



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Cassey Ogden

DATE: May 2, 2023

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding an allocation of excess sales tax.

BACKGROUND

On December 6, 2022, City Council gave direction for staff to present information regarding establishing a formal policy to provide 15% of sales tax revenue that exceeds the fiscal year budget will be spent on one-time expenses for the Denton Police Department.

The City anticipated receiving \$46,246,938 in sales tax revenue for Fiscal Year 2022, as adopted in the City's annual budget. The actual sales tax received in Fiscal Year 2022 was \$53,264,727, a \$7,017,789 increase from the budgeted amount, 15% of this increase is \$1,052,668.

Sales tax is volatile and varies from year-to-year. When the City receives more sales tax revenue than anticipated, the City funds one-time expense requests that do not require an on-going impact to future budgets. Departments submit budget requests based on a variety of factors. At this time, the Police Department has not identified any one-time expense requests for the Fiscal Year 2024 budget. City Council is presented one-time and on-going, or supplemental, requests for consideration during the annual budget process.

ESTIMATED SCHEDULE OF PROJECT

If Council gives direction to proceed with a formal policy, staff will present a draft ordinance for Council consideration at a future meeting.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

This work session report was requested as a result of a two-minute pitch on December 6, 2022.

FISCAL INFORMATION

EXHIBITS

1. Agenda Information Sheet
2. Presentation

Respectfully submitted:
Cassey Ogden
Assistant City Manager / CFO

