Public Hearing
Proposed Denton County Budget
FY2016

Denton County, Texas
FY 2015-2016 Budget Calendar

Feb 17	*Initial Budget Meeting*
March 3	*Budget Preparation Packets Distributed*
April 15 and 22	*Deadline for Budget Requests*
July 14	*Presentation of Recommended Budget*
July 28	*Budget Workshop for Appeals*
August 4	*Final Budget Workshop*
August 18	*1st Public Hearing on Proposed Tax Rate*
August 25	*2nd Public Hearing on Proposed Tax Rate*
August 26	*Budget Filed for Public Inspection*
September 1	*Public Hearing on Budget*
September 1	*Adoption of Budget*
September 1	*Adoption of Tax Rate*

Budget Outlook

- We are experiencing a more positive economic outlook than we have actually seen since 2008
- We continue to remain financially stable and have acceptable reserve funds
- We will continue to have a very low county tax rate

Proposed Budget
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 17th
- 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 26th
- The Proposed Budget was posted on the Denton County web-site on August 26th for public inspection and review

Initial Budget Requests
Summary of Tax Levies & Projected Fund Balances

- Initial Requests totaled $262.8 million
- Increase of $23.9 million
- Tax Rate of $0.273693 would be required
- 7.33% tax rate increase would have been required

Proposed Budget FY 2016

- FY2015 Budget = $238,912,256
- Proposed Budget = $254,890,520
- Proposed Increase = $ 15,978,264

Denton County, Texas

Budget Summary for All Funds (in millions)

	FY 2015	FY 2016
General Fund	$141.6	$150.3
Road & Bridge Fund	12.5	12.9
Juvenile Probation Fund	12.9	13.7
Debt Service Fund	49.4	52.3
Other Funds	22.5	25.7
TOTAL	$238.9	$254.9

Proposed Budget FY 2016

- The County Budget is divided into 23 separate funds

- 6 are partially funded with property taxes
  - General Fund
  - Juvenile Probation
  - Indigent Care
  - Road and Bridge
  - Public Health
  - Debt Service

- The remaining 17 are funded through special revenue or user fees.

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**

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

Generally, if values increase, the effective tax rate goes down; if values decrease, the effective tax rate goes up.

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 $7,050,033 in new funds used in the proposed FY2016 budget, an increase of $2.1 million.

History of New Property Values

Tax Year	New Property Value	Revenue
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
2015	$2.7 billion	$7.1 million

Summary of Current and Proposed County Tax Rate

- Current Tax Rate = $0.272200
- Effective Tax Rate = $0.255866
- Rollback Tax Rate = $0.270034
- Proposed Tax Rate = $0.262000
- Variance (Current vs. Proposed) = ($0.010200)
- Variance (Effective vs. Proposed) = $0.006134

The Proposed Tax Rate is 2.4% above the effective tax rate.

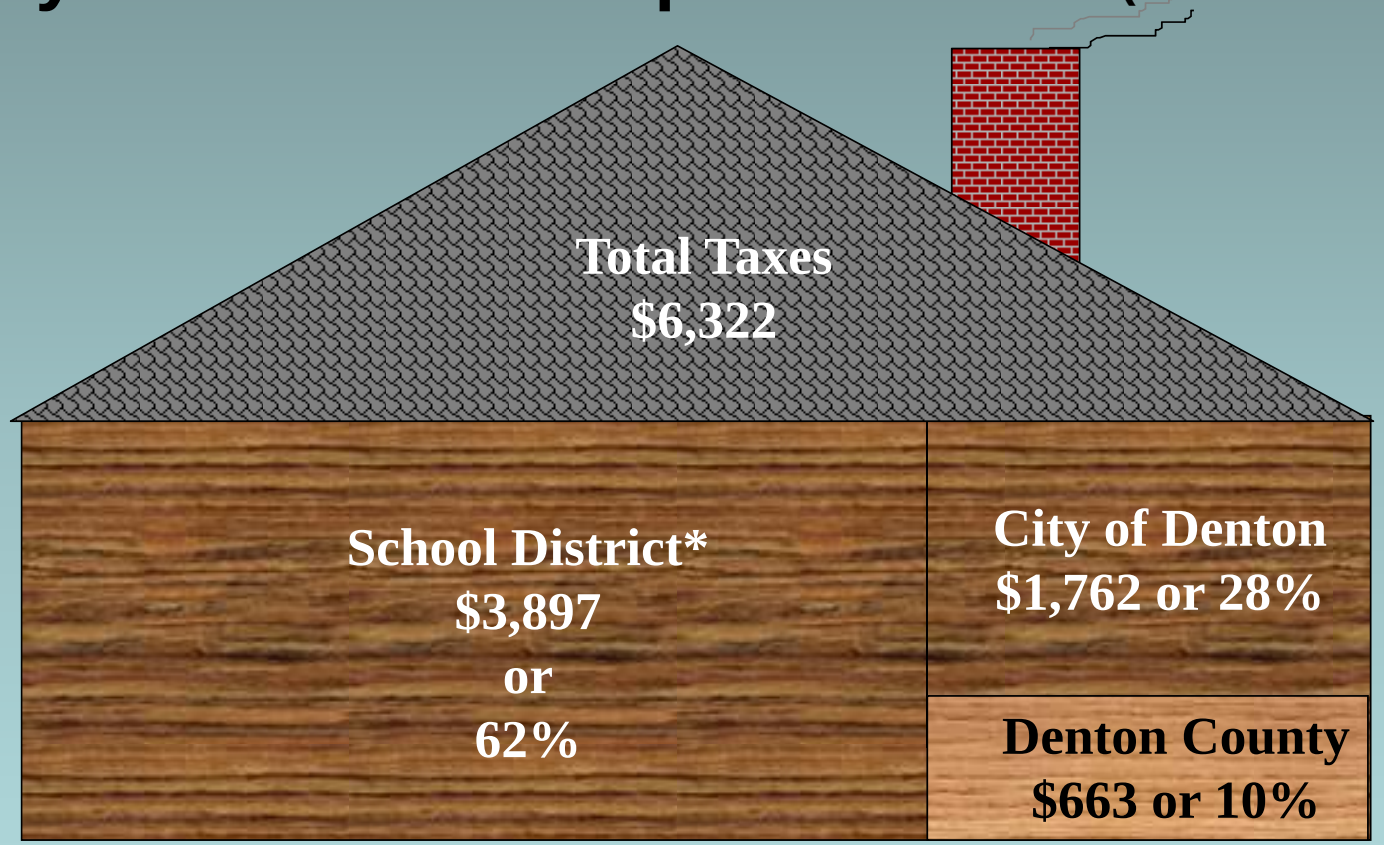
Denton County, Texas
Summary of Total Tax Levy

Total Taxable Value in Denton County =	**$ 70,141,788,055**
Total Tax Levy on Effective Tax Rate =	**$ 179,468,987**
Total Tax Levy on Proposed Tax Rate =	**$ 183,771,485**
Actual Increase In Taxes Above the Effective Rate =	**$ 4,302,498**

Denton County, Texas

Property Taxes for Average Home Owner

City of Denton – Proposed Rates (Tax Year 2015)



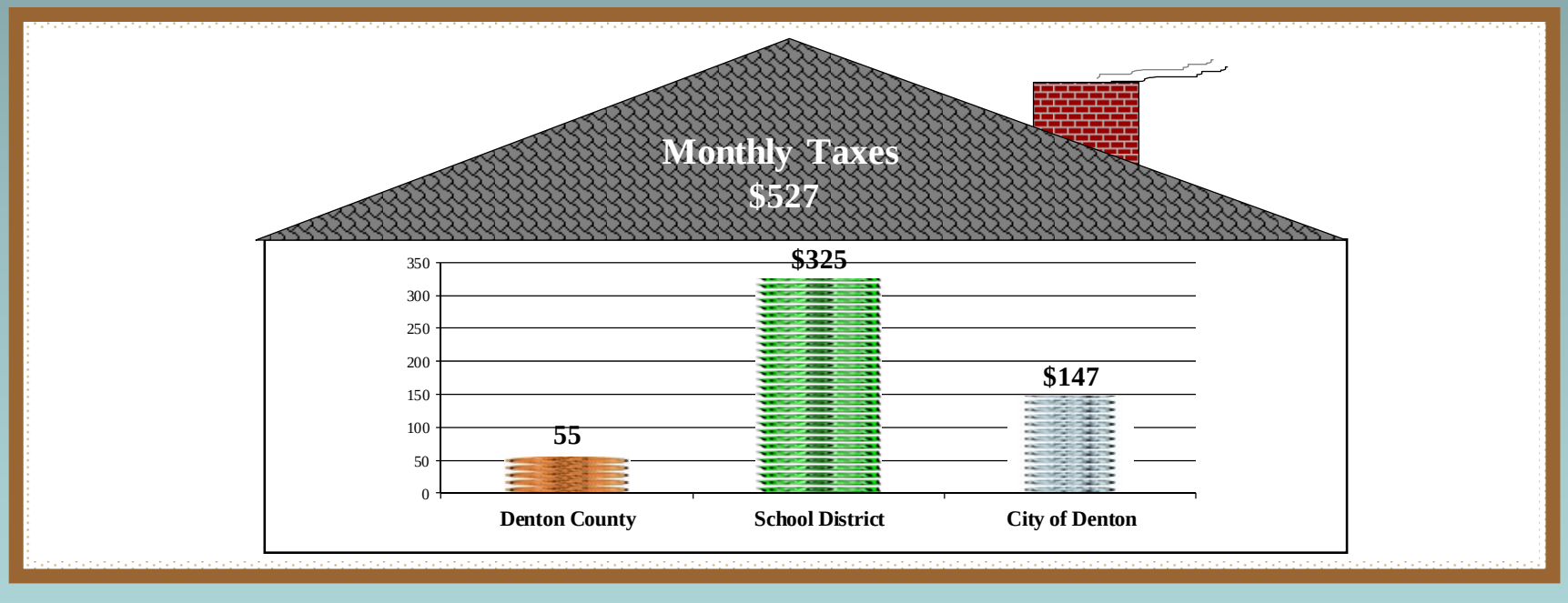
Based on the Average $253,066 Denton County Home Value

* Proposed Tax Rates: Denton County $0.2620 / Denton ISD $1.54 / City of Denton $0.696380

Denton County, Texas

Average Home Value/Monthly Taxes

Based on the average Denton County Home Value of $253,066



Based on proposed tax rates for each entity

Denton County, Texas

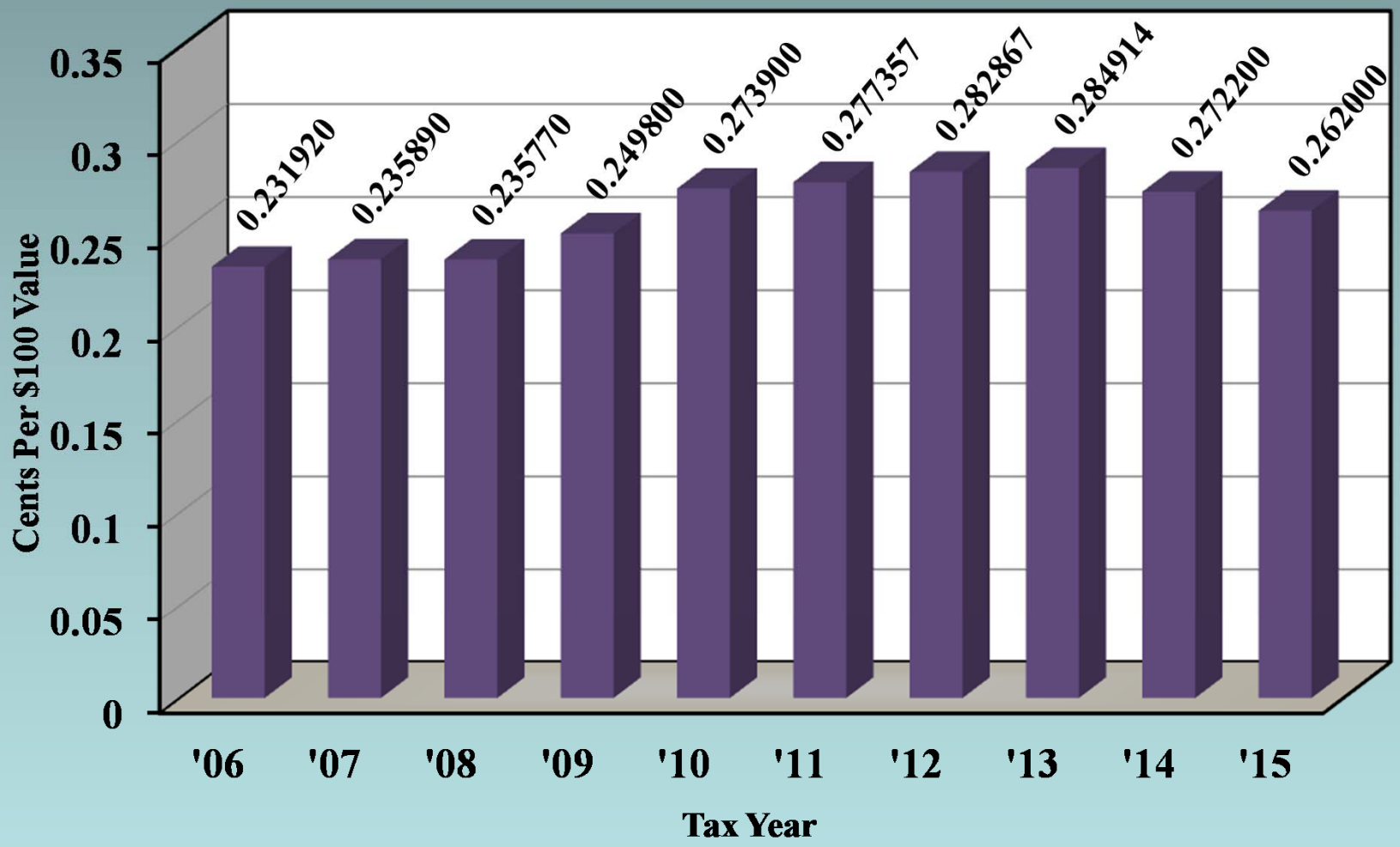
Current Tax Rate vs. Proposed Tax Rate

Sample Home Value	FY2015 Current Tax Rate	FY2016 Proposed Tax Rate	Annual Variance	Monthly Variance
Tax Rate per $100 Value:	**0.2722**	**0.2620**		
$100,000	$272.20	$262.00	($10.20)	($ .85)
$253,066*	$688.85	$663.03	($25.82)	($2.15)

- 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 2015

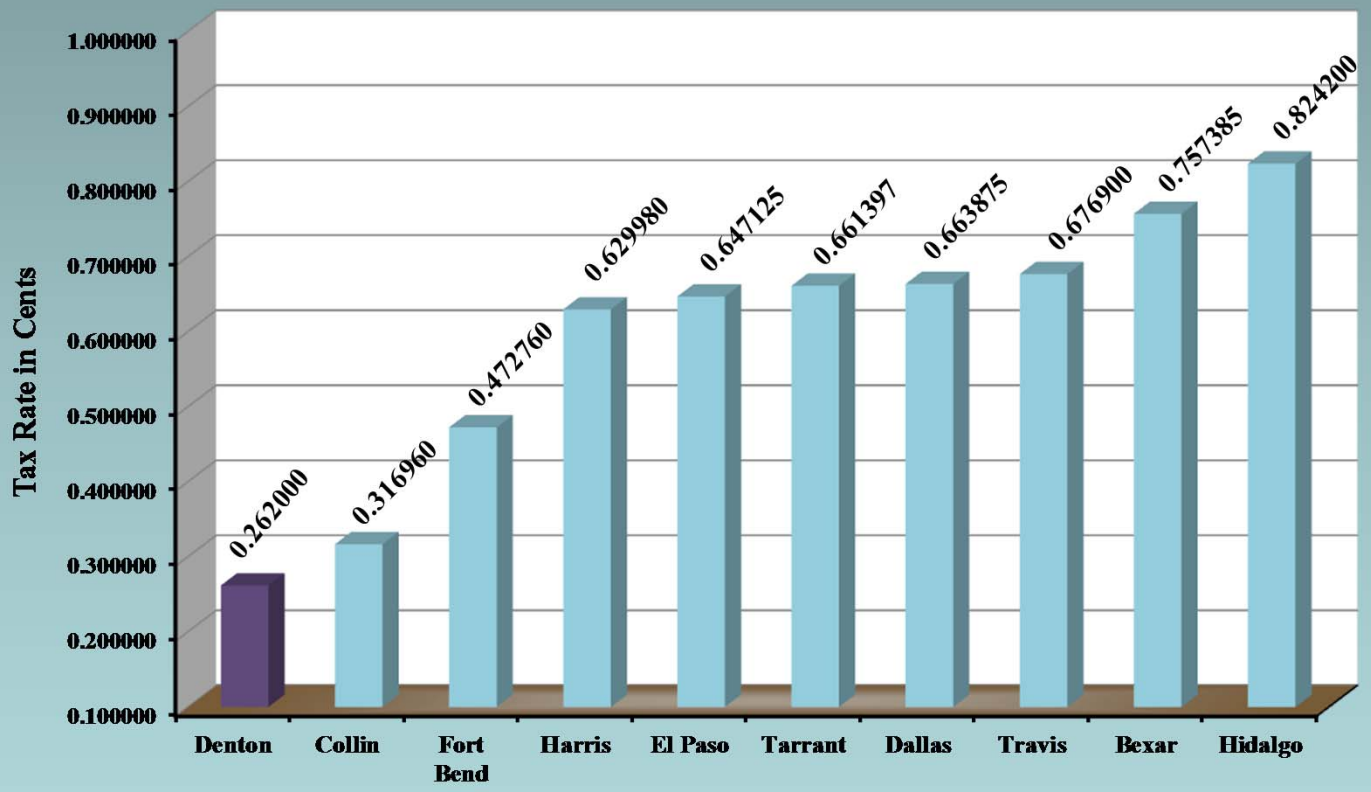
Denton County, Texas

Ten-Year Tax Rate History



Denton County, Texas

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



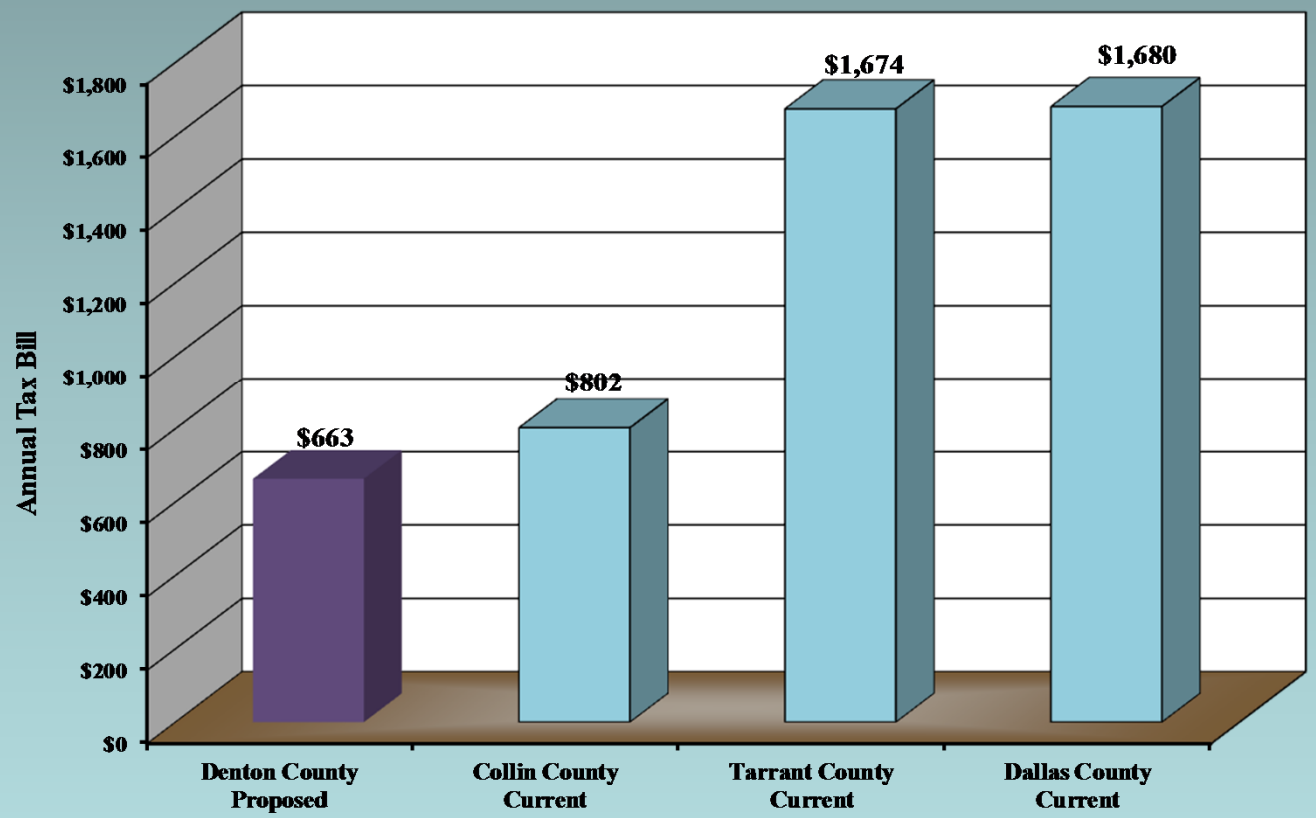
Denton County tax rate is the proposed rate for FY16. Other counties tax rates are the existing FY15 rates.

Includes tax rates assessed county-wide for the county including: Rates not only include the county tax rate but also includes any other tax rate that is levied county-wide which includes the following tax rates for a Hospital District, Community College District, Flood Control, Port Authority, etc.

Denton County, Texas

Tax Bill Comparison

Based on Denton County's average home value of $253,066



This chart reflects Denton County's proposed tax rate for FY2016 while the other counties tax rates reflect their current FY2015 rates. The totals include tax rates *assessed county-wide within each* county including their County, Hospital District, Water District and Community College taxes.

Tax Rate Comparison / 254 Counties

9 counties have a lower tax rate than we are proposing

All county tax rates range from $0.1265 to $1.196

Average rate of 254 counties = $0.5289

Denton County's proposed rate = $0.2620

Source – Texas State Comptroller

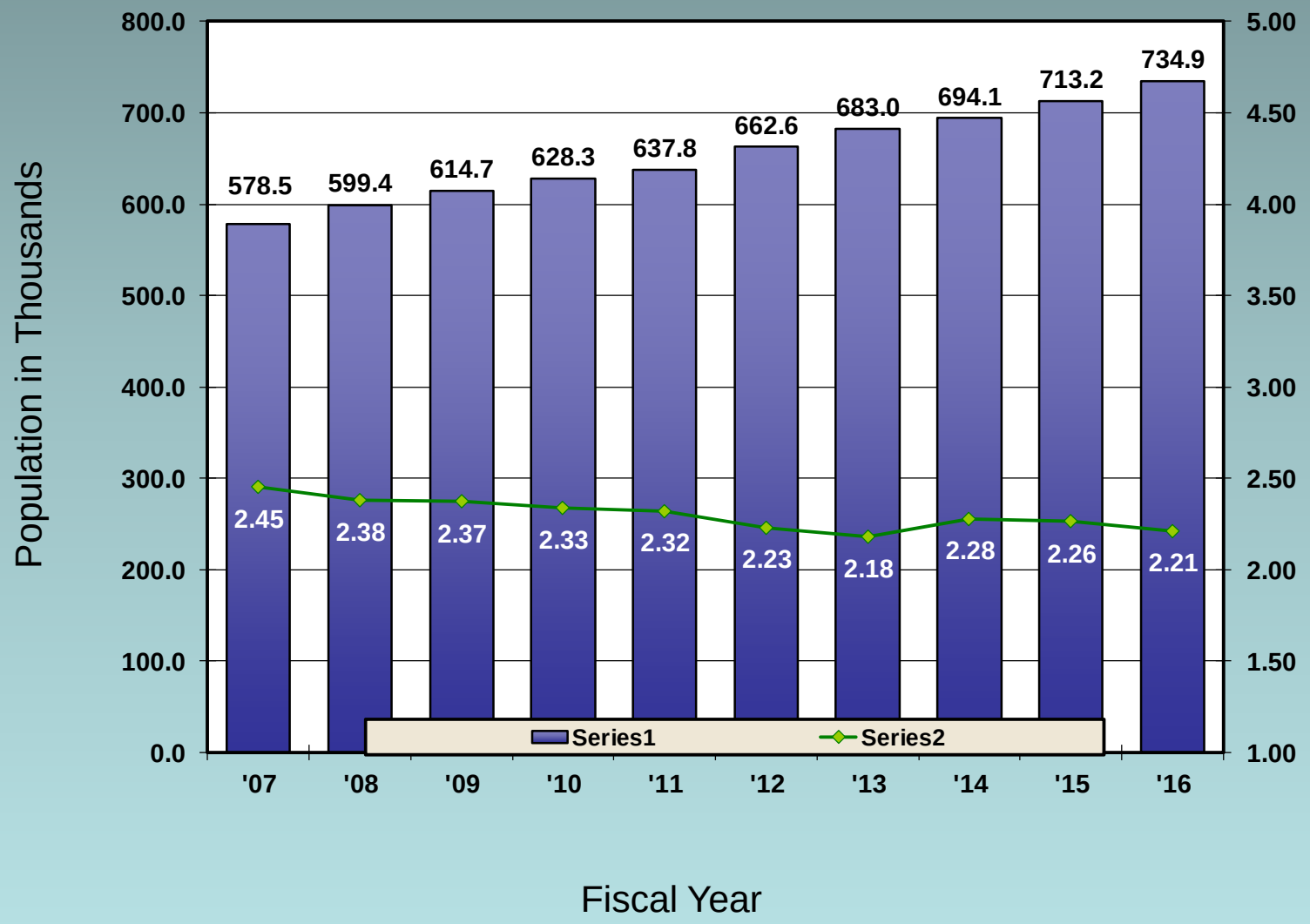
Top 15 Counties Population/Employee

County	Population	# Employees	# Emp Per 1000 Population
Harris	4,422,000	15,353	3.47
Dallas	2,480,331	6,109	2.46
Tarrant	1,884,620	4,710	2.50
Bexar	1,817,610	4,751	2.61
Travis	1,170,203	5,046	4.31
Collin	906,998	1,815	2.00
El Paso	846,175	2,743	3.24
Hidalgo	815,996	3,015	3.69
Denton	734,940	1,626	2.21
Fort Bend	652,365	2,240	3.43
Williamson	538,206	1,568	2.91
Montgomery	502,920	2,156	4.29
Cameron	423,868	1,613	3.81
Nueces	345,691	1,227	3.55
Brazoria	330,442	1,470	4.45

Denton County information is based on the proposed FY16 budget. Information for other counties is based on FY15 survey data.

Denton County, Texas

Number of Employees per Capita

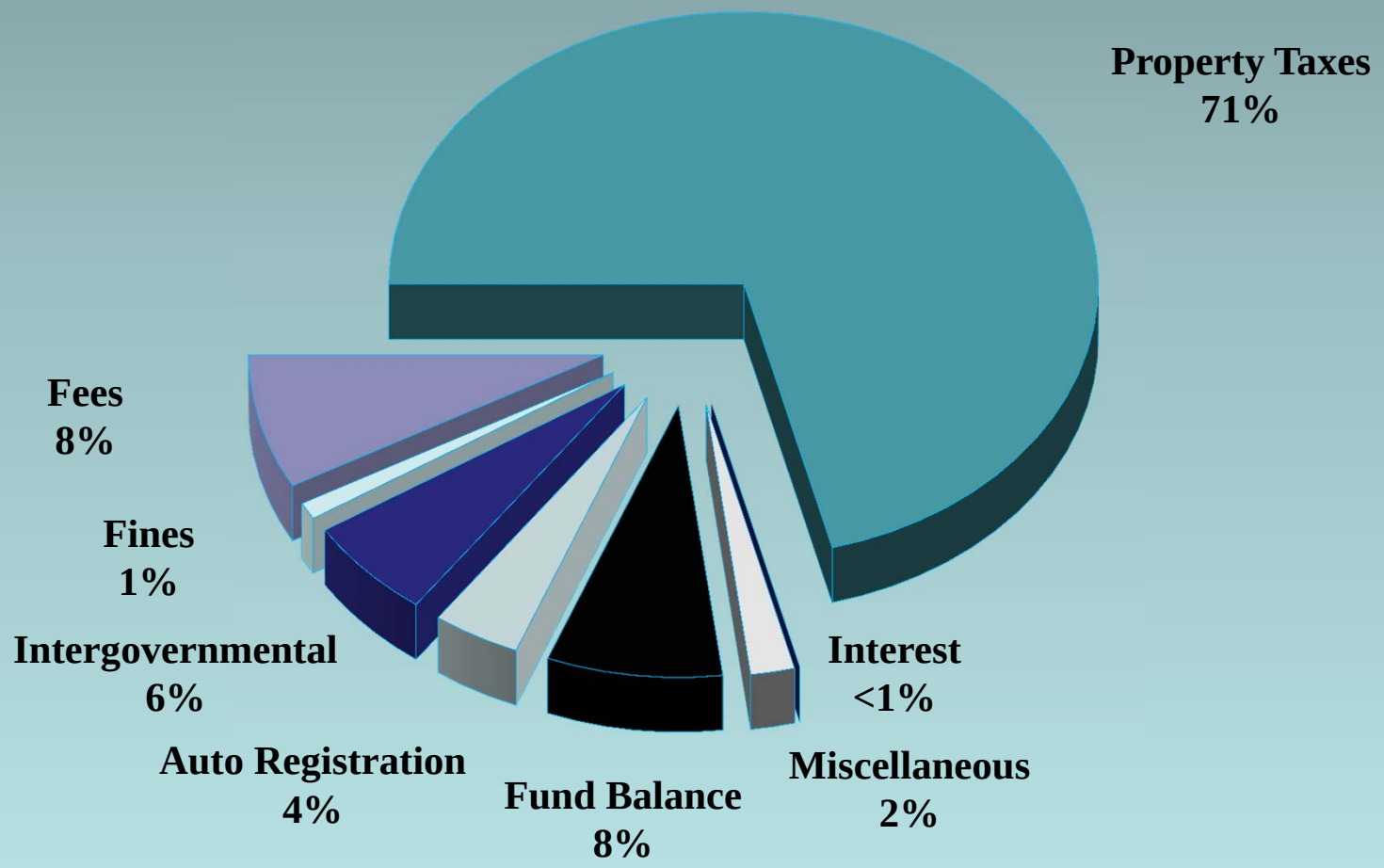


Denton County, Texas
Revenue Changes

• Taxes above the Effective Tax Rate	$ 4,302,498
• Taxes from New Property	$ 7,050,033
• Taxes from Additional Tax Roll	$ 862,821
• Miscellaneous and Transfers	$ 915,884
• Auto Registration	$ 500,000
• Intergovernmental	$ (378,094)
• Fees	$ (179,000)
• Fines	$ (225,000)
• Interest Earnings	$ 27,900
• **Total Revenue Changes**	**$12,877,042**

Denton County, Texas
Revenue Summary by Function

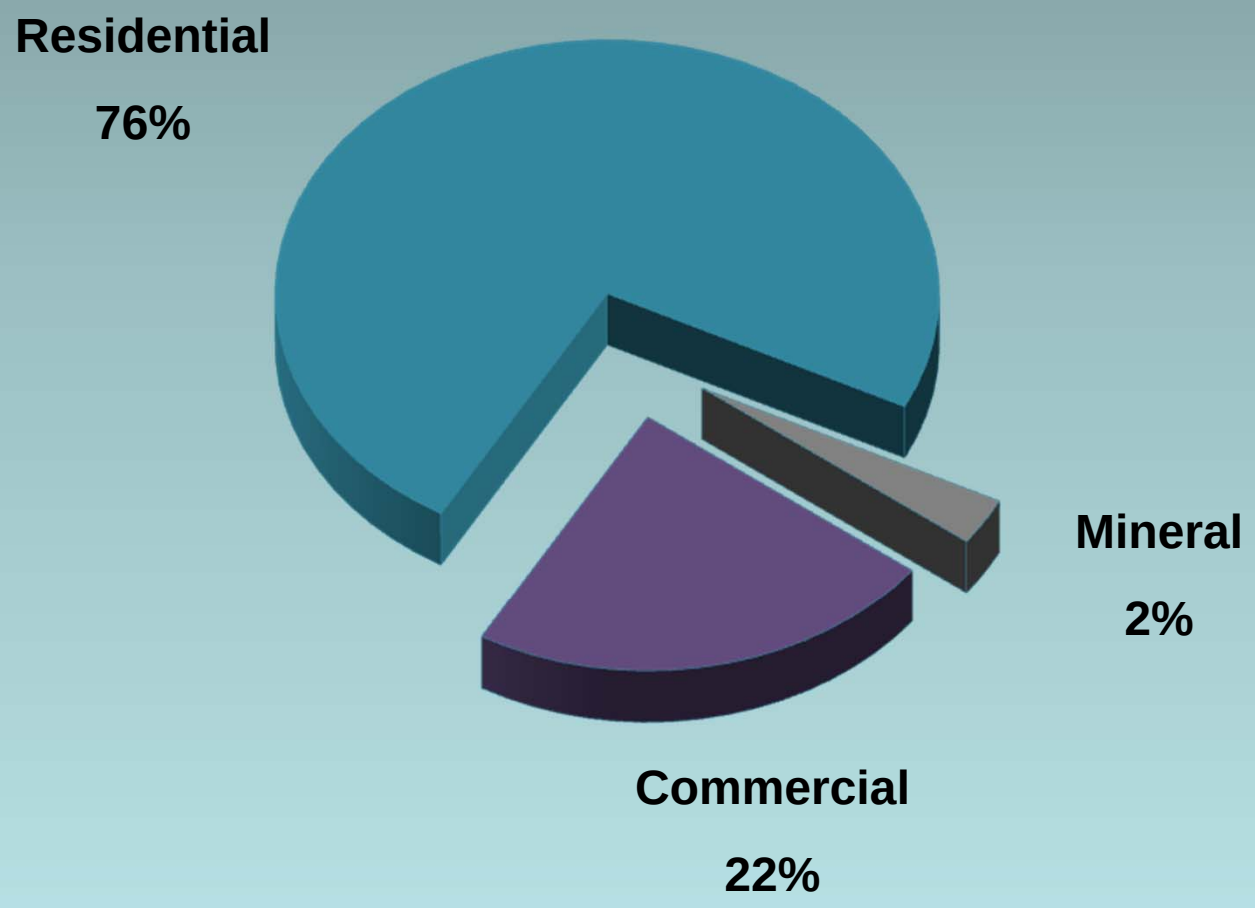
$254,890,520



Denton County, Texas

Property Tax Revenue by Category

$183,771,485



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**

Summary of Major Changes

Buildings (Pct. #4 Govt. Center, Lee Walker Govt. Center & Technology Svcs)	$ 4,168,000
2% Market Adjustment/3% Merit Increase/Reclassifications	$ 3,637,000
Increase in Debt Service Payments	$ 2,856,000
Increased Repairs and Maintenance	$ 2,051,000
Building-related = $649,000	
ADA repairs = $718,000	
Computer-related = $365,000	
Fiber optic expenses = $267,000	
Miscellaneous = $ 52,000	
New Hires (17 FT and 1 PT to FT)	$ 1,115,000
Computer Equipment/Software	$ 782,000
Operating Equipment	$ 720,000
72 Video Cameras (cars) = $401,000	
Ticket Writers = $100,000	
Miscellaneous = $219,000	

Summary of Major Changes

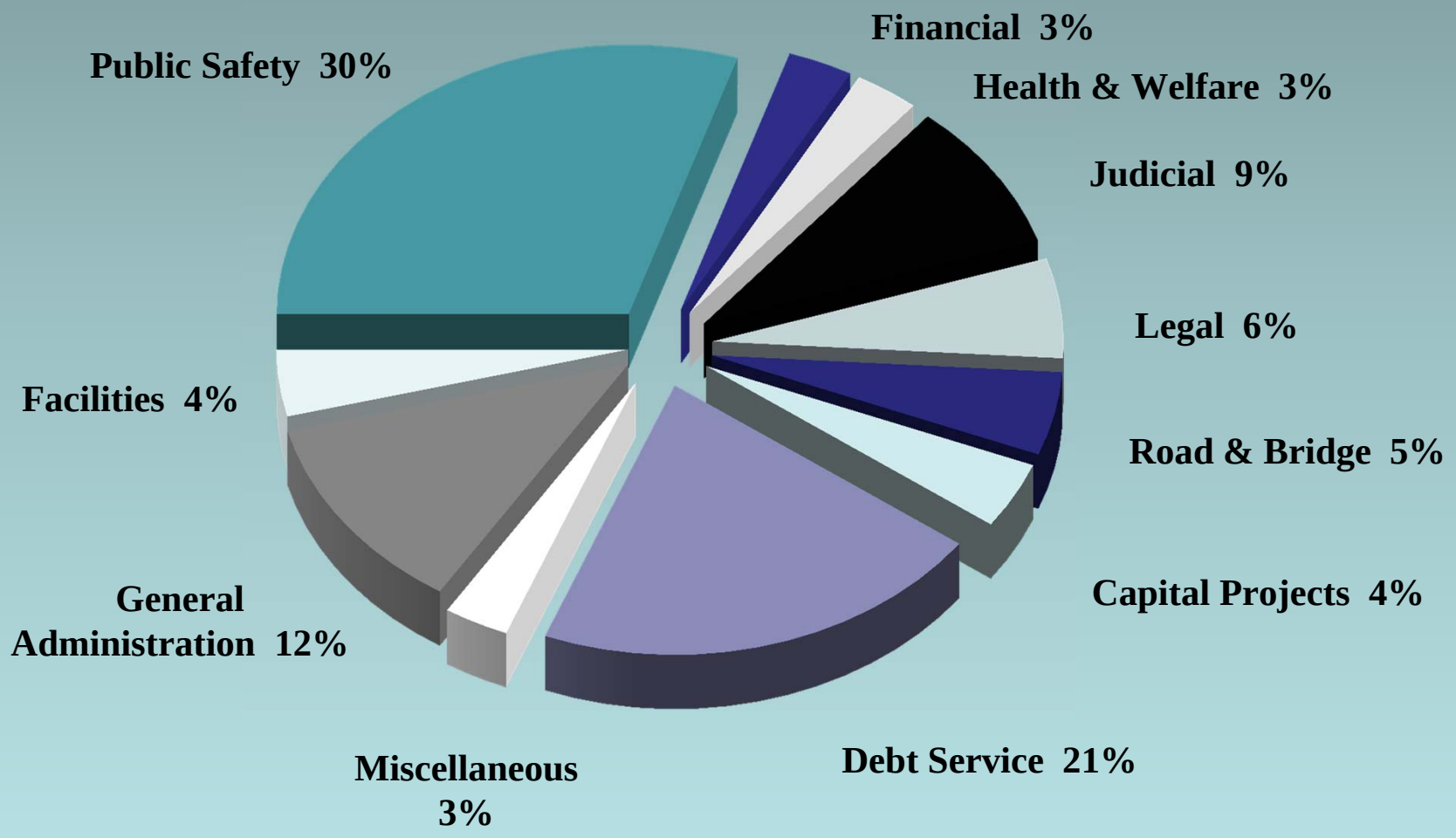
Miscellaneous Court Expenses	**$ 660,000**
Audio/Video Systems for Courtrooms	**$ 625,000**
Tax Rebates	**$ 525,000**
Increased Utility Expenses	**$ 433,000**
Radios (90 replacement radios for new P25 System, etc.)	**$ 361,000**
Prisoner Expense	**$ 263,000**
Transportation Consultant Fees	**$ 200,000**
Road Maintenance Equipment	**$ 174,000**
Postage	**$ 142,000**
Other Miscellaneous Expenses	**$ 131,000**
Training and Education	**$ 98,000**

Summary of Major Changes

Social Service Agencies	**$ 91,000**
Landscaping	**$ 70,000**
Professional Services	**$ 60,000**
Insurance	**$ 44,000**
Body Armor	**$ 31,000**
Ambulance Service	**$ 25,000**
Telephone Service/Radio Repairs	**$ (115,000)**
Lease and Rental Payments	**$ (269,000)**
Contingency Funds	**$(2,900,000)**
Total Proposed Budget Increase	**$ 15,978,000**

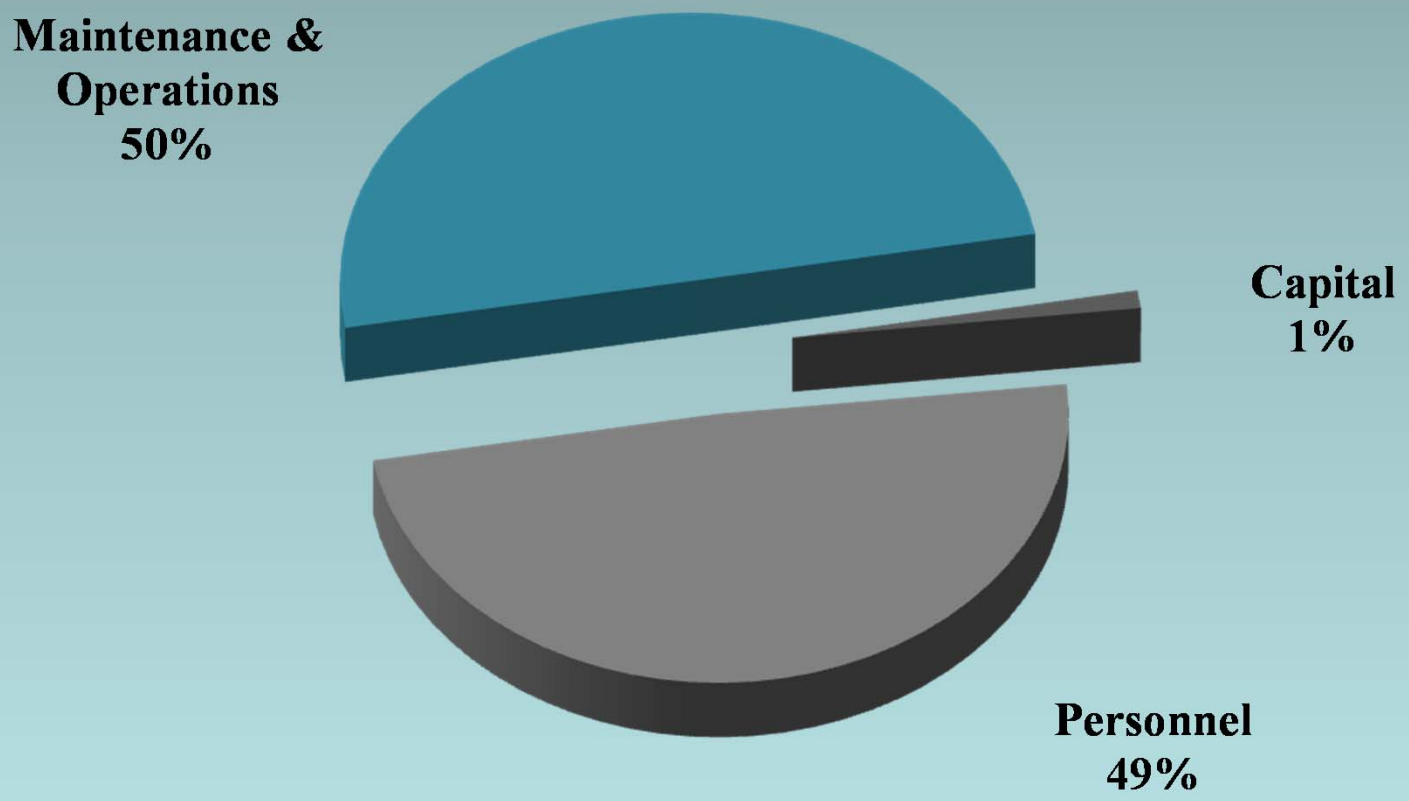
Denton County, Texas
Expense Summary by Function

$254,890,520



Expense Summary by Category

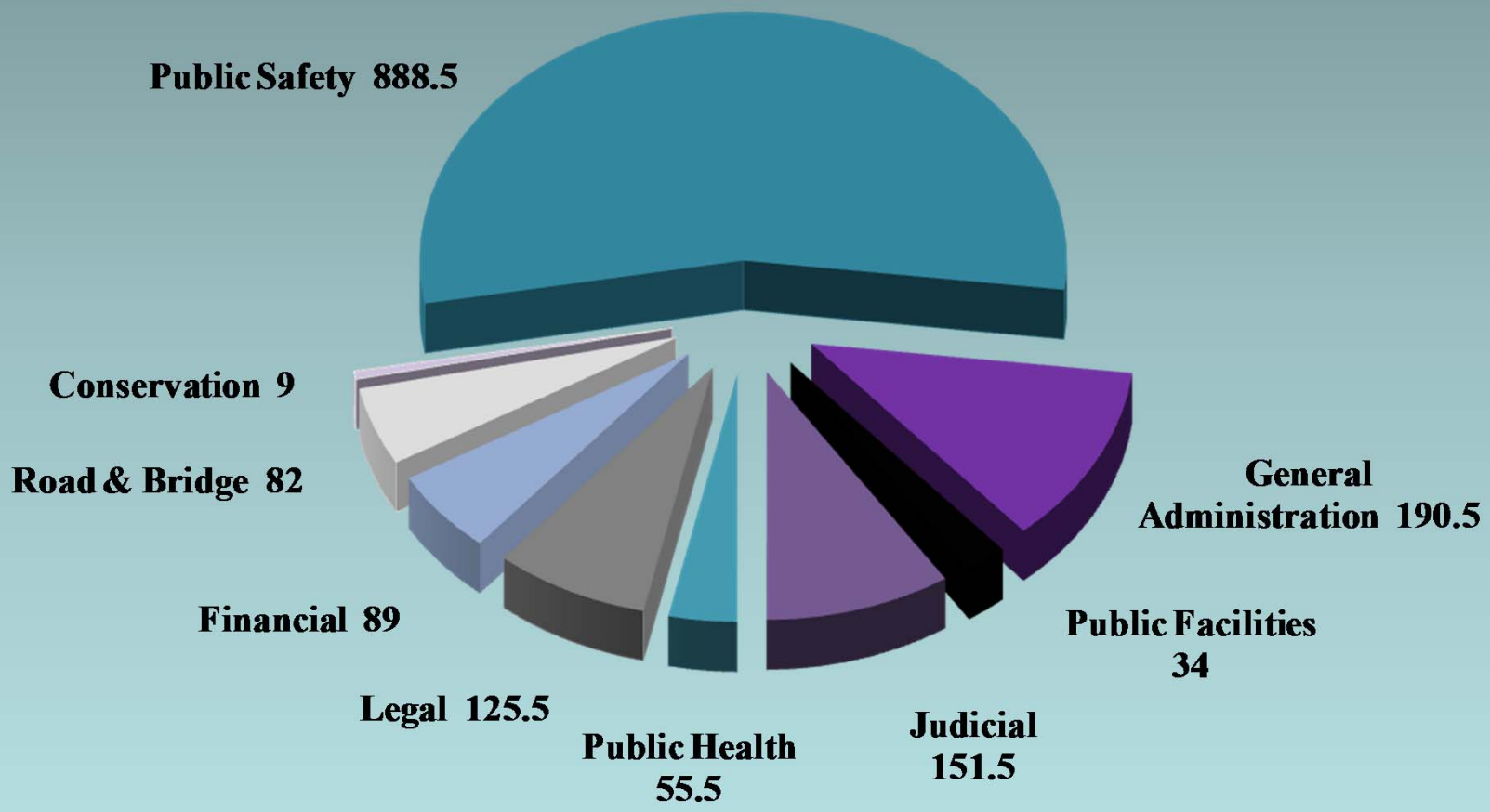
$254,890,520



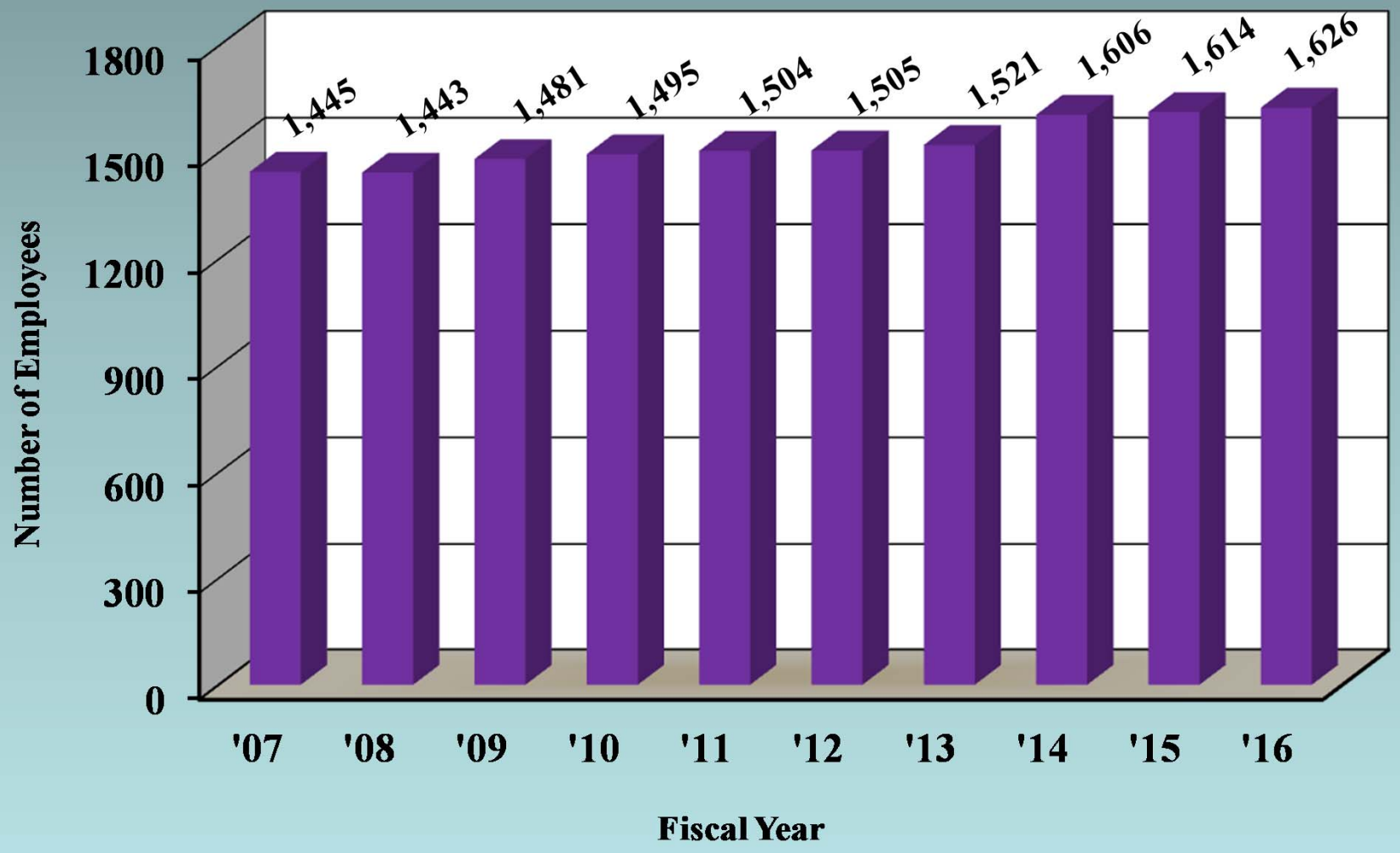
New Employee Requests

- **# Requested by Departments = 36.5**
- **# Included in Recommended Budget = 11.5**
- **# Included in Proposed Budget = 17.5**
  - **(3) County Clerk**
  - **(2) Technology Services**
  - **(1) Department of Public Works**
  - **(2) District Clerk**
  - **(.5) Death Invest./Medical Examiner**
  - **(1) County Auditor**
  - **(1) Facilities Management**
  - **(1) County Jail**
  - **(2) Jail Health**
  - **(1) Sheriff's Department**
  - **(1) Ag Extension**
  - **(2) Road and Bridge – Pct. #1 and #4**

Employee Summary by Function
Total # of Employees 1625.5



Ten Year Employee History



Denton County, Texas
Summary of Voter Approved Projects/New Debt Service for FY2016

County Roads **$ 11,936,874**

Pavement Improvement – Pct. #1
Bridges and Culverts – Pct. #1
A. A. Bumgarner Road – Pct. #4
Indian Trail Reconstruction - Pct. #1
Sam Reynolds Road – Pct. #4

TRIP '08 Roads **$ 16,393,041**

US377–Section 2, 4 & 5 – Judge
FM720 North Widening – Judge
Discretionary Funds – Pct. #1
County Roads – Pct. #3
IH-35W/Denton Creek Intchg
Loop 288 Northwest – Judge
FM455 Widening – Pct. #1
Kirkpatrick Road Extension – Pct. #3
Tim Donald Road – Pct. #4
Denton Creek District Spine Road Bridge

Building/Technology Projects **$ 8,133,476**

Fiber Optic Construction
Architect Fees – Loop 288 Phase III and Sheriff's Op. Center/Crime Lab

– ***TOTAL VOTER APPROVED PROJECTS*** ***$ 36,463,391***

Denton County, Texas
Summary of Tax Note Projects

- **Approved Projects:**

– **County-Wide Network and Telephone Refresh**	**$ 3,405,542**
– **Security Electronic Upgrades – County Jail**	**$ 1,663,000**
– **Lee Walker Government Center**	**$ 3,000,000**
– **Pre-Trial Inmate and Transport Remodel**	**$ 1,066,000**
– **Jail Core Support Renovation**	**$ 741,067**
– **Emergency Services Building Repairs**	**$ 460,000**
– **Precinct #4 Government Center**	**$ 1,600,000**
– ***TOTAL TAX NOTE PROJECTS***	***$ 11,935,609***

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
2015 Outlook

Moody's - Aaa

"The stable outlook reflects the county's stable economy and conservative budgeting which will enable it to maintain solid financial performance and reserves."

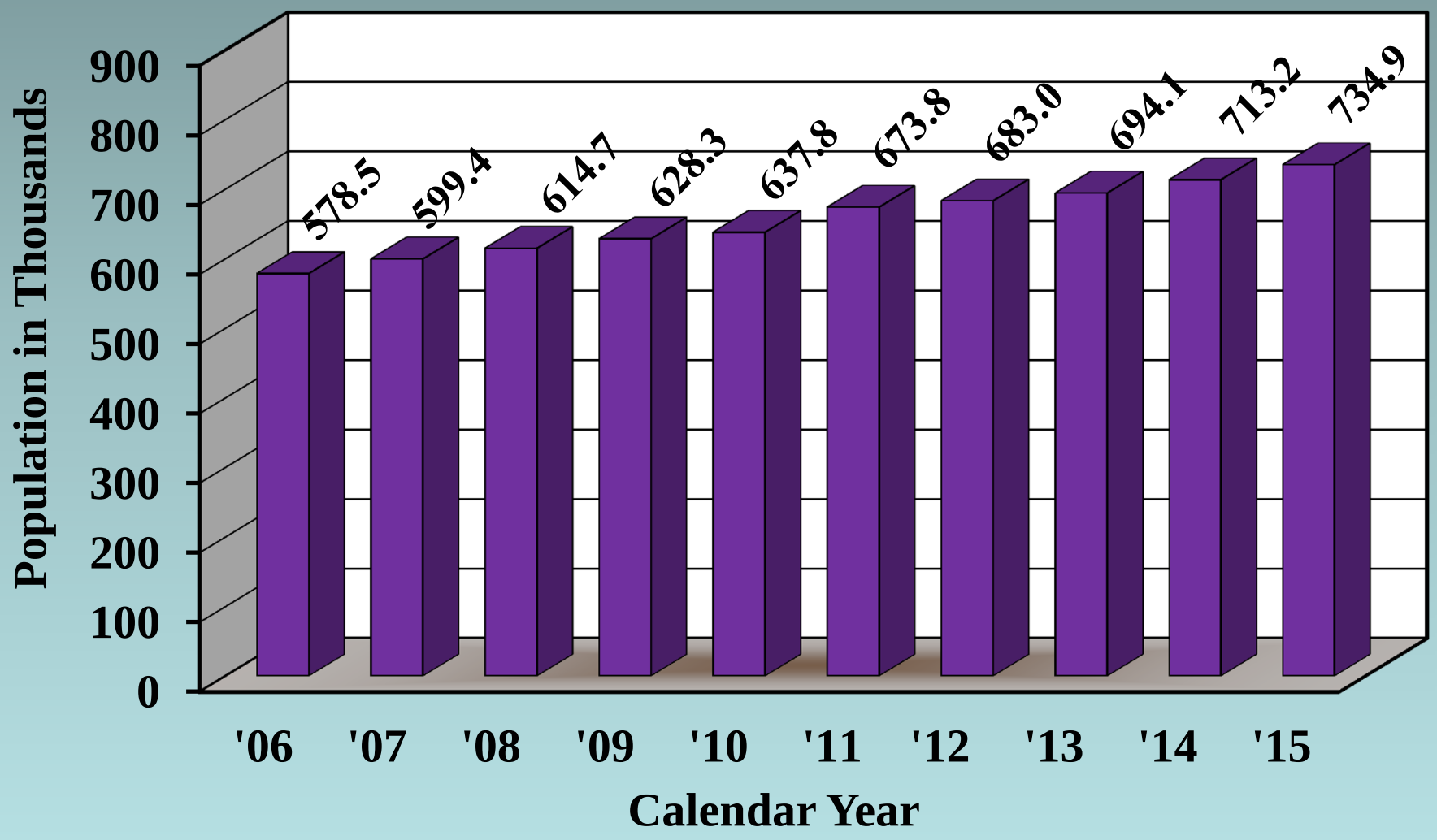
Standard & Poor's – AAA

"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



Proposed Budget Overview

- Sound financial plan for the county
- Preserves high quality services
- Rewards employees for their continued hard work and dedication by including various reclassifications, a market adjustment and merit increase for eligible employees
- Provides for sufficient reserve funds
- Minimal tax increase above the effective tax rate is for voter approved road/technology projects approved by the voters and other mandatory increases
- Includes reduced expenses when feasible

- Questions / Comments
- Invite public to participate in the Public Hearing on the Proposed Budget

County Budget Information Available

The FY2016 Proposed Budget is available on the Denton County Web-Site:

http://www.dentoncounty.com/budget

If approved today, you can click on the "Adopted Budget" link

Other budget-related data can also be found on our web site including prior year budgets, Operating Budgets, a copy of our Capital Improvement Program, various statistical charts, 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
- Ashley D’Anna – County Clerk’s Office

Budget Office Staff

Jona Macsas – Assistant Budget Officer

LaDawn Fitzgearld – Budget Analyst

Sherly Joseph – Budget Systems Analyst

Donna Henrikson – Financial Support Specialist

Thank you!

Commissioner Precinct 1 Hugh Coleman
Commissioner Precinct 2 Ron Marchant
County Judge Mary Horn
Commissioner Precinct 3 Bobbie J. Mitchell
Commissioner Precinct 4 Andy Eads