



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda

City Council

Tuesday, September 10, 2024

3:00 PM

Council Work Session Room
&
Council Chambers

Special Called - BUDGET WORKSHOP

WORK SESSION BEGINS AT 3:00 P.M. IN THE COUNCIL WORK SESSION ROOM

CLOSED MEETING BEGINS IMMEDIATELY FOLLOWING THE WORK SESSION IN THE COUNCIL WORK SESSION ROOM

REGULAR MEETING BEGINS AT 6:30 P.M. IN THE COUNCIL CHAMBERS

REGISTRATION GUIDELINES FOR ADDRESSING THE CITY COUNCIL

Individuals may speak during a Council meeting under one of the following categories:

Open Microphone:

At regular meetings only, individuals can speak on any topic that is not on the agenda for no longer than four (4) minutes per individual. This portion of the meeting occurs immediately after the start of the regular meeting session. Please note, Council members cannot engage in a discussion on topics presented during this portion and there are limited slots available for this portion of the meeting.

Comments on Agenda Items:

Public comments can be given for any item considered by the Council, EXCEPT work session reports or closed meetings. Individuals are only able to comment one time per agenda item and cannot use more than one method to comment on a single agenda item. Public comments are limited to three (3) minutes per citizen.

Public Hearing Items:

Individuals are limited to four (4) minutes per public hearing item.

Individuals may participate by using one of the following methods:

1. In Person for Regular or Consent Agenda Items:

To provide in-person comments regular or consent agenda items (excluding public hearing items), Individuals must be present at the meeting and submit a speaker card (available at the meeting location) to the City Secretary prior to the item being called.

2. In Person for Public Hearing Items:

For public hearing items, speaker cards are encouraged but not required.

3. eComment:

The agenda is posted online at www.cityofdenton.com/publicmeetings. Once the agenda is posted, a link to make virtual comments using the eComment module will be made available next to the meeting listing on the Upcoming Events Calendar. Using eComment, Individuals may indicate support or opposition and submit a brief comment about a specific agenda item. eComments may be submitted up until the start of the meeting at which time the ability to make an eComment will be closed. eComments will be sent directly to members of the City Council immediately upon submission and recorded by the City Secretary into the Minutes of the Meeting.

4. By Phone:

Individuals may register to provide comments by phone. Instructions and a link to register to comment by phone will be available at www.cityofdenton.com/publicmeetings until noon of the meeting date. Residents will submit contact information using the link provided and receive further instructions via email on how to join the meeting by phone and provide comments.

After determining that a quorum is present, the City Council of the City of Denton, Texas will convene in a Work Session on Tuesday, September 10, 2024 at 3:00 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

WORK SESSION

1. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

This section allows members of the City Council to ask questions on items listed on this agenda for public hearing and individual consideration. Responses to questions on items listed under the consent agenda that are received prior to the meeting are available by clicking on Exhibit 1 below. The responses will be available prior to the start of the meeting, when applicable. Any handouts distributed at the meeting will also be uploaded to the below link by 12:00 p.m. on the business day following the meeting. Members of the Council may remove items from the consent agenda. When items are removed from the consent agenda and placed on the regular agenda by members of the council, the removed items shall be taken up in the order of removal right after the consent agenda.

2. Work Session Reports

- A. [ID 24-1679](#) Receive a report, hold a discussion, and give staff direction regarding the preliminary Fiscal Year 2024-25 Proposed Budget, Tax Rate, Capital Improvement Program, and Five-Year Financial Forecast.

[Estimated Presentation/Discussion Time: 1 hour]

Attachments: [Exhibit 1 - Agenda Information Sheet](#)

[Exhibit 2 - Presentation](#)

Following the completion of the Work Session, the City Council will convene in a Closed Meeting in the Council Work Session Room to consider specific item(s) when these items are listed below under the Closed Meeting section of this agenda. The City Council reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

1. Closed Meeting:

- A. [ID 24-1749](#) Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074.

Deliberate the employment and duties of Interim Police Chief Jessica Robledo.

- B. [ID 24-1837](#) Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive information from staff, discuss, deliberate, and provide staff with direction pertaining to the potential purchase of real property situated in the J. White Survey, Abstract 1433, in the City of Denton, Denton County, Texas, located off of Colorado Boulevard, where a public deliberation of such potential purchase would have a detrimental effect on the City's position in negotiations with a third party. Consultation with City's attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton under Texas Disciplinary Rule of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any potential litigation.

Any final action, decision, or vote on a matter deliberated in a Closed Meeting will only be taken in an Open Meeting that is held in compliance with Texas Government Code, Chapter 551, except to the extent such final decision, or vote is taken in the Closed Meeting in accordance with the provisions of Section 551.086 of the Texas Government Code (the 'Public Power Exception'). The City Council reserves the right to adjourn into a Closed Meeting or Executive Session as authorized by Texas Government Code, Section 551.001, et seq. (The Texas Open Meetings Act) on any item on its open meeting agenda or to reconvene in a continuation of the Closed Meeting on the Closed Meeting items noted above, in accordance with the Texas Open Meetings Act, including, without limitation Sections 551.071-551.086 of the Texas Open Meetings Act.

NOTE: Any item for which a formal action at the Regular Meeting has been taken by Council may be subject to a request for a motion for reconsideration at any time during the meeting, at the Concluding Items Section, or after the meeting. In order to comply with the Texas Open Meetings Act, a request for a motion for reconsideration made during, at the end of, or after a Council meeting will be placed on the agenda and considered at the next official meeting of the City Council.

Following the Closed Meeting, the City Council will reconvene in Open Meeting to take action, if any, on matters discussed in closed session.

AFTER DETERMINING THAT A QUORUM IS PRESENT, THE REGULAR MEETING OF THE CITY OF DENTON CITY COUNCIL WILL CONVENE AT 6:30 P.M. IN THE COUNCIL CHAMBERS AT CITY HALL, 215 E. MCKINNEY STREET, DENTON, TEXAS AT WHICH THE FOLLOWING ITEMS WILL BE CONSIDERED:

1. PUBLIC HEARINGS

- A. [ID 24-229](#) Hold a public hearing and receive citizen input on the FY 2024-25 Proposed Budget.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - FY 2024-25 Notice of Proposed Budget](#)
 [Exhibit 3 - Presentation](#)

- B. [ID 24-230](#) Hold a public hearing on proposed property tax increase that will not exceed \$0.595420 per \$100 valuation. The proposed rate will exceed the no new revenue tax rate (\$0.531785 per \$100) but will not exceed the voter-approval tax rate (\$0.604748 per \$100).

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - 2024 Notice of Proposed Tax Rate](#)
 [Exhibit 3 - Presentation](#)

2. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutory recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

B. Possible Continuation of Closed Meeting topics, above posted.

C E R T I F I C A T E

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on September 6, 2024, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

 OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.



City of Denton

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Legislation Text

File #: ID 24-1679, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding the preliminary Fiscal Year 2024-25 Proposed Budget, Tax Rate, Capital Improvement Program, and Five-Year Financial Forecast.

[Estimated Presentation/Discussion Time: 1 hour]



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AGENDA INFORMATION SHEET

DEPARTMENT: Finance
ACM: Cassey Ogden
DATE: September 10, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the preliminary FY 2024-25 Proposed Budget, Tax Rate, Capital Improvement Program and Five-Year Financial Forecast.

BACKGROUND

The FY 2024-25 City Manager's Proposed Budget was presented to the City Council during the Budget Workshop on August 10, 2024. The purpose of this agenda item is to provide the City Council with an update, discuss proposed General Fund rate changes, as well as provide additional opportunity for questions and dialogue on the proposed tax rate and proposed budget.

Below is the schedule we will follow to adopt the budget and tax rate:

<u>September 10, 2024 (Regular Session)</u>	-	Public Hearing on Tax Rate Public Hearing on Proposed Budget
<u>September 17, 2024 (Regular Session)</u>	-	City Council Adopts Budget, Tax Rate

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Staff provided the City Council with a comprehensive overview of the proposed budget on August 10, 2024, and provided an update on August 20, 2024.

EXHIBITS

1. Agenda Information Sheet
2. Presentation

Respectfully submitted:
Jessica Williams, CFO
940-349-8244

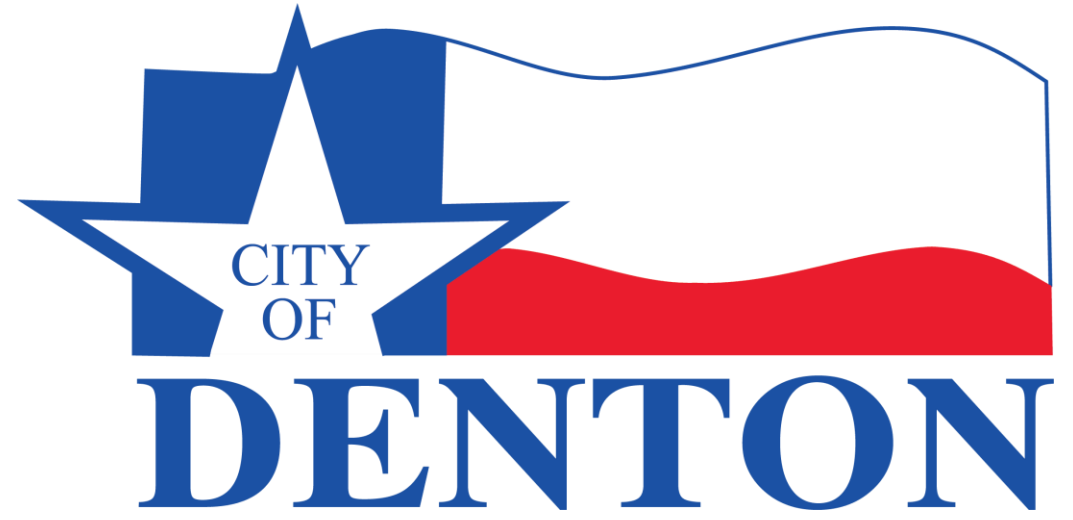
CITY OF DENTON, TEXAS

FY 2024-25 Budget & Rate Update September 10, 2024

Inclusion | Collaboration | Quality Service | Strategic Focus | Fiscal Responsibility

ID 24-1679 9/10/2024





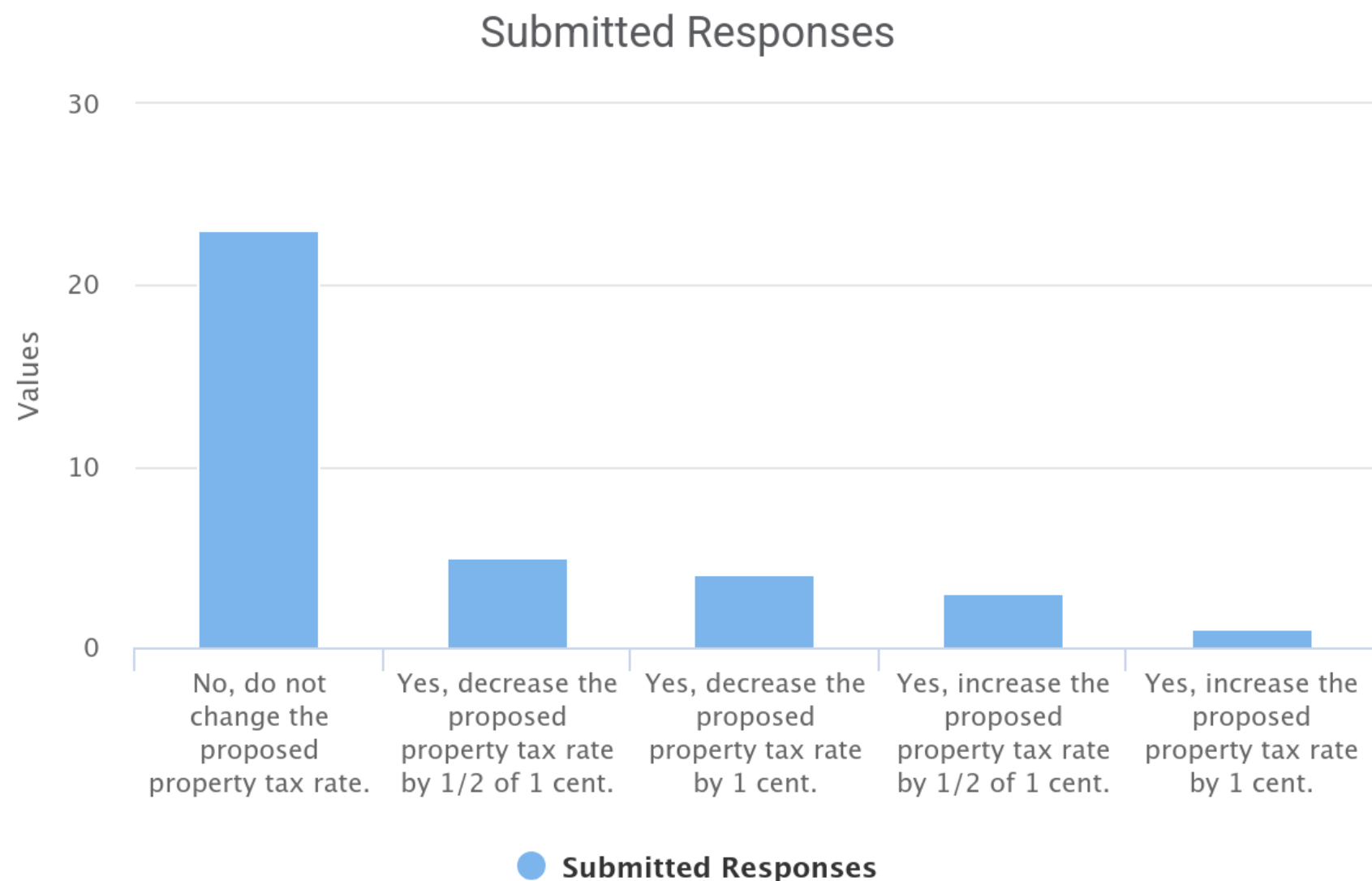
Balancing Act Feedback

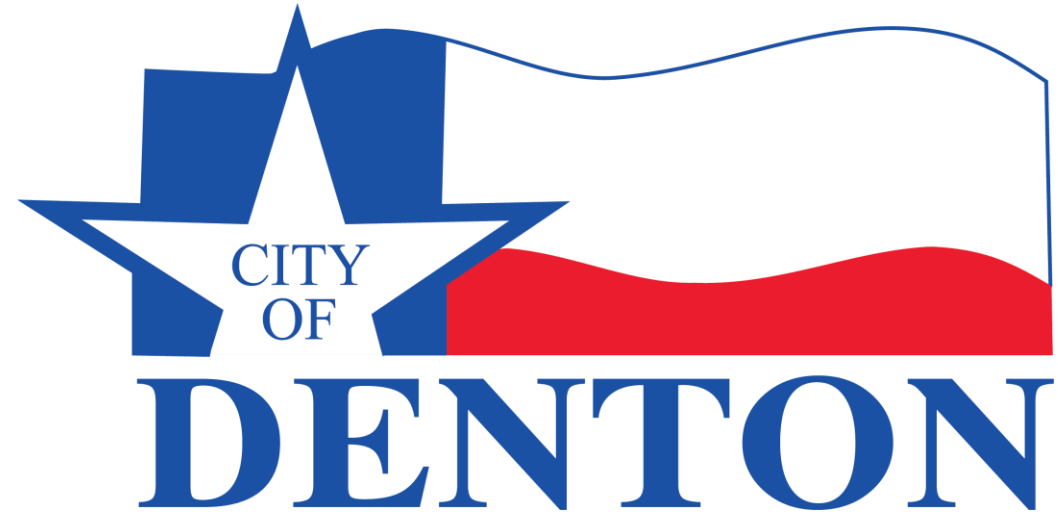
Balancing Act Feedback

- 707 total page views
- 36 budget submissions as of 9/5/24

Tax Rate Submission Feedback:

- 4 responses – Increase the proposed rate
- 23 responses – Keep the proposed rate
- 9 responses – Decrease the proposed rate





General Fund Schedule of Fees

Rate and Fee Overview

- Schedule of Fees are reviewed annually
- Rates are reviewed internally, and a cost-of-service study periodically
- Benchmarking with surrounding comparable cities
- Evaluation of current fees, current cost recovery percentage, target cost recovery percentage and the impact on the community
- Proposed changes are reviewed by staff, appropriate committees and approved by City Council

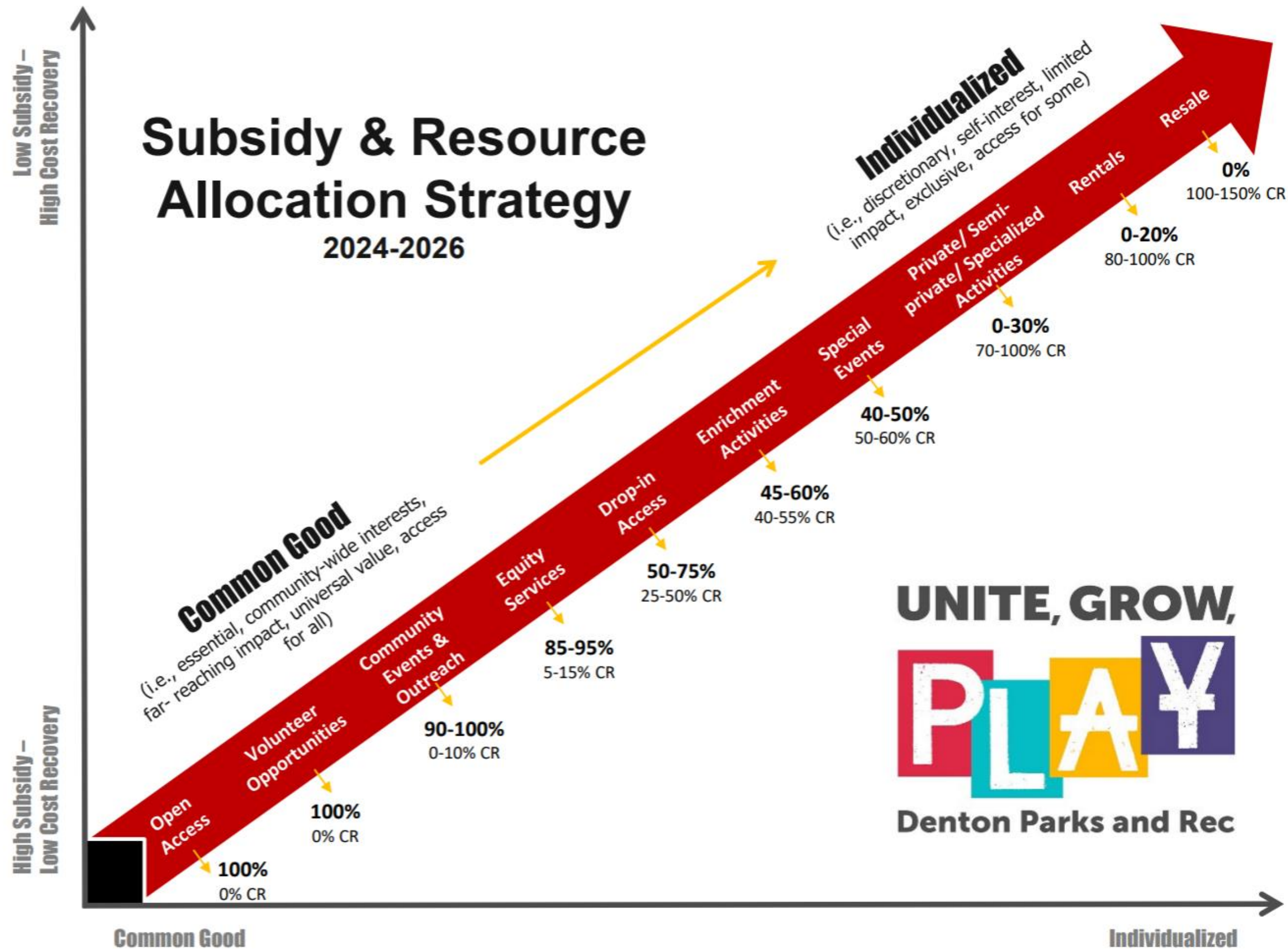
Police Department– Proposed Fee Changes

Summary	Current FY 2023-24	Proposed FY 2024-25	Change	% Cost Recovery
<u>Public Safety Training Center</u>				
Basic Peace Officer Training Academy	\$900	\$1,250	\$350	-
<u>Officer Off Duty/Private Event Fee</u>				
Police Officer	\$50/hour	\$65/hour	\$15	97%
Police Sergeant/Supervisor	\$55/hour	\$80/hour	\$25	95%
Lieutenant/Commander	\$60/hour	\$95/hour	\$35	100%
Holiday/Short Notice - Officer	\$60/hour	\$75/hour	\$15	100%
Holiday/Short Notice - Supervisor	\$65/hour	\$90/hour	\$25	97%
Marked Police Vehicle	\$20/hour	\$23/hour	\$3	-
<u>Dispatcher Off Duty/Private Event Fee</u>				
Dispatcher - Monitor Radio Channel	N/A	\$30/hour	-	60%
<u>In-Kind Special Event Fee</u>				
Police Officer	N/A	\$65/hour	-	97%
Police Sergeant/Supervisor	N/A	\$80/hour	-	95%
Police Lieutenant/Commander	N/A	\$95/hour	-	100%
<u>Removing</u>				
Outside Traffic - Officer	\$55/hour			
Outside Traffic - Supervisor	\$60/hour			

Fire Department– Proposed Fee Changes

Summary	Current FY 2023-24	Proposed FY 2024-25	Change	% Cost Recovery
Fire Special Events Rates				
Fire Fighter	N/A	\$43/hour	-	69%
Fire Driver	N/A	\$52/hour	-	74%
Lieutenant	N/A	\$58/hour	-	78%
Captain	N/A	\$64/hour	-	72%
Battalion Chief	N/A	\$73/hour	-	64%
Emergency Management	N/A	\$56/hour	-	71%

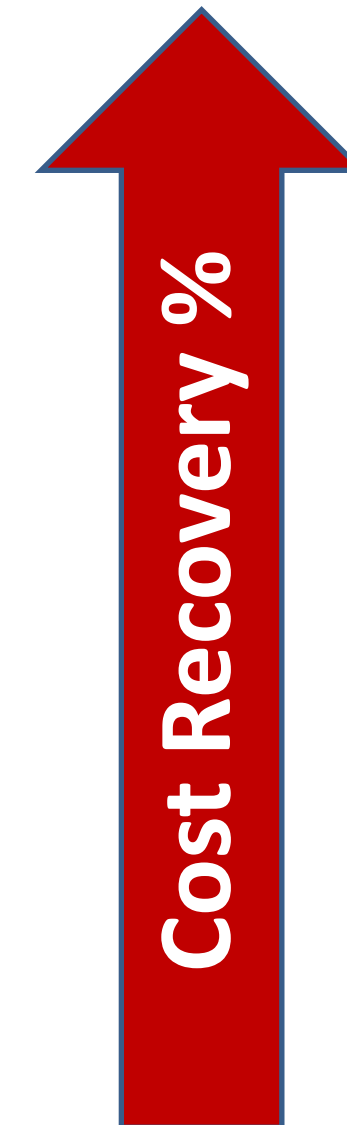
Parks – Proposed Fee Changes



Parks – Proposed Fee Changes

Service Categories for Cost Recovery Model	CR Goal
Resale -Concessions, pro shop items	100-150%
Rentals - Exclusive use of pavilions, facilities, etc.	80-100%
Private/Semi-private/Specialized - Sport private lessons, personal training	70-100%
Special Events - Fun runs, athletics tournaments, dive-in movies	50-60%
Enrichment Activities - Tutoring, CPR training, computer skills	40-55%
Drop-in Access - Fitness rooms, rec passes, game rooms	25-50%
Community Events - Eggstravaganza, Movies in the Park	20-50%
Equity Services - Mobile Rec, Adapted Rec	5-15%
Community Events & Outreach - Meals on wheels, health fairs, support services	0-10%
Volunteer Opportunities - Adopt a spot, yard of the month, garden workdays	0%
Open Access - Playgrounds, trails, disc golf	0%

Individual
Benefit



Public
Benefit

Parks – Proposed Fee Changes

Service Category: Community Events

Cost Recovery Goal: 20-50%

Summary	Description	Current FY 2023-24	Proposed FY 2024-25	Change	% CR
Special Event Fees					
Special Event Application Fee - Tier 1	Neighborhood community event	\$30	\$50	\$20	22%
Special Event Application Fee - Tier 2	Anticipated or recorded attendance under 300	N/A	\$100	-	29%
Special Event Application Fee - Tier 3	Anticipated or recorded attendance of 300 to 999	N/A	\$150	-	31%
Special Event Application Fee - Tier 4	Anticipated or recorded attendance of 1,000 to 4,999	N/A	\$200	-	21%
Special Event Application Fee - Tier 5	Anticipated or recorded attendance of over 5,000	N/A	\$250	-	18%
Special Event Application Fee - Tier 6	Recurring series & vendor markets	N/A	\$300	-	22%
Special Event Late Fee – Tiers 1 - 6	Fee for processing late special event permit applications received after established deadline.	N/A	50% of Permit Fee	-	27%-46%
Special Event Additional Review Fee	Hourly fee for unanticipated special event permit needs including but not limited to on-site review.	N/A	\$50	-	70%-100%

Parks – Proposed Fee Changes Cont.

Service Category: Rentals

Cost Recovery Goal: 80-100%

Summary	Description	Current FY 2023-24	Proposed FY 2024-25	Change	% CR
<u>LED Screen Trailer Fees</u>					
LED Screen Trailer; Monday-Thursday	Fee for 6-hour screen rental within Denton city limits (Monday – Thursday)	N/A	\$3,000	-	100%
Deposit Fee	A non-refundable 50% deposit to secure the LED screen rental (Monday – Thursday)	N/A	\$1,500	-	100%
Additional Hourly Usage (Mon-Thurs)	Add-on fee for additional hourly usage of LED screen rental (Monday – Thursday)	N/A	\$500	-	100%
LED Screen Trailer; Friday-Sunday	Fee for 6-hour screen rental within Denton city limits (Friday – Sunday)	N/A	\$4,500	-	100%
Additional Hourly Usage (Fri-Sun)	Add-on fee for additional hourly usage of LED screen rental (Friday – Sunday)	N/A	\$750	-	100%
Deposit Fee	A non-refundable 50% deposit to secure the LED screen rental (Friday – Sunday)	N/A	\$2,250	-	100%
Rentals Staff	Hourly fee per staff team for screen rental	N/A	\$100	-	100%
<u>Memorial Fee</u>					
Memorial Bench	Fee for labor and supplies to install memorial bench and plaque.	\$3,400	\$2,200	(\$1,180)	100%
Memorial Bricks	Fee for labor and supplies to install memorial brick	\$269	\$275	\$6	100%
<u>Cemetery Fees*</u>					
Stone (Monument) Permit	Fee for a monument permit.	Oakwood - \$50	Oakwood - \$75	\$25	100%
Burial (Interment) Permit	Fee for an interment permit.	Oakwood - \$50	Oakwood - \$75	\$25	100%

* Adjusting Oakwood Cemetery fees to align with current IOOF Cemetery fee schedule.

Parks – Proposed Fee Changes Cont.

Service Category: Rentals

Cost Recovery Goal: 80-100%

Summary	Description	Current FY 2023-24	Proposed FY 2024-25	Change	% CR
Meeting Rooms					
Denton Civic Center	Meeting Room 2 (Redbud) Room	\$45	\$50	\$5	100%
Practice Field Rentals					
Practice Field; no lights	Hourly fee for exclusive use of a practice field during daylight hours.	\$15	\$20	\$5	100%
Practice Field; with lights	Hourly fee for exclusive use of a practice field during evening hours.	\$25	\$30	\$5	100%
Game Fields and Complex Rentals					
Game Field; no lights	Hourly fee for exclusive use of a field for tournament/games during daylight hours.	\$15	\$20	\$5	100%
Game Field; with lights	Hourly fee for exclusive use of a field for tournament/game during evening hours.	\$25	\$30	\$5	100%
Rental Service Fees					
Tournamant Staff Fee	Hourly fee for staff to touch up fields, stock restrooms, and remove trash/litter for tournaments.	\$25	\$30	\$5	100%
Pavilion Rentals					
Small Pavilion	Hourly fee for exclusive use of a small pavilion.	\$10	\$15	\$5	100%
Large Pavilion	Hourly fee for exclusive use of a small pavilion.	\$15	\$20	\$5	100%
Bounce House Add-On	One-time fee to utilize the services of a bounce house vendor during a pavilion rental.	N/A	\$10	-	100%

Parks – Proposed Fee Changes Cont.

Service Category: Rentals

Cost Recovery Goal: 80-100%

Summary	Description	Current FY 2023-24	Proposed FY 2024-25	Change	% CR
Park Event Rentals					
The NOOK	Hourly fee for exclusive use of the NOOK at Emily Fowler Library for small public or private events.	\$15	\$65	\$50	100%
Clear Creek Natural Heritage Area	Hourly fee for exclusive use of a park area, pavilions for large public and private events.	N/A	\$200	-	100%
CCNHC Education Center Rental	Hourly fee for usage of the Education Center.	N/A	\$25	-	100%
CCNHC Building Attendant	Hourly fee per individual staff for after-hours rental.	N/A	\$20	-	100%
Mountain Bike Trail Rental	Hourly fee for exclusive use of the Mountain Bike Trail for park area, pavilions for large public or private events.	N/A	\$75	-	100%
Parking Attendant	Hourly fee for event parking attendant, as needed	\$14	\$20	\$6	100%
Denton Tennis & Pickleball Center *					
Court Reservation; no lights	Fee for 1 Hour of use per person for exclusive use of a tennis court daylight hours.	\$3	\$2	\$(1)	TBD
Court Reservation; with lights	Fee for 1 Hour of use per person for exclusive use of a tennis court during evening hours.	\$5	\$4	\$(1)	TBD
Court Tournament Reservation	Hourly fee per court for exclusive use with an eight-hour minimum.	\$8	\$10	\$2	TBD

* Proposing adjusting Tennis & Pickleball court reservations to 1 hour blocks from 1.5 hour blocks and reducing the fee by \$1.

Parks – Proposed Fee Changes Cont.

Service Category: Rentals

Cost Recovery Goal: 80-100%

Summary

Tier 1

Tier 2

Tier 3

% CR

Special Event Fees

Aquatic Facility Rentals

Civic Center Pool (Monday - Thursday)

	1-100 Guest	101-200 Guests	201-300 Guests	% CR
Current Rate	\$275 / 2-hour min.	\$375 / 2-hour min.	\$475 / 2-hour min.	92%
Proposed Rate	\$325 / 2-hour min.	\$425 / 2-hour min.	\$525 / 2-hour min.	100%

Civic Center Pool (Friday - Sunday)

	1-100 Guest	101-200 Guests	201-300 Guests	% CR
Current Rate	\$325 / 2-hour min.	\$425 / 2-hour min.	\$525 / 2-hour min.	100%
Proposed Rate	\$375 / 2-hour min.	\$475 / 2-hour min.	\$575 / 2-hour min.	100%

Removing

Hunting Permits: Seasonal Permit; Nonresident	\$50
Nonresident Fee (aquatics and tennis)	\$1
Nonresident Fee (hunting)	\$20
Civic Center Marque Fee	\$75
Luxury Loungers are no longer available	

Animal Services – Proposed Fee Changes

Summary	Current FY 2023-24	Proposed FY 2024-25	Change
Adoption Fees			
Ferrets, Rabbits, Exotics	\$10	\$60	\$50
Small Furrries (hamster, guinea pig, and similar)	N/A	\$10	-
Fowl	N/A	\$10	-
Impound Fees- Class A, Unaltered (dogs, cats, fowl, each animal)			
1 st impound	\$20	\$50	\$30
2 nd impound (Required sterilization)*	\$30	\$75 / \$150 with sterilization	Varies
3 rd impound	\$45	\$100	\$55
Impound Fees- Class A, Altered (dogs, cats, fowl, each animal)			
1 st impound	N/A	\$20	-
2 nd impound (Required sterilization)*	N/A	\$30	-
3 rd impound	N/A	\$45	-
Impound Fees- Class B, Prohibited			
1 st impound	\$34	\$100	\$66
2 nd impound	\$50	\$150	\$100
3 rd impound	\$75	\$200	\$125
4 th impound	\$115	\$250	\$135

Animal Services – Proposed Fee Changes Cont.

Summary	Current FY 2023-24	Proposed FY 2024-25	Change
Daily Handling Fees			
1 st day or part of day	\$8	\$10	\$2
Each subsequent day	\$8	\$10	\$2
Quarantine Fees			
1 st day or part of day	\$8	\$10	\$2
Each subsequent day	\$8	\$10	\$2
Rabies Diagnostic Testing	\$70	\$75	\$5
Animal Euthanasia Fee	\$30	\$50	\$20
Dangerous Dog Sign	N/A	\$50	-
Prohibited Animal Permit Fee	\$35	\$75	\$40
Microchip Fee	N/A	\$25	-
Owner Surrender Fee – Altered	N/A	\$45	-
Owner Surrender Fee – Unaltered	N/A	\$75	-
Removing:			
Animal Impound Fees			
Class A Animals: Fourth Impoundment	\$70		
Class B Animals: First Impoundment	\$30		
Class B Animals: Second Impoundment	\$40		
Class B Animals: Third Impoundment	\$75		
Class B Animals: Fourth Impoundment	\$113		
Class C Animals: First Impoundment	\$35		
Class C Animals: Second Impoundment	\$50		
Class C Animals: Third Impoundment	\$75		
Class C Animals: Fourth Impoundment	\$115		



Denton Municipal Electric Rate Schedule

DME – Proposed Rate Summary

- **Base Rates**

1.5% Increase

- Includes usage, facility, & demand charges

- **Pole Attachment Fees**

Varies

- Pole Attachment Fee (PAF) is the annual rental fee DME charges telecommunication and cable providers who attach to DME's poles. The fee is being changed to meet the standard calculations set forth by the FCC for pole attachment fees. The proposed PAF removes many of the items from the current schedule that are no longer applicable based on regulatory requirements.

- **Wholesale Transmission Service**

New Schedule

- Denton Municipal Electric must file its Wholesale Transmission Service (WTS) rate with the Texas Public Utilities Commission. Although this is a rate that is not utilized by retail customers, staff wanted to include it in the Electric Rate Ordinance to be consistent with our other rates.

Next Steps

Date	Body	Action
September 17, 2024	City Council	Budget Adoption

Questions?



City of Denton

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Legislation Text

File #: ID 24-1749, **Version:** 1

AGENDA CAPTION

Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074.

Deliberate the employment and duties of Interim Police Chief Jessica Robledo.



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Legislation Text

File #: ID 24-1837, Version: 1

AGENDA CAPTION

Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive information from staff, discuss, deliberate, and provide staff with direction pertaining to the potential purchase of real property situated in the J. White Survey, Abstract 1433, in the City of Denton, Denton County, Texas, located off of Colorado Boulevard, where a public deliberation of such potential purchase would have a detrimental effect on the City's position in negotiations with a third party. Consultation with City's attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton under Texas Disciplinary Rule of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any potential litigation.



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File #: ID 24-229, **Version:** 1

AGENDA CAPTION

Hold a public hearing and receive citizen input on the FY 2024-25 Proposed Budget.



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AGENDA INFORMATION SHEET

DEPARTMENT: Finance
ACM/CFO: Cassey Ogden
DATE: September 10, 2024

SUBJECT

Hold a public hearing and receive citizen input on the FY 2024-25 Proposed Budget.

BACKGROUND

The City Charter and State Law require that prior to budget adoption, a public hearing be conducted to allow citizens the opportunity to provide input on the Proposed Budget. The required notice of the public hearing was published August 31, 2024 in the *Denton Record Chronicle*. The notice was also posted on the City's Web site, and on the City's public access channel. A copy of the published notice is provided for reference in Exhibit 2.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On August 10 and August 20, 2024, the City Council was provided with detailed information regarding the FY 2024-25 Proposed Budget including the proposed tax rate.

FISCAL INFORMATION

The 2024-25 Proposed Budget includes \$2,349,890,456 in estimated expenditures.

EXHIBITS

1. Agenda Information Sheet
2. FY 2024-25 Notice of Proposed Budget
3. Presentation

Respectfully submitted:
Jessica Williams
Chief Financial Officer
(940) 349-8244

Prepared by:
Matt Hamilton
Budget Manager
(940) 349-8127

NOTICE OF PUBLIC HEARING ON BUDGET

The City Council for the City of Denton, Texas, will hold a public hearing on the Fiscal Year 2024-25 Annual Program of Services (“Budget”), on Tuesday, September 10, 2024 at 6:30 p.m. in the City Council Chambers at City Hall, located at 215 East McKinney Street in Denton, Texas, 76201. The meeting will be held for the purpose of receiving community input on the Budget. A public meeting to vote on the Budget will be held on September 17, 2024 at 6:30pm at Denton City Hall 215 E. McKinney Street Denton, TX 76201.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR’S BUDGET BY \$16,841,936 OR 16.26% AND OF THAT AMOUNT \$7,210,937 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

All interested citizens are encouraged to attend and express their views. If members of the public are not able to attend the hearings and meetings mentioned above in-person, members of the public will be able to participate in the meetings pursuant to the processes outlined at <https://www.cityofdenton.com/242/Public-Meetings-Agendas>

CERTIFICATE

I certify that the above Notice of Public Hearing was posted on the bulletin board at City Hall of the City of Denton, Texas, on the 21st day of August 2024, at 4:00 p.m.

Eric Chasco

OFFICE OF THE CITY SECRETARY

Water District Notice of Public Hearing on Tax Rate

The DENTON COUNTY MUD 4 will hold a public hearing on a proposed tax rate for the tax year 2024 on September 10, 2024 at 12:00PM at 11000 Frisco Drive, Suite 400, Frisco, TX 75033. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

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

FOR the proposal: Brian Runey Ryan Betz
Don Collins Howard Nycum
Pat Rodgers

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.43500/\$100	\$0.40500/\$100
	Adopted	Proposed
Difference in rates per \$100 of value		\$-0.03000
Percentage increase/decrease in rates(+/-)		-6.90%
Average residence homestead appraised value	\$352,592	\$338,740
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$107,209	\$66,291
Average residence homestead taxable value	\$245,383	\$272,449
Tax on average residence homestead	\$1,067.41	\$1,103.42

Annual increase/decrease in taxes if

proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$36.01 3.37%
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If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Board of Directors of DENTON COUNTY MUD 4 proposes to use the tax increase for the purpose of operations of the district..

NOTICE OF VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code. An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate.

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

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.595420 per \$100 valuation has been proposed for adoption by the governing body of the City of Denton.

PROPOSED TAX RATE	\$0.595420 per \$100
NO-NEW-REVENUE TAX RATE	\$0.531785 per \$100
VOTER-APPROVAL TAX RATE	\$0.604748 per \$100

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

The voter-approval rate is the highest tax rate that CITY OF DENTON may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF DENTON is proposing to increase property taxes for the 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 10, 2024 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 17, 2024 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

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

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

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

FOR the proposal: Mayor Gerard Hudspeth Vicki Byrd, District 1
Paul Meltzer, District 3 Joe Holland, District 4
Jill Jester, At Large Place 6

AGAINST the proposal:

PRESENT and not voting:

ABSENT: Brian Beck, District 2 Brandon Chase McGee, At Large Place 5

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

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

The following table compares the taxes imposed on the average residence homestead by the CITY OF DENTON last year to the taxes propose to be imposed on the average residence homestead by CITY OF DENTON this year.

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.560682	\$0.595420	Increase of \$0.034738, or 6.2%
Average homestead taxable value	\$344,731	\$379,836	Increase of \$35,105, or 10.1%
Tax on average homestead	\$1,933	\$2,262	Increase of \$329, or 17.0%
Total tax levy on all properties	\$103,565,358	\$120,407,294	Increase of \$16,841,936, or 16.3%

For assistance with tax calculations, please contact the tax assessor for CITY OF DENTON at (940) 349-3500 or tnt@dentoncounty.gov, or visit tax.dentoncounty.gov for more information. If members of the public are not able to attend the hearings and meetings mentioned above in person, members of the public will be able to participate in the meetings pursuant to the process outlined at <https://www.cityofdenton.com/242/Public-Meetings-Agendas>.

Water District Notice of Public Hearing on Tax Rate

The DENTON COUNTY MUD 5 will hold a public hearing on a proposed tax rate for the tax year 2024 on September 10, 2024 at 11:00AM at 11000 Frisco Drive, Suite 400, Frisco, TX 75033. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

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

FOR the proposal: Richard Biggers Daniel Pulaski
Clifton Baker Eddie Prieto
Todd Wallace

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.58500/\$100	\$0.54500/\$100
	Adopted	Proposed
Difference in rates per \$100 of value		\$-0.04000
Percentage increase/decrease in rates(+/-)		-6.84%
Average residence homestead appraised value	\$402,648	\$404,625
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$119,662	\$90,629
Average residence homestead taxable value	\$282,986	\$313,996
Tax on average residence homestead	\$1,655.46	\$1,711.28

Annual increase/decrease in taxes if

proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$55.82 3.37%
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If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Board of Directors of DENTON COUNTY MUD 5 proposes to use the tax increase for the purpose of operations of the district..

NOTICE OF VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code. An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate.

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All interested citizens are encouraged to attend and express their views. If members of the public are not able to attend the hearings and meetings mentioned above in-person, members of the public will be able to participate in the meetings pursuant to the processes outlined at <https://www.cityofdenton.com/242/Public-Meetings-Agendas>

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3555 Duchess Drive
P.O. Box 369
Denton, TX 76202
940-387-3811

Publication(s): Denton Record-Chronicle

PROOF OF PUBLICATION

Being duly sworn (s)he is the Publisher/authorized designee of Denton Record-Chronicle, in City of Denton/surrounding areas in Denton County; Newspaper of general circulation which has been continuously and regularly published for a period of not less than one year preceding the date of the attached notice, and that the said notice was published in said newspaper Denton Record-Chronicle on the following dates below:

08/31/2024

Alice McConnaughey

(signature of Authorized Designee)

Subscribed and sworn to before me
this 31st day of August, 2024 by

Alice McConnaughey

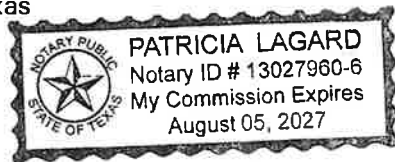
(printed name of Designee)

Witness my hand and official seal:

Patricia La Gard

(signature name of Designee)

Notary Public, Denton County, Texas



DENTON CITY LEGALS
215 E MC KINNEY
DENTON TX 76201

Ad Number: 56777

Price: \$1265.00

DRC MEDIA COMPANY

NEWS & ADVERTISING SOLUTIONS

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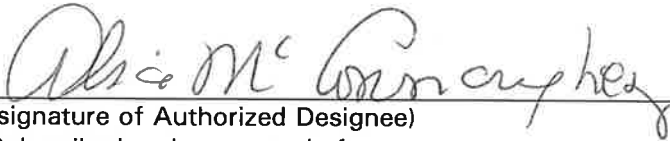
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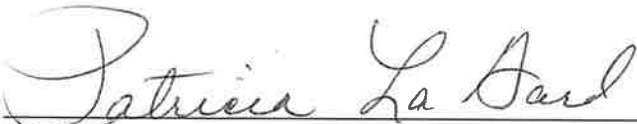
(signature of Authorized Designee)

Subscribed and sworn to before me
this 31st day of August, 2024 by



(printed name of Designee)

Witness my hand and official seal:



(signature name of Designee)

Notary Public, Denton County, Texas

DENTON CITY LEGALS
215 E MC KINNEY
DENTON TX 76201

Ad Number: 56778

Price: \$1265.00

CITY OF DENTON, TEXAS

FY 2024-25 Proposed Budget Hearing
September 10, 2024

Inclusion | Collaboration | Quality Service | Strategic Focus | Fiscal Responsibility



Presentation Outline

- General Fund Forecast
- General Fund Rate Changes
- Utility Fund Forecasts
- Utility Rate Changes
- Capital Improvement Program

Property Tax Rate

Proposed Tax Rate

Maintenance & Operation	\$0.334780/ \$100
<u>Debt Service</u>	<u>\$0.250640 / \$100</u>
Total Proposed Tax Rate	\$0.585420 / \$100

No-New-Revenue Rate	\$0.531785 / \$100
Voter Approval Rate	\$0.604748 / \$100
Published Max Tax Rate	\$0.595420 / \$100

General Fund – 5 Year Forecast

	FY 2022-23 Actual	FY 2023-24 Budget	FY 2024-25 Preliminary	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
Beginning Fund Balance	\$ 45,458,724	\$ 44,792,044	44,472,881	\$ 44,472,881	\$ 46,548,674	\$ 50,845,564	\$ 57,516,536
Property Tax	\$ 57,475,016	\$ 64,966,348	\$ 68,879,918	\$ 71,635,115	\$ 74,500,519	\$ 77,480,540	\$ 80,579,762
Sales Tax	55,906,341	57,545,000	60,841,793	63,275,465	65,806,483	68,438,743	71,176,292
Other Taxes	573,896	456,554	608,330	632,663	657,970	684,288	711,660
Licenses and Permits	6,049,752	7,934,673	6,415,806	6,672,438	6,939,336	7,216,909	7,505,586
Franchise Fees & ROI	22,851,665	22,318,368	30,053,644	31,255,789	32,506,021	33,806,262	35,158,512
Fines and Fees	1,961,984	1,893,586	2,106,531	2,190,792	2,278,424	2,369,561	2,464,344
Service Fees	9,662,870	11,728,224	12,108,150	12,592,476	13,096,175	13,620,022	14,164,822
Investment Income	2,587,602	1,857,809	2,352,098	2,446,182	2,544,029	2,645,790	2,751,622
Intergovernmental Revenue	2,961,574	2,910,724	3,197,656	3,325,563	3,458,585	3,596,929	3,740,806
Other Revenues	533,810	470,968	305,177	317,384	330,079	343,282	357,013
Transfers	13,100,033	16,987,310	20,710,051	21,538,453	22,399,991	23,295,991	24,227,830
Total Revenue	\$ 173,664,542	\$ 189,069,564	\$ 207,579,152	\$ 215,882,319	\$ 224,517,612	\$ 233,498,317	\$ 242,838,249
Personnel Services	\$ 116,413,940	\$ 128,105,195	\$ 139,147,123	\$ 143,321,537	\$ 147,621,183	\$ 152,049,818	\$ 156,611,313
Materials & Supplies	3,519,683	4,272,638	5,183,911	5,339,428	5,499,611	5,664,600	5,834,538
Maintenance & Repair	2,012,564	2,171,857	2,333,586	2,403,594	2,475,701	2,549,972	2,626,472
Insurance	2,922,194	4,122,531	4,521,766	4,657,419	4,797,142	4,941,056	5,089,287
Miscellaneous	2,085,117	3,264,300	3,751,929	3,864,487	3,980,421	4,099,834	4,222,829
Operations	20,172,285	22,037,673	24,107,260	24,830,478	25,575,392	26,342,654	27,132,934
Fixed Assets	475,410	601,238	704,483	725,617	747,386	769,808	792,902
Other Expenses	-	-	3,323,632	3,423,341	3,526,041	3,631,822	3,740,777
Transfers	26,768,359	24,494,132	24,505,462	25,240,626	25,997,845	26,777,780	27,581,113
Total Expenditures	\$ 174,369,553	\$ 189,069,564	\$ 207,579,152	\$ 213,806,527	\$ 220,220,722	\$ 226,827,344	\$ 233,632,164
Ending Fund Balance	\$ 44,753,713	\$ 44,792,044	44,472,881	\$ 46,548,674	\$ 50,845,564	\$ 57,516,536	\$ 66,722,621
Change in Fund Balance	\$ (705,011)	\$ -	\$ -	\$ 2,075,793	\$ 4,296,890	\$ 6,670,973	\$ 9,206,085
Fund Balance as % of Total Expenditures	25.67%	23.69%	21.42%	21.77%	23.09%	25.36%	28.56%

Utility Funds & Rates

Electric Fund Overview - 5 YR Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Electric	Actuals	Budget	Preliminary	Projected	Projected	Projected	Projected
Beginning Fund Balance	\$ 140,776,983	\$ 108,833,416	\$ 115,257,998	\$ 113,764,083	\$ 116,776,202	\$ 126,966,945	\$ 138,779,457
Base Rate Revenues	102,759,906	104,394,786	124,913,472	133,877,276	142,279,806	151,856,750	162,021,372
TCRF Revenue	-	-	30,286,099	30,740,391	31,201,497	31,669,519	32,144,562
ECA Revenues	56,433,028	66,916,984	86,122,202	88,832,751	107,778,247	109,278,619	111,920,335
Non-rate Revenues	174,832,684	119,085,425	151,162,001	146,050,020	144,172,162	146,446,325	145,938,131
Total Revenues	334,025,618	290,397,195	392,483,775	399,500,438	425,431,712	439,251,214	452,024,400
Use of Reserves	32,953,192	17,756,400	1,493,915	-	-	-	-
Total Resources	\$ 366,978,810	\$ 308,153,596	\$ 393,977,690	\$ 399,500,438	\$ 425,431,712	\$ 439,251,214	\$ 452,024,400
Expenditures							
Purchase Power	194,490,558	116,110,083	181,498,876	176,243,893	189,689,362	193,587,167	195,426,596
Transmission of Power	23,826,397	24,737,092	27,284,774	27,694,046	28,109,457	28,531,098	28,959,065
Personnel	22,229,684	26,090,466	25,717,762	30,685,796	31,606,370	32,554,561	33,531,198
O&M	15,305,427	23,969,028	24,718,311	26,101,813	26,623,850	27,156,327	27,699,453
Cost of Service Transfers	15,357,250	19,943,469	19,177,096	19,752,409	20,344,981	20,955,331	21,583,990
ROI & Franchise Fee	27,713,608	25,141,239	34,620,820	36,094,522	39,150,509	40,504,849	41,900,598
NON-DEC Debt Service	45,122,652	47,185,218	49,860,621	53,811,151	53,746,452	57,947,347	62,370,486
DEC Debt	17,308,336	18,077,000	18,077,125	18,073,500	18,075,875	18,077,375	18,075,750
Revenue Funded Capital	5,624,896	6,900,000	2,057,579	902,000	761,000	995,000	-
2024 Purchase Power Securitization	-	-	8,221,772	7,129,189	7,133,114	7,129,648	7,128,001
Supplementals	-	-	1,871,252	-	-	-	-
Baseline Adjustments	-	-	871,702	-	-	-	-
Total Expenditures	\$ 366,978,809	\$ 308,153,595	\$ 393,977,690	\$ 396,488,318	\$ 415,240,969	\$ 427,438,702	\$ 436,675,137
Ending Fund Balance	\$ 107,823,791	\$ 91,077,016	\$ 113,764,083	\$ 116,776,202	\$ 126,966,945	\$ 138,779,457	\$ 154,128,720
Revenue Sufficiency Requirement			1.50%	5.50%	5.00%	5.00%	5.50%
Working Capital	29,358,305	24,652,288	31,671,620	31,719,065	33,219,278	34,195,096	34,934,011
Operating Reserve	78,465,486	66,424,728	80,174,908	83,139,582	91,830,113	102,666,806	117,277,154
Target Reserves							
Working Cptl - 8% / Op Reserve - 38%	168,810,252	141,750,654	182,111,813	182,384,626	191,010,846	196,621,803	200,870,563
Working Cptl - 8% / Op Reserve - 61%	253,215,378	212,625,981	273,167,719	273,576,940	286,516,269	294,932,705	301,305,845
Debt Service Coverage Ratio (DSCR)	1.01	1.23	1.49	1.56	1.70	1.70	1.71

Electric Fund – Proposed Rate Changes

- **Base Rates**

1.5% Increase

- Includes usage, facility, & demand charges

- **Pole Attachment Fees**

Varies

- Pole Attachment Fee (PAF) is the annual rental fee DME charges telecommunication and cable providers who attach to DME's poles. The fee is being changed to meet the standard calculations set forth by the FCC for pole attachment fees. The proposed PAF removes many of the items from the current schedule that are no longer applicable based on regulatory requirements.

- **Wholesale Transmission Service**

New Schedule

- Denton Municipal Electric must file its Wholesale Transmission Service (WTS) rate with the Texas Public Utilities Commission. Although this is a rate that is not utilized by retail customers, staff wanted to include it in the Electric Rate Ordinance to be consistent with our other rates.

Water Fund - 5 Year Forecast

Water Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	29,588,453	30,178,974	37,161,701	37,161,701	34,317,341	29,255,227	27,148,389
Resources							
Rate Revenues	48,358,373	46,404,583	49,511,119	52,481,786	55,630,693	58,968,535	62,506,647
Non-rate Revenues	10,881,357	16,450,861	4,897,741	5,044,673	5,196,014	5,351,894	5,512,451
Interest Income	861,629	300,000	1,226,964	1,194,745	1,096,824	926,851	852,019
Total Revenues	60,101,359	63,155,444	55,635,824	58,721,204	61,923,531	65,247,280	68,871,117
Use of Reserves	-	-	-	2,844,360	5,062,114	2,106,838	-
Total Resources	60,101,359	63,155,444	55,635,824	61,572,004	66,998,066	67,372,888	68,362,580
Expenditures							
Purchased Power	1,774,059	1,481,328	1,481,328	1,525,766	1,571,541	1,618,688	1,667,249
Purchase of Water	936	3,000	3,000	3,090	3,183	3,278	3,377
Personnel Services	9,322,841	11,458,321	12,351,858	12,722,414	13,104,086	13,497,209	13,902,125
O&M	8,249,703	7,794,903	7,902,978	8,140,067	8,384,269	8,635,797	8,894,871
Administrative Cost	4,063,833	3,944,389	4,208,445	4,460,952	4,728,609	5,012,325	5,313,065
Other Expenses	220,910	107,865	107,865	111,101	114,434	117,867	121,403
Debt Service Transfers	10,216,828	11,849,983	14,729,464	19,312,200	23,336,639	22,259,761	21,745,688
Capital Transfers	5,999,606	13,722,000	430,562	443,479	456,783	470,487	484,601
Impact Fees	1,938,055	-	-	-	-	-	-
Interfund Transfers	8,116,076	8,312,192	10,514,188	10,829,614	11,154,502	11,489,137	11,833,811
Fixed Assets	65,936	35,000	36,050	37,132	38,245	39,393	40,575
Baseline Adjustments	-	-	2,912,655	3,000,035	3,090,036	3,182,737	3,278,219
Supplementals	-	-	957,431	986,154	1,015,739	1,046,211	1,077,597
Total Expenditures	49,968,783	58,708,981	55,635,824	61,572,004	66,998,066	67,372,888	68,362,580

Water Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>Residential Water Service *</u>				
0 – 5,000 Gallons	\$ 3.63	\$ 3.73	\$ 0.10	2.8%
5,001 – 7,000 Gallons	\$ 3.90	\$ 4.01	\$ 0.11	2.8%
7,001 – 15,000 Gallons	\$ 4.05	\$ 4.17	\$ 0.12	3.0%
15,001 – 30,000 Gallons	\$ 7.25	\$ 7.46	\$ 0.21	2.9%
30,001 – 50,000 Gallons	\$ 9.68	\$ 9.97	\$ 0.29	3.0%
Over 50,000 Gallons	\$ 12.04	\$ 12.40	\$ 0.36	3.0%
Facility Charge	Varies	Varies		3.0%
<u>Commercial Water Service *</u>				
Volume Charge	\$ 4.34	\$ 4.47	\$ 0.13	3.0%
Facility Charge	Varies	Varies		3.0%

Water Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>UTRWD Wholesale Raw</u>				
Wholesale Raw Water (85% of Dallas rate)	\$ 0.90	\$ 0.96	\$ 0.06	6.6%
<u>UTRWD Wholesale Treated</u>				
Wholesale Treated Water	\$ 0.61	\$ 1.25	\$ 0.64	104.9%
<u>Meters</u>				
Fire Hydrant Meter Deposit	\$ 1,100	\$ 3,000	\$ 1,900	172.7%
Backflow Testing	\$ 15.95	\$ 25.00	\$ 9.05	56.7%
Backflow Service Fee (Monthly)	N/A	\$4.16	-	-
Non-City of Denton Meter Test	N/A	\$ 25.00	-	-
<u>Commercial Irrigation Rates</u>				
0 – 7,000 Gallons	\$ 6.61	\$ 6.80	\$ 0.19	3.0%
7,001 – 20,000 Gallons	N/A	\$ 7.25	-	-
20,001 – 40,000 Gallons	N/A	\$ 8.50	-	-
Over 40,000 Gallons	N/A	\$ 9.50	-	-

Water Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>Water Tap & Meter Fees 1"-2"</u>				
1" T - 5/8" X 3/4" paved (P)	\$ 2,405	\$ 4,617	\$ 2,212	92.0%
1" T - 5/8" X 3/4" unpaved (UP)	\$ 1,605	\$ 2,203	\$ 598	37.3%
1" T - 3/4" X 3/4" (p)	\$ 2,445	\$ 4,471	\$ 2,026	82.9%
1" T - 3/4" X 3/4" (UP)	\$ 1,645	\$ 2,086	\$ 441	26.8%
1" T - 1" (P)	\$ 2,475	\$ 4,886	\$ 2,411	97.4%
1" T - 1" (UP)	\$ 1,675	\$ 2,277	\$ 602	35.9%
2"T - 1 1/2" (P)	\$ 3,070	\$ 4,500	\$ 1,430	46.6%
2"T - 1 1/2" (UP)	\$ 2,070	\$ 2,800	\$ 730	35.3%
2"T - 2" (P)	\$ 3,080	\$ 4,685	\$ 1,605	52.1%
2"T - 2" (UP)	\$ 2,080	\$ 2,800	\$ 720	34.6%
<u>Taps 4" and Larger</u>				
4" Paved	\$ 3,600	Varies*	-	-
4" Unpaved	\$ 2,100	Varies*	-	-
6" Paved	\$ 3,800	Varies*	-	-
6" Unpaved	\$ 2,200	Varies*	-	-
8" Paved	\$ 4,800	Varies*	-	-
8" Unpaved	\$ 3,100	Varies*	-	-
12" Paved	\$ 5,500	Varies*	-	-
12" Unpaved	\$ 4,000	Varies*	-	-

Wastewater Fund Overview

Wastewater	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Beginning Fund Balance	27,072,158	15,510,254	15,861,672	15,611,484	17,016,844	19,003,119	21,349,817
Resources							
Rate Revenues	26,951,154	30,200,237	35,571,132	42,144,776	50,777,030	60,162,888	70,081,680
Non-Rate Revenues	2,968,450	3,162,768	3,428,700	3,531,561	3,637,508	3,746,633	3,859,032
Other Revenues	5,163,445	4,911,564	772,580	725,135	775,000	842,523	921,097
Use of Reserves	11,561,903	1,642,412	250,188	-	-	-	-
Total Resources	46,644,952	39,916,981	40,022,601	46,401,472	55,189,538	64,752,044	74,861,809
Expenditures							
Purchased Power	1,081,681	1,200,000	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Fuel	27,818	21,000	21,000	21,630	22,279	22,947	23,636
Personnel Services	6,513,708	6,551,435	7,325,753	7,545,526	7,771,891	8,005,048	8,245,200
O&M	6,804,533	5,689,436	5,662,634	5,832,513	6,007,488	6,187,713	6,373,344
Administrative Cost	2,474,983	2,619,061	3,023,546	3,582,306	4,316,048	5,113,845	5,956,943
Miscellaneous Expense	1,689	7,898	7,898	26,881	27,687	28,518	29,374
Debt Service Transfers	8,549,983	8,713,745	9,898,950	13,505,651	20,790,516	28,354,759	36,823,390
Capital Transfers	12,746,862	5,655,475	888,538	891,494	269,539	274,766	279,993
Impact Fees	500,000	250,000	-	-	-	-	-
Interfund Transfers	7,928,429	9,208,931	11,077,923	11,410,261	11,752,569	12,105,146	12,468,300
Fixed Assets	15,264	-	-	-	-	-	-
Baseline Adjustments	-	-	815,000	839,450	864,634	890,573	917,290
Supplementals	-	-	101,359	104,400	107,532	110,758	114,080
Total Expenditures	46,644,952	39,916,981	40,022,601	44,996,112	53,203,263	62,405,346	72,582,160

Drainage Division Overview

Drainage	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Resources							
Rate Revenues	4,803,687	4,960,001	5,072,777	5,224,960	5,381,709	5,543,160	5,709,455
Non-rate Revenues	19,050	72,112	177,275	182,594	188,071	193,714	199,525
Operating Transfers In	378,165	378,166	389,511	401,196	413,232	425,629	438,398
Total Revenues	5,200,902	5,410,279	5,639,563	5,756,566	5,874,080	5,992,119	6,010,700
Total Resources	\$5,200,902	\$5,410,279	\$5,639,563	\$5,808,750	\$5,983,013	\$6,162,503	6,347,378
Expenditures							
Personnel Services	1,998,587	2,590,912	2,803,117	2,887,211	2,973,827	3,063,042	3,154,933
Materials and Supplies	110,484	197,257	122,630	126,309	130,098	134,001	138,021
Maintenance and Repair	253,041	297,047	301,247	341,184	351,420	361,963	372,821
Insurance	63,388	69,181	74,395	71,257	73,394	75,596	77,864
Miscellaneous Expense	25,492	18,350	18,200	18,200	18,200	18,200	18,200
Operations	582,278	589,287	596,661	718,129	739,673	761,863	784,719
Capital Transfers	1,625,317	999,688	1,036,457	1,073,467	1,106,217	1,139,949	1,174,694
Interfund Transfers	542,315	648,557	556,304	572,994	590,183	607,889	626,125
Baseline Adjustments	-	-	130,552	-	-	-	-
Total Expenditures	\$5,200,902	\$5,410,279	\$5,639,563	\$5,808,750	\$5,983,013	\$6,162,503	\$6,347,378
Ending Fund Balance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Wastewater & Drainage Overview

Wastewater	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	28,072,158	16,510,254	16,861,672	16,611,484	18,016,844	20,033,119	22,349,817
Total Resources	51,845,856	45,327,259	45,662,164	52,210,222	61,172,551	70,914,547	81,209,187
Total Expenditures	51,845,856	45,327,259	45,662,164	50,804,862	59,186,276	68,567,849	78,929,538
Ending Fund Balance	16,510,256	14,867,842	16,611,484	18,016,844	20,003,119	22,349,817	24,629,466
Revenue Sufficiency Requirement			11.00%	11.00%	13.00%	11.00%	9.00%
Working Capital	1,320,820	1,189,427	1,328,919	1,441,348	1,600,250	1,787,985	1,970,357
Operating Fund Reserve	15,189,436	13,678,415	15,282,565	16,575,496	18,402,869	20,561,832	22,659,109
Target Reserves							
Working Cptl - 8% / Op Reserve - 20%	14,516,840	12,691,633	12,785,406	14,225,361	16,572,157	19,198,998	22,100,271
Working Cptl - 8% / Op Reserve - 31%	20,219,884	17,677,631	17,808,244	19,813,896	23,082,648	26,741,461	30,782,520
Debt Service Coverage Ratio (DSCR)	0.99	1.3	1.37	1.44	1.32	1.27	1.23

Wastewater Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>Residential Service</u>				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
<u>Commercial Service</u>				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
<u>Sale of Treated Effluent</u>				
Per 1,000 gal. effluent	\$ 1.67	\$ 2.50	\$ 0.83	49.7%
<u>Wastewater Tap Fees</u>				
4" Paved	\$ 2,600	Varies*	-	-
4" Unpaved	\$ 1,500	Varies*	-	-
6" Paved	\$ 2,700	Varies*	-	-
6" Unpaved	\$ 1,650	Varies*	-	-
8" Paved	\$ 2,800	Varies*	-	-
8" Unpaved	\$ 1,800	Varies*	-	-
<u>Waste Transportation Manifest</u>				
Waste Manifest Book	\$ 40	\$ 165	\$ 125	312%

Solid Waste Fund 5-Year Forecast

Solid Waste Fund	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Beginning Fund Balance	9,344,519	10,797,452	9,673,769	9,673,770	9,267,152	9,411,542	10,659,848
Resources							
Rate Revenues	34,536,897	33,984,882	36,255,666	37,343,336	39,023,787	40,584,738	42,613,975
Wholesale Agreements	3,598,251	4,033,433	5,296,940	5,296,940	5,296,940	5,296,940	5,296,940
Non-rate Revenues	2,209,794	1,277,588	1,966,681	1,966,049	2,003,456	2,022,401	2,063,963
Total Revenues	40,344,941	39,295,903	43,519,288	44,636,326	46,324,182	47,904,079	49,974,877
Use of Reserves	207,095	2,074,934	-	406,618	-	-	-
Total Resources	40,552,036	41,370,837	43,519,287	45,042,944	46,324,182	47,904,079	49,974,877
Expenditures							
Personnel Services	12,239,887	13,858,641	14,333,760	14,763,773	15,206,686	15,662,887	16,132,773
Materials & Supplies	399,757	699,267	688,667	702,440	716,489	730,819	745,435
Maintenance & Repairs	161,542	238,516	239,516	244,306	249,192	254,176	259,260
Insurance	618,925	754,473	696,804	710,740	725,646	739,454	754,243
Other Expenditures	25,035	39,820	43,320	44,186	45,070	45,972	46,891
Operations	7,473,229	7,322,341	7,547,617	7,941,123	8,682,791	8,261,945	8,427,184
Cost of Service	4,667,025	6,531,546	8,442,354	8,611,201	6,931,329	8,959,094	9,138,275
Transfers	920,153	904,007	1,121,087	1,143,509	1,166,379	1,189,706	1,213,501
Vehicle Replacements	3,690,000	2,575,000	1,870,000	1,496,493	1,195,000	320,850	500,000
Revenue Funded Capital	3,545,000	1,000,000	-	-	-	-	-
Closure/Post Closure	971,296	752,631	752,631	752,631	752,631	752,631	752,631
Debt Service	3,874,437	4,817,837	5,404,904	6,347,222	6,787,015	7,385,831	8,031,856
Franchise Fees	1,965,749	1,876,755	2,140,829	2,285,318	2,176,245	2,352,408	2,400,397
Baselines	-	-	237,798	-	-	-	-
Total Expenditures	40,552,036	41,370,834	43,519,287	45,042,944	46,179,792	46,655,772	48,402,446

Solid Waste Fund 5-Year Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	9,344,519	10,797,452	9,673,769	9,673,770	9,267,152	9,411,542	10,659,848
Total Resources	40,552,036	41,370,837	43,519,287	45,042,944	46,324,182	47,904,079	49,974,877
Total Expenditures	40,552,036	41,370,834	43,519,287	45,042,944	46,179,792	46,655,772	48,402,446
Ending Fund Balance	9,137,424	8,722,521	9,673,770	9,267,152	9,411,542	10,659,848	12,232,280
Revenue Sufficiency Requirement			1.5%	3.00%	4.50%	4.00%	5.00%
Working Capital	3,244,163	3,309,667	3,481,543	3,603,435	3,694,383	3,732,462	3,872,196
Operating Fund Reserve	5,893,262	3,752,827	6,983,700	5,663,717	5,717,158	6,927,386	8,360,084
Target Reserves							
Wrking Cptl - 8% / Op Reserve Target - 6%	5,677,285	5,791,917	6,092,700	6,306,012	6,465,171	6,531,808	6,776,342
Wrking Cptl - 8% / Op Reserve Target - 10%	7,299,366	7,446,750	7,833,472	8,107,730	8,312,363	8,398,039	8,712,440
Debt Service Coverage Ratio	3.81	2.04	2.09	1.83	1.80	1.79	1.80

Solid Waste Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>Residential Service</u>				
Small Container	\$ 20.51	\$ 20.82	\$ 0.31	1.5%
65 Gallon Container	\$ 20.51	\$ 20.82	\$ 0.31	1.5%
95 Gallon Container	\$ 25.04	\$ 25.42	\$ 0.38	1.5%
Additional Cart	\$ 16.57	\$ 16.82	\$ 0.25	1.5%
<u>Commercial Service</u>				
One Pair-Refuse and Recycling Carts	\$ 33.25	\$ 33.75	\$ 0.50	1.5%
Additional Refuse Cart	\$ 19.75	\$ 20.05	\$ 0.30	1.5%
Additional Recycling Cart	\$ 15.00	\$ 15.23	\$ 0.23	1.5%
<u>Roll Off Rates</u>				
Roll-Off Haul (Per Pull)	\$ 275.00	\$ 300.00	\$ 25.00	9.0%
Container Rental	\$ 167.08	\$ 170.00	\$ 2.92	1.75%
<u>Compactor Rates</u>				
Roll-Off Haul (Per Pull)	\$ 275.00	\$ 300.00	\$ 25.00	9.0%
30 Cu. Yard Compactor (Monthly Rental)	\$ 448.95	\$ 450.00	\$ 1.05	0.25%
42 Cu. Yard Compactor (Monthly Rental)	\$ 645.75	\$ 650.00	\$ 4.25	0.67%

Solid Waste Fund – Proposed Rate Changes

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<u>Landfill</u>				
Gate Rate (Resident)	\$ 44.00	\$ 45.50	\$ 1.50	3.4%
Gate Rate (Non-Resident)	\$ 48.00	\$ 49.50	\$ 1.50	3.1%
City Hauled Disposal Rate	\$ 40.00	\$ 41.50	\$ 1.50	3.8%
City of Denton Department Rate	\$ 24.50	\$ 26.00	\$ 1.50	6.1%
Sludge, Dewatered	\$ 60.00	\$ 61.50	\$ 1.50	2.5%
Clean Concrete, Asphalt, Brick, or Dirt	\$ 22.00	\$ 23.50	\$ 1.50	6.8%
Minimum Charge (per load)	\$ 25.00	\$ 26.50	\$ 1.50	6.0%
Electronics Resident (per item)	\$ 10.00	\$ 11.50	\$ 1.50	15.0%
Electronics Non-Resident (per item)	N/A	\$ 20.00	-	-
Appliances (per item)	\$ 10.00	\$ 11.50	\$ 1.50	15.0%
Construction & Demolition	\$ 65.00	\$ 66.50	\$ 1.50	2.3%
Shingles	\$ 125.00	\$ 125.00	\$ 0.00	0.0%
<u>Commercial Trash</u>				
Commercial Side Load (3 Cu. Yd.)	\$ 74.16	\$ 75.27	\$ 1.11	1.5%
Commercial Side Load (4 Cu. Yd.)	\$ 98.88	\$ 100.36	\$ 1.48	1.5%
Commercial Front Load (Refuse 3 Cu. Yd.)	\$ 74.16	\$ 75.27	\$ 1.11	1.5%
Commercial Front Load (Refuse 4 Cu. Yd.)	\$ 98.88	\$ 100.36	\$ 1.48	1.5%
Commercial Front Load (Refuse 6 Cu. Yd.)	\$ 148.32	\$ 150.54	\$ 2.22	1.5%
Commercial Front Load (Refuse 8 Cu. Yd.)	\$ 197.76	\$ 200.73	\$ 2.97	1.5%
Commercial Front Load (Refuse CO4)	\$ 296.64	\$ 301.09	\$ 4.45	1.5%
Commercial Front Load (Refuse CO6)	\$ 444.96	\$ 451.63	\$ 6.67	1.5%
Commercial Front Load (Recycling 3 Cu. Yd.)	\$ 63.78	\$ 64.74	\$ 0.96	1.5%
Commercial Front Load (Recycling 4 Cu. Yd.)	\$ 85.04	\$ 86.32	\$ 1.28	1.5%
Commercial Front Load (Recycling 6 Cu. Yd.)	\$ 127.56	\$ 129.47	\$ 1.91	1.5%
Commercial Front Load (Recycling 8 Cu. Yd.)	\$ 170.07	\$ 172.62	\$ 2.55	1.5%

Utility Rate History

History of Rate Increases / (Decreases) Preliminary 2025 Rate Revenue Requirements

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Electric	-3.50%	-	-	-	-	3.00%	1.50%
Water	-	-	-2.00%	-	-	-	3.00%
Wastewater	-5.00%	-	-	-	-	11.00%	11.00%
Solid Waste	-12.00%	-12.00%	-5.00%	-	-	-	1.50%

Capital Improvement Program

Enterprise Funds – 5 Year CIP Summary

In Thousands

FUND	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Electric	\$ 75,023	\$ 79,013	\$ 72,913	\$ 72,107	\$ 86,504	\$ 385,559
Water	130,426	95,506	91,673	81,798	67,301	466,706
Wastewater	100,475	224,794	217,701	211,997	111,781	866,748
Solid Waste	12,996	7,960	8,815	7,500	5,000	42,271
Airport	950	1,100	12,950	950	-	15,950
Total Projects	\$ 319,870	\$ 408,373	\$ 404,052	\$ 374,352	\$ 270,586	\$ 1,777,233

General Government – 5-Year CIP Summary

CATEGORY	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
2019 Bond Election (Proposition 1) - Streets	\$ 18,900	\$ -	\$ -	\$ -	\$ -	\$ 18,900
2023 Bond Election (Proposition A) - Street Improvements	12,000	28,125	-	-	-	40,125
2023 Bond Election (Proposition B) - Drainage & Flood Control	9,265	39,595	-	-	-	48,860
2023 Bond Election (Proposition C) - Park System Improvements	13,000	-	5,000	3,000	3,000	24,000
2023 Bond Election (Proposition D) - Public Safety Facilities	15,848	-	-	-	-	15,848
2023 Bond Election (Proposition E) - Affordable Housing	5,000	5,000	5,000	-	-	15,000
2023 Bond Election (Proposition F) - Active Adult Center	-	5,000	25,930	16,430	-	47,360
2023 Bond Election (Proposition G) - South Branch Library	-	-	5,000	18,000	24,045	47,045
General Obligation Bonds	\$ 74,013	\$ 77,720	\$ 40,930	\$ 37,430	\$ 27,045	\$ 257,138
General Government - Finance ERP Replacement	\$ -	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
General Government - Service Center Renovation	-	20,000	9,000	-	-	29,000
General Government - Facility Improvements	1,780	11,330	10,250	10,100	9,200	42,660
General Government - Parks Improvements	979	4,757	2,938	1,476	4,168	14,318
General Government - Environmental Services Improvements	2,000	-	-	-	-	2,000
General Government - Fleet Management Improvements	1,000	-	-	-	-	1,000
General Government - Vehicle/Equipment Additions ¹	2,885	2,000	2,000	2,000	2,000	10,885
General Government - Vehicle/Equipment Replacements	4,396	5,564	3,342	3,342	3,342	19,986
General Government - Fire Equipment (Buildings/Equipment)	-	-	3,500	-	-	3,500
General Government - Fire Station: Legends Ranch	-	-	500	15,000	-	15,500
General Government - Technology Services Improvements	4,748	12,119	7,006	6,963	6,488	37,323
General Government - Traffic Improvements	6,008	7,658	7,658	7,658	7,658	36,640
General Government - Drainage Improvements	2,140	5,560	900	4,500	500	13,600
General Government - Roadway Improvements	20,230	49,200	10,000	5,200	5,200	89,830
General Government - Property Acquisition	45,000	-	-	-	-	45,000
Certificates of Obligation	\$ 91,166	\$ 122,687	\$ 57,093	\$ 56,239	\$ 38,556	\$ 365,742
Franchise Fees - Neighborhood Street Reconstruction	\$ 5,700	\$ 6,000	\$ 6,300	\$ 6,600	\$ 7,000	\$ 31,600
General Fund - Bike Lanes	200	200	200	200	200	1,000
General Fund - Parks Capital Maintenance	275	521	322	388	254	1,760
General Fund - Recreation Center Capital Maintenance	525	191	160	153	122	1,151
General Fund - Aquatics Capital Maintenance	364	516	570	349	610	2,408
Revenue Funded	\$ 7,064	\$ 7,428	\$ 7,552	\$ 7,689	\$ 8,186	\$ 37,919
Impact Fees	\$ 3,675	\$ 3,850	\$ 4,000	\$ 4,200	\$ 4,400	\$ 20,125
External Funding	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Total Current Appropriated	\$ 345,841					
GENERAL GOVERNMENT TOTAL	\$ 526,759					

Proposed Funds

FY 2024-25 Proposed Funds

- The following new accounting funds are proposed for the FY 2024-25 budget:
 - Tourism Public Improvement District (TPID)
 - Legends Municipal Utility District (MUD)
 - Meadows Municipal Utility District (MUD)
 - Public Housing Finance Corporation Fund

Next Steps

- September 17, 2024 – City Council adopts the following:
 - Budget
 - Tax Rate
 - Schedule of Fees
 - Capital Improvement Program

Questions?



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: ID 24-230, **Version:** 1

AGENDA CAPTION

Hold a public hearing on proposed property tax increase that will not exceed \$0.595420 per \$100 valuation. The proposed rate will exceed the no new revenue tax rate (\$0.531785 per \$100) but will not exceed the voter-approval tax rate (\$0.604748 per \$100).



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance
ACM/CFO: Cassey Ogden
DATE: September 10, 2024

SUBJECT

Hold a public hearing on proposed property tax increase that will not exceed \$0.595420 per \$100 valuation. The proposed rate will exceed the no new revenue tax rate (\$0.531785 per \$100) but will not exceed the voter-approval tax rate (\$0.604748 per \$100).

BACKGROUND

The Texas Constitution and Texas Property Tax Code require taxing units to comply with specific guidelines in adopting tax rates. The guidelines are related to a concept known as truth-in-taxation. This concept is a way to make taxpayers aware of tax rate proposals and allow taxpayers in certain circumstances, to roll back or limit a tax increase.

The truth-in-taxation guidelines require taxing entities to calculate and publish their no-new revenue and voter approval tax rates (Exhibit 2 – 2024 Notice of Proposed Tax Rate). The no-new revenue rate is the calculated rate that would provide the taxing unit approximately the same amount of revenue it received in the previous year on properties taxed in both years. This rate is adjusted for new exemptions, value loss due to court appeals of taxable values and growth due to new property values. The City of Denton’s 2024 no-new revenue rate is \$0.531785/\$100 valuation.

The voter approval rate divides the total property tax revenue into support for maintenance and operations (M&O) taxes and debt service taxes. It provides approximately the same amount of revenue as in the previous year for maintenance and operations expenses, plus an extra 3.5 percent, plus the necessary debt service tax rate. If a taxing unit adopts a tax rate higher than the voter approval rate, the voters have the option to petition for an election to limit the size of the tax increase. The City of Denton’s 2024 voter approval rate is \$0.604748 /\$100 valuation.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On August 10 and August 20, 2024, the City Council was provided with detailed information regarding the FY 2024-25 Proposed Budget including the proposed tax rate.

EXHIBITS

1. Agenda Information Sheet
2. 2024 Notice of Proposed Tax Rate
3. Presentation

Respectfully submitted:
Jessica Williams
Chief Financial Officer
(940) 349-8244

Prepared by:
Matt Hamilton
Budget Manager
(940) 349-8127

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.595420 per \$100 valuation has been proposed for adoption by the governing body of the City of Denton.

PROPOSED TAX RATE	\$0.595420 per \$100
NO-NEW-REVENUE TAX RATE	\$0.531785 per \$100
VOTER-APPROVAL TAX RATE	\$0.604748 per \$100

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

The voter-approval rate is the highest tax rate that CITY OF DENTON may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF DENTON is proposing to increase property taxes for the 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 10, 2024 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 17, 2024 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

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

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

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

CERTIFICATE

I certify that the above Notice of Public Hearing was posted on the bulletin board at City Hall of the City of Denton, Texas, on the 21st day of August 2024, at 4:00 p.m.

Eric Chasco

OFFICE OF THE CITY SECRETARY

Water District Notice of Public Hearing on Tax Rate

The DENTON COUNTY MUD 4 will hold a public hearing on a proposed tax rate for the tax year 2024 on September 10, 2024 at 12:00PM at 11000 Frisco Drive, Suite 400, Frisco, TX 75033. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

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

FOR the proposal: Brian Runey Ryan Betz
Don Collins Howard Nycum
Pat Rodgers

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.43500/\$100	\$0.40500/\$100
	Adopted	Proposed
Difference in rates per \$100 of value	\$-0.03000	
Percentage increase/decrease in rates(+/-)	-6.90%	
Average residence homestead appraised value	\$352,592	\$338,740
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$107,209	\$66,291
Average residence homestead taxable value	\$245,383	\$272,449
Tax on average residence homestead	\$1,067.41	\$1,103.42

Annual increase/decrease in taxes if

proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$36.01 3.37%
---	------------------

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Board of Directors of DENTON COUNTY MUD 4 proposes to use the tax increase for the purpose of operations of the district..

NOTICE OF VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code. An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate.

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

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.595420 per \$100 valuation has been proposed for adoption by the governing body of the City of Denton.

PROPOSED TAX RATE	\$0.595420 per \$100
NO-NEW-REVENUE TAX RATE	\$0.531785 per \$100
VOTER-APPROVAL TAX RATE	\$0.604748 per \$100

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

The voter-approval rate is the highest tax rate that CITY OF DENTON may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF DENTON is proposing to increase property taxes for the 2024 tax year.

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

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

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

FOR the proposal: Mayor Gerard Hudspeth Vicki Byrd, District 1
Paul Meltzer, District 3 Joe Holland, District 4
Jill Jester, At Large Place 6

AGAINST the proposal:

PRESENT and not voting:

ABSENT: Brian Beck, District 2 Brandon Chase McGee, At Large Place 5

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

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

The following table compares the taxes imposed on the average residence homestead by the CITY OF DENTON last year to the taxes propose to be imposed on the average residence homestead by CITY OF DENTON this year.

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.560682	\$0.595420	Increase of \$0.034738, or 6.2%
Average homestead taxable value	\$344,731	\$379,836	Increase of \$35,105, or 10.1%
Tax on average homestead	\$1,933	\$2,262	Increase of \$329, or 17.0%
Total tax levy on all properties	\$103,565,358	\$120,407,294	Increase of \$16,841,936, or 16.3%

For assistance with tax calculations, please contact the tax assessor for CITY OF DENTON at (940) 349-3500 or tnt@dentoncounty.gov, or visit tax.dentoncounty.gov for more information. If members of the public are not able to attend the hearings and meetings mentioned above in person, members of the public will be able to participate in the meetings pursuant to the process outlined at <https://www.cityofdenton.com/242/Public-Meetings-Agendas>.

Water District Notice of Public Hearing on Tax Rate

The DENTON COUNTY MUD 5 will hold a public hearing on a proposed tax rate for the tax year 2024 on September 10, 2024 at 11:00AM at 11000 Frisco Drive, Suite 400, Frisco, TX 75033. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

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

FOR the proposal: Richard Biggers Daniel Pulaski
Clifton Baker Eddie Prieto
Todd Wallace

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.58500/\$100	\$0.54500/\$100
	Adopted	Proposed
Difference in rates per \$100 of value	\$-0.04000	
Percentage increase/decrease in rates(+/-)	-6.84%	
Average residence homestead appraised value	\$402,648	\$404,625
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$119,662	\$90,629
Average residence homestead taxable value	\$282,986	\$313,996
Tax on average residence homestead	\$1,655.46	\$1,711.28

Annual increase/decrease in taxes if

proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$55.82 3.37%
---	------------------

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Board of Directors of DENTON COUNTY MUD 5 proposes to use the tax increase for the purpose of operations of the district..

NOTICE OF VOTE ON TAX RATE

If the district adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code. An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate.

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

NOTICE OF PUBLIC HEARING ON BUDGET

The City Council for the City of Denton, Texas, will hold a public hearing on the Fiscal Year 2024-25 Annual Program of Services (“Budget”), on Tuesday, September 10, 2024 at 6:30 p.m. in the City Council Chambers at City Hall, located at 215 EastMcKinney Street in Denton, Texas, 76201. The meeting will be held for the purpose of receiving community input on the Budget. A public meeting to vote on the Budget will be held on September 17, 2024 at 6:30pm at Denton City Hall 215 E. McKinney Street Denton, TX 76201.

**THIS BUDGET WILL RAISE
MORE TOTAL PROPERTY TAXES
THAN LAST YEAR’S BUDGET BY
\$16,841,936 OR 16.26% AND OF
THAT AMOUNT \$7,210,937 IS TAX
REVENUE TO BE RAISED FROM
NEW PROPERTY ADDED TO THE
TAX ROLL THIS YEAR.**

All interested citizens are encouraged to attend and express their views. If members of the public are not able to attend the hearings and meetings mentioned above in-person, members of the public will be able to participate in the meetings pursuant to the processes outlined at <https://www.cityofdenton.com/242/Public-Meetings-Agendas>

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3555 Duchess Drive
P.O. Box 369
Denton, TX 76202
940-387-3811

Publication(s): Denton Record-Chronicle

PROOF OF PUBLICATION

Being duly sworn (s)he is the Publisher/authorized designee of Denton Record-Chronicle, in City of Denton/surrounding areas in Denton County; Newspaper of general circulation which has been continuously and regularly published for a period of not less than one year preceding the date of the attached notice, and that the said notice was published in said newspaper Denton Record-Chronicle on the following dates below:

08/31/2024

Alice McConnaughey

(signature of Authorized Designee)

Subscribed and sworn to before me
this 31st day of August, 2024 by

Alice McConnaughey

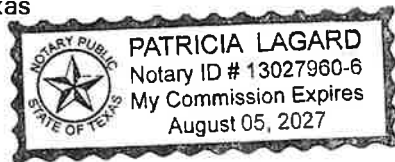
(printed name of Designee)

Witness my hand and official seal:

Patricia La Gard

(signature name of Designee)

Notary Public, Denton County, Texas



DENTON CITY LEGALS
215 E MC KINNEY
DENTON TX 76201

Ad Number: 56777

Price: \$1265.00

DRC MEDIA COMPANY

NEWS & ADVERTISING SOLUTIONS

One company delivers it all.

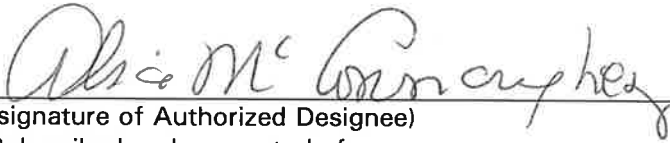
3555 Duchess Drive
P.O. Box 369
Denton, TX 76202
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08/31/2024



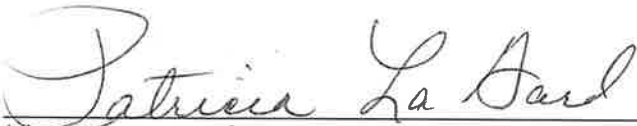
(signature of Authorized Designee)

Subscribed and sworn to before me
this 31st day of August, 2024 by



(printed name of Designee)

Witness my hand and official seal:



(signature name of Designee)

Notary Public, Denton County, Texas

DENTON CITY LEGALS
215 E MC KINNEY
DENTON TX 76201

Ad Number: 56778

Price: \$1265.00

CITY OF DENTON, TEXAS

**FY 2024-25 Proposed Tax Rate Hearing
September 10, 2024**

Inclusion | Collaboration | Quality Service | Strategic Focus | Fiscal Responsibility



Property Tax Rate

Proposed Tax Rate

Maintenance & Operation	\$0.334780/ \$100
<u>Debt Service</u>	<u>\$0.250640 / \$100</u>
Total Proposed Tax Rate	\$0.585420 / \$100

No-New-Revenue Rate	\$0.531785 / \$100
Voter Approval Rate	\$0.604748 / \$100
Published Max Tax Rate	\$0.595420 / \$100

Tax Rate History

Fiscal Year	Operations Rate	Debt Rate	Total Rate	Average Taxable Value	Average Tax Bill
2025	\$0.33478	\$0.25064	\$0.58542	\$379,836	\$2,223
2024	\$0.35498	\$0.20569	\$0.56068	\$344,731	\$1,932
2023	\$0.35643	\$0.20425	\$0.56068	\$307,283	\$1,723
2022	\$0.35030	\$0.21538	\$0.56568	\$275,361	\$1,558
2021	\$0.38036	\$0.21009	\$0.59045	\$259,097	\$1,530
2020	\$0.38536	\$0.20509	\$0.59045	\$248,909	\$1,470
2019	\$0.40543	\$0.21505	\$0.62048	\$233,165	\$1,447

- The proposed budget includes a tax rate equal to \$0.585420. Of this amount, \$0.334780 is provided to operation and maintenance expense and \$0.250640 for debt.
- The maintenance and operations rate decreased by \$0.02, and the debt service rate will increase by approximately \$0.045.
- The average residential property owner will see a **\$24.25/month** or **\$291/year** increase in their City property taxes.

Tax Bill Impact

Fiscal Year	2023	2024	2025	Comments
Tax Impact				
Tax Rate	\$0.560682	\$0.560682	\$0.585420	\$0.024738 Increase
Average Taxable Value	\$307,283	\$344,731	\$379,836	\$35,105 Increase
Average Tax Bill	\$1,723	\$1,932	\$2,223	\$291 Annual Increase
Utility Impact				
Water	\$598	\$598	\$617	3% Increase
Wastewater	\$378	\$420	\$466	11% Increase
Electric	\$1,334	\$1,649	\$1,663	1.5% Increase
Solid Waste	\$300	\$300	\$305	1.5% Increase
Average Utility Bill	\$2,610	\$2,967	\$3,051	\$84 Annual Increase
Total Average Bill	\$4,333	\$4,899	\$5,274	\$375 Annual Increase

* Utility impact based on 9,000 average gallons (water), 5,400 gallons (wastewater), 1,000 kWh (electric), and 95 gal. cart (solid waste & recycling).

Next Steps

- September 17, 2024 – City Council adopts the following:
 - Budget
 - Tax Rate
 - Schedule of Fees
 - Capital Improvement Program

Questions?