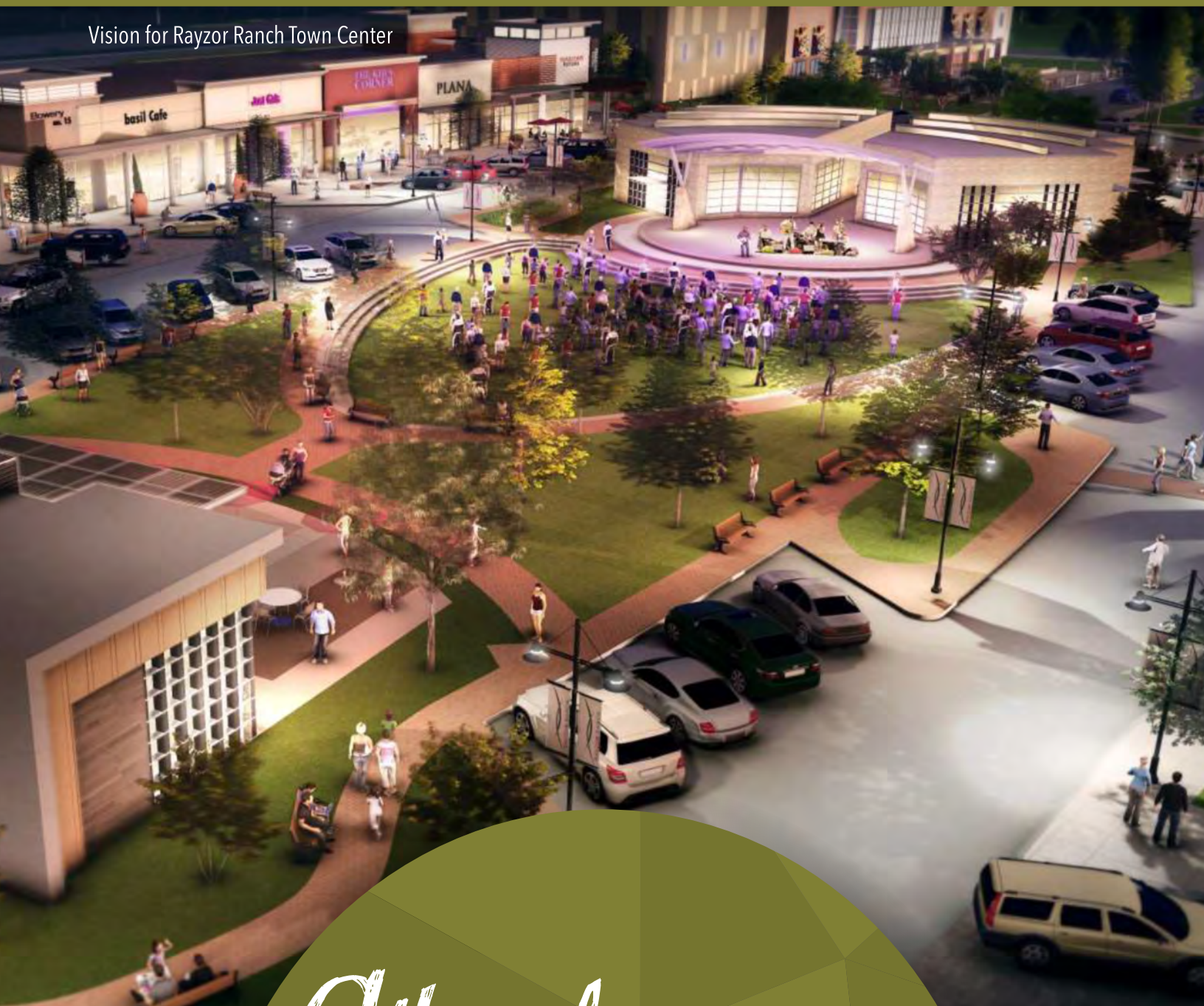


Vision for Rayzor Ranch Town Center



City of
Denton, Texas

About This Quarterly Financial Report

This report has been prepared by the City of Denton's Finance Department. The Quarterly Financial Report is intended to provide our users (internal and external) with information regarding the City's financial position and economic activity. This report includes information for the quarter ending June 30, 2017.

This report is presented in six sections.

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

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

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

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

Section 1

City of Denton
Quarterly Financial Report
June 2017

Executive Dashboards



City of Denton, Texas

General Fund Executive Dashboard



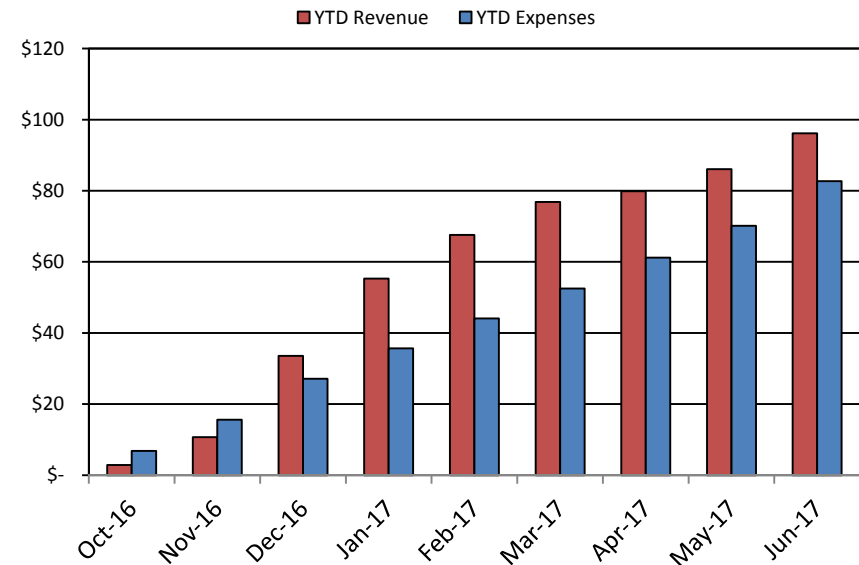
DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Fund Balance as of 09/30/16	\$ 27.37	\$ 28.17	
RESOURCES:			
Ad Valorem Taxes	43.15	43.15	0%
Sales Tax	32.84	36.03	10%
Franchise Fees	5.61	5.61	0%
Other Taxes	0.35	0.38	9%
Service Fees	7.93	7.92	0%
Fines and Fees	4.11	3.84	-7%
Licenses and Permits	2.96	2.49	-16%
Miscellaneous Revenue	1.58	1.80	14%
Transfers In	15.80	16.91	7%
Total Revenues	114.33	118.13	3%
Total Resources	141.70	146.30	
EXPENDITURES:			
Personal Service	81.85	80.02	-2%
Material and Supplies	2.81	2.81	0%
Maintenance and Repairs	2.99	2.99	0%
Insurance	1.08	1.08	0%
Miscellaneous	1.11	1.11	0%
Operations	14.01	14.95	7%
Transfers Out	10.41	14.62	40%
Fixed Assets	0.55	0.55	0%
Total Expenditures	114.81	118.13	3%
Net Income (Loss)	(0.48)	-	
Ending Fund Balance	\$ 26.89	\$ 28.17	

Key Trends

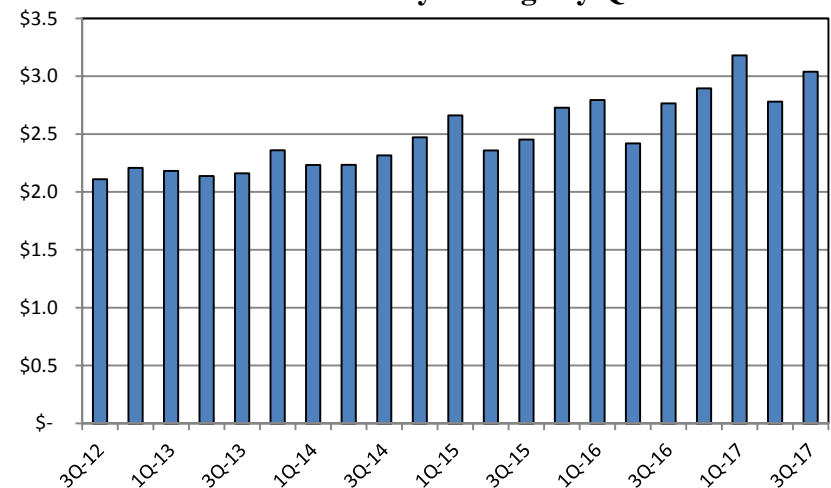
- Sales Tax revenues are projected \$3.19M higher than budget due to stronger collections in the third quarter.
- Licenses and Permits revenues are projected \$0.47M less than budget due to lower collections of Building Permits and Food Handler Permits.
- Transfers In are projected \$1.11M higher than budget due to return of Risk Retention contributions.
- Personal Service expenditures are projected \$1.83M lower than budget due to Position Savings.
- Operations expenditures are projected \$0.94M higher than budget due to the timing of 380 Sales Tax Agreements.
- Transfers Out are projected \$4.21M higher than budget due to Transfers to Capital Projects. A budget amendment will be presented to Council in September 2017.

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

Revenue & Expenses (in Millions)



Sales Tax Monthly Average by Quarter



Note: All figures presented are in millions of dollars.

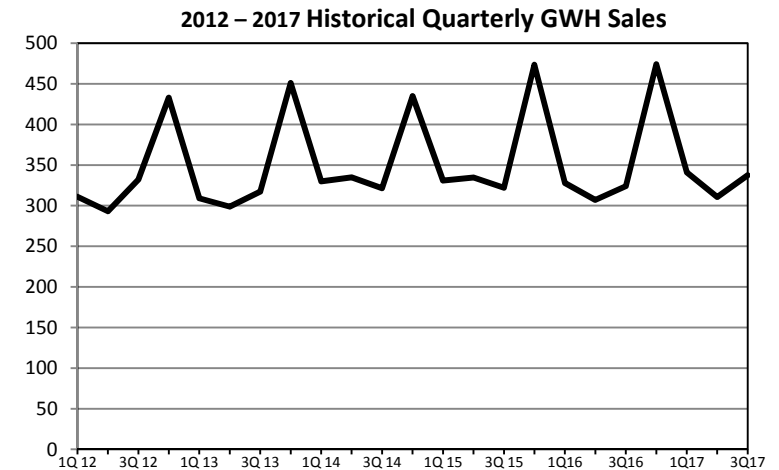
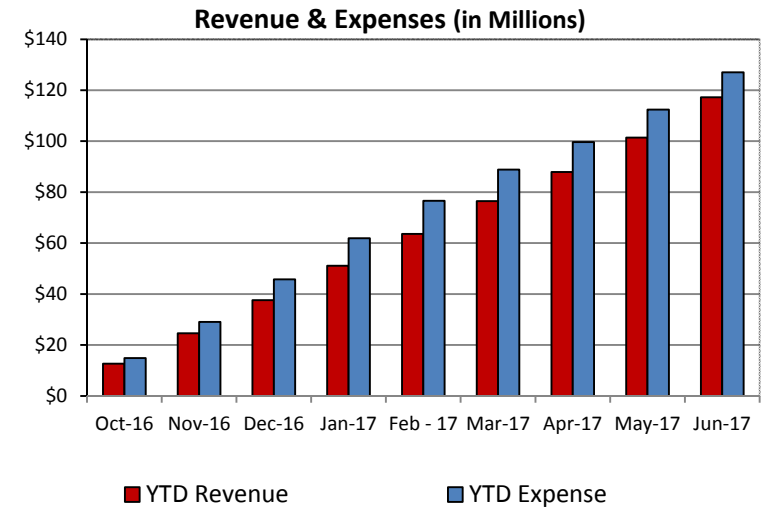


City of Denton, Texas

Electric Fund Executive Dashboard



DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTIONS	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 9/30/16	\$ 68.18	\$ 76.00	
RESOURCES:			
Operating Revenues	176.68	182.18	3%
Non-operating Revenues	0.30	0.60	100%
Total Revenues	176.98	182.78	3%
Total Resources	245.16	258.78	
EXPENDITURES:			
Purchased Power	85.37	97.67	14%
Operation and Maintenance	44.37	45.18	2%
Non-Operating Expenditures	43.67	43.66	0%
Total Expenditures	173.41	186.51	8%
Net Income (Loss)	3.57	(3.73)	
Ending Working Capital and Reserves	\$ 71.75	\$ 72.27	



Key Trends

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

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

Note: All figures presented are in millions of dollars.

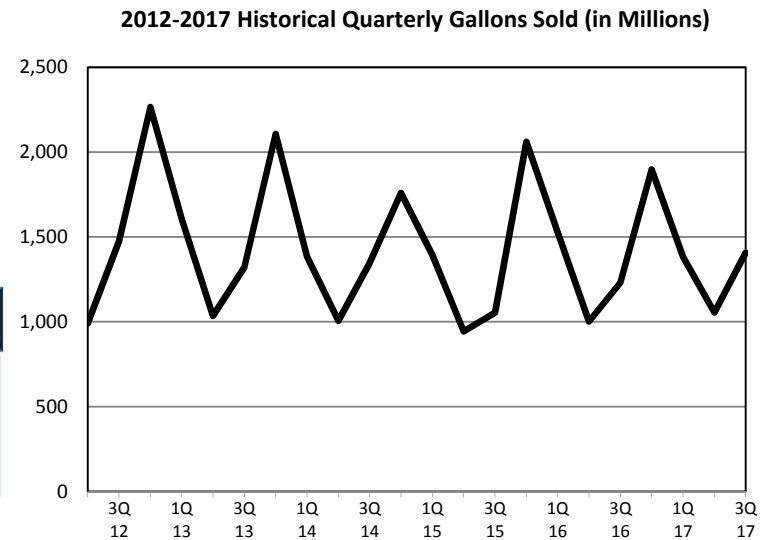
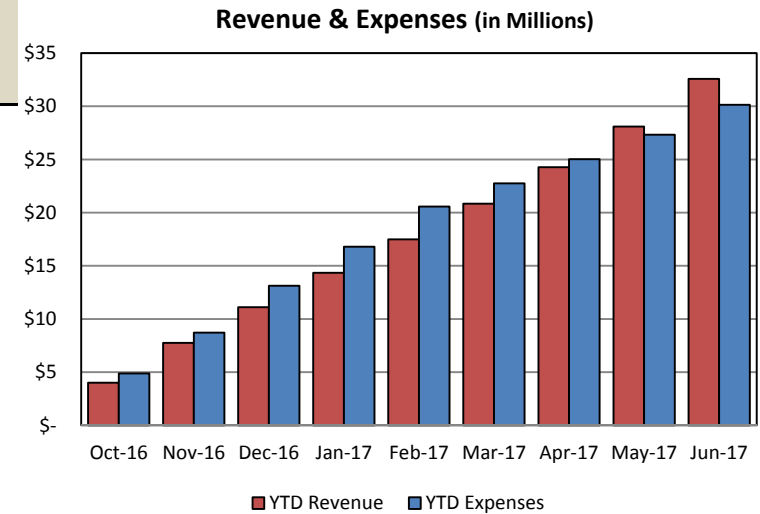


City of Denton, Texas

Water Fund Executive Dashboard



DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16²	\$ 25.60	\$ 24.15	
RESOURCES:			
Water Sales	37.34	35.53	-5%
Other Water Revenues	0.94	0.94	0%
Transfers In	6.50	5.74	-12%
Impact Fee Revenue	4.00	4.00	0%
Total Revenues	48.78	46.21	-5%
Total Resources	74.38	70.36	
EXPENDITURES:			
Personal Service	11.55	11.06	-4%
Operations, Services	11.89	10.73	-10%
Capital Outlay ³	13.21	13.06	-1%
Debt Service	11.54	11.20	-3%
Transfers Out	3.59	3.46	-4%
Total Expenditures	51.78	49.51	-4%
Net Income (Loss)	(3.00)	(3.30)	
Ending Working Capital and Reserves	\$ 22.60	\$ 20.85	



Key Trends

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

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

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

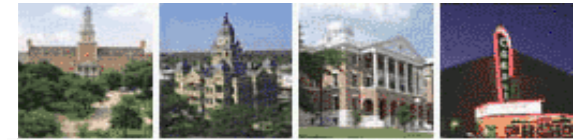
³Includes one-time transfer of \$3.0 million to Capital Projects using dollars related to the refunding of the Utility Revenue Bonds in FY 2016 and the release of the related reserve funds.

Note: All figures presented are in millions of dollars.



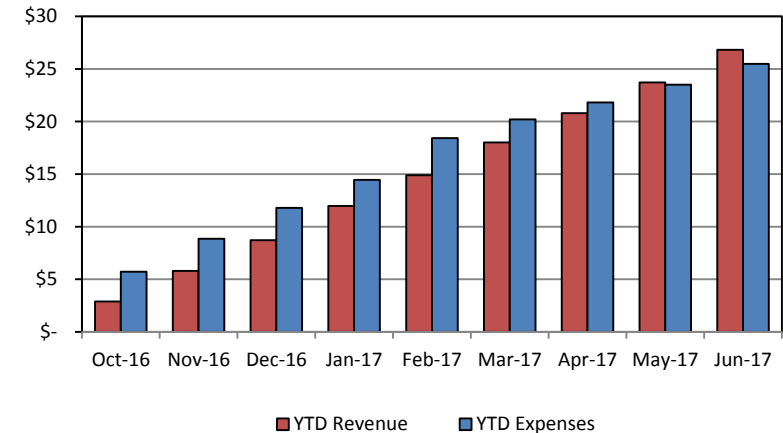
City of Denton, Texas

Wastewater Fund Executive Dashboard

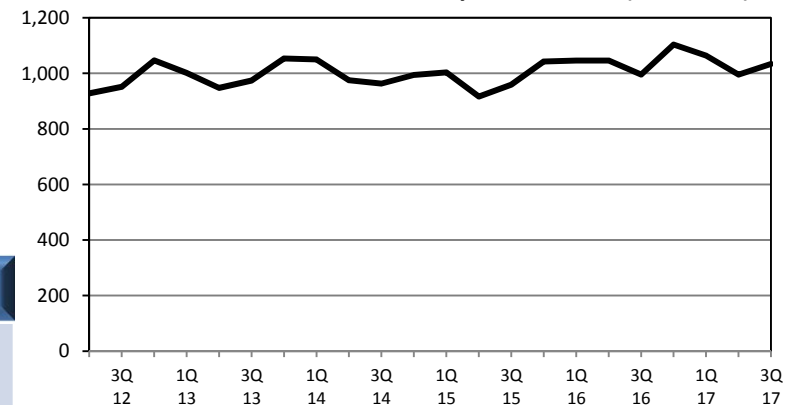


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16 ²	\$ 18.08	\$ 18.11	
RESOURCES:			
Wastewater Fees	23.42	23.63	1%
Other Wastewater Revenue	1.88	1.81	-4%
Drainage Fees	4.60	4.58	0%
Transfer In	0.88	0.60	-32%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

Revenue & Expenses (in Millions)



2012-2017 Historical Quarterly Gallons Billed (in Millions)



Key Trends

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

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

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

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

Note: All figures presented are in millions of dollars.



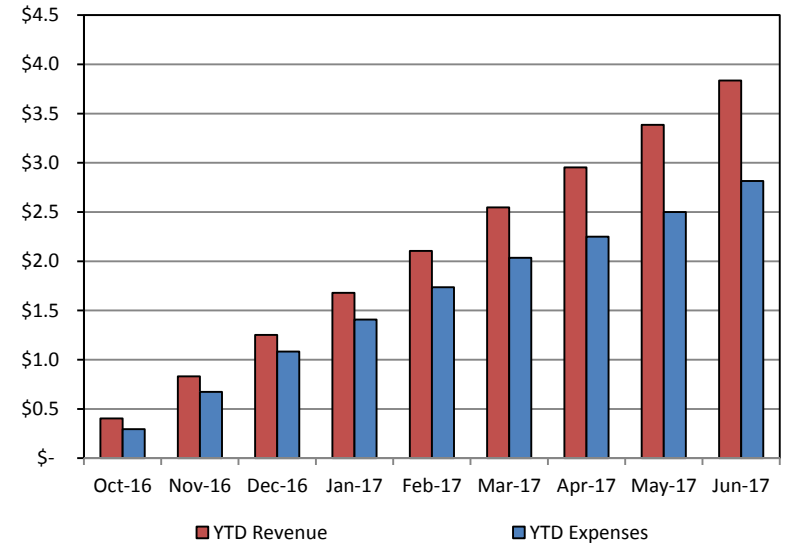
City of Denton, Texas

Drainage Operations Executive Dashboard



Revenue & Expenses (in Millions)

DESCRIPTION	FY 2016-17 ANNUAL BUDGET	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
REVENUES:			
Residential Drainage Fees	\$ 1.70	\$ 1.74	2%
Nonresidential Drainage Fees	2.90	2.84	-2%
Wastewater Resources	0.02	0.06	200%
General Fund Transfer	0.50	0.50	0%
Total Revenues	5.12	5.14	0%
EXPENDITURES:			
Personal Service	1.86	1.61	-13%
Operations, Services	0.86	0.84	-2%
Capital Outlay	1.13	1.45	28%
Debt Service	0.64	0.64	0%
Transfer Out	0.63	0.60	-5%
Total Expenditures	5.12	5.14	0%
Net Income (Loss)	\$ -	\$ -	



Key Trends

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

Note: All figures presented are in millions of dollars.



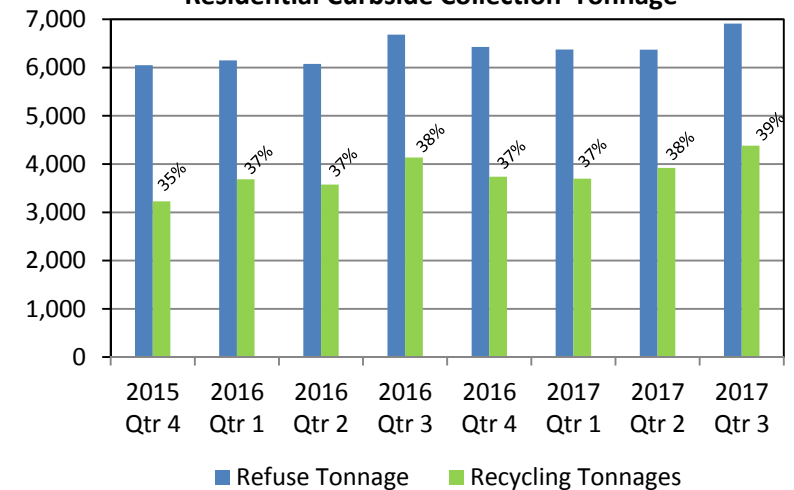
City of Denton, Texas

Solid Waste Fund Executive Dashboard

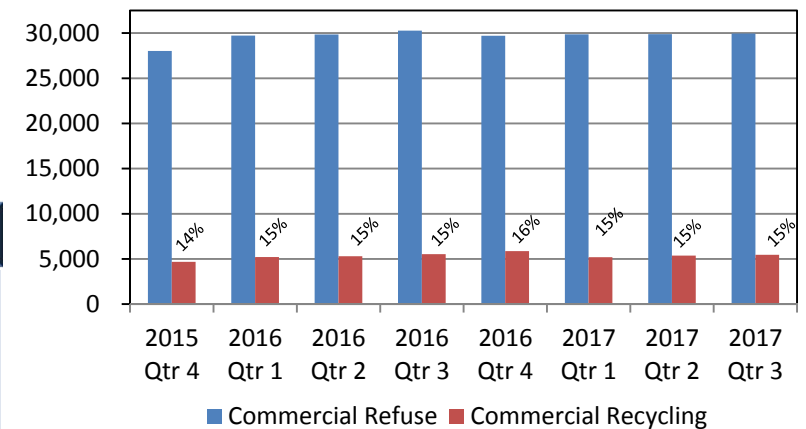


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16²	\$ 6.04	\$ 7.76	
RESOURCES:			
Collection & Disposal	34.22	32.85	-4%
Recycling	0.85	0.86	1%
Other Revenue	1.78	0.80	-55%
Total Revenues	36.85	34.51	-6%
Total Resources	42.89	42.27	
EXPENDITURES:			
Personal Service	11.40	10.53	-8%
Operations, Services	11.40	10.58	-7%
Capital Outlay	3.17	2.56	-19%
Debt Service	8.14	8.08	-1%
Transfer Out	2.70	2.70	0%
Total Expenditures	36.81	34.45	-6%
Net Income (Loss)	0.04	0.06	
Ending Working Capital and Reserves	\$ 6.08	\$ 7.82	

Residential Curbside Collection Tonnage



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



Key Trends

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

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

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

Note: All figures presented are in millions of dollars.



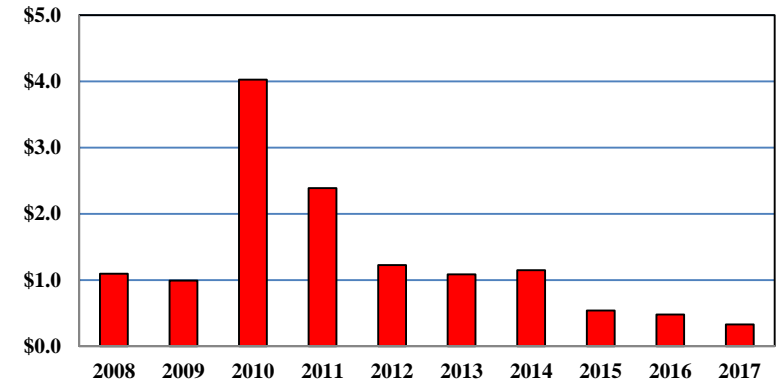
City of Denton, Texas

Airport Fund Executive Dashboard

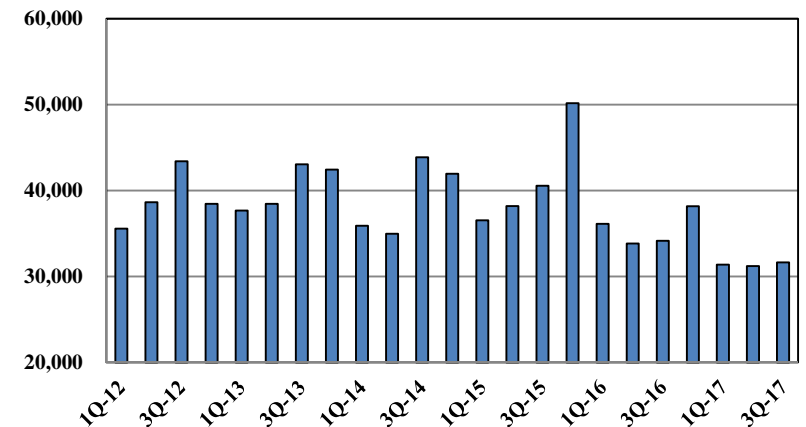


DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Working Capital and Reserves as of 09/30/16	\$ 2.45	\$ 2.48	
RESOURCES:			
Airport Ground Leases	0.70	0.63	-10%
FBO Commissions	0.24	0.20	-17%
Miscellaneous	0.06	0.08	33%
Total Operating Revenues	1.00	0.91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

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



AIRPORT OPERATIONS BY QUARTER
(takeoff or landing)



Key Trends

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

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

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

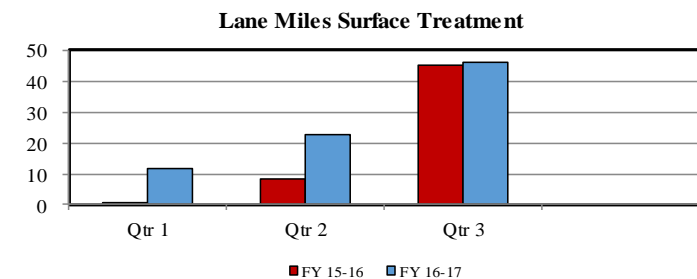
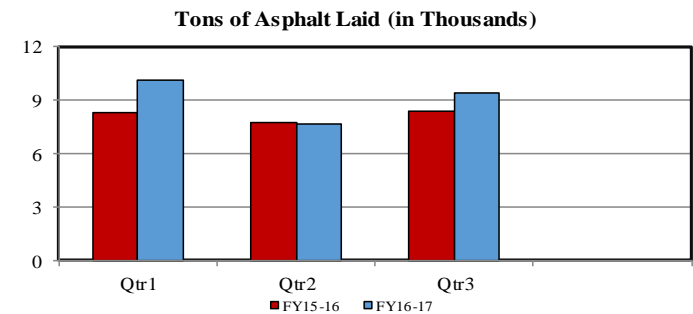
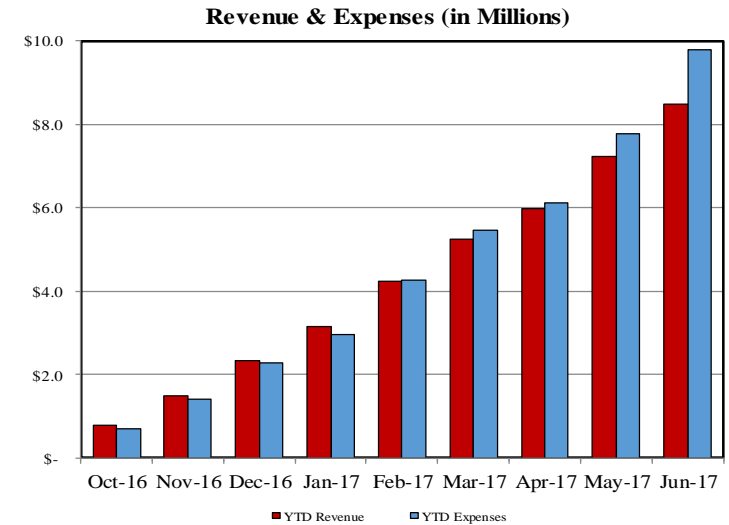


City of Denton, Texas

Street Improvement Fund Executive Dashboard



DESCRIPTION	FY 2016-17 ANNUAL BUDGET ¹	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
Beginning Fund Balance as of 09/30/2016	\$ 1.52	\$ 1.80	
RESOURCES:			
Franchise Fees	11.61	11.42	-2%
Street Cuts	0.35	0.35	0%
Investment Income	0.01	0.01	0%
Transfers In	1.00	1.00	0%
Total Revenues	12.97	12.78	-1%
Total Resources	14.49	14.58	
EXPENDITURES:			
Personal Service	3.84	3.31	-14%
Materials & Supplies	0.08	0.08	0%
Maintenance & Repairs	7.95	8.13	2%
Operations, Services	0.69	0.68	-1%
Transfer Out	0.76	1.12	47%
Total Expenditures	13.32	13.32	0%
Net Income (Loss)	(0.35)	(0.54)	
Ending Fund Balance	\$ 1.17	\$ 1.26	



Key Trends

- Personal Services are projected to be lower than budget due to position vacancies.
- Transfers Out are projected to be over budget due to an increase in Capital Outlay.

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

Note: All figures presented are in millions of dollars.



City of Denton, Texas

Grants Dashboard



DESCRIPTION	FY 2016-17 GRANT AMOUNT	FY 2016-17 ANNUAL PROJECTION	FY 2016-17 VARIANCE
2016-17 Budget			
Comm Development ¹	\$ 2.14	\$ 1.10	-49%
Public Safety	0.37	0.37	0%
Parks & Recreation	1.51	1.31	-13%
Airport ¹	6.00	0.73	-88%
Solid Waste	0.95	0.95	0%
Transportation	0.16	0.16	0%
Other	0.03	0.03	0%
Total Budget	11.16	4.65	-58%
New Awards			
Comm Development	0.13	0.12	-8%
Public Safety	0.14	0.14	0%
Solid Waste	0.19	0.19	0%
Transportation ¹	98.24	6.13	-94%
Other	0.75	0.75	0%
Total New Awards	99.45	7.33	-93%
Totals	\$ 110.61	\$ 11.98	-89%

Key Trends

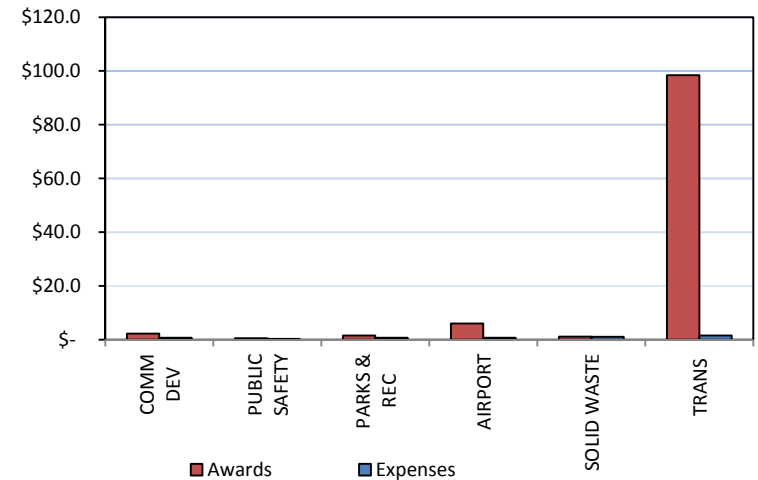
The following grants have been received in FY 2016-17:

- Community Development -Emergency Solutions Grant: \$133,832
- 2015 UASI: \$44,672
- Federal Equitable Sharing: \$23,467
- Chapter 59 Asset Forfeitures: \$59,555
- U.S. Marshals Violent Offenders Task Force: \$13,717

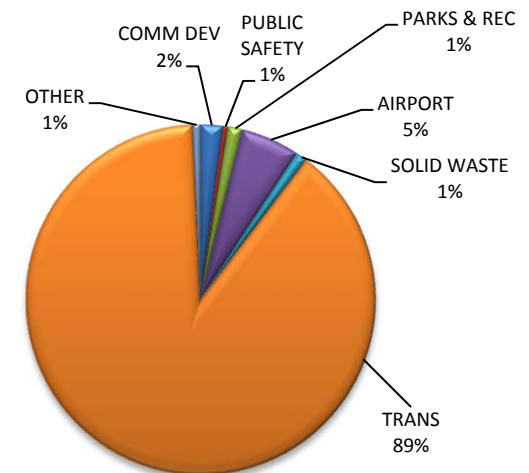
- NCTCOG HHW Drop-Off Facility Project: \$192,311
- Transportation Project: \$98,242,276
- Farmer's Market Program: \$14,394
- TIFMAS Training Tuition: \$7,890
- National Urban Search & Rescue Response System: \$26,762
- Ambulance Services: \$700,250

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

FY 2016-17 Awards & Expenses (in Millions)



FY 2016-17 Grants Awarded



Note: All figures presented are in millions of dollars.

Section 2

City of Denton Quarterly Financial Report June 2017

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

FINANCIAL SUMMARY

City of Denton
General Fund
Schedule of Revenues - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

REVENUE DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
Current Year - Ad Valorem	\$ 39,722,322	\$ 42,506,508	\$ 43,115,876	\$ 42,506,508	\$ 42,506,508	0%
Delinquent - Ad Valorem	14,994	183,112	215,746	277,443	277,443	0%
Miscellaneous Penalties & Fees	222,467	279,278	295,024	362,184	362,184	0%
Ad Valorem Taxes	39,959,783	42,968,898	43,626,646	43,146,135	43,146,135	0%
Sales Tax	23,939,870	24,629,811	27,001,092	32,835,370	36,027,994	10%
Franchise - Gas Utilities	238,793	297,700	273,906	485,262	485,262	0%
Franchise - Private Electric Utilities	91,474	36,454	58,872	138,651	138,651	0%
Franchise - Cable	317,099	328,444	249,595	546,133	546,133	0%
Franchise - Telecom	169,433	109,100	196,176	248,970	248,970	0%
Franchise - Denton Municipal Utilities	3,133,554	2,706,565	2,810,007	4,187,833	4,187,833	0%
Franchise Fees	3,950,353	3,478,263	3,588,556	5,606,849	5,606,849	0%
Other Taxes	202,550	175,236	310,818	350,474	380,000	8%
Ambulance Service Fees	2,075,597	2,089,462	2,044,177	3,470,290	3,776,073	9%
Fire Department Fees	131,264	143,570	138,102	191,427	191,427	0%
Building Inspections Fees	405,754	374,685	364,650	505,723	546,913	8%
Park Department Fees	1,090,158	1,272,164	1,072,611	2,319,956	2,050,524	-12%
Planning Department Fees	1,002,330	916,134	565,233	1,221,418	1,141,440	-7%
Reprographics Fees	266,741	88,851	249,000	118,450	92,000	-22%
Miscellaneous Service Fees	90,229	80,680	84,482	107,573	120,990	12%
Service Fees	5,062,073	4,965,546	4,518,255	7,934,837	7,919,367	0%
Denton Municipal Fines	1,224,890	1,390,872	1,154,724	1,854,494	1,614,208	-13%
Parking Fines	223,505	145,238	201,020	193,650	240,000	24%
Miscellaneous Fines and Fees	704,873	757,507	680,709	1,040,653	1,040,653	0%
Court Administrative and Service Fees	707,540	728,791	703,901	1,020,445	950,000	-7%
Fines and Fees	2,860,808	3,022,408	2,740,354	4,109,242	3,844,861	-6%
Demolition Permits	5,605	7,413	5,035	9,884	9,884	0%
Building Permits	2,275,667	2,111,903	1,799,444	2,821,470	2,344,940	-17%
Certificate of Occupancy	62,295	68,140	58,425	90,854	90,854	0%
Miscellaneous Licenses and Permits	35,933	32,034	39,570	42,708	42,708	0%
Licenses and Permits	2,379,500	2,219,490	1,902,474	2,964,916	2,488,386	-16%
Investment Income	230,352	203,655	309,572	271,541	425,000	57%
Miscellaneous Revenues	993,112	698,171	951,148	1,311,568	1,379,254	5%
Miscellaneous Resources	1,223,464	901,826	1,260,720	1,583,109	1,804,254	14%
ROI - Denton Municipal Utilities	4,881,286	5,556,747	5,174,277	7,722,165	7,859,381	2%
Transfers	5,973,038	6,061,342	6,050,783	8,081,468	9,054,230	12%
Transfers	10,854,324	11,618,089	11,225,060	15,803,633	16,913,611	7%
Total General Fund Revenues	\$ 90,432,725	\$ 93,979,567	\$ 96,173,975	\$ 114,334,565	\$ 118,131,457	3%

City of Denton
General Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION ¹	BUDGET VS PROJECTION
NEIGHBORHOOD SERVICES						
Building Inspections	\$ 1,855,920	\$ 2,246,388	\$ 2,204,999	\$ 2,994,768	\$ 2,994,768	0%
Community Improvement Services	1,104,527	1,393,024	1,282,621	1,857,104	1,857,104	0%
Libraries	4,126,555	4,425,820	4,404,528	5,900,271	5,900,271	0%
Parks and Recreation	8,092,700	10,242,073	8,786,937	13,529,169	13,529,169	0%
Planning	1,720,696	2,615,725	2,153,562	3,325,569	3,325,569	0%
Gas Well Review	194,271	301,837	135,222	402,389	402,389	0%
Social Services	374,421	444,411	423,437	592,458	592,458	0%
	<u>17,469,090</u>	<u>21,669,278</u>	<u>19,391,306</u>	<u>28,601,728</u>	<u>28,601,728</u>	<u>0%</u>
PUBLIC SAFETY						
Animal Services	1,025,917	1,124,995	1,029,705	1,499,776	1,499,776	0%
Fire	18,060,936	20,549,505	20,369,858	27,395,360	27,395,360	0%
Municipal Court	967,491	1,039,358	998,782	1,385,603	1,385,603	0%
Municipal Judge	260,971	327,100	292,683	436,068	436,068	0%
Police	19,549,715	22,395,885	22,136,101	29,856,911	29,856,911	0%
	<u>39,865,030</u>	<u>45,436,843</u>	<u>44,827,129</u>	<u>60,573,718</u>	<u>60,573,718</u>	<u>0%</u>
TRANSPORTATION						
Traffic Operations	1,282,394	1,563,935	1,331,808	2,084,963	2,084,963	0%
Transportation Operations	300,838	368,520	350,690	491,286	491,286	0%
Street Lighting	539,997	551,324	595,111	735,000	735,000	0%
	<u>2,123,229</u>	<u>2,483,779</u>	<u>2,277,609</u>	<u>3,311,249</u>	<u>3,311,249</u>	<u>0%</u>
ADMINISTRATIVE & COMMUNITY SERVICES						
Cable Television	217,453	248,372	225,801	331,111	331,111	0%
City Manager's Office	1,996,384	2,194,550	2,087,284	2,926,197	2,926,197	0%
Economic Development	1,776,597	2,653,569	2,397,371	3,537,603	4,485,674	27%
Facilities Management	2,559,398	3,020,210	2,762,786	4,026,387	4,026,387	0%
Finance	1,994,574	2,161,098	2,137,511	2,881,060	2,881,060	0%
Human Resources	1,241,549	1,280,114	1,241,071	1,706,585	1,706,585	0%
Internal Audit	45,934	131,268	92,709	175,000	175,000	0%
Legal Administration	1,505,965	1,726,838	1,585,636	2,302,138	2,302,138	0%
Public Communications Office	506,672	354,210	332,450	472,214	472,214	0%
Reprographics	317,236	352,792	323,723	470,320	470,320	0%
Non-Departmental	3,406,296	2,499,370	3,032,960	3,493,620	5,869,440	68%
	<u>15,568,058</u>	<u>16,622,391</u>	<u>16,219,302</u>	<u>22,322,235</u>	<u>25,646,126</u>	<u>15%</u>
TOTAL EXPENDITURES	<u>\$ 75,025,407</u>	<u>\$ 86,212,291</u>	<u>\$ 82,715,346</u>	<u>\$ 114,808,930</u>	<u>\$ 118,132,821</u>	<u>3%</u>

¹A budget amendment will be presented to Council in September 2017.

City of Denton
Electric Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 9/30/16				\$ 68,175,554	\$ 75,996,851	
REVENUES:						
Operating Revenues	\$ 113,747,696	\$ 119,312,475	\$ 116,739,383	176,682,488	182,178,918	3%
Non-operating Revenues	293,107	212,347	504,335	300,000	600,000	100%
Total Revenues	114,040,803	119,524,822	117,243,718	176,982,488	182,778,918	3%
EXPENDITURES:						
Purchased Power	63,293,391	57,278,437	65,219,940	85,369,586	97,667,609	14%
Operation and Maintenance	23,841,945	32,421,223	26,217,775	44,366,611	45,183,517	2%
Return on Investment	3,456,682	3,904,810	3,669,422	5,506,335	5,700,995	4%
Franchise Fee	4,930,101	5,573,547	5,233,561	7,866,192	8,144,279	4%
Non-Operating Expenditures	27,020,478	27,243,654	26,696,154	30,299,596	29,812,180	-2%
Total Expenditures	122,542,597	126,421,671	127,036,852	173,408,320	186,508,580	8%
Net Income (Loss)	\$ (8,501,794)	\$ (6,896,849)	\$ (9,793,134)	3,574,168	(3,729,662)	
Ending Working Capital and Reserves				\$ 71,749,722	\$ 72,267,189	

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

City of Denton

Water Fund

Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 25,598,287	\$ 24,150,381	
REVENUES:						
Water Sales Residential	\$ 10,821,179	\$ 12,367,640	\$ 11,893,723	19,449,831	18,420,786	-5%
Water Sales Commercial	10,883,248	11,795,779	11,086,735	17,335,218	16,557,548	-4%
Water for Resale	469,404	417,857	688,743	548,878	551,171	0%
Other Water	837,278	561,801	963,588	794,235	791,612	0%
Transfers In	4,640,661	4,880,256	4,799,681	6,507,009	5,739,076	-12%
Investment Income	57,814	111,000	152,385	148,000	148,000	0%
Impact Fee Revenue	3,000,400	3,000,000	3,000,400	4,000,000	4,000,000	0%
Total Revenues	30,709,984	33,134,333	32,585,255	48,783,171	46,208,193	-5%
EXPENDITURES:						
Personal Service	6,722,104	8,121,804	7,324,109	11,555,215	11,061,897	-4%
Purchased Power	927,384	1,208,278	874,532	1,687,487	1,514,562	-10%
Purchase of Water	-	-	-	-	-	0%
Materials and Supplies	1,006,221	1,264,176	1,051,457	1,857,581	1,668,760	-10%
Maintenance and Repairs	755,123	989,902	1,211,828	1,593,468	1,482,487	-7%
Insurance	173,473	179,212	179,212	238,949	238,949	0%
Miscellaneous	241,834	227,992	257,392	305,115	308,297	1%
Operations, Services	1,344,098	2,322,592	1,467,804	2,994,203	2,429,435	-19%
Capital Outlay ³	5,556,740	8,401,846	2,497,575	13,210,449	13,055,949	-1%
Return on Investment	794,544	903,928	841,606	1,334,486	1,271,239	-5%
Franchise Fee	1,135,063	1,274,897	1,202,295	1,882,155	1,816,056	-4%
Debt Service	12,937,380	8,651,378	10,522,450	11,535,170	11,195,412	-3%
Transfers Out	2,534,003	2,691,311	2,708,816	3,588,413	3,464,156	-3%
Total Expenditures	34,127,967	36,237,316	30,139,076	51,782,691	49,507,199	-4%
Net Income (Loss)	\$ (3,417,983)	\$ (3,102,983)	\$ 2,446,179	(2,999,520)	(3,299,006)	
Ending Working Capital and Reserves				\$ 22,598,767	\$ 20,851,375	

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

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

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

City of Denton
Wastewater Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTIONS
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 18,083,783	\$ 18,107,040	
REVENUES:						
Residential Fees	\$ 8,146,342	\$ 8,370,320	\$ 8,744,949	11,188,269	11,005,783	-2%
Commercial Fees	8,730,599	8,433,688	9,037,102	11,592,297	11,914,171	3%
Effluent Irrigation Fees	75,269	35,357	73,378	60,413	60,180	0%
Wholesale Fees	462,733	430,578	470,497	582,400	659,818	13%
Other Wastewater Fees	2,574,206	1,259,039	1,501,584	1,757,866	1,707,096	-3%
Drainage Fees	3,359,584	3,427,545	3,482,539	4,601,201	4,582,114	0%
Transfer In	711,981	656,864	760,614	875,819	596,799	-32%
Investment Income	54,834	89,625	110,966	119,500	96,000	-20%
Impact Fee Reserves	1,500,200	2,640,000	2,640,352	3,520,000	3,520,000	0%
Total Revenues	25,615,748	25,343,016	26,821,981	34,297,765	34,141,961	0%
EXPENDITURES:						
Personal Service	5,157,808	5,735,606	5,555,568	8,237,275	7,498,269	-9%
Purchased Power	923,233	732,130	719,890	946,000	1,021,000	8%
Materials and Supplies	547,526	868,664	705,550	1,489,447	1,249,741	-16%
Maintenance and Repairs	839,487	1,106,200	794,181	1,623,270	1,529,560	-6%
Insurance	185,741	140,757	140,757	187,676	187,676	0%
Miscellaneous	42,911	48,452	45,016	52,608	54,645	4%
Operations, Services	1,619,367	1,686,942	1,355,074	2,437,777	2,277,045	-7%
Capital Outlay ³	2,612,465	8,300,650	5,522,948	11,067,533	11,390,198	3%
Return on Investment	630,059	651,064	663,248	881,344	887,147	1%
Franchise Fee	900,085	930,090	947,498	1,259,062	1,267,352	1%
Debt Service	7,309,528	5,182,448	6,482,606	6,909,931	6,817,877	-1%
Transfers Out	2,571,304	2,627,714	2,551,965	3,503,618	3,277,434	-6%
Total Expenditures	23,339,514	28,010,717	25,484,301	38,595,541	37,457,944	-3%
Net Income (Loss)	\$ 2,276,234	\$ (2,667,701)	\$ 1,337,680	(4,297,776)	(3,315,983)	
Ending Working Capital and Reserves				\$ 13,786,007	\$ 14,791,057	

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

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

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

City of Denton
Drainage Operations
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
REVENUES:						
Residential Drainage Fees	\$ 1,285,657	\$ 1,272,887	\$ 1,319,369	\$ 1,703,396	\$ 1,741,319	2%
Nonresidential Drainage Fees	2,073,927	2,154,462	2,163,170	2,897,805	2,840,795	-2%
Wastewater Resources	-	13,680	-	18,240	53,240	192%
General Fund Transfer	375,416	376,002	376,002	501,336	501,336	0%
Total Revenues	3,735,000	3,817,031	3,858,541	5,120,777	5,136,690	0%
EXPENDITURES:						
Personal Service	1,151,484	1,313,817	1,116,487	1,863,953	1,608,574	-14%
Materials and Supplies	42,965	62,570	28,653	86,946	81,375	-6%
Maintenance and Repairs	50,400	121,422	57,847	148,267	143,200	-3%
Insurance	18,059	14,870	14,870	19,827	19,827	0%
Miscellaneous	12,448	13,840	12,411	16,000	16,000	0%
Operations, Services	364,842	441,387	234,548	581,854	577,828	-1%
Capital Outlay	879,010	896,371	1,296,378	1,133,594	1,451,259	28%
Debt Service	753,422	480,555	620,954	640,740	636,605	-1%
Transfer Out	462,370	472,199	476,393	629,596	602,022	-4%
Total Expenditures	3,735,000	3,817,031	3,858,541	5,120,777	5,136,690	0%
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	

City of Denton
Solid Waste Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16 ¹				\$ 6,044,618	\$ 7,757,121	
REVENUES:						
Garbage Fees - Residential	\$ 7,856,396	\$ 8,311,219	\$ 8,362,194	11,121,950	11,213,333	1%
Garbage Fees - Commercial	10,354,198	11,430,688	10,961,557	15,436,305	15,171,763	-2%
Landfill Fees	3,722,197	4,936,930	4,580,597	6,695,086	6,344,616	-5%
Materials Processing and Mining	82,511	726,371	86,491	968,364	124,462	-87%
Recycling and Public Outreach	627,842	638,460	651,579	851,165	855,868	1%
Site Operations	130,247	185,295	173,063	247,025	275,169	11%
Other Revenue	396,428	1,144,640	247,802	1,525,980	509,797	-67%
Investment Income	9,049	3,375	14,615	4,500	14,000	211%
Total Revenues	<u>23,178,868</u>	<u>27,376,978</u>	<u>25,077,898</u>	<u>36,850,375</u>	<u>34,509,008</u>	-6%
EXPENDITURES:						
Personal Service	6,839,540	8,524,462	8,002,284	11,397,800	10,527,000	-8%
Materials and Supplies	420,134	400,368	305,688	577,277	513,043	-11%
Maintenance and Repairs	386,279	470,440	316,113	615,715	489,875	-20%
Insurance	145,684	168,405	168,377	224,503	224,503	0%
Miscellaneous	44,301	69,316	43,705	81,750	72,010	-12%
Operations, Services	4,140,321	6,118,227	4,647,708	7,837,421	7,236,587	-8%
Capital Outlay	1,224,136	2,375,945	2,306,692	3,167,500	2,559,000	-19%
Debt Service	7,101,452	7,776,534	7,776,534	8,140,351	8,082,424	-1%
Franchise Fee	1,156,428	1,356,621	1,244,493	1,808,587	1,779,855	-2%
Landfill Closure	276,112	199,183	199,184	265,541	265,541	0%
Transfer Out	2,036,205	2,023,804	2,095,241	2,698,020	2,698,020	0%
Total Expenditures	<u>23,770,592</u>	<u>29,483,305</u>	<u>27,106,019</u>	<u>36,814,465</u>	<u>34,447,858</u>	-6%
Net Income (Loss)	<u>\$ (591,724)</u>	<u>\$ (2,106,327)</u>	<u>\$ (2,028,121)</u>	<u>35,910</u>	<u>61,150</u>	
Ending Working Capital and Reserves				<u>\$ 6,080,528</u>	<u>\$ 7,818,271</u>	

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

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

City of Denton
Airport Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/16				\$ 2,449,840	\$ 2,482,155	
OPERATING REVENUES:						
Airport Ground Leases	\$ 339,655	\$ 528,070	\$ 425,192	704,000	630,103	-10%
FBO Commissions	113,966	180,024	112,679	240,000	195,891	-18%
Miscellaneous	48,498	41,256	52,056	55,000	84,199	53%
Total Operating Revenues	502,119	749,350	589,927	999,000	910,193	-9%
OPERATING EXPENDITURES:						
Personal Service	445,562	501,453	397,354	668,509	576,417	-14%
Materials and Supplies	12,203	35,048	15,825	46,725	44,211	-5%
Maintenance and Repairs	56,975	61,952	44,628	82,593	93,750	14%
Insurance	16,768	16,205	16,203	21,604	21,604	0%
Miscellaneous	652	901	551	1,200	630	-48%
Operations	125,052	191,745	93,752	255,621	224,959	-12%
Transfers Out - Operating	341,334	354,886	352,667	473,114	473,114	0%
Franchise Fee	25,106	-	-	-	-	0%
Total Operating Expenses	1,023,652	1,162,190	920,980	1,549,366	1,434,685	-7%
Operating (Loss)	(521,533)	(412,840)	(331,053)	(550,366)	(524,492)	
NON-OPERATING REVENUES:						
Investment Income	19,720	18,753	29,270	25,000	24,964	0%
Gas Well Royalties	254,653	337,545	330,308	450,000	488,794	9%
Total Non-Operating Revenues	274,373	356,298	359,578	475,000	513,758	8%
NON-OPERATING EXPENDITURES:						
Debt Service	445,978	-	-	-	-	0%
Transfers Out - Capital	169,835	-	-	-	-	0%
Total Non-Operating Expenses	615,813	-	-	-	-	0%
Non-Operating Income (Loss)	(341,440)	356,298	359,578	475,000	513,758	
Net Income (Loss)	\$ (862,973)	\$ (56,542)	\$ 28,525	(75,366)	(10,734)	
Ending Working Capital				\$ 2,374,474	\$ 2,471,421	

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

City of Denton
Street Improvement Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2017

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Fund Balance						
as of 9/30/2016				\$ 1,521,965	\$ 1,798,625	
RESOURCES:						
Franchise Fees	\$ 6,319,986	\$ 8,707,476	\$ 7,429,750	11,608,420	11,417,843	-2%
Street Cuts	160,132	262,535	258,073	350,000	350,000	0%
Investment Income	13,587	7,501	13,363	10,000	10,000	0%
Transfers In	796,065	748,122	773,871	997,363	997,363	0%
Total Resources	7,289,770	9,725,634	8,475,057	12,965,783	12,775,206	-1%
EXPENDITURES:						
Personal Service	1,739,538	2,879,404	2,207,288	3,838,690	3,305,532	-14%
Materials and Supplies	81,572	61,625	93,571	82,150	82,150	0%
Maintenance and Repairs	2,397,872	5,920,628	6,195,242	7,953,085	8,133,085	2%
Insurance	37,813	32,271	32,267	43,022	43,022	0%
Miscellaneous	4,253	3,751	3,609	5,000	5,000	0%
Operations, Services	422,826	476,547	582,804	635,307	635,307	0%
Transfer Out	473,866	617,705	654,651	763,529	1,116,687	46%
Total Expenditures	5,157,740	9,991,931	9,769,432	13,320,783	13,320,783	0%
Net Income (Loss)	\$ 2,132,030	\$ (266,297)	\$ (1,294,375)	(355,000)	(545,577)	
Ending Fund Balance				\$ 1,166,965	\$ 1,253,048	

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

City of Denton

Grants

Schedule of Expenses - Budget vs Projection (Unaudited)

For the Period Ended June 30, 2017

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2016 ²	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
FY 2016-17 Budget					
US Dept of HUD -					
Community Development Block Grant(CDBG)	\$ 2,124,054	\$ 371,930	\$ 1,284,350	\$ 600,000	-53%
US Dept of HUD -					
HOME Investment Partnership Program	2,485,405	291,260	857,710	500,000	-42%
Community Development ¹	4,609,459	663,190	2,142,060	1,100,000	-49%
 TxDot STEP Comprehensive Grant	-	52,972	74,560	74,560	0%
2016 Byrne JAG Grant	-	19,398	25,000	25,000	0%
2015 UASI	-	83,000	83,000	83,000	0%
2016 UASI	-	-	130,000	130,000	0%
Emergency Management Performance Grant	-	-	46,825	46,825	0%
2015 Tobacco Enforcement Grant	-	3,825	12,000	12,000	0%
Public Safety	-	159,195	371,385	371,385	0%
 Summer Food Grant ⁴	-	-	200,000	-	-100%
TxDot NW Trail Extension Grant	-	692,241	1,314,781	1,314,781	0%
Parks and Recreations	-	692,241	1,514,781	1,314,781	-13%
 Airport Maintenance (RAMP) Grant	-	25,991	50,000	50,000	0%
Airport West Side Runway Grant	-	677,263	5,950,000	677,263	-89%
Airport ¹	-	703,254	6,000,000	727,263	-88%
 Texas Emission Reduction Plan Rebate Grant	-	112,667	112,667	112,667	0%
CNG Fueling Station #1 ⁵	-	600,000	600,000	600,000	0%
NCTCOG High Speed Grinder	-	50,000	50,000	50,000	0%
NCTCOG Low Speed Grinder	-	150,000	150,000	150,000	0%
NCTCOG 2016 Chevrolet Transvers #2	-	26,415	33,000	33,000	0%
Solid Waste	-	939,082	945,667	945,667	0%
 TxDot US 380 Projects	-	155,844	155,844	155,844	0%
Transportation	-	155,844	155,844	155,844	0%
 Interlibrary Loan Program (ILL)	-	-	25,000	25,000	0%
Other	-	-	25,000	25,000	0%
 Total FY 2016-17 Budget	4,609,459	3,312,806	11,154,737	4,639,940	-58%
 New Awards					
Emergency Solutions Grant	-	29,638	133,832	117,311	-12%
Community Development	-	29,638	133,832	117,311	-12%
 2015 UASI	-	44,672	44,672	44,672	0%
Federal Equitable Sharing	-	6,250	23,467	23,000	-2%
Chapter 59 Asset Forfeitures	-	54,734	59,555	59,000	-1%
U.S. Marshals Violent Offenders Task Force	-	13,717	13,717	13,717	0%
Public Safety	-	119,373	141,411	140,389	-1%
 NCTCOG High Speed Grinder	-	30,311	30,311	30,311	0%
NCTCOG Regional HHW Drop-Off Facility Project	-	115,799	162,000	162,000	0%
Solid Waste	-	146,110	192,311	192,311	0%

City of Denton

Grants

Schedule of Expenses - Budget vs Projection (Unaudited)

For the Period Ended June 30, 2017

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2016 ²	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
County-Traffic Signal-US 380-Cindy Lane	-	185,494	250,000	250,000	0%
NT Blvd Bridge Enhancement-35E	-	303,914	303,914	303,914	0%
TxDot-IH35E at Loop 288/Lillian Miller Pkwy	-	-	53,865	-	-100%
TxDot-RTR-McKinney (Formerly FM426) ³	-	-	18,267,303	182,000	-99%
TxDot-Hickory Creek	-	2,294	2,400,000	90,000	-96%
TxDot-N TX Blvd Roundabout	-	3,798	2,000,000	100,000	-95%
TxDot-RTR-Mayhill Rd-IH35 E to US 380	11,438,659	699,973	33,897,794	2,600,000	-92%
TxDot-RTR-Bonnie Brae Rd-IH35 E to US 377	6,428,246	145,552	39,723,105	2,100,000	-95%
TxDot-RTR-ITS COMM Trunk Line	225,305	16,784	1,346,295	500,000	-63%
Transportation ¹	18,092,210	1,357,809	98,242,276	6,125,914	-94%
Farmers Market Grant	57,831	14,394	14,394	14,394	0%
TIFMAS-Confined Space Training Tuition	-	750	750	750	0%
TIFMAS-Rope Rescue I Training Tuition	-	750	750	750	0%
TIFMAS-Rope Rescue II Training Tuition	-	1,125	1,125	1,125	0%
TIFMAS-Strategy Tactics Training Tuition	-	1,000	1,000	1,000	0%
TIFMAS-Vehicle Rescue Tech Training Tuition	-	2,345	2,345	2,345	0%
TIFMAS-Swift Water Rescue Training Tuition	-	-	1,920	1,920	0%
National Urban Search & Rescue Response System	-	26,762	26,762	26,762	0%
Ambulance Services-Uncompensated Care Cost	-	-	700,250	700,250	0%
Other	57,831	47,126	749,296	749,296	0%
Total New Awards	18,150,041	1,700,056	99,459,126	7,325,221	-93%
TOTALS	\$ 22,759,500	\$ 5,012,862	\$ 110,613,863	\$ 11,965,161	-89%

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

² A portion of the grants presented cover multiple years.

³ Advance Funding received in April 2017.

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

⁵ The City received the first reimbursement from TCEQ in the amount of \$201,367.87 on May 12 2017.

If the City decides to withdraw from constructing a Public CNG fueling facility, the reimbursement \$201,367.87 will be returned and the remaining expenses will not be reimbursed by TCEQ.

Section 3

City of Denton
Quarterly Financial Report
June 2017

REVENUE & ECONOMIC ANALYSIS

Revenue & Economic Analysis Summary

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

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

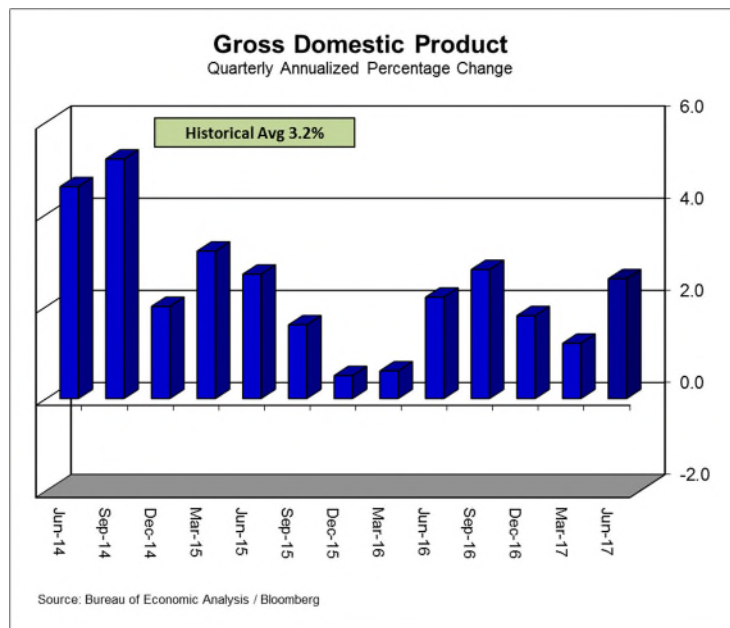
1. Positive Outlook – Represents favorable conditions for the local economy. Color code – Green.
2. Cautious Outlook – Represents changing conditions that require close monitoring. Color code – Yellow.
3. Negative Outlook – Represents unfavorable conditions for the local economy. Color code – Red.

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

National Economic Trends

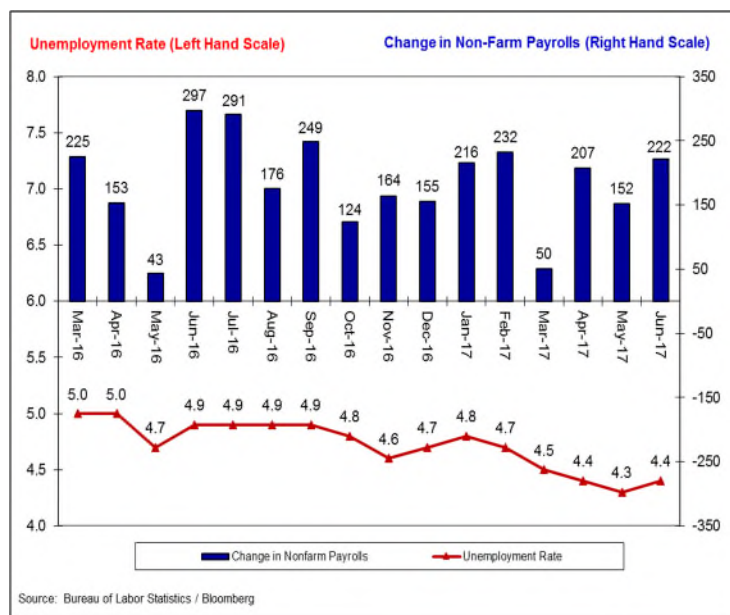
Period Ending June 30, 2017

Gross Domestic Product (GDP)



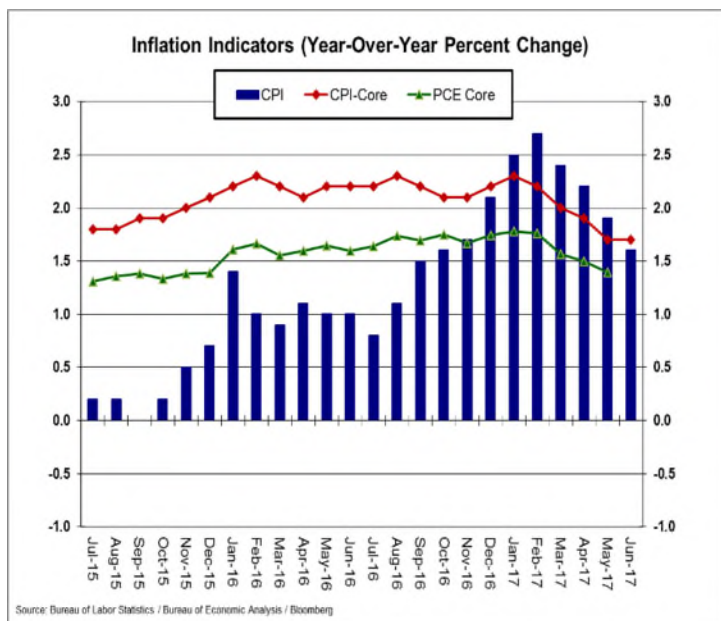
The final measure of first quarter (annualized) GDP was +1.2%. Although this is well below the prerecession historical average of +3.2%, it was an improvement over the +0.7% original report. The prevailing thought in the spring was that a sizable rebound would occur in the second quarter. Early Q2 measures showed growth in excess of +4.0%, but consumer spending faltered, and as a result, GDP missed the mark. The initial Q2 reading was just +2.6%, although this will be recalculated twice and be subject to further annual revision. Looking forward, the Atlanta Fed's "GDPNow" measure was tracking early Q3 growth at +3.7% on August 4th, while the New York Fed's "NowCast" reading was +2.0% on the same date. The latest Bloomberg survey indicates average annual GDP growth of just +2.2% for the next five quarters.

Nonfarm Payrolls



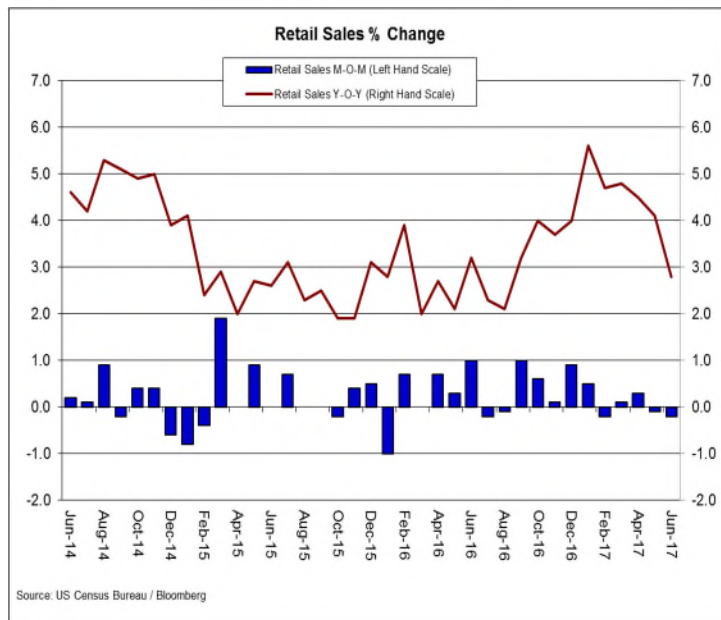
The Bureau of Labor Statistics reported U.S. companies added +222k new jobs to non-farm payrolls in June, well above the +178k median forecast, while revisions to the previous two months added another +47k. In May, the three-month average had been a lackluster +121k, but the June report boosted the average up to a respectable +194k. The unemployment rate *actually rose* from a 16-year low of 4.3% to 4.4% in June as +361k Americans (re)joined the labor force. The U.S. is at, or is very close to "full employment." Economic textbooks tell us this tight labor market should result in higher wages, which would then be expected to drive overall inflation higher, but this has yet to happen. Hourly earnings continue to trend downward.

Inflation



The key to the Fed's policy decisions going forward will depend to a large degree on inflation ...or the lack thereof. Headline CPI was flat in June, after falling by -0.1% in May. The year-over-year pace dropped from +1.9% to +1.6%. Core CPI rose +0.1% for second straight month, while annual pace held at +1.7%, down from +2.3% as recently as January. The PCE core pace was just +1.4% in May, continuing a downtrend from +1.8% in January. The Fed target is +2.0%. Higher interest rates should slow inflation even further. However, the Fed believes the recent weakness is *transitory* and continues to expect inflation will return to target over the medium term. If it does not, the Fed will likely hold rates steady until price pressures move higher.

Retail Sales

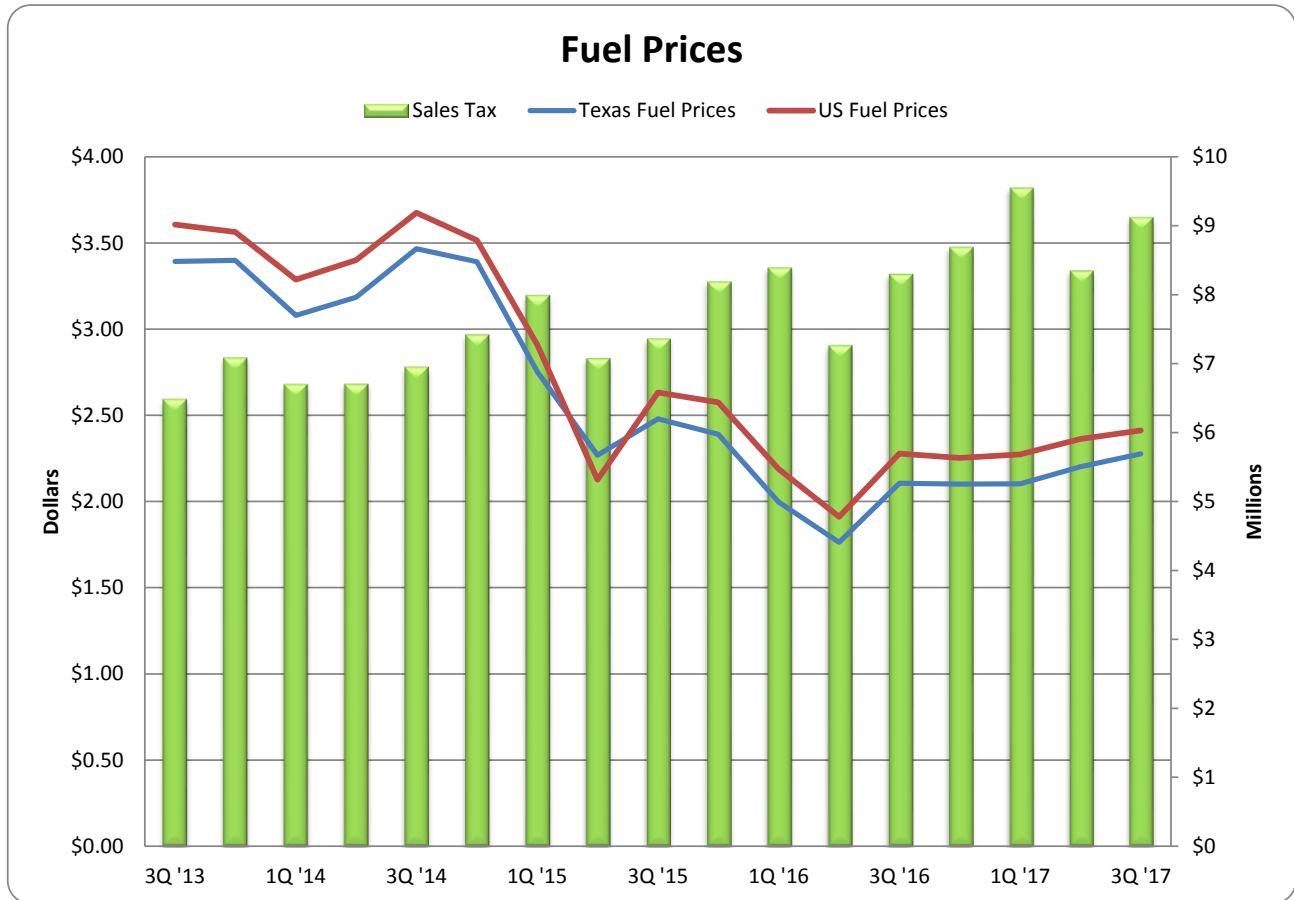


Since 2008, wages have increased by an average of just +2.2% per year. Americans have borrowed to fill the gap. According to the New York Fed, total household debt has recently reached \$12.7 trillion, \$50 billion *above* the third quarter of 2008. Although household net worth is also at an all-time high, the majority of households have not experienced the benefit. As a result, overall spending has disappointed. Retail sales, which make up about two-thirds of consumer spending, declined -0.1% in May, and -0.2% in June. Auto sales, which represent a large component of overall retail sales, peaked in December at an annual pace of 18.3 million units, but have slowed significantly since. The 16.4 million unit pace in June was a 20-month low.

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

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

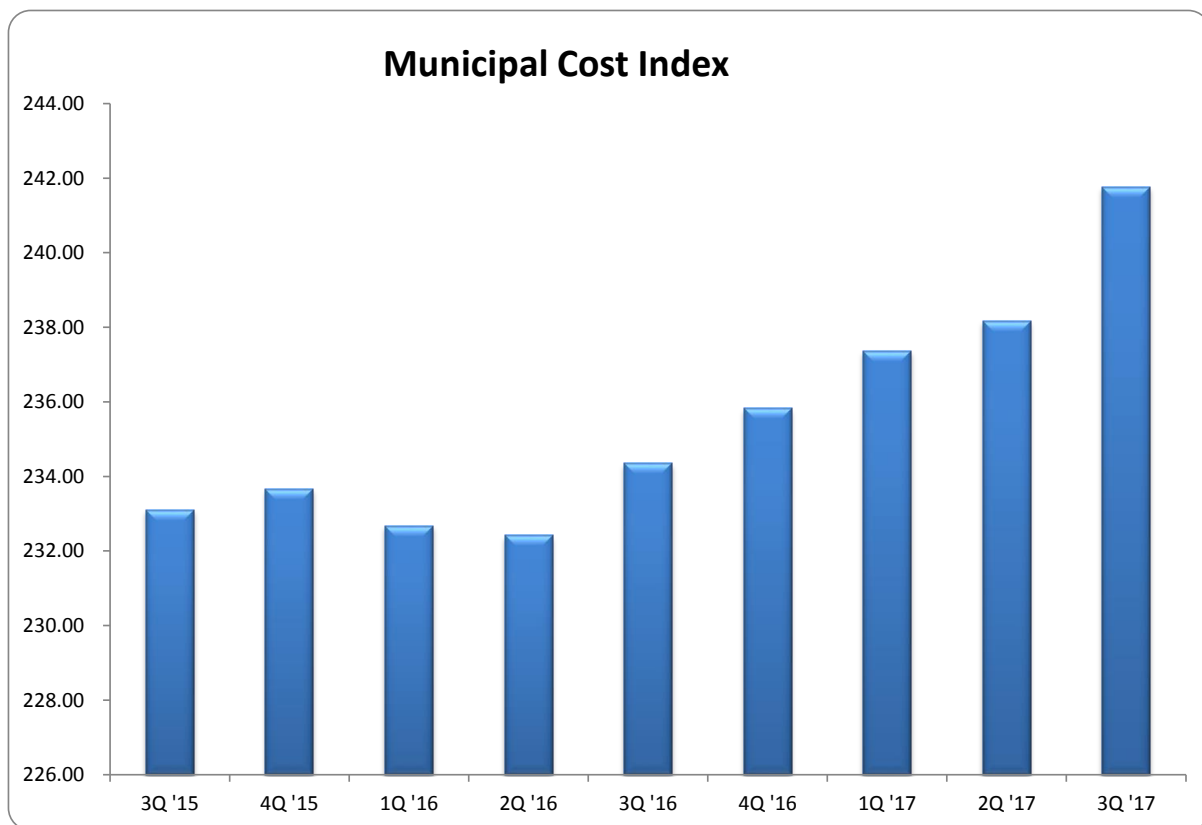
Analysis: Fuel prices are a major commodity source in the economy. Studies have shown a positive effect on disposable income levels when fuel prices decrease. It is estimated that for every penny decrease in the price of fuel, \$1.3 billion is available to the consumer for disposable income. Therefore, the price of fuel is likely to be a key predictor of sales tax collections. Fuel prices showed a 2.1% increase from the prior quarter at the national level and a 3.4% increase at the state level. Staff has rated this outlook as Cautious.



Source: U.S. Department of Energy

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

Analysis: The Municipal Cost Index (MCI) pulls a variety of prices for frequently purchased commodities for local governments. The cost for labor, materials and contract services are factored for the MCI. An increase in MCI means the overall price mix for these types of commodities will cost local governments more to do routine business. The 3rd fiscal quarter of 2017 shows an increase of 3.6% over the prior quarter and an increase of 7.4% over the 3rd fiscal quarter of 2016. Staff has rated this indicator as Negative.



Source: American City and County Magazine

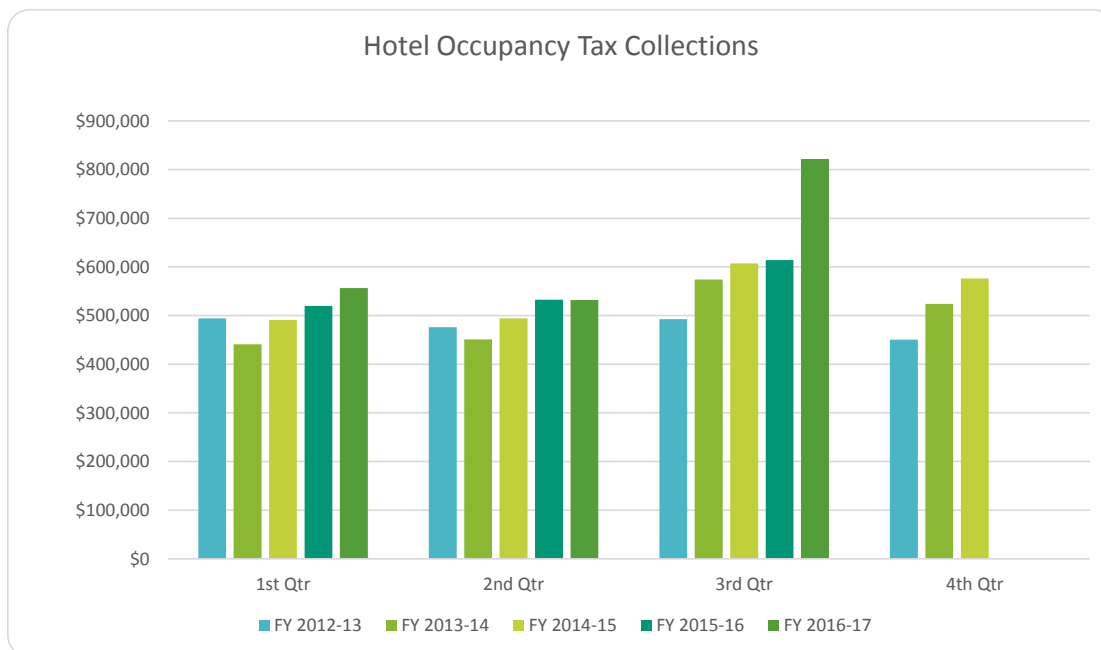
Note: The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services. State and local government officials rely on American City & County's Municipal Cost Index to stay on top of price trends, help control price increases for commodities, make informed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

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

Analysis: While the use of this revenue source is restricted by state law, it is an essential revenue source for various tourist related activities within the community and an important indicator of local economic activity. Hotel Occupancy tax revenue through the 3rd Quarter of FY 2017 was 30% more than budget and 33% more than the prior year's actual. The 3rd quarter's revenue includes an incoming transfer of \$150,000 from a canceled capital project approved in a prior fiscal year. Revenue net of this one-time incoming transfer is 6% more than budget and 9% more than the prior year's actual. Staff has rated the outlook for this economic indicator as Positive.

	3rd Quarter Actual	FY 2016-17 Y-T-D
Occupancy Tax Revenue:	\$ 821,753	\$ 1,910,053
FY 2016-17 Budget	\$ 631,867	\$ 1,714,223
Over (Under) Budget	\$ 189,886	\$ 195,830

FISCAL YEAR FORECAST		
Hotel Occupancy Tax Budget:	\$	2,324,214
End of Year Projection:	\$	2,474,214
Variance:	\$	150,000

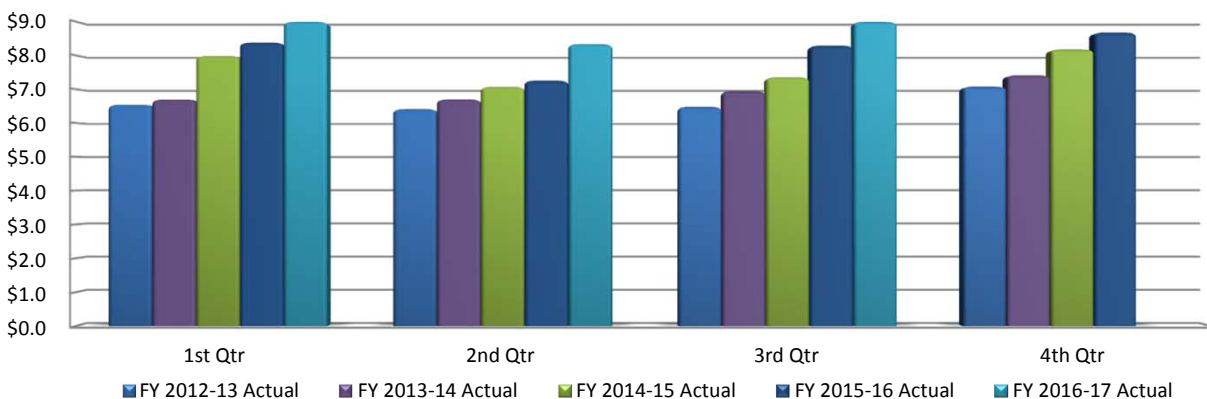


Description: Tax imposed on all retail sales, leases, and rentals of most goods, as well as taxable services. The total tax rate levied within the City is 8.25% (State, 6.25%; City, 1.5%; DCTA, 0.5%).

Analysis: As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. Sales tax revenues through the 3rd quarter of FY 2017 compared to revenues from the prior year 3rd quarter shows a 12.43% increase, and compared to the budget it is 9.90% above. Staff has rated this indicator as Positive.

	3rd Quarter Actual	FY 2016-17 Y-T-D
Revenue: Gross Sales Tax		
Municipal Operations	\$ 433,603	\$ 1,279,520
General Retail & Others	9,034,519	26,761,201
Comptroller Fees	(177,315)	(525,066)
Amount Retained	(173,769)	(514,564)
Total Revenue	\$ 9,117,038	\$ 27,001,091
Expenses: Economic Incentives		
Denton Crossing ¹	\$ 120,046	\$ 401,219
Unicorn Lake ²	19,510	56,705
Rayzor Ranch ³	297,076	905,932
Golden Triangle ⁴	40,427	137,314
Total Expenses	\$ 477,059	\$ 1,501,170
Net Total	8,639,979	25,499,921
FY 2016-17 Budget	7,590,402	22,592,487
Over(Under) Budget	\$ 1,049,577	\$ 2,907,434
Sales Tax Budget:		\$ 32,835,370
Year End Projection:		34,335,370
Variance to Original Budget:		\$ 1,500,000
Economic Development Expenditure Budget:		\$ 2,131,197
Year End Projection:		2,131,197
Variance to Original Budget:		\$ -

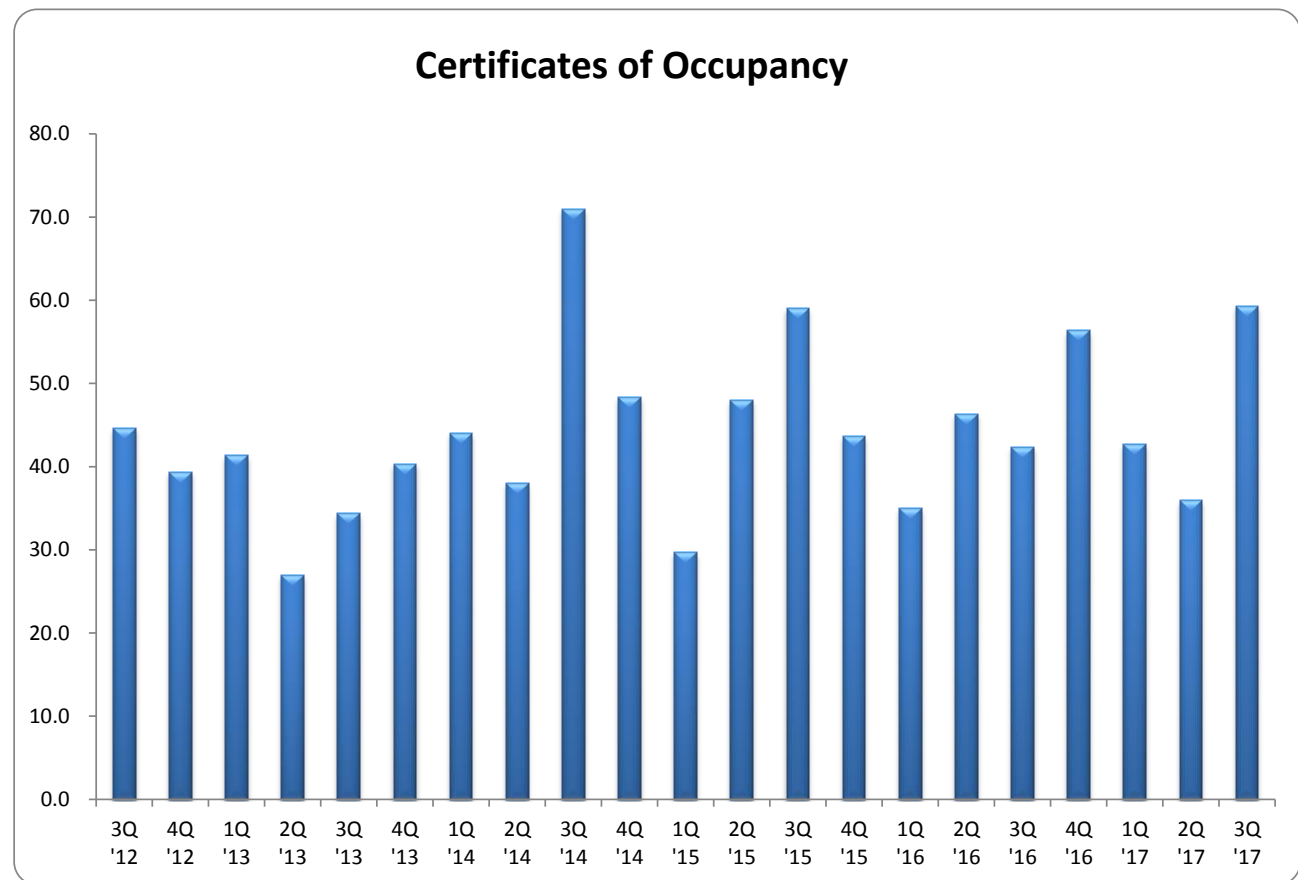
Gross Sales Tax Collections (Millions)



1. Incentive is 50% of general sales taxes. For the 3rd quarter sales tax equaled \$401,219.
2. Incentive is 50% of general sales taxes. For the 3rd quarter sales tax equaled \$56,705.
3. Incentive is 75% of general sales taxes. For the 3rd quarter sales tax equaled \$905,932.
4. Incentive is 75% of general sales taxes. For the 3rd quarter sales tax equaled \$137,314.

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

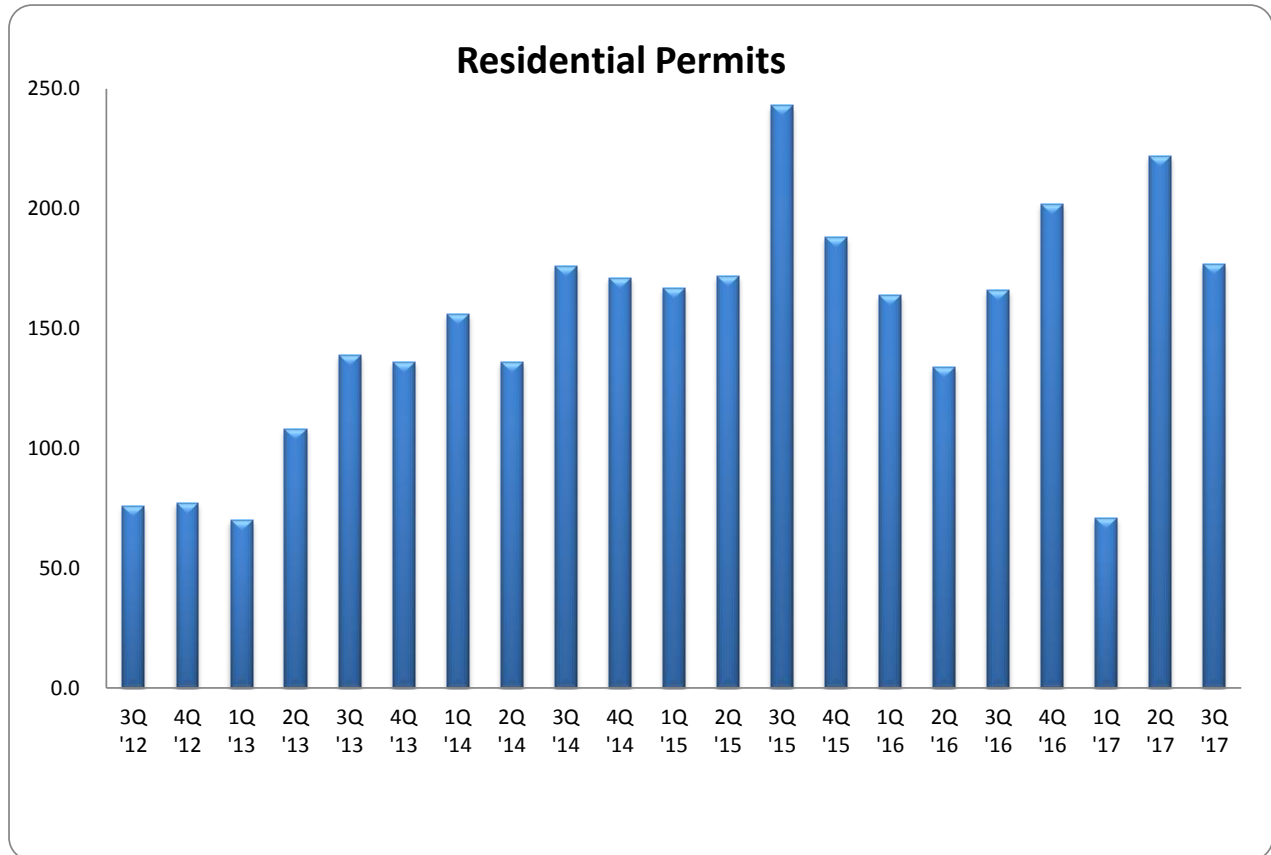
Analysis: Certificates of Occupancy are an economic indicator that provides a framework for the overall condition of the local economy. Certificates of Occupancy increased 64.8% from the prior quarter and increased 40.2% from the 3rd quarter of 2016. Staff has rated the outlook for this revenue indicator as Positive.



Source: City of Denton's Development Services Department.

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

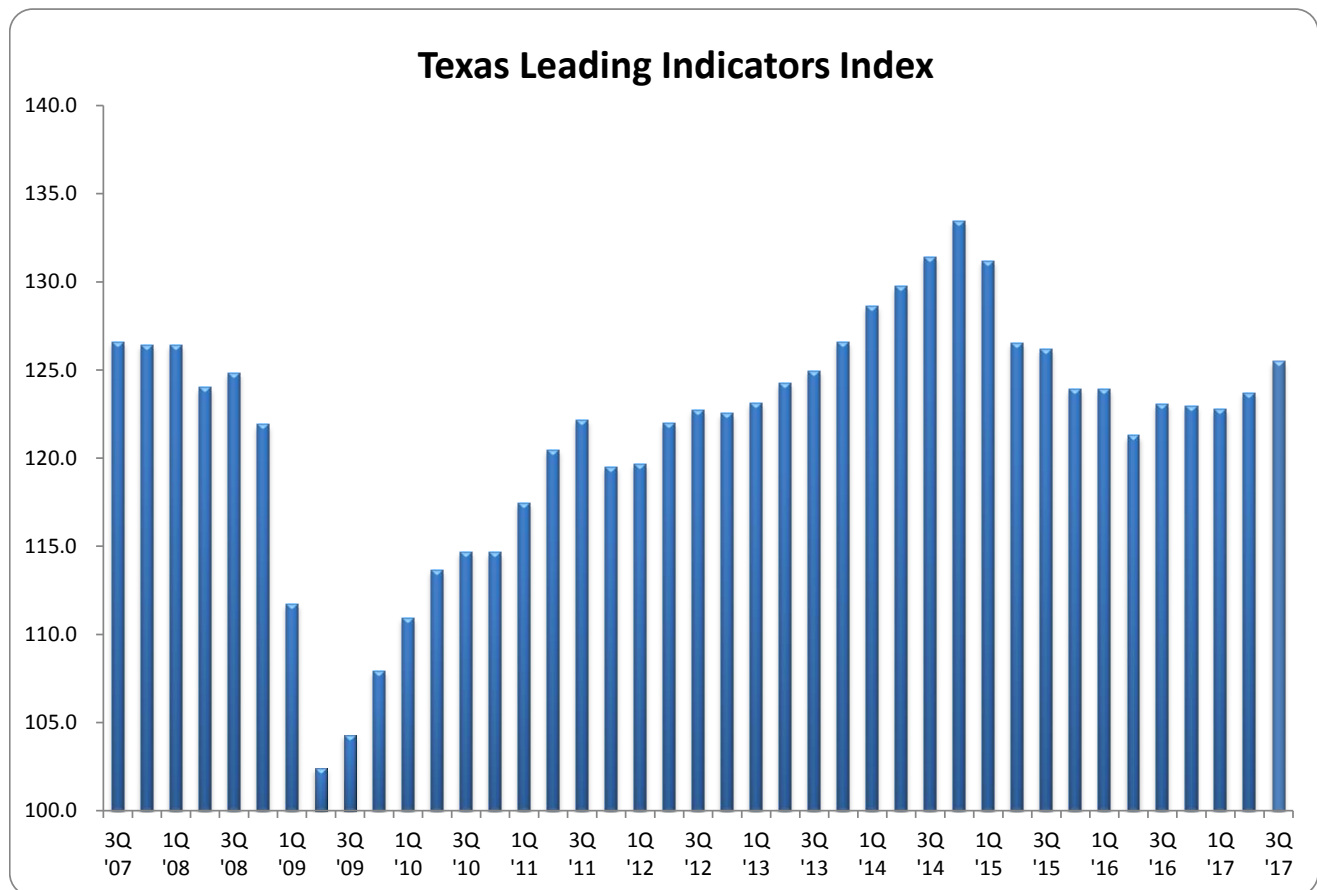
Analysis: Residential Permits are an economic indicator that provides a framework for the overall condition of the local economy. In particular, residential permits have a direct correlation with building inspection fees and appraised values. Residential permits decreased 20.3% from the prior quarter and increased 6.6% from the 3rd Quarter of 2016. Staff has rated the outlook for this revenue indicator as Cautious.



Source: City of Denton's Development Services Department.

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

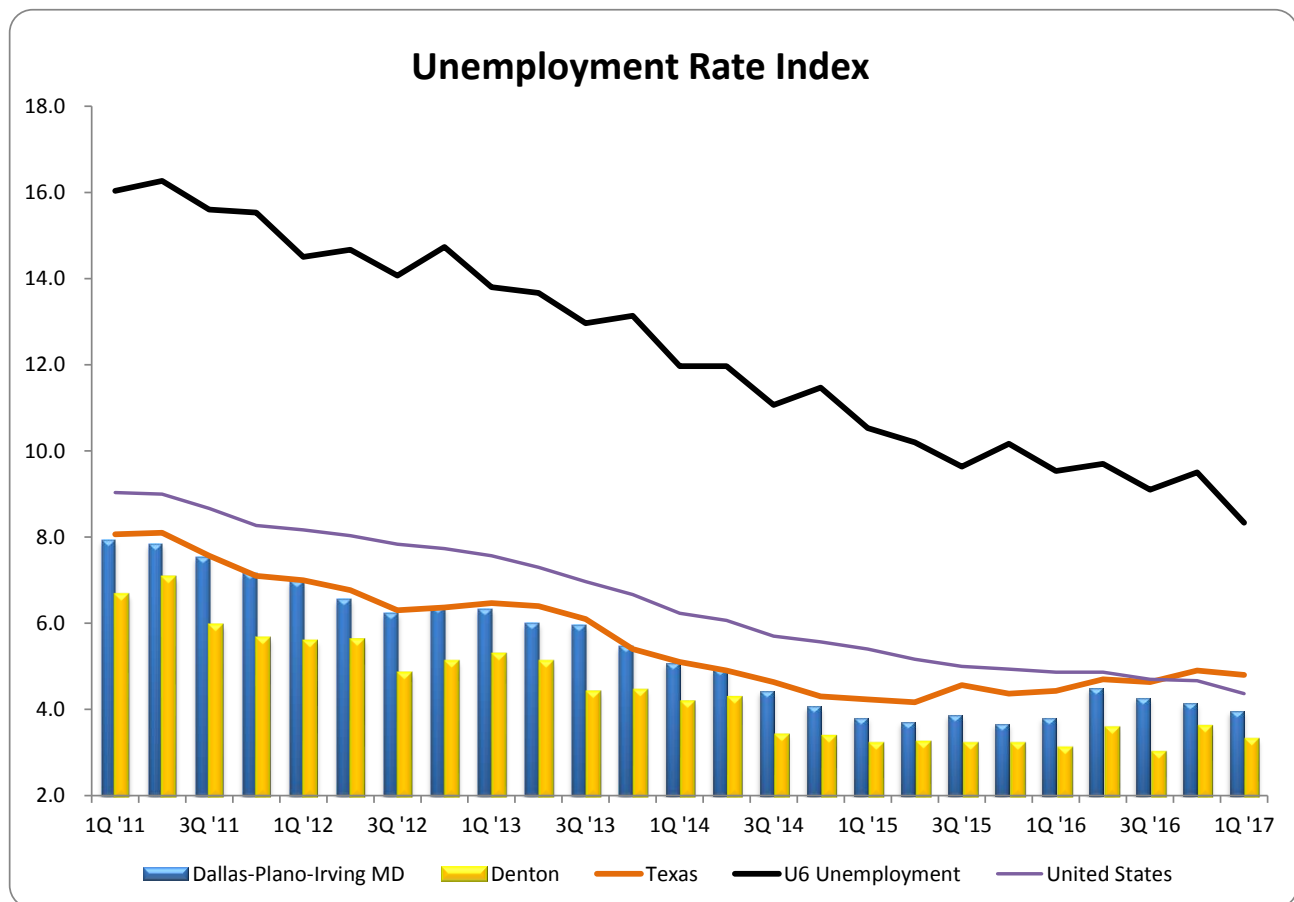
Analysis: Texas Leading Indicators provide a framework for the overall condition of the local economy. Data for this quarter shows a slow down in the state's rate of growth. The index increased 1.45% from the prior quarter and increased 1.97% from the 3rd quarter of 2016. Staff has rated this indicator as Cautious



Source: Federal Reserve Bank of Dallas

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

Analysis: Unemployment is an economic indicator that provides a framework for the overall condition of the national, state and local economies. The unemployment rate for the City of Denton is at 3.33% for the 3rd quarter. The unemployment rates for most of the other reported sectors were either down or flat from the prior quarter. As a result of the downward trend since the high of the 1st Quarter of 2011, staff has rated the outlook for this revenue indicator as Positive.



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

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

Section 4

City of Denton
Quarterly Financial Report
June 2017

INVESTMENT REPORT

CITY OF DENTON : QUARTERLY INVESTMENT REPORT



3rd Fiscal Quarter 2017 - June 30, 2017

Page 1

INVESTMENT POOL

Portfolio:	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	Policy Max. WAM	YTM	Benchmark Yield*
Investment Pool	\$ 777,853,000	\$ 776,842,268	\$ 777,932,815	\$ (1,090,547)	359	550	1.16%	0.83%
*Twelve month moving average of a one year U.S. T-bill yield								
Securities By Investment Type:	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	YTM	% of Total Portfolio (Book Value)	Policy Max.
U.S. Treasuries	54,000,000	54,066,642	54,135,449	(68,807)	332	1.11%	6.96%	100.00%
U.S. Federal Agencies	347,000,000	346,204,860	347,074,851	(869,991)	545	1.17%	44.61%	100.00%
Municipal Bonds	31,860,000	31,808,347	31,945,426	(137,079)	311	1.03%	4.11%	15.00%
Certificates of Deposit	145,756,500	145,756,500	145,756,500	-	379	1.41%	18.74%	35.00%
Commercial Paper	70,000,000	69,769,419	69,784,089	(14,670)	187	1.16%	8.97%	15.00%
Local Government Investment Pools	127,524,172	127,524,172	127,524,172	-	1	0.88%	16.39%	50.00%
Demand Deposits	1,712,328	1,712,328	1,712,328	-	1	0.50%	0.22%	-
Total Portfolio	\$ 777,853,000	\$ 776,842,268	\$ 777,932,815	\$ (1,090,547)	359	1.16%	100.00%	-

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

Investment Pool Comparisons:	Current 6/30/2017	3 Months Ago 3/31/2017	3 Month Difference	1 Year Ago 6/30/2016	1 Year Ago Difference
Par Value	\$ 777,853,000	\$ 688,707,818	\$ 89,145,182	\$ 566,462,665	\$ 211,390,335
Market Value	\$ 776,842,268	\$ 688,352,400	\$ 88,489,868	\$ 567,791,680	\$ 209,050,588
Book Value	\$ 777,932,815	\$ 689,137,045	\$ 88,795,770	\$ 567,050,409	\$ 210,882,406
Unrealized Gain/(Loss)	\$ (1,090,547)	\$ (784,645)	\$ (305,902)	\$ 741,271	\$ (1,831,818)
Weighted Average Maturity	359	374	(15)	298	61
Yield to Maturity	1.16%	1.07%	0.09%	0.81%	0.35%
Portfolio Composition:					
U.S. Treasuries	6.96%	6.43%	0.53%	6.87%	0.09%
U.S. Federal Agencies	44.61%	45.88%	-1.27%	36.57%	8.04%
Municipal Bonds	4.11%	4.65%	-0.55%	4.31%	-0.20%
Certificates of Deposit	18.74%	20.90%	-2.16%	27.34%	-8.60%
Commercial Paper	8.97%	8.67%	0.30%	4.38%	4.59%
Local Government Investment Pools	16.39%	13.07%	3.32%	15.87%	0.52%
Demand Deposits	0.22%	0.40%	-0.18%	4.66%	-4.44%

Bank Collateral Review**:

Institution	Collateral Type	Market Value	Collected Balance	Pledge Required	Collateral Ratio
Wells Fargo Demand Deposits	U.S. Agency MBS	\$ 35,600,001	\$ 1,427,134	≥ 102%	2494.51%
LegacyTexas Bank Certificates of Deposit***	Standby LOC	\$ 80,865,000	\$ 77,853,788	≥ 100%	103.87%
Independent Bank Certificates of Deposit	Standby LOC	\$ 32,600,000	\$ 30,436,591	≥ 100%	107.11%

**Does not include FDIC insurance

***Formerly, ViewPoint Bank

Depository Ledger Balance Review:

Institution	Account Type	Beginning Bal.	Deposits	Withdrawals	Ending Bal.
Wells Fargo Bank	Checking	\$ 1,922,106	\$ 136,740,984	\$ (136,950,762)	\$ 1,712,328

Compliance Statement & Review:

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

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

Preparer: Caroline Finley
Treasury Administrator

Reviewer: Chuck Springer, CGFO
Director of Finance

Reviewer: Bryan Langley, CGFO
Deputy City Manager/COO

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter 2017 - June 30, 2017

Page 2

INVESTMENT POOL

	Current 6/30/2017	3 Months Ago 3/31/2017	3 Month Difference	1 Year Ago 6/30/2016	1 Year Difference
Par Value - U.S. Treasuries	\$ 54,000,000	\$ 44,000,000	\$ 10,000,000	\$ 39,000,000	\$ 15,000,000
Par Value - U.S. Federal Agencies	347,000,000	316,000,000	31,000,000	207,000,000	140,000,000
Par Value - Municipal Bonds	31,860,000	31,860,000	-	24,060,000	7,800,000
Certificates of Deposit	145,756,500	144,000,000	1,756,500	155,000,000	(9,243,500)
Par Value - Commercial Paper	70,000,000	60,000,000	10,000,000	25,000,000	45,000,000
Local Government Investment Pools	127,524,172	90,064,298	37,459,874	90,000,000	37,524,172
Demand Deposits	1,712,328	2,783,520	(1,071,192)	26,402,665	(24,690,337)
Total Par Value	\$ 777,853,000	\$ 688,707,818	\$ 89,145,182	\$ 566,462,665	\$ 211,390,335
Market Value - U.S. Treasuries	\$ 54,066,642	\$ 44,297,114	\$ 9,769,528	\$ 39,145,852	\$ 14,920,790
Market Value - U.S. Federal Agencies	346,204,860	315,554,445	30,650,415	207,812,029	138,392,831
Market Value - Municipal Bonds	31,808,347	31,871,960	(63,613)	24,570,794	7,237,553
Certificates of Deposit	145,756,500	144,000,000	1,756,500	155,000,000	(9,243,500)
Market Value - Commercial Paper	69,769,419	59,781,063	9,988,356	24,860,340	44,909,079
Local Government Investment Pools	127,524,172	90,064,298	37,459,874	90,000,000	37,524,172
Demand Deposits	1,712,328	2,783,520	(1,071,192)	26,402,665	(24,690,337)
Total Market Value	\$ 776,842,268	\$ 688,352,400	\$ 88,489,868	\$ 567,791,680	\$ 209,050,588
Book Value - U.S. Treasuries	\$ 54,135,449	\$ 44,302,001	\$ 9,833,448	\$ 38,950,670	\$ 15,184,779
Book Value - U.S. Federal Agencies	347,074,851	316,195,085	30,879,766	207,380,566	139,694,285
Book Value - Municipal Bonds	31,945,426	32,009,718	(64,292)	24,465,943	7,479,483
Certificates of Deposit	145,756,500	144,000,000	1,756,500	155,000,000	(9,243,500)
Book Value - Commercial Paper	69,784,089	59,782,423	10,001,666	24,850,565	44,933,524
Local Government Investment Pools	127,524,172	90,064,298	37,459,874	90,000,000	37,524,172
Demand Deposits	1,712,328	2,783,520	(1,071,192)	26,402,665	(24,690,337)
Total Book Value	\$ 777,932,815	\$ 689,137,045	\$ 88,795,770	\$ 567,050,409	\$ 210,882,406
Accrued Interest	\$ 3,368,342	\$ 2,779,815	\$ 588,527	\$ 2,447,697	\$ 920,645
Cash Value -	\$ 780,210,610	\$ 691,132,215	\$ 89,078,395	\$ 570,239,377	\$ 209,971,233
(Total Market Value + Accrued Interest)					
Unrealized Gain/(Loss)	\$ (1,090,547)	\$ (784,645)	\$ (305,902)	\$ 741,271	\$ (1,831,818)
Change in Fair Value since 9/30/16 -	\$ (1,624,078)	\$ (1,277,267)	\$ (346,811)	\$ (595,135)	\$ (1,028,943)
(GASB 31)					

Strategy Statement:

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

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

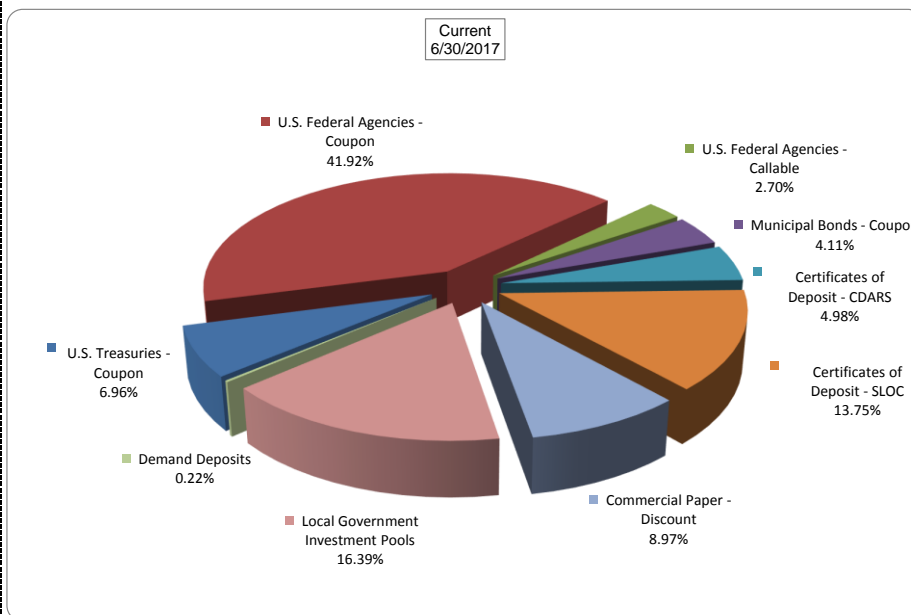
3rd Fiscal Quarter 2017 - June 30, 2017

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INVESTMENT POOL

Summary By Security Type:

	Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
U.S. Treasuries - Coupon	\$ 54,135,449	\$ 44,302,001	\$ 38,950,670
U.S. Federal Agencies - Coupon	326,075,506	296,195,825	188,380,074
U.S. Federal Agencies - Callable	20,999,345	19,999,260	19,000,492
Municipal Bonds - Coupon	31,945,426	32,009,718	24,465,943
Certificates of Deposit - CDARS	38,756,500	49,000,000	62,000,000
Certificates of Deposit - Collateralized	-	-	18,000,000
Certificates of Deposit - SLOC	107,000,000	95,000,000	75,000,000
Commercial Paper - Discount	69,784,089	59,782,423	24,850,565
Local Government Investment Pools	127,524,172	90,064,298	90,000,000
Demand Deposits	1,712,328	2,783,520	26,402,665
Total Book Value	\$ 777,932,815	\$ 689,137,045	\$ 567,050,409



Objective:

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

Summary By Security Type:

	Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
U.S. Treasuries - Coupon	6.96%	6.43%	6.87%
U.S. Federal Agencies - Coupon	41.92%	42.98%	33.22%
U.S. Federal Agencies - Callable	2.70%	2.90%	3.35%
Municipal Bonds - Coupon	4.11%	4.65%	4.31%
Certificates of Deposit - CDARS	4.98%	7.11%	10.93%
Certificates of Deposit - Collateralized	0.00%	0.00%	3.18%
Certificates of Deposit - SLOC	13.75%	13.79%	13.23%
Commercial Paper - Discount	8.97%	8.67%	4.38%
Local Government Investment Pools	16.39%	13.07%	15.87%
Demand Deposits	0.22%	0.40%	4.66%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

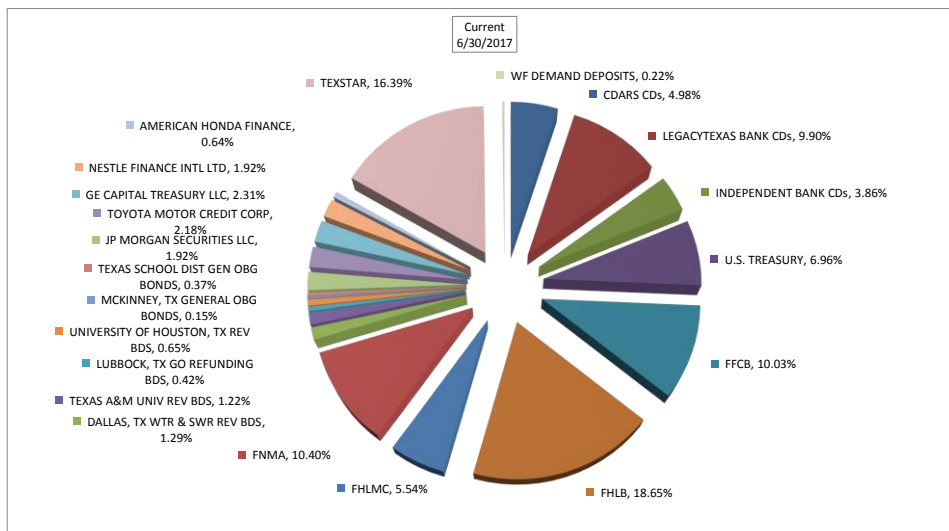
3rd Fiscal Quarter 2017 - June 30, 2017

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INVESTMENT POOL

Summary By Issuer:

	Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
CDARS CDs	\$ 38,756,500	\$ 49,000,000	\$ 62,000,000
COMERICA BANK CDs	-	-	18,000,000
LEGACYTEXAS BANK CDs*	77,000,000	62,000,000	42,000,000
INDEPENDENT BANK CDs	30,000,000	33,000,000	33,000,000
U.S. TREASURY	54,135,449	44,302,001	38,950,670
FFCB	78,026,414	78,030,907	27,010,457
FHLB	145,072,491	115,098,377	68,054,210
FHLMC	43,052,167	44,098,875	62,317,229
FNMA	80,923,779	78,966,926	49,998,670
DALLAS, TX WTR & SWR REV BDS	10,000,000	10,000,000	-
TEXAS A&M UNIV REV BDS	9,500,000	9,504,897	8,519,587
WILLIAMSON COUNTY, TX GEN OBG BDS	-	-	1,642,594
LUBBOCK, TX GO REFUNDING BDS	3,302,629	3,303,686	3,306,855
UNIVERSITY OF HOUSTON, TX REV BDS	5,067,543	5,094,680	5,176,094
MCKINNEY, TX GENERAL OBG BONDS	1,184,434	1,193,502	1,220,708
TEXAS SCHOOL DIST GEN OBG BONDS**	2,890,820	2,912,953	4,600,105
JP MORGAN SECURITIES LLC	14,893,352	-	24,850,565
TOYOTA MOTOR CREDIT CORP	16,966,273	26,940,183	-
GE CAPITAL TREASURY LLC	17,977,050	17,930,640	-
NESTLE FINANCE INTL LTD	14,950,275	14,911,600	-
AMERICAN HONDA FINANCE	4,997,139	-	-
TEXSTAR	127,524,172	90,064,298	90,000,000
WELLS FARGO DEMAND DEPOSITS	1,712,328	2,783,520	26,402,665
Total Book Value	\$ 777,932,815	\$ 689,137,045	\$ 567,050,409



Objective:

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

Summary By Issuer:

	Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
CDARS CDs	4.98%	7.11%	10.93%
COMERICA BANK CDs	0.00%	0.00%	3.18%
LEGACYTEXAS BANK CDs*	9.90%	9.00%	7.41%
INDEPENDENT BANK CDs	3.86%	4.79%	5.82%
U.S. TREASURY	6.96%	6.43%	6.87%
FFCB	10.03%	11.32%	4.76%
FHLB	18.65%	16.70%	12.00%
FHLMC	5.54%	6.40%	10.99%
FNMA	10.40%	11.46%	8.82%
DALLAS, TX WTR & SWR REV BDS	1.29%	1.45%	0.00%
TEXAS A&M UNIV REV BDS	1.22%	1.38%	1.50%
WILLIAMSON COUNTY, TX GEN OBG BDS	0.00%	0.00%	0.29%
LUBBOCK, TX GO REFUNDING BDS	0.42%	0.48%	0.58%
UNIVERSITY OF HOUSTON, TX REV BDS	0.65%	0.74%	0.91%
MCKINNEY, TX GENERAL OBG BONDS	0.15%	0.17%	0.22%
TEXAS SCHOOL DIST GEN OBG BONDS**	0.37%	0.42%	0.81%
JP MORGAN SECURITIES LLC	1.92%	0.00%	4.38%
TOYOTA MOTOR CREDIT CORP	2.18%	3.91%	0.00%
GE CAPITAL TREASURY LLC	2.31%	2.60%	0.00%
NESTLE FINANCE INTL LTD	1.92%	2.17%	0.00%
AMERICAN HONDA FINANCE	0.64%	0.00%	0.00%
TEXSTAR	16.39%	13.07%	15.87%
WELLS FARGO DEMAND DEPOSITS	0.22%	0.40%	4.66%
Total	100.00%	100.00%	100.00%

*Formerly, ViewPoint Bank

**Individual issuers are listed on the

attached Portfolio Details Report

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter 2017 - June 30, 2017

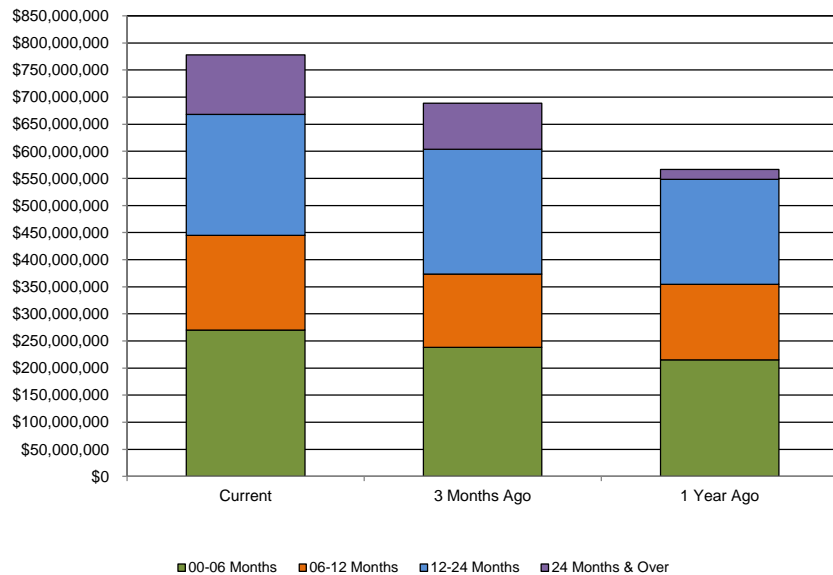
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INVESTMENT POOL

Maturity Time Frame:

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

Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
\$ 226,053,000	\$ 155,847,818	\$ 160,402,665
44,000,000	82,060,000	55,000,000
174,800,000	135,300,000	139,200,000
223,000,000	230,500,000	193,860,000
110,000,000	85,000,000	18,000,000
\$ 777,853,000	\$ 688,707,818	\$ 566,462,665



Objective:

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

Maturity Time Frame:

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

Current 6/30/2017	3 Months Ago 3/31/2017	1 Year Ago 6/30/2016
29.06%	22.63%	28.32%
5.66%	11.91%	9.71%
22.47%	19.65%	24.57%
28.67%	33.47%	34.22%
14.14%	12.34%	3.18%
100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter 2017 - June 30, 2017

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ECONOMIC SUMMARY Interest Rate History

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

Market Sector:

Fed Funds (effective)

3-Month U.S. T-Bill

2-Year U.S. T-Note

Portfolio Benchmark*

Portfolio Yield

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

Market Sector:

Fed Funds (effective)

3-Month U.S. T-Bill

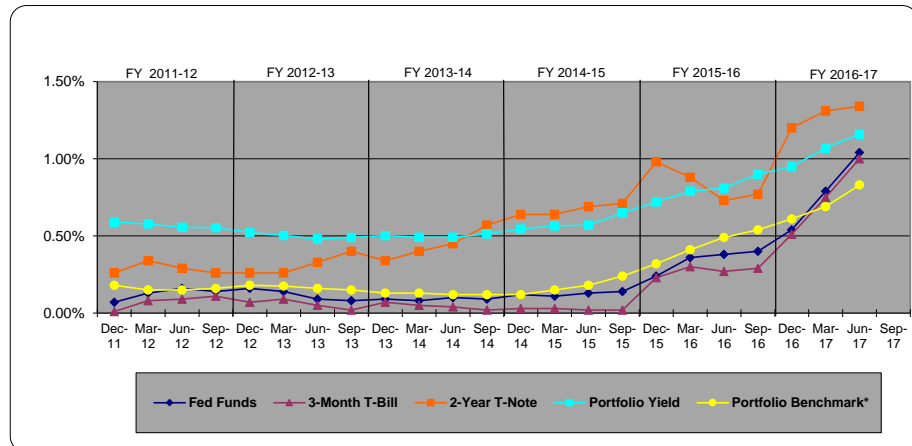
2-Year U.S. T-Note

Portfolio Benchmark*

Portfolio Yield

Fiscal Year 2014-2015				Fiscal Year 2015-2016				Fiscal Year 2016-2017			
Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
0.12%	0.11%	0.13%	0.14%	0.24%	0.36%	0.38%	0.40%	0.54%	0.79%	1.04%	
0.03%	0.03%	0.02%	0.02%	0.23%	0.30%	0.27%	0.29%	0.51%	0.75%	1.00%	
0.64%	0.64%	0.69%	0.71%	0.98%	0.88%	0.73%	0.77%	1.20%	1.31%	1.34%	
0.12%	0.15%	0.18%	0.24%	0.32%	0.41%	0.49%	0.54%	0.61%	0.69%	0.83%	
0.55%	0.57%	0.57%	0.65%	0.72%	0.79%	0.81%	0.90%	0.95%	1.07%	1.16%	

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



Fiscal Year:

2016-2017

2015-2016

2014-2015

2013-2014

2012-2013

2011-2012

Fiscal Year to Date Earnings				
	Oct - Dec 3 Months	Oct - Mar 6 Months	Oct - Jun 9 Months	Oct - Sep 12 Months
	\$ 1,175,753	\$ 2,763,136	\$ 4,734,315	
	\$ 849,368	\$ 1,771,205	\$ 2,743,856	\$ 3,961,971
	\$ 613,879	\$ 1,228,059	\$ 1,874,847	\$ 2,695,211
	\$ 568,825	\$ 1,121,491	\$ 1,680,154	\$ 2,298,785
	\$ 612,750	\$ 1,177,337	\$ 1,703,496	\$ 2,276,341
	\$ 621,194	\$ 1,239,869	\$ 1,862,207	\$ 2,511,585

QUARTERLY COMMENTARY

June 30, 2017

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

The second calendar quarter was marked by steady global growth, a healthy U.S. labor and housing market, albeit with softer than expected inflation data along with a retreat in commodity prices. Amidst this economic backdrop, the FOMC announced a 25 basis point increase in the overnight federal funds target rate to a range of 1.00% to 1.25% at their mid-June meeting. It was the fourth quarter point hike since December 2015, with one more expected at the end of this year. According to the Bloomberg economist survey dated July 9, 2017 the median growth forecast for second quarter real GDP is 2.8%, followed by 2.5%, 2.3% and 2.1% for the next three quarters.

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Portfolio Management
Portfolio Details - Investments
June 30, 2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Treasury Securities - Coupon											
912828H94	3877	U.S. TREASURY		12/30/2015	7,000,000.00	6,990,172.00	6,993,400.25	1.000	1.153	229	02/15/2018
912828H94	3878	U.S. TREASURY		01/06/2016	10,000,000.00	9,985,960.00	9,993,850.82	1.000	1.099	229	02/15/2018
912828UR9	3879	U.S. TREASURY		01/14/2016	5,000,000.00	4,984,765.00	4,991,229.06	0.750	1.018	242	02/28/2018
912828HR4	3914	U.S. TREASURY		12/28/2016	15,000,000.00	15,210,975.00	15,232,383.67	3.500	1.007	229	02/15/2018
912828M64	3915	U.S. TREASURY		01/27/2017	7,000,000.00	6,991,250.00	7,006,058.91	1.250	1.186	502	11/15/2018
912828P53	3948	U.S. TREASURY		06/07/2017	10,000,000.00	9,903,520.00	9,918,526.25	0.750	1.258	594	02/15/2019
Subtotal and Average			52,164,038.31		54,000,000.00	54,066,642.00	54,135,448.96		1.113	332	
Federal Agency Issues - Coupon											
3133EEFE5	3867	FFCB		07/22/2015	5,000,000.00	4,998,125.00	5,003,384.35	1.125	0.977	170	12/18/2017
3133EFV87	3889	FFCB		04/21/2016	4,000,000.00	3,990,008.00	4,000,967.56	0.875	0.842	271	03/29/2018
3133EGFQ3	3896	FFCB		06/27/2016	4,000,000.00	3,977,840.00	3,998,533.12	0.875	0.906	440	09/14/2018
3133EFX69	3897	FFCB		06/27/2016	4,000,000.00	3,980,020.00	4,002,863.86	0.960	0.902	461	10/05/2018
3133EGQY4	3908	FFCB		08/15/2016	10,000,000.00	9,949,010.00	9,991,022.22	0.800	0.881	410	08/15/2018
3133EG3A1	3922	FFCB		01/31/2017	8,000,000.00	7,992,008.00	8,003,015.26	1.040	0.990	277	04/04/2018
3133EG6Z3	3931	FFCB		02/13/2017	25,000,000.00	24,904,200.00	24,986,460.42	1.200	1.234	592	02/13/2019
3133EG2D6	3932	FFCB		02/16/2017	8,000,000.00	7,991,280.00	8,003,508.37	1.550	1.530	818	09/27/2019
3133EDPK2	3937	FFCB		02/22/2017	5,000,000.00	5,022,400.00	5,037,313.81	1.750	1.352	698	05/30/2019
3130A5ML0	3860	FHLB		06/24/2015	9,000,000.00	8,996,301.00	9,000,202.84	0.850	0.836	58	08/28/2017
3130A5MP1	3862	FHLB		06/25/2015	9,000,000.00	8,993,754.00	8,999,682.58	0.875	0.890	88	09/27/2017
3130A5KH1	3868	FHLB		07/29/2015	5,000,000.00	4,997,490.00	5,000,636.59	0.900	0.847	89	09/28/2017
313378A43	3884	FHLB		02/23/2016	5,000,000.00	5,005,005.00	5,016,645.65	1.375	0.886	251	03/09/2018
3130A8MG5	3898	FHLB		06/29/2016	5,000,000.00	4,982,565.00	4,999,671.58	0.650	0.661	212	01/29/2018
3130A8TF0	3906	FHLB		07/27/2016	5,000,000.00	4,969,960.00	4,995,757.45	0.800	0.876	410	08/15/2018
313379DT3	3917	FHLB		01/30/2017	24,000,000.00	23,991,192.00	24,037,788.20	1.250	1.080	342	06/08/2018
3130AARE0	3918	FHLB		01/30/2017	7,000,000.00	6,986,882.00	6,998,616.22	1.150	1.165	486	10/30/2018
3130A7CX1	3921	FHLB		01/31/2017	9,000,000.00	8,977,086.00	8,996,300.74	0.875	0.933	261	03/19/2018
3130A8PK3	3927	FHLB		02/02/2017	5,000,000.00	4,961,240.00	4,973,403.04	0.625	1.114	402	08/07/2018
3130AA3R7	3933	FHLB		02/16/2017	7,000,000.00	6,978,482.00	6,973,404.25	1.375	1.539	867	11/15/2019
3130A0JR2	3934	FHLB		02/16/2017	5,000,000.00	5,105,235.00	5,093,576.99	2.375	1.590	895	12/13/2019
3130AAXU7	3939	FHLB		03/08/2017	20,000,000.00	20,048,680.00	19,998,034.53	1.650	1.654	962	02/18/2020
3130ABAA4	3945	FHLB		04/26/2017	15,000,000.00	14,934,990.00	14,988,770.75	1.400	1.429	962	02/18/2020
3130ABM29	3951	FHLB		06/29/2017	15,000,000.00	14,946,705.00	15,000,000.00	1.500	1.500	962	02/18/2020
3137EABA6	3866	FHLMC		07/22/2015	5,000,000.00	5,074,515.00	5,078,651.98	5.125	0.907	139	11/17/2017
3134G9UY1	3894	FHLMC		06/29/2016	5,000,000.00	4,985,910.00	5,000,000.00	1.000	0.985	363	06/29/2018
3134G7TZ4	3925	FHLMC		02/02/2017	8,000,000.00	8,003,704.00	8,011,931.74	1.300	1.175	444	09/18/2018

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Portfolio Details - Investments
June 30, 2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3134G92H9	3928	FHLMC		02/02/2017	9,000,000.00	8,956,944.00	8,977,662.50	0.850	1.084	391	07/27/2018
3137EADZ9	3935	FHLMC		02/22/2017	5,000,000.00	4,977,535.00	4,983,920.83	1.125	1.308	653	04/15/2019
3135G0RT2	3852	FNMA		06/17/2015	4,000,000.00	3,994,600.00	3,998,248.24	0.875	0.970	172	12/20/2017
3135G0TG8	3873	FNMA		10/22/2015	7,000,000.00	6,986,343.00	7,004,137.71	0.875	0.776	222	02/08/2018
3135G0TG8	3876	FNMA		12/22/2015	10,000,000.00	9,980,490.00	9,987,025.33	0.875	1.093	222	02/08/2018
3136G3XJ9	3903	FNMA		07/26/2016	5,000,000.00	4,914,150.00	5,000,000.00	1.000	1.000	755	07/26/2019
3135G0J53	3904	FNMA		07/07/2016	10,000,000.00	9,933,250.00	10,040,189.15	1.000	0.754	605	02/26/2019
3136FTS67	3909	FNMA		08/30/2016	3,000,000.00	3,013,017.00	3,034,504.21	1.700	0.995	606	02/27/2019
3135G0J53	3910	FNMA		08/30/2016	10,000,000.00	9,933,250.00	10,004,050.78	1.000	0.975	605	02/26/2019
3135G0WJ8	3923	FNMA		01/31/2017	5,000,000.00	4,982,905.00	4,993,361.70	0.875	1.026	324	05/21/2018
3135G0YM9	3926	FNMA		02/02/2017	2,000,000.00	2,012,488.00	2,017,375.60	1.875	1.150	444	09/18/2018
3135G0N33	3930	FNMA		02/08/2017	10,000,000.00	9,879,780.00	9,903,058.84	0.875	1.349	762	08/02/2019
3135G0T29	3942	FNMA		03/29/2017	5,000,000.00	4,986,895.00	4,987,820.83	1.500	1.594	972	02/28/2020
3135G0P49	3950	FNMA		06/14/2017	5,000,000.00	4,951,150.00	4,954,006.30	1.000	1.434	788	08/28/2019
Subtotal and Average			312,871,736.47		326,000,000.00	325,247,384.00	326,075,506.12		1.149	525	
Federal Agency Issues - Callable											
3133EGEF8	3895	FFCB		06/22/2016	5,000,000.00	4,969,790.00	4,999,344.54	1.180	1.187	712	06/13/2019
3134GA6H2	3938	FHLMC		02/28/2017	5,000,000.00	4,996,720.00	5,000,000.00	1.375	1.375	607	02/28/2019
3134GBVD1	3953	FHLMC		06/29/2017	6,000,000.00	5,991,456.00	6,000,000.00	1.625	1.625	1,094	06/29/2020
3136G4MA8	3936	FNMA		02/28/2017	5,000,000.00	4,999,510.00	5,000,000.00	1.700	1.700	972	02/28/2020
Subtotal and Average			15,399,331.00		21,000,000.00	20,957,476.00	20,999,344.54		1.479	858	
Municipal Bonds - Coupon											
23542JBE4	3899	DALLAS, TX WTR & SWR REV BDS		07/07/2016	4,000,000.00	3,956,640.00	4,000,000.00	1.217	1.217	822	10/01/2019
23542JBD6	3900	DALLAS, TX WTR & SWR REV BDS		07/07/2016	6,000,000.00	5,953,500.00	6,000,000.00	0.985	0.985	457	10/01/2018
549188QY9	3880	LUBBOCK, TX GO REF TAXABLE		01/20/2016	3,300,000.00	3,297,426.00	3,302,629.37	1.230	1.100	229	02/15/2018
5816465Y8	3863	MCKINNEY, TX GENERAL OBLIGATION		07/14/2015	1,180,000.00	1,184,023.80	1,184,433.59	4.000	0.890	45	08/15/2017
8821172U7	3857	TX A & M UNIV REV BD		06/25/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.250	0.854	0	07/01/2017
88213ADK8	3886	TX A & M UNIV REV BD		04/12/2016	3,500,000.00	3,489,920.00	3,500,000.00	1.222	1.222	318	05/15/2018
88213AFU4	3902	TX A & M UNIV REV BD		07/20/2016	1,000,000.00	987,230.00	1,000,000.00	1.009	1.009	683	05/15/2019
910678A27	3861	UNITED TX ISD GENERAL OBG		07/15/2015	2,880,000.00	2,889,907.20	2,890,820.20	4.000	0.891	45	08/15/2017
9143016Z4	3881	UNIV OF HOUSTON, TX REV REF BDS		02/16/2016	5,000,000.00	5,049,700.00	5,067,542.70	3.250	1.050	229	02/15/2018
Subtotal and Average			31,955,783.98		31,860,000.00	31,808,347.00	31,945,425.86		1.030	311	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
CDs - CDARS											
SYS3874	3874	CD - CDARS		11/12/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.317	1.317	131	11/09/2017
SYS3875	3875	CD - CDARS		11/12/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.371	1.371	222	02/08/2018
SYS3890	3890	CD - CDARS		05/12/2016	7,000,000.00	7,000,000.00	7,000,000.00	1.317	1.317	313	05/10/2018
SYS3929	3929	CD - CDARS		02/09/2017	7,000,000.00	7,000,000.00	7,000,000.00	1.677	1.677	586	02/07/2019
SYS3940	3940	CD - CDARS		03/16/2017	10,000,000.00	10,000,000.00	10,000,000.00	1.626	1.626	621	03/14/2019
Subtotal and Average			36,333,333.33		34,000,000.00	34,000,000.00	34,000,000.00		1.490	420	
CDs - CDARS											
SYS3865	3865	CD - CDARS		07/23/2015	4,756,500.00	4,756,500.00	4,756,500.00	1.081	1.081	19	07/20/2017
Subtotal and Average			4,756,500.00		4,756,500.00	4,756,500.00	4,756,500.00		1.081	19	
CDs - SLOC											
SYS3872	3872	CD - INDEPENDENT BANK		10/15/2015	10,000,000.00	10,000,000.00	10,000,000.00	1.318	1.318	103	10/12/2017
SYS3882	3882	CD - INDEPENDENT BANK		02/11/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.267	1.267	222	02/08/2018
SYS3944	3944	CD - INDEPENDENT BANK		04/13/2017	10,000,000.00	10,000,000.00	10,000,000.00	1.623	1.623	649	04/11/2019
SYS3864	3864	CD - LEGACYTEXAS BANK		07/09/2015	5,000,000.00	5,000,000.00	5,000,000.00	1.004	1.004	5	07/06/2017
SYS3869	3869	CD - LEGACYTEXAS BANK		08/11/2015	10,000,000.00	10,000,000.00	10,000,000.00	1.160	1.160	40	08/10/2017
SYS3887	3887	CD - LEGACYTEXAS BANK		04/07/2016	7,000,000.00	7,000,000.00	7,000,000.00	1.300	1.300	278	04/05/2018
SYS3892	3892	CD - LEGACYTEXAS BANK		06/16/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.380	1.380	348	06/14/2018
SYS3905	3905	CD - LEGACYTEXAS BANK		07/21/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.350	1.350	383	07/19/2018
SYS3907	3907	CD - LEGACYTEXAS BANK		08/11/2016	10,000,000.00	10,000,000.00	10,000,000.00	1.320	1.320	404	08/09/2018
SYS3946	3946	CD - LEGACYTEXAS BANK		05/11/2017	10,000,000.00	10,000,000.00	10,000,000.00	1.677	1.677	677	05/09/2019
SYS3949	3949	CD - LEGACYTEXAS BANK		06/15/2017	15,000,000.00	15,000,000.00	15,000,000.00	1.676	1.676	712	06/13/2019
Subtotal and Average			100,000,000.00		107,000,000.00	107,000,000.00	107,000,000.00		1.404	382	
Commercial Paper Disc. - Amortizing											
02665JUM0	3943	AMERICAN HONDA FINANCE		04/05/2017	5,000,000.00	4,996,750.00	4,997,138.89	1.030	1.048	20	07/21/2017
36164JVF8	3924	GE CAPITAL TREASURY LLC		02/01/2017	18,000,000.00	17,974,386.00	17,977,050.00	1.020	1.047	45	08/15/2017
46640QBF7	3947	JP MORGAN SECURITIES LLC		05/31/2017	10,000,000.00	9,908,960.00	9,912,852.78	1.370	1.422	229	02/15/2018
46640PXH1	3952	JP MORGAN SECURITIES LLC		06/20/2017	5,000,000.00	4,981,090.00	4,980,500.00		1.342	108	10/17/2017
64105RWU0	3919	NESTLE FINANCE INTL LTD		01/31/2017	5,000,000.00	4,985,200.00	4,988,133.33	0.960	0.988	89	09/28/2017
64105RXG0	3920	NESTLE FINANCE INTL LTD		01/31/2017	5,000,000.00	4,981,955.00	4,985,733.33	0.960	0.989	107	10/16/2017
64105RYT1	3941	NESTLE FINANCE INTL LTD		03/29/2017	5,000,000.00	4,974,250.00	4,976,408.33	1.140	1.185	149	11/27/2017
89233GUT1	3916	TOYOTA MOTOR CREDIT		01/30/2017	7,000,000.00	6,994,358.00	6,993,983.89	1.190	1.214	26	07/27/2017
89233GWR3	3954	TOYOTA MOTOR CREDIT		06/27/2017	10,000,000.00	9,972,470.00	9,972,288.89	1.160	1.180	86	09/25/2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Subtotal and Average			62,360,771.78		70,000,000.00	69,769,419.00	69,784,089.44		1.158	93	
Local Govt Inv Pool - TexSTAR											
SYS3641	3641	LOCAL GOVT INV POOL - TEXSTAR			127,524,171.85	127,524,171.85	127,524,171.85	0.883	0.883	1	
Subtotal and Average			119,743,555.66		127,524,171.85	127,524,171.85	127,524,171.85		0.883	1	
Demand Deposits / Wells Fargo											
SYS3706	3706	DEMAND DEPOSITS - WELLS FARGO			1,712,328.37	1,712,328.37	1,712,328.37	0.500	0.500	1	
Subtotal and Average			2,488,433.77		1,712,328.37	1,712,328.37	1,712,328.37		0.500	1	
Total and Average			738,073,484.31		777,853,000.22	776,842,268.22	777,932,815.14		1.156	359	



Footbridge through Quakertown Park

Section 5

City of Denton
Quarterly Financial Report
June 2017

PERFORMANCE REPORT

Strategic Plan

The City of Denton uses a Strategic Plan as a roadmap to achieve long-term goals and objectives that capture the City's Vision, Mission, and Value statements. The first Strategic Plan was formally approved by the City Council in April 2011, and it has been updated periodically since that time. Over the past year, the City has partnered with the Bloomberg What Works Cities initiative to refine our strategic outcomes and identify measurable ways to mark our progress. The City Council approved the FY 2016-17 Strategic Plan and associated performance measures on September 20, 2016.

The Strategic Plan serves as the basis for resource allocation decisions that are used in the development of the FY 2016-17 Budget. The Strategic Plan is organized into five Key Focus Areas (KFAs) and major goals associated with each KFA are also identified below.

Key Focus Area 1: Organizational Excellence
Goal 1.1 Manage financial resources in a responsible manner.
Goal 1.2 Develop a high-performance work force.
Goal 1.3 Promote effective internal and external communication.
Goal 1.4 Achieve high level of customer satisfaction.
Goal 1.5 Utilize technology to enhance efficiency and productivity.
Goal 1.6 Collaborate with local, regional, state, and federal partners.
Key Focus Area 2: Public Infrastructure
Goal 2.1 Optimize resources to improve quality of City roadways.
Goal 2.2 Seek solutions to mobility demands and enhance connectivity.
Goal 2.3 Promote superior utility services and facilities.
Goal 2.4 Manage drainage infrastructure.
Goal 2.5 Develop Capital Improvement Program (CIP) based on community needs.
Key Focus Area 3: Economic Development
Goal 3.1 Develop targeted policies and incentives to achieve desired economic growth.
Goal 3.2 Make Denton a destination for visitors.
Goal 3.3 Promote a business-friendly environment.
Goal 3.4 Encourage development, redevelopment, recruitment, and retention.
Key Focus Area 4: Safe Liveable and Family Friendly Community
Goal 4.1 Enhance public safety in the community.
Goal 4.2 Seek clean and healthy neighborhoods in Denton.
Goal 4.3 Provide quality, diverse, and accessible neighborhood services for the community.
Goal 4.4 Provide and support outstanding leisure, cultural, and educational opportunities.
Goal 4.5 Provide support to citizens in need through social service agencies and programs.
Key Focus Area 5: Sustainable & Environmental Stewardship
Goal 5.1 Manage Denton's water resources.
Goal 5.2 Improve air quality and greenhouse gas management.
Goal 5.3 Improve energy efficiency and conservation.
Goal 5.4 Manage land use and preserve open/natural spaces.
Goal 5.5 Provide alternative modes of transportation.
Goal 5.6 Promote sustainable materials resource management.
Goal 5.7 Encourage local food production.

Strategic Plan

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

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

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	3RD QTR
KFA 1: ORGANIZATIONAL EXCELLENCE	CUSTOMER SERVICE	PERCENTAGE OF FIRST CONTACT RESOLUTION FOR CUSTOMERS	85%	91.1%
		AVERAGE TIME IN SECONDS TO ANSWER CALLS	60	24
	DTV	PERCENTAGE OF PAYMENT TRANSACTIONS COMPLETED ELECTRONICALLY	59%	64.7%
		NUMBER OF GRANICUS VIEWS OF LIVE AND ON-DEMAND VIDEOS	18,000	13,166
		NUMBER OF YOUTUBE SUBSCRIBERS	400	694
	FINANCE	PERCENTAGE OF ACTUAL GENERAL FUND REVENUE COMPARED TO BUDGETED REVENUE	100%	102.3%
		PERCENTAGE OF ACTUAL GENERAL FUND EXPENDITURES AS COMPARED TO BUDGETED EXPENDITURES	<100%	95.9%
		PERCENTAGE OF RATE OF INVESTMENT RETURN	0.75%	1.16%
	HUMAN RESOURCES	PERCENTAGE RATE OF EMPLOYEE TURNOVER	<10%	3.95%
		PERCENTAGE OF PERFORMANCE REVIEWS COMPLETED WITHIN 30 DAYS OF DUE DATE	100%	92%
	INTERNAL AUDIT	NUMBER OF INTERNAL CONTROL OR LEAN GOVERNMENT PROJECTS IMPLEMENTED	12	3
	PUBLIC COMMUNICATIONS	PERCENTAGE OF CITIZENS RATING THE CITY WEBSITE AS A MAJOR SOURCE OF INFORMATION ⁽¹⁾	65%	60%
		NUMBER OF FOLLOWERS ON ALL SOCIAL MEDIA SITES	100,000	161,046
KFA 2: PUBLIC INFRASTRUCTURE	ENGINEERING	NUMBER OF ARTERIAL AND COLLECTOR INTERSECTIONS IMPROVED TO ADDRESS CAPACITY AND SAFETY ⁽²⁾	1	1
		NUMBER OF SIGNALIZED INTERSECTIONS RETIMED ⁽²⁾	69	10
	TRAFFIC STREETS	SQUARE YARDS OF ASPHALT ROADWAY RECONSTRUCTED ⁽²⁾	60,000	47,202
		SQUARE YARDS OF ASPHALT ROADWAY OVERLAID ⁽²⁾	36,943	86,827
		SQUARE YARDS OF ASPHALT ROADWAY MICRO-SEALED ^{(1) (2)}	191,188	267,517
	TECH SERVICES	PERCENTAGE OF CITY SERVED BY BROADBAND	80%	87.9%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	3RD QTR
KFA 3: ECONOMIC DEVELOPMENT	BUILDING INSPECTIONS	PERCENTAGE OF CERTIFICATES OF OCCUPANCY REVIEWED WITHIN 10 DAYS	95%	100.0%
		PERCENTAGE OF NEW COMMERCIAL PERMITS REVIEWED WITH 10 DAYS	95%	97.3%
		PERCENTAGE OF TENANT FINISH OUTS REVIEWED WITHIN 10 DAYS	95%	97.6%
	ECONOMIC DEVELOPMENT	PERCENTAGE OF JOBS IN DENTON PAYING EQUAL TO OR GREATER THAN \$75,000	10.75%	14.3%
		MEDIAN FAMILY INCOME	\$63,411	\$68,189
		PERCENTAGE RATE OF UNEMPLOYMENT	<3.9%	3.3%
		PERCENTAGE OF JOBS IN DENTON PAYING EQUAL TO OR GREATER THAN \$25,000	68.5%	77.2%
		INCREASE IN RETURN ON INVESTMENT OF INCENTIVES AWARDED	300%	400%
		NUMBER OF REDEVELOPED PROPERTIES IN DOWNTOWN DENTON ⁽²⁾	6	13
		TOTAL NET SALES TAX COLLECTIONS RELATED TO ECONOMIC DEVELOPMENT INCENTIVES ⁽²⁾	\$3,800,000	\$2,713,132
		NUMBER OF BUSINESS RETENTION VISITS ⁽²⁾	105	80
		INCREASE IN COMMERCIAL AND INDUSTRIAL PROPERTY VALUES ⁽¹⁾	3%	-
	FINANCE PLANNING	PERCENTAGE OF SITE PLAN SUBMITTALS/RESUBMITTALS REVIEWED WITHIN 12 BUSINESS DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLAT SUBMITTALS/RESUBMITTALS REVIEWED WITHIN 12 BUSINESS DAYS	90%	100%
		PERCENTAGE OF ZONING VERIFICATION LETTERS PROCESSED WITHIN 10 BUSINESS DAYS	95%	100%
		PERCENTAGE OF ZONING BOARD OF ADJUSTMENTS VARIANCES PROCESSED WITHIN 60 DAYS	90%	-
		PERCENTAGE OF ZONING/REZONING APPLICATIONS PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SPECIAL USE PERMITS PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLATS (APPROVED BY THE PLANNING AND ZONING COMMISSION) PROCESSED WITHIN 60 DAYS	90%	100%
		PERCENTAGE OF SUBDIVISION PLATS (APPROVED ADMINISTRATIVELY) PROCESSED WITHIN 45 DAYS	90%	100%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	3RD QTR
KFA 3: ECONOMIC DEVELOPMENT	PLANNING	NUMBER OF SMALL AREA PLANS INITIATED EACH CALENDAR YEAR ⁽²⁾	2	2
		NUMBER OF CORRIDOR PLANS INITIATED EACH CALENDAR YEAR ⁽²⁾	2	1
		NUMBER OF NEIGHBORHOOD PROJECT MATCHING GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR ⁽²⁾	5	3
		NUMBER OF NEIGHBORHOOD MICRO GRANT APPLICATIONS PROCESSED EACH FISCAL YEAR ⁽²⁾	6	2
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	COMMUNITY DEVELOPMENT	NUMBER OF PEOPLE SERVED BY PUBLIC IMPROVEMENTS ^{(1) (2)}	9,733	3,405
		NUMBER OF HOUSEHOLDS SERVED IN HOUSING PROGRAMS ⁽²⁾	60	35
		NUMBER OF INDIVIDUALS AND/OR HOUSEHOLDS SERVED THROUGH CITY-SUPPORTED PROGRAMS ⁽²⁾	15,000	10,031
		TOTAL FUNDING AMOUNT FROM LOCAL, STATE, AND FEDERAL GRANTS THAT WAS LEVERAGED ⁽²⁾	\$1,500,000	\$688,717
		NUMBER OF AFFORDABLE HOUSING UNITS DEVELOPED ⁽²⁾	1	0
		NUMBER OF AFFORDABLE HOUSING UNITS MAINTAINED ⁽²⁾	26	12
		PERCENTAGE OF NUISANCE VIOLATIONS ABATED	90%	99.9%
		PERCENTAGE OF MINIMUM BUILDING STANDARD VIOLATIONS ABATED	85%	100.0%
		PERCENTAGE OF ZONING VIOLATIONS ABATED	85%	94%
		NUMBER OF DANGEROUS BUILDINGS REPAIRED OR DEMOLISHED ⁽²⁾	30	20
		INCREASE IN OWNER-OCCUPIED HOUSING	5%	0%
	FIRE	PERCENT OF ACTIVE STRUCTURE FIRES RESPONDED TO IN FIVE MINUTES OR LESS (NFPA 1710 STANDARD IS 90 PERCENT OR LESS THAN FOUR MINUTES)	50%	51%
		NUMBER OF INSPECTIONS COMPLETED FOR COMMERCIAL/INDUSTRIAL/MULTI-FAMILY STRUCTURES ⁽²⁾	4,700	3,173
		NUMBER OF HOURS COMPLETED TO ENHANCE TRAINING PROGRAM TO IMPROVE ALIGNMENT WITH TEXAS COMMISSION ON FIRE PROTECTION AND ISO ⁽²⁾	36,000	43,658
	GAS WELLS	PERCENTAGE OF GAS WELL DRILLING AND PRODUCTION SITES INSPECTED	100%	100%

⁽¹⁾ Data expected in 4th quarter.

⁽²⁾ Measure is a year-to-date total.

STRATEGIC PLAN PERFORMANCE REPORT 2016-17

KEY FOCUS AREA	DEPARTMENT	KEY PERFORMANCE INDICATORS	TARGET	3RD QTR
KFA 4: SAFE, LIVEABLE, AND FAMILY-FRIENDLY COMMUNITY	LIBRARY	TOTAL CIRCULATION OF PHYSICAL ITEMS ⁽²⁾	1,000,000	870,191
		NUMBER OF TIMES DATABASE SOFTWARE ACCESSED BY CUSTOMERS ⁽²⁾	16,000	12,831
		TOTAL E-BRANCH CIRCULATION INCLUDING E-BOOKS E-MAGAZINES AND STREAMING CONTENT ⁽²⁾	100,000	83,555
		LIBRARY CUSTOMERS WHO REPORT INCREASED AWARENESS OF LIBRARY OFFERINGS THROUGH OUTREACH CHANNELS: DPL2GO, EMBEDDED LIBRARY ASSIGNMENTS, AND COMMUNITY EVENTS	25%	43%
	PARKS	TOTAL MILES OF PEDESTRIAN TRAILS ⁽²⁾	30	1.03
		NUMBER OF TREES PLANTED ⁽²⁾	720	422
		ACRES OF PARKS PER 1,000 POPULATION	18.61	18.65
		SATISFACTION RATING OF "GOOD" OR "EXCELLENT" FOR PROGRAMMING/NUMBER OF RATINGS RECEIVED ⁽²⁾	4.5/3,600	4.8/1,847
		PERCENTAGE OF PROGRAMS OFFERED THAT MADE PARTICIPATION REQUIREMENTS	94%	87%
	POLICE	NUMBER OF STAKEHOLDER MEETINGS CONDUCTED ⁽²⁾	200	180
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR PRIORITY 1 (EMERGENCY) CALLS	<6:00	7:07
		AVERAGE TIME IN MINUTES FOR PATROL RESPONSE FROM DISPATCH TO ARRIVAL ON SCENE FOR NON-EMERGENCY CALLS	<10:00	8:01
KFA 5: SUSTAINABLE AND ENVIRONMENTAL STEWARDSHIP	ENVIRONMENTAL SERVICES	DECREASE IN MUNICIPAL ENERGY USAGE	5%	2%
		PERCENT OF NON-SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	100%
		PERCENT OF SOLAR ENERGY REBATE FUNDING USED FROM BASE AMOUNT	100%	100%
		PERCENTAGE OF RENEWABLE ENERGY USED IN MUNICIPAL FACILITIES ⁽¹⁾	70%	78%
	SOLID WASTE	POUNDS OF WASTE DISPOSED PER CAPITA	1,900	1,276
		PERCENTAGE OF WASTE DIVERTED FROM THE LANDFILL	40%	46%
	TRANSPORTATION	NUMBER OF ACTIVE TRANSPORTATION SAFETY AND EDUCATION ACTIVITIES, EVENTS, AND INITIATIVES ⁽²⁾	12	9
		NUMBER OF ACTIVE TRANSPORTATION PROMOTIONAL EVENTS ⁽²⁾	10	10
		CENTERLINE MILES OF ON-STREET BIKE INFRASTRUCTURE, SUCH AS BIKE LANES AND SHARROWS ⁽²⁾	7	5.8
		NUMBER OF TRAIL AND BIKEWAY NETWORK GAPS REMOVED ⁽²⁾	4	0
		NUMBER OF SIDEWALK DISCONNECTS/GAPS REMOVED ⁽²⁾	4	2
		NUMBER OF TRANSIT STOPS WITH IMPROVED PEDESTRIAN AND BICYCLE ACCESS ⁽²⁾	8	0

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

⁽²⁾ Measure is a year-to-date total



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Action Steps

During the strategic planning process, staff identified several Key Action Steps to be completed over the coming fiscal year. The purpose of creating the Strategic Plan action steps or “tasks” is to:

- Link broad policy goals identified in the Strategic Plan with specific actions that are to be undertaken.
- Provide policy makers and employees with key milestones for assessing our performance.
- Establish accountability for completing the tasks in the coming year.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Implement interim Customer Relationship Manager (CRM) module and other feedback mechanisms for citizens	City Mgr. Office	January 2017	The new cityofdenton.com includes a form to report an issue and a general contact page for the public. These requests come to the CMO and are routed to appropriate city staff. A cross-departmental staff team started work in July 2017 to explore CRM options with the goal of bringing forward a recommendation to the Committee on Citizen Engagement or City Council in late fall 2017.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Create a digital road map for providing services to the community	Technology Service	September 2017	We completed the second phase which includes interviewing key stakeholders to assist with the digital roadmap definition. We are scheduled to complete the third phase by September which include a survey for both internal staff and residents. This was scheduled to be published on Friday, August 4th. The initial draft of the digital roadmap will not be available until Oct/Nov 2017.
Hold regular performance management meetings with departments and executive team	City Mgr. Office	January 2017	The City Manager's Office has launched a new performance measurement platform through the internal Sharepoint site in July 2017 to facilitate collection and reporting on a quarterly basis from each department. Management will begin holding performance meetings each quarter with rotating departments.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 1: Organizational Excellence

Action Steps	Department	Target Date	Status
Conduct citizen and business surveys and explore options for soliciting input from various stakeholders	City Mgr. Office	July 2017	The 2017 Citizen Survey was sent to a sample of residents and available to all residents online in May 2017. We received over 1,300 survey responses. The results were presented to the Committee on Citizen Engagement in August 2017 and shared with the City Council. The business survey is planned to be conducted in spring 2018.
Conduct "State of the City" meeting with citizens and create Citizen's Academy	City Mgr. Office	March 2017	Approximately 150 residents attend the State of the City event held on March 30, 2017. The Citizen's Academy was held over 5 sessions in June and July 2017 with 12 residents participating.
Enhance open data platform and related initiatives	Technology Service	January 2017	The new open data portal was launched in August 2016. This Step has been completed.
Utilize the Lean, LEEP, Performance Management, and Employee Innovation programs to generate efficiency and productivity enhancements	City Mgr. Office	Ongoing	The City recently completed its 2nd LEEP class and second year of the innovation program with positive outcomes. The City also continues to use the Lean program to analyze and improve processes throughout the City.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Complete Phase 1 of the Intelligent Transportation System Communication Network Plan	Traffic	December 2017	We are on track with the target date and currently at 60% complete with design plans for Phase 1 fiber network construction.
Transition 10 percent of franchise fee revenue to the Street Improvement Fund	Finance	September 2017	The first year of this 10 year transition was completed in the adopted FY 2016-17 budget. The City's five-year General Fund forecast calls for an additional 10 percent transfer (\$622,000 annually) of remaining franchise fees to the Street Improvement Fund.
Transition the funding of street reconstruction activities from bond funding to revenue funding for the smaller street projects	Finance	Ongoing	This action step is dependent on the annual transition of 10 percent of franchise fees to the Street Improvement Fund (prior action step). This increase in Street Maintenance funding will allow for a greater portion of street reconstruction to be funded with cash versus bond funding. The long term goal over the 10 years is to move a majority of street reconstruction to cash funding and significantly reduce the need for bond funding.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Develop Rights-of-Way (ROW) Management plan	Engineering and Technology Service	September 2017	The discussion of telecommunication in the right-of-way and where the infrastructure (including small cell nodes) will be located and how the installation will be managed is on-going. While the City has investigated examples of right-of-way management ordinances from other cities and has evaluated best practices, pending legislative and Public Utility Commission (PUC) action may have a significant impact on staff's ultimate recommendation. Further evaluation and recommendation will be forthcoming pending any final PUC ruling or legislative action. Examples of right of way management ordinances from larger cities have been obtained and the "best practices" are being evaluated by a committee of City Departments that have a part of the right of way decision making process.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 2: Public Infrastructure

Action Steps	Department	Target Date	Status
Install fiber conduit as part of major transportation projects along arterial streets	Engineering	Ongoing	The project entails installation of the City's ITS, Phase 1 (\$1.6 million NCTCOG ITS Grant) fiber infrastructure. Engineering and Traffic Operations Staff has engaged the services of Binkley and Barfield consulting Engineers to prepare design plans for the City's ITS Phase 1 . The design plans are at 90% and are anticipated to be completed by end of August 2017. Conduit has already been installed along US 380 and DCTA tracks. Currently working with purchasing department to identify existing fiber installation contracts (with DME) for expeditiously hiring a contractor to begin construction. Staff is also working with TxDOT to have conduit installed in their US-377 and FM 2181 roadway widening projects, to be bid in 2017. Staff is also working with contractors on City projects (Mayhill Road and Bonnie Brae Road) to include installation of Fiber along these major corridors.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 3: Economic Development

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



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 3: Economic Development

Action Steps	Department	Target Date	Status
Implement improvements to development review process	Planning	October 2016	Initial recommendations from the Lean Committee were implemented in August 2016. A follow-up Lean Process Improvement event that will incorporate DRC Engineering is planned for the 3 rd Quarter of FY2016-2017. Staff will continue to monitor operations and make adjustments as needed.
Rewrite Denton Development Code	Planning	December 2017	City Council approved a new scope of services for the full re-write of the Denton Development Code in December 2016. Clarion Associates held a series of kickoff meeting with staff and the Planning and Zoning Commission in January 2017 and have already begun to draft the new code. A kickoff meeting for the public was held on June 7, 2017 to present the first Module: Proposed Zoning Districts and Uses. It is anticipated that the project will be complete in May 2018.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



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

Action Steps	Department	Target Date	Status
Implement recommendations from study on current dispatch system to improve efficiency, effectiveness, and cost	Police & Fire	December 2016	<ul style="list-style-type: none"> Candidates for Communications Manager under review. Anticipated hire August 2017. Selection of Public Safety Answering Point (PSAP) Board committee members underway. Specifications for Police RMS and CAD complete. Development of RFP's for system acquisition underway.
Deploy additional medic unit in Southeast Denton	Fire	January 2017	<ul style="list-style-type: none"> Medic Unit 8 went into service on January 1st. The tenant finish out of Temporary Station 8 on the Denton Medical City campus is complete.
Conduct analysis to identify hot spots that drive police response and consider resource allocation to focus on prevention in those areas	Police	December 2016	Completed analysis of problem areas in each of 5 police districts in December 2016. Analysis revealed that hotspots were not primary driver of police staffing resources. New staffing configuration based on overall police call loads implemented in January 2017. Conducting analysis to determine impact on call response times. The new staffing configuration reduced call response times were reduced by 6% in the next quarter (2 nd Qtr). Call response times increased slightly in the next quarter (3 rd) but remained lower than 1 st Quarter. Increases may have been attributed to rise in daily absentee rates in 3 rd Quarter.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



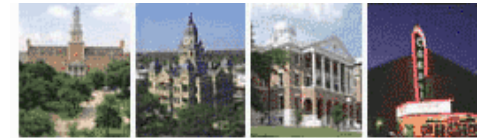
Key Focus Area 4: Safe, Liveable & Family-Friendly Community

Action Steps	Department	Target Date	Status
Collaborate with Community Improvement Services to build relationships with neighborhood organizations	Police	October 2016	Personnel from Police and Community Improvement jointly attended neighborhood meeting. Worked together to alleviate issues related to criminal trespassing and littering at several temporary campsites within the city. Collaborated on neighborhood nuisance location in Southeast Denton which led to abandoned vehicles that were being used for criminal activity being towed.
Continue implementation and evaluation of the enhanced right-of-way maintenance program	Community Improvement Services	December 2016	Project has been implemented and evaluation of enhanced right-of-way maintenance program continues.
Create an inventory and conduct an analysis of City-owned or maintained vacant lots and buildings	Community Improvement Services/ Engineering	February 2017	Staff has compiled a list of city-owned properties. The list is in Real Estate for review. When complete, the list will have a direct link for each property to DCAD information and aerial map. This list will be sent to other departments to claim maintenance responsibility for properties that have no departmental designation.
Develop a program to leverage volunteer service to make cosmetic improvements to homes in Denton neighborhoods	Community Improvement Services	May 2017	Habitat had some organizational shifts. Met with newly-assigned staff liaison for the 'Brush with Kindness' program to provide background information and agreements to-date. Also, meeting with the People Helping People Program (City of Dallas) to look at their funding/sponsorship mechanisms.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



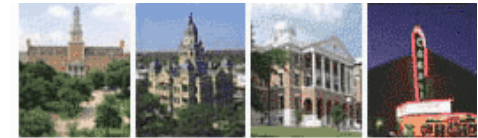
Key Focus Area 4: Safe, Liveable & Family-Friendly Community

Action Steps	Department	Target Date	Status
Expand DPL2GO Mobile Library to develop strategic relationships with underserved groups and neighborhoods	Library	September 2017	Thirteen staff members and one volunteer made contact with 829 people at the 12 DPL2GO stops in the third quarter. Staff introduced library services, showcased and demonstrated library resources, and presented educational programming to traditionally underserved communities and groups. The “Armchair Travel” programs at local senior living facilities have become particularly popular. This spring, DPL2GO also participated in the City of Denton/DISD Career on Wheels program and appeared at CycloDia in May.
Support the United Way Homelessness Coordinator and the Denton County Homelessness Leadership Team to implement recommendations from the Mayor’s Task Force for Housing the Homeless	Community Development	Ongoing	This program is jointly funded with the United Way of Denton County. The City’s contribution totals \$40,000 plus human resources that include City staff, Mayor and a Council member that serve on the Denton County Homeless Leadership Team.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



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

Action Steps	Department	Target Date	Status
Dedicate City resources that community organizations and programs working with the homeless can leverage for greater impact	Community Development	Ongoing	City staff, the Mayor and Council member serve on the Denton County Homeless Leadership Team. City staff participates in the Denton County Homeless Coalition. The City of Denton (COD) leverages multiple funding sources the City then distributes to organizations and programs working with the homeless. 3Q – Apr. 1, 2017 Jun. 30, 2017 \$1,911.00 in COD general funds \$7,596.63 in CDBG, federal funds \$117,311.26 in ESG state funds 1062 unduplicated clients assisted in these programs
Encourage City participation in coalitions and community organizations that address community social issues, such as the Denton County Behavioral Health Team and the Homelessness Leadership Team	Community Development	Ongoing	City staff, the Mayor and City Council members serve on the following Community Organizations: Denton County Behavioral Health Leadership Team (BHLT), Denton County Homeless Leadership Team (HLT). In addition, community development (CD) staff serve as ex-officio to the HLT and on BHLT and HLT workgroups. CD staff hold positions on the Denton County Homeless Coalition, Denton County Hunger Coalition, Early Childhood Coalition, Community Health Council, UW Community Needs Assessment, Denton County Veterans Coalition, and Healthy Communities Coalition.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 5: Safe, Sustainable & Environmental Stewardship

Action Steps	Department	Target Date	Status
Advance renewable power portfolio	DME	Ongoing	The Renewable Denton Plan was approved by City Council on September 20, 2016 with the goal of achieving a 70% renewable portfolio by 2019. DME has successfully added an additional wind power purchase agreement in Fall 2016 and has issued and RFP for additional renewable energy.
Expand commercial recycling program	Solid Waste	Ongoing	In 2016, the number of recycling containers set for commercial customers increased from 334 to 440. Fifty two (52) multi-family residential customers added recycling containers this year, increasing the recycling participation rate to 39% of the multi-family developments.



City of Denton, Texas

Strategic Plan Performance Report Dashboard



Key Focus Area 5: Safe, Sustainable & Environmental Stewardship

Action Steps	Department	Target Date	Status
Continue implementation of Bike Plan	Transportation	Ongoing	Staff continued to work on the planned 2016-2017 Bike Fund Projects. All sharrow projects have been completed. Additional projects on Bell Ave and Mockingbird Ln have been incorporated in conjunction with street projects currently underway. Staff is working on wayfinding signs for the bike route between TWU and DDTC. Expect to reach the 7 miles of on-street bike infrastructure target by end of FY.

Section 6

City of Denton
Quarterly Financial Report
June 2017

G.O. BOND PROGRAM REPORT

2012 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 6/30/17
Street Reconstruction	\$20,000,000	\$20,000,000	\$11,782,726	\$8,217,274
Public Art for Streets	\$400,000	\$400,000	\$97,612	\$302,388
Proposition 1 – Street & Public Art Improvements	\$20,400,000	\$20,400,000	\$11,880,338	\$8,519,662

Program Description	Staff Comments
Street Reconstruction	Staff has completed 112 of 208 total segments from the 2012 bond program. However, the amount reflected on this report represents 61 segments from the 2012 bond program and 16 segments from the 2014 bond program that have been funded with 2012 Bond Election bonds. The remaining 31 segments have been funded by other sources, including unspent GO bonds related to the 2005 bond program.
Public Art for Streets	An iconic Denton Medallion is to be placed along I-35 on either side of the North Texas Blvd. Bridge. The two medallions are currently being constructed and will be installed upon completion of the North Texas Blvd. Bridge.
Proposition 1 – Street & Public Art Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 6/30/17
Street Reconstruction	\$24,000,000	\$2,500,000	\$1,816,737	\$683,263
Misc. Traffic Signals	\$3,000,000	\$3,000,000	\$483,515	\$2,516,485
Transportation Division Facility	\$1,500,000	\$1,500,000	\$47,692	\$1,452,308
Rail Quiet Zone – McKinney to Prairie	\$350,000	\$350,000	\$0	\$350,000
Bonnie Brae Secondary Arterial	\$9,500,000	\$2,000,000	\$900,256	\$1,099,744
Misc. Sidewalks	\$2,000,000	\$1,650,000	\$317,067	\$1,332,933
Hickory Creek Road – FM 2181 to Riverpass	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Morse Street Expansion	\$2,900,000	\$2,900,000	\$0	\$2,900,000
Ruddell Extension	\$5,780,000	\$790,000	\$562,394	\$227,606
Misc. Roadways	\$2,000,000	\$600,000	\$1,340	\$598,660
Proposition 1 – Street Improvements	\$54,030,000	\$18,290,000	\$4,129,001	\$14,160,999

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Street Reconstruction	Staff has completed 50 of 195 total segments from the 2014 bond program. Lillian Miller representing 9 segments, Eagle Drive representing 12 segments, with an additional 15 street segments were funded from the \$2 million reflected as issued from the 2014 Bond Election.
Misc. Traffic Signals	At 100% design for Locust and Oak/Hickory (2 intersections) and Elm and Oak/Hickory (2 intersections). Anticipated completion is 120 days after Interlocal Agreement with Denton County is approved.
Transportation Division Facility	Design plans are complete. Staff seeking additional funding for increased construction costs.
Rail Quiet Zone – McKinney to Prairie	Staff is reviewing consultant proposal to conduct a diagnostic review of the 4 railroad crossings within the City and prepare/submit forms and applications to Federal Railroad Administration and Union Pacific. Staff intends to contract for the proposal by the first week in September. Project schedule will be forthcoming.
Bonnie Brae Secondary Arterial	Consultant contract approved by City Council Jan. 7, 2017. ROW Agent contract being pursued. Preliminary 60% design is underway. ROW documents including parcel exhibits and legal descriptions are complete.
Misc. Sidewalks	<p>Sidewalk projects set up and moving forward:</p> <ol style="list-style-type: none"> 1. Bell Ave. Sidewalk (McKinney to Mingo) \$120,000 – Construction 100% complete. 2. McKinney Sidewalk \$25,000 – Under design, coordination with DCTA for shelter location. 3. Windsor Sidewalk \$100,000 – Sidewalk design completed. Working with property owner to get a signed Letter of Understanding for driveway construction on private property. 4. Londonderry Sidewalk \$55,000 – Project survey being conducted. Preliminary layout in design. 5. Oakland St. Sidewalk \$45,000 – Coordinating with DME and Verizon for equipment relocation. Design complete. 6. Hickory St. Sidewalk at Exposition \$35,000 – Construction completed. 7. Loop 288 Sidewalk at Denton Crossing \$25,000 – Design completed. TxDOT permit approved. Construction estimated to begin in September.
Proposition 1 – Street Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Misc. Sidewalks continued...	<p>8. Pockrus Page Sidewalk \$110,000 - Project survey completed.</p> <p>9. Paisley St. Sidewalk \$20,000 – Design completed. Construction to begin in next couple of weeks.</p> <p>10. Mack Drive Sidewalk \$15,000 – Project currently under construction.</p> <p>11. East Side Stuart Road Sidewalk \$245,000 – Surveying completed. Grant funding recommended for approval by NCTCOG. Project will be designed and constructed using grant funding available spring next year. Available funds will be used as local match for the project.</p> <p>12. East Side Loop 288 Sidewalk \$85,000 - Project survey being conducted. Preliminary layout in design.</p>
Hickory Creek Road – FM 2181 to Riverpass	Consultant design contract executed. Design underway. Contract amendment processed in July. Construction plans are 90% complete.
Morse Street Expansion	Consultant design contract executed. Design is underway. Still anticipate inclusion of construction in Mayhill Road project.
Ruddell Extension	Consultant design at 60% complete. Working through drainage issues and UPRR coordination.
Misc. Roadways	Hickory Creek Road between FM 2181 and FM 2499 \$600,000 (this funding is the sum total of all bonds sold for this item to date plus the reimbursement ordinance amount) – Local match for RTR project. Fully executed agreement for project received from TXDOT. Design expected to begin in September 2017.
Proposition 1 – Street Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 6/30/17
Fire Station #4 Remodel/Rebuild – Sherman Drive	\$5,020,000	\$6,120,000	\$5,899,944	\$220,056
Fire Station #3 Remodel/Rebuild – McCormick	\$8,620,000	\$7,348,000	\$2,500,587	\$4,847,413
Police Lobby Renovation	\$115,000	\$115,000	\$115,000	\$0
Relocation of Communications Center & Criminal Investigations Bureau	\$2,000,000	\$2,000,000	\$146,238	\$1,853,762
Police Firing Range Improvements with Ten Foot Berm Addition	\$485,000	\$485,000	\$168,274	\$316,726
Public Art for Public Safety	\$325,000	\$325,000	\$208,793	\$116,207
Fire Training Facility	\$0	\$172,000	\$172,000	\$0
Proposition 2 – Public Safety	\$16,565,000	\$16,565,000	\$9,210,836	\$7,354,164

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Fire Station #4 Remodel/Rebuild – Sherman Drive	Construction phase is underway. Project is currently on scheduled an expect substantial completion July 2018.
Fire Station #3 Remodel/Rebuild – McCormick	Schematic design is complete and expect a presentation to City Council in September 2017 prior to design development initiating.
Police Lobby Renovation	Projects has been completed.
Relocation of Communications Center & Criminal Investigations Bureau	The architectural drawing is almost complete. The drawings for the furniture are complete. The final steps to obtain contracts for construction are nearing completion.
Police Firing Range Improvements with Ten Foot Berm Addition	The dirt work for this project is complete. The height of the berm has been raised and the ranges have been leveled and improved. We are still waiting for the adjacent property acquisition to be completed before we can move with plans for the range building.
Public Art for Public Safety	The Firefighters Memorial is currently being constructed in front of Central Fire Station. The project will be completed in August 2017, and the dedication will take place on September 11, 2017.
Fire Training Facility	Construction began April 2017 and expect completion March 2018.
Proposition 2 – Public Safety	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 6/30/17
Eagle Drive Drainage Improvements Phase 2	\$2,098,000	\$2,098,000	\$230,423	\$1,867,577
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	\$600,000	\$600,000	\$88,018	\$511,982
Magnolia Street Drainage Phase 2 (Hinkle Project)	\$2,557,000	\$2,557,000	\$213,946	\$2,343,054
Proposition 3 – Drainage & Flood Control Improvements	\$5,255,000	\$5,255,000	\$532,387	\$4,722,613

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Eagle Drive Drainage Improvements Phase 2	Plan updates completed. ROW/easement acquisition in progress, 75% complete. TxDOT permit submitted and approved.
Hickory Street Drainage & Trunk Line System – Downtown Implementation Plan	Engineering design contract approved and executed in March 2017. Survey and subsurface utility engineering has been completed. Preliminary design is in progress.
Magnolia Street Drainage Phase 2 (Hinkle Project)	Engineering design contract approved and executed in March 2017. Amendment No. 1 for the design contract was processed in August of 2017. Preliminary 60% design is complete as of August 2017.
Proposition 3 – Drainage & Flood Control Improvements	

2014 GO BOND PROGRAM UPDATE

Program Description	Total Project Cost	Bonds Issued	Spent/Encumbered	Available as of 6/30/17
Playground Replacements	\$890,000	\$150,000	\$39,517	\$110,483
Park Improvements (South Lakes, Lake Forest)	\$355,000	\$55,000	\$0	\$55,000
Sprayground	\$200,000	\$200,000	\$142,772	\$57,228
Water Works Park Additions – Wave Pool/Concession Stand	\$2,442,000	\$2,442,000	\$2,442,000	\$0
Vela Soccer Complex Phase II Construction	\$1,333,000	\$1,333,000	\$40,117	\$1,292,883
Public Art for Parks	\$180,000	\$100,000	\$100,000	\$0
Proposition 4 – Park System Improvements	\$5,400,000	\$4,280,000	\$2,764,406	\$1,515,594

2014 GO BOND PROGRAM UPDATE

Program Description	Staff Comments
Playground Replacements	Evers Park playground complete. Staff is working the additional cost proposals for the remaining six playground replacements. Denia is scheduled to be replaced in Fall 2017, and Fred Moore in Spring of 2018.
Park Improvements (South Lakes, Lake Forest)	The shelter and basketball court construction at Lake Forest & Milam Parks were completed via an endowment from a private foundation along with matching funds.
Sprayground	Design concepts are prepared for the spray ground. Survey for platting completed and forwarded to Architect. Conceptual designs have been shared with members of SEDNA via 4 public meetings. Construction began on 8/7 with completion scheduled for mid September.
Water Works Park Additions – Wave Pool/Concession Stand	The Wave Pool at Water Works Park opened July 8, 2017. The concession stand is projected to open in August 2017.
Vela Soccer Complex Phase II Construction	100% plans have been submitted from Dunaway. Staff completed the DRC process. This project will be presented to Council in September to discuss scope and funding.
Public Art for Parks	The Moroles sculpture was installed in the City Hall Courtyard September 2016. Council approval of the purchase of James Surls sculpture on May 23, 2017 and installation will take place in Fall of 2017.
Proposition 4 – Park System Improvements	



South Lakes Park