



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

DCM: Bryan Langley

DATE: August 3, 2017

SUBJECT

Receive a report; hold a discussion, and give staff direction regarding the FY 2017-18 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

BACKGROUND

The FY 2017-18 City Manager's Proposed Budget is submitted to the City Council as Exhibit 2. The information provided in the Proposed Budget has been derived from a culmination of input from the City Manager, City Council, Public Utilities Board, service level demands, department requests, and miscellaneous economic assumptions. The Proposed Budget includes line item and summary information concerning the following items:

- FY 2016-17 year-end revenue and expenditure estimates
- Proposed FY 2017-18 Tax Rate
- Proposed FY 2017-18 Operating Budgets by Fund
- Proposed FY 2017-18 Utility Budgets and proposed rates
- Proposed five-year financial forecast for the major funds
- Proposed five-year planned capital improvement program

A copy of the five-year financial plan for each major operating fund is included in the proposed budget document. Each of the utility fund plans have been reviewed by the Public Utilities Board (PUB), and the PUB has recommended approval of the Electric, Water, Wastewater, and Solid Waste budgets. As discussed in the Proposed Budget, no rate increases are planned for the Water, Wastewater and Solid Waste Funds, while a rate decrease is planned for the Electric Fund. Exhibit 3 is attached which shows line item details by fund for the General Fund, Internal Service Funds and major special revenue funds. Line item detail for the City's utility funds was included with their budget presentations.

I have included in Exhibit 4, a listing of the recommended supplemental funding requests for FY 2016-17 and FY 2017-18 in the General Fund and other select funds. A summary of requested supplemental packages that have not been recommended is also included. Following the summary sheets are detailed descriptions of each requested supplemental package. Additionally, Exhibit 5 provides a compensation analysis for the Fire and Police Departments as required by the City's meet and confer agreements.

Exhibit 6 is a redline summary of the various rate ordinances (Water, Wastewater, Electric, Solid Waste and Miscellaneous Fees) which have been recommended for approval by the Public Utilities Board. Exhibit 6 also includes an ordinance of Park and Recreation fee changes that will be considered by the Parks, Recreation and Beautification Board on August 7, 2017.

The purpose of this work session is to discuss this information and provide the City Council with detailed information concerning the proposed budget. This work session item is intended to provide a forum for discussions with management and allow an opportunity for questions. The PowerPoint presentation concerning the proposed budget is included as Exhibit 7 and will be used to facilitate a discussion of the Proposed Budget.

Below is the schedule we will follow to adopt the budget and tax rate:

| | |
|--------------|---|
| August 3 | Vote to Call Public Hearings on Proposed Tax Rate |
| August 15 | 1 st Public Hearing on Tax Rate |
| September 12 | 2 nd Public Hearing on Tax Rate Public Hearing on Proposed Budget |
| September 19 | City Council Adopts Budget and Tax Rate. |

I look forward to discussing the City Manager's FY 2017-18 Proposed Budget in detail with you. If you have any questions, or need additional information, please let me know.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Organizational Excellence

Related Goal: 1.1 Manage financial resources in a responsible manner

EXHIBITS

1. Agenda Information Sheet
2. FY 2017-18 City Manager's Proposed Budget
3. Line Item Budget Summaries
4. Summary of City Manager Recommendations for Supplemental Funding Requests
5. Memorandum Regarding Civil Service Compensation
6. Proposed Utility Rate Ordinances and Park Fee Ordinance
7. Presentation

Respectfully submitted:
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Director of Finance