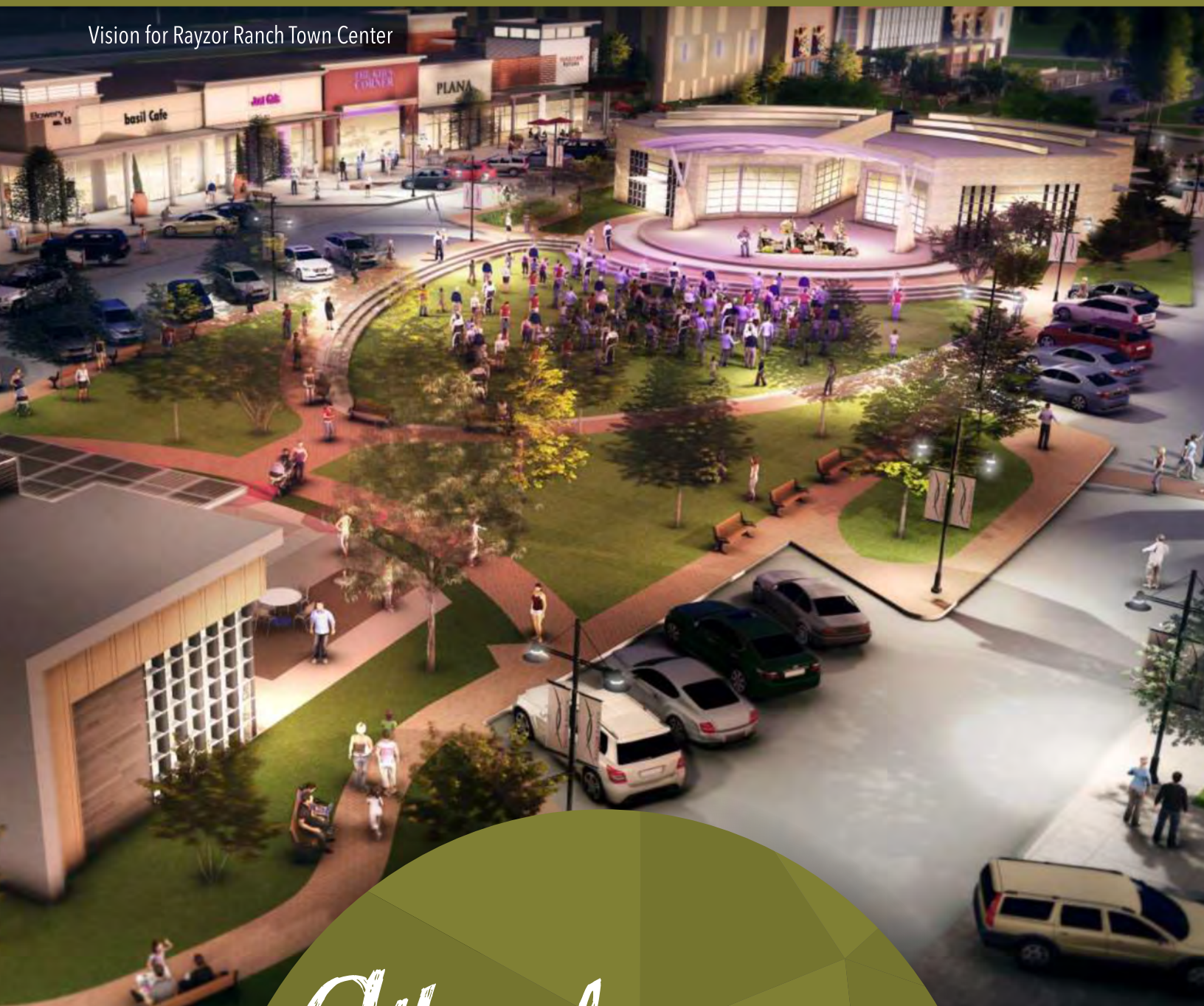


2016-2017
Proposed Annual Program of Services

Vision for Rayzor Ranch Town Center



City of
Denton, Texas

Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Denton
Texas**

For the Fiscal Year Beginning

October 1, 2015

A handwritten signature in black ink, reading 'Jeffrey R. Egan'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Denton, Texas for its annual budget for the fiscal year beginning October 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

*Proposed Annual Program of Services
Fiscal Year 2016-2017*

SUBMITTED TO:

THE MAYOR AND CITY COUNCIL

July 29, 2016

The following statement is provided in accordance with Texas Local Government Code 102.005:

This budget will raise more total property taxes than last year's budget by \$4,432,430 or 7.59% and of that amount \$1,428,995 is tax revenue to be raised from new property added to the tax roll this year.

Prepared By

Howard Martin
Interim City Manager

Jon Fortune
Assistant City Manager

John Cabrales, Jr.
Assistant City Manager

Bryan Langley
Assistant City Manager

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Director of Finance

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Electric Business Manager

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Electric Budget Manager

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Water Utilities Business Administrator

Scott Lebsack
Solid Waste Development & Administrative
Manager

Tina Ek
Solid Waste Financial Analyst

Special Thanks to our Public Communications Office
for the design of the cover and dividers, publication of the
Proposed Annual Program of Services,
and Web page design.

Reflective of the City's focus on sustainable and environmental stewardship through promoting sustainable materials resource management, the City of Denton's Budget Document is printed on paper that is Forest Stewardship Council (FSC) Certified.

Visit our website at: www.cityofdenton.com

Vision, Mission, and Values

In April of 2016, the City Council discussed potential revisions to the City's Strategic Plan. The draft version of this revised Strategic Plan is described on the following pages, and it serves as the basis for the development of the FY 2016-17 Proposed Budget. The City Council will be asked to formally approve this Strategic Plan in September along with the budget itself.

The Strategic Plan is organized into five Key Focus Areas (KFAs) and the major goals, objectives key action steps, and outcomes of the plan are described in subsequent pages. Below are the vision, mission, and values that have provided a framework for the Strategic Plan.

VISION

"Destination Denton"

Denton is an identifiable and memorable destination and a community of opportunities. We achieve this by providing high quality of life through excellence in education, entertainment, and employment; neighborhood vitality and sustainability; environmental and financial stewardship; and superior public facilities and services.

MISSION

"Dedicated to Quality Service"

The City of Denton will foster an environment that will deliver extraordinary quality services and products through stakeholder, peer group, and citizen collaboration; leadership and innovation; and sustainable and efficient use of resources.

VALUES

"We Care"

We care about our people, our community, and our work. We do this with integrity, respect, and fairness.

Elected Officials



Chris Watts
Mayor
Term Expires: May 2018
2nd Term



Kevin Roden
Mayor Pro Tem
District 1
Term Expires: May 2017
3rd Term



Keely Briggs
Council Member
District 2
Term Expires: May 2017
1st Term



Kathleen Wazny
Council Member
District 3
Term Expires: May 2017
1st Term



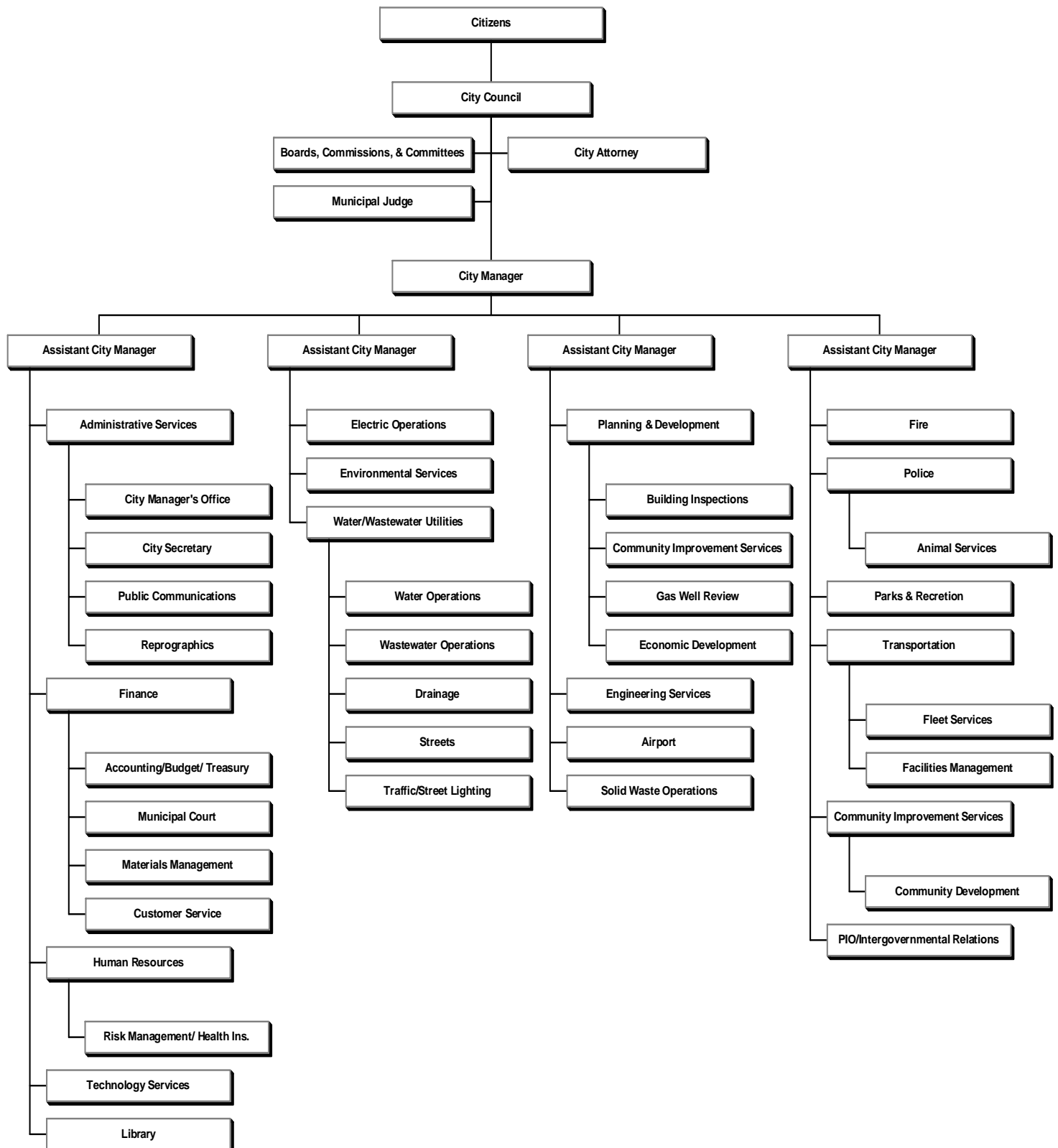
Joey Hawkins
Council Member
District 4
Term Expires: May 2017
2nd Term



Dalton Gregory
Council Member
At Large, Place 5
Term Expires: May 2018
2nd Term



Sara Bagheri
Council Member
At Large, Place 6
Term Expires: May 2018
1st Term

Current Organizational Chart

Boards, Commissions, and Council Committees

JUDICIAL OR QUASI-JUDICIAL BOARDS (Governmental Board Members)**Civil Service Commission**

Ensures compliance with Chapter 143 of the Texas Local Government Code governing police and fire. The duties of the Commission include approval of eligibility hiring lists and holding hearings, upon appeal, on matters of promotions, performance, reclassifications, and other civil service issues.

Health and Building Standards Commission

Hears and decides appeals of orders, decisions or determinations made by the Building Official, Code Official, or Fire Marshal made pursuant to Chapters 13, 14, 17, 28 and 29 of the Code of Ordinances; makes reasonable interpretations or rulings in matters properly before it pursuant to Section 2-460.

Historic Landmark Commission

Recommends to the Planning & Zoning Commission and City Council those buildings, structures, sites, districts, and areas in the city that the Commission has determined should be preserved and designated as historic landmarks. The Commission also regulates design review for designated properties and districts.

Planning & Zoning Commission

Makes decisions or recommendations to the City Council regarding the Comprehensive Plan, Development Code, zoning regulations, long-range planning, zoning changes, platting, and other development-related policies as required or permitted by State law or Council policy.

Zoning Board of Adjustment

Provides a vehicle for citizens to appeal zoning interpretations and decisions of the Building Official, and request variances from the zoning and sign regulations in the Denton Development Code. The Board may also make final decisions regarding changes, the reestablishment, or termination of nonconforming uses within the city.

ADVISORY BOARDS**Airport Advisory Board**

Serves in an advisory capacity to the City Council on matters relative to airport safety, flight and ground operations, safety and security issues arising from the creation and development of long-term master plans; tenant/stakeholder outreach; the Airport Business Plan and the Airport Master Plan; airport infrastructure improvement or other major projects impacting the airport; grant funding for the airport; and long term financial planning and budgetary issues affecting the airport.

Boards, Commissions, and Council Committees

Animal Shelter Advisory Committee

Assists the City in complying with the provisions of the Animal Shelter Act and makes recommendations to the City Council regarding methods and procedures necessary to ensure compliance with the Act.

Community Development Advisory Committee

Holds public hearings and makes decisions regarding the expenditure of federal Community Development Block Grant and Home Investment Partnership Program monies.

Downtown Denton Tax Increment Financing Reinvestment Zone Board

Makes recommendations to the City Council concerning the administration of the Zone; prepares and adopts a project plan and Tax Increment Financing Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval; prepares, implements and monitors such project and financing plans for the Tax Increment Financing Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone.

Economic Development Partnership Board

Provides economic development policy guidance and makes recommendations to the City Council and Chamber of Commerce; reviews, considers and makes recommendations to the City Council regarding Airport Branding and Marketing to support the implementation of the Denton Airport Business Plan; reviews, considers and makes recommendations to the City Council regarding Denton Municipal Airport incentive policies as assigned by the City Council or requested by the City Manager; and acts as a recommending body to the City Council for specific airport economic development incentives as assigned by the City Council or requested by the City Manager and permitted by City and State law.

Human Services Advisory Committee

Serves in an advisory capacity to encourage continuous evaluation of the human services delivery system and to recommend actions and funding to the City Council regarding City of Denton human services.

Library Board

Serves in an advisory capacity to the City Council to recommend policies, rules, and regulations for the operation of the library system. The Board also provides citizen input to the City Council and recommends fees for Council consideration.

Parks, Recreation and Beautification Board

Serves in an advisory capacity to the City Council to recommend improvements to park and recreation programs. The Board is charged to stimulate public interest in the development and maintenance of parks and playgrounds; to promote close cooperation between the City and private citizens so that all park and recreational facilities are used to their maximum benefit; and pursuant to the Charter, make recommendations regarding the appearance, beautification, and environment of the city.

Boards, Commissions, and Council Committees

Public Art Committee

Makes recommendations to the Parks, Recreation and Beautification Board and City Council on the commissioning, placing, and the installing of public art; implementation of funding mechanism(s) for public art; effective and efficient management of public art; ongoing maintenance of public art; and the accessioning, deaccessioning, and re-siting of public art.

Public Utilities Board

Reviews the department of utilities budget and makes recommendations to the City Council in the format required by the City Manager. The Board is authorized to expend funds for information and advertising. All matters relating to utility policies, capital projects, rates, and the sale and issuance of utility bonds are submitted to the Board for review and recommendation prior to Council consideration. The Public Utilities Board makes recommendations for the Capital Improvement Program pursuant to the provisions in the City Charter.

Tax Increment Reinvestment Zone Number Two Board

Makes recommendations to the City Council concerning the administration of the Zone; prepares and adopts a project plan and Tax Increment Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval; prepares, implements and monitors such project and financing plans for the Tax Increment Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone.

Traffic Safety Commission

Serves in an advisory capacity to the City Council on matters brought forward to the Commission by the City Manager, or his/her designee, or assigned by the City Council which pertains to traffic safety education and publicity; ways and means of improving traffic conditions and safety for motor vehicles; bicycle and pedestrian safety; implementation of traffic control devices; public parking restrictions; or roadway speed limit designations

CITY COUNCIL COMMITTEES

Agenda Committee

Reviews the City Manager's proposed City Council agendas as to form and agenda content.

Audit/Finance Committee

The duties and purpose of the Committee shall be to assist the City Council in fulfilling its organizational oversight responsibilities relating to the audit function, the investment function and other financial related activities as delegated by the City Council.

Boards, Commissions, and Council Committees

City Council Airport Committee

Reviews, considers and makes recommendations to the City Council on: the Airport Business Plan and the Airport Master Plan; any airport infrastructure improvement or other major project impacting the airport; the acquisition, review, and consideration of grant funding for the airport; contracts and leases of airport property, including recommending appropriate terms to the City Council; long term financial planning and budgetary issues affecting the airport; and issues raised as a result of interface between citizens, airport tenants, or other interested parties.

Committee on Citizen Engagement

The Committee shall provide advice to both the City Council and/or staff regarding the timely distribution of accurate and complete information to Denton citizens and devise methods of engaging Denton Citizens in the various processes of city government.

Committee on the Environment

The duties of the Committee shall be to review, discuss, deliberate, and consider environmental issues and resources and make recommendations to the City Council. The Committee will also deliberate and make recommendations regarding any other matter delegated to the Committee by the City Council.

Council Appointee Performance Review Committee

The duties and purpose of the Committee shall be to assist the City Council in performance review of the Council appointees and to insure that the appointees' job descriptions are accurate and properly reflect current job duties in order to make recommendations to the City Council to assist the Council in evaluating the job performance of the Council appointees. Additionally, the Committee will make recommendations regarding employment agreements, including renewals, of Council appointee positions.

Council Ethics Committee

The duties and purpose of the Committee shall be to advise the City Council on the Ethics Policy, gather information from citizens regarding the Ethics Policy, and conduct hearing and inquiries as set forth in the enabling resolution.

Council Mobility Committee

The duties and purpose of the Committee shall be to review, consider and make recommendations to the City Council regarding any changes to the Mobility Plan, local transportation policy, and any items concerning regional transportation policies and activities.

Hotel Occupancy Tax Committee

The duties and purpose of the Committee shall be to monitor allocation and use of hotel occupancy tax funds, ensuring funds are being used to directly enhance and promote tourism and hotel/convention industry and to recommend organizations to receive funding to City Council.



Quakertown Park

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215 E. MCKINNEY • DENTON, TEXAS 76201 • (940) 349-8200 • FAX (940) 349-7206

July 31, 2016

TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL:

Pursuant to provisions of the City Charter and on behalf of the staff, I respectfully submit to you the FY 2016-17 Budget. The Budget has been developed to accomplish the goals and objectives that are outlined in the City of Denton's Strategic Plan. The Strategic Plan addresses five Key Focus Areas (KFA's):

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

In February and April of 2016, the City Council discussed the Strategic Plan and priorities for the FY 2016-17 budget. Over the past year, the City has partnered with the Bloomberg What Works Cities initiative to refine our strategic outcomes and identify ways to mark our progress. As a result of these discussions, the FY 2016-17 Strategic Plan has been updated to accompany this budget. The Strategic Plan includes key action steps and strategic outcomes for the upcoming fiscal year which form the foundation for the budget priorities for FY 2016-17. The action steps and strategic outcomes are discussed in more detail in the Strategic Plan section of this document.

In addition to the Strategic Plan discussions, City staff has given twelve departmental and budgetary work session presentations from February through July of 2016. Departmental presentations were given covering Libraries, Fire, Parks, Police, Developmental Services, Economic Development, Streets and Traffic, and Transportation. Additional budgetary presentations covered, the General Fund, Internal Service Funds, Enterprise Funds, Special Revenue Funds, and Capital Improvement Funds, along with productivity and efficiency programs of the City.

While this budget continues to make strides to implement the Strategic Plan, there are many objectives which will take several years to achieve. As such, the FY 2016-17 Budget continues to allocate available resources according to the City's Strategic Plan to achieve our goals. The pace of growth in the General Fund for FY 2016-17 remains strong for the third straight year. Sales tax revenues are expected to be approximately 4.2% above the prior fiscal year for FY 2015-16 and are also estimated to grow at a rate of 3.0% for FY 2016-17. Property values including growth in

Manager's Message

the City's two tax increment reinvestment zones, grew significantly in a continued recovery from recessionary levels with an increase of 8.38% over the prior year tax roll. The proposed tax rate is a one-half cent decrease from the current rate of \$0.68975 to \$0.68475. Franchise fees are expected to grow by 6.3% or \$1,021,172 in FY 2016-17, and all of this growth is to be transferred to the Street Improvement Fund. The proposed budget also includes an additional transfer of \$622,000 from General Fund franchise fee revenue to the Street Improvement Fund.

This budget continues to emphasize increased efficiency and improved customer service. We continue to emphasize our most valuable asset, our employees, through the Leadership Excellence and Enhancement Program "LEEP", Innovation and Lean Government efforts. These programs help unleash the skills of our employees to reduce waste, and seek improved and innovative methods to better serve the citizens. Many improvements, changes, and new initiatives included in this budget are a direct result of the efforts of these employees. During the budget process, staff evaluates all of the programs of the City to ensure that they continue to meet the priorities and Strategic Plan of the City. Over the past several fiscal years, the City has also maintained a "managed vacancies" program to contain expenditures. Throughout the fiscal year, as position vacancies and attrition rates dictate, vacant positions are evaluated by City management and, according to the needs of the organization, positions are filled or left vacant. For FY 2016-17, the managed vacancy program will be continued, and the savings budgeted for the upcoming fiscal year is \$1.0 million.

This budget continues to give top priority to increasing funding for maintaining and repairing streets throughout the City. In 2011, the Strategic Plan specifically identified improving street infrastructure as a major goal. In response to this goal, the FY 2011-12 Budget created the Street Improvement Fund to provide a dedicated mechanism to account for street maintenance and improvement activities. The 2012 and 2014 Bond Elections also provided increased funding, and the planned debt issuance in FY 2016-17 for this purpose is \$6.0 million. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to \$12.97 million for FY 2016-17. Compared to FY 2015-16, budgeted revenue is projected to increase by \$1,850,360 from \$11,115,423 to \$12,965,783 in the Street Improvement Fund for FY 2016-17. This additional funding will be used for an additional five member street maintenance crew and equipment, as well as additional funding for base failure maintenance, overlay materials, and micro seal activities. Transportation funding is also included in the City's General Fund, and will be increased by \$95,850 this year for two pavement marking staff to work in coordination with the street maintenance and reconstruction program.

Additionally, the five-year financial plan estimates an increase in the total operating maintenance funding for the City's Street Improvement Fund to approximately \$16.5 million by FY 2020-21. The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our streets. In the future, the City will need to continue annual increases in funding for street maintenance activities along with potential future debt issuance for street reconstruction in order to improve the condition of the City's streets over the long term.

In addition to improving the City's street infrastructure, the enhancement of public safety is also identified in the Strategic Plan as a major initiative. Accordingly, the FY 2016-17 General Fund budget includes \$2,641,808 in funding enhancements for public safety programs. This budget

Manager's Message

includes the funding of a new medic unit (six new personnel) at Fire Station 8, breathing apparatus replacements and a Fire Training Captain position. Funding is included for the Police Department addition of a one Lieutenant, four Police Officers, two Motorcycle Officers, five additional 9-1-1 dispatchers, and an additional position in the animal services division.

The General Fund budget includes \$722,392 in enhancements to Neighborhood Services with the funding of a plans examiner and technology upgrades for the building inspections division. In the Parks Department funding is included for the additional seasonal staff at the Water Works Park due to the addition of the wave pool and new concession building. Parks funding also includes contractual support of \$35,000 to the Parks Foundation.

Administrative and Community Services supplemental programs are funded at \$156,500 in the General Fund. Significant supplemental packages include the addition of annual funding for parking lot maintenance at City facilities, additional internal audit services funding and an economic development impact model.

Significant resources of \$1,120,771 are budgeted from the Traffic Safety Fund in FY 2016-17 for one-time expenditures. These include equipment for the paving marking program, the replacement of one traffic signal, additional downtown sidewalk improvements, intersection radar detection equipment, traffic signal pre-emption improvements and ADA intersection improvements for five pedestrian crossings.

In addition to the funding enhancements for FY 2016-17, several one-time items are to be funded in FY 2015-2016 from existing appropriations in the General Fund. In the Fire Department, funding is included to purchase a patient lift system and expansion of the station alerting system. Other major items for FY 2015-16 funding are security cameras for the Library system, an ADA study of street, signals and rights-of-way, the parking lot reconstruction at the Civic Center, the replacement of one traffic signal and downtown sidewalk improvements.

The overall FY 2016-17 Budget for all funds is \$1.185 billion and includes 1,638.56 Full-Time Equivalent positions (FTEs). A comprehensive summary of the budget is provided in the Budget Overview section of this document. The key elements of the budget include the following:

- The total proposed tax rate is \$0.68475 per \$100 of assessed valuation which is one-half cent less than the prior year. Of this amount, \$0.46815 is provided for operations and maintenance, and \$0.21660 is provided for debt service. The rate for debt service has increased from \$0.21519 to \$0.21660 to continue implementation of the 2014 bond election program. The effective tax rate is \$0.663366, and the rollback tax rate is \$0.720790.
- As detailed in the Budget Overview section of this document, a combined net increase of 73.6 FTEs for all funds compared to the FY 2015-16 positions (1,564.96) includes:
 - 20.0 FTEs in Public Safety
 - 14.6 FTEs in Neighborhood Services
 - 2.0 FTEs in Transportation
 - 9.0 FTEs in the Electric Fund
 - 7.0 FTEs in the Water Fund
 - 1.0 FTE in the Wastewater Fund

Manager's Message

- 11.0 FTEs in the Solid Waste and Recycling Fund
- 1.0 FTE in the Materials Management Fund
- 1.0 FTE in the Risk Management Fund
- 5.0 FTEs in the Street Improvement Fund
- 1.0 FTE in the Technology Services Fund
- 1.0 FTE in the Engineering Services Fund
- A base rate increase of 4.5% and reduction in the ECA rate for a zero net customer increase with minor variances across customer classes for our Electric customers.
- An average increase of 5.0% for our Water customers.
- An average increase of 2.0% for our Wastewater customers.
- An increase in the monthly standard refuse cart fee with recycling from \$27.35 to \$27.85 and other Solid Waste fee changes as detailed in the Budget Overview section of this document.
- For an average residential customer, the combined monthly cost for electric, water, wastewater, and solid waste service will increase from \$254.63 to \$258.05, which is an approximately 1.3% increase.
- A 3% average merit increase for non-civil service employees and increases for employees to bring them to the minimum of their pay range.
- Pay adjustments for Police and Fire civil service employees in accordance to their meet and confer agreements to reach the market average plus 5%, normally programmed step increases, and the first year of wellness incentive pay.

The FY 2016-17 Budget has been developed within the context of a five-year financial plan and the long-term infrastructure needs of the community. The purpose of this approach is to provide a long-term and financially sustainable perspective for decisions in the coming fiscal year. As we develop future forecasts, we will continue to evaluate our ability to fund our strategic priorities and maintain a balance between revenues and expenditures.

Each utility budget is developed within the context of long-range strategic and financial plans and is based on strategies that support and strengthen the financial health of each utility. Additional rate increases are planned in the future to address aging infrastructure issues and ensure that adequate working capital and rate reserve funds are maintained. The Five-Year Financial Forecast will be reviewed and revised annually as necessary to support utility objectives, and the key assumptions for these plans are described in this document.

The budget includes a five-year general Capital Improvement Program (CIP) of \$133.374 million. The first year of general CIP is \$37.185 million with \$17.16 million in General Obligation Bonds, \$18.935 million in Certificates of Obligation and \$1.09 million funded by current revenues. The General Obligation Bonds are for street reconstruction and expansion and public safety improvements. The Certificates of Obligation are planned to be issued for the City's required matching funds for the Bonnie Brae and Mayhill Road projects, fleet vehicle replacement, facility maintenance, public safety radio upgrades, a computer aided dispatch system replacement and a fuel truck for fleet services. Lastly, the general CIP includes \$1.190 million in revenue funded projects for technology upgrades, Fleet improvements, expansion of the materials management warehouse facility, and pedestrian and bike lane additions.

Manager's Message

The success of the City's Economic Development efforts is clearly shown through growing sales tax and property values. The retail and restaurant development continues at Rayzor Ranch, Unicorn Lake and the vibrant downtown area. BJ's Restaurant, Bone Daddy's, Chili's, In-N-Out Burger, WinCo, H and M, and Francesca's are just some of the new businesses opened in the last year. The Railyard redevelopment of a 28,000 square foot building and new 110 loft style apartments just opened next to the City's Downtown Transit Center bringing housing, restaurants and collaborative office space for the City's expanding technology sector. Several business projects with new and expanding facilities are being constructed. Victor Technologies 30,000 square foot research and development space and 185,000 square foot warehouse is underway. Peterbilt Motors 17,500 square foot expansion was recently completed and its new 102,000 square foot building is also under construction. WinCo is moving rapidly toward completion on their 800,000 square foot distribution facility that is located on 77 acres in the Westpark area. An anchor to the southern portion of the Razor Ranch development is the Embassy Suites Hotel and connected 70,000 square foot convention center that is estimated to be complete in late 2017. A second runway is under design at the airport to facilitate increased activity and development. Residential building permits continue to grow, adding new residents to shop, dine and enjoy these new establishments. The adopted Denton Plan 2030 provides the roadmap for the next decade of positive growth for Denton.

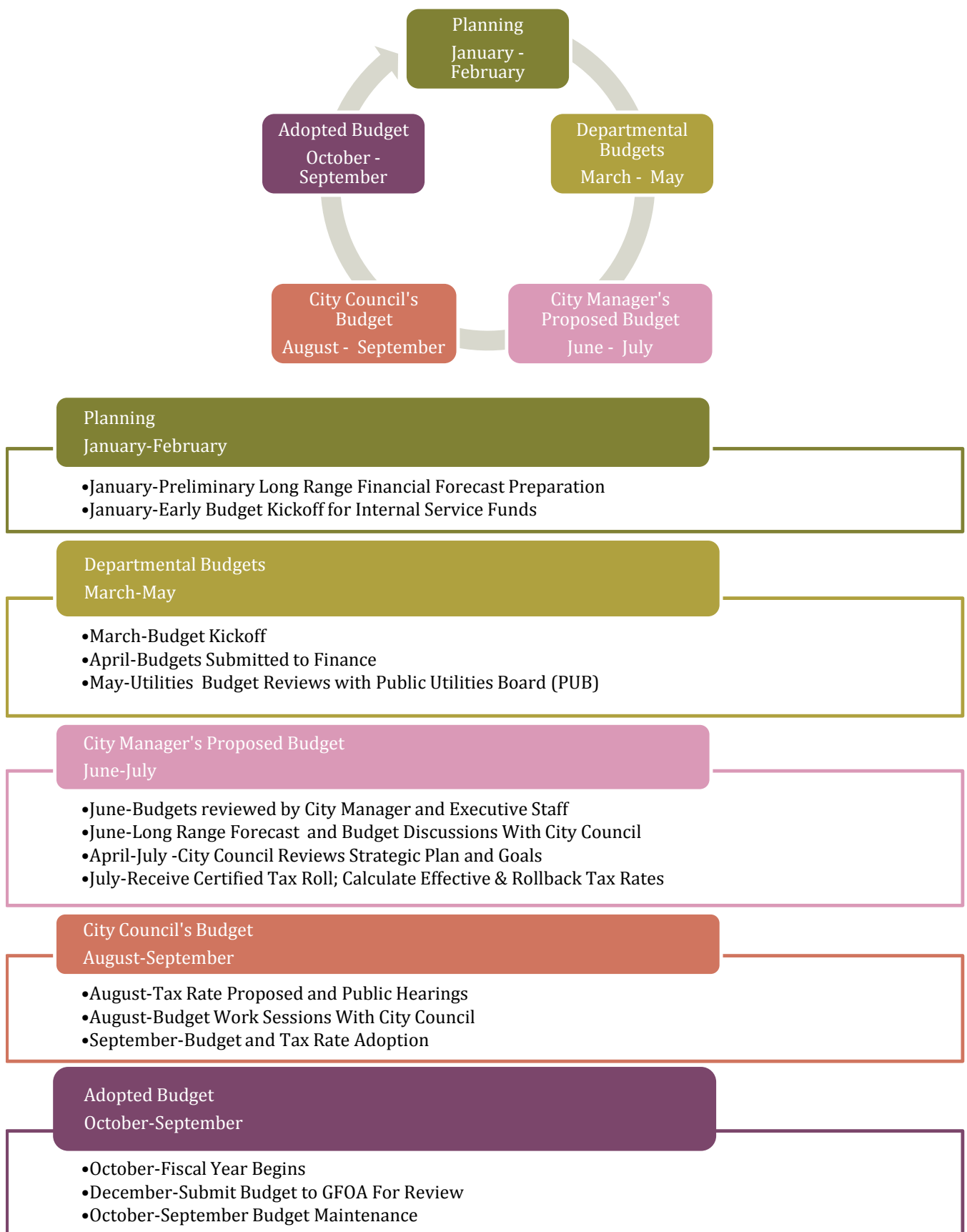
I sincerely thank the members of the Denton City Council for their hard work and dedication to the Citizens of Denton. The input of the City Council and Public Utilities Board has been invaluable in the preparation of the FY 2016-17 Budget, Capital Improvement Plan (CIP), and Five Year Financial Forecast. Appreciation is also expressed to members of the professional staff, particularly in the Finance Department for their diligence in the preparation of the Budget.

With significant investments in our organization, people, and infrastructure, I am confident that this Budget prepares the City of Denton for future success as well. With your support, and the dedication of our capable staff, we will ensure that quality services are provided to the citizens of Denton.

Sincerely,



Howard Martin
Interim City Manager

Budget Calendar

Reader's Guide

The Reader's Guide provides an overview of the City of Denton's budget process and budget documents. The City of Denton has prepared a budget designed to meet the highest standards of performance in municipal budgeting. This document provides a summary of all budgeted funds, including both revenue and expenditure summaries. Major budget documents, the budget process, and organization of the budget itself are described below.

Major Budget Documents

The City of Denton's budget process includes the production of five key documents. It is important to understand the timing and purpose of these documents in order to fully understand the process itself.

1. The Budget Instruction Manual - March

Prior to budget development and training of departmental support staff, the Budget Instruction Manual is drafted and completed in March. This document serves as a development guide and includes sections on annual budget highlights and specific development instructions, as well as, appendices with rate calculations, format examples, and supplemental forms.

2. Long-Range Financial Forecast - June

In June, the City Council meets to discuss the preliminary Long-Range Financial Forecast for the city. After this meeting, staff prepares a five-year forecast to address key service areas. The forecast is finalized at the end of July and included in the proposed budget document.

3. The Budget Overview and Manager's Message - Late July

The Budget Overview and Manager's Message is submitted to the City Council in late July as part of the proposed budget. This report summarizes and identifies key issues with regard to revenues and expenditures for the coming year.

4. The Proposed Budget - Late July

The proposed budget is submitted to the City Council in late July of each fiscal year. This document represents a balanced version of departmental budget requests versus projected resources. The proposed budget is a product of policy as expressed by the City Council and is prepared by the City Manager.

5. The Adopted Budget - September

The adopted budget represents a modified version of the proposed budget after public hearings and City Council review in August/September. Any changes deemed necessary by City Council to funding levels or revenue projections are reflected in the adopted budget. Revisions may also be made to reflect any updates to budget information.

Reader's Guide

The Budget Process

The City of Denton uses a program-oriented budgeting process. Each budgeting unit or division is given a "baseline" funding level based upon the previous year's funding level. Any funding request that represents new expenditures and programs, or that is in excess of adjusted baseline funding, must be submitted as a separate request or "package."

1. Budget Training for Support Staff/Budget Guideline Review

January/February is the time when existing budget guidelines, procedures, and forms are reviewed. Changes may be made to the budget process in order to make budget development more efficient and address format changes.

Preliminary budget training for departments is available prior to budget kickoff. During preliminary training, staff is informed of budgeting concepts and the budget process, as well as, given a quick introduction to the City's budget forms.

During budget kickoff, departments receive the budget instruction manual so that they may have specific instructions and a review of any changes to the budget process.

2. Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Department staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

3. Proposed Budget Development

During budget development, the Finance Department staff work with departments to analyze requests, provide advice, and lend assistance. Budget requests are based upon a baseline funding level, and any additional funding is made in the form of supplemental requests.

Reader's Guide

4. *Proposed Budget Analysis/Compilation*

Once division and departmental budget requests are completed, the Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Management Team, which is comprised of the City Manager and Assistant City Managers. A total recommended funding level is determined from both baseline and proposed supplemental packages. At this time, the funding level is weighed against available resources. A tax rate increase may or may not be recommended depending upon City Council program priorities and issues previously expressed in the budget process.

5. *Long-Range Financial Forecast*

A workshop is held in June with the City Council to discuss the preliminary Long-Range Financial Forecast for the city. After this meeting, staff refines the forecast to address key service areas. The recommended version of the forecast is included in the proposed budget document that is submitted to the City Council in July.

6. *City Council Budget Study*

The proposed budget, including the Budget Overview, is compiled as soon as possible after final appraised property value and other data are received. This report highlights and summarizes funding requirements, major changes in programs, and alternatives for funding. A budget work session is held with the City Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions until budget adoption.

7. *Public Hearing/Budget Adoption*

A public hearing on the budget and two public hearings on the tax rate (if necessary) are held in September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget and tax rate.

Budget adoption occurs in September after City Council deliberations and the public hearings. City Council may take action to modify the proposed budget. The City Council also adopts a tax rate to support adopted funding levels. Pursuant to City Charter, the proposed budget as submitted by the City Manager becomes the adopted budget if no City Council action is taken before the end of the fiscal year, September 30.

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8. *Compilation of Adopted Budget/Budget Maintenance*

An adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in December.

Budget maintenance is a year-round activity of the organization. Spending controls consist of budget holds, position control reviews, and budget transfer authorizations for unbudgeted expenses. Additional spending control mechanisms include monthly review of expenditures by the Finance Department.

During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget development to determine effectiveness of program activities and levels of appropriate funding for subsequent years.

Budgetary and Financial Policies

The City of Denton has developed administrative policies, which govern the formulation and administration of the annual budget. These administrative policies are incorporated within the City's Administrative Policies and Procedures.

Financial Structure

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as, any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. However, when appropriate, funds are made up of departments. The two types of funds utilized in this budget are Governmental and Proprietary. The specific funds that make up the Governmental Fund type are General Fund, General Debt Service Fund, Street Improvement Fund, Recreation Fund, Tourist and Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Economic Development Investment Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Roadway Impact Fee Fund, Tree Mitigation Fund, Public Education Government (PEG) Fund, McKenna Trust Fund, Park Land Dedication and Development Trust Funds, Downtown Tax Increment Reinvestment Zone (TIRZ) Fund, Westpark Tax Increment Reinvestment Zone (TIRZ) Fund, and Miscellaneous Special Revenue Funds. The Proprietary Fund types are Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Airport Fund, Technology Services Fund, Materials Management Fund, Fleet Management Fund, Health Insurance Fund, Risk Retention Fund, and the Engineering Services Fund. Each of the above-mentioned funds operates separately and independently from one another; therefore, they are budgeted separately and include separate financial statements.

Reader's Guide

Budgeted Funds

The City of Denton's budget consists of various funds. Each fund represents a specific function and maintains individual objectives. The City of Denton's budget includes the following funds:

General Fund (major fund) – The General Fund reflects the City's general service operations such as public safety, libraries, and parks. The General Fund's two major revenue sources are sales and ad valorem taxes.

Debt Service Fund (major fund) – The Debt Service Fund is used to record and control the accumulation of resources for payment of general obligation long-term debt principal and interest. The City issues debt to acquire or construct capital assets such as roads or parks for the general benefit of Denton citizens. Resources include an applicable portion of the ad valorem tax levy and related interest income usable from debt service.

Special Revenue Funds – Special Revenue Funds are used to account for the receipt of specific revenue sources that are restricted for expenditures for a specified purpose. Included in the special revenue funds are: the Street Improvement Fund, Recreation Fund, Tourist and Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Economic Development Investment Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Roadway Impact Fee fund, Tree Mitigation Fund, Public Education Government (PEG) Fund, McKenna Trust Fund, Park Land Dedication and Development Trust Funds, Downtown Tax Increment Reinvestment Zone Fund, Westpark Tax Increment Reinvestment Zone Fund, and Miscellaneous Special Revenue Funds.

Street Improvement Fund – The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The fund will receive revenue from a portion of the franchise fees previously accounted for in the General Fund, as well as, street cut reimbursements. Additionally, interest cost savings associated with the sale of Certificate's of Obligation in lieu of Revenue Bonds will also be recorded as revenue.

Recreation Fund – The Recreation Fund is used to account for the Parks and Recreation programs, such as children's programs and recreation center programs, which are self-supporting.

Tourist and Convention Fund – This fund reports the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. Each October the City Council enters into contracts with various organizations that will promote tourism and the convention and hotel industry in Denton.

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Police Confiscation Fund – The Police Confiscation Fund is used to record the receipt and expenditure of confiscated contraband that is used in the commission of a variety of criminal offenses. Expenditures from this fund are allocated to the Police Department for materials, supplies, and operational costs.

Police Academy Fund – The Police Academy Fund is a fund comprised of revenues associated with training non-Denton Officers and staff at the City's Public Safety Training Facility.

Traffic Safety Fund – The Traffic Safety Fund is used to record the receipt of citations from red light camera violations. Revenues from this fund are used for materials to enhance traffic safety operations in the Police Department and Traffic Department.

Economic Development Investment Fund – The Economic Development Investment Fund was a newly created fund in FY 2015-16. This fund is used to account for grants provided to attract businesses to the City.

Downtown Reinvestment Fund – The Downtown Reinvestment Fund is used to account for "micro-grants" provided to businesses located in the downtown area.

Parks Gas Well Fund – The Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects.

Roadway Impact Fee Fund – The Roadway Impact Fee Fund was established to record the receipt and expenditure of impact fees associated with development affecting city roadways. This is a new fund for FY 2016-17.

Tree Mitigation Fund – The Tree Mitigation Fund is used to purchase, plant, and maintain trees on public property, to preserve wooded property that remains in a naturalistic state in perpetuity, to perform and maintain a citywide tree inventory, and to educate citizens and developers on the benefits and value of trees.

Public Education Government (PEG) Fund – The PEG Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the city on a quarterly basis from cable subscribers.

McKenna Trust Fund – The McKenna Trust Fund is used to account for interest received from the George McKenna Trust, which was established in 1958 and is currently managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children's Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City.

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Park Land Dedication and Development Trust Funds – The Park Land Dedication and Development Trust Funds are funds received from developers. These fees provide for neighborhood parks and projects within a one half to one mile radius of the development or platting.

Downtown Tax Increment Reinvestment Zone Fund – The Downtown TIRZ Fund will be used for downtown development projects, and it accounts for the tax revenues that are collected above the FY 2010-11 level in the downtown area.

Westpark Tax Increment Reinvestment Zone Fund – The Westpark TIRZ Fund will be used for development projects and to account for the tax revenues that are collected above the FY 2012-13 level in the Westpark area, located near the Denton Enterprise Airport.

Miscellaneous Special Revenue Funds – The Miscellaneous Special Revenue Funds are comprised of the Animal Control Donation Fund, Police Donation Fund, Fire Donation Fund and Library Donation Fund.

Enterprise Funds (major funds) – Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. The City budget includes Electric, Water, Wastewater, Solid Waste, and Airport Funds. Each fund reflects the services denoted in the title of each fund. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provided.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to another department within the same government organization. Financing is based on reimbursement of actual costs. The internal service funds are Fleet Management, Technology Services, Materials Management, Engineering Services, Risk Retention, and Health Insurance. Each internal service fund listed is funded through payments from various City departments for the actual services received from the specific fund.

Technology Services Fund – The Technology Services Fund provides computer services such as programming, support, training, and maintenance of the City's computer resources and telephone maintenance.

Materials Management Fund – The Materials Management Fund is comprised of purchasing and warehouse operations. This internal service fund is responsible for procuring goods and services for City departments and the warehouse maintains an inventory of materials and supplies used by City departments.

Reader's Guide

Fleet Management Fund – The Fleet Management Fund accounts for the maintenance and repair of the City's vehicle and equipment fleet.

Risk Retention Fund – The Risk Retention Fund records the activities associated with providing general liability insurance coverage and self-funded activities for City operations.

Health Insurance Fund – The Health Insurance Fund accommodates self-insurance operations.

Engineering Services Fund – The Engineering Services Fund is comprised of the following operations: Engineering, Real Estate, Public Works Inspections, and Development Review. This internal service fund is responsible for providing the above services primarily to internal city departments although some services are provided to external entities.

Budget Basis

The budget for the General, Special Revenue, Debt Service, and Capital Improvement Program (CIP) Funds are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period except where the accrual basis is specified by generally accepted accounting principles. Expenditures are recognized when the related fund liability is incurred, except for (1) inventories of material and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debts which are generally recognized when due. Budgets for the Enterprise and Internal Service Funds are prepared on the full accrual basis of accounting under which transactions are recognized when they occur regardless of timing or related cash flow.

Organizational Relationships

A department is a major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. The smallest organizational unit budgeted is the division. The division indicates responsibility for one functional area, and in many cases these functional areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up a department.

Strategic Plan

The City of Denton uses a Strategic Plan as a roadmap to achieve long-term goals and objectives that capture the City's Vision, Mission, and Value statements. The first Strategic Plan was formally approved by the City Council in April 2011, and it has been updated periodically since that time. Over the past year, the City has partnered with the Bloomberg What Works Cities initiative to refine our strategic outcomes and identify measurable ways to mark our progress. The proposed outcomes and key action steps were discussed with the City Council in April 2016, and the plan will be considered for formal approval as part of the budget process.

The Strategic Plan serves as the basis for resource allocation decisions that are used in the development of the FY 2016-17 Budget. The Strategic Plan is organized into five Key Focus Areas (KFAs) and major goals associated with each KFA are also identified below.

Key Focus Area 1: Organizational Excellence
Goal 1.1 Manage financial resources in a responsible manner.
Goal 1.2 Develop a high-performance work force.
Goal 1.3 Promote effective internal and external communication.
Goal 1.4 Achieve high level of customer satisfaction.
Goal 1.5 Utilize technology to enhance efficiency and productivity.
Goal 1.6 Collaborate with local, regional, state, and federal partners.
Key Focus Area 2: Public Infrastructure
Goal 2.1 Optimize resources to improve quality of City roadways.
Goal 2.2 Seek solutions to mobility demands and enhance connectivity.
Goal 2.3 Promote superior utility services and facilities.
Goal 2.4 Manage drainage infrastructure.
Goal 2.5 Develop Capital Improvement Program (CIP) based on community needs.
Key Focus Area 3: Economic Development
Goal 3.1 Develop targeted policies and incentives to achieve desired economic growth.
Goal 3.2 Make Denton a destination for visitors.
Goal 3.3 Promote a business-friendly environment.
Goal 3.4 Encourage development, redevelopment, recruitment, and retention.
Key Focus Area 4: Safe Liveable and Family Friendly Community
Goal 4.1 Enhance public safety in the community.
Goal 4.2 Seek clean and healthy neighborhoods in Denton.
Goal 4.3 Provide quality, diverse, and accessible neighborhood services for the community.
Goal 4.4 Provide and support outstanding leisure, cultural, and educational opportunities.
Goal 4.5 Provide support to citizens in need through social service agencies and programs.
Key Focus Area 5: Sustainable & Environmental Stewardship
Goal 5.1 Manage Denton's water resources.
Goal 5.2 Improve air quality and greenhouse gas management.
Goal 5.3 Improve energy efficiency and conservation.
Goal 5.4 Manage land use and preserve open/natural spaces.
Goal 5.5 Provide alternative modes of transportation.
Goal 5.6 Promote sustainable materials resource management.
Goal 5.7 Encourage local food production.

Strategic Plan

The matrix below organizes the Key Focus Areas (KFAs) by select service areas in the organization. While every department has some level of responsibility for each KFA, the matrix is intended to only highlight the primary departments responsible for each KFA.

SERVICE AREA	KFA 1	KFA 2	KFA 3	KFA 4	KFA 5
UTILITIES					
Electric		✓			
Water	✓	✓		✓	✓
Wastewater		✓			✓
Solid Waste					✓
INTERNAL SERVICES					
Technology Services	✓				
Materials Management	✓				
Fleet	✓				✓
Risk	✓				
NEIGHBORHOOD SERVICES					
Building Inspection	✓		✓	✓	
Community Improvement Services				✓	
Libraries				✓	
Parks and Recreation			✓	✓	
Planning	✓		✓	✓	
Gas Well Operations				✓	
Community Development				✓	
PUBLIC SAFETY					
Animal Services				✓	
Fire				✓	
Police				✓	
Municipal Court				✓	
TRANSPORTATION					
Airport		✓			
Streets		✓			
Traffic/Transportation		✓			✓
ADMINISTRATIVE SERVICES					
City Manager's Office	✓				
Economic Development			✓		
Facilities Management		✓			
Finance	✓		✓		
Human Resources	✓				
Internal Audit	✓				
Legal	✓				
Public Communications	✓				
Key Focus Area 1: Organizational Excellence					
Key Focus Area 2: Public Infrastructure					
Key Focus Area 3: Economic Development					
Key Focus Area 4: Safe, Liveable and Family-Friendly Community					
Key Focus Area 5: Sustainable & Environmental Stewardship					

Strategic Plan

KFA 1: ORGANIZATIONAL EXCELLENCE

Goal 1.1: Manage financial resources in a responsible manner

- Objective 1.1.1 Utilize benchmarking, performance measurement and progress evaluation to improve operations
- Objective 1.1.2 Develop and implement long-range strategic plans
- Objective 1.1.3 Provide timely, accurate, and relevant financial information
- Objective 1.1.4 Ensure adequate internal controls are in place to prevent waste, fraud, and abuse
- Objective 1.1.5 Manage enterprise funds to achieve financial self-sufficiency
- Objective 1.1.6 Minimize fees and rates that are charged to our citizens and customers

Goal 1.2: Develop a high-performance workforce

- Objective 1.2.1 Create succession and workforce management strategy to ensure organizational sustainability and continuity
- Objective 1.2.2 Attract, retain, and motivate qualified and diverse staff to ensure consistent implementation of established vision
- Objective 1.2.3 Establish a culture where employees feel valued and respected
- Objective 1.2.4 Facilitate open inter- and intra-departmental communication and collaboration
- Objective 1.2.5 Establish a culture of accountability at all levels of governance
- Objective 1.2.6 Support staff participation in regional, state, national and international organizations

Goal 1.3: Promote effective internal and external communication

- Objective 1.3.1 Maintain on-going staff communication with City Council, Boards, and Commissions
- Objective 1.3.2 Utilize both traditional and non-traditional forms of communication to disseminate accurate information
- Objective 1.3.3 Actively seek feedback from citizens and employees, in order to identify and implement programmatic changes, as appropriate

Goal 1.4: Achieve high level of customer satisfaction

- Objective 1.4.1 Provide exemplary customer service
- Objective 1.4.2 Ensure all customer interactions are conducted in a professional and courteous manner
- Objective 1.4.3 Respond to customer inquiries in a timely fashion
- Objective 1.4.4 Provide convenient methods of conducting business with the City
- Objective 1.4.5 Seek creative means to help customers achieve their goals

Goal 1.5: Utilize technology to enhance efficiency and productivity

- Objective 1.5.1 Develop information technology systems to automate routine processes
- Objective 1.5.2 Utilize data analysis to make informed management and operational decisions
- Objective 1.5.3 Reduce reliance on paper-based systems

Goal 1.6: Collaborate with local, regional, state and federal partners

- Objective 1.6.1 Maintain dialogue with state and federal delegation and regulatory agencies
- Objective 1.6.2 Promote bi-annual legislative agenda and congressional priorities
- Objective 1.6.3 Pursue effective representation at the state and federal levels
- Objective 1.6.4 Participate in regional, state, national, and international coalitions (RTC, NCTCOG, TML, NLC, ICMA, etc.)

Strategic Plan

KFA 2: PUBLIC INFRASTRUCTURE

Goal 2.1: Optimize resources to improve quality of City roadways

- Objective 2.1.1 Manage City street funding based on Overall Condition Index (OCI) methodology
- Objective 2.1.2 Develop a long-range strategy to transition street funding to achieve the OCI criteria
- Objective 2.1.3 Improve the design criteria for all dedicated roadways
- Objective 2.1.4 Maintain an acceptable level of service on all City roadways
- Objective 2.1.5 Design and construct all capital street projects on a 40-year design life

Goal 2.2: Seek solutions to mobility demands and enhance connectivity

- Objective 2.2.1 Coordinate with DCTA to provide effective multi-modal connectivity
- Objective 2.2.2 Coordinate with TxDOT to maintain and enhance the state road network
- Objective 2.2.3 Improve walkability/pedestrian access
- Objective 2.2.4 Encourage and improve bicycle mobility
- Objective 2.2.5 Enhance aviation infrastructure at Denton Enterprise Airport
- Objective 2.2.6 Update the Mobility Plan every five years
- Objective 2.2.7 Increase the efficiency of existing roadways

Goal 2.3: Promote superior utility services and facilities

- Objective 2.3.1 Plan for long-term resource acquisition and development
- Objective 2.3.2 Assure regulatory compliance and legislative oversight
- Objective 2.3.3 Protect public health and provide reliable service
- Objective 2.3.4 Ensure operational and environmental sustainability
- Objective 2.3.5 Effectively maintain and operate municipal facilities
- Objective 2.3.6 Develop and support rates to provide funding for strategic objectives

Goal 2.4: Manage drainage infrastructure

- Objective 2.4.1 Require new drainage infrastructure to design 100-year flood protection, based on fully developed conditions
- Objective 2.4.2 Rehabilitate existing drainage system in compliance with 100-year flood protection criteria
- Objective 2.4.3 Develop funding mechanism to rehabilitate inadequate drainage system components over a 20-year period
- Objective 2.4.4 Require finished floor elevation certification on studied and unstudied drainage basins
- Objective 2.4.5 Maintain street sweeping in compliance with municipal good housekeeping management practices associated with stormwater regulations

Goal 2.5: Develop Capital Improvement Program (CIP) based on community needs

- Objective 2.5.1 Manage existing and future infrastructure needs to meet projected growth trends
- Objective 2.5.2 Develop and implement financing plans for identified infrastructure needs

Strategic Plan

KFA 3: ECONOMIC DEVELOPMENT

Goal 3.1: Develop targeted policies and incentives to achieve desired economic growth

- Objective 3.1.1 Establish a target ratio of commercial-appraised value relative to residential and work to achieve the specified goal
- Objective 3.1.2 Increase home ownership
- Objective 3.1.3 Increase housing values
- Objective 3.1.4 Improve land use densities across the Denton
- Objective 3.1.5 Implement the “Preferred Growth Concept” identified in the Comprehensive Plan
- Objective 3.1.6 Preserve and maintain historic structures and culture in Denton
- Objective 3.1.7 Establish a target ratio of multi-family housing relative to single family offerings and work to achieve the specified goal

Goal 3.2: Make Denton a destination for visitors

- Objective 3.2.1 Promote festivals and artistic events in cooperation with the Convention and Visitors Bureau (CVB) and Chambers of Commerce
- Objective 3.2.2 Promote Denton as a destination city in cooperation with the Denton County Transportation Authority (DCTA), University of North Texas and Texas Woman’s University
- Objective 3.2.3 Utilize the Convention Center to market Denton as a destination city

Goal 3.3: Promote a business-friendly environment

- Objective 3.3.1 Maintain a timely and efficient development review process
- Objective 3.3.2 Seek creative means to help customers achieve their goals
- Objective 3.3.3 Utilize development incentives to attract high-quality projects
- Objective 3.3.4 Maintain dynamic presence at the local Chambers of Commerce
- Objective 3.3.5 Maintain effective relationships with the development community

Goal 3.4: Encourage development, redevelopment, recruitment, and retention

- Objective 3.4.1 Improve commercial property values and sales tax revenues
- Objective 3.4.2 Grow jobs that support home ownership and higher household incomes
- Objective 3.4.3 Develop job growth that targets university graduates and young professionals
- Objective 3.4.4 Target major industrial/commercial employer relocations and expansions
- Objective 3.4.5 Target the relocation and expansion of major suppliers for existing companies
- Objective 3.4.6 Improve marketing efforts to showcase Denton’s attributes
- Objective 3.4.7 Promote Denton as a healthcare destination for the region

Strategic Plan

KFA 4: SAFE, LIVEABLE AND FAMILY-FRIENDLY COMMUNITY

Goal 4.1: Enhance public safety in the community

- Objective 4.1.1 Expand departmental collaboration and community partnerships by increasing involvement, communication, education, and utilizing technology
- Objective 4.1.2 Secure and deploy public safety resources in the most effective and efficient manner possible
- Objective 4.1.3 Evaluate existing and future public safety facility needs in order to provide the most effective delivery of emergency response services
- Objective 4.1.4 Focus on prevention programs to heighten awareness, minimize loss, and support a safer community
- Objective 4.1.5 Maintain a high level of preparedness through planning, training, and the utilization of resources

Goal 4.2: Seek clean and healthy neighborhoods in the City of Denton

- Objective 4.2.1 Provide effective community improvement services that meet community expectations
- Objective 4.2.2 Promote positive environmental behaviors and practices for Denton and its residents
- Objective 4.2.3 Enhance the quality, livability, and sustainability of the neighborhoods in Denton
- Objective 4.2.4 Support revitalization efforts of existing low-moderate income neighborhoods

Goal 4.3: Provide quality, diverse, and accessible neighborhood services for the community

- Objective 4.3.1 Meet customer needs through quality and diverse programs
- Objective 4.3.2 Promote a family-friendly environment
- Objective 4.3.3 Co-sponsor annual community events and festivals
- Objective 4.3.4 Build relationships with key organizations to enhance community and social events
- Objective 4.3.5 Enhance educational and recreational opportunities at Clear Creek Natural Heritage Center

Goal 4.4: Provide and support outstanding leisure, cultural, and educational opportunities

- Objective 4.4.1 Cultivate mutually beneficial relationships with local educational and governmental institutions
- Objective 4.4.2 Provide lifelong learning opportunities with the City's library system
- Objective 4.4.3 Promote healthy lifestyles for residents through parks and recreation facilities
- Objective 4.4.4 Encourage and support artistic endeavors in the community

Goal 4.5: Provide support to citizens in need through social service agencies and programs.

- Objective 4.5.1 Partner with social service agencies to increase access to programs and services in the community.
- Objective 4.5.2 Develop targeted solutions to improve funding outcomes for citizens.
- Objective 4.5.3 Leverage Community Development Block Grant (CDBG) and other federal grant funds to achieve the maximum benefit for social service programs.

Strategic Plan

KFA 5: SUSTAINABLE AND ENVIRONMENTAL STEWARDSHIP

Goal 5.1: Manage Denton's water resources

- Objective 5.1.1 Protect and restore Denton's water resources
- Objective 5.1.2 Maintain high level of drinking water quality
- Objective 5.1.3 Invest in sustainable stormwater and watershed infrastructure and management
- Objective 5.1.4 Ensure wastewater is collected, treated, and discharged in accordance with all regulatory requirements
- Objective 5.1.5 Promote water conservation

Goal 5.2: Improve air quality and greenhouse gas management

- Objective 5.2.1 Improve regional air quality and take actions to improve non-attainment status
- Objective 5.2.2 Take actions to reduce air pollutant emissions, including greenhouse gases and emissions from government operations

Goal 5.3: Improve energy efficiency and conservation

- Objective 5.3.1 Invest in renewable energy generation
- Objective 5.3.2 Encourage energy conservation and efficiency in new and existing homes and businesses
- Objective 5.3.3 Ensure efficient energy use in city government facilities through demand reduction in both new construction and building retrofits
- Objective 5.3.4 Continue to require exceptional energy efficiency building standards for new construction

Goal 5.4: Manage land use and preserve open/natural spaces

- Objective 5.4.1 Promote land use and code/zoning patterns that positively affect energy use and the environment
- Objective 5.4.2 Preserve open space, natural areas, and tree canopy
- Objective 5.4.3 Minimize water use, promote stormwater quality, and reduce stormwater quantity through management measures
- Objective 5.4.4 Promote redevelopment of infill areas and brownfield sites

Goal 5.5: Provide alternative modes of transportation

- Objective 5.5.1 Expand infrastructure for non-vehicle modes of transportation
- Objective 5.5.2 Promote public transportation ridership and the use of fuel efficient/alternative fuel vehicles
- Objective 5.5.3 Reduce environmental impacts from impervious parking surfaces

Goal 5.6: Promote sustainable materials resource management

- Objective 5.6.1 Reduce solid waste generation and divert waste away from landfill disposal through increased recycling and reuse options
- Objective 5.6.2 Leverage city government's purchasing power to procure goods and services that cause less harm to humans and the environment, in accordance with procurement laws and regulations

Goal 5.7: Encourage local food production

- Objective 5.7.1 Encourage local food production and distribution

Strategic Plan

Action Steps to Implement the Plan in FY 2016-17

During the strategic planning process, staff identified several Key Action steps to be completed over the coming fiscal year. The purpose of creating Strategic Plan action steps or “tasks” is to:

- Link broad policy goals identified in the Strategic Plan with specific actions that are to be undertaken.
- Provide policy makers and employees with key milestones for assessing our performance.
- Establish accountability for completing the tasks in the coming year.

In addition to the KFAs and goals, the Strategic Plan proposes to achieve several strategic outcomes in the coming years. These outcomes have been developed in association with the Bloomberg What Works Cities initiative. These proposed outcomes and action steps for the coming year are listed below:

KFA 1: Organizational Excellence

Strategic Outcome #1.1: Increase overall satisfaction rate with customer service from 75% to 80% by 2020 (Dataset: 2015 Citizen Survey; average positive rating of 6 elements of customer service).

Key Action Steps for Strategic Outcome #1.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
City Manager’s Office	Implement interim Customer Relationship Manager (CRM) module and other feedback mechanisms for citizens	January 2017
Technology Services	Create a digital roadmap for providing services to the community	September 2017
City Manager’s Office	Hold regular performance management meetings with departments and executive team	January 2017

Strategic Outcome #1.2: Improve positive rating of information sharing and communications with the public from 49% to 60% by 2020 (Dataset: 2015 Citizen Survey; average positive rating of 7 elements of communications efforts).

Key Action Steps for Strategic Outcome #1.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
City Manager’s Office	Conduct citizen and business surveys and explore options for soliciting input from various stakeholders	July 2017
City Manager’s Office	Conduct “State of the City” meeting with citizens and create Citizens Academy	March 2017
Technology Services	Enhance open data platform and related initiatives	January 2017

Strategic Plan

Strategic Outcome #1.3: Increase percentage of residents positively rating the value received from their tax dollars from 53% to 60% by 2020 (Dataset: 2015 Citizen Survey).

Key Action Steps for Strategic Outcome #1.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
City Manager's Office	Utilize the Lean, LEEP, Performance Management, and Employee Innovation programs to generate efficiency and productivity enhancements	Ongoing

KFA 1 Budget Implications: The Key Action Steps listed are accommodated within the baseline budget proposed for FY2017.

KFA 2: Public Infrastructure

Strategic Outcome #2.1: Improve all City of Denton arterials and collectors to maintain no less than a service level of "D" by 2030 (Dataset: Impact fee study).

Key Action Steps for Strategic Outcome #2.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Traffic	Complete Phase I of the Intelligent Transportation System Communication Network Plan	December 2017

Strategic Outcome #2.2: Improve Overall Condition Index (OCI) from an average OCI of 65 to 70 by 2025 with a backlog of reconstruction projects of not more than 15% (Dataset: OCI street assessment).

Key Action Steps for Strategic Outcome #2.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Finance	Transition 10 % of franchise fee revenue to the Street Improvement Fund	September 2017
Finance	Transition the funding of street reconstruction activities from bond funding to revenue funding for the smaller street projects	Ongoing

Strategic Plan

Strategic Outcome #2.3: Increase percentage of City served by high speed broadband access from 75.4% to 80% by 2020 (Dataset: National Telecommunications and Information Administration survey).

Key Action Steps for Strategic Outcome #2.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Engineering & Tech Services	Develop Rights-of-Way (ROW) Management plan	September 2017
Engineering	Install fiber conduit as part of major transportation projects along arterial streets	Ongoing

KFA 2 Budget Implications: The transfer of 10% of franchise fee revenue from the General Fund to the Street Improvement Fund is included in the proposed budget as a supplemental package for FY2017 and is expected to reduce General Fund revenue by \$622,000 annually. In order to reach an average OCI of 70 by 2025, an additional \$5.6 million in franchise fee revenue will need to be transferred from the General Fund to the Street Improvement Fund over the next 8 years. All other Key Action Steps are accommodated in the baseline budget proposed for FY2017.

KFA 3: Economic Development

Strategic Outcome #3.1: By 2020, increase the percentage of jobs paying \$75,000 or more annually from 10% to 13% of total employment; and grow jobs paying equal to or greater than \$25,000 from 68% to 70% (Dataset: JobsEQ Wage Distribution by Percent Employed in City of Denton).

Key Action Steps for Strategic Outcome #3.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Economic Development	Develop incentives and policies that attract high wage employers to Denton	September 2017
Economic Development	Develop funding methodology and strategy for Economic Development Incentive Fund	September 2017
Economic Development	Continue to Implement Workforce Development Programs	September 2017

Strategic Outcome #3.2: By 2020, create an additional 15% of taxable appraised value as a result of commercial and industrial development (Dataset: Denton Central Appraisal District).

Strategic Plan

Strategic Outcome #3.3: Increase percentage of business owners that rate Denton as a good place to do business from 60-70% by 2020 (Dataset: 2015 Business Survey).

Key Action Steps for Strategic Outcome #3.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Planning	Implement improvements to development review process	October 2016
Planning	Rewrite Denton development code	December 2017

KFA 3 Budget Implications: The Key Action Steps listed are accommodated within the baseline budget proposed for FY2017.

KFA 4: Safe, Livable, and Family Friendly Community

Strategic Outcome #4.1: Increase percentage of citizens who feel safe in Denton from 80% to 85% by 2020 (Dataset: Citizen Survey).

Key Action Steps for Strategic Outcome #4.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Police & Fire	Implement recommendations from study on current dispatch system to improve efficiency, effectiveness, and cost	December 2016
Fire	Deploy additional medic unit in Southeast Denton	January 2017
Police	Conduct analysis to identify hot spots that drive police response and consider resource allocation to focus on prevention in those areas	December 2016
Police	Collaborate with Community Improvement Services to build relationships with neighborhood organizations	October 2016

Strategic Plan

Strategic Outcome #4.2: Increase percentage of citizens that rate their neighborhood as a good place to live from 78% to 85% by 2020 (Dataset: 2015 Citizen Survey).

Key Action Steps for Strategic Outcome #4.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Community Improvement Services	Implement formal program to facilitate development of neighborhood associations and increase engagement	June 2017
Community Improvement Services	Develop "Paint the Town" program to leverage volunteer service to make cosmetic improvements to homes in Denton neighborhoods	May 2017
Community Improvement Services	Continue implementation and evaluation of the enhanced right-of-way maintenance program	December 2016
Community Improvement Services	Create an inventory and conduct an analysis of city-owned or maintained vacant lots and buildings	February 2017
Library	Expand DPL2GO Mobile Library to develop strategic relationships with underserved groups and neighborhoods	September 2017

Strategic Outcome #4.3: By 2020, reduce Denton's homeless population by 20% (Dataset: Point in Time Count).

Key Action Steps for Strategic Outcome #4.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Community Development	Support the United Way Homelessness Coordinator and the Denton County Homelessness Leadership Team to implement recommendations from the Mayor's Task Force for Housing the Homeless	Ongoing
Community Development	Dedicate City resources that community organizations and programs working with the homeless can leverage for greater impact	Ongoing
Community Development	Encourage City participation in coalitions and community organizations that address community social issues (e.g. Denton County Behavioral Health Team, Homelessness Leadership Team, etc.)	Ongoing

KFA 4 Budget Implications: The proposed budget includes a number of supplemental packages to address the strategic outcomes for KFA 4. Key items include 1) \$314,045 for 5 additional public safety dispatchers; 2) \$1 million for upgrading to digital radios for Fire; 3) \$3 million for Computer-Aided Dispatch (CAD) system replacement; and 4) \$993,030 for the deployment of Medic #8 in Southeast Denton.

Strategic Plan

KFA 5: Sustainable and Environmental Stewardship

Strategic Outcome #5.1: Increase DME renewable energy portfolio from 40% to 70% by 2019.

Key Action Steps for Strategic Outcome #5.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Denton Municipal Electric	Advance renewable power portfolio	Ongoing

Strategic Outcome #5.2: Increase percentage of landfill waste diverted from 36% to 40% by 2020.
(Dataset: Solid Waste Landfill Tonnage)

Key Action Steps for Strategic Outcome #5.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Solid Waste & Recycling	Expand commercial recycling program	Ongoing

Strategic Outcome #5.3: Increase Denton's bike and pedestrian mode share from 4.7% to 7% of total commuters by 2020. (Dataset: American Community Survey census data)

Key Action Steps for Strategic Outcome #5.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Transportation	Continue implementation of bike plan	Ongoing

KFA 5 Budget Implications: The Key Action Steps are accommodated in the baseline budget proposed for FY2017.



Civic Center Pool

Fiscal Year 2016-2017 Budget Overview

The Fiscal Year 2016–2017 proposed budget for all funds totals \$1,185,600,124, a 22.4% increase over last fiscal year. The largest portion of the increase is related to the Capital Improvement Program (CIP). For FY 2016-17, the CIP includes the sale of bonds for both the 2012 and 2014 Bond Election projects as well as the issue of the bonds for the Denton Energy Center.

General Fund

Reserve Level

The City of Denton maintains a General Fund reserve balance for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. To ensure that resources are available for these types of issues, the City of Denton targets a fund balance equivalent to 20% of budgeted expenditures, which is commensurate with cities similar to our size. Additionally, the Proposed Budget recommends a Resiliency Reserve equivalent to 5% of expenditures for the General Fund. This reserve will only be utilized in cases of economic distress. As such, the purpose of the resiliency reserve is to minimize budget and service fluctuations due to economic conditions.

The estimated ending reserve balance of \$27,762,804 at the end of FY 2015-16 represents approximately 25.3% of estimated expenditures and is well above the targeted goal of 20%. The chart below provides a listing of the ending fund balances for the past two years, an estimated balance for the fiscal year ending September 30, 2016, and the projected balance for the fiscal year ending September 30, 2017.

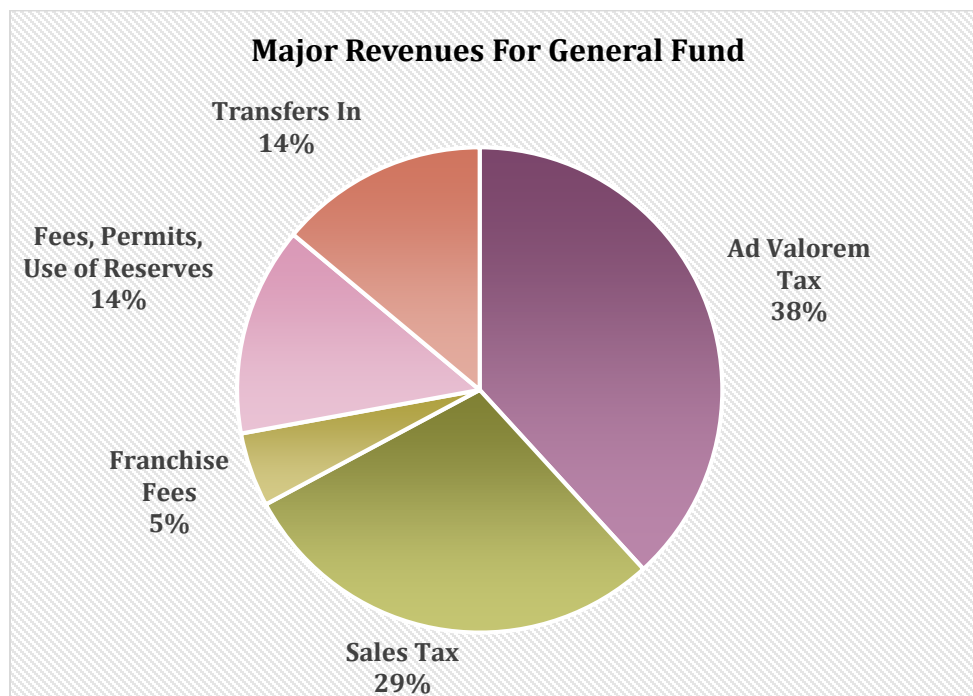
	As of 9/30/14	As of 9/30/15	Estimated 9/30/16	Projected 9/30/17
Ending Balance	\$25,838,282	\$27,365,168	\$27,762,804	\$27,770,975
% of Total Expenditures	26.4%	26.7%	25.3%	24.3%
Target Goal %	20%	20%	20%	20% - 25%

As detailed in the chart, the City has continued to maintain strong reserve balances over the past several years. While the financial forecast projects the fund balance level will decline when measured as a percent of expenditures, this should only be interpreted as a planning estimate based on information available at this time. City Management will continue to monitor our financial performance, and make appropriate expenditure and/or revenue adjustments as necessary to manage the fund balance level.

Fiscal Year 2016-2017 Budget Overview

Revenues

The key General Fund revenue sources are discussed below. The chart below shows the source of our major revenues for FY 2016-17:



Property Tax

Approximately one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2016 certified value increased by 8.23% or \$693,443,738 from the 2015 certified value. Analysis of the increase shows there was approximately \$208 million in new value added to the appraisal roll due to new growth and construction. Below is a chart with a detailed breakdown of certified values:

	2015 Certified Assessed Value	2016 Certified Assessed Value	Increase (Decrease)	Percent Change	New Value
General Government	\$8,424,062,606	\$9,117,506,344	\$693,443,738	8.23%	\$208,371,141
Downtown TIRZ ¹	\$39,083,722	\$53,831,393	\$14,747,671	37.73%	\$317,433
Westpark TIRZ ²	\$432	\$912,756	\$912,324	N/A	\$0
Total	\$8,463,146,760	\$9,172,250,493	\$709,103,733	8.38%	\$208,688,574

¹Downtown TIRZ – Reflects 95% of incremental value which changed in FY 2016-17 per Ordinance No. 2010-316.

²Westpark TIRZ – Reflects 40% of incremental value through FY 2037 per Ordinance No. 2013-033.

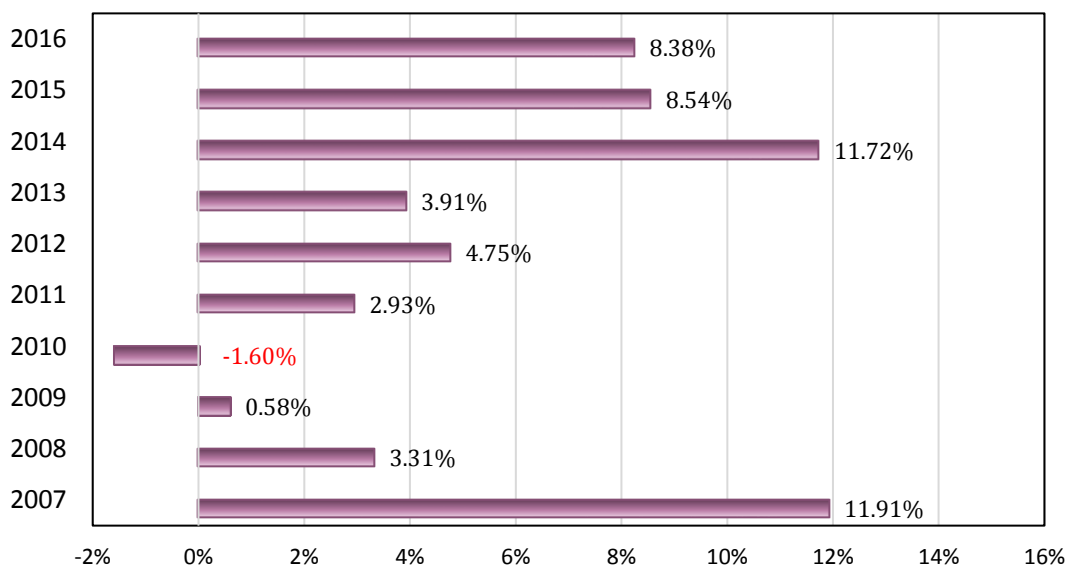
Fiscal Year 2016-2017 Budget Overview

The increase (decrease) in the annual certified value is a combination of the new property values added to the tax rolls and the increase (decrease) in value for existing properties. The chart below has a detailed breakdown of the new property values and the change in existing property values for the last 10 years:

Tax Year	New Value	Change in Value of Existing Properties	Change in Certified Value
2016	\$208,688,574	\$500,415,159	\$709,103,733
2015	\$206,741,867	\$459,227,285	\$665,969,152
2014	\$187,444,058	\$630,509,276	\$817,953,334
2013	\$174,379,543	\$88,133,363	\$262,512,906
2012	\$133,155,494	\$171,180,870	\$304,336,364
2011	\$134,418,017	\$47,839,029	\$182,257,046
2010	\$135,531,210	(\$233,322,274)	(\$97,791,064)
2009	\$279,684,238	(\$243,134,328)	\$36,549,910
2008	\$180,715,956	\$21,143,381	\$201,859,337
2007	\$241,228,636	\$407,042,230	\$648,270,866

The chart below provides a 10-year historical trend on property tax growth by percent:

10-Year History: Property Value Growth (Annual Percentage Change)



Fiscal Year 2016-2017 Budget Overview

The FY 2016-17 Proposed Budget includes a half cent reduction to the tax rate. The tax rate of \$0.68475 per \$100 of assessed valuation is above the effective tax rate of \$0.663366. Of this amount, \$0.46815 is provided for operations and maintenance, and \$0.21660 is provided for debt service. The rate for debt service has increased from \$0.21519 to \$0.21660 for continued implementation of the 2014 bond election program, while the maintenance and operations rate has been lowered for an overall one half cent tax rate reduction.

The following chart provides a 10-year history of certified assessed values and tax rates:

Fiscal Year	Certified Assessed Value*	Operations and Maintenance Tax Rate	Debt Service Tax Rate	Total Tax Rate
2016-17	\$9,117,506,344	\$0.46815	\$0.21660	\$0.68475
2015-16	\$8,424,062,606	\$0.47456	\$0.21519	\$0.68975
2014-15	\$7,761,470,598	\$0.48119	\$0.20856	\$0.68975
2013-14	\$6,962,293,178	\$0.47480	\$0.21495	\$0.68975
2012-13	\$6,706,462,587	\$0.47080	\$0.21887	\$0.68975
2011-12	\$6,412,375,004	\$0.47080	\$0.21887	\$0.68975
2010-11	\$6,230,117,958	\$0.47080	\$0.21887	\$0.68975
2009-10	\$6,327,909,022	\$0.44765	\$0.21887	\$0.66652
2008-09	\$6,291,359,112	\$0.44765	\$0.21887	\$0.66652
2007-08	\$6,089,799,775	\$0.44765	\$0.21887	\$0.66652
2006-07	\$5,441,228,909	\$0.44765	\$0.17887	\$0.62652

*Certified Assessed Value from FY 2012-13 through FY 2016-17 have been adjusted for the Downtown and West Park TIRZs.

Sales Tax

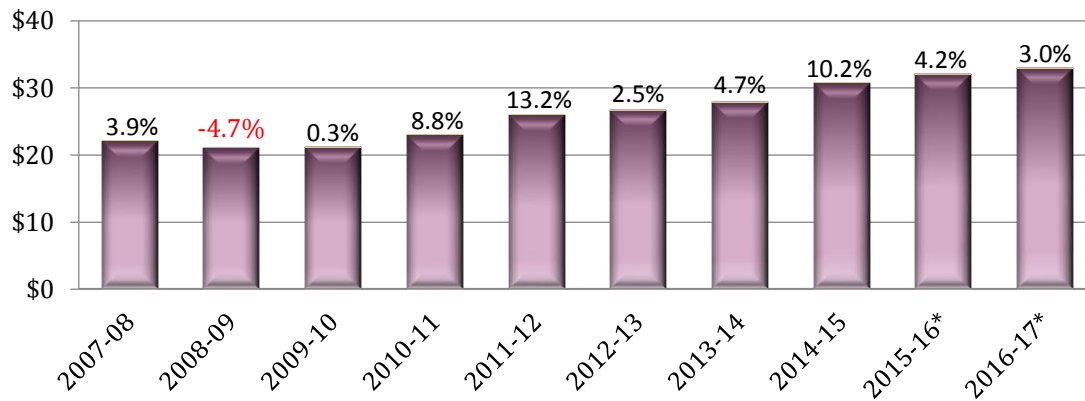
The second largest revenue source in the General Fund is sales tax. The FY 2015-16 year-end estimate of \$31,879,000 is 3.1% or \$953,133 above budget and it is 4.2% or \$1,277,036 more than was received in FY 2014-15.

The FY 2016-17 Budget projects that sales tax will be \$32,835,370 which is 3.0% above the FY 2015-16 estimated amount. The five-year financial forecast projects a 3% increase in sales tax receipts annually which includes collections related to the Rayzor Ranch and Golden Triangle Mall. The City has economic development agreements with Denton Crossing, Unicorn Lake, Golden Triangle Mall, Railyard Development and Rayzor Ranch for sales tax rebates, which are shown as expenses in the Economic Development Department's budget.

Fiscal Year 2016-2017 Budget Overview

The following chart provides a 10-year history of sales tax collections:

**Sales Tax History by Fiscal Year (With Annual Percentage Change)
(in Millions)**



*Sales Tax is an Estimate Amount.

Franchise Fees

Approximately 5% of the General Fund's revenues are related to franchise fees. Typically assessed as a percentage of gross revenues, the purpose of the franchise fee is to provide compensation to the City in return for allowing utilities to access the City's rights-of-way. The FY 2016-17 Proposed Budget includes \$17,215,269 in total franchise fees from various utilities operating in the City, including city-owned utilities. In FY 2016-17 the Proposed Budget recommends transferring an additional \$622,000 of Franchise Fee revenue to the Street Improvement Fund, leaving \$5,606,849 franchise fee revenues in General Fund. The total estimated franchise fee contribution to the Street Improvement Fund in FY 2016-17 is \$11,608,420, and this represents franchise fee revenue growth of \$1,021,172 plus the additional franchise fees of \$622,000. Since franchise fees are generally considered to be compensation for the use of the city-owned rights-of-way, the City is designating a portion of the franchise fees received in FY 2016-17 to the Street Improvement Fund, which was created in FY 2011-12. By doing so, this better establishes the linkage between the payment of franchise fees and the use of these funds on street maintenance activities. With this in mind, however, it is important to also note that the City is not required to spend franchise fees on street maintenance or any other specific activity. Rather, franchise fees are meant to be a General Fund resource, and as such, they may be spent on any activity deemed appropriate by the City Council. Additional details regarding the franchise fee allocation to street maintenance activities are contained in the Street Improvement Fund section of this document.

Other Major Revenues

The FY 2016-17 Proposed Budget also includes \$750,000 in revenue related to a federally funded grant program that will reimburse City ambulance services for Medicaid and uninsured patients. The

Fiscal Year 2016-2017 Budget Overview

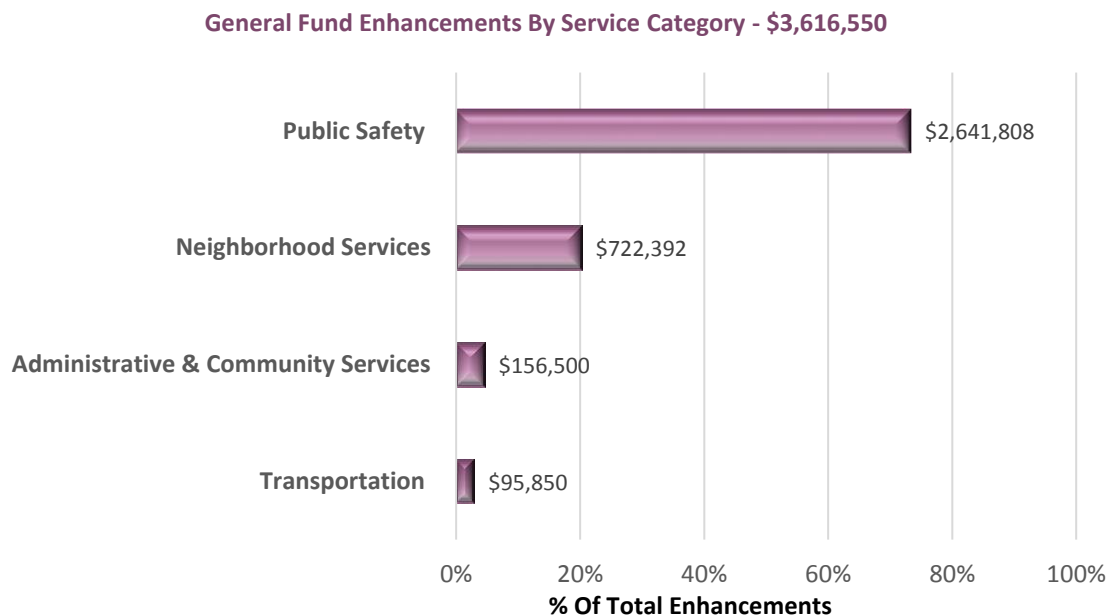
City anticipates to be reimbursed \$750,000 in FY 2016-17 and in subsequent years if the grant continues to be federally funded.

Expenditures

Over the past several fiscal years, various cost containment strategies were implemented. One such measure is the managed vacancy program, which began in FY 2010-11. Under this plan, savings are achieved by establishing a target level of savings and monitoring vacancies to achieve this objective. As personnel turnover and attrition occur in the organization, vacant positions are evaluated to determine if they need to be filled or kept vacant according to the organization's priority needs. This approach allows the City to respond to service demands while continuing to properly manage resources. The managed vacancy program is included again for the upcoming fiscal year, and the targeted savings is projected at approximately \$1.0 million.

General Fund Expenditure Enhancements

By maintaining the cost containment strategies implemented in prior years and continuing the vacancy management program, enhanced programming is possible for FY 2016-17. In accordance with priorities established through the Strategic Plan, several General Fund expenditure enhancements are included. The FY 2016-17 Proposed Budget includes \$3,616,550 (\$2,783,396 net cost after applying associated revenues and cost offsets) in funding for program enhancements in the General Fund. Enhancements in other funds totaling \$5,449,623 (\$5,387,610 net cost after applying associated revenues and cost offsets) are also included and are detailed in each fund's section in this document. The following chart illustrates the funding amounts and the percentage of total enhancements included by service category:



Fiscal Year 2016-2017 Budget Overview

General Fund Expenditure Enhancements by Service Category

For each respective service area identified in the Strategic Plan, a summary of the major funding enhancements included in FY 2016-17 are shown on the following pages. Additionally, the primary Key Focus Area (KFA) for each of these service areas is also identified.

PUBLIC SAFETY (\$2,641,808 in Total Enhancements)

KEY FOCUS AREA 4: SAFE, LIVEABLE, & FAMILY-FRIENDLY COMMUNITY

Fire

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$1,251,793	\$0	\$1,251,793

Funding is included to staff and equip a new medic unit for the East side of Denton that will eventually transition to Station 8 when the station is built. The cost is \$993,030 and includes 6 new firefighter positions. Funding is included for a new Fire Training Captain (\$218,763) to coordinate the training program activities, monitor progress, and record completed assignments, and to develop a comprehensive plan for achieving a favorable Insurance Services Office (ISO) rating in 2019. Funding is included for Self-Contained Breathing Apparatus (\$40,000).

Police and Animal Services

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$1,194,134	\$195,881	\$1,390,015

In Police, funding is included for a Sworn Operations Personnel package (\$745,477) that will include one Lieutenant and four police officers to supplement patrol staffing and improve effectiveness. The addition of a Lieutenant will enable the Department to have a shift manager on every patrol shift. Two of the police officers will be assigned to the Downtown patrol and the other two officers will augment the “power shift”. Funding is included for a Traffic Safety package that will include two Police Motorcycle Officers to supplement efforts to promote traffic safety (\$279,231). Funding is included to hire 5 public safety dispatchers as recommended by Mission Critical Partners (MCP) study of the Police and Fire communications operations (\$314,045). Funding is included for one new Customer Service Representative (\$51,262) at the Animal Shelter.

Fiscal Year 2016-2017 Budget Overview

NEIGHBORHOOD SERVICES (\$722,392 in Total Enhancements)

***KEY FOCUS AREA 3: ECONOMIC DEVELOPMENT; KEY FOCUS AREA 4:
SAFE, LIVEABLE, & FAMILY-FRIENDLY COMMUNITY***

Building Inspections

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$79,316	\$0	\$79,316

Funding is included for a Plans Examiner (\$69,412) to provide timely reviews of plans. Funding is included for a technology upgrade for Inspectors (\$9,904) that will allow Inspections Staff to automate inspection paper work.

Parks

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$33,076	\$610,000	\$643,076

With the addition of a new wave pool and concession stand at Water Works Park, funding is included for staff, equipment, supplies, and services required to operate it (\$608,076). The revenue generated by the new wave pool and concession stand will cover all the costs and net an estimated \$1,924 in the first year. Funding is included to support the Parks Foundation Executive Director (\$35,000).

Fiscal Year 2016-2017 Budget Overview

ADMINISTRATIVE & COMMUNITY SERVICES (\$156,500 in Total Enhancements)

KEY FOCUS AREA 1: ORGANIZATIONAL EXCELLENCE; KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE; KEY FOCUS AREA 3: ECONOMIC DEVELOPMENT

Administrative Services

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$72,727	\$27,273	\$100,000

In Internal Audit, funding is included for Internal Audit Services (\$100,000) which may be used for contract services or to hire a position at the direction of the City Council.

Economic Development

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$6,500	\$0	\$6,500

Funding is included for the Total Impact 2.0 modeling tool that performs economic and fiscal impact analysis and incentive analysis for municipalities (\$6,500). Funding in the amount of \$22,000 for a Customer Relationship Management (CRM) System will come from the Chamber of Commerce.

Facilities Management

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$50,000	\$0	\$50,000

In Facilities Management, funding is included for parking lot maintenance (\$50,000) of City parking lots.

Fiscal Year 2016-2017 Budget Overview

TRANSPORTATION (\$95,850 in Total Enhancements)

KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE

Transportation

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$95,850	\$0	\$95,850

Funding is included for two Technician I positions for the Pavement Markings Enhancement Program (\$95,850). The vehicles for the Pavement Markings program (\$307,000) will be purchased out of Traffic Safety funds.

Other Expenditure Items

In addition to the increased funding included for FY 2016-17, several items are to be funded in FY 2015-16 from existing appropriations. In the Fire Department, the purchase of Patient Lift Systems (\$36,231), and an automated fire station alerting system for Fire Station 1 (\$75,000) are authorized.

In the Libraries, funding is authorized for the purchase of eleven additional security cameras at three locations of the Denton Public Library (\$51,553).

In Facilities Management, funding for the Civic Center parking lot replacement (\$265,000) is authorized.

In Transportation, additional funding for Downtown Sidewalk Improvements (\$207,000), an ADA Comprehensive Study for Streets/Right of Way/Sidewalks (\$250,000), and one Traffic Signal Replacement (\$340,000) are authorized.

In summary, General Fund support in the amount of \$1,224,784 is proposed in FY 2015-16 for the purposes mentioned above.

Compensation

The City has a contract for a comprehensive compensation and classification study for implementation in FY 2016-17, if approved by Council. This study covers the non-civil service positions only (excludes temporary, seasonal, Police civil service, and Fire civil service). Increases associated with the new compensation plan will be focused on those employees whose pay fall below the minimum of the proposed pay range for their position. For FY 2016-17, an average 3% merit increase for non-civil service employees is included and pay adjustments are included for civil service employees based on the meet and confer agreement. To address changing labor market conditions, the five-year financial forecast also includes an average 3% merit increase for employees in each year

Fiscal Year 2016-2017 Budget Overview

of the financial plan. The Budget also includes normally scheduled step increases for civil service public safety personnel.

The following charts are summaries of compensation increases for employees over the past four years:

Compensation History

Fiscal Year	Compensation Equivalent -Non Civil Service
2016-17	3% Average Merit Based Increase
2015-16	3% Average Merit Based Increase and Equity Pay Adjustments
2014-15	3% Average Merit Based Increase and Equity Pay Adjustments
2013-14	3% Average Merit Based Increase and Equity Pay Adjustments

Civil Service Compensation Increase History

Fiscal Year	Compensation Equivalent - Civil Service
2016-17	Meet & Confer Agreements and Eligible STEP Pay* Increases
2015-16	Meet & Confer Agreements and Eligible STEP Pay* Increases
2014-15	Meet & Confer Agreements and Eligible STEP Pay* Increases
2013-14	Meet & Confer Agreements and Eligible STEP Pay* Increases

*STEP Pay increases for both Police and Fire Civil Service positions

City Management and Police and Fire employee associations have signed meet and confer agreements that include provisions for compensation. Both agreements apply to civil service employees only. The goal of each compensation plan is to achieve a pay structure that is equal to the market survey averages plus 5% in each rank compared to twelve Metroplex police and fire agencies. As part of each agreement, the increases for Police and Fire civil service employees may be limited to an amount equal to the average compensation increases budgeted for civilian employees. However, in keeping with the goals of the agreements, increases in compensation for civil service employees will be based on the percentage needed to keep each position at 5% above the survey market average in FY 2016-17. In some cases, this will result in various ranks receiving different increases. The budget also includes normally scheduled STEP increases and the first year of annual Wellness Incentive Pay for civil service public safety personnel.

Other Agency Contributions

Other agency contributions represent allocations for the City of Denton to outside organizations for specific agreed upon purposes. The Human Services Committee received requests totaling \$559,755 for FY 2016-17. The Human Services Committee recommended total funding of \$404,445 which is a 10.2% increase from the FY 2015-16 funding level. This funding is split between support from the Community Development Block Grant (CDBG) of \$131,945 and \$272,500 from the General Fund. The General Fund's FY 2016-17 contribution is \$22,500 more than in FY 2015-16. The total support

Fiscal Year 2016-2017 Budget Overview

provided from the General Fund is approximately \$2.22 per capita (based on 2016 projected population) compared to \$2.07 per capita (based on 2015 projected population) in the FY 2015-16 Budget. In future years, City Management intends to increase the per capita funding level by an incremental amount each year.

Grants

The City benefits from a variety of federal, state and local grants. In addition, the City routinely provides matching funds for various programs. A complete list of grants is provided in the Budget in the miscellaneous funds section of the document. The total grant budget for FY 2016-17 is \$11,154,737.

Capital Improvement Program

The Capital Improvement Program (CIP) represents the City's five-year plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities, as well as to monitor the impact of capital projects on operating budgets and for project scheduling and coordination. The Strategic Plan provides the framework for identifying capital requirements, specifically Key Focus Area 2, Public Infrastructure. The General Government CIP includes non-utility projects such as streets, parks, and other general government facilities that are typically funded through general obligation bonds or certificates of obligation. Approximately every five years, the City has appointed a citizen bond committee to make recommendations to Denton residents on capital improvement needs.

The General Government CIP includes the issuance of \$4.0 million in General Obligation (GO) Bonds in FY 2016-17 which represents the fifth and final year of street projects approved by voters in November 2012 and \$13.160 million in GO's, which represents the third year of projects approved by voters in November 2014. In addition, the General Government CIP includes the issuance of \$18.9 million in Certificates of Obligation for the following projects: \$2 million for Public Safety Radio Upgrade (Digital); \$3 million for Computer Aided Dispatch (CAD) System Replacement; \$4.26 million for vehicle replacements; \$1.175 million for maintenance of city facilities; and \$8.5 million for matching funds for road improvements. In addition, the City is proposing to fund a portion of its CIP with operating revenues. Revenue funded projects are detailed in the Capital Improvement Program section of this document.

Capital projects that impacted the FY 2016-2017 operating budget include the Wave Pool and Concession Stand requiring 13.6 new FTE's, equipment, supplies, and services required to operate the new wave pool and permanent concession stand at Water Works Park (\$608,076).

Fiscal Year 2016-2017 Budget Overview

The Utility CIP includes projects for the City's enterprise funds, such as Electric, Water, Wastewater and Drainage that are funded from non-tax revenue. The Utility CIP is designed to make sufficient investments in infrastructure in order to provide reliable service to customers. The CIP for Solid Waste is also included and reflects the anticipated level of projects to be funded from certificates of obligation. The Public Utilities Board (PUB) developed a recommendation of the Utility CIP and it is included in the Proposed Budget.

Enterprise Funds

Utility Reserve Levels

The Utility Departments and the Public Utilities Board have developed financial strategies and objectives to maintain financial stability and resiliency. One objective is to achieve and maintain reserve balances that provide adequate working capital and operating reserve levels. These reserve targets are based in large part on the Government Finance Officers Association (GFOA) best practices for enterprise funds. In general, "Reserves" are divided into two components: Working Capital and Operating Reserves. Working Capital provides a minimum unrestricted fund balance to provide the liquidity needed to allow regular management of payables and payment cycles. The working capital target for each utility is 30 days (8%) of average budgeted expenditures.

The operating reserve funds provide a means of managing expense and demand volatility, ensure that funding is available for emergencies such as equipment or infrastructure failure, and serve to improve overall resiliency. Over the past year, staff has evaluated reserve levels in each of the utilities, and as a result of that analysis, reserve levels are proposed to increase for Water, Wastewater and Solid Waste. The table below reflects the proposed targets. These proposed targets will be formally presented to Council for adoption in September. The working capital and operating reserve targets are as follows (presented as a percentage of expenses):

	Electric	Water	Wastewater	Solid Waste
Working Capital	8%	8%	8%	8%
Operating Reserves	8-12%	25-42%	20-31%	6-10%
Total	16-20%	33-50%	28-39%	14-18%
Equivalent Days of Operating Expenses	60-75 Days	120-180 Days	100-140 Days	52-66 Days

In addition to the above amounts, the Water and Wastewater Funds maintain separate impact fee and development plan line reserves. The Wastewater Fund also maintains a separate drainage

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reserve to be used for repairs of the drainage system in the event of major unforeseen circumstances. The Solid Waste Fund maintains a separate reserve for Landfill Closure/Post-closure purposes.

The operating budgets, capital improvement plans and rate increases projected in the utilities five-year financial plans have been developed to support these targeted reserve fund balances and are addressed below.

Aging Infrastructure

As in the prior year, the Utilities will continue their financial strategy of replacing an increasing percentage of existing assets with current revenue instead of debt. The issuance of debt will be generally reserved for the addition of new assets. This strategy will reduce the reliance on debt issuance and maintain adequate debt coverage ratios for the Electric, Water and Wastewater utilities. The projected operating budgets, capital improvement plans and rates contained in the five-year financial plan contemplate a phased approach to revenue funded asset replacements and maintain debt coverage ratios at bond covenant levels.

Electric Fund

The FY 2016-17 Electric Budget includes \$176,982,488 in revenues and \$173,408,320 in expenditures.

Rates

The FY 2016-17 Denton Municipal Electric (DME) Budget includes a base rate increase of 4.5%, which will be offset by reductions in Energy Cost Adjustment (ECA) and Transmission Cost Recovery Factor (TCRF). The Energy Cost Adjustment rate will be adjusted as necessary based on changes in energy costs. For FY 2016-17, the ECA rate is budgeted at 3.61 cents/kWh.

Personnel Changes

The FY 2016-17 DME Budget includes an increase of 9.0 new FTE's, of which 7.0 FTE's are related to the enhanced CIP program, 1.0 FTE in the Energy Management, and 1.0 FTE for general operations.

➤ 7.0 FTE's related to the CIP Program:

- 1.0 FTE in Renewable Denton Plan (RDP) –Power Plant Manager.
- 2.0 FTE's in Operations & Maintenance – 2 Lineman IV.
- 1.0 FTE in Distribution – Journeyman Lineman
- 1.0 FTE in Substation – Relay Tech
- 1.0 FTE in Engineering – Engineering Technical Analyst Distribution System
- 1.0 FTE in Communications – Fiber Optic Technician III

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- 1.0 FTE in Energy Management
 - 1.0 FTE's in Energy Management – Energy Market Operator
- 1.0 FTE in General Operations
 - 1.0 FTE in Administration – FERC/ERCOT Business Analyst.

Return on Investment (ROI) and Franchise Fees

The DME Budget includes a 3.5% ROI payment and a 5.0% franchise fee payment to the General Fund. The ROI and franchise fee payments are calculated using an estimated annual average ECA of 3.00 cents/kWh, which is the cap for both payments as set by the City Council.

Major Capital Improvement Projects

The Electric Fund CIP budget includes funding for the following major capital projects in FY 2016-17:

- Power Plant: \$ 92.0 million
- Feeder Extensions and Improvements: \$ 18.2 million
- Distribution Substations: \$ 18.1 million
- New Residential and Commercial Service: \$ 7.1 million

Including the improvements discussed above, the FY 2017-21 five-year capital improvement program is \$648 million, approximately \$245 million more than the prior five-year plan approved in FY 2015-16. The enhanced program is necessary to meet the expected growth in demand for electric service, implement the Renewable Denton Plan, improve the reliability of the electric system, replace aging infrastructure, and comply with new regulatory requirements.

Water Fund

The FY 2016-17 Water Fund Budget includes revenues of \$48,783,171 and expenditures of \$51,782,691. For FY 2016-17, reserves in the amount of \$2,999,520 will be used to balance the budget. The table below illustrates budgeted water sales for FY 2015-16 and projected sales for FY 2016-17.

Treated Water Sales by Customer Type (In Billions of Gallons)			
	FY 2015-16	FY 2016-17	Difference
Retail Customers	6.355	6.231	-0.124
Wholesale Customers	0.094	0.104	0.010
Total	6.449	6.335	-0.114

Rates

A 5% revenue increase for retail water customers is included and the actual rates will be based on cost of service adjustments. The five-year financial forecast includes future rate increases to support

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the replacement of aging infrastructure, maintenance and reserve fund goals. Wholesale rates will be updated per their respective agreements.

Personnel Changes

The Water Department budget includes 7.0 new FTE's.

- 1.0 FTE for a Water Production Operator I in Water Production.
- 5.0 FTE in Water Distribution
 - 2 FTE's Heavy Equipment Operator
 - 3 FTE's Field Service Worker III
- 1 FTE Water Meter Mechanic in Metering

Major Capital Improvement Projects

The Water Fund CIP budget includes funding for the following major capital projects in FY 2016-17:

- Transmission Lines: \$ 10.8 million
- State Highway Relocations: \$ 9.2 million
- Replacement Lines: \$ 9.0 million
- Plant Improvements \$ 3.2 million
- Field Services Replacements: \$ 2.0 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 47%) of the CIP for FY 2016-17 is to be funded with revenue instead of debt. The FY 2016-17 revenue funded projects total approximately \$18 million. The CIP also includes funding of approximately \$2.5 million to address the zebra mussel infestation in Lake Ray Roberts and Lake Lewisville intake and raw water pumping facilities.

Wastewater Fund

The FY 2016-17 Wastewater Budget includes revenues of \$34,297,765 and expenditures of \$38,595,541. For FY 2016-17, reserves in the amount of \$4,297,776 will be used to balance the budget. Below is a table illustrating budgeted wastewater billed volumes in FY 2015-16 and projections for FY 2016-17.

Wastewater Billed Volumes (In Billions of Gallons)			
	FY 2015-16	FY 2016-17	Difference
Retail	3.794	3.881	0.087
Effluent	0.065	0.065	0.000
Wholesale	0.219	0.219	0.000
Total	4.078	4.165	0.087

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Rates

A 2% revenue increase is included for retail wastewater customers and the actual rates will be based on cost of service adjustments. The Five-Year Financial Forecast includes future rate increases to support the replacement of aging infrastructure, maintenance and reserve fund goals.

Personnel Changes

The Wastewater Department budget includes 1 new FTE.

- 1.0 FTE for a Watershed Protection Intern in Watershed Protection.

Major Capital Improvement Projects

The Wastewater Fund CIP budget includes funding for the following major capital projects in FY 2015-16:

- Collection System Upgrade: \$ 16.1 million
- State Highway Relocations: \$ 3.1 million
- Field Services Replacements: \$ 2.3 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 48.1%) of CIP for FY 2016-17 is to be funded with revenue instead of debt. The FY 2016-17 revenue funded projects total approximately \$14.2 million.

Solid Waste Fund

The FY 2016-17 Solid Waste Budget includes \$36,850,375 in revenues and expenditures of \$36,814,465. The chart below illustrates Solid Waste production.

Solid Waste Production (In Tons)			
	FY 2015-16	FY 2016-17	Difference
Gross Tons of Waste	349,254	379,643	30,389
Recycled Tons	89,562	95,359	5,797
Total Landfill Tonnage	259,692	284,284	24,592

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Rates and Fees

The following monthly fee increases are included in the Solid Waste schedules:

	FY 2015-16	FY 2016-17	Variance
Residential Refuse Standard Cart	\$27.35	\$27.85	\$0.50
Residential Refuse Large Cart	\$32.75	\$33.25	\$0.50
Landfill	\$44.00	\$44.00	\$0.00

Additionally, commercial rates will generate approximately 2.0% in additional revenue in FY 2016-17. Specific rate increases will vary based on the size of container and frequency of service.

Personnel Changes

The Solid Waste department budget includes 11 new FTE's:

- 1 FTE for Heavy Equipment Operator in Commercial.
- 3 FTE's for Technicians in Disposal Operations.
- 1 FTE for a Heavy Equipment Operators in Disposal Operations.
- 1 FTE for a Technician in Field Support.
- 4 FTE's for Heavy Equipment Operators in Diversion Processing Mining.
- 1 FTE for an Intern in Diversion Processing Mining.

Major Capital Improvement Projects

The Solid Waste Fund CIP budget includes funding for the following major capital projects in FY 2016-17:

- Site Operations: \$8.7 million
- Equipment \$6.6 million
- Disposal and Treatment Operations \$6.4 million
- Vehicle additions/replacements: \$2.8 million

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Utility Rate Change Summary

The following is a chart which depicts the monthly financial impact to an average residential customer:

	FY 2015-16	FY 2016-17	Increase	% Change
Electric ¹ (1,300 kWh/month)	\$140.37	\$140.47	\$0.10	0.07%
Water (9,200 gallons/month)	\$51.96	\$54.18	\$2.22	4.3%
Wastewater (6,000 gallons/month)	\$34.95	\$35.55	\$0.60	1.7%
SW – Standard Cart (standard sized cart)	\$27.35	\$27.85	\$0.50	1.8%
Total	\$254.63	\$258.05	\$3.42	1.3%

¹ FY 2016-17 and FY 2015-16 includes an Energy Cost Adjustment (ECA) rate of \$0.0361 and \$0.0391 respectively.

The rate increases are as follows for FY 2016-17: DME includes a base rate increase of 4.5% which is offset by a reduction in the Transmission Cost Recovery Factor (TCRF) and ECA rates. Water includes a 5% overall revenue increase, Wastewater includes a 2% overall revenue increase and Solid Waste includes a 1.8% increase for a standard cart. Since there are a variety of rate structures for each utility, the average rates shown above may differ slightly from the overall revenue increase which is expected.

Airport Fund

The Airport Fund was established in FY 2010-11 as a self-sustaining enterprise. The fund is comprised of both Airport operations and Airport gas wells. Beginning in FY 2016-17, Airport debt service is proposed to be paid by the City's debt service tax rate in order to ensure the long term financial sustainability of the Airport Fund. There are no other major changes to the Airport Fund.

Internal Service, Special Revenue and Miscellaneous Funds

Technology Services Fund

The Technology Services Fund reflects the costs for providing technology support services to the various City departments. This internal service fund is comprised of eight separate functional areas,

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including administration, telecommunications, geographic information systems, application development, user support, public safety support, regulatory compliance, and DME Technology Service. This budget includes one new FTE an Applications Architect (\$141,549) for Application Development, \$550,000 for Cisco equipment replacement, \$450,000 for DME capital costs, \$280,000 for Tri Tech upgrade for Public Safety, \$200,000 Disaster Recovery Site Refresh, and other miscellaneous upgrades and enhancements (\$120,000).

Materials Management Fund

The Materials Management Fund is comprised of purchasing and warehouse operations. Materials Management is an internal service fund responsible for procuring goods and services for City departments, which is regulated by local, state and federal law. The department is also responsible for the warehousing of materials and supplies necessary for City departments to serve the community. This budget includes the addition of one FTE for a Warehouse Operations Specialist I (\$62,013). It also includes a covering extension along the east wall of the Distribution Center to maximize and enhance the storage capacity and protection of inventory (\$300,000).

Fleet Management Fund

The Fleet Management Fund reflects the costs for providing vehicle maintenance and equipment-related support services to City departments. This internal service fund is comprised of four functional areas, including vehicle maintenance, fuel purchasing, vehicle parts contract and motor pool administration. The FY 2016-17 Budget includes continued improvements to the training room (\$45,000), and the purchase of a Fuel Truck (\$202,250) to refuel heavy equipment and generators at City facilities.

Risk Retention Fund

The Risk Retention Fund is established to record the activities of providing insurance coverage and self-funded activities for City operations including vehicle, property, general liability and workers compensation claims. Included in the budget is \$97,057 for a Claims Administrator FTE.

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Health Insurance Fund

When the City switched to a self-funded health insurance plan in 2008, long-term savings were projected for the Health Insurance Fund. While the self-funded program has provided considerable savings as expected (an estimated \$11.0 million through 2015), the rising cost of health care continues to be a concern.

In an effort to address those rising costs, the City opened the Employee Health Center (clinic) in December 2011. The clinic provides primary care benefits at no cost to our employees, retirees, and dependents that are covered under the City's self-funded program. Since opening the Clinic in 2012, the number of patient appointments has continued to increase. During the first year of operation in 2012, there were approximately 5,553 patient appointments, in 2013, there were 6,127 patient appointments and 8,520 patient appointments in 2014. In 2015, there were 8,650 patient appointments. In 2015, 823 employees completed a Health Risk Assessment (HRA) at the clinic. The HRA includes a comprehensive blood draw and a 40 minute follow-up appointment with the clinic physician.

Based on the data so far in FY 2015-16, health care costs have increased over this time last year. For FY 2016-17, the budget includes a 6% increase in the City contribution to the Health Insurance Fund, as well as, 10% and 6% increases in employee contributions for the Gold and Silver benefit plans respectively. Several additional changes to the Health plan are being implemented to control costs and improve service. Most notably, a spousal surcharge will be implemented for spouses who have access to another health care plan, such as through their employer. There will be no spousal surcharge for those spouses who do not have other health care options.

Engineering Services Fund

The Engineering Services Fund was created in FY 2013-14. The engineering functions that were previously budgeted in the Water Fund, Wastewater Fund and General Fund were reorganized and consolidated into this new fund. This fund combines capital engineering, development review engineering, contract engineering, public works inspections and real estate functions under one umbrella. The department does not include engineering functions for DME. The FY 2016-17 Engineering Services budget includes revenues of \$4,985,905 and expenditures of \$5,062,115. For FY 2016-17, reserves in the amount of \$76,210 will be used to balance the budget. One FTE for a Senior Engineer (\$129,240) is included in FY 2016-17.

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Street Improvement Fund

The Street Improvement Fund was established in FY 2011-12. The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The Street Improvement Fund receives revenue from a portion of franchise fees previously accounted for in the General Fund. Fees associated with street cuts are also recorded in the Street Improvement Fund.

Interest cost savings associated with issuing Certificates of Obligation in lieu of Revenue Bonds are also transferred to the Street Improvement Fund from the utility funds. Beginning in 2010, the City changed the manner by which the utilities issue debt to fund capital improvements by selling General Obligation Bonds instead of Revenue Bonds. Using the AA+ credit rating of the General Obligation Bonds, rather than the AA- credit rating of the Revenue Bonds, the City was able to lower the interest costs to the Utility funds. As such, this budget transfers \$997,363 in interest cost savings from the utility funds to the Street Improvement Fund in FY 2016-17.

For FY 2016-17, revenues are budgeted to be \$12,965,783 and expenditures of \$13,320,783. For FY 2016-17, reserves in the amount of \$355,000 will be used to purchase 3 new vehicles for the new construction crew.

A new crew consisting of five new FTE's is included for FY 2016-17, 1 FTE – Field Services Supervisor, 1 FTE - Crew Leader, 1 FTE – Heavy Equipment Operator II, 2 FTE's - Field Service Worker II's (\$347,102). Funding is included for additional dollars for base failure maintenance (\$200,000), overlay (\$500,000), Micro-seal (\$174,641) and funding of \$355,000 for 3 new vehicles. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to \$13.32 million for FY 2016-17.

Tree Mitigation Fund

The Tree Mitigation Fund is currently used to purchase, plant, and maintain trees on public property. The budget includes a total of \$793,110 for the continuation of the current programs for tree plantings on both public and private property. These programs were approved by the City Council on August 2015. The budget includes \$504,000 for public property tree planting and \$289,110 for private property tree planting program.

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Roadway Impact Fee Fund

The Roadway Impact Fee Fund was established in FY 2015-2016 to record the receipt and expenditure of impact fees associated with developing affecting city roadways. The FY 2016-17 budget includes \$200,000 of revenues and \$200,000 of expenditures.

Recreation Fund

The Recreation Fund includes fee-based recreation programs and activities that are self-supporting. Fees that are charged recover the costs associated with the programs they support. The FY 2016-17 Budget includes funding for fitness equipment at North Lakes, Denia and MLK Recreation Centers (\$70,000). The budget includes a shade structure for the Golf Driving Range (\$20,000) and the purchase of a kayak trailer for Denia's outdoor program (\$10,000).

Tourist and Convention Fund

The Tourist and Convention Fund records the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. The City Council Hotel Occupancy Tax Committee is responsible for determining a recommendation on the allocation of funds annually. The Committee will meet in early August 2016 to discuss recommendations of allocations for FY 2016-17 based on the most recent hotel occupancy tax forecast. The Proposed Budget includes funding at the FY 2015-16 levels until the committee finalizes their recommendations.

Police Confiscation Fund

The Police Confiscation Fund was established to record the receipt of confiscated contraband and the expenditures funded by that revenue as approved by the courts. The FY 2016-17 Budget includes funding for additional helmets, body armor and additional equipment (\$150,000).

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Police Academy Fund

The Police Academy Fund is a budgeted fund comprised of revenues associated with training non-Denton Officers and staff at the new Public Safety Training Facility. The FY 2016-17 Budget has no major changes.

Traffic Safety Fund

The Traffic Safety Fund is comprised of revenues and expenditures associated with the red light enforcement cameras. The City operates red light enforcement cameras at various intersections across the City. The fine revenue derived from violations has been earmarked pedestrian and traffic safety projects and equipment. The FY 2016-17 Traffic Safety Fund Budget includes revenues of \$2,525,900 and expenditures of \$3,142,221. For FY 2016-17, reserves in the amount of \$616,321 will be used to balance the budget. The budget includes funding the following Traffic Operations projects: five intersection upgrades to meet ADA compliance (\$168,064), replace four intersection detections devices and upgrade to radar detection (\$93,560), pavement marking enhancement program vehicle purchase (\$307,726), five additional traffic signal pre-emption devices (\$35,421), and replace one traffic signal (\$340,000). Funding is included for the following Pedestrian and Transportation projects: Pedestrian Bicycle Safety Markings and Signs program (\$7,000), Bike Count Equipment (\$9,000), Bus Stop Improvements program (\$15,000), and Downtown Sidewalk Improvements program (\$145,000).

Economic Development Investment Fund

The Economic Development Investment Fund was created in FY 2015-16. The function of the fund was established by ordinance during FY 2015-16. It will be funded by \$150,000 in mixed beverage taxes in FY 2016-17.

Downtown Reinvestment Fund

The Downtown Reinvestment Fund is used to account for “micro-grants” provided to businesses located in the downtown area. The Budget includes \$100,000 from the City’s Mixed Beverage Taxes in FY 2016-17.

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Public Education Government (PEG) Fund

The Public Education Government (PEG) Fund provides for the acquisition of production equipment, capital and other lawful PEG purposes. PEG fees are remitted to the City on a quarterly basis. Resources are programmed to support four public education government channels operated by the University of North Texas, Texas Woman's University, Denton Independent School District and Public Access.

McKenna Trust Fund

The McKenna Trust Fund is used to account for interest received from the George McKenna Trust, which was established in 1958 and currently is managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children's Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City.

Miscellaneous Special Revenue Funds

Periodically the City receives donations from the community for special purposes. The Miscellaneous Special Revenue Funds consists of separate donation collections for the Police Department, Fire Department, Animal Control and the Library. Revenue and expenses for these funds will be represented individually for budgeting purposes.

Parks Land Dedication and Development Trust Funds

The Parks Land Dedication and Development Trust Funds are funds received from developers which provide for neighborhood parks and projects within a maximum 1 mile radius of the development or platting. Because of the specific use of these funds, projects planned for next fiscal year are concentrated in neighborhood park areas in the community. The Park Land Dedication fund will be used for the acquisition of prospective neighborhood park property at North Lakes, Fred Moore, and for linear parks. The Park Development Trust Fund will be used to construction of parks at Carl Young, North West Trail extension, North Lakes Dog Park, Fred Moore, Londonderry playground, and

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Downtown Pocket Parks. Both funds will also be used to cover labor expenses of employees who are working on Trust fund projects.

Parks Gas Well Fund

The City's Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects. The City currently has several producing gas wells located on City owned property and throughout the community. Because gas well revenue is considered a short-term resource, the expenditures programmed from these funds for FY 2016-17 will be used to fund one-time needs. The Parks Gas Well Fund budget includes \$100,000 for expenses for Park amenities.

Downtown Tax Increment Reinvestment Zone Fund

The Downtown Tax Increment Reinvestment Zone Fund (TIRZ #1) was created in FY 2011-12 through Ordinance No. 2010-316, which was adopted on December 7, 2010. The fund accounts for the tax revenues that are collected above the FY 2010-11 levels in the downtown area. The base value for TIRZ #1 is \$79,356,854, and the certified value for FY 2016-17 is \$136,021,478, which represents an incremental value of \$53,831,393 which is 95% of increment. For FY 2016-17, revenues of \$368,610 and expenditures of \$78,000 for the second year of the Railyard Transit Oriented Development are included.

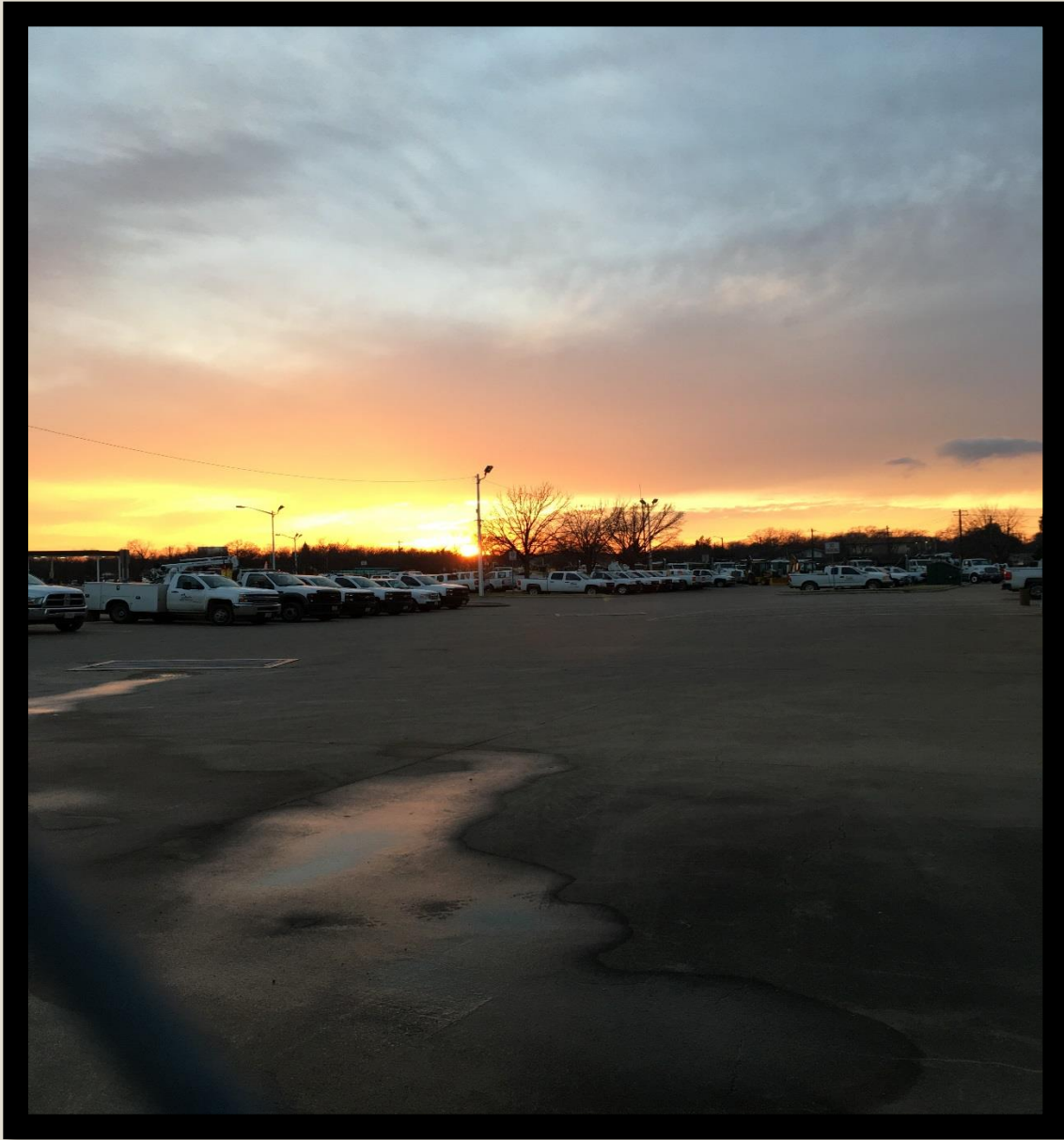
Ordinance No. 2010-316 states in years 1-5, 100% of the tax increment produced by the City shall be paid into this fund. In years 6-10, 95% of the tax increment produced by the City shall be paid into this fund. In years 11-20, 90% of the tax increment produced by the City shall be paid into this fund. In years 21-30, 85% of the tax increment produced by the City shall be paid into this fund. FY 2016-17 represents the sixth year for this fund.

Westpark Tax Increment Reinvestment Zone Fund

The Westpark Tax Increment Reinvestment Zone Fund (TIRZ #2) was created through Ordinance No. 2012-366, which was adopted on December 18, 2012. The fund accounts for the tax revenues that are collected above the FY 2012-13 levels. The base value for TIRZ #2 is \$119,458. The City and Denton County contribute 40% of the tax increment to this fund. The 2016 certified value is

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\$2,401,349 which represents an incremental value of \$912,756. For FY 2016-17, revenues of \$8,519 are included. No expenditures have been identified for the TIRZ #2 at this time.



Service Center

BUDGET RESOURCE & EXPENDITURE SUMMARY

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
General Fund	\$ 103,893,425	\$ 108,749,949	\$ 110,312,563	\$ 114,511,663
General Debt Service Fund	54,062,424	63,847,681	63,826,562	75,559,790
Electric Fund	165,767,730	175,753,887	174,167,305	176,982,488
Water Fund	43,200,780	46,681,823	53,007,074	51,782,691
Wastewater Fund	31,074,925	32,354,231	37,247,703	38,595,541
Solid Waste Fund	28,798,141	31,192,530	31,329,907	36,850,375
Airport Fund	3,129,413	2,608,900	2,171,169	1,549,366
Technology Services Fund	10,840,163	11,159,626	11,159,626	13,426,149
Materials Management Fund	10,932,595	13,614,839	13,613,801	17,702,394
Fleet Management Fund	9,646,009	11,539,309	9,389,864	10,342,629
Risk Retention Fund	3,222,870	3,741,283	3,613,214	3,405,821
Health Insurance Fund	27,461,462	29,617,121	26,231,975	30,601,710
Engineering Services Fund	4,594,773	4,906,201	4,957,183	5,062,115
Street Improvement Fund	9,968,536	11,115,423	11,190,000	13,320,783
Miscellaneous Funds ⁽¹⁾	8,985,325	10,795,698	10,021,055	11,713,879
TOTAL OPERATING RESOURCES	\$ 515,578,571	\$ 557,678,501	\$ 562,239,001	\$ 601,407,394
Grant Program	5,011,718	3,975,555	3,037,153	11,154,737
Capital Improvements Program ⁽²⁾	117,525,289	405,609,000	108,643,858	577,117,000
TOTAL RESOURCES	\$ 638,115,578	\$ 967,263,056	\$ 673,920,012	\$ 1,189,679,131
EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
General Fund	\$ 102,366,539	\$ 108,594,365	\$ 109,914,927	\$ 114,503,492
General Debt Service Fund	53,997,385	63,847,681	63,688,222	75,559,790
Electric Fund	162,150,227	175,753,887	165,820,450	173,408,320
Water Fund	43,200,780	46,681,823	45,302,184	51,782,691
Wastewater Fund	29,414,989	32,340,185	31,227,217	38,595,541
Solid Waste Fund	27,766,039	31,190,615	31,139,634	36,814,465
Airport Fund	3,129,413	2,608,900	2,171,169	1,549,366
Technology Services Fund	10,026,045	11,159,626	11,159,626	13,426,149
Materials Management Fund	10,711,486	13,614,839	13,613,801	17,689,446
Fleet Management Fund	9,646,009	11,539,309	9,360,708	10,242,948
Risk Retention Fund	3,222,870	3,741,283	3,613,214	3,405,821
Health Insurance Fund	27,461,462	29,617,121	26,231,975	30,601,710
Engineering Services Fund	4,163,645	4,906,201	4,906,201	5,062,115
Street Improvement Fund	9,496,926	11,115,423	11,056,258	13,320,783
Miscellaneous Funds ⁽¹⁾	7,112,121	10,566,092	9,004,538	11,365,750
TOTAL OPERATING EXPENDITURES	\$ 503,865,936	\$ 557,277,350	\$ 538,210,124	\$ 597,328,387
Grant Program	2,981,388	5,381,486	2,783,000	11,154,737
Capital Improvements Program ⁽²⁾	117,525,289	405,609,000	108,643,858	577,117,000
TOTAL EXPENDITURES	\$ 624,372,613	\$ 968,267,836	\$ 649,636,982	\$ 1,185,600,124

⁽¹⁾Miscellaneous Funds include the Recreation Fund, Tourist & Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Economic Development Investment Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Roadway Impact Fee Fund, Tree Mitigation Fund, Public Education Government Fund, McKenna Trust Fund, Park Land Dedication Trust Fund, Park Development Trust Fund, Downtown Tax Increment Reinvestment Zone Fund, Westpark Tax Increment Reinvestment Zone Fund, and Miscellaneous Special Revenue Funds.

⁽²⁾FY 2016-17 Proposed Budget includes approximately \$74 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill Road and Bonnie Brae Street expansion projects (total received was approximately \$91 million).

CONSOLIDATED FUNDS SUMMARY

	<i>Major Funds</i>			<i>Non-Major Funds</i>		Total All Funds
	General Fund	Enterprise Funds	General Debt Service Fund	Internal Service Funds	Special Revenue Funds	
	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	
	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	2016-17 Proposed	
PROJECTED APPROPRIABLE FUND BALANCE FY2015-16	\$ 27,762,804	\$ 121,352,082	\$ 4,930,220	\$ 13,463,494	\$ 15,218,133	\$ 182,726,733
REVENUES						
Ad Valorem Taxes	\$ 43,323,233	\$ -	\$ 19,748,519	\$ -	\$ 377,129	\$ 63,448,881
Sales Tax	32,835,370	-	-	-	-	32,835,370
Franchise Agreements	5,606,849	-	-	-	11,608,420	17,215,269
Other Taxes	350,474	-	-	-	2,395,064	2,745,538
Service Fees	7,934,837	-	-	-	2,966,743	10,901,580
Fines and Fees	4,109,242	-	-	-	2,875,900	6,985,142
Licenses and Permits	2,964,916	-	-	-	300,000	3,264,916
Return on Investment	7,722,165	-	-	-	-	7,722,165
Utilities Operating	-	290,687,541	-	-	-	290,687,541
Miscellaneous	1,583,109	-	55,811,271	36,323,872	602,100	94,320,352
<i>Subtotal Revenues</i>	<i>\$ 106,430,195</i>	<i>\$ 290,687,541</i>	<i>\$ 75,559,790</i>	<i>\$ 36,323,872</i>	<i>\$ 21,125,356</i>	<i>\$ 530,126,754</i>
<i>Transfers from other funds</i>	<i>\$ 8,081,468</i>	<i>\$ 7,700,258</i>	<i>\$ -</i>	<i>\$ 39,350,296</i>	<i>\$ 997,363</i>	<i>\$ 56,129,385</i>
TOTAL REVENUES	\$ 114,511,663	\$ 298,387,799	\$ 75,559,790	\$ 75,674,168	\$ 22,122,719	\$ 586,256,139
TOTAL RESOURCES	\$ 142,274,467	\$ 419,739,881	\$ 80,490,010	\$ 89,137,662	\$ 37,340,852	\$ 768,982,872
EXPENDITURES						
Personnel Services	\$ 82,350,604	\$ 50,389,090	\$ -	\$ 12,646,395	\$ 4,901,437	\$ 150,287,526
Purchased Power	-	88,003,073	-	-	-	88,003,073
Material and Supplies	2,821,121	3,950,528	-	366,280	719,617	7,857,546
Maintenance and Repair	3,082,333	4,000,046	-	4,055,713	8,258,157	19,396,249
Insurance	1,077,319	672,732	-	29,493,921	62,982	31,306,954
Miscellaneous	1,055,638	432,173	-	8,012,366	344,000	9,844,177
Operations	14,133,896	69,860,437	-	4,435,237	2,977,887	91,407,457
Fixed Assets	617,508	641,500	-	82,000	80,000	1,421,008
Return on Investment	-	7,722,165	-	-	-	7,722,165
Franchise Fees	-	12,815,996	-	-	-	12,815,996
Debt Service	-	26,580,454	75,559,790	726,010	124,850	102,991,104
Inventory Purchases	-	-	-	17,299,956	-	17,299,956
Tourist and Convention	-	-	-	-	2,167,494	2,167,494
<i>Subtotal Appropriations</i>	<i>\$ 105,138,419</i>	<i>\$ 265,068,194</i>	<i>\$ 75,559,790</i>	<i>\$ 77,117,878</i>	<i>\$ 19,636,424</i>	<i>\$ 542,520,705</i>
<i>Transfers to other funds</i>	<i>\$ 9,365,073</i>	<i>\$ 37,082,189</i>	<i>\$ -</i>	<i>\$ 3,310,311</i>	<i>\$ 5,050,109</i>	<i>\$ 54,807,682</i>
TOTAL EXPENDITURES	\$ 114,503,492	\$ 302,150,383	\$ 75,559,790	\$ 80,428,189	\$ 24,686,533	\$ 597,328,387
ENDING FUND BALANCE	\$ 27,770,975	\$ 117,589,498	\$ 4,930,220	\$ 8,709,473	\$ 12,654,319	\$ 171,654,485
NET CHANGE IN FUND BALANCE	\$ 8,171	\$ (3,762,584)	\$ -	\$ (4,754,021)	\$ (2,563,814)	\$ (11,072,248)

PROJECTED APPROPRIABLE FUND BALANCES

	APPROPRIABLE			PROJECTED APPROPRIABLE			PROJECTED APPROPRIABLE
	FUND BALANCE ⁽¹⁾	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	FUND BALANCE ⁽¹⁾	PROPOSED REVENUES	PROPOSED EXPENDITURES	FUND BALANCE ⁽¹⁾
	10-1-15	2015-16	2015-16	9-30-16	2016-17	2016-17	9-30-17
General Fund							
General Fund	\$ 27,365,168	\$ 110,312,563	\$ 109,914,927	\$ 27,762,804	\$ 114,511,663	\$ 114,503,492	\$ 27,770,975
General Debt Service Fund	4,791,880	63,826,562	63,688,222	4,930,220	75,559,790	75,559,790	4,930,220
Enterprise Funds							
Electric Fund	59,828,699	174,167,305	165,820,450	68,175,554	176,982,488	173,408,320	71,749,722
Water Fund ⁽²⁾	17,893,397	53,007,074	45,302,184	25,598,287	48,783,171	51,782,691	22,598,767
Wastewater Fund ⁽³⁾	13,063,297	37,247,703	31,227,217	19,083,783	34,297,765	38,595,541	14,786,007
Solid Waste Fund ⁽⁴⁾	5,854,345	31,329,907	31,139,634	6,044,618	36,850,375	36,814,465	6,080,528
Airport Fund	3,400,588	1,220,421	2,171,169	2,449,840	1,474,000	1,549,366	2,374,474
Enterprise Funds Subtotal	100,040,326	296,972,410	275,660,654	121,352,082	298,387,799	302,150,383	117,589,498
Internal Service Funds							
Technology Services Fund	1,195,583	11,059,626	11,159,626	1,095,583	12,537,603	13,426,149	207,037
Materials Management Fund	1,021,372	13,564,058	13,613,801	971,629	17,702,394	17,689,446	984,577
Fleet Management Fund	418,456	9,389,864	9,360,708	447,612	10,342,629	10,242,948	547,293
Risk Retention Fund	6,815,075	3,095,819	3,613,214	6,297,680	2,921,600	3,405,821	5,813,459
Health Insurance Fund	3,962,020	25,769,575	26,231,975	3,499,620	27,184,037	30,601,710	81,947
Engineering Services Fund	1,100,388	4,957,183	4,906,201	1,151,370	4,985,905	5,062,115	1,075,160
Internal Service Funds Subtotal	14,512,894	67,836,125	68,885,525	13,463,494	75,674,168	80,428,189	8,709,473
Special Revenue Funds							
Street Improvement Fund	1,388,223	11,190,000	11,056,258	1,521,965	12,965,783	13,320,783	1,166,965
Recreation Fund	513,469	2,054,123	2,204,123	363,469	2,151,743	2,243,925	271,287
Tourist & Convention Fund	1,845,985	2,145,064	2,167,494	1,823,555	2,145,064	2,167,494	1,801,125
Police Confiscation Fund	423,350	200,000	183,500	439,850	255,000	442,000	252,850
Police Academy Fund	49,630	75,000	50,000	74,630	75,000	75,000	74,630
Traffic Safety Fund	1,334,639	2,477,000	1,959,014	1,852,625	2,525,900	3,142,221	1,236,304
Economic Development Investment Fund	-	150,000	-	150,000	150,000	300,000	-
Downtown Reinvestment Fund	138,050	100,876	25,000	213,926	101,000	100,000	214,926
Parks Gas Well Fund	155,218	64,800	150,000	70,018	64,100	100,000	34,118
Roadway Impact Fee Fund	-	-	-	-	200,000	200,000	-
Tree Mitigation Fund	2,448,487	315,000	788,479	1,975,008	310,000	793,110	1,491,898
Public Education Government Fund	783,219	330,000	384,500	728,719	332,000	285,000	775,719
McKenna Trust Fund	14,613	1,000	-	15,613	1,000	-	16,613
Park Land Dedication Trust Fund	1,853,257	290,000	350,000	1,793,257	160,000	300,000	1,653,257
Park Development Trust Fund	3,557,313	240,000	500,000	3,297,313	170,000	1,000,000	2,467,313
Downtown TIRZ Fund	508,880	333,579	103,428	739,031	368,610	78,000	1,029,641
Westpark TIRZ Fund	1,343	4	-	1,347	8,519	-	9,866
Misc. Special Revenue Funds	215,880	80,927	139,000	157,807	139,000	139,000	157,807
Special Revenue Funds Subtotal	15,231,556	20,047,373	20,060,796	15,218,133	22,122,719	24,686,533	12,654,319
TOTAL	161,941,824	558,995,033	538,210,124	182,726,733	586,256,139	597,328,387	171,654,485

⁽¹⁾ Appropriable fund balance reflects working capital available for appropriation.⁽²⁾ Excludes Impact Fee funds (\$4,587,529).⁽³⁾ Excludes Drainage reserve (\$1,000,000) and Impact Fee funds (\$2,959,984).⁽⁴⁾ Excludes Closure/Post Closure reserves (\$6,813,786).

POSITION SUMMARY

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	239.04	248.71	248.71	263.31
Public Safety	428.48	439.48	439.48	459.48
Transportation	14.00	14.00	14.00	16.00
Administrative & Community Services	94.75	98.25	98.25	98.25
TOTAL GENERAL FUND	776.27	800.44	800.44	837.04

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Electric Fund	174.00	188.00	188.00	197.00
Water Fund	140.50	144.50	144.50	151.50
Wastewater Fund	108.75	111.25	111.25	112.25
Solid Waste Fund	120.00	124.50	124.50	135.50
Airport Fund	7.50	7.50	7.50	7.50
Technology Services Fund	36.00	36.00	36.00	37.00
Materials Management Fund	15.00	16.00	16.00	17.00
Fleet Management Fund	22.00	24.00	24.00	24.00
Risk Retention Fund	8.00	8.00	8.00	9.00
Engineering Services Fund	34.00	34.00	34.00	35.00
Street Improvement Fund	35.00	40.00	40.00	45.00
Recreation Fund	24.27	24.27	24.27	24.27
Traffic Safety Fund	0.50	0.50	0.50	0.50
CDBG Fund ⁽¹⁾	5.00	5.00	5.00	5.00
Tree Mitigation Fund	-	1.00	1.00	1.00
TOTAL OTHER FUNDS	730.52	764.52	764.52	801.52

TOTAL ALL FUNDS	1,506.79	1,564.96	1,564.96	1,638.56
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(1) Community Development Block Grant

ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION

City of Denton Overall Tax Collections

Assessed Valuation for 2015	\$	8,517,505,964
Gain or Loss in Value		600,259,769
Loss of TIRZ Values		(259,389)
Net Assessed Valuation for 2016	\$	9,117,506,344
Tax Rate Per \$100 Valuation	x	0.68475
	\$	62,432,125
Estimated Collections	x	100.00%
TOTAL GENERAL FUND AND DEBT SERVICE REVENUE	\$	62,432,125

Downtown TIRZ Value	\$	53,831,393
Tax Rate Per \$100 Valuation	x	0.68475
	\$	368,610
Estimated Collections	x	100.00%
TOTAL DOWNTOWN TIRZ REVENUE	\$	368,610

Westpark TIRZ Value	\$	912,756
Tax Rate Per \$100 Valuation	x	0.68475
	\$	6,250
Estimated Collections	x	100.00%
TOTAL WESTPARK TIRZ REVENUE	\$	6,250

TOTAL TAX REVENUE	\$	62,806,985
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TAX RATE PER \$100

DISTRIBUTION	2015-16	2016-17	2016-17 REVENUE	PERCENT
General Fund	\$ 0.47456	\$ 0.46815	\$ 42,683,606	68.37%
General Debt Service Fund	0.21519	0.21660	\$ 19,748,519	31.63%
Sub-Total	\$ 0.68975	\$ 0.68475	\$ 62,432,125	100.00%
Downtown TIRZ Fund	\$ 0.68975	\$ 0.68475	\$ 368,610	
Westpark TIRZ Fund	\$ 0.68975	\$ 0.68475	\$ 6,250	
TOTAL			\$ 62,806,985	

HUMAN SERVICES ADVISORY COMMITTEE FUNDING

Agency	FY 2015-16 Contributions	FY 2016-17 Requested	FY 2016-17 CDBG	FY 2016-17 General Fund
Boys and Girls Club of North Texas	6,800	16,163	-	6,200
Court Appointed Special Advocates (CASA)	15,000	20,000	-	20,000
City of Denton Parks and Recreation	25,000	50,005	-	27,000
Communities in Schools	16,350	24,000	-	20,000
Denton Christian Preschool	26,000	26,000	-	26,000
Denton City County Day School	34,000	40,000	36,000	-
Denton Community Health Clinic	17,000	47,000	-	25,250
Denton County Friends of the Family	30,000	35,000	30,000	5,000
Denton County Mental Health and Mental Retardation Center	22,350	39,520	-	22,000
Fred Moore Nursery School, Inc.	45,000	63,387	-	48,000
Giving Hope - Homeless Management Information System	17,500	18,000	-	9,000
Giving Hope Transitional Housing	27,300	35,000	-	28,000
Health Services of North Texas - Medical	18,800	50,000	25,000	-
Health Services of North Texas Prescription Assistance Program	9,000	6,180	-	6,180
Interfaith	5,000	10,000	-	5,000
Monsignor King Homeless Center	-	9,000	-	5,000
Retired Senior Volunteer Program	11,800	12,500	-	12,000
Retired Senior Volunteer Program Volunteers in Service to America (VISTA)	-	13,000	-	6,500
Salvation Army of Denton	20,000	20,000	20,000	-
Special Program for Aging Needs	20,263	25,000	20,945	1,370
SUBTOTAL	367,163	559,755	131,945	272,500
Community Development Support Costs	245,812	-	-	312,458
TOTAL	\$ 612,975	\$ 559,755	\$ 131,945	\$ 584,958

Note: Funding for the Children's Advocacy Center is \$102,862 and is reflected in the Police Department FY 2016-17 budget.

GENERAL FUND*Five Year Forecast**Major Assumptions*

Revenue	2016-17	2017-18	2018-19	2019-20	2020-21
Property Tax Growth	8.23%	4%	4%	4%	4%
Tax Rate - O&M	\$ 0.46815	\$ 0.46815	\$ 0.46815	\$ 0.46815	\$ 0.46815
Tax Rate - Debt	\$ 0.21660	\$ 0.21660	\$ 0.21660	\$ 0.21660	\$ 0.21660
O&M Property Tax Increase	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Property Tax Increase	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tax Rate	\$ 0.68475	\$ 0.68475	\$ 0.68475	\$ 0.68475	\$ 0.68475
Sales Tax Growth	3%	3%	3%	3%	3%
Fund Balance Target	20-25%	20-25%	20-25%	20-25%	20-25%

Expenditures	2016-17	2017-18	2018-19	2019-20	2020-21
Compensation	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service
Health Insurance	6% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured
Vehicle Replacements	Bond Funded	Bond Funded	Bond Funded	Bond Funded	Bond Funded
Service Enhancements (Recurring)	Police, Fire, Animal Services, Parks, Facilities Management, Traffic Control, Internal Audit, Economic Development, and Building Inspections.				

GENERAL FUND*Five Year Forecast (in millions)*

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Estimate	Proposed	Proposed	Proposed	Proposed	Proposed
BEGINNING FUND BALANCE	\$27.37	\$27.76	\$27.77	\$27.77	\$27.77	\$27.77
REVENUES	\$110.30	\$114.51	\$118.69	\$122.41	\$124.91	\$128.39
TOTAL AVAILABLE RESOURCES	\$137.67	\$142.27	\$146.46	\$150.18	\$152.68	\$156.16
EXPENDITURES	\$109.91	\$110.89	\$115.13	\$118.37	\$120.34	\$123.14
ONE-TIME EXPENSES		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUTURE RECURRING EXPENSES		\$3.61	\$3.56	\$4.04	\$4.57	\$5.25
TOTAL EXPENDITURES	\$109.91	\$114.50	\$118.69	\$122.41	\$124.91	\$128.39
NET INCOME (LOSS)	\$0.39	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
ENDING FUND BALANCE	\$27.76	\$27.77	\$27.77	\$27.77	\$27.77	\$27.77
EFFECTIVE FUND BALANCE	25.4%	24.3%	23.4%	22.7%	22.2%	21.6%
RESERVE TARGET (percent)	20%	20-25%	20-25%	20-25%	20-25%	20-25%

WATER*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	\$22.6	\$22.6	\$22.4	\$23.9
REVENUES	\$53.0	\$48.8	\$52.7	\$52.9	\$53.9	\$53.9
TOTAL RESOURCES AVAILABLE	\$70.9	\$74.4	\$75.3	\$75.5	\$76.3	\$77.8
OPERATING EXPENDITURES	\$45.3	\$48.8	\$52.7	\$52.8	\$52.4	\$53.9
PLANNED RESERVE EXPENDITURES	\$0.0	\$3.0	\$0.0	\$0.3	\$0.0	\$0.1
TOTAL EXPENDITURES	\$45.3	\$51.8	\$52.7	\$53.1	\$52.4	\$54.0
NET INCOME (LOSS)	\$7.7	-\$3.0	\$0.0	-\$0.2	\$1.5	-\$0.1
WORKING CAPITAL BALANCE ¹	\$3.6	\$4.1	\$4.2	\$4.2	\$4.2	\$4.3
RATE RESERVE BALANCE ²	\$22.0	\$18.2	\$17.9	\$17.4	\$18.7	\$18.5
DEVELOPMENT PLAN LINES	\$0.0	\$0.3	\$0.5	\$0.8	\$1.0	\$1.0
TOTAL ENDING FUND BALANCE	\$25.6	\$22.6	\$22.6	\$22.4	\$23.9	\$23.8
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
RATE RESERVE BALANCE ³	48.6%	35.1%	34.0%	32.8%	35.7%	34.3%
PROPOSED RATE INCREASES		5.0%	4.0%	3.0%	2.0%	3.0%

Note: Fund Balance excludes Impact Fee Reserves.

1. Target 30 Days - 8% Exp

2. Target 90-150 days - 25-42% Exp

3. Percentage of Expenses

WASTEWATER*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	\$13.1	\$19.1	\$14.8	\$14.4	\$14.6	\$14.7
REVENUES	\$37.2	\$34.3	\$34.0	\$35.0	\$35.8	\$36.0
TOTAL RESOURCES AVAILABLE	\$50.3	\$53.4	\$48.8	\$49.4	\$50.4	\$50.7
OPERATING EXPENDITURES	\$31.2	\$34.3	\$34.0	\$34.8	\$35.7	\$35.7
PLANNED RESERVE EXPENDITURES	\$0.0	\$4.3	\$0.4	\$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	-\$4.3	-\$0.4	\$0.2	\$0.1	\$0.3
WORKING CAPITAL BALANCE ¹	\$2.5	\$3.1	\$2.8	\$2.8	\$2.9	\$2.9
RATE RESERVE BALANCE ²	\$16.4	\$11.3	\$11.0	\$11.0	\$10.8	\$11.1
DEVELOPMENT PLAN LINES	\$0.2	\$0.4	\$0.6	\$0.8	\$1.0	\$1.0
TOTAL ENDING FUND BALANCE	\$19.1	\$14.8	\$14.4	\$14.6	\$14.7	\$15.0
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
RATE RESERVE BALANCE ³	52.6%	29.3%	32.0%	31.6%	30.3%	31.1%
PROPOSED RATE INCREASES		2.0%	2.0%	2.0%	2.0%	2.0%

Note: Fund Balance excludes Drainage Reserves and Impact Fee Reserves.

1. Target 30 Days - 8% Exp

2. Target 70-110 days - 20-31% Exp

3. Percentage of Expenses

SOLID WASTE*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)
WORKING CAPITAL BALANCE ¹	\$2.5	\$3.0	\$3.2	\$3.50	\$3.7	\$3.9
RATE RESERVE BALANCE ²	\$3.6	\$3.1	\$2.9	\$2.6	\$2.4	\$2.1
TOTAL ENDING FUND BALANCE	\$6.1	\$6.1	\$6.1	\$6.1	\$6.1	\$6.0
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
RATE RESERVE BALANCE ³	11.6%	8.4%	7.3%	6.0%	5.2%	4.3%
PROPOSED RATE INCREASES						
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%

Note: Fund Balance Excludes the Landfill Closure/Post Closure Reserve.

1. Target 30 days 8% Exp

2. Target 22-36 days 6-10% Exp

3. Percentage of Expenses

**GENERAL FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Ad Valorem Taxes	\$ 37,748,052	\$ 40,588,968	\$ 40,588,968	\$ 43,323,233
Sales Tax	30,601,964	30,925,867	31,879,000	32,835,370
Franchise Agreements	6,228,849	6,228,849	6,228,849	5,606,849
Other Taxes	494,137	340,528	340,528	350,474
Service Fees	6,211,436	6,867,702	7,336,663	7,934,837
Fines and Fees	3,721,362	4,464,927	3,792,990	4,109,242
Licenses and Permits	2,782,395	2,585,042	3,250,137	2,964,916
Miscellaneous Revenues	1,624,805	1,538,749	1,580,430	1,583,109
Transfers	14,480,425	15,209,317	15,314,998	15,803,633
TOTAL REVENUES	\$ 103,893,425	\$ 108,749,949	\$ 110,312,563	\$ 114,511,663
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 103,893,425	\$ 108,749,949	\$ 110,312,563	\$ 114,511,663

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 72,845,902	\$ 78,208,335	\$ 77,638,311	\$ 82,350,604
Materials & Supplies	2,438,243	2,567,815	2,611,168	2,821,121
Maintenance & Repairs	3,024,931	3,026,441	3,026,441	3,082,333
Insurance	1,059,523	1,096,417	1,096,417	1,077,319
Miscellaneous	921,080	1,247,806	1,247,806	1,055,638
Operations	12,452,218	13,501,375	14,167,177	14,133,896
Transfers	8,039,621	7,882,623	7,882,623	8,647,744
Transfer to Capital Projects	1,012,145	485,200	1,709,984	717,329
Fixed Assets	572,877	578,353	535,000	617,508
TOTAL EXPENDITURES	\$ 102,366,539	\$ 108,594,365	\$ 109,914,927	\$ 114,503,492

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	239.04	248.71	248.71	263.31
Public Safety	428.48	439.48	439.48	459.48
Transportation	14.00	14.00	14.00	16.00
Administrative & Community Services	94.75	98.25	98.25	98.25
TOTAL PERSONNEL	776.27	800.44	800.44	837.04

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Current Year Ad Valorem	\$ 37,150,961	\$ 39,977,232	\$ 39,977,232	\$ 42,683,606
Delinquent Ad Valorem	265,668	263,482	263,482	277,443
Current Year - Penalties and Interest	132,564	170,000	170,000	176,800
Prior Year - Penalties and Interest	172,858	151,144	151,144	157,190
Rendition Penalties	26,001	27,110	27,110	28,194
Ad Valorem Taxes	\$ 37,748,052	\$ 40,588,968	\$ 40,588,968	\$ 43,323,233
Sales Tax	\$ 30,601,964	\$ 30,925,867	\$ 31,879,000	\$ 32,835,370
Sales Tax	\$ 30,601,964	\$ 30,925,867	\$ 31,879,000	\$ 32,835,370
Mixed Beverage Tax	\$ 473,758	\$ 313,500	\$ 313,500	\$ 322,905
Bingo Tax	20,379	27,028	27,028	27,569
Other Taxes	\$ 494,137	\$ 340,528	\$ 340,528	\$ 350,474
Food Handler Permits	\$ 48,440	\$ 76,500	\$ 76,500	\$ 78,030
Zoning Permits	56,963	84,500	84,500	87,880
Moving Permits	380	1,919	1,919	1,938
Demolition Permits	9,900	9,690	9,690	9,884
Pool, Spa, Hot Tub Permits	16,300	18,597	18,597	19,155
Building Permits	2,306,782	2,000,000	2,700,000	2,400,000
Electrical & Plumbing Licenses	18,975	19,620	19,620	20,012
Curb Cut Permits	745	969	969	988
Mobile Home Park Licenses	23,908	25,560	25,560	25,560
Sign Permits	37,585	47,238	47,238	48,655
Fence Permits	37,250	35,700	35,700	36,414
Mechanical Permits	67,926	54,590	54,590	56,228
Certificate of Occupancy Fees	68,186	87,360	87,360	90,854
Variance Fees	300	155	250	450
Landscape Fees	1,900	2,074	2,074	2,136
Miscellaneous Permits	19,920	8,250	20,000	20,600
Gas Well Permits	5,740	55,000	8,250	8,498
Park Vendor Fees	25,097	26,260	26,260	26,523
Beer & Wine Permits	28,948	26,010	26,010	26,010
CPR Training	7,150	5,050	5,050	5,101
Licenses and Permits	\$ 2,782,395	\$ 2,585,042	\$ 3,250,137	\$ 2,964,916

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Franchise - Atmos Gas	\$ 479,553	\$ 487,308	\$ 487,308	\$ 420,881
Franchise - Charter Communications	163,027	145,453	145,453	120,084
Franchise - CoServ Electric	139,417	132,412	132,412	113,241
Franchise - TXU Electric	27,861	29,712	29,712	25,410
Franchise - CoServ Gas	74,651	74,543	74,543	64,381
Franchise - Miscellaneous Cable	37,094	22,066	22,066	19,432
Franchise - Verizon/Frontier - (Cable)	482,620	470,796	470,796	406,618
Franchise - DMU Water ⁽¹⁾	641,545	688,286	688,286	613,000
Franchise - DMU Wastewater ⁽¹⁾	467,424	480,557	480,557	410,064
Franchise - Solid Waste	568,154	592,410	592,410	602,825
Franchise - DMU Electric ⁽¹⁾	2,816,383	2,794,504	2,794,504	2,561,944
Franchise - Airport	14,200	15,161	15,161	-
Franchise - Miscellaneous (Telecom.)	115,087	103,710	103,710	91,328
Franchise - Verizon/Frontier (Telecom.)	201,833	191,931	191,931	157,641
Franchise Agreements	\$ 6,228,849	\$ 6,228,849	\$ 6,228,849	\$ 5,606,849
Warrant Fees	\$ 213,072	\$ 251,324	\$ 213,072	\$ 220,530
Juvenile Case Manager Fees	97,423	119,640	97,423	89,371
Truancy Prevention Fees	18,364	15,000	18,364	10,000
Library Fines & Fees	166,189	177,160	177,160	182,475
Animal Pound Fees	122,587	180,229	180,229	185,636
Animal Services Fines	7,219	12,360	12,360	12,731
Auto Pound Fees	24,923	8,363	17,455	40,000
Mowing Recovery Fees	2,885	4,204	4,204	4,246
Police Escort & Guard Fees	26,321	30,344	30,344	31,254
Civil Fines	37,708	44,805	37,708	38,839
Arrest Fees	96,710	115,544	96,710	97,677
Inspection Fines & Fees	16,899	33,990	16,899	17,406
Fire Department Fines	4,383	4,080	4,383	4,471
School Crossing Fines	8,872	5,100	8,872	9,049
Denton Municipal Fines	1,280,976	1,735,000	1,280,976	1,515,286
UNT Police Fines	297,943	316,200	297,943	303,902
TWU Police Fines	24,810	66,912	24,810	25,306
Parking Fines	188,010	226,208	188,010	193,650
Uniform Traffic Fees	43,169	54,060	43,169	44,032
False Alarm Fees	61,702	42,024	61,702	62,936
Court Cost Service Fees	140,547	178,880	140,547	146,169
Court Administration Fees	840,650	843,500	840,650	874,276
Fines and Fees	\$ 3,721,362	\$ 4,464,927	\$ 3,792,990	\$ 4,109,242

(1) Denton Municipal Utilities.

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Community Building Rentals	\$ 242,662	\$ 317,200	\$ 181,200	\$ 241,952
Ambulance Service Fees	2,464,523	2,400,000	2,675,000	2,701,750
Ambulance Reimbursements	174,279	750,000	750,000	750,000
Engine Response ARFF	14,810	18,000	18,000	18,540
Hazardous Materials Billing	23,421	11,427	11,427	11,427
Fire Inspections	134,879	239,130	140,000	180,000
Restaurant Inspections	236,170	231,854	231,854	238,810
Swimming Pool Inspections	24,240	31,306	31,306	31,932
Reinspection Fees	38,058	27,319	28,930	40,000
Electrical Inspections	41,706	50,648	50,648	52,167
Plumbing Inspections	163,838	141,400	141,400	142,814
Gas Well Inspections	186,928	350,000	374,000	368,430
Library Non-Resident Fees	52,500	44,142	44,142	44,583
Parks Identification Card Fees	36,784	52,592	52,592	53,644
Athletic Program Fees	64,657	72,100	72,100	74,263
Special Events - Parks	2,200	1,800	1,800	1,836
Swimming Pool	50,261	54,121	54,121	55,203
Cemetery Fees	22,648	27,013	27,013	27,823
Development Fees	120,408	115,799	115,799	119,273
Sale of Documents	260,812	346,130	346,130	349,978
Copy Charges	94,397	115,000	115,000	118,450
Plan Review Fees	384,784	312,520	580,000	375,000
Parking Meter Receipts	26,017	20,751	20,751	21,374
Development Postage	12,140	8,650	8,650	8,737
Traffic/Police Reports	35,452	40,800	40,800	41,616
Natatorium Fees	423,432	340,525	409,025	410,585
Water Works Parks Fees	879,430	747,475	814,975	1,454,650
Service Fees	\$ 6,211,436	\$ 6,867,702	\$ 7,336,663	\$ 7,934,837
Interest Income	\$ 221,867	\$ 196,541	\$ 271,541	\$ 271,541
County Vehicle Registration Fee	201,136	180,405	180,405	184,013
County Contribution - Ambulance Service	136,327	140,000	140,000	140,000
DISD Contribution - School Resource Officer	167,169	161,715	161,715	164,949
Non-Grant State Reimbursement - Fire	4,211	2,500	34,755	34,755
Non-Grant State Reimbursement - TXDOT	-	25,730	25,730	25,730
State - Signal Reimbursement	16,062	16,062	16,062	16,062
Williams Square Parking Fees	15,405	16,089	16,089	16,089
Miscellaneous Revenues	132,693	50,000	50,000	50,000
Recovery of Prior-Year Expenditures	5,328	50,000	50,000	50,000
Mowing Administration Fees	3,033	2,760	5,061	5,162
Mowing Liens	84,746	33,202	33,202	34,862
Police Phone Commissions	6,216	11,255	11,255	11,593
Sale of Surplus Supplies and Fixed Assets	117,763	141,000	160,000	141,000
DISD Reimbursement - Water Park	512,849	511,490	424,615	437,353
Miscellaneous Revenues	\$ 1,624,805	\$ 1,538,749	\$ 1,580,430	\$ 1,583,109

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
ROI - Electric Fund	\$ 4,839,573	\$ 5,085,712	\$ 5,094,722	\$ 5,506,335
ROI - Water Fund	1,099,858	1,269,253	1,246,745	1,334,486
ROI - Wastewater Fund	801,347	874,564	891,116	881,344
COST - Electric Fund	1,779,788	1,918,426	1,929,829	2,117,101
COST - Water Fund	1,306,516	1,332,629	1,344,032	1,378,819
COST - Solid Waste Fund	903,871	959,636	971,039	976,801
COST - Wastewater Fund	887,879	996,122	1,007,525	985,997
COST - Airport Fund	350,653	367,890	379,293	377,063
COST - Risk Retention Fund	190,779	184,870	184,870	174,181
COST - Recreation Fund	83,238	129,497	129,497	131,397
COST - Municipal Court Security	58,583	70,000	70,000	70,000
COST - Materials Management Fund	789,040	624,484	635,887	592,587
COST - Fleet Services Fund	338,567	368,421	379,824	274,190
COST - Technology Services Fund	437,321	412,484	423,887	455,571
COST - Health Insurance Fund	56,864	75,243	75,243	34,819
COST - Engineering Services Fund	556,548	540,086	551,489	512,942
Transfers	\$ 14,480,425	\$ 15,209,317	\$ 15,314,998	\$ 15,803,633
TOTAL REVENUES	\$ 103,893,425	\$ 108,749,949	\$ 110,312,563	\$ 114,511,663
Use of Fund Balance	\$ -	\$ -	\$ -	\$ -
TOTAL RESOURCES	\$ 103,893,425	\$ 108,749,949	\$ 110,312,563	\$ 114,511,663

ROI - Return on Investment

COST - Cost of Service Transfer

**GENERAL FUND
EXPENDITURES BY PROGRAM SUMMARY**

	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
NEIGHBORHOOD SERVICES				
Building Inspections	\$ 2,247,012	\$ 2,905,378	\$ 2,905,378	\$ 3,064,180
Community Improvement Services	1,451,441	1,826,791	1,826,791	1,857,104
Libraries	5,620,535	5,778,146	5,829,699	5,900,271
Parks and Recreation	11,375,213	12,244,373	12,244,373	13,112,169
Planning	2,255,606	2,830,301	2,830,301	2,780,569
Gas Well Inspections	359,824	427,777	427,777	402,389
Community Development	450,326	495,812	495,812	592,458
	<u>\$ 23,759,957</u>	<u>\$ 26,508,578</u>	<u>\$ 26,560,131</u>	<u>\$ 27,709,140</u>
PUBLIC SAFETY				
Animal Services	\$ 1,396,137	\$ 1,405,491	\$ 1,405,491	\$ 1,499,776
Fire	23,805,969	25,621,420	25,732,651	27,394,560
Municipal Court	1,382,821	1,462,866	1,462,866	1,385,603
Municipal Judge	407,660	438,813	438,813	436,068
Police	26,638,880	28,086,682	28,086,682	29,856,111
	<u>\$ 53,631,467</u>	<u>\$ 57,015,272</u>	<u>\$ 57,126,503</u>	<u>\$ 60,572,118</u>
TRANSPORTATION				
Traffic Operations	\$ 2,398,372	\$ 2,115,224	\$ 2,455,224	\$ 2,180,813
Street Lighting	743,809	735,000	735,000	735,000
Transportation Operations	406,982	480,633	687,633	491,286
	<u>\$ 3,549,163</u>	<u>\$ 3,330,857</u>	<u>\$ 3,877,857</u>	<u>\$ 3,407,099</u>
ADMINISTRATIVE & COMMUNITY SERVICES				
City Manager's Office	\$ 2,742,980	\$ 2,890,453	\$ 2,890,453	\$ 2,934,097
Economic Development	2,850,772	3,244,853	3,244,853	3,537,603
Facilities Management	3,784,155	3,805,911	4,070,911	4,026,387
Finance	3,457,264	2,858,615	2,858,615	2,881,060
Human Resources	1,487,037	1,783,309	1,783,309	1,706,585
Internal Audit	29,206	75,000	75,000	175,000
Legal Administration	2,424,706	2,264,527	2,264,527	2,302,138
Public Communications Office	1,211,740	1,441,175	1,441,175	1,273,645
Non-Departmental	3,438,092	3,375,815	3,721,593	3,978,620
	<u>\$ 21,425,952</u>	<u>\$ 21,739,658</u>	<u>\$ 22,350,436</u>	<u>\$ 22,815,135</u>
TOTAL EXPENDITURES	<u><u>\$ 102,366,539</u></u>	<u><u>\$ 108,594,365</u></u>	<u><u>\$ 109,914,927</u></u>	<u><u>\$ 114,503,492</u></u>

**GENERAL DEBT SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Ad Valorem & Delinquent Taxes	\$ 16,223,099	\$ 18,127,740	\$ 18,127,740	\$ 19,748,519
Interest Income	87,941	50,000	50,000	50,000
Transfer In - Drainage	382,800	361,038	361,038	236,175
Transfer In - Solid Waste	6,858,779	7,346,461	7,325,342	8,082,423
Transfer In - Fleet	253,791	241,054	241,054	228,006
Transfer In - Street Improvement	-	126,875	126,875	124,850
Transfer In - Materials Mgmt	47,934	48,334	48,334	48,036
Transfer In - Technology	70,700	-	-	-
Transfer In - Communication	12,213	11,806	11,806	16,281
Transfer In - Airport	474,454	475,790	475,790	-
Transfer In - Electric	19,748,500	24,324,651	24,324,651	29,174,541
Transfer In - Water	5,651,818	7,543,408	7,543,408	11,257,889
Transfer In - Wastewater	4,250,395	5,190,524	5,190,524	6,593,070
TOTAL REVENUES	54,062,424	63,847,681	63,826,562	75,559,790
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 54,062,424	\$ 63,847,681	\$ 63,826,562	\$ 75,559,790

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
General Debt Service	\$ 16,218,797	\$ 18,155,740	\$ 18,004,400	\$ 19,776,519
Fleet Debt Service	253,791	241,054	241,054	228,006
Street Improvement Debt Service	-	126,875	126,875	124,850
Communications Debt Service	12,213	11,806	11,806	16,281
Technology Debt Service	70,700	-	-	-
Drainage Debt Service	382,800	361,038	361,038	236,175
Solid Waste Debt Service	6,858,779	7,346,461	7,325,342	8,082,423
Materials Mgmt Debt Service	47,934	48,334	48,334	48,036
Airport Debt Service	474,454	475,790	475,790	-
Electric Debt Service	19,748,500	24,324,651	24,324,651	29,174,541
Water Debt Service	5,651,818	7,543,408	7,543,408	11,257,889
Wastewater Debt Service	4,250,395	5,190,524	5,190,524	6,593,070
Fiscal Charges	27,204	22,000	35,000	22,000
TOTAL EXPENDITURES	\$ 53,997,385	\$ 63,847,681	\$ 63,688,222	\$ 75,559,790

**ELECTRIC FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operating Revenues	\$ 165,458,294	\$ 167,407,861	\$ 173,867,305	\$ 176,682,488
Non-Operating Revenues	309,436	300,000	300,000	300,000
TOTAL REVENUES	165,767,730	167,707,861	174,167,305	176,982,488
Use of Reserves	-	8,046,026	-	-
TOTAL RESOURCES	\$ 165,767,730	\$ 175,753,887	\$ 174,167,305	\$ 176,982,488

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Fuel & Purchased Power	\$ 98,019,717	\$ 89,808,303	\$ 80,806,036	\$ 85,369,586
Personnel Services	12,916,832	17,020,623	16,104,925	18,532,541
Operation & Maintenance	16,359,023	22,287,094	21,710,181	25,834,070
Return on Investment	4,839,573	5,085,712	5,094,722	5,506,335
Franchise Fee	6,907,042	7,265,302	7,278,174	7,866,192
Non-Operating Expenditures	23,108,040	34,286,853	34,826,412	30,299,596
TOTAL EXPENDITURES	\$ 162,150,227	\$ 175,753,887	\$ 165,820,450	\$ 173,408,320

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	174.00	188.00	188.00	197.00

MAJOR BUDGET ITEMS	
FY 2015-16	FY 2016-17
The budget included a 4.5% base rate increase and offset reductions in the ECA rate. The budget included the addition of 14 FTE's: 6 FTE's were related to the increased capital program; 5 FTE's were for the Energy Management Organization; and 3 FTE's were for System Operations.	The budget includes a 4.5% base rate increase which will be offset by reductions in the ECA and TCRF. The budget reflects the addition of 9 FTE's: 7 FTE's are related to the increased capital program; 1 FTE is for FERC/ERCOT analysis; 1 FTE is for the Power Plant; and 1 FTE is for the Energy Management Organization.

The format of this budget is being used to provide financial information in a manner that is commensurate to what is publicly available from the other municipal utilities and investor-owned utilities operating in Texas.

WATER FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Interest Operating	\$ 75,589	\$ 94,000	\$ 92,000	\$ 148,000
Water Sales Residential	15,767,866	17,455,940	17,746,823	19,449,831
Water Sales Commercial	14,303,188	16,607,584	15,891,547	17,335,218
Water for Resale	1,042,231	1,273,688	995,641	548,878
Other Water	1,072,379	927,151	8,487,279	794,235
Cost of Service - General Fund	447,734	696,677	634,485	766,283
Cost of Service - Electric	3,246,270	3,448,001	3,247,387	3,616,304
Cost of Service - Wastewater	978,114	1,213,562	1,126,298	1,247,131
Cost of Service - Solid Waste	761,976	829,307	785,614	877,291
Other Transfers	-	115,600	-	-
Impact Fee Revenues	3,600,000	4,000,000	4,000,000	4,000,000
TOTAL REVENUES	\$ 41,295,347	\$ 46,661,510	\$ 53,007,074	\$ 48,783,171
Use of Reserves	1,905,433	20,313	-	2,999,520
TOTAL RESOURCES	\$ 43,200,780	\$ 46,681,823	\$ 53,007,074	\$ 51,782,691

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Water Administration	\$ 1,087,655	\$ 1,579,797	\$ 1,206,552	\$ 1,576,677
Water Production	7,334,197	10,541,008	10,279,181	8,371,608
Water Distribution	7,330,775	5,922,376	5,899,946	14,165,939
Water Metering	2,010,281	2,225,287	2,126,259	2,495,518
Water Laboratory	483,145	602,879	542,910	775,016
Utilities Administration	1,258,830	1,577,578	1,332,401	1,479,692
Customer Service	5,072,191	5,512,791	5,260,075	5,845,279
Miscellaneous	18,623,706	18,720,107	18,654,860	17,072,962
TOTAL EXPENDITURES	\$ 43,200,780	\$ 46,681,823	\$ 45,302,184	\$ 51,782,691

PERSONNEL BY DIVISION	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Water Administration	10.50	10.50	10.50	10.50
Water Production	35.00	36.00	36.00	37.00
Water Distribution	23.00	23.00	23.00	28.00
Water Metering	15.50	15.50	15.50	16.50
Water Laboratory	5.00	5.00	5.00	5.00
Utilities Administration	9.00	9.00	9.00	9.00
Customer Service	42.50	45.50	45.50	45.50
TOTAL PERSONNEL	140.50	144.50	144.50	151.50

WATER FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Purchased Power	\$ 1,398,275	\$ 1,718,340	\$ 1,593,000	\$ 1,687,487
Purchased Water	68,198	165,630	-	-
Personnel Services	9,296,704	10,508,368	9,865,139	11,552,965
Materials & Supplies	1,441,099	1,883,560	1,607,895	1,837,081
Maintenance & Repair	1,262,680	1,566,938	1,470,166	1,749,468
Insurance	219,527	231,299	231,299	238,949
Return on Investment	1,099,858	1,269,253	1,246,745	1,334,486
Franchise Fee	1,571,226	1,789,442	1,757,051	1,882,155
Miscellaneous	302,681	409,167	306,951	307,115
Operations	1,978,773	2,968,019	2,517,429	3,067,453
Debt Service	13,832,362	13,438,602	13,443,254	11,532,670
Cost of Service - General Fund	1,376,280	1,288,147	1,288,147	1,365,798
Cost of Service - Other	1,848,261	2,095,512	2,095,512	2,222,615
Transfer to Capital Projects	7,504,856	7,349,546	7,879,596	13,004,449
TOTAL EXPENDITURES	\$ 43,200,780	\$ 46,681,823	\$ 45,302,184	\$ 51,782,691

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included a 5% rate increase for water customers. The budget included the addition of 4 FTE's: 1 FTE for an Operator I in Production and 3 FTE's for Customer Service.	The budget includes a 5% rate increase for water customers. The budget includes the addition of 7 FTE's: 1 FTE for an Operator I in Production, 2 FTE's for Heavy Equipment Operators in Distribution, 3 FTE's for Field Service Worker III's in Distribution and 1 FTE for a Water Meter Mechanic in Metering.

**WASTEWATER FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Interest Operating	\$ 52,124	\$ 50,000	\$ 49,000	\$ 119,500
Wastewater Residential	10,580,535	10,973,246	10,781,996	11,188,269
Wastewater Commercial	10,876,760	11,750,262	11,027,592	11,462,297
Wastewater Effluent Irrigation	114,453	74,063	59,063	60,413
Wastewater Wholesale	585,668	548,597	574,765	582,400
Other Wastewater	1,651,761	1,641,366	7,417,034	1,887,866
Drainage Fees	4,534,118	4,445,722	4,467,278	4,601,201
Transfers In	879,506	870,975	870,975	875,819
Impact Fee Revenues	1,800,000	2,000,000	2,000,000	3,520,000
TOTAL REVENUES	\$ 31,074,925	\$ 32,354,231	\$ 37,247,703	\$ 34,297,765
Use of Reserves	-	-	-	4,297,776
TOTAL RESOURCES	\$ 31,074,925	\$ 32,354,231	\$ 37,247,703	\$ 38,595,541

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Wastewater Administration	\$ 1,323,814	\$ 1,414,602	\$ 1,314,296	\$ 1,413,187
Water Reclamation	4,386,617	5,330,068	4,859,333	7,986,626
Wastewater Collection	6,117,271	6,815,423	6,539,787	10,422,462
Beneficial Reuse	1,299,130	1,606,419	1,496,755	1,628,602
Wastewater Laboratory	513,833	555,441	479,585	618,475
Industrial Pretreatment	674,423	772,744	734,676	838,401
Drainage	2,897,775	2,766,636	2,808,528	3,116,249
Watershed Protection	742,244	760,443	758,349	842,573
Miscellaneous	9,968,088	10,859,611	10,795,352	10,567,011
Drainage Miscellaneous	1,491,794	1,458,798	1,440,556	1,161,955
TOTAL EXPENDITURES	\$ 29,414,989	\$ 32,340,185	\$ 31,227,217	\$ 38,595,541

PERSONNEL BY DIVISION	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Wastewater Administration	9.75	9.75	9.75	9.75
Water Reclamation	25.00	26.00	26.00	26.00
Wastewater Collection	33.00	34.50	34.50	34.50
Beneficial Reuse	7.00	7.00	7.00	7.00
Wastewater Laboratory	4.00	4.00	4.00	4.00
Industrial Pretreatment	7.50	7.50	7.50	7.50
Drainage	16.50	16.50	16.50	16.50
Watershed Protection	6.00	6.00	6.00	7.00
TOTAL PERSONNEL	108.75	111.25	111.25	112.25

**WASTEWATER FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Purchased Power	\$ 987,428	\$ 881,000	\$ 880,000	\$ 946,000
Personnel Services	7,266,877	8,018,825	7,734,882	8,237,275
Materials & Supplies	599,930	1,526,303	1,016,606	1,489,447
Maintenance & Repair	1,183,519	1,560,119	1,476,516	1,629,270
Insurance	250,460	247,579	247,579	187,676
Miscellaneous	45,675	54,958	48,392	55,108
Operations	1,932,716	2,533,609	2,309,433	2,477,777
Return on Investment	801,347	874,564	891,116	881,344
Franchise Fee	1,144,782	1,249,377	1,273,023	1,259,062
Debt Service	7,037,146	7,647,236	7,637,411	6,907,431
Cost of Service - General Fund	969,550	951,640	951,640	974,808
Cost of Service - Other	2,048,129	2,433,095	2,336,221	2,528,810
Transfer for Capital Projects	5,147,430	4,361,880	4,424,398	11,021,533
TOTAL EXPENDITURES	\$ 29,414,989	\$ 32,340,185	\$ 31,227,217	\$ 38,595,541

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included a 2% rate increase and the addition of 2.5 FTE's: a SCADA/Regulatory position, a Field Service Supervisor, and an Intern.	The budget includes a 2% rate increase and the addition of 1 FTE: a Watershed Protection Intern to be funded by grants.

**SOLID WASTE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Refuse Fees - Residential	\$ 9,993,277	\$ 10,636,546	\$ 10,553,934	\$ 11,121,950
Refuse Fees - Commercial	12,971,637	14,242,150	14,079,306	15,436,306
Disposal & Treatment Fees	4,411,570	4,786,555	5,360,074	7,422,373
Diversion Processing Mining	-	-	-	1,288,076
Recycling	796,879	818,125	816,313	911,165
Construction	1,016	112,024	-	-
Site Operations	2,526	204,700	178,300	248,025
Admin & Interest Income	410,262	180,000	324,550	405,050
Other Revenues	210,974	212,430	17,430	17,430
TOTAL REVENUES	\$ 28,798,141	\$ 31,192,530	\$ 31,329,907	\$ 36,850,375
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 28,798,141	\$ 31,192,530	\$ 31,329,907	\$ 36,850,375

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Solid Waste Administration	\$ 773,493	\$ 1,092,496	\$ 1,067,272	\$ 1,610,090
Residential Collection	8,138,324	9,109,467	8,854,006	8,971,194
Commercial Collection	8,791,886	9,221,815	9,045,349	9,482,903
Solid Waste Disposal	7,164,404	7,739,471	8,144,636	8,478,039
Diversion Processing Mining	-	-	-	4,917,037
Solid Waste Recycling	1,251,309	1,508,928	1,427,531	-
Public Outreach	-	-	-	1,197,024
Construction	770,604	1,228,691	1,355,252	-
Keep Denton Beautiful (KDB)	317,976	411,994	369,051	384,506
Site Operations	558,043	877,753	876,537	1,173,866
Field Support Services	-	-	-	599,806
TOTAL EXPENDITURES	\$ 27,766,039	\$ 31,190,615	\$ 31,139,634	\$ 36,814,465

PERSONNEL BY DIVISION	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Solid Waste Administration	4.00	5.00	7.00	7.00
Residential Collection	42.50	42.00	41.00	41.00
Commercial Collection	27.50	27.00	27.00	28.00
Solid Waste Disposal	28.00	30.00	29.00	24.00
Diversion Processing Mining	-	-	-	19.00
Solid Waste Recycling	9.00	10.00	10.00	-
Public Outreach	-	-	-	7.00
Construction	6.00	7.00	7.00	-
Keep Denton Beautiful (KDB)	3.00	3.50	3.50	3.50
Field Support Services	-	-	-	6.00
TOTAL PERSONNEL	120.00	124.50	124.50	135.50

**SOLID WASTE FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 9,220,156	\$ 10,292,605	\$ 10,574,912	\$ 11,397,800
Materials & Supplies	326,915	408,315	395,225	577,275
Maintenance & Repair	415,629	620,659	577,100	538,715
Insurance	157,178	194,245	194,245	224,503
Franchise Fee	1,391,481	1,540,179	1,565,564	1,808,587
Miscellaneous	43,557	66,000	62,800	68,750
Operations	5,349,423	6,611,964	6,181,240	7,925,920
Debt Service	6,879,086	7,405,999	7,405,999	8,140,353
Landfill Closure	364,200	368,100	368,100	265,541
Cost of Service - General Fund	903,871	916,625	916,625	965,128
Cost of Service - Other	1,586,812	1,632,924	1,632,924	1,732,893
Transfer to Capital	1,060,297	600,000	731,900	1,725,500
Other Transfers	-	531,500	531,500	802,000
Fixed Assets	67,434	1,500	1,500	641,500
TOTAL EXPENDITURES	\$ 27,766,039	\$ 31,190,615	\$ 31,139,634	\$ 36,814,465

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included 4.5 new FTE's: 3 FTE's for Heavy Equipment Operators, 1 FTE for a Coordinator, and 0.5 FTE for a Keep Denton Beautiful Intern.	The budget includes 11 FTE's: 1 Heavy Equipment Operator in Commercial, 3 Technicians and 1 Heavy Equipment Operator in Disposal Operations, 1 Technician in Field Support, 4 Heavy Equipment Operators and 1 Intern in Diversion Processing Mining. New HBU's were created for Public Outreach, Field Support, and Diversion Processing Mining.

**AIRPORT FUND
RESOURCE AND EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Airport Ground Leases	\$ 402,004	\$ 579,000	\$ 431,677	\$ 704,000
FBO Commissions	232,881	368,000	190,670	240,000
Airport Gas Royalties	581,848	931,000	496,669	450,000
Miscellaneous	60,695	55,000	75,854	55,000
Interest Income	25,019	25,000	25,551	25,000
TOTAL REVENUES	\$ 1,302,447	\$ 1,958,000	\$ 1,220,421	\$ 1,474,000
Use of Reserves	1,826,966	650,900	950,748	75,366
TOTAL RESOURCES	\$ 3,129,413	\$ 2,608,900	\$ 2,171,169	\$ 1,549,366

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 589,971	\$ 634,675	\$ 634,675	\$ 668,509
Materials & Supplies	46,919	46,725	48,705	46,725
Maintenance & Repair	70,367	79,093	77,113	82,593
Insurance	21,359	22,358	22,358	21,604
Miscellaneous	1,462	1,700	1,500	1,200
Operations	222,043	227,111	225,111	255,621
Return on Investment	34,778	60,970	60,970	-
Debt Service	474,454	481,156	475,790	-
Cost of Service - General Fund	350,653	367,890	367,890	378,927
Cost of Service - Other	93,995	87,222	87,222	94,187
Transfer to Capital Projects	1,204,276	600,000	169,835	-
Fixed Assets	19,136	-	-	-
TOTAL EXPENDITURES	\$ 3,129,413	\$ 2,608,900	\$ 2,171,169	\$ 1,549,366

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	7.50	7.50	7.50	7.50

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$250,000 in funds for year five (5) of a five (5) year program to repair and/or resurface approximately 5.5 miles of Airport roads and \$350,000 for capital improvements.	Beginning in FY 2016-17 the debt service for the Airport Fund will be paid from the debt service tax rate. This change is needed to ensure the long term financial sustainability of the Airport Fund.

**TECHNOLOGY SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Cost of Service - Electric Fund	\$ 2,963,932	\$ 3,208,571	\$ 3,208,571	\$ 3,872,315
Cost of Service - Water Fund	725,221	772,683	772,683	854,977
Cost of Service - Wastewater Fund	380,124	416,876	416,876	412,315
Cost of Service - Solid Waste Fund	357,748	378,605	378,605	383,838
Cost of Service - General Fund	5,273,699	5,574,448	5,574,448	6,276,723
Cost of Service - Risk Retention Fund	37,604	42,692	42,692	47,327
Transfer - Municipal Court Tech Fund	78,110	100,000	100,000	100,000
Cost of Service - Street Improvement Fund	74,346	77,028	77,028	84,179
Cost of Service - Airport Fund	50,161	59,679	59,679	61,434
Cost of Service - Materials Management Fund	74,809	87,126	87,126	91,750
Cost of Service - Fleet Services Fund	106,674	95,564	95,564	88,196
Cost of Service - Engineering Fund	166,008	201,834	201,834	220,029
Miscellaneous	7,665	44,520	44,520	44,520
Transfer - Communication Services	535,189	-	-	-
Interest Income	8,873	-	-	-
TOTAL REVENUES	\$ 10,840,163	\$ 11,059,626	\$ 11,059,626	\$ 12,537,603
Use of Reserves	-	100,000	100,000	888,546
TOTAL RESOURCES	\$ 10,840,163	\$ 11,159,626	\$ 11,159,626	\$ 13,426,149

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Administration	\$ 3,072,667	\$ 2,592,440	\$ 2,592,440	\$ 3,118,123
Telecommunications	995,406	992,457	992,457	2,709,066
Geographic Information Systems	401,035	469,517	469,517	542,224
Applications Development	1,849,636	2,447,937	2,447,937	1,750,840
User Support	1,310,894	1,398,961	1,398,961	1,816,188
Public Safety/Projects	650,151	696,107	696,107	824,563
Regulatory Compliance	238,728	272,713	272,713	286,926
Electric Fund Tech Support	1,507,528	2,289,494	2,289,494	2,378,219
TOTAL EXPENDITURES	\$ 10,026,045	\$ 11,159,626	\$ 11,159,626	\$ 13,426,149

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	36.00	36.00	36.00	37.00

**TECHNOLOGY SERVICES FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURE	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 3,595,892	\$ 4,181,430	\$ 4,181,430	\$ 4,467,766
Materials & Supplies	101,367	128,348	128,348	134,422
Maintenance & Repair	2,185,283	2,908,497	2,908,497	3,702,463
Insurance	31,060	38,276	38,276	47,477
Operations	1,400,613	2,619,215	2,619,215	3,902,920
Debt Service	82,913	11,807	11,807	16,282
Cost of Service - General Fund	437,321	412,484	412,484	449,968
Cost of Service - Other	447,929	162,357	162,357	172,851
Transfer to Capital Projects	1,414,671	647,212	647,212	450,000
Fixed Assets	328,996	50,000	50,000	82,000
TOTAL EXPENDITURES	\$ 10,026,045	\$ 11,159,626	\$ 11,159,626	\$ 13,426,149

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$47,212 for Public Safety technology equipment, \$50,000 for the One-Login program, and \$600,000 for Denton Municipal Electric related technology and equipment.	The budget includes the addition of 1 FTE for an Applications Architect. The budget also includes \$550,000 for Cisco equipment replacement, \$450,000 for DME capital costs, \$280,000 for TriTech software upgrade, and \$200,000 for Disaster Recovery backup site replacement.

**MATERIALS MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Sale of Scrap Material	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
Postage Fees	52,374	52,000	52,000	52,000
Warehouse Sales	9,040,158	11,866,807	11,866,807	15,918,021
Miscellaneous Income	107,547	77,993	77,993	77,993
Cost of Service - General Fund	569,386	510,749	510,749	518,855
Cost of Service - Electric Fund	385,030	402,382	402,382	443,909
Cost of Service - Water Fund	162,791	123,867	123,867	117,237
Cost of Service - Wastewater Fund	177,409	158,181	158,181	167,646
Cost of Service - Solid Waste Fund	70,935	76,489	76,489	78,534
Cost of Service - Other Funds	273,619	252,990	252,990	285,599
Auction Proceeds	93,346	41,600	41,600	41,600
TOTAL REVENUES	\$ 10,932,595	\$ 13,564,058	\$ 13,564,058	\$ 17,702,394
Use of Reserves	-	50,781	49,743	-
TOTAL RESOURCES	\$ 10,932,595	\$ 13,614,839	\$ 13,613,801	\$ 17,702,394

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 1,242,725	\$ 1,404,923	\$ 1,404,923	\$ 1,479,453
Materials & Supplies	23,756	38,553	38,553	41,303
Inventory	8,369,312	11,223,933	11,223,933	14,975,056
Maintenance & Repair	18,629	24,300	24,300	24,300
Insurance	24,293	23,759	23,759	23,878
Miscellaneous	986	1,000	1,000	1,000
Operations	108,806	110,150	110,150	112,550
Debt Service	47,934	49,372	48,334	48,036
Cost of Service - General Fund	789,040	624,484	624,484	584,896
Cost of Service - Other	77,084	114,365	114,365	398,974
Fixed Assets	8,921	-	-	-
TOTAL EXPENDITURES	\$ 10,711,486	\$ 13,614,839	\$ 13,613,801	\$ 17,689,446

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
Purchasing	9.00	10.00	10.00	10.00
Warehouse	6.00	6.00	6.00	7.00
TOTAL PERSONNEL	15.00	16.00	16.00	17.00

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included the addition of a Buyer (1 FTE).	The budget includes the addition of 1 FTE; a Warehouse Operations Specialist 1 and \$300,000 to add a covered storage area to the warehouse.

**FLEET MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Fuel Sales	\$ 3,136,933	\$ 5,025,550	\$ 3,250,000	\$ 3,840,729
Parts Vehicle Maintenance	5,798,624	6,110,009	5,649,914	6,097,900
Miscellaneous	174,061	136,000	152,300	133,500
Interest Income	3,400	2,000	1,300	2,000
Fleet Rental	103,823	25,000	30,200	25,000
Fleet Admin. Transfers	306,150	240,750	306,150	243,500
TOTAL REVENUES	\$ 9,522,991	\$ 11,539,309	\$ 9,389,864	\$ 10,342,629
Use of Reserves	123,018	-	-	-
TOTAL RESOURCES	\$ 9,646,009	\$ 11,539,309	\$ 9,389,864	\$ 10,342,629

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 1,669,286	\$ 1,837,769	\$ 1,831,354	\$ 1,888,520
Materials & Supplies	2,219,963	113,528	96,759	113,278
Inventory (Fuel only)	722,789	3,394,250	2,604,600	2,324,900
Maintenance & Repair	75,827	144,000	110,000	130,000
Insurance	28,409	28,596	28,596	28,015
Fuel Contingency	-	1,250,000	-	1,250,000
Operations	3,954,323	3,638,388	3,551,779	3,676,346
Debt Service	253,791	241,054	241,054	228,006
Cost of Service - General Fund	338,567	368,421	368,421	285,098
Cost of Service- Other	198,004	173,303	178,145	178,785
Transfer to Capital Projects	120,108	275,000	350,000	140,000
Fixed Assets	64,942	75,000	-	-
TOTAL EXPENDITURES	\$ 9,646,009	\$ 11,539,309	\$ 9,360,708	\$ 10,242,948

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	22.00	24.00	24.00	24.00

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included 2 additional FTE's: an Assistant Fleet Supervisor and a Fleet Technician II. The budget also included upgrades to the bay areas for lubricant storage, training room remodeling and land purchase.	The budget includes \$45,000 for continued improvements to the training room.

**RISK RETENTION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Commercial Insurance	\$ 720,928	\$ 724,777	\$ 724,777	\$ 791,820
Self Insurance	1,553,731	1,679,542	1,679,542	1,468,280
Worker's Compensation	665,000	616,500	616,500	601,500
Interest Income	38,552	25,000	25,000	30,000
Other Revenues	153,470	10,000	50,000	30,000
TOTAL REVENUES	\$ 3,131,681	\$ 3,055,819	\$ 3,095,819	\$ 2,921,600
Use of Reserves	91,189	685,464	517,395	484,221
TOTAL RESOURCES	\$ 3,222,870	\$ 3,741,283	\$ 3,613,214	\$ 3,405,821

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 785,234	\$ 812,746	\$ 812,592	\$ 940,008
Materials & Supplies	10,699	14,600	11,100	15,890
Maintenance & Repair	164,641	158,500	156,500	159,200
Insurance	1,183,159	1,365,000	1,364,385	1,396,925
Miscellaneous	307,805	256,000	596,000	256,280
Operations	538,192	904,178	442,378	387,697
Cost of Service - General Fund	190,799	184,870	184,870	190,416
Cost of Service- Other	42,341	45,389	45,389	59,405
TOTAL EXPENDITURES	\$ 3,222,870	\$ 3,741,283	\$ 3,613,214	\$ 3,405,821

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	8.00	8.00	8.00	9.00

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included an additional \$52,000 for employee dependent care assistance.	The budget includes 1 additional FTE, a Claims Administrator.

**HEALTH INSURANCE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Employee Contributions - Health	\$ 2,738,817	\$ 2,863,343	\$ 2,772,000	\$ 3,069,337
Employee Contributions - Dental	997,852	998,950	987,400	1,072,600
Employee Contributions - Vision	133,647	134,240	121,500	123,500
Employee Contributions - Short Term Disability	148,671	148,100	150,000	158,000
Retiree Contributions	712,524	706,480	721,000	761,200
City Contributions - Health Insurance	18,162,428	19,370,025	19,370,025	20,850,000
City Contributions - Long Term Disability	250,654	255,000	126,000	112,000
City Contributions - Life Insurance	371,275	191,160	77,250	48,000
Pharmacy Rebates	504,986	325,000	500,000	500,000
Stop Loss Recovery	1,580,603	500,000	500,000	-
Other	373,335	372,040	444,400	489,400
TOTAL REVENUES	\$ 25,974,792	\$ 25,864,338	\$ 25,769,575	\$ 27,184,037
Use of Reserves	1,486,670	3,752,783	462,400	3,417,673
TOTAL RESOURCES	\$ 27,461,462	\$ 29,617,121	\$ 26,231,975	\$ 30,601,710

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Long Term Disability	\$ 162,459	\$ 160,970	\$ 135,540	\$ 112,000
Life Insurance	416,068	417,700	433,000	408,200
Short Term Disability	150,107	146,500	157,800	159,000
Dental Insurance	1,038,717	1,111,000	1,050,000	1,107,000
Vision Insurance	138,866	139,560	142,100	127,300
Health Insurance	25,487,148	24,228,248	24,200,392	26,015,415
Contingency	-	3,300,000	-	2,600,000
Transfers	56,864	75,243	75,243	34,895
Health Clinic Costs	11,233	37,900	37,900	37,900
TOTAL EXPENDITURES	\$ 27,461,462	\$ 29,617,121	\$ 26,231,975	\$ 30,601,710

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included a \$3,300,000 contingency for unanticipated claims. A 5% increase for Gold plan employee contributions and other plan changes reducing over \$900,000 in planned expenditures were included. An increase of \$106,560 was included for retiree health subsidies.	The budget includes a \$2,600,000 contingency for unanticipated claims. The budget also proposes a 10% increase for Gold plan employee contributions, a 6% increase for Silver plan members, and other plan changes.

**ENGINEERING SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Loading Permits	\$ 1,930	\$ 2,500	\$ 2,500	\$ 2,500
Parking Lot Permits	28,260	25,000	30,000	27,500
Overtime Inspections	36,475	13,000	18,000	35,000
R.O.W. Inspection Fees	131,757	83,000	83,000	109,000
Public Works Inspection	850,604	460,000	900,000	900,000
Capital Charge Back	1,404,793	2,042,742	2,042,742	1,911,913
Real Estate Application	6,277	-	-	-
Interest Income	12,680	-	-	-
Development Fees	334,830	664,018	380,000	400,000
Transfers/Subledger Charges	1,787,167	1,500,941	1,500,941	1,599,992
TOTAL REVENUES	\$ 4,594,773	\$ 4,791,201	\$ 4,957,183	\$ 4,985,905
Use of Reserves	-	115,000	-	76,210
TOTAL RESOURCES	\$ 4,594,773	\$ 4,906,201	\$ 4,957,183	\$ 5,062,115

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Engineering	\$ 1,999,181	\$ 2,481,128	\$ 2,481,128	\$ 2,391,766
Public Works Inspections	801,103	827,538	827,538	898,134
Development Review	701,179	831,221	831,221	980,768
Real Estate	662,182	766,314	766,314	791,447
TOTAL EXPENDITURES	\$ 4,163,645	\$ 4,906,201	\$ 4,906,201	\$ 5,062,115

PERSONNEL BY DIVISION	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Engineering	15.00	15.00	15.00	15.00
Public Works Inspections	8.00	8.00	8.00	8.00
Development Review	5.00	5.00	5.00	6.00
Real Estate	6.00	6.00	6.00	6.00
TOTAL PERSONNEL	34.00	34.00	34.00	35.00

**ENGINEERING SERVICES FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 3,054,210	\$ 3,663,017	\$ 3,663,017	\$ 3,870,648
Materials & Supplies	29,522	55,387	55,387	61,387
Maintenance & Repair	3,489	39,750	39,750	39,750
Insurance	31,510	33,625	33,625	30,811
Miscellaneous	419	2,166	2,166	2,166
Operations	90,502	331,762	331,762	242,362
Cost of Service - General Fund	556,548	540,086	540,086	508,835
Cost of Service - Other	192,256	227,408	227,408	250,156
Transfers to Capital Projects	205,189	-	-	56,000
Fixed Assets	-	13,000	13,000	-
TOTAL EXPENDITURES	\$ 4,163,645	\$ 4,906,201	\$ 4,906,201	\$ 5,062,115

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$150,000 for a project management system and \$13,000 for a replacement plotter.	The budget includes the addition of 1 FTE; a Senior Engineer in Development Review.

**STREET IMPROVEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Street Cut Reimbursements	\$ 372,051	\$ 350,000	\$ 350,000	\$ 350,000
Bond Sale Savings	541,388	790,175	864,752	997,363
Franchise Fees	9,026,403	9,965,248	9,965,248	11,608,420
Misc. Income	28,694	10,000	10,000	10,000
TOTAL REVENUES	\$ 9,968,536	\$ 11,115,423	\$ 11,190,000	\$ 12,965,783
Use of Reserves	-	-	-	355,000
TOTAL RESOURCES	\$ 9,968,536	\$ 11,115,423	\$ 11,190,000	\$ 13,320,783

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 2,440,888	\$ 2,794,903	\$ 2,794,903	\$ 3,838,690
Materials & Supplies	68,136	82,150	82,150	82,150
Maintenance & Repairs	5,311,905	7,027,947	7,027,947	8,133,085
Insurance	55,524	50,417	50,417	43,022
Miscellaneous	3,655	5,000	5,000	5,000
Operations	892,021	617,938	617,938	635,307
Debt Service	-	186,040	126,875	124,850
Cost of Service - Other	724,797	93,778	93,778	103,679
Transfer to Capital Projects	-	257,250	257,250	355,000
TOTAL EXPENDITURES	\$ 9,496,926	\$ 11,115,423	\$ 11,056,258	\$ 13,320,783

PERSONNEL	2014-15	2015-16	2015-16	2016-17
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	35.00	40.00	40.00	45.00

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included 5 new FTE's for an additional street maintenance crew and 2 vehicles, \$200,000 for an asphalt recycler and \$30,497 for additional base failure maintenance activities.	The budget includes funding for additional base failure maintenance (\$200,000), overlay (\$500,000), Micro-seal (\$174,641), and the addition of 5 FTE's for a Construction Crew; 1 Field Services Supervisor, 1 Crew Leader, 1 Heavy Equipment Operator II, and 2 Field Services Worker II's. The Construction Crew package includes \$355,000 for 3 fleet additions.

**RECREATION FUND
RESOURCE AND EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Special Projects	\$ 5,180	\$ 4,586	\$ 4,586	\$ 5,000
Marketing	34,958	36,143	36,143	36,931
Civic Center	6,511	23,580	23,580	16,230
Denia Rec Center	136,923	161,405	161,405	163,931
North Lakes Rec Center	234,698	288,487	288,487	279,963
Senior Center	123,481	128,786	128,786	130,919
Youth and Teen Services	628,529	522,892	522,892	599,183
Goldfield Tennis Center	149,662	160,039	160,039	179,336
Civic Center Pool	54,144	49,705	49,705	55,536
Martin Luther King Jr. Rec Center	99,733	131,978	131,978	135,554
Golf	143,440	154,154	154,154	152,065
Athletics	334,490	377,368	377,368	380,095
Interest Income	4,910	15,000	15,000	17,000
TOTAL REVENUES	\$ 1,956,659	\$ 2,054,123	\$ 2,054,123	\$ 2,151,743
Use of Reserves	59,946	150,000	150,000	92,182
TOTAL RESOURCES	\$ 2,016,605	\$ 2,204,123	\$ 2,204,123	\$ 2,243,925

EXPENDITURES BY CLASSIFICATION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 592,436	\$ 744,224	\$ 744,224	\$ 876,547
Materials & Supplies	507,424	599,171	599,171	522,467
Maintenance & Repair	11,327	21,820	21,820	12,072
Insurance	22,665	22,700	22,700	19,960
Operations	462,685	573,272	573,272	547,670
Cost of Service - General Fund	83,238	129,495	129,495	131,397
Cost of Service - Capital Projects	204,567	-	-	100,000
Cost of Service - Materials Management	40,831	28,441	28,441	33,812
Fixed Assets	91,432	85,000	85,000	-
TOTAL EXPENDITURES	\$ 2,016,605	\$ 2,204,123	\$ 2,204,123	\$ 2,243,925

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)	24.27	24.27	24.27	24.27

MAJOR BUDGET ITEMS	
FY 2015-16	FY 2016-17
The budget included funding for the purchase of cardio vascular equipment at North Lakes recreation center, reupholstering existing benches in the weight room, adding permanent black lights in the gymnasium at Denia recreation center, carnival games, and additional recreation programming equipment.	The budget includes funding for various pieces of equipment for several of the Parks and Recreation facilities. New fitness equipment will be purchased for North Lakes, Denia, and MLK Jr. Recreation Centers. The budget also includes a shade structure for the Golf Driving Range and the purchase of a kayak trailer for Denia's outdoor program.

**TOURIST & CONVENTION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Hotel Occupancy Tax	\$ 2,168,251	\$ 2,145,064	\$ 2,145,064	\$ 2,145,064
TOTAL REVENUES	\$ 2,168,251	\$ 2,145,064	\$ 2,145,064	\$ 2,145,064
Use of Reserves	-	22,430	22,430	22,430
TOTAL RESOURCES	\$ 2,168,251	\$ 2,167,494	\$ 2,167,494	\$ 2,167,494

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Air Fair	\$ 10,752	\$ 11,290	\$ 11,290	\$ 11,290
Black Chamber of Commerce	17,409	16,572	16,572	16,572
Chamber of Commerce CVB	906,255	917,395	917,395	917,395
CVB Welcome Center	200,000	200,000	200,000	200,000
Cinco de Mayo	6,000	8,820	8,820	8,820
Civic Center Operations	7,868	27,875	27,875	27,875
Contingency	17,420	15,000	15,000	15,000
Convention Center Marketing Expenses	7,361	-	-	-
Community Events Center	-	150,000	150,000	150,000
Denton Community Market	10,000	10,500	10,500	10,500
Denton Community Theatre	24,161	25,000	25,000	25,000
Denton County Museums	114,022	150,000	150,000	150,000
Denton Festival Foundation	86,961	91,309	91,309	91,309
Denton Firefighter Museum	16,791	21,500	21,500	21,500
Denton Holiday Festival Association	7,700	7,700	7,700	7,700
Denton Public Art Committee	40,790	51,482	51,482	51,482
Denton Square Maintenance	11,603	12,183	12,183	12,183
Dog Days of Summer	15,320	16,086	16,086	16,086
Greater Denton Arts Council	123,669	129,852	129,852	129,852
Juneteenth Committee	12,761	13,705	13,705	13,705
Kiwanis - Turkey Roll Bicycle Rally	-	4,850	4,850	4,850
Main Street Association	24,161	25,369	25,369	25,369
Marketing SXSW	-	22,430	22,430	22,430
Music Theater of Denton	5,250	5,250	5,250	5,250
North Texas State Fair Association	77,301	125,000	125,000	125,000
Square Lighting Maintenance	-	5,250	5,250	5,250
Susan G. Komen	10,000	-	-	-
Tejas Storytelling Association	52,747	52,747	52,747	52,747
Texas Filmmakers	7,875	8,269	8,269	8,269
Water Works Park	11,592	42,060	42,060	42,060
TOTAL EXPENDITURES	\$ 1,825,769	\$ 2,167,494	\$ 2,167,494	\$ 2,167,494

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$150,000 for a community event center, \$200,000 for expenses associated with a Welcome Center in downtown Denton. In addition, the budget included \$50,000 for relocation of the Quakertown House with Denton County Museum Funding to Denton County Historical Park.	The Hotel Occupancy Tax Committee will meet in August 2016. Proposed budget is at FY2015-16 levels until Committee recommendations are made.
*CVB - Convention and Visitor's Bureau	

**POLICE CONFISCATION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Seizures	\$ 388,846	\$ 100,000	\$ 170,000	\$ 205,000
Auction Proceeds	13,207	30,000	30,000	50,000
Interest Income	1,798	-	-	-
TOTAL REVENUES	\$ 403,851	\$ 130,000	\$ 200,000	\$ 255,000
Use of Reserves	-	53,500	-	187,000
TOTAL RESOURCES	\$ 403,851	\$ 183,500	\$ 200,000	\$ 442,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Materials & Supplies	\$ 34,727	\$ 53,500	\$ 60,500	\$ 70,000
Maintenance & Repair	-	-	-	-
Operations	78,218	130,000	123,000	185,000
Transfers to Capital Projects	56,372	-	-	187,000
TOTAL EXPENDITURES	\$ 169,317	\$ 183,500	\$ 183,500	\$ 442,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included funding for renovations to Police facilities.	The budget includes \$150,000 for additional Police body armor, helmets and equipment.

**POLICE ACADEMY FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Program Income	\$ 45,906	\$ 45,000	\$ 75,000	\$ 75,000
TOTAL REVENUES	\$ 45,906	\$ 45,000	\$ 75,000	\$ 75,000
Use of Reserves	-	5,000	-	-
TOTAL RESOURCES	\$ 45,906	\$ 50,000	\$ 75,000	\$ 75,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Materials and Supplies	\$ 19,252	\$ 32,000	\$ 32,000	\$ 45,000
Operations	11,872	18,000	18,000	30,000
TOTAL EXPENDITURES	\$ 31,124	\$ 50,000	\$ 50,000	\$ 75,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included no major changes.	The budget includes no major changes.

**TRAFFIC SAFETY FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Red Light Camera Fees	\$ 2,394,652	\$ 1,600,000	\$ 2,477,000	\$ 2,525,900
TOTAL REVENUES	\$ 2,394,652	\$ 1,600,000	\$ 2,477,000	\$ 2,525,900
Use of Reserves	-	-	-	616,321
TOTAL RESOURCES	\$ 2,394,652	\$ 1,600,000	\$ 2,477,000	\$ 3,142,221

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ 160,914	\$ 78,000	\$ 149,000	\$ 155,000
Maintenance and Repair	35,111	-	-	48,000
Operations	1,350	25,000	25,000	-
Red Light Camera Contract	912,210	967,300	840,000	840,000
Payment to State of Texas	659,914	277,350	744,000	765,450
Transfer to Capital Projects	139,549	90,000	101,014	1,133,771
Contingency	-	100,000	100,000	200,000
TOTAL EXPENDITURES	\$ 1,909,048	\$ 1,537,650	\$ 1,959,014	\$ 3,142,221

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	0.50	0.50	0.50	0.50

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$90,000 for a mid-block street crossing on McKinney Street near Downtown.	The budget includes \$1,120,771 in funding for pedestrian and traffic safety programs. A detailed outline of these programs is included in the Budget Overview section of this document.

**DOWNTOWN REINVESTMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Mixed Beverage Tax	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Interest Income	731	-	876	1,000
TOTAL REVENUES	\$ 100,731	\$ 100,000	\$ 100,876	\$ 101,000
Use of Reserves	20,369	117,918	-	-
TOTAL RESOURCES	\$ 121,100	\$ 217,918	\$ 100,876	\$ 101,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ 121,100	\$ 217,918	\$ 25,000	\$ 100,000
TOTAL EXPENDITURES	\$ 121,100	\$ 217,918	\$ 25,000	\$ 100,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included no major changes.	The budget includes no major changes.

**ECONOMIC DEVELOPMENT INVESTMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Mixed Beverage Tax	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
Interest Income	-	-	-	-
TOTAL REVENUES	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
Use of Reserves	-	-	-	150,000
TOTAL RESOURCES	\$ -	\$ 150,000	\$ 150,000	\$ 300,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ -	\$ 150,000	\$ -	\$ 300,000
TOTAL EXPENDITURES	\$ -	\$ 150,000	\$ -	\$ 300,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The Economic Development Investment Fund was a newly established special revenue fund for FY 2015-16.	The budget includes no major changes.

**PARKS GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Gas Well Royalties	\$ 172,267	\$ 150,000	\$ 64,000	\$ 64,000
Interest Income	1,340	100	800	100
TOTAL REVENUES	\$ 173,607	\$ 150,100	\$ 64,800	\$ 64,100
Use of Reserves	26,393	-	85,200	35,900
TOTAL RESOURCES	\$ 200,000	\$ 150,100	\$ 150,000	\$ 100,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Transfer to Capital Projects	\$ 200,000	\$ 150,000	\$ 150,000	\$ 100,000
TOTAL EXPENDITURES	\$ 200,000	\$ 150,000	\$ 150,000	\$ 100,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$150,000 for park amenities.	The budget includes \$100,000 for park amenities.

**TREE MITIGATION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Landscaping Fee	\$ 300,525	\$ 200,000	\$ 300,000	\$ 300,000
Interest Income	17,472	10,000	15,000	10,000
TOTAL RESOURCES	\$ 317,997	\$ 210,000	\$ 315,000	\$ 310,000
Use of Reserves	-	578,479	473,479	483,110
TOTAL RESOURCES	\$ 317,997	\$ 788,479	\$ 788,479	\$ 793,110

EXPENDITURES BY DIVISION	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Tree Preservation	\$ 174,211	\$ 510,307	\$ 510,307	\$ 504,000
Tree Rebates	-	115,600	115,600	190,600
KDB Tree Program	-	162,572	162,572	98,510
TOTAL EXPENDITURES	\$ 174,211	\$ 788,479	\$ 788,479	\$ 793,110

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Personnel Services	\$ -	\$ 31,200	\$ 31,200	\$ 31,200
Operations	174,210	757,279	757,279	761,910
Cost of Service- General Fund	-	-	-	-
TOTAL EXPENDITURES	\$ 174,210	\$ 788,479	\$ 788,479	\$ 793,110

PERSONNEL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	-	1.00	1.00	1.00

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$510,307 for a public property tree planting program, \$185,322 for a private property tree planting program, and \$92,850 for a Tree Inventory and Tree Canopy Analysis of Denton. In addition the budget included 1 FTE: 0.5 FTE's for a Tree Rebate Program Intern and 0.5 FTE for a Keep Denton Beautiful Intern.	The budget includes \$504,000 for a public property tree planting program and \$289,110 for a private property tree planting program.

**ROADWAY IMPACT FEE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Impact Fees	\$ -	\$ -	\$ -	\$ 200,000
Interest Income	-	-	-	-
TOTAL RESOURCES	\$ -	\$ -	\$ -	\$ 200,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ -	\$ -	\$ -	\$ 200,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ 200,000
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 200,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The Roadway Impact Fee Fund, established by City Council Ordinance 2016-189, is a newly created fund for FY 2015-16.	The budget includes \$200,000 for potential project funding offsets. Use of these funds will be based on Council approval of specific road projects.

**PUBLIC EDUCATION GOVERNMENT (PEG) FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Subscriber Fees	\$ 328,577	\$ 330,000	\$ 330,000	\$ 332,000
TOTAL REVENUES	\$ 328,577	\$ 330,000	\$ 330,000	\$ 332,000
Use of Reserves	-	54,500	54,500	-
TOTAL RESOURCES	\$ 328,577	\$ 384,500	\$ 384,500	\$ 332,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Materials and Supplies	\$ 26,995	\$ -	\$ -	\$ -
Maintenance & Repair	73,931	94,500	94,500	65,000
Operations	33,158	240,000	240,000	140,000
Transfer to Capital Projects	29,309	-	-	-
Fixed Assets	100,417	50,000	50,000	80,000
TOTAL EXPENDITURES	\$ 263,809	\$ 384,500	\$ 384,500	\$ 285,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included \$40,000 for contribution to four PEG channels in Denton including public access, \$100,000 to upgrade the public access channel to high definition, \$50,000 for Denton Television fixed assets, and a \$100,000 contingency.	The budget includes \$40,000 for contribution to four PEG channels in Denton including public access, \$80,000 for Denton Television fixed assets, and a \$100,000 contingency.

**MCKENNA TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Contribution	\$ 12,921	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL REVENUES	\$ 12,921	\$ 1,000	\$ 1,000	\$ 1,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 12,921	\$ 1,000	\$ 1,000	\$ 1,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included no major changes.	The budget includes no major changes.

**PARK LAND DEDICATION TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Fees in Lieu of Property Dedication	\$ 155,948	\$ 150,000	\$ 280,000	\$ 150,000
Interest Income	11,545	8,000	10,000	10,000
TOTAL REVENUES	\$ 167,493	\$ 158,000	\$ 290,000	\$ 160,000
Use of Reserves	38,623	542,000	60,000	140,000
TOTAL RESOURCES	\$ 206,116	\$ 700,000	\$ 350,000	\$ 300,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Transfer to Capital Projects	\$ 206,116	\$ 700,000	\$ 350,000	\$ 300,000
TOTAL EXPENDITURES	\$ 206,116	\$ 700,000	\$ 350,000	\$ 300,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included funding for the acquisition of prospective neighborhood park property at Country Lakes, and for linear parks.	The budget includes funding for the acquisition of prospective park property at North Lakes, Fred Moore, and for linear parks.

**PARK DEVELOPMENT TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Development Fees	\$ 262,807	\$ 150,000	\$ 220,000	\$ 150,000
Interest Income	21,557	15,000	20,000	20,000
TOTAL REVENUES	\$ 284,364	\$ 165,000	\$ 240,000	\$ 170,000
Use of Reserves	-	1,535,000	260,000	830,000
TOTAL RESOURCES	\$ 284,364	\$ 1,700,000	\$ 500,000	\$ 1,000,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Transfer to Capital Projects	\$ 132,516	\$ 1,700,000	\$ 500,000	\$ 1,000,000
TOTAL EXPENDITURES	\$ 132,516	\$ 1,700,000	\$ 500,000	\$ 1,000,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The budget included funding for additions and improvements at Township II, Sequoia, Carl Young, and linear parks.	The budget includes funding for constructing parks and trails at: Carl Young, North West Trail extension, North Lakes Dog Park, Fred Moore, Londonderry playground, and the Downtown Pocket Park.

**DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Ad Valorem Taxes	\$ 260,875	\$ 269,580	\$ 333,579	\$ 368,610
TOTAL REVENUES	\$ 260,875	\$ 269,580	\$ 333,579	\$ 368,610

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ -	\$ 103,428	\$ 103,428	\$ 78,000
TOTAL EXPENDITURES	\$ -	\$ 103,428	\$ 103,428	\$ 78,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2015 value was \$118,440,576 which represents an incremental value of \$39,083,722 or revenue of \$269,580 to the fund. The budget included \$78,000 for the Railyard transit oriented development, and \$25,428 for downtown parks maintenance.	The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2016 value is \$136,021,478. Per the TIRZ agreement, 2016 is the first year of five in which 95% of the incremental value is used. This represents an incremental value of \$53,831,393 or revenue of \$368,610 to the fund. The budget includes \$78,000 for year 2 of a 5 year agreement for the Railyard transit oriented development.

**WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Ad Valorem Taxes- City	\$ 1,343	\$ 3	\$ 3	\$ 6,250
Ad Valorem Taxes- County	-	1	1	2,269
TOTAL REVENUES	\$ 1,343	\$ 4	\$ 4	\$ 8,519

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The City and County contribute 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) is \$119,458 and the 2015 Certified Value was \$120,538, which represents an adjusted incremental value of \$432, or revenue of \$4 to the fund.	The City and County contribute 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) is \$119,458 and the 2016 Certified Value is \$2,401,349 which represents an adjusted incremental value of \$912,756, or revenue of \$8,519 to the fund.

**MISCELLANEOUS DONATIONS FUNDS
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Police Donations	\$ 37,578	\$ 30,000	\$ 15,661	\$ 35,000
Fire Donations	6,277	4,000	4,000	4,000
Animal Control Donations	64,666	45,000	31,266	50,000
Library Donations	114,246	50,000	30,000	50,000
TOTAL REVENUES	\$ 222,767	\$ 129,000	\$ 80,927	\$ 139,000
Use of Reserves	-	100,000	58,073	-
TOTAL RESOURCES	\$ 222,767	\$ 229,000	\$ 139,000	\$ 139,000

EXPENDITURES	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATE	2016-17 PROPOSED
Police Donations	\$ 18,282	\$ 30,000	\$ 30,000	\$ 35,000
Fire Donations	4,000	4,000	4,000	4,000
Animal Control Donations	19,774	45,000	45,000	50,000
Library Donations	20,450	150,000	60,000	50,000
TOTAL EXPENDITURES	\$ 62,506	\$ 229,000	\$ 139,000	\$ 139,000

MAJOR BUDGET ITEMS

FY 2015-16	FY 2016-17
The Police Donations budget included \$30,000 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget included \$45,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund included \$4,000 for the Fire Museum, tactical paramedics, and public education programs. The Library Donation budget included \$150,000 for various programs throughout the City's Libraries; which included \$100,000 of additional expenditures from a donation in the prior fiscal year.	The Police Donations budget includes \$30,000 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget includes \$50,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund included \$4,000 for the Fire Museum, tactical paramedics, and public education programs. The Library Donation budget included \$50,000 for various programs throughout the City's Libraries.

**GRANTS BUDGET
EXPENDITURE SUMMARY**

DESCRIPTION

The grants budget is a summary of local, state and federal grants awarded to the City of Denton. Grants are awarded to support programs in the City and are not funded with City resources.

GRANT NAME	GRANT YEAR	EXPIRATION DATE	GRANT AMOUNT	TYPE	UNSPENT AMOUNT
Community Development Block Grant	2014-15	-	851,093	Federal	432,177
Community Development Block Grant	2015-16	-	879,638	Federal	852,173
Sub-Total CDBG			<u>\$ 1,730,731</u>		<u>\$ 1,284,350</u>
HOME Investment Partnership Grant	2010-11	-	578,028	Federal	20,335
HOME Investment Partnership Grant	2011-12	-	510,255	Federal	42,150
HOME Investment Partnership Grant	2013-14	-	366,719	Federal	65,704
HOME Investment Partnership Grant	2014-15	-	436,095	Federal	152,554
HOME Investment Partnership Grant	2015-16	-	336,406	Federal	236,787
HOME Investment Partnership Grant	2016-17	-	348,084	Federal	340,180
Sub-Total HOME			<u>\$ 2,575,587</u>		<u>\$ 857,710</u>
TOTAL COMMUNITY DEVELOPMENT			<u>\$ 4,306,318</u>		<u>\$ 2,142,060</u>
TxDot STEP Comprehensive Grant	2016-17	9/30/2017	74,560	Federal	74,560
2016 Byrne JAG Grant	2016-17	9/30/2017	25,000	Federal	25,000
2015 UASI	2015-16	3/31/2017	83,000	Federal	83,000
2016 UASI	2016-17	3/31/2018	130,000	Federal	130,000
Emergency Management Performance Grant	2016-17	9/30/2017	46,825	Federal	46,825
2015 Tobacco Enforcement Grant	2016-17	8/31/2017	12,000	State	12,000
TOTAL PUBLIC SAFETY			<u>\$ 371,385</u>		<u>\$ 371,385</u>
Summer Food Grant	2016-17	9/30/2017	200,000	Federal	200,000
Interlibrary Loan Program (ILL)	2016-17	9/30/2017	25,000	Federal	25,000
TxDot NW Trail Extension Project	2015-16	9/30/2017	1,314,781	Federal/State	1,314,781
TxDot US 380 Projects	2015-16	9/30/2017	155,844	Federal/State	155,844
Airport West Side Runway Grant	2016-19	9/30/2019	5,950,000	Federal/State	5,950,000
Texas Emissions Reduction plan Rebate Grant	2015-16	8/31/2024	112,667	State	112,667
CNG Fueling Station	2016-17	8/31/2018	600,000	State	600,000
NCTCOG High Speed Grinder	2016-17	9/30/2017	50,000	State	50,000
NCTCOG Low Speed Grinder	2016-17	9/30/2017	150,000	State	150,000
NCTCOG 2016 Chevrolet Transvers #2	2016-17	9/30/2017	33,000	State	33,000
Airport RAMP Grant	2016-17	8/31/2017	50,000	State	50,000
TOTAL OTHER			<u>\$ 8,641,292</u>		<u>\$ 8,641,292</u>
GRAND TOTAL			<u>\$ 13,318,995</u>		<u>\$ 11,154,737</u>



Street Construction

Capital Improvement Program (CIP) Proposed Budget

The Capital Improvement Program (CIP) represents the City's plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities, as well as to assess the impact of capital projects on operating budgets and for project scheduling and coordination.

The CIP proposed budget appropriates all available programmed funds, planned funding from other sources, and planned issuances of new General Obligation Bonds (GOs), Certificates of Obligation (COs) and Revenue Bonds (RBs). Available programmed funds include unspent bond proceeds, internal revenue transfers and outside contributions. Internal revenue transfers and outside contributions comprise the bulk of planned other funding. Provided below is a summary of the total FY 2016-17 CIP proposed budget. Further CIP detail for planned issuances is provided in the following pages for each division.

DIVISION	TOTAL		PLANNED				TOTAL PROPOSED
	PROGRAMMED AVAILABLE ¹	OTHER FUNDING	GO ISSUANCES ²	CO ISSUANCES ³	RB ISSUANCES ⁴		
General Government	\$ 137,047	\$ 1,090	\$ 17,160	\$ 18,935	\$ -		\$ 174,232
Electric	67,904	3,138	-	65,000	92,000		228,042
Water	40,383	18,015	-	10,500	-		68,898
Wastewater	35,547	14,211	-	8,360	-		58,118
Solid Waste	21,937	2,310	-	23,580	-		47,827
TOTAL	\$ 302,818	\$ 38,764	\$ 17,160	\$ 126,375	\$ 92,000		\$ 577,117

Dollars in Thousands

¹Expected balance as of October 1, 2016 including approximately \$74 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill Road and Bonnie Brae Street expansion projects (total received was approximately \$91 million).

²Represents the final debt sale (\$4.0 million) associated with the \$20.4 million bond program approved by voters in November 2012 and includes \$13.16 million associated with the third year of a six year bond program approved by voters in November 2014.

³Certificates of Obligation (COs) sold for the Electric, Water, Wastewater, Solid Waste and Airport are self-supporting from revenues associated with these operations.

⁴Represents the Denton Municipal Electric Quick Start Power Plant.

EXECUTIVE SUMMARY – GENERAL GOVERNMENT PROPOSED CAPITAL IMPROVEMENT PROGRAM

The General Government FY 2017-2021 five-year CIP includes projects for streets, transportation, drainage, flood control, airport, fire, police, parks, vehicles, parking and facilities. In addition, the CIP includes the cash funding of projects for the materials management, technology, fleet services, new and replacement vehicles/equipment. The decision to propose and ultimately build any capital project must consider the impact that the capital project will have on the operating budget. The operating impact of any capital project included in the CIP has been evaluated, and where necessary, resources were included in the budget to accommodate any associated expenses. Below are descriptions of the major CIP projects for FY 2016-17:

1. ***2012 Bond Election Projects – Streets and Public Art Projects***

The FY 2016-17 CIP includes \$4,000,000 for street reconstruction and represents the final bond sale for this bond program.

2. ***2014 Bond Election (Proposition 1) – Streets Projects***

The FY 2016-17 CIP includes \$2,000,000 for street reconstructions, \$500,000 for traffic signals, \$700,000 for miscellaneous sidewalks, \$1,650,000 for the Morse Street Expansion to Full Collector Capacity (Loop 288 to Mayhill) project, and \$100,000 for miscellaneous roadways.

3. ***2014 Bond Election (Proposition 2) – Public Safety Projects***

The FY 2016-17 CIP includes \$6,415,000 for the Fire Station #3 remodel/rebuild project and \$1,795,000 for the relocations of Police Communications Center and Criminal Investigations Bureau project.

4. ***2014 Bond Election (Proposition 3) – Drainage Projects***

The FY 2016-17 CIP does not include any drainage projects.

5. ***2014 Bond Election (Proposition 4) – Parks Projects***

The FY 2016-17 CIP does not include any parks projects.

6. ***Vehicles***

The FY 2016-17 CIP includes \$4,260,000 in CO funded vehicle replacements.

7. ***Facilities***

The FY 2016-17 CIP includes \$1,175,000 for facility improvements related to Heating Ventilation and Air Conditioning (HVAC) systems, flooring and roof replacements of various City facilities.

8. ***Public Safety***

The FY 2016-17 CIP includes \$2,000,000 for public safety radio upgrades and \$3,000,000 for a replacement Computer Aided Dispatch (CAD) system.

9. ***Transportation***

The FY 2016-17 CIP includes \$8,500,000 for matching funds related to Bonnie Brae road improvements.

*Proposed Five-Year Capital Improvement Program
General Government*
Cash Requirements
(In Thousands)*

CATEGORY	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
2012 Bond Election - Streets & Public Art	4,000	-	-	-	-	4,000
2014 Bond Election (Proposition 1) - Streets	4,950	21,340	10,140	11,940	-	48,370
2014 Bond Election (Proposition 2) - Public Safety	8,210	-	-	-	-	8,210
2014 Bond Election (Proposition 3) - Drainage	-	2,585	705	-	-	3,290
2014 Bond Election (Proposition 4) - Parks	-	1,265	4,084	1,725	-	7,074
2020 GO Bond Program	-	-	-	-	16,000	16,000
General Obligation Bonds	17,160	25,190	14,929	13,665	16,000	86,944
General Government - Matching Funds for Road Improvements	8,500	-	-	-	-	8,500
General Government - Vehicle/Equipment Replacements	4,060	3,490	4,320	4,000	3,800	19,670
General Government - Facility Maintenance Program**	1,175	1,500	1,500	1,500	1,500	7,175
General Government - Public Safety Radio Upgrade (Digital)	2,000	-	-	-	-	2,000
General Government - Computer Aided Dispatch (CAD) System Replacement	3,000	-	-	-	-	3,000
General Government - Airport Runway/Taxiway Construction & Reconstruction	-	3,560	-	435	-	3,995
Fleet - Fuel Truck	200	-	-	-	-	200
Certificates of Obligation	18,935	8,550	5,820	5,935	5,300	44,540
Technology Service Fund - Software and Equipment	450	-	-	-	-	450
Fleet Fund - Improvements and Land Acquisition	140	-	-	-	-	140
Materials Management Fund - Facility Improvements	300	-	-	-	-	300
General Fund - Bike Lanes	200	200	200	200	200	1,000
Revenue Funded	1,090	200	200	200	200	1,890
GRAND TOTAL	\$ 37,185	\$ 33,940	\$ 20,949	\$ 19,800	\$ 21,500	\$ 133,374
Revenue Funded	\$ 1,090					
General Obligation Bonds	17,160					
Certificates of Obligation	18,935					
GRAND TOTAL	\$ 37,185					
Planned Bond Sale	\$ 36,095					

*Does not include funds available from prior year sales.

** Facility Maintenance Program is for HVAC, Flooring, Roof Replacements and Facility Improvements.

Proposed Five-Year Capital Improvement Program
Electric
Cash Requirements
(In Thousands)

CATEGORY	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
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
Revenue Funded	\$ 3,138					
Certificates of Obligation*	\$ 108,980					
Revenue Bonds	92,000					
GRAND TOTAL	\$ 204,118					
Planned Bond Sale	\$ 157,000					

*Includes funds available from prior year sales.

Proposed Five-Year Capital Improvement Program
Water
Cash Requirements
(In Thousands)

CATEGORY	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Booster Station	\$ -	\$ 4,380	\$ -	\$ 350	\$ -	\$ 4,730
Field Services Replacement	2,029	1,705	1,937	2,520	1,907	10,098
Miscellaneous	1,125	25	25	25	25	1,225
Office Furniture/Computer/Equip	100	-	-	50	-	150
Oversize Lines	420	200	200	200	200	1,220
Replacement Lines	8,991	4,290	2,500	2,000	2,000	19,781
State Highway Relocations	9,162	-	-	-	-	9,162
Taps, Fire Hydrants, Meters	1,424	1,337	1,400	1,464	1,528	7,153
Tools & Equipment	10	10	10	10	10	50
Transmission Lines	10,774	16,325	1,300	5,590	10,000	43,989
Plant Improvements	3,150	11,220	9,000	-	150	23,520
Vehicles	694	615	309	253	102	1,973
GRAND TOTAL	\$ 37,879	\$ 40,107	\$ 16,681	\$ 12,462	\$ 15,922	\$ 123,051
Revenue Funded	\$ 18,015					
Certificates of Obligation*	19,864					
GRAND TOTAL	\$ 37,879					
Planned Bond Sale	\$10,500					

*Includes funds available from prior year sales.

*Proposed Five-Year Capital Improvement Program
Wastewater
Cash Requirements
(In Thousands)*

CATEGORY	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Building Construction	\$ 1,604	\$ -	\$ -	\$ -	\$ -	\$ 1,604
Collection System Upgrade	16,116	5,918	395	3,129	2,075	27,633
Drainage Improvements	824	748	938	1,582	1,539	5,631
Field Services Replacement	2,316	2,274	2,282	2,290	2,299	11,461
Liftstation Improvements	8	8	8	8	8	40
Miscellaneous	1,560	510	260	260	260	2,850
Oversize Lines	200	200	200	200	200	1,000
Replace Lines	1,005	610	135	50	50	1,850
State Highway Relocations	3,140	-	-	-	-	3,140
Taps, Fire Hydrants, Meters	112	115	118	122	125	592
Tools & Equipment	123	130	50	50	10	363
Wastewater Effluent Reuse	25	25	25	25	25	125
Plant Improvements	1,907	80	130	130	130	2,377
Vehicles	587	1,044	1,333	1,220	490	4,674
GRAND TOTAL	\$ 29,527	\$ 11,662	\$ 5,874	\$ 9,066	\$ 7,211	\$ 63,340
Revenue Funded	\$ 14,211					
Certificates of Obligation*	15,316					
GRAND TOTAL	\$ 29,527					
Planned Bond Sale	\$ 8,360					

*Includes funds available from prior year sales.

*Proposed Five-Year Capital Improvement Program
Solid Waste
Cash Requirements
(In Thousands)*

CATEGORY	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Administration	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 100
Residential Collections	300	700	300	300	300	1,900
Commercial Collections	420	420	820	470	470	2,600
Disposal and Treatment Operation	6,400	3,450	2,225	1,475	1,675	15,225
Public Outreach	250	25	25	25	25	350
Keep Denton Beautiful	270	1,200	-	-	-	1,470
Site Operations	8,700	4,600	600	200	200	14,300
Equipment	6,622	4,247	2,263	3,390	2,600	19,122
Vehicles	2,828	2,677	3,128	3,034	2,986	14,653
GRAND TOTAL	\$ 25,890	\$ 17,319	\$ 9,361	\$ 8,894	\$ 8,256	\$ 69,720

Revenue Funded	\$ 2,310
Certificates of Obligation*	23,580
GRAND TOTAL	\$ 25,890
Planned Bond Sale	\$ 23,580