

# BUDGET IN BRIEF

FISCAL YEAR 2023-2024

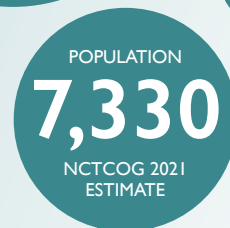
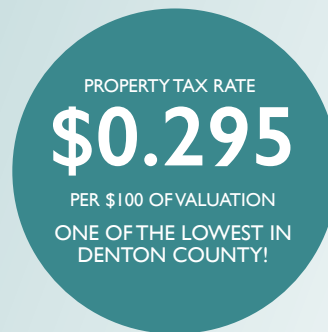
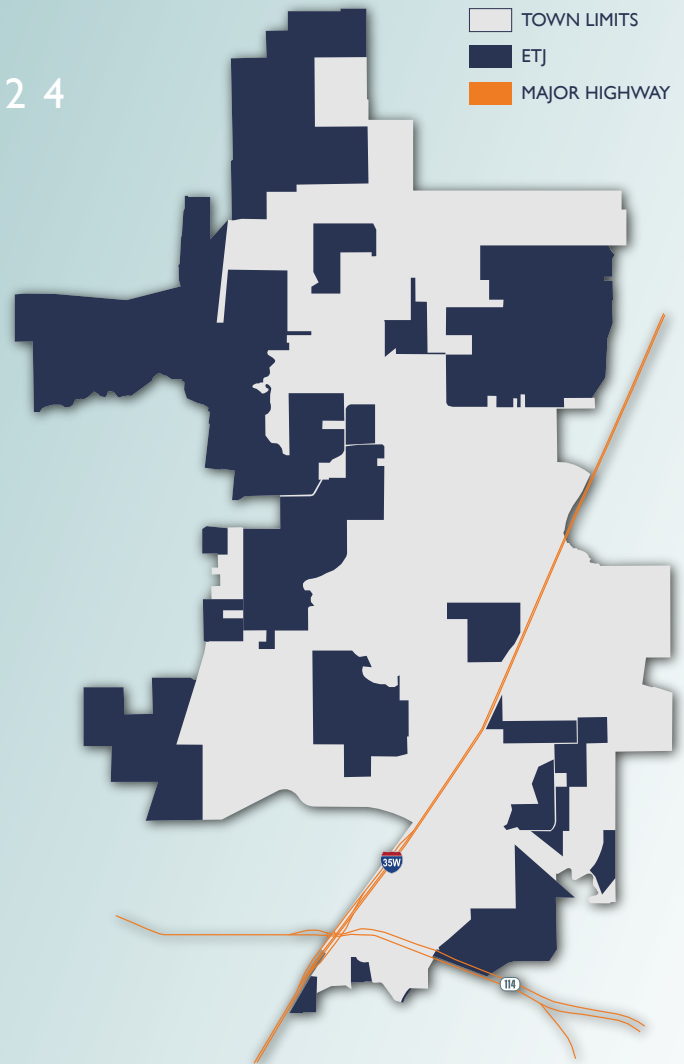


# COMMUNITY PROFILE

FISCAL YEAR 2023-2024

Northlake is a growing community located in the southwest corner of Denton County, Texas along Interstate Highway 35W and State Highway 114, between Fort Worth and Denton, and just 15 miles from the Dallas/Fort Worth International Airport (DFW). Northlake benefits from its location in the Dallas/Fort Worth Metroplex, the 4th largest metropolitan area in the United States.

The Town of Northlake was incorporated on December 28, 1960. At that time Northlake consisted of only a number of ranches and not much else. In fact, after existing nearly 10 years as a town, the 1970 census recorded the population of Northlake as being only 20 people. The motivation to incorporate was to keep nearby cities from annexing the land. Although the town has grown considerably since its inception and more growth is sure to come, Northlake continues to value its rural heritage as it grows as a part of one of the fastest growing regions in the United States.



# KEY OFFICIALS

## TOWN COUNCIL



**David Rettig**  
*Mayor*



**Brian Montini**  
*Mayor Pro Tem, Place 3*



**Robert Keeker**  
*Council Member, Place 1*



**Michael Ganz**  
*Council Member, Place 2*



**Roger Sessions**  
*Council Member, Place 4*



**Maryl Lorencz**  
*Council Member, Place 5*



**Aaron Fowler**  
*Council Member, Place 6*

## TOWN STAFF



**Drew Corn**  
*Town Manager*



**Nathan Reddin**  
*Development Director*



**Eric Tamayo**  
*Public Works Director*



**John Zagurski**  
*Finance Director*



**Robert Crawford**  
*Police Chief*



**LeAnn Oliver**  
*Court Administrator*



**Zolaina Parker**  
*Town Secretary*



**Chance Willeford**  
*Director of Administrative Services*

Scan the code for the  
Northlake Staff Directory.



# TOWN OVERVIEW

## OUR VISION

Northlake is a distinctive hometown that welcomes promising opportunities while respecting and preserving our rural lifestyle.

## OUR MISSION

The Town of Northlake delivers exceptional quality of life through responsive, effective, and affordable core services.

## OUR CORE VALUES

Service • Integrity • Trust • Excellence

## STRATEGIC GOALS

Protect the Public



Exercise Fiscal Sustainability



Plan Intentionally and Responsibly



Invest in Infrastructure



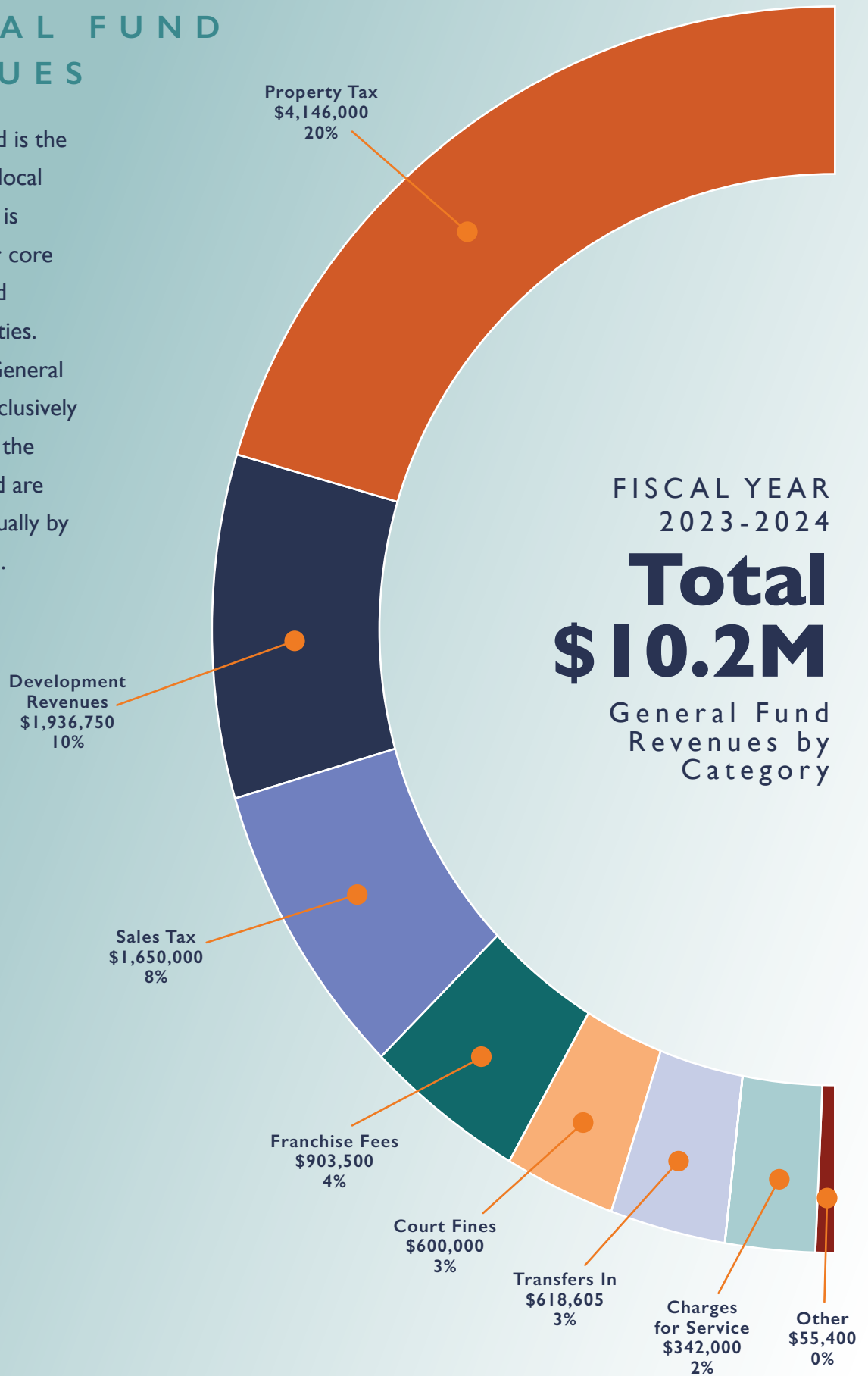
Advance Northlake's Interests



Promote Economic Vitality

# GENERAL FUND REVENUES

The General Fund is the primary fund for local governments and is utilized to pay for core administrative and operational activities. Funds from the General Fund are used exclusively for the benefit of the general public and are appropriated annually by the Town Council.

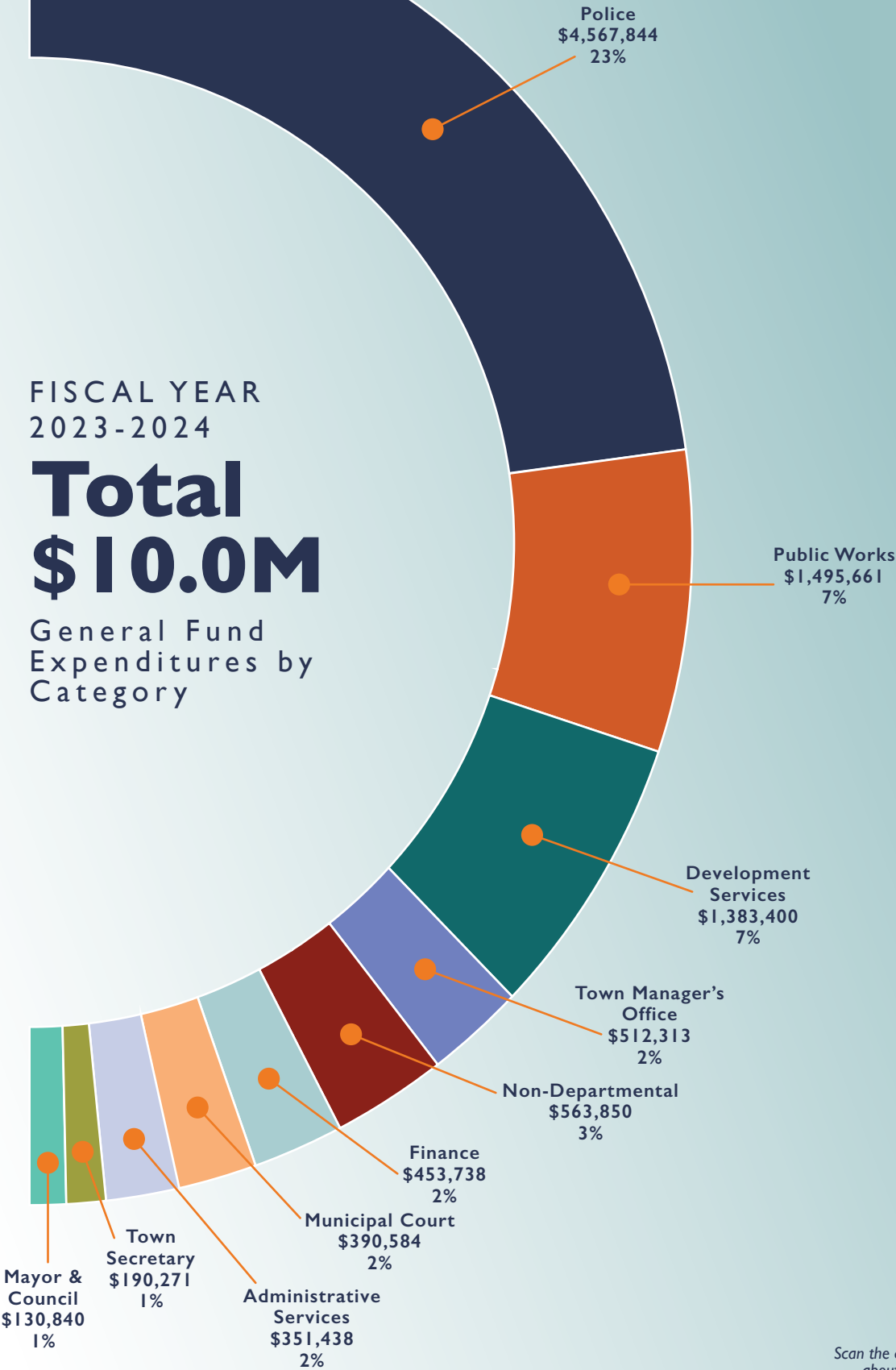


# GENERAL FUND EXPENDITURES

FISCAL YEAR  
2023-2024

# Total \$10.0M

General Fund  
Expenditures by  
Category



Scan the code to learn more  
about the General Fund.



# PROPERTY TAXES

Often considered the price tag of local government, property taxes are paid by both residential homeowners and commercial entities. Property tax is a key revenue source for the General Fund and is expected to generate more than \$4.1 million in revenues for services, operations, and debt. For Fiscal Year 2024, property taxes will be split 40/60, with 40% being used to pay down debt and 60% to fund services and operations.

A great benefit of living in Northlake is the Town’s low property tax rate. Keeping the tax rate low and reducing the tax burden for residents is a priority for the Town Council. Northlake’s tax rate is \$0.295 per \$100 dollars of value, making Northlake’s tax rate one of the lowest in the region.

Northlake’s strategy for maintaining a low tax rate includes keeping operation costs low, growing and utilizing additional revenues sources, and ensuring that commercial entities share the tax burden by maintaining, at a minimum, a 50/50 taxable value split between commercial and residential.

**NORTHLAKE  
PROPERTY TAX  
FACTS**

**Tax Rate**  
\$0.295 per \$100 in Value

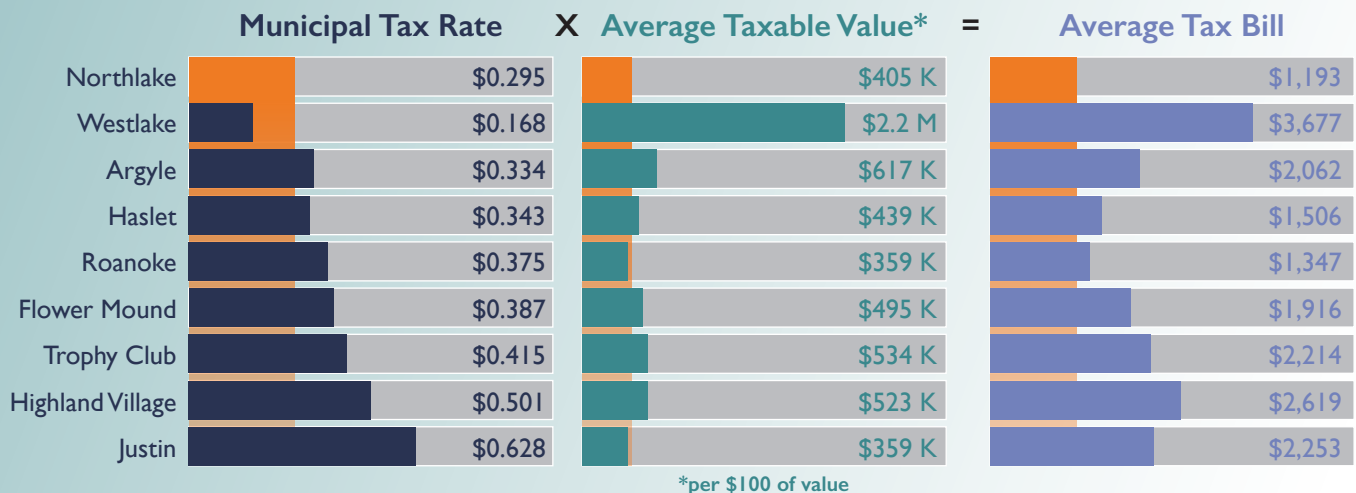
**\$4.1 Million**  
In FY2024 Property Tax Revenues

**53/47  
Taxpayer Split**  
Commercial is 53% of taxable value while residential is 47%

**40% of General Fund Revenues**  
Property taxes are 40% of collected General Fund Revenues

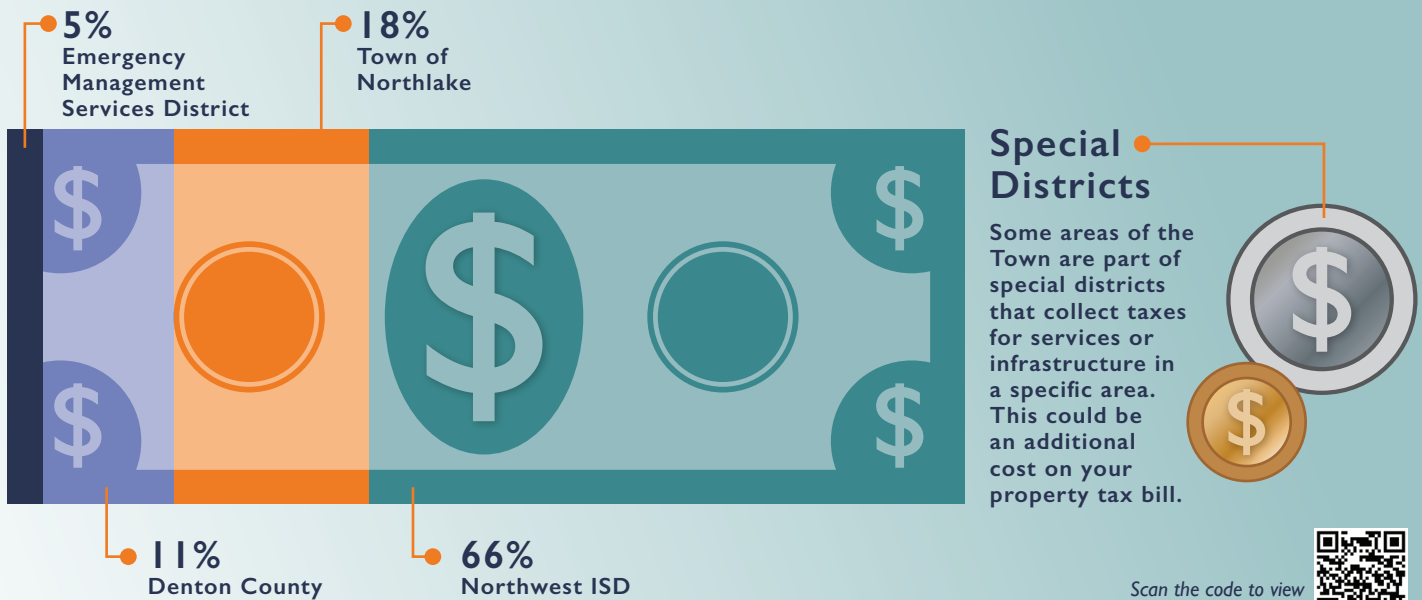
# HOW DO YOUR PROPERTY TAXES COMPARE?

Tax bills for homeowners are calculated by multiplying the municipal tax rate against every \$100 dollars of taxable value for a home. When compared to other municipalities in the region, not only does Northlake have one of the lowest tax rates, but it also has one of the lowest average tax bills. By keeping the tax rate low, the Town Council has helped to offset rising home values to ensure that Northlake residents continue to enjoy lower tax bills than neighboring cities.



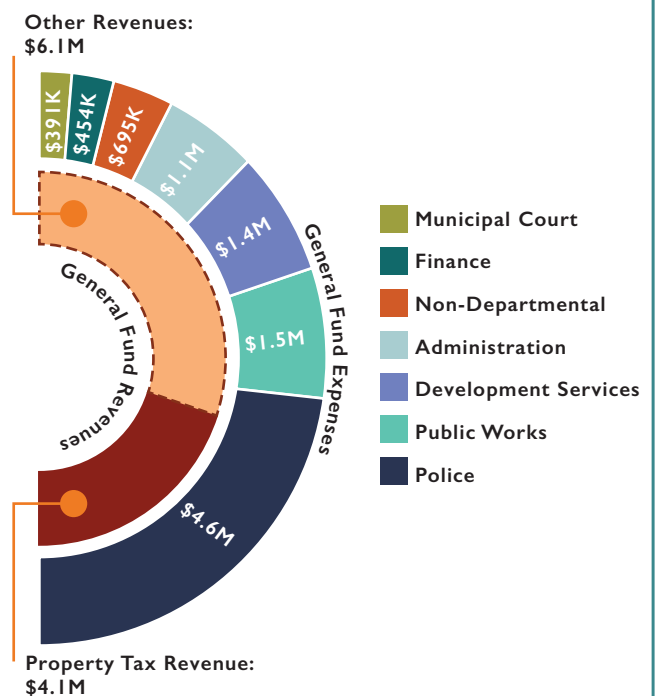
# WHAT MAKES UP YOUR PROPERTY TAX BILL?

Your property tax bill consists of various taxing agencies, each of which have set their own rate. Taxing entities for those living in Northlake include Northwest ISD, Denton County, the Town of Northlake, and the Emergency Service District. Adding an additional level of complexity to your bill are special districts. These districts levy a property tax on residents within a specific area and help provide services and/or infrastructure to a specific area of the Town. Not all residents live in a special taxing district. The existence of these districts allows resources to flow directly to an area and reduces the Town's overall operating costs, thus allowing the Town to maintain a low tax rate.



# WHAT DO PROPERTY TAXES COVER?

Property taxes go directly to paying for Town operations and services via the General Fund. Because of the Town's low tax rate, property taxes from both residential and commercial taxpayers falls short of covering service and operational costs. In Fiscal Year 2024 property taxes will only generate enough revenue to cover 41% of general fund expenditures, leaving millions of dollars in Town services and operations left unfunded. This funding gap is filled by additional revenue sources including sales taxes, franchise fees, development fees and permits, municipal court fines and fees, and transfers from other funds.





# SALES TAXES

Sales tax is another opportunity to keep property tax low for Northlake residents. Sales tax allows Northlake to pass along part of the Town’s tax burden to people living outside the Town. This is accomplished by developing commercial and retail properties, such as restaurants, shopping areas, or a sports venue, that attract outside visitors and allows the Town to capture sales tax revenue from purchases by both residents and non-residents.

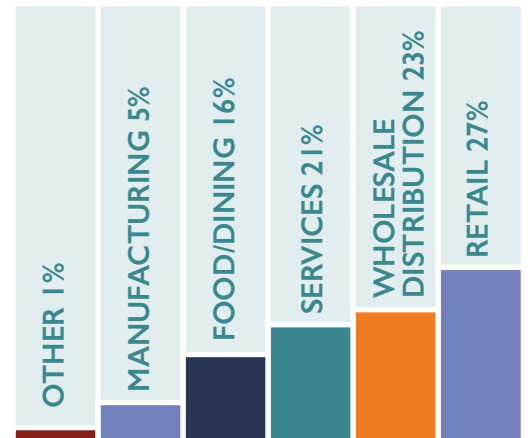
Northlake imposes a 2% sales tax and expects that the Town will generate \$3.25 million in sales tax revenue in FY 2024. This revenue is split between three different “buckets”: the General Fund, the Economic Development Corporation (EDC), Community Development Corporation (CDC), and the future sports venue project.

Like property taxes, sales taxes diverted to the General Fund are used to pay for Town operations and services, while funds diverted to the other buckets are focused on economic and community development activities within the Town.



# WHERE DO SALES TAXES COME FROM?

While sales taxes are derived from a variety of sources, the Town relies on 5 primary industries: physical and online retail, wholesale, food and dining services, general and professional services, and manufacturing suppliers. Sales tax revenue is primarily generated by two locations within the Town: Northlake Commons and the commercial and warehouse sector located in the south.



## TOP 10 SALES TAXPAYERS

COMPANY	INDUSTRY
Crown Equipment	Wholesale Distribution
Texas Roadhouse	Food/Dining
Walgreens	Retail
Amazon	Retail
Rosa’s Cafe	Food/Dining
Smyrna Concrete	Manufacturing
Quick Trip	Retail
CoServe Electric	Services
SliverCloud Investments	Retail
Tealstone Concrete	Manufacturing

# FEES & PERMITS

After taxes, fees and permits represent the largest source of revenue for the general fund. In FY 2024, the Town expects to collect \$3.4 million in fees and permit revenue. The primary source of fee and permit revenue are Development Fees and Permits. This source accounts for 56% of fee and permit revenue, which presents a challenge to the Town. Fee and permit revenue from development is highly reliant on trends in new construction, meaning that any decline in new construction has the potential to impact fee and permit revenue. The Town anticipates fee and permit revenue to decline in FY 2024 as new construction of single-family homes declines.



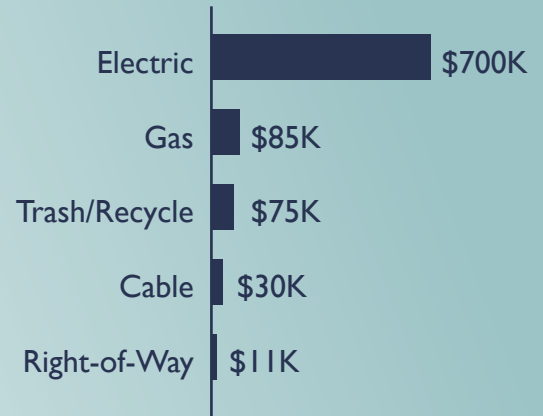
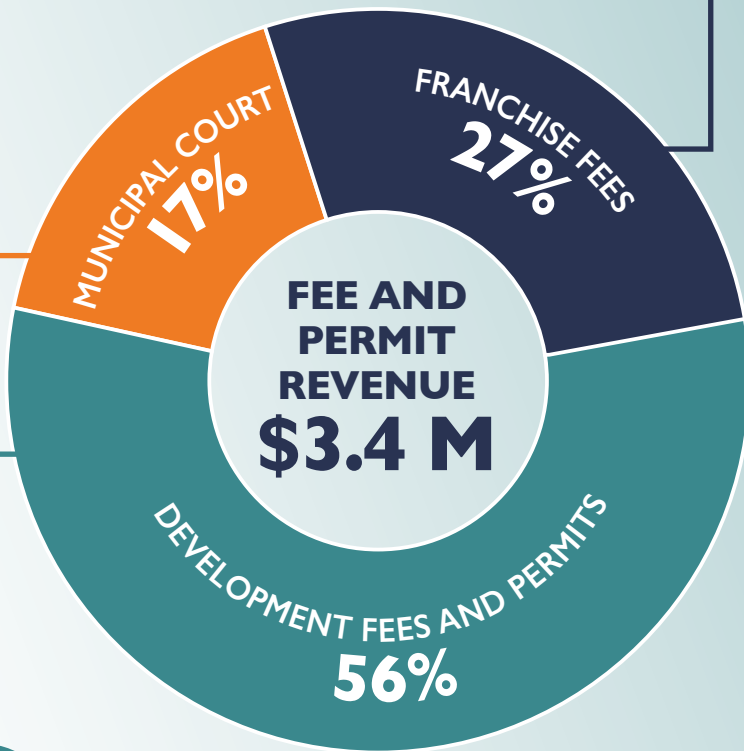
## MUNICIPAL COURT

Municipal court collects fines and fees for warrants, traffic violates, and online access fees for payment.



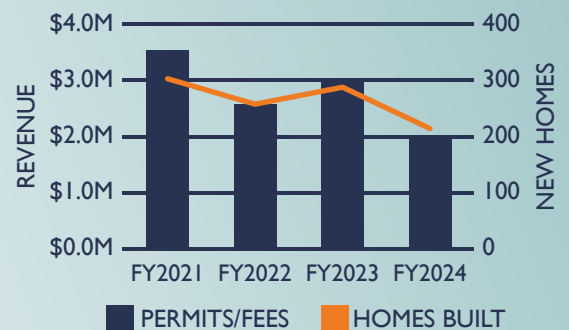
## FRANCHISE FEES

Franchise fees are charged by a government for the use of public rights-of-way or for the right to provide a public good or service.



## DEVELOPMENT FEES & PERMITS

The Development Services charges for permits and fees for plan reviews, administrative processing, inspections, and building permits. Revenue from permits and fees are considered one-time revenue and are used for one-time costs. This revenue source is influenced heavily by the amount of new construction in the Town.



# CAPITAL IMPROVEMENT PROJECTS

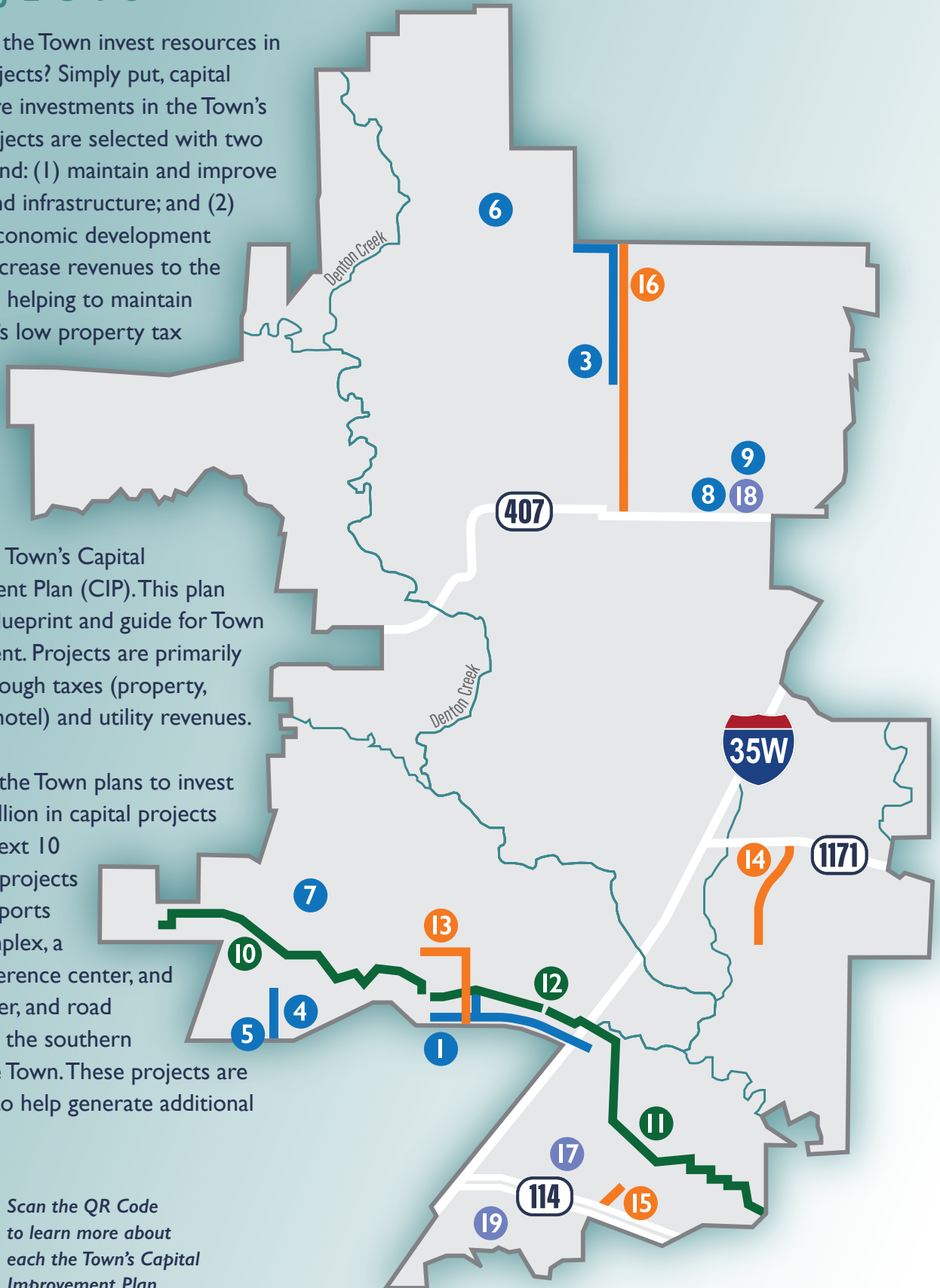
Why does the Town invest resources in capital projects? Simply put, capital projects are investments in the Town's future. Projects are selected with two goals in mind: (1) maintain and improve services and infrastructure; and (2) invest in economic development that will increase revenues to the Town, thus helping to maintain Northlake's low property tax rate.

Selected capital projects become part of the Town's Capital Improvement Plan (CIP). This plan acts as a blueprint and guide for Town development. Projects are primarily funded through taxes (property, sales, and hotel) and utility revenues.

Currently, the Town plans to invest \$169.9 million in capital projects over the next 10 years. Key projects include a sports venue complex, a hotel conference center, and water, sewer, and road projects in the southern area of the Town. These projects are expected to help generate additional revenue.



Scan the QR Code to learn more about each the Town's Capital Improvement Plan



Water Projects	Cost	Funding Source
1 Catherine Branch - Phase I	\$5.6 M	Property Tax
2 Cellular Meter Upgrade*	\$2.5M	Utility Revenue
3 Faught Road Waterlines	\$5 M	Utility Revenue
4 Ft. Worth Additional Capacity	\$6.5 M	Property Tax
5 Ft. Worth Second Point of Delivery	\$2.5 M	Property Tax
6 Northwest Water Tower	\$12M	Utility Revenue
7 Southwest Water Tower	\$6 M	Utility Revenue
8 Second Ground Water Storage Tank	\$2.3 M	Utility Revenue
9 Third Ground Water Storage Tank	\$2.3 M	Utility Revenue

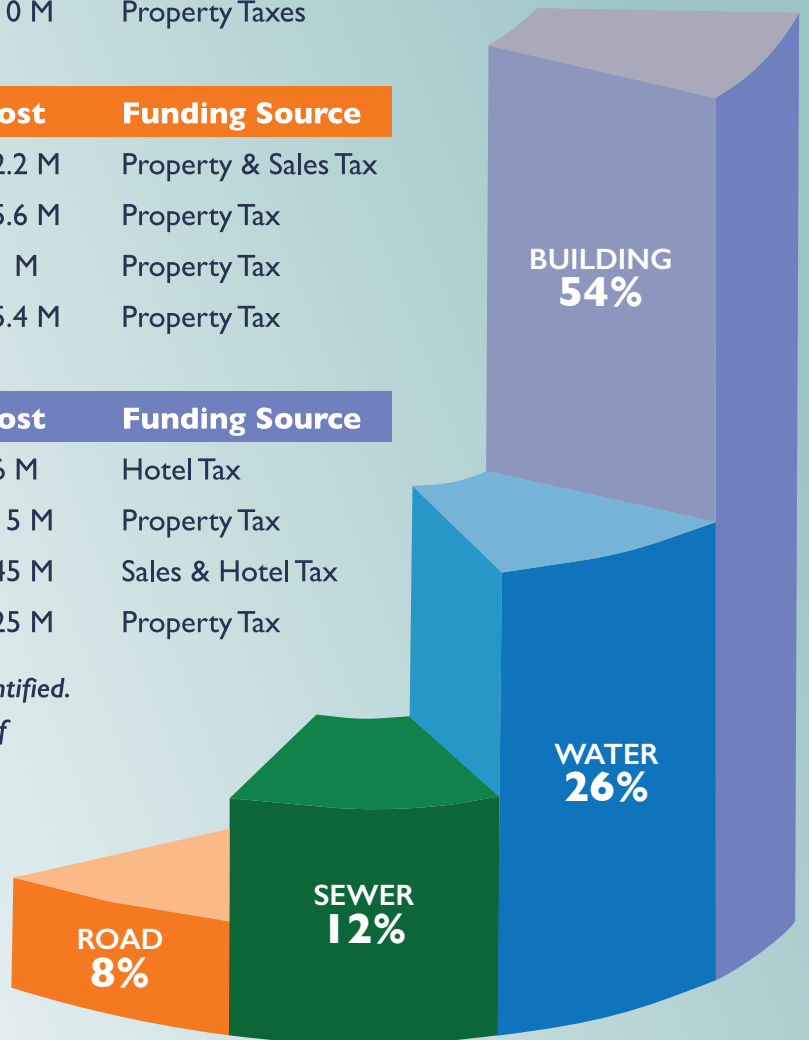
Sewer Projects	Cost	Funding Source
10 Catherine Branch - Phase 2	\$8 M	Property Taxes
11 Denton Creek Trunk Line Engineering	\$2 M	Utility Revenues**
12 Wastewater Treatment Plant Expansion	\$10 M	Property Taxes

Road Projects	Cost	Funding Source
13 Catherine Branch - Phase I	\$2.2 M	Property & Sales Tax
14 Cleveland Gibbs South	\$5.6 M	Property Tax
15 Dale Earnhardt Way South	\$1 M	Property Tax
16 Faught Road	\$5.4 M	Property Tax

Building Projects	Cost	Funding Source
17 Hotel Conference Center	\$6 M	Hotel Tax
18 Public Works Building	\$15 M	Property Tax
19 Sports Venue	\$45 M	Sales & Hotel Tax
20 Town Hall & Police Facility*	\$25 M	Property Tax

\*Projects are Townwide, or a site has not been identified.

\*\* Project cost will be discounted from total cost of future project phases.



**10-YEAR CAPITAL  
PROJECT COST TOTAL  
\$169.9M**

# PUBLIC SAFETY SPENDING WHERE DOES THE MONEY GO?

Northlake's funds for public safety are primarily devoted to providing Police services. In Fiscal Year 2024, the budget for the Police Department is \$4.5 million and represents 45% of money spent from the General Fund.

So how does the Town of Northlake utilize this funding? The Town uses funds to provide services that include patrolling the Town, investigating crimes, purchasing and maintaining equipment, conducting general day-to-day and administrative operations, and the provision of animal control and school crossing guard services.

Most police expenditures are dedicated to Police Patrol Services. This service makes up 47% of police spending and includes the cost of officers. Total costs for fielding an officer amount to more than \$190,000. Direct costs (salary, benefits, and vehicles) for an officer are 72% of total costs while indirect costs (training, uniforms, fuel, equipment, and technology costs) are 28%.



## POLICE PATROL SERVICES

Patrol services are the primary driver of costs for public safety. This service includes many of the traditional community facing police services including patrolling neighborhoods, responding to calls, and deterring crime.



## GENERAL OPERATIONS

Providing adequate public safety services requires operational support staff and resources. General operations include staff and resources for administrative tasks, reporting, training, maintenance, and office space and equipment.



## CRIMINAL INVESTIGATIONS

Criminal investigators play a critical role in solving crimes and bringing justice to those affected by crime. These trained fact finders navigate documents and physical evidence to determine if a crime was committed and who committed it.



POLICE BUDGET  
**\$4.5M**

POLICE PATROL SERVICES | **47%**

# QUALITY SERVICE AT A LOW COST

The Town Council has challenged Northlake to providing core community services at a high level while maintaining a low cost of service to residents. Compared to other municipalities, Northlake has succeeded at this task. The Town works to provide Police services at a low per household cost. This will be accomplished in Fiscal Year 2024 by maintaining current Police staffing levels and the addition of new technology and equipment that will aid officers and staff in providing quality service for the Town.

## COST PER HOUSEHOLD FOR POLICE SERVICES

KRUM	\$481.58
<b>NORTHLAKE</b>	<b>\$542.96</b>
ROANOKE	\$554.03
FLOWER MOUND	\$596.28
JUSTIN	\$643.56
PONDER	\$687.80
TROPHY CLUB	\$818.85
ARGYLE	\$832.72

Scan the code to learn more about the General Fund.



### CROSSING GUARDS

The Town employs 4 part-time crossing guards for schools in Northlake.



### VEHICLES AND EQUIPMENT

Vehicles and equipment provide officers with the tools needed to protect the public. However, these tools must be maintained and replaced over time.



### ANIMAL CONTROL

Northlake provides animal control services through All American Dogs.



CROSSING GUARDS

5%

DEPARTMENT OPERATIONS | 25%

VEHICLES & EQUIPMENT | 16%

CRIMINAL INVESTIGATIONS | 11%

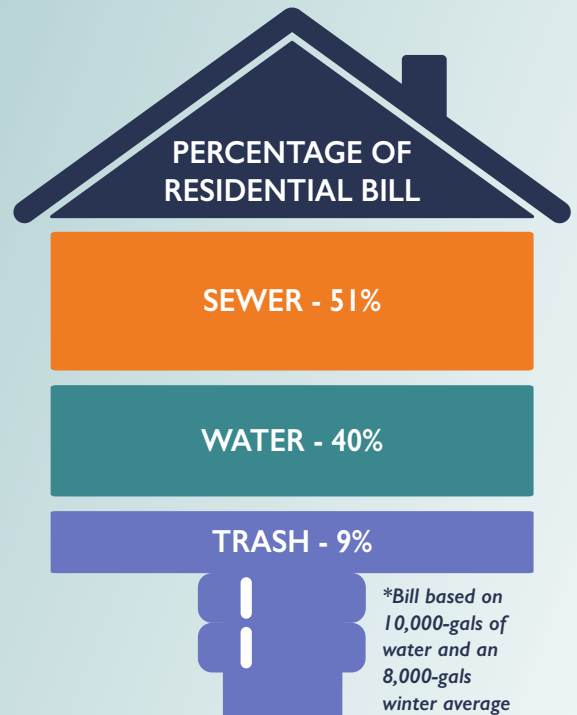
ANIMAL CONTROL

1%

# UTILITY SERVICES: THE COST OF SERVICE

Northlake provides some combination of water, sewer, and/or trash to almost 7,000 unique customers. In Fiscal Year 2024, the Town expects that provision of these utility services will cost \$11.6 million.

While the Town assists with managing, building, and billing for utility systems and infrastructure, Northlake contracts with 3rd party providers to bring water, sewer, and trash services to the Town. Cost increases from these providers have led to higher rates in 2024.



Increase occurred due to the Town moving up a subscription level with Upper Trinity to ensure there is enough water to meet resident's needs.

**51% INCREASE IN WHOLESALE WATER COST**

**12% INCREASE IN TRASH & RECYCLING**

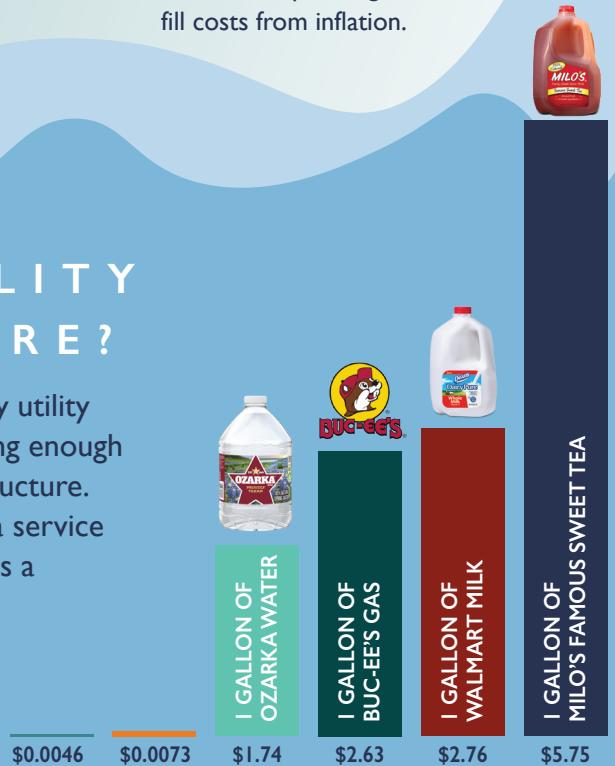
Increase result of passthrough charges from Trinity River Authority that are the result of cost increases due to regional sewer infrastructure projects.

Waste Connections, the Town's trash and recycling provider increased rates due to rises in operating and land fill costs from inflation.

**60% INCREASE IN WHOLESALE SEWER COST**

## HOW DO MY UTILITY SERVICES COMPARE?

The Town's goal is to balance providing quality utility services at an affordable price while generating enough revenue to maintain water and sewer infrastructure. With that said, identifying the exact value of a service can be difficult. The chart to the right provides a different perspective for viewing and valuing water and sewer services compared to everyday items.



# MAINTAINING TOWN INFRASTRUCTURE

Infrastructure refers to the road, water, and sewer systems of a Town, and the quality of these systems affects the quality of life within Northlake. Each year the Town budgets money for the Public Works department to maintain, operate, and improve existing infrastructure.

Northlake has budgeted \$4.8 million for the Public Works department for Fiscal Year (FY) 2024. 31% of this funding will come from the General Fund and 69% from the Water and Wastewater Fund. The General Fund is primarily supported by property taxes while the Water and Wastewater Fund draws its funding from revenues from utility customers. The funds provided to Public Works is utilized to pay staff, purchase and maintain equipment, buy supplies, and retain 3rd party services that assist with maximizing the quality and longevity of the Town's water, sewer, and road infrastructure.



### Sign Replacement

Replacing signs is part of maintaining the quality of Northlake streets. 49 signs were replaced in FY 2023.



### Road & Street Maintenance

Public Works spends resources maintaining road surfaces through actions such as asphalt patching and applying HA5 road preservation treatments. \$300k is budgeted for FY 2024.



### Pothole Repair

Repairing potholes extends the life of the road and improve quality of travel. 192 potholes were repaired in FY 2023.



### 7,000+ Utility Accounts

Public Works is responsible for performing monthly meter reads and installing and repairing broken meters for utility customers.



### 100+ Miles of Water & Sewer Lines

Public Works assists with managing the Town's water and sewer infrastructure. In FY 2023, Public Works cleaned more than 30 miles of lines.

Scan the code to learn more about the General Fund.

