

2017-18

PROPOSED
**ANNUAL
PROGRAM
OF SERVICES**

CITY OF DENTON, TEXAS



Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Denton
Texas**

For the Fiscal Year Beginning

October 1, 2016

A handwritten signature in black ink, reading 'Jeffrey R. Emer'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Denton, Texas for its annual budget for the fiscal year beginning October 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

*Proposed Annual Program of Services
Fiscal Year 2017-18*

SUBMITTED TO:

THE MAYOR AND CITY COUNCIL

July 28, 2017

The following statement is provided in accordance with Texas Local Government Code 102.005:

This budget will raise more total property taxes than last year's budget by \$3,766,918 or 6.1% and of that amount \$2,027,599 is tax revenue to be raised from new property added to the tax roll this year.

Prepared By

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Electric Business Manager

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Special Thanks to our Public Communications Office
for the design of the cover and dividers, publication of the
Proposed Annual Program of Services,
and Web page design.

Reflective of the City's focus on sustainable and environmental stewardship through promoting sustainable materials resource management, the City of Denton's Budget Document is printed on paper that is Forest Stewardship Council (FSC) Certified.

Visit our website at: www.cityofdenton.com

Vision, Mission, and Values

The Strategic Plan serves as the basis for the development of the FY 2017-18 Proposed Budget. The City Council will be asked to formally approve a revised Strategic Plan in September along with the budget itself.

The Strategic Plan is organized into five Key Focus Areas (KFAs) and the major goals, objectives key action steps, and outcomes of the plan are described in subsequent pages. Below are the vision, mission, and values that have provided a framework for the Strategic Plan.

VISION

“Destination Denton”

Denton is an identifiable and memorable destination and a community of opportunities. We achieve this by providing high quality of life through excellence in education, entertainment, and employment; neighborhood vitality and sustainability; environmental and financial stewardship; and superior public facilities and services.

MISSION

“Dedicated to Quality Service”

The City of Denton will foster an environment that will deliver extraordinary quality services and products through stakeholder, peer group, and citizen collaboration; leadership and innovation; and sustainable and efficient use of resources.

VALUES

“We Care”

We care about our people, our community, and our work. We do this with integrity, respect, and fairness.

Elected Officials



Chris Watts
Mayor
Term Expires: May 2018
2nd Term



Gerard Hudspeth
Council Member
District 1
Term Expires: May 2019
1st Term



Keely Briggs
Council Member
District 2
Term Expires: May 2019
2nd Term



Don Duff
Council Member
District 3
Term Expires: May 2019
1st Term



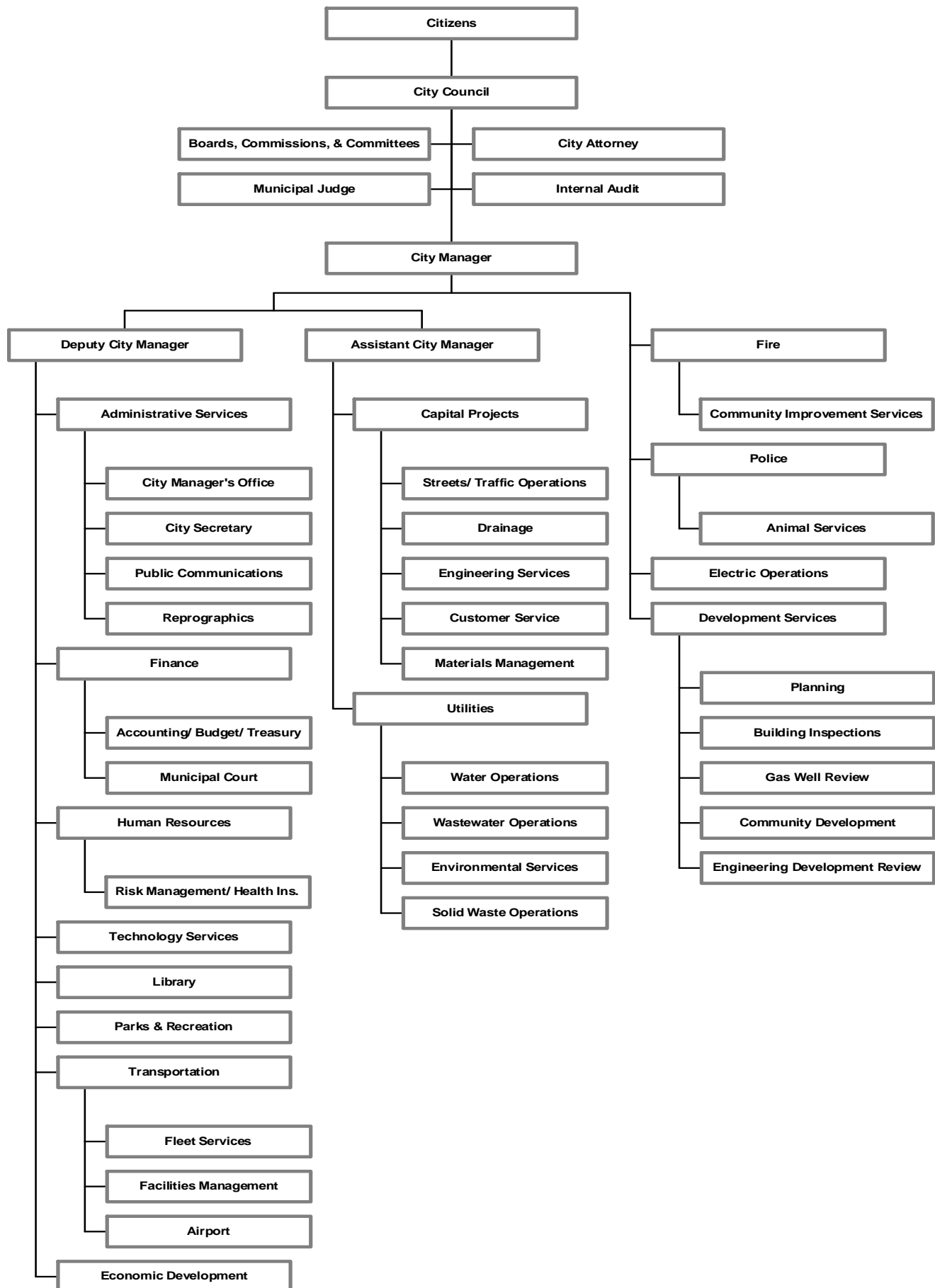
John Ryan
Council Member
District 4
Term Expires: May 2019
1st Term



Dalton Gregory
Council Member
At Large, Place 5
Term Expires: May 2018
2nd Term



Sara Bagheri
Mayor Pro Tem
At Large, Place 6
Term Expires: May 2018
1st Term

Current Organizational Chart

Boards, Commissions, and Council Committees

JUDICIAL OR QUASI-JUDICIAL BOARDS (Governmental Board Members)

Civil Service Commission

Ensures compliance with Chapter 143 of the Texas Local Government Code governing police and fire. The duties of the Commission include approval of eligibility hiring lists and holding hearings, upon appeal, on matters of promotions, performance, reclassifications, and other civil service issues.

Health and Building Standards Commission

Hears and decides appeals of orders, decisions or determinations made by the Building Official, Code Official, or Fire Marshal made pursuant to Chapters 13, 14, 17, 28 and 29 of the Code of Ordinances; makes reasonable interpretations or rulings in matters properly before it pursuant to Section 2-460.

Historic Landmark Commission

Recommends to the Planning & Zoning Commission and City Council those buildings, structures, sites, districts, and areas in the city that the Commission has determined should be preserved and designated as historic landmarks. The Commission also regulates design review for designated properties and districts.

Planning & Zoning Commission

Makes decisions or recommendations to the City Council regarding the Comprehensive Plan, Development Code, zoning regulations, long-range planning, zoning changes, platting, and other development-related policies as required or permitted by State law or Council policy.

Zoning Board of Adjustment

Provides a vehicle for citizens to appeal zoning interpretations, decisions of the Building Official, and request variances from the zoning and sign regulations in the Denton Development Code. The Board may also make final decisions regarding changes, the reestablishment, or termination of nonconforming uses within the city.

ADVISORY BOARDS

Airport Advisory Board

Serves in an advisory capacity to the City Council on matters relative to airport safety, flight and ground operations, safety and security issues arising from the creation and development of long-term master plans; tenant/stakeholder outreach; the Airport Business Plan and the Airport Master Plan; airport infrastructure improvement or other major projects impacting the airport; grant funding for the airport; and long term financial planning and budgetary issues affecting the airport.

Boards, Commissions, and Council Committees

Animal Shelter Advisory Committee

Assists the City in complying with the provisions of the Animal Shelter Act and makes recommendations to the City Council regarding methods and procedures necessary to ensure compliance with the Act.

Community Development Advisory Committee

Holds public hearings and makes decisions regarding the expenditure of federal Community Development Block Grant and Home Investment Partnership Program monies.

Downtown Denton Tax Increment Financing Reinvestment Zone Board

Makes recommendations to the City Council concerning the administration of the Zone; prepares and adopts a project plan and Tax Increment Financing Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval; prepares, implements and monitors such project and financing plans for the Tax Increment Financing Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone.

Economic Development Partnership Board

Provides economic development policy guidance and makes recommendations to the City Council and Chamber of Commerce; reviews, considers and makes recommendations to the City Council regarding Airport Branding and Marketing to support the implementation of the Denton Airport Business Plan; reviews, considers and makes recommendations to the City Council regarding Denton Municipal Airport incentive policies as assigned by the City Council or requested by the City Manager; and acts as a recommending body to the City Council for specific airport economic development incentives as assigned by the City Council or requested by the City Manager and permitted by City and State law.

Human Services Advisory Committee

Serves in an advisory capacity to encourage continuous evaluation of the human services delivery system and to recommend actions and funding to the City Council regarding City of Denton human services.

Library Board

Serves in an advisory capacity to the City Council to recommend policies, rules, and regulations for the operation of the library system. The Board also provides citizen input to the City Council and recommends fees for Council consideration.

Parks, Recreation and Beautification Board

Serves in an advisory capacity to the City Council to recommend improvements to park and recreation programs. The Board is charged to stimulate public interest in the development and maintenance of parks and playgrounds; to promote close cooperation between the City and private citizens so that all park and recreational facilities are used to their maximum benefit; and pursuant to the Charter, make recommendations regarding the appearance, beautification, and environment of the city.

Boards, Commissions, and Council Committees

Public Art Committee

Makes recommendations to the Parks Recreation and Beautification Board and City Council on the commissioning, placing, and the installing of public art; implementation of funding mechanism(s) for public art; effective and efficient management of public art; ongoing maintenance of public art; and the accessioning, deaccessioning, and re-siting of public art.

Public Utilities Board

Reviews the department of utilities budget and makes recommendations to the City Council in the format required by the City Manager. The Board is authorized to expend funds for information and advertising. All matters relating to utility policies, capital projects, rates, and the sale and issuance of utility bonds are submitted to the Board for review and recommendation prior to Council consideration. The Public Utilities Board makes recommendations for the Capital Improvement Program pursuant to the provisions in the City Charter.

Tax Increment Reinvestment Zone Number Two Board

Makes recommendations to the City Council concerning the administration of the Zone. Prepares and adopts a project plan and Tax Increment Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval. Prepares, implements and monitors such projects and financing plans for the Tax Increment Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone.

Traffic Safety Commission

Serves in an advisory capacity to the City Council on matters brought forward to the Commission by the City Manager, or his/her designee, or assigned by the City Council which pertains to traffic safety education and publicity; ways and means of improving traffic conditions and safety for motor vehicles; bicycle and pedestrian safety; implementation of traffic control devices; public parking restrictions; or roadway speed limit designations

CITY COUNCIL COMMITTEES

Agenda Committee

Reviews the City Manager's proposed City Council agendas as to form and agenda content.

Audit/Finance Committee

The duties and purpose of the Committee shall be to assist the City Council in fulfilling its organizational oversight responsibilities relating to the audit function, the investment function, and other financial related activities as delegated by the City Council.

Boards, Commissions, and Council Committees

City Council Airport Committee

Reviews, considers and makes recommendations to the City Council on: the Airport Business Plan and the Airport Master Plan; any airport infrastructure improvement or other major project impacting the airport; the acquisition, review, and consideration of grant funding for the airport; contracts and leases of airport property, including recommending appropriate terms to the City Council; long term financial planning and budgetary issues affecting the airport; and issues raised as a result of interface between citizens, airport tenants, or other interested parties.

Committee on Citizen Engagement

The Committee shall provide advice to both the City Council and/or staff regarding the timely distribution of accurate and complete information to Denton citizens and devise methods of engaging Denton Citizens in the various processes of city government.

Committee on the Environment

The duties of the Committee shall be to review, discuss, deliberate, and consider environmental issues and resources and make recommendations to the City Council. The Committee will also deliberate and make recommendations regarding any other matter delegated to the Committee by the City Council.

Council Appointee Performance Review Committee

The duties and purpose of the Committee shall be to assist the City Council in performance review of the Council appointees and to insure that the appointees' job descriptions are accurate and properly reflect current job duties in order to make recommendations to the City Council to assist the Council in evaluating the job performance of the Council appointees. Additionally, the Committee will make recommendations regarding employment agreements, including renewals, of Council appointee positions.

Council Ethics Committee

The duties and purpose of the Committee shall be to advise the City Council on the Ethics Policy, gather information from citizens regarding the Ethics Policy, and conduct hearing and inquiries as set forth in the enabling resolution.

Council Mobility Committee

The duties and purpose of the Committee shall be to review, consider and make recommendations to the City Council regarding any changes to the Mobility Plan, local transportation policy, and any items concerning regional transportation policies and activities.

Hotel Occupancy Tax Committee

The duties and purpose of the Committee shall be to monitor allocation and use of hotel occupancy tax funds, ensuring funds are being used to directly enhance and promote tourism and hotel/convention industry and to recommend organizations to receive funding to City Council.



Footbridge at Quakertown Park

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215 E. MCKINNEY • DENTON, TEXAS 76201 • (940) 349-8200 • FAX (940) 349-7206

July 28, 2017

TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL:

Pursuant to provisions of the City Charter and on behalf of the staff, I respectfully submit to you the FY 2017-18 Budget. The Budget has been developed to accomplish the goals and objectives that are outlined in the City of Denton's Strategic Plan. The Strategic Plan addresses five Key Focus Areas (KFA's):

1. Organizational Excellence
2. Public Infrastructure
3. Economic Development
4. Safe, Liveable, and Family-Friendly Community, and
5. Sustainable and Environmental Stewardship.

The emphasis for this year's budget process has been cost containment through reducing inefficiencies, duplication of services and management consolidations. These efforts have been highlighted through the 29 departmental work session presentations from June through August of 2017. Departmental presentations were given by each department of the City covering the areas of cost containment, improved performance measurement and performance improvements. These efforts have been highlighted by the elimination of 22.85 positions equaling \$2.4 million in salary and benefits reductions with over half of these reductions in the City's General Fund. Baseline budgets were developed for the City's General Fund and Utility Funds that assumed a "no increase" assumption in rates, fees, and taxes. These cost containment efforts have led to a recommended budget at the effective tax rate for the General Fund and no rate increases in the City's Utility Funds.

Over the past several fiscal years, the City has also maintained a "managed vacancies" program to contain expenditures. Throughout the fiscal year, as position vacancies and attrition rates dictate, vacant positions are evaluated by City management and, according to the needs of the organization, positions are filled or eliminated. For FY 2017-18, the managed vacancy program will be continued, and the savings budgeted for the upcoming fiscal year is has been increased to \$1.5 million in the General Fund. This year salary savings from vacancies is also budgeted in each utility fund.

While this budget continues to make strides to implement the Strategic Plan, there are many objectives which will take several years to achieve. As such, the FY 2017-18 Budget continues to

Manager's Message

allocate available resources based on the City's Strategic Plan to achieve our goals. The pace of growth in the General Fund accelerated significantly in FY 2017-18. Sales tax revenues are expected to be approximately 10.4% above the prior fiscal year for FY 2016-17 and are estimated to grow at a rate of 3.0% in FY 2017-18 after adjusting for one-time sales tax payments. Property values including growth in the City's two tax increment reinvestment zones, grew significantly with an increase of 13.57% over the prior year tax roll. The proposed tax rate is a 4.5 cent decrease from the current rate of \$0.68334 to \$0.637856. Franchise fees are expected to grow by 2.6% or \$436,217 in FY 2017-18, and all the growth is to be transferred to the Street Improvement Fund. The proposed budget also includes an additional transfer of \$622,000 from General Fund franchise fee revenue to the Street Improvement Fund. This is the second year of a ten year plan to move all franchise fees to the Street Improvement Fund.

This budget continues to give top priority to increasing funding for maintaining and repairing streets throughout the City. In 2011, the Strategic Plan specifically identified improving street infrastructure as a major goal. In response to this goal, the FY 2011-12 Budget created the Street Improvement Fund to provide a dedicated mechanism to account for street maintenance and improvement activities. The 2012 and 2014 Bond Elections also provided increased funding, and the planned debt issuance in FY 2017-18 for this purpose is \$7.5 million. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to \$13.96 million for FY 2017-18. Compared to FY 2016-17, budgeted revenue is projected to increase by \$1,185,989 from \$12,775,206 to \$13,961,195 in the Street Improvement Fund for FY 2017-18. This additional funding will be used for an additional concrete pavement, curb and gutter and sidewalk repairs along with additional crack and micro seal repairs.

Additionally, the five-year financial plan estimates an increase in the total operating maintenance funding for the City's Street Improvement Fund to approximately \$18.6 million by FY 2021-22. The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our streets. In the future, the City will need to continue annual increases in funding for street maintenance activities along with potential future debt issuance for street reconstruction to continue to improve the condition of the City's streets over the long term.

In addition to improving the City's street infrastructure, the enhancement of public safety is also identified in the Strategic Plan as a major initiative. Accordingly, the FY 2017-18 General Fund budget includes \$1,104,311 in funding enhancements for public safety programs. These funding enhancements are in addition to the addition of five patrol officers and one crime analyst funded mid-year in FY 2016-17. This budget includes the funding of a new medic unit (six new personnel) at Fire Station 4 and Taser system expansions at the Police Department.

The General Fund budget includes \$480,000 in enhancements to Neighborhood Services including software maintenance for a new software for Development Services, funding of a capital maintenance program for the Parks Department and additional funding for Library materials. Transportation funding includes the addition of \$50,000 for bike pavement marking replacement. Administrative and Community Services supplemental programs are funded at \$495,881 in the General Fund. This supplemental funding includes an increase to funding of parking lot maintenance at City facilities, additional funding for the City's homelessness efforts with the

Manager's Message

United Way, an additional staff person for the internal audit division, new citywide budgeting software, funding of a customer relationship management software and a quarterly citizen newsletter.

In addition to the funding enhancements for FY 2017-18, significant several one-time items are to be funded in FY 2016-2017 from available resources in the General Fund. These additional resources are due to higher sales tax collections and reductions in the Risk Fund and Health Fund balances. These one-time improvements total \$4.2 million with \$1.67 million for parking lot replacements, \$840,00 for three additional traffic signals, \$614,712 for replacement of the American Legion Hall, and \$500,000 for development services software. Additional improvements include several equipment purchases for the Fire Department, vehicles for the Police Department and an update to the City's bike plan. Additional investment is planned in the Traffic Safety Fund with the replacement of three traffic signal at a cost of \$1.2 million.

The overall FY 2017-18 Budget for all funds is \$1.14 billion and includes 1640.71 Full-Time Equivalent positions (FTEs). A comprehensive summary of the budget is provided in the Budget Overview section of this document. The key elements of the budget include the following:

- The total proposed tax rate is \$0.637856 per \$100 of assessed valuation service which is 4.5 cents less than the prior year. Of this amount \$0.430311 is provided for operations and maintenance and \$0.207545 is for debt service. The rate for debt service has decreased from \$0.21660 to \$0.207545 continuing implementation of the 2014 bond election program. The effective tax rate is \$0.637856, and the rollback tax rate is \$0.689689. The estimated average residential tax payment at the proposed tax rate will increase from \$1,339 to \$1,366 based on the increase in average home value from \$195,882 to \$214,136. This increase in the average tax payment of \$27 will be offset by the average decrease of \$21 in City average residential utility rates.
- As detailed in the Budget Overview section of this document, the proposed budget call for a combined net increase of 4.15 FTEs for all funds compared to the FY 2016-17 budgeted positions (1,636.56). The proposed additions includes:
 - 6.0 FTEs for Medic Unit #4 for the Fire Department
 - 1.0 FTE in Internal Audit
 - 8.0 FTEs in Electric
 - 1.0 FTE in Fleet Management
- No base rate change and a 1.0% reduction in the ECA rate for net customer decrease of 1.0% with minor variances across customer classes for our Electric customers.
- No rate changes for our Water customers.
- No rate changes for our Wastewater customers.
- No rate changes for our Solid Waste customers.
- For an average residential customer, the combined monthly cost for electric, water, wastewater, and solid waste service will decrease from \$258.05 to \$256.31, which is an approximately 0.7% decrease.
- A 3% average merit increase for non-civil service employees and increases for employees to bring them to the minimum of their pay range.

Manager's Message

- Pay adjustments for Police and Fire civil service employees in accordance to their meet and confer agreements to reach the market average plus 5%, normally programmed step increases, and the first year of wellness incentive pay.

The FY 2017-18 Budget has been developed within the context of a five-year financial plan and the long-term infrastructure needs of the community. The purpose of this approach is to provide a long-term and financially sustainable perspective for decisions in the coming fiscal year. As we develop future forecasts, we will continue to evaluate our ability to fund our strategic priorities and maintain a balance between revenues and expenditures.

Each utility budget is developed within the context of long-range strategic and financial plans and is based on strategies that support and strengthen the financial health of each utility. Additional minor rate adjustments are estimated in the future to address aging infrastructure issues and ensure that adequate working capital and rate reserve funds are maintained. The Five-Year Financial Forecast will be reviewed and revised annually as necessary to support utility objectives, and the key assumptions for these plans are described in this document.

The budget includes a FY 2017-18 Capital Improvement Program (CIP) of \$154.3 million. This includes \$33.4 million of revenue funded capital projects, \$25.2 in General Obligation Bonds from the 2014 bond election and \$95.7 million in Certificates of Obligation (\$82.4 million for Utility projects and \$13.3 million for General Government projects). The General Obligation Bonds are planned for street reconstruction, street expansions on sections of Ruddell Street and Bonnie Brae Street, along with drainage and park and recreation improvements. The General Government projects to be funded by Certificates of Obligation are for fleet vehicle replacement, facility maintenance, fire station construction, a second runway for the City's airport and an expansion of the City's Fleet Maintenance Facility.

The success of the City's Economic Development efforts is clearly shown through growing sales tax revenue and property values. The retail and restaurant development continues at Rayzor Ranch, Unicorn Lake and the vibrant downtown area. WinCo Foods, Chili's, In-N-Out Burger, Raising Cane's, Sleep Number Beds, Chipotle, Firehouse Subs and the Denton County Brewing Company are just some of the new businesses opened in the last year. Peterbilt Motors has completed a 17,500 square foot expansion and a new 102,000 square foot building. WinCo recently completed and occupied their 800,000 square foot distribution facility that is located on 77 acres in the Westpark area. An anchor to the southern portion of the Razor Ranch development is the Embassy Suites Hotel and connected 70,000 square foot convention center that is estimated to be complete in late 2017. A second runway is under design at the City's airport to facilitate increased activity and development. Residential building permits continue to grow, adding new residents to shop, dine and enjoy these new establishments. The adopted Denton Plan 2030 provides the roadmap for the next decade of positive growth for Denton.

I sincerely thank the members of the Denton City Council for their hard work and dedication to the Citizens of Denton. The input of the City Council and Public Utilities Board has been invaluable in the preparation of the FY 2017-18 Budget, Capital Improvement Plan (CIP), and

Manager's Message

Five Year Financial Forecast. Appreciation is also expressed to members of the professional staff, particularly in the Finance Department for their diligence in the preparation of the Budget.

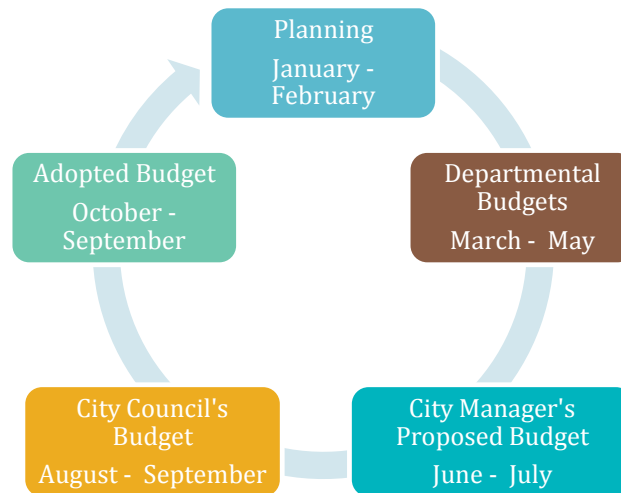
With significant investments in our organization, people, and infrastructure, I am confident that this Budget prepares the City of Denton for future success as well. With your support, and the dedication of our capable staff, we will ensure that quality services are provided to the citizens of Denton.

Sincerely,

A handwritten signature in dark ink, appearing to read "Todd Hileman", with a stylized, cursive script.

Todd Hileman
City Manager

Budget Calendar



Planning January-February

- January-Preliminary Long Range Financial Forecast Preparation
- January-Early Budget Kickoff for Internal Service Funds

Departmental Budgets March-May

- March-Budget Kickoff
- April-Budgets Submitted to Finance
- May-Utilities Budget Reviews with Public Utilities Board (PUB)

City Manager's Proposed Budget June-July

- June-Budgets reviewed by City Manager and Executive Staff
- June-Long Range Forecast and Budget Discussions with City Council
- April-July -City Council Reviews Strategic Plan and Goals
- July-Receive Certified Tax Roll; Calculate Effective & Rollback Tax Rates

City Council's Budget August-September

- August-Tax Rate Proposed and Public Hearings
- August-Budget Work Sessions with City Council
- September-Budget and Tax Rate Adoption

Adopted Budget October-September

- October-Fiscal Year Begins
- December-Submit Budget to GFOA for Review
- October-September Budget Maintenance

Reader's Guide

The Reader's Guide provides an overview of the City of Denton's budget process and budget documents. The City of Denton has prepared a budget designed to meet the highest standards of performance in municipal budgeting. This document provides a summary of all budgeted funds, including both revenue and expenditure summaries. Major budget documents, the budget process, and organization of the budget itself are described below.

Major Budget Documents

The City of Denton's budget process includes the production of five key documents. It is important to understand the timing and purpose of these documents in order to fully understand the process itself.

1. The Budget Instruction Manual - March

Prior to budget development and training of departmental support staff, the Budget Instruction Manual is drafted and completed in March. This document serves as a development guide and includes sections on annual budget highlights and specific development instructions, as well as, appendices with rate calculations, format examples, and supplemental forms.

2. Long-Range Financial Forecast - June

In June, the City Council meets to discuss the preliminary Long-Range Financial Forecast for the city. After this meeting, staff prepares a five-year forecast to address key service areas. The forecast is finalized at the end of July and included in the proposed budget document.

3. The Budget Overview and Manager's Message - Late July

The Budget Overview and Manager's Message is submitted to the City Council in late July as part of the proposed budget. This report summarizes and identifies key issues with regard to revenues and expenditures for the coming year.

4. The Proposed Budget - Late July

The proposed budget is submitted to the City Council in late July of each fiscal year. This document represents a balanced version of departmental budget requests versus projected resources. The proposed budget is a product of policy as expressed by the City Council and is prepared by the City Manager.

5. The Adopted Budget - September

The adopted budget represents a modified version of the proposed budget after public hearings and City Council review in August/September. Any changes deemed necessary by City Council to funding levels or revenue projections are reflected in the adopted budget. Revisions may also be made to reflect any updates to budget information.

Reader's Guide

The Budget Process

The City of Denton uses a program-oriented budgeting process. Each budgeting unit or division is given a "baseline" funding level based upon the previous year's funding level. Any funding request that represents new expenditures and programs, or that is in excess of adjusted baseline funding, must be submitted as a separate request or "package."

1. Budget Training for Support Staff/Budget Guideline Review

January/February is the time when existing budget guidelines, procedures, and forms are reviewed. Changes may be made to the budget process in order to make budget development more efficient and address format changes.

Preliminary budget training for departments is available prior to budget kickoff. During preliminary training, staff is informed of budgeting concepts and the budget process, as well as, given a quick introduction to the City's budget forms.

During budget kickoff, departments receive the budget instruction manual so that they may have specific instructions and a review of any changes to the budget process.

2. Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Department staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

3. Proposed Budget Development

During budget development, the Finance Department staff work with departments to analyze requests, provide advice, and lend assistance. Budget requests are based upon a baseline funding level, and any additional funding is made in the form of supplemental requests.

Reader's Guide

4. *Proposed Budget Analysis/Compilation*

Once division and departmental budget requests are completed, the Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Management Team, which is comprised of the City Manager, Deputy City Manager, and Assistant City Manager. A total recommended funding level is determined from both baseline and proposed supplemental packages. At this time, the funding level is weighed against available resources. A tax rate increase may or may not be recommended depending upon City Council program priorities and issues previously expressed in the budget process.

5. *Long-Range Financial Forecast*

A workshop is held in June with the City Council to discuss the preliminary Long-Range Financial Forecast for the city. After this meeting, staff refines the forecast to address key service areas. The recommended version of the forecast is included in the proposed budget document that is submitted to the City Council in July.

6. *City Council Budget Study*

The proposed budget, including the Budget Overview, is compiled as soon as possible after final appraised property value and other data are received. This report highlights and summarizes funding requirements, major changes in programs, and alternatives for funding. A budget work session is held with the City Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions until budget adoption.

7. *Public Hearing/Budget Adoption*

A public hearing on the budget and two public hearings on the tax rate (if necessary) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget and tax rate.

Budget adoption occurs in September after City Council deliberations and the public hearings. City Council may take action to modify the proposed budget. The City Council also adopts a tax rate to support adopted funding levels. Pursuant to City Charter, the proposed budget as submitted by the City Manager becomes the adopted budget if no City Council action is taken before the end of the fiscal year, September 30.

8. *Compilation of Adopted Budget/Budget Maintenance*

An adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in December.

Budget maintenance is a year-round activity of the organization. Spending controls consist of budget holds, position control reviews, and budget transfer authorizations for

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unbudgeted expenses. Additional spending control mechanisms include monthly review of expenditures by the Finance Department.

During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget development to determine effectiveness of program activities and levels of appropriate funding for subsequent years.

Budgetary and Financial Policies

The City of Denton has developed administrative policies, which govern the formulation and administration of the annual budget. These administrative policies are incorporated within the City's Administrative Policies and Procedures.

Financial Structure

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as, any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. However, when appropriate, funds are made up of departments. The two types of funds utilized in this budget are Governmental and Proprietary. The specific funds that make up the Governmental Fund type are General Fund, General Debt Service Fund, Street Improvement Fund, Recreation Fund, Tourist and Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Economic Development Investment Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Roadway Impact Fee Fund, Tree Mitigation Fund, Public Education Government (PEG) Fund, McKenna Trust Fund, Park Land Dedication and Development Trust Funds, Downtown Tax Increment Reinvestment Zone (TIRZ) Fund, Westpark Tax Increment Reinvestment Zone (TIRZ) Fund, and Miscellaneous Special Revenue Funds. The Proprietary Fund types are Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Airport Fund, Technology Services Fund, Materials Management Fund, Fleet Management Fund, Health Insurance Fund, Risk Retention Fund, and the Engineering Services Fund. Each of the above-mentioned funds operates separately and independently from one another; therefore, they are budgeted separately and include separate financial statements.

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Budgeted Funds

The City of Denton's budget consists of various funds. Each fund represents a specific function and maintains individual objectives. The City of Denton's budget includes the following funds:

General Fund (major fund) – The General Fund reflects the City's general service operations such as public safety, libraries, and parks. The General Fund's two major revenue sources are sales and ad valorem taxes. The City's Fund Balance Policy is 20% of budgeted expenditures plus a 5% resiliency reserve (City Ordinance 2016-287).

Debt Service Fund (major fund) – The Debt Service Fund is used to record and control the accumulation of resources for payment of general obligation long-term debt principal and interest. The City issues debt to acquire or construct capital assets such as roads or parks for the general benefit of Denton citizens. Resources include an applicable portion of the ad valorem tax levy and related interest income usable from debt service. The fund balance is restricted to payment of principal and interest or refunding of tax supported debt. (Federal and State Tax Law).

Special Revenue Funds – Special Revenue Funds are used to account for the receipt of specific revenue sources that are restricted for expenditures for a specified purpose. Included in the special revenue funds are: the Street Improvement Fund, Recreation Fund, Tourist and Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Economic Development Investment Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Roadway Impact Fee fund, Tree Mitigation Fund, Public Education Government (PEG) Fund, McKenna Trust Fund, Park Land Dedication and Development Trust Funds, Downtown Tax Increment Reinvestment Zone Fund, Westpark Tax Increment Reinvestment Zone Fund, and Miscellaneous Special Revenue Funds.

Street Improvement Fund – The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The fund will receive revenue from a portion of the franchise fees previously accounted for in the General Fund, as well as, street cut reimbursements. Additionally, interest cost savings associated with the sale of Certificates of Obligation in lieu of Revenue Bonds will also be recorded as revenue. The fund balance is restricted to street maintenance and improvement activities. (City Ordinance 2013-219).

Recreation Fund – The Recreation Fund is used to account for the Parks and Recreation programs, such as children's programs and recreation center programs, which are self-supporting. The fund balance is restricted to recreational programs (City Ordinance 2011-155).

Tourist and Convention Fund – This fund reports the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. Each October the City Council enters into contracts with various organizations that will promote tourism and

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the convention and hotel industry in Denton. The fund balance is restricted to promotion of tourism and the convention and hotel industry under state law.

Police Confiscation Fund – The Police Confiscation Fund is used to record the receipt and expenditure of confiscated contraband that is used in the commission of a variety of criminal offenses. Expenditures from this fund are allocated to the Police Department for materials, supplies, and operational costs. The fund balance is restricted to law enforcement purposes under federal guidelines.

Police Academy Fund – The Police Academy Fund is a fund comprised of revenues associated with training non-Denton Officers and staff at the City's Public Safety Training Facility. The fund balance is available for training purposes as designated by the Federal grant to purchase equipment at the training facility.

Traffic Safety Fund – The Traffic Safety Fund is used to record the receipt of citations from red light camera violations. Revenues from this fund are used for materials to enhance traffic safety operations in the Police Department and Traffic Department. The fund balance is restricted to traffic safety programs, intersection improvements and traffic enforcement under state law.

Economic Development Investment Fund – The Economic Development Investment Fund was a newly created fund in FY 2015-16. This fund is used to account for grants provided to attract businesses to the City. Fund balance is restricted to economic development grants meeting specific criteria. (City Ordinance 2016-229).

Downtown Reinvestment Fund – The Downtown Reinvestment Fund is used to account for "micro-grants" provided to businesses located in the downtown area. The fund balance is restricted to downtown reinvestment activities. (City Ordinance 2013-237).

Parks Gas Well Fund – The Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects. The fund balance is restricted to park system uses based on a legal opinion of State grant funding requirements.

Roadway Impact Fee Fund – The Roadway Impact Fee Fund was established to record the receipt and expenditure of impact fees associated with development affecting city roadways. This is a new fund for FY 2016-17. The fund balance is restricted to roadway capital improvements within each roadway zone that were included in the Impact Fee Capital Improvement Plan. (City Ordinance 2016-189).

Tree Mitigation Fund – The Tree Mitigation Fund is used to purchase, plant, and maintain trees on public property, to preserve wooded property that remains in a naturalistic state in perpetuity, to perform and maintain a citywide tree inventory, and to educate citizens and developers on the benefits and value of trees. The fund balance is restricted to purchasing, planting, and maintaining trees and tree canopy related programs. (City Ordinance 2015-252)

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Public Education Government (PEG) Fund – The PEG Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the city on a quarterly basis from cable subscribers. The fund balance is restricted by state law to capital purchases of facilities and equipment used to provide PEG services.

McKenna Trust Fund – The McKenna Trust Fund is used to account for interest received from the George McKenna Trust, which was established in 1958 and is currently managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children's Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City. The fund balance is restricted to developing, preserving and improving McKenna Park under the terms of the trust.

Park Land Dedication and Development Trust Funds – The Park Land Dedication and Development Trust Funds are funds received from developers. These fees provide for neighborhood parks and projects within a one half to one mile radius of the development or platting. The fund balance is restricted to purchasing neighborhood park land or improvements to neighborhood parks within one mile of the development. (City Ordinance 98-039).

Downtown Tax Increment Reinvestment Zone Fund – The Downtown TIRZ Fund will be used for downtown development projects, and it accounts for the tax revenues that are collected above the FY 2010-11 level in the downtown area. The fund balance is restricted for public improvements allowed by state law within the boundaries of the Downtown TIRZ while the TIRZ is in place.

Westpark Tax Increment Reinvestment Zone Fund – The Westpark TIRZ Fund will be used for development projects and to account for the tax revenues that are collected above the FY 2012-13 level in the Westpark area, located near the Denton Enterprise Airport. The fund balance is restricted for public improvements allowed by state law within the boundaries of the Westpark TIRZ while the TIRZ is in place.

Miscellaneous Special Revenue Funds – The Miscellaneous Special Revenue Funds are comprised of the Animal Control Donation Fund, Police Donation Fund, Fire Donation Fund and Library Donation Fund. The fund balances are maintained for the purpose in which they were donated.

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Enterprise Funds (major funds) – Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. The City budget includes Electric, Water, Wastewater, Solid Waste, and Airport Funds. Each fund reflects the services denoted in the title of each fund. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provided. The following fund balance policies were adopted by City Ordinance 2016-287:

Electric – 16% - 20%

Water – 33% - 50%

Wastewater – 28% - 39%

Solid Waste – 14% - 18%

The City's Airport Fund is required to use the revenues received at the Airport including gas well revenues from Airport property for Airport uses due to state and federal rules on the grant funding received for airport improvements.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to another department within the same government organization. Financing is based on reimbursement of actual costs. The internal service funds are Fleet Management, Technology Services, Materials Management, Engineering Services, Risk Retention, and Health Insurance. Each internal service fund listed is funded through payments from various City departments for the actual services received from the specific fund.

Technology Services Fund – The Technology Services Fund provides computer services such as programming, support, training, and maintenance of the City's computer resources and telephone maintenance. The fund balance is not currently restricted by a specific fund balance policy or City Ordinance.

Materials Management Fund – The Materials Management Fund is comprised of purchasing and warehouse operations. This internal service fund is responsible for procuring goods and services for City departments and the warehouse maintains an inventory of materials and supplies used by City departments. The fund balance is not currently restricted by a specific fund balance policy or City Ordinance.

Fleet Management Fund – The Fleet Management Fund accounts for the maintenance and repair of the City's vehicle and equipment fleet. The fund balance is not currently restricted by a specific fund balance policy or City Ordinance.

Risk Retention Fund – The Risk Retention Fund records the activities associated with providing general liability insurance coverage and self-funded activities for City operations. The fund balance is not currently restricted by a specific fund balance policy or City Ordinance.

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Health Insurance Fund – The Health Insurance Fund accommodates self-insurance operations. The fund balance is restricted for defined health fund purposed as a self-insurance health plan and under Section 125 of the Federal Tax Code.

Engineering Services Fund – The Engineering Services Fund is comprised of the following operations: Engineering, Real Estate, Public Works Inspections, and Development Review. This internal service fund is responsible for providing the above services primarily to internal city departments although some services are provided to external entities. The fund balance is not currently restricted by a specific fund balance policy or City Ordinance.

Budget Basis

The budget for the General, Special Revenue, Debt Service, and Capital Improvement Program (CIP) Funds are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period except where the accrual basis is specified by generally accepted accounting principles. Expenditures are recognized when the related fund liability is incurred, except for (1) inventories of material and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debts which are generally recognized when due. Budgets for the Enterprise and Internal Service Funds are prepared on the full accrual basis of accounting under which transactions are recognized when they occur regardless of timing or related cash flow.

Organizational Relationships

A department is a major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. The smallest organizational unit budgeted is the division. The division indicates responsibility for one functional area, and in many cases these functional areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up a department.



Council Chamber at Main City Hall

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 2017-18 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

KFA 1: ORGANIZATIONAL EXCELLENCE

Goal 1.1: Manage financial resources in a responsible manner

- Objective 1.1.1 Utilize benchmarking, performance measurement and progress evaluation to improve operations
- Objective 1.1.2 Develop and implement long-range strategic plans
- Objective 1.1.3 Provide timely, accurate, and relevant financial information
- Objective 1.1.4 Ensure adequate internal controls are in place to prevent waste, fraud, and abuse
- Objective 1.1.5 Manage enterprise funds to achieve financial self-sufficiency
- Objective 1.1.6 Minimize fees and rates that are charged to our citizens and customers

Goal 1.2: Develop a high-performance workforce

- Objective 1.2.1 Create succession and workforce management strategy to ensure organizational sustainability and continuity
- Objective 1.2.2 Attract, retain, and motivate qualified and diverse staff to ensure consistent implementation of established vision
- Objective 1.2.3 Establish a culture where employees feel valued and respected
- Objective 1.2.4 Facilitate open inter- and intra-departmental communication and collaboration
- Objective 1.2.5 Establish a culture of accountability at all levels of governance
- Objective 1.2.6 Support staff participation in regional, state, national and international organizations

Goal 1.3: Promote effective internal and external communication

- Objective 1.3.1 Maintain on-going staff communication with City Council, Boards, and Commissions
- Objective 1.3.2 Utilize both traditional and non-traditional forms of communication to disseminate accurate information
- Objective 1.3.3 Actively seek feedback from citizens and employees, in order to identify and implement programmatic changes, as appropriate

Goal 1.4: Achieve high level of customer satisfaction

- Objective 1.4.1 Provide exemplary customer service
- Objective 1.4.2 Ensure all customer interactions are conducted in a professional and courteous manner
- Objective 1.4.3 Respond to customer inquiries in a timely fashion
- Objective 1.4.4 Provide convenient methods of conducting business with the City
- Objective 1.4.5 Seek creative means to help customers achieve their goals

Goal 1.5: Utilize technology to enhance efficiency and productivity

- Objective 1.5.1 Develop information technology systems to automate routine processes
- Objective 1.5.2 Utilize data analysis to make informed management and operational decisions
- Objective 1.5.3 Reduce reliance on paper-based systems

Goal 1.6: Collaborate with local, regional, state and federal partners

- Objective 1.6.1 Maintain dialogue with state and federal delegation and regulatory agencies
- Objective 1.6.2 Promote bi-annual legislative agenda and congressional priorities
- Objective 1.6.3 Pursue effective representation at the state and federal levels
- Objective 1.6.4 Participate in regional, state, national, and international coalitions (RTC, NCTCOG, TML, NLC, ICMA, etc.)

Strategic Plan

KFA 2: PUBLIC INFRASTRUCTURE

Goal 2.1: Optimize resources to improve quality of City roadways

- Objective 2.1.1 Manage City street funding based on Overall Condition Index (OCI) methodology
- Objective 2.1.2 Develop a long-range strategy to transition street funding to achieve the OCI criteria
- Objective 2.1.3 Improve the design criteria for all dedicated roadways
- Objective 2.1.4 Maintain an acceptable level of service on all City roadways
- Objective 2.1.5 Design and construct all capital street projects on a 40-year design life

Goal 2.2: Seek solutions to mobility demands and enhance connectivity

- Objective 2.2.1 Coordinate with DCTA to provide effective multi-modal connectivity
- Objective 2.2.2 Coordinate with TxDOT to maintain and enhance the state road network
- Objective 2.2.3 Improve walkability/pedestrian access
- Objective 2.2.4 Encourage and improve bicycle mobility
- Objective 2.2.5 Enhance aviation infrastructure at Denton Enterprise Airport
- Objective 2.2.6 Update the Mobility Plan every five years
- Objective 2.2.7 Increase the efficiency of existing roadways

Goal 2.3: Promote superior utility services and facilities

- Objective 2.3.1 Plan for long-term resource acquisition and development
- Objective 2.3.2 Assure regulatory compliance and legislative oversight
- Objective 2.3.3 Protect public health and provide reliable service
- Objective 2.3.4 Ensure operational and environmental sustainability
- Objective 2.3.5 Effectively maintain and operate municipal facilities
- Objective 2.3.6 Develop and support rates to provide funding for strategic objectives

Goal 2.4: Manage drainage infrastructure

- Objective 2.4.1 Require new drainage infrastructure to design 100-year flood protection, based on fully developed conditions
- Objective 2.4.2 Rehabilitate existing drainage system in compliance with 100-year flood protection criteria
- Objective 2.4.3 Develop funding mechanism to rehabilitate inadequate drainage system components over a 20-year period
- Objective 2.4.4 Require finished floor elevation certification on studied and unstudied drainage basins
- Objective 2.4.5 Maintain street sweeping in compliance with municipal good housekeeping management practices associated with stormwater regulations

Goal 2.5: Develop Capital Improvement Program (CIP) based on community needs

- Objective 2.5.1 Manage existing and future infrastructure needs to meet projected growth trends
- Objective 2.5.2 Develop and implement financing plans for identified infrastructure needs

Strategic Plan

KFA 3: ECONOMIC DEVELOPMENT

Goal 3.1: Develop targeted policies and incentives to achieve desired economic growth

- Objective 3.1.1 Establish a target ratio of commercial-appraised value relative to residential and work to achieve the specified goal
- Objective 3.1.2 Increase home ownership
- Objective 3.1.3 Increase housing values
- Objective 3.1.4 Improve land use densities across the Denton
- Objective 3.1.5 Implement the "Preferred Growth Concept" identified in the Comprehensive Plan
- Objective 3.1.6 Preserve and maintain historic structures and culture in Denton
- Objective 3.1.7 Establish a target ratio of multi-family housing relative to single family offerings and work to achieve the specified goal

Goal 3.2: Make Denton a destination for visitors

- Objective 3.2.1 Promote festivals and artistic events in cooperation with the Convention and Visitors Bureau (CVB) and Chambers of Commerce
- Objective 3.2.2 Promote Denton as a destination city in cooperation with the Denton County Transportation Authority (DCTA), University of North Texas and Texas Woman's University
- Objective 3.2.3 Utilize the Convention Center to market Denton as a destination city

Goal 3.3: Promote a business-friendly environment

- Objective 3.3.1 Maintain a timely and efficient development review process
- Objective 3.3.2 Seek creative means to help customers achieve their goals
- Objective 3.3.3 Utilize development incentives to attract high-quality projects
- Objective 3.3.4 Maintain dynamic presence at the local Chambers of Commerce
- Objective 3.3.5 Maintain effective relationships with the development community

Goal 3.4: Encourage development, redevelopment, recruitment, and retention

- Objective 3.4.1 Improve commercial property values and sales tax revenues
- Objective 3.4.2 Grow jobs that support home ownership and higher household incomes
- Objective 3.4.3 Develop job growth that targets university graduates and young professionals
- Objective 3.4.4 Target major industrial/commercial employer relocations and expansions
- Objective 3.4.5 Target the relocation and expansion of major suppliers for existing companies
- Objective 3.4.6 Improve marketing efforts to showcase Denton's attributes
- Objective 3.4.7 Promote Denton as a healthcare destination for the region

Strategic Plan

KFA 4: SAFE, LIVEABLE AND FAMILY-FRIENDLY COMMUNITY

Goal 4.1: Enhance public safety in the community

- Objective 4.1.1 Expand departmental collaboration and community partnerships by increasing involvement, communication, education, and utilizing technology
- Objective 4.1.2 Secure and deploy public safety resources in the most effective and efficient manner possible
- Objective 4.1.3 Evaluate existing and future public safety facility needs in order to provide the most effective delivery of emergency response services
- Objective 4.1.4 Focus on prevention programs to heighten awareness, minimize loss, and support a safer community
- Objective 4.1.5 Maintain a high level of preparedness through planning, training, and the utilization of resources

Goal 4.2: Seek clean and healthy neighborhoods in the City of Denton

- Objective 4.2.1 Provide effective community improvement services that meet community expectations
- Objective 4.2.2 Promote positive environmental behaviors and practices for Denton and its residents
- Objective 4.2.3 Enhance the quality, livability, and sustainability of the neighborhoods in Denton
- Objective 4.2.4 Support revitalization efforts of existing low-moderate income neighborhoods

Goal 4.3: Provide quality, diverse, and accessible neighborhood services for the community

- Objective 4.3.1 Meet customer needs through quality and diverse programs
- Objective 4.3.2 Promote a family-friendly environment
- Objective 4.3.3 Co-sponsor annual community events and festivals
- Objective 4.3.4 Build relationships with key organizations to enhance community and social events
- Objective 4.3.5 Enhance educational and recreational opportunities at Clear Creek Natural Heritage Center

Goal 4.4: Provide and support outstanding leisure, cultural, and educational opportunities

- Objective 4.4.1 Cultivate mutually beneficial relationships with local educational and governmental institutions
- Objective 4.4.2 Provide lifelong learning opportunities with the City's library system
- Objective 4.4.3 Promote healthy lifestyles for residents through parks and recreation facilities
- Objective 4.4.4 Encourage and support artistic endeavors in the community

Goal 4.5: Provide support to citizens in need through social service agencies and programs.

- Objective 4.5.1 Partner with social service agencies to increase access to programs and services in the community.
- Objective 4.5.2 Develop targeted solutions to improve funding outcomes for citizens.
- Objective 4.5.3 Leverage Community Development Block Grant (CDBG) and other federal grant funds to achieve the maximum benefit for social service programs.

Strategic Plan

KFA 5: SUSTAINABLE AND ENVIRONMENTAL STEWARDSHIP

Goal 5.1: Manage Denton's water resources

- Objective 5.1.1 Protect and restore Denton's water resources
- Objective 5.1.2 Maintain high level of drinking water quality
- Objective 5.1.3 Invest in sustainable stormwater and watershed infrastructure and management
- Objective 5.1.4 Ensure wastewater is collected, treated, and discharged in accordance with all regulatory requirements
- Objective 5.1.5 Promote water conservation

Goal 5.2: Improve air quality and greenhouse gas management

- Objective 5.2.1 Improve regional air quality and take actions to improve non-attainment status
- Objective 5.2.2 Take actions to reduce air pollutant emissions, including greenhouse gases and emissions from government operations

Goal 5.3: Improve energy efficiency and conservation

- Objective 5.3.1 Invest in renewable energy generation
- Objective 5.3.2 Encourage energy conservation and efficiency in new and existing homes and businesses
- Objective 5.3.3 Ensure efficient energy use in city government facilities through demand reduction in both new construction and building retrofits
- Objective 5.3.4 Continue to require exceptional energy efficiency building standards for new construction

Goal 5.4: Manage land use and preserve open/natural spaces

- Objective 5.4.1 Promote land use and code/zoning patterns that positively affect energy use and the environment
- Objective 5.4.2 Preserve open space, natural areas, and tree canopy
- Objective 5.4.3 Minimize water use, promote stormwater quality, and reduce stormwater quantity through management measures
- Objective 5.4.4 Promote redevelopment of infill areas and brownfield sites

Goal 5.5: Provide alternative modes of transportation

- Objective 5.5.1 Expand infrastructure for non-vehicle modes of transportation
- Objective 5.5.2 Promote public transportation ridership and the use of fuel efficient/alternative fuel vehicles
- Objective 5.5.3 Reduce environmental impacts from impervious parking surfaces

Goal 5.6: Promote sustainable materials resource management

- Objective 5.6.1 Reduce solid waste generation and divert waste away from landfill disposal through increased recycling and reuse options
- Objective 5.6.2 Leverage city government's purchasing power to procure goods and services that cause less harm to humans and the environment, in accordance with procurement laws and regulations

Goal 5.7: Encourage local food production

- Objective 5.7.1 Encourage local food production and distribution

Strategic Plan

Action Steps to Implement the Plan in FY 2016-17

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

In addition to the KFAs and goals, the Strategic Plan has been adopted to achieve several strategic outcomes in the coming years. These outcomes have been developed in association with the Bloomberg What Works Cities initiative. These adopted outcomes and action steps for the coming year are listed below:

KFA 1: Organizational Excellence

Strategic Outcome #1.1: Increase overall satisfaction rate with customer service from 75 to 80 percent by 2020 (Dataset: Citizen Survey; average positive rating of six elements of customer service).

Key Action Steps for Strategic Outcome #1.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
City Manager’s Office	Implement interim Customer Relationship Manager (CRM) module and other feedback mechanisms for citizens	January 2017
Technology Services	Create a digital road map for providing services to the community	September 2017
City Manager’s Office	Hold regular performance management meetings with departments and executive team	January 2017

Strategic Outcome #1.2: Improve positive rating of information sharing and communications with the public from 49 to 60 percent by 2020 (Dataset: Citizen Survey; average positive rating of seven elements of communications efforts).

Key Action Steps for Strategic Outcome #1.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
City Manager’s Office	Conduct citizen and business surveys and explore options for soliciting input from various stakeholders	July 2017
City Manager’s Office	Conduct “State of the City” meeting with citizens and create Citizen’s Academy	March 2017
Technology Services	Enhance open data platform and related initiatives	January 2017

Strategic Plan

Strategic Outcome #1.3: Increase percentage of residents positively rating the value received from their tax dollars from 53 to 60 percent by 2020 (Dataset: Citizen Survey).

Key Action Steps for Strategic Outcome #1.3		
Department	Key Action Step	Target Date
City Manager's Office	Utilize the Lean, LEEP, Performance Management, and Employee Innovation programs to generate efficiency and productivity enhancements	Ongoing

KFA 2: Public Infrastructure

Strategic Outcome #2.1: Improve all City of Denton arterials and collectors to maintain no less than a service level of "D" by 2030 (Dataset: Impact Fee Study).

Key Action Steps for Strategic Outcome #2.1		
Department	Key Action Step	Target Date
Traffic	Complete Phase 1 of the Intelligent Transportation System Communication Network Plan	December 2017

Strategic Outcome #2.2: Improve Overall Condition Index (OCI) from an average OCI of 65 to 70 by 2025 with a backlog of reconstruction projects of not more than 15 percent (Dataset: OCI street assessment).

Key Action Steps for Strategic Outcome #2.2		
Department	Key Action Step	Target Date
Finance	Transition 10 percent of franchise fee revenue to the Street Improvement Fund	September 2017
Finance	Transition the funding of street reconstruction activities from bond funding to revenue funding for the smaller street projects	Ongoing

Strategic Outcome #2.3: Increase percentage of city served by high-speed broadband access from 75.4 to 80 percent by 2020 (Dataset: National Telecommunications and Information Administration survey).

Key Action Steps for Strategic Outcome #2.3		
Department	Key Action Step	Target Date
Engineering & Tech Services	Develop Rights-of-Way (ROW) Management plan	September 2017
Engineering	Install fiber conduit as part of major transportation projects along arterial streets	Ongoing

Strategic Plan

KFA 3: Economic Development

Strategic Outcome #3.1: By 2020, increase the percentage of total jobs paying \$75,000 or more annually from 10 to 13 percent and grow jobs paying equal to or greater than \$25,000 from 68 to 70 percent (Dataset: JobsEQ Wage Distribution by Percent Employed in City of Denton).

Key Action Steps for Strategic Outcome #3.1		
Department	Key Action Step	Target Date
Economic Development	Develop incentives and policies that attract high-wage employers to Denton	September 2017
Economic Development	Develop funding methodology and strategy for Economic Development Incentive Fund	September 2017
Economic Development	Continue to implement workforce development programs	September 2017

Strategic Outcome #3.2: By 2020, create an additional 15 percent of taxable appraised value as a result of commercial and industrial development (Dataset: Denton Central Appraisal District).

Strategic Outcome #3.3: Increase percentage of business owners that rate Denton as a good place to do business from 60 to 70 percent by 2020 (Dataset: Business Survey).

Key Action Steps for Strategic Outcome #3.3		
Department	Key Action Step	Target Date
Planning	Implement improvements to development review process	October 2016
Planning	Rewrite Denton Development Code	December 2017

KFA 4: Safe, Liveable, and Family Friendly Community

Strategic Outcome #4.1: Improve percentage of citizens that feel safe in Denton from 80 to 85 percent by 2020 (Dataset: Citizen Survey).

Key Action Steps for Strategic Outcome #4.1		
Department	Key Action Step	Target Date
Police & Fire	Implement recommendations from study on current dispatch system to improve efficiency, effectiveness, and cost	December 2016
Fire	Deploy additional medic unit in Southeast Denton	January 2017
Police	Conduct analysis to identify hot spots that drive police response and consider resource allocation to focus on prevention in those areas	December 2016
Police	Collaborate with Community Improvement Services to build relationships with neighborhood organizations	October 2016

Strategic Plan

Strategic Outcome #4.2: Increase percentage of citizens who rate their neighborhood as a good place to live from 78 to 85 percent by 2020 (Dataset: Citizen Survey).

Key Action Steps for Strategic Outcome #4.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Community Improvement Services	Continue implementation and evaluation of the enhanced right-of-way maintenance program	December 2016
Community Improvement Services	Create an inventory and conduct an analysis of City-owned or maintained vacant lots and buildings	February 2017
Community Improvement Services	Develop a program to leverage volunteer service to make cosmetic improvements to homes in Denton neighborhoods	May 2017
Library	Expand DPL2GO Mobile Library to develop strategic relationships with underserved groups and neighborhoods	September 2017

Strategic Outcome #4.3: By 2020, reduce Denton's homeless population by 20 percent (Dataset: Point in Time Count).

Key Action Steps for Strategic Outcome #4.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Community Development	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	Ongoing
Community Development	Dedicate City resources that community organizations and programs working with the homeless can leverage for greater impact	Ongoing
Community Development	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	Ongoing

KFA 5: Sustainable and Environmental Stewardship

Strategic Outcome #5.1: Increase Denton Municipal Electric's (DME) renewable energy portfolio from 40 to 70 percent by 2019.

Key Action Steps for Strategic Outcome #5.1		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
DME	Advance renewable power portfolio	Ongoing

Strategic Plan

Strategic Outcome #5.2: Increase percentage of landfill waste diverted from 36% to 40% by 2020. (Dataset: Solid Waste landfill tonnage)

Key Action Steps for Strategic Outcome #5.2		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Solid Waste	Expand commercial recycling program	Ongoing

Strategic Outcome #5.3: Increase Denton's bike and pedestrian mode share from 4.7 to 7.0 percent of total commuters by 2020. (Dataset: American Community Survey census data)

Key Action Steps for Strategic Outcome #5.3		
<i>Department</i>	<i>Key Action Step</i>	<i>Target Date</i>
Transportation	Continue implementation of Bike Plan	Ongoing

Fiscal Year 2017-2018 Budget Overview

The Fiscal Year 2017–2018 proposed budget for all funds totals \$1,139,612,919, a 4.1% decrease over last fiscal year.

General Fund

Reserve Level

The City of Denton maintains a General Fund reserve balance for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. To ensure that resources are available for these types of issues, the City of Denton targets a fund balance equivalent to 20 to 25% of budgeted expenditures, which includes a Resiliency Reserve up to 5%. The resiliency reserve will only be utilized in cases of economic distress. As such, the purpose of the resiliency reserve is to minimize budget and service fluctuations due to economic conditions.

The estimated ending reserve balance of \$28,168,485 at the end of FY 2016-17 represents approximately 23.8% of estimated expenditures and is well above the targeted goal of 20 to 25%. The chart below provides a listing of the ending fund balances for the past two years, an estimated balance for the fiscal year ending September 30, 2017, and the projected balance for the fiscal year ending September 30, 2018.

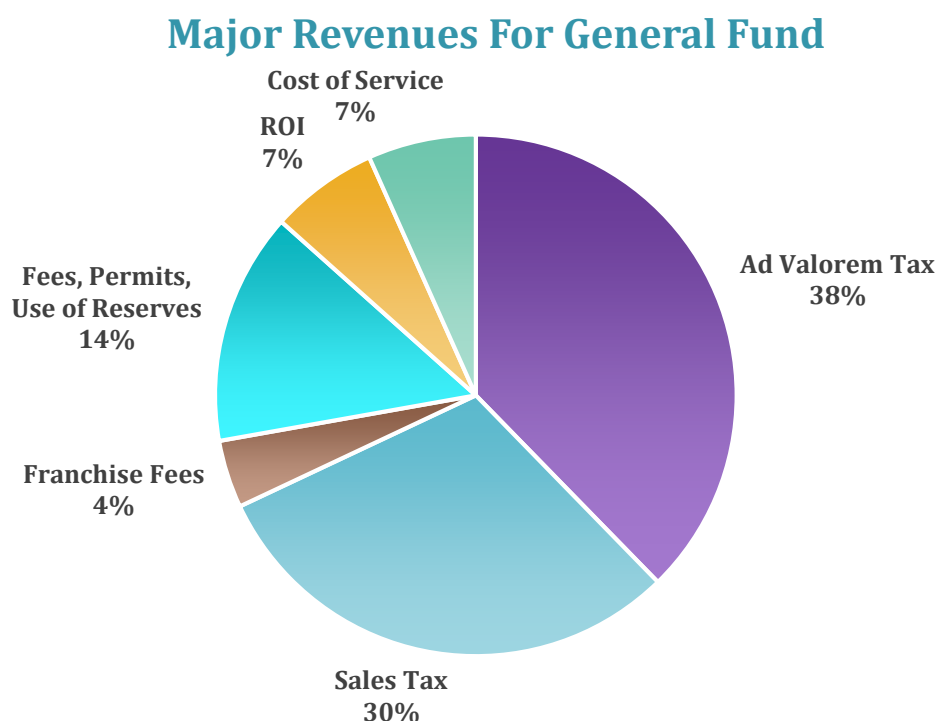
	As of 9/30/15	As of 9/30/16	Estimated 9/30/17	Projected 9/30/18
Ending Balance	\$27,365,168	\$28,169,849	\$28,168,485	\$28,317,806
% of Total Expenditures	26.7%	25.6%	23.8%	23.7%
Target %	20%	20%	20% - 25%	20% - 25%

As detailed in the chart, the City has continued to maintain strong reserve balances over the past several years. While the financial forecast projects the fund balance level will decline when measured as a percent of expenditures, this should only be interpreted as a planning estimate based on information available at this time. City Management will continue to monitor our financial performance, and make appropriate expenditure and/or revenue adjustments as necessary to manage the fund balance level.

Fiscal Year 2017-2018 Budget Overview

Revenues

The key General Fund revenue sources are discussed below. The chart below shows the source of our major revenues for FY 2017-18:



Property Tax

Approximately one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2017 certified value increased by 13.57% or \$1,244,610,724 from the 2016 certified value. Analysis of the increase shows there was approximately \$318 million in new value added to the appraisal roll due to new growth and construction. Below is a chart with a detailed breakdown of certified values:

	2016 Certified Assessed Value	2017 Certified Assessed Value	Increase (Decrease)	Percent Change	New Value
General Government	\$9,117,506,344	\$10,332,106,452	\$1,214,600,108	13.32%	\$288,610,566
Downtown TIRZ ¹	\$53,831,393	\$59,559,202	\$5,727,809	10.64%	\$5,819,101
Westpark TIRZ ²	\$912,756	\$25,195,563	\$24,282,807	2660.38%	\$23,447,637
Total	\$9,172,250,493	\$10,416,861,217	\$1,244,610,724	13.57%	\$317,877,303

¹Downtown TIRZ – Reflects 95% of incremental value which changed in FY 2017-18 per Ordinance No. 2010-316.

²Westpark TIRZ – Reflects 40% of incremental value through FY 2037 per Ordinance No. 2013-033.

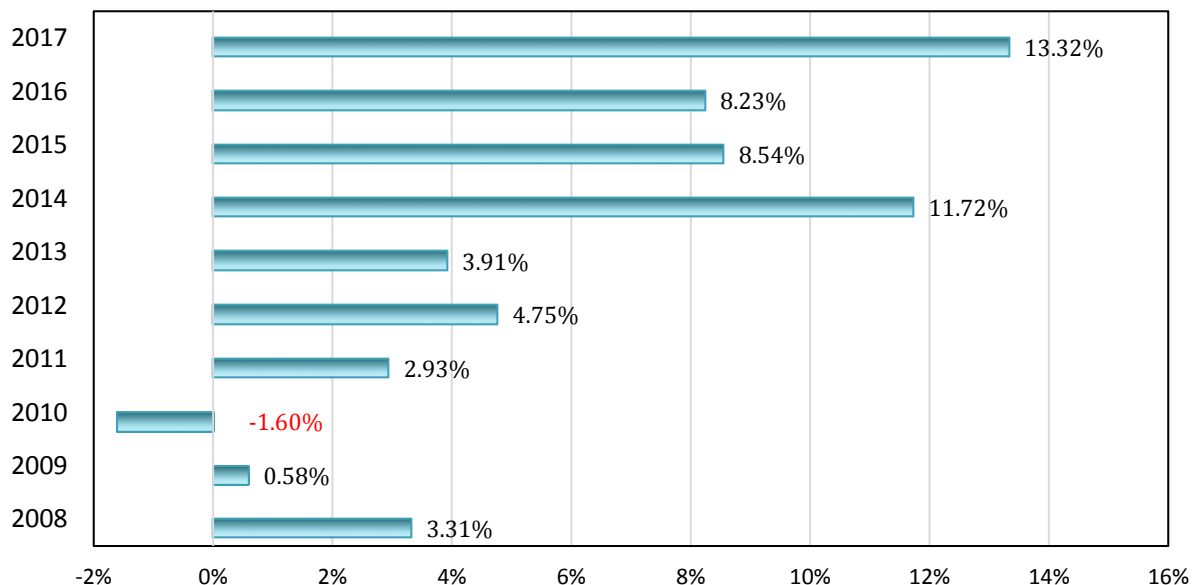
Fiscal Year 2017-2018 Budget Overview

The increase (decrease) in the annual certified value is a combination of the new property values added to the tax rolls and the increase (decrease) in value for existing properties. The chart below has a detailed breakdown of the new property values and the change in existing property values for the last 10 years:

Tax Year	New Value	Change in Value of Existing Properties	Change in Certified Value
2017	\$317,877,303	\$926,733,421	\$1,244,610,724
2016	\$208,688,574	\$500,415,159	\$709,103,733
2015	\$206,741,867	\$459,227,285	\$665,969,152
2014	\$187,444,058	\$630,509,276	\$817,953,334
2013	\$174,379,543	\$88,133,363	\$262,512,906
2012	\$133,155,494	\$171,180,870	\$304,336,364
2011	\$134,418,017	\$47,839,029	\$182,257,046
2010	\$135,531,210	(\$233,322,274)	(\$97,791,064)
2009	\$279,684,238	(\$243,134,328)	\$36,549,910
2008	\$180,715,956	\$21,143,381	\$201,859,337

The chart below provides a 10-year historical trend on property tax growth by percent:

10-Year History: Property Value Growth (Annual Percentage Change)



Fiscal Year 2017-2018 Budget Overview

The FY 2017-18 Proposed Budget includes a reduction to the tax rate. The tax rate of \$0.637856 per \$100 of assessed valuation is equal to the effective tax rate. Of this amount, \$0.430311 is provided for operations and maintenance, and \$0.207545 is provided for debt service. The rate for debt service has decreased from \$0.21660 to \$0.207545 for continued implementation of the 2014 bond election program, and the maintenance and operations rate has been lowered from 0.46674 to 0.430311.

The following chart provides a 10-year history of certified assessed values and tax rates:

Fiscal Year	Certified Assessed Value*	Operations and Maintenance Tax Rate	Debt Service Tax Rate	Total Tax Rate
2017-18	\$10,332,106,452	\$0.430311	\$0.207545	\$0.637856
2016-17	\$9,117,506,344	\$0.46674	\$0.21660	\$0.68334
2015-16	\$8,424,062,606	\$0.47456	\$0.21519	\$0.68975
2014-15	\$7,761,470,598	\$0.48119	\$0.20856	\$0.68975
2013-14	\$6,962,293,178	\$0.47480	\$0.21495	\$0.68975
2012-13	\$6,706,462,587	\$0.47080	\$0.21887	\$0.68975
2011-12	\$6,412,375,004	\$0.47080	\$0.21887	\$0.68975
2010-11	\$6,230,117,958	\$0.47080	\$0.21887	\$0.68975
2009-10	\$6,327,909,022	\$0.44765	\$0.21887	\$0.66652
2008-09	\$6,291,359,112	\$0.44765	\$0.21887	\$0.66652

*Certified Assessed Value from FY 2012-13 through FY 2017-18 have been adjusted for the Downtown and West Park TIRZs.

Sales Tax

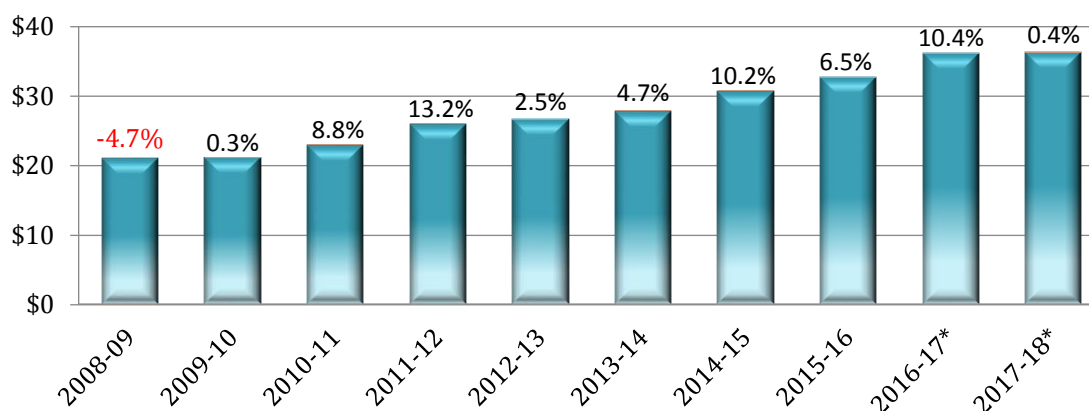
The second largest revenue source in the General Fund is sales tax. The FY 2016-17 year-end estimate of \$36,027,994 is 9.7% or \$3,129,624 above budget and it is 10.4% or \$3,403,696 more than was received in FY 2015-16.

The FY 2017-18 Budget projects that sales tax will be \$36,181,384 which is 0.4% above the FY 2016-17 estimated amount. The five-year financial forecast projects a 3% increase in sales tax receipts annually which includes collections related to the Rayzor Ranch and Golden Triangle Mall. The City has economic development agreements with Denton Crossing, Unicorn Lake, Golden Triangle Mall, Rayzor Ranch, WinCo, and O'Reilly Hospitality for sales tax rebates, which are shown as expenses in the Economic Development Department's budget.

Fiscal Year 2017-2018 Budget Overview

The following chart provides a 10-year history of sales tax collections:

**Sales Tax History by Fiscal Year (With Annual Percentage Change)
(in Millions)**



*Sales Tax is an Estimate Amount.

Franchise Fees

Approximately 4% of the General Fund's revenues are related to franchise fees. Typically assessed as a percentage of gross revenues, the purpose of the franchise fee is to provide compensation to the City in return for allowing utilities to access the City's rights-of-way. The FY 2017-18 Proposed Budget includes \$17,460,909 in total franchise fees from various utilities operating in the City, including city-owned utilities. In FY 2017-18 the Proposed Budget recommends transferring an additional \$622,000 of Franchise Fee revenue to the Street Improvement Fund, leaving \$4,984,849 franchise fee revenues in General Fund. The total estimated franchise fee contribution to the Street Improvement Fund in FY 2017-18 is \$12,476,060, and this represents franchise fee revenue growth of \$436,217 plus the additional franchise fees of \$622,000. Since franchise fees are generally considered to be compensation for the use of the city-owned rights-of-way, the City is designating a portion of the franchise fees received in FY 2017-18 to the Street Improvement Fund, which was created in FY 2011-12. By doing so, this better establishes the linkage between the payment of franchise fees and the use of these funds on street maintenance activities. With this in mind, however, it is important to also note that the City is not required to spend franchise fees on street maintenance or any other specific activity. Rather, franchise fees are meant to be a General Fund resource, and as such, they may be spent on any activity deemed appropriate by the City Council. Additional details regarding the franchise fee allocation to street maintenance activities are contained in the Street Improvement Fund section of this document.

Other Major Revenues

The FY 2017-18 Proposed Budget also includes \$700,250 in revenue related to a federally funded grant program that will reimburse City ambulance services for Medicaid and uninsured patients. The

Fiscal Year 2017-2018 Budget Overview

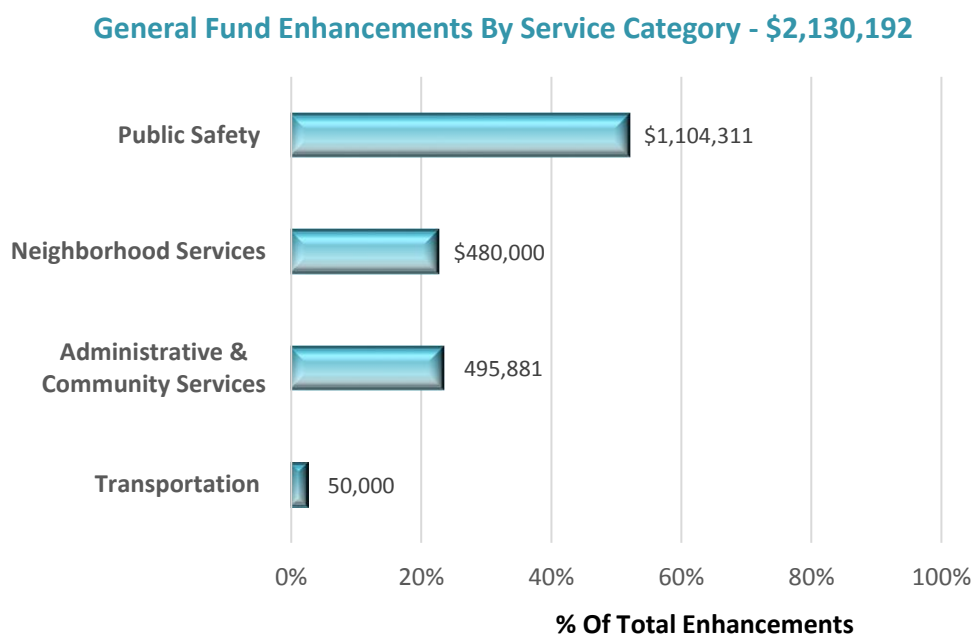
City has conservatively estimated reimbursements to be \$375,000 in FY 2018-19 and in subsequent years if the grant continues to be federally funded.

Expenditures

Over the past several fiscal years, various cost containment strategies were implemented. One such measure is the managed vacancy program, which began in FY 2010-11. Under this plan, savings are achieved by establishing a target level of savings and monitoring vacancies to achieve this objective. As personnel turnover and attrition occur in the organization, vacant positions are evaluated to determine if they need to be filled or kept vacant according to the organization's priority needs. This approach allows the City to respond to service demands while continuing to properly manage resources. The managed vacancy program is included again for the upcoming fiscal year, and the targeted savings is projected at approximately \$1.5 million.

General Fund Expenditure Enhancements

By maintaining the cost containment strategies implemented in prior years and continuing the vacancy management program, enhanced programming is possible for FY 2017-18. In accordance with priorities established through the Strategic Plan, several General Fund expenditure enhancements are included. The FY 2017-18 Proposed Budget includes \$2,130,192 (\$1,962,791 net cost after applying associated revenues and cost offsets) in funding for program enhancements in the General Fund. Enhancements in other funds totaling \$6,048,622 (\$5,895,742 net cost after applying associated revenues and cost offsets) are also included and are detailed in each fund's section in this document. The following chart illustrates the funding amounts and the percentage of total enhancements included by service category:



Fiscal Year 2017-2018 Budget Overview

General Fund Expenditure Enhancements by Service Category

For each respective service area identified in the Strategic Plan, a summary of the major funding enhancements included in FY 2017-18 are shown on the following pages. Additionally, the primary Key Focus Area (KFA) for each of these service areas is also identified.

PUBLIC SAFETY (\$1,104,311 in Total Enhancements)

KEY FOCUS AREA 4: SAFE, LIVEABLE, & FAMILY-FRIENDLY COMMUNITY

Fire

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$1,003,750	\$0	\$1,003,750

Funding is included to staff and equip a new medic unit for Station 4. The cost is \$1,003,750 and includes 6 new firefighter positions.

Police and Animal Services

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$100,561	\$0	\$100,561

In Police, funding is included for Taser System Upgrade and Expansion program (\$80,181) and Taser Cartridge and Battery Replacements program (\$20,380).

NEIGHBORHOOD SERVICES (\$480,000 in Total Enhancements)

KEY FOCUS AREA 3: ECONOMIC DEVELOPMENT; KEY FOCUS AREA 4: SAFE, LIVEABLE, & FAMILY-FRIENDLY COMMUNITY

Planning

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$160,000	\$0	\$160,000

Funding is included for annual maintenance of the Permitting Software that will replace Project Docs and Trak-It (\$100,000) and funding for a Historical Plan (\$60,000).

Fiscal Year 2017-2018 Budget Overview

Parks

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$300,000	\$0	\$300,000

Funding is included for a Parks Capital Maintenance program (\$300,000).

Library

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$20,000	\$0	\$20,000

Funding is included for additional library materials (\$20,000).

ADMINISTRATIVE & COMMUNITY SERVICES (\$495,881 in Total Enhancements)

KEY FOCUS AREA 1: ORGANIZATIONAL EXCELLENCE; KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE; KEY FOCUS AREA 3: ECONOMIC DEVELOPMENT

Administrative Services

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$261,496	\$151,620	\$413,116

Funding is included in the administrative budgets to fund the November Charter election costs (\$45,000), the proposed pay for Council members (\$66,000), Quarterly Newsletter (\$150,000), and an increase level of support for homelessness initiatives (\$40,000). Customer Relationship Management Software (\$40,000), and Budget Software maintenance (\$72,116) is included.

Internal Audit

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$32,765	\$0	\$32,765

Fiscal Year 2017-2018 Budget Overview

Funding is included for a staff auditor position, \$93,038. The position will be funded with \$60,273 currently in the internal audit budget and \$32,765 of increased General Fund support.

Facilities Management

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$34,219	\$15,781	\$50,000

In Facilities Management, funding is included for parking lot maintenance of City parking lots (\$50,000).

TRANSPORTATION (\$50,000 in Total Enhancements)

KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE

Transportation

General Fund Support	Increased Revenue Support	Total Enhancement Funding
\$50,000	\$0	\$50,000

Funding is included for Bike Pavement Marking Replacements (\$50,000).

Other Expenditure Items

In addition to the increased funding included for FY 2017-18, several items are to be funded in FY 2016-17 from existing appropriations. In the Fire Department, the purchase of Patient Lift Systems (\$54,897), automated fire station alerting system for Fire Station 6 and 8 (\$91,387), PPE commercial grade washing machines at Stations 5 and 6 (\$15,000), personal protective equipment (\$50,000), mobile pump Tester & Simulator (\$59,500), and Key Box System (\$33,000) are proposed.

In the Police department, the purchase of two vehicles for Patrol Officers (\$123,108), and two vehicles for the Criminal Investigations Bureau (\$59,300) is proposed.

In the Neighborhood Services, funding is proposed for the purchase of permitting software (\$500,000) and for replacement of the American Legion Hall at 629 Lakey Street (\$614,712).

In Finance, funding for budget software is (\$240,000) is proposed. This project will be allocated out to City departments. The General Fund share will be \$48,000.

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In Transportation, funding to update the bike plan (\$50,000), build two new traffic lights and design one additional traffic light (\$840,000) is proposed.

In Facilities, funding for parking lot replacements is proposed (\$1,666,269).

In summary, General Fund support in the amount of \$4,205,173 is proposed in FY 2016-17 for the purposes mentioned above.

Compensation

For FY 2017-18, an average 3% merit increase for non-civil service employees is included and pay adjustments are included for civil service employees based on the meet and confer agreement. To address changing labor market conditions, the five-year financial forecast also includes an average 3% merit increase for employees in each year of the financial plan. The Budget also includes normally scheduled step increases for civil service public safety personnel.

The following charts are summaries of compensation increases for employees over the past four years:

Compensation History

Fiscal Year	Compensation Equivalent -Non Civil Service
2017-18	3% Average Merit Based Increase
2016-17	3% Average Merit Based Increase
2015-16	3% Average Merit Based Increase and Equity Pay Adjustments
2014-15	3% Average Merit Based Increase and Equity Pay Adjustments

Civil Service Compensation Increase History

Fiscal Year	Compensation Equivalent - Civil Service
2017-18	Meet & Confer Agreements and Eligible STEP Pay* Increases
2016-17	Meet & Confer Agreements and Eligible STEP Pay* Increases
2015-16	Meet & Confer Agreements and Eligible STEP Pay* Increases
2014-15	Meet & Confer Agreements and Eligible STEP Pay* Increases

*STEP Pay increases for both Police and Fire Civil Service positions

City Management and Police and Fire employee associations have signed meet and confer agreements that include provisions for compensation. Both agreements apply to civil service employees only. The goal of each compensation plan is to achieve a pay structure that is equal to the market survey averages plus 5% in each rank compared to twelve Metroplex police and fire agencies. As part of each agreement, the increases for Police and Fire civil service employees may be limited to an amount equal to the average compensation increases budgeted for civilian employees. However, in keeping with the goals of the agreements, increases in compensation for civil service employees will be based

Fiscal Year 2017-2018 Budget Overview

on the percentage needed to keep each position at 5% above the survey market average in FY 2017-18. In some cases, this will result in various ranks receiving different increases. The budget also includes normally scheduled STEP increases for civil service public safety personnel.

Other Agency Contributions

Other agency contributions represent allocations for the City of Denton to outside organizations for specific agreed upon purposes. The Human Services Committee received requests totaling \$617,060 for FY 2017-18. The Human Services Committee recommended total funding of \$439,300 which is a 6.6% increase from the FY 2016-17 funding level. This funding is split between support from the Community Development Block Grant (CDBG) of \$131,945 and \$307,355 from the General Fund. The General Fund's FY 2017-18 contribution is \$27,355 more than in FY 2016-17. The total support provided from the General Fund is approximately \$2.42 per capita (based on 2018 projected population) compared to \$2.22 per capita (based on 2017 projected population) in the FY 2016-17 Budget.

Grants

The City benefits from a variety of federal, state and local grants. In addition, the City routinely provides matching funds for various programs. A complete list of grants is provided in the Budget in the miscellaneous funds section of the document. The total grant budget for FY 2017-18 is \$98,488,393, of which 3,349,247 is non-capital, and \$95,139,146 is capital related and included in the Capital Improvement Program.

Capital Improvement Program

The Capital Improvement Program (CIP) represents the City's five-year plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities, as well as to monitor the impact of capital projects on operating budgets and for project scheduling and coordination. The Strategic Plan provides the framework for identifying capital requirements, specifically Key Focus Area 2, Public Infrastructure. The General Government CIP includes non-utility projects such as streets, parks, and other general government facilities that are typically funded through general obligation bonds or certificates of obligation. Approximately every five years, the City has appointed a citizen bond committee to make recommendations to Denton residents on capital improvement needs.

The General Government CIP includes the issuance of \$25.19 million in General Obligation (GO) Bonds in FY 2017-18 which represents the fourth year of projects approved by voters in November 2014. In addition, the General Government CIP includes the issuance of \$13.335 million in Certificates of Obligation for the following projects: \$3.49 million for vehicle replacements; \$1.5

Fiscal Year 2017-2018 Budget Overview

million for maintenance of city facilities; \$1.275 million for Fire Station 3 construction; \$3.56 million for Airport Runway/Taxiway construction and reconstruction; \$3.51 for vehicle maintenance facility/vehicle addition. In addition, the City is proposing to fund a portion of its CIP with operating revenues. Revenue funded projects are detailed in the Capital Improvement Program section of this document.

Only one capital project will be completed in FY 2017-2018 that will impact the operating budgets. The project is the Denton Energy Center. It is currently under construction, with an operational date of summer of 2018. Eight new FTE's have been included in the FY 2017-18 Electric budget along with operational costs for the plant.

The Utility CIP includes projects for the City's enterprise funds, such as Electric, Water, Wastewater and Drainage that are funded from non-tax revenue. The Utility CIP is designed to make sufficient investments in infrastructure in order to provide reliable service to customers. The CIP for Solid Waste is also included and reflects the anticipated level of projects to be funded from certificates of obligation. The Public Utilities Board (PUB) developed a recommendation of the Utility CIP and it is included in the Proposed Budget.

Enterprise Funds

Utility Reserve Levels

The Utility Departments and the Public Utilities Board have developed financial strategies and objectives to maintain financial stability and resiliency. One objective is to achieve and maintain reserve balances that provide adequate working capital and operating reserve levels. These reserve targets are based in large part on the Government Finance Officers Association (GFOA) best practices for enterprise funds. In general, "Reserves" are divided into two components: Working Capital and Operating Reserves. Working Capital provides a minimum unrestricted fund balance to provide the liquidity needed to allow regular management of payables and payment cycles. The working capital target for each utility is 30 days (8%) of average budgeted expenditures.

The operating reserve funds provide a means of managing expense and demand volatility, ensure that funding is available for emergencies such as equipment or infrastructure failure, and serve to improve overall resiliency. Over the past year, staff has evaluated reserve levels in each of the utilities, and as a result of that analysis, reserve levels are proposed to increase for Water, Wastewater and Solid Waste. The table below reflects the proposed targets. These proposed targets will be formally presented to Council for adoption in September. The working capital and operating reserve targets are as follows (presented as a percentage of expenses):

Fiscal Year 2017-2018 Budget Overview

	Electric	Water	Wastewater	Solid Waste
Working Capital	8%	8%	8%	8%
Operating Reserves	8-12%	25-42%	20-31%	6-10%
Total	16-20%	33-50%	28-39%	14-18%
Equivalent Days of Operating Expenses	60-75 Days	120-180 Days	100-140 Days	52-66 Days

In addition to the above amounts, the Water and Wastewater Funds maintain separate impact fee and development plan line reserves. The Wastewater Fund also maintains a separate drainage reserve to be used for repairs of the drainage system in the event of major unforeseen circumstances. The Solid Waste Fund maintains a separate reserve for Landfill Closure/Post-closure purposes.

The operating budgets, capital improvement plans and rate increases projected in the utilities five-year financial plans have been developed to support these targeted reserve fund balances and are addressed below.

Aging Infrastructure

As in the prior year, the Utilities will continue their financial strategy of replacing an increasing percentage of existing assets with current revenue instead of debt. The issuance of debt will be generally reserved for the addition of new assets. This strategy will reduce the reliance on debt issuance and maintain adequate debt coverage ratios for the Electric, Water and Wastewater utilities. The projected operating budgets, capital improvement plans and rates contained in the five-year financial plan contemplate a phased approach to revenue funded asset replacements and maintain debt coverage ratios at bond covenant levels.

Electric Fund

The FY 2017-18 Electric Budget includes \$173,679,784 in revenues and \$181,041,639 in expenditures.

Rates

The FY 2017-18 Denton Municipal Electric (DME) Budget includes a base rate decrease of 1%. For FY 2017-18, the ECA rate is budgeted at 3.41 cents/kWh.

Fiscal Year 2017-2018 Budget Overview

Personnel Changes

The FY 2017-18 DME Budget includes an increase of 8.0 new FTE's, all of which are related to the Denton Energy Center.

- 8.0 FTE's related to the Denton Energy Center:
 - 3.0 FTE's in Energy Management – 2 Energy Market SCADA Technicians and 1 Gas Scheduler
 - 5.0 FTE's in Denton Energy Center – 2 Power Plant Mechanics, 1 Power Plant I&C Technician, 1 Power Plant Electrician Technician, 1 Power Plant Analyst

During FY 2016-17, the following positions were eliminated:

- 5.0 FTE's in Engineering – 1 Engineering Technical Analyst, 1 Engineer, 3 Engineering Technicians
- 1.0 FTE in Energy Management – Energy Market Manager
- 1.0 FTE in Energy Services – 1 Energy Services and Business Development Manager

The FY 2016-17 Estimate includes the following 6 positions for the Denton Energy Center:

- 1 Senior Power Plant Mechanic
- 1 Power Plant Mechanic
- 1 Senior Plant I&C Technician
- 1 Power Plant I&C Technician
- 1 Senior Plant Electrician
- 1 Power Plant Electrician Technician

Return on Investment (ROI) and Franchise Fees

The DME Budget includes a 3.5% ROI payment and a 5.0% franchise fee payment to the General Fund. The ROI and franchise fee payments are calculated using an estimated annual average ECA of 3.00 cents/kWh, which is the cap for both payments as set by the City Council.

Major Capital Improvement Projects

The Electric Fund CIP budget includes funding for the following major capital projects in FY 2017-18:

- Feeder Extensions and Improvements: \$ 15.6 million
- Distribution Substations: \$ 11.3 million
- New Residential and Commercial Service: \$ 6.4 million
- Distribution Transformers: \$ 3.2 million

Including the improvements discussed above, the FY 2018-22 five-year capital improvement program is \$368.8 million. The program is necessary to meet the expected growth in demand for electric service, implement the Renewable Denton Plan, improve the reliability of the electric system, replace aging infrastructure, and comply with new regulatory requirements.

Fiscal Year 2017-2018 Budget Overview

Water Fund

The FY 2017-18 Water Fund Budget includes revenues of \$47,809,321 and expenditures of \$47,809,321. The table below illustrates budgeted water sales for FY 2016-17 and projected sales for FY 2017-18.

Treated Water Sales by Customer Type (In Billions of Gallons)			
	FY 2016-17	FY 2017-18	Difference
Retail Customers	6.231	6.203	-0.028
Wholesale Customers	0.104	0.103	-0.001
Total	6.335	6.306	-0.029

Rates

There is no rate adjustment proposed for water customers. The five-year financial forecast estimates future rate increases to support the replacement of aging infrastructure, maintenance and reserve fund goals. Wholesale rates will be updated per their respective agreements.

Personnel Changes

The FY 2017-18 Water Budget includes no new FTE's.

During FY 2016-17, the following positions were eliminated:

- 1.0 FTE Customer Service Supervisor in Customer Service
- 1.0 FTE in Budget and Resource Coordinator in Customer Service
- 1.0 FTE Customer Service Team Lead in Customer Service
- 0.5 FTE Building Attendant in Administration
- 0.5 FTE Eng. Tech – Intern II in Administration

Major Capital Improvement Projects

The Water Fund CIP budget includes funding for the following major capital projects in FY 2017-18:

- Plant Improvements: \$ 13.5 million
- Transmission Lines: \$ 12.3 million
- Replacement Lines: \$ 3.8 million
- Field Services Replacements: \$ 1.4 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 61%) of the CIP for FY 2017-18 is to be funded with revenue instead of debt. The FY 2017-18 revenue funded projects total approximately \$20 million. The CIP also includes funding of approximately \$1.5 million to address the zebra mussel infestation in Lake Ray Roberts and Lake Lewisville intake and raw water pumping facilities.

Fiscal Year 2017-2018 Budget Overview

Wastewater Fund

The FY 2017-18 Wastewater Budget includes revenues of \$33,230,472 and expenditures of \$34,023,041. Below is a table illustrating budgeted wastewater billed volumes in FY 2016-17 and projections for FY 2017-18.

Wastewater Billed Volumes (In Billions of Gallons)			
	FY 2016-17	FY 2017-18	Difference
Retail	3.881	3.959	0.078
Effluent	0.065	0.065	0.000
Wholesale	0.219	0.259	0.040
Total	4.165	4.283	0.118

Rates

There is no rate adjustment proposed for wastewater customers. The Five-Year Financial Forecast estimates future rate increases to support the replacement of aging infrastructure, maintenance and reserve fund goals.

Personnel Changes

The FY 2017-18 Wastewater Budget includes no new FTE's.

During FY 2016-17, the following positions were eliminated or transferred:

- 1.0 FTE Field Service Supervisor in Wastewater Collections
- 0.5 FTE Administrative Intern in Administration
- 1.0 FTE Streets and Traffic Superintendent transferred to Street Fund

Major Capital Improvement Projects

The Wastewater Fund CIP budget includes funding for the following major capital projects in FY 2017-18:

- Collection System Upgrade: \$ 5.8 million
- Field Services Replacements: \$ 2.6 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 50.8%) of CIP for FY 2017-18 is to be funded with revenue instead of debt. The FY 2017-18 revenue funded projects total approximately \$6.3 million.

Fiscal Year 2017-2018 Budget Overview

Solid Waste Fund

The FY 2017-18 Solid Waste Budget includes \$38,018,024 in revenues and expenditures of \$38,528,086. For FY 2017-18, reserves in the amount of \$510,062 will be used to balance the budget. The chart below illustrates Solid Waste production.

Solid Waste Production (In Tons)			
	FY 2016-17	FY 2017-18	Difference
Gross Tons of Waste	379,643	443,154	63,511
Recycled Tons	95,359	124,970	29,611
Total Landfill Tonnage	284,284	318,184	33,900

Rates and Fees

There are no rates and fee increases for Residential and Commercial customers.

Personnel Changes

The FY 2017-18 Solid Waste Budget includes no new FTE's.

During FY 2016-17, the following positions were eliminated or transferred:

- 1 FTE Public Outreach Manager
- 1 FTE SW & Recycling Business Account Coordinator
- 1 FTE Technology position transferred to Technology Service

Major Capital Improvement Projects

The Solid Waste Fund CIP budget includes funding for the following major capital projects in FY 2017-18:

- Site Operations: \$3.9 million
- Disposal and Treatment Operations: \$3.6 million
- Vehicle: \$1.8 million

Fiscal Year 2017-2018 Budget Overview

Utility Rate Change Summary

The following is a chart which depicts the monthly financial impact to an average residential customer:

	FY 2016-17	FY 2017-18	Increase	% Change
Electric (1,300 kWh/month)	\$140.47	\$138.73	(\$1.74)	(1.2%)
Water (9,200 gallons/month)	\$54.18	\$54.18	\$0	0%
Wastewater (6,000 gallons/month)	\$35.55	\$35.55	\$0	0%
SW – Standard Cart (standard sized cart)	\$27.85	\$27.85	\$0	0%
Total	\$258.05	\$256.31	(\$1.74)	(0.7)%

The rate changes are as follows for FY 2017-18: DME includes a rate decrease of 1% by a reduction in the ECA rates. Water, Wastewater and Solid Waste have no rate increase for FY 2017-18. Since there are a variety of rate structures for each utility, the average rates shown above may differ slightly from the overall revenue increase which is expected.

Airport Fund

The Airport Fund was established in FY 2010-11 as a self-sustaining enterprise. The fund is comprised of both Airport operations and Airport gas wells. Since FY 2016-17, Airport debt service is paid by the City's General Debt Service Fund in order to ensure the long term financial sustainability of the Airport Fund. The budget includes funding for air control tower equipment replacements (\$90,000), and construction of a restroom near Taxilane Quebec (\$65,000). The FY 2016-17 estimate includes the reduction of 1 FTE, the Aviation Director. There are no other major changes to the Airport Fund.

Internal Service, Special Revenue and Miscellaneous Funds

Technology Services Fund

The Technology Services Fund reflects the costs for providing technology support services to the various City departments. This internal service fund is comprised of eight separate functional areas,

Fiscal Year 2017-2018 Budget Overview

including administration, telecommunications, geographic information systems, application development, user support, public safety support, regulatory compliance, and DME Technology Service. This budget includes \$565,000 for Cisco equipment replacement, \$585,000 DME capital upgrades, \$400,000 for an upgrade to J D Edwards software, \$470,000 for City wide PC Refresh, \$400,000 for DR Backup Site Replacement on VBlock and Vplex , \$127,000 for Dispatch Recording System Upgrade, and other miscellaneous upgrades and enhancements (\$129,102). The FY 2016-17 estimate includes the addition of one new FTE for the Public Safety Computer Aided Dispatch Administrator and a transfer of one technical position from Solid Waste.

Materials Management Fund

The Materials Management Fund is comprised of purchasing and warehouse operations. Materials Management is an internal service fund responsible for procuring goods and services for City departments, which is regulated by local, state and federal law. The department is also responsible for the warehousing of materials and supplies necessary for City departments to serve the community. This budget includes the purchase of a manlift (\$40,000).

Fleet Management Fund

The Fleet Management Fund reflects the costs for providing vehicle maintenance and equipment-related support services to City departments. This internal service fund is comprised of four functional areas, including vehicle maintenance, fuel purchasing, vehicle parts contract and motor pool administration. The FY 2017-18 Budget includes the addition of one FTE for a Heavy Equipment Technician, the position will cost \$93,372, and will raise revenues by \$152,880 for a net of \$59,608 in additional revenues. In addition, Fleet will purchase a Truck for the new technician (\$60,000) which will be funded with CO's.

Risk Retention Fund

The Risk Retention Fund is established to record the activities of providing insurance coverage and self-funded activities for City operations including vehicle, property, general liability and workers compensation claims.

Fiscal Year 2017-2018 Budget Overview

Health Insurance Fund

When the City switched to a self-funded health insurance plan in 2008, long-term savings were projected for the Health Insurance Fund. While the self-funded program has provided considerable savings as expected (an estimated \$13.8 million through 2016), the rising cost of health care continues to be a concern.

In an effort to address those rising costs, the City opened the Employee Health Center (clinic) in December 2011. The clinic provides primary care benefits at no cost to our employees, retirees, and dependents that are covered under the City's self-funded program. Since opening the Clinic in 2012, the number of patient appointments has continued to increase. During the first year of operation in 2012, there were approximately 5,553 patient appointments. In 2016, there were 8,650 patient appointments. In 2016, 834 employees completed a Health Risk Assessment (HRA) at the clinic. The HRA includes a comprehensive blood draw and a 40 minute follow-up appointment with the clinic physician.

For FY 2017-18, the City contribution per employee will remain flat, and the employee contributions for the Gold and Silver benefit plans will remain the same as in FY 2016-17.

Engineering Services Fund

The Engineering Services Fund was created in FY 2013-14. The engineering functions that were previously budgeted in the Water Fund, Wastewater Fund and General Fund were reorganized and consolidated into this new fund. This fund combines capital engineering, development review engineering, contract engineering, public works inspections and real estate functions under one umbrella. The department does not include engineering functions for DME. The FY 2017-18 Engineering Services budget includes revenues of \$5,385,663 and expenditures of \$5,157,810. Included in the FY 2017-18 budget is funding for 3 portable traffic count video cameras (\$20,000) and funding for a contracted traffic count services (\$20,000).

Street Improvement Fund

The Street Improvement Fund was established in FY 2011-12. The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The Street

Fiscal Year 2017-2018 Budget Overview

Improvement Fund receives revenue from a portion of franchise fees previously accounted for in the General Fund. Fees associated with street cuts are also recorded in the Street Improvement Fund.

Interest cost savings associated with issuing Certificates of Obligation in lieu of Revenue Bonds are also transferred to the Street Improvement Fund from the utility funds. Beginning in 2010, the City changed the manner by which the utilities issue debt to fund capital improvements by selling General Obligation Bonds instead of Revenue Bonds. Using the AA+ credit rating of the General Obligation Bonds, rather than the AA- credit rating of the Revenue Bonds, the City was able to lower the interest costs to the Utility funds. As such, this budget transfers \$1,118,135 in interest cost savings from the utility funds to the Street Improvement Fund in FY 2017-18.

For FY 2017-18, revenues are budgeted to be \$13,961,195 and expenditures of \$13,961,195. Funding is included for additional dollars for general street maintenance (\$960,000), Crack seal (\$360,000) and Micro-seal funding (\$143,394). The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to \$13.96 million for FY 2017-18.

Recreation Fund

The Recreation Fund includes fee-based recreation programs and activities that are self-supporting. Fees that are charged recover the costs associated with the programs they support. The FY 2017-18 Budget includes funding to construct or enhance various Parks and Recreation facilities. The budget also includes replacement marquees at four recreation centers and the Civic Center.

Tourist and Convention Fund

The Tourist and Convention Fund records the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. The City Council Hotel Occupancy Tax Committee is responsible for determining a recommendation on the allocation of funds annually. The Committee met in July 2017 and made preliminary recommendations. The Committee will reconvene in early August 2017 and will provide a final recommendation to Council for FY 2017-18 budget.

Fiscal Year 2017-2018 Budget Overview

Police Confiscation Fund

The Police Confiscation Fund was established to record the receipt of confiscated contraband and the expenditures funded by that revenue as approved by the courts. The FY 2017-18 Budget includes funding for three police vehicles (\$120,854).

Police Academy Fund

The Police Academy Fund is a budgeted fund comprised of revenues associated with training non-Denton Officers and staff at the new Public Safety Training Facility. The FY 2017-18 Budget has no major changes.

Traffic Safety Fund

The Traffic Safety Fund is comprised of revenues and expenditures associated with the red light enforcement cameras. The City operates red light enforcement cameras at various intersections across the City. The fine revenue derived from violations has been earmarked pedestrian and traffic safety projects and equipment. The FY 2017-18 Traffic Safety Fund Budget includes revenues of \$2,075,600 and expenditures of \$2,935,447. For FY 2017-18, reserves in the amount of \$859,847 will be used to balance the budget. The budget includes funding the replacement three traffic signals (\$1,200,000).

Downtown Reinvestment Fund

The Downtown Reinvestment Fund is used to account for “micro-grants” provided to businesses located in the downtown area. The Budget includes \$100,000 from the City’s Mixed Beverage Taxes in FY 2017-18.

Fiscal Year 2017-2018 Budget Overview

Economic Development Investment Fund

The Economic Development Investment Fund was created in FY 2015-16. The function of the fund was established by ordinance during FY 2015-16. It will be funded by \$150,000 in mixed beverage taxes in FY 2017-18.

Parks Gas Well Fund

The City's Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects. The City currently has several producing gas wells located on City owned property and throughout the community. Because gas well revenue is considered a short-term resource, the expenditures programmed from these funds for FY 2017-18 will be used to fund one-time needs. The Parks Gas Well Fund budget includes \$100,000 for expenses for Park amenities.

Tree Mitigation Fund

The Tree Mitigation Fund is currently used to fund tree plantings on both public and private property. The budget includes revenues of \$310,000 and \$645,870 expenditures. For FY 2017-18, reserves in the amount of \$335,870 will be used to balance the budget. The budget will be used for the continuation of the current programs for tree plantings. The budget includes \$225,000 for public property tree planting, \$360,870 for private property tree planting program and \$60,000 for a comprehensive Urban Forestry Plan.

Roadway Impact Fee Fund

The Roadway Impact Fee Fund was established in FY 2015-16 to record the receipt and expenditure of impact fees associated with developing affecting city roadways. The FY 2017-18 budget includes \$275,000 of revenues and \$525,000 of expenditures. FY 2017-18, reserves of \$250,000 will be used to balance the budget.

Fiscal Year 2017-2018 Budget Overview

Public Education Government (PEG) Fund

The Public Education Government (PEG) Fund provides for the acquisition of production equipment, capital and other lawful PEG purposes. PEG fees are remitted to the City on a quarterly basis. Resources are programmed to support four public education government channels operated by the University of North Texas, Texas Woman's University, Denton Independent School District and Public Access.

McKenna Trust Fund

The McKenna Trust Fund is used to account for interest received from the George McKenna Trust, which was established in 1958 and currently is managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children's Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City.

Parks Land Dedication and Development Trust Funds

The Parks Land Dedication and Development Trust Funds are funds received from developers which provide for neighborhood parks and projects within a maximum 1 mile radius of the development or platting. Because of the specific use of these funds, projects planned for next fiscal year are concentrated in neighborhood park areas in the community. The Park Land Dedication fund will be used for the acquisition of prospective park property. The Park Development Trust Fund will be used to construction of parks and amenities at Avondale, Lake Forest, Ernest Dallas, Milam, Fred Moore, and Londonderry playground. Both funds will also be used to cover labor expenses of employees who are working on Trust fund projects.

Downtown Tax Increment Reinvestment Zone Fund

The Downtown Tax Increment Reinvestment Zone Fund (TIRZ #1) was created in FY 2011-12 through Ordinance No. 2010-316, which was adopted on December 7, 2010. The fund accounts for the tax revenues that are collected above the FY 2010-11 levels in the downtown area. The base value for TIRZ #1 is \$79,356,854, and the certified value for FY 2017-18 is \$142,050,751, which represents

Fiscal Year 2017-2018 Budget Overview

an incremental value of \$59,559,202 which is 95% of increment. For FY 2017-18, revenues of \$379,902 and expenditures of \$76,000 for the third year of the Railyard Transit Oriented Development incentive payment is included.

Ordinance No. 2010-316 states in years 1-5, 100% of the tax increment produced by the City shall be paid into this fund. In years 6-10, 95% of the tax increment produced by the City shall be paid into this fund. In years 11-20, 90% of the tax increment produced by the City shall be paid into this fund. In years 21-30, 85% of the tax increment produced by the City shall be paid into this fund. FY 2017-18 represents the seventh year for this fund.

Westpark Tax Increment Reinvestment Zone Fund

The Westpark Tax Increment Reinvestment Zone Fund (TIRZ #2) was created through Ordinance No. 2012-366, which was adopted on December 18, 2012. The fund accounts for the tax revenues that are collected above the FY 2012-13 levels. The base value for TIRZ #2 is \$119,458. The City and Denton County contribute 40% of the tax increment to this fund. The 2017 certified value is \$63,108,366 which represents an incremental value of \$25,195,563. For FY 2017-18, revenues of \$185,746 are included.

Miscellaneous Special Revenue Funds

Periodically the City receives donations from the community for special purposes. The Miscellaneous Special Revenue Funds consists of separate donation collections for the Police Department, Fire Department, Animal Control and the Library. Revenue and expenses for these funds will be represented individually for budgeting purposes.



DTV vehicle

BUDGET RESOURCE & EXPENDITURE SUMMARY

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
General Fund	\$ 110,897,256	\$ 114,808,930	\$ 118,132,821	\$ 119,546,051
General Debt Service Fund	63,926,954	75,559,790	75,515,294	85,790,964
Electric Fund	172,889,907	176,982,488	186,508,580	181,041,639
Water Fund	51,103,535	51,782,691	49,507,199	47,809,321
Wastewater Fund	38,454,660	38,595,541	37,457,944	34,023,041
Solid Waste Fund	32,860,687	36,850,375	35,597,106	38,528,086
Airport Fund	2,128,906	1,549,366	1,434,685	1,715,628
Technology Services Fund	11,038,858	13,426,149	12,788,355	14,624,209
Materials Management Fund	14,522,953	17,702,394	17,702,394	18,142,065
Fleet Management Fund	9,474,354	10,342,629	9,545,950	11,269,935
Risk Retention Fund	3,116,746	3,405,821	3,912,242	3,485,772
Health Insurance Fund	27,083,037	30,601,710	25,758,822	30,240,420
Engineering Services Fund	4,434,907	5,062,115	5,062,115	5,385,663
Street Improvement Fund	10,706,734	13,320,783	13,320,783	13,961,195
Miscellaneous Funds ⁽¹⁾	9,227,461	11,451,101	10,663,910	12,850,887
TOTAL OPERATING RESOURCES	\$ 561,866,956	\$ 601,441,883	\$ 602,908,200	\$ 618,414,876
Grant Program	4,667,290	11,154,737	11,005,204	3,349,247
Capital Improvements Program ⁽²⁾	119,992,274	577,117,000	228,897,769	518,435,000
TOTAL RESOURCES	\$ 686,526,520	\$ 1,189,713,620	\$ 842,811,173	\$ 1,140,199,123

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
General Fund	\$ 110,092,575	\$ 114,808,930	\$ 118,132,821	\$ 119,546,051
General Debt Service Fund	63,680,481	75,559,790	75,314,265	85,790,964
Electric Fund	153,175,994	173,408,320	186,508,580	181,041,639
Water Fund	44,216,648	51,782,691	49,507,199	47,809,321
Wastewater Fund	32,407,722	38,595,541	37,457,944	34,023,041
Solid Waste Fund	31,190,614	36,814,465	35,202,352	38,528,086
Airport Fund	2,128,906	1,549,366	1,434,685	1,715,628
Technology Services Fund	10,389,785	13,426,149	12,788,355	14,624,209
Materials Management Fund	14,099,041	17,689,446	17,640,461	18,118,858
Fleet Management Fund	9,474,354	10,242,948	9,312,515	11,197,277
Risk Retention Fund	2,781,835	3,405,821	3,912,242	3,485,772
Health Insurance Fund	25,178,197	30,601,710	25,758,822	30,240,420
Engineering Services Fund	4,434,907	5,062,115	5,062,115	5,157,810
Street Improvement Fund	10,296,332	13,320,783	13,320,783	13,961,195
Miscellaneous Funds ⁽¹⁾	7,399,357	11,311,744	9,552,830	12,550,848
TOTAL OPERATING EXPENDITURES	\$ 520,946,748	\$ 597,579,819	\$ 600,905,969	\$ 617,791,119
Grant Program	4,667,290	11,154,737	11,005,204	3,349,247
Capital Improvements Program ⁽²⁾	119,992,274	577,117,000	228,897,769	518,435,000
TOTAL EXPENDITURES	\$ 645,606,312	\$ 1,185,851,556	\$ 840,808,942	\$ 1,139,575,366

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

⁽²⁾ FY2017-18 Proposed budgeted includes approximately \$48 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill/Bonnie Brae project (\$30 million), and the McKinney Street project (\$18 million).

CONSOLIDATED FUNDS SUMMARY

	<i>Major Funds</i>			<i>Non-Major Funds</i>		Total All Funds
	General Fund	Enterprise Funds	General Debt Service Fund	Internal Service Funds	Special Revenue Funds	
	2017-18	2017-18	2017-18	2017-18	2017-18	
	Proposed	Proposed	Proposed	Proposed	Proposed	
PROJECTED APPROPRIABLE FUND BALANCE FY 2016-17	\$ 28,168,485	\$ 119,711,034	\$ 5,094,061	\$ 13,718,267	\$ 16,455,619	\$ 183,147,466
REVENUES						
Ad Valorem Taxes	\$ 45,064,566	\$ -	\$ 21,443,770	\$ -	\$ 565,648	\$ 67,073,984
Sales Tax	36,181,384	-	-	-	-	36,181,384
Franchise Agreements	4,984,849	-	-	-	12,476,060	17,460,909
Other Taxes	391,400	-	-	-	3,302,174	3,693,574
Service Fees	8,267,622	-	-	-	2,920,074	11,187,696
Fines and Fees	3,962,080	-	-	-	2,500,600	6,462,680
Licenses and Permits	2,731,477	-	-	-	300,000	3,031,477
Return on Investment	7,722,165	-	-	-	-	7,722,165
Utilities Operating	-	287,845,031	-	-	-	287,845,031
Miscellaneous	1,913,388	-	64,347,194	39,240,373	639,000	106,139,955
<i>Subtotal Revenues</i>	<i>\$ 111,218,931</i>	<i>\$ 287,845,031</i>	<i>\$ 85,790,964</i>	<i>\$ 39,240,373</i>	<i>\$ 22,703,556</i>	<i>\$ 546,798,855</i>
<i>Transfers from other funds</i>	<i>\$ 8,326,441</i>	<i>\$ 6,397,281</i>	<i>\$ -</i>	<i>\$ 39,580,585</i>	<i>\$ 1,118,135</i>	<i>\$ 55,422,442</i>
TOTAL REVENUES	\$ 119,545,372	\$ 294,242,312	\$ 85,790,964	\$ 78,820,958	\$ 23,821,691	\$ 602,221,297
TOTAL RESOURCES	\$ 147,713,857	\$ 413,953,346	\$ 90,885,025	\$ 92,539,225	\$ 40,277,310	\$ 785,368,763
EXPENDITURES						
Personnel Services	\$ 84,958,380	\$ 51,514,910	\$ -	\$ 13,359,352	\$ 4,511,059	\$ 154,343,701
Purchased Power	-	81,789,735	-	-	-	81,789,735
Material and Supplies	3,145,536	3,553,978	-	429,281	697,967	7,826,762
Maintenance and Repair	3,092,154	3,805,949	-	4,133,105	9,516,731	20,547,939
Insurance	1,211,692	658,427	-	28,798,423	70,593	30,739,135
Miscellaneous	1,402,817	475,509	-	4,535,376	401,350	6,815,052
Operations	15,660,992	81,105,934	-	7,300,188	3,573,521	107,640,635
Fixed Assets	557,000	232,500	-	2,697,000	91,000	3,577,500
Return on Investment	-	7,997,918	-	-	-	7,997,918
Franchise Fees	-	13,326,499	-	-	-	13,326,499
Debt Service	-	29,504,341	85,790,964	322,271	125,000	115,742,576
Inventory Purchases	-	-	-	18,537,369	-	18,537,369
Tourist and Convention	-	-	-	-	3,287,764	3,287,764
<i>Subtotal Appropriations</i>	<i>\$ 110,028,571</i>	<i>\$ 273,965,700</i>	<i>\$ 85,790,964</i>	<i>\$ 80,112,365</i>	<i>\$ 22,274,985</i>	<i>\$ 572,172,585</i>
<i>Transfers to other funds</i>	<i>\$ 9,517,480</i>	<i>\$ 29,152,015</i>	<i>\$ -</i>	<i>\$ 2,711,981</i>	<i>\$ 4,237,058</i>	<i>\$ 45,618,534</i>
TOTAL EXPENDITURES	\$ 119,546,051	\$ 303,117,715	\$ 85,790,964	\$ 82,824,346	\$ 26,512,043	\$ 617,791,119
ENDING FUND BALANCE	\$ 28,167,806	\$ 110,835,631	\$ 5,094,061	\$ 9,714,879	\$ 13,765,267	\$ 167,577,645
NET CHANGE IN FUND BALANCE	\$ (679)	\$ (8,875,403)	\$ -	\$ (4,003,388)	\$ (2,690,352)	\$ (15,569,822)

PROJECTED APPROPRIABLE FUND BALANCES

	APPROPRIABLE			PROJECTED APPROPRIABLE			PROJECTED APPROPRIABLE	
	FUND	ESTIMATED	ESTIMATED	FUND	PROPOSED	PROPOSED	FUND	
	BALANCE ⁽¹⁾	REVENUES	EXPENDITURES	BALANCE ⁽¹⁾	REVENUES	EXPENDITURES	BALANCE ⁽¹⁾	
	10-1-16	2016-17	2016-17	9-30-17	2017-18	2017-18	9-30-18	
General Fund								
General Fund	\$ 28,169,849	\$ 118,131,457	\$ 118,132,821	\$ 28,168,485	\$ 119,545,372	\$ 119,546,051	\$ 28,167,806	
General Debt Service Fund	4,893,032	75,515,294	75,314,265	5,094,061	85,790,964	85,790,964	5,094,061	
Enterprise Funds								
Electric Fund	75,996,851	182,822,035	186,508,580	72,310,306	173,679,784	181,041,639	64,948,451	
Water Fund ⁽²⁾	24,150,381	46,208,193	49,507,199	20,851,375	47,809,321	47,809,321	20,851,375	
Wastewater Fund ⁽³⁾	19,242,040	34,141,961	37,457,944	15,926,057	33,230,472	34,023,041	15,133,488	
Solid Waste Fund ⁽⁴⁾	7,757,121	35,597,106	35,202,352	8,151,875	38,018,024	38,528,086	7,641,813	
Airport Fund	2,482,155	1,423,951	1,434,685	2,471,421	1,504,711	1,715,628	2,260,504	
Enterprise Funds Subtotal	129,628,548	300,193,246	310,110,760	119,711,034	294,242,312	303,117,715	110,835,631	
Internal Service Funds								
Technology Services Fund	1,823,745	12,517,603	12,788,355	1,552,993	13,216,777	14,624,209	145,561	
Materials Management Fund	1,314,933	17,702,394	17,640,461	1,376,866	18,142,065	18,118,858	1,400,073	
Fleet Management Fund	324,684	9,545,950	9,312,515	558,119	11,269,935	11,197,277	630,777	
Risk Retention Fund	6,705,143	951,600	3,912,242	3,744,501	3,023,712	3,485,772	3,282,441	
Health Insurance Fund	5,858,537	25,508,946	25,758,822	5,608,661	27,782,806	30,240,420	3,151,047	
Engineering Services Fund	953,337	4,985,905	5,062,115	877,127	5,385,663	5,157,810	1,104,980	
Internal Service Funds Subtotal	16,980,379	71,212,398	74,474,510	13,718,267	78,820,958	82,824,346	9,714,879	
Special Revenue Funds								
Street Improvement Fund	1,798,625	12,775,206	13,320,783	1,253,048	13,961,195	13,961,195	1,253,048	
Recreation Fund	498,135	2,074,214	2,016,031	556,318	2,143,574	2,393,574	306,318	
Tourist & Convention Fund	1,958,198	2,474,214	2,289,494	2,142,918	3,052,174	3,287,764	1,907,328	
Police Confiscation Fund	485,238	143,000	297,000	331,238	263,500	375,584	219,154	
Police Academy Fund	74,558	56,000	75,000	55,558	60,000	75,000	40,558	
Traffic Safety Fund	1,981,436	2,575,900	2,834,495	1,722,841	2,075,600	2,935,447	862,994	
Economic Development Investment Fund	150,223	150,000	-	300,223	150,000	450,000	223	
Downtown Reinvestment Fund	224,573	101,000	120,000	205,573	101,000	100,000	206,573	
Parks Gas Well Fund	105,573	61,000	100,000	66,573	51,000	100,000	17,573	
Roadway Impact Fee Fund	-	250,000	-	250,000	275,000	525,000	-	
Tree Mitigation Fund	2,374,629	310,000	405,810	2,278,819	310,000	645,870	1,942,949	
Public Education Government Fund	882,285	332,000	285,000	929,285	300,000	296,000	933,285	
McKenna Trust Fund	27,179	1,000	-	28,179	1,000	-	29,179	
Park Land Dedication Trust Fund	1,859,185	170,000	300,000	1,729,185	170,000	400,000	1,499,185	
Park Development Trust Fund	3,595,001	175,000	600,000	3,170,001	175,000	500,000	2,845,001	
Downtown TIRZ Fund	768,765	466,671	76,000	1,159,436	379,902	76,000	1,463,338	
Westpark TIRZ Fund	1,357	8,506	-	9,863	185,746	195,609	-	
Misc. Special Revenue Funds	226,561	194,000	154,000	266,561	167,000	195,000	238,561	
Special Revenue Funds Subtotal	17,011,521	22,317,711	22,873,613	16,455,619	23,821,691	26,512,043	13,765,267	
TOTAL	196,683,329	587,370,106	600,905,969	183,147,466	602,221,297	617,791,119	167,577,645	

⁽¹⁾ Appropriable fund balance reflects working capital available for appropriation.⁽²⁾ Excludes Impact Fee funds (\$5,607,327).⁽³⁾ Excludes Drainage reserve (\$1,000,000), Development Plan Line reserve (\$135,000) and Impact Fee funds (\$3,285,220).⁽⁴⁾ Excludes Closure/Post Closure reserves (\$7,378,027).

POSITION SUMMARY

PERSONNEL	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	250.71	264.31	254.96	254.96
Public Safety	439.48	459.48	466.98	472.98
Transportation	14.00	14.00	14.00	14.00
Administrative & Community Services	94.75	99.25	98.25	99.25
TOTAL GENERAL FUND	798.94	837.04	834.19	841.19

PERSONNEL	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Electric Fund	188.00	197.00	196.00	204.00
Water Fund	144.50	151.50	147.50	147.50
Wastewater Fund	111.25	112.25	109.75	109.75
Solid Waste Fund	124.50	135.50	132.50	132.50
Airport Fund	7.00	7.00	6.00	6.00
Technology Services Fund	36.00	37.00	39.00	39.00
Materials Management Fund	16.00	17.00	17.00	17.00
Fleet Management Fund	23.50	23.50	23.50	24.50
Risk Retention Fund	8.00	9.00	9.00	9.00
Engineering Services Fund	34.00	35.00	35.00	35.00
Street Improvement Fund	40.00	45.00	46.00	46.00
Recreation Fund	24.27	24.27	24.27	24.27
Traffic Safety Fund	0.50	0.50	-	-
CDBG Fund ⁽¹⁾	5.00	4.00	4.00	4.00
Tree Mitigation Fund	-	1.00	1.00	1.00
TOTAL OTHER FUNDS	762.52	799.52	790.52	799.52

TOTAL ALL FUNDS	1,561.46	1,636.56	1,624.71	1,640.71
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(1) Community Development Block Grant

ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION

City of Denton Overall Tax Collections

Assessed Valuation for 2016	\$	9,373,558,224
Gain or Loss in Value		1,043,302,993
Loss of TIRZ Values		(84,754,765)
Net Assessed Valuation for 2017	\$	10,332,106,452
Tax Rate Per \$100 Valuation	x	0.63786
	\$	65,903,961
Estimated Collections	x	100.00%
TOTAL GENERAL FUND AND DEBT SERVICE REVENUE	\$	65,903,961

Downtown TIRZ Value⁽¹⁾	\$	59,559,202
Tax Rate Per \$100 Valuation	x	0.63786
	\$	379,902
Estimated Collections	x	100.00%
TOTAL DOWNTOWN TIRZ REVENUE	\$	379,902

Westpark TIRZ Value⁽²⁾	\$	25,195,563
Tax Rate Per \$100 Valuation	x	0.63786
	\$	160,711
Estimated Collections	x	100.00%
TOTAL WESTPARK TIRZ REVENUE	\$	160,711

TOTAL TAX REVENUE	\$	66,444,574
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TAX RATE PER \$100

DISTRIBUTION	2016-17	2017-18	2017-18 REVENUE	PERCENT
General Fund	\$ 0.46674	\$ 0.430311	\$ 44,460,191	67.46%
General Debt Service Fund	0.21660	0.207545	\$ 21,443,770	32.54%
Sub-Total	\$ 0.68334	\$ 0.637856	\$ 65,903,961	100.00%
Downtown TIRZ Fund	\$ 0.68334	\$ 0.637856	\$ 379,902	
Westpark TIRZ Fund	\$ 0.68334	\$ 0.637856	\$ 160,711	
TOTAL			\$ 66,444,574	

⁽¹⁾ 95% of incremental value⁽²⁾ 40% of incremental value

GENERAL FUND*Five Year Forecast**Major Assumptions*

Revenue	2017-18	2018-19	2019-20	2020-21	2021-22
Property Tax Growth	13.32%	4%	4%	4%	4%
Total Tax Rate	\$ 0.637856	\$ 0.637856	\$ 0.637856	\$ 0.637856	\$ 0.637856
Sales Tax Growth	0.4%	3%	3%	3%	3%
Fund Balance Target	20-25%	20-25%	20-25%	20-25%	20-25%

Expenditures	2017-18	2018-19	2019-20	2020-21	2021-22
Compensation	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service 	<ul style="list-style-type: none"> • STEP Increases for Civil Service • 3% Average for all non Civil Service Employees • Market plus 5% pay adjustment for Civil Service
Health Insurance	0% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured
Vehicle Replacements	Bond Funded	Bond Funded	Bond Funded	Bond Funded	Bond Funded
Service Enhancements (Recurring)	Police, Fire, Parks, Planning, Facilities Management, Internal Audit, Transportation, Library, CMO, and Budget	Argyle Emergency Services District	Argyle Emergency Services District and additional Recurring supplemental decision packages	Argyle Emergency Services District and additional Recurring supplemental decision packages	Argyle Emergency Services District and additional Recurring supplemental decision packages

GENERAL FUND*Five Year Forecast (in millions)*

	2016-17 Estimate	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
BEGINNING FUND BALANCE	\$28.17	\$28.17	\$28.17	\$28.25	\$27.24	\$26.69
REVENUES	\$118.13	\$119.55	\$122.69	\$125.43	\$128.50	\$131.80
TOTAL AVAILABLE RESOURCES	\$146.30	\$147.72	\$150.86	\$153.68	\$155.74	\$158.49
EXPENDITURES	\$118.13	\$119.55	\$121.93	\$125.02	\$126.94	\$130.27
FUTURE RECURRING EXPENSES			\$0.68	\$1.42	\$2.11	\$2.85
TOTAL EXPENDITURES	\$118.13	\$119.55	\$122.61	\$126.44	\$129.05	\$133.12
NET INCOME (LOSS)	\$0.00	\$0.00	\$0.08	(\$1.01)	(\$0.55)	(\$1.32)
ENDING FUND BALANCE	\$28.17	\$28.17	\$28.25	\$27.24	\$26.69	\$25.37
EFFECTIVE FUND BALANCE	23.8%	23.6%	23.0%	21.5%	20.7%	19.0%
RESERVE TARGET	20%-25%	20%-25%	20%-25%	20%-25%	20%-25%	20%-25%

WATER*Five Year Forecast (in millions)*

	2016-17 Estimate	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
BEGINNING FUND BALANCE	\$24.2	\$20.6	\$20.3	\$20.4	\$19.4	\$19.0
REVENUES	\$46.2	\$47.8	\$49.7	\$50.5	\$50.8	\$51.3
TOTAL RESOURCES AVAILABLE	\$70.4	\$68.4	\$70.0	\$70.9	\$70.2	\$70.3
OPERATING EXPENDITURES	\$46.2	\$47.8	\$49.3	\$51.2	\$51.2	\$51.5
PLANNED RESERVE EXPENDITURES	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$49.5	\$47.8	\$49.3	\$51.2	\$51.2	\$51.5
NET INCOME (LOSS)	-\$3.3	\$0.0	\$0.4	-\$0.7	-\$0.4	-\$0.2
To Development Plan Lines	-\$0.3	-\$0.3	-\$0.3	-\$0.3	\$0.0	\$0.0
WORKING CAPITAL BALANCE ¹	\$4.0	\$3.8	\$3.9	\$4.1	\$4.1	\$4.1
OPERATING RESERVE BALANCE ²	\$16.6	\$16.5	\$16.5	\$15.3	\$14.9	\$14.7
TOTAL ENDING FUND BALANCE	\$20.6	\$20.3	\$20.4	\$19.4	\$19.0	\$18.8
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
OPERATING RESERVE BALANCE ³	33.5%	34.5%	33.5%	29.9%	29.1%	28.5%
PROPOSED RATE INCREASES		0.0%	0.0%	2.0%	2.0%	2.0%

Note: Fund Balance excludes Impact Fee Reserves.

1. Target 30 Days - 8% Exp

2. Target 90-150 days - 25-42% Exp

3. Percentage of Expenses

WASTEWATER*Five Year Forecast (in millions)*

	2016-17 Estimate	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
BEGINNING FUND BALANCE	\$18.1	\$14.6	\$13.6	\$12.1	\$11.2	\$11.4
REVENUES	\$34.2	\$33.2	\$33.5	\$34.9	\$35.1	\$36.1
TOTAL RESOURCES AVAILABLE	\$52.3	\$47.8	\$47.1	\$47.0	\$46.3	\$47.5
OPERATING EXPENDITURES	\$34.2	\$34.0	\$34.8	\$35.6	\$34.8	\$34.8
PLANNED RESERVE EXPENDITURES	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$37.5	\$34.0	\$34.8	\$35.6	\$34.8	\$34.8
NET INCOME (LOSS)	-\$3.3	-\$0.8	-\$1.3	-\$0.7	\$0.3	\$1.3
To Development Plan Lines	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.1	\$0.0
WORKING CAPITAL BALANCE ¹	\$3.0	\$2.7	\$2.8	\$2.9	\$2.8	\$2.8
OPERATING RESERVE BALANCE ²	\$11.6	\$10.9	\$9.3	\$8.3	\$8.6	\$9.9
TOTAL ENDING FUND BALANCE	\$14.6	\$13.6	\$12.1	\$11.2	\$11.4	\$12.7
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
OPERATING RESERVE BALANCE ³	30.9%	32.1%	26.7%	23.3%	24.7%	28.4%
PROPOSED RATE INCREASES		0.0%	0.0%	2.0%	2.0%	2.0%

Note: Fund Balance excludes Drainage Reserves and Impact Fee Reserves.

1. Target 30 Days - 8% Exp

2. Target 70-110 days - 20-31% Exp

3. Percentage of Expenses

SOLID WASTE*Five Year Forecast (in millions)*

	2016-17 Estimate	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
BEGINNING FUND BALANCE	\$7.8	\$8.2	\$8.2	\$8.7	\$8.2	\$7.8
REVENUES	\$35.6	\$38.5	\$40.6	\$41.2	\$42.6	\$44.2
TOTAL RESOURCES AVAILABLE	\$43.4	\$46.7	\$48.8	\$49.9	\$50.8	\$52.0
OPERATING EXPENDITURES	\$35.2	\$38.0	\$40.1	\$41.7	\$43.0	\$44.1
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$35.2	\$38.5	\$40.1	\$41.7	\$43.0	\$44.1
NET INCOME (LOSS)	\$0.4	\$0.0	\$0.5	(\$0.5)	(\$0.4)	\$0.1
WORKING CAPITAL BALANCE ¹	\$2.8	\$3.2	\$3.2	\$3.30	\$3.4	\$3.5
OPERATING RESERVE BALANCE ²	\$5.4	\$5.0	\$5.5	\$4.9	\$4.4	\$4.4
TOTAL ENDING FUND BALANCE	\$8.2	\$8.2	\$8.7	\$8.2	\$7.8	\$7.9
WORKING CAPITAL BALANCE ³	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
OPERATING RESERVE BALANCE ³	15.3%	13.2%	13.7%	11.8%	10.2%	10.0%
ADOPTED RATE INCREASES						
RESIDENTIAL REFUSE (Standard cart)	\$ 27.85	\$ 27.85	\$ 27.85	\$ 27.85	\$ 27.85	\$ 28.15
RESIDENTIAL REFUSE (Large cart)	\$ 33.25	\$ 33.25	\$ 33.25	\$ 33.25	\$ 33.25	\$ 33.55
COMMERCIAL (Average)	2.8%	0.0%	0.0%	0.0%	0.0%	1.0%

Note: Fund Balance Excludes the Landfill Closure/Post Closure Reserve.

1. Target 30 days 8% Exp

2. Target 22-36 days 6-10% Exp

3. Percentage of Expenses

**GENERAL FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Ad Valorem Taxes	\$ 40,326,206	\$ 43,146,135	\$ 43,146,135	\$ 45,064,566
Sales Tax	32,624,298	32,835,370	36,027,994	36,181,384
Franchise Agreements	6,228,848	5,606,849	5,606,849	4,984,849
Other Taxes	366,194	350,474	380,000	391,400
Service Fees	7,697,912	7,934,837	7,919,367	8,267,622
Fines and Fees	3,767,796	4,109,242	3,844,861	3,962,080
Licenses and Permits	3,106,162	2,964,916	2,488,386	2,731,477
Miscellaneous Revenues	1,604,251	1,583,109	1,804,254	1,913,388
Transfers	15,175,589	15,803,633	16,913,611	16,048,606
TOTAL REVENUES	\$ 110,897,256	\$ 114,334,565	\$ 118,131,457	\$ 119,545,372
Use of Reserves	-	474,365	1,364	679
TOTAL RESOURCES	\$ 110,897,256	\$ 114,808,930	\$ 118,132,821	\$ 119,546,051

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 77,590,330	\$ 82,153,642	\$ 81,183,618	\$ 84,958,380
Materials & Supplies	2,510,021	2,817,221	2,817,221	3,145,536
Maintenance & Repairs	2,784,455	3,120,233	3,120,233	3,092,154
Insurance	1,096,415	1,077,319	1,077,319	1,211,692
Miscellaneous	1,048,485	1,049,338	1,049,338	1,402,817
Operations	12,963,392	14,233,596	15,181,667	15,660,992
Cost of Service	9,002,369	8,607,744	8,607,744	8,995,947
Capital Outlay	2,577,784	757,329	4,103,173	521,533
Fixed Assets	519,325	992,508	992,508	557,000
TOTAL EXPENDITURES	\$ 110,092,575	\$ 114,808,930	\$ 118,132,821	\$ 119,546,051

PERSONNEL Full Time Equivalents (FTE)	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Neighborhood Services	250.71	264.31	254.96	254.96
Public Safety	439.48	459.48	466.98	472.98
Transportation	14.00	14.00	14.00	14.00
Administrative & Community Services	94.75	99.25	98.25	99.25
TOTAL PERSONNEL	798.94	837.04	834.19	841.19

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
AD VALOREM TAXES				
Current Year Ad Valorem	\$ 39,882,138	\$ 42,506,508	\$ 42,506,508	\$ 44,460,191
Delinquent Ad Valorem	145,600	277,443	277,443	288,991
Current Year - Penalties and Interest	151,516	176,800	176,800	130,000
Prior Year - Penalties and Interest	98,272	157,190	157,190	157,190
Rendition Penalties	48,680	28,194	28,194	28,194
TOTAL	\$ 40,326,206	\$ 43,146,135	\$ 43,146,135	\$ 45,064,566
SALES TAX				
Sales Tax	\$ 32,624,298	\$ 32,835,370	\$ 36,027,994	\$ 36,181,384
TOTAL	\$ 32,624,298	\$ 32,835,370	\$ 36,027,994	\$ 36,181,384
OTHER TAXES				
Mixed Beverage Tax	\$ 347,284	\$ 322,905	\$ 360,000	\$ 370,800
Bingo Tax	18,910	27,569	20,000	20,600
TOTAL	\$ 366,194	\$ 350,474	\$ 380,000	\$ 391,400
LICENSES AND PERMITS				
Food Handler Permits	\$ 16,565	\$ 78,030	\$ 1,500	\$ 1,500
Zoning Permits	59,469	87,880	87,880	91,395
Moving Permits	190	1,938	1,938	1,957
Demolition Permits	7,220	9,884	9,884	10,082
Pool, Spa, Hot Tub Permits	22,690	19,155	19,155	19,730
Building Permits	2,643,665	2,400,000	2,000,000	2,250,000
Electrical Licenses	22,875	20,012	20,012	-
Curb Cut Permits	306	988	988	1,008
Mobile Home Park Licenses	15,909	25,560	25,560	25,560
Sign Permits	55,335	48,655	48,655	50,115
Fence Permits	39,236	36,414	36,414	37,142
Mechanical Permits	62,674	56,228	56,228	57,915
Certificate of Occupancy Fees	76,010	90,854	90,854	94,488
Variance Fees	900	450	450	464
Landscape Fees	2,500	2,136	2,136	2,200
Miscellaneous Permits	6,185	20,600	20,600	8,753
Gas Well Permits	12,180	8,498	8,498	21,218
Park Vendor Fees	24,445	26,523	26,523	26,788
Beer & Wine Permits	31,965	26,010	26,010	26,010
CPR Training	5,843	5,101	5,101	5,152
TOTAL	\$ 3,106,162	\$ 2,964,916	\$ 2,488,386	\$ 2,731,477

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
FRANCHISE FEES				
DMU Water ⁽¹⁾	\$ 667,330	\$ 613,000	\$ 613,000	\$ 541,448
DMU Wastewater ⁽¹⁾	485,228	410,064	410,064	368,002
Solid Waste	627,968	602,825	602,825	542,681
DMU Electric ⁽¹⁾	2,833,644	2,561,944	2,561,944	2,352,400
Airport	14,045	-	-	-
Gas	445,256	485,262	485,262	342,739
Private Electric	165,750	138,651	138,651	122,750
Cable	637,409	546,134	546,134	480,873
Telephone ROW ⁽²⁾	352,218	248,969	248,969	233,956
TOTAL	\$ 6,228,848	\$ 5,606,849	\$ 5,606,849	\$ 4,984,849
FINES AND FEES				
Warrant Fees	\$ 182,265	\$ 220,530	\$ 220,530	\$ 228,249
Juvenile Case Manager Fees	87,934	89,371	89,371	91,358
Truancy Prevention Fees	16,863	10,000	10,000	10,000
Library Fines & Fees	155,539	182,475	182,475	187,949
Animal Pound Fees	174,203	185,636	185,636	191,205
Animal Services Fines	5,141	12,731	12,731	13,113
Auto Pound Fees	36,248	40,000	40,000	40,000
Mowing Recovery Fees	2,720	4,246	4,246	4,288
Police Escort & Guard Fees	27,308	31,254	31,254	32,192
Civil Fines	37,959	38,839	38,839	40,004
Arrest Fees	87,387	97,677	97,677	98,654
Inspection Fines & Fees	26,143	17,406	17,406	17,928
Fire Department Fines	3,446	4,471	4,471	4,560
School Crossing Fines	7,890	9,049	9,049	9,230
Denton Municipal Fines	1,275,549	1,515,286	1,275,000	1,313,250
UNT Police Fines	274,541	303,902	303,902	309,980
TWU Police Fines	20,846	25,306	25,306	25,812
Parking Fines	296,725	193,650	240,000	247,200
Uniform Traffic Fees	38,895	44,032	44,032	44,913
False Alarm Fees	72,982	62,936	62,936	64,195
Court Cost Service Fees	125,346	146,169	125,000	130,000
Court Administration Fees	811,866	874,276	825,000	858,000
TOTAL	\$ 3,767,796	\$ 4,109,242	\$ 3,844,861	\$ 3,962,080

(1) Denton Municipal Utilities.

(2) Right of Way

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
SERVICE FEES				
Community Building Rentals	\$ 245,904	\$ 241,952	\$ 241,952	\$ 250,420
Ambulance Service Fees	2,702,796	2,701,750	2,991,702	3,007,283
Ambulance Reimbursements	890,502	750,000	765,831	700,250
Engine Response ARFF	3,535	18,540	18,540	19,096
Hazardous Materials Billing	5,321	11,427	11,427	11,427
Fire Inspections	168,258	180,000	180,000	183,600
Restaurant Inspections	282,258	238,810	280,000	288,400
Swimming Pool Inspections	27,802	31,932	31,932	32,571
Reinspection Fees	47,363	40,000	40,000	41,200
Electrical Inspections	45,080	52,167	52,167	53,732
Plumbing Inspections	148,635	142,814	142,814	144,242
Gas Well Inspections	357,407	368,430	368,430	368,430
Library Non-Resident Fees	56,350	44,583	58,000	58,580
Parks Identification Card Fees	38,659	53,644	40,000	40,800
Athletic Program Fees	58,543	76,099	76,099	77,621
Swimming Pool	68,308	55,203	65,000	66,300
Cemetery Fees	41,800	27,823	27,823	28,379
Development Fees	103,028	119,273	119,273	122,851
Sale of Documents	263,150	349,978	270,000	275,400
Copy Charges	91,811	118,450	92,000	94,760
Plan Review Fees	666,407	375,000	375,000	386,250
Parking Meter Receipts	19,178	21,374	21,374	22,015
Development Postage	11,880	8,737	8,737	8,824
Traffic/Police Reports	36,716	41,616	41,616	42,448
Natatorium Fees	486,740	410,585	450,000	459,000
Water Works Parks Fees	830,481	1,454,650	1,149,650	1,483,743
TOTAL	\$ 7,697,912	\$ 7,934,837	\$ 7,919,367	\$ 8,267,622
MISCELLANEOUS REVENUES				
Interest Income	\$ 294,752	\$ 271,541	\$ 425,000	\$ 530,000
County Vehicle Registration Fee	157,492	184,013	184,013	187,693
County Contribution - Ambulance Service	130,843	140,000	140,000	140,000
DISD Contribution - School Resource Officer	168,779	164,949	164,949	168,248
Non-Grant State Reimbursement - Fire	72,107	34,755	34,755	34,755
Non-Grant State Reimbursement - TXDOT	-	25,730	25,730	25,730
State - Signal Reimbursement	16,062	16,062	16,062	16,062
Williams Square Parking Fees	17,228	16,089	16,089	16,089
Miscellaneous Revenues	96,039	50,000	75,000	75,000
Recovery of Prior-Year Expenditures	17,461	50,000	25,000	25,000
Community Improvement Fees	6,103	5,162	5,162	5,265
Property Liens	31,874	34,862	34,862	36,605
Police Phone Commissions	-	11,593	11,593	11,941
Sale of Surplus Supplies and Fixed Assets	170,896	141,000	141,000	141,000
DISD Reimbursement - Water Park	424,615	437,353	505,039	500,000
TOTAL	\$ 1,604,251	\$ 1,583,109	\$ 1,804,254	\$ 1,913,388

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
RETURN ON INVESTMENT				
Electric Fund	\$ 4,992,005	\$ 5,506,335	\$ 5,700,995	\$ 5,767,985
Water Fund	1,173,000	1,334,486	1,271,239	1,327,607
Wastewater Fund	852,911	881,344	887,147	902,326
TOTAL	\$ 7,017,916	\$ 7,722,165	\$ 7,859,381	\$ 7,997,918
COST OF SERVICE TRANSFERS				
Electric Fund	\$ 2,113,438	\$ 2,117,101	\$ 2,117,101	\$ 2,093,930
Water Fund	1,332,629	1,378,819	1,378,819	1,318,280
Solid Waste Fund	959,636	976,801	976,801	1,181,766
Wastewater Fund	996,122	985,997	985,997	976,509
Airport Fund	367,890	377,063	377,063	433,728
Risk Retention Fund	184,870	174,181	1,146,943	152,394
Recreation Fund	129,497	131,397	131,397	184,748
Municipal Court Security	52,873	70,000	70,000	70,000
Materials Management Fund	624,484	592,587	592,587	289,463
Fleet Services Fund	368,421	274,190	274,190	340,271
Technology Services Fund	412,484	455,571	455,571	445,585
Health Insurance Fund	75,243	34,819	34,819	18,511
Engineering Services Fund	540,086	512,942	512,942	545,503
TOTAL	\$ 8,157,673	\$ 8,081,468	\$ 9,054,230	\$ 8,050,688
TOTAL REVENUES	\$ 110,897,256	\$ 114,334,565	\$ 118,131,457	\$ 119,545,372
Use of Fund Balance	\$ -	\$ 474,365	\$ 1,364	\$ -
TOTAL RESOURCES	\$ 110,897,256	\$ 114,808,930	\$ 118,132,821	\$ 119,545,372

**GENERAL FUND
EXPENDITURES BY PROGRAM SUMMARY**

	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
NEIGHBORHOOD SERVICES				
Building Inspections	\$ 2,805,777	\$ 2,994,768	\$ 2,994,768	\$ 3,075,893
Community Improvement Services	1,732,142	1,857,104	1,857,104	1,648,938
Libraries	5,694,823	5,900,271	5,900,271	6,064,112
Parks and Recreation	12,071,356	13,529,169	13,529,169	13,396,654
Planning	2,982,786	2,840,569	2,840,569	3,410,931
Gas Well Inspections	295,456	402,389	402,389	393,026
Community Development	519,252	592,458	592,458	629,738
	<u>\$ 26,101,592</u>	<u>\$ 28,116,728</u>	<u>\$ 28,116,728</u>	<u>\$ 28,619,292</u>
PUBLIC SAFETY				
Animal Services	\$ 1,453,306	\$ 1,499,776	\$ 1,499,776	\$ 1,559,205
Fire	25,622,461	27,394,560	27,394,560	28,859,996
Municipal Court	1,347,489	1,385,603	1,385,603	1,451,174
Municipal Judge	367,801	436,068	436,068	436,124
Police	27,500,544	29,856,111	29,856,111	32,222,806
	<u>\$ 56,291,601</u>	<u>\$ 60,572,118</u>	<u>\$ 60,572,118</u>	<u>\$ 64,529,305</u>
TRANSPORTATION				
Traffic Control	\$ 1,951,674	\$ 2,084,963	\$ 2,084,963	\$ 1,872,028
Street Lighting	721,956	735,000	735,000	755,000
Transportation Administration	428,898	491,286	491,286	751,329
	<u>\$ 3,102,528</u>	<u>\$ 3,311,249</u>	<u>\$ 3,311,249</u>	<u>\$ 3,378,357</u>
ADMINISTRATIVE & COMMUNITY SERVICES				
City Manager's Office	\$ 3,158,762	\$ 2,927,797	\$ 2,927,797	\$ 2,829,303
Economic Development	3,027,135	3,537,603	4,485,674	4,458,072
Facilities Management	3,697,925	4,026,387	4,026,387	4,324,642
Finance	2,804,174	2,881,060	2,881,060	3,076,220
Human Resources	1,765,545	1,706,585	1,706,585	1,755,865
Internal Audit	52,384	175,000	175,000	263,381
Legal	2,156,665	2,302,138	2,302,138	2,453,772
Public Communications Office	1,410,020	1,273,645	1,273,645	1,251,938
Non-Departmental	6,524,245	3,978,620	6,354,440	2,605,904
	<u>\$ 24,596,854</u>	<u>\$ 22,808,835</u>	<u>\$ 26,132,726</u>	<u>\$ 23,019,097</u>
TOTAL EXPENDITURES	<u><u>\$ 110,092,575</u></u>	<u><u>\$ 114,808,930</u></u>	<u><u>\$ 118,132,821</u></u>	<u><u>\$ 119,546,051</u></u>

**GENERAL DEBT SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Ad Valorem & Delinquent Taxes	\$ 18,146,617	\$ 19,748,519	\$ 19,748,519	\$ 21,443,770
Interest Income	131,516	50,000	150,000	200,000
Transfer In - Drainage	361,037	236,175	233,521	167,475
Transfer In - Solid Waste	7,325,342	8,082,423	8,059,193	9,542,116
Transfer In - Fleet	241,054	228,006	220,979	257,397
Transfer In - Street Improvement	126,875	124,850	124,850	125,000
Transfer In - Materials Mgmt	48,334	48,036	48,036	47,519
Transfer In - Communication	11,806	16,281	15,903	10,450
Transfer In - Airport	475,790	-	-	-
Transfer In - Electric	24,324,651	29,174,541	29,137,180	34,360,369
Transfer In - Water	7,543,408	11,257,889	11,195,411	12,638,093
Transfer In - Wastewater	5,190,524	6,593,070	6,581,702	6,998,775
TOTAL REVENUES	63,926,954	75,559,790	75,515,294	85,790,964
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 63,926,954	\$ 75,559,790	\$ 75,515,294	\$ 85,790,964

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
General Debt Service	\$ 18,004,402	\$ 19,776,519	\$ 19,675,490	\$ 21,621,770
Fleet Debt Service	241,054	228,006	220,979	257,397
Street Improvement Debt Service	126,875	124,850	124,850	125,000
Communications Debt Service	11,806	16,281	15,903	10,450
Drainage Debt Service	361,037	236,175	233,521	167,475
Solid Waste Debt Service	7,325,342	8,082,423	8,059,193	9,542,116
Materials Mgmt Debt Service	48,334	48,036	48,036	47,519
Airport Debt Service	475,790	-	-	-
Electric Debt Service	24,324,651	29,174,541	29,137,180	34,360,369
Water Debt Service	7,543,408	11,257,889	11,195,411	12,638,093
Wastewater Debt Service	5,190,524	6,593,070	6,581,702	6,998,775
Fiscal Charges	27,258	22,000	22,000	22,000
TOTAL EXPENDITURES	\$ 63,680,481	\$ 75,559,790	\$ 75,314,265	\$ 85,790,964

**ELECTRIC FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operating Revenues	\$ 172,450,496	\$ 176,682,488	\$ 182,522,035	\$ 173,229,784
Non-Operating Revenues	439,411	300,000	300,000	450,000
TOTAL REVENUES	172,889,907	176,982,488	182,822,035	173,679,784
Use of Reserves	-	-	3,686,545	7,361,855
TOTAL RESOURCES	\$ 172,889,907	\$ 176,982,488	\$ 186,508,580	\$ 181,041,639

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Fuel & Purchased Power	\$ 73,950,928	\$ 80,831,837	\$ 92,899,278	\$ 78,968,735
Personnel Services	14,962,250	18,532,541	19,476,964	19,789,091
Operation & Maintenance	40,562,248	48,343,919	47,881,714	56,158,040
Return on Investment	4,992,005	5,506,335	5,700,995	5,767,985
Franchise Fee	7,125,480	7,866,192	8,144,279	8,239,978
Non-Operating Expenditures	11,583,083	12,327,496	12,405,350	12,117,810
TOTAL EXPENDITURES	\$ 153,175,994	\$ 173,408,320	\$ 186,508,580	\$ 181,041,639

PERSONNEL	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	188.00	197.00	196.00	204.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget includes a 4.5% base rate increase which will be offset by reductions in the ECA and TCRF. The budget reflects the addition of 9 FTE's: 7 FTE's are related to the increased capital program; 1 FTE is for FERC/ERCOT analysis; and 1 FTE is for the Energy Management Organization. The estimate reflects the funding of 6 FTE's for the Denton Energy Center, and the reduction of 7 FTE's in Engineering, Energy Management, and Energy Services.	The budget includes a 1% rate decrease by reduction in the ECA rate. The budget reflects the addition of 8 FTE's: 3 FTE's in Energy Management and 5 FTE's in the Denton Energy Center.

WATER FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Interest Operating	\$ 99,325	\$ 148,000	\$ 148,000	\$ 175,000
Water Sales Residential	16,705,733	19,449,831	18,420,786	19,550,225
Water Sales Commercial	15,481,755	17,335,218	16,557,548	17,016,173
Water for Resale	616,588	548,878	551,171	553,406
Other Water	1,183,685	794,235	791,612	811,832
Cost of Service - General Fund	572,961	766,283	720,288	648,189
Cost of Service - Electric	3,089,574	3,616,304	3,221,468	3,432,604
Cost of Service - Wastewater	1,053,147	1,247,131	1,027,036	1,083,019
Cost of Service - Solid Waste	733,128	877,291	770,284	783,469
Other Transfers	7,567,639	-	-	-
Impact Fee Revenues	4,000,000	4,000,000	4,000,000	3,755,404
TOTAL REVENUES	\$ 51,103,535	\$ 48,783,171	\$ 46,208,193	\$ 47,809,321
Use of Reserves	-	2,999,520	3,299,006	-
TOTAL RESOURCES	\$ 51,103,535	\$ 51,782,691	\$ 49,507,199	\$ 47,809,321

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Water Administration	\$ 1,211,389	\$ 1,576,677	\$ 1,274,849	\$ 1,335,033
Water Production	9,511,169	8,371,608	7,764,628	13,023,627
Water Distribution	6,408,066	14,165,939	14,187,633	5,454,595
Water Metering	2,015,645	2,495,518	2,444,710	2,415,131
Water Laboratory	511,959	775,016	743,252	587,161
Utilities Administration	1,290,189	1,479,692	1,478,700	1,572,432
Customer Service	4,908,214	5,845,279	5,169,326	5,426,341
Miscellaneous	18,360,017	17,072,962	16,444,101	17,995,001
TOTAL EXPENDITURES	\$ 44,216,648	\$ 51,782,691	\$ 49,507,199	\$ 47,809,321

PERSONNEL BY DIVISION	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Water Administration	10.50	10.50	9.50	9.50
Water Production	36.00	37.00	37.00	37.00
Water Distribution	23.00	28.00	28.00	28.00
Water Metering	15.50	16.50	16.50	16.50
Water Laboratory	5.00	5.00	5.00	5.00
Utilities Administration	9.00	9.00	9.00	9.00
Customer Service	45.50	45.50	42.50	42.50
TOTAL PERSONNEL	144.50	151.50	147.50	147.50

**WATER FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Purchased Power	\$ 1,295,189	\$ 1,687,487	\$ 1,514,562	\$ 1,600,000
Personnel Services	9,563,805	11,552,965	11,061,897	11,408,173
Materials & Supplies	1,478,542	1,837,081	1,668,760	1,721,614
Maintenance & Repair	1,215,538	1,749,468	1,482,487	1,558,572
Insurance	231,299	238,949	238,949	222,481
Return on Investment	1,173,001	1,334,486	1,271,239	1,327,607
Franchise Fee	1,675,715	1,882,155	1,816,056	1,896,582
Miscellaneous	324,843	307,115	308,297	342,778
Operations	1,732,764	3,067,453	2,429,435	2,639,209
Debt Service	13,443,255	11,532,670	11,195,412	12,638,094
Cost of Service - General Fund	1,332,629	1,365,798	1,365,798	1,300,002
Cost of Service - Other	2,046,042	2,222,615	2,098,358	2,173,766
Capital Outlay	8,704,026	13,004,449	13,055,949	8,980,443
TOTAL EXPENDITURES	\$ 44,216,648	\$ 51,782,691	\$ 49,507,199	\$ 47,809,321

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included a 5% rate increase for water customers. The budget included the addition of 7 FTE's: 1 FTE for an Operator I in Production, 2 FTE's for Heavy Equipment Operators in Distribution, 3 FTE's for Field Service Worker III's in Distribution and 1 FTE for a Water Meter Mechanic in Metering. The estimate includes the reduction of .5 FTE's for a Building Attendant and .5 FTE's for an Engineering Tech-Intern II in Water Administration and 1 FTE for a Customer Service Supervisor, 1 FTE for a Budget and Resource Coordinator, and 1 FTE for a Customer Service Team Lead in Customer Service.	The budget includes no rate increase for water customers.

**WASTEWATER FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Interest Operating	\$ 88,309	\$ 119,500	\$ 96,000	\$ 117,500
Wastewater Residential	10,888,886	11,188,269	11,005,783	11,103,223
Wastewater Commercial	11,893,034	11,462,297	11,914,171	12,256,031
Wastewater Effluent Irrigation	101,029	60,413	60,180	61,530
Wastewater Wholesale	653,474	582,400	659,818	667,670
Other Wastewater	3,224,252	1,887,866	1,707,096	1,692,282
Drainage Fees	4,496,319	4,601,201	4,582,114	4,673,206
Transfers In	870,975	875,819	596,799	659,030
Transfer In - Other	4,438,382	-	-	-
Impact Fee Revenues	1,800,000	3,520,000	3,520,000	2,000,000
TOTAL REVENUES	\$ 38,454,660	\$ 34,297,765	\$ 34,141,961	\$ 33,230,472
Use of Reserves	-	4,297,776	3,315,983	792,569
TOTAL RESOURCES	\$ 38,454,660	\$ 38,595,541	\$ 37,457,944	\$ 34,023,041

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Wastewater Administration	\$ 1,187,563	\$ 1,413,187	\$ 1,296,991	\$ 1,295,492
Water Reclamation	5,523,559	7,986,626	7,854,350	5,569,092
Wastewater Collection	7,238,477	10,422,462	9,929,071	8,381,347
Beneficial Reuse	1,415,901	1,628,602	1,600,282	1,617,351
Wastewater Laboratory	480,188	618,475	560,055	557,917
Industrial Pretreatment	735,126	838,401	794,326	831,123
Drainage	2,980,202	3,116,249	3,186,360	3,078,220
Watershed Protection	772,095	842,573	817,860	896,042
Miscellaneous	10,656,061	10,567,011	10,286,179	10,629,683
Drainage Miscellaneous	1,418,550	1,161,955	1,132,470	1,166,774
TOTAL EXPENDITURES	\$ 32,407,722	\$ 38,595,541	\$ 37,457,944	\$ 34,023,041

PERSONNEL BY DIVISION	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Wastewater Administration	9.75	9.75	9.75	9.75
Water Reclamation	26.00	26.00	26.00	26.00
Wastewater Collection	34.50	34.50	33.00	33.00
Beneficial Reuse	7.00	7.00	7.00	7.00
Wastewater Laboratory	4.00	4.00	4.00	4.00
Industrial Pretreatment	7.50	7.50	7.50	7.50
Drainage	16.50	16.50	15.50	15.50
Watershed Protection	6.00	7.00	7.00	7.00
TOTAL PERSONNEL	111.25	112.25	109.75	109.75

**WASTEWATER FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Purchased Power	\$ 1,192,928	\$ 946,000	\$ 1,021,000	\$ 1,221,000
Personnel Services	7,387,387	8,237,275	7,498,269	8,103,746
Materials & Supplies	924,844	1,489,447	1,249,741	1,260,309
Maintenance & Repair	1,219,472	1,629,270	1,529,560	1,470,909
Insurance	247,655	187,676	187,676	180,492
Miscellaneous	46,911	55,108	54,645	57,131
Operations	1,848,210	2,477,777	2,277,045	2,328,347
Return on Investment	852,911	881,344	887,147	902,326
Franchise Fee	1,218,444	1,259,062	1,267,352	1,289,037
Debt Service	7,637,410	6,907,431	6,817,877	7,167,280
Cost of Service - General Fund	996,122	974,808	974,808	961,611
Cost of Service - Other	2,271,867	2,528,810	2,302,626	2,330,772
Capital Outlay	6,563,561	11,021,533	11,390,198	6,750,081
TOTAL EXPENDITURES	\$ 32,407,722	\$ 38,595,541	\$ 37,457,944	\$ 34,023,041

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included a 2% rate increase and the addition of 1 FTE: a Watershed Protection Intern to be funded by grants. The Estimate includes the reduction of 1 FTE for a Field Service Supervisor and .5 FTE's for an Intern in Wastewater Collection and 1 FTE in Drainage transferred to the Street Improvement fund..	The budget includes no rate increase.

**SOLID WASTE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Refuse Fees - Residential	\$ 11,374,857	\$ 12,033,115	\$ 12,129,201	\$ 12,216,239
Refuse Fees - Commercial	14,196,533	15,436,305	15,171,763	16,127,039
Landfil Gate and Material Sales	5,175,525	7,422,374	6,509,926	6,582,033
Recycled Materials Sales	139,705	1,288,077	1,096,497	1,803,312
Asset Sales & Interest Income	1,778,409	405,050	414,550	457,550
Other Revenues	195,658	265,454	275,169	831,851
TOTAL REVENUES	\$ 32,860,687	\$ 36,850,375	\$ 35,597,106	\$ 38,018,024
Use of Reserves	-	-	-	510,062
TOTAL RESOURCES	\$ 32,860,687	\$ 36,850,375	\$ 35,597,106	\$ 38,528,086

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Solid Waste Administration	\$ 2,013,303	\$ 1,610,090	\$ 1,651,710	\$ 2,178,865
Residential Collection	8,473,316	8,971,194	9,124,178	9,429,125
Commercial Collection	8,919,377	9,482,903	9,397,759	10,080,142
Solid Waste Disposal	8,166,688	8,478,039	7,705,180	7,356,834
Diversion Processing Mining	1,158,764	4,917,037	4,221,158	5,116,621
Public Outreach	1,295,732	1,197,024	1,021,125	581,940
Keep Denton Beautiful (KDB)	352,028	384,506	382,824	434,983
Site Operations	811,406	1,173,866	1,117,539	2,815,131
Field Support Services	-	599,806	580,879	534,445
TOTAL EXPENDITURES	\$ 31,190,614	\$ 36,814,465	\$ 35,202,352	\$ 38,528,086

PERSONNEL BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Full Time Equivalents (FTE)				
Solid Waste Administration	5.00	7.00	7.00	7.00
Residential Collection	42.00	41.00	41.00	41.00
Commercial Collection	27.00	28.00	28.00	29.00
Solid Waste Disposal	30.00	24.00	24.00	24.00
Diversion Processing Mining	7.00	19.00	19.00	19.00
Public Outreach	10.00	7.00	5.00	4.00
Keep Denton Beautiful (KDB)	3.50	3.50	3.50	3.50
Field Support Services	-	6.00	5.00	5.00
TOTAL PERSONNEL	124.50	135.50	132.50	132.50

**SOLID WASTE FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 9,811,579	\$ 11,397,800	\$ 11,081,493	\$ 11,683,418
Materials & Supplies	540,001	577,275	513,043	525,355
Maintenance & Repair	552,344	538,715	689,875	671,275
Insurance	194,245	224,503	224,503	233,631
Franchise Fee	1,576,873	1,808,587	1,779,855	1,900,902
Miscellaneous	63,193	68,750	72,010	74,400
Operations	5,975,696	7,925,920	7,239,087	7,624,368
Debt Service	7,325,342	8,140,353	8,082,424	9,698,967
Landfill Closure	398,073	265,541	265,541	378,757
Cost of Service - General Fund	959,636	965,128	965,128	1,200,687
Cost of Service - Other	1,580,791	1,732,893	1,730,393	1,765,316
Capital Outlay	2,050,489	2,527,500	2,527,500	2,763,510
Fixed Assets	162,352	641,500	31,500	7,500
TOTAL EXPENDITURES	\$ 31,190,614	\$ 36,814,465	\$ 35,202,352	\$ 38,528,086

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included 11 FTE's: 1 Heavy Equipment Operator in Commercial, 3 Technicians and 1 Heavy Equipment Operator in Disposal Operations, 1 Technician in Field Support, 4 Heavy Equipment Operators and 1 Intern in Diversion Processing Mining. New HBU's were created for Public Outreach, Field Support Services, and Diversion Processing Mining. The estimate reflects the transfer of 1 FTE to the Technology Service fund, and the reduction of 2 FTE's.	The budget proposes no rate increases for Solid Waste customers.

**AIRPORT FUND
RESOURCE AND EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Airport Ground Leases	\$ 449,114	\$ 704,000	\$ 630,103	\$ 713,154
FBO Commissions	178,086	240,000	195,891	199,808
Airport Gas Royalties	478,310	450,000	488,794	474,130
Miscellaneous	78,564	55,000	84,199	92,619
Interest Income	27,980	25,000	24,964	25,000
TOTAL REVENUES	\$ 1,212,054	\$ 1,474,000	\$ 1,423,951	\$ 1,504,711
Use of Reserves	916,852	75,366	10,734	210,917
TOTAL RESOURCES	\$ 2,128,906	\$ 1,549,366	\$ 1,434,685	\$ 1,715,628

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 633,513	\$ 668,509	\$ 576,417	\$ 530,482
Materials & Supplies	41,503	46,725	44,211	46,700
Maintenance & Repair	73,645	82,593	93,750	105,193
Insurance	22,358	21,604	21,604	21,823
Miscellaneous	1,068	1,200	630	1,200
Operations	220,814	255,621	224,959	238,160
Franchise Fees	35,268	-	-	-
Debt Service	475,790	-	-	-
Cost of Service - General Fund	367,890	378,927	378,927	460,582
Cost of Service - Other	87,222	94,187	94,187	86,488
Capital Outlay	169,835	-	-	225,000
TOTAL EXPENDITURES	\$ 2,128,906	\$ 1,549,366	\$ 1,434,685	\$ 1,715,628

PERSONNEL	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	7.00	7.00	6.00	6.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
Beginning in FY 2016-17 the debt service for the Airport Fund will be paid from the General Debt Service Fund. This change is needed to ensure the long term financial sustainability of the Airport Fund. The Estimate includes the reduction of 1 FTE, the Aviation Director.	The budget includes funding for air control tower equipment replacements (\$90,000), and construction of a restroom near Taxilane Quebec (\$65,000).

**TECHNOLOGY SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Cost of Service - Electric Fund	\$ 3,208,571	\$ 3,872,315	\$ 3,872,315	\$ 3,979,247
Cost of Service - Water Fund	772,683	854,977	854,977	904,695
Cost of Service - Wastewater Fund	416,876	412,315	412,315	414,655
Cost of Service - Solid Waste Fund	378,605	383,838	383,838	532,282
Cost of Service - General Fund	5,574,445	6,276,723	6,276,723	6,639,847
Cost of Service - Risk Retention Fund	42,692	47,327	47,327	49,504
Transfer - Municipal Court Tech Fund	70,496	100,000	80,000	80,000
Cost of Service - Street Improvement Fund	77,028	84,179	84,179	
Cost of Service - Airport Fund	59,679	61,434	61,434	55,951
Cost of Service - Materials Management Fund	87,125	91,750	91,750	95,486
Cost of Service - Fleet Services Fund	95,564	88,196	88,196	109,804
Cost of Service - Engineering Fund	201,835	220,029	220,029	258,291
Miscellaneous	46,058	44,520	44,520	
Transfer - Communication Services	-	-	-	-
Interest Income	7,201	-	-	-
TOTAL REVENUES	\$ 11,038,858	\$ 12,537,603	\$ 12,517,603	\$ 13,216,777
Use of Reserves	-	888,546	270,752	1,407,432
TOTAL RESOURCES	\$ 11,038,858	\$ 13,426,149	\$ 12,788,355	\$ 14,624,209

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Administration	\$ 2,338,300	\$ 3,103,123	\$ 3,080,867	\$ 4,123,714
Telecommunications	1,493,630	2,709,066	2,514,528	2,724,892
Geographic Information Systems	466,523	557,224	557,224	609,455
Applications Development	1,811,736	1,750,840	1,750,840	1,805,295
User Support	1,311,346	1,816,188	1,816,188	1,437,615
Public Safety/Projects	693,263	824,563	824,563	1,197,523
Regulatory Compliance	205,694	286,926	286,926	278,290
Electric Fund Tech Support	2,069,293	2,378,219	1,957,219	2,447,425
TOTAL EXPENDITURES	\$ 10,389,785	\$ 13,426,149	\$ 12,788,355	\$ 14,624,209

PERSONNEL Full Time Equivalents (FTE)	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Administration	5.00	5.00	6.00	6.00
Telecommunications	4.00	8.00	8.00	8.00
Geographic Information Systems	2.00	2.00	2.00	2.00
Applications Development	8.00	5.00	5.00	4.00
User Support	8.00	8.00	8.00	6.00
Regulatory Compliance	1.00	1.00	1.00	1.00
Public Safety Support	-	-	-	3.00
DME Tech Support	8.00	8.00	8.00	8.00
Solid Waste Tech Support	-	-	1.00	1.00
TOTAL PERSONNEL	36.00	37.00	39.00	39.00

**TECHNOLOGY SERVICES FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURE	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 3,890,263	\$ 4,467,766	\$ 4,364,690	\$ 4,916,845
Materials & Supplies	111,319	134,422	132,000	179,683
Maintenance & Repair	2,627,666	3,717,463	3,574,463	3,793,055
Insurance	36,391	47,477	47,254	47,960
Operations	2,054,522	3,887,920	3,823,847	2,319,304
Debt Service	11,806	16,282	16,282	10,250
Cost of Service - General Fund	412,484	500,690	500,690	505,696
Cost of Service - Other	83,007	122,129	122,129	154,416
Capital Outlay	1,050,725	450,000	125,000	-
Fixed Assets	111,603	82,000	82,000	2,697,000
TOTAL EXPENDITURES	\$ 10,389,785	\$ 13,426,149	\$ 12,788,355	\$ 14,624,209

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget includes the addition of 1 FTE for an Applications Architect. The budget also includes \$550,000 for Cisco equipment replacement, \$450,000 for DME capital costs, \$280,000 for TriTech software upgrade, and \$200,000 for Disaster Recovery backup site replacement. The estimate reflects the transfer of one FTE from Solid Waste and one new FTE for Public Safety's CAD Administrator.	The budget includes the Dispatch Recording System Upgrade for \$127,000, JD Edwards Upgrade for \$400,000, Cisco Equipment Replacement Phase II for \$565,000, City Wide PC Refresh for \$470,000, Disaster Recovery Backup Site Replacements for \$400,000, DME capital upgrades for \$585,000, and \$129,102 of miscellaneous upgrades.

**MATERIALS MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Sale of Scrap Material	\$ 100	\$ 1,000	\$ 1,000	\$ 1,000
Postage Fees	48,628	52,000	52,000	52,000
Warehouse Sales	12,657,321	15,918,021	15,918,021	16,474,742
Miscellaneous Income	135,273	77,993	77,993	144,760
Cost of Service - General Fund	510,749	518,855	518,855	429,144
Cost of Service - Electric Fund	402,382	443,909	443,909	394,086
Cost of Service - Water Fund	123,867	117,237	117,237	114,734
Cost of Service - Wastewater Fund	158,181	167,646	167,646	145,658
Cost of Service - Solid Waste Fund	76,489	78,534	78,534	63,754
Cost of Service - Other Funds	252,989	285,599	285,599	280,587
Auction Proceeds	156,974	41,600	41,600	41,600
TOTAL REVENUES	\$ 14,522,953	\$ 17,702,394	\$ 17,702,394	\$ 18,142,065
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 14,522,953	\$ 17,702,394	\$ 17,702,394	\$ 18,142,065

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 1,342,952	\$ 1,479,453	\$ 1,430,468	\$ 1,558,065
Materials & Supplies	38,209	47,303	47,303	42,553
Inventory	11,761,087	14,969,056	14,969,056	15,867,469
Maintenance & Repair	24,881	24,300	24,300	24,300
Insurance	23,759	23,878	23,878	25,347
Miscellaneous	1,164	1,000	1,000	1,000
Operations	120,296	112,550	112,550	112,550
Debt Service	48,334	48,036	48,036	49,477
Cost of Service - General Fund	624,484	584,896	584,896	295,473
Cost of Service - Other	113,875	98,974	98,974	102,624
Capital Outlay	-	300,000	300,000	40,000
TOTAL EXPENDITURES	\$ 14,099,041	\$ 17,689,446	\$ 17,640,461	\$ 18,118,858

PERSONNEL	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Full Time Equivalents (FTE)				
Purchasing	10.00	10.00	10.00	10.00
Warehouse	6.00	7.00	7.00	7.00
TOTAL PERSONNEL	16.00	17.00	17.00	17.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included the addition of 1 FTE; a Warehouse Operations Specialist 1 and \$300,000 to add a covered storage area to the warehouse.	The budget includes \$40,000 for the one time purchase of a Man Lift in the warehouse.

**FLEET MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Fuel Sales	\$ 2,434,669	\$ 2,590,729	\$ 2,738,300	\$ 2,799,900
Parts Vehicle Maintenance	6,333,728	6,097,900	6,116,400	6,820,310
(Fuel Contingency)	-	1,250,000	-	1,250,000
Miscellaneous	357,837	133,500	420,250	160,000
Interest Income	3,379	2,000	2,500	2,000
Fleet Rental	21,343	25,000	25,000	26,000
Fleet Administration Transfers	240,000	243,500	243,500	211,725
TOTAL REVENUES	\$ 9,390,956	\$ 10,342,629	\$ 9,545,950	\$ 11,269,935
Use of Reserves	83,398	-	-	-
TOTAL RESOURCES	\$ 9,474,354	\$ 10,342,629	\$ 9,545,950	\$ 11,269,935

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 1,749,502	\$ 1,888,520	\$ 1,772,640	\$ 1,997,658
Materials & Supplies	84,718	113,278	82,607	120,678
Inventory (Fuel only)	2,123,677	2,324,900	2,392,500	2,669,900
Maintenance & Repair	84,644	130,000	130,000	131,000
Insurance	28,596	28,015	28,015	28,622
Fuel Contingency	-	1,250,000	-	1,250,000
Operations	4,248,563	3,676,346	4,074,864	4,197,760
Debt Service	241,054	228,006	228,006	262,544
Cost of Service - General Fund	368,421	285,098	285,098	365,918
Cost of Service- Other	178,144	178,785	178,785	173,197
Capital Outlay	357,500	140,000	140,000	-
Fixed Assets	9,535	-	-	-
TOTAL EXPENDITURES	\$ 9,474,354	\$ 10,242,948	\$ 9,312,515	\$ 11,197,277

PERSONNEL	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	23.50	23.50	23.50	24.50

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$45,000 for continued improvements to the training room.	The budget includes an additional 1.00 FTE for a Heavy Equipment Technician.

**RISK RETENTION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Commercial Insurance	\$ 722,296	\$ 791,820	\$ 91,820	\$ 847,850
Self Insurance	1,673,866	1,468,280	168,280	1,484,362
Worker's Compensation	616,544	601,500	616,500	611,500
Interest Income	47,665	30,000	25,000	30,000
Other Revenues	56,376	30,000	50,000	50,000
TOTAL REVENUES	\$ 3,116,746	\$ 2,921,600	\$ 951,600	\$ 3,023,712
Use of Reserves	-	484,221	2,960,642	462,060
TOTAL RESOURCES	\$ 3,116,746	\$ 3,405,821	\$ 3,912,242	\$ 3,485,772

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 825,988	\$ 940,008	\$ 898,715	\$ 960,724
Materials & Supplies	10,078	15,890	14,750	14,750
Maintenance & Repair	64,302	159,200	147,700	145,000
Insurance	819,040	1,396,925	1,921,930	1,459,400
Miscellaneous	606,957	256,280	282,210	282,210
Operations	220,584	387,697	416,678	417,117
Cost of Service - General Fund	184,869	190,416	184,870	149,976
Cost of Service- Other	50,017	59,405	45,389	56,595
TOTAL EXPENDITURES	\$ 2,781,835	\$ 3,405,821	\$ 3,912,242	\$ 3,485,772

PERSONNEL	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	8.00	9.00	9.00	9.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included 1 additional FTE, a Claims Administrator. The Risk Fund is being drawn down by an additional \$2,000,000 and the dollars are being returned to each contributing City Fund.	The budget includes no major changes.

**HEALTH INSURANCE FUND
RESOURCE & EXPENDITURE SUMMARY**

	2015-16	2016-17	2016-17	2017-18
RESOURCES	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Employee Contributions - Health	\$ 2,947,607	\$ 3,069,337	\$ 3,312,946	\$ 3,404,496
Employee Contributions - Dental	1,048,717	1,072,600	1,038,200	1,167,380
Employee Contributions - Vision	129,190	123,500	126,200	132,360
Employee Contributions - Short Term Disability	158,097	158,000	167,000	177,400
Retiree Contributions	688,159	761,200	753,600	809,000
City Contributions - Health Insurance	20,087,695	20,850,000	18,850,000	20,850,000
City Contributions - Long Term Disability	138,756	112,000	112,000	112,000
City Contributions - Life Insurance	80,752	48,000	49,000	51,270
Pharmacy Rebates	590,317	500,000	550,000	550,000
Stop Loss Recovery	742,458	-	-	-
Other	471,289	489,400	550,000	528,900
TOTAL REVENUES	\$ 27,083,037	\$ 27,184,037	\$ 25,508,946	\$ 27,782,806
Use of Reserves	-	3,417,673	249,876	2,457,614
TOTAL RESOURCES	\$ 27,083,037	\$ 30,601,710	\$ 25,758,822	\$ 30,240,420

	2015-16	2016-17	2016-17	2017-18
EXPENDITURES BY CLASSIFICATION	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Long Term Disability	\$ 127,408	\$ 112,000	\$ 119,725	\$ 119,725
Life Insurance	451,399	408,200	438,600	445,800
Short Term Disability	158,462	159,000	173,920	177,720
Dental Insurance	1,089,673	1,107,000	1,124,750	1,200,700
Vision Insurance	133,778	127,300	137,000	137,000
Health Insurance	23,116,432	26,015,415	23,707,932	25,110,380
Contingency	-	2,600,000	-	3,000,000
Transfers	75,243	34,895	34,895	34,895
Health Clinic Costs	25,803	37,900	22,000	14,200
TOTAL EXPENDITURES	\$ 25,178,197	\$ 30,601,710	\$ 25,758,822	\$ 30,240,420

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included a \$2,600,000 contingency for unanticipated claims. The budget also included a 10% increase for Gold plan employee contributions, a 6% increase for Silver plan members, and other plan changes.	The budget includes no major plan changes. City and Employee contributions will remain level in FY2017-18. The budget includes a \$3,000,000 contingency for unanticipated claims.

**ENGINEERING SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Loading Permits	\$ 2,470	\$ 2,500	\$ 2,500	\$ 2,500
Parking Lot Permits	34,740	27,500	27,500	27,500
Overtime Inspections	24,468	35,000	35,000	35,000
R.O.W. Inspection Fees	140,600	176,000	176,000	176,000
Public Works Inspection	948,587	900,000	900,000	900,000
Capital Charge Back	1,447,080	2,163,423	2,163,423	2,549,979
Real Estate Application	3,850	-	-	3,500
Interest Income	11,134	-	-	-
Development Fees	420,895	400,000	400,000	420,000
Transfers/Subledger Charges	1,262,667	1,281,482	1,281,482	1,271,184
TOTAL REVENUES	\$ 4,296,491	\$ 4,985,905	\$ 4,985,905	\$ 5,385,663
Use of Reserves	138,416	76,210	76,210	-
TOTAL RESOURCES	\$ 4,434,907	\$ 5,062,115	\$ 5,062,115	\$ 5,385,663

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Engineering	\$ 2,210,600	\$ 2,391,766	\$ 2,391,766	\$ 2,744,150
Public Works Inspections	797,387	898,134	898,134	859,239
Development Review	783,018	980,768	980,768	792,530
Real Estate	643,902	791,447	791,447	761,891
TOTAL EXPENDITURES	\$ 4,434,907	\$ 5,062,115	\$ 5,062,115	\$ 5,157,810

PERSONNEL BY DIVISION	2015-16	2016-17	2016-17	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Engineering	15.00	15.00	16.00	16.00
Public Works Inspections	8.00	8.00	8.00	8.00
Development Review	5.00	6.00	5.00	5.00
Real Estate	6.00	6.00	6.00	6.00
TOTAL PERSONNEL	34.00	35.00	35.00	35.00

**ENGINEERING SERVICES FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 3,153,009	\$ 3,870,648	\$ 3,870,648	\$ 3,926,060
Materials & Supplies	38,033	61,387	61,387	71,617
Maintenance & Repair	12,043	39,750	39,750	39,750
Insurance	33,625	30,811	30,811	31,569
Miscellaneous	-	2,166	2,166	2,166
Operations	106,785	242,362	242,362	253,457
Cost of Service - General Fund	540,086	508,835	508,835	540,282
Cost of Service - Other	231,178	250,156	250,156	292,909
Capital Outlay	312,300	56,000	56,000	-
Fixed Assets	7,848	-	-	-
TOTAL EXPENDITURES	\$ 4,434,907	\$ 5,062,115	\$ 5,062,115	\$ 5,157,810

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included the addition of 1 FTE; a Senior Engineer in Development Review. The estimate reflects the addition of 1 FTE; a Management Analyst in Engineering, and the reduction of 1 FTE; a Senior Engineer in Development Review.	The budget includes funding for 3 portable traffic count video cameras (\$20,000), and funding for a contracted traffic count services (\$20,000).

**STREET IMPROVEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Street Cut Reimbursements	\$ 246,515	\$ 350,000	\$ 350,000	\$ 357,000
Bond Sale Savings	864,752	997,363	997,363	1,118,135
Franchise Fees	9,412,250	11,608,420	11,417,843	12,476,060
Misc. Income	183,217	10,000	10,000	10,000
TOTAL REVENUES	\$ 10,706,734	\$ 12,965,783	\$ 12,775,206	\$ 13,961,195
Use of Reserves	-	355,000	545,577	-
TOTAL RESOURCES	\$ 10,706,734	\$ 13,320,783	\$ 13,320,783	\$ 13,961,195

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 2,647,045	\$ 3,838,690	\$ 3,305,532	\$ 3,439,984
Materials & Supplies	91,886	82,150	82,150	87,150
Maintenance & Repairs	5,097,475	8,133,085	8,133,085	9,435,051
Insurance	50,417	43,022	43,022	51,693
Miscellaneous	4,253	5,000	5,000	5,000
Operations	652,287	635,307	635,307	700,302
Debt Service	126,875	124,850	124,850	125,000
Cost of Service - Other	93,778	103,679	103,679	117,015
Capital Outlay	1,532,316	355,000	888,158	-
TOTAL EXPENDITURES	\$ 10,296,332	\$ 13,320,783	\$ 13,320,783	\$ 13,961,195

PERSONNEL	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	40.00	45.00	46.00	46.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included funding for additional base failure maintenance (\$200,000), overlay (\$500,000), Micro-seal (\$174,641), and the addition of 5 FTE's for a Construction Crew; 1 Field Services Supervisor, 1 Crew Leader, 1 Heavy Equipment Operator II, and 2 Field Services Worker II's. The Construction Crew package included \$355,000 for 3 fleet additions. The estimate reflects the transfer of 1 FTE from Drainage.	The budget includes funding for additional general street maintenance (\$960,000), Crack seal (\$360,000), and Micro-seal (\$86,003).

**RECREATION FUND
RESOURCE AND EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2015-16 ESTIMATE	2017-18 PROPOSED
Special Projects	\$ 3,978	\$ 5,000	\$ 11,000	\$ 12,764
Marketing	39,215	36,931	36,931	42,185
Civic Center	10,822	16,230	10,000	10,821
Denia Rec Center	163,935	163,931	163,000	166,872
North Lakes Rec Center	255,909	279,963	260,000	266,091
Senior Center	128,829	130,919	128,600	127,454
Youth and Teen Services	617,356	599,183	599,183	596,744
Goldfield Tennis Center	181,988	179,336	180,000	179,353
Civic Center Pool	66,661	55,536	55,000	61,740
Martin Luther King Jr. Rec Center	114,750	135,554	120,000	142,274
Golf	119,098	152,065	145,000	147,032
Athletics	341,418	380,095	360,000	359,744
Miscellaneous Income	-	-	-	25,000
Interest Income	5,850	17,000	5,500	5,500
TOTAL REVENUES	\$ 2,049,809	\$ 2,151,743	\$ 2,074,214	\$ 2,143,574
Use of Reserves	15,220	92,182	-	250,000
TOTAL RESOURCES	\$ 2,065,029	\$ 2,243,925	\$ 2,074,214	\$ 2,393,574

EXPENDITURES BY CLASSIFICATION	2015-16 ACTUAL	2016-17 BUDGET	2015-16 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 690,218	\$ 876,547	\$ 729,576	\$ 911,748
Materials & Supplies	480,524	522,467	448,556	495,817
Maintenance & Repair	16,978	12,072	12,072	11,680
Insurance	22,700	19,960	19,960	18,900
Miscellaneous	-	-	-	1,350
Operations	479,570	547,670	540,658	546,340
Cost of Service - General Fund	129,497	131,397	131,397	182,371
Cost of Service - Capital Projects				
Cost of Service - Materials Management	28,441	33,812	33,812	25,368
Capital Outlay	217,101	100,000	100,000	200,000
TOTAL EXPENDITURES	\$ 2,065,029	\$ 2,243,925	\$ 2,016,031	\$ 2,393,574

PERSONNEL	2015-16	2016-17	2015-16	2017-18
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
	24.27	24.27	24.27	24.27

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included funding for various pieces of equipment for several of the Parks and Recreation facilities. New fitness equipment was purchased for North Lakes, Denia, and MLK Jr. Recreation Centers. The budget also included a shade structure for the Golf Driving Range and the purchase of a kayak trailer for Denia's outdoor program.	The budget includes funding to enhance various recreation equipment and amenities of Parks and Recreation facilities. Funding is included for wiring of public address systems for North Lakes, Denia, and MLK Jr. Recreation Centers. The budget also includes replacing marquees at Denia and MLK Jr. Recreation Centers.

**TOURIST & CONVENTION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Hotel Occupancy Tax	\$ 2,258,513	\$ 2,324,214	\$ 2,474,214	\$ 3,052,174
TOTAL REVENUES	\$ 2,258,513	\$ 2,324,214	\$ 2,474,214	\$ 3,052,174
Use of Reserves	-	-	-	235,590
TOTAL RESOURCES	\$ 2,258,513	\$ 2,324,214	\$ 2,474,214	\$ 3,287,764
EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Air Fair	\$ 11,290	\$ 15,000	\$ -	\$ -
Black Chamber of Commerce	16,539	22,572	22,572	23,249
Chamber of Commerce CVB	917,395	1,084,995	1,084,995	1,117,545
CVB Welcome Center	200,000	200,000	200,000	206,000
Cinco de Mayo	8,540	11,820	11,820	12,175
Civic Center Operations	27,875	35,875	35,875	36,951
Contingency	-	19,720	-	-
Community Events Center	150,000	-	-	-
African American Scholarship Fndn.	-	8,000	8,000	8,240
Denton Area Running Club	-	3,500	3,500	-
Denton Community Market	7,925	15,500	15,500	15,965
Denton Community Theatre	25,000	25,000	25,000	25,000
Denton County Museums	150,000	150,000	150,000	154,500
Denton Festival Foundation	91,309	100,000	100,000	103,000
Denton Firefighter Museum	15,775	21,000	21,000	21,500
Denton Holiday Festival Association	7,700	17,700	17,700	18,231
Denton Public Art Committee	55,445	55,781	55,781	73,252
Denton Square Maintenance	11,963	30,000	30,000	30,900
Dog Days of Summer	15,630	18,086	18,086	18,629
Greater Denton Arts Council	129,852	140,000	140,000	144,200
Juneteenth Committee	13,705	17,205	17,205	17,721
Kiwanis - Turkey Roll Bicycle Rally	4,850	5,325	5,325	5,485
Main Street Association	25,141	30,369	30,369	31,280
Marketing SXS	22,479	23,000	23,000	23,000
Music Theater of Denton	5,250	5,250	5,250	5,250
North Texas State Fair Association	125,000	150,000	150,000	154,500
Square Lighting Maintenance	5,250	-	-	-
O'Reilly Hospitality	-	-	-	658,234
Tejas Storytelling Association	52,747	52,747	52,747	54,329
Texas Filmmakers	8,269	15,769	15,769	16,242
Water Works Park	41,371	50,000	50,000	51,500
SUBTOTAL RECURRING EXPENSES	\$ 2,146,301	\$ 2,324,214	\$ 2,289,494	\$ 3,026,878
Denton County Museums	-	-	-	195,276
Denton Parks & Recreation Athletics	-	-	-	20,610
Denton Public Art Committee	-	-	-	45,000
SUBTOTAL ONE-TIME EXPENSES	\$ -	\$ -	\$ -	\$ 260,886
TOTAL EXPENDITURES	\$ 2,146,301	\$ 2,324,214	\$ 2,289,494	\$ 3,287,764

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The Budget reflects a budget amendment (Ordinance No. 2016-385) approved by the City Council on December 6, 2016. Additionally, the \$150,000 allocated to the Community Event Center project in FY 2015-16 has been transferred back to this fund and reflected in the FY 2016-17 Estimate.	The Proposed Budget reflects the Hotel Occupancy Tax Committee's preliminary proposal which they developed on July 21, 2017. The Committee will reconvene in August 2017 and provide the City Council a final Proposed Budget for consideration. The Proposed Budget reflects \$658,234 in new revenue that is offset by the O'Reilly Hospitality 380 Rebate Agreement.

*CVB - Convention and Visitor's Bureau

**POLICE CONFISCATION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Seizures	\$ 133,391	\$ 205,000	\$ 120,000	\$ 210,000
Auction Proceeds	2,363	50,000	20,000	50,000
Interest Income	3,350	-	3,000	3,500
TOTAL REVENUES	\$ 139,104	\$ 255,000	\$ 143,000	\$ 263,500
Use of Reserves	-	187,000	154,000	112,084
TOTAL RESOURCES	\$ 139,104	\$ 442,000	\$ 297,000	\$ 375,584

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Materials & Supplies	\$ 14,249	\$ 70,000	\$ 53,000	\$ 70,000
Maintenance & Repair	-	-	2,000	5,000
Operations	54,928	185,000	55,000	180,000
Capital Outlay	8,038	187,000	187,000	120,584
TOTAL EXPENDITURES	\$ 77,215	\$ 442,000	\$ 297,000	\$ 375,584

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$150,000 for additional Police body armor, helmets, and equipment.	The budget includes \$120,854 for purchase of Police vehicles.

**POLICE ACADEMY FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Program Income	\$ 73,410	\$ 75,000	\$ 56,000	\$ 60,000
TOTAL REVENUES	\$ 73,410	\$ 75,000	\$ 56,000	\$ 60,000
Use of Reserves	-	-	-	15,000
TOTAL RESOURCES	\$ 73,410	\$ 75,000	\$ 56,000	\$ 75,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Materials and Supplies	\$ 33,203	\$ 45,000	\$ 45,000	\$ 45,000
Operations	15,279	30,000	30,000	30,000
TOTAL EXPENDITURES	\$ 48,482	\$ 75,000	\$ 75,000	\$ 75,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included no major changes.	The budget includes no major changes.

**TRAFFIC SAFETY FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Red Light Camera Fees	\$ 2,531,971	\$ 2,525,900	\$ 2,575,900	\$ 2,075,600
TOTAL REVENUES	\$ 2,531,971	\$ 2,525,900	\$ 2,575,900	\$ 2,075,600
Use of Reserves	-	308,595	258,595	859,847
TOTAL RESOURCES	\$ 2,531,971	\$ 2,834,495	\$ 2,834,495	\$ 2,935,447

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ 150,669	\$ 155,000	\$ 155,000	\$ 143,727
Maintenance and Repair	2,819	18,000	18,000	-
Operations	-	30,000	30,000	-
Red Light Camera Contract	840,590	840,000	840,000	849,720
Payment to State of Texas	770,356	765,450	765,450	542,000
Capital Outlay	120,740	826,045	826,045	1,200,000
Contingency	-	200,000	200,000	200,000
TOTAL EXPENDITURES	\$ 1,885,174	\$ 2,834,495	\$ 2,834,495	\$ 2,935,447

PERSONNEL Full Time Equivalents (FTE)	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
TOTAL PERSONNEL	0.50	0.50	0.00	0.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$813,045 in funding for pedestrian and traffic safety programs. The estimate reflects the transfer of 0.5 FTE to the Police Department.	The budget includes \$1,200,000 in funding for 3 traffic signal replacements.

**DOWNTOWN REINVESTMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Mixed Beverage Tax	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Interest Income	1,524	1,000	1,000	1,000
TOTAL REVENUES	\$ 101,524	\$ 101,000	\$ 101,000	\$ 101,000
Use of Reserves	-	19,000	19,000	-
TOTAL RESOURCES	\$ 101,524	\$ 120,000	\$ 120,000	\$ 101,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ 15,000	\$ 120,000	\$ 120,000	\$ 100,000
TOTAL EXPENDITURES	\$ 15,000	\$ 120,000	\$ 120,000	\$ 100,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
A \$20,000 budget amendment was authorized for additional grant applications.	The budget includes no major changes.

**ECONOMIC DEVELOPMENT INVESTMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Mixed Beverage Tax	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Interest Income	223	-	-	-
TOTAL REVENUES	\$ 150,223	\$ 150,000	\$ 150,000	\$ 150,000
Use of Reserves	-	-	-	300,000
TOTAL RESOURCES	\$ 150,223	\$ 150,000	\$ 150,000	\$ 450,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ -	\$ 150,000	\$ -	\$ 450,000
TOTAL EXPENDITURES	\$ -	\$ 150,000	\$ -	\$ 450,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included no major changes.	The budget includes no major changes.

**PARKS GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Gas Well Royalties	\$ 99,308	\$ 64,000	\$ 60,000	\$ 50,000
Interest Income	1,047	100	1,000	1,000
TOTAL REVENUES	\$ 100,355	\$ 64,100	\$ 61,000	\$ 51,000
Use of Reserves	49,645	35,900	39,000	49,000
TOTAL RESOURCES	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Capital Outlay	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000
TOTAL EXPENDITURES	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$100,000 for park amenities.	The budget includes \$100,000 for park amenities.

**TREE MITIGATION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Landscaping Fee	\$ 374,969	\$ 300,000	\$ 300,000	\$ 300,000
Interest Income	18,433	10,000	10,000	10,000
TOTAL RESOURCES	\$ 393,402	\$ 310,000	\$ 310,000	\$ 310,000
Use of Reserves	-	483,110	95,810	335,870
TOTAL RESOURCES	\$ 393,402	\$ 793,110	\$ 405,810	\$ 645,870

EXPENDITURES BY DIVISION	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Tree Preservation		\$ 504,000	\$ 294,000	\$ 285,000
Tree Rebates	-	190,600	18,550	265,600
KDB Tree Program	-	98,510	93,260	95,270
TOTAL EXPENDITURES	\$ -	\$ 793,110	\$ 405,810	\$ 645,870

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Personnel Services	\$ -	\$ 31,200	\$ 20,700	\$ 15,600
Operations		761,910	385,110	630,270
TOTAL EXPENDITURES	\$ -	\$ 793,110	\$ 405,810	\$ 645,870

PERSONNEL	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	-	1.00	1.00	1.00

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget includes \$504,000 for a public property tree planting program and \$289,110 for a private property tree planting program.	The budget includes \$225,000 for a public property tree planting program and \$360,870 for a private property tree planting program. The budget also includes \$60,000 for a comprehensive urban forestry plan.

**ROADWAY IMPACT FEE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Impact Fees	\$ -	\$ 200,000	\$ 250,000	\$ 275,000
Interest Income	-	-	-	-
TOTAL RESOURCES	\$ -	\$ 200,000	\$ 250,000	\$ 275,000
Use of Reserves	-	-	-	250,000
TOTAL RESOURCES	\$ -	\$ 200,000	\$ 250,000	\$ 525,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ -	\$ 200,000	\$ -	\$ 525,000
TOTAL EXPENDITURES	\$ -	\$ 200,000	\$ -	\$ 525,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$200,000 for potential project funding offsets.	The budget includes \$525,000 for potential project funding offsets. Use of these funds will be based on Council approval of specific road projects.

**PUBLIC EDUCATION GOVERNMENT (PEG) FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Subscriber Fees	\$ 336,216	\$ 332,000	\$ 332,000	\$ 300,000
TOTAL REVENUES	\$ 336,216	\$ 332,000	\$ 332,000	\$ 300,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 336,216	\$ 332,000	\$ 332,000	\$ 300,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Materials and Supplies	\$ 11,173	\$ -	\$ -	\$ -
Maintenance & Repair	69,917	65,000	65,000	65,000
Operations	131,880	140,000	140,000	140,000
Fixed Assets	24,180	80,000	80,000	91,000
TOTAL EXPENDITURES	\$ 237,150	\$ 285,000	\$ 285,000	\$ 296,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included \$40,000 for contribution to four PEG channels in Denton including public access, \$80,000 for Denton Television fixed assets, and a \$100,000 contingency.	The budget includes \$40,000 for contribution to four PEG channels in Denton including public access, \$91,000 for Denton Television fixed assets, and a \$100,000 contingency.

**MCKENNA TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Contribution	\$ 12,566	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL REVENUES	\$ 12,566	\$ 1,000	\$ 1,000	\$ 1,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 12,566	\$ 1,000	\$ 1,000	\$ 1,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included no major changes.	The budget includes no major changes.

**PARK LAND DEDICATION TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Fees in Lieu of Property Dedication	\$ 317,192	\$ 150,000	\$ 150,000	\$ 150,000
Interest Income	13,704	10,000	20,000	20,000
TOTAL REVENUES	\$ 330,896	\$ 160,000	\$ 170,000	\$ 170,000
Use of Reserves	-	140,000	130,000	230,000
TOTAL RESOURCES	\$ 330,896	\$ 300,000	\$ 300,000	\$ 400,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Capital Outlay	\$ 324,969	\$ 300,000	\$ 300,000	\$ 400,000
TOTAL EXPENDITURES	\$ 324,969	\$ 300,000	\$ 300,000	\$ 400,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included funding for the acquisition of prospective park property at North Lakes, Fred Moore, and for linear parks.	The budget includes funding for the acquisition of prospective park property near or adjacent to Mack Park and Fred Moore Park.

**PARK DEVELOPMENT TRUST FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Development Fees	\$ 289,517	\$ 150,000	\$ 150,000	\$ 150,000
Interest Income	26,542	20,000	25,000	25,000
TOTAL REVENUES	\$ 316,059	\$ 170,000	\$ 175,000	\$ 175,000
Use of Reserves	-	830,000	425,000	325,000
TOTAL RESOURCES	\$ 316,059	\$ 1,000,000	\$ 600,000	\$ 500,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Capital Outlay	\$ 278,372	\$ 1,000,000	\$ 600,000	\$ 500,000
TOTAL EXPENDITURES	\$ 278,372	\$ 1,000,000	\$ 600,000	\$ 500,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The budget included funding for constructing parks and trails at: Carl Young, North West Trail extension, North Lakes Dog Park, Fred Moore, Londonderry playground, and the Downtown Pocket Park.	The budget includes funding for constructing parks and amenity enhancements at: McKenna, North Lakes, Avondale, Carl Young, Fred Moore and Sequoia Park.

**DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Ad Valorem Taxes	\$ 260,875	\$ 367,851	\$ 466,671	\$ 379,902
TOTAL REVENUES	\$ 260,875	\$ 367,851	\$ 466,671	\$ 379,902

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ 76,000	\$ 285,000	\$ 76,000	\$ 76,000
TOTAL EXPENDITURES	\$ 76,000	\$ 285,000	\$ 76,000	\$ 76,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2016 value was \$136,021,478. Per the TIRZ agreement, 2016 was the first year of five in which 95% of the incremental value is used. This represents an incremental value of \$53,831,393 or revenue of \$367,851 to the fund. The budget included \$76,000 for year 2 of a 5 year agreement for the Railyard transit oriented development and \$207,000 for downtown sidewalk construction and reconstruction. The \$207,000 was subsequently funded from the General Fund and excluded from the estimate.	The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2017 value is \$142,050,751. Per the TIRZ agreement, 2017 is the second year of five in which 95% of the incremental value is used. This represents an incremental value of \$59,559,202 or revenue of \$379,902 to the fund. The budget includes \$76,000 for year 3 of a 5 year agreement for the Railyard transit oriented development.

**WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Ad Valorem Taxes- City	\$ 1,343	\$ 6,237	\$ 6,237	\$ 160,711
Ad Valorem Taxes- County	-	2,269	2,269	25,035
TOTAL REVENUES	\$ 1,343	\$ 8,506	\$ 8,506	\$ 185,746

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ 195,609
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 195,609

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The City and County contribute 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) is \$119,458 and the 2016 Certified Value was \$2,401,349 which represented an adjusted incremental value of \$912,756, or revenue of \$8,506 to the fund.	The City and County contribute 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) is \$119,458 and the 2017 Certified Value is \$63,108,366 which represents an adjusted incremental value of \$25,195,563, or revenue of \$185,746 to the fund. The projected fund balance is budgeted for Chapter 380 economic incentive payments.

**MISCELLANEOUS DONATIONS FUNDS
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Police Donations	\$ 20,127	\$ 35,000	\$ 35,000	\$ 60,000
Fire Donations	8,664	4,000	4,000	2,000
Animal Control Donations	53,482	50,000	55,000	55,000
Library Donations	24,057	50,000	100,000	50,000
TOTAL REVENUES	\$ 106,330	\$ 139,000	\$ 194,000	\$ 167,000
Use of Reserves	-	20,000	-	28,000
TOTAL RESOURCES	\$ 106,330	\$ 159,000	\$ 194,000	\$ 195,000

EXPENDITURES	2015-16 ACTUAL	2016-17 BUDGET	2016-17 ESTIMATE	2017-18 PROPOSED
Police Donations	\$ 18,509	\$ 35,000	\$ 35,000	\$ 40,000
Fire Donations	4,180	4,000	4,000	5,000
Animal Control Donations	31,317	50,000	45,000	50,000
Library Donations	41,659	70,000	70,000	100,000
TOTAL EXPENDITURES	\$ 95,665	\$ 159,000	\$ 154,000	\$ 195,000

MAJOR BUDGET ITEMS

FY 2016-17	FY 2017-18
The Police Donations budget included \$30,000 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget includes \$50,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund includes \$4,000 for the Fire Museum, tactical paramedics, and public education programs. The Library Donation budget includes \$50,000 for various programs throughout the City's Libraries and a \$20,000 budget amendment.	The Police Donations budget includes \$40,000 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget includes \$50,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund includes \$5,000 for the Fire Museum, tactical paramedics, public education programs, and other programs. The Library Donation budget includes \$100,000 for various programs throughout the City's Libraries.

**GRANTS BUDGET
EXPENDITURE SUMMARY**

DESCRIPTION

The grants budget is a summary of local, state and federal grants awarded to the City of Denton. Grants are awarded to support programs in the City and are not funded with City resources.

GRANT NAME	GRANT YEAR	EXPIRATION DATE	GRANT AMOUNT	TYPE	UNSPENT AMOUNT
Community Development Block Grant	2015-16	-	879,638	Federal	409,667
Community Development Block Grant	2016-17	-	879,638	Federal	584,210
Community Development Block Grant	2017-18		899,772	Federal	899,772
Sub-Total CDBG			\$ 2,659,048		\$ 1,893,649
HOME Investment Partnership Grant	2013-14	-	366,719	Federal	100,743
HOME Investment Partnership Grant	2014-15	-	371,095	Federal	139,249
HOME Investment Partnership Grant	2015-16	-	336,406	Federal	160,359
HOME Investment Partnership Grant	2016-17	-	348,383	Federal	296,893
HOME Investment Partnership Grant	2017-18		349,516	Federal	349,516
Sub-Total HOME			\$ 1,772,119		\$ 1,046,759
TOTAL COMMUNITY DEVELOPMENT			\$ 4,431,167		\$ 2,940,408
TxDot STEP Comprehensive Grant	2017-18	9/30/2018	91,464	Federal	91,464
2016 UASI	2016-17	3/31/2019	130,000	Federal	130,000
2017 UASI	2017-18	3/31/2019	98,200	Federal	98,200
Emergency Management Performance Grant	2017-18	9/30/2017	46,825	Federal	46,825
2016 Tobacco Enforcement Grant	2017-18	8/31/2017	7,350	State	7,350
TOTAL PUBLIC SAFETY			\$ 373,839		\$ 373,839
Airport RAMP Grant	2017-18	8/31/2018	50,000	State	50,000
Mayhill Road IH35 East to US 380	2017-18	2019	45,336,453	State	33,197,821
Bonnie Brae Road IH35 East to US 377	2017-18	2019	46,153,351	State	39,579,553
US380 Western Blvd-Cindy Lane Traffic Signal	2016-17	Upon Completion	250,000	County	53,865
IH-35 & Lillian Miller Traffic Signal	2016-17	Upon Completion	250,000	County	37,000
RTR McKinney Street	2016-17	1/5/2027	18,267,303	State	18,267,303
Hickory Creek FM2181-FM2499	2015-16	1/26/2026	2,400,000	State	2,397,706
NCTCOG Regional HHW Drop-Off Facility Project	2016-17	Upon Completion	195,000	State	55,898
Bicycle & Pedestrian Projects Grant	2017-18	TBD	1,500,000	State	1,500,000
TOTAL TRANSPORTATION			\$ 114,402,107		\$ 95,139,146
Interlibrary Loan Program (ILL)	2017-18	9/30/2018	25,000	State	25,000
TIFMAS Traning Tuition Grant	2017-18	8/31/2018	10,000	State	10,000
TOTAL OTHER			\$ 35,000		\$ 35,000
GRAND TOTAL			\$ 119,242,113		\$ 98,488,393
Non- Capital Grants			4,840,006		3,349,247
Capital Grants			114,402,107		95,139,146
Grant Totals			\$ 119,242,113		\$ 98,488,393

**HUMAN SERVICES ADVISORY COMMITTEE
FUNDING**

Agency	FY 2016-17 Contributions	FY 2017-18 Requested	FY 2017-18 CDBG	FY 2017-18 General Fund
Boys and Girls Club of North Texas	6,200	7,560	-	-
Court Appointed Special Advocates (CASA)	20,000	20,000	-	20,000
City of Denton Parks and Recreation	-	63,720	27,500	-
Communities in Schools	20,000	24,000	-	21,200
Denton Christian Preschool	26,000	30,000	-	26,000
Denton City County Day School	-	40,000	36,600	-
Denton Community Health Clinic	25,250	65,000	-	30,000
Denton County Friends of the Family	5,000	35,000	35,000	-
Denton County Mental Health and Mental Retardation Center	22,000	22,000	-	15,000
Fred Moore Nursery School, Inc.	48,000	68,640	-	48,000
Giving Hope - Homeless Management Information System	9,000	18,000	-	-
Giving Hope Transitional Housing	28,000	35,000	-	26,500
Health Services of North Texas	31,180	60,000	-	45,000
Interfaith	5,000	20,000	-	5,000
Monsignor King Homeless Center	5,000	27,840	-	20,000
Opening Doors International	7,500	-	-	-
Retired Senior Volunteer Program	12,000	12,300	-	5,000
Retired Senior Volunteer Program Volunteers in Service to America (VISTA)	6,500	13,000	-	12,500
Salvation Army of Denton	-	20,000	20,000	-
Special Program for Aging Needs	3,370	25,000	12,845	10,155
Youth and Family Counseling	-	10,000	-	5,000
Homeless Leadership Team - Homeless Management Information System	-	-	-	18,000
SUBTOTAL	\$ 280,000	\$ 617,060	\$ 131,945	\$ 307,355
Community Development Support Costs	312,458	-	-	324,596
TOTAL	\$ 592,458	\$ 617,060	\$ 131,945	\$ 631,951

Note: Funding for the Children's Advocacy Center is \$144,897 and is reflected in the Police Department FY 2017-18 Proposed budget.



Tree Planting at North Lakes Park

Capital Improvement Program (CIP) Proposed Budget

The Capital Improvement Program (CIP) represents the City's plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities, as well as to assess the impact of capital projects on operating budgets and for project scheduling and coordination.

The CIP proposed budget appropriates all available programmed funds, planned funding from other sources, and planned issuances of new General Obligation Bonds (GOs), Certificates of Obligation (COs) and Revenue Bonds (RBs). Available programmed funds include unspent bond proceeds, internal revenue transfers and outside contributions. Internal revenue transfers and outside contributions comprise the bulk of planned other funding. Provided below is a summary of the total FY 2017-18 CIP proposed budget. Further CIP detail for planned issuances is provided in the following pages for each division.

DIVISION	TOTAL PROGRAMMED AVAILABLE ¹	PLANNED				TOTAL PROPOSED
		OTHER FUNDING	GO ISSUANCES ²	CO ISSUANCES ³	RB ISSUANCES	
General Government	\$ 166,939	\$ 1,400	\$ 25,190	\$ 13,335	\$ -	\$ 206,864
Electric	96,765	2,927	-	54,000	-	153,692
Water	39,960	20,240	-	11,000	-	71,200
Wastewater	37,285	6,276	-	8,350	-	51,911
Solid Waste	23,153	2,585	-	9,030	-	34,768
TOTAL	\$ 364,102	\$ 33,428	\$ 25,190	\$ 95,715	\$ -	\$ 518,435

Dollars in Thousands

¹Expected balance as of October 1, 2017 including approximately \$48 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill/Bonnie Brae project (\$30 million), and the McKinney Street project (\$18 million).

²Represents the fourth year of a six year bond program approved by voters in November 2014.

³Certificates of Obligation (COs) sold for the Electric, Water, Wastewater and Solid Waste are self-supporting from revenues associated with these operations.

EXECUTIVE SUMMARY – GENERAL GOVERNMENT PROPOSED CAPITAL IMPROVEMENT PROGRAM

The General Government FY 2018-2022 proposed five-year CIP includes projects for streets, transportation, drainage, flood control, airport, fire, parks, vehicles, and facilities. The decision to propose and ultimately build any capital project must consider the impact that the capital project will have on the operating budget. The operating impact of any capital project included in the CIP has been evaluated, and where necessary, resources were included in the budget to accommodate any associated expenses. Below are descriptions of the major CIP projects for FY 2017-18:

1. ***2014 Bond Election (Proposition 1) – Streets Projects***

The FY 2017-18 CIP includes \$7,500,000 for street reconstructions, \$7,500,000 for the Bonnie Brae Secondary Arterial from IH35E to North of Scripture, \$350,000 for miscellaneous sidewalks, \$600,000 for the design of Bonnie Brae Secondary Arterial from University to Windsor, \$4,990,000 for construction of the Ruddell Extension at Mingo Road, and \$400,000 for miscellaneous roadways.

2. ***2014 Bond Election (Proposition 2) – Public Safety Projects***

The FY 2017-18 CIP does not include any public safety projects. Funding for all public safety projects included in the 2014 Bond Election have been issued.

3. ***2014 Bond Election (Proposition 3) – Drainage Projects***

The FY 2017-18 CIP includes \$2,485,000 for the PEC-4 Drainage Improvements Phase 2 – West of Locust to Prairie, and \$100,000 for the design of South Bell Drainage System – Downtown Implementation Plan.

4. ***2014 Bond Election (Proposition 4) – Parks Projects***

The FY 2017-18 CIP includes \$450,000 for Playground Replacements, \$300,000 for Park Improvements, and \$515,000 for the Tennis Center Remodel and Expansion.

5. ***Vehicles***

The FY 2017-18 CIP includes \$3,490,000 in CO funded vehicle/equipment replacements.

6. ***Facilities***

The FY 2017-18 CIP includes \$1,500,000 for facility improvements related to Heating Ventilation and Air Conditioning (HVAC) systems, flooring and roof replacements of various City facilities.

7. ***Public Safety***

The FY 2017-18 CIP includes \$1,275,000 for construction of Fire Station #3.

8. ***Transportation***

The FY 2017-18 CIP includes \$3,560,000 for Airport runway/taxiway construction and reconstruction (\$3,200,000 for construction of the West Side Runway and \$360,000 for North Taxiway and existing runway reconstruction).

*Proposed Five-Year Capital Improvement Program
General Government
Cash Requirements
(In Thousands)*

CATEGORY	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
2014 Bond Election (Proposition 1) - Streets	21,340	10,140	11,940	-	-	43,420
2014 Bond Election (Proposition 3) - Drainage	2,585	705	-	-	-	3,290
2014 Bond Election (Proposition 4) - Parks	1,265	4,084	1,725	-	-	7,074
2020 GO Bond Program	-	-	-	16,000	16,000	32,000
General Obligation Bonds	25,190	14,929	13,665	16,000	16,000	85,784
General Government - Vehicle/Equipment Replacements	3,490	4,910	5,560	2,980	990	17,930
General Government - Facility Maintenance Program*	1,500	1,500	1,500	1,500	1,500	7,500
General Government - Fire Station 3 Construction	1,275	-	-	-	-	1,275
General Government - Airport Runway/Taxiway Construction & Reconstruction	3,560	60	435	300	-	4,355
Fleet - Vehicle Maintenance Facility/Vehicle Addition	3,510	-	-	-	-	3,510
Certificates of Obligation	13,335	6,470	7,495	4,780	2,490	34,570
Traffic Safety Fund - Replacement Signals (3)	1,200	-	-	-	-	1,200
General Fund - Bike Lanes	200	200	200	200	200	1,000
Revenue Funded	1,400	200	200	200	200	2,200
GRAND TOTAL	\$ 39,925	\$ 21,599	\$ 21,360	\$ 20,980	\$ 18,690	\$ 122,554
Revenue Funded	\$ 1,400					
General Obligation Bonds	25,190					
Certificates of Obligation	13,335					
GRAND TOTAL	\$ 39,925					
Planned Bond Sale	\$ 38,525					

*Facility Maintenance Program is for HVAC, Flooring, Roof Replacements and Facility Improvements.

Proposed Five-Year Capital Improvement Program
Electric
Cash Requirements
(In Thousands)

CATEGORY	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Automated Meter Reading	\$ 1,863	\$ 1,934	\$ 2,007	\$ 2,083	\$ 2,163	\$ 10,050
Building Construction	300	4,080	4,125	-	-	8,505
Communications Equipment	421	335	335	335	335	1,761
Contingency	600	600	600	600	600	3,000
Distribution System Upgrade	500	-	-	-	-	500
Distribution Substations	11,252	11,422	3,972	2,439	2,262	31,347
Distribution Transformers	3,191	3,345	3,506	3,675	3,853	17,570
Feeder Extensions & Improvements	15,644	14,440	12,341	7,565	7,090	57,080
New Residential & Commercial	6,369	6,689	7,022	7,355	7,705	35,140
Office Furniture/Computer/Equipment	50	-	-	-	-	50
Over to Under Conversions	350	368	386	405	425	1,934
Power Factor Improvement	213	216	227	237	248	1,141
Street Lighting	409	431	453	476	500	2,269
Tools & Equipment	120	91	92	93	94	490
Vehicles	1,389	2,528	2,316	643	669	7,545
Subtotal - Distribution	42,671	46,479	37,382	25,906	25,944	178,382
Transmission Lines	27,980	19,480	10,540	17,600	23,400	99,000
Transmission Substation	30,135	28,195	7,690	10,230	15,150	91,400
Subtotal - Transmission	58,115	47,675	18,230	27,830	38,550	190,400
GRAND TOTAL	\$ 100,786	\$ 94,154	\$ 55,612	\$ 53,736	\$ 64,494	\$ 368,782
Revenue Funded	\$ 2,927					
Certificates of Obligation	97,859					
GRAND TOTAL	\$ 100,786					
Planned Bond Sale	\$ 54,000					

Proposed Five-Year Capital Improvement Program
Water
Cash Requirements
(In Thousands)

CATEGORY	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Booster Station	\$ 380	\$ 4,000	\$ 350	\$ -	\$ -	\$ 4,730
Field Services Replacement	1,434	1,409	1,451	1,522	1,428	7,244
Miscellaneous	-	3,750	3,750	3,750	3,750	15,000
Office Furniture/Computer/Equip	-	-	50	-	-	50
Oversize Lines	200	200	200	200	200	1,000
Replacement Lines	3,780	3,810	2,000	2,000	2,000	13,590
Taps, Fire Hydrants, Meters	1,276	1,335	1,394	1,453	1,513	6,971
Tools & Equipment	10	10	10	270	10	310
Transmission Lines	12,260	1,300	5,090	10,600	-	29,250
Plant Improvements	13,470	11,600	6,000	150	-	31,220
Vehicles	340	499	773	322	199	2,133
GRAND TOTAL	\$ 33,150	\$ 27,913	\$ 21,068	\$ 20,267	\$ 9,100	\$ 111,498
Revenue Funded	\$ 20,240					
Certificates of Obligation	12,910					
GRAND TOTAL	\$ 33,150					
Planned Bond Sale	\$11,000					

*Proposed Five-Year Capital Improvement Program
Wastewater
Cash Requirements
(In Thousands)*

CATEGORY	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Collection System Upgrade	\$ 5,811	\$ 7,027	\$ 2,655	\$ 2,675	\$ 60	\$ 18,228
Drainage Improvements	981	1,200	1,191	1,585	876	5,833
Field Services Replacement	2,644	2,882	2,290	2,299	2,308	12,423
Liftstation Improvements	558	208	8	8	8	790
Miscellaneous	580	260	260	260	260	1,620
Oversize Lines	200	200	200	200	200	1,000
Replace Lines	290	735	50	50	50	1,175
Taps, Fire Hydrants, Meters	80	82	85	87	90	424
Tools & Equipment	70	40	10	10	10	140
Wastewater Effluent Reuse	25	25	25	25	25	125
Plant Improvements	155	1,130	130	130	130	1,675
Vehicles	972	1,009	1,305	1,450	1,090	5,826
GRAND TOTAL	\$ 12,366	\$ 14,798	\$ 8,209	\$ 8,779	\$ 5,107	\$ 49,259
Revenue Funded	\$ 6,276					
Certificates of Obligation	6,090					
GRAND TOTAL	\$ 12,366					
Planned Bond Sale	\$ 8,350					

Proposed Five-Year Capital Improvement Program
Solid Waste
Cash Requirements
(In Thousands)

CATEGORY	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Administration	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 300
Residential Collections	550	300	300	300	300	1,750
Commercial Collections	650	400	450	450	450	2,400
Disposal and Treatment Operation	3,575	2,425	825	1,675	1,125	9,625
Site Operations	3,911	600	200	200	200	5,111
Equipment	882	1,725	2,700	1,500	1,580	8,387
Vehicles	1,747	2,998	2,766	2,927	2,760	13,198
GRAND TOTAL	\$ 11,615	\$ 8,448	\$ 7,241	\$ 7,052	\$ 6,415	\$ 40,771
Revenue Funded	\$ 2,585					
Certificates of Obligation	9,030					
GRAND TOTAL	\$ 11,615					
Planned Bond Sale	\$ 9,030					