



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance  
**DCM:** Bryan Langley  
**DATE:** September 12, 2017

### **SUBJECT**

Consider adoption of an ordinance of the City Council of the City of Denton, Texas, amending the establishment of the Downtown Reinvestment Fund, defining and removing the commitment of certain revenues of the City; committing the fund balance remaining in the fund; providing a severability clause; and providing an effective date.

### **BACKGROUND**

The Governmental Accounting Standards Board (GASB) adopted Statement No. 54, which states Special Revenue Funds are used to account for specific revenue sources restricted or committed to expenditures for purposes other than debt service or capital projects. In order to comply with GASB 54, the City Council must adopt an ordinance specifying its intent to add or remove a commitment of specific revenues to a Special Revenue Fund.

In 2013, the City Council adopted Ordinance No. 2013-237 establishing the Downtown Reinvestment Fund and committing \$100,000 annually of the mixed beverage taxes previously accounted for in the General Fund. The purpose of the fund was to account for “grants” provided to downtown businesses in accordance with the City’s Downtown Reinvestment Grant Program, which is managed by the City’s Economic Development Department. This fund further allowed unspent funding to be rolled over from one year to the next and utilized in future years. The revenues provided a dedicated mechanism to account for downtown reinvestment activities.

In conjunction with the FY 2017-18 Proposed Budget, the City Council directed staff to remove the annual \$100,000 mixed beverage taxes commitment to the Downtown Reinvestment Fund starting in FY 2016-17. All previously committed revenues were directed to remain in the Downtown Reinvestment Fund and be spent according to their original purpose. Once any unspent balance reaches a de-minimus amount, the Downtown Reinvestment Fund will be closed. Per GASB 54, in order to end the annual commitment, an ordinance must be adopted by the City Council

### **RECOMMENDATION**

Staff recommends approval of the ordinance.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On September 17, 2013, the City Council approved Ordinance No. 2013-237 establishing the Downtown Reinvestment Fund and annually committing \$100,000 in mixed beverage taxes previously accounted for in the General Fund to the Downtown Reinvestment Fund.

## **FISCAL INFORMATION**

Pending approval of this ordinance removing the annual \$100,000 commitment, the estimated remaining fund balance after current commitments in the Downtown Reinvestment Fund as of September 30, 2017 is \$105,575.

## **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Organizational Excellence**

**Related Goal: 1.1 Manage financial resources in a responsible manner**

## **EXHIBITS**

1. Agenda Information Sheet
2. Ordinance

Respectfully submitted:  
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