



# **FY 2016-2017**

# **Budget**

**(approved Monday, September 19, 2016)**

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 \$172,520 or 9.8%, and of that amount \$53,447 is tax revenue to be raised from new property added to the tax roll this year.



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## Budget

(approved September 19, 2016)

### 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)
- Keith Palmer (Mayor Pro Tem)
- Judith Camp (Deputy Mayor Pro Tem)
- Donald Lindemann
- John Lusk
- 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 (18)**

Director of Public Safety  
Sergeant  
Seven (7) Police Officers  
Nine (9) 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 Tuesday, July 12 and Tuesday, July 26, the City Manager filed a proposed budget with the City Secretary on Friday, July 29 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 2	Vote on proposed tax rate and schedule dates of public hearings on tax rate
Monday, August 15	1 <sup>st</sup> public hearing on tax rate and public hearing on budget
Tuesday, August 30	2 <sup>nd</sup> public hearing on tax rate
Monday, September 19	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](http://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 2016-2017 budget includes the following items to provide clean, attractive, safe, and efficient facilities:

- Public Works / Public Safety Canopy - \$15,000
- DPS Emergency Generator - \$32,000
- SCBA Cylinder Replacement - \$65,000
- Replacement of 4 Turn Out Gear for Fire - \$11,200
- EKG Monitor - \$8,000
- Workout Equipment - \$5,000
- Contract Mowing - \$12,000
- Boom Mower - \$25,000

- **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 proposed FY 2016-2017 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 proposed FY 2016-2017 budget includes \$5,500 (see 01-500-619630) 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 2016-2017. Accordingly, these projects are listed in the proposed Capital Projects Fund budget for FY 2015-2016 (see 95-100-613510). The Crescent Oaks Drainage Project has been pushed up the priority list after recent flooding. While the City of Oak Point has a cost estimate for this project, the project has not been bid out. Once we get actual numbers for the project, staff will confer with City Council on what projects will be appropriate with the remaining balance in the Capital Projects Fund.

- **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 proposed FY 2016-2017 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 proposed FY 2016-2017 budget includes \$12,050 for SpringFest, FreedomFest, and WinterFest (see 01-500-619516).

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

The proposed FY 2016-2017 budget includes \$300 to continue funding for the City's employee recognition program (see 01-100-619516). The FY 2016-2017 budget also includes a 3% salary increase for eligible employees and salary adjustments for DPS and Public Works employees.

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

The proposed FY 2016-2017 budget includes \$4,600 to continue the quarterly distribution of the CPB newsletter (see 01-500-616212). These costs are offset by approximately \$1,200 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 \$269,614,338 in FY 2013-2014, \$283,390,792 in FY 2014-2015 and \$312,558,290 in FY 2015-2016. The total of the final net taxable values for FY2016-2017 that were certified by the DCAD on July 22 is \$343,201,168. 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 22.

Due to the increase in property values, the City staff was able to maintain the City’s tax rate at \$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 \$0.527239 and the I&S rate will be \$0.035761 per \$100 of tax assessed value. When the M&O rate is applied to the total net taxable value of \$343,201,168, the M&O tax revenue in FY 2016-2017 is estimated to total \$1,791,396 compared to a budgeted amount of \$1,621,096 (which was budgeted at 98.5% of the certified value) in FY 2015-2016 and actual amounts of \$1,504,725 in FY 2014-2015 and \$1,410,266 in FY 2013-2014.

**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.

	<b>July 2010 thru June 2011</b>	<b>July 2011 thru June 2012</b>	<b>July 2012 thru June 2013</b>	<b>July 2013 thru June 2014</b>	<b>July 2014 thru June 2015</b>	<b>July 2015 thru June 2016</b>
July	8,718.01	9,044.23	10,901.97	14,365.27	14,769.58	28,494.60
August	13,117.11	11,473.22	17,540.39	18,084.18	18,598.77	21,056.94
September	10,141.73	8,763.66	14,180.60	13,950.65	15,231.57	19,429.42
October	11,008.77	9,785.86	10,944.76	12,310.68	15,849.54	19,389.04
November	11,194.36	12,589.79	14,276.63	15,758.65	15,781.04	18,893.17
December	8,630.49	8,482.78	13,101.05	13,043.17	15,499.43	18,612.35
January	8,695.48	8,500.09	11,743.89	12,530.63	14,947.58	19,552.73
February	11,816.57	13,195.21	17,203.43	17,554.93	24,166.70	22,244.21
March	12,760.67	9,125.24	11,062.09	12,734.66	17,544.76	19,877.89
April	9,148.33	8,732.66	14,036.14	14,980.82	16,384.01	18,122.26
May	11,662.92	14,858.67	14,548.10	19,829.40	18,575.20	20,844.24
June	9,446.20	13,534.21	14,586.18	12,615.62	15,625.75	18,406.82
<b>Totals</b>	<b>126,340.64</b>	<b>128,085.62</b>	<b>164,125.23</b>	<b>177,758.66</b>	<b>202,973.93</b>	<b>244,923.67</b>
<b>Monthly Average</b>	<b>10,528.39</b>	<b>10,673.80</b>	<b>13,677.10</b>	<b>14,813.22</b>	<b>16,914.50</b>	<b>20,410.31</b>

*(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, \$128,310 was received in revenue during the last 12 months which equates to \$10,693 per month.

### **General Fund Revenue - Permit Fees**

The number of building permits for new homes in Oak Point increased significantly from calendar year 2014 (56 single-family permits) to 2015 (155 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.

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 proposed FY 2016-2017 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 2015-2016 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 \$130,000 for FY 2016-2017 (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. On January 1, 2016 the fourth amendment became effective and the annual payments were increased to \$204,000 (\$51,000/quarter). Starting on January 1, 2017 the annual payments will be \$237,000 (\$59,250/quarter). The proposed budget includes \$228,750 (see 01-48-480330) of revenue resulting from the agreement.

## **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. The FY 2016-2017 is projected to be generally consistent with the total revenue collected during FY 2015-2016 budget (see 01-46-460100 and 60-57-570100 through 60-57-572500) of revenue from fines.

## **General Fund Revenue - Summary**

The proposed FY 2016-2017 budget currently includes a total of \$3,179,004 of projected revenue in the General Fund compared to a budgeted amount of \$2,703,679 in FY 2015-2016 and actual amounts of \$2,979,183 in FY 2014-2015, \$2,463,327 in FY 2013-2014, and \$2,188,983 in FY 2012-2013. 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 proposed FY 2016-2017 budget of the General Fund include:

- Fund balance transfers of \$200,000 to the Capital Projects Fund and \$100,000 to the Vehicle Replacement Fund;
- Canopies for Public Safety and Public Works vehicles and equipment;
- SCBA replacements for Public Safety;
- Emergency generator for Public Safety;
- EKG monitor replacement for Public Safety;
- Addition of (3) Full-time Firefighters;
- Salary adjustments for employees in Public Safety;
- Salary adjustments for employees in Public Works;
- Boom mower for Public Works;
- Contract mowing services for Public Works; and
- A 3% increase in salaries.

Aside from routine operating and maintenance expenses, the proposed FY 2016-2017 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 proposed FY 2016-2017 budgets for departments financed by the General Fund include a total of \$2,878,791 of expenditures (not including proposed transfers to the Capital Projects Fund and Vehicle Replacement Fund) compared to a budgeted amount of \$2,415,096 in FY 2015-2016 and actual amounts of \$2,264,816 in FY 2014-2015, \$1,804,018 in FY 2013-2014, and \$1,798,317 in FY 2012-2013.

### **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 proposed FY 2016-2017 budget includes a Contingency/Reserve Fund of \$719,698, an amount that is equal to 25% of the proposed 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, the FY 2014-2015 budget included a transfer of \$145,000 and the FY 2015-2016 budget included a transfer of \$173,000. The transfers demonstrated the City's intention to use the funds towards future capital projects. Accordingly, the FY 2016-2017 budget shows an additional proposed transfer of \$200,000 from the General Fund to the Capital Projects Fund resulting in a total of \$1,168,000 that could be used for various capital improvement 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) \$95,000
- 1998 General Obligation bond (interest) \$9,750
- 2004 Freightliner/Engine 1 \$16,985

The City's 2015 tax rate was \$0.563 per \$100 of taxable assessed value with an I&S rate of \$0.039107 to support the City's current debt load. Until the total assessed values for FY 2016-2017 are finalized, City staff is unable to identify the exact I&S rate. However, City staff has inserted an estimated I&S

rate of \$0.035769 per \$100 of assessed value into the proposed budget until the total assessed values are certified and the effective tax rate can be calculated.

The following chart provides a comparison of Denton County cities and their 2012, 2013, 2014, and 2015 tax rates.

City	2011 Total Tax Rate	2012 Total Tax Rate	2013 Total Tax Rate	2014 Total Tax Rate	2015 Total Tax Rate	% Increase/Decrease from 2014 to 2015
Argyle	0.3975	0.3975	0.3975	0.3975	0.3975	0.00%
Aubrey	0.610399	0.63031	0.62113	0.588482	0.566997	-3.65%
Bartonville	0.19294	0.19294	0.19294	0.19294	0.19294	0.00%
Carrollton	0.617875	0.617875	0.617875	0.615375	0.612875	-0.41%
Celina	0.645	0.645	0.645	0.645	0.645	0.00%
Coppell	0.69046	0.67046	0.6375	0.60649	0.584	-3.71%
Copper Canyon	0.301713	0.301713	0.297505	0.297505	0.297505	0.00%
Corinth	0.59135	0.60489	0.60489	0.59489	0.58489	-1.68%
Corral City	0.25	0.25	0.25	0.25	0.187193	-25.12%
Dallas	0.797	0.797	0.797	0.797	0.797	0.00%
Denton	0.68975	0.68975	0.68975	0.68975	0.68975	0.00%
Dish	0.195413	0.195413	0.195413	0.202738	0.25	23.31%
Double Oak	0.22481	0.22481	0.22481	0.22481	0.2324	3.38%
Flower Mound	0.4497	0.4497	0.4497	0.439	0.439	0.00%
Fort Worth	0.855	0.855	0.855	0.855	0.855	0.00%
Frisco	0.46191	0.46191	0.46191	0.46191	0.46	-0.41%
Grapevine	0.348	0.345695	0.3425	0.332439	0.328437	-1.20%
Hackberry	0.476627	0.485663	0.462737	0.450397	0.40096	-10.98%
Haslet	0.304645	0.320869	0.320869	0.292785	0.285693	-2.42%
Hickory Creek	0.424287	0.424287	0.416882	0.401367	0.401367	0.00%
Highland Village	0.56963	0.56963	0.56963	0.56963	0.56963	0.00%
Justin	0.64261	0.66	0.66	0.66	0.66	0.00%
Krugerville	0.37	0.4	0.4	0.38945	0.395501	1.55%
Krum	0.633855	0.633855	0.633855	0.647489	0.647489	0.00%
Lake Dallas	0.71	0.71	0.701929	0.701929	0.668068	-4.82%
Lakewood Village	0.25	0.25	0.25	0.3	0.3	0.00%
Lewisville	0.44021	0.44021	0.44021	0.436086	0.436086	0.00%
Little Elm	0.664971	0.664971	0.664971	0.664971	0.661687	-0.49%
Northlake	0.295	0.295	0.295	0.295	0.295	0.00%
<b>Oak Point</b>	<b>0.573</b>	<b>0.573</b>	<b>0.573</b>	<b>0.573</b>	<b>0.563</b>	<b>-1.75%</b>
Pilot Point	0.68	0.68	0.68	0.644349	0.599131	-7.02%
Plano	0.4886	0.4886	0.4886	0.4886	0.4886	0.00%

Ponder	0.412414	0.45351	0.538873	0.563485	0.64415	14.32%
Prosper	0.52	0.52	0.52	0.52	0.52	0.00%
Roanoke	0.37512	0.37512	0.37512	0.37512	0.37512	0.00%
Sanger	0.633049	0.633049	0.665	0.6795	0.6795	0.00%
Shady Shores	0.312783	0.314625	0.314625	0.314625	0.314625	0.00%
Southlake	0.462	0.462	0.462	0.462	0.462	0.00%
The Colony	0.683	0.68	0.6775	0.6725	0.67	-0.37%
Trophy Club	0.53	0.518543	0.4993	0.49	0.484	-1.22%
Westlake	0.15684	0.15684	0.15684	0.15634	0.15634	0.00%
<b>Average Rate</b>	<b>0.486036</b>	<b>0.488774</b>	<b>0.488960</b>	<b>0.486328</b>	<b>0.482889</b>	<b>-0.71%</b>

The average 2015 tax rate for the above listed Denton County cities was \$0.482889 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 2015 was \$250,510 compared to \$231,015 in 2014, \$222,045 in 2013, and \$223,008 in 2012. Based on *preliminary* values, DCAD shows the average home values in Oak Point in 2016 as approximately \$269,808. This number is likely to decrease as protested values are settled. 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, 2014 and 2015 with projections for City taxes in 2016.

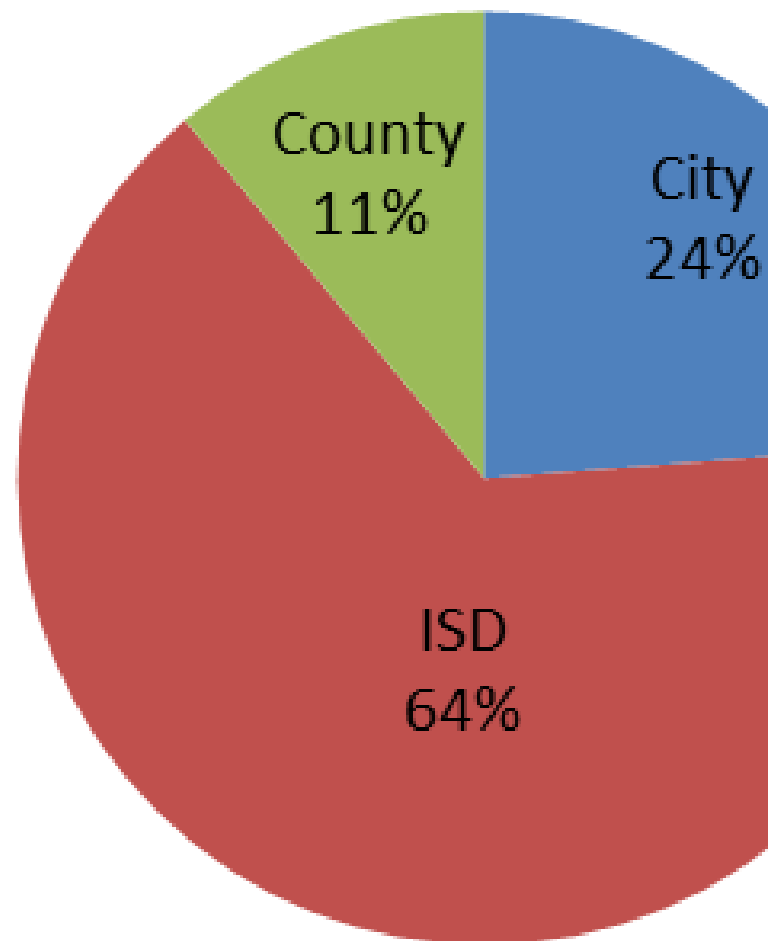
Denton ISD	Average Value of Single Family Home	City Taxes (and Tax Rate)	County Taxes (and Tax Rate)	School Taxes (and Tax Rate)	Collective Tax Bill
<b>2011</b>	\$221,234	\$1,268 (.573000)	\$614 (.277357)	\$3,385 (1.53)	\$5,266
<b>2012</b>	\$223,008	\$1,278 (.573000)	\$631 (.282867)	\$3,412 (1.53)	\$5,321
<b>2013</b>	\$222,045	\$1,272 (.573000)	\$633 (.284914)	\$3,397 (1.53)	\$5,302
<b>2014</b>	\$231,015	\$1,324 (.573000)	\$629 (.272200)	\$3,558 (1.54)	\$5,511
<b>2015</b>	\$250,510	\$1,410 (.563000)	\$656 (.262000)	\$3,858 (1.54)	\$5,924
<b>2016</b>	\$269,808	\$1,519 (.563000)			

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
<b>2011</b>	\$221,234	\$1,268 (.573000)	\$614 (.277357)	\$3,407 (1.54)	\$5,288
<b>2012</b>	\$223,008	\$1,278 (.573000)	\$631 (.282867)	\$3,434 (1.54)	\$5,343
<b>2013</b>	\$222,045	\$1,272 (.573000)	\$633 (.284914)	\$3,419 (1.54)	\$5,324
<b>2014</b>	\$231,015	\$1,324 (.573000)	\$629 (.272200)	\$3,558 (1.54)	\$5,511

<b>2015</b>	\$250,510	\$1,410 (.563000)	\$656 (.262000)	\$3,858 (1.54)	\$5,924
<b>2016</b>	\$269,808	\$1,519 (.563000)			

The following pie chart shows the percentage distribution of one's 2015 tax bill in Oak Point.

# 2015 Property Tax Rate



**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.

	<b>FY 2013-2014 Actuals</b>	<b>FY 2014-2015 Actuals</b>	<b>FY 2015-2016 Budget</b>	<b>FY 2015-2016 Projections</b>	<b>FY 2016-2017 Proposed Budget</b>
<b>Revenue</b>	\$27,217	\$32,858	\$28,996	\$28,996	\$34,989
<b>Expenditures</b>	-	-	\$100,000	-	\$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 proposed 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.

	<b>FY 2013-2014 Actuals</b>	<b>FY 2014-2015 Actuals</b>	<b>FY 2015-2016 Budget</b>	<b>FY 2015-2016 Projections</b>	<b>FY 2016-2017 Proposed Budget</b>
<b>Revenue</b>	\$54,439	\$65,716	\$57,992	\$57,992	\$69,978
<b>Expenditures</b>	\$760	\$825	\$19,730	\$19,730	\$16,780

**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. No funds have been budgeted for the FY 2016-2017 budget.

	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>	<b>FY 2015-2016</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>

	Actuals	Actuals	Budget	Projections	Proposed Budget
Revenue	\$33,919	\$39,628	\$36,346	\$36,346	\$46,191
Expenditures	-	\$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 2011 Ford Expedition 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 2016)	VRP Replacement Criteria		Estimated Replacement Cost of Vehicle and Equipment	Estimated Annual VRP Contribution
			Years	Mileage		
DPS / Police	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
	2016 Ford Explorer (Patrol 265)	45,834	5	100,000	\$25,000	\$5,000
					<b>Subtotal</b>	<b>\$30,000</b>
Public Works	2003 Ford F150	90,174	7	100,000	\$24,000	\$3,429
	2008 Ford F250	30,022	7	100,000	\$24,000	\$3,429
	2007 Ford F150 Ext Cab	92,819	7	100,000	\$24,000	\$3,429
	1996 Ford F800 (dump truck)	32,308	10	50,000	\$50,000	\$5,000
					<b>Subtotal</b>	<b>\$15,287</b>
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
					<b>Subtotal</b>	<b>\$45,713</b>

<b>Total – Annual Vehicle Replacement Fund Contribution</b>	<b>\$91,000</b>
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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, \$91,000 in FY 2014-2015 and \$100,000 in FY 2015-2016. The proposed budget for FY 2016-2017 includes another transfer of \$100,000 from the General Fund to the Vehicle Replacement Fund.

The City has proposed to replace the 2003 Ford F150 in the Public Works Department in FY 2016-2017 budget at a cost of \$30,000 and the 2001 International Fire Engine at a cost of \$300,000. At the end of FY 2016-2017, the ending balance of the Vehicle Replacement Fund is projected to be \$192,403.

**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 PARC’s Board has tasked City staff this past year to identify additional playground equipment and a new artificial turf to be installed under the new equipment and existing playground equipment. The funds for this project will come out of the Park Development Fund. City staff anticipates the equipment to be installed in the spring of 2017 or sooner.

**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 2016-2017 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 2016-2017 budget may be directed to City Hall at (972) 294-2312.



## City of Oak Point Strategic Plan

### FY 2016-2017 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.

<b>2016-2017 PRIMARY PRIORITIES</b>	<b>2016-2017 SECONDARY PRIORITIES</b>
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Continue Implementation of Capital Improvements  
Plan  
Documentation of standard operating procedures  
Economic Development  
Park Improvements

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.
  - Purchase playground equipment and artificial turf 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.