

Exhibit 1

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, ADOPTING THE FISCAL YEAR 2014-2015 ANNUAL PROGRAM OF SERVICES (BUDGET) AND THE CAPITAL IMPROVEMENT PROGRAM OF THE CITY OF DENTON, TEXAS, FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2014 AND ENDING ON SEPTEMBER 30, 2015; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, notice of a public hearing on the Annual Program of Services for the City of Denton, Texas, for the Fiscal Year 2014-2015 (Budget) was heretofore published not earlier than the 30<sup>th</sup>, or later than the 10<sup>th</sup> day before the date of said public hearing and such other notice was given in accordance with all applicable law; and

WHEREAS, the proposed Budget was filed with the City Secretary and posted on the City's Internet website in accordance with all applicable law; and

WHEREAS, a public hearing on said Budget was duly held on August 19, 2014, and all interested persons were given an opportunity to be heard for or against any item thereof; and

WHEREAS, on June 23, 2014, the Public Utilities Board recommended the utility operations budgets and capital improvements to be constructed during the coming year; and

WHEREAS, the City Manager has furnished a copy of the Planning and Zoning Commission's recommended general obligation bond capital improvements to each member of the City Council prior to the beginning of the Budget year and as provided by Section 10.03(6) of the City Charter; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this Ordinance are incorporated herein by reference.

SECTION 2. The Budget for the City of Denton, Texas, for the fiscal year beginning on October 1, 2014, and ending on September 30, 2015 prepared by the City Manager and filed with the City Secretary, as amended by the City Council, is hereby approved and adopted, a copy of which Budget is attached hereto and incorporated by reference herein.

SECTION 3. The City Council hereby appropriates from available resources to the following funds:

General Fund	\$	102,846,640
General Debt Service Fund	\$	52,579,539
Electric Fund	\$	167,044,830
Water Fund	\$	46,202,271
Wastewater Fund	\$	30,925,904
Solid Waste Fund	\$	27,802,592
Airport Fund	\$	4,567,377
Technology Services Fund	\$	11,320,223
Materials Management Fund	\$	9,164,317
Fleet Management Fund	\$	12,649,694
Risk Retention Fund	\$	3,210,614
Health Insurance Fund	\$	27,490,268
Engineering Services Fund	\$	4,636,101
Street Improvement Fund	\$	10,181,026
Recreation Fund	\$	2,267,084
Tourist & Convention Fund	\$	1,809,406
Police Confiscation Fund	\$	148,500
Traffic Safety Fund	\$	1,617,400
Parks Gas Well Fund	\$	200,000
Tree Mitigation Fund	\$	50,000
Public Education Government Fund	\$	377,750
Police Donations	\$	10,000
Fire Donations	\$	2,000
Animal Control Donations	\$	40,000
Library Donations	\$	50,000
Park Land Dedication Trust Fund	\$	700,000
Park Development Trust Fund	\$	500,000
Police Academy Fund	\$	45,000
Downtown Reinvestment Fund	\$	173,500
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$</b>	<b>518,612,036</b>
Grant Program	\$	3,975,555
Capital Improvements Program	\$	385,296,443
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>907,884,034</b>

SECTION 4. The City Council approves the capital improvements proposed to be constructed during the forthcoming year, which are incorporated in the 2014-2015 Budget.

SECTION 5. The Budget includes certain unlisted, authorized and unpaid encumbrances from the prior fiscal year to be carried over to the 2014-2015 Budget as determined by the City Manager or his designee.

SECTION 6. The City Council hereby ratifies all prior transfers made under the direction of the City Manager for the current and prior fiscal years pursuant to Article VIII, Section 8.07 of the City Charter of the City of Denton. At anytime during the fiscal year, the City Manager may transfer any part of the unencumbered appropriation balance or the entire balance thereof between programs or general classifications or expenditures within a fund that has been appropriated by the City Council. For the purpose of this Ordinance, the City Council defines an organizational unit as set forth in Article VIII, Section 8.07 of the City Charter, to be a fund that has been appropriated by the City Council.

SECTION 7. The City Manager, or his designee, shall cause copies of the Budget to be filed with the City Secretary, County Clerk of Denton County, and the State Comptroller of Public Accounts in Austin, Texas, and shall post a copy of the Budget as hereby adopted on the City's Internet website in accordance with applicable law.

SECTION 8. This Ordinance shall become effective immediately upon its passage and approval at a regular meeting of the City Council of the City of Denton, Texas, on this the 16<sup>th</sup> day of September 2014, at which meeting a quorum was present and the meeting was held in accordance with the provisions of Tex. Gov't Code § 551.001, *et. seq.* The City Secretary is hereby directed to record this Ordinance and the vote to adopt the Budget.

PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
CHRIS WATTS, MAYOR

ATTEST:  
JENNIFER WALTERS, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
ANITA BURGESS, CITY ATTORNEY

BY:  \_\_\_\_\_

Council Member

Voted For

Voted Against

Chris Watts, Mayor

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Jim Engelbrecht, Mayor Pro-Tem

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Dalton Gregory

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John Ryan

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Joey Hawkins

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Kevin Roden

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Greg Johnson

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**BUDGET RESOURCE & EXPENDITURE SUMMARY**  
**2014-15**

<b>RESOURCES</b>	<b>2012-13 ACTUAL</b>	<b>2013-14 BUDGET</b>	<b>2013-14 ESTIMATE</b>	<b>2014-15 ADOPTED</b>
General Fund	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640
General Debt Service Fund	40,591,365	44,277,495	44,269,862	52,579,539
Electric Fund	152,061,374	168,359,750	174,966,124	167,044,830
Water Fund	42,991,052	42,905,805	42,643,426	46,202,271
Wastewater Fund	27,263,206	30,327,234	29,162,591	30,925,904
Solid Waste Fund	25,009,653	26,353,035	26,226,754	27,802,592
Airport Fund	2,385,504	2,779,363	2,594,955	4,567,377
Technology Services Fund	8,760,469	9,006,772	8,946,772	11,320,223
Materials Management Fund	6,385,451	9,927,952	8,484,981	9,164,317
Fleet Management Fund	10,188,188	13,776,595	10,487,351	12,701,893
Risk Retention Fund	2,642,182	3,020,448	2,953,079	3,210,614
Health Insurance Fund	20,346,611	25,355,219	22,405,208	27,490,268
Engineering Services Fund	-	4,223,144	3,993,631	4,658,066
Street Improvement Fund	7,108,410	8,379,203	8,350,238	10,181,026
Miscellaneous Funds <sup>(1)</sup>	6,719,926	10,318,076	9,510,448	8,409,679
<b>TOTAL OPERATING RESOURCES</b>	<b>\$ 445,412,156</b>	<b>\$ 498,285,351</b>	<b>\$ 493,270,680</b>	<b>\$ 519,105,239</b>
Grant Program	6,296,010	4,766,074	4,766,074	3,975,555
Capital Improvements Program <sup>(2)</sup>	85,027,636	323,657,313	90,851,279	385,296,443
<b>TOTAL RESOURCES</b>	<b>\$ 536,735,802</b>	<b>\$ 826,708,738</b>	<b>\$ 588,888,033</b>	<b>\$ 908,377,237</b>

<b>EXPENDITURES</b>	<b>2012-13 ACTUAL</b>	<b>2013-14 BUDGET</b>	<b>2013-14 ESTIMATE</b>	<b>2014-15 ADOPTED</b>
General Fund	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640
General Debt Service Fund	39,842,996	44,277,495	44,236,176	52,579,539
Electric Fund	152,061,374	168,359,750	174,966,124	167,044,830
Water Fund	40,549,198	42,905,805	42,207,368	46,202,271
Wastewater Fund	26,845,554	30,327,234	29,162,591	30,925,904
Solid Waste Fund	24,349,988	26,312,990	26,218,706	27,802,592
Airport Fund	2,385,504	2,779,363	2,594,955	4,567,377
Technology Services Fund	8,657,419	9,006,772	8,946,772	11,320,223
Materials Management Fund	6,385,451	9,927,952	8,484,981	9,164,317
Fleet Management Fund	10,161,060	13,725,975	10,486,151	12,649,694
Risk Retention Fund	2,567,286	3,020,448	2,943,968	3,210,614
Health Insurance Fund	19,608,362	25,355,219	21,440,563	27,490,268
Engineering Services Fund	-	4,067,969	3,592,611	4,636,101
Street Improvement Fund	6,770,168	8,379,203	8,350,238	10,181,026
Miscellaneous Funds <sup>(1)</sup>	5,433,388	10,049,064	8,111,057	7,990,640
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 438,576,512</b>	<b>\$ 497,770,499</b>	<b>\$ 490,017,521</b>	<b>\$ 518,612,036</b>
Grant Program	3,305,763	4,766,074	4,766,074	3,975,555
Capital Improvements Program <sup>(2)</sup>	85,027,636	323,657,313	90,851,279	385,296,443
<b>TOTAL EXPENDITURES</b>	<b>\$ 526,909,911</b>	<b>\$ 826,193,886</b>	<b>\$ 585,634,874</b>	<b>\$ 907,884,034</b>

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

<sup>(2)</sup>FY 2014-15 Proposed Budget includes approximately \$77 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).