

# CITY OF DENTON, TEXAS

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## CITY MANAGER'S PROPOSED BUDGET FISCAL YEAR 2024-25

August 10, 2024

Inclusion | Collaboration | Quality Service | Strategic Focus | Fiscal Responsibility



# Budget Workshop Agenda

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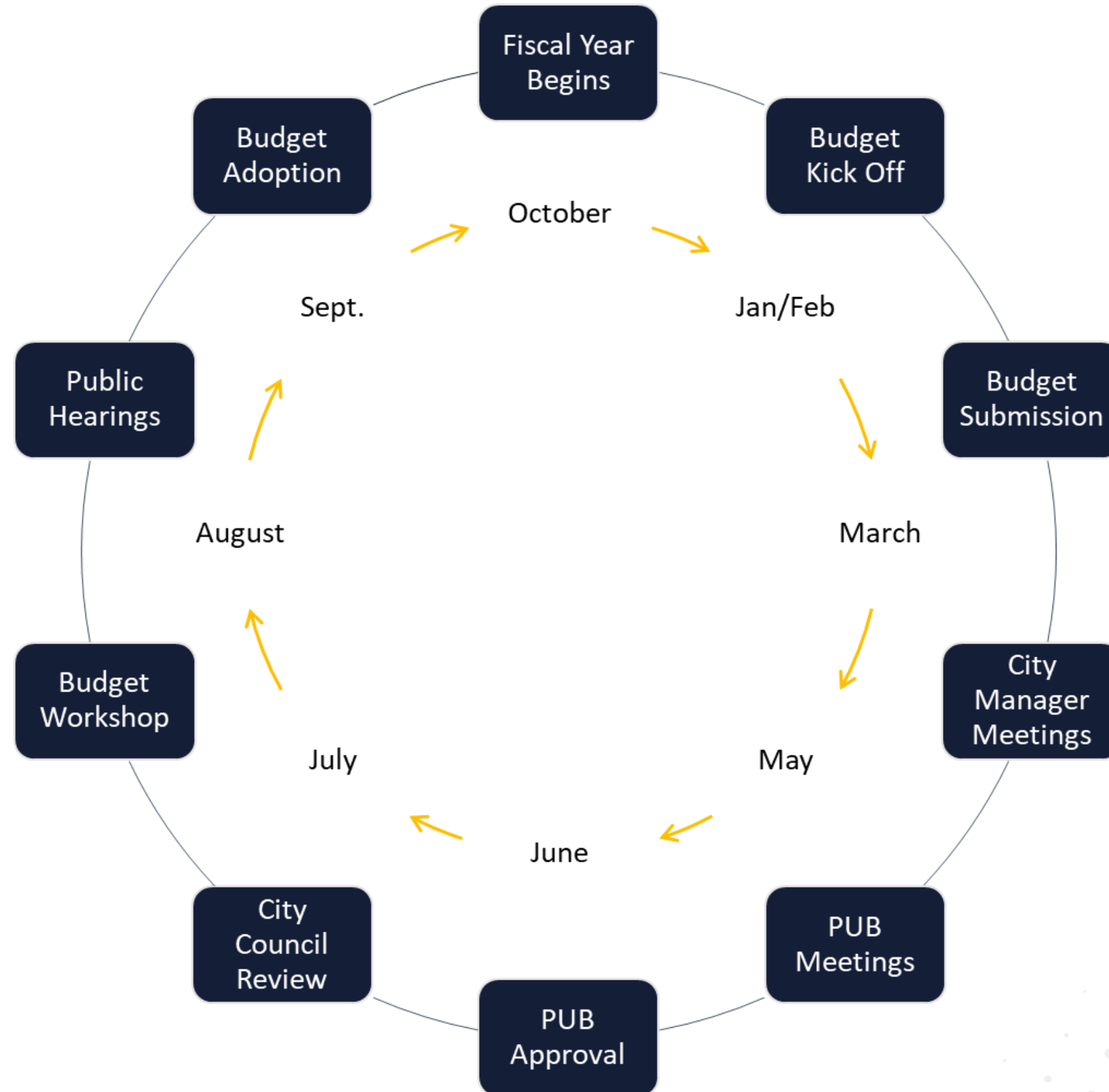
- Budget Overview
- Economic Overview
- General Fund Overview
- Enterprise Funds Overview
- Special Revenue Fund Overview
- Community Partnership Grants
- Internal Service Funds Summary
- Bond Programs
- Impact Fee Discussion
- Capital Improvement Program
- Summary & Next Steps

# Budget Calendar

Dates	Task
February 5	<ul style="list-style-type: none"> <li>Budget Kickoff</li> </ul>
February 6 - March 8	<ul style="list-style-type: none"> <li>Budget Submissions</li> </ul>
March 9 - May 24	<ul style="list-style-type: none"> <li>Internal Budget Meetings, City Manager Meetings</li> </ul>
June 10	<ul style="list-style-type: none"> <li>PUB reviews preliminary Electric, Water, Wastewater, Drainage and Solid Waste budget</li> </ul>
June 18	<ul style="list-style-type: none"> <li>Council Meeting: Discuss Preliminary A/V Values, Updated Five-year Forecast</li> </ul>
June 24	<ul style="list-style-type: none"> <li>PUB reviews proposed Electric/Water/Wastewater/Solid Waste Rate Increases</li> </ul>
July 8	<ul style="list-style-type: none"> <li>PUB reviews Utility Rate Changes</li> </ul>
July 16	<ul style="list-style-type: none"> <li>Council Work Session: FY 2025 Capital Improvement Program Presentation</li> </ul>
July 23	<ul style="list-style-type: none"> <li>Certified Appraisal Roll Due from Denton Central Appraisal District</li> </ul>
July 23	<ul style="list-style-type: none"> <li>Review FY 2024-25 Preliminary Utility Forecasts</li> </ul>
July 31	<ul style="list-style-type: none"> <li>Proposed Budget Submitted to Council</li> </ul>
August 10	<ul style="list-style-type: none"> <li>City Council Budget Workshop</li> </ul>
August 20	<ul style="list-style-type: none"> <li>Council Meeting: Budget/Adoption of Intention to Set a Tax Rate</li> </ul>
September 10	<ul style="list-style-type: none"> <li>City Council Meeting: Adoption of Current Year Amendments, First Public Hearing on the Tax Rate</li> </ul>
September 17	<ul style="list-style-type: none"> <li>City Council Meeting: Budget Adoption, Tax Rate Adoption, Capital Improvement Plan Adoption</li> </ul>

# Budget Process

- Budget Kickoff
- Budget Submission
- City Manager Meetings
- PUB Meetings
- City Council Review
- Budget Workshop
- Public Hearings
- Budget Adoption
- October 1, 2024 - Effective Date



# Budget Overview

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- Adopted Budget is the legal instrument through which the City may collect and levy taxes
- City is required by state law to annually adopt a budget and set a property tax rate by September 30
  - Fiscal year is October 1 to September 30
- Must adopt a **balanced** budget
  - Operating Revenues + Other Funding Sources = Expenditures
- Includes all operating and budgeted capital costs for the fiscal year

City-wide Budget, including CIP:

**\$2.35B**

Total increase over prior year:

**20.26%**



# Budget Overview

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- Governmental accounting rules determine which revenues may cover different expenditures
  - Fund accounting determines the source of funds is equal to the use of funds
  - City complies with all required accounting rules, regulations, statutes and funding restrictions
- City funds:
  - **Major funds (governmental and business type):** General Fund, Debt Service Fund, Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Airport Fund
  - **Special revenue funds:** Community Development Block Grant (CDBG), Catalyst, Sustainability Framework, Police Confiscation, Tourist and Convention, Street Improvement, Gas Well Revenues, Citizens' Park Trusts, Roadway Impact Fees, Tax Increment Reinvestment Zones (TIRZs), Donations
  - **Internal service funds:** Technology Services, Materials Management, Fleet, Risk Retention, Health Insurance, Facilities, Engineering Services, Customer Service, and Environmental Services

# Economic Overview

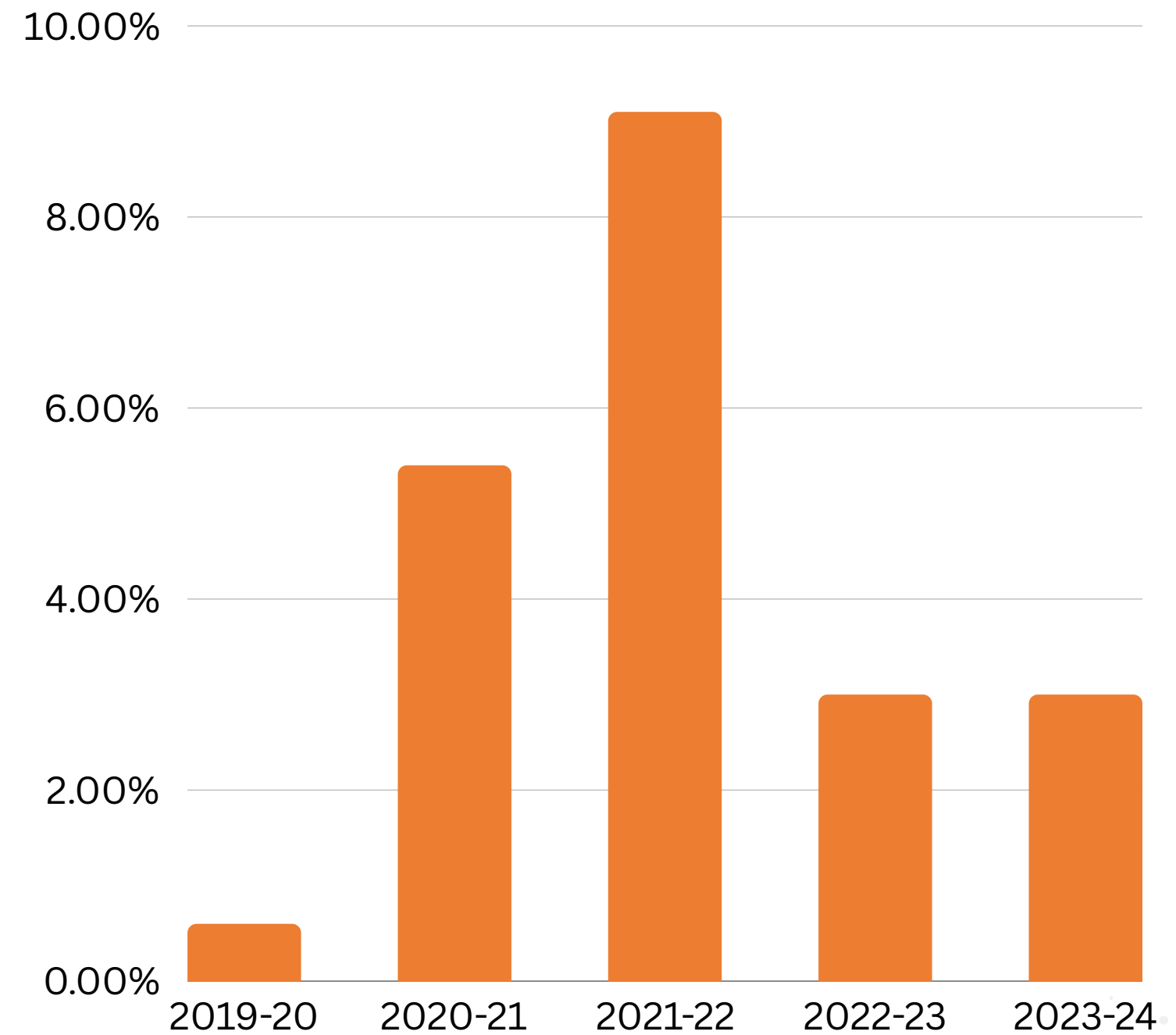
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## Economic Challenges:

- Inflation
  - June / June

- Total Compounded Change:

**21.01 %**



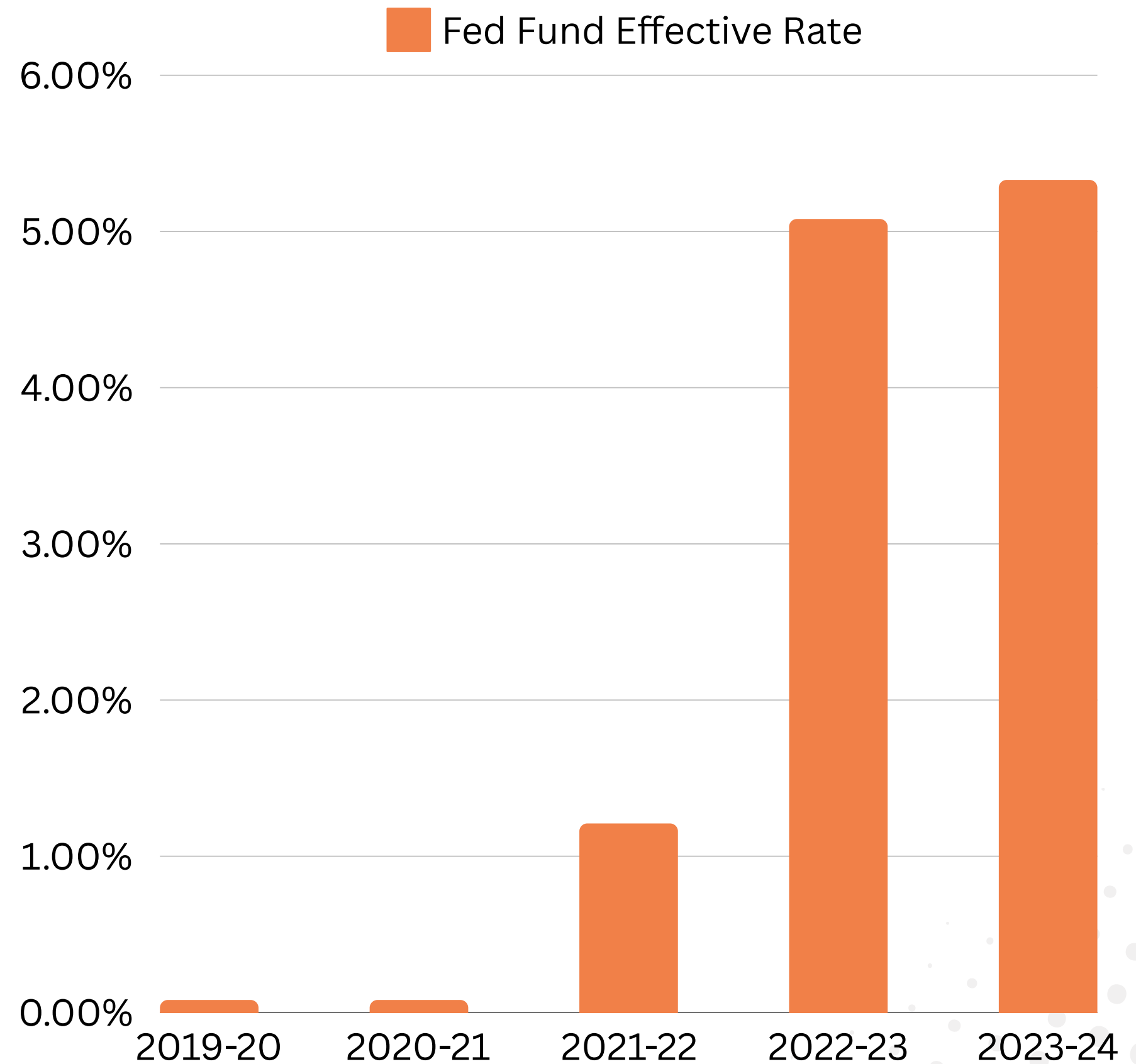
# Economic Overview

## Economic Challenges:

- Fed Funds Rate

- Current Rate:

**5.33%**



# Economic Overview

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## Economic Challenges:

- Contributing Factors:
  - Federal COVID funding - personal, government, social services, grants
  - Supply chain shortage to overage - increased production + high production costs - inflation limiting budgets
  - Bull to Bear market
  - Economic uncertainty - inverted yield
    - Interest rate decreases may decrease inversion at 30YR rate if lowered in September
  - Federal Election Year

# Financial Assumptions

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- Fund Balance Targets:
  - General Fund: 20% of budgeted expenditures and an additional 5% resiliency reserve (25% combined total)
    - Unusual financial circumstances, large legal settlements, emergencies
  - Proprietary funds:
    - City policy applies:
      - Minimum of 8% ending working capital balance (current assets - current liabilities)
      - If a fund falls below this level, policy requires a 5-YR plan to replenish balances
      - Operating reserves minimize fluctuation in rates due to unforeseen revenue and expense variations

Fund	Target %
Electric	38% - 61% of expenses
Wastewater	20% - 31% of expenses
Water	25% - 42% of expenses
Solid Waste	6% - 10% of expenses

# Financial Assumptions

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## Population growth:

- FY 2024/25 - 2.94% increase from previous year
- FY 2025/26 - 2.85% estimated growth

## Sales Tax:

- FY 2024/25 - Estimated 5.26% over collection estimate for FY 2023/24
- FY 2025/26 - 7.06% average growth

## Assessed Values:

- FY 2024/25 - Total Certified Appraised Value is \$21.2 Billion.
  - 10.16% increase over the prior tax year.
- FY 2025/26 and future - Assumes a reduced M&O tax rate to correspond with AV increases.
- 99.5% collection rate
- Total proposed tax rate of \$0.585420 / \$100 valuation

# Compensation & Benefit Assumptions

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- Proposed increases:
  - Proposed 3% COLA
    - \$3,471,518 City-wide
    - \$1,194,376 General Fund
  - Proposed up to a 2.5% Merit
    - \$2,568,088 City-wide
    - \$770,835 General Fund
- Civil Service Increases
  - Per contract
- 10% Medical Increase
  - Increase 100% employer covered
    - \$699,515 increase City-wide
    - \$362,111 increase General Fund

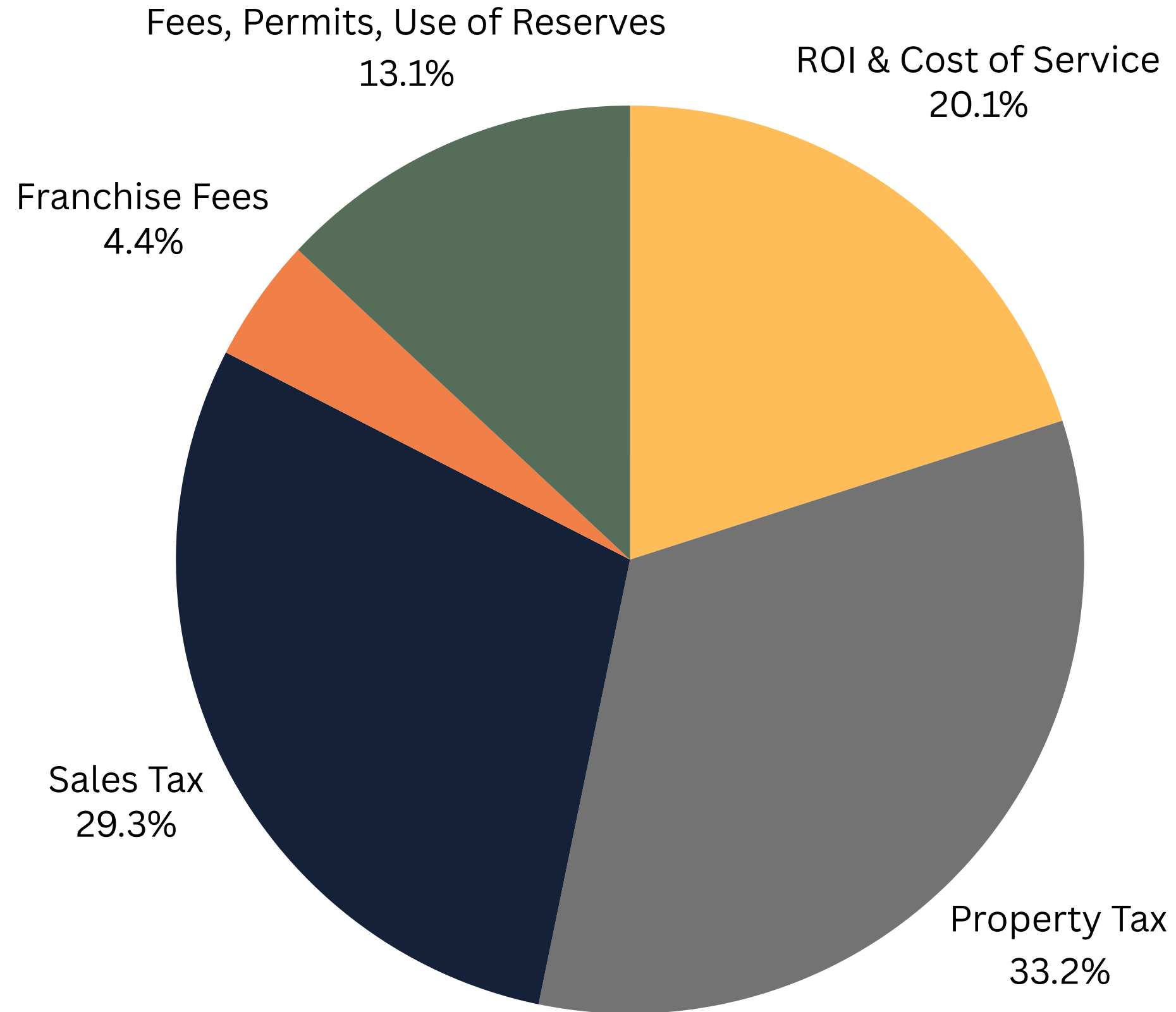
# General Fund Overview

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# General Fund Assumptions

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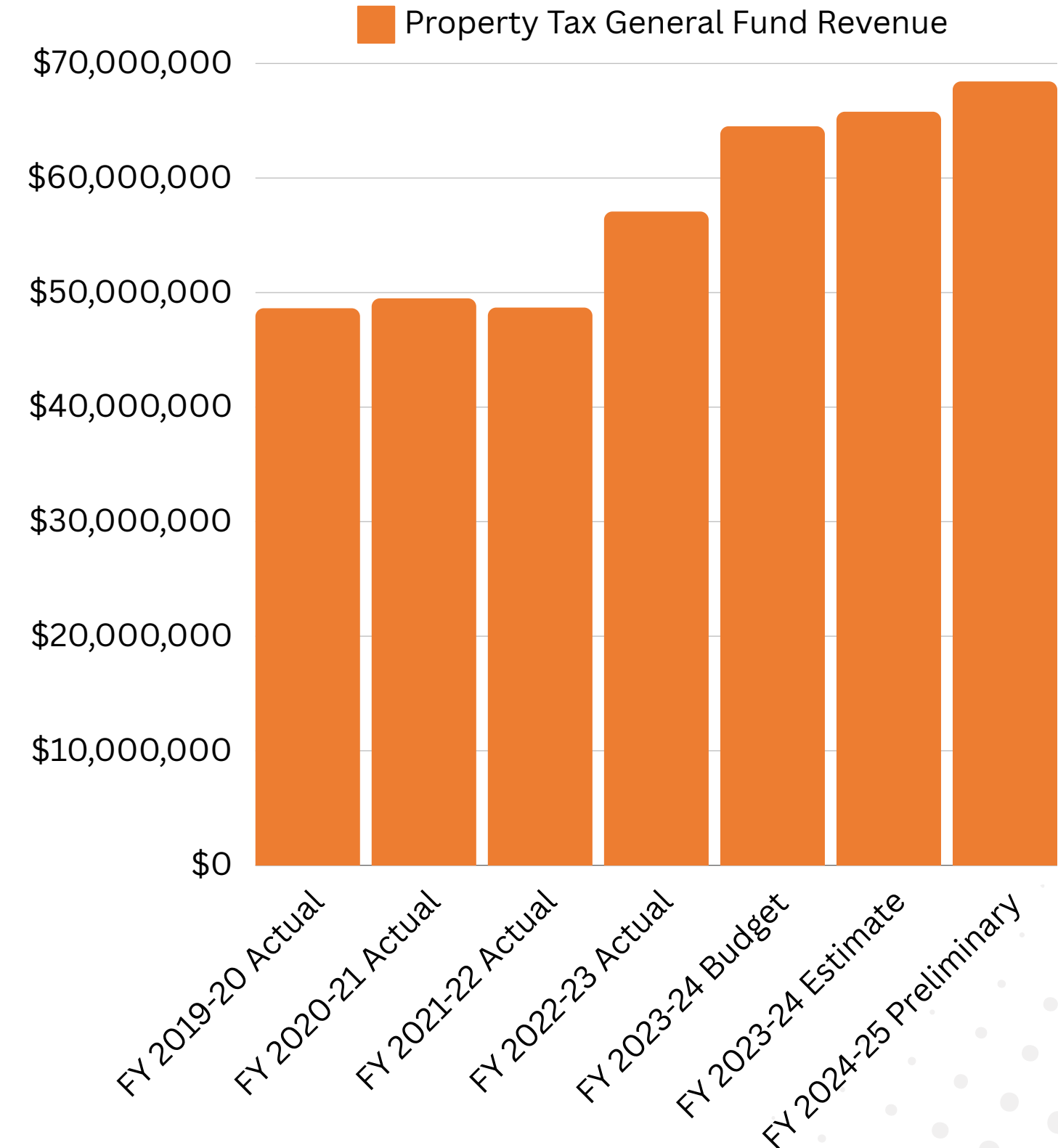
- Revenue Sources:



# General Fund Assumptions

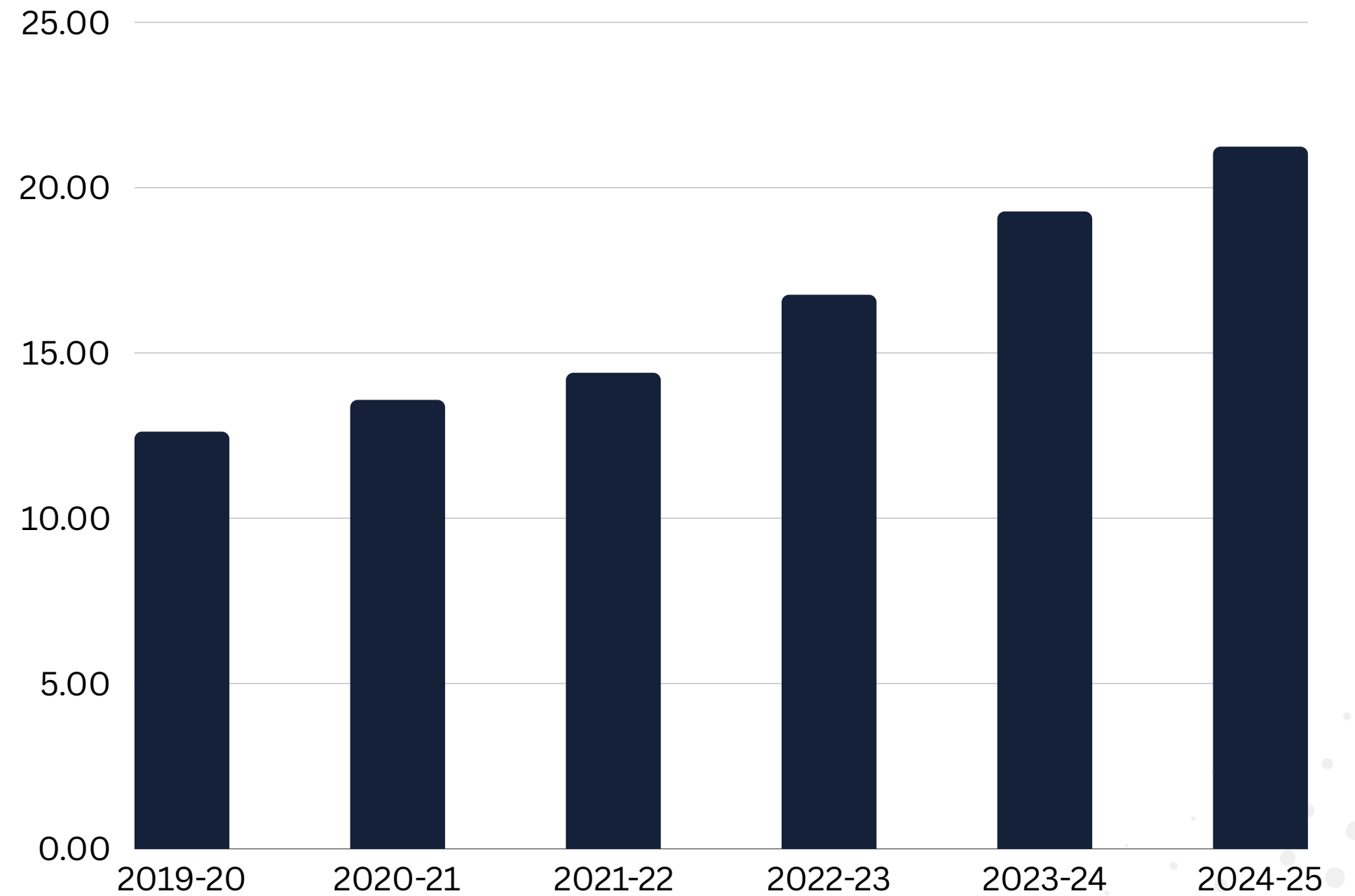
- Total Property Tax Revenue:
  - Certified Valuation Increase: 10.16%
  - Collection Assumption: 99.5%

Fiscal Year	Total Collection	% Change
FY 2020-21 Actual	\$49,495,424	1.78%
FY 2021-22 Actual	\$48,690,248	-1.63%
FY 2022-23 Actual	\$57,073,754	17.22%
FY 2023-24 Budget	\$64,517,507	13.04%
FY 2023-24 Estimate	\$65,787,713	1.97%
FY 2024-25 Preliminary	\$68,431,077	4.02%



# General Fund Assumptions

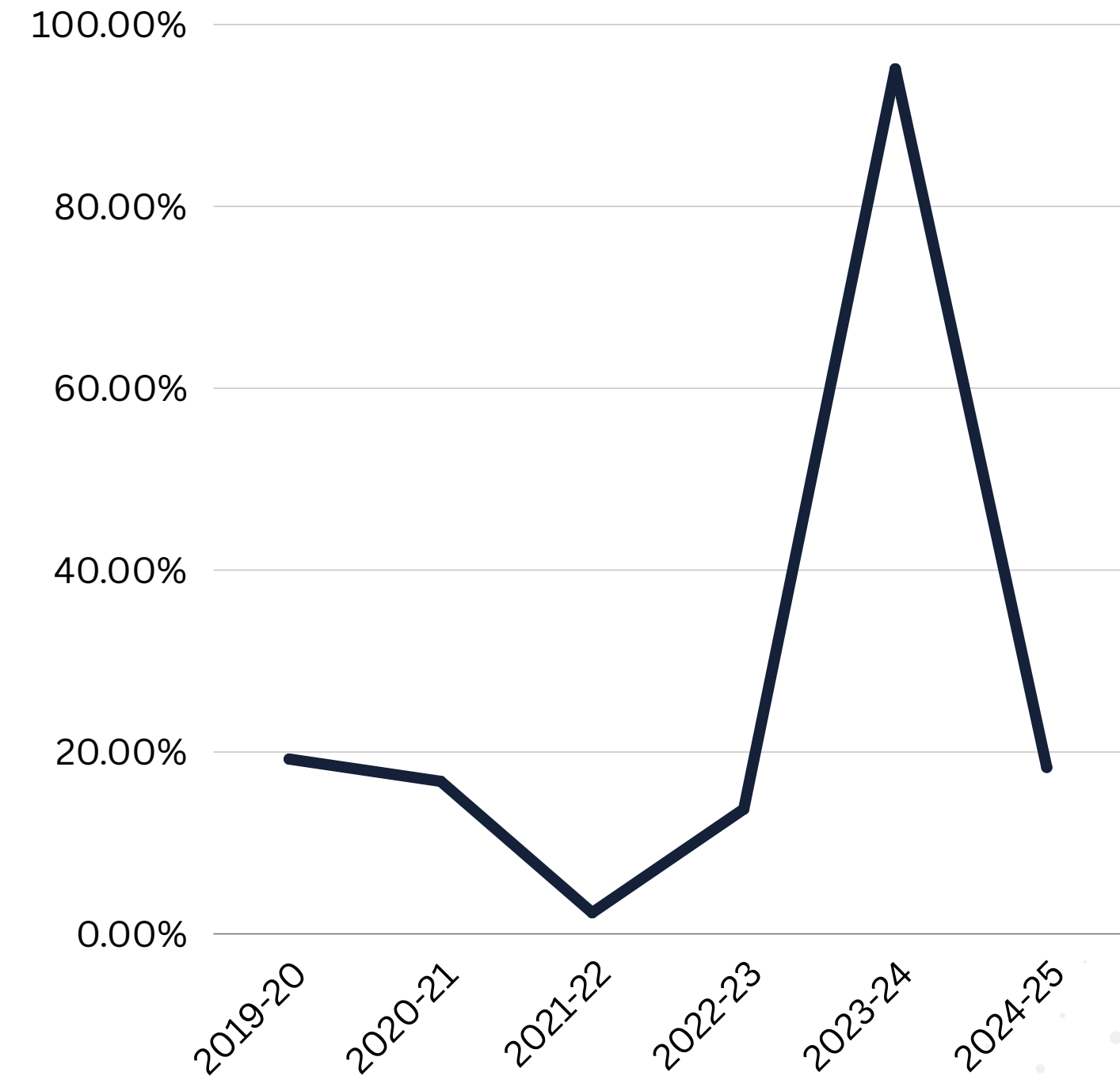
Fiscal Year	Certified AV	% Change
2019-20	\$12.62B	10.44%
2020-21	\$13.58B	7.62%
2021-22	\$14.40B	6.05%
2022-23	\$16.76B	16.40%
2023-24	\$19.28B	15.05%
2024-25	\$21.24B	10.16%



# General Fund Assumptions

- Appraised Value Change in New Value Prior 5 YRS

Fiscal Year	New Value	Change in New Value	% Change
2019-20	\$386.06M	\$62.23M	19.22%
2020-21	\$450.81M	\$64.75M	16.77%
2021-22	\$461.31M	\$10.49M	2.33%
2022-23	\$524.60M	\$63.29M	13.72%
2023-24	\$1.02B	\$499.02M	95.12%
2024-25	\$1.211B	\$187.43M	18.31%



# General Fund Assumptions

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- Tax Rate Definitions:
  - Senate Bill 2 - Property Tax Reform and Transparency Act, 2019
    - Effective January 1, 2020
  - Changed Terminology:
    - No-new revenue rate
      - The **operations and maintenance portion of the tax rate** needed to raise **essentially the same maintenance and operations tax revenue** as the prior year, *less* new value added to the tax roll
    - Voter-approval tax rate
      - Limits the **operations and maintenance portion of the tax rate** *increase* to 3.5% over the prior year, *less* new property added to the tax roll
- (No-new revenue maintenance and operations rate X 1.035) + current debt service rate = Total Tax Rate



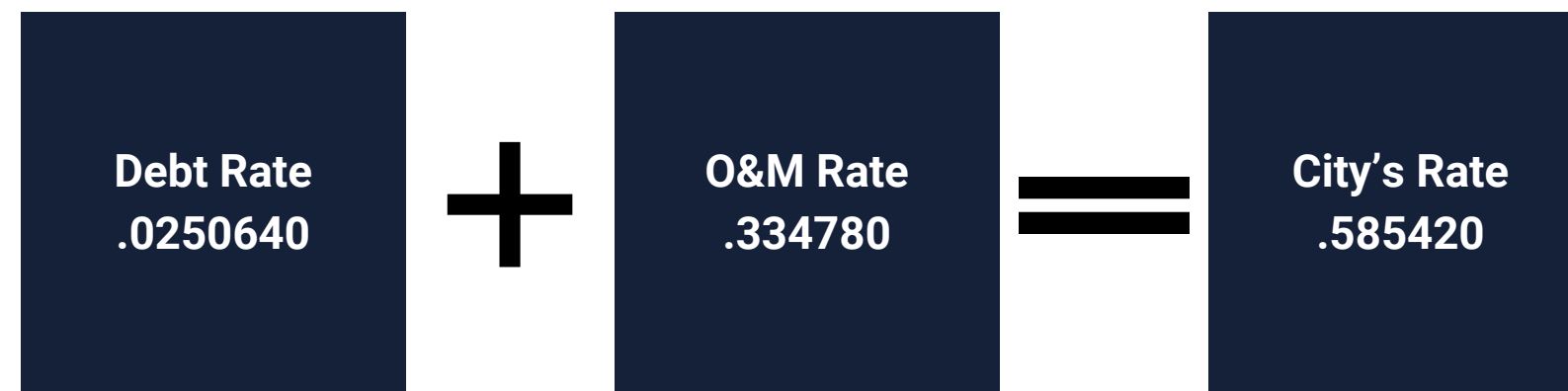
# General Fund Assumptions

Fiscal Year	Certified Assessed Value*	Operations & Maintenance Rate/\$100 AV	Debt Service Rate/\$100 AV	Total Tax Rate/\$100 AV	% Change
2019-20	\$12,620,560,528	\$0.385360	\$0.205090	\$0.590450	-4.84%
2020-21	13,581,648,271	0.380360	0.210090	0.590450	0.00%
2021-22	14,403,105,063	0.350440	0.215370	0.565810	-4.17%
2022-23	16,764,866,572	0.356432	0.204250	0.560682	-0.91%
2023-24	19,287,823,297	0.354780	0.205902	0.560682	0.00%
2024-25	\$21,246,581,740	\$0.334780	\$0.250640	\$0.585420	4.41%

*Proposed Rate*

\* Denton County Appraisal District

- Proposed Budget**



- Each “cent” (\$0.01) on the tax rate is equal to approximately \$1,928,542 in revenue.

# Preliminary Tax Bill Changes

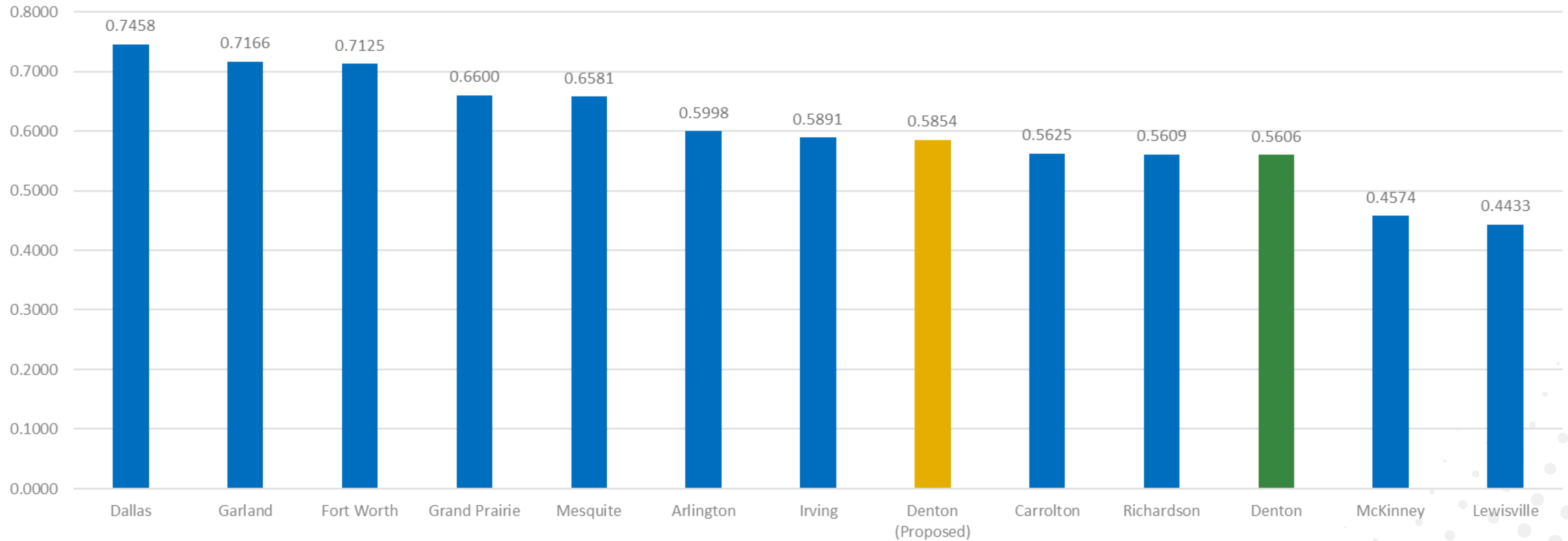
Average Tax Bill Impact: Approximately \$24.25 per month

Estimated Property Tax Bill/YR	FY 2024	FY 2025
Average Residential Value	\$ 344,642	\$ 379,836
Rate	\$ 0.560682	\$ 0.585420
Tax Bill	\$ 1,933	\$ 2,224
<b>Annual Change (\$)</b>		<b>\$ 291</b>
Value Increase Impact		\$ 203
<b>Rate Increase Impact City of Denton</b>		<b>\$ 88</b>

- Rate is per \$100 in value
- Amounts shown are per year.

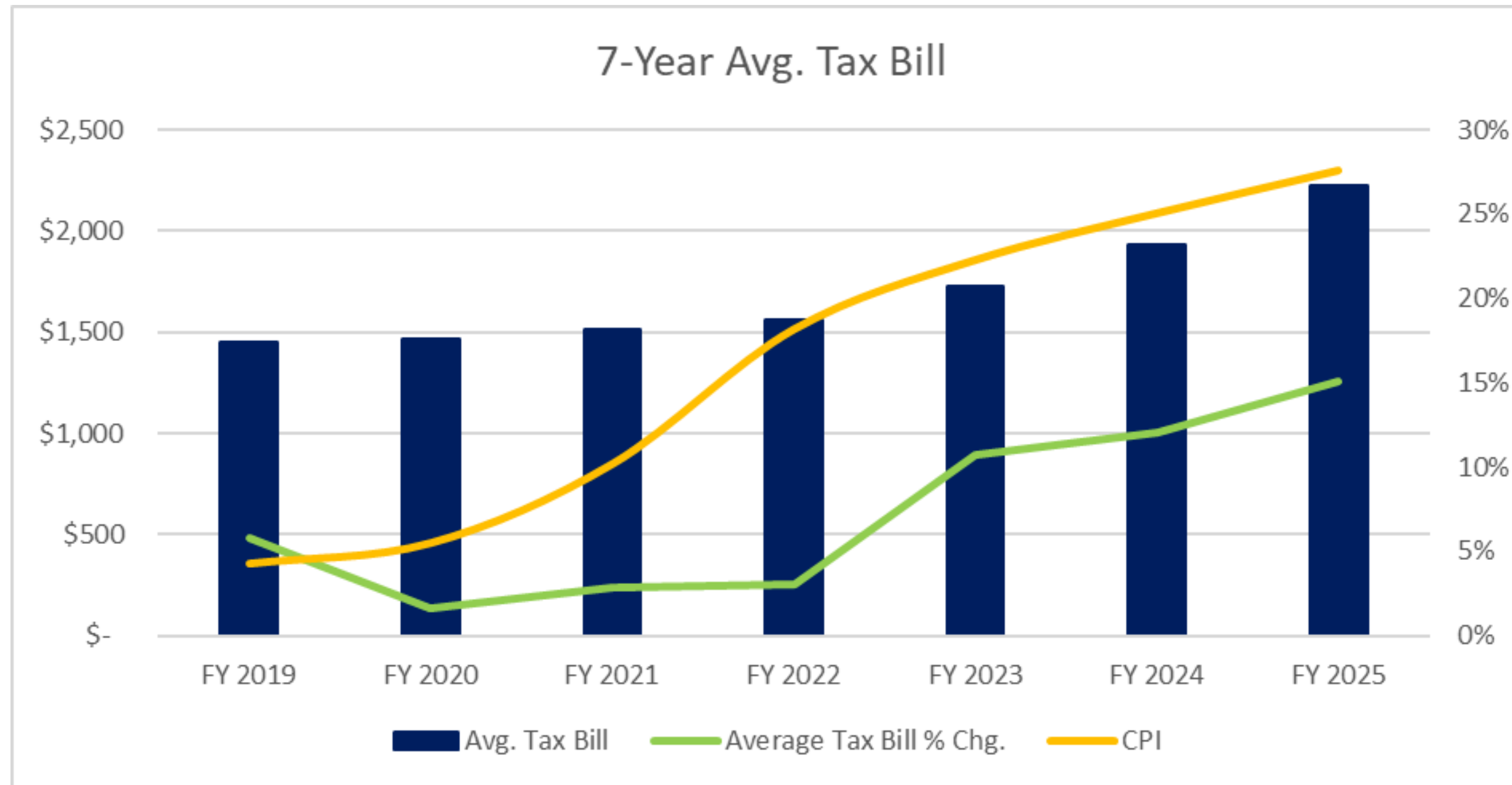
# General Fund Assumptions

Property Tax Rate Comparison  
(Current Year)



# General Fund Assumptions

- CPI Comparison to Tax Bill



# General Fund Assumptions

- Sales Tax

Estimated increase:

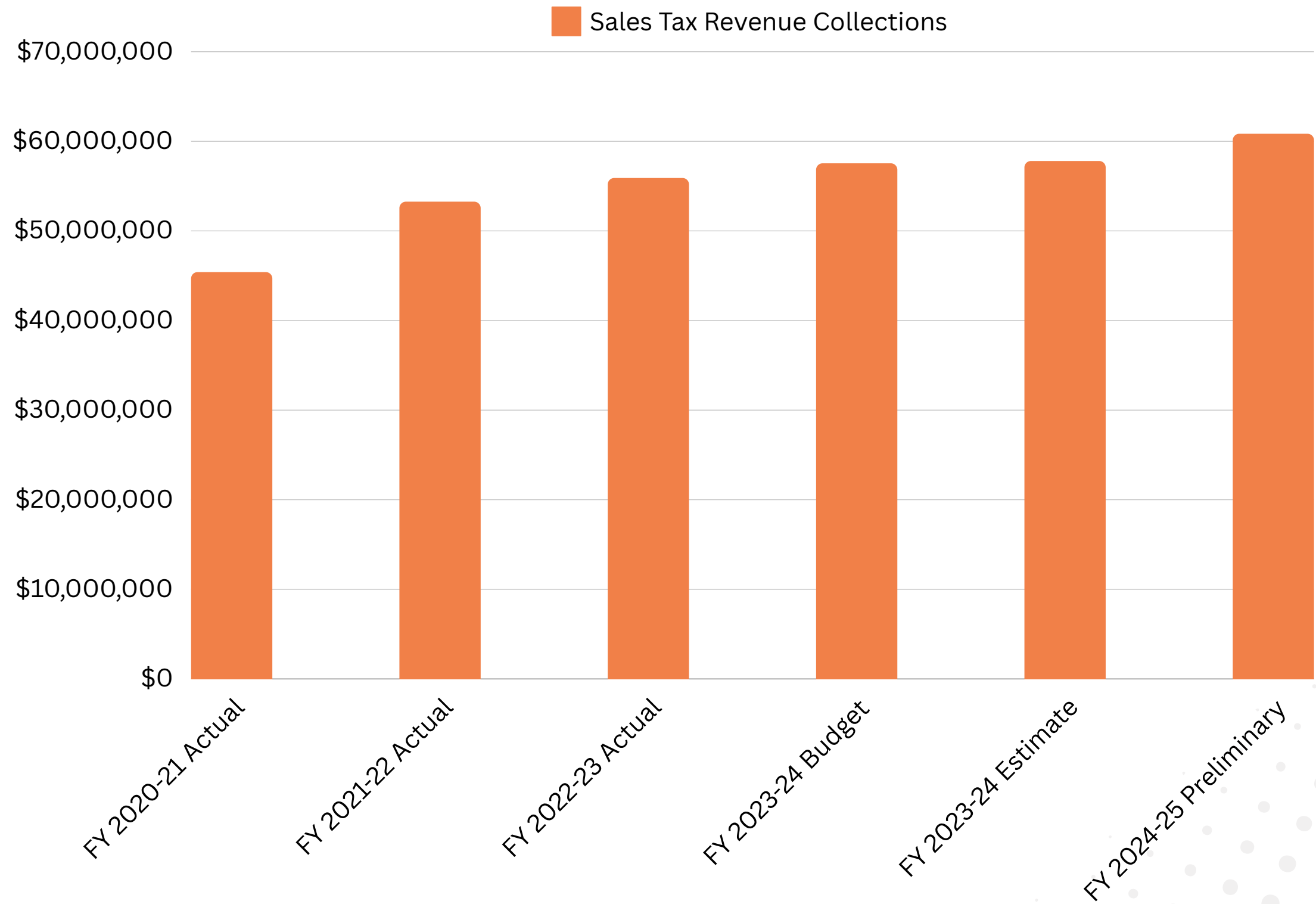
- 5.26% over current year estimate

Revenue Collection:

FY 2022-23 Actual: \$55.9M

FY 2023-24 Budget: \$57.54M

FY 2024-25: \$60.84 M



# General Fund Revenue 5 YR

	FY 2023-24 Budget	FY 2024-25 Proposed	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
Beginning Fund Balance	44,792,044	44,472,881	44,472,881	46,548,674	50,845,564	57,516,536
<b>Revenue:</b>						
Property Tax	64,966,348	68,879,918	71,635,115	74,500,519	77,480,540	80,579,762
Sales Tax	57,545,000	60,841,793	63,275,465	65,806,483	68,438,743	71,176,292
Other Taxes	456,554	608,330	632,663	657,970	684,288	711,660
Licenses and Permits	7,934,673	6,415,806	6,672,438	6,939,336	7,216,909	7,505,586
Franchise Fees & ROI	22,318,368	30,053,644	31,255,789	32,506,021	33,806,262	35,158,512
Fines and Fees	1,893,586	2,106,531	2,190,792	2,278,424	2,369,561	2,464,344
Service Fees	11,728,224	12,108,150	12,592,476	13,096,175	13,620,022	14,164,822
Investment Income	1,857,809	2,352,098	2,446,182	2,544,029	2,645,790	2,751,622
Intergovernmental Revenue	2,910,724	3,197,656	3,325,563	3,458,585	3,596,929	3,740,806
Other Revenues	470,968	305,177	317,384	330,079	343,282	357,013
Transfers	16,987,310	20,710,051	21,538,453	22,399,991	23,295,991	24,227,830
<b>Total Revenue</b>	<b>189,069,564</b>	<b>207,579,152</b>	<b>215,882,319</b>	<b>224,517,612</b>	<b>233,498,317</b>	<b>242,838,249</b>

# General Fund Expenditure 5 YR

	FY 2023-24 Budget	FY 2024-25 Proposed	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
<b>Expenditures:</b>						
Personnel Services	128,105,195	134,147,123	143,321,537	147,621,183	152,049,818	156,611,313
Materials & Supplies	4,274,238	4,372,227	5,339,428	5,499,611	5,664,600	5,834,538
Maintenance & Repair	2,198,857	2,333,586	2,403,594	2,475,701	2,549,972	2,626,472
Insurance	4,122,531	4,521,766	4,657,419	4,797,142	4,941,056	5,089,287
Miscellaneous	3,264,000	3,451,929	3,864,487	3,980,421	4,099,834	4,222,829
Operations	22,040,373	23,867,197	24,830,478	25,575,392	26,342,654	27,132,934
Fixed Assets	601,238	704,483	725,617	747,386	769,808	792,902
Other Expenses	-	3,323,632	3,423,341	3,526,041	3,631,822	3,740,777
Transfers	24,463,132	24,505,462	25,240,626	25,997,845	26,777,780	27,581,113
Baseline Requests	-	1,240,063	-	-	-	-
Supplemental Requests	-	5,111,684	-	-	-	-
<b>Total Expenditures:</b>	<b>189,069,564</b>	<b>207,579,152</b>	<b>213,806,527</b>	<b>220,220,722</b>	<b>226,827,344</b>	<b>233,632,164</b>
Ending Fund Balance	44,792,044	44,472,881	46,548,674	50,845,564	57,516,536	66,722,621
Change in Fund Balance	-	-	2,075,793	4,296,890	6,670,973	9,206,085
Fund Balance as % of Total Expenditures	<b>24%</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>25%</b>	<b>29%</b>

# General Fund Summary

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- 3% COLA & 2.5% Merit Increase
- O&M reduced 2 cents to 0.334780 / \$100 AV
- Total Tax Rate = 0.585420
- Baselines Included for \$1,240,063
- Supplementals Included for \$5,111,684
- Focus on public safety and continuation of employer of choice

Proposed Budget at a two cent reduction includes the supplementals on the following slides

# General Fund

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- Recommended Supplemental Requests:

Description	CMO Recommendation (Full Cost)	CMO Recommendation (Net Cost)
Human Resources: Salary Equity Adjustments	372,834	372,834
Human Resources: 3% COLA & an average of 2.5% Merit	1,660,520	1,660,520
Police: K-9 Sergeant	207,388	207,388
Police: K-9 Officer (2)	494,318	494,318
Police: Officer (2)	358,818	358,818
Police: Police Quartermaster	96,305	96,305
Police: Public Safety Dispatcher	106,422	106,422
Police: Civilian Warrant Clerk	74,918	74,918

# General Fund

- Recommended Supplemental Requests (cont'd):

Description	CMO Recommendation (Full Cost)	CMO Recommendation (Net Cost)
Fire: Firefighters (2) & Reclassifications for Engine 9 & Ladder Truck 3	731,941	731,941
Animal Services: Animal Care Technician (2)	172,226	172,226
Animal Services: Behavior & Enrichment Placement Coordinator	96,284	96,284
Development Services: Risk-based Inspection Program*	115,000	-
Development Services: Small Area Plan Implementation	106,066	106,066
Parks & Recreation: Seasonal Special Events Coordinator***	25,000	-
Parks & Recreation: Park Planner**	99,443	\$12,565
Legal: Attorney	211,105	211,105
<b>Total:</b>	<b>\$4,928,588</b>	<b>\$4,135,504</b>

\*Position salary is recovered by program revenues.

\*\*Position salary is recovered by event revenues.

\*\*\*Position salary is included in planned project budgets.

# General Fund

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- City Council Supplemental Requests:

Description	
City Council: Cash Sponsorship Program - Event Co-sponsorship	\$ 50,000
City Council: Hydration Stations - Pilot Program	88,000
City Council: Police E-bikes	32,500
City Council: Restroom Signage & Products	12,596
<b>Total:</b>	<b>\$ 183,096</b>

# General Fund Summary

	<b>Proposed Rate Over Prior Year</b>	<b>1/2 Cent Increase Over Proposed Rate</b>	<b>1 Cent Increase Over Proposed Rate</b>
Average Home Value	\$ 379,836	\$ 379,836	\$ 379,836
M&O Rate	0.334780	0.339780	0.344780
I&S Rate	0.250640	0.250640	0.250640
Total Tax Rate	0.585420	0.590420	0.595420
Estimated Tax Bill	2,223.64	2,242.63	2,261.62
Estimated Tax Bill Increase (\$)	291.29	18.99	37.98
General Fund Revenue	68,431,079	69,395,661	70,359,531
General Fund Net Income	\$ -	\$ 964,582	\$ 1,928,452

# General Fund

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A **half cent** increase to the proposed tax rate would allow the current proposed supplementals as well as the unfunded items listed below.

Description	Full Cost	Net Cost
Police Officers & Vehicles (3)	898,227	898,227
<b>Total</b>	<b>\$ 898,227</b>	<b>\$ 898,227</b>

# General Fund

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A **one cent** increase to the proposed tax rate would allow the current proposed supplementals as well as the unfunded items listed below.

Description	Full Cost	Net Cost
Police Officers & Vehicles (3)	898,227	898,227
Detention Supervisor	136,855	136,855
Fire Lieutenant	176,971	176,971
Library Specialist	49,061	49,061
Transportation Safety Responses	100,000	100,000
Talent Acquisition Intern	37,594	37,594
Payroll Technician	75,000	75,000
Staff Auditor	90,000	90,000
<b>Total:</b>	<b>\$ 1,590,587</b>	<b>\$ 1,590,587</b>

# Enterprise Overview

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DFW ACCESS. EXTRAORDINARY BUSINESS.

# DENTON ENTERPRISE AIRPORT

# Airport Fund Overview

Airport Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	2,899,720	3,144,635	2,610,712	2,065,057	1,441,668	835,990	187,213
<b>Resources</b>							
Airport Land Leases	777,021	710,104	800,331	812,366	824,521	836,889	849,442
Hangar Leases	157,544	157,200	170,400	170,400	170,000	170,400	170,400
FBO Fuel Commissions	306,706	260,000	260,000	267,800	275,834	284,109	292,632
FBO Hangar/Tiedown Commissions	243,145	275,000	275,000	283,250	291,748	300,500	309,515
Other Airport Income	31,818	4,331	4,331	4,391	4,453	4,516	4,582
Airport Gas Royalties	616,459	450,000	350,000	339,500	329,315	319,436	309,852
Interest Income	148,000	157,115	196,509	144,554	100,917	58,519	-
Use of Reserves	-	533,921	545,655	623,389	605,678	648,776	730,238
<b>Total Resources</b>	<b>2,280,693</b>	<b>2,547,671</b>	<b>2,602,226</b>	<b>2,645,620</b>	<b>2,602,865</b>	<b>2,623,145</b>	<b>2,666,662</b>
<b>Expenditures</b>							
Personnel Services	759,691	835,274	851,660	872,952	894,775	917,145	940,073
Materials & Supplies	7,436	17,520	23,720	19,094	19,476	19,866	20,263
Maintenance & Repair	23,839	60,100	60,100	61,302	62,528	63,779	65,054
Insurance	36,509	46,874	49,984	51,484	53,028	54,619	56,257
Operations	164,648	265,054	257,899	271,816	279,970	288,370	297,021
Cost of Service - General Fund	238,111	276,423	284,716	293,257	302,055	311,117	320,450
Cost of Service - Other	217,386	239,648	285,729	294,301	303,130	312,224	321,591
Debt Service	717,980	806,778	782,418	776,413	682,900	651,025	640,950
Baseline Requests	-	-	6,000	5,000	5,000	5,000	5,000
Supplemental Requests	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,165,603</b>	<b>2,547,673</b>	<b>2,602,226</b>	<b>2,645,620</b>	<b>2,602,865</b>	<b>2,623,145</b>	<b>2,666,662</b>

# Airport Fund Overview

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- Cost of Service Study (Aviation Management Consulting Group)
  - Phase 1 was completed in May.
  - Phase 2 completed in July.
  - Currently under review with expectations to present results in January 2025.



# Denton Municipal Electric

# Electric Fund Overview - Operating Highlights

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## Growth Projections

- 7.53% retail sales (MWh) growth for known Residential and Commercial Projects

## Revenue Projections

- Proposed 1.5% Base Rate increase effective October 1, 2024
- Cost of Service Study to be completed during FY 2025
  - Primary consideration will be fixed costs (i.e. facility and usage changes).

## Expense Projections

- Increase in personnel costs - City-wide compensation adjustment for inflation & competitive market
  - Increase in personnel expenditures (including benefits)
  - Includes 3.0% cost of living adjustment for FY 2025
  - Includes an additional 2.5% merit-based performance adjustment

## Supplemental Requests

- Personnel Requests (16.5 FTEs) \$2,312,292 (incl. benefits)
- Equipment & Supplies for new FTEs \$222,954
- GIS Cloud Management Service \$315,000
- Several requests are under review

# Electric Fund Overview - Position Summary FY 2023-24

<b>Division</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Preliminary</b>
Electric Administration	10.00	13.00	14.00	14.00
Energy Management Organization	14.00	14.00	14.00	17.00
Energy Services Organization	6.00	6.00	6.00	7.00
Electric Regulatory and Risk	9.00	4.00	4.00	4.00
Denton Energy Center	17.00	17.00	17.00	18.00
Electric Safety and Training	3.00	3.00	3.00	3.00
Electric Operations and Maintenance	24.00	24.00	24.00	28.00
Electric System Operations	19.00	22.00	22.00	20.00
Electric Distribution	28.00	28.00	28.00	28.00
Electric Substations	10.00	10.00	10.00	10.00
Electric Engineering	26.00	27.00	27.00	29.50
Electric Metering Operations	16.00	16.00	16.00	17.00
Electric Technology Operations	3.00	3.00	3.00	5.00
<b>Total</b>	<b>185.00</b>	<b>187.00</b>	<b>188.00</b>	<b>200.50</b>

# Electric Fund Overview - Position Additions FY 2024-25

Division	Business Unit / Position Title	FTE(s)
Energy Management Organization	Senior Business Intelligence Analyst	1
Energy Management Organization	Senior Energy Market Analyst	1
Energy Management Organization	Senior ERCOT Transmission Analyst	1
Energy Services Organization	Business Analyst	1
Denton Energy Center	Production Engineer	1
Electric Operations & Maintenance	Apprentice Step B	1
Electric Operations & Maintenance	Construction Supervisor	1
Electric Operations & Maintenance	Journeyman Lineman Position	1
Electric Operations & Maintenance	Lead Lineman	1
Electric Systems Operations	Generation Operations Compliance Officer	1
Electric Systems Operations	Operations & Planning Compliance Officer	1
Electric Engineering	Engineering Intern	0.5

# Electric Fund Overview - Position Additions FY 2024-25

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<b>Division</b>	<b>Business Unit / Position Title</b>	<b>FTE(s)</b>
Electric Engineering	Logistics Specialist	2
Electric Metering Operations	Meter Electrician	1
Electric Technology Operations	Electric Technology Operations Manager	1
Electric Technology Operations	Smart Grid Operations Analyst	1
	<b>Total</b>	<b>16.5</b>

# Electric Fund Overview - 5 YR Forecast

Electric	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	140,776,983	108,833,416	115,477,933	112,005,376	116,202,472	126,569,082	138,317,354
<b>Resources</b>							
Base Rate Revenues	102,759,905	104,394,786	124,913,472	133,877,276	142,279,806	151,856,750	162,021,372
TCRF Revenue	-	-	30,286,099	30,740,391	31,201,497	31,669,519	32,144,562
ECA Revenues	56,433,027	66,916,985	86,122,202	90,243,958	107,778,247	109,278,619	111,920,335
Non-rate Revenues	174,832,684	119,085,425	151,162,001	146,050,020	144,172,162	146,446,325	145,938,131
Total Revenues	334,025,617	290,397,196	392,483,775	400,911,645	425,431,712	439,251,214	452,024,400
Use of Reserves	32,953,193	17,756,399	3,185,619	-	-	-	-
<b>Total Resources</b>	<b>366,978,810</b>	<b>308,153,595</b>	<b>395,669,394</b>	<b>400,911,645</b>	<b>425,431,712</b>	<b>439,251,214</b>	<b>452,024,400</b>
<b>Expenditures</b>							
Purchase Power	194,490,558	116,110,082	181,498,874	176,243,893	189,689,362	193,587,167	195,426,596
Transmission of Power	23,826,397	24,737,092	27,284,774	27,694,046	28,109,457	28,531,098	28,959,065
Personnel	22,229,684	26,090,466	26,032,762	30,685,796	31,606,370	32,554,561	33,531,198
O&M	15,305,427	24,024,805	24,403,313	25,455,264	25,964,369	26,483,656	27,013,330
Cost of Service Transfers	15,357,250	19,887,694	20,288,723	20,469,957	21,084,055	21,716,577	22,368,074
ROI & Franchise Fee	27,713,608	25,141,239	34,620,820	36,249,755	39,150,509	40,504,849	41,900,598
Non-DEC Debt Service	45,122,654	47,185,217	49,615,489	53,811,151	53,490,991	57,923,010	62,651,130
DEC Debt	17,308,336	18,077,000	18,077,125	18,073,500	18,075,875	18,077,375	18,075,750
Revenue Funded Capital	5,624,896	6,900,000	2,057,579	902,000	761,000	995,000	-
2024 Purchase Power Securitization	-	-	7,129,426	7,129,189	7,133,114	7,129,648	7,128,001
Baselines	-	-	871,702	-	-	-	-
Supplementals	-	-	3,788,807	-	-	-	-
<b>Total Expenditures</b>	<b>366,978,810</b>	<b>308,153,595</b>	<b>395,669,394</b>	<b>396,714,550</b>	<b>415,065,102</b>	<b>427,502,942</b>	<b>437,053,742</b>

# Electric 5 YR Forecast

Electric	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Preliminary	Projected	Projected	Projected	Projected
<b>Beginning Fund Balance</b>	140,776,983	108,833,416	115,477,933	112,671,830	116,202,472	126,569,082	138,317,354
<b>Total Resources</b>	366,978,810	308,153,595	395,669,394	400,911,645	425,431,712	439,251,214	452,024,400
<b>Total Expenditures</b>	366,978,809	308,153,595	395,669,394	396,714,550	415,065,102	427,502,942	437,053,742
<b>Ending Fund Balance</b>	107,823,791	90,067,392	112,671,830	116,868,925	126,569,082	138,317,354	153,288,012
<b>Revenue Sufficiency Requirement</b>			1.50%	5.50%	5.00%	5.00%	5.50%
Working Capital	29,358,305	24,652,288	31,706,868	31,737,164	33,205,208	34,200,235	34,964,299
Operating Fund Reserve	78,465,486	65,415,103	80,298,508	84,465,308	93,363,874	104,117,118	118,323,713
<b>Target Reserves</b>							
Working Cptl - 8% / Op Reserve Target - 38%	154,524,014	120,103,676	154,030,385	154,740,824	163,249,445	168,634,263	173,386,901
Working Cptl - 8% / Op Reserve Target - 61%	231,786,021	180,155,514	231,045,578	232,111,236	244,874,167	252,951,395	260,080,351
Debt Service Coverage Ratio (DSCR)	1.01	1.23	1.47	1.58	1.7	1.7	1.7

# Electric Fund Overview - Rate Discussion

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Electric</b>	<b>-3.50%</b>	-	-	-	-	<b>3.00%</b>	<b>1.50%</b>

Estimated Electric Utility Bill	Current Rates	Average Monthly Total	Proposed Base Rate Changes	Average Monthly Total	Proposed Avg. Increase
Facility Charge	\$8.67	\$8.67	\$8.67	\$8.67	\$ -
First 600 kWh	0.0684	41.04	0.0694	41.66	0.62
Additional kWh	0.0455	18.20	0.0461	18.47	0.27
Energy Cost Adjustment	0.0515	51.50	0.0515	51.50	-
Transmission Recovery Cost Factor	0.0135	13.50	0.0135	13.50	-
<b>Bill Total</b>		<b>\$132.91</b>		<b>\$133.80</b>	<b>\$0.89</b>



# Solid Waste & Recycling

# Solid Waste Fund Overview

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- Cost of Service Study completed in June
- Proposed rate increase of 1.5%
- Expense Projections
  - Closure/Post-closure contributions
  - Increase in personnel costs
  - Debt Service increases projected in FY 2025
- Supplemental Requests:
  - Software for SW&R Vehicles \$121,500

# Solid Waste Fund Position Summary

<b>Business Division</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Proposed</b>
Solid Waste Administration	24.00	22.00	22.00	20.00
Residential Collection	40.00	40.00	40.00	40.00
Commercial Collection	33.00	33.00	33.00	33.00
Collection Special Projects	7.00	7.00	7.00	7.00
Solid Waste Disposal	23.00	23.00	24.00	24.00
Home Chemical Collection	6.00	6.00	6.00	6.00
Site Operations	2.00	2.00	1.00	1.00
<b>Total</b>	<b>135.00</b>	<b>133.00</b>	<b>133.00</b>	<b>131.00</b>

# Solid Waste Fund Overview - 5 YR Forecast

Solid Waste Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	9,344,519	10,797,452	9,673,769	9,673,770	9,267,152	9,411,542	10,659,848
<b>Resources</b>							
Rate Revenues	34,536,897	33,984,882	36,255,666	37,343,336	39,023,787	40,584,738	42,613,975
Wholesale Agreements	3,598,251	4,033,433	5,296,940	5,296,940	5,296,940	5,296,940	5,296,940
Non-rate Revenues	2,209,794	1,277,588	1,966,681	1,966,049	2,003,456	2,022,401	2,063,963
Total Revenues	40,344,941	39,295,903	43,519,288	44,636,326	46,324,182	47,904,079	49,974,877
Use of Reserves	207,095	2,074,934	-	406,618	-	-	-
<b>Total Resources</b>	<b>40,552,036</b>	<b>41,370,837</b>	<b>43,519,287</b>	<b>45,042,944</b>	<b>46,324,182</b>	<b>47,904,079</b>	<b>49,974,877</b>
<b>Expenditures</b>							
Personnel Services	12,239,887	13,858,641	14,333,760	14,763,773	15,206,686	15,662,887	16,132,773
Materials & Supplies	399,757	699,267	688,667	702,440	716,489	730,819	745,435
Maintenance & Repairs	161,542	238,516	239,516	244,306	249,192	254,176	259,260
Insurance	618,925	754,473	696,804	710,740	725,646	739,454	754,243
Other Expenditures	25,035	39,820	43,320	44,186	45,070	45,972	46,891
Operations	7,473,229	7,322,341	7,547,617	7,941,123	8,682,791	8,261,945	8,427,184
Cost of Service Transfers	4,667,025	6,531,546	8,442,354	8,611,201	6,931,329	8,959,094	9,138,275
Fixed Assets	920,153	904,007	1,121,087	1,143,509	1,166,379	1,189,706	1,213,501
Vehicle Replacements	3,690,000	2,575,000	1,870,000	1,496,493	1,195,000	320,850	500,000
Revenue Funded Capital	3,545,000	1,000,000	-	-	-	-	-
Closure/Post Closure	971,296	752,631	752,631	752,631	752,631	752,631	752,631
Debt Service	3,874,437	4,817,837	5,404,904	6,347,222	6,787,015	7,385,831	8,031,856
Franchise Fees	1,965,749	1,876,755	2,140,829	2,285,318	2,176,245	2,352,408	2,400,397
Baselines	-	-	237,798	-	-	-	-
<b>Total Expenditures</b>	<b>40,552,036</b>	<b>41,370,834</b>	<b>43,519,287</b>	<b>45,042,944</b>	<b>46,179,792</b>	<b>46,655,772</b>	<b>48,402,446</b>

# Solid Waste 5 YR Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
<b>Beginning Fund Balance</b>	9,344,519	10,797,452	9,673,769	9,673,770	9,267,152	9,411,542	10,659,848
<b>Total Resources</b>	40,552,036	41,370,837	43,519,287	45,042,944	46,324,182	47,904,079	49,974,877
<b>Total Expenditures</b>	40,552,036	41,370,834	43,519,287	45,042,944	46,179,792	46,655,772	48,402,446
<b>Ending Fund Balance</b>	9,137,424	8,722,521	9,673,770	9,267,152	9,411,542	10,659,848	12,232,280
<b>Revenue Sufficiency Requirement</b>			1.5%	3.00%	4.50%	4.00%	5.00%
Working Capital	3,244,163	3,309,667	3,481,543	3,603,435	3,694,383	3,732,462	3,872,196
<b>Operating Fund Reserve</b>	5,893,262	3,752,827	6,983,700	5,663,717	5,717,158	6,927,386	8,360,084
Target Reserves							
Wrking Cptl - 8% / Op Reserve Target - 6%	5,677,285	5,791,917	6,092,700	6,306,012	6,465,171	6,531,808	6,776,342
Wrking Cptl - 8% / Op Reserve Target - 10%	7,299,366	7,446,750	7,833,472	8,107,730	8,312,363	8,398,039	8,712,440
Debt Service Coverage Ratio	3.81	2.04	2.09	1.83	1.80	1.79	1.80

# Solid Waste Fund Rate Overview

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>Residential Service</b>				
Small Container	\$20.51	\$20.82	\$0.31	1.50%
65 Gallon Container	\$20.51	\$20.82	\$0.31	1.50%
95 Gallon Container	\$25.04	\$25.42	\$0.38	1.50%
Additional Cart	\$16.57	\$16.82	\$0.25	1.50%
<b>Commercial Service</b>				
One Pair-Refuse and Recycling Carts	\$33.25	\$33.75	\$0.50	1.50%
Additional Refuse Cart	\$19.75	\$20.05	\$0.30	1.50%
Additional Recycling Cart	\$15.00	\$15.23	\$0.23	1.50%
<b>Roll Off Rates</b>				
Roll-Off Haul (Per Pull)	\$275.00	\$300.00	\$25.00	9.00%
Container Rental	\$167.08	\$170.00	\$2.92	1.75%
<b>Compactor Rates</b>				
Roll-Off Haul (Per Pull)	\$275.00	\$300.00	\$25.00	9.00%
30 Cu. Yard Compactor (Monthly Rental)	\$448.95	\$450.00	\$1.05	0.25%
42 Cu. Yard Compactor (Monthly Rental)	\$645.75	\$650.00	\$4.25	0.67%

# Solid Waste Fund Rate Overview

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>Landfill</b>				
Gate Rate (Resident)	\$44.00	\$45.50	\$1.50	3.40%
Gate Rate (Non-Resident)	\$48.00	\$49.50	\$1.50	3.10%
City Hauled Disposal Rate	\$40.00	\$41.50	\$1.50	3.80%
City of Denton Department Rate	\$24.50	\$26.00	\$1.50	6.10%
Sludge, Dewatered	\$60.00	\$61.50	\$1.50	2.50%
Clean Concrete, Asphalt, Brick, or Dirt	\$22.00	\$23.50	\$1.50	6.80%
Minimum Charge (per load)	\$25.00	\$26.50	\$1.50	6.00%
Electronics Resident (per item)	\$10.00	\$11.50	\$1.50	15.00%
Electronics Non-Resident (per item)	N/A	\$20.00	-	-
Appliances (per item)	\$10.00	\$11.50	\$1.50	15.00%
Construction & Demolition	\$65.00	\$66.50	\$1.50	2.30%
Shingles	\$125.00	\$125.00	\$0.00	0.00%
<b>Commercial Trash</b>				
Commercial Side Load (3 Cu. Yd.)	\$74.16	\$75.27	\$1.11	1.50%
Commercial Side Load (4 Cu. Yd.)	\$98.88	\$100.36	\$1.48	1.50%
Commercial Front Load (Refuse 3 Cu. Yd.)	\$74.16	\$75.27	\$1.11	1.50%
Commercial Front Load (Refuse 4 Cu. Yd.)	\$98.88	\$100.36	\$1.48	1.50%

# Solid Waste Fund Rate Overview

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>Commercial Trash (cont'd)</b>				
Commercial Front Load (Refuse 6 Cu. Yd.)	\$148.32	\$150.54	\$2.22	1.50%
Commercial Front Load (Refuse 8 Cu. Yd.)	\$197.76	\$200.73	\$2.97	1.50%
Commercial Front Load (Refuse CO4)	\$296.64	\$301.09	\$4.45	1.50%
Commercial Front Load (Refuse CO6)	\$444.96	\$451.63	\$6.67	1.50%
Commercial Front Load (Recycling 3 Cu. Yd.)	\$63.78	\$64.74	\$0.96	1.50%
Commercial Front Load (Recycling 4 Cu. Yd.)	\$85.04	\$86.32	\$1.28	1.50%
Commercial Front Load (Recycling 6 Cu. Yd.)	\$127.56	\$129.47	\$1.91	1.50%
Commercial Front Load (Recycling 8 Cu. Yd.)	\$170.07	\$172.62	\$2.55	1.50%

# Solid Waste Fund Rate History

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Solid Waste</b>	<b>-12.00%</b>	<b>-12.00%</b>	<b>-5.00%</b>	-	-	-	<b>1.50%</b>

Solid Waste	Current Average Monthly Bill /Service	Proposed Average Monthly Bill/Service	Proposed Average Increase
95 Gallon Trash	\$25.04	\$25.42	\$0.38
95 Gallon Recycle	\$25.04	\$25.04	-
<b>Total</b>	<b>\$25.04</b>	<b>\$25.42</b>	<b>\$0.38</b>

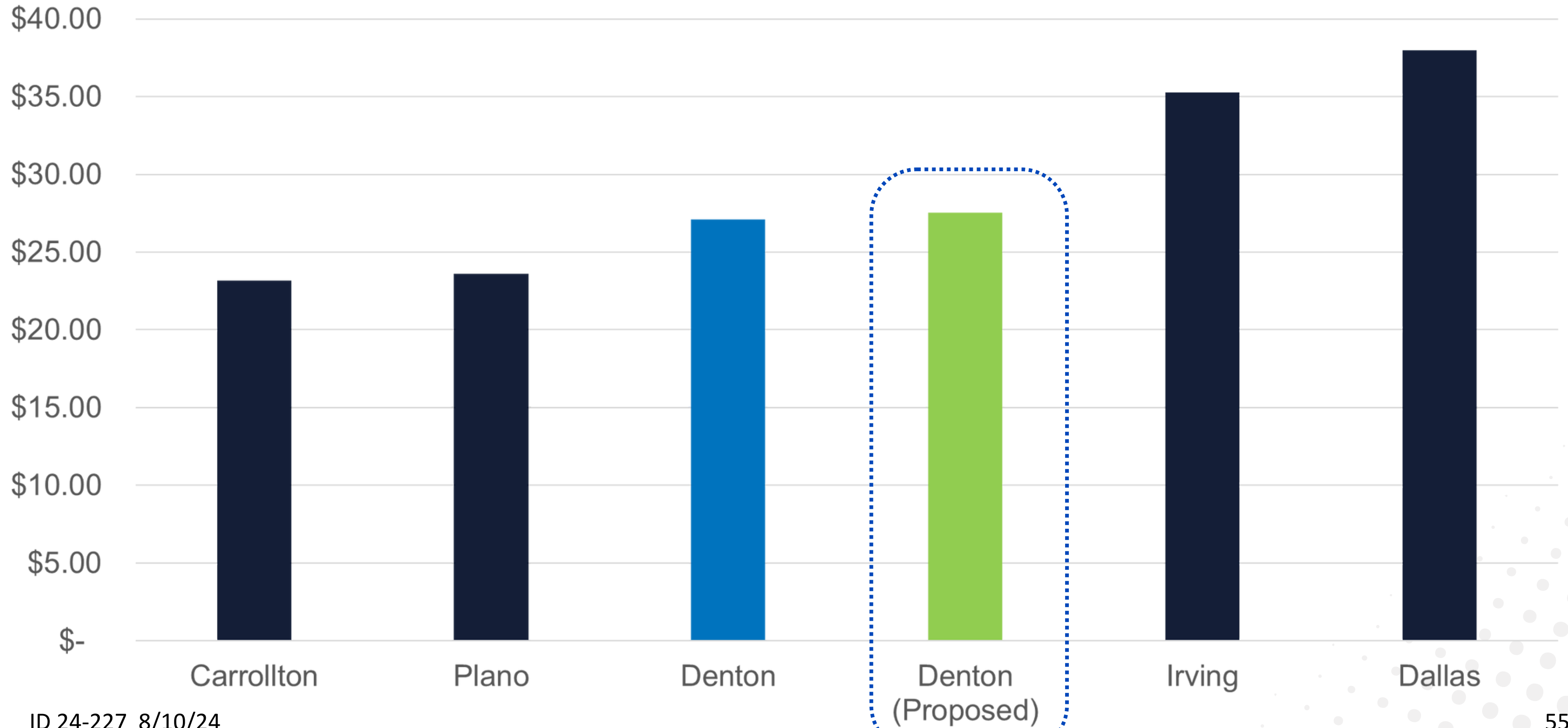
# Solid Waste Fund Rate Summary

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	<b>Proposed Rate Changes</b>
Residential Cart Service	1.5% Increase
Commercial Cart Service	1.5% Increase
Roll Off Rates	\$25 Increase (Hauls) \$2.92 Increase (Rental)
Compactor Rates	\$25 Increase Roll Off (Hauls) \$1.05 Increase (Rental 30 Cu. Yd.) \$4.25 Increase (Rental 40 Cu. Yd.)
Landfill	Flat \$1.50 Increase (excluding shingles)
Commercial Trash	1.5% Increase

# Solid Waste Fund Rate Summary

Residential Solid Waste & Recycling Bills  
(Municipal Providers – 96 Gal. Cart)





# Water, Wastewater & Drainage

# Water Fund Overview

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## Growth Projections

- 3.4% Growth in Residential Customers
- 5.3% Growth in Commercial Customers
- Additional factors include timing of Hunter Cole Development & MUD Growth

## Revenue Projections

- 3.0% increase in rate revenues based on growth
- Water conservation implementation impacts
- Texas Water Development Board Funding (RRWTP Expansion Project)

## Expense Projections

- Increase in Personnel Costs
  - City-wide compensation adjustment for inflation & competitive market

## Supplemental Requests:

- 7 Water Operators, 1 Apprentice, and 1 Asst. General Manager: 9 FTE's totaling \$957,431

# Water Fund Position Summary

<b>Division</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Proposed</b>
Water Administration	16.00	19.00	19.00	19.00
Sustainability	10.50	-	-	-
Planning and Engineering	7.00	8.00	8.00	8.00
Production	39.00	42.00	42.00	49.00
Distribution	26.00	24.00	24.00	24.00
Metering	16.00	17.00	17.00	17.00
Laboratory	5.00	-	-	-
<b>Total</b>	<b>119.50</b>	<b>110.00*</b>	<b>110.00</b>	<b>117.00**</b>

*\*15.5 FTEs moved to Environmental Services in FY 2024*

*\*\*2 FTE proposed to move into General Fund FY 2025*

# Water Fund Position Additions FY 2024-25

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<b>Division</b>	<b>Business Unit / Position Title</b>	<b>FTE(s)</b>
Water Production	Water Operator (Ray Roberts)	3
Water Production	Water Operator (Lake Lewisville)	4
Water Administration	Apprentice	1
Water Administration	Assistant General Manager	1
	<b>Total</b>	<b>9</b>

# Water Fund - 5 YR Forecast

Water Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	29,588,453	30,178,974	37,161,701	37,161,701	34,317,341	29,255,227	27,148,389
<b>Resources</b>							
Rate Revenues	48,358,373	46,404,583	49,511,119	52,481,786	55,630,693	58,968,535	62,506,647
Non-rate Revenues	10,881,357	16,450,861	4,897,741	5,044,673	5,196,014	5,351,894	5,512,451
Interest Income	861,629	300,000	1,226,964	1,194,745	1,096,824	926,851	852,019
Total Revenues	60,101,359	63,155,444	55,635,824	58,721,204	61,923,531	65,247,280	68,871,117
Use of Reserves	-	-	-	2,844,360	5,062,114	2,106,838	-
<b>Total Resources</b>	<b>60,101,359</b>	<b>63,155,444</b>	<b>55,635,824</b>	<b>61,572,004</b>	<b>66,998,066</b>	<b>67,372,888</b>	<b>68,362,580</b>
<b>Expenditures</b>							
Purchased Power	1,774,059	1,481,328	1,481,328	1,525,766	1,571,541	1,618,688	1,667,249
Purchase of Water	936	3,000	3,000	3,090	3,183	3,278	3,377
Personnel Services	9,322,841	11,458,321	12,351,858	12,722,414	13,104,086	13,497,209	13,902,125
O&M	8,249,703	7,794,903	7,902,978	8,140,067	8,384,269	8,635,797	8,894,871
Administrative Cost	4,063,833	3,944,389	4,208,445	4,460,952	4,728,609	5,012,325	5,313,065
Other Expenses	220,910	107,865	107,865	111,101	114,434	117,867	121,403
Debt Service Transfers	10,216,828	11,849,983	14,729,464	19,312,200	23,336,639	22,259,761	21,745,688
Capital Transfers	5,999,606	13,722,000	430,562	443,479	456,783	470,487	484,601
Impact Fees	1,938,055	-	-	-	-	-	-
Interfund Transfers	8,116,076	8,312,192	10,514,188	10,829,614	11,154,502	11,489,137	11,833,811
Fixed Assets	65,936	35,000	36,050	37,132	38,245	39,393	40,575
Baseline Adjustments	-	-	2,912,655	3,000,035	3,090,036	3,182,737	3,278,219
Supplementals	-	-	957,431	986,154	1,015,739	1,046,211	1,077,597
<b>Total Expenditures</b>	<b>49,968,783</b>	<b>58,708,981</b>	<b>55,635,824</b>	<b>61,572,004</b>	<b>66,998,066</b>	<b>67,372,888</b>	<b>68,362,580</b>

# Water 5 YR Forecast

Water Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
<b>Beginning Fund Balance</b>	29,588,453	30,178,974	37,161,701	37,161,701	34,317,341	29,255,227	27,148,389
<b>Total Resources</b>	60,101,359	63,155,444	55,809,257	61,750,640	66,998,066	67,372,888	68,362,580
<b>Total Expenditures</b>	49,968,783	58,708,981	55,809,257	61,750,640	66,998,066	67,372,888	68,362,580
<b>Ending Fund Balance</b>	39,721,029	34,625,437	37,161,701	34,317,341	29,255,227	27,148,389	27,682,430
<b>Revenue Sufficiency Requirement</b>			3.00%	3.00%	3.00%	3.00%	3.00%
Working Capital	3,997,503	4,696,718	4,450,866	4,925,760	5,359,845	5,389,831	5,469,006
Operating Fund Reserve	35,723,526	29,928,719	32,710,835	29,391,580	23,895,382	21,758,558	22,213,423
<b>Target Reserves</b>							
Working Capital - 8% / Op Reserve - 25%	16,489,699	19,373,964	18,359,822	20,318,761	22,109,362	22,233,053	22,559,651
Working Capital - 8% / Op Reserve - 42%	24,984,392	29,354,491	27,817,912	30,786,002	33,499,033	33,686,444	34,181,290
Debt Service Coverage Ratio (DSCR)	2.9	1.89	1.31	1.11	1.01	1.15	1.29

# Water Fund Rate Changes

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- Water Rate Changes

	<b>Current FY 2023-24</b>	<b>Proposed FY 2024-25</b>	<b>Change</b>	<b>% Change</b>
Residential Water Service *				
0 – 5,000 Gallons	\$ 3.63	\$ 3.73	\$ 0.10	2.8%
5,001 – 7,000 Gallons	\$ 3.90	\$ 4.01	\$ 0.11	2.8%
7,001 – 15,000 Gallons	\$ 4.05	\$ 4.17	\$ 0.12	3.0%
15,001 – 30,000 Gallons	\$ 7.25	\$ 7.46	\$ 0.21	2.9%
30,001 – 50,000 Gallons	\$ 9.68	\$ 9.97	\$ 0.29	3.0%
Over 50,000 Gallons	\$ 12.04	\$ 12.40	\$ 0.36	3.0%
Facility Charge	Varies	Varies		3.0%
Commercial Water Service *				
Volume Charge	\$ 4.34	\$ 4.47	\$ 0.13	3.0%
Facility Charge	Varies	Varies		3.0%

# Water Fund Overview

- Water Rate Changes (cont'd):

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>UTRWD Wholesale Raw</b>				
Wholesale Raw Water (85% of Dallas rate)	\$ 0.90	\$ 0.96	\$ 0.06	6.6%
<b>UTRWD Wholesale Treated</b>				
Wholesale Treated Water	\$ 0.61	\$ 1.25	\$ 0.64	104.9%
<b>Meters</b>				
Fire Hydrant Meter Deposit	\$ 1,100	\$ 3,000	\$ 1,900	172.7%
Backflow Testing	\$ 15.95	\$ 25.00	\$ 9.05	56.7%
Backflow Service Fee (Monthly)	N/A	\$ 4.16	-	-
Non-City of Denton Meter Test	N/A	\$ 25.00	-	-
<b>Commercial Irrigation Rates</b>				
0 – 7,000 Gallons	\$ 6.61	\$ 6.80	\$ 0.19	3.0%
7,001 – 20,000 Gallons	N/A	\$ 7.25	-	-
20,001 – 40,000 Gallons	N/A	\$ 8.50	-	-
Over 40,000 Gallons	N/A	\$ 9.50	-	-

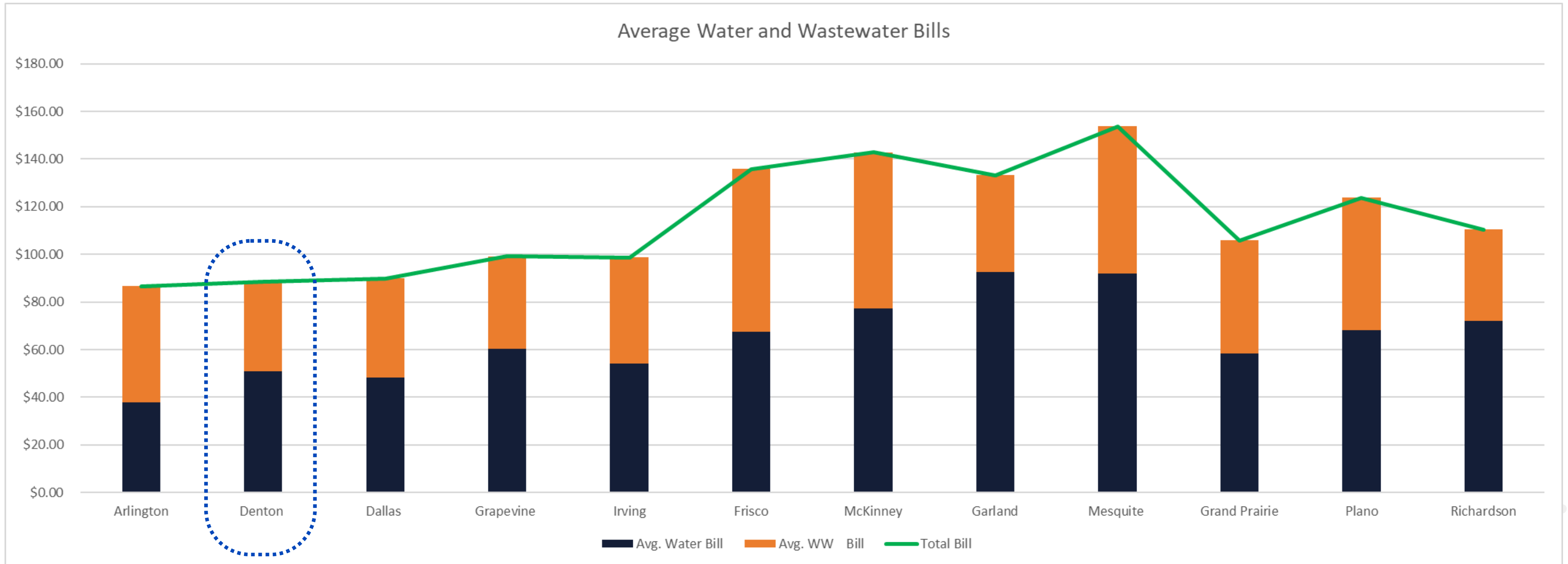
# Water Fund Overview

- Water Rate Changes (cont'd):

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>Water Tap &amp; Meter Fees 1"-2"</b>				
1" T - 5/8" X 3/4" paved (P)	\$ 2,405	\$ 4,617	\$ 2,212	92.0%
1" T - 5/8" X 3/4" unpaved (UP)	\$ 1,605	\$ 2,203	\$ 598	37.3%
1" T - 3/4" X 3/4" (p)	\$ 2,445	\$ 4,471	\$ 2,026	82.9%
<b>1" T - 3/4" X 3/4" (UP)</b>	\$ 1,645	\$ 2,086	\$ 441	26.8%
1" T - 1" (P)	\$ 2,475	\$ 4,886	\$ 2,411	97.4%
1" T - 1" (UP)	\$ 1,675	\$ 2,277	\$ 602	35.9%
2"T - 1 1/2" (P)	\$ 3,070	\$ 4,500	\$ 1,430	46.6%
2"T - 1 1/2" (UP)	\$ 2,070	\$ 2,800	\$ 730	35.3%
<b>2"T - 2" (P)</b>	\$ 3,080	\$ 4,685	\$ 1,605	52.1%
2"T - 2" (UP)	\$ 2,080	\$ 2,800	\$ 720	34.6%
<b>Taps 4" and Larger</b>				
4" Paved	\$ 3,600	Varies*	-	-
4"Unpaved	\$ 2,100	Varies*	-	-
6" Paved	\$ 3,800	Varies*	-	-
6" Unpaved	\$ 2,200	Varies*	-	-
8" Paved	\$ 4,800	Varies*	-	-
8" Unpaved	\$ 3,100	Varies*	-	-
12" Paved	\$ 5,500	Varies*	-	-
12" Unpaved	\$ 4,000	Varies*	-	-

# Water Fund Overview

- Average Water Utility Rate Comparison - Other Cities



# Water Fund Overview

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Water</b>	-	-	<b>-2.00%</b>	-	-	-	<b>3.00%</b>

Estimated Water Utility Bill	Current Rates	Average Monthly Total	Proposed Base Rate Changes	Average Monthly Total	Proposed Avg. Increase
Facility Charge (3/4" Meter)	15.84	15.84	16.35	16.35	\$0.51
0 - 5,000 gallons	3.63	18.15	3.73	18.65	\$0.50
5,001 - 7,000 gallons	3.90	7.8	4.01	8.02	\$0.22
7,001 - 15,000 gallons	4.05	8.10	4.17	8.34	\$0.24
<b>Bill Total</b>		<b>\$49.89</b>		<b>\$51.36</b>	<b>\$1.47</b>

\*Based on 9,000 monthly gallons water

# Wastewater Fund

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# Wastewater Fund Overview

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## Growth Projections

- 3.4% Growth in Residential Customers
- 4.1% Growth in Commercial Customers

## Revenue Projections

- 3.7% increase in rate revenues based on growth
- Rate increase needed to meet debt service coverage ratio and policy targets

## Expense Projections

- Increase in Personnel Costs
  - City-wide compensation adjustment for inflation & competitive market

## Proposed Rate Increase:

- 11% increase in rates for revenue sufficiency

## Supplemental Requests:

- Water Reclamation Technician \$101,359

# Wastewater Fund Position Summary

<b>Division</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Proposed</b>
Water Reclamation	27.00	33.00	33.00	34.00
Wastewater Collection	33.00	35.00	35.00	35.00
Field Services Group	2.00	-	-	-
Beneficial Reuse	7.00	7.00	7.00	7.00
Laboratory*	4.00	-	-	-
Industrial Pretreatment*	7.50	-	-	-
Drainage	17.00	17.00	17.00	17.00
Watershed Protection	9.00	9.00	9.00	9.00
<b>Total</b>	<b>106.50</b>	<b>101.00</b>	<b>101.00</b>	<b>102.00</b>

# Wastewater Fund Position Additions FY 2024-25

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<b>Division</b>	<b>Business Unit / Position Title</b>	<b>FTE(s)</b>
Water Reclamation	Water Reclamation Technician I-IV	1
	<b>Total</b>	<b>1</b>

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# Wastewater Fund Overview

Wastewater	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Beginning Fund Balance	27,072,158	15,510,254	15,861,672	15,611,484	17,016,844	19,003,119	21,349,817
<b>Resources</b>							
Rate Revenues	26,951,154	30,200,237	35,571,132	42,144,776	50,777,030	60,162,888	70,081,680
Non-Rate Revenues	2,968,450	3,162,768	3,428,700	3,531,561	3,637,508	3,746,633	3,859,032
Other Revenues	5,163,445	4,911,564	772,580	725,135	775,000	842,523	921,097
Use of Reserves	11,561,903	1,642,412	250,188	-	-	-	-
<b>Total Resources</b>	<b>46,644,952</b>	<b>39,916,981</b>	<b>40,022,601</b>	<b>46,401,472</b>	<b>55,189,538</b>	<b>64,752,044</b>	<b>74,861,809</b>
<b>Expenditures</b>							
Purchased Power	1,081,681	1,200,000	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Fuel	27,818	21,000	21,000	21,630	22,279	22,947	23,636
Personnel Services	6,513,708	6,551,435	7,325,753	7,545,526	7,771,891	8,005,048	8,245,200
O&M	6,804,533	5,689,436	5,662,634	5,832,513	6,007,488	6,187,713	6,373,344
Administrative Cost	2,474,983	2,619,061	3,023,546	3,582,306	4,316,048	5,113,845	5,956,943
Miscellaneous Expense	1,689	7,898	7,898	26,881	27,687	28,518	29,374
Debt Service Transfers	8,549,983	8,713,745	9,898,950	13,505,651	20,790,516	28,354,759	36,823,390
Capital Transfers	12,746,862	5,655,475	888,538	891,494	269,539	274,766	279,993
Impact Fees	500,000	250,000	-	-	-	-	-
Interfund Transfers	7,928,429	9,208,931	11,077,923	11,410,261	11,752,569	12,105,146	12,468,300
Fixed Assets	15,264	-	-	-	-	-	-
Baseline Adjustments	-	-	815,000	839,450	864,634	890,573	917,290
Supplementals	-	-	101,359	104,400	107,532	110,758	114,080
<b>Total Expenditures</b>	<b>46,644,952</b>	<b>39,916,981</b>	<b>40,022,601</b>	<b>44,996,112</b>	<b>53,203,263</b>	<b>62,405,346</b>	<b>72,582,160</b>

# Drainage Division Overview

Drainage	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Resources</b>							
Rate Revenues	4,803,687	4,960,001	5,072,777	5,224,960	5,381,709	5,543,160	5,709,455
Non-rate Revenues	19,050	72,112	177,275	182,594	188,071	193,714	199,525
Operating Transfers In	378,165	378,166	389,511	401,196	413,232	425,629	438,398
Total Revenues	5,200,902	5,410,279	5,639,563	5,756,566	5,874,080	5,992,119	6,010,700
<b>Total Resources</b>	<b>\$5,200,902</b>	<b>\$5,410,279</b>	<b>\$5,639,563</b>	<b>\$5,808,750</b>	<b>\$5,983,013</b>	<b>\$6,162,503</b>	<b>6,347,378</b>
<b>Expenditures</b>							
Personnel Services	1,998,587	2,590,912	2,803,117	2,887,211	2,973,827	3,063,042	3,154,933
Materials and Supplies	110,484	197,257	122,630	126,309	130,098	134,001	138,021
Maintenance and Repair	253,041	297,047	301,247	341,184	351,420	361,963	372,821
Insurance	63,388	69,181	74,395	71,257	73,394	75,596	77,864
Miscellaneous Expense	25,492	18,350	18,200	18,200	18,200	18,200	18,200
Operations	582,278	589,287	596,661	718,129	739,673	761,863	784,719
Capital Transfers	1,625,317	999,688	1,036,457	1,073,467	1,106,217	1,139,949	1,174,694
Interfund Transfers	542,315	648,557	556,304	572,994	590,183	607,889	626,125
Baseline Adjustments	-	-	130,552	-	-	-	-
<b>Total Expenditures</b>	<b>\$5,200,902</b>	<b>\$5,410,279</b>	<b>\$5,639,563</b>	<b>\$5,808,750</b>	<b>\$5,983,013</b>	<b>\$6,162,503</b>	<b>\$6,347,378</b>
<b>Ending Fund Balance</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

*Cost of Service Study to be completed in FY 2024-25*

# Wastewater & Drainage Overview

Wastewater	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
<b>Beginning Fund Balance</b>	28,072,158	16,510,254	16,861,672	16,611,484	18,016,844	20,033,119	22,349,817
<b>Total Resources</b>	51,845,856	45,327,259	45,662,164	52,210,222	61,172,551	70,914,547	81,209,187
<b>Total Expenditures</b>	51,845,856	45,327,259	45,662,164	50,804,862	59,186,276	68,567,849	78,929,538
<b>Ending Fund Balance</b>	16,510,256	14,867,842	16,611,484	18,016,844	20,003,119	22,349,817	24,629,466
<b>Revenue Sufficiency Requirement</b>			11.00%	11.00%	13.00%	11.00%	9.00%
Working Capital	1,320,820	1,189,427	1,328,919	1,441,348	1,600,250	1,787,985	1,970,357
Operating Fund Reserve	15,189,436	13,678,415	15,282,565	16,575,496	18,402,869	20,561,832	22,659,109
<b>Target Reserves</b>							
Working Cptl - 8% / Op Reserve - 20%	14,516,840	12,691,633	12,785,406	14,225,361	16,572,157	19,198,998	22,100,271
Working Cptl - 8% / Op Reserve - 31%	20,219,884	17,677,631	17,808,244	19,813,896	23,082,648	26,741,461	30,782,520
Debt Service Coverage Ratio (DSCR)	0.99	1.3	1.37	1.44	1.32	1.27	1.23

# Wastewater Fund Overview

- Wastewater Rate Changes:

	Current FY 2023-24	Proposed FY 2024-25	Change	% Change
<b>Residential Service</b>				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
<b>Commercial Service</b>				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
<b>Sale of Treated Effluent</b>				
Per 1,000 gal. effluent	\$ 1.67	\$ 2.50	\$ 0.83	49.7%
<b>Wastewater Tap Fees</b>				
4" Paved	\$ 2,600	Varies*	-	-
4" Unpaved	\$ 1,500	Varies*	-	-
6" Paved	\$ 2,700	Varies*	-	-
6" Unpaved	\$ 1,650	Varies*	-	-
8" Paved	\$ 2,800	Varies*	-	-
8" Unpaved	\$ 1,800	Varies*	-	-
<b>Waste Transportation Manifest</b>				
Waste Manifest Book	\$ 40	\$ 165	\$ 125	312%

# Wastewater Fund Overview

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Wastewater	-5.00%	-	-	-	-	11.00%	11.00%

Estimated Water Utility Bill	Current Rates	Average Monthly Total	Proposed Base Rate Changes	Average Monthly Total	Proposed Avg. Increase
Facility Charge (3/4" Meter)	12.21	12.21	13.55	13.55	\$1.34
Volume Charge (Per 1,000 gallons)	4.22	25.32	4.68	28.08	\$2.76
<b>Bill Total</b>		<b>\$37.53</b>		<b>\$41.63</b>	<b>\$4.10</b>

\*Based on 6,000 monthly gallons wastewater

# Special Revenue Fund Overview

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# Special Revenue Funds

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The Special Revenue Funds are used for specific revenue sources that have been restricted for a specific purpose.

- **The FY 2025 budget includes 25 Special Revenue Funds**
- **Four new funds proposed to be added in FY 2025**
  - Meadows Municipal Utility District
  - Legends Municipal Utility District
  - Tourism Public Improvement District
  - Public Housing Finance Corporation
- **Major Funds Include:**
  - Street Improvement Fund
  - Sustainability Framework Fund
  - Catalyst Fund
  - Downtown TIRZ Fund
  - Westpark TIRZ Fund
  - Tourist and Convention Fund

# Special Revenue Funds

## Street Improvement Fund Overview

Street Improvement Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Beginning Fund Balance	7,570,889	8,994,528	3,021,049	2,598,128	2,273,519	2,032,172	1,858,585
<b>Resources</b>							
Franchise Fees	17,111,671	16,688,477	16,300,000	16,900,000	17,500,000	18,100,000	18,700,000
Investment Income	278,710	62,000	100,000	103,000	106,090	109,273	112,551
Sale of Surplus Supplies	9,111	-	10,000	10,300	10,609	10,927	11,255
Bond Sale Savings	1,306,035	1,345,000	2,126,082	2,189,864	2,55,560	2,323,227	2,392,924
Transfers In	-	1,674,993	1,573,632	1,620,841	1,669,466	1,719,550	1,771,137
Total Revenues	18,705,527	19,770,470	20,109,714	20,724,005	21,341,726	21,962,977	22,587,867
Use of Reserves	-	5,973,479	422,921	324,609	241,347	173,587	521,795
<b>Total Resources</b>	<b>18,705,527</b>	<b>25,743,949</b>	<b>20,532,635</b>	<b>21,148,614</b>	<b>21,783,072</b>	<b>22,436,565</b>	<b>23,109,662</b>
<b>Expenditures</b>							
Personnel Services	3,487,407	4,268,689	4,449,610	4,583,098	4,720,591	4,862,209	5,008,075
Materials & Supplies	130,105	106,000	106,000	109,180	112,455	115,829	119,304
Maintenance & Repair	5,421,853	5,827,739	5,827,739	6,002,571	6,182,648	6,368,128	6,559,172
Insurance	226,171	165,880	103,074	106,166	109,351	112,632	116,011
Other Expenditures	230	-	-	-	-	-	-
Operations	1,200,768	1,128,000	1,153,000	1,187,590	1,223,218	1,259,914	1,297,712
Admin Transfers	833,854	884,171	1,319,580	1,359,167	1,399,942	1,441,941	1,485,199
Capital Outlay	5,981,500	13,363,470	7,573,632	7,800,841	8,034,866	8,275,912	8,524,190
<b>Total Expenditures</b>	<b>17,281,888</b>	<b>25,743,949</b>	<b>20,532,635</b>	<b>21,148,614</b>	<b>21,783,072</b>	<b>22,436,565</b>	<b>23,109,662</b>

# Special Revenue Funds

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## Sustainability Framework Fund Overview

	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed
Beginning Fund Balance	\$ 354,924	\$ 354,924	\$ 354,924
Revenues	750,000	810,000	800,000
Expenses	750,000	810,000	800,000
Ending Fund Balance	\$354,924	\$354,924	\$354,924

Established by Ordinance 21-1689 in FY 2021

FY 2025 budget is reduced due to projected funding availability

# Special Revenue Funds

## Catalyst Fund Overview

	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed
Beginning Fund Balance	\$ 4,292,656	\$ 1,446,295	\$ 4,560,464
Revenues	1,150,000	1,372,808	1,150,000
Expenses	1,000,000	1,105,000	1,150,000
Ending Fund Balance	\$4,442,656	\$ 4,560,464	\$ 4,560,464

Established by Ordinance 22-1803 in FY 2022

FY 2025 budget is reduced due to projected funding availability

# Special Revenue Funds

## Downtown TIRZ Overview

	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed
Beginning Fund Balance	\$ 3,523,963	\$ 3,523,963	\$ 4,474,735
Revenues	1,023,129	1,050,772	978,422
Expenses	1,023,129	100,000	978,422
Ending Fund Balance	\$ 3,523,963	\$ 4,474,735	\$ 4,474,735

### Revenues

- Base value of \$79,356,854 and a 2024 certified value of \$230,735,298
- Estimated revenue for FY 2025 of \$978,422 based on a proposed tax rate of .585420

### Expenses

- The budget includes \$978,422 for future grants

# Special Revenue Funds

## Westpark TIRZ Overview

	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed
Beginning Fund Balance	\$ 1,446,295	\$ 1,446,295	\$ 2,698,688
Revenues	1,301,378	1,252,393	1,390,029
Expenses	2,894,165	-	3,522,650
Ending Fund Balance	(\$146,492)	\$2,698,688	\$ 566,067

### Revenues

- Base value of \$119,458 and a 2024 certified value of \$413,776,211
- Estimated revenue for FY 2025 of \$1,252,393 based on a proposed tax rate of .585420

### Expenses

- The budget includes \$3,522,650 for future incentive payments

# Special Revenue Funds

## Community Partnership Grants (HOT)

<b>RESOURCES</b>	<b>FY 2024 ADOPTED</b>	<b>FY 2024 ESTIMATE</b>	<b>FY 2025 PROPOSED</b>
Hotel Occupancy Tax	\$ 2,800,000	\$ 2,891,622	\$ 2,947,000
Convention Center Hotel	1,008,000	715,522	1,072,349
Interest Income & Refunds	14,000	65,937	25,000
<b>TOTAL REVENUES</b>	<b>\$ 3,822,000</b>	<b>\$ 3,673,081</b>	<b>\$ 4,044,349</b>
Use of Reserves	578,255	1,967	491,755
<b>TOTAL RESOURCES</b>	<b>\$ 4,400,255</b>	<b>\$ 3,675,048</b>	<b>\$ 4,536,104</b>

### Revenues:

- Proposed Revenues from Hotels Occupancy taxes budgeted at \$4,044,349 with \$491,755 in use of reserves.
- 23.43% increase in total revenues over FY 2024

# Special Revenue Funds

## Community Partnership Grants (HOT)

<b>EXPENDITURES</b>	<b>FY 2024 ADOPTED</b>	<b>FY 2024 ESTIMATE</b>	<b>FY 2025 PROPOSED</b>
Black Chamber of Commerce	\$ 60,000	\$ 43,333	\$ 60,100
Black Film Festival Institute	51,500	74,389	54,500
Denton Breakfast Kiwanis	6,200	8,956	7,000
Chamber of Commerce CVB <sup>(1)</sup>	1,657,000	1,196,722	1,710,600
Denton Music and Art Collaboration	-	-	2,000
Mount Zion-Africa Festival	-	-	3,000
Denton Bach Society	-	-	1,000
Denton Community Market	68,400	98,800	68,600
Denton County History & Culture	290,000	209,444	296,200
Denton Day of the Dead Festival	65,000	93,889	65,100
Denton Festival Foundation	125,000	90,278	135,000
Denton Holiday Festival Association	50,000	36,111	50,000
Denton Main Street Association	80,000	57,778	80,200
Denton Parks Foundation	134,000	193,556	134,300
Denton Public Art Committee	100,000	144,444	100,000
Greater Denton Arts Council	160,000	115,556	160,400
North Texas State Fair Association	312,400	225,622	327,400
Real Waves Radio Network (KUZU)	13,300	19,211	13,400
Tejas Storytelling Association	59,055	42,652	59,055
Denton Community Theatre	27,000	19,500	30,100
Texas Filmmakers	50,000	72,222	50,700
Texas Veterans Hall of Fame	55,000	79,444	55,100
Black Film Festival (Project Funding)	-	-	-
O'Reilly Hospitality	1,008,000	853,141	1,072,349
Downtown Ambassador	28,400	-	-
<b>SUBTOTAL RECURRING EXPENSES</b>	<b>\$ 4,400,255</b>	<b>\$ 3,675,048</b>	<b>\$ 4,536,104</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,400,255</b>	<b>\$ 3,675,048</b>	<b>\$ 4,536,104</b>

### Expenditures:

- Proposed allocations to community partnerships are budgeted at \$4,536,104
- 23.46% increase in total grants to community partners over FY 2024

# Internal Service Funds

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# Internal Service Funds Summary

## Internal Service Fund Summary

	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed
<b>Facilities</b>	\$6,293,025	\$6,883,221	\$6,875,881	\$8,418,765
<b>Fleet Management</b>	\$14,910,424	\$16,134,609	\$15,493,617	\$17,797,472
<b>Materials Management</b>	\$17,434,956	\$19,267,573	\$14,341,862	\$20,890,460
<b>Engineering</b>	\$8,686,012	\$12,164,492	\$10,475,000	\$13,521,518
<b>Customer Service</b>	\$7,904,929	\$9,856,620	\$9,298,330	\$11,965,917
<b>Technology Services</b>	\$20,068,313	\$21,912,435	\$21,808,575	\$25,100,222
<b>Risk</b>	\$7,500,174	\$7,969,338	\$8,450,300	\$8,855,546
<b>Health</b>	\$35,748,661	\$36,402,929	\$38,043,253	\$42,196,727
<b>Environmental Services</b>	-	\$4,761,163	\$4,440,173	\$6,145,567

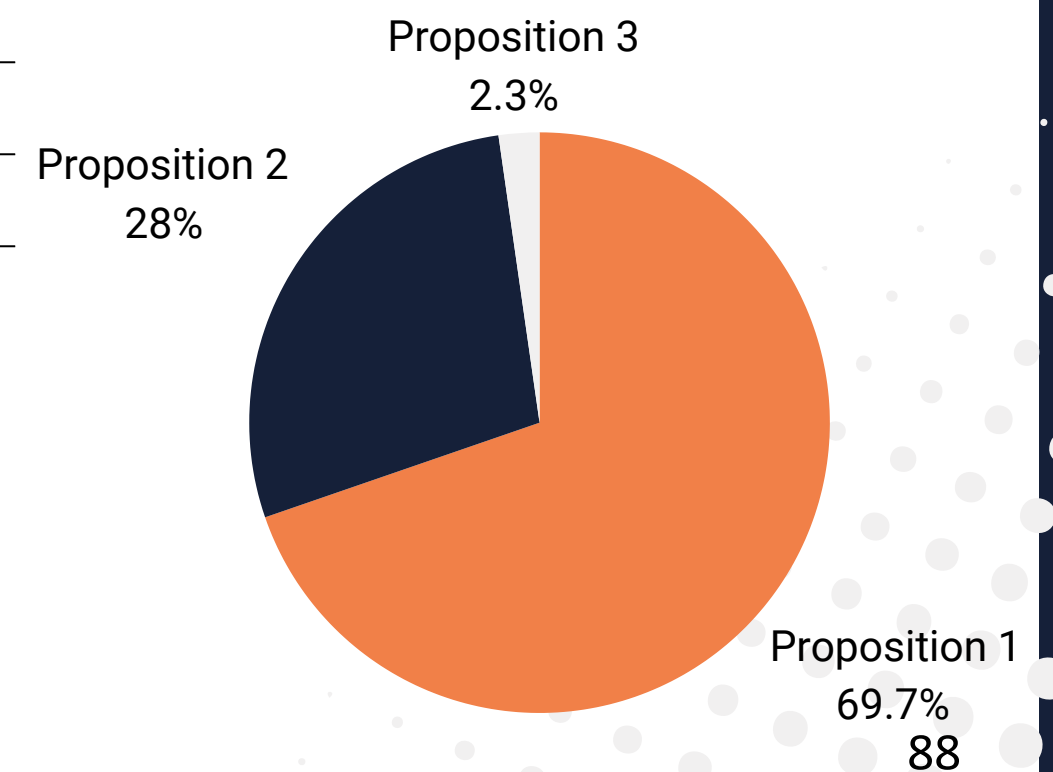
# Bond Programs

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# 2019 Bond Election Program

*In Thousands*

Project	Prior Issued	2024-25	TOTAL
Street Rehabilitation Program	\$ 56,600	\$ 13,400	\$ 70,000
Bonnie Brae (V, VI, and VII)	27,000	-	27,000
Hickory Creek Road	34,000	-	34,000
Sidewalk Program	10,000	2,000	12,000
Street Lighting	3,500	3,500	7,000
Ryan Road	4,000	-	4,000
<b>2019 Bond Election (Proposition 1) - Streets Total</b>	<b>\$ 135,100</b>	<b>\$ 18,900</b>	<b>\$ 154,000</b>
<b>2019 Bond Election (Proposition 2) - Public Safety Facilities</b>	<b>\$ 61,900</b>	<b>-</b>	<b>\$ 61,900</b>
Davidson Property	\$ 1,500	-	\$ 1,500
Laney Property	1,700	-	1,700
Future Property	1,800	-	1,800
<b>2019 Bond Election (Proposition 3) - Parks</b>	<b>\$ 5,000</b>	<b>-</b>	<b>\$ 5,000</b>
<b>TOTAL 2019 BOND PROGRAM ISSUANCE</b>	<b>\$ 202,000</b>	<b>\$ 18,900</b>	<b>\$ 220,900</b>



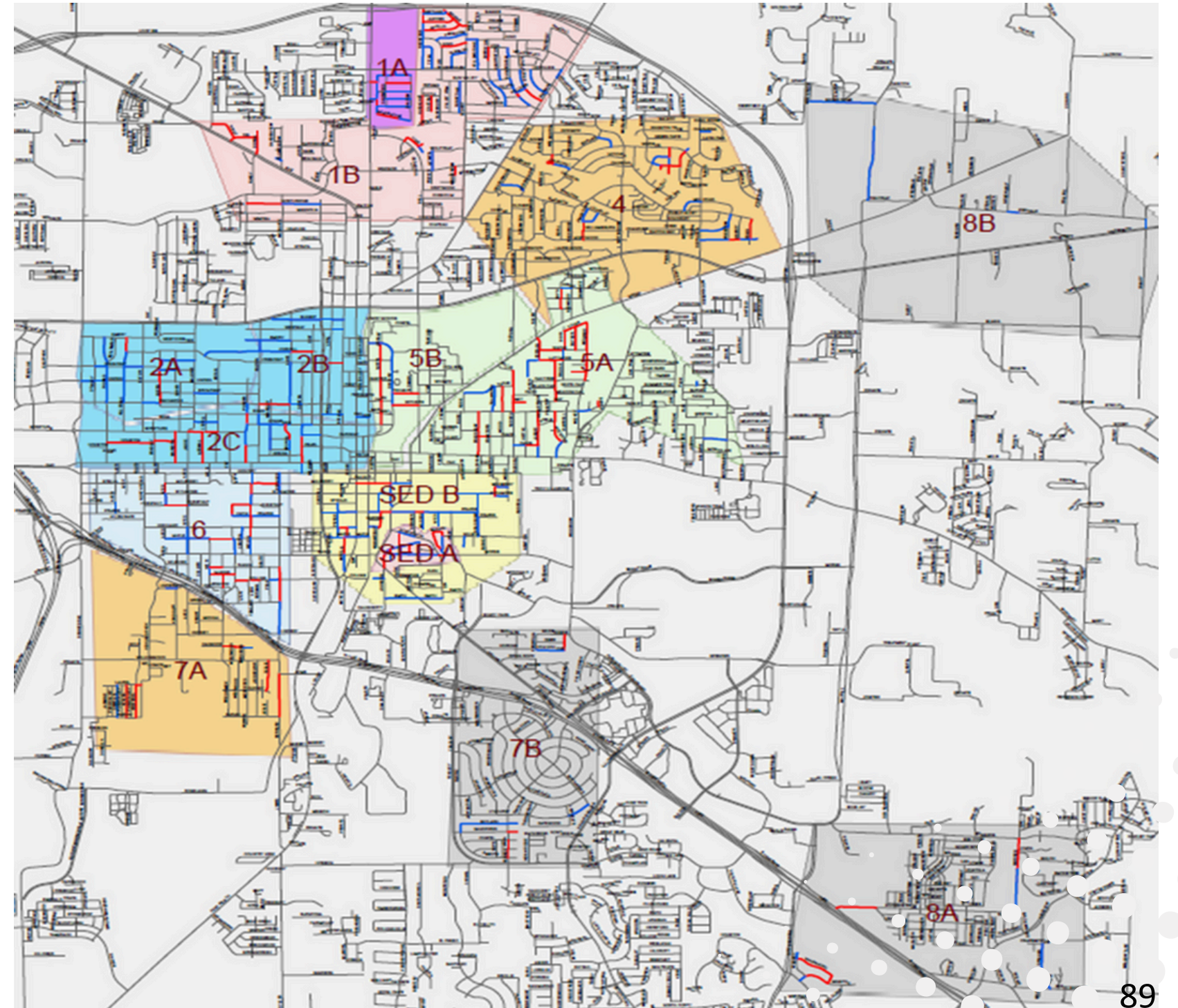
# 2019 Bond Election Program

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- 2019 Bond Program Completion

Estimate to complete the remainder of the 2019 Neighborhood Bond program:

- Roadway - \$20M
- Water - \$18M
- Wastewater - \$18M



# 2023 Bond Program

*In Thousands*

Project	Prior Issued	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
<b>GENERAL OBLIGATION BOND PROGRAM</b>							
Ruddell / Mingo Roadway & Quiet Zones	\$ 5,000	\$ 12,000	\$ 28,125	-	-	-	\$ 45,125
Oakland Drainage & Upstream Detention	5,000	8,000	19,595	-	-	-	32,595
PEC 4 Phases 3 & 4	5,000	6,265	15,000	-	-	-	26,265
Inclusive Playground	3,450	-	-	-	-	-	3,450
Trail Development	4,000	-	-	5,000	3,000	3,000	15,000
Aquatic Improvements	2,000	13,000	-	-	-	-	15,000
Fire Station # 5 & # 6	10,000	15,342	-	-	-	-	25,342
Linda McNatt Animal Care & Adoption Center	15,850	-	-	-	-	-	15,850
Public Art - Public Safety	320	503	-	-	-	-	823
Affordable Housing	-	5,000	5,000	5,000	-	-	15,000
Active Adult Center	-	-	5,000	25,000	16,430	-	46,430
Public Art - Public Safety	-	-	-	930	-	-	930
South Branch Library	2,500	-	-	5,000	18,000	23,076	48,576
Public Art - South Branch Library	-	-	-	-	-	969	969
<b>TOTAL 2023 BOND PROGRAM ISSUANCE</b>	<b>\$ 53,120</b>	<b>\$ 60,110</b>	<b>\$ 72,720</b>	<b>\$ 40,930</b>	<b>\$ 37,430</b>	<b>\$ 27,045</b>	<b>\$ 291,355</b>

# Impact Fee Discussion

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# City of Denton Impact Fees

Fee Type	Cost Comparison History		Proposed					
	2017	2022	20%	30%	40%	50%	60%	100%
<i>Roadway Impact Fees (Avg)</i>	\$2,000	\$2,000	\$3,673	\$5,510	\$7,346	\$9,183	\$11,020	\$18,366
Water Impact Fees	\$4,205	\$5,657						
Wastewater Impact Fees	\$2,200	\$4,716						
Building Permit	\$1,973	\$2,527	Other 2022 Fees Continue					
Parks Development	\$291	\$2,515						
Parks Dedication	\$48	\$435						
Development Fees (Avg) *	\$112	\$341						
<b>Total Cost Per New Home Lot</b>	<b>\$10,829</b>	<b>\$18,191</b>	<b>\$19,864</b>	<b>\$21,701</b>	<b>\$23,537</b>	<b>\$25,374</b>	<b>\$27,211</b>	<b>\$34,557</b>
<b>Avg. Cost Per Sq. Foot of Living Area</b>	<b>\$5.41</b>	<b>\$9.10</b>	<b>\$9.93</b>	<b>\$10.85</b>	<b>\$11.77</b>	<b>\$12.69</b>	<b>\$13.61</b>	<b>\$17.28</b>
<b>* Public Works Inspection Fees are not included</b>								

# Capital Improvement Program

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# Enterprise Fund 5 YR Funding Source Summary

*In Thousands*

<b>FUNDING SOURCE</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>TOTAL</b>
Certificates of Obligation	\$ 290,142	\$ 385,338	\$ 380,566	\$ 355,227	\$ 255,017	\$ 1,666,291
Revenue Funded Capital	22,667	14,333	11,307	17,794	11,924	78,026
Cost Participation	5,150	6,660	-	-	3,645	15,455
Impact Fee Funding	-	-	-	-	-	-
Vehicle Replacement Fund	1,056	1,052	524	475	-	3,107
<b>Total Funding</b>	<b>\$ 319,015</b>	<b>\$ 407,383</b>	<b>\$ 392,397</b>	<b>\$ 373,497</b>	<b>\$ 270,586</b>	<b>\$ 1,762,878</b>
<b>Total Currently Appropriated</b>	<b>\$ 314,317</b>					
<b>UTILITY / ENTERPRISE TOTAL</b>	<b>\$ 633,332</b>					

# Capital Improvement Program: 5 YR Enterprise Cost Summary By Fund

*In Thousands*

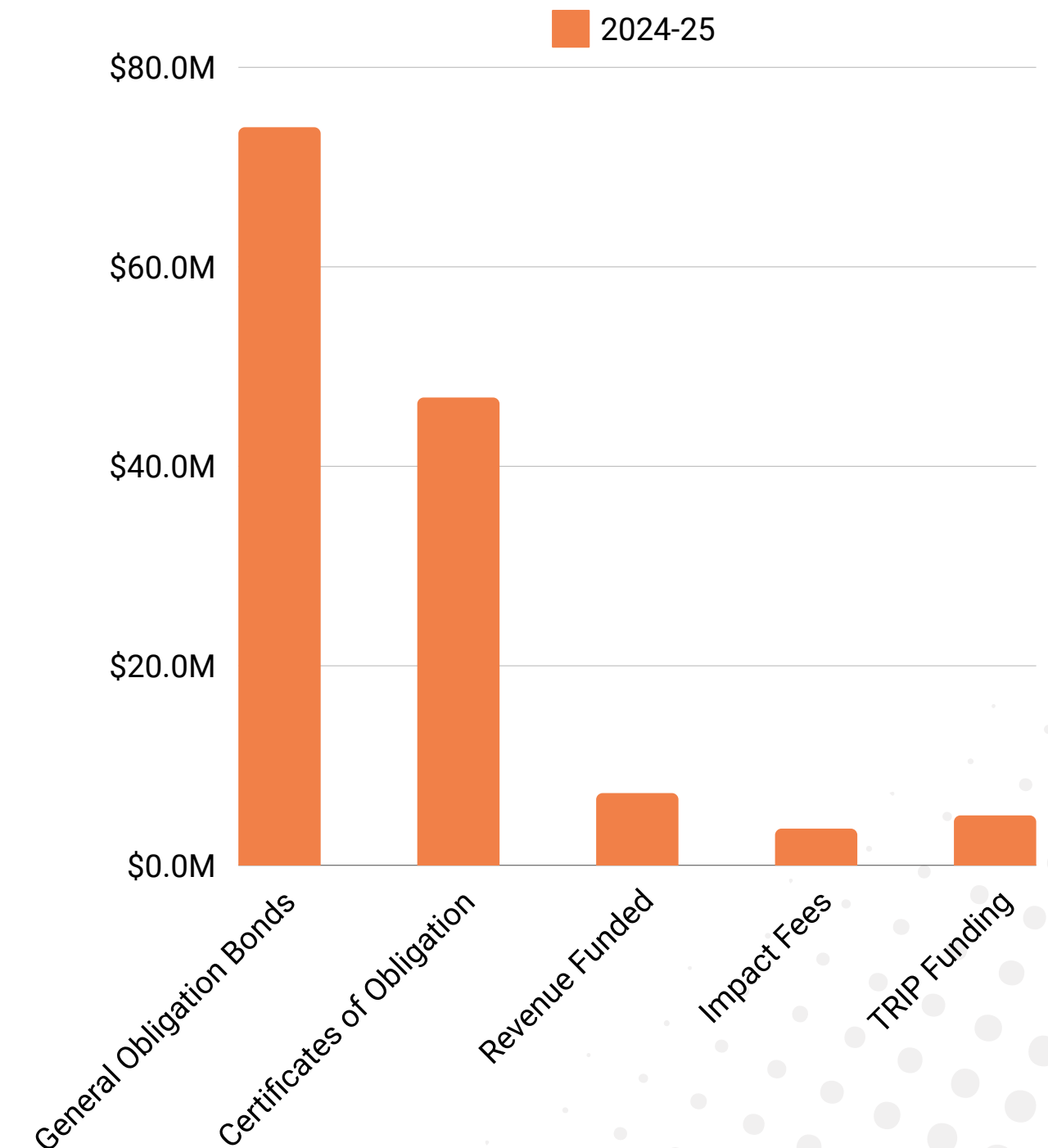
FUND	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Electric	\$ 75,023	\$ 79,013	\$ 72,913	\$ 72,107	\$ 86,504	\$ 385,559
Water	130,426	95,506	91,673	81,798	67,301	466,706
Wastewater	100,475	224,794	217,701	211,997	111,781	866,748
Solid Waste	12,996	7,960	8,815	7,500	5,000	42,271
Airport	950	1,100	12,950	950	-	15,950
<b>Total Projects</b>	<b>\$ 319,870</b>	<b>\$ 408,373</b>	<b>\$ 404,052</b>	<b>\$ 374,352</b>	<b>\$ 270,586</b>	<b>\$ 1,777,233</b>

# FY 2024-25 General Government Highlights

FY 2024-25 new capital appropriations total \$136.8M. Staff is projecting a GO/CO debt issuance of \$120.9M, a transfer of \$7.2M from operating, \$5M in external funding (TRiP), and \$3.6M from cost sharing.

- Major Projects/Changes:
  - 2019 Bond Election (Proposition 1) - Streets
    - **Last issuance** \$18.9M
  - 2023 Bond Election - Planned issue \$60.1M
  - Roadway Improvements: \$20.23M
    - Includes increase for the 2019 Bond Program - \$20M
    - \$230k Revenue Funded Bike lanes
- General Government includes:
  - Facilities & Fleet
  - Technical Services
  - Public Works
  - Parks
  - Environmental Services

Total previously appropriated: \$345.8M



# Capital Improvement Program:

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## Electric Fund Highlights

# Electric FY 2024-25 Capital Project Highlights

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*FY 2024-25 new capital appropriations total \$75.02M. Staff is projecting a CO debt issuance of \$69.82M, a transfer of \$45.k from operating, and \$5.15M from cost sharing.*

Feeder Extensions and Improvements: \$15.93M

- 43 locations/projects identified

New Residential and Commercial: \$9.20M

- Hunter/Cole Ranch Line Extension
- New Business Development

Power Factor Improvements & Street Lighting: \$1.4M

Plant Production: \$6.35M

Technology & Electric Relocations: \$10.09M

Total previously appropriated: \$141.9M



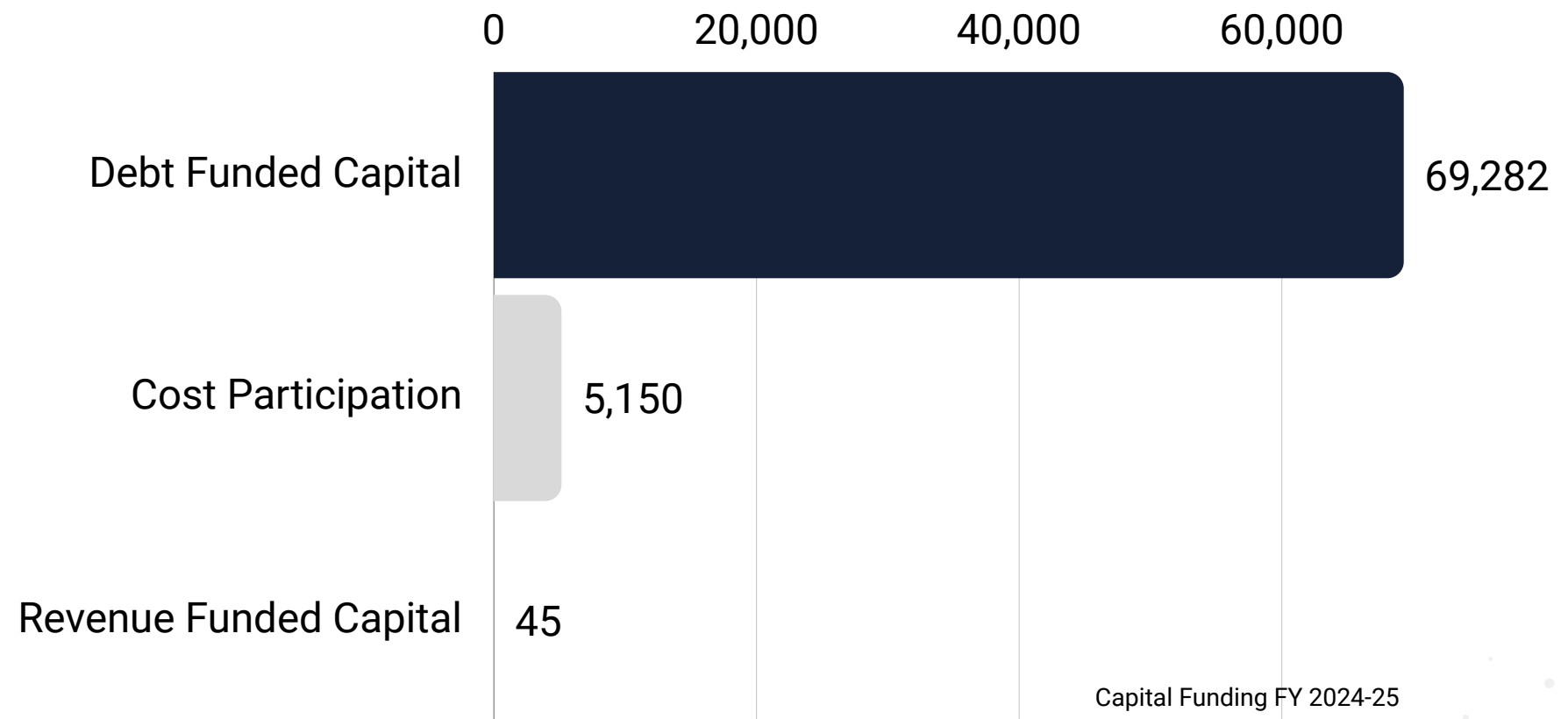
# Electric 5 YR Capital Cash Requirements

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$ 69,828	\$ 71,547	\$ 70,881	\$ 71,067	\$ 82,814	\$ 366,136
Revenue Funded Capital	45	806	2,032	1,040	45	3,968
Cost Participation	5,150	6,660	-	-	3,645	15,455
<b>GRAND TOTAL</b>	<b>\$ 75,023</b>	<b>\$ 79,013</b>	<b>\$ 72,913</b>	<b>\$ 72,107</b>	<b>\$ 86,504</b>	<b>\$ 385,559</b>

Total Current Appropriated \$ 141,993

**FY 2024-25 Total** \$ 217,016



# Water Fund

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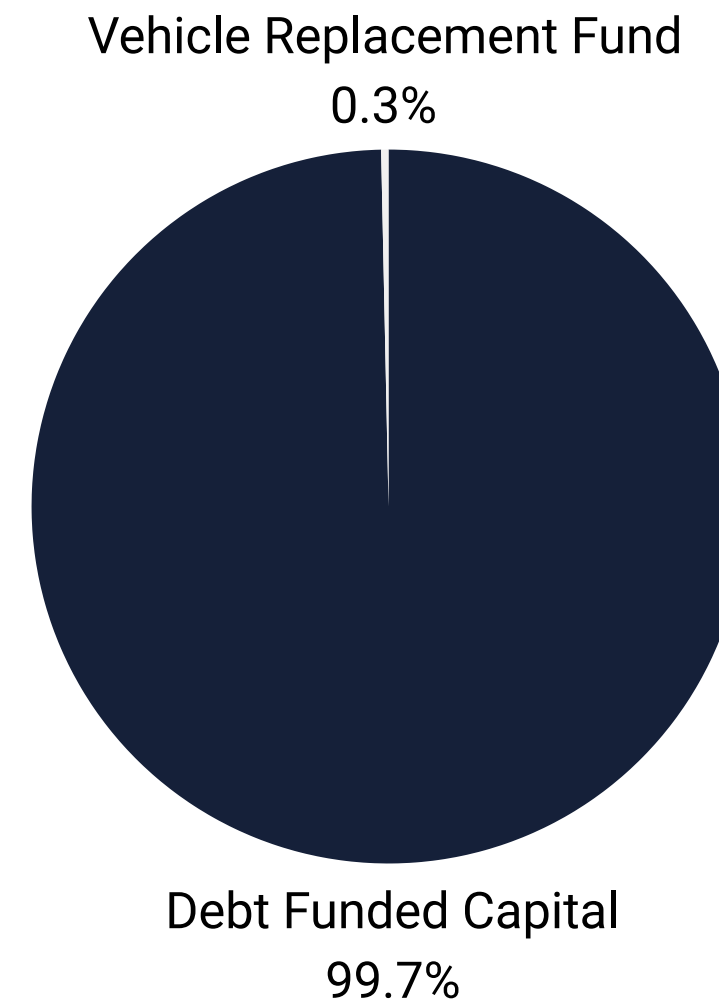


# FY 2024-25 Water Highlights

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FY 2024-25 new capital appropriations total \$130.4M. Staff is projecting a CO/revenue debt issuance of \$130M and \$431k in vehicle replacement funding.

- Plant Improvements: \$78.64M
  - Ray Roberts Water Treatment Plant
- Replacement Lines: \$21.73M
  - Lead and Copper Rule Compliance
  - Supplement to 2019 Bond Election Projects
- Taps, Fire Hydrants & Meters: \$10.27M

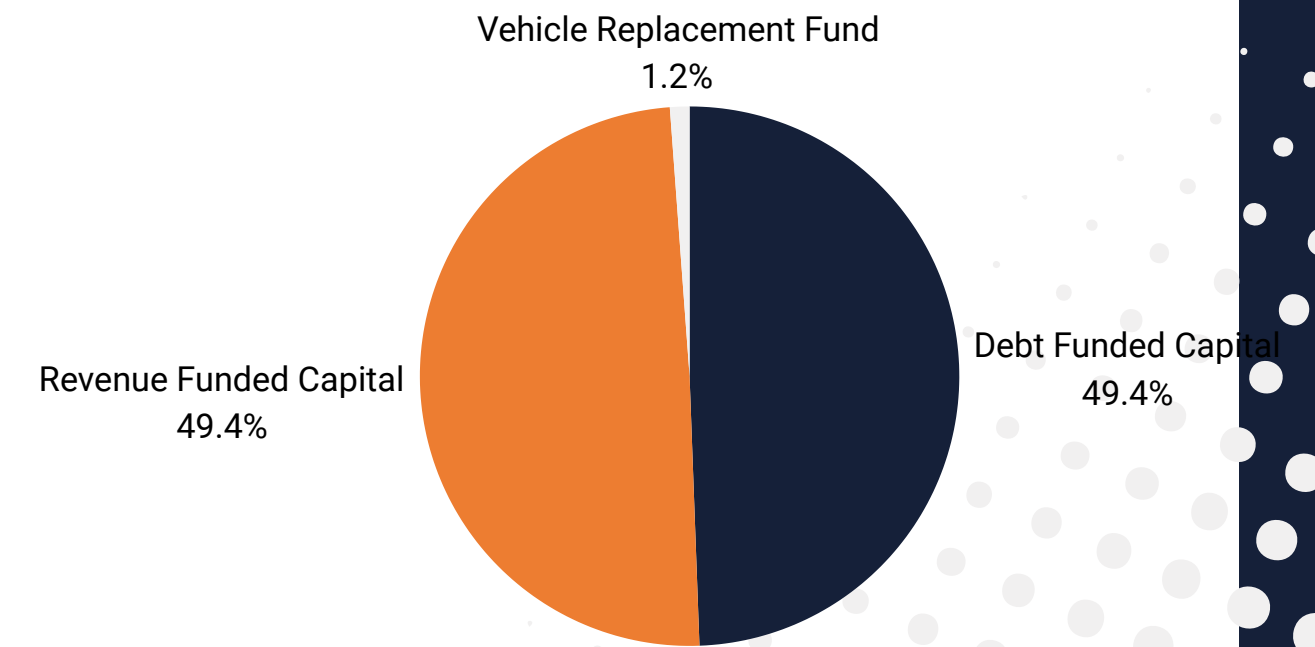
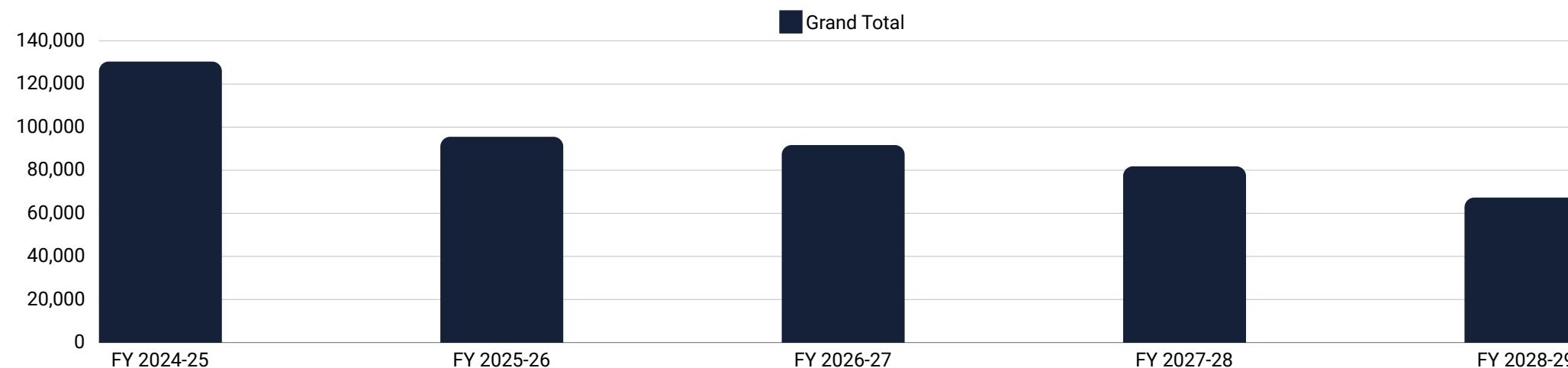


Total previously appropriated: \$68.4M

# Water 5 YR Capital Project List & Funding Requirements

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Booster Stations	\$ 750	\$ 1,200	\$ 3,000	\$ 3,000	\$ -	\$ 7,950
Field Service Replacement	1,050	1,102	1,158	1,216	1,269	5,794
Facility Improvements	3,000	5,780	-	6,000	-	14,780
Oversize Lines	5,360	5,075	1,250	10,720	5,700	28,105
Replace Lines	21,735	7,700	1,500	1,500	1,500	33,935
Taps, Fire Hydrants, & Meters	10,269	10,281	392	412	430	21,784
Transmission Lines	7,191	18,031	29,649	14,275	15,102	84,249
Plant Improvements	80,640	45,910	54,200	44,200	43,300	266,250
Vehicles	431	427	524	475	-	1,857
<b>Grand Total:</b>	<b>\$ 130,426</b>	<b>\$ 95,506</b>	<b>\$ 91,673</b>	<b>\$ 81,798</b>	<b>\$ 67,301</b>	<b>\$ 466,704</b>



# Wastewater Fund

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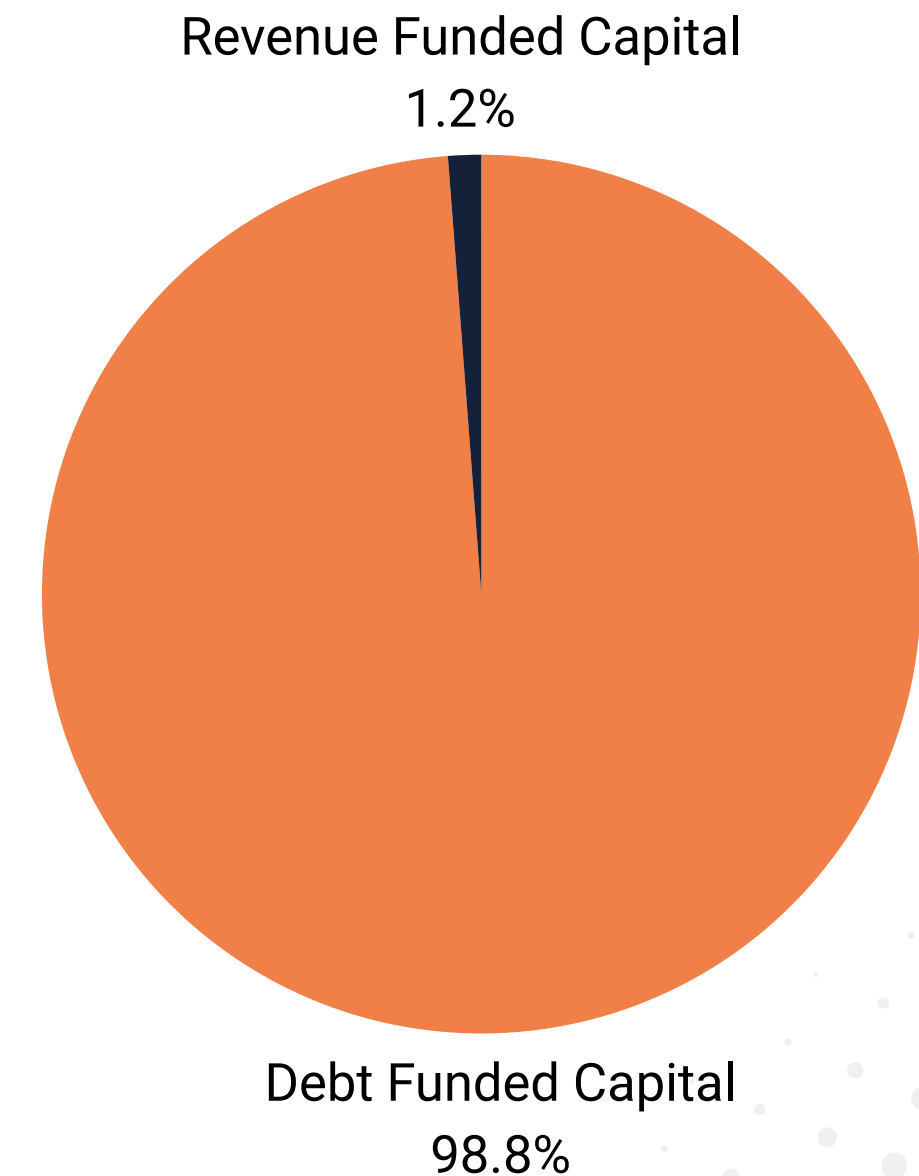
# FY 2024-25 Wastewater Highlights

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FY 2024-25 new capital appropriations total \$100.47M. Staff is projecting a CO/revenue debt issuance of \$99.25M and a transfer of \$1.22M from operating.

- Lift station Improvements: \$27.24M
  - Milam Creek Basin Wastewater Line and Lift Station
  - Cooper Creek Lift Station Improvement Project
  - Granada Lift Station Replacement
  - Lift Station Replacement
- Collection System Upgrade: \$4.55M
  - 12/15-inch Robson Ranch Interceptor (HC: O-4)
  - Legends Sewer Line
  - Pipe/Force Main Condition Assessment
  - 21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)
- Drainage: \$46k
  - Watershed Protection Plan BMP Implementation
  - Source Water Protection

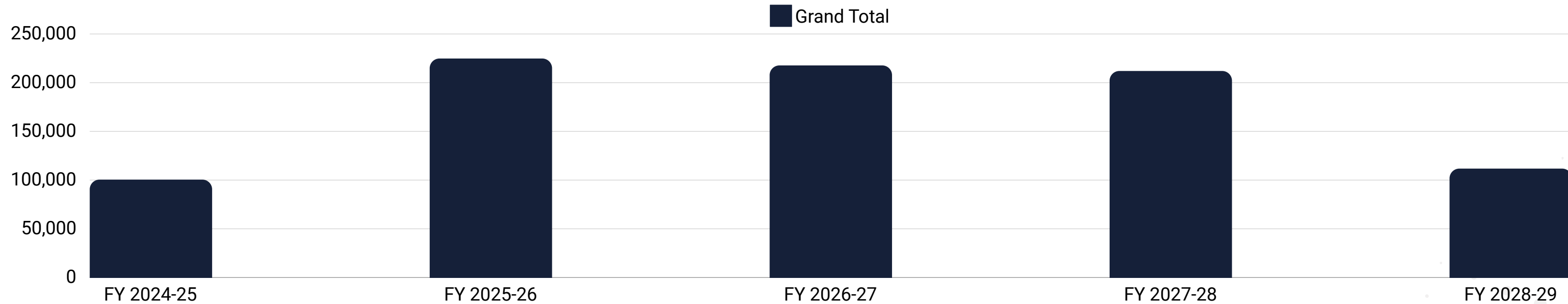
Total previously appropriated: \$70.1M



# Wastewater 5 YR Capital Project List

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Collection System Upgrade	\$ 4,551	\$ 33,642	\$ 18,500	\$ 16,197	\$ 3,910	\$ 76,799
Drainage	46	46	16	16	-	124
Drainage Improvements	292	400	400	400	400	1,892
Liftstation Improvements	27,238	16,800	3,650	450	450	48,588
Facility Improvements	4,450	3,050	50	50	50	7,650
Oversize Lines	13,040	19,140	13,460	12,310	10,650	68,600
Plant Improvements	16,705	123,015	158,465	166,065	81,013	545,263
Replace Lines	30,877	27,075	22,156	15,249	14,043	109,400
Taps, Fire Hydrants, Meters	249	251	255	260	265	1,279
Vehicles	3,028	1,375	750	1,000	1,000	7,153
<b>Grand Total:</b>	<b>\$ 100,475</b>	<b>\$ 224,794</b>	<b>\$ 217,701</b>	<b>\$ 211,997</b>	<b>\$ 111,781</b>	<b>\$ 866,748</b>



# Capital Improvement Program: Solid Waste Fund

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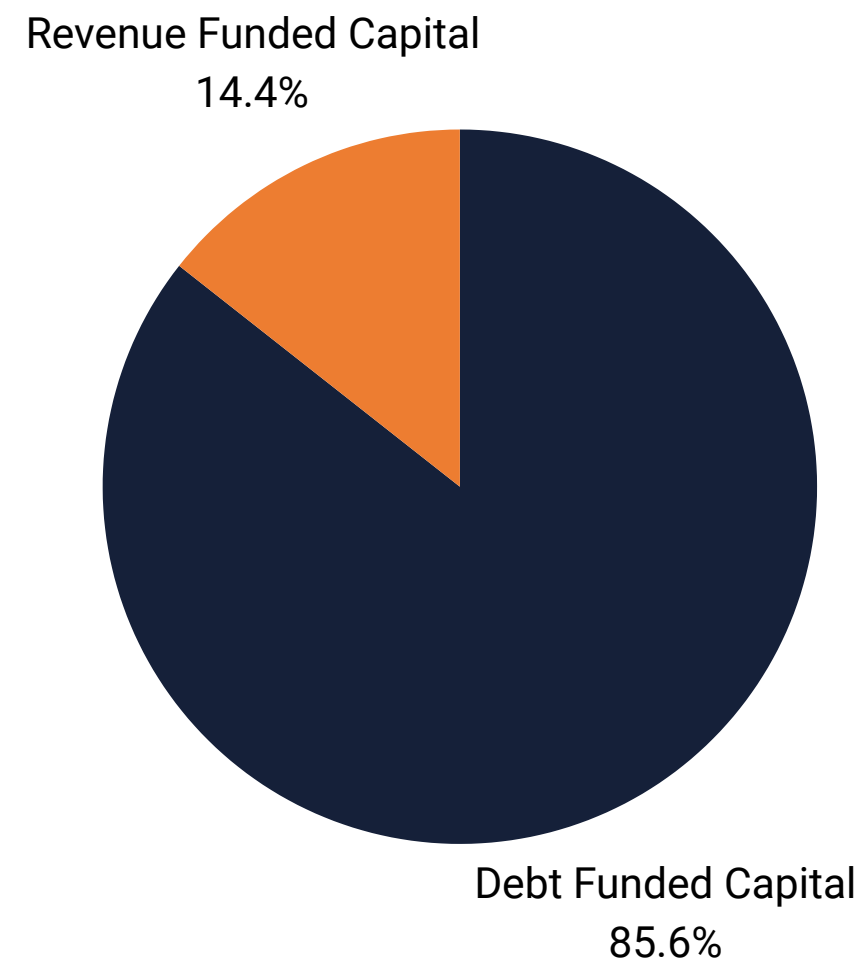


# FY 2024-25 Solid Waste Highlights

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FY 2024-25 new capital appropriations total \$12.99M. Staff is projecting a CO/revenue debt issuance of \$11.12M and a transfer of \$1.87M from operating.

- Structural: \$3.19M
  - Concrete Replacement
  - SW Fleet Building
  - Scale house
- Disposal/Landfill: \$4.00M
  - Cell 5 & 6 Construction
- Vehicles: \$5.80M
  - Vehicles - New Additions
  - Vehicles - Replacements

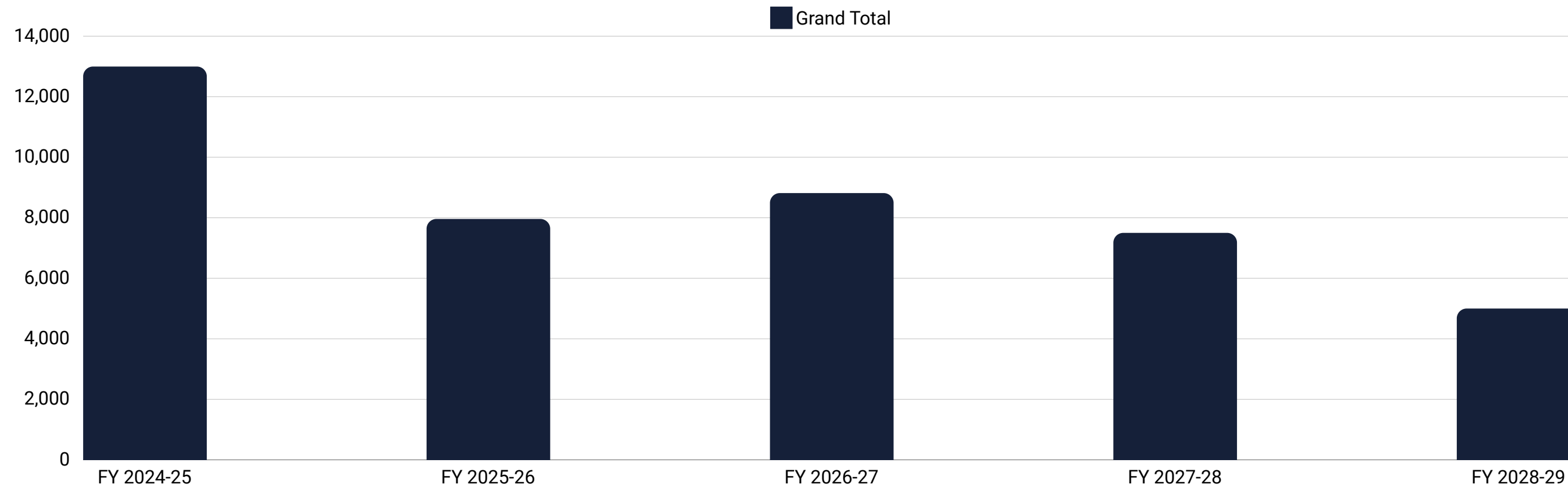


Total previously appropriated: \$31.8M

# Solid Waste 5 YR Capital Project List

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Structural	\$ 3,190	\$ -	\$ -	\$ 350	\$ -	\$ 3,540
Disposal / Landfill	4,000	1,500	1,500	1,500	-	8,500
Building Construction	-	500	2,000	-	-	2,500
Vehicles	5,806	5,960	5,315	5,650	5,000	27,731
<b>Grand Total:</b>	<b>\$ 12,996</b>	<b>\$ 7,960</b>	<b>\$ 8,815</b>	<b>\$ 7,500</b>	<b>\$ 5,000</b>	<b>\$ 42,271</b>



# Fleet

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Structural	1,000	-	-	-	-	1,000
Vehicle Replacements	4,396	5,564	3,342	3,342	3,342	19,986
Vehicle Additions	2,885	2,000	2,000	2,000	2,000	10,885
<b>Grand Total:</b>	<b>8,281</b>	<b>7,564</b>	<b>5,342</b>	<b>5,342</b>	<b>5,342</b>	<b>31,871</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	8,281	7,564	5,342	5,342	5,342	31,871
<b>GRAND TOTAL</b>	<b>8,281</b>	<b>7,564</b>	<b>5,342</b>	<b>5,342</b>	<b>5,342</b>	<b>31,871</b>

FY 2024-25: Fleet HVAC Addition, Vehicle Replacement and Vehicle Additions



# Facilities

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Facility Equipment & Improvements	\$1,780	\$11,330	\$10,250	\$10,100	\$9,200	\$42,660
<b>Grand Total:</b>	<b>\$1,780</b>	<b>\$11,330</b>	<b>\$10,250</b>	<b>\$10,100</b>	<b>\$9,200</b>	<b>\$42,660</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$1,780	\$11,330	\$10,250	\$10,100	\$9,200	\$42,660
GRAND TOTAL	\$1,780	\$11,330	\$10,250	\$10,100	\$9,200	\$42,660

FY 2024-25: ADA Upgrades, Facility Condition Maintenance, Municipal Court Renovation, Security Hardware Upgrade

# Airport

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Airport Infrastructure	\$950	\$900	\$12,950	\$950	-	\$15,750
Vehicles & Equipment	-	200	-	-	-	200
<b>Grand Total:</b>	<b>\$950</b>	<b>\$1,100</b>	<b>\$12,950</b>	<b>\$950</b>	<b>-</b>	<b>\$15,950</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Revenue Funded Capital	\$95	\$110	\$1,295	\$95	-	\$1,595
Grants	855	990	11,655	855	-	14,355
<b>GRAND TOTAL</b>	<b>\$950</b>	<b>\$1,100</b>	<b>\$12,950</b>	<b>\$950</b>	<b>-</b>	<b>\$15,950</b>

FY 2024-25: Infrastructure Project initial estimates for design and construction cost to reconstruct Taxiway Alpha.



# Technology Services

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Technology Infrastructure	\$1,500	\$9,731	\$4,796	\$4,140	\$4,140	\$24,307
Software & Hardware	3,248	2,387	2,210	2,823	2,348	13,015
<b>Grand Total:</b>	<b>\$4,748</b>	<b>\$12,119</b>	<b>\$7,006</b>	<b>\$6,963</b>	<b>\$6,488</b>	<b>\$37,323</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$4,748	\$12,119	\$7,006	\$6,963	\$6,488	\$37,323
GRAND TOTAL	\$4,748	\$12,119	\$7,006	\$6,963	\$6,488	\$37,323

FY 2024-25: Infrastructure Replacement, Fiber Replacement, End User Computing, Radios and Modems.

# Streets, Traffic and Drainage

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Street Improvements	\$20,230	\$49,200	\$10,000	\$5,200	\$5,200	\$89,830
Traffic Improvements	11,008	12,658	12,658	12,658	12,658	61,640
Drainage Improvements	2,140	5,560	900	4,500	500	13,600
<b>Grand Total:</b>	<b>\$33,378</b>	<b>\$67,418</b>	<b>\$23,558</b>	<b>\$22,358</b>	<b>\$18,358</b>	<b>\$165,070</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$28,148	\$53,018	\$12,558	\$12,158	\$8,158	\$114,040
Revenue	230	9,400	6,000	5,200	5,200	26,030
External Funding	5,000	5,000	5,000	5,000	5,000	25,000
<b>GRAND TOTAL</b>	<b>\$33,378</b>	<b>\$67,418</b>	<b>\$23,558</b>	<b>\$22,358</b>	<b>\$18,358</b>	<b>\$165,070</b>

# Streets, Traffic and Drainage Project List

	2024-25
<b>STREET IMPROVEMENTS</b>	
Hickory Creek Road Phase 3	\$8,000
Bonnie Brae Phase 5	2,000
Bike Lanes: Hinkle Street Sidepath Connector	230
2019 Street Reconstruction Bond Neighborhood Completion	10,000
<b>TRAFFIC IMPROVEMENTS</b>	
Traffic Signal Cabinet Replacements	208
Traffic Signal Design and Rebuilds	1,950
HSIP Projects	500
TRIP Projects	5,000
VisionZero Implementation Items	1,250
ADA Transition Plan	1,500
Robson Ranch Signal	600
<b>DRAINAGE IMPROVEMENTS</b>	
Pecan Creek Watershed Preliminary Design	750
Woodland Street	20
Longridge Street	200
Oaktree Drainage Ph 1	595
Infrastructure Repair	500
Weatherstation and Flood Monitoring	75
<b>TOTAL FUNDING</b>	<b>\$33,378</b>
ID 24-227 8/10/24	114

# Parks & Recreation

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Arts & Culture	\$ -	\$82	\$84	\$147	\$150	\$463
Aquatics	442	1,051	822	1,145	4,471	7,931
Cemetery	25	202	35	35	35	332
Playgrounds	661	2,879	765	-	-	4,305
Recreation Centers	501	321	146	109	212	1,289
Trees & Beautification	18	18	218	376	350	980
Park Development & Acquisition	230	5,022	2,125	110	7,100	14,587
Trail Development & Improvements	-	-	1,325	50	-	1,375
Park Improvements	733	1,535	1,010	1,803	2,435	7,516
Grant Projects	40	-	-	75	1,750	1,865
<b>Grand Total:</b>	<b>\$2,651</b>	<b>\$11,109</b>	<b>\$6,530</b>	<b>\$3,850</b>	<b>\$16,504</b>	<b>\$40,644</b>

# Parks & Recreation

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$979	\$4,757	\$2,938	\$1,476	\$4,168	\$14,318
Revenue Funded Capital	150	624	347	474	1,150	2,744
Aquatics Capital Maintenance (Revenue)	364	516	570	349	610	2,408
Parks Capital Maintenance (Revenue)	275	521	322	388	254	1,760
Recreation Capital Maintenance (Revenue)	525	191	160	153	122	1,151
Tree Mitigation Fund	18	18	218	18	-	272
915/916 Land Development/Acquisition	-	747	1,500	-	1,200	3,447
Grants	40	3,022	-	75	1,600	4,737
CDBG	-	183	150	28	400	760
HOT Funds	-	82	84	147	150	463
Existing Project Funds*	230	-	-	-	6,500	6,730

# Parks & Recreation, Continued

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
External Funding	70	450	241	744	350	1,854
<b>Grand Total:</b>	<b>\$2,651</b>	<b>\$11,109</b>	<b>\$6,530</b>	<b>\$3,850</b>	<b>\$16,504</b>	<b>\$40,644</b>

# Parks & Recreation FY 2024-25 Project List

	2024-25
<b>CEMETERY</b>	
Cemetery Capital Maintenance and Improvements	\$25
<b>TOTAL FUNDING</b>	<b>25</b>
<b>AQUATICS</b>	
Civic Center Pool	27
Natorium Pool	194
Water Park	222
<b>TOTAL FUNDING</b>	<b>442</b>
<b>PLAYGROUNDS</b>	
North Pointe Park Playground	320
Avondale Park Playground	341
<b>TOTAL FUNDING</b>	<b>661</b>
<b>RECREATION CENTERS</b>	
Recreation Center Capital Maintenance	501
<b>TOTAL FUNDING</b>	<b>501</b>
<b>TREES &amp; BEAUTIFICATION</b>	
Trees - Inventory of City Trees	18
<b>TOTAL FUNDING</b>	<b>18</b>

# Parks & Recreation FY 2024-25 Project List

	2024-25
<b>PARK DEVELOPMENT &amp; ACQUISITION</b>	
Clear Creek - Davidson Property Master Plan	\$230
<b>TOTAL FUNDING</b>	<b>230</b>
<b>PARK IMPROVEMENTS</b>	
ADA Transition Plan Improvements (Parks only)	318
Irrigation Controllers & System Replacements	125
North Lakes Park Disc Golf - Creekside Improvements	75
North Lakes Park Driving Range Putting Green Replacement	90
Park Restroom Renovations	50
Park Signage Replacement	75
<b>TOTAL FUNDING</b>	<b>733</b>
<b>GRANT PROJECTS</b>	
Tree Planting Design and Planting (Shady Oaks)	40
<b>TOTAL FUNDING</b>	<b>40</b>
<b>GRAND TOTAL</b>	<b>\$2,651</b>

# Environmental Services

## 5-Year Summary - Project Category

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Environmental Projects & Equipment	\$2,070	\$25	\$25	-	-	\$2,120
<b>GRAND TOTAL</b>	<b>\$2,070</b>	<b>\$25</b>	<b>\$25</b>	<b>-</b>	<b>-</b>	<b>\$2,120</b>

## 5-Year Summary - Funding Source

	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Debt Funded Capital	\$2,000	-	-	-	-	\$2,000
Revenue	70	25	25	-	-	120
<b>GRAND TOTAL</b>	<b>\$2,070</b>	<b>\$25</b>	<b>\$25</b>	<b>-</b>	<b>-</b>	<b>\$2,120</b>

## 5-Year Project List

Gun Range Cleanup	\$2,000
Total Organic Carbon Analyzer	50
Ion Chromatograph System	70
<b>TOTAL FUNDING</b>	<b>\$2,120</b>

# Summary/Review

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# Budget Summary

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- Budget Overview
- Economic Overview
- General Fund Overview
- Enterprise Funds Overview
- Special Revenue Fund Overview
- Community Partnership Grants
- Internal Service Funds Summary
- Bond Programs
- Impact Fee Discussion
- Capital Improvement Program
- Summary & Next Steps

# Questions?

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