

Denton County, Texas

Adopted Budget

Fiscal Year
2012-2013



Denton County, Texas

2012-2013 Organizational Goals

- Remaining fiscally responsible and conservative
- Pro-actively planning for change and growth
- Maintaining the highest level of safety and security for our citizens
- Aggressively pursue maintaining the lowest possible tax rate
- Preserving and upgrading the public infrastructure
- Developing economic and industrial growth
- Maintaining a stable, high quality workforce

Denton County, Texas

2012-2013 Organizational Goals

- Providing support for mobility and transportation needs in the county
- Providing an effective and efficient judicial/legal system to serve the citizens
- Retaining and expanding partnerships to improve the health of citizens
- Fulfilling legislative obligations
- Developing long-range strategic plans
- Preserving an adequate fund balance
- Enhancing e-government solutions and technologies

Denton County, Texas

FY 2012-2013 Budget Calendar

| | |
|--------------------|---|
| <i>Feb 14</i> | <i>Initial Budget Meeting</i> |
| <i>March 1</i> | <i>Budget Preparation Packets Distributed</i> |
| <i>April 23</i> | <i>Deadline for Budget Requests</i> |
| <i>July 17</i> | <i>Presentation of Recommended Budget</i> |
| <i>July 24</i> | <i>Budget Workshop</i> |
| <i>July 31</i> | <i>Budget Workshop</i> |
| <i>August 7</i> | <i>Final Budget Workshop</i> |
| <i>August 29</i> | <i>Budget Filed for Public Inspection</i> |
| <i>September 4</i> | <i>Public Hearing on Budget</i> |
| <i>September 4</i> | <i>Adoption of Budget</i> |
| <i>September 4</i> | <i>Adoption of Tax Rate</i> |

Initial Budget Requests

Summary of Tax Levies & Projected Fund Balances

- Initial Requests totaled \$212.0 million (included 2% salary increase)
- Increase of \$10.0 million
- Tax Rate of \$0.286301 would be required (based on preliminary revenue estimates)
- 3.96% Tax Rate Increase would be required

Budget Summary

- Denton County has been faced with a sluggish economy, declining revenues and required increases due to inflation. However, we still have the responsibility of serving our growing population with the services that they need, deserve and expect.
- We continue to remain financially stable and have acceptable reserve funds

Adopted Budget FY 2013

- FY2012 Budget = \$202.0 million
- Adopted Budget = \$210.5 million
- Adopted Increase = \$ 8.5 million

Denton County, Texas

Budget Summary for All Funds (in millions)

| | FY 2012 | FY 2013 |
|-------------------------|----------------|----------------|
| General Fund | \$121.0 | \$125.7 |
| Road & Bridge Fund | 12.2 | 12.2 |
| Juvenile Probation Fund | 10.5 | 11.0 |
| Debt Service Fund | 41.4 | 43.4 |
| Other Funds | 16.9 | 18.2 |
| TOTAL | \$202.0 | \$210.5 |

Adopted Tax Rate Summary

- FY2012 (Current) Tax Rate = \$0.277357
- Effective Tax Rate = \$0.279636
- Adopted Tax Rate = \$0.282867
- Variance (Increase above Current Rate) = \$0.005510
- Variance (Increase above Effective Rate) = \$0.003231

The Adopted Tax Rate is 1.155431% above the effective tax rate.

Effective Tax Rate

- The effective tax rate will provide the taxing unit with approximately the same amount of revenue it had the year before on properties taxed in both years.

EXHIBIT 1: Calculating the Effective Tax Rate

$$\left[\begin{array}{r} \text{Prior Year's Taxes} \\ \text{Less} \\ \text{Taxes on Property Lost This Year} \\ \hline \text{(divided by)} \\ \text{Current Value of Property} \\ \text{Taxed in the Prior Year} \end{array} \right] \times \$100$$

Denton County, Texas

FY2012 vs. FY2013 Rate

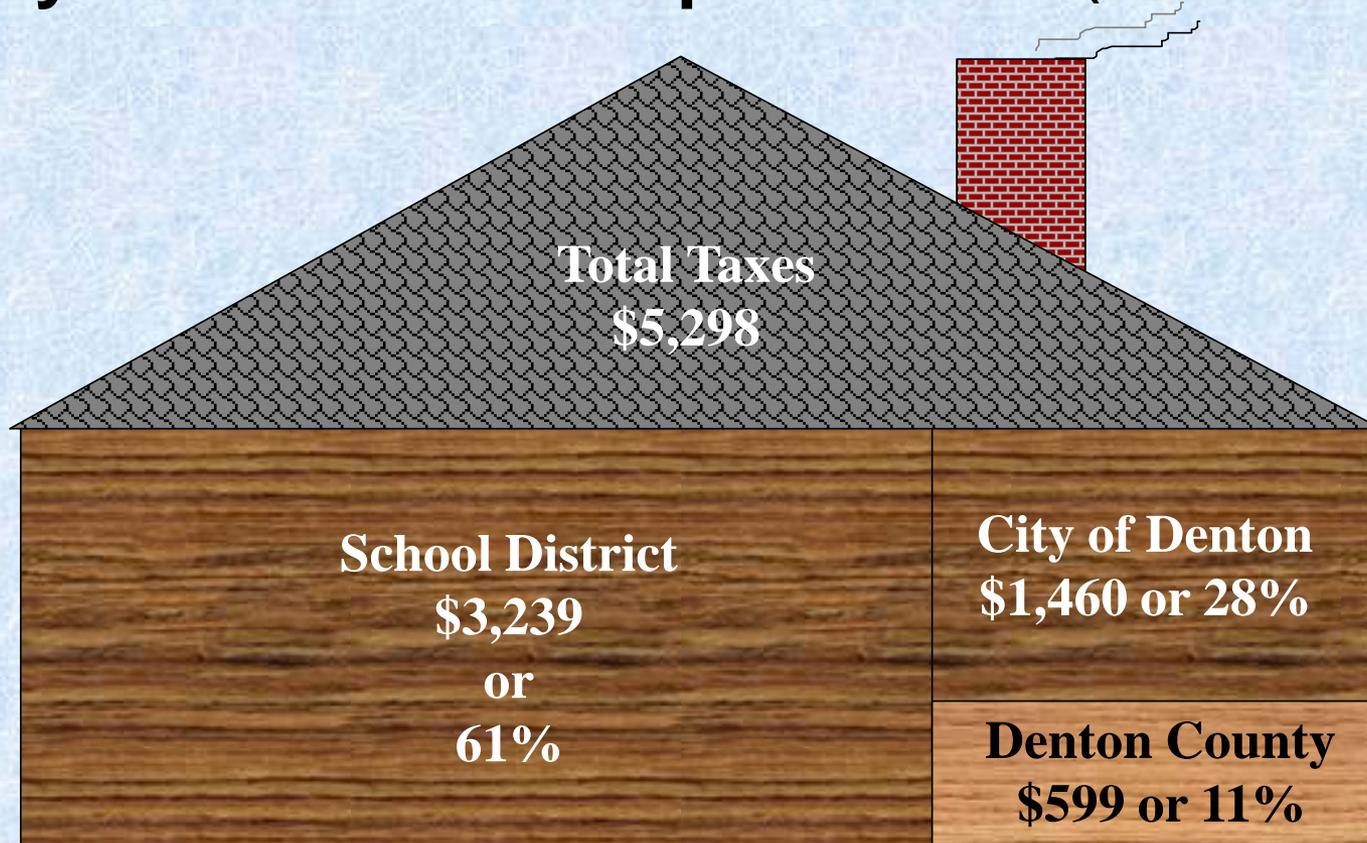
| Sample Home Value | FY2012 County Taxes | FY2013 County Taxes | Annual Variance | Monthly Variance |
|---------------------------|---------------------|---------------------|-----------------|------------------|
| Tax Rate per \$100 Value: | 0.277357 | 0.282867 | | |
| \$100,000 | \$277.36 | \$282.87 | \$5.51 | \$0.46 |
| \$211,678* | \$587.11 | \$598.77 | \$11.66 | \$0.97 |

➤ This chart assumes no increase in valuation. Changes in an individual taxpayer's county taxes depend on the specific change in property valuation.

➤* Average home value in Denton County for Tax Year 2012

Denton County, Texas

Property Taxes for Average Home Owner City of Denton – Adopted Rates (Tax Year 2012)



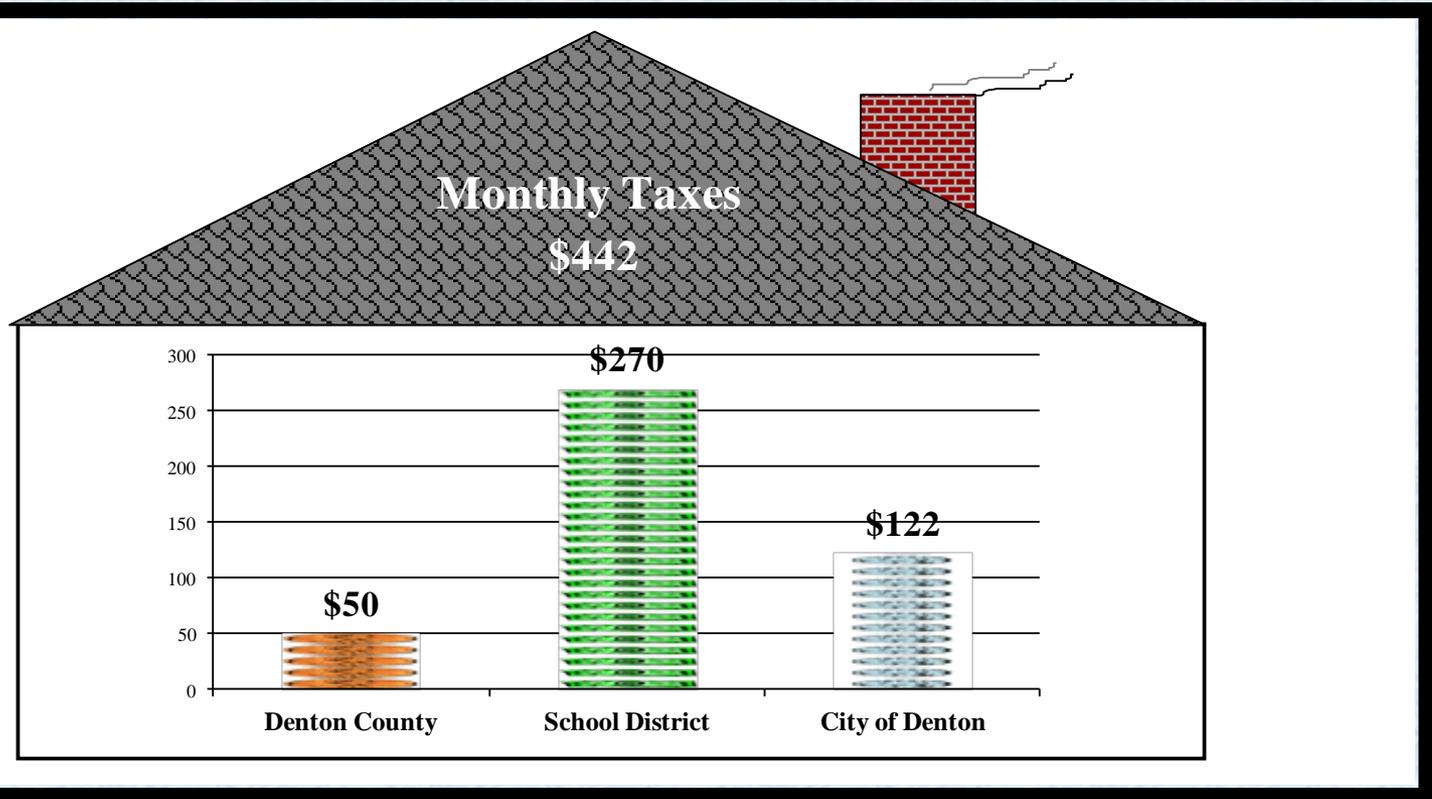
Based on the Average \$211,678 Denton County Home Value

Tax Rates: Denton County - \$0.282867; Denton ISD – \$1.53; City of Denton - \$0.68975

Denton County, Texas

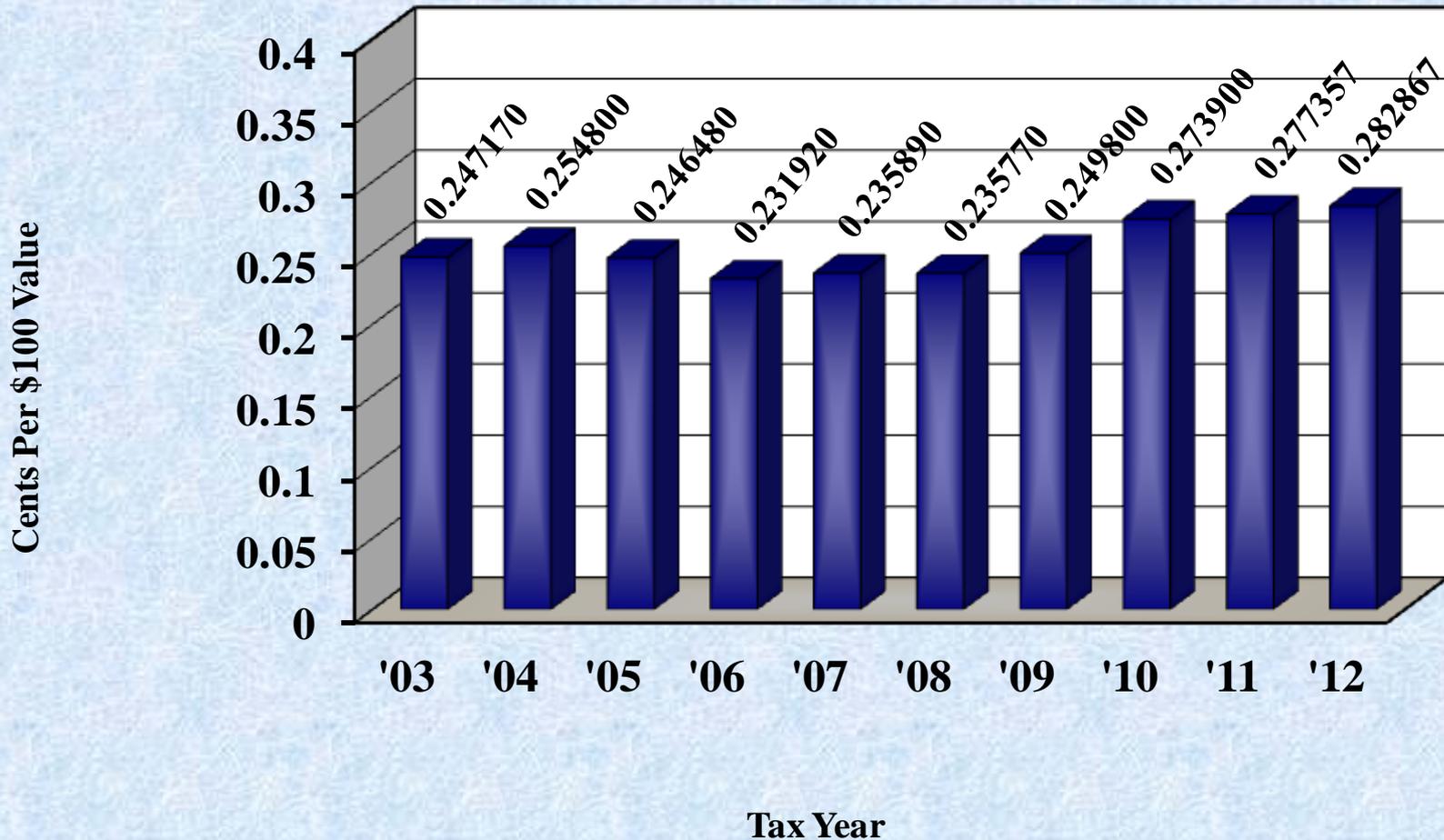
Average Home Value/Monthly Taxes

Based on the average Denton County Home Value of \$211,678



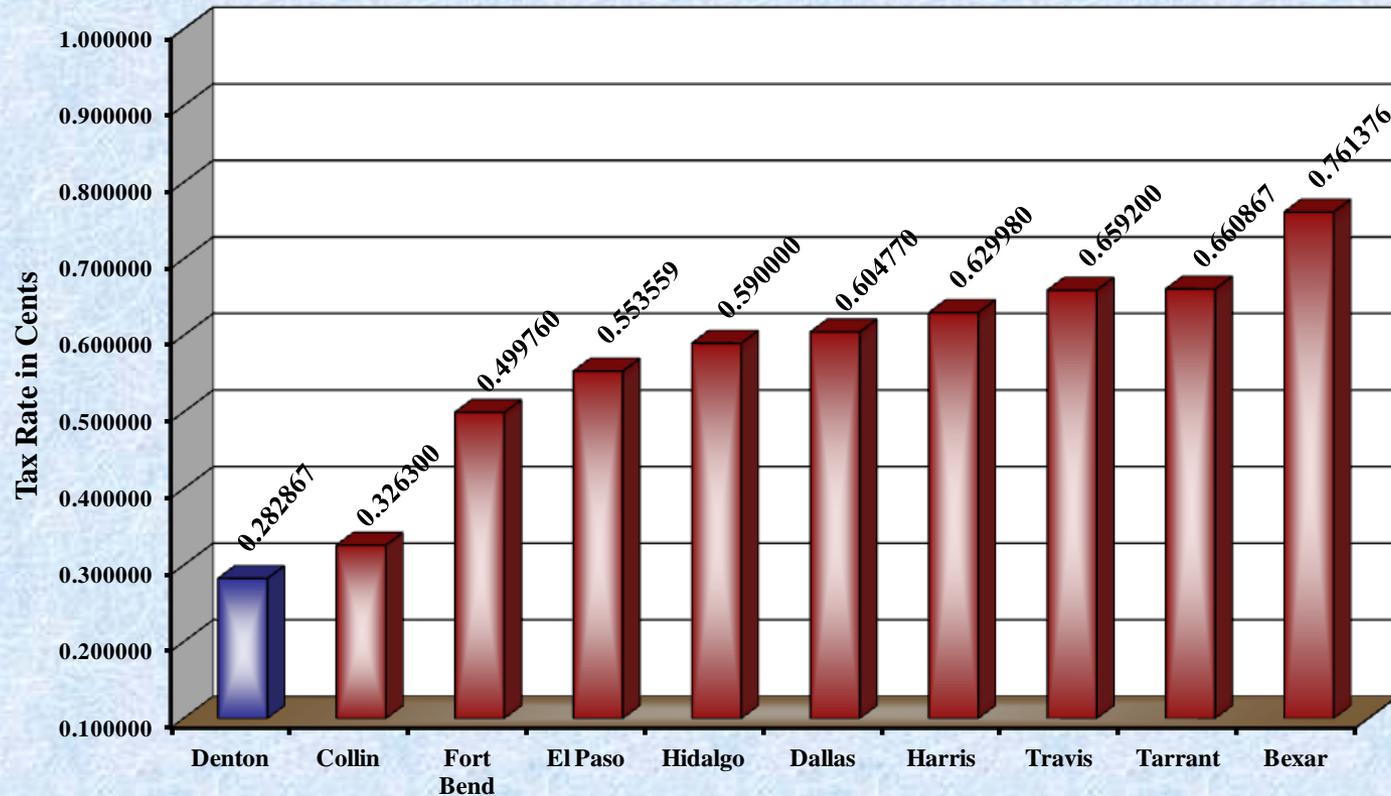
Denton County, Texas

Ten-Year Tax Rate History



Denton County, Texas

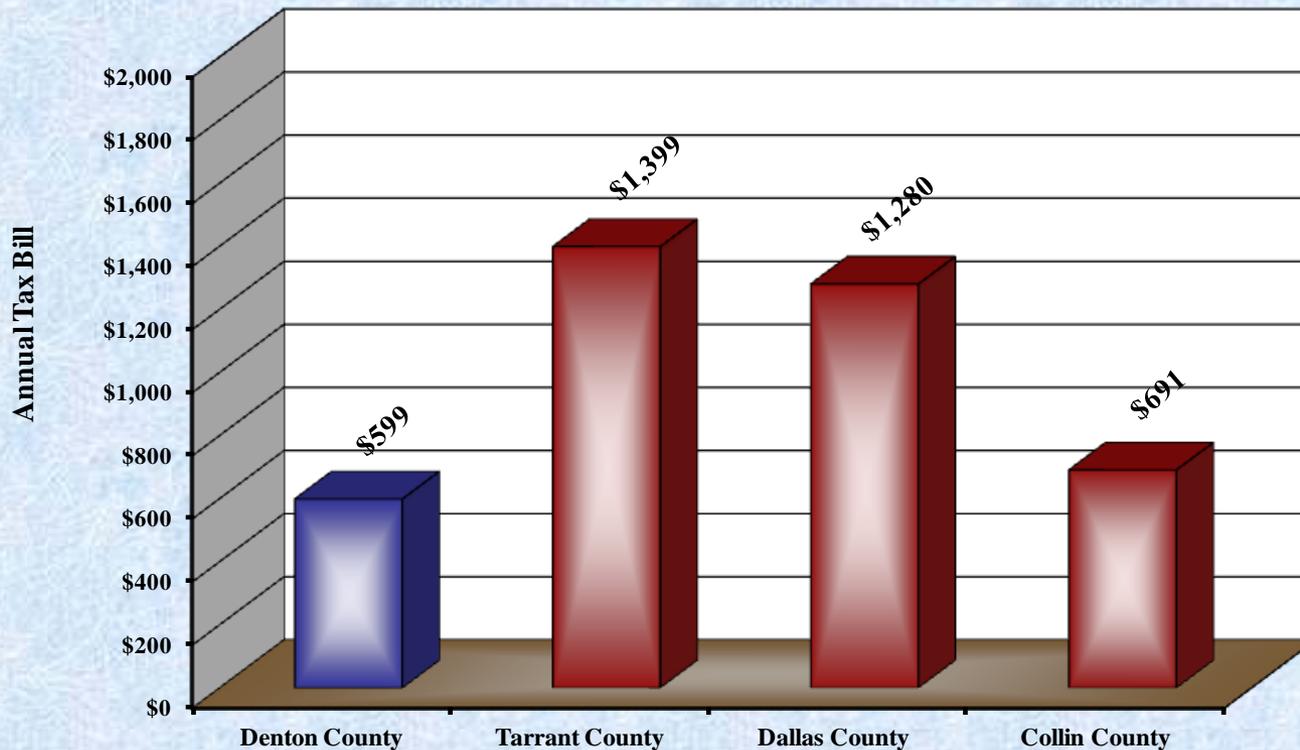
Comparison of Top 10 Texas Counties County-Wide Tax Rates



Denton County's tax rate listed is based on the adopted rate for FY13. Other county rates reflect their current tax rates. This chart reflects total county-wide taxes that are levied in each county including County, Hospital District, Community College and Water & Drainage Districts.

Denton County, Texas Tax Bill Comparison

Based on Denton County's average home value of \$211,678



This chart reflects Denton County's Adopted FY2013 tax rate compared to the FY2012 tax rate of the other counties.

Top 10 Counties Tax Rate and Employees per Capita Comparison

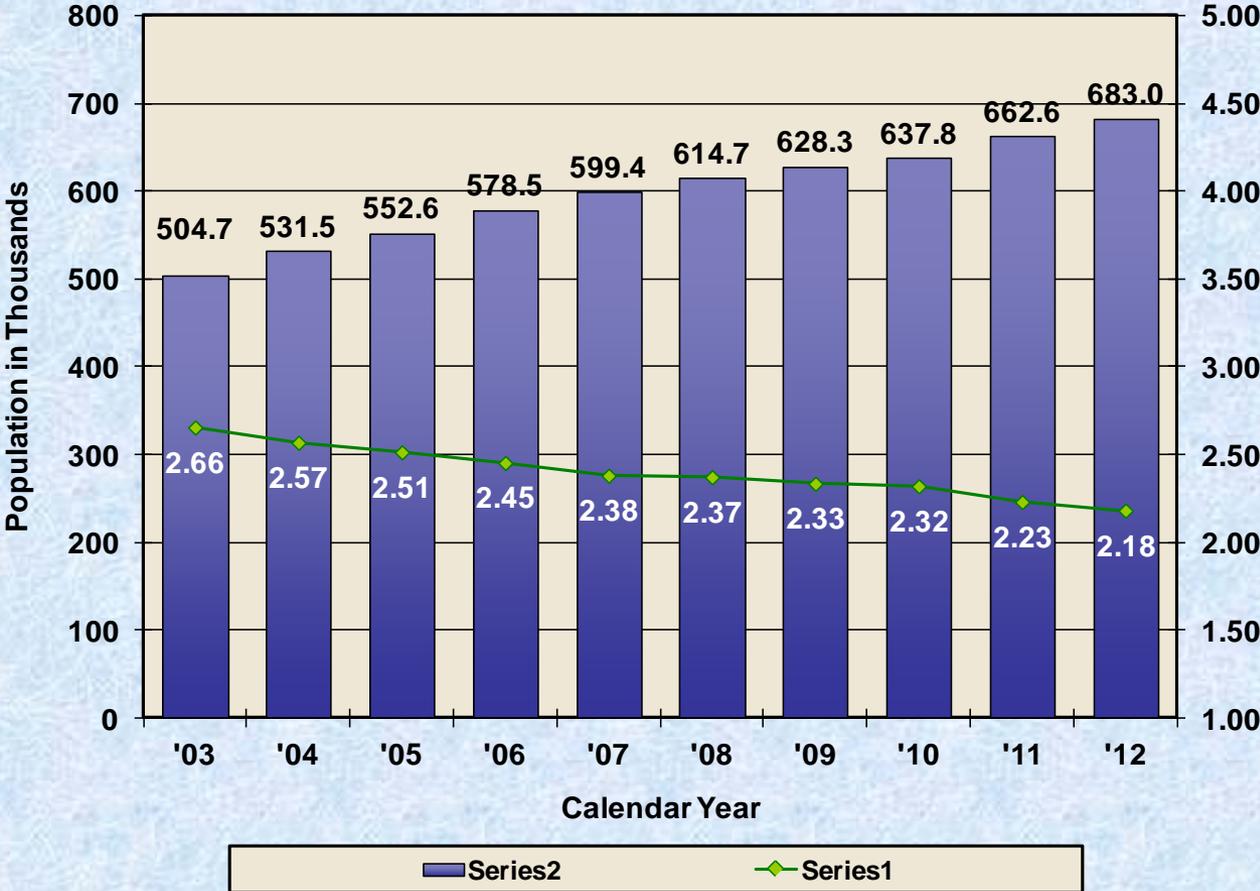
| County | Total County-Wide Tax Rates per \$100 Valuation | Total # Emp. Per 1,000 Cty Residents |
|------------------|--|---|
| Denton | 0.282867 | 2.18 |
| Collin | 0.326300 | 2.28 |
| Fort Bend | 0.499760 | 3.65 |
| El Paso | 0.553559 | 3.32 |
| Hidalgo | 0.590000 | 3.82 |
| Dallas | 0.604770 | 2.69 |
| Harris | 0.629980 | 4.33 |
| Travis | 0.659200 | 4.74 |
| Tarrant | 0.660867 | 2.56 |
| Bexar | 0.761376 | 2.64 |

Denton County information is based on the FY2013 tax rate, current population data and adopted number of employees. Information for other counties is based on FY2012 data.

This chart reflects total county-wide taxes that are levied in each county including County, Hospital District, Community College and Water & Drainage Districts.

Denton County, Texas

Number of Employees per Capita



Denton County, Texas

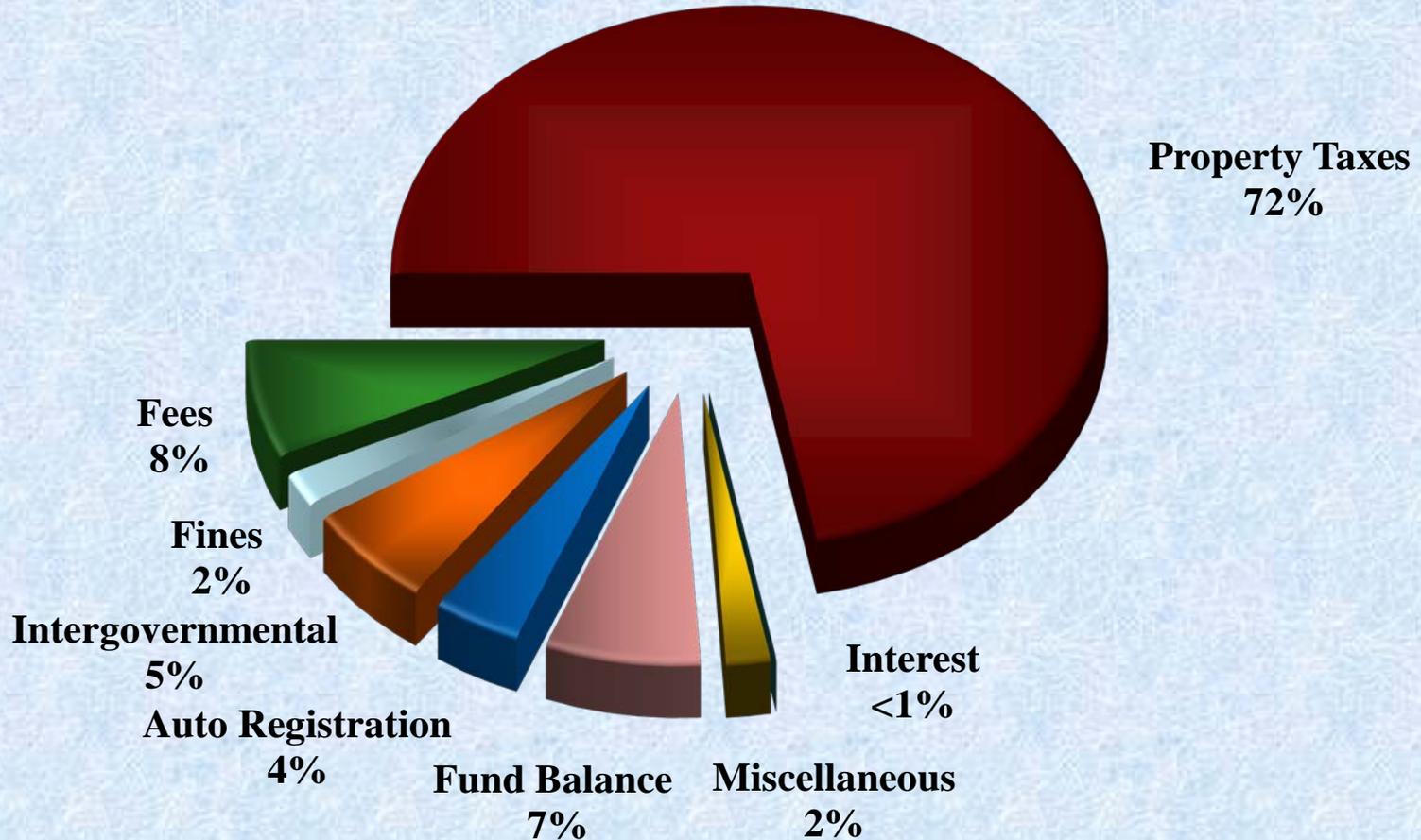
Revenue Changes

| | |
|---|---------------------|
| • Increase in Taxes from New Property | \$ 3,052,957 |
| • Increase in Taxes for Debt Service Payments | \$ 1,750,000 |
| • Fees | \$ 1,304,975 |
| • Increase in Taxes from Additional Tax Roll | \$ 900,592 |
| • Auto Registration | \$ 500,000 |
| • Miscellaneous and Transfers | \$ 307,567 |
| • Fines | \$ (80,000) |
| • Interest Earnings | \$ (209,850) |
| • Intergovernmental | <u>\$ (376,546)</u> |
| • Total Revenue Changes | \$ 7,149,695 |
| • Fund Balance Transfers | <u>\$ 1,365,712</u> |
| | \$ 8,515,407 |

Denton County, Texas

Revenue Summary by Function

\$210,522,423



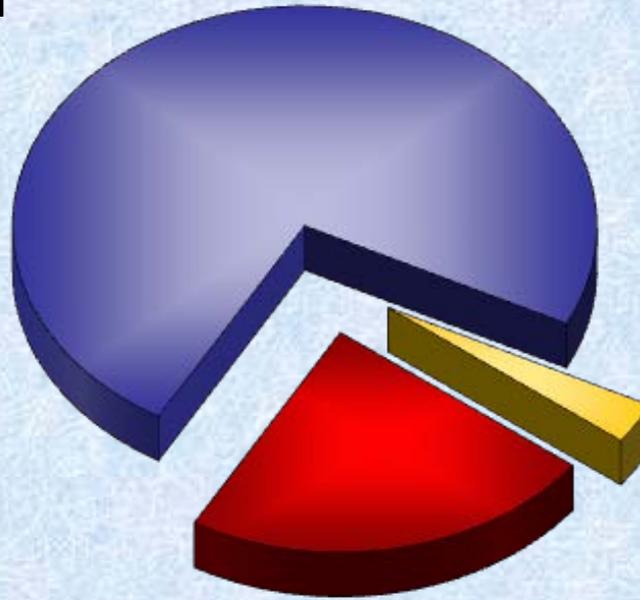
Denton County, Texas

Property Tax Revenue by Category

\$150,763,330

Residential

74%



Mineral

3%

Commercial

23%

Functions of Denton County

- **Public Safety**
 - County Jail and Jail Health
 - Sheriff's Department
 - Adult and Juvenile Probation
 - (6) Constables
 - Fire and Ambulance Services
 - Emergency Management/Homeland Security
- **County Roads and Bridges**
- **Judicial/Legal** - Criminal Justice System
 - (21) District, County, & Justice of the Peace Courts
 - Criminal District Attorney
 - District Clerk and Jury Services
 - Medical Examiner Services
 - Security Services
- **Debt Service** – Long Term Debt
 - Roads and Bridges
 - County Facilities
- **Capital Projects**
- **Miscellaneous**
- **Health and Welfare**
 - Health Dept-Clinical & Environmental
 - Child Protective Services
 - Indigent Health Care
- **Financial**
 - County Auditor
 - County Treasurer
 - Tax Assessor/Collector
 - Motor Vehicle Registration/Property Taxes
 - Budget Office
- **General Administration**
 - County Clerk
 - Commissioners Court
 - Human Resources
 - Purchasing
 - Technology Services
 - Elections
 - Veterans Service
- **Facilities Management**

Denton County, Texas

Expenditure Changes

Denton County, Texas

Expenditure Changes

| | |
|--|--------------|
| • Prisoner Medical Expense | \$ 92,000 |
| • Building and Other Insurance | \$ 40,000 |
| • Fire Calls | \$ 35,000 |
| • Library Funding | \$ (43,000) |
| • Election Expenses | \$ (47,000) |
| • Miscellaneous Increases and Reductions | \$ (53,000) |
| • Social Service Agencies | \$ (160,000) |
| • Buildings and Maintenance | \$ (317,000) |
| • Lease/Rentals (Computers and Copiers) | \$ (661,000) |
| • Contract Labor (Technology Services and Road & Bridge) | \$ (673,000) |

Total Expenditure Changes

\$ 8,515,000

Denton County, Texas

- **The tax rate increase above the calculated effective tax rate is for various debt projects:**

Total Taxable Value in Denton County = \$ 54,109,959,012

Total Tax Levy on Effective Tax Rate = \$ 151,310,925

Total Tax Levy on Adopted Tax Rate = \$ 153,059,218

Actual Variance = \$ 1,748,293

Property Tax Increase for Debt Service = \$ 1,750,000

Denton County, Texas

- **Summary of Voter Approved Projects Included in Debt Service Payments for FY2013:**

| | |
|--|----------------------|
| – County Roads | \$ 12,982,039 |
| – TRIP ‘08 Roads | \$ 46,568,529 |
| – TRIP ‘04 Roads | \$ 10,360,000 |
| – Building/Technology Projects | <u>\$ 25,676,432</u> |
| – <i>TOTAL VOTER APPROVED PROJECTS</i> | <u>\$ 95,587,000</u> |

Denton County, Texas

- **Summary of Approved Tax Note Projects:**

| | |
|---|-----------------------------|
| – Precinct #4 Government Center | \$ 6,761,054 |
| – Video Visitation – County Jail | \$ 1,200,946 |
| – Pre-Construction Site Work @ Jail | <u>\$ 2,138,000</u> |
| – <i>TOTAL TAX NOTE PROJECTS</i> | <u>\$ 10,100,000</u> |

Denton County's Bond Rating

2010 to 2012

Moody's - Aaa

“The county has exhibited a trend of sound financial management with operating surpluses...Moody's believes the county's healthy financial operations and conservative budgeting techniques will allow for favorable general fund reserves to continue.”

Standard & Poor's – AAA

“Denton County's financial position remains very strong, with the available general fund balance exceeding 20% in each of the past five audited fiscal years. Property tax base growth had allowed management to maintain a competitive property tax rate.”

“The stable outlook reflects our expectation that county will be able to maintain a very strong financial position given its conservative fiscal practices.”

What Does Bond Rating Mean?

- This is a grade assigned by private rating services such as Standard & Poor's and Moody's where they evaluate a bond issuer's financial strength, or its ability to pay principal and interest in a timely fashion.
- Bond ratings are expressed with letters ranging from AAA, which is the highest rating to a C, which is the lowest rating.

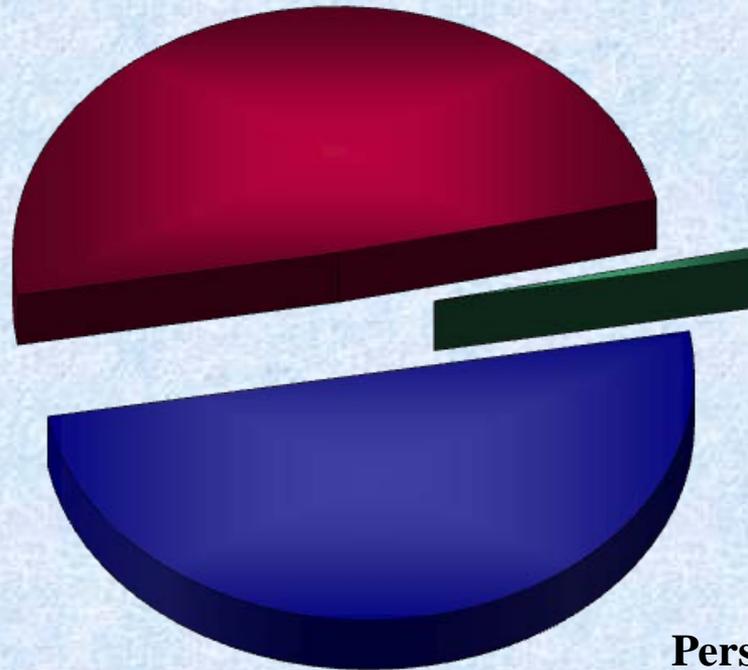
Denton County's Bond Rating

- The fact that Denton County has the highest possible credit score given to governments, is a testament to the prudent financial management of the County.

Expense Summary by Category

\$210,522,423

**Maintenance
& Operations**
49.3%



Capital
0.7%

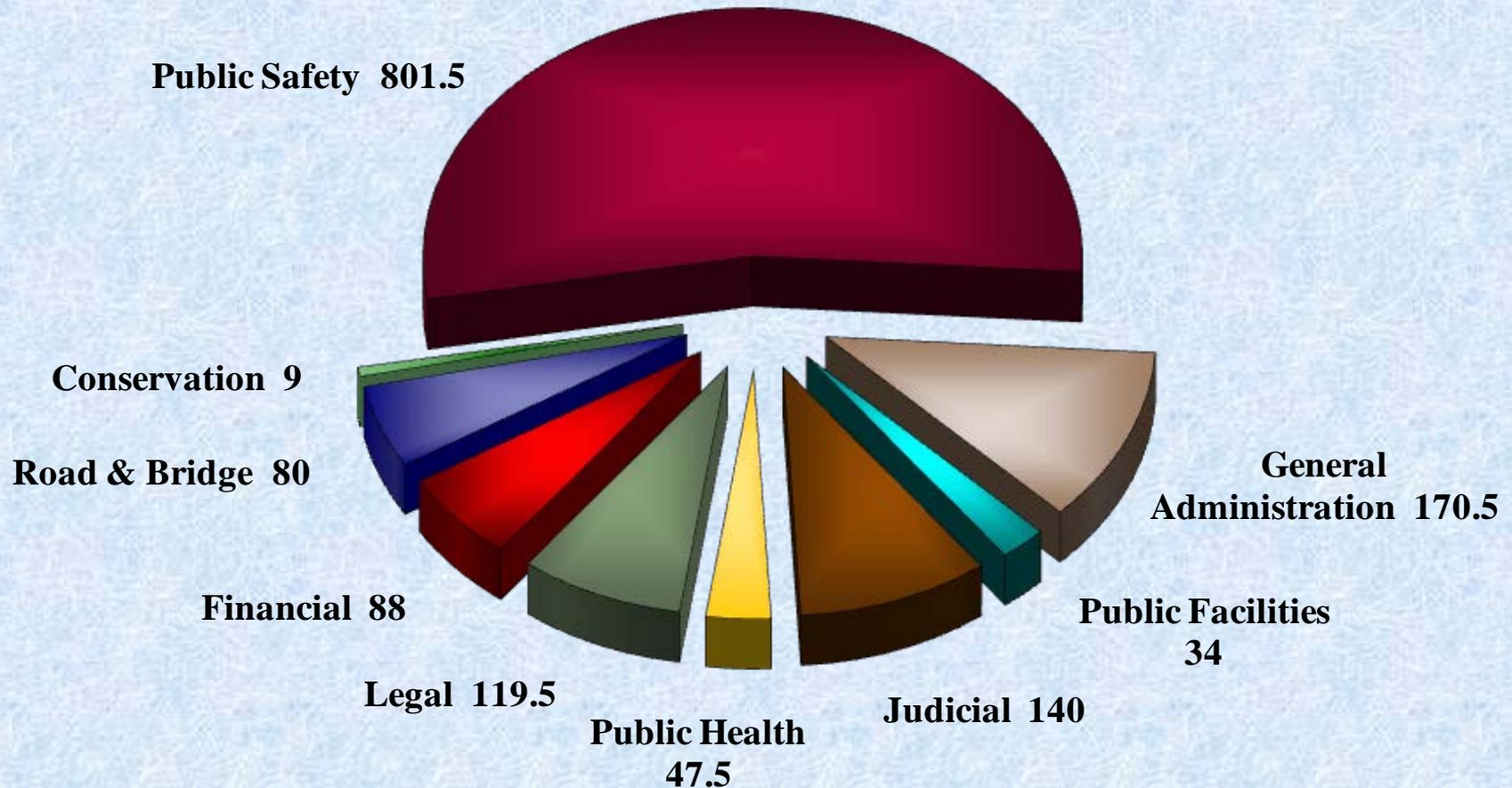
Personnel
50.0%

New Employee Requests

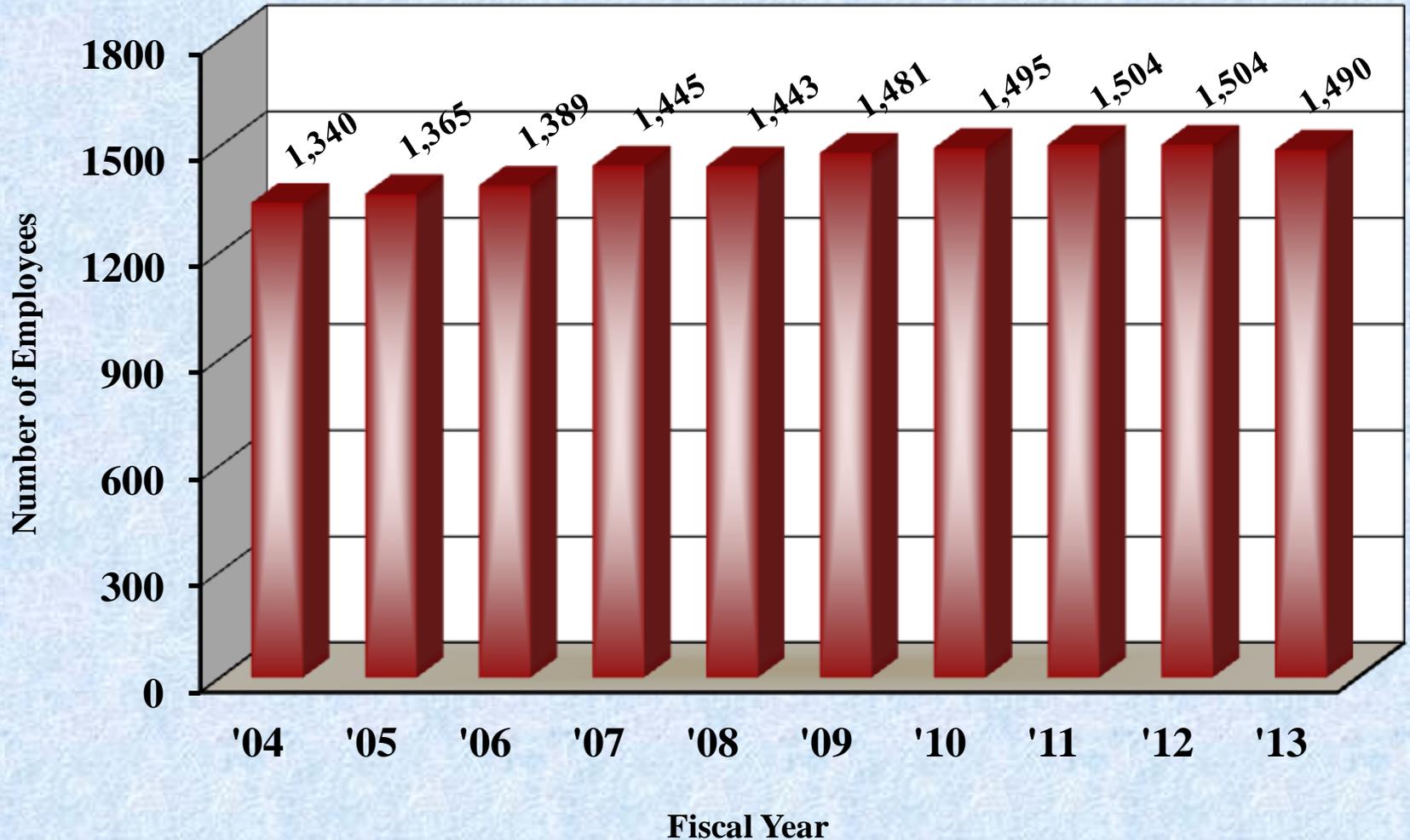
- **# Requested by Departments = 19**
- **# Included in Recommended Budget = 3**
- **# Included in Adopted Budget = 8**
 - **(5) Technology Services - 1 Office Administrator, 2 Desktop Support Techs, 1 Application Developer, 1 Web/Graphic Designer**
 - **(1) CSCD – Secretary**
 - **(1) Constable, Precinct #6 – Deputy Constable**
 - **(1) Emergency Services - Emergency Management Specialist (PT to FT)**

Employee Summary by Function

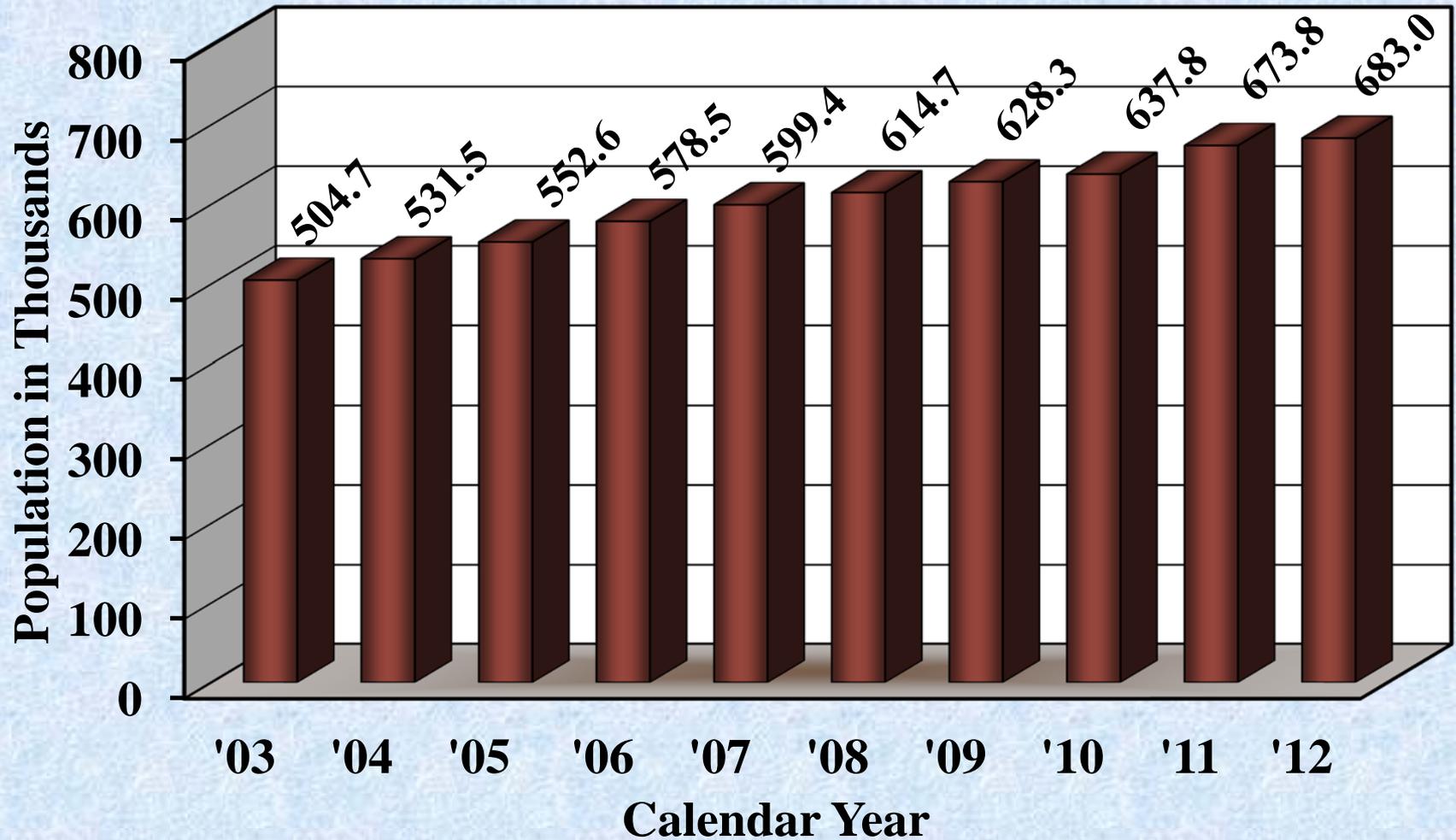
Total # of Employees 1490



Ten Year Employee History



Ten Year Population History



Adopted Budget Overview

- Very productive budget workshops
- Sound financial plan for the county
- Sufficient funds for departments to provide services at current levels
- Reduced budgets when feasible
- Rewards employees for their continued hard work and dedication
- Property tax increase above the effective tax rate is for road and building projects approved by the voters

- **Questions / Comments**

County Budget Information Available

The FY2013 Budget is available on the
Denton County Web-Site:

<http://www.dentoncounty.com/budget>

Click on the “Adopted Budget” link

Other budget-related data is also available on our web site including prior year budgets, Operating Budgets, statistical information, etc.

Acknowledgements

Jona Macsas – Assistant Budget Officer

Sandra Camp – Budget Systems Analyst

LaDawn Fitzgearld – Budget Analyst

Donna Henrikson – Financial Support Specialist

Acknowledgements

- **All Elected Officials and Department Heads and Staff**
- **County Auditor James Wells and Staff**
- **Purchasing Director Beth Fleming and Staff**
- **Human Resources Director Amy Phillips and Staff**
- **Technology Services Director Kevin Carr and Staff**
- **Tax Assessor-Collector Steve Mossman and Michelle French**
- **County Clerk's Office Ashley D'Anna**
- **Vehicle Assessment Committee**
- **Social Service Agency Committee**

Acknowledgements

