

Denton County, Texas

Public Hearings on Proposed Tax Rate

August 19, 2014 at 7:00 p.m.

and

August 26, 2014 at 10:00 a.m.

4 Principles of Truth-In-Taxation

- Property owners receive notices of increases in their properties' appraised value and estimated taxes that could result from the new value.
- Taxing units must publish its effective and rollback tax rates before adopting an actual rate.
- Notices must be published and taxing entity must hold two public hearings before adopting a tax rate that exceeds the lower of the rollback rate or the effective rate.
- If a taxing unit adopts a rate that exceeds the rollback rate, voters may petition for an election to limit the rate to the rollback rate.

Denton Central Appraisal District

Appraisal Districts were established in 1981 as a political subdivision and are responsible for appraising property for ad valorem tax purposes of each taxing unit.

Contact Information:

Chief Appraiser Rudy Durham

3911 Morse Street

Denton, Texas 76205

Metro: 972-434-2602

Fax: 940-387-4824

Public Hearing Notices

Proposed Tax Rate

- The “Notice of Proposed Property Tax Rate” has been advertised and posted according to the provisions detailed in the Local Government Code as follows:
- $\frac{1}{4}$ page notice appeared in the Denton Record Chronicle on Monday, August 11th.
- Notice was posted on the main page of the Denton County web site on August 11th and will remain posted through August 26th.
- Notice was provided to the local free-access cable station to run for 60 second periods at least 5 times per day between the hours of 7:00am and 9:00pm from August 11th through August 26th.

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

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

Summary of Current and Proposed County Tax Rate

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

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

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 proposed FY2015 budget

Denton County, Texas

Effective Rate vs. Proposed Rate

Sample Home Value	Effective Rate County Taxes	Proposed Rate County Taxes	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	\$0.266364	\$0.2722	Impact (Savings)	Impact (Savings)
\$100,000	\$266.36	\$272.20	\$5.84	\$0.49
\$150,000	\$399.55	\$408.30	\$8.75	\$0.73
\$200,000	\$532.73	\$544.40	\$11.67	\$0.97
\$234,162 (Avg. home value)	\$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.

Denton County, Texas

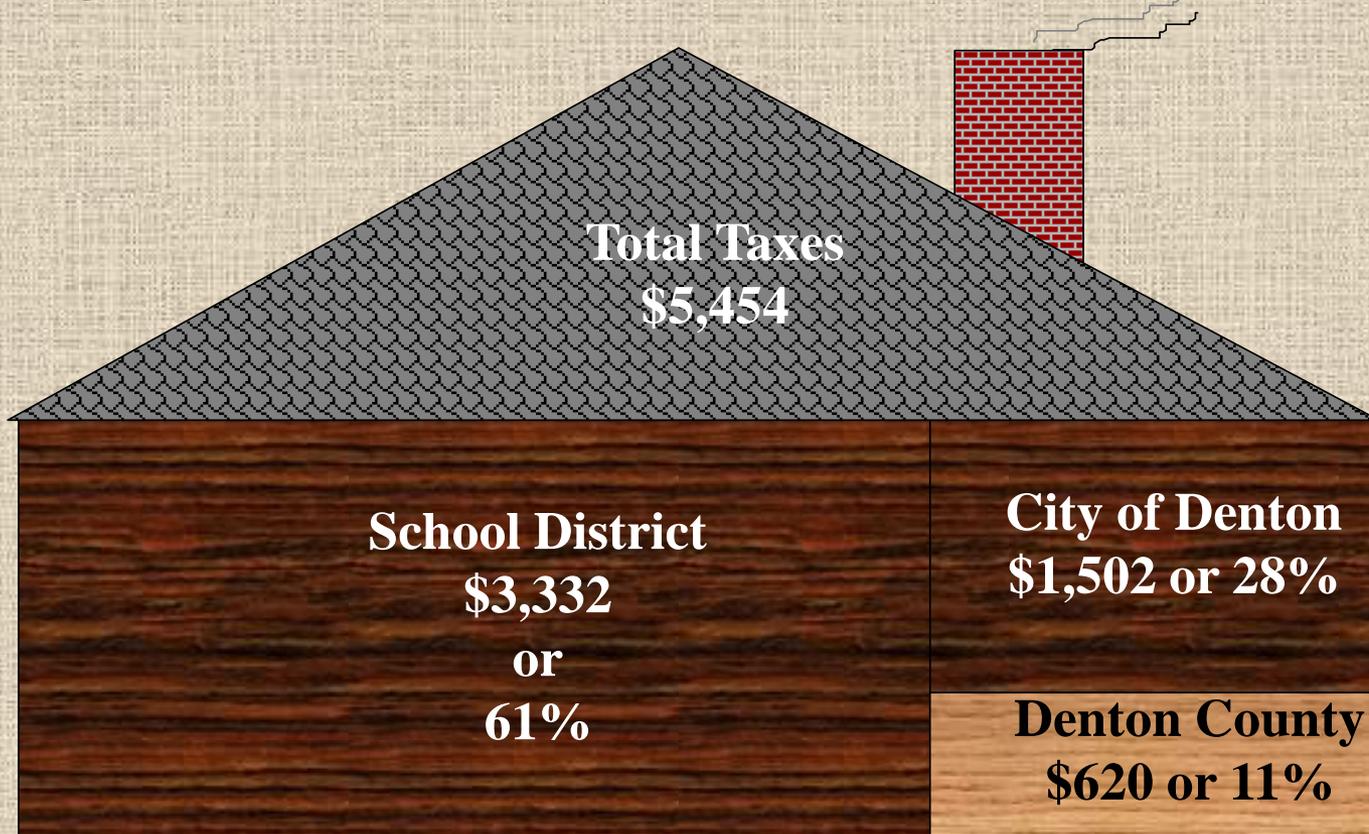
Current Rate vs. Proposed Rate

Sample Home Value	Current Rate County Taxes	Proposed Rate County Taxes	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	\$0.284914	\$0.2722	Impact (Savings)	Impact (Savings)
\$100,000	\$284.91	\$272.20	(\$12.71)	(\$1.06)
\$150,000	\$427.37	\$408.30	(\$19.07)	(\$1.59)
\$200,000	\$569.83	\$544.40	(\$25.43)	(\$2.12)
\$234,162 (Avg. home value)	\$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.

Denton County, Texas

Property Taxes for Average Home Owner City of Denton – Previous Year (Tax Year 2013)

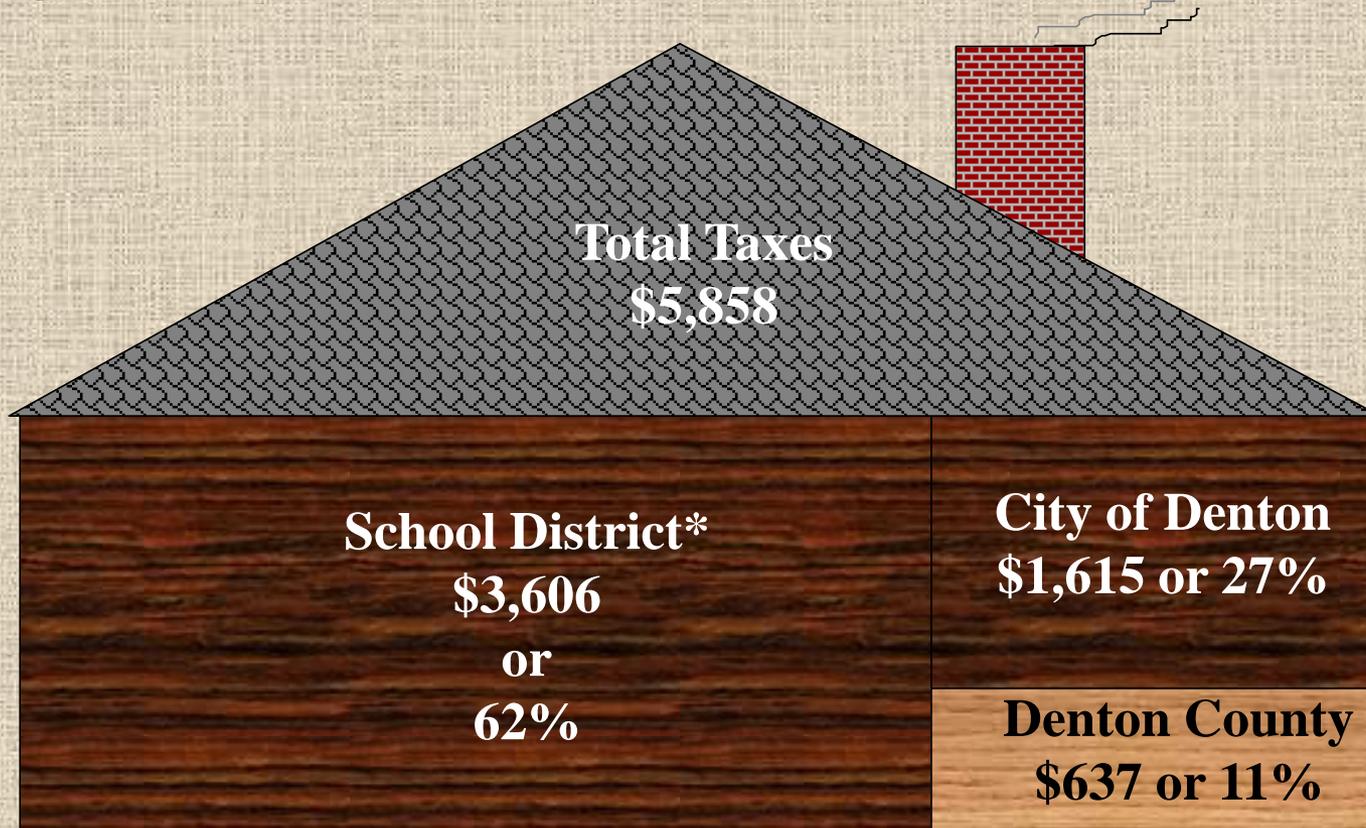


Based on the Average \$217,752 Denton County Home Value

Current Tax Rates: Denton County \$0.284914 / Denton ISD \$1.530 / City of Denton \$0.68975

Denton County, Texas

Property Taxes for Average Home Owner City of Denton – Proposed Rates (Tax Year 2014)



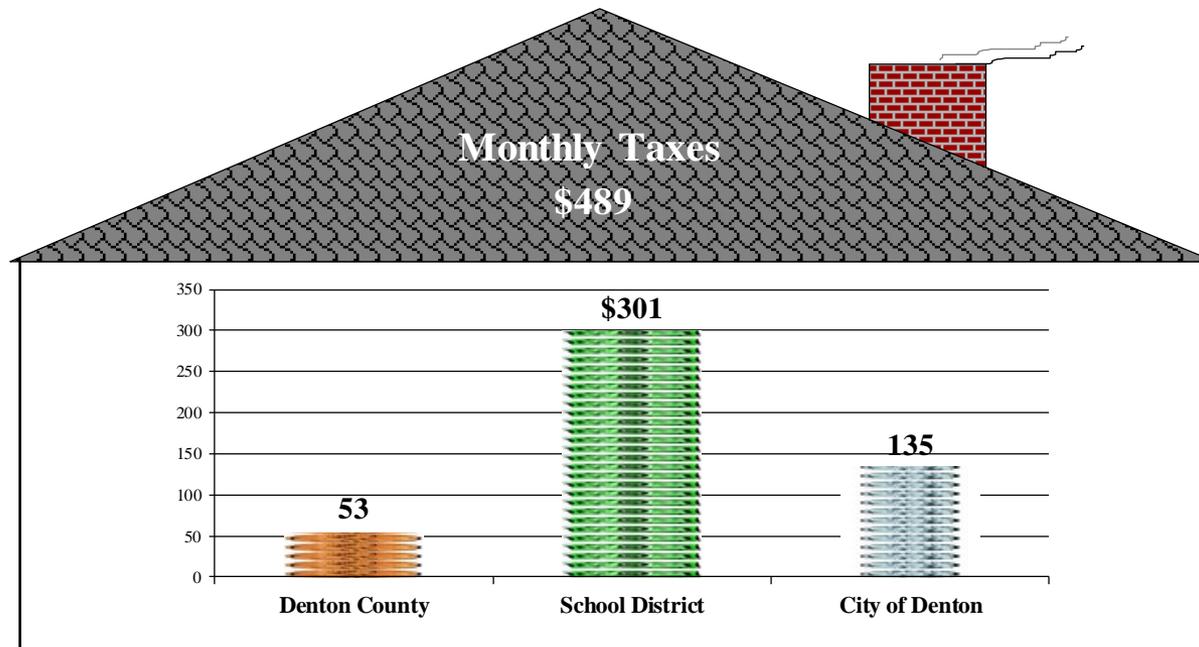
Based on the Average \$234,162 Denton County Home Value

* Proposed Tax Rates: Denton County \$0.2722 / Denton ISD \$1.540 / City of Denton \$0.68975

Denton County, Texas

Average Home Value/Monthly Taxes

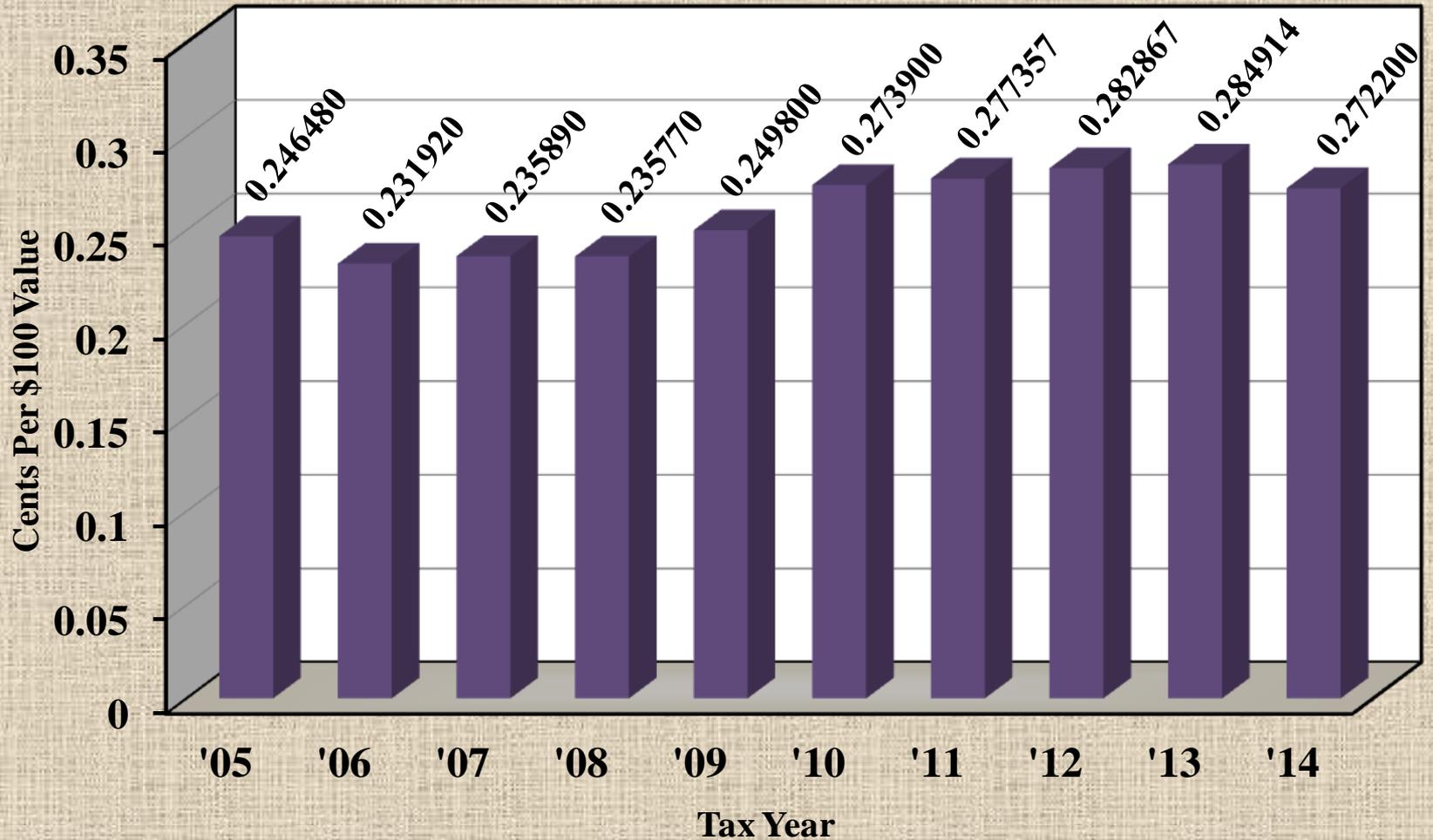
Based on the average Denton County Home Value of \$234,162



Based on proposed tax rates for each entity

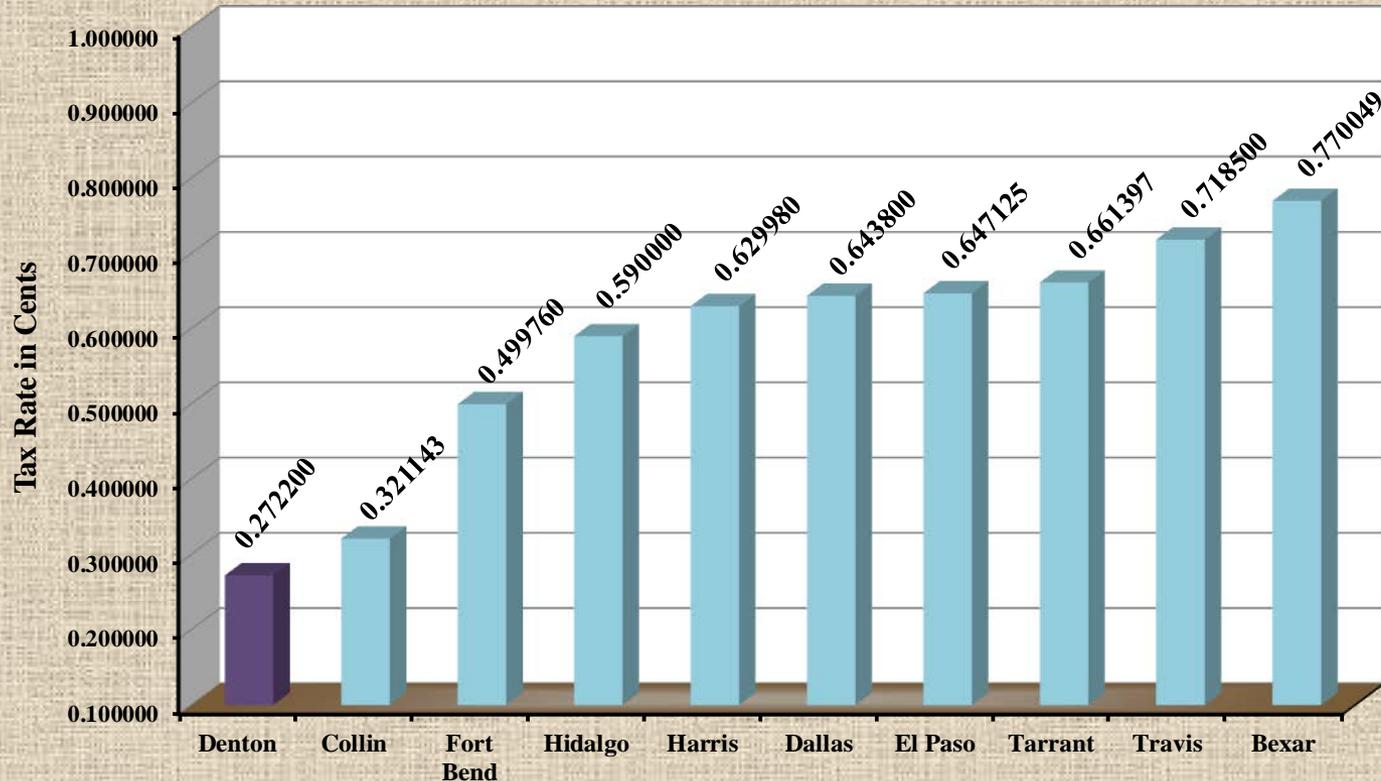
Denton County, Texas

Ten-Year Tax Rate History



Denton County, Texas

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

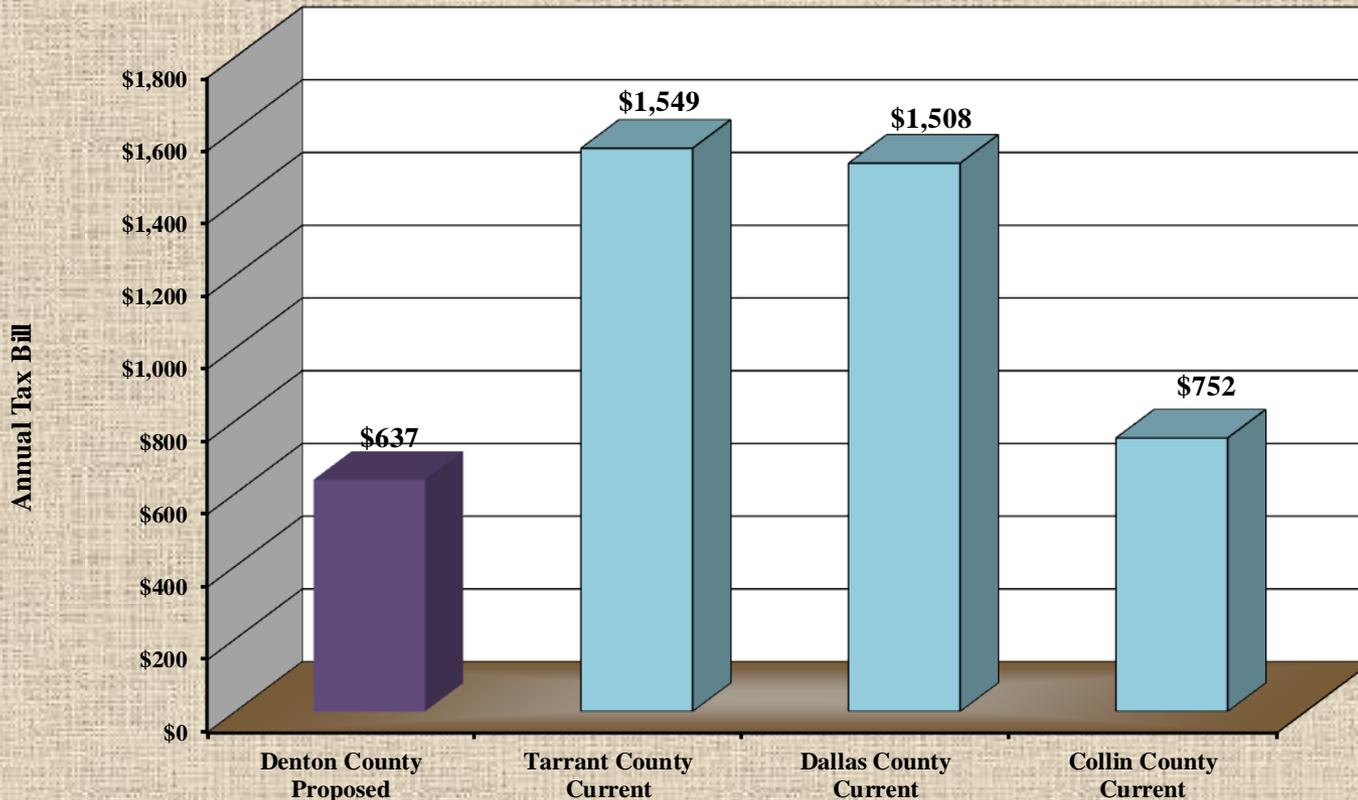


Denton County tax rate is the proposed rate for FY15. Other counties tax rates are the existing FY14 rates.

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.

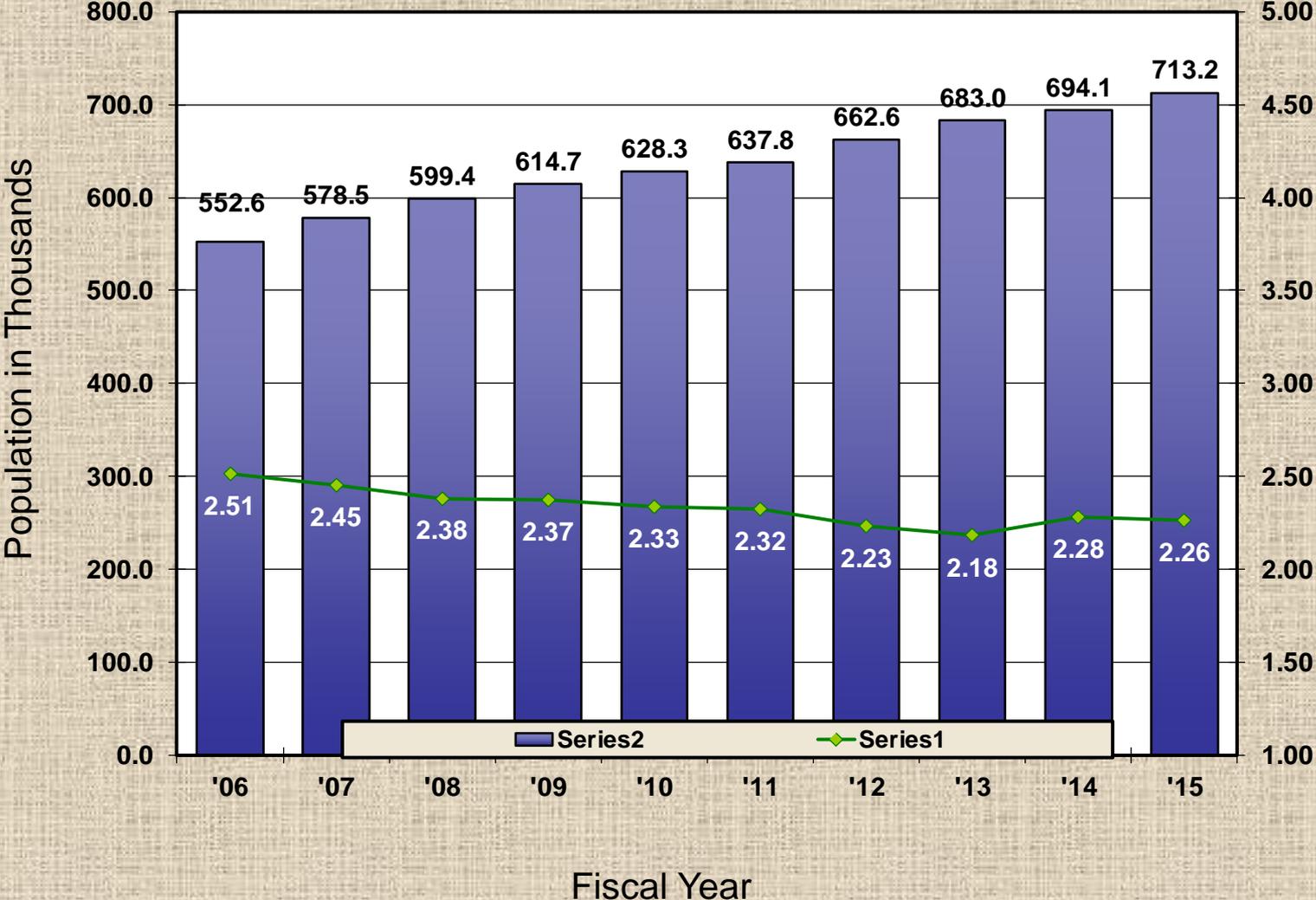
Top 15 Counties Population/Employee

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 proposed FY15 budget. Information for other counties is based on FY14 data.

Denton County, Texas

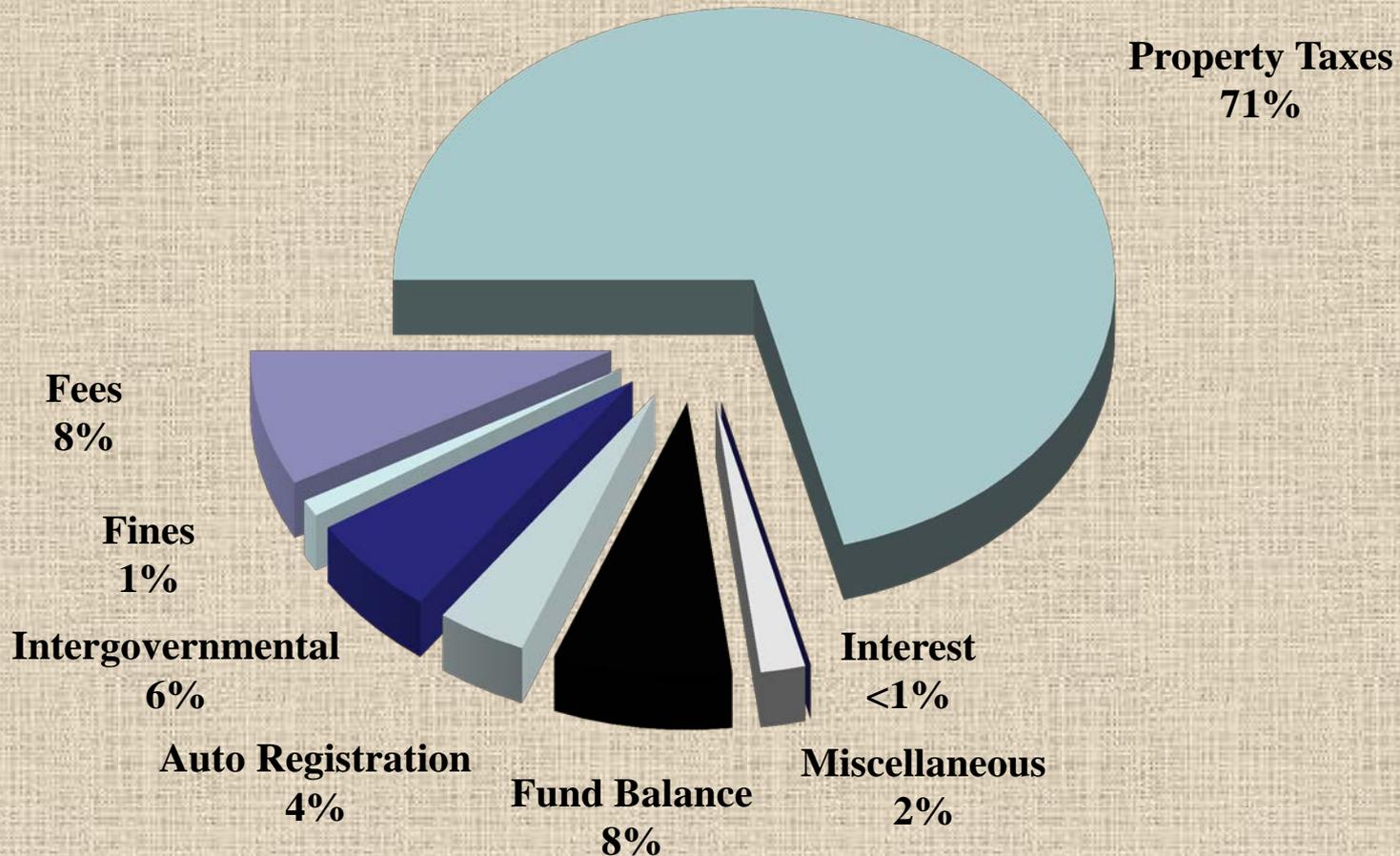
Number of Employees per Capita



Denton County, Texas

Revenue Summary by Function

\$238,912,256



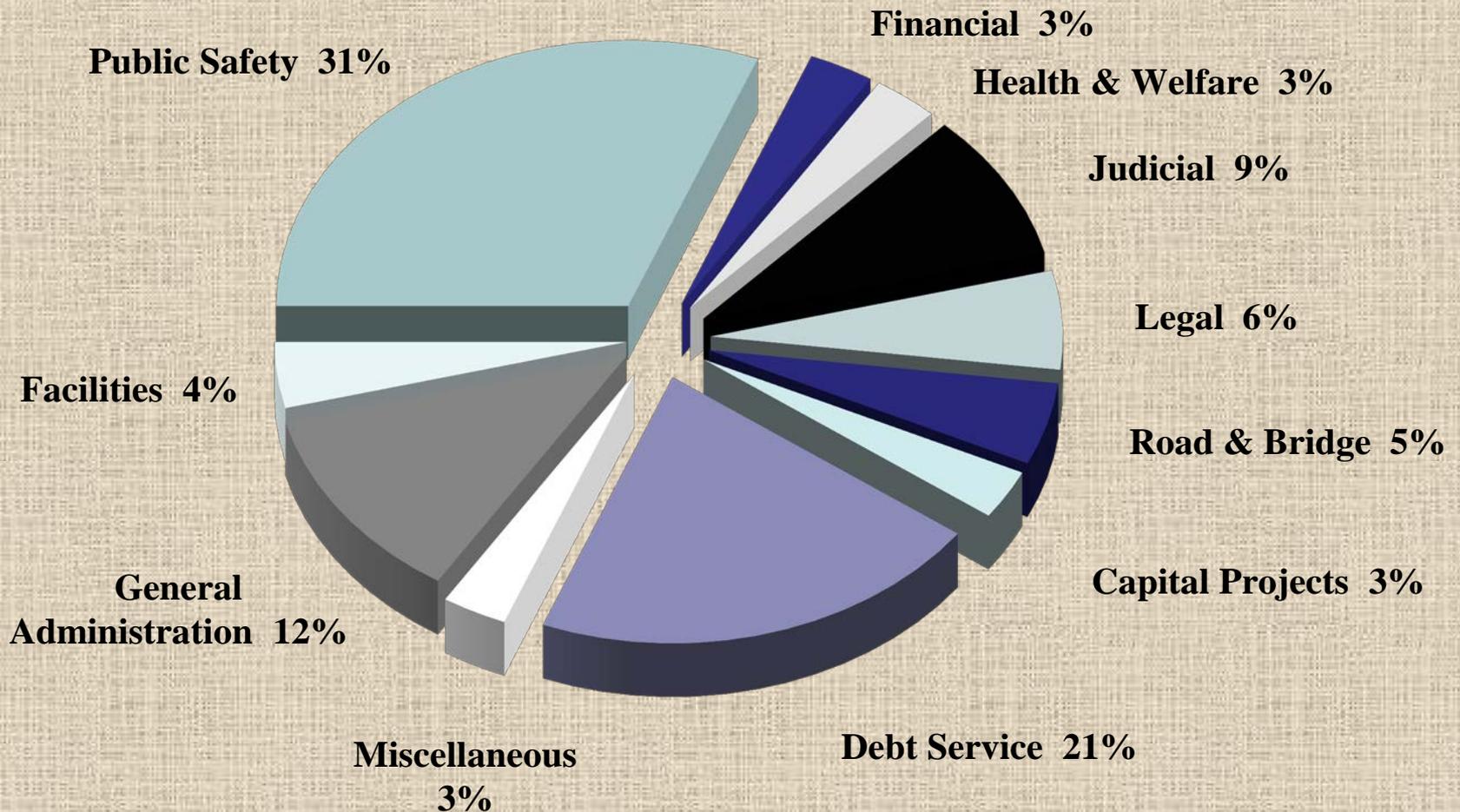
Functions of Denton County

- **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

Expense Summary by Function

\$238,912,256



Denton County, Texas

Proposed Budget FY 2015 – Major Changes

- **Increased Debt Payments-Voter Approved Road and Building Projects**
- **Jail & Juvenile Expansion (Deferred Hiring from FY2014 of 76 New Hires and Operating Exp) for the new voter approved facility projects**
- **4% Raises / Reclassifications / Benefit Increases for Employees/Officials**
- **New District Court effective January 1, 2015**
- **Increase in Capital Replacement Contingency Funds**
- **Increased Expenses for Employee Wellness Program**
- **Fire Call Funding Increase**
- **Increase in Vehicles/Computer Hardware & Software Expenses**

Denton County, Texas

Proposed Budget FY 2015 – Major Changes

- **New Employees Proposed:**
 - **Purchasing – Sourcing Manager**
 - **Technology Services – Mobile Systems Technician**
 - **Elections Administration – Elections Technician**
 - **442nd District Court – Judge, Court Reporter, Court Administrator, Bailiff, Family Law Attorney II, Paralegal, Investigator**
 - **Probate Court – Probate Court Attorney/Administrator**
 - **District Clerk – Software Application Manager**
 - **Justice Information System – (2) Application Support Technicians**
 - **Criminal District Attorney – Felony Intake Attorney**
 - **Law Enforcement Facility – Correction Facility Tech I**
 - **Facilities Management – Maint./Repair Specialist I and Landscape Project Manager**
 - **County Jail – Deputy Sheriff/Transport (Female)**
 - **Sheriff's Department – (6) Deputy Sheriff Patrol positions**
 - **Constable, Pct. #5 – Deputy Constable**
 - **Road and Bridge Engineering – Engineer**
 - **Juvenile Detention Expansion – (3) Juvenile Supervision Officers**
 - **Public Health Clinical – increase Part Time Primary Care Clinician to Full-Time**
- **Deleted Two Slots:**
 - **Constable, Pct. #1 (Deputy Constable) and Justice of the Peace, Pct. #1 (Court Clerk)**

Jail and Juvenile Expansion Summary Budget Impact

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

\$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

Increased Debt Service Payments-Voter Approved Road Projects

– TRIP ‘08 Roads, County Judge	\$ 4,788,608
– County Roads, Pct #1	3,078,372
– TRIP ‘08 Roads, Pct #1	<u>5,325,000</u>
– Sub-Total, Roads, Pct #1	8,403,372
– TRIP ‘08 Roads, Pct #2	4,180,218
– TRIP ‘08 Roads, Pct #3	6,000,000
– County Roads, Pct #4	0
– TRIP ‘08 Roads, Pct #4	<u>6,020,272</u>
– Sub-Total, Roads, Pct #4	6,020,272
– <i>TOTAL ROAD PROJECTS</i>	<u>\$ 29,392,470</u>

Denton County, Texas
Increased Debt Service Payments-Voter Approved Technology and Building Projects

– Fiber Optic Construction	<u>\$ 292,530</u>
– <i>Grand Total-Technology/Building Projects</i>	<u>\$ 292,530</u>

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

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

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

Denton County, Texas

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

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

Denton County, Texas

November 4, 2008 Bond Election Results

Proposition #1

**Road Projects @ \$310 million received 68.22% voter approval
(Issued to-date \$231,225,532 - Balance to Issue \$78,774,468)**

Proposition #2

**Building Projects @ \$185 million received 52.25% voter approval
(Issued to-date \$118,593,406 - Balance to Issue \$66,406,594)**

Total Projects approved by the voters totaled \$495 million

Denton County, Texas

- **The tax rate increase above the calculated effective tax rate.**

Total Taxable Value in Denton County = \$ 62,957,425,871

Total Tax Levy on Effective Tax Rate = \$ 167,695,918

Total Tax Levy on Proposed Tax Rate = \$ 171,370,113

Actual Increase In Taxes Above the Effective Rate = \$ 3,674,195

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 Proposed Rate = \$ 2,510,334**

Additional Information

Proposed budget will be on file in the Budget Office, County Clerk and County Auditor's Office and will be posted on the main page of the web site by Wednesday, August 27, 2014.

Public Hearing on the Proposed Budget - 10:00am on Tuesday September 2, 2014 at the Courthouse-on-the-Square in the Commissioners Courtroom.

Adoption of the budget is scheduled immediately following the public hearing.

Adoption of the tax rate will follow adoption of the budget at approximately 10:15am on September 2, 2014.

Questions / Comments

Public Participation

- Questions or comments
- Invite public input on the proposed tax rate

At the Conclusion of the Public Hearing

- **Announce the date, time and place that the proposed tax rate will be adopted.**
- **Schedule adoption of the tax rate for Tuesday, September 2, 2014 at 10:15am at the Courthouse on the Square, in the Commissioners Courtroom, 110 West Hickory, Denton, Texas.**