

Agenda Information Sheet

DEPARTMENT: **Finance**

CM/ ACM: **Bryan Langley**

Date: **July 31, 2014**

SUBJECT

Receive a report; hold a discussion, and give staff direction regarding the FY 2014-15 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

BACKGROUND

The FY 2014-15 City Manager's Proposed Budget is submitted to the City Council as part of this item. The information provided in the Proposed Budget has been derived from a culmination of input from the City Manager, City Council, Public Utilities Board, service level demands, department requests, and miscellaneous economic assumptions. The Proposed Budget includes summary information concerning the following items:

- FY 2013-14 year-end revenue and expenditure estimates
- Proposed FY 2014-15 tax rate
- Proposed FY 2014-15 Operating Budgets by Fund
- Proposed FY 2014-15 Utility Budgets and proposed rates
- Proposed five-year financial forecast for the major funds
- Proposed five-year planned capital improvement program

A copy of the long term financial plan for each major operating fund is included in the proposed budget document. Each of the utility fund plans have been reviewed by the Public Utilities Board (PUB), and the PUB has recommended approval of the Electric, Water, Wastewater, and Solid Waste budgets.

The Electric Fund long term financial plan has been provided to you under a separate cover. Due to the confidential nature of this information, it may be necessary to enter a Closed Session discussion with the City Council should you wish to discuss it in detail.

I have also included as Exhibit 2 a summary of the supplemental funding requests submitted for the General Fund and other select funds. The summary indicates the packages that were requested by departments and those that have been recommended for approval by the City Manager. For the recommendations that are being proposed out of funds other than the General Fund, a footnote and legend has been provided to indicate the specific funding source for these items. Additionally, Exhibit 3 provides a compensation analysis for the Fire and Police Departments as required by the City's meet and confer agreements.

As discussed in the Proposed Budget, rate increases are planned for the Water, Wastewater and Electric utilities. In addition, rate increases are also proposed for Solid Waste services. The rate ordinances for Water, Wastewater, Electric and Solid Waste services are scheduled for PUB consideration on July 28, 2014. The rate ordinances as recommended by PUB will be sent to the City Council in August. These rates will be formally presented to the City Council for approval on September 16, 2014. Also included in Exhibit 4 is a memorandum from Tim Fisher on the impact of zebra mussels to the City's Water Utility.

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

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

August 5	Vote on Maximum Tax Rate Notice of Hearing (if necessary).
August 19	1 st Public Hearing on Tax Rate (if necessary). Public Hearing on Proposed Budget.
September 9	2 nd Public Hearing on Tax Rate (if necessary).
September 16	City Council Adopts Budget and Tax Rate.

I look forward to discussing the City Manager's FY 2014-15 Proposed Budget in detail with you. If you have any questions, or need additional information, please let me know.

EXHIBITS

1. FY 2014-15 City Manager's Proposed Budget
2. Summary of City Manager Recommendations for Supplemental Funding Requests
3. Memorandum Regarding Civil Service Compensation
4. Memorandum on Zebra Mussels

Respectfully Submitted
Chuck Springer, 349-8260
Director of Finance

CITY OF DENTON

PROPOSED ANNUAL PROGRAM OF SERVICES 2014-15

**SUBMITTED TO
THE MAYOR AND CITY COUNCIL**

July 25, 2014

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

This budget will raise more total property taxes than last year's budget by \$5,641,834 or 11.72% and of that amount \$1,292,895 is tax revenue to be raised from new property added to the tax roll this year.

PREPARED BY:

George C. Campbell
City Manager

Jon Fortune
Assistant City Manager

Howard Martin
Assistant City Manager

Bryan Langley
Assistant City Manager

John Cabrales, Jr.
Assistant City Manager

Chuck Springer
Director of Finance

Antonio Puente, Jr.
Assistant Director of Finance

Nancy Towle
Budget Manager

Mike Halsema
Senior Financial Analyst

Dan Galizia
Financial Analyst

Christine Taylor
Financial Analyst

Mary Dickinson
Electric Budget Manager

David Wilson
Utility Business Manager

Cassandra Ogden
Water Utilities Business Administrator

Nicholas Vincent
Utility Financial Administrator

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

Visit our website at: www.cityofdenton.com



In January and June of 2014, the City Council discussed potential revisions to the City's Strategic Plan. The draft version of this revised Strategic Plan is described on the following pages, and it serves as the basis for the development of the FY 2014-15 Proposed Budget. The City Council will be asked to formally approve this Strategic Plan in September along with the budget itself.

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

VISION

"Destination Denton"

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

MISSION

"Dedicated to Quality Service"

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

VALUES

"We Care"

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

CITY OF DENTON
PROPOSED FY 2014-15 STRATEGIC PLAN

KFA 1: ORGANIZATIONAL EXCELLENCE

Goal 1.1: Manage financial resources in a responsible manner

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

Goal 1.2: Develop a high-performance workforce

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

Goal 1.3: Promote effective internal and external communication

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

Goal 1.4: Achieve high level of customer satisfaction

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

Goal 1.5: Utilize technology to enhance efficiency and productivity

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

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

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

CITY OF DENTON
PROPOSED FY 2014-15 STRATEGIC PLAN

KFA 2: PUBLIC INFRASTRUCTURE

Goal 2.1: Optimize resources to improve quality of City roadways

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

Goal 2.2: Seek solutions to mobility demands and enhance connectivity

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

Goal 2.3: Promote superior utility services and facilities

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

Goal 2.4: Manage drainage infrastructure

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

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

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

CITY OF DENTON
PROPOSED FY 2014-15 STRATEGIC PLAN

KFA 3: ECONOMIC DEVELOPMENT

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

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

Goal 3.2: Make Denton a destination for visitors

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

Goal 3.3: Promote a business-friendly environment

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

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

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

CITY OF DENTON
PROPOSED FY 2014-15 STRATEGIC PLAN

KFA 4: SAFE, LIVABLE AND FAMILY-FRIENDLY COMMUNITY

Goal 4.1: Enhance public safety in the community

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

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

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

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

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

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

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

CITY OF DENTON
PROPOSED FY 2014-15 STRATEGIC PLAN

KFA 5: SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

Goal 5.1: Manage Denton's water resources

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

Goal 5.2: Improve air quality and greenhouse gas management

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

Goal 5.3: Improve energy efficiency and conservation

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

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

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

Goal 5.5: Provide alternative modes of transportation

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

Goal 5.6: Promote sustainable materials resource management

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

Goal 5.7: Encourage local food production

- Objective 5.7.1 Encourage local food production and distribution

**CITY OF DENTON
ELECTED OFFICIALS**



Chris Watts
Mayor
Term Expires: May 2016



Kevin Roden
Council Member
District 1
Term Expires: May 2015



John Ryan
Council Member
District 2
Term Expires: May 2015



Jim Engelbrecht
Mayor Pro Tem
District 3
Term Expires: May 2015



Joey Hawkins
Council Member
District 4
Term Expires: May 2015

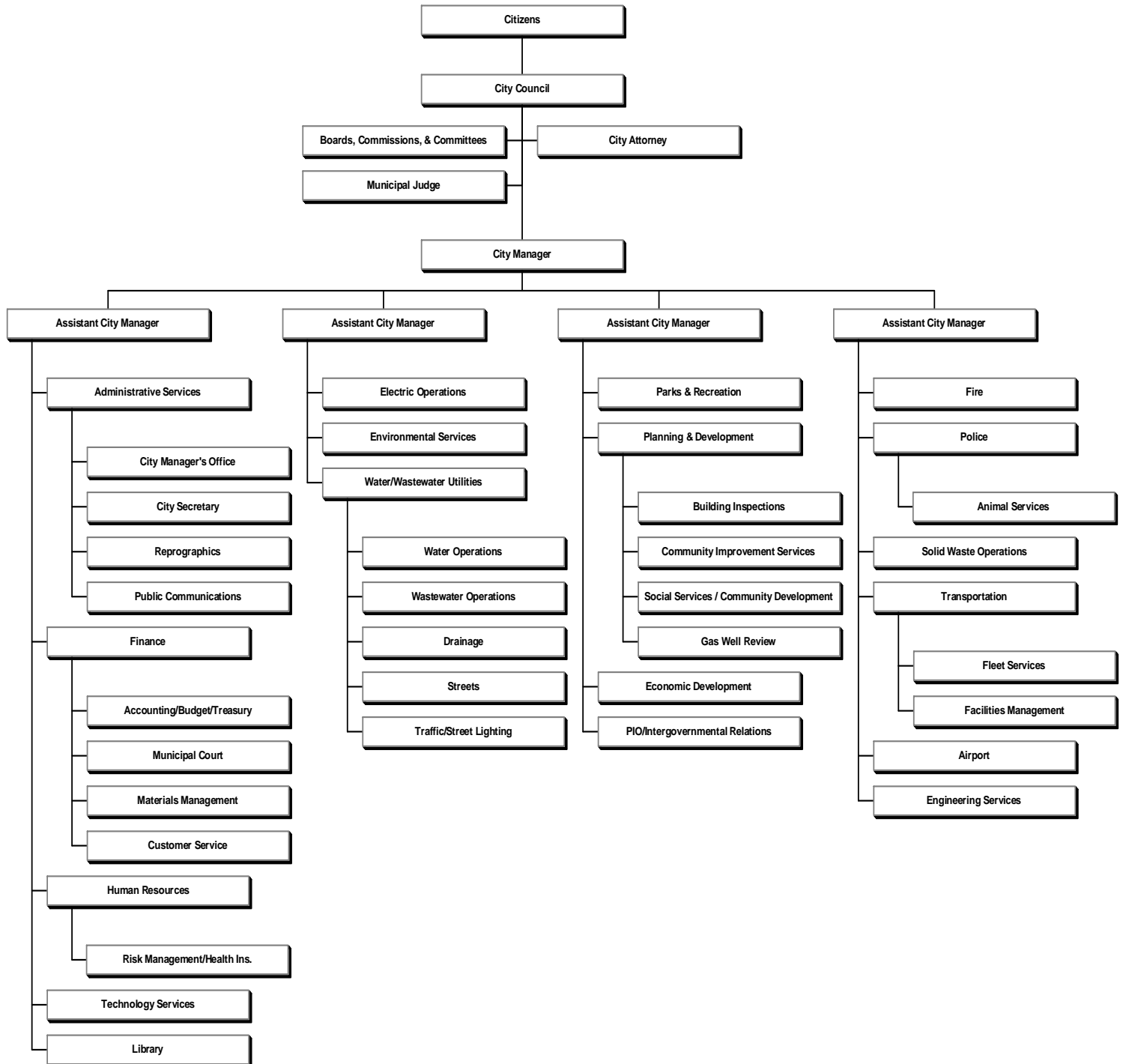


Dalton Gregory
Council Member
At Large Place 5
Term Expires: May 2016



Greg Johnson
Council Member
At Large Place 6
Term Expires: May 2016

CITY OF DENTON CURRENT ORGANIZATIONAL CHART



**CITY OF DENTON
BOARDS, COMMISSIONS, AND COUNCIL COMMITTEES**

ADVISORY BOARDS

AIRPORT ADVISORY BOARD
ANIMAL SHELTER ADVISORY COMMITTEE
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
DOWNTOWN DENTON TAX INCREMENT FINANCING
REINVESTMENT ZONE BOARD
ECONOMIC DEVELOPMENT PARTNERSHIP BOARD
HUMAN SERVICES ADVISORY COMMITTEE
LIBRARY BOARD
PARKS, RECREATION, AND BEAUTIFICATION BOARD
PUBLIC ART COMMITTEE
PUBLIC UTILITIES BOARD
TRAFFIC SAFETY COMMISSION
TAX INCREMENT REINVESTMENT
ZONE NUMBER TWO BOARD

JUDICIAL OR QUASI-JUDICIAL BOARDS

CIVIL SERVICE COMMISSION
HEALTH AND BUILDING STANDARDS COMMISSION
HISTORIC LANDMARK COMMISSION
PLANNING AND ZONING COMMISSION
ZONING BOARD OF ADJUSTMENT

CITY COUNCIL COMMITTEES

AGENDA COMMITTEE
AIRPORT COMMITTEE
AUDIT/FINANCE COMMITTEE
COMMITTEE ON THE ENVIRONMENT
COUNCIL APPOINTEE PERFORMANCE REVIEW COMMITTEE
COUNCIL ETHICS COMMITTEE
COUNCIL MOBILITY COMMITTEE
HOTEL OCCUPANCY TAX COMMITTEE
COMMITTEE ON CITIZEN ENGAGEMENT



TABLE OF CONTENTS

2014-15

Mission Statement-----	3
Strategic Plan -----	4
Elected Officials-----	9
Organizational Chart-----	10
City Boards, Commissions, and Council Committees-----	11

MANAGER'S MESSAGE and READER'S GUIDE

Manager's Message-----	15
Budget Calendar-----	20
Major Budget Documents-----	21
The Budget Process-----	22
Organization of the Budget-----	23
Budgetary Policies-----	23
Financial Structure-----	24
Budgeted Funds-----	24
Budget Basis-----	26
Organizational Relationships-----	26

BUDGET OVERVIEW

Strategic Plan -----	27
Reserve Level-----	29
Revenues-----	29
Expenditures-----	32
General Fund Expenditure Enhancements-----	33
Other Agency Contributions-----	38
Grants-----	39
Capital Improvement Program-----	39
Utilities-----	40
Miscellaneous and Internal Service Funds -----	45
Human Services Funding Recommendation-----	50
General Fund - Major Assumptions Five Year Forecast-----	51
General Fund - Five Year Forecast-----	52
Water Fund - Five Year Forecast-----	53
Wastewater Fund - Five Year Forecast-----	54
Solid Waste Fund - Five Year Forecast-----	55

FINANCIAL SUMMARY	
Budget Resource and Expenditure Summary-----	57
Combined Expenditures by Classification-----	58
Combined Appropriable Fund Balances-----	60
Combined Position Summary-----	62
General Fund Resource Summary-----	63
General Fund Resource & Expenditure Summary-----	67
Expenditures by Program Summary-----	68
Estimated Ad Valorem Tax Collections & Distribution-----	69
General Debt Service Fund Resource and Expenditure Summary -----	70
Electric Fund Resource & Expenditure Summary-----	71
Water Fund Resource & Expenditure Summary-----	72
Water Fund Expenditures by Classification-----	73
Wastewater Fund Resource & Expenditure Summary-----	74
Wastewater Fund Expenditures by Classification-----	75
Solid Waste Fund Resource & Expenditure Summary-----	76
Solid Waste Fund Expenditures by Classification-----	77
Airport Fund Resource & Expenditure Summary-----	78
Technology Services Fund Resource & Expenditure Summary-----	79
Materials Management Fund Resource & Expenditure Summary-----	81
Fleet Management Fund Resource & Expenditure Summary-----	82
Risk Retention Fund Resource & Expenditure Summary-----	83
Health Insurance Fund Resource & Expenditure Summary-----	84
Engineering Services Fund Resource & Expenditure Summary-----	85
Street Improvement Fund Resource & Expenditure Summary-----	87
Recreation Fund Resource & Expenditure Summary-----	88
Tourist and Convention Fund Resource and Expenditure Summary -----	89
Police Confiscation Fund Resource and Expenditure Summary -----	90
Police Academy Fund Resource and Expenditure Summary -----	91
Traffic Safety Fund Resource and Expenditure Summary -----	92
Downtown Reinvestment Fund Resource and Expenditure Summary -----	93
Parks Gas Well Fund Resource and Expenditure Summary -----	94
Tree Mitigation Fund Resource and Expenditure Summary -----	95
Public Education Government (PEG) Fund Resource and Expenditure Summary -----	96
McKenna Trust Fund Resource and Expenditure Summary -----	97
Park Land Dedication Trust Fund Resource and Expenditure Summary -----	98
Park Development Trust Fund Resource and Expenditure Summary -----	99
Downtown Tax Increment Reinvestment Zone Fund (TIRZ) Resource and Expenditure Summary -----	100
Westpark Tax Increment Reinvestment Zone Fund (TIRZ) Resource and Expenditure Summary -----	101
Miscellaneous Special Revenue Funds Resource and Expenditure Summary -----	102
Grants Budget Expenditure Summary-----	103
CAPITAL IMPROVEMENT PROGRAM	
Capital Improvement Program -----	105



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

July 25, 2014

TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL:

Pursuant to provisions of the City Charter and on behalf of the staff, I respectfully submit to you the FY 2014-15 Proposed Budget. The Budget has been developed to accomplish the goals and objectives that are outlined in the City of Denton's Proposed Strategic Plan. The Strategic Plan addresses five Key Focus Areas (KFA's):

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

In January and June of 2014, the City Council discussed the Strategic Plan and priorities for the FY 2014-15 budget. As a result of these discussions, the FY 2014-15 Proposed Strategic Plan has been prepared to accompany this budget, and the City Council will be asked to formally approve the Strategic Plan in September along with the budget itself. This document serves as a foundation for the development of this budget, and accordingly, enhancements to programs and/or funding is specifically discussed in the context of the Strategic Plan.

While this budget continues to make strides to implement the Strategic Plan, there are many objectives which will take several years to achieve. As such, the FY 2014-15 Proposed Budget continues to allocate available resources according to the City's long-term financial plan to achieve our goals. The pace of growth in the General Fund for FY 2014-15 is the strongest in recent years. Sales tax revenues are expected to be approximately 3.0% above the prior fiscal year for FY 2013-14 and are also estimated to grow at a rate of 3.0% for FY 2014-15. Property values grew significantly in a strong recovery from recessionary levels with an increase of 11.47% over the prior year tax roll. Franchise fees are expected to grow by 4.9% or \$729,540 in FY 2014-15, and all of this growth is proposed to be transferred to the Street Improvement Fund. In addition to the growth in franchise fees, an additional \$1,363,721 in franchise fees is proposed to be transferred to the Street Improvement Fund from the General Fund due to stronger than expected property tax revenues. Since the City Council dedicated franchise fees as the revenue source for the Street Improvement Fund, accounting standards require that any increase in funds be dedicated from this revenue source. As a result the General Fund will show an increase in property tax revenue and a decrease in franchise fees.

This budget continues to emphasize expenditure reductions and cost containment strategies that have been implemented during the last several years. Additionally, the proposed budget includes new recommended reductions and reallocations of \$580,618 and revenue enhancements of \$243,201 for FY 2014-15. I challenged each department to identify a combination of expenditure reductions and revenue enhancements equal to five percent of their total operating budget which could be considered for implementation over a three-year period. By doing so, our staff has been able to evaluate all of the programs of the City on an annual basis to ensure that they continue to meet the priorities and Strategic Plan of the City. Over the past several fiscal years, the City has also maintained a “managed vacancies” program to contain expenditures. Throughout the fiscal year, as position vacancies and attrition rates dictate, vacant positions are evaluated by City management and according to the needs of the organization, positions are filled or left vacant. For FY 2014-15, the managed vacancy program will be continued, and the savings budgeted for the upcoming fiscal year is \$1.0 million.

This budget continues to give top priority to increasing funding for maintaining and repairing streets throughout the City. In 2011, the Strategic Plan specifically identified improving street infrastructure as a major goal. In response to this goal, the FY 2011-12 Budget created the Street Improvement Fund to provide a dedicated mechanism to account for street maintenance and improvement activities. The 2012 Bond Election also provided increased funding, and \$8.0 million of this \$20.4 million authorization has been issued. An additional \$24.0 million in bond funding for street reconstruction has been recommended for the upcoming 2014 Bond Election by the Citizen’s Bond Advisory Committee. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to \$10.18 million for FY 2014-15. Compared to FY 2013-14, revenue is projected to increase by \$2,276,823 from \$7,904,203 to \$10,181,026 in the Street Improvement Fund for FY 2014-15.

Additionally, the five-year financial plan estimates an increase in the total operating maintenance funding for the City’s Street Improvement Fund to approximately \$14.1 million by FY 2018-19. The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our streets in the community. In the future, the City will need to provide for annual increases in funding for street maintenance activities along with potential future debt issuance for street reconstruction in order to continue improving the condition of the City's streets over the long term.

In addition to improving the City’s street infrastructure, the enhancement of public safety is also identified in the Strategic Plan as a major initiative. Accordingly, the FY 2014-15 General Fund budget includes \$423,400 in funding enhancements for public safety programs. This budget includes the addition of three police officers to assist during times of peak demand, the reclassification of an administrative assistant in the Fire Department to full-time from part-time, and the purchase of electronic ticket writers by the Municipal Court to improve the efficiency of parking enforcement by Texas Woman’s University.

Administrative and Community Services supplemental programs are funded at \$592,496 in the General Fund. To pursue our Strategic Plan goals related to development, a downtown technology initiative is proposed in the Economic Development Department budget in the amount of \$220,000. This program is structured to incentivize innovative and creative

technology companies to invest and locate in central Denton. It contemplates the addition of one staff coordinator and funds for marketing as well as events, but as specific project details are developed, the funding may be modified to support a specific venture as appropriate. Funding of \$40,000 for web-based software to assist small businesses in the development and permitting process is also included in the Economic Development budget. The remaining funds are allocated for an additional Facilities Trade Technician, demolition of the old Denton County tax office building, a conditions study of all City parking lots and Airport roads, expenses of the upcoming meet and confer contract, performance/compensation/succession management software for Human Resources, and social media archival services.

The General Fund budget includes \$531,099 in enhancements to Neighborhood Services with the funding of two building inspectors and a permit technician to maintain service levels due to increased development, the funding of \$125,000 for increased right-of-way maintenance through contracted services, funding of needed replacement of half of the Library's self-service equipment, funding of improvements to the development center in Planning, and the cost of annexation expenses in 2015. Transportation funding will increase by \$250,421 for a new Bicycle and Pedestrian Coordinator position, LED light replacements, traffic counts, and traffic signal battery backups.

In addition to the funding recommendations for FY 2014-15, several items are proposed to be funded in FY 2013-14 from existing appropriations in the General Fund. In the Fire Department, funding is proposed to purchase and install video conferencing equipment in the fire stations (\$70,000), receive advanced training on department software (\$15,795), and purchase personal protection equipment that is due for replacement (\$63,200). In Traffic Control, funding is proposed for the purchase of a paint striping machine (\$9,201).

The overall FY 2014-15 Budget for all funds is \$907.8 million and includes 1,491.29 Full-Time Equivalent positions (FTEs). A comprehensive summary of the budget is provided in the Budget Overview section of this document. The key elements of the budget include the following:

- No tax rate increase. The total tax rate is maintained at \$0.68975 per \$100 of assessed valuation. Of this amount, \$0.48119 is provided for operations and maintenance, and \$0.20856 is provided for debt service. While the total rate remains the same, the proportion of the rate for debt service has been reduced from \$0.21495 to \$0.20856 and the rate of \$0.00639 is shifted which will provide more revenue to the general fund in the upcoming year. The estimated effective tax rate is \$0.63684, and the estimated rollback tax rate is \$0.69378.
- As detailed in the Budget Overview section of this document, a combined net increase of 39.0 FTEs for all funds compared to the FY 2013-14 funded positions (1,452.29) including:
 - 3.0 FTEs in Neighborhood Services
 - 3.0 FTEs in Public Safety
 - 1.0 FTE in Transportation
 - 2.0 FTEs in Administrative and Community Services
 - 10.0 FTEs in the Electric Fund
 - 4.5 FTEs in the Water Fund

- 2.0 FTEs in the Wastewater Fund
- 3.0 FTEs in the Solid Waste and Recycling Fund
- 2.0 FTEs in the Street Improvement Fund
- 2.0 FTEs in the Engineering Services Fund
- 0.5 FTE in the Traffic Safety Fund
- 1.0 FTE in the Airport Fund
- 5.0 FTEs in Technology Services Fund
- The addition of a transmission cost recovery factor and base rate increase for a 5.5% overall revenue increase for Electric customers.
- An overall revenue increase of 3.0% for our Water customers.
- An overall revenue increase of 6.0% for our Wastewater customers.
- An increase in the monthly standard refuse cart fee with recycling from \$26.00 to \$26.75 and other Solid Waste fee changes as detailed in the Budget Overview section of this document.
- For an average residential customer, the combined monthly cost for electric, water, wastewater, and solid waste service will increase from \$232.64 to \$244.23, which is slightly below 5%.
- A 3% average merit increase for non-civil service employees.
- Pay adjustments for Police and Fire civil service employees in accordance to their meet and confer agreements to reach the market average plus 5%, and normally programmed step increases.
- In addition, funding has been included for equity pay adjustments for employees whose salary is below the market rate for their positions.

The FY 2014-15 Budget has been developed within the context of a five-year financial plan and the long-term infrastructure needs of the community. The purpose of this approach is to provide a long-term and financially sustainable perspective for decisions in the coming fiscal year. As we develop future forecasts, we will continue to evaluate our ability to fund our strategic priorities and maintain a balance between revenues and expenditures.

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

The budget includes a five-year general Capital Improvement Program (CIP) of \$130.2 million. A significant portion of this program (\$78.5 million) is for the 2014 Bond Program to be decided by the voters in November. The first year of general CIP is recommended at \$34.47 million for street reconstruction and associated public art, fire station improvements, building and land acquisition improvements, Airport matching funding for runway improvements, civic center pool improvements, fleet vehicle replacement and additions, and the facility maintenance program. Of the \$34.47 million in the first year, \$19.0 million is for bonds to be issued for the 2014 bond program if approved by the voters. Lastly, the general CIP includes \$2.47 million in revenue funded projects for Airport improvements, along with street and fleet vehicles.

I sincerely thank the members of the Denton City Council for their hard work and dedication to the Citizens of Denton. The input of the City Council and Public Utilities Board has been invaluable in the preparation of the FY 2014-15 Budget, Capital Improvement Plan (CIP), and Five Year Financial Forecast. Appreciation is also expressed to members of the professional staff, particularly in the Finance Department for their diligence in the preparation of the Budget.

It is an exciting time for the City of Denton. The retail and restaurant development continues at Rayzor Ranch, Golden Triangle Mall and the strengthening downtown area. Strong growth continues in the industrial and commercial sectors highlighted by Zodiac Aerospace at the Airport and 200,000 square feet of industrial space to be completed in 2014 with another 630,000 square feet identified for completion in 2015. The City's Airport will be adding a second runway to facilitate increased activity and development. Additionally the medical sector continues to grow and expand with expansion projects such as the Heart Hospital Baylor Denton as well as additional doctor and senior care facilities. Residential building permits continue to grow, adding new residents to shop, dine and stay healthy at these new establishments. The Denton Plan 2030 nears final adoption in FY 2014-15, bringing the plan for the next decade of positive growth for Denton closer to reality.

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

Sincerely,

A handwritten signature in black ink, appearing to read "George C. Campbell". The signature is fluid and cursive, with the first name "George" being more prominent than the last name "Campbell".

George C. Campbell, City Manager

**BUDGET CALENDAR
2014-15**

March 5	City Department Budget Kick-Off: Operating and Capital Improvement Program.
March 26	City Departmental budgets due to Budget Office (Operating and CIP).
May 5 & 19	Public Utilities Board reviews Utility Budgets and CIP.
May 12-30	Budget reviews with City Manager.
May 30-July 25	Public Submission of Budget Suggestions Via City Website.
June 17	City Council Meeting – Preliminary Appraisal Values and General Fund Five Year Forecast Discussion.
June 23	Public Utilities Board approves Utility Budgets and CIP.
July 25	Certified Appraisal Rolls due from Denton Central Appraisal District.
July 25	Proposed Budget and CIP submitted to City Council and filed with City Secretary. Submission of Certified Appraisal Roll. Submission of Ad Valorem Effective and Rollback Tax Rates. Submission of Certified Ad Valorem Collection Rate.
July 31	City Council Budget Workshop.
August 5	Vote to Consider Tax Increase Proposal Prior to Publishing Notice of Hearing. Budget Work Session with the City Council.
August 19	First Public Hearing on Tax Increase. Public Hearing on Budget. Budget Work Session with the City Council.
September 9	Second Public Hearing on Tax Increase. Budget Work Session with the City Council.
September 16	City Council adopts Annual Program of Services (Budget). City Council adopts first year of Capital Improvement Program. City Council approves tax rate. City Council approves utility rates. City Council approves 2014 tax roll.

READER'S GUIDE 2014-15 ANNUAL PROGRAM OF SERVICES (OPERATING BUDGET)

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

MAJOR BUDGET DOCUMENTS

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

1. *The Budget Instruction Manual* - March

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

2. *Long-Range Financial Forecast* – June

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

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

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

4. *The Proposed Budget* - Late July

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

5. *The Adopted Budget* – September

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

THE BUDGET PROCESS

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

1. Budget Training for Support Staff/Budget Guideline Review

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

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

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

2. Long-Range Financial Forecast

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

3. Revenue Projection

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

4. Proposed Budget Development

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

5. Proposed Budget Analysis/Compilation

Once division and departmental budget requests are completed, the Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Management Team, which is comprised of the City Manager and Assistant City Managers.

A total recommended funding level is determined from both baseline and proposed supplemental packages. At this time, the funding level is weighed against available resources. A tax rate increase may or may not be recommended depending upon City Council program priorities and issues previously expressed in the budget process.

6. City Council Budget Study

The proposed budget, including the Budget Overview, is compiled as soon as possible after final appraised property value and other data are received. This report highlights and summarizes funding requirements, major changes in programs, and alternatives for funding.

A budget work session is held with the City Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions until budget adoption.

7. Public Hearing/Budget Adoption

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

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

8. Compilation of Adopted Budget/Budget Maintenance

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

Budget maintenance is a year-round activity of the organization. Spending controls consist of budget holds, position control reviews, and budget transfer authorizations for unbudgeted expenses. Additional spending control mechanisms include monthly review of expenditures by the Finance Department.

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

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

ORGANIZATION OF THE BUDGET

Included in the Financial Summary section is a schedule entitled "Projected Appropriable Fund Balances." This schedule provides the projected appropriable fund balances anticipated at the end of each fiscal year. The 2014-15 fiscal year-end fund balance is based on proposed 2014-15 revenue and expenditures. This information will be most helpful in determining whether fund balances are too high or too low with regard to goals set forth by the City Council. The General Fund Revenue Summary in the Financial Summary section describes the major revenue categories for the City of Denton, as well as, the various individual sources of those revenues.

BUDGETARY POLICIES

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

FINANCIAL STRUCTURE

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

BUDGETED FUNDS

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

General Fund – The General Fund reflects the City's general service operations such as public safety, libraries, and parks. The General Fund's two major revenue sources are sales and ad valorem taxes.

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

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

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

Recreation Fund – The Recreation Fund is used to account for the Parks and Recreation programs, such as children's programs and recreation center programs, which are self-supporting.

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

Police Confiscation Fund – The Police Confiscation Fund is used to record the receipt and expenditure of confiscated contraband that is used in the commission of a variety of criminal offenses. Expenditures from this fund are allocated to the Police Department for materials, supplies, and operations costs.

Police Academy Fund – The Police Academy Fund is a fund comprised of revenues associated with training non-Denton Officers and staff at the new Public Safety Training Facility.

Traffic Safety Fund – The Traffic Safety Fund is used to record the receipt of citations from red light camera violations. Revenues from this fund are used for materials to enhance traffic safety operations in the Police Department and Traffic Department.

Downtown Reinvestment Fund – The Downtown Reinvestment Fund is to account for “micro-grants” provided to businesses located in the downtown area.

Parks Gas Well Fund - The Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects.

Tree Mitigation Fund – The Tree Mitigation Fund is used to purchase, plant, and maintain trees on public property, to preserve wooded property that remains in a naturalistic state in perpetuity, to perform and maintain a citywide tree inventory, and to educate citizens and developers on the benefits and value of trees.

Public Education Government (PEG) Fund – The PEG Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the city on a quarterly basis from cable subscribers.

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

Park Land Dedication and Development Trust Funds – The Park Land Dedication and Development Trust Funds are funds received from developers. These fees provide for neighborhood parks and projects within ½ to 1 mile radius of the development. The Park Land Dedication funds will be used on Owsley Park, Milam Park, Carl Young Park and Mack Park. The Park Development projects include neighborhood parks at Owsley Park, McKamy-Evers Park and North Pointe Park.

Downtown Tax Increment Reinvestment Zone Fund – The Downtown TIRZ Fund will be used for downtown development projects, and it accounts for the tax revenues that are collected above the FY 2010-11 level in the downtown area.

Westpark Tax Increment Reinvestment Zone Fund – The Westpark TIRZ Fund will be used for development projects and to account for the tax revenues that are collected above the FY 2012-13 level in the Westpark area, located near the Denton Enterprise Airport.

Miscellaneous Special Revenue Funds – The Miscellaneous Special Revenue Funds are comprised of the Animal Control Donation Fund, Police Donation Fund, Fire Donation Fund and Library Donation Fund.

Enterprise Funds – Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. The City budget includes Electric, Water, Wastewater, Solid Waste, and Airport Enterprise Funds. Each fund reflects the services denoted in the title of each fund. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provide.

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

Technology Services Fund – The Technology Services Fund provides computer services such as programming, support, training, and maintenance of the City's computer resources and telephone maintenance.

Materials Management Fund – The Materials Management Fund is comprised of purchasing and warehouse operations. This internal service fund is responsible for procuring goods and services for City departments and the warehouse maintains an inventory of materials and supplies used by City departments.

Fleet Management Fund - The Fleet Management Fund accounts for the maintenance and repair of the City's vehicle and equipment fleet.

Risk Retention Fund – The Risk Retention Fund records the activities associated with providing general liability insurance coverage and self funded activities for City operations.

Health Insurance Fund – The Health Insurance Fund accommodates self-insurance operations.

Engineering Services Fund – The Engineering Services Fund is comprised of the following operations: Engineering, Real Estate, Public Works Inspections, and Development Review. This internal service fund is responsible for providing the above services primarily to internal city departments although some services are provided to external entities.

BUDGET BASIS

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

ORGANIZATIONAL RELATIONSHIPS

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

FY 2014-15 Budget Overview

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 City Council approved their first city-wide Strategic Plan in April 2011, and the City Council discussed potential revisions to this document as part of their annual planning retreat which was held earlier this year. In June 2014, a revised Strategic Plan was presented to the City Council for consideration, and as a result of these discussions, the below Key Focus Areas (KFAs) and major goals have been developed.

Since the Strategic Plan serves as the basis for resource allocation decisions that are used in the development of the FY 2014-15 Proposed Budget, the City Council will be formally asked to approve the plan in September along with the budget itself.

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, Livable and Family Friendly Community
Goal 4.1 Enhance public safety in the community.
Goal 4.2 Seek clean and healthy neighborhoods in the City of 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.
Key Focus Area 5: Sustainability and 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.

In addition to the above KFAs and goals, the Strategic Plan also identifies a number of specific and actionable objectives for the organization. The complete version of the strategic plan is provided in the introductory section of this document. In addition, specific performance indicators have been developed to track the City's progress in accomplishing the goals and objectives identified. The performance indicators are published quarterly in the City's quarterly financial report.

The matrix below organizes the Key Focus Areas (KFAs) by service area 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 SUPPORT					
Technology Services	✓				
Materials Management	✓				✓
Fleet					✓
Risk	✓				
NEIGHBORHOOD SERVICES					
Building Inspection	✓		✓	✓	✓
Community Improvement Services				✓	
Libraries				✓	
Parks and Recreation				✓	
Planning	✓		✓		
Development Review Engineering			✓		
Gas Well Review				✓	
Community Development				✓	
PUBLIC SAFETY					
Animal Services				✓	
Fire				✓	
Police				✓	
Municipal Court				✓	
Municipal Judge				✓	
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, Livable and Family Friendly Community
Key Focus Area 5: Sustainability and Environmental Stewardship

GENERAL FUND

RESERVE LEVEL

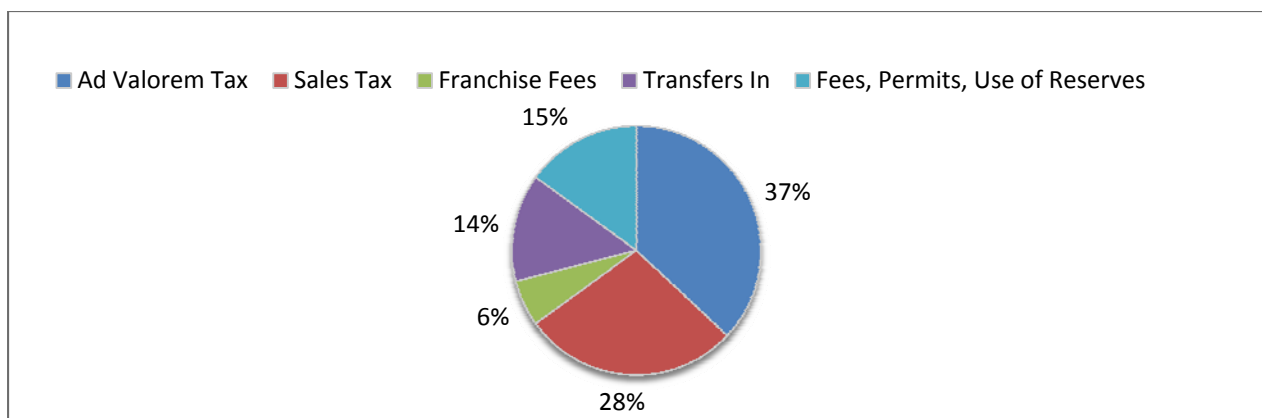
The City of Denton maintains a General Fund reserve balance for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. To ensure that resources are available for these types of issues, the City of Denton targets a fund balance equivalent to 20% of budgeted expenditures, which is commensurate with cities similar to our size. The fund balance level, however, may be reduced to the equivalent of 15% of budgeted expenditures in unusual financial circumstances. If such a situation occurs, the City will implement necessary corrective action within a five-year plan to restore the fund balance to the equivalent of 20% of budgeted expenditures.

The estimated ending reserve balance of \$24,995,287 at the end of FY 2013-14 represents approximately 25.4% of estimated expenditures and is well above the targeted goal of 20%. For FY 2014-15, the forecast projects a decrease of fund balance of \$661,545, but this is entirely due to one-time items. As such, recurring revenues and expenditures are balanced for FY 2014-15. The chart below provides a listing of the ending fund balances for the past two years, an estimated balance for the fiscal year ending September 30, 2014, and the projected balance for the fiscal year ending September 30, 2015. As detailed in the chart, the City has continued to maintain strong reserve balances over the past several years. Going forward, the City is forecasting to drawdown reserves for expenditures over the next few years. While the financial forecast projects the fund balance level will decline, this should only be interpreted as a planning estimate based on information available at this time. City Management will continue to monitor our financial performance, and make appropriate expenditure and/or revenue adjustments as necessary to maintain the 20% fund balance level.

	As of 9/30/12	As of 9/30/13	Estimated 9/30/14	Projected 9/30/15
Ending Balance	\$25,836,079	\$25,755,178	\$24,995,287	\$24,333,742
% of Total Expenditures	29.6%	27.7%	25.4%	23.7%
Target Goal %	20%	20%	20%	20%

REVENUES

The key General Fund revenue sources are discussed below. The chart below shows the source of our major revenues for FY 2014-15:

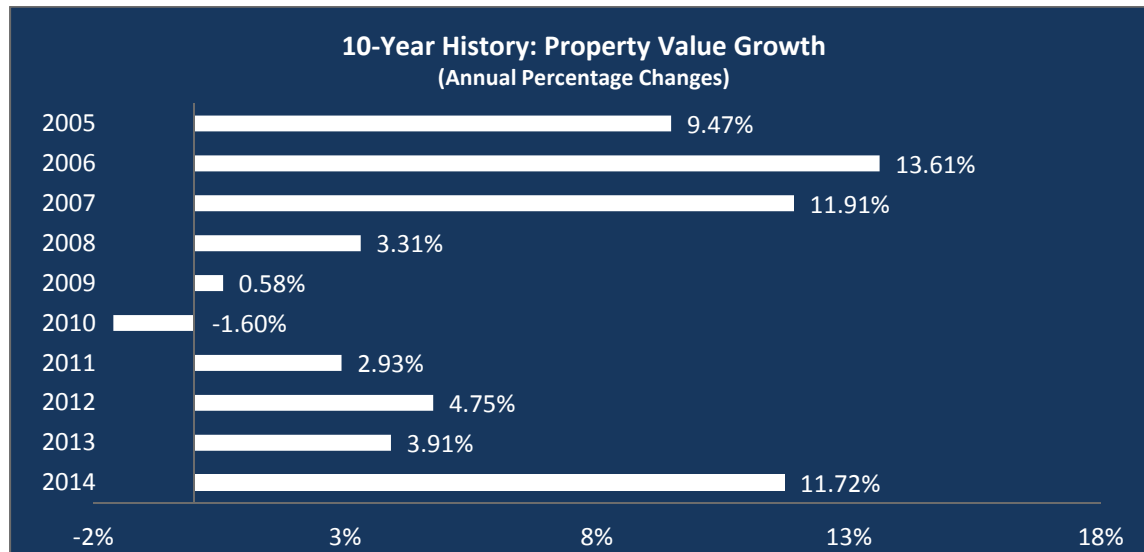


Property Tax

Approximately one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2014 certified value increased by 11.72% or \$817,953,334 from the 2013 certified value. Analysis of the increase shows there was approximately \$187 million in new value added to the appraisal roll due to new growth and construction. Below is a chart with a detailed breakdown of certified values:

	2013 Certified Assessed Value	2014 Certified Assessed Value	Increase (Decrease)	Percent Change	New Value
General Government	\$6,962,293,178	\$7,761,202,411	\$798,909,233	11.47%	\$184,716,168
Downtown TIRZ	\$16,931,096	\$35,528,219	\$18,597,123	109.84%	\$2,727,890
Westpark TIRZ	\$0	\$446,978	\$446,978	100%	\$0
Total	\$6,979,224,274	\$7,797,177,608	\$817,953,334	11.72%	\$187,444,058

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



In 2009, the City Council approved an increase in the over age 65 property tax exemption in \$5,000 increments over a five-year period until a \$50,000 exemption level is reached. In FY 2013-14, the exemption level reached \$50,000 and continues into the next fiscal year.

The FY 2014-15 Proposed Budget does not include any adjustment to the total tax rate. The proposed tax rate of \$0.68975 per \$100 of assessed valuation is above the estimated effective tax rate of \$0.63684. Of this amount, \$0.48119 is provided for operations and maintenance, and \$0.20856 is provided for debt service. On the following page is a 10-year history of certified assessed values and tax rates.

Certified Values and Tax Rate History

Fiscal Year	Certified Assessed Value	Operations and Maintenance Tax Rate	Debt Service Tax Rate	Total Tax Rate
2005-06	\$ 4,789,376,811	\$ 0.42928	\$ 0.17887	\$ 0.60815
2006-07	\$ 5,441,228,909	\$ 0.44765	\$ 0.17887	\$ 0.62652
2007-08	\$ 6,089,499,775	\$ 0.44765	\$ 0.21887	\$ 0.66652
2008-09	\$ 6,291,359,112	\$ 0.44765	\$ 0.21887	\$ 0.66652
2009-10	\$ 6,327,909,022	\$ 0.44765	\$ 0.21887	\$ 0.66652
2010-11	\$ 6,230,117,958	\$ 0.47088	\$ 0.21887	\$ 0.68975
2011-12	\$ 6,412,375,004	\$ 0.47088	\$ 0.21887	\$ 0.68975
2012-13*	\$ 6,716,711,368	\$ 0.47088	\$ 0.21887	\$ 0.68975
2013-14*	\$ 6,979,224,274	\$ 0.47480	\$ 0.21495	\$ 0.68975
2014-15*	\$ 7,797,177,608	\$ 0.48119	\$ 0.20856	\$ 0.68975

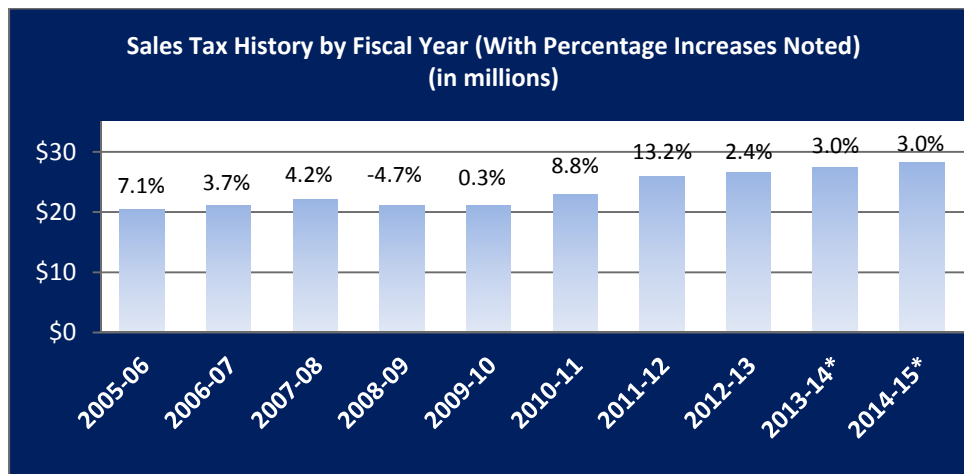
*Certified Assessed Value includes \$10,248,781 for FY 2012-13, \$16,931,096 for FY 2013-14 and \$35,975,197 for FY 2014-15 for the Downtown and Westpark TIRZ's.

Sales Tax

The second largest revenue source in the General Fund is sales tax. The FY 2013-14 year-end estimate of \$27,326,141 is at budget, which is 3% or \$803,668 more than was received in FY 2012-13.

The FY 2014-15 Proposed Budget projects that sales tax will be \$28,145,925 which is 3.0% above the FY 2013-14 estimated amount. The five-year financial forecast projects a 3% increase in sales tax receipts annually which includes collections related to the Rayzor Ranch and Golden Triangle Mall. The City has economic development agreements with Denton Crossing, Unicorn Lake, Golden Triangle Mall and Rayzor Ranch for sales tax rebates, which are shown as expenses in the Economic Development Department's proposed budget.

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



*Sales Tax is an Estimated Amount.

Franchise Fees

Approximately 6% of the General Fund's revenues are related to franchise fees. Typically assessed as a percentage of gross revenues, the purpose of the franchise fee is to provide compensation to the City in return for allowing utilities to access the City's rights-of-way. The FY 2014-15 Proposed Budget includes \$15,508,488 (\$6,228,849 in the General Fund) in franchise fees from various utilities operating in the City,

including city-owned utilities. The total estimated franchise fee contribution to the Street Improvement Fund in FY 2014-15 is \$9,279,639, and this represents an additional \$1,363,721 along with franchise fee revenue growth of \$729,540. Due to strong property tax revenues, this budget proposes to transfer the total additional Franchise Fees of \$2,093,261 to the Street Improvement Fund in order to improve street maintenance activities.

Since franchise fees are generally considered to be compensation for the use of the city-owned rights-of-way, the City is designating a portion of the franchise fees received in FY 2014-15 to the Street Improvement Fund, which was created in FY 2011-12. By doing so, this better establishes the linkage between the payment of franchise fees and the use of these funds on street maintenance activities. With this in mind, however, it is important to also note that the City is not required to spend franchise fees on street maintenance or any other specific activity. Rather, franchise fees are meant to be a General Fund resource, and as such, they may be spent on any activity deemed appropriate by the City Council. Additional details regarding the franchise fee allocation to street maintenance activities are contained in the Street Improvement Fund section of this document.

Other Major Revenues

The Proposed Budget also includes \$243,201 of revenue enhancements. The largest revenue enhancement will come from a federally funded grant program that will reimburse City ambulance services for Medicaid and uninsured patients. The City anticipates to be reimbursed \$150,000 in FY 2014-15 and potentially as much as \$750,000 in subsequent years if the grant continues to be federally funded. The remaining revenue enhancements are from increased interest income, proposed fee increases in Parks, Animal Services, Community Improvement and increased collections in Municipal Court and Police. Specific proposed fee increases in Parks and Recreation include charging Contract Vendors for use of Public Parks, and increasing the fees for the Recreation Pass, Natatorium Lane Rental and the Athletic Tournament Fee as shown below:

- Recreation Pass Fee from \$5.00 to \$10.00
- Recreation Pass Fee – non-resident from \$10.00 to \$15.00
- Natatorium Lane Rental Fee per hour from \$5.00 to \$10.00
- Athletic Tournament Fee from \$1,000 to \$1,150

EXPENDITURES

Over the past several fiscal years, various expenditure reductions were implemented, and the majority of these reductions will be maintained for FY 2014-15. One such measure is the managed vacancy program, which began in FY 2010-11. Under this plan, savings are achieved by establishing a target level of savings and monitoring vacancies to achieve this objective. As personnel turnover and attrition occur in the organization, vacant positions are evaluated to determine if they need to be filled or kept vacant according to the organization's priority needs. This approach allows the City to respond to service demands while continuing to properly manage resources. The managed vacancy program is proposed again for the upcoming fiscal year, and the targeted savings is projected at approximately \$1,000,000.

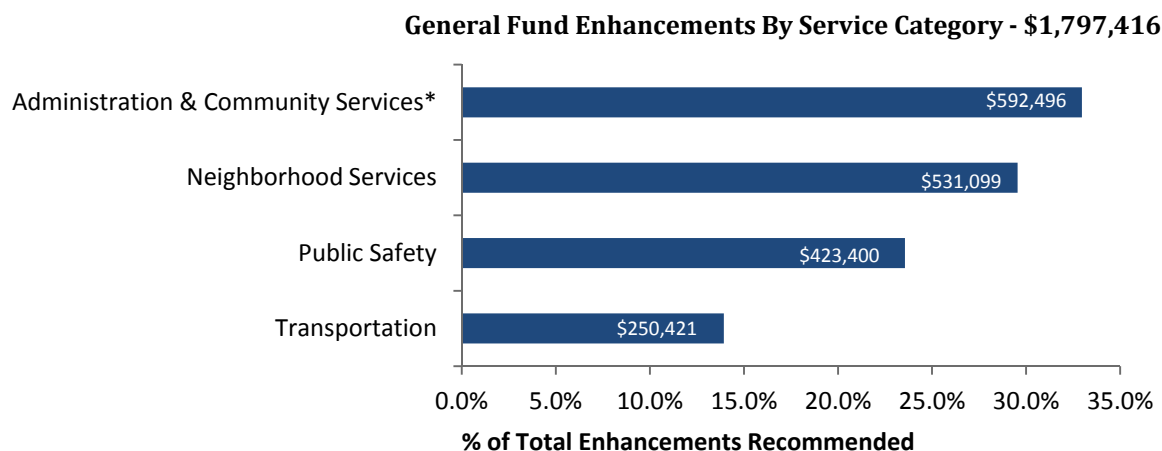
As a part of the budget process, General Fund departments were asked to provide recommendations on how they could reduce their operating expenditures and correspondently, identify how the reductions would impact programs or service levels. It was recognized that many reduction options may not be desirable. As a result, however, various expenditure reductions and reallocations of \$580,618 are being recommended for the FY 2014-15 Proposed Budget. Specific General Fund reductions and reallocations include transferring two FTE's from Human Resources to the Risk Retention Fund, using the Tree Fund to purchase trees for City facilities, and charging employee salaries to the Park Land Dedication and Development Trust Funds when they work on projects associated with those funds. In addition, the Proposed Budget recommends using a single billing rate to recoup the costs for Engineering Services instead of using separate rates for operating

funds and capital projects. Below is a summary of the General Fund expenditure reductions and reallocations which are recommended for the FY 2014-15 Proposed Budget:

General Fund Expenditure Reductions and Reallocations		
Accounting	Reduce Audit Expenditures	\$9,000
Building Inspections	Eliminate Underutilized IVR System	\$29,463
Community Development / Social Services	Eliminate Underutilized Computer	\$4,047
Community Improvement	Reduce Outside Contract Services	\$15,105
Facilities	Reduce Frequency of Janitorial Services	\$40,000
Gas Well Inspections	Reduce Outside Contract Services	\$10,000
Human Resources	Transfer Two FTE's to Risk Retention Fund	\$176,987
Municipal Court	Reduce 1 FTE to Part-Time	\$37,016
Parks	Use Tree Fund to Purchase Trees for City Properties	\$15,000
Parks	Charge Applicable Project Salaries to Park Land Dedication and Development Trust Funds	\$15,000
Parks	Eliminate Low Attendance Programming	\$4,500
Public Communications Office	Reduce Advertising Budget	\$18,900
Transportation	Eliminate Membership for Tex-21 and Tarrant Regional Transportation Coalition	\$19,000
Reprographics	Remove Copier from City Hall	\$3,000
Engineering Services	Change to Single Billing Rate	\$100,000
Street Improvement Fund	Pay Engineering Charges	\$50,000
Health Insurance Fund	Pay Retiree Subsidy out of Health Insurance Fund	\$33,600
Total Expenditure Reductions and Reallocations		\$580,618

General Fund Expenditure Enhancements

By maintaining the reductions implemented in prior years, and continuing the vacancy management program, enhanced programming is possible for FY 2014-15. In accordance with priorities established through the Strategic Plan, several General Fund expenditure enhancements are recommended for funding. The FY 2014-15 Proposed Budget recommends \$1,797,416 (\$1,718,468 net cost after applying associated revenues and cost offsets) in funding for program enhancements in the General Fund. Enhancements in other funds totaling \$6,518,462 are also being recommended and are detailed in each fund's section in this document. The following chart illustrates the funding amounts and the percentage of total enhancements recommended by service category:



*Includes \$260,000 for Economic Development Programs

For each respective service area identified in the Strategic Plan, a summary of the major funding enhancements proposed for FY 2014-15 are shown on the following pages. Additionally, the primary Key Focus Area (KFA) for each of these service areas is also identified.

ADMINISTRATIVE & COMMUNITY SERVICES (\$592,496 in Total Enhancements)

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

Economic Development

General Fund Support	Other Fund Support	Total Enhancement Funding
\$260,000	\$0	\$260,000

Funding (\$220,000) is recommended for the “Tech Denton” Economic Development Initiative which is a comprehensive program that will foster an environment to attract the technology industry to Denton, and foster the growth of new technology companies. In addition, funding (\$40,000) is recommended to provide resources for an Open Counter Small Business Support System which will provide small businesses assistance in navigating the permitting process via a web-based service customized to the Denton Development Code.

Facilities Management

General Fund Support	Other Fund Support	Total Enhancement Funding
\$199,696	\$0	\$199,696

In Facilities Management, funding is recommended for a Licensed Facilities Trades Technician (\$122,419) to be dedicated to City facility projects. Funding (\$30,500) is recommended for the demolition of buildings that were purchased from the County, as well as funding (\$46,777) for a condition survey of Airport Roads and City Parking Lots.

Administrative Services

General Fund Support	Other Fund Support	Total Enhancement Funding
\$70,800	\$0	\$70,800

Funding (\$4,800) is recommended in Public Communications for archival of Social Media data, and funding (\$6,000) is recommended for training of Cable TV personnel. In addition, funding (\$60,000) is included for additional outside contract services related to a new Meet and Confer contract.

Human Resources

General Fund Support	Other Fund Support	Total Enhancement Funding
\$62,000	\$0	\$62,000

Funding is recommended in the Human Resources Department for a Performance Management, Compensation, and Succession Planning Software that will provide administrative improvements as well as provide more efficient and effective tools for supervisors to manage employee performance. While the funding is anticipated to be used for software, the exact use will be recommended by the Leadership Excellence & Enhancement Program (LEEP) class.

NEIGHBORHOOD SERVICES (\$531,099 in Total Enhancements)

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

Building Inspections

General Fund Support	Other Fund Support	Total Enhancement Funding
\$254,026	\$0	\$254,026

Two Building Inspectors and one Permit Technician are recommended to handle the growth in workload due to continued strong development and construction growth in Denton.

Community Improvement

General Fund Support	Other Fund Support	Total Enhancement Funding
\$125,000	\$0	\$125,000

Funding is recommended for a pilot Right Of Way maintenance program recommended by the Leadership Excellence & Enhancement Program (LEEP) class.

Planning

General Fund Support	Other Fund Support	Total Enhancement Funding
\$102,073	\$0	\$102,073

Funding (\$32,000) is recommended for refurbishment of City Hall West to create a Development Center that is a “one stop shop” for applicants. Additional funding (\$70,073) is recommended for required legal advertisement expenses associated with the 2015 Annexation process.

Library

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

Funding is recommended for the replacement of two automated checkout and return stations. The current equipment is over 7 years old and requires frequent service calls. The remaining existing equipment is expected to be replaced in the following fiscal year.

PUBLIC SAFETY (\$423,400 in Total Enhancements)

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

Police

General Fund Support	Other Fund Support	Total Enhancement Funding
\$357,224	\$0	\$357,224

Three new patrol officers are recommended for funding in the Police Department to enhance police patrols and response times in the community. This addition will allow for the creation of an additional power shift to increase officer availability to respond to Priority 1 calls.

Fire

General Fund Support	Other Fund Support	Total Enhancement Funding
\$34,791	\$0	\$34,791

Funding is included to increase a part time Administrative Assistant to full time. This will bring administrative staffing from 4.5 FTE's to 5 FTE's to support the Fire Department with 162 employees and a budget of \$24 million.

Municipal Court

General Fund Support	Other Fund Support	Total Enhancement Funding
\$31,385	\$0	\$31,385

Funding is recommended to purchase five Electronic Ticket Writers and assign them to the Texas Woman's University Police Department. This will provide an automated ticket writing process and an electronic import of citations as opposed to the current manual data entry.

TRANSPORTATION (\$250,421 in Total Enhancements)

KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE

Traffic

General Fund Support	Other Fund Support	Total Enhancement Funding
\$160,760	\$0	\$160,760

In Traffic Operations, funding is recommended for LED light replacements (\$50,000), a traffic count study (\$60,760), and traffic signal battery backups (\$50,000).

Transportation

General Fund Support	Other Fund Support	Total Enhancement Funding
\$89,661	\$0	\$89,661

Funding is recommended for a Bicycle and Pedestrian Coordinator position (\$89,661) to implement facilities and programs that increase the number of residents engaging in active transportation.

Other Expenditure Items

In addition to the funding recommendations for FY 2014-15, several items are proposed to be funded in FY 2013-14 from existing appropriations. In the Fire Department, funding is proposed to purchase and install video conferencing equipment in the fire stations (\$70,000), receive advanced training on department software (\$15,795), and purchase personal protection equipment that is due for replacement (\$63,200).

In Traffic Control, funding is proposed for the purchase of a Paint Striping Machine (\$9,021).

In summary, General Fund support in the amount of \$158,016 is recommended in FY 2013-14 for the purposes mentioned above.

Compensation

For FY 2014-15, an average 3% merit increase for non-civil service employees is proposed and pay adjustments are recommended for civil service employees based on the meet and confer agreement. To address changing labor market conditions, the five-year financial forecast also includes an average 3% merit increase for employees in each year of the financial plan.

Compensation for positions in the City is organized by pay (market) bands. The pay bands identify a minimum, a midpoint, and a maximum pay for each position classification in the City. The midpoint represents an estimate of the average wage for an equivalent position in the marketplace. Due to a number of factors, a number of employees within the City continue to receive compensation below the marketplace average. As a result, it is recommended that employees be considered for an equity adjustment if their pay is below the midpoint and they are performing at a satisfactory level. The Proposed Budget also includes normally scheduled step increases for civil service public safety personnel.

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

Compensation Increase History	
Fiscal Year	Compensation Equivalent (Non Civil Service)
2011-12	2% Average Merit Based Increase
2012-13	3% Average Merit Based Increase and Equity Pay Adjustments for affected employees
2013-14	3% Average Merit Based Increase and Equity Pay Adjustments for affected employees
2014-15	3% Average Merit Based Increase and Equity Pay Adjustments for affected employees

Civil Service Compensation Increases History	
Fiscal Year	Compensation Equivalent
2011-12	2% Increase. Eligible step pay increases for both Police and Fire civil service positions were included.
2012-13	3% Increase. Eligible step pay increases for both Police and Fire civil service positions also included.
2013-14	Increases based on Meet & Confer Agreements. Eligible step pay increases for both Police and Fire civil service positions also included.
2014-15	Increases based on Meet & Confer Agreements. Eligible step pay increases for both Police and Fire civil service positions also included.

Through deliberations, City Management and Police and Fire employee associations agreed to meet and confer agreements that include provisions for compensation. Both agreements apply to civil service employees only and include a similar pay philosophy. The goal of each compensation plan is to achieve a pay structure that is equal to the market survey averages plus 5% in each rank compared to twelve Metroplex police and fire agencies. As part of each agreement, the increases for Police and Fire civil service employees may be limited to an amount equal to the average compensation increases budgeted for civilian employees. After reviewing appropriate recommended compensation market data and the availability of financial resources, and in consideration of the above mentioned policy, increases in compensation for civil service employees will be based on the percentage needed to keep each position at 5% above the survey market average in FY 2014-15. In some cases, this will result in various ranks receiving different increases. The proposed budget also includes normally scheduled STEP increases for civil service public safety personnel.

Other Agency Contributions

Other agency contributions represent allocations for the City of Denton to outside organizations for specific agreed upon purposes. The Human Services Committee received requests totaling \$506,365 for FY 2014-15. The Human Services Committee recommended total funding of \$347,319 which is a 9.6% increase from the FY 2013-14 funding level. This funding is split between support from the Community Development Block Grant (CDBG) of \$127,319 and \$220,000 from the General Fund. The General Fund's FY 2014-15 contribution is \$30,319 more than in FY 2013-14. The total support provided in the General Fund (compared to 2010 census population of 113,383) is approximately \$1.94 per capita compared to \$1.67 per capita in the FY 2013-14 Budget. In future years, City Management intends to increase the per capita funding level by an incremental amount each year.

Grants

The City benefits from a variety of federal, state and local grants. In addition, the City routinely provides matching funds for various programs. A complete list of grants is provided in the Proposed Budget in the miscellaneous funds section of the document. The total grant budget for FY 2014-15 is \$3,975,555.

Capital Improvement Program

The Capital Improvement Program (CIP) represents the City's five-year plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities and to provide a framework for identifying capital requirements, the impact of capital projects on operating budgets, and project scheduling/coordination.

The General Government CIP includes non-utility projects such as streets, parks, and other general government facilities that are typically funded through general obligation bonds or certificates of obligation. Approximately every five years, the City has appointed a citizen bond committee to make recommendations to Denton residents on capital improvement needs.

The City formed a 51 member citizen's bond advisory committee that convened for several months to develop a six year Capital Improvement Program. The committee presented their proposed \$98.175 million Capital Improvement Plan to City Council. In August, The City Council will hold a public hearing on the Capital program and is expected to vote to call for an election to be held in November 2014. The Proposed Budget includes \$19 million of General Obligation bonds to be issued in FY 2014-15 if approved by voters.

The General Government CIP includes the issuance of \$4.4 million in General Obligation Bonds in FY 2014-15 which represents the third year of street projects approved by voters in November 2012. In addition, the General Government CIP includes the issuance of \$8.6 million in Certificates of Obligation for the following projects: \$1 million for building and land acquisition and improvements; \$500,000 for reconstruction of Fire Station #2; \$1.6 million for Civic Center Pool Improvements; \$2.9 million for vehicle replacements; \$1.5 million for maintenance of city facilities; \$500,000 for the West Side Runway at the Denton Enterprise Airport (to be self supporting debt); and \$600,000 for a cold mixer (soil stabilizer for Streets to be paid for by the Street Improvement fund).

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

UTILITY FUNDS

RESERVE LEVELS

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

The rate reserve funds provide a means of managing expense and demand volatility, ensure that funding is available for emergencies such as equipment or infrastructure failure, and serve to improve overall resiliency. The proposed working capital and rate reserve targets are as follows (presented as a percentage of expenses):

	Electric	Water	Wastewater	Solid Waste
Working Capital	8.0%	8.0%	8.0%	8.0%
Rate Reserves	8.0-12.0%	17.0-25.0%	12.0-16.0%	4.0%
Total	16.0-20.0%	25.0-33.0%	20.0-24.0%	12.0%
Equivalent Days of Operating Expenses	(60-75 days)	(90-120 days)	(75-90 days)	(45 days)

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

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

Over the past few years, credit card processing costs have increased dramatically for utility customers. In FY 2011-12, these costs were approximately \$344,000 and they are forecasted to increase to \$568,000 in FY 2013-14. The majority of these costs (58%) are related to commercial card transactions, but these accounts represent just 8% of all activity. As a result, the budget proposes to charge a fee equivalent to 2.7% of the transaction to all commercial credit cards. Residential customers will continue to not pay any transaction fee. This fee change is expected to save the utility funds approximately \$350,000 in FY 2014-15.

AGING INFRASTRUCTURE

As in the prior year the Utilities will continue their financial strategy of replacing an increasing percentage of existing assets with current revenue instead of debt. The issuance of debt will be generally reserved for the addition of new assets. This strategy will reduce the reliance on debt issuance and maintain adequate debt coverage ratios for the Electric, Water and Wastewater utilities.

The projected operating budgets, capital improvement plans and rates contained in the five-year financial plan contemplate a phased approach to revenue funded asset replacements and maintain debt coverage ratios at bond covenant levels.

ELECTRIC FUND

The FY 2014-15 Electric Proposed Budget includes \$166,152,333 in revenues and \$167,044,830 in expenditures. The Electric Proposed Budget will use \$892,497 in reserves to balance the budget. This planned use of reserves is primarily related to scheduled expenses associated with the Texas Municipal Power Agency (TMPA) contract.

Rates

The FY 2014-15 Denton Municipal Electric (DME) Proposed Budget includes a base rate adjustment and the addition of a Transmission Cost Recovery Factor (TCRF) for a 5.5% overall revenue increase. The Energy Cost Adjustment (ECA) rate will be adjusted as necessary based on changes in energy costs. For FY 2014-15, the ECA rate is budgeted as 4.2 (4.2 actual) cents/kWh.

Personnel Changes

The FY 2014-15 DME Proposed Budget includes an increase of 10.0 new FTE's, of which 5.0 FTE's are related to the enhanced CIP program, 1.0 FTE in the new created Energy Management Division, and 4 FTE's for general operations.

- 1.0 FTE in Operations for power line support.
- 3.0 FTE's in System Operations for system operators.
- 5.0 FTE's related to the CIP Program:
 - 1.0 FTE in Distribution – Lineman IV.
 - 3.0 FTE's in Engineering – 2 Engineering Vs and 1 Engineering Technician IV.
 - 1.0 FTE in Substations – Relay Technician.
- 1.0 FTE in Energy Management – Energy Data Analyst:

Return on Investment (ROI) and Franchise Fee

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

Major CIP Projects

The Electric Fund CIP budget includes funding for the following major capital projects in FY 2014-15:

➤ Transmission Substations:	\$ 34.8 million
➤ Transmission Lines:	\$ 23.7 million
➤ Feeder Extensions and Improvements:	\$ 16.2 million
➤ Distribution Substations:	\$ 15.7 million
➤ New Residential and Commercial Service:	\$ 4.4 million

Including the improvements discussed above, the FY 2015-19 five-year capital improvement program is \$386 million, approximately \$20 million more than the prior five-year plan approved in FY 2013-14. The enhanced program is necessary to improve the reliability of the electric system, meet the expected growth in demand for electric services, replace aging infrastructure, and comply with new regulatory requirements.

WATER FUND

The FY 2014-15 Water Fund Proposed Budget includes revenues of \$45,765,260 and expenditures of \$46,202,271. For FY 2014-15, reserves in the amount of \$437,011 will be used to balance the budget. The table below illustrates budgeted water sales for FY 2013-14 and projected sales for FY 2014-15.

Treated Water Sales by Customer Type (In Billions of Gallons)			
	FY 2013-14	FY 2014-15	Difference
Retail Customers	6.180	6.250	0.070
Wholesale Customers	0.108	0.094	(0.014)
Total	6.288	6.344	0.056

Rates

A 3% revenue increase for retail water customers is proposed and the actual rates will be based on cost of service adjustments. The five-year financial forecast includes future rate increases to support the replacement of aging infrastructure, maintenance and reserve fund goals. Wholesale rates will be updated per their respective agreements.

Personnel Changes

The Water Department budget includes 4.5 new FTE's.

- 1.0 FTE for a Maintenance Tech III in Water Production.
- 1.0 FTE for a Natural Resource Coordinator in Utility Administration.
- 1.0 FTE for a Utility Line Locator Water Distribution.
- 1.0 FTE for a Billing Specialist I in Utility Customer Service.
- 0.5 FTE for a Customer Service Representative in Utility Customer Service.

Major CIP Projects

The Water Fund CIP budget includes funding for the following major capital projects in FY 2014-15:

- | | |
|--------------------------------|----------------|
| ➤ Transmission Lines: | \$ 8.3 million |
| ➤ State Highway Relocations: | \$ 7.7 million |
| ➤ Replacement Lines: | \$ 3.5 million |
| ➤ Field Services Replacements: | \$ 1.5 million |
| ➤ Plant Improvements | \$ 1.4 million |

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 34.1%) of the CIP for FY 2014-15 is proposed to be funded with revenue instead of debt. The FY 2014-15 revenue funded projects total approximately \$8.9 million. The CIP also includes funding of approximately \$3.0 million over five years to address the zebra mussel infestation in Lake Ray Roberts and Lake Lewisville intake and raw water pumping facilities.

WASTEWATER FUND

The FY 2014-15 Wastewater Proposed Budget includes revenues of \$30,746,400 and expenditures of \$30,925,904. For FY 2014-15, reserves in the amount of \$179,504 will be used to balance the budget. Below is a table illustrating budgeted wastewater billed volumes in FY 2013-14 and projections for FY 2014-15.

Wastewater Billed Volumes (In Billions of Gallons)			
	FY 2013-14	FY 2014-15	Difference
Retail	3.935	3.766	(0.169)
Effluent	0.040	0.065	0.025
Wholesale	0.205	0.211	0.006
Total	4.180	4.042	(0.138)

Rates

A 6% revenue increase is proposed for retail wastewater customers and the actual rates will be based on cost of service adjustments. The Five-Year Financial Forecast includes future rate increases to support the replacement of aging infrastructure, maintenance and reserve fund goals.

Personnel Changes

The Wastewater Department budget includes 2.0 new FTE's.

- 1.0 FTE for a Water Utility Electrician II in Water Reclamation.
- 1.0 FTE for a Field Service Worker III in Drainage.

Major CIP Projects

The Wastewater Fund CIP budget includes funding for the following major capital projects in FY 2014-15:

- Collection System Upgrade: \$ 6.8 million
- Plant Improvements \$ 6.1 million
- State Highway Relocations: \$ 3.6 million
- Field Services Replacements: \$ 2.5 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 28.6%) of CIP for FY 2014-15 is proposed to be funded with revenue instead of debt. The FY 2014-15 revenue funded projects total approximately \$6.1 million.

SOLID WASTE FUND

The FY 2014-15 Solid Waste Budget includes \$27,680,713 in revenues and expenditures of \$27,802,592. For FY 2014-15, reserves in the amount of \$121,879 will be used to balance the budget. The chart below illustrates Solid Waste production.

Solid Waste Production (In Tons)			
	FY 2013-14	FY 2014-15	Difference
Gross Tons of Waste	262,489	273,850	11,361
Recycled Tons	76,814	78,568	1,754
Total Landfill Tonnage	185,674	195,282	9,608

Rates and Fees

The following monthly fee increases are recommended to the Solid Waste schedules:

Rate Increase	FY 2013-14	FY 2014-15	Variance
Residential Refuse (Standard Cart)	\$26.00	\$26.75	\$0.75
Residential Refuse (Large Cart)	\$30.90	\$32.00	\$1.10
Residential Refuse (Small Cart)	\$25.00	\$26.00	\$1.00
Landfill	\$43.50	\$44.00	\$0.50

Additionally, commercial rates are projected to increase which will generate approximately 3.2% in additional revenue in FY 2014-15. Specific rate increases will vary based on the size of container and frequency of service.

Personnel Changes

Three additional personnel are included for FY 2014-15:

- 2 FTE's for Field Service Workers in Building Materials Recovery operation.
- 1 FTE for an Intern in Recycling.

Major CIP Projects

The Solid Waste Fund CIP budget includes funding for the following major capital projects in FY 2014-15:

- | | |
|-----------------------------------|---------------|
| ➤ Equipment: | \$3.8 million |
| ➤ Vehicle additions/replacements: | \$2.4 million |
| ➤ Site Operations: | \$1.7 million |
| ➤ Disposal/Landfill: | \$1.7 million |

Utility Rate Change Summary

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

	FY 2013-14	FY 2014-15	Increase	% Change
Electric ¹ (1,242 kWh/month)	\$126.90	\$134.62	\$7.72	6.1%
Water (9,200 gallons/month)	\$47.49	\$48.81	\$1.32	2.8%
Wastewater (6,000 gallons/month)	\$32.25	\$34.05	\$1.80	5.9%
SW – Standard Cart (standard sized cart)	\$26.00	\$26.75	\$0.75	2.9%
Total	\$232.64	\$244.23	\$11.59	5.0%

¹ FY 2014-15 and FY 2013-14 includes an Energy Cost Adjustment (ECA) rate of \$0.042.

The proposed rate increases are as follows for FY 2014-15: DME includes a base rate adjustment and the addition of a Transmission Cost Recovery Factor (TCRF) for a 5.5% overall revenue increase, Water includes a 3% overall revenue increase, Wastewater includes a 6% overall revenue increase, and Solid Waste includes a 2.9% increase for a standard cart. Since there are a variety of rate structures for each utility, the average rates shown above may differ slightly from the overall revenue increase which is expected.

Miscellaneous and Internal Service Funds

AIRPORT FUND

The Airport Fund was established in FY 2010-11 as a self-sustaining enterprise. The fund is comprised of both operating expenses for the Airport and Airport Gas Well revenues. Expenditures for the Airport Fund include continuation of \$250,000 in funding for the fourth year of various road improvement projects, \$300,000 for capital improvements and \$1,708,704 for land acquisition.

TECHNOLOGY SERVICES FUND

The Technology Services Fund reflects the costs for providing technology support services to the various City departments. This internal service fund is comprised of eight separate functional areas, including administration, telecommunications, geographic information systems, application development, user support, public safety support, DME Technology Services, and regulatory compliance. Due to increasingly complex information technology requirements for DME, a new functional area, DME Technology Services, has been created. The FY 2014-15 Proposed Budget includes funding for 5 new FTE's for the new division and the reallocation of one FTE from regulatory compliance to the new division.

MATERIALS MANAGEMENT FUND

The Materials Management Fund is comprised of purchasing and warehouse operations. Materials Management is an internal service fund responsible for procuring goods and services for City departments, which is regulated by local, state and federal law. The department is also responsible for the warehousing of materials and supplies necessary for City departments to serve the community.

FLEET MANAGEMENT FUND

The Fleet Management Fund reflects the costs for providing vehicle maintenance and equipment-related support services to City departments. This internal service fund is comprised of four functional areas, including vehicle maintenance, fuel purchasing, vehicle parts contract and motor pool administration. The FY 2014-15 Proposed Budget includes recommendations for the purchase of a forklift and portable equipment lifts.

RISK RETENTION FUND

The Risk Retention Fund is established to record the activities of providing insurance coverage and self-funded activities for City operations including vehicle, property, general liability and workers compensation claims. The FY 2014-15 Proposed Budget includes funding for two FTE's previously budgeted in the General Fund (Human Resources department.)

HEALTH INSURANCE FUND

When the City switched to a self-funded health insurance plan in 2008, long-term savings were projected for the Health Insurance Fund. While the self-funded program has provided considerable savings as expected (an estimated \$5.5 million through 2012), the rising cost of health care continues to be a concern.

In an effort to address those rising costs, the City opened the Employee Health Center (clinic) in December 2011. The clinic provides primary care benefits at no cost to our employees, retirees, and dependents that are covered under the City's self-funded program. During the first year of operation in 2012, there were approximately 5,553 patient appointments. In 2013, there were 6,127 patient appointments. In 2012, 846 employees completed a Health Risk Assessment (HRA) at the clinic and in 2013, 864 employees completed the HRA. The HRA includes a comprehensive blood draw and a 40 minute follow-up appointment with the clinic physician.

Based on the data so far in FY 2013-14, health care costs appear to have stabilized and total costs are approximately 4% lower than this time last fiscal year. For FY 2014-15, the proposed budget includes a 2% increase in the City contribution to the Health Insurance Fund, as well as an increase for employee contributions.

ENGINEERING SERVICES FUND

The Engineering Services Fund was created in FY 2013-14. The engineering functions that were previously budgeted in the Water Fund, Wastewater Fund and General Fund were reorganized and consolidated into this new fund. This fund combines capital engineering, development review engineering, contract engineering, public works inspections and real estate functions under one umbrella. The department does not include engineering functions for DME. The FY 2014-15 Engineering Services proposed budget includes revenues of \$4,658,066 and expenditures of \$4,636,101. Two new FTE's are proposed for FY 2014 -15. One FTE for an Engineering Tech III in Public Works Inspections and one FTE for GIS Interns in Real Estate are included in the proposed budget.

STREET IMPROVEMENT FUND

The Street Improvement Fund was established in FY 2011-12. The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The Street Improvement Fund receives revenue from a portion of franchise fees previously accounted for in the General Fund. Fees associated with street cuts are also recorded in the Street Improvement Fund.

Interest cost savings associated with issuing Certificates of Obligation in lieu of Revenue Bonds are also transferred to the Street Improvement Fund from the utility funds. Beginning in 2010, the City changed the manner by which the utilities issue debt to fund capital improvements by selling General Obligation Bonds instead of Revenue Bonds. Using the AA credit rating of the General Obligation Bonds, rather than the AA-credit rating of the Revenue Bonds, the City was able to lower the interest costs to the Utility funds. As such, this budget proposes to transfer \$541,387 in interest cost savings from the utility funds to the Street Improvement Fund in FY 2014-15.

For FY 2014-15, revenues are budgeted to be \$10,181,026 and expenditures of \$10,181,026. Two new FTE's are proposed for FY 2014-15, Field Service Worker II's. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to a proposed \$10.2 million for FY 2014-15.

RECREATION FUND

The Recreation Fund includes fee-based recreation programs and activities that are self-supporting. Fees that are charged recover the costs associated with the programs they support. The FY 2014-15 Proposed Budget includes funding for fitness equipment at various recreation centers and improvements to the Goldfield Tennis Center.

TOURIST AND CONVENTION FUND

The Tourist and Convention Fund records the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7% of room rental rates. The City Council Hotel Occupancy Tax Committee is responsible for determining a recommendation on the allocation of funds annually. The Committee has recommended allocations for FY 2014-15 based on the most recent hotel occupancy tax forecast. The recommendation for funding is included in the Proposed Budget.

A joint partnership with the University of North Texas and a private developer to build and operate a convention center is also under consideration. To provide financial capacity for expenses associated with this project, \$100,000 is budgeted as a reserve for debt service and \$172,575 for convention center marketing efforts by the Convention and Visitors Bureau.

POLICE CONFISCATION FUND

The Police Confiscation Fund was established to record the receipt of confiscated contraband and the expenditures funded by that revenue as approved by the courts. The FY 2014-15 Proposed Budget includes \$148,500 which will be used to fund specialized forensic laboratory testing of evidence and other outside contract services.

POLICE ACADEMY FUND

The Police Academy Fund is a newly budgeted fund comprised of revenues associated with training non-Denton Officers and staff at the new Public Safety Training Facility. The FY 2014-15 Proposed Budget includes \$45,000 which will be used to fund nationally known, professional law enforcement trainers and pay fees for the quarterly use of a professional driving track.

TRAFFIC SAFETY FUND

The Traffic Safety Fund is comprised of revenues and expenditures associated with the red light enforcement cameras. The City operated red light enforcement cameras at various intersections across the City. The fine revenue derived from violations has been earmarked for solar school flashers and equipment related to traffic enforcement and accident investigations. The FY 2014-15 Proposed Budget recommends adding a new 0.5 FTE Temporary Seasonal employee for the administration of the red light camera program.

DOWNTOWN REINVESTMENT FUND

The Downtown Reinvestment Fund is used to account for “micro-grants” provided to businesses located in the downtown area. The Proposed Budget recommends \$100,000 from the City’s Mixed Beverage Taxes in FY 2014-15.

SPECIAL REVENUE FUNDS

The Tree Mitigation Fund is used to purchase, plant, and maintain trees on public property. While no exact cost information is available at this time, a citizens committee is exploring potential expenses. Accordingly, \$50,000 is programmed for contingency purposes and tree plantings by the City’s Parks and Recreation Department.

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

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

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

The Parks Land Dedication and Development Trust Funds are funds received from developers which provide for neighborhood parks and projects within ½ to 1 mile radius of the development or platting. Because of the specific use of these funds, projects planned for next fiscal year are concentrated in neighborhood park areas in the community. The Park Land Dedication funds will be used for the acquisition of prospective neighborhood park property near the Downtown area. The Park Development Trust funds include improvements to existing neighborhood parks and trails at North Pointe Park and McKamy Evers Park. Both funds will be used to cover labor expenses of employees who are working on Trust fund projects.

GAS WELL FUNDS

The City has two gas well funds: Parks Gas Well Fund and Airport Gas Well Fund. The City currently has several producing gas wells located on City owned property and throughout the community. Because gas well revenue is considered a short-term resource, the expenditures programmed from these funds for FY 2014-15 will be used to fund one-time needs. The Parks Gas Well Fund budget includes \$200,000 for expenses related to the Vela Soccer Complex. As mentioned previously, the Airport Gas Well Fund is reported as part of the Airport Fund which was established in FY 2010-11.

DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND

The Downtown Tax Increment Reinvestment Zone Fund (TIRZ #1) was a newly created fund in FY 2011-12 through Ordinance No. 2010-316, which was adopted on December 7, 2010. The fund accounts for the tax revenues that are collected above the FY 2010-11 levels in the downtown area. The base value for TIRZ #1 is \$79,356,854, and the certified value for FY 2014-15 is \$114,885,073, which represents an incremental value of \$35,528,219. For FY 2014-15, revenues of \$245,056 are included. No expenditures have been identified by the TIRZ #1 Board at this time.

WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND

The Westpark Tax Increment Reinvestment Zone Fund (TIRZ #2) was created through Ordinance No. 2012-366, which was adopted on December 18, 2012. The fund accounts for the tax revenues that are collected above the FY 2012-13 levels. The base value for TIRZ #2 is \$119,458. The 2014 certified value is \$566,436 which represents an incremental value of \$446,978. For FY 2014-15, revenues of \$3,083 are included. No expenditures have been proposed for the TIRZ #2.

Human Services Advisory Committee 2014-15 Funding

Agency	2013-14 Approved CDBG and General Fund Contributions	2014-15 Requested	2014-15 Funding	
			CDBG	General Fund
Camp Summit	2,000	20,000	-	-
Court Appointed Special Advocates (CASA)	15,000	20,000	-	12,000
City of Denton - PARKS - MLK Program	20,000	47,125	25,000	-
Communities in Schools	10,000	20,000	-	11,000
Interfaith	-	10,000	-	3,800
Denton Christian Preschool	25,000	28,000	-	26,000
Denton City County Day School	32,000	40,000	34,000	-
Health Services of North Texas (formerly AIDS Services of North TX)	27,000	60,000	29,000	3,000
Denton County Friends of the Family	25,000	30,000	25,000	-
Family Health Care, Inc	17,000	19,000	-	18,000
Fred Moore Day Nursery	40,000	60,000	-	45,000
HOPE, Inc., - Transitional Housing	25,500	28,200	-	25,500
HOPE, Inc., - HMIS	18,000	18,000	-	18,000
PediPlace	2,500	10,000	-	-
Retired Senior Volunteer Program (RSVP)	10,500	11,000	-	11,000
Salvation Army	20,000	20,000	-	20,000
Special Programs for Aging Needs (SPAN)	20,000	25,000	14,319	5,700
Denton Community Health Clinic	7,500	30,000	-	12,000
Denton County MHMR Center	-	10,040	-	9,000
SUBTOTAL	317,000	506,365	127,319	220,000
Community Development Support Costs	236,157			238,770
TOTAL	\$ 553,157	\$ 506,365	\$ 127,319	\$ 458,770

Funding for the Children's Advocacy Center has been recommended at \$94,365 (the fair share amount) and is reflected in the Police Department FY 2014-15 budget.

GENERAL FUND 2014-15 Five Year Forecast Major Assumptions

Revenue	2014-15	2015-16	2016-17	2017-18	2018-19
Property Tax Growth	11.47%	4%	4%	4%	4%
Tax Rate - O&M	\$ 0.48119	\$ 0.48119	\$ 0.48119	\$ 0.49119	\$ 0.49119
Tax Rate - Debt	\$ 0.20856	\$ 0.20856	\$ 0.20856	\$ 0.20856	\$ 0.20856
Property Tax Increase*	\$ -	\$ -	\$ 0.01000	\$ -	\$ -
Total Tax Rate	\$ 0.68975	\$ 0.68975	\$ 0.69975	\$ 0.69975	\$ 0.69975
Sales Tax Growth	3%	3%	3%	3%	3%
Fund Balance Target	20%	20%	20%	20%	20%

* Potential Property Tax Increase in FY 2016-17.

Expenditures	2014-15	2015-16	2016-17	2017-18	2018-19
Compensation	Equity adjustments Non-Civil Service Employees; STEP increases for Police and Fire Civil Service employees, Plus 3% Merit for all Employees (market plus 5% pay adjustment for Civil Service)	3% Merit	3% Merit	3% Merit	3% Merit
Health Insurance	2% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured	6% Self-Insured
Vehicle Replacements	Bond Funded	Bond Funded	Bond Funded	Bond Funded	Bond Funded
Service Enhancements	Traffic, Transportation, Police, Fire, Facilities, Municipal Court, Building Inspections, Human Resources, Community Improvement, Economic Development and Library	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

General Fund 2014-15 Five Year Forecast (in millions)						
	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$25.76	\$25.00	\$24.34	\$24.03	\$23.83	\$23.82
REVENUES	\$97.52	\$102.19	\$106.13	\$109.40	\$113.17	\$117.04
PROPOSED \$0.01 TAX INCREASE		\$0.00	\$0.00	\$0.84	\$0.87	\$0.91
TOTAL REVENUES	\$97.52	\$102.19	\$106.13	\$110.24	\$114.04	\$117.95
TOTAL AVAILABLE RESOURCES	\$123.28	\$127.19	\$130.47	\$134.27	\$137.87	\$141.77
EXPENDITURES	\$98.28	\$102.85	\$105.19	\$108.19	\$110.80	\$113.43
ONE-TIME EXPENSES		\$0.00	\$0.25	\$0.25	\$0.25	\$0.25
FUTURE RECURRING EXPENSES		\$0.00	\$1.00	\$2.00	\$3.00	\$4.00
TOTAL EXPENDITURES	\$98.28	\$102.85	\$106.44	\$110.44	\$114.05	\$117.68
NET INCOME (LOSS)	(\$0.76)	(\$0.66)	(\$0.31)	(\$0.20)	(\$0.01)	\$0.27
ENDING FUND BALANCE	\$25.00	\$24.34	\$24.03	\$23.83	\$23.82	\$24.09
EFFECTIVE FUND BALANCE	25.4%	23.7%	22.6%	21.6%	20.9%	20.5%
RESERVE TARGET (percent)	20%	20%	20%	20%	20%	20%

WATER						
2014-15 Five Year Forecast (in millions)						
	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$18.2	\$18.6	\$18.2	\$17.6	\$16.4	\$15.6
REVENUES	\$42.6	\$45.8	\$47.0	\$49.4	\$50.8	\$52.9
TOTAL RESOURCES AVAILABLE	\$60.8	\$64.4	\$65.2	\$67.0	\$67.2	\$68.5
OPERATING EXPENDITURES	\$42.2	\$45.8	\$47.0	\$49.4	\$50.8	\$52.3
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.4	\$0.6	\$1.2	\$0.8	\$0.0
TOTAL EXPENDITURES	\$42.2	\$46.2	\$47.6	\$50.6	\$51.6	\$52.3
NET INCOME (LOSS)	\$0.4	(\$0.4)	(\$0.6)	(\$1.2)	(\$0.8)	\$0.6
WORKING CAPITAL BALANCE (Target 30 Days - 8% Exp)	\$3.4	\$3.7	\$3.8	\$4.0	\$4.1	\$4.2
RATE RESERVE BALANCE (Target 60-90 days - 17-25% Exp)	\$15.2	\$14.5	\$13.8	\$12.4	\$11.5	\$12.0
TOTAL ENDING FUND BALANCE	\$18.6	\$18.2	\$17.6	\$16.4	\$15.6	\$16.2
WORKING CAPITAL BALANCE % OF EXPENSES	8.1%	8.1%	8.0%	7.9%	7.9%	8.1%
RATE RESERVE BALANCE % OF EXPENSES	36.0%	31.4%	29.0%	24.5%	22.3%	22.9%
PROPOSED RATE INCREASES		3.0%	3.0%	3.0%	3.0%	3.0%
Note: Fund Balance excludes Development Plan Line and Impact Fee Reserves.						

WASTEWATER						
2014-15 Five Year Forecast (in millions)						
	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$9.2	\$8.9	\$8.7	\$8.2	\$7.6	\$7.3
REVENUES	\$28.9	\$30.7	\$32.0	\$32.7	\$33.5	\$34.6
TOTAL RESOURCES AVAILABLE	\$38.1	\$39.6	\$40.7	\$40.9	\$41.1	\$41.9
OPERATING EXPENDITURES	\$28.9	\$30.7	\$32.0	\$32.7	\$33.5	\$34.2
PLANNED RESERVE EXPENDITURES	\$0.3	\$0.2	\$0.5	\$0.6	\$0.3	\$0.0
TOTAL EXPENDITURES	\$29.2	\$30.9	\$32.5	\$33.3	\$33.8	\$34.2
NET INCOME (LOSS)	(\$0.3)	(\$0.2)	(\$0.5)	(\$0.6)	(\$0.3)	\$0.4
WORKING CAPITAL BALANCE (Target 30 Days - 8% Exp)	\$2.3	\$2.5	\$2.6	\$2.7	\$2.7	\$2.7
RATE RESERVE BALANCE (Target 45-60 days - 12-16% Exp)	\$6.6	\$6.2	\$5.6	\$4.9	\$4.6	\$5.0
TOTAL ENDING FUND BALANCE	\$8.9	\$8.7	\$8.2	\$7.6	\$7.3	\$7.7
WORKING CAPITAL BALANCE % OF EXPENSES	7.9%	8.1%	8.1%	8.1%	8.0%	7.9%
RATE RESERVE BALANCE % OF EXPENSES	22.6%	20.1%	17.2%	14.7%	13.6%	14.6%
PROPOSED RATE INCREASES		6.0%	6.0%	3.0%	2.0%	2.0%
Note: Fund Balance excludes Development Plan Line, Drainage Reserves and Impact Fee Reserves.						

SOLID WASTE 2014-15 Five Year Forecast (in millions)						
	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$3.8	\$3.8	\$3.7	\$3.7	\$3.8	\$3.8
REVENUES	\$26.2	\$27.7	\$29.0	\$30.2	\$31.7	\$32.9
TOTAL RESOURCES AVAILABLE	\$30.0	\$31.5	\$32.7	\$33.9	\$35.5	\$36.7
OPERATING EXPENDITURES	\$26.2	\$27.8	\$29.0	\$30.1	\$31.7	\$32.8
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$26.2	\$27.8	\$29.0	\$30.1	\$31.7	\$32.8
NET INCOME (LOSS)	\$0.0	(\$0.1)	\$0.0	\$0.1	\$0.0	\$0.1
WORKING CAPITAL BALANCE (Target 30 days 8% Exp)	\$2.1	\$2.3	\$2.4	\$2.4	\$2.5	\$2.6
RATE RESERVE BALANCE (Target 15 days 4% Exp)	\$1.7	\$1.4	\$1.3	\$1.4	\$1.3	\$1.3
TOTAL ENDING FUND BALANCE	\$3.8	\$3.7	\$3.7	\$3.8	\$3.8	\$3.9
WORKING CAPITAL BALANCE % OF EXPENSES	8.0%	8.3%	8.3%	8.0%	7.9%	7.9%
RATE RESERVE BALANCE % OF EXPENSES	6.5%	5.0%	4.5%	4.7%	4.1%	4.0%
PROPOSED RATE INCREASES						
RESIDENTIAL REFUSE (Large cart)	\$ 30.90	\$ 32.00	\$ 32.60	\$ 33.10	\$ 33.70	\$ 34.20
RESIDENTIAL REFUSE (Standard cart)	\$ 26.00	\$ 26.75	\$ 27.35	\$ 27.85	\$ 28.70	\$ 29.20
RESIDENTIAL REFUSE (Small cart)	\$ 25.00	\$ 26.00	\$ 26.85	\$ 27.85	\$ -	\$ -
COMMERCIAL (Average)	2.5%	2.8%	2.8%	0.0%	1.0%	1.0%

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



**BUDGET RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
General Fund	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640
General Debt Service Fund	40,591,365	44,277,495	44,269,862	52,579,539
Electric Fund	152,061,374	168,359,750	174,966,124	167,044,830
Water Fund	42,991,052	42,905,805	42,643,426	46,202,271
Wastewater Fund	27,263,206	30,327,234	29,162,591	30,925,904
Solid Waste Fund	25,009,653	26,353,035	26,226,754	27,802,592
Airport Fund	2,385,504	2,779,363	2,594,955	4,251,182
Technology Services Fund	8,760,469	9,006,772	8,946,772	11,320,223
Materials Management Fund	6,385,451	9,927,952	8,484,981	9,164,317
Fleet Management Fund	10,188,188	13,776,595	10,487,351	12,701,893
Risk Retention Fund	2,642,182	3,020,448	2,953,079	3,210,614
Health Insurance Fund	20,346,611	25,355,219	22,405,208	27,490,268
Engineering Services Fund	-	4,223,144	3,993,631	4,658,066
Street Improvement Fund	7,108,410	8,379,203	8,350,238	10,181,026
Miscellaneous Funds ⁽¹⁾	6,719,926	10,318,076	9,510,448	8,409,679
TOTAL OPERATING RESOURCES	\$ 445,412,156	\$ 498,285,351	\$ 493,270,680	\$ 518,789,044
Grant Program	6,296,010	4,766,074	4,766,074	3,975,555
Capital Improvements Program ⁽²⁾	85,027,636	323,657,313	90,851,279	385,505,147
TOTAL RESOURCES	\$ 536,735,802	\$ 826,708,738	\$ 588,888,033	\$ 908,269,746

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
General Fund	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640
General Debt Service Fund	39,842,996	44,277,495	44,236,176	52,579,539
Electric Fund	152,061,374	168,359,750	174,966,124	167,044,830
Water Fund	40,549,198	42,905,805	42,207,368	46,202,271
Wastewater Fund	26,845,554	30,327,234	29,162,591	30,925,904
Solid Waste Fund	24,349,988	26,312,990	26,218,706	27,802,592
Airport Fund	2,385,504	2,779,363	2,594,955	4,251,182
Technology Services Fund	8,657,419	9,006,772	8,946,772	11,320,223
Materials Management Fund	6,385,451	9,927,952	8,484,981	9,164,317
Fleet Management Fund	10,161,060	13,725,975	10,486,151	12,649,694
Risk Retention Fund	2,567,286	3,020,448	2,943,968	3,210,614
Health Insurance Fund	19,608,362	25,355,219	21,440,563	27,490,268
Engineering Services Fund	-	4,067,969	3,592,611	4,636,101
Street Improvement Fund	6,770,168	8,379,203	8,350,238	10,181,026
Miscellaneous Funds ⁽¹⁾	5,433,388	10,049,064	8,111,057	7,990,640
TOTAL OPERATING EXPENDITURES	\$ 438,576,512	\$ 497,770,499	\$ 490,017,521	\$ 518,295,841
Grant Program	3,305,763	4,766,074	4,766,074	3,975,555
Capital Improvements Program ⁽²⁾	85,027,636	323,657,313	90,851,279	385,505,147
TOTAL EXPENDITURES	\$ 526,909,911	\$ 826,193,886	\$ 585,634,874	\$ 907,776,543

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

⁽²⁾ FY 2014-15 Proposed Budget includes approximately \$77 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill Road and Bonnie Brae Street expansion projects (total received was approximately \$91 million).

City of Denton, Texas
Proposed Annual Program of Services

**BUDGET SUMMARY
EXPENDITURES BY CLASSIFICATION
2014-15**

FUND	PERSONAL SERVICES	PURCHASED POWER	MATERIALS & SUPPLIES	MAINTENANCE & REPAIR	INSURANCE	MISCELLANEOUS
General	\$ 73,914,233	\$ -	\$ 2,417,579	\$ 3,145,839	\$ 1,059,522	\$ 913,604
General Debt Service	-	-	-	-	-	-
Electric	-	93,218,420	-	-	-	26,001,616
Water	9,940,056	1,727,718	1,813,463	1,436,599	219,527	450,832
Wastewater	7,860,235	821,000	1,089,071	1,453,694	250,460	58,170
Solid Waste	9,377,529	-	366,941	449,033	157,178	73,800
Airport	617,974	-	46,725	78,997	21,359	1,700
Technology Services	3,961,485	-	113,797	2,661,988	31,060	-
Materials Management	1,281,135	-	34,503	10,652	24,293	1,000
Fleet Management	1,800,899	-	112,482	105,000	28,409	1,250,000
Risk Retention	800,039	-	16,500	158,500	1,388,000	226,000
Health Insurance	-	-	-	-	27,490,268	-
Engineering Services	3,493,228	-	50,552	56,250	31,510	2,166
Street Improvement	2,495,611	-	82,150	6,073,269	61,280	5,000
Recreation	782,693	-	697,496	48,554	22,666	-
Other Funds*	78,000	-	55,000	40,000	-	-
TOTAL	\$ 116,403,117	\$ 95,767,138	\$ 6,896,259	\$ 15,718,375	\$ 30,785,532	\$ 28,983,888

* Other Funds Include the Park Land Dedication Trust Fund, Park Development Trust Fund, Police Donations Fund, the Fire Donations Fund, the Downtown Reinvestment Fund, Library Donations Fund, the Animal Control Donations Fund, McKenna Trust Fund, Public Education Government Fund, Tree Mitigation Fund, Tourist & Convention Fund, Police Confiscation Fund, Police Academy Fund, Traffic Safety Fund, Downtown Reinvestment Fund, Parks Gas Well Fund, Downtown TIRZ, and the Westpark TIRZ.

**BUDGET SUMMARY
EXPENDITURES BY CLASSIFICATION
2014-15**

OPERATIONS	FIXED ASSETS	RETURN ON INVESTMENT	FRANCHISE FEES	DEBT SERVICE	INVENTORY PURCHASES	TRANSFERS	TOTAL
\$ 13,048,955	\$ 897,544	\$ -	\$ -	\$ -	\$ -	\$ 7,449,364	\$ 102,846,640
-	-	-	-	52,579,539	-	-	52,579,539
35,962,464	-	4,884,489	6,977,841	-	-	-	167,044,830
3,130,434	-	1,256,938	1,772,319	13,835,235	-	10,619,150	46,202,271
2,537,149	-	835,039	1,192,913	7,037,145	-	7,791,028	30,925,904
5,845,400	1,500	-	1,374,396	6,895,859	-	3,260,956	27,802,592
226,011	53,337	-	36,071	481,156	-	2,687,852	4,251,182
1,866,961	2,076,384	-	-	82,913	-	525,635	11,320,223
108,777	-	-	-	47,934	6,784,743	871,280	9,164,317
3,649,493	138,720	-	-	253,791	4,762,150	548,750	12,649,694
387,792	-	-	-	-	-	233,783	3,210,614
-	-	-	-	-	-	-	27,490,268
207,521	-	-	-	-	-	794,874	4,636,101
817,986	-	-	-	-	-	645,730	10,181,026
591,606	-	-	-	-	-	124,069	2,267,084
4,058,056	1,292,500	-	-	-	-	200,000	5,723,556
\$ 72,438,605	\$ 4,459,985	\$ 6,976,466	\$ 11,353,540	\$ 81,213,572	\$ 11,546,893	\$ 35,752,471	\$ 518,295,841

**PROJECTED APPROPRIABLE FUND BALANCES
2014-15**

	APPROPRIABLE FUND BALANCE ⁽¹⁾ 10-1-13	ESTIMATED REVENUES 2013-14	ESTIMATED EXPENDITURES 2013-14
General Fund	\$ 25,755,178	\$ 97,515,369	\$ 98,275,260
General Debt Service Fund	4,572,807	44,269,862	44,236,176
Enterprise Funds			
Electric Fund	78,102,530	151,622,081	174,966,124
Water Fund ⁽²⁾	18,230,641	42,643,426	42,207,368
Wastewater Fund ⁽²⁾	9,193,103	28,878,348	29,162,591
Solid Waste Fund ⁽³⁾	3,759,193	26,226,754	26,218,706
Airport Fund	5,890,583	1,799,567	2,594,955
Enterprise Funds Subtotal	115,176,050	251,170,176	275,149,744
Internal Service Funds			
Technology Services Fund	732,548	8,724,074	8,946,772
Materials Management Fund	931,147	8,441,978	8,484,981
Fleet Management Fund	558,242	10,487,351	10,486,151
Risk Retention Fund	6,804,742	2,953,079	2,943,968
Health Insurance Fund	4,025,656	22,405,208	21,440,563
Engineering Services Fund	-	3,993,631	3,592,611
Internal Service Funds Subtotal	13,052,335	57,005,321	55,895,046
Special Revenue Funds			
Street Improvement Fund	1,330,184	7,890,741	8,350,238
Recreation Fund	553,915	1,677,016	1,978,432
Tourist & Convention Fund	1,251,291	1,739,454	1,916,777
Police Confiscation Fund	439,549	120,000	150,500
Police Academy Fund	57,014	-	-
Traffic Safety Fund	495,553	1,530,000	1,228,691
Non-Airport Gas Well Fund	36,146	133	36,279
Downtown Reinvestment Fund	73,500	100,000	100,000
Parks Gas Well Fund	-	193,100	140,500
Tree Mitigation Fund	1,131,193	886,700	-
Public Education Government Fund	646,657	310,000	390,000
McKenna Trust Fund	47,895	1,000	47,000
Park Land Dedication Trust Fund	1,601,485	226,000	820,411
Park Development Trust Fund	3,253,786	187,000	1,239,467
Downtown Tax Increment Reinvestment Zone Fund	101,415	116,782	-
Westpark Tax Increment Reinvestment Zone Fund	-	-	-
Miscellaneous Special Revenue Funds	24,198	105,000	63,000
Special Revenue Funds Subtotal	11,043,781	15,082,926	16,461,295
TOTAL	\$ 169,600,151	\$ 465,043,654	\$ 490,017,521

⁽¹⁾ Appropriate fund balance reflects working capital available for appropriation.

⁽²⁾ Excludes Development Plan Line reserves (\$1,000,000) for each Water and Wastewater, Impact Fee reserves for Water (\$3,289,014) and Wastewater (\$2,115,050), and Drainage Reserve (\$1,000,000) for Wastewater.

⁽³⁾ Excludes Closure/Post Closure reserves (\$6,145,099).

**PROJECTED APPROPRIABLE FUND BALANCES
2014-15**

PROJECTED APPROPRIABLE FUND BALANCE ⁽¹⁾ 9-30-14		PROPOSED REVENUES 2014-15		PROPOSED EXPENDITURES 2014-15		PROJECTED APPROPRIABLE FUND BALANCE ⁽¹⁾ 9-30-15	
\$	24,995,287	\$	102,185,095	\$	102,846,640	\$	24,333,742
	4,606,493		52,579,539		52,579,539		4,606,493
	54,758,487		166,152,333		167,044,830		53,865,990
	18,666,699		45,765,260		46,202,271		18,229,688
	8,908,860		30,746,400		30,925,904		8,729,356
	3,767,241		27,680,713		27,802,592		3,645,362
	5,095,195		1,971,853		4,251,182		2,815,866
	91,196,482		272,316,559		276,226,779		87,286,262
	509,850		10,870,035		11,320,223		59,662
	888,144		9,103,285		9,164,317		827,112
	559,442		12,701,893		12,649,694		611,641
	6,813,853		2,981,819		3,210,614		6,585,058
	4,990,301		23,438,346		27,490,268		938,379
	401,020		4,658,066		4,636,101		422,985
	14,162,610		63,753,444		68,471,217		9,444,837
	870,687		10,181,026		10,181,026		870,687
	252,499		2,064,602		2,267,084		50,017
	1,073,968		1,791,637		1,809,406		1,056,199
	409,049		204,200		148,500		464,749
	57,014		45,000		45,000		57,014
	796,862		1,700,000		1,617,400		879,462
	-		-		-		-
	73,500		100,000		173,500		-
	52,600		200,100		200,000		52,700
	2,017,893		56,500		50,000		2,024,393
	566,657		315,000		377,750		503,907
	1,895		1,000		-		2,895
	1,007,074		156,000		700,000		463,074
	2,201,319		133,000		500,000		1,834,319
	218,197		245,056		-		463,253
	-		3,083		-		3,083
	66,198		127,000		102,000		91,198
	9,665,412		17,323,204		18,171,666		8,816,950
\$	144,626,284	\$	508,157,841	\$	518,295,841	\$	134,488,284

POSITION SUMMARY
2014-15

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	233.58	234.04	234.04	237.04
Public Safety	418.48	423.48	423.48	426.48
Transportation	14.00	13.00	13.00	14.00
Administrative & Community Services	90.75	93.75	92.75	92.75
TOTAL GENERAL FUND	756.81	764.27	763.27	770.27

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Electric Fund	143.00	164.00	164.00	174.00
Water Fund	154.00	133.50	133.50	138.00
Wastewater Fund	97.25	98.25	100.75	102.75
Solid Waste Fund	115.00	117.00	117.00	120.00
Airport Fund	6.50	6.50	6.50	7.50
Street Improvement Fund	30.00	33.00	33.00	35.00
Technology Services Fund	29.00	29.00	31.00	36.00
Materials Management Fund	13.00	15.00	15.00	15.00
Fleet Management Fund	22.00	22.00	22.00	22.00
Risk Retention Fund	6.00	6.00	6.00	8.00
Recreation Fund	24.27	24.27	24.27	24.27
Engineering Services Fund	-	31.00	31.00	33.00
Traffic Safety	-	-	-	0.50
Community Development Block Grant Fund	5.00	5.00	5.00	5.00
TOTAL OTHER FUNDS	645.02	684.52	689.02	721.02

TOTAL ALL FUNDS	1,401.83	1,448.79	1,452.29	1,491.29
------------------------	----------	----------	----------	----------

**GENERAL FUND
RESOURCE SUMMARY
2014-15**

DESCRIPTION	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Current Year Ad Valorem	\$ 31,769,878	\$ 33,056,849	\$ 33,056,849	\$ 37,345,786
Delinquent Ad Valorem	250,350	309,000	270,000	299,113
Current Year - Penalties and Interest	147,280	175,049	175,049	182,051
Prior Year - Penalties and Interest	157,198	133,900	133,900	139,256
Rendition Penalties	18,008	24,136	24,136	24,978
Ad Valorem Taxes	\$ 32,342,714	\$ 33,698,934	\$ 33,659,934	\$ 37,991,184
Sales Tax	\$ 26,522,473	\$ 27,326,141	\$ 27,326,141	\$ 28,145,925
Sales Tax	\$ 26,522,473	\$ 27,326,141	\$ 27,326,141	\$ 28,145,925
Franchise - Atmos Gas	\$ 548,772	\$ 625,602	\$ 625,602	\$ 498,875
Franchise - Charter Communications	211,545	204,367	204,367	155,779
Franchise - CoServ Electric	186,221	156,691	156,691	136,897
Franchise - TXU Electric	36,192	38,903	38,903	30,718
Franchise - CoServ Gas	79,749	81,778	81,778	65,212
Franchise - Miscellaneous Cable	488,000	27,249	27,249	22,155
ROW - DISD Fiber	15,025	14,128	14,128	-
Franchise - Verizon Telecommunications	306,293	278,191	278,191	206,614
Franchise - Verizon -Cable	153,627	561,222	561,222	447,536
Franchise - Telecommunications	207,129	128,070	128,070	104,130
Franchise - DMU Electric ⁽¹⁾	3,267,329	3,308,286	3,308,286	2,802,589
Franchise - DMU Water ⁽¹⁾	858,288	868,871	868,871	711,836
Franchise - DMU Wastewater ⁽¹⁾	561,079	608,024	608,024	479,123
Franchise - Solid Waste	653,641	672,101	672,101	552,014
Franchise - Airport	19,680	19,087	19,087	15,371
Franchise Agreements	\$ 7,592,570	\$ 7,592,570	\$ 7,592,570	\$ 6,228,849
Mixed Beverage Tax	\$ 392,191	\$ 375,000	\$ 375,000	\$ 386,250
Bingo Tax	20,774	25,978	25,978	26,498
Other Taxes	\$ 412,965	\$ 400,978	\$ 400,978	\$ 412,748
Community Building Rentals	\$ 164,160	\$ 321,368	\$ 299,150	\$ 302,760
Ambulance Service Fees	2,462,278	2,425,000	2,425,000	2,599,250
Hazardous Materials Billing	14,111	11,427	11,427	11,427
Fire Inspections	149,027	193,800	193,800	197,676
Restaurant Inspections	233,556	218,545	218,545	225,101
Swimming Pool Inspections	26,540	30,090	30,090	30,692
Reinspection Fees	28,455	25,750	25,750	26,523
Electrical Inspections	34,592	47,741	47,741	49,173
Plumbing Inspections	104,247	98,236	98,236	99,218

(1) Denton Municipal Utilities.

**GENERAL FUND
RESOURCE SUMMARY
2014-15**

DESCRIPTION	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Gas Well Inspections	282,050	350,000	350,000	350,000
Library Non-Resident Fees	39,275	43,272	43,272	43,705
Parks Identification Card Fees	21,787	26,530	26,530	51,561
Athletic Program Fees	71,562	89,155	89,155	101,830
Special Events - Parks	1,315	1,751	1,751	1,786
Natatorium Fees	370,589	331,500	313,000	313,050
Water Works Parks Fees	733,418	735,000	687,000	696,000
Charges to Bond Fund	118,600	176,500	163,500	187,500
Copy Charges	-	115,600	115,600	120,000
Swimming Pool	47,718	52,020	52,020	53,060
Cemetery Fees	19,590	25,462	25,462	26,226
Development Fees	377,153	109,151	109,151	112,426
Sale of Documents	60	340,170	340,170	343,828
Plan Review Fees	261,996	294,580	294,580	303,417
Parking Meter Receipts	24,394	19,560	19,560	20,147
Development Postage	8,040	8,479	8,479	8,564
Traffic/Police Reports	36,286	39,477	39,477	50,417
Animal Carcass Pick-Ups	30	-	-	-
Interest Charge Past Due Balance	1,000	-	-	-
<i>Service Fees</i>	\$ 5,631,829	\$ 6,130,164	\$ 6,028,446	\$ 6,325,337
Warrant Fees	\$ 200,627	\$ 243,225	\$ 243,225	\$ 242,825
Juvenile Case Manager Fees	122,617	137,957	137,957	132,000
Library Fines & Fees	179,748	201,062	201,062	172,000
Animal Pound Fees	167,195	214,302	214,302	174,980
Animal Services Fines	6,067	12,731	12,731	12,000
Auto Pound Fees	14,223	10,000	10,000	8,363
Mowing Recovery Fees	3,739	4,121	4,121	4,162
Police Escort & Guard Fees	20,707	23,602	23,602	29,460
Civil Fines	24,206	32,782	32,782	43,500
Arrest Fees	120,240	123,636	123,636	114,400
Inspection Fines & Fees	29,851	41,375	41,375	33,000
Fire Department Fines	4,029	5,100	5,100	4,000
School Crossing Fines	9,476	12,735	12,735	5,000
Denton Municipal Fines	1,644,529	1,800,000	1,800,000	1,828,948
UNT Police Fines	197,372	218,484	218,484	310,000
TWU Police Fines	43,586	45,900	45,900	65,600
Parking Fines	202,295	365,225	365,225	215,250
Uniform Traffic Fees	56,668	44,749	44,749	53,000
False Alarm Fees	11,567	59,303	59,303	41,200
Court Cost Service Fees	175,097	176,800	176,800	172,000
Court Administration Fees	995,268	952,000	952,000	896,500
<i>Fines and Fees</i>	\$ 4,229,107	\$ 4,725,089	\$ 4,725,089	\$ 4,558,188

**GENERAL FUND
RESOURCE SUMMARY
2014-15**

DESCRIPTION	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Food Handler Permits	\$ 73,014	\$ 64,505	\$ 64,505	\$ 75,000
Zoning Permits	50,557	78,740	78,740	81,250
Moving Permits	285	1,224	1,224	1,900
Demolition Permits	7,505	9,551	9,551	9,500
Pool, Spa, Hot Tub Permits	17,200	13,659	13,659	18,055
Building Permits	970,338	1,250,000	1,250,000	1,736,000
Electrical & Plumbing Licenses	18,225	19,380	19,380	19,235
Curb Cut Permits	953	955	955	950
Mobile Home Park Licenses	25,559	11,550	11,550	25,560
Sign Permits	35,832	37,132	37,132	45,862
Fence Permits	22,924	23,347	23,347	35,000
Mechanical Permits	48,788	51,500	51,500	53,000
Certificate of Occupancy Fees	64,700	70,304	70,304	84,000
Variance Fees	300	820	820	150
Landscape Fees	1,700	2,186	2,186	2,014
Temporary Gas Permits	5,915	7,200	7,200	54,585
Gas Well Permits	54,585	77,250	77,250	8,010
Park Vendor Fees	25,155	25,503	25,503	26,000
Beer & Wine Permits	16,620	25,500	25,500	27,872
CPR Training	6,425	4,636	4,636	5,000
<i>Licenses and Permits</i>	\$ 1,446,580	\$ 1,774,942	\$ 1,774,942	\$ 2,308,943
Interest Income	\$ 141,734	\$ 175,000	\$ 175,000	\$ 196,541
County Vehicle Registration Fee	163,160	173,400	173,400	176,868
County Contribution - Ambulance Service	143,571	140,000	140,000	140,000
DISD Reimbursement - Water Park	374,235	480,197	480,197	494,603
DISD Contribution - School Resource Officer	160,494	155,435	155,435	158,544
State - Signal Reimbursement	16,062	16,062	16,062	16,062
Non-Grant State Reimbursement - Fire	101,117	2,500	2,500	2,500
Williams Square Parking Fees	19,460	15,000	15,000	15,000
Miscellaneous Revenues	6,219	156,000	156,000	50,000
Grant Revenues	62,942	148,506	148,506	-
Recovery of Prior-Year Expenditures	36,648	50,000	50,000	50,000
Mowing Administration Fees	2,880	2,653	2,653	2,706
Mowing Liens	12,653	27,563	27,563	31,621
Police Phone Commissions	7,069	10,609	10,609	10,927
Sale of Surplus Supplies and Fixed Assets	140,017	91,000	91,000	141,000
<i>Miscellaneous Revenues</i>	\$ 1,388,261	\$ 1,643,925	\$ 1,643,925	\$ 1,486,372

**GENERAL FUND
RESOURCE SUMMARY
2014-15**

DESCRIPTION	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Return on Investment - Water Fund	\$ 1,099,654	\$ 1,200,034	\$ 1,203,874	\$ 1,256,938
Return on Investment - Wastewater Fund	718,865	828,464	797,483	835,039
Return on Investment - Electric Fund	4,186,163	4,507,707	4,532,714	4,884,489
Cost of Service Transfer - Electric Fund	1,614,375	1,726,781	1,726,781	1,779,788
Cost of Service Transfer - Water Fund	1,631,715	1,343,719	1,343,719	1,306,515
Cost of Service Transfer - Solid Waste Fund	888,373	910,982	910,982	903,871
Cost of Service Transfer - Wastewater Fund	969,706	1,004,787	1,004,787	887,879
Cost of Service Transfer - Airport Fund	294,997	381,338	381,338	350,653
Cost of Service Transfer - Risk Retention Fund	183,520	191,368	191,368	190,799
Cost of Service Transfer - Insurance Fund	19,473	69,023	69,023	56,864
Cost of Service Transfer - Recreation Fund	80,668	188,891	188,891	83,238
Cost of Service Transfer - Municipal Court Security	73,689	70,000	70,000	70,000
Cost of Service Transfer - Fleet Services Fund	371,303	387,276	387,276	338,567
Cost of Service Transfer - Materials Management Fund	709,589	756,285	756,285	789,040
Cost of Service Transfer - Technology Services Fund	469,274	454,790	454,790	437,321
Cost of Service Transfer - Engineering Services Fund	-	344,033	344,033	556,548
<i>Transfers</i>	\$ 13,311,364	\$ 14,365,478	\$ 14,363,344	\$ 14,727,549
<i>TOTAL REVENUES</i>	\$ 92,877,863	\$ 97,658,221	\$ 97,515,369	\$ 102,185,095
Use of Fund Balance	\$ 80,902	\$ 1,617,039	\$ 759,891	\$ 661,545
<i>TOTAL RESOURCES</i>	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640

GENERAL FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Ad Valorem Taxes	\$ 32,342,714	\$ 33,698,934	\$ 33,659,934	\$ 37,991,184
Sales Tax	26,522,473	27,326,141	27,326,141	28,145,925
Franchise Agreements	7,592,570	7,592,570	7,592,570	6,228,849
Other Taxes	412,965	400,978	400,978	412,748
Service Fees	5,631,829	6,130,164	6,028,446	6,325,337
Fines and Fees	4,229,107	4,725,089	4,725,089	4,558,188
Licenses and Permits	1,446,580	1,774,942	1,774,942	2,308,943
Miscellaneous Revenues	1,388,261	1,643,925	1,643,925	1,486,372
Transfers	13,311,364	14,365,478	14,363,344	14,727,549
TOTAL REVENUES	\$ 92,877,863	\$ 97,658,221	\$ 97,515,369	\$ 102,185,095
Use of Reserves	80,902	1,617,039	759,891	661,545
TOTAL RESOURCES	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 68,197,197	\$ 71,614,128	\$ 70,614,128	\$ 73,914,233
Materials & Supplies	2,054,578	2,255,339	2,255,339	2,417,579
Maintenance & Repairs	2,367,142	3,094,891	3,094,891	3,145,839
Insurance	1,029,951	1,066,295	1,066,295	1,059,522
Miscellaneous	631,588	779,826	779,826	913,604
Operations	11,308,801	12,221,611	12,221,611	13,048,955
Transfers	6,753,309	7,375,217	7,375,217	7,449,364
Fixed Assets	616,199	867,953	867,953	897,544
TOTAL EXPENDITURES	\$ 92,958,765	\$ 99,275,260	\$ 98,275,260	\$ 102,846,640

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	233.58	234.04	234.04	237.04
Public Safety	418.48	423.48	423.48	426.48
Transportation	14.00	13.00	13.00	14.00
Administrative & Community Services	90.75	93.75	92.75	92.75
TOTAL PERSONNEL	756.81	764.27	763.27	770.27

GENERAL FUND
EXPENDITURES BY PROGRAM SUMMARY
2014-15

	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
NEIGHBORHOOD SERVICES				
Building Inspections	\$ 1,930,329	\$ 2,064,576	\$ 2,064,576	\$ 2,454,292
Community Improvement Services	1,193,159	1,409,852	1,409,852	1,606,128
Libraries	5,236,011	5,680,205	5,680,205	5,673,536
Parks and Recreation	10,705,261	11,699,096	11,699,096	11,800,643
Planning	1,907,824	2,289,665	2,289,665	2,430,812
Development Review	290,719	-	-	-
Gas Well Review	514,606	424,656	424,656	420,504
Social Services	392,979	426,038	426,038	458,770
	<u>\$ 22,170,888</u>	<u>\$ 23,994,088</u>	<u>\$ 23,994,088</u>	<u>\$ 24,844,685</u>
PUBLIC SAFETY				
Animal Services	\$ 1,046,470	\$ 1,112,159	\$ 1,112,159	\$ 1,137,228
Fire	22,624,434	23,528,017	23,528,017	24,096,467
Municipal Court	1,314,111	1,398,503	1,398,503	1,464,418
Municipal Judge	393,335	439,210	439,210	442,716
Police	24,545,863	25,894,249	25,894,249	27,110,372
	<u>\$ 49,924,213</u>	<u>\$ 52,372,138</u>	<u>\$ 52,372,138</u>	<u>\$ 54,251,201</u>
TRANSPORTATION				
Traffic Operations	\$ 2,010,077	\$ 2,128,084	\$ 2,128,084	\$ 2,238,105
Transportation Operations	370,829	372,715	372,715	448,312
Street Lighting	665,462	735,000	735,000	735,000
	<u>\$ 3,046,368</u>	<u>\$ 3,235,799</u>	<u>\$ 3,235,799</u>	<u>\$ 3,421,417</u>
ADMINISTRATIVE & COMMUNITY SERVICES				
City Manager's Office	\$ 2,544,593	\$ 2,709,741	\$ 2,709,741	\$ 2,774,847
Economic Development	2,271,427	2,287,304	2,287,304	3,019,854
Facilities Management	3,124,802	3,425,856	3,425,856	3,742,957
Finance	3,305,024	3,448,146	3,448,146	3,545,441
Human Resources	1,514,818	1,604,453	1,604,453	1,565,523
Internal Audit	110,843	76,093	76,093	75,000
Legal Administration	1,835,131	2,364,654	2,364,654	2,194,662
Public Communications Office	686,378	1,203,797	1,203,797	1,234,547
Non-Departmental	2,424,280	2,553,191	1,553,191	2,176,506
	<u>\$ 17,817,296</u>	<u>\$ 19,673,235</u>	<u>\$ 18,673,235</u>	<u>\$ 20,329,337</u>
TOTAL EXPENDITURES	<u><u>\$ 92,958,765</u></u>	<u><u>\$ 99,275,260</u></u>	<u><u>\$ 98,275,260</u></u>	<u><u>\$ 102,846,640</u></u>

**ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION
2014-15**

City of Denton Overall Tax Collections

Assessed Valuation for 2013	\$ 6,962,293,178
Gain or Loss in Value	834,884,430
Loss of TIRZ Values	<u>(35,975,197)</u>
Net Assessed Valuation for 2014	\$ 7,761,202,411
Tax Rate Per \$100 Valuation	x <u>0.68975</u>
	\$ 53,532,894
Estimated Collections	x <u>100.00%</u>
TOTAL GENERAL FUND AND DEBT SERVICE REVENUE	\$ 53,532,894

Downtown TIRZ Value	\$ 35,528,219
Tax Rate Per \$100 Valuation	x <u>0.68975</u>
	\$ 245,056
Estimated Collections	x <u>100.00%</u>
TOTAL DOWNTOWN TIRZ REVENUE	\$ 245,056

Westpark TIRZ Value	\$ 446,978
Tax Rate Per \$100 Valuation	x <u>0.68975</u>
	\$ 3,083
Estimated Collections	x <u>100.00%</u>
TOTAL WESTPARK TIRZ REVENUE	\$ 3,083

TOTAL TAX REVENUE **\$ 53,781,033**

TAX RATE PER \$100

DISTRIBUTION	2013-14	2014-15	2014-15 REVENUE	PERCENT
General Fund	\$ 0.47480	\$ 0.48119	\$ 37,345,786	69.76%
General Debt Service Fund	<u>0.21495</u>	<u>0.20856</u>	<u>\$ 16,187,108</u>	<u>30.24%</u>
Sub-Total	\$ 0.68975	\$ 0.68975	\$ 53,532,894	100.00%
 Downtown TIRZ Fund	 \$ 0.68975	 \$ 0.68975	 \$ 245,056	 100.00%
Westpark TIRZ Fund	<u>\$ 0.68975</u>	<u>\$ 0.68975</u>	<u>\$ 3,083</u>	<u>100.00%</u>
TOTAL			<u><u>\$ 53,781,033</u></u>	

**GENERAL DEBT SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Ad Valorem & Delinquent Taxes	\$ 14,893,428	\$ 14,965,568	\$ 14,965,568	\$ 16,187,108
Interest Income	37,441	50,000	50,000	50,000
Transfer In - Drainage	464,419	405,388	401,865	382,800
Transfer In - Solid Waste	5,369,209	5,936,809	5,933,390	6,877,872
Transfer In - Fleet	254,626	247,117	246,426	253,791
Transfer In - Materials Mgmt	44,072	44,114	44,114	47,934
Transfer In - Technology	212,157	72,100	72,100	70,700
Transfer In - Communication	34,213	33,013	33,013	12,213
Transfer In - Airport	226,452	357,141	357,141	481,156
Transfer In - Electric	12,362,406	15,056,362	15,056,362	19,269,704
Transfer In - Water	3,742,450	4,001,556	4,001,556	4,695,866
Transfer In - Wastewater	2,950,492	3,108,327	3,108,327	4,250,395
TOTAL REVENUES	40,591,365	44,277,495	44,269,862	52,579,539
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 40,591,365	\$ 44,277,495	\$ 44,269,862	\$ 52,579,539

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
General Debt Service	\$ 14,162,970	\$ 14,993,568	\$ 14,959,882	\$ 16,215,108
Fleet Debt Service	254,626	247,117	246,426	253,791
Communications Debt Service	34,213	33,013	33,013	12,213
Technology Debt Service	212,157	72,100	72,100	70,700
Drainage Debt Service	464,419	405,388	401,865	382,800
Solid Waste Debt Service	5,369,209	5,936,809	5,933,390	6,877,872
Materials Mgmt Debt Service	44,072	44,114	44,114	47,934
Airport Debt Service	226,452	357,141	357,141	481,156
Electric Debt Service	12,362,406	15,056,362	15,056,362	19,269,704
Water Debt Service	3,742,450	4,001,556	4,001,556	4,695,866
Wastewater Debt Service	2,950,492	3,108,327	3,108,327	4,250,395
Fiscal Charges	19,530	22,000	22,000	22,000
TOTAL EXPENDITURES	\$ 39,842,996	\$ 44,277,495	\$ 44,236,176	\$ 52,579,539

ELECTRIC FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operating Revenues	\$ 135,699,271	\$ 150,892,980	\$ 151,274,461	\$ 165,802,333
Non-Operating Revenues	424,111	350,000	347,620	350,000
TOTAL REVENUES	136,123,382	151,242,980	151,622,081	166,152,333
Use of Reserves	15,937,992	17,116,770	23,344,043	892,497
TOTAL RESOURCES	\$ 152,061,374	\$ 168,359,750	\$ 174,966,124	\$ 167,044,830

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Fuel & Purchased Power	\$ 99,192,748	\$ 103,346,717	\$ 109,995,740	\$ 93,218,420
Operation & Maintenance	20,976,327	30,019,779	29,018,329	35,962,464
Return on Investment	4,186,163	4,507,707	4,532,714	4,884,489
Franchise Fee	5,980,233	6,439,581	6,475,306	6,977,841
Non-Operating Expenditures	21,725,903	24,045,966	24,944,035	26,001,616
TOTAL EXPENDITURES	\$ 152,061,374	\$ 168,359,750	\$ 174,966,124	\$ 167,044,830

PERSONNEL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	143.00	164.00	164.00	174.00

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included a 2.5% base rate increase. The budget reflected the addition of 21.0 FTE's: 7 FTE's are related to the increased capital program; 11 FTE's in the newly created Energy Management division needed to manage duties currently provided by an outside firm and 3 FTE's for general operations. A budget amendment will be completed in August.	The budget includes a 5.5% revenue increase, including a Transmission Cost Recovery Factor (TCRF). The budget reflects the addition of 10.0 FTE's: 5 FTE's are related to the increased capital program; 1 FTE's in the newly created Energy Management division and 4 FTE's for general operations.

The format of this budget is being used to provide financial information in a manner that is commensurate to what is publicly available from the other municipal utilities and investor-owned utilities operating in Texas.

WATER FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Interest Operating	\$ 80,636	\$ 46,000	\$ 74,000	\$ 92,000
Water Sales Residential	15,890,437	17,197,614	17,031,963	18,029,014
Water Sales Commercial	14,493,117	15,354,720	15,491,987	15,915,885
Water for Resale	1,508,817	937,462	1,069,230	1,070,592
Other Water	1,095,753	796,891	803,226	897,037
Public Works Fees & Permits	550,740	-	-	-
Engineering Fees & Permits	5,470	-	-	-
Engineering Charges	2,100,573	-	-	-
Public Works Charges	110,623	-	-	-
Cost of Service - General Fund	298,861	533,353	524,384	529,650
Cost of Service - Electric	2,567,613	2,937,716	2,900,444	3,699,799
Cost of Service - Wastewater	851,436	921,893	907,372	1,105,675
Cost of Service - Solid Waste	815,344	751,411	740,820	825,608
Other Transfers	21,632	-	-	-
Impact Fee Revenues	2,600,000	3,100,000	3,100,000	3,600,000
TOTAL REVENUES	\$ 42,991,052	\$ 42,577,060	\$ 42,643,426	\$ 45,765,260
Use of Reserves	-	328,745	-	437,011
TOTAL RESOURCES	\$ 42,991,052	\$ 42,905,805	\$ 42,643,426	\$ 46,202,271

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Water Administration	\$ 1,121,823	\$ 1,472,199	\$ 1,095,840	\$ 1,467,538
Water Production	5,805,643	7,013,660	6,726,207	8,677,343
Water Distribution	5,723,720	7,707,356	7,705,239	7,350,317
Water Metering	1,606,483	2,041,983	1,924,572	2,129,516
Water Engineering	2,070,839	-	-	-
Public Works Inspections	735,967	-	-	-
Water Laboratory	374,490	472,957	452,836	499,284
Utilities Administration	881,870	1,122,106	1,278,890	1,586,139
Customer Service	4,467,465	4,880,632	4,819,546	5,446,369
Miscellaneous	17,760,898	18,194,912	18,204,238	19,045,765
TOTAL EXPENDITURES	\$ 40,549,198	\$ 42,905,805	\$ 42,207,368	\$ 46,202,271

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Water Administration	9.50	9.00	9.00	9.00
Water Production	33.00	34.00	34.00	35.00
Water Distribution	22.00	22.00	22.00	23.00
Water Metering	14.00	15.00	15.00	15.00
Water Engineering	15.50	-	-	-
Public Works Inspections	7.50	-	-	-
Water Laboratory	4.00	4.50	4.50	4.50
Utilities Administration	8.00	8.00	8.00	9.00
Customer Service	40.50	41.00	41.00	42.50
TOTAL PERSONNEL	154.00	133.50	133.50	138.00

**WATER FUND
EXPENDITURES BY CLASSIFICATION
2014-15**

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Purchased Power	\$ 1,159,882	\$ 1,501,504	\$ 1,489,319	\$ 1,617,918
Purchased Water	82,942	91,500	97,730	109,800
Personal Services	10,720,930	9,680,858	9,473,257	9,940,056
Materials & Supplies	1,442,158	1,764,039	1,697,794	1,813,463
Maintenance & Repair	1,065,058	1,335,146	1,308,642	1,436,599
Insurance	203,693	217,201	217,201	219,527
Return on Investment	1,099,654	1,200,034	1,203,874	1,256,938
Franchise Fee	1,570,935	1,691,258	1,696,744	1,772,319
Miscellaneous	89,693	101,139	94,596	450,832
Operations	1,876,414	2,846,777	2,419,862	3,130,434
Debt Service	13,209,294	13,199,256	13,199,256	13,835,235
Cost of Service - General Fund	1,684,578	1,396,582	1,396,582	1,373,457
Cost of Service - Other	1,829,453	1,701,118	1,701,118	1,835,552
Transfer to Capital Projects	4,514,514	6,179,393	6,211,393	7,410,141
TOTAL EXPENDITURES	\$ 40,549,198	\$ 42,905,805	\$ 42,207,368	\$ 46,202,271

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
A 4.0% rate increase for water customers is included in the budget. The budget reflected the addition of 3 FTE's: 1 FTE for an Operator in Water Production; 1 FTE for a Meter Mechanic I in Water Metering; 0.5 FTE for a Technical Operations Specialist in Water Lab and 0.5 FTE for two part time temporary positions in Customer Service.	A 3% rate increase for water customers is included in the budget. The budget reflects the addition of 4.5 FTE's: 1 FTE for a Maintenance Tech III in Water Production, 1 FTE for a Line Locator in Water Distribution, 1 FTE for a Natural Resource Coordinator in Utility Administration, 1 FTE for a Billing Specialist in Customer Service, and 0.5 FTE for a Customer Service Representative in Customer Service.

WASTEWATER FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Interest Operating	\$ 46,871	\$ 23,000	\$ 34,000	\$ 39,000
Wastewater Residential	9,601,372	10,280,865	10,452,402	10,657,561
Wastewater Commercial	9,602,053	11,459,902	10,252,443	10,937,342
Wastewater Effluent Irrigation	114,973	61,468	72,899	62,899
Wastewater Wholesale	485,574	499,444	518,379	530,333
Other Wastewater	1,577,407	1,368,719	1,489,119	1,670,119
Drainage Fees	4,315,815	4,373,117	4,348,393	4,404,640
Transfers In	419,141	610,713	610,713	644,506
Impact Fee Revenues	1,100,000	1,100,000	1,100,000	1,800,000
TOTAL REVENUES	\$ 27,263,206	\$ 29,777,228	\$ 28,878,348	\$ 30,746,400
Use of Reserves	-	550,006	284,243	179,504
TOTAL RESOURCES	\$ 27,263,206	\$ 30,327,234	\$ 29,162,591	\$ 30,925,904

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Wastewater Administration	\$ 1,142,990	\$ 1,425,478	\$ 1,217,163	\$ 1,504,167
Water Reclamation	3,698,464	4,425,320	4,122,535	4,834,660
Wastewater Collection	5,484,047	6,667,367	6,270,051	6,554,264
Beneficial Reuse	1,341,618	1,485,266	1,386,344	1,503,552
Wastewater Laboratory	489,230	609,981	584,298	588,312
Industrial Pretreatment	692,589	692,943	674,032	719,729
Drainage	2,597,233	2,638,149	2,628,407	2,708,938
Watershed Protection	640,063	729,047	715,110	766,431
Miscellaneous	9,345,764	10,087,016	10,001,029	10,203,550
Drainage Miscellaneous	1,413,556	1,566,667	1,563,622	1,542,301
TOTAL EXPENDITURES	\$ 26,845,554	\$ 30,327,234	\$ 29,162,591	\$ 30,925,904

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Wastewater Administration	10.00	9.50	9.75	9.75
Water Reclamation	22.00	23.00	23.00	24.00
Wastewater Collection	26.00	26.00	28.00	28.00
Beneficial Reuse	6.75	6.75	7.00	7.00
Wastewater Laboratory	4.00	4.50	4.50	4.50
Industrial Pretreatment	7.50	7.50	7.50	7.50
Drainage	16.00	15.00	15.00	16.00
Watershed Protection	5.00	6.00	6.00	6.00
TOTAL PERSONNEL	97.25	98.25	100.75	102.75

WASTEWATER FUND
EXPENDITURES BY CLASSIFICATION
2014-15

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Purchased Power	\$ 769,380	\$ 821,000	\$ 767,000	\$ 821,000
Personal Services	6,425,273	7,386,840	7,091,547	7,860,235
Materials & Supplies	633,646	915,988	802,303	1,089,071
Maintenance & Repair	899,775	1,333,594	1,141,735	1,453,694
Insurance	135,833	217,122	217,122	250,460
Miscellaneous	30,518	48,357	35,941	58,170
Operations	1,802,526	2,460,752	2,201,203	2,537,149
Return on Investment	718,865	828,464	797,483	835,039
Franchise Fee	1,026,950	1,183,520	1,139,262	1,192,913
Debt Service	6,751,656	7,045,429	7,046,157	7,037,145
Cost of Service - General Fund	1,025,681	1,068,565	1,068,565	968,791
Cost of Service - Other	1,759,981	1,959,090	1,944,569	2,215,981
Transfer for Capital Projects	4,865,470	5,058,513	4,909,704	4,606,256
TOTAL EXPENDITURES	\$ 26,845,554	\$ 30,327,234	\$ 29,162,591	\$ 30,925,904

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included a 9% increase in rates, the addition of 2.5 FTE's: 1 FTE for a Storm Water Specialist in Watershed Protection, 1 FTE for a Wastewater Operator in Reclamation and 0.5 FTE for a Technical Operations Specialist in the Laboratory, and the transfer of 1.5 FTE's to the newly established Engineering Services Fund.	The budget includes a 6% rate increase and the addition of 2 FTE's: 1 FTE for a Utility Electrician II in Wastewater Reclamation and 1 FTE for a Field Service Worker III in Drainage.

**SOLID WASTE FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Refuse Fees - Residential	\$ 8,708,837	\$ 9,402,091	\$ 9,408,633	\$ 9,940,754
Refuse Fees - Commercial	11,169,502	11,256,025	11,680,459	12,515,697
Landfill Fees	3,070,078	3,434,702	3,242,845	3,470,988
Recycling	1,259,119	1,257,359	1,219,632	1,253,774
Construction	-	110,000	-	120,000
Site Operations	119,671	281,554	124,500	219,000
Interest Income	153,597	150,000	155,000	155,000
Other Revenues	528,849	461,304	395,685	5,500
TOTAL REVENUES	\$ 25,009,653	\$ 26,353,035	\$ 26,226,754	\$ 27,680,713
Use of Reserves	-	-	-	121,879
TOTAL RESOURCES	\$ 25,009,653	\$ 26,353,035	\$ 26,226,754	\$ 27,802,592

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Solid Waste Administration	\$ 827,761	\$ 865,021	\$ 1,090,622	\$ 728,612
Residential Collection	6,807,405	8,045,125	7,959,952	8,222,848
Commercial Collection	7,348,379	8,217,349	8,148,689	8,899,678
Solid Waste Landfill	6,471,964	6,638,771	6,492,441	6,930,996
Solid Waste Recycling	1,207,064	1,238,065	1,227,009	1,315,655
Construction	132,296	366,067	432,949	852,503
Keep Denton Beautiful (KDB)	265,703	356,663	355,877	346,330
Site Operations	38,336	585,929	511,167	505,970
SW Misc.	1,251,080	-	-	-
TOTAL EXPENDITURES	\$ 24,349,988	\$ 26,312,990	\$ 26,218,706	\$ 27,802,592

PERSONNEL Full Time Equivalents (FTE)	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Solid Waste Administration	4.00	5.00	5.00	4.00
Residential Collection	41.50	42.50	42.50	42.50
Commercial Collection	28.50	27.50	27.50	27.50
Solid Waste Landfill	25.50	26.00	26.00	28.00
Solid Waste Recycling	8.00	5.00	5.00	6.00
Construction	4.50	8.00	8.00	9.00
Keep Denton Beautiful (KDB)	3.00	3.00	3.00	3.00
TOTAL PERSONNEL	115.00	117.00	117.00	120.00

**SOLID WASTE FUND
EXPENDITURES BY CLASSIFICATION
2014-15**

EXPENDITURE	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 8,147,146	\$ 9,017,891	\$ 8,769,674	\$ 9,377,529
Materials & Supplies	266,695	351,863	344,291	366,941
Maintenance & Repair	265,766	495,522	478,887	449,033
Insurance	168,961	198,856	203,515	157,178
Franchise Fee	1,189,413	1,308,247	1,304,831	1,374,396
Miscellaneous	45,106	72,160	69,850	73,800
Operations	5,311,161	5,998,849	5,855,870	5,845,400
Debt Service	5,378,055	5,937,330	5,937,331	6,895,859
Cost of Service - General Fund	888,373	935,982	935,982	989,731
Landfill Closure	325,950	336,900	336,900	364,200
Cost of Service - Technology Services	281,642	356,584	356,584	360,980
Cost of Service - Fleet Services	45,045	53,625	53,625	48,425
Cost of Service - Safety and Training	86,185	75,695	75,695	78,322
Cost of Service - Electric	691	2,441	2,441	1,044
Cost of Service -Materials Mgmt	71,185	60,979	60,979	70,935
Cost of Service - Utility Admin	122,887	48,198	48,198	33,043
Cost of Service - Customer Service	692,457	706,868	706,868	788,189
Fixed Assets	193,270	-	1,500	1,500
Capital Projects	870,000	280,000	280,000	400,000
Other Transfers	-	75,000	395,685	126,087
TOTAL EXPENDITURES	\$ 24,349,988	\$ 26,312,990	\$ 26,218,706	\$ 27,802,592

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget reflected the addition of two FTE's (Administration and Construction).	The budget includes various increases in rates as detailed in the Budget Overview section. The budget reflects 3 new FTE's: 2 FTE's for Field Service Workers in the Building Materials Recovery Operation and 1 FTE for an Intern in Recycling.

AIRPORT FUND
RESOURCE AND EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Airport Ground Leases	\$ 381,709	\$ 459,146	\$ 417,884	\$ 600,000
FBO Commissions	282,888	391,853	360,000	391,853
Airport Gas Royalties	1,176,460	900,000	950,000	900,000
Miscellaneous	54,041	59,000	44,683	40,000
Interest Income	29,708	27,000	27,000	40,000
TOTAL REVENUES	\$ 1,924,806	\$ 1,836,999	\$ 1,799,567	\$ 1,971,853
Use of Reserves	460,698	942,364	795,388	2,279,329
TOTAL RESOURCES	\$ 2,385,504	\$ 2,779,363	\$ 2,594,955	\$ 4,251,182

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 446,055	\$ 545,070	\$ 545,070	\$ 617,974
Materials & Supplies	41,891	46,725	46,001	46,725
Repair & Maintenance	69,339	78,997	71,670	78,997
Insurance	18,563	21,324	21,324	21,359
Miscellaneous	1,029	1,500	1,200	1,700
Operations	192,503	228,006	175,511	226,011
Transfers	66,128	83,070	83,070	78,495
Debt Service Transfer	226,648	357,262	357,262	481,156
Cost of Service Transfer - General Fund	294,997	381,338	381,338	350,653
Capital Projects Transfers	1,000,000	1,000,000	876,438	2,258,704
Franchise Fees	28,351	36,071	36,071	36,071
Fixed Assets	-	-	-	53,337
TOTAL EXPENDITURES	\$ 2,385,504	\$ 2,779,363	\$ 2,594,955	\$ 4,251,182

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	6.50	6.50	6.50	7.50

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$250,000 in funds for year three (3) of a five (5) year program to repair and/or resurface approximately 5.5 miles of Airport roads and \$750,000 for capital improvement programming.	The budget includes \$250,000 in funds for year four (4) of a five (5) year program to repair and/or resurface approximately 5.5 miles of Airport roads, one (1) additional FTE for an Administrative Assistant and \$2,008,704 for land acquisition and capital improvement programming.

**TECHNOLOGY SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Transfer - Communication Services	\$ 454,177	\$ 511,529	\$ 511,529	\$ 535,189
Cost of Service - General Fund	4,735,090	4,788,608	4,788,608	5,273,699
Cost of Service - Electric Fund	1,289,740	1,423,751	1,567,751	2,943,932
Cost of Service - Water Fund	844,154	663,814	663,814	725,221
Cost of Service - Wastewater Fund	294,863	295,062	295,062	380,124
Cost of Service - Solid Waste Fund	281,642	335,861	335,861	357,748
Cost of Service - Airport	47,495	51,640	51,640	50,161
Cost of Service - Fleet Services Fund	89,779	111,496	111,496	106,674
Cost of Service - Materials Management	70,832	70,413	70,413	74,809
Cost of Service - Risk Retention	27,787	33,567	33,567	37,604
Cost of Service - Street Improvement	64,495	52,375	52,375	74,346
Cost of Service - Engineering	-	141,958	141,958	166,008
Transfer - Municipal Court Tech Fund	98,167	100,000	100,000	100,000
Sale of Documents	345,799	-	-	-
Copy Sales	112,169	-	-	-
Miscellaneous	1,678	-	-	44,520
Interest Income	2,602	-	-	-
TOTAL REVENUES	\$ 8,760,469	\$ 8,580,074	\$ 8,724,074	\$ 10,870,035
Use of Reserves	-	426,698	222,698	450,188
TOTAL RESOURCES	\$ 8,760,469	\$ 9,006,772	\$ 8,946,772	\$ 11,320,223

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Administration	\$ 2,145,241	\$ 2,203,964	\$ 2,203,964	\$ 3,599,933
Telecommunications	1,085,072	1,228,549	1,228,549	954,155
Geographic Information Systems	457,194	436,967	436,967	452,567
Applications Development	2,204,545	2,291,530	2,231,530	2,098,714
User Support	1,269,358	1,463,834	1,463,834	1,471,506
Public Safety/Projects	689,380	637,151	637,151	688,440
Regulatory Compliance	347,893	600,777	600,777	351,092
DME Technology Services	-	144,000	144,000	1,703,816
Reprographics	458,736	-	-	-
TOTAL EXPENDITURES	\$ 8,657,419	\$ 9,006,772	\$ 8,946,772	\$ 11,320,223

PERSONNEL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	29.00	29.00	31.00	36.00

**TECHNOLOGY SERVICES FUND
EXPENDITURES BY CLASSIFICATION
2014-15**

EXPENDITURE	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 2,757,873	\$ 3,257,597	\$ 3,198,097	\$ 3,961,485
Materials & Supplies	334,458	161,138	161,138	113,797
Maintenance & Repair	2,184,664	2,581,802	2,587,802	2,661,988
Insurance	24,463	23,153	23,153	31,060
Operations	1,101,140	1,707,412	1,729,412	1,866,961
Debt Payment	246,370	105,113	105,113	82,913
Transfers	1,486,641	541,235	534,735	525,635
Fixed Assets	521,810	629,322	607,322	2,076,384
TOTAL EXPENDITURES	\$ 8,657,419	\$ 9,006,772	\$ 8,946,772	\$ 11,320,223

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
A budget amendment of \$144,000 was approved on April 1, 2014 to establish a new DME Technology Services Division, which included two (2) additional FTE's.	An additional five (5) FTE's are included in the DME Technology Services Division. Additionally, one (1) FTE has been reallocated from the Regulatory Compliance Division to the DME Technology Services Division.

**MATERIALS MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Sale of Scrap Material	\$ 584	\$ 1,000	\$ 1,000	\$ 1,000
Postage Fees	56,806	52,000	52,000	52,000
Warehouse Sales	4,670,785	8,204,934	6,742,576	7,327,522
Miscellaneous Income	57,109	41,993	41,993	41,993
Cost of Service - General Fund	448,590	561,855	561,855	569,386
Cost of Service - Electric Fund	262,400	332,248	332,248	385,030
Cost of Service - Water Fund	167,601	166,305	166,305	162,791
Cost of Service - Wastewater Fund	161,012	183,796	183,796	177,409
Cost of Service - Solid Waste Fund	71,185	60,980	60,980	70,935
Cost of Service - Other Funds	180,063	257,625	257,625	273,619
Auction Proceeds	51,896	41,600	41,600	41,600
TOTAL REVENUES	\$ 6,128,031	\$ 9,904,336	\$ 8,441,978	\$ 9,103,285
Use of Reserves	257,420	23,616	43,003	61,032
TOTAL RESOURCES	\$ 6,385,451	\$ 9,927,952	\$ 8,484,981	\$ 9,164,317

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 1,037,992	\$ 1,238,157	\$ 1,124,141	\$ 1,281,135
Materials & Supplies	43,297	37,503	36,503	34,503
Inventory	4,325,233	7,597,161	6,243,126	6,784,743
Maintenance & Repair	19,446	10,652	10,652	10,652
Insurance	17,357	22,122	22,122	24,293
Miscellaneous	908	1,000	1,000	1,000
Operations	89,884	142,590	169,410	108,777
Debt Service	45,287	44,854	44,114	47,934
Cost of Service General Fund	709,589	756,285	756,285	789,040
Other Transfers	96,458	77,628	77,628	82,240
TOTAL EXPENDITURES	\$ 6,385,451	\$ 9,927,952	\$ 8,484,981	\$ 9,164,317

PERSONNEL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Full Time Equivalents (FTE)				
Purchasing	8.00	9.00	9.00	9.00
Warehouse	5.00	6.00	6.00	6.00
TOTAL PERSONNEL	13.00	15.00	15.00	15.00

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included the addition of a Warehouse Specialist and the conversion of a temporary Administrative Assistant to full time to assist with the enhanced capital programs across the city.	The budget reflects no major changes.

FLEET MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Fuel Sales	\$ 4,525,524	\$ 7,144,500	\$ 4,336,926	\$ 6,329,268
Parts Vehicle Maintenance	5,176,667	6,224,000	5,720,385	5,928,875
Miscellaneous	146,748	113,800	128,000	121,300
Interest Income	2,360	1,300	1,300	1,300
Fleet Rental	21,829	7,605	15,350	15,000
Fleet Admin Transfers	315,060	285,390	285,390	306,150
TOTAL REVENUES	\$ 10,188,188	\$ 13,776,595	\$ 10,487,351	\$ 12,701,893
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 10,188,188	\$ 13,776,595	\$ 10,487,351	\$ 12,701,893

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 1,488,833	\$ 1,775,949	\$ 1,630,681	\$ 1,800,899
Materials & Supplies	79,619	112,482	99,503	112,482
Inventory (Fuel only)	4,118,343	5,481,000	4,054,885	4,762,150
Maintenance & Repair	65,905	105,000	104,348	105,000
Insurance	35,415	34,214	34,214	28,409
Fuel Contingency	-	1,250,000	-	1,250,000
Operations	3,563,210	4,048,197	3,643,387	3,649,493
Debt Service	255,024	247,360	246,426	253,791
Transfers	554,711	626,773	627,707	548,750
Fixed Assets	-	45,000	45,000	138,720
TOTAL EXPENDITURES	\$ 10,161,060	\$ 13,725,975	\$ 10,486,151	\$ 12,649,694

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	22.00	22.00	22.00	22.00

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$46,250 for a 50kW emergency generator. In addition, the City anticipates the Denton County Transportation Authority (DCTA) will discontinue purchasing fuel from the City of Denton in FY 2013-14 (approximately 375,000 gallons per year).	The budget includes \$26,660 for a forklift and \$33,000 for portable equipment lifts.

**RISK RETENTION FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Commercial Insurance	\$ 537,175	\$ 683,900	\$ 683,900	\$ 723,889
Self Insurance	1,361,205	1,561,179	1,561,179	1,557,930
Worker's Compensation	677,775	673,000	673,000	665,000
Interest Income	34,015	25,000	25,000	25,000
Other Revenues	32,012	10,000	10,000	10,000
TOTAL REVENUES	\$ 2,642,182	\$ 2,953,079	\$ 2,953,079	\$ 2,981,819
Use of Reserves	-	67,369	-	228,795
TOTAL RESOURCES	\$ 2,642,182	\$ 3,020,448	\$ 2,953,079	\$ 3,210,614

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 537,503	\$ 592,331	\$ 590,881	\$ 800,039
Materials & Supplies	11,824	14,250	14,250	16,500
Maintenance & Repair	24,346	193,000	162,750	158,500
Insurance	855,275	1,356,900	1,325,340	1,388,000
Miscellaneous	275,373	226,000	225,630	226,000
Operations	639,065	408,288	395,438	387,792
Cost of Service - General Fund	183,520	191,368	191,368	190,799
Cost of Service- Other	40,380	38,311	38,311	42,984
TOTAL EXPENDITURES	\$ 2,567,286	\$ 3,020,448	\$ 2,943,968	\$ 3,210,614

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	6.00	6.00	6.00	8.00

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$52,500 for contract claims assistance.	The budget reflects the transfer of two (2) FTE's from the General Fund (Human Resources Department).

**HEALTH INSURANCE FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Employee Contributions - Health	\$ 2,293,891	\$ 2,470,113	\$ 2,383,150	\$ 2,454,645
Employee Contributions - Dental	847,017	959,350	902,980	1,030,100
Employee Contributions - Vision	116,345	120,300	123,340	124,000
Employee Contributions - Short Term Disability	122,586	130,300	135,750	137,400
Retiree Contributions	593,825	636,700	599,543	616,000
City Contributions - Health Insurance	15,329,288	16,716,430	16,716,430	17,517,751
City Contributions - Long Term Disability	221,087	175,000	244,000	244,000
City Contributions - Life Insurance	171,612	169,000	189,850	190,300
Pharmacy Rebates	297,360	200,000	200,000	200,000
Stop Loss Recovery	-	500,000	500,000	500,000
Other	353,600	359,500	410,165	424,150
TOTAL REVENUES	\$ 20,346,611	\$ 22,436,693	\$ 22,405,208	\$ 23,438,346
Use of Reserves	-	2,918,526	-	4,051,922
TOTAL RESOURCES	\$ 20,346,611	\$ 25,355,219	\$ 22,405,208	\$ 27,490,268

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Long Term Disability	\$ 142,483	\$ 150,000	\$ 151,390	\$ 151,390
Life Insurance	336,440	315,380	360,720	381,500
Short Term Disability	122,082	130,300	136,490	138,230
Dental Insurance	871,818	959,350	976,200	1,074,000
Vision Insurance	109,917	120,300	128,150	128,800
Health Insurance	17,913,576	20,703,366	19,610,390	21,051,284
Contingency	-	2,900,000	-	4,500,000
Transfers	59,331	69,023	69,023	56,864
Health Clinic Costs	52,715	7,500	8,200	8,200
TOTAL EXPENDITURES	\$ 19,608,362	\$ 25,355,219	\$ 21,440,563	\$ 27,490,268

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included a projected 5 - 10% increase in employee health insurance premiums depending on the plan, and a \$2,900,000 contingency for unanticipated claims.	The budget includes a \$4,500,000 contingency for unanticipated claims and a 5% increase for Gold plan employee contributions.

**ENGINEERING SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Loading Permits	\$ -	\$ 12,440	\$ 2,800	\$ 2,500
Parking Lot Permits	-	30,000	23,040	25,000
Overtime Inspections	-	12,000	13,020	12,000
R.O.W. Inspection Fees	-	110,000	121,894	145,000
Public Works Inspection	-	381,425	594,348	459,085
Capital Charge Back	-	1,742,244	1,283,562	2,380,299
Development Fees	-	265,684	323,868	295,000
Transfers/Subledger Charges	-	1,669,351	1,631,099	1,339,182
TOTAL REVENUES	\$ -	\$ 4,223,144	\$ 3,993,631	\$ 4,658,066
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ -	\$ 4,223,144	\$ 3,993,631	\$ 4,658,066

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Engineering	\$ -	\$ 2,704,314	\$ 2,474,132	\$ 2,289,186
Public Works Inspections	-	783,920	739,709	898,020
Development Review	-	579,735	378,770	695,345
Real Estate	-	-	-	753,550
TOTAL EXPENDITURES	\$ -	\$ 4,067,969	\$ 3,592,611	\$ 4,636,101

PERSONNEL Full Time Equivalents (FTE)	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Engineering	-	14.00	14.00	15.00
Public Works Inspections	-	8.00	8.00	8.00
Development Review	-	4.00	4.00	4.00
Real Estate	-	5.00	5.00	6.00
TOTAL PERSONNEL	-	31.00	31.00	33.00

**ENGINEERING SERVICES FUND
EXPENDITURES BY CLASSIFICATION
2014-15**

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ -	\$ 3,296,136	\$ 2,807,686	\$ 3,493,228
Materials & Supplies	-	41,751	41,604	50,552
Maintenance & Repair	-	18,300	18,300	56,250
Insurance	-	34,418	32,137	31,510
Miscellaneous	-	3,438	3,438	2,166
Operations	-	122,251	135,799	207,521
Transfers	-	551,675	553,647	794,874
TOTAL EXPENDITURES	\$ -	\$ 4,067,969	\$ 3,592,611	\$ 4,636,101

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget reflected the creation of a new Internal Service Fund which centralized the City's Engineering and services.	The budget reflects two new FTE's: 1 Tech III Position in Public Works Inspections and 1 FTE for GIS Interns in Real Estate. In addition, the budget reflects funding for software and licenses, staff travel and training, and a replacement vehicle for Public Works Inspections.

**STREET IMPROVEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Street Cut Reimbursements	\$ 473,978	\$ 327,914	\$ 327,914	\$ 350,000
Bond Sale Savings	315,636	379,911	379,911	541,387
Franchise Fees	6,304,206	7,186,378	7,179,916	9,279,639
Interest Income	14,590	10,000	3,000	10,000
TOTAL REVENUES	\$ 7,108,410	\$ 7,904,203	\$ 7,890,741	\$ 10,181,026
Use of Reserves	-	475,000	459,497	-
TOTAL RESOURCES	\$ 7,108,410	\$ 8,379,203	\$ 8,350,238	\$ 10,181,026

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 2,057,631	\$ 2,275,487	\$ 2,274,770	\$ 2,495,611
Materials & Supplies	55,445	75,130	68,795	82,150
Maintenance & Repairs	3,901,508	3,964,379	3,959,712	6,073,269
Insurance	47,751	61,280	61,280	61,280
Miscellaneous	13,227	5,000	3,500	5,000
Operations	498,187	1,048,596	1,032,850	817,986
Transfers	139,122	949,331	949,331	645,730
Fixed Assets	57,297	-	-	-
TOTAL EXPENDITURES	\$ 6,770,168	\$ 8,379,203	\$ 8,350,238	\$ 10,181,026

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
TOTAL PERSONNEL	30.00	33.00	33.00	35.00

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget reflected the addition of 3 FTE's (3 Field Service Worker II's) for a new maintenance crew to perform additional street repairs, \$879,316 for vehicle and equipment purchases, and \$300,000 for a one time street impact fee study. In addition a \$175,00 budget amendment was adopted on April 1, 2014, to fund a mobility plan update.	The budget reflects an additional \$2,111,470 for street maintenance, \$200,000 for an update to the Overall Condition Index (OCI) study, the addition of two FTE's at a combined cost of \$148,466, and \$575,715 for heavy street equipment. The purchase of a cold mixer/ soil stabilizer is included in the FY 2014-15 Capital Improvement Program Budget. Debt service payments of approximately \$55,000 per year will be included beginning in FY 2015-16.

**RECREATION FUND
RESOURCE AND EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Special Projects	\$ 4,589	\$ 11,790	\$ 15,000	\$ 40,664
Marketing	28,498	29,429	30,000	32,781
Civic Center	15,354	20,043	20,043	22,303
Denia Rec Center	143,987	162,052	162,052	172,909
North Lakes Rec Center	298,046	295,642	301,000	310,597
Senior Center	139,369	106,399	107,000	111,130
Youth and Teen Services	526,718	412,684	412,684	489,384
Goldfield Tennis Center	146,825	178,628	150,000	180,200
Civic Center Pool	50,569	42,680	44,000	45,239
Therapeutics	417	-	-	-
Martin Luther King Jr. Rec Center	84,828	119,462	119,462	145,248
Golf	-	153,425	-	154,132
Athletics	332,535	302,757	313,000	345,015
Interest Income	2,738	15,000	2,775	15,000
TOTAL REVENUES	\$ 1,774,473	\$ 1,849,991	\$ 1,677,016	\$ 2,064,602
Use of Reserves	16,620	236,857	301,416	202,482
TOTAL RESOURCES	\$ 1,791,093	\$ 2,086,848	\$ 1,978,432	\$ 2,267,084

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 490,537	\$ 722,460	\$ 612,532	\$ 782,693
Materials & Supplies	495,076	608,090	608,590	697,496
Maintenance & Repair	16,492	20,954	20,954	48,554
Insurance	20,760	22,879	22,666	22,666
Operations	403,589	530,727	530,727	591,606
Transfer - General Fund	80,668	143,391	144,616	83,238
Transfer - Capital Projects	252,808	-	-	-
Transfer - Materials Mgmt	31,163	38,347	38,347	40,831
TOTAL EXPENDITURES	\$ 1,791,093	\$ 2,086,848	\$ 1,978,432	\$ 2,267,084

PERSONNEL	2012-13	2013-14	2013-14	2014-15
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
	24.27	24.27	24.27	24.27

MAJOR BUDGET ITEMS	
FY 2013-14	FY 2014-15
The budget included funding for the purchase of fitness equipment, identification card printers, and program supplies for the recreation centers. The budget also includes a one-time transfer to the General Fund of \$60,180 for Water Park slide preventative maintenance, replacement of concession stand equipment, replacement of locker doors and the front desk at the Natatorium.	The budget includes funding for the purchase of fitness equipment, program supplies for the recreation centers, and improvements to the Goldfield Tennis Center.

**TOURIST & CONVENTION FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Hotel Occupancy Tax	\$ 1,916,646	\$ 1,739,454	\$ 1,739,454	\$ 1,791,637
TOTAL REVENUES	\$ 1,916,646	\$ 1,739,454	\$ 1,739,454	\$ 1,791,637
Use of Reserves	-	177,323	177,323	17,769
TOTAL RESOURCES	\$ 1,916,646	\$ 1,916,777	\$ 1,916,777	\$ 1,809,406

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Convention & Visitors Bureau	\$ 733,100	\$ 783,100	\$ 783,100	\$ 822,255
North Texas State Fair Association	73,620	73,620	73,620	77,301
Greater Denton Arts Council	117,780	117,780	117,780	123,669
Denton Civic Center	2,937	7,500	7,500	7,875
Denton Festival Association	82,820	82,820	82,820	86,961
Denton Black Chamber of Commerce	16,580	16,580	16,580	17,409
Denton Holiday Festival Association	7,638	7,640	7,640	7,700
Denton Community Theatre	23,010	23,010	23,010	24,161
Denton Air Fair	10,240	10,240	10,240	10,752
Denton Main Street Association	23,009	23,010	23,010	24,161
Denton County Museums	140,464	108,570	108,570	113,999
Denton Firefighter Museum	19,301	20,690	20,690	21,500
Cinco de Mayo Committee	7,998	8,000	8,000	8,400
Juneteenth Committee	12,673	12,430	12,430	13,052
Tejas Storytelling Association	50,610	50,610	50,610	52,747
Water Works Park	10,915	11,040	11,040	11,592
Denton Dog Days	14,590	14,590	14,590	15,320
Denton Public Art Committee	32,985	41,747	41,747	42,999
Susan G. Komen	10,000	10,000	10,000	10,000
Denton Square Maintenance	11,050	11,050	11,050	11,603
Square Lighting Maintenance	5,250	5,250	5,250	5,250
Contingency	-	15,000	15,000	15,000
Convention Center Reserve for Debt Serv.	-	100,000	100,000	100,000
Convention Center Marketing Expenses	48,638	350,000	350,000	172,575
Music Theater of Denton	4,154	5,000	5,000	5,250
Texas Filmmakers	5,000	7,500	7,500	7,875
TOTAL EXPENDITURES	\$ 1,464,362	\$ 1,916,777	\$ 1,916,777	\$ 1,809,406

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$100,000 as a contingency for unknown but anticipated expenses related to the planned Convention Center, \$350,000 for one time Convention Center Marketing. The Denton County Historical Commission contributions have been combined with the Denton County Museum contributions for FY 2013-14.	The budget includes \$100,000 for Convention Center debt service expenses and \$172,575 for Convention Center marketing expenses.

POLICE CONFISCATION FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Seizures	\$ 152,652	\$ 400,000	\$ 115,800	\$ 200,000
Auction Proceeds	3,231	50,000	3,000	3,000
Interest Income	1,759	2,200	1,200	1,200
TOTAL REVENUES	\$ 157,642	\$ 452,200	\$ 120,000	\$ 204,200
Use of Reserves	-	-	30,500	-
TOTAL RESOURCES	\$ 157,642	\$ 452,200	\$ 150,500	\$ 204,200

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Materials & Supplies	\$ 14,911	\$ 54,000	\$ 12,000	\$ 30,000
Maintenance & Repair	1,765	-	-	-
Operations	113,155	137,000	138,500	118,500
Transfer to Capital Projects	-	198,730	-	-
Fixed Assets	-	57,000	-	-
TOTAL EXPENDITURES	\$ 129,831	\$ 446,730	\$ 150,500	\$ 148,500

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$198,730 for the purchase of 2 narcotics vehicles and 2 vehicles for an enhanced Police patrol program, \$10,000 for facility upgrades to the dispatch center and jail, and \$57,000 for shelving units for the evidence room.	The budget reflects no major changes. The budget includes funding for ongoing operational costs associated with testing and storing evidence seized from crime scenes.

**POLICE ACADEMY FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Program Income	\$ -	\$ -	\$ -	\$ 45,000
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 45,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ -	\$ -	\$ -	\$ 45,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Materials and Supplies	-	-	-	25,000
Operations	-	-	-	20,000
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 45,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
	The Police Academy Fund is a newly budgeted fund used to account for training and related expenses held in the City's Public Safety Training facility. In 2010 Denton received a Department of Justice Grant for the purchase of training equipment.

**TRAFFIC SAFETY FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Red Light Camera Fees	\$ 961,207	\$ 1,608,000	\$ 1,530,000	\$ 1,700,000
TOTAL REVENUES	\$ 961,207	\$ 1,608,000	\$ 1,530,000	\$ 1,700,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 961,207	\$ 1,608,000	\$ 1,530,000	\$ 1,700,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Personal Services	\$ 57,247	\$ 65,000	\$ 67,500	\$ 78,000
Maintenance and Repair	-	-	-	-
Operations	-	42,640	42,591	177,900
Red Light Camera Contract	580,970	901,200	774,700	901,000
Payment to State of Texas	161,495	320,900	343,900	360,500
Contingency	-	150,000	-	100,000
TOTAL EXPENDITURES	\$ 799,712	\$ 1,479,740	\$ 1,228,691	\$ 1,617,400

PERSONNEL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	-	-	-	0.50

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$17,640 for traffic safety enforcement and accident investigation equipment, \$25,000 for solar school flashers. Funding for six additional cameras and Scofflaw contract payments are also included.	The budget includes \$143,900 for traffic accident investigation equipment, \$10,000 for intersection/pavement marking, \$24,000 for solar LED speed warning signs and includes funding for a temporary/seasonal employee for the Red Light Camera Program.

**DOWNTOWN REINVESTMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Mixed Beverage Tax	\$ 73,500	\$ 100,000	\$ 100,000	\$ 100,000
TOTAL REVENUES	\$ 73,500	\$ 100,000	\$ 100,000	\$ 100,000
Use of Reserves	-	50,000	-	73,500
TOTAL RESOURCES	\$ 73,500	\$ 150,000	\$ 100,000	\$ 173,500

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operations	\$ -	\$ 150,000	\$ 100,000	\$ 173,500
TOTAL EXPENDITURES	\$ -	\$ 150,000	\$ 100,000	\$ 173,500

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The Downtown Reinvestment Fund was a newly established Special Revenue Fund with revenues derived from mixed beverage taxes. A beginning fund balance of \$73,500 is included and represents unspent FY 2012-13 monies budgeted in the General Fund.	The budget includes funding for Downtown improvements. Funding is approved by the Downtown Task Force to offset costs associated with property improvements in the Downtown area.

**PARKS GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Gas Well Royalties	\$ 163,884	\$ 150,000	\$ 193,000	\$ 200,000
Interest Income	605	3,500	100	100
TOTAL REVENUES	\$ 164,489	\$ 153,500	\$ 193,100	\$ 200,100
Use of Reserves	633,510	-	-	-
TOTAL RESOURCES	\$ 797,999	\$ 153,500	\$ 193,100	\$ 200,100

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Transfer to Capital Projects	\$ 797,999	\$ 140,500	\$ 140,500	\$ 200,000
TOTAL EXPENDITURES	\$ 797,999	\$ 140,500	\$ 140,500	\$ 200,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$40,000 for Denia athletic fields, \$55,000 for expenses related to the Vela Soccer Complex, and a one-time transfer into the General Fund of \$45,500 to fund a new concession stand at the Water Park.	The budget includes \$200,000 for construction associated with Vela Soccer Complex.

**TREE MITIGATION FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Landscaping Fee	\$ 34,625	\$ 50,000	\$ 880,000	\$ 50,000
Interest Income	4,525	5,500	6,700	6,500
TOTAL RESOURCES	\$ 39,150	\$ 55,500	\$ 886,700	\$ 56,500
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 39,150	\$ 55,500	\$ 886,700	\$ 56,500

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operations	\$ -	\$ 50,000	\$ -	\$ 50,000
TOTAL EXPENDITURES	\$ -	\$ 50,000	\$ -	\$ 50,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$50,000 for potential expenses associated with the tree mitigation program.	The budget includes \$50,000 for potential expenses associated with the tree mitigation program, including \$15,000 for tree planting by the Parks and Recreation Department.

**PUBLIC EDUCATION GOVERNMENT (PEG) FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Subscriber Fees	\$ 234,419	\$ 305,000	\$ 310,000	\$ 315,000
TOTAL REVENUES	\$ 234,419	\$ 305,000	\$ 310,000	\$ 315,000
Use of Reserves	-	440,750	80,000	62,750
TOTAL RESOURCES	\$ 234,419	\$ 745,750	\$ 390,000	\$ 377,750

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Materials and Supplies	\$ 1,850	\$ -	\$ 300	\$ -
Maintenance & Repair	67,302	327,000	175,000	40,000
Operations	30,786	388,750	64,700	245,250
Transfer	9,500	-	-	-
Fixed Assets	-	30,000	150,000	92,500
TOTAL EXPENDITURES	\$ 109,438	\$ 745,750	\$ 390,000	\$ 377,750

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included \$100,000 for Council Chamber and Work Session audio/video renovations, \$150,000 for DTV audio/video control room renovations and upgrades, \$70,000 for production equipment and maintenance expenses, and \$30,000 for DTV production replacement vehicle. Additionally the budget includes \$50,000 for contribution to 4 PEG channels two of which are operated by UNT and the others by TWU and Denton ISD.	The budget includes \$50,000 for contribution to 4 PEG channels; two of which are operated by UNT and the others by TWU, and Denton ISD.

**MCKENNA TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Interest Income	\$ 982	\$ 1,500	\$ 1,000	\$ 1,000
TOTAL REVENUES	\$ 982	\$ 1,500	\$ 1,000	\$ 1,000
Use of Reserves	-	45,500	46,000	-
TOTAL RESOURCES	\$ 982	\$ 47,000	\$ 47,000	\$ 1,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operations	\$ -	\$ 47,000	\$ 47,000	\$ -
TOTAL EXPENDITURES	\$ -	\$ 47,000	\$ 47,000	\$ -

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget includes \$47,000 for eligible expenses associated with McKenna Trust.	The budget reflects no major changes.

**PARK LAND DEDICATION TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Fees in Lieu of Property Dedication	\$ 264,945	\$ 180,000	\$ 220,000	\$ 150,000
Interest Income	5,726	7,000	6,000	6,000
TOTAL REVENUES	\$ 270,671	\$ 187,000	\$ 226,000	\$ 156,000
Use of Reserves	-	885,000	594,411	544,000
TOTAL RESOURCES	\$ 270,671	\$ 1,072,000	\$ 820,411	\$ 700,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Fixed Assets	\$ 18,694	\$ 1,072,000	\$ 820,411	\$ 700,000
TOTAL EXPENDITURES	\$ 18,694	\$ 1,072,000	\$ 820,411	\$ 700,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included funding for the acquisition of prospective neighborhood park property at Villages of Carmel, Bent Creek, and Downtown.	The budget includes funding for applicable salaries and the acquisition of prospective neighborhood park property near the Downtown area.

**PARK DEVELOPMENT TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Development Fees	\$ 169,738	\$ 115,000	\$ 175,000	\$ 125,000
Interest Income	12,947	15,000	12,000	8,000
TOTAL REVENUES	\$ 182,685	\$ 130,000	\$ 187,000	\$ 133,000
Use of Reserves	-	1,574,219	1,052,467	367,000
TOTAL RESOURCES	\$ 182,685	\$ 1,704,219	\$ 1,239,467	\$ 500,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Fixed Assets	\$ 123,005	\$ 1,704,219	\$ 1,239,467	\$ 500,000
TOTAL EXPENDITURES	\$ 123,005	\$ 1,704,219	\$ 1,239,467	\$ 500,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The budget included funding for improvements to existing neighborhood parks: Carl Young, North Lakes Dog Park, North Pointe Park, Lake Forest, McKenna, Milam, and Avondale Park.	The budget includes funding for applicable salaries and improvements to existing neighborhood parks and trails: North Pointe Park and McKamy Evers Park.

DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Ad Valorem Taxes	\$ 94,678	\$ 116,782	\$ 116,782	\$ 245,056
TOTAL REVENUES	\$ 94,678	\$ 116,782	\$ 116,782	\$ 245,056

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2013 value was \$96,287,950 which represents an incremental value of \$16,931,096 or revenue of \$116,785 to the fund.	The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2014 value is \$114,885,073 which represents an incremental value of \$35,528,219 or revenue of \$245,056 to the fund.

WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY
2014-15

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 3,083
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 3,083

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The Westpark Tax Increment Reinvestment Zone (TIRZ) was established in 2012 with a base value of \$119,458. The 2013 Certified value is \$116,277. As such, no revenues or expenditures were included for FY 2013-14.	The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) is \$119,458 and the 2014 value is \$566,436 which represents an incremental value of \$446,978 or revenue of \$3,083 to the fund.

**MISCELLANEOUS SPECIAL REVENUE FUNDS
RESOURCE & EXPENDITURE SUMMARY
2014-15**

RESOURCES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Police Donations	\$ 3,799	\$ 7,500	\$ 20,000	\$ 25,000
Fire Donations	3,437	2,000	2,000	2,000
Animal Control Donations	174,100	170,000	50,000	50,000
Library Donations	-	30,000	33,000	50,000
TOTAL REVENUES	\$ 181,336	\$ 209,500	\$ 105,000	\$ 127,000
Use of Reserves	17,918	-	-	-
TOTAL RESOURCES	\$ 199,254	\$ 209,500	\$ 105,000	\$ 127,000

EXPENDITURES	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATE	2014-15 PROPOSED
Police Donations	\$ 7,505	\$ 7,500	\$ 7,000	\$ 10,000
Fire Donations	4,116	2,000	2,000	2,000
Animal Control Donations	187,633	170,000	40,000	40,000
Library Donations	-	30,000	14,000	50,000
TOTAL EXPENDITURES	\$ 199,254	\$ 209,500	\$ 63,000	\$ 102,000

MAJOR BUDGET ITEMS

FY 2013-14	FY 2014-15
The Police Donations budget included \$7,500 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget included \$170,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund included \$2,000 for the Fire Museum, tactical paramedics, and public education programs. In addition, the Library Donation budget was added through a budget amendment on April 1st and will be used for various donations received by the Library.	The Police Donations budget includes \$10,000 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget includes \$40,000 for the adoption program, and other shelter related expenses. The Fire Donations budget fund includes \$2,000 for the Fire Museum, tactical paramedics, and public education programs. The Library Donation budget includes \$50,000 for various programs throughout the City's Libraries.

**GRANTS BUDGET
EXPENDITURE SUMMARY
2014-15**

DESCRIPTION

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

GRANT NAME	GRANT YEAR	EXPIRATION DATE	GRANT AMOUNT	TYPE	UNSPENT AMOUNT
Community Development Block Grant	2010-11	-	975,447	Federal	18,740
Community Development Block Grant	2011-12	-	822,975	Federal	51,070
Community Development Block Grant	2012-13	-	847,464	Federal	70,373
Community Development Block Grant	2013-14	-	874,379	Federal	301,700
Community Development Block Grant	2014-15		858,794	Federal	730,794
Sub-Total CDBG			\$ 4,379,059		\$ 1,172,677
HOME Investment Partnership Grant	2010-11	-	578,028	Federal	134,743
HOME Investment Partnership Grant	2011-12	-	510,255	Federal	42,150
HOME Investment Partnership Grant	2012-13	-	327,218	Federal	300,535
HOME Investment Partnership Grant	2013-14	-	366,719	Federal	230,000
HOME Investment Partnership Grant	2014-15		436,095	Federal	430,095
Sub-Total HOME			\$ 2,218,315		\$ 1,137,523
Emergency Solutions Grant	2014-15	9/30/2015	\$ 591,880	Federal	\$ 591,880
Total Community Development			\$ 7,189,254		\$ 2,902,080
TxDot STEP Comprehensive Grant	2014-15	9/30/2015	95,830	Federal	95,830
2014 Byrne JAG Grant	2014-15	9/30/2015	24,357	Federal	24,357
2013 UASI	2013-14	1/31/2015	125,000	Federal	42,000
2013 UASI LETPA	2013-14	1/31/2015	82,500	Federal	36,000
2013 SHSP LETPA	2013-14	1/31/2015	9,500	Federal	9,500
2014 UASI	2014-15	1/31/2016	125,000	Federal	125,000
2014 UASI LETPA	2014-15	1/31/2016	55,000	Federal	55,000
Emergency Management Performance Grant	2014-15	9/30/2015	71,280	Federal	71,280
Auto Theft Grant	2014-15	8/31/2015	239,233	State	239,233
2014 Tobacco Enforcement Grant	2014-15	8/31/2015	7,500	State	7,500
Total Public Safety			\$ 835,200		\$ 705,700
Summer Food Grant	2014-15	9/30/2015	180,000	Federal	180,000
CNG Fuel Station Grant	2014-15	8/31/2018	100,000	State	100,000
Texas Historical Commission	2014-15	9/30/2015	37,775	State	37,775
Airport RAMP Grant	2014-15	8/31/2015	50,000	State	50,000
Total Other			\$ 367,775		\$ 367,775
Grand Total			\$ 8,392,229		\$ 3,975,555



CAPITAL IMPROVEMENT PROGRAM (CIP) PROPOSED BUDGET

The Capital Improvement Program (CIP) represents the City's plan for development. The CIP is reviewed each year to reflect changing priorities, to provide a framework for identifying capital requirements, and to assess the impact of capital projects on operating budgets and the scheduling and coordination of related projects.

The CIP budget appropriates all available programmed funds, planned funding from other sources, and planned issuances of new General Obligation Bonds (GOs) and Certificates of Obligation (COs). Available programmed funds include unspent bond proceeds, internal revenue transfers and outside contributions. Internal revenue transfers and outside contributions comprise the bulk of planned other funding. Provided below is a summary of the total FY 2014-15 CIP proposed budget. Further CIP detail for planned issuances is provided in the following pages for each division.

DIVISION	TOTAL PROGRAMMED AVAILABLE ¹	PLANNED			TOTAL PROPOSED
		OTHER FUNDING	CO ISSUANCES ²	GO ISSUANCES ³	
General Government	\$ 121,137,130	\$ 2,468,249	\$ 8,600,000	\$ 23,400,000	\$ 155,605,379
Electric	64,812,548	1,717,458	67,925,000	-	134,455,006
Water	15,373,427	8,886,944	12,000,000	-	36,260,371
Wastewater	23,552,130	6,062,912	11,500,000	-	41,115,042
Solid Waste	7,319,349	400,000	10,350,000	-	18,069,349
TOTAL	\$ 232,194,584	\$ 19,535,563	\$ 110,375,000	\$ 23,400,000	\$ 385,505,147

¹Expected balance as of October 1, 2014 including approximately \$77 million in unspent Regional Toll Revenue (RTR) funds received for the Mayhill Road and Bonnie Brae Street expansion projects (total received was approximately \$91 million).

²Certificates of Obligation (COs) sold for the Electric, Water, Wastewater, Solid Waste and Airport are self-supporting from revenues associated with these operations. Utility System Revenue Bonds were previously sold for the Electric, Water and Wastewater utilities, but Certificates of Obligation (COs) are now utilized due to the substantial cost savings associated with this financing method.

³Represents the third debt sale associated with the \$20.4 million bond program approved by voters in November 2012 and includes \$19 million associated with the first year of a six year Bond Program to be considered by voters in November 2014.

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
GENERAL GOVERNMENT*
CASH REQUIREMENTS

DIV./DEPT.	CATEGORY	2014-15
Trans	Streets	\$ 4,000,000
Trans	Public Art	400,000
Various	Future GO Bond Program	19,000,000
	General Obligation Bonds	23,400,000
Fire	Fire Station Improvements	500,000
Facilities	Building/Land Acquisition and Improvements	1,000,000
Airport	West Side Runway	500,000
Parks	Civic Center Pool Improvements	1,600,000
Fleet	Vehicle/Equipment Replacements	2,900,000
Streets	Vehicle/Equipment Additions	600,000
Build/Equip	Facility Maintenance Program**	1,500,000
Trans	Matching Funds for Road Improvements	-
	Certificates of Obligation	8,600,000
Airport	Land Acquisition	1,708,704
Streets	Vehicle/Equipment Additions	575,715
Fleet	Vehicle/Equipment Additions	183,830
	Revenue Funded	2,468,249
	GRAND TOTAL	\$ 34,468,249
	Revenue Funded	\$ 2,468,249
	General Obligation Bonds	23,400,000
	Certificates of Obligation	8,600,000
	GRAND TOTAL	\$ 34,468,249
	Planned Bond Sale	\$ 32,000,000

*Does not include funds available from prior year sales.

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

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
GENERAL GOVERNMENT*
CASH REQUIREMENTS

2015-16	2016-17	2017-18	2018-19	TOTAL
\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 12,000,000
-	-	-	-	400,000
6,500,000	15,000,000	19,000,000	19,000,000	78,500,000
10,500,000	19,000,000	19,000,000	19,000,000	90,900,000
-	-	-	-	500,000
-	-	-	-	1,000,000
750,000	-	-	-	1,250,000
-	-	-	-	1,600,000
3,300,000	3,600,000	2,700,000	3,400,000	15,900,000
-	-	-	-	600,000
1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
8,500,000	-	-	-	8,500,000
14,050,000	5,100,000	4,200,000	4,900,000	36,850,000
-	-	-	-	1,708,704
-	-	-	-	575,715
-	-	-	-	183,830
-	-	-	-	2,468,249
\$ 24,550,000	\$ 24,100,000	\$ 23,200,000	\$ 23,900,000	\$ 130,218,249

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
ELECTRIC
CASH REQUIREMENTS

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2014-15
1	Automated Meter Reading	\$ 917,250
3	Building Construction	1,311,166
7	Communications Equipment	535,000
8	Contingency	300,000
13	Distribution Substations	15,693,000
14	Distribution Transformers	2,424,201
19	Feeder Extensions & Improvements	16,239,832
25	New Residential & Commercial	4,413,200
27	Office Furniture/Computer/Equipment	1,747,000
28	Over to Under Conversions	350,000
32	Power Factor Improvement	622,621
40	Street Lighting	206,381
43	Tools & Equipment	126,000
50	Vehicles	1,960,458
	Subtotal - Distribution	<u>46,846,109</u>
45	Transmission Lines	23,680,000
46	Transmission Substation	34,845,000
	Subtotal - Transmission	<u>58,525,000</u>
	GRAND TOTAL	<u>\$ 105,371,109</u>
	Revenue Funded	\$ 1,717,458
	Certificates of Obligation**	103,653,651
	GRAND TOTAL	<u>\$ 105,371,109</u>
	Planned Bond Sale	<u>\$ 67,925,000</u>

*GROUP ASSIGNMENT NUMBERS are used for identification of CIP Projects by major category of expense.

**Includes funds available from prior year sales.

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
ELECTRIC
CASH REQUIREMENTS

2015-16	2016-17	2017-18	2018-19	TOTAL
\$ 954,236	\$ 991,633	\$ 1,031,947	\$ 1,074,150	\$ 4,969,216
4,125,000	4,080,000	-	-	9,516,166
400,000	335,000	335,000	335,000	1,940,000
300,000	300,000	300,000	300,000	1,500,000
15,604,000	12,899,000	3,388,000	2,884,000	50,468,000
2,541,285	2,663,431	2,791,640	2,925,875	13,346,432
12,317,000	9,741,000	8,990,000	7,631,000	54,918,832
4,608,000	3,712,000	3,816,000	3,881,000	20,430,200
-	-	-	-	1,747,000
350,000	350,000	350,000	350,000	1,750,000
477,000	482,000	487,000	492,000	2,560,621
213,000	225,000	236,000	247,000	1,127,381
90,000	90,000	90,000	90,000	486,000
1,044,640	1,548,000	767,000	1,518,750	6,838,848
43,024,161	37,417,064	22,582,587	21,728,775	171,598,696
25,835,000	25,720,000	20,260,000	16,440,000	111,935,000
23,395,000	23,120,000	14,165,000	6,845,000	102,370,000
49,230,000	48,840,000	34,425,000	23,285,000	214,305,000
\$ 92,254,161	\$ 86,257,064	\$ 57,007,587	\$ 45,013,775	\$ 385,903,696

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WATER
CASH REQUIREMENTS

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2014-15
2	Booster Station	\$ 480,000
3	Building Construction	100,000
7	Communications Equipment	-
20	Field Services Replacement	1,528,801
24	Miscellaneous	1,025,000
29	Oversize Lines	200,000
36	Replacement Lines	3,498,500
38	State Highway Relocations	7,660,000
42	Taps, Fire Hydrants, Meters	1,139,143
43	Tools & Equipment	25,000
45	Transmission Lines	8,329,000
48	Plant Improvements	1,370,000
50	Vehicles	700,500
	GRAND TOTAL	\$ 26,055,944
	Revenue Funded	\$ 8,886,944
	Certificates of Obligation**	17,169,000
	GRAND TOTAL	\$ 26,055,944
	Planned Bond Sale	\$12,000,000

*GROUP ASSIGNMENT NUMBERS are used for identification of CIP Projects by major category of expense.

**Includes funds available from prior year sales.

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WATER
CASH REQUIREMENTS

2015-16		2016-17		2017-18		2018-19		TOTAL
\$	4,150,000	\$	-	\$	-	\$	-	\$ 4,630,000
	-		-		-		-	100,000
	264,000		-		-		-	264,000
	2,023,778		2,068,401		2,071,634		2,365,878	10,058,492
	25,000		25,000		25,000		25,000	1,125,000
	200,000		200,000		200,000		200,000	1,000,000
	1,500,000		2,000,000		2,000,000		2,000,000	10,998,500
	8,362,500		2,500,000		2,500,000		2,500,000	23,522,500
	1,208,602		1,274,309		1,337,039		1,400,152	6,359,245
	55,000		10,000		10,000		10,000	110,000
	5,840,000		7,370,000		14,243,500		-	35,782,500
	2,200,000		11,000,000		800,000		5,000,000	20,370,000
	334,000		380,000		485,000		430,000	2,329,500
\$	26,162,880	\$	26,827,710	\$	23,672,173	\$	13,931,030	\$ 116,649,737

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WASTEWATER
CASH REQUIREMENTS

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2014-15
5	Collection System Upgrade	\$ 6,832,720
16	Drainage Improvements	334,343
20	Field Services Replacement	2,467,782
24	Miscellaneous	1,025,000
29	Oversize Lines	200,000
36	Replace Lines	50,000
38	State Highway Relocations	3,550,000
42	Taps, Fire Hydrants, Meters	108,290
43	Tools & Equipment	95,000
47	Wastewater Effluent Reuse	25,000
48	Plant Improvements	6,129,500
50	Vehicles	697,000
	GRAND TOTAL	\$ 21,514,635
	Revenue Funded	\$ 6,062,912
	Certificates of Obligation**	15,451,723
	GRAND TOTAL	\$ 21,514,635
	Planned Bond Sale	\$ 11,500,000

*GROUP ASSIGNMENT NUMBERS are used for identification of CIP Projects by major category of expense.

**Includes funds available from prior year sales.

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WASTEWATER
CASH REQUIREMENTS

2015-16	2016-17	2017-18	2018-19	TOTAL
\$ 5,920,100	\$ 2,235,800	\$ 3,479,340	\$ 1,734,345	\$ 20,202,305
693,173	746,486	630,000	501,883	2,905,885
2,033,963	1,345,444	1,146,228	273,629	7,267,046
225,000	25,000	275,000	25,000	1,575,000
200,000	200,000	200,000	200,000	1,000,000
270,000	965,000	1,170,000	2,050,000	4,505,000
2,540,000	1,200,000	1,200,000	1,200,000	9,690,000
108,290	108,290	108,290	111,537	544,697
100,000	69,785	95,000	50,000	409,785
25,000	25,000	25,000	25,000	125,000
400,325	77,580	79,900	80,000	6,767,305
1,218,000	1,137,000	503,000	882,000	4,437,000
\$ 13,733,851	\$ 8,135,385	\$ 8,911,758	\$ 7,133,394	\$ 59,429,023

**PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
SOLID WASTE
CASH REQUIREMENTS**

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2014-15
6	Commercial Collections	\$ 385,000
11	Disposal / Landfill	1,689,500
13	Construction	800,000
34	Recycling	45,000
37	Residential Collections	250,000
39	Site Operations	1,723,000
43	Equipment	3,760,500
50	Vehicles	2,350,000
	GRAND TOTAL	\$ 11,003,000
	Revenue Funded	\$ 400,000
	Certificates of Obligation**	10,603,000
	GRAND TOTAL	\$ 11,003,000
	Planned Bond Sale	\$ 10,350,000

*GROUP ASSIGNMENT NUMBERS are used for identification of CIP Projects by major category of expense.

**Includes funds available from prior year sales.

PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
SOLID WASTE
CASH REQUIREMENTS

2015-16	2016-17	2017-18	2018-19	TOTAL
\$ 375,000	\$ 400,000	\$ 425,000	\$ 450,000	\$ 2,035,000
1,780,000	1,475,000	2,450,000	1,900,000	9,294,500
1,000,000	-	-	900,000	2,700,000
45,000	45,000	45,000	45,000	225,000
275,000	300,000	300,000	300,000	1,425,000
150,000	-	-	-	1,873,000
420,000	1,560,000	600,000	600,000	6,940,500
2,600,000	2,444,000	2,054,000	2,020,000	11,468,000
\$ 6,645,000	\$ 6,224,000	\$ 5,874,000	\$ 6,215,000	\$ 35,961,000



Exhibit 2

Supplemental Requests										City Manager's Recommendations				
										FY 2013-14		FY 2014-15		
Department	Program Title	FTE's	Personal Services	On-Going Costs	One-Time Costs	Vehicles and Equipment	Requested Expense Amount	2014-15 Revenue/Cost Offset	Net Cost	Net Cost		FTE's	Gross Funding	Net Cost
GENERAL FUND														
NEIGHBORHOOD SERVICES														
Library	Self Check Out Equipment Replacement	-	-	-	50,000	-	50,000	-	50,000	-		-	50,000	50,000
Library	Materials Budget Increase	-	-	-	87,000	-	87,000	-	87,000	-		-	-	-
Library	South Branch Librarian	1.00	64,921	-	3,870	-	68,791	-	68,791	-		-	-	-
Library	Maker Space: Emily Fowler Central Library	-	-	-	15,000	-	15,000	-	15,000	-		-	-	-
SUBTOTAL		1.00	64,921	-	155,870	-	220,791	-	220,791	-		-	50,000	50,000
Building Inspections	Building Inspector	2.00	122,294	12,340	13,640	45,760	194,034	-	194,034	-		2.00	194,034	194,034
Building Inspections	Permit Technician	1.00	55,822	750	3,420	-	59,992	-	59,992	-		1.00	59,992	59,992
SUBTOTAL		3.00	178,116	13,090	17,060	45,760	254,026	-	254,026	-		3.00	254,026	254,026
Social Services	Housing Program Manager (currently CDBG Funded)	1.00	94,646	-	-	-	94,646	-	94,646	-		-	-	-
SUBTOTAL		1.00	94,646	-	-	-	94,646	-	94,646	-		-	-	-
Planning	2015 Annexation Expenses	-	-	-	70,073	-	70,073	-	70,073	-		-	70,073	70,073
Planning	Specific Project Planner	1.00	89,775	2,000	3,500	-	95,275	-	95,275	-		-	-	-
Planning	Development Center	-	-	-	32,000	-	32,000	-	32,000	-		-	32,000	32,000
Planning	Awards Program	-	-	2,900	-	-	2,900	-	2,900	-		-	-	-
SUBTOTAL		1.00	89,775	4,900	105,573	-	200,248	-	200,248	-		-	102,073	102,073
Community Improvement	Rights-Of-Way Maintenance (Contracted)	-	-	125,000	-	-	125,000	-	125,000	-		-	125,000	125,000
SUBTOTAL		-	-	125,000	-	-	125,000	-	125,000	-		-	125,000	125,000
Parks	Snow Removal Equipment	-	-	-	-	46,540	46,540	-	46,540	-		-	-	-
Parks	Recreation Specialist at North Lakes	1.00	62,351	250	-	-	62,601	-	62,601	-		-	-	-
Parks	Recreation Specialist at MLK	1.00	62,351	250	-	-	62,601	-	62,601	-		-	-	-
Parks	Temporary Services Personnel at Denia	1.15	27,684	-	-	-	27,684	-	27,684	-		-	-	-
Parks	Recreation Specialist for Youth Teen Services	1.00	62,351	250	-	-	62,601	-	62,601	-		-	-	-
Parks	Teen Center	1.13	27,275	86,880	78,288	-	192,443	(10,000)	182,443	-		-	-	-
Parks	Assistant Director	1.00	127,930	-	1,200	-	129,130	-	129,130	-		-	-	-
SUBTOTAL		6.28	369,942	87,630	79,488	46,540	583,600	(10,000)	573,600	-		-	-	-
NEIGHBORHOOD SERVICES TOTALS		12.28	797,400	230,620	357,991	92,300	1,478,311	(10,000)	1,468,311	-		3.00	531,099	531,099

Supplemental Requests										City Manager's Recommendations			
										FY 2013-14	FY 2014-15		
										Net Cost	FTE's	Gross Funding	Net Cost
Department	Program Title	FTE's	Personal Services	On-Going Costs	One-Time Costs	Vehicles and Equipment	Requested Expense Amount	2014-15 Revenue/Cost Offset	Net Cost				

PUBLIC SAFETY														
Fire	Training Captain	1.00	151,923	11,525	-	51,460	214,908	-	214,908	-		-	-	-
Fire	Fire Inspector Specialist I	1.00	109,658	12,125	-	41,460	163,243	(20,000)	143,243	-		-	-	-
Fire	Reclassify Part Time Administrative Assistant II to a Full Time Position	0.50	34,541	250	-	-	34,791	-	34,791	-		0.50	34,791	34,791
Fire	Video Conferencing Equipment	-	-	-	70,000	-	70,000	-	70,000	70,000			-	-
Fire	CRW / TrakIt Training	-	-	-	15,795	-	15,795	-	15,795	15,795			-	-
Fire	Small Tools	-	-	-	20,000	-	20,000	-	20,000	-			-	-
Fire	Personal Protection Equipment	-	-	63,200	-	-	63,200	-	63,200	63,200			-	-
Fire	Support Services Vehicle	-	-	-	-	44,460	44,460	-	44,460	-			-	-
SUBTOTAL		2.50	296,122	87,100	105,795	137,380	626,397	(20,000)	606,397	148,995		0.50	34,791	34,791

Police	Sworn Operations Personnel	3.00	262,216	6,558	28,500	59,950	357,224	(78,948)	278,276	-		3.00	357,224	278,276
Police	Traffic Enforcement Officers	2.00	179,755	4,702	19,000	71,186	274,643	(460,000)	(185,357)	-		-	-	-
Police	Civilian Warrant Clerk	1.00	55,785	-	1,200	-	56,985	(75,000)	(18,015)	-		-	-	-
Police	Crime Scene Investigator (Civilian)	1.00	75,184	2,576	4,000	-	81,760	-	81,760	-		-	-	-
Police	Body Cameras	-	-	69,120	-	-	69,120	-	69,120	-		-	-	-
SUBTOTAL		7.00	572,940	82,956	52,700	131,136	839,732	(613,948)	225,784	-		3.00	357,224	278,276

Municipal Court	Electronic Ticket Writer	-	-	-	31,385	-	31,385	-	31,385	-		-	31,385	31,385
Municipal Court	Collections Counter Remodel	-	-	-	8,865	-	8,865	-	8,865	-		-	-	-
SUBTOTAL		-	-	-	40,250	-	40,250	-	40,250	-		-	31,385	31,385

PUBLIC SAFETY TOTALS		9.50	\$ 869,062	\$ 170,056	\$ 198,745	\$ 268,516	\$ 1,506,379	\$ (633,948)	\$ 872,431	\$ 148,995		3.50	\$ 423,400	\$ 344,452
----------------------	--	------	------------	------------	------------	------------	--------------	--------------	------------	------------	--	------	------------	------------

TRANSPORTATION														
Traffic Control	LED Replacement program	-	-	50,000	-	-	50,000	-	50,000	-		-	50,000	50,000
Traffic Control	Traffic Counts	-	-	-	60,760	-	60,760	-	60,760	-		-	60,760	60,760
Traffic Control	Traffic Signal Battery Backups	-	-	-	50,000	-	50,000	-	50,000	-		-	50,000	50,000
Traffic Control	Paint Striping Machine	-	-	-	9,021	-	9,021	-	9,021	9,021		-	-	-
SUBTOTAL		-	-	50,000	119,781	-	169,781	-	169,781	9,021		-	160,760	160,760

Transportation	Bicycle and Pedestrian Coordinator	1.00	71,291	14,650	3,720	-	89,661	-	89,661	-		1.00	89,661	89,661
Transportation	Administrative Intern	0.50	12,329	4,020	4,250	-	20,599	(8,000)	12,599	-		-	-	-
SUBTOTAL		1.50	83,620.00	18,670.00	7,970.00	-	110,260.00	(8,000)	102,260.00	-		1.00	89,661	89,661

TRANSPORTATION TOTALS		1.50	\$ 83,620	\$ 68,670	\$ 127,751	\$ -	\$ 280,041	\$ (8,000)	\$ 272,041	\$ 9,021		1.00	\$ 250,421	\$ 250,421
-----------------------	--	------	-----------	-----------	------------	------	------------	------------	------------	----------	--	------	------------	------------

Supplemental Requests										City Manager's Recommendations			
										FY 2013-14	FY 2014-15		
Department	Program Title	FTE's	Personal Services	On-Going Costs	One-Time Costs	Vehicles and Equipment	Requested Expense Amount	2014-15 Revenue/Cost Offset	Net Cost	Net Cost	FTE's	Gross Funding	Net Cost
ADMINISTRATIVE SERVICES													
Budget & Treasury	Budget Software	-	-	30,000	70,000	-	100,000	-	100,000	-	-	-	-
SUBTOTAL		-	-	30,000	70,000	-	100,000	-	100,000	-	-	-	-
Non-Departmental	Expenses for new Meet and Confer contract	-	-	-	60,000	-	60,000	-	60,000	-	-	60,000	60,000
SUBTOTAL		-	-	-	60,000	-	60,000	-	60,000	-	-	60,000	60,000
Facilities Management	Licensed Facilities Trades Technician	1.00	77,859	5,500	-	39,060	122,419	-	122,419	-	1.00	122,419	122,419
Facilities Management	Facilities Trades Technician	1.00	60,695	5,500	-	39,060	105,255	-	105,255	-	-	-	-
Facilities Management	Parking Lot Maintenance	-	-	100,000	-	-	100,000	-	100,000	-	-	-	-
Facilities Management	Demolition of buildings purchased from Denton County	-	-	-	30,500	-	30,500	-	30,500	-	-	30,500	30,500
Facilities Management	OCI Survey of Airport Roads and City Parking Lots	-	-	-	46,777	-	46,777	-	46,777	-	-	46,777	46,777
SUBTOTAL		2.00	138,554	111,000	77,277	78,120	404,951	-	404,951	-	1.00	199,696	199,696
Human Resources	Performance /Compensation/Succession Mgt Software	-	-	41,000	21,000	-	62,000	-	62,000	-	-	62,000	62,000
Human Resources	Learning Management System (LMS)	-	-	49,000	24,000	-	73,000	-	73,000	-	-	-	-
SUBTOTAL		-	-	90,000	45,000	-	135,000	-	135,000	-	-	62,000	62,000
Public Communications Office	Social Media Archival	-	-	4,800	-	-	4,800	-	4,800	-	-	4,800	4,800
Cable TV	DTV Staff Training	-	-	6,000	-	-	6,000	-	6,000	-	-	6,000	6,000
SUBTOTAL		-	-	10,800	-	-	10,800	-	10,800	-	-	10,800	10,800
Economic Development	Tech Denton Economic Development Initiative	1.00	93,305	126,695	-	-	220,000	-	220,000	-	1.00	220,000	220,000
Economic Development	Open + Counter Small Business Support	-	-	25,000	15,000	-	40,000	-	40,000	-	-	40,000	40,000
SUBTOTAL		1.00	93,305	151,695	15,000	-	260,000	-	260,000	-	1.00	260,000	260,000
ADMINISTRATIVE TOTALS		3.00	\$ 231,859	\$ 393,495	\$ 267,277	\$ 78,120	\$ 970,751	\$ -	\$ 970,751	\$ -	2.00	\$ 592,496	\$ 592,496
CITY COUNCIL REQUESTS													
CITY COUNCIL	North Lakes Sidewalk Project ⁽¹⁾	-	-	-	121,248	-	121,248	-	121,248	-	-	-	-
SUBTOTAL		-	-	-	121,248	-	121,248	-	121,248	-	-	-	-
CITY COUNCIL TOTALS		-	\$ -	\$ -	\$ -	\$ 121,248	\$ -	\$ 121,248	\$ -	\$ 121,248	\$ -	\$ -	\$ -
COMMUNITY ORGANIZATIONS													
Community Market	Additional Community Market Funding	-	-	11,761	4,226	-	15,987	-	15,987	-	-	-	-
SUBTOTAL		-	-	11,761	4,226	-	15,987	-	15,987	-	-	-	-
COMMUNITY ORGANIZATIONS TOTALS		-	\$ -	\$ 11,761	\$ 4,226	\$ -	\$ 15,987	\$ -	\$ 15,987	\$ -	\$ -	\$ -	\$ -
TOTAL GENERAL FUND SUPPLEMENTAL REQUESTS		26.28	\$ 1,981,941	\$ 874,602	\$ 1,077,238	\$ 438,936	\$ 4,372,717	\$ (651,948)	\$ 3,720,769	\$ 158,016	9.50	\$ 1,797,416	\$ 1,718,468

Supplemental Requests										City Manager's Recommendations				
										FY 2013-14	FY 2014-15			
Department	Program Title	FTE's	Personal Services	On-Going Costs	One-Time Costs	Vehicles and Equipment	Requested Expense Amount	2014-15 Revenue/Cost Offset	Net Cost	Net Cost		FTE's	Gross Funding	Net Cost
OTHER FUNDS														
Recreation Fund														
Recreation Fund	Recreation Center Equipment Replacement	-	-	-	200,000	-	200,000	-	200,000	-		-	200,000	200,000
SUBTOTAL		-	-	-	200,000	-	200,000	-	200,000	-		-	200,000	200,000
Fleet Services Fund														
Fleet Services	Forklift addition	-	-	-	-	26,660	26,660	-	26,660	-		-	26,660	26,660
Fleet Services	Moveable Vehicle Lifts	-	-	-	-	33,000	33,000	-	33,000	-		-	33,000	33,000
SUBTOTAL		-	-	-	-	59,660	59,660	-	59,660	-		-	59,660	59,660
Street Improvement Fund														
Street Improvement	OCI Pavement Study	-	-	-	200,000	-	200,000	-	200,000	-		-	200,000	200,000
Street Improvement	Overlay (OCI)	-	-	1,000,000	-	-	1,000,000	-	1,000,000	-		-	1,000,000	1,000,000
Street Improvement	Curb, Gutter & Sidewalk ADA	-	-	100,000	-	-	100,000	-	100,000	-		-	100,000	100,000
Street Improvement	Base Failure Maintenance	-	-	400,000	-	-	400,000	-	400,000	-		-	400,000	400,000
Street Improvement	Street Enhancements	2.00	148,466	611,470	-	575,715	1,335,651	-	1,335,651	-		2.00	1,335,651	1,335,651
Street Improvement	Cold Mixer/ Soil Stabilizer ⁽²⁾	-	-	-	-	588,460	588,460	-	588,460	-		-	588,460	588,460
SUBTOTAL		2.00	148,466	2,111,470	200,000	1,164,175	3,624,111	-	3,624,111	-		2.00	3,624,111	3,624,111
Tech Services Fund														
Tech Services	DME Technology Support	6.00	924,137	779,680	-	-	1,703,817	-	1,703,817	-		6.00	1,703,817	1,703,817
SUBTOTAL		6.00	924,137	779,680	-	-	1,703,817	-	1,703,817	-		6.00	1,703,817	1,703,817
Airport Fund														
Airport	Administrative Assistant II	1.00	53,342	-	-	-	53,342	-	53,342	-		-	53,342	53,342
Airport	Road Maintenance Program	-	-	250,000	-	-	250,000	-	250,000	-		-	250,000	250,000
Airport	Airport Improvements	-	-	300,000	-	-	300,000	-	300,000	-		-	300,000	300,000
Airport	Tractor and Mower	-	-	-	53,337	-	53,337	-	53,337	-		-	53,337	53,337
SUBTOTAL		1.00	53,342	550,000	53,337	-	656,679	-	656,679	-		-	656,679	656,679
Traffic Safety Fund														
Police	Red Light Camera Clerk	0.50	25,160	2,800	-	-	27,960	-	27,960	-		0.50	27,960	27,960
SUBTOTAL		0.50	25,160	2,800	-	-	27,960	-	27,960	-		0.50	27,960	27,960

Supplemental Requests										City Manager's Recommendations				
										FY 2013-14	FY 2014-15			
Department	Program Title	FTE's	Personal Services	On-Going Costs	One-Time Costs	Vehicles and Equipment	Requested Expense Amount	2014-15 Revenue/Cost Offset	Net Cost	Net Cost		FTE's	Gross Funding	Net Cost
Engineering Services Fund														
Public Works Inspections	New Tech III Position in Public Works Inspections	1.00	64,038	4,782	365	23,035	92,220	-	92,220	-		1.00	92,220	92,220
Engineering	Software Licenses - TransCAD & MS Project	-	-	-	18,600	-	18,600	-	18,600	-		-	18,600	18,600
Engineering	Training and Travel	-	-	12,000	-	-	12,000	-	12,000	-		-	12,000	12,000
Real Estate	Rights-Of-Way Software and Support	-	-	15,900	20,000	-	35,900	-	35,900	-		-	35,900	35,900
Engineering	Public Involvement Training	-	-	-	15,000	-	15,000	-	15,000	-		-	15,000	15,000
Public Works Inspections	Cost Estimating and Const. Mgmt. Software - Appia	-	-	-	16,500	-	16,500	-	16,500	-		-	16,500	16,500
Real Estate	Travel and Training	-	-	10,373	-	-	10,373	-	10,373	-		-	10,373	10,373
Real Estate	GIS Interns	1.00	22,607	-	-	-	22,607	-	22,607	-		1.00	22,607	22,607
Public Works Inspections	Replacement Vehicle	-	-	-	-	23,035	23,035	-	23,035	-		-	23,035	23,035
SUBTOTAL		2.00	86,645	43,055	70,465	46,070	246,235	-	246,235	-	-	2.00	246,235	246,235
OTHER FUNDS TOTAL		11.50	\$ 1,237,750	\$ 3,487,005	\$ 523,802	\$ 1,269,905	\$ 6,518,462	\$ -	\$ 6,518,462	\$ -		10.50	\$ 6,518,462	\$ 6,518,462
GRAND TOTAL ALL FUNDS		37.78	\$ 3,219,691	\$ 4,361,607	\$ 1,601,040	\$ 1,708,841	\$ 10,891,179	\$ (651,948)	\$ 10,239,231	\$ 158,016		20.00	\$ 8,315,878	\$ 8,236,930

⁽¹⁾ 2014 GO Bond Program funds may be available for this purpose.

⁽²⁾ CIP Funded.



215 E. McKINNEY, DENTON, TEXAS 76201 • (940) 349-8307 • FAX (940) 349-8595
City Manager's Office

MEMORANDUM

DATE: July 25, 2014

TO: Honorable Mayor and Members of the City Council

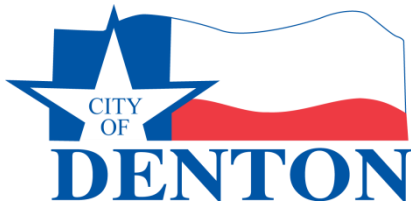
FROM: George C. Campbell, City Manager *GCC*

SUBJECT: Civil Service Pay Increases

Attached for your information are two reports; one relating to compensation for Police civil service employees and the other for Fire civil service employees. The reports are presented by the Pay Subcommittees established in the Police and Fire Meet and Confer agreements respectively and are forwarded to the City Council by the City Manager pursuant to terms of those agreements. The Pay Subcommittees consist of representatives from labor as well as representatives from management. These committees meet each year to conduct a salary survey from which pay increases may be recommended.

The current Meet and Confer agreements include language that supports a "market average plus 5%" pay philosophy for civil service employees. The current agreements also provide for the possible limitation of any pay increase for civil service employees to the average base pay percentage increase for non-civil service employees approved by the City Council in the annual budget. After reviewing market data and the availability of financial resources, and in consideration of the above mentioned policy, increases in compensation for civil service employees will be based on the percentage needed to keep each position at 5% of the survey market average in FY 2014-15. In some cases, this will result in various ranks receiving different increases. The Proposed Budget also includes normally scheduled step increases for civil service public safety personnel.

If you have any questions, please let me know.



Human Resources * 601 E. Hickory, Suite A * Denton, Texas 76205

Telephone (940) 349-8340 * Fax (940) 349-8348

MEMORANDUM

DATE: July 25, 2014

TO: George C. Campbell, City Manager

FROM: Pay Subcommittee –
Jason Ballard, Fire Association
Laura Behrens, Fire Administration
Kenneth Hedges, Deputy Fire Chief
Carla Romine-Haggmark, HR
Anthony Kapp, HR

SUBJECT: Fire Civil Service Salary Survey and Cost Information

As part of the meet and confer agreement, the City and Fire Association established a Labor/Management Pay Subcommittee to perform a survey of our 12 comparator cities in May of each year of the agreement. The agreement states, "The recommendation [for pay] will propose that the minimum and maximum base pay for each rank will receive an increase (should an increase be required) to match the survey average plus five percent (5%)." However, the agreement also includes language stating, "Proposed increases may be limited to the average base pay percentage increase for non-civil service City employees approved by the City Council in the annual budget."

The Firefighters agreement further states that the Pay Subcommittee shall prepare a report to the City Manager (to be forwarded to the City Council at the time the proposed budget is submitted to the City Council) that will show the cost of implementing the pay increase using the survey average plus five percent (5%) compared to the cost to pay civil service employees the same percentage increase as non-civil service employees. As such, attached you will find the results of the survey compiled in May 2014 and the cost estimate to implement any base pay increases, should the average plus 5% pay philosophy be funded compared to recommended increases for non-civil service employees.

"Dedicated to Quality Service"

www.cityofdenton.com

ADA/EOE/ADEA

7/24/14

S:\Finance\Agenda Item Shared\Agenda Item Shared\2014 Agenda Folders\7 - July 2014\July 31, 2014 - Budget Workshop\Pay Subcommittee Memo to CM - 2014 - Fire.docx

In addition to any recommendation regarding compensation, it is our understanding that Civil Service step increases will continue to be funded. Additionally, it is our understanding that pursuant to Article 10 of the meet and confer agreement, contributions to the Fire Pension shall be made to match the City's actual contribution rate to the Texas Municipal Retirement System.

Please let us know if you have any questions or need further information.

"Dedicated to Quality Service"

www.cityofdenton.com

ADA/EOE/ADEA

FY 2014/15

Differential Cost to Fund "Market Average Plus 5%" Pay Philosophy for Civil Service Employees*

Source: City of Denton Finance Department

POLICE OPERATIONS (CIVIL SERVICE)	
Personal Services Cost Including Increases to Support Pay Philosophy	\$23,472,399
Personal Services Cost Based on the Proposed Budget with 3% Increases	\$23,546,210
DIFFERENTIAL COST TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY FOR POLICE OPERATIONS	(\$73,811)
FIRE OPERATIONS (CIVIL SERVICE)	
Personal Services Cost Including Increases to Support Pay Philosophy	\$20,927,973
Personal Services Cost Based on the Proposed Budget with 3% Increases	\$21,021,666
DIFFERENTIAL COST TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY FOR FIRE OPERATIONS	(\$93,693)
TOTAL DIFFERENTIAL COST (Salary + Benefits) TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY VS BUDGETED 3% FOR CIVIL SERVICE EMPLOYEES FOR FY 2014/15	(\$167,504)

*Cost is based on personal services calculators for FY 2014/15 and assumes no change in staff.

**City of Denton
Fire Survey 2014**

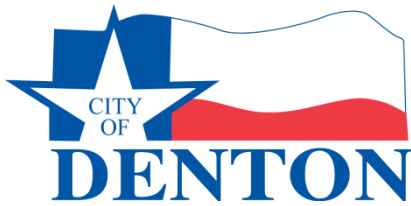
City	Fire Fighter			Fire Driver			Fire Captain			Fire Battalion Chief			Fire Deputy Chief ^^		
	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps
Arlington	\$16.154	\$22.748	9	\$23.170	\$24.328	2	\$29.793	\$31.282	2	\$34.098	\$35.802	2	\$39.785	\$59.677	N/A
Carrollton	\$17.853	\$21.494	5	\$22.925	\$25.168	4	\$28.451	\$31.088	4	\$32.775	\$35.814	4	\$53.198	\$58.131	4
Dallas	\$14.746	\$24.011	11	\$15.161	\$26.473	12	\$19.110	\$31.755	11	\$20.968	\$34.849	11	\$32.533	\$64.530	15
Fort Worth	\$17.060	\$21.770	6	\$22.690	\$23.830	2	\$27.770	\$29.160	2	\$31.730	\$33.310	2	\$52.170	\$86.080	10
Frisco	\$17.018	\$24.200	9	N/A	N/A	N/A	\$29.495	\$32.096	5	\$33.701	\$36.175	3	\$55.029	\$59.312	3
Garland	\$17.985	\$22.945	6	\$23.742	\$24.929	2	\$29.509	\$30.985	2	\$33.843	\$35.535	2	\$57.195	\$60.055	2
Irving	\$17.950	\$25.250	8	\$26.460	\$27.780	2	\$30.720	\$33.870	3	\$35.610	\$39.260	3	\$52.710	\$64.070	5
Lewisville	\$18.010	\$22.750	7	\$25.110	\$25.110	1	\$29.500	\$30.980	2	\$34.380	\$35.250	2	\$56.480	\$59.260	2
McKinney ^	\$16.870	\$22.780	10	\$23.940	\$25.089	3	\$29.314	\$31.058	3	\$33.476	\$35.743	3	\$58.019	\$58.019	N/A
Mesquite	\$18.976	\$24.219	6	\$25.907	\$25.907	1	\$32.302	\$32.302	1	\$37.116	\$37.116	1	\$62.100	\$62.100	1
Plano	\$20.466	\$24.135	3	\$27.145	\$27.145	1	\$33.859	\$33.859	1	\$36.602	\$39.708	2	\$63.526	\$63.526	1
Richardson	\$18.074	\$23.794	7	\$24.981	\$26.250	3	\$30.404	\$31.962	3	\$34.368	\$39.070	5	\$69.208	\$69.208	1
Average	\$17.597	\$23.341	7.3	\$23.748	\$25.637	3.0	\$29.186	\$31.700	3.3	\$33.222	\$36.469	3.3	\$54.329	\$63.664	4.4
Denton	\$18.027	\$24.041	6	\$24.493	\$26.656	3	\$29.991	\$32.674	3	\$34.301	\$37.585	3	\$39.230	\$57.690	N/A
Difference	2.39%	2.91%		3.04%	3.82%		2.68%	2.98%		3.15%	2.97%		-38.49%	-10.36%	

^^ Based on 2080 annual hours.

^ City of McKinney has actual average (no range) for their Asst Chief positions.

City of Denton
Fire Survey 2014
Minimum/Maximum
Goal - 5% Above Market

City	Fire Fighter			Fire Driver			Fire Captain			Fire Battalion Chief			Fire Deputy Chief		
	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps
Average	\$17.597	\$23.341	7.3	\$23.748	\$25.637	3.0	\$29.186	\$31.700	3.3	\$33.222	\$36.469	3.3	\$54.329	\$63.664	4.4
Denton Minimum/Maximum	\$18.027	\$24.041	6	\$24.493	\$26.656	3	\$29.991	\$32.674	3	\$34.301	\$37.585	3	\$39.230	\$57.690	N/A
% from Market Avg	2.39%	2.91%		3.04%	3.82%		2.68%	2.98%		3.15%	2.97%		-38.49%	-10.36%	
Goal is 5% above mkt	5.00%	5.00%		5.00%	5.00%		5.00%	5.00%		5.00%	5.00%		5.00%	5.00%	
% Increase	2.61%	2.09%		1.96%	1.18%		2.32%	2.02%		1.85%	2.03%		43.49%	15.36%	
New Minimum/Maximum with % Increase (if applicable)	\$18.498	\$24.543		\$24.973	\$26.971		\$30.687	\$33.334		\$34.936	\$38.348		\$56.291	\$66.551	



Human Resources * 601 E. Hickory, Suite A * Denton, Texas 76205

Telephone (940) 349-8340 * Fax (940) 349-8348

MEMORANDUM

DATE: July 25, 2014

TO: George C. Campbell, City Manager

FROM: Pay Subcommittee –
Lisa Martin, Police Association
Carla Romine-Haggmark, HR
Anthony Kapp, HR

SUBJECT: Police Civil Service Salary Survey and Cost Information

As part of the meet and confer agreement, the City and Police Association established a Labor/Management Pay Subcommittee to perform a survey of our 12 comparator cities in May of each year of the agreement. The agreement states, “The recommendation [for pay] will propose that the minimum and maximum base pay for each rank will receive an increase (should an increase be required) to match the survey average plus five percent (5%).” However, the agreement also includes language stating, “Proposed increases may be limited to the average base pay percentage increase for non-civil service City employees approved by the City Council in the annual budget.”

The “Compensation” Article in the Police agreement differs from the Fire agreement in that it does not include language stating that the Pay Subcommittee shall prepare a report to the City Manager. The report (which shall be forwarded to the City Council at the time the proposed budget is submitted to the City Council) will show the cost of implementing the pay increase using the survey average plus five percent (5%) compared to the cost to pay [Police Officers] the same percentage increase as non-civil service employees. However, even with the absence of this language, this information is being provided to the City Manager in the same format as that required in the Fire agreement. As such, attached you will find the results of the survey compiled in May 2014 and the cost estimate of implementing any base pay increases, should the average plus 5% pay philosophy be funded compared to recommended increases for non-civil service employees.

In addition to any recommendation regarding compensation, it is our understanding that Civil Service step increases will continue to be funded. Please let us know if you have any questions or need further information.

“Dedicated to Quality Service”

www.cityofdenton.com

ADA/EOE/ADEA

7/24/14

S:\Finance\Agenda Item Shared\Agenda Item Shared\2014 Agenda Folders\7 - July 2014\July 31, 2014 - Budget Workshop\Pay Subcommittee Memo to CM - 2014 - Police.docx

FY 2014/15

Differential Cost to Fund "Market Average Plus 5%" Pay Philosophy for Civil Service Employees*

Source: City of Denton Finance Department

POLICE OPERATIONS (CIVIL SERVICE)	
Personal Services Cost Including Increases to Support Pay Philosophy	\$23,472,399
Personal Services Cost Based on the Proposed Budget with 3% Increases	\$23,546,210
DIFFERENTIAL COST TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY FOR POLICE OPERATIONS	(\$73,811)
FIRE OPERATIONS (CIVIL SERVICE)	
Personal Services Cost Including Increases to Support Pay Philosophy	\$20,927,973
Personal Services Cost Based on the Proposed Budget with 3% Increases	\$21,021,666
DIFFERENTIAL COST TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY FOR FIRE OPERATIONS	(\$93,693)
TOTAL DIFFERENTIAL COST (Salary + Benefits) TO FUND "MARKET AVERAGE PLUS 5%" PAY PHILOSOPHY VS BUDGETED 3% FOR CIVIL SERVICE EMPLOYEES FOR FY 2014/15	(\$167,504)

*Cost is based on personal services calculators for FY 2014/15 and assumes no change in staff.

**City of Denton
Police Survey 2014**

City	Police Recruit			Police Officer			Police Sergeant			Police Lieutenant			Police Captain		
	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps
Arlington	\$49,539	\$52,008	2	\$54,618	\$69,730	7	\$72,340	\$79,755	3	\$86,933	\$91,280	2	N/A	N/A	N/A
Carrollton	\$53,383	\$56,103	2	\$58,897	\$73,829	8	\$76,581	\$86,623	5	\$98,486	\$104,209	3	N/A	N/A	N/A
Dallas	\$42,941	\$42,941	1	\$42,941	\$69,921	11	\$50,713	\$84,425	11	\$55,649	\$92,471	11	\$61,058	\$101,481	11
Fort Worth	\$38,501	\$38,501	1	\$52,707	\$78,062	11	\$79,914	\$94,952	6	\$92,498	\$104,686	4	\$104,582	\$115,398	3
Frisco	\$49,556	\$52,046	3	\$52,776	\$70,473	9	\$76,477	\$85,288	5	\$90,081	\$101,162	5	\$108,199	\$116,769	3
Garland	\$49,350	\$51,780	2	\$54,369	\$70,111	8	N/A	N/A	N/A	\$87,809	\$92,199	2	\$101,740	\$106,827	2
Irving	\$54,396	\$57,120	2	\$59,976	\$72,900	5	\$75,540	\$87,444	4	\$90,492	\$99,768	3	\$104,616	\$115,344	3
Lewisville	\$55,291	\$57,483	2	\$59,763	\$69,855	5	\$79,494	\$83,491	2	\$90,220	\$94,747	2	\$101,893	\$106,984	2
McKinney	\$49,890	\$49,890	1	\$52,516	\$69,749	9	\$75,839	\$83,031	4	\$87,808	\$94,772	3	\$102,519	\$109,211	3
Mesquite	\$55,257	\$55,257	1	\$58,018	\$70,525	5	\$85,552	\$85,552	1	\$96,811	\$96,811	1	\$112,015	\$112,015	1
Plano	\$55,685	\$55,685	1	\$60,097	\$78,920	11	\$85,372	\$88,654	2	\$95,306	\$101,019	2	\$108,597	\$115,106	2
Richardson	\$52,620	\$52,620	1	\$55,248	\$72,672	7	\$76,308	\$86,268	4	\$90,576	\$100,008	4	\$101,952	\$113,064	4
Average	\$50,534	\$51,786	2	\$55,161	\$72,229	8	\$75,830	\$85,953	4	\$88,556	\$97,761	4	\$100,717	\$111,220	3
Denton	\$51,838	\$53,142	3	\$56,472	\$74,978	8	\$77,871	\$88,541	3	\$90,611	\$100,364	3	\$103,576	\$114,406	3
Difference	2.52%	2.55%		2.32%	3.67%		2.62%	2.92%		2.27%	2.59%		2.76%	2.78%	

City of Denton
Police Survey 2014
Minimum/Maximum
Goal - 5% Above Market

City	Police Recruit			Police Officer			Police Sergeant			Police Lieutenant			Police Captain		
	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps	Min	Max	# of Steps
Average	\$50,534	\$51,786	2	\$55,161	\$72,229	8	\$75,830	\$85,953	4	\$88,556	\$97,761	4	\$100,717	\$111,220	3
Denton Minimum/Maximum	\$51,838	\$53,142	3	\$56,472	\$74,978	8	\$77,871	\$88,541	3	\$90,611	\$100,364	3	\$103,576	\$114,406	3
% from Market Avg	2.52%	2.55%		2.32%	3.67%		2.62%	2.92%		2.27%	2.59%		2.76%	2.78%	
Goal is 5% above mkt	5.00%	5.00%		5.00%	5.00%		5.00%	5.00%		5.00%	5.00%		5.00%	5.00%	
% Increase	2.48%	2.45%		2.68%	1.33%		2.38%	2.08%		2.73%	2.41%		2.24%	2.22%	
New Annual Minimum/Maximum with % Increase	\$ 53,124	\$ 54,444		\$ 57,985	\$ 75,975		\$ 79,724	\$ 90,383		\$ 93,085	\$ 102,783		\$ 105,896	\$ 116,946	



WATER UTILITIES 901-A Texas Street Denton, TX 76209 (940) 349-8452 Fax (940) 349-8951

MEMORANDUM

From: Tim Fisher, P.E.
Division Manager, Water Utilities

To: Members of the Denton City Council and Public Utilities Board

Date: July 18, 2014

Subject: Update on Zebra Mussel Impacts to Water Treatment Plant Intakes

Water Production, the division of Water Utilities that purifies and distributes the drinking water for the City of Denton has (or will be anticipating) various impacts to its operations as a result of recent zebra mussel detection/infestation at Lake Ray Roberts and Lake Lewisville. Staff has been monitoring the Zebra mussel situation ever since they were first discovered in Lake Ray Roberts about two years ago. Early efforts by staff included being more educated on the zebra mussel infestation problems that were experienced by water utilities with water treatment plant intakes on Lake Michigan where the national zebra mussel infestation problem first originated in the late 1980s. In addition to becoming more knowledgeable about zebra mussels, staff has also investigated their negative impacts to water treatment plant operations, as well as evaluating the various control or mitigation strategies that have evolved by water utility agencies to cope with them. Staff has also had numerous discussions with engineering consultants and other utilities in the region that have experience with or are gaining experience with managing zebra mussel problems in their water treatment plant operations. Additional initial efforts included asking plant management and operations personnel to be more diligent and specifically watchful for signs that zebra mussels have migrated into plant piping and process units and if they are effecting plant operations, plant hydraulics or equipment maintenance.

In the fall of 2013, approximately 15 months after zebra mussels were first discovered in Lake Ray Roberts, staff observed and reported to management that a few unattached adult zebra mussels were found in the routine maintenance of our pre ozone contactor at the head works of the Lake Ray Roberts Water Treatment Plant. The pre ozone contactor is the first process unit located at the head of the water treatment plant process. This observation was our first indication that zebra mussels may have entered the city's water treatment plant piping system. Later in the fall of 2013, staff was invited by the USACOE to witness their inspection of the trash racks at the lake side of their outlet works on Lake Ray Roberts. This inspection revealed there was a zebra mussel infestation on the intake screens. The water intake system for the water treatment plant at Lake Ray Roberts utilizes the USACOE outlet works and piping system to transfer water under pressure from the lake outlet works structure, under the dam through a 60 inch pipe to the

USACOE low flow discharge outlet channel located on the downstream side of the dam. This inspection confirmed that zebra mussels had begun to colonize on the inlet side of the low flow release piping system on Lake Ray Roberts. This discovery prompted staff to take investigative efforts in the early spring of 2014 to inspect our raw water intake piping at the Lake Ray Roberts Water Treatment Plant. This preliminary inspection also revealed that we have an adult zebra mussel infestation within this piping system. Two sections of the piping system were inspected using closed circuit television (CCTV) cameras and a map of these inspection areas is attached for reference. This inspection revealed a moderate (about 80% coverage about one layer deep) zebra mussel infestation on the 60 inch raw water pipeline from the raw water pumping station to the USACOE's low flow outlet piping but a significantly lesser (about 20% coverage) infestation on the 42 inch raw water piping near the head works of the water treatment plant.

This prompted staff to develop and introduce several capital projects to try and address this issue over the next three years. Staff has proposed four new projects in the Water Production Division's 5 year Capital Improvements Program for this upcoming budget cycle totaling a little over 3 million dollars. The first project is for FY 2015 and involves the cleaning and removal of zebra mussels for the raw water piping at the Lake Ray Roberts Water Treatment Plant. We have budgeted this project at \$ 500,000 but this may take significantly more (or possibly less) than this amount to accomplish. This will require the installation of several man ways on the existing 60 inch and 42 inch piping located on USACOE property to provide access to the piping systems. Prior to the discovery of zebra mussels in Texas, these types of accessibility features were not considered necessary for raw water pipelines by owners or consultants.

The second project is also proposed for FY 2015 and is budgeted for \$ 150,000 and it is for a preliminary design evaluation for zebra mussel mitigation and control measures for the Lake Lewisville Water Treatment Plant and for the Lake Ray Roberts Water Treatment Plant. Although we have not observed zebra mussels within our facilities at Lake Lewisville, their presence in the lake suggests it is only a matter of time before they will become an operational problem for this facility as well. The study will evaluate zebra mussel control strategies for each facility and make recommendations for capital improvements (likely chemical feed systems and or coating systems) or operational procedures (like routine cleaning and removal) for both Water Treatment Plants.

The third project is scheduled for final design in FY 2015 and construction in FY 2016 for implementation of the recommended zebra mussel control strategies for the Lake Ray Roberts Water Treatment Plant. This facility is a higher priority since the zebra mussel infestation has impacted Lake Ray Roberts earlier than Lake Lewisville. This project is budgeted at \$1,200,000.

The fourth project is scheduled for final design in FY 2016 and construction in FY 2017 for implementation of the recommended zebra mussel control strategies for the Lake Lewisville Water Treatment Plant. This project is also budgeted at \$ 1,200,000.

The four projects total \$ 3,050,000 over a three year period and these projects were not identified in previous budgets or capital plans. They were communicated as budgetary risks and unknowns to the Public Utilities Board and City Council in prior year budgets but they have now become operational concerns and are imparting real costs to the Water Utilities Department. Although there is no immediate threat to water operations, their presences in our intake piping systems is a concern that must be addressed. At this time, we feel that our cost estimates are preliminary and

our actual costs may be more than these figures. As we obtain more information and details, we may be able to develop better budgetary figures.

Staff will continue to monitor and manage this situation but emergency purchases for specialized contract services outside our normal bidding and approval processes may become necessary over the next several years to insure continuous operation of the water plants. As this situation continues to evolve, staff will keep the PUB and City Council informed as appropriate or as requested.

Attachments:

1. Pictures of USACOE trash rack inspection from fall of 2013.
2. Exhibit showing Lake Ray Roberts raw water piping and inspection areas from spring of 2014.
3. Example pictures of CCTV pipe inspections.
4. CIP project sheets for zebra mussel management.

Tim Fisher, P.E., Division Manager, Water Utilities
City of Denton
901 A Texas Street
Denton, Texas 76209
Phone: 940-349-7190
Fax: 940-349-8951
E-mail: tsfisher@cityofdenton.com

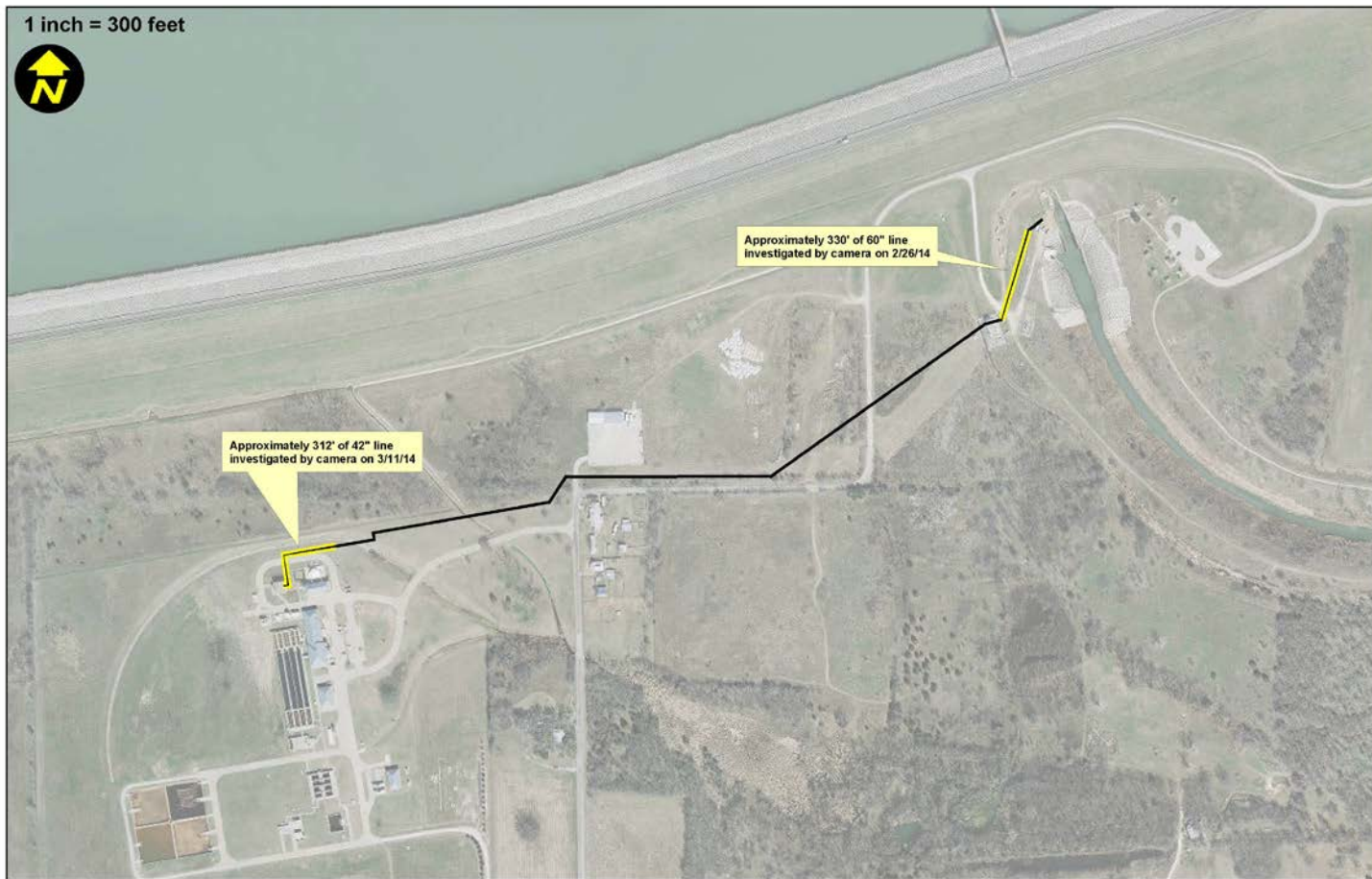
Attachment 1A



Attachment 1B



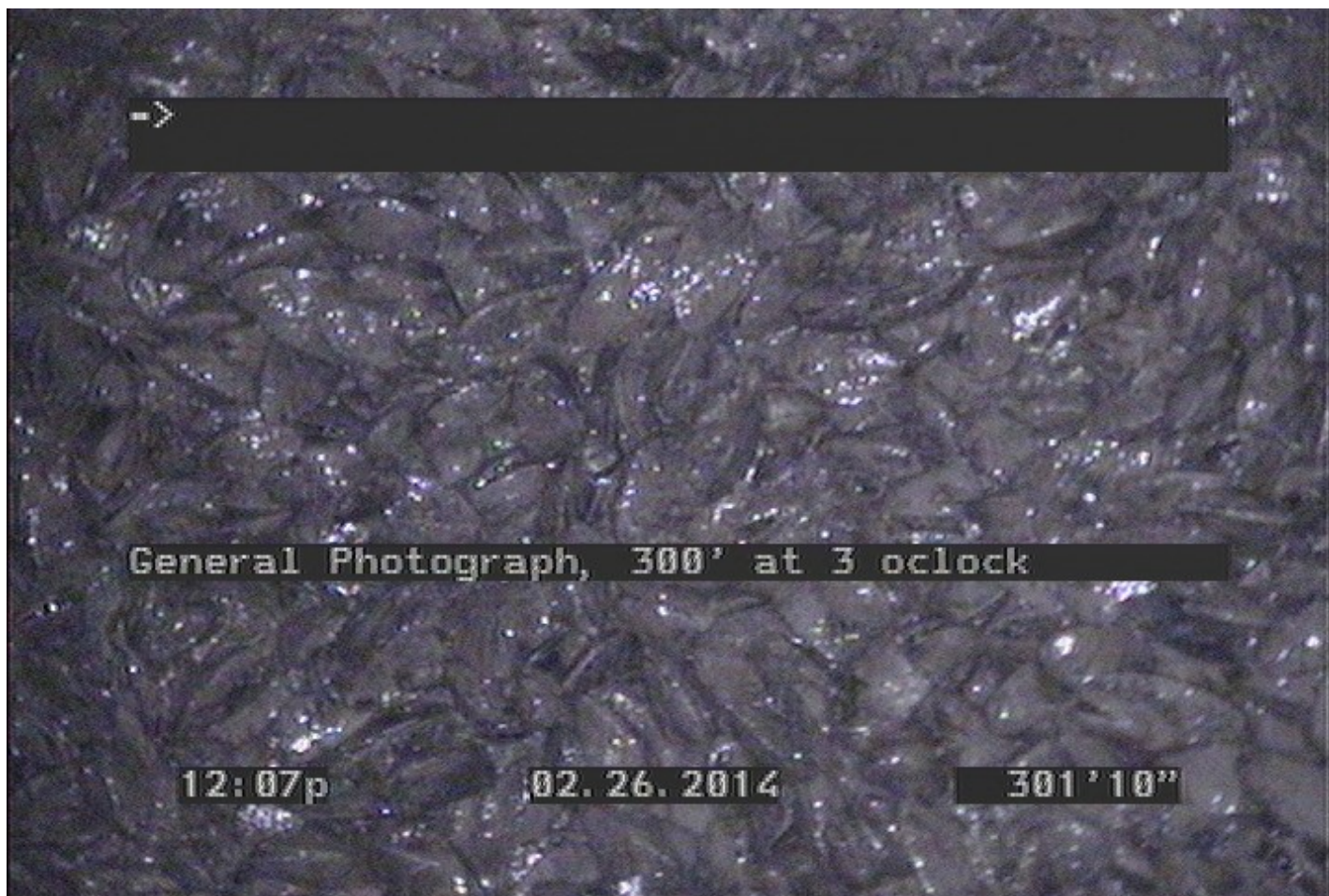
Attachment 2



Attachment 3A



Attachment 3B



->

General Photograph, 300' at 3 oclock

12:07p

02.26.2014

301'10"

Attachment 3C



Attachment 3D



Attachment 4

Project Title: Zebra Mussel Cleaning at Lake Ray Roberts WTP

Description: Cleaning of zebra mussels at the Lake Ray Roberts WTP Raw Water Intake piping and Raw Water Transmission pipeline

Business Unit: 630100-Water-Production

Project Type: Replacement

Project Scope: Multiple Year Project

Category Code: 048-PLANT IMPROVEMENTS

F.Y.	Cost Code	Cost Type	Funding Source	Comment	Amount
2015	40100-CONSTRUCTION	1365-Other	Revenue		\$500,000
2015 Total:					\$500,000
Project Total:					\$500,000

Project Title: Preliminary Design Study for Zebra Mussel Control

Description: Preliminary design study for zebra mussel control for Lake Lewisville and Lake Ray Roberts WTPs Raw Water Intakes, Pumping Stations, and Transmission Pipeline Systems

Business Unit: 630100-Water-Production

Project Type: Improved Service

Project Scope: Multiple Year Project

Category Code: 048-PLANT IMPROVEMENTS

F.Y.	Cost Code	Cost Type	Funding Source	Comment	Amount
2015	40100-CONSTRUCTION	1360-Sub Contract	Revenue		\$150,000
2015 Total:					\$150,000
Project Total:					\$150,000

Attachment 4 Cont'd

Project Title: Lake Ray Roberts WTP Zebra Mussel Control

Description: Implementation of zebra mussel control for Lake Ray Roberts WTP Raw Water Intakes, Pumping Station, and Transmission Pipeline Systems

Business Unit: 630100-Water-Production

Project Type: Replacement

Project Scope: Multiple Year Project

Category Code: 048-PLANT IMPROVEMENTS

F.Y.	Cost Code	Cost Type	Funding Source	Comment	Amount
2015	21100-FINAL DESIGN	1360-Sub Contract	Revenue		\$200,000
2015 Total:					\$200,000
2016	40100-CONSTRUCTION	1360-Sub Contract	Utility Bonds		\$1,000,000
2016 Total:					\$1,000,000
Project Total:					\$1,200,000

Project Title: Lake Lewisville WTP Zebra Mussel Control

Description: Final design and implementation of zebra mussel control for Lake Lewisville WTP Raw Water Intakes, Pumping Station, and Transmission Pipeline Systems

Business Unit: 630100-Water-Production

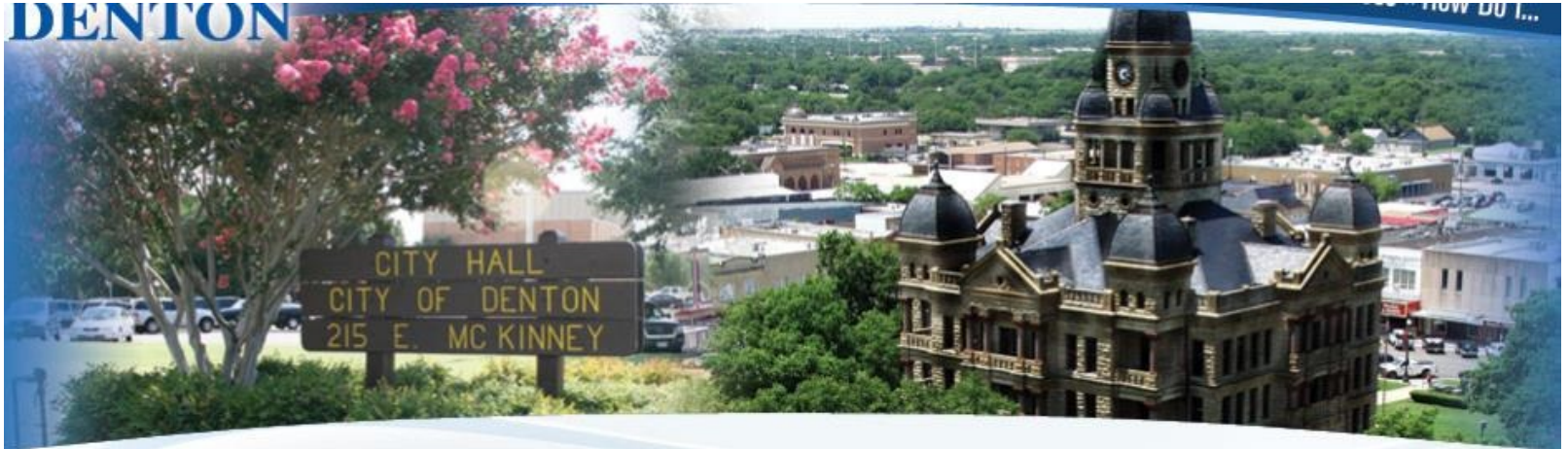
Project Type: Replacement

Project Scope: Multiple Year Project

Category Code: 048-PLANT IMPROVEMENTS

F.Y.	Cost Code	Cost Type	Funding Source	Comment	Amount
2016	21100-FINAL DESIGN	1360-Sub Contract	Revenue		\$200,000
2016 Total:					\$200,000
2017	40100-CONSTRUCTION	1360-Sub Contract	Utility Bonds		\$1,000,000
2017 Total:					\$1,000,000
Project Total:					\$1,200,000

DENTON



City Manager's FY 2014-15 Proposed Budget

Strategic Plan – Key Focus Areas

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

Budgetary Priorities

- ❑ Continued Street Maintenance Expansion
- ❑ Public Safety Staffing
- ❑ Economic Development Initiatives
- ❑ Competitive Compensation Plan
- ❑ Building Inspections Staffing
- ❑ Utility Infrastructure
 - Replacement of aging infrastructure
 - Expansion of infrastructure to meet growth needs
- ❑ Manage TMPA debt requirements in Electric Utility
- ❑ All under the direction of the Strategic Plan

Assumptions for General Fund

- Assessed Value Increases
 - FY 2014-15 – 11.47%
 - FY 2015-16 and beyond – 4.0%
- Property Tax Rate
 - Debt service tax rate for FY 2014-15 based on expenditures
 - Future debt service tax rate based on November Bond Election
 - One-cent General Fund tax rate increase delayed until FY 2016-17
- Sales Tax
 - FY 2014-15 – 3.0% above FY 2013-14 budget
 - FY 2015-16 and beyond - 3.0%
- Franchise Fees
 - All growth in franchise fee revenues (\$729,540) transferred to Street Improvement Fund **plus an additional \$1,363,721** in FY 2014-15

Property Values and Tax Rate

Proposed Tax Rate

Maintenance & Operation	\$0.48119 / \$100
Debt Service	<u>\$0.20856 / \$100</u>
Total Proposed Tax Rate	\$0.68975 / \$100

Effective Tax Rate*	\$0.63684 / \$100
----------------------------	-------------------

Rollback Tax Rate*	\$0.69378 / \$100
---------------------------	-------------------

Certified Taxable Value	\$7,761,202,411
--------------------------------	-----------------

Value Increase	11.47%
----------------	--------

*Preliminary

Appraised Values

Tax Year	2009	2010	2011	2012	2013	2014
Final Value (\$Billions)	\$6.328	\$6.230	\$6.412	\$6.706	\$6.962	\$7.761
Value Change (\$Millions)	\$36.5	(\$97.8)	\$182.3	\$294.3	\$255.8	\$798.9
Percent Change	0.58%	(1.55%)	2.93%	4.59%	3.81%	11.47%

- Certified appraised value is \$7.761 Billion for 2014 (excluding TIRZ).
 - 11.47% increase compared to 2013 Value of \$6.962 Billion
 - \$798.9 million total increase in value, (\$187.4 million from new construction and \$611.5 million increase in existing property appraisals)
 - Value excludes TIRZ property value increase
- Average home value increased from \$157,039 to \$166,728
 - Average city homeowner taxes from \$1,083 to \$1,150

Street Improvement Fund

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	Actual	Actual	Budget	Proposed	Projected	Projected	Projected	Projected
Franchise Fees	\$ 5,585,086	\$ 6,315,566	\$ 7,186,378	\$ 9,279,639	\$ 10,053,252	\$ 10,513,480	\$ 11,480,261	\$ 12,471,824
Bond Sale Savings	194,382	315,636	379,911	541,387	760,247	918,161	1,050,133	1,266,644
Street Cut Fees and Interest	<u>366,229</u>	<u>477,208</u>	<u>337,914</u>	<u>360,000</u>	<u>367,000</u>	<u>374,140</u>	<u>381,423</u>	<u>388,851</u>
Total Operating Revenues	\$ 6,145,697	\$ 7,108,410	\$ 7,904,203	\$ 10,181,026	\$ 11,180,499	\$ 11,805,781	\$ 12,911,817	\$ 14,127,319
Operating Expenditures	\$ 6,075,534	\$ 6,702,756	\$ 8,379,203	\$ 10,181,026	\$ 11,180,499	\$ 11,805,781	\$ 12,911,817	\$ 14,127,319
Bond Funded Expenditures*	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Expenditures	\$ 6,075,534	\$ 10,702,756	\$ 12,379,203	\$ 16,181,026	\$ 17,180,499	\$ 17,805,781	\$ 18,911,817	\$ 20,127,319

* FY 2014-15 and forward is partially or fully funded by the proposed bond election.

- Estimated \$12.11 million OCI related spending in FY 2014-15 including bond funding (approximately 60% of operating expenditures OCI related)
- At this level of funding (FY 2014-15), OCI rating estimated to stabilize

Sales Tax

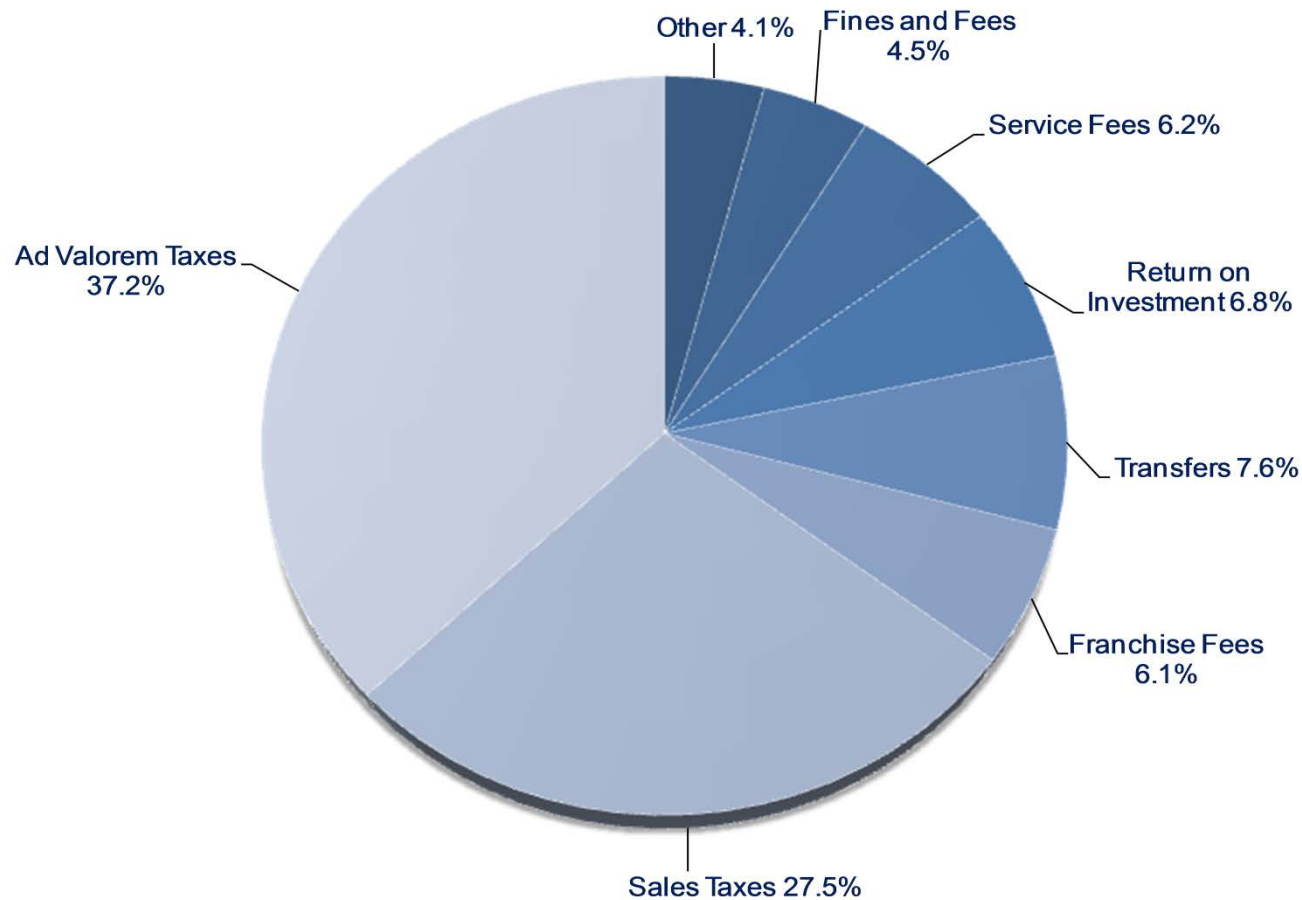
Fiscal Year	Sales Tax Collections	% Change
FY 2007-08	\$21,984,936	3.9%
FY 2008-09	\$20,950,796	(4.7%)
FY 2009-10	\$21,015,173	0.3%
FY 2010-11	\$22,871,281	8.8%
FY 2011-12	\$25,886,940	13.2%
FY 2012-13	\$26,522,473	2.5%
FY 2013-14 Estimate	\$27,326,141	3.0%
FY 2014-15 Budget	\$28,145,925	3.0%

Compensation and Benefits

- Civil Service pay adjustments to meet goal of 5% above survey cities and STEP increases
- All other 3.0% average merit increase and equity adjustments for those below market
- Future FY's have 3.0% package
- Health insurance funding has a 2.0% increase in City contributions for FY 2014-15 and 6.0% increase in future FY's
- Employee contributions to rise 5.0% for gold plan, no increases for silver plan

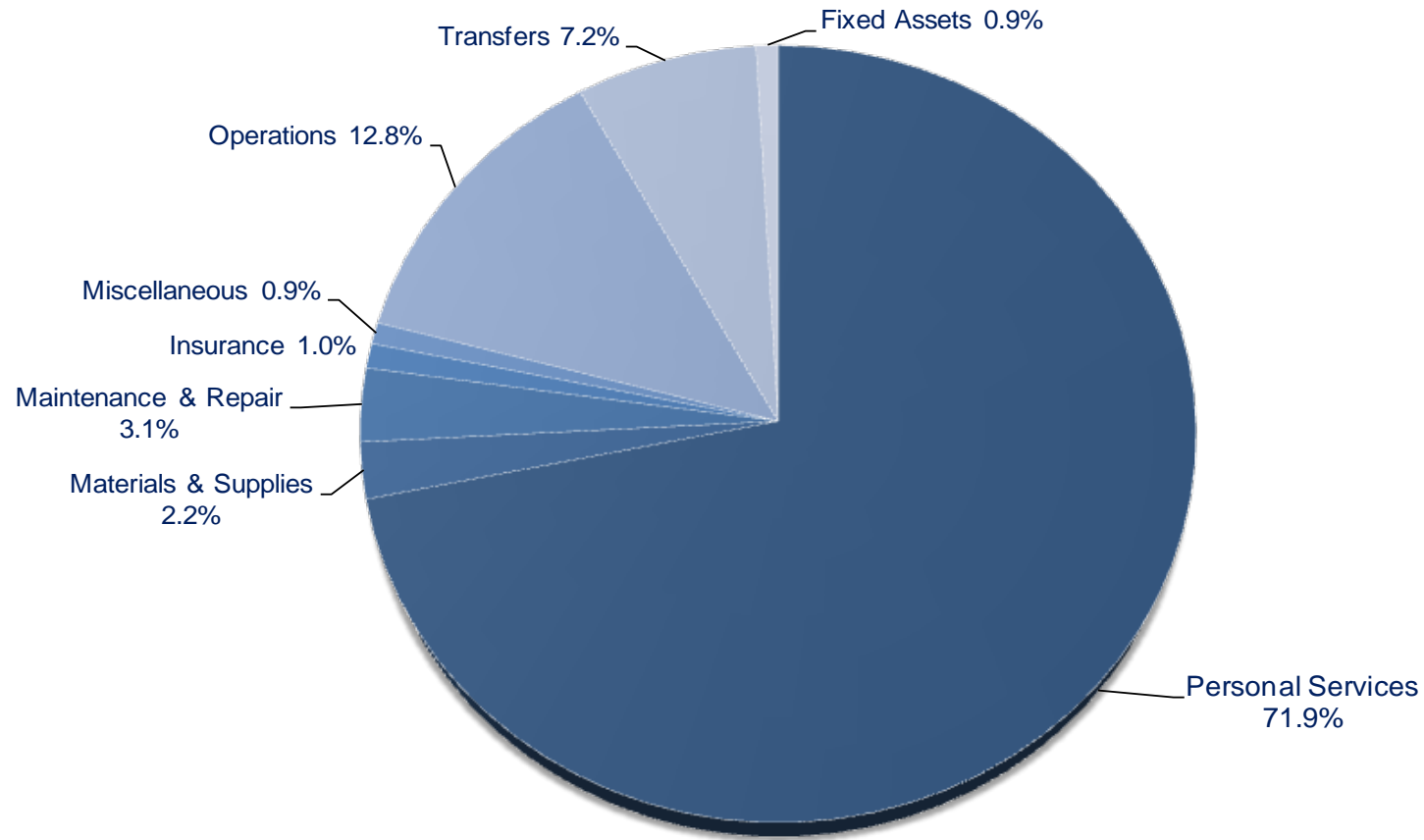
General Fund Revenue

FY 2014-15 Proposed Budget



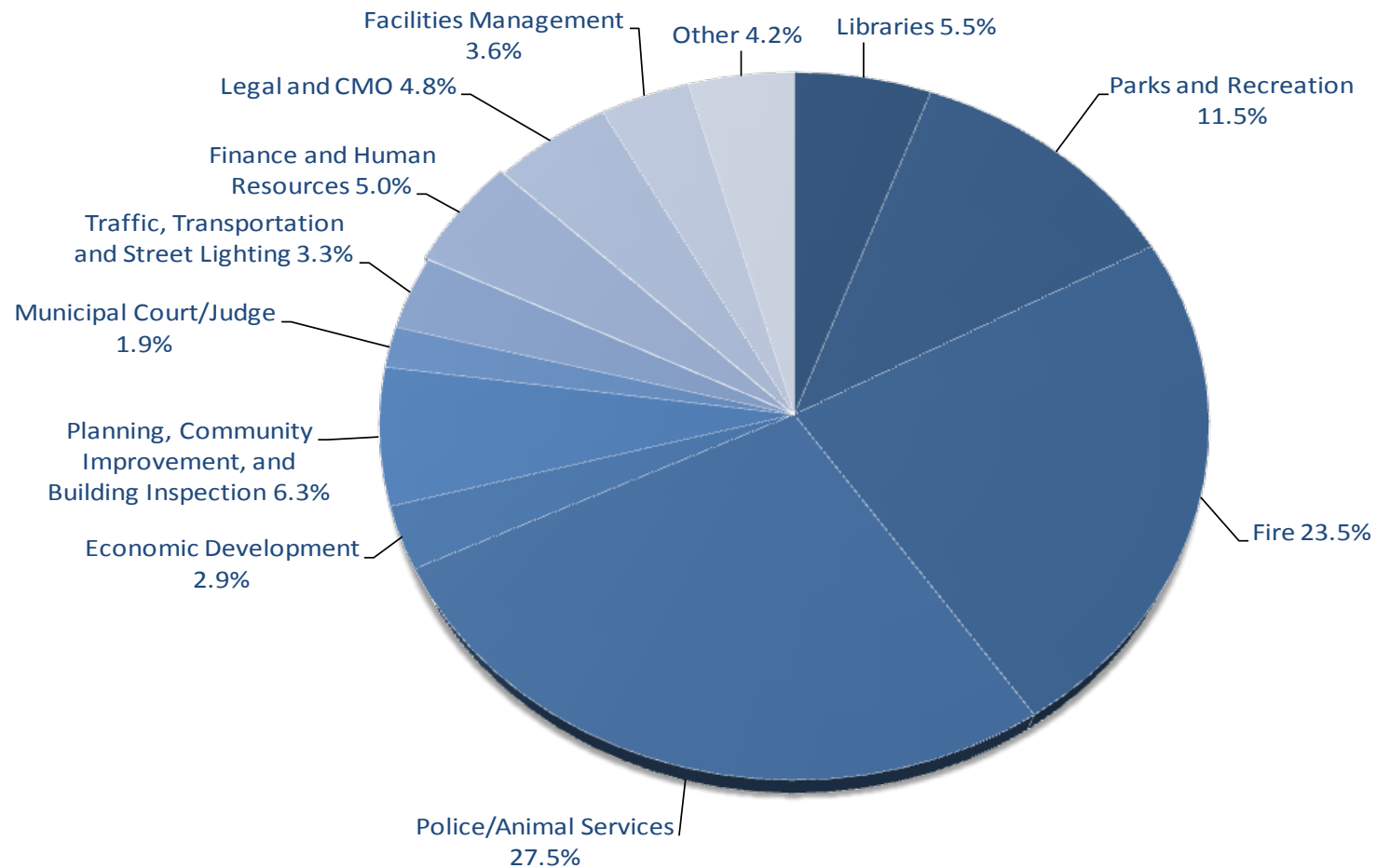
General Fund Expenditures by Category

FY 2014-15 Proposed Budget



General Fund Expenditures by Function

FY 2014-15 Proposed Budget



General Fund Proposed and Projected

	Proposed Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
Beginning Fund Balance	\$ 24,995,287	\$ 24,333,742	\$ 24,030,044	\$ 23,829,818	\$ 23,819,369
Revenues	\$ 102,185,095	\$ 106,134,141	\$ 109,424,214	\$ 113,196,283	\$ 117,066,850
1 Cent Tax Increase		\$ -	\$ 813,285	\$ 845,816	\$ 879,649
Expenditures	\$ 102,846,640	\$ 105,187,839	\$ 108,187,725	\$ 110,802,548	\$ 113,431,148
Operating Surplus (Deficit)	\$ (661,545)	\$ 946,302	\$ 2,049,774	\$ 3,239,551	\$ 4,515,351
New Expenses	-	1,250,000	2,250,000	3,250,000	4,250,000
Total Anticipated Expenditures	102,846,640	106,437,839	110,437,725	114,052,548	117,681,148
Ending Fund Balance	\$ 24,333,742	\$ 24,030,044	\$ 23,829,818	\$ 23,819,369	\$ 24,084,720
Change in Fund Balance	\$ (661,545)	\$ (303,698)	\$ (200,226)	\$ (10,449)	\$ 265,351
Fund Balance as % of Expend.	23.7%	22.6%	21.6%	20.9%	20.5%
Per Capita - Adjusted for Inflation*	\$ 644	\$ 634	\$ 626	\$ 615	\$ 604

*Assumes 2.0% annual population growth and 3.0% annual inflation growth

Five Year Forecast Comparison

	Estimated Budget 2014-15 (9/21/2010)	Proposed Budget 2014-15 (7/31/2014)	% Variance
Beginning Fund Balance	\$ 14,900,000	\$ 24,995,287	67.75%
Revenues	\$ 101,200,000	\$ 102,185,095	0.28%
1 Cent Tax Increase	\$ 700,000	\$ -	
Expenditures	<u>\$ (102,800,000)</u>	<u>\$ (102,846,640)</u>	0.05%
Ending Fund Balance	\$ 14,000,000	\$ 24,333,742	73.81%
Change in Fund Balance	\$ (900,000)	\$ (661,545)	
Fund Balance as % of Expend.	13.6%	23.7%	

Vacancy Management/Salary Savings

- Budgeted savings in FY 2014-15 - \$1.0 million
- Savings from normal turnover and management control over filling of vacant positions
- Adds additional flexibility to deal with any revenue shortfalls

Reductions and Reallocations

Accounting	Reduce Audit Expenditures	\$9,000
Building Inspections	Eliminate underutilized IVR system	\$29,463
Community Development / Social Services	Eliminate underutilized computer	\$4,047
Community Improvement	Reduce Outside Contract Services	\$15,105
Facilities	Reduce Frequency of Janitorial Services	\$40,000
Gas Well Inspections	Reduce Outside Contract Services	\$10,000
Human Resources	Transfer Two FTE's to Risk Retention Fund	\$176,987
Municipal Court	Reduce 1 FTE to part-time	\$37,016
Parks	Use Tree Fund to purchase trees for City properties	\$15,000
Parks	Charge applicable project salaries to Park Land Dedication and Development Trust Funds	\$15,000
Parks	Eliminate low attendance programming	\$4,500
Public Communications Office	Reduce Advertising budget	\$18,900
Transportation	Eliminate dues Tex-21 and TRTC	\$19,000
Reprographics	Remove Copier from City Hall	\$3,000
Engineering Services	Change to Single Billing Rate	\$100,000
Street Maintenance Fund	Pay Engineering Charges	\$50,000
Health Insurance Fund	Pay Retiree Subsidy out of Health Insurance Fund	<u>\$33,600</u>
Total		\$580,618

Revenue Enhancements

Fire	Ambulance Service Fees	\$150,000
Finance	Investment Income Allocation	\$21,541
Animal Services	Increase Animal Pound Fees	\$6,680
Community Improvement	Increase Administrative Fees for Liens	\$2,680
Municipal Court	Additional collections due to auto-dialer for warrants	\$5,000
Municipal Court	Additional revenue from electronic ticket writers	\$11,600
Parks	Increase annual recreation pass from \$5 to \$10 for residents and from \$10 to \$20 for non-residents	\$24,500
Parks	Charge contract vendors for use of public parks	\$3,000
Parks	Increase athletic tournament fees from \$1,000 to \$1,150	\$1,050
Parks	Increase Natatorium lane rental fee from \$5 to \$10	\$7,000
Police	Increase solicitor permit fee from \$10 to \$50	<u>\$10,150</u>
Total		\$243,201

General Fund Supplemental Packages - FY 2014-15

Library	Self Check Out Equipment Replacement	\$ 50,000
Building Inspections	Building Inspectors	194,034
Building Inspections	Permit Technician	59,992
Planning	2015 Annexation Expenses	70,073
Planning	Development Center	32,000
Community Improvement	Rights-Of-Way Maintenance (Contracted)	125,000
Fire	Reclassify Part Time to a Full Time Position	34,791
Police	Sworn Operations Personnel	278,276
Municipal Court	Electronic Ticket Writer	31,385
Traffic Control	LED Replacement program	50,000
Traffic Control	Traffic Counts	60,760
Traffic Control	Traffic Signal Battery Backups	50,000
Transportation	Bicycle and Pedestrian Coordinator	89,661
Non-Departmental	Expenses for new Meet and Confer contract	60,000
Facilities Management	Licensed Facilities Trades Technician	122,419
Facilities Management	Demolition of buildings purchased from Denton County	30,500
Facilities Management	OCI Survey of Airport Roads and City Parking Lots	46,777
Human Resources	Performance /Compensation/Succession Mgt Software	62,000
Public Communications	Social Media Archival	4,800
Cable TV	DTV Staff Training	6,000
Economic Development	Tech Denton Economic Development Initiative	220,000
Economic Development	Open + Counter Small Business Support	40,000
Net Cost		1,718,468*

*One-time portion of supplemental packages is \$661,545 equal to use of fund balance

Supplemental Packages

Funded in Current FY

Fire	Video Conferencing Equipment	\$ 70,000
Fire	CRW / TrakIt Training	15,795
Fire	Personal Protection Equipment	63,200
Traffic Control	Paint Striping Machine	<u>9,021</u>
Net Cost		\$158,016

Internal Service Funds Supplemental Packages

FY 2014-15

Fleet Services	Forklift addition	\$ 26,660
Fleet Services	Moveable Vehicle Lifts	33,000
Tech Services	DME Technology Support	1,703,817
Engineering	New Tech III Position in Public Works Inspections	92,220
Engineering	Software Licenses - TransCAD & MS Project	18,600
Engineering	Rights-Of-Way Software and Support	35,900
Engineering	Public Involvement Training	15,000
Engineering	Cost Estimating and Const. Mgmt. Software - Appia	16,500
Engineering	Travel and Training	22,373
Engineering	GIS Interns	22,607
Engineering	Replacement Vehicle	23,035
		<hr/>
Net Cost		\$ 2,009,712

Remaining Funds Supplemental Packages

FY 2014-15

Recreation	Recreation Center Equipment Replacement	\$ 200,000
Street Improvement	OCI Pavement Study	200,000
Street Improvement	Overlay (OCI)	1,000,000
Street Improvement	Curb, Gutter & Sidewalk ADA	100,000
Street Improvement	Base Failure Maintenance	400,000
Street Improvement	Additional Street Enhancements	1,335,651
Street Improvement	Cold Mixer/ Soil Stabilizer ⁽¹⁾	588,460
Airport	Administrative Assistant II	53,342
Airport	Road Maintenance Program	250,000
Airport	Airport Improvements	300,000
Airport	Tractor and Mower	53,337
Traffic Safety	Red Light Camera Clerk	27,960
Net Cost		4,508,750

⁽¹⁾ CIP Funded

Tax Increment Reinvestment Zones

- TIRZ #1 (Downtown) established in 2010
 - Base value of \$79,356,854 and 2014 value of \$114,885,073
 - Estimated revenue for FY 2014-15 of \$245,056
 - Funding available including prior balances is \$463,253
- TIRZ #2 (Westpark) established in 2012
 - Base value of \$119,458 and 2014 value of \$556,436
 - Estimated revenue for FY 2014-15 of \$3,063 (no prior balances)

Water Utility Fund

- ❑ Focus is on infrastructure replacement (revenue funded) and needed expansion of system
- ❑ Zebra mussels impacting costs – report attached
- ❑ Working towards double coverage at Water Plants
- ❑ Five-year CIP of \$116.65 million
- ❑ Proposed revenue increase of 3.0%
- ❑ 4.5 new FTE's in production, line location, administration, and customer service (1.5)
- ❑ Proposed policy change for credit card fees

Credit Card Processing Fees

Fiscal Year	Processing Fees
2010-11*	\$97,837
2011-12	\$344,823
2012-13	\$445,305
2013-14 Estimate	\$568,236
2014-15 Budget	\$700,000

* Partial Fiscal Year

Expense by Card Type

- Commercial “Rewards” Cards
 - Only 8% of card transactions
 - Account for **58%** of expenses
- Average Transaction Cost
 - Residential - \$0.94
 - Commercial - \$1.95
 - Rewards - \$16.00

Staff Recommendation

■ Service Fee Changes

- Residential – no credit card fees
- Commercial – set a fee at 2.7% of payment amount
- Estimated savings of \$350,000 in credit card processing fees

<div>WATER</div> <div>2014-15 Five Year Forecast (in millions)</div>							
		2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE		\$18.2	\$18.6	\$18.2	\$17.6	\$16.4	\$15.6
REVENUES		\$42.6	\$45.8	\$47.0	\$49.4	\$50.8	\$52.9
TOTAL RESOURCES AVAILABLE		\$60.8	\$64.4	\$65.2	\$67.0	\$67.2	\$68.5
OPERATING EXPENDITURES		\$42.2	\$45.8	\$47.0	\$49.4	\$50.8	\$52.3
PLANNED RESERVE EXPENDITURES		\$0.0	\$0.4	\$0.6	\$1.2	\$0.8	\$0.0
TOTAL EXPENDITURES		\$42.2	\$46.2	\$47.6	\$50.6	\$51.6	\$52.3
NET INCOME (LOSS)		\$0.4	(\$0.4)	(\$0.6)	(\$1.2)	(\$0.8)	\$0.6
PROPOSED RATE INCREASES			3.0%	3.0%	3.0%	3.0%	3.0%

Wastewater Utility Fund

- ❑ Focus is on infrastructure – replacement, expansion, and sanitary sewer overflow program
- ❑ Five-year CIP of \$59.4 million (excluding general capital program drainage projects)
- ❑ 2.0 new FTE's in reclamation and drainage
- ❑ Proposed revenue increase of 6.0%

WASTEWATER 2014-15 Five Year Forecast (in millions)						
	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$9.2	\$8.9	\$8.7	\$8.2	\$7.6	\$7.3
REVENUES	\$28.9	\$30.7	\$32.0	\$32.7	\$33.5	\$34.6
TOTAL RESOURCES AVAILABLE	\$38.1	\$39.6	\$40.7	\$40.9	\$41.1	\$41.9
OPERATING EXPENDITURES	\$28.9	\$30.7	\$32.0	\$32.7	\$33.5	\$34.2
PLANNED RESERVE EXPENDITURES	\$0.3	\$0.2	\$0.5	\$0.6	\$0.3	\$0.0
TOTAL EXPENDITURES	\$29.2	\$30.9	\$32.5	\$33.3	\$33.8	\$34.2
NET INCOME (LOSS)	(\$0.3)	(\$0.2)	(\$0.5)	(\$0.6)	(\$0.3)	\$0.4
PROPOSED RATE INCREASES		6.0%	6.0%	3.0%	2.0%	2.0%

Solid Waste and Recycling Fund

- ❑ Major projects include property/permit expansion, compressed natural gas fueling facility, grease and grit trap processing, and building finish out
- ❑ Five-year CIP of \$36.0 million
- ❑ 3.0 new FTE's with 2 field service workers and 1 recycling intern
- ❑ Rate increase of 2.9% for standard cart with recycling and 3.6% for large cart with recycling
- ❑ Commercial rates will increase an average of 2.8%

SOLID WASTE
2014-2015 Five Year Forecast (in millions)

	2013-14 Estimate	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed	2018-19 Proposed
BEGINNING FUND BALANCE	\$3.8	\$3.8	\$3.7	\$3.7	\$3.8	\$3.8
REVENUES	\$26.2	\$27.7	\$29.0	\$30.2	\$31.7	\$32.9
TOTAL RESOURCES AVAILABLE	\$30.0	\$31.5	\$32.7	\$33.9	\$35.5	\$36.7
OPERATING EXPENDITURES	\$26.2	\$27.8	\$29.0	\$30.1	\$31.7	\$32.8
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$26.2	\$27.8	\$29.0	\$30.1	\$31.7	\$32.8
NET INCOME (LOSS)	\$0.0	(\$0.1)	\$0.0	\$0.1	\$0.0	\$0.1
<u>PROPOSED RATE INCREASES</u>						
RESIDENTIAL REFUSE (Large cart)	\$ 30.90	\$ 32.00	\$ 32.60	\$ 33.10	\$ 33.70	\$ 34.20
RESIDENTIAL REFUSE (Standard cart)	\$ 26.00	\$ 26.75	\$ 27.35	\$ 27.85	\$ 28.70	\$ 29.20
RESIDENTIAL REFUSE (Small cart)	\$ 25.00	\$ 26.00	\$ 26.85	\$ 27.85	\$ -	\$ -
RESIDENTIAL RECYCLING	\$ 5.15	\$ 5.25	\$ 5.50	\$ 5.60	\$ 5.60	\$ 5.70
COMMERCIAL (Average)	2.5%	2.8%	2.8%	0.0%	1.0%	1.0%

Electric Utility Fund

- ❑ TMLPA debt payments
- ❑ Replacement of Aging Infrastructure
- ❑ Construction of Transmission system with increased revenue to DME
- ❑ Five-year CIP of \$385.9 million with \$12.9 million revenue funded
- ❑ 10.0 new FTEs with , 5 for capital program, 4 for operations, and 1 for energy management
- ❑ Addition of a transmission cost recovery factor and a base rate increase for a 5.5% overall revenue increase

Electric Utility Capital Budget

Category	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>TOTAL</u>
Automated Meter Reading	\$ 917,250	\$ 954,236	\$ 991,633	\$ 1,031,947	\$ 1,074,150	\$ 4,969,216
Building Construction	1,311,166	4,125,000	4,080,000	-	-	9,516,166
Communications Equipment	535,000	400,000	335,000	335,000	335,000	1,940,000
Contingency	300,000	300,000	300,000	300,000	300,000	1,500,000
Distribution Substations	15,693,000	15,604,000	12,899,000	3,388,000	2,884,000	50,468,000
Distribution Transformers	2,424,201	2,541,285	2,663,431	2,791,640	2,925,875	13,346,432
Feeder Extensions & Improvements	16,239,832	12,317,000	9,741,000	8,990,000	7,631,000	54,918,832
New Residential & Commercial	4,413,200	4,608,000	3,712,000	3,816,000	3,881,000	20,430,200
Office Furniture/Computer/Equipment	1,747,000	-	-	-	-	1,747,000
Over to Under Conversions	350,000	350,000	350,000	350,000	350,000	1,750,000
Power Factor Improvement	622,621	477,000	482,000	487,000	492,000	2,560,621
Street Lighting	206,381	213,000	225,000	236,000	247,000	1,127,381
Tools & Equipment	126,000	90,000	90,000	90,000	90,000	486,000
Vehicles	1,960,458	1,044,640	1,548,000	767,000	1,518,750	6,838,848
Subtotal - Distribution	46,846,109	43,024,161	37,417,064	22,582,587	21,728,775	171,598,696
Transmission Lines	23,680,000	25,835,000	25,720,000	20,260,000	16,440,000	111,935,000
Transmission Substation	34,845,000	23,395,000	23,120,000	14,165,000	6,845,000	102,370,000
Subtotal - Transmission	58,525,000	49,230,000	48,840,000	34,425,000	23,285,000	214,305,000
GRAND TOTAL	\$ 105,371,109	\$ 92,254,161	\$ 86,257,064	\$ 57,007,587	\$ 45,013,775	\$ 385,903,696

Overall Monthly Rate Impact Average Residential Customers

	FY 2014	FY 2015	Increase	Change
Electric	\$126.90	\$134.62	\$7.72	6.1%
Water	\$47.49	\$48.81	\$1.32	2.8%
Wastewater	\$32.25	\$34.05	\$1.80	5.6%
SW–Standard Cart and Recycling	\$26.00	\$26.75	\$0.75	2.9%
Total	\$232.64	\$244.23	\$11.59	5.0%

FY 2014-15 Capital Program

- **Total new funding including utilities is \$153.3 million**
 - Utility CO's - \$101.8 million
 - Revenue funded - \$18.9 million
 - General Government - \$32.0 million
- **General Government**
 - Street Reconstruction - \$4.4 million
 - Land and Improvements - \$1.0 million
 - Airport - \$0.5 million
 - Fire Station - \$0.5 million
 - Civic Center Pool - \$1.6 million
 - Vehicle Replacements - \$2.9 million
 - Street Equipment Purchase - \$0.6 million
 - Facility Maintenance - \$1.5 million
 - Future Bond Program - \$19.0 million

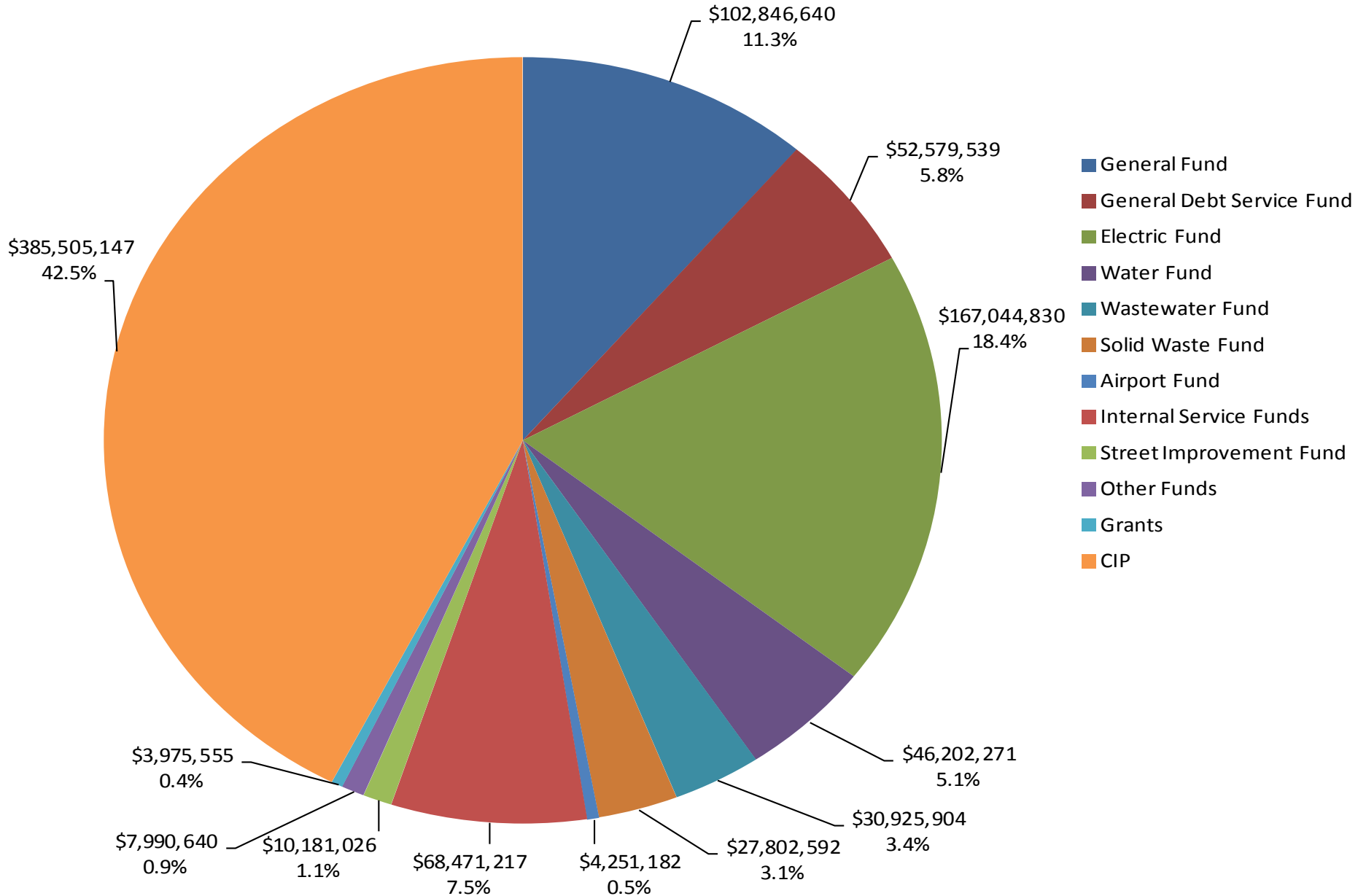
Position Additions for FY 2014-15

(Total City FTEs – 1,491.29)

Fund	Additional FTE's
Electric	10.0
Water	4.5
Wastewater	2.0
Solid Waste	3.0
Technology Services	5.0
Street Improvement	2.0
Airport	1.0
Traffic Safety	0.5
Engineering Services	2.0
General Fund	
Neighborhood Services	3.0
Public Safety	3.0
Administration	2.0
Transportation	<u>1.0</u>
Total	39.00

FY 2014-15 Proposed Budget by Fund

\$907,776,543 for all funds



Next Steps

- ❑ Vote on Maximum Tax Rate for required notices – August 5th
- ❑ Public Hearings – August 19th and September 9th
- ❑ Budget Discussions – set at all work sessions from August 4th through September 9th
- ❑ Budget Adoption – September 16th