



Fiscal Year 2011-2012 Proposed Budget

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$363,147 OR 6.47%, AND OF THAT AMOUNT \$343,543 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.



August 5, 2011

Honorable Mayor and Town Council
Citizens of Prosper

Mayor, Town Council, Citizens,

For your consideration the following is the Fiscal Year 2011-2012 Proposed Town of Prosper Annual Operations and Maintenance Budget. This document details the comprehensive strategic plan by which the Town of Prosper strives to enhance the community's quality of life. The Prosper Town Council's adopted Strategic Vision and Work Plan served as the guiding principles for developing this proposed budget. The most important element of the Town Council's vision is the following Purpose Statement:

**TOWN OF PROSPER
PURPOSE STATEMENT**

"Prosper is a place where everyone matters."

BUDGET OVERVIEW

The Town of Prosper 2011-2012 Proposed Budget represents enhanced service to Town residents, required or money-saving capital investments and additional public safety resources. The global markets, national and state unemployment and indicators such as consumer confidence have been rocky, but the Dallas metroplex and Prosper specifically have weathered the recent storms very well. Even in these last two "slow" years, the Town maintained growth above preliminary estimates. Being hesitant to overstate the Town's positive outlook, this budget was prepared with conservative revenue assumptions despite general optimism about its not too distant future.

The Town of Prosper currently employs seventy-four (74) regularly scheduled team members, sixty-eight (68) full time and six (6) part time. Within the proposed budget there is a recommendation to hire one additional Police Officer to increase depth in Patrol. Parks will add two Equipment Operators, two Technicians and two Temporary Seasonal Maintenance Workers to help maintain additional parks space and ball fields. In Inspections, the one existing part time position is being reclassified to a full time Permit Technician position. To keep up with system growth and ensure

coverage in Utilities, both Water and Sewer departments will add a Utility Worker. A Utility Office Coordinator will be added in Water. All other departments' personnel will be funded at current staffing levels.

In evaluating the 2011-2012 Proposed Budget it is important to consider it in context with several historical organizational initiatives, current conditions and the impact each has on planning for additional appropriations. Those with the greatest impact are listed below.

The Proposed 2011-2012 Budget Appropriations total \$16.1 million (M) for all funds not including debt service, capital projects or the Economic Development Corporation. Of that amount, approximately \$7.9M is for General Fund operations and maintenance, and \$6.6M for the Town's Enterprise Funds including Solid Waste, Water and Sewer utilities as well as the Storm Drainage Utility Fund. Debt Service appropriations for the coming fiscal year are \$2.3M.

Property Values

Certified property valuations increased by \$60M (5.2%) for FY 2011-2012. Property values increased from \$1,145.8M to \$1,205.8. While the growth in total certified property valuations continues to increase, existing property values remain relatively flat, with most of the increase coming from new construction or annexations. Most of the Town's current values come from Collin County properties, but the Denton County portion of Prosper continue to increase. For the 2011-2012 Fiscal Year, freeze adjusted property values in this area increased 65.4% to \$53.4M.

Property Tax Rate

This year the property tax rate is proposed at \$0.52 per \$100 valuations, which is equal to the current rate. The portion of the tax applied to debt service is \$0.203063 with the balance for Maintenance and Operations.

Sales Taxes

With only a few new commercial operations opening in Prosper and retaining several solid businesses, sales tax collections have remained around \$1.1M for several years and are projected to stay in line with current collections in FY 2012-2012.

Utility Rates

The Town of Prosper Town Council continues its implementation of rate recommendations that support the Town Council's adopted Water and Wastewater Utility Comprehensive Business Plan. The Plan as adopted contains recommendations to enhance revenues, to establish a maintenance reserve and to fund an annual contribution of 2% to a capital replacement program. In pursuit of matching user revenues to user expenses, this proposed budget includes an estimated increase in water and sewer rates, which combined may cost the average consumer \$6 more per month.

Solid Waste rates may increase 3% to 5% for residential customer this coming fiscal year as part of a renewed contract with IESI.

The Drainage Utility rates were confirmed by an engineering study completed in the current year. The proposed budget assumes increases to these revenues only for anticipated new home construction.

GENERAL FUND

The 2011-2012 Budget as presented is based on using the current tax rate of \$0.52. The projected effective tax rate, that is the rate that would generate the same amount of property tax revenues from the same taxed properties in 2011-2012 that were generated in this fiscal year, is \$0.521078. The rollback rate, which approximately equates to 108% of this year's effective operating rate, is \$0.579913. Each additional penny of the tax rate generates approximately \$113,000 in property tax revenue. Additionally, for property tax revenue projections the Collin County Tax Assessor-Collector states that it again expects to collect 100% of the current property taxes due based on their past history of doing so.

Fiscal Year 2011-2012 Revenues are expected to equal Appropriations resulting in zero net effect to the Town's Fund balance. The Audited Fund Balance at the end of 2009-2010 was \$4,971,175. Revised Fund balance prior to the final audit for 2010-2011 is expected to increase \$100,000. Should the current projections hold true, the total **projected fund balance as of September 30, 2011 could be \$5,071,175.**

In the 2011-2012 Budget, the target reserve level is set at 25% (or 90 days) of total appropriations. Until a recent Charter election, there was a formal 10% Contingency Policy in the Charter in addition to the targeted 90 day reserve. At the recommendation of staff, this year the Charter Commission proposed to increase this to 20% and it was approved by 88% of voters. Town Council and Staff are very cautious with the existing balance, understanding that future growth (especially in public safety) will significantly cut into operating cost coverage "excess" of current reserves.

At the end of the 2011-2012 Fiscal Year the projected total fund balance not otherwise restricted or held in contingency should total \$1,497,217 which equates to an additional 68 days of operations depending on final audited numbers, bringing the total number of operating days of reserves to 230 days.

GENERAL FUND REVENUES

Overall, revenues are projected to increase 11.6% compared to that in budgeted 2010-2011. This increase primarily reflects an increase in permit fees for Single Family home permits to cover the costs of related services while being cognizant of competing cities' fees. Property Tax Revenues for Operations and Maintenance are projected to increase by only 1.5% compared to budgeted 2010-2011 revenues.

Sales Taxes and Franchise Taxes are conservatively projected to stabilize at their current collections despite the Town's continued growth. Staff continues to be guarded when projecting sales tax because of the downturn in construction related projections for the DFW metroplex. A large portion of the Town's sales tax revenues is directly linked to construction, making a decline in that economy a large threat to sales tax forecasts. The Town expects to receive approximately \$1,133,000 in sales tax in FY 2011-2012.

Building Permit Revenues are projected to increase to \$934,900 or 287.0% when compared to the 2010-2011 Adopted Budget reflecting steady new home and minimal non-residential construction in the coming year at the new, increased permit fee rates. Municipal Court Fines and Licenses are projected to remain at current levels. Street rental, utility franchise payment and administrative fees from the Town's Water and Sewer Funds are projected to increase in accordance with the Town's adopted Water and Wastewater Utility Comprehensive Business Plan and subsequently adopted rate study. A similar, but smaller fee of 6% will be transferred from the Drainage Utility Fund.

SAFER Grant revenues are scheduled to reduce 48% from \$218,183 to \$113,989. This source will be exhausted in FY2012-2013 with reimbursements totaling \$28,496. Over the life of this grant, the Town will have received \$948,825 to help pay for the addition of six full-time Firefighter/Paramedic positions.

General Fund Revenues by Source

<i>Revenue Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Property Tax	\$ 3,940,354	49.6%
License, Fees & Permits	\$ 1,241,100	15.6%
Sales Tax	\$ 1,133,500	14.3%
Transfers In	\$ 575,681	7.2%
Franchise Fees	\$ 365,550	4.6%
Fines & Warrants	\$ 220,000	2.8%
Charges for Services	\$ 202,905	2.6%
Grants	\$ 131,289	1.7%
Investment Income	\$ 75,500	1.0%
Miscellaneous	\$ 56,250	0.7%
Revenue Total	\$ 7,942,129	100%

GENERAL FUND APPROPRIATIONS

Total Appropriations for the Proposed 2011-2012 Budget are \$7.9M. This is an increase of approximately 11.6% compared to the 2010-2011 Budget. New personnel costs constitute 39% of the total increase; the category of personnel makes up 67.7% of the General Fund Budget. Within the proposed budget there is a recommendation to hire one Police Officer and reclassify a part time position to a full time Permit Technician in Inspections. Parks is adding two Equipment Operators, two Technicians and two seasonal workers for peak mowing season.

Program Enhancement and Capital Expenditures included in the proposed appropriations and planned for the 2011-2012 Fiscal Year by Division are as follows:

DIVISION	CONTINUATION AND PROGRAM ENHANCEMENT	DESCRIPTION
Parks and Recreation	\$323,200	Adding 4 full time and 2 temporary staff Lease purchasing several tractors, 3 trucks, mowers and other equipment for field and general maintenance
Dispatch	\$166,300	First full year of system annual support costs
Administration	\$116,000	An overlapping replacement position for the retiring Comptroller to smooth the transition, Computer Replacements for Various Departments, Point to Point Wireless, STW Vision Financial Analysis Tool
Inspections	\$ 52,000	Reclassify position from part to full time Hiring consultant Inspectors to handle peak periods
Code Compliance	\$ 26,000	Legal Fees and Demolition of four houses
Police	\$ 20,700	Last payment on existing leased vehicles
Fire	\$ 15,000	Engaging ISO Rating Consultant

Administration

The Administration proposed budget includes funding for overlapping positions to recruit and train the retiring Comptroller's replacement. STW analytics tools were budgeted but not purchased in FY 2010-2011. Currently, only the Finance Director has the ability to run custom reports from the database. The Town is almost finished consolidating all servers into virtual environments or at least adding each to the primary domain. Several Town servers are beyond their scheduled life or are overloaded to the point of inefficiency. Technology funding is built into this proposal to keep employees working as productively as possible by replacing some end-user computers as well as building redundancy on the servers with the IT goal of high availability. While the project budget is not completed, Administration includes funding for the design and possible installation of Point to Point wireless networking between Town facilities in lieu of expensive AT&T MPLS connections.

Police & Dispatch

The 2011-2012 Fiscal Year will be the third year of the Town's Dispatch and Communications Operations Center. With the delays in final project acceptance, FY 2011-2012 will be the first full year for annual maintenance costs. The budget as presented also includes funding for the final lease payments on two 2010 police vehicles.

Fire & Fire Marshall

The Fire Department will engage a consultant to review necessary steps required to improve the Town's ISO Public Protection Classification in future reviews.

Public Works – Streets

There are no significant changes or additions to the Street Budget proposed in 2011-2012 over the current fiscal year.

Development Services -Inspections, Planning, Engineering, Code Enforcement, Parks and Recreation

The Inspections Division will continue to utilize a private contractor to perform all health/food establishment/hotel inspections. Additional costs reflected in the Code Enforcement Department budget include demolition of four dilapidated structures and contractual costs with Collin County for Animal Control.

Planning Department funding includes the second and final partial payment for the Comprehensive Fee Update. Planning will continue to contract with Frisco's GIS department for mapping services. This budget proposes to continue the hosting service fee for the TRAKiT software program, which will support all of Development Services and eventually may support Public Works.

In Parks and Recreation there are several major program changes proposed. The budget presented includes four new full time staff, two seasonal helpers and significant capital investments via lease purchases of equipment. The equipment planned for purchase includes three pick-up trucks, two pull

behind reel mowers, two utility tractors, one fairway mower, two Gator utility vehicles and assorted attachments. The attachments include 2 loaders, a spray unit, two field rakes, a sod cutter, a Super rake, two aerifiers, a tiller, a blower, a golf lift, an air compressor, a lawn vacuum and a topdresser.

DEBT SERVICE, ENTERPRISE AND SPECIAL REVENUE FUNDS

DEBT SERVICE (Interest & Sinking or “I&S”) FUND

This fund represents the debt portion of the tax rate. Debt payments from I&S for 2011-2012 will total \$2,338,744, an increase from the current year’s budget. The increase includes the first debt payments for the 2010 Tax Note. The Town anticipates selling a Refunding Issue to clear the Series 1996, 1998 and 2001 CO’s at today’s interest rates for approximately \$170,000 in net present value savings.

WATER, SEWER & SOLID WASTE UTILITY FUND

Revenues for the Water, Sewer and Solid Waste Fund are expected to increase to \$6.3M with a rate increase likely to occur before February. The adopted business plan for the Water and Sewer Utility Fund identifies the need to for revenue enhancements to cover existing and future operations and maintenance costs as well as debt service and contracted sewer costs with the Upper Trinity Regional Water District. J. Stowe and Company is finalizing the rate update and will have a recommendation for Council prior to budget adoption.

The solid waste contract with IESI was renewed in 2005 and will expire November 30, 2011. Staff is currently reviewing a renewal option that includes an increase and will be negotiating best terms.

Water, Sewer & Solid Waste Fund Revenues by Source

<i>Revenue Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Water Charges	\$ 3,500,000	55.2%
Sewer Charges	\$ 1,700,000	26.8%
Solid Waste Charges	\$ 687,000	10.8%
Tap & Construction	\$ 300,000	4.7%
Penalties	\$ 57,000	0.9%
Investment Income	\$ 45,000	0.7%
License, Fees & Permits	\$ 29,900	0.5%
Miscellaneous	\$ 25,000	0.4%
Revenues Total	\$ 6,343,900	100%

Program Enhancement and Capital item expenses budgeted in the Water/Sewer Utility include:

- \$120,000 Addition of two Utility Workers and one Utility Office Coordinator
- \$ 25,000 Purchase of one new truck

DRAINAGE UTILITY FUND

The 2011-2012 Budget as proposed includes the increased revenues for new construction. Several projects have been identified, and the fund is currently being reviewed for sufficiency to tackle some of the Town's larger drainage concerns. This would be feasible if the fund can support debt service payments and still complete routine maintenance within collected revenues. The Drainage Utility Fund funds a truck for the new Utility Worker position added during FY 2010-2011.

GENERAL DISCUSSION ITEMS

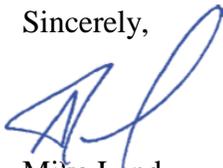
The following items also have been incorporated into the Proposed 2011-2012 Budget:

- The proposed budget includes employee increases consistent with the Town's compensation study recommendations. In FY 2009-2010, employees did not earn salary increases, but rather were allotted one time payments instead. In FY 2010-2011, the Town Council set the target base salary range assignment at 100% of the average prevailing rate for the comparator market and worked within the budget to get all employees up to their respective range minimum. For FY 2011-2012, the strategy is to move employees with more time in their position further into the range beyond the minimum. Salary increases and related benefits total approximately \$100,000 in the proposed budget.
- The TMRS rate budgeted for FY 2011 is 10%, which is slightly more than the Annual Required Contribution (ARC) Rate of 9.77% as required by GASB Statement Number 27. While SB 350 didn't give the Town much net ARC relief, the new calculation and the fractional "overpayment" serve to offset future increases. Working with the TMRS actuary over several scenarios, the payments over ARC helps reduce expected increases to less than 0.05% per year over the next few years.
- Employee Health, Dental and other benefits typically increase in cost year to year, but this year the Town expects to save approximately \$4,619 compared to the same list of benefits offered last year. The Town anticipates savings from offering employees two Health Insurance plan options. With the option, the Town premiums are expected increased only \$450 annually, and the Town has kept medical premium increases for staff to a minimum. The Town requested proposals for ancillary benefits, which resulted in the same or improved benefits for a total savings of \$5,069.
- Continued partnerships with other entities have produced multiple saving opportunities for shared services or improving our customer service to residents and visitors alike.
 - The Town continues to operate the Community Library in the Reynolds Middle School.
 - The Town renews its agreements along with several area cities to contract with Collin County for Animal Control and Sheltering Service.

- The Town has several agreements with Frisco including using Frisco GIS for our departments and Interlocal agreements for part time help in both the Municipal Court and Dispatch as needed.
- The Town will be completing a Comprehensive Plan update and Impact Fee/CIP update.
- First Street and Coit Road will remain under construction during FY 2011-2012. The Wilson Creek Interceptor sewer project is expected to be completed in the coming year.

In summary, staff is honored to present a proposed budget that exceeds the objectives provided by Council. Staff has been able to expand services, further compensate existing staff while keeping a low tax rate for the region. The Town of Prosper is fortunate in that one of the pressing issues is still how to properly manage growth without overextending resources too far ahead. As proposed, this budget keeps prudent feet on the ground, but stretches far enough to see over the horizon expectantly for radical growth.

Sincerely,



Mike Land
Town Manager

Town of Prosper

Proposed Budget

August 9, 2011



Presented by
Mike Land, Town Manager



Purpose Statement

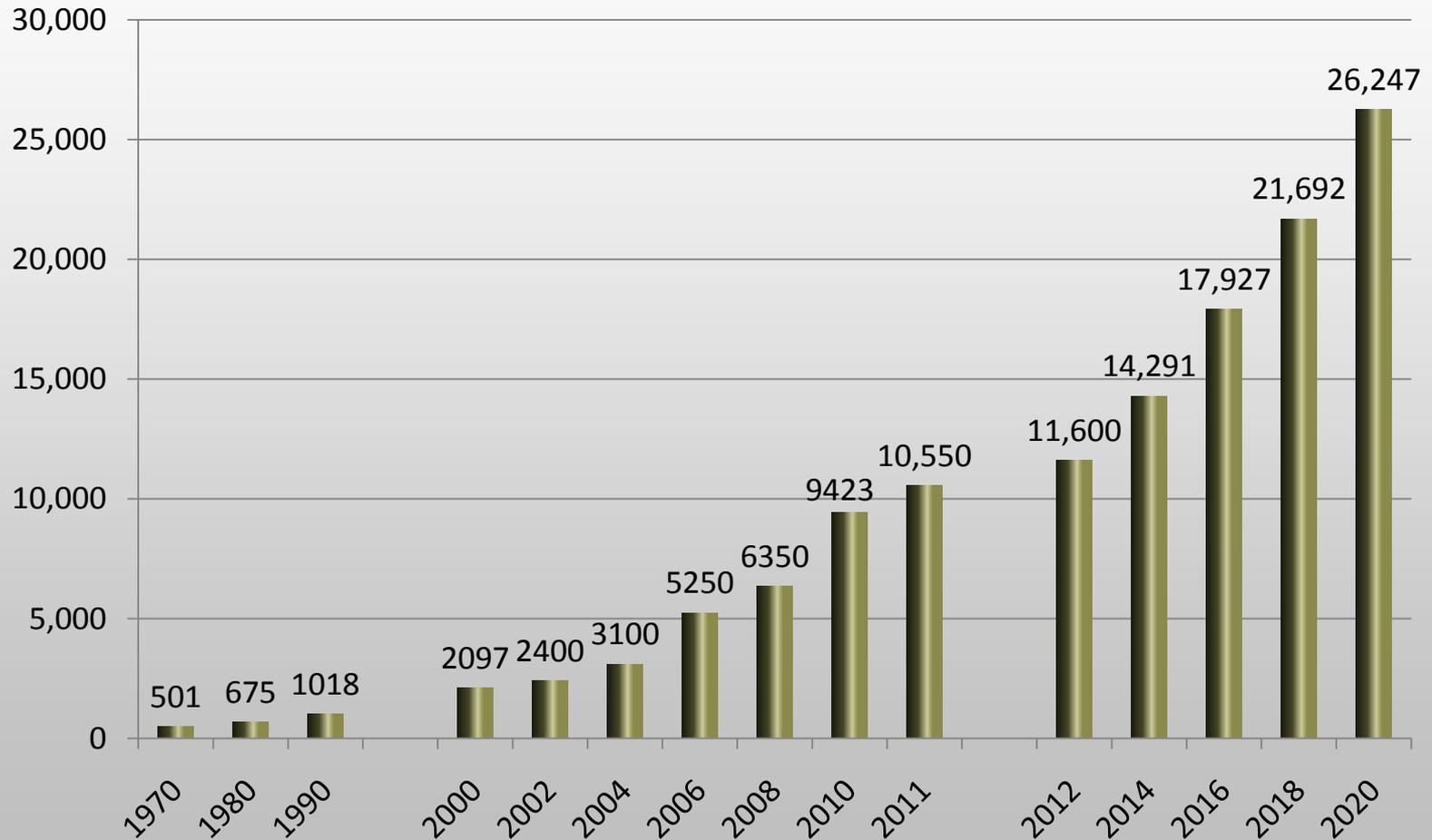
“Prosper is a place where everyone matters.”



Best in the World

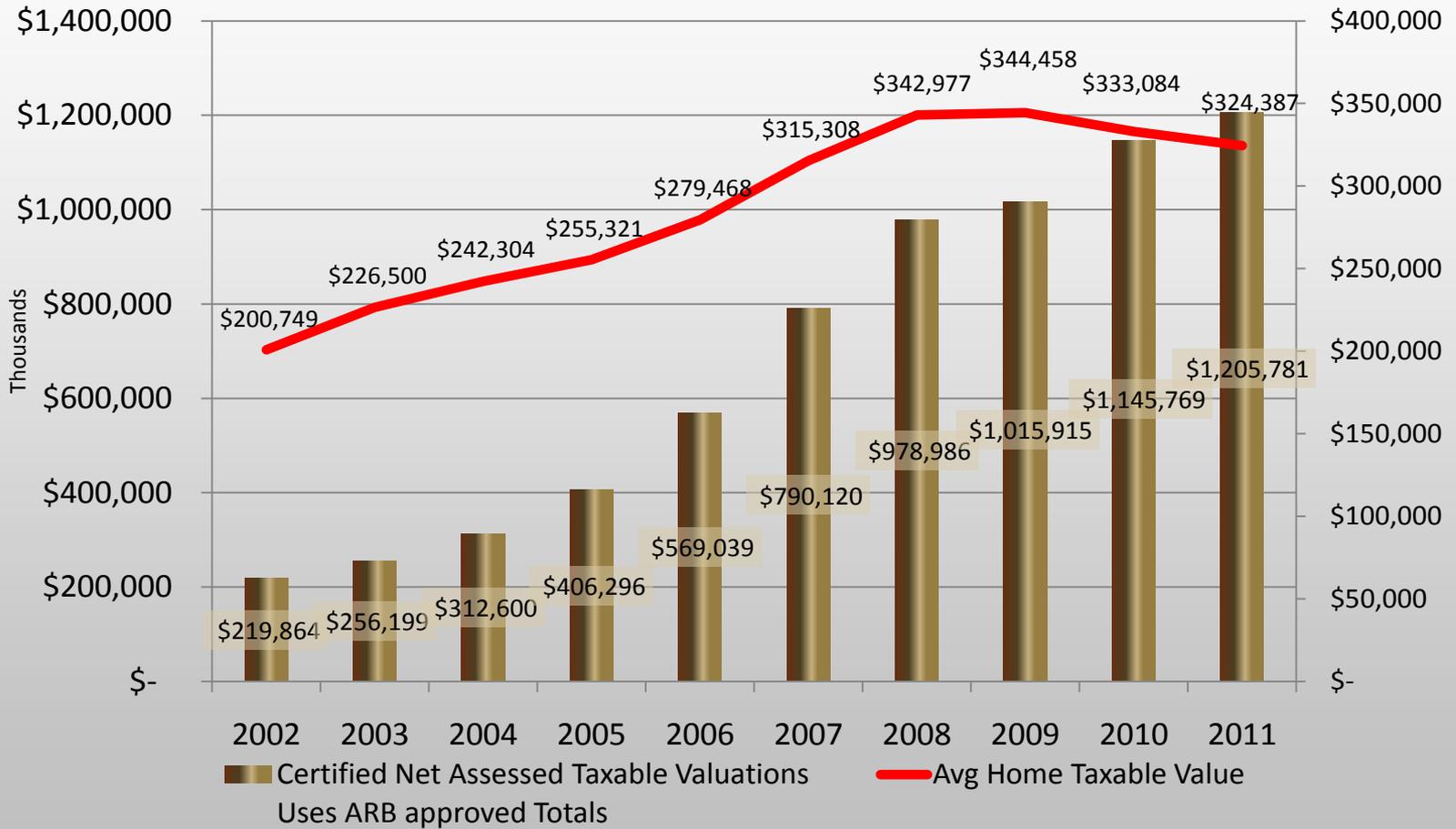
Prosper will be the best in the world at providing systematic opportunities that inspire our citizens to actually make a difference in our Town.

Town of Prosper Population



Source: Census for available years. Population estimates to date are from North Central Texas Council of Governments; Future estimates are from Town of Prosper Staff

Property Valuation History



Source: Collin CAD and Denton CAD Certified Totals 2002-2011

Key Points in 2011 Valuations

- Certified Total Taxable Increased 5.2%
 - Collin County Value \$ 1,152,135,437
 - Denton County Value \$ 53,645,824
 - **Total Value \$ 1,205,781,261**

- Existing Taxable Values Increased 0.46 %
 - Increased 0.03% in Collin County
 - Increased 14.76% in Denton County

- New Construction of \$ 66.1 Million
 - Collin County totaled \$ 58.1 Million
 - Denton County totaled \$ 8.0 Million

- Annexations of \$ 7.2 Million (all in Denton County this year)

2011 Certified Tax Values

Ad Valorem Taxes

Total Freeze Adjusted Taxable Value	\$ 1,128,158,900	
<i>Times</i> Tax Rate (Per \$100)	0.5200	<i>Proposed Rate</i>
<i>Times</i> Anticipated Tax Collections	100 %	
<i>Plus</i> Actual Tax on Freeze	\$ 378,012	
<hr/>		
TOTAL TAX LEVY	\$ 6,244,438	
One Penny on the Tax Rate	\$ 112,816	
Freeze Adjusted Values by County		
Collin = \$1,074,793,754	Denton = \$53,365,146	

Excludes amounts still under protest with the Appraisal Review Boards

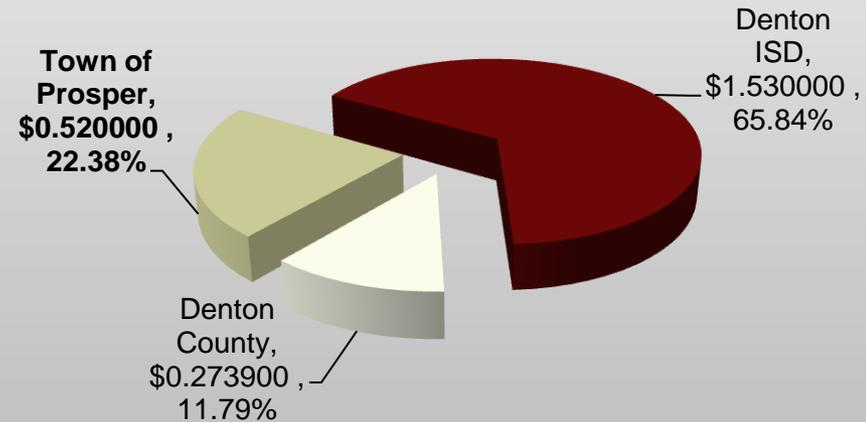
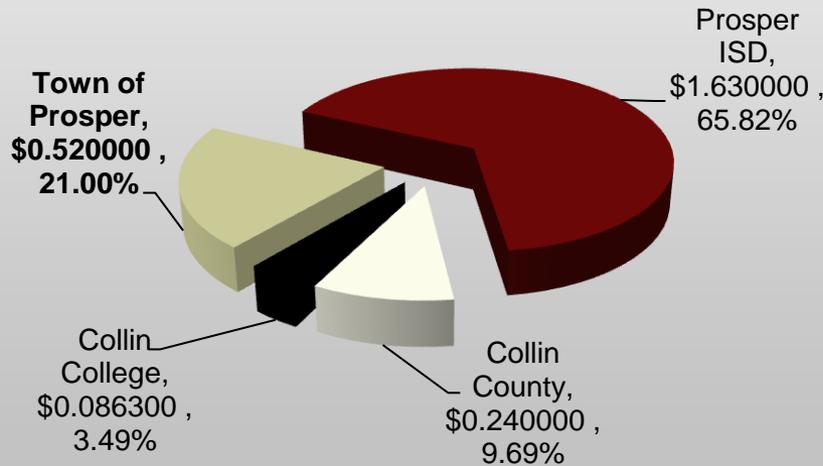
Where the Property Taxes Go

Collin County Prosper, TX

	Rate per \$100 Valuation
Town of Prosper	\$ 0.520000
Prosper ISD	\$ 1.630000
Collin County	\$ 0.240000
Collin College	\$ 0.086300
TOTALS	\$ 2.476300

Denton County Prosper, TX

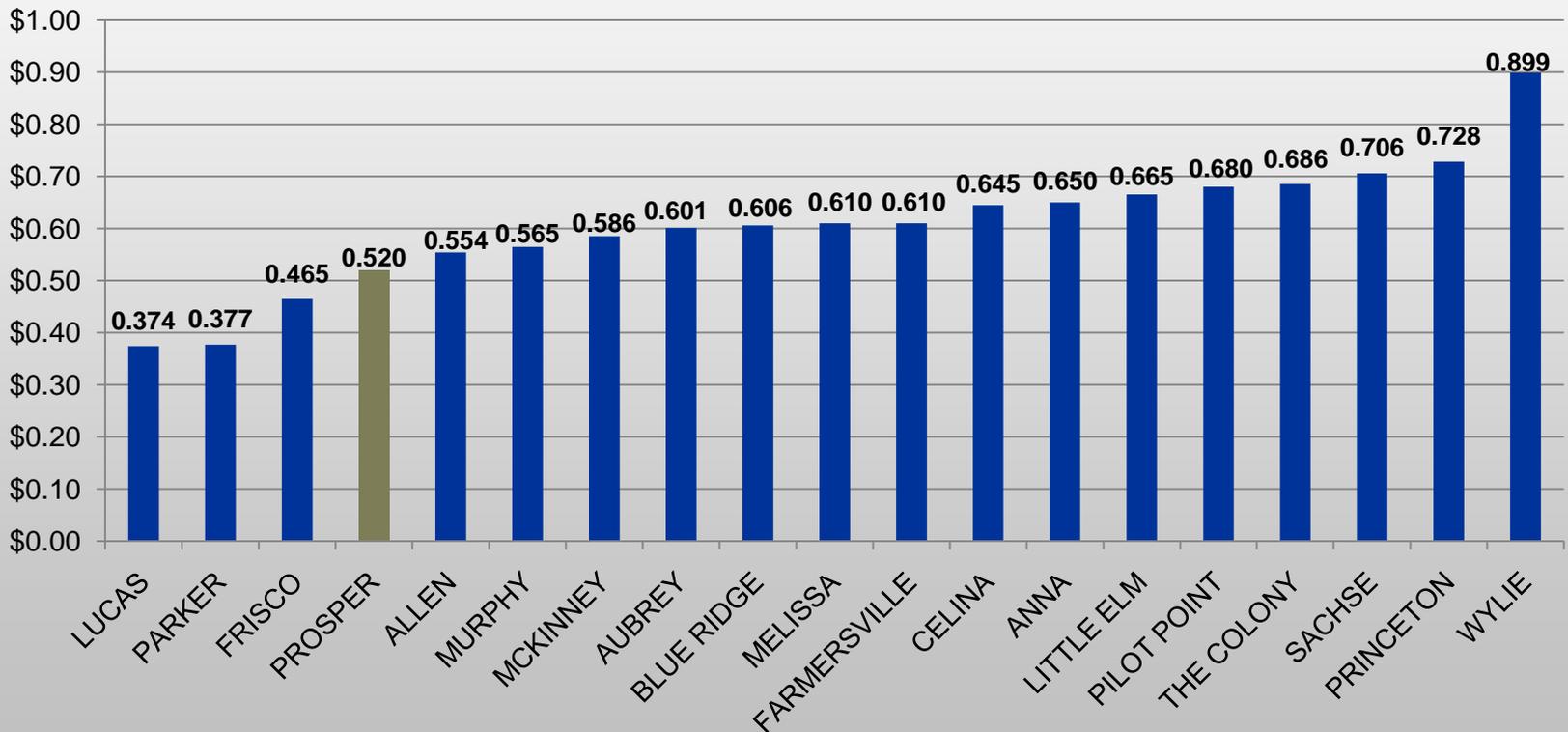
	Rate per \$100 Valuation
Town of Prosper	\$ 0.520000
Denton ISD	\$ 1.530000
Denton County	\$ 0.273900
TOTALS	\$ 2.323900



Source: 2010 rates from Collin CAD and Denton CAD Web sites

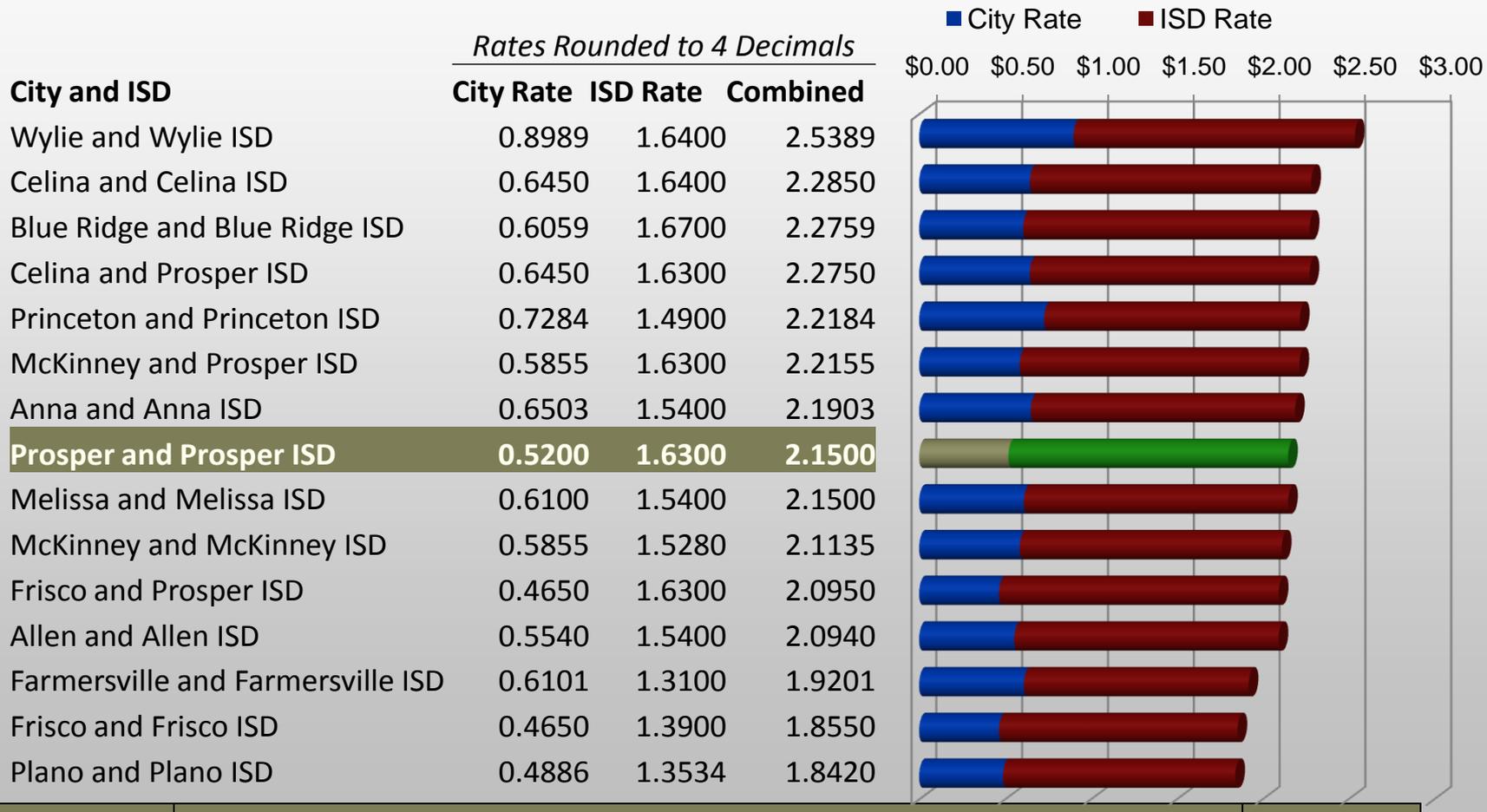
Property Tax Rate Comparison

2010 Tax Rates
Rounded to 3 digits if longer



Source: Collin County Tax Assessor-Collector Web site or Municipal Web site

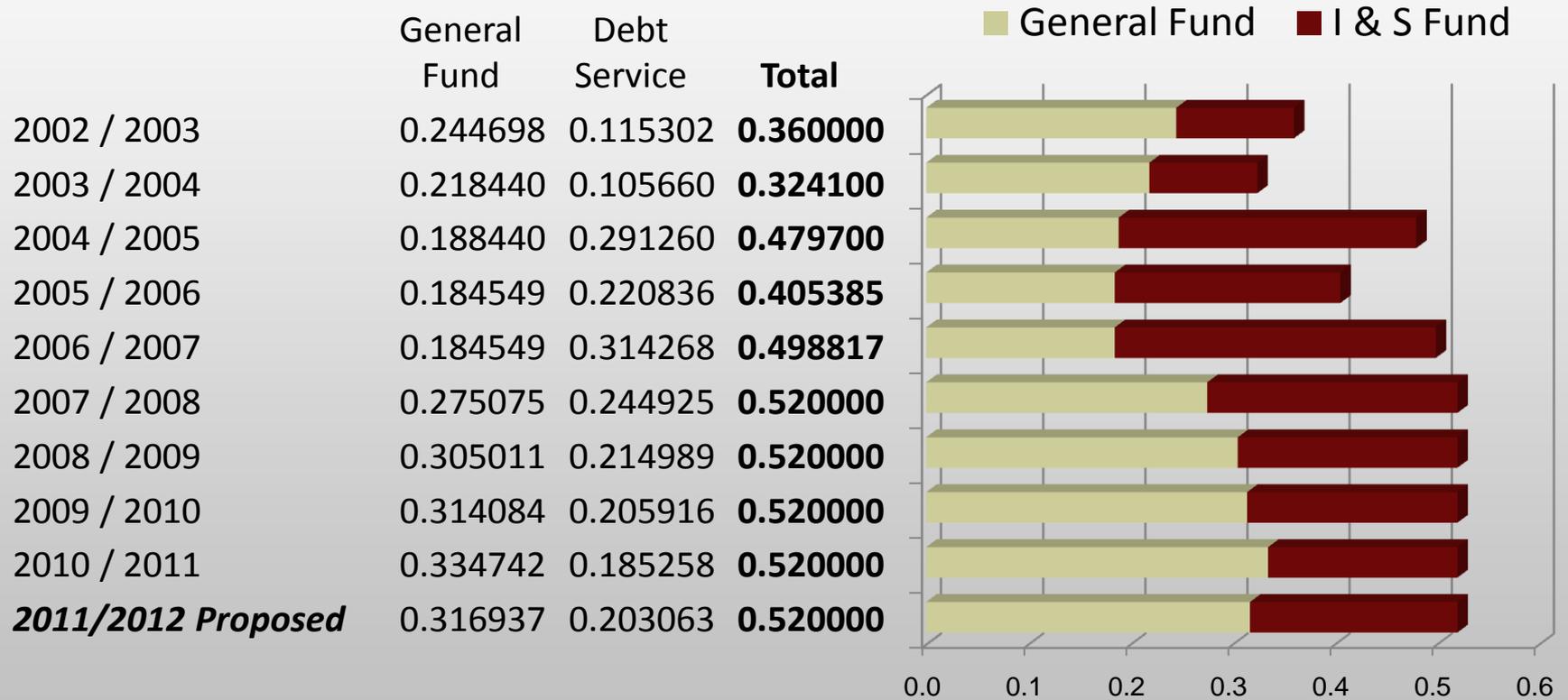
2010 Municipal and ISD Combined Rates



Source: Collin County Tax Assessor-Collector Web site

Note: Selected communities only, not intended to be an exhaustive County list

Ad Valorem Tax Distribution



Ad Valorem Tax Distribution (cont'd)

- Current and Proposed Rate - \$0.52
- Debt Service - \$0.203063
 - Paying \$ 2,333,807 in debt from tax revenues
 - Balance of scheduled payments are Water/Sewer related
- If Current Rate of \$0.52 used, M&O - \$0.316937
 - Generates \$3,872,945 in General Fund Property Tax
- If Effective Rate of \$0.521078 used, M&O - \$0.318015
 - Would generate \$12,162 more than the Current Rate
- If Rollback Rate of \$0.579913 used, M&O - \$0.37865
 - Would be \$0.607021 except \$0.005 Additional Sales Tax for Property Tax Relief (\$0.027108)
 - Would generate \$675,915 more than the Current Rate

Note: Prosper is the only Collin County municipality with additional sales tax for property tax relief.

Average Home Owner

➤ 2011 Average Homestead Taxable Value = \$ 324,387

➤ Tax rate scenarios

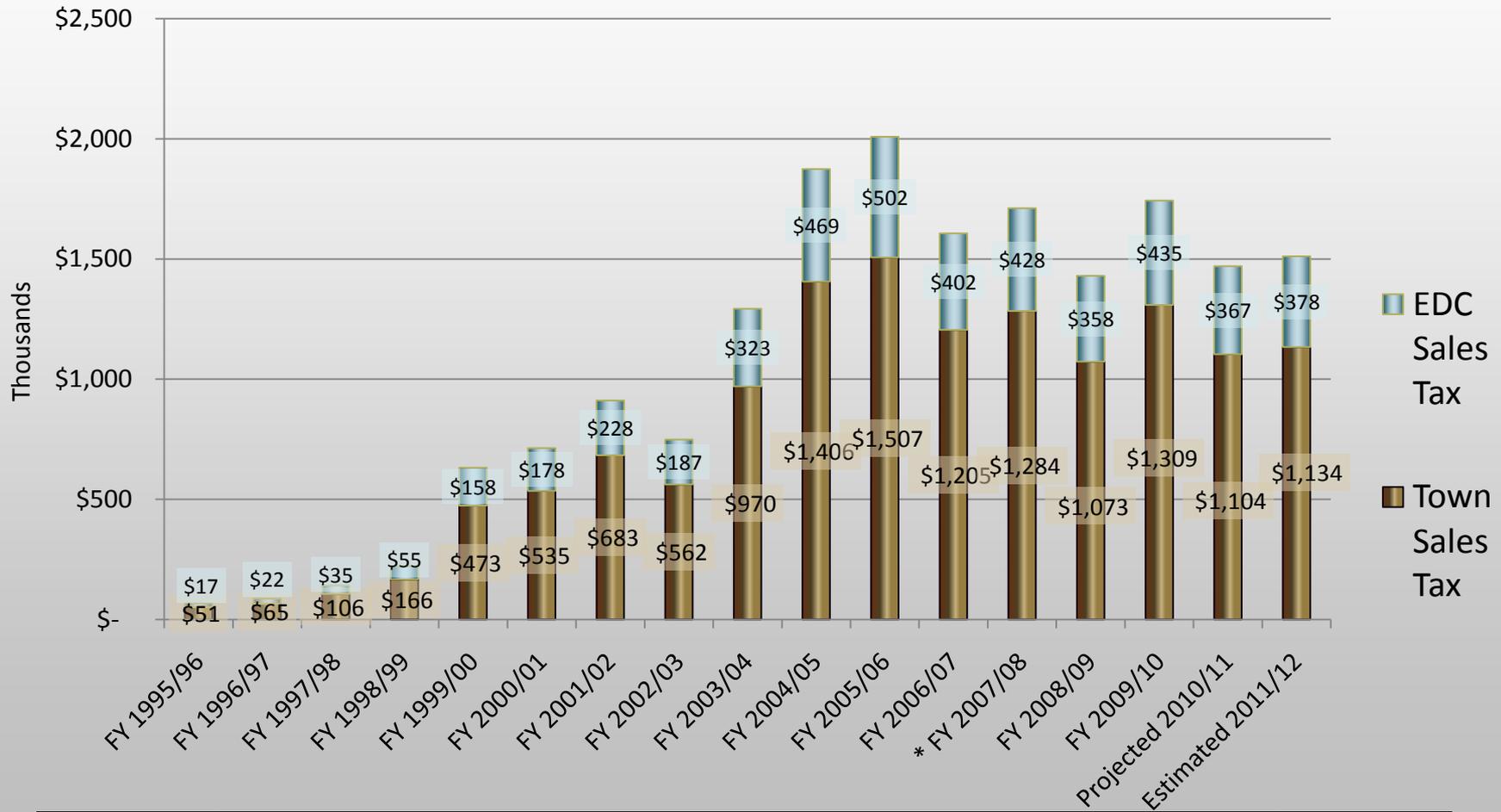
- Current & Proposed Rate \$0.520000 – \$1,687
- Effective Rate \$0.521078 – \$1,690
- Rollback Rate \$0.579913 – \$1,881

➤ Average Prosper Resident Overall Tax Rate – Collin County

	Rate per \$100 Valuation	Tax Levy
Town of Prosper	\$ 0.520000	\$ 1,687
Prosper ISD	\$ 1.640000	\$ 5,288
Collin County	\$ 0.242500	\$ 779
Collin College	\$ 0.086300	\$ 280
TOTAL	\$ 2.488800	\$ 8,033

Note: Average Taxes are computed using 2010 tax rates for all agencies
Excludes possible exemptions with each entity for simplicity.

Sales Tax History and Projections



* **Note:** Prosper received a significant one-time, multi-year audit payment from the State skewing FY 2008. If removed receipts would have totaled \$1.056M for the Town and \$352K for the EDC.



General Fund

Budget Summary - Revenues

- Overall revenues are expected to increase 11.6% compared to Budgeted 2010-2011
- Property tax revenues for Operations and Maintenance are proposed to increase by approximately 1.53% compared to Budgeted 2010-2011
- Sales Tax is projected to remain at \$1.1 Million
- Franchise taxes are expected to increase slightly to around \$365,000

Budget Summary – Revenues

(cont'd)

- Interest income held relatively flat
- Construction Fees reduced significantly from \$125,000 to \$75,000
- SAFER Grant is in its final year
 - reduced 48% from \$218,183 to \$113,989

Budget Summary – Revenues

(cont'd)

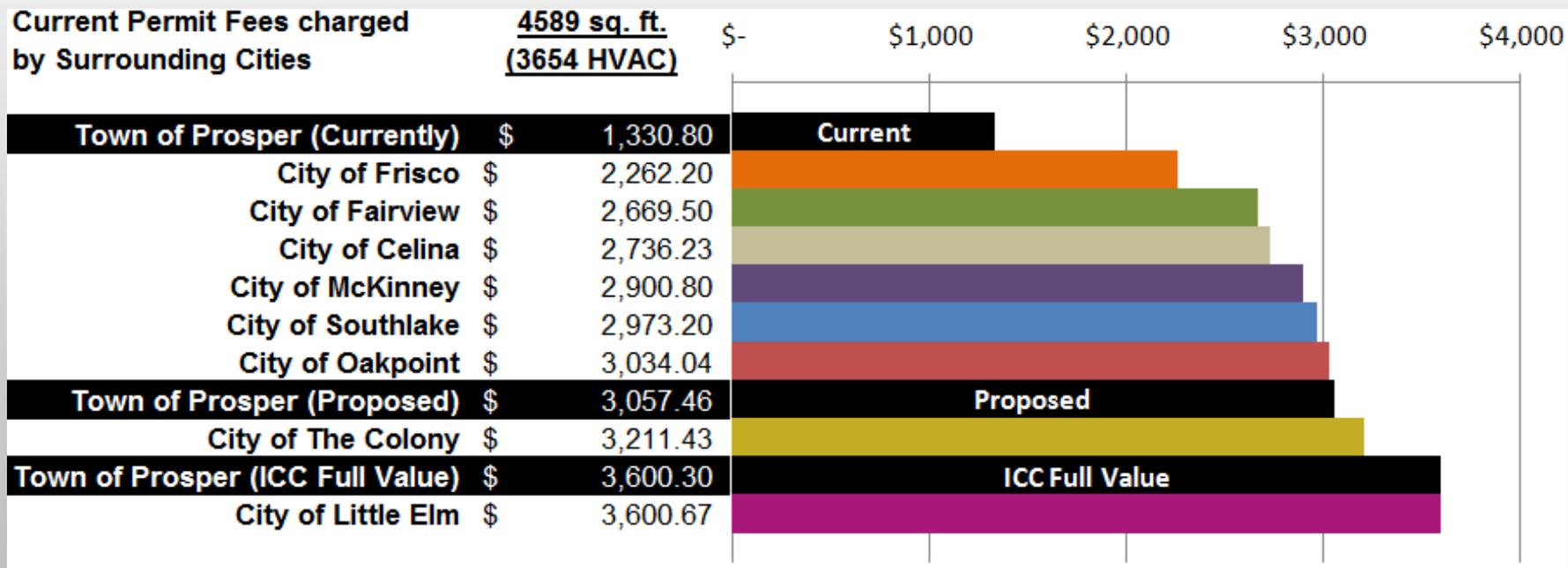
- The Interfund Transfer for Enterprise funds is scheduled to increase from 7.5% to 8.75% as called for in the W/S Business Plan, recognizing Streets Rental/Franchise Fee, & Administrative Charges
 - This will increase the transfer in the Water/Sewer Fund to approximately \$550,000.

- A similar, but smaller percentage transfer will apply to the Drainage Utility Fund as per the Freese and Nichols study.

Budget Summary – Revenues

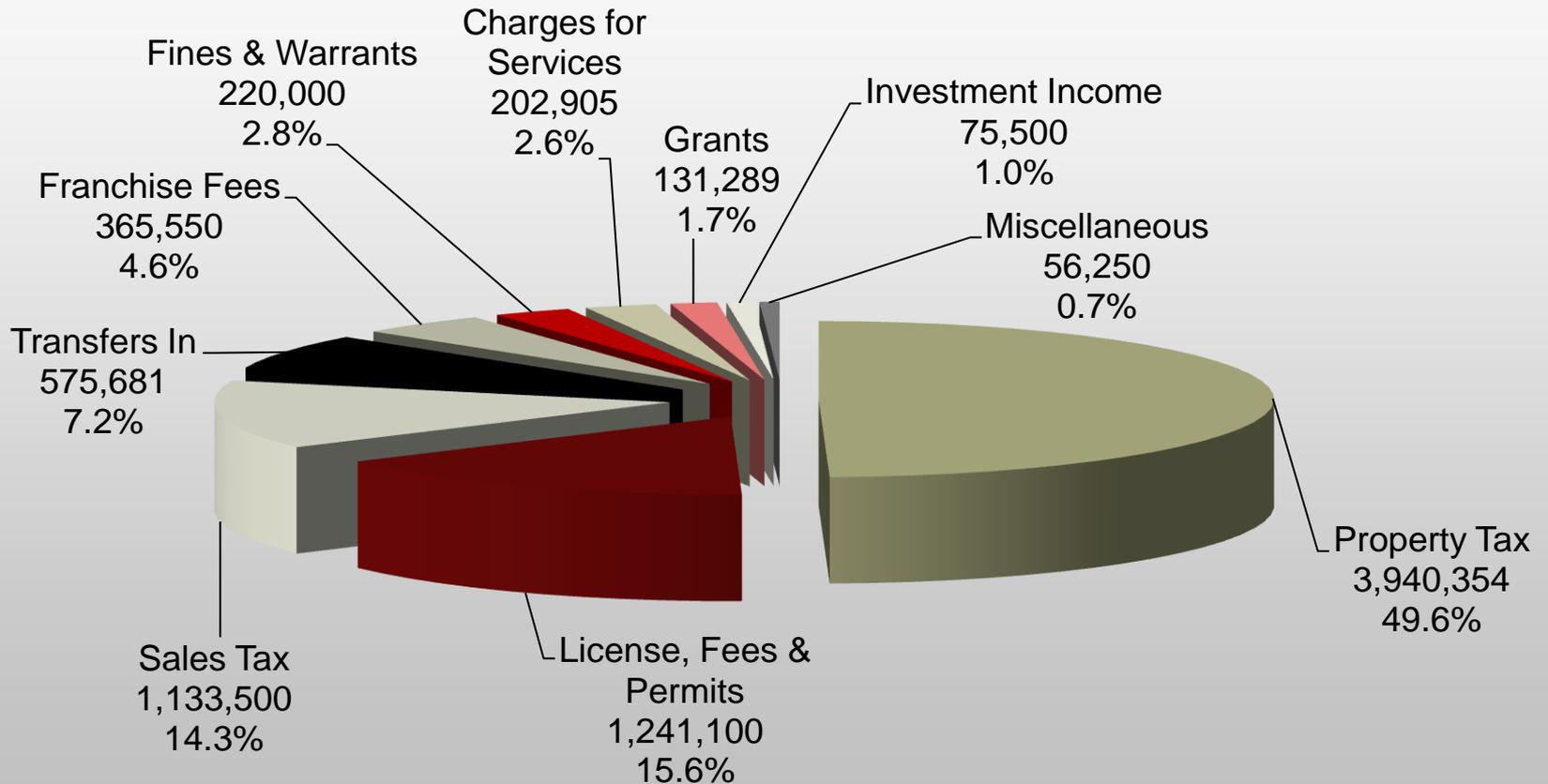
(cont'd)

- Building Permit fee revenues increase substantially reflecting Single Family Permit fee increase
 - FY12 Increase still to be considered by Council



General Fund Revenue Sources

FY 2012 Proposed by Category



General Fund Revenue Sources

FY 2012 Proposed by Category (cont'd)

<i>Revenue Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Property Tax	\$ 3,940,354	49.6%
License, Fees & Permits	\$ 1,241,100	15.6%
Sales Tax	\$ 1,133,500	14.3%
Transfers In	\$ 575,681	7.2%
Franchise Fees	\$ 365,550	4.6%
Fines & Warrants	\$ 220,000	2.8%
Charges for Services	\$ 202,905	2.6%
Grants	\$ 131,289	1.7%
Investment Income	\$ 75,500	1.0%
Miscellaneous	\$ 56,250	0.7%
<i>Revenue Total</i>	<i>\$ 7,942,129</i>	<i>100%</i>

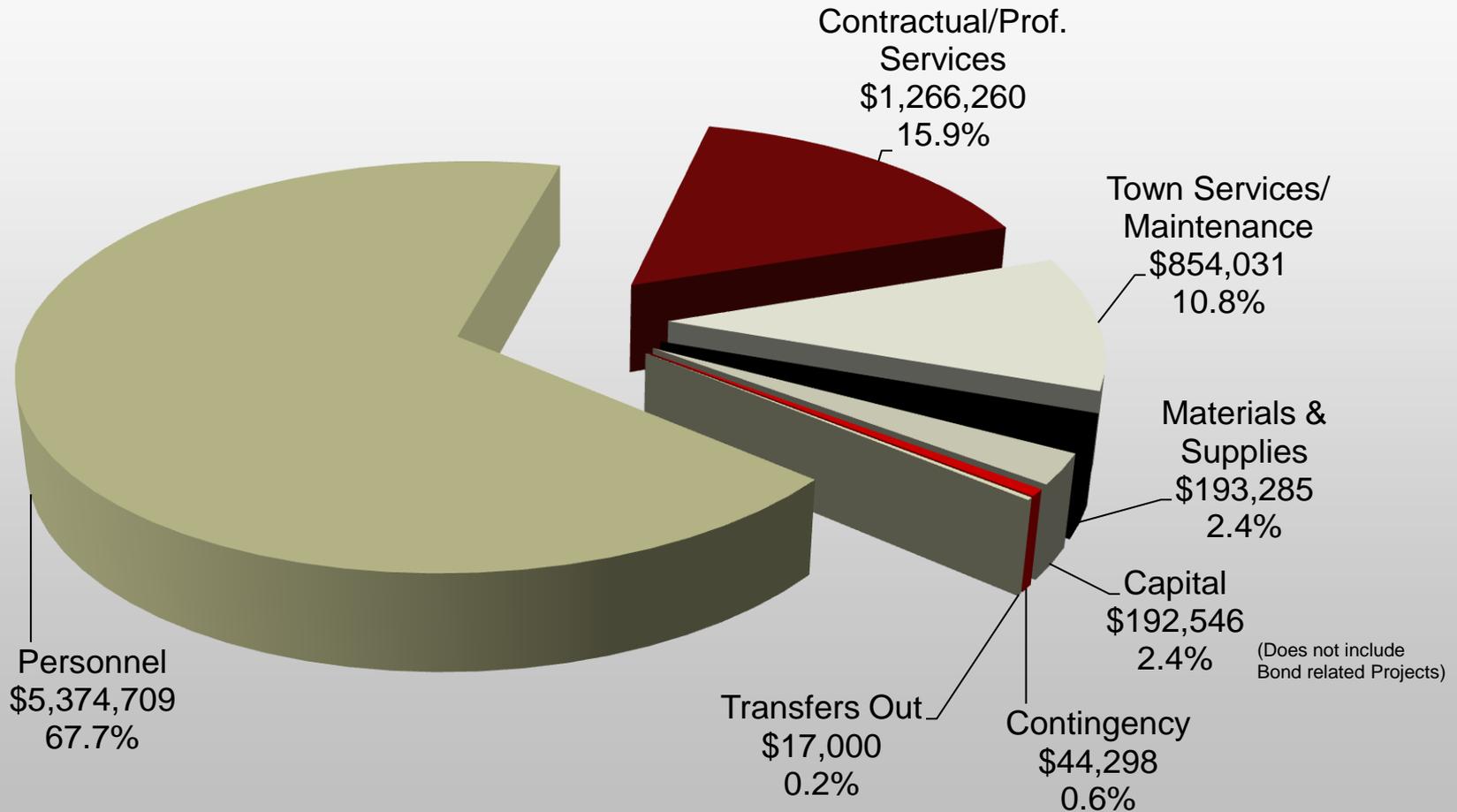
Budget Summary - Appropriations

- Total General Fund Appropriations for the 2011-2012 Proposed Budget total \$7,942,129. This is an increase of 11.62% over the 2010-2011 Budget.
 - \$323,224 or 39% of additional appropriations is from to new personnel

- Employee Compensation
 - The proposed budget includes the second year of three year strategy to bring Prosper compensation in line with the market.
 - Time In Position pay adjustments are being implemented.

General Fund Appropriations

FY 2012 Proposed by Category



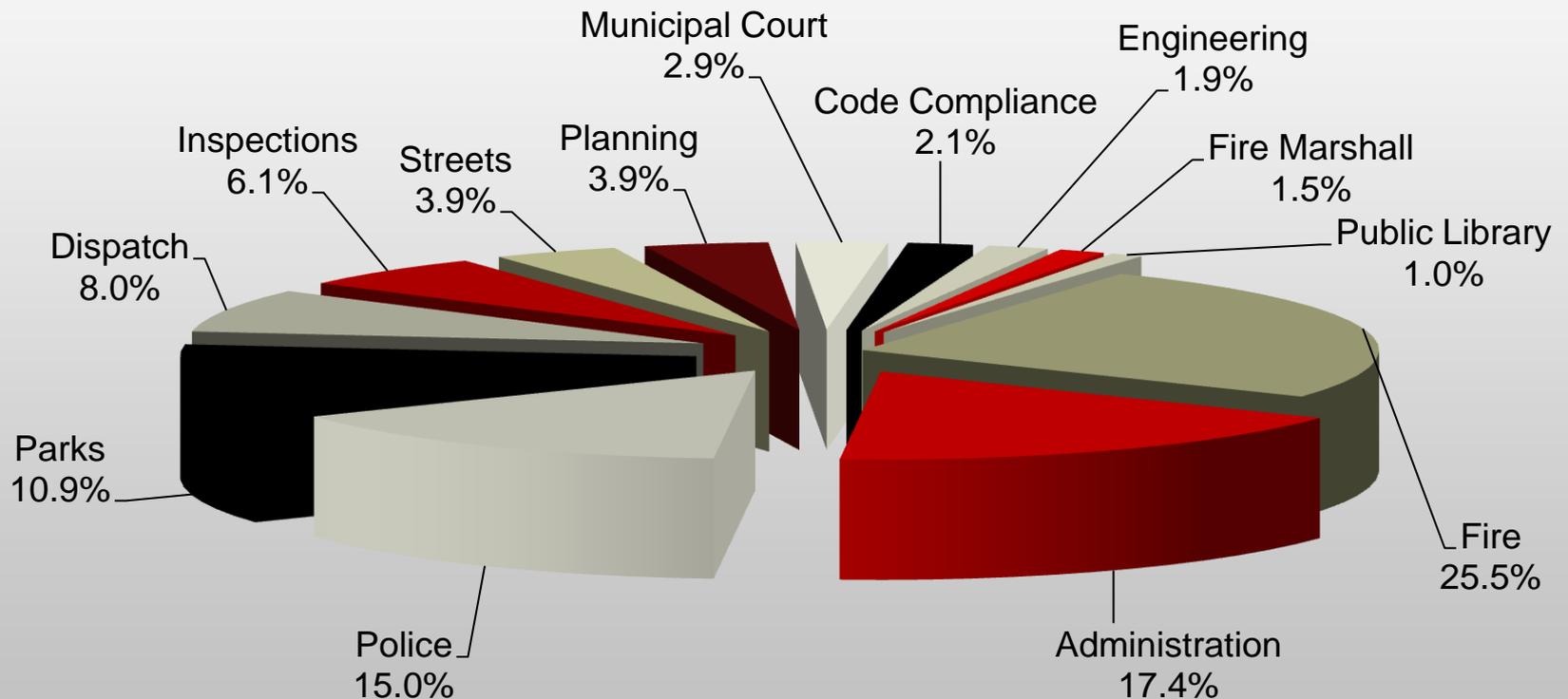
General Fund Appropriations

FY 2012 Proposed by Category (cont'd)

<i>Appropriations Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Personnel	\$ 5,374,709	67.7%
Contractual/Prof. Services	\$ 1,266,260	16.1%
Town Services/ Maintenance	\$ 854,031	10.8%
Materials & Supplies	\$ 193,285	2.4%
Capital	\$ 192,546	2.4%
Contingency	\$ 44,298	0.4%
Transfers Out	\$ 17,000	0.2%
<i>Appropriations Total</i>	<i>\$ 7,942,129</i>	<i>100%</i>

General Fund Appropriations

FY 2012 Proposed by Department



Approximately \$4.2 Million (or 53%) of the \$7.94 Million total goes into Public Safety and Justice

General Fund Appropriations

FY 2012 Proposed by Department (cont'd)

<i>Appropriations Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Fire	\$ 2,027,074	25.5%
Admin	\$ 1,383,426	17.4%
Police	\$ 1,191,369	15.0%
Parks	\$ 865,609	10.9%
Dispatch	\$ 632,466	8.0%
Inspections	\$ 482,649	6.1%
Streets	\$ 312,625	3.9%
Planning	\$ 309,066	3.9%
Muni. Court	\$ 226,911	2.9%
Code Enforcement	\$ 162,937	2.1%
Engineering	\$ 151,849	1.9%
Fire Marshall	\$ 116,335	1.5%
Public Library	\$ 79,813	1.0%
<i>Appropriations Total</i>	<i>\$ 7,942,129</i>	<i>100%</i>

Administration

Includes Administration, Finance, Town Secretary and Council

- Accounting Manager to transition
Comptroller's retirement scheduled for
June 1, 2012
- Continued Upgrades of IT systems

Administration

Includes Administration, Finance, Town Secretary and Council

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	1,248,762	1,304,613	1,383,427	10.8%
Personnel	615,265	615,037	687,829	11.8%
Materials & Supplies	12,720	11,700	11,500	-9.6%
Town Services / Maintenance	161,960	172,210	179,800	11.0%
Contractual / Professional Services	328,150	415,226	408,500	24.5%
Capital	37,200	30,200	35,000	-5.9%
Transfers Out	30,240	30,240	17,000	-43.8%
Contingency	63,227	30,000	43,798	-30.7%

Library

- Maintains current funding level in an effort to meet a quality of maintenance standard
- Continuing programs

Library

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	78,855	79,040	79,813	1.2%
Personnel	57,155	57,265	58,113	1.7%
Materials & Supplies	11,400	11,400	11,400	0.0%
Town Services / Maintenance	2,400	2,400	2,400	0.0%
Contractual / Professional Services	7,900	7,975	7,900	0.0%

Police

- Adds one Police Officer
- Capital included is the final lease payment on two 2010 vehicles

Police

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	1,179,150	1,180,525	1,191,369	1.0%
Personnel	887,475	887,959	979,739	10.4%
Materials & Supplies	24,690	20,700	17,450	-29.3%
Town Services / Maintenance	131,050	119,955	127,230	-2.9%
Contractual / Professional Services	32,700	33,011	42,250	29.2%
Capital	103,235	118,900	24,700	-76.1%

Dispatch

- Dispatch contracted services costs increase
 - After a delayed system acceptance, the full annual recurring costs are budgeted

Dispatch

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	475,295	431,775	632,466	33.1%
Personnel	353,670	327,615	424,392	20.0%
Materials & Supplies	4,400	1,250	1,950	-55.7%
Town Services / Maintenance	23,400	13,060	16,450	-29.7%
Contractual / Professional Services	93,825	89,850	189,674	102.2%

Fire Department

- Engaging an ISO consultant for specific steps to take to improve the ISO Public Protection Classification in future reviews

Fire Department

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	2,029,130	2,126,629	2,027,074	-0.1%
Personnel	1,675,930	1,736,171	1,676,491	0.0%
Materials & Supplies	51,700	52,298	51,700	0.0%
Town Services / Maintenance	245,900	280,695	273,803	11.3%
Contractual / Professional Services	13,600	15,465	18,080	32.9%
Capital	42,000	42,000	7,000	-83.3%

Fire Marshall

- Continues operations

Fire Marshall

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	114,355	115,414	116,335	1.7%
Personnel	100,245	99,831	101,222	1.0%
Materials & Supplies	2,910	2,930	2,960	1.7%
Town Services / Maintenance	10,100	11,553	11,053	9.4%
Contractual / Professional Services	1,100	1,100	1,100	0.0%

Streets

- Continues operations

Streets

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
<i>TOTAL</i>	276,855	291,715	312,625	12.9%
Personnel	106,065	102,915	106,575	0.5%
Materials & Supplies	60,190	60,500	78,550	30.5%
Town Services / Maintenance	93,600	88,200	94,800	1.3%
Contractual / Professional Services	17,000	40,100	32,700	92.4%

Parks

- Adding 4 full time positions
- Purchase of new equipment is included pending decision on strategy for purchase
 - Included in refunding as GO funded equipment
- OR
 - Leased and left in M&O

Parks

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	508,935	535,868	865,609	70.1%
Personnel	270,080	266,545	521,382	93.0%
Materials & Supplies	1,450	2,229	4,125	184.5%
Town Services / Maintenance	55,955	85,950	90,950	62.5%
Contractual / Professional Services	178,450	86,144	133,306	-25.3%
Capital	3,000	95,000	115,846	3761.5%

Inspections

- Converting 1 part time clerk to full time
- Hiring a contract Inspector part time during peak construction periods

Inspections

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	410,285	404,203	482,649	17.6%
Personnel	340,460	364,600	399,899	17.5%
Materials & Supplies	5,500	5,050	5,350	-2.7%
Town Services / Maintenance	30,275	24,700	30,650	1.2%
Contractual / Professional Services	34,050	9,853	36,750	7.9%
Capital	0	0	10,000	

Code Compliance

- Includes demolition and removal of 4 structures

Code Compliance

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	136,290	139,269	162,937	19.6%
Personnel	61,440	58,700	61,567	0.2%
Materials & Supplies	3,500	1,635	1,650	-52.9%
Town Services / Maintenance	7,700	5,934	4,600	-40.3%
Contractual / Professional Services	63,650	73,000	95,120	49.4%

Planning

- Includes Completion of Comprehensive Plan

Planning

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	279,455	370,106	309,066	10.6%
Personnel	143,650	152,187	149,416	4.0%
Materials & Supplies	6,100	4,107	2,950	-51.6%
Town Services / Maintenance	13,440	12,426	10,100	-24.9%
Contractual / Professional Services	116,265	195,434	146,600	26.1%
Capital	0	5,952	0	

Engineering

- Increases in Legal Fees anticipated based on actual legal fees to date

Engineering

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	144,735	164,228	151,849	4.9%
Personnel	135,750	137,581	135,564	-0.1%
Materials & Supplies	700	121	100	-85.7%
Town Services / Maintenance	5,635	7,498	5,635	0.0%
Contractual / Professional Services	2,650	19,028	10,550	298.1%

Municipal Court

- Considering credit card options
- Will be first full fiscal year with new collection agency

Municipal Court

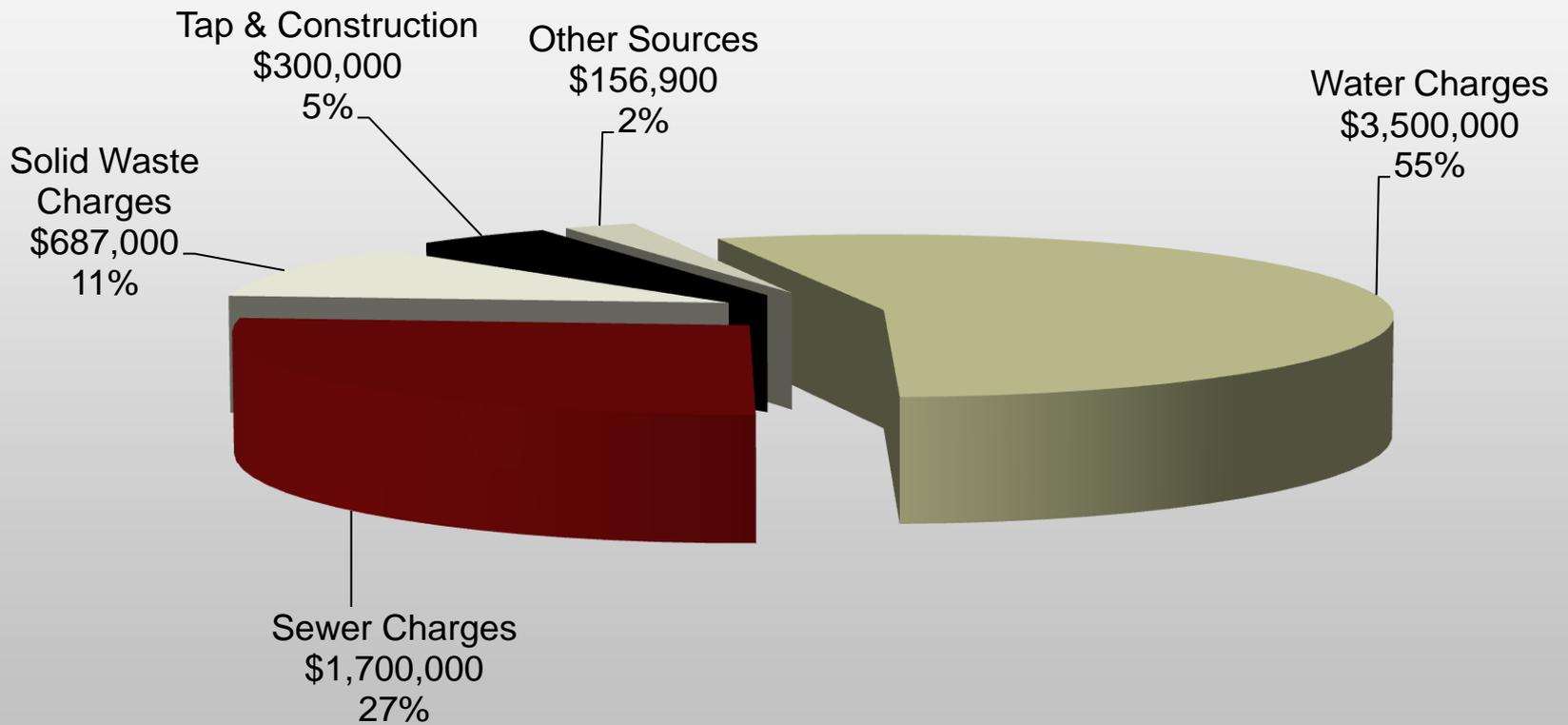
	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	233,010	231,325	226,911	-2.6%
Personnel	84,380	86,819	72,521	-14.1%
Materials & Supplies	2,550	3,400	3,600	41.2%
Town Services / Maintenance	7,550	4,960	7,060	-13.1%
Contractual / Professional Services	138,530	136,146	143,730	3.8%



Enterprise Funds

Water/Sewer Fund Revenue

FY 2012 Proposed by Category



Water/Sewer Fund Revenue

FY 2012 Proposed by Category (cont'd)

<i>Revenue Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Water Charges	\$ 3,500,000	55.2%
Sewer Charges	\$ 1,700,000	26.8%
Solid Waste Charges	\$ 687,000	10.8%
Tap & Construction	\$ 300,000	4.7%
Penalties	\$ 57,000	0.9%
Investment Income	\$ 45,000	0.7%
License, Fees & Permits	\$ 29,900	0.5%
Miscellaneous	\$ 25,000	0.4%
<i>Revenues Total</i>	<i>\$ 6,343,900</i>	<i>100%</i>

Water/Sewer Business Plan

- The Utility engaged J. Stowe & Co. to complete a business plan to prepare for the future demands on the system and take action to ensure the utility continues to meet its service level goals.

- Specific action steps completed or underway taken from the Business Plan include:
 - Review and update impact fees
 - Increase Water & Wastewater Revenues
 - Establish and budget a 60 (17%) day operating reserve
 - Increasing this target to 90 days or 25%
 - Establish and budget for a capital replacement program at 2% of original costs
 - Budget an annual interfund transfer from the Utility to the General Fund – adding 1.25% until reach recommended 10%
 - FY 2012 is budgeted at 8.75%.

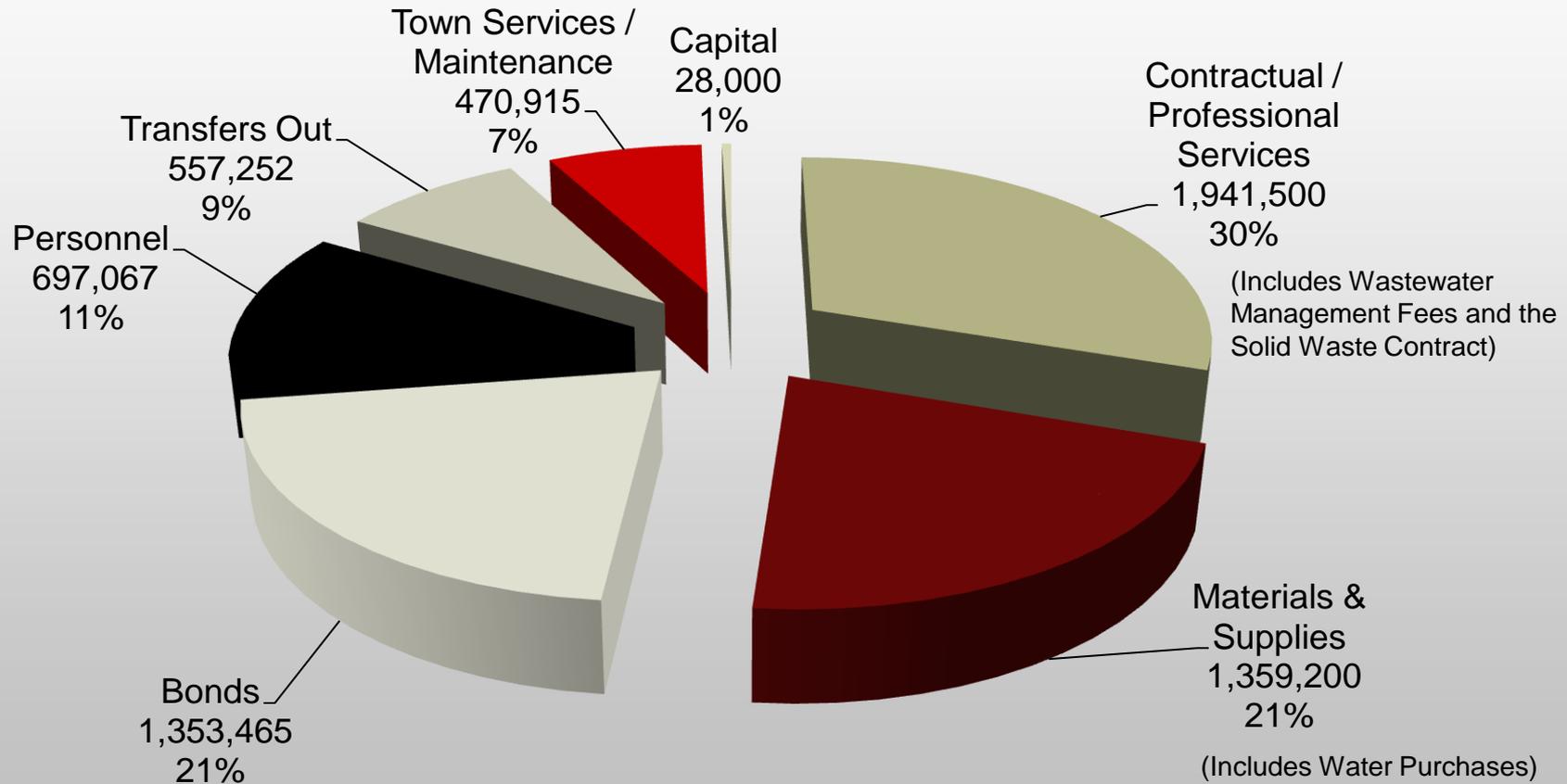
Water/Sewer Rate Study

- J. Stowe & Co. is currently reevaluating rate requirements

- Specific action steps from the Business Plan included:
 - Review miscellaneous service fees to at least cover service costs
 - In Progress
 - Annually review and implement service rate increases sufficient to cover the cost to provide each service.

Water/Sewer Fund Appropriations

FY 2012 Proposed by Category



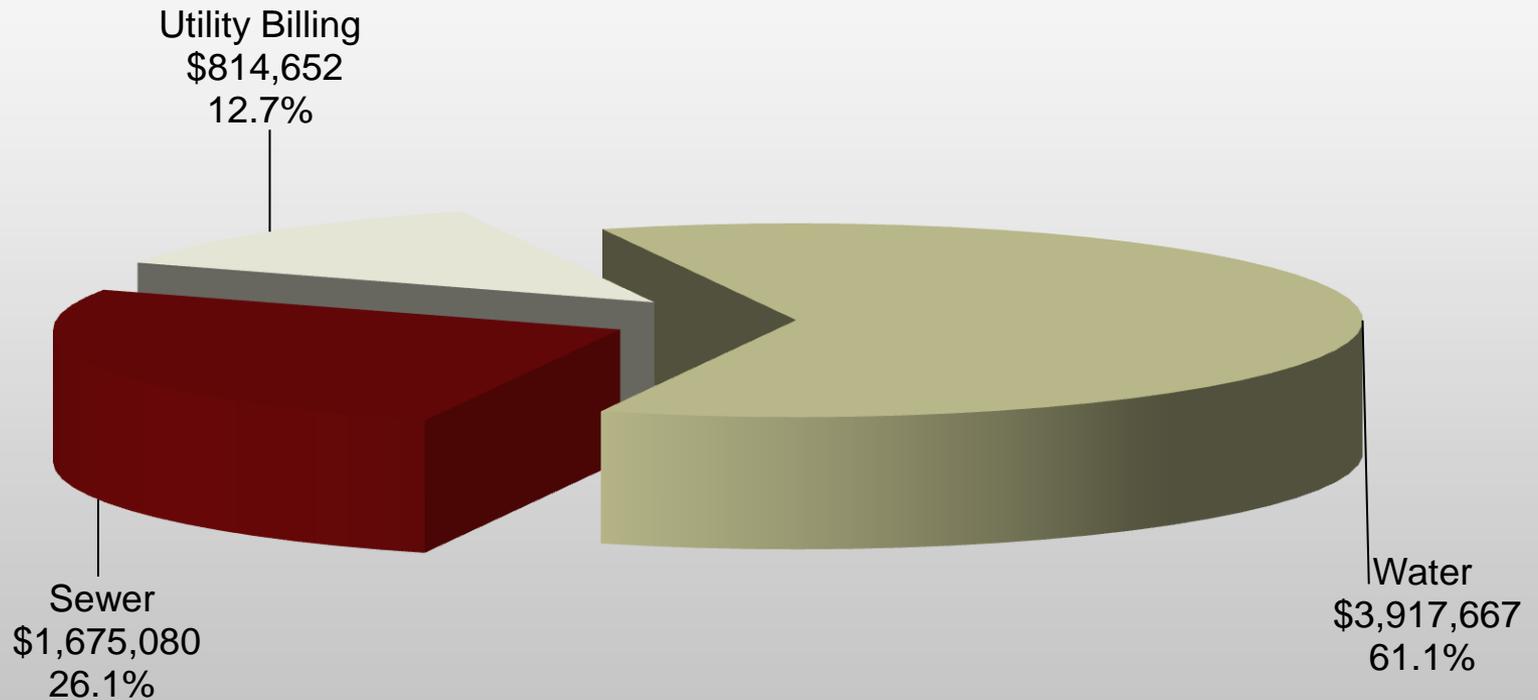
Water/Sewer Fund Appropriations

FY 2012 Proposed by Category (cont'd)

<i>Appropriations Category</i>	<i>FY 2012 Proposed</i>	<i>% of Total</i>
Contractual / Professional Services	\$ 1,941,500	30.3%
Materials & Supplies	\$ 1,359,200	21.2%
Bonds	\$ 1,353,465	21.1%
Personnel	\$ 697,067	10.9%
Transfers Out	\$ 557,252	8.7%
Town Services / Maintenance	\$ 470,915	7.3%
Capital	\$ 28,000	0.4%
<i>Appropriations Total</i>	<i>\$ 6,407,399</i>	<i>100%</i>

Water/Sewer Fund Appropriations

FY 2012 Proposed by Department



Water

- Adds 2 full time utility staff

Water

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	3,493,510	3,502,893	3,917,667	12.1%
Personnel	376,420	363,915	453,813	20.6%
Materials & Supplies	1,015,550	1,020,000	1,311,300	29.1%
Town Services / Maintenance	332,100	337,450	314,500	-5.3%
Contractual / Professional Services	137,250	147,560	123,600	-9.9%
Capital	15,000	15,000	28,000	86.7%
Bonds	1,353,465	1,355,243	1,353,465	0.0%
Transfers Out	263,725	263,725	332,989	26.3%

Sewer

- Addition of 1 full time Utility Worker

Sewer

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	1,444,390	1,494,825	1,675,080	16.0%
Personnel	113,040	108,725	152,955	35.3%
Materials & Supplies	21,750	22,150	23,400	7.6%
Town Services / Maintenance	147,550	170,900	152,400	3.3%
Contractual / Professional Services	1,049,050	1,080,050	1,189,700	13.4%
Transfers Out	113,000	113,000	156,625	38.6%

Utility Billing (includes solid waste)

- Will include renewing with IESI or contracting with a new solid waste service company
- Continuing to automate where possible

Utility Billing (includes solid waste)

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	742,290	765,110	814,652	9.7%
Personnel	95,215	87,825	90,299	-5.2%
Materials & Supplies	21,550	22,300	24,500	13.7%
Town Services / Maintenance	2,825	1,975	4,015	42.1%
Contractual / Professional Services	576,700	599,010	628,200	8.9%
Capital	0	8,000	0	0.0%
Transfers Out	46,000	46,000	67,638	47.0%

Storm Drainage Fund

FY 2012 Proposed

- Revenues expected to be \$235,300
- Continues funding of new position
- Proposed leaves room for potential debt payments

Storm Drainage Fund Appropriations

FY 2012 Proposed

	FY 2011 Adopted	FY 2011 Projected	FY 2012 Proposed	FY12 % Inc/(Dec) of FY11 Adopted
TOTAL	161,400	196,000	150,524	-6.7%
Personnel	0	0	43,645	
Materials & Supplies	0	0	10,550	
Town Services / Maintenance	0	0	4,900	
Contractual / Professional Services	140,000	174,600	36,600	-73.9%
Capital	10,000	10,000	34,000	240.0%
Transfers Out	11,400	11,400	20,829	82.7%



Interest & Sinking Fund

Debt Service Scheduled Payments

	Note Payable	Amount Due in FY 2012
Debt Service Rate	1996-CO *	\$ 73,410
Required to Fund	1998-CO *	\$ 67,010
FY 2012 Debt Payments	2001-CO *	\$ 200,925
<u>0.203063</u>	2004-CO	\$ 870,000
<u>Per \$100 Taxable Valuation</u>	2006-CO	\$ 946,760
	2008-CO	\$ 1,199,613
	2010-Tax Note	\$ 334,491
TOTAL OF ALL BONDS / NOTES		\$ 3,629,209
LESS: TOTAL OF BONDS / NOTES WATER/SEWER		(\$1,358,402)
	TOTAL I&S (TAX SUPPORTED DEBT)	\$2,333,807

* Notes currently being considered in 2011 Refunding



Next Steps and Summation

Key Dates in Budget Process

- August 9 Town Manager submits Proposed Budget to Town Council (Copies available on the Web)
Take record vote & schedule public hearings
 - August 23 Public Hearing on Budget
(If Required) 1st Public Hearing on Tax Rate
 - August 30 (If Required) 2nd Public Hearing on Tax Rate
 - September 13 Council adopts the FY 2012 Budget
Council sets the 2011 Tax Rate
 - October 1 Fiscal Year 2012 begins
-

Budget Summary – Closing Comments

- Utilizes Current Tax Rate and Implements Compensation Plan
- Dispatch/Communications Center - Recurring costs will be at 100%
- CIP Road Projects
 - Prosper Trail wrapping up
 - First Street & Coit Road
- Significantly more park maintenance
- Discussing Space Consolidation
- Water Costs Increasing and Upper Trinity Doe Branch Project

Town of Prosper, Texas

Summary of Outstanding Debt

Year Ending	Series 1996	Series 1998	Series 2001	Series 2004	Series 2006	Series 2008	2010 Tax Note	Total			Total Tax Supported Debt Serv	W/S Supported Debt Serv
								Debt Service		Total		
9/30	Total	Total	Total	Total	Total	Total	Total	Principal	Interest	Total		
1997	67,103							10,000	57,103	67,103	67,103	-
1998	67,185							20,000	47,185	67,185	67,185	-
1999	71,085	32,197						30,000	73,282	103,282	103,282	-
2000	69,816	38,033						41,266	82,546	123,812	107,849	15,963
2001	68,510	62,865						67,856	80,933	148,790	131,375	17,415
2002	72,038	61,830	104,640					73,581	182,340	255,922	203,976	51,946
2003	70,403	65,765	174,153					139,347	188,387	327,735	252,850	74,885
2004	68,738	64,505	201,603					269,858	207,368	477,226	393,282	83,943
2005	71,900	63,210	202,778	675,880				285,908	870,996	1,156,904	1,072,573	84,331
2006	69,888	61,898	203,740	439,200				297,145	620,590	917,735	833,213	84,522
2007	72,693	65,550	204,490	594,200	705,285			646,102	1,121,837	1,767,940	1,700,458	67,482
2008	70,313	63,990	205,028	838,000	682,210			841,492	1,093,115	1,934,607	1,866,948	67,659
2009	72,740	62,410	200,353	871,800	914,773			1,065,000	1,057,075	2,122,075	2,055,959	66,116
2010	74,818	65,790	200,678	873,600	947,135	1,289,208		1,150,000	2,301,228	3,451,228	2,081,334	1,369,894
2011	71,705	63,923	200,905	869,600	947,373	1,197,450		1,640,000	1,710,955	3,350,955	1,997,498	1,353,457
2012	73,410	67,010	200,925	870,000	946,760	1,199,613	334,491	1,995,000	1,697,209	3,692,209	2,333,807	1,358,402
2013	74,773	64,835	205,613	869,600	945,298	1,194,906	364,620	2,125,000	1,594,644	3,719,644	2,361,987	1,357,657
2014	75,788	62,635	204,740	868,400	947,985	1,198,125	365,166	2,210,000	1,512,839	3,722,839	2,365,679	1,357,159
2015	71,611	65,410	203,440	866,400	944,610	1,198,944	370,175	2,295,000	1,425,590	3,720,590	2,368,174	1,352,416
2016	72,258	62,935	206,770	868,600	945,385	1,197,238	369,633	2,390,000	1,332,818	3,722,818	2,369,535	1,353,283
2017		65,460	209,485	869,056	945,098	1,198,488	368,376	2,420,000	1,235,962	3,655,962	2,371,258	1,284,704
2018		62,730	206,565	867,706	945,298	1,198,238		2,140,000	1,140,536	3,280,536	2,000,283	1,280,253
2019			208,320	865,294	948,691	1,195,675		2,175,000	1,042,980	3,217,980	1,999,865	1,218,115
2020			209,500	866,819	945,341	1,199,638		2,280,000	941,298	3,221,298	2,003,194	1,218,104
2021			210,000	867,069	945,591	1,195,725		2,385,000	833,385	3,218,385	2,000,222	1,218,163
2022				871,044	944,201	1,198,650		2,295,000	718,895	3,013,895	1,862,998	1,150,897
2023				872,575	945,951	1,198,081		2,410,000	606,608	3,016,608	1,863,908	1,152,699
2024				872,575	946,170	1,194,925		2,525,000	488,670	3,013,670	1,861,173	1,152,497
2025					944,650	1,197,750		1,780,000	362,400	2,142,400	1,531,407	610,993
2026					945,725	1,196,200		1,875,000	266,925	2,141,925	1,530,528	611,397
2027						1,196,200		1,030,000	166,200	1,196,200	1,076,580	119,620
2028						1,197,450		1,095,000	102,450	1,197,450	1,077,705	119,745
2029						1,194,800		1,160,000	34,800	1,194,800	1,075,320	119,480
Remain Totals	367,839	451,015	2,065,358	11,295,138	14,186,754	21,550,644	2,172,461	36,585,000	15,504,207	52,089,207	34,053,624	18,035,583



Town of Prosper Profile
Authorized Positions

Fund	Department	Position Type	FY 08/09 Revised	FY 09/10 Revised	FY 10/11 Adopted	FY 10/11 Revised	FY 11/12 Proposed
<u>GENERAL FUND</u>							
	Administration		5	5	6	6	6
	Police		11	10	11	11	12
	Dispatch		1	6	7	7	7
	Fire		19	19	19	19	19
	On-call temporary pool		12	12	12	12	12
	Fire Marshal		1	1	1	1	1
	Streets		2	2	2	2	2
	Library			2	2	2	2
	Parks		2	4	4	4	8
	Court		1	1	1	1	1
	Inspections		8	6	6	6	6
	Code Enforcement		1	1	1	1	1
	Planning		3	2	2	2	2
	Engineering		1	1	1	1	1
		<i>Subtotal Full-Time</i>	53	55	58	58	64
		<i>Subtotal Part-Time</i>	2	3	5	5	4
		<i>Subtotal Temporary</i>	12	14	12	12	12
		Total General Fund	67	72	75	75	80
<u>WATER/SEWER FUND</u>							
	Water		5	5	5	5	7
	Wastewater		2	2	2	2	3
	Utility Billing		2	2	2	2	2
		<i>Total Water/Sewer Fund All Full-time</i>	9	9	9	9	12
<u>DRAINAGE UTILITY FUND</u>							
		<i>Total Utility Fund All Full-time</i>	0	0	0	1	1
<u>ECONOMIC DEVELOPMENT CORPORATION</u>							
	Administration		2	2	1	1	1
		<i>Subtotal Full-Time</i>	1	1	0	0	0
		<i>Subtotal Part-Time</i>	1	1	1	1	1
		Total Economic Development Corp.	2	2	1	1	1
<u>CAPITAL PROJECTS FUND - CIP Project Manager</u>							
		<i>Total Capital Projects Fund Temp Full-time</i>	1	1	1	1	1
		Position Type	FY 08/09 Revised	FY 09/10 Revised	FY 10/11 Adopted	FY 10/11 Revised	FY 11/12 Proposed
<u>ALL FUNDS</u>							
		<i>Total Full-Time</i>	63	65	67	68	77
		<i>Total Part-Time</i>	3	4	6	6	5
		<i>Total Temporary</i>	13	15	13	13	13
		Total All Funds	79	84	86	87	95

2011 Property Tax Rates in Town of Prosper

This notice concerns the 2011 property tax rates for Town of Prosper. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$3,613,414
Last year's debt taxes	\$1,999,791
Last year's total taxes	\$5,613,205
Last year's tax base	\$1,079,462,500
Last year's total tax rate	\$0.520000/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$5,607,176
÷ This year's adjusted tax base (after subtracting value of new property)	\$1,076,072,272
=This year's effective tax rate	\$0.521078/\$100

(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$4,024,901
÷ This year's adjusted tax base	\$1,076,072,272
=This year's effective operating rate	\$0.374036/\$100
x 1.08 =this year's maximum operating rate	\$0.403958/\$100
+ This year's debt rate	\$0.203063/\$100
= This year's total rollback rate	\$0.607021/\$100
-Sales tax adjustment rate	\$0.027108/\$100
=Rollback tax rate	\$0.579913/\$100

Statement of Increase/Decrease

If Town of Prosper adopts a 2011 tax rate equal to the effective tax rate of \$0.521078 per \$100 of value, taxes would increase compared to 2010 taxes by \$375,538.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
Maintenance & Operations (M/O)	4,900,000
Interest & Sinking (I/S)	570,000

Schedule B - 2011 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
96 CO	0	0	0	
98 CO	0	0	0	
2001 CO	83,750	50,870	0	134,620
2004 CO	193,800	136,800	0	330,600
2006 CO	242,400	212,045	0	454,445
2008 CO	423,000	656,651	0	1,079,651
2010 Tax Note	280,000	54,491	0	334,491
Total required for 2011 debt service			\$2,333,807	
- Amount (if any) paid from Schedule A				\$0
- Amount (if any) paid from other resources				\$0

- Excess collections last year	\$0
= Total to be paid from taxes in 2011	\$2,333,807
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2011	\$0
= Total debt levy	\$2,333,807

Schedule C - Expected Revenue from Additional Sales Tax

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$311,545 in additional sales and use tax revenues.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 2300 Bloomdale, Ste. 2366, McKinney, Texas 75071.

Name of person preparing this notice: Kenneth L. Maun
Title: Tax Collector Assessor
Date Prepared: 07/29/2011

2011 Effective Tax Rate Worksheet

Town of Prosper

Date: 07/25/2011

See Chapter 2 of the Texas Comptroller's 2011 Manual for Taxing Units Other than Schools for an explanation of the effective tax rate.

1. 2010 total taxable value. Enter the amount of 2010 taxable value on the 2010 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14).	\$1,147,989,910
2. 2010 tax ceilings. Counties, cities and junior college districts. Enter 2010 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter 0. If your taxing units adopted the tax ceiling provision in 2010 or a prior year for homeowners age 65 or older or disabled, use this step.	\$68,679,731
3. Preliminary 2010 adjusted taxable value. Subtract Line 2 from Line 1.	\$1,079,310,179
4. 2010 total adopted tax rate.	\$0.520000/\$100
5. 2010 taxable value lost because court appeals of ARB decisions reduced 2010 appraised value. A. Original 2010 ARB Values.	\$0
B. 2010 values resulting from final court decisions.	\$0
C. 2010 value loss. Subtract B from A.	\$0
6. 2010 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$1,079,310,179
7. 2010 taxable value of property in territory the unit deannexed after Jan. 1, 2010. Enter the 2010 value of property in deannexed territory.	\$0
8. 2010 taxable value lost because property first qualified for an exemption in 2011. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or "goods-in-transit" exemptions.	
A. Absolute exemptions. Use 2010 market value:	\$445,014
B. Partial exemptions. 2011 exemption amount or 2011 percentage exemption times 2010 value:	\$638,986
C. Value loss. Add A and B.	\$1,084,000
9. 2010 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2011. Use only properties that qualified for the first time in 2011; do not use properties that qualified in 2010.	
A. 2010 market value:	\$82,871
B. 2011 productivity or special appraised value:	\$7,345
C. Value loss. Subtract B from A.	\$75,526

10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$1,159,526
11. 2010 adjusted taxable value. Subtract Line 10 from Line 6.	\$1,078,150,653
12. Adjusted 2010 taxes. Multiply Line 4 by line 11 and divide by \$100.	\$5,606,383
13. Enter the amount of taxes refunded during the last budget year for tax years preceding tax year 2010. Enter the amount of taxes refunded during the last budget year for taxes preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010.	\$793
14. Taxes in tax increment financing (TIF) for tax year 2010. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter 0.	\$0
15. Adjusted 2010 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$5,607,176
16. Total 2011 taxable value on the 2011 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. A. Certified values B. Counties: Include railroad rolling stock values certified by the Comptroller's office: C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property (use this Line based on attorney's advice): D. Tax increment financing: Deduct the 2011 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2011 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. E. Total 2011 value. Add A and B, then subtract C and D.	\$1,205,781,261 \$0 \$0 \$0 \$1,205,781,261
17. Total value of properties under protest or not included on certified appraisal roll. A. 2011 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. B. 2011 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. C. Total value under protest or not certified: Add A and B.	\$21,139,769 \$0 \$21,139,769
18. 2011 tax ceilings. Enter 2011 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0." If	\$77,622,361

your taxing units adopted the tax ceiling provision in 2010 or a prior year for homeowners age 65 or older or disabled, use this step.	
19. 2011 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$1,149,298,669
20. Total 2011 taxable value of properties in territory annexed after Jan. 1, 2010. Include both real and personal property. Enter the 2011 value of property in territory annexed.	\$7,160,438
21. Total 2011 taxable value of new improvements and new personal property located in new improvements. "New" means the item was not on the appraisal roll in 2010. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the unit after Jan. 1, 2009, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2011.	\$66,065,959
22. Total adjustments to the 2011 taxable value. Add Lines 20 and 21.	\$73,226,397
23. 2011 adjusted taxable value. Subtract Line 22 from Line 19.	\$1,076,072,272
24. 2011 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100.	\$0.521078/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2011 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2010 or in May 2011 must adjust its effective tax rate. The Additional Sales Tax Rate Worksheet (Appendix 4) on page 35 of the Texas Comptroller's 2011 Truth-in-Taxation Manual sets out this adjustment. Do not forget to complete the Additional Sales Tax Rate Worksheet if the taxing unit adopted the additional sales tax on these dates.

2011 Additional Rollback Tax Rate Worksheet

Town of Prosper

Date: 07/25/2011

See Chapter 3 of the Texas Comptroller's 2011 Manual for Taxing Units Other than School Districts for an explanation of the rollback tax rate.

26. 2010 maintenance and operations (M&O) tax rate.	\$0.334742/\$100
27. 2010 adjusted taxable value. Enter the amount from Line 11.	\$1,078,150,653
28. 2010 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$3,609,023
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2010. Enter amount from full year's sales tax revenue spent for M&O in 2010 fiscal year, if any. Other units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$415,418
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units enter "0."	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units enter 0.	\$0
Enter a negative value if discontinuing a function, or enter a positive value if receiving the function.	
E. Taxes refunded for years preceding tax year 2010: Enter the amount of M&O taxes refunded during the last budget year for tax years preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010.	\$460
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter 0.	\$0
H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$4,024,901
29. 2011 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$1,076,072,272

2011 Additional Sales Tax Rate Worksheet Town of Prosper

Date: 07/25/2011

<p>41. Taxable Sales. For units that adopted the sales tax in November 2010 or May 2011, enter the Comptroller's estimate of taxable sales for the previous four quarters. Units that adopted the sales tax before November 2010, skip this line.</p>	\$0
<p>42. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. Units that adopted the sales tax in November 2010 or in May 2011. Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. - or - Units that adopted the sales tax before November 2010. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$311,545
<p>43. 2011 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.</p>	\$1,149,298,669
<p>44. Sales tax adjustment rate. Divide Line 42 by Line 43 and multiply by \$100.</p>	\$0.027108/\$100
<p>45. 2011 effective tax rate, unadjusted for sales tax. Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.</p>	\$0.521078/\$100
<p>46. 2011 effective tax rate, adjusted for sales tax. Units that adopted the sales tax in November 2010 or in May 2011. Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before August 2010.</p>	\$0.521078/\$100
<p>47. 2011 rollback tax rate, unadjusted for sales tax. Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.</p>	\$0.607021/\$100
<p>48. 2011 rollback tax rate, adjusted for sales tax. Subtract Line 44 from Line 47.</p>	\$0.579913/\$100