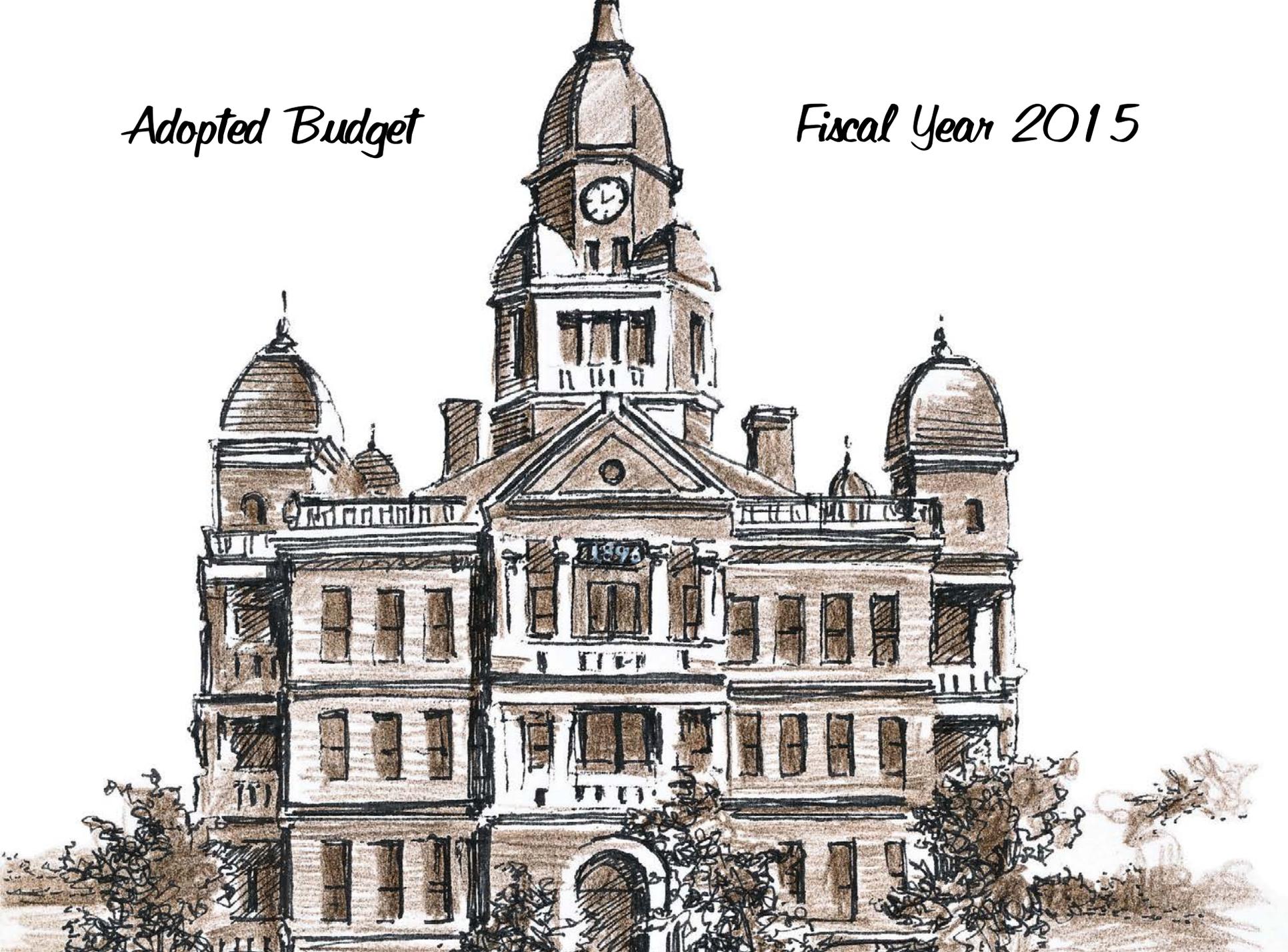


*Adopted Budget*

*Fiscal Year 2015*



# **Denton County, Texas**

## **Adopted Budget**

**September 2, 2014**

**10:00 a.m.**

# Public Notices/Posting Requirements

- Public Hearing Notice for the Proposed Budget was advertised in the Denton Record Chronicle according to the provisions in the Local Government Code on August 18th
- Public Hearing Notice for the Proposed Budget was posted on the main page of the Denton County web-site
- A copy of the Proposed Budget was filed with the County Clerk, County Auditor and Budget Office on August 27th
- The Proposed Budget was posted on the Denton County web-site on August 27th for public inspection and review

# Denton County, Texas

## FY 2014-2015 Budget Calendar

<i>Feb 11</i>	<i>Initial Budget Meeting</i>
<i>March 3</i>	<i>Budget Preparation Packets Distributed</i>
<i>April 21</i>	<i>Deadline for Budget Requests</i>
<i>July 15</i>	<i>Presentation of Recommended Budget</i>
<i>July 22</i>	<i>Budget Workshop</i>
<i>July 29</i>	<i>Budget Workshop</i>
<i>August 5</i>	<i>Final Budget Workshop</i>
<i>August 19 and 26</i>	<i>Public Hearings on Proposed Tax Rate</i>
<i>August 27</i>	<i>Budget Filed for Public Inspection</i>
<i>September 2</i>	<i>Public Hearing on Budget</i>
<i>September 2</i>	<i>Adoption of Budget</i>
<i>September 2</i>	<i>Adoption of Tax Rate</i>

# Initial Budget Requests

## Summary of Tax Levies & Projected Fund Balances

- Initial Requests totaled \$247.1 million
- Increase of \$23 million
- Tax Rate of \$0.29325 would be required
- 5.49% tax rate increase would have been required

# Budget Summary

- In the past couple of years we have seen a more positive economic outlook than in the past several years
- We continue to remain financially stable and have acceptable reserve funds
- We will continue to have a very low county tax rate

# Adopted Budget FY 2014

- FY2014 Budget = \$224,110,133
- FY2015 Budget = \$238,912,256
- Proposed Increase = \$ 14,802,123

# Denton County, Texas

## Budget Summary for All Funds (in millions)

	FY 2014	FY 2015
General Fund	\$131.7	\$141.6
Road & Bridge Fund	12.4	12.5
Juvenile Probation Fund	12.1	12.9
Debt Service Fund	46.9	49.4
Other Funds	21.0	22.5
<b>TOTAL</b>	<b>\$224.1</b>	<b>\$238.9</b>

# 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

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

# New Property Value

- New property value generates new revenue for a taxing unit. This helps offset property value losses for new exemptions and special appraisals granted for the first time in the current year.
- The taxing unit deducts new property value from the appraised values in the effective tax rate calculation
- New Property values total \$4,983,482 in new funds used in the FY2015 budget

# History of New Property Values

<u>Tax Year</u>	<u>New Property Value</u>	<u>Revenue</u>
• 2005	\$1.8 billion	\$4.5 million
• 2006	\$2.0 billion	\$4.6 million
• 2007	\$2.1 billion	\$5.0 million
• 2008	\$2.1 billion	\$5.0 million
• 2009	\$1.7 billion	\$4.3 million
• 2010	\$1.1 billion	\$2.9 million
• 2011	\$1.1 billion	\$3.0 million
• 2012	\$1.1 billion	\$3.1 million
• 2013	\$1.3 billion	\$3.7 million
• 2014	\$1.8 billion	\$5.0 million

# Summary of FY2014 and FY2015 Adopted County Tax Rate

- Current Tax Rate = \$0.284914
- Effective Tax Rate = \$0.266364
- Rollback Tax Rate = \$0.283544
- **Adopted Tax Rate = \$0.272200**
- Variance (Current vs. Proposed) = (\$0.012714)
- Variance (Effective vs. Proposed) = \$0.005836

The Adopted Tax Rate is **2.190986%** above the effective tax rate.

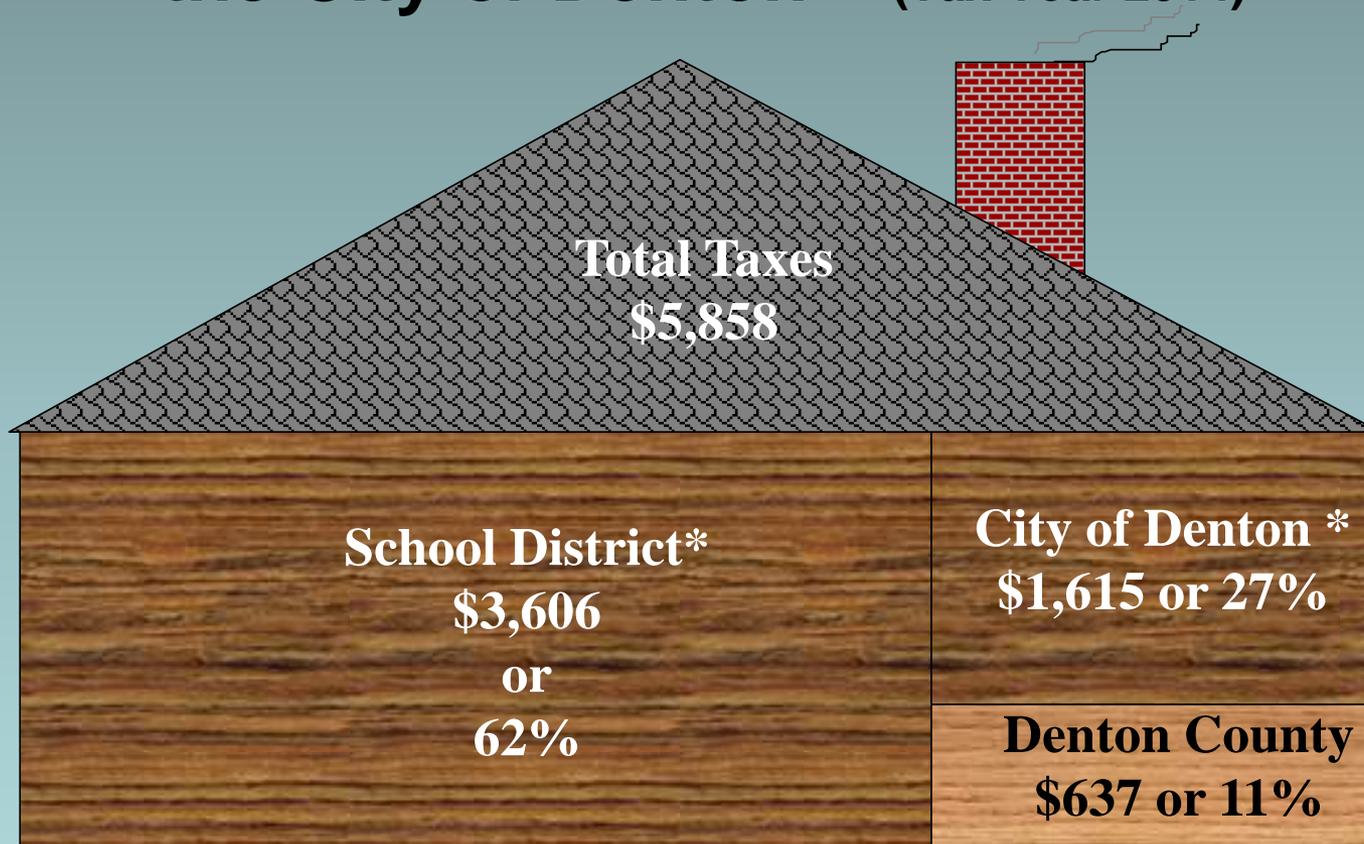
# Denton County, Texas

## Summary of Total Tax Levy

<b>Total Taxable Value in Denton County =</b>	<b>\$ 62,957,425,871</b>
<b>Total Tax Levy on Effective Tax Rate =</b>	<b>\$ 167,695,918</b>
<b>Total Tax Levy on Adopted Tax Rate =</b>	<b>\$ 171,370,113</b>
<b>Actual Increase In Taxes Above the Effective Rate =</b>	<b>\$ 3,674,195</b>

# Denton County, Texas

## Property Taxes for Average Home Owner in the City of Denton – (Tax Year 2014)



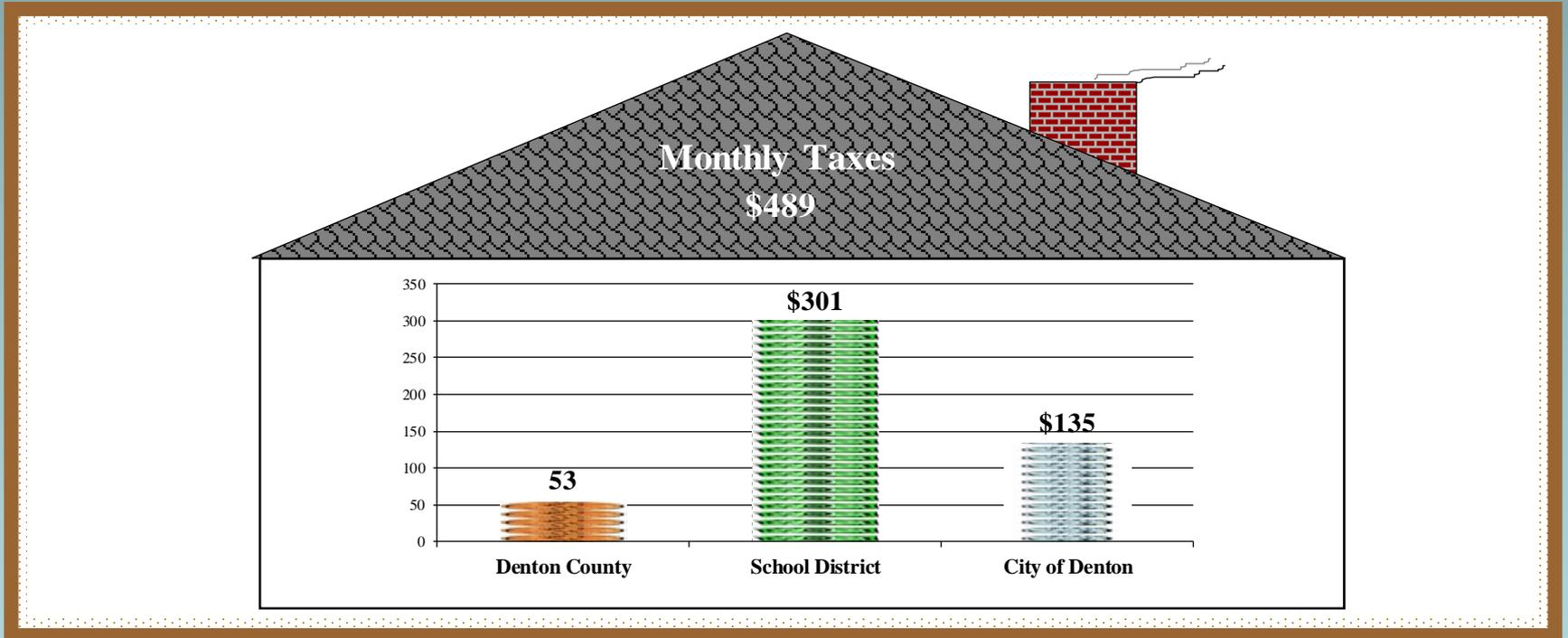
Based on the Average \$234,162 Denton County Home Value

\* Proposed Tax Rates: Denton County \$0.2722 / Denton ISD \$1.54 / City of Denton \$0.68975

# Denton County, Texas

## Average Home Value/Monthly Taxes

Based on the average Denton County Home Value of \$234,162



Based on proposed tax rates for each entity

# Denton County, Texas

## Current Tax Rate vs. Adopted Tax Rate

Sample Home Value	FY2014 Current Tax Rate	FY2015 Adopted Tax Rate	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	<b>0.284914</b>	<b>0.2722</b>		
\$100,000	\$284.91	\$272.20	(\$12.71)	(\$1.06)
\$234,162*	\$667.16	\$637.39	(\$29.77)	(\$2.48)

➤ 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 2014

# Denton County, Texas

## Effective Tax Rate vs. Adopted Tax Rate

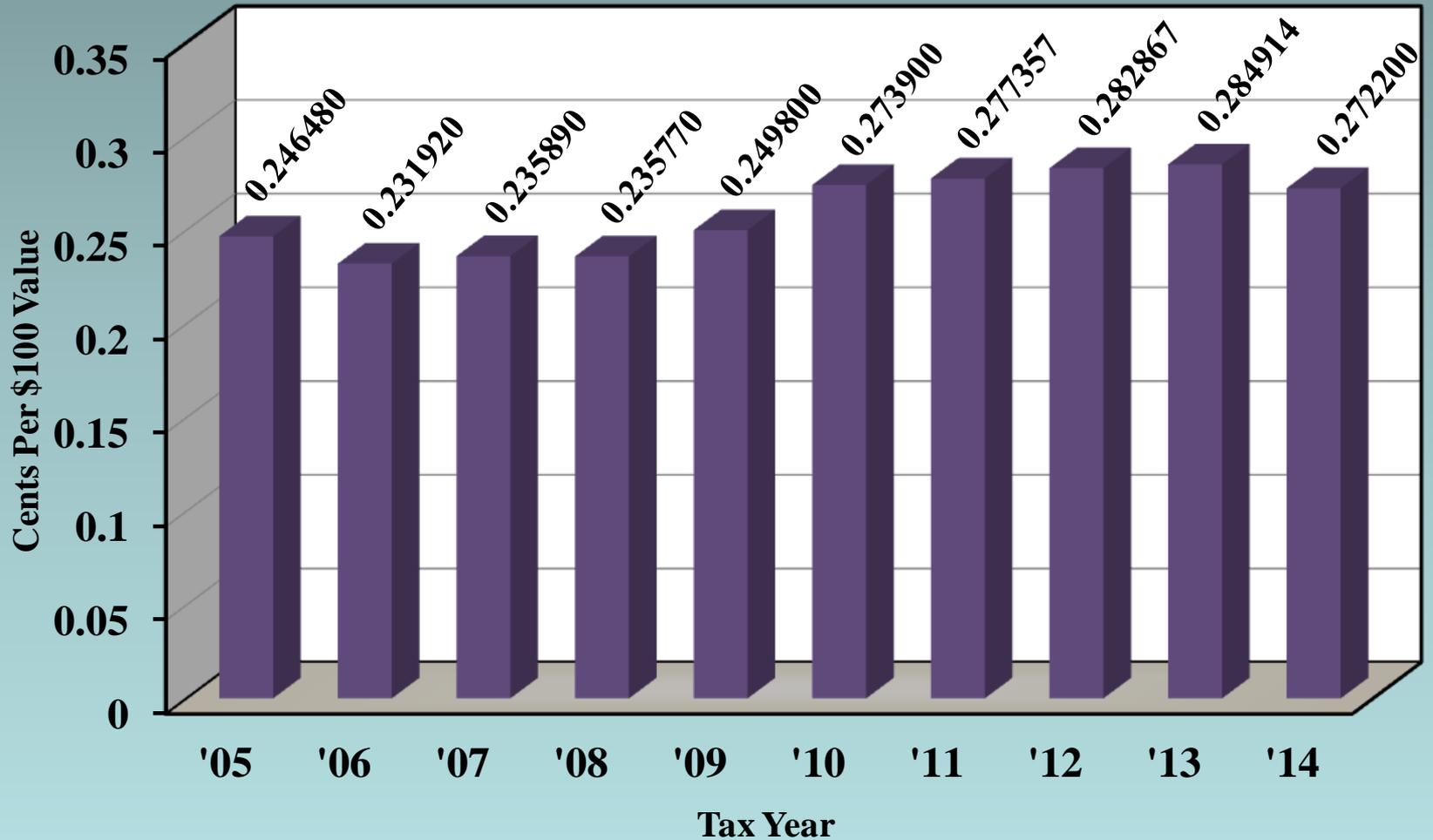
Sample Home Value	FY2015 Effective Tax Rate	FY2015 Adopted Tax Rate	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	<b>0.266364</b>	<b>0.2722</b>		
\$100,000	\$266.36	\$272.20	\$5.84	\$0.49
\$234,162*	\$623.72	\$637.39	\$13.67	\$1.14

➤ 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 2014

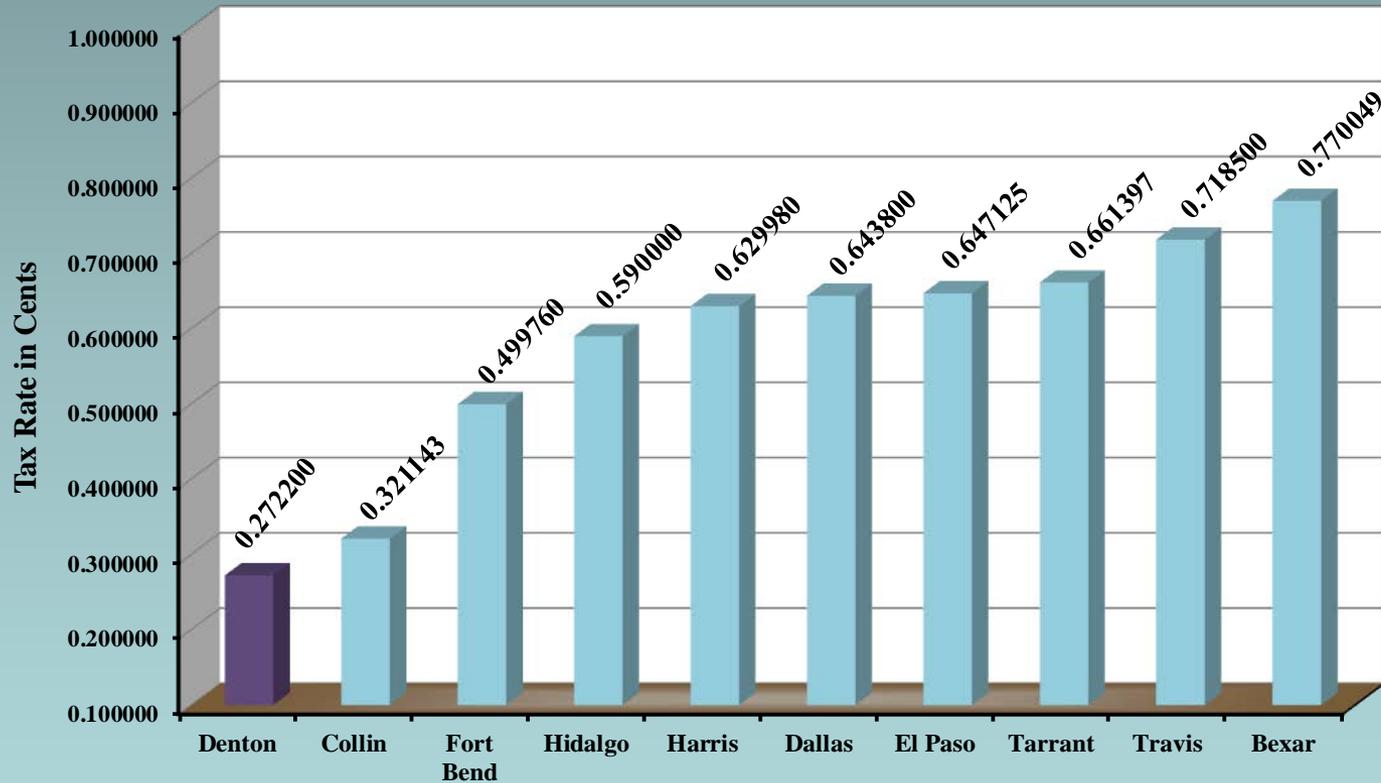
# Denton County, Texas

## Ten-Year Tax Rate History



# Denton County, Texas

## Comparison of Top 10 Texas Counties Combined County-Wide Tax Rates

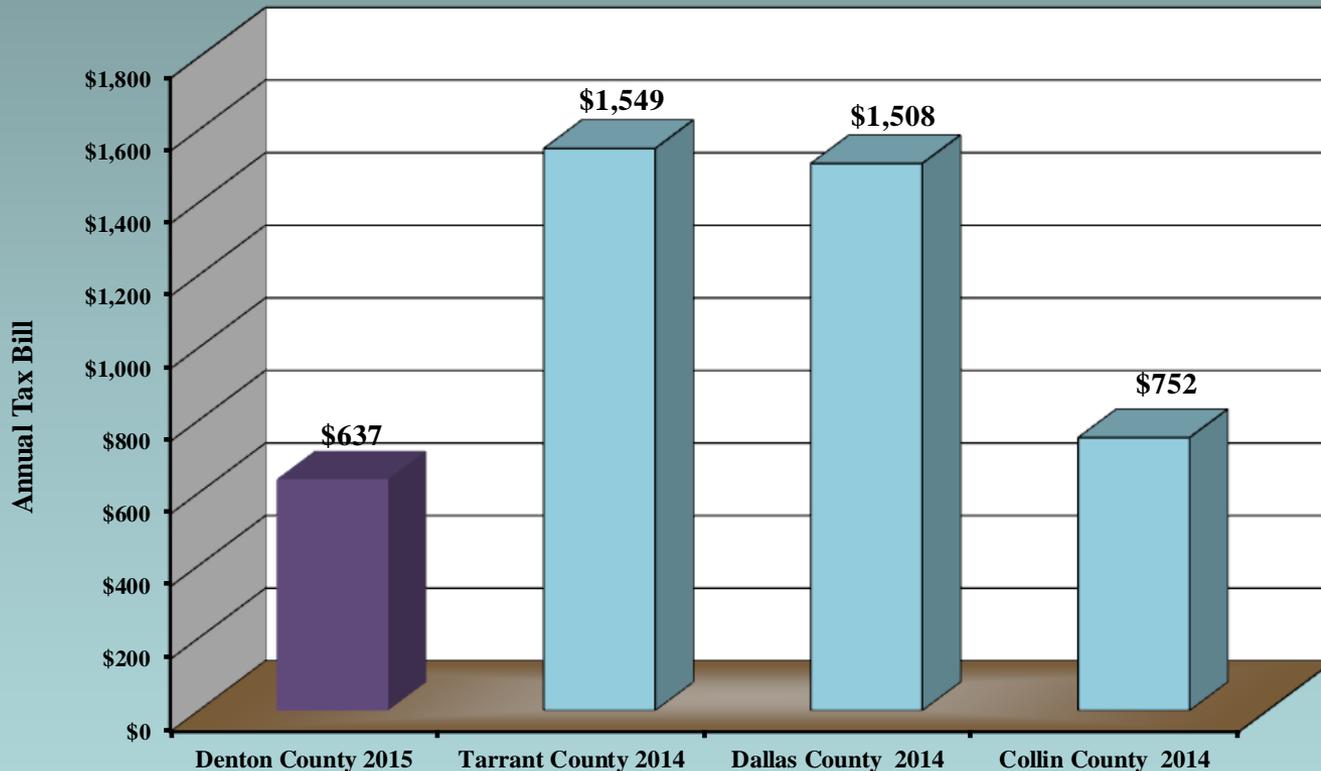


Denton County tax rate is the proposed rate for FY15. Other counties tax rates are the existing FY14 rates.

Includes tax rates assessed county-wide for the county including: County, Hospital District, Community College, Flood Control, Port Authority, etc.

# Denton County, Texas Tax Bill Comparison

Based on Denton County's average home value of \$234,162



This chart reflects Denton County's proposed tax rate for FY2015 while the other counties tax rates are the existing FY2014 rates. The totals include tax rates assessed county-wide within each county including County, Hospital District, and Community College District taxes.

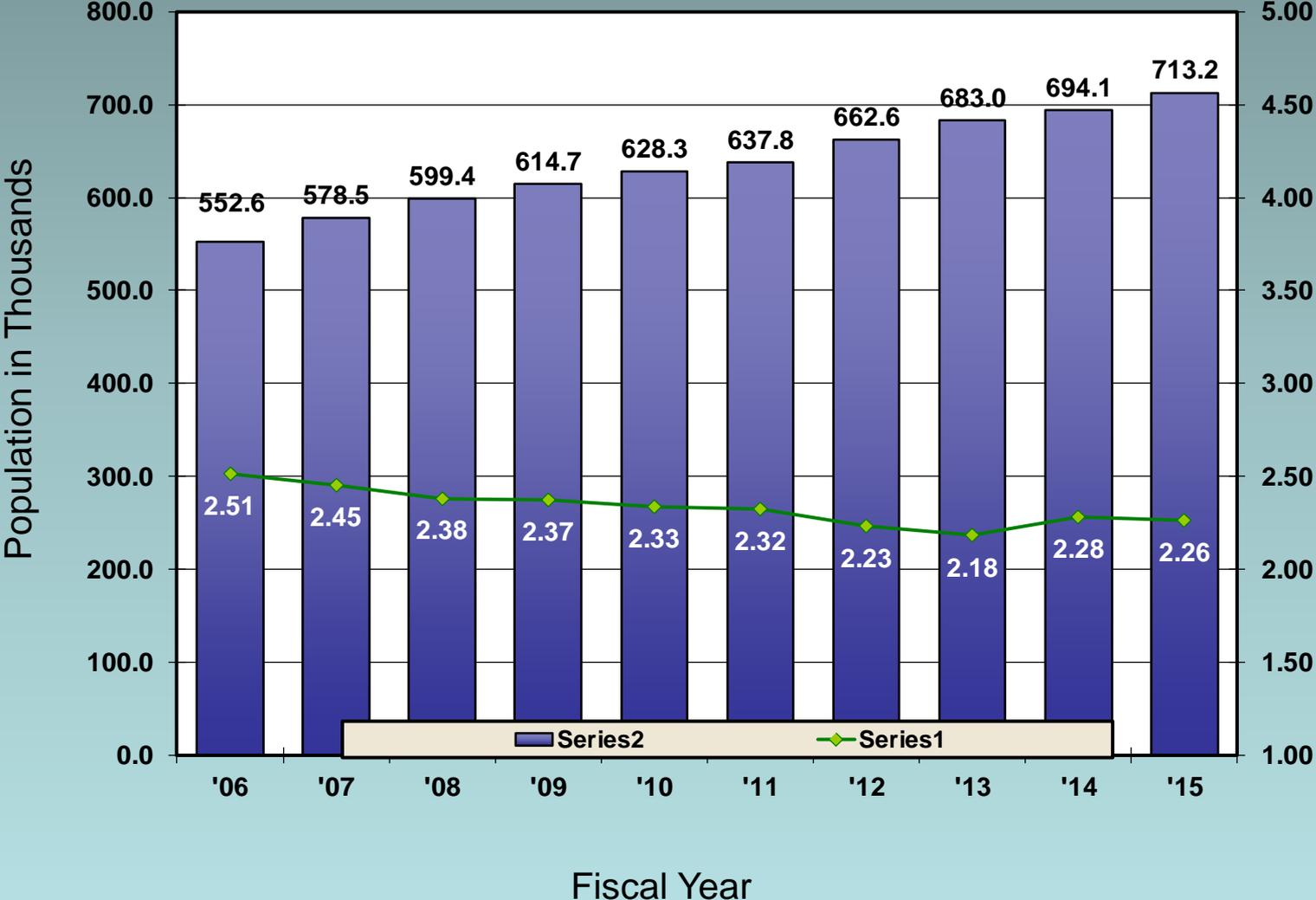
# Top 15 Counties Population/Employee

County	Population	# Employees	# Emp Per 1000 Population
Harris	4,275,000	14,999	3.51
Dallas	2,454,000	6,291	2.56
Tarrant	1,850,000	4,647	2.51
Bexar	1,785,704	4,612	2.58
Travis	1,095,584	5,001	4.56
ElPaso	820,790	2,904	3.54
Collin	834,642	1,802	2.16
Hidalgo	806,552	3,033	3.76
Denton	713,200	1,614	2.26
Fort Bend	627,293	2,210	3.52
Montgomery	485,047	2,089	4.31
Williamson	479,989	1,542	3.21
Cameron	406,220	1,639	4.03
Nueces	347,691	1,174	3.38
Brazoria	313,166	1,356	4.33

Denton County information is based on the Adopted FY15 budget. Information for other counties is based on FY14 data.

# Denton County, Texas

## Number of Employees per Capita



# Denton County, Texas

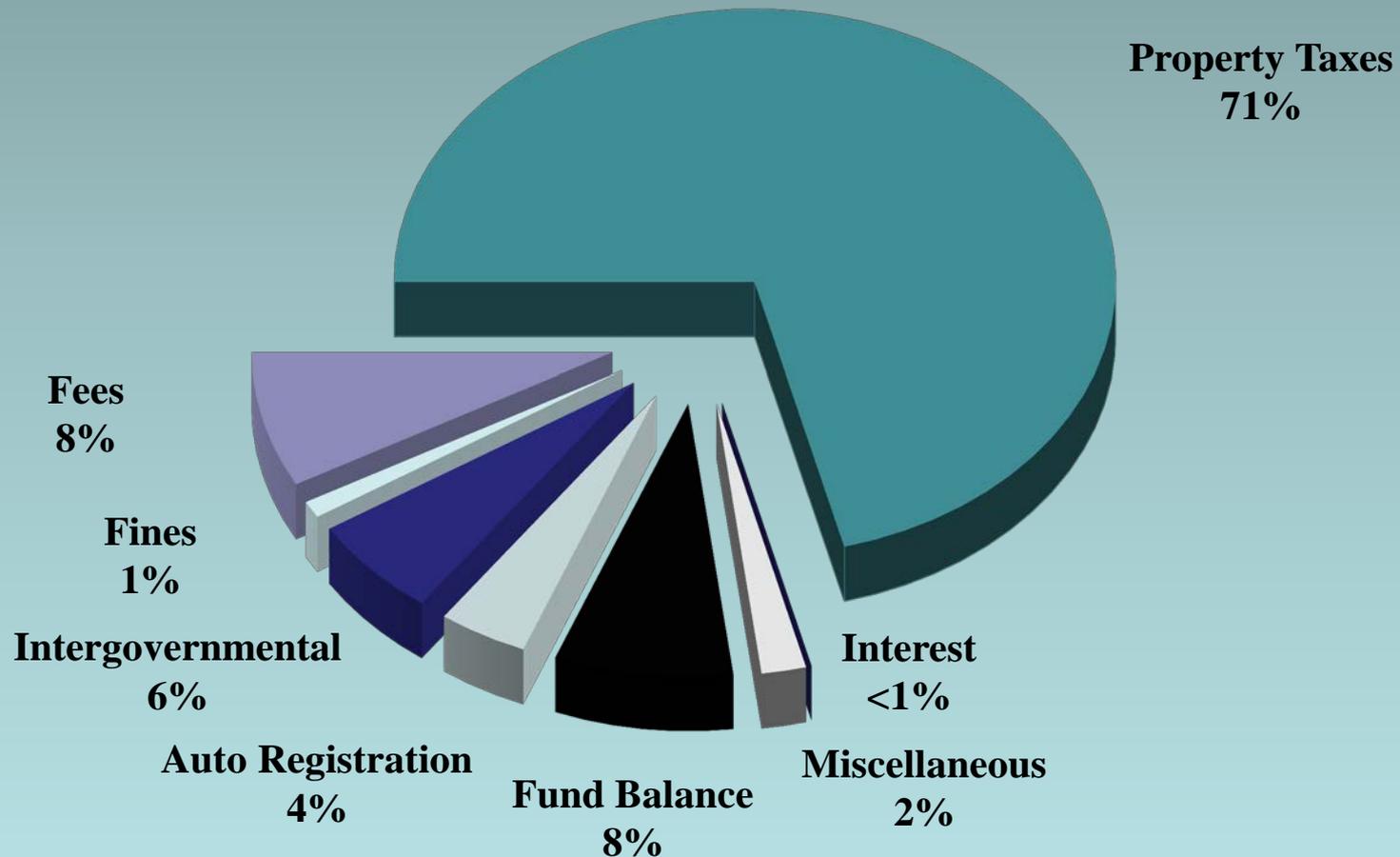
## Revenue Changes

• Taxes above the Effective Tax Rate	\$ 3,674,195
• Taxes from New Property	\$ 4,983,482
• Taxes from Additional Tax Roll	\$ 940,567
• Auto Registration	\$ 1,050,000
• Intergovernmental	\$ 512,327
• Fees	\$ 469,000
• Fines	\$ (85,000)
• Miscellaneous and Transfers	\$ 45,674
• Interest Earnings	<u>\$ (93,700)</u>
• <b>Total Revenue Changes</b>	<b>\$11,496,545</b>

# Denton County, Texas

## Revenue Summary by Function

**\$238,912,256**



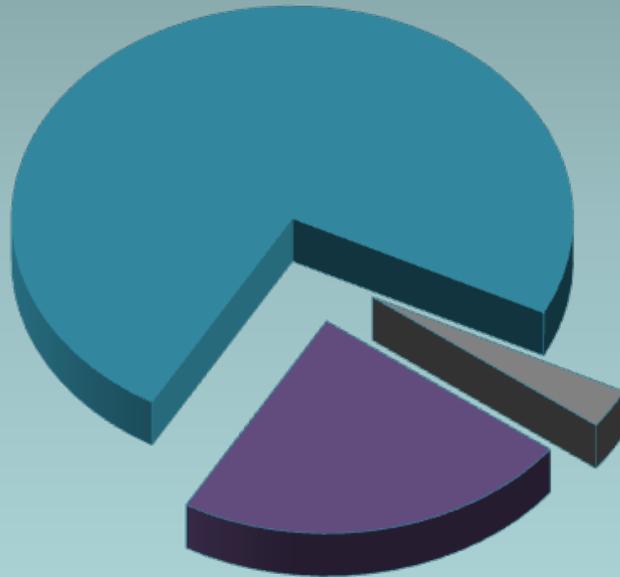
# Denton County, Texas

## Property Tax Revenue by Category

**\$171,370,113**

**Residential**

**72%**



**Mineral**

**2%**

**Commercial**

**26%**

# 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
  - (22) 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
  - Information Services
  - Elections
  - Veterans Service
  - Public Works
- **Facilities Management**

# Denton County, Texas

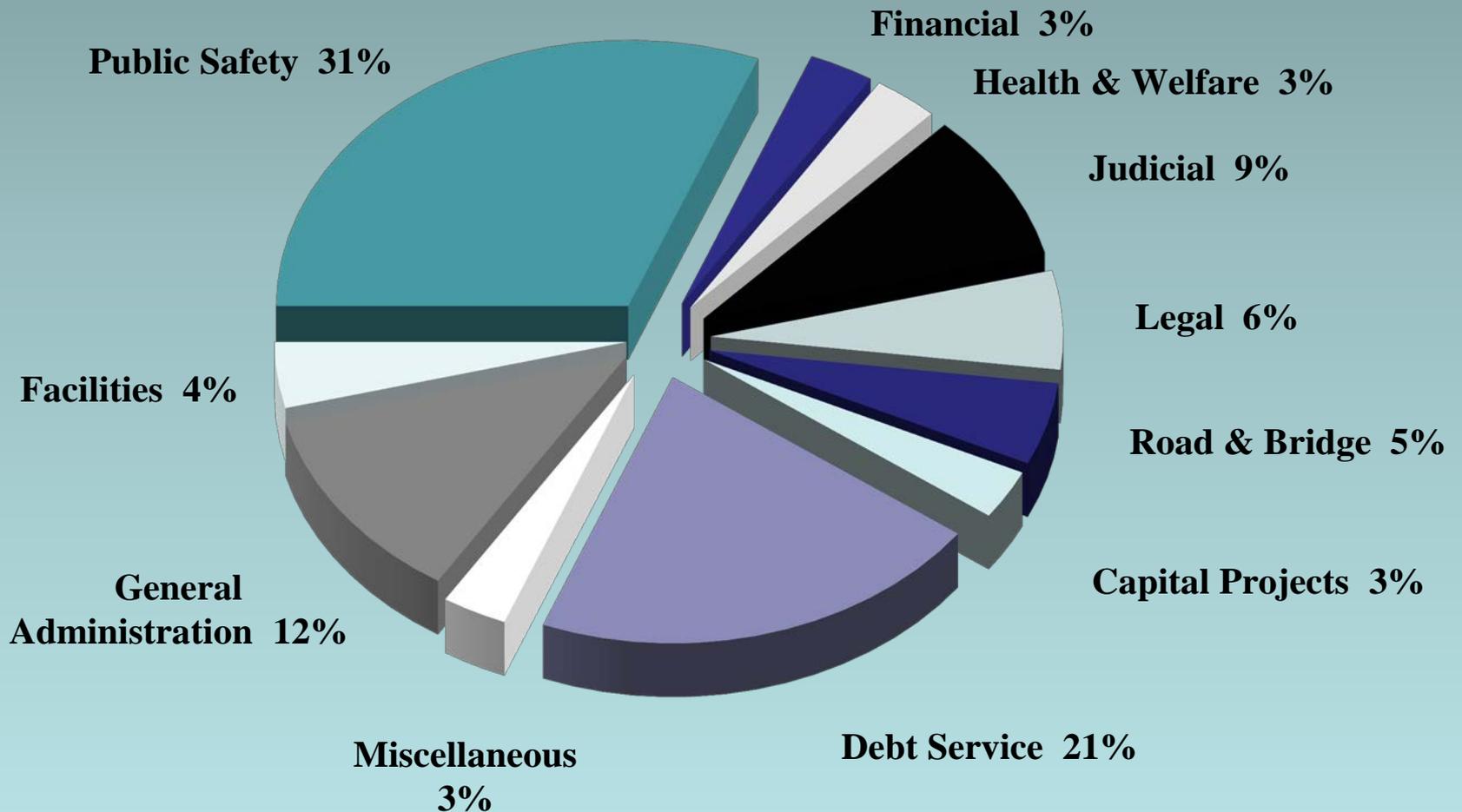
## FY 2014-2015 Expenditure Changes

• Jail and Juvenile Expansion – Deferred Hires & Operating	\$ 3,179,103
• Additional Jail and Juvenile Expansion – 4 New Hires	\$ 216,000
• New District Court – 7 New Hires	\$ 753,000
• 4% Raises/Reclassifications/Pay Scale Adjustments/Benefits	\$ 3,730,000
• Debt Service Payments	\$ 2,515,000
• Increased Patrol – 6 New Sheriff Patrol Deputies	\$ 1,298,000
• Other New Hires (14 in various departments)	\$ 1,049,000
• Capital Replacement Contingency Funds	\$ 1,300,000
• Capital Equipment (excluding new hire expenses)	\$ 330,000
• Repairs and Maintenance (Computer-related and facilities)	\$ 517,000
• Lease Payments	\$ 229,000
• Wellness Program	\$ 158,000
• Fire Calls – increased per call rate	\$ 80,000
• Miscellaneous Reductions	<u>\$ (551,980)</u>
<b>• GRAND TOTAL / CHANGES</b>	<b><u>\$ 14,802,123</u></b>

# Denton County, Texas

## Expense Summary by Function

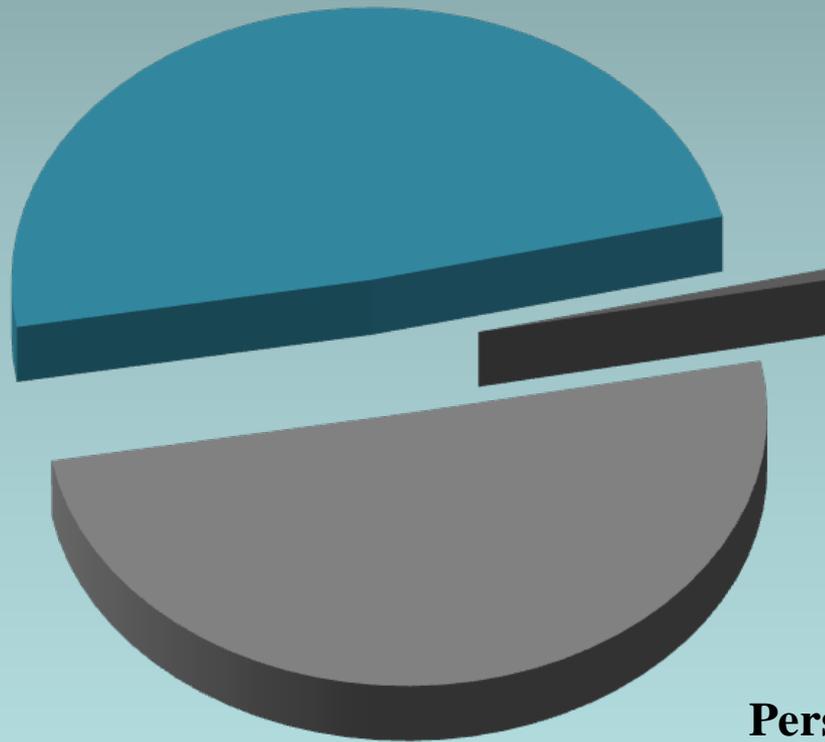
**\$238,912,256**



# Expense Summary by Category

**\$238,912,256**

**Maintenance &  
Operations  
49.04%**



**Capital  
.64%**

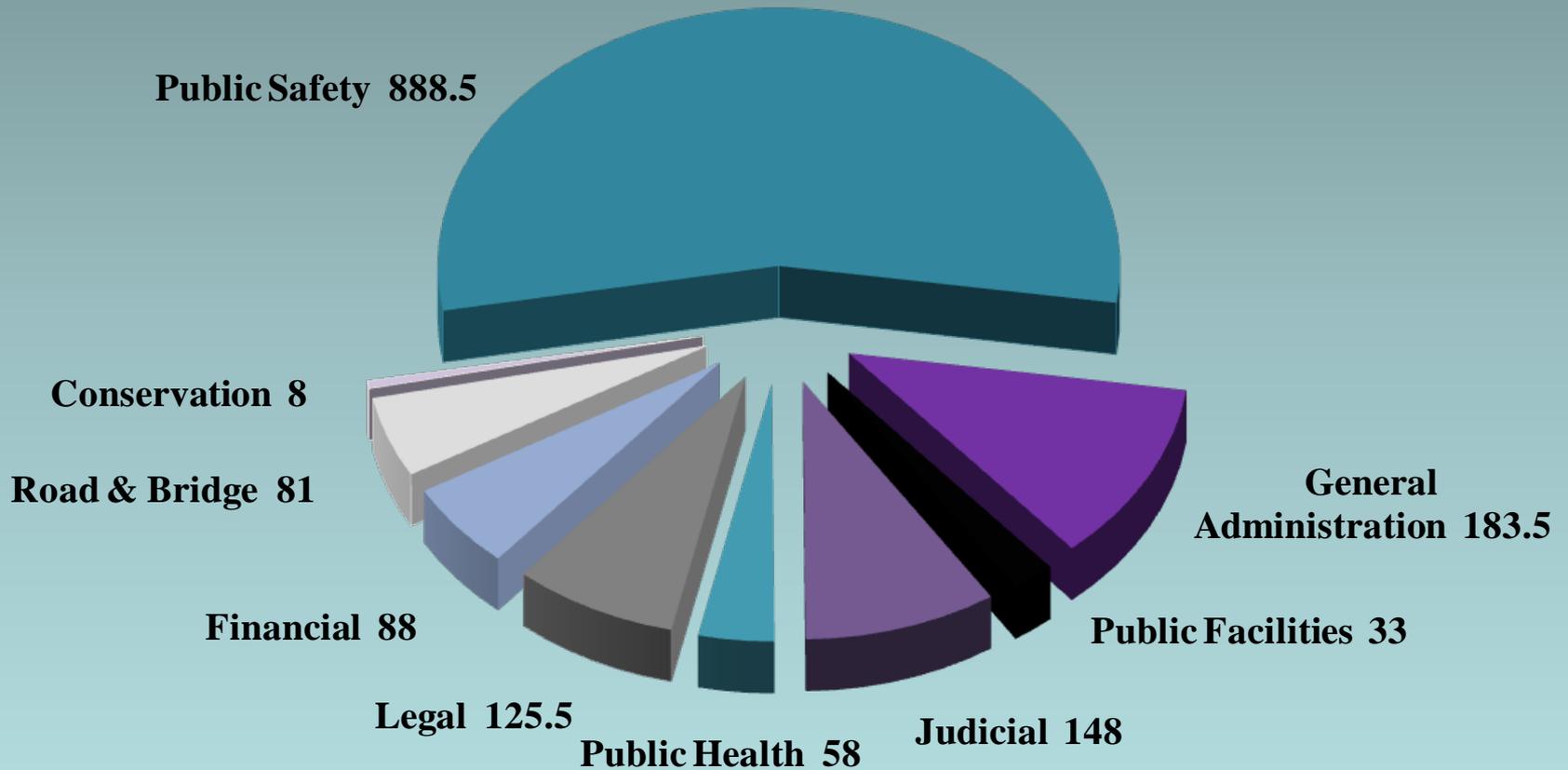
**Personnel  
50.32**

# New Employee Requests

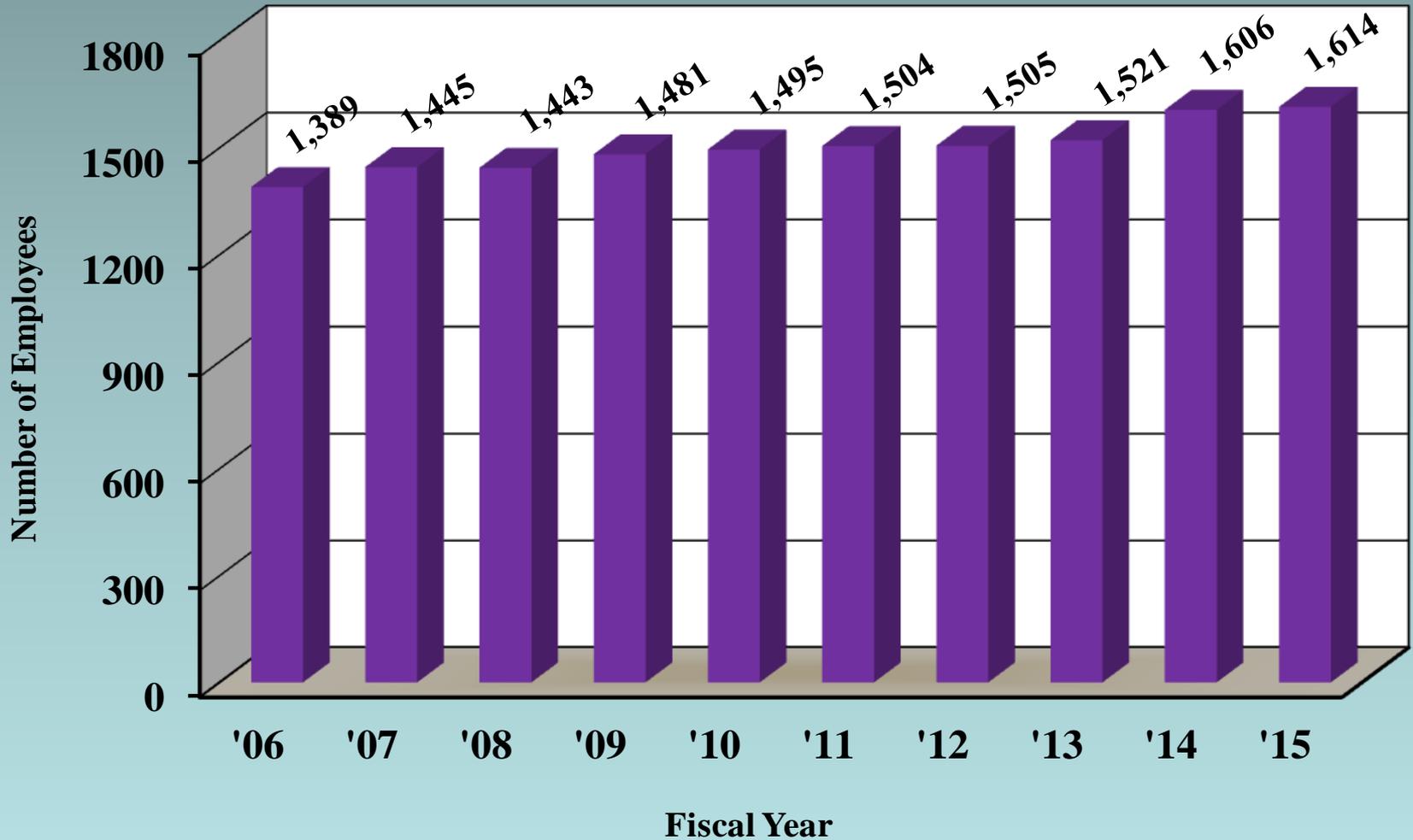
- **# Requested by Departments = 47**
- **# Included in Recommended Budget = 22**
- **# Included in Adopted Budget = 31**
  - (1) Purchasing
  - (3) Technology Services
  - (7) New District Court
  - (1) Elections
  - (1) Probate Court
  - (1) District Clerk
  - (1) Criminal DA
  - (2) Facilities Management
  - (1) County Jail
  - (6) Sheriff's Department
  - (1) Constable, Pct. #5
  - (1) Road & Bridge Engineering
  - (1) Public Health Clinical (PT to FT)
  - (4) Jail and Juvenile Expansion

# Employee Summary by Function

## Total # of Employees 1613.5



# Ten Year Employee History



# **Jail and Juvenile Expansion Summary Budget Impact**

<b><u>Department</u></b>	<b><u>FY2014</u></b>	<b><u>FY2015</u></b>
<b>Jail Expansion</b>	<b>\$ 1,271,100</b>	<b>\$ 2,661,310</b>
<b>Juvenile Expansion</b>	<b>\$ 994,313</b>	<b>\$ 517,793</b>
<b>GRAND TOTAL</b>	<b>\$ 2,265,413</b>	<b>\$ 3,179,103</b>

**\$1.4 million less than estimated impact of \$4.6 million in FY14. Reduction is the result of a decision to phase-in the Detention portion of the facility. Only three positions included in FY15 vs. original estimate of twenty positions.**

**Denton County, Texas**  
**Summary of Voter Approved Projects**  
**Included in Debt Service Payments for FY2015:**

– <b>County Roads</b>	<b>\$ 3,078,372</b>
– <b>TRIP '08 Roads</b>	<b>\$ 26,314,098</b>
– <b>Building/Technology Projects</b>	<b><u>\$ 292,530</u></b>
– <b><i>TOTAL VOTER APPROVED PROJECTS</i></b>	<b><u>\$ 29,685,000</u></b>

***Increase in Taxes for Debt Service Payments for FY15 = \$3,005,426***

# Denton County, Texas

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

– <b>Pre-Trial Inmate and Transport Remodel Project</b>	<b>\$ 694,000</b>
– <b>Human Resource Management System</b>	<b>\$ 500,000</b>
– <b>Network for New County Facilities</b>	<b>\$ 344,000</b>
– <b>Courthouse Security Improvement Project</b>	<b>\$ 149,500</b>
– <b>Network Access Control System</b>	<b>\$ 223,800</b>
– <b>Radio System Modernization Project</b>	<b><u>\$ 9,288,700</u></b>
– <b><i>TOTAL TAX NOTE PROJECTS</i></b>	<b><u><u>\$ 11,200,000</u></u></b>

# Denton County, Texas

- **The tax rate increase above the calculated effective tax rate is for various voter approved projects**

**Increase in Taxes for Debt Service Payments = \$ 3,005,426**

**Operating Expenses for Voter Approved Projects = \$ 3,179,103**  
**(Jail and Juvenile Expansion)**

**Total Increased Debt Payments & Operating Exp = \$ 6,184,529**

**Actual Increase in Taxes Above Effective Rate = \$ 3,674,195**

**Amount Being Funded Without Increasing the  
Tax Rate Above the Adopted Rate = \$ 2,510,334**

# 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

## 2014 Outlook

### Moody's - Aaa

“The stable outlook reflects the sizable tax base anchored by two large universities and diverse cities in a growing area of the D/FW Metroplex. The outlook also reflects stable financial operations reflected in healthy reserve levels and a manageable direct debt burden with modest debt plans going forward.”

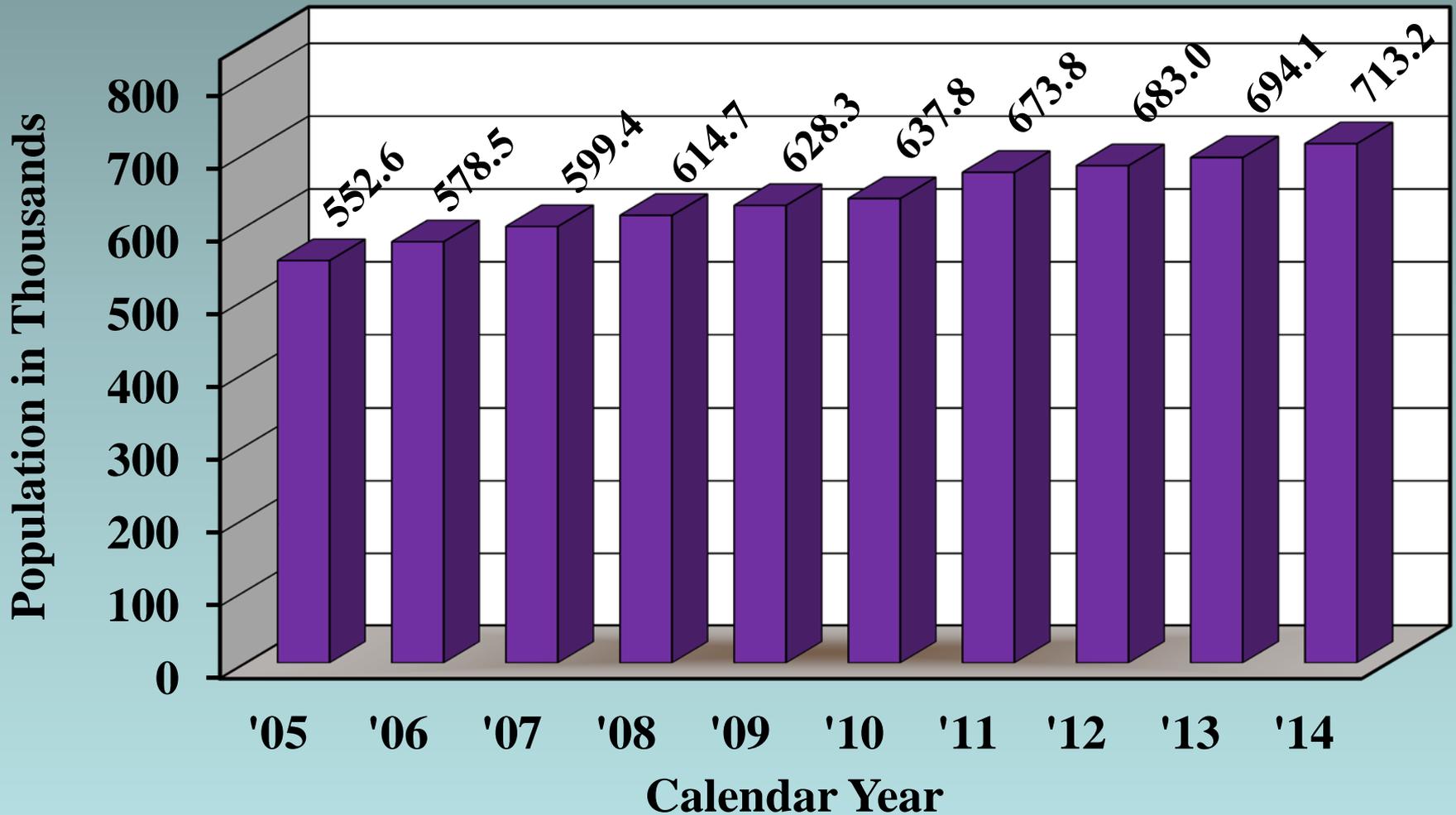
### Standard & Poor's – AAA

“The stable outlook reflects our expectation that the county will continue to benefit from its location in the Dallas-Fort Worth-Arlington MSA, allowing for continued property tax base growth. The outlook also reflects an expectation that the county will maintain its very strong budgetary flexibility and strong budgetary performance.”

# 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.

# Ten Year Population History



# Adopted Budget Overview

- Sound financial plan for the county
- Preserves high quality services
- Rewards employees for their continued hard work and dedication
- Provides for sufficient reserve funds
- Addresses some of the Courts priorities
- Continues Jail/Juvenile Expansion projects started mid 2014
- Funds a new district court
- Tax increase above the effective tax rate is for voter approved road and technology projects approved by the voters in a 2008 bond election
- Includes reduced expenses when feasible

- Questions / Comments

# County Budget Information Available

The FY2015 Adopted Budget is available  
on the Denton County Web-Site:

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

You can 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

- **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**
- **Chief Information Officer Kevin Carr and Staff**
- **Tax Assessor-Collector Michelle French and Stacey Dvoracek**
- **Vehicle Assessment Committee**

# **Acknowledgements**

**Jona Macsas – Assistant Budget Officer**

**LaDawn Fitzgearld – Budget Analyst**

**Donna Henrikson – Financial Support Specialist**

# Acknowledgements

