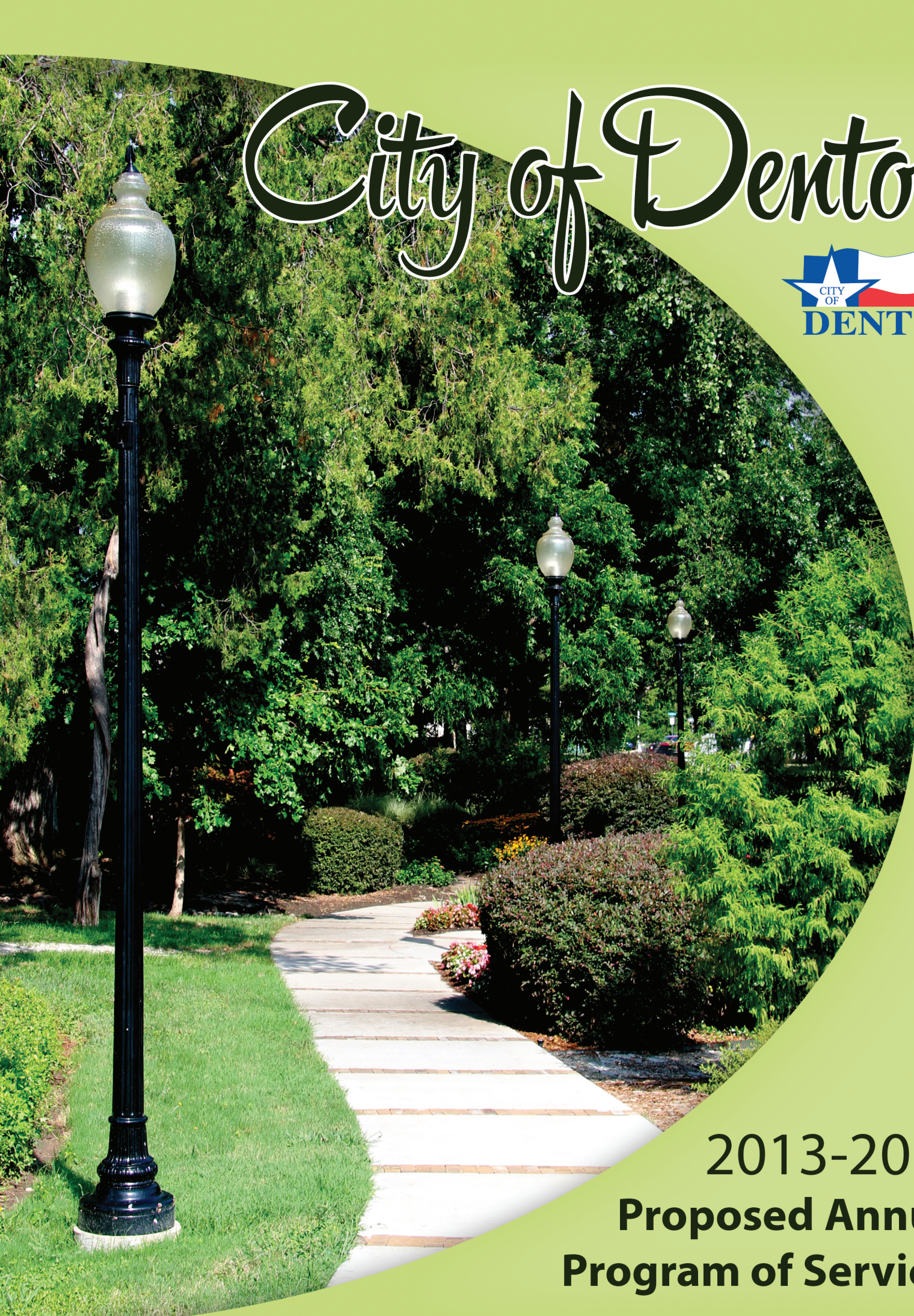


City of Denton



**2013-2014
Proposed Annual
Program of Services**

*The cover of the 2013-2014 Proposed Annual Program of Services
features the beautiful landscape of Quakertown Park,
which can be found between City Hall and the Civic Center.*

CITY OF DENTON

PROPOSED ANNUAL PROGRAM OF SERVICES 2013-14

SUBMITTED TO

THE MAYOR AND CITY COUNCIL

July 26, 2013

The following statement is provided in accordance with state law:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,810,682, which is a 3.91 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,202,783.

PREPARED BY:

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City Manager

Jon Fortune
Assistant City Manager

Howard Martin
Assistant City Manager

Bryan Langley
Assistant City Manager

John Cabrales, Jr.
Assistant City Manager

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Director of Finance

Antonio Puente, Jr.
Assistant Director of Finance

Harvey Jarvis
Controller

Mike Halsema
Senior Financial Analyst

Dan Galizia
Financial Analyst

Christine Taylor
Budget Technician

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Electric Budget Manager

David Wilson
Utility Business Manager

Nancy Towle
Utility Budget and Rate Manager

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Senior Utility Accountant

Cindy Liang, CPA
Accountant III

Edward Lane, CPA
Accountant III

Randall Mahaffey
Senior Accountant

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

Visit our website at: www.cityofdenton.com



In April 2011, the City of Denton adopted a new strategic plan. 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
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
- 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 work force.

- 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.

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. Provide exemplary customer service.

- Objective 1.4.1. Ensure all customer interactions are conducted in a professional and courteous manner.
- Objective 1.4.2. Respond to customer inquiries in a timely fashion.
- Objective 1.4.3. Provide convenient methods of conducting business with the City.

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.

**CITY OF DENTON
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.
- Objective 2.1.6. Update the Mobility Plan every five years.

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 Airport.

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
- Objective 2.4.5. Maintain street sweeping in compliance with the 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
STRATEGIC PLAN**

KFA 3: SUSTAINABLE ECONOMIC DEVELOPMENT & ENVIRONMENTAL STEWARDSHIP

Goal 3.1. Manage growth, development, and redevelopment opportunities.

- Objective 3.1.1. Update Comprehensive Plan.
- Objective 3.1.2. Execute Downtown Implementation Plan (DTIP).
- Objective 3.1.3. Promote Smart Growth/Infill initiatives in assessing development projects.
- Objective 3.1.4. Preserve and maintain historic structures and culture of Denton.
- Objective 3.1.5. Encourage environmentally-sustainable development, business, and construction

Goal 3.2. Encourage economic development.

- Objective 3.2.1. Create comprehensive Economic Development incentive policy to maximize Return on Investment to community.
- Objective 3.2.2. Develop marketing effort to build on existing assets.
- Objective 3.2.3. Create Industrial Park Master Plan, identifying challenges and opportunities for sound growth.
- Objective 3.2.4. Focus on economic development efforts that enhance the development of the University of North Texas Discovery Park.
- Objective 3.2.5. Increase growth of visitor industry in Denton.

Goal 3.3. Promote environmental sustainability.

- Objective 3.3.1. Establish sustainability goals and actions.
- Objective 3.3.2. Improve local and regional air quality.
- Objective 3.3.3. Manage natural resources responsibly.
- Objective 3.3.4. Provide public education and involvement opportunities.
- Objective 3.3.5. Ensure financial integrity of sustainability efforts.

**CITY OF DENTON
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 code enforcement 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. Provide quality parks, libraries, and recreation services to promote leisure, cultural, and educational opportunities in the community.
- Objective 4.3.3. Promote a family friendly environment.
- Objective 4.3.4. Co-sponsor annual community events and festivals.

**CITY OF DENTON
STRATEGIC PLAN**

KFA 5: PARTNERSHIPS AND REGIONAL LEADERSHIP

Goal 5.1. Actively participate in regional, state, and federal initiatives.

- Objective 5.1.1. Maintain dialogue with state and federal delegation and agencies.
- Objective 5.1.2. Promote bi-annual legislative agenda and congressional priorities.
- Objective 5.1.3. Pursue effective representation at the state and federal levels.

Goal 5.2. Maintain visible and effective relationships with governmental and non-governmental organizations.

- Objective 5.2.1. Maintain dynamic presence at the local Chambers of Commerce.
- Objective 5.2.2. Participate in regional, state, national, and international coalitions (RTC, NCTCOG, TML, NLC, ICMA, etc).
- Objective 5.2.3. Support staff participation in regional, state, national, and international professional organizations.
- Objective 5.2.4. Build relationships with key organizations to enhance community and social services.
- Objective 5.2.5. Cultivate mutually beneficial relationships with local educational and governmental institutions.

**CITY OF DENTON
ELECTED OFFICIALS**



Mark A. Burroughs
Mayor
Term Expires: May 2014



Kevin Roden
Council Member
District 1
Term Expires: May 2015



Dalton Gregory
Council Member
District 2
Term Expires: May 2015



Jim Engelbrecht
Council Member
District 3
Term Expires: May 2015



Joey Hawkins
Council Member
District 4
Term Expires: May 2015

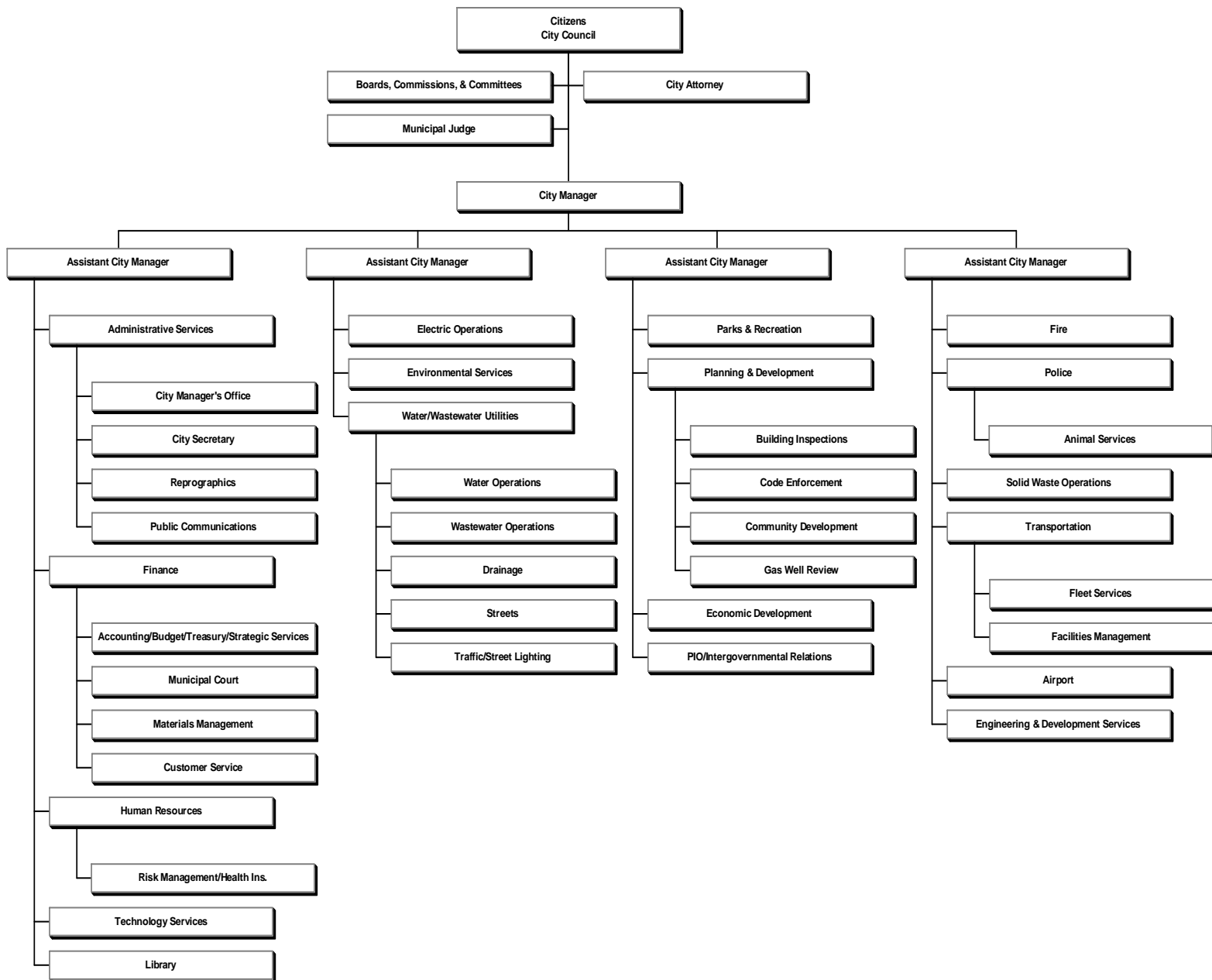


Pete Kamp
Mayor Pro Tem
At Large Place 5
Term Expires: May 2014



James King
Council Member
At Large Place 6
Term Expires: May 2014

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

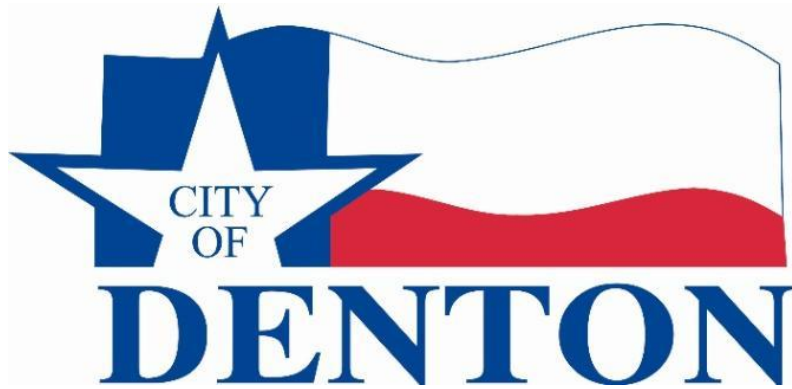


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215 E. MCKINNEY • DENTON, TEXAS 76201 • (940) 349-8200 • FAX (940) 349-7206

July 26, 2013

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 2013-14 Proposed Budget. The Proposed Budget has been developed to accomplish the goals and objectives that were outlined in the City of Denton's Strategic Plan which was adopted in April 2011 and affirmed by the City Council during their annual planning retreat in 2012. The Strategic Plan addresses five Key Focus Areas (KFA's):

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

In May 2013, the City Council discussed the Strategic Plan and priorities for the FY 2013-14 budget. As a result of this discussion, the FY 2013-14 Strategic Plan and performance indicators have been prepared to accompany this budget recommendation. 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 2013-14 Proposed Budget continues to allocate available resources according to the City's long-term financial plan to achieve our goals. While revenues continue to grow, the pace of growth in the General Fund for FY 2013-14 is slightly slower than in recent years. Sales tax revenues are expected to be approximately 1.3% above the prior fiscal year for FY 2012-13 and estimated to grow at a rate of 4.2% for FY 2013-14. Franchise fees are expected to grow by 4.4% or \$624,339 in FY 2013-14, and all of this growth is proposed to be transferred to the Street Improvement Fund. Property values continue to recover from recessionary levels with an increase of 3.81% over the prior year tax roll. Together, with the expenditure reductions and cost containment strategies that have been made in prior years, the City of Denton continues to make positive progress on implementing our Strategic Plan.

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 our street infrastructure as a major goal. In response to this goal, the FY 2011-12 Adopted Budget created the Street Improvement Fund to provide a dedicated mechanism to account for street maintenance and improvement activities. Additionally, the 2012 Bond Election for street maintenance was approved by the voters and the first \$4.0 million of this \$20.4 million authorization was issued in 2013. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to a proposed \$7.90 million for FY 2013-14. Compared to FY 2012-13, revenue is proposed to increase by \$745,429 from \$7,158,774 to \$7,904,203 in the Street Improvement Fund for FY 2013-14.

Additionally, the five-year financial plan estimates an increase in the total operating maintenance funding for the City's Street Improvement Fund to approximately \$12.6 million by FY 2017-18. The combination of increased operating funding along with the issuance of debt related to the 2012 Bond Election 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 to stabilize 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 in the community is also identified in the Strategic Plan as a major initiative. Accordingly, the FY 2013-14 Proposed General Fund budget recommends \$377,621 in funding enhancements for public safety programs. This budget includes the addition of four police officers to assist during times of peak demand, one additional parking enforcement staff, and an Auto Theft Task Force Grant to fund an additional administrative staff member. The proposed General Fund budget includes \$359,341 in enhancements to Neighborhood Services with the necessary funding of maintenance for the Vela Soccer Complex and improvements at the Emily Fowler Library and Natatorium. Transportation funding is proposed to increase by \$198,234 for LED light replacements, additional pavement markings and traffic signal battery backups.

Administrative, and City Council suggestions for new programs, are funded at \$233,878 in the General Fund with an additional Deputy City Attorney, funding for ADA compliance improvements in City Facilities, additional Economic Development programming, community market enhancements, restoration of City Council contingency funds and full funding of the Human Services Advisory Committee request. In addition, funding for a "Maker Space" is recommended to provide programming enhancements in the Library and address the City Council suggestion for a "Collaborative Co-Working Space" for entrepreneurs in the community. Lastly, requests totaling \$647,850 are recommended to be funded from available resources in the current year. These include major initiatives such as a Public Art Master Plan, office improvements for the Municipal Court, the development of a Municipal Settings Designation to further enhance Downtown development, and the Denton County Historic Bridge project.

The proposed budget also includes a new internal service fund for Engineering Services. The engineering functions that were budgeted in the Water, Wastewater, and General Fund are being reorganized and consolidated into the Engineering Services and Development Services Fund. This fund will combine our Capital Engineering, Development Review Engineering (DRC), Contract Engineering, Public Works Inspections and Real Estate functions under one umbrella.

This new department will report to an Assistant City Manager, but will not include the engineering functions of DME. Three new positions including a Director of Engineering, Administrative Assistant, and a DRC Administrator are included in this budget. The restructuring and alignment of engineering services is recommended to enhance response times and to promote maximum efficiency and coordination among all of our service delivery departments. This change is being made in order to ensure that no momentum is lost with regard to either capital project needs or development review, especially as the pace of growth and development increases over the next few years.

The City also continues to strive to contain costs while providing essential services to the community. Over the past several fiscal years, the City has maintained a “managed vacancies” program. 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 2013-14, the managed vacancy program will be continued, and the savings budgeted for the upcoming fiscal year is \$1.0 million.

The overall FY 2013-14 Proposed Budget for all funds is \$825.4 million and includes 1,449.79 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 proposed 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, \$0.47480 is provided for operations and maintenance, and \$0.21495 is provided for debt service. While the total rate remains the same, the proportion of the rate for debt service has been reduced from \$0.21887 to \$0.21495 and the rate of \$0.00392 is shifted to maintenance and operations which will provide more revenue to the general fund in the upcoming year. The effective tax rate is estimated at \$0.68876.
- As detailed in the Budget Overview section of this document, a combined net increase of 47.96 FTEs for all funds compared to the FY 2012-13 estimate including:
 - 2.46 FTEs in Neighborhood Services
 - 6.0 FTEs in Public Safety
 - 1.0 FTEs in Administrative and Community Services
 - 3.0 FTEs in the Street Improvement Fund
 - 21.0 FTEs in the Electric Fund
 - 3.0 FTEs in the Water Fund
 - 2.5 FTEs in the Wastewater Fund
 - 2.0 FTEs in the Solid Waste and Recycling Fund
 - 3.0 FTEs in the Engineering and Development Service Fund
 - 2.0 FTEs in Materials Management
 - 2.0 FTEs in Technology Services
- A base rate increase of 2.5% for our Electric customers.
- An average rate increase of 4.0% for our Water customers.
- An average rate increase of 9.0% for our Wastewater customers.

- An increase in the monthly standard refuse cart fee with recycling from \$25.25 to \$26.00 and other Solid Waste fee changes as detailed in the Budget Overview section of this document.
- 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 2013-14 Proposed 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 also developed within the context of a long-range financial plan and is based on various financial 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 stabilization reserves are maintained. The Five-Year Financial Forecast will be reviewed and revised annually as necessary to support these utility financial objectives, and the key assumptions for these plans are described in this document.

The proposed budget includes a recommended five-year general Capital Improvement Program (CIP) of \$88.3 million. The first year of this program is recommended at \$12.5 million for street reconstruction, traffic signals, reconstruction of fire station 2, civic center pool improvements, vehicle replacement, and the facility maintenance program. The five-year general government CIP includes unidentified future projects from a potential November 2014 bond election. The preliminary size of this authorization election is \$50 million over six years from FY 2014-15 through FY 2019-20. This \$50 million program is anticipated to require an increase in the debt service tax rate in FY 2015-16 under current growth assumptions. Additional information will be presented to City Council at an October meeting to discuss this potential election.

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 2013-14 Proposed 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 Proposed Budget.

It is an exciting time for the City of Denton. The Rayzor Ranch project is nearing completion on the northern section of the development, and the southern section of the project is planned to begin in the near future. The redevelopment of the Golden Triangle Mall is changing the landscape of this shopping venue with a planned grand reopening scheduled for late this year. Residential building permits are again on the rise, adding new residents to shop and dine at these

new establishments. The Denton Plan 2030 continues to progress toward completion in FY 2013-14, bringing the plan for the next decades of positive growth for Denton closer to reality.

With significant investments in our organization, people, and infrastructure, I am confident that this Proposed 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.

I look forward to a much more detailed presentation and discussion of this budget with City Council on August 1, 2013. I appreciate your willingness to explore the issues, programs, and funding; and to provide further City Council direction in the development of the budget scheduled for adoption on September 17, 2013.

Sincerely,

A handwritten signature in black ink, appearing to read "George C. Campbell". The signature is fluid and cursive, with a large initial "G" and "C".

George C. Campbell, City Manager

**BUDGET CALENDAR
2013-14**

March 9	Internal Services Budget Due.
March 27	Budget Kick-Off: Operating and Capital Improvement Program.
April 30	Departmental budgets due to Budget Office (Operating and CIP).
May 6	Discussion of strategic goals and budget priorities with City Council.
May 6	Public Utilities Board reviews Utility budgets and CIP.
May 20	Public Utilities Board reviews Utility budgets and CIP.
May 18-June 5	Budget reviews with City Manager.
June 10	Public Utilities Board reviews Utility budgets and CIP.
June 18	City Council Meeting – Preliminary Five-Year Financial Forecast and Budget Discussions.
June 24	Public Utilities Board approves Utility budgets and CIP.
July 25	Certified appraisal rolls due from Denton Central Appraisal District.
July 26	Proposed budget and CIP submitted to City Council and placed on file with City Secretary. Submission of certified appraisal roll. Submission of ad valorem effective and rollback tax rates to City Council. Submission of certified ad valorem collection rate to City Council.
August 1	City Council Budget Workshop.
August 6	Vote to Consider a Proposal for a Tax Increase Prior to Publishing Notice of Hearing. Budget Work Session with the City Council.
August 20	First Public Hearing on Tax Increase. Public Hearing on Budget. Budget Work Session with the City Council.
September 10	Second Public Hearing on Tax Increase. Budget Work Session with the City Council.
September 17	City Council adopts Annual Program of Services. City Council adopts first year of Capital Improvement Program budget. City Council approves tax rate. City Council approves utility rates. City Council approves the 2013 tax roll.

READER'S GUIDE
2013-14
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 2013-14 fiscal year-end fund balance is based on proposed 2013-14 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, 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 (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 and Development 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.

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.

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.

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.

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.

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.

Non-Airport Gas Wells Fund – The Non-Airport Gas Wells Fund is used to record the receipt of royalty, pooling, tax, and lease revenue related to gas wells. Expenditures from this fund will be used for projects with no ongoing costs.

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.

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, and Fire 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 provided.

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 and Development 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.

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

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.

Engineering and Development Services Fund – The Engineering and Development 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.

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.

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 flows.

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 2013-14 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 Strategic Plan is a product of the input generated from the 2008/2009 Citizen Survey, two City Council Planning Sessions, two Leadership Retreats, a special appointed Strategic Planning Steering Committee, and various City Council discussions. The Strategic Plan was formally approved by the City Council in April 2011, and in January 2012, the Strategic Plan was reviewed and affirmed by the City Council during their annual planning retreat. In May 2013, the City Council discussed the Strategic Plan and priorities for the FY 2013-14 Budget. As a result of this discussion, the FY 2013-14 Strategic Plan and associated key performance indicators have been prepared, and the City Council will be asked to approve the plan in September along with the budget itself.

The Strategic Plan serves as the basis for resource allocation decisions that are used in the development of the FY 2013-14 Proposed Budget. The Strategic Plan is organized into five Key Focus Areas (KFAs) and major goals associated with each KFA are also identified below.

Key Focus Area 1: Organizational Excellence
Goal 1.1 Manage financial resources in a responsible manner.
Goal 1.2 Develop a high performance work force.
Goal 1.3 Promote effective internal and external communication.
Goal 1.4 Provide exemplary customer service.
Goal 1.5 Utilize technology to enhance efficiency and productivity.
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: Sustainable Economic Development & Environmental Stewardship
Goal 3.1 Manage and facilitate growth, development, and redevelopment opportunities.
Goal 3.2 Encourage economic development.
Goal 3.3 Promote environmental sustainability.
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.
Key Focus Area 5: Partnerships and Regional Leadership
Goal 5.1 Actively participate in regional, state, and federal initiatives.
Goal 5.2 Maintain visible and effective relationships with governmental and non-governmental organizations.

In addition to the above KFAs and goals, the Strategic Plan also identified 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	✓		✓	✓	
Code Enforcement				✓	
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: Sustainable Economic Development & Environmental Stewardship
 Key Focus Area 4: Safe, Livable and Family Friendly Community
 Key Focus Area 5: Partnerships and Regional Leadership

GENERAL FUND

RESERVE LEVEL

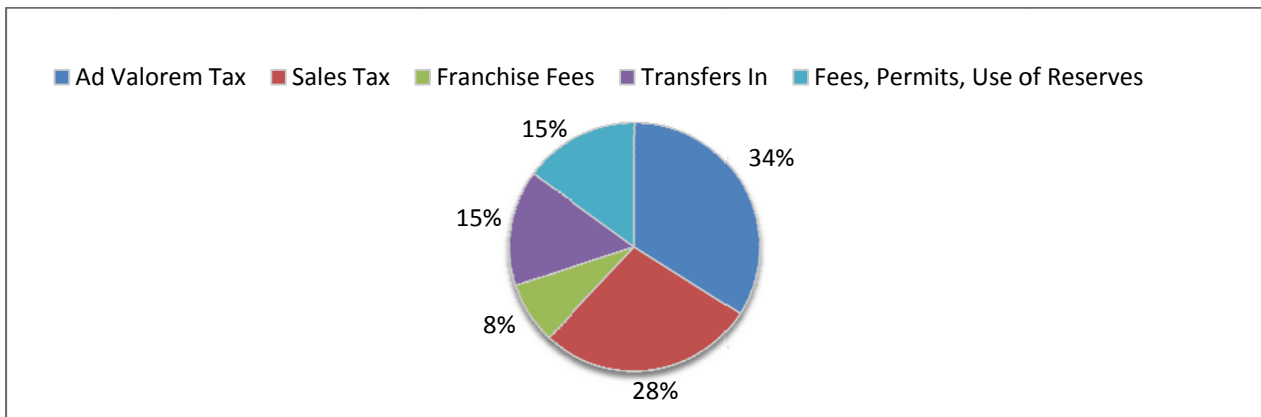
The City of Denton maintains a General Fund reserve balance for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. To ensure that resources are available for these types of issues, the City of Denton maintains a fund balance equivalent to 20% of budgeted expenditures, 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 \$25,200,242 at the end of FY 2012-13 represents approximately 26.9% of estimated expenditures and is well above the targeted goal of 20%. 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, 2013, and the projected balance for the fiscal year ending September 30, 2014. 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 five years. While the financial forecast projects the fund balance level will be below 20% beginning in FY 2015-16, 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 9/30/11	As of 9/30/12	Estimated 9/30/13	Projected 9/30/14
Ending Balance	\$24,424,003	\$25,836,079	\$25,200,242	\$23,858,203
% of Total Expenditures	27.1%	29.6%	26.9%	24.1%
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 2013-14:

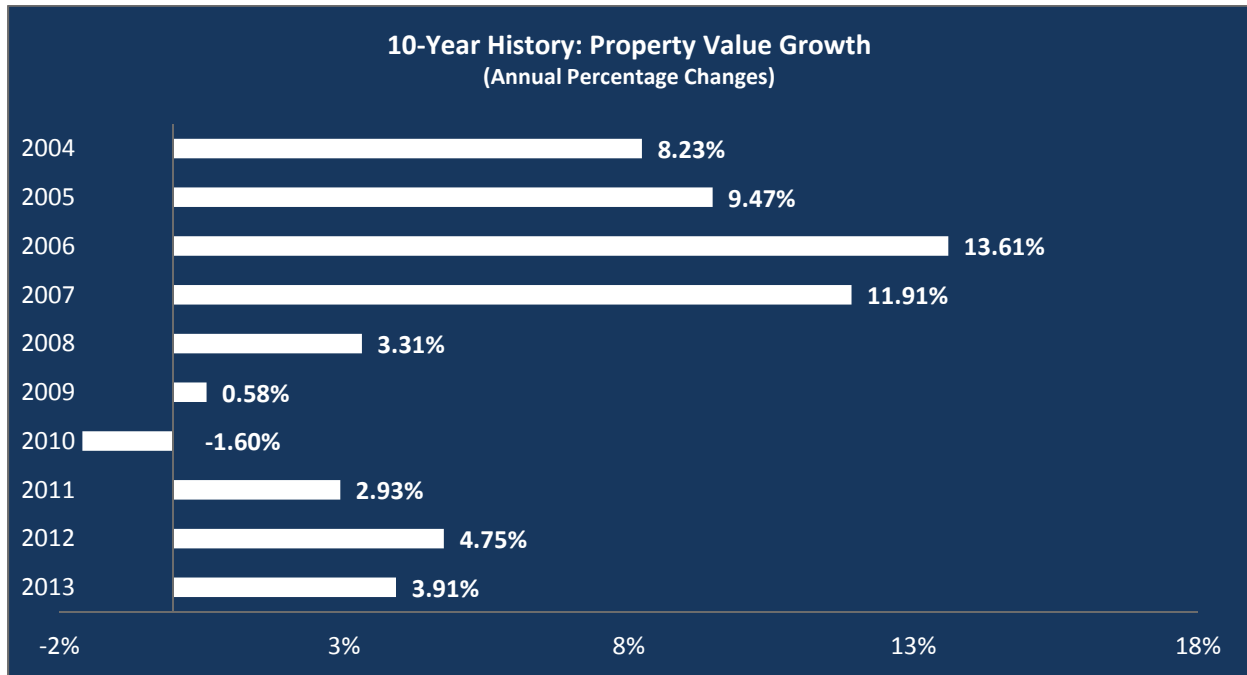


Property Tax

Approximately one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2013 certified value increased by 3.91% or \$262,512,906 from the 2012 certified value. Analysis of the increase shows there was approximately \$174 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:

	2012 Certified Assessed Value	2013 Certified Assessed Value	Increase (Decrease)	Percent Change	New Value
General Government	\$6,706,462,587	\$6,962,293,178	\$255,830,591	3.81%	\$170,523,567
Downtown TIRZ	\$10,248,781	\$16,931,096	\$6,682,315	6.52%	\$3,855,976
	\$6,716,711,368	\$6,979,224,274	\$262,512,906	3.91%	\$174,379,543

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. The current exemption level is \$45,000 and, the Proposed Budget includes an increase in this exemption level to \$50,000 in FY 2013-14.

The FY 2013-14 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 \$0.68876. Of this amount, \$0.47480 is provided for operations and maintenance, and \$0.21495 is provided for debt service. While the tax rate remains the same, the proportion of the rate for debt service has been reduced from \$0.21887 to \$0.21495 and the rate of \$0.00392 is shifted to maintenance and operations which will provide more revenue to the general fund in the upcoming year. 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
2004-05	\$ 4,374,943,831	\$ 0.39928	\$ 0.19887	\$ 0.59815
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

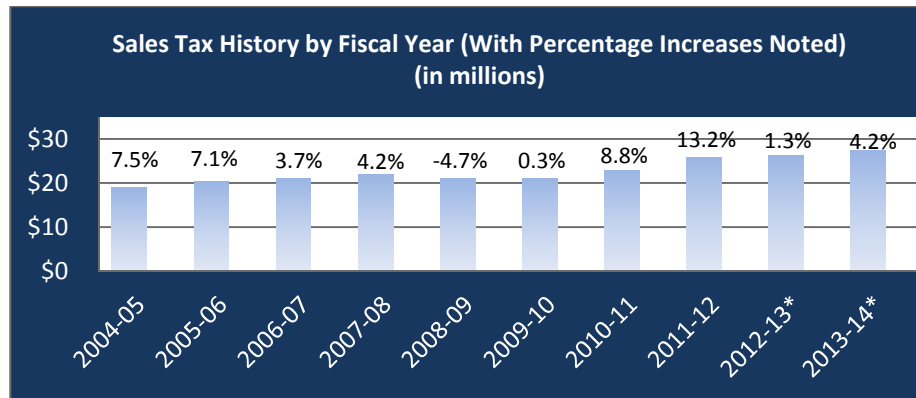
*Certified Assessed Value includes \$10,248,781 for FY 2012-13 and \$16,931,096 for FY 2013-14 for the Downtown TIRZ.

Sales Tax

The second largest revenue source in the General Fund is sales tax. The FY 2012-13 year-end estimate of \$26,216,107 is \$250,000 or 1% less than the original budgeted amount but 1.3% or \$329,167 more than was received in FY 2011-12.

The FY 2013-14 Proposed Budget projects that sales tax will be \$27,326,141 which is 4.2% above the FY 2012-13 estimated amount. The five-year financial forecast projects a 3% increase in base sales tax receipts annually. The forecast also projects additional collections related to the Rayzor Ranch development and Golden Triangle Mall in FY 2013-14. 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 8% 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 2013-14 Proposed Budget includes \$14,778,948 (\$7,592,570 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 2013-14 is \$7,186,378. 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 2013-14 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 a \$150,000 increase in revenue related to building inspection/permit fees. The exact fee structure is still under development and staff will be providing additional details regarding the proposed fees over the coming weeks. In addition, the proposed budget reflects \$455,158 in new revenue associated with the Reprographics Division. This function was previously accounted for in the Technology Services Fund, but it is proposed in the General Fund in order to improve service delivery.

EXPENDITURES

Over several past fiscal years, various expenditure reductions were implemented, and the majority of these reductions will be maintained for FY 2013-14. 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.

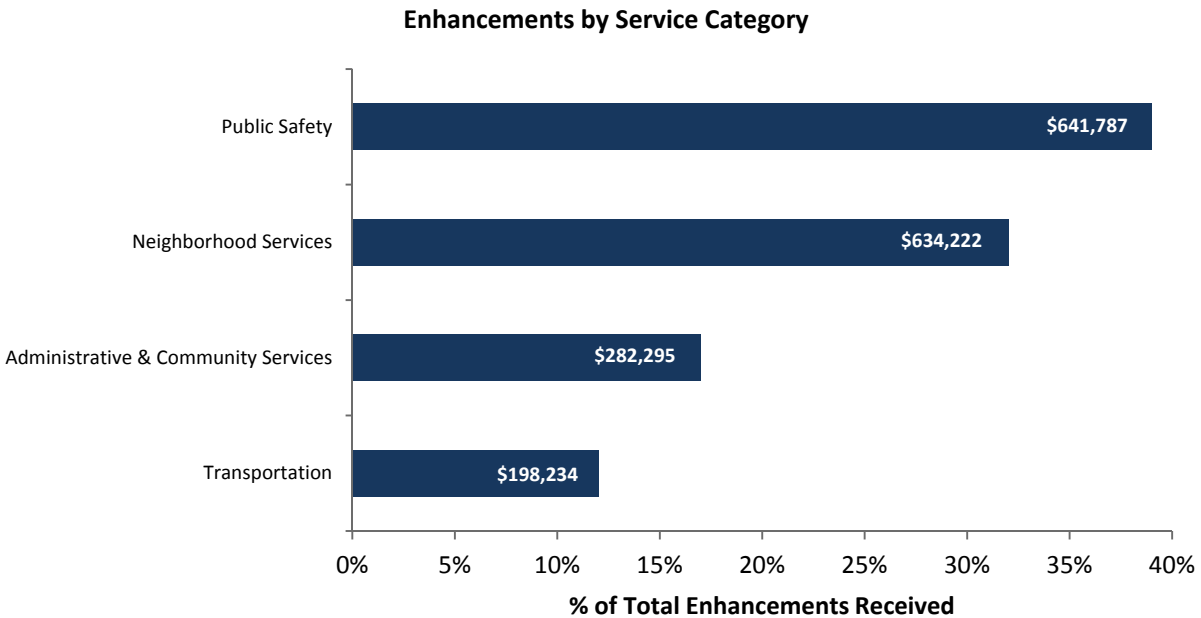
The managed vacancy program is proposed again for the upcoming fiscal year, and the targeted savings is projected at approximately \$1,000,000. By maintaining the reductions implemented in prior years, and continuing the vacancy management program, enhanced programming is possible for FY 2013-14.

General Fund Expenditure Enhancements

In accordance with priorities established through the Strategic Plan, several General Fund expenditure enhancements are recommended for funding. The FY 2013-14 Proposed Budget recommends \$1,641,538 (\$1,169,074 net cost after applying associated revenues and cost offsets) in funding for program enhancements in the General Fund. In addition, \$115,000 in savings from various capital improvement projects has been identified for engineering, refurbishment and relocation costs associated with two Denton County Historic Bridges. Combined with \$250,000 in funding from FY 2012-13, the total cost of the project for the two Denton County Historic Bridges is \$365,000.

Enhancements in other funds totaling \$2,882,416 are also being recommended and are detailed in each fund's section in this document.

The chart below illustrates the funding amounts and the percentage of total enhancements recommended by service category:



For each respective service area identified in the Strategic Plan, a summary of the major funding enhancements proposed for FY 2013-14 are shown on the following pages. Additionally, the primary Key Focus Area (KFA) for each of these service areas is also identified.

PUBLIC SAFETY (\$641,787 in Total Enhancements)
KEY FOCUS AREA 4: SAFE, LIVABLE, & FAMILY-FRIENDLY COMMUNITY

Police

General Fund Support	Other Fund Support	Total Enhancement Funding
\$621,127	\$0	\$621,127

Four new patrol officers are recommended for funding in the Police Department to enhance police patrols and response times in the community. An additional parking enforcement officer is also recommended for the department. The department has also applied for an auto theft task force grant to fund a full time civilian position and to offset existing resources dedicated to auto theft prevention. Award of the grant is pending and the hiring of the civilian position is contingent upon award of the grant. In addition, the proposed budget recommends funding the increased “fair share” amount of \$17,931 for the Children’s Advocacy Center. This amount increases the total proposed budget from \$101,210 in FY 2012-13 to \$119,141 in FY 2013-14 which is included in the Police Department’s proposed budget.

Municipal Court

General Fund Support	Other Fund Support	Total Enhancement Funding
\$20,660	\$0	\$20,660

The Municipal Court is proposing to convert to a new internet payment system (Insite Suite) which improves compatibility with its court system (Incode) and increases payment options for customers.

NEIGHBORHOOD SERVICES (\$634,222 in Total Enhancements)

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

Library

General Fund Support	Other Fund Support	Total Enhancement Funding
\$93,000	\$0	\$93,000

A new Americans with Disabilities Act (ADA) ramp in the Emily Fowler Library is recommended for funding in the FY 2013-14 Proposed Budget. The ramp is needed to increase accessibility to the 2nd floor of the library due to reliability issues with the library's elevator. In addition, a Maker Space program with a 3D printer and Adobe Software Package is recommended for the North Branch Library. This space is recommended to provide programming enhancements in the Library and address the City Council suggestion for creating a "Collaborative Co-Working Space" for entrepreneurs in the community.

Planning

General Fund Support	Other Fund Support	Total Enhancement Funding
\$19,881	\$0	\$19,881

Additional funding is recommended for Human Services Agencies in the FY 2013-14 Proposed Budget. Details regarding the increased funding are provided in the Other Agency Contributions section of this document.

Parks and Recreation

General Fund Support	Other Fund Support	Total Enhancement Funding
\$406,341	\$115,000	\$521,341

In the Parks and Recreation Department, a variety of enhancements are proposed for FY 2013-14. Additional temporary personnel are proposed for various athletic programs in the department as well as funding for restocking of vending machines by staff. Two field service workers are proposed to be hired in July 2014 to assist with maintenance of the new Vela Soccer Complex. Various projects are recommended for the City's

Natorium and Water Park with some of these items being eligible for reimbursement by the Denton ISD, including additional temporary personnel for concessions. In the Natatorium: the pool heater and locker floor/doors, LED lights, and the front desk are recommended to be replaced. In the Water Park: concessions and related equipment, and preventative maintenance of slides are recommended. Funding is also provided (\$115,000) for engineering, refurbishment and relocation costs associated with the Denton County Bridge project.

ADMINISTRATIVE & COMMUNITY SERVICES (\$282,295 in Total Enhancements)
KEY FOCUS AREA 1: ORGANIZATIONAL EXCELLENCE; KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE;
KEY FOCUS AREA 3: SUSTAINABLE ECONOMIC DEVELOPMENT & ENVIRONMENTAL STEWARDSHIP

Facilities **M**anagement

General Fund Support	Other Fund Support	Total Enhancement Funding
\$75,000	\$0	\$75,000

In Facilities Management, funding is recommended for various projects to improve Americans with Disabilities Act (ADA) accessibility for city-owned facilities.

Legal

General Fund Support	Other Fund Support	Total Enhancement Funding
\$136,595	\$0	\$136,595

A new Deputy Assistant City Attorney is recommended in the Legal Department. This position will assist with the City's increased capital improvement program in order to obtain necessary rights-of-way and other real estate acquisitions.

Human **R**esources

General Fund Support	Other Fund Support	Total Enhancement Funding
\$30,000	\$0	\$30,000

Funding is recommended in the Human Services Department to create a Leadership Development Training Program. The goal of the program is to develop leadership and management competencies in employees and solve organizational challenges using alternative/innovative methods.

Economic Development

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

Funding is recommended to provide resources for technical assistance/training and networking events for an Entrepreneurship and Small Business Development Program within the Economic Development Department.

City Manager's Office

General Fund Support	Other Fund Support	Total Enhancement Funding
\$20,700	\$0	\$20,700

Funding is recommended to restore the City Council's contingency funds for FY 2013-14. Each Council Member will have \$2,500 to be utilized on projects deemed, in consultation with the City's Legal Department, to have a public purpose. In addition, funding is also recommended for sanitation and handwashing enhancements at the Community Market.

TRANSPORTATION (\$198,234 in Total Enhancements)

KEY FOCUS AREA 2: PUBLIC INFRASTRUCTURE

Traffic

General Fund Support	Other Fund Support	Total Enhancement Funding
\$198,234	\$0	\$198,234

In Traffic Operations, funding is recommended for LED light replacements, additional funding for pavement markings, and traffic signal battery backups.

Additionally, funding for traffic signal replacements are detailed in the Capital Improvement Program section of this document.

Other Expenditure Items

In addition to the funding recommendations for FY 2013-14, several items are proposed to be funded in FY 2012-13 from existing appropriations. In particular, the City is recommending \$238,000 to seek a Municipal Settings Designation ("MSD") for the downtown area. The MSD law sets conditions for properties that limit the requirements for contaminated groundwater to be remediated to drinking water standards. MSDs are considered applicable in cases where the designated groundwater is not currently used for potable water, and establish restrictive conditions that prohibit the future use of designated groundwater for potable purposes. The exact boundaries of this Municipal Setting Designation will be finalized via discussions with Council, but could include the central business district, Downtown Implementation Plan area, and selected adjacent properties. This Designation will help to minimize environmental liabilities and cleanup requirements associated with the shallow groundwater common to these areas. Minimizing shallow

groundwater cleanup requirements will reduce liabilities for municipal properties, help facilitate development in the downtown area by reducing costly remediation requirements, and will help ensure that contaminated properties are remediated.

To assist with the planning of future public arts projects, a Public Arts Master Plan (\$80,000) has been proposed in the Parks and Recreation Department. In August, staff will provide the City Council with more details on this project. In addition, potential amendments to the Public Art Policy will be presented for consideration as well.

In the Fire Department, funding is proposed to replace Honor Guard uniforms and equipment (\$8,600). The Honor Guard recently represented the City in ceremonies in West, Texas and members served as chaperones for various fallen first responders and their families throughout the State of Texas.

In the Municipal Court, funding is proposed for construction of staff and jury support offices (\$45,000) and installation of a courtroom recording and evidence system (\$10,000).

In Traffic Control, funding is proposed for maintenance expenses related to signalization (\$16,250).

Funding has also been set aside from savings in various capital improvement projects (\$250,000) for engineering, refurbishment and relocation costs associated with two Denton County Historic Bridges.

In summary, funding in the amount of \$647,850 is recommended in FY 2012-13 for the purposes mentioned above. Funding is primarily provided by the General Fund although \$260,000 of this amount is provided from other funding sources.

Compensation

For FY 2013-14, 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, 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 large percentage 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)
2010-11	No Increase Recommended
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

Civil Service Compensation Increases History

Fiscal Year	Compensation Equivalent
2010-11	No increase recommended but eligible step pay increases for both Police and Fire civil service positions were included.
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.

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 2013-14. In some cases, this will result in various ranks receiving different increases or some ranks receiving no increase. 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 \$511,829 for FY 2013-14. The Human Services Committee recommended total funding of \$317,000 which is a 6.7% increase from the FY 2012-13 funding level. This funding is split between support from the Community Development Block Grant (CDBG) of \$127,119 and \$189,881 from the General Fund. The General Fund's FY 2013-14 contribution is \$19,881 more than in FY 2012-13. The total support provided in the General Fund (compared to 2010 census population of 113,383) is approximately \$1.67 per capita compared to \$1.50 per capita in the FY 2012-13 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 2013-14 is \$4,766,074.

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 citizen's bond advisory committee in April 2012 to focus primarily on developing recommendations for street infrastructure improvements and citizens approved the \$20.4 million bond package in November 2012. The package included various streets projects, valued at \$20 million and public art improvements of \$0.4 million. The City is preparing for an additional voter approved bond election in November 2014. The preliminary size of this election is \$50 million for six years from FY 2014-15 through FY 2019-20. This \$50 million program is anticipated to require an increase in the debt service tax rate in FY 2015-16 under current growth assumptions. Additional information will be presented to the City Council in October to discuss the potential election and size of the bond program.

The General Government CIP includes the issuance of \$4 million in General Obligation Bonds in FY 2013-14 which represents the second year of street projects approved by voters in November 2012. In addition, the General Government CIP includes the issuance of \$8.5 million in Certificates of Obligation for the following projects: \$1 million for replacement of 4 traffic signals (Bell & Sherman; Eagle & Elm/Ft. Worth Drive; Carroll & Crescent; and Carroll & Parkway); \$3 million for reconstruction of Fire Station #2; \$1 million for Civic Center Pool Improvements; \$2 million for vehicle replacements; and \$1.5 million for maintenance of city facilities.

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 achieve and maintain reserve balances that provide adequate working capital and rate stabilization 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 Stabilization. Working Capital is used to accommodate short-term cycles of revenues and expenses and address anticipated and unanticipated (small scale) changes in revenues and expenses. Rate Stabilization includes components to address revenue and rate stability. The working capital target for each utility is 30 days (8%) of average budgeted expenditures.

The rate stabilization targets vary and are based on the unique operational characteristics of each utility. Factors that affect the target rate stabilization reserve level include revenue stability, expense volatility, infrastructure age, debt levels, and management plans for use of reserve funds. When the rate stabilization reserve level targets were developed in FY 2011-12, they were contemplated to represent a specific threshold. After further consideration, however, staff now recommends that ranges be utilized for the reserves in the Electric, Water and Wastewater Funds.

The proposed working capital and rate stabilization 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 Stabilization	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)

Since these targets vary from what was approved previously by the City Council, staff will ask the Council to formally approve these reserve targets in September when the budget is presented for adoption.

In addition to the above amounts, the Water and Wastewater Funds maintain separate impact fee and development plan line reserves. For FY 2013-14, 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 also maintains a separate reserve for Landfill Closure/Post-closure purposes.

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

AGING INFRASTRUCTURE

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

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

ELECTRIC FUND

The FY 2013-14 Electric Proposed Budget includes \$151,242,980 in revenues and \$168,359,750 in expenditures. The Electric Proposed Budget will use \$17,116,770 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 2013-14 Denton Municipal Electric (DME) Proposed Budget includes a 2.5% increase in base rates. The Energy Cost Adjustment (ECA) rate will be adjusted as necessary based on changes in energy costs. For FY 2013-14, the ECA rate is budgeted as 4.0 (3.8 actual) cents/kWh.

Personnel Changes

The FY 2013-14 DME Proposed Budget includes an increase of 21.0 new FTEs, of which 7.0 FTEs are related to the enhanced CIP program and 11.0 FTEs are related to the new Energy Management Division needed to manage duties currently performed by an outside firm.

- 1.0 FTE in Electric Administration for financial assistance and support.
- 1.0 FTE in Operations for power line support.
- 1.0 FTE in System Operations for system operator.
- 7.0 FTEs related to CIP Program:
 - 3.0 FTEs in Distribution – Crew Foreman, Senior Lineman & Lineman IV.
 - 3.0 FTEs in Engineering – Engineering V and Engineering Technicians.
 - 1.0 FTE in Substations – Substation Technician.
- 11.0 FTEs in Energy Management:
 - 1.0 FTE for Market Operations Supervisor.
 - 3.0 FTEs for Senior Energy Market Operators.
 - 1.0 FTE for Senior Risk Control Analyst.
 - 1.0 FTE for Senior ERCOT Transmission Analyst.
 - 1.0 FTE for Senior Contract/Fuel Analyst.
 - 1.0 FTE for Settlement & Rates Administrator.
 - 1.0 FTE for Energy Market Technician.
 - 1.0 FTE for Energy Project Development Manager.

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 2013-14:

➤ Transmission Lines:	\$ 38.9 million
➤ Transmission Substations:	\$ 30.2 million
➤ Feeder Extensions and Improvements:	\$ 16.8 million
➤ Distribution Substations:	\$ 17.4 million
➤ New Residential and Commercial Service:	\$ 3.1 million
➤ Automated Meter Reading:	<u>\$ 3.0 million</u>
TOTAL:	\$109.4 million

Including the improvements discussed above, the FY 2014-18 five-year capital improvement program is \$366 million, approximately \$64 million more than the prior five-year plan approved in FY 2012-13. 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 2013-14 Water Fund Proposed Budget includes revenues of \$42,577,060 and expenditures of \$42,905,805. For FY 2013-14, reserves in the amount of \$328,745 will be used to balance the budget. The table below illustrates budgeted water sales for FY 2012-13 and projected sales for FY 2013-14.

Treated Water Sales by Customer Type (In Billions of Gallons)			
	FY 2012-13	FY 2013-14	Difference
Retail Customers	6.143	6.180	0.037
Wholesale Customers	0.109	0.108	(0.001)
Total	6.252	6.288	0.036

Rates

An 4% rate increase for retail water customers is proposed contingent 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 3 new FTE's.

- 1.0 FTE for an Operation in Water Production.
- 1.0 FTE for a Meter Mechanic in Water Metering.
- 0.5 FTE for a Technical Operations Specialist in the Water Laboratory.
- 0.5 FTE for two part-time temporary Customer Service Representatives in Utility Customer Service.

Major CIP Projects

The Water Fund CIP budget includes funding for the following major capital projects in FY 2013-14:

➤ Distribution System Upgrades:	\$ 7.1 million
➤ State Highway Relocations:	\$ 6.9 million
➤ Field Services Replacements:	<u>\$ 4.3 million</u>
TOTAL:	\$18.3 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 38.5%) of the CIP for FY 2013-14 is proposed to be funded with revenue instead of debt. The FY 2013-14 revenue funded projects total approximately \$9.3 million.

WASTEWATER FUND

The FY 2013-14 Wastewater Proposed Budget includes revenues of \$29,777,228 and expenditures of \$30,327,234. For FY 2013-14, reserves in the amount of \$550,006 will be used to balance the budget. Below is a table illustrating budgeted wastewater billed volumes in FY 2012-13 and projections for FY 2013-14.

Wastewater Billed Volumes (In Billions of Gallons)			
	FY 2012-13	FY 2013-14	Difference
Retail	3.917	3.935	0.018
Effluent	0.093	0.040	(0.053)
Wholesale	0.215	0.205	(0.010)
Total	4.224	4.180	(0.044)

Rates

A 9% rate increase is proposed for retail wastewater customers contingent 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 2.5 new FTE's.

- 1.0 FTE for a Wastewater Operator in Water Reclamation.
- 0.5 FTE for a Technical Operations Specialist in the Wastewater Laboratory.
- 1.0 FTE for a Storm Water Specialist in Watershed Protection.

Major CIP Projects

The Wastewater Fund CIP budget includes funding for the following major capital projects in FY 2013-14:

➤ Collection System Upgrade:	\$16.3 million
➤ Field Services Replacements:	\$ 4.3 million
➤ State Highway Relocations:	\$ 3.9 million
➤ Plant Improvements:	\$ 1.5 million
➤ Infiltration/Inflows:	<u>\$ 1.5 million</u>
TOTAL:	\$27.5 million

Consistent with the financial strategies discussed earlier regarding the City's aging infrastructure replacement plans, a portion (approximately 19.5%) of CIP for FY 2013-14 is proposed to be funded with revenue instead of debt. The FY 2013-14 revenue funded projects total approximately \$5.8 million.

SOLID WASTE FUND

The FY 2013-14 Solid Waste Budget includes \$26,353,035 in revenues and expenditures of \$26,312,990. The chart below illustrates Solid Waste production.

Solid Waste Production (In Tons)			
	FY 2012-13	FY 2013-14	Difference
Gross Tons of Waste	237,843	247,687	9,844
Recycled Tons	48,045	49,824	1,779
Total Landfill Tonnage	173,207	180,991	7,784

Rates and Fees

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

Rate Increase	FY 2012-13	FY 2013-14	Variance
Residential Refuse (Standard Cart)	\$20.10	\$20.75	\$0.65
Residential Refuse (Large Cart)	\$24.20	\$25.65	\$1.45
Residential Refuse (Small Cart)	\$19.10	\$19.75	\$0.65
Residential Recycling	\$5.15	\$5.25	\$0.10
Landfill	\$43.50	\$43.50	\$0.00

Additionally, commercial rates are projected to increase which will generate approximately 3.6% in additional revenue in FY 2013-14. Specific rate increases will vary based on the size of container and frequency of service.

Personnel Changes

Two additional personnel are included for FY 2013-14:

- 1 FTE for an Administrator in Solid Waste Administration.
- 1 FTE for a Crew Leader in Construction.

Major CIP Projects

The Solid Waste Fund CIP budget includes funding for the following major capital projects in FY 2013-14:

➤ Site Operations:	\$3.8 million
➤ Vehicle additions/replacements:	\$2.3 million
➤ Disposal/Landfill:	<u>\$1.1 million</u>
TOTAL:	\$7.2 million

Utility Rate Change Summary

Below is a chart which depicts the rate increases discussed above and the monthly financial impact to an average residential customer (1,300 kWh/month, electric; 9,200 gallons/month, water; 6,000 gallons/month, wastewater; and standard sized refuse and recycle cart, solid waste):

	FY 2012-13	FY 2013-14	Increase	%Change
Electric ¹	\$125.07	\$126.97	\$1.90	1.5%
Water	\$45.61	\$47.49	\$1.88	4.1%
Wastewater	\$30.00	\$32.25	\$2.25	7.5%
SW – Standard Cart	\$20.10	\$20.75	\$0.65	3.2%
SW – Recycling Services	\$5.15	\$5.25	\$0.10	1.9%
Total	\$225.93	\$232.71	\$6.78	3.0%

¹ FY 2013-14 and FY 2012-13 includes an Energy Cost Adjustment (ECA) rate of \$0.038. The average base rate increased by 2.5% from \$0.05350 in FY 2012-13 to \$0.05484 in FY 2013-14.

Miscellaneous and Internal Service Funds

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 streets 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 \$379,911 in interest cost savings from the utility funds to the Street Improvement Fund in FY 2013-14.

The proposed FY 2013-14 Budget includes three new field service worker FTEs. These positions will be used to provide enhanced street maintenance services to the community. The budget also includes \$879,316 for vehicles and equipment purchases. Additionally, \$300,000 is included in the budget to prepare a roadway impact fee study. For FY 2013-14, revenues and expenditures are budgeted to be \$8,204,203. This level of expenditures represents all street operations that were previously recorded in the General Fund prior to FY 2011-12. The total operating funding for street maintenance has increased from \$4.36 million in FY 2008-09 to a proposed \$8.2 million for FY 2013-14. A more detailed discussion on street maintenance funding and costs is scheduled for discussion with the City Council on August 13, 2013.

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 2013-14 is \$96,287,950, which represents an increase of 21.3% or \$16,931,096. For FY 2013-14, revenues of \$116,782 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. However, the 2013 certified value is \$116,277. As such, no revenues or expenditures have been proposed for the TIRZ #2.

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 2013-14 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 for contingency purposes and \$350,000 for one-time convention center marketing efforts.

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 2013-14 Proposed Budget includes funding for contracting out some work associated with processing claims paid by the City.

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, approximately 5,553 patient appointments were provided and 846 employees have completed a Health Risk Assessment (HRA) at the clinic. The HRA includes a comprehensive blood draw and a 40 minute follow-up appointment with the clinic physician.

Despite the City's wellness efforts, total health care costs increased in FY 2011-12 by approximately 29.37% compared to FY 2010-11. This was due to many factors such as an increase in fees related to United Healthcare's administration of our self-funded health plan, discovery of previously undiagnosed conditions by our employees due to the completed HRAs, and more claims over \$25,000 than in the prior year. Based on the data so far in FY 2012-13, health care costs appear to have stabilized and total costs are approximately 4% lower than this time last fiscal year.

For FY 2013-14, the proposed budget includes a 6% increase in the City contribution to the Health Insurance Fund, as well as various increases for employee contributions.

ENGINEERING AND DEVELOPMENT SERVICES FUND

The FY 2013-14 Proposed Budget recommends the creation of new internal service fund. The engineering functions that were budgeted in the Water, Wastewater and General Funds are being reorganized and consolidated into this new fund. This fund will combine capital engineering, development review engineering, contract engineering, public works inspections and real estate functions under one umbrella. The department will not include engineering functions for DME. Three new positions including a Director of Engineering, Administrative Assistant and a DRC Administrator are included in the proposed budget.

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. To assist with administrative duties, a temporary administrative support position is recommended to be converted to full time. An additional Warehouse Specialist has also been recommended in the Distribution Center in FY 2013-14 to assist with material needs as a result of increased capital programs.

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 2013-14 Proposed Budget includes recommendations for the purchase of a 50kW emergency generator. Additionally, the FY 2013-14 Proposed Budget includes \$250,000 in modifications to the fleet facility for Compressed Natural Gas (CNG) capabilities, which will be funded by the City's Solid Waste Fund.

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 seven separate functional areas, including administration, telecommunications, geographic information systems, application development, user support, public safety support, reprographics, and regulatory compliance.

Due to increasingly complex Information Technology requirements, the FY 2013-14 Proposed Budget includes funding for two additional positions (Regulatory Compliance Analyst and Application Development Specialist). In addition, an additional vehicle is recommended for the department.

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 2013-14 Proposed Budget includes funding for fitness equipment, ID card printers and recreational supplies at various recreation centers. Additionally, a one-time transfer of \$60,180 to the General Fund is recommended to fund the following: \$30,000 for Water Park slide preventative maintenance; \$10,400 to replace concession equipment in the Water Park; \$10,780 to replace locker doors in the Natatorium; and \$9,000 to replace the front desk in the Natatorium. The City will seek reimbursement for 50% of eligible costs from Denton ISD.

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. Expenditures in this fund include \$198,730 for new vehicles and \$67,000 for upgrades to the dispatch center and jail and to install new shelving in the evidence room.

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.

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 third year of various road improvement projects and \$750,000 for capital improvements.

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.

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 for the University of North Texas, Texas Woman's University, Denton Independent School District and Public Access. For FY 2013-14, various improvements are recommended for the Council Chambers and Work Session Room to improve audio/video quality. A replacement vehicle is also recommended for the department.

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 Fund consists of separate donation collections for the Police Department, Fire Department and Animal Control. 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 on Villages of Carmel, Bent Creek and Downtown park land. The Park Development Trust funds include neighborhood park development at Carl Young Park, North Lakes Dog Park, North Point Park, Lake Forest Park, McKenna Park, Milam Park and Avondale Park.

GAS WELL FUNDS

The City has three gas well funds: Parks Gas Well Fund, Airport Gas Well Fund, and the Non-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 2013-14 will be used to fund one-time needs. These expenditures are consistent with a City Council established policy that royalty, pooling and lease revenue from gas wells not be used to fund on-going operational expenses.

In FY 2012-13, it is expected that the Non-Airport Gas Well Fund will expend all available resources. As a result, the fund does not have any revenues or expenditures to budget for FY 2013-14.

The Parks Gas Well Fund will use \$40,000 for improvements to Denia Park athletic field, \$55,000 for expenses related to the Vela Soccer Complex, and a one-time transfer of \$45,500 to the General Fund to fund a new concession stand at the Water Park.

As mentioned previously, the Airport Gas Well Fund is reported as part of the Airport Fund which was established in FY 2010-11.

Human Services Advisory Committee 2013-14 Funding

Agency	2012-13 Approved CDBG and General Fund Contributions	2013-14 Requested	2013-14 Funding	
			CDBG	General Fund
Camp Summit	2,000	20,000		2,000
Court Appointed Special Advocates (CASA)	10,000	15,000		15,000
City of Denton - PARKS - MLK Program	15,000	41,726	20,000	
Communities in Schools	8,000	15,000		10,000
Day Stay for Adults	5,100			
Denton Christian Preschool	22,500	28,026		25,000
Denton City County Day School	31,520	35,000	32,000	
Health Services of North Texas (formerly AIDS Services of North TX)	26,519	57,500	27,000	
Denton County Friends of the Family	25,000	30,000	25,000	
Family Health Care, Inc	19,000	19,000	17,000	
Fred Moore Day Nursery	35,000	50,000		40,000
HOPE, Inc., - Transitional Housing	24,000	37,000		25,500
HOPE, Inc., - HMIS	18,000	18,000		18,000
PediPlace	4,480	15,000		2,500
Retired Senior Volunteer Program (RSVP)	10,000	10,500		10,500
Salvation Army	20,000	20,000		20,000
Special Programs for Aging Needs (SPAN)	21,000	25,000	6,119	13,881
Denton Community Health Clinic		50,000		7,500
Fairoaks of Denton, Inc.		25,077		
SUBTOTAL	297,119	511,829	127,119	189,881
Administrative Support Costs	234,547			236,157
TOTAL	\$ 531,666	\$ 511,829	\$ 127,119	\$ 426,038

Funding for the Children's Advocacy Center has been recommended at \$119,141 (the fair share amount) and is reflected in the Police Department FY 2013-14 budget.

**GENERAL FUND
2013-14 Five Year Forecast
Major Assumptions**

Revenue	2013-14	2014-15	2015-16	2016-17	2017-18
Property Tax Growth	3.81%	4%	4%	4%	4%
Tax Rate - O&M	\$ 0.47480	\$ 0.47480	\$ 0.48480	\$ 0.48480	\$ 0.48480
Tax Rate - Debt	\$ 0.21495	\$ 0.21495	\$ 0.21495	\$ 0.21495	\$ 0.21495
Property Tax Increase*	\$ -	\$ 0.01000	\$ -	\$ -	\$ -
Total Tax Rate	\$ 0.68975	\$ 0.69975	\$ 0.69975	\$ 0.69975	\$ 0.69975
Sales Tax Growth	4.2%	3%	3%	3%	3%
Fund Balance Target	20%	20%	20%	20%	20%

* Potential Property Tax Increase in FY 2014-15.

Expenditures	2013-14	2014-15	2015-16	2016-17	2017-18
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	6% 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, Parks, Police, Facilities, Municipal Court, Legal, Economic Development and Library	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

General Fund 2013-14 Five Year Forecast (in millions)

	Estimate 2012-13	Proposed 2013-14	Proposed 2014-15	Proposed 2015-16	Proposed 2016-17	Proposed 2017-18
BEGINNING FUND BALANCE	\$25.84	\$25.20	\$23.86	\$22.35	\$20.50	\$18.97
REVENUES	\$93.13	\$97.76	\$100.80	\$104.25	\$107.73	\$111.42
PROPOSED \$0.01 TAX INCREASE			\$0.72	\$0.75	\$0.78	\$0.81
TOTAL REVENUES	\$93.13	\$97.76	\$101.52	\$105.00	\$108.51	\$112.23
TOTAL AVAILABLE RESOURCES	\$118.97	\$122.96	\$125.38	\$127.36	\$129.01	\$131.20
EXPENDITURES	\$93.77	\$99.10	\$101.78	\$104.61	\$106.79	\$109.26
ONE-TIME EXPENSES			\$0.25	\$0.25	\$0.25	\$0.25
FUTURE RECURRING EXPENSES			\$1.00	\$2.00	\$3.00	\$4.00
TOTAL EXPENDITURES	\$93.77	\$99.10	\$103.03	\$106.86	\$110.04	\$113.51
NET INCOME (LOSS)	(\$0.64)	(\$1.34)	(\$1.51)	(\$1.86)	(\$1.53)	(\$1.28)
ENDING FUND BALANCE	\$25.20	\$23.86	\$22.35	\$20.50	\$18.97	\$17.69
EFFECTIVE FUND BALANCE	26.9%	24.1%	21.7%	19.2%	17.2%	15.6%
RESERVE TARGET (percent)	20%	20%	20%	20%	20%	20%

WATER
2013-14 Five Year Forecast (in millions)

	2012-13 Estimate	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed
BEGINNING FUND BALANCE	\$16.0	\$16.1	\$15.8	\$14.9	\$14.8	\$15.2
REVENUES	\$42.5	\$42.6	\$44.0	\$45.8	\$48.0	\$49.4
TOTAL RESOURCES AVAILABLE	\$58.5	\$58.7	\$59.8	\$60.7	\$62.8	\$64.6
OPERATING EXPENDITURES	\$42.4	\$42.6	\$44.0	\$45.8	\$47.6	\$49.1
PLANNED RESERVE EXPENDITURES	\$0.0	\$0.3	\$0.9	\$0.1	\$0.0	\$0.0
TOTAL EXPENDITURES	\$42.4	\$42.9	\$44.9	\$45.9	\$47.6	\$49.1
NET INCOME (LOSS)	\$0.1	(\$0.3)	(\$0.9)	(\$0.1)	\$0.4	\$0.3
WORKING CAPITAL BALANCE (Target 30 Days - 8% Exp)	\$3.4	\$3.4	\$3.6	\$3.7	\$3.8	\$3.9
RATE STABILIZATION BALANCE (Target 60-90 days - 17-25% Exp)	\$12.7	\$12.4	\$11.3	\$11.1	\$11.4	\$11.6
TOTAL ENDING FUND BALANCE	\$16.1	\$15.8	\$14.9	\$14.8	\$15.2	\$15.5
WORKING CAPITAL BALANCE % OF EXPENSES	8.0%	8.0%	8.0%	8.1%	8.0%	8.0%
RATE STABILIZATION BALANCE % OF EXPENSES	30.0%	28.9%	25.2%	24.2%	23.9%	23.6%
PROPOSED RATE INCREASES		4.0%	4.0%	3.0%	3.0%	2.0%

Note: Fund Balance excludes Development Plan Line and Impact Fee Reserves.

WASTEWATER

2013-14 Five Year Forecast (in millions)

	2012-13 Estimate	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed
BEGINNING FUND BALANCE	\$8.9	\$8.6	\$8.0	\$7.6	\$7.0	\$7.1
REVENUES	\$27.2	\$29.8	\$32.4	\$34.7	\$36.0	\$37.0
TOTAL RESOURCES AVAILABLE	\$36.1	\$38.4	\$40.4	\$42.3	\$43.0	\$44.1
OPERATING EXPENDITURES	\$27.2	\$29.8	\$32.4	\$34.7	\$35.9	\$36.5
PLANNED RESERVE EXPENDITURES	\$0.3	\$0.6	\$0.4	\$0.6	\$0.0	\$0.0
TOTAL EXPENDITURES	\$27.5	\$30.4	\$32.8	\$35.3	\$35.9	\$36.5
NET INCOME (LOSS)	(\$0.3)	(\$0.6)	(\$0.4)	(\$0.6)	\$0.1	\$0.5
WORKING CAPITAL BALANCE (Target 30 Days - 8% Exp)	\$2.2	\$2.4	\$2.6	\$2.8	\$2.9	\$2.9
RATE STABILIZATION BALANCE (Target 45-60 days - 12-16% Exp)	\$6.4	\$5.6	\$5.0	\$4.2	\$4.2	\$4.7
TOTAL ENDING FUND BALANCE	\$8.6	\$8.0	\$7.6	\$7.0	\$7.1	\$7.6
WORKING CAPITAL BALANCE % OF EXPENSES	8.0%	7.9%	8.0%	7.9%	8.1%	7.9%
RATE STABILIZATION BALANCE % OF EXPENSES	23.3%	18.4%	15.2%	11.9%	11.7%	12.9%
PROPOSED RATE INCREASES		9.0%	8.0%	8.0%	3.0%	2.0%

Note: Fund Balance excludes Development Plan Line, Drainage Reserves and Impact Fee Reserves.

SOLID WASTE
2013-2014 Five Year Forecast (in millions)

	2012-13 Estimate	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	2016-17 Proposed	2017-18 Proposed
BEGINNING FUND BALANCE	\$3.3	\$3.1	\$3.2	\$3.2	\$3.5	\$3.7
REVENUES	\$24.1	\$26.4	\$27.5	\$28.7	\$29.5	\$30.3
TOTAL RESOURCES AVAILABLE	\$27.4	\$29.5	\$30.7	\$31.9	\$33.0	\$34.0
OPERATING EXPENDITURES	\$24.1	\$26.3	\$27.5	\$28.4	\$29.3	\$30.1
PLANNED RESERVE EXPENDITURES	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURES	\$24.3	\$26.3	\$27.5	\$28.4	\$29.3	\$30.1
NET INCOME (LOSS)	(\$0.2)	\$0.1	\$0.0	\$0.3	\$0.2	\$0.2
Working Capital Balance (Target 30 days 8% Exp)	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.4
Rate Stabilization Balance (Target 15 days 4% Exp)	\$1.1	\$1.1	\$1.0	\$1.2	\$1.3	\$1.5
Total Ending Fund Balance	\$3.1	\$3.2	\$3.2	\$3.5	\$3.7	\$3.9
WORKING CAPITAL BALANCE % OF EXPENSES	8.3%	8.0%	8.0%	8.1%	8.2%	8.1%
RATE STABILIZATION BALANCE % OF EXPENSES	4.6%	4.2%	3.6%	4.2%	4.4%	5.0%
<u>PROPOSED RATE INCREASES</u>						
RESIDENTIAL REFUSE (Large cart)	\$ 24.20	\$ 25.65	\$ 26.45	\$ 26.95	\$ 27.45	\$ 27.95
RESIDENTIAL REFUSE (Standard cart)	\$ 20.10	\$ 20.75	\$ 21.25	\$ 21.75	\$ 22.25	\$ 22.75
RESIDENTIAL REFUSE (Small cart)	\$ 19.10	\$ 19.75	\$ 20.25	\$ 20.75	\$ 21.25	\$ 21.75
RESIDENTIAL RECYCLING	\$ 5.15	\$ 5.25	\$ 5.50	\$ 5.60	\$ 5.60	\$ 5.70
COMMERCIAL (Average)	5.0%	3.6%	3.0%	4.0%	0.0%	1.0%

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



BUDGET RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
General Fund	\$ 88,765,471	\$ 94,320,286	\$ 93,766,252	\$ 99,100,260
General Debt Service Fund	39,759,903	40,462,208	40,526,010	44,277,495
Electric Fund	132,461,227	158,987,525	158,140,589	168,359,750
Water Fund	39,656,473	43,867,930	42,539,724	42,905,805
Wastewater Fund	24,954,688	28,252,407	27,492,465	30,327,234
Solid Waste Fund	22,749,074	25,147,589	24,267,123	26,353,035
Airport Fund	2,056,903	2,492,925	2,138,560	2,779,363
Technology Services Fund	7,900,249	8,972,973	8,972,349	8,790,198
Materials Management Fund	5,725,480	7,438,866	7,438,866	9,927,952
Fleet Management Fund	9,919,782	12,867,975	11,421,213	13,776,595
Risk Retention Fund	2,547,478	2,719,945	2,626,390	3,020,448
Health Insurance Fund	20,760,676	21,812,160	20,956,648	25,355,219
Engineering and Development Services Fund	-	-	-	4,223,144
Street Improvement Fund	7,067,476	7,158,774	7,158,774	8,204,203
Recreation Fund	1,605,350	1,950,348	1,805,318	2,086,848
Tourist & Convention Fund	1,561,592	1,508,740	1,855,129	1,916,777
Police Confiscation Fund	387,237	185,500	301,900	452,200
Traffic Safety Fund	859,432	913,200	968,075	1,608,000
Parks Gas Well Fund	350,000	800,000	794,500	153,500
Miscellaneous Funds ⁽¹⁾	2,784,929	984,191	1,026,363	3,920,751
TOTAL OPERATING RESOURCES	\$ 411,873,420	\$ 460,843,542	\$ 454,196,248	\$ 497,538,777
Grant Program	2,839,382	6,296,010	3,769,247	4,766,074
Capital Improvements Program ⁽²⁾	60,850,061	278,909,663	78,118,439	323,657,313
TOTAL RESOURCES	\$ 475,562,863	\$ 746,049,215	\$ 536,083,934	\$ 825,962,164

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
General Fund	\$ 87,353,397	\$ 94,320,286	\$ 93,766,252	\$ 99,100,260
General Debt Service Fund	39,214,545	39,913,999	39,706,506	44,277,495
Electric Fund	128,773,530	158,987,525	158,140,589	168,359,750
Water Fund	36,745,030	43,867,930	42,472,426	42,905,805
Wastewater Fund	23,889,636	28,252,407	27,492,465	30,327,234
Solid Waste Fund	22,735,300	25,124,689	24,267,123	26,312,990
Airport Fund	1,659,771	2,492,925	2,138,560	2,779,363
Technology Services Fund	7,900,249	8,972,973	8,972,349	8,790,198
Materials Management Fund	5,698,693	7,438,866	7,438,866	9,927,952
Fleet Management Fund	9,667,751	12,819,861	11,147,161	13,725,975
Risk Retention Fund	2,270,491	2,719,945	2,607,045	3,020,448
Health Insurance Fund	20,760,676	21,812,160	20,956,648	25,355,219
Engineering and Development Services Fund	-	-	-	4,067,969
Street Improvement Fund	6,075,534	7,158,774	7,158,774	8,204,203
Recreation Fund	1,605,350	1,950,348	1,805,318	2,086,848
Tourist & Convention Fund	1,300,879	1,508,740	1,508,740	1,916,777
Police Confiscation Fund	128,474	155,000	150,500	446,730
Traffic Safety Fund	759,461	896,505	893,209	1,479,740
Parks Gas Well Fund	350,000	800,000	794,500	140,500
Miscellaneous Funds ⁽¹⁾	2,451,918	594,427	674,111	3,798,469
TOTAL OPERATING EXPENDITURES	\$ 399,340,684	\$ 459,787,360	\$ 452,091,142	\$ 497,023,925
Grant Program	2,839,382	6,296,010	3,769,247	4,766,074
Capital Improvements Program ⁽²⁾	60,850,061	278,909,663	78,118,439	323,657,313
TOTAL EXPENDITURES	\$ 463,030,127	\$ 744,993,033	\$ 533,978,828	\$ 825,447,312

⁽¹⁾Miscellaneous Funds include the 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, and Non-Airport Gas Well Fund.

⁽²⁾FY 2013-14 Proposed Budget includes approximately \$83 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).

BUDGET SUMMARY
EXPENDITURES BY CLASSIFICATION
2013-14

CATEGORY	GENERAL						
	GENERAL	DEBT SERVICE	ELECTRIC	WATER	WASTEWATER	SOLID WASTE	AIRPORT
Personal Services	\$ 71,614,128	\$ -	\$ -	\$ 9,680,858	\$ 7,386,840	\$ 9,017,891	\$ 545,070
Purchased Power	-	-	103,346,717	1,593,004	821,000	-	-
Materials & Supplies	2,255,339	-	-	1,764,039	915,988	351,863	46,725
Maintenance & Repair	3,094,891	-	-	1,335,146	1,333,594	495,522	78,997
Insurance	1,066,295	-	-	217,201	217,122	198,856	21,324
Miscellaneous	779,826	-	24,045,966	101,139	48,357	70,660	1,500
Operations	12,528,017	-	30,019,779	2,846,777	2,460,752	5,998,851	228,006
Fixed Assets	867,953	-	-	-	-	281,500	-
Return on Investment	-	-	4,507,707	1,200,034	828,464	-	-
Franchise Fees	-	-	6,439,581	1,691,258	1,183,520	1,308,246	36,071
Debt Service	-	44,277,495	-	13,199,256	7,045,429	5,937,331	357,262
Inventory Purchases	-	-	-	-	-	-	-
Transfers	6,893,811	-	-	9,277,093	8,086,168	2,652,270	1,464,408
TOTAL	\$ 99,100,260	\$ 44,277,495	\$ 168,359,750	\$ 42,905,805	\$ 30,327,234	\$ 26,312,990	\$ 2,779,363

* Other Funds include the Police Confiscation Fund, the Tourist & Convention Fund, the Traffic Safety Fund, the Non-Airport Gas Well Fund, the Park's Gas Well Fund, the Tree Mitigation Fund, the PEG Fund, the McKenna Trust Fund, the Miscellaneous Special Revenue Funds, the Park Development Trust Fund, the Recreation Fund, the Park Land Dedication Trust Fund, and the Engineering Fund and Development Services Fund.

BUDGET SUMMARY
EXPENDITURES BY CLASSIFICATION
2013-14

TECHNOLOGY SERVICES	MATERIALS MANAGEMENT	FLEET MANAGEMENT	RISK RETENTION	HEALTH INSURANCE	STREET IMPROVEMENT	OTHER FUNDS *	TOTAL
\$ 3,114,097	\$ 1,238,157	\$ 1,775,949	\$ 592,331	\$ -	\$ 2,275,487	\$ 4,083,596	\$ 111,324,404
-	-	-	-	-	-	-	105,760,721
161,138	37,503	112,482	14,250	-	75,130	703,841	6,438,298
2,587,802	10,652	105,000	193,000	-	3,964,379	366,254	13,565,237
23,153	22,122	34,214	1,356,900	25,355,219	61,280	57,297	28,630,983
-	1,000	1,250,000	226,000	-	5,000	3,438	26,532,886
1,729,412	142,590	4,048,197	408,288	-	873,596	4,786,745	66,071,010
559,748	-	45,000	-	-	-	2,863,219	4,617,420
-	-	-	-	-	-	-	6,536,205
-	-	-	-	-	-	-	10,658,676
105,113	44,854	247,360	-	-	-	-	71,214,100
-	7,597,161	5,481,000	-	-	-	-	13,078,161
509,735	833,913	626,773	229,679	-	949,331	1,072,643	32,595,824
\$ 8,790,198	\$ 9,927,952	\$ 13,725,975	\$ 3,020,448	\$ 25,355,219	\$ 8,204,203	\$ 13,937,033	\$ 497,023,925

**PROJECTED APPROPRIABLE FUND BALANCES
2013-14**

	APPROPRIABLE FUND BALANCE ⁽¹⁾ 10-1-12	ESTIMATED REVENUES 2012-13	ESTIMATED EXPENDITURES 2012-13
General Fund	\$ 25,836,080	\$ 93,130,415	\$ 93,766,252
General Debt Service Fund	3,824,438	40,526,010	39,706,506
Enterprise Funds			
Electric Fund	92,326,941	140,423,278	158,140,589
Water Fund ⁽²⁾	15,995,854	42,539,724	42,472,426
Wastewater Fund ⁽²⁾	8,873,918	27,210,701	27,492,465
Solid Waste Fund ⁽³⁾	3,274,723	24,054,771	24,267,123
Airport Fund	6,388,839	1,778,852	2,138,560
Enterprise Funds Subtotal	126,860,275	236,007,326	254,511,163
Internal Service Funds			
Technology Services Fund	602,152	8,793,546	8,972,349
Materials Management Fund	1,199,457	7,044,192	7,438,866
Fleet Management Fund	536,211	11,421,213	11,147,161
Risk Retention Fund	6,738,892	2,626,390	2,607,045
Health Insurance Fund	3,231,238	20,741,794	20,956,648
Engineering and Development Services Fund	-	-	-
Internal Service Funds Subtotal	12,307,950	50,627,135	51,122,069
Special Revenue Funds			
Street Improvement Fund	991,942	7,158,774	7,158,774
Recreation Fund	570,534	1,605,094	1,805,318
Tourist & Convention Fund	799,006	1,855,129	1,508,740
Police Confiscation Fund	411,738	301,900	150,500
Traffic Safety Fund	334,058	968,075	893,209
Non-Airport Gas Well Fund	35,999	185	36,184
Parks Gas Well Fund	633,510	161,400	794,500
Tree Mitigation Fund	1,092,043	40,600	10,000
Public Education Government Fund	521,676	304,000	154,427
McKenna Trust Fund	46,913	1,200	-
Park Land Dedication Trust Fund	1,349,508	241,045	200,000
Park Development Trust Fund	3,194,107	133,000	100,000
Downtown Tax Increment Reinvestment Zone Fund	6,737	95,334	-
Westpark Tax Increment Reinvestment Zone Fund	-	-	-
Miscellaneous Special Revenue Funds	42,116	175,000	173,500
Special Revenue Funds Subtotal	10,029,887	13,040,736	12,985,152
TOTAL	\$ 178,858,630	\$ 433,331,622	\$ 452,091,142

⁽¹⁾ Appropriable 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 (\$3,3138,422) and Wastewater (\$2,065,059), and Drainage Reserve (\$1,000,000) for Wastewater.

⁽³⁾ Excludes Closure/Post Closure reserves (\$6,151,300).

**PROJECTED APPROPRIABLE FUND BALANCES
2013-14**

PROJECTED APPROPRIABLE FUND BALANCE ⁽¹⁾ 9-30-13	PROPOSED BUDGETED REVENUES 2013-14	PROPOSED BUDGETED EXPENDITURES 2013-14	PROJECTED APPROPRIABLE FUND BALANCE ⁽¹⁾ 9-30-14
\$ 25,200,243	\$ 97,758,221	\$ 99,100,260	\$ 23,858,204
4,643,942	44,277,495	44,277,495	4,643,942
74,609,630	151,242,980	168,359,750	57,492,861
16,063,152	42,577,060	42,905,805	15,734,407
8,592,154	29,777,228	30,327,234	8,042,148
3,062,371	26,353,035	26,312,990	3,102,416
6,029,131	1,836,999	2,779,363	5,086,767
108,356,438	251,787,302	270,685,142	89,458,599
423,349	8,580,074	8,790,198	213,225
804,783	9,904,336	9,927,952	781,167
810,263	13,776,595	13,725,975	860,883
6,758,237	2,953,079	3,020,448	6,690,868
3,016,384	22,436,693	25,355,219	97,858
-	4,223,144	4,067,969	155,175
11,813,016	61,873,921	64,887,761	8,799,177
991,942	7,904,203	8,204,203	691,942
370,310	1,849,991	2,086,848	133,453
1,145,395	1,739,454	1,916,777	968,072
563,138	452,200	446,730	568,608
408,925	1,608,000	1,479,740	537,185
-	-	-	-
410	153,500	140,500	13,410
1,122,643	55,500	50,000	1,128,143
671,249	305,000	745,750	230,499
48,113	1,500	47,000	2,613
1,390,553	187,000	1,072,000	505,553
3,227,107	130,000	1,704,219	1,652,888
102,071	116,782	-	218,853
-	-	-	-
43,616	179,500	179,500	43,616
10,085,472	14,682,630	18,073,267	6,694,835
\$ 160,099,111	\$ 470,379,569	\$ 497,023,925	\$ 133,454,756

POSITION SUMMARY
2013-14

PERSONNEL	2011-12	2012-13	2012-13	2013-14
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	227.31	234.58	233.58	234.04
Public Safety	408.98	418.48	418.48	424.48
Transportation	14.00	14.00	14.00	13.00
Administrative & Community Services	88.75	90.75	90.75	93.75
TOTAL GENERAL FUND	739.04	757.81	756.81	765.27

PERSONNEL	2011-12	2012-13	2012-13	2013-14
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Electric Fund	129.50	143.00	143.00	164.00
Water Fund	158.00	161.00	154.00	133.50
Wastewater Fund	92.37	95.25	97.25	98.25
Solid Waste Fund	105.50	110.50	115.00	117.00
Airport Fund	5.50	6.50	6.50	6.50
Street Improvement Fund	27.00	30.00	30.00	33.00
Technology Services Fund	27.00	29.00	29.00	29.00
Materials Management Fund	12.00	13.00	13.00	15.00
Fleet Management Fund	22.00	22.00	22.00	22.00
Risk Retention Fund	6.00	6.00	6.00	6.00
Recreation Fund	24.27	24.27	24.27	24.27
Engineering and Development Services Fund	-	-	-	31.00
Community Development Block Grant Fund	5.00	5.00	5.00	5.00
TOTAL OTHER FUNDS	614.14	645.52	645.02	684.52
TOTAL ALL FUNDS	1,353.18	1,403.33	1,401.83	1,449.79

**GENERAL FUND
RESOURCE SUMMARY
2013-14**

DESCRIPTION	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Current Year Ad Valorem	\$ 30,350,412	\$ 31,579,391	\$ 31,584,119	\$ 33,056,849
Delinquent Ad Valorem	233,576	359,470	300,000	309,000
Current Year - Penalties and Interest	165,774	169,950	169,950	175,049
Prior Year - Penalties and Interest	129,755	153,681	130,000	133,900
Rendition Penalties	15,953	23,317	23,317	24,136
Ad Valorem Taxes	\$ 30,895,470	\$ 32,285,809	\$ 32,207,386	\$ 33,698,934
Sales Tax	\$ 25,886,940	\$ 26,466,107	\$ 26,216,107	\$ 27,326,141
Sales Tax	\$ 25,886,940	\$ 26,466,107	\$ 26,216,107	\$ 27,326,141
Franchise - Atmos Gas	\$ 540,436	\$ 640,389	\$ 640,389	\$ 625,602
Franchise - Charter Communications	226,676	218,852	218,852	204,367
Franchise - CoServ Electric	176,489	123,104	123,104	156,691
Franchise - TXU Electric	43,215	40,217	40,217	38,903
Franchise - CoServ Gas	78,134	83,711	83,711	81,778
Franchise - Miscellaneous Cable	350,032	27,357	27,357	27,249
ROW - DISD Fiber	16,026	14,751	14,751	14,128
Franchise - Verizon Telecommunications	333,421	305,750	305,750	278,191
Franchise - Verizon -Cable	306,725	574,487	574,487	561,222
Franchise - Telecommunications	123,925	128,576	128,576	128,070
Franchise - DMU Electric ⁽¹⁾	3,519,258	3,297,649	3,297,649	3,308,286
Franchise - DMU Water ⁽¹⁾	878,263	867,990	867,990	868,871
Franchise - DMU Wastewater ⁽¹⁾	543,909	584,411	584,411	608,024
Franchise - Solid Waste	644,093	665,977	665,977	672,101
Franchise - Airport	20,280	19,349	19,349	19,087
Franchise Agreements	\$ 7,800,882	\$ 7,592,570	\$ 7,592,570	\$ 7,592,570
Mixed Beverage Tax	\$ 345,032	\$ 277,944	\$ 352,783	\$ 475,000
Bingo Tax	20,889	25,469	25,469	25,978
Other Taxes	\$ 365,921	\$ 303,413	\$ 378,252	\$ 500,978
Community Building Rentals	\$ 290,449	\$ 310,500	\$ 310,500	\$ 321,368
Ambulance Service Fees	2,324,195	2,472,000	2,375,000	2,425,000
Hazardous Materials Billing	2,499	1,900	11,427	11,427
Fire Inspections	182,752	223,700	190,000	193,800
Restaurant Inspections	209,296	212,180	212,180	218,545
Swimming Pool Inspections	26,920	36,414	29,500	30,090
Reinspection Fees	22,040	18,566	25,000	25,750
Electrical Inspections	53,044	46,350	46,350	47,741
Plumbing Inspections	99,217	97,263	97,263	98,236

(1) Denton Municipal Utilities.

**GENERAL FUND
RESOURCE SUMMARY
2013-14**

DESCRIPTION	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Gas Well Inspections	380,550	350,000	350,000	350,000
Library Non-Resident Fees	37,375	42,844	42,844	43,272
Parks Identification Card Fees	21,723	26,010	26,010	26,530
Athletic Program Fees	64,700	73,626	73,626	89,155
Special Events - Parks	1,713	1,717	1,717	1,751
Natatorium Fees	313,487	377,800	325,000	331,500
Water Works Parks Fees	646,439	779,686	700,000	735,000
Charges to Bond Fund	239,190	122,000	118,600	176,500
Copy Charges	-	-	-	115,600
Swimming Pool	47,936	51,000	51,000	52,020
Cemetery Fees	19,380	24,720	24,720	25,462
Development Fees	323,523	360,500	360,500	109,151
Sale of Documents	622	520	600	340,170
Plan Review Fees	303,444	247,200	286,000	294,580
Parking Meter Receipts	18,864	18,990	18,990	19,560
Development Postage	7,480	8,395	8,395	8,479
Traffic/Police Reports	27,804	38,703	38,703	39,477
Animal Carcass Pick-Ups	571	1,405	1,405	-
Interest Charge Past Due Balance	1,197	-	-	-
Service Fees	\$ 5,666,410	\$ 5,943,989	\$ 5,725,330	\$ 6,130,164
Warrant Fees	\$ 211,666	\$ 294,587	\$ 235,000	\$ 243,225
Juvenile Case Manager Fees	107,923	135,252	135,252	137,957
Library Fines & Fees	168,646	195,206	195,206	201,062
Animal Pound Fees	193,816	208,060	208,060	214,302
Animal Services Fines	10,856	12,360	12,360	12,731
Auto Pound Fees	9,247	10,000	10,000	10,000
Mowing Recovery Fees	3,527	4,080	4,080	4,121
Police Escort & Guard Fees	17,889	22,915	22,915	23,602
Civil Fines	21,927	31,827	31,827	32,782
Arrest Fees	106,330	122,412	122,412	123,636
Inspection Fines & Fees	35,126	40,170	40,170	41,375
Fire Department Fines	3,309	3,641	5,000	5,100
School Crossing Fines	9,145	12,485	12,485	12,735
Denton Municipal Fines	1,716,702	1,648,000	1,734,014	1,800,000
UNT Police Fines	200,215	214,200	214,200	218,484
TWU Police Fines	45,509	37,740	45,000	45,900
Parking Fines	254,422	257,500	257,500	365,225
Uniform Traffic Fees	48,415	67,422	43,872	44,749
False Alarm Fees	41,740	58,140	58,140	59,303
Court Cost Service Fees	167,364	200,096	170,000	176,800
Court Administration Fees	867,620	988,000	900,000	952,000
Fines and Fees	\$ 4,241,394	\$ 4,564,093	\$ 4,457,493	\$ 4,725,089
Food Handler Permits	\$ 59,655	\$ 63,240	\$ 63,240	\$ 64,505
Zoning Permits	41,162	75,712	75,712	78,740
Moving Permits	937	1,212	1,212	1,224
Demolition Permits	8,015	9,364	9,364	9,551
Pool, Spa, Hot Tub Permits	11,780	13,261	13,261	13,659

**GENERAL FUND
RESOURCE SUMMARY
2013-14**

DESCRIPTION	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Building Permits	896,372	849,750	950,000	1,250,000
Electrical & Plumbing Licenses	18,600	15,606	19,000	19,380
Curb Cut Permits	918	936	936	955
Mobile Home Park Licenses	11,550	11,410	11,410	11,550
Sign Permits	37,475	36,050	36,050	37,132
Fence Permits	16,919	22,889	22,889	23,347
Mechanical Permits	50,197	42,436	50,000	51,500
Certificate of Occupancy Fees	77,235	67,600	67,600	70,304
Variance Fees	150	796	796	820
Landscape Fees	1,650	2,122	2,122	2,186
Temporary Gas Permits	130,220	6,695	75,000	77,250
Gas Well Permits	7,975	160,196	7,000	7,200
Park Vendor Fees	27,375	25,250	25,250	25,503
Beer & Wine Permits	31,720	4,080	25,000	25,500
CPR Training	6,310	4,590	4,590	4,636
Licenses and Permits	\$ 1,436,215	\$ 1,413,195	\$ 1,460,432	\$ 1,774,942
Interest Income	\$ 187,462	225,000	\$ 150,000	\$ 175,000
County Vehicle Registration Fee	162,722	142,410	170,000	173,400
County Contribution - Ambulance Service	154,517	140,000	140,000	140,000
DISD Reimbursement - Water Park	379,296	466,211	466,211	480,197
DISD Contribution - School Resource Officer	122,037	140,778	140,778	155,435
State - Signal Reimbursement	16,062	16,062	16,062	16,062
Non-Grant State Reimbursement - Fire	38,917	2,500	96,719	2,500
Williams Square Parking Fees	15,068	15,000	18,147	15,000
Miscellaneous Revenues	160,904	156,001	156,001	156,000
Grant Revenues	75,871	5,000	50,000	148,506
Recovery of Prior-Year Expenditures	21,604	108,000	24,572	50,000
Mowing Administration Fees	2,005	2,601	2,601	2,653
Mowing Liens	43,287	26,250	26,250	27,563
Police Phone Commissions	6,303	10,300	10,300	10,609
Sale of Surplus Supplies and Fixed Assets	159,039	91,000	91,000	91,000
Miscellaneous Revenues	\$ 1,545,094	\$ 1,547,113	\$ 1,558,641	\$ 1,643,925
Return on Investment - Water	\$ 1,054,942	\$ 1,140,060	\$ 1,146,691	\$ 1,200,034
Return on Investment - Wastewater	653,326	762,650	747,317	828,464
Return on Investment - Electric	4,227,225	4,303,400	4,337,203	4,507,707
Return on Investment - Airport	15,239	-	-	-
Cost of Service Transfer - Electric Fund	1,475,624	1,614,375	1,614,375	1,726,781
Cost of Service Transfer - Water Fund	1,355,593	1,631,715	1,631,715	1,343,719
Cost of Service Transfer - Solid Waste Fund	797,897	888,373	888,373	910,982
Cost of Service Transfer - Wastewater Fund	735,093	969,706	969,706	1,004,787
Cost of Service Transfer - Airport	178,124	294,997	294,997	381,338
Cost of Service Transfer - Public Education Government	87,301	-	-	-
Cost of Service Transfer - Risk Retention Fund	124,794	183,520	183,520	191,368
Cost of Service Transfer - Insurance Fund	-	19,473	19,473	69,023
Cost of Service Transfer - Recreation Fund	156,733	80,668	80,668	83,211
Cost of Service Transfer - Municipal Court Security	65,254	100,000	70,000	70,000

**GENERAL FUND
RESOURCE SUMMARY
2013-14**

DESCRIPTION	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Cost of Service Transfer - Fleet Services	-	371,303	371,303	387,276
Cost of Service Transfer - Materials Management	-	709,589	709,589	756,285
Cost of Service Transfer - Technology Services	-	469,274	469,274	454,790
Cost of Service Transfer - Parks Gas Well	-	-	-	105,680
Cost of Service Transfer - Engineering and Development	-	-	-	344,033
<i>Transfers</i>	\$ 10,927,145	\$ 13,539,103	\$ 13,534,204	\$ 14,365,478
<i>TOTAL REVENUES</i>	\$ 88,765,471	\$ 93,655,392	\$ 93,130,415	\$ 97,758,221
Use of Fund Balance	\$ -	\$ 664,894	\$ 635,837	\$ 1,342,039
<i>TOTAL RESOURCES</i>	\$ 88,765,471	\$ 94,320,286	\$ 93,766,252	\$ 99,100,260

GENERAL FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Ad Valorem Taxes	\$ 30,895,470	\$ 32,285,809	\$ 32,207,386	\$ 33,698,934
Sales Tax	25,886,940	26,466,107	26,216,107	27,326,141
Franchise Agreements	7,800,882	7,592,570	7,592,570	7,592,570
Total Other Taxes	365,921	303,413	378,252	500,978
Service Fees	5,666,410	5,943,989	5,725,330	6,130,164
Fines and Fees	4,241,394	4,564,093	4,457,493	4,725,089
Licenses and Permits	1,436,215	1,413,195	1,460,432	1,774,942
Miscellaneous Revenues	1,545,094	1,547,113	1,558,641	1,643,925
Transfers	10,927,145	13,539,103	13,534,204	14,365,478
TOTAL REVENUES	\$ 88,765,471	\$ 93,655,392	\$ 93,130,415	\$ 97,758,221
Use of Reserves	-	664,894	635,837	1,342,039
TOTAL RESOURCES	\$ 88,765,471	\$ 94,320,286	\$ 93,766,252	\$ 99,100,260

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 64,134,311	\$ 68,765,863	\$ 68,318,617	\$ 71,614,128
Materials & Supplies	1,854,615	2,033,820	2,033,820	2,255,339
Maintenance & Repairs	2,301,464	2,406,079	2,406,079	3,094,891
Insurance	1,017,201	1,029,951	1,029,951	1,066,295
Miscellaneous	675,126	1,015,319	1,015,319	779,826
Operations	10,369,320	12,271,587	12,164,799	12,528,017
Transfers	6,289,305	6,009,714	6,009,714	6,893,811
Fixed Assets	712,055	787,953	787,953	867,953
TOTAL EXPENDITURES	\$ 87,353,397	\$ 94,320,286	\$ 93,766,252	\$ 99,100,260

PERSONNEL	2011-12	2012-13	2012-13	2013-14
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Neighborhood Services	227.31	234.58	233.58	234.04
Public Safety	408.98	418.48	418.48	424.48
Transportation	14.00	14.00	14.00	13.00
Administrative & Community Services	88.75	90.75	90.75	93.75
TOTAL PERSONNEL	739.04	757.81	756.81	765.27

GENERAL FUND
EXPENDITURES BY PROGRAM SUMMARY
2013-14

	2011-12		2012-13		2012-13		2013-14
	ACTUAL		BUDGET		ESTIMATE		PROPOSED
NEIGHBORHOOD SERVICES							
Building Inspections	\$ 1,801,687	\$	2,002,510	\$	2,002,510	\$	2,064,576
Code Enforcement	1,192,015		1,363,633		1,363,633		1,409,852
Libraries	4,994,659		5,424,927		5,424,927		5,680,205
Parks and Recreation	9,892,216		10,814,857		10,814,857		11,664,096
Planning	1,925,678		2,338,174		2,338,174		2,249,665
Development Review Engineering	276,950		346,363		346,363		-
Gas Well Review	417,342		456,772		456,772		424,656
Social Services	352,149		404,547		404,547		426,038
	<u>\$ 20,852,696</u>	\$	<u>23,151,783</u>	\$	<u>23,151,783</u>	\$	<u>23,919,088</u>
PUBLIC SAFETY							
Animal Services	\$ 951,046	\$	1,049,446	\$	1,049,446	\$	1,112,159
Fire	21,218,029		22,860,521		22,860,521		23,528,017
Municipal Court	1,254,404		1,337,989		1,337,989		1,398,503
Municipal Judge	325,031		420,464		420,464		439,210
Police	23,290,958		24,154,219		24,154,219		25,894,249
	<u>\$ 47,039,468</u>	\$	<u>49,822,639</u>	\$	<u>49,822,639</u>	\$	<u>52,372,138</u>
TRANSPORTATION							
Traffic Operations	\$ 1,723,765	\$	2,019,805	\$	2,019,805	\$	2,128,084
Transportation Operations	353,869		372,232		372,232		372,715
Street Lighting	729,575		735,000		735,000		735,000
	<u>\$ 2,807,209</u>	\$	<u>3,127,037</u>	\$	<u>3,127,037</u>	\$	<u>3,235,799</u>
ADMINISTRATIVE & COMMUNITY SERVICES							
City Manager's Office	\$ 2,156,707	\$	2,528,457	\$	2,528,457	\$	2,709,741
Economic Development	1,610,966		2,258,390		2,151,602		2,387,304
Facilities Management	2,968,852		3,123,463		3,123,463		3,425,856
Finance	3,285,908		3,436,623		3,436,623		3,448,146
Human Resources	1,423,665		1,535,392		1,535,392		1,604,453
Internal Audit	78,569		150,906		150,906		76,093
Legal Administration	1,762,857		1,970,567		1,970,567		2,164,654
Public Communications Office	655,742		722,180		722,180		748,639
Reprographics	-		-		-		455,158
Non-Departmental	2,710,758		2,492,849		2,045,603		2,553,191
	<u>\$ 16,654,024</u>	\$	<u>18,218,827</u>	\$	<u>17,664,793</u>	\$	<u>19,573,235</u>
TOTAL EXPENDITURES	<u>\$ 87,353,397</u>	\$	<u>94,320,286</u>	\$	<u>93,766,252</u>	\$	<u>99,100,260</u>

ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION
2013-14

City of Denton Overall Tax Collections

Assessed Valuation for 2012		\$	6,706,462,587
Gain or Loss in Value			272,761,687
Loss of Downtown TIRZ Value			<u>(16,931,096)</u>
Net Assessed Valuation for 2013		\$	6,962,293,178
Tax Rate Per \$100 Valuation	x		<u>0.68975</u>
		\$	48,022,417
Estimated Collections	x		<u>100.00%</u>
TOTAL GENERAL FUND AND DEBT SERVICE REVENUE		\$	48,022,417
TIRZ Value		\$	16,931,096
Tax Rate Per \$100 Valuation	x		<u>0.68975</u>
		\$	116,782
Estimated Collections	x		<u>100.00%</u>
TOTAL TIRZ REVENUE		\$	116,782
TOTAL TAX REVENUE		\$	48,139,199

TAX RATE PER \$100

DISTRIBUTION	2012-13	2013-14	2013-14 REVENUE	PERCENT
General Fund	\$ 0.47088	\$ 0.47480	\$ 33,056,849	68.84%
General Debt Service Fund	0.21887	0.21495	14,965,568	31.16%
Sub-Total	<u>\$ 0.68975</u>	<u>\$ 0.68975</u>	<u>\$ 48,022,417</u>	<u>100.00%</u>
Downtown TIRZ Fund	\$ 0.68975	\$ 0.68975	\$ 116,782	100.00%
TOTAL			<u><u>\$ 48,139,199</u></u>	

GENERAL DEBT SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Ad Valorem & Delinquent Taxes	\$ 14,214,296	\$ 14,815,514	\$ 14,815,514	\$ 14,965,568
Interest Income	31,888	50,000	50,000	50,000
Transfer In - Drainage	541,225	464,419	464,419	405,388
Transfer In - Solid Waste	4,520,549	5,378,055	5,369,209	5,936,809
Transfer In - Fleet	257,029	255,024	254,626	247,117
Transfer In - Materials Mgmt	44,028	45,287	44,072	44,114
Transfer In - Technology	546,746	137,700	212,157	72,100
Transfer In - Communication	35,413	34,213	34,213	33,013
Transfer In - Airport	211,496	226,648	226,452	357,141
Transfer In - Electric	11,187,689	12,362,406	12,362,406	15,056,362
Transfer In - Water	4,926,722	3,742,450	3,742,450	4,001,556
Transfer In - Wastewater	3,242,822	2,950,492	2,950,492	3,108,327
TOTAL REVENUES	39,759,903	40,462,208	40,526,010	44,277,495
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 39,759,903	\$ 40,462,208	\$ 40,526,010	\$ 44,277,495

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
General Debt Service	\$ 13,684,206	\$ 14,120,848	\$ 14,024,010	\$ 14,993,568
Fleet Debt Service	257,029	255,024	254,626	247,117
Communications Debt Service	35,413	34,213	34,213	33,013
Technology Debt Service	546,746	212,157	212,157	72,100
Drainage Debt Service	541,225	464,419	464,419	405,388
Solid Waste Debt Service	4,520,549	5,378,055	5,369,209	5,936,809
Materials Mgmt Debt Service	44,028	45,287	44,072	44,114
Airport Debt Service	211,496	226,648	226,452	357,141
Electric Debt Service	11,187,689	12,362,406	12,362,406	15,056,362
Water Debt Service	4,926,722	3,742,450	3,742,450	4,001,556
Wastewater Debt Service	3,242,822	2,950,492	2,950,492	3,108,327
Fiscal Charges	16,620	122,000	22,000	22,000
TOTAL EXPENDITURES	\$ 39,214,545	\$ 39,913,999	\$ 39,706,506	\$ 44,277,495

ELECTRIC FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Operating Revenues	\$ 131,960,147	\$ 142,248,302	\$ 140,023,278	\$ 150,892,980
Non-Operating Revenues	501,080	492,999	400,000	350,000
TOTAL REVENUES	132,461,227	142,741,301	140,423,278	151,242,980
Use of Reserves	-	16,246,224	17,717,311	17,116,770
TOTAL RESOURCES	\$ 132,461,227	\$ 158,987,525	\$ 158,140,589	\$ 168,359,750

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Fuel & Purchased Power	\$ 76,373,077	\$ 100,928,672	\$ 100,928,672	\$ 103,346,717
Operation & Maintenance	24,540,244	25,890,126	27,079,744	30,019,779
Return on Investment	4,227,225	4,303,400	4,337,203	4,507,707
Franchise Fee	6,047,531	6,147,714	6,196,004	6,439,581
Non-Operating Expenditures	17,585,453	21,717,613	19,598,966	24,045,966
TOTAL EXPENDITURES	\$ 128,773,530	\$ 158,987,525	\$ 158,140,589	\$ 168,359,750

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	129.50	143.00	143.00	164.00

MAJOR BUDGET ITEMS	
FY 2012-13	FY 2013-14
The budget reflects no base rate increase. The budget reflects the addition of 11.5 FTEs, including 6 FTEs for an enhanced Capital Improvement Program (CIP) as discussed in the Budget Overview section of this document.	The budget includes a 2.5% base rate increase. The budget reflects 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.

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
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Interest Operating	\$ 64,995	\$ 233,000	\$ 61,000	\$ 46,000
Water Sales Residential	15,320,161	16,277,324	16,311,188	17,197,614
Water Sales Commercial	13,907,712	14,869,171	14,821,257	15,354,720
Water for Resale	1,160,335	677,760	936,147	937,462
Other Water	730,404	748,882	694,002	796,891
Public Works Fees & Permits	666,337	482,000	502,000	-
Engineering Fees & Permits	11,316	12,616	11,231	-
Engineering Charges	1,835,229	2,212,374	1,969,860	-
Public Works Charges	77,402	285,243	258,576	-
Cost of Service - General Fund	111,424	358,310	350,881	533,353
Cost of Service - Electric	2,332,082	2,512,886	2,394,577	2,937,716
Cost of Service - Wastewater	786,608	877,788	846,709	921,893
Cost of Service - Solid Waste	752,467	817,243	782,296	751,411
Impact Fee Revenues	1,900,000	2,600,000	2,600,000	3,100,000
TOTAL REVENUES	\$ 39,656,473	\$ 42,964,597	\$ 42,539,724	\$ 42,577,060
Use of Reserves	-	903,333	-	328,745
TOTAL RESOURCES	\$ 39,656,473	\$ 43,867,930	\$ 42,539,724	\$ 42,905,805

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Water Administration	\$ 1,145,105	\$ 1,642,231	\$ 1,374,616	\$ 1,472,199
Water Production	821,746	1,053,872	1,041,189	1,122,106
Water Distribution	5,431,275	6,678,873	6,105,378	7,013,660
Water Metering	4,062,522	6,861,572	6,848,574	7,707,356
Water Engineering	1,658,533	1,856,095	1,811,092	-
Public Works Inspections	331,244	433,805	398,996	-
Water Laboratory	1,854,454	2,224,990	1,981,091	2,041,983
Utilities Administration	649,809	767,243	760,576	472,957
Customer Service	4,036,721	4,375,085	4,160,881	4,880,632
Miscellaneous	16,753,620	17,974,164	17,990,033	18,194,912
TOTAL EXPENDITURES	\$ 36,745,030	\$ 43,867,930	\$ 42,472,426	\$ 42,905,805

PERSONNEL Full Time Equivalents (FTE)	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Water Administration	9.50	9.50	9.50	9.00
Water Production	31.00	33.00	33.00	34.00
Water Distribution	22.00	22.00	22.00	22.00
Water Metering	14.00	14.00	14.00	15.00
Water Laboratory	4.00	4.00	4.00	4.50
Water Engineering	21.50	21.50	15.50	-
Public Works Inspections	9.50	9.50	7.50	-
Utilities Administration	7.00	8.00	8.00	8.00
Customer Service	39.50	39.50	40.50	41.00
TOTAL PERSONNEL	158.00	161.00	154.00	133.50

**WATER FUND
EXPENDITURES BY CLASSIFICATION
2013-14**

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Purchased Power	\$ 1,128,828	\$ 1,504,000	\$ 1,271,516	\$ 1,501,504
Purchased Water	71,320	91,500	91,019	91,500
Personal Services	9,768,647	11,049,920	10,461,939	9,680,858
Materials & Supplies	1,572,863	1,694,929	1,541,268	1,764,039
Maintenance & Repair	842,256	1,243,446	1,215,681	1,335,146
Insurance	197,382	203,693	204,580	217,201
Return on Investment	1,054,942	1,140,060	1,146,691	1,200,034
Franchise Fee	1,507,060	1,618,168	1,627,744	1,691,258
Miscellaneous	88,572	102,048	98,215	101,139
Operations	2,040,866	2,624,709	2,300,316	2,846,777
Debt Service	12,364,199	13,209,294	13,209,294	13,199,256
Cost of Service - General Fund	1,396,310	1,681,645	1,681,645	1,396,582
Cost of Service - Other	1,738,705	1,838,231	1,838,231	1,701,118
Transfer to Capital Projects	2,973,079	5,866,287	5,784,287	6,179,393
TOTAL EXPENDITURES	\$ 36,745,030	\$ 43,867,930	\$ 42,472,426	\$ 42,905,805

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
An 8.0% rate increase for water customers is included in the budget. The budget reflects the addition of 3 FTEs: 1 FTE for a Sustainability Coordinator in Utility Administration; 1 FTE for a Senior Engineer in Water Production; and 1 FTE for an Operator I in Water Production. The Estimate includes the addition of 1 FTE in Customer Service for City wide switchboard operations, and the reduction of 8 unfunded & vacant positions related to Engineering.	A 4.0% rate increase for water customers is included in the budget. The budget reflects the addition of 3 FTEs: 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.

WASTEWATER FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Interest Operating	\$ 46,430	\$ 192,000	\$ 48,600	\$ 23,000
Wastewater Residential	8,483,858	9,311,742	9,197,995	10,280,865
Wastewater Commercial	8,932,830	10,546,220	10,306,081	11,459,902
Wastewater Effluent Irrigation	133,738	126,640	61,468	61,468
Wastewater Wholesale	461,620	522,519	497,379	499,444
Other Wastewater	1,392,331	1,282,890	1,289,000	1,368,719
Drainage Fees	4,251,213	4,275,310	4,291,037	4,373,117
Transfers In	252,667	419,141	419,141	610,713
Impact Fee Revenues	1,000,000	1,100,000	1,100,000	1,100,000
TOTAL REVENUES	\$ 24,954,688	\$ 27,776,462	\$ 27,210,701	\$ 29,777,228
Use of Reserves	-	475,945	281,764	550,006
TOTAL RESOURCES	\$ 24,954,688	\$ 28,252,407	\$ 27,492,465	\$ 30,327,234

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Wastewater Administration	\$ 1,195,784	\$ 1,309,405	\$ 1,109,180	\$ 1,425,478
Water Reclamation	3,630,450	4,146,261	3,999,291	4,425,320
Wastewater Collection	3,907,472	5,960,366	5,754,935	6,667,367
Beneficial Reuse	1,119,580	1,398,341	1,327,272	1,485,266
Wastewater Laboratory	452,593	534,601	504,634	609,981
Industrial Pretreatment	535,203	753,424	691,787	692,943
Drainage	2,359,488	2,536,355	2,577,063	2,638,149
Watershed Protection	534,091	641,116	624,082	729,047
Drainage Miscellaneous	8,585,018	9,538,922	9,478,552	10,087,016
Miscellaneous	1,569,956	1,433,616	1,425,669	1,566,667
TOTAL EXPENDITURES	\$ 23,889,636	\$ 28,252,407	\$ 27,492,465	\$ 30,327,234

PERSONNEL	2011-12	2012-13	2012-13	2013-14
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Wastewater Administration	10.00	10.00	10.00	9.50
Water Reclamation	21.00	22.00	22.00	23.00
Wastewater Collection	24.00	24.00	26.00	26.00
Beneficial Reuse	6.75	6.75	6.75	6.75
Wastewater Laboratory	4.00	4.00	4.00	4.50
Industrial Pretreatment	6.00	7.50	7.50	7.50
Drainage	16.00	16.00	16.00	15.00
Watershed Protection	4.62	5.00	5.00	6.00
TOTAL PERSONNEL	92.37	95.25	97.25	98.25

WASTEWATER FUND
EXPENDITURES BY CLASSIFICATION
2013-14

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Purchased Power	\$ 714,705	\$ 821,000	\$ 789,000	\$ 821,000
Personal Services	6,012,556	6,910,361	6,696,597	7,386,840
Materials & Supplies	702,027	910,128	731,155	915,988
Maintenance & Repair	988,514	1,287,347	1,071,638	1,333,594
Insurance	102,253	135,833	135,833	217,122
Miscellaneous	33,040	44,381	32,245	48,357
Operations	1,980,149	2,318,797	2,100,282	2,460,752
Return on Investment	653,326	762,650	747,317	828,464
Franchise Fee	933,323	1,089,501	1,067,596	1,183,520
Debt Service	6,553,689	6,751,660	6,751,660	7,045,429
Cost of Service - General Fund	776,420	1,022,551	1,022,551	1,068,565
Cost of Service - Other	1,488,199	1,774,985	1,743,906	1,959,090
Transfer for Capital Projects	2,951,434	4,423,213	4,602,685	5,058,513
TOTAL EXPENDITURES	\$ 23,889,636	\$ 28,252,407	\$ 27,492,465	\$ 30,327,234

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
<p>The Wastewater budget included a 9.0% increase in rates. The budget included the addition of 2.88 FTEs in the Wastewater budget: 1 FTE for a WW utility electrician II in Water Reclamation; 0.5 FTE for an environmental monitoring tech in Industrial Pretreatment; 1 FTE for a transportation permit specialist in Industrial Pretreatment; and 0.38 FTE for a Watershed Protection intern in Watershed Protection. The estimate includes 2 FTE's added in the Collections division.</p>	<p>The budget includes 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 Fund.</p>

SOLID WASTE FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Refuse Fees - Residential	\$ 6,927,398	\$ 8,749,295	\$ 8,813,999	\$ 9,402,091
Refuse Fees - Commercial	9,546,904	11,395,798	10,566,355	11,256,025
Landfill Fees	3,048,765	3,106,292	3,017,106	3,429,702
Recycling	3,034,933	1,214,705	1,213,162	1,262,359
Construction	-	-	-	110,000
Site Operations	-	-	-	281,554
Interest Income	152,926	150,000	155,000	150,000
Other Revenues	38,148	531,499	289,149	461,304
TOTAL REVENUES	\$ 22,749,074	\$ 25,147,589	\$ 24,054,771	\$ 26,353,035
Use of Reserves	-	-	212,352	-
TOTAL RESOURCES	\$ 22,749,074	\$ 25,147,589	\$ 24,267,123	\$ 26,353,035

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Solid Waste Administration	\$ 605,984	\$ 946,039	\$ 1,137,591	\$ 865,021
Residential Collection	5,840,530	7,695,415	7,235,521	8,045,125
Commercial Collection	6,225,466	8,212,309	7,851,886	8,217,349
Solid Waste Landfill	6,709,927	6,422,162	6,298,613	6,638,771
Solid Waste Recycling	2,977,770	1,271,317	1,204,288	1,238,065
Construction	8,967	226,280	216,508	366,067
Keep Denton Beautiful (KDB)	366,656	351,167	322,716	356,663
Site Operations	-	-	-	585,929
TOTAL EXPENDITURES	\$ 22,735,300	\$ 25,124,689	\$ 24,267,123	\$ 26,312,990

PERSONNEL Full Time Equivalents (FTE)	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Solid Waste Administration	4.00	4.00	4.00	5.00
Residential Collection	31.50	40.00	41.50	42.50
Commercial Collection	23.50	28.50	28.50	27.50
Solid Waste Landfill	26.50	22.50	25.50	26.00
Solid Waste Recycling	17.00	8.00	8.00	8.00
Construction	-	4.50	4.50	5.00
Keep Denton Beautiful (KDB)	3.00	3.00	3.00	3.00
TOTAL PERSONNEL	105.50	110.50	115.00	117.00

**SOLID WASTE FUND
EXPENDITURES BY CLASSIFICATION
2013-14**

EXPENDITURE	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 7,156,829	\$ 8,398,223	\$ 7,994,567	\$ 9,017,891
Materials & Supplies	276,988	292,643	299,588	351,863
Maintenance & Repair	223,683	455,675	406,689	495,522
Insurance	146,659	168,961	168,961	198,856
Franchise Fee	1,105,235	1,241,561	1,171,398	1,308,246
Miscellaneous	54,037	60,322	66,547	70,660
Operations	6,537,699	6,253,763	5,724,556	5,998,851
Debt Service	4,520,548	5,378,056	5,378,056	5,937,331
Cost of Service - General Fund	797,120	877,525	877,525	935,982
Landfill Closure	375,943	325,950	325,950	336,900
Cost of Service - Technology Services	222,898	281,642	281,642	356,584
Cost of Service - Fleet Services	42,744	45,045	45,045	53,625
Cost of Service - Safety and Training	84,344	86,202	86,202	75,694
Cost of Service - Electric	2,375	691	691	2,441
Cost of Service -Materials Mgmt	51,543	71,188	71,187	60,980
Cost of Service - Utility Admin	133,366	146,855	146,855	48,196
Cost of Service - Customer Service	619,880	670,387	670,388	706,868
Fixed Assets	56,549	370,000	291,275	281,500
Capital Projects	303,785	-	260,000	-
Other Transfers	23,075	-	-	75,000
TOTAL EXPENDITURES	\$ 22,735,300	\$ 25,124,689	\$ 24,267,123	\$ 26,312,990

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget reflects the addition of 5 FTEs and the re-establishment of a Construction and Demolition Materials Recovery operation: 2 FTEs for Residential Curbside Recycling, 1 FTE for a Recycling Coordinator, and 1 FTE for the Household Chemical Collection program. Additionally, 1 Temporary FTE for Residential Yard Waste collection, and the Construction and Demolition Materials Recovery processing program. The estimate includes the addition of 5 FTE's that were budgeted as temporary, and retained as full time.	The budget includes various increases in rates as detailed in the Budget Overview section of this document. The budget reflects the addition of a Administration FTE and a crew leader in the Construction Division.

AIRPORT FUND
RESOURCE AND EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Airport Ground Leases	\$ 346,156	\$ 561,802	\$ 382,622	\$ 459,146
FBO Commissions	309,831	350,000	356,230	391,853
Airport Gas Royalties	1,216,740	1,125,000	975,000	900,000
Airport Leases	49,173	-	-	-
Miscellaneous	102,297	40,000	40,000	59,000
Interest Income	32,706	25,000	25,000	27,000
TOTAL REVENUES	\$ 2,056,903	\$ 2,101,802	\$ 1,778,852	\$ 1,836,999
Use of Reserves	-	391,123	359,708	942,364
TOTAL RESOURCES	\$ 2,056,903	\$ 2,492,925	\$ 2,138,560	\$ 2,779,363

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 399,504	\$ 503,380	\$ 415,180	\$ 545,070
Materials & Supplies	6,902	46,725	46,725	46,725
Repair & Maintenance	51,163	78,997	70,120	78,997
Insurance	17,874	18,563	18,563	21,324
Miscellaneous	1,887	1,500	1,300	1,500
Operations	225,412	219,388	212,000	228,006
Transfers	39,681	66,656	66,656	83,070
Debt Service Transfer	211,546	226,648	226,648	357,262
Cost of Service Transfer - General Fund	178,124	294,997	294,997	381,338
Capital Projects Transfers	479,160	1,000,000	750,300	1,000,000
Franchise Fees	48,518	36,071	36,071	36,071
TOTAL EXPENDITURES	\$ 1,659,771	\$ 2,492,925	\$ 2,138,560	\$ 2,779,363

PERSONNEL	2011-12	2012-13	2012-13	2013-14
Full Time Equivalents (FTE)	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Total Personnel	5.50	6.50	6.50	6.50
TOTAL PERSONNEL	5.50	6.50	6.50	6.50

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$250,000 in funds for year two (2) of a five (5) year program to repair and/or resurface approximately 5.5 miles of Airport roads; \$50,000 for Grant matching to update the 2003 Master Plan; \$76,211 for an additional 1 FTE for a Property Coordinator position; and \$750,000 for capital improvement programming. The budget included an additional \$37,625 for items related to the Aircraft Rescue and Firefighting (ARFF) vehicle added in FY2011-12.	The budget includes \$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.

**TECHNOLOGY SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Transfer - Communication Services	\$ 720,841	\$ 495,662	\$ 495,662	\$ 511,529
Cost of Service - General Fund	4,097,196	4,636,170	4,636,170	4,697,134
Cost of Service - Electric Fund	875,534	1,289,740	1,289,740	1,423,751
Cost of Service - Water Fund	778,407	844,155	844,155	663,814
Cost of Service - Wastewater Fund	257,818	294,863	294,863	295,062
Cost of Service - Solid Waste Fund	222,899	281,642	281,642	335,861
Cost of Service - Airport	37,809	47,495	47,495	51,640
Cost of Service - Fleet Services Fund	71,379	89,779	89,779	111,496
Cost of Service - Materials Management	65,950	70,832	70,832	70,413
Cost of Service - Risk Retention	25,189	27,787	27,787	33,567
Cost of Service - Reprographics	17,161	83,716	83,716	16,278
Cost of Service - Aquatic	65,008	64,495	64,495	75,196
Cost of Service - Street Improvement	62,508	80,034	80,034	52,375
Cost of Service - Engineering	-	-	-	141,958
Transfer - Municipal Court Tech Fund	87,006	100,000	100,000	100,000
Sale of Documents	335,760	290,000	289,376	-
Copy Sales	94,894	97,800	97,800	-
Miscellaneous	5,298	-	-	-
Interest Income	4,572	-	-	-
TOTAL REVENUES	\$ 7,825,230	\$ 8,794,170	\$ 8,793,546	\$ 8,580,074
Use of Reserves	75,019	178,803	178,803	210,124
TOTAL RESOURCES	\$ 7,900,249	\$ 8,972,973	\$ 8,972,349	\$ 8,790,198

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Administration	\$ 2,189,324	\$ 2,171,960	\$ 2,171,960	\$ 2,131,390
Telecommunications	1,133,363	1,172,732	1,172,732	1,228,549
Geographic Information Systems	412,100	450,918	450,976	436,967
Applications Development	1,992,029	2,285,514	2,285,514	2,291,530
User Support	1,016,931	1,368,353	1,368,353	1,463,834
Public Safety/Projects	519,601	712,914	712,914	637,151
Regulatory Compliance	196,967	356,841	357,025	600,777
Reprographics	439,934	453,741	452,875	-
TOTAL EXPENDITURES	\$ 7,900,249	\$ 8,972,973	\$ 8,972,349	\$ 8,790,198

PERSONNEL Full Time Equivalents (FTE)	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Administration	5.00	5.00	5.00	5.00
Telecommunications	3.00	3.00	3.00	3.00
Geographic Information Systems	2.00	2.00	2.00	2.00
Applications Development	8.00	8.00	8.00	9.00
User Support	6.00	8.00	8.00	8.00
Regulatory Compliance	1.00	1.00	1.00	2.00
Reprographics	2.00	2.00	2.00	-
TOTAL PERSONNEL	27.00	29.00	29.00	29.00

**TECHNOLOGY SERVICES FUND
EXPENDITURES BY CLASSIFICATION
2013-14**

EXPENDITURE	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 2,613,693	\$ 2,931,736	\$ 2,931,740	\$ 3,114,097
Materials & Supplies	352,129	386,219	387,011	161,138
Maintenance & Repair	2,036,342	2,604,342	2,591,764	2,587,802
Insurance	21,268	24,463	24,463	23,153
Operations	980,189	1,370,878	1,620,795	1,729,412
Debt Payment	582,159	246,369	250,826	105,113
Transfers	633,673	796,844	535,547	509,735
Fixed Assets	680,796	612,122	630,203	559,748
TOTAL EXPENDITURES	\$ 7,900,249	\$ 8,972,973	\$ 8,972,349	\$ 8,790,198

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included the addition of 2 FTEs (Public Safety Network Administrators), in the User Support Division, for enhanced support functions to public safety departments.	The budget includes the addition of 2 FTE's (a Regulatory Compliance Analyst and a Systems Architect) and \$32,715 for a cash purchase of a vehicle addition. The budget also includes the transfer of the Reprographics division to the General Fund and the corresponding FTE's.

**MATERIALS MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Sale of Scrap Material	\$ 51,581	\$ 45,000	\$ 45,000	\$ 52,000
Postage Fees	-	-	-	1,000
Warehouse Sales	4,926,399	5,627,081	5,627,081	8,204,934
Miscellaneous Income	29,721	40,760	40,760	41,993
Cost of Service - General Fund	264,983	448,590	448,590	561,855
Cost of Service - Electric Fund	111,830	262,400	262,400	332,248
Cost of Service - Water Fund	72,767	167,601	167,601	166,305
Cost of Service - Wastewater Fund	58,977	161,012	161,012	183,796
Cost of Service - Solid Waste Fund	51,543	71,185	71,185	60,980
Cost of Service - Other Funds	119,299	180,063	180,063	257,625
Auction Proceeds	38,381	40,500	40,500	41,600
TOTAL REVENUES	\$ 5,725,480	\$ 7,044,192	\$ 7,044,192	\$ 9,904,336
Use of Reserves	-	394,674	394,674	23,616
TOTAL RESOURCES	\$ 5,725,480	\$ 7,438,866	\$ 7,438,866	\$ 9,927,952

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 905,199	\$ 1,122,540	\$ 1,122,540	\$ 1,238,157
Materials & Supplies	66,715	28,353	28,353	37,503
Inventory	4,520,000	5,334,970	5,334,970	7,597,161
Maintenance & Repair	10,224	9,652	9,652	10,652
Insurance	18,106	17,357	17,357	22,122
Miscellaneous	1,194	1,000	1,000	1,000
Operations	65,405	81,230	81,230	142,590
Debt Service	44,028	45,287	45,287	44,854
Transfers	67,822	798,477	798,477	833,913
TOTAL EXPENDITURES	\$ 5,698,693	\$ 7,438,866	\$ 7,438,866	\$ 9,927,952

PERSONNEL Full Time Equivalents (FTE)	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Purchasing	7.00	8.00	8.00	9.00
Warehouse	5.00	5.00	5.00	6.00
TOTAL PERSONNEL	12.00	13.00	13.00	15.00

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included the addition of 1 FTE for a Senior Buyer to assist with the enhanced DME capital program, and additional funding for a temporary position.	The budget includes the addition of a Warehouse Specialist and the conversion of a temporary Administrative Assistant to a full time position to assist with the enhanced capital programs across the city.

FLEET MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Fuel Sales	\$ 4,603,696	\$ 7,167,150	\$ 5,323,353	\$ 7,144,500
Parts Vehicle Maintenance	4,935,560	5,309,560	5,708,904	6,224,000
Miscellaneous	80,973	91,300	90,000	113,800
Interest Income	2,319	1,300	2,856	1,300
Fleet Rental	5,956	7,605	5,040	7,605
Fleet Admin Transfers	291,278	291,060	291,060	285,390
TOTAL REVENUES	\$ 9,919,782	\$ 12,867,975	\$ 11,421,213	\$ 13,776,595
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 9,919,782	\$ 12,867,975	\$ 11,421,213	\$ 13,776,595

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 1,539,838	\$ 1,742,128	\$ 1,607,692	\$ 1,775,949
Materials & Supplies	82,335	155,220	90,779	112,482
Inventory (Fuel only)	4,092,759	5,500,150	4,514,828	5,481,000
Maintenance & Repair	68,215	96,000	104,267	105,000
Insurance	83,652	83,652	83,652	34,214
Miscellaneous	-	1,250,000	-	1,250,000
Operations	3,310,054	3,184,210	3,912,441	4,048,197
Debt Service	257,029	258,185	255,024	247,360
Transfers	233,870	550,316	578,478	626,773
Fixed Assets	-	-	-	45,000
TOTAL EXPENDITURES	\$ 9,667,751	\$ 12,819,861	\$ 11,147,161	\$ 13,725,975

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	22.00	22.00	22.00	22.00

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget reflected no major changes.	The budget includes \$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).

**RISK RETENTION FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Commercial Insurance	\$ 546,909	\$ 538,713	\$ 538,713	\$ 683,900
Self Insurance	1,271,180	1,364,902	1,364,902	1,561,179
Worker's Compensation	675,525	677,775	677,775	673,000
Interest Income	36,502	35,000	35,000	25,000
Other Revenues	17,362	10,000	10,000	10,000
TOTAL REVENUES	\$ 2,547,478	\$ 2,626,390	\$ 2,626,390	\$ 2,953,079
Use of Reserves	-	93,555	-	67,369
TOTAL RESOURCES	\$ 2,547,478	\$ 2,719,945	\$ 2,626,390	\$ 3,020,448

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 497,251	\$ 554,893	\$ 529,154	\$ 592,331
Materials & Supplies	13,844	9,500	9,950	14,250
Maintenance & Repair	48,225	148,000	148,000	193,000
Insurance	955,510	1,205,650	1,238,765	1,356,900
Miscellaneous	194,142	226,000	226,000	226,000
Operations	409,036	351,236	233,265	408,288
Cost of Service - General Fund	124,794	183,520	180,765	191,368
Cost of Service- Other	-	13,359	13,359	4,744
Cost of Service-Tech Services	27,689	27,787	27,787	33,567
TOTAL EXPENDITURES	\$ 2,270,491	\$ 2,719,945	\$ 2,607,045	\$ 3,020,448

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalents (FTE)				
TOTAL PERSONNEL	6.00	6.00	6.00	6.00

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget reflects no major changes.	The budget includes \$52,500 for contract claims assistance.

**HEALTH INSURANCE FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12	2012-13	2012-13	2013-14
	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Employee Contributions - Health	\$ 2,220,096	\$ 2,061,577	\$ 2,243,947	\$ 2,475,113
Employee Contributions - Dental	770,299	850,000	856,700	959,350
Employee Contributions - Vision	109,489	121,340	118,560	120,300
Employee Contributions - STD	109,942	104,330	120,390	130,300
Retiree Contributions	564,871	513,000	583,500	184,400
City Contributions - Health Insurance	14,724,997	15,340,012	15,410,572	17,506,530
City Contributions - LTD	216,037	201,084	175,000	175,000
City Contributions - Life Insurance	167,741	285,200	162,000	169,000
Pharmacy Rebates	247,724	175,000	203,300	200,000
Stop Loss Recovery	300,169	750,000	850,000	500,000
Other	22,782	18,500	17,825	16,700
TOTAL REVENUES	\$ 19,454,147	\$ 20,420,043	\$ 20,741,794	\$ 22,436,693
Use of Reserves	1,306,529	1,392,117	214,854	2,918,526
TOTAL RESOURCES	\$ 20,760,676	\$ 21,812,160	\$ 20,956,648	\$ 25,355,219

EXPENDITURES	2011-12	2012-13	2012-13	2013-14
	ACTUAL	BUDGET	ESTIMATE	PROPOSED
Long Term Disability	\$ 135,300	\$ 134,120	\$ 141,970	\$ 150,000
Life Insurance	287,637	285,200	334,000	315,380
Short Term Disability	106,040	104,330	120,390	130,300
Dental Insurance	775,160	850,000	856,700	959,350
Vision Insurance	99,090	121,340	118,560	120,300
Health Insurance	19,303,453	20,287,697	19,353,735	20,703,366
Contingency	-	-	-	2,900,000
Transfers	-	19,473	19,473	69,023
Health Clinic Costs	53,996	10,000	11,820	7,500
TOTAL EXPENDITURES	\$ 20,760,676	\$ 21,812,160	\$ 20,956,648	\$ 25,355,219

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included no increases in employee health insurance premiums.	The budget includes a projected 5 - 10% increase in employee health insurance premiums depending on the plan, and a \$2,900,000 contingency for unanticipated claims.

ENGINEERING AND DEVELOPMENT SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Loading Permits	\$ -	\$ -	\$ -	\$ 12,440
Parking Lot Permits	-	-	-	30,000
Overtime Inspections	-	-	-	12,000
R.O.W. Inspection Fees	-	-	-	110,000
Public Works Inspection	-	-	-	381,425
Capital Charge Back	-	-	-	1,742,244
Development Fees	-	-	-	265,684
Transfers/Subledger Charges	-	-	-	1,669,351
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 4,223,144
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ -	\$ -	\$ -	\$ 4,223,144

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Engineering and Real Estate	\$ -	\$ -	\$ -	\$ 2,704,314
Public Works Inspections	-	-	-	783,920
Development Review	-	-	-	579,735
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 4,067,969

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalents (FTE)				
Engineering and Real Estate	-	-	-	19.00
Public Works Inspections	-	-	-	8.00
Development Review	-	-	-	4.00
TOTAL PERSONNEL	-	-	-	31.00

ENGINEERING AND DEVELOPMENT SERVICES FUND
EXPENDITURES BY CLASSIFICATION
2013-14

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ -	\$ -	\$ -	\$ 3,296,136
Materials & Supplies	-	-	-	41,751
Maintenance & Repair	-	-	-	18,300
Insurance	-	-	-	34,418
Miscellaneous	-	-	-	3,438
Operations	-	-	-	122,251
Transfers	-	-	-	551,675
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 4,067,969

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
For FY 2012-13 the Engineering, Real Estate, and Public Works Divisions were budgeted in the Water Fund. The Development Review Division was budgeted in the General Fund.	The budget includes the creation of a new Internal Service Fund which will centralize the City's Engineering and Development Services. The budget includes three new FTEs: Director of Engineering, Development Review Administrator, and an Administrative Assistant.

**STREET IMPROVEMENT FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Street Cut Reimbursements	\$ 360,961	\$ 321,484	\$ 321,484	\$ 327,914
Bond Sale Savings	194,382	265,251	265,251	379,911
Franchise Fees	5,585,086	6,562,039	6,562,039	7,186,378
Transfer from General Fund	921,779	-	-	-
Interest Income	5,268	10,000	10,000	10,000
TOTAL REVENUES	\$ 7,067,476	\$ 7,158,774	\$ 7,158,774	\$ 7,904,203
Use of Reserves	-	-	-	300,000
TOTAL RESOURCES	\$ 7,067,476	\$ 7,158,774	\$ 7,158,774	\$ 8,204,203

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 1,853,189	\$ 2,141,141	\$ 2,137,739	\$ 2,275,487
Materials & Supplies	65,335	67,706	62,625	75,130
Maintenance & Repairs	3,514,708	4,257,024	4,267,682	3,964,379
Insurance	37,163	47,751	47,751	61,280
Miscellaneous	3,209	6,000	5,500	5,000
Operations	520,074	557,647	555,972	873,596
Transfers	81,856	81,505	81,505	949,331
TOTAL EXPENDITURES	\$ 6,075,534	\$ 7,158,774	\$ 7,158,774	\$ 8,204,203

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalent (FTE)				
TOTAL PERSONNEL	27.00	30.00	30.00	33.00

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included the addition of 3 FTEs (1 Crew Leader and 2 Field Service Worker II's) for a new maintenance crew to perform additional street repairs.	The budget reflects the addition of 3 FTEs (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.

**RECREATION FUND
RESOURCE AND EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Special Projects	\$ 7,726	\$ 3,096	\$ 3,096	\$ 11,790
Marketing	26,735	28,166	28,166	29,429
Civic Center	17,716	24,071	18,000	20,043
Denia Rec Center	125,038	137,462	137,462	162,052
North Lakes Rec Center	272,030	269,767	279,000	295,642
Senior Center	107,125	99,017	105,000	106,399
Youth and Teen Services	475,710	383,303	383,303	412,684
Goldfield Tennis Center	140,612	177,646	155,000	178,628
Civic Center Pool	41,836	41,078	41,200	42,680
Martin Luther King Jr. Rec Center	68,597	166,412	117,591	119,462
Golf	500	143,175	20,000	153,425
Athletics	283,726	279,438	312,276	302,757
Miscellaneous Income	7,633	-	-	-
Interest Income	4,562	10,000	5,000	15,000
TOTAL REVENUES	\$ 1,579,546	\$ 1,762,631	\$ 1,605,094	\$ 1,849,991
Use of Reserves	25,804	187,717	200,224	236,857
TOTAL RESOURCES	\$ 1,605,350	\$ 1,950,348	\$ 1,805,318	\$ 2,086,848

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 443,983	\$ 650,808	\$ 602,242	\$ 722,460
Materials & Supplies	437,988	559,707	565,677	608,090
Maintenance & Repair	12,136	103,454	13,454	20,954
Insurance	19,155	20,434	20,434	22,879
Miscellaneous	11,882	-	-	-
Operations	380,504	504,114	401,680	530,727
Transfer - General Fund	156,733	80,668	80,668	143,391
Transfer - Capital Projects	112,266	-	90,000	-
Transfer - Materials Mgmt	4,704	31,163	31,163	38,347
Fixed Assets	25,999	-	-	-
TOTAL EXPENDITURES	\$ 1,605,350	\$ 1,950,348	\$ 1,805,318	\$ 2,086,848

PERSONNEL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Full Time Equivalent (FTE)	24.27	24.27	24.27	24.27

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included funding for the purchase of a new tennis ball machine, carnival games for department special events, ping pong table, kayaks, new basketball rims for the recreation centers, and improvements to the Golf Driving Range Center.	The budget includes 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 (details provided in the Budget Overview section).

**TOURIST & CONVENTION FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Hotel Occupancy Tax	\$ 1,561,592	\$ 1,508,740	\$ 1,855,129	\$ 1,739,454
TOTAL REVENUES	\$ 1,561,592	\$ 1,508,740	\$ 1,855,129	\$ 1,739,454
Use of Reserves	-	-	-	177,323
TOTAL RESOURCES	\$ 1,561,592	\$ 1,508,740	\$ 1,855,129	\$ 1,916,777

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Convention & Visitor Bureau	\$ 650,080	\$ 733,100	\$ 733,100	\$ 783,100
North Texas State Fair Association	73,620	73,620	73,620	73,620
Greater Denton Arts Council	117,780	117,780	117,780	117,780
Denton Civic Center	7,354	7,500	7,500	7,500
Denton Festival Foundation	82,820	82,820	82,820	82,820
Denton Black Chamber of Commerce	16,580	16,580	16,580	16,580
Denton Holiday Festival Association	7,640	7,640	7,640	7,640
Denton Community Theatre	23,010	23,010	23,010	23,010
Denton Air Fair	10,240	10,240	10,240	10,240
Denton Main Street Association	23,010	23,010	23,010	23,010
Denton County Museums	95,729	90,840	90,840	108,570
Denton Firefighter Museum	20,409	20,690	20,690	20,690
Denton County Historical Commission	17,730	17,730	17,730	-
Cinco de Mayo Committee	8,000	8,000	8,000	8,000
Juneteenth Committee	12,430	12,430	12,430	12,430
Tejas Storytelling Association	50,610	50,610	50,610	50,610
Water Works Park	11,032	11,040	11,040	11,040
Denton Dog Days	14,590	14,590	14,590	14,590
Denton Public Art Committee	31,915	36,210	36,210	41,747
Susan G. Komen	-	10,000	10,000	10,000
Denton Square Maintenance	11,050	11,050	11,050	11,050
Square Lighting Maintenance	5,250	5,250	5,250	5,250
Contingency	-	15,000	15,000	15,000
Convention Center Contingency	-	100,000	100,000	100,000
Convention Center One Time Marketing	-	-	-	350,000
Music Theater of Denton	5,000	5,000	5,000	5,000
Texas Filmmakers	5,000	5,000	5,000	7,500
TOTAL EXPENDITURES	\$ 1,300,879	\$ 1,508,740	\$ 1,508,740	\$ 1,916,777

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$100,000 as a contingency for unknown but anticipated expenses related to the planned Convention Center.	The budget includes \$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.

**POLICE CONFISCATION FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Seizures	\$ 361,306	\$ 160,000	\$ 270,000	\$ 400,000
Auction Proceeds	24,080	24,000	30,000	50,000
Interest Income	1,851	1,500	1,900	2,200
TOTAL REVENUES	\$ 387,237	\$ 185,500	\$ 301,900	\$ 452,200
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 387,237	\$ 185,500	\$ 301,900	\$ 452,200

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Materials & Supplies	\$ 28,327	\$ 42,000	\$ 12,000	\$ 54,000
Maintenance & Repair	4,500	-	-	-
Operations	85,614	113,000	138,500	137,000
Transfer to Capital Projects	-	-	-	198,730
Fixed Assets	10,032	-	-	57,000
TOTAL EXPENDITURES	\$ 128,474	\$ 155,000	\$ 150,500	\$ 446,730

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$18,000 for facility upgrades, and \$10,000 to upgrade the jail security system.	The budget includes \$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.

**TRAFFIC SAFETY FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Red Light Camera Fees	\$ 859,432	\$ 913,200	\$ 968,075	\$ 1,608,000
TOTAL REVENUES	\$ 859,432	\$ 913,200	\$ 968,075	\$ 1,608,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 859,432	\$ 913,200	\$ 968,075	\$ 1,608,000

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Personal Services	\$ 25,979	\$ 3,850	\$ 59,582	\$ 65,000
Maintenance and Repair	3,376	-	-	-
Operations	-	25,000	25,000	42,640
Red Light Camera Contract	630,135	525,960	608,760	901,200
Payment to State of Texas	99,971	191,695	149,867	320,900
Contingency	-	150,000	50,000	150,000
TOTAL EXPENDITURES	\$ 759,461	\$ 896,505	\$ 893,209	\$ 1,479,740

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$25,000 for solar school flashers. The budget included 50% revenue payments to the State of Texas. Appropriations were also included in the budget to provide a contingency for items such as unanticipated payments to the State of Texas or additional red light camera installations.	The budget includes \$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.

**NON-AIRPORT GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Interest Income	\$ 2,447	\$ 2,949	\$ 185	\$ -
TOTAL REVENUES	\$ 2,447	\$ 2,949	\$ 185	\$ -
Use of Reserves	1,597,553	37,051	35,999	-
TOTAL RESOURCES	\$ 1,600,000	\$ 40,000	\$ 36,184	\$ -

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Transfer to Capital Projects	\$ 1,600,000	\$ 40,000	\$ 36,184	\$ -
TOTAL EXPENDITURES	\$ 1,600,000	\$ 40,000	\$ 36,184	\$ -

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$40,000 for potential expenses related to a planned property acquisition.	All resources have been expended for this fund, and accordingly no expenditures are budgeted in FY 2013-14.

**PARKS GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Gas Well Royalties	\$ 218,783	\$ 225,000	\$ 158,000	\$ 150,000
Interest Income	3,470	3,500	3,400	3,500
TOTAL REVENUES	\$ 222,253	\$ 228,500	\$ 161,400	\$ 153,500
Use of Reserves	127,747	571,500	633,100	-
TOTAL RESOURCES	\$ 350,000	\$ 800,000	\$ 794,500	\$ 153,500

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Transfer to Capital Projects	\$ 350,000	\$ 800,000	\$ 794,500	\$ 140,500
TOTAL EXPENDITURES	\$ 350,000	\$ 800,000	\$ 794,500	\$ 140,500

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$500,000 for property acquisition at North Lakes Park, \$200,000 for construction at the golf driving range, and \$100,000 for the adult soccer field construction.	The budget includes \$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 (details provided in the Budget Overview section).

**TREE MITIGATION FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Landscaping Fee	\$ 254,750	\$ 200,000	\$ 35,000	\$ 50,000
Interest Income	5,914	5,500	5,600	5,500
TOTAL RESOURCES	\$ 260,664	\$ 205,500	\$ 40,600	\$ 55,500
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 260,664	\$ 205,500	\$ 40,600	\$ 55,500

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Operations	\$ -	\$ 50,000	\$ 10,000	\$ 50,000
TOTAL EXPENDITURES	\$ -	\$ 50,000	\$ 10,000	\$ 50,000

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
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.

**PUBLIC EDUCATION GOVERNMENT (PEG) FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Subscriber Fees	\$ 278,126	\$ 288,000	\$ 304,000	\$ 305,000
TOTAL REVENUES	\$ 278,126	\$ 288,000	\$ 304,000	\$ 305,000
Use of Reserves	-	-	-	440,750
TOTAL RESOURCES	\$ 278,126	\$ 288,000	\$ 304,000	\$ 745,750

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Materials and Supplies	\$ 12,104	\$ -	\$ -	\$ -
Maintenance & Repair	75,560	113,500	113,500	327,000
Operations	32,977	40,927	40,927	388,750
Transfer	87,301	-	-	-
Fixed Assets	20,611	-	-	30,000
TOTAL EXPENDITURES	\$ 228,553	\$ 154,427	\$ 154,427	\$ 745,750

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget includes \$50,000 for contributions to 4 PEG channels which include: UNT, TWU, Denton ISD, and Public Access. Additionally, the budget included a reduction in transfers related to the Charter Grant monies and a reimbursement of the Grande fiber expense.	The budget includes \$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 which include: UNT, TWU, Denton ISD's Public, Access.

MCKENNA TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Interest Income	\$ 2,883	\$ 3,000	\$ 1,200	\$ 1,500
TOTAL REVENUES	\$ 2,883	\$ 3,000	\$ 1,200	\$ 1,500
Use of Reserves	-	7,000	-	45,500
TOTAL RESOURCES	\$ 2,883	\$ 10,000	\$ 1,200	\$ 47,000

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Operations	\$ -	\$ 10,000	\$ -	\$ 47,000
TOTAL EXPENDITURES	\$ -	\$ 10,000	\$ -	\$ 47,000

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included \$10,000 for eligible expenses associated with the McKenna Trust.	The budget includes \$47,000 for eligible expenses associated with McKenna Trust.

**PARK LAND DEDICATION TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Fees in Lieu of Property Dedication	\$ 166,480	\$ 200,000	\$ 234,000	\$ 180,000
Interest Income	8,686	9,000	7,045	7,000
TOTAL REVENUES	\$ 175,166	\$ 209,000	\$ 241,045	\$ 187,000
Use of Reserves	174,296	-	-	885,000
TOTAL RESOURCES	\$ 349,462	\$ 209,000	\$ 241,045	\$ 1,072,000

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Fixed Assets	\$ 349,462	\$ 200,000	\$ 200,000	\$ 1,072,000
TOTAL EXPENDITURES	\$ 349,462	\$ 200,000	\$ 200,000	\$ 1,072,000

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included funding for the acquisition of prospective neighborhood park land.	The budget includes funding for the acquisition of prospective neighborhood park property at Villages of Carmel, Bent Creek, and Downtown.

**PARK DEVELOPMENT TRUST FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Development Fees	\$ 128,433	\$ 101,000	\$ 117,000	\$ 115,000
Interest Income	19,173	20,000	16,000	15,000
TOTAL REVENUES	\$ 147,606	\$ 121,000	\$ 133,000	\$ 130,000
Use of Reserves	-	-	-	1,574,219
TOTAL RESOURCES	\$ 147,606	\$ 121,000	\$ 133,000	\$ 1,704,219

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Fixed Assets	\$ 134,435	\$ 100,000	\$ 100,000	\$ 1,704,219
TOTAL EXPENDITURES	\$ 134,435	\$ 100,000	\$ 100,000	\$ 1,704,219

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The budget included funding for improvements to existing neighborhood parks.	The budget includes funding for improvements to existing neighborhood parks: Carl Young, North Lakes Dog Park, North Point Park, Lake Forest, McKenna, Milam, and Avondale Park.

**DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14**

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Ad Valorem Taxes	\$ 6,720	\$ 70,691	\$ 95,334	\$ 116,782
TOTAL REVENUES	\$ 6,720	\$ 70,691	\$ 95,334	\$ 116,782

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2012 value is \$89,605,635, which reflects a \$10,248,781 or 12.9% increase compared to the base year.	The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) is \$79,356,854 and the 2013 value is \$96,287,950 which reflects a \$16,931,096 or 21.3% increase compared to the base year.

WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
	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 have been proposed for FY 2013-14.

MISCELLANEOUS SPECIAL REVENUE FUNDS
RESOURCE & EXPENDITURE SUMMARY
2013-14

RESOURCES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Police Donations	\$ 8,000	\$ 3,000	\$ 7,500	\$ 7,500
Fire Donations	4,250	2,000	1,000	2,000
Animal Control Donations	124,579	30,000	166,500	170,000
TOTAL REVENUES	\$ 136,829	\$ 35,000	\$ 175,000	\$ 179,500
Use of Reserves	2,639	5,000	-	-
TOTAL RESOURCES	\$ 139,468	\$ 40,000	\$ 175,000	\$ 179,500

EXPENDITURES	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ESTIMATE	2013-14 PROPOSED
Police Donations	\$ 12,007	\$ 5,000	\$ 5,000	\$ 7,500
Fire Donations	-	5,000	2,000	2,000
Animal Control	127,461	30,000	166,500	170,000
TOTAL EXPENDITURES	\$ 139,468	\$ 40,000	\$ 173,500	\$ 179,500

MAJOR BUDGET ITEMS

FY 2012-13	FY 2013-14
The Police Donations budget included funding for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget included \$30,000 for the adoption program, and other shelter related expenses. As a result of higher than anticipated donations, primarily from the Animal Shelter Foundation, a budget amendment will be presented to the City Council prior to the end of the fiscal year to increase the expenditure budget. The Fire Donations budget fund included \$5,000 for the Fire Museum, tactical paramedics, and public education programs.	The Police Donations budget includes \$7,500 for community oriented policing activities, and citizen and departmental awards. The Animal Control Donations budget includes \$170,000 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.

**GRANTS BUDGET
EXPENDITURE SUMMARY**

2013-14

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	2009-10	-	896,380	Federal	37,545
Community Development Block Grant	2010-11	-	975,447	Federal	18,740
Community Development Block Grant	2011-12	-	822,975	Federal	97,034
Community Development Block Grant	2012-13	-	847,464	Federal	344,813
Community Development Block Grant	2013-14	-	874,379	Federal	851,379
Sub-Total CDBG			\$ 4,416,645		\$ 1,349,511
HOME Investment Partnership Grant	2010-11	-	578,028	Federal	144,083
HOME Investment Partnership Grant	2011-12	-	510,255	Federal	147,429
HOME Investment Partnership Grant	2012-13	-	327,218	Federal	327,218
HOME Investment Partnership Grant	2013-14	-	366,719	Federal	356,719
Sub-Total HOME			\$ 1,782,220		\$ 975,449
Total Community Development			\$ 6,198,865		\$ 2,324,960
Public Safety Training Facility	2009-10	12/25/2013	350,738	Federal	350,738
2010 Congressional Setaside	2010-11	9/30/2014	1,000,000	Federal	1,000,000
TxDot STEP Comprehensive Grant	2013-14	9/30/2014	68,350	Federal	68,350
2013 Byrne JAG Grant	2013-14	9/30/2014	21,298	Federal	21,298
2013 UASI	2013-14	1/31/2015	125,000	Federal	125,000
Emergency Management Performance Grant	2013-14	9/30/2014	75,728	Federal	75,728
Total Public Safety			\$ 1,641,114		\$ 1,641,114
CNG Fuel Station Grant	2013-14	8/31/2018	400,000	State	400,000
Skid-Mounded CNG Refueling Station Grant	2013-14	8/31/2017	200,000	State	200,000
Summer Food Grant	2013-14	9/30/2014	150,000	Federal	150,000
Airport RAMP Grant	2013-14	9/30/2014	50,000	State	50,000
Total Other			\$ 800,000		\$ 800,000
Grand Total			\$ 8,639,979		\$ 4,766,074

CAPITAL IMPROVEMENT PROGRAM (CIP) ADOPTED 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 (GOs) Bonds 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 2013-14 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	\$ 120,502,003	\$ -	\$ 8,500,000	\$ 4,000,000	\$ 133,002,003
Electric	25,531,931	3,003,000	85,000,000	-	113,534,931
Water	2,833,195	9,326,678	12,000,000	-	24,159,873
Wastewater	368,311	5,829,346	23,500,000	-	29,697,657
Solid Waste	14,148,023	264,500	8,280,000	-	22,692,523
Airport	570,326	-	-	-	570,326
TOTAL	\$ 163,953,789	\$ 18,423,524	\$ 137,280,000	\$ 4,000,000	\$ 323,657,313

¹Expected balance as of October 1, 2013 including approximately \$83 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 divisions 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 second debt sale associated with the \$20.4 million bond program approved by voters in November 2012.

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

DIV./DEPT.	CATEGORY	2013-14
Trans	Streets	\$ 4,000,000
Trans	Public Art	-
Trans	Traffic Signals	1,000,000
Fire	Fire Station Improvements	3,000,000
Parks	Civic Center Pool Improvements	1,000,000
Fleet	Vehicle Replacements	2,000,000
Build/Equip	Facility Maintenance Program**	1,500,000
Trans	Matching Funds for Road Improvements	-
Various	Future GO Bond Program	-
	GRAND TOTAL	\$ 12,500,000
	General Obligation Bonds	\$ 4,000,000
	Certificates of Obligation	8,500,000
	GRAND TOTAL	\$ 12,500,000

*Does not reflect Available Programmed Funds or ongoing capital projects.

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

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

	2014-15	2015-16	2016-17	2017-18	TOTAL
\$	4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 16,000,000
	400,000	-	-	-	400,000
	-	-	-	-	1,000,000
	7,300,000	-	-	-	10,300,000
	-	-	-	-	1,000,000
	4,400,000	3,800,000	2,400,000	4,000,000	16,600,000
	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
	-	8,500,000	-	-	8,500,000
	3,500,000	3,500,000	8,000,000	12,000,000	27,000,000
\$	21,100,000	\$ 21,300,000	\$ 15,900,000	\$ 17,500,000	\$ 88,300,000
\$	15,200,000	\$ 7,500,000	\$ 12,000,000	\$ 12,000,000	\$ 50,700,000
	5,900,000	13,800,000	3,900,000	5,500,000	37,600,000
\$	21,100,000	\$ 21,300,000	\$ 15,900,000	\$ 17,500,000	\$ 88,300,000

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
ELECTRIC UTILITY
CASH REQUIREMENTS**

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2013-14
1	Automated Meter Reading	\$ 3,056,883
7	Communications Equipment	400,000
8	Contingency	300,000
13	Distribution Substations	17,354,000
14	Distribution Transformers	1,989,178
19	Feeder Extensions & Improvements	16,771,000
25	New Residential & Commercial	3,127,999
28	Over to Under Conversions	350,000
32	Power Factor Improvement	372,000
40	Street Lighting	17,871
43	Tools & Equipment	90,000
50	Vehicles	646,000
	Subtotal - Distribution	<u>44,474,931</u>
45	Transmission Lines	38,880,000
46	Transmission Substation	30,180,000
	Subtotal - Transmission	<u>69,060,000</u>
	GRAND TOTAL	<u>\$ 113,534,931</u>
	Revenue	3,003,000
	Available Programmed Funds**	25,531,931
	Certificates of Obligation - New	85,000,000
	GRAND TOTAL	<u>\$ 113,534,931</u>

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

**Includes unspent bond proceeds, internal revenue transfers, and outside contributions.

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
ELECTRIC UTILITY
CASH REQUIREMENTS**

2014-15	2015-16	2016-17	2017-18	TOTAL
\$ 3,075,212	\$ 3,259,772	\$ 850,266	\$ 884,277	\$ 11,126,410
400,000	400,000	400,000	400,000	2,000,000
300,000	300,000	300,000	300,000	1,500,000
11,569,000	5,064,000	4,829,000	6,588,000	45,404,000
2,084,201	2,184,285	2,288,431	2,397,640	10,943,735
13,723,000	9,919,000	9,008,000	6,567,000	55,988,000
3,278,760	3,464,000	3,531,076	3,598,000	16,999,835
350,000	350,000	350,000	350,000	1,750,000
382,000	397,000	409,000	422,000	1,982,000
153,000	163,000	173,000	183,700	690,571
90,000	90,000	90,000	90,000	450,000
1,476,000	1,104,250	1,567,750	633,500	5,427,500
36,881,173	26,695,307	23,796,523	22,414,117	154,262,051
35,645,000	23,035,000	10,290,000	5,950,000	113,800,000
16,335,000	28,000,000	12,870,000	10,480,000	97,865,000
51,980,000	51,035,000	23,160,000	16,430,000	211,665,000
\$ 88,861,173	\$ 77,730,307	\$ 46,956,523	\$ 38,844,117	\$ 365,927,051
3,826,000	3,446,250	1,786,750	843,500	12,905,500
35,173	284,057	169,773	617	26,021,551
85,000,000	74,000,000	45,000,000	38,000,000	327,000,000
\$ 88,861,173	\$ 77,730,307	\$ 46,956,523	\$ 38,844,117	\$ 365,927,051

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WATER UTILITY
CASH REQUIREMENTS**

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2013-14
2	Booster Station	\$ -
7	Communications Equipment	35,000
12	Distribution System Upgrade	7,105,503
17	Elevated Storage	-
20	Field Services Replacement	4,293,252
24	Miscellaneous	1,025,000
29	Oversize Lines	200,000
36	Replacement Lines	1,000,000
38	State Highway Relocations	6,861,692
42	Taps, Fire Hydrants, Meters	1,002,926
43	Tools & Equipment	25,000
45	Transmission Lines	-
48	Plant Improvements	2,055,000
50	Vehicles	556,500
	GRAND TOTAL	\$ 24,159,873
	Revenue	\$ 9,326,678
	Available Programmed Funds**	2,833,195
	Certificates of Obligation - New	12,000,000
	GRAND TOTAL	\$ 24,159,873

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

**Includes unspent bond proceeds, internal revenue transfers, and outside contributions.

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WATER UTILITY
CASH REQUIREMENTS**

2014-15	2015-16	2016-17	2017-18	TOTAL
\$ 480,000	\$ 4,150,000	\$ -	\$ -	\$ 4,630,000
174,000	-	-	-	209,000
3,137,520	-	-	-	10,243,023
-	90,000	-	-	90,000
1,703,758	1,982,130	2,912,828	1,930,636	12,822,604
25,000	25,000	25,000	25,000	1,125,000
200,000	200,000	200,000	200,000	1,000,000
2,200,000	1,700,000	100,000	3,100,000	8,100,000
5,436,000	2,500,000	2,500,000	2,500,000	19,797,692
1,120,573	1,189,102	1,258,557	1,320,815	5,891,973
10,000	55,000	10,000	10,000	110,000
1,000,000	2,600,000	1,950,000	13,500,000	19,050,000
-	1,000,000	10,200,000	-	13,255,000
459,000	300,000	800,000	305,000	2,420,500
\$ 15,945,851	\$ 15,791,232	\$ 19,956,385	\$ 22,891,451	\$ 98,744,792
\$ 9,199,331	\$ 6,491,232	\$ 7,306,385	\$ 13,691,451	\$ 46,015,077
-	300,000	650,000	200,000	3,983,195
6,746,520	9,000,000	12,000,000	9,000,000	48,746,520
\$ 15,945,851	\$ 15,791,232	\$ 19,956,385	\$ 22,891,451	\$ 98,744,792

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WASTEWATER UTILITY
CASH REQUIREMENTS**

GROUP ASSIGNMENT NUMBERS *	CATEGORY	2013-14
5	Collection System Upgrade	\$ 16,342,703
16	Drainage Improvements	251,883
20	Field Services Replacement	4,274,763
21	Infiltration/Inflow	1,500,000
24	Miscellaneous	1,060,000
29	Oversize Lines	200,000
36	Replace Lines	104,410
38	State Highway Relocations	3,860,608
42	Taps, Fire Hydrants, Meters	108,290
43	Tools & Equipment	128,000
47	Wastewater Effluent Reuse	25,000
48	Plant Improvements	1,507,500
50	Vehicles	334,500
	GRAND TOTAL	\$ 29,697,657
	Revenue	\$ 5,829,346
	Available Programmed Funds**	368,311
	Certificates of Obligation - New	23,500,000
	GRAND TOTAL	\$ 29,697,657

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

**Includes unspent bond proceeds, internal revenue transfers, and outside contributions.

**ADOPTED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
WASTEWATER UTILITY
CASH REQUIREMENTS**

2014-15	2015-16	2016-17	2017-18	TOTAL
\$ 3,177,225	\$ 2,648,435	\$ 3,222,499	\$ 120,000	\$ 25,510,862
288,167	451,758	380,000	380,000	1,751,808
512,181	527,546	543,373	559,673	6,417,536
1,500,000	1,500,000	1,500,000	2,000,000	8,000,000
25,000	225,000	25,000	25,000	1,360,000
200,000	200,000	200,000	200,000	1,000,000
3,468,826	4,302,390	4,336,962	4,250,000	16,462,588
4,146,000	1,200,000	1,200,000	1,200,000	11,606,608
108,290	108,290	108,290	108,290	541,450
90,000	100,000	69,785	85,000	472,785
25,000	25,000	25,000	25,000	125,000
6,348,130	75,325	68,000	70,000	8,068,955
1,163,000	884,000	522,000	345,000	3,248,500
\$ 21,051,819	\$ 12,247,744	\$ 12,200,909	\$ 9,367,963	\$ 84,566,092
\$ 5,513,594	\$ 6,184,309	\$ 6,113,410	\$ 5,917,963	\$ 29,558,622
538,225	563,435	87,499	450,000	2,007,470
15,000,000	5,500,000	6,000,000	3,000,000	53,000,000
\$ 21,051,819	\$ 12,247,744	\$ 12,200,909	\$ 9,367,963	\$ 84,566,092

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

GROUP ASSIGNMENT NUMBERS **	CATEGORY	2013-14
6	Commercial Collections	\$ 580,000
11	Disposal / Landfill	1,090,000
34	Recycling	170,000
37	Residential Collections	237,500
38	Keep Denton Beautiful	374,000
39	Site Operations	3,790,000
43	Equipment	-
50	Vehicles	2,303,000
	GRAND TOTAL	\$ 8,544,500
	Revenue	\$ 264,500
	Certificates of Obligation - New	8,280,000
	GRAND TOTAL	\$ 8,544,500

*Does not reflect Available Programmed Funds or ongoing capital projects.

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

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

2014-15	2015-16	2016-17	2017-18	TOTAL
\$ 385,000	\$ 400,000	\$ 415,000	\$ 430,000	\$ 2,210,000
1,422,000	1,547,500	1,475,000	1,300,000	6,834,500
45,000	45,000	45,000	-	305,000
247,600	257,853	268,264	276,312	1,287,529
-	-	-	-	374,000
1,760,000	10,000	10,000	10,000	5,580,000
1,250,000	420,000	1,050,000	250,000	2,970,000
2,665,000	2,599,000	2,442,000	1,995,000	12,004,000
\$ 7,774,600	\$ 5,279,353	\$ 5,705,264	\$ 4,261,312	\$ 31,565,029
\$ 154,600	\$ 199,353	\$ 235,264	\$ 181,312	\$ 1,035,029
7,620,000	5,080,000	5,470,000	4,080,000	30,530,000
\$ 7,774,600	\$ 5,279,353	\$ 5,705,264	\$ 4,261,312	\$ 31,565,029





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