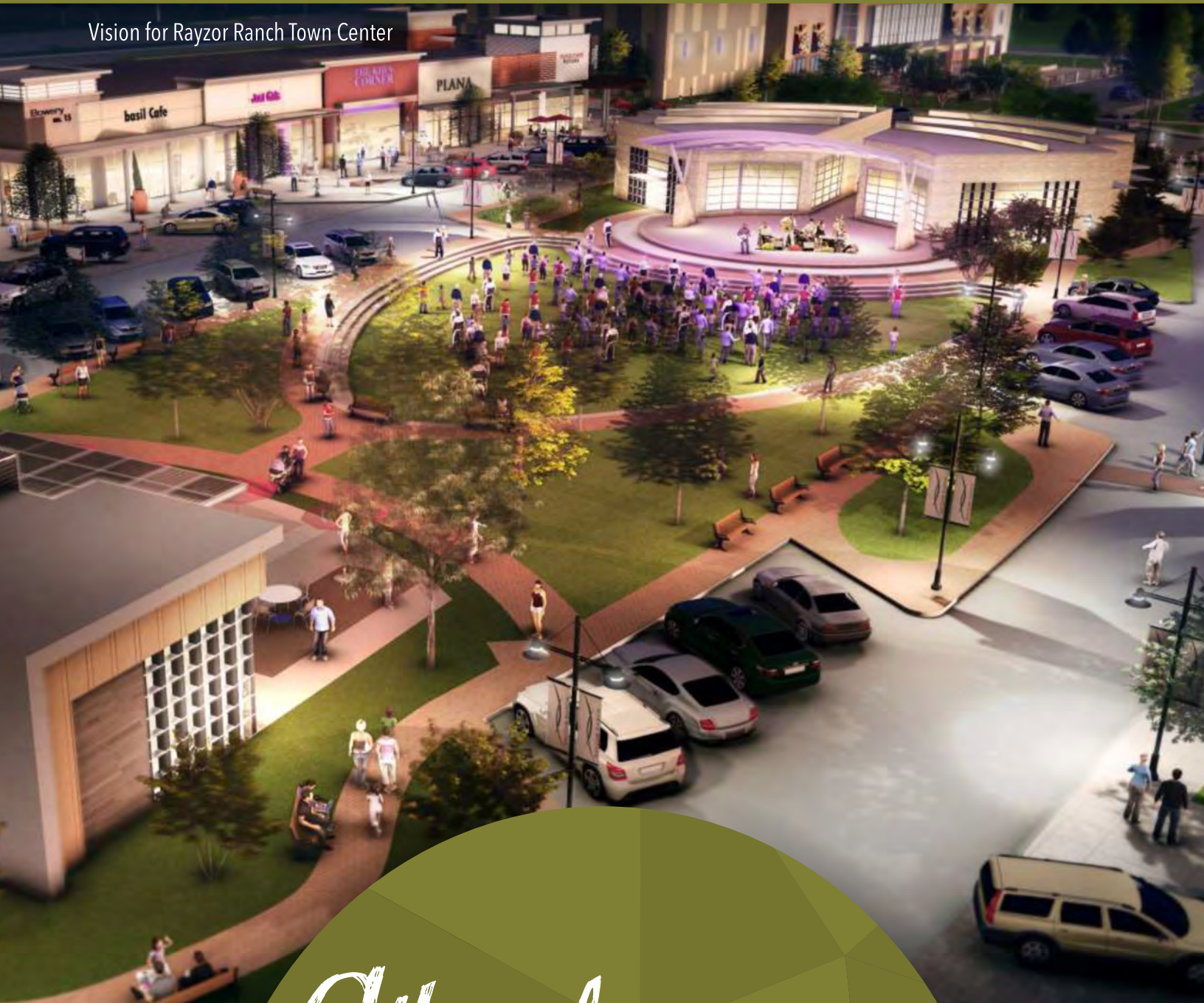


Vision for Rayzor Ranch Town Center



City of
Denton, Texas

About This Quarterly Financial Report

This report has been prepared by the City of Denton's Finance Department. The Quarterly Financial Report is intended to provide our users (internal and external) with information regarding the City's financial position and economic activity. This report includes information for the quarter ending December 31, 2016.

This report is presented in six sections.

1. The Executive Dashboard section contains a high level summary of the major operating funds using graphic illustrations and key economic indicators. Narrative disclosures are also included to highlight any significant changes or fluctuations.
2. The Financial Summary section reports the performance of the major operating funds of the City. In addition, the report provides an end of year projection and a comparison to the budget for major revenue sources and expenditure items.
3. The Revenue & Economic Analysis section provides additional analysis regarding key revenue sources and economic indicators.
4. The Quarterly Investment Report provides a summary of the City's investment portfolio, interest earnings and a brief market outlook.
5. The Performance Report provides Key Performance Indicators (KPIs) for each of the goals identified in the City's strategic plan. In addition, the progress on Key Action Steps are highlighted.
6. The G.O. Bond Program Report provides updates of each of the Bond Propositions from the 2012 and 2014 bond elections.

The Quarterly Financial Report is intended to provide our users with timely and relevant information. Please provide us with any comments or suggestions you may have. If you would like additional information, feel free to contact me.

A handwritten signature in cursive script that reads "Chuck Springer".

Chuck Springer
Director of Finance
215 East McKinney Street
Denton, TX 76201
940-349-8260

Section 1

City of Denton
Quarterly Financial Report
December 2016

Executive Dashboards



City of Denton, Texas

General Fund Executive Dashboard



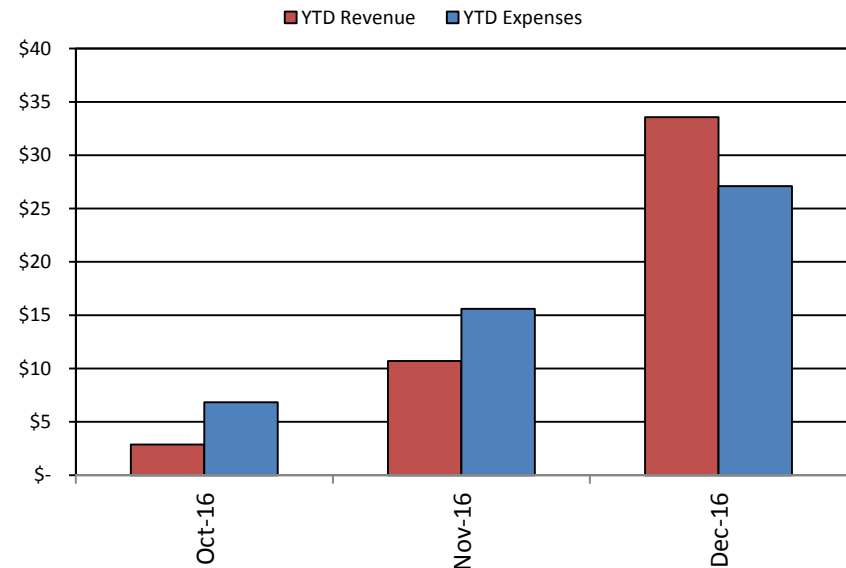
DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Fund Balance as of 09/30/16	\$ 27.37	\$ 28.17	
RESOURCES:			
Ad Valorem Taxes	43.15	43.15	0%
Sales Tax	32.84	34.34	5%
Franchise Fees	5.61	5.61	0%
Other Taxes	0.35	0.35	0%
Service Fees	7.93	7.93	0%
Fines and Fees	4.11	3.81	-7%
Licenses and Permits	2.96	2.26	-24%
Miscellaneous Revenue	1.58	1.58	0%
Transfers In	15.80	15.80	0%
Total Revenues	114.33	114.83	0%
Total Resources	141.70	143.00	
EXPENDITURES:			
Personal Service	82.09	82.09	0%
Material and Supplies	2.82	2.82	0%
Maintenance and Repairs	3.04	3.04	0%
Insurance	1.08	1.08	0%
Miscellaneous	1.11	1.11	0%
Operations	14.19	14.19	0%
Transfers Out	9.49	9.49	0%
Fixed Assets	0.61	0.61	0%
Total Expenditures	114.43	114.43	0%
Net Income (Loss)	(0.10)	0.40	
Ending Fund Balance	\$ 27.27	\$ 28.57	

Key Trends

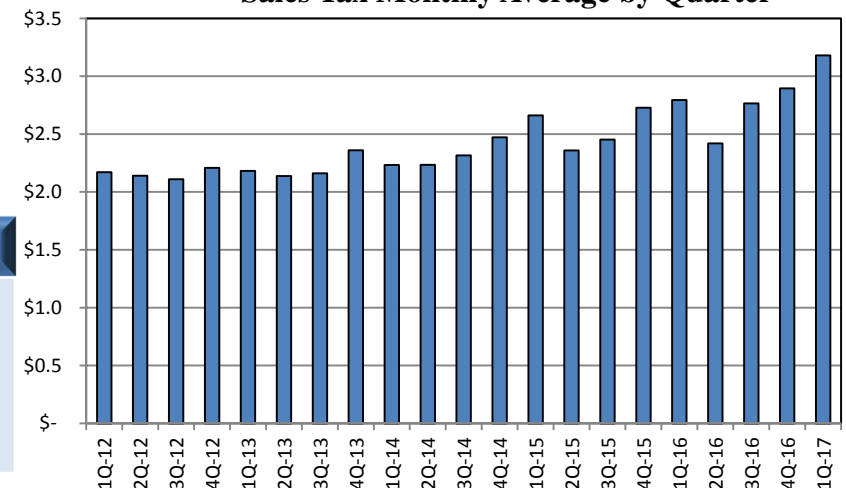
- Sales Tax revenues are projected \$1.5M higher than budget due to stronger collections in the first quarter.
- Fines and Fees revenues are projected \$0.3M less than budget due to lower collections of Municipal Fines in the first quarter.
- Licenses and Permits revenues are projected \$0.7M less than budget due to lower collections of Building Permits in the first quarter.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

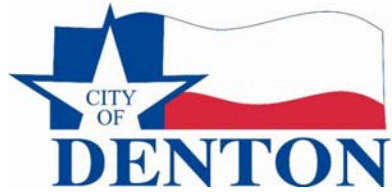
Revenue & Expenses (in Millions)



Sales Tax Monthly Average by Quarter



Note: All figures presented are in millions of dollars.



City of Denton, Texas

Electric Fund Executive Dashboard

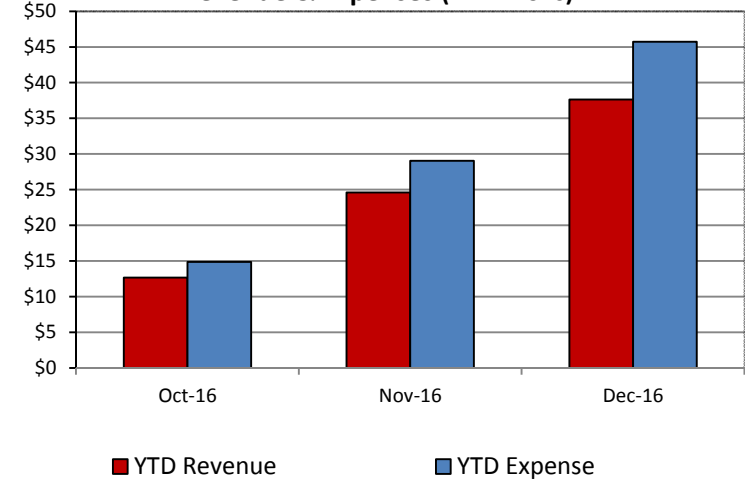


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTIONS	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 9/30/16	\$ 68.18	\$ 76.00	
RESOURCES:			
Operating Revenues	176.68	176.68	0%
Non-operating Revenues	0.30	0.30	0%
Total Revenues	176.98	176.98	0%
Total Resources	245.16	252.98	
EXPENDITURES:			
Purchased Power	85.37	85.37	0%
Operation and Maintenance	44.37	44.37	0%
Non-Operating Expenditures	43.67	43.67	0%
Total Expenditures	173.41	173.41	0%
Net Income (Loss)	3.57	3.57	
Ending Working Capital and Reserves	\$ 71.75	\$ 79.57	

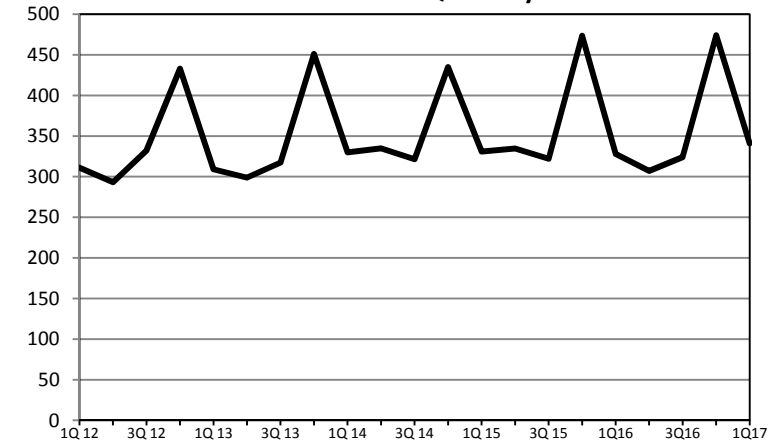
Key Trends

➤ At this point in the fiscal year, revenues and expenses are projected to meet budgeted levels.

Revenue & Expenses (in Millions)



2012 – 2017 Historical Quarterly GWH Sales



Note: All figures presented are in millions of dollars.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

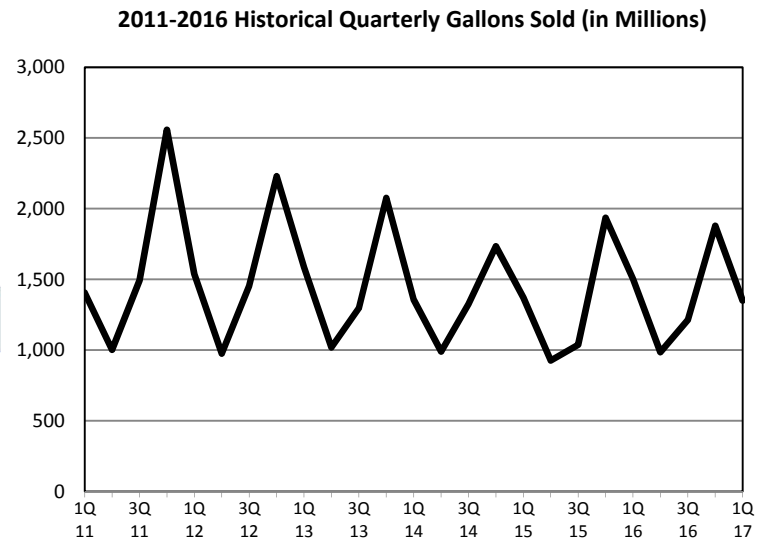
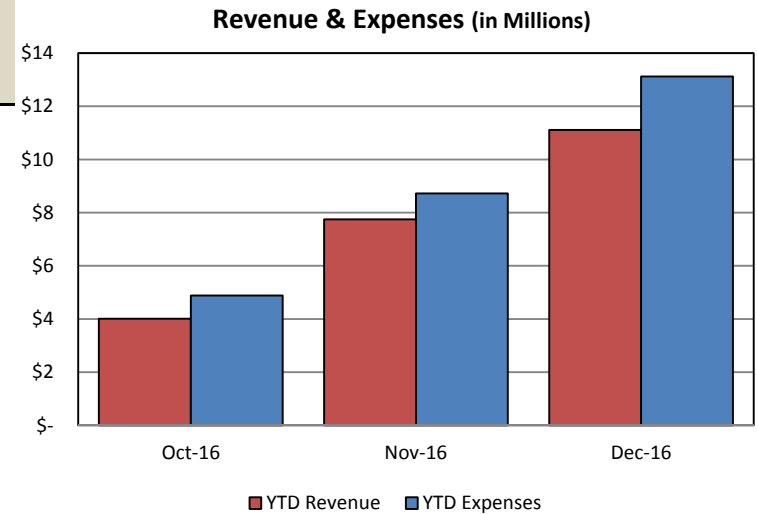


City of Denton, Texas

Water Fund Executive Dashboard



DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16²	\$ 25.60	\$ 24.15	
RESOURCES:			
Water Sales	37.34	37.34	0%
Other Water Revenues	0.94	0.94	0%
Transfers In	6.50	6.50	0%
Impact Fee Revenue	4.00	4.00	0%
Total Revenues	48.78	48.78	0%
Total Resources	74.38	72.93	
EXPENDITURES:			
Personal Service	11.55	11.55	0%
Operations, Services	11.95	11.95	0%
Capital Outlay ³	13.16	13.16	0%
Debt Service	11.53	11.53	0%
Transfers Out	3.59	3.59	0%
Total Expenditures	51.78	51.78	0%
Net Income (Loss)	(3.00)	(3.00)	
Ending Working Capital and Reserves	\$ 22.60	\$ 21.15	



Key Trends

➤ At this point in the fiscal year, revenues and expenditures are projected to meet budgeted levels.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

²The Beginning Working Capital balance excludes \$5.6M of Impact Fee Reserves.

³Includes one-time transfer of \$3.0 million to Capital Projects using dollars related to the refunding of the Utility Revenue Bonds in FY 2016 and the release of the related reserve funds.

Note: All figures presented are in millions of dollars.



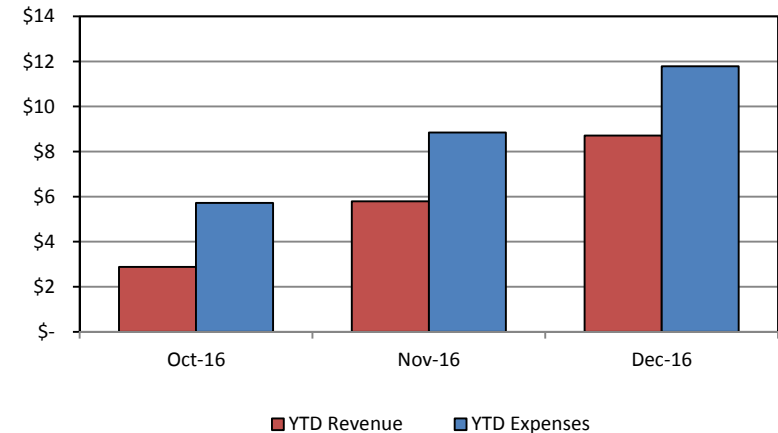
City of Denton, Texas

Wastewater Fund Executive Dashboard

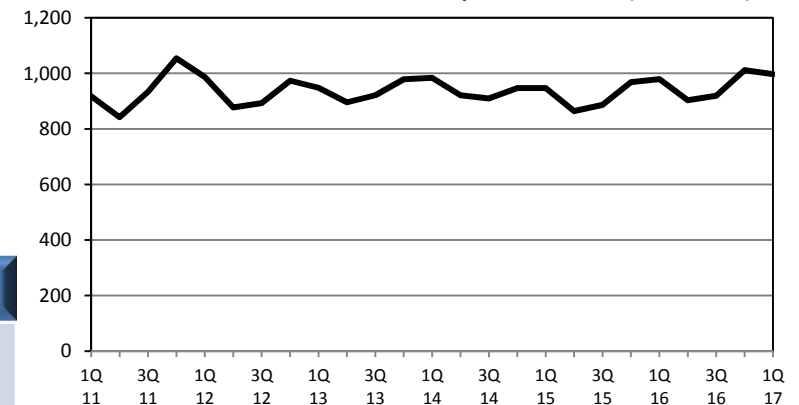


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16 ²	\$ 18.08	\$ 18.11	
RESOURCES:			
Wastewater Fees	23.42	23.42	0%
Other Wastewater Revenue	1.88	1.88	0%
Drainage Fees	4.60	4.60	0%
Transfer In	0.88	0.88	0%
Impact Fee Revenue	3.52	3.52	0%
Total Revenues	34.30	34.30	0%
Total Resources	52.38	52.41	
EXPENDITURES:			
Personal Service	8.24	8.24	0%
Operations, Services	8.85	8.85	0%
Capital Outlay ³	11.10	11.10	0%
Debt Service	6.91	6.91	0%
Transfer Out	3.50	3.50	0%
Total Expenditures	38.60	38.60	0%
Net Income (Loss)	(4.30)	(4.30)	
Ending Working Capital and Reserves	\$ 13.78	\$ 13.81	

Revenue & Expenses (in Millions)



2011-2016 Historical Quarterly Gallons Billed (in Millions)



Key Trends

➤ At this point in the fiscal year, revenues and expenditures are projected to meet budgeted levels.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

²The Beginning Working Capital balance excludes \$3.3 million of Impact Fee Reserves, \$1.0 million for Drainage Reserves, and \$0.1 million for Development Plan Line Reserves.

³Includes one-time transfer of \$4.3 million to Capital Projects using dollars related to the refunding of the Utility Revenue Bonds in FY 2016 and the release of the related reserve funds.

Note: All figures presented are in millions of dollars.



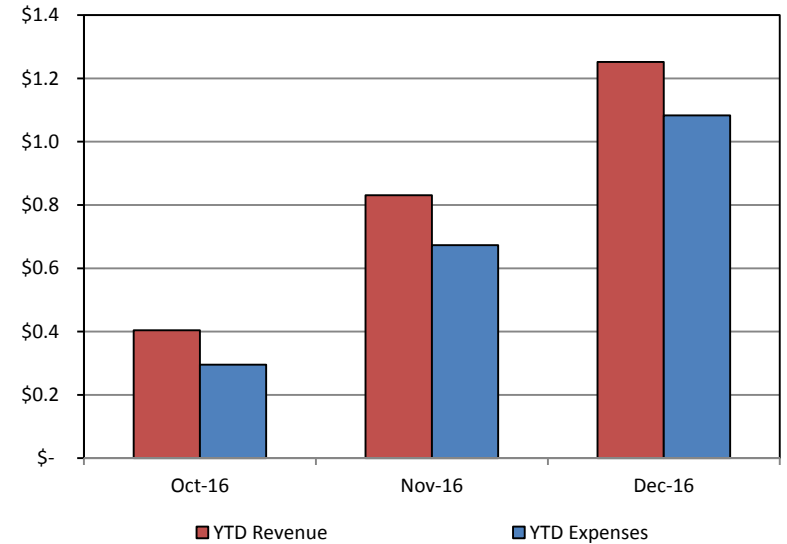
City of Denton, Texas

Drainage Operations Executive Dashboard



Revenue & Expenses (in Millions)

DESCRIPTION	FY 2016-17 ANNUAL BUDGET	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
REVENUES:			
Residential Drainage Fees	\$ 1.70	\$ 1.70	0%
Nonresidential Drainage Fees	2.90	2.90	0%
Wastewater Resources	0.02	0.02	0%
General Fund Transfer	0.50	0.50	0%
Total Revenues	5.12	5.12	0%
EXPENDITURES:			
Personal Service	1.86	1.86	0%
Operations, Services	0.86	0.86	0%
Capital Outlay	1.13	1.13	0%
Debt Service	0.64	0.64	0%
Transfer Out	0.63	0.63	0%
Total Expenditures	5.12	5.12	0%
Net Income (Loss)	\$ -	\$ -	



Key Trends

➤ At this point in the fiscal year, expenditures and revenues are projected to meet budgeted levels.

Note: All figures presented are in millions of dollars.



City of Denton, Texas

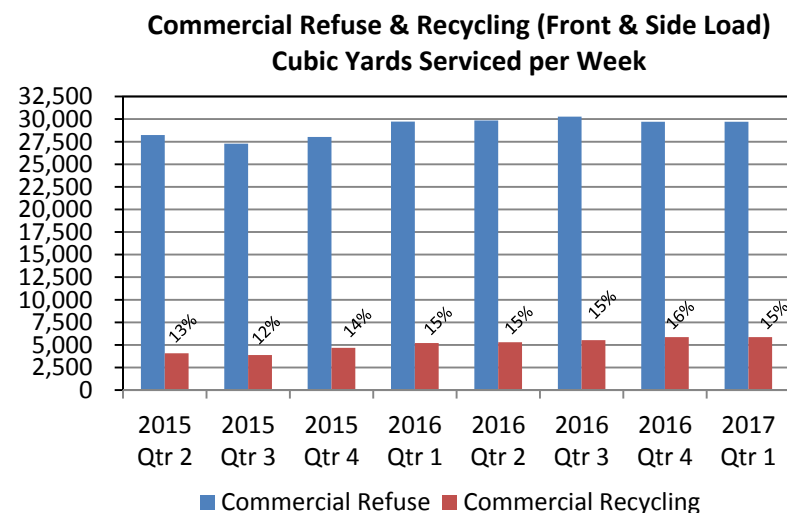
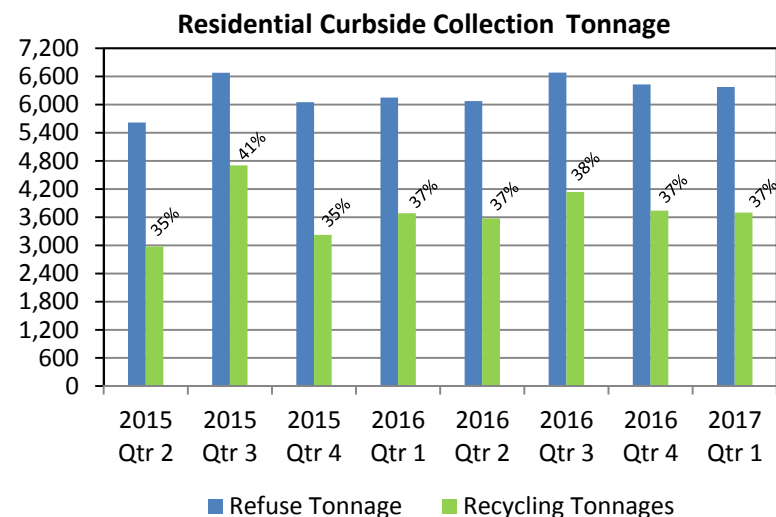
Solid Waste Fund Executive Dashboard



DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16²	\$ 6.04	\$ 7.76	
RESOURCES:			
Collection & Disposal	33.25	33.25	0%
Recycling	0.97	0.97	0%
Other Revenue	2.63	2.63	0%
Total Revenues	36.85	36.85	0%
Total Resources	42.89	44.61	
EXPENDITURES:			
Personal Service	11.40	11.40	0%
Operations, Services	11.40	11.40	0%
Capital Outlay	3.17	3.17	0%
Debt Service	8.14	8.14	0%
Transfer Out	2.70	2.70	0%
Total Expenditures	36.81	36.81	0%
Net Income (Loss)	0.04	0.04	
Ending Working Capital and Reserves	\$ 6.08	\$ 7.80	

Key Trends

➤ At this point in the year, all revenues and expenditures are expected to meet budget levels.



¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

²The Beginning Working Capital Reserve excludes \$7.38 million of Landfill Closure/Post Closure reserves.

Note: All figures presented are in millions of dollars.



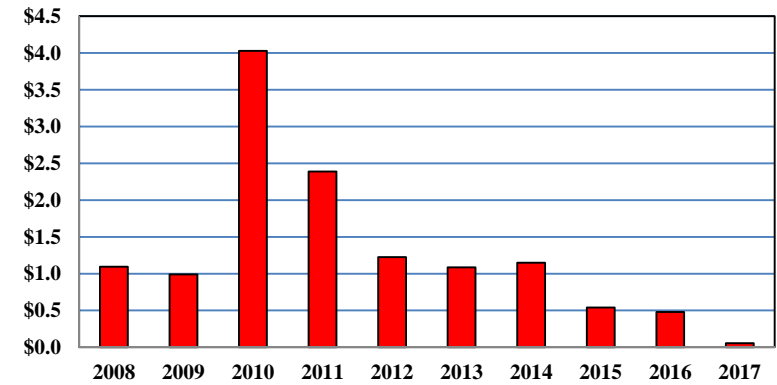
City of Denton, Texas

Airport Fund Executive Dashboard

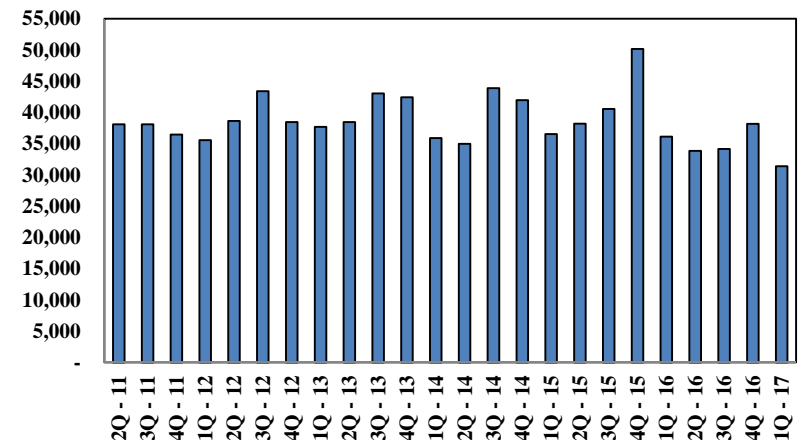


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16	\$ 2.45	\$ 2.48	
RESOURCES:			
Airport Ground Leases	0.70	0.70	0%
FBO Commissions	0.24	0.24	0%
Miscellaneous	0.06	0.06	0%
Total Operating Revenues	1.00	1.00	0%
EXPENDITURES:			
Personal Service	0.67	0.67	0%
Operations, Services	0.41	0.41	0%
Transfer Out	0.47	0.47	0%
Total Operating Expenditures	1.55	1.55	0%
Net Operating Income (Loss)	(0.55)	(0.55)	
NON-OPERATING REVENUES:			
Investment Income	0.03	0.03	0%
Gas Well Royalties	0.45	0.45	0%
Total Non-Operating Revenues	0.48	0.48	0%
Net Income (Loss)	(0.07)	(0.07)	
Ending Working Capital and Reserves	\$ 2.38	\$ 2.41	

GAS WELL REVENUE
(in millions of dollars by fiscal year)



AIRPORT OPERATIONS BY QUARTER
(takeoff or landing)



Key Trends

➤ At this point all revenue and expenditures are anticipated to meet budgeted expectations.

¹Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2016-17 budget process.

Note: All financial amounts presented are in millions of dollars.



City of Denton, Texas

Street Improvement Fund Executive Dashboard



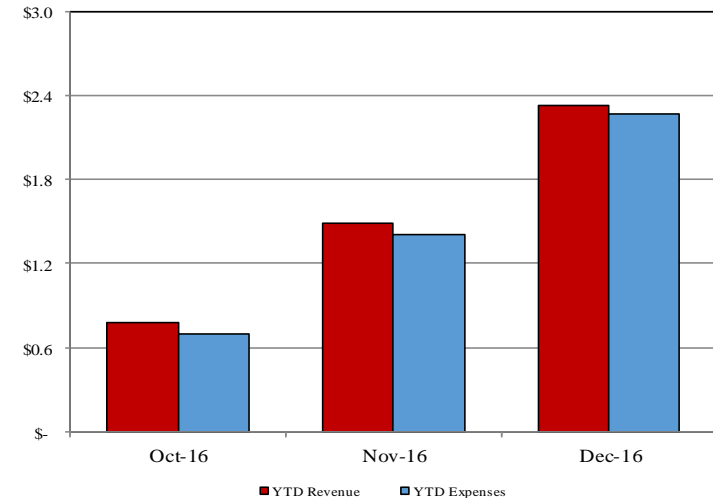
DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Fund Balance as of 09/30/2016	\$ 1.52	\$ 1.80	
RESOURCES:			
Franchise Fees	11.61	11.61	0%
Street Cuts	0.35	0.35	0%
Investment Income	0.01	0.01	0%
Transfers In	1.00	1.00	0%
Total Revenues	12.97	12.97	0%
Total Resources	14.49	14.77	
EXPENDITURES:			
Personal Service	3.84	3.84	0%
Materials & Supplies	0.08	0.08	0%
Maintenance & Repairs	7.95	7.95	0%
Operations, Services	0.69	0.69	0%
Transfer Out	0.76	0.76	0%
Total Expenditures	13.32	13.32	0%
Net Income (Loss)	(0.35)	(0.35)	
Ending Fund Balance	\$ 1.17	\$ 1.45	

Key Trends

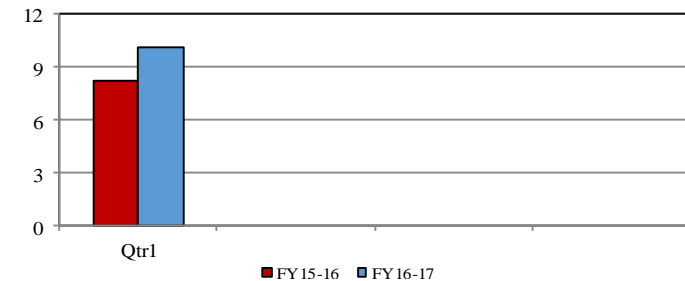
➤ Lane miles of surface treatment increased substantially in the 1st quarter as compared to last year.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

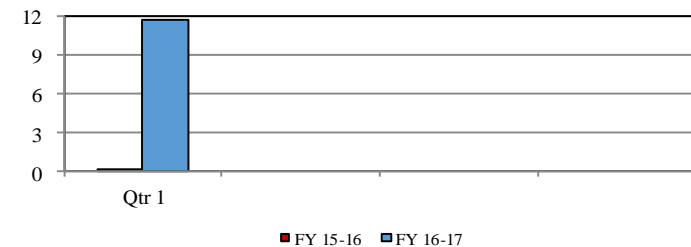
Revenue & Expenses (in Millions)



Tons of Asphalt Laid (in Thousands)



Lane Miles Surface Treatment



Note: All figures presented are in millions of dollars.



City of Denton, Texas

Grants Dashboard



DESCRIPTION	GRANT AMOUNT	ANNUAL PROJECTION	FY 2016-17 VARIANCE
2016-17 Budget			
Comm Development	\$ 2.14	\$ 1.10	-49%
Public Safety	0.37	0.37	0%
Parks & Recreation	1.51	1.51	0%
Airport	6.00	6.00	0%
Solid Waste	0.95	0.95	0%
Transportation	0.16	0.16	0%
Other	0.03	0.03	0%
Total Budget	11.16	10.12	-9%

New Awards

Airport	3.89	3.89	0%
Solid Waste	0.20	0.20	0%
Other	0.01	0.01	0%
Total New Awards	4.10	4.10	0%

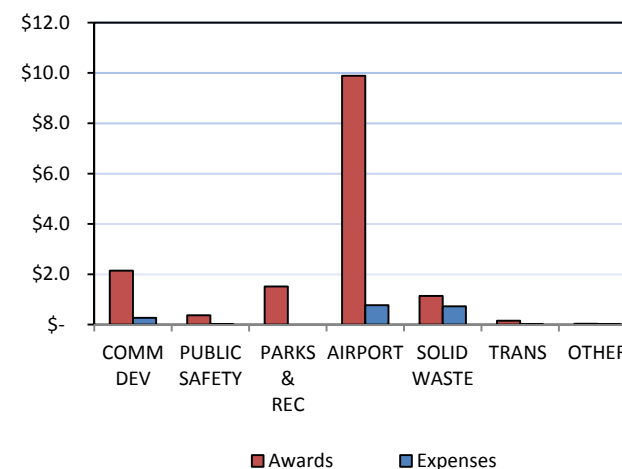
Totals	\$ 15.26	\$ 14.22	-7%
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Key Trends

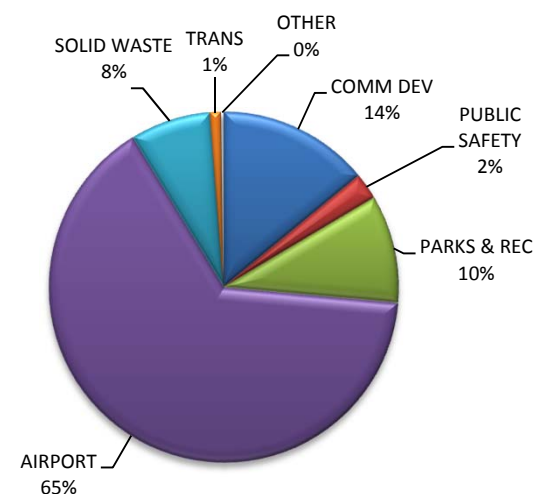
The following grants have been received in FY 2016-17:

- FAA Runway Expansion: \$3,891,599
- NCTCOG Regional HHW Drop-Off Facility Project: \$195,000
- Farmer's Market Program: \$8,189

FY 2016-17 Awards & Expenses (in Millions)



FY 2016-17 Grants Awarded



Note: All figures presented are in millions of dollars.

Section 2

City of Denton Quarterly Financial Report December 2016

This report is designed for internal use and does not include all the funds and accounts included in the City of Denton's operations. The information provided is unaudited; for a complete audited report, please refer to the City of Denton Comprehensive Annual Financial Report, available through the City's Finance Department, City Secretary's Office, or Denton Public Libraries.

FINANCIAL SUMMARY

City of Denton
General Fund
Schedule of Revenues - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

REVENUE DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
Current Year - Ad Valorem	\$ 18,996,836	\$ 16,219,770	\$ 16,607,825	\$ 42,506,508	\$ 42,506,508	0%
Delinquent - Ad Valorem	16,202	58,263	118,622	277,443	277,443	0%
Miscellaneous Penalties & Fees	40,552	68,875	46,850	362,184	362,184	0%
Ad Valorem Taxes	19,053,590	16,346,908	16,773,297	43,146,135	43,146,135	0%
Sales Tax	8,385,311	8,215,410	9,542,996	32,835,370	34,335,370	5%
Franchise - Gas Utilities	-	-	-	485,262	485,262	0%
Franchise - Private Electric Utilities	-	-	-	138,651	138,651	0%
Franchise - Cable	-	-	-	546,133	546,133	0%
Franchise - Telecom	9,936	-	58,710	248,970	248,970	0%
Franchise - Denton Municipal Utilities	1,094,333	1,027,212	915,498	4,187,833	4,187,833	0%
Franchise Fees	1,104,269	1,027,212	974,208	5,606,849	5,606,849	0%
Other Taxes	-	-	-	350,474	350,474	0%
Ambulance Service Fees	606,064	408,428	704,310	3,470,290	3,470,290	0%
Fire Department Fees	37,130	47,856	36,987	191,427	191,427	0%
Building Inspections Fees	140,508	113,913	106,787	505,723	505,723	0%
Park Department Fees	121,567	188,025	123,859	2,319,956	2,319,956	0%
Planning Department Fees	259,589	305,498	250,253	1,221,418	1,221,418	0%
Reprographics Fees	70,117	29,637	91,093	118,450	118,450	0%
Miscellaneous Service Fees	30,546	26,894	21,597	107,573	107,573	0%
Service Fees	1,265,521	1,120,251	1,334,886	7,934,837	7,934,837	0%
Denton Municipal Fines	346,609	463,626	332,266	1,854,494	1,554,494	-16%
Parking Fines	50,790	48,413	72,335	193,650	193,650	0%
Miscellaneous Fines and Fees	231,272	226,599	220,956	1,040,653	1,040,653	0%
Court Administrative and Service Fees	213,186	218,569	198,093	1,020,445	1,020,445	0%
Fines and Fees	841,857	957,207	823,650	4,109,242	3,809,242	-7%
Demolition Permits	1,710	2,472	1,805	9,884	9,884	0%
Building Permits	867,243	637,114	319,376	2,821,470	2,121,470	-25%
Certificate of Occupancy	12,635	22,713	15,865	90,854	90,854	0%
Miscellaneous Licenses and Permits	10,213	10,680	6,885	42,708	42,708	0%
Licenses and Permits	891,801	672,979	343,931	2,964,916	2,264,916	-24%
Investment Income	45,532	67,885	55,889	271,541	271,541	0%
Miscellaneous Revenues	116,243	128,303	12,558	1,311,568	1,311,568	0%
Miscellaneous Resources	161,775	196,188	68,447	1,583,109	1,583,109	0%
ROI - Denton Municipal Utilities	1,726,839	1,833,945	1,685,653	7,722,165	7,722,165	0%
Transfers	1,990,268	2,020,854	2,015,667	8,081,468	8,081,468	0%
Transfers	3,717,107	3,854,799	3,701,320	15,803,633	15,803,633	0%
Total General Fund Revenues	\$ 35,421,231	\$ 32,390,954	\$ 33,562,735	\$ 114,334,565	\$ 114,834,565	0%

City of Denton
General Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
NEIGHBORHOOD SERVICES						
Building Inspections	\$ 567,983	\$ 749,287	\$ 744,189	\$ 2,994,768	\$ 2,994,768	0%
Community Improvement Services	312,424	464,652	415,441	1,857,104	1,857,104	0%
Libraries	1,406,635	1,476,241	1,575,265	5,900,271	5,900,271	0%
Parks and Recreation	2,422,125	3,291,161	2,690,768	13,154,169	13,154,169	0%
Planning	516,606	1,195,711	806,742	3,325,569	3,325,569	0%
Gas Well Review	54,556	100,672	60,831	402,389	402,389	0%
Social Services	105,626	148,235	123,125	592,458	592,458	0%
	<u>5,385,955</u>	<u>7,425,959</u>	<u>6,416,361</u>	<u>28,226,728</u>	<u>28,226,728</u>	0%
PUBLIC SAFETY						
Animal Services	335,013	375,245	295,447	1,499,776	1,499,776	0%
Fire	5,487,265	6,854,936	6,918,199	27,395,360	27,395,360	0%
Municipal Court	300,495	346,687	338,173	1,385,603	1,385,603	0%
Municipal Judge	77,964	109,106	93,676	436,068	436,068	0%
Police	5,924,093	7,470,791	7,423,503	29,856,911	29,856,911	0%
	<u>12,124,830</u>	<u>15,156,765</u>	<u>15,068,998</u>	<u>60,573,718</u>	<u>60,573,718</u>	0%
TRANSPORTATION						
Traffic Operations	527,246	521,657	486,255	2,084,963	2,084,963	0%
Transportation Operations	86,135	122,919	111,759	491,286	491,286	0%
Street Lighting	180,648	183,897	197,247	735,000	735,000	0%
	<u>794,029</u>	<u>828,473</u>	<u>795,261</u>	<u>3,311,249</u>	<u>3,311,249</u>	0%
ADMINISTRATIVE & COMMUNITY SERVICES						
Cable Television	67,117	82,844	74,463	331,111	331,111	0%
City Manager's Office	602,042	730,925	636,409	2,926,197	2,926,197	0%
Economic Development	248,872	885,116	407,126	3,537,603	3,537,603	0%
Facilities Management	675,803	1,007,399	802,435	4,026,387	4,026,387	0%
Finance	664,429	720,836	737,415	2,881,060	2,881,060	0%
Human Resources	401,408	426,988	462,730	1,706,585	1,706,585	0%
Internal Audit	34,913	43,785	12,900	175,000	175,000	0%
Legal Administration	468,975	575,996	545,139	2,302,138	2,302,138	0%
Public Communications Office	280,330	118,144	94,419	472,214	472,214	0%
Reprographics	94,268	117,673	132,415	470,320	470,320	0%
Non-Departmental	914,690	510,454	920,332	3,493,620	3,493,620	0%
	<u>4,452,847</u>	<u>5,220,160</u>	<u>4,825,783</u>	<u>22,322,235</u>	<u>22,322,235</u>	0%
TOTAL EXPENDITURES	<u><u>\$ 22,757,661</u></u>	<u><u>\$ 28,631,357</u></u>	<u><u>\$ 27,106,403</u></u>	<u><u>\$ 114,433,930</u></u>	<u><u>\$ 114,433,930</u></u>	0%

City of Denton
Electric Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 9/30/16				\$ 68,175,554	\$ 75,996,851	
REVENUES:						
Operating Revenues	\$ 38,395,028	\$ 39,327,683	\$ 37,459,978	176,682,488	176,682,488	0%
Non-operating Revenues	89,767	72,023	171,559	300,000	300,000	0%
Total Revenues	38,484,795	39,399,706	37,631,537	176,982,488	176,982,488	0%
EXPENDITURES:						
Purchased Power	21,800,658	19,158,296	21,086,101	85,369,586	85,369,586	0%
Operation and Maintenance	7,442,536	10,410,481	8,723,157	44,366,611	44,366,611	0%
Return on Investment	1,201,300	1,293,081	1,173,243	5,506,335	5,506,335	0%
Franchise Fee	1,713,537	1,844,323	1,673,314	7,866,192	7,866,192	0%
Non-Operating Expenditures	15,200,131	13,265,128	13,082,628	30,299,596	30,299,596	0%
Total Expenditures	47,358,162	45,971,309	45,738,443	173,408,320	173,408,320	0%
Net Income (Loss)	\$ (8,873,367)	\$ (6,571,603)	\$ (8,106,906)	3,574,168	3,574,168	
Ending Working Capital and Reserves				<u>\$ 71,749,722</u>	<u>\$ 79,571,019</u>	

¹ Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

City of Denton

Water Fund

Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 25,598,287	\$ 24,150,381	
REVENUES:						
Water Sales Residential	\$ 4,179,675	\$ 4,610,416	\$ 4,019,558	19,449,831	19,449,831	0%
Water Sales Commercial	4,403,433	4,670,125	4,061,524	17,335,218	17,335,218	0%
Water for Resale	173,507	154,454	138,317	548,878	548,878	0%
Other Water	283,966	190,537	250,548	794,235	794,235	0%
Transfers In	1,546,887	1,626,753	1,599,894	6,507,009	6,507,009	0%
Investment Income	21,643	37,000	43,276	148,000	148,000	0%
Impact Fee Revenue	1,000,800	1,000,000	1,000,800	4,000,000	4,000,000	0%
Total Revenues	11,609,911	12,289,285	11,113,917	48,783,171	48,783,171	0%
EXPENDITURES:						
Personal Service	2,074,015	2,505,386	2,496,006	11,552,965	11,552,965	0%
Purchased Power	356,060	463,906	281,438	1,687,487	1,687,487	0%
Purchase of Water	-	-	-	-	-	0%
Materials and Supplies	335,507	416,866	299,834	1,837,081	1,837,081	0%
Maintenance and Repairs	197,740	259,220	304,202	1,593,468	1,593,468	0%
Insurance	57,824	59,737	59,737	238,949	238,949	0%
Miscellaneous	113,824	83,535	86,558	307,115	307,115	0%
Operations, Services	274,361	799,625	490,008	3,017,453	3,017,453	0%
Capital Outlay	4,160,027	2,126,882	1,981,764	13,210,449	13,210,449	0%
Return on Investment	311,754	354,673	293,572	1,334,486	1,334,486	0%
Franchise Fee	445,364	500,230	419,390	1,882,155	1,882,155	0%
Debt Service	8,838,558	2,883,168	5,505,916	11,532,670	11,532,670	0%
Transfers Out	850,589	897,104	902,938	3,588,413	3,588,413	0%
Total Expenditures	18,015,623	11,350,332	13,121,363	51,782,691	51,782,691	0%
Net Income (Loss)	\$ (6,405,712)	\$ 938,953	\$ (2,007,446)	(2,999,520)	(2,999,520)	
Ending Working Capital and Reserves				\$ 22,598,767	\$ 21,150,861	

¹ The Beginning Working Capital balance excludes \$5,607,327 of Impact Fee Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

³ Includes one-time transfer of \$3,000,000 to Capital Projects using dollars related to the refunding of the Utility Revenue Bonds in FY 2016 and the release of the related reserve funds.

City of Denton
Wastewater Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTIONS
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 18,083,783	\$ 18,107,040	
REVENUES:						
Residential Fees	\$ 2,718,920	\$ 2,793,675	\$ 2,791,911	11,188,269	11,188,269	0%
Commercial Fees	3,087,657	2,982,651	3,155,613	11,592,297	11,592,297	0%
Effluent Irrigation Fees	27,720	13,021	20,369	60,413	60,413	0%
Wholesale Fees	146,557	136,372	157,513	582,400	582,400	0%
Other Wastewater Fees	420,023	410,182	379,455	1,757,866	1,757,866	0%
Drainage Fees	1,129,830	1,152,685	1,132,638	4,601,201	4,601,201	0%
Transfer In	158,994	218,955	160,205	875,819	875,819	0%
Investment Income	15,307	29,875	30,837	119,500	119,500	0%
Impact Fee Reserves	500,400	880,000	880,704	3,520,000	3,520,000	0%
Total Revenues	8,205,408	8,617,416	8,709,245	34,297,765	34,297,765	0%
EXPENDITURES:						
Personal Service	1,536,119	1,715,234	1,879,510	8,237,275	8,237,275	0%
Purchased Power	284,144	225,328	197,118	946,000	946,000	0%
Materials and Supplies	118,444	195,821	218,717	1,489,447	1,489,447	0%
Maintenance and Repairs	236,631	310,615	253,629	1,623,270	1,623,270	0%
Insurance	61,914	46,919	46,919	187,676	187,676	0%
Miscellaneous	29,506	31,723	31,540	52,608	52,608	0%
Operations, Services	487,551	723,794	482,426	2,437,777	2,437,777	0%
Capital Outlay ³	2,152,942	4,475,934	3,806,502	11,067,533	11,067,533	0%
Return on Investment	213,785	220,911	218,838	881,344	881,344	0%
Franchise Fee	305,406	315,588	312,626	1,259,062	1,259,062	0%
Debt Service	4,765,323	1,727,483	3,486,541	6,909,931	6,909,931	0%
Transfers Out	853,943	875,906	849,657	3,503,618	3,503,618	0%
Total Expenditures	11,045,708	10,865,256	11,784,023	38,595,541	38,595,541	0%
Net Income (Loss)	\$ (2,840,300)	\$ (2,247,840)	\$ (3,074,778)	(4,297,776)	(4,297,776)	
Ending Working Capital and Reserves				\$ 13,786,007	\$ 13,809,264	

¹ The Beginning Working Capital balance excludes \$3,285,220 of Impact Fee Reserves, \$1,000,000 for Drainage Reserves, and \$135,000 for Development Plan Line Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

³ Includes one-time transfer of \$4,300,000 to Capital Projects using dollars related to the refunding of the Utility Revenue Bonds in FY 2016 and the release of the related reserve funds.

City of Denton
Drainage Operations
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
REVENUES:						
Residential Drainage Fees	\$ 425,230	\$ 421,006	\$ 435,569	\$ 1,703,396	\$ 1,703,396	0%
Nonresidential Drainage Fees	704,600	731,961	697,068	2,897,805	2,897,805	0%
Wastewater Resources	-	4,560	-	18,240	18,240	0%
General Fund Transfer	125,139	125,334	125,334	501,336	501,336	0%
Total Revenues	1,254,969	1,282,861	1,257,971	5,120,777	5,120,777	0%
EXPENDITURES:						
Personal Service	338,027	385,681	362,366	1,863,953	1,863,953	0%
Materials and Supplies	4,702	19,998	8,620	86,946	86,946	0%
Maintenance and Repairs	15,060	36,281	20,820	148,267	148,267	0%
Insurance	6,020	4,957	4,957	19,827	19,827	0%
Miscellaneous	1,828	6,176	2,041	16,000	16,000	0%
Operations, Services	81,601	98,722	67,193	581,854	581,854	0%
Capital Outlay	59,647	219,882	279,413	1,133,594	1,133,594	0%
Debt Service	593,898	353,763	353,763	640,740	640,740	0%
Transfer Out	154,186	157,401	158,798	629,596	629,596	0%
Total Expenditures	1,254,969	1,282,861	1,257,971	5,120,777	5,120,777	0%
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	

City of Denton
Solid Waste Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 6,044,618	\$ 7,757,121	
REVENUES:						
Garbage Fees - Residential	\$ 2,599,241	\$ 2,732,292	\$ 2,749,311	11,121,950	11,121,950	0%
Garbage Fees - Commercial	3,393,391	3,687,815	3,604,045	15,436,305	15,436,305	0%
Landfill Fees	1,181,103	1,652,281	1,480,287	6,695,086	6,695,086	0%
Materials Processing and Mining	18,086	242,285	24,943	968,364	968,364	0%
Recycling and Public Outreach	208,041	212,963	217,534	851,165	851,165	0%
Site Operations	41,619	61,804	71,508	247,025	247,025	0%
Other Revenue	57,524	381,801	40,311	1,525,980	1,525,980	0%
Investment Income	3,593	1,125	6,201	4,500	4,500	0%
Total Revenues	7,502,598	8,972,366	8,194,140	36,850,375	36,850,375	0%
EXPENDITURES:						
Personal Service	2,022,289	2,809,737	2,638,774	11,397,800	11,397,800	0%
Materials and Supplies	162,497	135,714	68,080	577,277	577,277	0%
Maintenance and Repairs	100,529	261,199	78,859	615,715	615,715	0%
Insurance	48,561	56,171	56,126	224,503	224,503	0%
Miscellaneous	33,601	42,732	32,255	81,750	81,750	0%
Operations, Services	1,132,029	2,097,821	1,380,880	7,835,921	7,835,921	0%
Capital Outlay	1,106,500	792,510	1,531,192	3,167,500	3,167,500	0%
Debt Service	3,966,861	4,298,854	4,298,854	8,141,851	8,141,851	0%
Franchise Fee	372,566	452,506	405,617	1,808,587	1,808,587	0%
Landfill Closure	92,100	66,438	66,438	265,541	265,541	0%
Transfer Out	600,401	675,051	620,081	2,698,020	2,698,020	0%
Total Expenditures	9,637,934	11,688,733	11,177,156	36,814,465	36,814,465	0%
Net Income (Loss)	\$ (2,135,336)	\$ (2,716,367)	\$ (2,983,016)	35,910	35,910	
Ending Working Capital and Reserves				\$ 6,080,528	\$ 7,793,031	

¹ The Beginning Working Capital Reserve excludes \$7,378,027 Landfill Closure/Post Closure Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

City of Denton
Airport Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16				\$ 2,449,840	\$ 2,482,155	
OPERATING REVENUES:						
Airport Ground Leases	\$ 119,662	\$ 176,142	\$ 131,021	704,000	704,000	0%
FBO Commissions	34,148	60,048	34,286	240,000	240,000	0%
Miscellaneous	10,815	13,761	13,884	55,000	55,000	0%
Total Operating Revenues	164,625	249,951	179,191	999,000	999,000	0%
OPERATING EXPENDITURES:						
Personal Service	133,264	167,259	162,272	668,509	668,509	0%
Materials and Supplies	477	11,690	4,038	46,725	46,725	0%
Maintenance and Repairs	24,508	20,663	18,941	82,593	82,593	0%
Insurance	5,589	5,405	5,401	21,604	21,604	0%
Miscellaneous	246	300	210	1,200	1,200	0%
Operations	34,255	63,953	30,686	255,621	255,621	0%
Transfers Out - Operating	113,779	118,376	117,556	473,114	473,114	0%
Franchise Fee	8,231	-	-	-	-	0%
Total Operating Expenses	320,349	387,646	339,104	1,549,366	1,549,366	0%
Operating (Loss)	(155,724)	(137,695)	(159,913)	(550,366)	(550,366)	
NON-OPERATING REVENUES:						
Investment Income	6,227	6,255	8,320	25,000	25,000	0%
Gas Well Royalties	86,254	112,590	55,057	450,000	450,000	0%
Total Non-Operating Revenues	92,481	118,845	63,377	475,000	475,000	0%
NON-OPERATING EXPENDITURES:						
Debt Service	231,744	-	-	-	-	0%
Transfers Out - Capital	600,000	-	-	-	-	0%
Total Non-Operating Expenses	831,744	-	-	-	-	0%
Non-Operating Income (Loss)	(739,263)	118,845	63,377	475,000	475,000	
Net Income (Loss)	\$ (894,987)	\$ (18,850)	\$ (96,536)	(75,366)	(75,366)	
Ending Working Capital				\$ 2,374,474	\$ 2,406,789	

¹ Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2016-17 budget process.

City of Denton
Street Improvement Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended December 31, 2016

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Fund Balance						
as of 9/30/2016				\$ 1,521,965	\$ 1,798,625	
RESOURCES:						
Franchise Fees	\$ 1,766,669	\$ 2,904,426	\$ 2,017,003	11,608,420	11,608,420	0%
Street Cuts	24,898	87,570	65,218	350,000	350,000	0%
Investment Income	2,657	2,502	4,723	10,000	10,000	0%
Transfers In	220,150	249,540	241,069	997,363	997,363	0%
Total Resources	2,014,374	3,244,038	2,328,054	12,965,783	12,965,783	0%
EXPENDITURES:						
Personal Service	521,133	960,438	732,189	3,838,690	3,838,690	0%
Materials and Supplies	17,240	20,557	27,888	82,150	82,150	0%
Maintenance and Repairs	200,988	2,034,898	838,740	7,953,085	7,953,085	0%
Insurance	12,604	10,765	10,756	43,022	43,022	0%
Miscellaneous	3,070	1,251	3,609	5,000	5,000	0%
Operations, Services	183,461	158,953	202,898	635,307	635,307	0%
Transfer Out	367,734	145,998	450,505	763,529	763,529	0%
Total Expenditures	1,306,230	3,332,860	2,266,585	13,320,783	13,320,783	0%
Net Income (Loss)	\$ 708,144	\$ (88,822)	\$ 61,469	(355,000)	(355,000)	
Ending Fund Balance				\$ 1,166,965	\$ 1,443,625	

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2016-17 budget process.

City of Denton

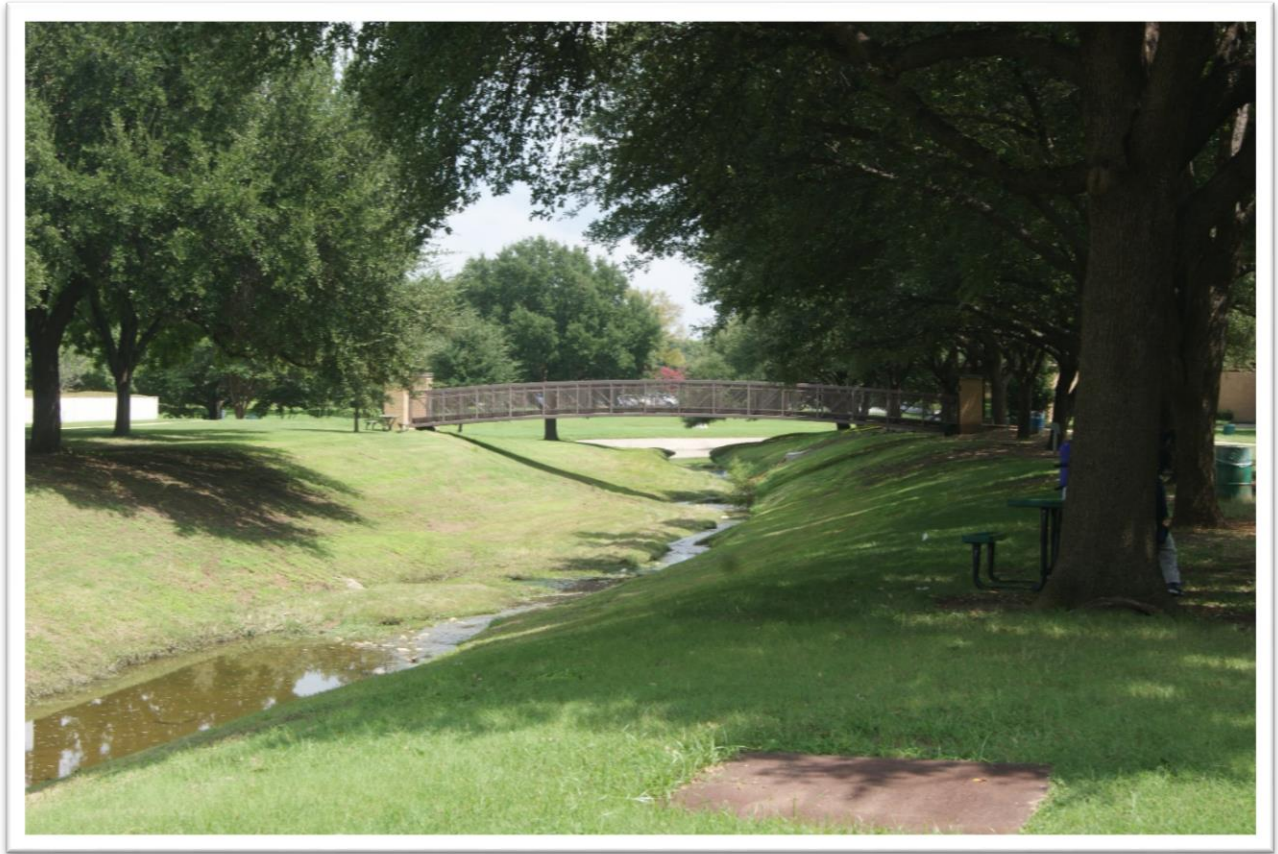
Grants

Schedule of Expenses - Budget vs Projection (Unaudited)

For the Period Ended December 31, 2016

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2016 ¹	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
FY 2016-17 Budget					
US Dept of HUD - Community Development Block Grant(CDBG)	\$ 2,124,054	\$ 101,004	\$ 1,284,350	\$ 600,000	-53%
US Dept of HUD - HOME Investment Partnership Program	2,485,405	169,706	857,710	500,000	-42%
Community Development	4,609,459	270,710	2,142,060	1,100,000	-49%
TxDot STEP Comprehensive Grant	-	12,785	74,560	74,560	0%
2015 Byrne JAG Grant	-	-	25,000	25,000	0%
2015 UASI	-	-	83,000	83,000	0%
2016 UASI	-	-	130,000	130,000	0%
Emergency Management Performance Grant	-	-	46,825	46,825	0%
2015 Tobacco Enforcement Grant	-	1,875	12,000	12,000	0%
Public Safety	-	14,660	371,385	371,385	0%
Summer Food Grant	-	-	200,000	200,000	0%
TxDot NW Trail Extension Grant	-	-	1,314,781	1,314,781	0%
Parks and Recreations	-	-	1,514,781	1,514,781	0%
Airport Maintenance (RAMP) Grant	-	-	50,000	50,000	0%
Airport West Side Runway Grant	-	769,618	5,950,000	5,950,000	0%
Airport	-	769,618	6,000,000	6,000,000	0%
Texas Emission Reduction Plan Rebate Grant	-	112,667	112,667	112,667	0%
CNG Fueling Station	-	610,380	600,000	600,000	0%
NCTCOG High Speed Grinder	-	-	50,000	50,000	0%
NCTCOG Low Speed Grinder	-	-	150,000	150,000	0%
NCTCOG 2016 Chevrolet Transvers #2	-	-	33,000	33,000	0%
Solid Waste	-	723,047	945,667	945,667	0%
TxDot US 380 Projects	-	1,847	155,844	155,844	0%
Transportation	-	1,847	155,844	155,844	0%
Interlibrary Loan Program (ILL)	-	-	25,000	25,000	0%
Other	-	-	25,000	25,000	0%
Total FY 2016-17 Budget	4,609,459	1,779,882	11,154,737	10,112,677	-9%
New Awards					
Airport West Side Runway Grant	-	-	3,891,559	3,891,559	0%
Airport	-	-	3,891,559	3,891,559	0%
NCTCOG Regional HHW Drop-Off Facility Project	-	6,228	195,000	195,000	0%
Solid Waste	-	6,228	195,000	195,000	0%
Farmers Market Grant	57,831	8,189	8,189	8,189	0%
Other	57,831	8,189	8,189	8,189	0%
Total New Awards	57,831	14,418	4,094,748	4,094,748	0%
TOTALS	\$ 4,667,290	\$ 1,794,300	\$ 15,249,485	\$ 14,207,425	-7%

¹ A portion of the grants presented cover multiple years.



Footbridge through Quakertown Park

Section 3

City of Denton
Quarterly Financial Report
December 2016

REVENUE & ECONOMIC ANALYSIS

Revenue & Economic Analysis Summary

The data included in this section provides information on local, state and national trends impacting the City's financial position.

The following notes are provided to facilitate this section's readability.

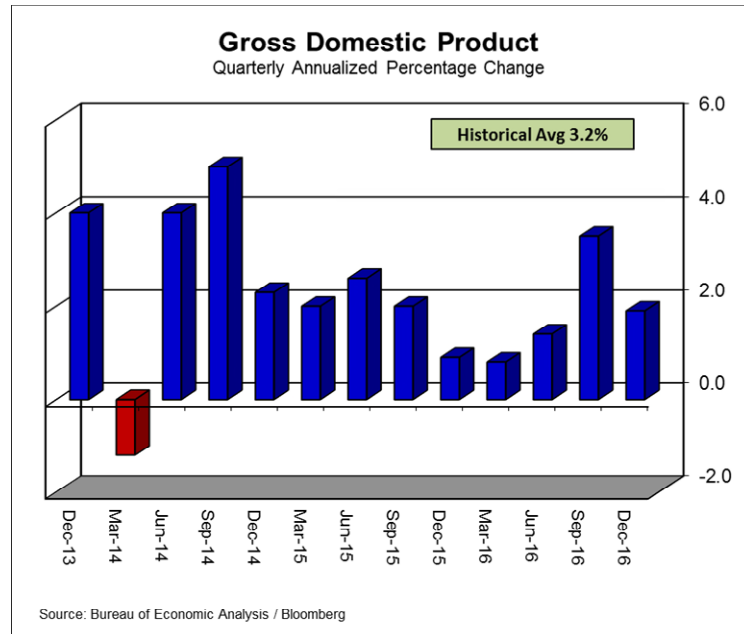
1. Positive Outlook – Represents favorable conditions for the local economy. Color code – Green.
2. Cautious Outlook – Represents changing conditions that require close monitoring. Color code – Yellow.
3. Negative Outlook – Represents unfavorable conditions for the local economy. Color code – Red.

The data included in this section have been obtained from a variety of sources. Sales tax and construction related data have been obtained from internal city departments. Economic data for the State have been obtained from the Federal Reserve Bank of Dallas and may be subject to availability. National economic data were compiled with assistance from the City's investment advisor, First Southwest Asset Management.

National Economic Trends

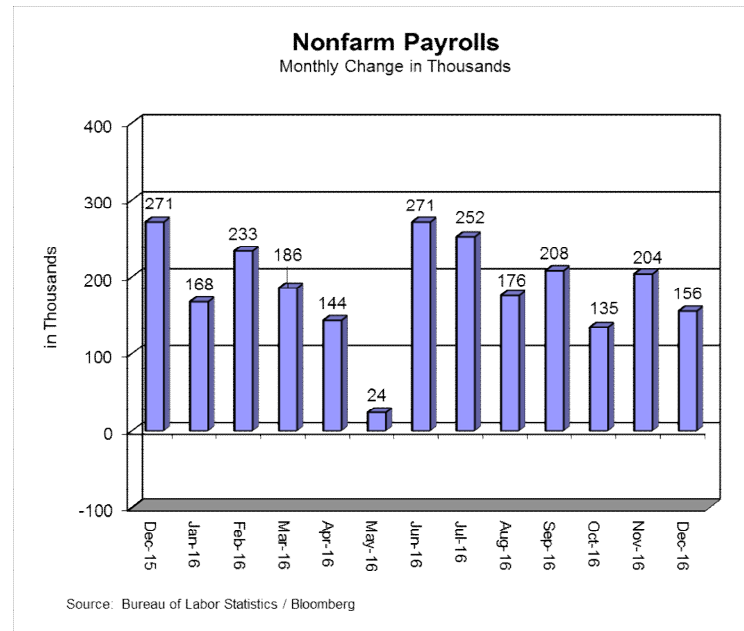
Period ending December 31, 2016

Gross Domestic Product (GDP)



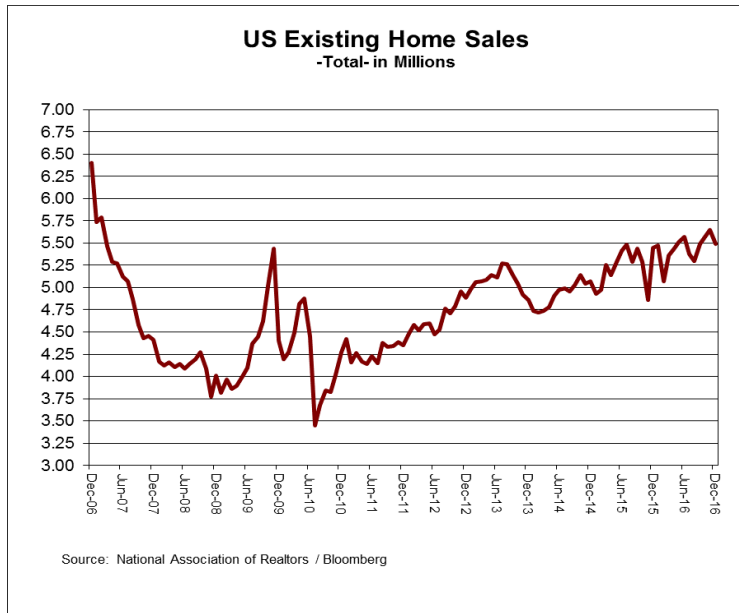
The initial calculation of fourth quarter GDP came in at a +1.9% annualized rate of growth, less than the +2.2% median forecast and well below the +3.5% (revised) pace of the previous quarter. The primary drag was the trade deficit as net exports subtracted 1.7 percentage points from the headline, the most since 2010. This very simply reflects the fact that American consumers bought significantly more imported goods than foreign buyers bought U.S. exports. Inventory accumulation added one full percentage point to overall growth. If exports and inventories (both very volatile) are stripped from the equation, “final sales to domestic producers” grew +2.5%, the fastest in five quarters. For all of 2016, GDP grew by +1.6%, the weakest since 2011 and slightly below the average annual pace of the lackluster seven+ year recovery cycle.

Nonfarm Payrolls



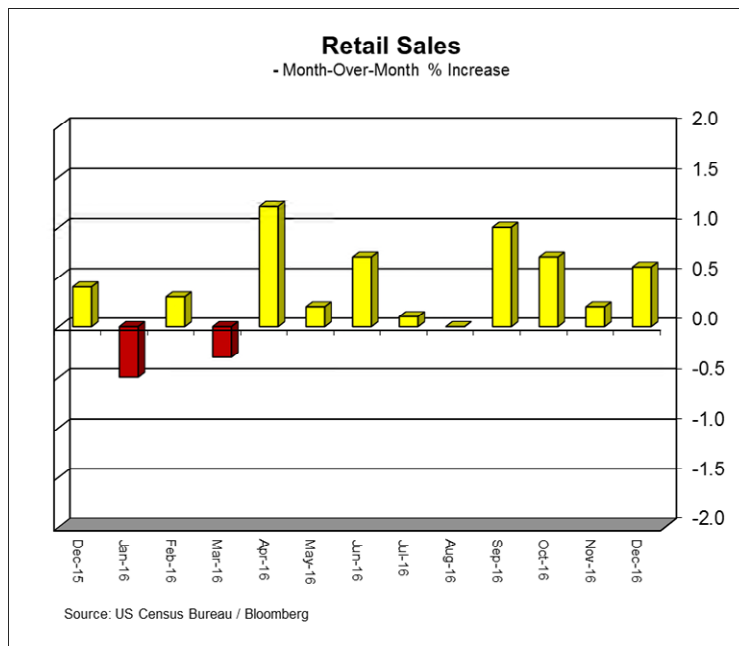
The headline of the December report appeared weaker than expected, but the underlying data suggested a tighter labor market. Nonfarm payrolls rose by +156k, falling short of the +175k median forecast, but made up the difference with +19k in upward revisions to the previous two months. The official unemployment rate edged up from a 9½-year low of 4.6% to 4.7% as the labor market participation rate increased. The participation rate climbed by 1/10th to 62.7% (still very close to a four decade low) as +184k newly encouraged Americans rejoined the labor force. For all of 2016, payrolls increased by an average of +180k per month, down from +229k and +251k in 2015 and 2014. The 6th consecutive year of 2 million+ job creation is the best since 1999, although the quality of those jobs removes some of the luster.

Housing



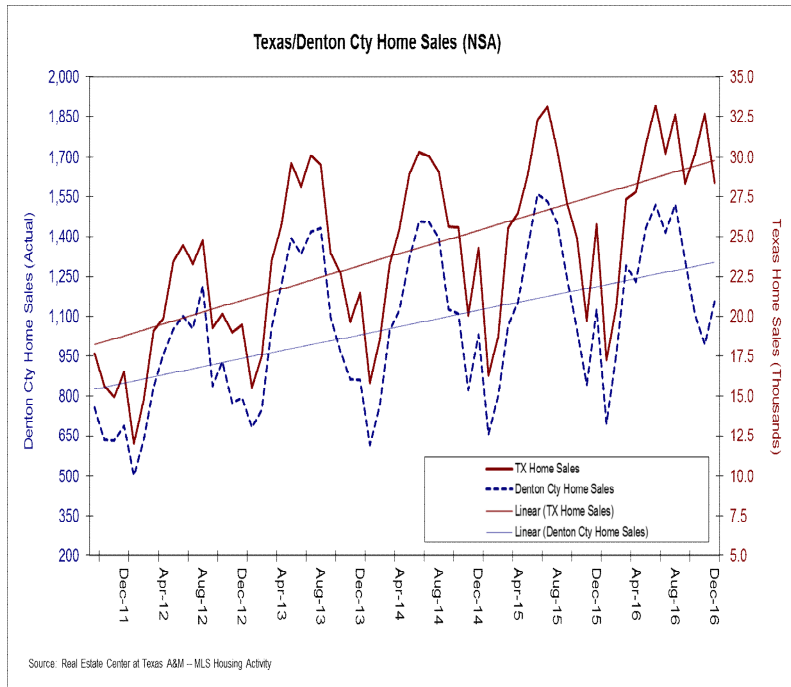
The monthly housing data reflected the negative impact of higher lending rates as both new and existing sales slipped in December. Existing home sales fell -2.8% in December to a 5.49 million annualized rate, while November sales were revised slightly upward to a 5.65 million pace. The available supply fell to a 12-year low of 3.6 months, well below what is typically considered a tight housing market. The total number of existing homes listed for sale fell -10.6% to 1.65 million, a record low going back to 1999. For all of 2016, 5.44 million existing homes were sold, the best in a decade. December *new* home sales fell -10.4% to a 536k annualized rate. Although the drop was the largest in nearly two years, the year as a whole was very good. Total new home sales in 2016 were 563k, the highest since 2007.

Retail Sales



Retail sales rose significantly in December as U.S. consumers spent large amounts on autos, gasoline and online purchases. The +0.6% December headline advance followed +0.2% and +0.7% revised increases in the prior two months. For all of 2016, retail sales rose +3.3%, a nice increase over the +2.3% gain in 2015. Vehicle sales rose +2.4% in December, thanks to generous (and profit-draining) discounts and rebates. Auto sales were up +7.4% in 2016 and reached a historical high for the second straight year. Unfortunately, the underlying numbers weren't quite as strong. If auto sales are excluded, there was *no change* from November, and the retail sales "control group," which excludes autos, gas and building materials and is used to calculate GDP, rose by just +0.2%.

Texas Home Sales

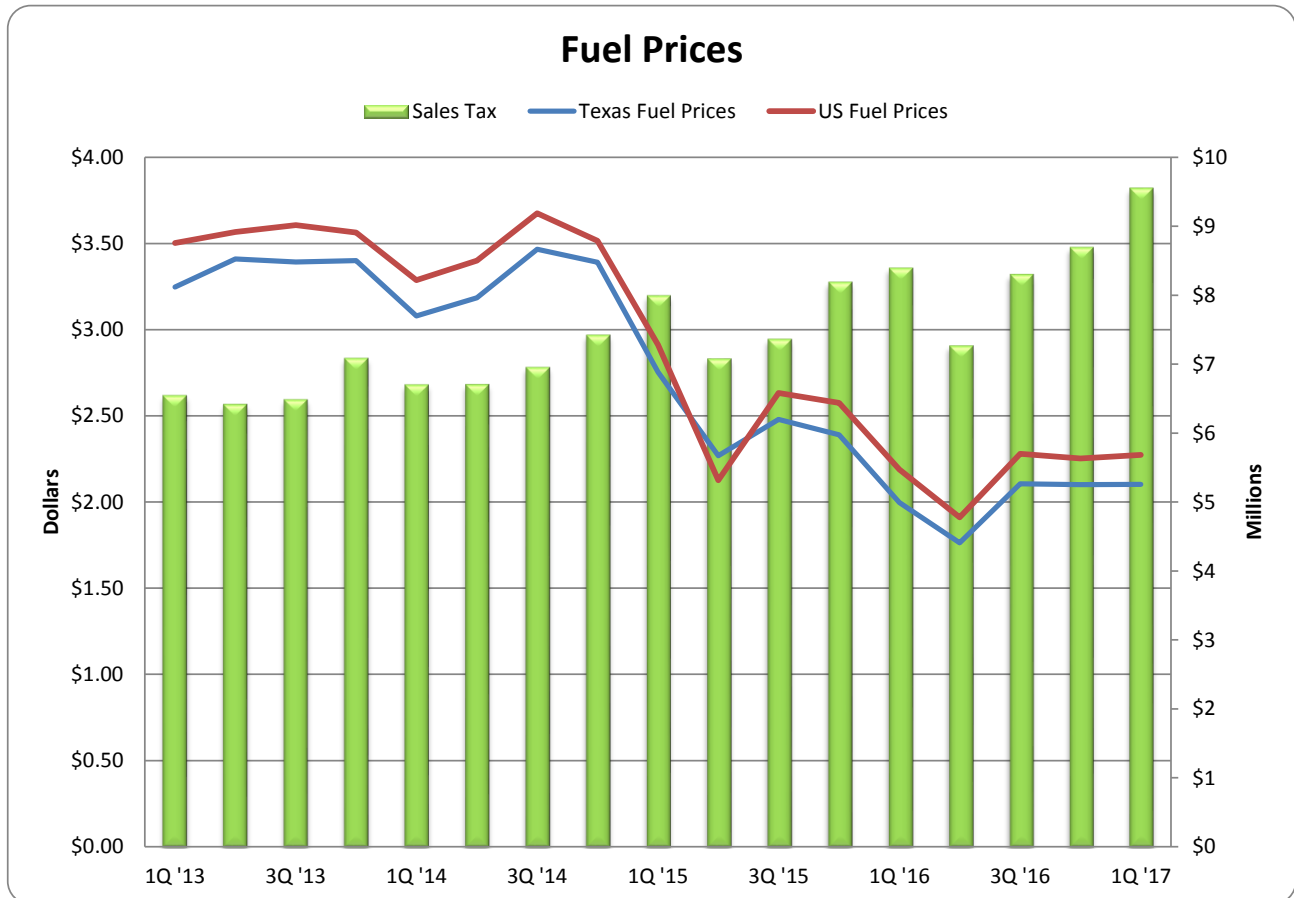


Texas home sales in the fourth quarter were unusually strong as weather conditions were unseasonably favorable. Total home sold in Q4 were actually slightly *higher* than in Q3 (usually there's a significant slowdown). On a year-over-year basis, sales were up +29.5%. The average home price for the quarter in Texas increased by +6.8% YOY to \$264,780, while the average price in December set a new record at \$269,500. Available supply at year end equaled a historical low at 3.3 months. In Denton County during the fourth quarter, unit home sales rose +6.8% over the same period a year ago. The *average* sales price in Q4 was \$320,600, up nearly 7% YOY, but below the record high of \$336,099 from June 2016. Total listings in December were 2,128, equaling a record low 1.7 month supply.

The paper was prepared by FirstSouthwest Asset Management, is intended for educational and informational purposes only and does not constitute legal or investment advice, nor is it an offer or a solicitation of an offer to buy or sell any investment or other specific product. Information provided in this paper was obtained from sources that are believed to be reliable; however, it is not guaranteed to be correct, complete, or current, and is not intended to imply or establish standards of care applicable to any attorney or advisor in any particular circumstances. The statements within constitute the views of FirstSouthwest Asset Management as of the date of the report and may differ from the views of other divisions/departments of Hilltop Securities. In addition, the views are subject to change without notice. This paper represents historical information only and is not an indication of future performance.

Description: Quarterly fuel trends for the United States and Texas.

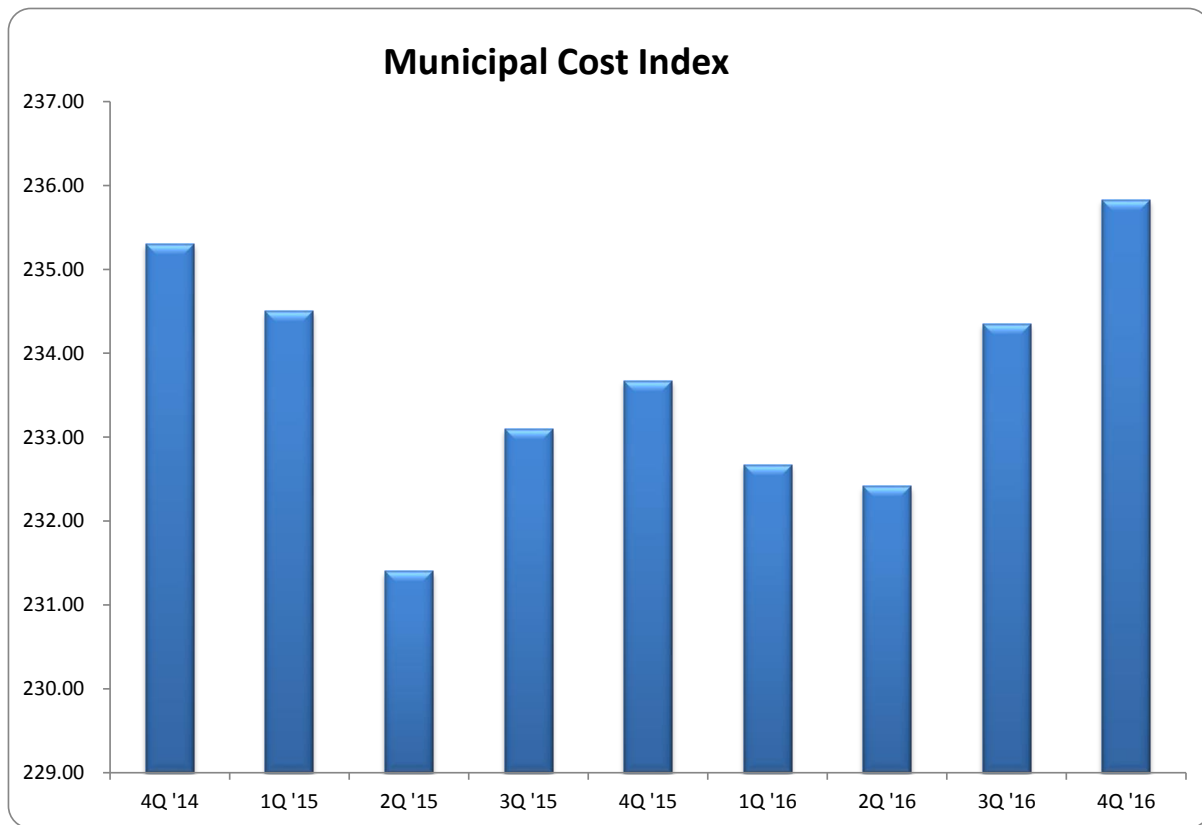
Analysis: Fuel prices are a major commodity source in the economy. Studies have shown a positive effect on disposable income levels when fuel prices decrease. It is estimated that for every penny decrease in the price of fuel, \$1.3 billion is available to the consumer for disposable income. Therefore, the price of fuel is likely to be a key predictor of sales tax collections. Fuel prices showed a 0.9% increase from the prior quarter at the national level and a 0.1% increase at the state level. Staff has rated this outlook as Positive.



Source: U.S. Department of Energy

Description: The Municipal Cost Index was developed to show the rate of inflation for the cost of goods purchased frequently by local governments. The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture for the municipal budget officer or operating department manager. Costs of labor, materials and contract services are all factored into the composite MCI. Major indicators of these items used for the MCI include the Consumer Price Index, the Wholesale Price Index for Industrial Commodities (now known as the Producer Price Index) and the construction cost indexes published by the U.S. Department of Commerce, respectively.

Analysis: The Municipal Cost Index (MCI) pulls a variety of prices for frequently purchased commodities for local governments. The cost for labor, materials and contract services are factored for the MCI. An increase in MCI means the overall price mix for these types of commodities will cost local governments more to do routine business. The 1st fiscal quarter of 2017 shows an increase of 1.5% over the prior quarter and an increase of 4.7% over the 1st fiscal quarter of 2016. Staff has rated this indicator as Cautious.



Source: American City and County Magazine

Note: The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services. State and local government officials rely on American City & County's Municipal Cost Index to stay on top of price trends, help control price increases for commodities, make informed government contract decisions and intelligent budget planning. Since 1978, readers have loyally referred to the Municipal Cost Index to determine the cost of inflation and, hence, the rising cost of doing business as a local government.

Hotel Occupancy Tax Analysis

Outlook

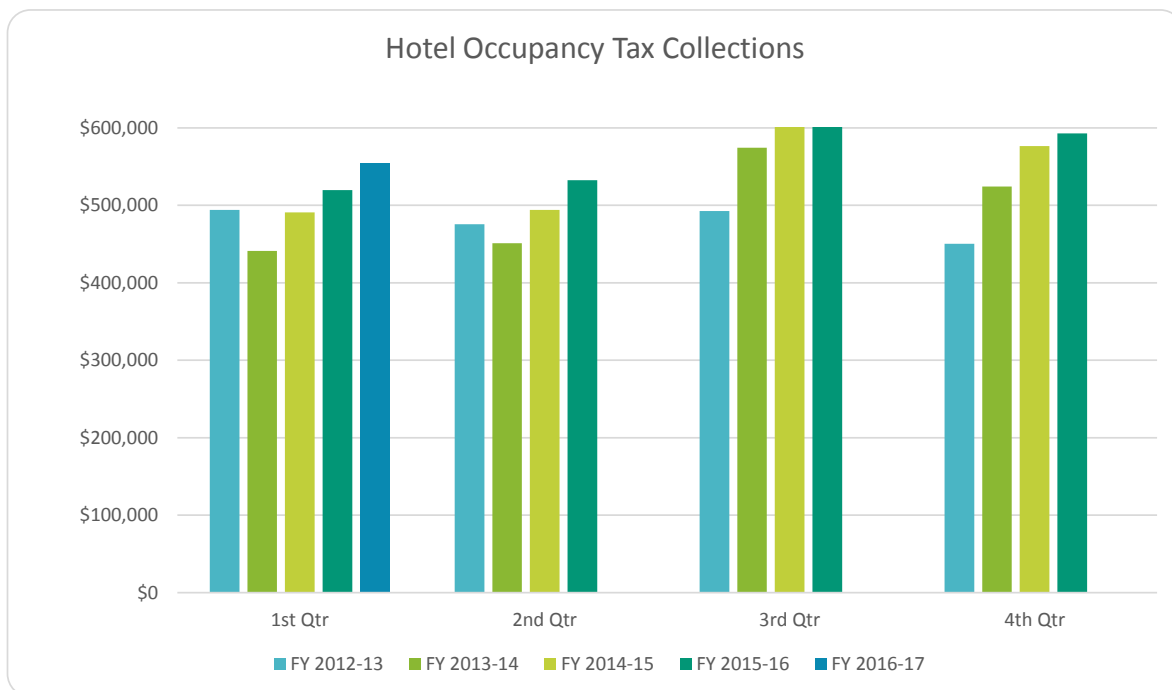
Positive

Description: Tax imposed on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use of a room that is in a hotel. A hotel includes: any building in which the public may obtain sleeping accommodations; motels; a tourist home, house or court; lodginghouse; inn; roominghouse; or bed and breakfast. The tax rate levied by the City is 7% of the price paid for a room. The State also levies a tax equal to 6%.

Analysis: While the use of this revenue source is restricted by state law, it is an essential revenue source for various tourist related activities within the community and an important indicator of local economic activity. Hotel Occupancy tax revenue through the 1st Quarter of FY 2017 was both 3.7% more than budget and 6.7% more than prior year's actual. Staff has rated the outlook for this economic indicator as Positive.

	1st Quarter Actual	FY 2016-17 Y-T-D
Occupancy Tax Revenue:	\$ 554,572	\$ 554,572
FY 2016-17 Budget	\$ 534,623	\$ 534,623
Over (Under) Budget	\$ 19,949	\$ 19,949

FISCAL YEAR FORECAST	
Hotel Occupancy Tax Budget:	\$ 2,324,214
End of Year Projection:	\$ 2,324,214
Variance:	\$ -

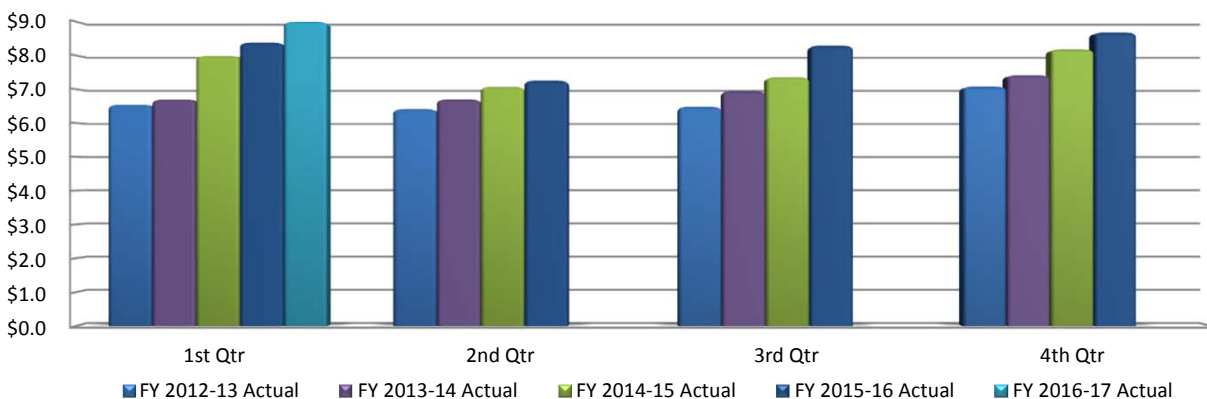


Description: Tax imposed on all retail sales, leases, and rentals of most goods, as well as taxable services. The total tax rate levied within the City is 8.25% (State, 6.25%; City, 1.5%; DCTA, 0.5%).

Analysis: As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. Sales tax revenues through the 1st quarter of FY 2017 compared to revenues from the prior year 1st quarter shows a 13.81% increase, and compared to the budget it is 16.34% above. Staff has rated this indicator as Positive.

	1st Quarter Actual	FY 2016-17 Y-T-D
Revenue: Gross Sales Tax		
Municipal Operations	\$ 445,173	\$ 445,173
General Retail & Others	9,466,025	9,466,025
Comptroller Fees	(185,961)	(185,961)
Amount Retained	(182,242)	(182,242)
Total Revenue	\$ 9,542,995	\$9,542,995
Expenses: Economic Incentives		
Denton Crossing ¹	\$ 144,963	\$ 144,963
Unicorn Lake ²	19,273	19,273
Rayzor Ranch ³	323,754	323,754
Golden Triangle ⁴	45,963	45,963
Total Expenses	\$ 533,953	\$ 533,953
Net Total	9,009,042	9,009,042
FY 2016-17 Budget	7,743,568	7,743,568
Over(Under) Budget	\$ 1,265,474	\$ 1,265,474
Sales Tax Budget:		\$ 32,835,370
Year End Projection:		34,335,370
Variance to Original Budget:		\$ 1,500,000
Economic Development Expenditure Budget:		\$ 2,131,197
Year End Projection:		2,131,197
Variance to Original Budget:		\$ -

Gross Sales Tax Collections (Millions)



1. Incentive is 50% of general sales taxes. For the 1st quarter sales tax equaled \$289,926.

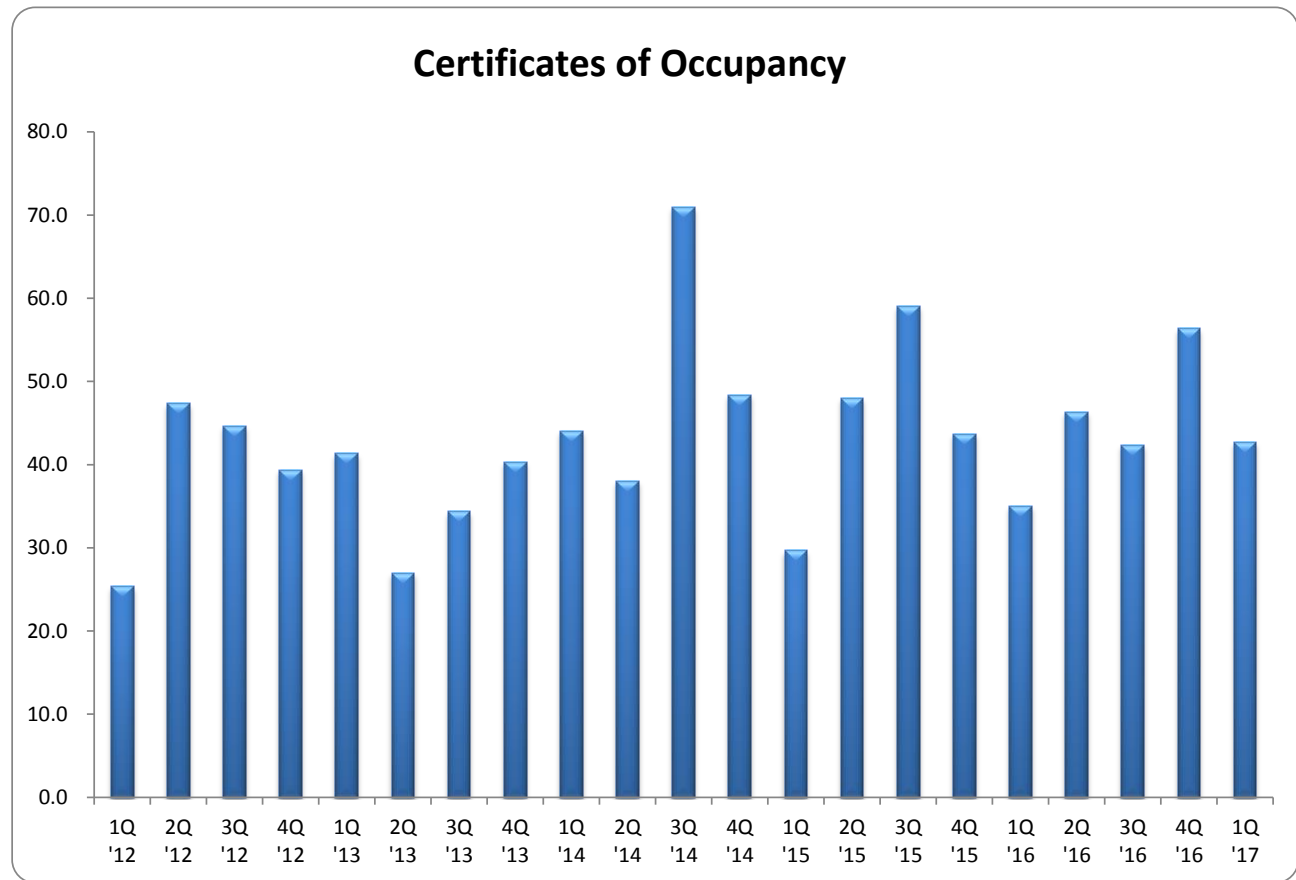
2. Incentive is 50% of general sales taxes. For the 1st quarter sales tax equaled \$38,546.

3. Incentive is 75% of general sales taxes. For the 1st quarter sales tax equaled \$431,672

4. Incentive is 75% of general sales taxes. For the 1st quarter sales tax equaled \$61,284.

Description: Certificates of Occupancy (CO) are permits issued in compliance with the 2009 International Building Code (IBC) and applicable City ordinances. The IBC states, "that no building shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made, until the building official has issued a certificate of occupancy." Certificates of Occupancy ensure that applicable building, fire and consumer health codes are met.

Analysis: Certificates of Occupancy are an economic indicator that provides a framework for the overall condition of the local economy. Certificates of Occupancy decreased 24.3% from the prior quarter and increased 21.9% from the 1st quarter of 2016. Staff has rated the outlook for this revenue indicator as Cautious.



Source: City of Denton's Development Services Department.

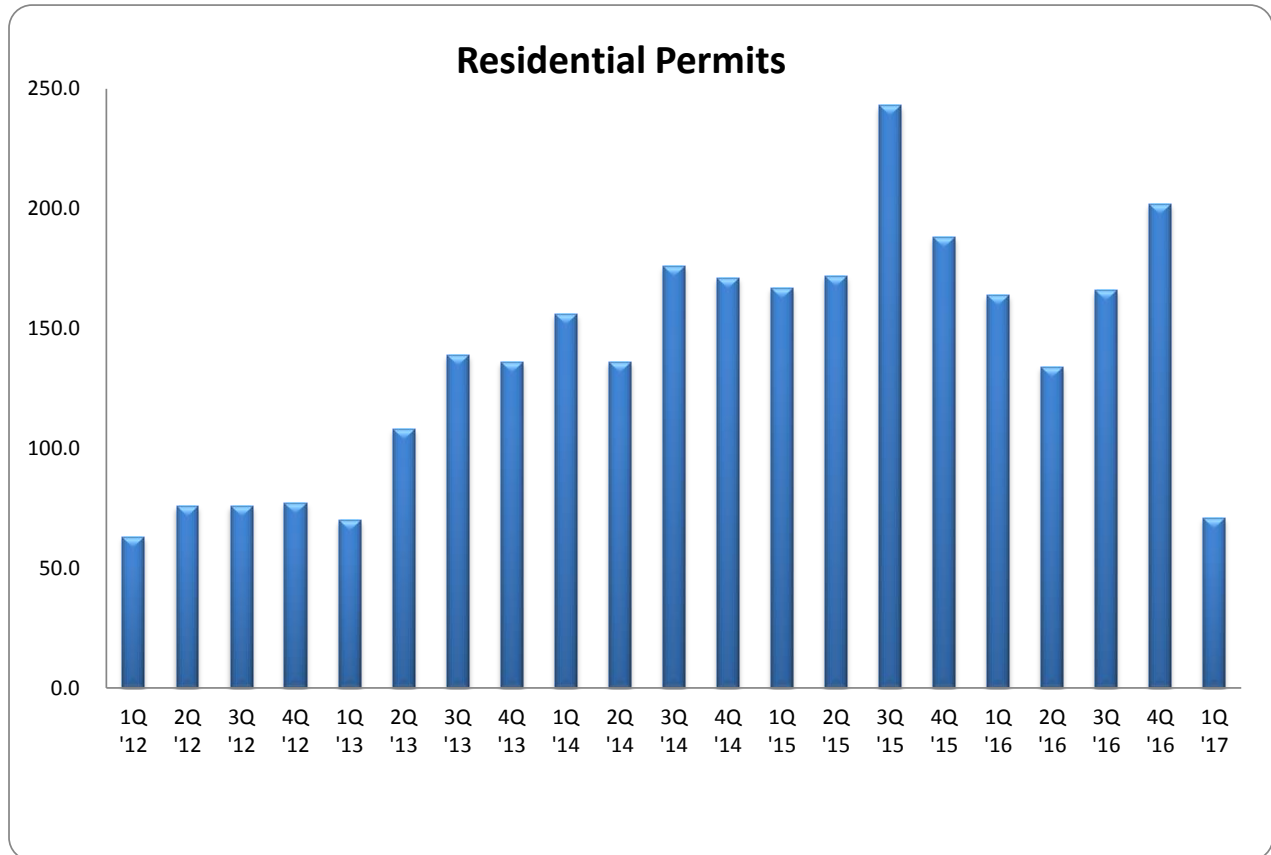
Residential Permits

Outlook

Negative

Description: Residential Permits are issued in compliance with the 2009 International Residential Code (IRC) and applicable City ordinances. The data presented in this analysis only include new permits issued and not remodels/alterations.

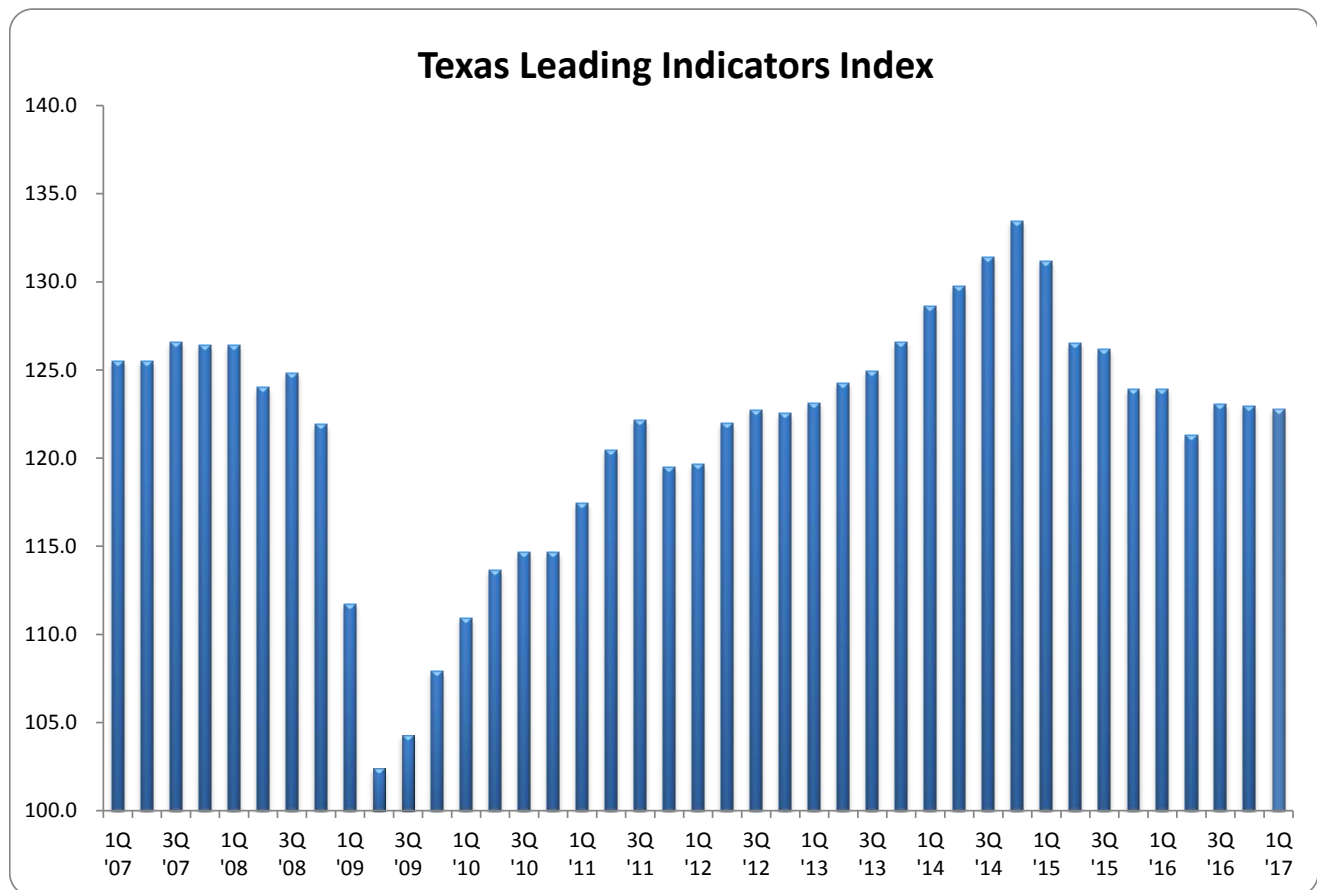
Analysis: Residential Permits are an economic indicator that provides a framework for the overall condition of the local economy. In particular, residential permits have a direct correlation with building inspection fees and appraised values. Residential permits decreased 64.9% from the prior quarter and decreased 56.7% from the 1st Quarter of 2016. Staff has rated the outlook for this revenue indicator as Negative.



Source: City of Denton's Development Services Department.

Description: The Texas Leading Indicators Index is a single weighted summary statistic that sheds light on the future of the state's economy. The index is designed to signal movements and changes in the state's rate of growth. The index includes the following leading indicators: Texas Value of the Dollar, U.S. Leading Index, Real Oil Prices, Well Permits, Initial Claims for Unemployment Insurance, Texas Stock Index, Help-Wanted Advertising, and Average Weekly Hours Worked in Manufacturing.

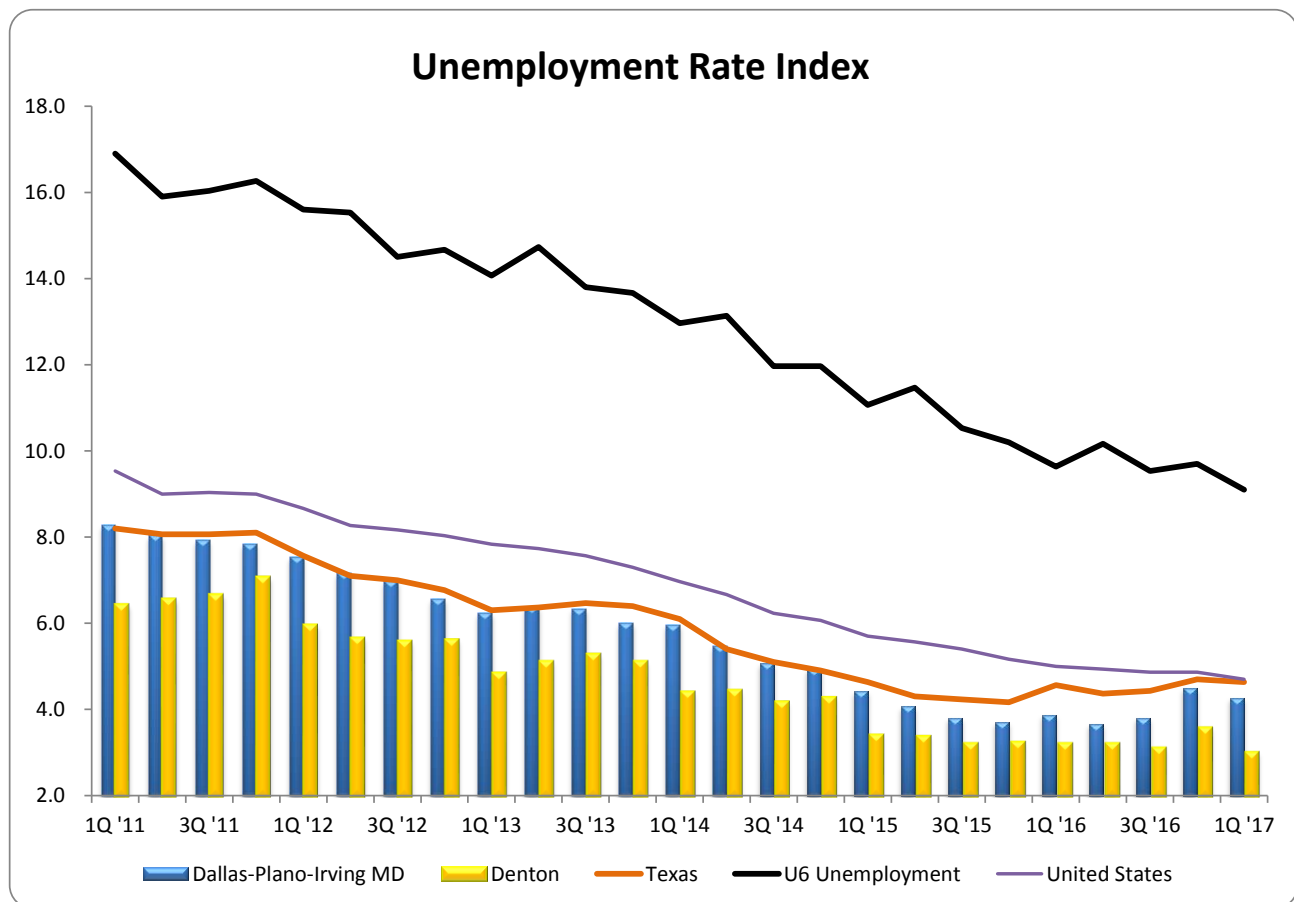
Analysis: Texas Leading Indicators provide a framework for the overall condition of the local economy. Data for this quarter shows a slow down in the state's rate of growth. The index decreased 0.12% from the prior quarter and decreased 0.88% from the 1st quarter of 2016. Staff has rated this indicator as Cautious



Source: Federal Reserve Bank of Dallas

Description: Unemployment is defined as the number or proportion of people looking for work at the prevailing wage who are unable to find employment.

Analysis: Unemployment is an economic indicator that provides a framework for the overall condition of the national, state and local economies. The unemployment rate for the City of Denton is at 3.03% for the 1st quarter. The unemployment rates for most of the other reported sectors were either down or flat from the prior quarter, except for the Texas and Dallas-Plano-Irving. As a result of the downward trend since the high of the 1st Quarter of 2011, staff has rated the outlook for this revenue indicator as Positive.



Source: Federal Reserve Bank of Dallas, U.S. Bureau of Labor Statistics, and Texas Workforce Commission

Note: U6 unemployment includes marginally attached workers who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not looking currently for a job. Persons employed part-time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule.



South Lakes Park

Section 4

City of Denton
Quarterly Financial Report
December 2016

INVESTMENT REPORT

CITY OF DENTON : QUARTERLY INVESTMENT REPORT



1st Fiscal Quarter 2017 - December 31, 2016

Page 1

INVESTMENT POOL

Portfolio:	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	Policy Max. WAM	YTM	Benchmark Yield*
Investment Pool	\$ 504,051,706	\$ 504,248,614	\$ 504,835,388	\$ (586,774)	299	550	0.95%	0.61%
*Twelve month moving average of a one year U.S. T-bill yield								
Securities By Investment Type:	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	YTM	% of Total Portfolio (Book Value)	Policy Max.
U.S. Treasuries	37,000,000	37,414,969	37,377,902	37,067	412	1.06%	7.41%	100.00%
U.S. Federal Agencies	189,000,000	188,792,133	189,296,161	(504,028)	378	0.86%	37.50%	100.00%
Municipal Bonds	35,060,000	35,156,817	35,284,805	(127,988)	450	1.00%	6.99%	15.00%
Certificates of Deposit	150,000,000	150,000,000	150,000,000	-	293	1.21%	29.71%	35.00%
Commercial Paper	40,000,000	39,892,989	39,884,814	8,175	98	1.06%	7.90%	15.00%
Local Government Investment Pools	49,800,000	49,800,000	49,800,000	-	1	0.48%	9.86%	50.00%
Demand Deposits	3,191,706	3,191,706	3,191,706	-	1	0.35%	0.63%	-
Total Portfolio	\$ 504,051,706	\$ 504,248,614	\$ 504,835,388	\$ (586,774)	299	0.95%	100.00%	-

¹Unrealized gain/(loss) is the difference between the market and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

Investment Pool Comparisons:	Current 12/31/2016	3 Months Ago 9/30/2016	3 Month Difference	1 Year Ago 12/31/2015	1 Year Ago Difference
Par Value	\$ 504,051,706	\$ 539,155,268	\$ (35,103,562)	\$ 495,293,673	\$ 8,758,033
Market Value	\$ 504,248,614	\$ 539,975,092	\$ (35,726,478)	\$ 495,831,271	\$ 8,417,343
Book Value	\$ 504,835,388	\$ 539,713,329	\$ (34,877,941)	\$ 496,248,495	\$ 8,586,893
Unrealized Gain/(Loss)	\$ (586,774)	\$ 261,763	\$ (848,537)	\$ (417,224)	\$ (169,550)
Weighted Average Maturity	299	339	(40)	333	(34)
Yield to Maturity	0.95%	0.90%	0.05%	0.72%	0.23%
Portfolio Composition:					
U.S. Treasuries	7.41%	5.36%	2.05%	5.85%	1.56%
U.S. Federal Agencies	37.50%	39.91%	-2.41%	45.45%	-7.95%
Municipal Bonds	6.99%	6.55%	0.44%	7.63%	-0.64%
Certificates of Deposit	29.71%	30.02%	-0.31%	26.40%	3.31%
Commercial Paper	7.90%	4.62%	3.28%	3.62%	4.28%
Local Government Investment Pools	9.86%	12.91%	-3.05%	0.00%	9.86%
Demand Deposits	0.63%	0.63%	0.00%	11.05%	-10.42%

Bank Collateral Review**:

Institution	Collateral Type	Market Value	Collected Balance	Pledge Required	Collateral Ratio
Wells Fargo Demand Deposits	BNY Mellon U.S. Agency MBS	\$ 35,903,894	\$ 2,901,486	≥ 102%	1237.43%
LegacyTexas Bank Certificates of Deposit***	Fed Home Loan Bank Standby LOC	\$ 64,675,000	\$ 62,639,020	≥ 100%	103.25%
Independent Bank Certificates of Deposit	Fed Home Loan Bank Standby LOC	\$ 34,500,000	\$ 33,464,045	≥ 100%	103.10%

**Does not include FDIC insurance

***Formerly, ViewPoint Bank

Depository Ledger Balance Review:

Institution	Account Type	Beginning Bal.	Deposits	Withdrawals	Ending Bal.
Wells Fargo Bank	Checking	\$ 3,414,143	\$ 88,789,328	\$ (89,011,765)	\$ 3,191,706

Compliance Statement & Review:

The Quarterly Investment Report is in full compliance with the objectives, restrictions, and strategies as set forth in the City of Denton's Investment Policy and the Public Funds Investment Act (Texas Government Code, Chapter 2256.023).

Reviewer: Antonio Puente, Jr., CGFO
Assistant Director of Finance

Preparer: Caroline Finley
Treasury Administrator

Reviewer: Chuck Springer, CGFO
Director of Finance

Reviewer: Bryan Langley, CGFO
Assistant City Manager & CFO

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

1st Fiscal Quarter 2017 - December 31, 2016

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INVESTMENT POOL

	Current 12/31/2016	3 Months Ago 9/30/2016	3 Month Difference	1 Year Ago 12/31/2015	1 Year Difference
Par Value - U.S. Treasuries	\$ 37,000,000	\$ 29,000,000	\$ 8,000,000	\$ 29,000,000	\$ 8,000,000
Par Value - U.S. Federal Agencies	189,000,000	215,000,000	(26,000,000)	225,000,000	(36,000,000)
Par Value - Municipal Bonds	35,060,000	35,060,000	-	37,470,000	(2,410,000)
Certificates of Deposit	150,000,000	162,000,000	(12,000,000)	131,000,000	19,000,000
Par Value - Commercial Paper	40,000,000	25,000,000	15,000,000	18,000,000	22,000,000
Local Government Investment Pools	49,800,000	69,700,000	(19,900,000)	-	49,800,000
Demand Deposits	3,191,706	3,395,268	(203,562)	54,823,673	(51,631,967)
Total Par Value	\$ 504,051,706	\$ 539,155,268	\$ (35,103,562)	\$ 495,293,673	\$ 8,758,033
Market Value - U.S. Treasuries	\$ 37,414,969	\$ 29,070,259	\$ 8,344,710	\$ 29,002,346	\$ 8,412,623
Market Value - U.S. Federal Agencies	188,792,133	215,494,931	(26,702,798)	225,148,570	(36,356,437)
Market Value - Municipal Bonds	35,156,817	35,382,959	(226,142)	37,875,944	(2,719,127)
Certificates of Deposit	150,000,000	162,000,000	(12,000,000)	131,000,000	19,000,000
Market Value - Commercial Paper	39,892,989	24,931,675	14,961,314	17,980,738	21,912,251
Local Government Investment Pools	49,800,000	69,700,000	(19,900,000)	-	49,800,000
Demand Deposits	3,191,706	3,395,268	(203,562)	54,823,673	(51,631,967)
Total Market Value	\$ 504,248,614	\$ 539,975,092	\$ (35,726,478)	\$ 495,831,271	\$ 8,417,343
Book Value - U.S. Treasuries	\$ 37,377,902	\$ 28,951,676	\$ 8,426,226	\$ 29,014,358	\$ 8,363,544
Book Value - U.S. Federal Agencies	189,296,161	215,376,940	(26,080,779)	225,552,381	(36,256,220)
Book Value - Municipal Bonds	35,284,805	35,375,374	(90,569)	37,880,337	(2,595,532)
Certificates of Deposit	150,000,000	162,000,000	(12,000,000)	131,000,000	19,000,000
Book Value - Commercial Paper	39,884,814	24,914,071	14,970,743	17,977,746	21,907,068
Local Government Investment Pools	49,800,000	69,700,000	(19,900,000)	-	49,800,000
Demand Deposits	3,191,706	3,395,268	(203,562)	54,823,673	(51,631,967)
Total Book Value	\$ 504,835,388	\$ 539,713,329	\$ (34,877,941)	\$ 496,248,495	\$ 8,586,893
Accrued Interest	\$ 3,028,997	\$ 2,505,147	\$ 523,850	\$ 1,991,821	\$ 1,037,176
Cash Value -	\$ 507,277,611	\$ 542,480,239	\$ (35,202,628)	\$ 497,823,092	\$ 9,454,519
(Total Market Value + Accrued Interest)					
Unrealized Gain/(Loss)	\$ (586,774)	\$ 261,763	\$ (848,537)	\$ (417,224)	\$ (169,550)
Change in Fair Value since 9/30/16 -	\$ (978,005)	\$ (1,257,756)	\$ 279,751	\$ (1,275,615)	\$ 297,610
(GASB 31)					

Strategy Statement:

The investment pool is an aggregation of the majority of City funds which may include tax receipts, enterprise fund revenues, fine and fee revenues, reserve funds for outstanding utility system revenue bonds, as well as some, but not necessarily all bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for the City's operations, capital projects and debt service. In order to meet these obligations and to minimize potential liquidation losses, the dollar-weighted stated average maturity of the investment pool shall not exceed 1.5 years or 550 days. The objectives of this portfolio are to: (1) ensure safety of principal by investing in only high quality securities for which a strong secondary market exists; (2) ensure that anticipated cash flow needs are matched with adequate investment liquidity; (3) limit market and credit risk through diversification; and (4) attain the best feasible yield commensurate with the objectives and restrictions set forth in the Investment Policy by actively managing the portfolio to meet or exceed the twelve month moving average yield of a one year U.S. Treasury bill as derived from the Federal Reserve Statistical Release H.15 for constant maturities.

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

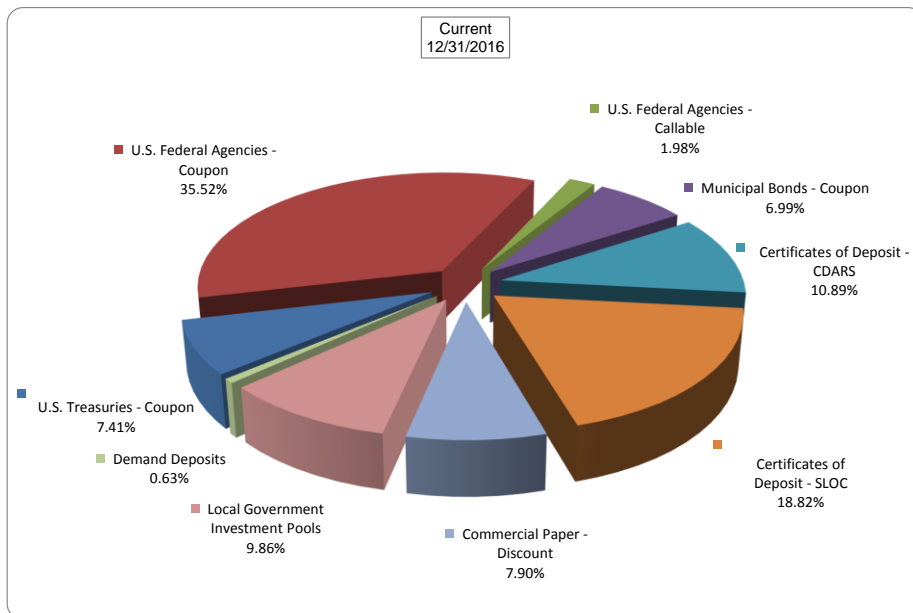
1st Fiscal Quarter 2017 - December 31, 2016

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INVESTMENT POOL

Summary By Security Type:

	Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
U.S. Treasuries - Coupon	\$ 37,377,902	\$ 28,951,676	\$ 29,014,358
U.S. Federal Agencies - Coupon	179,296,985	200,377,114	222,552,381
U.S. Federal Agencies - Callable	9,999,176	14,999,826	3,000,000
Municipal Bonds - Coupon	35,284,805	35,375,374	37,880,337
Certificates of Deposit - CDARS	55,000,000	58,000,000	55,000,000
Certificates of Deposit - Collateralized	-	9,000,000	28,000,000
Certificates of Deposit - SLOC	95,000,000	95,000,000	48,000,000
Commercial Paper - Discount	39,884,814	24,914,071	17,977,746
Local Government Investment Pools	49,800,000	69,700,000	-
Demand Deposits	3,191,706	3,395,268	54,823,673
Total Book Value	\$ 504,835,388	\$ 539,713,329	\$ 496,248,495



Objective:

The portfolio is restricted to U.S. Treasuries and agency securities (maturing in less than five years); state and locally issued Texas municipal bonds; rated AA or better (maturing in less than three years); insured, collateralized, or standby letter of credit backed certificates of deposit (maturing in less than three years); collateralized repurchase agreements (maturing in less than thirty days); commercial paper rated A-1/P-1 or better (maturing in less than 270 days); and local government pools & SEC registered money market mutual funds (weighted average maturity of less than 60 days).

Summary By Security Type:

	Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
U.S. Treasuries - Coupon	7.41%	5.36%	5.85%
U.S. Federal Agencies - Coupon	35.52%	37.13%	44.85%
U.S. Federal Agencies - Callable	1.98%	2.78%	0.61%
Municipal Bonds - Coupon	6.99%	6.55%	7.63%
Certificates of Deposit - CDARS	10.89%	10.75%	11.08%
Certificates of Deposit - Collateralized	0.00%	1.67%	5.64%
Certificates of Deposit - SLOC	18.82%	17.60%	9.67%
Commercial Paper - Discount	7.90%	4.62%	3.62%
Local Government Investment Pools	9.86%	12.91%	0.00%
Demand Deposits	0.63%	0.63%	11.05%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

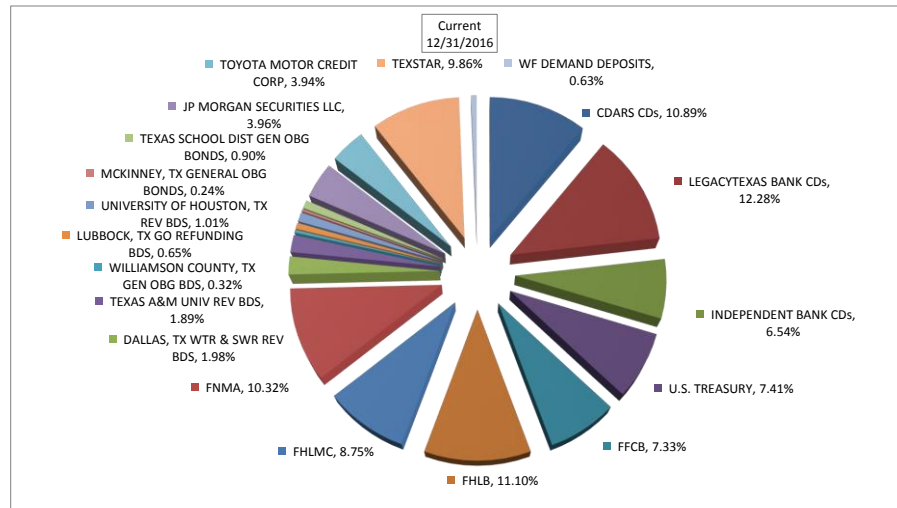
1st Fiscal Quarter 2017 - December 31, 2016

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INVESTMENT POOL

Summary By Issuer:

	Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
CDARS CDs	\$ 55,000,000	\$ 58,000,000	\$ 55,000,000
COMERICA BANK CDs	-	9,000,000	28,000,000
LEGACYTEXAS BANK CDs*	62,000,000	62,000,000	25,000,000
INDEPENDENT BANK CDs	33,000,000	33,000,000	23,000,000
U.S. TREASURY	37,377,902	28,951,676	29,014,358
FFCB	36,995,886	36,994,683	10,007,319
FHLB	56,026,810	73,036,503	83,014,280
FHLMC	44,186,681	53,248,546	62,450,826
FNMA	52,086,784	52,097,208	70,079,956
DALLAS, TX WTR & SWR REV BDS	10,000,000	10,000,000	-
TEXAS A&M UNIV REV BDS	9,509,793	9,514,690	5,029,380
WILLIAMSON COUNTY, TX GEN OBG BDS	1,616,402	1,629,498	1,668,785
GARLAND, TX GENERAL OBG BONDS	-	-	3,037,836
LUBBOCK, TX GO REFUNDING BDS	3,304,742	3,305,799	-
UNIVERSITY OF HOUSTON, TX REV BDS	5,121,818	5,148,956	-
MCKINNEY, TX GENERAL OBG BONDS	1,202,571	1,211,640	1,238,846
TEXAS SCHOOL DIST GEN OBG BONDS**	4,529,479	4,564,791	26,905,490
JP MORGAN SECURITIES LLC	19,970,583	24,914,071	17,977,746
TOYOTA MOTOR CREDIT CORP	19,914,231	-	-
TEXSTAR	49,800,000	69,700,000	-
WELLS FARGO DEMAND DEPOSITS	3,191,706	3,395,268	54,823,673
Total Book Value	\$ 504,835,388	\$ 539,713,329	\$ 496,248,495



Objective:

It is the policy of the City to diversify investment portfolio by restricting investments in a single issuer/institution to no more than 35 percent of the portfolio's total book value and to those offering repurchase agreements, collateralized CDs (including standby letters of credit), and local or state of Texas municipal securities to no greater than 15 percent. The purpose of this requirement is to limit market and credit risk. Commercial paper issuers are further restricted by a 5 percent total portfolio limitation. There are no issuer limitations on U.S. Treasuries or FDIC insured products except as they pertain to the overall 35% certificates of deposit restriction. Some investment types may be further restricted.

Summary By Issuer:

	Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
CDARS CDs	10.89%	10.75%	11.08%
COMERICA BANK CDs	0.00%	1.67%	5.64%
LEGACYTEXAS BANK CDs*	12.28%	11.49%	5.04%
INDEPENDENT BANK CDs	6.54%	6.11%	4.63%
U.S. TREASURY	7.41%	5.36%	5.85%
FFCB	7.33%	6.85%	2.02%
FHLB	11.10%	13.53%	16.73%
FHLMC	8.75%	9.87%	12.59%
FNMA	10.32%	9.65%	14.12%
DALLAS, TX WTR & SWR REV BDS	1.98%	1.85%	0.00%
TEXAS A&M UNIV REV BDS	1.89%	1.76%	1.01%
WILLIAMSON COUNTY, TX GEN OBG BDS	0.32%	0.30%	0.34%
GARLAND, TX GENERAL OBG BONDS	0.00%	0.00%	0.61%
LUBBOCK, TX GO REFUNDING BDS	0.65%	0.61%	0.00%
UNIVERSITY OF HOUSTON, TX REV BDS	1.01%	0.96%	0.00%
MCKINNEY, TX GENERAL OBG BONDS	0.24%	0.23%	0.25%
TEXAS SCHOOL DIST GEN OBG BONDS**	0.90%	0.85%	5.42%
JP MORGAN SECURITIES LLC	3.96%	4.62%	3.62%
TOYOTA MOTOR CREDIT CORP	3.94%	0.00%	0.00%
TEXSTAR	9.86%	12.91%	0.00%
WELLS FARGO DEMAND DEPOSITS	0.63%	0.63%	11.05%
Total	100.00%	100.00%	100.00%

Formerly, ViewPoint Bank

**Individual issuers are listed on the attached Portfolio Details Report

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

1st Fiscal Quarter 2017 - December 31, 2016

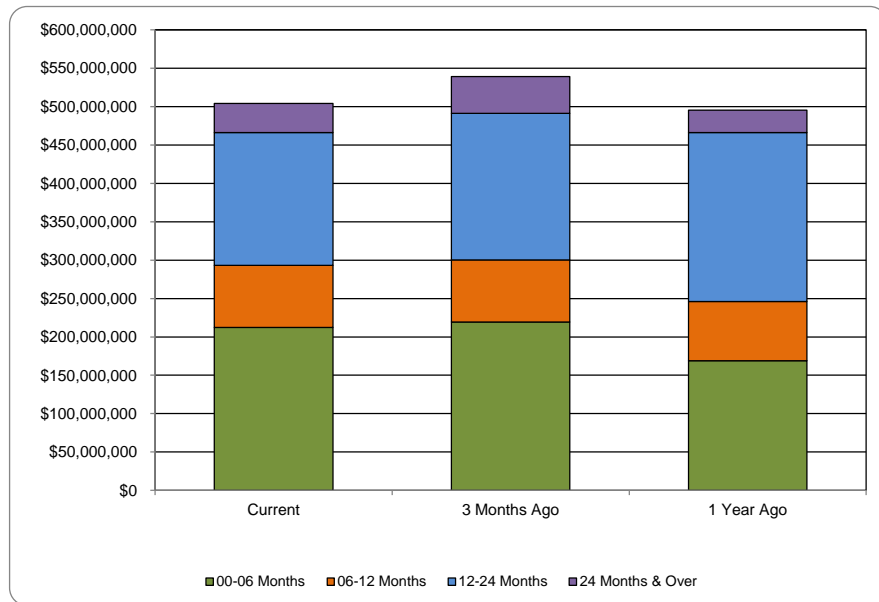
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INVESTMENT POOL

Maturity Time Frame:

00-03 Months
03-06 Months
06-12 Months
12-24 Months
24 Months & Over
Total Par Value

Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
\$ 149,191,706	\$ 123,095,268	\$ 125,033,673
63,000,000	96,200,000	44,000,000
81,060,000	81,060,000	77,000,000
172,800,000	190,800,000	220,260,000
38,000,000	48,000,000	29,000,000
\$ 504,051,706	\$ 539,155,268	\$ 495,293,673



Objective:

The risk of market price volatility is minimized through maturity diversification. Investment maturities are staggered to provide cash flow based on the anticipated needs of the City. Liquidity is achieved by matching investment maturities with forecasted cash disbursements and by investing in securities with active secondary markets. Short-term local government investment pools and money market mutual funds help to provide daily liquidity and may be utilized as a competitive alternative to fixed income investments.

Maturity Time Frame:

00-03 Months
03-06 Months
06-12 Months
12-24 Months
24 Months & Over
Total

Current 12/31/2016	3 Months Ago 9/30/2016	1 Year Ago 12/31/2015
29.60%	22.83%	25.24%
12.50%	17.84%	8.88%
16.08%	15.03%	15.55%
34.28%	35.39%	44.47%
7.54%	8.91%	5.86%
100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

1st Fiscal Quarter 2017 - December 31, 2016

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ECONOMIC SUMMARY Interest Rate History

Source: U.S. Federal Reserve Statistical Release (H.15)

Market Sector:

Fed Funds (effective)

3-Month U.S. T-Bill

2-Year U.S. T-Note

Portfolio Benchmark*

Portfolio Yield

Fiscal Year 2011-2012				Fiscal Year 2012-2013				Fiscal Year 2013-2014			
Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
0.07%	0.13%	0.16%	0.14%	0.16%	0.14%	0.09%	0.08%	0.09%	0.08%	0.10%	0.09%
0.01%	0.08%	0.09%	0.11%	0.07%	0.09%	0.05%	0.02%	0.07%	0.05%	0.04%	0.02%
0.26%	0.34%	0.29%	0.26%	0.26%	0.26%	0.33%	0.40%	0.34%	0.40%	0.45%	0.57%
0.18%	0.15%	0.15%	0.16%	0.18%	0.18%	0.16%	0.15%	0.13%	0.13%	0.12%	0.12%
0.59%	0.58%	0.56%	0.55%	0.52%	0.50%	0.48%	0.49%	0.50%	0.49%	0.49%	0.51%

Market Sector:

Fed Funds (effective)

3-Month U.S. T-Bill

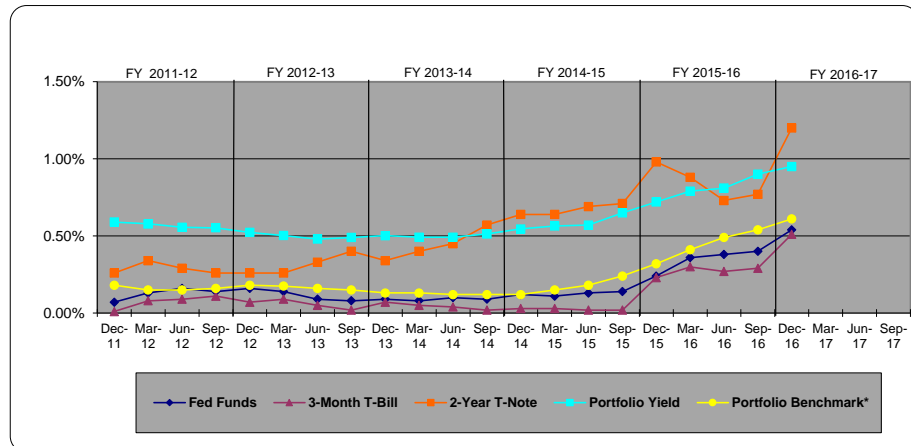
2-Year U.S. T-Note

Portfolio Benchmark*

Portfolio Yield

Fiscal Year 2014-2015				Fiscal Year 2015-2016				Fiscal Year 2016-2017			
Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
0.12%	0.11%	0.13%	0.14%	0.24%	0.36%	0.38%	0.40%	0.54%			
0.03%	0.03%	0.02%	0.02%	0.23%	0.30%	0.27%	0.29%	0.51%			
0.64%	0.64%	0.69%	0.71%	0.98%	0.88%	0.73%	0.77%	1.20%			
0.12%	0.15%	0.18%	0.24%	0.32%	0.41%	0.49%	0.54%	0.61%			
0.55%	0.57%	0.57%	0.65%	0.72%	0.79%	0.81%	0.90%	0.95%			

*Twelve month moving average of a one year U.S. T-bill yield



Fiscal Year:

2016-2017

2015-2016

2014-2015

2013-2014

2012-2013

2011-2012

Fiscal Year to Date Earnings				
	Oct - Dec 3 Months	Oct - Mar 6 Months	Oct - Jun 9 Months	Oct - Sep 12 Months
2016-2017	\$ 1,175,753			
2015-2016	\$ 849,368	\$ 1,771,205	\$ 2,743,856	\$ 3,961,971
2014-2015	\$ 613,879	\$ 1,228,059	\$ 1,874,847	\$ 2,695,211
2013-2014	\$ 568,825	\$ 1,121,491	\$ 1,680,154	\$ 2,298,785
2012-2013	\$ 612,750	\$ 1,177,337	\$ 1,703,496	\$ 2,276,341
2011-2012	\$ 621,194	\$ 1,239,869	\$ 1,862,207	\$ 2,511,585

QUARTERLY COMMENTARY

December 31, 2016

Source: First Southwest Asset Management
Economic Summary & TexStar Monthly
Newsletter

The surprise election results of a Donald Trump presidential victory overshadowed all other economic news in the final quarter of 2016. Post election optimism about fiscal stimulus, tax reform, and regulatory rollbacks sent stocks to record highs while also creating a bond market sell off with yields higher across the Treasury curve and prices lower. The Federal Reserve raised the federal funds target rate in December by 25 basis points to a range of 0.50%-0.75%, reflecting a solid economic quarter. In addition, they released hawkish guidance increasing the median number of expected rate hikes from two to three for 2017. The U.S. and global economic outlooks already were improving before the election, and the data have continued to improve since, so time will tell how the new economic policies will play out and when they will begin to materially affect the economy and GDP. According to the Bloomberg economist survey dated January 11, 2017 the median growth forecast for fourth quarter real GDP is 2.2%, followed by 2.2%, 2.3% and 2.4% for the next three quarters.

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Treasury Securities - Coupon											
912828H94	3877	U.S. TREASURY		12/30/2015	7,000,000.00	7,002,464.00	6,988,183.85	1.000	1.153	410	02/15/2018
912828H94	3878	U.S. TREASURY		01/06/2016	10,000,000.00	10,003,520.00	9,988,990.56	1.000	1.099	410	02/15/2018
912828UR9	3879	U.S. TREASURY		01/14/2016	5,000,000.00	4,988,280.00	4,984,668.98	0.750	1.018	423	02/28/2018
912828HR4	3914	U.S. TREASURY		12/28/2016	15,000,000.00	15,420,705.00	15,416,058.10	3.500	1.007	410	02/15/2018
Subtotal and Average			27,111,053.20		37,000,000.00	37,414,969.00	37,377,901.49		1.061	412	
Federal Agency Issues - Coupon											
3133EEFZ8	3837	FFCB		12/30/2014	5,000,000.00	5,002,595.00	4,999,115.39	0.700	0.824	53	02/23/2017
3133EEFE5	3867	FFCB		07/22/2015	5,000,000.00	5,009,855.00	5,007,032.16	1.125	0.977	351	12/18/2017
3133EFV87	3889	FFCB		04/21/2016	4,000,000.00	3,991,160.00	4,001,617.42	0.875	0.842	452	03/29/2018
3133EGFQ3	3896	FFCB		06/27/2016	4,000,000.00	3,978,896.00	3,997,923.34	0.875	0.906	621	09/14/2018
3133EFX69	3897	FFCB		06/27/2016	4,000,000.00	3,984,932.00	4,003,999.32	0.960	0.902	642	10/05/2018
3133EGQY4	3908	FFCB		08/15/2016	10,000,000.00	9,937,490.00	9,987,022.22	0.800	0.881	591	08/15/2018
3133782N0	3838	FHLB		01/29/2015	6,000,000.00	6,002,190.00	6,002,274.01	0.875	0.675	68	03/10/2017
3130A4CY6	3840	FHLB		02/26/2015	8,000,000.00	8,001,592.00	8,000,486.71	0.750	0.706	51	02/21/2017
3130A5ML0	3860	FHLB		06/24/2015	9,000,000.00	9,002,016.00	9,000,843.41	0.850	0.836	239	08/28/2017
3130A5MP1	3862	FHLB		06/25/2015	9,000,000.00	9,004,563.00	8,999,018.22	0.875	0.890	269	09/27/2017
3130A5KH1	3868	FHLB		07/29/2015	5,000,000.00	5,002,020.00	5,001,953.66	0.900	0.847	270	09/28/2017
3130A2UY0	3871	FHLB		09/16/2015	4,000,000.00	4,000,216.00	4,000,252.07	0.740	0.688	45	02/15/2017
313378A43	3884	FHLB		02/23/2016	5,000,000.00	5,017,885.00	5,028,727.17	1.375	0.886	432	03/09/2018
3130A8MG5	3898	FHLB		06/29/2016	5,000,000.00	4,970,135.00	4,999,387.37	0.650	0.661	393	01/29/2018
3130A8TF0	3906	FHLB		07/27/2016	5,000,000.00	4,966,855.00	4,993,867.21	0.800	0.876	591	08/15/2018
3137EADT3	3822	FHLMC		06/24/2014	7,000,000.00	7,003,136.00	7,000,327.93	0.875	0.841	52	02/22/2017
3137EADT3	3832	FHLMC		10/22/2014	6,000,000.00	6,002,688.00	6,002,295.00	0.875	0.603	52	02/22/2017
3137EADT3	3836	FHLMC		12/30/2014	10,000,000.00	10,004,480.00	10,000,924.87	0.875	0.809	52	02/22/2017
3137EADT3	3854	FHLMC		06/17/2015	4,000,000.00	4,001,792.00	4,001,239.85	0.875	0.655	52	02/22/2017
3134G64W0	3855	FHLMC		06/23/2015	4,000,000.00	4,002,304.00	3,999,952.22	0.900	0.903	173	06/23/2017
3134G6YC1	3859	FHLMC		06/24/2015	3,000,000.00	3,000,642.00	2,999,190.78	0.670	0.736	149	05/30/2017
3137EABA6	3866	FHLMC		07/22/2015	5,000,000.00	5,181,210.00	5,182,750.18	5.125	0.907	320	11/17/2017
3134G9UY1	3894	FHLMC		06/29/2016	5,000,000.00	4,992,090.00	5,000,000.00	1.000	0.985	544	06/29/2018
3135G0RT2	3852	FNMA		06/17/2015	4,000,000.00	3,997,784.00	3,996,382.46	0.875	0.970	353	12/20/2017
3135G0JA2	3858	FNMA		06/24/2015	3,000,000.00	3,004,521.00	3,004,020.63	1.125	0.706	116	04/27/2017
3135G0TG8	3873	FNMA		10/22/2015	7,000,000.00	6,995,240.00	7,007,569.92	0.875	0.776	403	02/08/2018
3135G0TG8	3876	FNMA		12/22/2015	10,000,000.00	9,993,200.00	9,976,262.92	0.875	1.093	403	02/08/2018
3135G0J53	3904	FNMA		07/07/2016	10,000,000.00	9,937,830.00	10,052,347.21	1.000	0.754	786	02/26/2019
3136FTS67	3909	FNMA		08/30/2016	3,000,000.00	3,024,186.00	3,044,924.95	1.700	0.995	787	02/27/2019

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3135G0J53	3910	FNMA		08/30/2016	10,000,000.00	9,937,830.00	10,005,276.23	1.000	0.975	786	02/26/2019
Subtotal and Average			194,115,859.00		179,000,000.00	178,951,333.00	179,296,984.83		0.843	348	
Federal Agency Issues - Callable											
3133EGEF8	3895	FFCB		06/22/2016	5,000,000.00	4,930,275.00	4,999,176.47	1.180	1.187	893	06/13/2019
3136G3XJ9	3903	FNMA		07/26/2016	5,000,000.00	4,910,525.00	5,000,000.00	1.000	1.000	936	07/26/2019
Subtotal and Average			9,999,163.37		10,000,000.00	9,840,800.00	9,999,176.47		1.093	915	
Municipal Bonds - Coupon											
23542JBE4	3899	DALLAS, TX WTR & SWR REV BDS		07/07/2016	4,000,000.00	3,943,600.00	4,000,000.00	1.217	1.217	1,003	10/01/2019
23542JBD6	3900	DALLAS, TX WTR & SWR REV BDS		07/07/2016	6,000,000.00	5,957,520.00	6,000,000.00	0.985	0.985	638	10/01/2018
498531DW9	3850	KLEIN, TX ISD GENERAL OBG		06/09/2015	1,590,000.00	1,593,672.90	1,594,393.72	4.000	0.660	31	02/01/2017
549188QY9	3880	LUBBOCK, TX GO REF TAXABLE		01/20/2016	3,300,000.00	3,303,762.00	3,304,742.26	1.230	1.100	410	02/15/2018
5816465Y8	3863	MCKINNEY, TX GENERAL OBLIGATION		07/14/2015	1,180,000.00	1,202,384.60	1,202,571.03	4.000	0.890	226	08/15/2017
8821172U7	3857	TX A & M UNIV REV BD		06/25/2015	5,000,000.00	5,006,700.00	5,009,793.39	1.250	0.854	181	07/01/2017
88213ADK8	3886	TX A & M UNIV REV BD		04/12/2016	3,500,000.00	3,493,105.00	3,500,000.00	1.222	1.222	499	05/15/2018
88213AFU4	3902	TX A & M UNIV REV BD		07/20/2016	1,000,000.00	982,370.00	1,000,000.00	1.009	1.009	864	05/15/2019
910678A27	3861	UNITED TX ISD GENERAL OBG		07/15/2015	2,880,000.00	2,933,740.80	2,935,084.65	4.000	0.891	226	08/15/2017
9143016Z4	3881	UNIV OF HOUSTON, TX REV REF BDS		02/16/2016	5,000,000.00	5,124,150.00	5,121,818.08	3.250	1.050	410	02/15/2018
969887Y51	3849	WILLIAMSON COUNTY, TX GEN OBG		06/05/2015	1,610,000.00	1,615,812.10	1,616,402.31	4.000	0.720	45	02/15/2017
Subtotal and Average			35,298,926.33		35,060,000.00	35,156,817.40	35,284,805.44		0.999	450	
CDs - CDARS											
SYS3820	3820	CD - CDARS		06/19/2014	5,000,000.00	5,000,000.00	5,000,000.00	1.015	1.015	165	06/15/2017
SYS3828	3828	CD - CDARS		08/14/2014	7,000,000.00	7,000,000.00	7,000,000.00	1.013	1.013	39	02/09/2017
SYS3833	3833	CD - CDARS		11/13/2014	5,000,000.00	5,000,000.00	5,000,000.00	1.165	1.165	39	02/09/2017
SYS3834	3834	CD - CDARS		12/18/2014	4,000,000.00	4,000,000.00	4,000,000.00	1.114	1.114	74	03/16/2017
SYS3841	3841	CD - CDARS		03/19/2015	7,000,000.00	7,000,000.00	7,000,000.00	1.020	1.020	74	03/16/2017
SYS3865	3865	CD - CDARS		07/23/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.081	1.081	200	07/20/2017
SYS3874	3874	CD - CDARS		11/12/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.317	1.317	312	11/09/2017
SYS3875	3875	CD - CDARS		11/12/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.371	1.371	403	02/08/2018
SYS3888	3888	CD - CDARS		04/14/2016	5,000,000.00	5,000,000.00	5,000,000.00	0.830	0.830	102	04/13/2017
SYS3890	3890	CD - CDARS		05/12/2016	7,000,000.00	7,000,000.00	7,000,000.00	1.317	1.317	494	05/10/2018
Subtotal and Average			55,000,000.00		55,000,000.00	55,000,000.00	55,000,000.00		1.124	194	

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Monthly Reports
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Portfolio Details - Investments
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
CDs - SLOC											
SYS3847	3847	CD - INDEPENDENT BANK		06/04/2015	13,000,000.00	13,000,000.00	13,000,000.00	0.928	0.928	151	06/01/2017
SYS3872	3872	CD - INDEPENDENT BANK		10/15/2015	10,000,000.00	10,000,000.00	10,000,000.00	1.318	1.318	284	10/12/2017
SYS3882	3882	CD - INDEPENDENT BANK		02/11/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.267	1.267	403	02/08/2018
SYS3845	3845	CD - LEGACYTEXAS BANK		05/14/2015	10,000,000.00	10,000,000.00	10,000,000.00	0.904	0.904	130	05/11/2017
SYS3864	3864	CD - LEGACYTEXAS BANK		07/09/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.004	1.004	186	07/06/2017
SYS3869	3869	CD - LEGACYTEXAS BANK		08/11/2015	10,000,000.00	10,000,000.00	10,000,000.00	1.160	1.160	221	08/10/2017
SYS3887	3887	CD - LEGACYTEXAS BANK		04/07/2016	7,000,000.00	7,000,000.00	7,000,000.00	1.300	1.300	459	04/05/2018
SYS3892	3892	CD - LEGACYTEXAS BANK		06/16/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.380	1.380	529	06/14/2018
SYS3905	3905	CD - LEGACYTEXAS BANK		07/21/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.350	1.350	564	07/19/2018
SYS3907	3907	CD - LEGACYTEXAS BANK		08/11/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.320	1.320	585	08/09/2018
Subtotal and Average			95,000,000.00		95,000,000.00	95,000,000.00	95,000,000.00		1.191	350	
Commercial Paper Disc. - Amortizing											
46640PPA5	3891	JP MORGAN SECURITIES LLC		05/18/2016	5,000,000.00	4,996,265.00	4,994,333.33	1.020	1.058	40	02/10/2017
46640PPF4	3893	JP MORGAN SECURITIES LLC		06/16/2016	10,000,000.00	9,991,420.00	9,987,500.00	1.000	1.036	45	02/15/2017
46640PQP1	3901	JP MORGAN SECURITIES LLC		06/29/2016	5,000,000.00	4,989,280.00	4,988,750.00	1.000	1.035	81	03/23/2017
89233GRK4	3911	TOYOTA MOTOR CREDIT		11/03/2016	5,000,000.00	4,986,095.00	4,985,600.00	0.960	0.978	108	04/19/2017
89233GTP1	3912	TOYOTA MOTOR CREDIT		12/06/2016	6,000,000.00	5,967,594.00	5,967,418.34	1.130	1.166	173	06/23/2017
89233GSS6	3913	TOYOTA MOTOR CREDIT		12/28/2016	9,000,000.00	8,962,335.00	8,961,212.50	1.070	1.090	145	05/26/2017
Subtotal and Average			31,104,999.09		40,000,000.00	39,892,989.00	39,884,814.17		1.063	98	
Local Govt Inv Pool - TexSTAR											
SYS3641	3641	LOCAL GOVT INV POOL - TEXSTAR			49,800,000.00	49,800,000.00	49,800,000.00	0.484	0.484	1	
Subtotal and Average			49,606,451.61		49,800,000.00	49,800,000.00	49,800,000.00		0.484	1	
Demand Deposits / Wells Fargo											
SYS3706	3706	DEMAND DEPOSITS - WELLS FARGO			3,191,705.84	3,191,705.84	3,191,705.84	0.350	0.350	1	
Subtotal and Average			3,358,675.07		3,191,705.84	3,191,705.84	3,191,705.84		0.350	1	
Total and Average			500,595,127.67		504,051,705.84	504,248,614.24	504,835,388.24		0.950	299	

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Section 5

City of Denton
Quarterly Financial Report
December 2016

PERFORMANCE REPORT

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 City Council approved the FY 2016-17 Strategic Plan and associated performance measures on September 20, 2016.

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.

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 PERFORMANCE REPORT 2016-17

City of Denton, Texas

A visual representation of performance measures can be found on the City of Denton website:

<http://data.cityofdenton.com/showcase/strategic-measures>

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	1ST QTR
KFA 1: ORGANIZATIONAL EXCELLENCE	CUSTOMER SERVICE	PERCENTAGE OF FIRST CONTACT RESOLUTION FOR CUSTOMERS	85%	94.6%
		AVERAGE TIME IN SECONDS TO ANSWER CALLS	60	41
		PERCENTAGE OF PAYMENT TRANSACTIONS COMPLETED ELECTRONICALLY	59%	62.5%
	DTV	NUMBER OF GRANICUS VIEWS OF LIVE AND ON-DEMAND VIDEOS	18,000	4,975
		NUMBER OF YOUTUBE SUBSCRIBERS	400	599
	FINANCE	PERCENTAGE OF ACTUAL GENERAL FUND REVENUE COMPARED TO BUDGETED REVENUE	100%	105.1%
		PERCENTAGE OF ACTUAL GENERAL FUND EXPENDITURES AS COMPARED TO BUDGETED EXPENDITURES	<100%	94.7%
		PERCENTAGE OF RATE OF INVESTMENT RETURN	0.75%	0.95%
	HUMAN RESOURCES	PERCENTAGE RATE OF EMPLOYEE TURNOVER	<10%	2.4%
		PERCENTAGE OF PERFORMANCE REVIEWS COMPLETED WITHIN 30 DAYS OF DUE DATE	100%	74.5%
	INTERNAL AUDIT	NUMBER OF INTERNAL CONTROL OR LEAN GOVERNMENT PROJECTS IMPLEMENTED	12	1
	PUBLIC COMMUNICATIONS	PERCENTAGE OF CITIZENS RATING THE CITY WEBSITE AS A MAJOR SOURCE OF INFORMATION ⁽¹⁾	65%	0%
		NUMBER OF FOLLOWERS ON ALL SOCIAL MEDIA SITES	100,000	139,619
KFA 2: PUBLIC INFRASTRUCTURE	ENGINEERING	NUMBER OF ARTERIAL AND COLLECTOR INTERSECTIONS IMPROVED TO ADDRESS CAPACITY AND SAFETY	1	0
	TRAFFIC	NUMBER OF SIGNALIZED INTERSECTIONS RETIMED	69	4
	STREETS	SQUARE YARDS OF ASPHALT ROADWAY RECONSTRUCTED	60,000	27,996
		SQUARE YARDS OF ASPHALT ROADWAY OVERLAID	36,943	25,423
		SQUARE YARDS OF ASPHALT ROADWAY MICRO-SEALED ⁽¹⁾	191,188	0
	TECH SERVICES	PERCENTAGE OF CITY SERVED BY BROADBAND	80%	87.9%

⁽¹⁾ Data expected in 4th quarter.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	1ST QTR
KFA 3: ECONOMIC DEVELOPMENT	BUILDING INSPECTIONS	PERCENTAGE OF CERTIFICATES OF OCCUPANCY REVIEWED WITHIN 10 DAYS	95%	99.4%
		PERCENTAGE OF NEW COMMERCIAL PERMITS REVIEWED WITH 10 DAYS	95%	84%
		PERCENTAGE OF TENANT FINISH OUTS REVIEWED WITHIN 10 DAYS	95%	93.6%
	ECONOMIC DEVELOPMENT	PERCENTAGE OF JOBS IN DENTON PAYING EQUAL TO OR GREATER THAN \$75,000	10.75%	11.8%
		MEDIAN FAMILY INCOME	\$63,411	\$68,189
		PERCENTAGE RATE OF UNEMPLOYMENT	<3.9%	3%
		PERCENTAGE OF JOBS IN DENTON PAYING EQUAL TO OR GREATER THAN \$25,000	68.5%	70.7%
		INCREASE IN RETURN ON INVESTMENT OF INCENTIVES AWARDED	300%	400%
		NUMBER OF REDEVELOPED PROPERTIES IN DOWNTOWN DENTON	6	10
		TOTAL NET SALES TAX COLLECTIONS RELATED TO ECONOMIC DEVELOPMENT INCENTIVES	\$3,800,000	\$899,012
		NUMBER OF BUSINESS RETENTION VISITS	105	9
		INCREASE IN COMMERCIAL AND INDUSTRIAL PROPERTY VALUES ⁽¹⁾	3%	0%
		PERCENTAGE OF SITE PLAN SUBMITTALS/RESUBMITTALS REVIEWED WITHIN 12 BUSINESS DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLAT SUBMITTALS/RESUBMITTALS REVIEWED WITHIN 12 BUSINESS DAYS	90%	90.5%
		PERCENTAGE OF ZONING VERIFICATION LETTERS PROCESSED WITHIN 10 BUSINESS DAYS	95%	100%
		PERCENTAGE OF ZONING BOARD OF ADJUSTMENTS VARIANCES PROCESSED WITHIN 60 DAYS ⁽²⁾	90%	0%
		PERCENTAGE OF ZONING/REZONING APPLICATIONS PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SPECIAL USE PERMITS PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLATS (APPROVED BY THE PLANNING AND ZONING COMMISSION) PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLATS (APPROVED ADMINISTRATIVELY) PROCESSED WITHIN 45 DAYS	90%	50%
	FINANCE			
	PLANNING			

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ No variances in 1st quarter.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	1ST QTR
KFA 3: ECONOMIC DEVELOPMENT	PLANNING	NUMBER OF SMALL AREA PLANS INITIATED EACH CALENDAR YEAR	2	2
		NUMBER OF CORRIDOR PLANS INITIATED EACH CALENDAR YEAR	2	1
		NUMBER OF NEIGHBORHOOD PROJECT MATCHING GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR	5	0
		NUMBER OF NEIGHBORHOOD MICRO GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR	6	1
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	COMMUNITY DEVELOPMENT	NUMBER OF PEOPLE SERVED BY PUBLIC IMPROVEMENTS ⁽¹⁾	9,733	0
		NUMBER OF HOUSEHOLDS SERVED IN HOUSING PROGRAMS	60	10
		NUMBER OF INDIVIDUALS AND/OR HOUSEHOLDS SERVED THROUGH CITY-SUPPORTED PROGRAMS	15,000	4,592
		TOTAL FUNDING AMOUNT FROM LOCAL, STATE, AND FEDERAL GRANTS THAT WAS LEVERAGED	\$1,500,000	\$286,800
		NUMBER OF AFFORDABLE HOUSING UNITS DEVELOPED	1	0
		NUMBER OF AFFORDABLE HOUSING UNITS MAINTAINED	26	0
		PERCENTAGE OF NUISANCE VIOLATIONS ABATED	90%	99.5%
		PERCENTAGE OF MINIMUM BUILDING STANDARD VIOLATIONS ABATED	85%	96.1%
		PERCENTAGE OF ZONING VIOLATIONS ABATED	85%	100%
		NUMBER OF DANGEROUS BUILDINGS REPAIRED OR DEMOLISHED	30	5
		INCREASE IN OWNER-OCCUPIED HOUSING	5%	-0.8%
	FIRE	PERCENT OF ACTIVE STRUCTURE FIRES RESPONDED TO IN FIVE MINUTES OR LESS (NFPA 1710 STANDARD IS 90 PERCENT OR LESS THAN FOUR MINUTES)	50%	56.7%
		NUMBER OF INSPECTIONS COMPLETED FOR COMMERCIAL/INDUSTRIAL/MULTI-FAMILY STRUCTURES	4,700	1,023
		NUMBER OF HOURS COMPLETED TO ENHANCE TRAINING PROGRAM TO IMPROVE ALIGNMENT WITH TEXAS COMMISSION ON FIRE PROTECTION AND ISO	36,000	16,194
	GAS WELLS	PERCENTAGE OF GAS WELL DRILLING AND PRODUCTION SITES INSPECTED ⁽¹⁾	100%	0%

⁽¹⁾ Data expected in 4th quarter.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	1ST QTR
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	LIBRARY	TOTAL CIRCULATION OF PHYSICAL ITEMS	1,000,000	284,190
		NUMBER OF TIMES DATABASE SOFTWARE ACCESSED BY CUSTOMERS	16,000	4,146
		TOTAL E-BRANCH CIRCULATION INCLUDING E-BOOKS E-MAGAZINES AND STREAMING CONTENT	100,000	26,122
		LIBRARY CUSTOMERS WHO REPORT INCREASED AWARENESS OF LIBRARY OFFERINGS THROUGH OUTREACH CHANNELS: DPL2GO, EMBEDDED LIBRARY ASSIGNMENTS, AND COMMUNITY EVENTS	25%	36.2%
	PARKS	TOTAL MILES OF PEDESTRIAN TRAILS	30	1.03
		NUMBER OF TREES PLANTED	720	171
		ACRES OF PARKS PER 1,000 POPULATION	18.61	18.61
		SATISFACTION RATING OF "GOOD" OR "EXCELLENT" FOR PROGRAMMING/NUMBER OF RATINGS RECEIVED	4.5/3,600	4.5/1,407
		PERCENTAGE OF PROGRAMS OFFERED THAT MADE PARTICIPATION REQUIREMENTS	94%	83%
	POLICE	NUMBER OF STAKEHOLDER MEETINGS CONDUCTED	200	32
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR PRIORITY 1 (EMERGENCY) CALLS	<6:00	7:23
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR NON-EMERGENCY CALLS	<10:00	8:00
KFA 5: SUSTAINABLE AND ENVIRONMENTAL STEWARDSHIP	ENVIRONMENTAL SERVICES	DECREASE IN MUNICIPAL ENERGY USAGE	5%	6%
		PERCENT OF NON-SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	21%
		PERCENT OF SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	48%
		PERCENTAGE OF RENEWABLE ENERGY USED IN MUNICIPAL FACILITIES ⁽¹⁾	70%	77%
	SOLID WASTE	POUNDS OF WASTE DISPOSED PER CAPITA	1,900	413
		PERCENTAGE OF WASTE DIVERTED FROM THE LANDFILL	40%	36%
	TRANSPORTATION	NUMBER OF ACTIVE TRANSPORTATION SAFETY AND EDUCATION ACTIVITIES,	12	3
		NUMBER OF ACTIVE TRANSPORTATION PROMOTIONAL EVENTS	10	2
		CENTERLINE MILES OF ON-STREET BIKE INFRASTRUCTURE, SUCH AS BIKE LANES	7	2
		NUMBER OF TRAIL AND BIKEWAY NETWORK GAPS REMOVED	4	0
		NUMBER OF SIDEWALK DISCONNECTS/GAPS REMOVED	4	0
		NUMBER OF TRANSIT STOPS WITH IMPROVED PEDESTRIAN AND BICYCLE ACCESS	8	0

⁽¹⁾ Measure clarified from the approved 2016-17 Strategic Plan.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Action Steps

During the strategic planning process, staff identified several Key Action Steps to be completed over the coming fiscal year. The purpose of creating the 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.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Implement interim Customer Relationship Manager (CRM) module and other feedback mechanisms for citizens	City Mgr. Office	January 2017	The new cityofdenton.com includes a form to report an issue and a general contact page for the public. These requests come to the CMO and are routed to appropriate city staff. Staff will track the number of requests that come through these outlets and provide a report to the Committee on Citizen Engagement as we explore options for a more robust CRM system. We have also implemented a new workflow for contact to the City Council via the website. That communication is now sent directly to the City Council, allowing for more timely receipt of feedback or requests from citizens to the Council.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Create a digital road map for providing services to the community	Technology Service	September 2017	Technology Services is working with University of North Texas to assist in the development of a digital roadmap for the City of Denton in an effort to help guide the city to become a smart city. The digital roadmap will assist in setting a strategic vision for the City in technology infrastructure investments, sustainability, education, and use of digital media for service delivery and citizen engagement, among other goals. The project is broken down into five phases; open data benchmark, digital roadmap definition, citizen input to digital roadmap, survey design and performing survey and findings. We completed the first phase on October 26th. We are currently in the second phase which includes interviewing key stakeholders to assist with the digital roadmap definition. We are scheduled to complete the second phase by the end of February.
Hold regular performance management meetings with departments and executive team	City Mgr. Office	January 2017	The City Manager's Office has held performance meetings with staff each month of this fiscal year. Each meeting is focused on one Key Focus Area, and staff reviews their performance measures, progress on key action steps, and any other issues that may be associated with that KFA.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Conduct citizen and business surveys and explore options for soliciting input from various stakeholders	City Mgr. Office	July 2017	The City received 5 responses to an RFP for a community survey. Staff is evaluating the proposals and will likely award a contract in the second quarter. We expect that survey results will be presented to the City Council this summer as a part of the FY17-18 budget process.
Conduct "State of the City" meeting with citizens and create Citizen's Academy	City Mgr. Office	March 2017	The Council will be briefed on these items January 24, 2017. The State of the City event is scheduled for March 30, 2017. Staff is currently planning the programming for the Citizen's Academy. Registration will be available for citizens at the State of the City event in March.
Enhance open data platform and related initiatives	Technology Service	January 2017	The new open data portal was launched in August 2017.
Utilize the Lean, LEEP, Performance Management, and Employee Innovation programs to generate efficiency and productivity enhancements	City Mgr. Office	Ongoing	The City has completed its 2 nd LEEP class and second year of the innovation program with positive outcomes and city improvement projects. The first LEAN training class led by a joint venture with UNT was completed in December. UNT students also reviewed and shared data from the City's warehouse, police department and utility billing operations as part of the same joint venture.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Complete Phase 1 of the Intelligent Transportation System Communication Network Plan	Traffic	December 2017	We are on track with the target date and currently developing design plans for Phase 1 fiber network construction.
Transition 10 percent of franchise fee revenue to the Street Improvement Fund	Finance	September 2017	The first year of this 10 year transition was completed in the adopted FY 2016-17 budget. The City's five-year General Fund forecast calls for an additional 10 percent transfer (\$622,000 annually) of remaining franchise fees to the Street Improvement Fund.
Transition the funding of street reconstruction activities from bond funding to revenue funding for the smaller street projects	Finance	Ongoing	This action step is dependent on the annual transition of 10 percent of franchise fees to the Street Improvement Fund (prior action step). This increase in Street Maintenance funding will allow for a greater portion of street reconstruction to be funded with cash versus bond funding. The long term goal over the 10 years is to move a majority of street reconstruction to cash funding and significantly reduce the need for bond funding.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Develop Rights-of-Way (ROW) Management plan	Engineering and Technology Service	September 2017	The discussion of telecommunication in the right of way and where the infrastructure will be located and how the installation is managed is ongoing. The objectives of this initiative have been identified but the location of the telecommunication infrastructure in our right of way is still being discussed. Examples of right of way management ordinances from larger cities have been obtained and the “best practices” are being evaluated by a committee of City Departments that have a part of the right of way decision making process.
Install fiber conduit as part of major transportation projects along arterial streets	Engineering	Ongoing	Engineering and Traffic Operations Staffs are working together to develop contracts for design and installation of the remainder of the City’s ITS, Phase 1 (\$1.6 million NCTCOG ITS Grant) in 2017. Staff is also working with TxDOT to have conduit installed in their US-377 and FM 2181 roadway widening projects, to be bid in 2017.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 3: Economic Development

Action Steps	Department	Target Date	Status
Develop incentives and policies that attract high-wage employers to Denton	Economic Dev.	September 2017	Economic Development currently is reviewing and revising the current incentive policy and application.
Develop funding methodology and strategy for Economic Development Incentive Fund	Economic Dev.	September 2017	The Economic Development Incentive Fund was established in August 2016. It is funded by revenues from mixed beverage taxes at a rate of \$150,000 each budget year. The criteria for eligibility to receive a grant from the fund were defined in the adopted ordinance. The strategy is to use the fund to pursue targeted industries as defined by Council, high-investment projects, and projects that involve high-wage and/or knowledge-based jobs.
Continue to implement workforce development programs	Economic Dev.	September 2017	Since the Economic Development Department does not itself "implement" workforce development programs, this action step is better phrased as "continue to collaborate on the implementation of workforce development programs." ED is collaborating with and connecting resources from DISD, NCTC, UNT, TWU, North Central Texas Workforce Solutions, local companies, and regional economic development organizations.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 3: Economic Development

Action Steps	Department	Target Date	Status
Implement improvements to development review process	Planning	October 2016	Full implementation of the revised process to include a formal completeness check, a site plan review process, and a standardized project review schedule occurred in August 2016. Staff will continue to monitor operations and make adjustments as needed.
Rewrite Denton Development Code	Planning	December 2017	City Council approved a new scope of services for the full re-write of the Denton Development Code in December 2016. Clarion Associates held a series of kickoff meeting with staff and the Planning and Zoning Commission in January 2017 and have already began draft the new code. It is anticipated that the project will be complete in May 2018.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 4: Safe, Liveable & Family-Friendly Community

Action Steps	Department	Target Date	Status
Implement recommendations from study on current dispatch system to improve efficiency, effectiveness, and cost	Police & Fire	December 2016	<ul style="list-style-type: none"> Staffing enhancements continue through hiring and budget proposals. Formation of joint Public Safety Answering Point (PSAP) committee under review. Collaborating with Purchasing on RFP for system acquisition. Contract for training, implementation, and testing in development.
Deploy additional medic unit in Southeast Denton	Fire	January 2017	<ul style="list-style-type: none"> Medic Unit 8 went into service on January 1st. The tenant finish out of Temporary Station 8 on the Denton Medical City campus is 95% complete.
Conduct analysis to identify hot spots that drive police response and consider resource allocation to focus on prevention in those areas	Police	December 2016	Completed analysis of problem areas in each of 5 police districts in December 2016. Analysis revealed that hotspots were not primary driver of police staffing resources. Implementation of new staffing configuration based on overall police call loads will start in January 2017.
Collaborate with Community Improvement Services to build relationships with neighborhood organizations	Police	October 2016	Personnel from Police and Community Improvement jointly attended neighborhood meeting and collaborated on emerging graffiti problem.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 4: Safe, Liveable & Family-Friendly Community

Action Steps	Department	Target Date	Status
Continue implementation and evaluation of the enhanced right-of-way maintenance program	Community Improvement Services	December 2016	Sixteen road rights-of-way and 17 drainage ways were maintained weekly April – October and bi-monthly November – March: grass was mowed, trees pruned, and illegal signs and litter were removed. Mingo Road received the most obvious face lift with extensive tree trimming and some tree removal.
Create an inventory and conduct an analysis of City-owned or maintained vacant lots and buildings	Community Improvement Services	February 2017	Staff has compiled a list with information about which department is responsible for maintenance. The list is in Real Estate for review. When complete, the list will have a direct link for each property to DCAD information and aerial map. This list will be sent to other departments to claim maintenance responsibility for properties that have no departmental designation.
Develop a program to leverage volunteer service to make cosmetic improvements to homes in Denton neighborhoods	Community Improvement Services	May 2017	Staff has reviewed similar programs in other cities and met with two potential non-profit partners. Two CIS staff members have been selected to assist in implementing this project.
Expand DPL2GO Mobile Library to develop strategic relationships with underserved groups and neighborhoods	Library	September 2017	DPL2GO visited 14 locations in the first quarter, making contact with 708 people. Twenty-eight staff participated and 4 volunteers. Some unusual venues were included to make the program more visible to residents, including Golden Triangle Mall and La Azteca grocery. Other stops include Denton State School, Mobile Home Parks, Senior Living housing and apartment complexes.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 4: Safe, Liveable & Family-Friendly Community

Action Steps	Department	Target Date	Status
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	Community Development	Ongoing	This program is jointly funded with the United Way of Denton County. The City's contribution totals \$40,000 plus human resources that include City staff, Mayor and a Council member that serve on the Denton County Homeless Leadership Team.
Dedicate City resources that community organizations and programs working with the homeless can leverage for greater impact	Community Development	Ongoing	City staff, the Mayor and Council member serve on the Denton County Homeless Leadership Team. City staff participates in the Denton County Homeless Coalition. From October 1, 2016-December 31, 2016, the City of Denton has leveraged \$8,232.75 in General Funds and \$3,153.77 in federal CDBG funds to distribute to organizations and programs working with the homeless. The impact is that year-to-date, 1530 unduplicated clients have been assisted in these funded programs.
Encourage City participation in coalitions and community organizations that address community social issues, such as the Denton County Behavioral Health Team and the Homelessness Leadership Team	Community Development	Ongoing	City staff, the Mayor and City Council members serve on the following Community Organizations: Denton County Behavioral Health Leadership Team (BHLT), Denton County Homeless Leadership Team (HLT). In addition, community development (CD) staff serve on BHLT and HLT workgroups. CD staff hold positions on the Denton County Homeless Coalition, Early Childhood Coalition, Community Health Council, UW Community Needs Assessment, Denton County Veterans Coalition, and Health Communities Coalition.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 5: Safe, Sustainable & Environmental Stewardship

Action Steps	Department	Target Date	Status
Advance renewable power portfolio	DME	Ongoing	The Renewable Denton Plan was approved by City Council on September 20, 2016 with the goal of 70% renewable portfolio by 2019. DME successfully added an additional wind power purchase agreement contract in Fall 2016. Staff continues to work on adding additional renewables through additional agreements.
Expand commercial recycling program	Solid Waste	Ongoing	In 2016, the number of recycling containers set for commercial customers increased from 334 to 440. Thirty one (31) multi-family residential customers added recycling containers to provide recycling service to their residents in the first quarter.



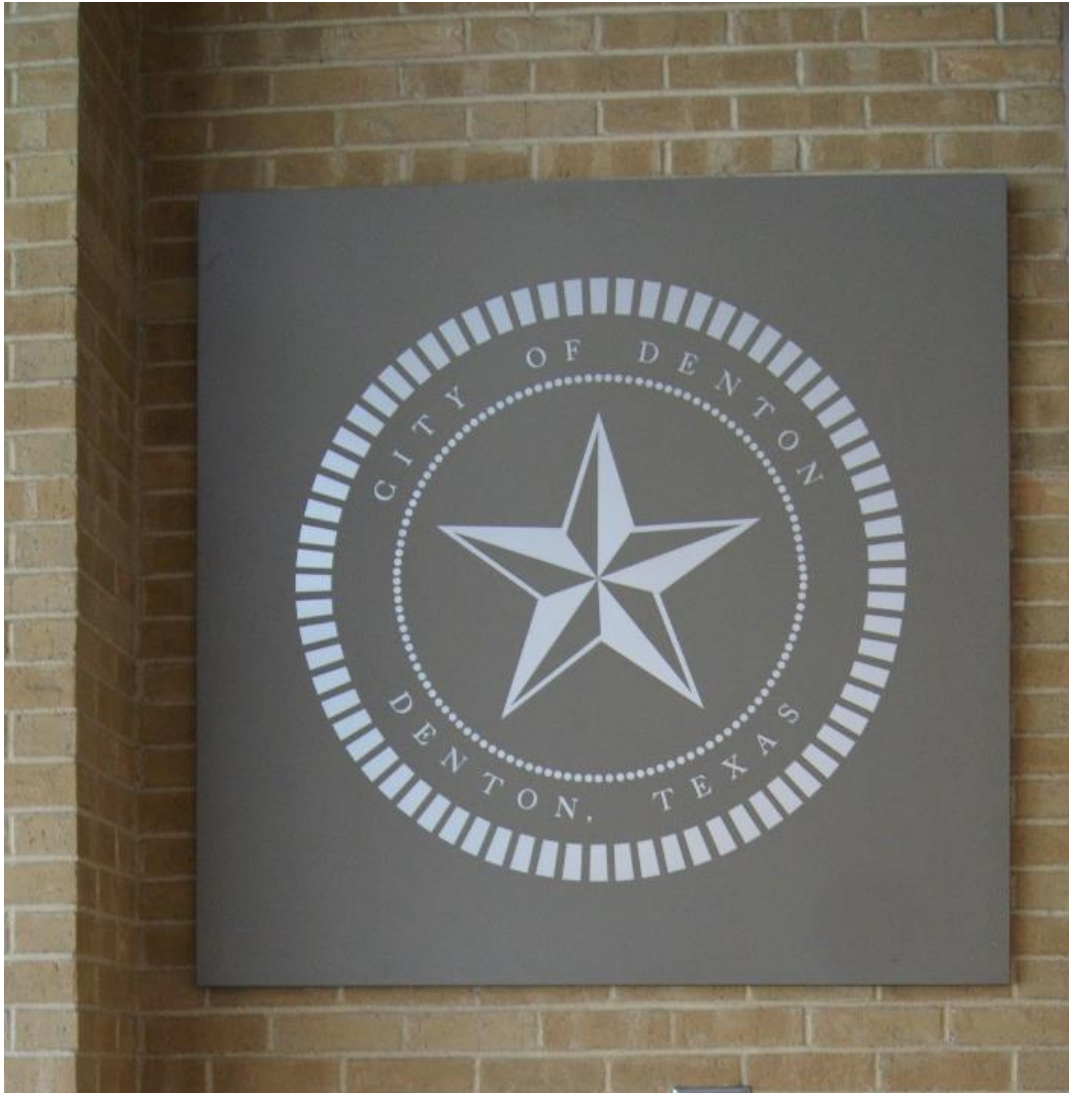
City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 5: Safe, Sustainable & Environmental Stewardship

Action Steps	Department	Target Date	Status
Continue implementation of Bike Plan	Transportation	Ongoing	For FY 2016-2017, nearly six miles of new bike infrastructure is planned, which includes bike lanes, sharrows, and road diets. The goal this year was to complete the remaining "Immediate" projects as identified in the 2012 Bike Plan, and to focus on areas where short car trips of a mile or less can be replaced with a bicycle trip. Staff continues to provide safety presentations to elementary schools. As part of the Strategic Plan to increase active transportation mode share from 4.7% to 7%, staff plans to increase the number of city-sponsored bike rides, provide presentations to neighborhood groups, and promote a bike buddy program to encourage more people to choose to bike to work.



City of Denton Seal

Section 6

City of Denton
Quarterly Financial Report
December 2016

G.O. BOND PROGRAM REPORT

2012 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 12/31/16
Street Reconstruction	\$20,000,000	\$16,000,000	\$8,636,131	\$7,363,869
Public Art for Streets	\$400,000	\$400,000	\$0	\$400,000
Proposition 1 – Street & Public Art Improvements	\$20,400,000	\$16,400,000	\$8,636,131	\$7,763,869

Program Description	Staff Comments
Street Reconstruction	Staff has completed 91 of 208 total segments from the 2012 bond program. However, the amount reflected on this report represents 61 segments from the 2012 bond program and 16 segments from the 2014 bond program that have been funded with 2012 Bond Election bonds. The remaining 31 segments have been funded by other sources, including unspent GO bonds related to the 2005 bond program.
Public Art for Streets	An iconic Denton Medallion is to be placed along I-35 on either side of the North Texas Blvd. Bridge. Proposals for artistic design, construction and installation have been received by staff. The next step is an RFP for construction.
Proposition 1 – Street & Public Art Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 12/31/16
Street Reconstruction	\$24,000,000	\$2,000,000	\$1,833,990	\$166,010
Misc. Traffic Signals	\$3,000,000	\$1,500,000	\$150,580	\$1,349,420
Transportation Division Facility	\$1,500,000	\$1,500,000	\$121,933	\$1,378,067
Rail Quiet Zone – McKinney to Prairie	\$350,000	\$350,000	\$0	\$350,000
Bonnie Brae Secondary Arterial	\$9,500,000	\$2,000,000	\$0	\$2,000,000
Misc. Sidewalks	\$2,000,000	\$950,000	\$69,001	\$880,999
Hickory Creek Road – FM 2181 to Riverpass	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Morse Street Expansion	\$2,900,000	\$1,250,000	\$0	\$1,250,000
Ruddell Extension	\$5,780,000	\$790,000	\$558,666	\$231,334
Misc. Roadways	\$2,000,000	\$500,000	\$286	\$499,714
Proposition 1 – Street Improvements	\$54,030,000	\$13,840,000	\$2,734,456	\$11,105,544

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Street Reconstruction	Staff has completed 26 of 195 total segments from the 2014 bond program. Only one project, Lillian Miller, representing 9 segments, was funded from the \$2 million reflected as issued from the 2014 Bond Election.
Misc. Traffic Signals	At 100% design for Locust and Oak/Hickory (2 intersections) and Elm and Oak/Hickory (2 intersections). Anticipated completion is 120 days.
Transportation Division Facility	Staff and Architects are in the final design phase of the construction documents for this facility.
Rail Quiet Zone – McKinney to Prairie	Staff is currently working with UPRR, DCTA and NCTCOG on a larger project in this corridor that will include QZs/other transportation system improvements. Staff is awaiting information from UPRR to determine feasibility of a joint project. Should this not occur by end of 1 st Quarter CY 2017, staff will recommend advancing the QZ project independent of partnerships with other agencies.
Bonnie Brae Secondary Arterial	Consultant contract approved by City Council Jan. 7, 2017. ROW Agent contract targeted for Council approval March 21, 2017. Preliminary design underway, adjusting ROW exhibits for use in extending offers.
Misc. Sidewalks	<p>Sidewalk projects set up and moving forward:</p> <ol style="list-style-type: none"> 1. Bell Ave. Sidewalk (McKinney to Mingo) \$120,000 – Construction to start February 2017. 2. McKinney Sidewalk \$25,000 – Under design, coordination with DCTA for shelter location. 3. Windsor Sidewalk \$100,000 – Crossing installed at North Lakes, sidewalk under design. 4. Londonderry Sidewalk \$55,000 – Project survey being conducted. Preliminary layout in design. 5. Oakland St. Sidewalk \$45,000 – Project survey being completed. Preliminary layout in design. 6. Hickory St. Sidewalk at Exposition \$35,000 – Design complete. Anticipate construction in March 2017. 7. Loop 288 Sidewalk at Denton Crossing \$25,000 – Project survey being conducted. Preliminary layout in design. 8. Pockrus Page Sidewalk \$110,000 - Project survey being conducted. Preliminary layout in design. 9. Paisley St. Sidewalk \$20,000 - Project survey being conducted. Preliminary layout in design. 10. Mack Drive Sidewalk \$15,000 - Project survey being conducted. Preliminary layout in design. 11. East Side Stuart Road Sidewalk \$245,000 – Pending survey. 12. East Side Loop 288 Sidewalk \$85,000 - Project survey being conducted. Preliminary layout in design.
Proposition 1 – Street Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Hickory Creek Road – FM 2181 to Riverpass	Soliciting consultant proposals for design and construction. Staff analyzing existing plans for options to update.
Morse Street Expansion	Working with consultant on proposal for design. Still anticipate inclusion of construction in Mayhill Road project.
Ruddell Extension	Consultant design at 60% complete. Working through drainage issues and UPRR coordination.
Misc. Roadways	Hickory Creek Road between FM 2181 and FM 2499 \$600,000 (this funding is the sum total of all bonds sold for this item to date plus the reimbursement ordinance amount) – Local match for RTR project. Fully executed agreement for project received from TXDOT. Design expected to begin June 2017.
Proposition 1 – Street Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 12/31/16
Fire Station #4 Remodel/Rebuild – Sherman Drive	\$5,020,000	\$6,120,000	\$1,219,409	\$4,900,591
Fire Station #3 Remodel/Rebuild – McCormick	\$8,620,000	\$2,105,000	\$1,836,973	\$268,027
Police Lobby Renovation	\$115,000	\$115,000	\$115,000	\$0
Relocation of Communications Center & Criminal Investigations Bureau	\$2,000,000	\$205,000	\$0	\$205,000
Police Firing Range Improvements with Ten Foot Berm Addition	\$485,000	\$485,000	\$31,750	\$453,250
Public Art for Public Safety	\$325,000	\$325,000	\$0	\$325,000
Proposition 2 – Public Safety	\$16,565,000	\$9,355,000	\$3,203,132	\$6,151,868

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Fire Station #4 Remodel/Rebuild – Sherman Drive	Ratcliff Construction, Inc. received City Council approval on December 13, 2016 for a public works contract to construct fire station 4. Expect construction to commence February 2017.
Fire Station #3 Remodel/Rebuild – McCormick	Kirkpatrick Architect Studio has delivered design proposal. Design contract set for March City Council agenda.
Police Lobby Renovation	The project should be completed in two weeks or less.
Relocation of Communications Center & Criminal Investigations Bureau	The decision has been made to improve the communications center in it's current location rather than relocate to the criminal investigations area. This project should begin soon. We are working on plans to re-design the current criminal investigations area as well as the future area originally designated for the move of the criminal investigations function.
Police Firing Range Improvements with Ten Foot Berm Addition	This project continues to move forward. More dirt work has been done as well as fencing on the East side of the property. Progress has been made in the acquisition of the property adjoining the East side of the range. The actual building is on hold until the property acquisition is final.
Public Art for Public Safety	The Firefighters Memorial design concept was approved by Council in 2016. The construction RFP will take place in February 2017. The project is proposed to be completed by September 2017.
Proposition 2 – Public Safety	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 12/31/16
Eagle Drive Drainage Improvements Phase 2	\$2,098,000	\$2,098,000	\$195,801	\$1,902,199
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	\$600,000	\$600,000	\$0	\$600,000
Magnolia Street Drainage Phase 2 (Hinkle Project)	\$2,557,000	\$2,557,000	\$89,522	\$2,467,478
Proposition 3 – Drainage & Flood Control Improvements	\$5,255,000	\$5,255,000	\$285,323	\$4,969,677

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Eagle Drive Drainage Improvements Phase 2	Plan updates completed. ROW/easements fully acquired. Utility relocations associated with drainage project to be coordinated with TxDOT. TxDOT MOU expected February 2017.
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	Proposal received from consultant. Anticipate Council approval March 7, 2017. Coordinating with downtown development.
Magnolia Street Drainage Phase 2 (Hinkle Project)	Design approximately 40% complete. Consultant proposal received – anticipate Council approval on March 21, 2017.
Proposition 3 – Drainage & Flood Control Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 12/31/16
Playground Replacements	\$890,000	\$150,000	\$39,517	\$110,483
Park Improvements (South Lakes, Lake Forest)	\$355,000	\$55,000	\$0	\$55,000
Sprayground	\$200,000	\$200,000	\$4,400	\$195,600
Water Works Park Additions – Wave Pool/Concession Stand	\$2,442,000	\$2,442,000	\$2,438,723	\$3,277
Vela Soccer Complex Phase II Construction	\$1,333,000	\$1,333,000	\$0	\$1,333,000
Public Art for Parks	\$180,000	\$100,000	\$67,360	\$32,640
Proposition 4 – Park System Improvements	\$5,400,000	\$4,280,000	\$2,550,000	\$1,730,000

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Playground Replacements	Evers Park playground complete. Carl Young Sr. playground scheduled for replacement in conjunction with spray ground in Spring 2017.
Park Improvements (South Lakes, Lake Forest)	The shelter and basketball court construction at Lake Forest & Milam Parks were completed via an endowment from a private foundation along with matching funds.
Sprayground	Design concepts are being prepared for the spray ground and the restrooms. Survey for platting completed and forwarded to Architect. Conceptual designs have been shared with members of SEDNA via 4 public meetings. Anticipated completion Spring 2017.
Water Works Park Additions – Wave Pool/Concession Stand	The Wave Pool contract was approved by City Council in November 8, 2016. Construction begins January 2017, pool and concession open Spring 2017.
Vela Soccer Complex Phase II Construction	100% plans have been submitted from Dunaway. Staff is completing the DRC process. Anticipated completion Summer 2018.
Public Art for Parks	The Moroles sculpture was installed in the City Hall Courtyard September 2016. The Public Art Committee is obtaining an art appraisal for a James Surls sculpture.
Proposition 4 – Park System Improvements	