



Welcome to the February 25, 2025,
Prosper Town Council
Work Session



Call to Order/Roll Call



Agenda Item 1.

Discussion regarding the Town's multi-year financial projections and Budget Adoption Calendar. (CL)



Multi-Year Financial Forecast

Council Workshop

February 25, 2025

Town Council Strategic Visioning Priorities



1

ACCELERATION OF INFRASTRUCTURE

- Work with the Capital Improvement Subcommittee to identify gaps in the Town's infrastructure and ensure that it meets the demands of a growing community
- Utilize all available financial methods (Bonds, Certificates of Obligation, Capital Dedicated Fund, Grants, etc.) to fund projects.
- Work with the Capital Improvement Subcommittee to plan for a future bond program and/or pay-as-you-go program.



2

DEVELOPMENT OF DOWNTOWN PROSPER AS A DESTINATION

- Collaborate with the Downtown Business Alliance, Community Engagement Committee, Downtown Committee, and Prosper EDC to implement the Downtown Master Plan.
- Pursue a mix of public and private developments as catalysts for office, retail, restaurants, entertainment, housing, and outdoor events.



3

ENSURE THE TOWN'S COMMERCIAL CORRIDORS ARE READY FOR DEVELOPMENT

- Ensure US 380 and Dallas North Tollway are primed and ready for development.
- Develop long-term strategies for land use, landscaping, lighting, and traffic.
- Leverage partnerships with TxDOT, NTTA and private development.
- Prioritize infrastructure to meet demand, using incentives when appropriate.



4

CONTINUE TO PROVIDE EXCELLENT MUNICIPAL SERVICES

- Strive to be a high-performing organization focused on continuous improvement, best practices, and benchmarking.
- Develop a culture of excellence and provide the financial resources necessary to support these goals.
- Provide a welcoming and respectful environment for residents, visitors, and Town employees.



5

WORK TOWARDS A GROWING AND DIVERSIFIED TAX BASE

- Collaborate with Prosper EDC and be adaptable to changing market conditions.
- Place an emphasis on corporate, medical, and life-sciences sectors.
- Utilize metrics to create resiliency strategies against market changes.

Purpose

- Kick Off to the Budget Season
- Ensures Council and Staff are in alignment
 - Council Goals and Priorities (Previous Slide)
 - Revenue forecasts
 - Committed or requested (per five-year staffing requests)expenditures
 - Expenditure drivers
 - Needed Work sessions
- Helps establish upcoming workplan for Budget Preparation
 - Population growth and capital project completions used for five-year staffing
 - A/V growth used for multi-year capital projects
- Confirm Budget Calendar

- Trending and Analysis with Police and Fire are difficult because the personnel counts split between the General Fund and both SPDs are inconsistent from year to year
- A proposed solution would be to transfer Sales Tax Revenue from SPDs to General Fund during the year and recognize all Police and Fire personnel costs in the General Fund
- The Fund balance requirement for the General Fund would need to be altered to be 21% of recurring expenditures less the funding provided by the SPDs.



Upcoming Budget Calendar Key Dates

- February – 5-year budget projection
- Early April – Appraisal District Estimates
- May 15 – Preliminary Appraisal Rolls Due
- June 25 – Council Budget Workshop
- July 25 – Certified Appraisal Received by Staff
- August 8 – Preliminary Budget to Town Council
- August 12 – Submit Preliminary Budget to Town Council
- August 18 – Deadline to Call Tax Rate Election if Exceeding Voter Approval Rate
- August 29 – Budget Town Hall Meeting
- September 9 – PH/Vote on Budget/Vote on Tax Rate

General Fund Assumptions

- Projected Revenues for FY 2026
 - Property Tax – 42% of revenue, 14.7% growth
 - Sales Tax – 21% of revenue, 8.9% growth
 - Costco – March 2025 (50% Developer's Agreement)
 - HEB – Fall 2025 (fiscal year 2026)
- License, Permits & Fees is projected to be flat as growth is making up for the reduction of Engineering Inspection Fees due to legislative changes
- Projected Expenditures – (not reviewed or approved by Town Management)
 - Personnel - 65% of expenditures, 2.5% vacancy rate
 - 3% merit for all employees
 - 5% Benefit Increase
 - New Positions – includes all positions request by departments



TOWN OF PROSPER Personnel Expenditures – 65% of GF Expenditures

- Merit Adjustment – 3%
 - General Fund Impact - \$1,030,965
 - Water and Sewer Impact - \$167,744
 - Storm Drainage Utility Fund - \$12,781
 - Solid Waste Fund - \$1,911
- Compensation and Classification Study
 - Estimate - \$300,000
 - Philosophy to be established
- Health Benefits – 5%
- Delayed personnel costs from FY2025 “hangover” - \$560,397
- Merit Miscalculation from FY2025
- Fire Station #4 Staffing and Operations – Applied for SAFER Grant

General Fund Assumptions (continued)

- Expenditures (continued)
 - Operations – 3% growth (inflation, contractual increases)
 - Known Project Completion
 - Fire Station 4 – FY2026, staffing in FY2026, FY2027, and FY2028
 - Raymond Park – Late FY2025, full year impact FY2026
 - Public Works Facility – Late FY2026, early FY2027
 - Library – FY2030
 - Parks Multi-generational Facility – FY2030+
 - Streets and Median – Various street openings in all years
 - One-time/Capital Expenditures \$1.7M (typically from new positions or programs)
 - Capital Dedicated – 10 cents
- Town Manager preliminary budget will balance with respect to recurring revenue and expenditures. One-time will balance with respect to available revenues with fund balance drawdowns (if any) complying with minimum fund balance policy.



| | ACTUAL | Amended | Proposed | Projected | | Projected | | Projected | |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|-----------|------|
| | | | | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| RECURRING REVENUES | | | | | | | | | |
| Property Tax | 20,571,175 | 23,332,018 | 26,764,630 | 29,420,940 | 32,026,839 | 34,596,953 | 37,274,590 | | |
| Sales Tax | 11,266,378 | 12,903,535 | 13,305,252 | 14,146,592 | 14,925,187 | 15,599,589 | 16,119,165 | | |
| Licenses, Permits & Fees | 6,349,407 | 5,990,720 | 6,608,173 | 6,897,920 | 7,023,598 | 7,155,423 | 7,293,825 | | |
| Franchise Fees | 3,624,352 | 3,334,932 | 4,031,529 | 4,236,175 | 4,437,583 | 4,632,933 | 4,819,487 | | |
| Other Revenue | 4,795,229 | 4,153,057 | 3,934,449 | 3,968,137 | 3,920,000 | 3,998,400 | 4,078,368 | | |
| Transfers In | 1,297,102 | 1,478,696 | 1,349,884 | 1,390,380 | 1,432,092 | 1,475,055 | 1,519,306 | | |
| SPD Transfer In | - | - | 7,095,638 | 7,549,306 | 7,967,867 | 8,337,595 | 8,648,167 | | |
| TOTAL RECURRING REVENUES | 47,903,643 | 51,192,958 | 63,089,554 | 67,609,452 | 71,733,167 | 75,795,948 | 79,752,908 | | |
| RECURRING EXPENDITURES | | | | | | | | | |
| Administration | 10,185,682 | 10,506,487 | 10,633,835 | 11,596,091 | 12,534,959 | 13,579,534 | 14,654,876 | | |
| Police Services | 8,918,504 | 10,779,230 | 11,160,094 | 13,240,303 | 15,057,335 | 17,006,106 | 19,396,022 | | |
| Police SPD Personnel | - | - | 3,445,180 | 3,548,535 | 3,654,992 | 3,764,641 | 3,877,580 | | |
| Fire Services | 10,519,091 | 10,236,399 | 10,609,774 | 12,476,163 | 13,786,912 | 15,453,088 | 16,620,065 | | |
| Fire SPD Personnel | - | - | 3,648,116 | 3,757,559 | 3,870,286 | 3,986,395 | 4,105,986 | | |
| Public Works | 4,360,020 | 4,994,174 | 5,283,707 | 5,782,731 | 6,169,362 | 6,630,457 | 7,176,742 | | |
| Community Services | 6,504,709 | 8,003,896 | 8,669,929 | 9,421,503 | 10,215,238 | 11,061,516 | 12,517,889 | | |
| Development Services | 3,248,592 | 4,119,971 | 4,440,873 | 4,811,183 | 5,124,266 | 5,459,228 | 5,817,650 | | |
| Engineering | 2,586,031 | 2,552,112 | 2,688,231 | 3,013,429 | 3,361,437 | 3,739,173 | 4,008,087 | | |
| New Sworn Police | - | - | 1,283,959 | 898,600 | 905,480 | 1,183,613 | 1,124,793 | | |
| New Fire | - | - | 1,108,245 | 470,375 | 700,894 | 146,555 | 1,108,245 | | |
| New Other | - | - | 1,103,862 | 866,517 | 909,972 | 1,307,513 | 865,710 | | |
| Market Study Implementation | - | - | 300,000 | - | - | - | - | | |
| Fire Station 4 (Operations) | - | - | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | | |
| Raymond Park (Full-year) | - | - | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | | |
| New Street Median Maintenance | - | - | 60,000 | 80,000 | 100,000 | 100,000 | 100,000 | | |
| TOTAL RECURRING EXPENDITURES | 46,322,629 | 51,192,269 | 64,635,805 | 70,102,991 | 76,591,132 | 83,617,819 | 91,573,645 | | |
| NET CHANGE FROM RECURRING | 1,581,014 | 689 | (1,546,251) | (2,493,540) | (4,857,966) | (7,821,871) | (11,820,737) | | |
| NON-RECURRING "ONE-TIME" REVENUES | | | | | | | | | |
| Grants | 183,024 | 14,848 | - | - | - | - | - | | |
| TOTAL NON-RECURRING REVENUES | 183,024 | 14,848 | - | - | - | - | - | | |
| NON-RECURRING EXPENDITURES | | | | | | | | | |
| One-time Expenditures | 4,079,019 | 1,627,359 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | | |
| TOTAL NON-RECURRING EXPENDITURES | 4,079,019 | 1,627,359 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | | |
| NET CHANGES FROM NON-RECURRING | (3,895,995) | (1,612,511) | (1,700,000) | (1,700,000) | (1,700,000) | (1,700,000) | (1,700,000) | | |
| NET CHANGE IN FUND BALANCE | (2,314,981) | (1,611,822) | (3,246,251) | (4,193,540) | (6,557,966) | (9,521,871) | (13,520,737) | | |
| BEGINNING FUND BALANCE | 15,546,341 | 13,231,360 | 11,619,538 | 8,373,287 | 4,179,748 | (2,378,218) | (11,900,089) | | |
| ENDING FUND BALANCE | 13,231,360 | 11,619,538 | 8,373,287 | 4,179,748 | (2,378,218) | (11,900,089) | (25,420,826) | | |
| CONTINGENCY PER CHARTER | 9,264,526 | 10,238,454 | 11,508,033 | 12,510,737 | 13,724,653 | 15,056,045 | 16,585,096 | | |
| 1% RESERVE | 463,226 | 511,923 | 575,402 | 625,537 | 686,233 | 752,802 | 829,255 | | |
| AMOUNT OVER(UNDER) MINIMUM TARGET | 3,503,608 | 869,162 | (3,710,148) | (8,956,526) | (16,789,104) | (27,708,936) | (42,835,176) | | |

Debt Service and Capital Dedicated

Goal is to maintain stable I&S rate of 18 cent rate but no more than 20.2 cents per policy

- With additional DS capacity due to greater than expected A/V growth in FY 2026 to maintain the DS tax rate, we can:
 - Issue more debt in 2025 since first DS payment is 2026
 - Front load DS to pay off debt sooner and keep rate up
 - Issue same amount but plan on redeeming callable debt in 2025
 - Restructure callable debt in 2026
- Keeping Capital Dedicated at 10 cents means at projected growth, we will have about \$10.7 million in capital dedicated funds



TOWN OF PROSPER

| Fiscal Year End | Authorized GO | | 19,450 | 25,200 | 12,550 | 5,785 | - | - | - | - | - | Other Revenues and Expenses Net | Revenue from Frozen I&S Taxes | Net Debt Service | Projected I&S Tax Rate | Total Tax Rate | I&S Tax Rate % | | |
|-------------------------------------|----------------------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------------|-------------------------------|------------------|------------------------|----------------|----------------|-------|--|
| | Certificates of Obligation | | - | - | - | - | - | - | - | - | | | | | | | | | |
| | Additional Capacity | | 17,353 | 3,572 | 11,403 | 17,110 | 32,474 | 21,385 | 22,703 | 24,023 | 28,963 | | | | | | | | |
| Unfrozen Taxable Assessed Valuation | % Overall TAV Growth | Existing Debt Service | Series 2025 | Series 2026 | Series 2027 | Series 2028 | Series 2029 | Series 2030 | Series 2031 | Series 2032 | Series 2033 | Series 2034 | | | | | | | |
| 2024 | 8,335,296,679 | 25.99% | 15,727,864 | | | | | | | | | | (25,000) | (927,900) | 14,774,964 | 0.177258 | 0.51 | 34.8% | |
| 2025 | 9,622,101,595 | 15.44% | 18,273,554 | | | | | | | | | | (25,000) | (1,252,200) | 16,996,354 | 0.180392 | 0.505 | 35.7% | |
| 2026 | 10,752,986,399 | 11.75% | 17,754,080 | 2,760,225 | | | | | | | | | (25,000) | (1,289,766) | 19,199,539 | 0.178551 | 0.505 | 35.4% | |
| 2027 | 11,773,632,209 | 9.49% | 17,468,886 | 2,760,225 | 2,157,900 | | | | | | | | (25,000) | (1,328,459) | 21,033,552 | 0.178650 | 0.505 | 35.4% | |
| 2028 | 12,749,481,798 | 8.29% | 17,465,593 | 2,760,225 | 2,157,900 | 1,796,475 | | | | | | | (25,000) | (1,368,313) | 22,786,880 | 0.178728 | 0.505 | 35.4% | |
| 2029 | 13,683,901,155 | 7.33% | 17,468,231 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | | | | | | (25,000) | (1,409,362) | 24,465,587 | 0.178791 | 0.505 | 35.4% | |
| 2030 | 14,504,935,225 | 6.00% | 16,542,945 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | | | | | (25,000) | (1,451,643) | 25,933,570 | 0.178791 | 0.505 | 35.4% | |
| 2031 | 15,375,231,339 | 6.00% | 16,538,579 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | | | | (25,000) | (1,495,192) | 27,489,530 | 0.178791 | 0.505 | 35.4% | |
| 2032 | 16,297,745,219 | 6.00% | 16,530,169 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | | | (25,000) | (1,540,048) | 29,138,989 | 0.178792 | 0.505 | 35.4% | |
| 2033 | 17,275,609,932 | 6.00% | 16,522,979 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | | (25,000) | (1,586,249) | 30,887,322 | 0.178792 | 0.505 | 35.4% | |
| 2034 | 18,312,146,528 | 6.00% | 16,251,585 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,633,837) | 32,740,566 | 0.178792 | 0.505 | 35.4% | |
| 2035 | 18,861,510,924 | 3.00% | 16,182,874 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,682,852) | 33,722,715 | 0.178791 | 0.505 | 35.4% | |
| 2036 | 19,427,356,251 | 3.00% | 15,254,875 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,733,338) | 32,744,230 | 0.168547 | 0.505 | 33.4% | |
| 2037 | 20,010,176,939 | 3.00% | 14,178,119 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,785,338) | 31,615,474 | 0.157997 | 0.505 | 31.3% | |
| 2038 | 20,610,482,247 | 3.00% | 13,351,013 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,838,898) | 30,734,808 | 0.149122 | 0.505 | 29.5% | |
| 2039 | 21,228,796,715 | 3.00% | 12,200,917 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,894,065) | 29,529,545 | 0.139101 | 0.505 | 27.5% | |
| 2040 | 21,228,796,715 | 0.00% | 11,030,381 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (1,950,887) | 28,302,187 | 0.133320 | 0.505 | 26.4% | |
| 2041 | 21,228,796,715 | 0.00% | 10,263,331 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,009,413) | 27,476,610 | 0.129431 | 0.505 | 25.6% | |
| 2042 | 21,228,796,715 | 0.00% | 7,477,663 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,069,696) | 24,630,660 | 0.116025 | 0.505 | 23.0% | |
| 2043 | 21,228,796,715 | 0.00% | 5,154,709 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,131,787) | 22,245,615 | 0.104790 | 0.505 | 20.8% | |
| 2044 | 21,228,796,715 | 0.00% | 2,524,500 | 2,760,225 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,195,740) | 19,551,453 | 0.092099 | 0.505 | 18.2% | |
| 2045 | 21,228,796,715 | 0.00% | | 2,761,115 | 2,157,900 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,261,612) | 16,961,971 | 0.079901 | 0.505 | 15.8% | |
| 2046 | 21,228,796,715 | 0.00% | | | 2,158,596 | 1,796,475 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,329,461) | 14,133,703 | 0.066578 | 0.505 | 13.2% | |
| 2047 | 21,228,796,715 | 0.00% | | | | 1,797,054 | 1,717,118 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,399,345) | 11,905,803 | 0.056083 | 0.505 | 11.1% | |
| 2048 | 21,228,796,715 | 0.00% | | | | | 1,717,672 | 2,435,550 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,471,325) | 10,037,322 | 0.047282 | 0.505 | 9.4% | |
| 2049 | 21,228,796,715 | 0.00% | | | | | | 2,436,336 | 1,603,875 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,545,465) | 8,246,296 | 0.038845 | 0.505 | 7.7% | |
| 2050 | 21,228,796,715 | 0.00% | | | | | | | 1,604,392 | 1,702,725 | 1,801,725 | 2,172,225 | (25,000) | (2,621,829) | 5,734,114 | 0.027011 | 0.505 | | |
| 2051 | 21,228,796,715 | 0.00% | | | | | | | | 1,703,274 | 1,801,725 | 2,172,225 | (25,000) | (2,700,484) | 4,051,616 | 0.019085 | 0.505 | 3.8% | |
| 2052 | 21,228,796,715 | 0.00% | | | | | | | | | 1,802,306 | 2,172,225 | (25,000) | (2,781,498) | 2,267,908 | 0.010683 | 0.505 | 2.1% | |
| 2053 | 21,228,796,715 | 0.00% | | | | | | | | | | 2,172,926 | (25,000) | (2,864,943) | 382,858 | 0.001803 | 0.505 | 0.4% | |
| 2054 | 21,228,796,715 | 0.00% | | | | | | | | | | | 1,100,230 | (25,000) | (2,950,891) | (1,875,662) | | | |
| | | | 294,162,847 | 47,702,613 | 43,422,414 | 37,294,714 | 33,230,372 | 48,148,403 | 33,691,627 | 33,258,092 | 36,845,860 | 38,720,336 | 38,720,336 | (750,000) | (55,093,979) | 595,593,393 | | | |
| Remaining 2020 Bond Authorization | | | 43,534,905 | 18,334,905 | 5,784,905 | - | - | - | - | - | - | - | - | - | - | - | | | |
| Total Additional Capacity 2027-2034 | | | 172,726,000 | | | | | | | | | | | | | | | | |
| Total Outstanding | | | 212,835,622 | 203,949,900 | 230,561,934 | 248,082,038 | 259,519,865 | 268,438,186 | 285,432,522 | 290,393,603 | 295,152,451 | 299,651,397 | 307,428,310 | | | | | | |
| Outstanding / TAV | | | 2.55% | 2.12% | 2.14% | 2.11% | 2.04% | 1.96% | 1.97% | 1.89% | 1.81% | 1.73% | 1.68% | | | | | | |



Property Valuation

| Fiscal Year | Starting Taxable Valuation | Reappraisal Growth | Reappraisal Growth | New Property | Total Valuation | Total Growth |
|-------------|----------------------------|--------------------|--------------------|--------------|-----------------|--------------|
| 2021 | 4,209,067,499 | 31,571,433 | 0.80% | 360,557,369 | 4,601,196,301 | 9.30% |
| 2022 | 4,601,196,301 | 366,487,773 | 8.00% | 469,526,490 | 5,437,210,564 | 18.20% |
| 2023 | 5,437,210,564 | 582,365,527 | 10.70% | 596,431,779 | 6,616,007,870 | 21.70% |
| 2024 | 6,616,007,870 | 842,814,805 | 12.70% | 876,474,004 | 8,335,296,679 | 25.99% |
| 2025 | 8,335,296,679 | 408,205,593 | 4.90% | 878,599,323 | 9,622,101,595 | 15.44% |
| 2026 | 9,622,101,595 | 279,040,946 | 2.90% | 851,843,858 | 10,752,986,399 | 11.75% |
| 2027 | 10,752,986,399 | 215,059,728 | 2.00% | 805,586,082 | 11,773,632,209 | 9.49% |
| 2028 | 11,773,632,209 | 235,472,644 | 2.00% | 740,376,945 | 12,749,481,798 | 8.29% |
| 2029 | 12,749,481,798 | 254,989,636 | 2.00% | 679,429,721 | 13,683,901,155 | 7.33% |
| 2030 | 13,683,901,155 | 293,678,023 | 2.14% | 659,429,721 | 14,637,008,899 | 6.97% |



New Property Valuation

| Fiscal Year | New Commercial | New Single Family | Single Family Permits | New Multi-family | Total New Property Valuation |
|-------------|----------------|-------------------|-----------------------|------------------|------------------------------|
| 2021 | 79,258,829 | 281,298,540 | 1244 | | 360,557,369 |
| 2022 | 146,247,781 | 323,278,709 | 700 | | 469,526,490 |
| 2023 | 134,460,200 | 461,971,579 | 1225 | | 596,431,779 |
| 2024 | 188,002,668 | 654,248,828 | 904 | 34,222,508 | 876,474,004 |
| 2025 | 216,099,749 | 572,465,566 | 900 | 76,216,381 | 864,781,696 |
| 2026 | 191,928,988 | 583,914,870 | 900 | 76,000,000 | 851,843,858 |
| 2027 | 205,769,922 | 529,416,160 | 800 | 70,400,000 | 805,586,082 |
| 2028 | 200,372,465 | 540,004,480 | 800 | | 740,376,945 |
| 2029 | 197,475,731 | 481,953,990 | 700 | | 679,429,721 |
| 2030 | 167,836,661 | 491,593,060 | 700 | | 659,429,721 |



Tax Rate

| Fiscal Year | I&S (Debt Service) | O&M (General Fund) | Capital Dedicated | Total Tax Rate | Unused Increment Balance | Foregone Revenue | Unused Increment New Calculation |
|-------------|--------------------|--------------------|-------------------|----------------|--------------------------|------------------|----------------------------------|
| 2021 | 0.1525 | 0.3675 | 0 | 0.52 | 0.013725 | | |
| 2022 | 0.182 | 0.328 | 0 | 0.51 | 0.043161 | | |
| 2023 | 0.18017 | 0.32983 | 0.112 | 0.51 | 0.017336 | | |
| 2024 | 0.177258 | 0.332742 | 0.102 | 0.51 | 0.002523 | | |
| 2025 | 0.180392 | 0.224608 | 0.100 | 0.505 | - | 1,599,176 | 0.017075 |
| 2026 | 0.18 | 0.225 | 0.100 | 0.505 | - | 1,599,176 | 0.014871 |
| 2027 | 0.18 | 0.225 | 0.100 | 0.505 | - | | |
| 2028 | 0.18 | 0.225 | 0.100 | 0.505 | - | | |
| 2029 | 0.18 | 0.225 | 0.100 | 0.505 | - | | |
| 2030 | 0.18 | 0.225 | 0.100 | 0.505 | - | | |



Sales Tax Projections – 21%

| Fiscal Year | Sales Tax (TIRZ Adj.) | Sales Tax Growth | Mixed Beverage | Mixed Beverage Growth |
|-------------|-----------------------|------------------|----------------|-----------------------|
| 2020 | 6,096,355 | N/A | 74,941 | N/A |
| 2021 | 8,212,231 | 34.71% | 101,327 | 35.21% |
| 2022 | 9,464,641 | 15.25% | 122,298 | 20.70% |
| 2023 | 10,160,615 | 7.35% | 202,909 | 65.91% |
| 2024 | 11,150,961 | 9.75% | 163,725 | -19.31% |
| 2025 | 12,008,218 | 7.69% | 219,665 | 34.17% |
| 2026 | 13,083,390 | 8.95% | 221,862 | 1.00% |
| 2027 | 13,911,419 | 6.33% | 235,173 | 6.00% |
| 2028 | 14,675,904 | 5.50% | 249,284 | 6.00% |
| 2029 | 15,335,348 | 4.49% | 264,241 | 6.00% |
| 2030 | 15,839,069 | 3.28% | 280,095 | 6.00% |



Benchmarking Proposed Fiscal Year 2024-2025 Tax Rates

| Entity | Homestead Exemption Rate | General Fund | Capital Dedicated | I&S | Total Tax Rate | Equivalent Tax Rate for Homestead | Freeze |
|-----------------------|--------------------------|--------------|-------------------|----------|----------------|-----------------------------------|--------|
| Anna | 5.0% | 0.360213 | - | 0.146987 | 0.507200 | 0.481840 | No |
| Celina | None | 0.287061 | - | 0.311107 | 0.598168 | 0.598168 | Yes |
| Coppell | 5.0% | 0.392071 | - | 0.070151 | 0.462222 | 0.439111 | No |
| Flower Mound | 12.5% | 0.348344 | - | 0.038956 | 0.387300 | 0.338888 | No |
| Frisco | 15.0% | 0.283406 | - | 0.142111 | 0.425517 | 0.361689 | Yes |
| Keller | 20.0% | 0.249292 | - | 0.043888 | 0.293180 | 0.234544 | Yes |
| Little Elm | None | 0.435787 | - | 0.124113 | 0.559900 | 0.559900 | Yes |
| McKinney | None | 0.278935 | - | 0.136578 | 0.415513 | 0.415513 | No |
| Southlake | 20% | 0.250000 | - | 0.055000 | 0.305000 | 0.244000 | Yes |
| Average of Comparison | 8.61% | 0.320568 | - | 0.118766 | 0.439333 | 0.408184 | - |
| Prosper (FY2024-2025) | 17.5% | 0.224608 | 0.10 | 0.180392 | 0.505 | 0.416625 | Yes |
| Prosper (FY2025-2026) | 17.5% | 0.225 | 0.10 | 0.18 | 0.505 | 0.416625 | Yes |



New Personnel Requests

| FTE Count | Current | 2026 | 2027 | 2028 | 2029 | 2030 | Total | Ending |
|--------------------------|---------------|-----------|-----------|-----------|-----------|-----------|------------|---------------|
| Fire | 81 | 9 | 4 | 7 | 1 | 9 | 30 | 111 |
| Police | 93 | 14 | 9 | 10 | 14 | 12 | 59 | 152 |
| Other General Fund | 166.75 | 14 | 15 | 12 | 19 | 8 | 68 | 234.75 |
| Utility Fund | 71 | 7 | 4 | 3 | 4 | 2 | 20 | 84 |
| Total FTE | 410.75 | 44 | 32 | 32 | 38 | 31 | 177 | 581.75 |
| Population | 45,788 | 49,908 | 54,399 | 59,294 | 63,796 | 68,298 | | |
| FTE per 1,000 Population | 8.97 | 9.11 | 8.95 | 8.75 | 8.73 | 8.61 | | |

| Amount | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| Fire | 1,108,244 | 470,375 | 700,894 | 146,555 | 1,108,245 |
| Police | 1,283,959 | 898,600 | 905,480 | 1,183,613 | 1,124,793 |
| Other General Fund | 1,025,305 | 938,176 | 939,182 | 1,195,287 | 643,787 |
| Utility Fund | 485,044 | 282,591 | 206,049 | 250,557 | 116,016 |
| Total FTE | 3,902,553 | 2,589,742 | 2,751,605 | 2,776,013 | 2,992,841 |

Utility Fund Assumptions

- Work in Progress
- Rate consultant will review rate structure and propose changes for consideration
- Rate increases from suppliers
- We are a Distribution and Collection Utility
 - 50% of total expenditures service cost from regional provider
 - Do not have firm increases from providers
 - Continue to issue revenue bonds



| FUND | ACCOUNT TYPE | ACTUALS 2023-2024 | ADOPTED YEAR 2024-2025 | FORECASTED YEAR 2024-2025 | PLANNING YEAR 2025-2026 | PLANNING YEAR 2026-2027 | PLANNING YEAR 2027-2028 | PLANNING YEAR 2028-2029 | PLANNING YEAR 2029-2030 |
|---|---|-----------------------|---------------------------|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | Water Charges for Services | \$21,248,246 | 24,470,841 | 25,914,073 | 26,971,398 | 30,657,624 | 34,624,893 | 38,781,342 | 42,092,653 |
| | Wastewater Charges for Services | 11,436,813 | 14,674,289 | 13,458,431 | 17,674,593 | 21,370,494 | 25,382,505 | 27,292,745 | 32,775,176 |
| | Sanitation Charges for Services | - | - | - | - | - | - | - | - |
| | License, Fees & Permits | 350,004 | 377,705 | 377,705 | 409,791 | 426,941 | 444,875 | 463,560 | 490,442 |
| | Water Penalties | \$0 | 186,900 | 186,900 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| | Utility Billing Penalties | 228,378 | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| | Investment Income | 582,382 | 450,000 | 450,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| | Other | \$862,610 | 3,284,690 | 3,284,690 | 691,700 | 768,359 | 848,076 | 932,884 | 1,006,249 |
| | TOTAL REVENUES | \$ 34,708,433 | \$ 43,444,425 | \$ 43,671,800 | \$ 46,299,482 | \$ 53,775,418 | \$ 61,852,349 | \$ 68,022,530 | \$ 76,916,521 |
| EXPENDITURES | Administration | 965,329 | 1,063,187 | 1,063,187 | 1,799,883 | 2,746,388 | 3,344,968 | 3,851,702 | 4,558,178 |
| | Franchise Fee | 990,801 | 1,136,854 | 1,136,854 | 1,339,380 | 1,560,844 | 1,800,222 | 1,982,223 | 2,277,720 |
| | Debt Service | 4,984,279 | 6,753,424 | 6,753,424 | 9,624,845 | 11,311,926 | 13,388,250 | 13,379,463 | 13,300,000 |
| | Water Purchases | 12,567,118 | 13,563,295 | 13,563,295 | 15,779,849 | 18,824,680 | 22,434,201 | 26,058,383 | 30,170,082 |
| | Sewer Management | 4,924,570 | 5,270,599 | 5,270,599 | 6,055,373 | 6,898,939 | 7,402,576 | 8,108,590 | 8,962,988 |
| | Trash Collection | - | - | - | - | - | - | - | - |
| | Public Works | 8,912,810 | 9,601,940 | 9,601,940 | 9,163,264 | 9,731,766 | 9,942,719 | 10,611,733 | 10,999,353 |
| | Capital | - | - | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| | Market | - | - | - | - | - | - | - | - |
| | New Positions | - | - | - | 421,325 | 208,697 | 116,016 | 125,279 | 52,297 |
| | TOTAL EXPENDITURES | \$ 33,344,906 | \$ 37,389,299 | \$ 37,389,299 | \$ 45,183,919 | \$ 52,283,241 | \$ 59,428,952 | \$ 65,117,372 | \$ 71,320,617 |
| | Net Income (Loss) | \$ 1,363,527 | \$ 6,055,126 | \$ 6,282,501 | \$ 1,115,563 | \$ 1,492,177 | \$ 2,423,397 | \$ 2,905,158 | \$ 5,595,903 |
| OTHER FINANCING | Transfers In | 2,093,693.58 | - | - | - | - | - | - | - |
| | Transfers Out | (3,658,707) | (1,218,340) | (1,218,340) | (1,218,340) | (1,218,340) | (1,218,340) | (1,218,340) | (1,218,340) |
| | Loan to Solid Waste Fund | (1,001,877) | - | - | - | - | - | - | - |
| | TOTAL OTHER FINANCING SOURCES (USES) | \$ (2,566,890) | \$ (1,218,340) | \$ (1,218,340) | \$ (1,218,340) | \$ (1,218,340) | \$ (1,218,340) | \$ (1,218,340) | \$ (1,218,340) |
| CHANGE IN NET ASSETS | | \$ (1,203,363) | \$ 4,836,786 | \$ 5,064,161 | \$ (102,777) | \$ 273,837 | \$ 1,205,057 | \$ 1,686,818 | \$ 4,377,563 |
| BEGINNING NET ASSETS | | \$ 12,385,346 | \$ 11,181,983 | \$ 16,018,769 | \$ 16,018,769 | \$ 15,915,992 | \$ 16,189,829 | \$ 17,394,886 | \$ 19,081,704 |
| ENDING NET ASSETS | | \$ 11,181,983 | \$ 16,018,769 | \$ 21,082,929 | \$ 15,915,992 | \$ 16,189,829 | \$ 17,394,886 | \$ 19,081,704 | \$ 23,459,268 |
| 1.25 times Debt Service Reserve Limit | | 2.24 | 2.37 | 3.12 | 1.65 | 1.43 | 1.30 | 1.43 | 1.76 |
| AMOUNT OVER (UNDER) IN DAYS OPERATING COST | | 121 | 154 | 203 | 127 | 111 | 105 | 105 | 118 |

Future Work Sessions

- June 24 – Budget Workshop
 - Compensation
 - Budget assumption updates
- Utility Rate Structure?
- Other Capital needs not currently on Plan for CIP consideration?
- Long-term Facility Maintenance Planning?
- Others Needed?

- Finance Committee met February 3, 2025, recommended no change in tax rate or homestead exemption if not required.
- Discussion

Executive Session

- Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.
- Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.
- Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.
- Section 551.089 - To deliberate security information collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity, pursuant to Section 2059.055 of the Texas Government Code, and all matters incident and related thereto.
- Section 551.074 - To discuss and consider personnel matters, including the annual evaluation of the Town Manager, Town Attorney, and the Municipal Judge, and all matters incident and related thereto.
- Section 551.071 - To consult with the Town Attorney regarding legal issues associated with code enforcement activities and substandard structures, law enforcement activities, and all matters incident and related thereto.
- Section 551.071 – Consultation with the Town Attorney to discuss legal issues associated with any agenda item.



The Town Council will reconvene after Executive Session.



Reconvene into Work Session



Adjourn