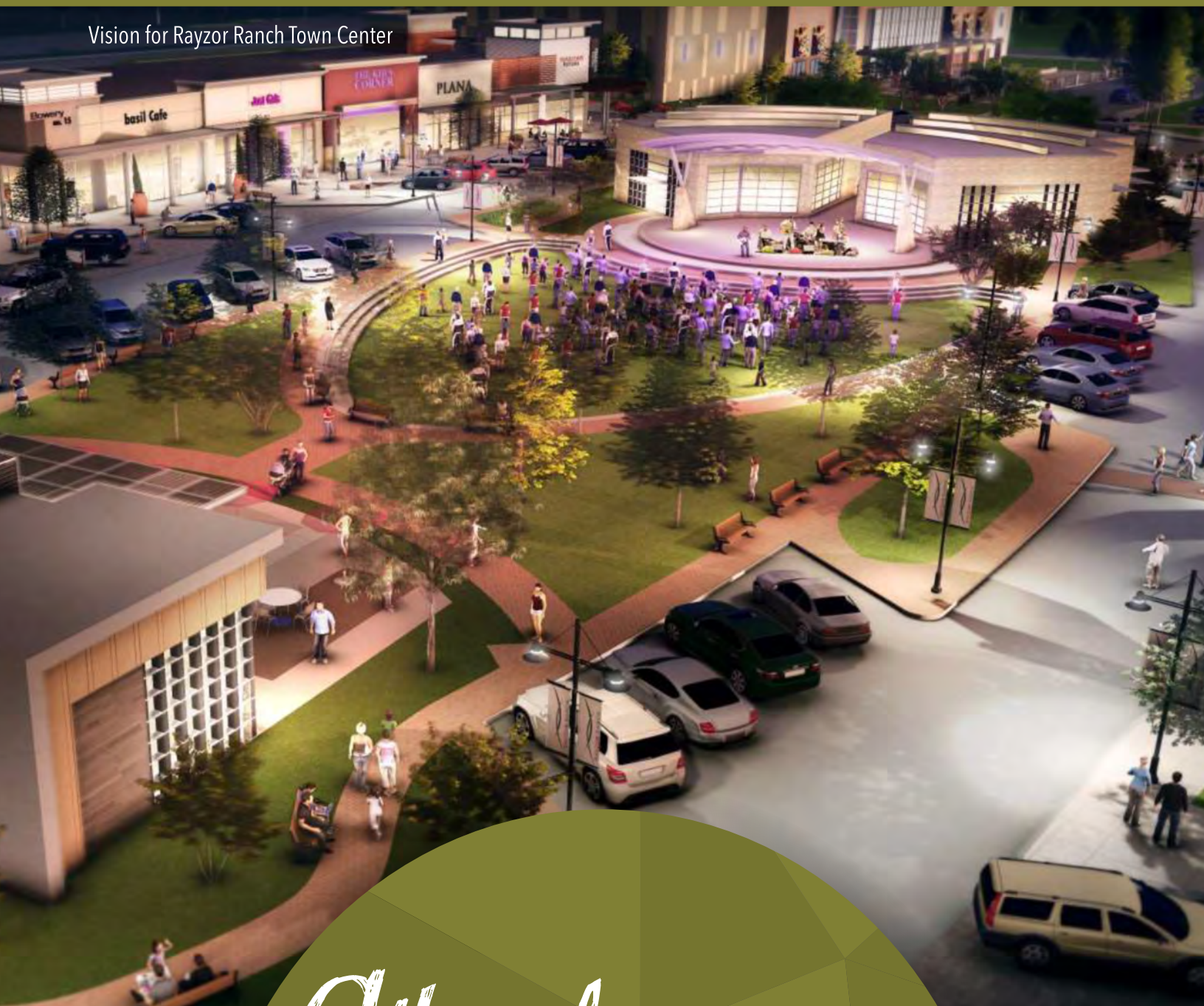


Vision for Rayzor Ranch Town Center



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 March 31, 2017.

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.

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
March 2017

Executive Dashboards

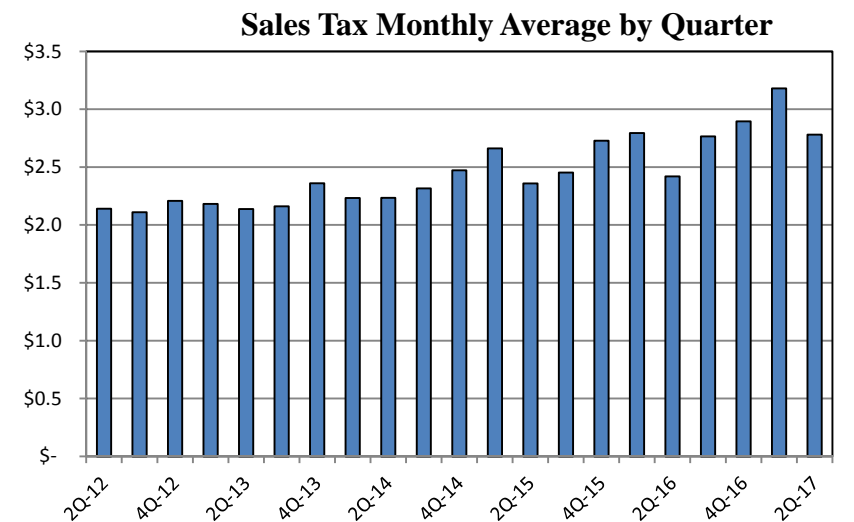
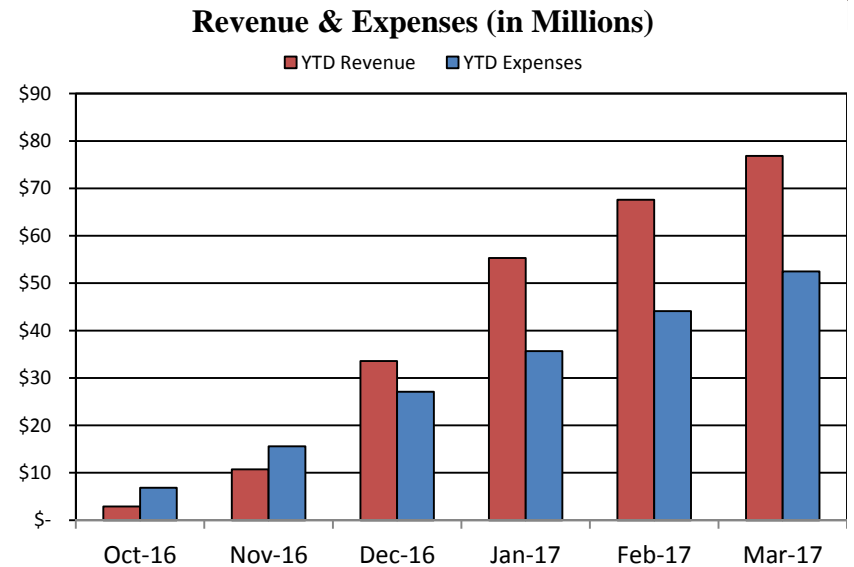


City of Denton, Texas

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	35.26	7%
Franchise Fees	5.61	5.61	0%
Other Taxes	0.35	0.38	9%
Service Fees	7.93	7.92	0%
Fines and Fees	4.11	3.84	-7%
Licenses and Permits	2.96	2.49	-16%
Miscellaneous Revenue	1.58	1.80	14%
Transfers In	15.80	15.94	1%
Total Revenues	114.33	116.39	2%
Total Resources	141.70	144.56	
EXPENDITURES:			
Personal Service	82.16	81.19	-1%
Material and Supplies	2.82	2.82	0%
Maintenance and Repairs	3.06	3.06	0%
Insurance	1.08	1.08	0%
Miscellaneous	1.11	1.11	0%
Operations	13.93	14.90	7%
Transfers Out	9.72	9.72	0%
Fixed Assets	0.55	0.55	0%
Total Expenditures	114.43	114.43	0%
Net Income (Loss)	(0.10)	1.96	
Ending Fund Balance	\$ 27.27	\$ 30.13	



Key Trends

- Sales Tax revenues are projected \$2.42M higher than budget due to stronger collections in the second quarter.
- Fines and Fees revenues are projected \$0.27M less than budget due to lower collections of Municipal Fines.
- Licenses and Permits revenues are projected \$0.47M less than budget due to lower collections of Building Permits and Food Handler Permits.
- Miscellaneous Revenue is projected \$0.22M higher than budget due to stronger earnings of Investment Income.
- Personal Service expenditures are projected \$0.97M lower than budget due to Position Savings.
- Operations expenditures are projected \$0.97M higher than budget due to the timing of 380 Sales Tax Agreements.

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

Note: All figures presented are in millions of dollars.

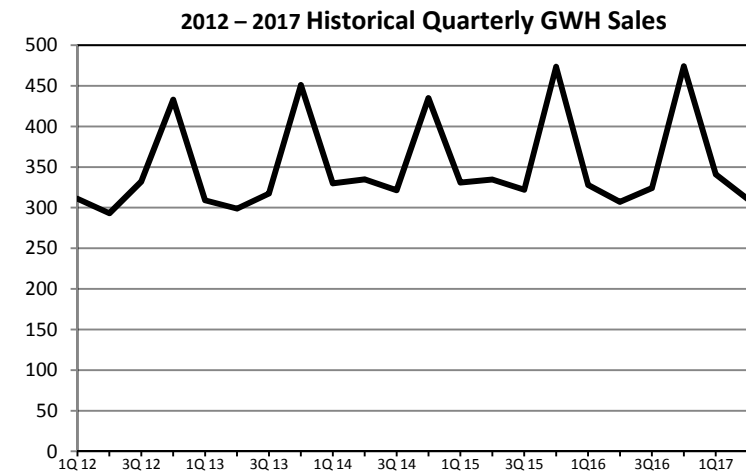
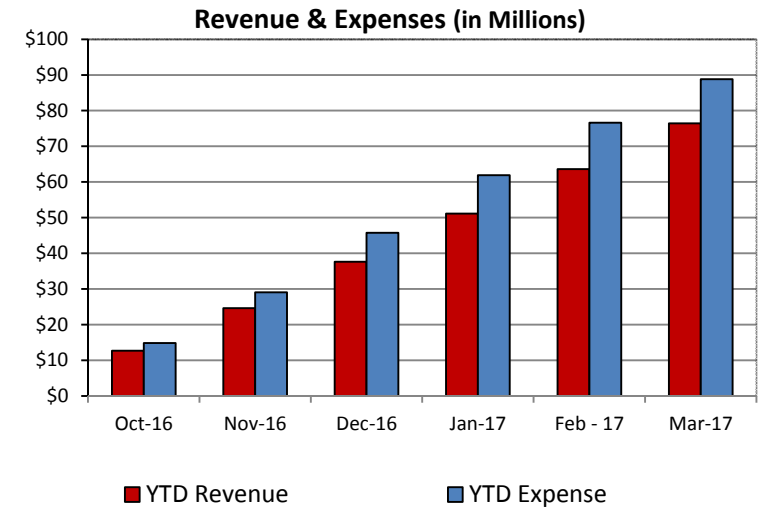


City of Denton, Texas

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	182.19	3%
Non-operating Revenues	0.30	0.34	14%
Total Revenues	176.98	182.53	3%
Total Resources	245.16	258.53	
EXPENDITURES:			
Purchased Power	85.37	97.67	14%
Operation and Maintenance	44.37	45.18	2%
Non-Operating Expenditures	43.67	43.66	0%
Total Expenditures	173.41	186.51	8%
Net Income (Loss)	3.57	(3.98)	
Ending Working Capital and Reserves	\$ 71.75	\$ 72.02	



Key Trends

- Non-operating Revenues are projected to be higher than budget as a result of higher interest income than anticipated.
- Purchased Power expenditures are projected to be \$12.3 million higher than budget as a result of TMPA debt. Due to anticipated TMPA sale last fall, DME did not prepay capital appreciation bonds in FY 15-16 which resulted in that cost being included in FY 16-17 purchase power payments to TMPA. Any necessary budget amendment will be submitted later in this fiscal year.

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

Note: All figures presented are in millions of dollars.

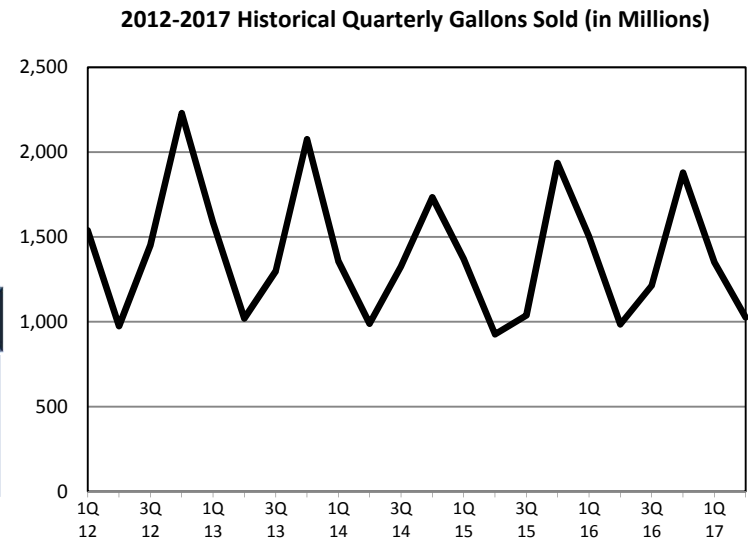
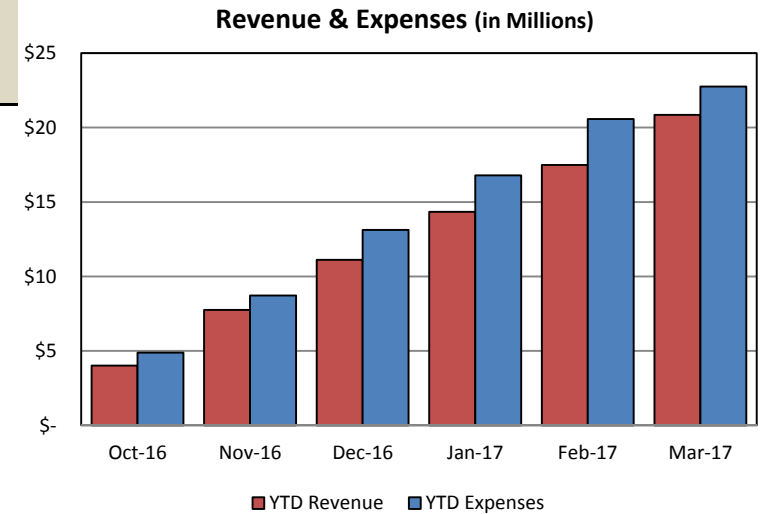


City of Denton, Texas

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	35.53	-5%
Other Water Revenues	0.94	0.94	0%
Transfers In	6.50	5.74	-12%
Impact Fee Revenue	4.00	4.00	0%
Total Revenues	48.78	46.21	-5%
Total Resources	74.38	70.36	
EXPENDITURES:			
Personal Service	11.55	11.06	-4%
Operations, Services	11.89	10.73	-10%
Capital Outlay ³	13.21	13.06	-1%
Debt Service	11.54	11.20	-3%
Transfers Out	3.59	3.46	-4%
Total Expenditures	51.78	49.51	-4%
Net Income (Loss)	(3.00)	(3.30)	
Ending Working Capital and Reserves	\$ 22.60	\$ 20.85	



Key Trends

- Transfer In revenue is expected to be under budget due to year-end revisions to the Customer Service and Utility Administration charges.
- Operations, Services are under budget due to reduced materials & supplies and outside services expenses.

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.



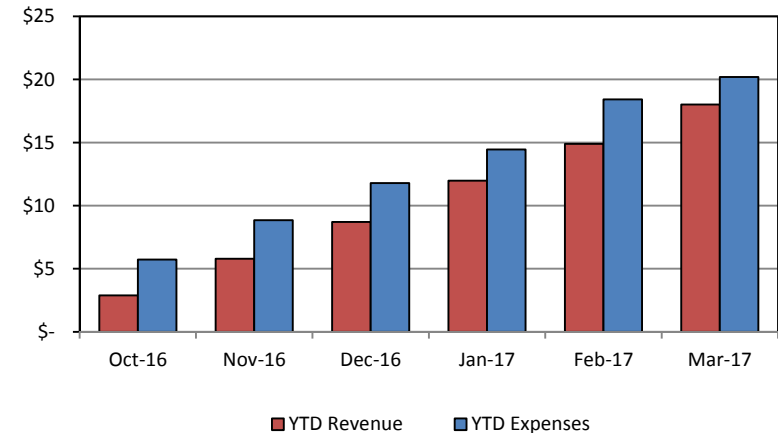
City of Denton, Texas

Wastewater Fund Executive Dashboard

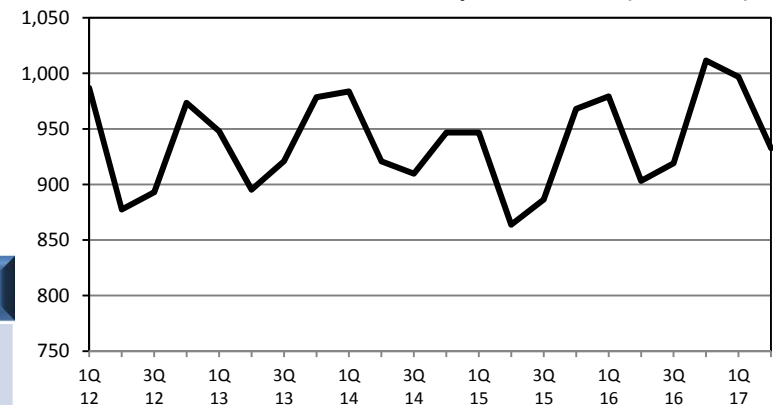


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16 ²	\$ 18.08	\$ 18.11	
RESOURCES:			
Wastewater Fees	23.42	23.63	1%
Other Wastewater Revenue	1.88	1.81	-4%
Drainage Fees	4.60	4.58	0%
Transfer In	0.88	0.60	-32%
Impact Fee Revenue	3.52	3.52	0%
Total Revenues	34.30	34.14	0%
Total Resources	52.38	52.25	
EXPENDITURES:			
Personal Service	8.24	7.50	-9%
Operations, Services	8.88	8.47	-5%
Capital Outlay ³	11.07	11.39	3%
Debt Service	6.91	6.82	-1%
Transfer Out	3.50	3.28	-6%
Total Expenditures	38.60	37.46	-3%
Net Income (Loss)	(4.30)	(3.32)	
Ending Working Capital and Reserves	\$ 13.78	\$ 14.79	

Revenue & Expenses (in Millions)



2012-2017 Historical Quarterly Gallons Billed (in Millions)



Key Trends

- Transfer In revenue will be reduced due to personnel changes & changes in Water operations.
- Personal Service expenditures are expected to be below budget due to position vacancies.
- Transfer Out expense is expected to be under budget due to year-end revisions to the Customer Service and Utility Administration charges.

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.

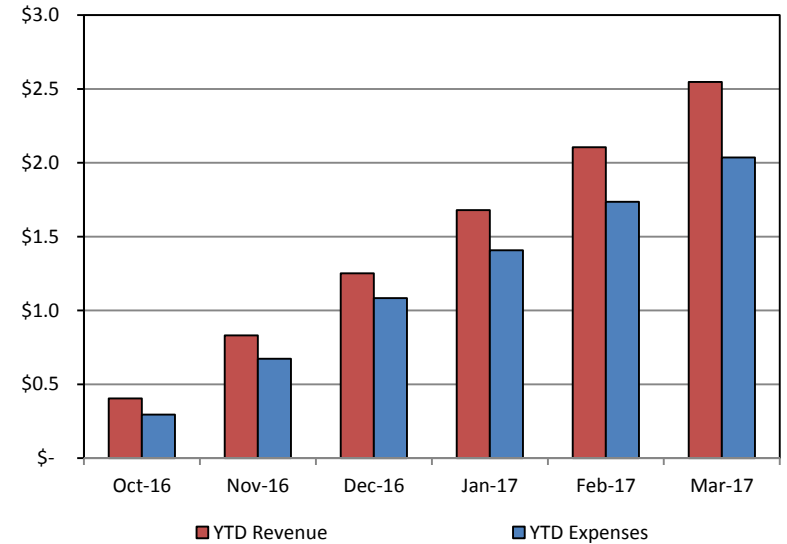


City of Denton, Texas

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	\$ 1.74	2%
Nonresidential Drainage Fees	2.90	2.84	-2%
Wastewater Resources	0.02	0.06	200%
General Fund Transfer	0.50	0.50	0%
Total Revenues	5.12	5.14	0%
EXPENDITURES:			
Personal Service	1.86	1.61	-13%
Operations, Services	0.86	0.84	-2%
Capital Outlay	1.13	1.45	28%
Debt Service	0.64	0.64	0%
Transfer Out	0.63	0.60	-5%
Total Expenditures	5.12	5.14	0%
Net Income (Loss)	\$ -	\$ -	

Key Trends

- Personal Services are projected to be lower than budget due to position vacancies.
- Capital Outlay is projected to be higher than budget due to an increase in projects activity.

Note: All figures presented are in millions of dollars.



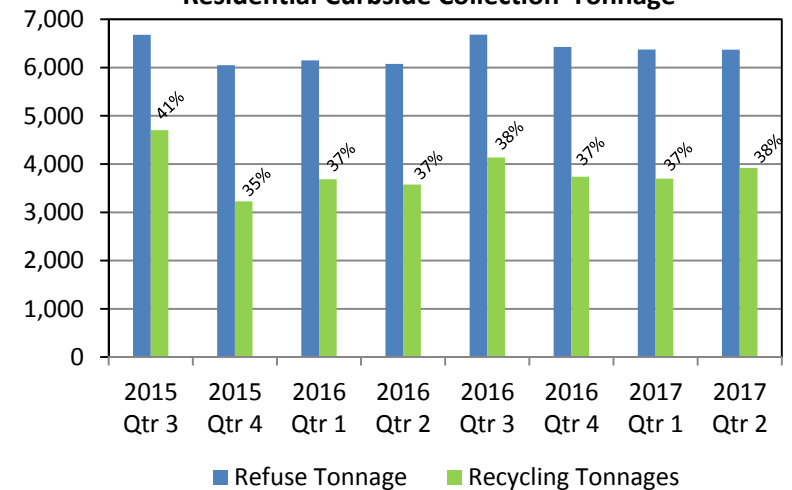
City of Denton, Texas

Solid Waste Fund Executive Dashboard

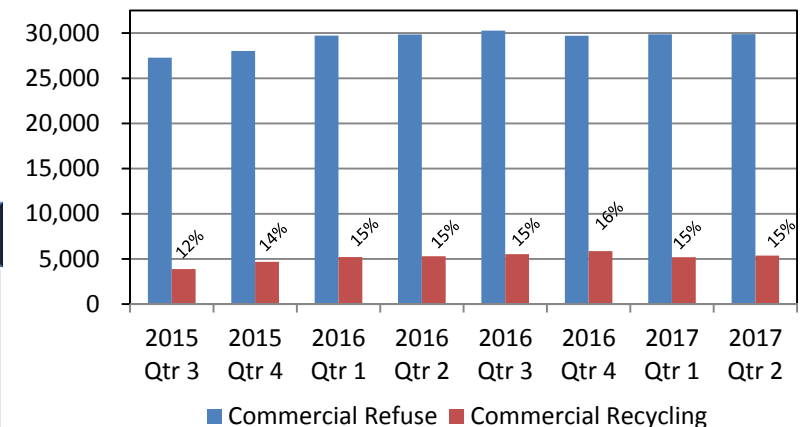


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16²	\$ 6.04	\$ 7.76	
RESOURCES:			
Collection & Disposal	34.22	33.33	-3%
Recycling	0.85	0.85	0%
Other Revenue	1.78	1.42	-20%
Total Revenues	36.85	35.60	-3%
Total Resources	42.89	43.36	
EXPENDITURES:			
Personal Service	11.40	11.08	-3%
Operations, Services	11.40	10.78	-5%
Capital Outlay	3.17	2.56	-19%
Debt Service	8.14	8.08	-1%
Transfer Out	2.70	2.70	0%
Total Expenditures	36.81	35.20	-4%
Net Income (Loss)	0.04	0.40	
Ending Working Capital and Reserves	\$ 6.08	\$ 8.16	

Residential Curbside Collection Tonnage



**Commercial Refuse & Recycling (Front & Side Load)
Cubic Yards Serviced per Week**



Key Trends

- Other Revenues are less than expected due to a reduction in transfers from the Landfill Closure/Post Closure Fund.
- Personal Services are under budget due to open positions.
- Operations, Services is less than expected due to fuel savings.
- Capital Outlay is under budget due to lower transfers to capital projects.

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.



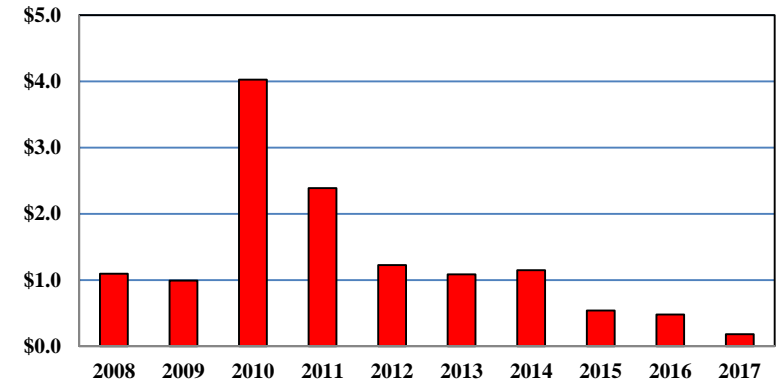
City of Denton, Texas

Airport Fund Executive Dashboard

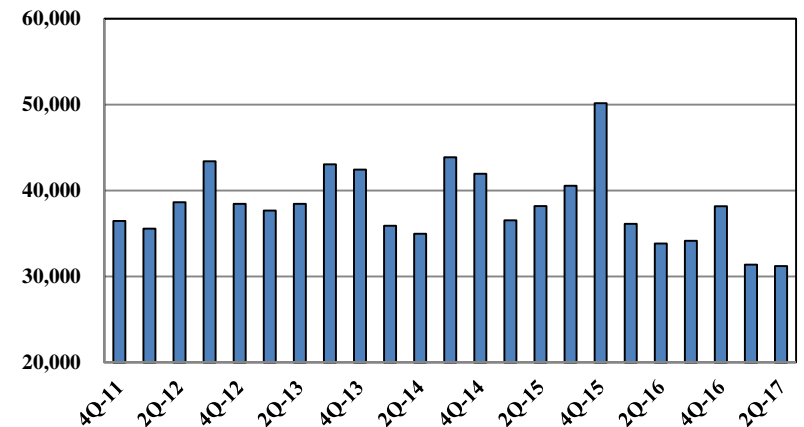


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16	\$ 2.45	\$ 2.48	
RESOURCES:			
Airport Ground Leases	0.70	0.63	-10%
FBO Commissions	0.24	0.20	-17%
Miscellaneous	0.06	0.08	33%
Total Operating Revenues	1.00	0.91	-9%
EXPENDITURES:			
Personal Service	0.67	0.58	-13%
Operations, Services	0.41	0.38	-7%
Transfer Out	0.47	0.47	0%
Total Operating Expenditures	1.55	1.43	-8%
Net Operating Income (Loss)	(0.55)	(0.52)	
NON-OPERATING REVENUES:			
Investment Income	0.03	0.02	-33%
Gas Well Royalties	0.45	0.49	9%
Total Non-Operating Revenues	0.48	0.51	6%
Net Income (Loss)	(0.07)	(0.01)	
Ending Working Capital and Reserves	\$ 2.38	\$ 2.47	

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



AIRPORT OPERATIONS BY QUARTER
(takeoff or landing)



Key Trends

- Airport Ground Leases are projected to be less than budget due to the delayed opening of new hangar space.
- FBO Commissions are projected less than budget due to lower fuel sales.
- Personal service expenditures are less than budget due to reorganization and the timing of position vacancies.

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.



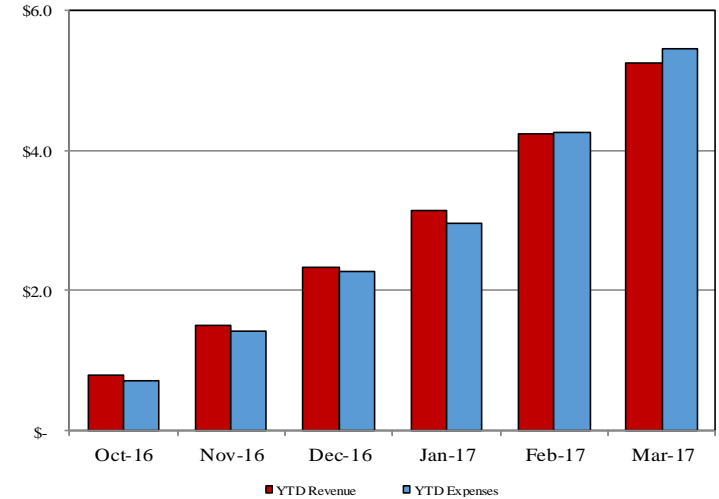
City of Denton, Texas

Street Improvement Fund Executive Dashboard

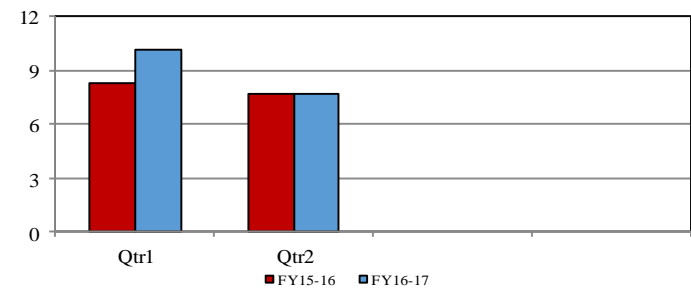


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Fund Balance as of 09/30/2016	\$ 1.52	\$ 1.80	
RESOURCES:			
Franchise Fees	11.61	11.42	-2%
Street Cuts	0.35	0.35	0%
Investment Income	0.01	0.01	0%
Transfers In	1.00	1.00	0%
Total Revenues	12.97	12.78	-1%
Total Resources	14.49	14.58	
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)	(0.54)	
Ending Fund Balance	\$ 1.17	\$ 1.26	

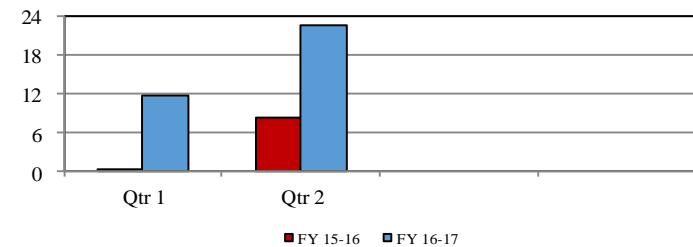
Revenue & Expenses (in Millions)



Tons of Asphalt Laid (in Thousands)



Lane Miles Surface Treatment



Key Trends

➤ Lane miles of surface treatment increased substantially in the 2nd quarter as compared to both the 1st quarter and 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.

Note: All figures presented are in millions of dollars.



City of Denton, Texas

Grants Dashboard



DESCRIPTION	FY 2016-17 GRANT AMOUNT	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
2016-17 Budget			
Comm Development ¹	\$ 2.14	\$ 1.10	-49%
Public Safety	0.37	0.37	0%
Parks & Recreation	1.51	1.51	0%
Airport ¹	6.00	0.73	-88%
Solid Waste	0.95	0.95	0%
Transportation	0.16	0.16	0%
Other	0.03	0.03	0%
Total Budget	11.16	4.85	-57%
New Awards			
Solid Waste	0.23	0.23	0%
Transportation ¹	98.24	6.13	-94%
Other	0.01	0.01	0%
Total New Awards	98.48	6.37	-94%
Totals	\$ 109.64	\$ 11.22	-90%

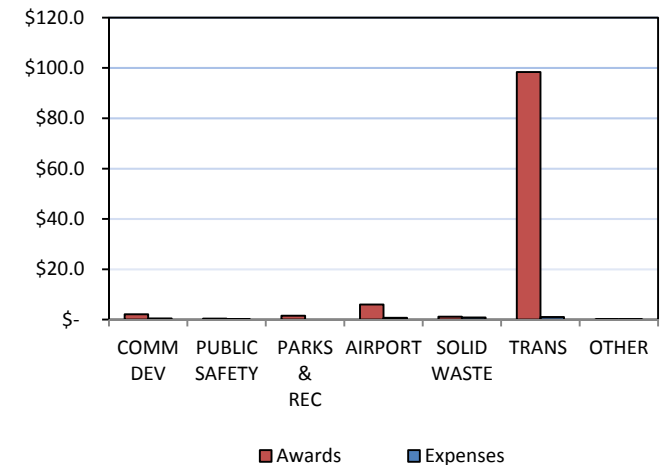
Key Trends

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

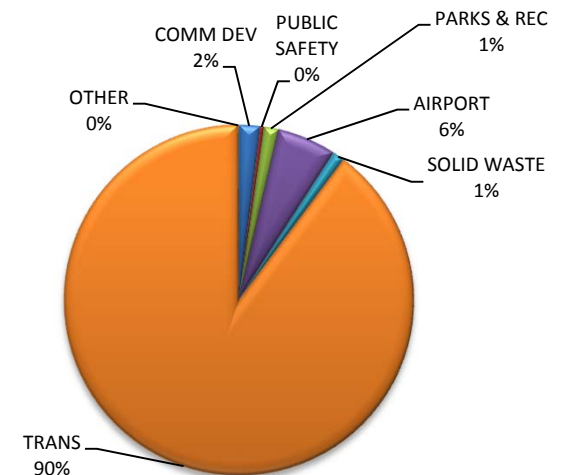
- NCTCOG Regional HHW Drop-Off Facility Project: \$225,311
- Transportation Project: \$98,242,276
- Farmer's Market Program: \$12,914
- TIFMAS Training Tuition: \$1,125

¹ This grant amount will be spent over several years and the fiscal year 2016-17 projections are just estimated expenditures in the one year. Remaining grant amounts will be spent in future fiscal year.

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 March 2017

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 March 31, 2017

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	\$ 39,582,667	\$ 41,403,098	\$ 42,702,467	\$ 42,506,508	\$ 42,506,508	0%
Delinquent - Ad Valorem	57,444	138,721	158,806	277,443	277,443	0%
Miscellaneous Penalties & Fees	156,195	195,526	207,609	362,184	362,184	0%
Ad Valorem Taxes	39,796,306	41,737,345	43,068,882	43,146,135	43,146,135	0%
Sales Tax	15,643,847	16,424,252	17,884,054	32,835,370	35,261,000	7%
Franchise - Gas Utilities	105,036	131,154	85,724	485,262	485,262	0%
Franchise - Private Electric Utilities	34,449	16,060	30,713	138,651	138,651	0%
Franchise - Cable	39,944	183,995	126,858	546,133	546,133	0%
Franchise - Telecom	204,177	48,065	133,940	248,970	248,970	0%
Franchise - Denton Municipal Utilities	2,094,407	1,571,783	1,833,939	4,187,833	4,187,833	0%
Franchise Fees	2,478,013	1,951,057	2,211,174	5,606,849	5,606,849	0%
Other Taxes	50,820	87,618	157,410	350,474	380,000	8%
Ambulance Service Fees	1,334,008	1,248,983	1,451,644	3,470,290	3,776,073	9%
Fire Department Fees	86,154	95,713	66,982	191,427	191,427	0%
Building Inspections Fees	289,578	231,512	227,348	505,723	546,913	8%
Park Department Fees	332,890	365,184	319,508	2,319,956	2,050,524	-12%
Planning Department Fees	592,107	610,851	378,450	1,221,418	1,141,440	-7%
Reprographics Fees	167,817	59,250	176,691	118,450	92,000	-22%
Miscellaneous Service Fees	59,926	53,788	47,296	107,573	120,990	12%
Service Fees	2,862,480	2,665,281	2,667,919	7,934,837	7,919,367	0%
Denton Municipal Fines	840,104	927,249	794,879	1,854,494	1,614,208	-13%
Parking Fines	126,735	96,825	146,455	193,650	240,000	24%
Miscellaneous Fines and Fees	488,987	494,353	461,934	1,040,653	1,040,653	0%
Court Administrative and Service Fees	473,602	473,680	462,719	1,020,445	950,000	-7%
Fines and Fees	1,929,428	1,992,107	1,865,987	4,109,242	3,844,861	-6%
Demolition Permits	4,465	4,943	3,990	9,884	9,884	0%
Building Permits	1,433,420	1,278,916	1,034,677	2,821,470	2,344,940	-17%
Certificate of Occupancy	43,415	45,426	40,185	90,854	90,854	0%
Miscellaneous Licenses and Permits	8,823	21,357	16,695	42,708	42,708	0%
Licenses and Permits	1,490,123	1,350,642	1,095,547	2,964,916	2,488,386	-16%
Investment Income	136,358	135,770	177,039	271,541	425,000	57%
Miscellaneous Revenues	372,570	407,135	314,453	1,311,568	1,379,254	5%
Miscellaneous Resources	508,928	542,905	491,492	1,583,109	1,804,254	14%
ROI - Denton Municipal Utilities	3,269,255	3,640,100	3,370,592	7,722,165	7,859,381	2%
Transfers	3,982,772	4,041,218	4,034,480	8,081,468	8,081,468	0%
Transfers	7,252,027	7,681,318	7,405,072	15,803,633	15,940,849	1%
Total General Fund Revenues	\$ 72,011,972	\$ 74,432,525	\$ 76,847,537	\$ 114,334,565	\$ 116,391,701	2%

City of Denton
General Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended March 31, 2017

	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
NEIGHBORHOOD SERVICES						
Building Inspections	\$ 1,225,873	\$ 1,497,981	\$ 1,376,128	\$ 2,994,768	\$ 2,994,768	0%
Community Improvement Services	680,710	928,925	784,609	1,857,104	1,857,104	0%
Libraries	2,830,318	2,951,306	2,884,505	5,900,271	5,900,271	0%
Parks and Recreation	5,240,192	6,579,695	5,424,492	13,154,169	13,154,169	0%
Planning	1,160,636	1,905,856	1,455,488	3,325,569	3,325,569	0%
Gas Well Review	140,385	201,267	95,515	402,389	402,389	0%
Social Services	241,938	296,347	276,566	592,458	592,458	0%
	<u>11,520,052</u>	<u>14,361,377</u>	<u>12,297,303</u>	<u>28,226,728</u>	<u>28,226,728</u>	0%
PUBLIC SAFETY						
Animal Services	696,870	750,185	606,320	1,499,776	1,499,776	0%
Fire	12,073,115	13,703,566	13,001,403	27,395,360	27,395,360	0%
Municipal Court	682,279	693,089	644,106	1,385,603	1,385,603	0%
Municipal Judge	176,108	218,118	183,318	436,068	436,068	0%
Police	13,215,573	14,934,822	14,147,097	29,856,911	29,856,911	0%
	<u>26,843,945</u>	<u>30,299,780</u>	<u>28,582,244</u>	<u>60,573,718</u>	<u>60,573,718</u>	0%
TRANSPORTATION						
Traffic Operations	887,339	1,042,891	812,302	2,084,963	2,084,963	0%
Transportation Operations	196,653	245,737	226,822	491,286	491,286	0%
Street Lighting	360,584	367,647	390,199	735,000	735,000	0%
	<u>1,444,576</u>	<u>1,656,275</u>	<u>1,429,323</u>	<u>3,311,249</u>	<u>3,311,249</u>	0%
ADMINISTRATIVE & COMMUNITY SERVICES						
Cable Television	147,778	165,615	142,810	331,111	331,111	0%
City Manager's Office	1,341,275	1,462,866	1,276,685	2,926,197	2,926,197	0%
Economic Development	977,750	1,769,509	1,253,704	3,537,603	4,505,674	27%
Facilities Management	1,647,116	2,013,998	1,797,291	4,026,387	4,026,387	0%
Finance	1,368,076	1,441,096	1,376,725	2,881,060	2,881,060	0%
Human Resources	779,645	853,629	804,766	1,706,585	1,706,585	0%
Internal Audit	34,913	87,535	31,226	175,000	175,000	0%
Legal Administration	1,034,699	1,151,527	1,053,692	2,302,138	2,302,138	0%
Public Communications Office	411,775	236,193	208,501	472,214	472,214	0%
Reprographics	224,121	235,250	203,476	470,320	470,320	0%
Non-Departmental	2,289,794	1,505,107	2,030,391	3,493,620	2,523,596	-28%
	<u>10,256,942</u>	<u>10,922,325</u>	<u>10,179,267</u>	<u>22,322,235</u>	<u>22,320,282</u>	0%
TOTAL EXPENDITURES	<u>\$ 50,065,515</u>	<u>\$ 57,239,757</u>	<u>\$ 52,488,137</u>	<u>\$ 114,433,930</u>	<u>\$ 114,431,977</u>	0%

City of Denton
Electric Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended March 31, 2017

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	\$ 75,655,032	\$ 80,237,125	\$ 76,139,210	176,682,488	182,185,092	3%
Non-operating Revenues	181,006	138,094	311,910	300,000	343,117	14%
Total Revenues	75,836,038	80,375,219	76,451,120	176,982,488	182,528,209	3%
EXPENDITURES:						
Purchased Power	41,978,057	37,997,464	43,143,626	85,369,586	97,667,609	14%
Operation and Maintenance	15,827,708	21,499,714	16,841,783	44,366,611	45,183,516	2%
Return on Investment	2,313,802	2,637,262	2,391,566	5,506,335	5,700,995	4%
Franchise Fee	3,300,472	3,764,544	3,410,896	7,866,192	8,144,279	4%
Non-Operating Expenditures	23,679,735	23,392,803	23,036,843	30,299,596	29,812,180	-2%
Total Expenditures	87,099,774	89,291,787	88,824,714	173,408,320	186,508,579	8%
Net Income (Loss)	\$ (11,263,736)	\$ (8,916,568)	\$ (12,373,594)	3,574,168	(3,980,370)	
Ending Working Capital and Reserves				<u>\$ 71,749,722</u>	<u>\$ 72,016,481</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 March 31, 2017

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	\$ 7,401,856	\$ 8,054,382	\$ 7,413,348	19,449,831	18,420,786	-5%
Water Sales Commercial	7,236,419	7,898,382	7,241,567	17,335,218	16,557,548	-4%
Water for Resale	319,365	284,294	276,169	548,878	551,171	0%
Other Water	600,475	402,910	626,953	794,235	791,612	0%
Transfers In	3,093,773	3,253,506	3,199,788	6,507,009	5,739,076	-12%
Investment Income	36,360	74,000	90,114	148,000	148,000	0%
Impact Fee Revenue	2,000,800	2,000,000	2,000,800	4,000,000	4,000,000	0%
Total Revenues	20,689,048	21,967,474	20,848,739	48,783,171	46,208,193	-5%
EXPENDITURES:						
Personal Service	4,611,853	5,571,064	4,661,709	11,552,965	11,061,897	-4%
Purchased Power	633,702	825,643	576,386	1,687,487	1,514,562	-10%
Materials and Supplies	645,010	801,421	597,823	1,837,081	1,668,760	-9%
Maintenance and Repairs	439,749	576,474	608,996	1,593,468	1,482,487	-7%
Insurance	115,649	119,475	119,474	238,949	238,949	0%
Miscellaneous	171,691	162,890	167,943	304,615	308,297	1%
Operations, Services	923,339	1,607,912	1,041,210	3,017,453	2,429,435	-19%
Capital Outlay ³	5,155,884	4,584,026	2,357,824	13,210,449	13,055,949	-1%
Return on Investment	536,247	610,071	536,980	1,334,486	1,271,239	-5%
Franchise Fee	766,066	860,442	767,115	1,882,155	1,816,056	-4%
Debt Service	11,839,357	5,767,585	9,513,008	11,535,170	11,195,412	-3%
Transfers Out	1,689,335	1,794,208	1,805,876	3,588,413	3,464,156	-3%
Total Expenditures	27,527,882	23,281,211	22,754,344	51,782,691	49,507,199	-4%
Net Income (Loss)	\$ (6,838,834)	\$ (1,313,737)	\$ (1,905,605)	(2,999,520)	(3,299,006)	
Ending Working Capital and Reserves				\$ 22,598,767	\$ 20,851,375	

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 March 31, 2017

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	\$ 5,486,019	\$ 5,636,853	\$ 5,863,776	11,188,269	11,005,783	-2%
Commercial Fees	5,826,918	5,628,755	6,018,920	11,592,297	11,914,171	3%
Effluent Irrigation Fees	48,958	22,997	46,309	60,413	60,180	0%
Wholesale Fees	291,485	271,229	312,902	582,400	659,818	13%
Other Wastewater Fees	1,971,537	792,167	1,036,595	1,757,866	1,707,096	-3%
Drainage Fees	2,236,168	2,281,403	2,306,700	4,601,201	4,582,114	0%
Transfer In	552,988	437,910	600,409	875,819	596,799	-32%
Investment Income	30,013	59,750	64,561	119,500	96,000	-20%
Impact Fee Reserves	1,000,400	1,760,000	1,760,704	3,520,000	3,520,000	0%
Total Revenues	17,444,486	16,891,064	18,010,876	34,297,765	34,141,961	0%
EXPENDITURES:						
Personal Service	3,481,314	3,891,708	3,535,590	8,237,275	7,498,269	-9%
Purchased Power	630,835	500,257	451,008	946,000	1,021,000	8%
Materials and Supplies	317,024	516,383	482,857	1,489,447	1,249,741	-16%
Maintenance and Repairs	548,323	728,483	562,172	1,623,270	1,529,560	-6%
Insurance	123,827	93,838	93,838	187,676	187,676	0%
Miscellaneous	41,646	41,139	35,326	52,608	54,645	4%
Operations, Services	864,134	1,129,448	922,167	2,437,777	2,277,045	-7%
Capital Outlay ³	2,364,629	5,533,767	5,358,206	11,067,533	11,390,198	3%
Return on Investment	419,207	433,182	442,046	881,344	887,147	1%
Franchise Fee	598,867	618,831	631,494	1,259,062	1,267,352	1%
Debt Service	6,785,920	3,454,966	5,978,759	6,909,931	6,817,877	-1%
Transfers Out	1,714,204	1,751,811	1,702,311	3,503,618	3,277,434	-6%
Total Expenditures	17,889,930	18,693,813	20,195,774	38,595,541	37,457,944	-3%
Net Income (Loss)	\$ (445,444)	\$ (1,802,749)	\$ (2,184,898)	(4,297,776)	(3,315,983)	
Ending Working Capital and Reserves				\$ 13,786,007	\$ 14,791,057	

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 March 31, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
REVENUES:						
Residential Drainage Fees	\$ 857,967	\$ 849,446	\$ 876,935	\$ 1,703,396	\$ 1,741,319	2%
Nonresidential Drainage Fees	1,378,200	1,431,718	1,429,765	2,897,805	2,840,795	-2%
Wastewater Resources	-	9,120	-	18,240	53,240	192%
General Fund Transfer	250,278	250,668	250,668	501,336	501,336	0%
Total Revenues	2,486,445	2,540,952	2,557,368	5,120,777	5,136,690	0%
EXPENDITURES:						
Personal Service	762,954	870,513	706,934	1,863,953	1,608,574	-14%
Materials and Supplies	17,084	40,604	14,948	86,946	81,375	-6%
Maintenance and Repairs	28,673	69,078	37,172	148,267	143,200	-3%
Insurance	12,039	9,914	9,913	19,827	19,827	0%
Miscellaneous	11,248	9,408	2,721	16,000	16,000	0%
Operations, Services	230,667	246,124	144,576	581,854	577,828	-1%
Capital Outlay	372,484	660,142	726,059	1,133,594	1,451,259	28%
Debt Service	743,049	320,370	597,449	640,740	636,605	-1%
Transfer Out	308,247	314,799	317,596	629,596	602,022	-4%
Total Expenditures	2,486,445	2,540,952	2,557,368	5,120,777	5,136,690	0%
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	

City of Denton
Solid Waste Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended March 31, 2017

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	\$ 5,252,065	\$ 5,512,780	\$ 5,561,630	11,121,950	11,213,333	1%
Garbage Fees - Commercial	6,895,805	7,538,053	7,262,095	15,436,305	15,171,763	-2%
Landfill Fees	2,449,245	3,200,860	3,030,772	6,695,086	6,344,616	-5%
Materials Processing and Mining	39,148	484,376	58,557	968,364	595,584	-38%
Recycling and Public Outreach	421,683	425,754	435,323	851,165	855,868	1%
Site Operations	79,019	123,562	110,858	247,025	275,169	11%
Other Revenue	99,904	763,296	273,405	1,525,980	1,126,773	-26%
Investment Income	5,360	2,250	8,974	4,500	14,000	211%
Total Revenues	15,242,229	18,050,931	16,741,614	36,850,375	35,597,106	-3%
EXPENDITURES:						
Personal Service	4,628,799	5,675,326	5,036,312	11,397,800	11,081,493	-3%
Materials and Supplies	279,322	283,357	179,778	577,277	513,043	-11%
Maintenance and Repairs	278,719	372,011	234,428	615,715	689,875	12%
Insurance	97,122	112,298	112,251	224,503	224,503	0%
Miscellaneous	41,714	53,307	39,366	81,750	72,010	-12%
Operations, Services	2,637,928	4,167,507	2,970,110	7,837,421	7,236,587	-8%
Capital Outlay	1,135,376	1,584,385	2,306,692	3,167,500	2,559,000	-19%
Debt Service	6,733,939	7,317,701	7,317,701	8,140,351	8,082,424	-1%
Franchise Fee	763,375	904,652	821,421	1,808,587	1,779,855	-2%
Landfill Closure	184,200	132,824	132,824	265,541	265,541	0%
Transfer Out	1,435,803	1,349,553	1,475,159	2,698,020	2,698,020	0%
Total Expenditures	18,216,297	21,952,921	20,626,042	36,814,465	35,202,351	-4%
Net Income (Loss)	\$ (2,974,068)	\$ (3,901,990)	\$ (3,884,428)	35,910	394,755	
Ending Working Capital and Reserves				\$ 6,080,528	\$ 8,151,876	

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 March 31, 2017

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	\$ 227,711	\$ 352,141	\$ 276,911	704,000	630,103	-10%
FBO Commissions	71,297	120,048	76,730	240,000	195,891	-18%
Miscellaneous	28,401	27,511	35,230	55,000	84,199	53%
Total Operating Revenues	327,409	499,700	388,871	999,000	910,193	-9%
OPERATING EXPENDITURES:						
Personal Service	299,381	334,387	288,800	668,509	576,417	-14%
Materials and Supplies	8,406	23,370	11,310	46,725	44,211	-5%
Maintenance and Repairs	43,594	41,310	34,297	82,593	93,750	14%
Insurance	11,179	10,806	10,802	21,604	21,604	0%
Miscellaneous	652	600	386	1,200	630	-48%
Operations	76,674	127,858	59,977	255,621	224,959	-12%
Transfers Out - Operating	227,556	236,654	235,111	473,114	473,114	0%
Franchise Fee	16,370	-	-	-	-	0%
Total Operating Expenses	683,812	774,985	640,683	1,549,366	1,434,685	-7%
Operating (Loss)	(356,403)	(275,285)	(251,812)	(550,366)	(524,492)	
NON-OPERATING REVENUES:						
Investment Income	12,651	12,505	17,762	25,000	24,961	0%
Gas Well Royalties	149,630	225,090	181,002	450,000	488,794	9%
Total Non-Operating Revenues	162,281	237,595	198,764	475,000	513,755	8%
NON-OPERATING EXPENDITURES:						
Debt Service	401,166	-	-	-	-	0%
Transfers Out - Capital	600,000	-	-	-	-	0%
Total Non-Operating Expenses	1,001,166	-	-	-	-	0%
Non-Operating Income (Loss)	(838,885)	237,595	198,764	475,000	513,755	
Net Income (Loss)	<u>\$ (1,195,288)</u>	<u>\$ (37,690)</u>	<u>\$ (53,048)</u>	<u>(75,366)</u>	<u>(10,737)</u>	
Ending Working Capital				<u>\$ 2,374,474</u>	<u>\$ 2,471,418</u>	

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 Actual(Unaudited)
For the Period Ended March 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	\$ 3,964,458	\$ 5,806,531	\$ 4,578,021	11,608,420	11,417,843	-2%
Street Cuts	109,947	175,070	122,505	350,000	350,000	0%
Investment Income	7,137	5,002	8,950	10,000	10,000	0%
Transfers In	454,982	498,880	528,687	997,363	997,363	0%
Total Resources	4,536,524	6,485,483	5,238,163	12,965,783	12,775,206	-1%
EXPENDITURES:						
Personal Service	1,173,631	1,920,112	1,384,064	3,838,690	3,838,690	0%
Materials and Supplies	48,844	41,091	72,831	82,150	82,150	0%
Maintenance and Repairs	987,867	3,888,168	2,949,714	7,953,085	7,953,085	0%
Insurance	25,208	21,518	21,511	43,022	43,022	0%
Miscellaneous	4,253	2,501	3,609	5,000	5,000	0%
Operations, Services	289,142	317,780	390,400	635,307	635,307	0%
Transfer Out	439,368	471,880	624,294	763,529	763,529	0%
Total Expenditures	2,968,313	6,663,050	5,446,423	13,320,783	13,320,783	0%
Net Income (Loss)	\$ 1,568,211	\$ (177,567)	\$ (208,260)	(355,000)	(545,577)	
Ending Fund Balance				\$ 1,166,965	\$ 1,253,048	

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 March 31, 2017

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2016 ²	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	\$ 248,854	\$ 1,284,350	\$ 600,000	-53%
US Dept of HUD -					
HOME Investment Partnership Program	2,485,405	231,439	857,710	500,000	-42%
Community Development ¹	4,609,459	480,293	2,142,060	1,100,000	-49%
TxDot STEP Comprehensive Grant	-	35,680	74,560	74,560	0%
2016 Byrne JAG Grant	-	7,398	25,000	25,000	0%
2015 UASI	-	81,239	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	-	2,325	12,000	12,000	0%
Public Safety	-	126,642	371,385	371,385	0%
Summer Food Grant ⁴	-	-	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	-	12,254	50,000	50,000	0%
Airport West Side Runway Grant	-	677,263	5,950,000	677,263	-89%
Airport ¹	-	689,517	6,000,000	727,263	-88%
Texas Emission Reduction Plan Rebate Grant	-	112,667	112,667	112,667	0%
CNG Fueling Station #1	-	600,000	600,000	600,000	0%
NCTCOG High Speed Grinder	-	50,000	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	-	762,667	945,667	945,667	0%
TxDot US 380 Projects	-	155,844	155,844	155,844	0%
Transportation	-	155,844	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	2,214,963	11,154,737	4,839,940	-57%
 New Awards					
NCTCOG High Speed Grinder		30,311	30,311	30,311	0%
NCTCOG Regional HHW Drop-Off Facility Project	-	26,770	195,000	195,000	0%
Solid Waste	-	57,081	225,311	225,311	0%
US 380 Western Blvd.-Cindy Lane Traffic Signal	-	21,250	250,000	250,000	0%
NT Blvd Bridge Enhancement-35E	-	303,914	303,914	303,914	0%
IH35E at Loop 288/Lillian Miller Pkwy	-	-	53,865	-	-100%
RTR-McKinney (Formerly FM426) ³	-	-	18,267,303	182,000	-99%
Hickory Creek	-	2,294	2,400,000	90,000	-96%
N TX Blvd Roundabout	-	1,460	2,000,000	100,000	-95%
Mayhill Road from IH35 East to US 380	11,438,659	468,534	33,897,794	2,600,000	-92%
Bonnie Brae Road IH35 East to US 377	6,428,246	89,644	39,723,105	2,100,000	-95%
ITS COMM Trunk Line	225,305	-	1,346,295	500,000	-63%
Transportation ¹	18,092,210	887,096	98,242,276	6,125,914	-94%

City of Denton

Grants

Schedule of Expenses - Budget vs Projection (Unaudited)

For the Period Ended March 31, 2017

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2016 ²	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
Farmers Market Grant	57,831	12,914	12,914	12,914	0%
TIFMAS-Confined Space Training Tuition	-	750	750	750	0%
TIFMAS-Rope Rescue I Training Tuition	-	375	375	375	0%
Other	57,831	14,039	14,039	14,039	0%
Total New Awards	18,150,041	958,216	98,481,626	6,365,264	-94%
TOTALS	\$ 22,759,500	\$ 3,173,179	\$ 109,636,363	\$ 11,205,204	-90%

¹ This grant amount will be spent over several years and the fiscal year 2016-17 projections are just estimated expenditure in the one year.
Remaining grant amounts will be spent in future fiscal year.

² A portion of the grants presented cover multiple years.

³ Advance Funding received in April 2017.

⁴ The City has decided to let a non-profit operate the Summer Food Program.

Section 3

City of Denton
Quarterly Financial Report
March 2017

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.

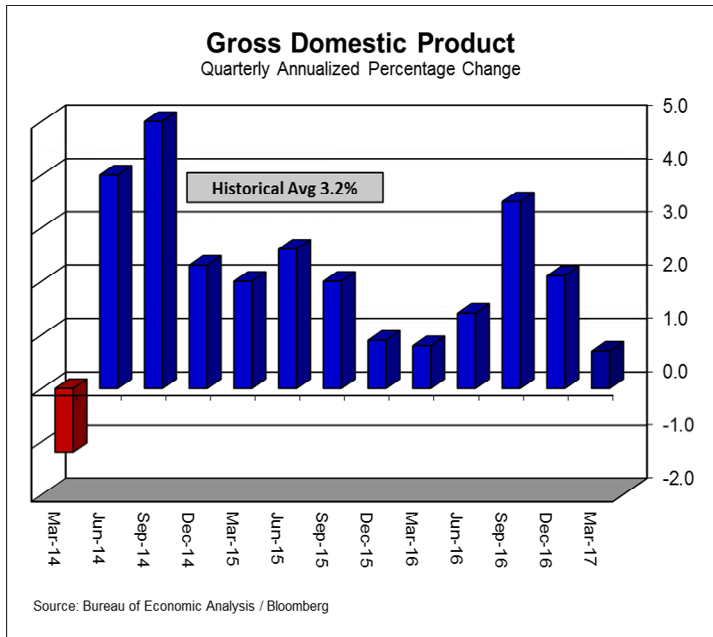
1. Positive Outlook – Represents favorable conditions for the local economy. Color code – Green.
2. Cautious Outlook – Represents changing conditions that require close monitoring. Color code – Yellow.
3. Negative Outlook – Represents unfavorable conditions for the local economy. Color code – Red.

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

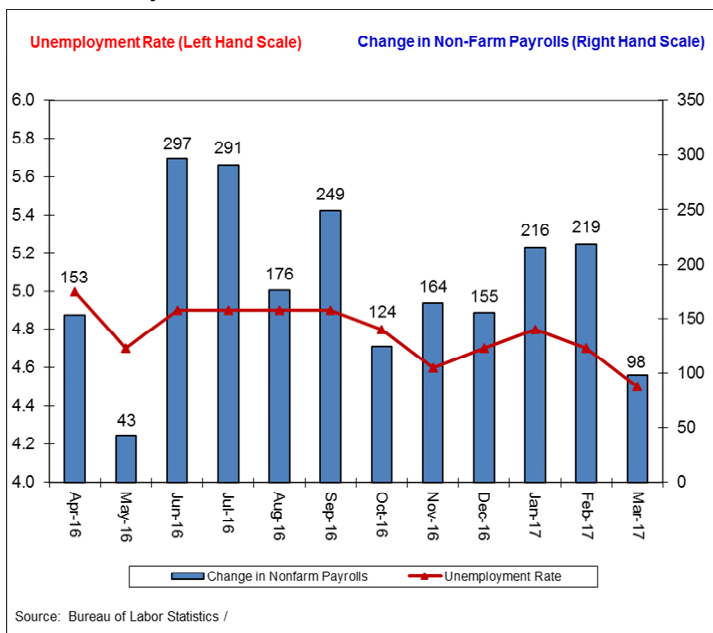
Period ending March 31, 2017

Gross Domestic Product (GDP)



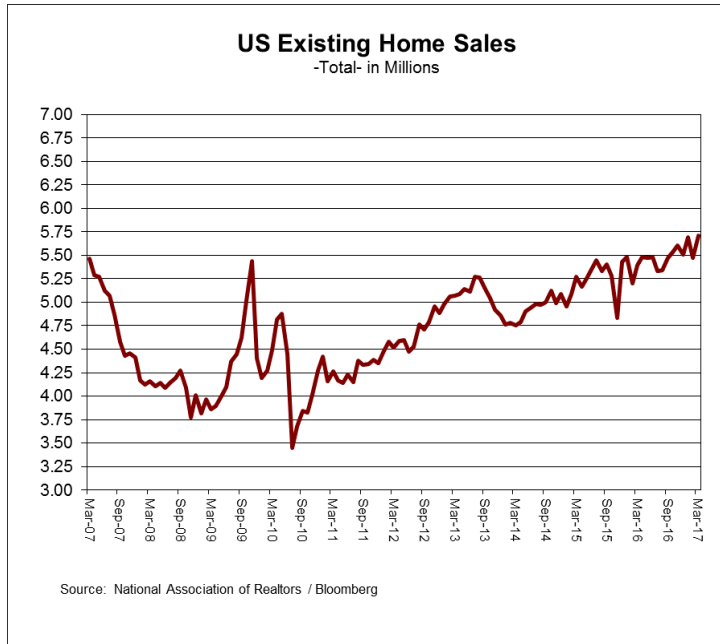
Robust consumer confidence numbers suggested that economic growth was poised to take a step forward in the first quarter, but the reality was quite different. GDP actually increased at a sluggish +0.7% annual rate in the first quarter of 2017, the slowest growth in three years, and a sharp deceleration from the +2.1% advance in the previous quarter. Consumer spending, the key component to U.S. economic growth, rose by just +0.3%. Residential spending (housing) jumped during the quarter, while nonresidential (business structures) surged; both got a boost from warm weather in January and February. Slower inventory buildup shaved almost a full percentage point from the overall number, but will likely *add to GDP* in subsequent quarters. All indications suggest that growth will resume in the second quarter.

Nonfarm Payrolls



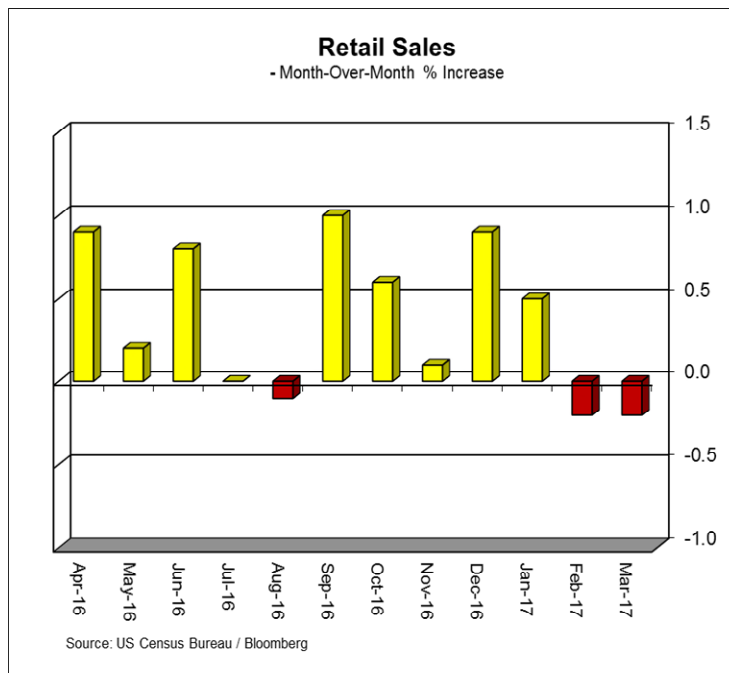
The Bureau of Labor Statistics reported nonfarm payrolls increased by just +98k in March, falling well short of the +180k median forecast, while the previous two months were revised downward by a combined -38k. Jobs in retail stores fell by -30k following a -31k decline in February. The worst two-month showing since 2009 reflects the sag in consumer spending during the first quarter and a continued hammering of brick and mortar businesses. The separate household survey (which calculates the unemployment rate) told a completely different story. The headline unemployment rate declined from 4.7% to a 10-year low of 4.5%. The household job count rose by a whopping +472k in March following a +447k February gain, while the labor force grew by just +145k.

Housing



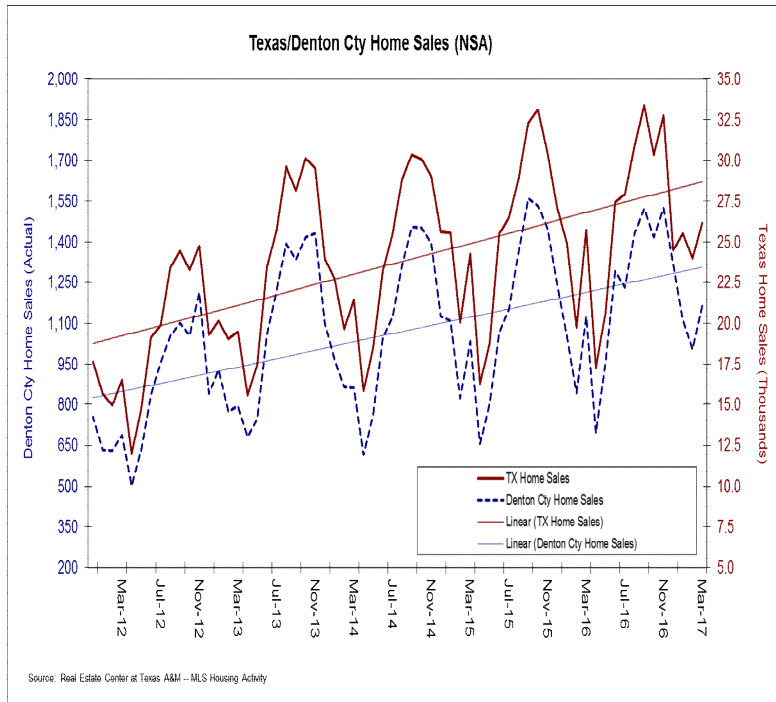
The housing market, buoyed by favorable weather for much of the quarter, reached fresh recovery highs. Existing home sales rose by +4.4% in March to a 5.71 million unit annualized rate, the highest in more than 10 years. The available supply held near a 12-year low of 3.8 months, well below what is typically considered a tight housing market, while the average days on the market fell from 45 to 34. Lean supply pushed the average sales price for an existing home up +6.8% year-over-year to \$236,400. March *new* home sales jumped +5.8% to a 621k annualized rate, the second highest sales pace in a decade. The month's supply declined from 5.4 to 5.2, while the median sales price rose +1.2% year-over-year to \$315,100. The housing sector, despite higher prices and lending rates, is likely to add several tenths to GDP in Q1.

Retail Sales



The Conference Board's measure of consumer confidence soared from 116.1 in February to a 16-year high of 125.6 in March. Yet, actual spending numbers failed to corroborate the survey. Retail sales dropped by -0.2% in March, after a revised February decrease of -0.3%. It was the first back-to-back decline in two years. Internet sales, which are harder to measure, have outpaced purchases at the traditional brick-and-mortar stores. Vehicle sales fell by -1.2% in March to a 16.5 million unit annual pace. Retail sales, ex auto and gasoline, remained constant with an anemic +0.1% gain in both February and March. *It was an unexpectedly weak quarter for spending.* U.S. consumers appear hopeful, but apprehensive.

Texas Home Sales

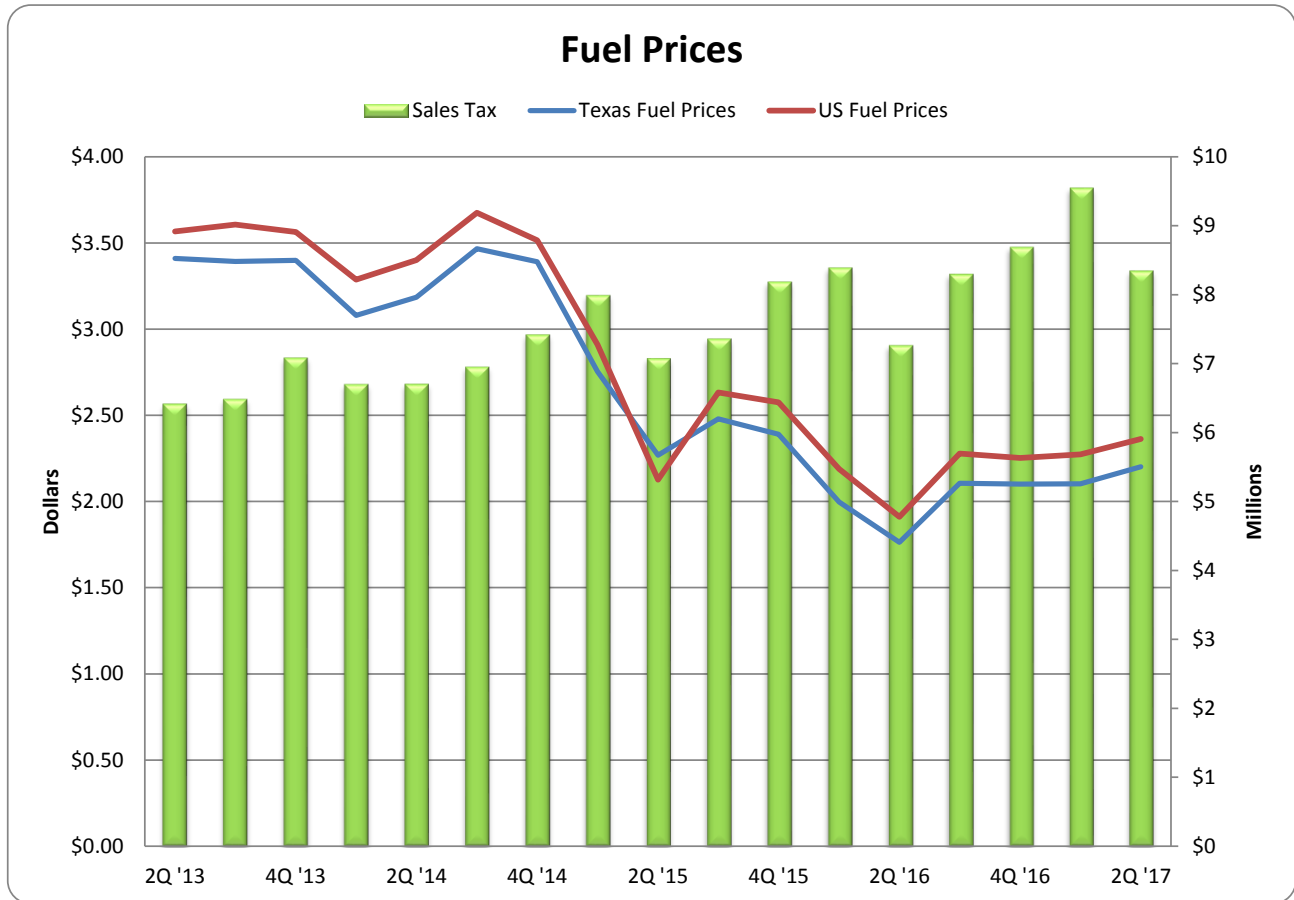


Texas home sales slowed -9.6 during the first quarter, but were still up +4.6% year-over-year. Total homes sold in Q1 were actually the highest on record despite beginning the quarter with the lowest monthly supply in series history. The average Texas home price increased by +8.2% YOY in Q1 to \$271,857, just \$1,178 below the all-time high from June 2016. Available supply had risen from a historical low of 3.3 months to 3.6% in March. In Denton County during the first quarter, unit home sales fell -2.1% year-over-year, although this was mostly attributed to extraordinarily low supply. The *average* sales price in Q1 was \$338,393, up nearly 6% YOY to yet another record high. Total listings rose from a recovery high of 2,086 in December, to 2,677 in March boosting the monthly supply up from a record low of 1.7 to 2.2.

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.

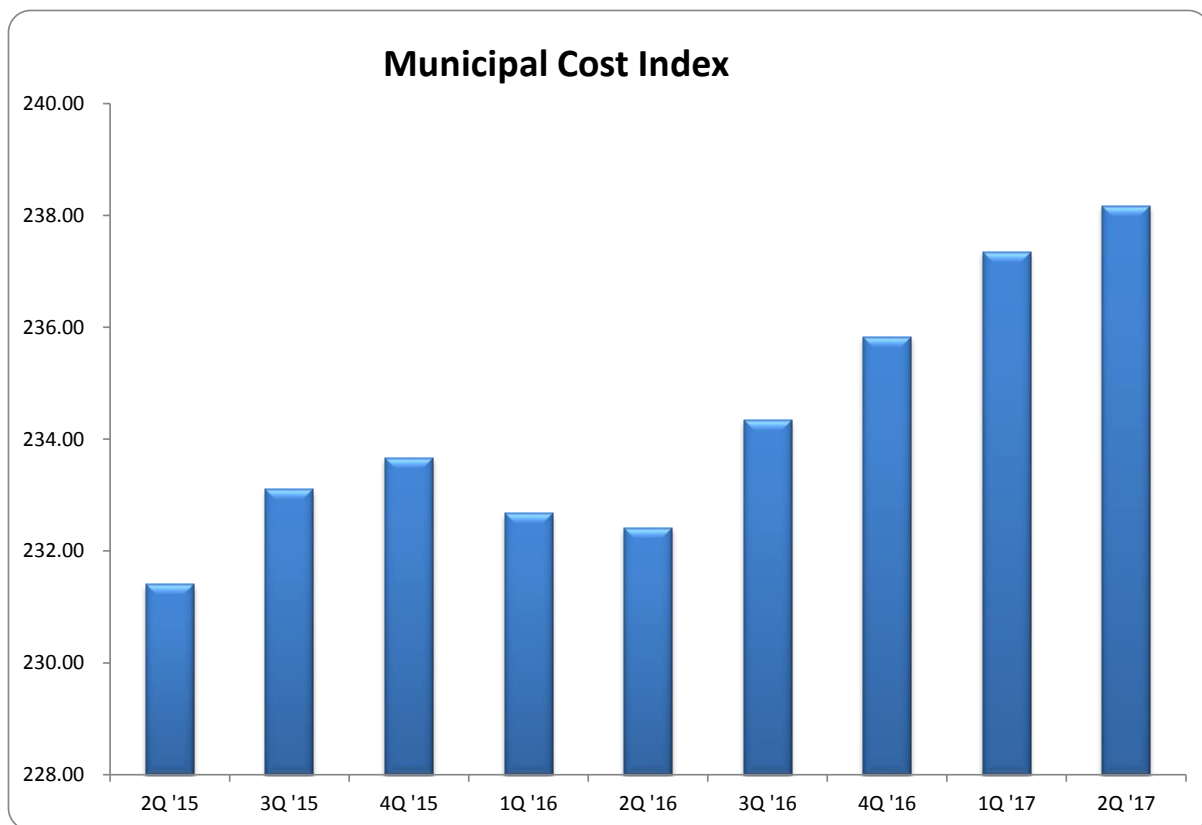
Analysis: Fuel prices are a major commodity source in the economy. Studies have shown a positive effect on disposable income levels when fuel prices decrease. It is estimated that for every penny decrease in the price of fuel, \$1.3 billion is available to the consumer for disposable income. Therefore, the price of fuel is likely to be a key predictor of sales tax collections. Fuel prices showed a 4% increase from the prior quarter at the national level and a 4.7% increase at the state level. Staff has rated this outlook as Cautious.



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 2nd fiscal quarter of 2017 shows an increase of 0.8% over the prior quarter and an increase of 5.8% over the 2nd fiscal quarter of 2016. Staff has rated this indicator as Cautious.



Source: American City and County Magazine

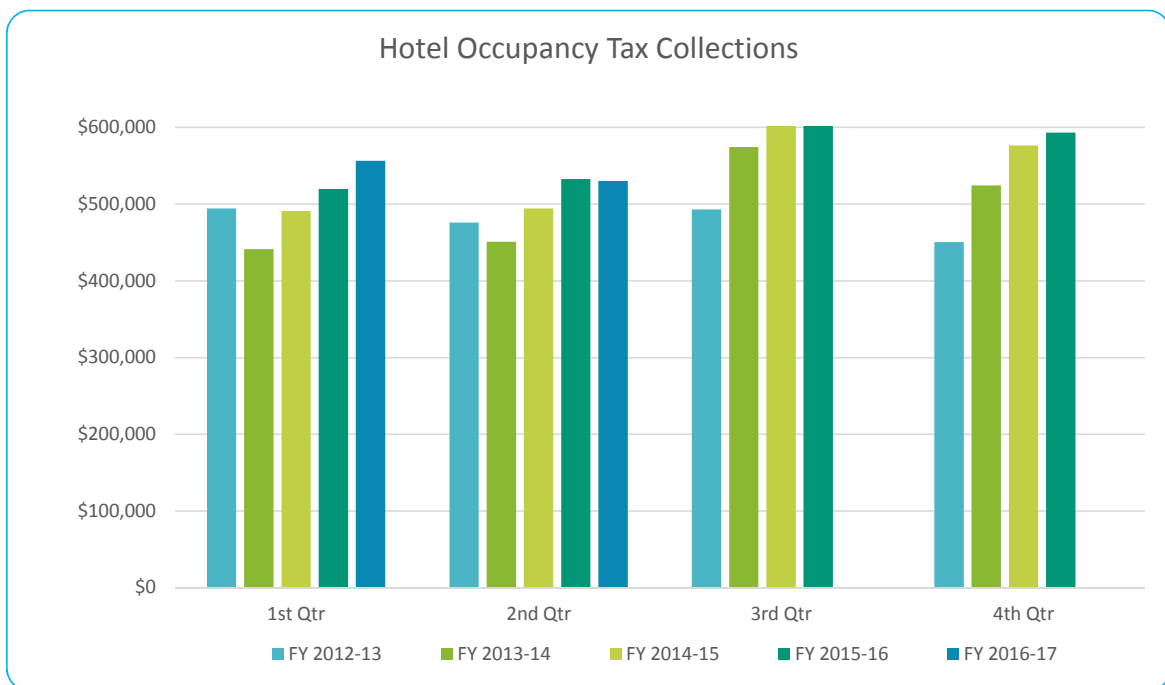
Note: The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services. State and local government officials rely on American City & County's Municipal Cost Index to stay on top of price trends, help control price increases for commodities, make informed 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.

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 2nd Quarter of FY 2017 was 0.3% more than budget and 3.2% more than the prior year's actual. Staff has rated the outlook for this economic indicator as Positive.

	2nd Quarter Actual	FY 2016-17 Y-T-D
Occupancy Tax Revenue:	\$ 529,951	\$ 1,086,241
FY 2016-17 Budget	\$ 547,733	\$ 1,082,356
Over (Under) Budget	\$ (17,782)	\$ 3,885

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

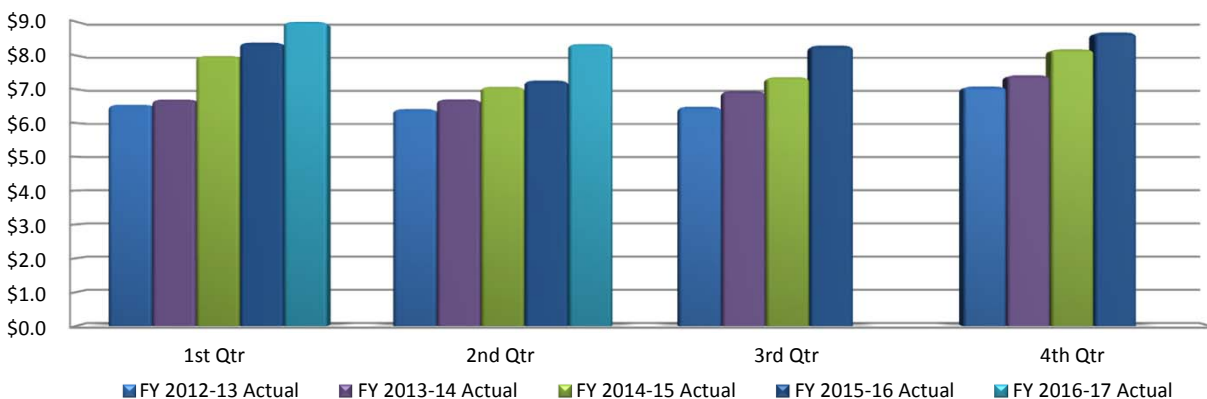


Description: Tax imposed on all retail sales, leases, and rentals of most goods, as well as taxable services. The total tax rate levied within the City is 8.25% (State, 6.25%; City, 1.5%; DCTA, 0.5%).

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 2nd quarter of FY 2017 compared to revenues from the prior year 2nd quarter shows a 14.91% increase, and compared to the budget it is 8.49% above. Staff has rated this indicator as Positive.

	2nd Quarter Actual	FY 2016-17 Y-T-D
Revenue: Gross Sales Tax		
Municipal Operations	\$ 400,744	\$ 845,917
General Retail & Others	8,260,657	17,726,683
Comptroller Fees	(161,790)	(347,751)
Amount Retained	(158,553)	(340,795)
Total Revenue	\$ 8,341,058	\$17,884,054
Expenses: Economic Incentives		
Denton Crossing ¹	\$ 131,435	\$ 282,874
Unicorn Lake ²	19,025	38,200
Rayzor Ranch ³	276,872	620,196
Golden Triangle ⁴	38,662	122,320
Total Expenses	\$ 465,994	\$ 1,063,590
Net Total	7,875,064	16,820,464
FY 2016-17 Budget	7,259,056	15,002,085
Over(Under) Budget	\$ 616,008	\$ 1,818,379
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:		\$ -

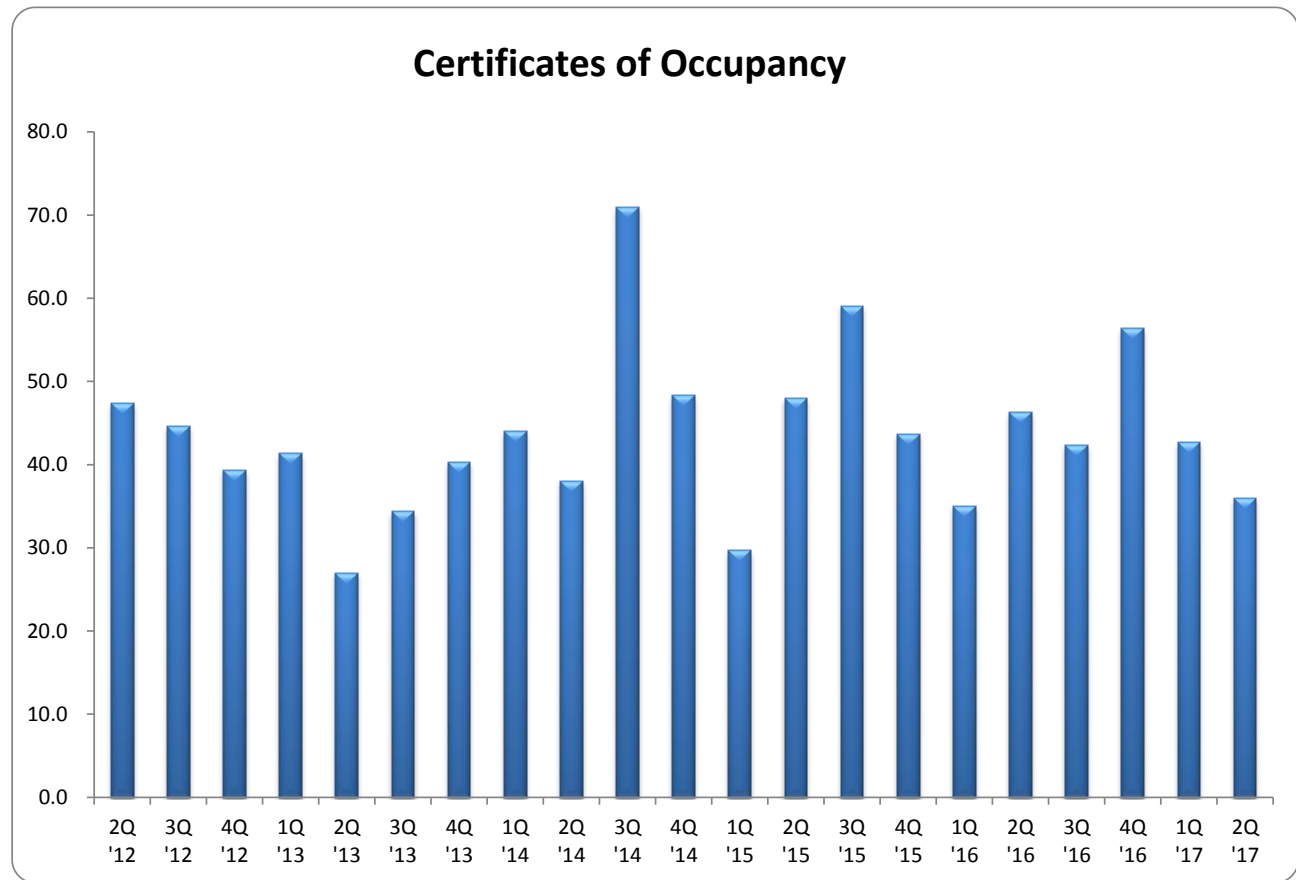
Gross Sales Tax Collections (Millions)



1. Incentive is 50% of general sales taxes. For the 2nd quarter sales tax equaled \$262,870.
2. Incentive is 50% of general sales taxes. For the 2nd quarter sales tax equaled \$38,050.
3. Incentive is 75% of general sales taxes. For the 2nd quarter sales tax equaled \$369,163.
4. Incentive is 75% of general sales taxes. For the 2nd quarter sales tax equaled \$51,549.

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 15.6% from the prior quarter and decreased 22.3% from the 2nd quarter of 2016. Staff has rated the outlook for this revenue indicator as Cautious.



Source: City of Denton's Development Services Department.

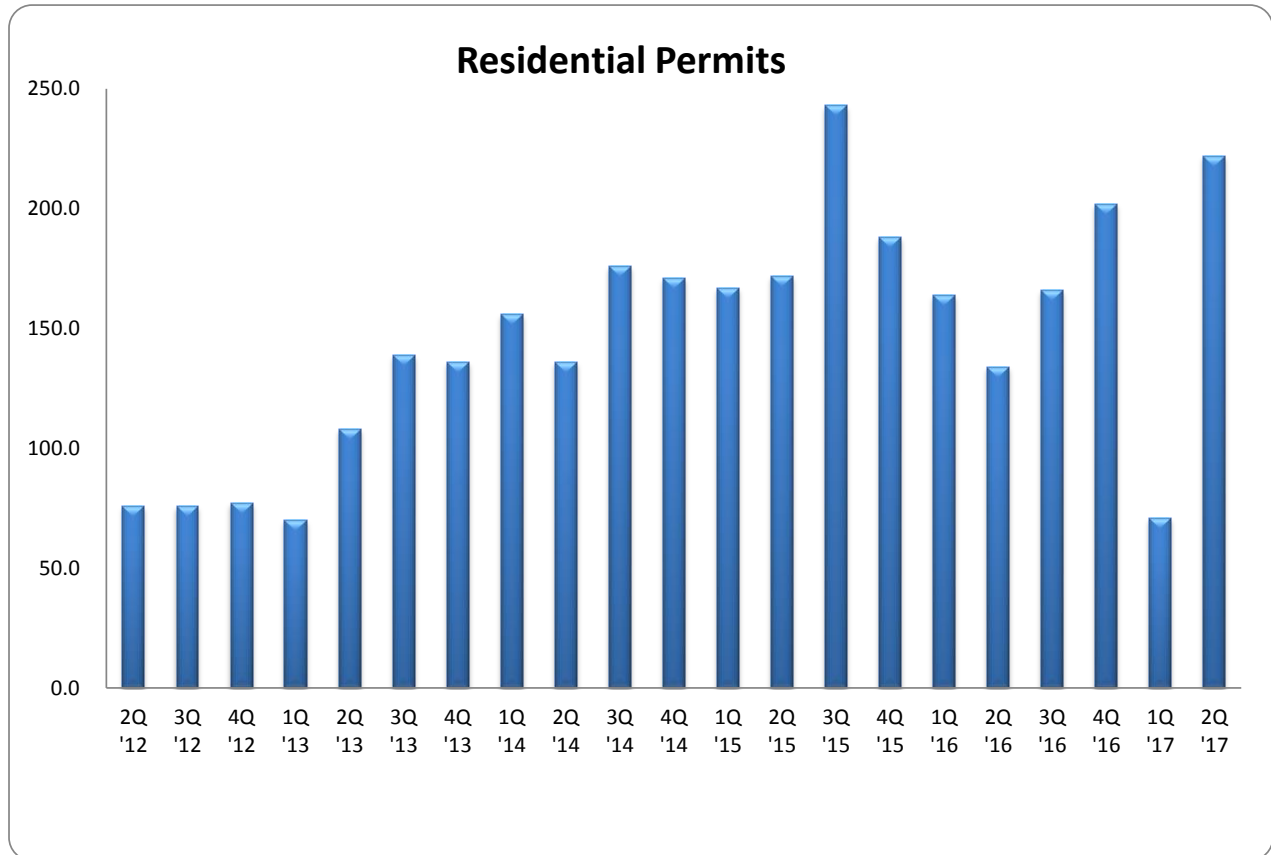
Residential Permits

Outlook

Cautious

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.

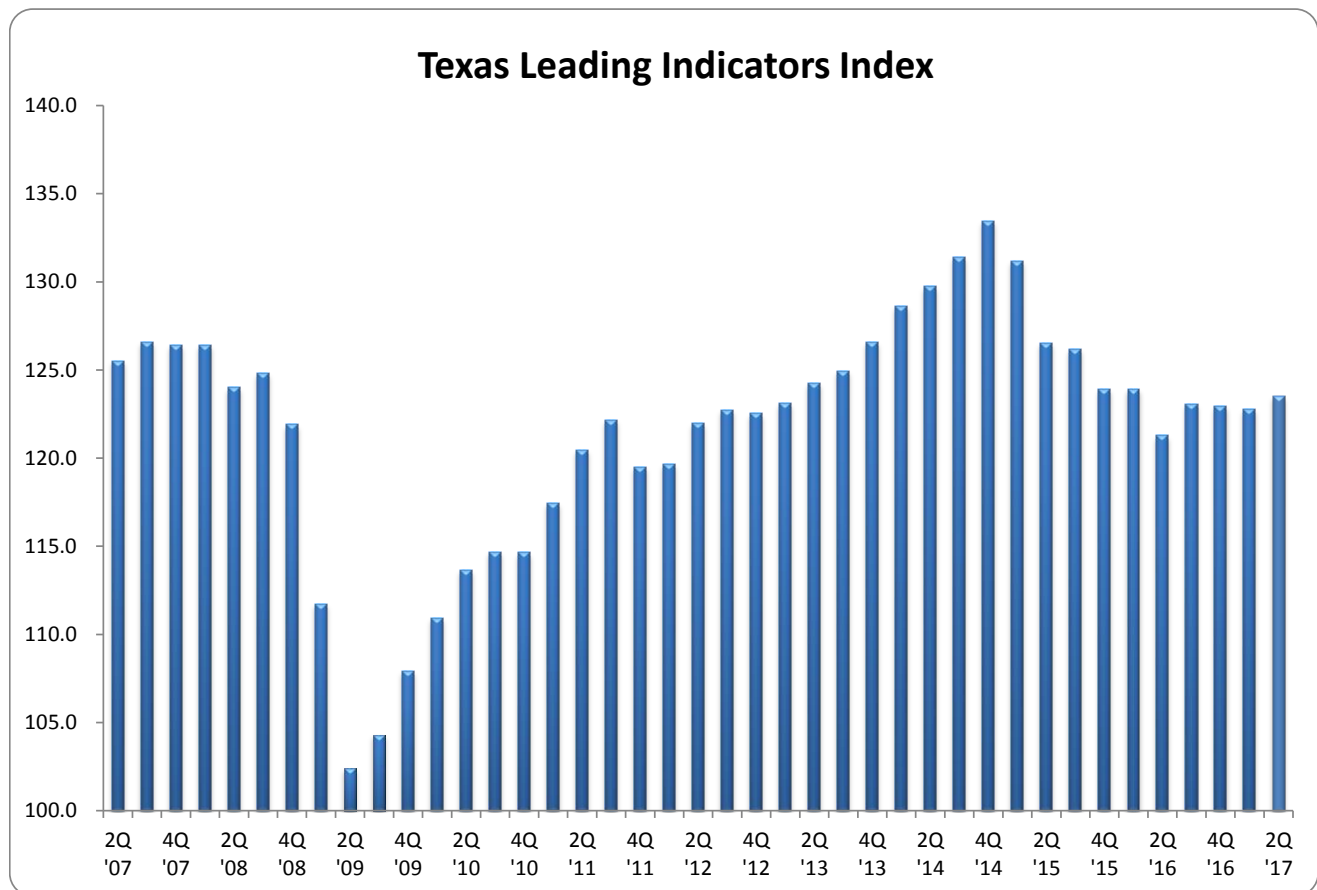
Analysis: Residential Permits are an economic indicator that provides a framework for the overall condition of the local economy. In particular, residential permits have a direct correlation with building inspection fees and appraised values. Residential permits increased 212.7% from the prior quarter and increased 65.7% from the 2nd Quarter of 2016. Staff has rated the outlook for this revenue indicator as Cautious.



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.

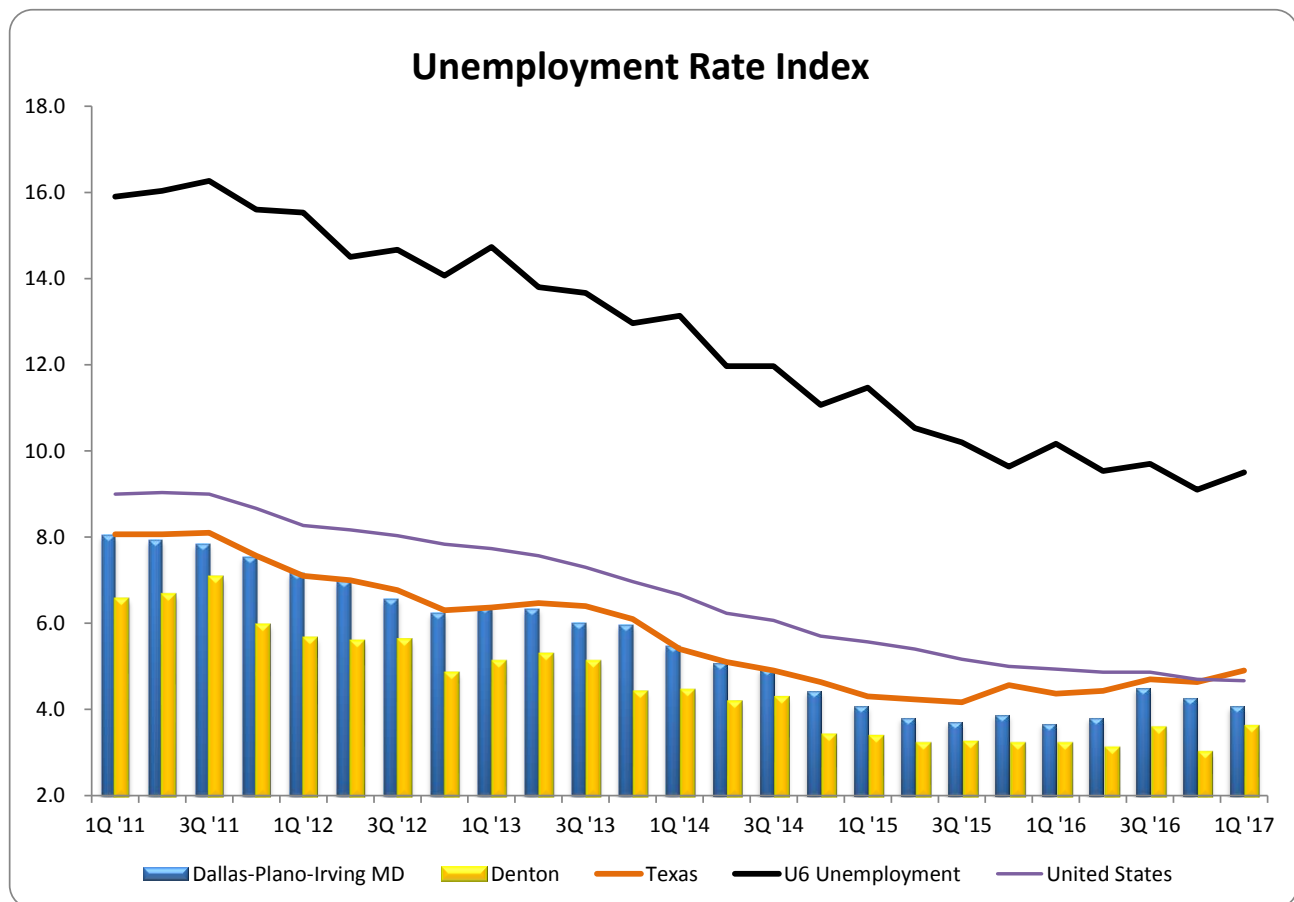
Analysis: Texas Leading Indicators provide a framework for the overall condition of the local economy. Data for this quarter shows a slow down in the state's rate of growth. The index increased 0.57% from the prior quarter and increased 1.85% from the 2nd quarter of 2016. Staff has rated this indicator 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 3.63% for the 2nd 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 U6. 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.



City of Denton Seal

Section 4

City of Denton
Quarterly Financial Report
March 2017

INVESTMENT REPORT

CITY OF DENTON : QUARTERLY INVESTMENT REPORT



1st Fiscal Quarter 2017 - March 31, 2017

Page 1

INVESTMENT POOL

Portfolio:	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	Policy Max. WAM	YTM	Benchmark Yield*
Investment Pool	\$ 688,707,818	\$ 688,352,400	\$ 689,137,045	\$ (784,645)	374	550	1.07%	0.69%
*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	44,000,000	44,297,114	44,302,001	(4,887)	365	1.08%	6.43%	100.00%
U.S. Federal Agencies	316,000,000	315,554,445	316,195,085	(640,640)	564	1.12%	45.88%	100.00%
Municipal Bonds	31,860,000	31,871,960	32,009,718	(137,758)	401	1.03%	4.65%	15.00%
Certificates of Deposit	144,000,000	144,000,000	144,000,000	-	299	1.24%	20.90%	35.00%
Commercial Paper	60,000,000	59,781,063	59,782,423	(1,360)	124	1.08%	8.67%	15.00%
Local Government Investment Pools	90,064,298	90,064,298	90,064,298	-	1	0.62%	13.07%	50.00%
Demand Deposits	2,783,520	2,783,520	2,783,520	-	1	0.50%	0.40%	-
Total Portfolio	\$ 688,707,818	\$ 688,352,400	\$ 689,137,045	\$ (784,645)	374	1.07%	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 3/31/2017	3 Months Ago 12/31/2016	3 Month Difference	1 Year Ago 3/31/2016	1 Year Ago Difference
Par Value	\$ 688,707,818	\$ 504,051,706	\$ 184,656,112	\$ 472,581,468	\$ 216,126,350
Market Value	\$ 688,352,400	\$ 504,248,614	\$ 184,103,786	\$ 473,932,356	\$ 214,420,044
Book Value	\$ 689,137,045	\$ 504,835,388	\$ 184,301,657	\$ 473,474,456	\$ 215,662,589
Unrealized Gain/(Loss)	\$ (784,645)	\$ (586,774)	\$ (197,871)	\$ 457,900	\$ (1,242,545)
Weighted Average Maturity	374	299	75	335	39
Yield to Maturity	1.07%	0.95%	0.12%	0.79%	0.28%
Portfolio Composition:					
U.S. Treasuries	6.43%	7.41%	-0.98%	8.23%	-1.80%
U.S. Federal Agencies	45.88%	37.50%	8.38%	45.30%	0.58%
Municipal Bonds	4.65%	6.99%	-2.34%	4.45%	0.20%
Certificates of Deposit	20.90%	29.71%	-8.81%	28.73%	-7.83%
Commercial Paper	8.67%	7.90%	0.77%	2.10%	6.57%
Local Government Investment Pools	13.07%	9.86%	3.21%	4.22%	8.85%
Demand Deposits	0.40%	0.63%	-0.23%	6.97%	-6.57%

Bank Collateral Review**:

	Institution	Collateral Type	Market Value	Collected Balance	Pledge Required	Collateral Ratio
Wells Fargo Demand Deposits	BNY Mellon	U.S. Agency MBS	\$ 36,181,413	\$ 2,304,345	≥ 102%	1570.14%
LegacyTexas Bank Certificates of Deposit***	Fed Home Loan Bank	Standby LOC	\$ 64,675,000	\$ 62,824,581	≥ 100%	102.95%
Independent Bank Certificates of Deposit	Fed Home Loan Bank	Standby LOC	\$ 34,500,000	\$ 33,557,570	≥ 100%	102.81%

**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	\$ 3,069,008	\$ 103,119,787	\$ (103,405,275)	\$ 2,783,520

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
Deputy City Manager/COO

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

1st Fiscal Quarter 2017 - March 31, 2017

Page 2

INVESTMENT POOL

	Current 3/31/2017	3 Months Ago 12/31/2016	3 Month Difference	1 Year Ago 3/31/2016	1 Year Difference
Par Value - U.S. Treasuries	\$ 44,000,000	\$ 37,000,000	\$ 7,000,000	\$ 39,000,000	\$ 5,000,000
Par Value - U.S. Federal Agencies	316,000,000	189,000,000	127,000,000	214,000,000	102,000,000
Par Value - Municipal Bonds	31,860,000	35,060,000	(3,200,000)	20,560,000	11,300,000
Certificates of Deposit	144,000,000	150,000,000	(6,000,000)	136,000,000	8,000,000
Par Value - Commercial Paper	60,000,000	40,000,000	20,000,000	10,000,000	50,000,000
Local Government Investment Pools	90,064,298	49,800,000	40,264,298	20,000,000	70,064,298
Demand Deposits	2,783,520	3,191,706	(408,186)	33,021,468	(30,237,948)
Total Par Value	\$ 688,707,818	\$ 504,051,706	\$ 184,656,112	\$ 472,581,468	\$ 216,126,350
Market Value - U.S. Treasuries	\$ 44,297,114	\$ 37,414,969	\$ 6,882,145	\$ 39,117,890	\$ 5,179,224
Market Value - U.S. Federal Agencies	315,554,445	188,792,133	126,762,312	214,725,312	100,829,133
Market Value - Municipal Bonds	31,871,960	35,156,817	(3,284,857)	21,095,421	10,776,539
Certificates of Deposit	144,000,000	150,000,000	(6,000,000)	136,000,000	8,000,000
Market Value - Commercial Paper	59,781,063	39,892,989	19,888,074	9,972,265	49,808,798
Local Government Investment Pools	90,064,298	49,800,000	40,264,298	20,000,000	70,064,298
Demand Deposits	2,783,520	3,191,706	(408,186)	33,021,468	(30,237,948)
Total Market Value	\$ 688,352,400	\$ 504,248,614	\$ 184,103,786	\$ 473,932,356	\$ 214,420,044
Book Value - U.S. Treasuries	\$ 44,302,001	\$ 37,377,902	\$ 6,924,099	\$ 38,957,762	\$ 5,344,239
Book Value - U.S. Federal Agencies	316,195,085	189,296,161	126,898,924	214,472,294	101,722,791
Book Value - Municipal Bonds	32,009,718	35,284,805	(3,275,087)	21,056,511	10,953,207
Certificates of Deposit	144,000,000	150,000,000	(6,000,000)	136,000,000	8,000,000
Book Value - Commercial Paper	59,782,423	39,884,814	19,897,609	9,966,421	49,816,002
Local Government Investment Pools	90,064,298	49,800,000	40,264,298	20,000,000	70,064,298
Demand Deposits	2,783,520	3,191,706	(408,186)	33,021,468	(30,237,948)
Total Book Value	\$ 689,137,045	\$ 504,835,388	\$ 184,301,657	\$ 473,474,456	\$ 215,662,589
Accrued Interest	\$ 2,779,815	\$ 3,028,997	\$ (249,182)	\$ 1,953,135	\$ 826,680
Cash Value -	\$ 691,132,215	\$ 507,277,611	\$ 183,854,604	\$ 475,885,491	\$ 215,246,724
(Total Market Value + Accrued Interest)					
Unrealized Gain/(Loss)	\$ (784,645)	\$ (586,774)	\$ (197,871)	\$ 457,900	\$ (1,242,545)
Change in Fair Value since 9/30/16 -	\$ (1,277,267)	\$ (978,005)	\$ (299,262)	\$ (679,969)	\$ (597,298)
(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 income, 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

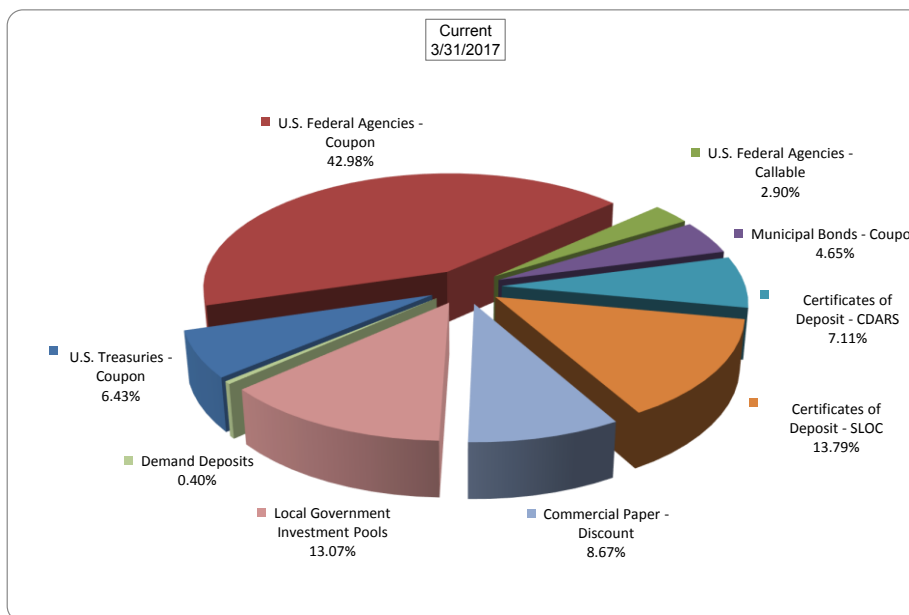
1st Fiscal Quarter 2017 - March 31, 2017

Page 3

INVESTMENT POOL

Summary By Security Type:

	Current 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
U.S. Treasuries - Coupon	\$ 44,302,001	\$ 37,377,902	\$ 38,957,762
U.S. Federal Agencies - Coupon	296,195,825	179,296,985	205,472,294
U.S. Federal Agencies - Callable	19,999,260	9,999,176	9,000,000
Municipal Bonds - Coupon	32,009,718	35,284,805	21,056,511
Certificates of Deposit - CDARS	49,000,000	55,000,000	55,000,000
Certificates of Deposit - Collateralized	-	-	23,000,000
Certificates of Deposit - SLOC	95,000,000	95,000,000	58,000,000
Commercial Paper - Discount	59,782,423	39,884,814	9,966,421
Local Government Investment Pools	90,064,298	49,800,000	20,000,000
Demand Deposits	2,783,520	3,191,706	33,021,468
Total Book Value	\$ 689,137,045	\$ 504,835,388	\$ 473,474,456



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 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
U.S. Treasuries - Coupon	6.43%	7.41%	8.23%
U.S. Federal Agencies - Coupon	42.98%	35.52%	43.40%
U.S. Federal Agencies - Callable	2.90%	1.98%	1.90%
Municipal Bonds - Coupon	4.65%	6.99%	4.45%
Certificates of Deposit - CDARS	7.11%	10.89%	11.62%
Certificates of Deposit - Collateralized	0.00%	0.00%	4.86%
Certificates of Deposit - SLOC	13.79%	18.82%	12.25%
Commercial Paper - Discount	8.67%	7.90%	2.10%
Local Government Investment Pools	13.07%	9.86%	4.22%
Demand Deposits	0.40%	0.63%	6.97%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

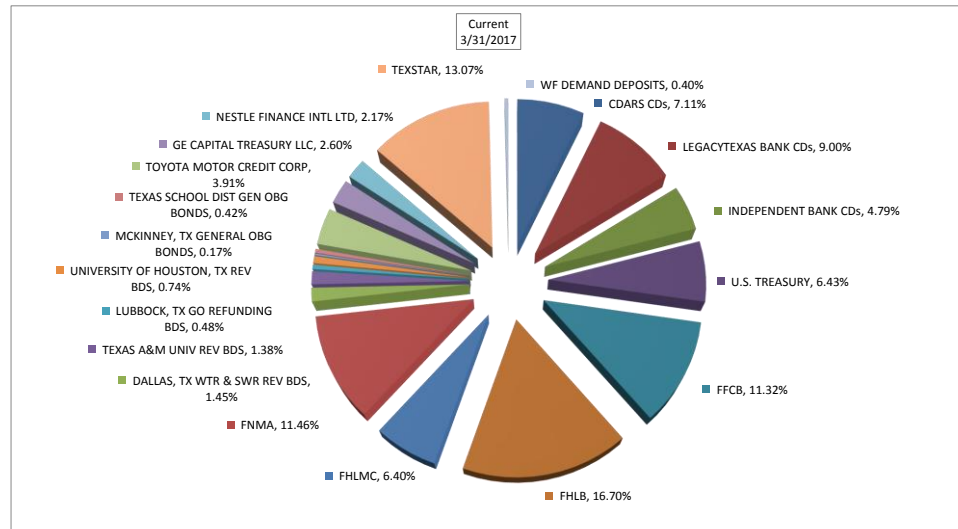
1st Fiscal Quarter 2017 - March 31, 2017

Page 4

INVESTMENT POOL

Summary By Issuer:

	Current 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
CDARS CDs	\$ 49,000,000	\$ 55,000,000	\$ 55,000,000
COMERICA BANK CDs	-	-	23,000,000
LEGACYTEXAS BANK CDs*	62,000,000	62,000,000	25,000,000
INDEPENDENT BANK CDs	33,000,000	33,000,000	33,000,000
U.S. TREASURY	44,302,001	37,377,902	38,957,762
FFCB	78,030,907	36,995,886	10,007,026
FHLB	115,098,377	56,026,810	76,060,489
FHLMC	44,098,875	44,186,681	68,383,428
FNMA	78,966,926	52,086,784	60,021,351
DALLAS, TX WTR & SWR REV BDS	10,000,000	10,000,000	-
TEXAS A&M UNIV REV BDS	9,504,897	9,509,793	5,024,483
WILLIAMSON COUNTY, TX GEN OBG BDS	-	1,616,402	1,655,689
LUBBOCK, TX GO REFUNDING BDS	3,303,686	3,304,742	3,307,912
UNIVERSITY OF HOUSTON, TX REV BDS	5,094,680	5,121,818	5,203,231
MCKINNEY, TX GENERAL OBG BONDS	1,193,502	1,202,571	1,229,777
TEXAS SCHOOL DIST GEN OBG BONDS**	2,912,953	4,529,479	4,635,419
JP MORGAN SECURITIES LLC	-	19,970,583	9,966,421
TOYOTA MOTOR CREDIT CORP	26,940,183	19,914,231	-
GE CAPITAL TREASURY LLC	17,930,640	-	-
NESTLE FINANCE INTL LTD	14,911,600	-	-
TEXSTAR	90,064,298	49,800,000	20,000,000
WELLS FARGO DEMAND DEPOSITS	2,783,520	3,191,706	33,021,468
Total Book Value	\$ 689,137,045	\$ 504,835,388	\$ 473,474,456



Objective:

It is the policy of the City to diversify its 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 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
CDARS CDs	7.11%	10.89%	11.62%
COMERICA BANK CDs	0.00%	0.00%	4.86%
LEGACYTEXAS BANK CDs*	9.00%	12.28%	5.28%
INDEPENDENT BANK CDs	4.79%	6.54%	6.97%
U.S. TREASURY	6.43%	7.41%	8.23%
FFCB	11.32%	7.33%	2.12%
FHLB	16.70%	11.10%	16.06%
FHLMC	6.40%	8.75%	14.44%
FNMA	11.46%	10.32%	12.68%
DALLAS, TX WTR & SWR REV BDS	1.45%	1.98%	0.00%
TEXAS A&M UNIV REV BDS	1.38%	1.89%	1.06%
WILLIAMSON COUNTY, TX GEN OBG BDS	0.00%	0.32%	0.35%
LUBBOCK, TX GO REFUNDING BDS	0.48%	0.65%	0.70%
UNIVERSITY OF HOUSTON, TX REV BDS	0.74%	1.01%	1.10%
MCKINNEY, TX GENERAL OBG BONDS	0.17%	0.24%	0.26%
TEXAS SCHOOL DIST GEN OBG BONDS**	0.42%	0.90%	0.98%
JP MORGAN SECURITIES LLC	0.00%	3.96%	2.10%
TOYOTA MOTOR CREDIT CORP	3.91%	3.94%	0.00%
GE CAPITAL TREASURY LLC	2.60%	0.00%	0.00%
NESTLE FINANCE INTL LTD	2.17%	0.00%	0.00%
TEXSTAR	13.07%	9.86%	4.22%
WELLS FARGO DEMAND DEPOSITS	0.40%	0.63%	6.97%
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 - March 31, 2017

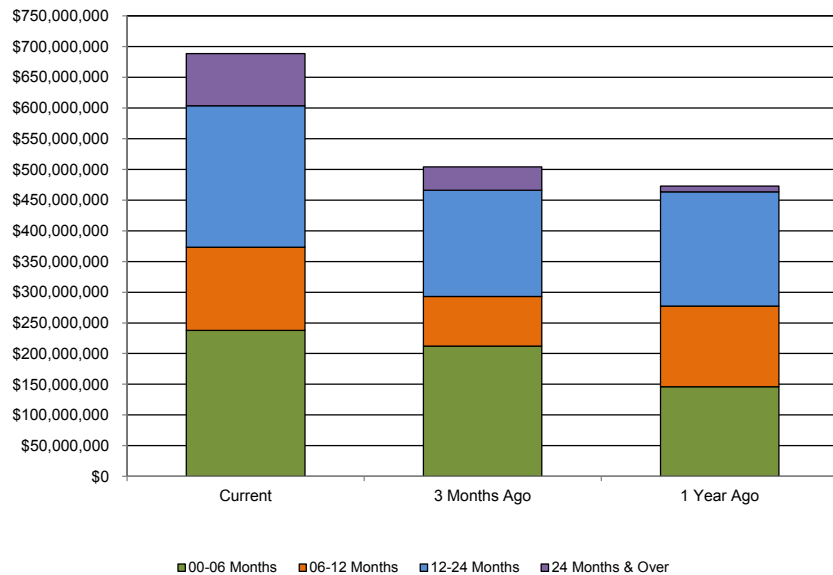
Page 5

INVESTMENT POOL

Maturity Time Frame:

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

Current 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
\$ 155,847,818	\$ 149,191,706	\$ 102,021,468
82,060,000	63,000,000	44,000,000
135,300,000	81,060,000	131,200,000
230,500,000	172,800,000	186,360,000
85,000,000	38,000,000	9,000,000
\$ 688,707,818	\$ 504,051,706	\$ 472,581,468



Objective:

The risk of market price volatility is minimized through maturity diversification. Investment maturities are staggered to provide cash flows 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 other fixed income investments.

Maturity Time Frame:

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

Current 3/31/2017	3 Months Ago 12/31/2016	1 Year Ago 3/31/2016
22.63%	29.60%	21.60%
11.91%	12.50%	9.31%
19.65%	16.08%	27.76%
33.47%	34.28%	39.43%
12.34%	7.54%	1.90%
100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

1st Fiscal Quarter 2017 - March 31, 2017

Page 6

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

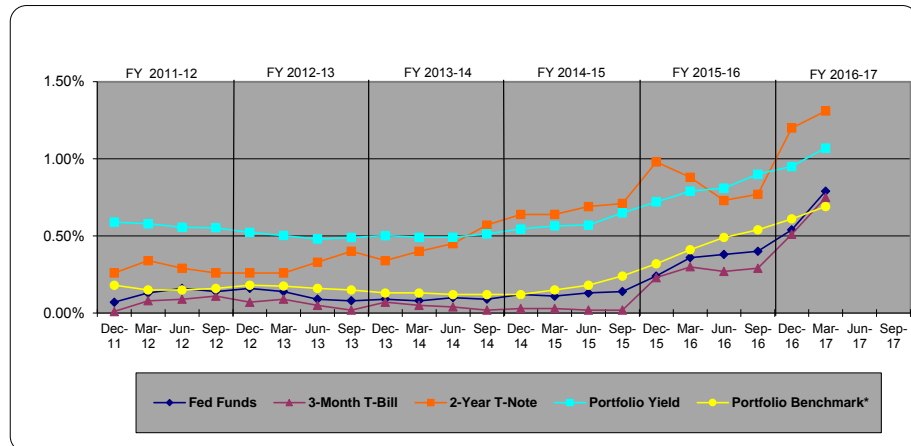
2-Year U.S. T-Note

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%	0.79%		
0.03%	0.03%	0.02%	0.02%	0.23%	0.30%	0.27%	0.29%	0.51%	0.75%		
0.64%	0.64%	0.69%	0.71%	0.98%	0.88%	0.73%	0.77%	1.20%	1.31%		
0.12%	0.15%	0.18%	0.24%	0.32%	0.41%	0.49%	0.54%	0.61%	0.69%		
0.55%	0.57%	0.57%	0.65%	0.72%	0.79%	0.81%	0.90%	0.95%	1.07%		

*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	\$ 2,763,136		
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

March 31, 2017

Source: First Southwest Asset Management
Economic Summary & PFM Monthly Market Review

The "Trump trade" that pushed up yield and equity prices post election petered out as domestic political uncertainty and the failure of healthcare reform took center stage. The FOMC, citing a strengthening labor market and moderately paced economic activity, announced a 25 basis point increase in the overnight federal funds target to a range of 0.75% to 1.00% at their mid-March meeting. The Fed has projected two additional rate hikes for 2017. International markets, bolstered by continued relatively solid economic data and a plethora of unchanged monetary policy decisions including an upbeat tone from the European Central Bank, showed resiliency in the face of triggered Brexit negotiations and looming Eurozone elections. As for the U.S. market, tax law changes and deficit financed infrastructure spending are unlikely to take effect quickly, meaning there could be a significant lag in realizing any potential economic benefits from these anticipated changes. According to the Bloomberg economist survey dated April 10, 2017 the median growth forecast for first quarter real GDP is 1.8%, followed by 2.5%, 2.4% and 2.4% for the next three quarters.

Monthly Reports
Portfolio Management
Portfolio Details - Investments
March 31, 2017

Page 1

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	6,996,444.00	6,990,777.64	1.000	1.153	320	02/15/2018
912828H94	3878	U.S. TREASURY		01/06/2016	10,000,000.00	9,994,920.00	9,991,407.27	1.000	1.099	320	02/15/2018
912828UR9	3879	U.S. TREASURY		01/14/2016	5,000,000.00	4,985,940.00	4,987,930.90	0.750	1.018	333	02/28/2018
912828HR4	3914	U.S. TREASURY		12/28/2016	15,000,000.00	15,314,070.00	15,324,728.27	3.500	1.007	320	02/15/2018
912828M64	3915	U.S. TREASURY		01/27/2017	7,000,000.00	7,005,740.00	7,007,157.24	1.250	1.186	593	11/15/2018
Subtotal and Average			44,316,025.25		44,000,000.00	44,297,114.00	44,302,001.32		1.080	365	
Federal Agency Issues - Coupon											
3133EEFE5	3867	FFCB		07/22/2015	5,000,000.00	5,002,810.00	5,005,208.26	1.125	0.977	261	12/18/2017
3133EFV87	3889	FFCB		04/21/2016	4,000,000.00	3,986,328.00	4,001,292.49	0.875	0.842	362	03/29/2018
3133EGFQ3	3896	FFCB		06/27/2016	4,000,000.00	3,981,184.00	3,998,228.23	0.875	0.906	531	09/14/2018
3133EFX69	3897	FFCB		06/27/2016	4,000,000.00	3,982,048.00	4,003,431.59	0.960	0.902	552	10/05/2018
3133EGQY4	3908	FFCB		08/15/2016	10,000,000.00	9,951,590.00	9,989,022.22	0.800	0.881	501	08/15/2018
3133EG3A1	3922	FFCB		01/31/2017	8,000,000.00	7,995,256.00	8,004,009.30	1.040	0.990	368	04/04/2018
3133EG6Z3	3931	FFCB		02/13/2017	25,000,000.00	24,930,325.00	24,984,366.67	1.200	1.234	683	02/13/2019
3133EG2D6	3932	FFCB		02/16/2017	8,000,000.00	8,004,792.00	8,003,900.12	1.550	1.530	909	09/27/2019
3133EDPK2	3937	FFCB		02/22/2017	5,000,000.00	5,037,835.00	5,042,187.90	1.750	1.352	789	05/30/2019
3130A5ML0	3860	FHLB		06/24/2015	9,000,000.00	8,997,741.00	9,000,523.12	0.850	0.836	149	08/28/2017
3130A5MP1	3862	FHLB		06/25/2015	9,000,000.00	8,997,453.00	8,999,350.40	0.875	0.890	179	09/27/2017
3130A5KH1	3868	FHLB		07/29/2015	5,000,000.00	4,999,170.00	5,001,295.12	0.900	0.847	180	09/28/2017
313378A43	3884	FHLB		02/23/2016	5,000,000.00	5,011,470.00	5,022,686.41	1.375	0.886	342	03/09/2018
3130A8MG5	3898	FHLB		06/29/2016	5,000,000.00	4,979,515.00	4,999,529.47	0.650	0.661	303	01/29/2018
3130A8TF0	3906	FHLB		07/27/2016	5,000,000.00	4,968,930.00	4,994,812.33	0.800	0.876	501	08/15/2018
313379DT3	3917	FHLB		01/30/2017	24,000,000.00	24,021,600.00	24,047,880.00	1.250	1.080	433	06/08/2018
3130AARE0	3918	FHLB		01/30/2017	7,000,000.00	6,993,273.00	6,998,356.22	1.150	1.165	577	10/30/2018
3130A7CX1	3921	FHLB		01/31/2017	9,000,000.00	8,979,408.00	8,995,010.29	0.875	0.933	352	03/19/2018
3130A8PK3	3927	FHLB		02/02/2017	5,000,000.00	4,962,045.00	4,967,358.28	0.625	1.114	493	08/07/2018
3130AA3R7	3933	FHLB		02/16/2017	7,000,000.00	6,975,801.00	6,970,601.42	1.375	1.539	958	11/15/2019
3130A0JR2	3934	FHLB		02/16/2017	5,000,000.00	5,107,230.00	5,103,125.66	2.375	1.590	986	12/13/2019
3130AAXU7	3939	FHLB		03/08/2017	20,000,000.00	20,059,300.00	19,997,847.74	1.650	1.654	1,053	02/18/2020
3134G64W0	3855	FHLMC		06/23/2015	4,000,000.00	3,999,892.00	3,999,977.22	0.900	0.903	83	06/23/2017
3134G6YC1	3859	FHLMC		06/24/2015	3,000,000.00	2,999,388.00	2,999,679.57	0.670	0.736	59	05/30/2017
3137EABA6	3866	FHLMC		07/22/2015	5,000,000.00	5,127,890.00	5,130,701.08	5.125	0.907	230	11/17/2017
3134G9UY1	3894	FHLMC		06/29/2016	5,000,000.00	4,989,270.00	5,000,000.00	1.000	0.985	454	06/29/2018
3134G7TZ4	3925	FHLMC		02/02/2017	8,000,000.00	8,014,864.00	8,014,389.08	1.300	1.175	535	09/18/2018
3134G92H9	3928	FHLMC		02/02/2017	9,000,000.00	8,962,497.00	8,972,454.28	0.850	1.084	482	07/27/2018

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Monthly Reports
Portfolio Management
Portfolio Details - Investments
March 31, 2017

Page 2

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											
3137EADZ9	3935	FHLMC		02/22/2017	5,000,000.00	4,975,805.00	4,981,673.74	1.125	1.308	744	04/15/2019
3135G0RT2	3852	FNMA		06/17/2015	4,000,000.00	3,994,104.00	3,997,315.35	0.875	0.970	263	12/20/2017
3135G0JA2	3858	FNMA		06/24/2015	3,000,000.00	3,000,729.00	3,000,901.18	1.125	0.706	26	04/27/2017
3135G0TG8	3873	FNMA		10/22/2015	7,000,000.00	6,986,735.00	7,005,853.81	0.875	0.776	313	02/08/2018
3135G0TG8	3876	FNMA		12/22/2015	10,000,000.00	9,981,050.00	9,981,644.13	0.875	1.093	313	02/08/2018
3135G0J53	3904	FNMA		07/07/2016	10,000,000.00	9,934,640.00	10,046,268.18	1.000	0.754	696	02/26/2019
3136FTS67	3909	FNMA		08/30/2016	3,000,000.00	3,018,327.00	3,039,714.58	1.700	0.995	697	02/27/2019
3135G0J53	3910	FNMA		08/30/2016	10,000,000.00	9,934,640.00	10,004,663.50	1.000	0.975	696	02/26/2019
3135G0WJ8	3923	FNMA		01/31/2017	5,000,000.00	4,982,940.00	4,991,494.68	0.875	1.026	415	05/21/2018
3135G0YM9	3926	FNMA		02/02/2017	2,000,000.00	2,019,470.00	2,020,954.10	1.875	1.150	535	09/18/2018
3135G0N33	3930	FNMA		02/08/2017	10,000,000.00	9,870,200.00	9,891,441.39	0.875	1.349	853	08/02/2019
3135G0T29	3942	FNMA		03/29/2017	5,000,000.00	4,987,965.00	4,986,675.45	1.500	1.594	1,063	02/28/2020
Subtotal and Average			288,928,409.90		296,000,000.00	295,705,510.00	296,195,824.56		1.102	545	
Federal Agency Issues - Callable											
3133EGEF8	3895	FFCB		06/22/2016	5,000,000.00	4,940,140.00	4,999,260.50	1.180	1.187	803	06/13/2019
3134GA6H2	3938	FHLMC		02/28/2017	5,000,000.00	4,994,815.00	5,000,000.00	1.375	1.375	698	02/28/2019
3136G3XJ9	3903	FNMA		07/26/2016	5,000,000.00	4,914,390.00	5,000,000.00	1.000	1.000	846	07/26/2019
3136G4MA8	3936	FNMA		02/28/2017	5,000,000.00	4,999,590.00	5,000,000.00	1.700	1.700	1,063	02/28/2020
Subtotal and Average			19,999,247.40		20,000,000.00	19,848,935.00	19,999,260.50		1.315	853	
Municipal Bonds - Coupon											
23542JBE4	3899	DALLAS, TX WTR & SWR REV BDS		07/07/2016	4,000,000.00	3,948,160.00	4,000,000.00	1.217	1.217	913	10/01/2019
23542JBD6	3900	DALLAS, TX WTR & SWR REV BDS		07/07/2016	6,000,000.00	5,952,780.00	6,000,000.00	0.985	0.985	548	10/01/2018
549188QY9	3880	LUBBOCK, TX GO REF TAXABLE		01/20/2016	3,300,000.00	3,301,056.00	3,303,685.81	1.230	1.100	320	02/15/2018
5816465Y8	3863	MCKINNEY, TX GENERAL OBLIGATION		07/14/2015	1,180,000.00	1,193,747.00	1,193,502.31	4.000	0.890	136	08/15/2017
8821172U7	3857	TX A & M UNIV REV BD		06/25/2015	5,000,000.00	5,003,550.00	5,004,896.69	1.250	0.854	91	07/01/2017
88213ADK8	3886	TX A & M UNIV REV BD		04/12/2016	3,500,000.00	3,495,590.00	3,500,000.00	1.222	1.222	409	05/15/2018
88213AFU4	3902	TX A & M UNIV REV BD		07/20/2016	1,000,000.00	985,960.00	1,000,000.00	1.009	1.009	774	05/15/2019
910678A27	3861	UNITED TX ISD GENERAL OBG		07/15/2015	2,880,000.00	2,913,667.20	2,912,952.42	4.000	0.891	136	08/15/2017
9143016Z4	3881	UNIV OF HOUSTON, TX REV REF BDS		02/16/2016	5,000,000.00	5,077,450.00	5,094,680.39	3.250	1.050	320	02/15/2018
Subtotal and Average			32,019,741.62		31,860,000.00	31,871,960.20	32,009,717.62		1.030	401	
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	75	06/15/2017
SYS3865	3865	CD - CDARS		07/23/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.081	1.081	110	07/20/2017

Data Updated: SET_MO: 04/17/2017 10:26

Run Date: 04/17/2017 - 10:26

Portfolio CITY
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PM (PRF_PM2) 7.3.0

Monthly Reports
Portfolio Management
Portfolio Details - Investments
March 31, 2017

Page 3

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
CDs - CDARS											
SYS3874	3874	CD - CDARS		11/12/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.317	1.317	222	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	313	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	12	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	404	05/10/2018
SYS3929	3929	CD - CDARS		02/09/2017	7,000,000.00	7,000,000.00	7,000,000.00	1.677	1.677	677	02/07/2019
SYS3940	3940	CD - CDARS		03/16/2017	10,000,000.00	10,000,000.00	10,000,000.00	1.626	1.626	712	03/14/2019
Subtotal and Average			49,483,870.97		49,000,000.00	49,000,000.00	49,000,000.00		1.332	374	
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	61	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	194	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	313	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	40	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	96	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	131	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	369	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	439	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	474	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	495	08/09/2018
Subtotal and Average			95,000,000.00		95,000,000.00	95,000,000.00	95,000,000.00		1.191	260	
Commercial Paper Disc. - Amortizing											
36164JVF8	3924	GE CAPITAL TREASURY LLC		02/01/2017	18,000,000.00	17,929,782.00	17,930,640.00	1.020	1.047	136	08/15/2017
64105RWU0	3919	NESTLE FINANCE INTL LTD		01/31/2017	5,000,000.00	4,973,680.00	4,976,000.00	0.960	0.988	180	09/28/2017
64105RXG0	3920	NESTLE FINANCE INTL LTD		01/31/2017	5,000,000.00	4,970,730.00	4,973,600.00	0.960	0.989	198	10/16/2017
64105RYT1	3941	NESTLE FINANCE INTL LTD		03/29/2017	5,000,000.00	4,963,180.00	4,962,000.00	1.140	1.185	240	11/27/2017
89233GRK4	3911	TOYOTA MOTOR CREDIT		11/03/2016	5,000,000.00	4,997,735.00	4,997,600.00	0.960	0.978	18	04/19/2017
89233GTP1	3912	TOYOTA MOTOR CREDIT		12/06/2016	6,000,000.00	5,985,480.00	5,984,368.33	1.130	1.166	83	06/23/2017
89233GSS6	3913	TOYOTA MOTOR CREDIT		12/28/2016	9,000,000.00	8,985,942.00	8,985,287.50	1.070	1.090	55	05/26/2017
89233GUT1	3916	TOYOTA MOTOR CREDIT		01/30/2017	7,000,000.00	6,974,534.00	6,972,927.49	1.190	1.214	117	07/27/2017
Subtotal and Average			58,823,995.37		60,000,000.00	59,781,063.00	59,782,423.32		1.081	124	
Local Govt Inv Pool - TexSTAR											
SYS3641	3641	LOCAL GOVT INV POOL - TEXSTAR			90,064,298.03	90,064,298.03	90,064,298.03	0.624	0.624	1	
Subtotal and Average			105,357,846.42		90,064,298.03	90,064,298.03	90,064,298.03		0.624	1	

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Data Updated: SET_MO: 04/17/2017 10:26
Run Date: 04/17/2017 - 10:26

Monthly Reports
Portfolio Management
Portfolio Details - Investments
March 31, 2017

Page 4

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Demand Deposits / Wells Fargo											
SYS3706	3706	DEMAND DEPOSITS - WELLS FARGO			2,783,519.95	2,783,519.95	2,783,519.95	0.500	0.500	1	
		Subtotal and Average	3,805,721.48		2,783,519.95	2,783,519.95	2,783,519.95		0.500	1	
		Total and Average	697,734,858.41		688,707,817.98	688,352,400.18	689,137,045.30		1.066	374	



South Lakes Park

Section 5

City of Denton
Quarterly Financial Report
March 2017

PERFORMANCE REPORT

Strategic Plan

The City of Denton uses a Strategic Plan as a roadmap to achieve long-term goals and objectives that capture the City's Vision, Mission, and Value statements. The first Strategic Plan was formally approved by the City Council in April 2011, and it has been updated periodically since that time. Over the past year, the City has partnered with the Bloomberg What Works Cities initiative to refine our strategic outcomes and identify measurable ways to mark our progress. The 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.

Strategic Plan

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

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

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	2ND QTR
KFA 1: ORGANIZATIONAL EXCELLENCE	CUSTOMER SERVICE	PERCENTAGE OF FIRST CONTACT RESOLUTION FOR CUSTOMERS	85%	93.1%
		AVERAGE TIME IN SECONDS TO ANSWER CALLS	60	52
		PERCENTAGE OF PAYMENT TRANSACTIONS COMPLETED ELECTRONICALLY	59%	63.8%
	DTV	NUMBER OF GRANICUS VIEWS OF LIVE AND ON-DEMAND VIDEOS	18,000	7,408
		NUMBER OF YOUTUBE SUBSCRIBERS	400	628
	FINANCE	PERCENTAGE OF ACTUAL GENERAL FUND REVENUE COMPARED TO BUDGETED REVENUE	100%	103.2%
		PERCENTAGE OF ACTUAL GENERAL FUND EXPENDITURES AS COMPARED TO BUDGETED EXPENDITURES	<100%	91.7%
		PERCENTAGE OF RATE OF INVESTMENT RETURN	0.75%	1.07%
	HUMAN RESOURCES	PERCENTAGE RATE OF EMPLOYEE TURNOVER	<10%	2.77%
		PERCENTAGE OF PERFORMANCE REVIEWS COMPLETED WITHIN 30 DAYS OF DUE DATE	100%	66.67%
	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	156,930
KFA 2: PUBLIC INFRASTRUCTURE	ENGINEERING	NUMBER OF ARTERIAL AND COLLECTOR INTERSECTIONS IMPROVED TO ADDRESS CAPACITY AND SAFETY ⁽²⁾	1	0
	TRAFFIC	NUMBER OF SIGNALIZED INTERSECTIONS RETIMED ⁽²⁾	69	6
	STREETS	SQUARE YARDS OF ASPHALT ROADWAY RECONSTRUCTED ⁽²⁾	60,000	38,714
		SQUARE YARDS OF ASPHALT ROADWAY OVERLAID ⁽²⁾	36,943	32,599
		SQUARE YARDS OF ASPHALT ROADWAY MICRO-SEALED ^{(1) (2)}	191,188	0
	TECH SERVICES	PERCENTAGE OF CITY SERVED BY BROADBAND	80%	87.9%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	2ND QTR
KFA 3: ECONOMIC DEVELOPMENT	BUILDING INSPECTIONS	PERCENTAGE OF CERTIFICATES OF OCCUPANCY REVIEWED WITHIN 10 DAYS	95%	99.2%
		PERCENTAGE OF NEW COMMERCIAL PERMITS REVIEWED WITH 10 DAYS	95%	72%
		PERCENTAGE OF TENANT FINISH OUTS REVIEWED WITHIN 10 DAYS	95%	91.5%
	ECONOMIC DEVELOPMENT	PERCENTAGE OF JOBS IN DENTON PAYING EQUAL TO OR GREATER THAN \$75,000	10.75%	11.7%
		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%	70.4%
		INCREASE IN RETURN ON INVESTMENT OF INCENTIVES AWARDED	300%	400%
		NUMBER OF REDEVELOPED PROPERTIES IN DOWNTOWN DENTON ⁽²⁾	6	11
		TOTAL NET SALES TAX COLLECTIONS RELATED TO ECONOMIC DEVELOPMENT INCENTIVES ⁽²⁾	\$3,800,000	\$1,883,893
		NUMBER OF BUSINESS RETENTION VISITS ⁽²⁾	105	60
		INCREASE IN COMMERCIAL AND INDUSTRIAL PROPERTY VALUES ⁽¹⁾	3%	0%
	FINANCE PLANNING	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%	100%
		PERCENTAGE OF ZONING VERIFICATION LETTERS PROCESSED WITHIN 10 BUSINESS DAYS	95%	100%
		PERCENTAGE OF ZONING BOARD OF ADJUSTMENTS VARIANCES PROCESSED WITHIN 60 DAYS	90%	100%
		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%	100%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	2ND QTR
KFA 3: ECONOMIC DEVELOPMENT	PLANNING	NUMBER OF SMALL AREA PLANS INITIATED EACH CALENDAR YEAR ⁽²⁾	2	4
		NUMBER OF CORRIDOR PLANS INITIATED EACH CALENDAR YEAR ⁽²⁾	2	1
		NUMBER OF NEIGHBORHOOD PROJECT MATCHING GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR ⁽²⁾	5	2
		NUMBER OF NEIGHBORHOOD MICRO GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR ⁽²⁾	6	2
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	COMMUNITY DEVELOPMENT	NUMBER OF PEOPLE SERVED BY PUBLIC IMPROVEMENTS ^{(1) (2)}	9,733	0
		NUMBER OF HOUSEHOLDS SERVED IN HOUSING PROGRAMS ⁽²⁾	60	18
		NUMBER OF INDIVIDUALS AND/OR HOUSEHOLDS SERVED THROUGH CITY-SUPPORTED PROGRAMS ⁽²⁾	15,000	7,194
		TOTAL FUNDING AMOUNT FROM LOCAL, STATE, AND FEDERAL GRANTS THAT WAS LEVERAGED ⁽²⁾	\$1,500,000	\$475,280
		NUMBER OF AFFORDABLE HOUSING UNITS DEVELOPED ⁽²⁾	1	0
		NUMBER OF AFFORDABLE HOUSING UNITS MAINTAINED ⁽²⁾	26	6
		PERCENTAGE OF NUISANCE VIOLATIONS ABATED	90%	98.4%
		PERCENTAGE OF MINIMUM BUILDING STANDARD VIOLATIONS ABATED	85%	80.5%
		PERCENTAGE OF ZONING VIOLATIONS ABATED	85%	97%
		NUMBER OF DANGEROUS BUILDINGS REPAIRED OR DEMOLISHED ⁽²⁾	30	16
		INCREASE IN OWNER-OCCUPIED HOUSING	5%	0%
	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%	54.0%
		NUMBER OF INSPECTIONS COMPLETED FOR COMMERCIAL/INDUSTRIAL/MULTI-FAMILY STRUCTURES ⁽²⁾	4,700	2,364
		NUMBER OF HOURS COMPLETED TO ENHANCE TRAINING PROGRAM TO IMPROVE ALIGNMENT WITH TEXAS COMMISSION ON FIRE PROTECTION AND ISO ⁽²⁾	36,000	30,647
	GAS WELLS	PERCENTAGE OF GAS WELL DRILLING AND PRODUCTION SITES INSPECTED ⁽¹⁾	100%	100%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	2ND QTR
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	LIBRARY	TOTAL CIRCULATION OF PHYSICAL ITEMS ⁽²⁾	1,000,000	570,625
		NUMBER OF TIMES DATABASE SOFTWARE ACCESSED BY CUSTOMERS ⁽²⁾	16,000	9,071
		TOTAL E-BRANCH CIRCULATION INCLUDING E-BOOKS E-MAGAZINES AND STREAMING CONTENT ⁽²⁾	100,000	54,316
		LIBRARY CUSTOMERS WHO REPORT INCREASED AWARENESS OF LIBRARY OFFERINGS THROUGH OUTREACH CHANNELS: DPL2GO, EMBEDDED LIBRARY ASSIGNMENTS, AND COMMUNITY EVENTS	25%	42%
	PARKS	TOTAL MILES OF PEDESTRIAN TRAILS ⁽²⁾	30	1.03
		NUMBER OF TREES PLANTED ⁽²⁾	720	422
		ACRES OF PARKS PER 1,000 POPULATION	18.61	18.65
		SATISFACTION RATING OF "GOOD" OR "EXCELLENT" FOR PROGRAMMING/NUMBER OF RATINGS RECEIVED ⁽²⁾	4.5/3,600	4.8/2,179
		PERCENTAGE OF PROGRAMS OFFERED THAT MADE PARTICIPATION REQUIREMENTS	94%	85%
	POLICE	NUMBER OF STAKEHOLDER MEETINGS CONDUCTED ⁽²⁾	200	139
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR PRIORITY 1 (EMERGENCY) CALLS	<6:00	6:48
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR NON-EMERGENCY CALLS	<10:00	7:06
KFA 5: SUSTAINABLE AND ENVIRONMENTAL STEWARDSHIP	ENVIRONMENTAL SERVICES	DECREASE IN MUNICIPAL ENERGY USAGE	5%	5%
		PERCENT OF NON-SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	51%
		PERCENT OF SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	100%
		PERCENTAGE OF RENEWABLE ENERGY USED IN MUNICIPAL FACILITIES ⁽¹⁾	70%	77%
	SOLID WASTE	POUNDS OF WASTE DISPOSED PER CAPITA	1,900	415
		PERCENTAGE OF WASTE DIVERTED FROM THE LANDFILL	40%	35%
	TRANSPORTATION	NUMBER OF ACTIVE TRANSPORTATION SAFETY AND EDUCATION ACTIVITIES, EVENTS, AND INITIATIVES ⁽²⁾	12	4
		NUMBER OF ACTIVE TRANSPORTATION PROMOTIONAL EVENTS ⁽²⁾	10	4
		CENTERLINE MILES OF ON-STREET BIKE INFRASTRUCTURE, SUCH AS BIKE LANES	7	2.2
		NUMBER OF TRAIL AND BIKEWAY NETWORK GAPS REMOVED ⁽²⁾	4	0
		NUMBER OF SIDEWALK DISCONNECTS/GAPS REMOVED ⁽²⁾	4	1
		NUMBER OF TRANSIT STOPS WITH IMPROVED PEDESTRIAN AND BICYCLE ACCESS ⁽²⁾	8	0

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

⁽²⁾ Measure is a year-to-date total



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. The first phase was completed in October 2016. We completed the second phase in February 2017, which includes interviewing key stakeholders to assist with the digital roadmap definition. We are scheduled to complete the third phase by July/August.
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	A contract was awarded to National Service Research. The 2017 Citizen Survey will be sent to a sample of residents and will be available to all residents online in May 2017. 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	Approximately 150 residents attend the State of the City event held on March 30, 2017. Registration for the Citizen Academy is open and the class is schedule for June 2017.
Enhance open data platform and related initiatives	Technology Service	January 2017	The new open data portal was launched in August 2017. This Step has been completed.
Utilize the Lean, LEEP, Performance Management, and Employee Innovation programs to generate efficiency and productivity enhancements	City Mgr. Office	Ongoing	The City recently completed its 2nd LEEP class and second year of the innovation program with positive outcomes. The City also continues to use the Lean program to analyze and improve processes throughout the City.



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 at 20% complete with 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 (including small cell nodes) will be located and how the installation will be managed is on-going. While the City has investigated examples of right-of-way management ordinances from other cities and has evaluated best practices, pending legislative and Public Utility Commission (PUC) action may have a significant impact on staff's ultimate recommendation. Further evaluation and recommendation will be forthcoming pending any final PUC ruling or legislative action. 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.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Install fiber conduit as part of major transportation projects along arterial streets	Engineering	Ongoing	The project entails installation of the City's ITS, Phase 1 (\$1.6 million NCTCOG ITS Grant) fiber infrastructure. Engineering and Traffic Operations Staff has engaged the services of Binkley and Barfield consulting Engineers to prepare design plans for the City's ITS Phase 1. The design plans are anticipated to be completed by July 2017 and the construction will follow soon after. 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 has taken the lead role in forming the Denton Workforce Development Consortium among DISD, NCTC, TWU, and North Central Texas Workforce Solutions. The group has met twice in 2017



City of Denton, Texas

Strategic Plan Performance Report Dashboard



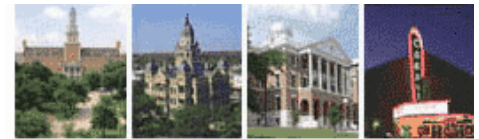
Key Focus Area 3: Economic Development

Action Steps	Department	Target Date	Status
Implement improvements to development review process	Planning	October 2016	Initial recommendations from the Lean Committee were implemented in August 2016. A follow-up Lean Process Improvement event that will incorporate DRC Engineering is planned for the 3 rd Quarter of FY2016-2017. 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 begun to draft the new code. A kickoff meeting for the public is tentatively scheduled for June 2017. 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 with the approval of a Public Safety Communications Manager position and a proposed reorganization of Dispatch. Formation of joint Public Safety Answering Point (PSAP) committee was reviewed - completed. PSAP Board approved, selection of committee members underway. Contract for training, implementation, and testing in development - completed. MCP contract for services extended. Development of RFP's for system acquisition underway.
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. New staffing configuration based on overall police call loads implemented in January 2017. Conducting analysis to determine impact on call response times.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



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

Action Steps	Department	Target Date	Status
Collaborate with Community Improvement Services to build relationships with neighborhood organizations	Police	October 2016	Personnel from Police and Community Improvement jointly attended neighborhood meeting. Worked together to alleviate issues related to criminal trespassing and littering at several temporary campsites within the city.
Continue implementation and evaluation of the enhanced right-of-way maintenance program	Community Improvement Services	December 2016	Completed. First annual TXDOT reimbursement check received. Both vendors had automatic renewals and are beginning their second full year of contracted work.
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 of city-owned properties. 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. Currently meeting with Habitat for Humanity regularly to develop a program.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



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

Action Steps	Department	Target Date	Status
Expand DPL2GO Mobile Library to develop strategic relationships with underserved groups and neighborhoods	Library	September 2017	DPL2GO was on hiatus for January and February, except for monthly visits to Denton State School. We started again in March when we visited 5 locations for the second quarter, making contact with 673 people. Ten staff participated and 1 volunteer. Staff also participated at The Great American Cleanup. Staffing is now divided between outreach and dpl2go stops. Some popular venues in March were the Touch a Truck event and Rivera Elementary Parent's Night.
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.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



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

Action Steps	Department	Target Date	Status
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. The City of Denton (COD) leverages multiple funding sources the City then distributes to organizations and programs working with the homeless. 2Q – Jan. 1, 2017 Mar. 31, 2017 \$92,223.09 in COD general funds \$9,413.31in CDBG, federal funds 2658 unduplicated clients assisted in these 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 as ex-officio to the HLT and on BHLT and HLT workgroups. CD staff hold positions on the Denton County Homeless Coalition, Denton County Hunger Coalition, Early Childhood Coalition, Community Health Council, UW Community Needs Assessment, Denton County Veterans Coalition, and Health y 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 achieving a 70% renewable portfolio by 2019. DME has successfully added an additional wind power purchase agreement in Fall 2016 and is actively reviewing strategies and developing action steps to add additional renewables in the future.
Expand commercial recycling program	Solid Waste	Ongoing	In 2016, the number of recycling containers set for commercial customers increased from 334 to 440. Thirty eight (38) multi-family residential customers added recycling containers this year, increasing the recycling participation rate to 36% of the multi-family developments.



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	Staff continued to work on the planned 2016-2017 Bike Fund Projects. Designs for bike accommodations on Oak Street from Carroll Blvd to Avenue C were presented to Mobility Committee, with approval to move forward with bike lanes given at the March 2017 meeting. Designs for the Small Miscellaneous Projects (sharrows and signs) were started, which includes Crescent, Panhandle, Fulton and Bolivar Streets; these will be completed in the 3rd Quarter. Staff held a community meeting with residents in the Ector Street neighborhood to discuss proposed bike lanes on Ector St. from Panhandle to University.

Section 6

City of Denton
Quarterly Financial Report
March 2017

G.O. BOND PROGRAM REPORT

2012 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 3/31/17
Street Reconstruction	\$20,000,000	\$16,000,000	\$11,730,452	\$4,269,548
Public Art for Streets	\$400,000	\$400,000	\$23,053	\$376,947
Proposition 1 – Street & Public Art Improvements	\$20,400,000	\$16,400,000	\$11,753,505	\$4,646,495

Program Description	Staff Comments
Street Reconstruction	Staff has completed 111 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. Staff is currently seeking quotes 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 3/31/17
Street Reconstruction	\$24,000,000	\$2,000,000	\$1,833,990	\$166,010
Misc. Traffic Signals	\$3,000,000	\$1,500,000	\$483,515	\$1,016,485
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	\$900,256	\$1,099,744
Misc. Sidewalks	\$2,000,000	\$950,000	\$229,201	\$720,799
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	\$561,985	\$228,015
Misc. Roadways	\$2,000,000	\$500,000	\$1,340	\$498,660
Proposition 1 – Street Improvements	\$54,030,000	\$13,840,000	\$4,132,220	\$9,707,780

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Street Reconstruction	Staff has completed 40 of 195 total segments from the 2014 bond program. Lillian Miller, representing 9 Eagle Drive, representing 12 segments, with an additional 15 street segments where 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 after Interlocal Agreement with Denton County is approved.
Transportation Division Facility	Design plans are complete. Staff seeking additional funding for increased construction costs.
Rail Quiet Zone – McKinney to Prairie	Staff is no longer pursuing the larger joint TOD project with UPRR, DCTA and NCTCOG in this corridor that contemplated QZs, parking and other transportation system improvements. Staff notified UPRR in May the City's intent will be focused on QZ infrastructure/safety measures for McKinney, Hickory, Sycamore and Prairie. Staff anticipates an 18-24 month design and implementation process. Preliminary design and coordination process is underway.
Bonnie Brae Secondary Arterial	Consultant contract approved by City Council Jan. 7, 2017. ROW Agent contract targeted for Council approval June 6, 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 95% complete. Anticipate total completion mid-June. 2. McKinney Sidewalk \$25,000 – Under design, coordination with DCTA for shelter location. 3. Windsor Sidewalk \$100,000 – Crossing installed at North Lakes. Sidewalk design 95% complete. 4. Londonderry Sidewalk \$55,000 – Project survey being conducted. Preliminary layout in design. 5. Oakland St. Sidewalk \$45,000 – Coordinating with DME for equipment relocation. Design complete. 6. Hickory St. Sidewalk at Exposition \$35,000 – Construction completed. 7. Loop 288 Sidewalk at Denton Crossing \$25,000 – Design completed. TxDOT permit approved. Construction to begin this month.
Proposition 1 – Street Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Misc. Sidewalks continued...	<p>8. Pockrus Page Sidewalk \$110,000 - Project survey being conducted.</p> <p>9. Paisley St. Sidewalk \$20,000 – Design completed. Project to be constructed this summer.</p> <p>10. Mack Drive Sidewalk \$15,000 – Design 95% complete. Project to be constructed this summer.</p> <p>11. East Side Stuart Road Sidewalk \$245,000 – Surveying underway. Grant funding recommended for approval by NCTCOG.</p> <p>12. East Side Loop 288 Sidewalk \$85,000 - Project survey being conducted. Preliminary layout in design.</p>
Hickory Creek Road – FM 2181 to Riverpass	Consultant design contract executed. Design underway. Contract amendment to be processed in June.
Morse Street Expansion	Consultant design contract executed. Design is underway. 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 3/31/17
Fire Station #4 Remodel/Rebuild – Sherman Drive	\$5,020,000	\$6,120,000	\$4,610,090	\$1,509,910
Fire Station #3 Remodel/Rebuild – McCormick	\$8,620,000	\$7,348,000	\$1,834,812	\$5,513,188
Police Lobby Renovation	\$115,000	\$115,000	\$114,663	\$337
Relocation of Communications Center & Criminal Investigations Bureau	\$2,000,000	\$205,000	\$61,000	\$144,000
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	\$1,680	\$323,320
Proposition 2 – Public Safety	\$16,565,000	\$14,598,000	\$6,653,995	\$7,944,005

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Fire Station #4 Remodel/Rebuild – Sherman Drive	Construction phase is underway. Foundation piers are nearing completion and grade beams will begin to be formed. Within the next 3 weeks expect the first of three slab pours to be completed.
Fire Station #3 Remodel/Rebuild – McCormick	Final construction documents are scheduled to be completed November 2017 with an intent to commence construction January 2018 with an 18 month build time.
Police Lobby Renovation	Projects has been completed.
Relocation of Communications Center & Criminal Investigations Bureau	The architect for the CIB renovation is under contract. Facilities has met with the architect for the Communications center. The Communications Center and Criminal Investigations Bureau will remain in their current locations.
Police Firing Range Improvements with Ten Foot Berm Addition	This project is still progressing. We are awaiting the finalization of the transfer of the property that borders the firing range. Solid Waste has been very beneficial to this project. They have provided materials and equipment and labor/expertise to this project.
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 3/31/17
Eagle Drive Drainage Improvements Phase 2	\$2,098,000	\$2,098,000	\$218,981	\$1,879,019
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	\$600,000	\$600,000	\$57,773	\$542,227
Magnolia Street Drainage Phase 2 (Hinkle Project)	\$2,557,000	\$2,557,000	\$209,987	\$2,347,013
Proposition 3 – Drainage & Flood Control Improvements	\$5,255,000	\$5,255,000	\$486,741	\$4,768,259

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Eagle Drive Drainage Improvements Phase 2	Plan updates completed. ROW/easement acquisition in progress, 50% complete. TxDOT permit submitted. Expect approval of TxDOT permit in June 2017.
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	Engineering design contract approved and executed in March 2017. Survey in progress.
Magnolia Street Drainage Phase 2 (Hinkle Project)	Engineering design contract approved and executed in March 2017. Conceptual design underway.
Proposition 3 – Drainage & Flood Control Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 3/31/17
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	\$2,442,000	\$0
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	\$2,553,277	\$1,726,723

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 Summer 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 prepared for the spray ground. Survey for platting completed and forwarded to Architect. Conceptual designs have been shared with members of SEDNA via 4 public meetings. Construction is anticipated to begin Summer 2017.
Water Works Park Additions – Wave Pool/Concession Stand	The Wave Pool contract was approved by City Council in November 8, 2016. Construction began January 2017, the wave pool and concession are projected to open July 1, 2017.
Vela Soccer Complex Phase II Construction	100% plans have been submitted from Dunaway. Staff completed 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 obtained an art appraisal for a James Surls sculpture-anticipate Council approval on May 23, 2017.
Proposition 4 – Park System Improvements	