



City of Princeton

**Budget Workshop and Recommended Budget Fiscal
Year, October 1st, 2013-September 30th, 2014**

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City Manager

Overview: Budget Highlights

- Budget Documents
 - Management Policies
 - City Budget Basics
 - Tax Rate
 - Proposed FY, 2013-2014 Budget
 - Departments
 - Investing in the City
 - Strategic Plan and Capital Projects
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- 

Budget Documents:

- Policies Document
 - Certified Tax Roll
 - Line Item Budget
 - Capital Improvement Summary
- 

Budget and Management Policies:

Analytical Framework

Standard & Poor's has established an analytical methodology that evaluates established and ongoing management practices and policies in the seven areas most likely to affect credit quality. These areas are:

- Revenue and expenditure assumptions
- Budget amendments and updates
- Long term financial planning
- Long term capital planning
- Investment management policies
- Debt management policies
- Reserve and liquidity policies

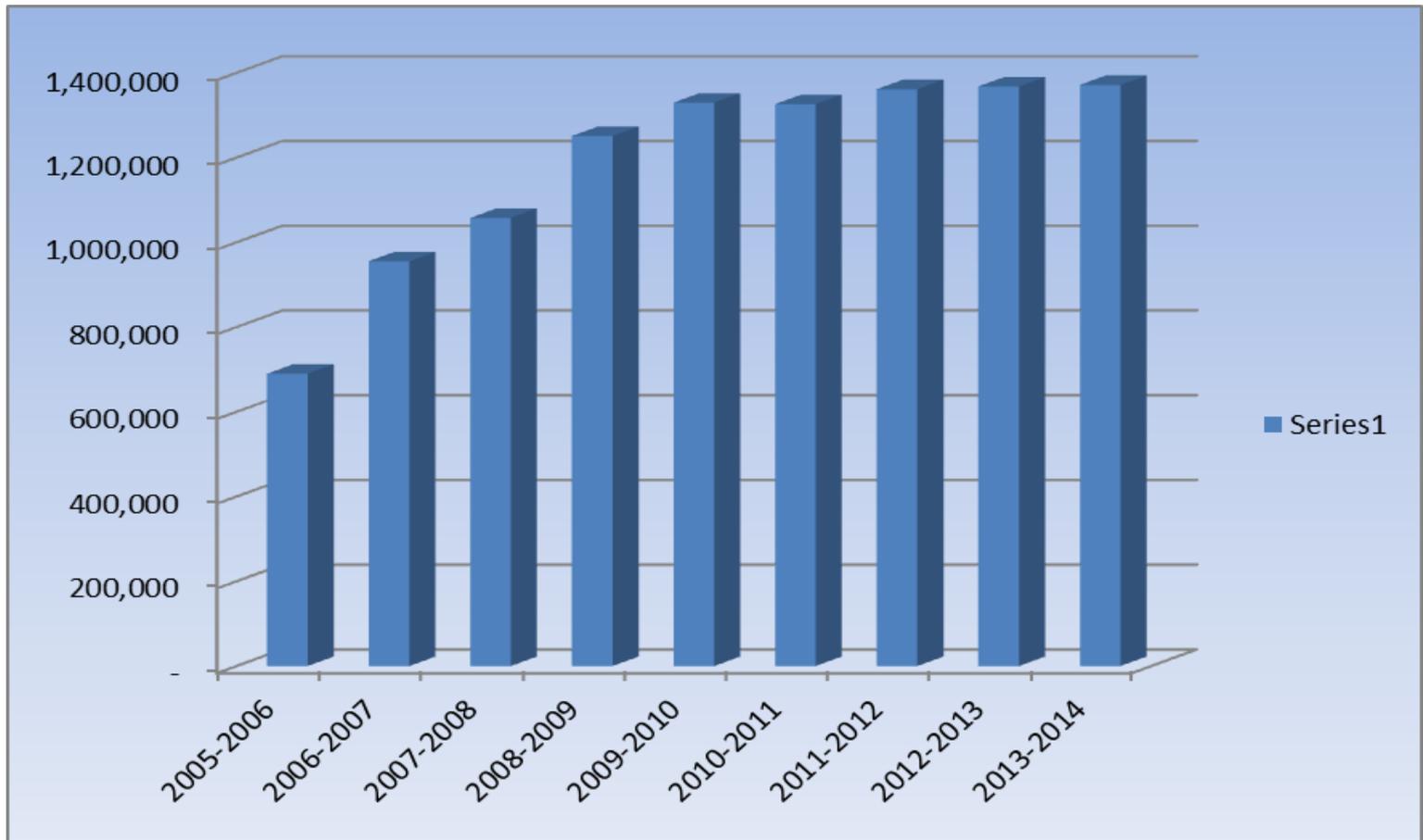


- ❖ A Supplement Policy Document has been provided for your review and recommended adoption

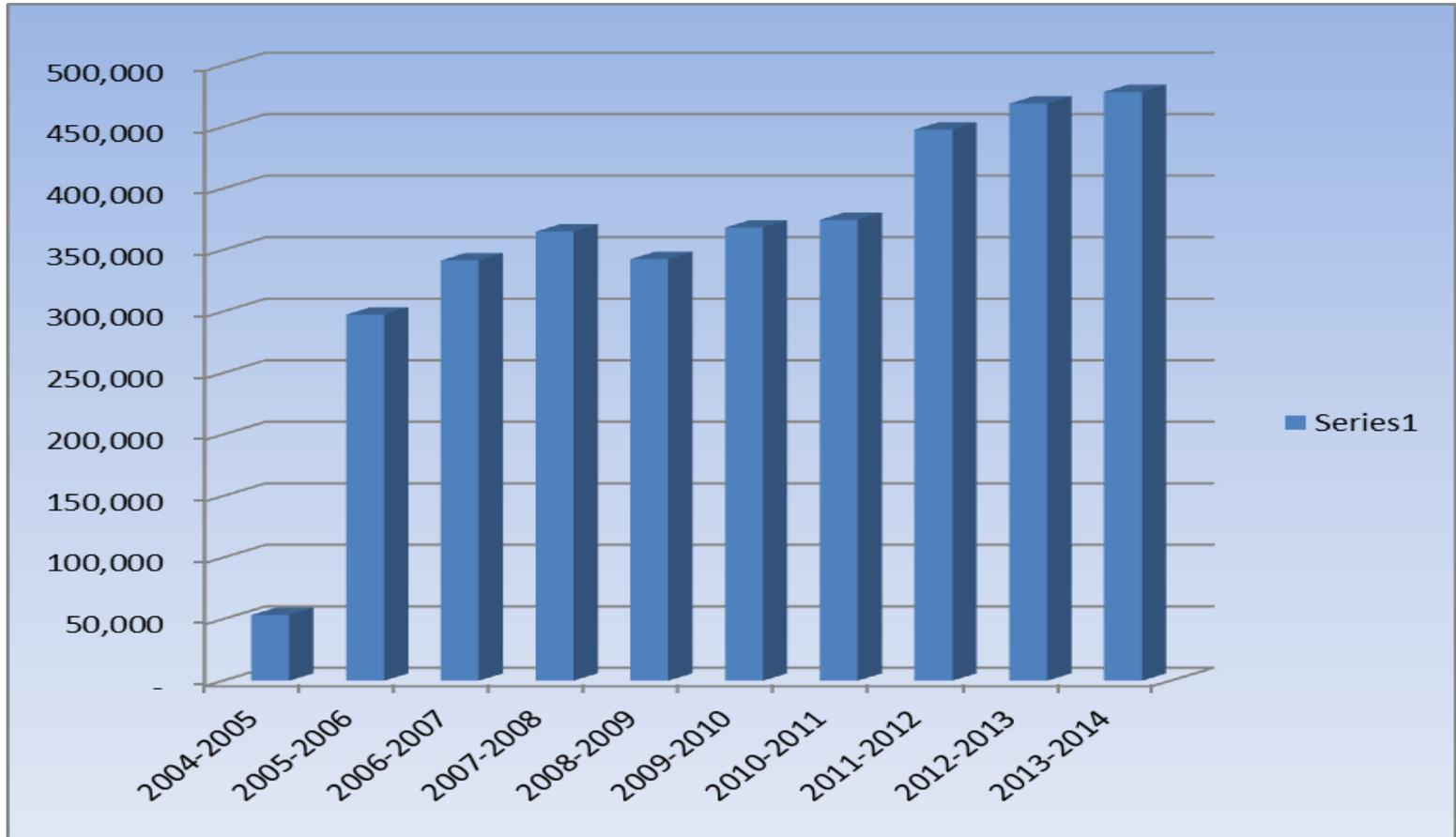
City Budget Basics

- **The City Budget is for a Fiscal Year from October 1st, 2013 until September 30th, 2014**
- **The City's Budget is an estimate that considers:**
 - ❖ Past Financial History
 - ❖ Projected Revenues from Property Tax and Sales Tax
 - ❖ Changes in Cost of Services
 - ❖ Projected City needs and goals for the upcoming year
 - ❖ Economic conditions of the area
 - ❖ Special projects identified throughout the year

Property Tax: History



Sales Tax: History



Central Appraisal District: Calculations

2013 Property Tax Rates in City of Princeton

This notice concerns the 2013 property tax rates for City of Princeton. 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	\$1,290,926
Last year's debt taxes	\$705,334
Last year's total taxes	\$1,996,260
Last year's tax base	\$263,730,428
Last year's total tax rate	\$0.756932/\$100

Central Appraisal District: Calculations

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$1,996,260
÷ This year's adjusted tax base (after subtracting value of new property)	\$270,130,195
=This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	\$0.738999/\$100

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)	\$1,290,907
÷ This year's adjusted tax base	\$270,130,195
=This year's effective operating rate	\$0.477883/\$100
x 1.08 =this year's maximum operating rate	\$0.516113/\$100
+ This year's debt rate	\$0.227030/\$100
= This year's total rollback rate	\$0.743143/\$100

Property Value Comparison

CITY OF PRINCETON TAX RATE	2012-2013	2013-2014	
HOME VALUE	\$ 100,000	\$ 100,000	
DEBT RATE	0.267445	0.227030	
TOTAL DECREASE TO CITY DEBT	\$ 267.45	\$ 227.03	\$ 40.42
HOME VALUE	\$ 100,000	\$ 100,000	
MAINTENANCE & OPERATIONS	0.489487	0.511969	
TOTAL INCREASE TO MAINTENANCE & OPERATIONS	\$ 489.49	\$ 511.97	\$ 22.48
TAX YEAR	2012-2013	2013-2014	
HOME VALUE	\$ 100,000	\$ 100,000	
EFFECTIVE TAX RATE	0.756932	0.738999	
TOTAL CITY TAX	\$ 756.93	\$ 739.00	\$ 17.93

Proposed Budget FY, 2013–2014

Total Government

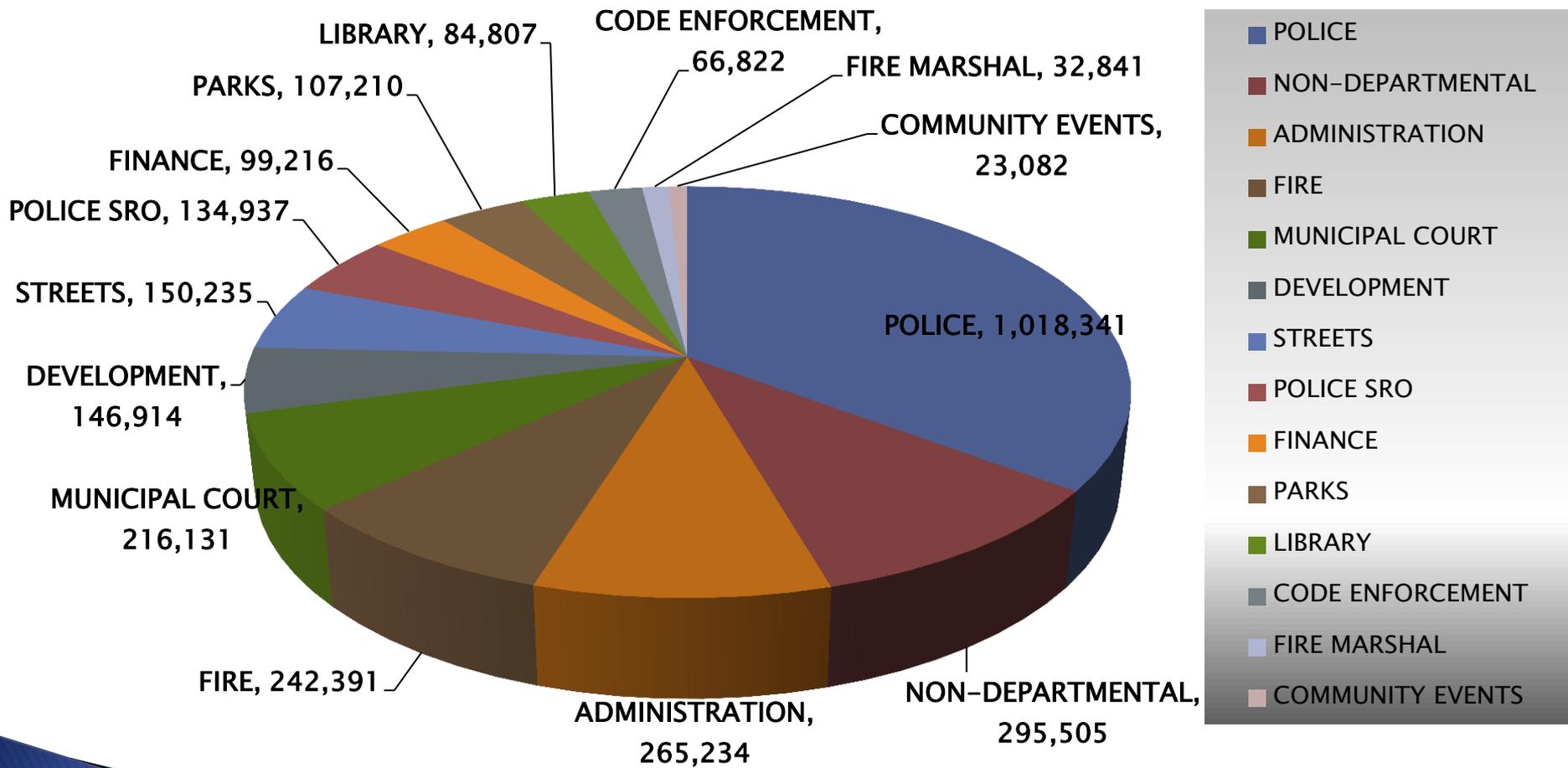
- ❖ The Budget was figured on the Effective Tax Rate of **0.738999**
- ❖ Proposed General Fund Budget for FY, 2013/2014 is **\$2,874,666**
- ❖ The General Fund budget is balanced revenues over expenditures
- ❖ Proposed Enterprise Fund Budget for FY, 2013/2014 is **\$4,179,494**
- ❖ The Enterprise Fund budget is balanced revenues over expenditures, and currently does not include a transfer in from impact fees to cover debt.

Budget Summary:

01 -GENERAL FUND	PROPOSED
	BUDGET
FINANCIAL SUMMARY	2013-2014
REVENUE SUMMARY	
NON-DEPARTMENTAL	5,309
ADMINISTRATION	2,084,513
LIBRARY	18,956
COMMUNITY EVENTS	23,200
MUNICIPAL COURT	263,991
DEVELOPMENT	289,513
PUBLIC WORKS	4,950
POLICE	74,230
FIRE	110,004
TOTAL REVENUES	2,874,666

EXPENDITURE SUMMARY	
NON-DEPARTMENTAL	295,505
ADMINISTRATION	256,234
FINANCE	99,217
LIBRARY	84,807
COMMUNITY EVENTS	23,082
MUNICIPAL COURT	216,131
DEVELOPMENT	246,578
PUBLIC WORKS	257,443
POLICE	1,153,278
FIRE	242,391
TOTAL EXPENDITURES	2,874,666
REVENUE OVER/(UNDER) EXPENDITURES	0.0

General Fund: Breakdown Expenditures



Enterprise Fund

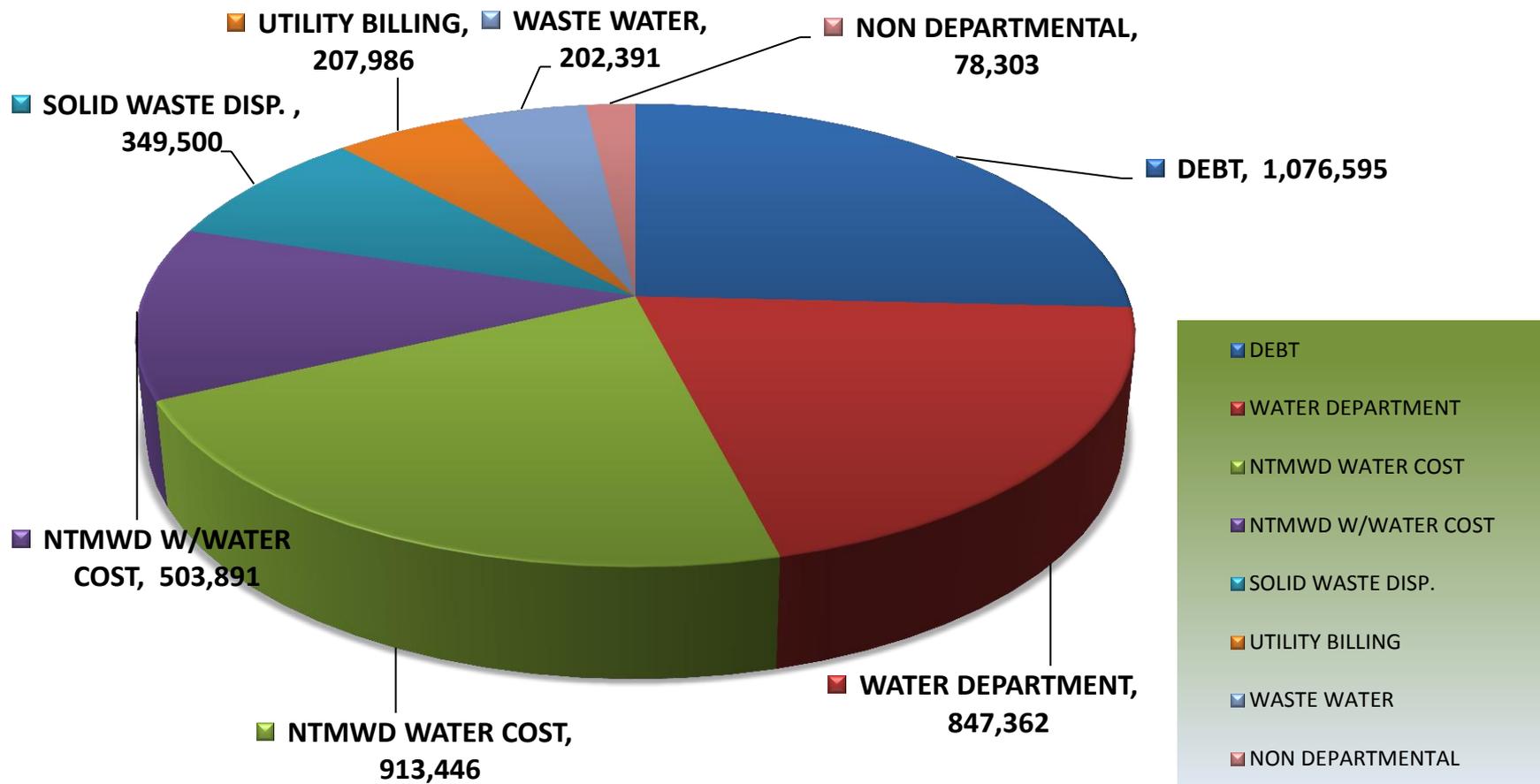


Budget Summary: Enterprise Fund

02 -ENTERPRISE FUND	PROPOSED
	BUDGET
FINANCIAL SUMMARY	2013-2014
REVENUE SUMMARY	
WATER DEPT	2,521,931
WASTE WATER	1,657,563
TOTAL REVENUES	4,179,494

EXPENDITURE SUMMARY	
NON-DEPARTMENTAL	1,504,398
UTILITY ADMINISTRATION	207,986
WATER	1,760,828
WASTEWATER	706,282
TOTAL EXPENDITURES	4,179,494
REVENUE OVER/(UNDER) EXPENDITURES	0.0

Enterprise Fund: Breakdown Expenditures



Water/Waste Water

- The Enterprise Fund budget was calculated on the estimations from the North Texas Municipal Water District.
- NTMWD has advised the City of a pass through rate increase of .18 cents per 1,000 gal. that will take effect on October 1st.
- NTMWD has also advised the City of a rate increase in the waste water charges approximately .18 cents per 1,000 gal. also effective October 1st.
- The Member Cities remain in stage 3 water conservation measures with a possibility of stage 4, without a significant amount of rainfall.

Departments

Public Safety:

- Police
- Fire



Development

- ❖ New home starts are steady in 2013 and new phases of subdivisions are opening up



Municipal Services

➤ Public Works

- ❖ Public works received a new service truck last year and will be passing one of the standard pick up trucks to the building official.



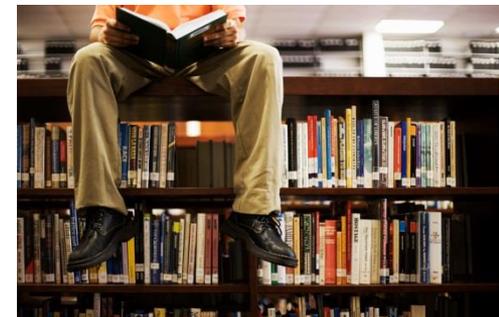
➤ Parks

- ❖ The parks department received a new vehicle last year and no new purchases are planned for this year.



➤ Library

- ❖ This is the first year that the Library will be in service for a full year. The city will be able to establish a good base cost for operation this year.



Investing in the City: Capital Improvement

- The City is currently in the process of starting the construction of new water lines and street replacement on Willow Lane, College St. and Third St .
- A new turn lane on Second Street will be underway early this year.
- Through the 2013 Tax Note the City will be reconstructing City streets over the next few years



Strategic Plan:

- **The Capitol Projects are tied to a Strategic plan and are being funded as the funds become available either through grants or other sources of funding.**
- **An updated copy of the Capital Projects list has been provided for your review.**
- **The City staff continues to search out other sources of funding to reduce the impact on the city budget.**



Discussion

- The line Item Budget has been provided for your review.
- Questions and comments
- Public Hearing
 - ❖ Public Hearing will be held on September 9th