



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Finance

DCM: Bryan Langley

DATE: May 7, 2018

SUBJECT

Receive a report, hold a discussion and give staff direction regarding the Customer Service Fiscal Year 2018-19 Operating Budget.

BACKGROUND

The City's budget emphasis continues to be focused on cost containment, financial transparency, maintaining excellent customer service and maintaining strong financial management. As such, staff is pleased to present to the Public Utilities Board a proposal to segregate the Customer Service operation into a separate Internal Service Fund. As an Internal Service Fund, this operation will no longer appear as an expense business unit within the Water Utility Fund nor will the Water Utility Fund be the recipient of revenues from other funds that receive services from Customer Service. Additionally, the Water Utility Fund will no longer be required to "carry" a reserve for this operation which was previously factored into that reserve calculation.

As an Internal Service Fund, Customer Service will now be better able to demonstrate the revenues and expenditures that support this operation. As detailed in staff's presentation, this fund will not be required to maintain a fund balance and as such, any savings will be trued up at the end of each fiscal year and returned to the contributing fund. This latter process is a continuation of what has occurred within the Water Utility Fund but will now be visible in this new segregated fund.

The PowerPoint presentation for this agenda item is attached as Exhibit 2. Staff looks forward to the discussion of this proposed budget and working with the Public Utilities Board during this budget season.

STRATEGIC PLAN RELATIONSHIP

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

Related Key Focus Area: Organizational Excellence

Related Goal: 1.1 Manage financial resources in a responsible manner

EXHIBITS

1. Agenda Information Sheet
2. Presentation

Respectfully submitted:
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Director of Finance