



# ADOPTED **BUDGET**

FY 2024



# City of Southlake, Texas

## Fiscal Year 2023 - 2024

This proposed budget would raise more revenue from property taxes than last year's budget by an amount of \$530,383, which is a 1.85 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 \$653,296.

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

**FOR:**           **Mayor John Huffman**  
                      **Kathy Talley**  
                      **Randy Robbins**  
                      **Shawn McCaskill**  
                      **Ronell Smith**  
                      **Randy Williamson**

**ABSENT:**      **Amy Torres-Lepp**

### Property Tax Rate Comparison

	<b>2023-2024</b>	<b>2022-2023</b>
Property Tax Rate:	\$0.319000/100	\$ 0.360000/100
No-New Revenue Tax Rate:	\$0.319375/100	\$ 0.364058/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.263385/100	\$ 0.300567/100
Voter-Approval Tax Rate:	\$0.380400/100	\$ 0.456923/100
Debt Rate:	\$0.055000/100	\$ 0.065000/100

The debt obligation for City of Southlake, Texas secured by property taxes: \$6,749,639





## City of Southlake Council Members

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Mayor John Huffmann  
Councilmember Place 1/Deputy Mayor Pro Tem Kathy Talley  
Councilmember Place 2 Randy Robbins  
Councilmember Place 3/Mayor Pro Tem Shawn McCaskill  
Councilmember Place 4 Ronell Smith  
Councilmember Place 5 Amy Torres-Lepp  
Councilmember Place 6 Randy Williamson

## City of Southlake Staff

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City Manager Shana K. Yelverton  
Chief Financial Officer Sharen Jackson  
Assistant City Manager Alison D. Ortowski  
Assistant to the City Manager Major Youngblood



# THE BUDGET PROCESS

## How We Work

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Southlake, TX for its annual budget for the fiscal year beginning October 1, 2022. 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 communications 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.



Recipient of the Distinguished *Budget Presentation Award*



## Our Vision

“Southlake is a vibrant, attractive, safe, healthy and fiscally sound community that epitomizes both economic and environmental sustainability. We offer quality neighborhoods and a high standard of living, with abundant opportunities for learning, shopping, working, recreation and enjoyment of open spaces.”

## Our Mission

“The City of Southlake provides municipal services that support the highest quality of life for our residents, businesses, and visitors. We do this by being an exemplary model of balancing efficiency, fiscal responsibility, transparency, and sustainability.”



# OUR VALUES

Our corporate values underlie how the City accomplishes its work. These are the principles that we hold important and standards by which the organization operates. These values, as adopted by the City Council, form the cornerstones of the Strategic Management System and are designed to guide City staff in their day to day work and the Council as it conducts its business:

## Integrity

**Do the right thing.** Being worthy of the public's trust in all things. We deal honestly and respectfully with each other and the public at all times.

## Innovation

**Think outside the box.** Valuing progressive thinking, creativity, flexibility and adaptability in service delivery.

## Accountability

**Own it.** Taking personal responsibility for our actions or inaction while putting the interests of the taxpayer first.

## Commitment to Excellence

**Go above and beyond.** Behaving responsively in our delivery of service to the public. Our work is characterized by its quality and by the diligence with which it is carried out. We proactively seek to solve problems in advance.

## Teamwork

**Work together.** Recognizing the importance of working together to meet our citizen's needs, communicating clearly, sharing resources and information freely.



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The Transmittal Letter is written to the City Council by the City Manager and provides a high-level preview of the City Manager’s adopted budget. It contains information including the adopted tax rate and adopted fund summaries as well as overviews of the departmental plans. The letter helps tie together the core elements which make up the adopted budget and illustrates how those elements further the City’s goals found within the strategic management system.

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This section attempts to help explain the meaning behind the numbers which are presented in subsequent chapters. It gives perspective to the City’s budgeting process, basis of budgeting and accounting, how the budget is amended and the fund accounting system.

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We believe the ability to monitor and evaluate the financial condition of a local government is critical to that government’s successful, prosperous future. Recognizing that trends can provide early warning signals, staff regularly monitors numerous financial indicators. A portion of this data is featured in the charts located in this section of the budget document. These charts offer a quick, effective visual of the City’s financial condition. A list of Council members, an organizational chart, location and a history of the City is also provided.

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 This section provides information about the Facility Maintenance Fund. The purpose of this fund is to build capacity for future maintenance projects as we will have many needs to address as our facilities age. The Strategic Initiative Fund has provided seed money for this fund, an important element of our budget given the size and complexity of the City’s facility infrastructure.

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This section provides the Utility Fund Summary. The Utility Fund is an enterprise or business fund. This means that the direct beneficiaries of the “business” pay for all costs through fees or rates. Water, sewer service, and solid waste service revenues generated through our rates, as well as the expenses for providing these services are accounted for in the Utility Fund.

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THE  
**TRANSMITTAL**  
LETTER

August 15, 2023

Honorable Mayor and  
Members of the City Council  
1400 Main Street, Suite 270  
Southlake, Texas 76092

## FY 2024 Budget *Accomplishments*

Dear Mayor and Members of the City Council,

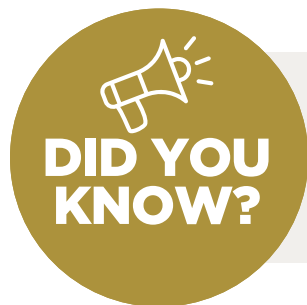
In accordance with the Texas Local Government Code and the Charter of the City of Southlake, the adopted annual budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, has been submitted for your consideration. The budget presents a summary of the revenues and expenditures for each of the funds comprising the City’s budget and provides information about how planned resource allocation advances the City’s strategic priorities.

### Budget Goals

The FY 2024 adopted budget has been developed with a clear set of goals to guide decision-making and promote long-term financial sustainability.

The first goal is to support the City’s strategic priorities and ensure high-quality service delivery. Figure 1 is the City of Southlake Strategy Map, illustrating the City’s focus areas, objectives, critical business outcomes, and values that guide City work. For more information about the City’s future direction, please see the Strategic Direction section of the budget document.

- Tax Rate Reduction
- Maximum Homestead Exemption
- Optimum Fund Balances
- Debt Management
- Cash Funding for Capital Projects
- Structural Balance
- Strong Net Revenues
- Limited Expenditure Growth
- Multi-Year Sustainability
- Competitive Compensation & Benefits
- No Service Level Reductions



The FY 2024 adopted budget includes a four cent tax rate reduction, reducing the tax rate for a sixth consecutive year.



Figure 1



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

# City of Southlake Strategy Map

The mission of the City of Southlake is to provide municipal services that support the highest quality of life for our residents, a supportive environment for local businesses, and unique and special experiences for visitors.

## We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

### We Serve Our Customers

#### We do this by

- C1** Delivering outstanding customer experiences through innovation, passion, and a strong culture.
- C2** Enhancing the sense of community by proactively creating opportunities for community partnerships, volunteer involvement, and citizen engagement.

C = Customer Objectives

### We Provide Financial Stewardship

#### We do this by

- F1** Safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management.
- F2** Investing to provide & maintain high quality public assets.

F = Financial Objectives

### We Manage The Business

#### We do this by

- B1** Achieving strong outcomes through continual evaluation and pursuit of better practices that improve core business operations.
- B2** Collaborating with select partners to implement service solutions
- B3** Maintaining an environment of future readiness by understanding and acting upon the forces, trends, and coming challenges affecting services.

B = Business Objectives

### We Promote Learning & Growth

#### We do this by

- L1** Defining and managing a professional workplace culture that supports City values and promotes a positive employee experience.
- L2** Fostering positive employee engagement.
- L3** Attracting, developing & retaining a talented and motivated workforce for lasting world-class performance.

L = Learning & Growth Objectives



Thoroughly understanding economic conditions is critical for proper budgeting. Figure 2 shows the approach used to gather and analyze local economic information for projecting revenues and evaluating multi-year budget sustainability.

It has been possible to implement thirteen tax relief measures since 2009. The City is continuing to provide for the maximum allowable 20% exemption in the adopted FY 2024 budget. In addition, an over four-cent reduction of the tax rate has also been adopted as another method of providing tax relief.

Debt management has been a key financial principle that has guided the development of the City’s budget. The City of Southlake has been able to manage debt so that 100% of the City’s current tax-supported debt will be retired in less than ten years.

Debt reducing techniques and strong bond ratings have allowed for a reduction in the City’s property tax-supported debt by 59% since 2010, despite ongoing infrastructure development. Debt as a percent of assessed value has decreased from over 3% in 2003 to a projected 0.28% in 2024. The FY 2024 budget continues the use of cash to fund a portion of the General Fund capital improvement projects, continuing to reduce reliance on debt. Figure 3 shows trend information for Southlake’s debt as a percent of assessed valuation, as well as total property tax-supported debt.

**Figure 2**

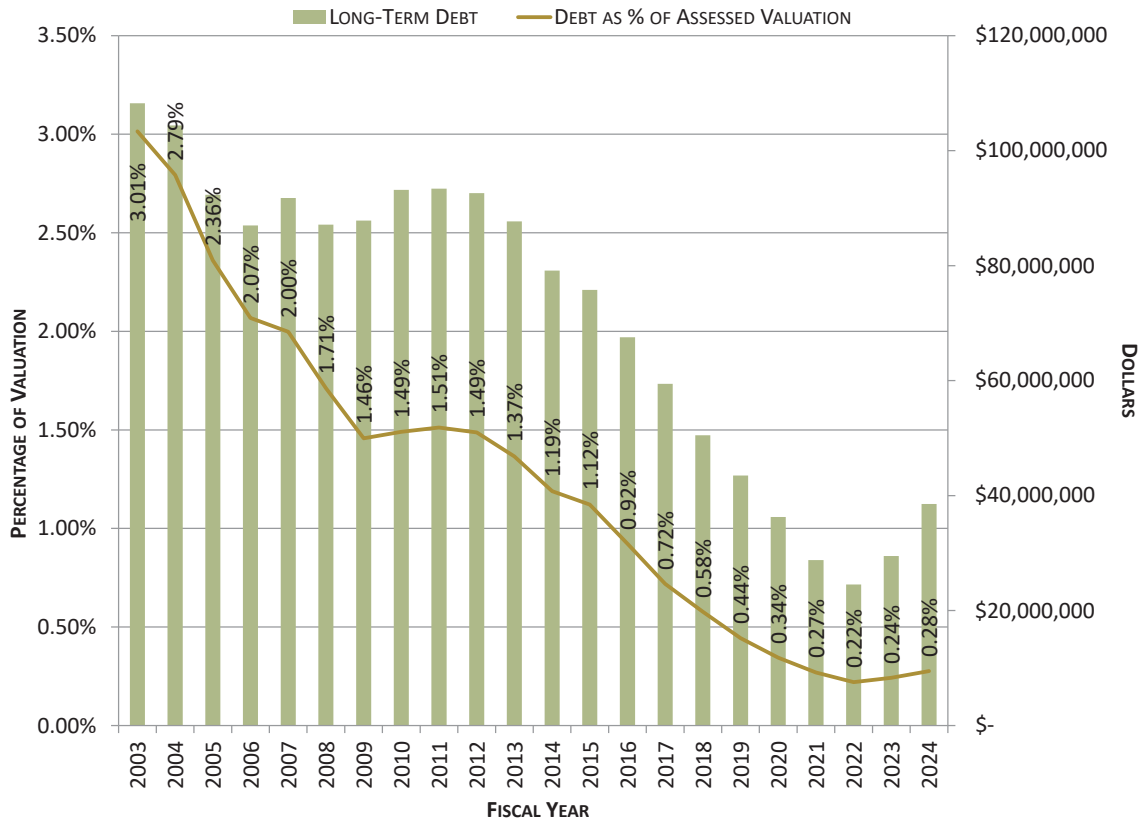
### Economic Information Used for City Financial Projections





Figure 3

## Long-term Debt as a Percentage of Assessed Valuation



Another important financial goal is ensuring the maintenance of optimum fund balances in operating funds. This budget provides for optimum fund balances, see Figure 4.

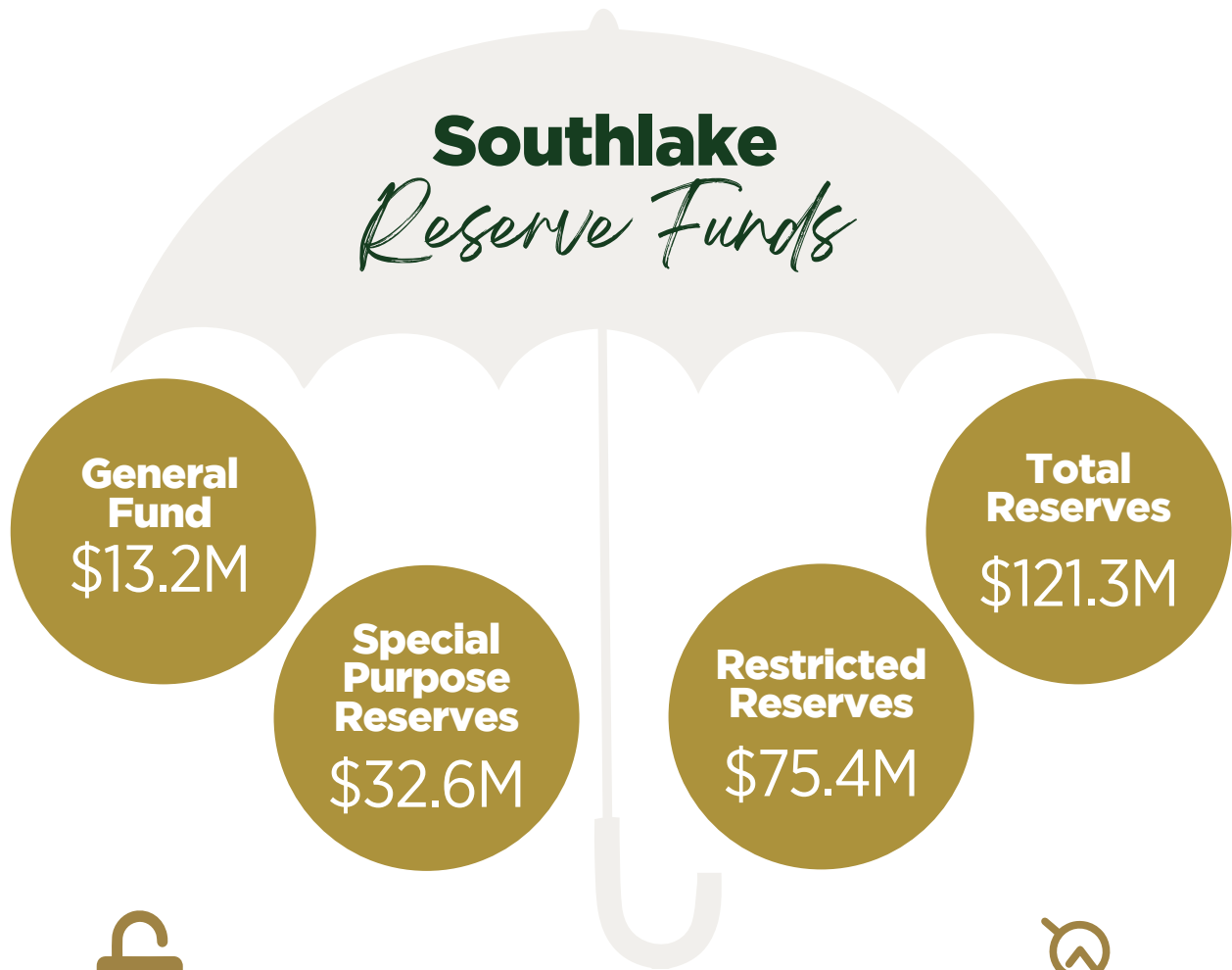
More than 70% of the City's General Fund budgeted expenditures are related to personnel costs. It is the City's goal to continue to provide for a fair compensation and benefits program to ensure a stable and high-performing workforce. This budget recognizes and addresses the competitive labor market and the need to recruit and retain strong talent.

Multi-year financial planning is another budget development consideration, one of the most important. Executive leaders evaluate the operational impact of all identified projects and include those costs in future budget projections. Staff monitors trends that depict the long-term financial health of the City and uses these trends to make decisions to reach financial and service goals.

The City has taken an additional formal step to understand and plan for the organization's financial future by adopting the Sustainability Master Plan as an element of the Southlake Comprehensive Plan. It contains formal recommendations to ensure positive financial outcomes for the City. The Sustainability Master Plan is in the appendix of this document.

Figure 4

## Southlake Reserve Fund Balances



### General Fund

Per the Fund Balance Policy, the undesignated fund balance in the General Fund should range between 15% and 25% of operating expenses. For FY 2024, \$13.2 million will remain in the General Fund, providing 25.1% of operating expenses for unanticipated or emergency needs. Use of these funds is unrestricted.



### Restricted Reserves

The use of reserves in restricted funds is dictated by Statute, unlike the General Fund reserves whose use is not restricted. These include: Utility, Debt Service, TIF, CCPD, Storm Water, Commercial Vehicle Enforcement, Hotel Occupancy Tax, Court Security/Technology, Red Light Camera, Recycling, CEDC, and SPDC funds.



### Special Purpose Reserves

The City has several funds where the use of each fund's reserves was specified when the fund was created. While not restricted by Statute, the use is designated in accordance with the purpose of the fund and is not as flexible as the General Fund. These include: Reforestation, Park Dedication, Parks and Recreation, Library, Vehicle Replacement, Strategic Initiative, Facility Maintenance, Economic Investment, Public Art, and Technology Infrastructure and Security funds.



## Service Delivery Excellence

The City of Southlake is committed to providing residents, businesses, and visitors with high-quality, high-value public services.

Figure 5 is the City of Southlake's organizational chart, showing the departments and reporting relationships. The City Manager's Office works closely with departments to implement strategy and provide excellent service to the community in adherence to city values. See the City Department Overview section of the budget for more information.

## Financial Information and Fund Summaries

The City's budget is made up of specific funds to account for the revenue and expenditures that support operations. Funds also account for debt incurred for capital improvements. There are funds supported by tax revenue, while others are supported by fees that have been put into place to cover the cost of the service. Some funds are restricted for specific purposes, while others offer more spending flexibility.

This letter is organized to describe each fund and to highlight key aspects of the budget for each.

### General Fund

The General Fund is the city's principle operating fund, and is supported by property tax, sales tax, fees, and other revenue. General Fund revenue may be used for a variety of purposes, and this budget accounts for core City services such as police and fire protection, engineering, planning, finance, and administrative oversight.

**Tax rate.** The FY 2024 adopted budget incorporates a tax rate of \$0.319 per \$100 valuation, reducing the rate by over four cents. The tax rate of \$0.319 is split between General Fund operations and debt service. The allocation for FY 2024 is \$0.264 for general operations and \$0.055 for debt service. The reduction has been taken from both the operations and debt service part of the rate.

The ongoing use of the 20% homestead exemption will complement the current over-65 exemption of \$75,000, disabled exemption of \$75,000, and the over-65 tax freeze. The continuation of these exemptions offers additional tax relief.

A 20% homestead exemption will reduce the taxable value of an average-valued home in Southlake by \$201,479. The property owner of an average-valued home will see the equivalent of a tax rate reduction of approximately six cents per \$100 valuation with the exemption applied.

With the homestead exemption in place, and considering the tax rate reduction, the equivalent residential tax rate on an average-valued home is \$0.255.



Figure 6

### Taxable Value Comparison (FY 2023-FY 2024)

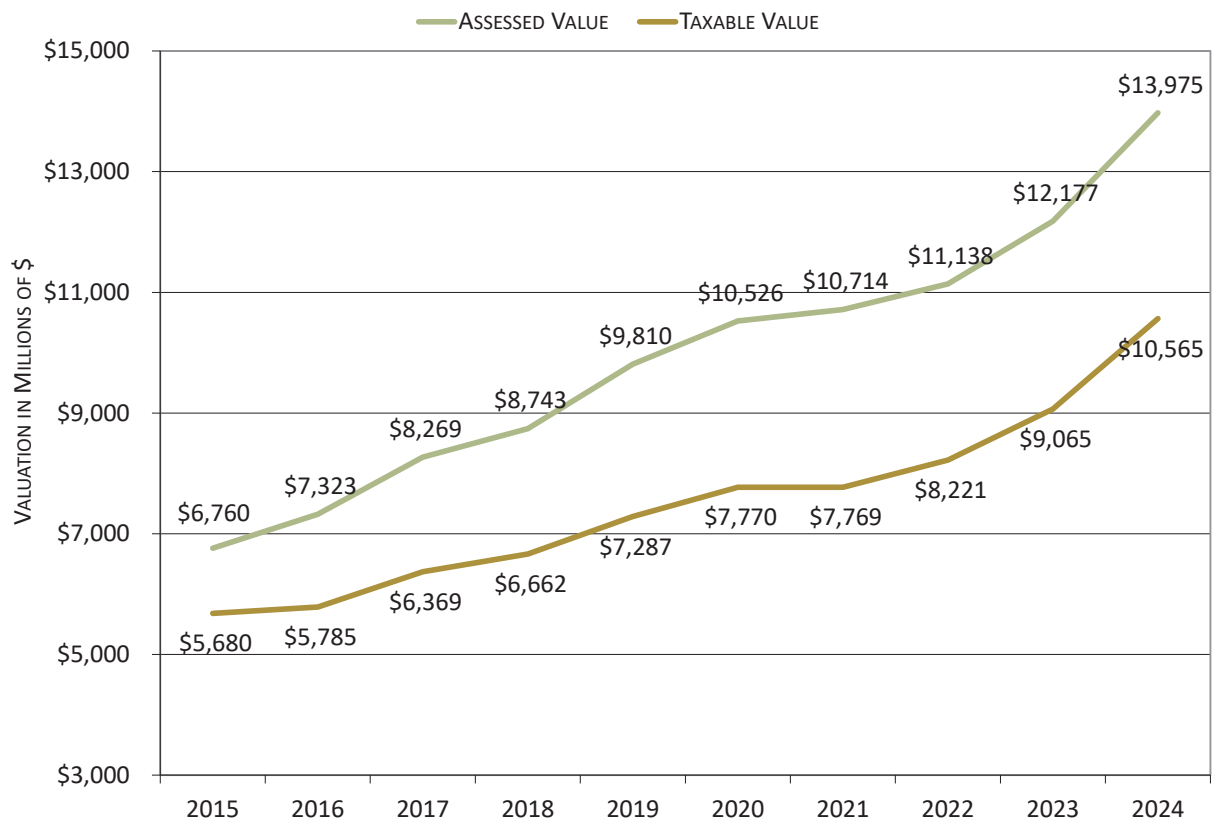
Fiscal Year	Value	% Increase Prior Year	New Construction	New Construction as % of Total
2023	\$9,064,721,083	10.3%	\$128,609,945	1.4%
2024	\$10,564,623,953	16.54%	\$169,113,355	1.6%

This chart compares taxable property values for FY 2023 with those for FY 2024.

**Taxable value.** Figure 6 shows the change in taxable value from FY 2023 and documents the impact of new construction on the values for FY 2024. Note that the value shown in the table is net of the value assigned to Tax Increment Reinvestment Zone (TIRZ) #1. For FY 2024, TIRZ taxable value is \$594,407,828. The total taxable value shown reflects the tax rate decrease and excludes the value related to the City’s homestead and other exemptions. Southlake’s property values have increased appreciably over time, as shown in Figure 7. The difference between assessed value and taxable value is primarily due to tax rate reductions and exemptions.

Figure 7

### Comparison of property values since FY 2015 (assessed and taxable)



State law requires a taxing unit to calculate two rates after receiving its certified appraisal - roll the no-new-revenue tax rate and the voter-approval tax rate. The no-new-revenue rate is the rate that will generate the same amount of property tax dollars as the previous year when the two years are compared, excluding new construction and annexations.

If a city adopts a tax rate exceeding the voter-approval rate, then the city must hold an automatic election. Depending on the ultimate rate that is chosen by the city and its relationship to these legally defined rates, there are requirements that must be followed to comply with truth-in-taxation laws. These requirements protect the public’s right-to-know concerning tax rate decisions.

As shown in Figure 8, Southlake’s calculated no-new-revenue and voter-approval rates are higher for FY 2024 than the adopted tax rate. Therefore, the tax rate is not subject to an automatic election.

**Figure 8**

Tax Rate Comparison			
Fiscal Year	Tax Rate	No New Revenue Rate	Voter Approval Rate
2023	\$0.360	\$0.364058	\$0.456923
2024	\$0.319	\$0.3193750	\$0.380408

Comparison of tax rate, no-new-revenue rate, and voter-approval rate. Note the voter-approval rate is adjusted for unused increment credit.

**Revenue highlights.** The adopted FY 2024 budget projects \$55,826,936 million in General Fund revenues, an increase of \$1.9 million or 3.5% from the FY 2023 adopted budget.

Staff is estimating \$28,140,607 in property tax revenue, an estimated increase of \$1,149,607 or 4.3% over the FY 2023 adopted budget. This projected revenue reflects the adopted tax rate decrease.

Staff forecasts that sales tax revenue will remain flat for the coming fiscal year. The sales tax collection trend is shown in Figure 9 on the next page. The City expects to collect almost \$20 million in sales tax in the General Fund for FY 2024.

Franchise fees collected from private utility companies operating in the city provide another source of General Fund revenue, \$2,973,106. For FY 2024, \$2,973,106 is budgeted as a revenue from this source, a projected slight increase of 0.1% when revenue is compared to the FY 2023 budget. Fine collections, another source of revenue, are expected to total \$743,500 in FY 2024, a decrease of 17.2%.

The adopted budget anticipates \$1,499,100 in revenue from permits and fees in FY 2024.

Staff is estimating that 50 residential building permits will be issued during FY 2024, which is comparable to FY 2023 projections. Revenue from commercial permits is expected to decline when compared to the adopted FY 2023 budget.

Revenue from charges for services is estimated at \$1,582,723, which represents a 21.0% increase from the FY 2023 adopted budget. This category of revenue includes interlocal contributions from the cities of Grapevine, Colleyville, and Keller for the joint Teen Court program.

As previously noted, total General Fund operating budget revenues are expected to increase by 3.5% for FY 2024, a moderate increase. This overall revenue growth reflects the adopted tax rate reduction and ongoing use of the 20% homestead exemption.

Figure 10 on the next page shows the distribution of General Fund revenue sources.

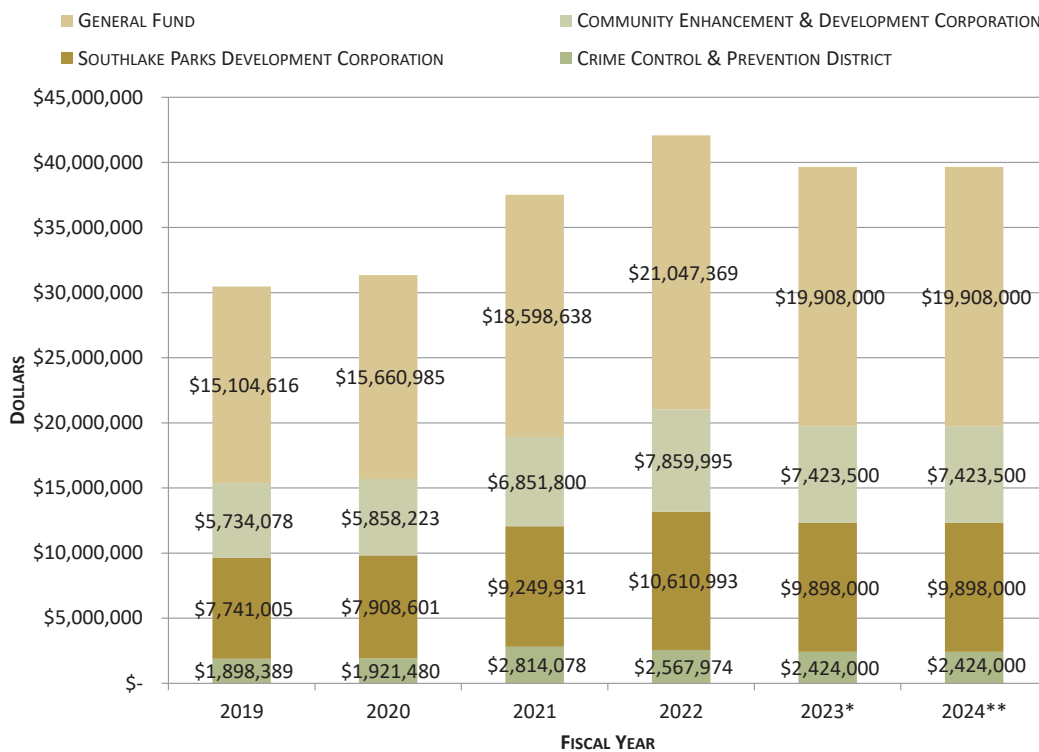
The General Fund also recognizes \$2,767,240 that will be transferred in from other funds to cover indirect costs borne by the General Fund. For FY 2024, indirect charges are not needed to balance the General Fund budget. The transfer will go straight to the budget's bottom line, ensuring an optimum fund balance.

**Expenditure highlights.** The General Fund accounts for 41% of the city's operational expenses. FY 2024 expenditures total \$52,625,123 and represent a 9.0% increase over the FY 2023 adopted budget.

For FY 2024, more than 70% of planned expenses are personnel-related, reflecting the nature of the municipality as a service organization. These costs include compensation, benefits, and other expenses. Changes to the budget for these expenses are shown below:

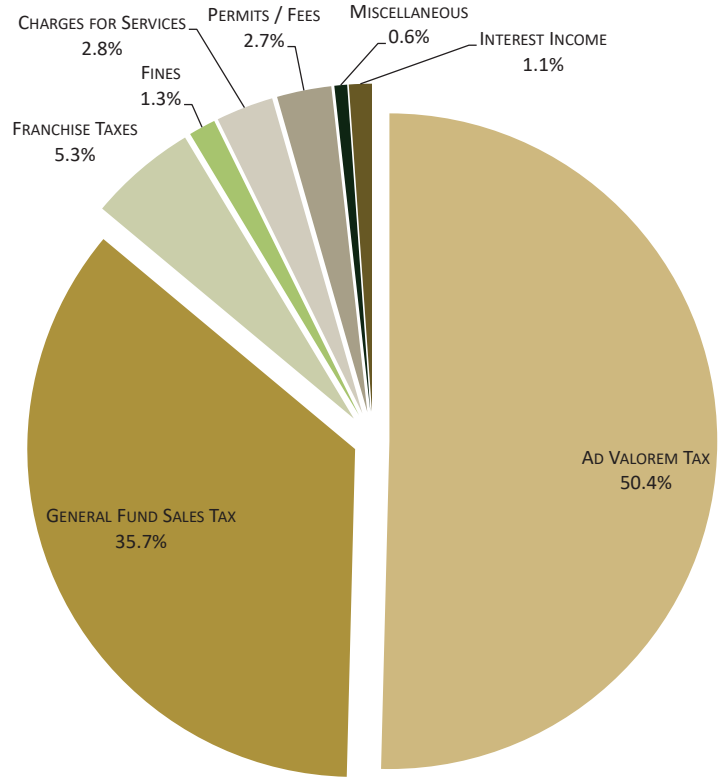
Positions: No new positions are included for the General Fund.

### Sales Tax Collection Trend



**Figure 9**

## General Fund Revenue by Source



**Figure 10**

Compensation: The City Council adopted its current compensation system on August 6, 2013, and amended it mid-year in FY 2022. The system supports the city’s strategic approach, provides for a financially sustainable model, and ensures a fair and predictable method of career progression and internal equity.

The compensation system establishes a defined labor market, market position, pay structure, and plan for movement through the pay ranges. The city has established a market compensation target and, on average, endeavors to pay better than 70% of the designated labor market for civilian employees and better than 85% of the market for sworn public safety personnel.

For FY 2024, merit increases up to 4.5% may be earned by employees. Also, note that the City’s pay plan will be adjusted by increasing starting salaries by 2% to compete with market changes from index cities.

Benefits: The City recently renewed a contract agreement with Cigna for health and dental insurance. Medical and prescription claims continue to be high, and the renewal includes a 6.9% increase for health insurance and 5% for dental insurance. For FY 2024, the budget increases the City’s contribution towards the cost of employee dependent coverage to maintain competitive health insurance rates with the labor market. The cost of the additional health insurance increase is approximately \$388,671 (all funds).



Personnel expenses support the focus area of Performance Management and Service Delivery, and the Strategic Corporate Objective of “Attracting, developing, and retaining a talented and motivated workforce for lasting world-class performance.”



When evaluating the level of benefits needed to be competitive within the City’s labor market, it would be inappropriate to look at each individual benefit option separately because of the unique palette of benefits offered. A better analysis is to compare the cost of benefits as a percentage of payroll. The City of Southlake strives to offer benefits near the percentage reported for state and local government workers by the U.S. Bureau of Labor Statistics (BLS). As noted in the BLS report released in March 2023, the benefits percentage reported for state and local workers is 38%. The adopted budget reflects Southlake’s benefit costs as 30.5% of total payroll.

The City of Southlake provides retirement benefits through the Texas Municipal Retirement System (TMRS). The required contribution rate for FY 2024 is 12.72%, effective January 1, 2024. Southlake’s funded ratio was 90.6% as of December 31, 2022, and the plan has an amortization period of 21 years. There are currently 352 active members in Southlake’s plan, with 171 retirees.

## General Fund Expenditure Highlights

Personnel	
Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase
Dependent healthcare cost increases	\$180,710 (all funds)
HSA Contribution	\$20,000 increase



Service enhancements: This budget includes several requests to enhance existing services that the city provides, as noted.

Operational increases: The General Fund includes the operational dollars needed to provide basic services such as police and fire, public works, parks, recreation, library services, and inspections. There are requests that maintain the City’s current service levels but require additional funding to do so. The full list of expenditure highlights can be found in the General Fund expenditure highlight tables.

Fund balance: The City of Southlake Fund Balance Policy, adopted in 1993, states that the “goal shall be to maintain a fund balance in the General Fund equal to a minimum of 15% of General Fund-budgeted operating expenditures, with the optimum goal of 25%.”

The adopted budget reflects an undesignated General Fund balance of 25.1% of expenditures, which represents \$13,211,435, and falls within the fund balance requirements defined in the City’s policy.

Excess revenue and unspent appropriation above the 25% level are set aside for critical, high-impact projects as a transfer to the Strategic Initiative Fund (SIF). Details about the transfer into the SIF and the use of these dollars can be found later in this letter.



Maintaining a fund balance at the optimum level identified in the City’s policy addresses the focus area of Performance Management & Service Delivery and the strategic corporate objective of “Safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management.”

## General Fund Expenditure Highlights - Operations

### Operations - Service Enhancements

Item	Expenditure
Expand Library Office Space	\$200,000
Consulting Services - Special Projects	\$49,900
West Kirkwood and White Chapel - Landscape Enhancements	\$33,150
Fit City Challenge Expenses	\$20,750
SH 114 Gore Cleaning	\$18,000
My Southlake News Redevelopment	\$10,200
Veteran’s Day Programming	\$2,500

### Operations

Increase in Fire Operations Overtime Budget	\$300,000
Increase in Keller Dispatch and Jail Fees	\$228,848
Utilities Street Lights Electrical Cost Increase	\$102,000
Fire Physicals and Cancer Screening	\$44,035

## Debt Service Fund

For FY 2024, revenues are estimated at \$5,957,343, with \$5,862,343 coming from ad valorem taxes, and \$95,000 from interest income. Transfers into the fund are budgeted at \$397,341 to pay the debt service for the bonds issued for storm water improvements. Total expenditures are adopted at \$6,769,139 for annual principal and interest payments, as well as related administrative costs.

The Debt Service Fund is projected to end the 2024 fiscal year with reserves of \$2,578,932. The fund balance allows us to meet our debt service fund balance policy which states that the City of Southlake "...shall also maintain Reserve Funds for all statutorily required reserve funds to guarantee debt service."

## Utility Fund

The Utility Fund is used to account for the acquisition, operation, and maintenance of Southlake’s municipal water and sewer utility, supported primarily by user charges to utility customers. The fund accounts for operational costs as well as debt service for utility system improvement bonds. The intent of this fund is for the direct beneficiaries to pay for all costs of the fund - including debt service - through fees levied for the services provided. Revenue and expenses related to garbage service are also accounted for in the Utility Fund.

**Revenue highlights.** The Utility Fund revenues are projected at \$40,426,600 for an increase of \$6,281,400. This is a 18.4% increase when compared with the FY 2023 adopted budget.

## Utility Fund Expenditure Highlights

### Personnel

Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Operations - Legislative Impact

Lead & Copper Rule Revisions Program	\$405,718
Fifth Unregulated Contaminant Monitoring Rule Sampling and Analysis	\$8,200

### Operations

Control Valve Rebuild - PS1 and Miron Elevated Storage Tanks	\$60,000
Chemicals and Electricity for Residual Control System at Pump Station 1	\$46,500
Contract Services Increase - Regulatory Sampling	\$23,404
Sewer Tap Installations	\$20,000
Inspection of Electrical Components for Lift Station Controls	\$12,500



**Expenditure highlights.**

Personnel: The Utility Fund includes resources needed to manage and operate the City’s utility system. As noted in the General Fund section of this letter, the budget includes compensation increases and provides funding for benefit cost increases. No new personnel are requested to be funded through the Utility Fund.

Other highlights: A few highlights of supplemental requests for the Utility Fund are shown in the table and are specifically related to providing water, and or sewer services.

Total expenditures in the Utility Fund are adopted at \$31,378,180 a 14.4% increase from the FY 2023 adopted budget.

Indirect charge/transfers: We have budgeted a transfer of \$1,617,064 from the Utility Fund to the General Fund to cover indirect expenses and for payment of a franchise fee. A transfer of \$8,000,000 to the Capital Improvements Program (CIP) is also budgeted.

Fund balance: The FY 2024 Utility Fund budget provides 192 days of working capital, or \$16,548,032. This exceeds the City’s fund balance policy, which states that the “...goal shall be to maintain a fund balance of 60 days of working capital in the Utility Fund...with the optimum goal of 90 days of working capital.”



## Vehicle Replacement Fund

The Vehicle Replacement Fund accounts for the resources needed to manage the purchase of vehicles and heavy equipment for the City’s fleet.

### Revenue and transfer highlights.

For FY 2024, we are estimating revenue of \$285,000 and a transfer of \$1,500,000 from the General Fund to the Vehicle Replacement Fund

**Expenditure highlights.** Expenditures are estimated at \$5,496,401 to replace aging vehicles and heavy equipment coming off-line. NOTE: Supply chain issues have affected the city’s ability to acquire vehicles on a timely schedule. As such, many vehicles slated for replacement during recent fiscal years have not been received. Funds have been re-budgeted as needed to ensure availability of dollars as we are able to receive the vehicles.

Fund balance: The projected ending fund balance is \$6,931,956 which provides adequate reserves for the program.

### Vehicle Replacement Fund Expenditure Highlights

Equipment	
Item	Expenditure
Fleet replacement per schedule	\$5,496,401*

\*Includes FY 2022 and FY 2023 vehicles that have not been received due to supply chain issues and have been re-budgeted.



## Southlake Sustainability Master Plan



**EFW3: Fund and adopt annual City operating budget, capital projects and equipment through sound financial policies.**

**“The Vehicle Replacement Fund should maintain three years of reserves as identified in replacement schedule.”**

**The FY 2024 budget includes a transfer from the General Fund of \$1,500,000 towards this goal.**

## Southlake Parks Development Corporation Fund

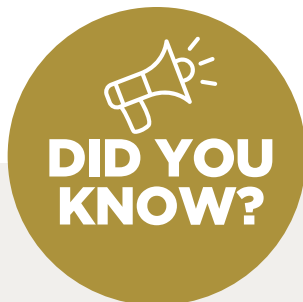
The Southlake Parks Development Corporation (SPDC) is a voter-approved development corporation established to develop, operate, and maintain park and recreational facilities. The uses of this half-cent sales tax are restricted to those allowed by law and approved by the Board of Directors and City Council.

The SPDC supports the implementation of the City’s Southlake Parks, Recreation, and Open Space Comprehensive Plan. Project priorities are established as a joint effort between the staff, Parks and Recreation Board, Southlake Parks Development Corporation Board of Directors, and City Council.

**Revenue highlights.** The SPDC operating fund is projected to receive \$10,203,824 in total revenue. This represents a projected 1.5% increase over the FY 2023 adopted budget.

**Expenditure highlights.** Total expenditures for the operating fund are \$2,829,897. This is a 47.4% increase from the FY 2023 adopted budget, primarily reflecting the extension of our park services to include a pickleball complex and supporting programs. The Southlake Parks Development Corporation Board of Directors, and the Southlake Parks and Recreation Board approved the adopted operating budget at the August 1, 2023, joint meeting.

The adopted FY 2024 budget includes \$1,727,570 for operations, \$472,500 for capital expenses and \$629,827 for personnel. SPDC park maintenance expenditures represent about 39% of the current total park maintenance costs.



Since its inception in 1994, the SPDC Fund has collected about \$138 million for park projects such as North Park, the Bicentennial Park improvements and the acquisition and development of Bob Jones Park.

## SPDC Fund Expenditure Highlights

### Personnel

Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Personnel and Operations - Service Enhancements

Pickleball Facility Personnel, Operations, and Equipment	\$436,603
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### Operations

Parks Electric Utilities	\$52,000 increase
Landscape Services Contract	\$3,400 increase

### Capital

Annual Parks ADA Enhancements	\$100,000
Skid Steer Loader	\$62,000
Stand-on Spreader Sprayer	\$17,500



Below are highlights of adopted expenses for the fund:

Personnel: SPDC funds two Maintenance Technicians, a Parks Supervisor, and staff to run the new pickleball facility. Pickleball staff is comprised of 6.55 FTE, including a Pickleball Manager, Pickleball Coordinator and part-time support staff. In addition, 25% of the salary and benefits for the City's Project Manager is funded by SPDC. All compensation and benefit adjustments previously mentioned will be funded by SPDC for these employees.

The construction of a new Pickleball Complex necessitates fully implementing a staffing and operational plan for the program. The total full-year operating cost of the program is \$436,603.

Operations: Expenses include annual costs associated with maintenance and operations of parks and park improvements.

Capital: The operating budget includes funding for equipment necessary to maintain the park system.

Indirect charge/transfers: A transfer of \$408,153 to the General Fund is planned for the indirect charge. We are also planning to transfer \$2,782,576 to debt service and \$5,500,000 to the CIP. The Southlake Parks Development Corporation is also responsible for paying principal and interest on outstanding debt. For FY 2024, the SPDC debt service fund will cover total expenditures of \$2,788,576 for this purpose.

Fund balance: The adopted ending fund balance for the SPDC operating fund will be \$11,194,715. The ending fund balance for the SPDC debt service fund is projected to be \$2,046,224.



Initiatives funded through the Southlake Parks Development Corporation address the focus area of Infrastructure & Development and the strategic corporate objective of "Investing to provide & maintain high quality public assets."





## CCPD Fund Expenditure Highlights

### Personnel

Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase
Less than Full Time School Resource Officer	\$93,246
Leadership Training - SMIP Course	\$6,167

### Equipment

Fire Arms and Associated Equipment Replacements	\$105,404
Replace Property Room Evidence Refrigerator	\$31,983
In-car Police Radios	\$30,000
K9 Decoy Training	\$20,000

## Crime Control and Prevention District Fund

The half-cent sales tax collection to fund the Crime Control and Prevention District (CCPD) began in April 1998, with the first sales tax check received in June 1998. State law provides that a district's life is limited to five years unless voters continue the district by approval of a referendum. In February 2002, Southlake voters approved the continuation of the CCPD for 15 years, and the district was set to sunset in 2018 unless reauthorized by the voters.

In May 2015, Southlake voters chose to reallocate a three-eighths cent portion from the CCPD to the formation of a sales tax district to fund recreational and economic development projects. This left a one-eighth cent allocation remaining for CCPD activities through the new sunset period, 2038, as authorized by the voters in May 2017.

**Revenue highlights.** For FY 2024, \$2,424,000 is anticipated in sales tax collections for the district, along with \$95,000 in interest income for total revenues of \$2,519,000. This is a projected increase of 3.8% compared to the FY 2023 adopted budget. The budget was approved by the District Board of Directors at their July 25, 2023, meeting.

**Expenditure highlights.** Total operating expenditures are adopted at \$2,217,238 for FY 2024. Adopted operating fund expenditures include the addition one less than full-time School Resource Officer (SRO). Additionally, CCPD will provide for the ongoing allocation of dollars for the existing SRO program in addition to equipment needed for the Police Department.

**Indirect charge/transfers.** A transfer of \$100,760 to the General Fund is planned for an indirect charge. A transfer of \$334,500 is planned for the CIP.

**Fund balance.** The ending fund balance for the CCPD Operating Fund is projected at \$4,207,551.

# Community Enhancement and Development Corporation

In May 2015, Southlake voters overwhelmingly approved the reallocation of a portion of the CCPD half-cent sales tax for the purpose of constructing and operating a recreation center through the Community Enhancement and Development Corporation (CEDC). The CCPD half-cent sales tax was reduced to a one-eighth cent tax and the remaining three-eighths was reallocated to address recreational and economic development needs for the city, as permitted by State law, through the CEDC.

The corporation funding is used to supplement the operating expenses for The Marq Southlake not recovered with facility and program fees. The funds also pay debt service on bonds used to construct the facility. A portion of the funds is also used for economic development initiatives.

Sales tax collections for the district began in October 2015. A seven-member board of directors works with the City Council to oversee the budget.

The CEDC operating fund highlights are shown as follows:

**Revenue highlights.** For FY 2024, \$12,234,788 in total revenue is anticipated for the CEDC operating fund. This represents a projected increase of 7.8% for the CEDC operating budget.

**Expenditure highlights.** Total operating expenses for the CEDC are estimated at \$5,820,052. Transfers for the indirect charge, CEDC Replacement Fund and debt service total \$4,305,948. The ending fund balance is projected at \$16,655,997. The CEDC Board of Directors approved the budget on July 31, 2023.

## CEDC Expenditure Highlights

### Personnel

Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Transfer

Transfer to CEDC Replacement Fund	\$1,125,000
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## CEDC Equipment Replacement Fund Expenditure Highlights

### Capital

Item	Expenditure
Capital Replacement per Schedule	\$1,408,209



Highlights of planned expenditures for the CEDC operating fund are shown below:

Personnel: The CEDC budget includes resources needed to manage and operate both Legends Hall and Champions Club at The Marq. This fund will cover its portion of employee pay adjustments and the increases in benefit costs as described in the General Fund portion of this letter. Total personnel costs for FY 2024 are \$3,299,698. No new personnel are requested for FY 2024.

Operations: Operating expenses for The Marq and economic development initiatives are adopted for FY 2024 at \$2,520,354. Costs include standard expenses like utilities, supplies, marketing and promotional materials.

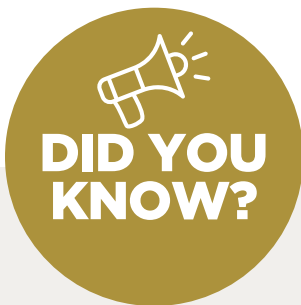
Capital: The adopted budget shows no capital expenses in the operating budget. The CEDC Replacement Fund will provide dollars for capital purchases as recommended in the adopted replacement plan.

Indirect charge/transfers: A transfer of \$489,392 to the General Fund is planned for the indirect charge. We are also planning to transfer \$2,450,556 to the CEDC Debt Service Fund and \$1,125,000 for capital replacement needs. \$241,000 will be transferred to the CIP.

The CEDC Replacement Fund has been established to ensure that Champions Club and Legends Hall is maintained properly. In FY 2024, the budget includes \$1,408,309 for planned replacements. With the transfer in of \$1,125,000, the ending fund balance will be \$3,777,894.

**Fund balance.** The FY 2024 ending fund balance for the CEDC operating fund is projected at \$16,655,997.

The CEDC debt service fund covers principal, interest, and administrative costs for bonds for the construction of Champions Club. Total debt service expenditures for FY 2024 are \$2,450,556. The ending fund balance for this fund is projected to be \$625,968.



Champions Club at The Marq Southlake opened in the spring of 2019. Current memberships exceed the four-year performance goal established.





# Economic Development Investment Fund

The Economic Development Master Plan includes a recommendation to build an economic development investment fund. We will continue to implement this recommendation for FY 2024.

**Revenue highlights.** For FY 2024, revenue of \$65,000 is projected. Also, we will transfer \$150,000 to this fund, as we work to build its balance for future use.

**Expenditure highlights.** There are no budgeted expenditures from this fund for FY 2024.

**Fund balance.** The ending fund balance is projected to be \$3,390,995.



## Southlake Economic Development Master Plan



**ED15: Maintain ongoing, dedicated funding to achieve economic development goals by continuing investment in the Economic Development Investment Fund.**

## Facility Maintenance Fund

Using the Strategic Initiative Fund (SIF), the City was able to establish a fund to set aside dollars for facility maintenance as recommended by the City’s Sustainability Plan. For FY 2024, we will continue our practice of transferring SIF money into this fund, working to maintain the plan goal of holding 10% of the total value of the City’s physical plant in reserve.

In FY 2024, a transfer of \$500,000 from the SIF is budgeted.

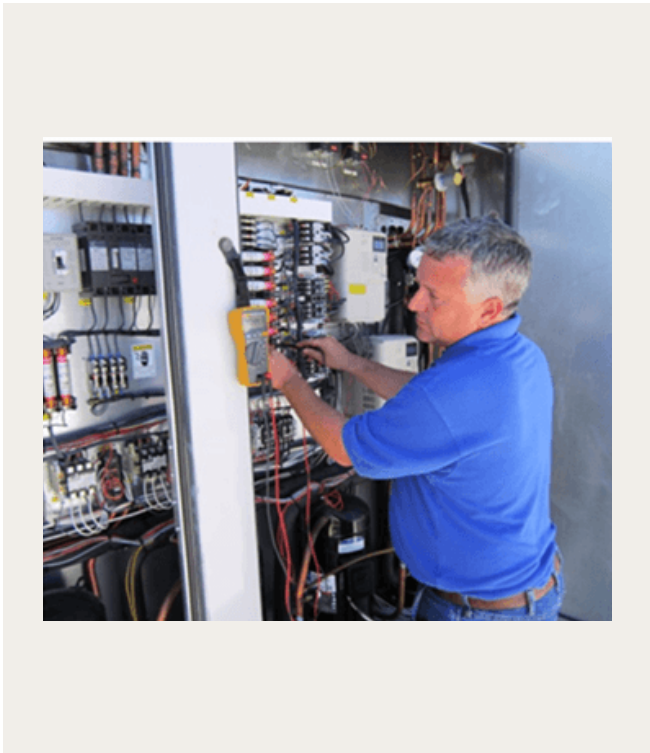
City staff currently manages over 876,000 square feet of facility infrastructure. Smaller daily maintenance efforts of the facilities are absorbed into the various operating budgets. However, it is important to have a proactive maintenance program that addresses large scale projects.

Ending fund balance is projected at \$11,508,030, which represents 9.0% of the total value of the City’s physical plant.

### Facility Maintenance Fund Expenditure Highlights

#### Operations

Item	Expenditure
DPS Headquarters Main Level Flooring Replacement	\$215,000
Town Hall Elevator Modernization	\$138,526
Library Replacement Chairs	\$60,000
Convert Library Family Restroom into Storage	\$24,000



## Southlake Sustainability Master Plan



**EFW3: Fund and adopt annual City operating budget, capital projects and equipment through sound financial policies.**

**“The Facility Maintenance Fund should maintain a reserve equivalent of 10% of total City facility asset value.”**

**The FY 2024 budget includes a transfer from the Strategic Initiative Fund of \$500,000 towards this goal.**



## Technology Infrastructure and Security Fund

The Technology Infrastructure and Security Fund was created in FY 2017 to build capacity for current and future technology needs.

Revenue for this fund in FY 2024 is projected at \$695,000, reflecting payments by communication providers for the lease of space on City water towers, and interest income. In FY 2024, we are a transfer of \$500,000 from the Strategic Initiative Fund is budgeted.

Expenditures planned for FY 2024 include items for improved network and IT infrastructure design, strengthened security, business continuity, updated equipment, and other infrastructure enhancements. Total expenditures are planned at \$2,018,103.

The ending fund balance is projected at \$6,032,821.



The establishment of the Technology Infrastructure and Security fund supports the focus area of performance management and the strategic corporate objective of “optimize the use of technology.”



## Technology Infrastructure & Security Fund Expenditure Highlights

### Business Continuity

Item	Expenditure
Storage	\$380,000
Network Switches	\$288,500
Toughbook Replacements	\$124,800
Multifactor Authentication	\$110,000
Town Hall & DPS Headquarters Data Center Improvements	\$61,500
Plotter	\$10,500

### Security Equipment and Infrastructure

Security Enhancements	\$80,000
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### Technology Infrastructure

Technology Master Plan	\$150,000
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## Tax Increment Finance District Fund

Tax Increment Reinvestment Zone (TIRZ) #1 or the Tax Increment Finance (TIF) District was created in 1997, with an effective beginning date of January 1, 1998. It was designed to encourage quality commercial development in the city.

In 2018, TIRZ #1 was extended for an additional twenty years. These tax dollars are restricted and may only be used for improvements or maintenance of facilities within the TIRZ #1. The City of Southlake and Carroll Independent School District (CISD), are partners in the TIRZ.

The projects funded in the FY 2024 adopted budget were identified in the TIRZ #1 Project & Financing Plan, adopted by the Board of Directors and City Council in August/September 2018.

**Revenue highlights.** Anticipated revenues for the TIF District Fund total \$9,722,848, including interest income. Revenue projections include estimated CISD payments based on a three-year average.

**Expenditure highlights.** Total expenditures for FY 2024 are adopted at \$7,219,629. These expenditures are attributable to CISD TIRZ #1 projects identified in the project and financing plan, as well as personnel and operations costs to be undertaken by the city. Projects for FY 2024 include funding for the School Resource Officer program at schools located in TIRZ #1, and enhancements to public infrastructure in the Town Square environment.

**Fund balance.** The ending balance is projected at \$11,685,670.

### TIF District Expenditure Highlights - Personnel

Personnel	
Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Community Enhancement

Town Square public space enhancement projects	\$300,000
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The establishment of TIRZ #1 and the use of the captured revenues for improvements in the District supports the focus area of Infrastructure and Development and the strategic corporate objectives of “Maintaining an environment of future readiness by understanding and acting upon the forces, trends, and coming challenges affecting services.”

## Special Revenue Funds

The City of Southlake accounts for revenues and expenditures of dedicated or special purpose funding in special revenue funds as described below.

**Commercial Vehicle Enforcement Fund.** State law requires that fines and forfeitures associated with commercial vehicle enforcement activities be segregated for accounting purposes.

For FY 2024, we are projecting total revenues of \$29,500. Expenses total \$174,750. A General Fund transfer of \$100,000 into this fund is planned. The ending fund balance is projected to be \$142,565.

**Court Security.** The budget anticipates revenues of \$32,000. Expenditures of \$80,520 are planned to enhance the overall safety of the court with the use of security personnel and other approaches. The projected ending fund balance is \$346,229.

**Court Technology.** The budget anticipates revenues of \$26,500. Expenditures of \$26,530 are planned to include funding for projects to optimize the use of technology for municipal court. The projected ending fund balance is \$280,850.

**Hotel Occupancy Tax.** The Hotel Occupancy Tax is authorized under the Texas Tax Code, Chapter 351. The City of Southlake adopted Ordinance No. 769 in February 2000, levying a 7% tax on room receipts. The tax on hotel rooms is providing the revenues to the city in this category. For FY 2024, revenues are estimated at \$2,145,500, an increase of 25.6% compared to the FY 2023 adopted budget.

Total planned expenditures for this fund for FY 2024 are \$1,143,044. Transfers to other funds total \$607,645, including the indirect transfer to the General Fund, as well as transfers to the Public Art Fund, and to the (CIP).

The ending fund balance is projected at \$3,251,613.

**Library Donations.** Staff is anticipating

## Special Revenue Funds Expenditure Highlights

### Commercial Vehicle Enforcement Fund

Item	Expenditure
Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Court Security

Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase

### Court Technology

Replacement citation writers	\$18,000
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### Hotel Occupancy Tax Fund

Pay Adjustment	Up to 4.5% combined Merit and Market
Health Insurance	6.9% rate increase
Shopping & Dining Open Rewards Program	\$75,000
Community Events Participation Policy Program Increase for Events	\$40,000
Solar Eclipse Event	\$25,000

### Storm Water Utility Fund

Gradall Fixed Thump Grapple	\$13,500
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approximately \$4,300 in donations/interest and the \$8,000 in expenditures will be for library special projects, which are often defined by the donor. Ending fund balance is projected at \$12,304.

**Park Dedication Fees.** This special revenue fund accounts for funds from park dedication fees on new development. Use of park dedication fees is restricted to park improvements and primarily used for capital expenses. No projects are planned for funding through this budget for FY 2024.

The adopted budget reflects revenues of \$120,000.

The ending fund balance is projected to be \$1,697,799.

**Parks and Recreation Fund.** This fund accounts for sponsorships obtained to enhance City special events, programs, athletic fields, and parks for which sponsorships are granted.

The adopted budget reflects projected total revenues of \$70,800. Expenses are estimated at \$87,500 leaving the fund with a projected balance of \$144,040.

**Police Services Fund.** This fund has been established to account for revenue associated with asset forfeitures. For FY 2024, interest income of \$1,200 is the only anticipated revenue, but a beginning fund balance of \$87,098 is available for use. Total expenditures of \$57,426 are planned to address various Police Department needs. Ending fund balance is projected to be \$30,872.

**Public Art Fund.** The Public Art Fund was established to account for funding that is available for the promotion, creation, installation, and/or maintenance of public art throughout Southlake. The Hotel Occupancy Tax financially supports the City's public art program, and a Public Art Master Plan has been adopted to guide program development.

The adopted budget shows \$9,000 in interest income. The law providing for the Hotel Occupancy Tax allows up to 15% of the revenues to be used for public art purposes. For FY 2024, a transfer of \$321,825 from the HOT Fund has been adopted.

Expenditures are estimated at \$77,546. The Public Art Fund provides support for the City's ongoing relationship with the APEX Arts League, Arts Council – Northeast, and the Southlake Arts Council by providing funding for various projects such as public art displays and event support. The budget also supports public art maintenance.

A transfer of \$400,000 to the CIP is planned for public art. The ending fund balance is estimated at \$447,620.

**Recycling Fund.** The City's contract for solid waste services provides for an annual payment of \$6,000 to





the City for total projected revenue of \$8,000 including interest. The adopted budget includes \$6,000 for special projects for FY 2024. The ending fund balance is projected to be \$76,801.

**Red Light Camera Fund.** In August 2008, the City of Southlake initiated a red-light enforcement camera system. Subsequently, Texas lawmakers passed a bill to prohibit the use of the cameras. The city immediately ceased operations of the program. The budget accounting for the revenue generated from the fines previously levied has a beginning fund balance of \$131,085. With interest earnings of \$1,500 projected, the fund will still be able to support traffic safety programs in FY 2024. Expenditures for traffic safety operations have been budgeted at \$126,205, including technology for monitoring traffic signals. Ending fund balance for FY 2024 is projected at \$6,380.

**Reforestation.** The adopted budget includes this fund to account for revenues and expenditures dedicated for reforestation. These funds are derived from assessments related to the tree preservation ordinance. The adopted budget reflects permits/fees of \$5,000. For FY 2024, \$35,000 has been budgeted for tree planting projects throughout town. The ending fund balance is projected at \$125,512.



The activities supported by the Reforestation Fund support the Council’s desire for quality development by ensuring that the natural environment is protected and preserved, or at a minimum replaced. Initiatives funded through the Red Light Camera Fund address the City’s “Safety and Security” Focus Area.

## Special Revenue Funds Expenditure Highlights

### Police Services Fund

Item	Expenditure
SWAT Replacement Equipment	\$31,902
Digital Forensics Lab Setup	\$10,980
Patrol Rifle Flashlights	\$8,000
Narcotics Investigator Training	\$2,350
Motorola Transfer Station	\$1,495
Fleet tracking service renewal	\$1,199

### Public Art Fund

Reprinting the Bob Jones Exhibit onto Canvas	\$6,000
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### Red Light Camera Fund

Citywide Striping	\$50,000
Central Software for Traffic Radio Network	\$45,000
Citywide Crosswalk Flasher Solar Panel Replacement	\$28,000

### Reforestation Fund

Tree Planting	\$35,000
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**Storm Water Utility Fund.** On October 17, 2006, the City Council established a Storm Water Utility System. This utility requires a monthly fee for all of Southlake's developed properties. These fees provide a funding source for maintenance, repair, and construction of public storm water facilities, and can only be spent for these purposes.

For FY 2024, total revenues for this fund are projected at \$1,651,300. This is an increase of 3.7% when compared to the FY 2023 adopted budget. Planned expenditures for FY 2024 total \$609,913, including \$271,928 in personnel expenses and \$337,985 in operational costs.

Transfers out of the fund totaling \$1,113,393 are planned in FY 2024. The ending fund balance is projected at \$1,974,974.



**DID YOU  
KNOW?**

The City maintains the public storm water drainage system and structures within the right-of-way and dedicated public storm water drainage easements.



# Strategic Initiative Fund

At the end of each fiscal year, General Fund excess revenue (including indirect transfers from other funds) and unspent appropriation become a part of the City’s fund balance, or reserves. When reserves exceed the optimum level, the excess is transferred to the Strategic Initiative Fund (SIF), providing cash funding for needed projects without requiring the city to borrow money for them.

Implemented in 2006, the SIF has been used for non-recurring expenses and high impact projects. Figure 11 shows the uses of the SIF since its inception.

The beginning SIF fund balance is \$8,105,197. For FY 2024, a transfer from the General Fund of \$3,700,000 is budgeted.

For FY 2024, the following projects are included in each of the categories:

**Infrastructure Maintenance Funding.** For FY 2024, \$500,000 will be transferred from the SIF to the Facility Maintenance Fund. The purpose of this fund is to build financial capacity to address future maintenance projects as our facilities age.

**Community Enhancement Funding.** This category of funding is set aside to provide pay-as-you-go funding for initiatives which will enhance the quality of life or aesthetics of Southlake. Additionally, this category of funding may be used to enhance the city’s ability to provide more convenient customer service experiences for our customers.

This year’s budget includes expenditures of \$220,000 in this category.

**Capital Acquisition Funding.** The SIF is

## Strategic Initiative Fund Expenditure Highlights

### Infrastructure Maintenance

Item	Expenditure
Transfer to Facility Maintenance Fund	\$500,000

### Community Enhancement

Southlake Comprehensive Plan Updates	\$120,000
Large Plans and Historical Maps Scanning Project	\$100,000

### Capital Acquisition

Transfer to CIP	\$8,000,000
LIFEPAK CR2 Defibrillator	\$123,328
Ballistic Protection Equipment	\$102,942

### Technology

Transfer to Technology Infrastructure and Security Fund	\$500,000
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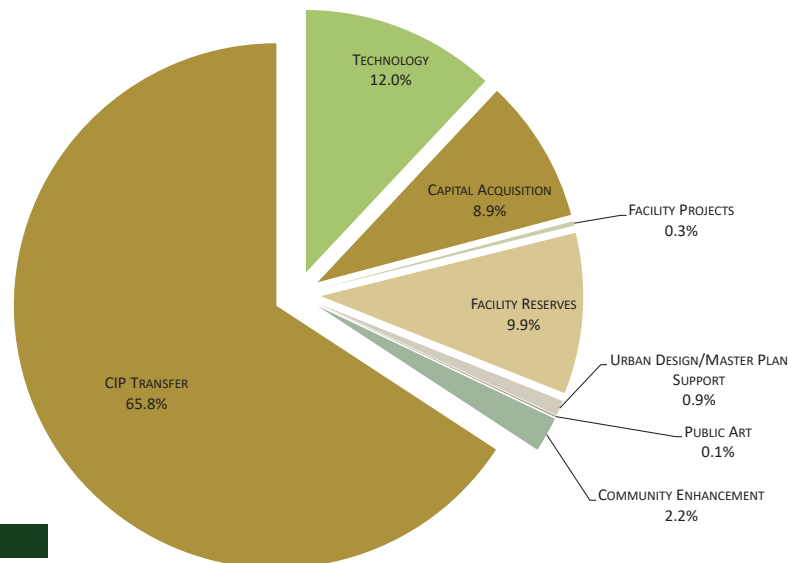


Figure 11



often used to provide cash funding for capital equipment or projects. For FY 2024, \$8,000,000 will be transferred from the SIF to the Capital Improvements Program for the purpose of building infrastructure and planned facilities.

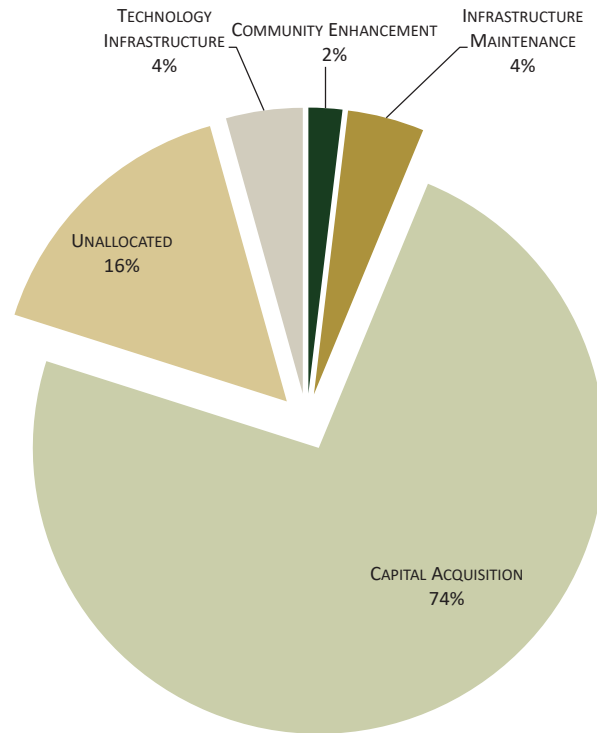
This year's budget includes additional expenditures of \$336,996 in this category, to address capital purchases needed for city operations.

**Technology.** To support the concept of high-performance management and strong service delivery, Council has identified strategic corporate objectives to that emphasize future-readiness and strong risk management. The Strategic Initiative Fund has traditionally covered the cost of high impact technology solutions for the city.

Council established a Technology Infrastructure and Security Fund to ensure sustainable funding that recognizes ongoing technological change and advancement. For FY 2024, \$500,000 will be transferred to this fund to cover certain technology expenses.

Adopted expenditures for the Strategic Initiative Fund for FY 2024 total \$555,996. Transfers to other funds total \$9,000,000. This leaves \$2,318,201 of the available funds unallocated. Figure 12 shows SIF expenses by category for FY 2024.

## Strategic Initiative Fund expenses By Category, FY 2024



**Figure 12**



# Capital Improvement Program

Each year, the City of Southlake identifies funding for a multi-year Capital Improvement Program (CIP). The CIP is a tool used for planning and financial management, designed to coordinate the location, timing and financing of capital improvements over a five-year period.

Capital improvements refer to major expenditures for things like land, buildings, and public infrastructure, identified for the purpose of advancing the City’s strategic and comprehensive plans.

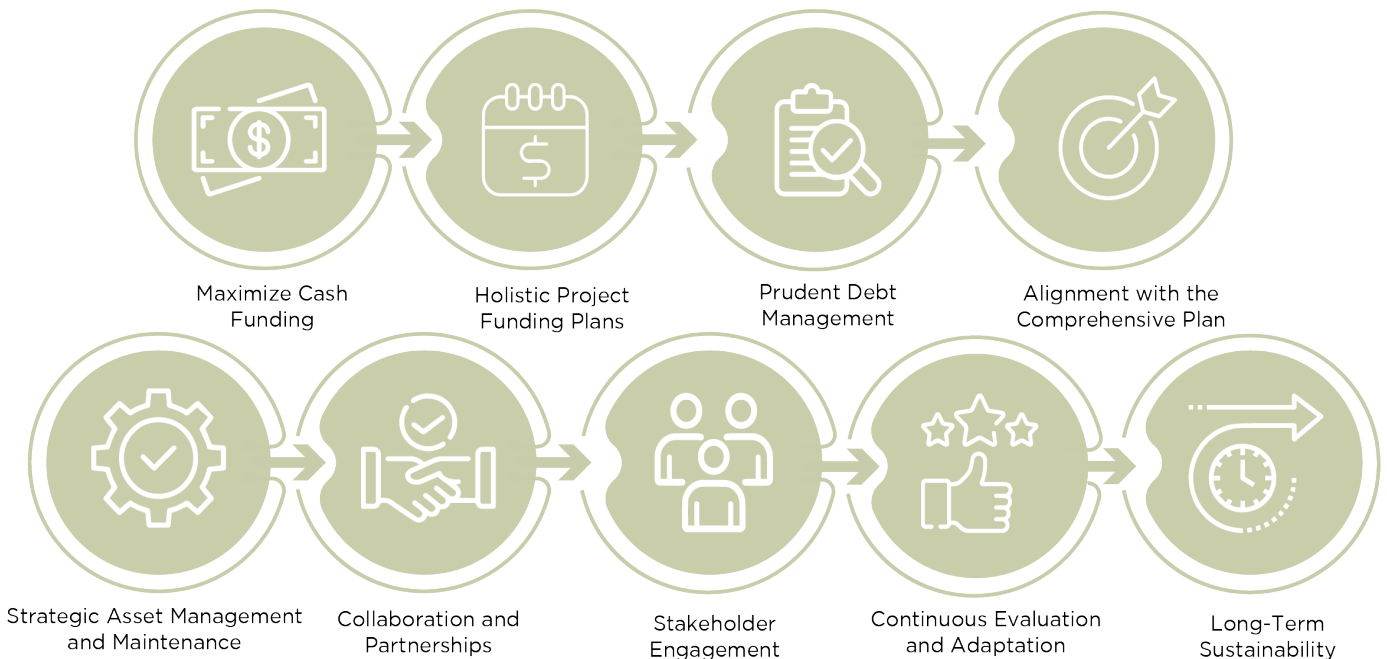
The goals of Southlake’s capital project planning efforts include:

1. Ensure timely construction of and/or repair of infrastructure to effectively meet ongoing community needs, as defined by the City’s strategic and comprehensive plans;
2. Establish a methodical approach to public infrastructure funding and construction to eliminate unanticipated, poorly planned, or unnecessary capital expenditures and to avoid sharp increases in tax rates, user fees, or debt; and,
3. Align public projects with community growth patterns and development, as defined by the City’s comprehensive plans.

Preparation of the City’s annual budget and the CIP are closely linked. As part of the operating budget, financial resources are identified and allocated in accordance with established guiding principles shown below in Figure 13. The five-year implementation plan, identifying specific projects, funding sources, and priorities, will be considered and adopted by Council in February 2024. Projects included in the implementation plan will address needs identified in the Southlake Comprehensive Plan.

## CIP Guiding Principles

Figure 13





For FY 2024, cash funding for capital projects is recommended as follows:

**General Fund.** The General Fund is used to address capital projects such as streets and road construction and/or rehabilitation, pathway improvements, improvements to support access as required by the Americans with Disabilities Act (ADA), and municipal facilities. For FY 2024, a total of \$8 million is recommended for cash funding.

**Utility Fund.** The Utility Fund is used to address capital projects such as water and sewer infrastructure and city facilities. Projects include water lines, pump station improvements, storage facilities, sewer lines, lift station pumps, and facilities needed to support the City's utility system. For FY 2024, a total of \$8 million is recommended for cash funding.

**Southlake Parks Development Corporation (SPDC).** Funded by a voter-approved half-cent sales tax, these dollars are allocated for the ongoing design and development of the city's park system, and dollars for matching donations for park improvements. For FY 2024, a total of \$5.5 million is recommended for cash funding.

**Storm Water Utility Fund.** Fees collected from residential and commercial property owners provide dollars to improve storm water management in the city. For FY 2024, funds will be allocated from this fund in an amount not to exceed \$650,000 for this purpose.

**Crime Control and Prevention District.** A portion of the taxes collected from this voter-approved District are used to fund capital projects. For FY 2024, these dollars will be allocated in an amount not to exceed \$334,500.

**Community Enhancement and Development Corporation (CEDC).** Another voter-approved District, the CEDC budget includes funds for capital projects. For FY 2024, a total of \$241,000 is recommended for cash funding.

**Public Art Fund.** Hotel Occupancy Tax (HOT) funds provide the resources for public art initiatives. For FY 2024, \$400,000 is planned for public art capital projects.

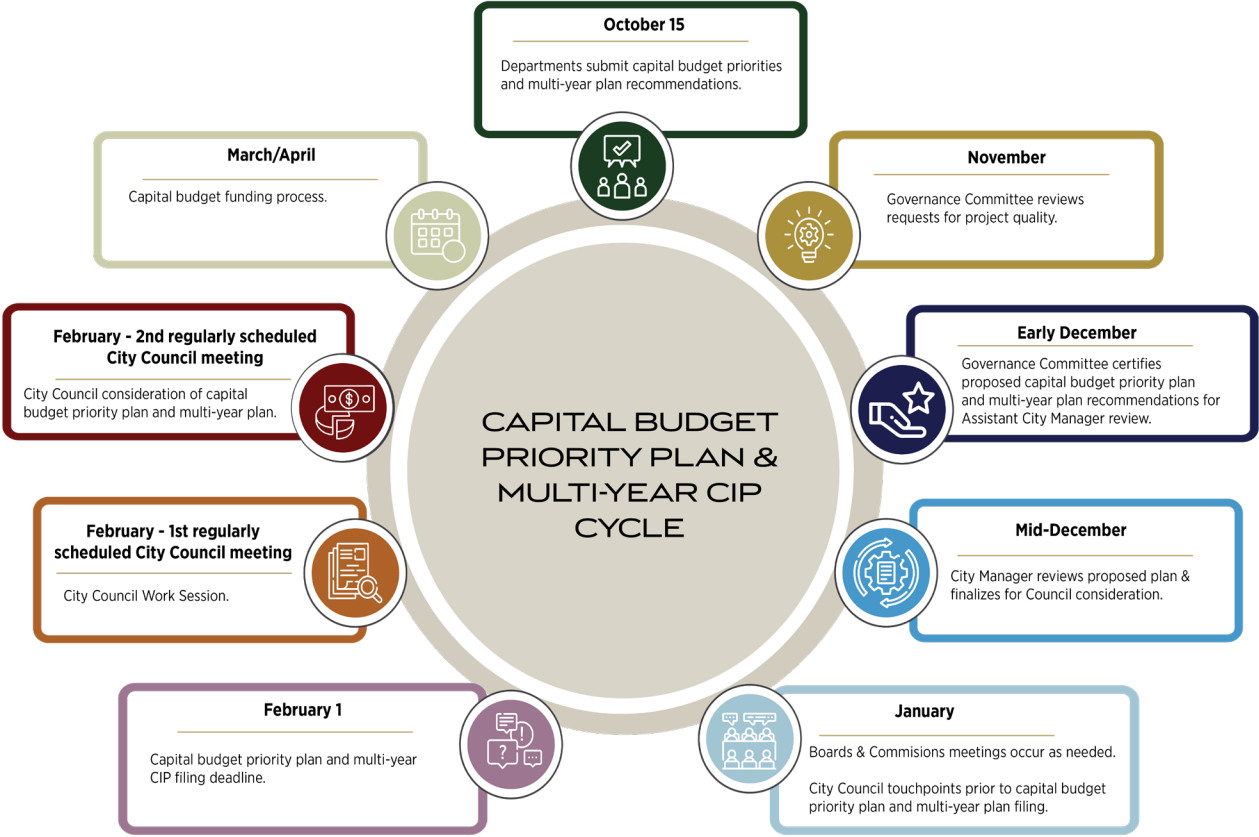
**Hotel Occupancy Tax Fund.** HOT funds can also be used for projects designed to bring visitors to the city. For FY 2024, a total of \$200,000 is recommended for cash funding.

Cash allocated as part of the Capital Improvements Program totals \$23.3 million across all funds and will advance city master plan goals. City staff will present a CIP implementation plan to City Council in February, outlining specific project priorities and including:

- Detailed funding schedules identifying cash and debt funding by funding source
- Project information sheets that include a description of each project, pertinent project details as well as funding and expenditure schedules,
- Operating budget impact summary, and
- Multi-year plan

The CIP implementation plan will establish a five-year funding schedule for priorities. The first year of the plan (FY 2024) is the capital budget planned for immediate implementation. Projects approved for subsequent years (FY 2025 - FY 2028) will be proposed for planning purposes only and will not have expenditure authority until approved as part of subsequent capital projects.

**Figure 14**



## Summary

The FY 2024 adopted budget has been developed in adherence to the City’s established financial principles and with the City’s strategic goals in mind. It implements recommendations of the Southlake Comprehensive Plan. It provides tax relief, as well as high quality service delivery for ongoing programs and services. It implements initiatives to provide for long-term financial sustainability, including aggressive debt management. It addresses employee compensation and benefits to ensure that Southlake continues to be an employer of choice. Multi-year financial planning has guided the development of this budget. The staff is looking forward to beginning the new fiscal year with its new opportunities.

Respectfully submitted,

*Shana K. Yelverton*  
Shana K. Yelverton  
City Manager





# BUDGET OVERVIEW





# GUIDE TO THE **BUDGET DOCUMENT**

## Budget 101

A former world leader once said, “It’s clearly a budget. It has a lot of numbers in it.” And while that’s a true statement about this budget document, it should be noted that each of these numbers has purpose and meaning behind it. The annual budget serves as a policy document, a financial plan, an operations guide, and a communications device for the City. It is the foundation for the City’s allocation of resources toward high quality service delivery plans, targeted investments, and continued improvements. It also encapsulates incremental changes addressing service requirements and builds upon initiatives funded in prior years, while establishing new direction for programs.

This section explains the meaning behind the numbers which are presented in subsequent chapters. It gives perspective to the City’s budgeting process, basis of budgeting and accounting, how the budget is amended, and the fund accounting system. All of these components, combined with the City’s Strategic Management System make up the primary foundation for every City of Southlake budget document.



## Budget Sections

The Budget Document is arranged in 17 sections that are separated by their respective tabs. Below is a brief description of the materials found in each of the sections.

**Transmittal Letter** - The Transmittal Letter is written to the City Council by the City Manager and provides a high-level preview of the City Manager’s adopted budget. It contains information including the adopted tax rate and adopted fund summaries as well as overviews of the departmental plans. The letter helps tie together the core elements which make up the adopted budget and illustrates how those elements further the City’s goals found within the Strategic Management System.

**Budget Overview** - This section helps explain the meaning behind the numbers presented in subsequent chapters. It gives perspective to the City’s budgeting process, basis of budgeting, fund accounting system, and an explanation of factors included in budget development.

**City Profile** - This section of the budget document offers a quick, effective visual of the City’s financial condition. We believe the ability to monitor and evaluate the financial condition of a local government is critical to that government’s successful, prosperous future. Recognizing that trends can provide early warning signals, staff regularly monitors numerous financial indicators. A list of Council members, an organizational chart, location and a history of the City is also provided in the City Profile.

**Strategic Direction** - This section provides information about the City’s Strategic Management System (SMS). Several years ago the City proposed the SMS, which drives the way the City conducts its business. The department directors contribute to the SMS by developing a department business plan and aligning their yearly budget proposals to that plan.

**City Department Overview** - This section provides an overview of the various departments and divisions of the City via department highlights, strategy maps, scorecards and goals. This section is intended to give the reader an understanding of the core services each department provides as well as performance data related to those services.

**Fund Summaries** - This section provides an analysis of each separate fund including revenues, expenditures and fund balance. For comparative purposes, the immediately preceding fiscal year's audited figures are illustrated, as well as current year budget, revised current year and proposed budget for the impending fiscal year.

**General Fund Expenditures** - This section provides the General Fund Summary. The General Fund is the City's principal operating fund which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. This fund accounts for all activity not specifically accounted for in other funds and includes funding for operations such as police, fire, engineering, planning, finance and administration.

**Strategic Initiative Fund** - This section provides information about the Strategic Initiative Fund. This fund was created in 2005 for the purpose of taking General Fund balance reserves in excess of the City identified optimal fund balance level and using them for one-time expenditures for high-impact projects such as infrastructure maintenance, community enhancement, technology and capital acquisition.

**Facility Maintenance Fund** - This section provides information about the Facility Maintenance Fund. The purpose of this fund is to build capacity for annual or future maintenance projects as we will have many needs to address as our facilities age. The Strategic Initiative Fund has provided regular transfers for this fund, an important element of our budget given the size and complexity of the City's facility infrastructure.

**Technology Infrastructure & Security Fund** - This section provides information about the Technology Infrastructure & Security Fund. This fund was created in 2017 to build capacity for current and future technology needs. Expenditures in this fund are used to maintain, enhance and replace technology infrastructure and enterprise software to ensure the City receives the most reliable and best value with technology investments.

**Economic Development and Investment Fund** - The Southlake Economic Development Strategic Plan includes the following as recommendation ED15: "Maintain ongoing, dedicated funding to achieve economic development goals by continuing investment in the Economic Development Investment Fund." This fund was created in 2013 for that purpose.

**Utility Fund** - This section provides the Utility Fund Summary. The Utility Fund is an enterprise or business fund. This means that the direct beneficiaries of the "business" pay for all costs through fees or rates. Water, sewer service, and solid waste service revenues generated through our rates, as well as the expenses for providing these services are accounted for in the Utility Fund.

**Vehicle Replacement Fund** - This section provides a fund summary and detailed spending plan for funds to manage the purchase of vehicles for the City's fleet. The establishment and funding of the vehicle replacement program was designed to even out expenses for the City's fleet from year to year and provide a logical method for purchasing and retiring vehicles.

**Debt Service Funds & Debt Schedules** - This section provides a summary of the annual principal and interest payments for all outstanding bonded debt and capital leases. Also included are some fast facts about the City's use of debt and how that debt is funded both through property tax revenue and through dedicated, self-supporting revenue streams such as sales tax revenues for park development.



**Special Revenue Funds** - This section provides a detailed spending plan for funds generated from the proceeds of specific revenue sources that are legally restricted for certain purposes.

**Capital Improvements Program** - A Capital Improvements Program is for the purchase, construction or replacement of the physical assets of the City. This section includes the capital budget timeframe and the available cash funding sources for the FY 2024 CIP.

**Appendix** - This section includes a list of acronyms, a budget glossary, Southlake’s financial policies and frequently asked questions. Also included is a personnel schedule, tax rate allocation information and the Financial Wellness component of the Southlake 2030 Sustainability Plan.

**Figure 1**

March 2023	City Council - Strategy Work Session
March 2023	Staff Budget Kick-Off
May 2023	Departmental Budgets Due
August 2023	City Council Budget Preview City Council Work Session City Manager Files Budget
September 2023	City Council Work Session 1st Reading and Public Hearing
	City Council 2nd Reading and Public Hearing
October 1, 2023	Fiscal Year 2024 Begins

## Budget Process

How does the City of Southlake spend taxpayer money? It’s a simple question with a complex answer. What follows is a high-level explanation of the City of Southlake’s budget process.

The formal budget process in Southlake begins each year with a City Council work session designed to review the City’s strategy as it relates to the Strategic Management System (SMS) and make any changes necessary to ensure that the strategy still aligns with City Council and citizen priorities. To read more about the SMS, see the Strategic Direction section.

Using Council’s direction at this work session, staff begins working on their departmental work plans for the upcoming fiscal year. The initiatives in these plans determine what budgetary requests are necessary to meet service level needs. Once each department has finalized its own plan, and it has been approved by the City Manager, staff prepares their departmental budget requests which are also submitted to and reviewed by the City Manager. For more information about the City’s organizational structure, see the Strategic Direction section of this book.

The Charter of the City of Southlake mandates that a proposed budget be filed by the City Manager with the City Secretary’s Office no later than August 15th for the new fiscal year beginning October 1. Following filing, the City Council begins their review leading up to budget adoption in September.

When filed with the City Secretary’s Office on August 15th, the budget presents in summary form the revenues and expenditures from each of the City’s funds. From there it is discussed during City Council work sessions and then formally presented by staff during public hearings at regularly scheduled City Council meetings.

## How the Budget is Amended

The City of Southlake Charter Sections 9.20 through 9.25 defines the process for budget amendments (see Appendix). To meet these charter requirements, budget amendment requests, if necessary, are evaluated and processed each year and presented to City Council for review and approval.

## Citizen Input and Communication

The process leading to the budget adoption is participatory and includes a communications plan that encourages input from citizens, boards and commissions, City departments, and the City Council.



HAVE A BUDGET COMMENT OR QUESTION?

Contact the City Manager's Office at (817) 748-8057 or [TalkToUs@cityofsouthlake.com](mailto:TalkToUs@cityofsouthlake.com)

### The communications plan includes:

- Public hearings;
- Live, televised coverage of City Council work sessions, meetings and public hearings;
- Presentations to City boards and commissions;
- Access to all volumes of the Proposed and Adopted budgets through the Southlake Public Library system; and,
- Internet access to all budget documents and videos of public meetings at [www.CityofSouthlake.com](http://www.CityofSouthlake.com).

In addition to communication provided during the budget process, the budget is developed using feedback from the City's biennial Citizen Satisfaction Survey. In this survey residents tell the City what they think are the most important services and what they are most satisfied with. Using this information, the budget is developed to ensure that these service priorities are continually met. Figure 2 below shows the services rated with the highest importance in the last survey, conducted in October 2021. This survey data will be used to inform budget recommendations for FY 2024 as well. The next survey will be conducted in October 2023.

Figure 2

## 2021 Citizen Survey Top 10 Most Important Services



## Basis of Accounting

The City of Southlake utilizes the modified accrual basis of accounting which is a method of accounting for revenues and expenses when earned or incurred instead of when cash is received or spent.

## Basis of Budgeting

The City of Southlake's basis of budgeting for its major fund groups (General Fund, Utility Fund, Storm Water Utility Fund, Southlake Parks Development Corporation Fund, Crime Control & Prevention District Fund and Tax Increment Finance District Fund) and for all Special Revenue Funds is modified accrual, per the Generally Accepted Accounting Principles (GAAP).

Revenues are budgeted according to when they are both measurable and available. Revenues are considered to be available when they are collected within the current period, or soon enough thereafter to pay liabilities of the current period. The City considers property taxes, franchise taxes, licenses, and interest associated with the current fiscal period susceptible to accrual if they are collected within 60 days of the end of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Expenditures are budgeted according to when the liability is incurred, regardless of the timing of related cash flow. The exceptions are debt service, compensated absences, claims and judgments, which are budgeted as expenditures according to when the payments are due. The City's basis of budgeting is the same as the basis of accounting, as reflected in the City's Annual Comprehensive Financial Report.

## Fund Accounting

Funds are unique to governmental type agencies. In the corporate world, "Funds" do not exist. The company receives revenues and writes checks to pay for its expenses and reports them for the company as a whole. Governments handle this process differently.

The City of Southlake has over 50 funds with specific purposes which are defined by federal, state, or local laws. They include the General Fund which is used for general City operations, the Utility Fund which is used to support the City's water, sewer, drainage, and solid waste service, and a multitude of Special Revenue, Debt Service Funds, and Capital Project Funds. Simply stated, funds are set up like separate companies which must operate under specific parameters.

For example, the City receives \$0.02 of sales tax for every dollar spent in our city limits. One of those pennies goes to the General Fund and can be spent on general operating costs, like supplies, salaries, and general maintenance. The other penny is split between our Crime Control and Prevention District, the Community Enhancement and Development Corporation, and the Southlake Parks Development Corporation. These three units of the City of Southlake were voted on by the residents, but state law determines how that money is spent. The City can only use it for the purposes outlined in the original referendum presented to the voters, so the separate funds were set up to account for the revenues and expenditures of each unit.

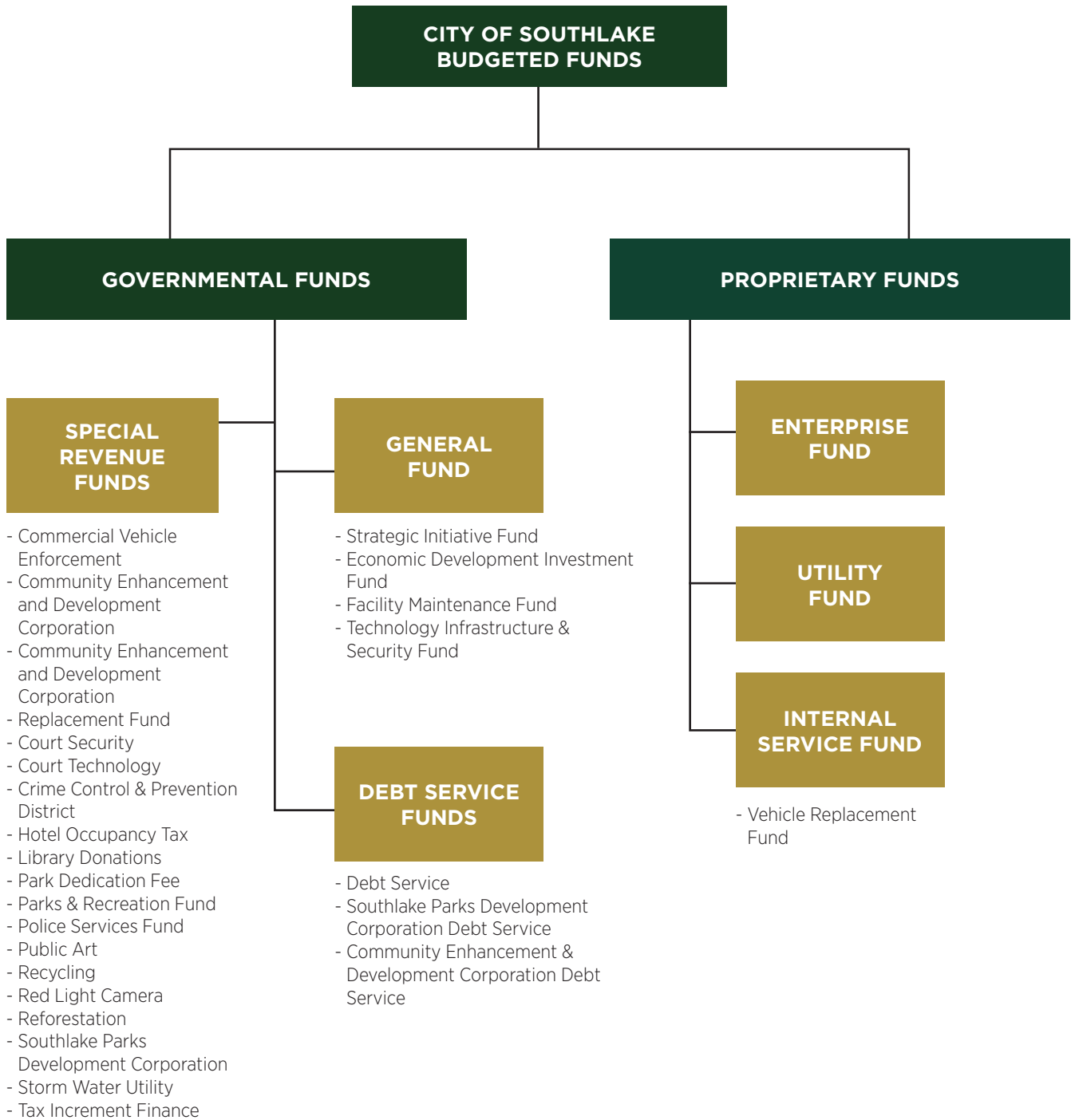
In another example, the City receives proceeds from bonds issued for various projects. The Official Statement for a bond issue outlines how much money the City will receive, how that money will be repaid, and how the money can be spent. This document is legally binding on City officials and is enforced by federal, state, and local laws. If the Official Statement says we received \$12,000,000 for roadway improvements, City Council and management may not opt to spend it on equipment or supplies.

The money is recorded in a Capital Project Fund for roadway improvements and can only be spent on roadway improvements.

Although these examples are for three very specific funds, the same concept of expense restrictions applies to all 55 funds. As a result, reporting revenues and expenses for the City of Southlake includes 55 miniature financial statements in addition to a Citywide financial statement. It may appear that money is available to spend when in fact the majority of the money is restricted by law.

**Figure 3**

### City of Southlake Fund Structure Chart





What follows is an explanation of the funds themselves and how they contribute to the overall budget.

### **General Fund.**

The City's principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. This fund accounts for all activity not specifically accounted for in other funds. It includes such operations as police, fire, engineering, planning, finance and administration. It is City policy to maintain an undesignated fund balance (reserves) for emergencies or unforeseen circumstances equivalent to 15-25% of planned expenses.

### **Strategic Initiative Fund.**

This fund was created in 2006 for the purpose of taking General Fund balance reserves in excess of the City identified optimal fund balance level and using them for one-time expenditures for high-impact projects such as infrastructure maintenance, community enhancement, technology and capital acquisition.

### **Economic Development Investment Fund.**

The Southlake 2035 Economic Development & Tourism Strategic Plan includes the following as recommendation 4.3: "Southlake should establish a fund to use to attract and retain employers, as well as to help retain and expand existing businesses." This fund was created in 2013 for that purpose and its use is governed by a City Council-proposed policy.

### **Facility Maintenance Reserve.**

The purpose of this fund is to build capacity for future maintenance projects as we will have many needs to address as our facilities age. The Strategic Initiative Fund (SIF) has provided regular transfers for this fund, an important element of our budget given the size and complexity of the City's facility infrastructure. For the upcoming fiscal year, we will continue our practice of transferring SIF money into this fund, but we are also budgeting expenses in the operating budget for facility projects.

### **Technology Infrastructure & Security Fund.**

The Technology Infrastructure & Security Fund was created in 2017 to build capacity for current and future technology needs. Expenditures in this fund are used to maintain, enhance and replace technology infrastructure and enterprise software to ensure the City receives the most reliable and best value with technology investments. In order to keep up with the increasing number and complexity of security threats, this fund also supports technology security projects and programs.

### **Utility Fund.**

The Utility Fund is an enterprise or business fund. This means that the direct beneficiaries of the "business" pay for all costs through fees or rates. Water, sewer service, and solid waste service revenues generated through our rates, as well as the expenses for providing these services are accounted for in the Utility Fund. As with the General Fund, prudent financial management and bond requirements make it necessary to have healthy reserves. Rather than stating the reserves as a percentage of operating expenses, it is stated as days of working capital. It is our goal to have no less than 60 to 90 days of working capital on hand.

### **Vehicle Replacement Fund.**

This fund accounts for the resources needed to manage the purchase of vehicles for the City's fleet. The establishment and funding of the vehicle replacement program was designed to even out expenses for the City's fleet from year to year and provide a logical method for purchasing and retiring vehicles.

**Debt Service Fund.**

Although the Strategic Initiative Fund provides cash for pay-as-you-go capital projects, the City still must borrow to build needed infrastructure. As mentioned, a portion of the revenue generated by the property tax rate is allocated to support long-term bond projects through the Debt Service Fund. A Capital Improvements Program details the projects and costs for a five-year period and identifies future unfunded projects. The Debt Service Fund provides the needed money to build these projects.

**Special Revenue Funds.**

These funds are general government funds where the source of revenue is dedicated to a specific purpose:

**Commercial Vehicle Enforcement.**

This fund accounts for fines collected from commercial vehicle violations. Use of these funds is restricted for commercial vehicle enforcement, per State law.

**Community Enhancement and Development Corporation (CEDC).**

The Community Enhancement and Development Corporation was formed when Southlake voters approved the special levy of a 3/8 cent sales tax in 2015. The funds are dedicated toward the construction of Champions Club at The Marq Southlake, a community events and recreation facility. Funds are used to support operational expenses related to The Marq as well as special economic development projects.

**Community Enhancement and Development Corporation - Replacement Fund.**

The Community Enhancement and Development Corporation - Replacement Fund accounts for the resources needed to manage the purchase of replacement equipment and capital outlay at The Marq Southlake. The establishment and funding of the Community Enhancement and Development Corporation - Replacement Fund was designed to even out expenses for the Community Enhancement and Development Corporation from year to year and provide a logical method for purchasing and retiring needed equipment and capital outlay.

**Court Security.**

This fund accounts for a percentage of the monies collected from the payment of fines and forfeitures. Use of these funds is restricted for the purchase of court security items, per State law.

**Court Technology.**

This fund accounts for a percentage of the monies collected from the payment of fines and forfeitures. Use of these funds is restricted for purchase of court technology, per State law.

**Crime Control and Prevention District (CCPD).**

The half-cent sales tax collection to fund the Crime Control and Prevention District began in April 1998, with the first sales tax check received in June 1998. State law provides that a district's initial life is limited to five years. Voters may continue the district by approval of a referendum. In February 2002, Southlake voters approved the continuation of the CCPD for 15 years and in May 2015, voters approved the reduction of the sales tax to 1/8 cent, and in May 2017 voters reauthorized the CCPD through 2038. This fund has been used to build facilities for and to support the Southlake Police Department. This fund also supports the City's School Resource Officer Program.

**Hotel Occupancy Tax.**

The Hotel Occupancy Tax is authorized under the Texas Tax Code, Chapter 351. The City of Southlake adopted Ordinance No. 769 in February 2000, levying a 7% tax on room receipts. The tax on rooms is providing the revenues to the City in this category. The first expenditures from this fund were made in FY 2008. Use of these funds is restricted. Expenses must be authorized uses under the Texas Tax Code, Chapter 351.

**Library Donations.**

This fund accounts for library donations collected. Use of these funds is restricted for library purposes.

**Park Dedication.**

This fund accounts for dedication fees on new development. Use of park dedication fees is restricted to park improvements and primarily used for capital expenses.

**Parks and Recreation Fund.**

This fund accounts for resources restricted for event and other sponsorship funds collected through the City's sponsorship program.

**Police Services Fund.**

The Police Services Fund was formed to account for the revenues and expenses allowed under Chapter 59 of the Code of Criminal Procedure, in addition to other special revenues associated with policing. Expenses from this fund may be used for officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

**Public Art.**

The Public Art Fund was established to account for funding that is available for public art promotion, creation, and/or installation throughout the City of Southlake.

**Recycling.**

This fund accounts for an annual payment to the City made by the City's solid waste services provider, per the terms of the service contract.

**Red Light Camera.**

This fund accounts for funds collected from violations issued from the City's red light enforcement camera system. Funds collected by the City of Southlake as a result of violations/citations issued, must be used for traffic safety programs, per State law. Governor Greg Abbott signed a bill into law banning the use of red light cameras on June 1, 2019. Under the new law, the City's red light camera program immediately ceased operation.

**Reforestation.**

This fund accounts for monies derived from assessments related to the tree preservation ordinance and policies.

**Southlake Parks Development Corporation (SPDC)**

The Southlake Parks Development Corporation was formed when Southlake voters approved the special levy of a half-cent sales tax in the mid-1990s. The half-cent, which generates about \$8 million per year, is dedicated toward the acquisition and development of Southlake's park land. The specific projects are identified in the City's Capital Improvements Program. State law permits these funds to be used for operational costs, as well as capital costs.

**Storm Water Utility.**

This fund accumulates dollars collected by the storm water utility fee paid monthly by the owners of all of Southlake's developed properties. These fees provide a funding source for maintenance, repair, and construction of storm water facilities, and can only be spent for these purposes. The monthly storm water fee is the same for all residential dwelling units. Residential properties are charged \$8 per month for each dwelling unit that is on the property. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

**Tax Increment Finance District.**

Tax Increment Reinvestment Zone (TIRZ) Number One or the Tax Increment Finance (TIF) District was created in 1997, with an effective beginning date of January 1, 1998. It was designed to encourage quality commercial development in the City. Incremental values subsequent to January 1997 are taxed at the City's tax rate; however, 100% of the "captured" ad valorem revenues are utilized within the zone, rather than being allocated to the City's overall budget. Overlapping taxing entities, including Tarrant County, Tarrant County College District, Tarrant County Hospital District, and the Carroll Independent School District have participated at varying levels as investors in TIRZ #1 by assigning their ad valorem tax dollars as well. These funds pay for public projects in Town Square, such as water, sewer and roads within the District. In 2018, TIRZ #1 was extended for an additional 20 years. This means that funds will continue to be collected on the incremental tax value and invested in the zone for an additional twenty years. The City of Southlake and Carroll ISD are the only participating entities with the 20 year extension.

**Fund Balance**

It should be noted that each fund summary for all of the City's funds ends with a line named "fund balance." Fund balance is defined as, "The excess of an entity's assets over its liabilities in a particular fund." In other words, it is the balance that remains once the fund's expenditures have been deducted from its revenues. In the City of Southlake, the amount of fund balance for each fund is dictated by different parameters. In the case of the General Fund and the Utility Fund, fund balance is defined in the City's Statement of Financial Policies (see the Appendix). Balances for other funds are determined by other parameters such as bond covenants. Fund balance is a fundamental barometer of fiscal wellness and it is important to note that the fund balance for all funds meets every established requirement.





# BUILDING THE **BUDGET**

## Overview

Building a budget requires careful consideration of a number of environmental factors to ensure that it is structurally balanced. This section describes the key factors, growth assumptions, and priorities that are evaluated when developing the annual budget.

### City Council Policy Direction

City Council holds two strategic planning sessions with staff annually to discuss policy direction and strategic priorities. For FY 2024, the City Council prioritized financial principles for this budget as shown in Figure 4. These financial principles serve as a guide to staff during the development of the budget. A discussion of how these financial principles are implemented in this budget can be found in the Transmittal Letter.

Economic and fiscal wellness is a balance between today's financial position and the financial needs of tomorrow. It is maintaining control over current reserves, debt and expenditures to ensure the City is able to meet the financial requirements of the future. In addition to the annual feedback from City Council, the City's budget and policy direction is guided by adopted Southlake Comprehensive Plans. These City Council adopted long-term plans are linked to new requests for the annual operating budget and the Capital Improvements Program. More information about these plans and how they impact operations can be found in the Strategic Direction section or at [www.CityofSouthlake.com/ComprehensivePlanning](http://www.CityofSouthlake.com/ComprehensivePlanning).

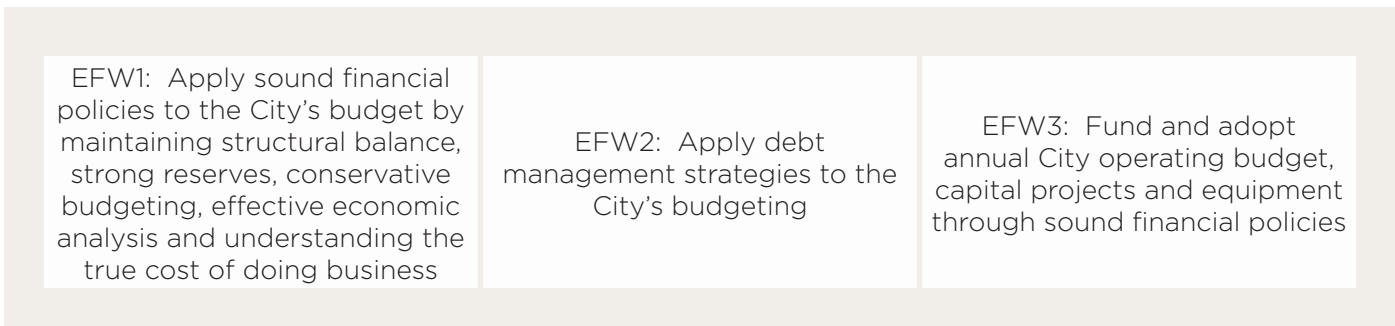
It is also important to note that in 2015, the City Council adopted the Southlake Sustainability Plan, which works to protect and enhance the quality of life for present and future generations in Southlake through both environmental and financial sustainability. The priorities identified in this plan provide a map for the long term economic and fiscal wellness of the city. The plan recommendations can be found below in Figure 5. The full Economic/Fiscal Wellness section of the plan, which includes plan recommendations and financial modeling can be found in the Appendix.

Figure 4



Figure 5

## Economic / Fiscal Wellness Priorities identified in the Southlake Sustainability Plan



## City Revenues and Resources

The City relies on many sources of revenues and the strategic use of reserves to fund services to the community at a stable and sustainable level. The largest revenue categories are ad valorem (property) and sales taxes, followed by franchise fees, charges for services, and usage fees.

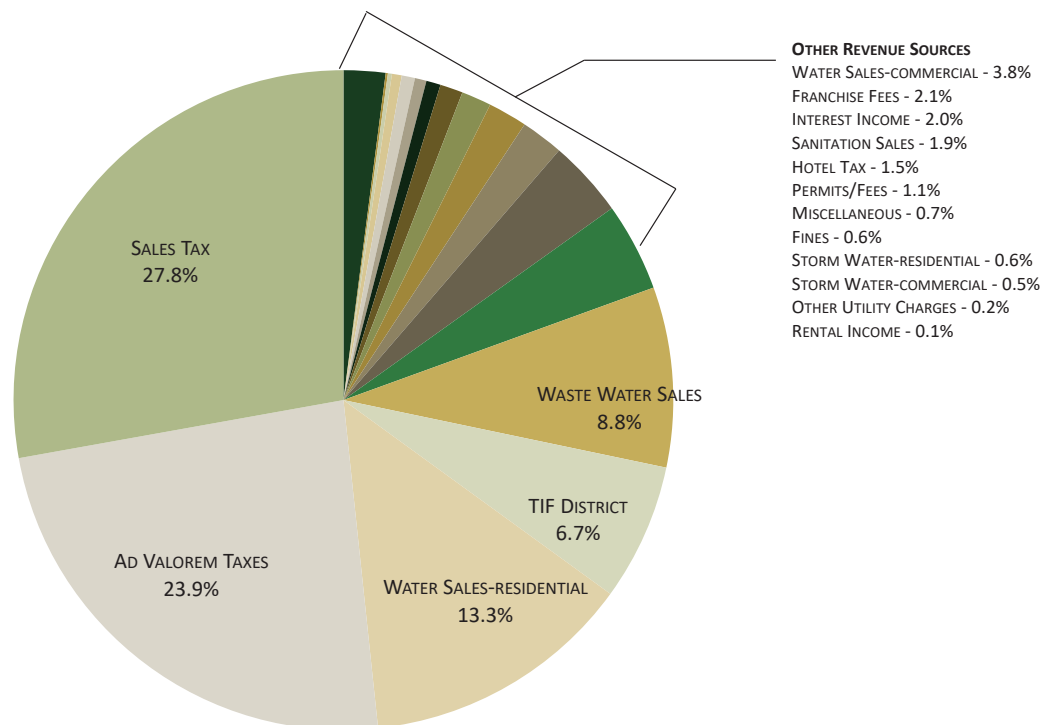
### Taxes

Taxes, both property and sales, imposed by a government for the purpose of raising revenue to support governmental activities, are distinct from fees in that a tax does not need to be levied in proportion to the specific benefit received by a person or property. The majority of the City's tax revenues are received by the General Fund, the primary general purpose fund of the City. Taxes account for nearly 86% of revenues in the General Fund supporting many of the City's most essential services such as police, fire, road maintenance, library and parks. In addition to funding the General Fund, a portion of the sales tax goes to funding the Crime Control Prevention District, Southlake Parks Development Corporation, and Community Enhancement Development Corporation as allowed by state law. More about each of these funds can be found in the Special Revenue Fund section of this book.

### Fees

Service fees are another source of the revenue for the City. A diverse set of fees are charged to recover all or a portion of the City's costs for providing a service or access to public property, or for mitigating the impacts of the fee payer's activities on the community. Intended for cost recovery, a fee may not exceed the estimated reasonable cost of providing the service or facility for which the fee is charged. Due to this requirement and legal restrictions related to their expenditure, many of the City's fees are accounted for in separate funds. By far, the largest source of fee revenue comes from the provision of water, wastewater and solid waste collection services. Other significant service fees include development related fees and impact fees. Impact fees are especially volatile as they are driven by specific requirements from development to mitigate the impact of new development on city infrastructure. As they are paid and received by developments, they express volatility. This is not a year over year issue, however, as they are restricted to the construction of new facilities or renovation and upgrade of existing facilities and not used for ongoing expenditures.

**Figure 6**  
All funds - Revenue by Source





## Forecast Revenues

Forecasting these key revenues correctly and conservatively is critical to ensuring the budget is balanced for the coming fiscal year and for the health of future budgets. In addition to preparing a forecast prior to the adoption of the annual budget, the City of Southlake continually forecasts throughout the year as trends in the market, economy, or other environmental factors are observed.

Major revenue assumptions in the forecast include the impact of rising inflation, decline in permit revenues as the city reaches build out, and the pass-through costs of utilities. For the period of FY 2024 to FY 2028, major revenue growth rates were forecasted as follows:

Figure 7

Revenue	FY 2024 Adopted Budget*	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Ad Valorem Tax	4.3%	2.0%	2.0%	2.0%	2.0%
Sales Tax	0.0%	2.0%	1.0%	1.0%	0.5%
Franchise Fees	0.1%	0.45%	-1.34%	-1.55%	0.17%
Permit Fees	-0.9%	-14.9%	7.84%	4.0%	-1.75%

\*Growth rates compared to the FY 2023 Estimate as of August 2023

## Providing City Services

City expenditures fall into three broad categories: personnel, operations, and capital outlay. As a service delivery organization, salaries and benefits costs for personnel make up the majority of operating expenditures. The City of Southlake implements a number of strategies to manage the growth of expenditures.

## Expenditure Growth

As a service delivery organization, personnel expenses make up more than 70% of the City’s General Fund budget. Managing total compensation costs is a key component of long-term financial sustainability. To manage the growth of salaries, the City Council has set a policy to aim for Southlake’s pay plan to compensate employees at the 70th percentile and the 85th percentile for public safety employees. This is just one strategy that the City uses to manage cost growth. The FY 2024 Adopted Budget contains several assumptions to related to the rising cost of health care and other benefits.

Figure 8

Month	CPI Growth
November	8.39%
January	7.50%
March	5.76%
May	4.72%
July	3.97%
Average (Used to calculate General Fund Existing Service Growth)	6.07%

Another strategy that the City uses to manage General Fund cost growth is to consider the cost of existing services to the growth of the Consumer Price Index (CPI) for the Dallas/Fort Worth Area, less food and energy. This includes any contract increases, salary increases, or any expenses that relate to the current cost of doing business. Any expenses that are service enhancements or unfunded legislative mandates are not considered a part of this evaluation. The CPI used in the FY 2024 budget is shown in Figure 8. These are just some of the strategies that are used to manage expenses.

## Maintaining Optimum Fund Balances

Another important financial goal is ensuring the maintenance of optimum fund balances in operating funds, in accordance with City policy, which can be found in the Appendix. Maintaining proper reserves increases the organization’s ability to absorb or respond to temporary changes in the environment or circumstances, such as an unanticipated event or changes related to operating revenues. Per the Fund Balance Policy, the undesignated fund balance in the General Fund should range between 15% and 25% of operating expenses. For FY 2024, 25.1% of General Fund operating expenses are reserved for unanticipated or emergency needs.

## Forecast Expenditures

The City of Southlake conducts a five year forecast for the General Fund, Utility Fund, Hotel Occupancy Tax Fund, and sales tax funds. These forecasts reflect the annual projected expenditures required to sustain the current adopted level of service, meet debt obligations, and the obligations of the proposed Capital Improvements Program. In addition to forecasting using the assumptions shown in this section, the financial model conducts several scenarios to understand the health of the fund in the event of an impact on revenues. The forecast for the General Fund is shown in the chart below.

**Figure 9**

Revenue	FY 2024 Adopted Budget*	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Revenues	\$55,826,936	\$56,552,633	\$57,385,811	\$58,031,855	\$58,708,443
Expenses	\$52,625,123	\$54,863,400	\$57,634,304	\$59,816,511	\$62,112,334
Surplus/ (Deficit)	\$3,201,813	\$1,689,233	(\$248,493)	(\$1,784,656)	\$3,403,891
Net Transfers	(\$2,682,760)	(\$718,923)	(\$205,018)	\$2,808,957	\$2,823,002
Reserves	\$13,211,435	\$14,181,745	\$13,728,234	\$14,752,535	\$14,171,645
Reserves as a % of operating expenses	25.10%	25.85%	23.82%	24.66%	22.82%

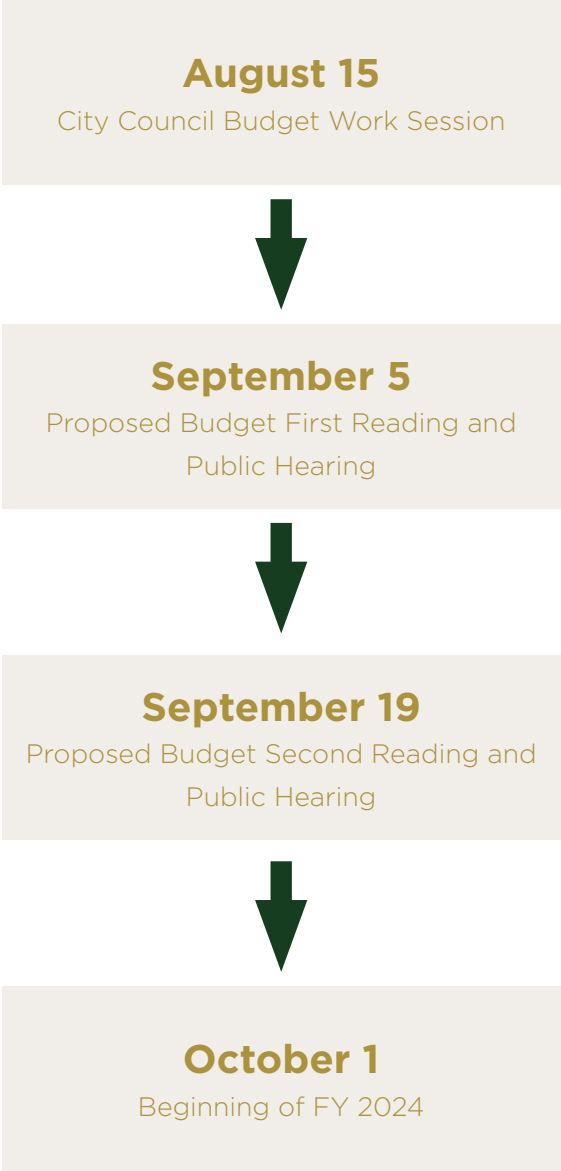
\*Forecast is not a budget, but is a preliminary estimate of FY 2024 to FY 2028 financial results.

## Forecast Results

The FY 2024 to FY 2028 five year financial forecast indicates a structurally balanced budget, while aligning with the City’s financial principles. Under this forecast, the City of Southlake does not anticipate the need for service reductions to meet the needs of today’s service levels. This forecast is continually updated throughout the fiscal year to ensure continued accuracy of these projections.

## Changes From FY 2024 Proposed to Adopted

Before adopting the budget, City Council may choose to change any aspect of the adopted budget, as long as the changes result in a balanced budget. A copy of the budget, as finally adopted, is filed with the City Secretary’s Office and the County Clerk of Tarrant County. The final budget is made available for the use of all departments, offices and agencies of the City, and for the use of interested persons, agencies, and civic organizations.



# BUDGET IN BRIEF



# FY 2024 *Adopted* Budget

FY 2024 Adopted Budget - \$126.7 Million

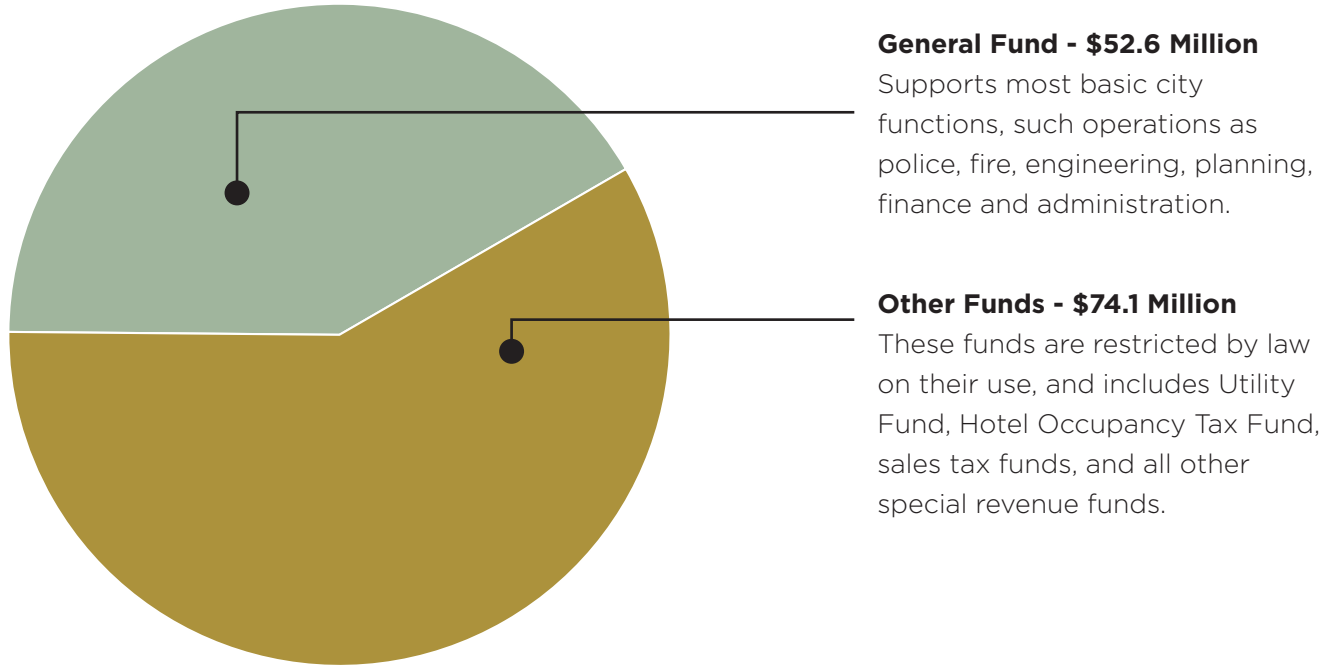


Figure 10

## FY 2024 Budget Fast facts



### Structural Balance

The FY 2024 adopted budget is a structurally balanced budget while maintaining alignment with our financial principles and without reducing service levels.



### Taxpayer Relief

For FY 2024, the City of Southlake has adopted a 4.1 cent property tax decrease. The tax rate decrease complements the exemptions adopted by Council, including the 20% homestead exemption which is the maximum percentage allowed by State law.



### Optimum Fund Balances

Maintaining proper reserves increases the organization’s ability to absorb or respond to temporary changes in the environment or circumstances, such as an unanticipated event or changes related to operating revenues. This budget provides for optimum fund balances in all funds.



### AAA Bond Rating

The City of Southlake maintains a AAA bond rating from by Moody’s, Fitch Ratings and Standard & Poor’s. This is the highest possible rating given to a credit. Not only does it reinforce that the City has strong financial management tools, it also allows for favorable borrowing conditions when the time is right.

# FY 2024 *Adopted* General Fund Budget

## General Fund Revenues

General Fund revenues are largely made up of ad valorem taxes and general fund sales tax. In FY 2024, the General Fund anticipates revenues of \$55,826,936.

## General Fund Expenses

General Fund expenses support basic city services, with the largest portion going toward Public Safety. The FY 2024 General Fund budget by service area is shown in the chart below. The FY 2024 Adopted General Fund budget is \$52,625,123.

Figure 11

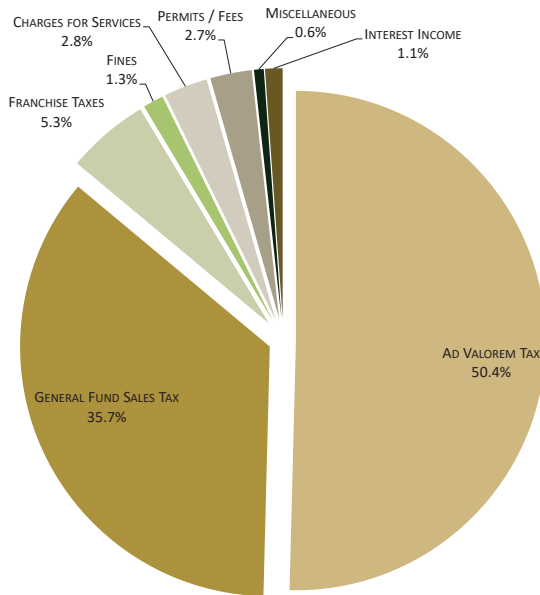
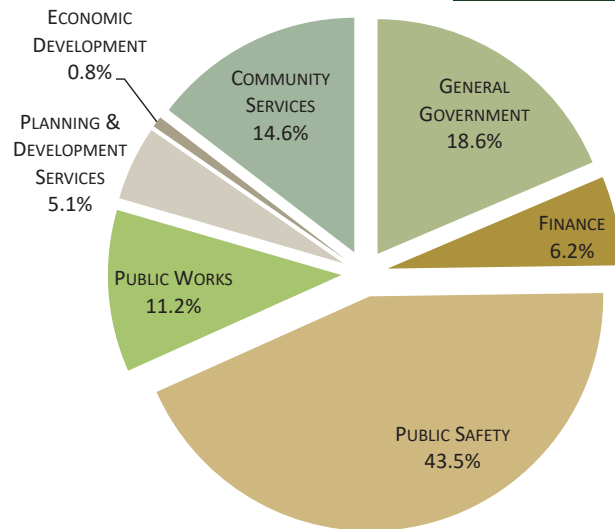


Figure 12



## FY 2024 Funding Priorities (All Funds)



### \$436K for Pickleball Operations

This budget includes funding to add personnel, equipment, and supplies needed to operate the new pickleball facility.



### \$120K for Comprehensive Plan Updates

This funding allows the City to update elements in the Southlake Comprehensive Plan.



### \$761K for Facility Maintenance

This funding includes \$174K for Town Hall HVAC upgrades and \$215k for DPS Headquarters flooring replacement.



### \$93K for School Safety Enhancements

This budget includes funding to add one less than full-time School Resource Officer (SRO), which will be funded through sales tax using the Crime Control Prevention District fund.



### \$31.3M for Public Utilities Operations and Maintenance

Funding is included for personnel and operations for the utility system. In addition \$405k is included for the lead and copper revisions compliance program and \$47k for a new residual control system for Pump Station 1.



### No Service Reductions

This budget proposes no reduction to services.

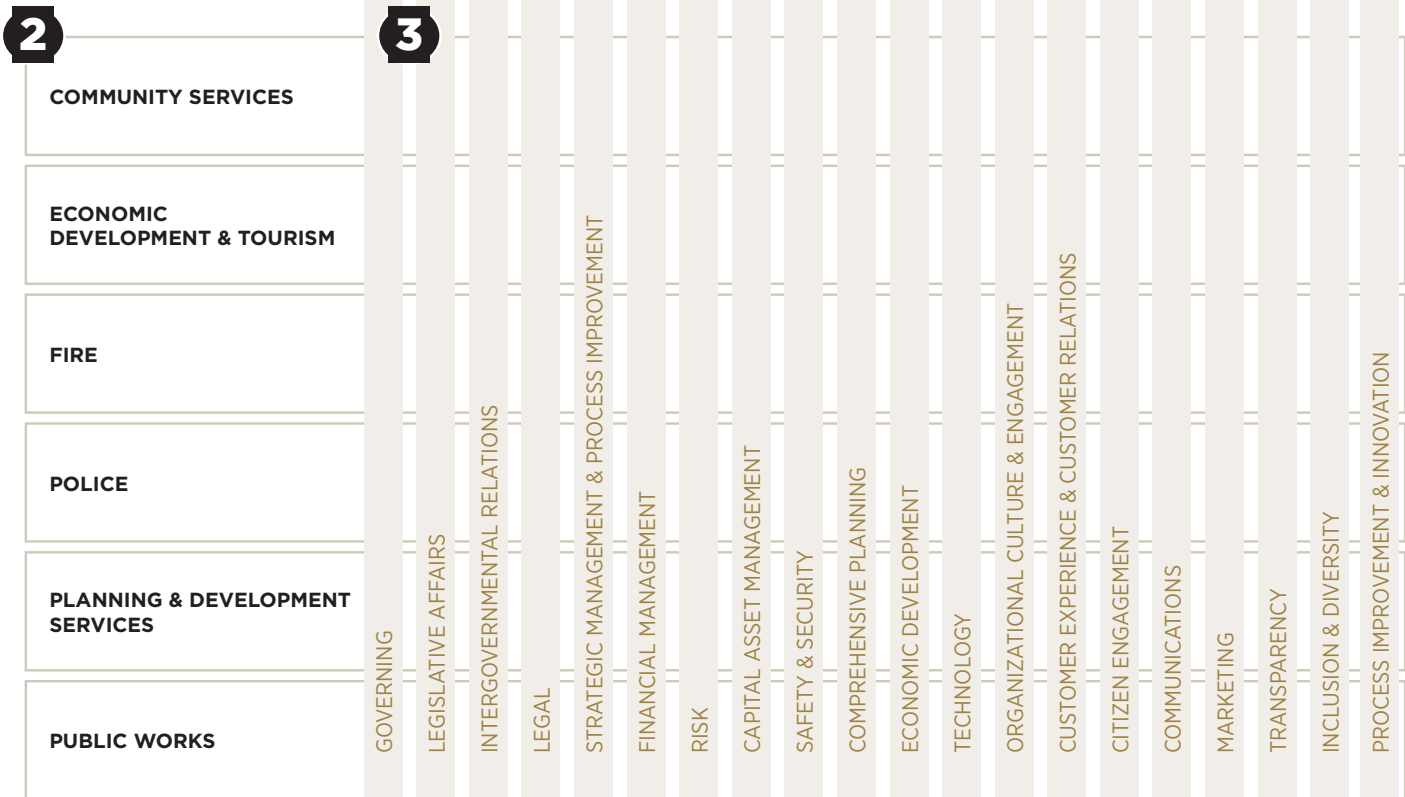
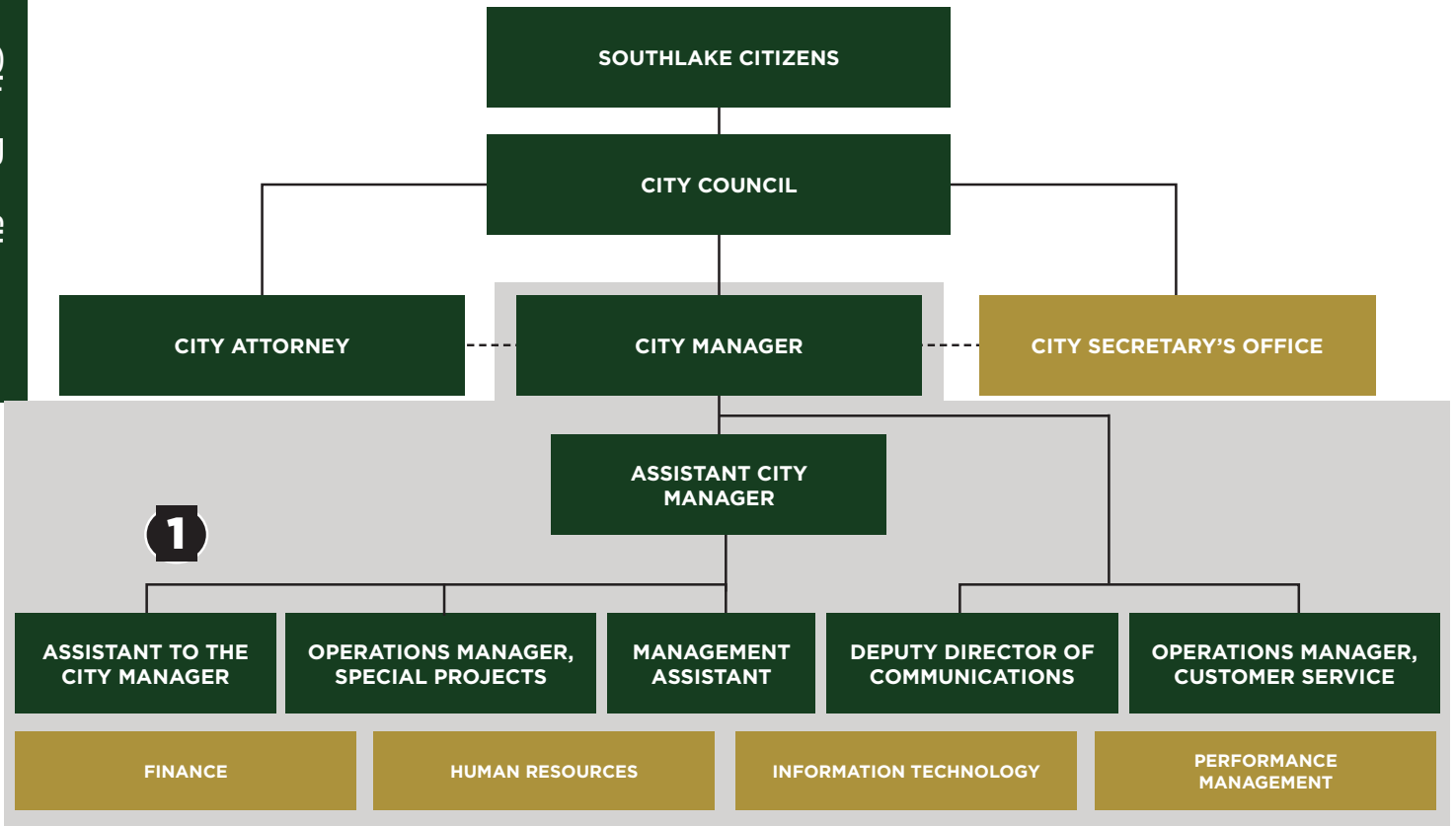




# CITY PROFILE



# City of Southlake Organizational Structure



**1** CORPORATE TEAM

**2** CITY DEPARTMENTS

**3** CORPORATE FUNCTIONAL AREAS



# Southlake *City Council*



**Mayor**  
John Huffman



**Deputy Mayor Pro  
Tem / Place 1**  
Kathy Talley



**Place 2**  
Randy Robbins



**Mayor Pro Tem/  
Place 3**  
Shawn McCaskill



**Place 4**  
Ronell Smith



**Place 5**  
Amy Torres-Lepp

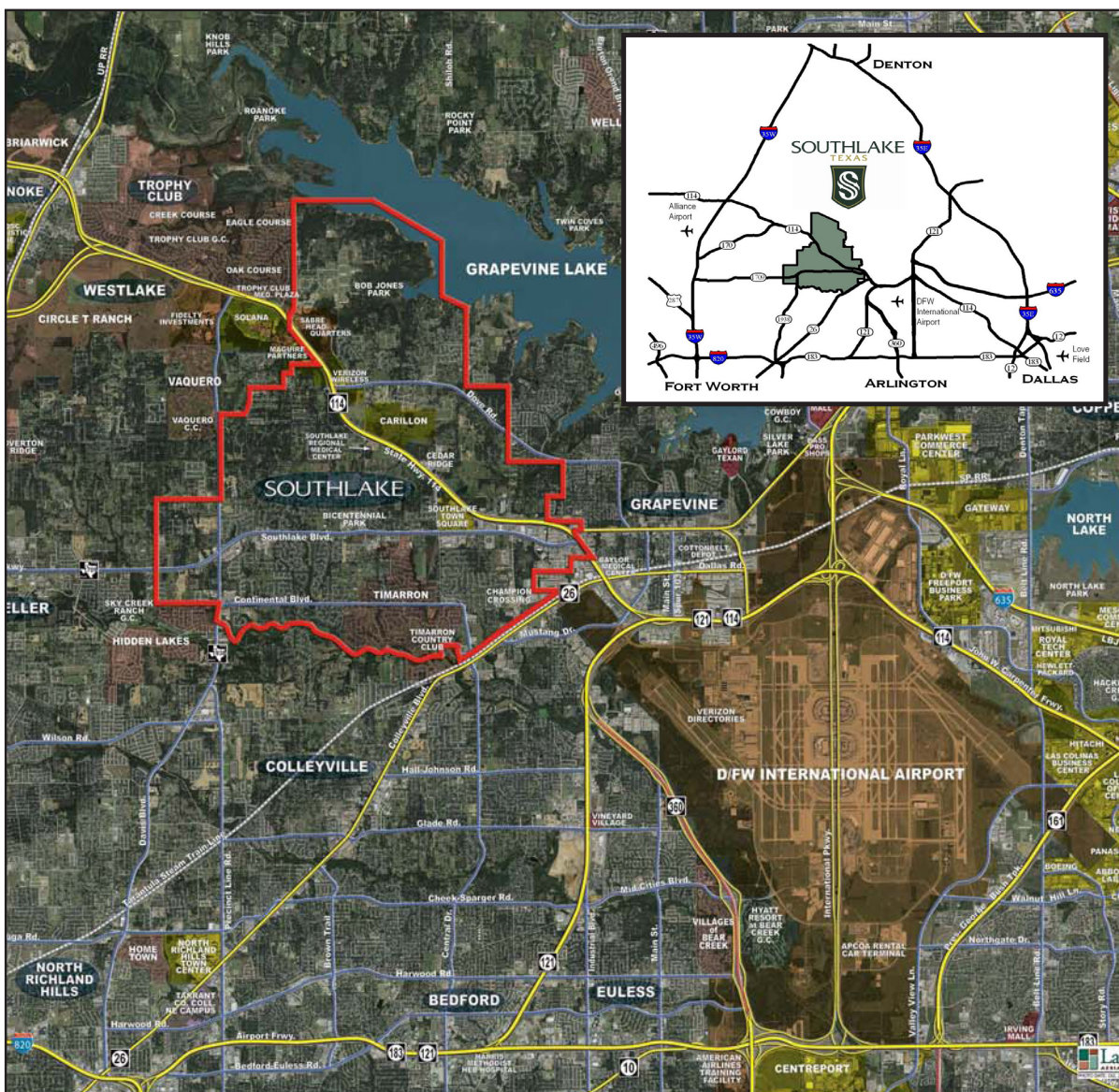


**Place 6**  
Randy Williamson

# City Profile

Incorporated in 1956, the City of Southlake has developed a reputation for excellence in all facets of life and business. From master-planned neighborhoods and exemplary public schools to nationally renowned businesses and award-winning mixed-use developments, Southlake has become synonymous with first-class development and quality of life. Southlake has consistently been ranked as one of the best places to live by D Magazine and Fort Worth Magazine. The Dallas Business Journal reported on a 2012 quality of life study by On Numbers in which Southlake was listed as the top DFW city and third among 1,145 cities throughout the southern United States. In 2015, the Dallas Morning News reported Southlake as one of the top ten Best Neighborhoods in DFW. In 2022, Southlake was given an A+ rating by Niche.com and named #1 Best Suburb to Buy a House in DFW. In 2023, Southlake was named one of the best places to raise a family in Texas, and one of the best places to live by Niche.com, one of the safest city in Texas by MoneyGeek.com, and ranked in the best small cities by WalletHub.

Southlake is predominantly served by Carroll ISD, consistently rated for excellence in academics by the Texas Education Agency. Enrollment at the school's 11 campuses is just under 8,500 students - 100 percent of which will enroll in college. Equally exceptional in athletics and extra-curricular activities, the Southlake Carroll Dragons have gained a national reputation for all-around excellence.





In addition to stellar school systems, residents and businesses have come to enjoy the many shopping and dining opportunities developed in recent years. At the heart of both community and commerce is Southlake Town Square. The internationally acclaimed mixed-use development includes a wide variety of upscale shopping and dining options and a vibrant mix of professional service providers. Town Square also plays host to a popular mix of community gatherings. The annual Art in the Square draws artists and visitors from around the globe, Oktoberfest rings in the fall, Stars & Stripes celebrates patriotism with style, while Home for the Holidays - Christmastime in Southlake evokes the spirit of a Norman Rockwell painting.

Businesses from many industries including healthcare, hospitality, legal, and financial services have come together to make Southlake a full-service business community for all of north central Texas. Sabre, home of Travelocity.com, is the city's largest employer with approximately 2,500 employees and Verizon Wireless' Network Control Center takes advantage of high-tech infrastructure to manage all wireless communications west of the Mississippi River from its Southlake location.

### Location

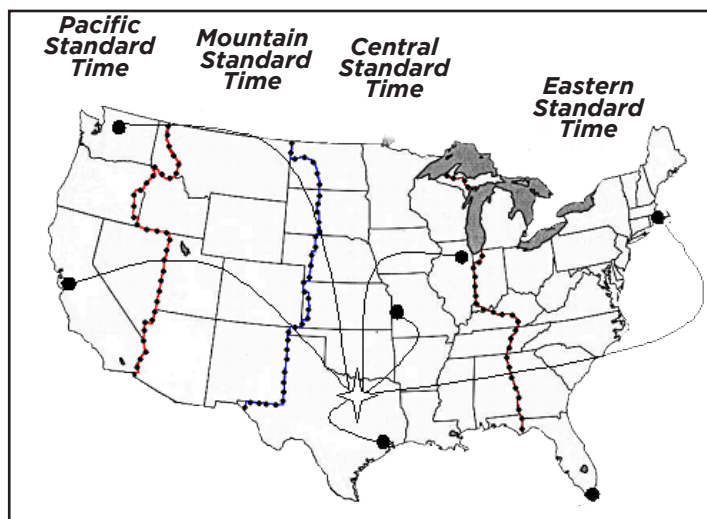
Central Time Zone

5 miles west of DFW Airport

8 miles east of Fort Worth Alliance Airport

Approximately 19 miles from downtown Dallas & Fort Worth

- From DFW in-flight times:
- 2.00 Hours to Chicago
- 0.50 Hours to Houston
- 1.15 Hours to Kansas City
- 3.00 Hours to Los Angeles
- 3.00 Hours to Miami
- 3.30 Hours to New York
- 4.00 Hours to Seattle



### History

Incorporated in 1956, the City has deep roots which reach back to the mid-1800'. In 1845, when the first settlers arrived at the place that is now Southlake, they found a wilderness abundant with post-oak trees, tall grasses, creeks and springs, wild honey, grapes, berries, turkeys, deer, and other wild game. Because early settlers were a long way from major markets, large-scale crop farming was at first impractical; instead, many raised cattle to sell. Others were stone masons, wood craftsmen, millers, and the like.

After the Civil War, farmers grew cotton, grains, peanuts, truck-farm crops, and meat and dairy products for market. By the 1930s, erosion and poor soil had ended cotton farming in the area, but Southlake remained a collection of rural farming communities. Then in 1952 the first of three big changes occurred: the U.S. Army Corps of Engineers built Lake Grapevine which spurred much of the area's early growth and was the beginning of dramatic change.

Worried that the City of Hurst might annex the area, residents voted 30-24 on September 25, 1956, to incorporate. The original Town of Southlake contained 1.62 square miles, had a population of just over 100, and was located between FM 1709 and SH 114 (both two-lane roads) and near the intersection of Carroll Avenue. "Southlake" was chosen from names suggested by its residents.

The Southlake Fire Department was launched in 1965, and the first piece of fire equipment was a 1950 Diamond T-Military unit with a tank capacity of 1,000 gallons and an auxiliary pump. The first chief of police was hired in 1966, and the city purchased its first patrol car in 1967. 1974 saw the second big change in the area: Dallas-Fort Worth International Airport opened its doors, and Southlake became an attractive place for airport and airline employees to buy property and build their homes.

In 1986, when Southlake reached a population of 5,000, it was eligible to vote on the adoption of a home rule charter. In April 1987, residents approved home rule, which created the current council-manager form of government. But it wasn't until the early 90's when a third big event, the installation of water and sewer lines in the southern part of the city, really made Southlake what it is today: a premier community in which to live, work and play.

### Historical markers in Southlake:

Absalom H. Chivers Cemetery, near SH 114 & Carroll Avenue, on private property

Thomas Easter Cemetery, on Southlake Boulevard, west of Gateway Drive

Thomas Hood Cemetery, in the Coventry Manor subdivision near North Peytonville Road & Coventry Lane

Site of Jellico community at the corner of Southlake Boulevard & Davis Boulevard

Lonesome Dove Baptist Church, on Lonesome Dove Road

Lonesome Dove Cemetery, next to the church

White's Chapel United Methodist Church, Southlake Boulevard and White Chapel Boulevard

White's Chapel Cemetery, Southlake Boulevard and White Chapel Boulevard

Monument to Troopers Edward Bryan Wheeler and H.D. Murphy, who were murdered by Bonnie and Clyde on Easter Sunday in 1934, Dove Road just north of Highway 114, placed by the Texas Department of Public Safety, Texas Highway Patrol Division

### Future

The preservation of the past with an eye towards the future is the foundation of the City's commitment to comprehensive planning. More than forty years after the first comprehensive plan was adopted, the latest version includes elements for Land Use, Mobility, Economic Development and Tourism, Water and Sewer, Water Conservation, Parks, Community Facilities, and Sustainability.

The City regularly revisits the elements of the comprehensive plan to ensure the plan is evolving to stay relevant with existing trends. This plan is now our blueprint in preserving Southlake's tradition of high-quality living with small-town charm.



# Southlake, TX *At-a-Glance*

## **The City of Southlake, Texas**

Websites:

- CityofSouthlake.com
- MySouthlakeNews.com
- VisitSouthlakeTexas.com
- TheMarqSouthlake.com

22.5 square miles

Located in the heart of the DFW Metroplex  
Centrally located between DFW International  
Airport (5 miles east) and Fort Worth Alliance  
Airport (8 miles west)

## **Demographics**

Current Population projection: 31,975  
Projected build-out population: 34,188

Population by age:

- Under 24 years - 57.5%
- 25-64 years - 34%
- 65 years and older - 8.5%
- 2022 median age: 40
- 2022 average persons per household: 3.26
- 2022 average household income: \$265,839
- 2022 median home sales price: \$1,290,253
- 68% of residents 25 years and older have a bachelor's degree or higher

## **Financial Status**

City Bond Ratings

- "AAA" from Standard and Poor's
- "AAA" from Fitch IBCA
- "Aaa" from Moody's
- 8.25% total sales tax rate - includes 0.5% for parks, 0.375% for economic development and 0.125% for crime control district

## **Top Employers**

Sabre Holdings: 2,200 Employees  
TD Ameritrade: 1,867 Employees  
Carroll ISD: 1,176 Employees  
Gateway Church: 706 Employees  
Keller Williams: 650 Employees  
Verizon Wireless: 650 Employees

## **Top Non-Residential Taxpayers**

Town Square Ventures LP  
Verizon Wireless  
TD Ameritrade  
Wyndam Properties LTD  
Carroll/1709 LTD

## **Labor Force & Economic Base**

Labor pool:

Within 5 miles of Southlake: 92,991  
Within 10 miles of Southlake: 339,140  
Within 20 miles of Southlake: 1,632,245

Employment by occupation:

- 12.7% Managerial/Professional
- 27.8% Sales & Office
- 4.2% Service Occupations
- 1.6% Construction/Maintenance
- 4.7% Production/Transportation
- Approx. 2,793 businesses and non-profit organizations
- Over 15 million square feet of commercial space
- Texas is a "Right-to-Work" state
- Texas has no state personal income tax

## **Transportation**

Major highways are SH 114, FM 1938, and FM 1709  
SH 114 connects to I-35W and I-35E

## **DFW International - DFWAirport.com**

- Second busiest passenger airport in the world, over 72.2M passengers in 2022
- Generates \$37B annually for North Texas economy
- Provides over 228,00 area jobs
- First carbon neutral airport in North America, largest in the world
- Every major city in the continental United States can be accessed within four hours
- Home to American Airlines hub
- Access to Dallas Area Rapid Transit (DART) mass transit system
- Access to TEXRail commuter rail system
- Air Transport World's 2019 Global Airport of the Year

## **Fort Worth Alliance Airport - AllianceAirport.com**

- The nation's first industrial airport
- Provides over 44,000 area jobs
- Part of an 27,000-acre mixed-use, master planned development
- Houses more than 425 companies



# Southlake, TX *At-a-Glance*

## **Southlake Public Library**

- Books, eBooks, Magazines and eMagazines, DVDs, Books on CD and online research databases
- Special programs throughout the year for all ages
- Meeting & study rooms, interlibrary loan, computer stations and internet access
- Southlake resident library cards are free

## **Recreation**

- Parks and Lakes ExperienceSouthlakeTexas.com
- More than 628 acres of park land, with access to an additional 577 acres of natural open space owned by the US Army Corps of Engineers
- 12 community parks and 14 neighborhood parks
- Five lakes within 30 minutes of Southlake
- Convenient access to many cultural and entertainment facilities and activities
- Bob Jones Nature Center
- Nineteen outdoor courts and two indoor courts at the Southlake Tennis Center
- Southlake Senior Activities Center
- Annual special events include: Art in the Square, Stars & Stripes, Oktoberfest, Home for the Holidays - Christmastime in Southlake, Celebrate Southlake, and Masterworks Concerts
- Variety of championship youth sport leagues including baseball, softball, swimming, tennis, soccer, lacrosse, and football, as well as recreational classes for all ages

## **Utilities**

### **Water & Sewer**

City of Southlake  
(817) 748-8082 - CityofSouthlake.com

### **Electricity**

Power to Choose  
(866) 797-4839 - PowertoChoose.org

### **Natural Gas**

Atmos Energy  
(888) 286-6700 - atmosenergy.com

### **Telephone**

Frontier - (800) 921-8101 - Frontier.com  
SBC / AT&T - (800) 288-2020 - ATT.com

### **Cable / Satellite**

- Charter Communications  
(888) 438-2427 - Charter.com
- Frontier Communications  
(800) 921-8101 - Frontier.com
- Dish Network  
(888) 825-2557 - DishNetwork.com
- DirecTV  
(877) 916-5137 - directv.com

### **Solid Waste and Recycling**

The City is transitioning to Community Waste Disposal (CWD) on October 1, 2023.

- Republic Services (Through September 30, 2023)  
(817) 317-2424 - RepublicServices.com
- Community Waste Disposal (CWD)  
(972) 392-9300 - Communitywastedisposal.com

## **Health Care/Hospitals**

### **Cook Children's Urgent Care and Pediatric**

Specialties

- CookChildrens.org
- 30 Exam Rooms; Mix of Providers

### **Methodist Southlake Hospital**

- MethodistSouthlake.com
- 54 Private Rooms; 10 Family Suites; 6 ICU Beds; 12 Operating Rooms
- 20 Dedicated Specialties; 200 Medical Staff

### **Texas Health Harris Methodist Southlake**

- TexasHealthSouthlake.com
- 24 Overnight Suites; 365 Medical Staff

### **Baylor Scott & White Medical Center - Grapevine**

- BaylorHealth.com
- Level II Trauma Center Designation
- 302 Beds; 995 Medical Staff

### **Baylor Medical Center at Trophy Club**

- TC-MC.com
- 20 Beds; 225 Medical Staff

# Southlake, TX *At-a-Glance*

## QUALITY SCHOOLS

(in order of land area served)

### Carroll ISD - 6A (78%)

K-12 Attendance: 8,318

100% Graduation Rate

(817) 949-8222 - SouthlakeCarroll.edu

### Northwest ISD\* - 6A (10%)

K-12 Attendance: 25,264

95% Graduation Rate

(817) 215-0000 - NISDTEX.org

### Keller ISD\* - 6A (7%)

K-12 Attendance: 34,279

96% Graduation Rate

(817) 744-1000 - KellerISD.net

### Grapevine - Colleyville ISD\* - 5A (5%)

K-12 Attendance: 13,890

97% Graduation Rate

(817) 251-5200 - GCISD-k12.org

Four Montessori schools (private)

More than 20 Universities within 40 miles

University of North Texas

University of Texas at Arlington

University of Texas at Dallas

Southern Methodist University

Texas Christian University

Texas Women's University

\*Freeport exemption offered





# FINANCIAL TREND MONITORING SYSTEM **OVERVIEW**



# Financial Trend Monitoring System Overview

Financial condition can best be described as a municipality's ability to maintain existing service levels, withstand economic disruptions that occur at the local, regional, and national levels, and adapt to ever-changing economic conditions.

The ability to maintain existing service levels refers to more than just the ability to pay for the services the locality currently provides. It also refers to the ability to maintain programs that are currently funded from external sources (state or federal grants) where the support is likely to diminish over time, and such programs cannot be practically eliminated once funding does disappear. This element also refers to the ability to maintain capital facilities, such as roads, buildings, and other infrastructure, in a manner that protects the initial investment and keeps such facilities in usable condition. Lastly, it also includes the ability to provide funds for any future liabilities that may currently be unfunded, such as pensions, employee leave, and debt.

The ability to withstand economic disruptions that occur at the local, regional, and national levels is an important element because these disruptions have significant impacts on businesses and individuals who enjoy their livelihoods within the locality. Economic disruptions therefore impact a locality's ability to generate new local tax dollars.

The ability to adapt to ever-changing economic conditions refers to the financial pressures localities face as they grow, shrink, or experience no change at all. Growth can force localities to assume new debt in order to finance new infrastructure or cause a sudden increase in the operating budget in order to maintain and provide necessary services. Shrinkage leaves a locality with the same amount of infrastructure to maintain but with a smaller tax base with which to pay for it.

## What is the Financial Trend Monitoring System?

The Financial Trend Monitoring System (FTMS), adapted from the system developed by the International City/County Management Association (ICMA), "identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured." The FTMS is a management tool that compiles pertinent information from the city's budgetary and financial reports, combines it with relevant economic and demographic information, and creates a series of local government financial indicators that can be used to monitor changes in financial conditions when plotted over a period of time.

These financial indicators include: cash liquidity, level of business activities, changes in the fund balance, and external revenue dependencies. This system can also assist the locality by setting in place long-range policy priorities as well as providing a logical way of introducing long-range considerations into the annual budget process. The following discussion has been developed using the ICMA manual entitled Evaluating Financial Condition, A Handbook for Local Government.

The FTMS is built on overall "factors" that represent the various influences of a locality's financial condition. These financial condition factors are then associated with "indicators" that measure different aspects of these factors. Once developed, these can be used to monitor changes in factors and financial conditions. Each factor is classified under three categories: environmental, organizational, or financial.

Environmental Factors affect localities in two ways. Firstly, they create demand. Secondly, they provide resources. The question most associated with the analysis of this category in regards to its impact on financial condition is, “Do these factors provide enough resources to pay for the demands they create?”

Organizational Factors are the government’s response to changes in environmental factors. Theory assumes that any government can maintain their strong financial condition if it makes an appropriate organizational response to adverse conditions by reducing services, increasing efficiency, raising taxes, or taking some other appropriate action. It also assumes that public officials have perfect information of the problem, understand the gravity of the situation, and know how to act in response.

The question most associated with the analysis of this category in regards to its impact on financial condition is, “Do legislative policies and management practices provide the opportunity to make the appropriate response to changes in the environment?”

Financial Factors reflect the condition of the government’s internal finances. They are in some regards a result of the influence of environmental and organizational factors. Financial factors will eventually show signs of cash or budgetary problems if there is a problem in regards to the previous two factors. The question most associated with the analysis of this category in regards to its impact on financial condition is, “Is government paying the full cost of operating without postponing costs to a future period when revenues may not be available to pay these costs?”

### **Tools of the Financial Trend Monitoring System**

The primary tools of the FTMS are the financial indicators. They represent a way to quantify changes in the FTMS factors. Many aspects of financial condition cannot be measured explicitly; however, quantifying the indicators and plotting them over a period of years can allow decision-makers to monitor and evaluate the City’s financial performance. These indicators do not provide answers as to why a problem occurs or how to solve it but do allow for an informed response. The following pages include a number of charts displaying indicator data that is designed to track the financial condition of the City across a period of time. These charts examine data ranging from population growth to the use of revenues and expenditures per capita, all of which help to identify warning signs in the City’s fiscal health that could lead to future trouble. By keeping an eye on these important indicators, the City can carefully monitor the financial trends, and make any necessary adjustments in long-range planning to ensure future economic stability.

### **How is the Financial Trend Monitoring System used?**

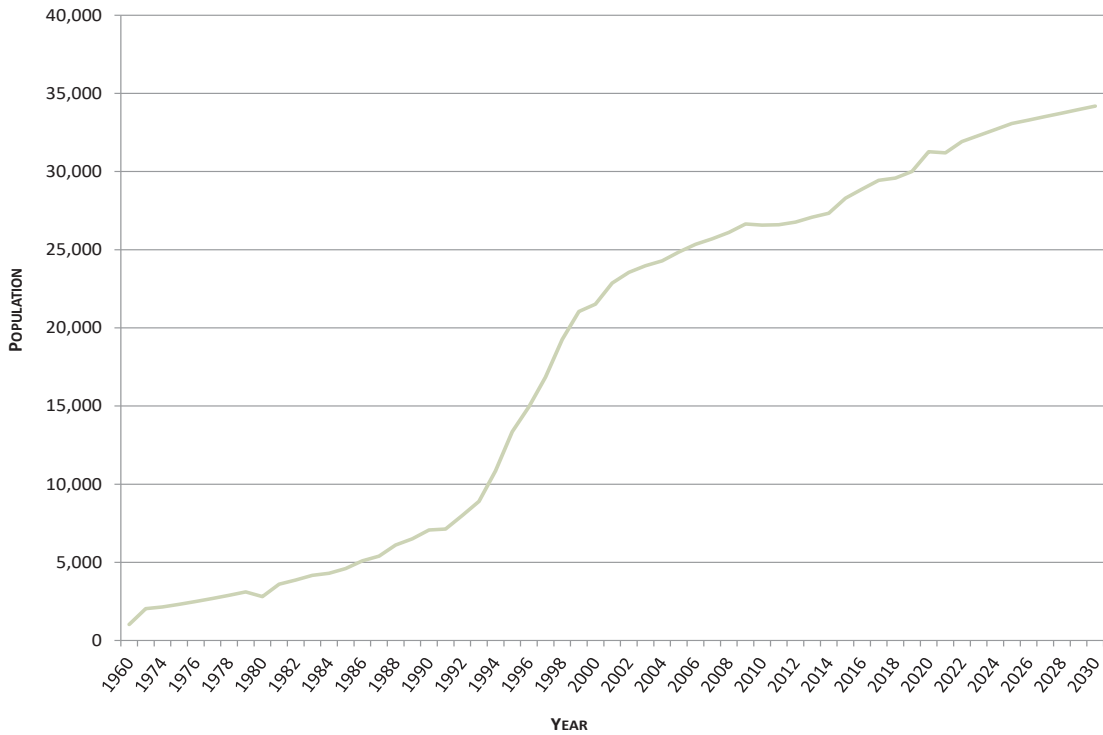
The City maintains a database of monitored trends that are updated and reviewed annually as a part of the budget process. By reviewing historical actuals over an extensive period of time, long ago forgotten financial impacts may be reviewed for validity to current economic conditions and variables. Department staff also utilizes FTMS data to inform their departmental business plans.



FINANCIAL TREND  
MONITORING SYSTEM  
**ENVIRONMENTAL  
FACTORS**



## City Population



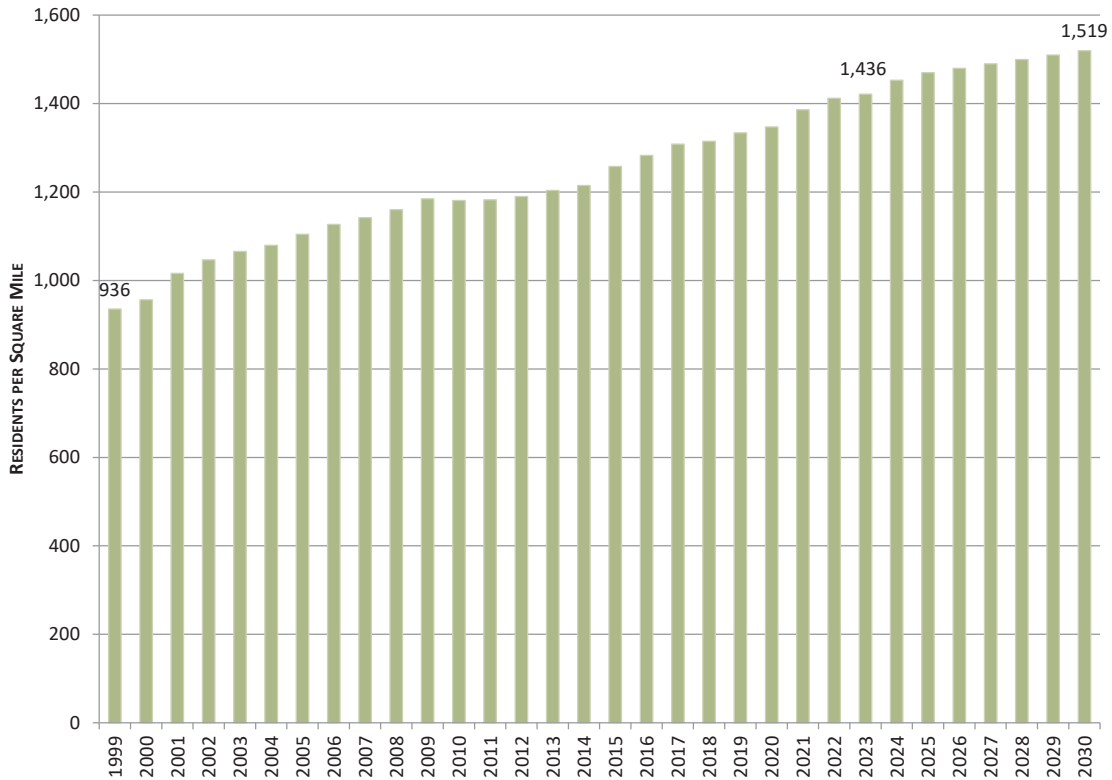
### Southlake Population 1960-2030

Warning Trend: Rapid change in population

Population trends, both historical and projected, are important indicators for determining service demands. Further analysis of the demographic profile of a community’s population trend provides useful information in determining customer service expectations.

Year	Population	Year	Population
1960	1,023	2000	21,519
1970	2,031	2010	26,575
1980	2,808	2020	31,265
1990	7,065	2030	34,188 (est)

## Population Density



## Residents per Square Mile

Southlake’s city limits cover 22.5 square miles. This chart shows a trend for the number of Southlake residents per square mile. The chart also utilizes population data derived through the City’s land use plan to forecast population density through build-out.

Year	Population	Year	Population
1960	1,023	2000	21,519
1970	2,031	2010	26,575
1980	2,808	2020	31,265
1990	7,065	2030	34,188 (est)

## Taxable Property Values



### Total Taxable Valuation

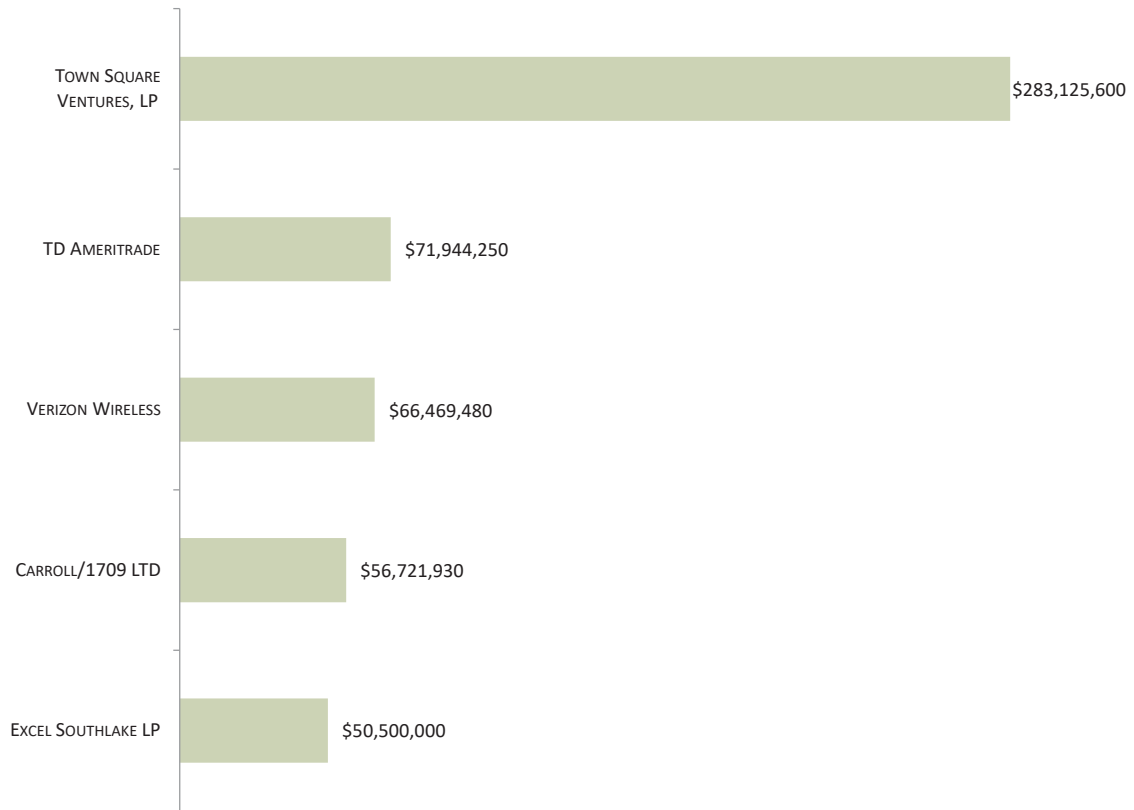
Warning Trend: Declining growth or drop in the value of property

The property value comparison for several fiscal years indicates continued growth in property values. Over time, the certified tax roll values have increased steadily; however, 2021 values were relatively flat over 2020. The reflected values include new property added to the roll as of January 1 of each year.

Fiscal Year	Total Taxable Valuation	Fiscal Year	Total Taxable Valuation
2011	\$5,232,316,346	2018	\$6,662,494,784
2012	\$5,290,518,261	2019	\$7,286,898,962
2013	\$5,331,182,997	2020	\$7,769,729,082
2014	\$5,494,514,119	2021	\$7,768,644,007
2015	\$5,680,109,441	2022	\$8,220,731,143
2016	\$5,785,322,918	2023	\$9,064,721,083
2017	\$6,368,901,046	2024	\$10,564,623,953

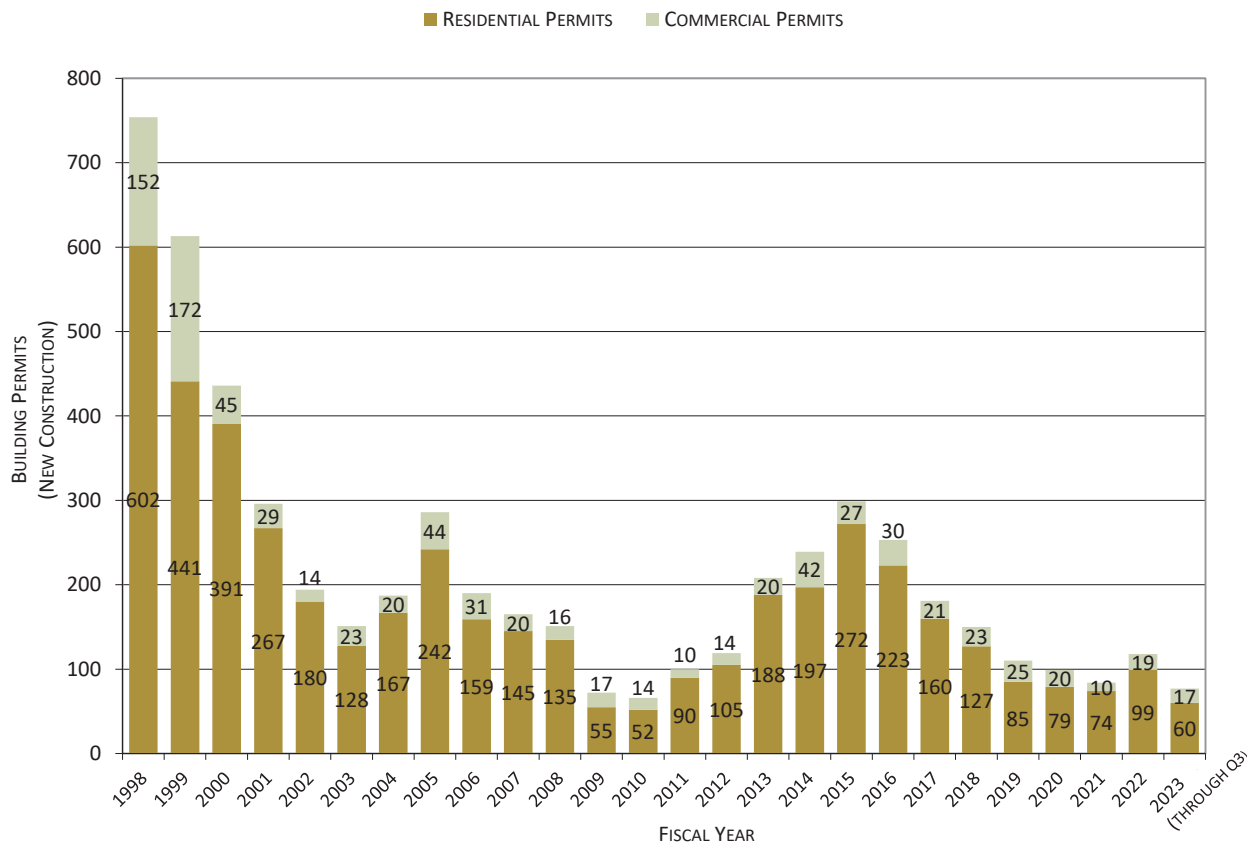
## Top 5 Non-Residential Taxpayers

(As of October 2022)



Property	Taxable Value
Town Square Ventures, LP	\$283,125,600
TD Ameritrade	\$71,944,250
Southlake Owner LLC	\$66,469,480
Carroll/1709 LTD	\$56,721,930
Excel Southlake LP	\$50,500,000

## Historical Permit Activity



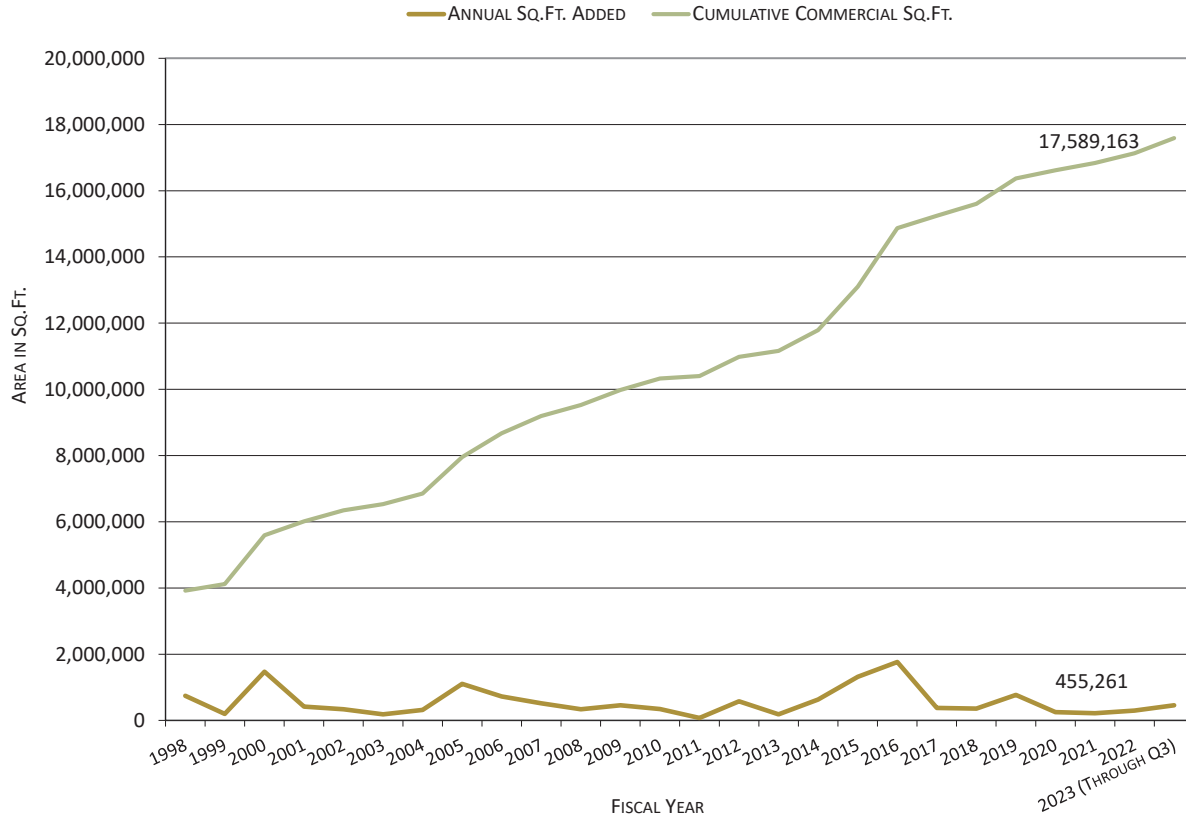
Source: Southlake Planning & Development Services

Historical permit activity shows the history of residential and commercial building permits for new construction issued since 1998. Years where the City experienced heavier periods of growth demonstrate a greater number of permits issued. As Southlake reaches closer to build out, we expect to continue to see the number of new construction permits continue to decline. This chart does not include permits filed for renovations or redevelopment.

Fiscal Year	No. Residential Permits	No. Commercial Permits	Fiscal Year	No. Residential Permits	No. Commercial Permits
1998	602	152	2011	90	10
1999	441	172	2012	105	14
2000	391	45	2013	188	20
2001	267	29	2014	197	42
2002	180	14	2015	272	27
2003	128	23	2016	223	30
2004	167	20	2017	160	21
2005	242	44	2018	127	23
2006	159	31	2019	85	25
2007	145	20	2020	79	20
2008	135	16	2021	74	10
2009	55	17	2022	99	19
2010	52	14	2023 (through Q3)	60	17



## Commercial Growth in Southlake Footage

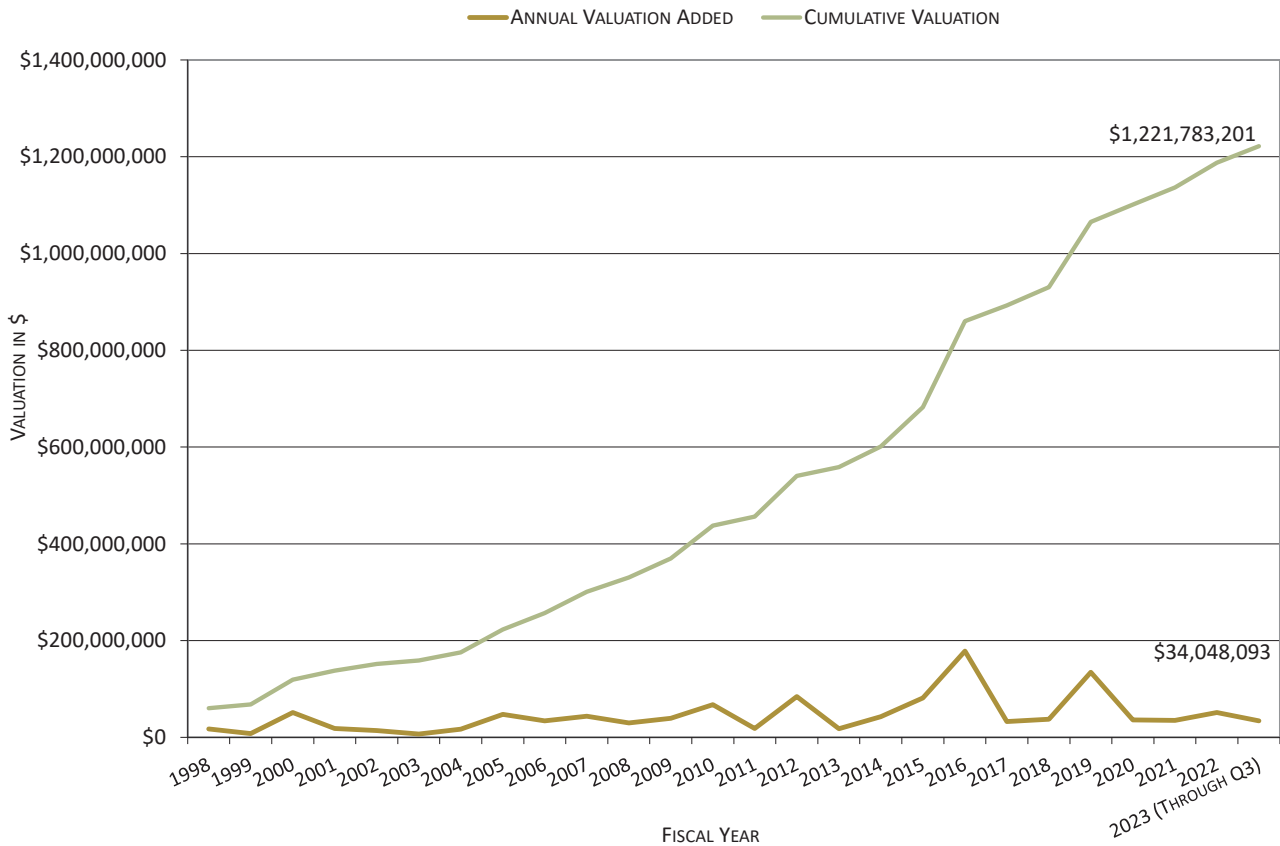


Source: Southlake Planning & Development Services

This chart shows that although annual growth rates related to commercial square footage added can be impacted by economic conditions, such as the “Great Recession,” Southlake’s commercial property base has grown annually since 1998. Increases in these numbers over time are beneficial for the City, as a greater amount of commercial square footage leads to increases in the tax base. As the City approaches build out, we expect to continue to see these numbers slow.

Fiscal Year	Annual Sq. Ft. Added	Cumulative Sq. Ft. Added	Fiscal Year	Annual Sq. Ft. Added	Cumulative Sq. Ft. Added
1998	744,686	3,919,658	2011	73,629	10,400,418
1999	198,233	4,117,891	2012	578,782	10,400,418
2000	1,471,583	5,589,474	2013	180,387	11,159,587
2001	419,752	6,009,226	2014	630,277	11,789,864
2002	336,385	6,345,611	2015	1,313,861	13,103,725
2003	185,324	6,530,935	2016	1,763,654	14,867,379
2004	318,944	6,849,879	2017	376,682	15,244,061
2005	1,102,921	7,952,800	2018	358,899	15,602,960
2006	721,500	8,674,300	2019	766,803	16,369,763
2007	516,744	9,191,044	2020	249,274	16,619,037
2008	335,135	9,526,179	2021	217,645	16,836,682
2009	455,984	9,982,163	2022	297,220	17,133,902
2010	344,626	10,326,789	2023 (through Q3)	455,261	17,589,163

## Commercial Valuation Growth

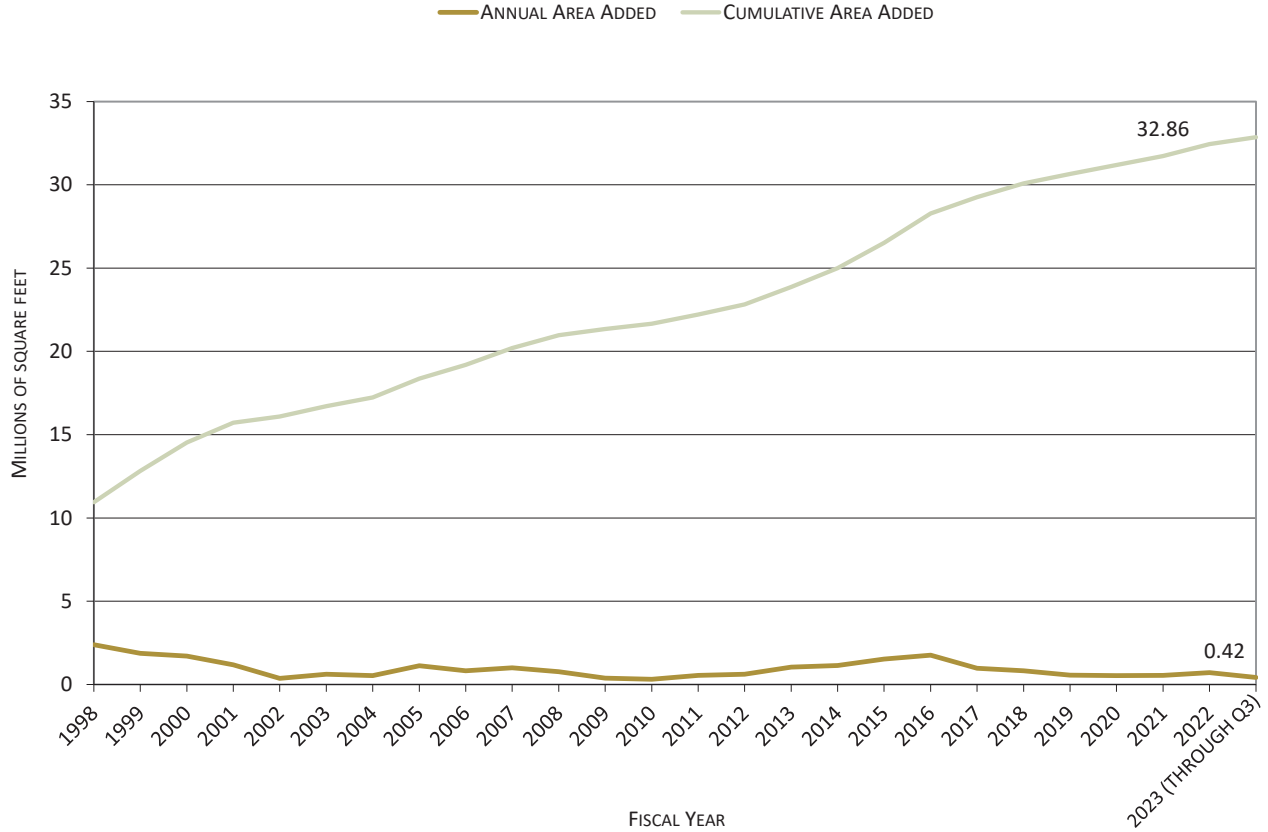


Source: Southlake Planning & Development Services

This chart maps the cumulative valuation of commercial growth and annual valuation added since 1998. Increases in the commercial valuation of property leads to growth in the City’s tax base, which generates more tax revenues for the City and sustains the level of service that citizens are accustomed to receiving. As the City approaches build out, we expect to continue to see these numbers slow.

Fiscal Year	Annual Valuation Added	Cumulative Valuation Added	Fiscal Year	Annual Valuation Added	Cumulative Valuation Added
1998	\$17,385,841	\$60,226,236	2011	\$18,384,157	\$456,073,685
1999	\$7,705,640	\$67,931,876	2012	\$84,328,043	\$540,401,728
2000	\$51,466,379	\$119,398,255	2013	\$17,976,714	\$558,378,442
2001	\$18,258,838	\$137,657,093	2014	\$42,543,750	\$600,922,192
2002	\$14,168,938	\$151,826,031	2015	\$81,215,734	\$682,137,926
2003	\$6,852,381	\$158,678,412	2016	\$178,247,281	\$860,385,207
2004	\$17,105,540	\$175,783,952	2017	\$32,503,544	\$892,888,751
2005	\$47,347,107	\$223,131,059	2018	\$37,518,535	\$930,407,286
2006	\$33,921,357	\$257,052,416	2019	\$134,686,569	\$1,065,093,855
2007	\$43,757,408	\$300,809,824	2020	\$35,946,367	\$1,101,040,222
2008	\$29,651,556	\$330,461,380	2021	\$35,229,360	\$1,136,269,582
2009	\$39,463,638	\$369,925,018	2022	\$51,465,526	\$1,187,735,108
2010	\$67,764,510	\$437,689,528	2023 (Through Q3)	\$34,048,093	\$1,221,783,201

## Residential Growth in Square Footage

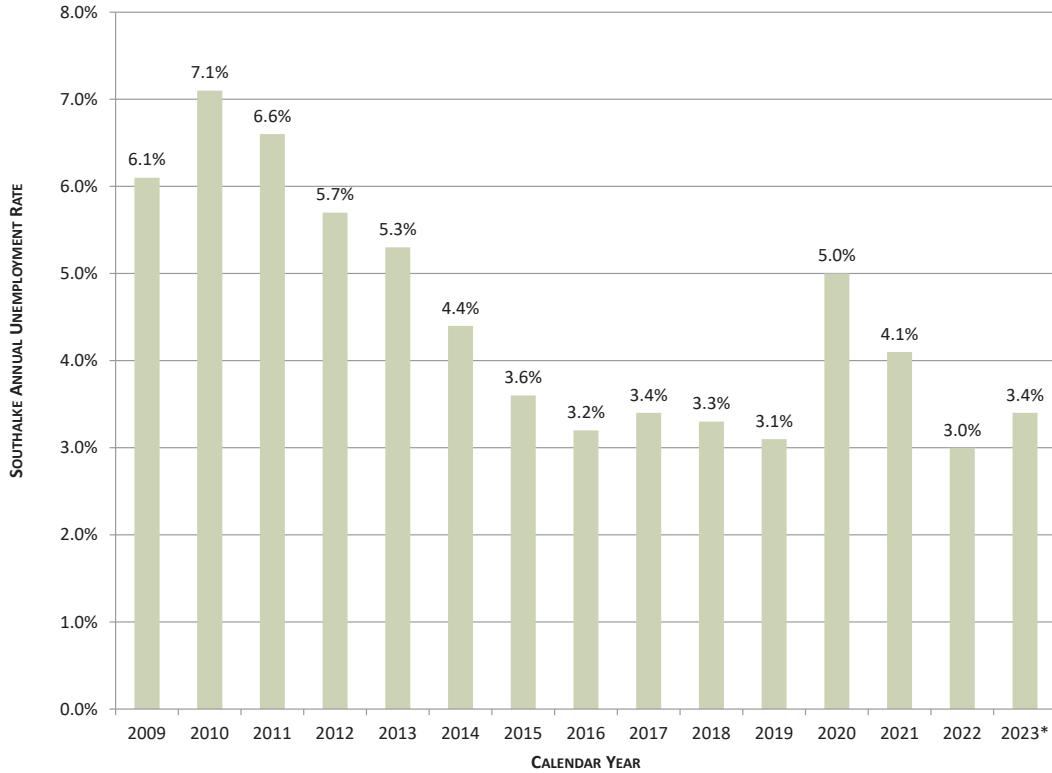


Source: Southlake Planning & Development Services

This chart maps the cumulative square feet of residential area added since 1998. As the City approaches build out, we expect to continue to see these numbers slow.

Fiscal Year	Annual Square Footage Added (Millions)	Cumulative Square Footage Added (Millions)	Fiscal Year	Annual Square Footage Added (Millions)	Cumulative Square Footage Added (Millions)
1998	2.39	10.94	2011	0.55	22.21
1999	1.88	12.82	2012	0.62	22.83
2000	1.71	14.53	2013	1.04	23.86
2001	1.19	15.71	2014	1.14	25.00
2002	0.37	16.09	2015	1.52	26.52
2003	0.62	16.70	2016	1.76	28.29
2004	0.53	17.24	2017	0.98	29.27
2005	1.13	18.37	2018	0.82	30.09
2006	0.82	19.20	2019	0.56	30.66
2007	1.00	20.20	2020	0.53	31.19
2008	0.77	20.97	2021	0.54	31.73
2009	0.38	21.34	2022	0.71	32.44
2010	0.31	21.66	2023 (through Q3)	0.42	32.86

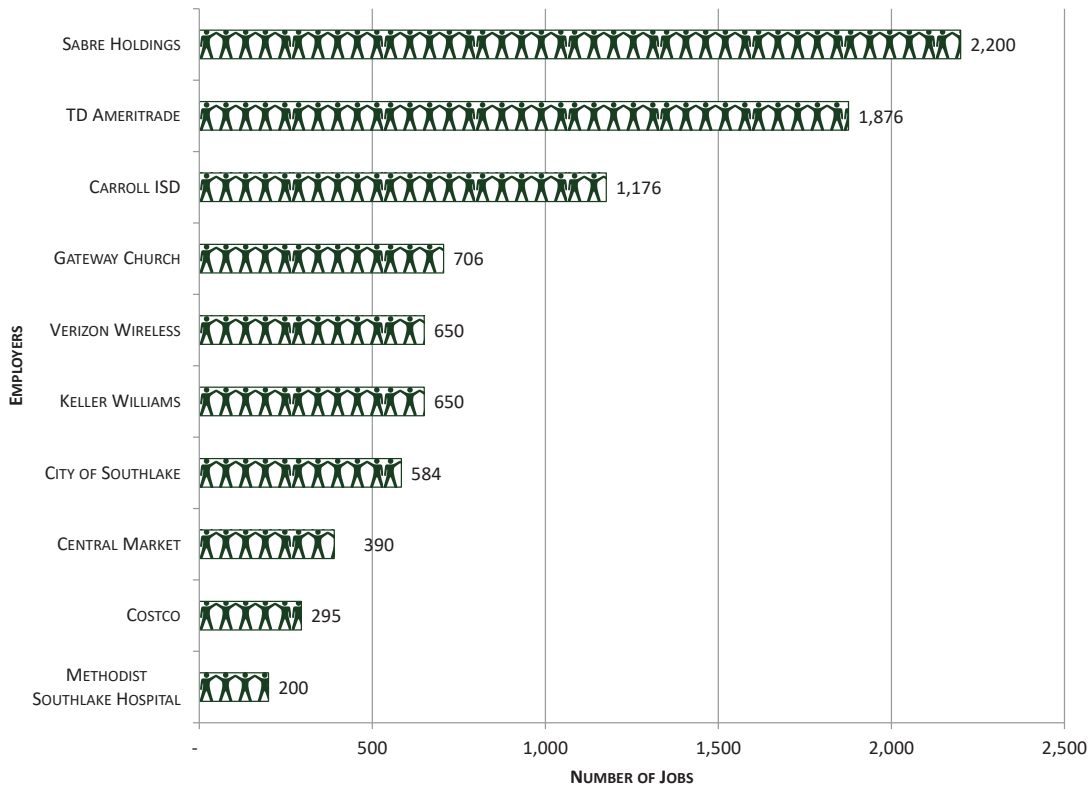
## Unemployment in Southlake



Unemployment rate is an important indicator in measuring the health of a local economy. Changes in the unemployment rate are related to changes in personal income, and are thus a measure of, and an influence on, the community’s ability to support its business sector. Southlake’s unemployment has historically been below that of the DFW market and has declined since its peak in 2010. We continue to see that the Southlake unemployment continues to trend below the state (4.1%) rate.

Year	Unemployment Rate	Year	Unemployment Rate
2010	7.1%	2017	3.4%
2011	6.6%	2018	3.3%
2012	5.7%	2019	3.1%
2013	5.3%	2020	5.0%
2014	4.4%	2021	4.1%
2015	3.6%	2022	3.0%
2016	3.2%	2023*	3.4%

## Jobs in Southlake - Major Employers



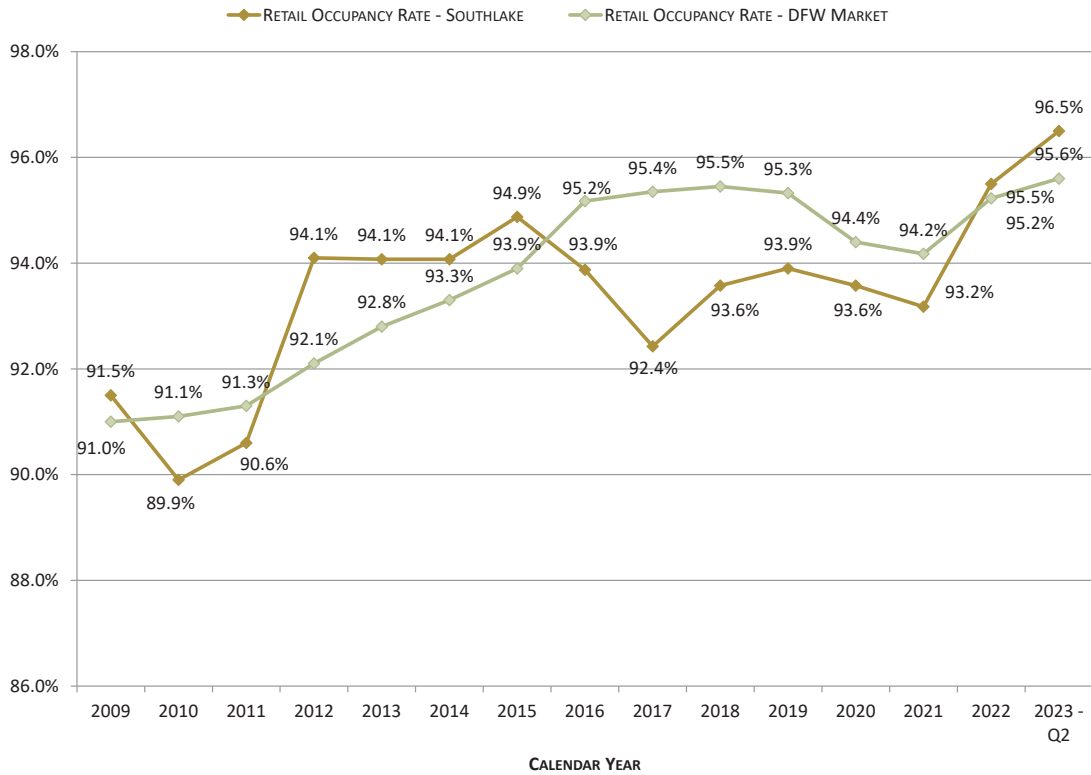
As of January 1, 2023

The largest employer in Southlake is Sabre Holdings, followed by TD Ameritrade, Carroll ISD, Gateway Church, Verizon Wireless, Keller Williams, the City of Southlake, Central Market, Costco, and Methodist Southlake Hospital. Together, these employers provide a large segment of the workforce that helps to stimulate the City's economic vitality through the promotion of sales tax and other revenues.

Employer	Jobs	Employer	Jobs
Sabre Holdings	2,200	Keller Williams	650
TD Ameritrade	1,876	City of Southlake	584
Carroll ISD	1,176	Central Market	390
Gateway Church	706	Costco	295
Verizon Wireless	650	Methodist Southlake Hospital	200



## Retail Occupancy Rate

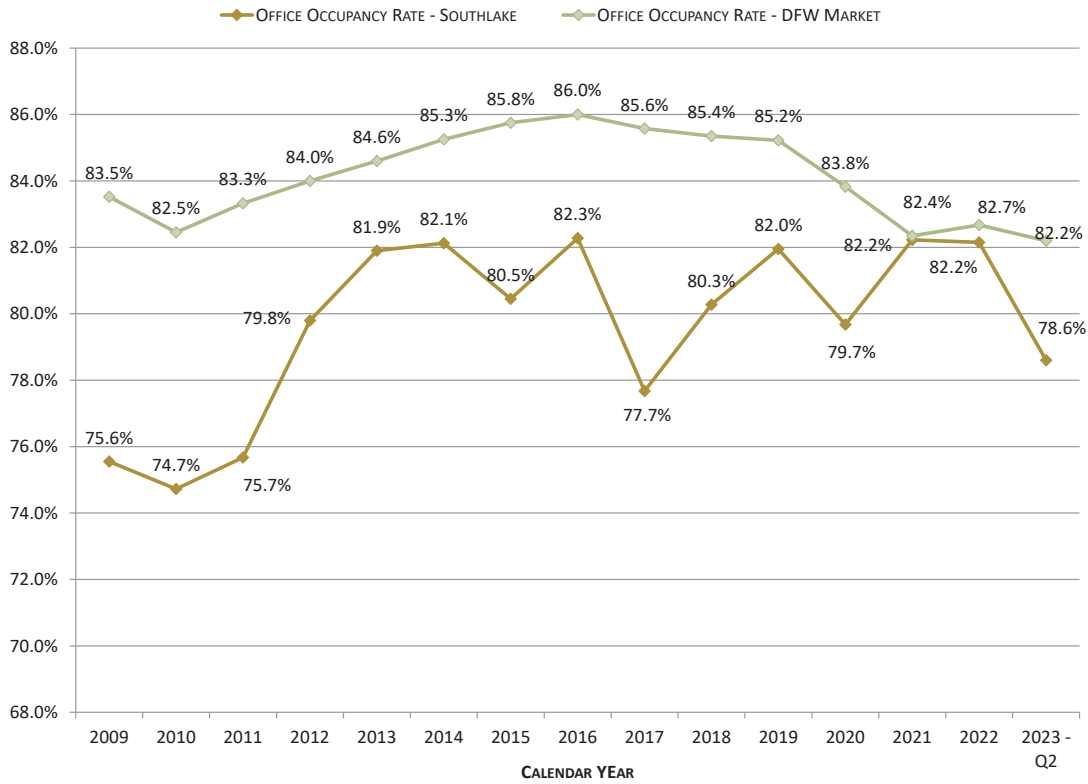


Warning Trend: Decreasing occupancy rates

If the economy is sluggish or declining, demand for residential, commercial, and industrial property may drop and occupancy rates may decline. Tracking changes in occupancy rates can provide an early warning of potential economic or demographic problems.

Calendar Year	Retail Occupancy Rate - Southlake	Retail Occupancy Rate - DFW Market
2010	89.9%	91.1%
2011	90.6%	91.3%
2012	94.1%	92.1%
2013	94.1%	92.8%
2014	94.1%	93.3%
2015	94.9%	93.9%
2016	93.9%	95.9%
2017	92.4%	95.3%
2018	93.6%	95.5%
2019	93.9%	95.3%
2020	93.6%	94.4%
2021	93.2%	94.2%
2022	95.5%	95.2%
2023 (Through Q2)	96.5%	95.6%

# Office Occupancy Rate



Warning Trend: Decreasing occupancy rates

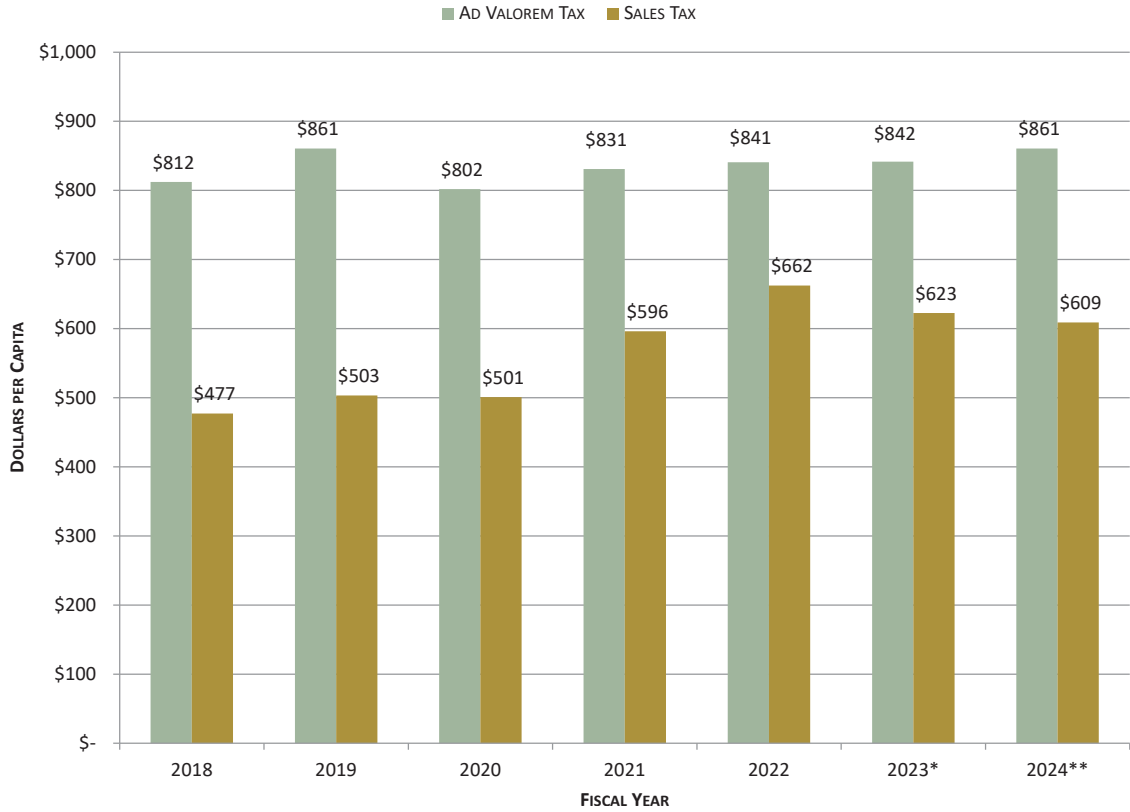
If the economy is sluggish or declining, demand for residential, commercial, and industrial property may drop and occupancy rates may decline. Tracking changes in occupancy rates can provide an early warning of potential economic or demographic problems.

Calendar Year	Office Occupancy Rate - Southlake	Office Occupancy Rate - DFW Market
2010	74.7%	82.5%
2011	75.7%	83.3%
2012	79.8%	84.0%
2013	81.9%	84.6%
2014	82.1%	85.3%
2015	80.5%	85.8%
2016	82.3%	86.0%
2017	77.7%	85.6%
2018	80.3%	85.4%
2019	82.0%	85.2%
2020	79.7%	83.8%
2021	82.2%	82.4%
2022	82.2%	82.7%
2023 (Through Q2)	78.6%	82.2%



FINANCIAL TREND  
MONITORING SYSTEM  
**FINANCIAL  
INDICATORS**

# Ad Valorem and Sales Tax Revenue (General Fund) Per Capita



\*Unaudited \*\*Adopted Budget

$$\frac{\text{Net operating sales tax or ad valorem revenue}}{\text{Population}}$$

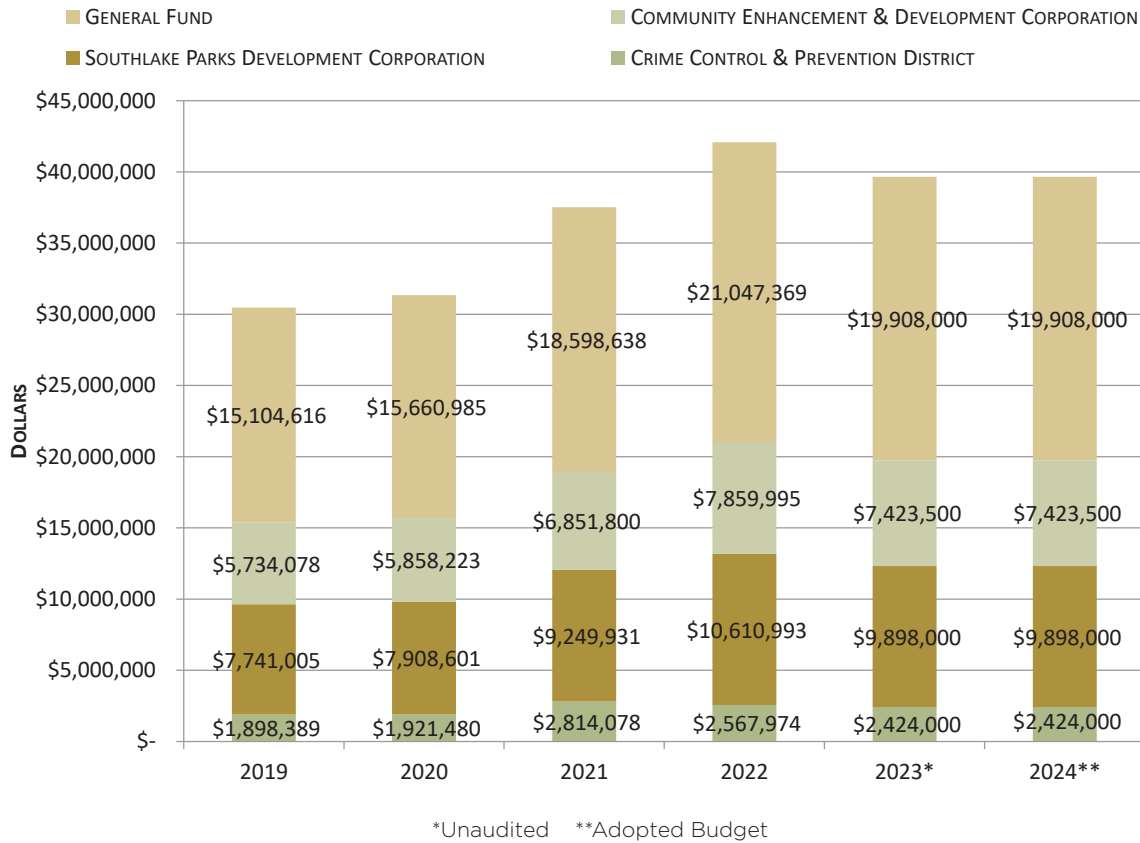
Warning Trend: Decreasing net operating revenue per capita

Examining per capita revenues shows changes in revenues relative to changes in population size. This chart reflects changes in ad valorem (property) and sales tax revenues per capita since 2018.

Fiscal Year	Population	Ad Valorem Tax (General Fund)	Ad Valorem Tax per Capita	Sales Tax (General Fund)	General Fund Sales Tax per Capita
2012	26,770	\$17,690,312	\$661	\$9,443,239	\$353
2013	27,080	\$18,523,069	\$684	\$10,536,425	\$389
2014	27,330	\$19,193,801	\$702	\$12,585,569	\$461
2015	28,296	\$19,149,431	\$677	\$14,339,915	\$507
2016	28,868	\$20,920,809	\$725	\$13,480,025	\$467
2017	29,440	\$22,694,444	\$771	\$13,732,007	\$466
2018	29,580	\$24,028,296	\$812	\$14,111,661	\$477
2019	30,010	\$25,832,530	\$861	\$15,104,616	\$503
2020	30,370	\$25,072,864	\$802	\$15,660,985	\$501
2021	31,199	\$25,581,525	\$831	\$16,166,000	\$596
2022	31,770	\$21,047,369	\$841	\$21,047,369	\$662
2023*	31,975	\$26,915,642	\$842	\$19,908,000	\$623
2024**	32,691	\$28,140,607	\$861	\$19,908,000	\$609



## Sales Tax Revenue Analysis FY 2019-2024

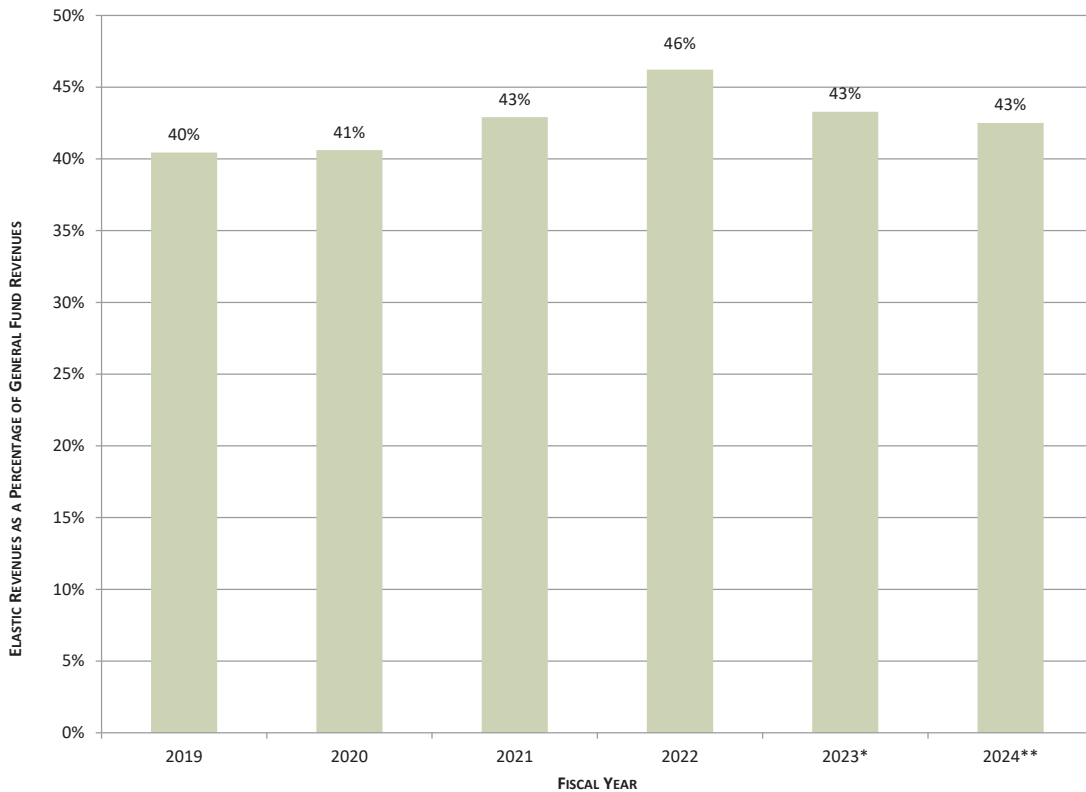


Warning Trend: Decreasing sales tax collection

This chart illustrates growth characteristics in the City’s commercial and economic bases. In 1994, voters authorized an additional half-cent sales tax designation to support parks development (Southlake Parks Development Corporation) and in 1998, voters authorized an additional half-cent sales tax designation to support crime prevention (Crime Control & Prevention District). A third sales tax district (Community Enhancement & Development Corporation) was voter-approved in 2015 to support the construction and operation of The Marq Southlake as well as strategic economic development efforts.

Fiscal Year	Amount	Fiscal Year	Amount
2011	\$18,159,527	2018	\$29,447,651
2012	\$19,229,026	2019	\$30,478,088
2013	\$21,771,064	2020	\$31,349,289
2014	\$25,674,008	2021	\$37,514,447
2015	\$29,116,146	2022	\$42,086,331
2016	\$28,023,224	2023*	\$39,653,500
2017	\$28,803,408	2024**	\$39,653,500

## Elastic Operating Revenues as a Percentage of Net Operating Revenues



\*Unaudited    \*\*Adopted Budget

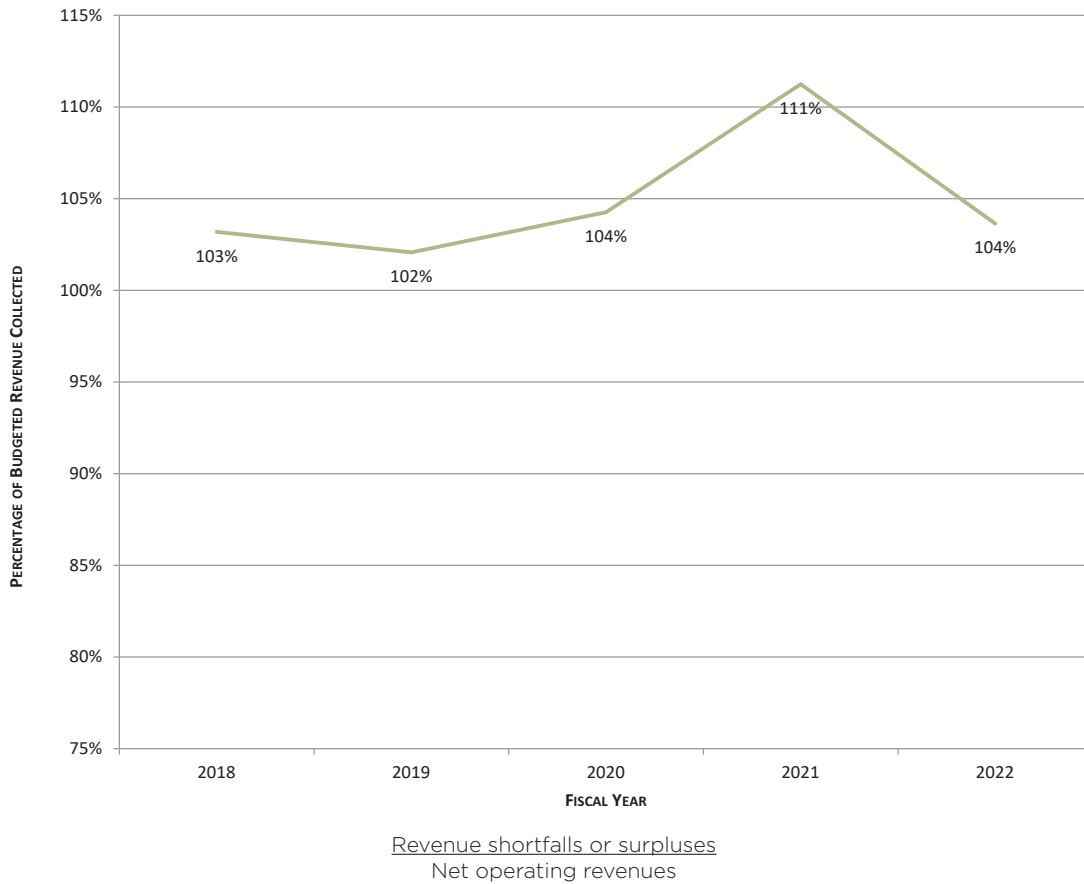
$$\frac{\text{Elastic operating revenues}}{\text{Net operating revenues}}$$

Warning Trend: Decreasing amount of elastic operating revenues as a percentage of net operating revenues

Elastic revenues are greatly affected by changes in the economy and are not as steady from year to year as ad valorem taxes. This chart shows the percentage of net general fund operating revenues that come from elastic sources (sales tax, fines, charges, permits and fees). A balance between elastic and inelastic revenues mitigates the effects of economic growth or decline.

Fiscal Year	Elastic Operating Revenue	Fiscal Year	Elastic Operating Revenue
2011	\$12,350,616	2018	\$18,726,200
2012	\$13,938,042	2019	\$20,202,636
2013	\$15,313,155	2020	\$19,732,470
2014	\$17,525,435	2021	\$22,163,143
2015	\$19,633,024	2022	\$26,215,098
2016	\$19,008,451	2023*	\$23,796,235
2017	\$18,344,675	2024**	\$23,733,323

## Budgeted vs. Actual Revenue (General Fund)

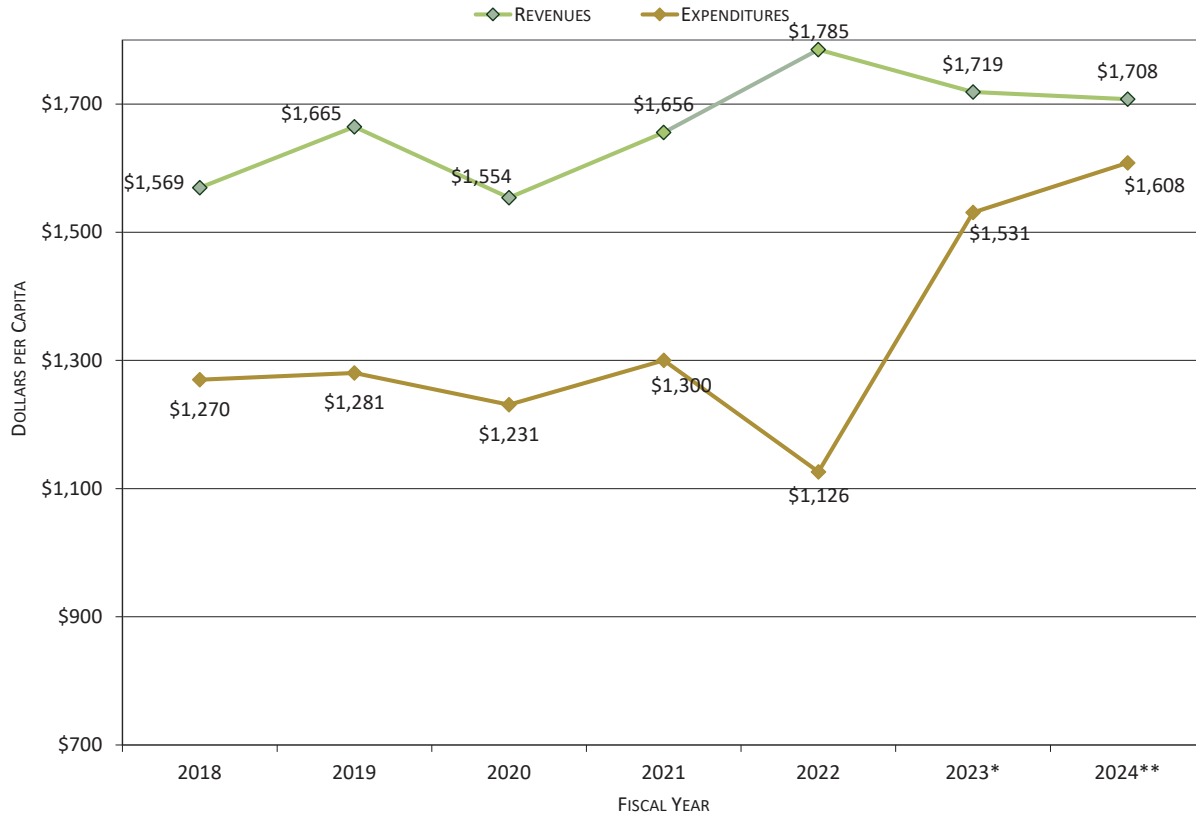


Warning Trend: Increase in revenue shortfalls or surpluses as a percentage of actual net operating revenues

The chart shows the amount of revenue collected against what was originally budgeted. Due to the City’s conservative approach to revenue forecasting, Southlake has a history of consistently collecting more revenue than originally budgeted. This eliminates any potential problems that arise from revenue shortfalls, ensuring that the City maintains a desired level of fund balance. FY 2023 and FY 2024 numbers will not be available until those budgets are closed and their audits are complete.

Fiscal Year	Budgeted General Fund Revenue	Actual General Fund Revenue
2011	\$30,901,328	\$33,670,697
2012	\$34,515,981	\$35,261,601
2013	\$36,303,478	\$37,533,344
2014	\$39,650,399	\$40,852,512
2015	\$39,054,568	\$43,657,605
2016	\$40,759,805	\$44,001,000
2017	\$43,742,290	\$44,920,807
2018	\$44,989,871	\$46,423,288
2019	\$48,939,332	\$49,952,923
2020	\$46,599,199	\$48,584,294
2021	\$46,433,915	\$51,653,730
2022	\$55,211,583	\$57,220,365

## Available Expenditures & Revenues Per Capita



\* Unaudited    \*\*Adopted Budget

Net available revenues  
Population

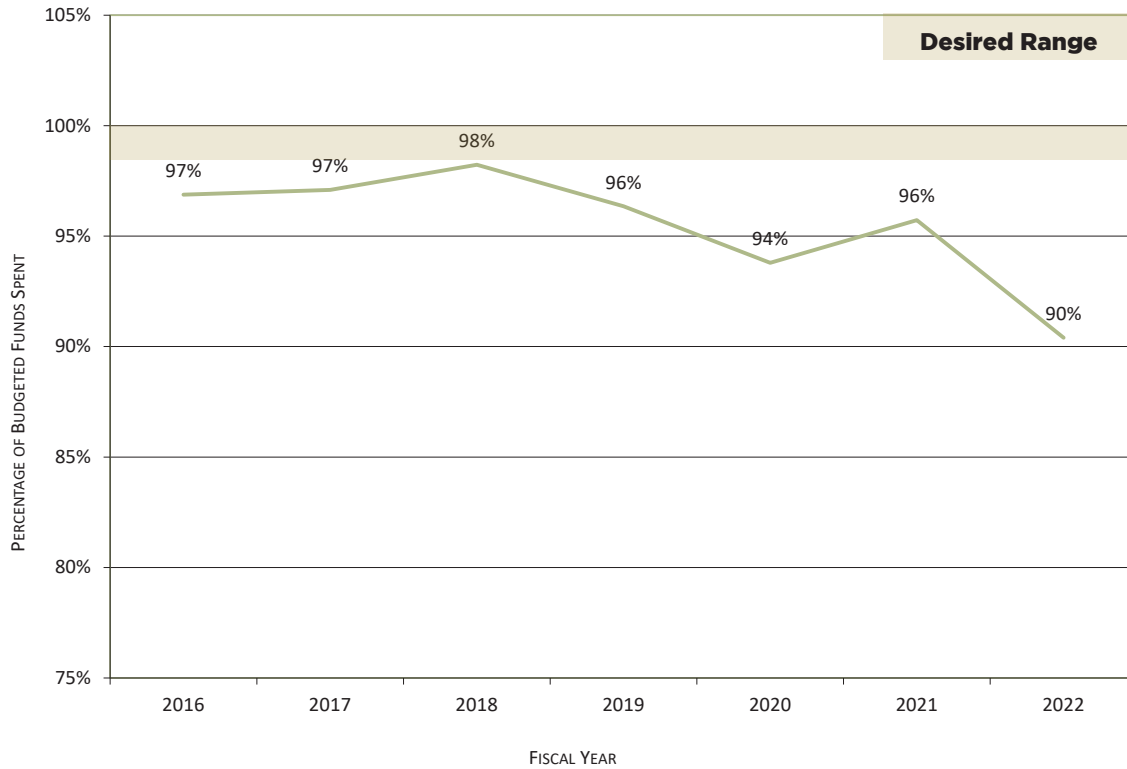
Net operating expenditures  
Population

Warning Trend: Net operating expenditures per capita becomes greater than net available revenues per capita

Changes in per capita expenditures and per capita revenues reflect changes in expenditures and revenues relative to changes in population. This chart shows a comparison between expenditures and revenues per capita and shows that revenues continue to exceed expenditures.

Fiscal Year	Population	General Fund Expenditures	Expenditures per Capita	General Fund Revenue	Revenue per Capita
2012	26,770	\$30,208,804	\$1,128	\$35,261,601	\$1,317
2013	27,080	\$32,791,958	\$1,211	\$37,533,344	\$1,386
2014	27,330	\$33,429,492	\$1,223	\$40,852,512	\$1,495
2015	28,296	\$34,249,021	\$1,210	\$43,357,605	\$1,532
2016	28,868	\$34,834,913	\$1,207	\$44,001,000	\$1,524
2017	29,440	\$35,742,544	\$1,214	\$44,920,807	\$1,526
2018	29,580	\$37,561,818	\$1,270	\$46,423,288	\$1,569
2019	30,010	\$38,428,580	\$1,281	\$49,952,923	\$1,665
2020	30,310	\$38,481,661	\$1,231	\$48,584,294	\$1,554
2021	31,199	\$40,559,152	\$1,300	\$51,653,730	\$1,656
2022	31,770	\$35,780,851	\$1,126	\$56,709,289	\$1,785
2023*	31,975	\$48,946,299	\$1,531	\$54,964,163	\$1,719
2024**	32,691	\$52,579,950	\$1,608	\$55,826,936	\$1,708

## Budgeted vs. Actual Expenditures



Actual expenditures  
Budgeted Expenditures

Warning Trend: Actual expenditures become greater than 100%. It is also concerning to have actual expenditures too much lower than 100%

Budgeted vs. actual expenditures displays the percentage of actual expenditures against what was budgeted for the fiscal year. The goal is to have actual expenditures within 98 to 100% of budgeted expenditures without exceeding the 100% mark. FY 2023 and FY 2024 numbers will not be available until those budgets are closed and their audits are completed.

Fiscal Year	Budgeted Funds	Actual Funds Spent
2010	\$30,410,480	\$29,127,729
2011	\$30,879,616	\$29,907,850
2012	\$31,929,360	\$30,208,804
2013	\$34,357,229	\$32,791,958
2014	\$34,725,755	\$33,429,492
2015	\$35,429,210	\$34,249,021
2016	\$35,957,381	\$34,834,913
2017	\$36,811,470	\$35,742,544
2018	\$38,238,203	\$37,561,818
2019	\$39,884,408	\$38,428,580
2020	\$41,030,392	\$38,481,661
2021	\$42,369,950	\$40,559,152
2022	\$41,591,866	\$37,599,891



# General Fund Operating Expenditures By Function as % of Total Operating Expenditures



\*Unaudited \*\*Adopted Budget

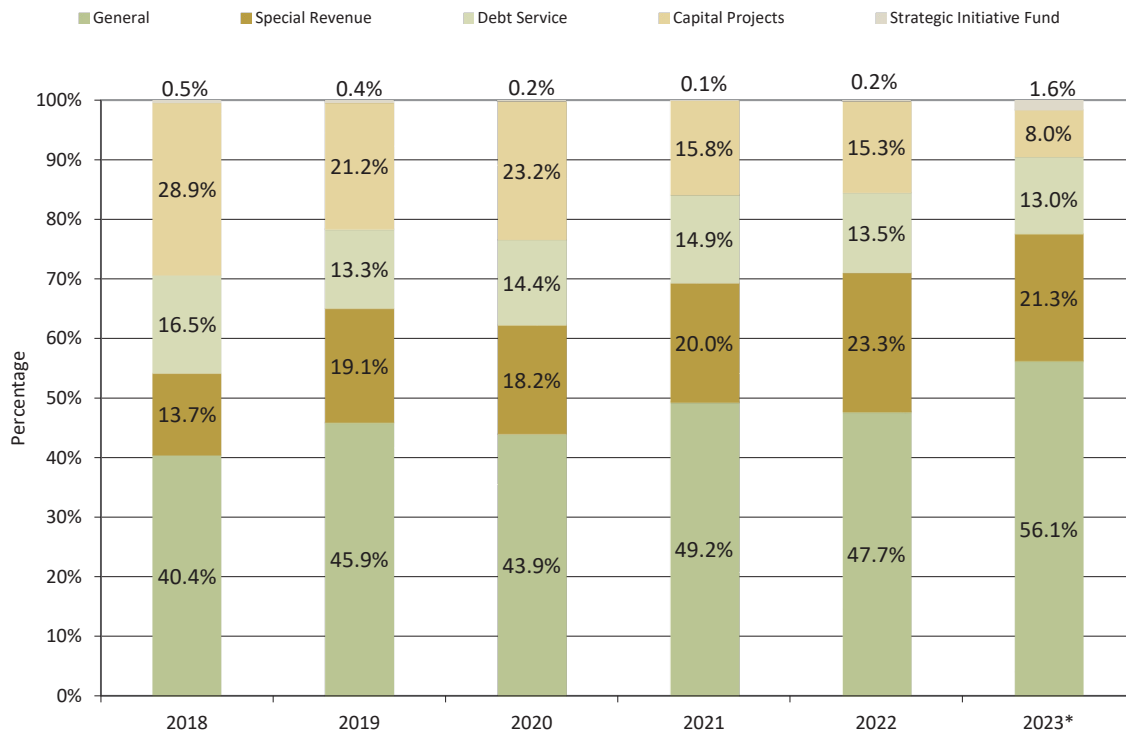
$$\frac{\text{Operating expenditures for one function}}{\text{Total net operating expenditures}}$$

Warning Trend: Increasing operating expenditures for one function as a percentage of total net operating expenditures

This chart shows expenditures by function and provides a more detailed breakdown of Southlake's general fund expenditures. The percentage of funds expended by function has remained relatively the same since 1999. Note that the decrease in the FY 2022 Public Safety expenses is due to the receipt of American Rescue Plan Act funding.

Fiscal Year	Actual Funds Spent	Fiscal Year	Actual Funds Spent
2011	\$29,907,850	2018	\$37,561,818
2012	\$30,208,804	2019	\$38,428,580
2013	\$32,791,958	2020	\$38,481,661
2014	\$33,429,492	2021	\$40,559,152
2015	\$34,249,021	2022	\$35,780,851
2016	\$34,834,913	2023*	\$48,946,299
2017	\$35,742,544	2024**	\$52,579,950

## Expenditures By Governmental Type as a % of Total Expenditures



\*Unaudited

$\frac{\text{Net fund expenditures}}{\text{Total expenditures}}$

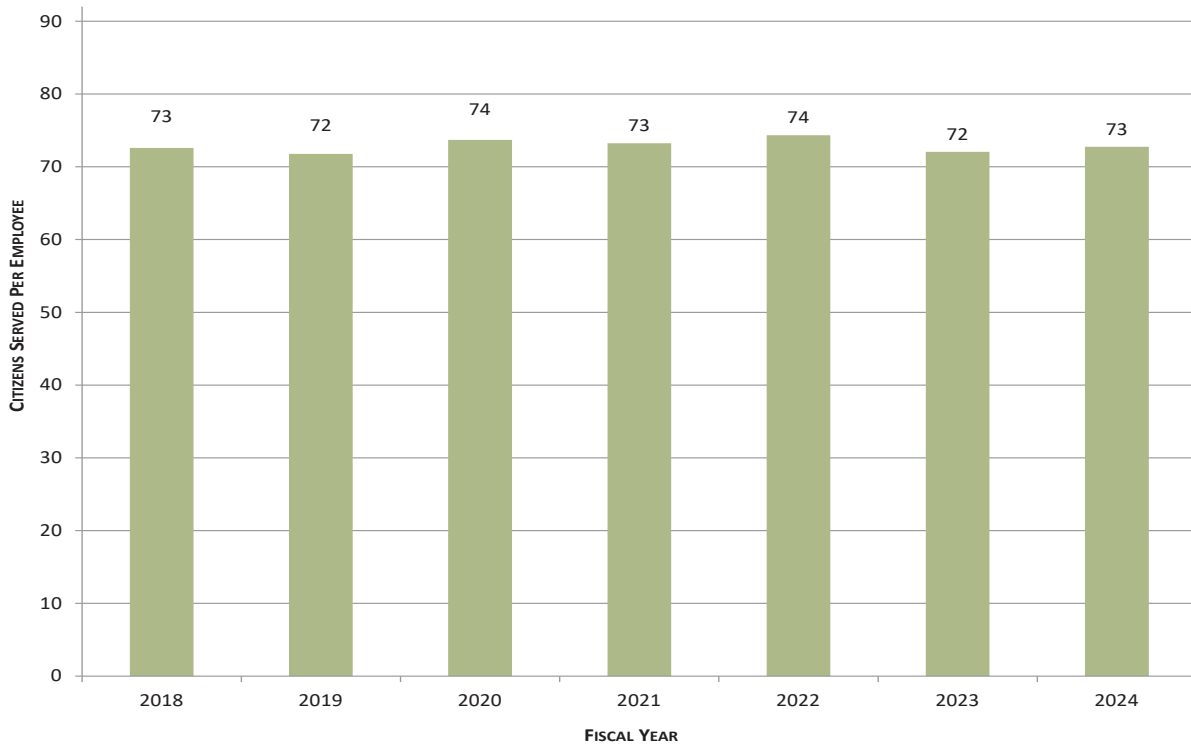
Warning Trend: Increasing net operating expenditures for one fund as a percentage of total expenditures

General fund expenditures and funds allocated towards capital projects make up the majority of expenditures by government type as a percentage of total expenditures. The large percentages in both categories are due to the fact that the General Fund finances most City operations and Capital Projects spending goes toward the addition and improvement of vital infrastructure throughout the City.

	2013	2014	2015	2016	2017	2018
General Fund	\$33,058,237	\$33,598,594	\$34,471,429	\$35,141,805	\$36,861,971	\$38,933,189
Special Revenue	\$7,239,170	\$7,191,591	\$7,798,925	\$9,099,835	\$12,452,223	\$13,173,824
Debt Service	\$15,688,654	\$16,651,615	\$18,383,846	\$16,825,811	\$17,098,223	\$15,915,291
Capital Projects	\$17,280,907	\$16,308,961	\$21,284,293	\$9,146,941	\$16,543,086	\$27,812,703
Strategic Initiative	\$1,836,411	\$589,189	\$989,754	\$876,652	\$569,685	\$444,560

	2019	2020	2021	2022	2023*	2024**
General Fund	\$40,241,696	\$39,681,702	\$42,590,827	\$37,411,304	\$51,823,442	\$55,436,895
Special Revenue	\$16,789,180	\$16,484,881	\$17,280,408	\$18,287,051	\$19,682,409	\$20,384,278
Debt Service	\$11,683,342	\$13,004,689	\$12,863,134	\$10,601,360	\$11,988,021	\$12,008,271
Capital Projects	\$18,642,707	\$20,952,920	\$13,690,000	\$12,012,723	\$7,373,000	TBD
Strategic Initiative	\$376,848	\$207,167	\$92,766	\$182,408	\$1,468,688	\$556,996

## Southlake Citizens Served

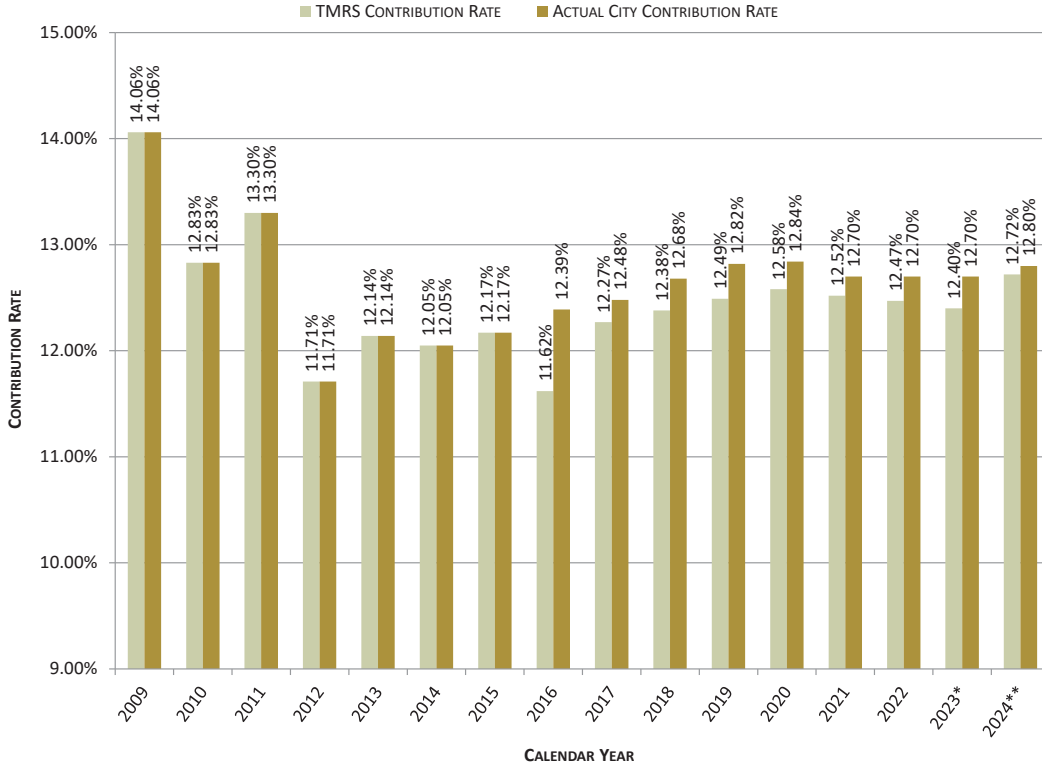


Warning Trend: Increasing number of municipal employees per capita

Because personnel costs are a major portion of a local government’s operating budget, plotting changes in the number of employees per capita is a good way to measure changes in expenditures. This chart shows that while the City has added services and facilities, the number of citizens served per employee has fluctuated only slightly which reflects the City’s focus on quality customer service.

Fiscal Year	Population	Employees (FTEs)	Citizens Served Per Employee
2012	26,770	310.90	86
2013	27,080	333.35	81
2014	27,330	342.10	80
2015	28,296	348.35	81
2016	28,868	356.85	81
2017	29,440	359.48	82
2018	29,580	407.48	73
2019	30,010	418.08	72
2020	30,370	424.33	74
2021	31,199	425.96	73
2022	31,924	429.47	74
2023	32,307	448.31	72
2024	32,691	449.31	73

# TMRS Retirement Contribution Rate

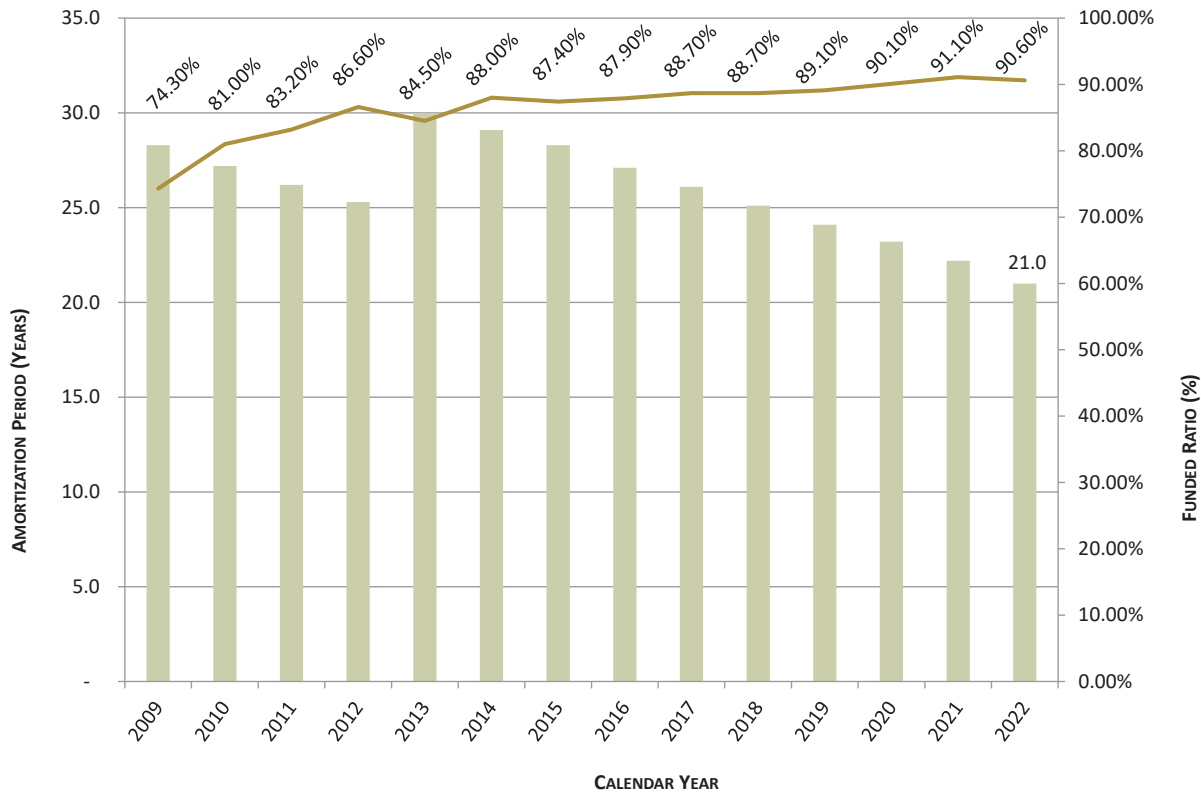


Warning Trend: Increasing number of municipal employees per capita

This chart reflects the Texas Municipal Retirement System (TMRS) contribution rate the City of Southlake is required to pay annually compared to the amount the City has paid. This contribution rate is set by TMRS. Since 2016 the City has exceeded the contribution requirement in an effort to reduce the amortization period from 30 years to 25 years.

Calendar Year	TMRS Contribution Rate	Actual City Contribution Rate
2010	12.83%	12.83%
2011	13.30%	13.30%
2012	11.71%	11.71%
2013	12.14%	12.14%
2014	12.05%	12.05%
2015	12.17%	12.17%
2016	11.62%	12.39%
2017	12.27%	12.48%
2018	12.38%	12.68%
2019	12.49%	12.82%
2020	12.58%	12.84%
2021	12.52%	12.70%
2022	12.47%	12.70%
2023	12.49%	12.70%
2024	12.72%	12.80%

## TMRS Funded Ratio & Amortization Period



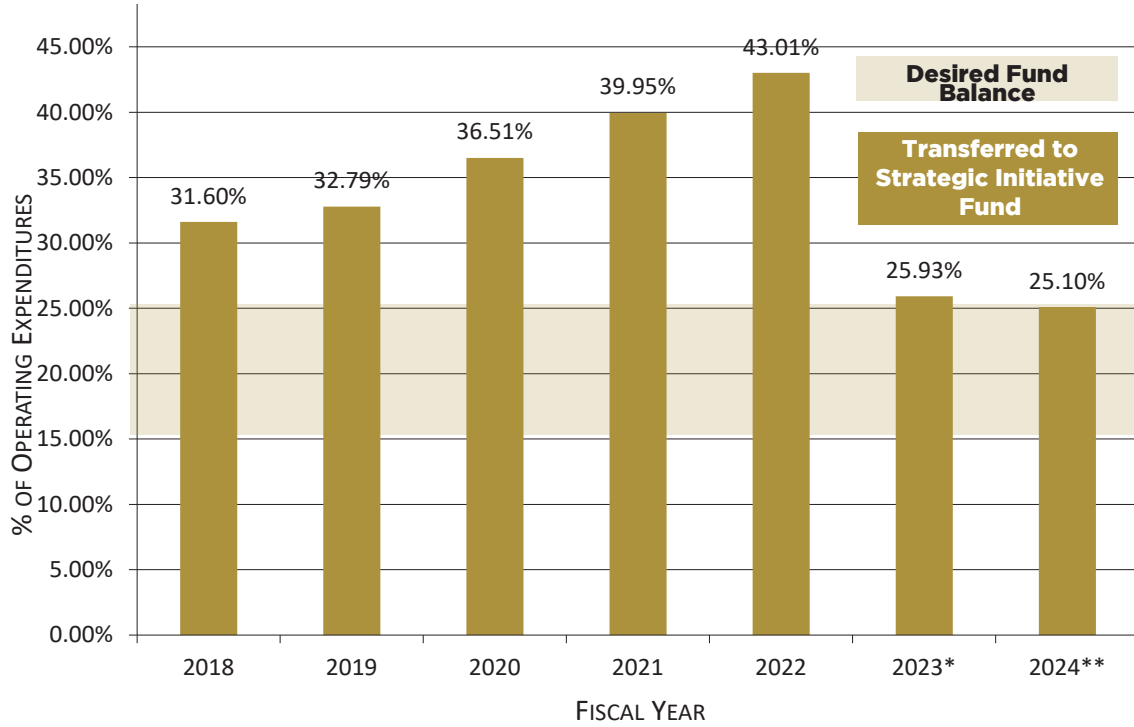
Warning Trend: Increasing number of municipal employees per capita

This chart reflects the funded ratio and the amortization period for the City of Southlake’s plan with Texas Municipal Retirement System (TMRS). The funded ratio is the ratio of the actuarial value of assets to the actuarial accrued liability. The City’s current funded ratio is 90.60% and, generally, ratios above 80% are considered to be positive. The amortization period is the period over which the existing unfunded actuarial accrued liability is projected to be paid off. For the City of Southlake, the period is 21 years. The City is actively working to raise the funded ratio and lower the amortization period by exceeding the contribution requirement.

Calendar Year	Funded Ratio	Amortization Period (years)
2009	74.30%	28.3
2010	81.00%	27.2
2011	83.20%	26.2
2012	86.60%	25.3
2013	84.50%	30.0
2014	88.00%	29.1
2015	87.40%	28.3
2016	87.90%	27.1
2017	88.70%	26.1
2018	88.70%	25.1
2019	89.10%	24.1
2020	90.10%	23.2
2021	91.10%	22.2
2022	90.60%	21.0



## Unreserved General Fund Balance as a % of Operating Expenditures



\*Unaudited    \*\*Adopted Budget

General fund operating deficit or surplus  
Net operating expenditures

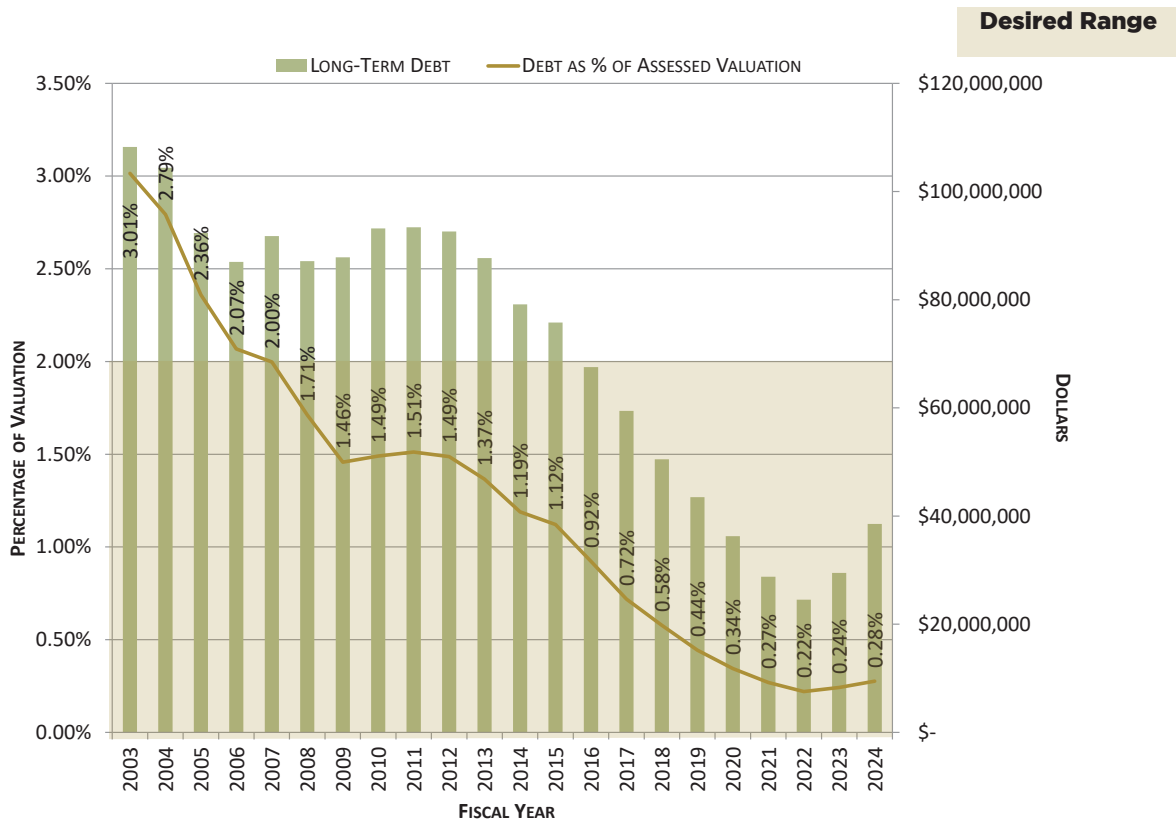
Warning Trend: Increase in general fund operating deficit or surplus as a percentage of net operating expenditures

The size of a local government’s fund balance can affect its ability to withstand financial emergencies. While the availability of unencumbered reserves is a positive, it should also be noted that too large of a fund balance is also viewed as a red flag. The City of Southlake’s Fund Balance Policy states, “The City of Southlake’s goal shall be to maintain a fund balance in the General Fund equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%.”

Since 2006, any dollars beyond the optimal goal of 25% have been transferred to the Strategic Initiative Fund (SIF) whose use is limited to one-time, non-recurring expenses. This fund has been used for infrastructure maintenance (City facility repairs and renovations), Southlake Comprehensive Plan, technology needs, and capital projects such as roads and sidewalks. In fact, the SIF has funded more than \$89 million of capital projects since 2006, allowing the City to avoid borrowing money to fund these projects. The City has also been able to purchase needed public safety equipment such as a fire ladder truck, engine and an ambulance, as well as a portion of the outdoor warning system. This fund has been a valuable tool for funding high impact projects.

Fiscal Year	Actual Funds Spent	Fund Balance	Fiscal Year	Actual Funds Spent	Fund Balance
2011	\$29,907,850.	\$10,238,177	2018	\$37,561,818	\$11,870,887
2012	\$30,208,8040	\$10,764,774	2019	\$38,428,580	\$12,601,730
2013	\$32,791,958	\$11,296,929	2020	\$38,481,661	\$14,049,369
2014	\$33,429,210	\$11,394,336	2021	\$40,559,152	\$16,203,389
2015	\$34,249,021	\$12,246,504	2022	\$39,164,738	\$15,388,606
2016	\$34,834,913	\$12,214,105	2023*	\$48,266,972	\$12,692,381
2017	\$35,742,544	\$11,758,431	2024**	\$52,625,123	\$13,211,435

## Property Tax Supported Long-Term Debt as a % of Assessed Valuation

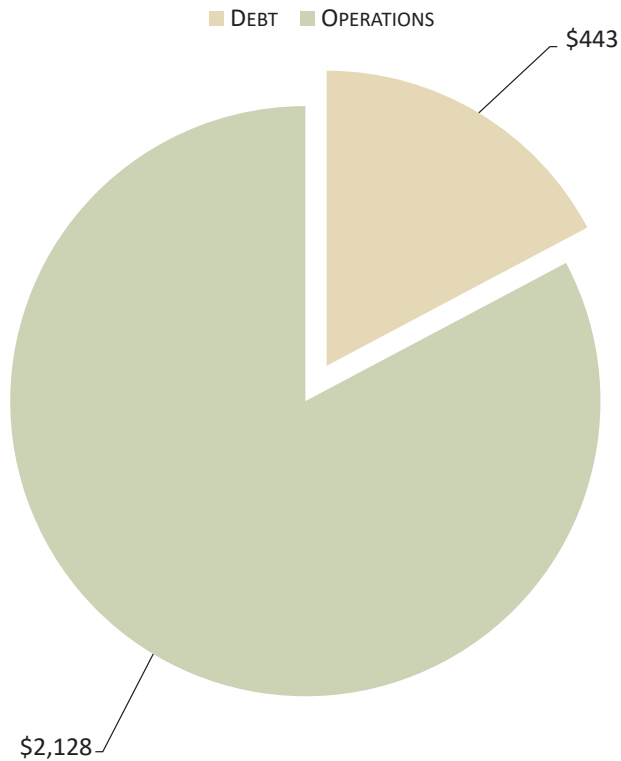


Warning Trend: Increasing net long-term debt as a percentage of assessed valuation  
 Long-term debt    Assessed valuation

This chart shows the debt issued by Southlake that is supported by property tax revenues relative to the total assessed valuation. Credit industry benchmarks state debt exceeding ten percent of assessed valuation as well as increasing long-term debt as a percentage of assessed valuation are warning signals. Neither of these trends are reflected in this chart which shows that the property tax supported long-term debt as a percentage of assessed valuation has been falling since 2003 and remains well below the ten percent benchmark. The City has established its own target of two percent or below, as outlined in the Financial Principles section of the Appendix, and since 2007, our debt as a percentage of assessed valuation has been at or below two percent.

Fiscal Year	Long-Term Debt	Assessed Valuation	Debt as % of Assessed Valuation	Fiscal Year	Long-Term Debt	Assessed Valuation	Debt as % of Assessed Valuation
2003	\$108,251,208	\$3,590,810,881	3.01%	2014	\$79,129,909	\$6,653,765,251	1.19%
2004	\$104,384,962	\$3,737,260,696	2.79%	2015	\$75,779,902	\$6,760,119,917	1.12%
2005	\$92,345,898	\$3,913,240,543	2.36%	2016	\$67,555,109	\$7,322,599,520	0.92%
2006	\$86,977,885	\$4,207,074,169	2.07%	2017	\$59,439,993	\$8,269,475,160	0.72%
2007	\$91,759,026	\$4,593,954,505	2.00%	2018	\$50,477,189	\$8,743,046,226	0.58%
2008	\$87,122,650	\$5,088,802,161	1.71%	2019	\$43,475,681	\$9,810,068,614	0.44%
2009	\$88,846,144	\$5,582,058,197	1.46%	2020	\$36,272,575	\$10,526,366,088	0.34%
2010	\$93,169,077	\$6,252,920,129	1.49%	2021	\$28,784,272	\$10,714,248,031	0.27%
2011	\$93,402,615	\$6,178,132,589	1.51%	2022	\$24,528,447	\$11,138,315,427	0.22%
2012	\$95,940,907	\$6,226,088,861	1.49%	2023	\$29,497,940	\$12,177,275,938	0.24%
2013	\$87,681,533	\$6,442,291,913	1.37%	2024	\$38,547,405	\$13,974,849,859	0.28%

## City Property Tax Bill for Average Home



Total City tax bill for \$1,000,394 home: \$2,571

FY 2024 Adopted Tax Rate .....	\$0.319000
FY 2024 No New Revenue Tax Rate.....	\$0.319375
FY 2024 Voter Approval Rate (Adjusted for unused increment rate).....	\$0.341875
FY 2024 Adopted Tax Rate .....	\$0.319000
Maintenance & Operations Component.....	\$0.264000
Debt Service Component.....	\$0.055000

### Summary:

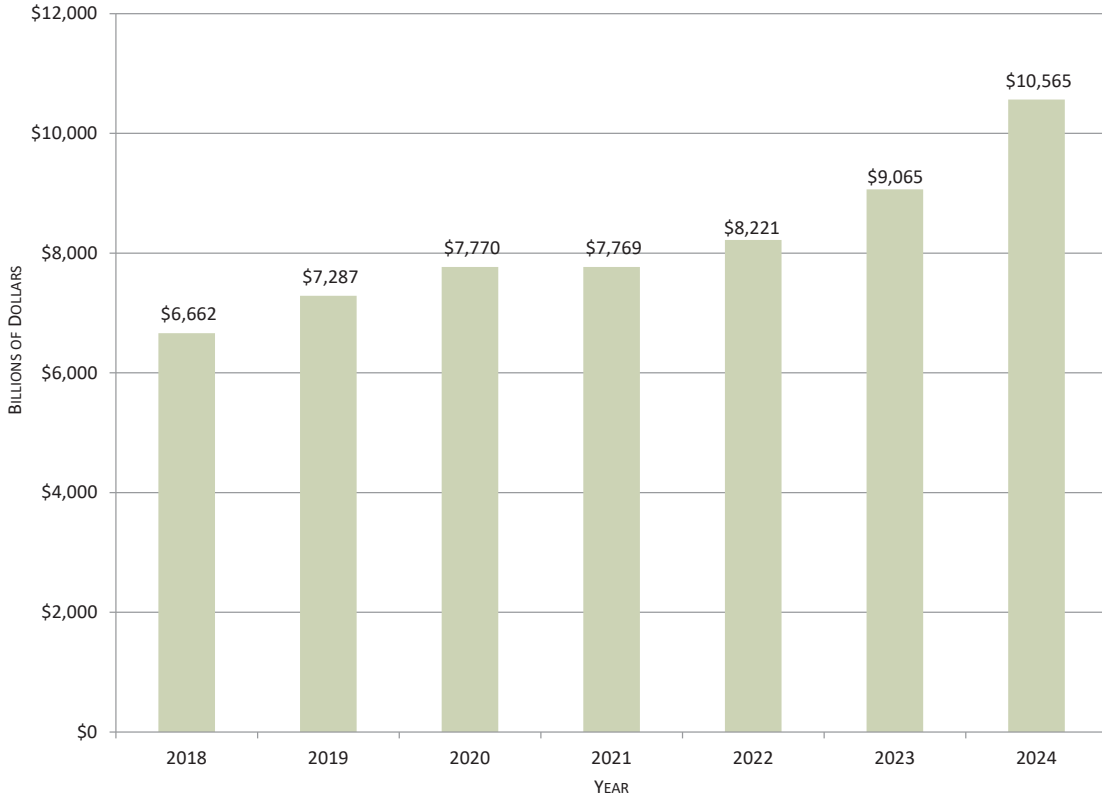
This year's City tax bill for an average residential property:

$$\$1,000,394 - 20\% \text{ Homestead Exemption} / \$100 \times \$0.319000 = \$2,571$$

Last year's City tax bill for an average residential property:

$$\$882,302 - 20\% \text{ Homestead Exemption} / \$100 \times \$0.360000 = \$2,541$$

## What Does a Residential Property Owner Pay?



FY 2024 property tax based on 2023 tax year assessment

This chart illustrates the City property tax portion payable for Fiscal Year 2024 by an individual owning a home valued at \$1,000,394 located in Tarrant County and in the Carroll Independent School District.

Taxing Entity	FY 2024 Adopted Tax Rates	Tax Bill (For an average valued home)	Percentage of Total
City of Southlake	\$0.319000	\$2,571	12%
Tarrant County Hospital	\$0.224429	\$2,261	11%
Tarrant County College	\$0.130170	\$1,311	6%
Tarrant County	\$0.224000	\$2,257	11%
Carroll ISD	\$1.218800	\$12,278	59%

Assumes all other taxing entity tax rates remain the same

# BENCHMARK CITY **TREND DATA**



# Benchmark City Trend Data

A key element of Southlake's Financial Trend Monitoring System includes identifying how Southlake's financial condition compares with that of selected benchmark cities. Although there are differences between cities such as transportation networks, geographical constraints, population, infrastructure and budgets, it is helpful for a city to identify peer cities that have similar conditions to its own or are located in the same labor market, in order to best assess its own fiscal health.

Southlake has identified eighteen benchmark cities within the Dallas-Fort Worth region. The list of these cities can be seen below. By collecting and analyzing data from these cities, the City of Southlake is in a better position to know how well we are performing and in what ways we may need to make adjustments to ensure the City's fiscal health and sustainability.



City of Allen



City of Arlington



City of Bedford



City of Carrollton



City of Colleyville



City of Coppell



City of Euless



City of Farmers Branch



Town of Flower Mound



City of Frisco



City of Grapevine



City of Hurst



City of Keller



City of McKinney



City of North Richland Hills



City of Plano

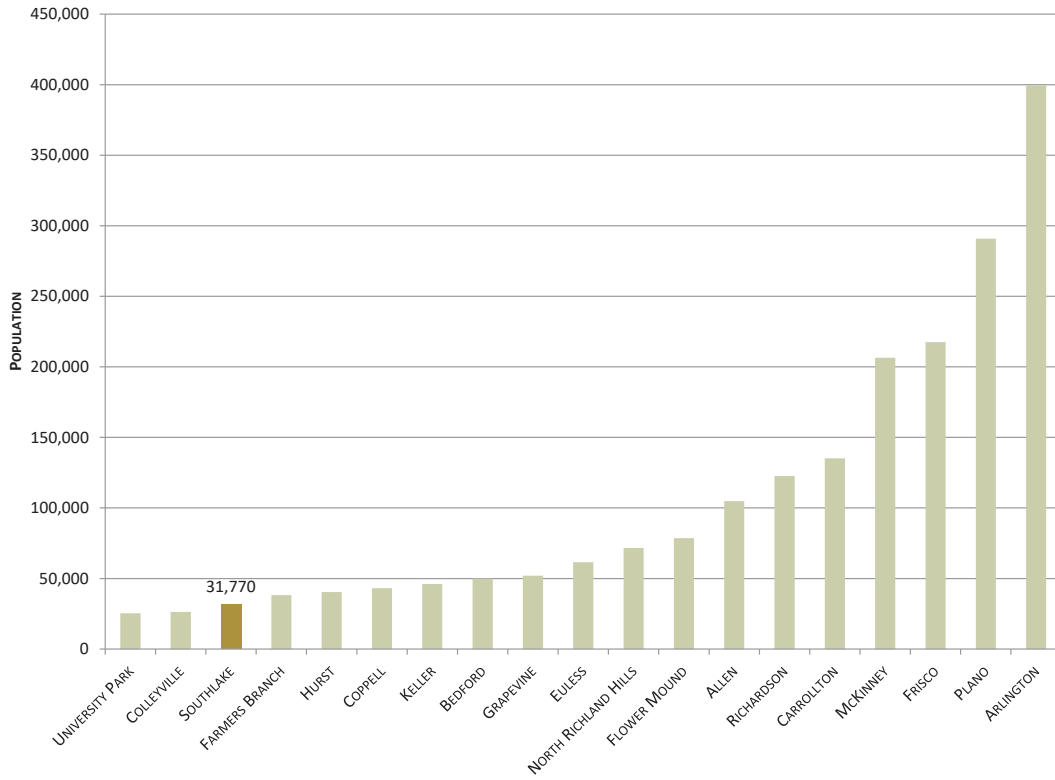


City of Richardson



City of University Park

## Population Comparison

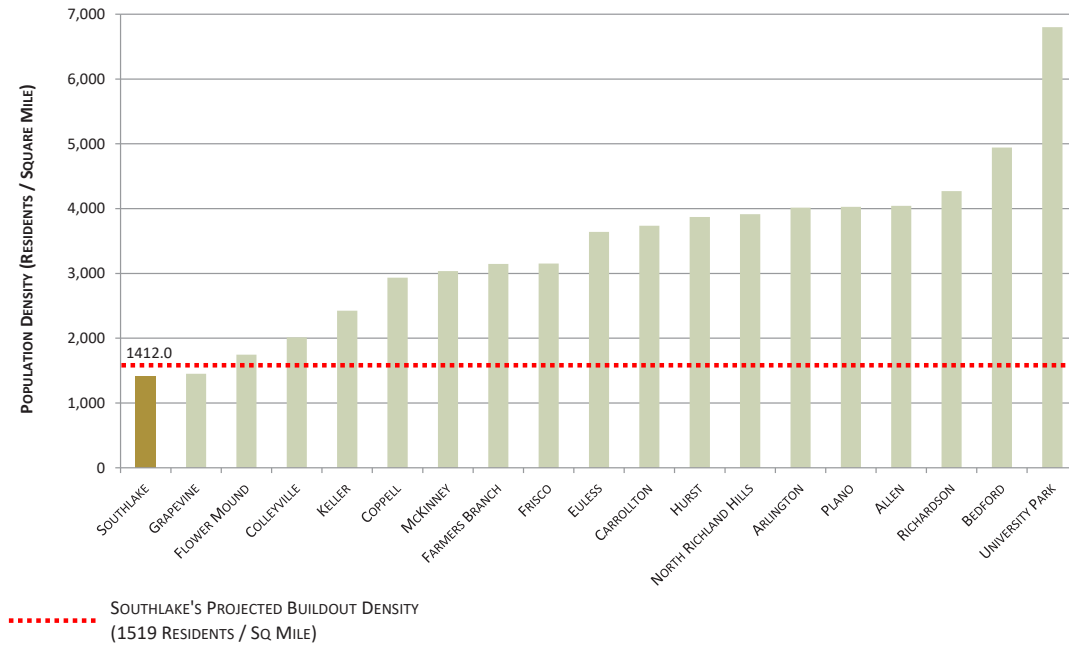


2023 Population

This chart compares Southlake’s 2023 population with that of its benchmark cities.

City	Population	City	Population
Allen	104,870	Grapevine	52,000
Arlington	399,560	Hurst	40,430
Bedford	49,930	Keller	46,060
Carrollton	135,110	McKinney	206,460
Colleyville	26,370	North Richland Hills	71,600
Coppell	43,140	Plano	290,850
Euleless	61,480	Richardson	122,570
Farmers Branch	38,140	University Park	25,360
Flower Mound	78,570	Southlake	31,770
Frisco	217,470		

## Population Density Comparison

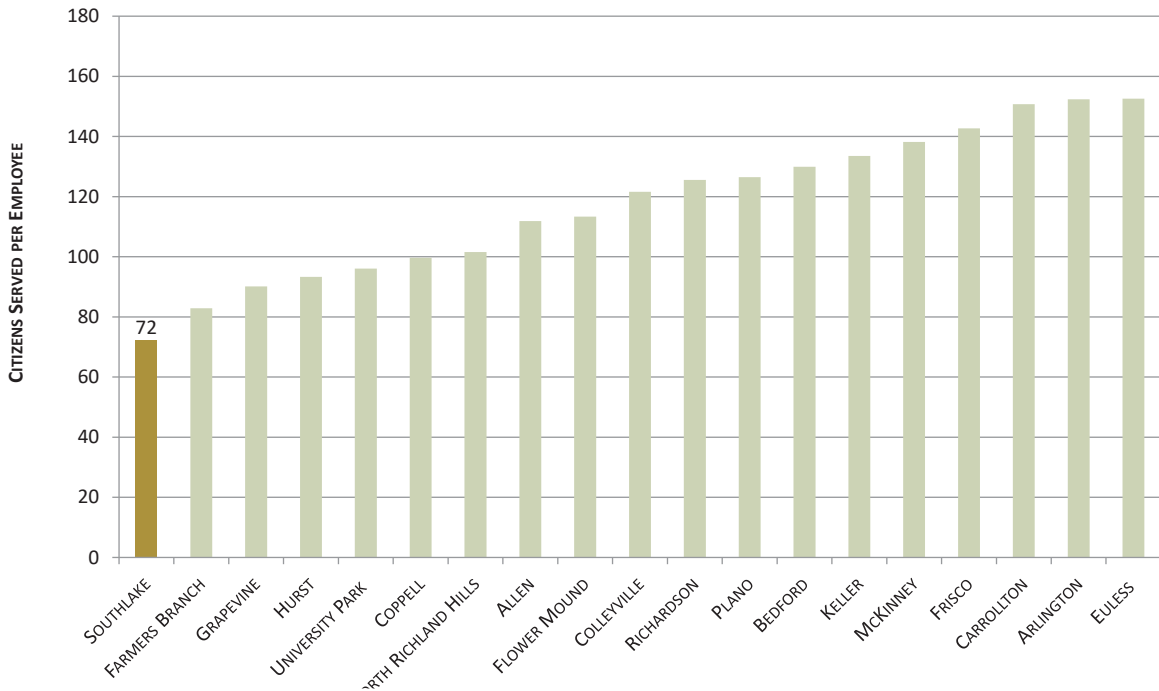


2023 Residents per Square Mile

This chart compares Southlake’s 2023 population density to that of its benchmark cities and illustrates that Southlake has the lowest population density when compared to the benchmark cities with 1,412 residents per square mile. Additionally, when the build-out population of 34,188 is used to project density at build-out, Southlake’s density remains well below the majority of the comparison cities.

City	Population	Square Miles	City	Population	Square Miles
Allen	104,870	27.1	Grapevine	52,000	35.9
Arlington	399,560	99.5	Hurst	40,430	10.0
Bedford	49,930	10.1	Keller	46,060	19.0
Carrollton	135,110	37.1	McKinney	206,460	68.0
Colleyville	26,370	13.1	North Richland Hills	71,600	18.3
Coppell	43,140	14.7	Plano	290,850	72.2
Euless	61,480	16.2	Richardson	122,570	28.7
Farmers Branch	38,140	12.1	University Park	25,360	3.8
Flower Mound	78,570	45.0	Southlake	31,770	22.5
Frisco	217,470	69.1			

## Citizens Served Comparison

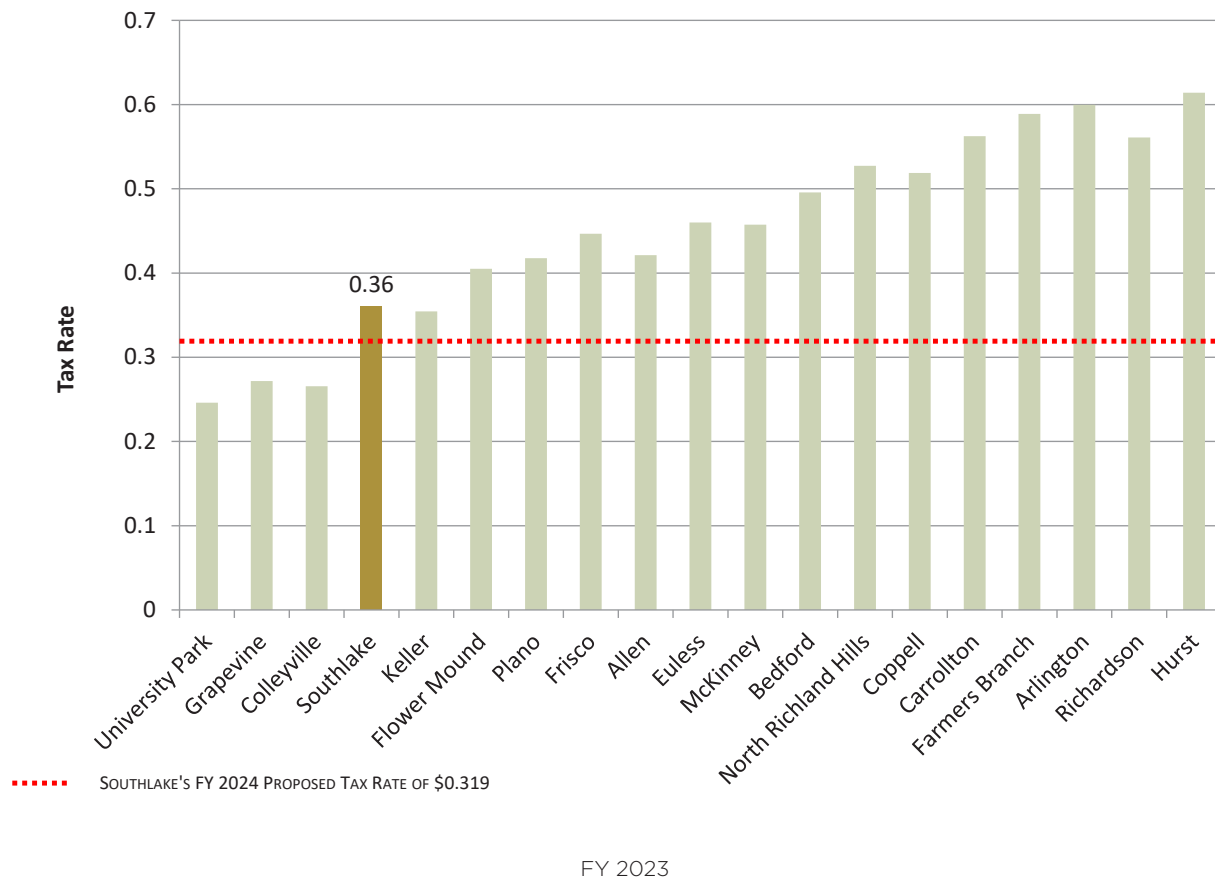


2023 Citizens Served Per FTE

In FY 2023, the City of Southlake served 72 citizens per full-time equivalent (FTE), which is on the lower end of the scale against our benchmark cities. Being at the lower end of the scale means that the employee to citizen ratio is lower, which allows the City to provide services at the level that the community expects.

City	Population	FTE	Citizens Served Per FTE	City	Population	FTE	Citizens Served Per FTE
Allen	104,870	937.17	112	Grapevine	52,000	577.00	90
Arlington	399,560	2,623.00	152	Hurst	40,430	433.42	93
Bedford	49,930	384.32	130	Keller	46,060	344.91	134
Carrollton	135,110	896.50	151	McKinney	206,460	1,494.00	138
Colleyville	26,370	216.84	122	North Richland Hills	71,600	705.02	102
Coppell	43,140	432.89	100	Plano	290,850	2,300.00	126
Euless	61,480	403.00	153	Richardson	122,570	976.00	126
Farmers Branch	38,140	460.22	83	University Park	25,360	264.00	96
Flower Mound	78,570	693.25	113	Southlake	31,770	439.77	72
Frisco	217,470	1,523.79	143				

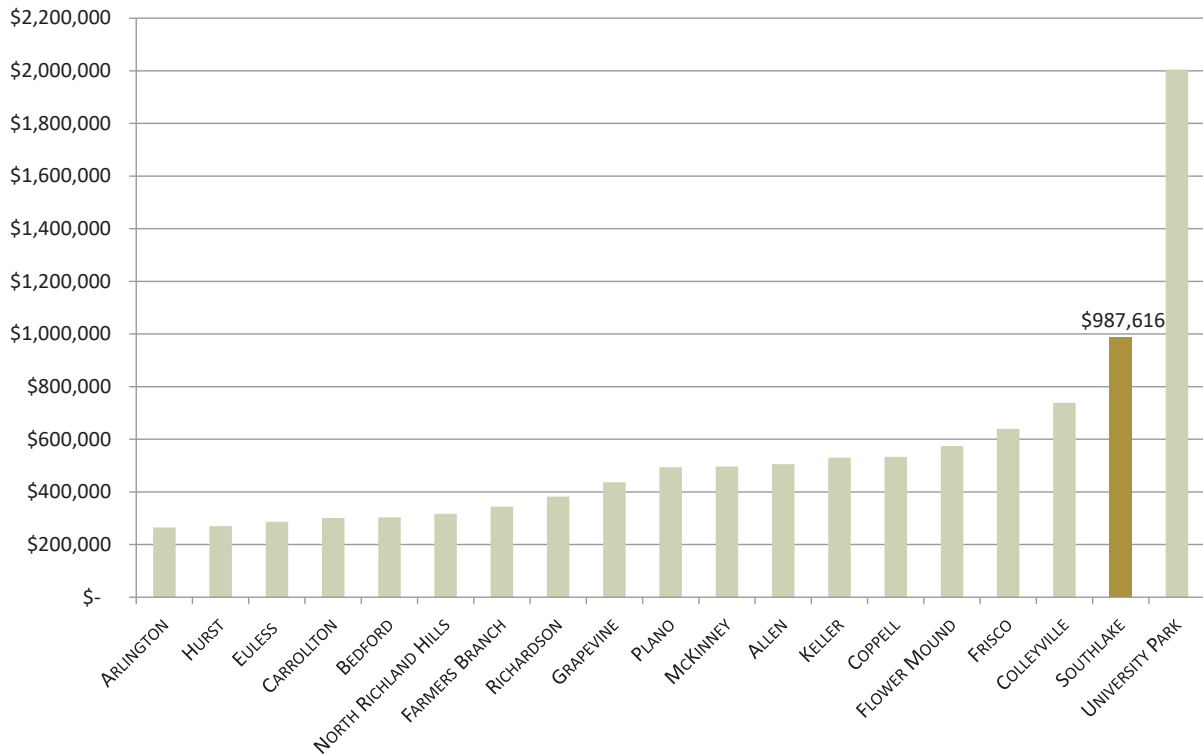
## Tax Rate Comparison



This chart shows the total FY 2023 ad valorem tax rate for each benchmark city. FY 2023 takes place during the 2022 tax year. Southlake's total tax rate trends towards the lower third of this chart, demonstrating that the City's tax rate is competitive when compared to the total tax rates of the other benchmark municipalities.

City	Maintenance & Operations	Debt Service	Total Tax Rate	City	Maintenance & Operations	Debt Service	Total Tax Rate
Allen	\$0.3307	\$0.0904	\$0.4212	Grapevine	\$0.1436	\$0.1280	\$0.2717
Arlington	\$0.4030	\$0.1968	\$0.5998	Hurst	\$0.5137	\$0.1002	\$0.6140
Bedford	\$0.3674	\$0.1282	\$0.4957	Keller	\$0.2992	\$0.0552	\$0.3545
Carrollton	\$0.4127	\$0.1452	\$0.5625	McKinney	\$0.31179	\$0.1456	\$0.4574
Colleyville	\$0.2560	\$0.0095	\$0.2656	North Richland Hills	\$0.3270	\$0.2002	\$0.5273
Coppell	\$0.4418	\$0.0768	\$0.5187	University Park	\$0.2460	\$-	\$0.2459
Euleless	\$0.3708	\$0.0891	\$0.4600	Plano	\$0.3026	\$0.1150	\$0.4176
Farmers Branch	\$0.5308	\$0.0581	\$0.5890	Richardson	\$0.3431	\$0.2177	\$0.5609
Flower Mound	\$0.3608	\$0.0441	\$0.4050	Southlake	\$0.2950	\$0.0650	\$0.3600
Frisco	\$0.2909	\$0.1556	\$0.4466				

## Average Home Value Comparison



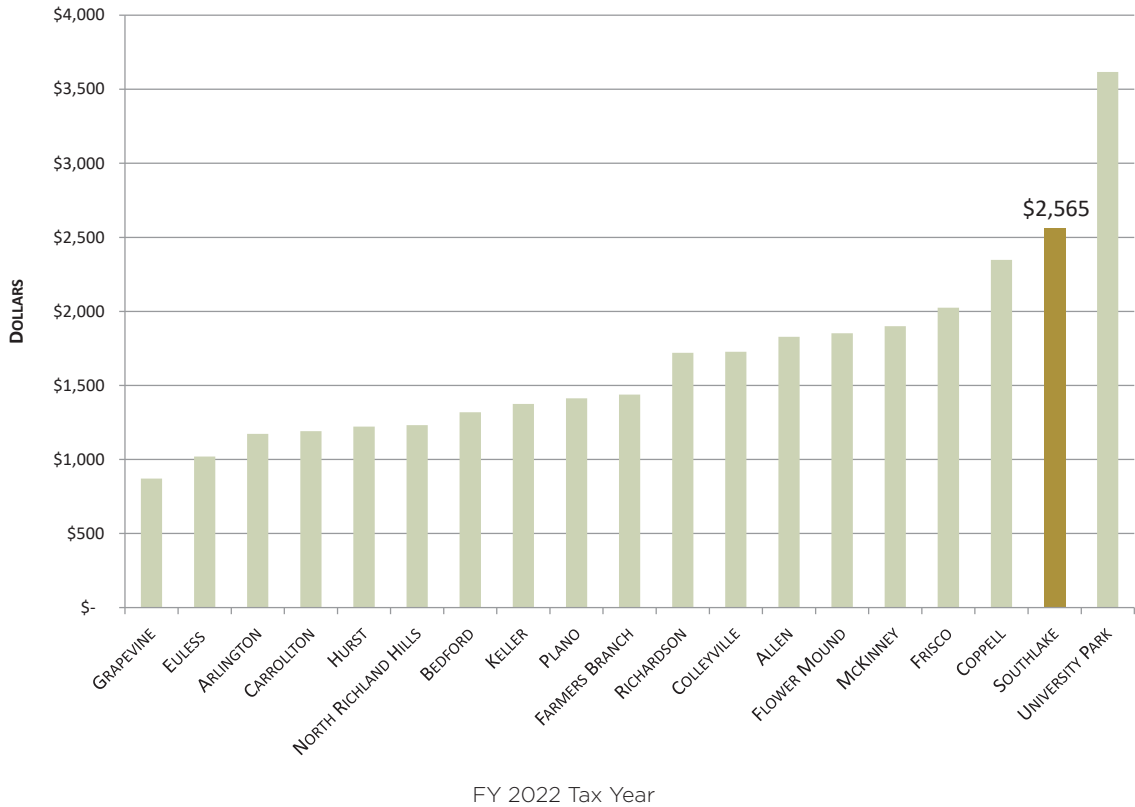
FY 2023 Tax Year

This chart shows a comparison of each city’s average home value for FY 2023, which is the 2022 Tax Year. Southlake is on the high end of the list with a \$987,616 value, only exceeded by University Park.

City	2022 Tax Year Average Home Value	City	2022 Tax Year Average Home Value
Allen	\$505,299	Grapevine	\$436,636
Arlington	\$265,240	Hurst	\$270,281
Bedford	\$303,277	Keller	\$529,586
Carrollton	\$300,860	McKinney	\$496,438
Colleyville	\$738,310	North Richland Hills	\$316,532
Coppell	\$533,206	Plano	\$493,927
Euless	\$287,000	Richardson	\$382,249
Farmers Branch	\$343,723	University Park	\$2,004,962
Flower Mound	\$574,679	Southlake	\$987,616
Frisco	\$639,565		



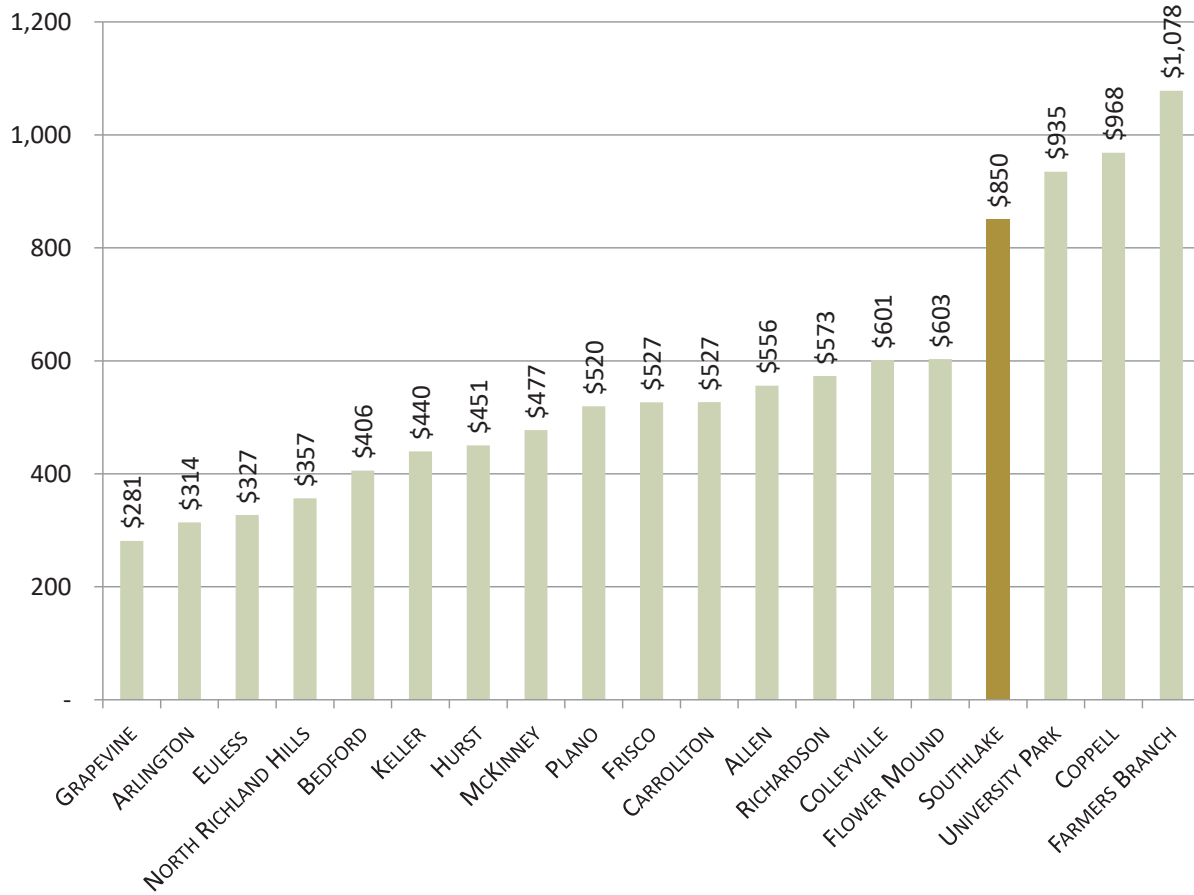
## City Tax Bill Comparison



This chart shows a comparison of the amount for city tax bill on an average valued home for FY 2023 (2022 tax year). Southlake ranks at the top of this chart just behind University Park. This is in large part due to the high value of residential property in Southlake and less to do with the tax rate. As shown on previous pages, Southlake ranks in the lower third on the tax rate comparison and second to highest on the average home value comparison.

City	2022 Average Home Value	2022 City Tax Bill	City	2022 Average Home Value	2022 City Tax Bill
Allen	\$505,299	\$1,828	Grapevine	\$436,636	\$871
Arlington	\$265,240	\$1,173	Hurst	\$270,281	\$1,223
Bedford	\$303,277	\$1,318	Keller	\$529,586	\$1,359
Carrollton	\$300,860	\$1,191	McKinney	\$496,438	\$1,900
Colleyville	\$738,310	\$1,726	North Richland Hills	\$316,532	\$1,232
Coppell	\$533,206	\$2,347	Plano	\$493,927	\$1,413
Euless	\$287,000	\$1,020	Richardson	\$382,249	\$1,720
Farmers Branch	\$343,723	\$1,438	University Park	\$2,004,962	\$3,617
Flower Mound	\$574,679	\$1,852	Southlake	\$987,616	\$2,565
Frisco	\$639,565	\$2,025			

## Ad Valorem Revenue Per Capita Comparison

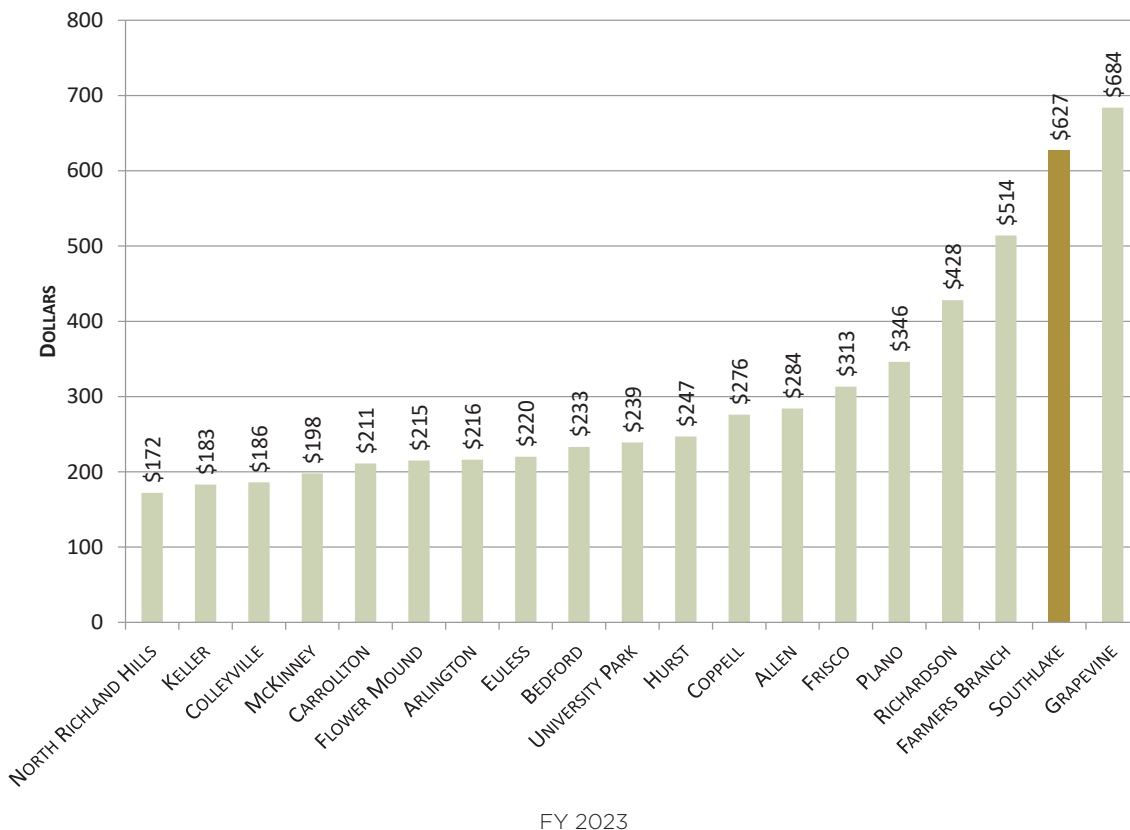


FY 2023 Adopted Budget

This chart shows how Southlake stacks up against our benchmark cities in the amount of budgeted ad valorem taxes per citizen in FY 2023. Southlake budgeted to collect \$850 of ad valorem taxes per citizen, which is on the high end of the scale. This is attributed to the higher average home value in Southlake compared to the other benchmark cities.

City	FY 2023 Ad Valorem Revenue (Budgeted)	City	FY 2023 Ad Valorem Revenue (Budgeted)
Allen	\$58,288,131	Grapevine	\$14,630,519
Arlington	\$125,399,016	Hurst	\$18,214,654
Bedford	\$20,252,240	Keller	\$20,253,665
Carrollton	\$71,216,876	McKinney	\$98,534,232
Colleyville	\$15,856,891	North Richland Hills	\$25,536,879
Coppell	\$41,777,458	Plano	\$151,129,938
Euless	\$19,774,934	Richardson	\$70,241,725
Farmers Branch	\$41,120,000	Southlake	\$26,990,927
Flower Mound	\$47,383,753	University Park	\$23,704,197
Frisco	\$114,514,003		

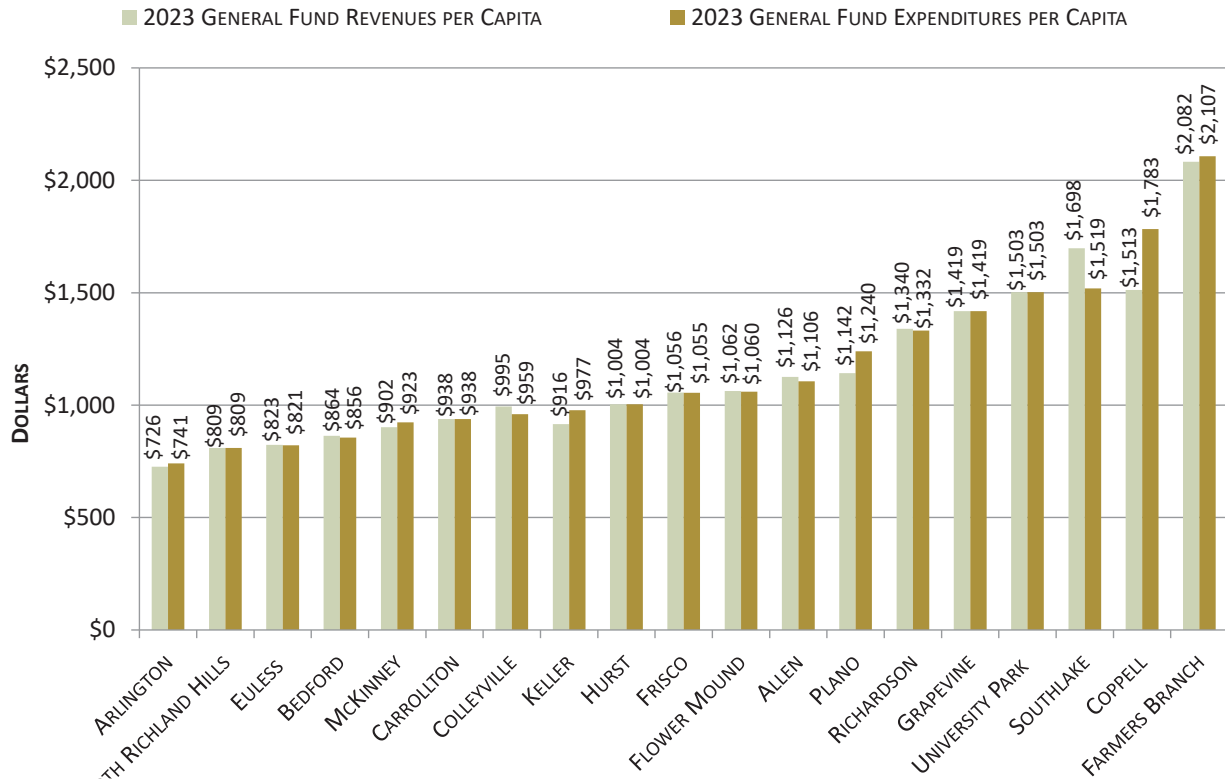
## Sales Tax Revenue Per Capita Comparison



This chart shows the amount of General Fund sales tax revenue per capita that Southlake budgeted in FY 2023 in comparison to our benchmark cities. Southlake’s \$627 in sales tax revenue per citizen, performs near the top of our benchmark cities.

City	FY 2023 Sales Tax Revenue (General Fund Budgeted)	City	FY 2023 Sales Tax Revenue (General Fund Budgeted)
Allen	\$29,742,582	Grapevine	\$35,557,000
Arlington	\$86,383,836	Hurst	\$9,976,814
Bedford	\$11,630,050	Keller	\$8,436,100
Carrollton	\$28,513,066	McKinney	\$40,814,748
Colleyville	\$4,910,000	North Richland Hills	\$12,350,359
Coppell	\$11,899,428	Plano	\$100,624,485
Euless	\$13,308,071	Richardson	\$52,504,463
Farmers Branch	\$19,600,000	University Park	\$6,050,000
Flower Mound	\$16,876,550	Southlake	\$19,908,000
Frisco	\$68,063,417		

# Available Revenues & Expenditures Per Capita Comparison



FY 2023

Warning Trend: Net operating expenditures per capita becomes greater than net available revenues per capita

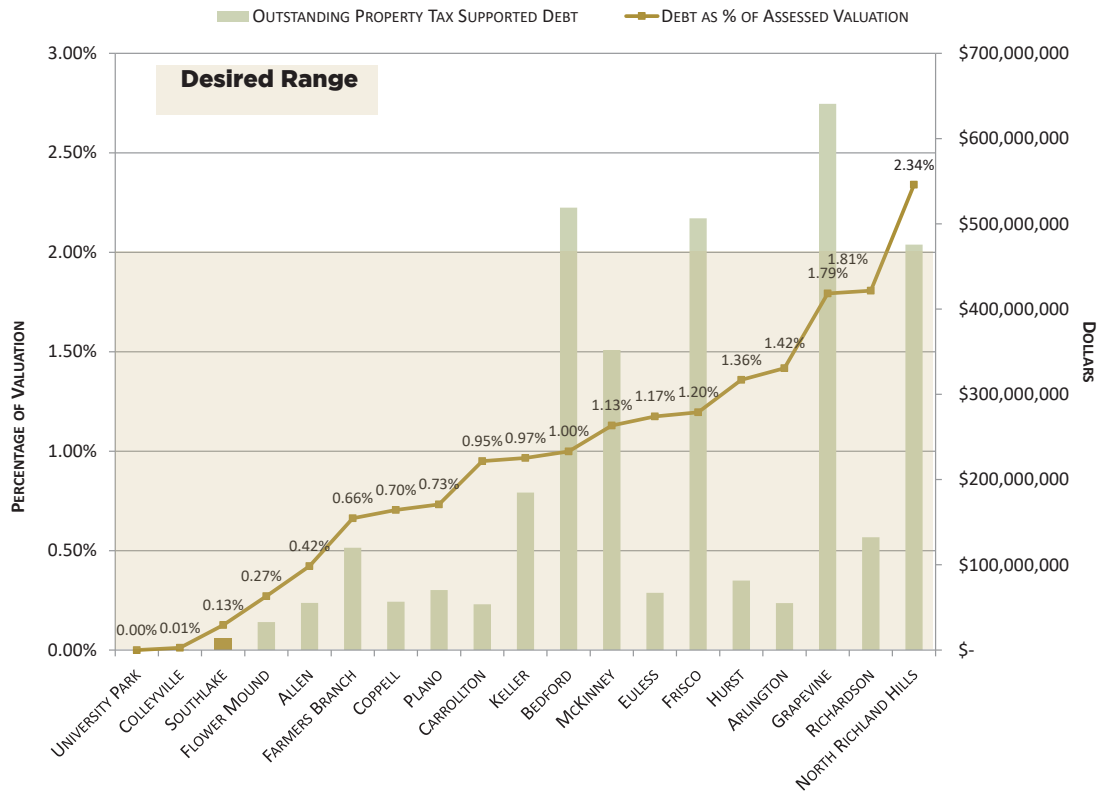
$$\frac{\text{Net available revenues}}{\text{Population}}$$

$$\frac{\text{Net operating expenditures}}{\text{Population}}$$

This chart shows a side by side comparison of FY 2023 budgeted operating expenditures and budgeted operating revenue for Southlake and its benchmark cities. It is important to note that Southlake’s budgeted operating expenditures per capita do not exceed its budgeted operating revenues per capita, meaning the City spent less than it took in.

City	FY 2023 General Fund Budgeted Revenue	FY 2023 General Fund Budgeted Expenditures	City	FY 2023 General Fund Budgeted Revenue	FY 2023 General Fund Budgeted Expenditures
Allen	\$118,048,232	\$110,813,977	Grapevine	\$73,762,264	\$73,762,264
Arlington	\$290,267,333	\$296,097,883	Hurst	\$40,579,457	\$40,579,457
Bedford	\$43,142,700	\$42,737,100	Keller	\$42,169,586	\$45,009,687
Carrollton	\$126,789,068	\$126,789,068	McKinney	\$186,230,214	\$190,637,228
Colleyville	\$26,227,785	\$25,297,424	North Richland Hills	\$57,947,278	\$57,947,278
Coppell	\$65,258,732	\$76,919,461	Plano	\$332,189,526	\$360,529,459
Euless	\$49,763,948	\$49,693,014	Richardson	\$164,218,143	\$163,208,611
Farmers Branch	\$79,419,200	\$80,364,000	University Park	\$38,109,447	\$38,109,447
Flower Mound	\$83,469,229	\$83,279,740	Southlake	\$53,954,094	\$48,266,972
Frisco	\$229,603,726	\$229,482,308			

## Property Tax Supported Long-Term Debt as a % of Assessed Valuation Comparison



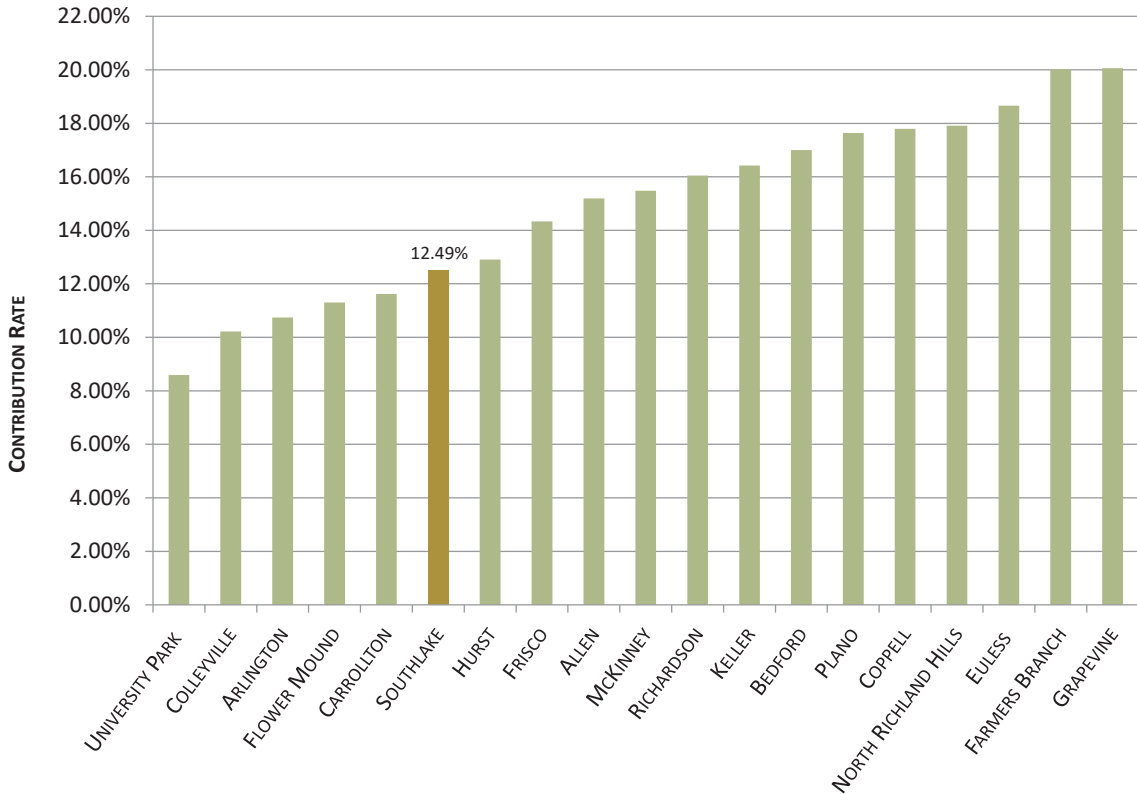
FY 2023

Warning Trend: Increasing net long-term debt as a percentage of assessed valuation

This chart shows a side by side comparison of long-term debt as a percentage of assessed valuation for Southlake and its benchmark cities. This chart shows that Southlake’s property tax supported debt and debt as a percentage of assessed valuation is moderate compared to our other benchmark cities.

City	Long-Term Debt	Assessed Valuation	City	Long-Term Debt	Assessed Valuation
Allen	\$119,955,000	\$18,112,966,469	Grapevine	\$13,101,524	\$10,438,758,327
Arlington	\$640,830,000	\$35,743,713,630	Hurst	\$55,050,000	\$3,886,137,314
Bedford	\$67,135,000	\$5,715,698,269	Keller	\$53,620,192	\$5,646,152,868
Carrollton	\$184,710,000	\$19,462,787,852	McKinney	\$352,040,000	\$31,201,144,469
Colleyville	\$769,010	\$6,847,833,610	North Richland Hills	\$132,287,985	\$7,332,302,762
Coppell	\$70,400,000	\$9,620,904,721	Plano	\$518,930,000	\$51,983,494,209
Euless	\$81,547,165	\$6,001,564,674	Richardson	\$475,690,000	\$20,336,992,100
Farmers Branch	\$56,779,128	\$8,066,208,989	University Park	\$-	\$9,574,034,497
Flower Mound	\$55,391,879	\$13,127,365,829	Southlake	\$32,934,796	\$12,177,275,938
Frisco	\$506,390,000	\$42,364,091,660			

## TMRS Retirement Contribution Rate



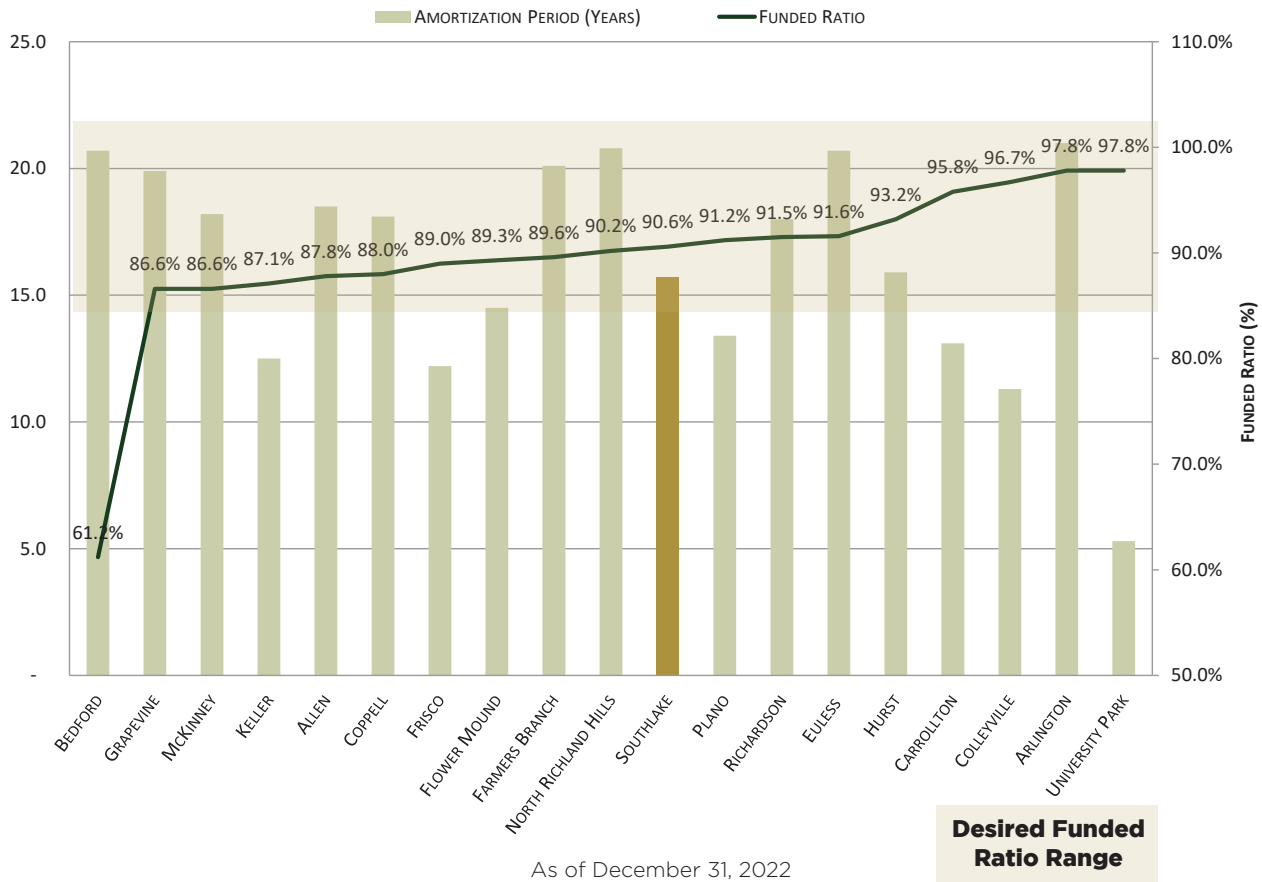
Calendar Year 2023

This chart reflects a side by side comparison of the Texas Municipal Retirement System (TMRS) contribution rate for the City of Southlake and its benchmark cities. This chart shows that Southlake’s required contribution rate is lower than average. As noted previously, the City of Southlake has exceeded the contribution requirement in order to reduce the amortization period from 30 years to 25 years.

City	TMRS Retirement Contribution Rate	City	TMRS Retirement Contribution Rate
Allen	15.19%	Grapevine	20.06%
Arlington	10.74%	Hurst	12.91%
Bedford	17.00%	Keller	16.42%
Carrollton	11.62%	McKinney	15.48%
Colleyville	10.22%	North Richland Hills	17.91%
Coppell	17.79%	Plano	17.64%
Euless	18.66%	Richardson	16.05%
Farmers Branch	20.02%	University Park	8.59%
Flower Mound	11.30%	Southlake	12.49%
Frisco	14.33%		



## TMRS Funded Ratio & Amortization Period



This chart reflects the funded ratio and the amortization period for the City of Southlake and its benchmark cities with Texas Municipal Retirement System (TMRS). The funded ratio is the ratio of the actuarial value of assets to the actuarial accrued liability. Ratios above 80% are considered to be positive. The amortization period is the period over which the existing unfunded actuarial accrued liability is projected to be paid off. As you can see, the Southlake currently has the longest amortization period, compared to its benchmark cities. The City is actively working to raise the funded ratio and lower the amortization period by exceeding the annual contribution requirement

City	Funded Ratio	Amortization Period (Years)	City	Funded Ratio	Amortization Period (Years)
Allen	87.8%	20.7	Grapevine	86.6%	15.7
Arlington	97.8%	19.9	Hurst	93.2%	13.4
Bedford	61.2%	18.2	Keller	87.1%	18.0
Carrollton	95.8%	12.5	McKinney	86.6%	20.7
Colleyville	96.7%	18.5	North Richland Hills	90.2%	15.9
Coppell	88.0%	18.1	Plano	91.2%	13.1
Eules	91.6%	12.2	Richardson	91.5%	11.3
Farmers Branch	89.6%	14.5	University Park	97.8%	5.3
Flower Mound	89.3%	20.1	Southlake	90.6%	21.0
Frisco	89.0%	20.8			



# STRATEGIC DIRECTION

# *It's good to be in Southlake!*

And we are always working to make it better. The continued quality and success of this community does not happen without the diligent effort of a committed team of residents, businesses, community leaders, and staff. Years of consistent planning and strategic thinking has brought Southlake where it is today.

Since 2005, the City Council has worked closely with staff to adopt a Strategic Management System (SMS) based on the Balanced Scorecard framework. The SMS was developed to help the City direct its own destiny rather than allow future events to do so. Through sound business principles embodied in the SMS, the City is able to more effectively provide services to the citizens of Southlake, increasing both efficiency and customer satisfaction. Ultimately, it guides the way the City does business and helps us determine how we should invest our time and resources. In the budget process, the SMS allows for increased transparency and accountability, providing the City a framework for demonstrating results.

## Balanced Scorecard and Southlake's Strategic Management System

The Balanced Scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. In short, it is a tool that organizations use to ensure that their work meets the goals of the organization in a measurable way, i.e. "You said...we did..." It connects organizational strategy to the work people do on a day-to-day basis.

The graphic at the right illustrates the Balanced Scorecard approach and the following pages of this section demonstrate how Southlake has aligned its SMS with this framework.

Components of the Strategic Management System include the Vision, Mission, Values, Perspectives, Focus Areas, Strategy Map, Performance Measures and Implementation Plans. Each element of the SMS is critical to the success of the organization and helps us evaluate and communicate our performance.

## Vision

The City's vision statement outlines what we strive to be. The vision statement, adopted by City Council in 2005, reads:

**Southlake is a vibrant, attractive, safe, healthy and fiscally sound community. We offer quality neighborhoods and a high standard of living, with abundant opportunities for learning, shopping, working, recreation and enjoyment of open spaces.**

Upholding such a statement is a task that requires effort on multiple levels. The SMS will help ensure that the Vision of the City remains true in the years to come.



## Mission

The mission statement describes what must be done to achieve the adopted vision. City Council has adopted the following mission statement for the City:

**The mission of the City of Southlake is to provide municipal services that support the highest quality of life for our residents, a supportive environment for local businesses, and unique and special experiences for visitors.**

## Values

Underlying the SMS and driving how the City accomplishes its work are our corporate values. These are the principles that we hold important and standards by which the organization operates. These values, as adopted by the City Council, form the cornerstones of the SMS and are designed to guide City staff in their day to day work and the Council as it conducts its business:

**Integrity** - Being worthy of the public’s trust in all things. We deal honestly and respectfully with each other and the public at all times. Do the right thing.

**Innovation** - Valuing progressive thinking, creativity, flexibility and adaptability in service delivery. Think outside the box.

**Accountability** - Taking personal responsibility for our actions or inaction while putting the interests of the taxpayer first. Own it.

**Excellence** - Behaving responsively in our delivery of service to the public. Our work is characterized by its quality and by the diligence with which it is carried out. We proactively seek to solve problems in advance. Go above and beyond.

**Teamwork** - Recognizing the importance of working together to meet our citizen’s needs, communicating clearly, sharing resources and information freely. Work together.

## Perspectives

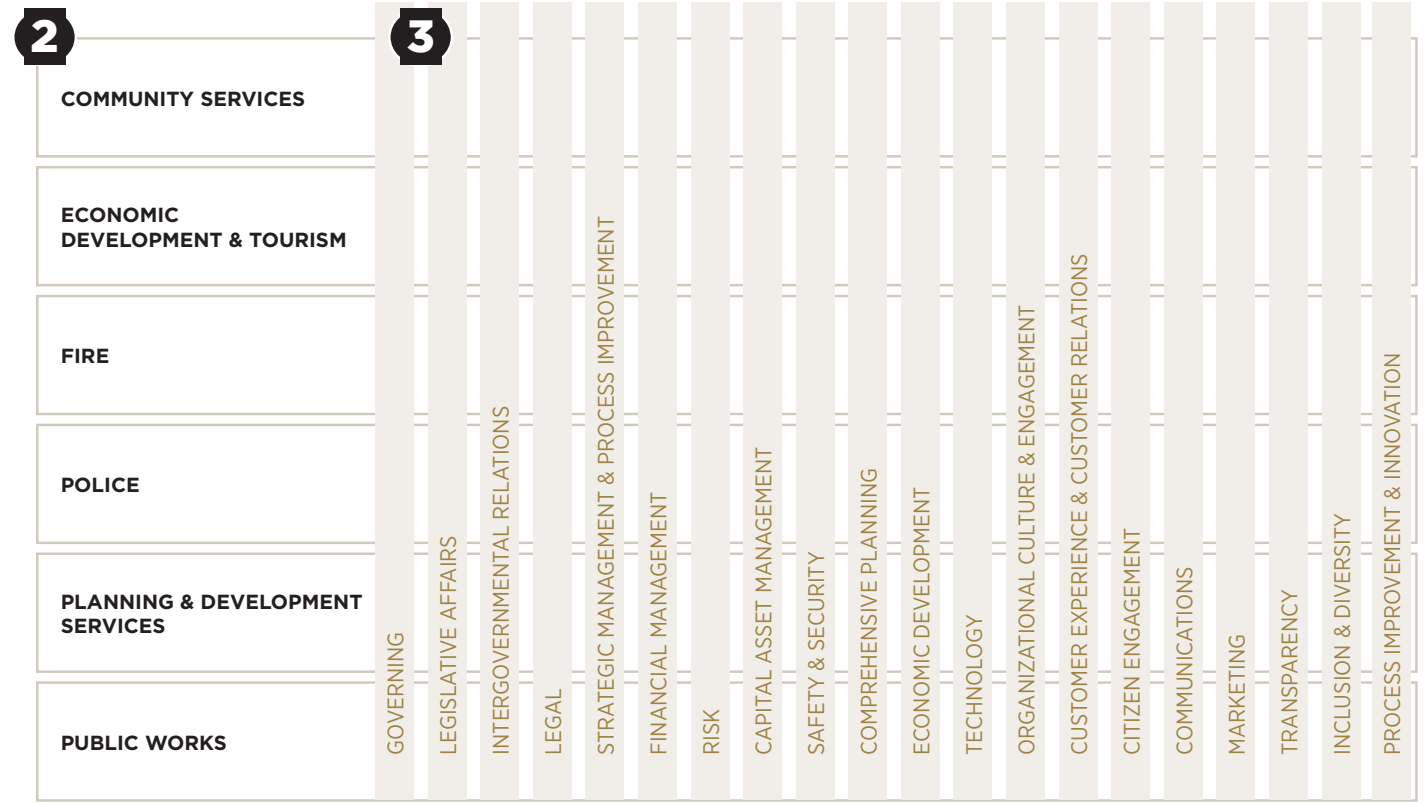
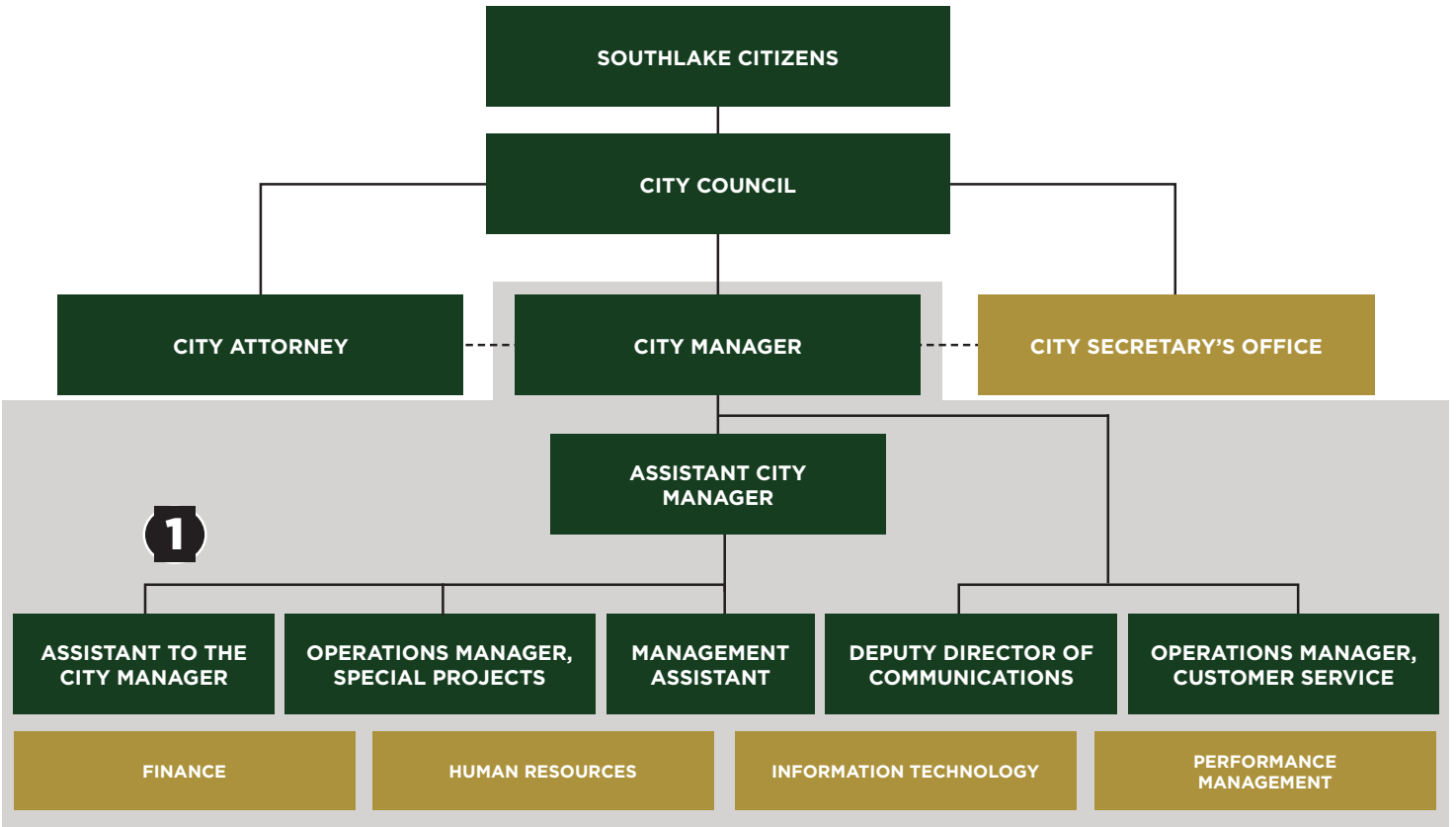
A Perspective is a view of an organization from a specific vantage point. Four basic perspectives are traditionally used to encompass a Balanced Scorecard organization’s activities. The City’s business model, which encompasses mission, vision, and strategy, utilizes the four Balanced Scorecard Perspectives as a framework:

- Serve our Customers**
- Provide Financial Stewardship**
- Manage the Business**
- Promote Learning & Growth**

**Figure 1**



# City of Southlake Organizational Structure



**1** CORPORATE TEAM

**2** CITY DEPARTMENTS

**3** CORPORATE FUNCTIONAL AREAS

## Focus Areas

The focus areas were established by City Council as thematic goals to set the direction for our organization and to provide clarity for implementation plans. These are key areas in which we must excel in order to achieve our mission and vision, and deliver value to customers. Revisions were made in FY 2023 to better streamline the focus areas by reducing the number from six to four and each is described below.



### Safety & Security

The establishment and maintenance of protective measures and policies that reduce danger, risk or injury to individuals who live, work or visit the City of Southlake and their property.



### Infrastructure & Development

Capital assets that provide City services within Southlake, such as parks, buildings, water, sewer, drainage systems, sidewalks, trails, and roadway systems, and quality development that ensures an attractive, safe, financially viable, and sustainable community.



### Partnerships & Volunteerism

The active promotion of alliances through community involvement focused on giving time, energies, or talents to individuals and groups for the enrichment of the Southlake community and its strategic affiliations.



### Performance Management & Service Delivery

The formalized, results-oriented method used to apply best management practices and fact-based decision making to measure, monitor, and improve performance toward meeting strategic objectives, providing services, and enhancing accountability.

## Corporate Objectives

Objectives are strategy components; continuous improvement activities that must be done to be successful. Objectives are the building blocks of strategy and define the organization's strategic intent. Good objectives are action-oriented statements, are easy to understand, represent continuous improvement potential and are usually not 'one-off' projects or activities. The City has identified ten Corporate Objectives (pictured on the next page) across the four perspectives.



# City of Southlake Strategy Map



- 1**
- INTEGRITY
  - INNOVATION
  - TEAMWORK
  - EXCELLENCE
  - ACCOUNTABILITY

**2** The mission of the City of Southlake is to provide municipal services that support the highest quality of life for our residents, a supportive environment for local businesses, and unique and special experiences for visitors.

**4** We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

**3** We Serve Our Customers

We do this by

- 5**
- C1** Delivering outstanding customer experiences through innovation, passion, and a strong culture.
  - C2** Enhancing the sense of community by proactively creating opportunities for community partnerships, volunteer involvement, and citizen engagement.

C = Customer Objectives

**3** We Provide Financial Stewardship

We do this by

- F1** Safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management.
- F2** Investing to provide & maintain high quality public assets.

F = Financial Objectives

**3** We Manage The Business

We do this by

- B1** Achieving strong outcomes through continual evaluation and pursuit of better practices that improve core business operations.
- B2** Collaborating with select partners to implement service solutions
- B3** Maintaining an environment of future readiness by understanding and acting upon the forces, trends, and coming challenges affecting services.

B = Business Objectives

**3** We Promote Learning & Growth

We do this by

- L1** Defining and managing a professional workplace culture that supports City values and promotes a positive employee experience.
- L2** Fostering positive employee engagement.
- L3** Attracting, developing & retaining a talented and motivated workforce for lasting world-class performance.

L = Learning & Growth Objectives

- 1** Values
- 2** Mission
- 3** Balanced Scorecard Perspectives
- 4** Focus Areas
- 5** Corporate Objectives

## Leadership Structure

Some may notice that our organizational structure (shown on a previous page) looks quite different than other organizations. Traditionally each city department reports directly to the City Manager or an Assistant City Manager—and this was the practice in Southlake for many years. As part of the City’s ongoing strategic evolution to get the best possible results for our citizens, we restructured our organizational framework in 2016 to provide a more focused leadership approach. Under our revised framework, the City Manager, Assistant City Manager, Assistant to the City Manager, Management Assistant, Chief Financial Officer, Senior Director of Human Resources, Director of Economic Development and Tourism, Deputy Director of Communications, Operations Manager - Customer Service, and Operations Manager - Special Projects serve as the Corporate Team. Each team member is responsible for a set of corporate functional areas. The Corporate Team continually scans the horizon and provides strategic direction and oversight to departments, primarily identifying and planning for high-risk initiatives and helping the organization become ready for the future.

Under this framework, Department Directors are responsible for the high-quality management of operating their departments on a day-to-day basis. The Corporate Team works with departments to advance their corporate functional areas of responsibility, and Departments work with the Corporate Team as needed on city-wide high-risk initiatives. This two-way flow of information enhances collaboration between departments, emphasizes the focus on risk, and optimizes the value of the City's Executive Team for our residents, businesses, and visitors.

## Strategy Map

In order to set the course for the work we do each year, we utilize a document called a Strategy Map. The Strategy Map captures the City's strategy in a single diagram and identifies those things that are necessary to achieve the mission. The City's adopted Strategy Map (pictured opposite) includes the Mission, Values, and Focus Areas, and it incorporates four Perspectives and 10 Corporate Objectives.

Our Strategy Map tells the story of not only what our strategic focus is but also how we intend to meet those goals. For example, if you look at the "Provide Financial Stewardship" Perspective, you will see that the City intends to do this by safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management and investing to provide and maintain high quality public assets. You'll note that each of these objectives is referenced by a letter and number. These references can be found throughout this document, demonstrating the continued focus on connecting the City's strategy to its operations.

One additional step the City has taken to further connect its strategy with its operations is to work with each Department to create a departmental strategy map. These maps demonstrate each Department's core services which are organized by the same perspectives as the City's Strategy Map. Furthermore, each core service is connected to a Corporate Objective. See the City Department Overview section to view these departmental maps.

## Performance Measures

Performance measures hold departments accountable. By updating and maintaining performance measures, citizens receive information about City services annually. Because performance measures are determined according to the Strategy Map, it becomes evident how each department aligns with City goals, and how well departments are meeting the expectations set by the Strategy Map.

The City uses "Key Accountability Indicators," (KAIs) to measure performance. These performance measures help determine the quantity and quality of our work, as identified in our plans. We consistently evaluate our work and review our performance quarterly because we firmly believe that what gets measured, gets done.

The City primarily monitors performance through city-wide and individual department scorecards. These are developed using the perspectives from the City's strategy. The city-wide scorecard is shown later in this section and department scorecards are shown in the City Department Overview section. The measures shown include the current reporting period and two previous periods, as well as a target. The targets established on the scorecards are typically "stretch" goals, or targets that the city is working to achieve. In 2023, the City revised the city-wide and department scorecards to improve measures so that they can be used to make better business decisions.

# Employee Engagement Survey Results 2013-2021

## Engagement Index

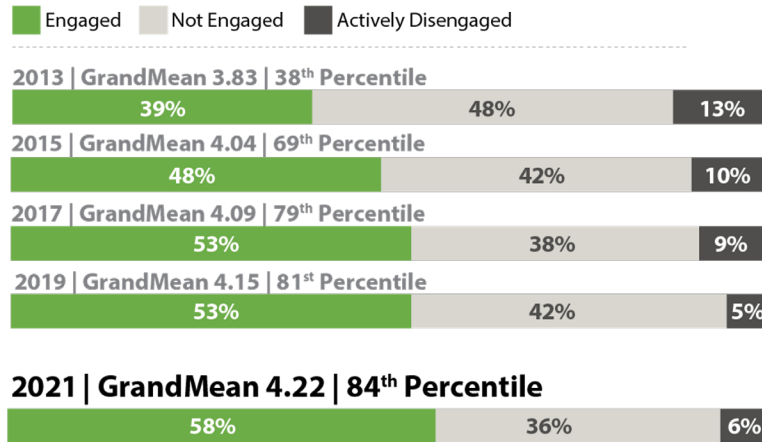


Figure 2

In addition to monitoring these performance measures, the City of Southlake also desires the opinion of its citizens. Every two years Southlake undertakes a broad citizen survey designed to measure government performance and gauge the current and future needs of residents. This survey is an incredibly useful tool within the strategic management system, and it allows City services to be tailored based upon citizen attitudes.

The City of Southlake not only surveys its citizens, but also its employees. We believe strong employee engagement is a critical component of high-performance management and service delivery. Every two years, Southlake conducts an employee engagement survey, which is created and administered by research and consulting firm Gallup. The Gallup Organization defines engaged employees as those who are involved in and enthusiastic about their work. Engaged employees are 100% committed to their roles and contribute to the organization in a positive manner. Since our first survey in 2013, the City's engaged workforce has increased from 39% to 53%, moving us from the 38th percentile to the 81st percentile in comparison to other organizations who have taken the survey.

Southlake's performance measures are continually evolving. As we have improved our ability to gather and mine data about our work, we have been able to add performance measures to the departmental business plans as a gauge of success. These departmental measures are reported on each department's scorecard, then feed into the city-wide scorecard to give an overall picture of the City's performance. As the City continues to develop these scorecards, measurement units, data sources, and targets will be refined. Through quarterly performance reviews, departmental performance is documented. Trends are also tracked over time through department dashboards which are currently under development. The city-wide scorecard is presented later in this section and departmental scorecards are provided in the City Department Overview section of this budget document.

In 2021, the International City/County Management Association recognized the City's performance measurement work, awarding Southlake with a Certificate of Achievement in Performance Management for the fifth consecutive year. As one of the 56 jurisdictions recognized nationwide, this certificate is awarded to organizations who foster a performance culture by utilizing data to manage performance and make decisions. The certificate program was placed on hold in 2022 to allow for the application process to be updated.



INTERNATIONAL CITY/COUNTY  
MANAGEMENT ASSOCIATION

This  
**Certificate of Distinction**  
is presented to

*Southlake, Texas*

for exemplifying the standards established by the International City/County Management Association in the application of performance data to local government management, including training, verification, public reporting, planning and decision making, networking and accountability.

Presented in conjunction with the  
107th ICMA Annual Conference

October 4, 2021

Marc A. Ott  
ICMA Executive Director

James Malloy  
ICMA President



## Implementation Plans

The next elements of the SMS are implementation plans. These plans are developed by departments and divisions to identify clear actions, timing, and resources needed to demonstrate that the strategy is being successfully implemented.

The first level of implementation plans includes our long range comprehensive plan, such as the Southlake Comprehensive Plan which includes all elements (master plans) of the City's planning efforts, such as land use, parks, trails, thoroughfares, community facilities, etc.

Operationally, each department maintains the status information on items for which they are assigned responsibility. Accountability is established through regular reporting to the City Council as well as Boards and Commissions who oversee projects related to plan elements. The second level of implementation plans includes our departmental business plans. Departments prepare their business plans following an analysis of their department's strengths, weaknesses, opportunities and threats and with the goal of implementing best practices associated with the services they provide. These plans are prepared biennially each spring and are the basis for budget submittal. Additionally, departments prepare annual work plans which articulate both the connection to the business plan as well as clearly outlining what the department is planning to do, how they are planning to do it and when they project the work will be complete.

## Southlake's Strategic Development/Budget Cycle

Establishing a link between a City's strategy and budget is fundamental to effective public budgeting. Southlake works hard to connect the SMS to the budget process. Incorporating the Strategy Map into resource allocation decisions ensures the City budget reflects the priorities of City Council. The illustration to the right depicts the annual process of developing the City's budget in conjunction with the Strategic Management System.

The budget process, like the Strategy Map, connects each department to the organization as a whole. At the micro level, City departments work to provide quality services to the citizens of Southlake. At the macro level, departments use the Strategy Map to make budgetary requests so that these services can be performed. As the Budget Cycle illustration indicates (above), the process never ceases. At the beginning of each fiscal year, in October, we conduct or review the results from the most recent citizen survey, this aids staff in focusing its work for the coming year. Then a meeting with City Council in January provides an opportunity to review the strategic direction, followed by the creation of departmental business plans in April and budget development in August. In order for funding to be allocated, departments must follow the Strategy Map to align requests with the goals, mission, and vision of Southlake.

Strategic planning plays an integral role in the development of each year's budget and ensures the City's ability to meet the needs of a growing community. To be effective, the City must direct resources to those areas most essential to the community's priorities. The aim of the City's Strategic Management System, with its many integrated parts, does just that.



Figure 3

# City of Southlake Scorecard

Measure	Target	Previous Period	Previous Period	Current Period	Source	Timing
<b>Safety &amp; Security</b>						
<b>Citizen Rating</b> <i>Percent of respondents rating performance in "achieving the highest standards in safety and security as excellent, very good, or good"</i>	> 95%	95%	98%	96%	Southlake Citizen Satisfaction Survey	Biennial Current Period: 2021
<b>Police &amp; Fire Accreditation</b> <i>Status of accreditation through established law enforcement and fire protection programs</i>	CALEA Gold Standard	CALEA Gold Standard	CALEA Gold Standard	CALEA Gold Standard	Commission on Accreditation for Law Enforcement Agencies	Every 3 Years Current Period: 2021
	CFAI Accredited Agency	CFAI Accredited Agency	CFAI Accredited Agency	CFAI Accredited Agency	Commission on Fire Accreditation International	Every 5 Years Current Period: 2020
<b>Fire ISO Rating</b> <i>Insurance Service Office (ISO) assignment for Public Protection Classification rating (1 highest rating -10 lowest rating)</i>	ISO 1	ISO 4	ISO 4	ISO 1	Texas Department of Insurance	Around Every 10 Years Current Period: 2014
<b>NIBRS Crime Rate</b> <i>Crime incident data per thousand for crimes against persons, property, and society</i>	Persons < 4.0 Property < 17 Society < 6.0	Previous data unavailable transitioned to NIBRS in FY 2022	Previous data unavailable transitioned to NIBRS in FY 2022	Persons 3.23 Property 16.2 Society 5.8	City of Southlake CAD/RMS	Annual Current Period: 2022
<b>Fire Dept. CPR Save Rate</b> <i>Percentage of patients who survive cardiac events due to CPR</i>	> 12.4%	29%	20%	33%	City of Southlake ESO and Local Hospitals	Annual Current Period: 2022
<b>Fire Dept. ST Elevation</b> <i>Myocardial Infarction Time required to assess, transport patient with STEMI-type heart attack</i>	< 40.00 minutes	37.88 minutes	24.00 minutes	22.17 minutes	City of Southlake ESO Data and Local Hospitals	Annual Current Period: 2022
<b>School Safety</b> <i>Officer to student ratio</i>	1:500	1:587	1:592	1:472	CISD and Southlake Police Department	Annual Current Period: 2022



# City of Southlake Scorecard

Measure	Target	Previous Period	Previous Period	Current Period	Source	Timing
<b>Infrastructure &amp; Development</b>						
Citizen Rating <i>Percent of respondents rating satisfaction with the city's performance in providing pedestrian pathways</i>	> 75%	60%	%59	67%	Southlake Citizen Satisfaction Survey	Biennial Current Period: 2021
Citizen Rating <i>Percent of survey respondents rating the city's performance in providing travel convenience within the city as excellent or very good</i>	> 75%	23%	33%	43%	Southlake Citizen Satisfaction Survey	Biennial Current Period: 2021
Pavement Quality Index <i>The survey value condition of street pavement throughout the city</i>	> 78.0 PQI	82.0 PQI	80.0 PQI	81.1 PQI	Southlake Annual Comprehensive Financial Report	Annual Current Period: 2022
Citizen Rating <i>Percent of survey respondents rating the city's efforts to provide attractive and unique spaces for enjoyment of personal interests as excellent or very good</i>	> 75%	70%	63%	70%	Southlake Citizen Satisfaction Survey	Biennial Current Period: 2021
Business Survivability <i>Percent of new Southlake businesses surviving five years or more</i>	> 50%	74%	74%	58%	Bureau of Labor Statistics - Business Employment Dynamics	Annual Current Period: 2022
Build Out Density <i>Residents per square mile</i>	< 1,519 Residents/sq. Mile	1,347 Residents/sq. Mile	1,349 Residents/sq. Mile	1,436 Residents/sq. Mile	City of Southlake Land Use Plan & NCTCOG population estimates	Annual Current Period: 2022

## City of Southlake Scorecard

Measure	Target	Previous Period	Previous Period	Current Period	Source	Timing
<b>Partnerships &amp; Volunteerism</b>						
<b>Volunteer Value</b> <i>Total number of volunteer hours served through Volunteer Southlake multiplied by the national value of service hours</i>	> \$600,000	\$258,229	\$457,113	\$626,612	City of Southlake Volunteer Office	Annual Current Period: 2023
<b>Citizen Rating</b> <i>Percent of survey respondents rating the city's effort to enhance the sense of community by providing excellent customer service and citizen engagement opportunities as excellent or very good</i>	75%	73%	68%	72%	Citizen Satisfaction Survey	Annual Current Period: 2022
<b>Performance Management &amp; Service Delivery: Finance</b>						
<b>Financial Management Recognition</b> <i>Distinguished Budget Presentation Award</i>	Award Received	Award Received	Award Received	Award Received	Government Finance Officers Association	Annual Current Period: 2023
<b>Financial Management Recognition</b> <i>Excellence in Financial Reporting Award</i>	Award Received	Award Received	Award Received	Award Received	Government Finance Officers Association	Annual Current Period: 2023
<b>Financial Management Recognition</b> <i>Popular Annual Financial Report Award</i>	Award Received	Award Received	Award Received	Award Received	Government Finance Officers Association	Annual Current Period: 2023
<b>Bond Rating</b> <i>Rating assigned by credit agencies for the city's tax-supported debt</i>	AAA by Three Agencies	AAA by Three Agencies	AAA by Three Agencies	AAA by Three Agencies	Standard & Poor's, Moody's, Fitch Ratings	Annual Current Period: 2022
<b>Total Taxable Value</b> <i>Assessed value of properties minus any exemptions. This is the value against which the tax rate is applied.</i>	N/A	\$7.8 Billion	\$8.2 Billion	\$9.0 Billion	Tarrant Appraisal District	Annual Current Period: 2023
<b>Long-Term Debt</b> <i>Long-term debt as a percent of assessed value</i>	< 2%	0.27%	0.22%	0.24%	City of Southlake, Finance Department	Annual Current Period: 2023

# City of Southlake Scorecard

Measure	Target	Previous Period	Previous Period	Current Period	Source	Timing
Unreserved General Fund Balance as a % of Operating Expenditures <i>Excess of the city's assets over its liabilities</i>	15% - 25%	31%	36%	39%	City of Southlake, Finance Office	Annual Current Period: 2021
TRMS Funded Ratio <i>Ratio of the actuarial value of assets to the actuarial accrued liability</i>	80% - 100%	90.1%	91.1%	90.6%	Texas Municipal Retirement System	Annual Current Period: 2022
TMRS Amortization Period <i>The funded ratio is the ratio of the actuarial value of assets to the actuarial accrued liability</i>	N/A	23.2 years	22.2 years	21.0 years	Texas Municipal Retirement System	Annual Current Period: 2022
<b>Performance Management &amp; Service Delivery: Talent Management</b>						
Employee Engagement <i>Involvement and enthusiasm of employees with their work as expressed by overall survey engagement score</i>	4.50 Grand Mean Score	4.09 Grand Mean Score	4.22 Grand Mean Score	4.22 Grand Mean Score	Gallup Employee Engagement Survey	Biennial Current Period: 2021
Voluntary Turnover Rate <i>Full-time turnover rate, excluding involuntary separations</i>	< 8%	13.2%	12.1%	15.7%	City of Southlake, Human Resources Department	Annual Current Period: 2022
Time to Fill <i>Average number of days it takes to fill a full-time vacant position, from vacancy to job acceptance</i>	< 90 days	117 days	129 days	185 days	City of Southlake, Human Resources Department	Annual Current Period: 2022
Library Recognition <i>Library Achievement of Excellence Award</i>	Award Received	Award Received	Award Received	Award Received	Texas Municipal Library Directors Association	Annual Current Period: 2023

# City of Southlake Scorecard

Measure	Target	Previous Period	Previous Period	Current Period	Source	Timing
<b>Performance Management &amp; Service Delivery: Service Excellence</b>						
Library Program Attendance <i>Total library program attendance</i>	38,000	10,628	17,337	37,622	City of Southlake, Public Library	Annual Current Period: 2022
Library Materials Circulation <i>Materials checked out or utilized by library customers.</i>	420,000	375,081	418,364	400,622	City of Southlake, Public Library	Annual Current Period: 2022
Wellness & Inclusion <i>The degree to which employees feel workplace respect and inclusion as expressed by overall survey wellness and inclusion score (Grand Mean)</i>	4.50 Grand Mean Score	Previous data unavailable - 1st Survey conducted in 2020	4.30 Grand Mean Score	4.34 Grand Mean Score	Gallup Wellness & Inclusion Survey	Biennial Current Period: 2022
Citizen Rating <i>Percent of survey respondents that rate their overall quality of life as excellent, very good, or good</i>	> 90%	84%	99%	96%	Citizen Satisfaction Survey	Biennial Annual Current Period: 2021
Digital Certainty Score <i>The DCI Score indicates the effectiveness of the City's website (100 highest score - 0 lowest score)</i>	> 90	N/A	N/A	85.4	Siteimprove	Annual Current Period: 2022
Citizen Rating <i>Percent of survey respondents that agree completely or agree somewhat with I Can Find The Information I Need Easily On Cityofsouthlake.com</i>	> 75%	68%	53%	66%	Citizen Satisfaction Survey	Biennial Current Period: 2022



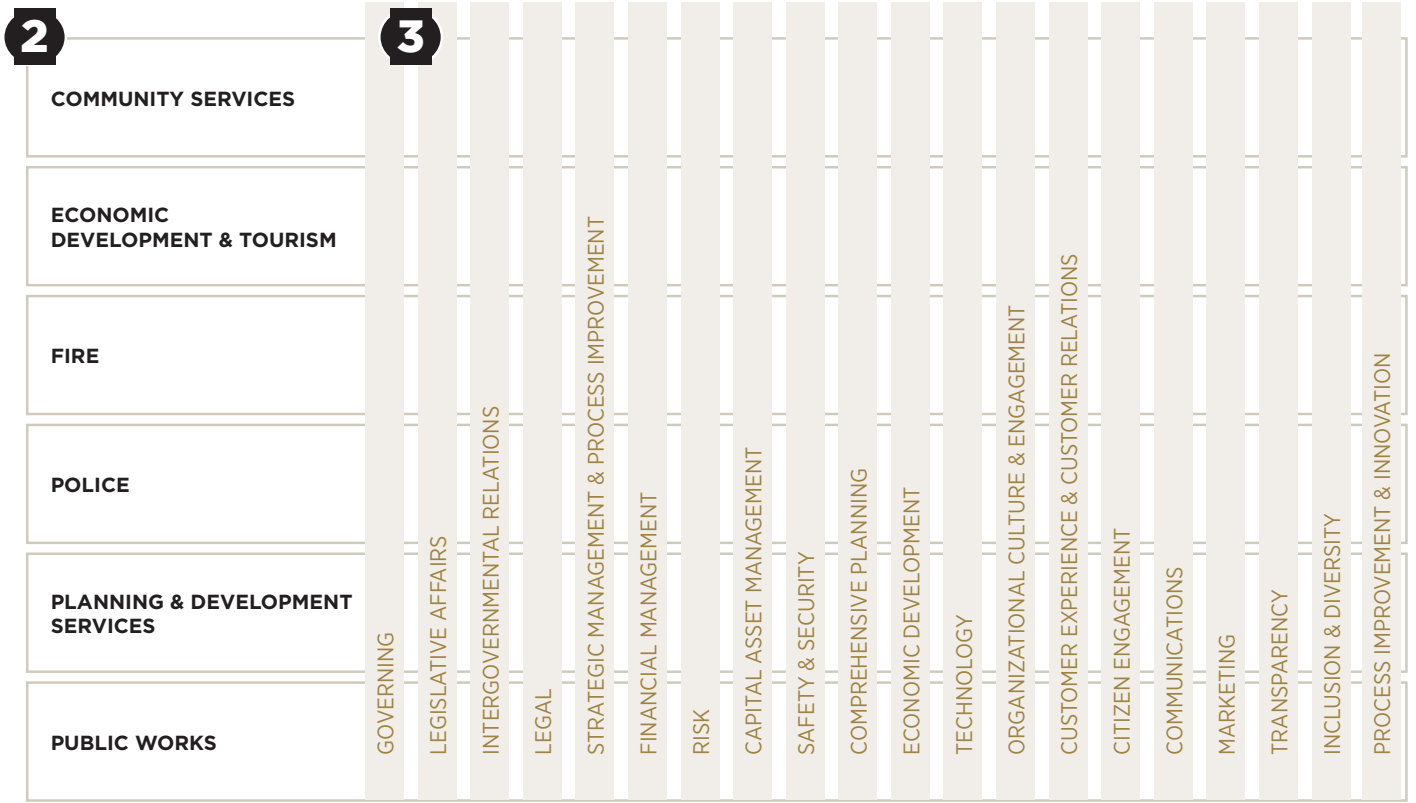
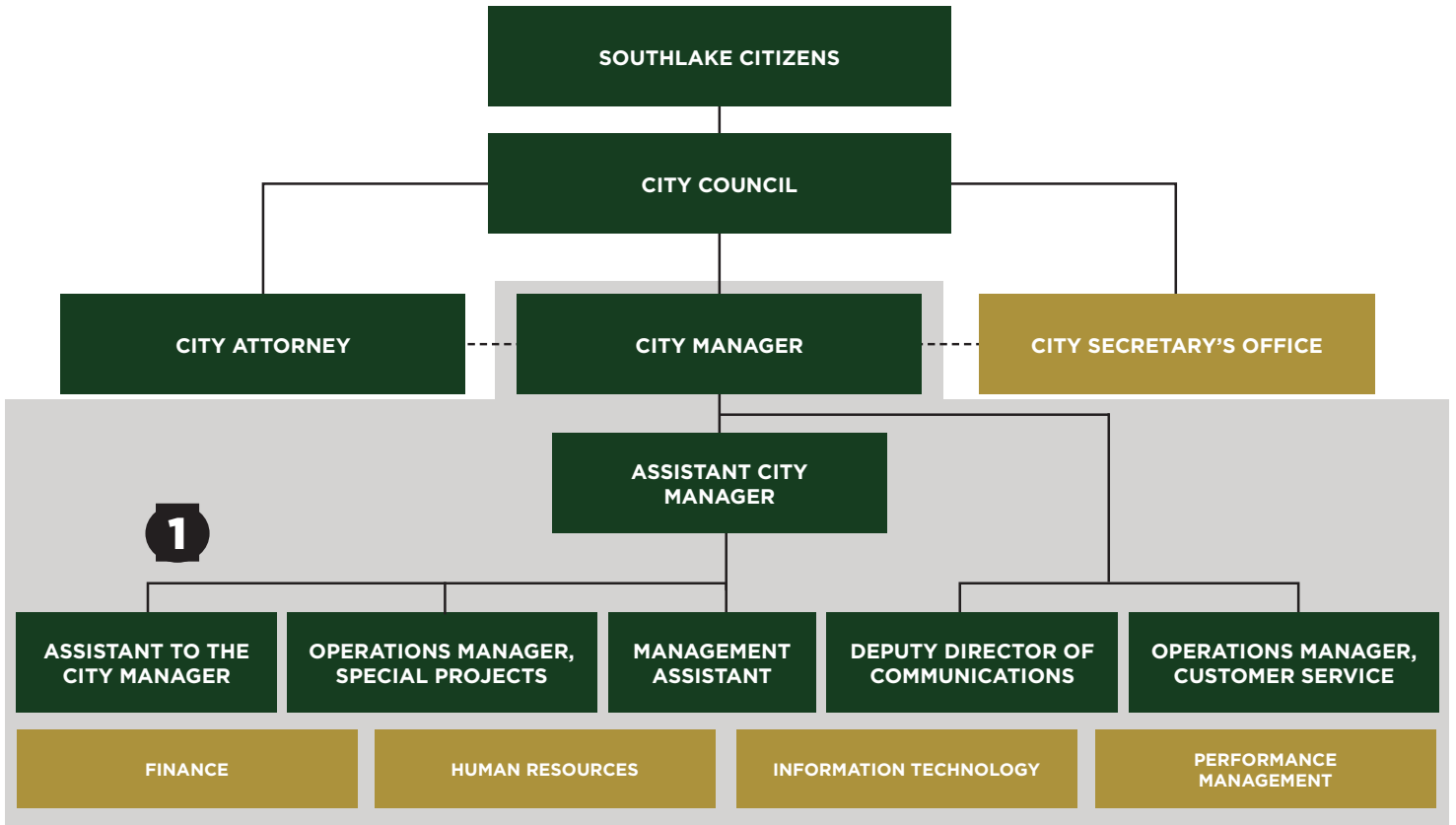




CITY  
**DEPARTMENT**  
OVERVIEW



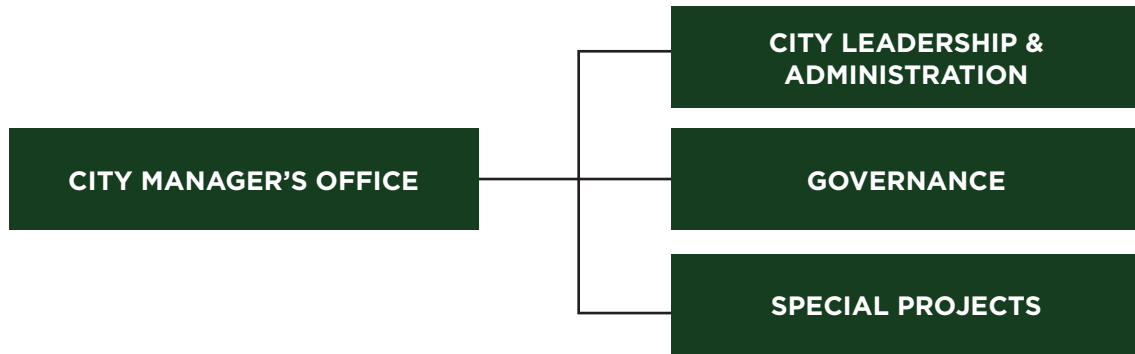
# City of Southlake Organizational Structure



- 1** CORPORATE TEAM
- 2** CITY DEPARTMENTS
- 3** CORPORATE FUNCTIONAL AREAS

# City Manager's Office

The City Manager's Office pledges to provide our residents exceptional municipal services by promoting a progressive, efficient, responsive, and community-focused organization.



## City of Southlake Strategy Map

The mission of the City of Southlake is to provide municipal services that support the highest quality of life for our residents, a supportive environment for local businesses, and unique and special experiences for visitors.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><b>We do this by</b></p> <p><b>C1</b> Delivering outstanding customer experiences through innovation, passion, and a strong culture.</p> <p><b>C2</b> Enhancing the sense of community by proactively creating opportunities for community partnerships, volunteer involvement, and citizen engagement.</p> <p><small>C = Customer Objectives</small></p>	<p><b>We Provide Financial Stewardship</b></p> <p><b>We do this by</b></p> <p><b>F1</b> Safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management.</p> <p><b>F2</b> Investing to provide &amp; maintain high quality public assets.</p> <p><small>F = Financial Objectives</small></p>	<p><b>We Manage The Business</b></p> <p><b>We do this by</b></p> <p><b>B1</b> Achieving strong outcomes through continual evaluation and pursuit of better practices that improve core business operations.</p> <p><b>B2</b> Collaborating with select partners to implement service solutions</p> <p><b>B3</b> Maintaining an environment of future readiness by understanding and acting upon the forces, trends, and coming challenges affecting services.</p> <p><small>B = Business Objectives</small></p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><b>We do this by</b></p> <p><b>L1</b> Defining and managing a professional workplace culture that supports City values and promotes a positive employee experience.</p> <p><b>L2</b> Fostering positive employee engagement.</p> <p><b>L3</b> Attracting, developing &amp; retaining a talented and motivated workforce for lasting world-class performance.</p> <p><small>L = Learning &amp; Growth Objectives</small></p>
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# City Manager's Office - Department Goals

**CITY-WIDE GOAL: Strengthen strategic planning and management efforts as a means of determining resource allocation priorities and to ensure performance targets are adequately defined.**

**Department goal:** Establish accountability for focused and results oriented performances that are balanced with a tolerance for innovative experimentation.

**Implementation Strategy:**

- Ensure strategic management planning efforts reflect the community's desired outcomes provided through the biennial Citizen Satisfaction Survey, and update our Balanced Scorecard to better measure outcomes and successes so they may be communicated clearly.
- Strengthen the strategic culture by actively associating business unit groups and individual employees to the critical role they play in implementing the Strategic Management System. This is accomplished through various means including Corporate Matrix Teams initiatives, Tuesday Tidbits, and other internal communication channels.

**CITY-WIDE GOAL: Ensure that organizational norms and traditions reflect the community's profile.**

**Department goal:** Promote ethical and values-driven decision making, guide day-to-day work, and ensure an outstanding work environment.

**Implementation Strategy:**

- Cultivate and define organizational culture that aligns with the City's aspirational culture, as a fundamental management tool through quarterly accountability meetings and periodic reviews of scorecard results.
- Establish cultural attributes throughout all City departments and divisions by defining and training on our desired organizational culture, we will achieve this by using tools such as roundtable discussions and everyday interactions.

**CITY-WIDE GOAL: Maintain strong financial management through established methods to continue achieving operational and financial goals while focusing future plans on expanding organizational capacity.**

**Department goal:** Provide high value municipal services that balance conservative financial management goals with strong customer experience considerations.

**Implementation Strategy:**

- Use financial trend data to proactively understand customer environmental, management, and financial factors that may affect city finances, and to transparently report financial information to the public.
- Apply financial guiding principles to the budget process by ensuring structural balance, strong reserves, conservative debt management, and other key budgetary policy directives are met.
- Recognize the potential for a changing financial landscape by developing new revenue sources as needed.

**CITY-WIDE GOAL: Integrate a formal risk management program that accounts for corporate and business unit risk factors throughout all levels of the organization.**

**Department goal:** Actively pursue necessary process changes and improvements to establish a learning culture and encourage continuous risk evaluation.

**Implementation Strategy:**

- Facilitate the ongoing examination of risk environments at the corporate and department levels and work with the Corporate and Executive Leadership Team to proactively address high priorities.
- Communicate the City's risk management framework and reward employees for their work in reducing risk to the city and its operations.
- Pursue "Best in Class" recognition for organizational risk mitigation by implementing industry best practices, policies and procedures.

# City Manager’s Office - Department Goals

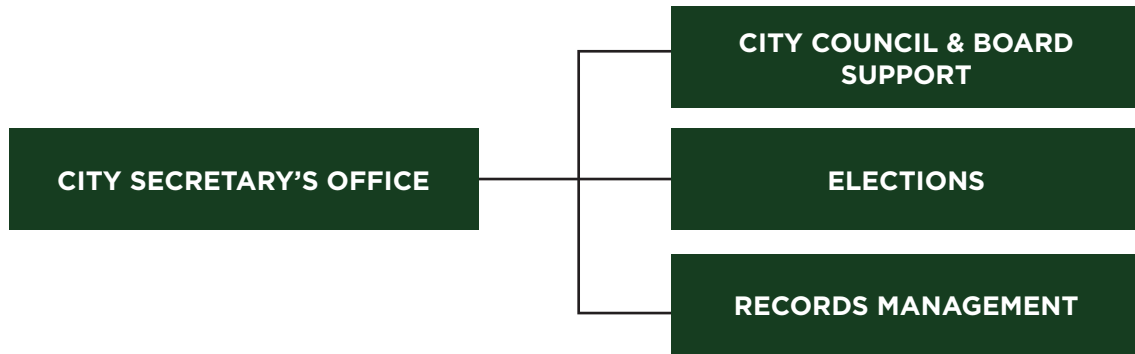
## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Bond Rating - Fitch/S&P/Moody’s	AAA	AAA	AAA	AAA
Overall Employee Engagement Mean (Gallup Q12)	4.15	4.22	4.22	4.5
Percent of citizens opinion on the overall quality of life in Southlake (Citizen Satisfaction Survey)	99%	96%	96%	97%
Internal Financial Risk Mitigation - overall number of fraud incidents	0	0	0	0



# City Secretary's Office

The mission of the CSO is to support the legislative process, encourage civic involvement, promote governmental transparency, and provide exceptional service to the public.



## City Secretary's Office Strategy Map

The mission of the CSO is to support the legislative process, encourage civic involvement, promote governmental transparency, and provide exceptional service to the public.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><b>We do this by</b></p> <p><b>CSO C1</b> Provide excellent service by assisting the public and elected officials in navigating governmental processes.</p> <p><b>CSO C2</b> Enhancing the sense of community through the board appointment process by creating opportunities for volunteer involvement.</p> <p><small>C = Customer Objectives</small></p>	<p><b>We Provide Financial Stewardship</b></p> <p><b>We do this by</b></p> <p><b>CSO F1</b> Ensuring a commitment to using collaborative agreements while providing high value services through responsible management of resources.</p> <p><b>CSO F2</b> Providing and maintaining efficient and improved procedures for record assets.</p> <p><small>F = Financial Objectives</small></p>	<p><b>We Manage The Business</b></p> <p><b>We do this by</b></p> <p><b>CSO B1</b> Achieving strong outcomes through continual evaluation and pursuit of better practices through efficient elections and the improvement of business operations.</p> <p><b>CSO B2</b> Partner with organizations to establish and maintain relationships.</p> <p><b>CSO B3</b> Maintaining an environment of future readiness by anticipating and responding to technology opportunities and enhance recordkeeping initiatives.</p> <p><small>B = Business Objectives</small></p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><b>We do this by</b></p> <p><b>CSO L1</b> Defining, managing, and fostering a professional and engaged workplace culture that supports city values and promotes a positive employee experience.</p> <p><b>CSO L2</b> Provide educational opportunities to retain a skilled workforce.</p> <p><small>L = Learning &amp; Growth Objectives</small></p>
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# City Secretary's Office - Department Goals

**CITY-WIDE GOAL: Establish customer service standards.**

**Department goal:** Increase records accessibility for governmental transparency.

**Implementation Strategy:**

- Identify areas of improvement on records management practices.
- Provide guidance to departments to capture accountable, effective, and efficient practices and tools.

**Department goal:** Advance Laserfiche Initiatives.

**Implementation Strategy:**

- Develop and publish electronic forms to leverage goals to a digital transformation.
- Evaluate electronic forms to ensure departments are well equipped to respond to customer's needs.

**CITY-WIDE GOAL: Actively pursue necessary process changes and improvements to establish a learning culture and encourage continuous risk evaluation.**

**Department goal:** Seek training and development opportunities

**Implementation Strategy:**

- Acquire feedback to analyze different perspectives of each employee to identify the risks they incur while performing their jobs.
- Seek training opportunities for all staff members, not just certification efforts.

**CITY-WIDE GOAL: Continue to connect employees to the role they play in implementing the city's goals, recognize their contributions to this effort, and continue to align employee strengths with identified priorities.**

**Department goal:** Develop strategies based on employee feedback to improve the engagement elements.

**Implementation Strategy:**

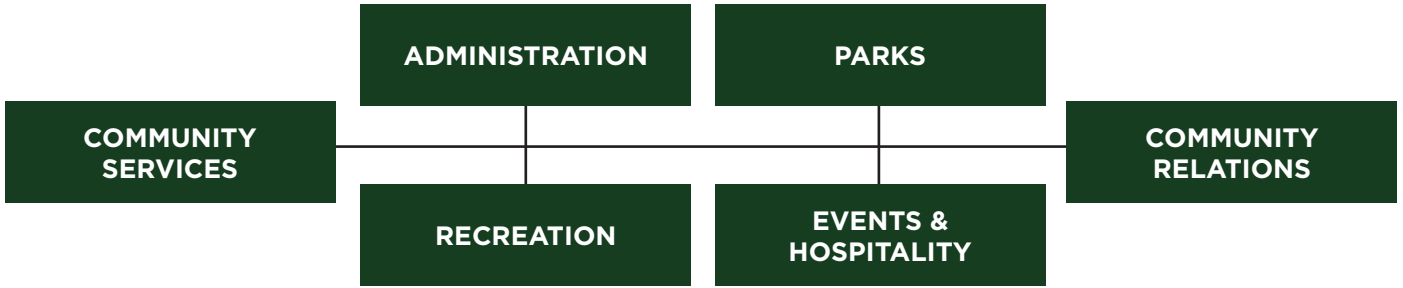
- Empower employees and recognize special skills and talent.
- Create a sense of connection and the belonging philosophy to obtain engagement, improved performance, and positive impact/ results.

## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Public Information Act requests processed within five business days of receipt	605	394	400	430
Records stored digitally in the document repository - Laserfiche	2.8 million	2.9 million	3.1 million	3.3 million
Training hours for CSO staff	143.2	105	144	144
City-wide Records Management Training (Hours)	17	11	15	15

# Community Services

The Community Services Department mission it to create world class experiences and be the premier destination for lifelong memories.



## Community Services Strategy Map

Our mission is to create world-class experiences. Our vision is to be the premier destination for life-long memories.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

**We Serve Our Customers**

*We do this by*

- C1** Creating world-class recreational and park experiences that promote wellbeing, pursuit of personal enjoyment, and create life-long memories
- C2** Enhancing the sense of community through well run recreational, parks, hospitality, and customer relations programs, and fostering partnerships, citizen engagement, and volunteer opportunities.

C = Customer Objectives

**We Provide Financial Stewardship**

*We do this by*

- F1** Intentional planning and conservative financial management practices, including adhering to cost recovery initiatives and goals, promoting volunteer opportunities, and partnering with community organizations that enhance our customer service
- F2** Being future-ready by evaluating department resources, investing in high quality assets, and protecting those assets through the Asset Replacement Plan.

F = Financial Objectives

**We Manage The Business**

*We do this by*

- B1** Achieving strong service outcomes through innovative process improvement and better practices for parks and recreation professionals.
- B2** Collaborating with select partners to implement service solutions.

B = Business Objectives

**We Promote Learning & Growth**

*We do this by*

- L1** Attracting and retaining a talented and motivated workforce by setting a strong foundation for success through a well-developed, fun, and comprehensive onboarding program.
- L2** Creating a culture that maximizes employee's strengths, grows customer service and innovation, and motivates employees to be engaged in their jobs every day.
- L3** Proactively planning for the future by providing leadership and professional development opportunities to prepare employees for the next step in their careers

L = Learning & Growth Objectives

# Community Services - Department Goals

**CITY-WIDE GOAL: Provide high-value municipal services, balancing conservative financial management goals with strong customer experience considerations.**

**Department goal:** Maintain cost recovery for The Marq operations at 65% annually

**Implementation Strategy:**

- Focus on member acquisition and retention through implementation of the membership acquisition and retention plan, which includes multiple membership campaigns.
- Strong sales strategy for Legends Hall bookings and events.
- Manage facility expenses through the implementation of a facility asset replacement plan.

**CITY-WIDE GOAL: Improve accountability structures for stronger efficacy by streamlining systems and reinforcing strategic alignment throughout all levels of the organization, through implementation tools such as departmental business/work plans, business unity scorecards, comprehensive planning, and other accountability mechanisms.**

**Department goal:** Implement Comprehensive Plan recommendations from the Southlake 2035 Parks, Recreation & Open Space Master Plan, and the Public Arts Master Plan.

**Implementation Strategy:**

- Finalize design and begin a phased approach to implementing the redevelopment of the Town Hall Plaza (Family/Rustin Parks).
- Complete construction and begin operations of the pickleball facility at Bicentennial Park.
- Install new art at the DPS West facility and plan for new art at the Municipal Service Center.

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative work force to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake's Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Implement a comprehensive departmental onboarding strategy

**Implementation Strategy:**

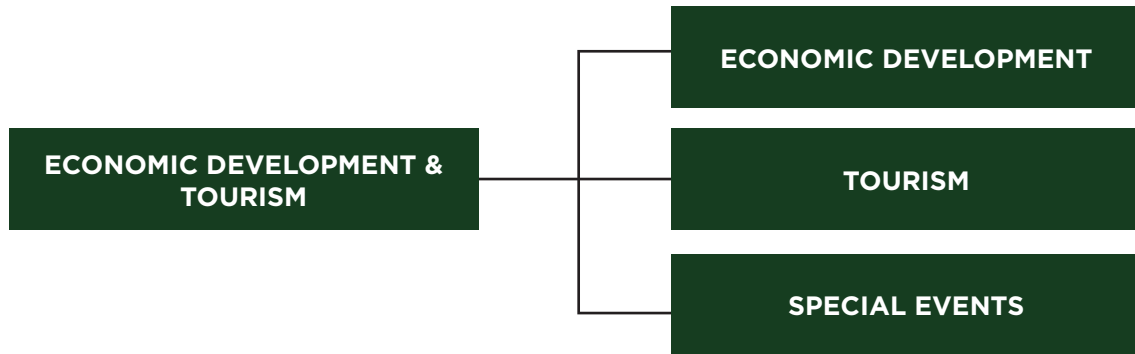
- Implement onboarding recommendations developed by the Community Services Onboarding Subcommittee
- Leverage the Community Services Matrix Teams to own the Onboarding Process in terms of Culture, Customer Service, Training and Innovation.
- Ensure consistency of onboarding processes throughout the department by following the CS New Employee Checklist.

## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Marq Cost Recovery	65.84%	71.00%	80.01%	65.00%
The Marq Net Promoter Score	81.89	74.15	75.77	60.00
Community Services Net Promoter Score	80.75	73.70	73.70	60
Gallup Survey (Employee Engagement & Employee Wellness)	4.42	4.30	4.53	4.50

# Economic Development & Tourism

The Southlake Economic Development and Tourism Department's mission is to sustain and grow Southlake's vibrant economy and outstanding quality of life by providing leadership and resources for the creation, expansion and retention of businesses and visitors.



## Economic Development & Tourism Strategy Map



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

Our mission is to sustain and grow Southlake's vibrant economy and outstanding quality of life by providing leadership, resources and a positive experience for the creation, expansion and retention of businesses and visitors.

*We deliver* on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><i>We do this by</i></p> <p><b>EDT C1</b> Delivering professional, and valuable business &amp; visitor resources and support through innovative and efficient programs and methods.</p> <p><b>EDT C2</b> Providing extraordinary and memorable experiences for visitors through events and quality information.</p> <p><b>EDT C3</b> Promoting Southlake as a shopping, dining, entertainment, and leisure destination.</p> <p>C = Customer Objectives</p>	<p><b>We Provide Financial Stewardship</b></p> <p><i>We do this by</i></p> <p><b>EDT F1</b> Safeguarding the public's trust through a commitment to thoughtful planning, conservative financial management, and providing high-value services through efficient management of resources and continual process improvement.</p> <p><b>EDT F2</b> Providing financial and operational efficiencies by evaluating programs, resources and services for optimum value to the City.</p> <p>F = Financial Objectives</p>	<p><b>We Manage The Business</b></p> <p><i>We do this by</i></p> <p><b>EDT B1</b> Proactively monitoring the economic environment to help anticipate trends and mitigate risks and challenges that may impact our future ability to successfully deliver core services to our customers.</p> <p><b>EDT B2</b> Achieving strong outcomes by remaining agile and vigilant and continuously pursuing better practices that improve core business operations that are customer-oriented.</p> <p>B = Business Objectives</p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><i>We do this by</i></p> <p><b>EDT L1</b> Developing an engaged workforce by providing professional opportunities that add value to the City, supports the City's values, and promotes a positive employee experience.</p> <p><b>EDT L2</b> Building a culture that encourages continuous learning with opportunities to grow and harnesses diverse talents.</p> <p>L = Learning &amp; Growth Objectives</p>
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## Economic Development & Tourism - Department Goals

**CITY-WIDE GOAL: Proactively pursue stronger community engagement using formal and informal processes.**

**Department goal:** Support partnerships with other businesses and organizations that are mutually beneficial in promoting tourism and the local economy.

**Implementation Strategy:**

- Implement and oversee an enhanced business engagement program, complete with strategic goals and objectives, roles, and responsibilities.
- Work with strategic partners such as the Chamber of Commerce to create and enhance networking programs for the benefit of the entire business community.

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative work force to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake’s Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Ensure staff is sufficiently trained and educated on different functions of the department so any staff member can implement the department’s initiatives and achieve the City’s goals.

**Implementation Strategy:**

- Cross train employees by creating collaboration opportunities with other department divisions.

- Communicate project details, provide updates and ensure the team is informed on division initiatives and activities.

**CITY-WIDE GOAL: Strengthen the community and perceptions of Southlake around the City’s brand.**

**Department goal:** Promote the City both nationally and regionally as a great place to live, work, visit, shop and recreate.

**Implementation Strategy:** Implement an annual public communication plan that identifies goals, strategic key messages, delivery mechanisms, and audience through Select Southlake and Visit Southlake platforms.

**CITY-WIDE GOAL: Develop strategic management program measures to ensure leaders are properly managing and fully aware of expected outcomes, monitoring progress, and aligning work efforts to meet expectations.**

**Department goal:** Achieve the City’s goals by implementing the adopted Southlake 2035: Economic Development, Economic Development Addendum, and Tourism Master Plans.

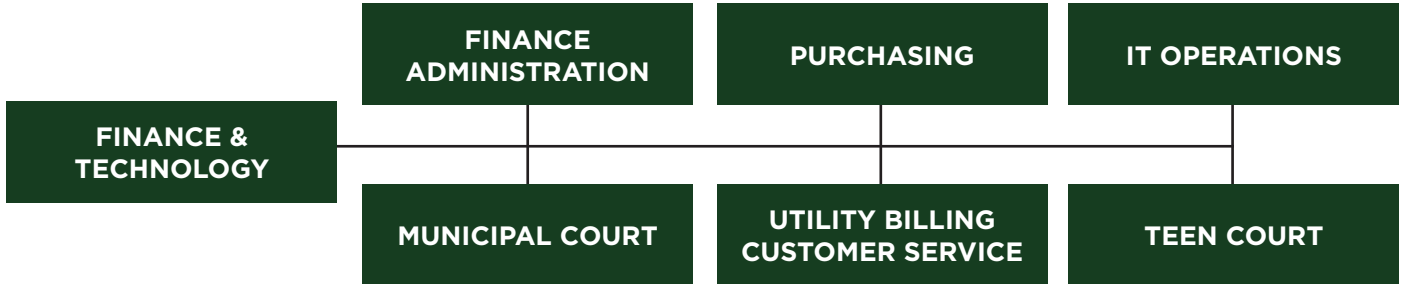
**Implementation Strategy:** Develop an annual work plan for each department division that implements master plan recommendations, establishes outcomes, defines timelines, and demonstrates success in implementation.

### Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Local Unemployment Rate	4.10%	2.90%	3.50%	5%
Southlake Retail Occupancy Rate	93.20%	95%	93%	90%
Southlake Office Occupancy Rate	82.20%	81%	78%	82%
Consumer Sales - Sales Tax (One Cent) Percentage Increase (year-over-year)	16.96%	14.70%	-5.5%	2%

# Finance & Technology

The mission of the Finance Department is to facilitate accountability of City funds and other assets entrusted to the City and provide financial information to enable decision-making that will ensure the City's financial sustainability while providing exemplary service to our internal and external customers.



## Finance Strategy Map

The mission of the Finance Department is to facilitate accountability of City funds and other assets entrusted to the City and provide financial information to enable decision-making that will ensure the City's financial sustainability while providing exemplary service to our internal and external customers.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p>We do this by</p> <ul style="list-style-type: none"> <li><b>FN C1</b> Providing professional and courteous customer service.</li> <li><b>FN C2</b> Administering strong internal and external communications.</li> </ul> <p><small>C = Customer Objectives</small></p>	<p><b>We Provide Financial Stewardship</b></p> <p>We do this by</p> <ul style="list-style-type: none"> <li><b>FN F1</b> Providing exceptional services through efficient management of resources.</li> <li><b>FN F2</b> Ensuring fiscal management to maintain the City's financial sustainability.</li> <li><b>FN F3</b> Develop and implement appropriate internal controls.</li> </ul> <p><small>F = Financial Objectives</small></p>	<p><b>We Manage The Business</b></p> <p>We do this by</p> <ul style="list-style-type: none"> <li><b>FN B1</b> Providing innovative business solutions.</li> <li><b>FN B2</b> Promoting the efficient and effective use of city resources.</li> <li><b>FN B3</b> Providing accurate, timely, and transparent financial and statistical information.</li> </ul> <p><small>B = Business Objectives</small></p>	<p><b>We Promote Learning &amp; Growth</b></p> <p>We do this by</p> <ul style="list-style-type: none"> <li><b>FN L1</b> Enhancing training and development opportunities.</li> <li><b>FN L2</b> Building a positive, productive, and engaged workforce that supports the City's mission and strategic goals.</li> </ul> <p><small>L = Learning &amp; Growth Objectives</small></p>
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# Finance & Technology

The mission of the Information Technology Division is to provide technology services to the City of Southlake that are secure, scalable, reliable, financially viable, and aligned with the city's Strategic Management System.



## Finance & Information Technology - Department Goals

**CITY-WIDE GOAL: Develop a technology strategic plan for the city, to include recommendations addressing identified technology risks (technology infrastructure, data security/security breach)**

**Department goal:** Improve IT security to prevent unauthorized access to organizational assets (computers, networks, and databases).

**Implementation Strategy:**

- Finalize network redesign project.
- Complete technology master plan.
- Continue to educate employees about technology and security risks.

**CITY-WIDE GOAL: Streamline systems, and reinforce strategic alignment throughout all levels of the organization through implementation tools such as departmental business/work plans, business unity scorecards, comprehensive planning, and other accountability mechanisms. Improve accountability structures for stronger efficacy.**

**Department goal:** Promote accountability throughout the divisions.

**Implementation Strategy:**

- Improve asset management.
- Analyze KAIs and revisit scorecards to align with current goals

**CITY-WIDE GOAL: Utilizing the ITGC, monitor the organization’s technology environment with a focus to eliminate gaps between IT and business units.**

**Department goal:** Continue to improve software release management processes, deployments, and quality assurance.

**Implementation Strategy:**

- Create IT customer service annual meetings with stakeholders to review their work plans and establish long-term goals to enable efficiencies within the business units.
- Establish additional SOPs within the IT department to streamline processes.

**CITY-WIDE GOAL: Achieve ‘best in class’ recognition for the development and implementation of a strategic management system that fosters and demonstrates the values of excellence, innovation, integrity, teamwork, and accountability.**

**Department goal:** Optimize resources to achieve department goals.

**Implementation Strategy:**

- Create an interdepartmental cross-training program.
- Create an internal work group that would actively participate in the business and work plans.

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative workforce to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Foster a work environment that strives to meet employee needs while also providing high quality services to the community

**Implementation Strategy:**

- Provide opportunities for employees to learn about the strategic management system.
- Focus on employees’ strengths to ensure their success and development within the organization.

## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Purchasing Survey Customer Service Satisfaction	95%	98%	98%	99%
Water Utilities Collection Rate	98.00%	99.76%	99.80%	99.00%
IT Performance - Unplanned network outages	New Measure	New Measure	3%	5%



# Fire Department

The Southlake Fire Department is dedicated to providing world-class service.



## Southlake Fire Department Strategy Map

The mission of the Southlake Fire Department is to provide world class service.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

**We Serve Our Customers**

*We do this by*

**FD C1** Delivering professional and proficient emergency services, creating world-class customer experiences through innovation, dedication and preparedness initiatives.

**FD C2** Enhancing the sense of community through targeted community education opportunities while creating community partnerships and opportunities for volunteer involvement.

C = Customer Objectives

**We Provide Financial Stewardship**

*We do this by*

**FD F1** Through thoughtful planning and conservative financial management practices by reducing service cost using collaborative agreements and providing high value services through efficient management of resources.

**FD F2** Ensuring operational readiness by evaluating department apparatus, equipment, and tools and investing in high quality assets.

F = Financial Objectives

**We Manage The Business**

*We do this by*

**FD B1** Achieving strong service outcomes through nationally and internationally recognized organizations, utilizing continuous process improvement and better service practices.

**FD B2** Ensure an effective City response through an all-hazards approach using future ready practices and forecasting challenges that affect services.

B = Business Objectives

**We Promote Learning & Growth**

*We do this by*

**FD L1** Building a future culture that supports servant leadership through growing and developing our employees.

**FD L2** Build a positive and productive engaged workforce.

**FD L3** Providing leadership and professional development initiatives that attract and retain a talented and motivated workforce.

L = Learning & Growth Objectives

## Fire Department - Department Goals

**CITY-WIDE GOAL: Ensure that strategic management planning efforts reflect the community’s desired outcomes, anticipate trends and risks, and so that system elements produce measurable outcomes and successes can be clearly communicated**

**Department goal:** Increase effectiveness of fire personnel on EMS scenes.

**Implementation Strategy:**

- Select and implement a new medical control director and EMS program which includes updated EMS protocols and procedures and a targeted training program that increases the effectiveness of our pre-hospital care.
- Evaluate and update current field training program for new EMS providers while implementing a multi-year training schedule that allows for continued familiarization of protocol and procedures in high-risk, low occurrence incidents.
- Evaluate medical equipment to ensure technology relevance and budget for replacement equipment where necessary.

**CITY-WIDE GOAL: Emphasize “future readiness” tech initiatives through business unit and Corporate Leadership Team collaboration.**

**Department goal:** Complete “Future-Ready” Emergency Operations Center (EOC) upgrade and relocation project.

**Implementation Strategy:**

- Oversee EOC needs assessment and project design, utilizing the Emergency Preparedness Matrix Team.

- Oversee EOC project management, relocation and construction.
- Implement new processes and procedures utilizing new technological advances.

**CITY-WIDE GOAL: Attract, develop, and retain highly qualified employees through the creation and implementation of an innovative and strategic recruitment and retention plan which ensures a diverse applicant pool, promotes personal growth, fosters employee engagement, and includes a dynamic and inclusive training environment throughout an employee’s career.**

**Department goal:** Increase employee engagement and retention within the Department.

**Implementation Strategy:**

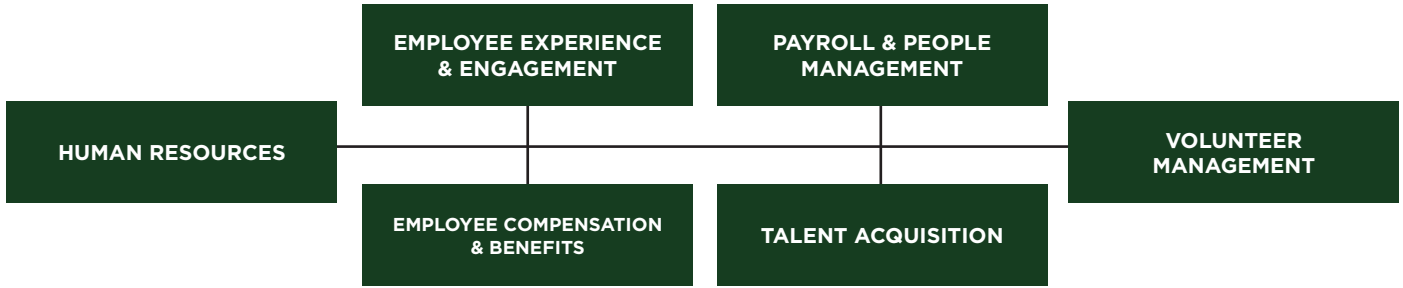
- Mental wellness and resiliency program that focuses on mental techniques and coping strategies for first responders and the critical incidents that they respond to. This program also encompasses the overall wellbeing and family dynamic of each member of the department through couples retreats and individual counseling sessions.
- Implementing a new professional development plan for fire personnel that provides a road map for each rank to ensure consistent professional growth and a promotional plan to advance through each members established career goals.
- Implement a new approach to attract and hire the best candidate for the Southlake Fire Department by utilizing a personal one-on-one approach with each candidate, ensuring they feel welcomed and confident in their decision to apply for the department.

### Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Achieve a high percentage of citizen satisfaction in fire services provided	90%	90%	94%	93%
Fire Total Response Time (seconds)	414	431	420	445
EMS Total Response Time (seconds)	387	383	395	405
CPR Success Rate	35.70%	33%	39%	15%

# Human Resources

The mission of Human Resources is to provide professional, engaging and strategic human resource and volunteer services by implementing the City's strategic plans and embracing the core values.



## Human Resources Strategy Map

The mission of Human Resources is to provide professional, engaging and strategic human resource and volunteer services by implementing the City's strategic plans and embracing the core values.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

**We Serve Our Customers**

*We do this by*

- HR C1** Delivering professional, personalized, expert human resources and volunteer services to our customers.
- HR C2** Enhancing the sense of community by managing a volunteer program that provides meaningful, engaging, and rewarding volunteer experiences.

C = Customer Objectives

**We Provide Financial Stewardship**

*We do this by*

- HR F1** Safeguarding the public's trust through a commitment to thoughtful planning, conservative financial management, and providing high-value services through efficient management of resources and continual process improvement.
- HR F2** Offering attractive, competitive, and sustainable employer-of-choice compensation and benefits programs that balance our employees' expectations and our fiscal responsibility to the Southlake community.

F = Financial Objectives

**We Manage The Business**

*We do this by*

- HR B1** Proactively monitoring the environment to help anticipate trends and mitigate risks and challenges that may impact our future ability to successfully deliver core services to our customers.
- HR B2** Achieving strong outcomes by remaining agile and continuously pursuing better practices that improve core business operations that are customer-oriented.

B = Business Objectives

**We Promote Learning & Growth**

*We do this by*

- HR L1** Fostering positive employee engagement & workplace experiences for all by cultivating a professional culture, supporting the values, responding to the voice of the employee, and communicating effectively.
- HR L2** Promoting a learning culture that provides engaging employee training and development programs and mentorship opportunities.
- HR L3** Attracting, recruiting, and retaining a talent-dense workforce through targeted talent acquisition strategies and by presenting attractive employer-of-choice offerings.

L = Learning & Growth Objectives



# Human Resources - Department Goals

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative workforce to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake’s Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Develop and implement effective employee engagement, employee wellbeing, and employee experience strategies that foster a positive workplace culture resulting in a fully engaged workforce that exerts discretionary effort to move the organization towards its defined mission and goals.

**Implementation Strategy:**

- Administer the biennial 2023 Employee Engagement Survey and follow-up State of the Team meetings to evaluate employee engagement and develop a post survey implementation plan.
- Update the Learning and Development Strategic Operations plan to establish a strategic and systematic approach to creating a learning culture within an organization that supports continuous improvement, innovation, and growth..

**CITY-WIDE GOAL: Attract, develop, and retain highly qualified employees through the creation and implementation of an innovative and strategic recruitment and retention plan which ensures a diverse applicant pool, promotes personal growth, fosters employee engagement, and includes a dynamic and inclusive training environment throughout an employee’s career.**

**Department goal:** Develop talent acquisition and retention programs that result in a positive employee experience through all stages of the employee lifecycle: recruitment, onboarding, development, retention, and exit.

**Implementation Strategy:**

- Implement the FY 2024 people initiatives, including identified compensation and benefits programs in support of the City’s employer-of-choice strategy.

**CITY-WIDE GOAL: Improve accountability structures for stronger efficacy by streamlining systems and reinforcing strategic alignment throughout all levels of the organization, through implementation tools such as departmental business/work plans, business unity scorecards, comprehensive planning, and other accountability mechanisms.**

**Department goal:** Identify, evaluate, and implement process improvements to gain efficiencies that utilize technology solutions, integrate new and emerging trends, and improve customer service.

**Implementation Strategy:**

- Evaluate existing technology solutions and operational procedures for process improvements and software enhancements, including Laserfiche, Munis, NeoGov and Smartsheet, specifically regarding HR data, payroll and talent acquisition.

## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Full-time Voluntary Turnover Rate	12.10%	15.70%	13.00%	8%
Time-to-Fill Vacant Positions	141 days	150 days	90 days	90 days
Value of Volunteer Time	\$258,229 (Impacted by pandemic)	\$457,113	\$457,000	\$600,000

# Library Services

The mission of the Southlake Public Library is to provide access to a world-class library with access to high demand materials, programs and services to support the educational, professional and personal interests of the community.



## Southlake Public Library Strategy Map

The mission of the Southlake Public Library is to provide access to a world class library with high demand materials, programs and services that support the educational, professional and personal interests of the community.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><i>We do this by</i></p> <ul style="list-style-type: none"> <li><b>LB C1</b> Delivering outstanding customer experiences by developing a culture of learning with in-demand materials, services, and programs and embracing innovation that is responsive to the voice of the customer.</li> <li><b>LB C2</b> Providing meaningful opportunities for volunteerism and partnership.</li> </ul> <p>C = Customer Objectives</p>	<p><b>We Provide Financial Stewardship</b></p> <p><i>We do this by</i></p> <ul style="list-style-type: none"> <li><b>LB F1</b> Making data-driven decisions which ensure the community finds quality and value in the library.</li> <li><b>LB F2</b> Providing and maintaining a high-quality library facility while demonstrating financial responsibility with taxpayer resources.</li> <li><b>LB F3</b> Seeking opportunities for grants and sponsorships to enhance the community investment.</li> </ul> <p>F = Financial Objectives</p>	<p><b>We Manage The Business</b></p> <p><i>We do this by</i></p> <ul style="list-style-type: none"> <li><b>LB B1</b> Ensuring the library meets the requirements to be designated as a Texas accredited public library.</li> <li><b>LB B2</b> Developing a team that is future ready and preparing for the challenges of tomorrow while meeting the needs of today.</li> <li><b>LB B3</b> Enhancing library services by implementing new service solutions.</li> </ul> <p>B = Business Objectives</p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><i>We do this by</i></p> <ul style="list-style-type: none"> <li><b>LB L1</b> Establishing a professional workplace which supports City values and promotes a positive employee work experience.</li> <li><b>LB L2</b> Provide continuous learning opportunities for the development of a skilled workforce of lifelong learners.</li> </ul> <p>L = Learning &amp; Growth Objectives</p>
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## Library Services - Department Goal

**CITY-WIDE GOAL: Achieve “best in class” recognition for the development and implementation of a strategic management system that fosters and demonstrates values of excellence, innovation, integrity, teamwork, and accountability.**

**Department goal:** Provide world class library service.

**Implementation Strategy:**

- Conduct a review of the library’s technical systems to develop a plan for an enhanced discovery experience which allows for one-stop service within the library catalog.
- Provide an in-demand library collection through data-driven selection and curation.
- Provide quality programming to achieve “excellence in library services” in service to all key demographics.
- Provide a superior customer experience through streamlined processes, public space enhancements, and attentive, responsive service to library patrons.

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative work force to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake’s Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Provide a highly trained and engaged staff who represent the city in a knowledgeable and professional manner while providing superior service to library patrons.

**Implementation Strategy:**

- Provide specialized training to staff members to further develop their skills, knowledge and understanding of library services.
- Provide advanced opportunities for the development of leadership skills.
- Utilize team feedback to develop training strategies and materials. Draw upon advancing staff to lead training for their focus area to the entire team.

**CITY-WIDE GOAL: Using the model identified in the plan, proactively pursue stronger community engagement using formal and informal processes**

**Department goal:** Promote strong partnerships and volunteerism through the library.

**Implementation Strategy:**

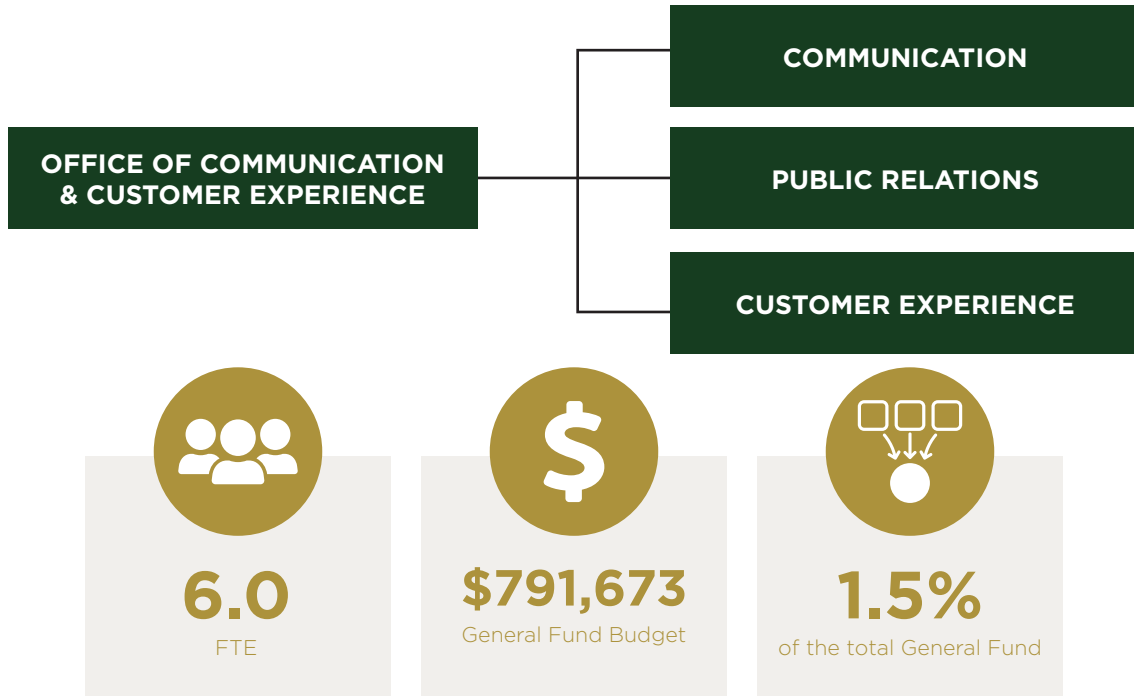
- Develop a new liaison for the volunteer program. Evaluate the program and implement any identified opportunities for improvement.
- Develop a new partnership with the Library Foundation of Southlake to better support the community.
- Coordinate with existing community partners to offer joint programming which supports the missions of the Library and each organization.

### Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Library Materials Circulation	418,364	400,006	410,000	412,000
Library Program Attendance	17,337	37,622	38,500	38,500
Library Visitors and Online Users	117,801	124,483	125,000	125,000

# Office of Communication & Customer Experience

The mission of the Office of Communication and Customer Experience (OCCE) is to communicate effectively and create a World Class customer experience.



## Office of Communication and Customer Experience Strategy Map



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

The mission of the Office of Communication and Customer Experience (OCCE) is to communicate effectively and create a World Class customer experience..

We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><i>We do this by</i></p> <p><b>C1</b> Enhancing the customer experience through transparency, innovation and communication.</p> <p><b>C2</b> Promoting citizen and employee engagement through strategic messaging.</p> <p>C = Customer Objectives</p>	<p><b>We Provide Financial Stewardship</b></p> <p><i>We do this by</i></p> <p><b>F1</b> Providing high value services through efficient management of resources.</p> <p>F = Financial Objectives</p>	<p><b>We Manage The Business</b></p> <p><i>We do this by</i></p> <p><b>B1</b> Promoting strong customer service through targeted marketing strategies and tactics.</p> <p><b>B2</b> Developing and managing strong communication and customer service programs using better practices.</p> <p><b>B3</b> Establish Southlake's brand &amp; story with effective marketing and communication strategies.</p> <p>B = Business Objectives</p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><i>We do this by</i></p> <p><b>L1</b> Collaborating and informing employees about COS culture through a strong employee communication program.</p> <p><b>L2</b> Fostering a positive employee engagement and workplace culture that supports the City's mission and goals</p> <p>L = Learning &amp; Growth Objectives</p>
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## Office of Communication & Customer Experience - Department Goals

**CITY-WIDE GOAL: Delivering outstanding customer experiences through innovation, passion, and a strong culture.**

**Department goal:** Enhancing the customer experience through transparency, innovation, and communication

**Implementation Strategy:**

- Create a customer service quality assurance and accountability process by implementing a new CRM tool for customers to send feedback and team members to respond quickly with updates and resolutions.
- Target improved customer service by focusing on comments and opportunities in the Citizen Satisfaction survey results, and communicating ongoing efforts between surveys.

**CITY-WIDE GOAL: Enhancing the sense of community by proactively creating community partnerships, volunteer involvement, and citizen engagement opportunities.**

**Department goal:** Promoting strong customer service through targeted marketing strategies and tactics.

**Implementation Strategy:**

- Support the CMO, the ELT, and the EVP team with communication and marketing collateral that reinforces the City brand and culture.

**CITY-WIDE GOAL: Fostering positive employee engagement.**

**Department goal:** Fostering a positive employee engagement and workplace culture that supports the City’s mission and goals

**Implementation Strategy:**

- Provide communication to team members to ensure they can succeed in providing World Class Customer Service and website updates.

**CITY-WIDE GOAL: Delivering outstanding customer experiences through innovation, passion, and a strong culture.**

**Department goal:** Establish Southlake’s brand & story with effective marketing and communication strategies.

**Implementation Strategy:**

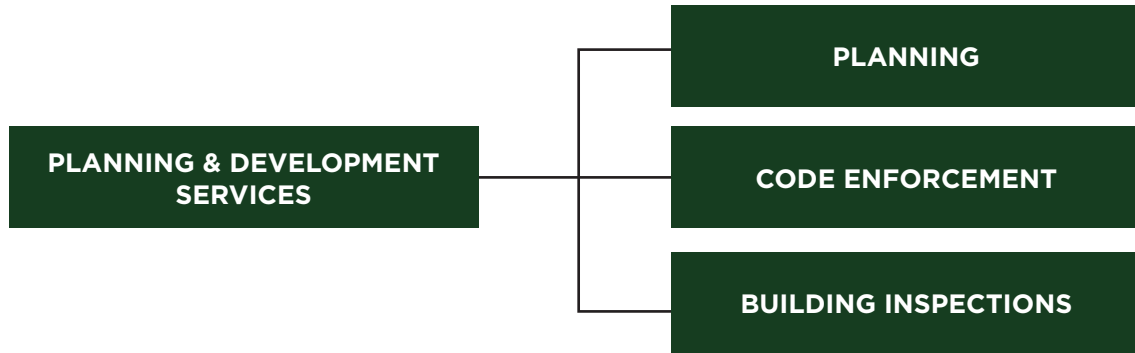
- Target improved communication by focusing on communication-related comments and scores in the Citizen Satisfaction survey results and conveying City efforts between surveys.

### Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Siteimprove, DCI	New Measurement	75%	75%	90%
Citizen Satisfaction Survey - The Employee Exceeded my Expectations (Agree Completely/Somewhat)	71%	73%	75%	75%
Citizen Satisfaction Survey - (City Website) Is The First Place I look for City Information	69%	75%	75%	75%

# Planning & Development Services

The mission of Planning and Development Services is to provide the community with exceptional guidance and quality service through strategic planning, development review, building & infrastructure inspection, and code enforcement



## Planning & Development Services Strategy Map



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

The mission of Planning & Development Services is to provide the community with exceptional guidance and quality service through strategic planning, development review, building and infrastructure inspection, and code enforcement.

### We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

<p><b>We Serve Our Customers</b></p> <p><i>We do this by</i></p> <p><b>PDS C1</b> Provide guidance, education, and resources for the orderly and cost-efficient development of the City.</p> <p><b>PDS C2</b> Promote public awareness and understanding of department operations, including public health &amp; safety and participation in the planning process.</p> <p><b>PDS C3</b> Develop, manage, and communicate planning efforts to support the City's vision through the comprehensive plan.</p> <p>C = Customer Objectives</p>	<p><b>We Provide Financial Stewardship</b></p> <p><i>We do this by</i></p> <p><b>PDS F1</b> Provide high value services through the efficient management of resources.</p> <p><b>PDS F2</b> Comply with adopted financial controls and ensure fiscal accountability at all levels.</p> <p>F = Financial Objectives</p>	<p><b>We Manage The Business</b></p> <p><i>We do this by</i></p> <p><b>PDS B1</b> Manage and oversee the development process through entitlement, permitting, and inspections.</p> <p><b>PDS B2</b> Support boards and commissions who contribute to the business.</p> <p><b>PDS B3</b> Engage in strategic foresight to prepare for future challenges and opportunities that may impact the City and department.</p> <p>B = Business Objectives</p>	<p><b>We Promote Learning &amp; Growth</b></p> <p><i>We do this by</i></p> <p><b>L1</b> Provide a solutions oriented, well-trained, customer driven, and certified workforce.</p> <p><b>L2</b> Build a positive, productive, and engaged workforce that supports the City's mission and strategic goals.</p> <p><b>L3</b> Create a formalized training and mentoring program to ensure smooth succession planning.</p> <p>L = Learning &amp; Growth Objectives</p>
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# Planning & Development Services - Department Goals

**CITY-WIDE GOAL: Ensure that strategic management planning efforts reflect the community’s desired outcomes, anticipate trends and risks, and so that system elements produce measurable outcomes and successes can be clearly communicated.**

**Department goal:** Through the development of the Southlake 2035 Comprehensive Plan elements, identify necessary capital projects and programs required to meet the needs and service level demands of the community

**Implementation Strategy:**

The Department will assist in updating the following Comprehensive Plan elements as needed:

- The Water, Wastewater, and Stormwater master plan elements will address water, sewer and drainage needs for the community and prioritize infrastructure and utility related projects based on the identified need.
- The Mobility Master Plan will work to address roadway intersections and pathway priorities.

The department will assist in developing the following Comprehensive Plan elements:

- The Community Facilities Plan will systematically evaluate City owned buildings in terms of their quality-of-service delivery and prioritize maintenance and renovation accordingly. Additionally, the plan will provide a level of community facilities that meet the needs of both the existing and projected population.
- The Technology Master Plan will enable residents, businesses, and the City to work more efficiently, interact with each other in new and better ways, and increase the overall quality of offered services. Additionally, improved technology will enable the City to streamline operations, better monitor assets, cut costs, improve existing services, innovate new services, and improve communications.

**CITY-WIDE GOAL: Establish a customer service process improvement program.**

**Department Goal:** Exceed customer expectations through the continual review of internal processes and department operations.

**Implementation Strategy:**

- Continue implementation of the Building Inspections Process Improvement program to identify customer service needs, review permit process information, and create succession planning efforts

**CITY-WIDE GOAL: Provide a proactive system of support to meet the workplace emotional and physical needs of the work force, including career enrichment and training support.**

**Department Goal:** Cultivate a positive work environment for new and existing employees that provides opportunities to build connections with coworkers, encourages career growth and development, and fosters employee engagement.

**Implementation Strategy:**

- Encourage employees to attend conferences, trainings, and other work-related events to promote career enrichment.
- Host engagement activities for employees to network/develop connections and learn about city and department-related projects and initiatives.

**CITY-WIDE GOAL: Increase awareness of City programs, services, activities, and events.**

**Department Goal:** Promote public awareness and understanding of department services and achievements through communication efforts that result in user-friendly, transparent, and timely information

**Implementation Strategy:**

- Provide information to the public on the roles and services offered by building inspections, code enforcement, and planning services.
- Highlight key projects and department achievements through City media channels.
- Focus communication efforts for online permitting service towards first-time users and submission requirements (EnerGov Customer Self-Service).
- Focus communication on obtaining information on development cases and how to participate in the development process (i.e., Active Planning Cases web page).

**CITY-WIDE GOAL: Emphasize “future readiness” tech initiatives through business unit and Corporate Leadership Team collaboration.**

**Department Goal:** Utilize technology to provide timely and accurate information to City boards, commissions, and the public throughout the development process.

**Implementation Strategy:**

- Utilize drone technology to obtain video for special projects (i.e., roads, sidewalks, water tank inspections, etc.), and specialty building inspections (i.e., roofs, signs, and HVAC equipment), and evaluate drainage issues.
- Utilize future-ready digital services to improve collaboration, clarity, and exchange of information with our customers.

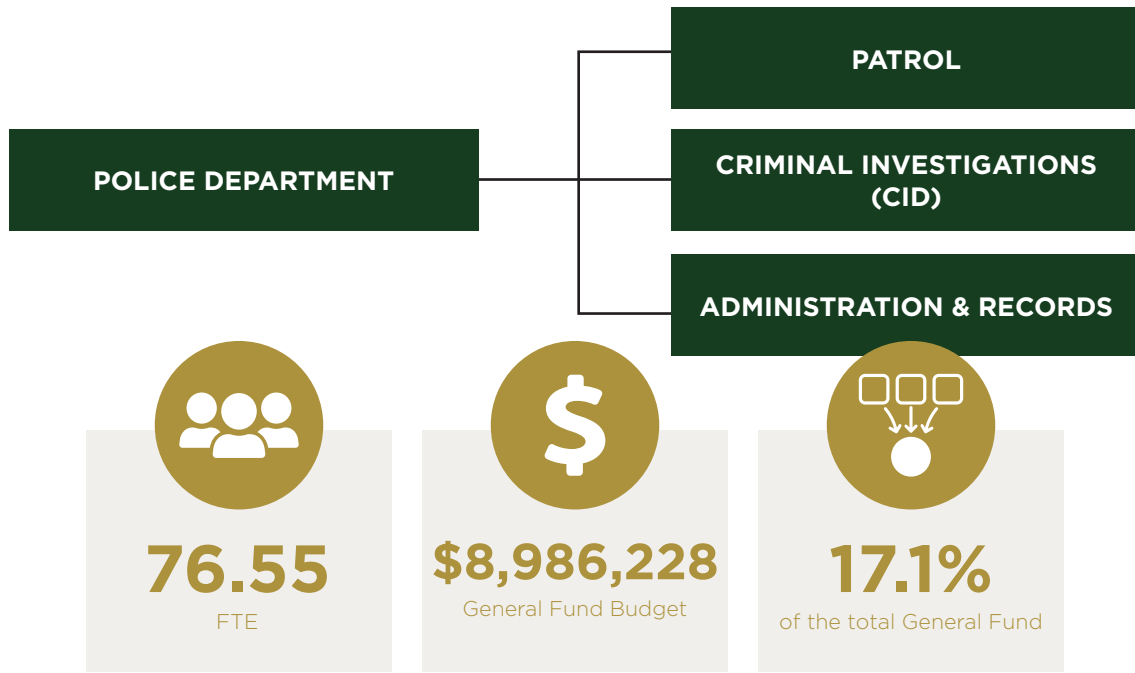
## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Percentage of building inspections completed on the same day as scheduled by the customer	99%	99%	99%	100%
Percentage of commercial building permit reviews completed within 10 or 15 business days (depending on the project)	96.45% (5-day review)	92.48% (5-day review)	90.68% (5-day review)	95% (5-day review)
	94.13% (10 day review)	89.47% (10 day review)	82.87% (10-day review)	95% (10-day review)
	96.67% (15 day review)	91.18% (15-day review)	89.82% (15-day review)	95% (15-day review)
Percentage of residential building permit reviews completed within 5 or 10 business days (depending on project)	91.10% (5-day review)	87.19% (5-day review)	87.98% (5-day review)	95% (5-day review)
	95.26% (10 day review)	92.95% (10 day review)	91.92% (10-day review)	95% (10-day review)
Implementation of Comprehensive Plan Initiatives	New Target	80%	60%	85%
Average number of days for code enforcement officers to resolve a code-related case	13 days	14 days	10 days	10 days



# Police Department

The mission of the Southlake Police Department is to provide world class service.



## Southlake Police Department Strategy Map

The mission of the Southlake Police Department is to provide world class service.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

### We deliver on Our Focus Areas



Safety & Security



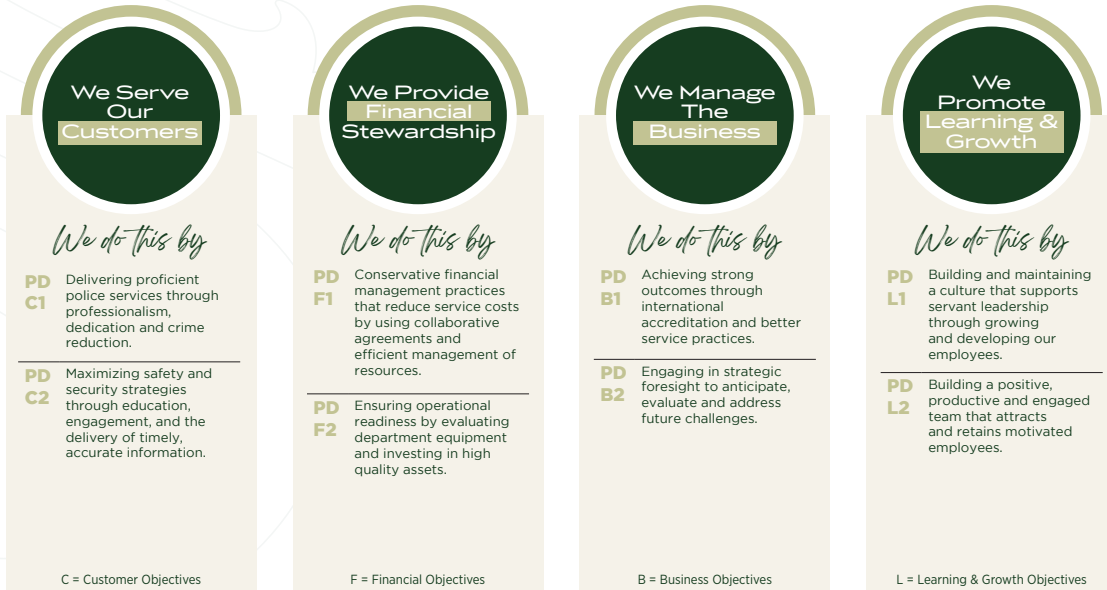
Infrastructure & Development



Partnerships & Volunteerism



Performance Management & Service Delivery



# Police Department - Department Goal

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative work force to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake’s Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Continue to provide timely, high-quality training that is relevant to the current and future threat environment.

**Implementation Strategy:**

- Ensure all TCOLE certifications and contract training provider requirements are met and maintained.
- Fully implement the training simulator into department quarterly trainings and expand its use to surrounding law enforcement partners.
- Ensure quarterly training addresses current threats and crime trends and incorporates deescalation and force options based on industry best practices.

**CITY-WIDE GOAL: Attract, develop, and retain highly qualified employees through the creation and implementation of an innovative and strategic recruitment and retention plan which ensures a diverse applicant pool, promotes personal growth, fosters employee engagement, and includes a dynamic and inclusive training environment throughout an employee’s career.**

**Department goal:** Continue to explore and identify creative methods to recruit, hire, and retain highly qualified and talented individuals to serve and protect the community.

**Implementation Strategy:**

- Engage department employees to assist with updating the existing recruitment plan and identify new strategies to maximize the qualified applicant pool.
- Update and refresh the current department recruitment video to expand its reach.
- Develop an effective satellite testing process to expand the qualified applicant pool.

**CITY-WIDE GOAL: Optimize technology resources based on their purpose (Operations vs. Support).**

**Department goal:** Capitalize on technology to enhance the Police Department’s ability to reduce or mitigate crime and the fear of crime.

**Implementation Strategy:**

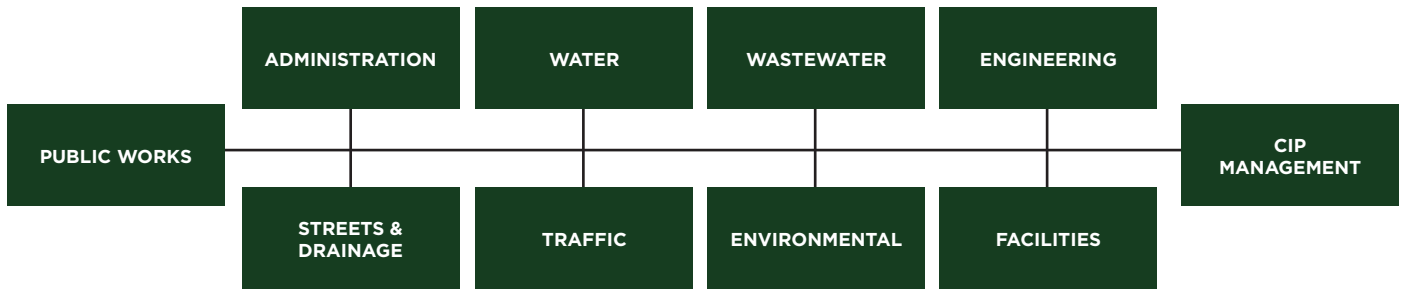
- Utilize the new CAD/RMS system to analyze data and identify trends to prevent and address crime through strategic and effective resource deployment.
- Reevaluate and update the CompStat process based on the expanded capabilities of the new CAD/RMS system and dashboard.
- Provide timely, accurate, and relevant crime data to inform the community.

## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
Police response times for Priority 1 calls	2:58	2:41	2:45	<4 Min
Average criminal case clearance rate for detectives	63%	54%	60%	>45%
Full-time voluntary turnover rate	9.7%	4%	7%	<8%

# Public Works

The mission of Public Works is to provide high-quality public infrastructure and world class services.



## Public Works Strategy Map

The mission of Public Works is to provide safe, high-quality public infrastructure and world-class services.



INTEGRITY  
INNOVATION  
TEAMWORK  
EXCELLENCE  
ACCOUNTABILITY

We deliver on Our Focus Areas



**Safety & Security**



**Infrastructure & Development**



**Partnerships & Volunteerism**



**Performance Management & Service Delivery**

**We Serve Our Customers**

*We do this by*

- PW C1** Creating memorable experiences for internal and external customers by providing safe, reliable, high-quality public assets and services.
- PW C2** Educating stakeholders through timely communication and informative resources.
- PW C3** Exceeding expectations by championing the voice of the customer.

C = Customer Objectives

**We Provide Financial Stewardship**

*We do this by*

- PW F1** Delivering efficient and comprehensive strategic planning, project management, and maintenance activities to ensure the highest value gained by effectively managing resources.
- PW F2** Reducing capital and operational costs by utilizing collaborative partnerships, grants, and agreements to deliver world-class services.

F = Financial Objectives

**We Manage The Business**

*We do this by*

- PW B1** Continuously evaluating, improving, and pursuing better business practices, innovative services, risk mitigation, and technology solutions to deliver future-ready and sustainable results to the community.

B = Business Objectives

**We Promote Learning & Growth**

*We do this by*

- PW L1** Fostering an inclusive learning culture that empowers employees to make strong business decisions in accordance with the City's values.
- PW L2** Attracting, developing, and retaining an engaged and talented workforce through innovative and targeted strategies.
- PW L3** Building a positive, productive, and engaged workforce that supports the City's mission and strategic goals.

L = Learning & Growth Objectives



# Public Works - Department Goals

**CITY-WIDE GOAL: Achieve “best in class” recognition for the development and implementation of a strategic management system that fosters and demonstrates values of excellence, innovation, integrity, teamwork, and accountability.**

**Department goal:** Provide world-class services to residents, businesses, and visitors.

**Implementation Strategy:**

- Provide services for the safe and effective movement of vehicles throughout town.
- Continue the implementation of the Citywide Pathways Program to meet Mobility Master Plan recommendations.
- Maintain Superior Water Rating.
- Ensure all divisions are meeting the needs of customers.

**CITY-WIDE GOAL: Emphasize “future readiness” tech initiatives through business unit and Corporate Leadership Team collaboration.**

**Department goal:** Utilize and integrate technology to advance operational processes, department performance, and customer service.

**Implementation Strategy:**

- Continue implementation of the enterprise asset management system (EAM).

- Continue to utilize customer-facing Capital Improvements Program (CIP) dashboard to report progress and status of CIP projects.
- Evaluate internal processes that can be improved utilizing existing technology.

**CITY-WIDE GOAL: Develop a highly qualified, motivated, well-trained, and innovative work force to serve the needs of an evolving community by solidifying a learning culture and implementing recommendations from the City of Southlake’s Organizational Learning and Development Strategic Operations Plan.**

**Department goal:** Seek training, development, and growth opportunities to enhance department readiness and resiliency.

**Implementation Strategy:**

- Develop plan to attract, retain, and grow employees through volatile job market with high turnover.
- Cross-train employees across divisions to deepen core services knowledge.
- Implement internal matrix teams to address on-boarding, employee engagement, and other high-risk initiatives.

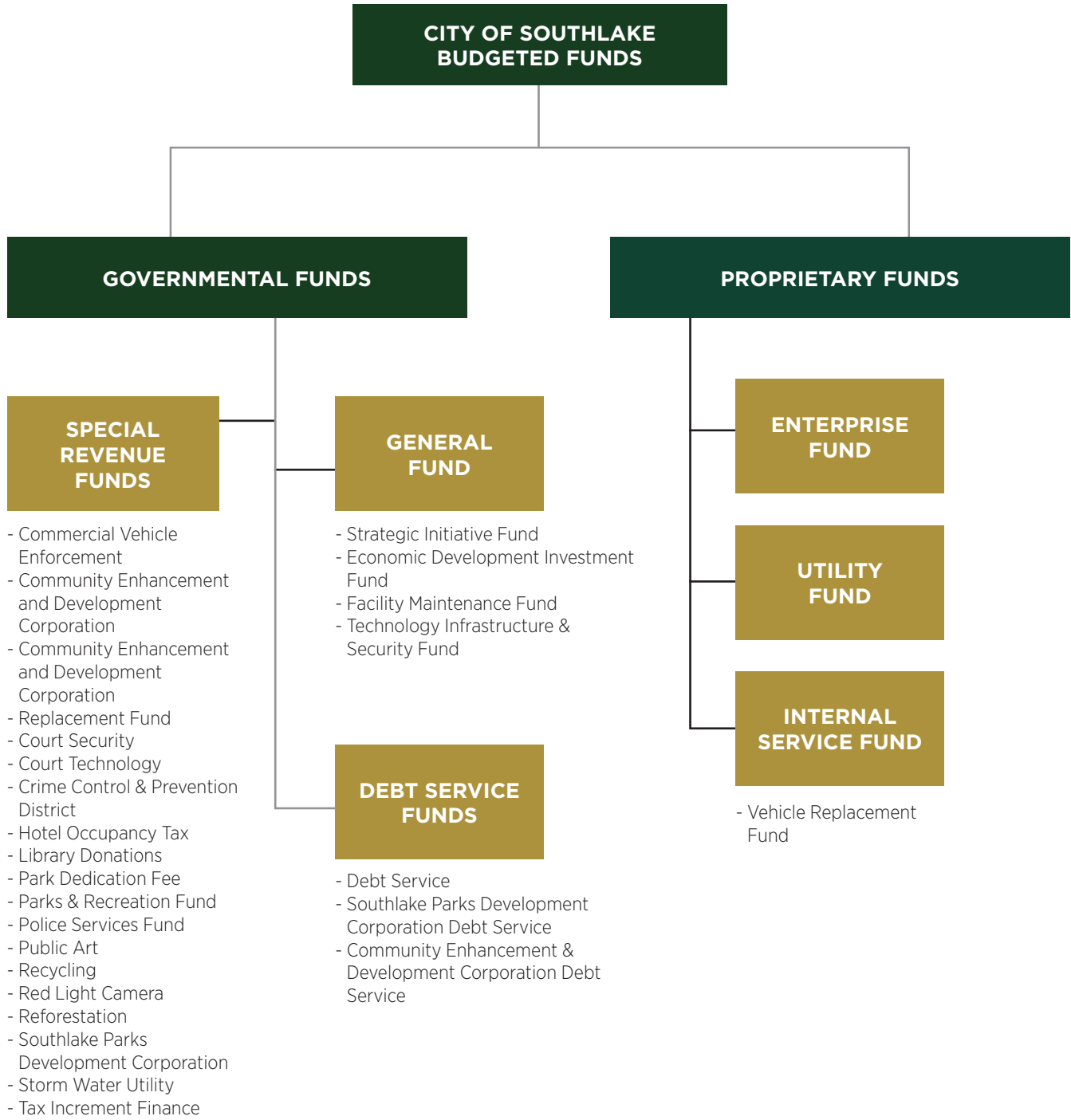
## Performance Measures

Performance Measure	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projection	FY 2024 Target
% TCEQ compliance with all water quality measures	100%	100%	100%	100%
Average Pavement Quality Index (PQI) Score for roadways	81.0	82.6	81.5	80.0
% Complete of Pavement Management Assessment (PMA) of projects scheduled	100%	100%	100%	100%
% of investigations of reported illicit discharges initiated according to City’s Stormwater Management Plan within 2 business days	100%	100%	100%	100%



# FUND SUMMARIES

# City of Southlake Fund Structure Chart





# All Funds Summary - Revenues & Expenditures

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
<b>REVENUES</b>								
Ad Valorem Taxes	\$32,086,253	\$32,934,796	\$32,859,511	(\$75,285)	-0.2%	\$34,002,950	\$1,068,154	3.2%
Sales Tax	42,086,331	39,653,500	39,653,500	0	0.0%	39,653,500	0	0.0%
Hotel Tax	1,637,159	1,705,300	2,000,000	294,700	17.3%	2,090,500	385,200	22.6%
Franchise Fees	2,988,874	2,969,000	2,993,190	24,190	0.8%	2,973,106	4,106	0.1%
Fines	997,586	984,600	805,000	(179,600)	-18.2%	811,500	(173,100)	-17.6%
Charges for Services	4,928,450	5,232,817	5,806,759	573,942	11.0%	6,179,011	946,194	18.1%
Rental Income	140,532	153,824	153,824	0	0.0%	153,824	0	0.0%
Permits/Fees	3,121,526	1,607,100	2,095,500	488,400	30.4%	1,594,100	(13,000)	-0.8%
Miscellaneous	2,019,982	1,090,900	1,425,145	334,245	30.6%	1,000,900	(90,000)	-8.3%
Water Sales-residential	19,473,110	16,923,900	17,550,900	627,000	3.7%	19,000,400	2,076,500	12.3%
Water Sales-commercial	5,422,680	4,827,200	5,050,100	222,900	4.6%	5,400,200	573,000	11.9%
Stormwater-residential	920,468	918,200	923,500	5,300	0.6%	924,300	6,100	0.7%
Stormwater-commercial	674,085	673,300	681,000	7,700	1.1%	687,000	13,700	2.0%
Wastewater Sales	9,346,288	9,240,000	8,900,400	(339,600)	-3.7%	12,576,000	3,336,000	36.1%
Sanitation Sales	2,536,160	2,663,800	2,683,800	20,000	0.8%	2,729,700	65,900	2.5%
Other Utility Charges	371,943	400,800	320,800	(80,000)	-20.0%	280,800	(120,000)	-29.9%
TIF District	9,343,619	9,468,834	9,834,043	365,209	3.9%	9,562,848	94,014	1.0%
Interest Income	(414,013)	140,740	3,102,115	2,961,375	2104.1%	2,916,800	2,776,060	1972.5%
<b>Total Revenues</b>	<b>\$137,681,033</b>	<b>\$131,588,611</b>	<b>\$136,839,087</b>	<b>\$5,250,476</b>	<b>4.0%</b>	<b>\$142,537,439</b>	<b>\$10,948,828</b>	<b>8.3%</b>

# All Funds Summary - Revenues & Expenditures

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
<b>EXPENDITURES</b>								
City Secretary	\$587,115	\$626,040	\$635,932	\$9,892	1.6%	\$667,578	\$41,538	6.6%
Human Resources	870,559	1,005,686	1,033,494	27,808	2.8%	1,080,100	74,414	7.4%
City Manager	1,085,237	1,102,636	1,129,452	26,816	2.4%	1,162,407	59,771	5.4%
Information Technology	4,147,384	6,261,800	5,851,208	(410,592)	-6.6%	5,709,004	-552,796	-8.8%
Communications	513,373	683,825	683,825	0	0.0%	791,673	107,848	15.8%
Support Services	1,678,258	2,128,906	2,229,570	100,664	4.7%	2,361,735	232,829	10.9%
<b>General Gov Total</b>	<b>\$8,881,926</b>	<b>\$11,808,893</b>	<b>\$11,563,481</b>	<b>(\$245,412)</b>	<b>-2.1%</b>	<b>\$11,772,497</b>	<b>(\$36,396)</b>	<b>-0.3%</b>
Finance	1,607,794	2,008,960	1,920,224	(88,736)	-4.4%	2,173,778	164,818	8.2%
Municipal Court	757,459	855,747	832,832	(22,915)	-2.7%	888,133	32,386	3.8%
Teen Court	161,549	163,886	163,886	(0)	0.0%	176,673	12,787	7.8%
<b>Finance Total</b>	<b>\$2,526,802</b>	<b>\$3,028,593</b>	<b>\$2,916,942</b>	<b>(\$111,651)</b>	<b>-3.7%</b>	<b>\$3,238,584</b>	<b>\$209,991</b>	<b>6.9%</b>
Fire	6,693,841	11,056,104	11,680,997	624,893	5.7%	12,059,313	1,003,209	9.1%
Police	4,162,136	8,696,413	8,515,823	(180,590)	-2.1%	9,043,654	347,241	4.0%
Public Safety Support	1,494,012	1,607,350	1,697,559	90,209	5.6%	1,867,695	260,345	16.2%
<b>Public Safety Total</b>	<b>\$12,349,989</b>	<b>\$21,359,867</b>	<b>\$21,894,379</b>	<b>\$534,512</b>	<b>2.5%</b>	<b>\$22,970,662</b>	<b>\$1,610,795</b>	<b>7.5%</b>
Streets/Drainage	1,016,337	1,305,334	1,219,983	(85,351)	-6.5%	1,449,925	144,591	11.1%
Public Works Admin	1,827,460	2,211,559	2,264,533	52,974	2.4%	2,578,747	367,188	16.6%
Facility Maintenance	1,798,419	1,784,255	1,794,602	10,347	0.6%	1,844,665	60,410	3.4%
Utility Billing	602,210	707,898	719,164	11,266	1.6%	738,361	30,463	4.3%
Water	14,723,613	15,139,616	14,903,582	(236,034)	-1.6%	15,533,392	393,776	2.6%
Wastewater	5,238,583	6,190,399	6,148,162	(42,237)	-0.7%	9,693,123	3,502,724	56.6%

# All Funds Summary - Revenues & Expenditures

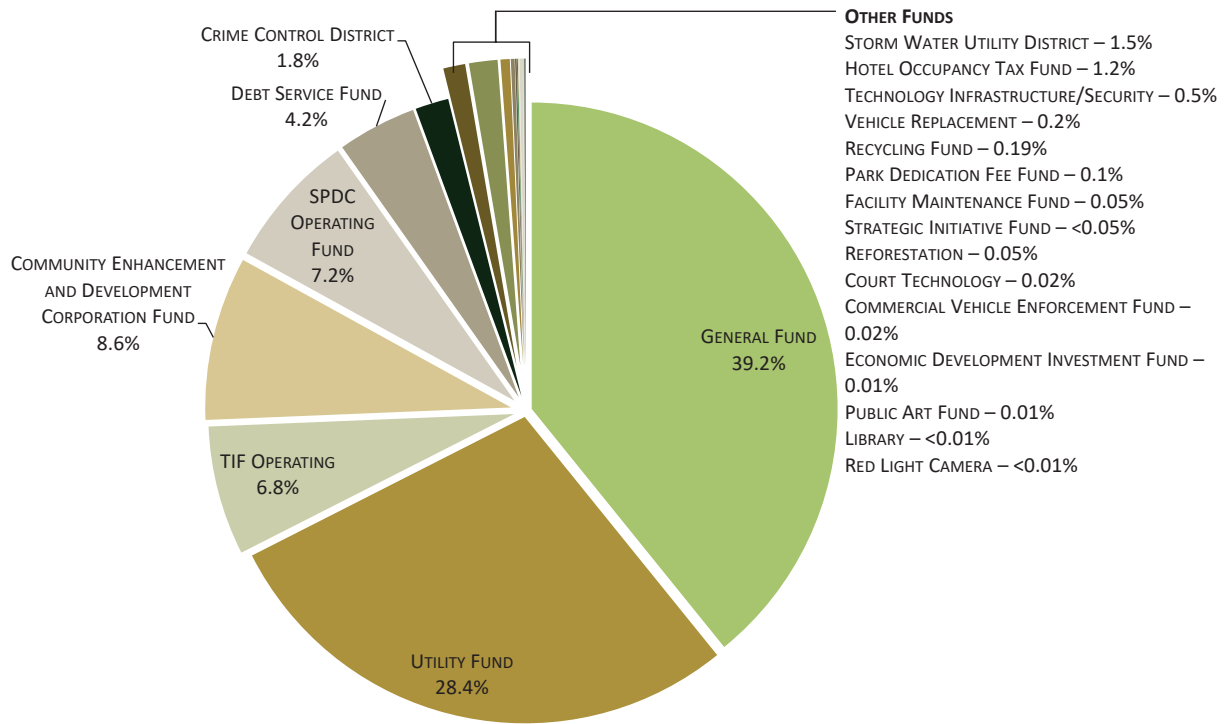
	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
Sanitation	1,982,235	2,082,000	2,100,000	18,000	0.9%	2,142,000	60,000	2.9%
<b>Public Works Total</b>	<b>\$27,188,857</b>	<b>\$29,421,061</b>	<b>\$29,150,026</b>	<b>(\$271,035)</b>	<b>-0.9%</b>	<b>\$33,980,213</b>	<b>\$4,559,152</b>	<b>15.5%</b>
Building Inspections	1,114,924	1,244,279	1,279,692	35,413	2.8%	1,374,054	129,775	10.4%
Planning	1,184,574	1,290,249	1,285,722	(4,527)	-0.4%	1,331,690	41,441	3.2%
<b>Planning and Dev Total</b>	<b>\$2,299,498</b>	<b>\$2,534,528</b>	<b>\$2,565,414</b>	<b>\$30,886</b>	<b>1.2%</b>	<b>\$2,705,744</b>	<b>\$171,216</b>	<b>6.8%</b>
Economic Development	300,349	361,748	361,748	0	0.0%	397,162	35,414	9.8%
<b>Economic Dev. Total</b>	<b>\$300,349</b>	<b>\$361,748</b>	<b>\$361,748</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$397,162</b>	<b>\$35,414</b>	<b>9.8%</b>
Community Services	1,263,050	1,453,072	1,458,031	4,959	0.3%	1,692,366	239,294	16.5%
Parks and Recreation	5,612,753	6,269,454	6,417,791	148,337	2.4%	7,603,063	1,333,609	21.3%
Library Services	925,516	1,104,363	1,144,726	40,363	3.7%	1,362,461	258,098	23.4%
<b>Community Svcs. Total</b>	<b>\$7,801,319</b>	<b>\$8,826,889</b>	<b>\$9,020,548</b>	<b>\$193,659</b>	<b>2.2%</b>	<b>\$10,657,890</b>	<b>1,831,001</b>	<b>20.7%</b>
TIF District	8,308,592	7,082,393	7,485,563	403,170	100.0%	7,219,629	137,236	1.9%
Crime Control District	2,228,412	2,566,884	2,551,198	(15,686)	-0.6%	2,217,238	(349,646)	-13.6%
Vehicle Replacement	580,170	4,957,000	3,057,000	(1,900,000)	-38.3%	5,496,401	539,401	10.9%
Court Security	45,898	78,580	78,580	(0)	0.0%	80,520	1,940	2.5%
Court Technology	8,539	59,500	59,500	0	0.0%	26,530	(32,970)	-55.4%
Stormwater Utility District	673,982	732,373	610,941	(121,432)	-16.6%	609,913	(122,460)	-16.7%
Strategic Initiative	182,408	1,468,688	1,468,688	0	0.0%	556,996	(911,692)	-62.1%
Hotel Occupancy Tax	762,949	965,493	965,493	0	0.0%	1,143,044	177,551	18.4%
Public Art	61,167	70,143	70,143	0	0.0%	77,546	7,403	10.6%
Red Light Camera	127,100	208,705	208,705	0	0.0%	126,205	(82,500)	-39.5%
Facility Maintenance	257,501	345,000	345,000	0	0.0%	761,296	416,296	120.7%



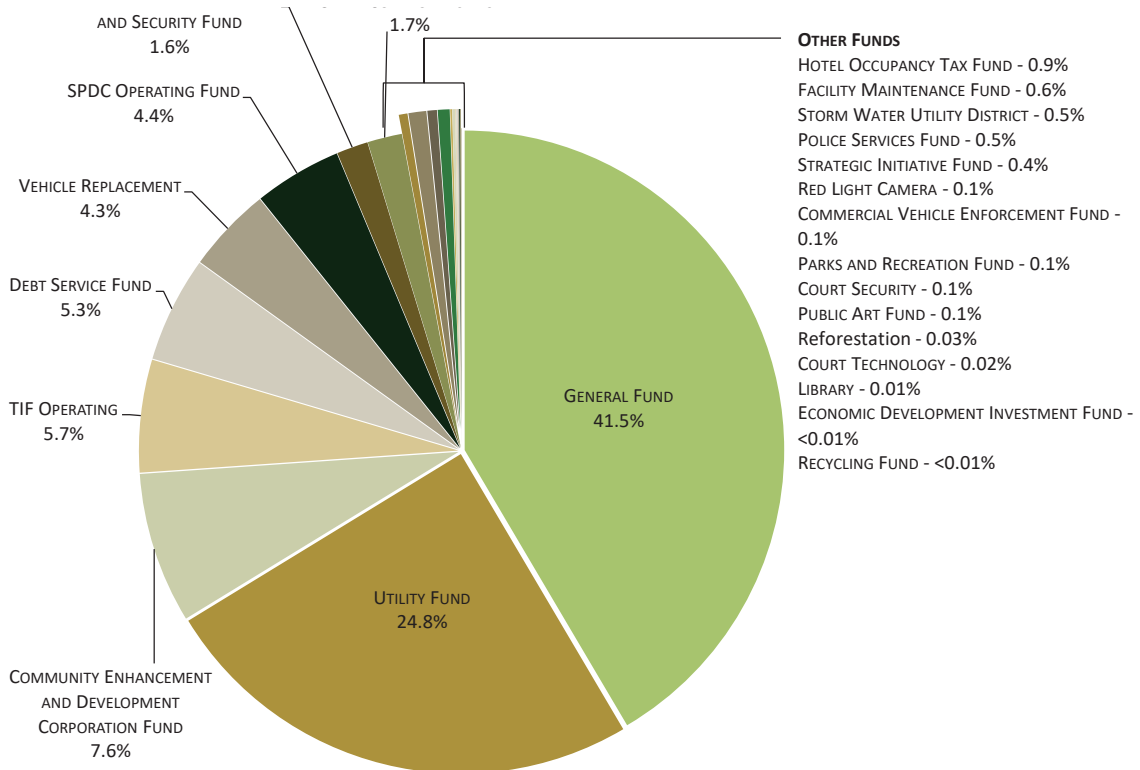
# All Funds Summary - Revenues & Expenditures

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
Commercial Vehicle Enforcement	49,316	157,095	167,385	10,290	6.6%	174,750	17,655	11.2%
Economic Investment	60,950	0	0	0	0.0%	0	0	0.0%
Community Enhancement Dev Corp	4,426,952	5,856,887	5,856,887	0	0.0%	7,228,361	1,371,474	23.4%
Debt Service	13,926,392	15,310,899	15,310,899	0	0.0%	15,285,575	(25,324)	-0.2%
<b>Total Expenditures</b>	<b>\$93,049,068</b>	<b>\$117,201,219</b>	<b>\$115,708,520</b>	<b>(\$1,492,699)</b>	<b>-1.3%</b>	<b>\$126,726,757</b>	<b>\$9,525,538</b>	<b>8.1%</b>
<b>Net Revenues</b>	<b>\$44,631,965</b>	<b>\$14,387,392</b>	<b>\$21,130,567</b>	<b>\$6,743,175</b>		<b>\$15,810,682</b>		
Bond/Insurance Proceeds	\$514,162	\$0	\$0	\$0		\$0	\$0	
Transfers In	\$36,751,900	\$17,716,553.00	\$23,421,145.52	\$5,704,593		\$16,294,538.83	(\$1,422,014)	
Transfers Out	(\$73,248,070)	(\$46,021,553)	(\$51,726,147)	(\$5,704,594)		(\$39,620,038)	\$6,401,514	
<b>Total Other Sources (Uses)</b>	<b>\$35,982,008</b>	<b>(\$28,305,000)</b>	<b>(\$28,305,001)</b>	<b>(\$1)</b>		<b>(\$23,325,500)</b>	<b>\$4,979,500</b>	
Net change in w/c components	\$0	\$0	\$0			\$0		
Beginning Fund Balance	\$127,336,447	\$135,986,404	\$135,986,404			\$128,811,969		
Prior Period Adjustment	\$0	\$0	\$0			\$0		
Residual Equity Transfer	\$0	\$0	\$0			\$0		
<b>Ending Fund Balance</b>	<b>\$135,986,404</b>	<b>\$122,068,796</b>	<b>\$128,811,969</b>			<b>\$121,297,152</b>		

## Where the Money Comes From (All Sources)



## Where the Money Goes (All funds)



## Total FY 2024 Projected Revenues & Expenditures by Fund

	General Fund	Utility Fund	Debt Service Fund	Special Revenue - Reforestation	Special Revenue - Park Dedication	Special Revenue - Parks / Recreation	Special Revenue - Library
Projected Revenues	\$55,826,936	\$40,426,600	\$5,957,343	\$7,500	\$120,000	\$70,800	\$4,300
Projected Expenditures	\$52,625,123	\$31,378,180	\$6,769,139	\$35,000	\$0	\$87,500	\$8,000
<b>Net Revenues</b>	<b>\$3,201,813</b>	<b>\$9,048,420</b>	<b>(\$811,796)</b>	<b>(\$27,500)</b>	<b>\$120,000</b>	<b>(\$16,700)</b>	<b>(\$3,700)</b>
Total Other Sources (Uses)	(\$2,682,760)	(\$9,617,064)	\$397,341	\$0	\$0	\$0	\$0
Estimated Fund Balance/ Working Capital 9/30/22	\$12,692,381	\$17,116,676	\$2,993,387	\$153,012	\$1,577,799	\$160,740	\$16,004
<b>Estimated Fund Balance/ Working Capital 9/30/23</b>	<b>\$13,211,435</b>	<b>\$16,548,032</b>	<b>\$2,578,932</b>	<b>\$125,512</b>	<b>\$1,697,799</b>	<b>\$144,040</b>	<b>\$12,304</b>

	TIF Operating Fund	Crime Control District Fund	Vehicle Replacement Fund	Storm Water District Fund	Strategic Initiative Fund	Facility Maintenance Fund
Projected Revenues	\$9,722,848	\$2,519,000	\$285,000	\$1,651,300	\$70,000	\$270,000
Projected Expenditures	\$7,219,629	\$2,217,238	\$5,496,401	\$609,913	\$556,996	\$761,296
<b>Net Revenues</b>	<b>\$2,503,219</b>	<b>\$301,762</b>	<b>(\$5,211,401)</b>	<b>\$1,041,387</b>	<b>(\$486,996)</b>	<b>(\$491,296)</b>
Total Other Sources (Uses)	\$0	(\$435,260)	\$1,500,000	(\$1,113,393)	(\$5,300,000)	\$500,000
Estimated Fund Balance/ Working Capital 9/30/22	\$9,182,451	\$4,341,049	\$10,643,357	\$2,046,980	\$8,105,197	\$11,499,326
<b>Estimated Fund Balance/ Working Capital 9/30/23</b>	<b>\$11,685,670</b>	<b>\$4,207,551</b>	<b>\$6,931,956</b>	<b>\$1,974,974</b>	<b>\$2,318,201</b>	<b>\$11,508,030</b>

## Total FY 2024 Projected Revenues & Expenditures by Fund

	Technology Infrastructure/ Security Fund	Economic Investment Fund	Commercial Vehicle Enforcement Fund	Hotel Occupancy Tax Fund	Court Security Fund	Court Technology Fund	Red Light Camera Fund
Projected Revenues	\$695,000	\$65,000	\$29,500	\$2,145,500	\$32,000	\$26,500	\$1,500
Projected Expenditures	\$2,018,103	\$0	\$174,750	\$1,143,044	\$80,520	\$26,530	\$126,205
<b>Net Revenues</b>	<b>(\$1,323,103)</b>	<b>\$65,000</b>	<b>(\$145,250)</b>	<b>\$1,002,456</b>	<b>(\$48,520)</b>	<b>(\$30)</b>	<b>(\$124,705)</b>
Total Other Sources (Uses)	\$500,000	\$150,000	\$100,000	(\$607,645)	\$0	\$0	\$0
Estimated Fund Balance/ Working Capital 9/30/22	\$6,855,924	\$3,175,995	\$187,815	\$2,856,802	\$394,749	\$280,880	\$131,085
<b>Estimated Fund Balance/ Working Capital 9/30/23</b>	<b>\$6,032,821</b>	<b>\$3,390,995</b>	<b>\$142,565</b>	<b>\$3,251,613</b>	<b>\$346,229</b>	<b>\$280,850</b>	<b>\$6,380</b>

	Public Art Fund	Police Services Fund	Recycling Fund	CEDC Fund	SPDC Fund	Total
Projected Revenues	\$9,000	\$1,200	\$8,000	\$12,319,788	\$10,272,824	\$142,537,439
Projected Expenditures	\$77,546	\$57,426	\$6,000	\$9,678,917	\$5,618,473	\$126,726,757
<b>Net Revenues</b>	<b>(\$68,546)</b>	<b>(\$56,226)</b>	<b>\$2,000</b>	<b>\$2,640,871</b>	<b>\$4,654,351</b>	<b>\$15,810,682</b>
Total Other Sources (Uses)	(\$78,175)	\$0	\$0	(\$730,392)	(\$5,908,153)	(\$23,325,500)
Estimated Fund Balance/ Working Capital 9/30/22	\$594,341	\$87,098	\$74,801	\$19,149,379	\$14,494,741	\$128,811,969
<b>Estimated Fund Balance/ Working Capital 9/30/23</b>	<b>\$447,620</b>	<b>\$30,872</b>	<b>\$76,801</b>	<b>\$21,059,859</b>	<b>\$13,240,939</b>	<b>\$121,297,152</b>

# General Fund Summary - Expenditures By Division/Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>City Secretary/Mayor/Council</b>						
Personnel	444,319	475,423	475,423	502,559	27,136	5.7%
Operations	142,796	150,617	160,509	165,019	14,402	9.6%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>587,115</b>	<b>626,040</b>	<b>635,932</b>	<b>667,578</b>	<b>41,538</b>	<b>6.6%</b>
<b>Human Resources</b>						
Personnel	680,905	768,643	781,851	838,671	70,028	9.1%
Operations	189,654	237,043	251,643	241,429	4,386	1.9%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>870,559</b>	<b>1,005,686</b>	<b>1,033,494</b>	<b>1,080,100</b>	<b>74,414</b>	<b>7.4%</b>
<b>City Manager's Office</b>						
Personnel	1,046,110	1,057,903	1,084,719	1,162,407	104,504	9.9%
Operations	39,127	44,733	44,733	45,173	(44,733)	-100.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,085,237</b>	<b>1,102,636</b>	<b>1,129,452</b>	<b>1,162,407</b>	<b>59,771</b>	<b>5.4%</b>
<b>Support Services</b>						
Personnel	508,588	753,665	684,329	968,100	214,435	28.5%
Operations	1,169,670	1,375,241	1,545,241	1,393,635	18,394	1.3%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,678,258</b>	<b>2,128,906</b>	<b>2,229,570</b>	<b>2,361,735</b>	<b>232,829</b>	<b>10.9%</b>
<b>Communications</b>						
Personnel	417,832	547,723	547,723	625,338	77,615	14.2%
Operations	95,541	136,102	136,102	166,335	30,233	22.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>513,373</b>	<b>683,825</b>	<b>683,825</b>	<b>791,673</b>	<b>107,848</b>	<b>15.8%</b>

# General Fund Summary - Expenditures By Division/Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Information Technology</b>						
Personnel	948,396	1,203,864	1,190,655	1,279,931	76,067	6.3%
Operations	1,923,573	2,198,553	2,198,553	2,410,970	212,417	9.7%
Capital Outlay	24,580	0	0	0	0	0.0%
<b>Total</b>	<b>2,896,549</b>	<b>3,402,417</b>	<b>3,389,208</b>	<b>3,690,901</b>	<b>288,484</b>	<b>8.5%</b>
<b>Finance</b>						
Personnel	1,234,104	1,551,172	1,462,436	1,707,215	156,043	10.1%
Operations	373,690	457,788	457,788	466,563	8,775	1.9%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,607,794</b>	<b>2,008,960</b>	<b>1,920,224</b>	<b>2,173,778</b>	<b>164,818</b>	<b>8.2%</b>
<b>Municipal Court</b>						
Personnel	653,580	746,537	723,622	774,924	28,387	3.8%
Operations	103,879	109,210	109,210	113,209	3,999	3.7%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>757,459</b>	<b>855,747</b>	<b>832,832</b>	<b>888,133</b>	<b>32,386</b>	<b>3.8%</b>
<b>Teen Court</b>						
Personnel	149,124	149,155	149,155	161,658	12,503	8.4%
Operations	12,425	14,731	14,731	15,015	284	1.9%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>161,549</b>	<b>163,886</b>	<b>163,886</b>	<b>176,673</b>	<b>12,787</b>	<b>7.8%</b>
<b>Fire Services</b>						
Personnel	5,852,447	10,218,671	10,713,938	11,100,088	881,417	8.6%
Operations	841,394	837,433	967,059	959,225	121,792	14.5%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>6,693,841</b>	<b>11,056,104</b>	<b>11,680,997</b>	<b>12,059,313</b>	<b>1,003,209</b>	<b>9.1%</b>



# General Fund Summary - Expenditures By Division/Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Police Services</b>						
Personnel	3,239,535	7,636,010	7,443,834	7,988,210	352,200	4.6%
Operations	917,243	974,342	985,928	998,018	23,676	2.4%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>4,156,778</b>	<b>8,610,352</b>	<b>8,429,762</b>	<b>8,986,228</b>	<b>375,876</b>	<b>4.4%</b>
<b>Public Safety Support</b>						
Personnel	0	0	0	0	0	0.0%
Operations	1,494,012	1,607,350	1,697,559	1,867,695	260,345	16.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,494,012</b>	<b>1,607,350</b>	<b>1,697,559</b>	<b>1,867,695</b>	<b>260,345</b>	<b>16.2%</b>
<b>Building Inspection</b>						
Personnel	1,037,588	1,117,039	1,152,452	1,243,964	126,925	11.4%
Operations	77,336	127,240	127,240	130,090	2,850	2.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,114,924</b>	<b>1,244,279</b>	<b>1,279,692</b>	<b>1,374,054</b>	<b>129,775</b>	<b>10.4%</b>
<b>Streets/Drainage</b>						
Personnel	498,606	757,357	651,345	878,016	120,659	15.9%
Operations	507,555	547,977	568,638	558,409	10,432	1.9%
Capital Outlay	10,176	0	0	13,500	13,500	134999900.0%
<b>Total</b>	<b>1,016,337</b>	<b>1,305,334</b>	<b>1,219,983</b>	<b>1,449,925</b>	<b>144,591</b>	<b>11.1%</b>
<b>Facility Maintenance</b>						
Personnel	485,998	554,295	564,642	590,313	36,018	6.5%
Operations	1,312,421	1,229,960	1,229,960	1,254,352	24,392	2.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,798,419</b>	<b>1,784,255</b>	<b>1,794,602</b>	<b>1,844,665</b>	<b>60,410</b>	<b>3.4%</b>

# General Fund Summary - Expenditures By Division/Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Public Works Administration</b>						
Personnel	1,157,430	1,545,387	1,558,964	1,799,863	254,476	16.5%
Operations	670,030	666,172	705,569	778,884	112,712	16.9%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,827,460</b>	<b>2,211,559</b>	<b>2,264,533</b>	<b>2,578,747</b>	<b>367,188</b>	<b>16.6%</b>
<b>Planning</b>						
Personnel	1,136,053	1,234,369	1,229,842	1,274,020	39,651	3.2%
Operations	48,521	55,880	55,880	57,670	1,790	3.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,184,574</b>	<b>1,290,249</b>	<b>1,285,722</b>	<b>1,331,690</b>	<b>41,441</b>	<b>3.2%</b>
<b>Economic Development</b>						
Personnel	240,343	287,656	287,656	321,800	34,144	11.9%
Operations	60,006	74,092	74,092	75,362	1,270	1.7%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>300,349</b>	<b>361,748</b>	<b>361,748</b>	<b>397,162</b>	<b>35,414</b>	<b>9.8%</b>
<b>Community Services</b>						
Personnel	958,336	999,947	1,010,856	1,206,563	206,616	20.7%
Operations	304,714	453,125	447,175	485,803	32,678	7.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,263,050</b>	<b>1,453,072</b>	<b>1,458,031</b>	<b>1,692,366</b>	<b>239,294</b>	<b>16.5%</b>
<b>Parks and Recreation</b>						
Personnel	2,302,353	2,610,312	2,661,437	2,890,892	280,580	10.7%
Operations	1,553,321	1,657,291	1,657,084	1,759,774	102,483	6.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>3,855,674</b>	<b>4,267,603</b>	<b>4,318,521</b>	<b>4,650,666</b>	<b>383,063</b>	<b>9.0%</b>

## General Fund Summary - Expenditures By Division/Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Library Services</b>						
Personnel	668,925	816,799	857,162	890,075	73,276	9.0%
Operations	248,615	279,564	279,564	464,386	184,822	66.1%
Capital Outlay	0	0	0	0	0	0.0%
Total	917,540	1,096,363	1,136,726	1,354,461	258,098	23.5%
<b>TOTAL GENERAL FUND</b>	<b>35,780,851</b>	<b>48,266,371</b>	<b>48,946,299</b>	<b>52,625,123</b>	<b>4,358,752</b>	<b>9.0%</b>



## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>UTILITY FUND</b>						
<b>Utility Billing</b>						
Personnel	494,855	538,602	550,268	565,385	26,783	5.0%
Operations	83,503	163,696	163,296	166,976	3,280	2.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>578,358</b>	<b>702,298</b>	<b>713,564</b>	<b>732,361</b>	<b>30,063</b>	<b>4.3%</b>
<b>Water Utilities</b>						
Personnel	1,700,528	1,961,825	1,725,694	2,060,849	99,024	5.0%
Operations	13,012,909	13,177,791	13,177,888	13,472,543	294,752	2.2%
Capital Outlay	10,176	0	0	0	0	0.0%
<b>Total</b>	<b>14,723,613</b>	<b>15,139,616</b>	<b>14,903,582</b>	<b>15,533,392</b>	<b>393,776</b>	<b>2.6%</b>
<b>Wastewater Utilities</b>						
Personnel	504,129	585,756	543,519	598,124	12,368	2.1%
Operations	4,723,576	5,494,643	5,604,643	9,094,999	3,600,356	65.5%
Capital Outlay	10,878	110,000	0	0	(110,000)	-100.0%
<b>Total</b>	<b>5,238,583</b>	<b>6,190,399</b>	<b>6,148,162</b>	<b>9,693,123</b>	<b>3,502,724</b>	<b>56.6%</b>
<b>Sanitation</b>						
Operations	1,982,235	2,082,000	2,100,000	2,142,000	60,000	2.9%
<b>Total</b>	<b>1,982,235</b>	<b>2,082,000</b>	<b>2,100,000</b>	<b>2,142,000</b>	<b>60,000</b>	<b>2.9%</b>
<b>Non-Departmentalized</b>						
Debt Service	3,325,032	3,322,878	3,322,878	3,277,304	(45,574)	-1.4%
<b>Total</b>	<b>3,325,032</b>	<b>3,322,878</b>	<b>3,322,878</b>	<b>3,277,304</b>	<b>(45,574)</b>	<b>-1.4%</b>
<b>TOTAL UTILITY FUND</b>	<b>25,847,821</b>	<b>27,437,191</b>	<b>27,188,186</b>	<b>31,378,180</b>	<b>3,940,989</b>	<b>14.4%</b>

## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>STORM WATER DISTRICT</b>						
Personnel	340,127	398,067	276,635	271,928	(126,139)	-31.7%
Operations	333,855	334,306	334,306	337,985	3,679	1.1%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>673,982</b>	<b>732,373</b>	<b>610,941</b>	<b>609,913</b>	<b>(122,460)</b>	<b>-16.7%</b>
<b>DEBT SERVICE FUND</b>						
Principal	4,675,306	5,795,832	5,795,832	5,656,358	(139,474)	-2.4%
Interest	651,326	935,100	935,100	1,093,281	158,181	16.9%
Administrative Expenses	25,084	19,500	19,500	19,500	0	0.0%
<b>Total</b>	<b>5,351,716</b>	<b>6,750,432</b>	<b>6,750,432</b>	<b>6,769,139</b>	<b>18,707</b>	<b>0.3%</b>
<b>SPECIAL REVENUE - REFORESTATION FUND</b>						
Operations	0	0	0	35,000	35,000	349999900.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>174999950.0%</b>
<b>FACILITY MAINTENANCE</b>						
Operations	257,501	0	0	0	0	0.0%
Capital Outlay	0	345,000	345,000	761,296	416,296	120.7%
<b>Total</b>	<b>257,501</b>	<b>345,000</b>	<b>345,000</b>	<b>761,296</b>	<b>416,296</b>	<b>120.7%</b>
<b>SPECIAL REVENUE - PARK DEDICATION FUND</b>						
Operations	0	0	0	0	0	0.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>



## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>SPECIAL REVENUE - PARK AND RECREATION</b>						
Operations	36,880	82,500	72,500	87,500	5,000	6.1%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>36,880</b>	<b>82,500</b>	<b>72,500</b>	<b>87,500</b>	<b>5,000</b>	<b>6.1%</b>
<b>SPECIAL REVENUE - LIBRARY DONATION FUND</b>						
Operations	7,976	8,000	8,000	8,000	0	0.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>7,976</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>0</b>	<b>0.0%</b>
<b>TIF FUND</b>						
Personnel	365,816	366,754	366,754	378,694	11,940	3.3%
Operations	6,527,776	6,715,639	7,118,809	6,840,935	125,296	1.9%
Capital Outlay	1,415,000	-	-	-	-	-
<b>Total</b>	<b>8,308,592</b>	<b>7,082,393</b>	<b>7,485,563</b>	<b>7,219,629</b>	<b>137,236</b>	<b>1.9%</b>
<b>CRIME CONTROL DISTRICT FUND</b>						
Personnel	1,180,906	1,695,219	1,701,228	1,945,137	249,918	14.7%
Operations	701,122	557,291	784,970	272,101	(285,190)	-51.2%
Capital Outlay	346,384	314,374	65,000	0	(314,374)	-100.0%
<b>Total</b>	<b>2,228,412</b>	<b>2,566,884</b>	<b>2,551,198</b>	<b>2,217,238</b>	<b>(349,646)</b>	<b>-13.6%</b>
<b>SPDC FUND</b>						
Personnel	299,035	262,726	296,526	629,827	367,101	139.7%
Operations & Maintenance	1,358,760	1,428,425	1,413,300	1,727,570	299,145	20.9%
Capital Outlay	62,404	228,200	316,944	472,500	244,300	107.1%
Debt Service	2,801,588	2,790,383	2,790,383	2,788,576	(1,807)	-0.1%
<b>Total</b>	<b>4,521,787</b>	<b>4,709,734</b>	<b>4,817,153</b>	<b>5,618,473</b>	<b>908,739</b>	<b>19.3%</b>

## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>STRATEGIC INITIATIVE FUND</b>						
Capital Outlay	182,408	1,468,688	1,468,688	556,996	(911,692)	-62.1%
<b>Total</b>	<b>182,408</b>	<b>1,468,688</b>	<b>1,468,688</b>	<b>556,996</b>	<b>(911,692)</b>	<b>-62.1%</b>
<b>VEHICLE REPLACEMENT</b>						
Capital	580,170	4,957,000	3,057,000	5,496,401	539,401	10.9%
<b>Total</b>	<b>580,170</b>	<b>4,957,000</b>	<b>3,057,000</b>	<b>5,496,401</b>	<b>539,401</b>	<b>10.9%</b>
<b>HOTEL OCCUPANCY FUND</b>						
Personnel	242,638	291,151	291,151	303,542	12,391	4.3%
Operations	520,311	674,342	674,342	839,502	165,160	24.5%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>762,949</b>	<b>965,493</b>	<b>965,493</b>	<b>1,143,044</b>	<b>177,551</b>	<b>18.4%</b>
<b>COURT SECURITY FUND</b>						
Personnel	27,387	59,810	59,810	64,750	4,940	8.3%
Operations	18,511	18,770	18,770	15,770	(3,000)	-16.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>45,898</b>	<b>78,580</b>	<b>78,580</b>	<b>80,520</b>	<b>1,940</b>	<b>2.5%</b>
<b>COURT TECHNOLOGY FUND</b>						
Operations	8,539	10,000	10,000	26,530	16,530	165.3%
Capital Outlay	0	49,500	49,500	0	(49,500)	-100.0%
<b>Total</b>	<b>8,539</b>	<b>59,500</b>	<b>59,500</b>	<b>26,530</b>	<b>(32,970)</b>	<b>-55.4%</b>
<b>RECYCLING FUND</b>						
Operations	23,852	5,600	5,600	6,000	400	7.1%
<b>Total</b>	<b>23,852</b>	<b>5,600</b>	<b>5,600</b>	<b>6,000</b>	<b>400</b>	<b>7.1%</b>

## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>RED LIGHT CAMERA FUND</b>						
Personnel	0	0	0	0	0	0.0%
Operations	127,100	208,705	208,705	126,205	(82,500)	-39.5%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>127,100</b>	<b>208,705</b>	<b>208,705</b>	<b>126,205</b>	<b>(82,500)</b>	<b>-39.5%</b>
<b>PUBLIC ART FUND</b>						
Operations	61,167	70,143	70,143	77,546	7,403	10.6%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>61,167</b>	<b>70,143</b>	<b>70,143</b>	<b>77,546</b>	<b>7,403</b>	<b>10.6%</b>
<b>COMMERCIAL VEHICLE ENFORCEMENT</b>						
Personnel	40,631	143,767	152,602	161,151	17,384	12.1%
Operations	8,685	13,328	14,783	13,599	271	2.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>49,316</b>	<b>157,095</b>	<b>167,385</b>	<b>174,750</b>	<b>17,655</b>	<b>11.2%</b>
<b>CEDC FUND</b>						
Personnel	2,405,397	3,156,239	3,110,186	3,299,698	143,459	4.5%
Operations & Maintenance	1,887,959	2,285,935	2,331,988	2,520,354	234,419	10.3%
Capital Outlay	0	0	0	0	0	0.0%
Debt Service	2,448,056	2,447,206	2,447,206	2,450,556	3,350	0.1%
<b>Total</b>	<b>6,741,412</b>	<b>7,889,380</b>	<b>7,889,380</b>	<b>8,270,608</b>	<b>381,228</b>	<b>4.8%</b>
<b>CEDC REPLACEMENT</b>						
Capital	133,596	414,713	414,713	1,408,309	993,596	239.6%
<b>Total</b>	<b>133,596</b>	<b>414,713</b>	<b>414,713</b>	<b>1,408,309</b>	<b>993,596</b>	<b>239.6%</b>

## All Funds Summary (Other Funds) - Expenditures by Fund / Division / Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>ECONOMIC INVESTMENT FUND</b>						
Operations	60,950	0	0	0	0	0.0%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>60,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>SPECIAL REVENUE - POLICE SERVICES</b>						
Operations	5,358	86,061	86,061	57,426	(28,635)	-33.3%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>5,358</b>	<b>86,061</b>	<b>86,061</b>	<b>57,426</b>	<b>(28,635)</b>	<b>-33.3%</b>
<b>TECHNOLOGY INFRASTRUCTURE AND SECURITY FUND</b>						
Operations	549,204	1,997,383	1,600,000	804,812	(1,192,571)	-59.7%
Capital	701,631	862,000	862,000	1,213,291	351,291	40.8%
<b>Total</b>	<b>1,250,835</b>	<b>2,859,383</b>	<b>2,462,000</b>	<b>2,018,103</b>	<b>(841,280)</b>	<b>-29.4%</b>
<b>GRAND TOTAL - ALL FUNDS</b>	<b>93,049,068</b>	<b>117,201,219</b>	<b>115,708,520</b>	<b>126,726,757</b>	<b>9,525,538</b>	<b>8.1%</b>

## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>General Fund</b>						
Personnel	23,660,572	35,031,927	35,232,041	38,204,607	3,172,680	9.1%
Operations	12,085,523	13,234,444	13,714,258	14,407,016	1,172,572	8.9%
Capital Outlay	34,756	0	0	13,500	13,500	6428566.7%
<b>Total</b>	<b>35,780,851</b>	<b>48,266,371</b>	<b>48,946,299</b>	<b>52,579,950</b>	<b>4,313,579</b>	<b>8.9%</b>
<b>Utility Fund</b>						
Personnel	2,699,512	3,086,183	2,819,481	3,224,358	138,175	4.5%
Operations	19,802,223	20,918,130	21,045,827	24,876,518	3,958,388	18.9%
Capital Outlay	21,054	110,000	0	0	(110,000)	-100.0%
Debt Service	3,325,032	3,322,878	3,322,878	3,277,304	(45,574)	-1.4%
<b>Total</b>	<b>25,847,821</b>	<b>27,437,191</b>	<b>27,188,186</b>	<b>31,378,180</b>	<b>3,940,989</b>	<b>14.4%</b>
<b>Stormwater District</b>						
Personnel	340,127	398,067	276,635	271,928	(126,139)	-31.7%
Operations	333,855	334,306	334,306	337,985	3,679	1.1%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>673,982</b>	<b>732,373</b>	<b>610,941</b>	<b>609,913</b>	<b>(122,460)</b>	<b>-16.7%</b>
<b>Debt Service Fund</b>						
Debt Service	5,351,716	6,750,432	6,750,432	6,769,139	18,707	0.3%
<b>Total</b>	<b>5,351,716</b>	<b>6,750,432</b>	<b>6,750,432</b>	<b>6,769,139</b>	<b>18,707</b>	<b>0.3%</b>
<b>Special Revenue - Reforestation Fund</b>						
Operations	0	0	0	35,000	35,000	349999900.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>174999950.0%</b>

## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Facility Maintenance</b>						
Operations	257,501	0	0	0	0	0.0%
Capital Outlay	0	345,000	345,000	761,296	416,296	120.7%
<b>Total</b>	<b>257,501</b>	<b>345,000</b>	<b>345,000</b>	<b>761,296</b>	<b>416,296</b>	<b>120.7%</b>
<b>Special Revenue - Park Dedication</b>						
Operations	0	0	0	0	0	0.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Special Revenue - Parks and Recreation</b>						
Operations	36,880	82,500	72,500	87,500	5,000	6.1%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>36,880</b>	<b>82,500</b>	<b>72,500</b>	<b>87,500</b>	<b>5,000</b>	<b>6.1%</b>
<b>Special Revenue - Library Donation Fund</b>						
Operations	7,976	8,000	8,000	8,000	0	0.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>7,976</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>0</b>	<b>0.0%</b>
<b>TIF Fund</b>						
Personnel	365,816	366,754	366,754	378,694	11,940	3.3%
Operations	6,527,776	6,715,639	7,118,809	6,840,935	125,296	1.9%
Capital Outlay	1,415,000	0	0	0	0	0
<b>Total</b>	<b>8,308,592</b>	<b>7,082,393</b>	<b>7,485,563</b>	<b>7,219,629</b>	<b>137,236</b>	<b>1.9%</b>
<b>Crime Control District Fund</b>						
Personnel	1,180,906	1,695,219	1,701,228	1,945,137	249,918	14.7%
Operations	701,122	557,291	784,970	272,101	(285,190)	-51.2%
Capital Outlay	346,384	314,374	65,000	0	(314,374)	100.0%
<b>Total</b>	<b>2,228,412</b>	<b>2,566,884</b>	<b>2,551,198</b>	<b>2,217,238</b>	<b>(349,646)</b>	<b>-13.6%</b>



## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>SPDC Fund</b>						
Personnel	299,035	262,726	296,526	629,827	367,101	139.7%
Operations	1,358,760	1,428,425	1,413,300	1,727,570	299,145	20.9%
Capital Outlay	62,404	228,200	316,944	472,500	244,300	107.1%
Debt Service	2,801,588	2,790,383	2,790,383	2,788,576	(1,807)	-0.1%
<b>Total</b>	<b>4,521,787</b>	<b>4,709,734</b>	<b>4,817,153</b>	<b>5,618,473</b>	<b>908,739</b>	<b>19.3%</b>
<b>Strategic Initiative Fund</b>						
Capital Outlay	182,408	1,468,688	1,468,688	556,996	(911,692)	-62.1%
<b>Total</b>	<b>182,408</b>	<b>1,468,688</b>	<b>1,468,688</b>	<b>556,996</b>	<b>(911,692)</b>	<b>-62.1%</b>
<b>Vehicle Replacement</b>						
Capital Outlay	580,170	4,957,000	3,057,000	5,496,401	539,401	10.9%
<b>Total</b>	<b>580,170</b>	<b>4,957,000</b>	<b>3,057,000</b>	<b>5,496,401</b>	<b>539,401</b>	<b>10.9%</b>
<b>Hotel Occupancy Fund</b>						
Personnel	242,638	291,151	291,151	303,542	12,391	4.3%
Operations	520,311	674,342	674,342	839,502	165,160	24.5%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>762,949</b>	<b>965,493</b>	<b>965,493</b>	<b>1,143,044</b>	<b>177,551</b>	<b>18.4%</b>
<b>Court Security Fund</b>						
Personnel	27,387	59,810	59,810	64,750	4,940	8.3%
Operations	18,511	18,770	18,770	15,770	(3,000)	-16.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>45,898</b>	<b>78,580</b>	<b>78,580</b>	<b>80,520</b>	<b>1,940</b>	<b>2.5%</b>

## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Court Technology Fund</b>						
Operations	8,539	10,000	10,000	26,530	16,530	165.3%
Capital Outlay	0	49,500	49,500	0	(49,500)	-100.0%
<b>Total</b>	<b>8,539</b>	<b>59,500</b>	<b>59,500</b>	<b>26,530</b>	<b>(32,970)</b>	<b>-55.4%</b>
<b>Recycling Fund</b>						
Operations	23,852	5,600	5,600	6,000	400	7.1%
<b>Total</b>	<b>23,852</b>	<b>5,600</b>	<b>5,600</b>	<b>6,000</b>	<b>400</b>	<b>7.1%</b>
<b>Red Light Camera Fund</b>						
Personnel	0	0	0	0	0	0.0%
Operations	127,100	208,705	208,705	126,205	(82,500)	-39.5%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>127,100</b>	<b>208,705</b>	<b>208,705</b>	<b>126,205</b>	<b>(82,500)</b>	<b>-39.5%</b>
<b>Public Art Fund</b>						
Operations	61,167	70,143	70,143	77,546	7,403	10.6%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>61,167</b>	<b>70,143</b>	<b>70,143</b>	<b>77,546</b>	<b>7,403</b>	<b>10.6%</b>
<b>Commercial Vehicle Enforcement Fund</b>						
Personnel	40,631	143,767	152,602	161,151	17,384	12.1%
Operations	8,685	13,328	14,783	13,599	271	2.0%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>49,316</b>	<b>157,095</b>	<b>167,385</b>	<b>174,750</b>	<b>17,655</b>	<b>11.2%</b>

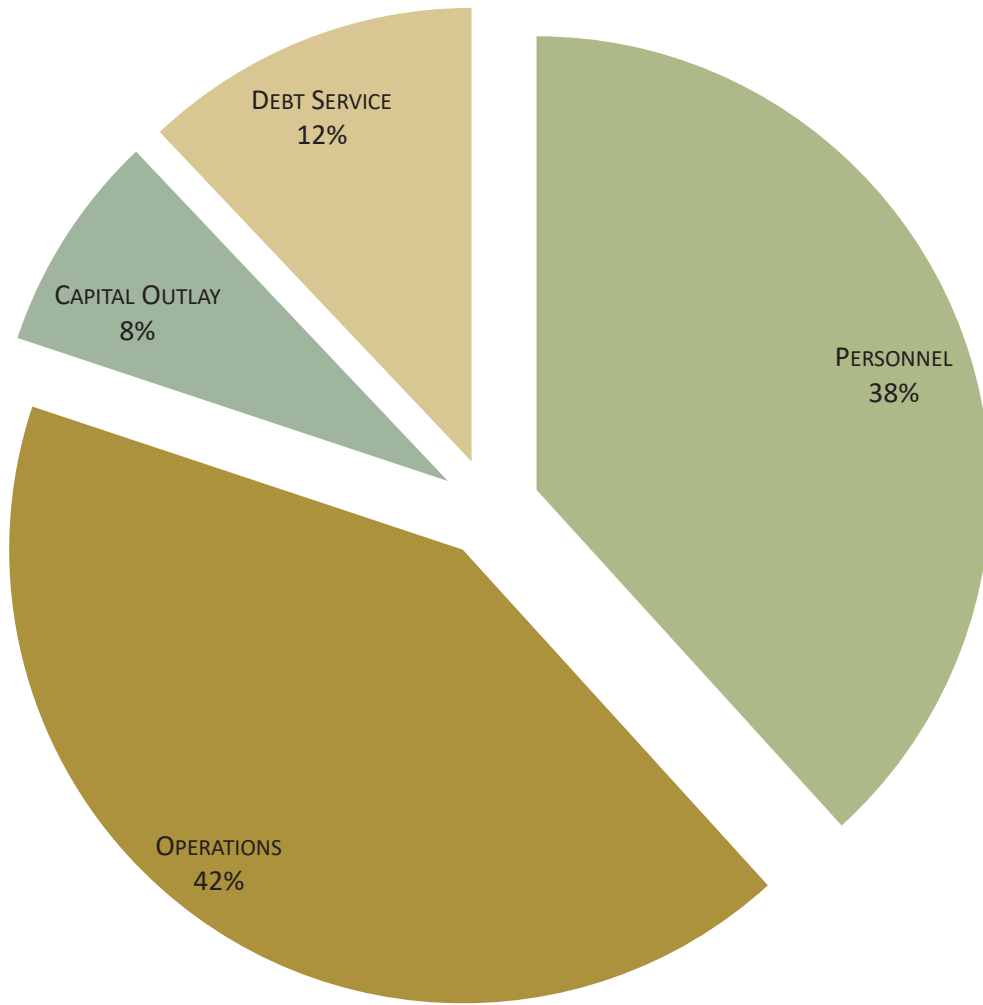
## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Community Enhancement and Development Corporation (CEDC)</b>						
Personnel	2,405,397	3,156,239	3,110,186	3,299,698	143,459	4.5%
Operations	1,887,959	2,285,935	2,331,988	2,520,354	234,419	10.3%
Capital Outlay	0	0	0	0	0	0.0%
Debt Service	2,448,056	2,447,206	2,447,206	2,450,556	3,350	0.1%
<b>Total</b>	<b>6,741,412</b>	<b>7,889,380</b>	<b>7,889,380</b>	<b>8,270,608</b>	<b>381,228</b>	<b>4.8%</b>
<b>CEDC Replacement</b>						
Capital	133,596	414,713	414,713	1,408,309	993,596	239.6%
<b>Total</b>	<b>133,596</b>	<b>414,713</b>	<b>414,713</b>	<b>1,408,309</b>	<b>993,596</b>	<b>239.6%</b>
<b>Economic Investment Fund</b>						
Operations	60,950	0	0	0	0	0.0%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>60,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Special Revenue - Police Services</b>						
Operations	5,358	86,061	86,061	57,426	(28,635)	-33.3%
Capital	0	0	0	0	0	0.0%
<b>Total</b>	<b>5,358</b>	<b>86,061</b>	<b>86,061</b>	<b>57,426</b>	<b>(28,635)</b>	<b>-33.3%</b>
<b>Technology Infrastructure and Security Fund</b>						
Operations	549,204	1,997,383	1,600,000	804,812	(1,192,571)	-59.7%
Capital	701,631	862,000	862,000	1,213,291	351,291	40.8%
<b>Total</b>	<b>1,250,835</b>	<b>2,859,383</b>	<b>2,462,000</b>	<b>2,018,103</b>	<b>(841,280)</b>	<b>-29.4%</b>

## All Funds Summary - Expenditures by Fund/Category

	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>GRAND TOTAL ALL FUNDS</b>	<b>93,049,068</b>	<b>117,201,219</b>	<b>115,708,520</b>	<b>126,726,757</b>	<b>9,525,538</b>	<b>8.1%</b>
EXPENDITURE CATEGORY						
Personnel	31,262,021	44,491,843	44,306,414	48,483,692	3,991,849	9.0%
Operations	44,383,252	48,649,002	49,512,362	53,035,196	4,386,194	9.0%
Capital Outlay	3,477,403	8,749,475	6,578,845	9,922,293	1,172,818	13.4%
Debt Service	13,926,392	15,310,899	15,310,899	15,285,575	(25,324)	-0.2%
<b>GRAND TOTAL ALL FUNDS</b>	<b>93,049,068</b>	<b>117,201,219</b>	<b>115,708,520</b>	<b>126,771,930</b>	<b>9,525,538</b>	<b>8.1%</b>

# All Funds - FY 2024 Adopted Total Expenditures by Category



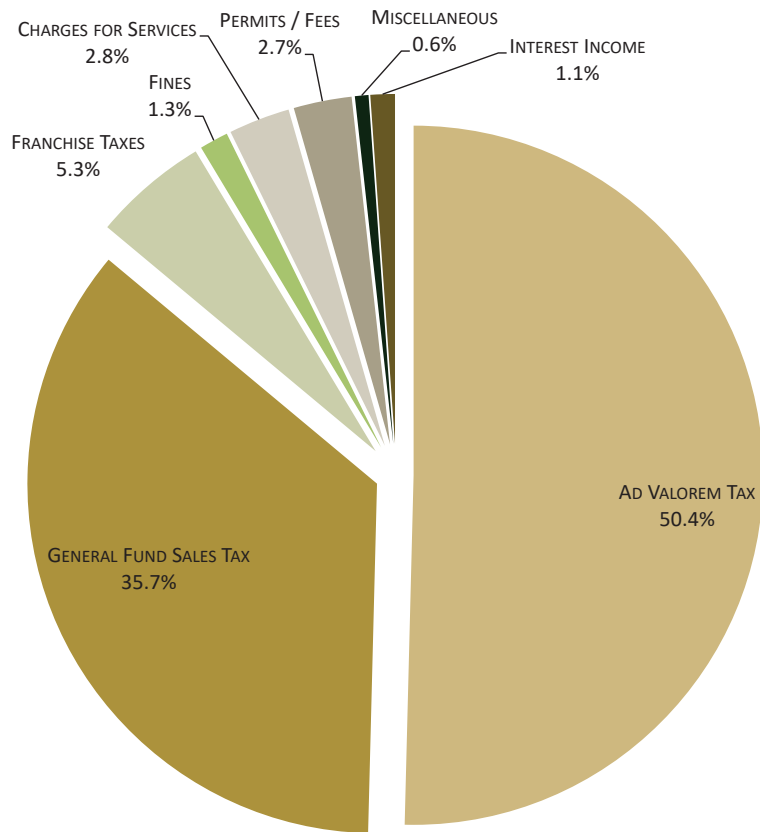




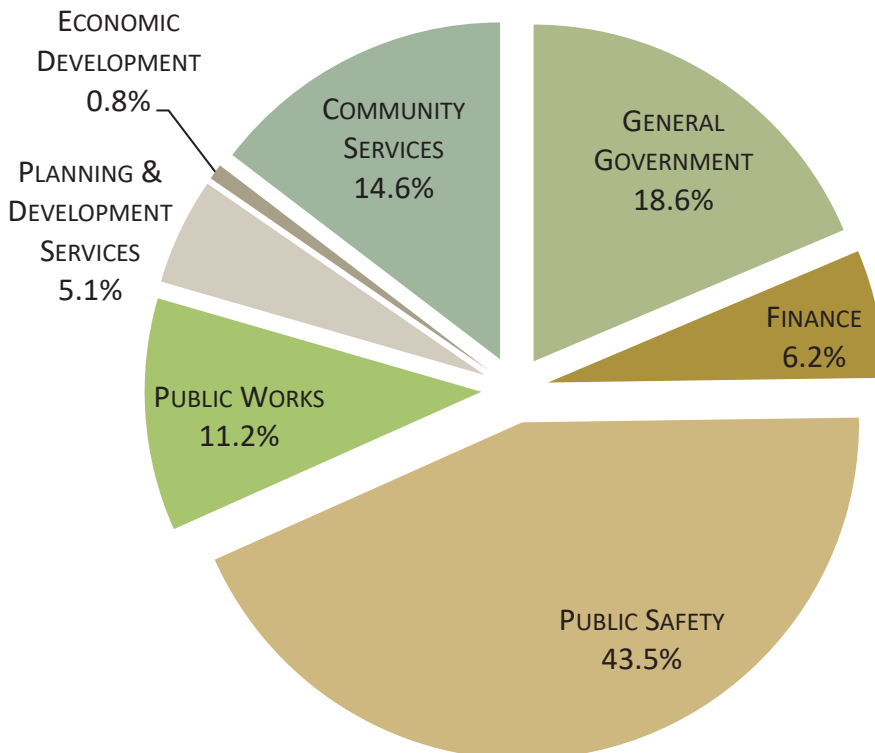
GENERAL  
**FUND**  
EXPENDITURES



## Where the Money Comes From (General Fund)



## Where the Money Goes (General Fund)



# General Fund

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
Ad Valorem Taxes	\$26,713,569	\$26,990,927	\$26,915,642	(\$75,285)	-0.3%	\$28,140,607	\$1,149,680	4.3%
Sales Tax	21,047,369	19,908,000	19,908,000	0	0.0%	19,908,000	0	0.0%
Franchise Taxes	2,988,874	2,969,000	2,993,190	24,190	0.8%	2,973,106	4,106	0.1%
Fines	912,300	897,700	743,000	(154,700)	-17.2%	743,500	(154,200)	-17.2%
Charges for Services	1,391,089	1,307,567	1,477,035	169,468	13.0%	1,582,723	275,156	21.0%
Permits/Fees	2,864,340	1,512,100	1,668,200	156,100	10.3%	1,499,100	(13,000)	-0.9%
Miscellaneous	889,679	349,900	659,096	309,196	88.4%	349,900	0	0.0%
Interest Income	(97,931)	18,900	600,000	581,100	3074.6%	630,000	611,100	3233.3%
<b>Total Revenues</b>	<b>\$56,709,289</b>	<b>\$53,954,094</b>	<b>\$54,964,163</b>	<b>\$1,010,069</b>	<b>1.9%</b>	<b>\$55,826,936</b>	<b>\$1,872,842</b>	<b>3.5%</b>
<b>EXPENDITURES</b>								
City Secretary	\$587,115	\$626,040	\$635,932	\$9,892	1.6%	\$667,578	\$41,538	6.6%
Human Resources	870,559	1,005,686	\$1,033,494	27,808	2.8%	1,080,100	74,414	7.4%
City Manager	1,085,237	1,102,636	1,129,452	26,816	2.4%	1,207,580	104,944	9.5%
Information Technology	2,896,549	3,402,417	3,389,208	(13,209)	-0.4%	3,690,901	288,484	8.5%
Communications	513,373	683,825	683,825	0	0.0%	791,673	107,848	15.8%
Support Services	1,678,258	2,128,906	2,229,570	100,664	4.7%	2,361,735	232,829	10.9%
<b>General Gov. Total</b>	<b>\$7,631,091</b>	<b>\$8,949,510</b>	<b>\$9,101,481</b>	<b>\$151,971</b>	<b>1.7%</b>	<b>\$9,799,567</b>	<b>\$850,057</b>	<b>9.5%</b>

## General Fund

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
Finance	1,607,794	2,008,960	1,920,224	(88,736)	-4.4%	2,173,778	164,818	8.2%
Municipal Court	757,459	855,747	832,832	(22,915)	-2.7%	888,133	32,386	3.8%
Teen Court	161,549	163,886	163,886	(0)	0.0%	176,673	12,787	7.8%
<b>Finance Total</b>	<b>\$2,526,802</b>	<b>\$3,028,593</b>	<b>\$2,916,942</b>	<b>(\$111,651)</b>	<b>-3.7%</b>	<b>\$3,238,584</b>	<b>\$209,991</b>	<b>6.9%</b>
Fire	6,693,841	11,056,104	11,680,997	624,893	5.7%	12,059,313	1,003,209	9.1%
Police	4,156,778	8,610,352	8,429,762	(180,590)	-2.1%	8,986,228	375,876	4.4%
Public Safety Support	1,494,012	1,607,350	1,697,559	90,209	5.6%	1,867,695	260,345	16.2%
<b>Public Safety Total</b>	<b>\$12,344,631</b>	<b>\$21,273,806</b>	<b>\$21,808,318</b>	<b>\$534,512</b>	<b>2.5%</b>	<b>\$22,913,236</b>	<b>\$1,639,430</b>	<b>7.7%</b>
Streets/Drainage	1,016,337	1,305,334	1,219,983	(85,351)	-6.5%	1,449,925	144,591	11.1%
Facility Maintenance	1,798,419	1,784,255	1,794,602	10,347	0.6%	1,844,665	60,410	3.4%
Public Works Admin	1,827,460	2,211,559	2,264,533	52,974	2.4%	2,578,747	367,188	16.6%
<b>Public Works Total</b>	<b>\$4,642,216</b>	<b>\$5,301,148</b>	<b>\$5,279,118</b>	<b>(\$22,030)</b>	<b>-0.4%</b>	<b>\$5,873,337</b>	<b>\$572,189</b>	<b>10.8%</b>
Building Inspections	1,114,924	1,244,279	1,279,692	35,413	2.8%	1,374,054	129,775	10.4%
Planning	1,184,574	1,290,249	1,285,722	(4,527)	-0.4%	1,331,690	41,441	3.2%
<b>Planning and Dev Total</b>	<b>\$2,299,498</b>	<b>\$2,534,528</b>	<b>\$2,565,414</b>	<b>\$30,886</b>	<b>1.2%</b>	<b>\$2,705,744</b>	<b>\$171,216</b>	<b>6.8%</b>
Economic Development	300,349	361,748	361,748	0	0.0%	397,162	35,414	9.8%
<b>Economic Dev. Total</b>	<b>\$300,349</b>	<b>\$361,748</b>	<b>\$361,748</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$397,162</b>	<b>\$35,414</b>	<b>9.8%</b>

## General Fund

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase / (Decrease) Adopted	% Increase/-Decrease	2024 Adopted	\$ Increase / (Decrease)	% Increase/-Decrease
Community Services	1,263,050	1,453,072	1,458,031	4,959	0.3%	1,692,366	239,294	16.5%
Parks and Recreation	3,855,674	4,267,603	4,318,521	50,918	1.2%	4,650,666	383,063	9.0%
Library Services	917,540	1,096,363	1,136,726	40,363	3.7%	1,354,461	258,098	23.5%
Community Svcs. Total	\$6,036,264	\$6,817,038	\$6,913,278	\$96,240	1.4%	\$7,697,493	\$880,455	12.9%
<b>Total Expenditures</b>	<b>\$35,780,851</b>	<b>\$48,266,371</b>	<b>\$48,946,299</b>	<b>\$679,928</b>	<b>1.4%</b>	<b>\$52,579,950</b>	<b>\$4,313,579</b>	<b>8.9%</b>
<b>Net Revenues</b>	<b>\$20,928,438</b>	<b>\$5,687,723</b>	<b>\$6,017,864</b>	<b>\$330,141</b>		<b>\$3,246,986</b>		
Lease Proceeds	\$0	\$0	\$0	\$0		\$0		
Transfers In	2,394,949	2,451,240	2,535,912	84,672		2,767,240		
Transfers Out	(\$24,138,170)	(\$5,750,000)	(\$11,250,000)	(5,500,000)		(\$5,450,000)		
<b>Total Other Sources (Uses)</b>	<b>(\$21,743,221)</b>	<b>(\$3,298,760)</b>	<b>(\$8,714,088)</b>	<b>(\$5,415,328)</b>		<b>(\$2,682,760)</b>		
Beginning Fund Balance	\$16,203,389	\$15,388,606	\$15,388,606			\$12,692,381		
Residual Equity Transfer		\$0	\$0			\$0		
<b>Ending Fund Balance</b>	<b>\$15,388,606</b>	<b>\$17,777,569</b>	<b>\$12,692,381</b>			<b>\$13,256,608</b>		
Fund balance percentage	43.01%	36.83%	25.93%			25.21%		

## General Fund Summary - Expenditures by Division / Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>City Secretary/Mayor/Council</b>						
Personnel	444,319	475,423	475,423	502,559	27,136	5.7%
Operations	142,796	150,617	160,509	165,019	14,402	9.6%
Capital Outlay	0	0	0	0	0	0.0%
Total	587,115	626,040	635,932	667,578	41,538	6.6%
<b>Human Resources</b>						
Personnel	680,905	768,643	781,851	838,671	70,028	9.1%
Operations	189,654	237,043	251,643	241,429	4,386	1.9%
Capital Outlay	0	0	0	0	0	0.0%
Total	870,559	1,005,686	1,033,494	1,080,100	74,414	7.4%
<b>City Manager's Office</b>						
Personnel	1,046,110	1,057,903	1,084,719	1,162,407	104,504	9.9%
Operations	39,127	44,733	44,733		(44,733)	-100.0%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,085,237	1,102,636	1,129,452	1,162,407	59,771	5.4%
<b>Support Services</b>						
Personnel	508,588	753,665	684,329	968,100	214,435	28.5%
Operations	1,169,670	1,375,241	1,545,241	1,393,635	18,394	1.3%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,678,258	2,128,906	2,229,570	2,361,735	232,829	10.9%
<b>Communications</b>						
Personnel	417,832	547,723	547,723	625,338	77,615	14.2%
Operations	95,541	136,102	136,102	166,335	30,233	22.2%
Capital Outlay	0	0	0	0	0	0.0%
Total	513,373	683,825	683,825	791,673	107,848	15.8%

# General Fund Summary - Expenditures by Division / Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Information Technology</b>						
Personnel	948,396	1,203,864	1,190,655	1,279,931	76,067	6.3%
Operations	1,923,573	2,198,553	2,198,553	2,410,970	212,417	9.7%
Capital Outlay	24,580	0	0	0	0	0.0%
Total	2,896,549	3,402,417	3,389,208	3,690,901	288,484	8.5%
<b>Finance</b>						
Personnel	1,234,104	1,551,172	1,462,436	1,707,215	156,043	10.1%
Operations	373,690	457,788	457,788	466,563	8,775	1.9%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,607,794	2,008,960	1,920,224	2,173,778	164,818	8.2%
<b>Municipal Court</b>						
Personnel	653,580	746,537	723,622	774,924	28,387	3.8%
Operations	103,879	109,210	109,210	113,209	3,999	3.7%
Capital Outlay	0	0	0	0	0	0.0%
Total	757,459	855,747	832,832	888,133	32,386	3.8%
<b>Teen Court</b>						
Personnel	149,124	149,155	149,155	161,658	12,503	8.4%
Operations	12,425	14,731	14,731	15,015	284	1.9%
Capital Outlay	0	0	0	0	0	0.0%
Total	161,549	163,886	163,886	176,673	12,787	7.8%
<b>Fire Services</b>						
Personnel	5,852,447	10,218,671	10,713,938	11,100,088	881,417	8.6%
Operations	841,394	837,433	967,059	959,225	121,792	14.5%
Capital Outlay	0	0	0	0	0	0.0%
Total	6,693,841	11,056,104	11,680,997	12,059,313	1,003,209	9.1%



# General Fund Summary - Expenditures by Division / Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Police Services</b>						
Personnel	3,239,535	7,636,010	7,443,834	7,988,210	352,200	4.6%
Operations	917,243	974,342	985,928	998,018	23,676	2.4%
Capital Outlay	0	0	0	0	0	0.0%
Total	4,156,778	8,610,352	8,429,762	8,986,228	375,876	4.4%
<b>Public Safety Support</b>						
Personnel	0	0	0	0	0	0.0%
Operations	1,494,012	1,607,350	1,697,559	1,867,695	260,345	16.2%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,494,012	1,607,350	1,697,559	1,867,695	260,345	16.2%
<b>Building Inspection</b>						
Personnel	1,037,588	1,117,039	1,152,452	1,243,964	126,925	11.4%
Operations	77,336	127,240	127,240	130,090	2,850	2.2%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,114,924	1,244,279	1,279,692	1,374,054	129,775	10.4%
<b>Streets/Drainage</b>						
Personnel	498,606	757,357	651,345	878,016	120,659	15.9%
Operations	507,555	547,977	568,638	558,409	10,432	1.9%
Capital Outlay	10,176	0	0	13,500	13,500	134999900.0%
Total	1,016,337	1,305,334	1,219,983	1,449,925	144,591	11.1%
<b>Facility Maintenance</b>						
Personnel	485,998	554,295	564,642	590,313	36,018	6.5%
Operations	1,312,421	1,229,960	1,229,960	1,254,352	24,392	2.0%
Capital Outlay	0	0	0	0	0	0.0%
Total	1,798,419	1,784,255	1,794,602	1,844,665	60,410	3.4%

# General Fund Summary - Expenditures by Division / Category

<b>GENERAL FUND</b>	<b>2022 Actual</b>	<b>2023 Adopted Budget</b>	<b>2023 Amended Budget</b>	<b>2024 Adopted Budget</b>	<b>\$ Increase / (Decrease) Adopted</b>	<b>% Increase / -Decrease Adopted</b>
<b>Public Works Administration</b>						
Personnel	1,157,430	1,545,387	1,558,964	1,799,863	254,476	16.5%
Operations	670,030	666,172	705,569	778,884	112,712	16.9%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,827,460</b>	<b>2,211,559</b>	<b>2,264,533</b>	<b>2,578,747</b>	<b>367,188</b>	<b>16.6%</b>
<b>Planning</b>						
Personnel	1,136,053	1,234,369	1,229,842	1,274,020	39,651	3.2%
Operations	48,521	55,880	55,880	57,670	1,790	3.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,184,574</b>	<b>1,290,249</b>	<b>1,285,722</b>	<b>1,331,690</b>	<b>41,441</b>	<b>3.2%</b>
<b>Economic Development</b>						
Personnel	240,343	287,656	287,656	321,800	34,144	11.9%
Operations	60,006	74,092	74,092	75,362	1,270	1.7%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>300,349</b>	<b>361,748</b>	<b>361,748</b>	<b>397,162</b>	<b>35,414</b>	<b>9.8%</b>
<b>Community Services</b>						
Personnel	958,336	999,947	1,010,856	1,206,563	206,616	20.7%
Operations	304,714	453,125	447,175	485,803	32,678	7.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,263,050</b>	<b>1,453,072</b>	<b>1,458,031</b>	<b>1,692,366</b>	<b>239,294</b>	<b>16.5%</b>
<b>Parks and Recreation</b>						
Personnel	2,302,353	2,610,312	2,661,437	2,890,892	280,580	10.7%
Operations	1,553,321	1,657,291	1,657,084	1,759,774	102,483	6.2%
Capital Outlay	0	0	0	0	0	0.0%
<b>Total</b>	<b>3,855,674</b>	<b>4,267,603</b>	<b>4,318,521</b>	<b>4,650,666</b>	<b>383,063</b>	<b>9.0%</b>

## General Fund Summary - Expenditures by Division / Category

GENERAL FUND	2022 Actual	2023 Adopted Budget	2023 Amended Budget	2024 Adopted Budget	\$ Increase / (Decrease) Adopted	% Increase / -Decrease Adopted
<b>Library Services</b>						
Personnel	668,925	816,799	857,162	890,075	73,276	9.0%
Operations	248,615	279,564	279,564	464,386	184,822	66.1%
Capital Outlay	0	0	0	0	0	0.0%
Total	917,540	1,096,363	1,136,726	1,354,461	258,098	23.5%
<b>TOTAL GENERAL FUND</b>	<b>35,780,851</b>	<b>48,266,371</b>	<b>48,946,299</b>	<b>52,625,123</b>	<b>4,358,752</b>	<b>9.0%</b>



# STRATEGIC INITIATIVE FUND



## Strategic Initiative Fund

The Strategic Initiative Fund (SIF) was created in FY 2006 for the purpose of taking General Fund balance reserves in excess of the City identified optimal fund balance level and using them for one-time expenditures for high-impact projects such as infrastructure maintenance, community enhancement, technology and capital acquisition.

The City of Southlake is recognized for its strong financial management as evidenced by the assignment of 'AAA' ratings by both Standard and Poor's and Fitch Rating Services and a Aaa from Moody's. Three 'AAA' ratings put the City into a small and elite group of municipalities that enjoy the highest possible credit ratings assigned from all rating agencies.

In the most recent credit report issued, S&P noted "Very strong management with strong financial policies and practices," stating "When drafting the budget, management uses historical trends and statistical information to forecast revenue and expenditures, and works closely with department heads during the budget process to identify departmental needs. Officials monitor the budget monthly and adjustments are typically made at midyear, although management has the flexibility to make amendments throughout the fiscal year. The city has a comprehensive formal long-term financial plan and a formal long-term capital improvement plan (CIP), with identified funding sources. It also has a written, in-depth, and conservative investment policy, and gives monthly updates regarding holdings and earnings to the governing body. It also has a formal debt management policy that it has historically adhered to, identifying targets for refunding parameters and the types of debt that are acceptable for issuance. Finally, the city has a formal reserve policy that targets reserves of at least 15% of operating expenditures for emergencies, which it has historically maintained above this target."

The Fitch Rating report notes, "Robust planning and prudent cost management support maintenance of a strong financial position... Fitch expects Southlake to demonstrate exceptionally strong financial resilience during an economic downturn, consistent with past performance. The 'aaa' resilience assessment is informed by the city's revenue raising capabilities, solid expenditure flexibility and ample financial cushion."

The Moody's report details why the City's credit rating was upgraded to Aaa, and states " The upgrade to the Aaa Issuer Rating reflects...a steady history of robust reserves supported by multiple years of strong operating performance. The Aaa rating incorporates the city's modest debt and pension burden that will remain affordable supported by a stable local economy, and prudent financial practices. One of the innovative tools that the City uses to help manage our strong financial performance is the Strategic Initiative Fund, also referred to as the SIF.

## SIF History

The SIF concept was first used with the FY 2006 budget. The concept was simple: the City would strive to maintain its optimal General Fund undesignated fund balance of 25% of operating expenses, and sweep any excess funds that had accumulated in the fund balance over time into the SIF to be used for one-time, high impact projects.

The following sections describe Southlake's budgeting goals, helping to provide context for the development and use of the SIF.

**Structural Balance.** Good budgeting practices require a city to achieve structural balance; that is, to have enough annual revenue to cover planned expenses for any given year. Balancing a city’s operating budget by dipping into reserves is considered a poor budgeting practice for a city, in the same way that borrowing money from a personal retirement account to pay for monthly household expenses would be considered unwise. Using reserves to balance the annual budget can mean that the revenue base is not strong enough to support current service levels and could result in an unsustainable budget over time.

The City of Southlake is committed to maintaining a budget with structural balance, not only with its current year budget, but also for future years. Staff uses multi-year budgeting to determine if revenues are strong enough to support the services of the City for future years.

**Fund Balance.** City policy originally adopted in August 1993 and amended in 2011 sets a fund balance range of 15-25% of operating expenses for the General Fund. Fifteen percent is considered the minimum fund balance to achieve. The policy defines 25% as the optimal reserve level for the General Fund. Council and staff are committed to having a structurally balanced budget while maintaining the optimum fund balance of 25%.

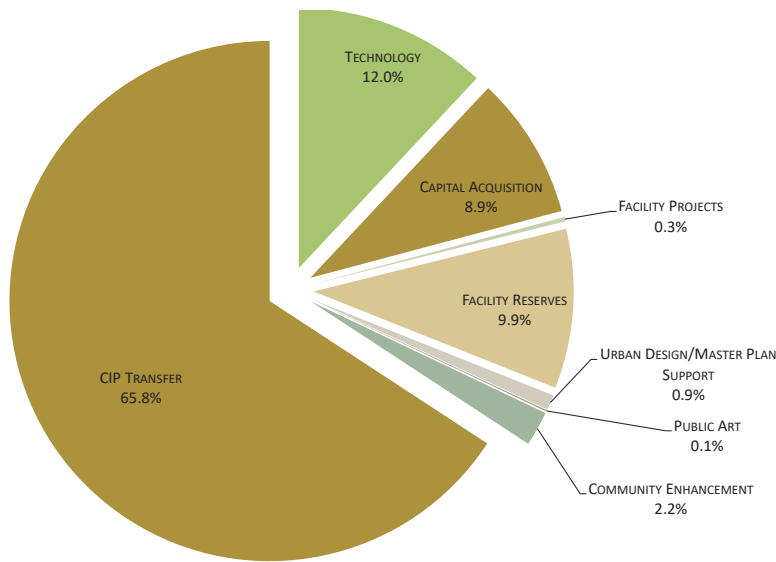
**Budget Performance.** In any given year, the City’s revenue can perform better than expected. This is especially true when revenue estimates are conservative. Likewise, City departments sometimes do not spend their entire budget allocation. Adjustments are made throughout the year, but when year-end numbers show excess revenues and unspent appropriation, this operating surplus “rolls” into the fund balance for the subsequent fiscal year.

Assuming that the fund balance is maintained at its optimal level, this creates options for the use of the excess reserve funds above the optimum level.

One option is to put these funds to work as one-time revenue to fund needed projects that are non-recurring expenses. In this way, the City uses the one-time funding for one-time costs, and can avoid borrowing money for these projects. This is the basic idea of the Strategic Initiative Fund.

Another option the City Council has exercised has been the granting of a homestead exemption. The City implemented a one-time general homestead exemption in FY 2009 and again in FY 2013 to complement the ongoing over-65 exemption (\$75,000), disabled exemption (\$75,000), and the over-65 tax freeze. This reduced the taxes levied against Southlake taxpayers for tax years 2008 and 2012, years that the City could afford the reduced revenue, and the City applied the exemption to its revenue projections for the budget year.

**Figure 1**



STRATEGIC INITIATIVE FUND EXPENDITURES BY TYPE, FY 2006 - 2024



For FY 2014, a 3% exemption was adopted on a permanent basis, and for FY 2015, a 10% exemption was adopted. For FY 2016, a 12% exemption was included, for FY 2017, the exemption was increased to 16%, and in FY 2018, City Council approved increasing the exemption to 20% which is the maximum allowed by State law. For FY 2019, City Council approved the 20% homestead exemption and reduced the tax rate by \$0.015. For FY 2020, City Council approved the 20% homestead exemption and reduced the tax rate by \$0.037, bringing the adopted tax rate below the no new revenue tax rate. For FY 2021, City Council approved the 20% homestead exemption and reduce the tax debt rate by \$0.005, continuing to keep the adopted tax rate below the no new revenue tax rate. For FY 2022, City Council continued the 20% homestead exemption and reduced the tax operating rate by \$0.005 and the tax debt rate by \$0.01, continuing to keep the adopted tax rate below the no new revenue tax rate. For FY 2023, City Council continued the 20% homestead exemption and reduced the tax operating rate by \$0.03, continuing to keep the adopted tax rate below the no new revenue tax rate. For FY 2024, we are continuing the 20% homestead exemption and reducing the tax operating rate by \$0.04, continuing to keep the adopted tax rate below the no new revenue tax rate.

**Capital Improvement Program (CIP).** In 2006, the City had identified over \$22 million in General Fund capital projects that needed to be addressed, but were unfunded for the five-year planning period. Given that the City's annual General Fund bond program was \$3 million, it was difficult to see how the City would be able address the critical infrastructure projects in a timely manner. The SIF presented a way for the City to infuse cash into its CIP. For FY 2006, almost \$750,000 was transferred from the SIF to the CIP, allowing the City to address more projects than initially thought possible.

Since that time, the City has been able to increase its cash funding for the CIP, lessening the debt the City has to take on to make appropriate investments into needed street, sidewalk, drainage, facility, and other improvements. About sixty-five percent of the SIF allocations since 2006 have been used as cash funding for CIP projects, which ultimately means the City avoids borrowing costs for addressing those projects.

The City has also used the SIF to purchase expensive, but necessary equipment, such as fire apparatus and ambulances, make improvements to City facilities such as the Senior Activity Center, improve the City's technology infrastructure, and establish a much needed facility maintenance reserve fund. The chart on the previous page details SIF projects funded since 2006.

Like many other municipalities, the City was impacted by the 2008 economic recession and had to make decisions during those years to freeze pay, leave certain positions unfilled, and defer the purchase of needed equipment in order to achieve structural balance with its budget. But the impact of the recession was minimized by the SIF. The SIF has been an important tool for the City of Southlake to use to weather economic events like the recession by allowing the City to move forward with capital projects without compromising the City's fund balance, raising taxes, or increasing the City's debt load.

The City's budget is sustainable and healthy, and able to withstand the effects of unforeseeable economic impacts. This is due, in part, to the City's use of innovative financial practices, such as the SIF.

## Current Considerations

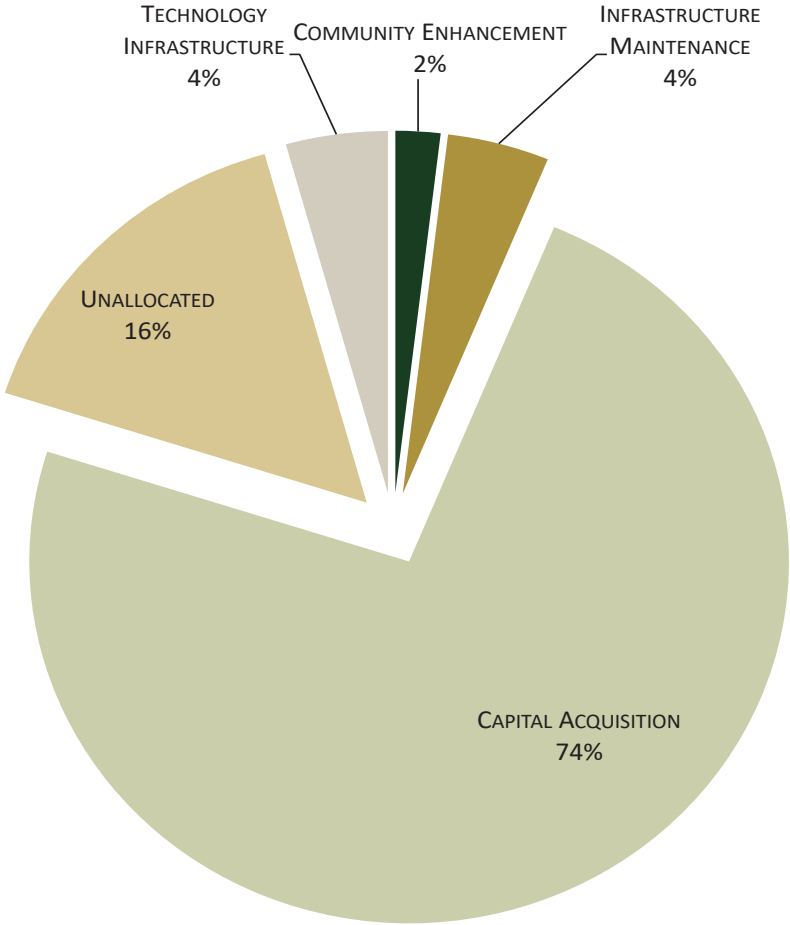
The use of the SIF as a budget technique for future years depends on several factors:

- The City’s ability to meet its operational expenses with a structurally balanced budget for the current budget year and in a multi-year context;
- The City’s ability to maintain a fund balance within policy parameters;
- The City’s capital needs and its ability to fund those in a timely manner to ensure infrastructure needs are addressed appropriately; and,
- Tax rate management.

## Summary

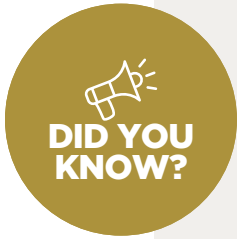
The SIF is an innovative budgeting technique that provides funding for one-time, high impact projects. Since the City began using the concept in 2006, more than 65% of the funds have been directed to the CIP for cash funding of infrastructure needs. The fund has also been used for equipment purchases and to build a facility maintenance reserve fund, among other things.

## Strategic Initiative Fund Expenditures by Type: FY 2024



**Figure 2**

# Strategic Initiative Fund



The City of Southlake’s Fund Balance Policy states, “The City of Southlake’s goal shall be to maintain a fund balance in the General Fund equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%.” Since 2006, any dollars beyond the optimal goal of 25% have been transferred to the Strategic Initiative Fund with uses limited to one-time, non-recurring expenses.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest	(13,817)	2,000	75,000	73,000	3650.0%	70,000	68,000	3400.0%
<b>Total Revenues</b>	<b>(\$13,817)</b>	<b>\$2,000</b>	<b>\$75,000</b>	<b>\$73,000</b>	<b>0.0%</b>	<b>\$70,000</b>	<b>\$68,000</b>	<b>3400.0%</b>
<b>EXPENDITURES</b>								
Infrastructure Maintenance	\$0	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Community Enhancement	113,948	250,000	250,000	0	0.0%	220,000	(30,000)	-12.0%
Technology Infrastructure	0	0	0	0	0.0%	0	0	0.0%
Capital Acquisition	68,460	1,218,688	1,218,688	0	0.0%	336,996	(881,692)	-72.3%
<b>Total Expenditures</b>	<b>\$182,408</b>	<b>\$1,468,688</b>	<b>\$1,468,688</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$556,996</b>	<b>(\$911,692)</b>	<b>-62.1%</b>
<b>Net Revenues</b>	<b>(\$196,225)</b>	<b>(\$1,466,688)</b>	<b>(\$1,393,688)</b>	<b>\$73,000</b>		<b>(\$486,996)</b>	<b>\$979,692</b>	
Transfer from other funds	\$21,338,170	\$2,500,000	\$7,000,000			\$4,000,000		
Transfer to other funds	(16,038,170)	(11,000,000)	(11,000,000)			(9,000,000)		
<b>Total Other Sources/(Uses)</b>	<b>\$5,300,000</b>	<b>(\$8,500,000)</b>	<b>(\$4,000,000)</b>			<b>(\$5,000,000)</b>		
Beginning Fund Balance	\$7,595,110	\$12,698,885	\$12,698,885			\$7,305,197		
<b>Ending Fund Balance</b>	<b>\$12,698,885</b>	<b>\$2,732,197</b>	<b>\$7,305,197</b>			<b>\$1,818,201</b>		

## FY 2024 Highlights

**Infrastructure Maintenance Funding:** \$500,000 will be transferred from the SIF to the Facility Maintenance Fund. The purpose of this fund is to build capacity for future maintenance projects as we will have many needs to address as our facilities age.

**Community Enhancement Funding:** This category of funding is set aside as a way to provide pay-as-you-go funding for initiatives which will enhance the quality of life or aesthetics of Southlake. For FY 2024 community enhancement projects include: \$120,000 for the Southlake Comprehensive Master Plan updates and \$100,000 for an engineering record archive program.

**Capital Acquisition Funding:** \$8,000,000 will be transferred from the SIF to the Capital Improvements Program for the purpose of building infrastructure. This cash funding will reduce the amount of bonds the City will need to issue for General Fund CIP projects in FY 2024. Additionally, this budget includes: \$123,328 for the replacement of 55 automated external defibrillator (AED) devices that have reached the end of life, ballistic protection equipment replacement for \$102,942 and \$87,351 for the replacement of the Lund University Cardiopulmonary Assist System (LUCUS) device that has reached the end of life.

**Technology:** \$500,000 will be transferred from the SIF to the IT Infrastructure & Security Fund to cover certain technology expenses.

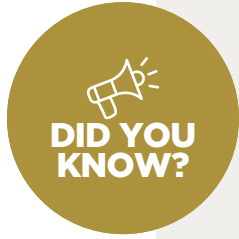




FACILITY  
**MAINTENANCE**  
FUND



# Facility Maintenance Fund



The purpose of this fund is to build capacity for future maintenance projects as we will have many needs to address as our facilities age. The Strategic Initiative Fund (SIF) has provided seed money for this fund, an important element of our budget given the size and complexity of the City’s facility infrastructure. For FY 2024 we will continue our practice of transferring SIF money into this fund, but we are also budgeting expenses in the operating budget for facility projects.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest	(29,613)	5,000	280,000	275,000	5500.0%	270,000	265,000	5300.0%
<b>Total Revenues</b>	<b>(\$29,613)</b>	<b>\$5,000</b>	<b>\$280,000</b>	<b>\$275,000</b>	<b>0.0%</b>	<b>\$270,000</b>	<b>\$265,000</b>	<b>5300.0%</b>
<b>EXPENDITURES</b>								
Operations	\$257,501	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Capital	0	345,000	345,000	0	0.0%	761,296	416,296	120.7%
<b>Total Expenditures</b>	<b>\$257,501</b>	<b>\$345,000</b>	<b>\$345,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$761,296</b>	<b>\$416,296</b>	<b>120.7%</b>
<b>Net Revenues</b>	<b>(\$287,114)</b>	<b>(\$340,000)</b>	<b>(\$65,000)</b>	<b>\$275,000</b>		<b>(\$491,296)</b>	<b>(\$151,296)</b>	
Transfer from other funds	\$1,000,000	\$1,500,000	\$1,500,000			\$500,000		
Transfer to other funds	(\$0)	(\$0)	(\$0)			(\$0)		
<b>Total Other Sources/(Uses)</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>			<b>\$500,000</b>		
Beginning Fund Balance	\$9,351,440	\$10,064,326	\$10,064,326			\$11,499,326		
<b>Ending Fund Balance</b>	<b>\$10,064,326</b>	<b>\$11,224,326</b>	<b>\$11,499,326</b>			<b>\$11,508,030</b>		

## FY 2024 Highlights

We will continue our practice of transferring SIF money into this fund, working to meet the goal of holding a minimum of 10% of the total value of the City’s physical plant in reserve and \$500,000 will be transferred from the SIF.

- Planned FY 2024 expenditures for this fund include DPS main level flooring replacement (\$215,000), Southlake Town Hall elevator modernization (\$138,526), Library replacement chairs (\$60,000), and the conversion of the Library family restroom into a storage area (\$24,000).
- The projected ending fund balance is \$11,508,030, which provides adequate reserves for the program.



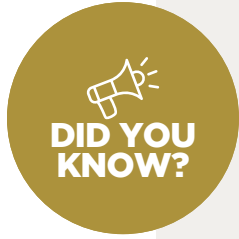




TECHNOLOGY  
**INFRASTRUCTURE  
& SECURITY**  
FUND



# Technology Infrastructure & Security Fund



The Technology Infrastructure and Security Fund was created in FY 2017 to build capacity for current and future technology needs. Expenditures in this fund are used to maintain, enhance and replace technology infrastructure and enterprise software to ensure the City receives the most reliable and best value with technology investments. In order to keep up with the increasing number and complexity of security threats, this fund also supports technology security projects and programs.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Miscellaneous	500,458	550,000	500,000	(50,000)	-9.1%	500,000	(50,000)	-9.1%
Interest	<u>(10,922)</u>	<u>6,000</u>	<u>210,000</u>	<u>204,000</u>	3400.0%	<u>195,000</u>	<u>189,000</u>	3150.0%
<b>Total Revenues</b>	<b>\$489,536</b>	<b>\$556,000</b>	<b>\$710,000</b>	<b>\$154,000</b>	<b>0.0%</b>	<b>\$695,000</b>	<b>\$139,000</b>	<b>25.0%</b>
<b>EXPENDITURES</b>								
Customer Enhancements	0	25,000	25,000	0	0.0%	-	(25,000)	-100.0%
Information Security	0	100,000	100,000	0	0.0%	150,000	50,000	50.0%
Business Continuity	549,204	1,872,383	1,475,000	(397,383)	-21.2%	654,812	(1,217,571)	-65.0%
Security Equipment and Infrastructure	351,067	470,000	470,000	0	0.0%	150,000	(320,000)	-68.1%
Technology Infrastructure	<u>350,564</u>	<u>392,000</u>	<u>392,000</u>	<u>0</u>	0.0%	<u>1,063,291</u>	671,291	171.2%
<b>Total Expenditures</b>	<b>\$1,250,835</b>	<b>\$2,859,383</b>	<b>\$2,462,000</b>	<b>(\$397,383)</b>	<b>-13.9%</b>	<b>2,018,103</b>	<b>(\$866,280)</b>	<b>-30.3%</b>
<b>Net Revenues</b>	<b><u>(\$761,299)</u></b>	<b><u>(\$2,303,383)</u></b>	<b><u>(\$1,752,000)</u></b>	<b><u>\$551,383</u></b>		<b><u>(\$1,323,103)</u></b>	<b><u>\$980,280</u></b>	
Transfer from other funds	\$500,000	\$1,000,000	\$1,000,000			\$500,000		
Transfer to other funds	-	-	-			-		
<b>Total Other Sources/(Uses)</b>	<b><u>500,000</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$1,000,000</u></b>			<b><u>\$500,000</u></b>		
Beginning Fund Balance	\$7,869,223	\$7,607,924	\$7,607,924			\$6,855,924		
<b>Ending Fund Balance</b>	<b><u>\$7,607,924</u></b>	<b><u>\$6,304,541</u></b>	<b><u>\$6,855,924</u></b>			<b><u>\$6,032,821</u></b>		

## FY 2024 Highlights

- The Technology Infrastructure & Security Fund was created in FY 2017 to build capacity for current and future technology needs. Expenditures in this fund are used to maintain, enhance and replace technology infrastructure and enterprise software to ensure the City receives the most reliable and best value with technology investments. In order to keep up with the increasing number and complexity of security threats, this fund also supports technology security projects and programs.
- \$500,000 will be transferred from the Strategic Initiative Fund to maintain adequate funding.
- Total budgeted expenditures for this fund are \$2,018,103, which includes items to ensure information security, business continuity and maintain security and equipment infrastructure.
- The ending fund balance is projected at \$6,032,821.





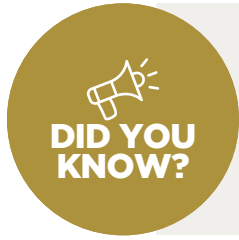


ECONOMIC  
DEVELOPMENT  
**INVESTMENT**  
FUND





# Economic Development Investment Fund



The Southlake Economic Development Strategic Plan includes the following as recommendation ED15: “Maintain ongoing, dedicated funding to achieve economic development goals by continuing investment in the Economic Development Investment Fund.” This fund was created in 2013 for that purpose.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest	(8,692)	2,500	75,000	72,500	2900.0%	65,000	62,500	2500.0%
<b>Total Revenues</b>	<b>(8,692)</b>	<b>\$2,500</b>	<b>\$75,000</b>	<b>\$72,500</b>	<b>0.0%</b>	<b>\$65,000</b>	<b>\$62,500</b>	<b>2500.0%</b>
<b>EXPENDITURES</b>								
Operations	\$60,950	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Capital	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$60,950</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Net Revenues</b>	<b>(8,692)</b>	<b>\$2,500</b>	<b>\$75,000</b>	<b>\$72,500</b>		<b>\$65,000</b>	<b>\$62,500</b>	
Transfer from other funds	\$150,000	\$150,000	\$150,000			\$150,000		
Transfer to other funds	(\$0)	(\$0)	(\$0)			(\$0)		
<b>Total Other Sources/(Uses)</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>			<b>\$150,000</b>		
Beginning Fund Balance	\$2,870,637	\$2,950,995	\$2,950,995			\$3,175,995		
<b>Ending Fund Balance</b>	<b>\$2,950,995</b>	<b>\$3,103,495</b>	<b>\$3,175,995</b>			<b>\$3,390,995</b>		

## FY 2024 Highlights

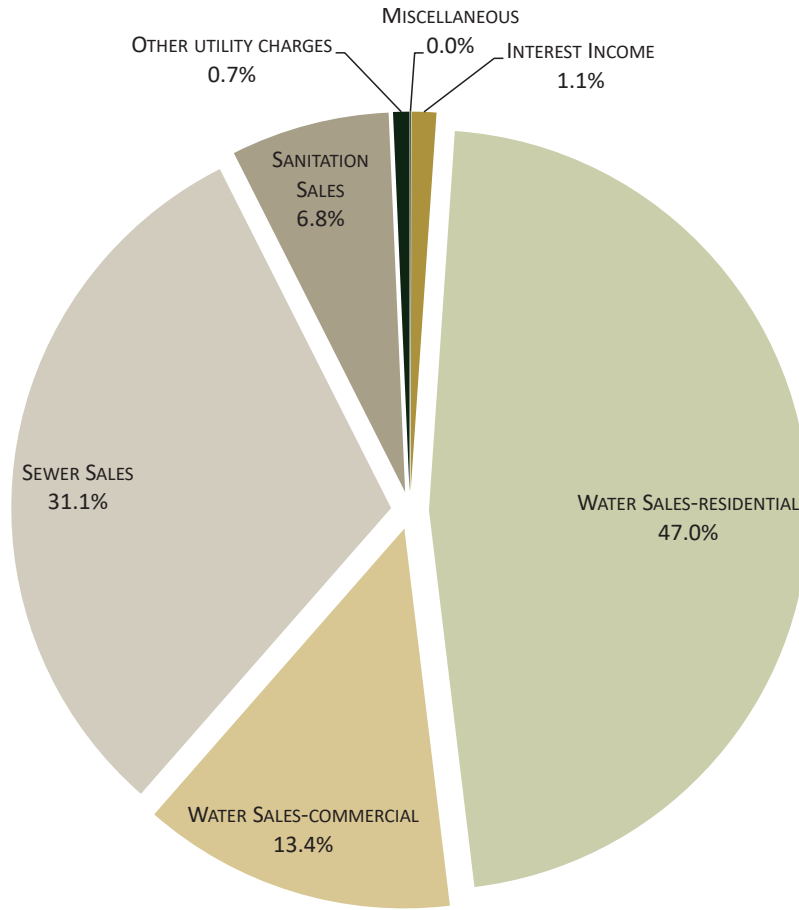
- The City’s Southlake Economic Development Master Plan included a recommendation to continue building a economic development investment fund. We will continue to implement this recommendation for FY 2024.
- \$150,000 will be transfered to this fund, as we work to build a balance for future use.
- No expenditures from this fund is budgeted for FY 2024.
- The ending fund balance will be \$3,390,995.



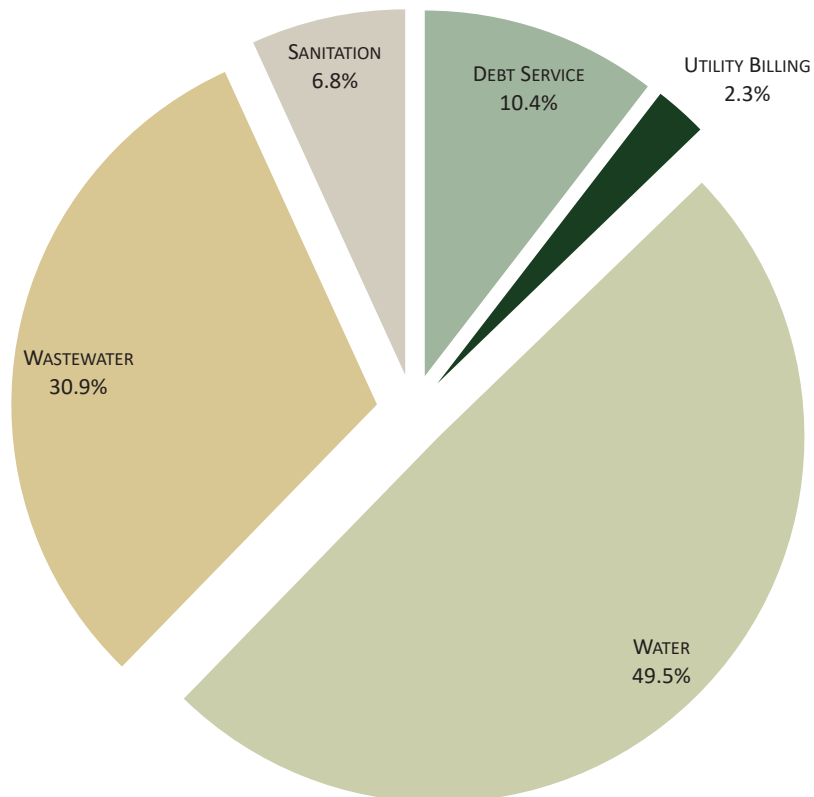


# UTILITY FUND **EXPENDITURES**

## Where the Money Comes From (Utility Fund)



## Where the Money Goes (Utility Fund)





# Utility Fund

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Miscellaneous	\$69,294	\$74,500	\$123,000	\$48,500	0.0%	\$14,500	(\$60,000)	0.0%
Interest Income	(88,762)	15,000	460,000	445,000	2966.7%	425,000	410,000	2733.3%
Water Sales-residential	19,473,110	16,923,900	17,550,900	627,000	3.7%	19,000,400	2,076,500	12.3%
Water Sales-commercial	5,422,680	4,827,200	5,050,100	222,900	4.6%	5,400,200	573,000	11.9%
Sewer Sales	9,346,288	9,240,000	8,900,400	(339,600)	-3.7%	12,576,000	3,336,000	36.1%
Sanitation Sales	2,536,160	2,663,800	2,683,800	20,000	0.8%	2,729,700	65,900	2.5%
Other utility charges	371,943	400,800	320,800	(80,000)	-20.0%	280,800	(120,000)	-29.9%
<b>Total Revenues</b>	<b>\$37,130,713</b>	<b>\$34,145,200</b>	<b>\$35,089,000</b>	<b>\$943,800</b>	<b>2.8%</b>	<b>\$40,426,600</b>	<b>\$6,281,400</b>	<b>18.4%</b>
<b>EXPENSES</b>								
Debt Service	3,325,032	3,322,878	3,322,878	0	0.0%	3,277,304	(45,574)	-1.4%
Utility Billing	578,358	702,298	713,564	11,266	1.6%	732,361	30,063	4.3%
Water	14,723,613	15,139,616	14,903,582	(236,034)	-1.6%	15,533,392	393,776	2.6%
Wastewater	5,238,583	6,190,399	6,148,162	(42,237)	-0.7%	9,693,123	3,502,724	56.6%
Sanitation	1,982,235	2,082,000	2,100,000	18,000	0.9%	2,142,000	60,000	2.9%
<b>Total Expenses</b>	<b>\$25,847,821</b>	<b>\$27,437,191</b>	<b>\$27,188,186</b>	<b>(\$249,005)</b>	<b>-0.9%</b>	<b>\$31,378,180</b>	<b>\$3,940,989</b>	<b>14.4%</b>
<b>Net Revenues</b>	<b>\$11,282,892</b>	<b>\$6,708,009</b>	<b>\$7,900,814</b>	<b>\$1,192,805</b>		<b>\$9,048,420</b>	<b>\$2,340,411</b>	
Transfers In	\$0	\$0	\$67,091			\$0		
Transfers Out	(17,488,830)	(11,120,808)	(11,158,560)	37,752		(9,617,064)		
<b>Total Other Sources (Uses)</b>	<b>(\$17,488,830)</b>	<b>(\$11,120,808)</b>	<b>(\$11,091,469)</b>			<b>(\$9,617,064)</b>		
Beginning working capital	\$26,513,269	\$20,307,331	\$20,307,331			\$17,116,676		
<b>Ending fund balance</b>	<b>\$20,307,331</b>	<b>\$15,894,532</b>	<b>\$17,116,676</b>			<b>\$16,548,032</b>		
No. of days working capital	287	211	230			192		

## FY 2024 Highlights

- The Utility Fund revenues are projected at \$40,426,600 for an increase of \$6,281,400. This is a 18.4% increase when compared with the FY 2023 Adopted Budget.
- Personnel: The Utility Fund includes resources needed to manage and operate the City's utility system. This fund will cover its portion of employee pay adjustments and the increases in benefit costs as described in the General Fund portion of the Transmittal Letter.
- Other expenditures: Funding has been requested for equipment and facility improvements including the control value rebuild for the PS1 and Miron Elevated Storage Tanks (\$60,000), the chemicals and electricity for the residual control system at Pump Station 1 (\$46,500), Lead and Copper Rule Revisions (LCRR) Program (\$405,718), and sewer tap installations (\$20,000).
- The Adopted FY 2024 Utility Fund budget provides 192 days of working capital. This exceeds the City's fund balance policy for the Utility Fund, which states that the "...goal shall be to maintain a fund balance of 60 days of working capital in the Utility Fund...with the optimum goal of 90 days of working capital."



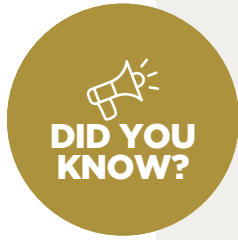




VEHICLE  
**REPLACEMENT**  
FUND



# Vehicle Replacement Fund



This fund accounts for the resources needed to manage the purchase of vehicles for the City's fleet. The establishment and funding of the vehicle replacement program was designed to even out expenses for the City's fleet from year to year and provide a logical method for purchasing and retiring vehicles.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Miscellaneous	\$322,775	\$60,000	\$60,000	\$0	0.0%	\$60,000	\$0	0.0%
Interest Income	(\$27,817)	\$58,000	\$280,000	\$222,000	382.8%	\$225,000	\$167,000	287.9%
<b>Total Revenues</b>	<b>\$294,958</b>	<b>\$118,000</b>	<b>\$340,000</b>	<b>\$222,000</b>		<b>\$285,000</b>	<b>\$167,000</b>	
<b>EXPENDITURES</b>								
Capital	\$580,170	\$4,957,000	\$3,057,000	(1,900,000)	-38.3%	\$5,496,401	539,401	10.9%
<b>Total Expenditures</b>	<b>\$580,170</b>	<b>\$4,957,000</b>	<b>\$3,057,000</b>	<b>(\$1,900,000)</b>	<b>-38.3%</b>	<b>\$5,496,401</b>	<b>\$539,401</b>	<b>10.9%</b>
<b>Net Revenues</b>	<b>(\$285,212)</b>	<b>(\$4,839,000)</b>	<b>(\$2,717,000)</b>	<b>\$2,122,000</b>		<b>(\$5,211,401)</b>	<b>(\$372,401)</b>	
Transfers In-General Fund	\$2,500,000	3,000,000	3,000,000	0		1,500,000	(\$1,500,000)	
Transfers Out -Debt Service	0	0	0	0		0	\$0	
<b>Total Other Sources (Uses)</b>	<b>\$2,500,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$0</b>		<b>\$1,500,000</b>	<b>\$0</b>	
Beginning Fund Balance	\$7,945,569	\$10,160,357	\$10,160,357			\$10,443,357		
<b>Ending Fund Balance</b>	<b>\$10,160,357</b>	<b>\$8,321,357</b>	<b>\$10,443,357</b>			<b>\$6,731,956</b>		

## FY 2024 Highlights

- A five-year purchase plan has been developed to detail future capital investment needs related to vehicles and heavy equipment. For FY 2024, we are planning a transfer from the General Fund to the Vehicle Replacement Fund of \$1,500,000.
- Expenditures are estimated at \$5,496,401 to replace aging vehicles coming off-line.
- The projected ending fund balance is \$6,731,956, which provides adequate reserves for the program.
- Between FY 2024 and FY 2028, more than 115 vehicles and heavy machinery at an estimated cost of more than \$13.2 million are planned to be replaced in accordance with the vehicle replacement schedule. The vehicle replacement schedule may vary due to maintenance or exceeding the useful life. Vehicles included in the vehicle replacement plan include: fire trucks, police cars and motorcycles, and other heavy equipment.







DEBT  
**SERVICE**



The City issues general obligation bonds, certificates of obligation, combination tax and revenue certificates of obligation and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Certificates of obligation are used to fund construction of city facilities such as buildings, roads and sidewalks. Revenue bonds are used to fund construction of city infrastructure such as water and sewer system improvements as well as park improvements.

We want to help you understand the City’s use of debt by explaining the types of projects that we fund by borrowing money, and what kind of bonds we use. This section will also help you understand the obligations the City currently has, and how we balance the need to implement the City’s master plans with fiscal responsibility.

It is important to note that our debt management strategies receive a rigorous annual review from bond rating agencies tasked with letting potential borrowers know how credit-worthy the city is. Right now the City has three AAA ratings – a strong external endorsement of the City’s financial management.

### Tax Supported vs. Self-Supporting Debt

As you can see in Figure 1 (below), less than half of the City’s debt service for FY 2024 will be funded through bonds tied to the City’s property taxes. For FY 2024, property tax supported debt service is about \$6.7 million. Property tax supported debt is primarily used for the construction of local roads and sidewalks.

So, what does this mean for Southlake property owners? Figure 2 (next page) shows the total tax bill for an average residential property in Southlake, reflecting a annual cost of \$443 for property tax supported debt. For this, the City is able to provide necessary infrastructure.

Figure 1

#### FY 2024 Total Debt Service

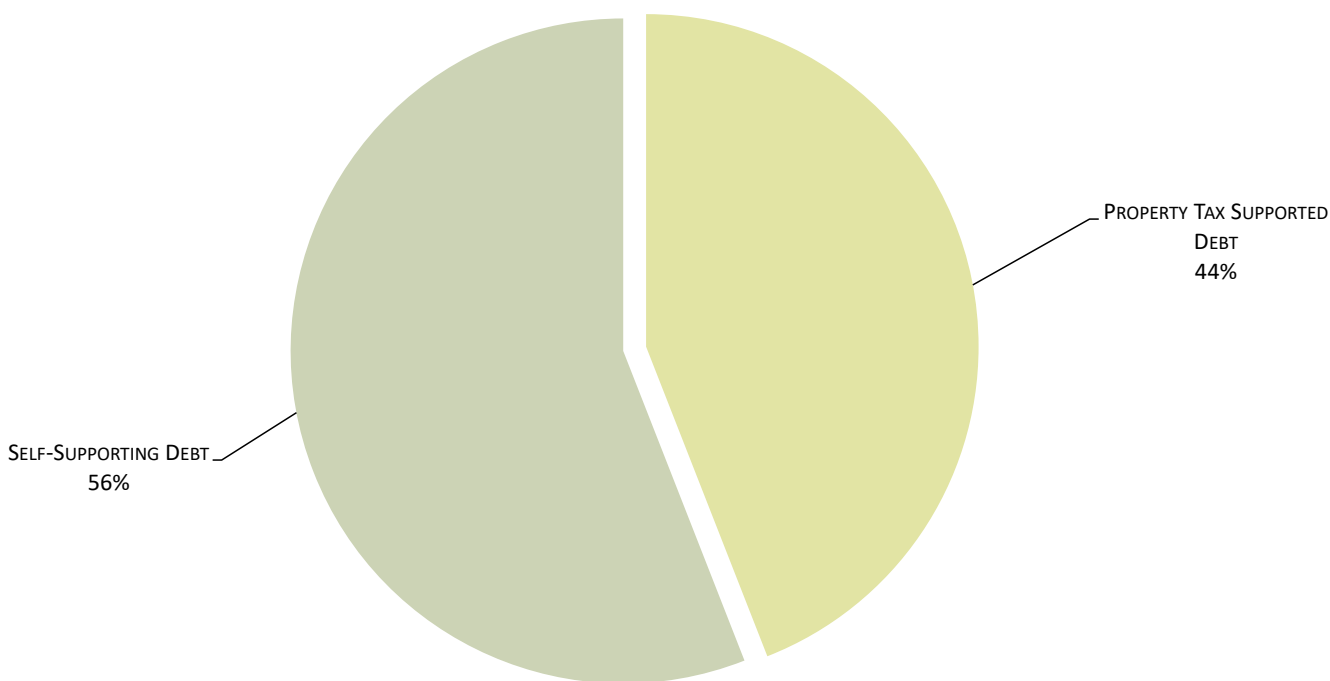
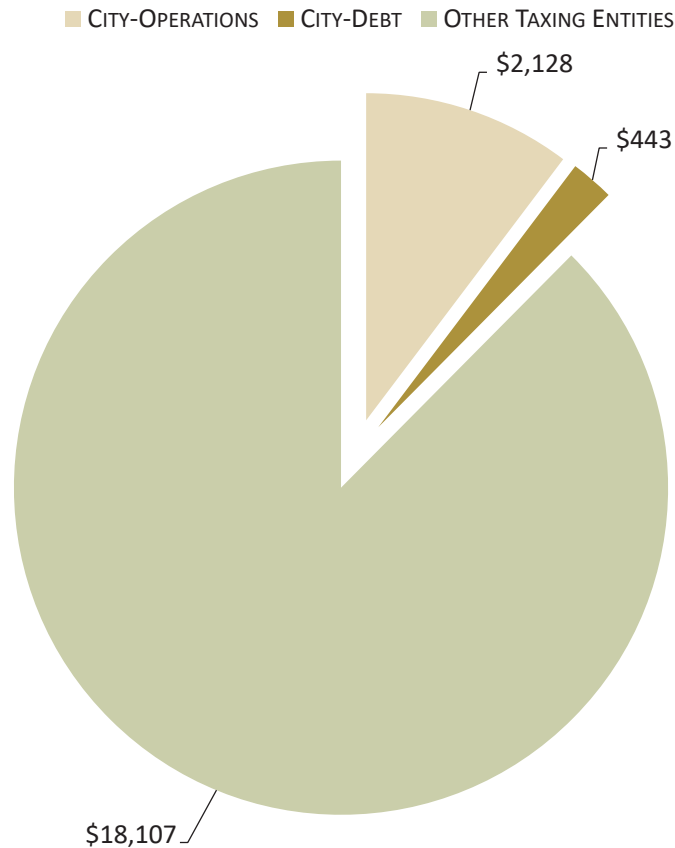


Figure 2

## Total Tax Bill for Average Residential Property in Southlake



Going back to Figure 1, the remainder of the City’s debt service (56%) for FY 2024 will be funded by self-supporting debt. These debt payments will be made from special revenue, such as voter-approved sales tax levies. FY 2024 debt service to be paid as self-supporting debt is \$8,502,446. Why is it important to make the distinction between tax-supported and self-supporting debt? Because self-supporting debt has a specific revenue streams, many of which are voter approved, for the repayment of the bonds. Also, sales tax-supported debt uses funds collected by shoppers in the City, many of which reside elsewhere.

For example, the construction of The Marq Phase I was funded using cash from the General Fund and Southlake Parks Development Corporation (SPDC). Phase II, known as Champions Club was funded through the voter-approved three-eighths cent sales tax collected by Community Enhancement and Development Corporation (CEDC). Thanks to these sales tax dollars, the corporation funding is used to pay the debt incurred from construction and to supplement the operating expenses for The Marq Southlake not recovered with facility and program fees. Additionally, a portion of the funds are used for economic development initiatives.

Voter-approved special levy sales tax districts also provide a source of funding for park development and crime control initiatives. Projects built implement the Capital Improvements Program and SPDC funds are used almost exclusively for capital, not operations. Town Square developers have estimated that 70% of sales in Town Square are to patrons living outside the city, and these imported taxpayers, if you will, are helping to construct Southlake’s infrastructure development.

# Debt Management

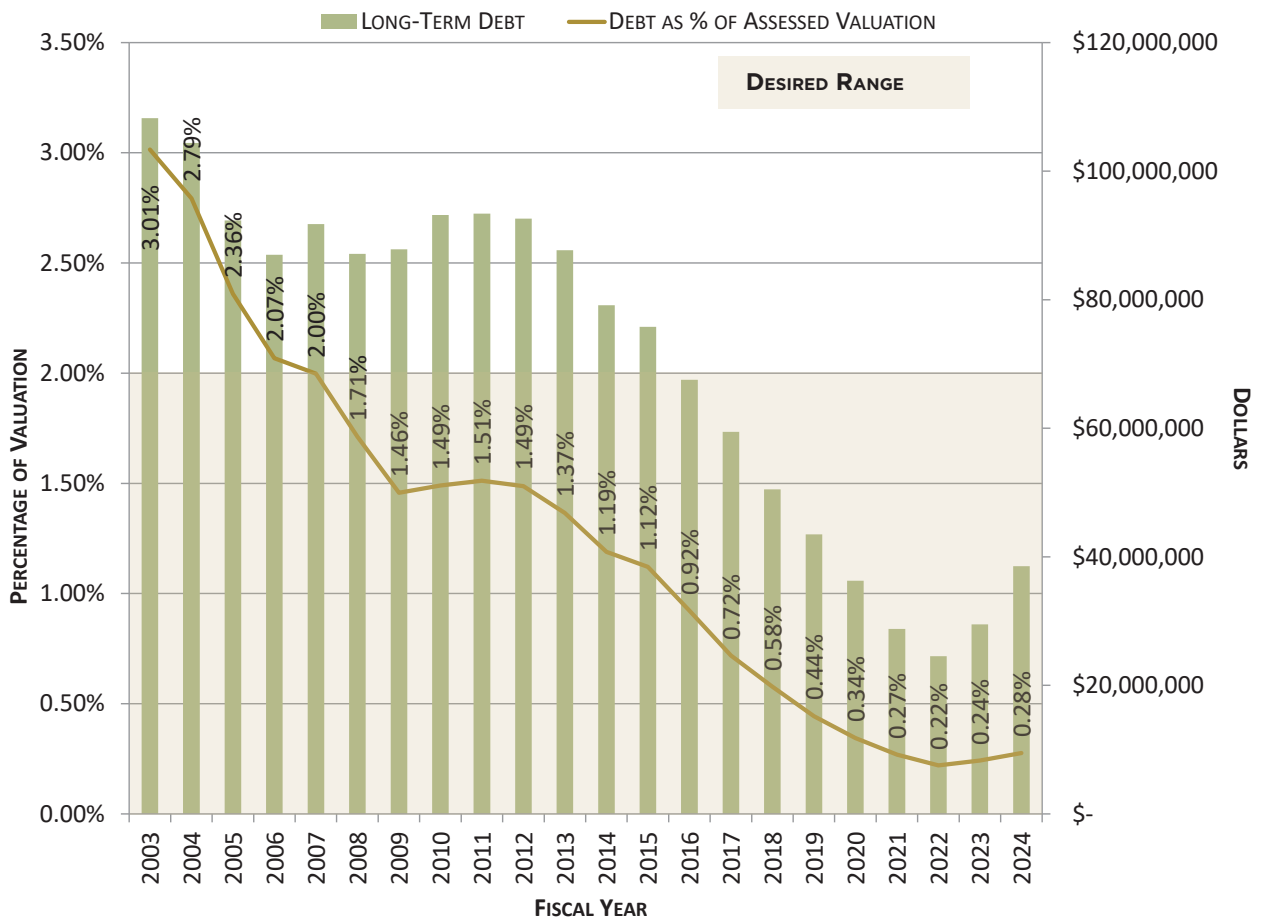
The City takes its debt obligation very seriously. Several years ago, the City Council working with City staff set goals to reduce the debt as percentage of assessed valuation over the total long term. As you can see in Figure 3 (below), we have reduced the percentage from 3.01% in 2003 to 0.28% in 2024, during a time of growth for the city. The line that you see on this chart is a graphic illustration of one of the reasons why three bond agencies have rated Southlake AAA. It should be noted that although the total debt issued has fluctuated based on the timing of important projects, the City has generally reduced its property tax supported obligations since 2003.

The City of Southlake is fortunate to have been rated as a AAA credit by Fitch Ratings, Moody's, and Standard & Poor's. This is the highest possible rating given to a credit. Not only does it reinforce that the City has strong financial management tools, it also allows for favorable borrowing conditions when the time is right.

The City has been able to effectively manage its debt during a period of growth using cash to partially offset borrowing needs. Additionally, managing debt amortization has been a tool used to reduce borrowing costs.

**Figure 3**

## Long-term Debt as a Percentage of Assessed Valuation



# The Relationship Between Property Taxpayers and Debt Repayment

At 31.9 cents for every one hundred dollars of valuation, the City of Southlake’s property tax rate supports basic city services such as public safety, street maintenance, library and community services. It also helps pay off the debt that’s been incurred for city infrastructure such as new roadway construction and expansion.

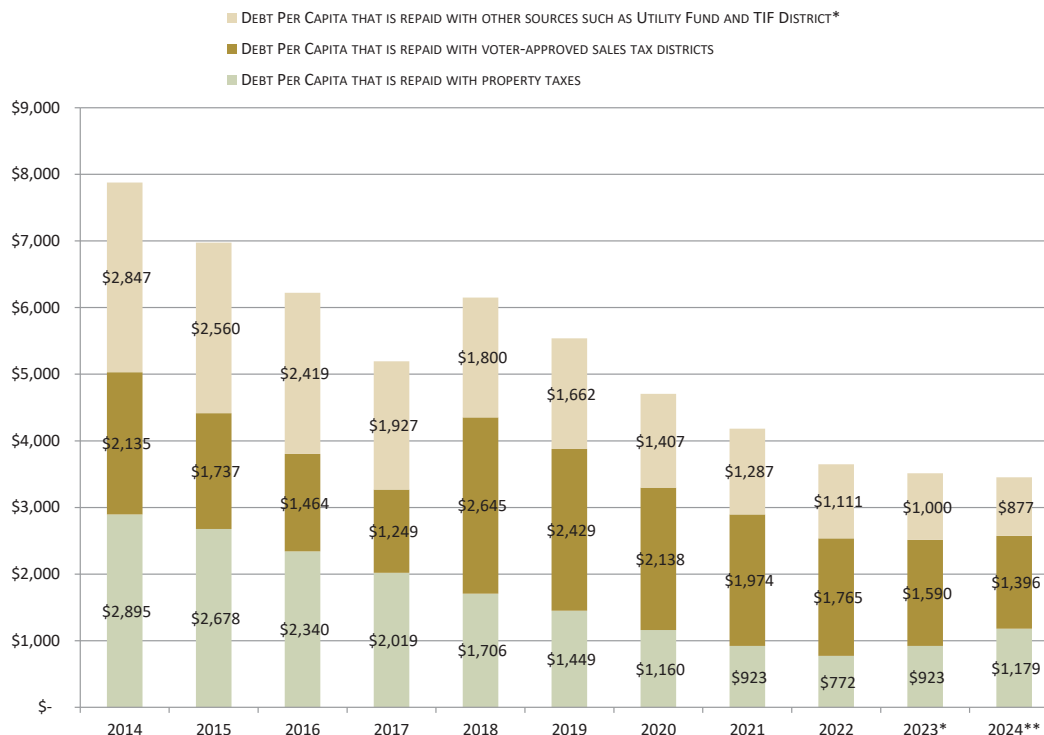
Figure 4 (below) illustrates how the City has worked toward the goals of reducing debt. The green portions show that since 2014, the City has reduced the amount of property taxes which are dedicated to debt repayment while still providing desired services. Taxpayers, specifically homeowners, should be aware of the conscious effort to relieve the amount of property tax monies that are going towards debt. This effort represents one of the City’s most important budget commitments.

Since 1994, the City has put voter-authorized sales tax dollars to work on the upkeep and construction of Southlake’s beautiful parks system. The sales tax monies help with the initial cash payments that jump-start many of our big projects. In 1998, another portion of sales tax, also voter-authorized, was put to work for the construction of our public safety buildings. All of that debt was retired in 2017. Recently, the City incurred more sales tax supported debt to construct Phase 2 of the Marq, known as Champions Club. However, it is important to note that this debt is being repaid through a 3/8 cent allocation of sales tax, a voter-authorized use that was approved in 2015. The bronze colored portion of the bar shows how the two current sales tax district monies (SPDC and CEDC) are paying off the balance of projects like Bicentennial Park and Champions Club.

Finally, the portion in tan illustrates the debt that is being paid off by the City’s specialized funds and Southlake’s tax incremental reinvestment zone (TIRZ). The TIRZ is located primarily in Southlake Town Square and is based on commercial property taxes. This debt was retired in 2018.

**Figure 4**

## Southlake’s Debt per Capita



\*ALL DEBT TO ATTRIBUTED TO THE TAX INCREMENTAL REINVESTMENT ZONE (TIRZ) WAS RETIRED IN 2018.



# DEBT

*What you should know about the City's Debt Management*



## 2.14%

If all taxing entities hold their tax rates steady for FY 2024, 2.14% of the total tax bill for an average residential property will go to support the City's annual debt payments. This is equivalent to \$443 annually or about \$37 per month.



Some debt is necessary and appropriate to ensure intergenerational equity. In other words, paying cash for 100% of capital projects would front-load the cost of 20-year assets on today's taxpayer.

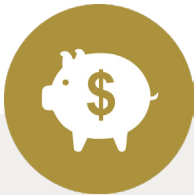
## AAA

Our debt management strategies receive a rigorous annual review from bond rating agencies tasked with letting potential borrowers know how credit-worthy the city is. Right now the City has three AAA ratings — a strong external endorsement of the City's financial management.



Voter-approved special tax levies have been pledged to pay for bonds used to construct facilities identified in the City's parks and trails master plans, as well as public safety facilities.

## *Strategies*



## \$89M

Since 2006, the City has used the Strategic Initiative Fund to pay cash for capital projects. Over \$89.4 million has been allocated for this purpose. This means less borrowing. Additionally, this use of cash funding when combined with aggressive amortization schedules has allowed the City to reduce its total outstanding property tax supported debt by 59% since 2010.



## 100%

The City uses aggressive amortization schedules. As such, initial debt payments may be higher, but borrowing costs are lower and debt is paid off more quickly. All of the existing property tax supported debt will be paid off in less than 10 years.

## Three highlights about FY 2024 Debt

- 1. Property tax supported debt per capita reduced:** Through the City's use of cash and aggressive amortization schedules when debt is issued, the City has reduced the property tax supported debt per capita from \$3,506 in 2010 to \$1,179 in 2024.
- 2. Self-Supporting debt reduced:** Through the City's use of cash and aggressive amortization schedules when debt is issued, the City has reduced the total self-supporting debt from \$148,515,869 in 2010 to \$74,285,069 in 2024.
- 2. Long-Term debt as a percentage of assessed valuation reduced:** Through the City's use of cash and aggressive amortization schedules when debt is issued, the City has reduced the total long-term debt as a percentage of assessed valuation from 3.01% in 2003 to 0.28% in 2024.



# General Obligation Debt Overview

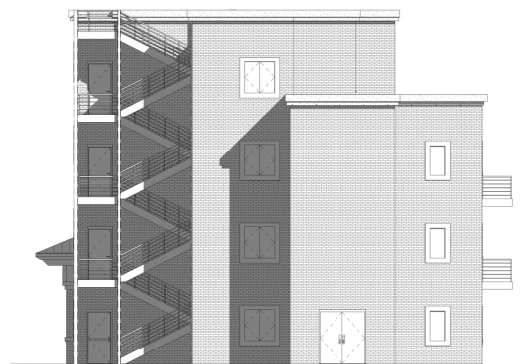
General obligation and certificates of obligation bonds are primarily used to fund the construction of roads, sidewalks and other types of facilities. Some projects funded through these types of bonds are:

- **FM 1938 at West Continental Boulevard Intersection Improvements** - This project includes right of way acquisition, a new traffic signal, a new right turn lane, and other paving improvements to improve the alignment of this intersection based on recommendations of an engineering study of this intersection. Drainage improvements will also be included with this project, specifically the improvement of Critical Drainage Structure #18. These improvements will help alleviate current traffic backups during peak hours on west-bound West Continental Boulevard at FM 1938. In addition, the project will also include landscape and irrigation improvements. This project also includes 1,312 linear feet of new sidewalk installation.
- **Public Safety Training Tower** - The FY 2023 Capital Budget included funding for the architectural and engineering design of a Public Safety Training Tower that is being designed and constructed with the Municipal Service Center, which is funded through other sources. In 2020, the City Council approved the purchase of 12.9 acres located on Brumlow Avenue for this combined project. Both facilities are currently under design, and the four-story Public Safety Training Tower includes various simulation rooms and a classroom to provide local training space. The Police and Fire Departments will use the facility for training and programs, including single and multi-company live-fire training, force decision making, building searches/clearing, SWAT (tactical entry, building search/clearing, chemical munitions, etc.), and the DPS Youth and DPS Leadership academies. The facility would also provide the space for additional uses for other City departments, including Public Works.
- **City-wide Pathway Improvements** - Sidewalks in Southlake are guided by a master plan that includes recommendations for sidewalk and trail segments across the City. Using the master plan as a guide, sidewalks ultimately get built one of four ways: 1. As an element of City road or park project, 2. As part of private construction projects; 3. Through neighborhood retrofits; and, 4. Through the citywide pathway program which identifies infill sidewalk construction opportunities based on a prioritized project list that considers available right of way, construction feasibility, proximity to schools and parks and potential connections between neighborhoods and other uses.

The schedule at the right shows the City’s outstanding general obligation debt, including principal and interest amounts as well as the bond maturity date.



3 TRAINING TOWER EAST ELEVATION  
SCALE: 1/8" = 1'-0"



4 TRAINING TOWER SOUTH ELEVATION  
SCALE: 1/8" = 1'-0"

**SUMMARY OF GENERAL OBLIGATION BONDS  
PRINCIPAL AND INTEREST REQUIREMENTS**

	<u>2024 REQUIREMENTS</u>			<u>MATURITY</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>DATE</u>
2012 GO Refunding	860,000	93,800	953,800	February 2026
2013 GO Refunding	2,575,000	166,275	2,741,275	February 2026
2014 GO Refunding	60,000	4,650	64,650	February 2026
2017 GO Refunding	387,358	71,879	459,237	February 2028
2021 Tax Notes	669,000	14,014	683,014	February 2026
2022 Series Certificates of Obligations	1,105,000	216,875	1,321,875	February 2026
2023 Tax Notes	<u>0</u>	<u>525,788</u>	<u>525,788</u>	February 2030
<b><i>Net General Obligation Debt Service Requirements</i></b>	5,656,358	1,093,281	6,749,639	

	<u>TOTAL REQUIREMENTS</u>			
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
2012 GO Refunding	2,470,000	162,750	2,632,750	February 2026
2013 GO Refunding	6,830,000	294,900	7,124,900	February 2026
2014 GO Refunding	185,000	8,475	193,475	February 2026
2017 GO Refunding	2,103,835	196,597	2,300,432	February 2028
2021 Tax Notes	2,023,000	25,277	2,048,277	February 2026
2022 Series Certificates of Obligations	7,210,000	1,257,175	8,467,175	February 2026
2023 Tax Notes	<u>13,397,000</u>	<u>2,383,396</u>	<u>15,780,396</u>	February 2030
<b><i>Net General Obligation Debt Service Requirements</i></b>	34,218,835	4,328,570	38,547,405	

INTEREST SHOWN IS THE TOTAL OF EACH ANNUAL REQUIREMENT FOR THE REMAINING LIFE OF THE SERIES

## Revenue Bond Overview

Revenue bonds are used to fund construction of city infrastructure such as water and sewer system improvements. Debt service on these bonds is covered by utility ratepayers. Some projects currently under construction that are funded through these types of bonds are:

### Water Quality Improvements - Install Residual Control Systems in the City's Ground Storage Reservoirs

The City of Southlake receives its water from the City of Fort Worth's Water Department. Fort Worth treats the water then pumps the water through several large transmission lines that travel several miles before arriving at Southlake's point of entry. The treated water is required by law to maintain a specific disinfectant level due to keep the water safe for public consumption.

Daily consumption impacts how long the water remains in the transmission lines. Higher consumptions will move the water faster and the disinfectant levels remain fairly constant from treatment to the consumer. Lower consumption results in water traveling through the system much slower. The longer the water remains idle in the system the faster the disinfectant residual will decrease allowing bacteria to grow in the water system. This bacteria, if left uncontrolled, will render the water undrinkable. The City flushes water during times of lower demand, such as during the cooler months, to keep the disinfectant products at optimum levels. The flushing efforts are effective but cost money and waste a precious resource. Maintaining water quality directly impacts resident health and ensures the City maintains its "Superior" water rating by the Texas Commission on Environmental Quality (TCEQ).

The adopted residual control system will give the City of Southlake the ability to add disinfecting chemicals to Southlake's water distribution system. This will help us maintain our water quality by being able to manage and dose disinfectant into the water system to reduce our flushing efforts. This project was the result of consultant's recommendation from the City's water quality evaluation.

### Shady Oaks 12-inch Water and 8-inch Sewer Lines (Phase I)

This project will add a 12-inch water line along Shady Oaks from Highland Street to West Dove Road, and an 8-inch sewer line from Highland Street to Fox Glen. This project will improve water quality, service and fire protection in the region. Additionally, the completed sewer line will convert this area from a sanitary lift station to a gravity sanitary sewer system, eliminating the need for the maintenance and upkeep of the existing lift station.

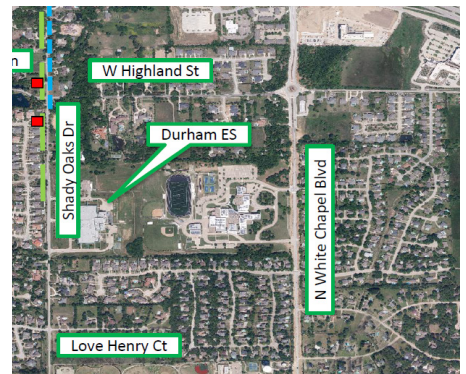
The schedule at right shows the City's outstanding revenue bond debt, including principal and interest amounts as well as the bond maturity date.



*Residual Control System*



*Residual Control System*



*Shady Oaks*

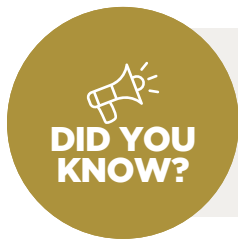
**SUMMARY OF REVENUE BONDS  
PRINCIPAL AND INTEREST REQUIREMENTS**

	<u>2024 REQUIREMENTS</u>			<u>MATURITY</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>DATE</u>
2012 Series Certificates of Obligation	145,000	41,400	186,400	February 2032
2012 GO Refunding	30,000	750	30,750	February 2026
2013 Series Certificates of Obligation	125,000	41,881	166,881	February 2033
2013 GO Refunding	160,000	2,400	162,400	February 2024
2014 Series Certificates of Obligation	210,000	84,550	294,550	February 2034
2014 GO Refunding	110,000	8,700	118,700	February 2026
2015 Series Certificates of Obligation	160,000	64,844	224,844	February 2035
2017 GO Refunding	412,642	76,571	489,213	February 2028
2017 Series Certificates of Obligation	235,000	140,800	375,800	February 2037
2018 Series Certificates of Obligation	175,000	113,100	288,100	February 2038
2019 GO Refunding	580,000	193,350	773,350	February 2030
2021 GO Refunding	<u>146,000</u>	<u>20,316</u>	<u>166,316</u>	February 2031
<b>Net Revenue Bond Debt Service Requirements</b>	2,488,642	788,662	3,277,304	

	<u>TOTAL REQUIREMENTS</u>			<u>MATURITY</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>DATE</u>
2012 Series Certificates of Obligation	1,445,000	205,389	1,650,389	February 2032
2012 GO Refunding	30,000	750	30,750	February 2026
2013 Series Certificates of Obligation	1,445,000	230,982	1,675,982	February 2033
2013 GO Refunding	160,000	2,400	162,400	February 2024
2014 Series Certificates of Obligation	2,730,000	526,662	3,256,662	February 2034
2014 GO Refunding	345,000	15,825	360,825	February 2026
2015 Series Certificates of Obligation	2,245,000	434,666	2,679,666	February 2035
2017 GO Refunding	2,241,165	209,428	2,450,593	February 2028
2017 Series Certificates of Obligation	4,240,000	1,008,924	5,248,924	February 2037
2018 Series Certificates of Obligation	3,430,000	914,138	4,344,138	February 2038
2019 GO Refunding	4,275,000	682,775	4,957,775	February 2030
2021 GO Refunding	<u>1,752,000</u>	<u>89,274</u>	<u>1,841,274</u>	February 2031
<b>Net Revenue Bond Debt Service Requirements</b>	24,338,165	4,321,213	28,659,378	

INTEREST SHOWN IS THE TOTAL OF EACH ANNUAL REQUIREMENT FOR THE REMAINING LIFE OF THE SERIES

# Debt Service Fund



This fund accumulates ad valorem tax dollars to pay for the annual portion of tax supported debt outstanding.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Ad Valorem Taxes	\$5,372,684	\$5,943,869	\$5,943,869	\$0	0.0%	\$5,862,343	(\$81,526)	-1.4%
Miscellaneous Income	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Interest Income	<u>(17,970)</u>	<u>6,300</u>	<u>110,000</u>	<u>103,700</u>	1646.0%	<u>95,000</u>	<u>88,700</u>	1407.9%
<b>Total Revenues</b>	<b>\$5,354,714</b>	<b>\$5,950,169</b>	<b>\$6,053,869</b>	<b>\$103,700</b>	<b>1.7%</b>	<b>\$5,957,343</b>	<b>\$7,174</b>	<b>0.1%</b>
<b>EXPENDITURES</b>								
Principal	\$4,675,306	\$5,795,832	\$5,795,832	\$0	0.0%	\$5,656,358	(\$139,474)	-2.4%
Interest	\$651,326	\$935,100	\$935,100	0	0.0%	\$1,093,281	158,181	16.9%
Admin. Expenses	<u>\$25,084</u>	<u>\$19,500</u>	<u>\$19,500</u>	<u>0</u>	0.0%	<u>\$19,500</u>	<u>0</u>	0.0%
<b>Total Expenditures</b>	<b>\$5,351,716</b>	<b>\$6,750,432</b>	<b>\$6,750,432</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$6,769,139</b>	<b>\$18,707</b>	<b>0.3%</b>
<b>Net Revenues</b>	<b><u>\$2,998</u></b>	<b><u>(\$800,263)</u></b>	<b><u>(\$696,563)</u></b>	<b><u>\$103,700</u></b>		<b><u>(\$811,796)</u></b>	<b><u>(\$11,533)</u></b>	
Transfers In	173,859	402,554	402,554	0		397,341		
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>		
<b>Total other Sources/(Uses)</b>	<b><u>\$173,859</u></b>	<b><u>\$402,554</u></b>	<b><u>\$402,554</u></b>			<b><u>\$397,341</u></b>		
Beginning Fund Balance	\$3,110,539	\$3,287,396	\$3,287,396			\$2,993,387		
<b>Ending Fund Balance</b>	<b><u>\$3,287,396</u></b>	<b><u>\$2,889,687</u></b>	<b><u>\$2,993,387</u></b>			<b><u>\$2,578,932</u></b>		

## FY 2024 Highlights

For FY 2024, revenues are estimated at \$5,957,343 with \$5,862,343 coming from ad valorem taxes and \$95,000 from interest income. Transfers into the fund are budgeted at \$397,341 from the Storm Water Utility District to pay the debt service for the bonds issued on the District's behalf. Total expenditures are \$6,769,139 for annual principal and interest payments, as well as related administrative costs.

The Debt Service Fund will end the current fiscal year with undesignated reserves of \$2,578,932. The fund balance allows us to meet our fund balance policy which states that the City of Southlake "...shall also maintain Reserve Funds for all statutorily required reserve funds to guarantee debt service."



# Southlake Parks Development Corporation

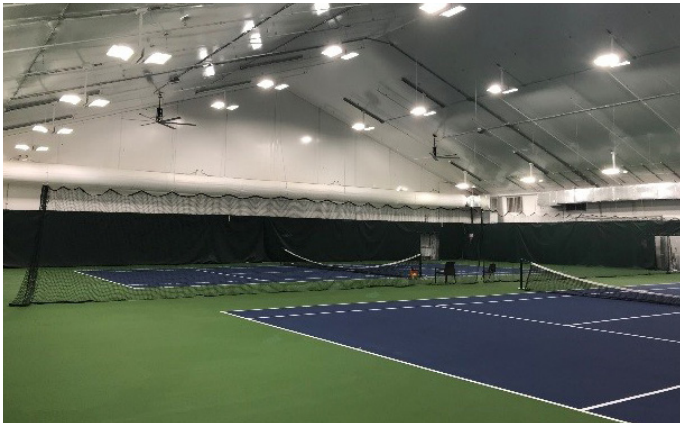
The Southlake Park Development Corporation (SPDC) was formed when Southlake voters approved the special levy of a half-cent sales tax in the mid-1990s. The half-cent, which generates over \$9 million per year, is dedicated toward the acquisition and development of Southlake’s park land. The specific projects are identified in the City’s Capital Improvements Program. State law permits these funds to be used for operational costs, as well as capital costs.

Many park projects are funded through SPDC-supported bonds. Most recently, bonds were sold to fund the expansion of Bicentennial Park, which includes the new Tennis Center. The new Tennis Center replaced the existing facility, and opened in April 2018. The new center is 6,100 square feet (approximately 2,000 square feet more than the original building) with approximately 2,000 square feet of patio area and five tennis court shade structures.

An addendum to the Tennis Center project authorized the enclosing of two outdoor tennis courts. The state of the art facility will include features such as high volume fans and HVAC climate control. The two indoor courts are separated by partition netting and provide additional netting around the courts to catch loose tennis balls. The lighting within the facility gives players the option to light the entire space or just their individual court. The high-end facility will support recreational play.

These enhancements are a part of the Southlake 2030 Parks, Recreation and Open Space/ Community Facilities Master Plan, which is divided into in three phases. The newly enclosed facility is part of the Bicentennial Park Phase 3 project, which was completed in 2019.

The schedule at on the next page shows the City’s outstanding SPDC bond debt, including principal and interest amounts as well as the bond maturity date.





PRINCIPAL AND INTEREST REQUIREMENTS

**2024 REQUIREMENTS**

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>MATURITY DATE</u>
2012 Certificates of Obligation	300,000	88,081	388,081	February 2032
2014 Sales Tax Revenue Refunding Bonds	1,460,000	116,550	1,576,550	February 2027
2019 General Obligation Refunding Bonds	460,000	150,450	610,450	February 2030
2021 General Obligation Refunding Bonds	<u>189,000</u>	<u>18,495</u>	<u>207,495</u>	February 2031
<b>Net SPDC Debt Service Requirements</b>	2,409,000	373,576	2,782,576	

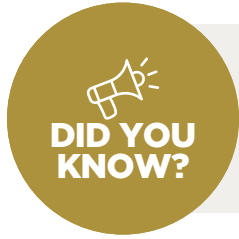
**TOTAL REQUIREMENTS**

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>MATURITY DATE</u>
2012 Certificates of Obligation	3,070,000	437,593	3,507,593	February 2032
2014 Sales Tax Revenue Refunding Bonds	4,615,000	242,775	4,857,775	February 2027
2019 General Obligation Refunding Bonds	3,305,000	526,675	3,831,675	February 2030
2021 General Obligation Refunding Bonds	<u>1,623,000</u>	<u>81,707</u>	<u>1,704,707</u>	February 2031
<b>Net SPDC Debt Service Requirements</b>	12,613,000	1,288,750	13,901,750	

INTEREST SHOWN IS THE TOTAL OF EACH ANNUAL REQUIREMENT FOR THE REMAINING LIFE OF THE SERIES



# Southlake Parks Development Corporation (SPDC) Debt Service Fund



This fund is used to account for the accumulation of financial resources for payment of long-term principle and interest costs for SPDC-approved park improvements.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest Income	(\$11,413)	\$1,900	\$76,000	\$74,100	3900.0%	\$69,000	\$67,100	3531.6%
<b>Total Revenues</b>	<b>(\$11,413)</b>	<b>\$1,900</b>	<b>\$76,000</b>	<b>\$74,100</b>	<b>3900.0%</b>	<b>\$69,000</b>	<b>\$67,100</b>	<b>3531.6%</b>
<b>EXPENDITURES</b>								
Principal	\$2,272,000	\$2,334,000	\$2,334,000	\$0	0.0%	\$2,409,000	\$75,000	3.2%
Interest	524,796	450,383	450,383	0	0.0%	373,576	(76,807)	-17.1%
Admin. Expenses	4,792	6,000	6,000	0	0.0%	6,000	0	0.0%
<b>Total Expenditures</b>	<b>\$2,801,588</b>	<b>\$2,790,383</b>	<b>\$2,790,383</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$2,788,576</b>	<b>(\$1,807)</b>	<b>-0.1%</b>
<b>Net Revenues</b>	<b>(\$2,813,001)</b>	<b>(\$2,788,483)</b>	<b>(\$2,714,383)</b>	<b>\$0</b>		<b>(\$2,719,576)</b>	<b>(\$1,807)</b>	
Bond Proceeds	\$0	\$0	\$0			\$0		
Transfers In	\$2,796,796	\$2,784,383	\$2,784,383	0		\$2,782,576		
<b>Total Other Sources (Uses)</b>	<b>\$2,796,796</b>	<b>\$2,784,383</b>	<b>\$2,784,383</b>			<b>\$2,782,576</b>		
Beginning Fund Balance	\$1,929,429	\$1,913,224	\$1,913,224			\$1,983,224		
<b>Ending Fund Balance</b>	<b>\$1,913,224</b>	<b>\$1,909,124</b>	<b>\$1,983,224</b>			<b>\$2,046,224</b>		

## FY 2024 Highlights

- The Southlake Parks Development Corporation is responsible for paying principal and interest on outstanding debt. For FY 2024, the SPDC Debt Service Fund will cover total expenditures of \$2,788,576 for this purpose.





# Community Enhancement and Development Corporation

The Community Enhancement and Development Corporation (CEDC) was formed when Southlake voters approved the special levy of a 3/8 cent sales tax in 2015. The funds are dedicated toward the construction of Phase II of The Marq Southlake, known as Champions Club. Funds will also be used to support operational expenses related to The Marq as well as special economic development projects.

In December 2015, the City opened Phase I of The Marq Southlake, Legends Hall. Legends Hall includes amenities such as a ballroom, multipurpose conference and meeting space, club lounge, full catering kitchen, and an outdoor amphitheater. The Senior Center is also included in Legends Hall. Phase I was paid for with cash, primarily from the General Fund.

Champions Club held its grand opening in April 2019, and is funded through the CEDC sales tax revenue bonds. The 84,000 square foot, state-of-the-art facility includes amenities such as an indoor pool, outdoor turf training field, spaces for fitness, performance training, gymnasium, indoor jog/walk track, indoor aquatics, indoor playground, party rooms, early learning classroom, child watch and multipurpose classrooms for programs.

The schedule at on the next page shows the City’s outstanding CEDC bond debt, including principal and interest amounts as well as the bond maturity date.





**PRINCIPAL AND INTEREST REQUIREMENTS**

**2024 REQUIREMENTS**

	<b><u>PRINCIPAL</u></b>	<b><u>INTEREST</u></b>	<b><u>TOTAL</u></b>	<b><u>MATURITY DATE</u></b>
2016 Sales Tax Revenue Bonds	1,150,000	589,700	1,739,700	<b>February 2036</b>
2017 Sales Tax Revenue Bonds	<u>470,000</u>	<u>232,856</u>	<u>702,856</u>	<b>February 2036</b>
<b>Net CEDC Debt Service Requirements</b>	1,620,000	822,556	2,442,556	

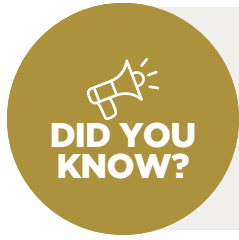
**TOTAL REQUIREMENTS**

	<b><u>PRINCIPAL</u></b>	<b><u>INTEREST</u></b>	<b><u>TOTAL</u></b>	<b><u>MATURITY DATE</u></b>
2016 Sales Tax Revenue Bonds	\$18,625,000	\$3,958,525	\$22,583,525	<b>February 2036</b>
2017 Sales Tax Revenue Bonds	<u>7,535,000</u>	<u>1,605,416</u>	<u>9,140,416</u>	<b>February 2036</b>
<b>Net CEDC Debt Service Requirements</b>	26,160,000	5,563,941	31,723,941	

INTEREST SHOWN IS THE TOTAL OF EACH ANNUAL REQUIREMENT FOR THE REMAINING LIFE OF THE SERIES



# Community Enhancement and Development Corporation (CEDC) Debt Service Fund



The Community Enhancement and Development Corporation Debt Service Fund is used to account for the accumulation of financial resources for payment of long-term principle and interest costs for debt incurred to construct Champions Club at The Marq Southlake.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest Income	<u>(\$6,646)</u>	<u>\$1,050</u>	<u>\$40,000</u>	<u>\$38,950</u>	3709.5%	<u>\$35,000</u>	<u>\$33,950</u>	3233.3%
<b>Total Revenues</b>	<b><u>(\$6,646)</u></b>	<b><u>\$1,050</u></b>	<b><u>\$40,000</u></b>	<b><u>\$38,950</u></b>	<b>3709.5%</b>	<b><u>\$35,000</u></b>	<b><u>\$33,950</u></b>	<b>3233.3%</b>
<b>EXPENDITURES</b>								
Principal	\$1,475,000	1,540,000	\$1,540,000	\$0	0.0%	\$1,620,000	\$80,000	5.2%
Interest	968,056	899,206	899,206	0	0.0%	822,556	(76,650)	-8.5%
Admin. Expenses	<u>5,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>	0.0%	<u>8,000</u>	<u>0</u>	0.0%
<b>Total Expenditures</b>	<b><u>\$2,448,056</u></b>	<b><u>\$2,447,206</u></b>	<b><u>\$2,447,206</u></b>	<b><u>\$0</u></b>	<b>0.0%</b>	<b><u>\$2,450,556</u></b>	<b><u>\$3,350</u></b>	<b>0.1%</b>
<b>Net Revenues</b>	<b><u>(\$2,454,702)</u></b>	<b><u>(\$2,446,156)</u></b>	<b><u>(\$2,407,206)</u></b>	<b><u>\$0</u></b>		<b><u>(\$2,415,556)</u></b>	<b><u>\$3,350</u></b>	
Bond Proceeds	\$0	\$0	\$0			\$0		
Transfers In	<u>\$2,451,056</u>	<u>\$2,447,206</u>	<u>\$2,447,206</u>	<u>0</u>		<u>\$2,450,556</u>		
<b>Total Other Sources (Uses)</b>	<b><u>\$2,451,056</u></b>	<b><u>\$2,447,206</u></b>	<b><u>\$2,447,206</u></b>			<b><u>\$2,450,556</u></b>		
Beginning Fund Balance	\$554,614	\$550,968	\$550,968			\$590,968		
<b>Ending Fund Balance</b>	<b><u>\$550,968</u></b>	<b><u>\$552,018</u></b>	<b><u>\$590,968</u></b>			<b><u>\$625,968</u></b>		

## FY 2024 Highlights

- The Community Enhancement and Development Corporation (CEDC) is responsible for paying principal and interest on outstanding debt. For FY 2024, the CEDC Debt Service Fund will cover total expenditures of \$2,450,556 for this purpose.

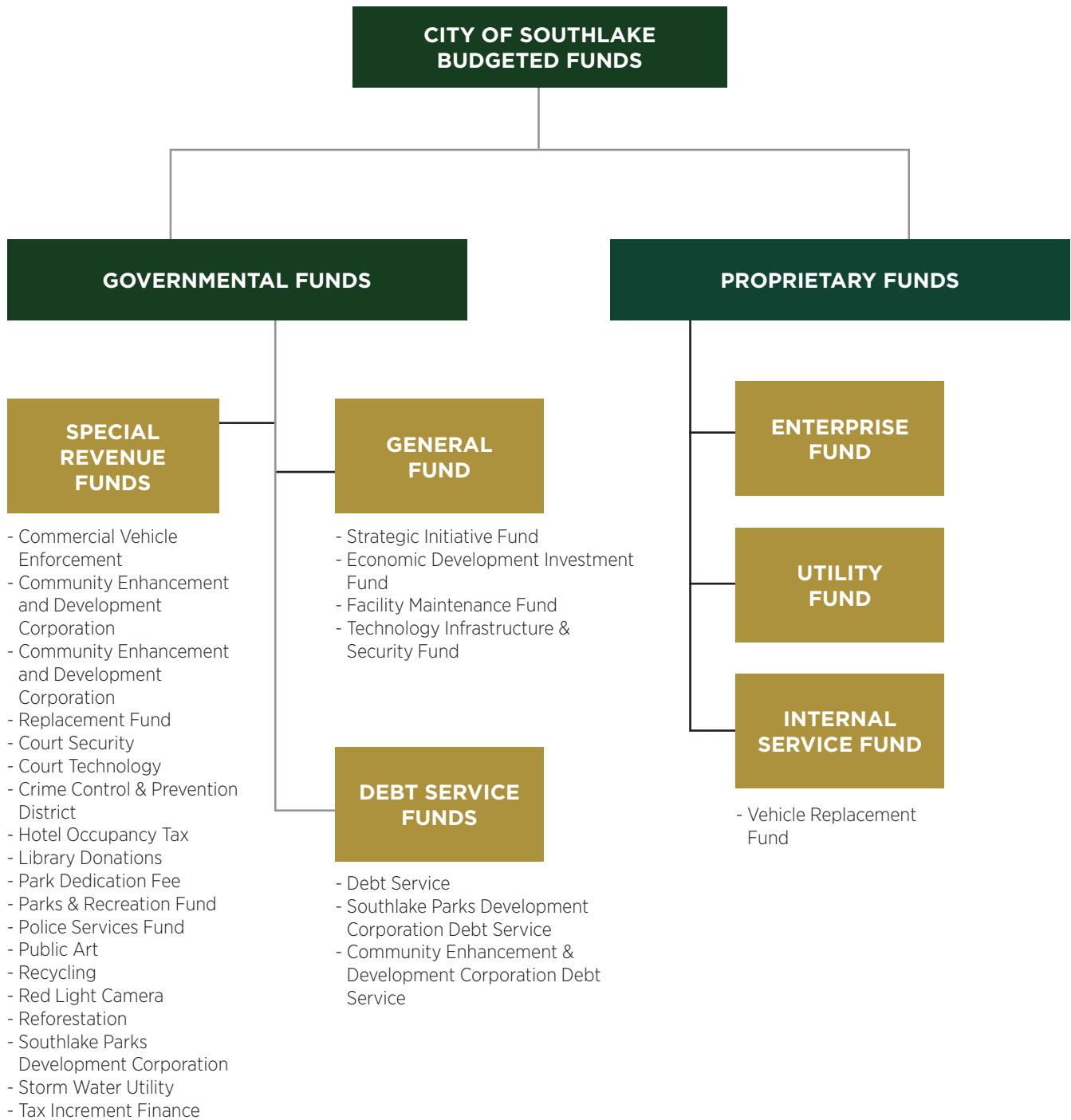






SPECIAL  
**REVENUE**  
FUNDS

# City of Southlake Fund Structure Chart





## Introduction

The City of Southlake has 54 funds with specific purposes which are defined by federal, state, or local laws. They include the General Fund which is used for general city operations, the Utility Fund which is used to support the City's water, sewer, drainage, and solid waste service, and a multitude of Special Revenue and Capital Project Funds. Simply stated, funds are set up like separate companies which must operate under specific parameters.

For example, the City receives \$0.02 of sales tax for every dollar spent in our city limits. One of those pennies goes to the General Fund and can be spent on general operating costs, like supplies, salaries, and general maintenance. The other penny is split between our Crime Control and Prevention District, the Southlake Parks Development Corporation and the Community Enhancement and Development Corporation. These three units of the City of Southlake were voted on by the residents, but state law determines how that money is spent. We can only use it for the purposes outlined in the original referendum presented to the voters, so we set up separate funds to account for the revenues and expenditures of each unit.

In another example the City receives proceeds from bonds issued for various projects. The Official Statement for a bond issue outlines how much money the City will receive, how that money will be repaid, and on what the money can be spent. This document is legally binding on City officials and is enforced by federal, state, and local laws. If the Official Statement says we received \$12,000,000 for roadway improvements, City Council and management may not opt to spend it on equipment or supplies. The money is recorded in a Capital Project Fund for roadway improvements and can only be spent on roadway improvements.

Although these examples are for three very specific funds, the same concept of expense restrictions applies to all special revenue funds. As a result, reporting revenues and expenses for the City of Southlake includes 54 miniature financial statements in addition to a Citywide financial statement. It may appear that money is available to spend when in fact the majority of the money is restricted by law. The chart at left shows the structure of all of the City of Southlake's funds. This section of the budget document will focus on those special revenue funds that are highlighted.



## What are special revenue funds?

Special revenue funds are general government funds where the source of revenue is dedicated to a specific purpose as described below:

### **Commercial Vehicle Enforcement**

This fund accounts for fines collected from commercial vehicle violations. Use of these funds is restricted for commercial vehicle enforcement, per State law.

### **Community Enhancement and Development Corporation (CEDC)**

The Community Enhancement and Development Corporation was formed when Southlake voters approved the special levy of a 3/8 cent sales tax in 2015. The funds are dedicated toward the construction of Champions Club at The Marq Southlake, a community events and recreation facility. Funds are used to support operational expenses related to The Marq as well as special economic development projects.

### **Community Enhancement and Development Corporation - Replacement Fund**

The Community Enhancement and Development Corporation - Replacement Fund accounts for the resources needed to manage the purchase of replacement equipment and capital outlay at The Marq Southlake. The establishment and funding of the Community Enhancement and Development Corporation - Replacement Fund was designed to even out expenses for the Community Enhancement and Development Corporation from year to year and provide a logical method for purchasing and retiring needed equipment and capital outlay.

### **Court Security**

This fund accounts for a percentage of the monies collected from the payment of fines and forfeitures. Use of these funds is restricted for the purchase of court security items, per State law.

### **Court Technology**

This fund accounts for a percentage of the monies collected from the payment of fines and forfeitures. Use of these funds is restricted for purchase of court technology, per State law.

### **Crime Control and Prevention District (CCPD)**

The half-cent sales tax collection to fund the Crime Control and Prevention District began in April 1998, with the first sales tax check received in June 1998. State law provides that a district's initial life is limited to five years. Voters may continue the district by approval of a referendum. In February 2002, Southlake voters approved the continuation of the CCPD for 15 years and in May 2015, voters approved the reduction of the sales tax to 1/8 cent, and in May 2017 voters reauthorized the CCPD through 2038. This fund has been used to build facilities for and to support the Southlake Police Department. This fund also supports the City's School Resource Officer Program.

### **Hotel Occupancy Tax**

The Hotel Occupancy Tax is authorized under the Texas Tax Code, Chapter 351. The City of Southlake adopted Ordinance No. 769 in February 2000, levying a 7% tax on room receipts. The tax on rooms is providing the revenues to the City in this category. The first expenditures from this fund were made in FY 2008. Use of these funds is restricted. Expenses must be authorized uses under the Texas Tax Code, Chapter 351.

**Library Donations**

This fund accounts for library donations collected. Use of these funds is restricted for library purposes.

**Park Dedication**

This fund accounts for dedication fees on new development. Use of park dedication fees is restricted to park improvements and primarily used for capital expenses.

**Parks and Recreation Fund**

This fund accounts for resources restricted for event and other sponsorship funds collected through the City's sponsorship program.

**Police Services Fund**

The Police Services Fund was formed to account for the revenues allowed under Chapter 59 of the Code of Criminal Procedure, in addition to other special revenues associated with policing. Expenses from this fund may be used for officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

**Public Art**

The Public Art Fund was established to account for funding that is available for public art promotion, creation, and/or installation throughout the City of Southlake.

**Recycling**

This fund accounts for an annual payment to the City made by the City's solid waste services provider, per the terms of the service contract.

**Red Light Camera**

This fund accounts for funds collected from violations issued from the City's red light enforcement camera system. Funds collected by the City of Southlake as a result of violations/citations issued, must be used for traffic safety programs, per State law. Governor Greg Abbott signed a bill into law banning the use of red light cameras on June 1, 2019. Under the new law, the City's red light camera program immediately ceased operation.

**Reforestation**

This fund accounts for monies derived from assessments related to the tree preservation ordinance and policies.

**Southlake Parks Development Corporation (SPDC)**

The Southlake Parks Development Corporation was formed when Southlake voters approved the special levy of a half-cent sales tax in the mid-1990s. The half-cent, which generates about \$5 million per year, is dedicated toward the acquisition and development of Southlake's park land. The specific projects are identified in the City's Capital Improvements Program. State law permits these funds to be used for operational costs, as well as capital costs.



### Storm Water Utility

This fund accumulates dollars collected by the storm water utility fee paid monthly by the owners of all of Southlake's developed properties. These fees provide a funding source for maintenance, repair, and construction of storm water facilities, and can only be spent for these purposes. The monthly storm water fee is the same for all residential dwelling units. Residential properties are charged \$8 per month for each dwelling unit that is on the property. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

### Tax Increment Finance District

Tax Increment Reinvestment Zone (TIRZ) Number One or the Tax Increment Finance (TIF) District was created in 1997, with an effective beginning date of January 1, 1998. It was designed to encourage quality commercial development in the City. Incremental values subsequent to January 1997 are taxed at the City's tax rate; however, 100% of the "captured" ad valorem revenues are utilized within the zone, rather than being allocated to the City's overall budget. Overlapping taxing entities, including Tarrant County, Tarrant County College District, Tarrant County Hospital District, and the Carroll Independent School District have participated at varying levels as investors in TIRZ #1 by assigning their ad valorem tax dollars as well. These funds pay for public projects in Town Square, such as water, sewer and roads within the District. In 2018, TIRZ #1 was extended for an additional 20 years. This means that funds will continue to be collected on the incremental tax value and invested in the zone for an additional twenty years. The City of Southlake and Carroll ISD are the only participating entities with the 20 year extension.

## How are special revenue funds used?

The charts on the following pages illustrate all City revenues and expenditures and show that the General Fund and Utility Fund account for about 65% of revenues and expenditures (to read more about these funds see the General Fund and Utility Fund sections). These charts also show that aside from debt service, special revenue funds account for the remainder.

So what does this mean for Southlake? By utilizing special revenue funds, the City is able to strategically invest dollars in projects that can be funded through dedicated revenue streams rather than spreading these costs to the property taxpayers by spending General Fund property tax revenues.

## Where the Money Comes From (All Funds)

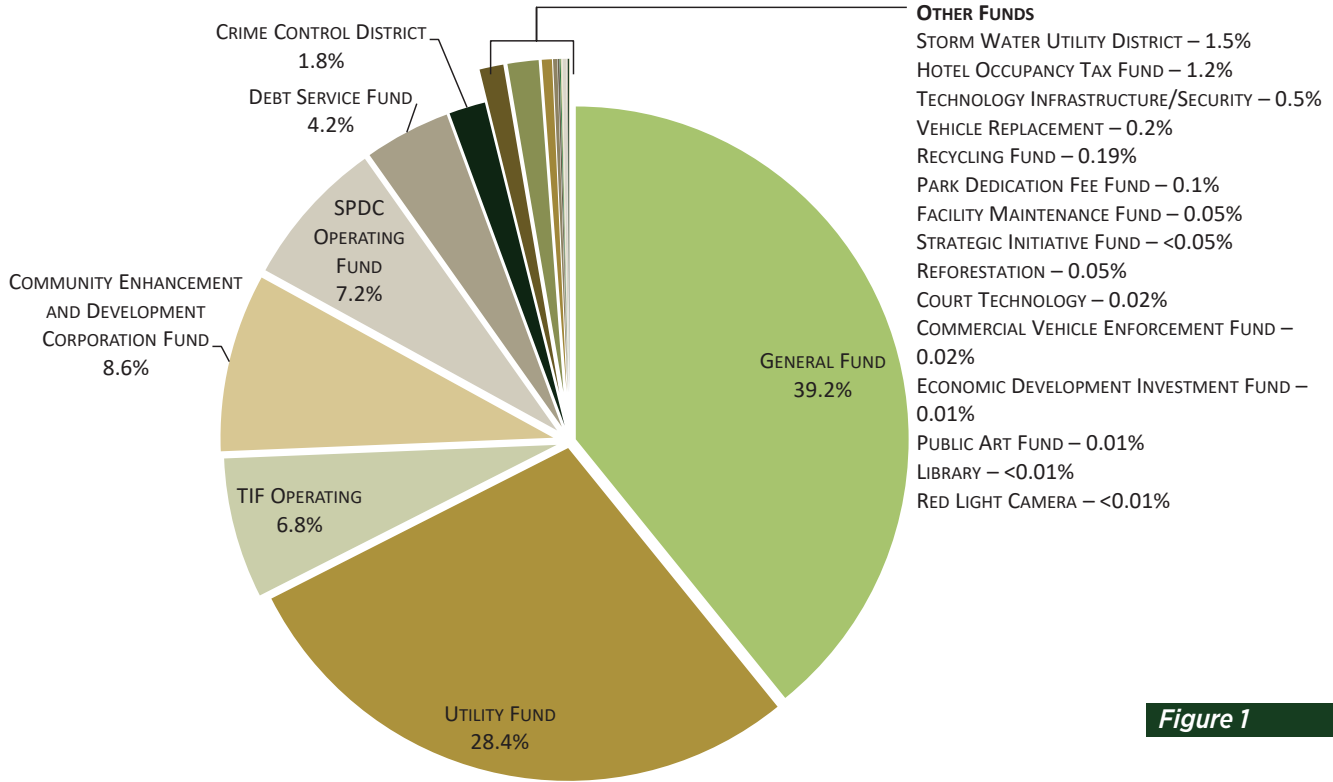


Figure 1

## Where the Money Goes (All Funds)

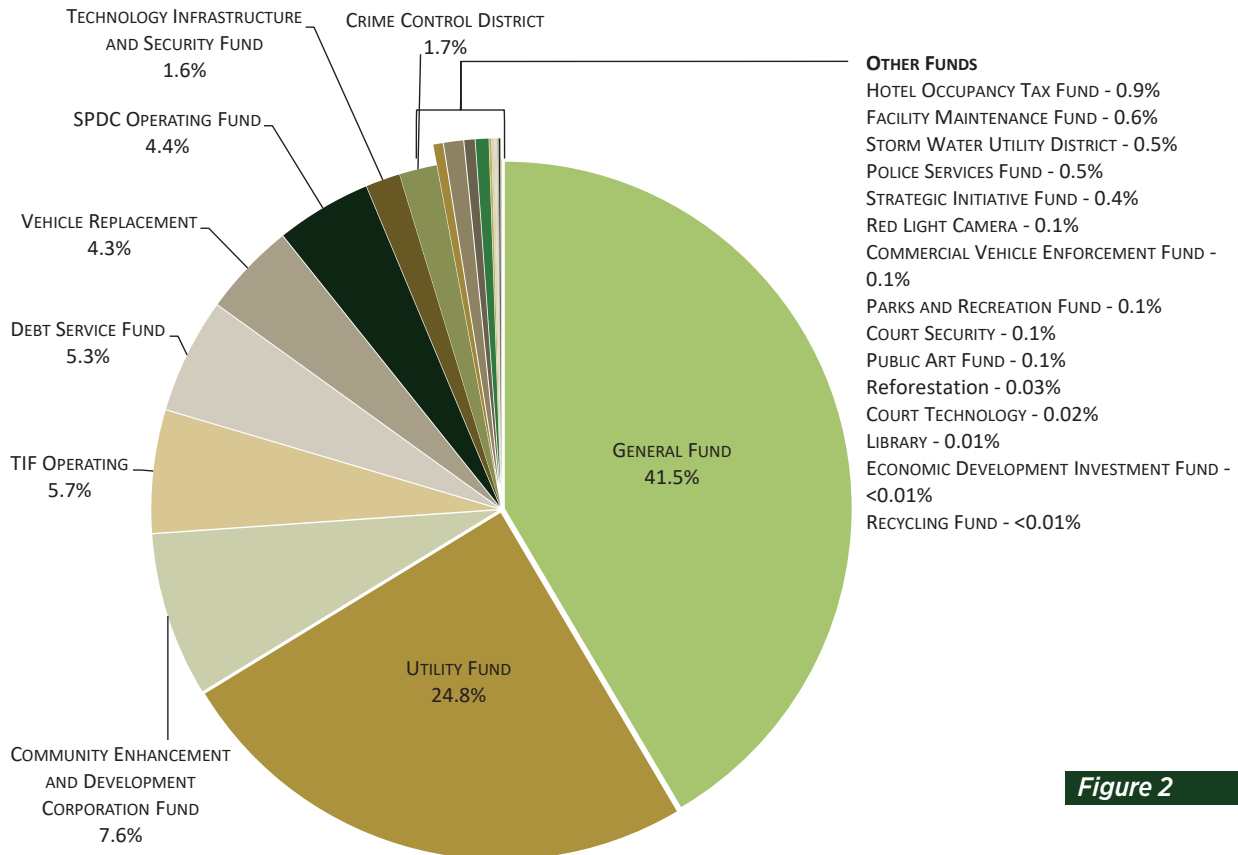


Figure 2

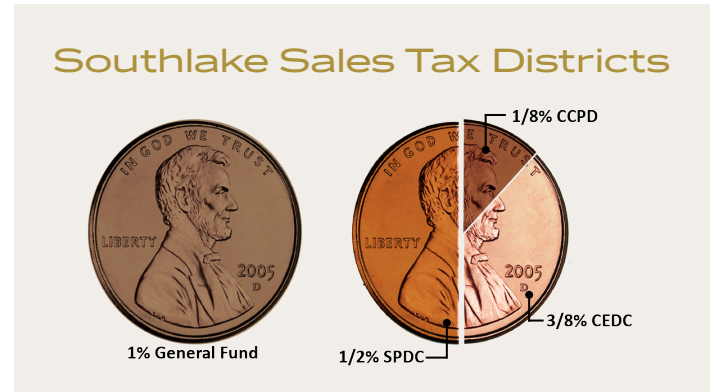


# **SALES TAX DISTRICT FUND SUMMARIES & FY 2024 HIGHLIGHTS**



## Sales Tax Districts

As with all other special revenue funds, sales tax districts revenues are designated for specific purposes. State law regulates both the types of sales tax districts cities may utilize and the use of their funds, and the final approval of all sales tax districts is up to the voters. In Southlake, the total sales tax rate is 8.25%. Of that, the City receives a \$0.02 of sales tax for every dollar spent in our city limits (the remainder goes to the State).



One of those pennies goes to the General Fund and can be spent on general operating costs, like supplies, salaries, and general maintenance. The other penny is split between our Crime Control and Prevention District (CCPD), the Southlake Parks Development Corporation (SPDC), and the Community Enhancement and Development Corporation (CEDC). The money collected in these districts can only be used for the purposes outlined in the original referendum presented to the voters, so we set up separate funds to account for the revenues and expenditures of each unit.

### How does sales tax benefit Southlake residents?

We estimate that non-residents that shop and dine in Southlake generate up to 70% of the sales tax revenue. Why is this important? This means that “imported tax payers” visiting the City are supporting a large portion of the bill for important infrastructure and services that these funds provide. These monies are used to fund parks development, crime prevention and safety initiatives, construction and operations of The Marq Southlake, and economic development, as well as pay off the debt for these funds. Utilizing special sales tax districts has allowed the City of Southlake to maintain an excellent financial condition and reduce the property tax burden. In FY 2024, about 34% of the total debt service will be repaid using sales tax collected for these districts.

Southlake’s strong shopping and dining economy has helped maintain steady sales tax growth since the economy began recovering from the recession in 2011. For FY 2024, we anticipate total sales tax revenue to be \$39,653,500. The chart to the right shows the sales tax collection since 2019.

The remainder of this section will provide more detail about each of the special sales tax districts and their uses.

### Sales Tax Revenue Since FY 2019

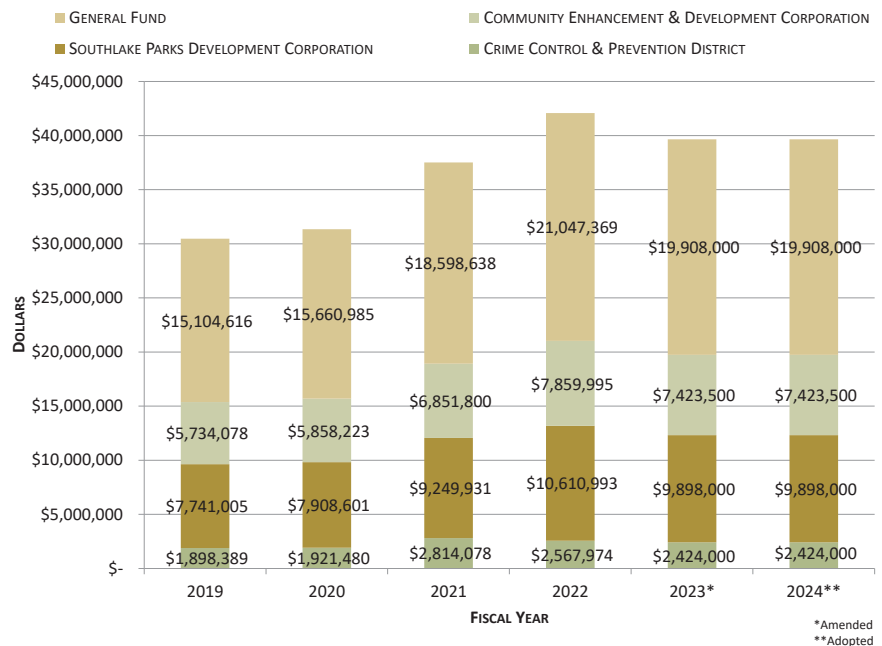


Figure 3



# Crime Control & Prevention District (CCPD) Fund

In 1997, Southlake led the area in growth as the population jumped from 7,080 to 16,750 residents. Along with the rapid growth, resources became thin and providing a safe environment was deemed critical to the continued economic and social vitality of the City. As a result, the Crime Control and Prevention District (CCPD) was created as a means of funding necessary public safety facilities and equipment in an effort to enhance community safety while sharing the tax burden with non-residents who spend money in Southlake.

The half-cent sales tax collection to fund the CCPD began in April 1998, with the first sales tax check received in June 1998. State law provides that a district's life is limited to five years, unless voters continue the district by approval of a referendum. In February 2002, Southlake voters approved the continuation of the CCPD for 15 years, and the District was set to sunset in 2018 unless reauthorized by the voters.

In May 2015, Southlake voters, chose to reallocate a three-eighths cent portion from the CCPD to the formation of a new sales tax district to fund recreational and economic development projects. Approval of the new district provided the funding needed to construct and support operations of the new community center, The Marq Southlake. This left a one-eighth cent allocation remaining for CCPD activities through the new sunset period, 2038, as authorized by the voters in May 2017.

## Fund Utilization

Allowable CCPD expenses include: CCPD program administration, treatment and preventative programs, court and prosecution services, community related crime prevention, and police and law enforcement related programs.

Today, the primary use of the fund is to pay for School Resource Officers at Southlake schools, as well as for needed materials and equipment for the Police Department. The use of the CCPD allowed the City of Southlake to fund major initiatives to improve the safety and security in Southlake, including:

- **DPS West Facility:** The DPS West facility opened in March 2002 and was funded with \$4 million of CCPD monies. In 2018, the district funded another \$2.2 million for the reconfiguration of the facility. This facility provides quick access to home and businesses on the west side of Southlake.
- **DPS Headquarters:** DPS Headquarters was dedicated on January 8, 2010, after nearly two years of construction, and was funded with \$30 million of CCPD funding. The 80,000 plus square-foot structure was customized to accommodate both the current and future needs of the community.
- **DPS North Station:** The DPS North station is strategically positioned to serve the northern parts of the city faster, which results in saving lives and property. Additionally, the state-of-the-art facility includes an indoor gun range, 112 seat auditorium for training, and fire station. The CCPD revenue allowed the City to pay for the \$16.7 million facility in 50% cash and pay the remainder with four-year bonds.
- Other safety programs and initiatives, including the enhanced School Resource Officer program, continuation of the K-9 program, and the implementation of body-worn cameras.

## CCPD Goals

With the reauthorization of the CCPD in May 2017, the Board outlined the following strategies to guide future CCPD investments:



**Achieve the highest standards of school safety and security through the School Resource Officer program.**



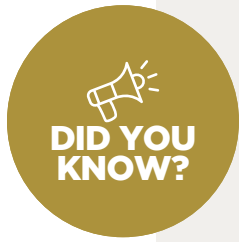
**Achieve the highest standards of safety and security through:**

- public education, community engagement, and specialized programs that support a low crime rate and effective emergency response;
- modern technology and equipment; and,
- a well-trained, well-equipped and professional police department.



**Invest to provide high quality public safety facilities.**

# Crime Control & Prevention District (CCPD) Fund



The half-cent sales tax collection to fund the Crime Control and Prevention District began in April 1998, with the first sales tax check received in June 1998. State law provides that a district's initial life is limited to five years. Voters may continue the district by approval of a referendum. In February 2002, Southlake voters approved the continuation of the CCPD for 15 years, in May 2015 voters approved the reduction of the sales tax to 1/8 cent, and in May 2017 voters reauthorized the CCPD through 2038. This fund has been used to build facilities for and support the Departments of Public Safety. This fund also supports the City's School Resource Officer Program.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Sales Tax	\$2,567,974	\$2,424,000	\$2,424,000	\$0	0.0%	\$2,424,000	\$0	0.0%
Miscellaneous Income	\$0	\$0	\$0	\$0	0.0%	\$0	(\$0)	0.0%
Interest Income	<u>(\$16,410)</u>	<u>\$2,225</u>	<u>\$104,000</u>	<u>\$101,775</u>	4574.2%	<u>\$95,000</u>	<u>\$92,775</u>	4169.7%
<b>Total Revenues</b>	<b>\$2,551,564</b>	<b>\$2,426,225</b>	<b>\$2,528,000</b>	<b>\$101,775</b>	<b>4.2%</b>	<b>\$2,519,000</b>	<b>\$92,775</b>	<b>3.8%</b>
<b>EXPENDITURES</b>								
Personnel	\$1,180,906	\$1,695,219	\$1,701,228	\$6,009	0.4%	\$1,945,137	\$249,918	14.7%
Operations	\$701,122	\$557,291	\$784,970	227,679	40.9%	\$272,101	(285,190)	-51.2%
Capital	<u>\$346,384</u>	<u>\$314,374</u>	<u>\$65,000</u>	<u>(249,374)</u>	-79.3%	<u>\$0</u>	<u>(314,374)</u>	-100.0%
<b>Total Expenditures</b>	<b>\$2,228,412</b>	<b>\$2,566,884</b>	<b>\$2,551,198</b>	<b>(\$15,686)</b>	<b>-0.6%</b>	<b>\$2,217,238</b>	<b>(\$349,646)</b>	<b>-13.6%</b>
<b>Net Revenues</b>	<b><u>\$323,152</u></b>	<b><u>(\$140,659)</u></b>	<b><u>(\$23,198)</u></b>	<b><u>\$117,461</u></b>		<b><u>\$301,762</u></b>	<b><u>\$442,421</u></b>	
Finance Proceeds	\$502,292	\$0	\$0	\$0		\$0	\$0	
Transfer out-Crime Control CIP	(\$1,000,000)	(\$1,130,000)	(\$1,130,000)			(\$334,500)		
Transfers Out-General Fund	<u>(80,171)</u>	<u>(97,049)</u>	<u>(97,049)</u>			<u>(100,760)</u>		
<b>Total Other Sources (Uses)</b>	<b><u>(\$577,879)</u></b>	<b><u>(\$1,227,049)</u></b>	<b><u>(\$1,227,049)</u></b>			<b><u>(\$435,260)</u></b>		
Beginning Fund Balance	\$5,846,023	\$5,591,296	\$5,591,296			\$4,341,049		
<b>Ending Fund Balance</b>	<b><u>\$5,591,296</u></b>	<b><u>\$4,223,588</u></b>	<b><u>\$4,341,049</u></b>			<b><u>\$4,207,551</u></b>		

## FY 2024 Highlights

- For FY 2024, \$2,424,000 is anticipated in sales tax collections for the District, along with \$95,000 in interest income for total revenues of \$2,519,000.
- Total operating expenditures are \$2,217,238 for FY 2024. In FY 2024, \$93,246 is included for an additional than full time Schol Resource Officer. Other items included are firearms and associated equipment replacements (\$105,404), a new property room evidence refrigerator (\$31,983), in-car police radios (\$30,000), K9 decoy training for the Police Department's new K9 (\$20,000), and a SMIP Leadership Training Course to enhance leadership development in the department (\$6,167).
- A transfer of \$100,760 to the General Fund is planned for an indirect charge.
- The ending fund balance for the CCPD Operating Fund is projected at \$4,207,551.

## Southlake Parks Development Corporation (SPDC) Fund

In the mid-1990s, the City Council called for a special election to petition the voters of Southlake to approve the adoption of a half cent sales tax for the benefit of the Southlake Parks Development Corporation (SPDC). The SPDC has allowed the City to accelerate the development of the City’s park system, as defined by the park master plan. It is a critical funding source for the ongoing improvement of the City’s quality of life through parks and open space.

The SPDC is a Type B corporation that can expend funds for a wide variety of projects. Type B projects consist of land, buildings, equipment, facilities or expenditures for industrial or commercial ventures that create primary jobs; funding or constructing infrastructure for commercial areas; and projects related to recreation and community facilities.

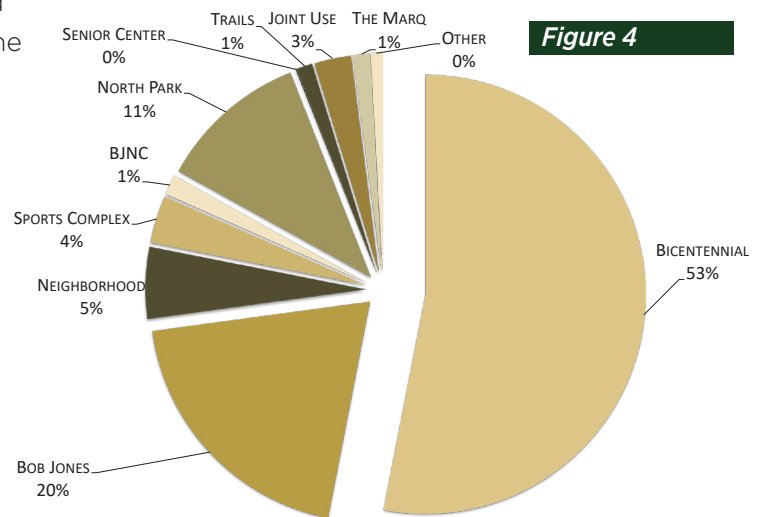
Tax revenues may also be used to fund administrative and other expenses that place the project into operation. The expenses may include administrative expenses for the acquisition, construction, improvement, expansion and financing.

### Fund Utilization

Known as Southlake Parks, Recreation, Open Space and Community Facilities Master Plan, the City of Southlake uses a comprehensive plan that includes major elements to guide and prioritize Southlake’s growth and development. This plan guides both elected and appointed officials in selection and prioritization of projects. It also helps with forecasting planned funding for the following four budget years.

Funding for SPDC projects since 1993 totals more than \$80 million, allowing developed park acreage to almost double since 2008. This includes investments for land acquisition and development of: Bicentennial Park (\$41.4 million), Bob Jones Park (\$15.9 million), North Park (\$8.8 million), neighborhood parks throughout Southlake (\$4.2 million), and Southlake Sports Complex (\$2.7 million). See the chart below for SPDC project funding since 1993.

When the City Council adopted the Southlake Parks, Recreation, Open Space and Community Facilities Master Plan, the plan showed an 85% increase in total park acreage over that identified in the 2025 plan. This growth has prompted the City Council to work with the SPDC Board of Directors and Parks and Recreation Board to transition certain park operating costs out of the General Fund and into the SPDC operating fund. While the SPDC budget can and should be used to support operational costs associated with the improvements funded, these funds may not be used to support the general operations of the City.



SPDC Project Funding since 1993

# Southlake Parks Development Corporation (SPDC) Fund



The Southlake Parks Development Corporation, a citizen-approved, development corporation established to develop and operate park and recreational facilities, uses a half-cent sales tax for all uses permitted by State law. The operating fund is used to finance, develop and operate park and recreation facilities, while the debt service fund is used to account for the accumulation of financial resources for payment of long-term principle and interest costs for SPDC improvements. The uses of this fund are restricted to those allowed by law and approved by the Board of Directors.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Sales Tax	\$10,610,993	\$9,898,000	\$9,898,000	\$0	0.0%	\$9,898,000	\$0	0.0%
Rental Income	140,532	153,824	153,824	0	0.0%	153,824	0	0.0%
Interest	<u>(19,193)</u>	<u>4,200</u>	<u>163,000</u>	<u>158,800</u>	3781.0%	<u>152,000</u>	<u>147,800</u>	3519.0%
<b>Total Revenues</b>	<b>\$10,732,332</b>	<b>\$10,056,024</b>	<b>\$10,214,824</b>	<b>\$158,800</b>	<b>1.6%</b>	<b>\$10,203,824</b>	<b>\$147,800</b>	<b>1.5%</b>
<b>EXPENDITURES</b>								
Personnel	\$299,035	\$262,726	\$296,526	\$33,800	12.9%	\$629,827	\$367,101	139.7%
Operations	\$1,358,760	\$1,428,425	\$1,413,300	(15,125)	-1.1%	\$1,727,570	299,145	20.9%
Capital	<u>\$62,404</u>	<u>\$228,200</u>	<u>\$316,944</u>	<u>88,744</u>	38.9%	<u>\$472,500</u>	<u>244,300</u>	107.1%
<b>Total Expenditures</b>	<b>\$1,720,199</b>	<b>\$1,919,351</b>	<b>\$2,026,770</b>	<b>\$107,419</b>	<b>5.6%</b>	<b>\$2,829,897</b>	<b>\$910,546</b>	<b>47.4%</b>
<b>Net Revenues</b>	<b><u>\$9,012,133</u></b>	<b><u>\$8,136,673</u></b>	<b><u>\$8,188,054</u></b>	<b><u>\$51,381</u></b>		<b><u>\$7,373,927</u></b>	<b><u>(\$762,746)</u></b>	
Transfers Out	(7,195,113)	(9,686,624)	(9,692,976)	\$6,352		(8,690,729)	(995,895)	
Proceeds from C.O. Sale	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>		
<b>Total Other Sources (Uses)</b>	<b><u>(\$7,195,113)</u></b>	<b><u>(\$9,686,624)</u></b>	<b><u>(\$9,692,976)</u></b>			<b><u>(\$8,690,729)</u></b>		
Beginning Fund Balance	\$12,199,419	\$14,016,439	\$14,016,439			\$12,511,517		
<b>Ending Fund Balance</b>	<b><u>\$14,016,439</u></b>	<b><u>\$12,466,488</u></b>	<b><u>\$12,511,517</u></b>			<b><u>\$11,194,715</u></b>		

## FY 2024 Highlights

- The SPDC Operating Fund is projected to receive \$9,898,000 in sales tax revenue, \$153,824 in rental income, and \$152,000 in interest earnings for total projected FY 2024 revenue of \$10,203,824.
- Total expenditures for the Operating Fund are \$2,829,897. This is a 47.4% increase from the FY 2023 Adopted Budget.
- The adopted FY 2024 Budget includes \$472,500 for capital expenses and \$629,827 for personnel. SPDC park maintenance costs represent about 38% of the current total park maintenance costs. The plan to fund certain maintenance costs in SPDC is balanced with master plan implementation, capital costs, and fund balance needs.
- The ending fund balance for the SPDC Operating Fund will be \$11,194,715.



# Community Enhancement and Development Corporation (CEDC) Fund

In May 2015, Southlake voters overwhelmingly approved the reallocation of a portion of the CCPD half-cent sales tax for the purpose of constructing and operating a recreation center through a Community Enhancement and Development Corporation (CEDC). The CCPD half-cent sales tax was reduced to a one-eighth cent tax and the remaining three-eighths was reallocated to address recreational and economic development needs for the City, as permitted by State law, through the CEDC.

The CEDC is a Type A corporation that can expend funds for a wide variety of projects. Type A tax can be used to fund the provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements that are for the creation or retention of primary jobs in specific industries. Type A districts are also allowed to cover Type B projects (like The Marq) if voters authorize specific Type B projects in the ballot language for Type A districts. The May 2015 voter-approved ballot stated the funding is "... to be used for projects authorized by Chapters 504 and 505 of the Texas Local Government Code, including specifically a community entertainment and recreational center and land, buildings, equipment, facilities, or improvements that provide new or expanded business enterprises that create or retain primary jobs as authorized by Section 505.155 of the Texas Local Government Code, including maintenance and operation costs of an authorized project."

The CEDC, which is governed by a seven-member Board of Directors, began collecting the sales tax in October 2015.

## Fund Utilization

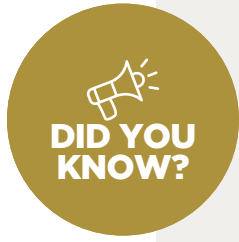
The three-eighths cent tax collected for this corporation was largely used to construct Phase 2 of The Marq Southlake, known as Champions Club. Phase 1 of The Marq, which includes Legends Hall, Aria amphitheater, and the Southlake Senior Activity Center, was funded using a combination of General Fund and Southlake Parks Development Corporation cash.

The 82,000 square-foot Champions Club held its grand opening in April 2019 and includes: a fitness center, a two court gymnasium, indoor turf fieldhouse, outdoor turf field, indoor pool, jogging track, indoor playground, relaxing outdoor terrace, group fitness classes, personal training, classrooms, and party rooms.

The CEDC pays for the debt associated with the \$37.4 million in construction costs. The corporation also provides funding to supplement the operating expenses for The Marq Southlake not recovered with facility and program fees. Finally, a portion of the funds are for economic development initiatives.



# Community Enhancement and Development Corporation (CEDC) Fund



The Community Enhancement and Development Corporation was formed when Southlake voters approved the special levy of a 3/8 cent sales tax in 2015. The funds are dedicated toward the construction of Champions Club at The Marq Southlake, a community events and recreation facility. Funds will also be used to support operational expenses related to The Marq as well as special economic development projects.

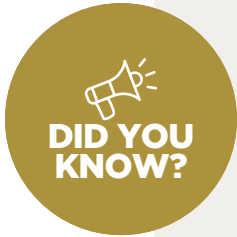
	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Sales Tax	\$7,859,995	\$7,423,500	\$7,423,500	\$0	0.0%	\$7,423,500	\$0	0.0%
Charges for Services	3,537,361	3,925,250	4,329,724	404,474	10.3%	4,596,288	671,038	17.1%
Interest	(32,871)	5,000	220,015	215,015	4300.3%	215,000	210,000	4200.0%
<b>Total Revenues</b>	<b>\$11,364,485</b>	<b>\$11,353,750</b>	<b>\$11,973,239</b>	<b>\$619,489</b>	<b>5.5%</b>	<b>\$12,234,788</b>	<b>\$881,038</b>	<b>7.8%</b>
<b>EXPENDITURES</b>								
Personnel	\$2,405,397	\$3,156,239	\$3,110,186	(\$46,053)	-1.5%	\$3,299,698	\$143,459	4.5%
Operations	\$1,887,959	\$2,285,935	\$2,331,988	46,053	2.0%	\$2,520,354	234,419	10.3%
Capital	\$0	\$0	\$0	0	0.0%	\$0	0	0.0%
<b>Total Expenditures</b>	<b>\$4,293,356</b>	<b>\$5,442,174</b>	<b>\$5,442,174</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$5,820,052</b>	<b>\$377,878</b>	<b>6.9%</b>
<b>Net Revenues</b>	<b>\$7,071,129</b>	<b>\$5,911,576</b>	<b>\$6,531,065</b>	<b>\$619,489</b>		<b>\$6,414,736</b>	<b>\$503,160</b>	
Transfers Out	(428,139)	(454,150)	(478,930)	\$24,780		(489,392)	35,242	
Transfer out-Replacement Fund	(3,056,800)	(1,125,000)	(1,125,000)	\$0		(1,125,000)	0	
Transfer out-CIP	0	(1,375,000)	(1,375,000)	\$0		(241,000)	(1,134,000)	
Transfer Debt Service	(2,451,056)	(2,447,206)	(2,447,206)	\$0		(2,450,556)	3,350	
<b>Total Other Sources (Uses)</b>	<b>(\$5,935,995)</b>	<b>(\$5,401,356)</b>	<b>(\$5,426,136)</b>	<b>\$24,780</b>		<b>(\$4,305,948)</b>	<b>(\$1,095,408)</b>	
Beginning Fund Balance	\$12,307,145	\$13,442,279	\$13,442,279			\$14,547,208		
<b>Ending Fund Balance</b>	<b>\$13,442,279</b>	<b>\$13,952,499</b>	<b>\$14,547,208</b>			<b>\$16,655,997</b>		

## FY 2024 Highlights

- For FY 2024, \$7,423,500 is anticipated in sales tax collections for the District, along with \$4,596,288 in charges for services. Staff projects \$215,000 in interest income for total revenues of \$12,234,788.
- Planned expenditures includes funding for 59.18 FTEs needed to operate The Marq Southlake. Personnel expenses for FY 2024 total \$3,299,698.
- FY 2024 operating expenses for The Marq Southlake are \$5,820,052, this includes standard expenses for things like utilities and supplies, as well as marketing and promotions.
- The ending fund balance for the CEDC Operating Fund is projected at \$16,655,997.



# Community Enhancement and Development Corporation Fund - Replacement Fund



The Community Enhancement and Development Corporation - Replacement Fund accounts for the resources needed to manage the purchase of replacement equipment and capital outlay at The Marq Southlake. The establishment and funding of the Community Enhancement and Development Corporation - Replacement Fund was designed to even out expenses for the Community Enhancement and Development Corporation from year to year and provide a logical method for purchasing and retiring needed equipment and capital outlay.

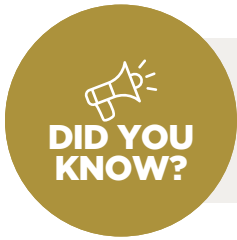
	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Interest	1,248	500	55,000	54,500	10900.0%	50,000	49,500	9900.0%
<b>Total Revenues</b>	<b>\$1,248</b>	<b>\$500</b>	<b>\$55,000</b>	<b>\$54,500</b>	<b>0.0%</b>	<b>\$50,000</b>	<b>\$49,500</b>	<b>9900.0%</b>
<b>EXPENDITURES</b>								
Operations	\$0	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Capital	133,596	414,713	414,713	0	0.0%	1,408,309	993,596	239.6%
<b>Total Expenditures</b>	<b>\$133,596</b>	<b>\$414,713</b>	<b>\$414,713</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$1,408,309</b>	<b>\$993,596</b>	<b>239.6%</b>
<b>Net Revenues</b>	<b>(\$132,348)</b>	<b>(\$414,213)</b>	<b>(\$359,713)</b>	<b>\$54,500</b>		<b>(\$1,358,309)</b>	<b>(\$944,096)</b>	
Transfer from other funds	\$3,056,800	\$1,125,000	\$1,125,000			\$1,125,000		
Transfer to other funds	(\$0)	(\$0)	(\$0)			(\$0)		
<b>Total Other Sources/(Uses)</b>	<b>\$3,056,800</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>			<b>\$1,125,000</b>		
Beginning Fund Balance	\$321,464	\$3,245,916	\$3,245,916			\$4,011,203		
<b>Ending Fund Balance</b>	<b>\$3,245,916</b>	<b>\$3,956,703</b>	<b>\$4,011,203</b>			<b>\$3,777,894</b>		

## FY 2024 Highlights

- This fund was established in FY 2020 to set aside funds for equipment and furniture replacement at The Marq Southlake.
- FY 2024 includes a projected transfer in from the Community Enhancement and Development Corporation Fund of \$1,125,000. Equipment replacement is based on the recommendations of The Marq Asset Management Plan, and includes aquatics maintenance (\$355,186), fitness equipment replacement (\$162,969), and camera replacements at the Marq (\$482,000).
- The ending fund balance is projected to be \$3,777,894.

# OTHER SPECIAL REVENUE FUND SUMMARIES & FY 2024 HIGHLIGHTS

# Commercial Vehicle Enforcement Fund



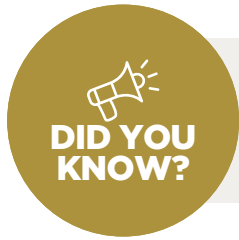
This fund accounts for fines collected from commercial vehicle violations. Use of these funds is restricted for commercial vehicle enforcement, per State law.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Fines and forfeitures	\$18,655	\$25,000	\$15,000	(\$10,000)	-40.0%	\$25,000	\$0	0.0%
Interest	(721)	200	6,500	6,300	3150.0%	4,500	4,300	2150.0%
<b>Total Revenues</b>	<b>\$17,934</b>	<b>\$25,200</b>	<b>\$21,500</b>	<b>(\$3,700)</b>	<b>-14.7%</b>	<b>\$29,500</b>	<b>\$4,300</b>	<b>17.1%</b>
<b>EXPENDITURES</b>								
Personnel	\$40,631	\$143,767	\$152,602	\$8,835	6.1%	\$161,151	17,384	12.1%
Operations	8,685	13,328	14,783	1,455	10.9%	13,599	271	2.0%
Capital	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$49,316</b>	<b>\$157,095</b>	<b>\$167,385</b>	<b>\$10,290</b>	<b>6.6%</b>	<b>\$174,750</b>	<b>\$17,655</b>	<b>11.2%</b>
<b>Net Revenues</b>	<b>(\$31,382)</b>	<b>(\$131,895)</b>	<b>(\$145,885)</b>	<b>(\$13,990)</b>		<b>(\$145,250)</b>	<b>(\$13,355)</b>	
Transfer from other funds	\$150,000	\$100,000	\$100,000	0		\$100,000		
<b>Total Other Sources/(Uses)</b>	<b>\$150,000</b>	<b>\$100,000</b>	<b>\$100,000</b>			<b>\$100,000</b>		
Beginning Fund Balance	\$115,082	\$233,700	\$233,700			\$187,815		
<b>Ending Fund Balance</b>	<b>\$233,700</b>	<b>\$201,805</b>	<b>\$187,815</b>			<b>\$142,565</b>		

## FY 2024 Highlights

- State law requires that fines and forfeitures associated with commercial vehicle enforcement activities be segregated for accounting purposes. Therefore, a new fund was established in FY 2013 as we began implementation of our program.
- For FY 2024 total revenues are budgeted for \$29,500. Expenses total \$174,750. A General Fund transfer of \$100,000 into this fund is projected.
- The ending fund balance is projected to be \$142,565.

# Court Security Fund



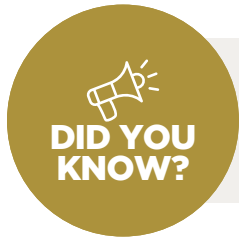
This fund accounts for a percentage of monies collected from the payment of fines and forfeitures. Use of these funds is restricted for court security items, per State law.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Fines and forfeitures	\$36,524	\$34,400	\$25,000	(\$9,400)	-27.3%	\$23,000	(\$11,400)	-33.1%
Interest	(1,472)	500	10,500	10,000	2000.0%	9,000	8,500	1700.0%
<b>Total Revenues</b>	<b>\$35,052</b>	<b>\$34,900</b>	<b>\$35,500</b>	<b>\$600</b>	<b>1.7%</b>	<b>\$32,000</b>	<b>(\$2,900)</b>	<b>-8.3%</b>
<b>EXPENDITURES</b>								
Personnel	\$27,387	\$59,810	\$59,810	\$0	0.0%	\$64,750	4,940	8.3%
Operations	18,511	18,770	18,770	0	0.0%	15,770	(3,000)	-16.0%
Capital	0	0	0	(0)	-100.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$45,898</b>	<b>\$78,580</b>	<b>\$78,580</b>	<b>(\$0)</b>	<b>0.0%</b>	<b>\$80,520</b>	<b>\$1,940</b>	<b>2.5%</b>
<b>Net Revenues</b>	<b>(\$10,846)</b>	<b>(\$43,680)</b>	<b>(\$43,080)</b>	<b>\$600</b>		<b>(\$48,520)</b>	<b>(\$4,840)</b>	
Finance Proceeds	\$11,870	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b>\$11,870</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>		
Beginning Fund Balance	\$436,805	\$437,829	\$437,829			\$394,749		
<b>Ending Fund Balance</b>	<b>\$437,829</b>	<b>\$394,149</b>	<b>\$394,749</b>			<b>\$346,229</b>		

## FY 2024 Highlights

- The adopted budget anticipates revenues of \$32,000. The beginning fund balance is \$394,749.
- Expenditures of \$80,520 are planned to enhance the overall safety of the court with the use of security personnel and operational expenses.
- The projected ending fund balance is \$346,229.

# Court Technology Fund



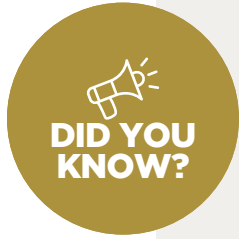
This fund accounts for a percentage of monies collected from the payment of fines and forfeitures. Use of these funds is restricted, per State law.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Fines and forfeitures	\$30,107	\$27,500	\$22,000	(\$5,500)	-20.0%	\$20,000	(\$7,500)	-27.3%
Interest	(955)	500	7,000	6,500	1300.0%	6,500	6,000	1200.0%
<b>Total Revenues</b>	<b>\$29,152</b>	<b>\$28,000</b>	<b>\$29,000</b>	<b>\$1,000</b>	<b>3.6%</b>	<b>\$26,500</b>	<b>(\$1,500)</b>	<b>-5.4%</b>
<b>EXPENDITURES</b>								
Personnel	\$0	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Operations	8,539	10,000	10,000	0	0.0%	26,530	16,530	165.3%
Capital	0	49,500	49,500	0	0.0%	0	(49,500)	-100.0%
<b>Total Expenditures</b>	<b>\$8,539</b>	<b>\$59,500</b>	<b>\$59,500</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$26,530</b>	<b>(\$32,970)</b>	<b>-55.4%</b>
<b>Net Revenues</b>	<b><u>\$20,613</u></b>	<b><u>(\$31,500)</u></b>	<b><u>(\$30,500)</u></b>	<b><u>\$1,000</u></b>		<b><u>(\$30)</u></b>	<b><u>\$31,470</u></b>	
Transfer to other funds	\$0	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>			<b><u>\$0</u></b>		
Beginning Fund Balance	\$290,767	\$311,380	\$311,380			\$280,880		
<b>Ending Fund Balance</b>	<b><u>\$311,380</u></b>	<b><u>\$279,880</u></b>	<b><u>\$280,880</u></b>			<b><u>\$280,850</u></b>		

## FY 2024 Highlights

- The budget anticipates revenues of \$26,500, including interest.
- Expenditures of \$26,530 are planned for replacement of court technology and equipment.
- The projected ending fund balance is \$280,850.

# Hotel Occupancy Tax Fund



The Hotel Occupancy Tax is authorized under the Texas Tax Code, Chapter 351. The City of Southlake adopted Ordinance No. 769 in February 2000, levying a 7% tax on room receipts. The tax on rooms is providing the revenues to the City in this category. The first expenditures from this fund were made in FY 2008. Use of these funds is restricted. Expenses must be authorized uses under the Texas Tax Code, Chapter 351.

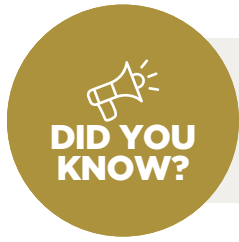
	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Taxes	\$1,637,159	\$1,705,300	\$2,000,000	\$294,700	17.3%	\$2,090,500	\$385,200	22.6%
Interest	<u>(5,594)</u>	<u>2,500</u>	<u>60,000</u>	<u>57,500</u>	2300.0%	<u>55,000</u>	<u>52,500</u>	2100.0%
<b>Total Revenues</b>	<b>\$1,631,565</b>	<b>\$1,707,800</b>	<b>\$2,060,000</b>	<b>\$352,200</b>	<b>20.6%</b>	<b>\$2,145,500</b>	<b>\$437,700</b>	<b>25.6%</b>
<b>EXPENDITURES</b>								
Personnel	\$242,638	\$291,151	\$291,151	\$0	0.0%	\$303,542	12,391	4.3%
Operations	520,311	674,342	674,342	0	0.0%	839,502	165,160	24.5%
Capital	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%	<u>0</u>	<u>0</u>	0.0%
<b>Total Expenditures</b>	<b>\$762,949</b>	<b>\$965,493</b>	<b>\$965,493</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$1,143,044</b>	<b>\$177,551</b>	<b>18.4%</b>
<b>Net Revenues</b>	<b><u>\$868,616</u></b>	<b><u>\$742,307</u></b>	<b><u>\$1,094,507</u></b>	<b><u>\$352,200</u></b>		<b><u>\$1,002,456</u></b>	<b><u>\$260,149</u></b>	
Transfer to other funds	<u>(\$304,342)</u>	<u>(824,482)</u>	<u>(\$891,401)</u>			<u>(607,645)</u>		
<b>Total Other Sources/(Uses)</b>	<b><u>(\$304,342)</u></b>	<b><u>(\$824,482)</u></b>	<b><u>(\$891,401)</u></b>			<b><u>(\$607,645)</u></b>		
Beginning Fund Balance	\$2,089,422	\$2,653,696	\$2,653,696			\$2,856,802		
<b>Ending Fund Balance</b>	<b><u>\$2,653,696</u></b>	<b><u>\$2,571,521</u></b>	<b><u>\$2,856,802</u></b>			<b><u>\$3,251,613</u></b>		

## FY 2024 Highlights

- For FY 2024, total revenues are estimated at \$2,145,500.
- Total planned expenditures for this fund for FY 2024 are \$1,143,044 and includes funding for marketing, advertising, and Tourism Master Plan implementation. The operating budget also includes funding for the personnel costs directly attributable to tourism.
- The budget includes an indirect transfer to the General Fund of \$85,820 and a transfer of \$321,825 to the Public Art Fund for implementation of the Public Art Master Plan, and a transfer of \$200,000 to the Capital Improvements Program (CIP) for the Visitor Amenities Facility planned for Town Square.
- The ending fund balance is projected at \$3,251,613.



# Library Donation Fund



This fund accounts for library donations collected. Use of these funds is restricted for library purposes.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Donations	\$9,897	\$4,000	\$9,000	\$5,000	125.0%	\$4,000	\$0	0.0%
Interest	(42)	70	400	330	471.4%	300	230	328.6%
<b>Total Revenues</b>	<b>\$9,855</b>	<b>\$4,070</b>	<b>\$9,400</b>	<b>\$5,330</b>	<b>131.0%</b>	<b>\$4,300</b>	<b>\$230</b>	<b>5.7%</b>
<b>EXPENDITURES</b>								
Special Projects	\$7,976	\$8,000	\$8,000	\$0	0.0%	\$8,000	0	0.0%
Library supplies	0	0	0	0	0.0%	0	0	0.0%
Capital	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$7,976</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$0</b>	<b>0%</b>	<b>\$8,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Net Revenues</b>	<b>\$1,879</b>	<b>(\$3,930)</b>	<b>\$1,400</b>	<b>\$5,330</b>		<b>(\$3,700)</b>	<b>\$230</b>	
Transfer to other funds	\$0	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>		
Beginning Fund Balance	\$12,725	\$14,604	\$14,604			\$16,004		
<b>Ending Fund Balance</b>	<b>\$14,604</b>	<b>\$10,674</b>	<b>\$16,004</b>			<b>\$12,304</b>		

## FY 2024 Highlights

- The budget anticipates a beginning fund balance of \$16,004.
- Staff is anticipating approximately \$4,000 in donations and the expenditures will be for special projects, which are often defined by the donor.
- Ending fund balance is projected at \$12,304.

# Park Dedication Fee Fund



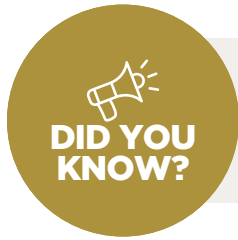
This fund accounts for dedication fees on new development. Use of park dedication fees is restricted to park improvements and primarily used for capital expenses.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Permits/Fees	\$215,837	\$90,000	\$373,300	\$283,300	314.8%	\$90,000	\$0	0.0%
Miscellaneous	0	0	0	0	0.0%	0	0	0.0%
Interest	(4,550)	500	35,000	34,500	6900.0%	30,000	29,500	5900.0%
<b>Total Revenues</b>	<b>\$211,287</b>	<b>\$90,500</b>	<b>\$408,300</b>	<b>\$317,800</b>	<b>351.2%</b>	<b>\$120,000</b>	<b>\$29,500</b>	<b>32.6%</b>
<b>EXPENDITURES</b>								
Parks and Recreation	\$0	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Park Improvements	0	0	0	0	0.0%	0	0	0.0%
Land	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Net Revenues</b>	<b>\$211,287</b>	<b>\$90,500</b>	<b>\$408,300</b>	<b>\$317,800</b>		<b>\$120,000</b>	<b>\$29,500</b>	
Transfer from other funds	\$0	\$0	\$0			\$0		
Transfer to other funds	(\$630,000)	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b>(\$630,000)</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>		
Beginning Fund Balance	\$1,588,212	\$1,169,499	\$1,169,499			\$1,577,799		
<b>Ending Fund Balance</b>	<b>\$1,169,499</b>	<b>\$1,259,999</b>	<b>\$1,577,799</b>			<b>\$1,697,799</b>		

## FY 2024 Highlights

- The budget anticipates a beginning fund balance of \$1,577,799.
- The adopted budget reflects revenues of \$90,000 in fees and \$30,000 in interest earnings for total revenues of \$120,000.
- For FY 2024, no expenditures are budgeted.
- This budget includes no transfers to the Capital Improvements Program (CIP) in FY 2024.
- The ending fund balance is projected to be \$1,697,799.

# Parks and Recreation Fund



This fund accounts for resources restricted for use by the Community Services department. Such funds include event and other sponsorship funds collected through the City’s sponsorship program.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Donations/Sponsorships	\$25,710	\$46,500	\$35,000	(\$11,500)	-24.7%	\$66,500	\$20,000	43.0%
Miscellaneous	0	0	0	0	0.0%	0	0	0.0%
Interest	(729)	600	5,000	4,400	733.3%	4,300	3,700	616.7%
<b>Total Revenues</b>	<b>\$24,981</b>	<b>\$47,100</b>	<b>\$40,000</b>	<b>(\$7,100)</b>	<b>-15.1%</b>	<b>\$70,800</b>	<b>\$23,700</b>	<b>50.3%</b>
<b>EXPENDITURES</b>								
Parks and Recreation	\$36,880	\$82,500	\$72,500	(\$10,000)	-12.1%	\$87,500	5,000	6.1%
Park Improvements	0	0	0	0	0.0%	0	0	0.0%
Land	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$36,880</b>	<b>\$82,500</b>	<b>\$72,500</b>	<b>(\$10,000)</b>	<b>-12.1%</b>	<b>\$87,500</b>	<b>\$5,000</b>	<b>6.1%</b>
<b>Net Revenues</b>	<b><u>(\$11,899)</u></b>	<b><u>(\$35,400)</u></b>	<b><u>(\$32,500)</u></b>	<b><u>\$2,900</u></b>		<b><u>(\$16,700)</u></b>	<b><u>\$18,700</u></b>	
Transfer from other funds	\$0	\$0	\$0			\$0		
Transfer to other funds	\$0	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>			<b><u>\$0</u></b>		
Beginning Fund Balance	\$205,139	\$193,240	\$193,240			\$160,740		
<b>Ending Fund Balance</b>	<b><u>\$193,240</u></b>	<b><u>\$157,840</u></b>	<b><u>\$160,740</u></b>			<b><u>\$144,040</u></b>		

## FY 2024 Highlights

- Planned expenses in this fund are directed toward enhancing City special events, programs, athletic fields, and parks for which sponsorships are granted. The funds received through sponsorships assist with offsetting enhanced services offered to the community.
- The adopted budget reflects revenues of \$66,500 in donations and sponsorships and \$4,300 in interest earnings for total revenues of \$70,800.
- The adopted budget anticipates a beginning fund balance of \$160,740. Expenses are estimated at \$87,500 leaving the fund with a projected fund balance of \$144,040.

# Police Special Revenue Fund



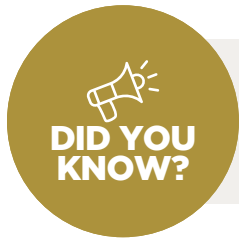
The Police Special Revenue Fund was formed to account for the revenues allowed under Chapter 59 of the Code of Criminal Procedure, in addition to other special revenues associated with policing. Expenses from this fund may be used for officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Miscellaneous/Forfeitures	\$116,061	\$0	\$33,049	\$33,049	330489900.0%	\$0	(\$0)	-100.0%
Interest	<u>113</u>	<u>100</u>	<u>2,400</u>	<u>2,300</u>	2300.0%	<u>1,200</u>	<u>1,100</u>	1100.0%
<b>Total Revenues</b>	<b>\$116,174</b>	<b>\$100</b>	<b>\$35,449</b>	<b>\$35,349</b>	<b>35345.5%</b>	<b>\$1,200</b>	<b>\$1,100</b>	<b>1099.9%</b>
<b>EXPENDITURES</b>								
Operations	\$5,358	\$86,061	\$86,061	\$0	0.0%	\$57,426	(28,635)	-33.3%
Capital	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%	<u>0</u>	<u>0</u>	0.0%
<b>Total Expenditures</b>	<b>\$5,358</b>	<b>\$86,061</b>	<b>\$86,061</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$57,426</b>	<b>(\$28,635)</b>	<b>-33.3%</b>
<b>Net Revenues</b>	<b><u>\$110,816</u></b>	<b><u>(\$85,961)</u></b>	<b><u>(\$50,612)</u></b>	<b><u>\$35,349</u></b>		<b><u>(\$56,226)</u></b>	<b><u>\$29,735</u></b>	
Transfer to other funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			<u>\$0</u>		
<b>Total Other Sources/(Uses)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>			<b><u>\$0</u></b>		
Beginning Fund Balance	\$26,894	\$137,710	\$137,710			\$87,098		
<b>Ending Fund Balance</b>	<b><u>\$137,710</u></b>	<b><u>\$51,749</u></b>	<b><u>\$87,098</u></b>			<b><u>\$30,872</u></b>		

## FY 2024 Highlights

- The beginning balance for this fund is \$87,098.
- The adopted budget reflects revenues of \$0 in forfeitures and \$1,200 in interest earnings for total revenues of \$1,200.
- Expenses are estimated at \$57,426 and includes replacement SWAT equipment (\$31,902), setup for the relocated digital forensics lab (\$10,980), patrol rifle flashlights (\$8,000), narcotics investigation training (\$2,350), Motorola transfer station (\$1,495), and fleet tracking services renewal (\$1,199).
- The ending fund balance is adopted at \$30,872.

# Public Art Fund



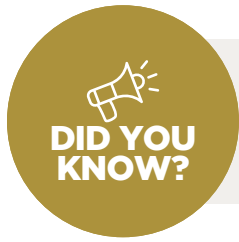
The Public Art Fund was established to account for funding that is available for the promotion, creation, and/or installation of public art throughout the City of Southlake.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Miscellaneous	\$50	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Interest Income	(\$1,214)	\$2,000	\$13,500	\$11,500	575.0%	\$9,000	\$7,000	350.0%
<b>Total Revenues</b>	<b>(\$1,164)</b>	<b>\$2,000</b>	<b>\$13,500</b>	<b>\$11,500</b>		<b>\$9,000</b>	<b>\$0</b>	
<b>EXPENDITURES</b>								
Operations	\$61,167	\$70,143	\$70,143	\$0	0.0%	\$77,546	\$7,403	10.6%
Capital	\$0	\$0	\$0	0	0.0%	\$0	0	0.0%
<b>Total Expenditures</b>	<b>\$61,167</b>	<b>\$70,143</b>	<b>\$70,143</b>	<b>\$0</b>	0.0%	<b>\$77,546</b>	<b>\$7,403</b>	10.6%
<b>Net Revenues</b>	<b>(\$62,331)</b>	<b>(\$68,143)</b>	<b>(\$56,643)</b>	<b>\$11,500</b>		<b>(\$68,546)</b>	<b>(\$403)</b>	
Transfers In-Hotel	\$240,270	256,170	309,000	52,830		321,825	\$65,655	
Transfers Out -	(100,000)	(100,000)	(100,000)	0		(400,000)	(\$300,000)	
<b>Total Other Sources (Uses)</b>	<b>\$140,270</b>	<b>\$156,170</b>	<b>\$209,000</b>	<b>\$0</b>		<b>(\$78,175)</b>		
Beginning Fund Balance	\$364,045	\$441,984	\$441,984			\$594,341		
	0	0	0			0		
<b>Ending Fund Balance</b>	<b>\$441,984</b>	<b>\$530,011</b>	<b>\$594,341</b>			<b>\$447,620</b>		

## FY 2024 Highlights

- The adopted budget shows \$9,000 in interest income based on a beginning fund balance of \$594,341.
- The law providing for the Hotel Occupancy Tax allows up to 15% of the revenues to be used for public art purposes. Because this source of funding comes in the form of a transfer, it is shown “below the line.” For FY 2024, this transfer of \$321,825 is budgeted.
- For FY 2024, expenditures are estimated at \$77,546. The Public Art Fund will provide the source of support for the City’s ongoing relationship with the APEX Arts League, Arts Council - Northeast, and the Southlake Arts Council by providing funding for various projects such as public art displays and event support. The budget also includes a transfer of \$400,000 to the CIP for implementation of the Southlake Public Art Master Plan.
- The ending fund balance for the Public Art Fund is estimated at \$447,620.

# Recycling Fund



This fund accounts for an annual payment to the City made by the City’s solid waste services provider, per the terms of the service contract.

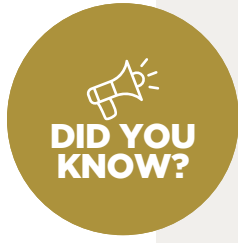
	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Recycling Recovery	\$86,058	\$6,000	\$6,000	\$0	0.0%	\$6,000	\$0	0.0%
Interest	(372)	125	3,200	3,075	2460.0%	2,000	1,875	1500.0%
<b>Total Revenues</b>	<b>\$85,686</b>	<b>\$6,125</b>	<b>\$9,200</b>	<b>\$3,075</b>	<b>50.2%</b>	<b>\$8,000</b>	<b>\$1,875</b>	<b>30.6%</b>
<b>EXPENDITURES</b>								
Special Projects	\$23,852	\$5,600	\$5,600	\$0	0.0%	\$6,000	400	7.1%
Recycling Supplies	0	0	0	0	0.0%	0	0	0.0%
Capital	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$23,852</b>	<b>\$5,600</b>	<b>\$5,600</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$6,000</b>	<b>\$400</b>	<b>7.1%</b>
<b>Net Revenues</b>	<b>\$61,834</b>	<b>\$525</b>	<b>\$3,600</b>	<b>\$3,075</b>		<b>\$2,000</b>	<b>\$1,475</b>	
Transfer to other funds	\$0	\$0	(\$67,091)			\$0		
<b>Total Other Sources/(Uses)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$67,091)</b>			<b>\$0</b>		
Beginning Fund Balance	\$76,458	\$138,292	\$138,292			\$74,801		
<b>Ending Fund Balance</b>	<b>\$138,292</b>	<b>\$138,817</b>	<b>\$74,801</b>			<b>\$76,801</b>		

## FY 2024 Highlights

- The City’s contract for solid waste services provides for an annual payment to the City of \$6,000 for a total projected revenue of \$8,00, including interest.
- Note that the beginning fund balance is \$74,801. The adopted budget includes \$6,000 for recycling education.
- The projected ending fund balance is \$76,801.



# Red Light Camera Fund



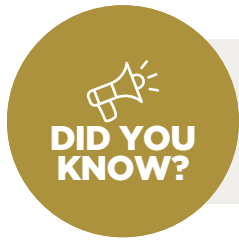
This fund accounts for funds collected from violations issued from the City’s red light enforcement camera system. Funds collected by the City of Southlake as a result of violations/citations issued, must be used for traffic safety programs, per State law. Governor Greg Abbott signed a bill into law banning the use of red light cameras on June 1, 2019. Under the new law, the City’s red light camera program immediately ceased operation.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Fines and forfeitures	\$0	\$0	\$0	\$0	0%	\$0	\$0	0.0%
Interest Income	(1,725)	500	7,600	\$7,100	1420%	1,500	\$1,000	200.0%
<b>Total Revenues</b>	<b>(\$1,725)</b>	<b>\$500</b>	<b>\$7,600</b>	<b>\$7,100</b>		<b>\$1,500</b>	<b>\$0</b>	
<b>EXPENDITURES</b>								
Personnel	\$0	\$0	\$0	0	0%	\$0	0	0.0%
Operations	127,100	208,705	208,705	0	0%	126,205	(82,500)	-39.5%
Capital	-	0	0	0	0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$127,100</b>	<b>\$208,705</b>	<b>\$208,705</b>	<b>\$0</b>	<b>0%</b>	<b>\$126,205</b>	<b>(\$82,500)</b>	<b>-39.5%</b>
<b>Net Revenues</b>	<b>(\$128,825)</b>	<b>(\$208,205)</b>	<b>(\$201,105)</b>	<b>\$7,100</b>		<b>(\$124,705)</b>	<b>\$83,500</b>	
Transfers In-	\$0	0	0	0		0	\$0	
Transfers Out -	(100,000)	0	0	0		0	\$0	
<b>Total Other Sources (Uses)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>		
Beginning Fund Balance	\$561,015	\$332,190	\$332,190			\$131,085		
	0	0	0			0		
<b>Ending Fund Balance</b>	<b>\$332,190</b>	<b>\$123,985</b>	<b>\$131,085</b>			<b>\$6,380</b>		

## FY 2024 Highlights

- Projected revenue for FY 2024 includes \$1,500 in interest income. Due to the red light cameras no longer being operational, no revenue will be collected in fines. Operating expenses will largely be paid using fund balance.
- For FY 2024, \$126,205 is budgeted for expenses. Funded projects include city-wide striping (\$50,000), city-wide crosswalk flasher solar panel replacement (\$28,000), and central software for traffic signal radio network (\$45,000).
- The beginning fund balance for the Red Light Camera Fund is \$131,085. Ending fund balance for FY 2024 is projected at \$6,380.

# Reforestation Fund



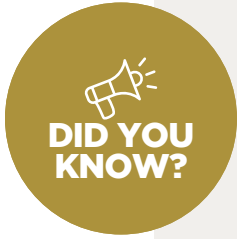
This fund accounts for monies derived from assessments related to the tree preservation ordinance and policies.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Permits/Fees	\$41,349	\$5,000	\$54,000	\$49,000	980.0%	\$5,000	\$0	0.0%
Miscellaneous	0	0	0	(0)	-100.0%	0	0	0.0%
Interest	(184)	80	3,000	2,920	3650.0%	2,500	2,420	3025.0%
<b>Total Revenues</b>	<b>\$41,165</b>	<b>\$5,080</b>	<b>\$57,000</b>	<b>\$51,920</b>	<b>1022.0%</b>	<b>\$7,500</b>	<b>\$2,420</b>	<b>47.6%</b>
<b>EXPENDITURES</b>								
Parks and Recreation	\$0	\$0	\$0	\$0	0.0%	\$0	0	0.0%
Reforestation	0	0	0	0	0.0%	35,000	35,000	349999900.0%
Capital	0	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>116666633.3%</b>
<b>Net Revenues</b>	<b>\$41,165</b>	<b>\$5,080</b>	<b>\$57,000</b>	<b>\$51,920</b>		<b>(\$27,500)</b>	<b>(\$32,580)</b>	
Transfer to other funds	\$0	\$0	\$0			\$0		
<b>Total Other Sources/(Uses)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>		
Beginning Fund Balance	\$54,847	\$96,012	\$96,012			\$153,012		
<b>Ending Fund Balance</b>	<b>\$96,012</b>	<b>\$101,092</b>	<b>\$153,012</b>			<b>\$125,512</b>		

## FY 2024 Highlights

- The activities supported by the Reforestation Fund support the City Council’s desire for quality development by ensuring that the natural environment is protected and preserved, where possible, or at a minimum replaced.
- The adopted budget reflects permits/fees of \$5,000 and interest income of \$2,500 for total revenue of \$7,500. It anticipates a beginning fund balance of \$153,012.
- For FY 2024, \$35,000 is budgeted for tree planting in key city-owned properties, medians, and right-of-ways.

# Storm Water Utility Fund



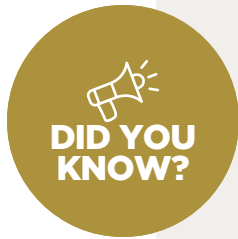
On October 17, 2006, the City Council established a Storm Water Utility System. This utility requires a monthly fee for all of Southlake’s developed properties. These fees provide a funding source for maintenance, repair, and construction of storm water facilities, and can only be spent for these purposes. The monthly storm water fee is the same for all residential dwelling units. Residential properties are charged \$8 per month for each dwelling unit that is on the property. Fees for non-residential properties are calculated individually in proportion to each property’s storm water runoff potential. For project details, see the CIP section of this document.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Stormwater-residential	\$920,468	\$918,200	\$923,500	\$5,300	0.6%	\$924,300	\$6,100	0.7%
Stormwater-commercial	674,085	673,300	681,000	7,700	1.1%	687,000	13,700	2.0%
Interest	(2,809)	500	30,000	29,500	5900.0%	40,000	39,500	7900.0%
<b>Total Revenues</b>	<b>\$1,591,744</b>	<b>\$1,592,000</b>	<b>\$1,634,500</b>	<b>\$42,500</b>	<b>2.7%</b>	<b>\$1,651,300</b>	<b>\$59,300</b>	<b>3.7%</b>
<b>EXPENDITURES</b>								
Personnel	\$340,127	\$398,067	\$276,635	(\$121,432)	-30.5%	\$271,928	(\$126,139)	-31.7%
Operations	\$333,855	\$334,306	\$334,306	0	0.0%	\$337,985	3,679	1.1%
Capital	\$0	\$0	\$0	0	0	\$0	0	0.0%
<b>Total Expenditures</b>	<b>\$673,982</b>	<b>\$732,373</b>	<b>\$610,941</b>	<b>(\$121,432)</b>	<b>-16.6%</b>	<b>\$609,913</b>	<b>(\$122,460)</b>	<b>-16.7%</b>
<b>Net Revenues</b>	<b>\$917,762</b>	<b>\$859,627</b>	<b>\$1,023,559</b>	<b>\$163,932</b>		<b>\$1,041,387</b>	<b>\$181,760</b>	
Transfers Out	(237,279)	(911,234)	(912,934)	\$1,700		(1,113,393)	202,159	
Proceeds from C.O. Sale	0	0	0	0		0	0	
<b>Total Other Sources (Use)</b>	<b>(\$237,279)</b>	<b>(\$911,234)</b>	<b>(\$912,934)</b>			<b>(\$1,113,393)</b>		
Beginning Fund Balance	\$1,255,872	\$1,936,355	\$1,936,355			\$2,046,980		
<b>Ending Fund Balance</b>	<b>\$1,936,355</b>	<b>\$1,884,748</b>	<b>\$2,046,980</b>			<b>\$1,974,974</b>		

## FY 2024 Highlights

- For FY 2024, total revenues for this fund are projected at \$1,651,300 including \$40,000 in interest earnings. This is an increase of 3.7% when compared to the FY 2023 Adopted Budget.
- Planned expenditures for FY 2024 total \$609,913, including \$271,928 in personnel expenses and \$337,985 in operational costs. These costs include a portion of drainage staff costs, contract engineering services (surveying, etc.), contract labor for drainage projects, and materials – all budgeted to ensure that we are able to adequately manage and respond to identified public drainage issues.
- A transfer to the Debt Service Fund of \$1,047,341 is planned and \$66,052 to the General Fund for indirect charges for total transfers of \$1,113,393. No transfer to the Capital Improvements Program is planned for FY 2024.
- The ending fund balance is projected at \$1,974,974. The expenses are necessary to improve and maintain public drainage ways throughout the City.

# Tax Increment Finance (TIF) District Fund



Tax Increment Reinvestment Zone (TIRZ) Number One or the Tax Increment Finance (TIF) District was created in 1997, with an effective beginning date of January 1, 1998. It was designed to encourage quality commercial development in the City. Incremental values subsequent to January 1997 are taxed at the City’s tax rate; however, 100% of the “captured” ad valorem revenues are utilized within the zone, rather than being allocated to the City’s overall budget. Overlapping taxing entities, including Tarrant County, Tarrant County College District, Tarrant County Hospital District, and the Carroll Independent School District have participated at varying levels as investors in TIRZ #1 by assigning their ad valorem tax dollars as well. These funds pay for public projects in Town Square, such as water, sewer and roads within the District. In 2018, TIRZ #1 was extended for an additional 20 years. This means that funds will continue to be collected on the incremental tax value and invested in the zone for an additional twenty years. The City of Southlake and Carroll ISD are the only participating entities with the 20 year extension.

	2022 Actual	2023 Adopted	2023 Amended	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease	2024 Proposed	\$ Increase/ (Decrease) Adopted	% Increase/ -Decrease
<b>REVENUES</b>								
Ad Valorem	\$9,343,619	\$9,468,834	\$9,834,043	\$365,209	3.9%	\$9,562,848	\$94,014	1.0%
Interest Income	<u>(\$12,950)</u>	<u>\$3,990</u>	<u>\$170,000</u>	<u>\$166,010</u>	4160.7%	<u>\$160,000</u>	<u>\$156,010</u>	3910.0%
<b>Total Revenues</b>	<b>\$9,330,669</b>	<b>\$9,472,824</b>	<b>\$10,004,043</b>	<b>\$531,219</b>	<b>5.6%</b>	<b>\$9,722,848</b>	<b>\$250,024</b>	<b>2.6%</b>
<b>EXPENDITURES</b>								
Personnel	\$365,816	\$366,754	\$366,754	\$0	0.0%	\$378,694	\$11,940	3.3%
Operations	\$6,527,776	\$6,715,639	\$7,118,809	403,170	6.0%	\$6,840,935	125,296	1.9%
Capital	<u>\$1,415,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>	0.0%	<u>\$0</u>	<u>0</u>	0.0%
<b>Total Expenditures</b>	<b>\$8,308,592</b>	<b>\$7,082,393</b>	<b>\$7,485,563</b>	<b>\$403,170</b>	<b>5.7%</b>	<b>\$7,219,629</b>	<b>\$137,236</b>	<b>1.9%</b>
<b>Net Revenues</b>	<b><u>\$1,022,077</u></b>	<b><u>\$2,390,431</u></b>	<b><u>\$2,518,480</u></b>	<b><u>\$128,049</u></b>		<b><u>\$2,503,219</u></b>	<b><u>\$112,788</u></b>	
Transfers Out-General Fund	0	0	0			0		
Transfers Out -Debt Service	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>		
<b>Total Other Sources (Uses)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>			<b><u>\$0</u></b>		
Beginning Fund Balance	\$5,641,894	\$6,663,971	\$6,663,971			\$9,182,451		
Prior period adjustment								
<b>Ending Fund Balance</b>	<b><u>\$6,663,971</u></b>	<b><u>\$9,054,402</u></b>	<b><u>\$9,182,451</u></b>			<b><u>\$11,685,670</u></b>		

## FY 2024 Highlights

- The incremental taxable value assigned to TIRZ #1 for the 2023 tax year is \$594,407,828 which is a 11.3% increase from the valuation for the 2022 tax year. This translates into anticipated revenues for the TIF District Fund of \$9,722,848, including interest income. Revenue projections include estimated CISD payments based on a three year average.
- Total planned expenditures for FY 2024 are \$7,219,629. These expenditures are attributable to projects identified in the project and financing plan.
- The ending balance for this fund is projected at \$11,685,670.







# CAPITAL **IMPROVEMENT** PROJECTS



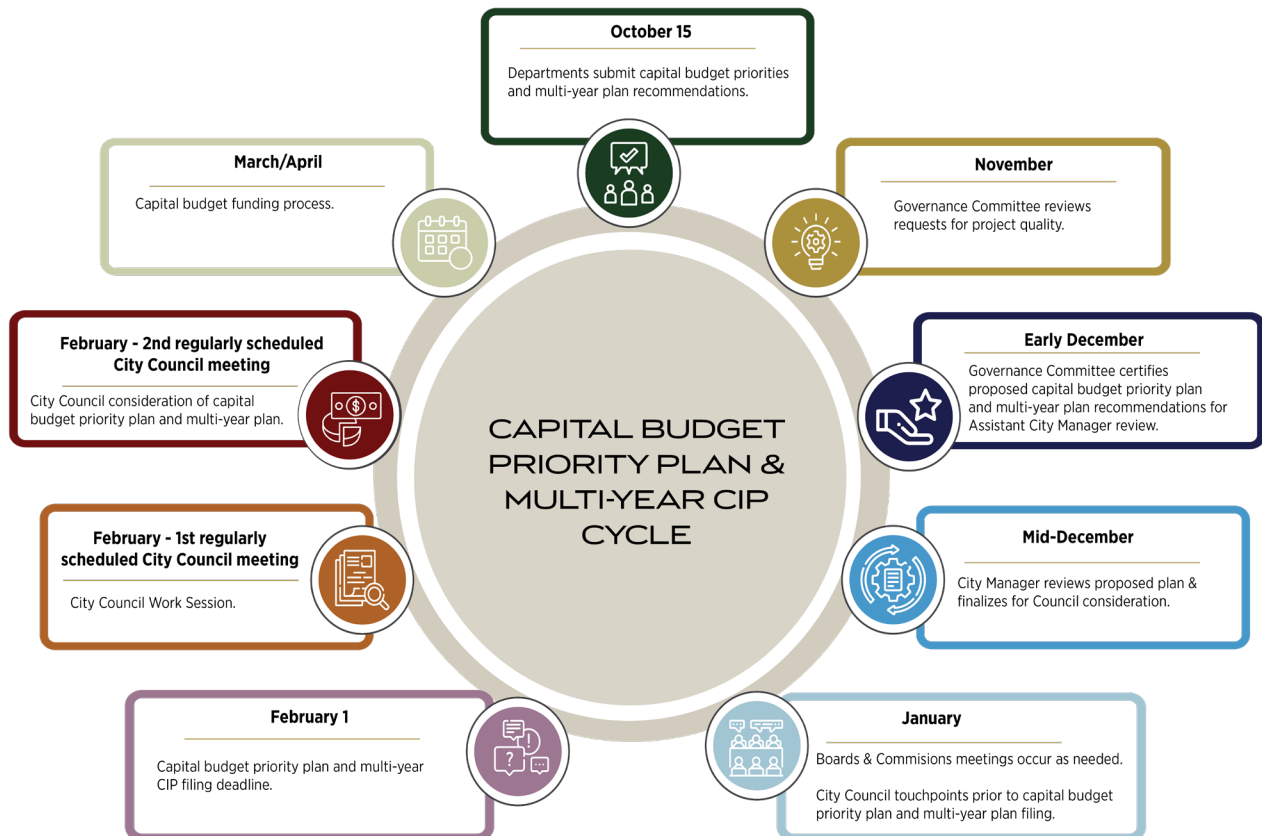
## Introduction

Each year, the City of Southlake identifies funding for a multi-year Capital Improvements Program (CIP). The CIP is a tool used for planning and financial management, designed to coordinate the location, timing and financing of capital improvements over a five-year period.

Capital improvements refer to major expenditures for things like land, buildings, and public infrastructure, identified for the purpose of advancing the City’s strategic and comprehensive plans. These improvements typically have a useful life of more than ten years and a value greater than \$10,000. The first year of the Capital Improvements Program is called the Capital Budget and is appropriated on an annual basis, approved by the City Council each February. The City Council also considers a multi-year plan along with the Capital Budget. These projects are approved for planning purposes only and do not receive expenditure authority until they are part of the Capital Budget.

The goals of Southlake’s capital project planning efforts include:

- Ensure timely construction of and/or repair of infrastructure to effectively meet ongoing community needs, as defined by the City’s strategic and comprehensive plans;
- Establish a methodical approach to public infrastructure funding and construction to eliminate unanticipated, poorly planned, or unnecessary capital expenditures and to avoid sharp increases in tax rates, user fees, or debt; and,
- Align public projects with community growth patterns and development, as defined by the City’s comprehensive plans.



# Creating the Capital Improvements Program

Southlake's Capital Budget cycle spans from October to February, when the Capital Budget is adopted by the Southlake City Council. The process, shown in Figure 1, begins each October with the City's CIP Governance Committee, a cross-department group that is comprised of the Executive Leadership Team and key department stakeholders. Following presentations by each requesting department, this group evaluates and prioritizes projects considering a variety of factors, including:

- Alignment with Guiding Principles (see Figure 2)
- City Council Priorities
- Financial Policies and Debt Management Strategy
- Comprehensive Plans
- Project Impact to Operating Budget
- Asset Management Best Practices

## CIP Guiding Principles

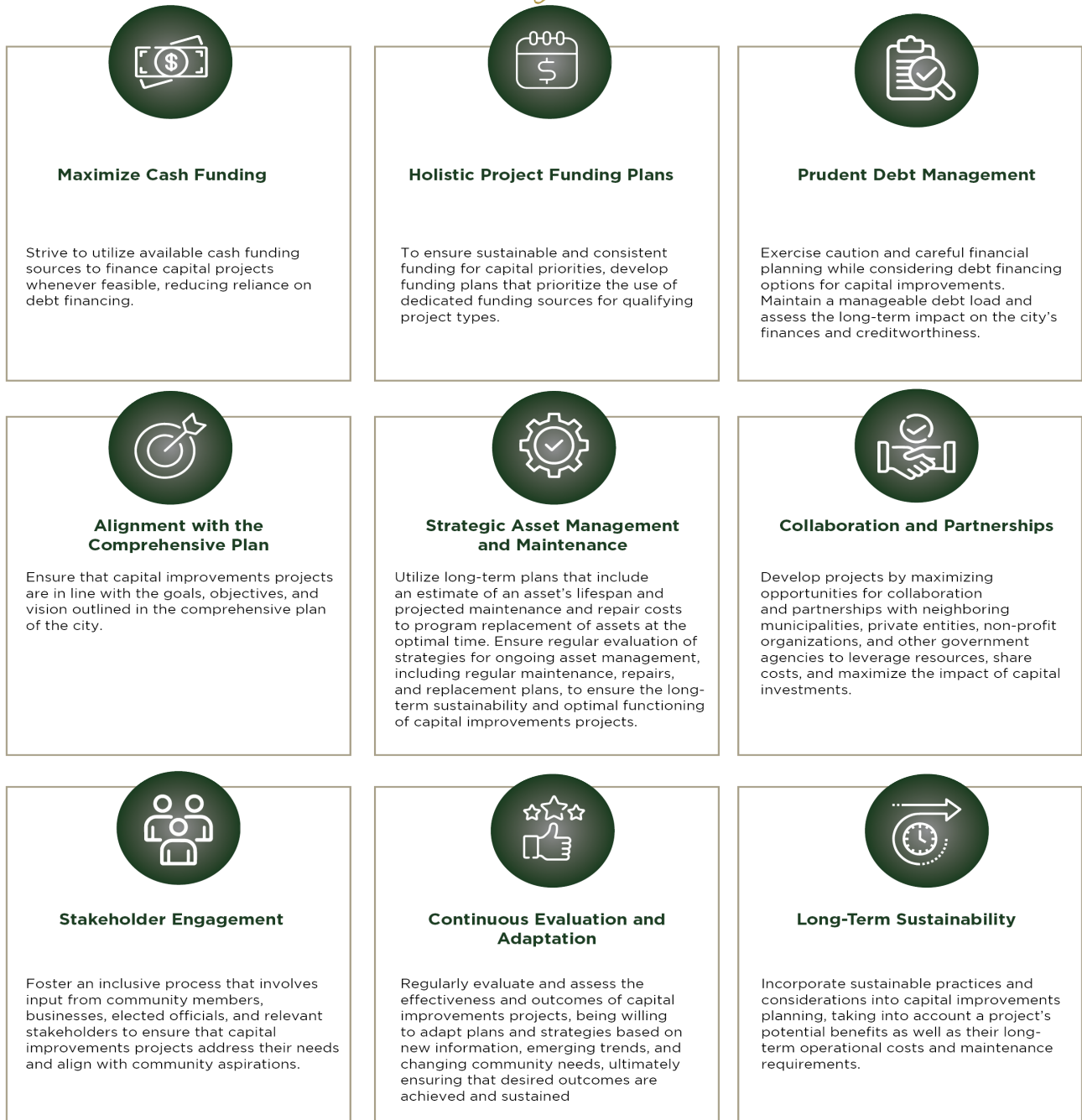
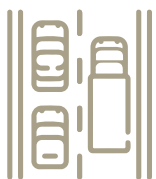


Figure 2

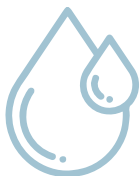
Once the Governance Committee completes its review, a prioritized funding recommendation and multi-year plan is presented to the City Manager. This plan includes recommendations by project category based on the primary purpose of the overall project. The project categories are:

**Mobility**



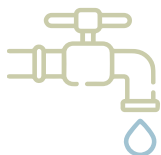
Multi-modal transportation projects that serve the mobility needs of residents, businesses, and visitors that address transportation needs for vehicles, bicycles, and pedestrians. These projects include road construction, widening, or improvements, street rehabilitation, and sidewalks. The majority of projects listed in this section of the CIP implement recommendations of the Southlake Mobility Master Plan.

**Water**



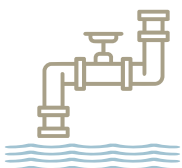
This section of the CIP identifies projects that expand and improve the water system, including new supply lines, storage tanks and towers, distribution mains and lines, and water quality enhancing equipment to lengthen the shelf-life of stored water. The majority of projects listed in this section of the CIP implement recommendations of the Southlake Water Master Plan. Additionally, this section includes projects from the Water Conservation Master Plan, Water Impact Fee capital improvement plans, and other associated technical studies that guide the development of the City's water system.

**Wastewater**



The projects identified in this section expand and improve the City's sanitary sewer infrastructure, including the installation of new sewer lines and the replacement of aging lines. The projects identified in this section of the plan largely implement recommendations from the Southlake Wastewater Master Plan.

**Stormwater**



This category includes projects that expand and improve the City's drainage infrastructure and manage the flow of storm water throughout the City. Projects identified in this section of the CIP implement recommendations from the Southlake Stormwater Master Plan.

**Parks**



Projects that provide infrastructure for parks and recreation opportunities, including active recreation, passive enjoyment, and enhanced open spaces are prioritized in this section and implement recommendations of the Southlake Parks, Recreation and Open Space Master Plan.

**Community Enhancement**



This section includes projects that improve the overall community design, aesthetic, and accessibility of public areas, including public art, ADA improvements, and city entry features. These projects are identified through several master plans, including the Southlake Public Arts Master Plan and the Urban Design Plan.

**Facilities**



The projects prioritized in this section include funding for the planning, design, and construction of City facilities and implement recommendations from several master plans, including the Southlake Tourism Master Plan and the Health and Wellness Master Plan.

The City Manager reviews the recommended project priorities by category and coordinates with the committee and department stakeholders on needed revisions or modifications. Once the City Manager finalizes the CIP, it is reviewed with the various boards and commissions who are vested with funding recommendations for the dedicated funding sources that are utilized in each Capital Budget. These groups include:

- Community Enhancement & Development Corporation Board of Directors
- Crime Control and Prevention District Board of Directors
- Southlake Parks Development Corporation Board of Directors
- Southlake Parks & Recreation Board

Following Board and Commission recommendations, in accordance with the Texas Local Government Code and the Charter of the City of Southlake, the CIP is submitted for City Council consideration annually on February 1st. A work session discussion is held during the first February City Council meeting, and the Council considers adoption of the Capital Budget and multi-year plan at its second regularly scheduled meeting each February. See Figure 3 for full calendar for upcoming process for FY 2024.

## Capital Budget and Multi-Year CIP Timeline

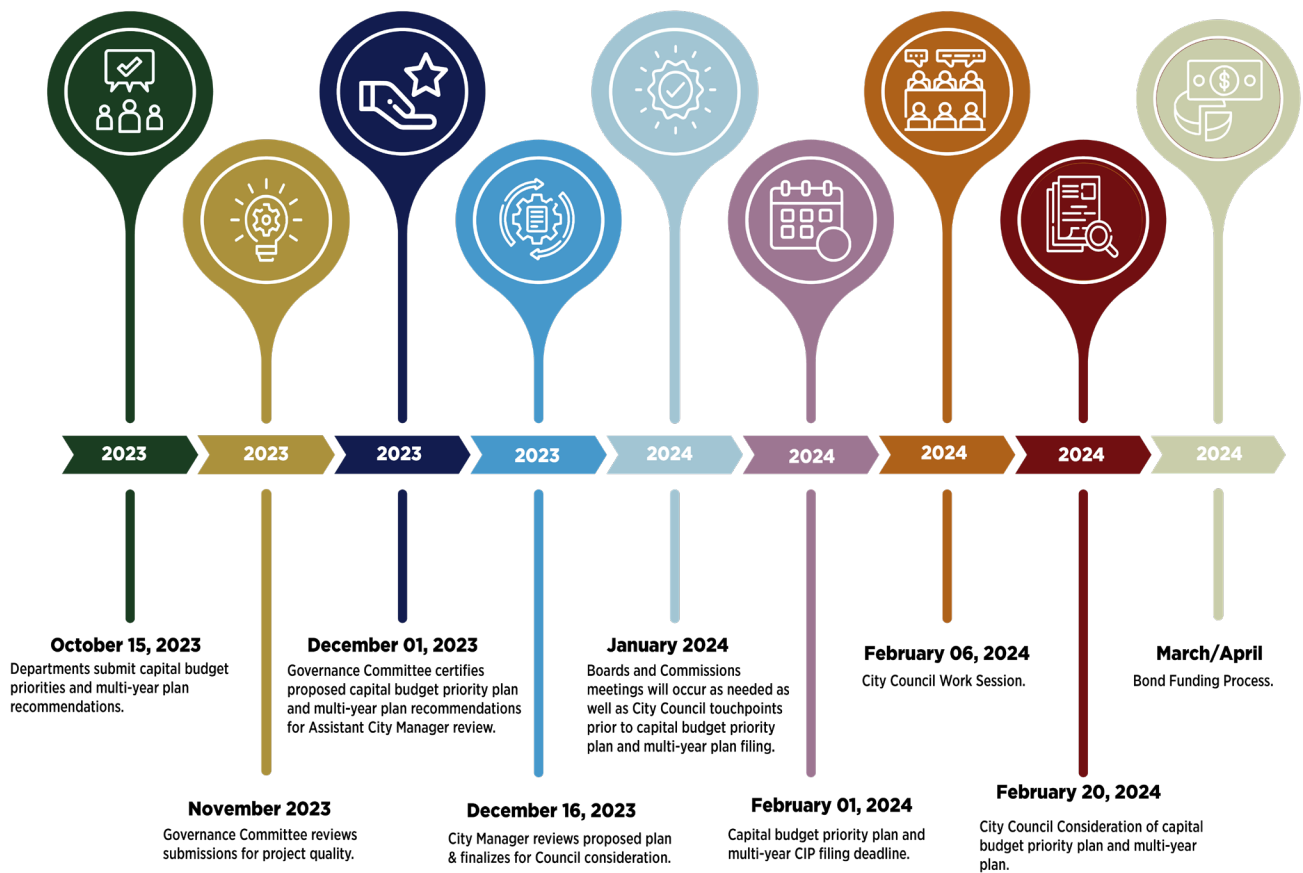


Figure 3

## Capital Budget Funding Types

Although the Strategic Initiative Fund provides cash for pay-as-you-go capital projects, the City may still borrow to build needed infrastructure. A portion of the revenue generated by the property tax rate is allocated to support long-term bond projects through the Debt Service Fund (see the “Debt Services Fund Expenditures” section for more information). This budget allocates 5.5 cents of the current tax rate to support the City’s General Fund debt. Fees and special revenue are used to support special purpose debt. A Capital Improvements Program details the projects and costs for a five-year period and identifies future unfunded projects. Debt Service Funds as well as cash provide the needed money to build these projects.

The following is a summary of the funding types for these projects:

### Cash

The City strives to maximize the use of available cash to finance capital projects and reduce the reliance on debt financing. Cash funding includes funds transferred from the Strategic Initiative Fund as well as from other funding sources such as the Public Art Fund, Impact Fee funds, Storm Water Utility Fund, the Hotel Occupancy Tax Fund, the Park Dedication Fee Fund, Community Enhancement Development Corporation, and the Southlake Parks Development Corporation Fund.

### Bonds

When the City sells bonds, purchasers are, in effect, lending the City money. The money is repaid, with interest, from taxes or fees over the years. The logic behind issuing bonds for capital projects is that the citizens who benefit from the capital improvements over a period of time should help the City pay for them. The City can issue bonds in these forms:

#### General Obligation (G.O.) Bonds

Perhaps the most flexible of all capital funding sources, G.O. bonds can be used for the design or construction of any capital project. These bonds are financed through property taxes. In financing through this method, the taxing power of the City is pledged to pay interest and principal to retire the debt. Voter approval is required if the City wants to increase the taxes that it levies and the amount is included in the City’s state-imposed debt limits. To minimize the need for property tax increases, the City makes every effort to coordinate new bond issues with the retirement of previous bonds.

#### Certificates of Obligation (C.O.) Bonds

Similar to general obligation bonds except the certificates require no voter approval. Combination tax and revenue certificates of obligation are issued for both governmental and business type activities. General obligation bonds, governmental revenue bonds, and tax notes pledge the full faith and credit of the City. Combination tax and revenue certificates of obligation are payable from the net revenues of the water and sewer system and general debt service tax.

#### Revenue Bonds

Revenue bonds are sold for projects that produce revenues, such as water and sewer system projects. Revenue bonds depend on user charges and other project-related income to cover their costs.

## Capital Budget vs. Operating Budget

Despite being adopted in different cycles throughout the fiscal year, the Capital Budget and annual operating budget are interconnected, most notably demonstrated by the division in the City’s tax rate 0.319 between funding for operations 0.264 and debt service 0.055. As property valuations fluctuate and the tax rate is adjusted, funding capability for both operating and capital expenditures are impacted. Additionally, the City is always mindful that as capital projects are completed, their ongoing maintenance and operation will have an impact on the operating budget.

Annual operating costs can include personnel, scheduled repair and maintenance, and utilities in the case of buildings. These operating cost estimates are developed by the project managers during the project development process and estimates are included on each project information sheet that is used during the prioritization process. To prepare for the future and avoid shortfalls, the City uses the annual operating cost estimates to plan and develop future budgets.

The full operating impact of the capital projects is factored into the City’s forecasting and multi-year financial plans and will be integrated into future budgets once those projects are completed and in operation. A detailed table is provided in the CIP that is considered by the City Council each February and this information is also included in the project status forms.

### *CIP Guiding Principles*

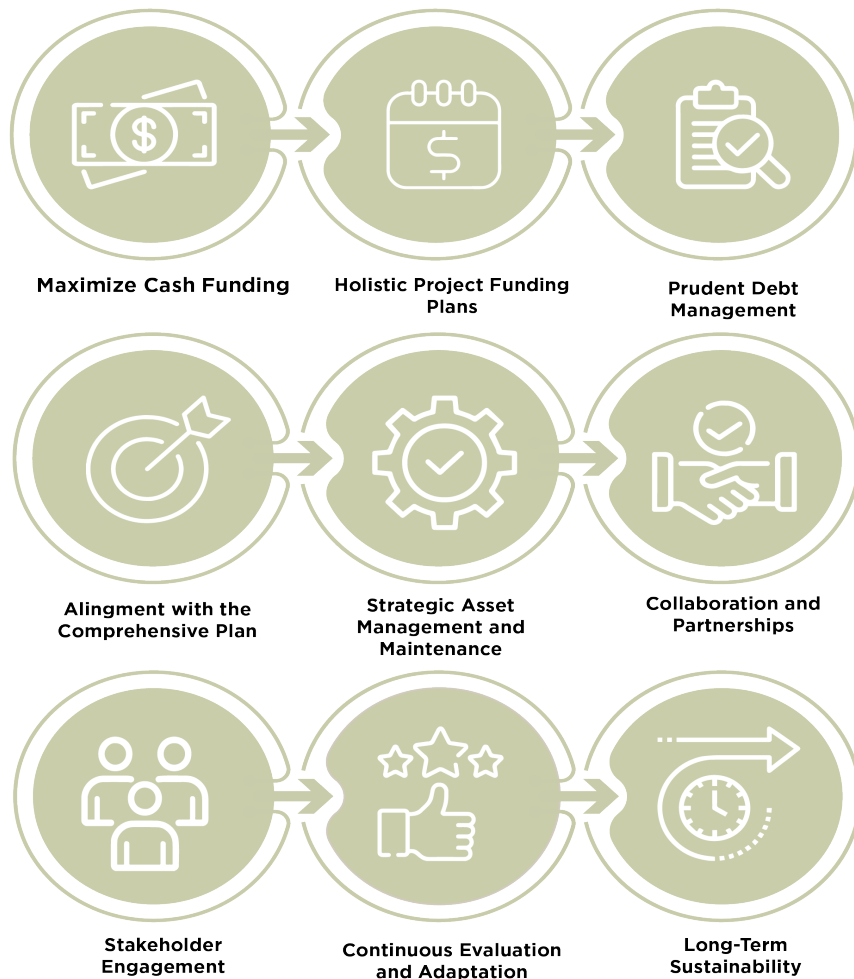


Figure 4



## FY 2024 Capital Budget Funding - Cash

Following the guiding principles, the CIP is prepared to ensure thoughtful use of all available funding sources, generally through a combination of cash funding and debt service. The operating budget establishes funding parameters by fund and for FY 2024, cash funding for capital projects is recommended as shown in the table below:

Fund	Description	Total FY 2024 Cash Funding Recommended
General Fund	The General Fund is used to address capital projects such as streets and road construction and/or rehabilitation, pathway improvements, improvements to support access as required by the Americans with Disabilities Act (ADA), and municipal facilities.	\$8,000,000
Utility Fund	The Utility Fund is used to address capital projects such as water and sewer infrastructure and city facilities. Projects include water lines, pump station improvements, storage facilities, sewer lines, lift station pumps, and facilities needed to support the City's utility system.	\$8,000,000
Southlake Parks Development Corporation	Funded by a voter-approved half-cent sales tax, these dollars are allocated for the ongoing design and development of the city's park system, and dollars for matching donations for park improvements.	\$5,500,000
Storm Water Utility Fund	Fees collected from residential and commercial property owners provide dollars to improve storm water management in the city. For FY 2024, funds will be allocated from this fund in an amount not to exceed \$XX for this purpose.	\$650,000
Crime Control and Prevention District	A portion of the taxes collected from this voter-approved District are used to fund capital projects.	\$334,500
Community Enhancement and Development Corporation	Another voter-approved District, the CEDC budget includes funds for capital projects.	\$241,000
Public Art Fund	Hotel Occupancy Tax (HOT) funds provide the resources for public art initiatives.	\$400,000
Hotel Occupancy Tax Fund	HOT funds can also be used for projects designed to bring visitors to the city.	\$200,000

The Capital budget submitted to the City Council will include recommendations for projects funded with these cash allocations as well as debt. Funding plans for each project will identify the use of funding sources that align with the CIP Guiding Principles. Cash funding allocated in the FY 2024 Operating Budget totals \$23,325,500 across all funds. This funding will support projects that advance mobility, water, wastewater, storm water, parks, community enhancements, and facilities goals, finalized when City Council adopts the Capital Budget and CIP. City staff will present a CIP implementation plan to in February 2024, that plan will include:

- Detailed funding schedule identifying cash and debt funding by funding source
- Project information sheets that include a description of project, pertinent project details as well as funding and expenditure schedules
- Operating budget impact summary
- Multi-year plan

## Current Capital Project Status

The FY 2023 Capital Budget included funding for 36 projects, totaling \$44,273,000. For information about the status of these and previously-funded projects, please visit the City's website at [www.CityofSouthlake.com/CIP](http://www.CityofSouthlake.com/CIP).



# APPENDIX

# Acronyms

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**BJNCP** - Bob Jones Nature Center and Preserve

**CAFR** - Comprehensive Annual Financial Report

**CALEA** - Commission on Accreditation for Law Enforcement Agencies

**CARS** - Call-A-Ride Southlake

**CCPD** - Crime Control and Prevention District

**CEDC** - Community Enhancement and Development Corporation

**CEPP** - Community Events Participation Policy

**CFAI** - Commission on Fire Accreditation International

**CIP** - Capital Improvements Program

**CPI** - Consumer Price Index

**CISD** - Carroll Independent School District

**CO** - Certificates of Obligation

**COSO** - Committee of Sponsoring Organizations of the Treadway Commission

**DPS** - Department of Public Safety (Police and Fire Services)

**DRC** - Development Review Committee

**EFT** - Electronic File or Funds Transfer

**FOSL** - Friends of the Southlake Library

**FTE** - Full-Time Equivalent

**FY** - Fiscal Year

**GAAP** - Generally Accepted Accounting Principles

**GASB** - Government Accounting Standards Board

**GFOA** - Government Finance Officers Association

**GIS** - Geographic Information Systems

**GO** - General Obligation

**KSB** - Keep Southlake Beautiful

**P-Card** - Procurement Card (City-issued credit card)

**PDF** - Park Dedication Fund

**RFP** - Request for Proposal

**RIF** - Roadway Impact Fee

**ROW** - Right of Way

**S&P** - Standard and Poor's

**SEC** - Securities and Exchange Commission

**SIF** - Strategic Initiative Fund

**SMS** - Strategic Management System

**SLTS** - Southlake Town Square

**SOP** - Standard Operating Procedure

**SPDC** - Southlake Parks Development Corporation

**SPIN** - Southlake Program for the Involvement of Neighborhoods

**SSIF** - Sanitary Sewer Impact Fee

**SWUS** - Storm Water Utility System

**TCEQ** - Texas Commission on Environmental Quality

**TIC** - True Interest Cost

**TIF** - Tax Increment Finance

**TIRZ** - Tax Increment Reinvestment Zone

**TISF** - Technology Infrastructure and Security Fund

**TMRS** - Texas Municipal Retirement System

**TxDOT** - Texas Department of Transportation

**UCR** - Uniform Crime Reports

**WIF** - Water Impact Fee



## A

**Accrual Basis Accounting:** A method of accounting for revenues and expenses when earned or incurred instead of when cash is received or spent.

**Actual:** Monies which have already been used or received as opposed to budgeted monies which are estimates of possible funds to be used or received.

**Ad Valorem:** Latin for “value of.” Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property. See property taxes.

**Amortization:** Payment of principal plus interest over a fixed period of time.

**Appropriation:** A legal authorization granted by the City Council to make expenditures and to incur obligations for a specific purpose or program. Usually granted for a one-year period.

**Arbitrage:** The additional investment earnings a municipality receives by borrowing (issuing bonds) at tax exempt rates and investing the proceeds at higher yielding taxable rates. The difference is the arbitrage amount which must be paid to the IRS.

**Assessed Valuation:** The estimated value placed upon real or personal property as the basis for levying property taxes.

**Audit:** An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make sure the City conforms to established procedures and policies.

## B

**Balance Sheet:** The basic financial statement, which discloses the assets, liability and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

**Balanced Budget:** Annual financial plan in which expenses do not exceed revenues.

**Base Budget:** The ongoing cost to maintain the current level of service. Inflation is included in the budget without increasing any level of service.

**Bicentennial Concessions Fund:** This fund is used to account for the revenues and expenditures dedicated for Bicentennial Park use. These funds are derived from the City’s contract with Coca-Cola.

**Bond:** A written promise to pay a specific sum of money (principal) at a specified future date along with periodic interest rate. Bonds are typically used for long-term debt to pay for a particular capital expenditure.

**Budget:** A plan of financial operation embodying an estimate of adopted expenditures for a given period and the adopted means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

**Budget Amendment:** A procedure used by the City staff and City Council to revise a budget appropriation.

**Budget Calendar:** The schedule of key dates involved in the process of adopting and then executing an adopted budget.

**Budget Hearing:** The public hearings conducted by City Council to consider and adopt the annual budget.

## C

**Capital Assets:** Assets of significant value which have a useful life of several years. Also referred to as fixed assets.

**Capital Budget:** Major capital improvements which are beyond the routine operation of the city are budgeted under separate capital project funds. These projects, which often require more than one year for completion, include items such as expansion of roads and reconstruction of intersections. In total, these projects are referred to as the Capital Budget and are not included in the annual operating budget.

**Capital Improvements Program (CIP):** A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditures.

**Capital Outlays:** Annual operating expenditures for the acquisition of, or addition to, fixed assets. These expenditures generally cost more than \$5,000, including construction projects, land acquisition, major renovations or repairs to existing grounds or facilities, and equipment purchases.

**Capital Projects:** Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

**Certificate of Obligations (COs):** Similar to general obligation bonds except the certificates require no voter approval.

**Commercial Vehicle Enforcement Fund:**

This fund accounts for fines collected from commercial vehicle violations. Use of these funds is restricted for commercial vehicle enforcement, per State law.

**Community Enhancement and Development Corporation (CEDC):**

The Community Enhancement and Development Corporation was formed when Southlake voters approved the special levy of a 3/8 cent sales tax in 2015. The funds are dedicated toward the construction of Phase II of The Marq Southlake, a community events and recreation facility. Funds will also be used to support operational expenses related to The Marq as well as special economic development projects.

**Community Enhancement and Development Corporation (CEDC) Debt Service Fund:**

The Community Enhancement and Development Corporation Debt Service Fund is used to account for the accumulation of financial resources for payment of long-term principle and interest costs for debt incurred to construct The Marq Southlake Phase II.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures.

**Court Security Fund:** The Court Security Fund is used to account for municipal court fees assessed to provide for court security.

**Court Technology Fund:** The Court Technology Fund is used to account for municipal court fees assessed to provide for court technology.

**Crime Control & Prevention District (CCPD):** A citizen approved district that utilizes a half-cent sales tax for the purchase of land and capital improvements for the Department of Public Safety.

## **Crime Control & Prevention District (CCPD)**

**Operating Fund:** The Crime Control & Prevention District Operating Fund is a special revenue fund established to account for the operations of the Crime Control District, which was established for the financing and development of crime control projects within the City of Southlake. This fund is funded primarily through the receipt of municipal sales taxes.

**Current Assets:** Those assets which are available or can be made readily available to finance current operations or to pay current liabilities.

**Current Liabilities:** Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

## **D**

**Debt Service:** The annual payment of principal and interest on the City's indebtedness.

**Deficit:** The excess of the liabilities of a fund over its assets. The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

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

**Depreciation:** The periodic expiration of an asset's useful life. Depreciation is a requirement, in proprietary type funds (such as enterprise and internal service funds).

## **E**

**Economic Development Investment Fund:** The Southlake Economic Development Strategic Plan includes the following as recommendation ED15: "Maintain ongoing, dedicated funding to achieve economic development goals by continuing investment in the Economic Development Investment Fund." This fund was created in 2013 for that purpose.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service.

**Enterprise Fund:** A type of proprietary fund containing the activities of funds where the intent is for the direct beneficiaries to pay for all costs of the fund through fees, or where a periodic determination of revenues and expenses is desired by management.

**Effective Tax Rate:** See no new revenue tax rate.

**Expenditures:** Where accounts are kept on the accrual or modified accrual basis of accounting, the costs of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

## **F**

**Fiscal Year:** Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for the City of Southlake begins on October 1 and ends on September 30.

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



# Budget Glossary

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**Franchise:** A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**FTE:** Acronym which stands for Full-time Equivalent. A numerical expression which indicates the amount of time a position has been budgeted for. A position budgeted at 40 hours per week for 12 months equals 1.0 FTE. Other frequently budgeted levels are 20 hours per week (.5 FTE) to show a position that has been split between two funds because the employee's responsibilities directly affect two funds.

**Fund:** An accounting entity with its own self-balancing set of accounts recording cash and/or other sources of revenues against expenditures for specific activities.

**Fund Balance:** The excess of an entity's assets over its liabilities in a particular fund. A negative fund balance is sometimes called a deficit.

## G

**GAAP:** Stands for Generally Accepted Accounting Principles, which are accounting and reporting standards used for both private industry and government.

**GASB:** Government Accounting Standards Board regulates the rules and standards for all governmental units.

**General Fund:** The City's principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the City that accounts for all activity not specifically accounted for in other funds. Includes such operations as police, fire, engineering, planning, finance and administration.

**General Obligation Bonds:** Bonds for which the full faith and credit of the issuing government are pledged for payment.

**General Obligation Debt Service Fund:** The General Obligation Debt Service Fund is used to account for the accumulation of financial resources for the payment of principle, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the General Obligation Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

## H

**Homestead Exemption:** A partial exemption of property taxes for owners of a residence. Qualifications include owning the house on January 1 and living in the house on January 1 of the tax year in question.

**Hotel Occupancy Tax Fund:** The fund used to account for the received revenue from taxes imposed on hotel guests who pay for a room or space in a hotel. The Hotel Occupancy Tax is authorized under the Texas Tax Code, Chapter 351. The City of Southlake adopted Ordinance No. 769 in February 2000, levying a 7% (.07) tax on the cost of a room.

## I

**Indicator:** A quantitative measure or index which may represent the degree of presence or magnitude of change in a condition.

**Interfund Transfer:** Money transferred from one fund to another.

## K

**Key Accountability Indicator:** A statement that describes in specific and measurable terms the results that the program is expected to achieve within a certain time-frame.

## L

**Levy:** To impose a tax, special assessment or service charge for the support of government activities. The term most commonly refers to the real and personal property tax levy.

**Liability:** Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

**Library Donations Fund:** This fund was established to account for resources donated for use by City library services.

**Long-Term Debt:** Debt with a maturity of more than one year after the date of issuance.

## M

**Mandate:** A requirement imposed by one unit of government on another unit of government.

**Modified Accrual Accounting:** A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are “measurable” and “available for expenditure”. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

## N

**No New Revenue Tax Rate:** Tax rate that will generate the same amount of property tax dollars as the previous year, excluding new construction and annexations, when the two years are compared. Formerly referred to as the effective tax rate.

## O

**Operating Budget:** The annual appropriation to maintain the provision of City services to the public.

**Operating Transfer In:** Transfer from other funds which are not related to rendering of service.

## P

**P-Card:** Acronym for procurement card. A City-issued credit card which allows employees to make purchases in a cost effective manner.

**Parks Dedication Fund:** The Parks Dedication Fund was established to account for resources restricted for use by the parks department. The primary source of revenue for the Parks Dedication Fund is user charges for the use of City parks.

**Proprietary Fund:** See Enterprise Fund.

**Adopted Budget:** The recommended and unapproved City budget submitted to the City Council and public in August of each year.

# Budget Glossary

## R

**Reappropriation:** A legal authorization granted by the City Council to reappropriate expenditures to the current budget year for a specific purpose or program that was budgeted but unexpended at the end of the prior year.

**Recycling Fund:** This fund accounts for the revenues and expenditures surrounding the City's contract with its solid waste provider which requires them to make a monthly payment into the recycling fund. This money is used for several recycling projects and initiatives.

**Red Light Camera Fund:** This fund accounts for fines collected from violations issued from the City's red light enforcement camera system. Funds collected by the City of Southlake as a result of violations/citations issued must be used for traffic safety programs.

**Reforestation Fund:** This fund accounts for revenues and expenditures dedicated for reforestation. These funds are derived from assessments related to the tree preservation ordinance and policies.

**Reserve:** A segregation of assets to provide for future use toward a specified purpose.

**Resources:** Total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

**Revenue:** Income received by the City to support programs or services to the community. It includes such items as taxes, fees, user charges, grants, fines, forfeits, interest income and miscellaneous revenue.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific source for some future period; typically, a year.

**Rollback Tax Rate:** See voter-approval tax rate.

## S

**Salaries and Wages:** Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and seasonal help.

**Special Assessment Debt:** Principal and interest on bonds related to Local Improvement Districts. This type of debt is callable when money is available to make payments which occurs when prepayments are received from property owners. The City budgets as if the entire debt will be paid in the current year, although this is highly unlikely.

**Special Revenue Funds:** General government funds where the source of revenue is dedicated to a specific purpose.

### Southlake Parks Development Corporation

**(SPDC):** A citizen approved non-profit development corporation established to develop and operate park and recreational facilities. The SPDC utilizes a half-cent sales tax for the purpose of acquiring land and making improvements to parks.

### Southlake Parks Development Corporation

**(SPDC) Debt Service Fund:** The Southlake Parks Development Corporation Debt Service Fund is utilized to account for the accumulation of financial resources, primarily transfers from other funds, for the payment of long-term principle and interest costs associated with the financing of improvements of the Southlake Parks Development Corporation.

**Southlake Parks Development Corporation (SPDC) Operating Fund:** The Southlake Parks Development Corporation operating fund was established to account for the general operations of the non-profit corporation established to finance, develop and operate park and recreational facilities. The SPDC is funded primarily through the receipt of municipal sales taxes.

**Storm Water Utility District:** The Storm Water Utility District is used to account for the acquisition, operation and maintenance of Southlake's municipal storm water utility, supported primarily by user charges to the public.

**Strategic Initiative Fund:** Fund created in 2005 for the purpose of taking fund balance reserves in excess of the City identified optimal fund balance level and using them for one-time expenditures of high impact projects such as infrastructure maintenance, community enhancement, and capital acquisition.

**Supplemental Request:** A budget request that is not included in the base budget.

## T

**Target-based budget:** A budget process in which departments are provided with a maximum level for their budget requests. The budget office requires separate justification via a Supplemental Request for adopted spending levels that exceed the target.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments, or charges for services rendered only to those who pay, for example, sewer service charges.

**Tax Increment Reinvestment Zone #1 (TIRZ):** A citizen approved financing mechanism that has allowed for the ongoing development of the Southlake Town Square area.

**Tax Increment Finance (TIF) Operating Fund:** The Tax Increment Finance Operating Fund was established to account for the general operations of the TIF, which was formed to finance and make public improvements. The TIF is funded primarily through the assessment of ad valorem taxes.

**Technology Infrastructure and Security Fund:** The Technology Infrastructure and Security Fund was created in FY 2017 to build capacity for current and future technology needs. Expenditures in this fund are used to maintain, enhance and replace technology infrastructure and enterprise software to ensure the City receives the most reliable and best value with technology investments. In order to keep up with the increasing number and complexity of security threats, this fund also supports technology security projects and programs.

**Transfers:** Internal movements of revenue and expenses among funds in the budget to provide needed sources of funding for expenses incurred on behalf of another fund.

## U

**Utility Fund:** The Utility Fund, also known as the Water and Sewer Enterprise Fund, is used to account for the acquisition, operation and maintenance of Southlake's municipal water and sewer utility, supported primarily by user charges to the public.

## V

**Vehicle Replacement Fund:** The Vehicle Replacement Fund is used for the acquisition and replacement of the City's fleet.

**Voter-Approval Tax Rate:** The highest tax rate the taxing unit can set before the City is required to hold an automatic election for approval. Under the Texas Property Tax Reform and Transparency Act of 2019, requires a city to hold an automatic election on the November uniform election date if it adopts a rate exceeding the 3.5 percent voter-approval rate. This rate is formerly referred to as the rollback tax rate.

## W

**Working Capital:** The year-end balance of current assets less current liabilities.

**Workload Measure:** A unit of measure to identify the amount of work or product generated from specific activities. They form the basis for determining the unit's success at reaching its performance objectives.





# Departmental Performance Measure Definitions

The list of definitions reflects key performance measures for the City of Southlake's departments. It is not a complete list of all measures.

<b>CITY MANAGER'S OFFICE</b>	
<b>Bond Rating - Fitch / S&amp;P / Moody's</b>	This measure represents our financial viability (creditworthiness).
<b>Overall Employee Engagement Mean (Gallup Q12)</b>	This measure represents our organizations overall employee engagement based on Gallup's Q12 Survey and is directly linked to business outcome success.
<b>Percent of citizens opinion on the overall quality of life in Southlake - (Citizen Satisfaction Survey)</b>	This measure represents our citizens satisfaction with their overall quality of life while living in Southlake as collected on our biennial Citizen Satisfaction Survey.
<b>Risk - Financial Activity Monitoring</b>	This measure represents the total number of fraud incidents discovered through the internal audit risk mitigation process.
<b>CITY SECRETARY'S OFFICE</b>	
<b>Public Information Act requests processed within five business days of receipt</b>	This measure represents that the City Secretary's Office (CSO) complies with the Public Information Act in order to adequately and efficiently respond to Open Records Requests. They also work closely with the City Attorney and Attorney General as necessary and keeps the City Manager's Office aware of any potential concerns.
<b>Records stored digitally in the document repository - Laserfiche</b>	This measure represents that records are stored digitally to ensure governmental transparency as the City moves from paper to electronic storage.
<b>Training hours for CSO staff</b>	This measure represents the training hours for the department that enhances overall employee engagement.
<b>City-wide Records Management Training (Hours)</b>	This measure represents the records management training that is provided city-wide to ensure that staff complies with the adopted plan.

# Department Performance Measure Definitions

COMMUNITY SERVICES	
<b>Marq Cost Recovery</b>	This measure represents the cost recovery measure ratio between expenses for operation and revenues generated by The Marq.
<b>The Marq Net Promoter Score</b>	This measure represents the Net Promoter Score measures of customer experience and predicts business growth. This proven metric transformed the business world and now provides the core measurement for customer experience management programs.
<b>Community Services Net Promoter Score</b>	This measure represents the Community Services Net Promoter score of customer experience and measures the loyalty of customers to the organization.
<b>Gallup Survey (Employee Engagement &amp; Employee Wellness)</b>	This measure represents the Gallup Q12 measures of employee engagement through highly specific and researched questions used to gauge employee sentiment about organizational culture.
ECONOMIC DEVELOPMENT & TOURISM	
<b>Local Unemployment Rate</b>	This measure represents the rate at which residents in the community are employed and therefore the potential of supporting local businesses.
<b>Southlake Retail Occupancy Rate</b>	This measure represents the City of Southlake's attractiveness as a place to do business and entrepreneurs willingness to invest locally.
<b>Southlake Office Occupancy Rate</b>	This measure represents the City of Southlake's ability in attracting professional office environment businesses that generally provide higher salaries and help support local retail businesses.
<b>Consumer Sales - Sales Tax (One Cent) Percentage Increase (year-over-year)</b>	This measure represents the sales that reflect the health and viability of local economy and performance of the City's businesses.

# Department Performance Measure Definitions

FINANCE & TECHNOLOGY	
<b>Collection Rate in Water Utilities</b>	This measure represents the Water Utilities division's track collection rates that determine if our methods of collection are effective.
<b>Purchasing Surveys</b>	The measure represents the Purchasing Internal and External Customer Service Surveys to determine satisfaction rates from the purchasing division.
<b>IT Performance - Unplanned network outages</b>	This measure represents the amount of unplanned network outages that occur within the fiscal year.
FIRE DEPARTMENT	
<b>Achieve a high percentage of citizen satisfaction in fire services provided.</b>	This measure represents the evaluation of fire services provided to the community.
<b>Fire Total Response Time</b>	This measure represents the evaluation of the efficiency of Fire emergency response through dispatch, turnout, and travel times.
<b>EMS Total Response Time</b>	This measure represents the evaluation of the efficiency of the EMS emergency response through dispatch, turnout, and travel times.
<b>CPR Success Rate</b>	This measure represents the success rate of CPR provided by Southlake EMS with the patient leaving the hospital walking and talking.
HUMAN RESOURCES	
<b>Full-time Voluntary Turnover Rate</b>	This measure represents the percentage of full-time employees who voluntarily leave unemployment with the City. It does not include involuntary separations. Turnover is measured by the number of voluntary separations within a year divided by the number of employees, multiplied by 100.
<b>Time-to-Fill Vacant Positions</b>	This measure represents the average number of days it takes to fill a vacant full-time position, from vacancy to job acceptance.
<b>Value of Volunteer Time</b>	This measure represents the total number of volunteer hours served by volunteers through Volunteer Southlake multiplied by the national value of each volunteer hours as established by the Independent Sector.

# Department Performance Measure Definitions

<b>LIBRARY SERVICES</b>	
<b>Library Materials Circulations</b>	This measure represents the number of library materials checked out or utilized by library customers.
<b>Library Program Attendance</b>	This measure represents the number of people attending library programs.
<b>Library Visitors and Online Users</b>	This measure represents the number of people visiting the library and using the library services online.
<b>OFFICE OF COMMUNICATION AND CUSTOMER EXPERIENCE</b>	
<b>Siteimprove Digital Certainty Index (DCI) score for CityofSouthlake.com</b>	This measure represents the quality and potential impact of your site's digital presence, including its accessibility and usability, its credibility and trustworthiness, and how well-poised it is to respond to SEO challenges. The final DCI Score is calculated as an overall score of points awarded in three categories: Accessibility, Quality and Assurance, and SEO.
<b>Citizen Satisfaction Survey - The Employee Exceeded my Expectations (Agree Completely/Somewhat)</b>	This measure represents the residents satisfaction in how well Southlake employees exceeded their expectations.
<b>Citizen Satisfaction Survey - (City Website) Is The First Place I look for City Information</b>	This measure represents what tool residents use most often to receive city information/news.

# Department Performance Measure Definitions

PLANNING AND DEVELOPMENT SERVICES	
<b>Percentage of building inspections completed on the same day as scheduled by the customer.</b>	This measure represents the time elapsed between the scheduled inspection by the customer and the inspection being conducted by city staff.
<b>Percentage of residential building permit reviews completed within 5 or 10 business days (depending on project).</b>	This measure represents the percentage of residential building permit reviews completed by the Planning & Development Services staff within the designated time frame (5 or 10 business days) to return comments to the applicant.
<b>Percentage of commercial building permit reviews completed within 10 or 15 business days (depending on the project)</b>	The measure represents the percentage of commercial building permit reviews completed by the Planning & Development Services staff within the designated time frame (10 or 15 business days) to return comments to the applicant.
<b>Implementation of Comprehensive Plan Initiatives</b>	This measure represents the percentage of identified citywide comprehensive plan elements completed per the established business unit performance indicator.
<b>Average number of days for code enforcement to resolve a code-related case.</b>	This measure represents the average number of days for code enforcement officers to resolve a code-related case.
POLICE DEPARTMENT	
<b>Police Response Times for Priority Calls</b>	This measure represents the evaluation of the efficiency of officers responding to serious or major crimes/calls for service from the time an officer is dispatched until the time the first officer arrives on scene.
<b>Average Criminal Case Clearance Rate for Detectives</b>	This measure represents the evaluation of the quality and effectiveness of criminal investigations and case preparation for the prosecution of perpetrators. For context, the national average for criminal case clearance rates is around 31%.
<b>Full-time Voluntary Turnover Rate</b>	This measure represents the percentage of full-time employees who voluntarily leave employment with the Police Department. It does not include involuntary separations. Turnover is measured by the number of voluntary separations each quarter divided by the number of FTE's, multiplied by 100.

# Department Performance Measure Definitions

<b>PUBLIC WORKS</b>	
<b>% TCEQ compliance with all water quality measures</b>	This measure represents the City's compliance with the Texas Commission on Environmental Quality (TCEQ) water quality measures required by the state including those reported in the water quality report.
<b>Average Pavement Quality Index (PQI) Score for roadways</b>	This measure represents a numerical index between 0 and 100, which is used to indicate the general condition of a pavement throughout the City of Southlake.
<b>% Complete of Pavement Management Assessment (PMA) of projects scheduled</b>	This measure represents the percentage of scheduled pavement repair scheduled that was completed in that fiscal year.
<b>% of investigations of reported illicit discharges initiated according to City's Stormwater Management Plan within 2 business days</b>	This measure represents the percentage of illicit discharge investigations completed within two business days. An illicit (illegal) discharge is any discharge to a municipal storm sewer system – storm drains, pipes, and ditches – that is not composed entirely of storm-water.



# Financial Policies

## Introduction

The City of Southlake's financial policies and charter provisions set forth the basic framework for the fiscal management of the City. The policies below were developed within the parameters established by the applicable provisions of the Texas Local Government Code and the City of Southlake Charter. Excerpts from the Charter follow the policy portion of this section.

## City of Southlake Statement of Financial Principles

### Accounting, Budgeting, and Financial Planning

- The City will establish accounting practices that conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.
- An independent certified public accounting firm will perform an annual audit and an official comprehensive annual financial report (CAFR) shall be issued no later than 6 months following year-end.
- The independent certified public accounting firm shall provide a management letter, if one is issued, no later than March 31 following the end of the fiscal year.
- The City shall submit the CAFR to the Government Finance Officers Association (GFOA) for the purpose of earning the Certificate of Achievement for Excellences in Financial Reporting.
- The City shall prepare an Annual Operating Budget and submit it for City Council approval prior to September 30.
- The Annual Operating Budget shall be prepared such that current revenues plus net operating transfers will be sufficient to support current expenditures.
- Expenditures from all operating funds shall not exceed the budgeted appropriations (as amended) for these funds.
- An adequate level of maintenance and replacement will be funded each year to ensure that all capital facilities and equipment are properly maintained.
- Charges for services and other revenues will be annually examined and adjusted as deemed necessary to respond to cost increases or any other changing circumstances.
- A three-year financial forecast shall be prepared annually projecting revenues and expenditures for all operating funds. This forecast shall be used as a planning tool in developing the following year's operating budget.

## Investments

Investments shall be made in conformance with the City's Investment Policy, with the primary objectives of:

- Safety-preservation of capital in the investment portfolio;
- Liquidity-portfolio remain sufficiently liquid to meet operating requirements; and,
- Yield-goal of rate of return of 102% of U.S. treasury curve at average maturity.

## Grants

All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.

## Tax Collection

The City shall encourage the Tax-Assessor-Collector to follow an aggressive policy of collecting property tax revenues. An average collection rate of at least 98% of current levy shall be maintained.

## Reserves

- The City's General Fund unreserved ending balance may only be used for one-time purchases such as capital equipment.
- The General Fund unreserved/undesignated balance shall be maintained at a minimum of 15% up to an optimum balance of 25% of annual General Fund expenditures.
- The fund balance in the debt service fund shall be maintained at a minimum level of 4.0% of annual debt service expenditures.
- Utility Fund unreserved/undesignated retained earnings balance shall be maintained at a minimum of 60 up to an optimum balance of 90 days of working capital.

## Debt Management

- Debt financing which includes permanent improvements bonds, revenue bonds, certificates of obligation, lease/purchase agreements and other obligations allowed under Texas law shall be used to acquire or construct land and improvements that cannot be funded by current revenues. The term of debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed 25 years.
- Debt will not be used to fund current expenditures.
- Permanent Improvement Bonds shall normally be issued with a level principal structure. This structure equates to an average life of 11 years or less for a 20-year issue. Interest shall be paid in the first fiscal year after a bond sale and principal must be paid no later than the second fiscal year after the bond sale.
- Each year the City will adopt a Capital Improvements Program (CIP). The plan will recommend specific funding of projects for the following fiscal year and will identify projects for further consideration in years two through five.

- The City is committed to providing continuing disclosure of certain financial and operating data and material event notices as required by Securities and Exchange Commission (SEC) Rule 15c2-12. The Finance Department shall be responsible for the preparation of all disclosure documents and releases required under Rule 15c2-12.
- The City will obtain a rating from at least two nationally-recognized bond-rating agencies on all issues being sold on the public market. Required information will be presented to the rating agencies at least annually in order to maintain ratings on outstanding debt.
- The City shall comply with the Internal Revenue Code Section 148-Arbitrage Regulations for all tax-exempt debt issued. An annual estimate of arbitrage liabilities shall be obtained by the City and recorded on the financial statements.
- A good faith deposit of 2.0% of the par amount of the bond sale shall be presented by the underwriter in the form of a check or surety acceptable to the City and Bond Counsel prior to the approval of the bonds by the Mayor and City Council.
- The City shall use a competitive bidding process in the sale of the debt unless the use of a negotiated process is warranted due to market timing requirements (refunding), or a unique pledge or debt structure. The City will award competitively-issued debt on a true interest cost (TIC) basis.
- The City welcomes ideas and proposals from investment bankers and will seek to give first consideration to those firms that submit unique and innovative ideas that benefit the City. Unsolicited proposals should be submitted to the City's Finance Department.
- The selection of an underwriter or group of underwriters for a negotiated sale shall be based on the following factors:
  - Participation in the City's competitive sales;
  - Submission of unique or creative proposals;
  - Qualifications of firm; and,
  - Size and geographic distribution of their sales staff.
- All professional service providers selected in connection with the City's debt issuance and management program shall be chosen through a competitive process such as request for proposals (RFP's) on an as needed basis.
- An advance or current refunding of outstanding debt shall only be considered when present value savings of at least 4.25% of the principal amount of the refunded bonds are produced, unless a debt restructuring or bond covenant revisions are necessary. Savings from refunding will be distributed evenly over the life of the refunded bonds.
- An analysis of the risks and potential rewards of a derivative product for debt management must be prepared before the structure is selected. The City's Bond Counsel must opine that the City is authorized to enter into the necessary agreements under all existing statutes.
- The use of reimbursement resolutions shall be encouraged as a cash management tool for debt funded projects. Reimbursement resolutions may be used for any project that has been approved in the City's Capital Budget. Reimbursement resolutions may be used for other projects if the projects are revenue supported or funded within the departments' operating budget.

- The City shall obtain a clear opinion from qualified legal counsel that the City is not liable for the payment of principal and/or interest in the event of default by a conduit borrower. If no such opinion can be obtained, the conduit borrower will be required to purchase insurance or a letter of credit in the City's name in the event of default. Examples of a conduit issuer are special authorities, tax increment finance districts, public improvement districts, or industrial development issuers.

### **Debt Management-Ratio Targets**

- The ratio of net debt (total outstanding tax-supported general obligation debt less debt service fund balance) to total taxable assessed valuation shall not exceed 2.0%. This excludes debt of overlapping jurisdictions. The City shall structure its bond issuance to achieve and maintain a debt-to-assessed value of 2.0% or less.
- The ratio of debt service expenditures to total expenditures (General Fund operating expenditures and debt service combined) shall not exceed 20%.
- The Finance Department shall prepare an analysis of the impact of adopted tax-supported debt prior to the issuance of the additional debt. The analysis shall project the debt ratios described above as well as any other applicable debt ratios.

### **Debt Management-Certificates of Obligations**

It is the City's priority to fund capital expenditures with cash or voter approved debt. However, non-voter approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if the capital expenditure is:

- Urgent;
- Necessary to prevent an economic loss to the City;
- Revenue generating and expected to cover debt service out of the revenue source; and,
- Non-voter approved debt is the most cost effective financing option available.
- The average maturity of non-voter approved debt shall not exceed the average life of the capital items financed.
- Capital items financed with non-voter approved debt shall have an expected economic life of at least three years.



# City of Southlake Charter

## Chapter IX - Finance

### A. BUDGET

#### 9.01. Fiscal Year.

The fiscal year of the City shall begin on the first day of October and end the last day of September of each calendar year. Such fiscal year shall also constitute the Budget and Accounting Year.

#### 9.02. Annual Budget.

Operating Budget. The operating budget shall provide a complete financial plan of all City funds and activities and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable or the Council may require. A budget message explaining the budget both in fiscal terms and in terms of the work programs shall be submitted with the budget. It shall outline the adopted financial policies of the City for the ensuing fiscal year, describe the important features of the budget, and indicate any major changes from the current year in financial policies, expenditures, and revenues, with reason for such changes. It shall also summarize the City's debt position and include such other material as the City Manager deems advisable. The budget shall begin with a clear, general summary of its contents, shall show in detail all estimated income, indicating the adopted property tax levy, property value to which it is to be applied, and all adopted expenditures, including debt service, for the ensuing fiscal year. The adopted budget expenditures shall not exceed the total of estimated income and unencumbered funds from previous years. The budget message shall be so arranged as to show comparative figures of the prior year, actual and estimated income, and expenditures of the current fiscal year, all compared to the estimate of the budgeted year. It shall include in separate sections:

- (a) An itemized estimate of the expense of conducting each department, division and office;
- (b) Reasons for adopted increases or decreases of such items of expenditure compared with the current and prior fiscal year;
- (c) A separate schedule for each department, indicating tasks to be accomplished by the department during the year, and additional desirable tasks to be accomplished if possible;
- (d) A statement of the total probable income of the City from taxes for the period covered by the estimate;
- (e) Tax levies, rates, property values, and collections for the preceding five (5) years;
- (f) An itemization of all anticipated revenue from sources other than the tax levy;
- (g) The amount required for interest on the City's debts, for sinking fund and for maturing serial bonds;
- (h) The total amount of outstanding City debt, with a schedule of maturities on bond issues;



(i) Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the City and the adopted method of its disposition; subsidiary budgets for each utility giving detailed income and expenditure information shall be attached as appendices to the budget; and

(j) Such other information as may be required by the Council or deemed desirable by the City Manager.

#### 9.03. Capital Facilities and Property Budget.

A five (5) year Capital Facilities and Property Budget, which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition, shall provide the following items:

(a) A summary of adopted programs;

(b) A list of all capital facilities and property improvements which are adopted to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;

(c) Cost estimates, method of financing and recommended time schedules for each such improvement with the estimated effect on the tax levy, and;

(d) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired over the five (5) year period.

#### 9.04. Submission.

The City Manager shall submit to the Council a adopted budget and accompanying message on or before the fifteenth day of August of each year. The Council shall review the adopted budget and revise it as deemed appropriate prior to the general circulation for public hearing.

(Amended on May 5, 2001)

#### 9.05. Public Notice and Hearing.

The public notice and hearing shall be held in accordance with state law.

(Amended on January 19, 1991; Amended on November 6, 2007).

Editors Note: Notice of public hearings is required in V.T.C.A., Local Government Code §§ 102.006(c) and 102.0065.

#### 9.06. Amendment before Adoption.

After the public hearing, at a regular or special meeting, the Council may adopt the budget with or without amendment. In amending the budget, it may add or increase any programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

#### 9.07. Adoption.

The Council shall adopt the budget by ordinance not later than the 30th day of September. Adoption of the budget will require an affirmative vote of at least four of all the members of the Council. Adoption of the budget shall constitute appropriations of the amount specified therein as expenditures from the fund indicated, and shall constitute a levy of the property tax therein adopted.

#### 9.08. Defect Shall Not Invalidate Tax Levy.

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

#### 9.09. Failure to Adopt a Budget.

If the Council fails to adopt the budget by the 15th day of September the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis with all items in it pro-rated accordingly until such time as the Council adopts a budget for the ensuing fiscal year. The levy of property tax normally approved as a part of the budget adoption will be set to equal the total current fiscal year receipts, unless the ensuing fiscal year budget is approved by September 30th of the current fiscal year.

#### 9.10. Public Records.

Copies of the approved operation budget, capital facilities and property budget and supporting papers shall be filed with the City Secretary and shall be public records available to the public upon request.

#### 9.11. Specified Reserve Fund.

Specified reserve funds may be created for specific purposes, and may be used only for such purposes.

### **B.**

#### **AMENDMENTS AFTER ADOPTION**

#### 9.20. Supplemental Appropriations.

If during the fiscal year the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the budget, the Council may make supplemental appropriations to fund the appropriations as desired or carry the excess into the next fiscal year.

#### 9.21. Emergency Appropriations.

To meet a public emergency created by a natural disaster or man-made calamity affecting life, health, property, or the public peace, the Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of 3.14 of this Charter.

In such case, the Council may by emergency ordinance, authorize the issuance of emergency notes, but the emergency notes and renewals shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriations were made.

#### 9.22. Reduction of Appropriations.

If at any time during the fiscal year it appears probable to the City Manager that the revenues available will be insufficient to meet the amount appropriated, the City Manager shall report to the Council without delay, indicating the estimated amount of the deficit, any remedial actions taken by the City Manager and his/her recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or minimize any deficit, and for that purpose the Council may by ordinance reduce one or more appropriations.

#### 9.23. Transfer of Appropriations.

At any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or office and, upon written request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

#### 9.24. Limitations.

No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.

#### 9.25. Effective Date.

The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption of the ordinance or budget amendments.

### **C. BORROWING**

#### 9.30. Authority to Incur Indebtedness.

The Council shall have the power to incur, create, refund and refinance indebtedness and borrow money for public purposes; to issue special or general obligation bonds, revenue bonds, funding and refunding bonds, time warrants and other evidences of indebtedness and to secure and pay the same in the manner and in accordance with the procedures provided and required by state law.

Editors Note: Municipal bonds, Vernon's Ann. Civ. St. art. 701 et seq.

#### 9.31. General Obligation Bonds.

The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by law and this Charter and to issue refunding bonds to refund outstanding bonds previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for purposes for which

they were issued. Any bond, excluding refunding bonds, to be issued under the provisions of this section shall not be issued without an election held in accordance with the provisions of state law.

#### 9.32. Revenue Bonds.

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

#### 9.33. Bonds Incontestable.

All bonds of the City having been issued and sold and having been delivered to the purchaser thereof, shall thereafter be incontestable and all bonds issued to refund in exchange for outstanding bonds previously issued shall and after said exchange, be incontestable.

#### 9.34. Borrowing in Anticipation of Property Tax.

In any budget year, the Council may, by resolution, authorize the borrowing of money in anticipation of the collection of the property tax for the same year whether levied or to be levied. Notes may be issued for periods not exceeding one (1) year and must be retired by the end of the budget year in which issued.

#### 9.35. Use of Bond Funds.

Any and all bond funds approved by a vote of the citizens of Southlake will be expended only for the purposes stated in the bond issue.

#### 9.36. Certificates of Obligation.

All certificates of obligation issued by the City shall be approved by ordinance and issued in accordance with the laws of the State of Texas.

#### 9.37. Sale of Bonds.

No bonds issued by the City shall be invalid because they are sold for less than par value and accrued interest. The Council shall have the right to reject any or all bids.

## D.

### ADMINISTRATION OF BUDGET

#### 9.40. Payments and Obligations Prohibited.

No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the City Manager or the City Manager's designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriations and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization or payment or incurring of obligation in violation of the provisions of this Charter shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligations, and said officer shall also be liable to the City for any amount so paid. However, this prohibition shall not be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness, or certificates of obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, provided that such action is made or approved by ordinance.

#### 9.41. Financial Reports.

The City Manager shall submit to the Council at its second formal meeting each month the financial condition of the City budget items and budget estimates versus accruals for the preceding month and for the fiscal year to date. Such records are to be made public by the Council during open meeting. The financial records of the City will be maintained in accordance with accepted principles recommended by the American Institute of Certified Public Accountants and by the National Steering Committee on Governmental Accounting.

#### 9.42. Independent Audit.

At the close of each fiscal year, and at such times as it may be deemed necessary, the Council shall cause an independent audit to be made of all accounts of the City by a Certified Public Accountant. The Certified Public Accountant shall have no personal interest, directly or indirectly, in the financial affairs of the City or any of its officers. Upon completion of the audit, the audit shall be immediately posted on the City's website in its entirety and copies of the audit placed on file in the City Secretary's office as a public record.

(Amended on November 6, 2007)

#### 9.43. Purchasing.

The Council may, by ordinance, confer upon the City Manager general authority to contract for expenditures without further approval of the Council for all budgeted items not exceeding limits set by the Council. All contracts for expenditures involving more than the set limits must be expressly approved in advance by the Council. All contracts or purchases involving more than the limits set, shall be let to the bidder whose submittal is among those most responsive to the needs of the City after there has been opportunity for competitive bidding as provided by law or ordinance; provided that the Council, or City Manager in such cases as he/she is authorized to contract for the City, shall have the right to reject any and all bids.

Emergency contracts as authorized by law and this Charter may be negotiated by the Council, or City Manager if given authority by the Council, without competitive bidding. Such emergency shall be declared by the City Manager and approved by the Council or may be declared by the Council.

(Amended on November 6, 2007)

State Law References: Purchasing and contracting authority of municipalities, V.T.C.A., Local Government Code ch. 252.

#### 9.44. Lapse of Appropriations.

Every appropriation, including capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been extended or encumbered.





# City of Southlake Fund Balance Policy

**(Adopted August 1993)**

**(Amended September 2011)**

The City of Southlake's goal shall be to maintain a fund balance in the General Fund equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%.

The City of Southlake's goal shall be to maintain a fund balance of 60 days of working capital in the Utility Fund, an Enterprise Fund, with the optimum goal of 90 days of working capital.

The City of Southlake shall also maintain Reserve Funds for all statutorily required reserve funds to guarantee debt service.

The reserves shall be created and maintained to provide the capacity to:

1. Offset significant downturns in revenues;
2. Provide for emergency expenditures;
3. Provide sufficient working capital; and,
4. Provide a sufficient cash flow for daily financial needs at all times.

In September 2011, City Council amended the policy to change the reporting presentation of fund balance to include fund balance categories and classifications in accordance with GASB 54

# City of Southlake

## TIRZ #1 Expenditure Guidelines

### **GUIDING PRINCIPLE:**

Expenditures of TIRZ #1 Funds will support implementation of the Project and Financing Plan.

Expenditures will comply with statutory provisions.

Expenditures will support implementation of comprehensive plan recommendations related to:

- Pedestrian connectivity
- Public parks

Expenditures will support the development of public infrastructure within the zone:

- Streets
- Water
- Waste water
- Storm water
- Parking facilities

Expenditures will support operations and public space maintenance needs for:

- Southlake Town Hall
- DPS Headquarters
- Public parks and other public spaces
- Infrastructure

Expenditures will support the following school safety initiatives:

- Improvements to educational facilities within the zone necessary to enhance school safety
- Funding for School Resource Officers serving in facilities located within the Zone

# City of Southlake

## Hotel Occupancy Fund Expenditure Guidelines

Expenditures will comply with statutory provisions.

Expenditures will support implementation of the Tourism Master Plan which is focused on achieving a healthy tourism economy that is compatible with Southlake's guiding principles and way of life.

Provide funding to enhance the visitor experience through the provision of visitor amenities to include:

- Funding for the operation and promotion of an alternative mode of transportation with stops at key locations in the City.
- Funding for ongoing maintenance and expansion of free public Wi-Fi in Town Square and other visitor-centric locations.
- Funding for the provision of a visitor services center.

Through annual transfer to the Public Art Fund, provide continued investment in enhancing public spaces through the installation of public art in accordance with implementation of the Public Art Master Plan. Per State statute, the annual transfer shall not exceed 15% of revenues collected.

Funding for mega, major or regional events as defined below shall:

- Meet or exceed desired return on investment (ROI) calculated utilizing methodology established by the Chief Financial Officer
- Not exceed 20% of total annual expenditures unless increase in event expenditures results in a corresponding increase in ROI as established by the CFO.
- Event definitions:
  - Mega Events: Primarily national / international participants. Primarily national / international audience. Extensive media coverage. Significant and widespread benefits.
  - Major Events: Significant proportion of national participants. National audience. Significant media coverage. High level of benefits.
  - Regional Events: Primarily regional participants with some national and/or local participation. Primarily regional audience. Some media coverage. Some level of benefits but to a lesser degree than major events.

# City of Southlake Economic Development Investment Fund Expenditure Guidelines

## **GUIDING PRINCIPLE:**

Expenditures of Economic Development Investment Funds will stimulate the local economy by providing funding to achieve the City's strategic economic development goals

Expenditures will support implementation of the Economic Development Master Plan which is focused on achieving a vibrant, sustainable economy.

Expenditures for public investment that have no alternate funding source which may include:

- Project enhancements desired by the City that meet established development goals such as open space preservation
- Up-front incentive designed to address unique needs such as job creation tied to occupancy of an historically vacant property or job retention related to redevelopment

Non-recurring studies or planning needs that promote growth in target industries.

Non-recurring marketing and other recruitment efforts designed to support the development of target industries.

# CITY OF SOUTHLAKE POLICY STATEMENT FOR PUBLIC INVESTMENT RELATED TO ECONOMIC DEVELOPMENT

## General Purpose and Objectives of Incentives

The City of Southlake is committed to an ongoing improvement in the quality of life for its citizens through the attraction and retention of high quality development that drives a dynamic and sustainable economic environment. Southlake will, on a case-by-case basis, consider providing inducement packages as a stimulus for economic development activity including business attraction, relocation and retention.

## Public Funds Investment Guiding Principles

In carrying out its economic development objectives, the City of Southlake will adhere to the following guiding investment principles to best determine the strategic investment of its resources in eligible projects:

- Project supports comprehensive plan implementation
- Project will retain, expand, or attract targeted industries
- Project will contribute to a top-tier workforce by retaining or expanding daytime population and preferred job types
- Project includes preferred quality of life benefits such as open space preservation and project enhancements
- Public investment is performance-based and considers reasonable return on investment via direct financial return and other indirect benefits
- Investments will be made into projects sponsored by a financially-viable company in good legal standing with the City and State
- Project will make a unique or unequaled contribution to development or redevelopment efforts in the City of Southlake, due to its magnitude, significance to the community or aesthetic quality

## Criteria

Recommendations for investment will be based on evaluation of criteria including the following:

<b>Fiscal Impact</b>	<ul style="list-style-type: none"> <li>• What is the estimated total value of capital investment for buildings, other real property improvements and furniture, fixtures and equipment?</li> <li>• What is the value of the Real and Business Personal Property that will be added to the tax rolls?</li> <li>• How much direct sales tax will be generated?</li> <li>• Will infrastructure construction be required?</li> <li>• Will the project generate overnight stays in the community? If so, how many annually?</li> <li>• What is the estimated return on public investment?</li> </ul>
<b>Employment Impact</b>	<ul style="list-style-type: none"> <li>• How many jobs will be brought to Southlake?</li> <li>• How many jobs will be retained?</li> <li>• What types of jobs will be created?</li> <li>• What will the total annual payroll be?</li> <li>• What is the average annual salary of jobs created and/or retained?</li> </ul>
<b>Community Impact</b>	<ul style="list-style-type: none"> <li>• How compatible is the project with the City's comprehensive plan goals?</li> <li>• How does the project support goals related to preferred quality of life benefits such as preservation of open space and project enhancements?</li> </ul>
<b>Project Eligibility</b>	<ul style="list-style-type: none"> <li>• Does the project meet the following minimum preferred thresholds?               <ul style="list-style-type: none"> <li>○ Capital investment: \$5,000,000</li> <li>○ Jobs created or retained: 100</li> <li>○ Average annual total compensation of jobs created or retained: \$50,000</li> <li>○ Average education level: 4-year degree</li> <li>○ Target industry alignment</li> </ul> </li> <li>• If the project does not meet the preferred thresholds, will it make a unique or unequaled contribution to the development or redevelopment efforts in the City? How?</li> </ul>



## Target Industries

The Southlake 2035 Economic Development Master Plan specifies these target industries:

<p><b>Niche Retail</b></p>	<ul style="list-style-type: none"> <li>• Full-service and limited-service restaurants (unique, independent restaurants, farm-to-table, chef-driven, etc.)</li> <li>• Specialty grocery (organic/local, specialty foods, dine-in or take-away house made prepared foods, artisanal cafe, wine and cheese from around the globe)</li> <li>• House &amp; home retail (furnishings and appliances, home design showrooms, smart home technology)</li> <li>• Health, beauty and wellness (salons, spas, fitness training/gyms, yoga studios)</li> <li>• Culinary Hub (farm-to-table, farmers market, specialty food retailers, commercial grade kitchens, culinary business incubator)</li> </ul>
<p><b>Office</b></p>	<ul style="list-style-type: none"> <li>• Corporate headquarters and regional offices (large scale, build-to-suit campus office)</li> <li>• Multi-tenant garden-style (professional services: accountants, engineers/planners/architects, information technology, lawyers, advertising and media, management consulting, actuary)</li> </ul>
<p><b>Medical and Healthcare</b></p>	<ul style="list-style-type: none"> <li>• Health, beauty and wellness (specialized facilities for cosmetic procedures, healthy living, etc.)</li> <li>• Specialized pediatric and senior clinic / outpatient facilities</li> <li>• Specialized medical facilities for surgical procedures (implanted medical devices, bariatric, etc.)</li> <li>• Medical/wellness hub along SH 114</li> <li>• Research &amp; Development Center</li> </ul>
<p><b>Finance, Insurance and Wealth Management</b></p>	<ul style="list-style-type: none"> <li>• Corporate headquarters and regional offices</li> <li>• Professional services</li> </ul>
<p><b>Information Technology and Media</b></p>	<ul style="list-style-type: none"> <li>• Corporate headquarters and regional offices</li> <li>• Professional services</li> <li>• Telecommunications</li> </ul>
<p><b>Biotechnology and Pharmaceuticals</b></p>	<ul style="list-style-type: none"> <li>• Corporate headquarters and regional offices</li> <li>• Research and development</li> </ul>

### Eligible Activities

Investment funds may be used for one or more of the following eligible activities to assist a targeted industry in locating in the City or to facilitate a redevelopment project:

- Capital investments related to real property construction and acquisition
- Improvements to an existing building
- On-site and/or off-site infrastructure
- Site enhancements that the City may choose to support in order to encourage upgraded aesthetics or amenities. Examples include parks and open space, public art, decorative fountains, underground utilities and enhanced landscaping
- Other purposes which bring value to the community as determined by the Southlake City Council

### Exclusionary Factors

Even though a project might meet all of the minimum project qualifications, it will not be considered for public investment if any of the following factors apply:

- If the project would, for any reason, result in a net reduction of the ad valorem tax valuation of all facilities in the City owned by the company, or its parent, subsidiary or affiliated companies, assistance will not be provided.
- Investment will not be provided to companies not in good legal standing with the state or that have not met their obligations as businesses in the City of Southlake.
- No prior commitment to investment shall be binding if the company originally receiving the assistance assigns it to another company, unless the City has consented to such assignment in writing, as specified in an approved investment agreement.
- The financial condition of the company receiving the assistance must not be such that the ability of the company to meet its obligations is uncertain.

### Available Investment Tools

The following economic development investment tools are available for use by the City of Southlake for those economic development projects that meet the eligibility criteria. Not all tools are available for each project and projects may be offered more than one tool. The type and number of investment tools to be used is the sole discretion of the Southlake City Council. Investment from the City of Southlake does not preclude other state and county incentives.

<b>Tax abatement</b>	This is a tool whereby all or a portion of the increase in the value of real and/or business personal property can be exempted from taxation. Legal authority for tax abatements comes from Chapter 312 of the Texas Property Tax Code; therefore, cities must meet the provisions of the Code when using abatements.
<b>Chapter 380 economic development grants</b>	This incentive option is authorized under Chapter 380 of the Texas Local Government Code. It is an agreement between the taxpayer and taxing entity to offer a variety of fee-based or tax-based incentives, grants (which may or may not be repaid), or rebates. This is a flexible option, but there are certain state law requirements that must be met in all cases.
<b>Infrastructure participation</b>	The City of Southlake has a track record of facilitating development through enhancement of water, sewer and roadway infrastructure relevant to sites selected for significant projects as needed.
<b>Tax Increment Reinvestment Zone</b>	Tax Increment Financing is a tool to finance public improvements within a defined area. The improvements should enhance the environment and attract new investment. The statutes governing tax increment financing are in Chapter 311 of the Texas Tax Code.
<b>Public Improvement Districts (PID)</b>	A PID is a defined geographical area established to provide specific types of improvements or maintenance within the area which are financed by assessments against the property owners within the area. Chapter 372 of the Texas Local Government Code authorizes the creation of PIDs by cities.
<b>Fee waivers or reimbursement</b>	The City of Southlake will consider a waiver or reimbursement of development fees on eligible projects.

### Other Southlake Financial Policies Governing Public Funds Investment Considerations

Southlake has the following additional policies and guidelines that further define specific types of public investment.

- Tax Abatement Policy
- Economic Development Investment Fund Expenditure Guidelines
- Southlake TIRZ #1 Expenditure Guidelines
- Hotel Occupancy Tax Fund Expenditure Guidelines

Economic development office staff can provide copies of these documents and review applicability prior to submission of a request.

### Return on Investment Considerations

Each eligible project must provide a return on investment (ROI) for the public funds investment provided. The City of Southlake calculates ROI for both direct and indirect benefits. The specific ROI will be determined through analysis of:

- The project's total capital investment and resulting taxable value generating an annual increase of property tax revenue
- The number and types of jobs to be created or retained
- The project's estimated ability to generate direct sales tax revenue as well as indirect sales tax revenue
- The project's estimated ability to generate overnight stays that result in direct hotel occupancy fund revenue as well as indirect revenue associated with visitors contributing to the Southlake economy

### How to Apply

Fill out and submit a Request for Investment Application. Application forms, deadlines and meeting information can be obtained by contacting the economic development office at 817-748-8039 or by email at econdev@ci.southlake.tx.us. A full review of the application with the economic development staff is recommended prior to submission.

### Process

Requests for public investment are facilitated by the economic development and finance staff through a process described in the "Procedure for Investment Consideration" which is provided as an attachment to the Request for Investment Application document. All proposed incentives are subject to review and comment by the Community Enhancement and Development Corporation Board and final City Council approval.

*All public investment will be considered on a project-by-project basis by applying the guidelines in this policy statement. The City is not obligated to make any investments. In considering whether or not to provide investment in a project and if so how much, the City will take into account assistance made by private sources to support the project locating in the City. The guidelines in this policy statement are only applicable to projects for which a completed Request for Investment Application has been submitted to the City's Economic Development Department. These guidelines are subject to change, and any changes will be applied to all projects for which a final Economic Development Investment Agreement has not yet been approved by the City Council.*

# Frequently Asked Questions

## Taxation

### What is the current tax rate?

The FY 2024 tax rates are shown below. These rates are based on the certified Tarrant Appraisal District taxable values.

General Fund	.264
Debt Service	.055
<b>Total</b>	<b>.319</b>

The FY 2024 adopted tax rate of \$0.319 is \$0.041 less than the FY 2023 tax rate of \$0.360.

### What revenue does one cent on the property tax rate generate?

The certified total taxable value (discounted for value protest) provided by the appraisal districts for FY 2024 budget is \$10,564,623,953 (net TIF). One cent is the equivalent of \$1,056,462 (net TIF) in revenue to the City of Southlake.

### What percentage change occurred from the FY 2023 certified tax base to the FY 2024 tax base?

The percentage change from FY 2023 certified taxable value to FY 2024 certified was 16.5% (net TIF).

### What additional revenue will this growth generate for the General Fund?

The City of Southlake adopted a reduced tax rate for FY 2024, which returns 100% of the growth generated back to the tax payer.

### What is the distribution of the tax base between residential and commercial property?

In FY 2024, residential property accounted for approximately 70% and commercial/industrial/retail property accounted for 30% of the total tax base.

### What is meant by the terms “No New Revenue Rate” and “Voter Approval Rate”?

The “no new revenue rate” (formerly called the effective tax rate) is the rate which would generate the same tax revenue in the new year as in the current year, for properties on the roll in both years. The “Voter Approval Rate” (formerly called the rollback rate) is that rate which is three and a half percent higher than the maintenance and operation portion of the no new revenue rate, plus the required debt service for the new year. These calculations determine how the City of Southlake will advertise taxation plans under state truth-in-taxation laws.

### What is Southlake’s no new revenue rate and voter approval rate for FY 2024?

The no new revenue tax rate for FY 2024 is \$0.319375 is above the adopted rate of \$0.319. The voter approval rate (adjusted for unused increment rate) for FY 2024 is \$0.380408.

### What percentage change are we anticipating in general fund sales tax revenue for FY 2023 (Adopted) to FY 2024 (budget)?

It is estimated that we will collect \$19,908,000 in General Fund sales tax in FY 2024. This number is consistent with the FY 2023 Adopted Budget.

# Frequently Asked Questions

## General Fund

### What is meant by achieving a structurally balanced budget?

A structurally balanced budget is one in which revenues exceed planned operating expenditures, making it unnecessary to use reserves for recurring operational expenses.

### What is meant by the term “fund balance?”

Fund balance is the term used to describe the General Fund reserves. Under City policy, the fund balance should be 15-25% of the City’s operating expenses.

### How is the fund balance used?

Typically the fund balance is an unrestricted reserve of funds that is used to address emergencies or unanticipated needs.

### May a portion of the fund balance be designated for particular needs as part of the budget process?

Yes. It may be used for one-time expenditures such as capital needs, provided that the percentage of funds on hand remains within the desired range of 15-25%. It would not be wise, however, to use the fund balance to cover recurring expenses (e.g. salaries or other operational expenses).

### What percentage of General Fund expenditures go to various departments?

The general fund is allocated as follows:

Public Safety	43.5%
General Government*	18.6%
Community Services**	14.6%
Public Works	11.2%
Finance	6.2%
Planning	5.1%
Economic Development	0.8%

\*Includes City Manager’s Office, Communications, City Secretary’s Office, Human Resources, Information Technology, and Support Services.

\*\*Includes Parks and Recreation, Community Services, and Library.

# Frequently Asked Questions

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## Other Funds

### **What other funds are used to account for City revenues and expenditures?**

The City accounts for its revenues and expenses in these funds:

- General Obligation Debt Service Fund
- Utility Fund
- Commercial Vehicle Enforcement Fund
- Community Enhancement and Development Corporation
- Community Enhancement and Development Corporation Debt Service Fund
- Court—Security
- Court—Technology
- Crime Control and Prevention District Operating Fund
- Economic Development Investment Fund
- Facility Maintenance Fund
- Hotel Occupancy Tax Fund
- Library Donations
- Park Dedication
- Parks and Recreation Fund
- Police Services Fund
- Public Art Fund
- Recycling Fund
- Red Light Camera Fund
- Reforestation
- SPDC Operating Fund
- SPDC Debt Service Fund
- Storm Water Utility District
- Strategic Initiative Fund
- Technology Infrastructure and Security Fund
- TIF Operating Fund
- Vehicle Replacement Fund

### **Why does the City account for revenues and expenditures in so many different funds?**

These funds provide a mechanism for the City to segregate revenues generated from a variety of sources and also provide a means for the City to track expenses directly related to those funds sources.





# Personnel Schedules

	Department	FY 2022 Actual	FY 2023 Revised	FY 2024 Adopted	
<b>General Fund</b>	City Manager's Office	6.5000	6.5000	6.5000	
	City Secretary's Office	4.0000	4.0000	4.0000	
	Community Services	54.3500	54.3500	54.3500	
	Economic Development & Tourism	2.7500	2.4500	2.4500	
	Finance & Information Technology	38.4900	41.7900	41.7900	
	Fire Department	73.0000	74.0000	74.0000	
	Human Resources	6.2500	6.2500	6.2500	
	Library	10.5000	10.5000	10.5000	
	Office of Communication and Customer Experience	5.0000	5.0000	5.0000	
	Planning & Development Services	22.5000	23.5000	23.5000	
	Police Department	57.2500	57.2500	57.2500	
	Public Works	29.0000	32.6000	32.6000	
	<b>Total General Fund FTEs:</b>		<b>309.5900</b>	<b>318.1900</b>	<b>318.1900</b>
	<b>Community Enhancement and Development Corporation</b>	Community Services	56.5800	57.5800	57.5800
Finance & Information Technology		1.1000	1.1000	1.1000	
Human Resources		0.5000	0.5000	0.5000	
<b>Total CEDC FTEs:</b>			<b>58.1800</b>	<b>59.1800</b>	<b>59.1800</b>
<b>Utility Fund</b>	Office of Communication and Customer Experience	0.5000	0.5000	0.5000	
	Finance	5.5500	4.5500	4.5500	
	Public Works	31.6500	31.4500	31.4500	
	<b>Total Utility Fund FTEs:</b>		<b>37.7000</b>	<b>36.5000</b>	<b>36.5000</b>
<b>Commercial Vehicle Enforcement</b>	Police Department	1.2500	1.2500	1.2500	
	<b>Total CVE FTEs:</b>		<b>1.2500</b>	<b>1.2500</b>	<b>1.2500</b>
<b>Court Security Fund</b>	Finance	0.7475	0.7475	0.7475	
	<b>Total CSF FTEs:</b>		<b>0.7450</b>	<b>0.7475</b>	<b>0.7475</b>
<b>Crime Control &amp; Prevention District (CCPD)</b>	Police Department	10.9500	14.5000	15.3500	
	<b>Total CCPD FTEs:</b>		<b>10.9500</b>	<b>14.5000</b>	<b>15.3500</b>

# Personnel Schedules

	Department	FY 2021 Actual	FY 2022 Revised	FY 2023 Adopted
<b>Hotel Occupancy Tax Fund</b>	City Manager's Office	0.5000	0.5000	0.5000
	Economic Development & Tourism	1.2500	1.5500	1.5500
	Office of Communication and Customer Experience	0.5000	0.5000	0.5000
	<b>Total HOT Fund FTEs:</b>	<b>2.2500</b>	<b>2.5500</b>	<b>2.5500</b>
<b>Southlake Parks Development Corporation (SPDC)</b>	Community Services	3.0000	9.5500	9.5500
	Public Works	0.6500	0.2500	0.2500
	<b>Total SPDC FTEs:</b>	<b>3.6500</b>	<b>9.8000</b>	<b>9.8000</b>
<b>Storm Water Utility System Fund (SWUS)</b>	Finance & Information Technology	0.5000	0.2000	0.2000
	Public Works	4.7000	2.7000	2.7000
	<b>Total SWUS FTEs:</b>	<b>5.2000</b>	<b>2.9000</b>	<b>2.9000</b>
<b>TIRZ</b>	Police Department	2.7000	2.7000	2.7000
	<b>Total TIRZ FTEs:</b>	<b>2.7000</b>	<b>2.7000</b>	<b>2.7000</b>
<b>All Funds Summary</b>	General Fund	309.5900	318.1900	318.1900
	Community Enhancement and Development Corporation	58.1800	59.1800	59.1800
	Utility Fund	37.7000	36.5000	36.5000
	CVE Fund	1.2500	1.2500	1.2500
	Court Security Fund	0.5400	0.7475	0.7475
	CCPD	10.9500	14.5000	15.3500
	HOT	2.2500	2.2500	2.5500
	SPDC	3.6500	9.8000	9.8000
	SWUS	5.2000	2.9000	2.9000
	TIRZ	2.7000	2.7000	2.7000
	<b>Total FTE's</b>	<b>432.0100</b>	<b>448.3175</b>	<b>449.1675</b>

# Personnel Schedules

## Summary of Personnel Changes - FY 2024

### Crime Control Prevention District (CCPD)

The Crime Control Prevention District FTE count is increased by 0.5 FTEs for FY 2024. Based upon a recommendation by an ad hoc school safety committee consisting of city and school district staff and elected officials, the SRO program will be expanded in FY 2024. One less than full-time officer (0.5 FTE) will be added to the SRO Division. The addition of this officer will enhance the Police Department's ability to maintain a strong presence within all of our Southlake schools. The cost of the program's expansion will be borne entirely by the CCPD budget.



# Tax Rate Allocation

## PROPERTY TAX REVENUE ALLOCATION 2024

		<u>AMOUNT</u>
Total Assessed Value 2024		\$13,974,849,859
Less TIF Value	(-)	(\$594,407,828)
Less Exemptions	(-)	<u>(2,815,818,078)</u>
Total Taxable Value	(=)	10,564,623,953
Proposed Tax Rate	(X)	<b>0.31900</b>
Estimated Tax Levy	(=)	<u>33,701,150</u>
Estimated Percent of Collections	(X)	100.00%
Estimated Current Tax Collections	(=)	<u>33,701,150</u>
Estimated Delinquent Collections, Penalty, and Interest	(+)	<u>301,800</u>
Estimated Available Funds	(=)	<u>\$34,002,950</u>

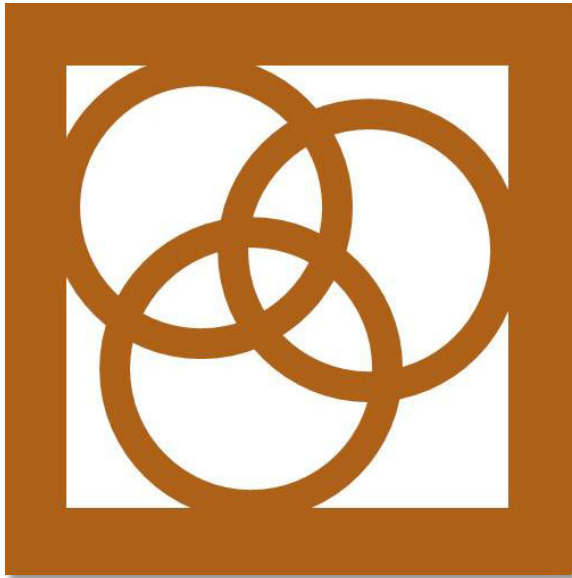
### TAX RATE DISTRIBUTION

<u>GENERAL FUND</u>	<u>RATE</u>	<u>PERCENT</u>	<u>TOTAL</u>
Current	\$0.264	82.76%	\$27,890,607
Delinquent, penalty and interest		(+)	250,000
Abatement		(-)	<u>0</u>
Total General Fund		(=)	28,140,607
<u>DEBT SERVICE FUND</u>			
Current	\$0.05500	17.24%	5,810,543
Delinquent, penalty and interest		(+)	51,800
Abatement		(-)	<u>0</u>
Total Debt Service Fund		(=)	<u>5,862,343</u>
Total General and Debt Service Funds	\$0.31900	100.00%	<u>\$34,002,950</u>

### HISTORICAL TAX INFORMATION

<u>FISCAL YEAR</u>		<u>NET TAXABLE VALUE (1)</u>		<u>GENERAL FUND RATE</u>		<u>DEBT SERVICE FUND RATE</u>		<u>TOTAL TAX RATE</u>
2023	\$	10,564,623,953	\$	0.26400	\$	0.06500	\$	0.32900
2023	\$	9,064,721,083	\$	0.29500	\$	0.06500	\$	0.36000
2022	\$	8,220,731,143	\$	0.32500	\$	0.06500	\$	0.39000
2021	\$	7,768,644,007	\$	0.33000	\$	0.07500	\$	0.40500
2020	\$	7,769,729,082	\$	0.33000	\$	0.08000	\$	0.41000
2019	\$	7,286,898,962	\$	0.35700	\$	0.09000	\$	0.44700
2018	\$	6,618,228,023	\$	0.36200	\$	0.10000	\$	0.46200
2017	\$	6,368,901,046	\$	0.36200	\$	0.10000	\$	0.46200
2016	\$	5,785,322,918	\$	0.36200	\$	0.10000	\$	0.46200
2015	\$	5,680,109,441	\$	0.34200	\$	0.12000	\$	0.46200
2014	\$	5,494,514,119	\$	0.34200	\$	0.12000	\$	0.46200
2013	\$	5,331,182,997	\$	0.34200	\$	0.12000	\$	0.46200

(1) Excluding TIF values



# ***City of Southlake***

## ***Sustainability Master Plan***

An Element of the *Southlake 2030* Comprehensive Plan

*Adopted by Southlake City Council  
Ordinance No. 1104  
February 17, 2015*

*Prepared by  
Planning & Development Services Department*





## ACKNOWLEDGEMENTS

### SOUTHLAKE CITY COUNCIL

**John Terrell**

*Mayor*

**Laura Hill**

*Mayor Pro Tem, Place 5*

**Brandon Bledsoe**

*Deputy Mayor Pro Tem, Place 3*

**Shahid Shafi**

*Place 1*

**Carolyn Morris**

*Place 2*

**Randy Williamson**

*Place 4*

**Gary Fawks**

*Place 6*

### PLANNING & ZONING COMMISSION

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*Chairman*

**D. Todd Parish**

*Vice Chairman*

**Michael Springer**

**Michael Forman**

**Kate Smith**

**Daniel Kubiak**

**Shawn McCaskill**

### CITY STAFF

**Shana Yelverton**

*City Manager*

**Ben Thatcher**

*Assistant City Manager*

**Alison Ortowski**

*Assistant City Manager*

**Sharen Jackson, CPA**

*Chief Financial Officer*

**Bob Price, P.E.**

*Director of Public Works*

**Cheryl Taylor, P.E.**

*City Engineer, Deputy Director of Public Works*

**Ken Baker, AICP**

*Senior Director of Planning & Development Services*

**Dennis Killough, AICP**

*Deputy Director of Planning & Development Services*

**Patrick Whitham, GISP**

*GIS Analyst*

**Daniel Cortez, AICP**

*Principal Planner*

**Jerod Potts**

*Planner I*

### SPECIAL THANKS TO

**Pamela A. Muller**

**Martin Schelling**

*Former City Council Members*

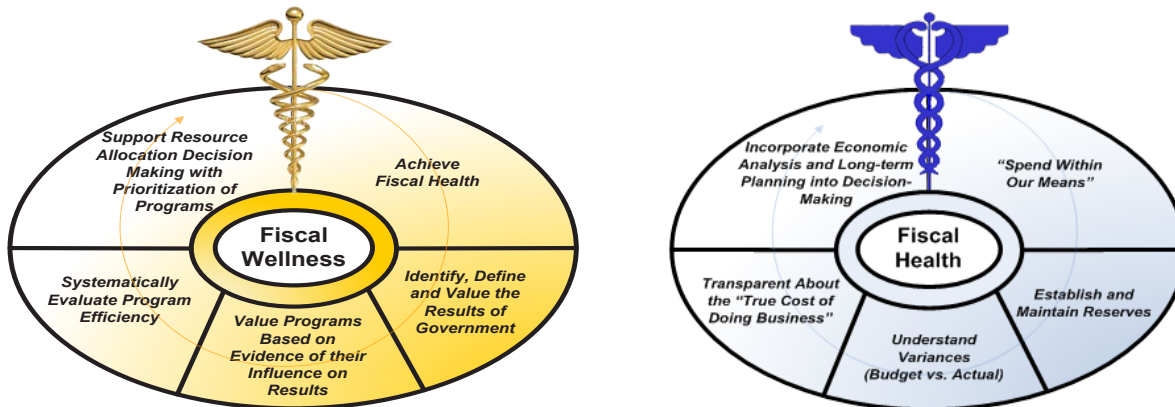
## ECONOMIC/FISCAL WELLNESS

*Ensure monetary resources are provided in a fiscally conservative manner necessary to support the community's needs.*

The purpose of the Economic/Financial Wellness section of the Sustainability Plan is to understand the City's future ability to maintain current level of services and fund the recommendations adopted as part of the Southlake 2030 Plan. The Southlake 2030 Plan contains 17 different elements and those elements include recommendations for future infrastructure and programs to allow the City to maintain a similar level of service as is being experienced today. To assist the City in this analysis, the City retained private consulting firm of CityBase.Net, Inc. whose principal Lewis McClain has over 30 years of experience working in local government creating financial plans. This final section of the Sustainability Plan will analyze the City's ability to maintain service levels, and to implement the recommendations proposed in the various Southlake 2030 plans.

### Introduction

This plan is the culmination of a number of concerted efforts and decisions rooted in sound management principles established over the last two decades. It has been an ongoing process. A plan is a snapshot and has great value, but a process is ongoing and adaptive. The process has boundaries yet envisions flexibility as events and assumptions change. With this plan the City is memorializing strong financial management practices and committing to continue their use into the future to ensure financial wellness.



### Economic and Fiscal Wellness

Economic or fiscal wellness is a balance between today's financial position and the financial needs of tomorrow. It is maintaining control over current reserves, debt and expenditures to ensure the City is able to meet the financial requirements of the future. It aligns "ability to pay" with the 2030 Plan initiatives. A comprehensive understanding of inflows and outflows of resources and the economic pulse that drives both, fiscal wellness places the City in the enviable position to weather future financial challenges or economic changes, and achieve responsible funding for approved projects. Believing that today's decisions impact the City's financial future, strong analysis and a commitment to responsible financial principles must be incorporated into the management framework.

Much like individual financial planning, it is important to the City to ensure future financial viability and to maintain the quality of living and standards of service desired by Southlake citizens. The Sustainability Plan offers a transparent view of the City's current financial position and clearly outlines the future funding needs and the City's ability to meet those

demands. Knowing where the City stands today better equips policymakers and staff to manage costs and provide feasible solutions for future needs.

## Approach Taken

A financial model is inherently complex due to the number of calculations that can easily approach a million or more mathematical inputs, formulae and results. Yet the Southlake model is no black-box-trust-me mystical algorithm. Every number has been hand-calculated for verification purposes. The model incorporates the most basic logic into simple linkages. Land Acreage-Land Use-Densities-Absorption Rates drive population and employment. Those factors drive rooftops and square-footages, which in turn work with infrastructure capacity and service demands. Dollars are attached in every step of these linkages. And like a one-year budget, a multi-year financial plan has to be balanced and any gaps have to be identified. Another benefit, and risk, of looking forward is that it is impossible to ignore the aging process.

The approach also included an all-in feature. The goal was to include just about everything where data existed in GIS systems, accounting systems, spreadsheets and existing master plans. Not only was there a look-back of at least ten years, but the model incorporated a fairly exhaustive level of detail including:

- Tax Base Evaluation by Subdivision.
- Sales Tax Analysis by Sector and individual business.
- All Other Revenues at the line-item level.
- Staff levels by position.
- All other Expenditures at the line-item level.
- Capital Equipment Replacement by equipment item.
- Debt Capacity Analysis.
- Infrastructure replacement/renewal based on segment inventory.
- Economic Development Incentives consideration.
- Inflation considerations.
- Fund balance Preservation.

## Findings and Results

The results of the model were very promising. In fact, there were almost entirely positives with few negative findings. After careful review, the analysis revealed that Southlake's financial condition is strong. This can be attributed to Southlake's commitment to build reserves, keep pace with repair and rehabilitation needs, shorten debt maturities and pay for some major facilities out of cash. The review ascertained that these past actions that are benefitting Southlake citizens today will do so into the future. A foregone conclusion when looking far ahead is that the compression of revenues being outstripped by expenditures will reveal shortfalls. While Southlake is not immune to many uncontrollable factors, such as a recession, it appears that almost all the identified project and programs needs in the future can be handled though continued good management of City resources. Specific findings include:

- The tax base is expected to grow significantly although the incremental values for new construction will diminish while the gains from revaluations will increase by at least 3% each year.
- The sales tax base will increase significantly through growth in population and CPI. However, there is likely to be a slight decrease in the portion of the sales tax that comes from outside the City as adjacent

cities grow their retail base. There are high expectations that economic development efforts will continue to provide incremental results for the City.

- Hotel tax revenues are expected to rise significantly in the early part of the plan due to two additional hotels being added to the singular hotel now in Southlake. These additions will also benefit the Public Art Fund, a recipient of 15% of the hotel tax revenues.
- Staffing is projected to increase but the large increases have been funded with the last fire station and the future recreation center being accounted for in the staffing tables.
- Debt will continue to be issued in shorter lengths in order to maximize the debt capacity for future needs.
- Reserves are currently at very strong levels and are projected to be sustained at very respectable levels. Related, while recession forecasts are not recognized by specific year in the financial plan, there is every expectation that the average of one every 5.86 years will likely cause Southlake to handle at least two and perhaps three recessions during the planning period. It is important to follow through with the City's financial policy documents to effectively anticipate and manage unpredictable events such as a recession. For that reason, the City applies these foundational practices to its budgeting efforts, even adopting economic/fiscal wellness recommendations to guide the City's budgeting into the future. These financial recommendations guide the development of the City budget, while simultaneously serving as an accountability tool.
- Other than recessions or other major catastrophic events not within the control of Southlake, the most significant threat is the aging of \$619 million in depreciable assets now entering the critical 20+ year benchmark. While the City acknowledges these challenges and is proactive in addressing these needs, there is reason to be cautious. The infrastructure aging process has an exponential characteristic even though it is often measured as a straight-line issue. The most critical actions will be focused on delaying the impact of or at least preparing for that stage in the future when the depreciation of these assets starts to accelerate.
- The service level expectations by the Council and citizens are set at a very high level in Southlake, an aspect of the difference that sets the City apart from other cities. These expectations are manifested in a quality that is not inexpensive whether it be public safety response times, park amenities or median maintenance. However, the communication mechanisms the City has through SPIN groups and other means should allow for expectation management efforts to adjust as needed through periods of revenue pressure that may occur with economic cycles.

## Conclusion

Southlake is well-governed and well-managed with the proof being sound infrastructure, high service levels and good financing condition that exists today and is directly associated with responsible decisions made over recent years. The City is positioned to have many options and to adjust when necessary (following strong financial management principles) so that no abrupt changes are likely to ever be required. The City communicates well with citizens, allowing governance and financial realities to work together in lock-step. The well-educated, high-income constituency, and the governing body that embraces conservative financial practices, positions Southlake to have a sound and sustainable financial plan to wrap around the other elements of a master plan. As such, at the current taxing structure, the City is in the position to maintain current level of services and implement the recommendations of the Southlake 2030 Plan through a combination of cash and limited debt service. Following this section please see "Supplement A" which is a summary of the City's fund structure and the data that supports the findings and conclusions.

The following page contains the recommendations developed for the Economic/Fiscal Wellness section.

# Southlake Sustainability Plan: Financial Wellness

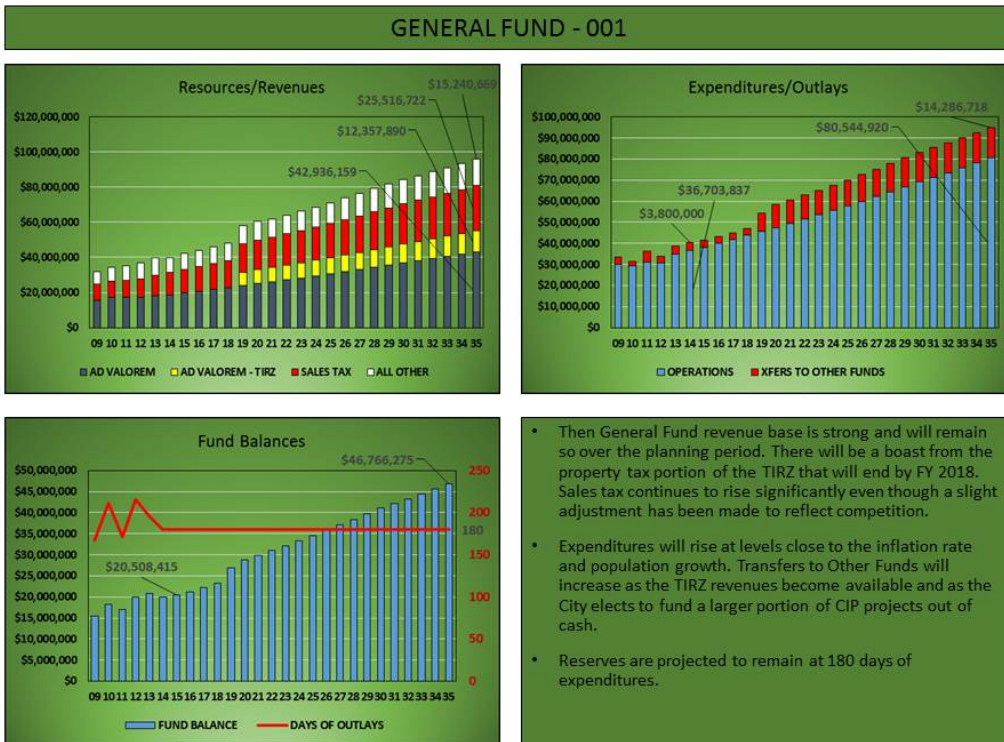
[SOUTHLAKE 2030]

Sustainability Master Plan

Economic/Fiscal Wellness						
<i>Ensure monetary resources are provided in a fiscally conservative manner necessary to support the community's needs.</i>						
No.	Recommendation / Policy	Implementation Metric	Strategic Link	Vision, Goals & Objectives Tie	Department Responsible	Priority Tier
EFW1	Apply sound financial policies to the City's budget by maintaining structural balance, strong reserves, conservative budgeting, effective economic analysis and understanding the true cost of doing business	Fully implement the "True Cost" analysis model.	Performance Management & Service Delivery; F1, F3	2.3	FIN	1
EFW2	Apply debt management strategies to the City's budgeting	Implement debt management strategies such as the Strategic Initiative Fund (cash funding) and appropriate amortization.	Performance Management & Service Delivery; F1, F3	2.3	FIN	1
EFW3	Fund and adopt annual City operating budget, capital projects and equipment through sound financial policies	Adhere to established financial policies such as the Reserve/Fund Balance policy, Budget Principles and Infrastructure/equipment replacement when developing the City's budget.	Performance Management & Service Delivery; F1, F3, F4	2.3	FIN	1

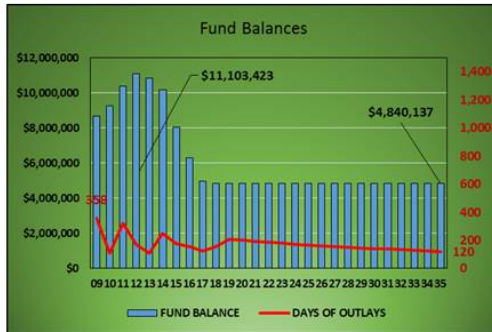
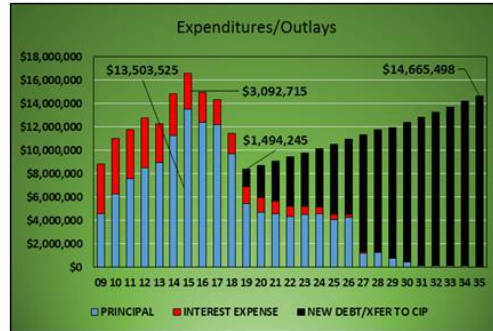
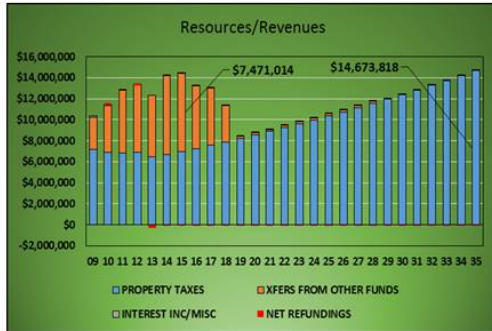


## Supplement A Financial Summary Charts



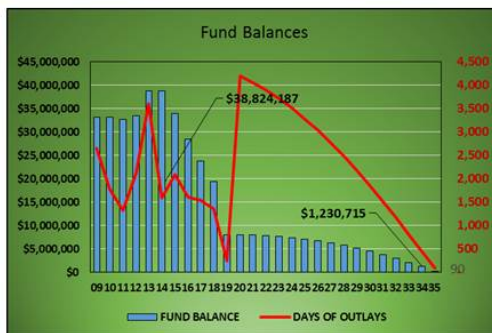
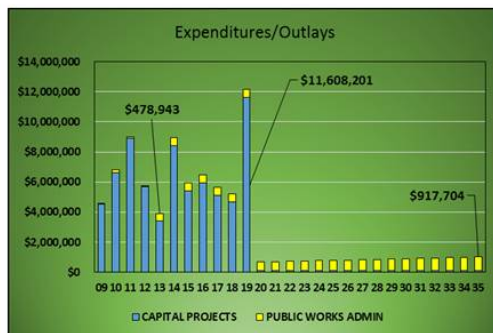
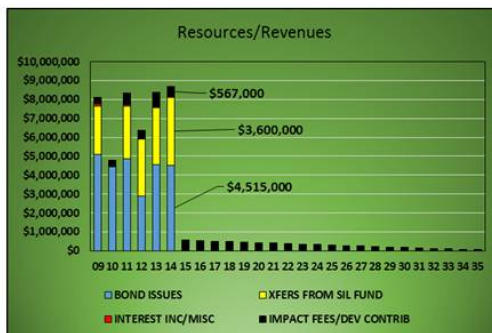


## GENERAL DEBT SERVICE FUND - 401

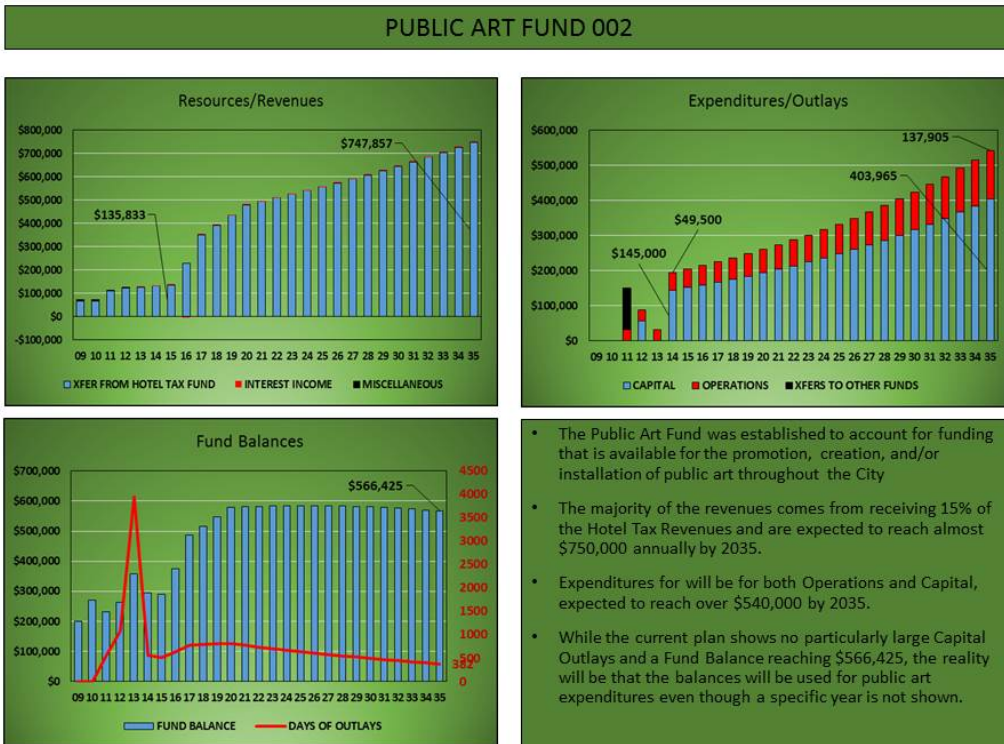
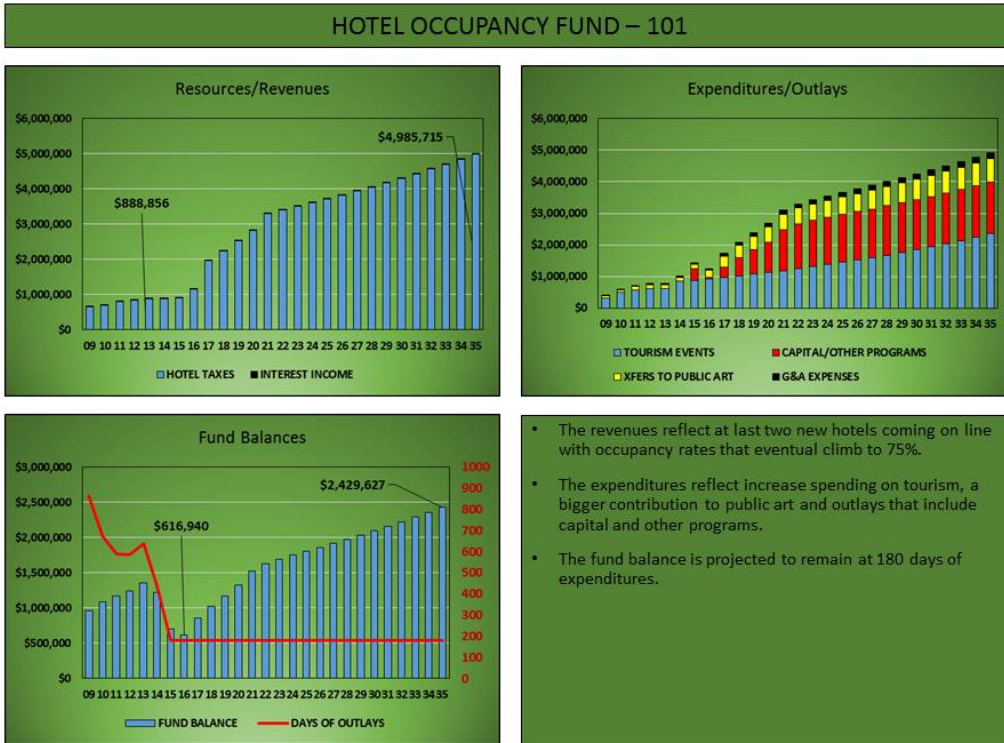


- Used to pay for Debt Service on tax-supported funds and for Certificates of Obligation paid from other sources such as the Drainage Bonds.
- Revenues are shown to increase at the current tax rate of \$0.12 applied to a growing tax base. Other funding sources will shrink as all but direct tax supported bonds are retired.
- Even the current direct tax bonds will be repaid by 2030 and decrease greatly after peaking in 2015. The remaining revenues can be used to pay for additional debt or to transfer to CIP projects.
- The Fund Balance is set to equal 120 days of Outlays.

## GENERAL CAPITAL PROJECTS FUND - 211

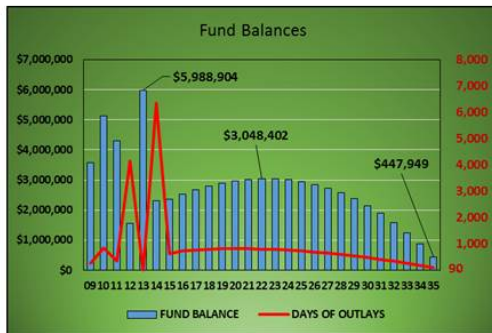
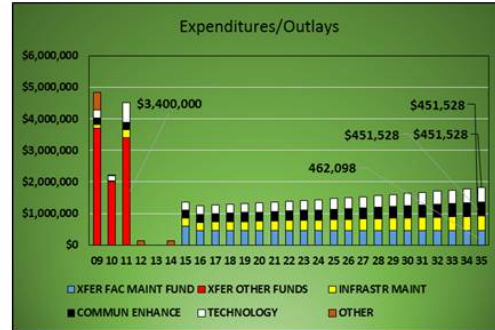


- Primarily the recipient of bond proceeds and other monies to be used for the construction of general capital projects. Usually does not include W&S CIP.
- This fund needs to be considered in conjunction with the General Debt Service Fund 401. Either one of two things could happen:
  - There could be up to \$200 million in new debt issued (2015 dollars) or
  - The \$0.12 I&S tax rate could be directed to this fund in the future under a PAYGO scenario.
- The Fund Balance has been quite high in recent years and is being spent down rapidly in 2014-2019.
- The Fund Balance is set to equal 90 days of Outlays.



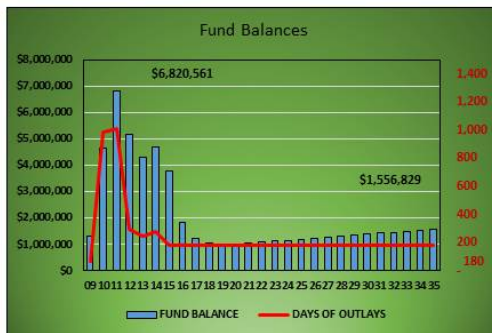
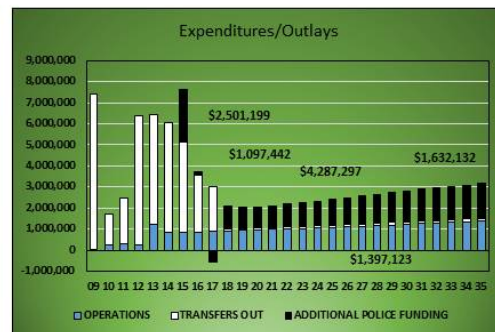
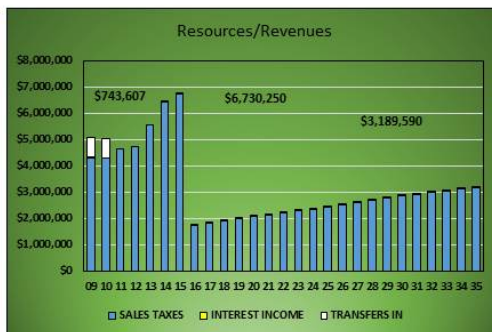


## STRATEGIC INITIATIVES FUND 003



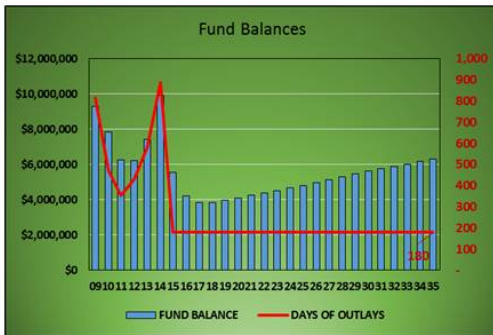
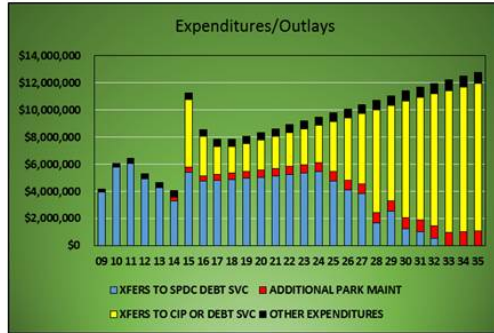
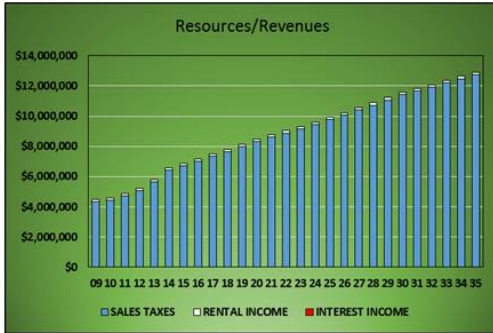
- This fund was created in 2005 for the purpose of taking fund balance reserves in excess of the City identified optimal fund balance level and using them for one-time expenditures of high impact projects such as infrastructure maintenance,
- The plan continues with the assumption that “if and when” conditions are such that it is possible to do so, funds will be set aside to spend on the intended purposes equal to about half of the recent historical levels.
- Expenditures for will be approximately evenly for Infrastructure Maintenance, Community Enhancement and Technology needs of just over \$450,000 each by 2035.
- A Fund Balance equal to at least 90 days of outlays will be targeted.

## CRIME CONTROL OPERATING FUND 109



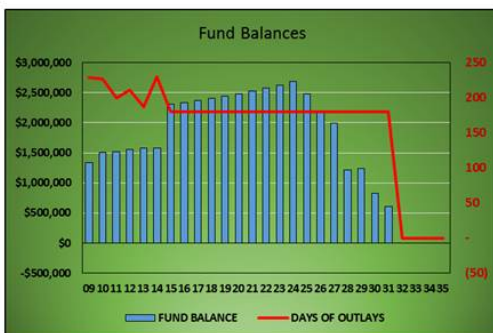
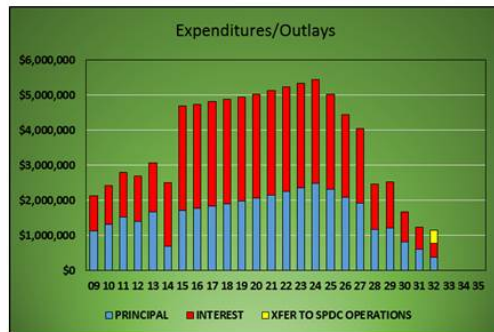
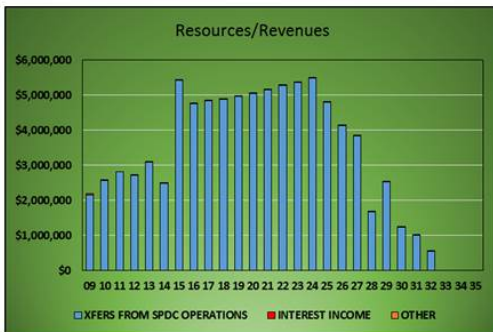
- This fund has been funding the debt service component of a bond issue as well as a portion of certain police operations. That debt service will be paid off in 2017.
- In 2016, subject to a successful election to reduce the CCPD sales tax rate from 1/2 of a penny to 3/8 of a penny to fund a new 4A/4B entity to support allowable projects.
- The remaining 1/8 of a penny will be used to support School Resource Officers as well as an ongoing portion of police operations already established.
- In addition, there should be sufficient revenues to also cover additional police operations climbing to over \$1.6 million by 2035.
- Fund balances will be kept no lower than 180 days of outlays.

## SPDC OPERATING FUND – 106



- The revenues remain strong throughout the planning period.
- Expenditures will shift as current debt services levels play out.
- The City will have the ability to fund identified capital and operating expenditures throughout the planning period.
- Fund balances are projected to remain at 180 days of expenditures.

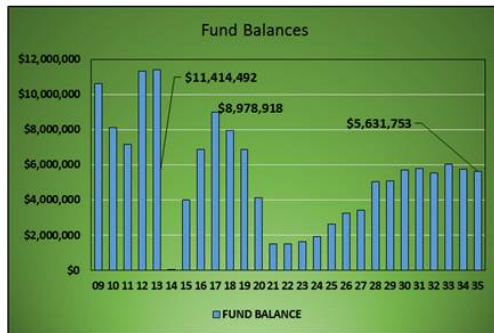
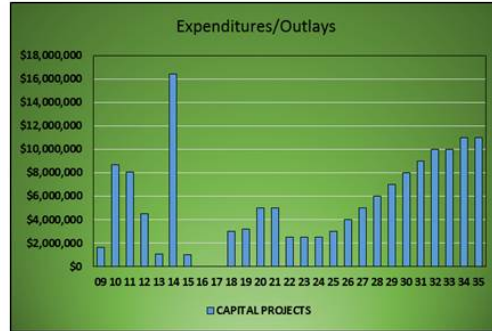
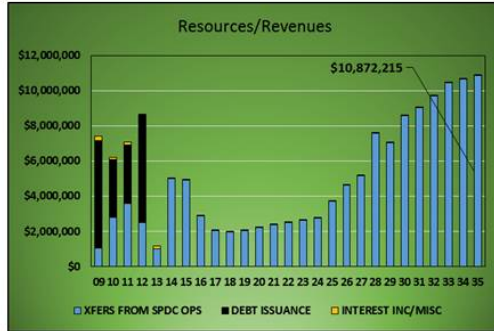
## SPDC DEBT SERVICE FUND – 402



- The revenues are set at levels needed to extinguish the existing debt service schedules.
- The expenditure side is almost totally principal and interest.
- Until the debt service is paid off, fund balances will remain sufficient to meet historical levels.

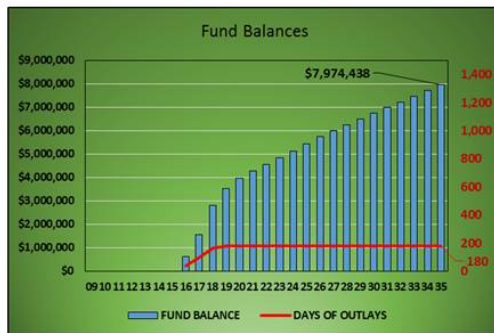
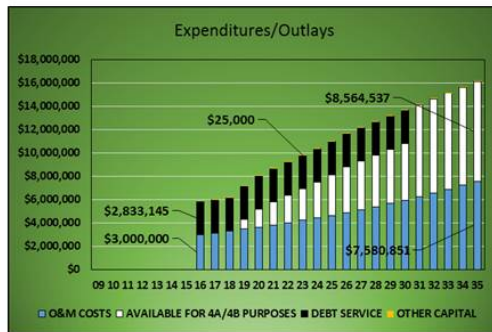
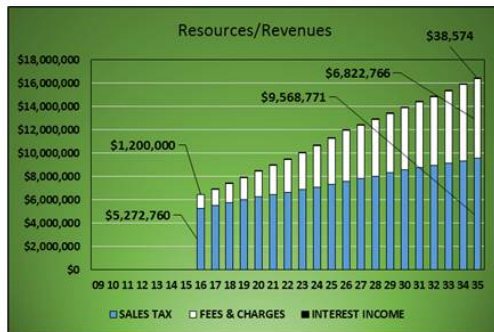


## SPDC CIP FUND – 202



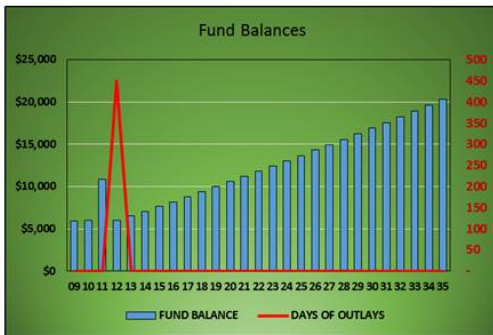
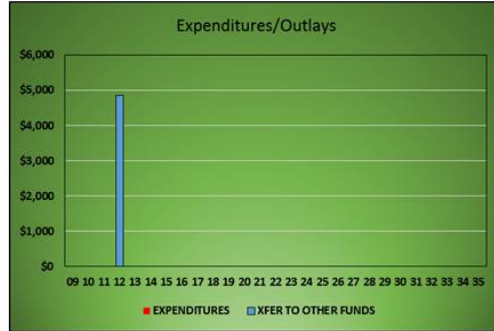
- Revenues are historically from debt issuance and transfers from the SPDC Operating Fund. The planning period shows an amount being transferred that will be set at levels to cover all of the capital projects that have been identified at this time.
- Expenditures equal projects identified by the capital plans available at this time.
- At this point it is projected that about \$5.6 million in reserves will be available to cover the completion of identified projects.

## NEW 4A/4B FUND – XXX



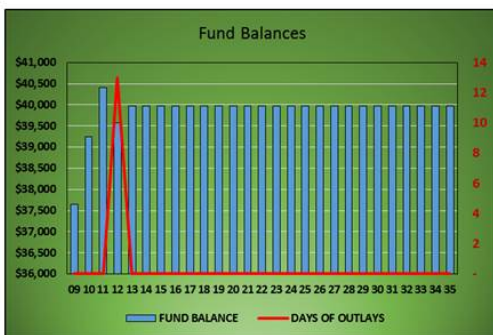
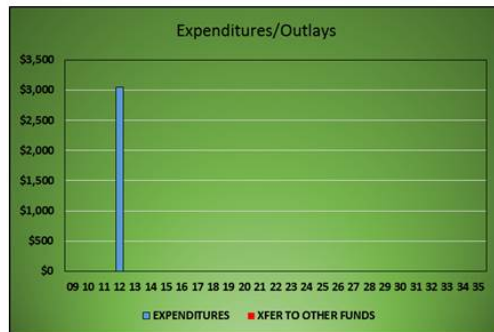
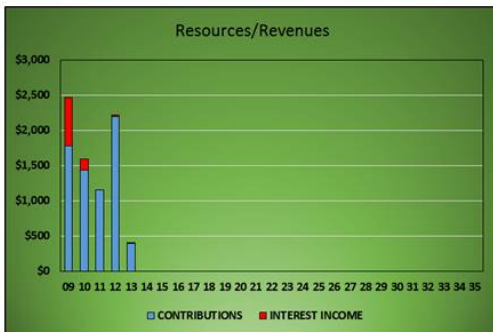
- This fund will be created upon the successful passage of an election in May 2015 that will redirect 3/8 of the 1/2 penny currently going to the Crime Prevention Control District to fund a variety of allowable 4A/4B programs, specifically the new Community Center.
- In addition, there will be Fees & Charges paid into this fund to offset part of the Operating Costs of the Community Center.
- It is projected that after the Debt Service and partial Operating costs are covered that some money will be available for any 4A/4B projects. This will be a small amount at first, rising to \$8.5 million annually by 2035.
- Fund balances will be kept no lower than 180 days of outlays.

## POLICE FUND – 108



- This is a small fund with limited revenue sources and small discretionary expenditures.
- At this time the fund is shown to be accumulating a balance.
- However, future updates will likely show that this fund has been used as Council approves annual operating budgets.

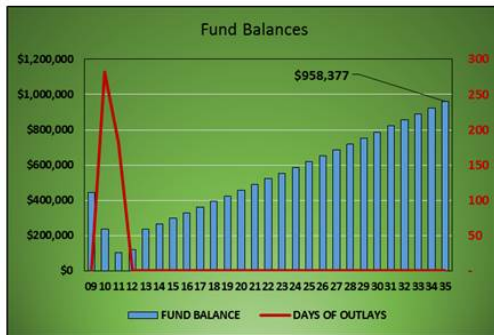
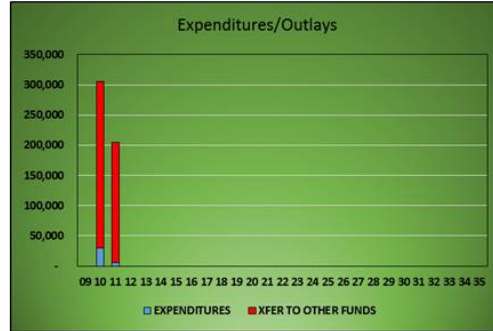
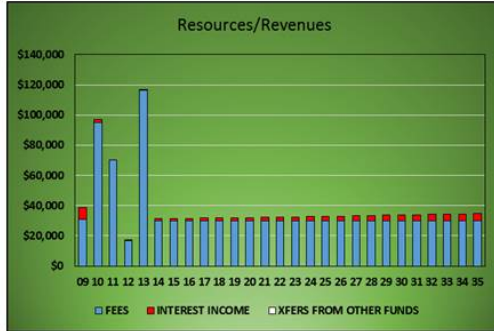
## PARKS & RECREATION SPECIAL REVENUE FUND – 111



- This is a small fund with limited revenue sources and small discretionary expenditures.
- At this time the fund is shown to be accumulating a balance.
- However, future updates will likely show that this fund has been used as Council approves annual operating budgets.

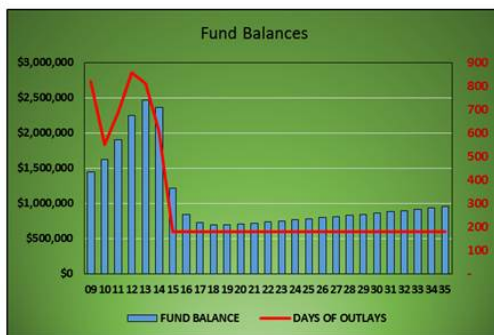
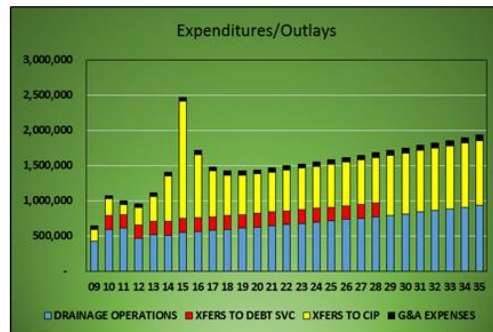
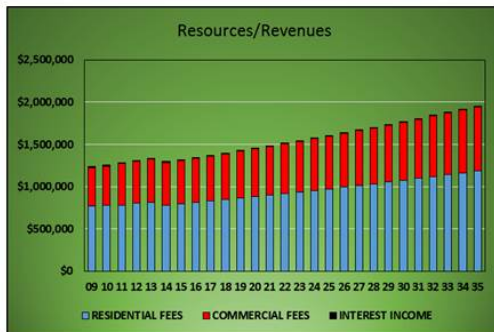


## PARKS DEDICATION FUND – 110



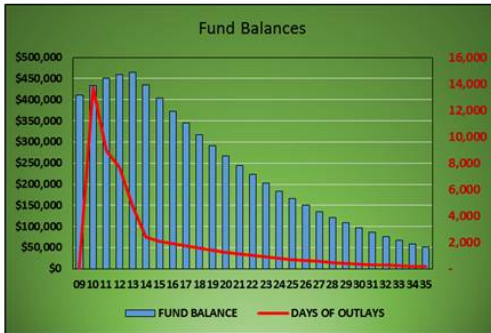
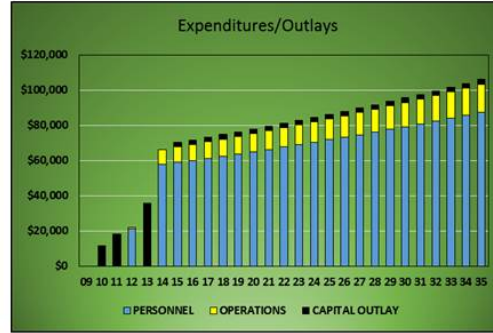
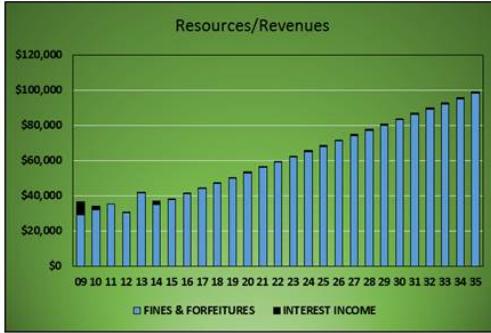
- This is a small fund with limited revenue sources and small discretionary expenditures.
- At this time the fund is shown to be accumulating a balance.
- However, future updates will likely show that this fund has been used as Council approves annual operating budgets

## STORMWATER UTILITY FUND – 102



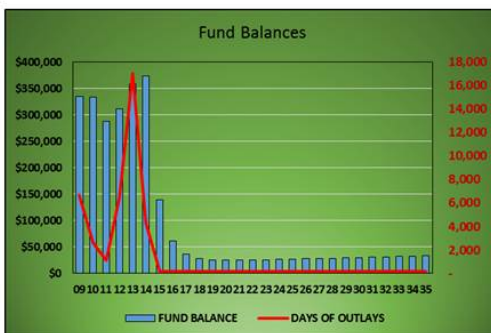
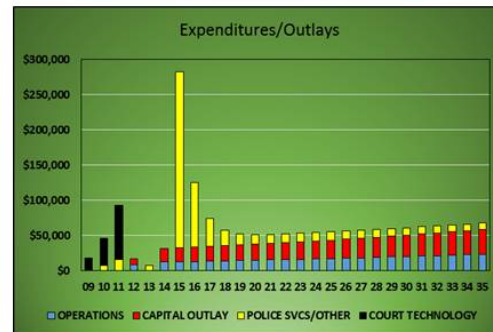
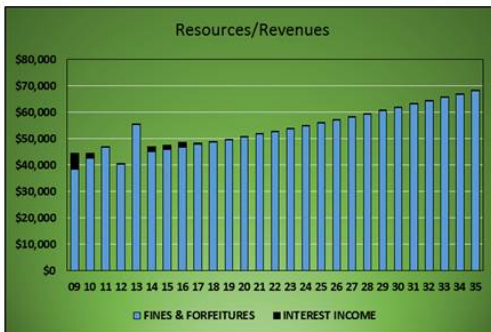
- The revenue sources are the fees charged on monthly utility bills to both residential and commercial customers. There is no anticipated rate increase incorporated into the plan at this time.
- Expenditures are set to pay off the existing debt schedule followed by a larger contribution to operations and discretionary capital projects with the restrictions by state law.
- Fund balances are projected to remain at 180 days of expenditures.

## COURT SECURITY FUND – 103

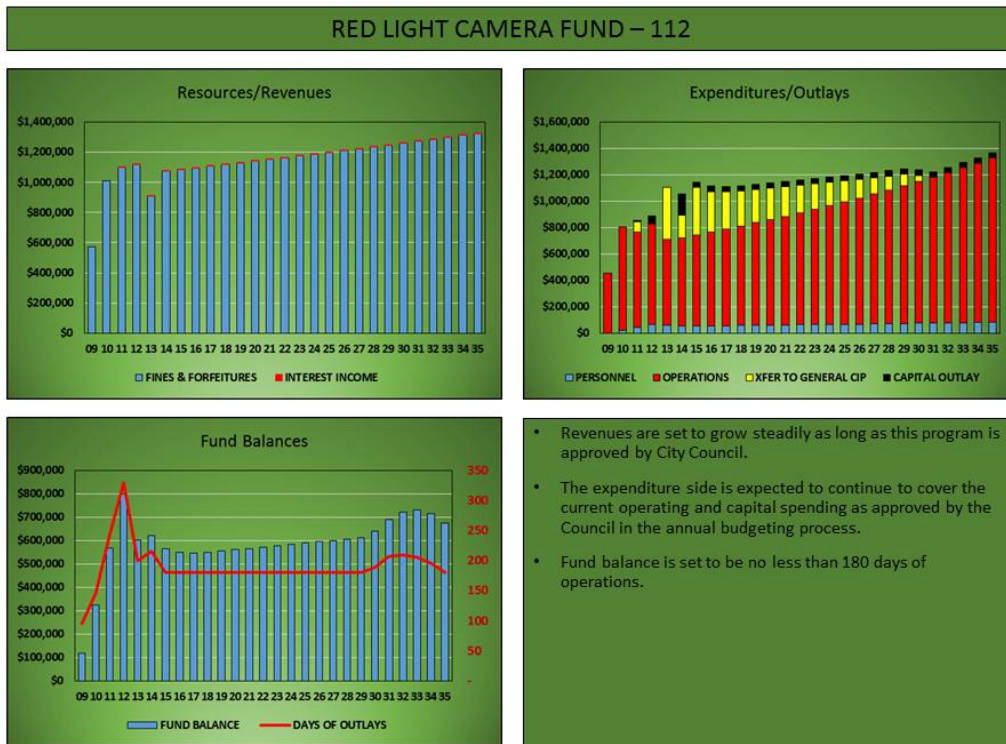


- The revenues are set to grow in proportion of population even though they are subject to fluctuations in citation activity.
- The expenditure side is set to grow in proportion to revenues available.
- Fund balances are set to be drawn down but not less than 180 days of expenditures.

## COURT TECHNOLOGY FUND – 104

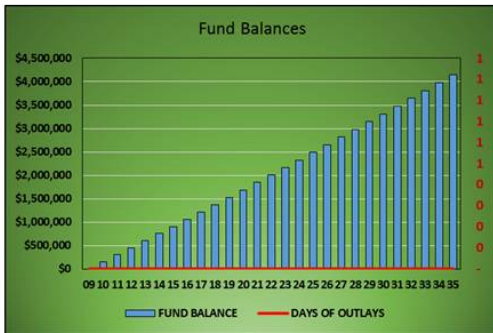
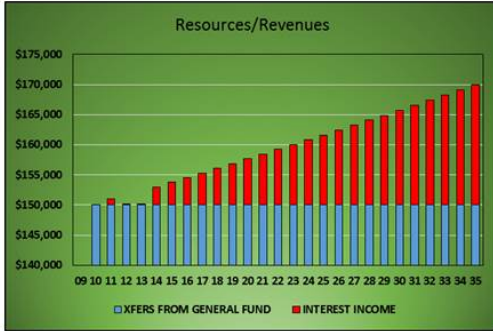


- The revenues are set to grow in proportion of population even though they are subject to fluctuations in citation activity.
- The expenditure side is set to grow in proportion to revenues available.
- Fund balances are set to be drawn down but not less than 180 days of expenditures.



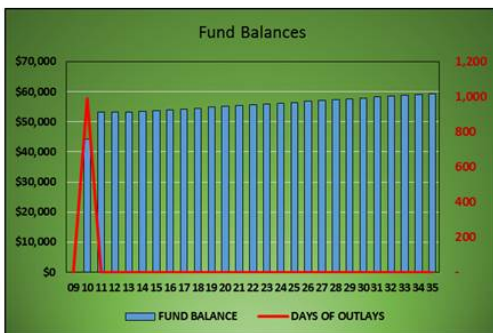
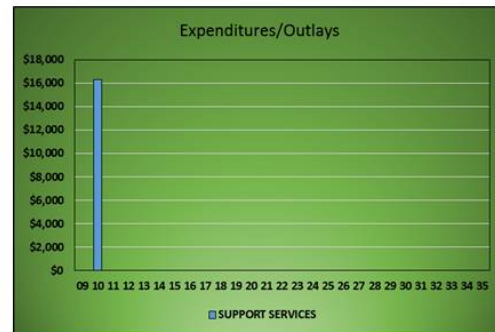
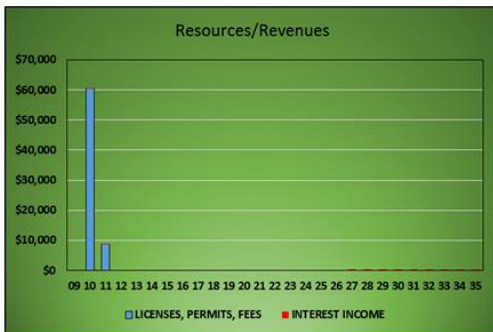


## STORMWATER MAINTENANCE FUND – 113



- This is a small fund with limited revenue sources and small discretionary expenditures.
- At this time the fund is shown to be accumulating a balance.
- However, future updates will likely show that this fund has been used as Council approves annual operating budgets

## OIL & GAS FUND – 703



- This is a small fund with limited revenue sources and small discretionary expenditures.
- At this time the fund is shown to be accumulating a balance.
- However, future updates will likely show that this fund has been used as Council approves annual operating budgets

