

Memorandum



CITY OF DALLAS

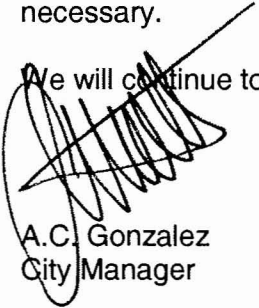
DATE January 16, 2015
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2014-15 Financial Forecast Report based on information through November 2014 is attached and provided for your information. This report reflects an amended General Fund budget based on Council's approved use of contingency reserve funds on December 10, 2014 by CR# 14-2194.

For FY 2014-15, General Fund revenues are projected to be \$5,830,000 below budget and General Fund expenditures are projected to \$2,260,000 below budget. This results in forecast expenditures being in excess of forecast revenues by \$3,570,000.

The General Fund revenue reduction is due primarily to more service providers applying to the State of Texas for the Ambulance Supplemental Payment Program resulting in less funds available to reimburse the City of Dallas. This revenue reduction is already partially offset by anticipated savings in fuel expense as the price per gallon is less than budgeted. As the Financial Forecast Report is monitored monthly, additional opportunities to offset the remaining revenue reduction will be identified. Potential savings will be identified from slowed spending, vacancies, a possible selected hiring freeze, deferral of the planned major maintenance projects, reduction in number of lane miles of partial reconstruction, and/or possible increases in other revenues. As a last resort, fund balance is available to make up the variance if necessary.

We will continue to closely monitor revenues and expenditures and keep you informed.


A.C. Gonzalez
City Manager

Attachment

c: Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services

**GENERAL FUND
COMPARISON OF FY 2014-15 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)**

<u>ITEM</u>	<u>AMENDED BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$ 1,166,814	\$ 135,179	\$ 1,160,985	\$ (5,830)
Expenditures	1,166,814	166,881	1,164,554	(2,260)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$ -</u>	<u>\$ (31,702)</u>	<u>\$ (3,570)</u>	<u>\$ (3,570)</u>

**FINANCIAL FORECAST REPORT
FY 2014-15
AS OF NOVEMBER 30, 2014**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$5,830,000 below budget.
 - Municipal Court revenue is projected to be \$1,428,000 above budget based on analysis of year end collection revenues of the previous two fiscal years.
 - Emergency Ambulance revenue is projected to be \$6,709,000 below budget due to a reduction in the reimbursement from the State as a result of the increased number of ambulance service providers requesting reimbursement.

Expenditures

- Total General Fund expenditures are estimated to be \$2,260,000 below budget.
 - Fuel expenses are projected to be \$1,960,000 below budget due to a decline in fuel prices.

**GENERAL FUND
FORECAST OF FY 2014-15 REVENUES
AS OF NOVEMBER 30, 2014
(000s)**

	AMENDED BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$ 520,321	\$ 34,647	\$ 520,321	\$ -
Sales Tax	268,666	41,154	268,666	-
TOTAL TAXES	788,987	75,800	788,987	-
FRANCHISE REVENUES				
Oncor Electric	50,014	15,171	50,014	-
AT&T	12,064	3,291	12,064	-
Atmos Energy	12,178	2,511	12,178	-
Time Warner Cable	5,768	1,503	5,768	-
Other	22,336	5,342	22,336	-
TOTAL FRANCHISE REVENUES	102,360	27,817	102,360	-
LICENSES AND PERMITS	9,857	1,178	9,808	(49)
INTEREST EARNED	591	-	591	-
INTERGOVERNMENTAL	6,638	-	6,638	-
FINES AND FORFEITURES				
Municipal Court	12,214	1,779	13,642	1,428
Vehicle Towing & Storage	6,978	1,072	6,978	-
Parking Fines	4,419	-	4,419	-
Red Light Camera Fines	7,335	-	7,335	-
Public Library	500	67	500	-
TOTAL FINES	31,446	2,917	32,874	1,428
CHARGES FOR SERVICE				
Sanitation Service	63,530	11,033	63,530	-
Parks	9,814	959	9,814	-
Private Disposal Fees	17,509	3,813	17,509	-
Emergency Ambulance	33,626	3,091	26,917	(6,709)
Security Alarm	4,510	755	4,510	-
Street Lighting	743	46	743	-
Vital Statistics	1,470	213	1,470	-
Other	21,755	3,540	21,230	(525)
TOTAL CHARGES	152,955	23,448	145,721	(7,234)
INTERFUND REVENUE	61,842	2,416	61,842	-
MISCELLANEOUS	12,139	1,603	12,164	25
TOTAL REVENUES	\$ 1,166,814	\$ 135,179	\$ 1,160,985	\$ (5,830)

**GENERAL FUND
FORECAST OF FY 2014-15 EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)**

DEPARTMENT	AMENDED BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$ 23,896	\$ 5,676	\$ 23,896	\$ -
Business Dev/Procurement Svcs	2,855	387	2,855	-
City Attorney's Office	15,147	2,101	15,147	-
City Auditor's Office	2,844	372	2,843	(1)
City Controller's Office	5,603	542	5,603	-
City Manager's Office	1,829	348	1,829	-
City Secretary's Office	3,028	340	3,028	-
Civil Service	2,345	246	2,332	(12)
Code Compliance	35,383	6,176	35,383	-
Court Services	20,185	9,315	20,134	(51)
Fire	228,009	33,059	228,009	-
Housing	11,628	5,565	11,628	-
Human Resources	4,638	967	4,638	-
Judiciary	3,695	437	3,695	-
Library	26,144	3,184	26,144	-
Management Services	5,650	2,229	5,608	(42)
Mayor and Council	3,923	559	3,922	(1)
Non-Departmental	49,342	5,174	49,342	-
Office of Cultural Affairs	17,288	885	17,207	(80)
Office of Economic Development	1,577	468	1,577	-
Office of Financial Services	3,643	354	3,614	(28)
Park and Recreation	81,877	14,223	81,877	-
Planning and Neighborhood Vitality	2,527	436	2,527	-
Police	438,060	50,601	438,060	-
Public Works	6,861	2,094	6,861	0
Sanitation Services	75,694	10,343	75,694	-
Street Lighting	17,923	919	17,923	-
Street Services	65,914	9,436	65,914	(0)
Sustainable Dev/Construction	1,540	351	1,459	(80)
Trinity Watershed Management	1,351	92	1,346	(4)
OTHER				
Fuel and Fleet Cost (to be allocated)	-	-	(1,960)	(1,960)
RESERVES AND TRANSFERS				
Contingency Reserve	450	-	450	-
Liability/Claim Fund	4,170	-	4,170	-
Salary and Benefit Reserve	1,800	-	1,800	-
TOTAL EXPENDITURES	\$ 1,166,814	\$ 166,881	\$ 1,164,554	\$ (2,260)

PROPRIETARY FUNDS
FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Aviation				
Revenues	\$ 86,545	\$ 13,765	\$ 86,545	\$ -
Expenses	86,545	6,486	86,545	-
Net Excess of Revenues Over Expenses/Transfer	-	7,279	-	-
Convention Center				
Revenues	77,392	6,297	77,399	7
Expenses	77,345	8,440	77,345	-
Net Excess of Revenues Over Expenses/Transfer	47	(2,143)	54	7
Sustainable Dev/Construction				
Revenues	27,505	4,978	27,505	-
Expenses	26,839	2,921	26,548	(290)
Net Excess of Revenues Over Expenses/Transfer	667	2,057	957	290
Municipal Radio Fund				
Revenues	2,126	400	2,126	-
Expenses	2,062	249	2,062	-
Net Excess of Revenues Over Expenses/Transfer	65	151	65	-
Water Utilities				
Revenues	614,521	100,591	610,298	(4,223)
Expenses	614,521	68,237	610,298	(4,223)
Net Excess of Revenues Over Expenses/Transfer	-	32,354	-	-
Communication & Information Svcs.				
Revenues	67,603	19	67,605	3
Expenses	70,446	15,932	70,319	(127)
Net Excess of Revenues Over Expenses/Transfer	\$ (2,843)	\$ (15,914)	\$ (2,713)	\$ 130

PROPRIETARY FUNDS
FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Equipment Services				
Revenues	\$ 54,432	\$ 51	\$ 52,072	\$ (2,360)
Expenses	54,432	4,682	52,045	(2,386)
Net Excess of Revenues Over Expenses/Transfer	-	(4,631)	27	27
Express Business				
Revenues	3,981	673	4,032	51
Expenses	4,812	523	4,812	-
Net Excess of Revenues Over Expenses/Transfer	\$ (830)	\$ 150	\$ (780)	\$ 51

OTHER FUNDS
FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Employee Benefits	\$ 1,370	\$ 107	\$ 1,370	\$ -
Risk Management	2,525	281	2,525	-
9-1-1 System Operations				
Revenues	12,918	1,321	12,917	(1)
Expenses	<u>17,239</u>	<u>569</u>	<u>17,191</u>	<u>(48)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(4,321)</u>	<u>751</u>	<u>(4,275)</u>	<u>46</u>
Storm Water Drainage				
Revenues	51,079	8,589	51,079	-
Expenses	<u>53,599</u>	<u>2,706</u>	<u>53,565</u>	<u>(33)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$ (2,520)</u>	<u>\$ 5,883</u>	<u>\$ (2,487)</u>	<u>\$ 33</u>

**DEBT SERVICE FUND
FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2014
(000s)**

DEBT SERVICE	BUDGET	EXPENDITURES AND REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Beginning Balance	\$ 1,582	\$ -	\$ 1,582	\$ -
Revenues	235,197	14,300	235,197	-
Expenses	229,908	-	226,719	(3,190)
Ending Balance	<u>\$ 6,871</u>	<u>\$ 14,300</u>	<u>\$ 10,060</u>	<u>\$ 3,190</u>

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2014	\$ 6,200,000
Budgeted Transfer In	<u>650,000</u>
FY 2014-15 Available Funds	6,850,000
Payment to Bridge Steps for unreimbursed operational costs from a prior year's contract with Dallas County Health and Human Services	(129,145)
Balance as of November 30, 2014	<u>\$ 6,850,000</u>

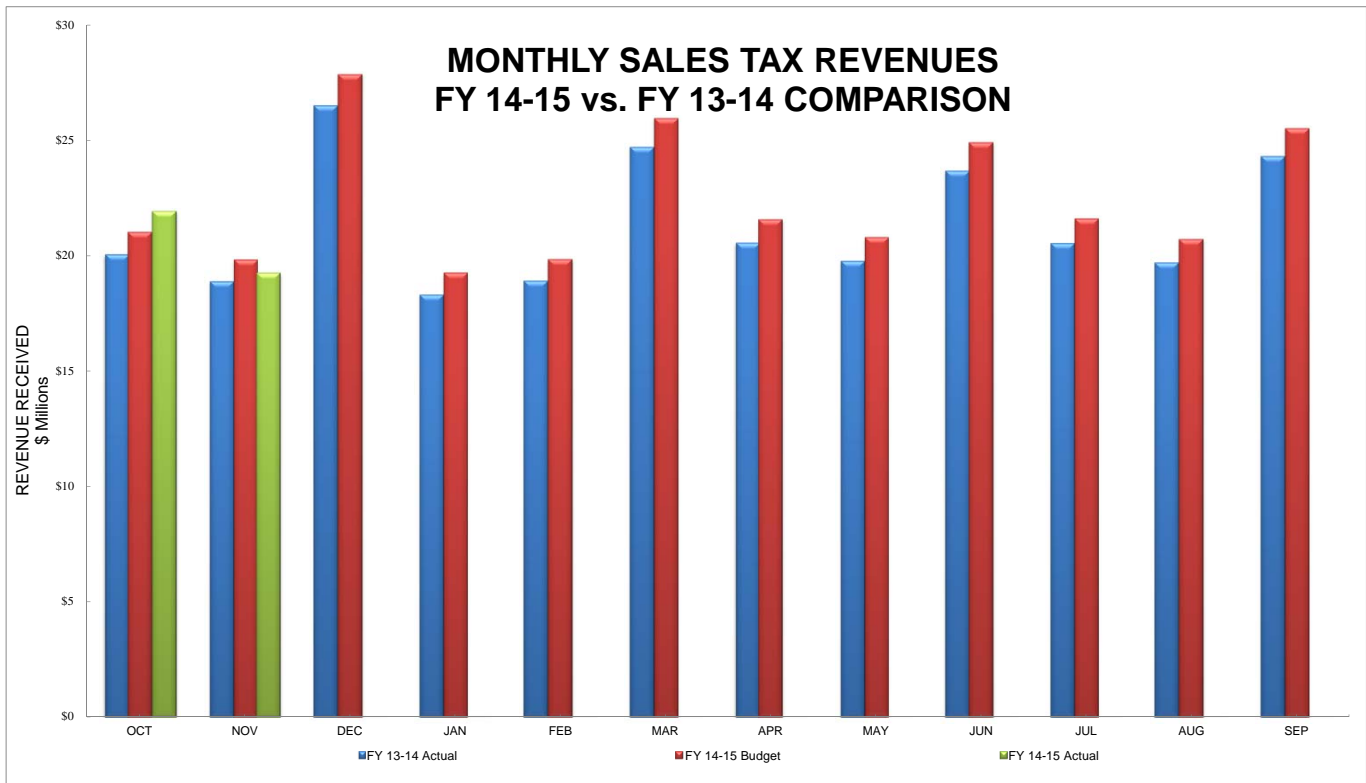
LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2014	\$ 5,463,587
Budgeted Revenue	<u>5,633,748</u>
FY 2014-15 Available Funds	11,097,335
Paid October 2014	(154,611)
Paid November 2014	(382,199)
Balance as of November 30, 2014	<u>\$ 10,560,525</u>

SALES TAX

as of November 2014

	ACTUAL FY 2013-14	BUDGET FY 2014-15	ACTUAL FY 2014-15	YTD VARIANCE FY 14-15 ACT. VS. FY 13-14 ACT.		YTD VARIANCE FY 14-15 ACTUAL VS. BUDGET	
				DOLLARS	PERCENT	DOLLARS	PERCENT
OCT	\$20,061,677	\$21,027,268	\$21,933,271	\$1,871,594	9.3%	\$906,003	4.3%
NOV	18,852,710	19,791,769	19,220,275	367,565	1.9%	(571,494)	-2.9%
DEC	26,481,621	27,836,006					
JAN	18,271,632	19,223,613					
FEB	18,878,147	19,802,119					
MAR	24,696,838	25,941,300					
APR	20,532,409	21,546,647					
MAY	19,772,367	20,793,396					
JUN	23,681,808	24,912,755					
JUL	20,545,743	21,617,650					
AUG	19,665,164	20,683,085					
SEP	24,276,012	25,490,083					
TOTAL	\$255,716,128	\$268,665,691	\$41,153,546	\$2,239,159	5.8%	\$334,509	0.8%



**GENERAL FUND
HISTORICAL REVENUE COMPARISON
AS OF NOVEMBER
(000s)**

	FY 2012-13			FY 2013-14			FY 2014-15		
	AMENDED BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
TAXES									
Ad Valorem Tax	\$ 451,489	\$ 28,960	\$ 450,752	\$ 483,898	\$ 30,473	\$ 484,244	\$ 520,321	\$ 34,647	\$ 520,321
Sales Tax	231,463	18,910	241,946	255,519	20,062	255,519	268,666	41,154	268,666
TOTAL TAXES	682,952	47,870	692,698	739,417	50,535	739,763	788,987	75,800	788,987
FRANCHISE REVENUES									
Oncor Electric	49,323	15,887	51,139	51,110	15,732	52,472	50,014	15,171	50,014
AT&T	14,875	4,017	15,132	13,422	3,668	13,640	12,064	3,291	12,064
Atmos Energy	11,174	1,589	11,736	12,228	1,952	15,102	12,178	2,511	12,178
Time Warner Cable	6,170	1,561	6,362	6,376	1,566	5,969	5,768	1,503	5,768
Other	18,096	4,924	20,012	20,773	5,077	21,301	22,336	5,342	22,336
TOTAL FRANCHISE REVENUES	99,639	27,979	104,381	103,908	27,994	108,484	102,360	27,817	102,360
LICENSES AND PERMITS	9,808	1,427	9,786	9,090	1,376	9,774	9,857	1,178	9,808
INTEREST EARNED	755	59	455	632	57	675	591	-	591
INTERGOVERNMENTAL	5,589	-	6,715	6,203	-	6,887	6,638	-	6,638
FINES AND FORFEITURES									
Municipal Court	16,540	2,027	14,754	13,779	2,263	14,824	12,214	1,779	13,642
Vehicle Towing & Storage	7,678	1,097	6,881	6,957	1,044	6,941	6,978	1,072	6,978
Parking Fines	5,962	565	4,342	5,070	318	3,989	4,419	-	4,419
Red Light Camera Fines	6,867	-	7,719	6,867	-	7,391	7,335	-	7,335
Public Library	603	87	522	553	77	471	500	67	500
TOTAL FINES	37,650	3,776	34,218	33,227	3,703	33,616	31,446	2,917	32,874
CHARGES FOR SERVICE									
Sanitation Service	59,838	10,796	60,860	62,010	10,509	62,148	63,530	11,033	63,530
Parks	8,629	1,260	9,943	9,716	1,208	10,767	9,814	959	9,814
Private Disposal Fees	18,864	3,259	18,574	17,694	2,706	19,289	17,509	3,813	17,509
Emergency Ambulance	20,207	973	20,507	42,982	2,966	43,367	33,626	3,091	26,917
Security Alarm	4,231	811	4,361	4,500	880	4,570	4,510	755	4,510
Street Lighting	1,200	-	1,450	1,000	-	665	743	46	743
Vital Statistics	1,492	225	1,562	1,581	205	1,530	1,470	213	1,470
Other	17,729	3,178	18,815	20,182	3,024	20,242	21,755	3,540	21,230
TOTAL CHARGES	132,190	20,502	136,071	159,665	21,497	162,579	152,955	23,448	145,721
INTERFUND REVENUE	60,410	2,294	46,552	67,330	2,459	60,748	61,842	2,416	61,842
MISCELLANEOUS	12,311	2,268	11,192	11,109	1,344	11,321	12,139	1,603	12,164
TOTAL REVENUES	\$ 1,041,303	\$ 106,175	\$ 1,042,069	\$ 1,130,581	\$ 108,964	\$ 1,133,847	\$ 1,166,814	\$ 135,179	\$ 1,160,985

* Based on Actual FY 2012-13 year end revenues

** Estimates based on revenues through August 2014

*** Estimates based on revenues through November 2014

**GENERAL FUND
HISTORICAL EXPENDITURE COMPARISON
AS OF NOVEMBER
(000s)**

DEPARTMENT	FY 2012-13			FY 2013-14			FY 2014-15		
	AMENDED BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
Building Services	\$ 22,602	\$ 5,063	\$ 22,042	\$ 25,709	\$ 7,235	\$ 25,682	\$ 23,896	\$ 5,676	\$ 23,896
Business Dev/Procurement Svcs	2,410	368	2,229	2,654	337	2,644	2,855	387	2,855
City Attorney's Office	12,915	1,764	12,913	14,456	2,178	14,427	15,147	2,101	15,147
City Auditor's Office	2,180	324	2,087	2,391	347	2,376	2,844	372	2,843
City Controller's Office	4,969	533	4,781	5,391	580	5,378	5,603	542	5,603
City Manager's Office	1,509	315	1,503	1,596	330	1,596	1,829	348	1,829
City Secretary's Office	2,877	294	3,015	2,944	217	2,930	3,028	340	3,028
Civil Service	1,829	225	1,735	2,126	268	2,076	2,345	246	2,332
Code Compliance	30,663	4,747	30,096	33,720	4,693	33,042	35,383	6,176	35,383
Court Services	19,083	2,756	19,008	20,039	10,000	19,930	20,185	9,315	20,134
Fire	207,275	33,411	207,212	221,718	31,907	221,263	228,009	33,059	228,009
Housing	9,516	4,530	9,516	11,373	5,631	11,360	11,628	5,565	11,628
Human Resources	3,752	652	3,237	4,121	771	4,121	4,638	967	4,638
Judiciary	3,286	540	2,980	3,528	488	3,406	3,695	437	3,695
Library	20,295	3,520	19,845	22,370	4,009	22,365	26,144	3,184	26,144
Management Services	4,646	1,821	4,478	5,568	1,984	5,320	5,650	2,229	5,608
Mayor and Council	3,864	535	3,706	3,911	519	3,878	3,923	559	3,922
Non-Departmental	33,239	5,487	31,482	38,455	5,251	37,836	49,342	5,174	49,342
Office of Cultural Affairs	16,025	3,576	15,083	16,916	3,732	16,914	17,288	885	17,207
Office of Economic Development	760	620	756	1,122	713	1,122	1,577	468	1,577
Office of Financial Services	2,147	217	1,757	2,826	250	2,753	3,643	354	3,614
Park and Recreation	73,442	13,506	73,292	78,764	14,022	78,764	81,877	14,223	81,877
Planning and Neighborhood Vitality							2,527	436	2,527
Police	402,252	59,667	401,874	428,943	50,784	428,416	438,060	50,601	438,060
Public Works	5,279	1,811	5,053	7,121	1,567	6,803	6,861	2,094	6,861
Sanitation Services	73,596	8,446	73,350	74,797	8,958	74,797	75,694	10,343	75,694
Street Lighting	18,318	3,490	18,029	18,201	2,342	18,118	17,923	919	17,923
Street Services	57,262	6,232	55,620	61,742	8,473	61,732	65,914	9,436	65,914
Sustainable Dev/Construction	1,238	425	463	1,613	403	1,498	1,540	351	1,459
Trinity Watershed Management	244	145	205	641	65	559	1,351	92	1,346
OTHER									
Fuel and Fleet Cost (to be allocated)		-	-		-	-		-	(1,960)
RESERVES AND TRANSFERS									
Contingency Reserve	200	-	200	3,248	-	3,248	450	-	450
Liability/Claim Fund	3,630	-	3,630	11,531	-	11,531	4,170	-	4,170
Salary and Benefit Reserve	-	-	-	1,045	-	1,045	1,800	-	1,800
EXPENDITURES	\$ 1,041,303	\$ 165,023	\$ 1,031,177	\$ 1,130,581	\$ 168,055	\$ 1,126,929	\$ 1,166,814	\$ 166,881	\$ 1,164,554

* Based on Actual FY 2012-13 year end expenditures

**Estimates based on expenditures through August 2014

*** Estimates based on expenditures through November 2014