

CITY OF DENTON, TEXAS

FY 2025 CAPITAL IMPROVEMENT PROGRAM MAJOR FUNDS OVERVIEW

July 16, 2024

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

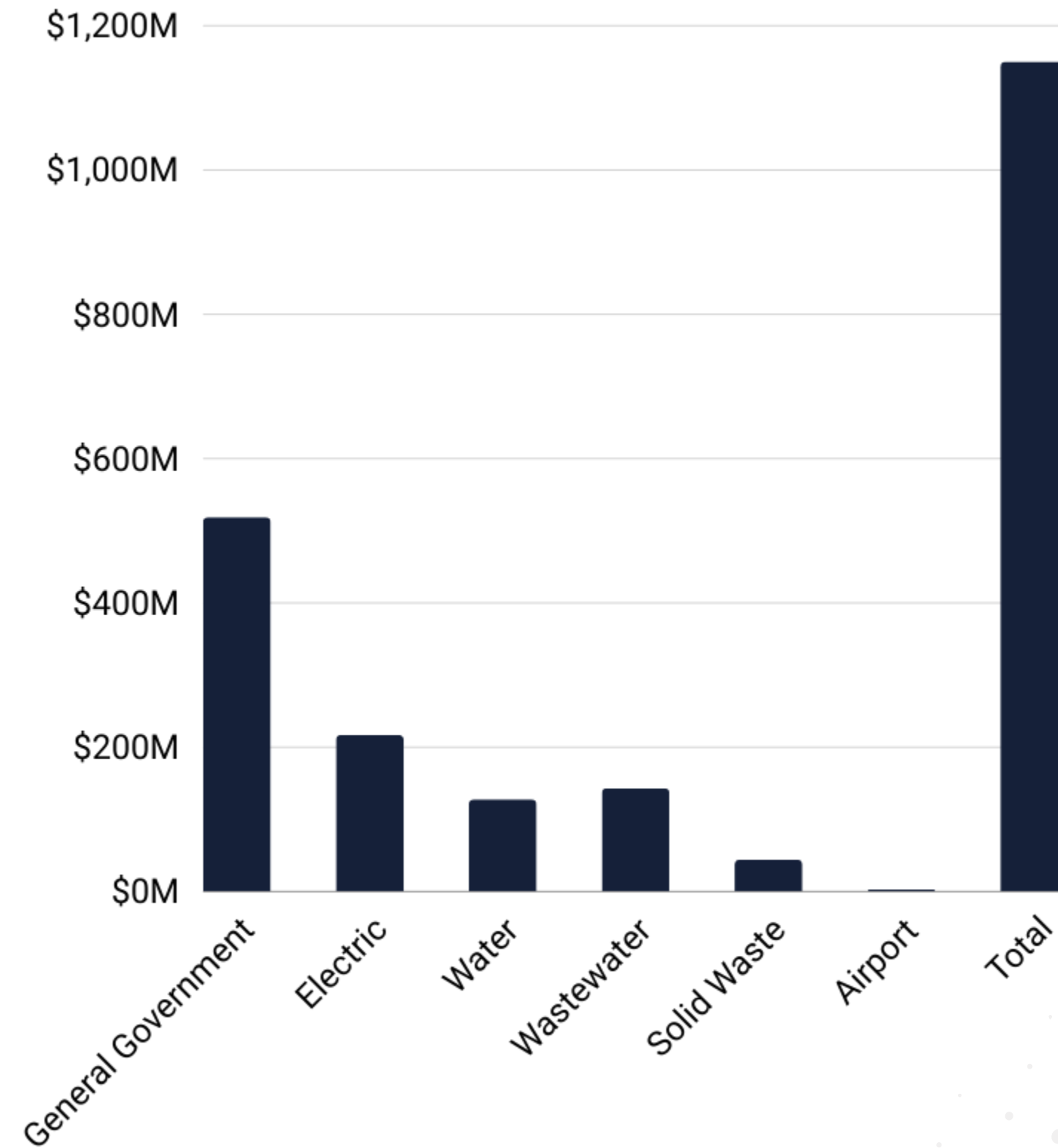


Agenda

- Preliminary Capital Improvement Program Budget FY 2024-25
- Preliminary Major Fund Capital Improvement Program Highlights
- 2019/2023 Bond Programs
- Preliminary Debt Rates
- Calendar Review
- Questions

Preliminary FY 2024-25 Capital Improvement Plan & Previously Committed Funding

- Total Capital Program \$1.15 Billion includes:
 - Previously Committed Funds: \$661.2 Million
 - FY 2024-25 Preliminary Funds: \$493.9 Million



Preliminary Capital Improvement Plan FY 2024-25

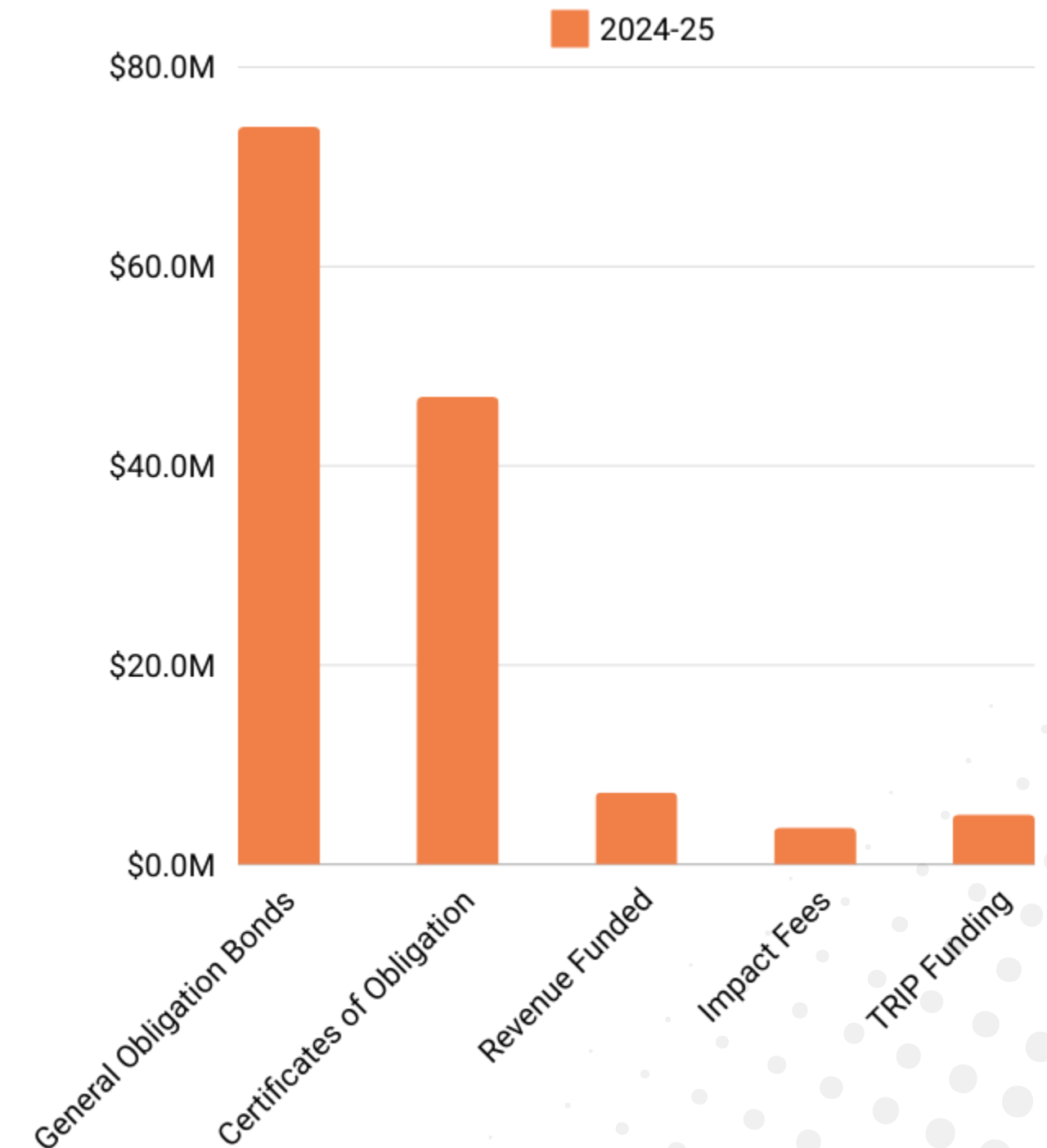
Major Funds Project Highlights

FY 2024-25 General Government Highlights

FY 2024-25 new capital appropriations total \$174.1M. Staff is projecting a GO/CO debt issuance of \$158.2M, a transfer of \$7.2M from operating, \$5M in external funding (TRiP), and \$3.7M from cost sharing.

- Major Projects/Changes:
 - 2019 Bond Election (Proposition 1) - Streets
 - **Last issuance** \$18.9M
 - 2023 Bond Election - Planned issue \$60.1M
 - Roadway Improvements: \$20.23M
 - Includes increase for the 2019 Bond Program - \$20M
 - \$230k Revenue Funded Bike lanes
- General Government includes:
 - Facilities & Fleet
 - Technology Services
 - Public Works
 - Parks
 - Environmental Services

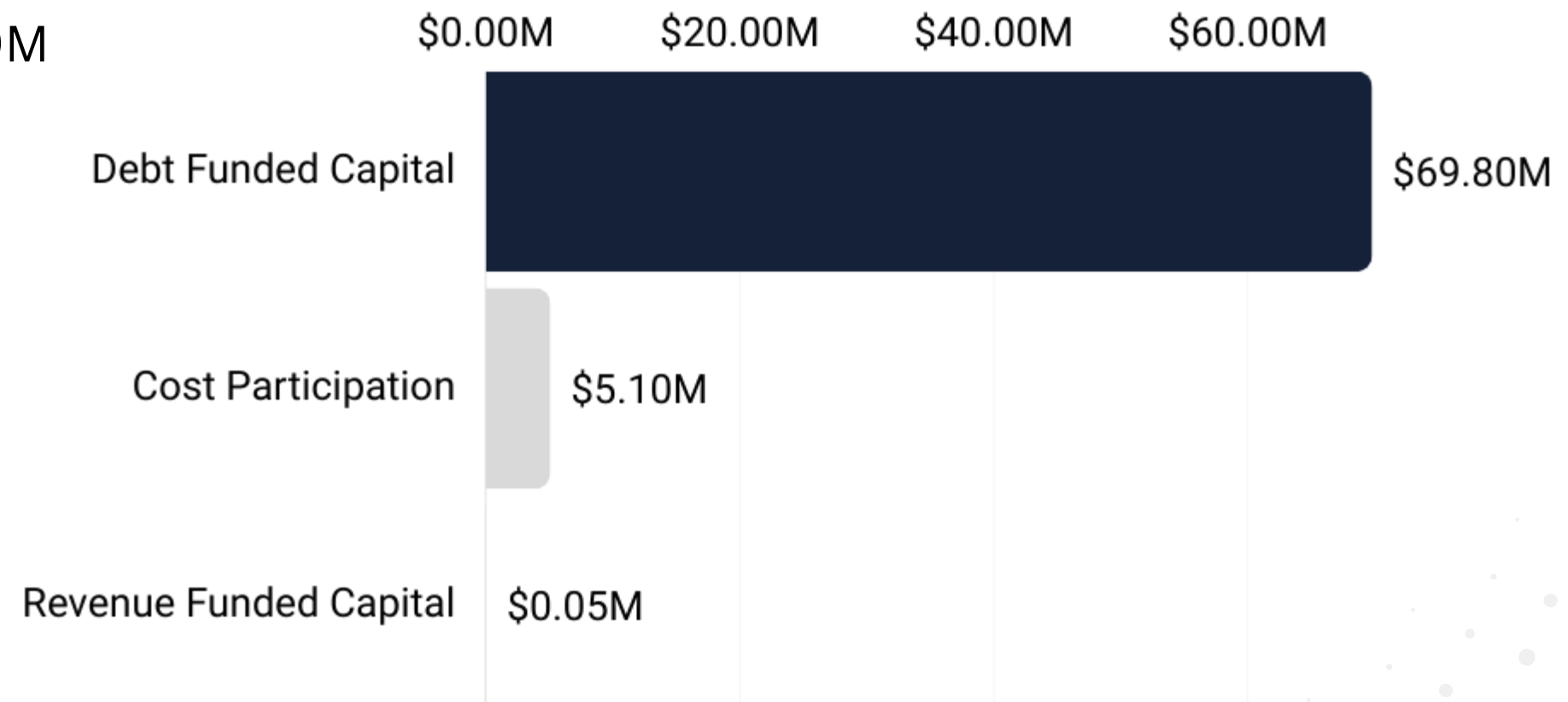
Total previously appropriated: \$345.8M



FY 2024-25 Electric Highlights

FY 2024-25 new capital appropriations total \$75.02M. Staff are projecting a CO Debt issuance of \$69.8M, a transfer of \$45K from operating, and \$5.1M from cost sharing.

- Feeder Extensions and Improvements: \$15.93M
 - 43 locations/projects identified
- New Residential and Commercial: \$9.20M
 - Hunter/Cole Ranch Line Extension
 - New Business Development
- Plant Production: \$6.35M
- Technology & Electric Relocations: \$10.09M

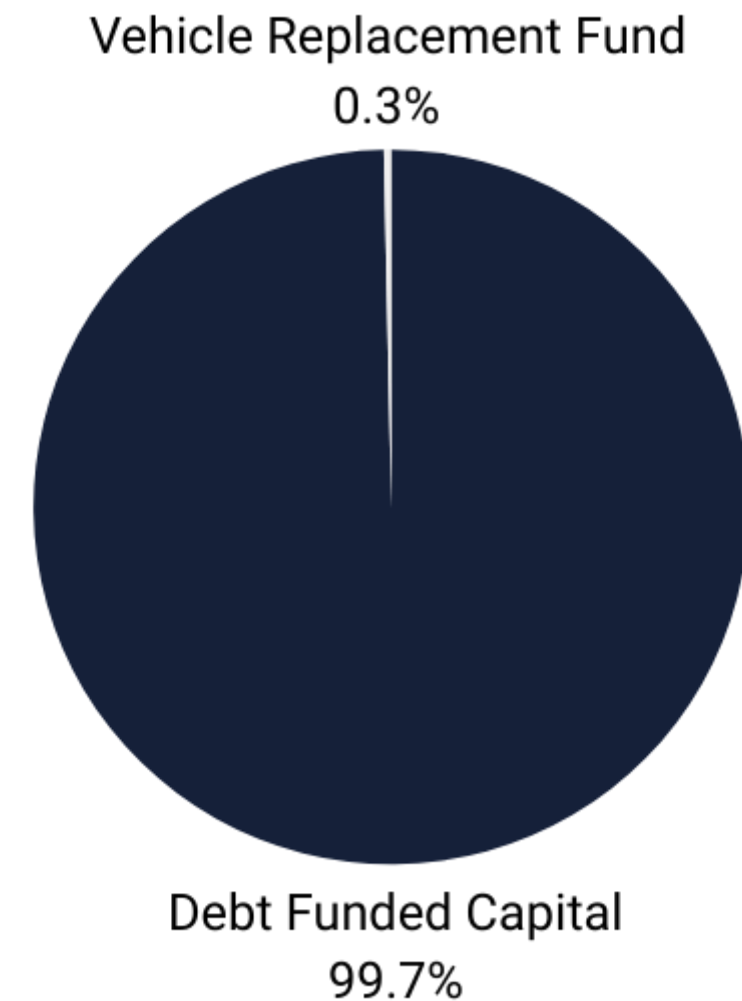


Total previously appropriated: \$141.9M

FY 2024-25 Water Highlights

FY 2024-25 new capital appropriations total \$130.4M. Staff are projecting a CO/Revenue Debt issuance of \$130M and \$431k in vehicle replacement funding.

- Plant Improvements: \$78.64M
 - Ray Roberts Water Treatment Plant
- Replacement Lines: \$21.73M
 - Lead and Copper Rule Compliance
 - Supplement to 2019 Bond Election Projects
- Taps, Fire Hydrants & Meters: \$10.27M
- Impact Fees anticipated to offset \$1.0M in debt service

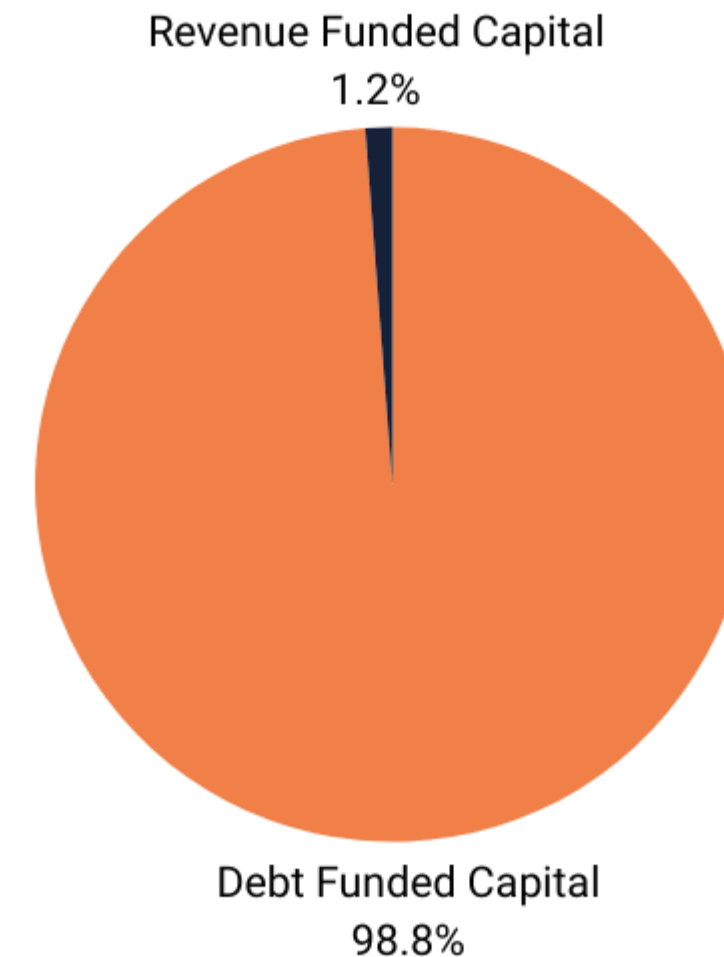


Total previously appropriated: \$68.4M

FY 2024-25 Wastewater Highlights

FY 2024-25 new capital appropriations total \$100.47M. Staff are projecting a CO/Revenue Debt issuance of \$99.25M and a transfer of \$1.22M from operating.

- Lift station Improvements: \$27.24M
 - Milam Creek Basin Wastewater Line and Lift Station
 - Cooper Creek Lift Station Improvement Project
 - Granada Lift Station Replacement
- Impact fees anticipated to offset \$1.06M in debt service
 - Pecan Creek Water Reclamation Plant Expansion

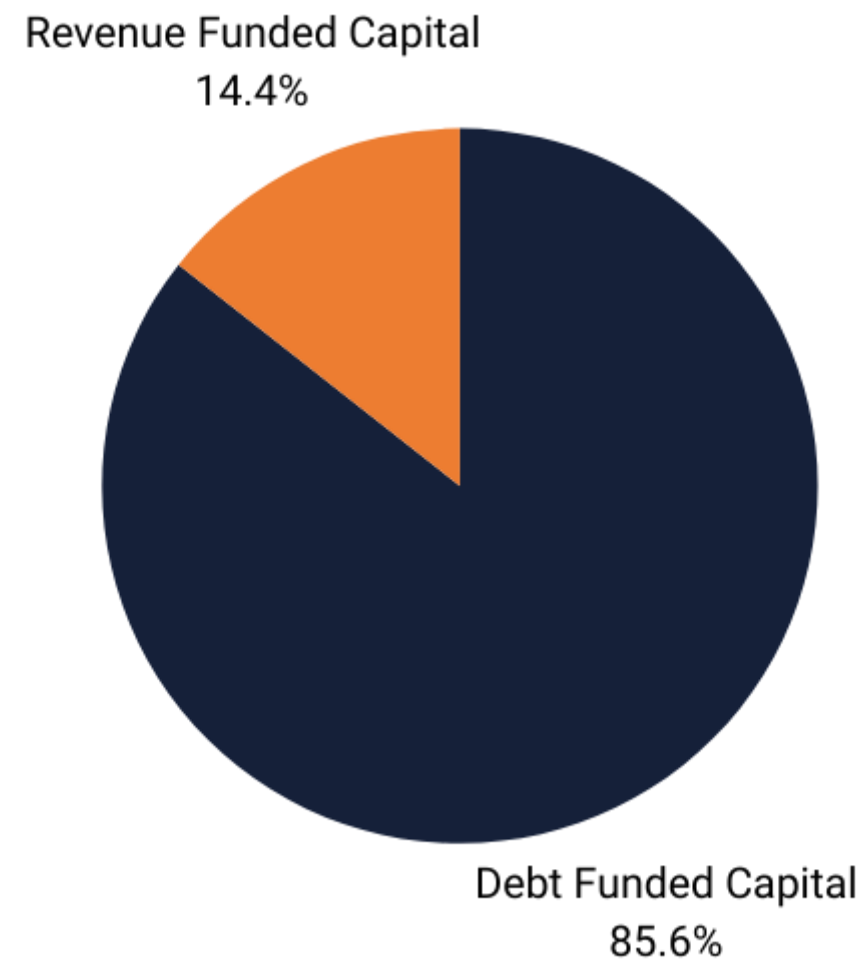


Total previously appropriated: \$70.1M

FY 2024-25 Solid Waste Highlights

FY 2024-25 new capital appropriations total \$12.99M. Staff are projecting a CO Debt issuance of \$11.12M and a transfer of \$1.87M from operating.

- Structural: \$3.19M
 - Concrete Replacement
 - SW Fleet Building
 - Scale house
- Disposal/Landfill: \$4.00M
 - Cell 5 & 6 Construction
- Vehicles: \$5.80M
 - Vehicles - New Additions
 - Vehicles - Replacements

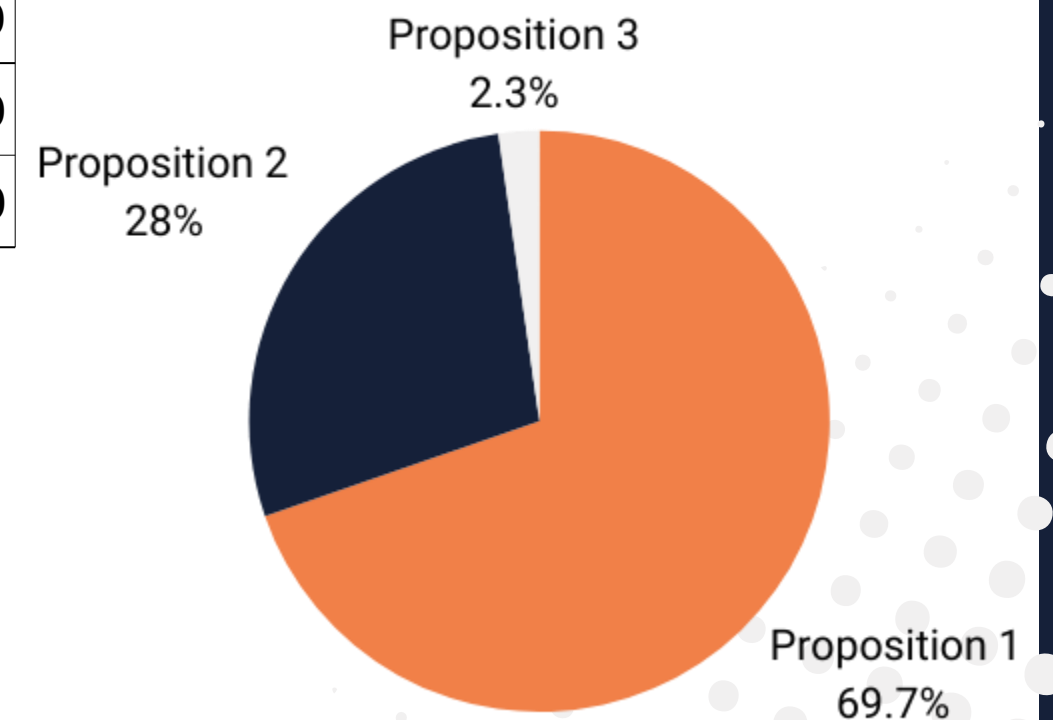


Total previously appropriated: \$31.8M

2019 Bond Election Program

In Thousands

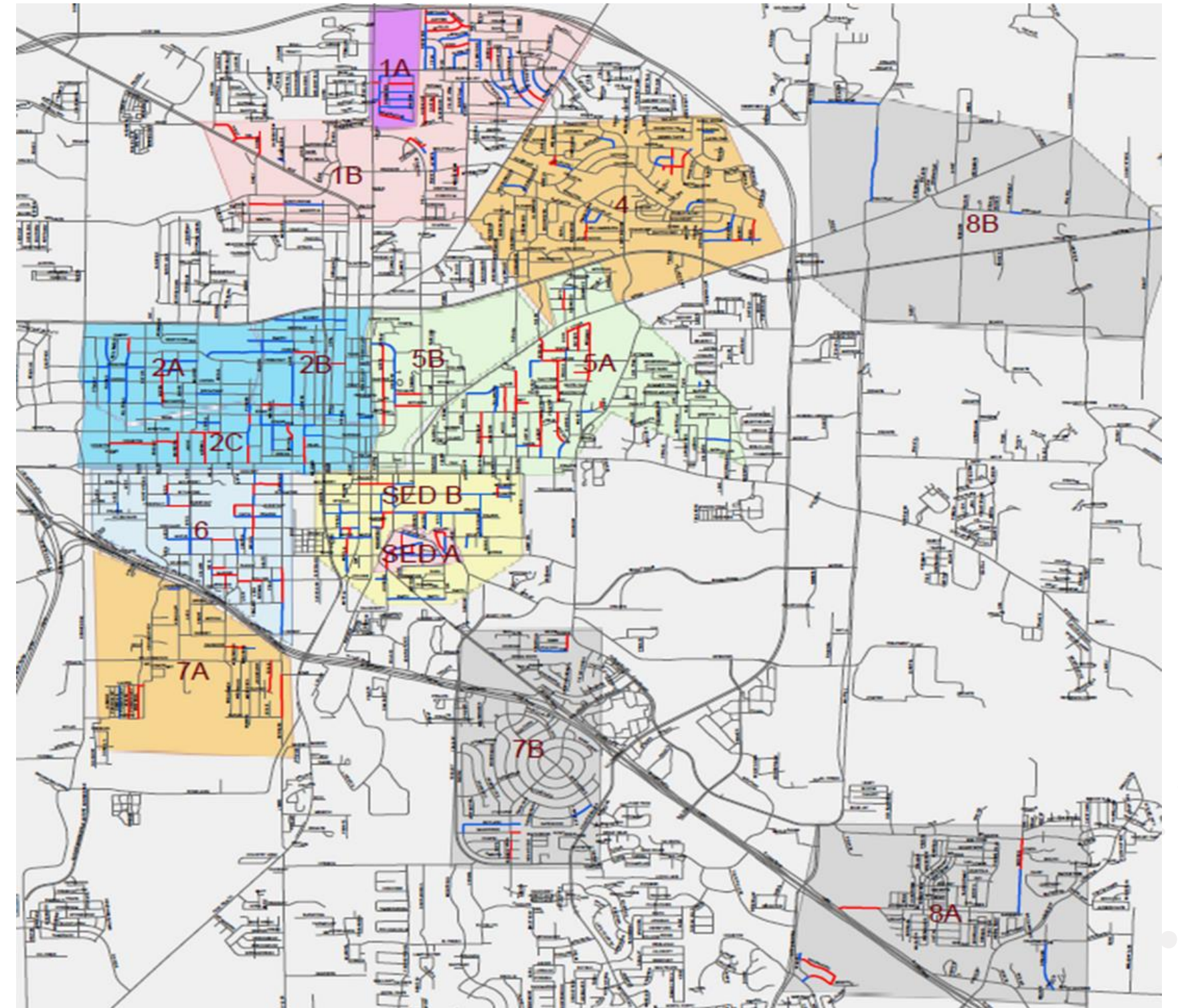
Project	Prior Issued	2024-25	TOTAL
Street Rehabilitation Program	\$ 56,600	\$ 13,400	\$ 70,000
Bonnie Brae (V, VI, and VII)	27,000	-	27,000
Hickory Creek Road	34,000	-	34,000
Sidewalk Program	10,000	2,000	12,000
Street Lighting	3,500	3,500	7,000
Ryan Road	4,000	-	4,000
2019 Bond Election (Proposition 1) - Streets Total	\$ 135,100	\$ 18,900	\$ 154,000
2019 Bond Election (Proposition 2) - Public Safety Facilities	\$ 61,900	-	\$ 61,900
Davidson Property	\$ 1,500	-	\$ 1,500
Laney Property	1,700	-	1,700
Future Property	1,800	-	1,800
2019 Bond Election (Proposition 3) - Parks	\$ 5,000	-	\$ 5,000
TOTAL 2019 BOND PROGRAM ISSUANCE	\$ 202,000	\$ 18,900	\$ 220,900



2019 Street Rehabilitation Program

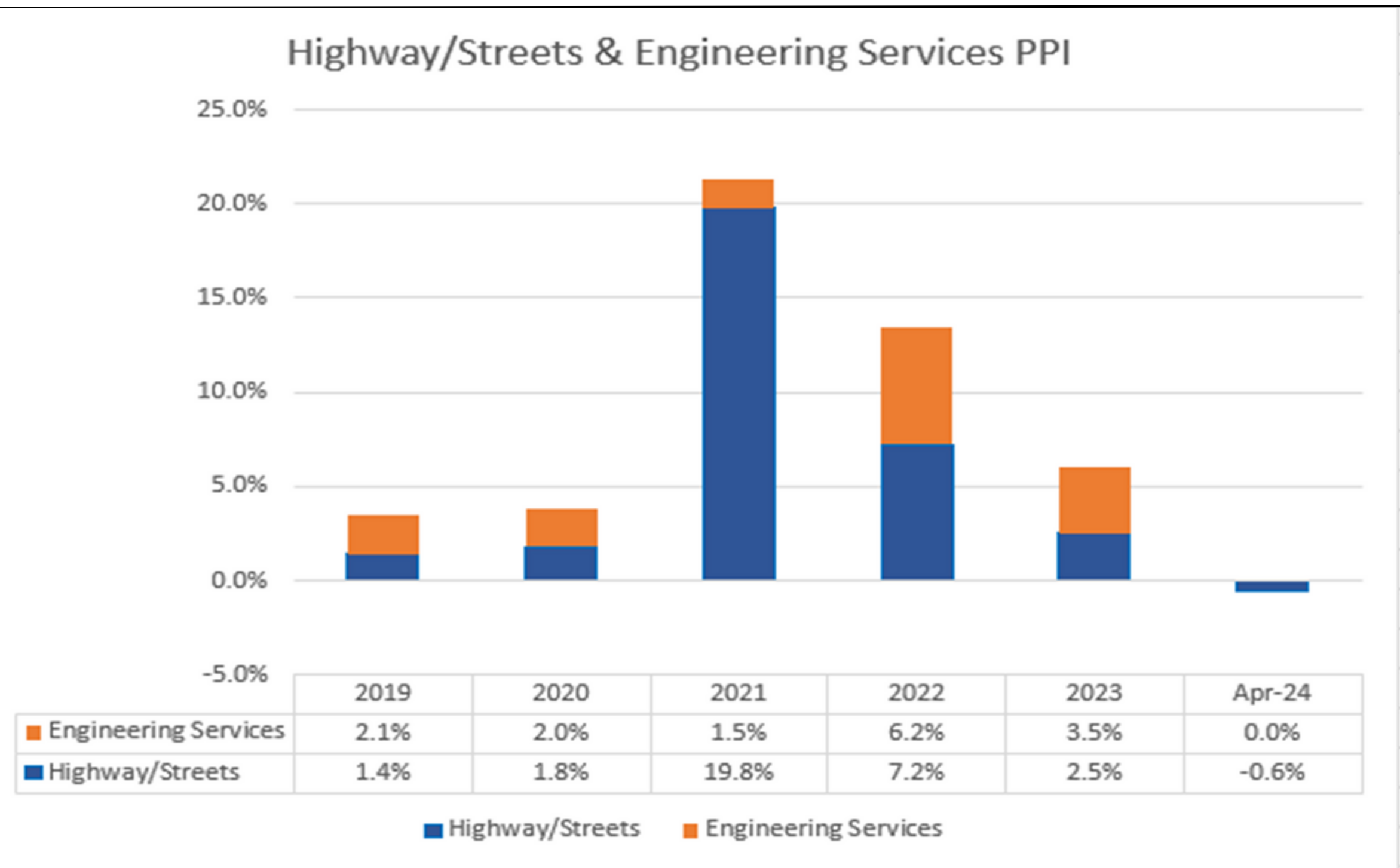
2019 Neighborhood Projects - \$70 M Prop 1

- 3 Construction Manager At Risk Projects (CMAR)
 - Neighborhoods SED-B, 1B, 2&6
- 10 Design Bid Build (competitive sealed proposal) projects
 - Neighborhoods MCFC, LOFT, SED-A, 1A, 4, 5A, 7A, 7B, 8A, 8B
- Neighborhood 5B Included in 2023 Bond Program with Oakland Drainage.



Inflation & Escalation Nationally

- Highway/Streets – Changes in PPI for inputs to construction industries nationally.
- Engineering Services – Changes in PPI for services important to construction nationally.



Updated 6/13/2024

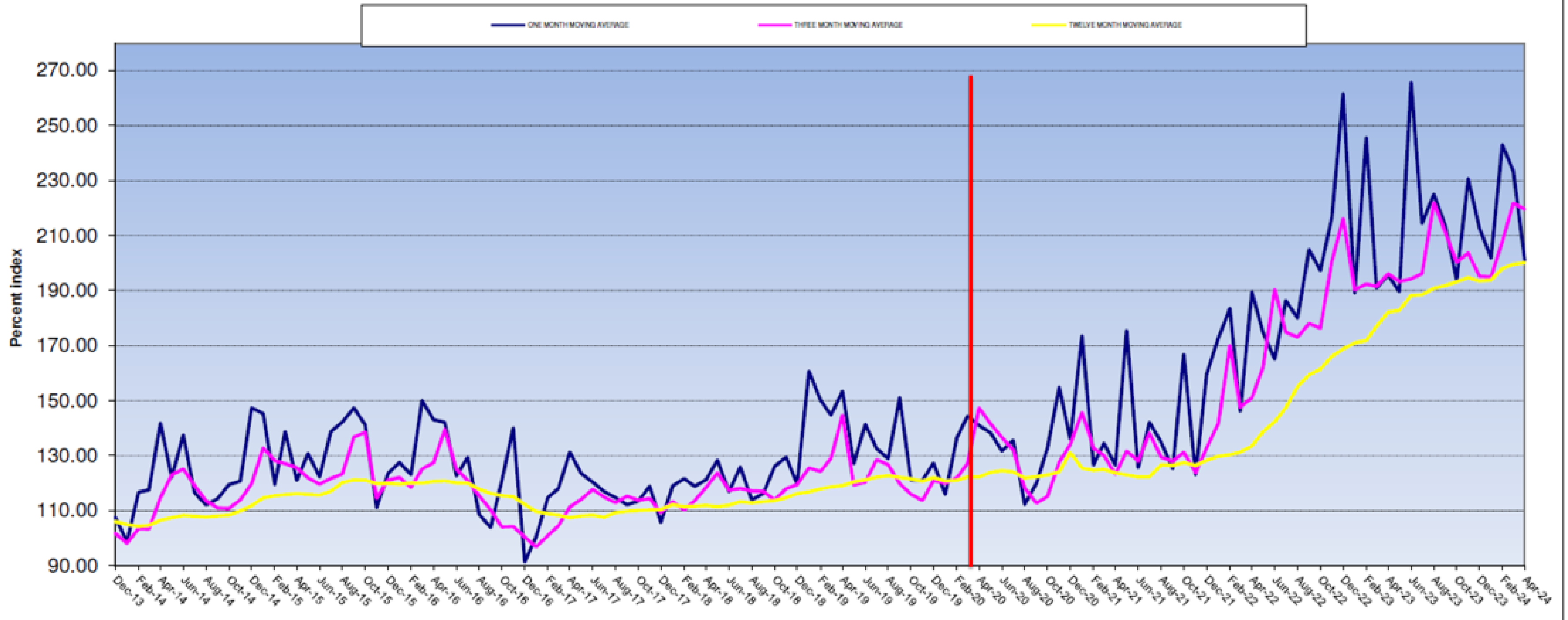
Source: BLS: www.bls.gov/cpi for CPI, www.bls.gov/ppi for PPIs; www.bls.gov/ect for ECIs.

Compiled by Ken Simonson (ken.simonson@agc.org), Chief Economist, Associated General Contractors of America, www.agc.org.

Inflation & Escalation Locally

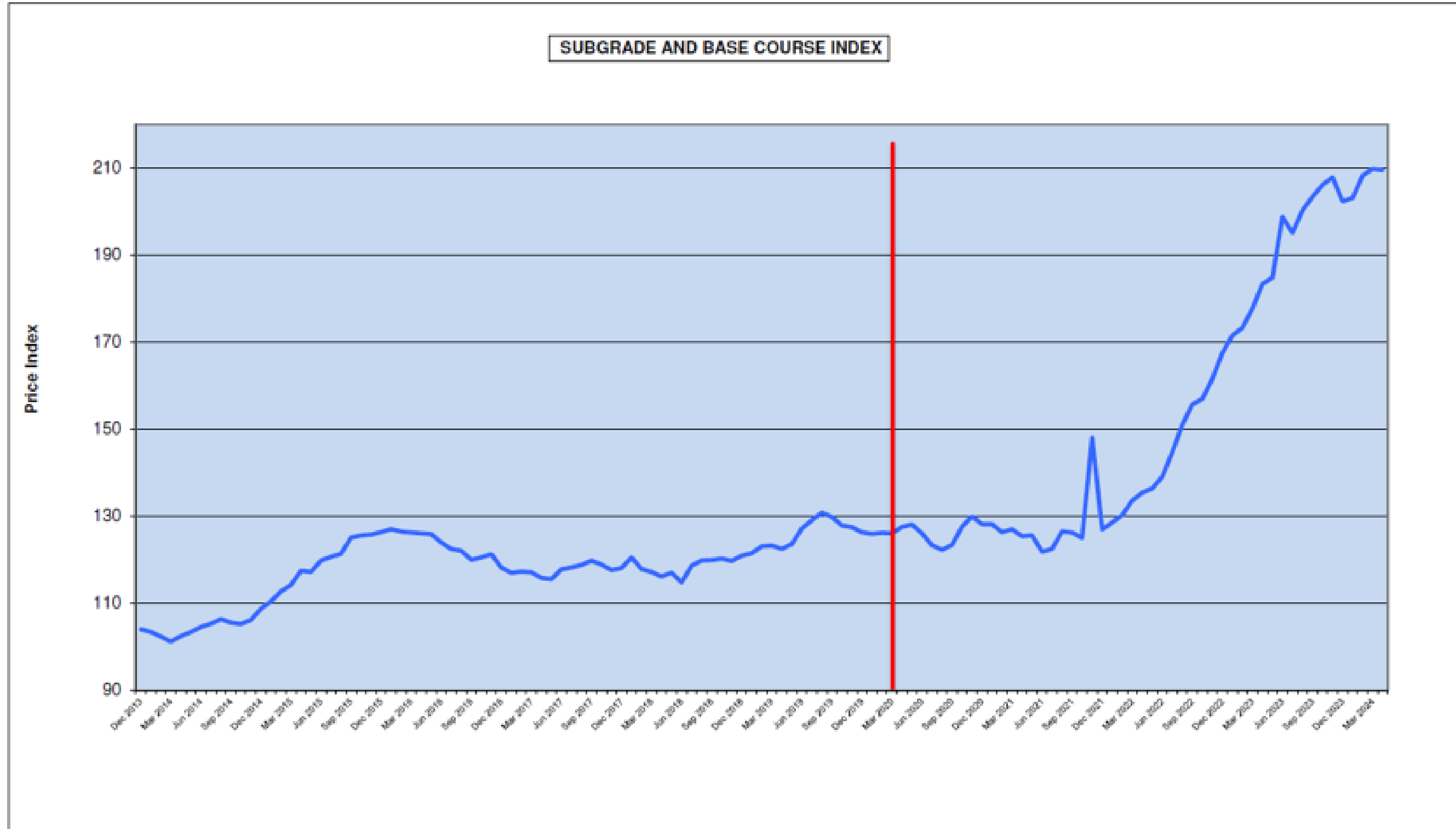
Highway Cost Index Report TxDOT April 2024

HCI index (2012 Base)



Inflation & Escalation Locally

Highway Cost Index Report TxDOT April 2024 Subgrade & Base Course



2019 Bond Program Completion

- Estimate to complete the remainder of the 2019 Neighborhood Bond program:
 - Roadway - \$20M
 - Water – \$18M
 - Wastewater - \$18M

2023 Bond Program

Project	Prior Issued	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
GENERAL OBLIGATION BOND PROGRAM							
Ruddell / Mingo Roadway & Quiet Zones	\$ 5,000	\$ 12,000	\$ 28,125	-	-	-	\$ 45,125
Oakland Drainage & Upstream Detention	5,000	8,000	19,595	-	-	-	32,595
PEC 4 Phases 3 & 4	5,000	6,265	15,000	-	-	-	26,265
Inclusive Playground	3,450	-	-	-	-	-	3,450
Trail Development	4,000	-	-	5,000	3,000	3,000	15,000
Aquatic Improvements	2,000	13,000	-	-	-	-	15,000
Fire Station # 5 & # 6	10,000	15,342	-	-	-	-	25,342
Linda McNatt Animal Care & Adoption Center	15,850	-	-	-	-	-	15,850
Public Art - Public Safety	320	503	-	-	-	-	823
Affordable Housing	-	5,000	5,000	5,000	-	-	15,000
Active Adult Center	-	-	5,000	25,000	16,430	-	46,430
Public Art - Public Safety	-	-	-	930	-	-	930
South Branch Library	2,500	-	-	5,000	18,000	23,076	48,576
Public Art - South Branch Library	-	-	-	-	-	969	969
TOTAL 2023 BOND PROGRAM ISSUANCE	\$ 53,120	\$ 60,110	\$ 72,720	\$ 40,930	\$ 37,430	\$ 27,045	\$ 291,355

Preliminary Debt Rates

Every debt issuance (GO/CO) may impact the I&S portion of the tax rate.

- Anticipated total increase due to 2023 - as shared prior to vote, ~\$0.0526/\$100 AV



FY 2024-25 Debt Rate Breakdown:

2019 Bond Election : \$0.006

2023 Bond Election : \$0.019

CO Issuance : \$0.020

Total I&S Increase : \$0.045/\$100 AV

Rate is preliminary, will be determined by final AV values.

Each “cent” (\$0.01) on the tax rate is equal to approximately \$1,700,000 in revenue.

Preliminary Debt Rates

*Preliminary Rate

			Anticipated 2019 Bond Program Debt Rate	Anticipated 2023 Bond Program Debt Rate
Fiscal Year	Debt Rate	Change		
2026	\$0.27638	\$.025	-	\$0.27435
2025	\$0.25099	\$.045	\$0.25317	\$0.25397
2024	\$0.20569	\$.001	\$0.24904	-
2023	\$0.20425	(\$0.011)	\$0.22939	-
2022	\$0.21537	\$.005	\$0.21009	-
2021	\$0.21009	\$.005	\$0.20509	-

Preliminary Tax Bill Changes

Average I&S Tax Bill Impact

Estimated Property Tax Bill	FY 2024	FY 2025
Avg. Value	\$ 344,642	\$ 378,849
I&S Rate	0.205902	0.250994
Tax Bill	\$ 709.62	\$ 950.88
Change (\$)		\$ 241.26
Value Increase Impact		\$ 75.24
Rate Increase Impact City of Denton		\$ 166.02

Budget Calendar

July 16	<ul style="list-style-type: none">• Council Work Session: FY 2025 Capital Improvement Program Presentation
July 23	<ul style="list-style-type: none">• Certified Appraisal Roll Due from Denton Central Appraisal District
July 23	<ul style="list-style-type: none">• Review FY 2024-25 Preliminary Utility Rates
July 31	<ul style="list-style-type: none">• Proposed Budget Submitted to Council
August 10	<ul style="list-style-type: none">• City Council Budget Workshop
August 20	<ul style="list-style-type: none">• Council Meeting: Budget/Adoption of Intention to Set a Tax Rate
September 10	<ul style="list-style-type: none">• City Council Meeting: Adoption of Current Year Amendments, First Public Hearing on the Tax Rate
September 17	<ul style="list-style-type: none">• City Council Meeting: Budget Adoption, Tax Rate Adoption, Capital Improvement Plan Adoption

Questions?