000	5915	5000	5000
Number of Warrants Recalled / Served	6000	6085	6000	6000
PRODUCTIVITY MEASURES				
Court Administered in Compliance w State Status	Yes	Yes	Yes	Yes
Professional Certifications Maintained	3	3	3	3
EXPENDITURE SUMMARY				
Personnel	446,738	460,939	432,000	495,000
Materials and Supplies	12,100	11,956	9,500	7,300
Other Services	132,850	61,598	78,000	100,800
Travel & Training	7,000	2,102	6,000	4,000
Total	598,688	536,595	541,149	607,100



FINANCE

FUND/ DEPARTMENT/ PROGRAM: 01-06-00

Program Description

The Finance Department is responsible for coordinating and maintaining comprehensive management of 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.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Provide accurate and timely financial reporting
 - Objective 1: Monitor and report the budgetary status of all revenues and expenditures monthly and throughout the fiscal year.
 - Objective 2: Monitor and maintain a chart of accounts, general ledger and financial management system for the timely recording of receipts and disbursements with reports distributed in a timely manner, to include processing of payroll and accounts payable on scheduled basis.
- Goal 2: Continue to improve annual audit and budget preparation processes
 - Objective 1: Coordinate annual audit for completion of the annual financial report within 120 days of fiscal year end.
 - Objective 2: Prepare budget draft and file with City Secretary for public access within 30 days of budget hearing before budget adoption.
- Goal 3: Meet budgetary awards program criteria outlined by the Government Finance Officers Association (GFOA).

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Payrolls Processed	26	26	26	26
Monthly Financial Reports to City Manager	12	12	12	12
Annual Financial Reports Issued	Yes	Yes	Yes	Yes
Annual Budget Document Prepared	Yes	Yes	Yes	Yes
PRODUCTIVITY MEASURES				
Percent of Payrolls Process on Time	100%	100%	100%	100%
Annual Audited Financial Report issued by	Yes	Yes	Yes	Yes
Prepare Budget Submission to the GFOA Program	Yes	Yes	Yes	Yes
EXPENDITURE SUMMARY				
Personnel	315,474	263,313	360,000	386,200
Materials and Supplies	6,500	10,340	8,400	9,500
Other Services	102,000	165,374	102,500	138,000
Travel & Training	9,500	3,659	5,000	5,000
Total	433,474	442,686	460,113	538,700



HUMAN RESOURCES & CIVIL SERVICE

FUND/ DEPARTMENT/ PROGRAM: 01-07-00

Program Description

The Human Resources & Civil Service program administer 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 so that they comply with Federal and State laws governing municipal employment practices.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Continue to attract and retain qualified employees by posting job announcements and advertising in local newspaper & appropriate trade publications.
- Goal 2: Administer employee benefits programs.
 - Objective 1: Enroll new employees and process employee benefit changes in a timely manner.
 - Objective 2: Liaison with employee benefits carriers and administrators.
- Goal 3: Maintain employee compensation schedules and update employee compensation and job classification changes as they occur.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Full Time Equivalent Employees	105	94	90	94
Number of Positions Posted	15	10	4	8
PRODUCTIVITY MEASURES				
Full Time Employee Turnover Rate	20%	3%	32.5%	15%
% of Job Announcements Posted Within Three Days	100%	100%	100%	100%
% of Workers Compensation Claims Filed Within Three Days	100%	100%	100%	100%
Changes Processed Correctly	100%	100%	100%	100%
% of Rate Increase Given Timely	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel	109,760	115,585	116,650	125,850
Materials and Supplies	8,050	3,105	3,100	\
Other Services	17,000	29,391	25,200	26,000
Travel & Training	4,500	1,475	1,500	5,000
Total	<u>139,310</u>	<u>149,556</u>	<u>157,350</u>	<u>156,850</u>



PLANNING / ZONING

FUND/ DEPARTMENT/ PROGRAM: 01-09-08

Program Description

Provide community growth opportunities and quality of life improvements within the City through the enforcement of Planning and Zoning Ordinances and Subdivision

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Update Zoning Ordinances
 - Objective 1: Conduct research and
 - Objective 2: Present completed document to the Planning and Zoning Commission and City Council for review and approval.
- Goal 2: Update Filing System to an electronic city-wide address system
 - Objective 1: Combine all permits, code violations and zoning cases in one central location.
 - Objective 2: Scan all files electronically and utilize iWorQ Software System to manage files and eliminate the need for filing cabinets.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Zone Changes Permits	0	4	2	2
Number of Specific Use	1	3	2	1
Number of Plats	4	5	4	5
Number of New Ordinances and Uses	2	3	0	2
Number of Meetings	4	5	5	6
PRODUCTIVITY MEASURES				
Number of Zoning Cases Presented	7	7	9	8
EXPENDITURE SUMMARY				
Personnel	91,121	1,426	193,150	0
Materials and Supplies	8,400	1,597	6,200	7,300
Other Services	88,800	74,425	80,300	86,500
Travel & Training	2,500	578	2,300	1,000
Total	190,821	78,026	84,288	94,800



BUILDING PERMITS

FUND/ DEPARTMENT/ PROGRAM: 01-25-00

Program Description

The Building Permits / Inspection Department reviews major codes and make recommendations to the respective boards which oversee them. This includes administering permits, record keeping, legal issues, and zoning applications.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Continue to ensure that permit and inspection fees are calculated properly and communicate City codes and ordinances to the public.
- Goal 2: Maintain certification and continuing professional education to provide the best service possible to the community by maintaining ICC certifications in Residential Building Inspector, Residential Plumbing Inspector, Residential Plans Examiner, and Residential Electrical Inspector through in-house employees or outside inspection contractor.
- Goal 3: Maintain MS4 (Storm Water Management Handbook)
 - Objective 1: Analyze existing schedule of permit fees and make appropriate recommendations for program funding.
 - Objective 2: Research and recommend Storm Water outreach program.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Permits Issued	2435	820	2200	2000
Number of Inspections Performed	2131	1350	1460	2000
Number of Citizen Requests	300	300	300	300
Building Codes and Ordinances Reviews	5	5	5	5
PRODUCTIVITY MEASURES				
Certificates Obtained and Maintained	10	10	10	10
EXPENDITURE SUMMARY				
Personnel	98,807	85,916	98,200	129,200
Materials and Supplies		4,459	4,300	7,000
Other Services		146	200	-
Travel & Training			-	-
Total	98,807	90,521	102,700	136,200



CODE COMPLIANCE

FUND/ DEPARTMENT/ PROGRAM: 01-09-14

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.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Continue to build working relationships with elected city officials, residents and businesses.
 Objective 1: Respond to citizens' complaints and/ or concerns in a timely manner.
 Objective 2: Communicate city codes and ordinances concerning health, safety, welfare and quality of life to the public.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
General Violations issued (high weeds, Trash, Junk, Vehicles, Solid Waster, Parking in Yard, Animal, Garage Sale, Failure to obtain Permit, Dump Sites, etc.)	757	750	750	750
Zoning Violaztions (Substandard Building, Watering, Sign, Tires, Fences, Reinspections)	446	450	450	450
Citations Issued	4	5	4	4
PRODUCTIVITY MEASURES				
Demolished Structures (City Beautification)	3	4	4	4
EXPENDITURE SUMMARY				
Personnel	89,861	115,482	112,800	118,700
Materials and Supplies		10,376	8,700	8,200
Other Services	1,200	4,348	4,500	6,500
Travel & Training		692	800	800
Total	<u>91,061</u>	<u>130,898</u>	<u>126,800</u>	<u>134,200</u>



PUBLIC WORKS / ADMINISTRATION

FUND/ DEPARTMENT/ PROGRAM: 01-09-14

Program Description

Public Works Administration provides the direction and guidance concerning street maintenance, water treatment and distribution and wastewater collection, storm sewer systems maintenance, park & recreation facilities maintenance, and fleet maintenance. Street maintenance includes sweeping, patching, rebuilding, curbing, and guttering

Major Goals and Objectives Measured by Workload & Productivity Measures

Goal 1: Public Works Administration provides the direction and guidance concerning street maintenance, water treatment and distribution and wastewater collection, storm sewer systems maintenance, park & recreation facilities maintenance, and fleet maintenance. Street maintenance includes sweeping, patching, rebuilding, curbing, and guttering.

Objective: Establish a schedule for improvement for Capital Improvement Projects (CIP).

Objective: Develop and maintain a schedule for training for all municipal services.

Goal 2: Provide all maintenance and repair to the roadway, waterlines, and municipal parks.

Goal 3: Maintain City infrastructure in good working order to maximize useful life and minimize emergency repairs.

Goal 4: Perform scheduled maintenance and upkeep to maintain parks in safe, presentable and good working order for the citizen's use and enjoyment.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Capital Improvement Projects Administered	10	9	10	5
Number of Employee Certifications	8	13	14	7
Number of Infrastructure Repairs/Maintenance Project	5200	5250	5500	6500
Number of Street Repairs/Maintenance Project	10	10	10	7
Number of Citizen Street Requests	1100	1200	1200	1400
Number of Parks Mowed & Maintained	9	9	9	7
PRODUCTIVITY MEASURES				
Capital Improvements Program Adopted/ Maintained	2	1	2	2
Annual Certifications Obtained and Maintained	18	17	18	7
Decrease in Street System Repairs	10	10	10	10
Enhancements to Aesthetic Appearance & Safety to city Parks	2500	2600	2700	2700
EXPENDITURE SUMMARY				
Personnel	222,613	239,923	282,225	260,250
Materials and Supplies	319,750	167,381	287,200	74,700
Other Services	150,000	71,581	116,000	310,500
Travel & Training	2,500	-	1,000	-
Total	<u>694,863</u>	<u>478,885</u>	<u>686,425</u>	<u>645,450</u>



POLICE DEPARTMENT

FUND/ DEPARTMENT/ PROGRAM: 01-16-15 and 01-16-16

Program Description

The Police Department is organized into three (3) inter-related bureaus responsible for preserving human life, maintaining public order, protecting the rights of persons and property, and enforcing the applicable laws and ordinances within the City and making the City a better place to live, work and play.

Police Administration provides overall leadership and direction and is responsible for the promulgation of policies and procedures that govern the operations and personnel activities of the entire department. Administration has defined a philosophical course of action towards professional community oriented policing services. Police Operations handles the daily operations of the department to include incoming emergency and non-emergency calls, traffic enforcement, patrol, identification and apprehension of criminal offenders, administration of the jail, maintenance of the property room, and maintaining positive relations with the community. Police Other Operations include Animal Control and Information Technology, both of which are budgeted separately.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Maintain and enhance public safety through a comprehensive and well-coordinated program of community oriented policing services and professional police management.
- Objective 1: Ensure that officers and dispatchers are provided appropriate training opportunities to remain in compliance with TCLEOSE minimum requirements.
- Goal 2: Provide quality police services that will ensure safe and efficient traffic control; identification and apprehension of criminal offenders; and positive police community relations.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Employee Certifications	8	8	8	8
Number of Community Programs	5	5	5	5
Number of Citizen Calls	10088	8000	19795	22000
Number of Traffic Citations	5252	5000	2300	2500
Number of Arrests	626	500	450	500
PRODUCTIVITY MEASURES				
Employee Certifications Obtained				
EXPENDITURE SUMMARY				
Personnel	2,717,420	2,933,855	2,933,855	2,746,850
Materials and Supplies	250,691	257,750	257,750	238,700
Other Services	389,995	314,050	314,050	508,600
Travel & Training	30,012	26,000	26,000	27,000
Total	<u>3,388,118</u>	<u>3,531,655</u>	<u>518,270</u>	<u>3,521,150</u>



ANIMAL CONTROL

FUND/ DEPARTMENT/ PROGRAM: 01-16-18

Program Description

Animal Control is part of the Police Department and is responsible for public safety, health and humane treatment of stray pets and wildlife.

Major Goals and Objectives Measured by Workload & Productivity Measures

Goal 1: Ensure that stray pets and wildlife are humanly taken care of in accordance with guidelines and procedures.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Citizen Calls	1058	800	1200	1200
Number of Stray Animals Captures	421	600	350	350
EXPENDITURE SUMMARY				
Personnel	122,061	116,585	117,900	117,900
Materials and Supplies	3,479	10,050	8,500	8,500
Other Services	24,798	23,000	23,000	23,000
Travel & Training	374	600	1,000	1,000
Total	<u>150,712</u>	<u>150,235</u>	<u>150,400</u>	<u>150,400</u>



FIRE DEPARTMENT / ADMINISTRATION

FUND/ DEPARTMENT/ PROGRAM: 01-20-20 and 01-20-21

Program Description

The Fire Department is responsible for saving lives through emergency management and protecting the property of citizens through fire protection efforts and fire prevention education of the public.

Fire Administration provides overall leadership and direction and is responsible for the promulgation of policies and procedures that govern the operations and personnel activities of the entire Fire Department and also serves as the Emergency Management Contact for the City.

Fire Operations engages in fire suppression, fire safety inspections, fire hydrant maintenance, and answering complaints for the prevention and correction of fire hazards within the City and making the City a better place to live, work and play.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Continue to conduct an effective fire safety program by developing a continuing education program of materials and literature to pass out to the public.
- Goal 2: Meet State of Texas continuing education requirements by ensuring that all Firefighters / Emergency Medical Technicians (EMT's) up to date on required training hours in compliance with State of Texas requirements.
- Goal 3: Provide quality fire protection services and continue annual inspections of all commercial buildings within the City.
- Goal 4: Respond to fire suppression calls in an efficient manner by meeting the industry standards for response times.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Policies and Procedures Written	5	7	10	10
Public Education Hours	190	203	220	220
Number of Fire Calls	1200	1200	1200	1300
Number of Fire Inspections	250	250	250	250
Number of Fire Suppression Responses	85	90	90	90
Number of EMS Calls	2000	2000	2000	2100
PRODUCTIVITY MEASURES				
Improved Fire Safety Rating	3	3	3	3
Number of EMT Certifications Maintained	16	16	16	16
Fires Response Time in Min: Sec (exclusive of time In & Out of Station)	6	5	5	5
EXPENDITURE SUMMARY				
Personnel	1,550,335	1,634,936	1,733,700	1,876,800
Materials and Supplies	166,485	154,111	198,000	87,800
Other Services	14,700	11,809	18,200	230,400
Travel & Training	6,500	6,661	11,500	23,000
Total	1,738,020	1,807,517	1,961,400	2,218,000



GARAGE

FUND/ DEPARTMENT/ PROGRAM: 01-24-20

Program Description

The City Garage is responsible for the ongoing maintenance and repairs of vehicles and equipment utilized in City operations.

Major Goals and Objectives Measured by Workload & Productivity Measures

Goal 1: Perform scheduled maintenance and needed repairs in order to minimize down time and maximize the useful life of City vehicles and equipment.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Fleet Vehicles / Equipment Maintained	150	150	150	150
PRODUCTIVITY MEASURES				
% of Vehicles Maintained Per Manufacture's Schedule	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel	78,275	75,066	84,650	93,275
Materials and Supplies	237,100	166,137	146,000	16,000
Other Services	12,000	91	10,200	176,200
Travel & Training	-		-	-
Total	327,375	241,294	240,850	285,475



BUILDINGS AND GROUNDS

FUND/ DEPARTMENT/ PROGRAM: 01-30-20

Program Description

Buildings and Grounds includes ongoing maintenance, supplies and utilities for physical facilities owned and operated by the City including: Administration Building (01), Community Center (02), Senior Center (03), Civic Center (04), Public Works Building (11), Police Station (16), Fire Station (20) and Police and Fire Substation(23).

Major Goals and Objectives Measured by Workload & Productivity Measures

Goal 1: Minimize wear and tear to City facilities maintaining city facilities in good condition and providing supplies and utilities for facilities operations and maintenance.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Buildings Maintained	8	8	8	11
PRODUCTIVITY MEASURES				
% of Buildings in Operation	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel	40,674	42,224	38,050	40,640
Materials and Supplies	36,550	31,116	40,200	47,050
Other Services	345,350	350,768	338,000	363,900
Travel & Training	-	-	-	-
Total	<u>422,574</u>	<u>424,108</u>	<u>416,250</u>	<u>451,590</u>



CIVIC & CONVENTION CENTER

FUND/ DEPARTMENT/ PROGRAM: 01-40-00

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.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Work with hotels located within the city limits and obtain marketing literature to be used in packets distributed to clients and potential clients of the Civic Center
 - Objective 1: Meet with all hotel operators at least once every two years
 - Objective 2: Collect marketing literature and incorporate it into marketing materials

- Goal 2: Host at least six city events within the city each year
 - Objective 1: Assist with MLK day parade (January) and local Veterans events (generally May & November).
 - Objective 2: Coordinate events at the Civic Center for National Night Out (October), Tree Lighting (November/December), Black History Month (February), Hispanic Heritage (October).

- Goal 3: Ensure funds are transferred to the General Fund for support received by reviewing monthly financial statements and work with finance to ensure accounting is proper.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Hotel Meetings	6	6	6	6
# of Printed Marketing Brochures	250	250	250	250
PRODUCTIVITY MEASURES				
# of Events Hosted	300	100	295	250
# of City Events Hosted	6	6	9	10
EXPENDITURE SUMMARY				
Personnel	186,177	173,886	90,200	51,597
Materials and Supplies	1,100	684	1,100	1,100
Other Services	-		-	25,000
Travel & Training	350	108	350	450
Total	<u>187,627</u>	<u>174,678</u>	<u>91,650</u>	<u>78,147</u>



GENERAL FUND / NON-DEPARTMENT

FUND/ DEPARTMENT/ PROGRAM: 01-90-00

Program Description

This program provides non-departmental specific services supporting General Fund operations including copier leases and printing supplies, unemployment insurance, property and liability insurance, capital lease principal and interest, and Information Technology Services.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Provide General Fund departments with property and liability and workers compensation insurance coverage.
- Goal 2: Provide General Fund departments with operating leases for minor equipment and office machines.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Insurance Policies	18	18	18	18
Number of Equipment Leases	24	25	25	25
PRODUCTIVITY MEASURES				
% of Coverage for Property Loss	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel	75,000	5,608	77,500	87,000
Materials and Supplies	7,500	8,900	9,000	5,000
Other Services	659,436	355,842	771,500	922,500
Travel & Training	-	-	-	-
Total	741,936	370,350	858,000	1,014,500



SECTION V

Special Revenue Fund

SPECIAL REVENUE

Special Revenue

Special Revenue Funds are used to account for specific revenues that are legally restricted 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.

Juvenile Case Manager Fund

The Juvenile Case Manager Fund accounts for the portion of fines for traffic violations that are restricted by State Law to be used to finance the salary and benefits of a juvenile case manager.

Municipal Court Technology Fund

The Municipal Court Technology Fund accounts for the portion of fines for traffic violations that are restricted by State Law to be used for Municipal Court technology.

Municipal Court Safety Fund

The Municipal Court Safety Fund accounts for the portion of fines for traffic violations that are restricted by State Law to be used for Municipal Court security.

Motel Tax Fund

The Motel Tax Fund accounts for the motel taxes collected from hotels and motels located in the City of Forest Hill. Motel taxes are restricted for use for the promotion of tourism and economic development in the City.

Park & Recreation

The Park Fund accounts for donations for park improvements.

Police Special Investment Fund

The Police Community Relations Fund accounts for donations and community programs and activities for crime awareness and prevention.

Police Community Relations Fund

The police Community Relations Fund accounts for donations and community programs and activities for crime awareness and prevention.



SPECIAL FUNDS - COURT FUNDS
Summary of Revenues, Expenditures, Other Financing Sources and Uses & Changes in Fund Balances

	Juvenile Case Manager Fund (04)			Municipal Court Technology Fund (05)			Municipal Court Safety Fund (06)		
	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022
Revenues									
Fines and forfeitures	7,319	15,000	8,000	5,885	10,000	1,000	-	-	-
Miscellaneous	1,644	1,000	200	0	500	0	5,049	10,000	8,000
Interest Income				416	0	0	1,598	1,000	100
Total Revenue	<u>8,963</u>	<u>16,000</u>	<u>8,200</u>	<u>6,301</u>	<u>10,500</u>	<u>1,000</u>	<u>6,647</u>	<u>11,000</u>	<u>8,100</u>
Other Financing Sources									
Interfund transfer in									
Subtotal Other Financing Sources									
Total Revenue	<u>\$ 8,963</u>	<u>\$ 16,000</u>	<u>\$ 8,200</u>	<u>\$ 6,301</u>	<u>\$ 10,500</u>	<u>\$ 1,000</u>	<u>\$ 6,647</u>	<u>\$ 11,000</u>	<u>\$ 8,100</u>
Expenditures									
Personnel				0	0	0	0	0	0
Materials/ minor equipment/ supplies				0	15,000	13,500	0	2,500	2,500
Contractual Services				4,475	15,000	15,000	0	0	0
Travel and training				0	0	0	0	2,500	2,500
Sub Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,475</u>	<u>\$ 30,000</u>	<u>\$ 28,500</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Other Financing Uses:									
Interfund transfers out	2,494	3,500	3,500						
Subtotal Other Financing Sources	<u>\$ 2,494</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u># \$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 2,494</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 4,475</u>	<u># \$ 30,000</u>	<u>\$ 28,500</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u># \$ 5,000</u>
Net Increase (Decrease) in Fund Balance	\$ 6,469	\$ 12,500	\$ 4,700	\$ 1,826	\$ (19,500)	\$ (27,500)	\$ 6,647	\$ 6,000	\$ 3,100
Beginning Budgetary Fund Balance	\$ 110,255	\$ 116,724	\$ 129,224	\$ 31,436	\$ 33,262	\$ 13,762	\$ 117,915	\$ 124,562	\$ 130,562
Ending Budgetary Fund Balance	<u>\$ 116,724</u>	<u>\$ 129,224</u>	<u>\$ 133,924</u>	<u>\$ 33,262</u>	<u># \$ 13,762</u>	<u>\$ (13,738)</u>	<u>\$ 124,562</u>	<u>\$ 130,562</u>	<u># \$ 133,662</u>



SPECIAL FUNDS - HOTEL, PARK, MEMORIAL PARK AND POLICE FUNDS
Summary of Revenues, Expenditures, Other Financing Sources and Uses & Changes in Fund Balances

	Hotel Tax Fund (10)			Park Fund (14) & Memorial Park (98)			Police Special Funds (21, 22, 23,24 & 28)		
	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022
Revenues									
Motel/ Hotel Tax	440,463	400,000	300,000						
Park Rental/ Usage Revenue				390	1,000	1,000			
Fines and forfeitures									
Intergovernmental Rev							4,942	3,000	3,000
Miscellaneous	12								
Interest Income	38,044	35,000	4,000	3,506	2,000	2,000	109	300	300
Total Revenue	478,519	435,000	304,000	3,896	3,000	3,000	5,051	3,300	3,300
Expenditures									
Personnel								2,500	
Materials/ minor equipment/ supplies				9,391	9,600	12,000			
Contractual Services				1,004	1,200	1,200			
Miscellaneous				2,536	2,200	2,500			
Capital Outlay		46,000			7,000	10,000			
Sub - Total Expenditures	-	46,000	-	12,931	20,000	25,700	-	2,500	-
Other Financing Uses:									
Interfund transfers out	65,000	65,000	65,000						
Subtotal Other Financing Sources	65,000	65,000	65,000	-	-	-	-	-	-
Total Expenditures	65,000	111,000	65,000	12,931	20,000	25,700	-	2,500	-
Net Increase (Decrease) in Fund Balance	413,519	324,000	239,000	(9,035)	(17,000)	(22,700)	5,051	800	3,300
Beginning Budgetary Fund Balance	3,012,798	3,426,317	3,750,317	270,393	261,358	244,358	37,240	42,291	43,091
Ending Budgetary Fund Balance	3,426,317	3,750,317	3,989,317	261,358	244,358	221,658	42,291	43,091	46,391

FORM FIGURES ARE FROM VISION FILE - OTHER REV& EXP (NO ENTERPRISE)



COMMUNITY DEVELOPMENT CORPORATION FUND

FUND/ DEPARTMENT/ PROGRAM: 49-09-00

Program Description

This program provides opportunity for growth and improving the quality of life within the City through the initiation of various economic development programs.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Develop a plan to promote positive economic development.
 - Objective 1: Strengthen relationships with existing business.
 - Objective 2: Build and strengthen relationships with new business.
 - Objective 3: Develop avenues for marketing and promoting the City to retailers, real estate companies and developers.
 - Objective 4: Develop avenues for marketing and promoting City businesses.
 - Objective 5: Foster relationship with local Chamber for City and businesses.

- Goal 2: Promote community spirit by fostering an environment which creates and maintains identifiable retail/ business districts and city neighborhoods.
 - Objective 1: Provide technical quantifiable support to various boards, commissions, business owners, retailers and developers by ensuring that zoning and land-use development standards are maintained in order to prevent deterioration.

 - Objective 2: Provide compatibility of all zoning and land-use related activities.

 - Objective 3: Promote urban design features for quality development through master planning efforts and coordinate development programs by promoting public pride for business and housing development, recreation, thoroughfare improvements and utilities.

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of New Businesses	5	5	8	4
Assisting businesses with Zoning Plans & Issues	40	20	40	40
Marketing updates	25	50	25	25
Updates to Economic Development Pages on City Website	20	20	20	20
EXPENDITURE SUMMARY				
Personnel			133,370	142,300
Materials and Supplies	2,950	1,638	12,000	9,750
Other Services	59,300	3,780	65,000	349,930
Travel & Training	30,000	2,432	33,000	-
Total	92,250	7,850	243,370	501,980



COMMUNITY DEVELOPMENT CORPORATION FUND (49)

	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022
Revenues			
Charges for Services			
Sales Tax	740,825	740,000	900,000
Donations			
Interest Income	23,760	20,000	2,000
Miscellaneous			
Total Revenue	764,585	760,000	902,000
Expenditures			
Personnel	-	133,370	142,300
Materials/ minor equipment/ supplies	1,638	12,000	9,750
Contractual Services	3,780	65,000	79,300
Travel and training	2,432	33,000	-
Sub Total Expenditures	\$ 7,850	\$ 243,370	\$ 231,350
Other Financing Sources (Uses):			
Transfer for Debt Service	\$ 156,411	\$ 170,630	\$ 170,630
Interfund transfers out	\$ 91,667	\$ 150,000	\$ 100,000
Subtotal Other Financing Sources	\$ 248,078	\$ 320,630	\$ 270,630
Total Expenditures	\$ 255,928	\$ 564,000	\$ 501,980
Net Increase (Decrease) in Fund Balance	\$ 508,657	\$ 196,000	\$ 400,020
Beginning Budgetary Fund Balance	\$ 1,900,578	\$ 2,409,235	\$ 2,605,235
Ending Budgetary Fund Balance	\$ 2,409,235	\$ 2,605,235	\$ 3,005,255



SECTION VI

Debt Service Fund



DEBT SERVICE FUND (30)

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.

Ad Valorem Tax Rate

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes.

The I&S portion of the voter-approval ad valorem tax rate for 2021-2022 is 0.115601 per \$100 of assessed valuation, or 11.6% of the total adopted tax rate of 1.047386 per \$100 valuation.

Debt Series and Funding Commitments

Funding percentage commitments for outstanding debt series are as follows:

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%
2011 General Obligation Refunding	57%	0%	43%
2014 General Obligation Refunding	0%	100%	0%

Debt Service Appropriations

Appropriations for the Debt Service Fund are adopted on an annual basis as part of the annual operating budget.



DEBT SERVICE FUND SUMMARY

	Actual 2019-2020	Budget 2019-2020	Estimate 2020-2021	Adopted 2021-2022
Revenue				
Taxes	500,190	511,683	575,000	565,000
Interest Income	10,000	10,461	13,000	500
Total Revenues	<u>510,190</u>	<u>522,144</u>	<u>588,000</u>	<u>565,500</u>
Expenditures				
Bond Principals	556,700	611,633	568,800	567,500
Interest and other Charges	119,120	64,156	100,552	100,000
Agent Fees	1,400	1,400	1,400	1,500
Total Expenditures	<u>677,220</u>	<u>677,189</u>	<u>670,752</u>	<u>669,000</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(167,030)</u>	<u>(155,045)</u>	<u>(82,752)</u>	<u>(103,500)</u>
Other Financing Sources (Uses)				
Deferred Inflow				
Transfer from Fund-49	170,630	156,411	170,630	170,000
Transfer to Fund-60				
Development Corp				
Net Total Other Financing Sources (Uses)	<u>170,630</u>	<u>156,411</u>	<u>170,630</u>	<u>170,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses for Fiscal Year End	<u>3,600</u>	<u>1,366</u>	<u>87,878</u>	<u>66,500</u>
Beginning Unearned Fund Balance, October 1	464,765	668,107	468,365	556,243
Ending Unearned Fund Balance, September 30	<u>468,365</u>	<u>669,473</u>	<u>556,243</u>	<u>622,743</u>

DEBT SERVICE FUND

For the Fiscal Year Beginning October 01, 2021

Annual Debt Service Funding Sources

Fiscal Year	Utility Fund	Community Development Fund (Sales Tax)	Debt Service Fund (I&S Ad Valorem Taxes)	Total
2021	\$ 146,050	\$ 181,800	\$ 518,647	\$ 846,497
2022	146,157	175,200	516,575	837,932
2023	72,014	168,600	420,459	661,073
2024	-	176,588	316,544	493,132
2025	-	178,938	312,468	491,406
2026	-	-	307,770	307,770
2027	-	-	302,658	302,658
Total	\$ 364,221	\$ 881,126	\$ 2,695,121	\$ 3,940,468

- Note:**
- ◊ Funded from the I&S Ad Valorem Tax Levy (100%)
 - ◊ Funded from the Utility Fund (42.67%) and the I&S Ad Valorem Tax Levy (57.33%)
 - ◊ Funded from the Community Development Corporation Sales Tax (100%)

Annual Debt Requirements by Funding Source



Annual Debt Service Requirements by Issue

Fiscal Year	2007 CO	2009 CO	2011 GO REF	2014 GO REF	Total
2021	\$ 190,023	\$ 117,381	\$ 339,650	\$ 166,946	\$ 814,000
2022	188,916	118,681	339,900	163,262	810,759
2023	192,499	119,781	167,475	154,640	634,395
2024	190,772	115,781	-	160,956	467,509
2025	193,734	111,594	-	167,026	472,354
2026	191,385	112,109	-	-	303,494
2027	188,830	112,406	-	-	301,236
Total	\$ 1,336,159	\$ 807,733	\$ 847,025	\$ 812,830	\$ 3,803,747

Annual Debt Services Requirements Schedule

Annual Debt Service Requirement
Series 2007 Certificates of Obligation (\$2,700,000)
Supported by Interest & Sinking Ad Valorem Taxes

Ending Sept. 30	Debt Outstanding Oct. 1	Principal	Interest Rate	Interest	Total
2021	1,160,000	145,000	4.140%	45,023	190,023
2022	1,015,000	150,000	4.140%	38,916	188,916
2023	865,000	160,000	4.140%	32,499	192,499
2024	705,000	165,000	4.140%	25,772	190,772
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		1,160,000		176,159	1,336,159

Total Bonds Outstanding 1,160,000
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.

Annual Debt Service Requirement
Series 2009 Certificates of Obligation (\$2,350,000)
Supported by Interest & Sinking Ad Valorem Taxes

Ending Sept. 30	Debt Outstanding Oct. 1	Principal	Interest Rate	Interest	Total
2021	700,000	90,000	4.000%	27,381	117,381
2022	610,000	95,000	4.000%	23,681	118,681
2023	515,000	100,000	4.000%	19,781	119,781
2024	415,000	100,000	4.000%	15,781	115,781
2025	315,000	100,000	4.000%	11,594	111,594
2026	215,000	105,000	4.000%	7,109	112,109
2027	110,000	110,000	4.000%	2,406	112,406
Total		700,000		107,733	807,733

Total Bonds Outstanding 790,000
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.

Annual Debt Service Requirement
 Series 2014 Certificates of Obligation (\$2,365,000)
Supported by Community Development Fund

Ending Sept. 30	Debt Outstanding		Interest Rate	Interest	Total
	Oct. 1	Principal			
2021	765,000	150,000	2.458%	16,946	166,946
2022	615,000	150,000	2.458%	13,262	163,262
2023	515,000	145,000	2.458%	9,640	154,640
2024	415,000	155,000	2.458%	5,956	160,956
2025	315,000	165,000	2.458%	2,026	167,026
Total		<u>765,000</u>		<u>47,830</u>	<u>812,830</u>

Total Bonds Outstanding 915,000
 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

Annual Debt Service Requirement (57%)
 Series 2011 Certificates of Obligation (\$2,950,000)
Supported by Interest & Sinking Ad Valorem Taxes

Ending Sept. 30	Debt Outstanding		Interest Rate	Interest	Total
	Oct. 1	Principal			
2021	464,550	182,400	3.000%	11,200	193,600
2022	282,150	188,100	3.000%	5,643	193,743
2023	94,050	94,050	3.000%	1,411	95,461
Total		<u>464,550</u>		<u>18,254</u>	<u>482,804</u>

Total Bonds Outstanding 641,250
 Total Original Issue 1,681,500
 Issue Date 12/29/2011
 Next Call Date Callable 2/1/2020 at par
 Use of proceeds: Refunding of higher interest bonds

Annual Debt Service Requirement (43%)
 Series 2011 Certificates of Obligation (\$2,950,000)
Supported by Interest & Sinking Ad Valorem Taxes

Year Ending	Debt Outstanding		Interest Rate	Interest	Total
	Oct. 1	Principal			
2021	350,450	137,600	3.000%	8,450	146,050
2022	212,850	141,900	3.000%	4,257	146,157
2023	70,950	70,950	3.000%	1,064	72,014
Total		<u>350,450</u>		<u>13,771</u>	<u>364,221</u>

Total Bonds Outstanding 483,750
 Total Original Issue 1,268,500
 Issue Date 12/29/2011
 Next Call Date Callable 2/1/2020 at par
 Use of proceeds: Refunding of higher interest bonds

Annual Debt Service Requirement Total
 Series 2011 General Obligation Refunding Bonds (\$2,950,000)
Supported by Interest & Sinking Ad Valorem Taxes & Water Sewer Revenue

Year Ending Sept. 30	Debt Outstanding		Interest Rate	Interest	Total
	Oct. 1	Principal			
2021	815,000	320,000	3.000%	19,650	339,650
2022	495,000	330,000	3.000%	9,900	339,900
2023	165,000	165,000	3.000%	2,475	167,475
Total		<u>815,000</u>		<u>32,025</u>	<u>847,025</u>

Total Bonds Outstanding 1,125,000
 Total Original Issue 1,681,500
 Issue Date 12/29/2011
 Next Call Date Callable 2/1/2020 at par
 Use of proceeds: Refunding of higher interest bonds



SECTION VII

Enterprise / Proprietary Fund



PROPRIETARY FUNDS

WATER / SEWER, STORM WATER, DRAINAGE, AND SANITATION FUNDS

The Water and Sewer Fund is a proprietary fund and accounts for all operations and maintenance of the City's water distribution and wastewater collection systems. Revenues to support the Water and Sewer Fund are derived from user fees billed to commercial and residential customers in the City.

As a proprietary fund, the Water and Sewer Fund is accounted for on a full accrual basis, and is budgeted on a modified accrual (working capital) basis. The Water and Sewer Fund is included in the annual operating budget of the City.

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 and accounts of the governmental entity with the intent that that revenues generated by the enterprise activity and deposited to the enterprise fund 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 is for on a full accrual basis, and is budgeted on a modified accrual (working capital) basis. The proprietary fund is included in the annual operating budget of the City.



**ANNUAL APPROPRIATED FUNDS-CONSOLIDATED FUNDS SUMMARY
(MODIFIED ACCRUAL BASIS)**

	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022
Revenues			
Charges for Services			
Water sales	2,524,611	2,500,000	2,600,000
Sewer sales	2,429,729	2,600,000	2,600,000
Sanitation sales	623,612	650,000	700,000
Drainage sales	301,335	250,000	250,000
Franchise	182,727	130,000	100,000
Late Charges	71,434	100,000	100,000
Miscellaneous	68,282	59,500	59,500
Tap Fees	67,908	92,500	92,500
Interest	57,975	55,000	52,000
Sub Total Revenue	6,327,614	6,437,000	6,554,000
Appropriations:			
Personnel	978,331	1,220,700	1,297,300
Materials/ minor equipment/ supplies	127,144	325,700	297,500
Contractual Services	3,035,167	3,780,600	3,775,500
Miscellaneous Uses	576	4,500	4,000
Capital Outlay	567,861	508,000	503,000
Debt service payment	5,579	146,550	147,050
Sub-Total Appropriations	\$ 4,714,659	\$ 5,986,050	\$ 6,024,350
Other Financing Sources/ Uses:			
Interfund transfers in			
Interfund transfers out	\$ 605,000	\$ 605,000	\$ 605,000
Subtotal Other Financing Sources	\$ 605,000	\$ 605,000	\$ 605,000
Total Appropriation:	\$ 5,319,659	\$ 6,591,050	\$ 6,629,350
Net Increase (Decrease) in Fund Balance	\$ 1,007,955	\$ (154,050)	\$ (75,350)
Beginning Budgetary Fund Balance	\$ 9,846,343	\$ 10,854,298	\$ 10,700,248
Ending Budgetary Fund Balance	\$ 10,854,298	\$ 10,700,248	\$ 10,624,898



WATER AND SEWER / 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 then years. During 2019, Utility Billing implemented Electronic Billing and Smart Meter Reading that includes pictures of the meter read. During 2020, Utility Billing tested electronically read meters.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Provide accurate and timely utility billing to improve customer service.
- Goal 2: Implement a meter replacement program to identify and change out meters to minimize lost revenue due to worn on damaged water meters.
- Goal 3: Provide courteous and professional customer service.
 - Objective 1: Provide customer service training for Utility Billing Staff.
 - Objective 2: Provide "D Water License" training for the meter reading staff.
 - Objective 3: Stay current on all utility software updates and staff training.

	Actual 2019-20	Budget 2019-20	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Utility Accounts	4691	4400	4520	4650
Number of Billing Cycles per months	2	2	2	2
Number of New Accounts	709	500	600	625
Number of Meter Replacements	527	650	620	600
Number of Final Accounts	377	600	580	575
Number of Account Adjustments	68	150	120	150
PRODUCTIVITY MEASURES				
% of Billing Cycles Processed on Time	100%	100%	100%	100%
% of Correct Meter Readings	98%	98%	98%	98%
% of Customer Payments Posted Correctly	99%	99%	99%	99%
EXPENDITURE SUMMARY				
Personnel	289,941	290,912	366,200	393,300
Materials and Supplies	135,500	38,499	55,200	52,000
Other Services	32,750	9,621	24,600	35,500
Travel & Training	4,000		4,000	3,000
Total	462,191	339,032	450,000	483,800



WATER AND SEWER / PUBLIC WORKS

WATER AND SEWER OPERATIONS

FUND/ DEPARTMENT/ PROGRAM: 60-11-17

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.

Major Goals and Objectives Measured by Workload & Productivity Measures

Goal 1: Provide timely and adequate delivery of water and sewer utility services to all utility customers with a minimum of service interruptions due to system maintenance and repairs.

Goal 2: Provide capital improvements planning for growth and system expansion needs of the utility system.

	Actual 2019-20	Budget 2019-20	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Infrastructure Repair/Maintenance Projects	170	158	165	200
Number of System Expansion Projects	1	2	2	2
Number of Citizen Request	2350	2125	2100	2100
PRODUCTIVITY MEASURES				
% of Decrease in System Repairs	10%	10%	10%	10%
% of Decrease in System Leaks / Lost Water	15%	15%	15%	15%
EXPENDITURE SUMMARY				
Personnel	828,684	619,221	856,000	903,000
Materials and Supplies	292,167	71,487	255,500	245,500
Other Services	3,118,500	1,768,762	3,144,000	3,130,000
Travel & Training	3,500	215	500	1,000
Total	4,242,851	2,459,685	4,256,000	4,279,500



WATER AND SEWER / NON-DEPARTMENT

FUND/ DEPARTMENT/ PROGRAM: 60-99-99

Program Description

This program provides non-departmental specific services supporting the Water and Sewer Utility Fund's operations including principal and interest payments for utility system supported long-term debt, utility system capital repairs and replacements, and inter-fund transfers.

Major Goals and Objectives Measured by Workload & Productivity Measures

- Goal 1: Maintain or improve City's bond rating for utility supported debt by making debt service payments when due.
- Goal 2: Provide adequate maintenance and repairs of utility system infrastructure by providing adequate funding for utility system maintenance and repairs.

	Actual 2019-20	Budget 2019-20	Estimate 2020-21	Adopted 2021-22
WORKLOAD MEASURE				
Number of Debt Service Payments	2	2	2	2
Number of Monthly Inter-Fund Transfers	12	12	12	12
PRODUCTIVITY MEASURES				
% of Debt Service Payments on Time	100%	100%	100%	100%
EXPENDITURE SUMMARY				
Personnel		96	500	1,000
Equipment Lease and Depreciation				3,000
Other Services	186,958	143,830	169,550	147,050
Inter-Fund Transfer Out / In	500,000	458,333	500,000	500,000
Total	<u>686,958</u>	<u>602,259</u>	<u>670,050</u>	<u>651,050</u>



SECTION VIII

Capital Improvement Fund



CAPITAL PROJECT FUNDS

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. The City developed its own master 5 year CIP, which can be found in this section of the budget. Further development of the CIP will be linked to the Comprehensive Master Plan and financial strategic plans.



CAPITAL PROJECT FUNDS (CONT.)

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.

Items that are considered in determine 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 category are recommended for 2" overlay or slurry seal work to preclude further pavement deterioration until utility improvements could 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.

Some streets are recommended on the 1990 Thoroughfare Plan for upgrading from Local to Collector. If the pavement structure of the current street section is in need of rehabilitation exceeding the overlay process, these projects take longer to complete.

Some streets which were rehabilitated or constructed 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 reoccur and requiring future appropriations) to avoid future shortfalls.

A 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 2020-2024

Street/Water/Sewer Improvement Projects

Estimated Year of Completion

Street Name	Length	Width	Description	Street	Water	Sewer	%Comp	2019	2020	2021	2022	2023	Beyond
Bowlinggreen & Brambleton Pl	1,050	30	Crawford to Nell	\$ 139,000	\$ 230,000	\$ 230,000	100%						
Alandale Drive	560	30	Marshall to Anglin, Dorsey to Anglin, Curb, Butter	282,081	120,000	120,000	100%						
Alandale Drive	700	30	Asphalt	94,500				94,500					
Oak Crest Drive West	480	30	IH20 to Mansfield Hwy	135,493			100%						
Trailwood/Woody/Woodview	2,500	30	FH Circle to Parwood, Orchard to California	580,370			100%						
Fores Hill Drive	3,400	40	Damaged Concrete	1,000,000				1,000,000					
Grady	1,960	30	Forest Hill Drive west to Wig	250,000	360,000	300,000			910,000				
Griggs	1,200	30	Dorsey to Leonard, Overlay	92,400					92,400				
Truett	2,262	30	Cardinal Ridge to Orchard	220,000		370,000				590,000			
West Lane	900	30	Truett to Spencer, Reconstru	80,000					80,000				
Storey	800	30	Truett to Forest Hill Drive, Truett to Crawford, Mill	80,000					80,000				
Brambleton Place	3,500	30	Overlay, Marshall to Leonard, Mill	269,500							269,500		
Wanda	3,500	30	Overlay	269,500							269,500		
Folkstone Drive	2,436	30	Lone Stephenson to Chimney Rock	520,000								520,000	
Folkstone Drive	2,600	30	Grady to Crawford		515,000	470,000						985,000	
Falmouth	1,250	30	Woodbridge to Chimney Ro	270,000	225,000	250,000							745,000
Woodbridge	2,173	30	Forest Hill to Chimey Rock	450,000	439,600	470,000							1,359,600
Nauret	1,300	30	Forest Hill Circle to Koldin Trail	170,000	150,000	300,000							660,000
Barley	1,550	30	Crawford to Hartman	120,000	315,000	300,000							735,000
Branbury / Alhambra	2,200	30	Dead End to Forest Hill Drive	1,300,000	300,000	1,235,351							2,835,351
Lookout	3,000	30	Water Line Replacement		204,000								204,000
Forest Hill Circle	4,000	40	Sewer Line Replacement			500,000							500,000
Shady Hill Lane N	820	30	Wanda to Cul-De-Sac	140,000	168,617	157,385	100%						
Total				\$ 6,462,844	\$ 3,027,217	\$ 4,702,736		\$ 1,094,500	\$ 1,162,400	\$ 590,000	\$ 539,000	\$ 1,505,000	\$ 7,038,951



5 Year, Time-Phased Plan 2020-2024

Drainage Projects

Estimated Year of Completion

Street Name	Cost	2019	2020	2021	2022	2023	Beyond
Forest Hill Circle	\$ 350,000	350,000					
Melinda Street	340,000						
Lookout Ditches	100,000						
Forest Hill Circle at Wichita	50,000	50,000					
Alma and Griggs	200,000	200,000					
Crawford	1,500,000		1,500,000				
Burley to Marshall	3,000,000			1,500,000	1,500,000		
Griggs Park Cleanup	500,000					500,000	
SW Maintenance Operations & Management	428,125					428,125	
Nell/ Marshall	3,800,000						3,800,000
Independence Lane	2,175,642						2,175,642
Wichita Culvert Crossings	1,693,850						1,693,850
Conc Channel Improvements Wichita to Forest Hill Circle	986,462					986,462	
	\$ 15,124,079	\$ 600,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,914,587	\$ 7,669,492

Other Projects

Estimated Year of Completion

Street Name	Cost	2019	2020	2021	2022	2023	Beyond
Fleet Management and Vehicle Rotation	\$ 1,500,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
(Note: in 2019 ordered 4 Police Tahoes, 1 Fire Command Tahoe, 3 Public Works trucks and 1 Animal Control Box Athletic Facility (possibly acreage near Valley	1500000	750,000	750,000				\$ 1,500,000
	\$ 3,000,000	\$ 1,050,000	\$ 1,050,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 3,000,000



**CAPITAL PROJECT FUND - SUMMARY
FUND 50 - CAPITAL EQUIPMENT**

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted Budget 2021-22
Revenues				
Insurance Reimbursement	-	-	87,529	50,000
Loan Proceed	-	-	659,387	-
Interest Income	-	-	500	100
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,416</u>	<u>\$ 50,100</u>
Expenditures				
Personnel				
Material, Supplies & Equipment			674,127	500,000
Services				
Travel and Training				
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,127</u>	<u>\$ 500,000</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,289</u>	<u>\$ (449,900)</u>
Other Financing Sources (Uses)				
Transfer For Debt Service				
Interfund Transfer				
Net Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses for Fiscal Year End	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,289</u>	<u>\$ (449,900)</u>
Beginning Unreserved Fund Balance, October 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,289</u>
Ending Unreserved Fund Balance, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,289</u>	<u>\$ (376,611)</u>



**CAPITAL PROJECT FUND - SUMMARY
FUND 51 - CAPITAL IMPROVEMENT**

	Actual 2019-20	Budget 2020-21	Estimate 2020-21	Adopted 2021-22
Revenues				
Insurance Reimbursement				
Interest Income	5,249	5,000	5,000	200
Total Revenues	<u>\$ 5,249</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 200</u>
Expenditures				
Personnel				
Material & Supplies				
Services				985,000
Travel and Training				
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,000</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ 5,249</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (984,800)</u>
Other Financing Sources (Uses)				
Transfer For Debt Service				
Interfund Transfer				
Net Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses for Fiscal Year End	<u>\$ 5,249</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (984,800)</u>
Beginning Unreserved Fund Balance, October 1	<u>\$ 560,976</u>	<u>\$ 566,225</u>	<u>\$ 571,225</u>	<u>\$ 576,225</u>
Ending Unreserved Fund Balance, September 30	<u>\$ 566,225</u>	<u>\$ 571,225</u>	<u>\$ 576,225</u>	<u>\$ (408,575)</u>



STREET IMPROVEMENT FUND (52)

	Actual 2019-2020	FY Estimate 2020-2021	FY Adopted 2021-2022
Revenues			
Sales Tax	452,457	350,000	350,000
Interest Income	6,875	10,000	10,000
Total Revenue	459,332	360,000	360,000
Other Financing Sources			
Interfund transfer in	\$ 250,000	\$ 250,000	\$ 250,000
Subtotal Other Financing Sources	\$ 250,000	\$ 250,000	\$ 250,000
Total Expenditures	\$ 709,332	\$ 610,000	\$ 610,000
Expenditures			
Personnel			
Materials/ minor equipment/ supplies	417	1,000	400,000
Contractual Services	284,483	473,000	158,000
Travel and training			
Total Expenditures	\$ 284,900	\$ 474,000	\$ 558,000
Other Financing Uses:			
Transfer for Debt Service			
Interfund transfers out	\$ 85,000	\$ 85,000	\$ 85,000
Subtotal Other Financing Sources	\$ 85,000	\$ 85,000	\$ 85,000
Total Appropriation:	\$ 369,900	\$ 559,000	\$ 643,000
Net Increase (Decrease) in Fund Balance	\$ 89,432	\$ (199,000)	\$ (283,000)
Beginning Budgetary Fund Balance	\$ 703,224	\$ 792,656	\$ 593,656
Ending Budgetary Fund Balance	\$ 792,656	\$ 593,656	\$ 310,656



SECTION IX

Supplemental Information

NOTICE OF PUBLIC HEARING ON TAX RATE

A tax rate of \$0.997342 per \$100 valuation has been proposed for adoption by the governing body of City of Forest Hill, Texas.

PROPOSED TAX RATE	\$0.997342 per \$100
NO-NEW-REVENUE TAX RATE	\$0.973045 per \$100
VOTER-APPROVAL TAX RATE	\$1.047388 per \$100

The no-new-revenue tax rate is the tax rate for the 2021 tax year that will raise the same amount of property tax revenue for the City of Forest Hill, Texas from the same properties in both the 2020 tax year and the 2021 tax year.

The voter-approval tax rate is the highest tax rate that 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 the City of Forest Hill is proposing to increase property taxes for the 2021 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 21, 2021 at 7:00 p.m. at 3219 California Parkway, Forest Hill, Texas 76119.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Forest Hill, Texas 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:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

The members of the governing body voted on the proposed tax increase as follows:

FOR:

Clara Faulkner, Mayor
 Malinda Miller, Mayor Pro Tem
 Racquel Belle, Deputy Mayor Pro Tem

Beckie Hayes, City Council Place 2
 Sonja Coleman, City Council Place 3
 Ozell Birks, City Council Place 4
 Carlie Jones, City Council Place 5

Against: None

Present and not voting: None

Absent: None

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:

	2020	2021	Change
Total Tax Rate (per \$100 of value)	\$0.997340	\$0.997342	Increase of \$0.000002 per \$100 or 0.0002%
Average homestead taxable value	\$111,901	\$112,084	Increase of 0.16%
Tax on average homestead	\$1,116	\$1,118	Increase of \$2.00 or 0.17%
Total tax levy on all properties	\$6,553,090	\$6,656,238	Increase of \$103,148 or 1.57%

For assistance with tax calculations, please contact the tax assessor for the City of Forest Hill at (817) 884-1100 or taxoffice@tarrantcounty.com, or visit www.tarrantcounty.com for more information.

Notice About 2021 Tax Rates

Property Tax Rates in City of Forest Hill

This notice concerns the 2021 property tax rates for City of Forest Hill.

This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate: \$0.973045 /\$100

This year's voter-approval tax rate: \$1.047388 /\$100

To see the full calculations, please visit www.foresthilltx.org/departments/Finance for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Maintenance & Operations Fund	\$3,254,474.99
Interest & Sinking Fund	\$268,618.68

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues.

Description of Debt	Principal or Contract Payment to be Paid From Property Taxes	Interest to be Paid From Property Taxes	Other Amounts to be Paid	Total Payment
2007 Combination Tax & Ltd. Pledge Rev C/O Series	\$150,000.00	\$38,916.00	0	\$188,916.00
2009 Combination Tax & Ltd. Pledge Rev C/O Series	\$95,000.00	\$23,681.00	0	\$118,681.00
2011 General Obligation Refunding Bonds	\$188,100.00	\$5,643.00	0	\$193,743.00
2014 General Obligation Refunding Bonds	\$150,000.00	\$13,262.00		\$163,262.00

Total required for 2021 debt service.....	\$	664,602.00
-Amount (if any) paid from funds listed in unencumbered funds.....	\$	0.00
-Amount (if any) paid from other resources.....	\$	0.00
-Excess collections last year.....	\$	0.00
= Total to be paid from taxes in 2021	\$	664,602.00
+ Amount added in anticipation that the taxing unit will collect		
Only 100% of its taxes in 2021.....	\$	0.00
= Total Debt Levy.....	\$	664,602.00

Voter-Approval Tax Rate Adjustments

State Criminal Justice Mandate	N/A
Indigent Health Care Compensation Expenditures	N/A
Indigent Defense Compensation Expenditures	N/A
Eligible County Hospital Expenditures	N/A

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by Wendy Burgess on August 4, 2021.

City of Forest Hill, Texas
Fiscal Year 2021-2022
Budget Hearing

Notice is hereby given that the Forest Hill City Council will conduct a Public Hearing on the FY 2021-2022 proposed budget for the City of Forest Hill, Texas at 7:00 p.m. on September 7, 2021 in the Council Chambers, 3219 California Parkway, Forest Hill, Texas 76119.

This budget will raise more total property taxes than last year's budget by \$892,000 or 11.47 percent, and of the amount, \$364,000 is tax revenue to be raised from new property added to the tax roll this year.

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, 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.

CITY OF FOREST HILL
ORDINANCE NO. 2021-10

AN ORDINANCE ADOPTING THE BUDGET FOR FISCAL YEAR OCTOBER 1, 2021 THROUGH SEPTEMBER 30, 2022 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, 2021, and ending September 30, 2022, 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, 2021 and ending September 30, 2022; 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, 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 2021-2022 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:

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 \$21,330,952.00, providing a complete financial plan for the fiscal year beginning October 1, 2021 and ending September 30, 2022 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, 2021 and ending September 30, 2022.

SECTION 2. That the sum of \$21,330,952.00 is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

SECTION 3. That the expenditures during the fiscal year beginning October 1, 2021 and ending September 30, 2022 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. THAT THE BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$892,000 WHICH IS A 11.47 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 \$364,000.

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 2021-2022 are hereby ratified, and the budget Ordinance for fiscal year 2021–2022, 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 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
Clara Faulkner, Mayor	✓	
Racquel Belle, Councilmember Place 1	✓	
Beckie Hayes, Councilmember Place 2	✓	
Sonja Coleman, Councilmember Place 3	✓	
Ozell L. Birks, Councilmember Place 4	✓	
Carlie Jones, Councilmember Place 5	✓	
Malinda Miller, Councilmember Place 6	✓	

WITH 7 VOTING "AYE" AND 0 VOTING "NAY", THIS ORDINANCE NO. 2021-10 IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, ON THE 27TH DAY OF SEPTEMBER 2021.

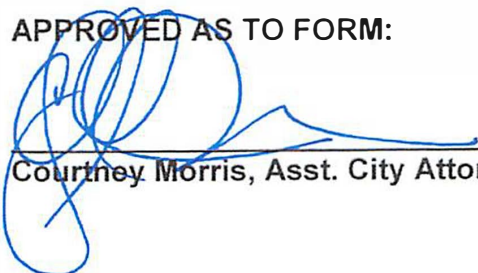
APPROVED:


 Clara Faulkner, Mayor

ATTEST:


 Amy L. Anderson, TRMC, CMC
 City Secretary

APPROVED AS TO FORM:


 Courtney Morris, Asst. City Attorney

CITY OF FOREST HILL
ORDINANCE NO. 2021-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, ADOPTING AND LEVYING AD VALOREM TAXES FOR THE YEAR 2021 (FISCAL YEAR 2021-2022) AT A RATE OF \$0.997342 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, 2021, 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 2021-2022, 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 2021 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 \$0.997342 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) \$0.115601 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) \$0.881741 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 -2.06 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY -\$39.50.

SECTION 3. All ad valorem taxes shall become due and payable on October 1, 2021, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2022. There shall be no discount for payment of taxes prior to February 1, 2022. 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, 2022, 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 2021 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 2021 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 2021 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:

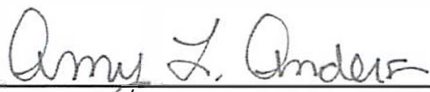
	Aye	Nay
Clara Faulkner, Mayor	✓	
Racquel Belle, Councilmember Place 1	✓	
Beckie Hayes, Councilmember Place 2	✓	
Sonja Coleman, Councilmember Place 3	✓	
Ozell L. Birks, Councilmember Place 4	✓	
Carlie Jones, Councilmember Place 5	✓	
Malinda Miller, Councilmember Place 6	✓	

WITH 7 VOTING "AYE" AND 0 VOTING "NAY", AND AT LEAST 60% OF THE MEMBERS OF THE GOVERNING BODY VOTING IN FAVOR OF THE ORDINANCE, THIS ORDINANCE NO. 2021-11 IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, ON THE 27TH DAY OF SEPTEMBER 2021.

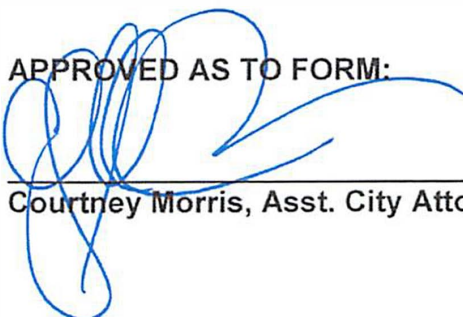
APPROVED:


Clara Faulkner, Mayor

ATTEST:


Amy L. Anderson, TRMC, CMC
City Secretary

APPROVED AS TO FORM:


Courtney Morris, Asst. City Attorney

CITY OF FOREST HILL

ORDINANCE NO. 2021-12

AN ORDINANCE OF THE CITY OF FOREST HILL, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE FISCAL YEAR 2021-2022 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 2021-2022 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 2021-2022 Annual Budget.

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

Section 1. The Forest Hill City Council, as the governing body of the City of Forest Hill, Texas, having adopted the Fiscal Year 2021-2022 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 2021-2022 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:

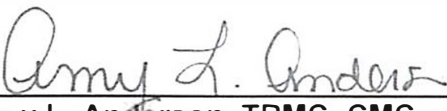
	Aye	Nay
Clara Faulkner, Mayor	✓	
Racquel Belle, Councilmember Place 1	✓	
Beckie Hayes, Councilmember Place 2	✓	
Sonja Coleman, Councilmember Place 3	✓	
Ozell L. Birks, Councilmember Place 4	✓	
Carlie Jones, Councilmember Place 5	✓	
Malinda Miller, Councilmember Place 6	✓	

WITH VOTING "AYE" AND VOTING "NAY", THIS ORDINANCE NO. 2021-12 IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, ON THE 27TH DAY OF SEPTEMBER 2021.

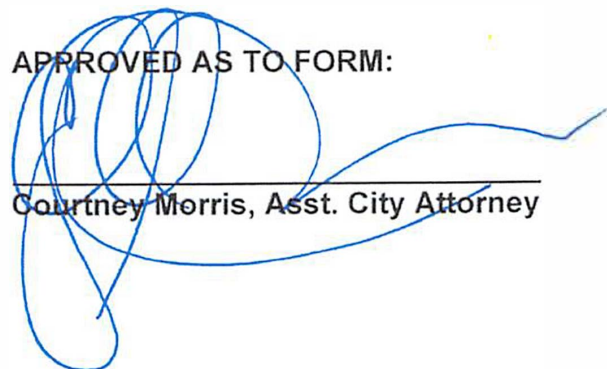
APPROVED:


 Clara Faulkner, Mayor

ATTEST:


 Amy L. Anderson, TRMC, CMC
 City Secretary

APPROVED AS TO FORM:


 Courtney Morris, 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

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.

Glossary (Continued)

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 iner-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 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.

Glossary (Continued)

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

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, and signals; 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. 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 Department of the City.

Glossary (Continued)

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 its 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 is in 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.



Glossary (Continued)

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.

Glossary (Continued)

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.

Glossary (Continued)

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.



**Deputy Mayor Pro Tem
Racquel Belle**



**MAYOR CLARA FAULKNER
CITY COUNCIL MEMBERS**



Beckie Duncan Hayes



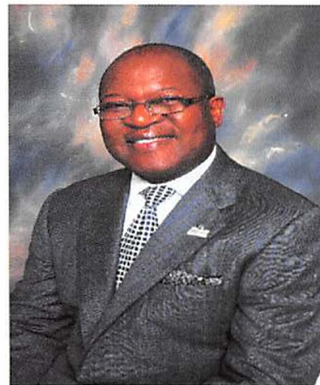
Sonja Coleman



Ozell Birks



Carlie Jones



Sheyi I. Ipaye, CPM - City Manager



**Mayor Pro Tem
Malinda Miller**