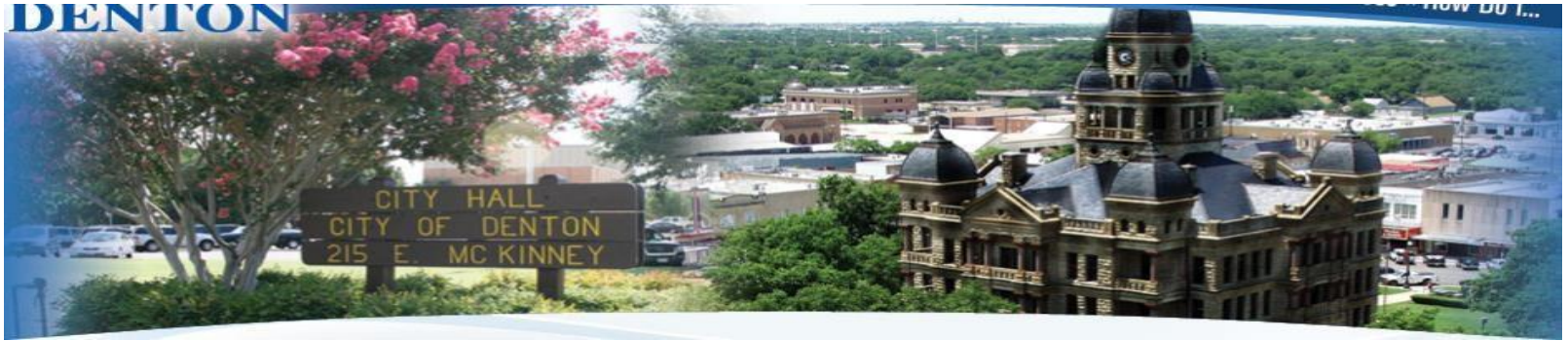


DENTON



City Manager's FY 2016-17 Proposed Budget

Strategic Plan – Key Focus Areas

1. Organizational Excellence
2. Public Infrastructure
3. Economic Development
4. Safe, Liveable, and Family-Friendly Community
5. Sustainable and Environmental Stewardship

Proposing strategic outcomes, key action steps and key performance outcomes in the FY 2016-17 Strategic Plan

Budgetary Priorities

- ❑ Funding for Strategic Plan outcomes/action steps
- ❑ Expand Public Safety response capacity
- ❑ Continue Street Maintenance expansion
- ❑ Maintenance of other general government infrastructure (traffic signals, parking lots, sidewalks, buildings)
- ❑ Utility Infrastructure – replacement and expansion
- ❑ Maintain competitive compensation plan
- ❑ Maintain conservative budgetary and management practices as recognized by the rating agencies

Assumptions for General Fund

- Assessed Value Increases
 - FY 2016-17 -8.23%
 - FY 2017-18 and beyond - 4.0%
- Debt Service Portion of Tax Rate
 - Increase of \$0.00141 to \$0.21660 in FY 16-17
- M&O Portion of Tax Rate
 - Decrease of \$0.00641 from \$0.47456 in FY 2015-16 to \$0.46815 in FY 2016-17
 - **Total proposed tax rate of \$0.68475 (decrease of ½ cent)**
- Sales Tax
 - FY 2016-17 - 3.0% above **revised** estimate for FY 2015-16 (net after incentive grants)
 - FY 2017-18 and beyond - 3.0% (net after incentive grants)
- Franchise Fees
 - All growth in franchise fee revenues and bond sale savings (\$1,021,172) transferred to Street Improvement Fund
 - Additionally \$622,000 of base franchise fees transferred to Street Improvement Fund
- Fund Balance
 - Minimum of 20% with a resiliency reserve up to 25%

Property Values and Tax Rate

Proposed Tax Rate

Maintenance & Operation	\$0.46815 / \$100
Debt Service	<u>\$0.21660 / \$100</u>
Total Proposed Tax Rate	\$0.68475 / \$100

Effective Tax Rate	\$0.663366 / \$100
---------------------------	--------------------

Rollback Tax Rate	\$0.720790 / \$100
--------------------------	--------------------

Certified Taxable Value*	\$9,117,506,344
---------------------------------	-----------------

Value Increase	8.23%
----------------	-------

* Excluding TIRZ Values

Appraised Values

Tax Year	2011	2012	2013	2014	2015	2016
Final Value (\$Billions)	\$6.412	\$6.706	\$6.962	\$7.761	\$8.424	\$9.117
Value Change (\$Millions)	\$182.3	\$294.3	\$255.8	\$798.9	\$662.9	\$693.4
Percent Change	2.93%	4.59%	3.81%	11.47%	8.54%	8.23%

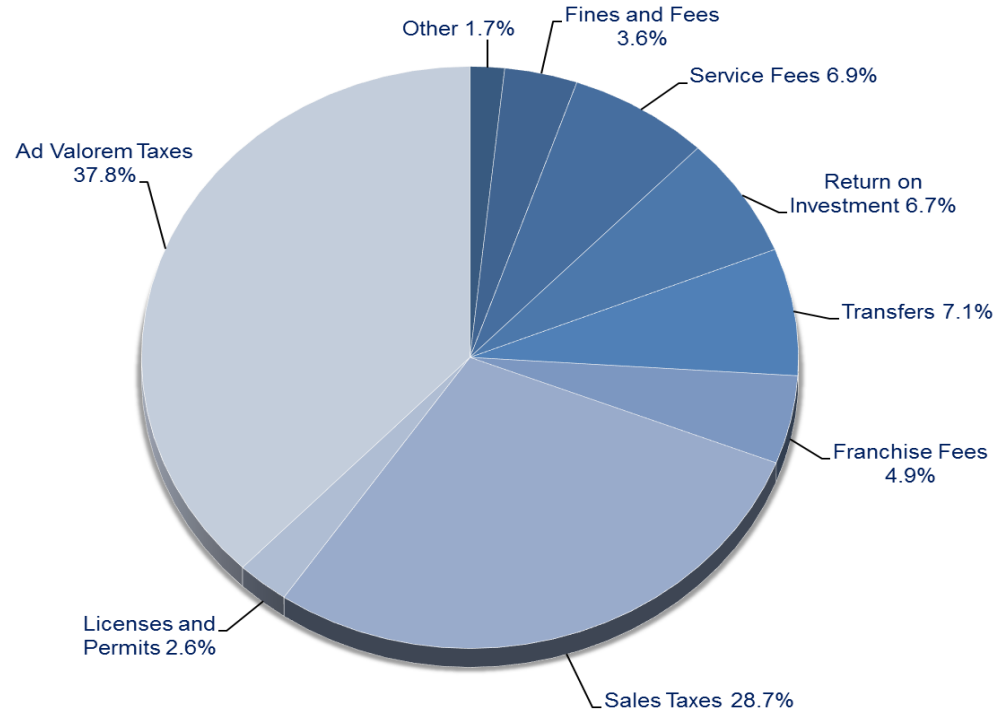
- Certified appraised value is \$9.117 billion for 2016 (excluding TIRZ).
 - 8.23% increase compared to 2015 Value of \$8.424 Billion
 - \$693.4 million total increase in value, - \$208.4 million (2.47%) from new construction and \$460.9 million (5.76%) from the increase in existing property appraisal
- Average homestead taxable value increased from \$179,149 to \$195,882
 - Average city homeowner taxes from \$1,236 to \$1,341

Sales Tax

Fiscal Year	Sales Tax Collections	% Change
FY 2007-08	\$21,984,936	3.9%
FY 2008-09	\$20,950,796	(4.7%)
FY 2009-10	\$21,015,173	0.3%
FY 2010-11	\$22,871,281	8.8%
FY 2011-12	\$25,886,940	13.2%
FY 2012-13	\$26,522,473	2.5%
FY 2013-14	\$27,764,114	4.7%
FY 2014-15	\$30,601,965	10.2%
FY 2015-16 Estimate	\$31,879,000	4.2%
FY 2016-17 Budget	\$32,835,370	3.0%

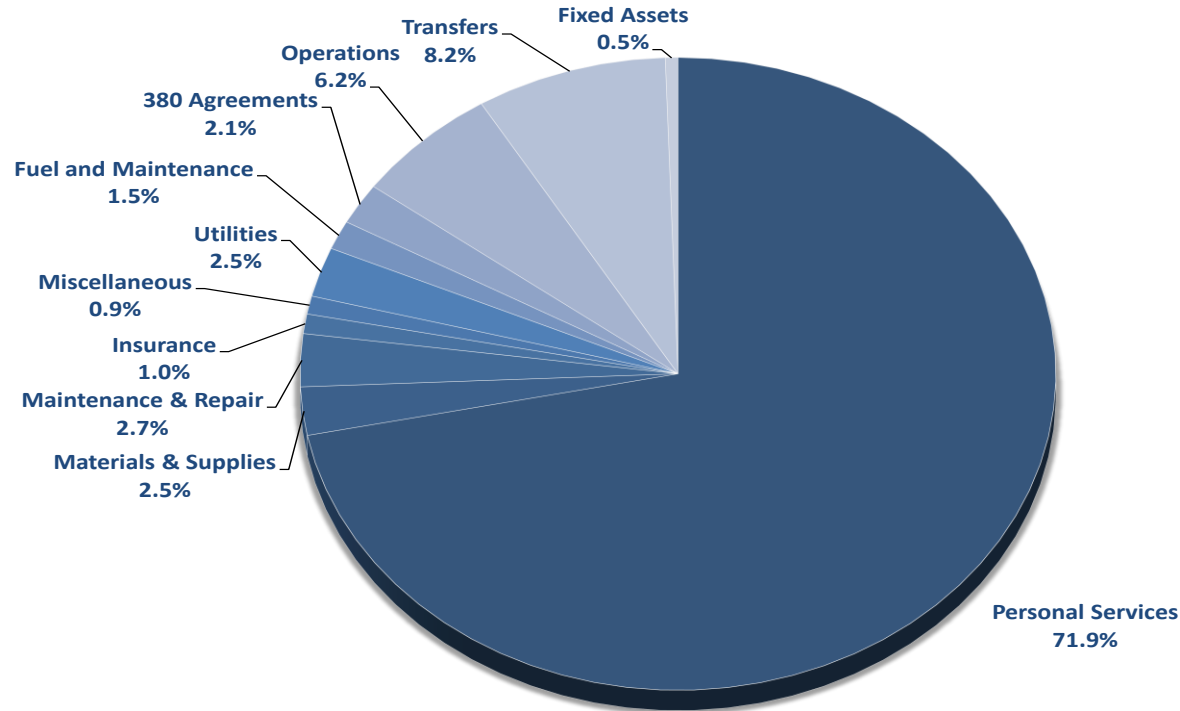
General Fund Revenue

FY 2016-17 Proposed Budget



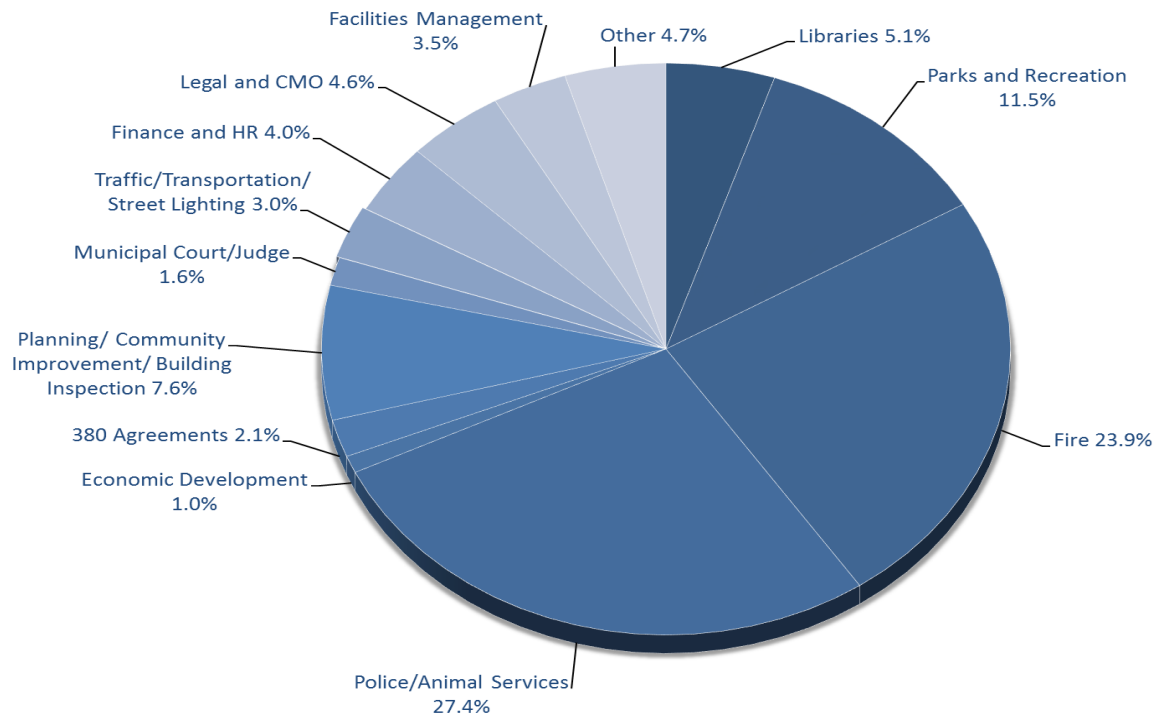
General Fund Expenditures by Category

FY 2016-17 Proposed Budget



General Fund Expenditures by Function

FY 2016-17 Proposed Budget



Vacancy Management/Salary Savings

- Budgeted savings in FY 2016-17 - \$1.0 million
- Savings from normal turnover and management control over filling of vacant positions
- Adds additional flexibility to deal with any revenue shortfalls

Compensation and Benefits

- ❑ Civil Service pay adjustments to maintain meet and confer agreement (5% above survey cities average) and STEP increases
- ❑ All other 3.0% average merit increase and equity adjustments for those below new range minimum
- ❑ Future FY's have 3.0% merit package
- ❑ Health insurance funding has a 6.0% increase in City contributions for FY 2016-17 and future FY's
- ❑ Employee contributions for FY 2016-17 – 10% increase for gold plan and 6.0% for silver plan
- ❑ Health plan changes to control costs:
 - \$50 surcharge for spousal coverage if available from the spouses employer
 - Compound drug prior authorization requirement

General Fund Supplemental Packages

FY 2016-17

<u>Department</u>	<u>Package</u>	<u>Net Cost</u>
Building Inspections	Plans Examiner	\$ 69,412
Building Inspections	Technology Upgrade for Inspectors	9,904
Parks	Wave Pool / Concession Stand Operations	(1,924)
Parks	Parks Foundation Exec. Dir. Current funding	35,000
Animal Services	Additional Animal Shelter Staff	51,262
Fire	Medic Unit 8	993,030
Fire	Fire Training Captain	218,763
Fire	Self-Contained Breathing Apparatus	40,000
Police	Sworn Operations Personnel	745,477
Police	Traffic Safety Package	83,350
Police	Police and Fire Dispatchers	314,045
Traffic Control	Pavement Markings Enhancement Program	95,850
Facilities Management	Parking Lot Maintenance	50,000
Economic Development	Total Impact 2.0 ED Impact Model	6,500
Internal Audit	Internal Audit Services	<u>72,727</u>
Total Net Cost		\$2,783,396

Additional Street Maintenance funding of \$622,000 is a reduction in General Fund franchise fee revenues and an increase in Street Improvement Fund revenues. The supplemental packages for this funding are in the Street Improvement Fund.

Supplemental Packages Funded in Current FY

<u>Department</u>	<u>Package</u>	<u>Net Cost</u>
Library	Security Cameras	\$ 51,553
Fire	Patient Lift System	36,231
Fire	Station Alerting System	75,000
Engineering Services	ADA Comprehensive study for Streets/Right of Way/Sidewalks	250,000
Facilities Management	Parking lot replacement - Civic Center	265,000
Transportation/Council Initiative	Downtown Sidewalk Improvements	207,000
Traffic Control	Traffic Signal Replacement	340,000
Total Net Cost		\$ 1,224,784

Internal Service Funds Supplemental Packages

FY 2016-17

<u>Fund</u>	<u>Package</u>	<u>Net Cost</u>
Fleet Services	Conference and Training room	\$ 45,000
Fleet Services	Fuel Truck	2,250
Fleet Services	Fleet software replacement program	10,000
Fleet Services	Facility Expansion / Construction	65,000
Materials Management	Warehouse Operations Specialist 1	-
Materials Management	Distribution Center Covering	300,000
Tech Services	Fire Incident Reporting (RMS)	50,000
Tech Services	Application's Additional FTE	141,549
Tech Services	Cisco Equipment Replacement	550,000
Tech Services	DME Capital Costs	450,000
Tech Services	Application Automation Enhancements	90,000
Tech Services	Disaster Recovery Site Refresh	200,000
Tech Services	CASA Radar System for Fire	15,000
Tech Services	Disaster Recovery Services for Public Safety	15,000
Tech Services	TriTech Upgrade for Public Safety	280,000
Risk Fund	Claims Administrator	97,057
Engineering Services	Dev Review Senior Engineer	129,240
Total Net Cost		\$ 2,440,096

Special Revenue Fund Supplemental Packages

FY 2016-17

<u>Fund</u>	<u>Package</u>	<u>Net Cost</u>
Police Confiscation	Helmets and Body Armor	\$ 150,000
Recreation Fund	Facilities Equipment	100,000
Street Improvement	Base Failures Maintenance	200,000
Street Improvement	Overlay (OCI) Material & Support	500,000
Street Improvement	Micro Seal	174,641
Street Improvement	Street Maintenance Expansion Program Crew	702,102
Traffic Safety	A.D.A. (PROWAG) Program	168,064
Traffic Safety	Intersection Radar Detection	93,560
Traffic Safety	Traffic Signal Replacement	340,000
Traffic Safety	Pavement Marking Enhancement	307,726
Traffic Safety	Traffic Signal Pre-Emption	35,421
Traffic Safety	Bike Count Program	9,000
Traffic Safety	Ped/Bike Safety Markings/Signs	7,000
Traffic Safety	Bus Stop Improvements	15,000
Traffic Safety	Downtown Sidewalk Improvements	145,000
Total Net Cost		\$ 2,947,514

General Fund Projected

(10 Year Franchise Fees Transition)

	Proposed Budget 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20	Year 5 Projected 2020-21
Beginning Fund Balance	\$ 27,762,804	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975
Revenues	\$ 114,511,663	\$ 118,694,011	\$ 122,400,480	\$ 124,914,905	\$ 128,390,107
Expenditures	\$ 114,503,492	\$ 118,251,555	\$ 121,749,162	\$ 124,206,873	\$ 127,598,236
Denton County ESD #1		\$ 434,452	\$ 416,279	\$ 364,392	\$ 364,392
New Supplemental Expenses	-	8,004	235,039	343,640	427,479
Total Anticipated Expenditures	114,503,492	118,694,011	122,400,480	124,914,905	128,390,107
Ending Fund Balance	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975
Change in Fund Balance	\$ 8,171	\$ -	\$ -	\$ -	\$ -
Fund Balance as % of Expend.	24.3%	23.4%	22.7%	22.2%	21.6%
 Cumulative Transfer to Street Imp. Fund (reduction in GF Revenue)	 \$ 622,000	 \$ 1,244,000	 \$ 1,866,000	 \$ 2,488,000	 \$ 3,110,000

Fund Balance Goal is minimum of 20% and additional 5% resiliency reserve (proposed)

General Fund Projected

(W/O Franchise Fees Transition)

	Proposed Budget 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20	Year 5 Projected 2020-21
Beginning Fund Balance	\$ 27,762,804	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975
Revenues	\$ 114,511,663	\$ 119,316,011	\$ 123,644,480	\$ 126,780,905	\$ 130,878,107
Expenditures	\$ 114,503,492	\$ 118,251,555	\$ 122,371,162	\$ 125,450,873	\$ 129,464,236
Denton County ESD #1		\$ 434,452	\$ 416,279	\$ 364,392	\$ 364,392
New Supplemental Expenses	-	630,004	857,039	965,640	1,049,479
Total Anticipated Expenditures	114,503,492	119,316,011	123,644,480	126,780,905	130,878,107
Ending Fund Balance	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975	\$ 27,770,975
Change in Fund Balance	\$ 8,171	\$ -	\$ -	\$ -	\$ -
Fund Balance as % of Expend.	24.3%	23.3%	22.5%	21.9%	21.2%

**FY 2016-17 Transfer to Street Imp.
Fund (reduction in GF Revenue)** **\$ 622,000**

Street Improvement Fund

(10 Year Franchise Fee Transition)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Actual	Projected	Proposed	Projected	Projected	Projected	Projected
Franchise Fees	\$ 5,585,086	\$ 6,315,566	\$ 7,111,757	\$ 9,026,403	\$ 9,965,248	\$ 11,608,420	\$ 13,052,545	\$ 14,718,721	\$ 15,944,888	\$ 17,165,248
Bond Sale Savings	194,382	315,636	379,911	558,888	864,752	997,363	1,118,135	1,229,797	1,328,026	1,425,359
Street Cut Fees and Interest	<u>366,229</u>	<u>477,208</u>	<u>349,068</u>	<u>383,245</u>	<u>360,000</u>	<u>360,000</u>	<u>367,000</u>	<u>374,140</u>	<u>381,423</u>	<u>388,851</u>
Total Operating Revenues	\$ 6,145,697	\$ 7,108,410	\$ 7,840,736	\$ 9,968,536	\$ 11,190,000	\$ 12,965,783	\$ 14,537,680	\$ 16,322,658	\$ 17,654,337	\$ 18,979,458
Operating Expenditures	\$ 6,075,534	\$ 6,770,167	\$ 8,254,307	\$ 9,496,926	\$ 11,056,258	\$ 13,320,783	\$ 14,537,680	\$ 16,322,658	\$ 17,654,337	\$ 18,979,458
Bond Sales*	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Expenditures	\$ 6,075,534	\$ 10,770,167	\$ 12,254,307	\$ 15,496,926	\$ 15,056,258	\$ 19,320,783	\$ 21,537,680	\$ 23,322,658	\$ 23,654,337	\$ 24,979,458

*FY 2020-21 bond sale amount depends on future bond election.

Street Improvement Fund

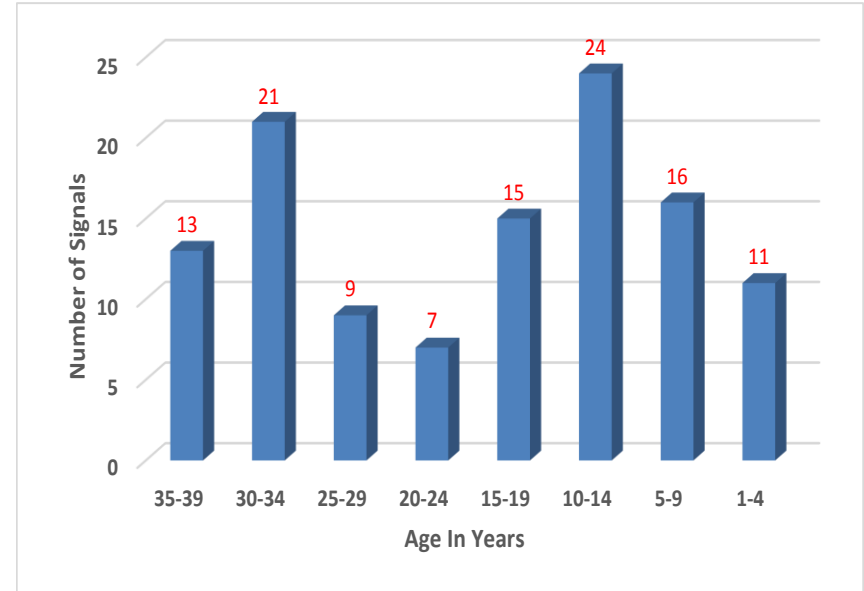
(W/O Franchise Fee Transition)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Actual	Projected	Proposed	Projected	Projected	Projected	Projected
Franchise Fees	\$ 5,585,086	\$ 6,315,566	\$ 7,111,757	\$ 9,026,403	\$ 9,965,248	\$ 11,608,420	\$ 12,430,545	\$ 13,474,721	\$ 14,078,888	\$ 14,677,248
Bond Sale Savings	194,382	315,636	379,911	558,888	864,752	997,363	1,118,135	1,229,797	1,328,026	1,425,359
Street Cut Fees and Interest	<u>366,229</u>	<u>477,208</u>	<u>349,068</u>	<u>383,245</u>	<u>360,000</u>	<u>360,000</u>	<u>367,000</u>	<u>374,140</u>	<u>381,423</u>	<u>388,851</u>
Total Operating Revenues	\$ 6,145,697	\$ 7,108,410	\$ 7,840,736	\$ 9,968,536	\$ 11,190,000	\$ 12,965,783	\$ 13,915,680	\$ 15,078,658	\$ 15,788,337	\$ 16,491,458
Operating Expenditures	\$ 6,075,534	\$ 6,770,167	\$ 8,254,307	\$ 9,496,926	\$ 11,056,258	\$ 13,320,783	\$ 13,915,680	\$ 15,078,658	\$ 15,788,337	\$ 16,491,458
Bond Sales*	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Expenditures	\$ 6,075,534	\$ 10,770,167	\$ 12,254,307	\$ 15,496,926	\$ 15,056,258	\$ 19,320,783	\$ 20,915,680	\$ 22,078,658	\$ 21,788,337	\$ 22,491,458

*FY 2020-21 bond sale amount depends on future bond election.

Traffic Signal Aging Summary

- City has 116 traffic signals
- 34 of the signals are 30 years of age or older
- The 2014 bond program budgeted the replacement of 12 signals over 6 years
- This will leave 22 signals that are currently over 30 years in age



Tax Increment Reinvestment Zones

- TIRZ #1 (Downtown) established in 2010
 - Base value of \$79,356,854 and 2015 value of \$136,021,478
 - Estimated revenue for FY 2016-17 of \$368,610
- TIRZ #2 (Westpark) established in 2012
 - Base value of \$119,458 and 2015 value of \$2,401,349
 - Estimated revenue for FY 2016-17 of \$8,519

Special Revenue Funds

- Tourist and Convention Fund
 - Estimated revenues of \$2,324,215
 - HOT Committee recommendations to be submitted to City Council
- Tree Mitigation Fund
 - \$289,110 in budgeted expenditures for KDB tree planting and rebate programs
 - \$504,000 for tree planting in city parks

Monthly Rate Impact – Average Residential Customer

	FY 2016	FY 2017	Increase	Change
Electric (1,300 kWh)	\$140.37	\$140.47	\$0.10	0.1%
Water (9,200 gallons)	\$51.96	\$54.18	\$2.22	4.3%
Wastewater (6,000 gallons)	\$34.95	\$35.55	\$0.60	1.7%
Solid Waste (Standard + recycle cart)	\$27.35	\$27.85	\$0.50	1.8%
Total	\$254.63	\$258.05	\$3.42	1.3%

Water Utility Fund

- Focus is on infrastructure replacement, needed expansion of system and utility relocations for State highway projects
- Five-year CIP of \$123.1 million with \$42.0 funded by new debt – remainder revenue funding and existing proceeds
- Continued costs for zebra mussels
- Proposed rate increase of 5.0% for FY 2016-17
- 7.0 new FTE's in production (1.0), distribution (5.0) and metering (1.0)

WATER 2016-17 Five Year Forecast (in millions)							
		2015-16 Estimate	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed	2019-20 Proposed	2020-21 Proposed
BEGINNING FUND BALANCE		\$17.9	\$25.6	\$25.6	\$25.6	\$25.6	\$27.1
REVENUES		\$53.0	\$51.8	\$52.7	\$53.1	\$53.9	\$54.0
TOTAL RESOURCES AVAILABLE		\$70.9	\$77.4	\$78.3	\$78.7	\$79.5	\$81.1
OPERATING EXPENDITURES		\$45.3	\$51.8	\$52.7	\$53.1	\$52.4	\$54.0
PLANNED RESERVE EXPENDITURES		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES		\$45.3	\$51.8	\$52.7	\$53.1	\$52.4	\$54.0
NET INCOME (LOSS)		\$7.7	\$0.0	\$0.0	\$0.0	\$1.5	\$0.0
PROPOSED RATE INCREASES			5.0%	4.0%	3.0%	2.0%	3.0%

Wastewater Utility Fund

- Focus is on infrastructure – replacement, expansion and sanitary sewer overflow program
- Meet regulatory requirements for capacity expansion and rehabilitation projects
- Implemented improvements to meet TCEQ mandated phosphorus limit
- Five-year CIP of \$63.3 million (excluding drainage projects) with \$19.7 funded by new debt – remainder revenue funding and existing proceeds
- Proposed rate increase of 2.0% for FY 2016-17
- 1.0 new FTE is a watershed protection intern funded by grant

WASTEWATER 2016-17 Five Year Forecast (in millions)						
	2015-16 Estimate	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed	2019-20 Proposed	2020-21 Proposed
BEGINNING FUND BALANCE	\$12.1	\$18.1	\$18.1	\$18.1	\$18.3	\$18.4
REVENUES	\$37.2	\$38.6	\$34.4	\$35.0	\$35.8	\$36.0
TOTAL RESOURCES AVAILABLE	\$49.3	\$56.7	\$52.5	\$53.1	\$54.1	\$54.4
OPERATING EXPENDITURES	\$31.2	\$38.6	\$34.4	\$34.8	\$35.7	\$35.7
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$31.2	\$38.6	\$34.4	\$34.8	\$35.7	\$35.7
NET INCOME (LOSS)	\$6.0	\$0.0	\$0.0	\$0.2	\$0.1	\$0.3
PROPOSED RATE INCREASES		2.0%	2.0%	2.0%	2.0%	2.0%

Solid Waste and Recycling Fund

- Major projects include expansion of commercial and organic recycling program, initiate grease and grit trap processing services, begin landfill mining, and expansion of household hazardous waste processing facility
- Five-year CIP of \$69.7 million with \$11.3 revenue funded
- Proposed rate increase of 1.8% for standard cart with recycling, 1.5% for large cart with recycling, 3.0% for commercial refuse dumpster and 2.5% for commercial open top
- 11.0 new FTE's in commercial(1.0), disposal operations (4.0),field support (1.0) and diversion mining (5.0)

SOLID WASTE 2016-2017 Five Year Forecast (in millions)						
	2015-16 Estimate	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed	2019-20 Proposed	2020-21 Proposed
BEGINNING FUND BALANCE	\$5.9	\$6.1	\$6.1	\$6.1	\$6.1	\$6.1
REVENUES	\$31.3	\$36.8	\$40.0	\$43.0	\$46.5	\$48.9
TOTAL RESOURCES AVAILABLE	\$37.2	\$42.9	\$46.1	\$49.1	\$52.6	\$55.0
OPERATING EXPENDITURES	\$31.1	\$36.8	\$40.0	\$43.0	\$46.5	\$49.0
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$31.1	\$36.8	\$40.0	\$43.0	\$46.5	\$49.0
NET INCOME (LOSS)	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)
<u>PROPOSED RATE INCREASES</u>						
RESIDENTIAL REFUSE (Standard cart)	\$ 27.35	\$ 27.85	\$ 28.75	\$ 29.50	\$ 29.85	\$ 29.85
RESIDENTIAL REFUSE (Large cart)	\$ 32.75	\$ 33.25	\$ 33.85	\$ 34.60	\$ 34.95	\$ 34.95
COMMERCIAL (average)	2.8%	2.8%	2.8%	2.8%	2.8%	0.0%

Electric Utility Fund

- ❑ Replacement of Aging Infrastructure
- ❑ Construction of Transmission system with increased revenue to DME
- ❑ Implementation of Renewable Denton Plan
- ❑ Five-year CIP of \$647.7 million
- ❑ Base rate increase of 4.5% for FY 2016-17 which is offset by reduction in ECA rate, average residential customer increase is 0.1%
- ❑ 9.0 new FTEs with lineman (3.0) technicians (3.0), EMO (1.0), Business Analyst (1.0) and RDP (1.0)

Electric Utility Capital Budget

(Amounts in Thousands)

<u>CATEGORY</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>TOTAL</u>
Automated Meter Reading	\$ 1,796	\$ 1,863	\$ 1,934	\$ 2,007	\$ 2,084	\$ 9,684
Building Construction	1,394	-	4,080	4,125	-	9,599
Communications Equipment	400	335	335	335	335	1,740
Contingency	600	600	600	600	300	2,700
Distribution Substations	18,067	10,254	8,418	8,984	7,907	53,630
Distribution Transformers	3,252	3,409	3,574	3,441	3,613	17,289
Feeder Extensions & Improvements	18,215	16,595	11,090	8,015	5,242	59,157
Miscellaneous	225	-	-	-	-	225
New Residential & Commercial	7,090	7,530	7,905	8,282	8,678	39,485
Office Furniture/Computer/Equipment	0	500	-	-	-	500
Over to Under Conversions	350	368	386	405	425	1,934
Power Factor Improvement	592	601	610	624	638	3,065
Street Lighting	555	652	554	639	664	3,064
Tools & Equipment	120	91	92	93	94	490
Power Plant	92,000	128,000	-	-	-	220,000
Vehicles	1,382	947	2,409	375	21	5,134
Subtotal - Distribution	146,038	171,745	41,987	37,925	30,001	427,696
Transmission Lines	22,550	24,840	18,490	26,270	19,780	111,930
Transmission Substation	35,530	18,465	20,570	20,490	13,065	108,120
Subtotal - Transmission	58,080	43,305	39,060	46,760	32,845	220,050
GRAND TOTAL	\$204,118	\$215,050	\$81,047	\$84,685	\$62,846	\$647,746

Utility Reserve Balance Changes

	Working Capital	Operating Reserve (current)	Operating Reserve (proposed)	Total	Day Range
Water	8%	17-25%	25-42%	33-50%	120-180 days
Wastewater	8%	12-16%	20-31%	28-39%	100-140 days
Solid Waste	8%	4-8%	6-10%	14-18%	52-66 days
Electric	8%	8-12%	Same	16-20%	60-75 days

- Recommended by PUB on June 27, 2016 in adoption of Utilities Financial Strategies document for FY 2016-17
- Increase in reserve balances will be a separate agenda item for consideration by City Council on September 20, 2016

Airport Fund Changes

- ❑ Airport operations are budgeted as an enterprise fund
- ❑ This change was made in FY 2010-11, removing airport operation expenses and revenues from the General Fund to a separate enterprise fund
- ❑ In FY 2010-11, the revenue from gas well royalties at the airport were \$2.389 million, in FY 2014-15 these revenues were \$581,849 and continue to decline
- ❑ For FY 2016-17 and beyond, debt service associated with the airport is planned to be paid from the General Debt Service Fund
- ❑ With this change, the Airport Fund is projected to maintain a positive fund balance for the next five years

FY 2016-17 Capital Program

■ **Total new funding including utilities is \$182.299 million (*)**

- Utility CO's - \$107.44 million
- Utility revenue funded - \$37.674 million
- General Government - \$36.095 million
- General Government revenue funded - \$1.09 million

■ **General Government Proposed Debt**

- Street Reconstruction (2012, 2014) - \$6.0 million
- Street Expansion, Sidewalks, Traffic Signals (2014)- \$2.95 million
- Public Safety (2014) - \$8.210 million
- Public Safety Radio Upgrades and CAD System - \$5.0 million
- City Matching Funds for Bonnie Brae/Mayhill - \$8.5 million
- Vehicle Replacements - \$4.06 million
- Facility Improvements - \$1.175 million
- Fleet Fuel Truck- \$0.2 million

* Excludes revenue bond sale for Renewable Denton Plan that is currently scheduled for FY 2015-16 sale

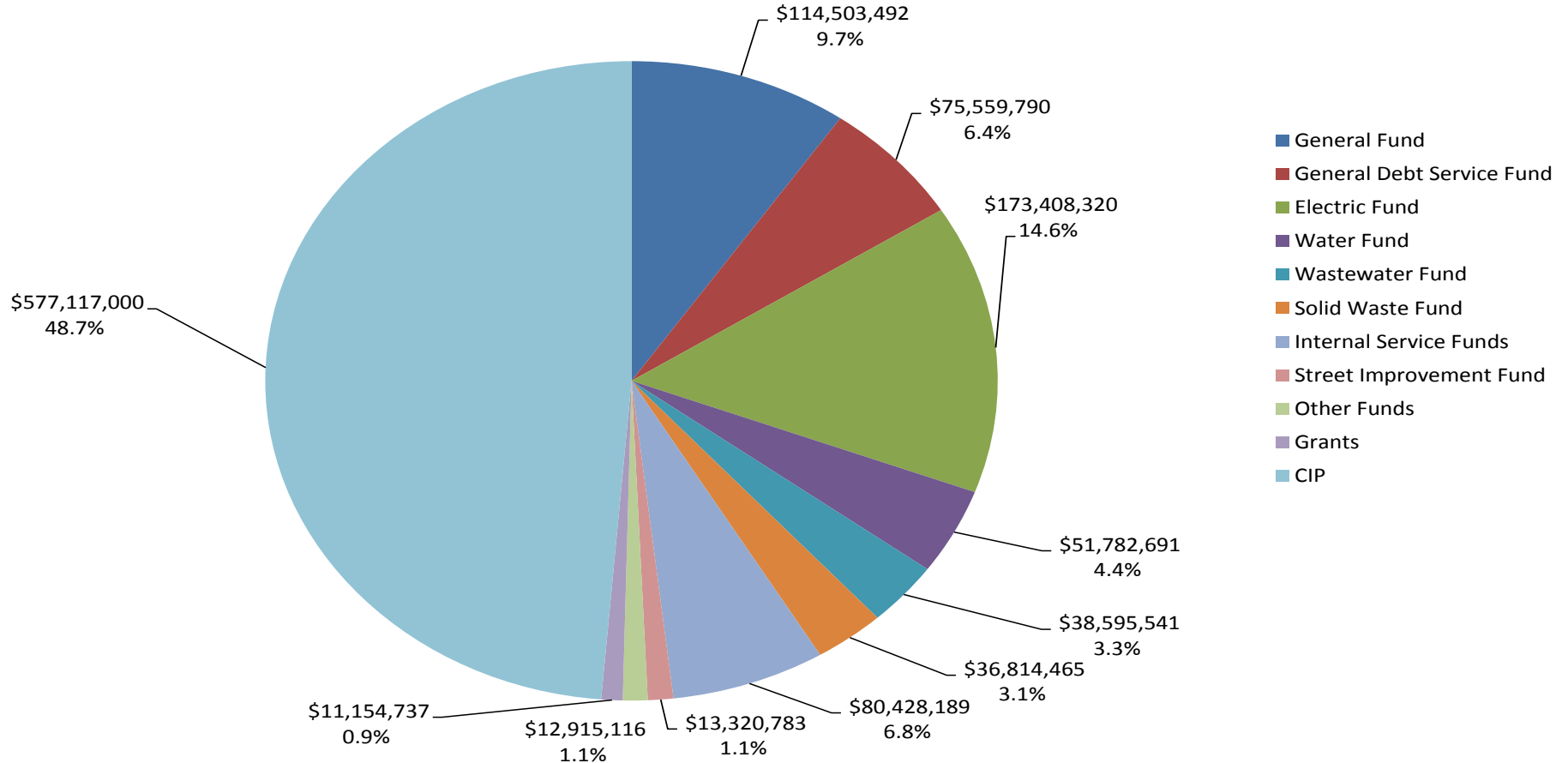
Position Additions for FY 2016-17

(Total City FTEs – 1,638.56)

Fund	Additional FTE's
Electric	9.0
Water	7.0
Wastewater	1.0
Solid Waste	11.0
Materials Management	1.0
Risk Management	1.0
Street Improvement	5.0
Technology Services	1.0
Engineering Services	1.0
<u>General Fund</u>	
Neighborhood Services	14.6
Public Safety	20.0
Transportation	<u>2.0</u>
Total	73.6

FY 2016-17 Proposed Budget by Fund

\$1,185,600,124 for all funds



Next Steps

- ❑ Vote on Proposed Tax Rate for required notices – August 9th
- ❑ Public Hearings – August 23rd and September 13th
- ❑ Budget Discussions – set at all work sessions from August 9th through September 20th
- ❑ Budget Adoption – September 20th

Questions?

