

Welcome to the September 7, 2022  
Prosper Budget Town Hall Meeting.

# Mayor's Welcome

# Fiscal Year 2022-2023 Budget Presentation

# Where Are We and How Did We Get Here?

- July 26 Adopted a comprehensive update of Financial Policies
- August 9 Presented Preliminary Budget, received Council Direction  
Set dates for Budget and Tax Rate Public Hearing
- August 10-18 Adjusted Discretionary packets per council direction for  
the purpose of increasing the capital dedicated levy
- August 22 Finance Committee reviewed revised numbers
- August 23 Budget & Tax Rate Public Hearing  
Council provides direction to staff
- September 7 Budget Town Hall Meeting
- September 13 Incorporation of final change and adoption of the budget

# What's New This Year

- Revision of Financial policies
  - Debt
    - Operations to Debt Service Levy is now 60/40 or maximum DS rate of 20.4 cents
    - Debt maximum is 4% of Taxable Assessed Valuation
  - Tax Rate
    - Maintenance & Operations Tax Levy now divided between GF & Capital Dedicated/Future Staffing
  - Budget Transmittal Letter reformatted and rewritten
  - Assessed Valuation Analysis Section
  - General Fund – fund summary differentiates between recurring and non-recurring revenues
  - Five-year staffing projections incorporated into the 2024-2027 projections.
  - Inflation and impacts on both salary competitiveness and costs
  - Solid Waste Fund Created

# Budget Overview-Assessed Valuation & Tax Rate

- Maintains 51 cent total rate the same
- Shifts just under 0.20 cents from Debt Service to M & O due to strong A/V growth and additional collections from prior year
- Establishes a capital Dedicated levy of \$7.6 million (Approx. 11.2 cents)

	FY 2022	FY 2023
Total Taxable A/V excluding Frozen Values	\$5,437,210,564	\$6,616,007,864
Total Levy	\$29,868,918	\$36,262,965
No New Revenue Rate	\$0.481842	\$0.438227
Voter Approval Rate	\$0.539436	\$0.527336
Unused Increment Applied	\$0.00	\$0.025825 **
Remaining Unused Increment	\$0.043161	\$0.017336
Average Taxable Homestead	\$504,329	\$538,904

**\*\*NOTE:** Use of an “unused increment” is limited to three years. Keep in mind there will be a point such increment may not be available for operations.

# Revenue Overview-All Funds

- Property Tax and Utility Revenues are largest and most versatile being used for both operations, debt service and capital
- All other revenue used primarily for either operations (i.e. sales tax) or capital
- With the exception of Pandemic (Cares, ARPA etc.) and CDBG (underserved) grants are often restricted to one or the other

	FY 2022	FY 2023
Property Taxes	\$30,885,023	\$37,250,064
Utility Fees	\$26,690,026	\$30,003,927
Sales Taxes	\$13,681,573	\$17,554,077
Impact Fees	\$10,900,000	\$10,450,000
Grants	\$3,278,078**	\$4,770,715**

**\*\*NOTE:** These funds are restricted in use and duration.

# Addressing the Financial Challenges

- Prosper has invested heavily in its capital needs resulting in \$195 million of tax supported debt which approximates \$5,300 per capita and 3.2% of Ad Valorem (AV)
- Significant capital needs still remain making it vital that the Town both manage its debt levels while maintaining the pace of its capital program
- Council has responded by dedicating a portion of the Town's Maintenance & Operations (M & O) levy to capital needs. This dedicated levy combined with the 18 cents of debt service means that 57% of property taxes are supporting capital improvements and not operations (staffing, benefits, utilities, etc.)
- Capital needs are outlined in more detail on the following slides...



## Initial Capital Dedicated Levy (CDL) \$7,400,000

	<b>Budget</b>	<b>Bonds+Impact</b>	<b>CDL</b>
• Fishtrap (Elem – DNT) Construction	\$ 28,050,000	\$ 27,300,000	\$ 750,000
• Fishtrap and Gee Road Construction	\$ 10,723,793	\$ 9,723,793	\$ 1,000,000
• Fire Station #4	\$ 10,000,000	\$ 8,500,000	\$ 1,500,000

(Increase all-in budget \$8M to \$10M)

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**REMAINING CDL TO BE ALLOCATED**

**\$4,150,000**

**NOTE:** Remaining Capital Dedicated not used for cost overruns will be programmed in November by Council

# CDL Balance of \$4,150,000 + Future CDL + Bonds + Fees

## ➤ FY 2024:

	Est. Cost	FY Totals
1. Raymond Community Park, Phase 1 (Construction)	\$ 18,000,000	\$18M

## ➤ FY 2025:

1. Legacy (Prairie - Fishtrap) - 4 lanes (ROW)	\$ 575,000	
2. Public Safety Training Facility, Phase 1 (Design)	\$ 600,000	\$1.2M

## ➤ FY 2026:

1. Coleman (Gorgeous - Prosper Trail -4 lanes (Construction)	\$ 5,500,000	
2. Coleman (Prosper Trail - Talon) - 2 SB lanes (Construction)	\$ 2,700,000	
3. Legacy (Prairie - Fishtrap) - 4 lanes (Construction)	\$ 6,800,000	
4. Town Hall Open Space (Design)	\$ 200,000	\$15.2M

## ➤ FY 2027:

1. Coit Road (First - Frontier) - 4 lanes: (ROW)	\$ 1,700,000	
2. Coit Road (First - Frontier) - 4 lanes: (Construction)	\$ 7,500,000	
3. Craig Street (Preston - Fifth): (Construction)	\$ 3,000,000	
4. Public Safety Training Facility, Phase 1 (Construction)	\$ 5,400,000	\$17.6M – \$52M

➤ FY 2028-Beyond:

	Est. Cost
1. Coit Road (First - Frontier) - 4 lanes: (Construction)	\$12,350,000
2. Legacy (Fishtrap - Prosper Trail) - 4 lanes (Design)	\$ 450,000
3. Legacy (Fishtrap - Prosper Trail) - 4 lanes (ROW)	\$ 50,000
4. Legacy (Fishtrap - Prosper Trail) - 4 lanes (Construction)	\$ 6,000,000
5. Parvin (FM 1385 - Legacy): (Design)	\$ 950,000
6. Parvin (FM 1385 - Legacy): (ROW)	\$ 2,000,000
7. Parvin (FM 1385 - Legacy): (Construction)	\$13,550,000
8. Teel (US 380 - Fishtrap) - 2 NB lanes: (ROW)	\$ 3,100,000
9. Teel (US 380 - Fishtrap) - 2 NB lanes: (Construction)	\$ 4,300,000
10. Prosper Trail (Coit - Custer) - 2 WB lanes: (Design)	\$ 200,000
11. Prosper Trail (Coit - Custer) - 2 WB lanes: (ROW)	\$ 300,000
12. Prosper Trail (Coit - Custer) - 2 WB lanes: (Construction)	\$12,550,000
13. Town Hall Open Space (Construction)	\$ 1,810,000
14. Un-named Neighborhood Park: (Design)	\$ 200,000
15. Un-named Neighborhood Park: (Construction)	\$ 930,000
16. Various Hike and Bike Trails	\$ 1,000,000
17. Prosper Center Park Trail Connection	\$ 900,000 – \$60.6M

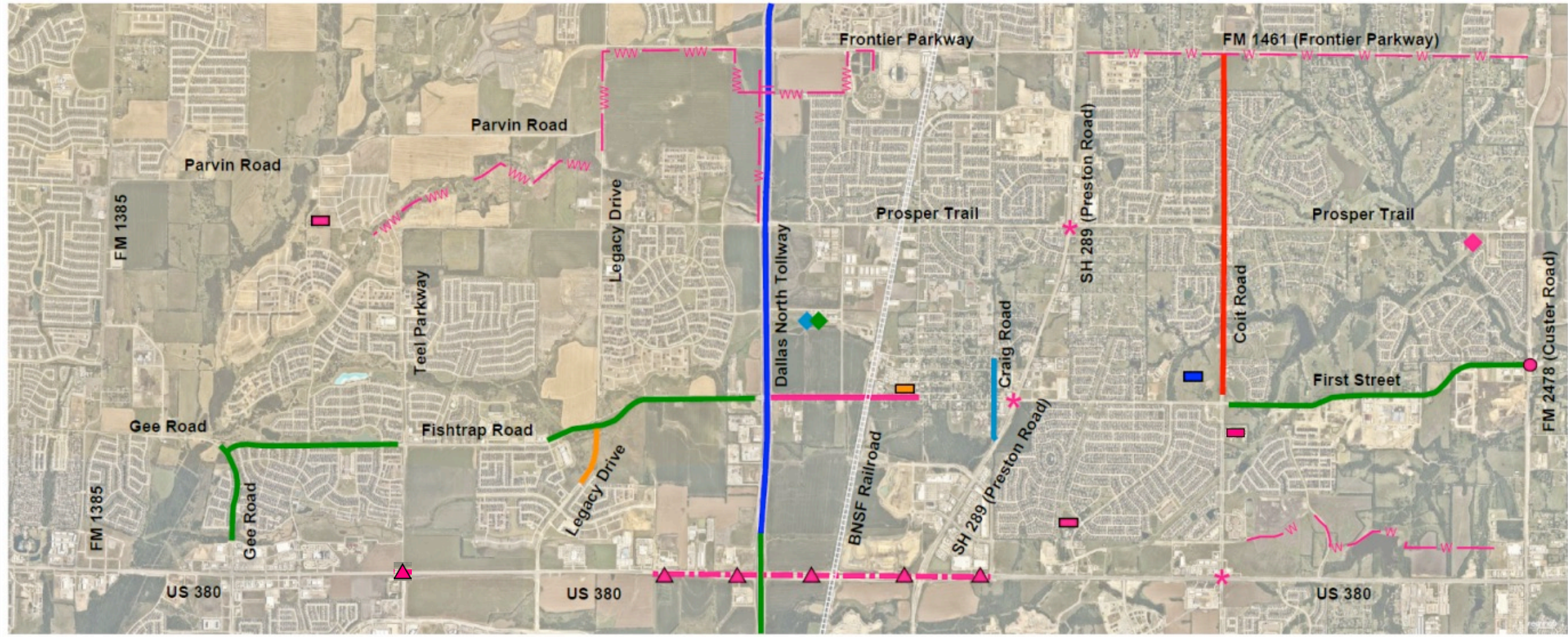
➤ Other Needs:

- |  |                 |
|--|-----------------|
| 1. Public Works Fueling Station Phase 2  | \$ 455,000      |
| 2. Parks Open Space Plan                 | \$ 175,750      |
| 3. Town Hall Fountain Repair             | \$ 250,000      |
| 4. Public Works Needs Assessment Results | (Costs Unknown) |
| 5. Logo Change                           | (Costs Unknown) |
| 6. Silo Clean Up / Lighting              | (Costs Unknown) |

➤ Other Considerations:

- \$6,025,000: Fishtrap (Gee – Windsong) debt sale delayed until FY 2024
- \$15,000,000: First Street split into 2 debt sales FY 2024 and FY 2025
- \$18,000,000: Raymond Community Park split into 2 debt sales in FY 2024 and FY 2025

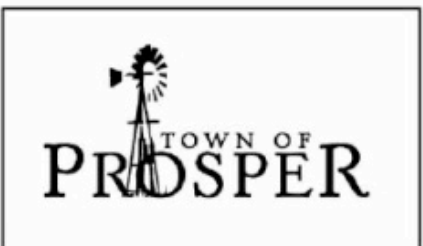
# FY 2023 - FY 2027 Capital Improvement Plan (Construction Schedule)



- General Fund Projects**
- Street Intersection
  - Street Lighting
  - Traffic Signal
  - Park
  - Median Landscaping
  - Facility

- Enterprise Fund Projects**
- Water
  - Wastewater

- Current**
- FY 2023
  - FY 2024
  - FY 2025
  - FY 2026
  - FY 2027



# Managing the Tradeoffs-Capital vs. Operations

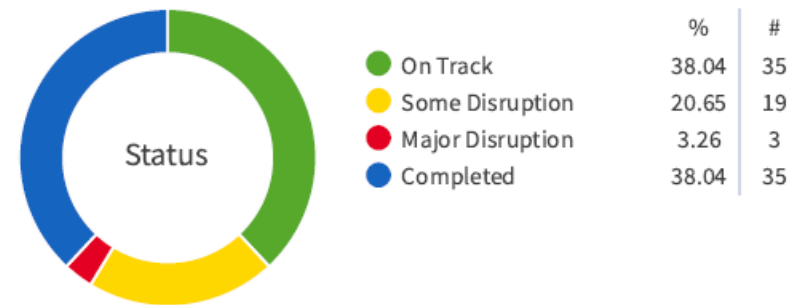
- Strategic Goals 2 and 3 directly compete with each other-the more property tax spent on one means less spent on the other

Goal 2

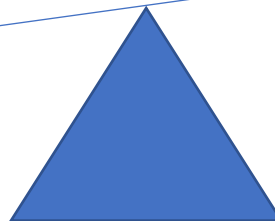


Investment in Prosper's Future

Goal 3

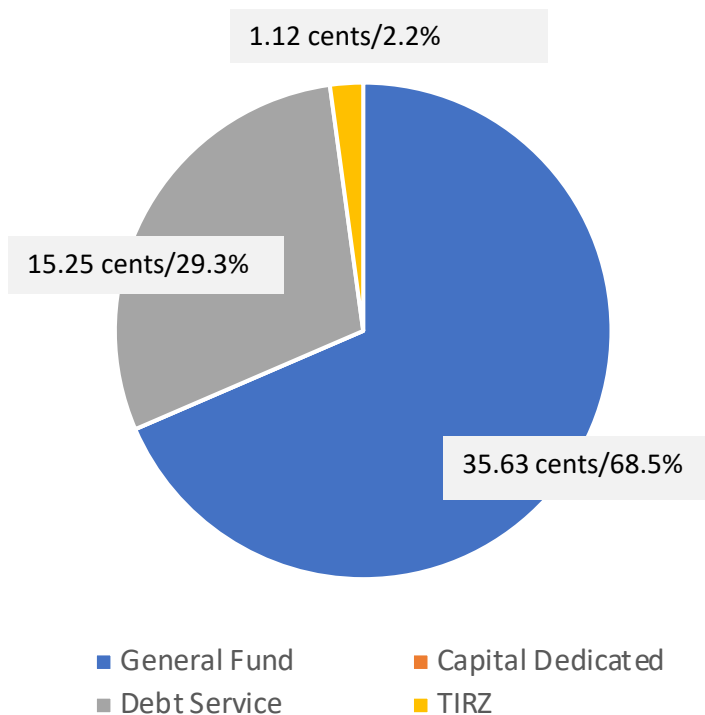


Financially Responsible Town Providing Exceptional Services

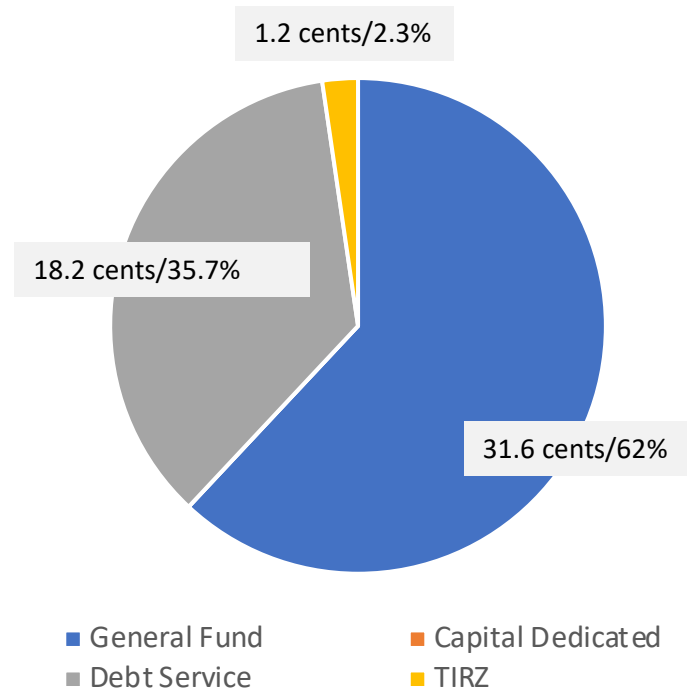


# Prosper Property Tax Distribution by Year

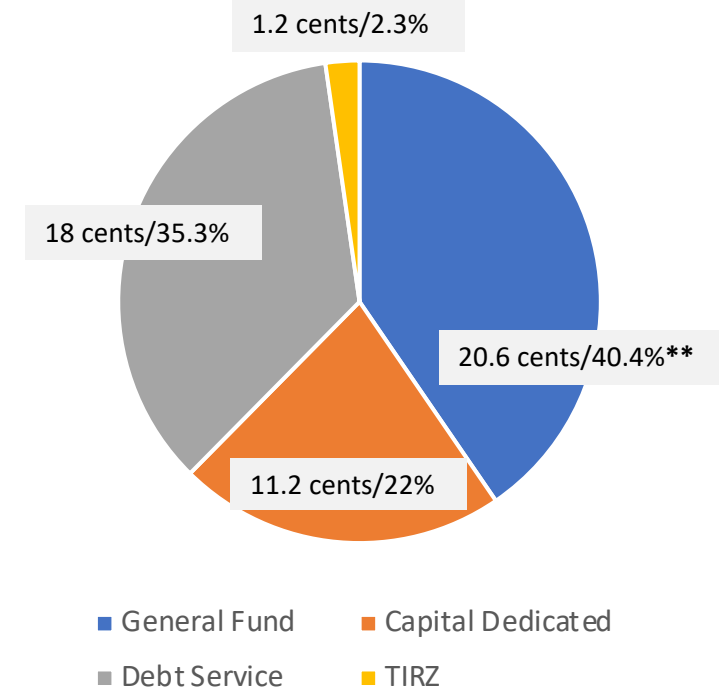
2021 Property Tax-52 cents



2022 Property Tax-51 cents



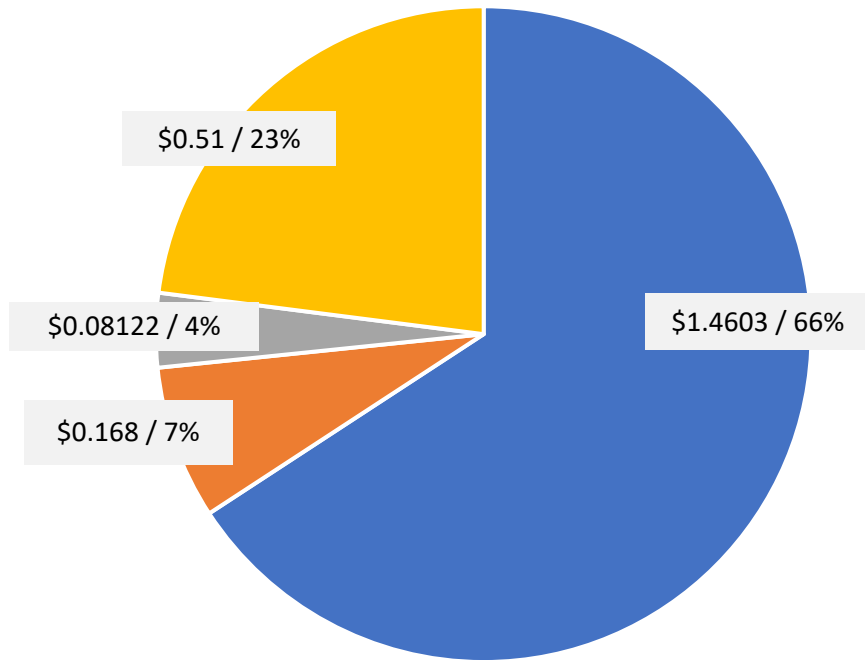
2023 Property Tax -51 cents



**\*\*NOTE: 42% reduction in the GF rate.**

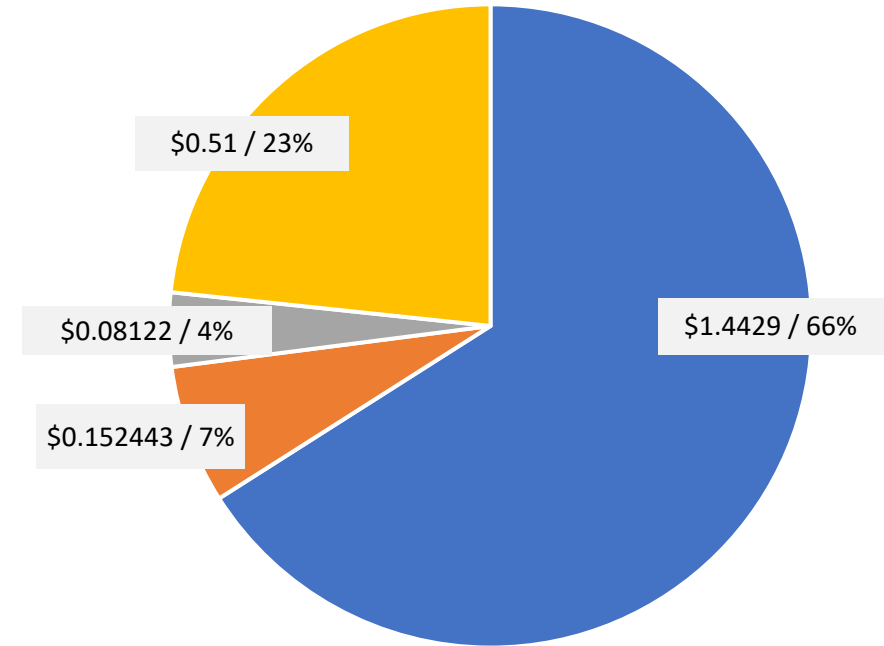
# Total Property Tax Rate Burden-Collin

FY 2022 Collin County Prosper



■ Prosper ISD ■ Collin County ■ Collin College ■ Prosper

FY 2023 Proposed Rates Collin County

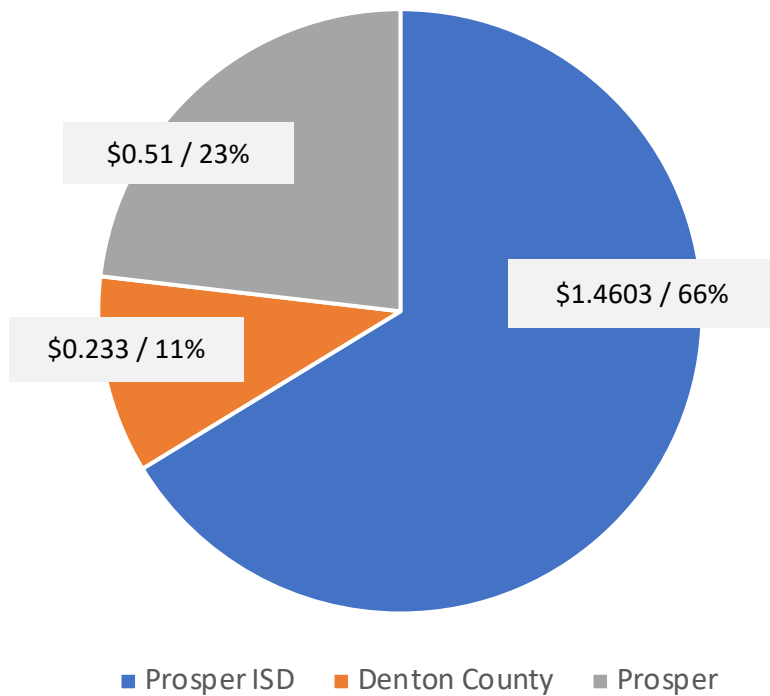


■ Prosper ISD ■ Collin County ■ Collin College ■ Prosper

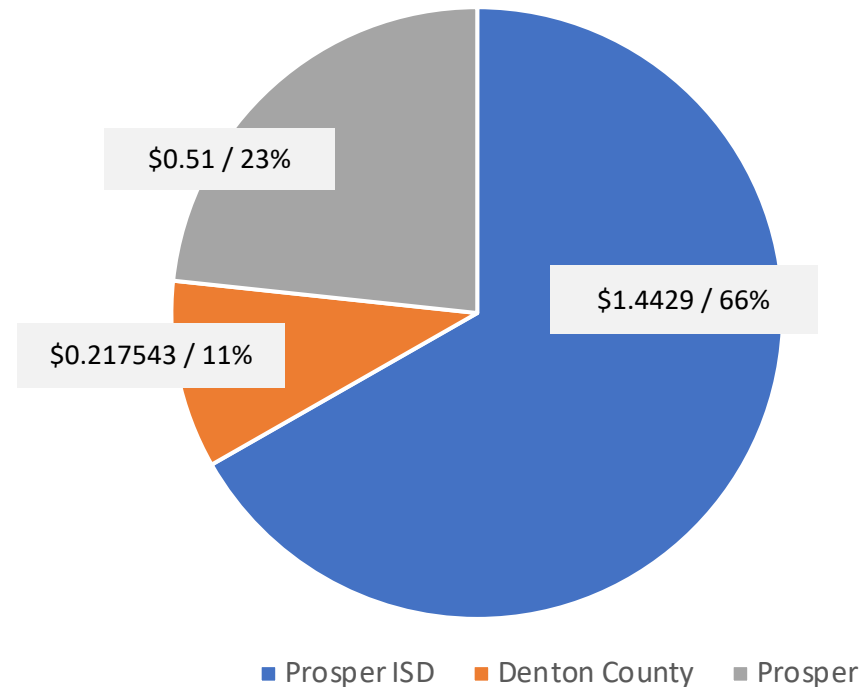


# Total Property Tax Rate Burden-Denton

FY 2022 Denton County Prosper



FY 2023 Proposed Rates-Denton County



# Tax on and Average Prosper Homestead

FY 2022 Average Taxable Home Value is \$504,329

General Fund/TIRZ	\$1,654
Debt Service	<u>918</u>
2022 Total	\$2,572

FY 2023 Average Taxable Home Value is \$539,331

General Fund/TIRZ	\$1,173
Dedicated Capital	604
Debt Service	<u>971</u>
2023 Total	\$2,748

# FY 2023 Major Initiatives

- Operating
  - New ERP Software
  - Staffing 34 positions
    - Fire 15
    - Police 6
    - All Other 9
  - Opening of New Central Fire Station (FS #3)
- Capital
  - First Street (DNT to Coleman)
  - Remaining Capital Dedicated Levy not used for cost overruns will be programed in November

# Citizen Input

# Adjourn