

Memorandum



CITY OF DALLAS

DATE April 20, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2017-18 Financial Forecast Report**

Please find attached the Financial Forecast Report based on information through February 2018.

We currently forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$4.8 million. Revenues are forecast to be \$6.1 million above budget primarily due to property taxes trending above average, Emergency Ambulance revenue from the State, electric and commercial container franchise fees, and a new contract with the State Fair for patrol services. Expenses are forecast to be \$1.3 million above budget due to uniform overtime offset by savings in other departments.

Details related to other budget variances may be found throughout the report. We will continue to closely monitor revenues and expenditures and keep you informed.

A handwritten signature in blue ink, appearing to read 'J. Reich'.

for M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

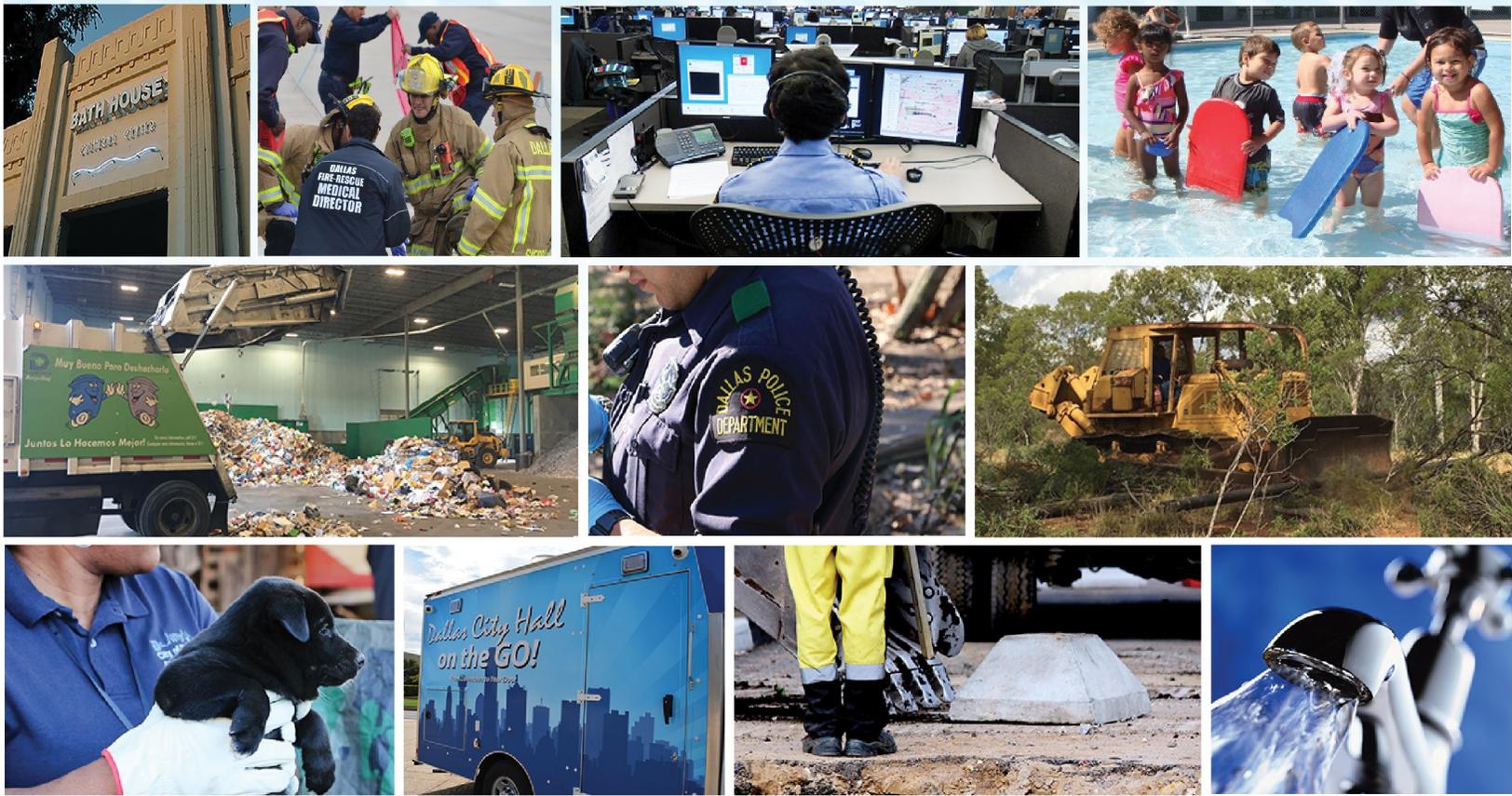
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of February 28, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of February 28, 2018

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192	\$160,617,192	\$ 160,617,192	\$0
Revenues	1,276,420,942	1,278,623,588	767,087,089	1,284,713,888	6,090,300
Expenditures	1,276,420,942	1,278,623,588	495,857,096	1,279,897,929	1,274,341
Ending Fund Balance	\$160,617,192	\$160,617,192	\$431,847,185	\$165,433,152	\$4,815,960

SUMMARY

The General Fund overview provides a summary of financial activity through February 28, 2018. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency. The summary includes the beginning fund balance with the year-end revenue and expenditure forecasts. As of February 28, 2018, the beginning fund balance represents the FY 2016-17 unaudited projected ending fund balance and does not reflect additional year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018.

Revenues. Through February 28, 2018, General Fund revenues are projected to be above budget by \$6.1 million primarily due to property taxes trending above average; Emergency Ambulance revenue from the State; electric and commercial container franchise fees; and a new contract with the State Fair for patrol services.

Expenditures. Through February 28, 2018, General Fund expenditures are projected to be over budget by \$1.3 million due to overtime in Dallas Fire Rescue (DFR) offset by savings in other departments. Most departments are under budget as a result of vacancies.

Amendments. The General Fund budget was increased on October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing, on November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre, on January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year, and on February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

GENERAL FUND REVENUES

As of February 28, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$652,067,958	\$652,067,958	\$633,000,185	\$653,988,652	\$1,920,694
Sales Tax ²	303,349,086	303,349,086	24,860,217	303,514,496	165,410
Franchise & Other ³	135,319,609	135,319,609	65,418,571	136,625,462	1,305,853
Charges for Services ⁴	103,578,036	103,578,036	25,930,689	105,976,017	2,397,981
Fines and Forfeitures ⁵	36,515,082	36,515,082	9,613,498	35,030,028	(1,485,054)
Operating Transfers In ⁶	22,777,865	24,980,511	139,404	24,980,511	0
Intergovernmental	9,548,046	9,548,046	682,058	9,667,709	119,663
Miscellaneous ⁷	6,580,004	6,580,004	3,246,649	7,415,397	835,393
Licenses & Permits	4,668,685	4,668,685	2,792,740	4,701,568	32,883
Interest ⁸	2,016,571	2,016,571	1,403,078	2,814,050	797,479
Total Revenue	\$1,276,420,942	\$1,278,623,588	\$767,087,089	\$1,284,713,888	\$6,090,300

VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with year-end (YE) forecast variances of +/- five percent and revenue with an Amended Budget.

1 Property Tax. Property tax revenues are forecast to be 0.29 percent (\$1,920,000) greater than budget based on current year property tax and penalties and interest trending above average.

2 Sales Tax. Sales tax revenues are forecast to be 0.1 percent (\$165,000) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.2 percent over the most recent 12 months.

3 Franchise and Other. Franchise and Other revenues are projected to be 0.97 percent (\$1,300,000) over budget primary due to electric and commercial container franchise fees.

4 Charges for Service. Charges for services revenues are forecast to be 2.3 percent (\$2,400,000) greater than budget primarily due to a \$1.3 million increase in the Emergency Ambulance reimbursement revenue from the State and a new agreement signed with State Fair for police patrol services in which FY 2017-18 received revenue for prior years State Fairs (\$1.0 million).

5 Fines and Forfeitures. Fines and forfeitures are projected to be 4.1 percent (\$1,485,000) under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation (\$849,000) and an decrease of 8,000 traffic citations over the same time period last year (\$578,000).

6 Operating Transfer In. Operating Transfer In was amended on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylly Theatre. CR# 18-0125 amended Operating Transfers In (approved use of contingency) on January 17, 2018 to appropriate funds for the Dallas County Schools Dissolution Committee Crossing Guard payroll settlement.

7 Miscellaneous. Miscellaneous revenue is projected to be 12.7 percent (\$835,000) greater than budget primarily due to an \$800,000 anticipated reimbursement from Atmos Energy for the City's support provided to residents affected by the gas emergency.

8 Interest. Interest earned revenues are projected to be 40 percent (\$797,000) over budget based on current trends.

GENERAL FUND EXPENDITURES

As of February 28, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$234,373,044	\$236,552,789	\$87,202,463	\$232,161,678	(\$4,391,111)
Civilian Overtime	6,087,198	6,087,198	3,315,177	8,127,498	2,040,300
Civilian Pension	33,654,027	33,951,878	12,668,239	33,051,453	(900,425)
Uniform Pay	397,751,284	401,698,616	153,998,383	392,635,954	(9,062,662)
Uniform Overtime	32,141,841	32,197,371	19,632,663	45,763,666	13,566,295
Uniform Pension	151,450,013	153,665,564	56,852,596	153,665,564	0
Health Benefits	62,526,985	62,812,518	27,852,293	62,812,518	0
Workers Comp	10,211,638	10,211,638	0	10,211,638	0
Other Personnel Services	10,600,247	10,688,092	3,865,070	10,514,762	(173,330)
Total Personnel Services ¹	938,796,277	947,865,664	365,386,883	948,944,731	1,079,067
Supplies ²	76,688,160	77,667,357	30,260,539	77,272,168	(395,189)
Contractual Services ³	341,963,586	343,388,481	108,150,255	347,949,350	4,560,869
Capital Outlay ⁴	8,000,250	8,329,492	2,639,065	8,923,263	593,771
Reimbursements ⁵	(89,027,331)	(98,627,406)	(10,579,647)	(103,191,583)	(4,564,177)
Total Expenditures	\$1,276,420,942	\$1,278,623,588	\$495,857,096	\$1,279,897,929	\$1,274,341

VARIANCE NOTES

1 Personnel Services. Year-end forecast variance of \$1.1 million is due to greater than budgeted uniform overtime expenses. Uniform overtime YE forecast assumes \$7.3 million for the Dallas Police Department and \$6.2 million for Dallas Fire Rescue. Uniform pension YE forecast equals budget and includes the \$150.7 million contribution required to fund the police and fire pension as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

2 Supplies. Current year-end forecast is \$395,000 below budget primarily driven by forecasted savings in budgeted uniform clothing expenditures for Dallas Fire Rescue.

3 Contractual Services. Current year-end forecast is \$4.6 million over budget primarily due to:

- \$423,000 Controller's Office due to contract temporary help;
- \$458,000 Court Services due to contract temporary help and credit card charges;
- \$532,000 Dallas Animal Services due to contract temporary help, day labor and copy center charges;
- \$681,000 Public Works due to department support, and equipment rental;
- \$871,000 Code Compliance due to day labor, contract temporary help, disposal services, equipment rental, and department support;
- \$1,106,000 Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment;
- \$1,000,000 Transportation due to equipment maintenance, equipment rental, and monthly traffic signal modem fees (offset partially by salary savings); and
- (\$1.8 million) savings in Non-Departmental due to a delay in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

VARIANCE NOTES

4 Capital Outlay. Current year-end forecast is \$593,000 over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement and an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance.

5 Reimbursements. General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$4.6 million greater than budget, primarily due to:

- \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue from the 9-1-1 System Operations Fund;
- \$948,000 greater than budgeted reimbursement to Dallas Fire Rescue from Building Inspections for new construction inspections and Aviation for two full-time paramedics assigned to Love Field Airport;
- \$720,000 reimbursement from a Police Donation Fund for overtime expenses incurred in FY 2016-17 for increased patrols in the Oak Lawn area;
- \$350,000 Dallas Animal Services reimbursement from a special revenue fund for vehicles;
- \$151,000 Courts and Detention Services unbudgeted reimbursement from the City Attorney's Office for three full-time staff dedicated to the Community Courts;
- \$130,000 Park and Recreation greater than budgeted reimbursement for overtime work at Fair Park performed by Facility Services; and
- \$101,000 Office of Cultural Affairs greater than budgeted reimbursement from the Hotel Occupancy Tax Fund.

GENERAL FUND EXPENDITURES

As of February 28, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$28,590,583	\$28,667,529	\$10,468,504	\$28,657,002	(\$10,527)
City Attorney's Office	16,788,175	16,788,175	6,558,156	16,689,962	(98,213)
City Auditor's Office ¹	3,360,043	3,360,043	1,165,044	3,196,112	(163,931)
City Controller's Office	5,351,812	5,379,331	1,998,082	5,351,811	(27,520)
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,344,267	1,005,556	2,344,267	0
City Secretary ²	2,367,327	2,632,693	994,679	2,629,146	(3,547)
Civil Service	3,080,815	3,080,815	1,133,752	2,990,604	(90,211)
Code Compliance	30,438,826	30,438,826	10,370,393	30,438,826	0
Court Services	11,627,393	11,627,393	4,738,490	11,626,001	(1,392)
Jail Contract	8,484,644	8,484,644	2,828,215	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	4,912,964	13,957,952	(49,207)
Dallas Fire Department ³	267,026,909	267,026,909	105,609,058	271,272,937	4,246,028
Dallas Police Department ⁴	465,522,805	464,763,484	177,887,458	464,763,484	0
Housing and Neighborhood Services ⁵	3,668,283	3,845,682	1,117,198	4,010,682	165,000
Human Resources	5,234,618	5,234,618	2,156,709	5,125,071	(109,547)
Judiciary	3,454,079	3,454,079	1,423,169	3,445,011	(9,068)
Library	31,279,877	31,279,877	11,806,453	30,776,694	(503,183)
Office of Management Services					
311 Customer Services ⁶	3,509,120	3,509,120	1,572,044	3,569,390	60,270
Center for Performance Excellence ⁷	1,265,811	1,265,811	508,577	1,181,818	(83,993)
Council Agenda Office	224,495	228,355	89,938	228,355	0
EMS Compliance Program ⁸	340,988	340,988	119,974	318,409	(22,579)
Ethics and Diversity	97,631	119,855	8,376	119,855	0
Fair Housing ⁹	278,274	397,837	98,017	397,837	0
Office of Strategic Partnerships ¹⁰	726,947	3,126,947	386,839	3,071,625	(55,322)
Office of Business Diversity ¹¹	793,297	793,297	249,512	693,212	(100,085)
Office of Community Care ¹²	4,932,564	4,932,564	1,427,397	5,001,285	68,721
Office of Emergency Management	715,020	715,020	376,210	715,020	0
Office of Environmental Quality	1,197,487	1,197,487	1,167,561	1,195,270	(2,217)
Office of Homeless Solutions	10,081,328	10,081,328	3,423,137	10,059,433	(21,895)
Public Affairs and Outreach ¹³	1,666,011	1,400,645	466,710	1,400,645	0
Resiliency Office	353,875	353,875	134,746	353,875	0
Welcoming Communities	428,845	428,845	143,490	428,845	0
Mayor and City Council	4,820,561	4,827,575	1,844,253	4,827,575	0
Non-Departmental ¹⁴	77,323,336	77,323,336	3,915,049	75,876,399	(1,446,937)
Office of Budget	3,406,338	3,406,338	1,247,086	3,366,395	(39,943)
Office of Cultural Affairs ¹⁵	20,268,063	20,710,467	8,460,781	20,710,467	0
Office of Economic Development	4,840,594	4,840,594	1,766,424	4,840,594	0
Park and Recreation	98,005,546	98,269,651	36,963,852	98,269,651	0
Planning and Urban Design	2,911,297	2,911,297	1,194,488	2,897,270	(14,027)
Procurement Services ¹⁶	2,389,442	2,389,442	918,927	2,160,996	(228,446)
Public Works	73,137,927	73,137,927	20,797,678	73,004,961	(132,966)
Sustainable Development	1,656,869	1,656,869	1,083,066	1,606,091	(50,778)
Transportation	44,325,574	44,325,574	11,810,438	44,325,430	(144)
Trinity Watershed Management	1,302,754	1,302,754	220,824	1,302,754	0
Total Departments	\$1,264,441,401	\$1,267,300,479	\$446,569,270	\$1,268,574,820	\$1,274,341
Liability/Claim Fund Transfer	4,642,666	4,642,666	0	4,642,666	0
Contingency Reserve	4,686,875	4,686,875	0	4,686,875	0
Salary and Benefit Reserve ¹⁷	2,650,000	1,993,568	0	1,993,568	0
Total Expenditures	\$1,276,420,942	\$1,278,623,588	\$446,569,270	\$1,279,897,929	\$1,274,341

VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, departments with an Amended Budget, and for departments with YE forecast projected to exceed budget.

1 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$164,000 below budget due to salary savings associated with five vacancies.

2 City Secretary. City Secretary Office's budget was increased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred from the Office of Management Services (Public Affairs and Outreach).

3 Dallas Fire Department. Dallas Fire Department expenditures are forecast to be \$4.2 million over budget primarily driven by increased uniform overtime due to higher than expected attrition. Vacation/sick termination pay is also higher than expected due to attrition. Additionally, a budgeted increase in revenue from the Ambulance Supplemental Payment Program caused a corresponding, greater than budgeted increase in billing and consulting fees. These expenses are offset by \$1.7 million greater than budgeted reimbursement from the 9-1-1 System Operations Fund.

4 Dallas Police Department. Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships).

5 Housing and Neighborhood Services. Housing and Neighborhood Services expenditures are forecast to be \$165,000 over budget due to funding for a caseworker for the High Impact Landlord Initiative, additional home repair work at eight Home Repair Program properties and expenses associated with moving support staff from Bexar Street offices back to City Hall.

6 311 Customer Services. 311 Customer Services is forecast to be \$60,000 over budget due to higher than expected usage of the Language Line, a third-party vendor that is used to translate calls for non-English speakers. The primary use is for Spanish speakers when bilingual 311 Customer Services agents are not available.

7 Center for Performance Excellence. Center for Performance Excellence expenditures are forecast to be \$83,000 under budget primarily due to salary and benefit savings associated with current employee salaries for two FTE(s) being lower than anticipated.

8 EMS Compliance Program. EMS Compliance Program expenditures are forecast to be \$23,000 under budget primarily due to the non-renewal of the ComplyAssistant contract.

9 Fair Housing Office. Fair Housing Office budget was increased by \$120,000 on October 25, 2017 by CR#17-1652 for a Regional Assessment of Fair Housing.

10 Office of Strategic Partnerships. Office of Strategic Partnerships budget was increased by \$2.4 million on January 17, 2018 by CR #18-0125 to appropriate funds for the Dallas County School Dissolution Committee Crossing Guard payroll.

11 Office of Business Diversity. Office of Business Diversity expenditures are forecast to be \$100,000 below budget due to salary savings associated with vacancies.

12 Office of Community Care. Office of Community Care is forecast \$68,000 over budget due to unbudgeted contract temporary help, overtime, and building maintenance.

13 Public Affairs and Outreach. Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary.

14 Non-Departmental. Non-Departmental expenditure forecast \$1.4 million less than budget due to a delay

VARIANCE NOTES

in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

15 Office of Cultural Affairs. Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre and on February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

16 Procurement Services Procurement Services expenditures are forecasts to be \$228,000 below budget due to four vacant positions that are projected to be filled by the third quarter of the fiscal year.

17 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$655,000 were allocated to Building Services (\$77,000), City Manager's Office (\$77,000), the City Controller's Office (\$27,000), Housing and Neighborhood Revitalization (\$177,000), Mayor and Council (\$7,000), City Agenda Office (\$4,000), Ethics and Diversity (\$22,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

ENTERPRISE FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION					
Beginning Fund Balance	\$10,469,442	\$10,469,442	\$10,469,442	\$10,469,442	\$0
Total Revenues:	127,028,405	127,028,405	48,673,827	127,039,831	11,426
Total Expenditures:	127,028,405	127,028,405	26,185,608	126,993,614	(34,791)
Ending Fund Balance	\$10,469,442	\$10,469,442	\$32,957,661	\$10,515,658	\$46,217
CONVENTION AND EVENT SERVICES¹					
Beginning Fund Balance	\$32,258,124	\$32,258,124	\$32,258,124	\$32,258,124	\$0
Total Revenues:	97,787,266	97,787,266	36,250,898	101,170,212	3,382,946
Total Expenditures:	97,787,266	97,787,266	30,881,355	99,371,105	1,583,839
Ending Fund Balance	\$32,258,124	\$32,258,124	\$37,627,667	\$34,057,231	\$1,799,107
MUNICIPAL RADIO²					
Beginning Fund Balance	\$1,217,847	\$1,217,847	\$1,217,847	\$1,217,847	\$0
Total Revenues:	2,098,813	2,098,813	756,012	2,123,484	24,671
Total Expenditures:	2,051,318	2,051,318	910,413	2,116,132	64,814
Ending Fund Balance	\$1,265,342	\$1,265,342	\$1,063,446	\$1,225,199	(\$40,143)
SANITATION SERVICES³					
Beginning Fund Balance	\$15,052,459	\$15,052,459	\$15,052,459	\$15,052,459	\$0
Total Revenues:	102,279,097	102,279,097	44,500,523	106,552,350	4,273,253
Total Expenditures:	102,279,097	102,279,097	30,438,735	104,419,917	2,140,820
Ending Fund Balance	\$15,052,459	\$15,052,459	\$29,114,246	\$17,184,891	\$2,132,432
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490	\$4,546,490	\$4,546,490	\$0
Total Revenues:	55,987,895	55,987,895	22,979,518	56,108,378	120,483
Total Expenditures:	55,936,837	55,936,837	13,675,500	55,649,715	(287,122)
Ending Fund Balance	\$4,597,548	\$4,597,548	\$13,850,507	\$5,005,153	\$407,605
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION⁴					
Beginning Fund Balance	\$37,809,029	\$37,809,029	\$37,809,029	\$37,809,029	\$0
Total Revenues:	31,711,218	31,711,218	13,492,168	31,516,861	(194,357)
Total Expenditures:	32,376,190	32,376,190	12,171,410	32,375,277	(913)
Ending Fund Balance	\$37,144,057	\$37,144,057	\$39,129,787	\$36,950,613	(\$193,444)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DALLAS WATER UTILITIES⁵					
Beginning Fund Balance	\$84,788,025	\$84,788,025	\$84,788,025	\$84,788,025	\$0
Total Revenues:	667,471,388	667,471,388	262,938,119	667,471,388	0
Total Expenditures:	667,471,388	667,471,388	218,676,485	643,354,172	(24,117,216)
Ending Fund Balance	\$84,788,025	\$84,788,025	\$129,049,659	\$108,905,240	\$24,117,215

INTERNAL SERVICES FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁶					
Beginning Fund Balance	\$10,959,687	\$10,959,687	\$10,959,687	\$10,959,687	\$0
Total Revenues:	67,963,283	67,963,283	21,671,563	67,495,081	(468,202)
Total Expenditures:	70,242,680	70,242,680	34,981,780	69,985,992	(256,688)
Ending Fund Balance	\$8,680,290	\$8,680,290	(\$2,350,530)	\$8,468,776	(\$211,514)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356	\$2,537,356	\$2,537,356	\$0
Total Revenues:	4,823,063	4,823,063	679,965	4,852,117	29,054
Total Expenditures:	4,823,063	4,823,063	1,544,919	4,797,934	(25,129)
Ending Fund Balance	\$2,537,356	\$2,537,356	\$1,672,402	\$2,591,539	\$54,183
EQUIPMENT SERVICES⁷					
Beginning Fund Balance	\$5,611,863	\$5,611,863	\$5,611,863	\$5,611,863	\$0
Total Revenues:	52,652,059	52,652,059	16,599,037	54,144,909	1,492,850
Total Expenditures:	52,652,059	52,652,059	17,630,471	54,417,268	1,765,209
Ending Fund Balance	\$5,611,863	\$5,611,863	\$4,580,429	\$5,339,504	(\$272,359)
EXPRESS BUSINESS CENTER⁸					
Beginning Fund Balance	\$2,011,100	\$2,011,100	\$2,011,100	\$2,011,100	\$0
Total Revenues:	4,231,450	4,231,450	1,449,578	2,724,250	(1,507,200)
Total Expenditures:	3,740,420	3,740,420	731,883	2,191,251	(1,549,169)
Ending Fund Balance	\$2,502,130	\$2,502,130	\$2,728,795	\$2,544,098	\$41,968

OTHER FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁹					
Beginning Fund Balance	\$5,941,912	\$5,941,912	\$5,941,912	\$5,941,912	\$0
Total Revenues:	12,539,195	12,539,195	4,879,481	12,074,018	(465,177)
Total Expenditures:	15,048,378	15,048,378	2,205,128	16,748,378	1,700,000
Ending Fund Balance	\$3,432,729	\$3,432,729	\$8,616,265	\$1,267,552	(\$2,165,177)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DEBT SERVICE¹⁰					
Beginning Fund Balance	\$13,769,804	\$13,769,804	\$13,769,804	\$13,769,804	\$0
Total Revenues:	278,149,358	278,149,358	253,301,253	278,945,555	796,197
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164	\$267,071,057	\$25,392,361	\$796,197
EMPLOYEE BENEFITS¹¹					
City Contributions	\$86,088,120	\$86,088,120	\$39,564,913	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	16,505,986	38,086,396	0
Retiree	30,118,491	30,118,491	10,265,887	30,118,491	0
Other	0	0	(26,917)	(11,513)	(11,513)
Total Revenues:	154,293,007	154,293,007	66,309,868	154,281,494	(11,513)
Total Expenditures:	\$154,293,007	\$154,293,007	\$46,736,263	\$154,293,007	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).					
RISK MANAGEMENT¹²					
Worker's Compensation	\$13,219,304	\$13,219,304	\$257,293	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	253,881	10,203,093	0
Purchased Insurance	3,090,183	3,090,183	(529)	3,090,183	0
Interest and Other	406,970	406,970	0	406,970	0
Total Revenues:	26,919,550	26,919,550	510,644	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$8,498,027	\$29,406,225	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).					

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of February 28, 2018, the beginning fund balance represents the FY 2016-17 unaudited ending fund balance and does not reflect projected year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

1 Convention and Event Services. Convention and Event Services revenues are projected to exceed budget by \$3.3 million primarily due to heavier than anticipated use of catering services at various national corporate events held at the Convention Center. Expenditures are projected to be \$1.6 million greater than budget primarily due to increases in food and beverage expenses associated with the increase in catering service revenues and an additional \$1.1 million Capital Construction transfer contingent upon realization of increased revenue estimate.

2 Municipal Radio. Municipal Radio FY 2017-18 YE forecast expenditures will exceed revenue by \$40,000 due to sales commission expenses.

3 Sanitation Services. Sanitation Services revenues are projected \$4.2 million over budget primarily due to increase in private disposal waste tonnage from cash customers at the landfill. Expenditures are projected to be \$2.1 million greater than budget due to increased landfill disposal fees (\$643,000) paid to Texas Commission on Environmental Quality (TCEQ), and Equipment Services maintenance charges (\$673,000) and master lease payments (\$695,000).

4 Sustainable Development and Construction. Sustainable Development and Construction FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

5 Dallas Water Utilities. Water Utilities expenditures are projected to be \$24.1 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA) that was budgeted at \$24.1 million. The savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018.

6 Information Technology. Information Technology FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

7 Equipment Services. Equipment Services revenues are projected to exceed budget by \$1.5 million primarily due to an increase in the rental rate charged to Sanitation for retained vehicles. Retained vehicles are units that were replaced but departments later opted to keep, along with the replacement unit. Equipment Services expenditures are projected to exceed budget by \$1.8 million due to maintenance for unbudgeted retained and added equipment, increased motor pool use, and increased costs for make ready of new vehicles which will be offset by additional revenue.

8 Express Business Center. Express Business Center expenditures and revenues are projected to be \$1.5 million less than budget primarily due to transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017. Water bill printing services will be provided by a vendor and expensed in DWU.

VARIANCE NOTES

9 9-1-1 System Operations. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance and a \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services.

10 Debt Service Fund. Debt Service Fund FY 2017-18 YE forecast revenues will exceed budget by \$796,000 due to current year collections trending above average.

11 Employee Benefits. Employee Benefits FY 2017-18 YE forecast expenditures will exceed revenue due to an unbudgeted refund.

12 Risk Management. Risk Management FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.



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