

COUNCIL AMENDMENTS

Following the first reading of the FY 2017-18 budget, City Council considered amendments to the FY 2017-18 Proposed Budget. The amendments that were approved were subsequently included in the FY 2017-18 Adopted Budget for the General Fund are below.

Source of Funds: \$4,744,957

- \$2,975,971 – Reduce Park and Recreation (Fair Park)
- \$200,000 – Transfer Office of Homeless Solutions (panhandling)
- \$993,986 – Transfer Non-Departmental (General Fund contribution to Dallas Water Utilities for vital statistics)
- \$75,000 – Reduce Mayor and Council office accounts
- \$150,000 – Reduce Dallas Police Department (1 of 2 new Psychologist positions)
- \$100,000 – Reduce Office of Business Diversity (1 of 2 new positions)
- \$250,000 – Reduce Mayor and Council (district offices) pilot

Use of Funds: \$4,744,957

- \$2,425,971 – Reduce property tax revenue (0.21¢ tax rate reduction from 78.25¢ to 78.04¢)
- \$200,000 – Transfer Office of Community Care (panhandling)
- \$993,986 – Transfer Office of Community Care (vital statistics)
- \$75,000 – Increase Office of Strategic Partnerships (youth commission program)
- \$300,000 – Increase Office of Community Care (teen pregnancy initiative)
- \$500,000 – Increase Transportation (citywide road humps and traffic calming initiatives)
- \$250,000 – Increase City Attorney’s Office (community prosecution and community courts)



GLOSSARY OF BUDGET TERMINOLOGY

ACCRUAL ACCOUNTING

A measure of the City's revenues earned and expenses incurred during the period, regardless of when cash is received or paid.

ADOPTED BUDGET

Budget approved by City Council at the beginning of the fiscal year.

AD VALOREM TAX

A tax levied on the assessed valuation of real land and improvements and personal property located in the City.

ADDITIONAL RESOURCES

Grants, trusts, or any other source of funds (excluding Capital funds) that contribute to the service.

AGENCY FUND

Agency fund consists of resources retained by the governmental unit as an agent for another governmental unit.

APPROPRIATION

An authorization made by the City Council that permits officials to incur obligations against and make expenditures of governmental resources.

ARBITRAGE

The interest earnings derived from invested bond proceeds or debt service fund balances.

ASSESSED VALUATION

This represents the total valuation of land and improvements and personal property less all properties exempt from tax. Also identified as taxable valuation.

BALANCED BUDGET

A budget with revenues equal to expenditures.

BIENNIAL BUDGET

A balanced budget that covers two fiscal years.

BOND

A written promise to pay a sum of money on a specified date at a specified interest rate. General Obligation (GO) and Revenue Bonds are used for funding permanent capital improvements such as buildings, streets, and bridges.

GLOSSARY OF BUDGET TERMINOLOGY

BUDGET

A financial plan for a specified period of time that matches all planned revenues and expenditures with various municipal services. It is the primary means by which most of the expenditure and service delivery activities of a government are controlled.

CAPITAL CONSTRUCTION FUND

Capital construction funds are used to pay for capital projects which are not debt financed. Funding is usually derived from operating fund transfers.

CAPITAL EXPENDITURE

A capital expenditure is the acquisition or construction of an asset that has a useful life greater than one year.

CAPITAL GIFTS AND DONATIONS

Contributions by individuals or organizations for the purpose of funding capital improvements within the scope of interest of the donor.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The City's plan to finance major infrastructure development and improvement. It is primarily funded through General Obligation Bonds and Revenue Bonds.

CAPITAL PROJECTS FUND

Fund used to account for and report financial sources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CERTIFICATE OF OBLIGATION (CO)

A written promise secured by the full faith and credit of the City. Used for funding permanent capital improvements. Debt Service is paid from ad valorem taxes or operating revenues.

COMMERCIAL PAPER

A short-term promissory note offering flexibility to borrow as needed at the time of the actual award of projects instead of sale of bond.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Federal funds available to municipalities specifically for activities and programs to create viable urban communities for low and moderate income persons.

CONTINGENCY RESERVE

A budgetary reserve which provides for unanticipated expenditures of a non-recurring nature.

GLOSSARY OF BUDGET TERMINOLOGY

CONTRACTUAL SERVICE

The cost related to services performed for the City by individuals, businesses, or utilities.

DEBT SERVICE

Sometimes referred to as the Interest and Sinking Fund, it is used to account for the accumulation of financial resources to meet the requirements of general obligation debt service and debt service reserve.

DEFICIT

Excess of expenses over revenues at a specific point in time.

DEPARTMENT

A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION

A systematic allocation of cost for a tangible asset during its estimated useful life.

EMERGENCY RESERVE

A budgetary reserve which provides for temporary financing of unforeseen needs of an emergency nature, unanticipated fluctuations in revenue, and individual judgment/settlement payments exceeding a \$5,000,000 liability cap.

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service.

ENTERPRISE FUND

These funds are fully supported by charges for service. Each fund establishes revenue-based fees and charges to recoup the costs of providing the services.

EQUIPMENT ACQUISITION NOTES

Short term note financing secured by the full faith and credit of the City used for funding capital equipment purchases. Debt service requirements are met with ad valorem or operating transfers from fee supported funds.

FIDUCIARY FUND

This type of fund accounts for assets held by the City in a trustee or agency capacity.

GLOSSARY OF BUDGET TERMINOLOGY

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA (FMPC)

The City maintains Financial Management Performance Criteria, established in the late 1970's to reflect financial policies that the City believes necessary for planning purposes and to measure sound financial condition. These criteria are applied to the ongoing management of the City's finances and covers the following aspects of financial management: operating programs; capital and debt management; accounting, auditing and financial planning; cash management; grants and trusts; and Dallas Water Utilities.

FINES AND FORFEITURES

Charges levied by City departments to individuals and businesses that are resolved through payment or loss of property.

FISCAL YEAR (FY)

The twelve-month period beginning October 1st and ending the following September 30th to which the annual budget applies.

FRANCHISE FEE

A fee levied by the City Council on businesses that use the City's right-of-way to deliver services. This fee is usually charged as a percentage of gross receipts.

FULL TIME EQUIVALENTS (FTE)

A unit used to quantify staffing. One FTE is a full year, 40 hour per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be 0.5 FTEs. An FTE equals 2,080 hours of paid time.

FULL YEAR FUNDING (FYF)

The additional required funding necessary for twelve full months of operations related to positions and/or program funding added in the previous fiscal year. This funding complements prior year funding.

FUND

A fiscal and accounting entity with a self-balancing set of accounts (assets, liabilities, fund balance) which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GLOSSARY OF BUDGET TERMINOLOGY

FUND BALANCE

The difference between a fund's assets and liabilities. For the purposes of this document, two different calculations are utilized. For the General Fund, the unreserved undesignated portion of fund balance is reported. For Other Funds, fund balance is reported as current assets less current liabilities less reserves for encumbrances. For non-enterprise funds, sick and vacation accruals are excluded. For multi-year funds, reserves for encumbrances are not excluded. For funds that utilize inventory accounting, inventory encumbrances are not deducted (to avoid double-reduction).

GENERAL CAPITAL RESERVE

Depository for proceeds from property sale, abandonments, or reimbursements of prior loans/advances providing funds for Capital Improvements and/or to provide interim financing for Capital Projects.

GENERAL FUND

This is the main operating fund of the City. It accounts for basic operating services such as Police, Fire, Streets, Sanitation, Code Enforcement, Park and Recreation, Library, Environmental and Health Services, and others.

GENERAL OBLIGATION BOND

Bonds used for funding permanent public capital improvements such as buildings, streets, and bridges. The repayment of these bonds is made from the levy of property tax. Voter approval is required to issue these bonds.

GOVERNMENTAL FUNDS

Governmental funds are made up of the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

GRANT

A contribution by a government or other organization to support a particular function. Typically, these contributions are made to a local government from the state or federal government.

HEADCOUNT

Number of employees on payroll on any given day or time that count is calculated (changes daily).

IN-SERVICE DATE

Date on which a City facility is available to the public.

GLOSSARY OF BUDGET TERMINOLOGY

INTER-DEPARTMENT FINANCING

Short-term interim financing from one City department to another City department (necessary due to timing of project with permanent financing mechanism) with the repayment of the loan plus interest once permanent financing is in place.

INTEREST EARNED

Assets collected through investment of cash.

INTERFUND REVENUE

Assets transferred from one fund to another for services rendered. These are revenues from various funds that provide indirect cost payments to the General Fund. In addition, this revenue also includes Dallas Water Utilities street rental payment and surplus property auction revenue.

INTERGOVERNMENTAL REVENUE

Money collected from other governmental entities.

INTERNAL SERVICE FUND

Fund used to account for goods or services given to one department by another on a cost reimbursement basis.

LIABILITY RESERVE

Funds reserved for outstanding current and forecasted future liabilities.

LICENSE AND PERMITS REVENUE

These are revenues related to various license and permit fees.

MASTER LEASE

A short-term financing program offering flexibility to borrow as needed at the time of the actual purchase of equipment and technology improvements instead of the sale of equipment notes.

MISCELLANEOUS REVENUE

These are miscellaneous revenues from rental, gifts and donations, and collections for damages to City property.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

Basis of accounting according to which (a) revenues are recognized in the accounting period in which they became available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

GLOSSARY OF BUDGET TERMINOLOGY

ONE-TIME RESOURCES

These are non-recurring revenues, which will be used for one-time expenses.

OPERATING AND MAINTENANCE COST

Operational cost incurred by a facility for one year.

OPERATING BUDGET

The personnel, supply, service, and short term capital expenditures of a department.

PARTIAL YEAR FUNDING

The funding required to partially fund operations related to positions and/or program funding added in a fiscal year.

PERMANENT FUND

Fund used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizenry.

PLANNED BUDGET

The second year of the City's financial operations plan (biennial budget). State law does not allow cities in Texas to adopt a two-year appropriation.

POSITION

A specific job with an assigned position identification number, including full-time, part-time, and temporary.

PROGRAM

A sub-unit of a department.

PROPRIETARY FUND

A proprietary fund is one having profit and loss aspects. The two types of proprietary funds are enterprise and internal service funds.

REIMBURSEMENT

Repayment of funds from one fund or department to another for a specific purpose.

REVENUE

Receipt of cash from other entity that requires a cash receipt to be entered in the financial system.

GLOSSARY OF BUDGET TERMINOLOGY

REVENUE FUND

Fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

SERVICE

A specific operation performed within a department or office.

STRATEGIC PRIORITIES

The City Manager established the following Strategic Priorities: Public Safety; Mobility Solutions, Infrastructure and Sustainability; Economic and Neighborhood Vitality; Human and Social Needs; Quality of Life; and Government Performance and Financial Management.

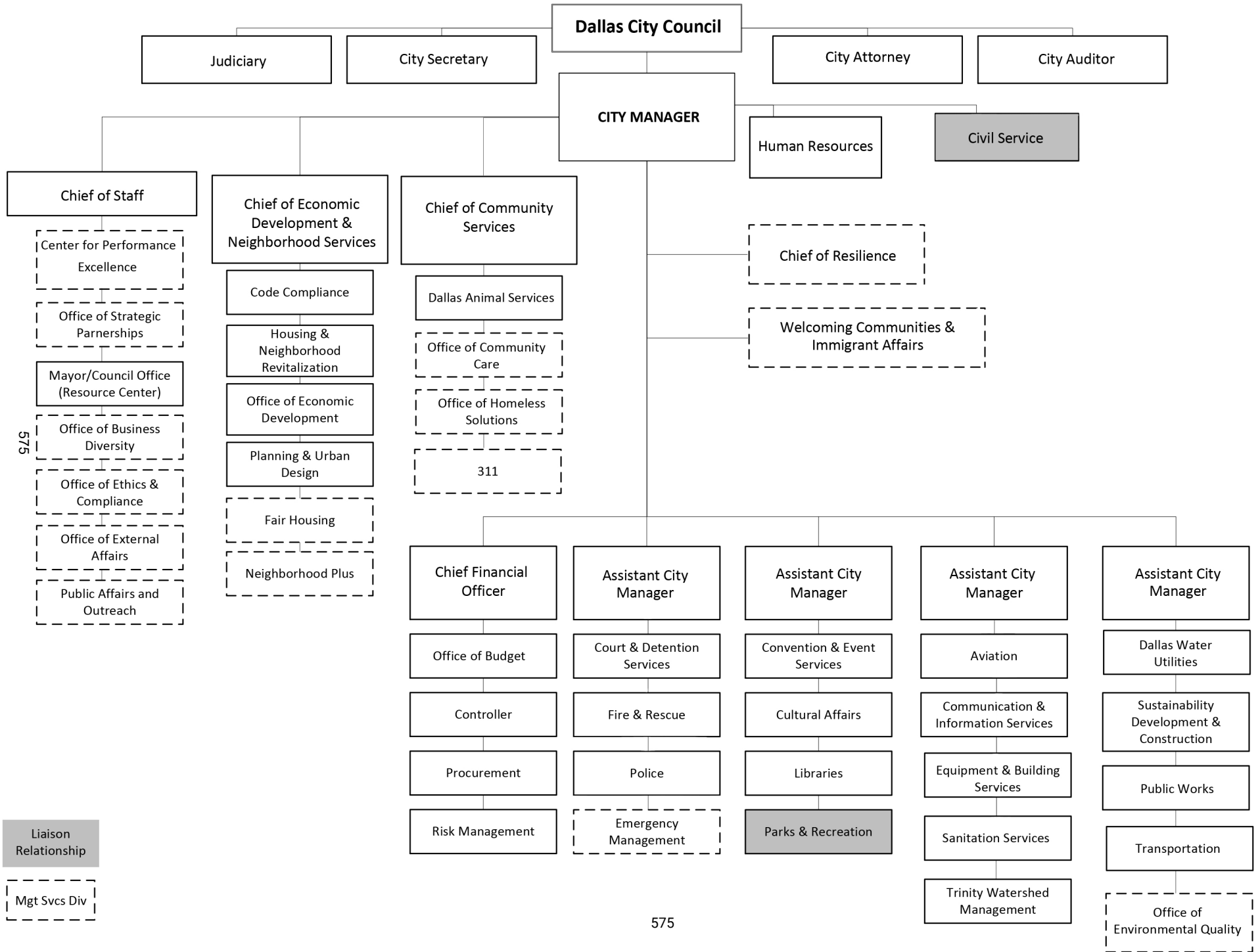
STRUCTURALLY BALANCED BUDGET

A budget that provides for annual recurring total expenditures and encumbrances which are equal to or less than the annual recurring revenue estimate for the fund.

TRUE INTEREST COST

The full cost of a bond issue taking into account the present value (time value) of money. The TIC is the rate of interest, compounded semiannually, required to discount the payments of principal and interest to bondholders to the original purchase price.

City of Dallas Organization Chart

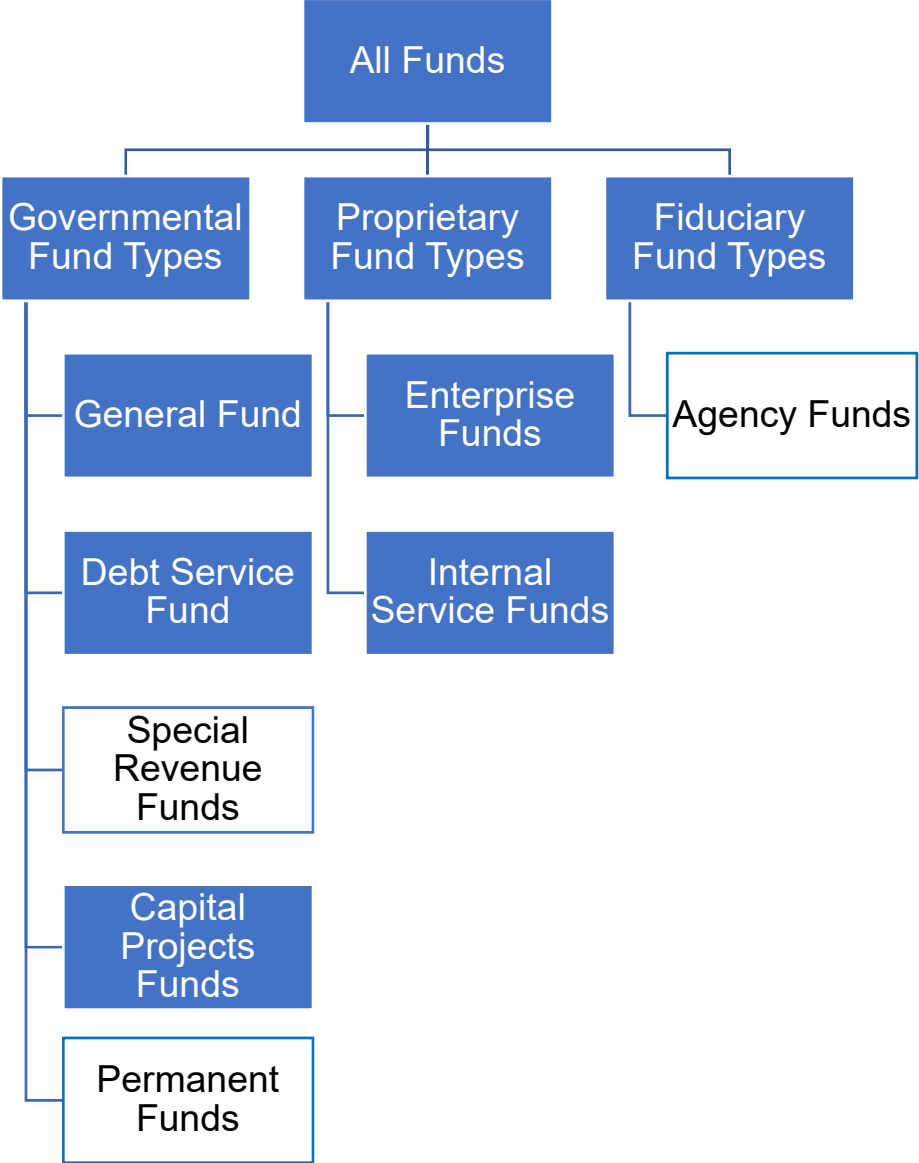


Liaison Relationship

Mgt Svcs Div



CITY OF DALLAS FUND STRUCTURE



Note: Shading indicates Funds included in the Biennial Budget



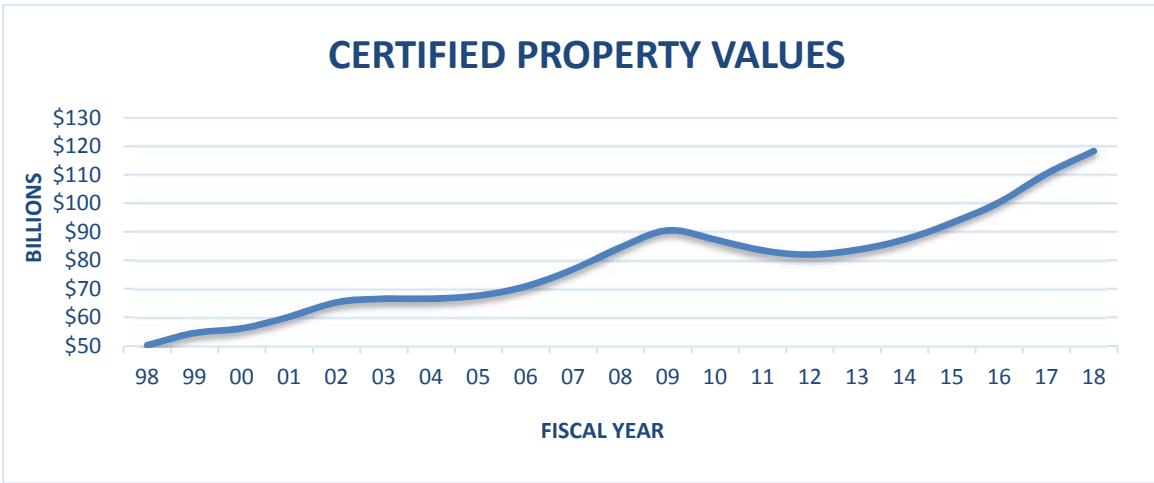
MAJOR REVENUE SOURCES

GENERAL FUND

The revenue sources described in this section account for \$1,127,342,019 of the City’s total general fund operating revenues and \$260,036,328 of the tax supported debt service revenues.

PROPERTY TAXES

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The City’s property tax is levied each September on the assessed value listed as of the prior January 1st for all real property and income-producing personal property located in the City. Assessed values are established by the appraisal districts in the four counties in which the City of Dallas is located. The assessed taxable value for the tax roll as of January 1, 2017 (upon which the FY 2017-18 levy is based) is \$118,314,677,595. The 2017 tax roll is 7.18 percent more than the 2016 tax roll. Property tax growth for the 2018 tax roll (upon which the FY 2018-19 levy will be based) is currently projected to be 7.22 percent more than the 2017 tax roll.



The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100.00 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The adopted tax rate for the year ending September 30, 2018 is \$0.7804 per \$100.00 valuation of which \$0.5580 is allocated for general government operations and maintenance and \$0.2224 is allocated for general obligation debt service payments.

MAJOR REVENUE SOURCES

Taxes are due January 31st following the September levy and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2018 are estimated to be 97.64 percent of levy and will generate \$644,615,278 in General Fund revenues and \$256,921,931 in Debt Service revenues for a total of \$901,537,209 in revenues. Prior year taxes, penalties and interest, special inventory tax, and refunds are expected to produce an additional \$10,567,077 in revenues.

The City of Dallas grants a homestead exemption of 20.0 percent or a minimum of \$5,000 of the market value of residence homesteads. The City of Dallas has also granted an additional \$64,000 market value exemption to persons who are 65 or older or disabled. For FY 2017-18, however, the homestead property tax exemption for persons who are 65 or older or disabled will increase from \$64,000 to \$90,000. The approved exemption increase recognizes the growth in home values that has occurred since 1986.

AMBULANCE REVENUES

The Dallas Fire-Rescue Department provides emergency ambulance services within the boundaries of the City of Dallas to any person requesting aid. The emergency medical staff transports the individual or individuals to a hospital providing emergency aid for a transport charge plus itemized charges. The transport charge is \$1,578 for residents and \$1,678 for non-city residents, and \$125 for treatment/non-transport services.

The billing and collection of ambulance fees and additional supplemental payment from the federal government is provided by vendors contracted by the City of Dallas. To estimate the FY 2017-18 revenue, historical information is used to project the gross amount billed and a projected collection rate is applied to this amount. FY 2017-18 also includes projected reimbursement revenue through Governmental Ambulance Supplemental Payment Program approved by the federal government through Texas Health and Human Services Commission. The program allows governmental ambulance providers to recover a portion of the 'loss' of providing services to Medicaid, Medicaid Managed Care and uninsured patients. The reimbursement amount is calculated by applying a federal medical assistance percentage which is approximately 50.0 percent for Texas in FY 2015-16. This means that the program allows the ambulance providers to be reimbursed for approximately 50.0 percent of the difference between the cost and the charges (subtracting payments) of providing ambulance services to Medicaid, Medicaid Managed Care and uninsured clients. FY 2018-19 reflects a \$12.2m reduction in reimbursement revenue through the Governmental Ambulance Supplemental Payment Program due to the program set to expire in December 2017 unless the State application for extension is approved.

MAJOR REVENUE SOURCES

FRANCHISE FEE REVENUE

The City of Dallas maintains non-exclusive franchise agreements with utilities and other service providers that use the City's rights-of-way to provide services to the public. These franchise ordinances provide for compensation to the City in the form of franchise fees. These fees are in lieu of all other fees and charges related to the use of the rights-of-way. They are in addition to sales and ad valorem taxes.

Generally, franchise fees are calculated based on a percentage of the companies' gross receipts as a result of doing business in Dallas. Cable TV providers such as Time Warner, AT&T, and Verizon pay a fee equal to 5.0 percent of gross receipts, paid quarterly, 45 days after the end of the period covered. Franchise fees for Atmos Energy are 5.0 percent of their gross receipts, paid quarterly. Projections for FY 2017-18 revenues for cable are based on historical data trended forward using regression analysis. Franchise fees for Oncor Electric are based on a fee per kilowatt hour consumed and are projected for FY 2017-18 using historical data, trended forward by statistical analysis techniques and normalized for weather.

Certificated telecommunications providers no longer pay franchise fees to the City. Pursuant to Local Government Code 283 telecommunications providers must compensate the City for use of the right-of-way on a per access line basis. These fees are to be paid to the City 45 days after the end of each calendar quarter.

MUNICIPAL COURT REVENUES

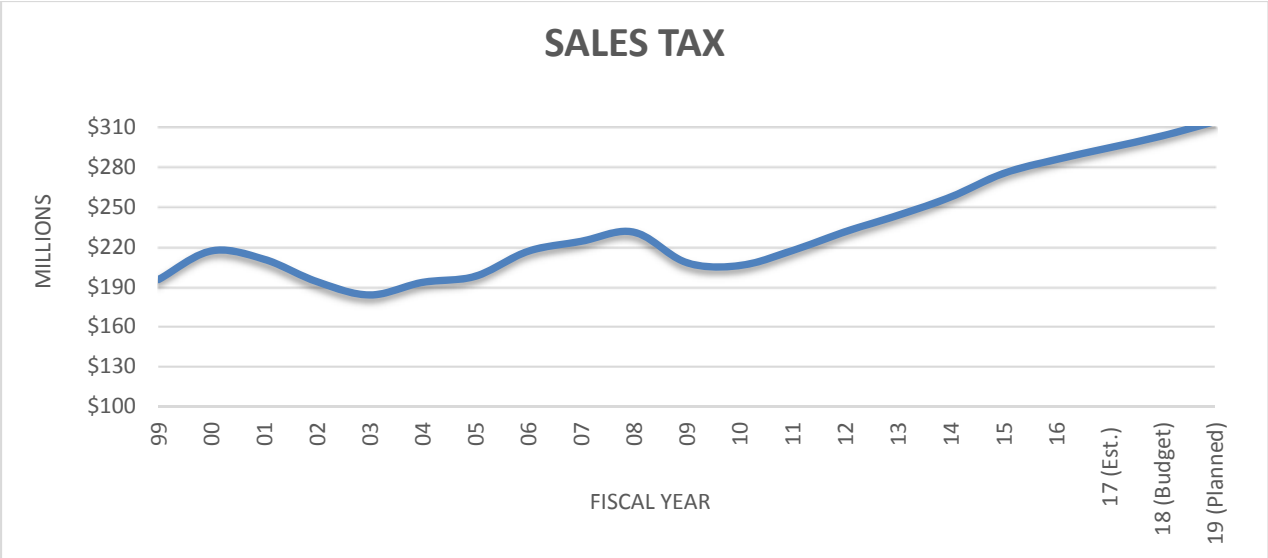
Court and Detention Services collects fines and fees on Class C misdemeanors, including moving/non-moving traffic violations and State law/City ordinance violations. Revenues are collected in-person at cashier windows, through mail, internet, and phone payments. Delinquent accounts receive a warrant, have their driver's license and registration placed on hold (where applicable), and are contacted via mail and phone calls by an in-house collections unit. Defendants non-responsive to these efforts are pursued through the Marshal's Office and forwarded to a third party collection agency, where a 30.0 percent add-on fee is assessed to their case. The methodology used to project Municipal Court revenues is a combination of projecting future citation volumes and factoring in future collection per citation rates.

MAJOR REVENUE SOURCES

SALES TAX

The sales tax rate in the City of Dallas is 8.25 percent of taxable goods or services sold within the City limits. The tax is collected by the retriever at the point of sale and forwarded to the State Comptroller’s Office on a monthly or quarterly basis. Of the 8.25 percent collected, the state retains 6.25 percent and distributes 1.0 percent to the City of Dallas and 1.0 percent to the Dallas Area Rapid Transit transportation authority.

For FY 2017-18, sales tax receipts are projected to be 3.8 percent better than budgeted in FY 2016-17. As illustrated in the graph, sales tax receipts have increased from \$234,709,051 million in FY 1998-99 to a projected \$303,349,086 million in FY 2017-18. For FY 2018-19, sales tax revenues are projected to increase by 3.5 percent to a projected \$314,089,179. Sales tax revenues are historically volatile; therefore, actual collections may differ significantly from budgeted.



SECURITY ALARM PERMIT FEE

The City of Dallas charges an annual permit fee of \$50 for a residence and \$100 for a business permit. A permitted alarm site is allowed three “free” false burglar alarms in a twelve-month period. The fourth, fifth, and sixth false burglar alarms are \$50, seventh and eighth false burglar alarms are \$75, while the ninth+ are \$100 each. All Panic/Hold-up false alarms for a residence are \$100. The first business panic/hold-up false alarm is \$100, second is \$200, third is \$300, while fourth+ are \$400 each.

MAJOR REVENUE SOURCES

ENTERPRISE FUNDS

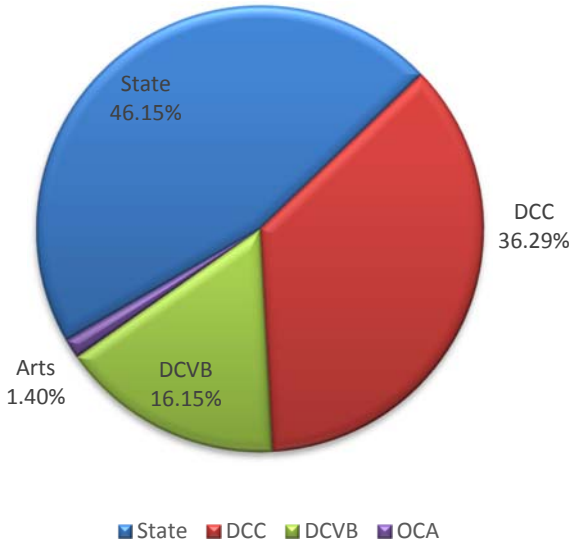
HOTEL OCCUPANCY TAXES

The Hotel Occupancy Tax rate in the City of Dallas is 13.0 percent of the room rate charged within the City limits. The tax is collected by the hotel at the point of sale and forwarded to the State (6.0 percent) and City (7.0 percent) on a monthly basis.

Of the 7.0 percent received by the City of Dallas, 67.4 percent of it is retained by Dallas Convention Center to support operations and capital improvements as required by bond ordinance. The FY 2017-18 adopted and FY 2018-19 planned budget assumes 30.0 percent of it will be distributed to the Dallas Convention and Visitors Bureau (DCVB) to market and promote the City of Dallas as a convention and tourist destination, and 2.6 percent will be distributed to the Office of Cultural Arts to encourage, promote, and improve the arts.

Hotel occupancy tax revenues are historically volatile; therefore, actual collections may differ significantly from the budgeted amount. For FY 2017-18, the City's portion of the Hotel Occupancy Tax revenue (7.0 percent) is projected at \$59,933,282. For FY 2018-19, the City's portion of the Hotel Occupancy Tax revenue (7.0 percent) is projected at \$63,014,269. The distribution of the 13.0 percent hotel occupancy tax is illustrated in the accompanying graph.

13% HOTEL OCCUPANCY TAX DISTRIBUTION



MAJOR REVENUE SOURCES

SANITATION SERVICES REVENUE

Sanitation Services Revenue is collected to match the cost of providing garbage collection, brush and bulk collection, and recyclables collection services for residential customers and a few small commercial customers. This revenue is based on fees, which are collected through the monthly utility bills issued by Dallas Water Utilities. The FY 2017-18 and FY 2018-19 estimated revenue is determined by multiplying the adopted residential rate of \$25.18 per month for FY 2017-18 (an increase of \$0.86 from FY 2016-17) and \$25.84 per month for FY 2018-19 (an increase of \$0.66 from FY 2017-18) by the projected number of residential customers, plus estimates for fees for “pack out” service, and commercial customers’ fees. The Sanitation rate is partially offset by revenues from the residential recycling program.

PRIVATE DISPOSAL REVENUE

Private disposal revenue is collected primarily at the McCommas Bluff Landfill from private (commercial) waste haulers for the privilege of disposing of solid waste at the site. The rate at the McCommas Bluff Landfill will remain the same at \$25 per ton in FY 2017-18. The Bachman Transfer Station rate remains unchanged at \$47 per ton. City of Dallas residents hauling their own household and yard wastes are exempt from the fees (with restrictions). Commercial haulers may also elect to enter into a discount disposal contract with the City, allowing for a discount from the posted rate in exchange for a guaranteed minimum amount of waste disposal over a specific time period. The FY 2017-18 and FY 2018-19 revenues are determined by projecting an estimate for commercial waste tons to be delivered to the landfill at multiplied by the discounted solid waste disposal fee. The gate rate for discount disposal contracts will remain the same for FY 2017-18.

STORM DRAINAGE MANAGEMENT REVENUES

The Storm Drainage Management Utility Revenue is collected to support the cost of compliance with the City's storm drainage discharge permit with the Texas Commission on Environmental Quality (TCEQ), operation, maintenance and enhancement of the levee system, and operating and maintenance of the City's natural and improved storm drainage system. Compliance activities include, but are not limited to: water quality sampling and analysis; creek monitoring; public education and outreach; hazardous spill response, cleanup and disposal; construction compliance inspections, industrial facility inspections; and engineering, design and inspection of storm sewer infrastructure. Drainage system operating and maintenance activities include, but are not limited to: natural and improved channel maintenance; creek, river and levee maintenance; cleaning and maintenance of storm sewers and inlets; and monthly sweeping of the City's major thoroughfares. The fee is billed and collected through the monthly Dallas Water Utilities bill.

MAJOR REVENUE SOURCES

The FY 2017-18 revenue and rates are derived from a 2017 fee study. Revenues for FY 2018-19 are estimated to be \$2.5 million greater than FY 2017-18.

WATER/WASTEWATER REVENUES

The Dallas Water Utilities Department is owned and operated by the City of Dallas as a self-supporting enterprise fund. The department receives no tax dollars and earns its revenues through the sale of water and wastewater services in five customer classes. These classes are Residential, General Service, Municipal, Optional General Service, and Wholesale. The wholesale customer class is comprised of 23 communities outside the City of Dallas which receives water service, and 11 communities, which receive wastewater service. Rates for each class are determined by a cost of service study that assigns costs to each class based on the department's cost to provide them with these services.

The breakdown of the source of revenues from these customer classes is as follows:

- 34.9 percent of the revenues come from the Residential class,
- 44.2 percent comes from the General class,
- 0.9 percent comes from the Municipal class,
- 3.2 percent comes from the Optional General class,
- 16.8 percent comes from the Wholesale class.

These revenues are used to pay for the following:

- Operating and maintenance costs of providing water and wastewater service to customers;
- Debt service (principal and interest) on outstanding debt used to design and construct the facilities necessary to provide these services;
- Street Rental payment (equivalent to franchise fees assessed to other utilities) to the General Fund for the use of the City's rights-of-way;
- Cash funding for capital improvement facilities not funded through the sale of revenue bonds or other debt.

The Dallas Water Utilities Department also receives other miscellaneous revenues such as, but not limited to, interest earnings, connection fees, and system improvement contributions. In FY 2017-18, water and wastewater revenues will total \$667.5 million including a 1.6 percent increase in retail revenues. In FY 2018-19, water and wastewater revenues are projected to total \$687.7 million, including a 2.8 percent increase in retail revenues. Water revenues can fluctuate depending on the summer temperatures and the amount of rainfall in the area.

MAJOR REVENUE SOURCES

AVIATION

The Department of Aviation manages Dallas Love Field, Dallas Executive Airport and the Dallas Vertiport. Dallas Love Field is one of the busiest medium hub, air carrier/general aviation airports in the world and has experienced unprecedented growth in passenger traffic since the repeal of the Wright Amendment in 2014. As a result, Dallas Love Field has evolved from a regional air service to a long-haul air service airport requiring enhanced customer service and amenities to match the needs of approximately 15 million annual travelers.

Rental payments received from tenants for leased property and improvements, terminal building space, cargo building space, and associated shop and warehouse space at Dallas Love Field and Dallas Executive Airport for FY 2017-18 are projected to be \$47,214,568 and \$54,850,916 in FY 2017-18. Airport parking revenues are estimated at \$26,197,368 in FY 2018-2019 biennium. Revenues relating to concession contract agreements with airport businesses including parking, food and beverage services, retail stores, advertising, car rental agencies, shoe shine services, and bag cart rental for FY 2017-18 and FY 2018-19 are projected to be \$25,740,584. Landing fees paid by commercial aircraft owners to conduct operations at Dallas Love Field are projected to be \$19,548,132 for FY 2018-2019 biennium.

SUSTAINABLE DEVELOPMENT AND CONSTRUCTION

Sustainable Development and Construction provides plan review services for commercial and residential development and redevelopment projects, issues construction and trade permits, and processes Certificates of Occupancy applications for new and existing businesses. Revenues related to construction plan review and permitting activities are projected at \$24,428,926 for FY 2017-18 and FY 2018-19.

MUNICIPAL RADIO

The City of Dallas owned and managed radio station, WRR 101.1 FM, provides 24-hour broadcasts that include classical music and other select musical programming. The station uses a commercial radio model as licensed by the Federal Communications Commission (FCC) selling commercial air-time and sponsorships to generate revenue that will total \$2,098,813 in FY 2017-18 and \$2,198,813 in FY 2018-19.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

The City Council originally adopted the Financial Management Performance Criteria (FMPC) on March 15, 1978 to provide standards and guidelines for the City's financial managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions. The FMPC contains 52 criteria in 6 different categories in addition to 13 criteria specific to Dallas Water Utilities.

Operating Programs: Criteria 1 – 15

Capital and Debt Management: Criteria 16 – 40

Accounting, Auditing, and Financial Planning: Criteria 41 – 43

Budget: Criteria 44 – 47

Cash Management: Criteria 48 – 50

Grants and Trusts: Criteria 51 – 52

The most recent revision to the FMPC was approved by the City Council in September 2014. The status of each criterion is updated annually and presented with the annual budget, at year-end, and for each debt issuance.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

1. The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of unassigned fund balance accumulated through prior year surplus. Nonrecurring or one-time revenues should, to the extent possible, only be used for one-time expenditures (expenditures not expected to reoccur and requiring future appropriations) to avoid future shortfalls.

2. The year-to-year increase of actual revenue from the levy of the ad valorem tax will generally not to exceed 8%:

- Excluding taxable value gained through annexation or consolidation;
- Excluding the value gained through new construction;
- Excluding expenditure increases mandated by the voters or another governmental entity; and
- Not excluding the valuation gained through revaluation or equalization programs.

Status

In Compliance

In Compliance

The percentage change in base revenue (from FY 2016-17 to FY 2017-18) is 4.2%

Adjusted revenues cannot exceed "base" revenues more than 8%

Base revenues = FY 2016-17 budgeted revenues from current tax roll (in 000's) \$863,783

FY 2017-18 Ad-Valorem Tax Revenue \$923,328

Less:

Voter Mandated-Debt Service (\$2,260)

Growth from Annexation \$0

Growth from New Construction \$25,856

Adjusted revenue recommendation: \$899,732

% Change from base revenues: 4.2%

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

3. Debt will not be used to fund current operating expenditures.

Status

In Compliance

No debt is programmed in the Operating Budget to fund current expenses.

4. All retirement systems will be financed in a manner to systematically fund liabilities. The City will assure sufficient funds are provided to pay current service plus interest on unfunded liabilities plus amortization of the unfunded liabilities over a programmed period. No less than annual reviews will be provided to Council by the pension funds.

In Compliance

5. Actuarial analysis will be performed annually on all retirement systems. Adjustments in benefits and contributions will be authorized only after meeting the test of actuarial soundness. All health plans should have actuarial reviews performed bi-annually to determine the required levels of funding necessary. These health plans shall be financed in a manner to ensure sufficient funds are available to fund current liabilities and provide some reserve levels for extraordinary claims.

In Compliance

6. Each enterprise fund of the City will maintain revenues which support the full (direct and indirect) cost of the fund. In addition, each Enterprise Fund and Internal Service Fund should maintain at least 30 days of budgeted operations and maintenance expense in net working capital, and avoid cash deficits.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

7. The Emergency Reserve, a component of unassigned fund balance, shall be used to provide for temporary financing of unanticipated or unforeseen extraordinary needs of an emergency nature; for example, costs related to a natural disaster or calamity, a 5% decline in property values, or an unexpected liability created by Federal or State legislative action. Funds shall be allocated from the Emergency Reserve only after an analysis has been prepared by the City Manager and presented to City Council. The analysis shall provide sufficient evidence to establish that the remaining balance is adequate to offset potential downturns in revenue sources. The analysis shall address the nature of the adopted expenditure and the revenue requirement in subsequent budget years. Prior to allocating funds from the Emergency Reserve, the City Council shall find that an emergency or extraordinary need exists to justify the use of these funds. Funds shall be allocated each year in the budget process to replace any use of the Emergency Reserve funds during the preceding fiscal year to maintain the balance of the Emergency Reserve levels.

Status

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

8. The Contingency Reserve, a component of unassigned fund balance, shall be used to provide for unanticipated needs that arise during the year: for example, expenses associated with new service needs that have been identified after the budget process, new public safety or health needs, revenue shortfalls, service enhancements, or opportunities to achieve cost savings. Funds shall be allocated from the Contingency Reserve only after an analysis has been prepared by the City Manager and presented to the City Council outlining the initial and recurring costs associated with the adopted expenditure. Additionally, these funds would be used prior to use of the Emergency Reserve funds. Funds shall be allocated each year in the budget process to replace any use of the Contingency Reserve funds during the preceding fiscal year and to maintain the balance of the Contingency Reserve at a level ranging from ½% to 1% of budgeted departmental expenditures.

Status

In Compliance
The proposed FY 2017-18 Contingency Reserve level is \$9,181,000 or 0.72% of the General Fund budget.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

9. The unassigned fund balance of the General Fund, which includes the Emergency and Contingency Reserves, shall be maintained at a level not less than 30 days of the General Fund operating expenditures less debt service. (The Risk Reserve is not included in this calculation.)

10. A Risk Reserve shall be maintained at a level, which, together with purchased insurance policies, adequately protects the City's assets against loss. An analysis shall be conducted every three years or when the deductible level of the City's property insurance is modified (whichever is earlier), to determine the appropriate level of this reserve.

11. A General Fund liability fund shall be budgeted annually to provide for outstanding and anticipated claims expense and resulting liabilities during the budget year. An individual judgment settlement cap is set at \$5,000,000. The Emergency Reserve will be accessed should the cap be exceeded. An independent actuarial analysis shall be conducted every two years to determine the appropriate level of this fund.

Status

In Compliance
Emergency Reserve
9/30/17 (projected ending balance)
\$17.6m
Contingency Reserve
9/30/17 (projected ending balance)
\$2.6m
FY 2017-18 appropriations \$6.5m
Fund Balance 9/30/17 (projected)
\$138.6m

\$165.3m is 47.3 days of the proposed General Fund Budget

In Compliance
The proposed Risk Reserve level is \$1,250,000. It will be funded from the FY 2017-18 Risk Reserve ending balance of \$1,250,000.

In Compliance
The proposed Liability/Claims Fund will be funded at \$13,319,998. It will be funded from the Liability/Claims Fund FY2016-17 projected ending balance of \$3,116,905 and FY2017-18 General Fund contribution of \$7,435,639, and other funds contributions of \$2,767,454.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Operating Program

12. Consider the establishment of a Landfill Closure / Post-Closure Reserve to provide for any future potential liabilities. Analysis will be performed periodically to determine appropriate timing and amount of funding needs. Funds could be allocated from an increase in user fees.

13. Operating expenditures will be programmed to include current costs of fully maintaining City facilities, including parks, streets, levees, vehicles, buildings, and equipment. A cost benefit analysis will be performed on replacement cost versus projected required maintenance costs to determine the level at which City facilities should be maintained. The analysis will also determine the long-term cost of any potential deferred maintenance cost. Normal maintenance will be funded through the operating budget.

14. An annual assessment and five-year projection for all equipment and maintenance needs should be performed, and a maintenance and replacement schedule developed based on the projection.

15. An annual review of selected fees and charges will be conducted to determine the extent to which the full cost of associated services is being recovered by revenues. All fees and charges will be reviewed at least once every four years.

Status

Establishment of reserve is not recommended at this time.

Not in Compliance

Not in Compliance

In Compliance

A fees and charges study will be completed for approximately 25% of all fees in FY 2017-18.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

16. Any capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project. (Bonds issued for street resurfacing shall be financed for a period not to exceed 10 years.)

In Compliance

17. The net (non self-supporting) General Obligation (G.O.) Debt of Dallas will not exceed 4% of the true market valuation of the taxable property of Dallas.

In Compliance
1%

18. Total direct plus overlapping debt shall be managed so as to not exceed 8% of market valuation of taxable property of Dallas. All debt, which causes total direct plus overlapping debt to exceed 6% of market valuation, shall be carefully planned and coordinated with all overlapping jurisdictions.

In Compliance
4%

19. Interest expense incurred prior to actual operation will be capitalized only for facilities of enterprise activities.

In Compliance

20. Average (weighted) General Obligation bond maturities (exclusive of Pension Obligation Bonds) shall be kept at or below 10 years.

In Compliance
6.6

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

21. Annual General Obligation debt service (contribution) including certificates of obligation debt for risk management funding shall not exceed 20% of the total governmental fund expenditures (comprised of general fund, special funds, debt service funds and capital project funds).

In Compliance
5%

22. Per Capita General Obligation Debt including Certificates of Obligation, Equipment Acquisition Notes and General Obligation Bonds will be managed to not exceed 10% of the latest authoritative computation of Dallas' per capita annual personal income.

In Compliance
5.1% Total Debt

23. Debt may be used to finance betterments intended to extend service life of original permanent capital improvements under the following conditions:

In Compliance

- the original improvement is at or near the end of its expected service life;
- the betterment extends the life of the original improvement by at least one third of the original service life;
- the life of the financing is less than the life of the betterment; and
- the betterment is financed through either C.O.'s or G.O.'s.

24. Interest earnings from G.O. Bonds shall be used solely to fund capital expenditures, debt service, or used to fund a reserve for capital contingencies.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

25. Certificates of Obligation should be used only to fund tax-supported projects previously approved by the voters; or for risk management funding as authorized by the City Council; or non-tax revenue-supported projects approved by City Council.

In Compliance

26. Certificates of Obligation (C.O.) Debt including that for risk management funding supported by an ad valorem tax pledge should not exceed 15% of total authorized and issued General Obligation (G.O.) Debt.

- All C.O.'s issued in lieu of revenue bonds should not exceed 10% of outstanding G.O. debt.

In Compliance
0.8%

27. Certificates of Obligation will be limited to projects consistent with Financial Management Performance Criteria for debt issuance.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

28. Certificates of Obligation for an enterprise system will be limited to only those projects, which can demonstrate the capability to support the certificate debt either through its own revenues, or another pledged source other than ad valorem taxes.

In Compliance

29. Certificates of Obligation authorization will remain in effect for no more than five years from the date of approval by the City Council.

In Compliance

30. Certificates of Obligation authorized for risk management funding shall be issued for a term not to exceed 20 years.

In Compliance

31. Tax Increment Financing zones should be established where revenues will recover 1.25 times the public cost of debt in order to provide an adequate safety margin.

In Compliance

32. A Tax Increment Financing Reinvestment Zone may not be created if more than 10 percent of the property in the adopted zone, excluding property dedicated for public use, is used for residential purposes. "Residential purposes" includes property occupied by a house, which is less than five living units.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

33. Pursuant to the provisions of the Texas Tax Code, the City creates reinvestment zones both for tax increment financing ("TIF RZ") and for the tax abatement ("TA RZ"). TA RZs are created for the purpose of granting tax abatement on real or business personal property or both located in the TA RZ. For the FMPC, TIF RZs and TA RZs shall be referred to as Reinvestment Zones ("RZ").

In Compliance

No RZ can be created if the total property tax base of certain TIF RZs plus the total real property and business personal property tax base (if there is business personal property tax being abated) of TA RZs exceeds 10% of the total tax base (all real and business personal property) of the City. Reinvestment zones that are no longer collecting tax increment or abating taxes (i.e. now contributing 100% to the City of Dallas property tax revenues) will be excluded from the calculation.

34. All PID and TIF proposals, even "pay-as-you-go" projects, will be evaluated for service impact. A five-year fiscal note must accompany any request to establish a PID or TIF including repayment terms of any inter-fund borrowing.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

35. All adopted PID or TIF debt issuances supported by a district's revenues, are subject to the following criteria:

- Coverage Tests- The project should provide for revenues, net of overlapping taxes, of 1.25 times maximum annual debt service requirement. The issuance of TIF bonds may be considered prior to achieving coverage ratio of 1.25 if:
 - a developer or property owner provides a credit enhancement such as a letter of credit or bond insurance from an AAA-rated financial institution for the entire amount of the debt issue; and
 - in the event that there is insufficient TIF increment revenues to retire TIF bonds, which event consequently requires that the credit enhancement mechanism be called upon to service the TIF bonded indebtedness, contingent liability to reimburse a credit enhancer would be the sole liability of the developer or its affiliates; ○ and in the event that there are changes in the rating of the financial institution providing credit enhancement, then that institution shall be replaced with an AAA-rated financial institution within 90 days; and

Status

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

- in the event that no replacement of an AAA rated institution is provided, no further TIF bonds in advance of the 1.25 coverage ratio will be provided for any additional TIF projects undertaken by the developer or its affiliates.
 - Additional Bonds Test- the project should include an additional bonds test parallel to the coverage test.
 - Reserve Fund- the project should include a debt service reserve fund equal to the maximum annual debt service requirements.
 - Limitations on Amount of PID/TIF Bonds- The total amount of PID/TIF indebtedness will be included and managed as part of the City's overlapping debt, and
 - The total amount of PID/TIF debt outstanding should generally not exceed 20% of the City's outstanding general obligation indebtedness.
 - PID/TIF bonds should be limited to projects consistent with the City's previously adopted Financial Management Performance Criteria for debt issuance.
 - PID bonds should be limited to those projects, which can demonstrate the ability to support the debt either through its own revenues or another pledge source other than ad valorem taxes.
 - PID/TIF bond authorizations should remain in effect for no more than five years from the date of City Council approval.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

Status

36. All adopted PID or TIF debt issuances must mature on or before the termination date of the respective PID or TIF district and, further, all bonds must also conform to the district's Financial Plan by maturing on or before the plan's projected date by which all district expenses would be paid, repayment of bonds.

In Compliance

37. The City will not propose the issuance of any unrated, high yield PID/TIF bond which could be labeled a "high risk bond" except for small (less than \$5 million) private placements coordinated with the City's Financial Advisor.

In Compliance

- All projects must be carefully evaluated for credit worthiness and meet the criteria above whether or not a credit rating is obtained.

38. The City should use PID/TIF bonds only when other options have been considered.

In Compliance

39. Advance refunding and forward delivery refunding transactions should be considered when the net present value savings as a percentage of the par amount of refunded bonds is at least 4%.

In Compliance

Current refunding transactions should be considered when the net present value savings as a percentage of the par amount of refunded bonds is at least 3%.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Capital and Debt Management

40. Each Enterprise Fund (where applicable) will maintain fully funded debt service reserves. A surety bond (or other type of credit facility such as a letter of credit) may be used in lieu of funding the reserve if the former is economically advantageous.

Status

In Compliance

Accounting, Auditing and Financial Planning

41. The City will establish and maintain a high degree of accounting practices; accounting practices will conform to generally accepted accounting principles as set forth by the authoritative standard setting body for units of local government.

Status

In Compliance

The basis of budgeting for all funds essentially follows the basis of accounting (modified accrual for government funds and full accrual for enterprise and internal service funds).

The major differences between the budgeting and accounting basis are: 1) encumbrances are recorded as expenditures (budget basis) rather than assigned, committed, or restricted fund balance (accounting basis); 2) compensated absences (accrued but unused leave) and other long-term liabilities are not reflected in the budget; 3) depreciation expense is not included in the budget; 4) change in fair value of investments is not recognized as income (expenditure) in the budget.

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Accounting, Auditing and Financial Planning

42. An annual audit will be performed by an independent public accounting firm, with the subsequent issue of an official Comprehensive Annual Financial Report (CAFR) within 120 days of the City's fiscal year end.

Status

Not in Compliance
FY 2015-16 CAFR completed June 2017

43. Full disclosure will be provided in the annual financial statements and bond representations.

In Compliance

Budget

44. Revenues and expenditures will be projected annually for at least three years beyond the current budget projections.

Status

In Compliance

45. Financial systems will be maintained to monitor expenditures, revenues and performance of all municipal programs on an ongoing basis.

In Compliance

46. Operating expenditures will be programmed to include the cost of implementing service of the capital improvements, and future revenues necessary for these expenditures will be estimated and provided for prior to undertaking the capital improvement.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Budget

47. A report reflecting end of fiscal year status of performance against these criteria will be prepared within 60 days after official presentation of the Comprehensive Annual Financial Report to the City Council. A pro forma report reflecting Adopted Budget status will be submitted with the City Manager's Adopted Budget each year.

Status

In Compliance

Cash Management

48. Investments will be made in conformance with the City's investment policy, with the primary objectives of preservation of capital, maintenance of sufficient liquidity and maximization of return on the portfolio.

Status

In Compliance

49. The accounting system and cash forecasting system will provide regular information concerning cash position and investment.

In Compliance

50. Internal Service Funds and Enterprise Funds will maintain positive cash balances.

In Compliance

Grants and Trusts

51. All grants will be managed to comply with the laws, regulations and guidance of the grantor; and all gifts and donations will be managed and expended according to the wishes and instructions of the donor.

Status

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Grants and Trusts

52. Prior to acceptance of proposed gifts and donations and governmental grants a fiscal review will be conducted. The review should consider matching requirements, impacts on both revenues and expenditures for the next five years, whether the objectives of the gifts, donation or grants meet the strategic goals of the City, and any potential impact of loss of funds.

Status

In Compliance

Dallas Water Utilities

1. Current revenues will be sufficient to support current expenses including debt service and other obligations of the system.

Status

In Compliance

2. Long-term debt will be used only for capital expansion, replacement and improvement of plant, not for current expenses.

In Compliance

3. Short-term debt, including tax-exempt commercial paper, will be used as authorized for interim financing of projects which result in capital improvements. The authorization of tax-exempt commercial paper will be limited to 20% of the 10-year capital improvement program in effect at the time of the commercial paper authorization. No commercial paper program will be authorized for more than ten years. Outstanding tax-exempt commercial paper will never exceed the amount authorized by Council.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Dallas Water Utilities

Status

4. Contingency reserves will be appropriated at a level sufficient to provide for unanticipated, nonrecurring expenditures.

In Compliance

5. Debt financing for capital projects will not exceed the useful life of the asset, and in no case shall the term exceed 30 years.

In Compliance

6. An unreserved cash balance will be maintained such that it provides a minimum quick ratio of 1.50 and at least 30 days of budgeted expenditures for operations and maintenance in net working capital.

In Compliance

7. Net revenues available for debt service should be at least 1.5 times the maximum annual principal and interest requirements of relevant outstanding revenue bonds at the end of the fiscal year, and at least 1.3 times maximum-year requirements at all times, measured during a fiscal year using the previous year net revenues available for debt service.

In Compliance
1.74 times the maximum annual principal and interest

8. Current revenues which are more than operating expenses and debt service will be used for capital expenditures and other water and wastewater purposes.

In Compliance

9. Funds available from current rates in each fiscal year for system rehabilitation, replacement, and expansion will be appropriated equal to or more than financial statement depreciation expense reasonably estimated in the same year.

In Compliance

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Dallas Water Utilities

Status

10. Capital financing will be provided through a combination of revenue bonds, current revenues, contributed capital, and short-term debt. An equity to debt ratio of at least 20% should be maintained on all capital projects.

In Compliance

11. Retail cost of service studies will be performed at least every two years and reviewed annually. Rate adjustments will be recommended when required, but, normally, no more frequently than annually.

In Compliance

12. Wholesale treated water rates for customer cities and other governmental entities will be determined on the basis of the inter-city agreement currently in effect. Wholesale wastewater and untreated water rates will be determined on the basis of contractual agreements with wholesale customers. Rates shall be adjusted annually if cost of service studies indicates a need therefore.

In Compliance

13. Funds generated by Dallas Water Utilities will be used solely for the development, operation, and maintenance of the water and wastewater utility system.

In Compliance



BUDGET PROCESS

Preparing the Budget

- In January, Office of Budget staff use preliminary revenue projections to create a starting point for the upcoming budget. Money is allocated by department.
- February-March, departments begin to submit service bids to address the City Council's Strategic Priorities. Staff from the Office of Budget oversee this process.
- In March, a City Council planning session is held to discuss Council priorities.
- Also in March, the City Manager holds community engagement meetings to receive feedback and serve as a basis for budget development.
- April-May, City management meets with departmental staff to review and discuss budget requests.

Reviewing the Budget

- In March-April, a citizen budget survey is conducted to receive additional citizen input on priorities for the upcoming budget.
- In May, the City Manager presents an updated outlook to Council. A citywide citizen public hearing is held later in the month to receive citizen input. The City Manager and Office of Budget take the input from Council and citizens and make adjustments where feasible.
- By late June, a briefing is provided to Council providing a budget update.
- In August, the City Manager's Proposed Budget is presented to Council and Council Members hold Budget Town Hall Meetings with citizens in their districts to receive opinions about the City Manager's Proposed Budget.
- In late August, a budget workshop and a public hearing allow Council and citizens an opportunity to collectively share opinions on the proposed operating, capital, and grants & trust budgets.

Amending the Budget

- In September, City Council holds a Budget Amendment Workshop where Council Members submit proposed amendments to the City Manager's Proposed Budget. Proposed amendments should be balanced with revenue and/or expenditure changes. A majority straw vote decides if the amendment is included in the final budget.

Adopting the Budget

- Early September, City Council adopts the budget on its first reading.
- Late September, City Council adopts the upcoming year operating, capital and grants & trusts budget on the second reading. Any approved amendments are included in this adoption.



BUDGET PROCESS CALENDAR

The City of Dallas' budget process consists of a nine month schedule of presentations, hearings, and deliberations. The FY 2017-18 budget and FY 2018-19 planned process dates are as follows:

<u>February 16</u>	Budget kick-off - City departments receive instructions on development of FY 2017-18 and FY 2018-19 budgets for all services
<u>March 4-27</u>	City Manager Community Budget Engagement Meetings - Scheduled by the City Manager to receive feedback and serve as a basis for budget development.
<u>March 4 - April 2</u>	Budget Survey - Held online and paper surveys available at community meetings.
<u>March 22</u>	Public hearing on the Operating, Capital, and Grants and Trust Budget
<u>March 28-29</u>	City Council Planning Session
<u>April 5</u>	City Council Briefing - Community Engagement for FY 2017-18 and FY 2018-19 Budget Update
<u>April - July 31</u>	City Manager's Office holds budget deliberations including individual department presentations
<u>May 17</u>	City Council Briefing - FY 2017-18 and FY 2018-19 Budget Update
<u>May 24</u>	Public hearing on the Operating, Capital, and Grants and Trust Budget
<u>June 21</u>	City Council Briefing - FY 2017-18 and FY 2018-19 Budget Update
<u>August 2</u>	City Council Briefing - FY 2017-18 Budget Update
<u>August 8</u>	Fiscal Year 2017-18 Annual Budget presented to City Council in a formal Council briefing. Council feedback is received.

BUDGET PROCESS CALENDAR

- August 8-30** City Council Budget Town Hall Meetings – Scheduled by the individual Councilmembers. Presentation of the City Manager’s recommended budget to those in attendance and the Councilmember receives comments and feedback from constituents on the budget.
- August 16** City Council Budget Workshop – Specific budget related topics are briefed to the Council. Councilmembers provide comments on possible changes to the recommended budget. Discussion of FY 2017-18 tax rate.
- August 23** Public Hearing on the Operating, Capital, and Grants & Trusts Budget
- August 30** City Council Budget Workshop.
- September 6** City Council adopts budget on first reading (requires a majority vote). First public hearing on property tax rate.
- September 12** City Council Budget Amendments Workshop – Council members submit proposed amendments to the City Manager’s recommended budget. Proposed amendments should be balanced with revenue and/or expenditure changes. A majority “straw” vote is required for an amendment to be included in the recommended budget. Second public hearing on property tax rate.
- September 13** Second public hearing on property tax rate.
- September 20** City Council adopts FY 2017-18 Operating, Capital, and Grants & Trusts Budget on second reading and sets property tax rate (requires a majority vote).

POSITION SUMMARY BY DEPARTMENT

Department	FY 2016-17 Adopted	FY 2016-17 Estimate	FY 2017-18 Adopted
General Fund			
City Attorney's Office	157	157	156
City Auditor's Office	26	26	26
City Controller's Office	52	52	61
City Manager's Office	19	19	16
City Secretary's Office	18	18	18
Civil Service	29	29	29
Code Compliance Services	537	537	380
Court and Detention Services	197	197	178
Dallas Animal Services	0	0	145
EBS - Building Services	295	295	297
Fire - Civilian	116	116	121
Fire - Uniform	2,163	2,163	2,171
Housing and Neighborhood Revitalization	84	84	21
Human Resources	77	77	74
Judiciary	58	58	57
Library	412	412	436
Management Services	213	213	298
Mayor and Council	55	55	53
Office of Budget	28	28	32
Office of Cultural Affairs	117	117	109
Office of Economic Development	51	51	45
Park and Recreation	1,369	1,369	1,462
Planning and Urban Design	34	34	32
Police - Civilian	721	721	671
Police - Uniform	3,601	3,601	3,222
Public Works	731	731	600
Procurement Services	33	33	25
Sustainable Development and Construction	41	41	41
Transportation	0	0	179
Trinity Watershed Management	14	14	14
	11,248	11,248	10,969
Enterprise Funds			
Aviation	269	269	302
Convention and Event Services	135	135	134
Office of Cultural Affairs – Municipal Radio	15	15	13
Sanitation Services	564	564	564
Storm Drainage Management	273	273	276
Sustainable Development and Construction - Enterprise	303	303	304
Water Utilities	1,720	1,720	1,544
	3,279	3,279	3,137
Internal Service/Other Funds			
Communication and Information Services	249	249	237
Employee Benefits/Wellness	11	11	11
EBS - Equipment Services	268	268	262
Express Business Center	11	11	11
Risk Management Services	28	28	37
	567	567	558
Grant/Private/Special Funded Positions			
City Attorney's Office	14	14	14
Office of Budget	12	12	10
Code Compliance Services	12	12	0
Dallas Animal Services	0	0	4
Police - Civilian	41	41	39
Police - Uniform	12	12	12
Office of Economic Development	3	3	1
Housing and Neighborhood Revitalization	436	436	62
Library	14	14	4
Management Services	24	24	239
Office of Cultural Affairs	1	1	1
Park and Recreation	232	232	148
	801	801	534
	15,895	15,895	15,198