



FY 2015-2016 Budget

(approved Monday, September 21, 2015)

Section 102.005 of the Texas Local Government Code requires that the following statement be placed on the cover page of the proposed budget:

This budget will raise more total property taxes than last year's budget by \$164,213 or 10.29%, and of that amount \$56,087 is tax revenue to be raised from new property added to the tax roll this year.



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General Information on the City of Oak Point

The City of Oak Point is a community of nearly 3,300 residents located in the northeast quadrant of Denton County in north central Texas approximately 40 miles north of Dallas. Oak Point is located just south of US 380 nearly equidistant between Denton and Frisco. While our community, bordered by scenic Lake Lewisville, provides a tranquil setting away from the pressures of a more urban environment, Oak Point is located just 10 miles from the Dallas North Tollway, seven miles from IH-35E, and 25 miles from the Dallas/Forth Worth International Airport.

The City Council and Staff

The City of Oak Point is a general law municipality and operates under a Council-Manager form of government. The mayor and five City Council members are:

- Duane Olson (Mayor)
- Lynn Harpold (Mayor Pro Tem)
- Keith Palmer (Deputy Mayor Pro Tem)
- Donald Lindemann
- Judith Camp
- Chris Sweet

The City of Oak Point adopted the Council-Manager form of government in 2001. The Council-Manager form of government is a very common form of government in Texas. Under this form of government, the City Council employs a professional, trained city manager to implement the policies, contracts, and agreements that are approved by the City Council. The City Manager is also responsible for managing the daily operations of the City and for implementing the City's budget. The City's budget includes nineteen (19) full-time positions along with several part-time firefighter shifts.

Administration (5)

City Manager
City Secretary
Finance Manager
Development Services
Coordinator
Administrative Coordinator

Department of Public Safety (11)

Director of Public Safety
Sergeant
Six (6) Police Officers
Three (3) Firefighters

Public Works (3)

Public Works Superintendent
Equipment Operator
Laborer

The Budget Process and Schedule

The City Manager is required by ordinance to prepare the City's annual budget and submit the budget to the City Council. After receiving input from the City Council at budget work sessions on Wednesday, July 15 and Thursday, July 30, the City Manager filed a proposed budget with the City Secretary on Friday, July 31 providing the public with an opportunity to review the budget prior to the dates of the following meetings associated with the budget and tax rate.

Tuesday, August 4	Vote on proposed tax rate and schedule dates of public hearings on tax rate
Monday, August 17	1 st public hearing on tax rate and public hearing on budget
Tuesday, September 1	2 nd public hearing on tax rate
Monday, September 21	Final action on the budget and the associated tax rate

All meetings were held at the City of Oak Point City Hall at 100 Naylor Road. Meeting agendas and times were posted at the entrance of Oak Point City Hall and on the City's website at www.oakpointtexas.com.

Strategic Plan

As the budget was prepared, City staff took the guiding goals and the supporting strategies of the City's Strategic Plan into consideration. The City's Strategic Plan is attached to this report. While only staff time is required to complete some of the strategies, the following strategies have direct financial impacts on the budget due to the funding requirements. Each of the following strategies is followed by a description of the associated budget implications.

- **Provide City facilities that are clean, attractive, safe and efficient.**

The FY 2015-2016 budget includes the following items to provide clean, attractive, safe, and efficient facilities:

- The DPS Ventilation System - \$50,000
- DPS Emergency Generator - \$16,000
- Replacement of 8 SCBA Cylinders - \$8,000
- Replacement of 4 Turn Out Gear for Fire - \$9,600
- Server & Phone System Upgrade - \$35,000
- Seasonal Workers in Public Works for add'l mowing/services - \$12,000
- Pest Control - \$2,500
- Cleaning Services - \$5,000

Future improvements to City facilities that the City Council may wish to consider include a new floor system in the Community Room, and an outdoor covered parking area for Public Works vehicles.

- **Update and maintain the Code of Ordinances.**

Franklin Legal Publishing last updated the Code of Ordinances in March 2012. In addition to posting the Code of Ordinances online, bound versions of the Code of Ordinance were provided to the City when the update was completed. As existing ordinances are amended or new ordinances are approved, the Code of Ordinances is modified. To properly maintain the Code of Ordinances, supplements are required for the bound version and the online version must be updated. Due to the cost of preparing the supplements and updating the online version of the Code of Ordinances, the updates are only completed on a periodic basis. Funding (\$1,500) is included for the supplements and to update the online version of the Code of Ordinances in the adopted FY 2015-2016 budget (see 01-100-620814).

- **Update emergency management procedures.**

In the fall of 2012, the City successfully implemented a mass communication and emergency weather notification system, *Blackboard Connect*. The adopted FY 2015-2016 budget includes \$4,600 (see 01-300-619630) to continue the use of the *Blackboard Connect* system. Additionally, it is recommended that the Director of DPS and City Manager continue the process of evaluating and updating the City's emergency management plan and procedures.

- **Implement the Capital Improvements Plan and develop strategies to adequately fund street maintenance, capital improvements, and fixed assets.**

Upon receiving a recommendation from the City's Capital Improvements Plan Committee, the City Council adopted a Capital Improvements Plan in April of 2014. The Capital Improvements Plan includes a prioritized list of projects along with several funding scenarios.

City staff recommends that several of the higher priority projects be completed during FY 2015-2016. Accordingly, these projects are listed in the adopted Capital Projects Fund budget for FY 2015-2016 (see 95-100-613510). Because the Capital Improvements Plan used cost ranges to estimate the costs of the road projects, City staff has conducted site visits of the various roads with an engineering firm and requested that the engineering firm refine the cost estimates for the road projects. These cost estimates will come in at the beginning of the FY 2015-2016. Council will then be able to choose which projects are of highest priority at that time. Unless the City Council chooses to issue a bond to generate additional funding for capital improvements, a total of \$873,000 is available for these projects in addition to any new funding that is added to the Capital Projects Fund during FY 2015-2016.

- **Evaluate options to improve drainage facilities and fire flow.**

Currently the city has engaged an engineering firm to provide a topographic map of the Crescent Oaks neighborhood, drainage study, and several conceptual designs. The adopted FY 2015-2016 budget includes \$25,000 to complete a drainage study of Crescent Oaks to identify potential improvements to drainage conditions along Matador Drive, Torero Trail and Lamp Post Lane as

these streets intersect with Maverick Trail and in the area along Lakeshore Boulevard north of Stagecoach Drive. Should the City Council wish to implement storm water utility fees as outlined in funding scenarios listed in the Capital Improvements Plan, the fees will provide an additional revenue stream to help finance the drainage improvements that will be recommended by the study.

- **Consider the implementation of thoroughfare impact fees to assist with the cost of street construction.**

In addition to identifying and prioritizing projects, the scope of the CIP project involved discussing options to fund the identified projects. The CIP listed storm water utility fees and thoroughfare impact fees as potential sources for additional revenue. The projects listed in the Capital Projects Fund that are being considered for completion during FY 2015-2016 budget include the studies that are necessary to implement thoroughfare impact fees and/or storm water utility fees.

- **Enhance property maintenance through proactive code enforcement efforts.**

Code enforcement is listed in the Strategic Plan as a priority. Officer Roach has assumed most code enforcement responsibilities. The adopted FY 2015-2016 budget includes \$2,000 in the DPS' budget for certification pay (see 01-300-610430) to compensate (2) officers that are assigned routine code enforcement responsibilities.

- **Continue to hold seasonal events (SpringFest, FreedomFest, and WinterFest) to encourage community involvement and interaction.**

The adopted FY 2015-2016 budget includes \$12,050 for SpringFest, FreedomFest, and WinterFest (see 01-100-619511, 01-100-619512, and 01-100-619513).

- **Make improvements to the boat ramp dock and surrounding area when funds become available.**

The Park Development Fund currently has a balance of slightly over \$108,000. By the latter part of 2015, it is possible that the Park Development Fund balance will increase to over \$300,000. As the two highest priority park projects in the Capital Improvements Plan in FY 2014-2015, projects to improve the boat ramp and boat dock are included in the Parks Development Fund (see 30-710-770700). Because the specific scope and cost of these projects have not yet been identified, it is important to note that the \$200,000 included for the improvements is an arbitrary amount. Also, the improvements will require approval by the Corps of Engineers since the boat ramp and dock are located on property leased from the Corps.

- **Strive to achieve a high level of employee morale.**

The adopted FY 2015-2016 budget includes \$300 to continue funding for the City's employee recognition program (see 01-100-619516). The FY 2015-2016 budget also includes a 3% salary increase for eligible employees and salary adjustments for DPS employees and City Manager.

- **Continue the quarterly distribution of the Country Place Bulletin (CPB) newsletter.**

The adopted FY 2015-2016 budget includes \$4,600 to continue the quarterly distribution of the CPB newsletter (see 01-100-616212). These costs are offset by approximately \$1,400 of advertising revenue associated with the CPB (see 01-47-471400).

- **Continue to enhance the information available on the City's website.**

Besides using Blackboard Connect, the City's mass communication and emergency weather notification system, one of the most effective ways for the City to regularly communicate with its residents is through its website. The Economic Development Fund includes \$550 (see 50-850-880300) to fund the annual maintenance fee for the website.

OVERVIEW OF FUNDS

The City's budget is divided into several accounts, known as funds, because the use of some of the City's revenues is restricted to specific purposes. The various funds include the General Fund, the Interest & Sinking (I & S or Debt Service) Fund, the Economic Development Corporation (EDC) Fund, a Municipal Development District (MDD) Fund, a Street Maintenance Fund, and a Vehicle Replacement Fund. Expenditures associated with major capital improvements are accounted for through the use of a Capital Projects Fund.

GENERAL FUND

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. Departments operating in the General Fund include Administration, Public Safety, and Public Works. The General Fund also finances functions or services such as human resources, code enforcement, emergency medical/ambulance services, municipal court, and animal control. Each of the primary revenue sources of the General Fund are summarized as follows.

General Fund Revenue – Property Tax

The total assessed value (TAV) of properties in Oak Point was \$263,478,503 in FY 2012-2013, \$269,614,338 in FY 2013-2014 and \$283,390,792 in FY 2014-2015. The total of the final net taxable values for FY2015-2016 that were certified by the DCAD on July 23 was \$312,558,290. While some property values are still under protest, the final certified values provided by the DCAD use the market

values of the remaining properties under protest. Therefore, the final total values should not drop below the amount certified by the DCAD on July 23.

Due to the increase in property values, the City staff was able to lower the City’s tax rate by \$0.01 to \$0.563 per \$100 of tax assessed value. The increase in property tax revenue will allow the City to maintain similar levels of service from the previous year while attempting to work towards achieving some of the goals and strategies contained in the City’s Strategic Plan. Also, the budget was prepared on the assumption that the City Council prefers that expenditures not exceed projected revenues.

The City’s total tax rate is comprised of two rates - the maintenance and operations (M&O) rate and the debt service (I&S) rate. Using a tax rate of \$0.563, the M&O tax rate will be \$0.523893 and the I&S rate will be \$0.039107 per \$100 of tax assessed value. When the M&O rate is applied to the total net taxable value of \$312,558,290, the M&O tax revenue in FY 2015-2016 is estimated to total \$1,621,096 compared to a budgeted amount of \$1,455,177 (which was budgeted at 98.5% of the certified value) in FY 2014-2015 and actual amounts of \$1,410,266 in FY 2013-2014 and \$1,357,224 in FY 2012-2013.

General Fund Revenue - Sales Tax

As illustrated in the following table, the City’s sales tax revenues increased during the last 12 months after remaining relatively constant in previous years. As Oak Point has no true retail or commercial development, the increase in annual sales tax revenue in recent years is reflective of the residential growth. Additional single-family homes result in additional sales tax revenue from utilities, internet sales, and home occupations.

	July 2009 thru June 2010	July 2010 thru June 2011	July 2011 thru June 2012	July 2012 thru June 2013	July 2013 thru June 2014	July 2014 thru June 2015
July	6,963.09	8,718.01	9,044.23	10,901.97	14,365.27	14,769.58
August	12,362.25	13,117.11	11,473.22	17,540.39	18,084.18	18,598.77
September	13,178.59	10,141.73	8,763.66	14,180.60	13,950.65	15,231.57
October	7,812.20	11,008.77	9,785.86	10,944.76	12,310.68	15,849.54
November	9,462.33	11,194.36	12,589.79	14,276.63	15,758.65	15,781.04
December	12,059.96	8,630.49	8,482.78	13,101.05	13,043.17	15,499.43
January	8,503.30	8,695.48	8,500.09	11,743.89	12,530.63	14,947.58
February	12,278.74	11,816.57	13,195.21	17,203.43	17,554.93	24,166.70
March	11,068.37	12,760.67	9,125.24	11,062.09	12,734.66	17,544.76
April	9,943.20	9,148.33	8,732.66	14,036.14	14,980.82	16,384.01
May	14,309.15	11,662.92	14,858.67	14,548.10	19,829.40	18,575.20
June	9,667.96	9,446.20	13,534.21	14,586.18	12,615.62	15,625.75
Totals	127,609.14	126,340.64	128,085.62	164,125.23	177,758.66	202,973.93
Monthly Average	10,634.10	10,528.39	10,673.80	13,677.10	14,813.22	16,914.50

(Note that the above totals represent the totals sales tax forwarded to the City on a monthly basis. These amounts are then allocated between the General Fund, the EDC Fund, and the Street Maintenance Fund at the appropriate ratio.)

As has been done in recent years, revenue from sales tax is projected for the fiscal year at an amount that is equal to the prior 12 months. In the case of the General Fund, \$115,985 was received in revenue during the last 12 months which equates to \$9,665 per month.

General Fund Revenue - Permit Fees

The number of building permits for new homes in Oak Point increased significantly from calendar year 2013 (41 single-family permits) to 2014 (56 single-family permits). With the following projects under construction, Oak Point will likely see a large number of building permits for new homes in Oak Point and its ETJ.

Project	City or ETJ	# of Lots
Gates of Waters Edge Phase 2 and 3	City	42
Wellington Trace Phase 2	ETJ*	15
Wildridge Phase 1, 2C and 3A	ETJ*	347
Woodridge Estates Phase 3, 4 and 5	City	100

*Permits to be processed by the City per development agreement

The City has also seen a steady stream of building permit applications for lots in existing subdivisions such as Emerald Sound and Crescent Oaks. While the number of building permits is difficult to predict, the adopted FY 2015-2016 budget is conservatively based on revenue from approximately 120 new permits.

General Fund Revenue – Franchise Fees

With the continued addition of new single-family homes in the City, an increase in franchise fees from various electric, telephone, water, cable, and the City’s solid waste provider, Republic/Allied Waste, is expected. However, because the increases in revenue are expected to be only nominal, revenue from franchise fees has generally been conservatively budgeted at levels equal to or very similar to FY 2014-2015 projected totals.

General Fund Revenue – Denton County Fire District

The City is compensated for providing fire protection services to certain unincorporated areas of Denton County. This revenue is based on a flat base fee (\$10,000) plus compensation per service calls or runs. Based on current year to date projections, revenue from runs is being projected at \$120,000 for FY 2015-2016 (see 01-48-480230).

General Fund Revenue – Cross Oak Ranch – In 2008, the City entered into a contract with Municipal Utility Districts Nos. 4 and 5 to provide patrol services to Cross Oak Ranch. The agreement was later amended to include crossing guard services for the Cross Oak Elementary School. The agreement automatically extends for one year periods unless a party to the agreement terminates the agreement at least ninety days prior to the expiration of the agreement. As there are no indications that the agreement will be discontinued, the adopted budget includes \$128,000 (see 01-48-480330) of revenue

resulting from the agreement. City staff plans to discuss an increase in fees with the Municipal Utility Districts Nos. 4 and 5 due to the increase in the number of homes now located within Cross Oak Ranch.

General Fund Revenue - Fines

Revenue from fines is hard to predict because the number and type of citations and fine amounts for the various citations are all variable. Because the City is not adding any new police officer positions, total revenue from fines in FY 2015-2016 is projected to be generally consistent with the total revenue collected during FY 2014-2015 budget (see 01-46-460100 and 60-57-570100 through 60-57-572500) of revenue from fines.

General Fund Revenue - Summary

The adopted FY 2015-2016 budget currently includes a total of \$2,757,613 of projected revenue in the General Fund compared to a budgeted amount of \$2,366,082 in FY 2014-2015 and actual amounts of \$2,463,327 in FY 2013-2014, \$2,188,983 in FY 2012-2013, and \$1,992,123 in FY 2011-2012. The projected increase results primarily from an increase in property tax revenue and building permits/inspections.

General Fund Expenditures

Notable expenditures and/or increases contained within the adopted FY 2015-2016 budget of the General Fund include:

- Fund balance transfers of \$173,000 to the Capital Projects Fund and \$100,000 to the Vehicle Replacement Fund;
- Server and phone system upgrade;
- Emergency generator for Public Safety;
- Bay ventilation system for Public Safety;
- Replacement of 8 SCBA cylinders and 4 turn out gear;
- Salary adjustments for employees in Public Safety;
- Equipment rental funds for Public Works;
- Seasonal workers for Public Works; and
- A 3% increase in salaries.

Aside from routine operating and maintenance expenses, the adopted FY 2015-2016 budget for the General Fund provides for the continuation of the following items, services, or programs:

- Blackboard Connect, the City's mass communication and emergency weather notification system;
- Funding for the City's seasonal events – SpringFest, FreedomFest, and WinterFest;
- Funding for an employee recognition program; and
- The quarterly production of the Country Place Bulletin, the City's newsletter.

The adopted FY 2015-2016 budgets for departments financed by the General Fund include a total of \$2,164,331 of expenditures (not including transfers to the Capital Projects Fund and Vehicle Replacement Fund) compared to a budgeted amount of \$2,094,422 in FY 2014-2015 and actual amounts of \$1,804,018 in FY 2013-2014, \$1,798,317 in FY 2012-2013, and \$1,788,310 in FY 2011-2012.

General Fund Reserve Balance

For the past several years, each annual budget has included a reserve balance based on three months or 25% of annual operating expenses. This reserve amount exceeds the Government Finance Officers Association (GFOA) fund balance recommendations. The GFOA, the national professional association of government finance officers, recommends that general-purpose governments, regardless of size, maintain an unrestricted fund balance in their general fund of no less than two months or 17% of annual operating expenditures to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures and to ensure stable tax rates. The adopted FY 2015-2016 budget includes a Contingency/Reserve Fund of \$609,333, an amount that is equal to 25% of the adopted operating expenses in the General Fund.

CAPITAL PROJECT FUND

A Capital Project Fund is used to track expenditures when constructing capital facilities being financed from bond proceeds or transfers from other funds. Due to historically conservative budgeting practices and spending practices, the City accumulated a healthy fund balance in addition to the Contingency/Reserve Fund. As a result, the FY 2013-2014 budget included a \$650,000 transfer from the General Fund to the Capital Projects Fund and the FY 2014-2015 budget included a transfer of \$145,000. The transfers demonstrated the City's intention to use the funds towards future capital projects. Accordingly, the FY 2015-2016 budget shows an additional transfer of \$173,000 from the General Fund to the Capital Projects Fund resulting in a total of \$968,000 that could be used for various capital improvement projects.

The Capital Improvements Plan that was approved by the City Council in April included a prioritized list of projects along with several funding scenarios. Several of the higher priority projects that City staff recommends that the City Council consider completing during FY 2015-2016 include:

Project Rank	Project	Scope of Project	Estimated Cost Range from CIP
1	Lakeshore Boulevard (Martingale to Max Bowden)	Chip seal or asphalt paving	\$187,976 - \$805,613
2	Cedar Pine Lane (north-south section)	Chip seal or asphalt paving	\$14,880 - \$279,000
3	Baycrest Drive	Chip seal or asphalt paving	\$3,720 - \$69,750
4	Bronco Trail	Chip seal or asphalt paving	\$153,256 - \$656,813
5	McDaniel Drive	Chip seal or asphalt paving	\$10,850 - \$46,500
6	Crescent Drive	Chip seal or asphalt paving	\$3,720 - \$69,750

7	Winchester Lane	Chip seal or asphalt paving	\$33,480 - \$627,750
8	Lonesome Dove Drive	Chip seal or asphalt paving	\$24,413 - \$104,625
11	Crescent Oaks Drainage Study/Improvements	Evaluate and identify engineered repairs to drainage issues and potentially implement	\$126,000
N/A	Thoroughfare Impact Fee Study	Complete study and implement fee structure	TBD
N/A	Stormwater Utility Fee Study	Complete study and implement fee structure	TBD
N/A	DPS Fire Bay Air Purification System	Install air purification system to extract fumes and carcinogens from DPS bay	\$30,000-\$47,000
21	DPS/Public Works Vehicle Shelter	Construct shelter adjacent to DPS/Public Works building to shelter vehicles from weather	\$396,164.85

Accordingly, these projects are listed in the adopted Capital Projects Fund budget for FY2015-2016 (see 95-100-613510). Because the Capital Improvements Plan used cost ranges to estimate the costs of the road projects, City staff has conducted site visits of the various roads with an engineering firm and requested that the engineering firm refine the cost estimates for the road projects. While these cost estimates will not be available until the beginning of FY2015-2016, the City Council can evaluate the desirability of the projects as the Capital Projects Fund budget is discussed. Unless the City Council chooses to issue a bond to generate additional funding for capital improvements, a total of \$873,000 is available for these projects.

INTEREST AND SINKING (I&S) FUND

The Debt Service (or I&S) Fund is financed by property taxes and is used to pay the principal, interest, and related costs on the City's long-term liabilities. The City's I&S tax rate is entirely dependent upon the amount of debt owed and/or issued by the City. Items financed by the I&S Fund and the associated payments are:

- 1998 General Obligation bond (principal) \$90,000
- 1998 General Obligation bond (interest) \$14,250
- 2004 Freightliner/Engine 1 \$16,985

The City's 2014 tax rate was \$0.573 per \$100 of taxable assessed value with an I&S rate of \$0.047197 to support the City's current debt load. By decreasing the 2015 tax rate by \$0.01 to \$0.563, the 2015 I&S rate will be \$0.039107 and the M&O rate will be \$0.523893.

The following chart provides a comparison of Denton County cities and their 2011, 2012, 2013, and 2014 tax rates.

City	2010 Total Tax Rate	2011 Total Tax Rate	2012 Total Tax Rate	2013 Total Tax Rate	2014 Total Tax Rate	% Increase or Decrease from 2013 to 2014
Argyle	0.3975	0.3975	0.3975	0.3975	0.3975	-
Aubrey	0.601014	0.610399	0.63031	0.62113	0.588482	-5.26%
Bartonville	0.19294	0.19294	0.19294	0.19294	0.19294	-
Carrollton	0.617875	0.617875	0.617875	0.617875	0.615375	-0.4%
Celina	0.645	0.645	0.645	0.645	0.645	-
Coppell	0.69046	0.69046	0.67046	0.6375	0.60649	-4.86%
Copper Canyon	0.301713	0.301713	0.301713	0.297505	0.297505	-
Corinth	0.59292	0.59135	0.60489	0.60489	0.59489	-1.65%
Corral City	0.25	0.25	0.25	0.25	0.25	-
Dallas	0.797	0.797	0.797	0.797	0.797	-
Denton	0.68975	0.68975	0.68975	0.68975	0.68975	-
Dish	0.195413	0.195413	0.195413	0.195413	0.202738	3.75%
Double Oak	0.22481	0.22481	0.22481	0.22481	0.22481	-
Flower Mound	0.4497	0.4497	0.4497	0.4497	0.439	-2.38%
Fort Worth	0.855	0.855	0.855	0.855	0.855	-
Frisco	0.465	0.46191	0.46191	0.46191	0.46	-0.41%
Grapevine	0.35	0.348	0.345695	0.3425	0.332439	-2.94%
Hackberry	0.47535	0.476627	0.485663	0.462737	0.450397	-2.67%
Haslet	0.304645	0.304645	0.320869	0.320869	0.292785	-8.75%
Hickory Creek	0.424287	0.424287	0.424287	0.416882	0.401367	-3.72%
Highland Village	0.56963	0.56963	0.56963	0.56963	0.56963	-
Justin	0.64261	0.64261	0.66	0.66	0.66	-
Krugerville	0.35171	0.37	0.4	0.4	0.38945	-2.64%
Krum	0.633855	0.633855	0.633855	0.633855	0.647489	2.15%
Lake Dallas	0.71	0.71	0.71	0.701929	0.701929	-
Lakewood Village	0.25	0.25	0.25	0.25	0.3	20.0%
Lewisville	0.44021	0.44021	0.44021	0.44021	0.436086	-0.94%
Little Elm	0.665229	0.664971	0.664971	0.664971	0.664971	-
Northlake	0.295	0.295	0.295	0.295	0.295	-
Oak Point	0.573264	0.573	0.573	0.573	0.573	-
Pilot Point	0.68	0.68	0.68	0.68	0.644349	-5.24%
Plano	0.4886	0.4886	0.4886	0.4886	0.4886	-
Ponder	0.36064	0.412414	0.45351	0.538873	0.563485	4.57%
Prosper	0.52	0.52	0.52	0.52	0.52	-
Roanoke	0.37512	0.37512	0.37512	0.37512	0.37512	-
Sanger	0.633049	0.633049	0.633049	0.665	0.6795	2.18%
Shady Shores	0.313719	0.312783	0.314625	0.314625	0.314625	-
Southlake	0.462	0.462	0.462	0.462	0.462	-
The Colony	0.6855	0.683	0.68	0.6775	0.6725	-0.74%

Trophy Club	0.515	0.53	0.518543	0.4993	0.49	-1.86%
Westlake			0.15684	0.15684	0.15634	-0.32%
Average Rate	0.492138	0.494266	0.488774	0.488960	0.486282	-0.55%

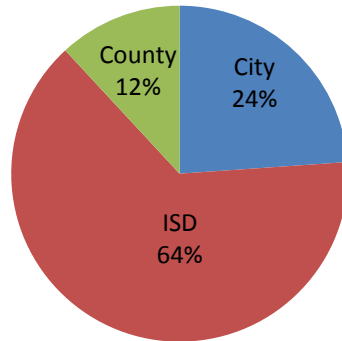
The average 2014 tax rate for the above listed Denton County cities was \$0.486282 per \$100 of assessed value. While every city has a different situation (structure of tax base, age of infrastructure, growth rates, etc.), one should note that larger cities such as Forth Worth, Dallas, Denton, The Colony, Little Elm and Carrollton with established retail and commercial tax bases have tax rates that exceed Oak Point's current tax rate.

The Denton County Central Appraisal District (DCAD) indicated that the average taxable value of a single family home in Oak Point in 2014 was \$231,015 compared to \$222,045 in 2013, \$223,008 in 2012, and \$221,234 in 2011. Based on the final certified values, the DCAD reports that the average market value of a home in Oak Point in 2015 is \$254,093 and the average taxable value of a home is \$249,848. The following tables illustrate the collective tax totals on the average taxable value of a single family home in Oak Point in 2011, 2012, 2013 and 2014 with projections for City taxes in 2015.

Denton ISD	Average Value of Single Family Home	City Taxes (and Tax Rate)	County Taxes (and Tax Rate)	School Taxes (and Tax Rate)	Collective Tax Bill
2011	\$221,234	\$1,268 (.573000)	\$614 (.277357)	\$3,385 (1.53)	\$5,266
2012	\$223,008	\$1,278 (.573000)	\$631 (.282867)	\$3,412 (1.53)	\$5,321
2013	\$222,045	\$1,272 (.573000)	\$633 (.284914)	\$3,397 (1.53)	\$5,302
2014	\$231,015	\$1,324 (.573000)	\$629 (.272200)	\$3,558 (1.54)	\$5,511
2015	\$249,848	\$1,407 (.563000)	\$680 (.262000)	\$3,848 (1.54)	\$5,935

Little Elm ISD	Average Value of Single Family Home	City Taxes (and Tax Rate)	County Taxes (and Tax Rate)	School Taxes (and Tax Rate)	Collective Tax Bill
2011	\$221,234	\$1,268 (.573000)	\$614 (.277357)	\$3,407 (1.54)	\$5,288
2012	\$223,008	\$1,278 (.573000)	\$631 (.282867)	\$3,434 (1.54)	\$5,343
2013	\$222,045	\$1,272 (.573000)	\$633 (.284914)	\$3,419 (1.54)	\$5,324
2014	\$231,015	\$1,324 (.573000)	\$629 (.272200)	\$3,558 (1.54)	\$5,511
2015	\$249,848	\$1,407 (.563000)	\$680 (.262000)	\$3,848 (1.54)	\$5,935

2014 Property Tax Rate Distribution



Note: Owners of homes located in Oak Point Water Control Improvement District 1 also paid an additional \$ 0.49 per \$100 of assessed value in 2014 – equating to \$794 on an average taxable value (\$161,996) of a home in WCID1.

STREET MAINTENANCE FUND

The Street Maintenance Fund is financed by a ¼ cent sales tax. Oak Point voters authorized the street maintenance sales tax in May 2006, May 2010, and most recently in May 2014. The use of these funds is restricted by State law for street maintenance purposes only. As has been done in recent years, it is proposed that the Public Works Department continue to use the annual sales tax collections from this tax to perform basic street repairs.

	FY 2012-2013 Actuals	FY 2013-2014 Actuals	FY 2014-2015 Budget	FY 2014-2015 Projections	FY 2015-2016 Adopted Budget
Revenue	\$23,393	\$27,217	\$25,394	\$25,394	\$28,996
Expenditures	-	-	\$30,000	-	\$100,000

ECONOMIC DEVELOPMENT CORPORATION FUND

The Economic Development Corporation (EDC) Fund is financed by a ½ cent sales tax. The use of these funds is restricted by State law for specific economic development purposes. The EDC budget has not yet been reviewed by the EDC. The EDC will likely review their budget at a meeting in August. Any changes requested by the EDC will be noted when the final budget is presented to the City Council.

Revenue from sales tax is being projected at an amount equal to the sales tax collected during the prior 12 months. Most of the adopted expenditures are related to the EDC’s retail recruitment efforts. These expenditures include marketing and promotional materials and expenses associated with attending conferences attended by national retailers. Other expenditures include the annual website maintenance fee.

	FY 2012-2013 Actuals	FY 2013-2014 Actuals	FY 2014-2015 Budget	FY 2014-2015 Projections	FY 2015-2016 Adopted Budget
Revenue	\$46,786	\$54,439	\$50,788	\$50,788	\$57,992
Expenditures	\$9,230	\$760	\$19,680	\$19,680	\$19,730

MUNICIPAL DEVELOPMENT DISTRICT (MDD) FUND

In May 2011, voters in Oak Point and the Oak Point extraterritorial jurisdiction (ETJ) voted to create the Oak Point Municipal Development District (MDD) and authorize a ¼ cent sales and use tax for the purpose of financing development projects beneficial to the MDD. Development projects are projects defined by Sections 505.151-505.158 of the Texas Local Government Code (the same projects authorized for the EDC) or a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, or auditorium, including parking areas or facilities that are used to park vehicles and that are located at or in the vicinity of other convention center facilities. Since the MDD began collecting sales tax revenue during FY2011-2012, no expenditures were incurred in the FY2011-2012, FY 2012-2013 and FY 2013-2014 budgets due to the small amount of revenue collected. The MDD spent \$16,250 to install signage at City Hall during FY 2014-2015. No funds have been budgeted for the FY 2015-2016 budget.

	FY 2012-2013 Actuals	FY 2013-2014 Actuals	FY 2014-2015 Budget	FY 2014-2015 Projections	FY 2015-2016 Adopted Budget
Revenue	\$34,841	\$33,919	\$35,867	\$35,867	\$36,346
Expenditures	-	-	\$16,500	\$16,250	-

VEHICLE REPLACEMENT FUND

In 2004, the City established a vehicle replacement policy and fund to set forth vehicle replacement criteria and to budget funds to replace old vehicles. The concept behind the vehicle replacement policy and fund involves annual transfers from the General Fund to the Vehicle Replacement Fund to prepare the City for the future expense of replacing older vehicles. The following chart lists the City's DPS and Public Works vehicles, the mileage of each vehicle, the general replacement criteria (in years and miles), estimated replacement costs, and the annual desired contribution to the Vehicle Replacement Fund for each vehicle. (The list does not include a 2008 Dodge Durango which was recently removed from the DPS fleet. This vehicle will occasionally be used by the City's Building/Court Clerk for inspections.)

Vehicle	Current Mileage (as of July 2015)	VRP Replacement Criteria		Estimated Replacement Cost of Vehicle and Equipment	Estimated Annual VRP Contribution
		Years	Mileage		
DPS / 2014 Dodge Charger (Patrol 260)	20,615	5	100,000	\$25,000	\$5,000
2012 Dodge Charger (Patrol 261)	41,970	5	100,000	\$25,000	\$5,000
2011 Ford Expedition (Patrol 262)	46,796	5	100,000	\$25,000	\$5,000

	2014 Dodge Charger (Patrol 263)	17,352	5	100,000	\$25,000	\$5,000
	2012 Dodge Charger (Patrol 264)	31,561	5	100,000	\$25,000	\$5,000
	2011 Ford Expedition (Patrol 265)	45,834	5	100,000	\$25,000	\$5,000
	Subtotal					\$30,000
Public Works	2003 Ford F150	86,281	7	100,000	\$24,000	\$3,429
	2008 Ford F250	27,580	7	100,000	\$24,000	\$3,429
	2007 Ford F150 Ext Cab	81,360	7	100,000	\$24,000	\$3,429
	1996 Ford F800 (dump truck)	31,810	10	50,000	\$50,000	\$5,000
	Subtotal					\$15,287
DPS / Fire	2008 Dodge 3500 (Rescue 631)	41,712	7	N/A	\$75,000	\$10,714
	2005 Freightliner (Engine 631)	3,181	15	N/A	\$245,000	\$16,333
	2007 Dodge 3500 (Brush 631)	17,087	12	N/A	\$52,000	\$4,333
	2001 International (Engine 632)	16,738	15	N/A	\$215,000	\$14,333
	Misc. Equipment					\$9,000
	Subtotal					\$54,713

Total – Annual Vehicle Replacement Fund Contribution						\$100,000
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While annual contributions to the Vehicle Replacement Fund have not always been made on a regular basis since 2004, the recent budgets have included transfers from the General Fund to the Vehicle Replacement Fund as follows: \$212,763 in FY 2011-2012, \$45,287 in FY 2012-2013, \$91,000 in FY 2013-2014 and \$91,000 in FY 2014-2015. The adopted budget for FY 2015-2016 includes a transfer of \$100,000 for the General Fund to the Vehicle Replacement Fund.

The City has budgeted to replace the 2003 Ford F150 in the Public Works Department at a cost of \$30,000 and the 2011 Ford Expedition in the Department of Public Safety at a cost of \$30,000 in the FY 2015-2016 budget. At the end of FY 2015-2016, the ending balance of the Vehicle Replacement Fund is projected to be \$462,403.

PARK DEVELOPMENT FUND

The Park Development Fund is used to track revenue from park dedication fees and contributions by developers for park purposes and to track expenditures involving the acquisition or development of a parks and recreation area.

In recent years, the City has made a number of improvements to Jake's Place Park, the City's park located north of the City's municipal complex. These improvements include a Jake's Place identification sign and fence; planting of a Christmas tree; installation of playground equipment and fall zones around the existing playground equipment; construction of a second baseball field and backstop; placement of soccer goals; installation of a dedication plaque recognizing the namesake of the park; installation of four new picnic tables under the pavilion; two permanent trash receptacles; and two benches near the playground area.

The proposed Capital Improvements Plan includes several park-related projects. Of these projects, improvements to the boat ramp and boat dock were listed as the highest priority. By the latter part of

2015, it is likely that park development fees will be collected from two pending projects which would result in the Park Development Fund balance increasing to over \$250,000. While the specific scope and cost of improvements to the boat ramp and boat dock have not yet been identified, \$200,000 has been included in the FY 2015-2016 adopted budget for the improvements. It should also be noted that any improvements to the boat ramp and dock will require approval by the Corps of Engineers since the boat ramp and dock are located on property leased from the Corps.

Summary

The City of Oak Point is a dynamic community with unique challenges. As a growing community, the City will need to work with utility providers and developers to provide infrastructure to undeveloped portions of the City. Efforts must also be focused on identifying creative approaches to extending infrastructure to commercial properties in order to attract and service retail, commercial and office developments that will diversify the City's tax base. At the same time, the City will face challenges to rehabilitate aging infrastructure in older areas of the City. The City is currently preparing a Capital Improvements Plan (CIP) to identify and prioritize capital improvement projects while also evaluating funding options for the projects. The FY 2015-2016 budget positions the City to fund some of the CIP projects by transferring money from the General Fund to the Capital Projects Fund. The City must also employ qualified personnel that can continue to provide existing services while doing their best to meet the demands for new and enhanced services. City leaders are committed to continuing to meet all of these challenges on a lean budget. Questions regarding the FY 2015-2016 budget may be directed to City Hall at (972) 294-2312.

City of Oak Point Strategic Plan

FY 2015-2016 Mission Statement, Guiding Goals, and Supporting Strategies

Mission Statement

The City of Oak Point desires to provide exceptional services, influence the development of a safe and vibrant community, and improve the quality of life of its citizens -- while not losing sight of its small town charm.

2015-2016 PRIMARY PRIORITIES

Continue Implementation of Capital Improvements Plan
Documentation of standard operating procedures
Economic Development
Park Improvements
Update IT

2015-2016 SECONDARY PRIORITIES

Code Enforcement
Continued emphasis on communication
Maintain financial transparency
Provide clean, attractive, and safe facilities

Guiding Goals with Supporting Strategies

- ✓ **Provide services with P.R.I.D.E. (professionalism, responsiveness, integrity, dedication, and efficiency).**
 - Update and/or prepare policies, procedures, and standard operation guidelines with specific attention to building inspections/permitting, court, emergency management, and finance.
 - Provide City facilities that are clean, attractive, safe, and efficient.
 - Evaluate City fees by comparing to fees of other cities.
 - Prepare a building permits manual for home builders and home owners.
 - Update and maintain the Code of Ordinances.
 - Improve the organization of the City's electronic files and catalog all hard files.
 - Prepare an internal inventory of ordinances, agreements, and contracts using LaserFiche.
- ✓ **Provide a safe community and protect people and property through the provision of progressive public safety programs.**
 - Update emergency management procedures.
 - Implement coffee with a cop program.
 - Participate in "National Night Out".
 - Consider enacting a process by which to issue a permit for special events that may involve the blocking or closing a public street, the need for temporary restroom facilities, the sale of food or alcohol on public property, and/or temporary signage.
- ✓ **Provide and maintain functional and sustainable infrastructure and facilities.**
 - Implement the Capital Improvements Plan and develop strategies to adequately fund street maintenance, capital improvements, and fixed assets.
 - Continuing to evaluate options to improve drainage facilities and fire flow.
 - Consider the implementation of thoroughfare impact fees to assist with the cost of street construction.
 - Encourage TxDOT's timely improvement of F.M. 720.
 - Work with infrastructure providers to improve quality of their systems.

- ✓ **Progressively and responsibly plan for future development and maintain existing neighborhoods through planning, land use, development, code enforcement, and revitalization programs.**
 - Enhance property maintenance through proactive code enforcement efforts.
 - Update the zoning ordinance, subdivision ordinance, sign code, and Comprehensive Plan as time and funding becomes available.
 - Evaluate updates to the City's building codes.
 - Consider adopting uniform water restrictions.

- ✓ **Provide a variety of recreational opportunities by maintaining and expanding the City's park system and through special events.**
 - Evaluate opportunities to acquire land for future parks and open spaces.
 - Continue to hold seasonal events (SpringFest, FreedomFest, and WinterFest) to encourage community involvement and interaction.
 - Make improvements to the boat ramp dock and surrounding area when funds become available.
 - Construct a trail and exercise stations within Jake's Place when funds become available.

- ✓ **Build a diversified tax base by supporting economic expansion and engaging in aggressive economic development efforts and activities.**
 - Continue economic development and retail recruitment efforts.
 - Prepare additional marketing materials.

- ✓ **Recruit, continually motivate, and retain educated and experienced employees.**
 - Make applicable training opportunities available to all City employees.
 - Strive to achieve a high level of employee morale.
 - Conduct in house trainings to further educate employees.

- ✓ **Provide a fiscally sound government through efficient budgeting, spending and resource management.**
 - Continue to demonstrate a high level of financial transparency by maintaining Gold certification through the Texas Comptroller's Leadership Circle program.
 - Implement an asset management program.
 - Seek available grants when appropriate.
 - Strive to design a budget that is eligible for the Government Finance Officers Association's Distinguished Budget Presentation Award.

- ✓ **Inform and seek input from citizens through a variety of communication efforts.**
 - Continue the quarterly distribution of the Country Place Bulletin (CPB) newsletter.
 - Continue to enhance the information available on the City's website.
 - Encourage citizens to automatically receive electronic copies of meeting agendas, information bulletins, and the CPB newsletter by entering their e-mail address on the City's website.
 - Meet with HOAs on an annual basis to review City's goals and objectives.
 - Maintain "Open Door" policy to answer all residents questions and concerns.

- Consider expanding communication efforts to include social media such as Facebook and Twitter.
- Explore opportunities to use PEG fees to offer video on demand for board, commission, and City Council meetings.