1. **Revenue Goal.** The City will try to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.

2. **Development of Revenue Projection.** The City will estimate its annual revenues using an objective analytical process. The City will project revenues for the next two years and five years; and these projections will be updated annually. Each existing and potential revenue source will be examined annually.

3. **User Charges and Fees Required.** User charges and fees will be established at a level related to the cost of providing the services. The City will recalculate a full cost of activities supported by user fees to identify the impact of inflation and other cost increases. The City will automatically revise user fees when necessary to adjust for the effects of inflation, program changes, and policy changes.

   For Enterprise Funds, the City shall establish user fees and charges that fully support the total direct and indirect cost of the activity. Indirect costs include the cost of administration borne by other operating funds.

   For programs within the General Fund, the City shall establish and maintain fees for whose costs activities are to be supported by the user. For each supported activity, the City shall establish the level of support necessary. The fees shall be reviewed annually and adjusted when necessary to maintain the proper level.

4. **Tax Collection.** The City will follow an aggressive policy of collecting property tax revenues. The annual level of uncollected property taxes will generally not exceed four percent (4%).

5. **Tax Assessment.** The City will monitor the appraisal procedures of the Denton County Tax Appraisal District and provide necessary input to assure that sound appraisal procedures are maintained. Property will be assessed at one hundred percent (100%) of full market value.