



BOND
PROGRAM 2023



Finance 101

Meeting # 1

May 23, 2023

Tax Rate

The City's tax rate is comprised of two components:

1. Maintenance and Operations (M&O Rate)

- General Fund (GF) operating expenses (Fire, Police, Libraries, Parks)
- Personnel Costs (Salary & benefits account for 62% of the Total GF Budget)
- Operating Costs (materials, supplies, maintenance, insurance, contracted services, training, and utilities)
- Internal Service Costs (The General Funds portion of having an internal Fleet, Technology Services, Facilities, Procurement, and Customer Service Departments)

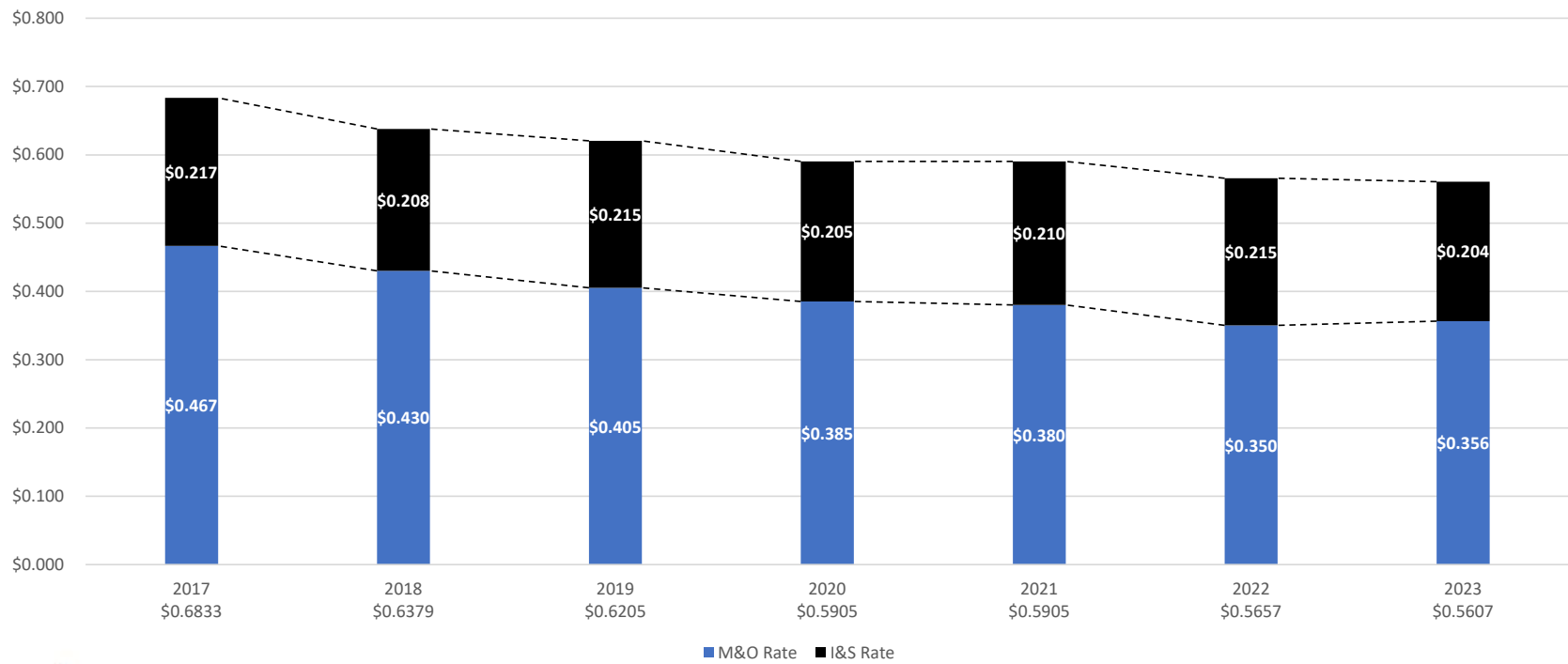
2. Interest and Sinking (I&S Rate)

- Payment of the principal and interest on bonds sold for General Government projects
- No operational costs allowed



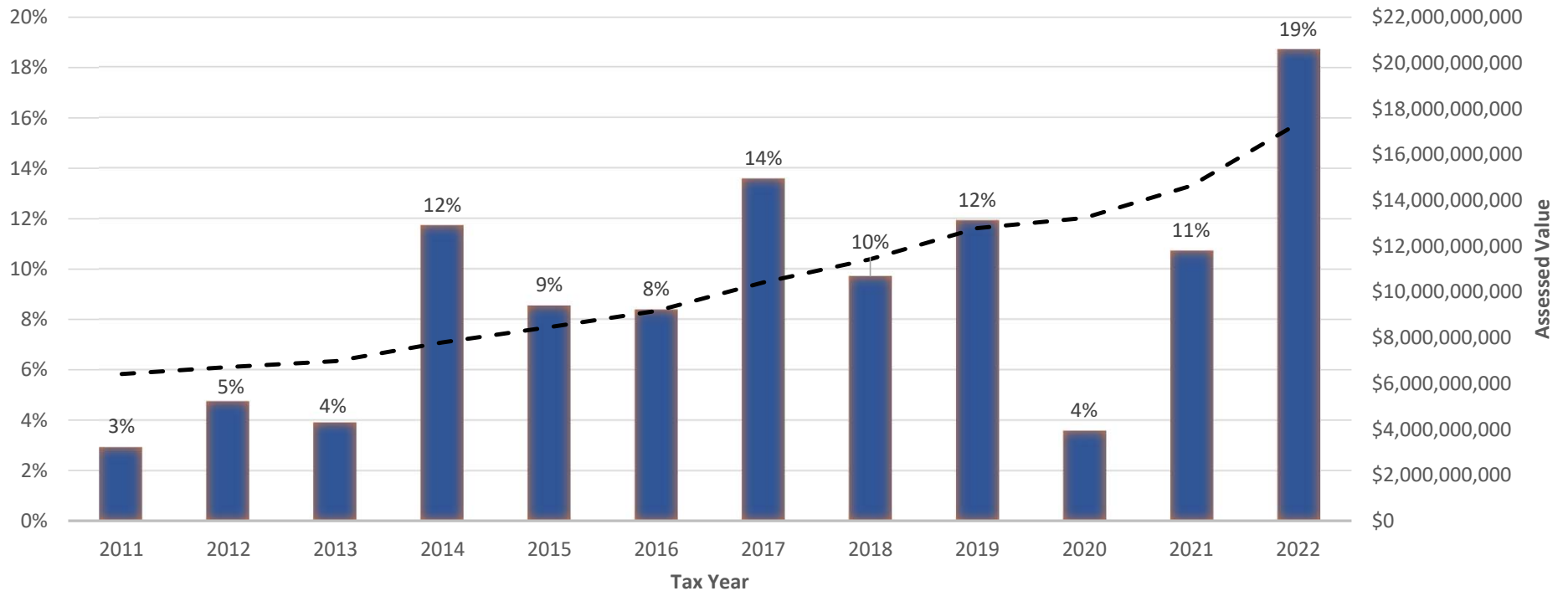
Tax Rate History

The City's tax rate has decreased \$0.1227 from 2017 to 2023.



CBAC23-004

Assessed Values



CBAC23-004

Comparison

City/Town	2022 Average Taxable Home Value	M&O Rate	I&S Rate	Total Tax Rate	Tax due to City		
					M&O	I&S	Total
Flower Mound	457,293	0.36087	0.04413	0.40500	\$ 1,650	\$ 202	\$ 1,852
Plano	517,815	0.30260	0.11500	0.41760	\$ 1,567	\$ 595	\$ 2,162
Trophy Club	554,649	0.33500	0.09980	0.43480	\$ 1,858	\$ 554	\$ 2,412
Lewisville	365,558	0.32098	0.12232	0.44330	\$ 1,173	\$ 447	\$ 1,621
Frisco	489,870	0.29093	0.15567	0.44660	\$ 1,425	\$ 763	\$ 2,188
Prosper	489,407	0.32983	0.18017	0.51000	\$ 1,614	\$ 882	\$ 2,496
Coppell	396,709	0.44184	0.07690	0.51873	\$ 1,753	\$ 305	\$ 2,058
Highland Village	472,405	0.47179	0.07503	0.54683	\$ 2,229	\$ 354	\$ 2,583
Corinth	352,251	0.41926	0.14084	0.56010	\$ 1,477	\$ 496	\$ 1,973
Denton	307,673	0.35643	0.20425	0.56068	\$ 1,097	\$ 628	\$ 1,725
Richardson	368,935	0.34316	0.21779	0.56095	\$ 1,266	\$ 804	\$ 2,070
Carrollton	292,144	0.41727	0.14523	0.56250	\$ 1,219	\$ 424	\$ 1,643
Irving	253,852	0.42940	0.15970	0.58910	\$ 1,090	\$ 405	\$ 1,495
Arlington	195,588	0.40300	0.19680	0.59980	\$ 788	\$ 385	\$ 1,173
Little Elm	349,904	0.48642	0.14348	0.62990	\$ 1,702	\$ 502	\$ 2,204
The Colony	370,287	0.54250	0.10500	0.64750	\$ 2,009	\$ 389	\$ 2,398
Fort Worth	260,799	0.56500	0.14750	0.71250	\$ 1,474	\$ 385	\$ 1,858
Garland	208,686	0.34109	0.37560	0.71669	\$ 712	\$ 784	\$ 1,496
Dallas	255,122	0.54030	0.20550	0.74580	\$ 1,378	\$ 524	\$ 1,903



Community Benefit

- Your property taxes pay for General Fund Services including:

M&O Rate

- Police & Public Safety Dispatch
- Fire & EMS Services
- Parks & Recreation
- Library Services & Programming
- Community Improvement Services
- Animal Services
- Municipal Court
- Traffic Operations

I&S Rate

Payment of principal & interest of bonds



Bonds

The City’s bond rating is ‘AA+’ from S&P & Fitch rating agencies.

S&P Global Ratings stated, “*Denton benefits from its favorable location in the greater Dallas-Fort Worth metro area, as well as the growth and development the region has experienced in recent years. Much like neighbors in the region, the city enjoys business expansion, home building, and growth in sales tax collections, which sustained it through the strain of the COVID-19 pandemic. Increasing revenue streams and strong fiscal management practices have aided the maintenance of very strong reserves, **which are key credit strength.** Although the city's debt and pension profile is elevated, it somewhat reflects the high growth in service and infrastructure demands that the city faces.*”

	<u>S&P</u>	<u>Fitch</u>	
	AAA	AAA	Prime Grade
	AA+	AA+	
	AA	AA	High Grade
	AA-	AA-	
Investment Grade	A+	A+	Upper Medium Grade
	A	A	
	A-	A-	
	BBB+	BBB+	
	BBB	BBB	Lower Medium Grade
	BBB-	BBB-	



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Cassey Ogden

Cassandra.Ogden@cityofdenton.com



Q&A

- Tabletalk



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