

Welcome to the June 24, 2025, Prosper Town Council Work Session

Call to Order/Roll Call

Agenda Item 1.

Discuss the preliminary 2025-2026 fiscal year Budget. (CL)

Compensation Study Market Results Recommendations 06/24/2025

Full Comp And Classification Study

- Market Analysis
- Ancillary Pays including Certification, Language, Educational pay
- Benefits comparison including sick, vacation, longevity tuition reimbursement etc.
- Job Description Revision
- Pay Plan Structure
- Performance Evaluation system

Study Strategy

- Completed Employee Outreach
 - 7 Orientation Groups
 - 10 Focus Groups
 - 7 Supervisor Focus Groups
 - 3 Department Head Focus Groups
- Administer the employee JAT
- Administer the Supervisor Review

Employee Summary		
Total # of Employees taking electronic JAT	# Of Employee Surveys Complete	# Of Employee Surveys Incomplete
401	339	62
	% Complete	% Incomplete
	84.54%	15.46%
Classification Summary		
Total # of Classifications Surveyed	# of Classifications with a JAT	# of Classifications without a JAT
168	158	10
	% Complete	% Incomplete
	94.05%	5.95%

Market Observations

- Starting Salaries for many positions are below market minimums
- Narrow and inconsistent Pay Band Ranges
- Tenure Compression is some departments

Market Results

- 64 Positions below Market 0.1% - 18.6%
- 20 Sworn Public Safety Positions representing 153 employees
- 44 General Employee Positions representing 84 employees

Market Recommendations

- 2 year Phased approach for implementation.
- Move positions below market up to market minimums.
- Provide market salary adjustments for Employees found to be below market.
- 0-3% plan adjustment for Public Safety Step Plans
- 4 position Reclassifications.
- 17 Title Changes
- Other Recommendations will come after other aspects of the study are completed.

Projected Costs

- Projected Cost for Market Implementation \$750,000 - \$1,300,000
- Future Costs – Based on Decisions including Holidays, Ancillary Pays



Town of Prosper

Fiscal Year 2025-2026 Budget Workshop

June 24, 2025

Property Valuation

Fiscal Year	New Property	Growth from New Property	Reappraisal	Growth for Reappraisal	Total Valuation less Freeze	Total Growth
2020	414,634,110	11.1%	49,749,601	1.3%	4,209,067,499	12.4%
2021	360,557,369	8.5%	31,571,433	0.8%	4,601,196,301	9.3%
2022	469,526,490	10.2%	366,487,773	8.0%	5,437,210,564	18.2%
2023	596,431,779	11.0%	582,365,527	10.7%	6,616,007,870	21.7%
2024	876,474,004	13.3%	842,814,805	12.7%	8,335,296,679	26.0%
2025	878,599,323	10.54%	408,205,593	4.9%	9,622,101,595	18.3%
2026	842,135,775	8.75%	288,749,029	3.0%	10,752,986,399	11.75%

Tax Rate

	2025	2026	Change
Debt Service	0.180392	0.18	-0.000392
General Fund	0.224608	0.225	+0.000392
Capital Dedicated	0.10	0.10	0
Total Tax Rate	0.505	0.505	0



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 Prelim.(FY2025-26)	17.5%	0.225	0.10	0.18	0.505	0.416625	Yes

Sales Tax

Year	General Fund Amount	Growth
2020	\$6,096,349	25%
2021	\$8,212,231	35%
2022	\$9,464,640	15%
2023	\$9,643,719	2%
2024	\$11,053,794	15%
2025R	\$12,099,065	9%
2026P	\$12,704,018	5%

General Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	PRELIMINARY AMENDED 2024-2025	PRELIMINARY BUDGET 2025-2026	PLANNING YEAR 2026-2027	PLANNING YEAR 2027-2028	PLANNING YEAR 2028-2029	PLANNING YEAR 2029-2030
RECURRING REVENUES									
	Property Tax	20,579,403	23,332,018	23,332,018	26,153,114	28,724,723	31,239,489	33,711,953	35,856,445
	Sales Tax	11,251,905	12,903,535	12,308,897	12,919,961	13,567,799	14,248,157	14,962,664	15,713,040
	Franchise Fees	3,623,599	3,334,932	3,360,295	3,823,080	3,981,786	4,154,486	4,344,450	4,523,391
	License, Fees & Permits	6,304,399	5,990,720	5,993,720	7,470,580	7,504,578	7,539,597	7,575,665	7,610,086
	Charges for Services	1,558,705	1,342,524	1,542,524	1,482,977	1,483,666	1,484,372	1,485,034	1,485,034
	Fines & Warrants	422,745	352,050	545,050	552,050	552,050	552,050	552,050	552,050
	Investment Income	991,413	950,000	800,000	750,000	750,000	750,000	750,000	750,000
	Transfers In	1,297,102	1,478,696	1,478,696	2,182,074	2,182,074	2,182,074	2,182,074	2,182,074
	Miscellaneous	905,691	747,183	750,604	399,930	230,930	230,930	230,930	230,930
	Park Fees	859,583	761,300	767,400	773,400	773,400	773,400	683,400	683,400
	Transfer In from SPD	-	-	-	6,761,855	7,099,948	7,454,945	7,827,692	8,219,077
	TOTAL RECURRING REVENUES \$	47,794,545	\$ 51,192,958	\$ 50,879,204	\$ 63,269,021	\$ 66,850,954	\$ 70,609,500	\$ 74,305,912	\$ 77,805,527
RECURRING EXPENDITURES									
	Administration	10,311,244	10,506,487	10,506,487	11,782,533	11,991,237	12,217,453	12,452,460	12,667,651
	Police Services	9,440,359	10,779,230	10,779,230	11,553,144	11,900,746	12,132,205	12,371,778	12,591,205
	Police SPD Personnel	-	-	-	3,364,036	3,532,238	3,708,850	3,894,292	4,089,007
	Fire Services	10,282,824	10,236,399	10,236,399	11,480,226	11,692,491	11,900,075	12,018,684	12,231,486
	Fire SPD Personnel	-	-	-	3,397,819	3,567,710	3,746,095	3,933,400	4,130,070
	Public Works	4,475,308	4,994,174	4,794,174	5,385,862	5,446,874	5,518,272	5,590,818	5,665,594
	Community Services	7,327,870	8,003,896	8,003,896	9,135,682	9,410,594	9,556,230	9,414,961	9,573,762
	Development Services	3,286,655	3,795,129	3,870,129	4,090,446	4,184,581	4,287,888	4,394,228	4,506,405
	Engineering	2,657,992	2,552,112	2,552,112	2,722,780	2,782,669	2,860,468	2,940,599	3,023,136
	New Police Positions	-	-	-	-	-	-	-	-
	New Fire Positions	-	-	-	-	-	-	-	-
	All other Town Departments New Positions	-	-	-	-	-	-	-	-
	TOTAL RECURRING EXPENDITURES \$	47,782,252	\$ 50,867,427	\$ 50,742,427	\$ 62,912,528	\$ 64,509,140	\$ 65,927,536	\$ 67,011,220	\$ 68,478,316
	NET RECURRING FUNDS \$	12,293	\$ 325,531	\$ 136,777	\$ 356,493	\$ 2,341,814	\$ 4,681,964	\$ 7,294,692	\$ 9,327,211
NON-RECURRING "ONE-TIME" REVENUES									
	Grants		14,848	14,848	-	-	-	-	-
	Miscellaneous		-	-	-	-	-	-	-
	TOTAL NON-RECURRING "ONE-TIME" REVENUES \$	-	\$ 14,848	\$ 14,848	\$ -	\$ -	\$ -	\$ -	\$ -
NON-RECURRING "ONE-TIME" EXPENDITURES									
	One-Time Expenditures*	1,983,223	1,952,201	1,952,201	44,595	1,700,000	1,700,000	1,700,000	1,700,000
	TOTAL NON-RECURRING "ONE-TIME" EXPENDITURES \$	1,983,223	\$ 1,952,201	\$ 1,952,201	\$ 44,595	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000
	NET NON-RECURRING "ONE-TIME" FUNDS \$	(1,983,223)	\$ (1,937,353)	\$ (1,937,353)	\$ (44,595)	\$ (1,700,000)	\$ (1,700,000)	\$ (1,700,000)	\$ (1,700,000)
NET CHANGE IN FUND BALANCE									
	\$	(1,970,930)	\$ (1,611,822)	\$ (1,800,576)	\$ 311,898	\$ 641,814	\$ 2,981,964	\$ 5,594,692	\$ 7,627,211
BEGINNING FUND BALANCE									
	\$	15,197,869	\$ 12,689,509	\$ 13,226,939	\$ 11,426,363	\$ 11,738,261	\$ 12,380,075	\$ 15,362,039	\$ 20,956,731
ENDING FUND BALANCE									
	\$	13,226,939	\$ 11,077,687	\$ 11,426,363	\$ 11,738,261	\$ 12,380,075	\$ 15,362,039	\$ 20,956,731	\$ 28,583,942
BALANCE OF UNRESTRICTED FUNDS									
	\$	13,226,939	\$ 11,077,687	\$ 11,426,363	\$ 11,738,261	\$ 12,380,075	\$ 15,362,039	\$ 20,956,731	\$ 28,583,942
	Less: Contingency per Charter	9,556,450	10,173,485	10,148,485	11,230,135	11,481,838	11,694,518	11,836,706	12,051,848
	1% Reserve	477,823	508,674	507,424	561,507	574,092	584,726	591,835	602,592
AMOUNT OVER (UNDER) MINIMUM RESERVE TARGET									
	\$	3,192,666	\$ 395,527	\$ 770,453	\$ (53,380)	\$ 324,145	\$ 3,082,794	\$ 8,528,188	\$ 15,929,499
% AMOUNT OVER MINIMUM RESERVE TARGET									
		0.064154237	1%	1%	0%	0%	5%	12%	23%
AMOUNT OVER (UNDER) IN DAYS OPERATING COST									
		23	3	5	(0)	2	17	46	84



Current Year Adjustments

Revenues	Changes
Sales Tax	
Batch plants and audit adjustment	(594,638)
Franchise	
Electric and Gas	25,363
Charges for Services	
Fire	200,000
Fines & Warrants	
\$45,000 month trend	193,000
Investment Income	
lower yield	(150,000)
Miscellaneous	
Insurance Proceeds	12,521
REVENUE SUBTOTAL	(313,754)
 EXPENDITURES	
Operations	
Street Maintenance	(200,000)
Development Services	75,000
Subtotal Operations	(125,000)
	(125,000)
 From Fund Balance	(188,754)



Next Year Revenue Adjustments

Revenues	Changes	Changes that wash	Total Changes
Property Tax			
Reappraisal Growth	953,596		953,596
New Property	1,867,500		1,867,500
Sales Tax			-
5% over amended	16,426		16,426
Franchise			-
PILOT from Revenue Growth	338,623		338,623
Electric and Gas	100,000		100,000
License, Fees & Permits			-
Development Fee Increases	1,400,000		1,400,000
Engineering Inspections	(271,821)		(271,821)
Updated Engineering Fees	364,130		364,130
Charges for Services			-
Fire	140,000		140,000
Miscellaneous			-
COPS Grant	(167,333)		(167,333)
FLOCK	(189,600)		(189,600)
Investment Income			-
lower yield	(200,000)		(200,000)
Fines & Warrants			-
\$45,000 month trend	200,000		200,000
Transfers In			-
G&A recalculation	703,378		703,378
Transfer In from SPD			-
Sales Tax Transfer In		6,761,855	6,761,855
REVENUE SUBTOTAL	5,254,899	6,761,855	12,016,754



Next Year Expenditure Adjustments

EXPENDITURES

Payroll

	Changes	Changes that wash	Total Changes
Merit Miscalculation for General Fund	650,000		650,000
3% Merit (Oct-Dec) Dollar Amount (Jan-Sep) Non-Sworn	344,000		344,000
Sworn Merit Steps	716,000		516,000
Comp Study Implementation	300,000		300,000
Fire OT Increase	42,446		242,446
Fire FLSA OT Increase	170,950		170,950
Police OT Increase	179,996		179,996
TMRS, SS, Med Benefits on Increase	341,289		341,289
SPD Personnel	-	6,761,855	6,761,855
24% Increase in ER Health Premiums	989,136		989,136
Budgeting for all possible wellness (Contingency)	117,800		117,800
Subtotal Payroll	3,851,617	6,761,855	10,613,472

Operations

			-
Costco Rebate	250,000		250,000
Town Manager's Contingency	(364,000)		(364,000)
ERP Software Maintenance	309,408		309,408
Police Vehicle Expense	247,705		247,705
Fire Vehicle Expense	79,843		79,843
Parks Electricity	25,123		25,123
Parks Contracted Services	20,000		20,000
Parks Water/Sewer Charges	554,877		554,877
Police SRT Equipment	80,000		80,000
Subtotal Operations	1,202,956	-	1,202,956
EXPENDITURES TOTAL	5,054,573	6,761,855	11,816,428

Additional Items to Consider

Additional Items to Consider

Increase PILOT to 4% from 2%	833,000
Water savings due to Raymond Park Well	200,000
Charge Engineering Salaries to Projects	800,000
Make Capital Dedicated a Flat \$10,000,000 or 0.092997	752,986
Reduce I&S Rate by 0.001 to 0.179	107,529

TOTAL ADDITIONAL ITEMS TO CONSIDER	2,693,515
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Health Fund

Health Insurance Fund Summary

FUND	ACCOUNT TYPE	ACTUAL 2023-2024	ORIGINAL 2024-2025	PRELIMINARY AMENDED 2024-2025	PRELIMINARY BUDGET 2025-2026
REVENUES	Employer Contributions	3,467,157	4,136,107	4,136,705	5,575,276
	Employee Contributions	1,013,114	1,006,410	1,203,621	1,323,984
	Investment Income	34,341	20,000	4,000	20,000
	Cobra and Stop Loss Reimbursements	368,619	300,000	750,000	300,000
	Transfer In			1,100,000	1,000,000
TOTAL REVENUES \$		4,883,230	\$ 5,462,517	\$ 7,194,326	\$ 8,219,260
EXPENDITURES	Operating Expenses	426,228	450,000	450,000	470,000
	Claims	4,543,025	4,497,525	6,440,888	7,000,000
	Insurance	375,411	419,423	419,423	465,559
	Wellness Program	-	6,000	6,000	6,000
TOTAL EXPENDITURES \$		5,344,663	\$ 5,372,948	\$ 7,316,311	\$ 7,941,559
Period Excess / (Deficit) \$		(461,433)	\$ 89,569	\$ (121,985)	\$ 277,701
NET CHANGE IN FUND BALANCE		\$ (461,433)	\$ 89,569	\$ (121,985)	\$ 277,701
BEGINNING FUND BALANCE		\$ 609,567	\$ 708,756	\$ 148,134	\$ 26,149
ENDING FUND BALANCE		\$ 148,134	\$ 798,325	\$ 26,149	\$ 303,850
Months of Claims Expense in Reserve		0.39	2.13	0.05	0.52

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 551.071 – 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