

Memorandum



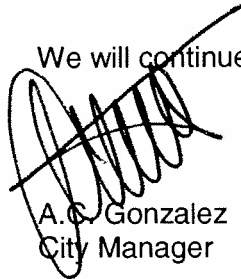
CITY OF DALLAS

DATE July 29, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2015-16 Financial Forecast Report based on information through May 2016 is attached and provided for your information.

For FY 2015-16, General Fund revenues are projected to be \$6,692,000 above budget and expenditures are projected to be \$6,577,000 above budget. This results in forecast revenues being in excess of forecast expenditures by \$115,000. Details related to budget variances may be found at the end of the Financial Forecast Report.

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



A.C. Gonzalez
City Manager

Attachment

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



FY 2015-16

Financial Forecast Report

Information as of May 31, 2016



GENERAL FUND

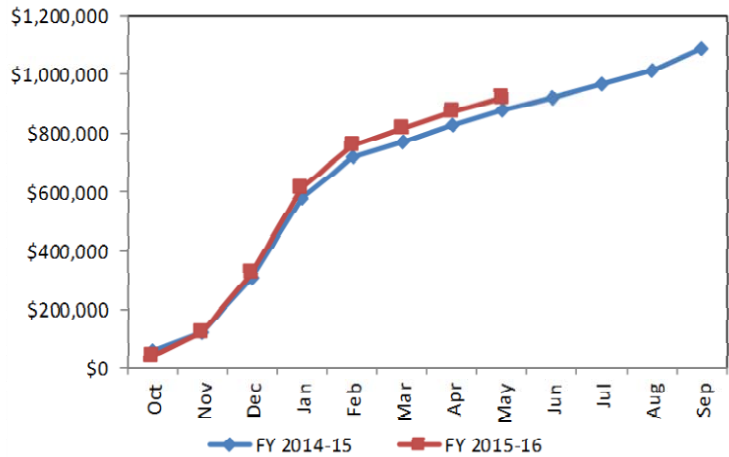
As of May 31, 2016
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,145,713	\$921,902	\$1,152,404	\$6,692
Expenditures	1,145,713	768,062	1,152,289	6,577
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$153,840</u>	<u>\$115</u>	<u>\$115</u>

GENERAL FUND REVENUES

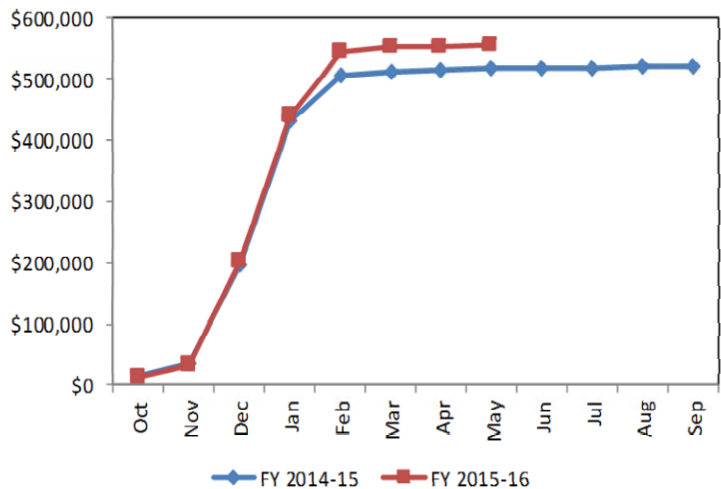
ALL SOURCES

	FY 2014-15	FY 2015-16	Variance
Oct	\$60,959	\$41,660	(\$19,299)
Nov	58,982	77,665	18,682
Dec	187,753	203,876	16,123
Jan	271,536	288,996	17,460
Feb	138,254	147,975	9,721
Mar	52,292	53,193	901
Apr	59,984	58,776	(1,208)
May	48,230	49,762	1,532
Jun	43,757		
Jul	46,560		
Aug	45,056		
Sep	74,964		
Total	\$1,088,327	\$921,902	\$43,912



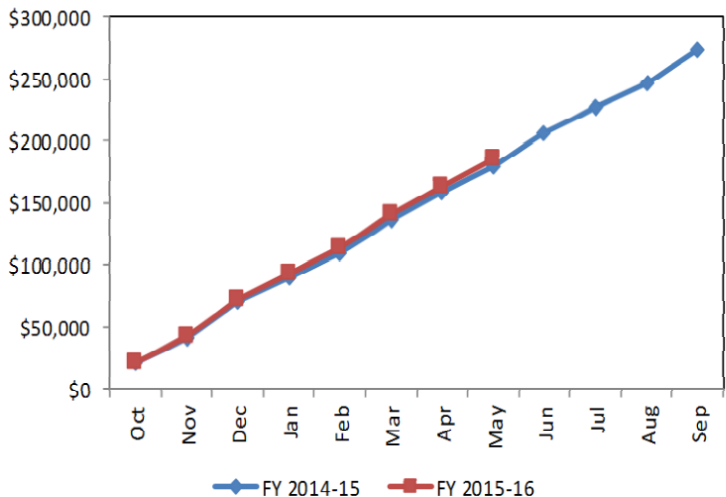
PROPERTY TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$16,175	\$11,487	(\$4,688)
Nov	18,472	20,589	2,117
Dec	160,305	169,848	9,543
Jan	235,891	237,273	1,382
Feb	74,439	104,025	29,586
Mar	6,533	7,675	1,142
Apr	3,115	2,364	(751)
May	1,536	1,593	56
Jun	1,750		
Jul	821		
Aug	948		
Sep	673		
Total	\$520,658	\$554,853	\$38,387



SALES TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$21,933	\$21,769	(\$164)
Nov	19,220	20,524	1,303
Dec	29,690	30,137	447
Jan	20,009	21,258	1,250
Feb	18,928	20,418	1,490
Mar	26,847	27,482	635
Apr	22,124	22,265	141
May	20,755	22,311	1,557
Jun	26,477		
Jul	20,798		
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$186,164	\$6,658



FY 2014-15 All Sources has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND REVENUES

As of May 31, 2016
(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$554,853	\$559,644	\$7
Sales Tax ²	281,272	186,164	283,679	2,408
TOTAL TAXES	840,908	741,017	843,323	2,415
FRANCHISE REVENUES				
Oncor Electric ³	50,612	39,636	51,013	401
AT&T	10,950	5,730	10,993	42
Atmos Energy ⁴	12,242	6,706	11,642	(600)
Time Warner Cable	6,102	3,164	6,122	20
Other ⁵	27,291	14,680	27,913	622
TOTAL FRANCHISE REVENUES	107,198	69,916	107,683	484
LICENSES AND PERMITS	6,067	4,849	5,912	(156)
INTEREST EARNED⁶	962	1,516	2,075	1,113
INTERGOVERNMENTAL	7,432	7,390	7,544	113
FINES AND FORFEITURES				
Municipal Court ⁷	14,771	12,646	18,049	3,277
Vehicle Towing & Storage ⁸	7,146	5,124	7,608	463
Parking Fines	3,591	1,261	3,592	1
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁹	494	161	398	(96)
TOTAL FINES	33,462	19,193	37,107	3,645
CHARGES FOR SERVICE				
Parks ¹⁰	10,283	6,668	10,763	480
Emergency Ambulance	31,569	12,824	31,115	(454)
Security Alarm	4,450	2,715	4,350	(100)
Street Lighting	648	427	648	0
Vital Statistics ¹¹	1,484	1,019	1,616	132
Other ¹²	23,960	19,314	21,827	(2,133)
TOTAL CHARGES	72,393	42,967	70,319	(2,074)
INTERFUND REVENUE	67,223	28,460	67,768	545
MISCELLANEOUS¹³	10,068	6,594	10,675	607
TOTAL REVENUES	\$1,145,713	\$921,902	\$1,152,404	\$6,692

GENERAL FUND EXPENDITURES

ALL EXPENSES

	FY 2014-15	FY 2015-16	Variance
Oct	\$77,525	\$75,601	(\$1,924)
Nov	79,013	78,065	(948)
Dec	123,491	124,594	1,103
Jan	76,655	97,321	20,666
Feb	86,673	84,683	(1,990)
Mar	82,668	95,576	12,908
Apr	69,958	86,104	16,146
May	96,984	126,118	29,134
Jun	102,442		
Jul	78,895		
Aug	85,592		
Sep	124,316		

Total \$1,084,212 \$768,062 \$75,095

POLICE

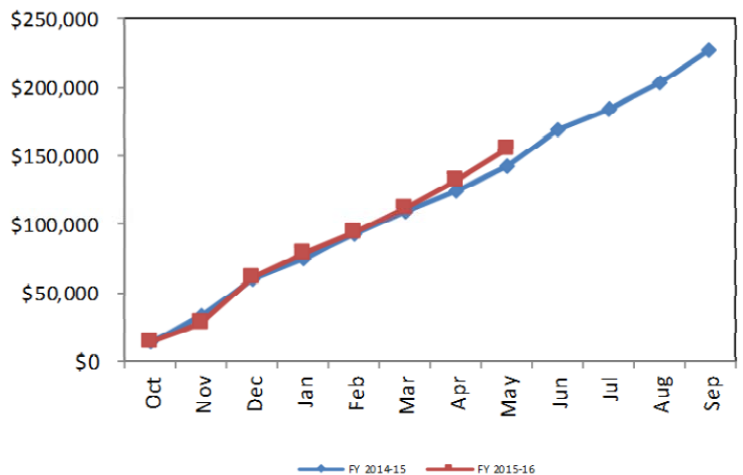
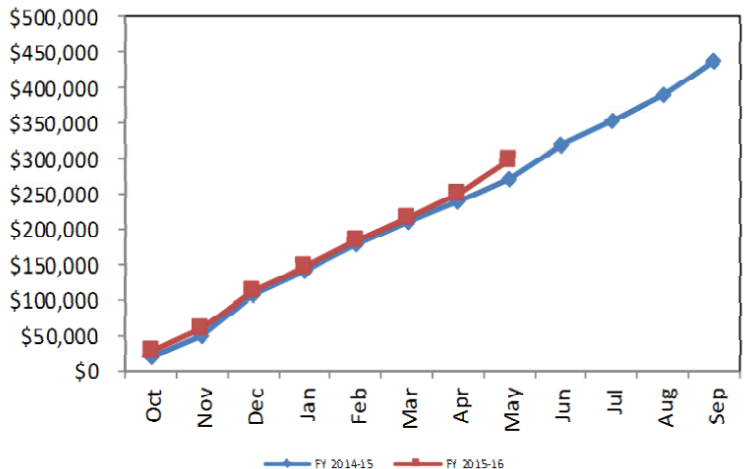
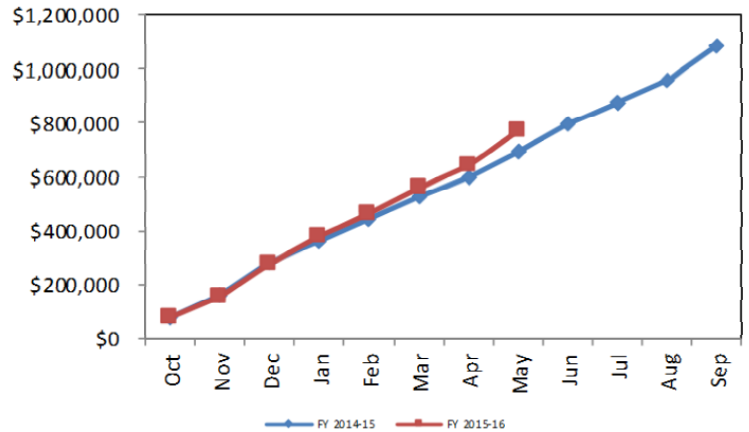
	FY 2014-15	FY 2015-16	Variance
Oct	\$19,262	\$28,488	\$9,226
Nov	31,339	31,370	31
Dec	57,789	52,490	(5,299)
Jan	32,898	35,550	2,652
Feb	36,863	37,126	263
Mar	32,472	30,058	(2,414)
Apr	27,900	34,931	7,031
May	33,265	48,649	15,384
Jun	47,086		
Jul	34,846		
Aug	35,661		
Sep	46,774		

Total \$436,155 \$298,662 \$26,874

FIRE

	FY 2014-15	FY 2015-16	Variance
Oct	\$13,502	\$13,994	\$492
Nov	19,557	14,184	(5,373)
Dec	26,055	32,389	6,334
Jan	16,078	17,547	1,469
Feb	17,117	16,128	(989)
Mar	17,032	18,076	1,044
Apr	15,063	19,295	4,232
May	17,344	23,154	5,810
Jun	26,753		
Jul	16,442		
Aug	18,322		
Sep	24,269		

Total \$227,535 \$154,767 \$13,018



FY 2014-15 All Expenses has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND EXPENDITURES

As of May 31, 2016

(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services ¹⁴	\$23,931	\$17,464	\$24,047	\$116
Business Dev/Procurement Svcs	2,884	2,006	2,881	(3)
City Attorney's Office	15,886	10,044	15,847	(39)
City Auditor's Office	3,004	1,886	2,975	(29)
City Controller's Office	4,541	3,019	4,507	(34)
City Manager's Office	1,972	1,304	1,972	0
City Secretary's Office ¹⁵	2,005	1,191	2,015	11
Civil Service ¹⁶	2,599	1,483	2,607	8
Code Compliance	38,569	23,567	38,569	0
Court Services ¹⁷	11,563	7,117	11,212	(350)
Elections	97	59	97	0
Fire	239,567	154,767	239,465	(103)
Housing	11,936	9,736	11,907	(29)
Human Resources	4,788	3,010	4,764	(24)
Independent Audit	786	-	786	0
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary ¹⁸	3,231	2,090	3,059	(171)
Library	30,509	18,616	30,509	0
Management Services	8,544	6,382	8,353	(192)
Mayor and Council ¹⁹	4,243	2,721	4,321	78
Non-Departmental ²⁰	58,026	41,498	58,337	311
Office of Cultural Affairs ²¹	17,671	15,071	17,745	74
Office of Economic Development	1,818	1,818	1,818	0
Office of Financial Services	2,957	1,718	2,901	(57)
Park and Recreation ²²	85,646	59,988	85,938	292
Planning & Urban Design ²³	4,232	1,678	3,980	(252)
Police ²⁴	452,695	298,662	459,295	6,600
Public Works	5,911	5,790	5,790	(121)
Street Lighting	17,525	8,109	17,525	0
Street Services ²⁵	71,531	53,320	72,320	789
Sustainable Dev/Construction ²⁶	1,438	1,142	1,142	(295)
Trinity Watershed Management	1,526	627	1,525	(2)
RESERVES AND TRANSFERS				
Contingency Reserve	2,628	2,628	2,628	0
Liability/Claim Fund	1,994	1,994	1,994	0
Salary & Benefit Reserve	1,900	0	1,900	0
TOTAL EXPENDITURES	\$1,145,713	\$768,062	\$1,152,289	\$6,577

PROPRIETARY FUNDS

As of May 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$16,775	\$ -	\$16,775	\$ -
REVENUES:				
Parking	27,443	17,045	24,805	(2,638)
Terminal Concessions	22,423	15,731	25,191	2,768
Landing Fees	17,784	10,588	17,784	0
Rental on Airport - Terminal	13,831	8,697	13,831	0
Rental on Airport - Field	9,067	4,563	7,963	(1,104)
Fuel Flow Fees	1,225	749	1,197	(28)
All Other	2,102	1,879	4,269	2,167
TOTAL REVENUES	93,876	59,254	95,042	1,166
TOTAL EXPENDITURES	93,876	58,107	93,720	(156)
ENDING FUND BALANCE	\$16,775	\$ -	\$18,097	\$1,322

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,002	34,164	54,987	986
Alcoholic Beverage Tax	10,461	5,983	11,819	1,358
Contract Services	9,119	9,681	12,195	3,076
All Remaining Revenues	10,414	10,373	15,382	4,968
TOTAL REVENUES²⁷	83,996	60,201	94,383	10,387
TOTAL EXPENDITURES²⁷	82,939	48,169	92,630	9,691
ENDING FUND BALANCE	\$21,664	\$ -	\$22,360	\$696

PROPRIETARY FUNDS

As of May 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$33,842	\$ -	\$33,842	\$ -
REVENUES:				
Building Permits	18,770	14,196	19,104	334
Certificate of Occupancy	1,412	867	1,412	0
Plan Review	3,736	3,153	3,749	13
Registration/License	1,028	813	1,028	(0)
Special Plats	887	756	887	0
Private Development	1,010	962	1,010	(0)
Zoning	1,184	580	1,184	0
Interest Earnings	117	211	117	0
All Remaining Revenues	1,478	1,179	1,478	0
TOTAL REVENUES	29,622	22,719	29,969	347
TOTAL EXPENDITURES	30,697	16,105	30,611	(86)
ENDING FUND BALANCE	\$32,767	\$ -	\$33,200	\$433
 MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	1,294	1,887	(171)
All Remaining Revenues	12	5	13	2
TOTAL REVENUES²⁸	2,070	1,299	1,900	(170)
TOTAL EXPENDITURES²⁸	2,055	1,317	1,967	(87)
ENDING FUND BALANCE	\$1,198	\$ -	\$1,116	(\$82)

PROPRIETARY FUNDS

As of May 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$86,191	\$ -	\$86,191	\$ -
REVENUES:				
Treated Water - Retail	286,483	166,498	283,187	(3,296)
Treated Water - Wholesale	80,082	49,222	77,555	(2,526)
Wastewater - Retail	232,649	141,072	223,113	(9,536)
Wastewater - Wholesale	9,874	6,647	9,929	55
All Remaining Revenues	36,040	17,804	29,938	(6,101)
TOTAL REVENUES²⁹	645,128	381,243	623,723	(21,405)
TOTAL EXPENDITURES²⁹	645,128	358,447	623,723	(21,405)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	34,559	52,799	0
Telephones Leased	8,532	2,943	8,532	0
Circuits	1,367	679	1,207	(160)
Desktop Services	269	52	58	(210)
Interest	137	110	144	0
Equipment Rental	4,546	3,030	4,545	(1)
Miscellaneous	77	602	602	525
TOTAL REVENUES	67,727	41,976	67,887	160
TOTAL EXPENDITURES	72,284	43,565	71,847	(437)
ENDING FUND BALANCE	\$6,352	\$ -	\$6,950	\$598

PROPRIETARY FUNDS

As of May 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,129	\$ -	\$4,129	\$ -
REVENUES:				
Rental/Wreck	33,640	20,181	38,842	5,203
Fuel	16,180	7,394	13,885	(2,295)
Auto Auction	418	543	843	426
Miscellaneous Revenue	267	439	526	259
Interest and Other	5	0	1	(5)
TOTAL REVENUES³⁰	50,509	28,558	54,097	3,588
TOTAL EXPENDITURES³⁰	50,509	34,796	54,097	3,588
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	\$0
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	1,591	2,500	(203)
All Other Revenues	1,260	1,018	1,517	257
TOTAL REVENUES	3,963	2,609	4,017	54
TOTAL EXPENDITURES	3,815	2,537	3,755	(59)
ENDING FUND BALANCE	\$1,372	\$ -	\$1,485	\$113

PROPRIETARY FUNDS

As of May 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$7,108	\$ -	\$7,108	\$ -
REVENUES:				
Residential Collection	66,537	46,249	67,862	1,325
Cost Plus Bulk/Brush	114	84	126	12
Sale of Recyclables	2,100	1,145	1,718	(382)
City Facility Collection	761	466	700	(62)
Landfill Revenue	17,676	19,920	24,711	7,035
TOTAL REVENUES³¹	87,188	67,864	95,116	7,928
TOTAL EXPENDITURES³¹	86,480	47,618	88,590	2,110
ENDING FUND BALANCE	\$7,816	\$ -	\$13,634	\$5,818

OTHER FUNDS

As of May 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$7,090	\$ -	\$7,090	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,257	4,012	6,308	51
9-1-1 Service Receipts - Wireline	6,898	4,150	6,345	(554)
Interest and Other	63	36	40	(23)
TOTAL REVENUES	13,218	8,199	12,692	(526)
TOTAL EXPENDITURES	16,292	9,799	15,949	(343)
ENDING FUND BALANCE	\$4,015	\$ -	\$3,832	(\$183)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	33,803	50,367	(46)
Interest and Other	40	76	86	46
TOTAL REVENUES	50,452	33,880	50,452	0
TOTAL EXPENDITURES	51,417	25,210	51,273	(144)
ENDING FUND BALANCE	\$7,150	\$ -	\$7,294	\$144

OTHER FUNDS

As of May 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$1,126	\$365	\$1,077	(\$50)
WELLNESS PROGRAM				
TOTAL EXPENDITURES ³²	\$430	\$296	\$366	(\$64)
RISK MANAGEMENT				
TOTAL EXPENDITURES ³³	\$2,594	\$1,672	\$2,319	(\$274)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2015				\$3,649
Budgeted Revenue				6,297
FY 2015-16 Available Funds				9,946
Paid October 2015				(168)
Paid November 2015				(328)
Paid December 2015				(379)
Paid January 2016				(744)
Paid February 2016				(436)
Paid March 2016				(353)
Paid April 2016				(434)
Paid May 2016				(783)
Balance as of May 31, 2016				\$6,321

DEBT SERVICE FUND

As of May 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$12,109	\$ -	\$12,109	\$ -
REVENUES:				
Ad Valorem	230,475	228,496	230,419	(57)
Interest/Transfers/Other	20,468	901	20,468	0
TOTAL REVENUES	250,943	229,397	250,886	(57)
TOTAL EXPENDITURES³⁴	255,326	212,338	254,444	(881)
ENDING FUND BALANCE	\$7,726	\$ -	\$8,551	\$825

NOTES

(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds by \$100 on January 27, 2016 by CR# 16-0214 (executive search contract for the City Attorney) and based on an increase in projected revenue by \$813 on June 15, 2016 by CR# 16-1007 (Parking Services contract).
2. Sales tax revenue is projected to be \$2,408 above budget due to the strength of the local economy. Over the most recent 12 months, sales tax receipts have increased by 4.7%.
3. Oncor Electric revenues are projected to be \$401 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$600 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Other Franchise revenues are projected to be \$622 above budget primarily due to an increase in private waste hauler activity and more growth than expected in Cable TV service.
6. Interest Earned revenue is projected to be \$1,113 above budget due to an increase in the market interest rate.
7. Municipal Court revenue is projected to be \$3,277 above budget primarily due to an increase in the collection per citation rates and due to the new collection agency's success of collection on older past due accounts.
8. Vehicle Towing & Storage revenues are projected to be \$463 above budget due to an increase in tows as well as vehicles staying on the auto pound property longer than anticipated.
9. Public Library revenue is projected to be \$96 below budget due to implementation of automatic renewal on materials that have been checked out at library locations and an increase in the usage of e-materials. Fines and late fees are not collected on e-materials as they are electronically recalled on the due date.
10. Parks revenue is projected to be \$480 above budget primarily due to an increase in demand for contract classes and an increase in pavilion rentals.
11. Vital Statistics revenues are projected to be \$132 above budget due to an increase in the sale of birth certificates.
12. Other Charges for Service revenue is projected to be \$2,133 below budget primarily as a result of contracting with fewer hospitals than anticipated for the Mobile Community Healthcare Program, a reduction in Fire Watch fees, and a reduction in the number of fire inspectors used at American Airline Center events.

NOTES

(Dollars in 000s)

13. Miscellaneous revenue is projected to be \$607 above budget primarily due to land lease payments from AT&T for communication towers located on Dallas Fire Rescue premises.
14. Building Services is projected to be \$116 above budget primarily due to materials and labor for unanticipated building maintenance needs.
15. City Secretary's Office is projected to be \$11 above budget due to higher than budgeted salary expenses.
16. Civil Service is projected to be \$8 above budget primarily due to salary expenses.
17. Court Services is projected to be \$350 below budget due to vacancies.
18. Judiciary is projected to be \$171 below budget due to vacancies.
19. Mayor and Council is projected to be \$78 above budget due to double filled positions and the unbudgeted use of temp help.
20. Non-Departmental is projected to be \$311 above budget primarily due to unbudgeted costs such as the actuarial review related to the Police and Fire Pension Fund and efforts related to ADA Compliance.
21. Office of Cultural Affairs is projected to be \$74 above budget primarily due to increased usage of custodial and security services based on events at the Majestic, Meyerson, and City Performance Hall facilities. These expenses are offset by corresponding revenue.
22. Park and Recreation is projected to be \$292 above budget primarily due to repairs related to flooding in 2015 and increased demand for contract classes.
23. Planning and Urban Design is projected to be \$252 below budget due to vacancies.
24. Police is projected to be \$6,600 above budget due to overtime expenses.
25. Street Services is projected to be \$789 above budget primarily due to equipment maintenance costs.
26. Sustainable Development and Construction is projected to be \$295 below budget due to vacancies.
27. Convention and Event Services expenses are projected to be \$9,691 above budget due to increased food and beverage service based on event demand as well as an increased transfer to capital construction resulting from additional revenues. Revenues are projected to be \$10,387 above budget primarily due to higher than expected Alcoholic Beverage Tax and more events than anticipated.

NOTES

(Dollars in 000s)

28. Municipal Radio expenses are projected to be \$87 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$170 below budget due to the sale of commercials being less than planned.

29. Water Utilities revenues and expenses are both projected to be \$21,405 below budget. Revenues are projected to be below budget primarily due to the loss of a wholesale water customer contract and lower than projected retail wastewater service revenues. Expenses are projected to be under budget primarily due to a reduction in the transfer to fund capital projects.

30. Equipment Services revenues and expenses are both projected to be \$3,588 above budget primarily due to increased maintenance and repair costs for heavy equipment partially offset by fuel savings.

31. Sanitation expenses are projected to be \$2,110 above budget primarily due to equipment maintenance costs. Revenues are projected to be \$7,928 above budget due to the volume of solid waste from non-contract customers being above historic levels and solid waste from the Upper Chain of Wetlands projects.

32. Wellness Program expenses are projected to be \$64 below budget due to vacancies.

33. Risk Management expenses are projected to be \$274 below budget primarily due to vacancies.

34. Debt Service expenses are projected to be \$881 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale and lower than anticipated TIF expenses.