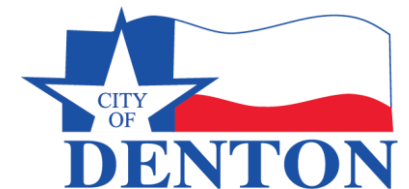




Operating Funds Budget Kickoff

Finance Department



Housekeeping Items

- Mute your microphone
- Turn-off your video (to help with bandwidth)
- Have your cell phone or an extra monitor ready for quiz time!
- Supervisors will be monitoring the chat for questions
- Live Q&A after presentation
- Check-in for this presentation in NEOGOV on your dashboard by 4 p.m. today!
 - 2/22/22 - 1589
 - 2/23/22 - 8264
 - 2/24/22 - 7082



Agenda

- Introduction of Budget Team
- Overview of Budget Process
- Council Priorities
- Quiz Time!
- Definition of Common Budget Terms
- FY 2022-23 Budget Calendar
- Preparing & Submitting Your Operating Budgets
 - Object code description and itemization
 - Expenses and Revenues
 - Baseline Adjustments and Supplementals
 - Division I Summaries
 - Performance Metrics
 - Schedule of Fees

Budget Team

- Cassey Ogden, Finance Director
- Nick Vincent, Assistant Finance Director
- Heather Gray, Budget Manager

CAPITAL IMPROVEMENT PROJECTS TEAM

CIPbudget@cityofdenton.com

Supervisor – Matt Hamilton
Senior Analyst – Sherly Joseph
Senior Analyst – Sarah Cochran
Analyst – Sunita Gautam

Departments served:
Engineering, Streets, Traffic
Facilities, Airport, Fleet, Parks

GENERAL FUND/INTERNAL SERVICE FUND TEAM

Budget@cityofdenton.com

Supervisor – Lee Rodriguez
Senior Analyst – Seth Herrell
Analyst – Bryan Arias

Departments served:
Legal, CMO, Public Affairs, Finance,
Economic Development, Community
Services, Customer Service, HR,
Risk/Health, Police, Safety, Fire, Technology
Services, Public Safety Dispatch, Municipal
Court, Internal Audit, Procurement, Animal
Services, Library, Development Services

UTILITIES TEAM

Utilitiesbudget@cityofdenton.com

Supervisor – Danielle Stanford
Senior Analyst – Dan Galizia
Analyst – Jennifer Gonzalez
Analyst – Miles Walker
Analyst – Lauren Price

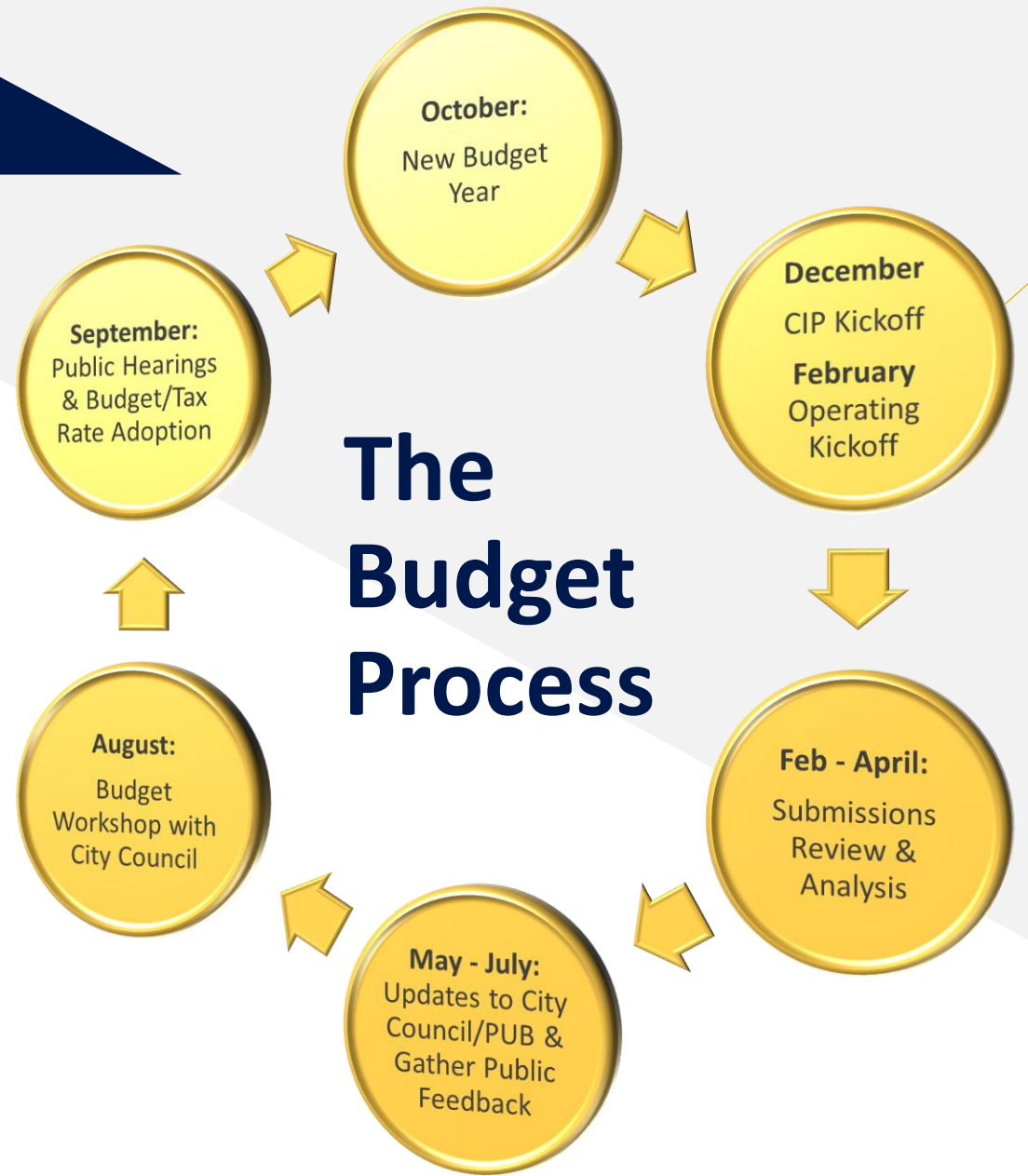
Departments served:
DME, Water, Wastewater,
Solid Waste

Budget Documents

- **Proposed Budget Book** given to Council in July, presented early August
- **Utilities Rates & Citywide Schedule of Fees Book** finalized in November
- **Annual Program of Services (Adopted Budget Book)** finalized in December

Public Transparency

- Balancing Act
- COD Website: <https://www.cityofdenton.com/402/Finance>



FY 2022-23 Budget Priorities*

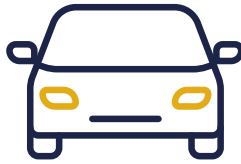
Think about these priorities as you plan your FY 2022-23 budget.
How do your requests line up with these priorities?



**Develop and Implement
American Rescue Plan
Funding and Programs**



**Improve Capital Project
Planning & Communications**



**Finalize Mobility
Plan Update**



**Update the City's
Comprehensive Plan and Align
with Other Master Plans**



**Develop an Affordable
Housing Strategy**



**Continue to Strengthen
Homelessness Initiatives and
Housing Crisis Response System**



**Continue COVID-19
Response**



**Complete the
Solid Waste Comprehensive
Management Strategy**

**Priorities established during Council retreat in August 2021*

Participate in a few short questions!

Website:

[PollEv.com/heathergray745](https://www.poll-ev.com/heathergray745)

Text: HEATHERGRAY745 to
22333



What department are you from?

When poll is active, respond at pollev.com/heathergray745

Text **HEATHERGRAY745** to **22333** once to join

How are you feeling about FY 2022-2023 budget preparation?

How are you feeling?



Happy



Joyful



Surprised



Confused



Sad



Angry



Scared



Worried

Indifferent

Confused

Eager to
Learn

Best Time of
the Year!

Unsure

What is FY 2021-22 total Adopted Budget?



\$149,993,742

\$665,229,530

\$1,455,356,698

\$240,743,423

How many Full-Time Employees (FTE's) were included in the 2021-22 budget?



1,500.00

1,752.77

1,200.00

1,922.50

The General Fund is just one example of a City fund. How many funds are budgeted in FY 2021-22?



30

18

12

23

How many Home Business Units (HBU's) were included in the 2021-22 budget?



40
216
171
107

How many budget related presentations were given to Council leading up to 2021-22 budget adoption?



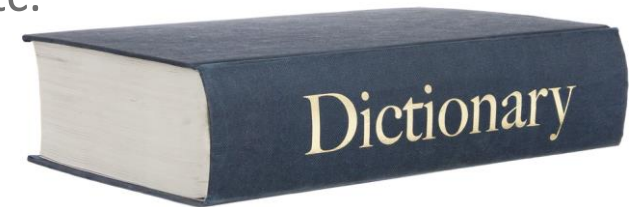


Common Terms

Definition of Budgeting Terms

Definitions

- **Baseline Budgeting** – method utilizing current spending levels as the “baseline” for developing a budget for future years. Each HBU (Home Business Unit) will be given a baseline budget in discretionary object codes equal to the prior year except the removal of one-time adjustments from prior year.
- **Discretionary Expenses** – flexible expenses that may be moved between object codes or reduced based on need, such as materials and supplies, contracted services, etc. These funds may not be added to locked costs.
- **Locked (Fixed) Cost Expenses** – expenses related to object codes that are projected for you by Finance, such as personnel costs, interfund transfers, electric/water/fuel costs, etc.
- **Change Requests** – a requested change to the baseline budget
 - **Baseline Adjustment** – generally \$5,000 or less and for an existing supply/program/service
 - **Supplemental Package** – for a new supply/program/service of any amount or existing supply/program/service above \$5,000



What makes up a HBU budget?

- Each department contains one or more Home Business Units (HBUs).
- HBUs are smaller divisions within a department.

HBU Budget =

Locked Costs



Personnel Services
Insurance
Vehicle Maintenance
Fuel & Oil
Radio Maintenance
Transfers to Internal Service Funds
Debt Service Transfers

+

Discretionary Costs



Materials and Supplies
Equipment
Miscellaneous
Operations
Fixed Assets



Budget Calendar

Schedule and Checklist

Budget Presentations

- There will not be a separate budget presentation for each department. Finance will hold a few work sessions with Council and a Budget Workshop.
- At the Budget Workshop, each department will be required to have a representative available to discuss operational items as well as new budget requests. Members of the Finance staff will present financial information.



Why?

- Finance gave 54 budget related presentations last year. This was difficult for staff and Council to accurately retain information and was an administrative burden.
- More efficient process and effective use of City staff's time
- Similar process to other cities in the metroplex

Budget Calendar

CIP Budget Calendar

Date	Action
December 10	CIP Budget Kick-off
January 21	Call for CIP Projects Due to Finance
February	CIP Review Meetings – Departments & Finance
March 15	CIP Revisions Due to Finance
March 16-31	Finance meeting with CMO & Executive Staff to prioritize projects.
April	Budget staff draft CIP budget document
May	Draft CIP budget document and preliminary supplemental list presented to CMO and Executive Staff
June 7 & 28	June 7 – Electric Rate Discussion with Council June 28 - CIP Budget Work Session with Council
July 19	Utility Budget Work Session with Council (PUB dates: May 23, June 13, July 11)
August 6	Budget Workshop with City Council – departments present supplementals & are available to answer questions
September	9/20 – Public Hearing on budget and tax rate. 9/27 - City Council adopts CIP and Operating budget for FY 2022-23, tax rate, utility rates and other fee schedules

Operating Budget Calendar

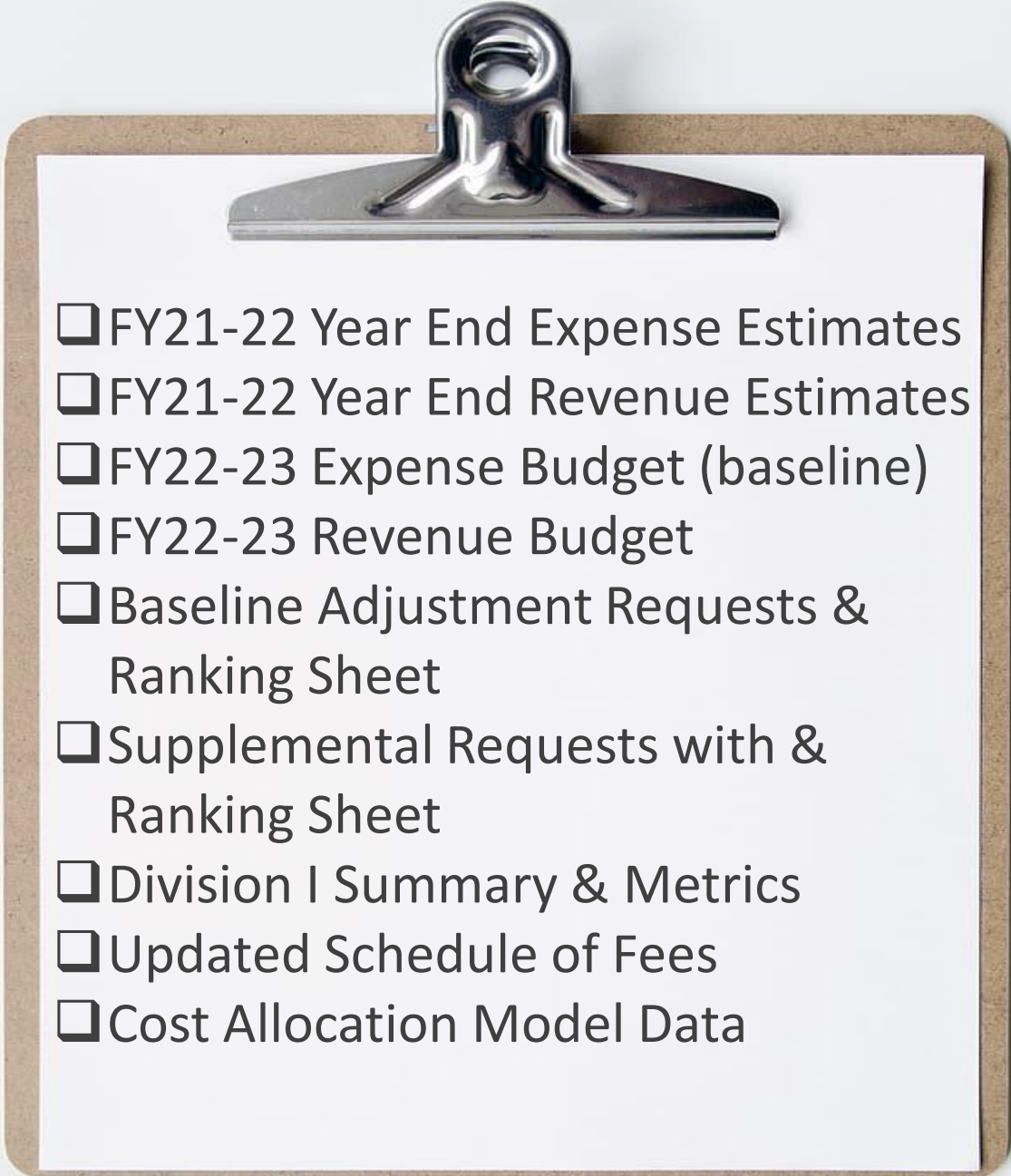
Date	Action
February 22-24	Operating Budget Kick-off
March 1-8	Budget Prep Workshops Available
March 25	Operating Budgets Due (see checklist on pg. 21)
March 28 – April 8	Finance Review and Analysis
April 11 - 22	Operating Budget Review Meetings – Departments & Finance
April 26	Final Revisions due to Finance



Preparing Your Budget

Instructions and Guidelines

Operating Budget Submission Requirements

- 
- FY21-22 Year End Expense Estimates
 - FY21-22 Year End Revenue Estimates
 - FY22-23 Expense Budget (baseline)
 - FY22-23 Revenue Budget
 - Baseline Adjustment Requests & Ranking Sheet
 - Supplemental Requests with & Ranking Sheet
 - Division I Summary & Metrics
 - Updated Schedule of Fees
 - Cost Allocation Model Data

1) Enter FY 21-22 Year End Expense Estimate

How? - Enter directly into Questica. Enter the total estimated expense for each line in your budget in the YE Estimate Column. Choose the "FY 21-22 Dept Default" for the layout view.

Annual Budget (Summary View)
View By: Account Structure Summary

Object Code	Su...	2020 Actual	2021 Actual	2022 Actual	Actuals: Total	Encumbrances	2022 Variance	YE Estimat...	2022
6302 - OFFICE SUPPLIES		547.88	1,931.45	672.40	672.40		(2,327.60)		3,000.00
6304 - OUTSIDE PRINTI...							(350.00)		350.00
6305 - REPROGRAPHICS...									
6312 - UNIFORMS			500.00	500.00		500.00			500.00
6322 - COMPUTER FOR...							(654.00)		654.00
6330 - BOOKS & MAGAZ...									
6332 - SMALL TOOLS & ...		46.22	21.99				(200.00)		200.00
6336 - MEDICAL SUPPLIES		260.89					(1,000.00)		1,000.00
6342 - JANITORIAL SUP		1,828.15	2,198.06	2,822.54	2,822.54		822.54		2,000.00

2) Enter FY 21-22 Year End Revenue Estimate

How? - Enter directly into Questica. Enter the total estimated revenue for each line in your budget in the YE Estimate Column. Choose the "FY 21-22 Dept Default" for the layout view.

Annual Budget (Summary View)
View By: Account Structure Summary

Object Code	Su...	2020 Actual	2021 Actual	2022 Actual	Actuals: Total	Encumbrances	2022 Variance	YE Estimate (...)	2022
Click here to add a new record...									
Object Code Type: Revenue									
GL Category: 05 Fees for Service									
4401.0009 - NATATORIUM FAC...		26,763.59	19,395.17	19,260.77	19,260.77		(1,319.23)		20,580.00
4401.0010 - WATER PARK FACI...		1,396.00	85,107.13				(76,000.00)		76,000.00
4440.0007 - DENIA CENTER									
4440.0016 - NATATORIUM		28,354.54	83,743.95	26,346.16	26,346.16		(304,995.84)		331,342.00
4440.0017 - WATER PARK		28,211.18	781,476.66	24,143.45	24,143.45		(836,206.55)		860,350.00

3) Enter FY 22-23 Baseline Expense Budget

How? - Enter baseline expenses directly into Questica for each line in the 2023 column. **DO NOT exceed your discretionary budget.** Provide itemization detail. (Personnel Services and Fixed Costs such as insurance and interfund transfers will be entered by Finance.) Choose the “FY 22-23 Dept Entry” for the layout view.

HBU

Budget Year: 2022-2023

600001 Search Advan

Layout

System Default View

HG Layout 2022

FY 22-23 Dept Budget Entry

FY 21-22 Dept Default (Default)

Annual Budget (Summary View)

View By: Account Structure Summary

Object Code	Sub-ledger	2021 Actual	2022 Actual	2022 Budget	2023
6304 - OUTSIDE PRINTING	9210 - OFFIC...	20.00	30.00	7,000.00	7,000.00
6305 - REPROGRAPHICS COPY CHGS	9210 - OFFIC...				
6306 - COPIER SUPPLIES	9210 - OFFIC...			2,200.00	2,200.00
6308 - POSTAGE	5880 - MISC ...	6.28			
6308 - POSTAGE	9210 - OFFIC...	19.79	9.19	900.00	900.00

3) Enter FY 22-23 Baseline Expense Budget Object Code Details and Itemization

- A detailed description is required for each discretionary object code. Click on the + next to the object code to expand the text field and enter the description.
 - Write the description as if someone new will be entering your role in 6 months. What would they need to know about the intent of the budgeted amount?
- If an object code total amount will be made up of multiple expenses/vendors, please itemize the total. (Note: itemized amounts add up to the total.)

GL Category: Operations																																																									
+	<input type="checkbox"/>	Operations	7804 - LICENSES	213	2,191	1,000	5,930	1,000																																																	
+	<input type="checkbox"/>	Operations	7806 - DUES	4,600	1,494	2,500	364	2,500																																																	
+	<input type="checkbox"/>	Operations	7810 - LAUNDRY SERVICES		37																																																				
+	<input type="checkbox"/>	Operations	7812 - POLICE AGENT INFORMATION		500																																																				
+	<input type="checkbox"/>	Operations	7818 - EMPLOYEE RECRUITMENT	12,500	37,298	18,000	7,372	18,000																																																	
-	<input type="checkbox"/>	Operations	7818 - EMPLOYEE RECRUITMENT	12,500	37,298	18,000	7,372	18,000																																																	
<div style="border: 1px solid #ccc; padding: 5px;"> <div style="display: flex; justify-content: space-between; align-items: center;"> Click here to add a new record... 2021 </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> <th style="width: 5%;"></th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Health Assessment</td> <td></td> <td></td> <td></td> <td>6,000</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>North Texas Polygraph</td> <td></td> <td></td> <td></td> <td>6,000</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Psychological</td> <td></td> <td></td> <td></td> <td>6,000</td> </tr> <tr> <td colspan="9"></td> <td>(18,000)</td> </tr> </tbody> </table> </div>																		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Health Assessment				6,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	North Texas Polygraph				6,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Psychological				6,000										(18,000)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Health Assessment				6,000																																																
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	North Texas Polygraph				6,000																																																
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Psychological				6,000																																																
									(18,000)																																																

4) Enter FY 22-23 Revenue Budget

How? - Enter revenues directly into Questica for each line in the 2023 column. Choose the “FY 22-23 Dept Entry” for the layout view.

Annual Budget (Summary View)
View By: Account Structure Summary

Object Code	Su...	2021 Actual	2022 Actual	2022 Budget	2023
4401.0001 - CIVIC CENTER BUILDIN...		13,507.90	1,624.39	34,181.00	34,181.00
4401.0002 - NORTH LAKES RECREAT...		1,018.10	329.95	6,000.00	17,554.00
4401.0003 - DENIA RECREATION CE...		1,350.42	1,515.41	2,500.00	2,500.00
4401.0004 - MARTIN LUTHER KING ...		6,012.87	4,801.40	25,463.00	25,463.00

5) Enter FY 22-23 Baseline Adjustment Requests

How?

- **Step 1** - Enter requests directly into Questica. Upload any supporting backup into Questica. (Detailed instructions in Budget Instruction Manual – available in the O drive.)
- **Step 2** - Complete the Excel Baseline Adjustment Summary & Ranking sheet and save it in your department's folder:
O:\Budget 22-23\Operating Budget Documents

Baseline Adjustment Summary & Ranking - FY 2022-23						
DEPARTMENT RANKING	DEPARTMENT - DIVISION	BRIEF DESCRIPTION	REQUEST CATEGORY	AMOUNT	HBU	OBJECT CODE
1	Parks and Rec - Civic Center (EXAMPLE)	additional cleaning supplies and PPE	Ongoing	\$ 750	411130	6342
2	Parks and Rec - Natatorium (EXAMPLE)	increased chemical supply costs due to new contract	Ongoing	\$ 4,500	207001	6334
3						
		ONGOING COSTS		\$ 5,250		
		ONE-TIME COSTS		\$ -		
		TOTAL		\$ 5,250		

6) Enter FY 22-23 Supplemental Requests

How?

- **Step 1** - Enter requests directly into Questica. Upload any supporting backup into Questica. (Detailed instructions in Budget Instruction Manual – available in the O drive.)
- **Step 2** - Complete the Excel Supplemental Summary & Ranking sheet and save it in your department's folder: O:\Budget 22-23\Operating Budget Documents

Supplemental Summary & Ranking - FY 2022-23

DEPARTMENT RANKING	DEPARTMENT - DIVISON	BRIEF DESCRIPTION	REQUEST CATEGORY	AMOUNT	HBU	OBJECT CODE(S)	FTE'S	VEHICLES
1	Public Affairs	Satisfaction survey of Denton residents and businesses	One-Time	\$ 30,000	106001	7879	0	0
2	Public Affairs - DTV	Closed captioning services	Ongoing	\$ 25,000	104001	7879	0	0
3								
		ONGOING COSTS		\$ 25,000	FTE Total		0	
		ONE-TIME COSTS		\$ 30,000	Vehicle Total		0	
		TOTAL		\$ 55,000				



Tip – if you are asking for a position, be sure to enter the “fully loaded” cost which includes benefits. You do not need to add an amount to “operating changes”, only list the amount in the description field. Use the calculator in the O drive to help calculate costs.

7) Complete Division I Summary Page with Metrics

How?

Enterprise Fund - Wastewater

The Wastewater Department provides the citizens of Denton a safe and environmentally responsible means of treating and recycling wastewater. This service includes Administration, Wastewater Collection, Water Reclamation, Laboratory, Pretreatment, Effluent reuse program and Composting operation. Other responsibilities include wastewater system capital improvement planning, grant administration, and financial reporting.

Future Goals in FY 2022-23



Prior Year Accomplishments in FY 2021-22

Performance Metric	2020-21 Actual	2021-22 Goal	2021-22 Estimate	2022-23 Goal
Wastewater Treated	1,000,000	1,200,000	1,100,000	1,300,000
Example 2	4	5	4	5
Example 3	95%	95%	96%	95%



Complete the Division I template page. Available for each department:
O:\Budget 22-23\Operating Budget Documents



Add department specific metrics at the bottom, but do not change the column titles.

8) Update Schedule of Fees (if applicable)*

How?

- Mark department's current fee schedule with any proposed changes for FY 2022-23 with redlines and add the redline version to your department folder: O:\Budget 22-23\Operating Budget Documents
- Examples of departments with fee schedules: Police, Fire, Parks and Rec & Library

Why Now?

- Updated fees should be considered when preparing your revenue estimates for FY 22-23.
- Any changes in fees must be approved by Council as a part of the budget process.

**Note: Utilities departments will work with Finance to update rates throughout the budget process, including rate discussion with Public Utilities Board.*

9) Provide FY 20-21 Cost Allocation Data (if applicable)*

How? Save data in your departments folder and let your analyst know once complete

- We are requesting FY 20-21 data to update cost allocation models
 - If your department provides averages over multiple years, please be sure to include FY 20-21 data
- Data we are requesting is saved in your departments folder along with some of the examples data provided previously
 - If you need additional examples of what was provided last year by your department just let us know
- We will be working more closely with your department on these models once we have this data throughout the budget process

*Departments:

- Customer Service
- Facilities
- Fleet
- Materials Mgmt
- Risk
- Tech Services

We're Here to Help

Additional Resources from Budget Team

- **Virtual Budget Work Sessions** – will be available for signup through NEOGOV – early March.
- **Resource Section** - O:\Budget 22-23\Operating Budget Documents – checklist, Budget Instruction Manual, templates, personnel services calculator, etc.
- **Financial Reports** – our team can provide a variety of reports. Just ask!
- **Communication** - 24 business hour response. Please reach out to our team with questions:
Budget@cityofdenton.com
CIPbudget@cityofdenton.com
Utilitiesbudget@cityofdenton.com



Questions?

