

Memorandum



CITY OF DALLAS

DATE October 14, 2016

TO Honorable Members of the Budget, Finance, & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Financial Forecast Report

On Monday, October 17, 2016, the Office of Financial Services will brief the Budget, Finance, & Audit Committee on the FY 2015-16 Financial Forecast Report based on information through August 31, 2016.

We provided the Financial Forecast Report to Council on September 30, 2016. We have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum



CITY OF DALLAS

DATE September 30, 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 August 2016 is attached and provided for your information. This report reflects amended budgets based on appropriation adjustments approved by Council throughout the year.

For FY 2015-16, General Fund revenues are projected to be \$3,800,000 above budget and expenditures are projected to be \$1,039,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$4,839,000. 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
Elizabeth Reich, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services



FY 2015-16

Financial Forecast Report

Information as of August 31, 2016



GENERAL FUND

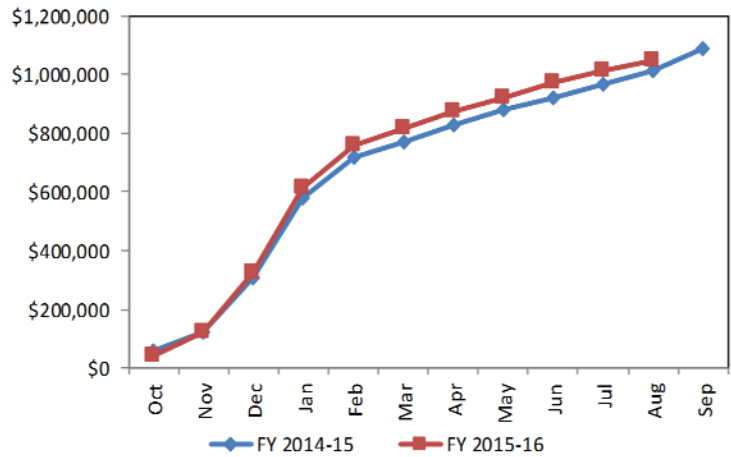
As of August 31, 2016
(000s)

ITEM	AMENDED BUDGET ¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,150,484	\$1,049,230	\$1,154,283	\$3,800
Expenditures	1,150,484	1,035,630	1,149,445	(1,039)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$13,600</u>	<u>\$4,839</u>	<u>\$4,839</u>

GENERAL FUND REVENUES

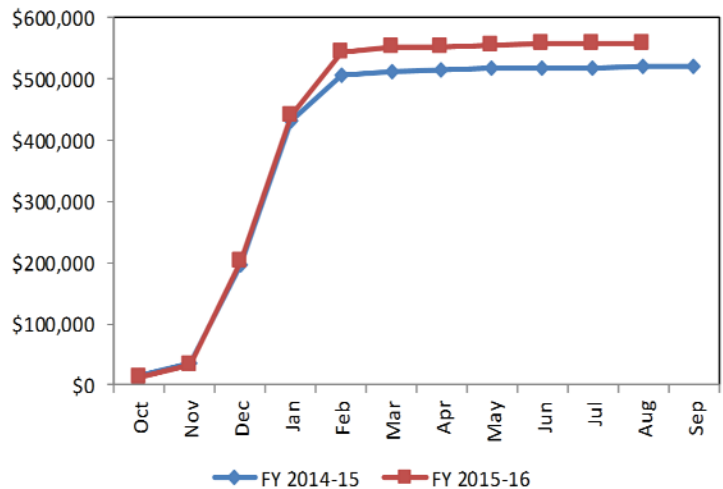
ALL SOURCES

	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	47,660	3,903
Jul	46,560	45,379	(1,182)
Aug	45,056	34,290	(10,766)
Sep	74,964		
Total	\$1,088,327	\$1,049,230	\$35,867



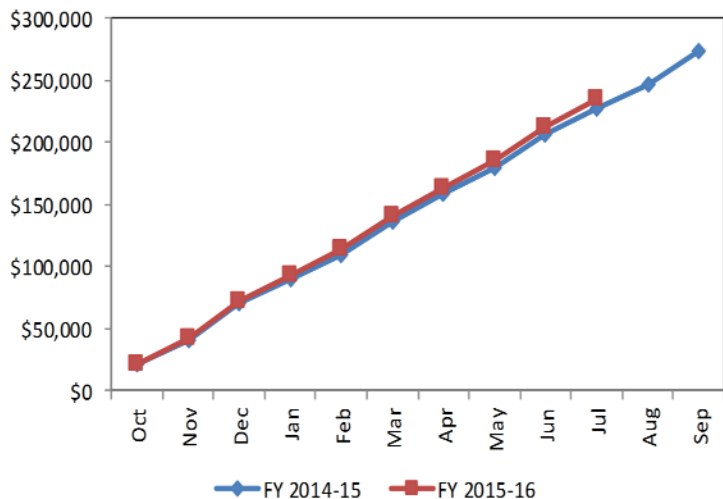
PROPERTY TAX

	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	2,523	773
Jul	821	858	37
Aug	948	852	(96)
Sep	673		
Total	\$520,658	\$559,087	\$39,101



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	26,609	132
Jul	20,798	21,921	1,123
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$234,694	\$7,913



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 August 31, 2016

(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$559,087	\$559,780	\$144
Sales Tax ²	281,272	234,694	283,227	1,956
TOTAL TAXES	840,908	793,781	843,007	2,100
FRANCHISE REVENUES				
Oncor Electric ³	50,612	50,936	50,936	324
AT&T	10,950	8,457	11,062	111
Atmos Energy ⁴	12,242	9,361	10,707	(1,536)
Time Warner Cable	6,102	4,812	6,414	312
Other	27,291	21,491	27,675	384
TOTAL FRANCHISE REVENUES	107,198	95,057	106,794	(405)
LICENSES AND PERMITS	6,067	6,177	6,345	278
INTEREST EARNED⁵	962	1,918	2,020	1,059
INTERGOVERNMENTAL	7,432	7,775	7,775	344
FINES AND FORFEITURES				
Municipal Court ⁶	16,471	16,707	18,110	1,638
Vehicle Towing & Storage ⁷	7,146	7,320	7,935	790
Parking Fines ⁸	4,304	2,323	4,092	(212)
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁹	494	224	250	(244)
TOTAL FINES	35,875	26,575	37,847	1,972
CHARGES FOR SERVICE				
Parks ¹⁰	10,283	10,333	11,475	1,192
Emergency Ambulance ¹¹	31,569	17,966	29,626	(1,943)
Security Alarm ¹²	4,450	4,002	4,156	(294)
Street Lighting	648	589	648	0
Vital Statistics	1,484	1,453	1,573	89
Other ¹³	23,247	19,015	21,314	(1,934)
TOTAL CHARGES	71,681	53,358	68,791	(2,890)
INTERFUND REVENUE	70,294	55,424	70,422	129
MISCELLANEOUS¹⁴	10,068	9,165	11,282	1,214
TOTAL REVENUES	\$1,150,484	\$1,049,230	\$1,154,283	\$3,800

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	90,989	(11,453)
Jul	78,895	82,900	4,005
Aug	85,592	93,679	8,087
Sep	124,316		

Total \$1,084,212 \$1,035,630 \$75,735

POLICE

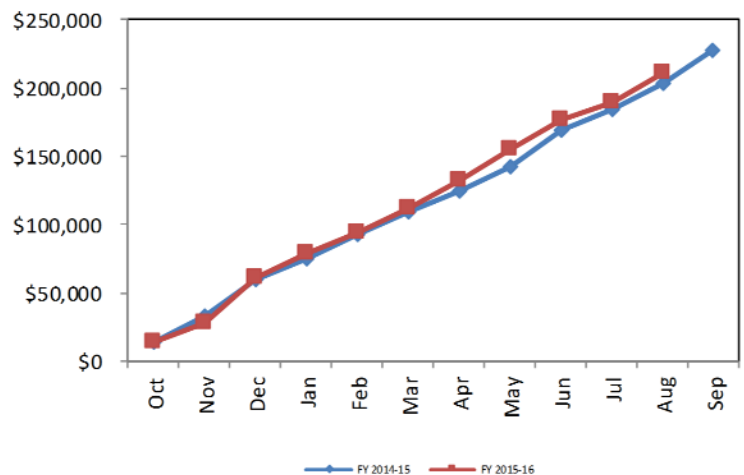
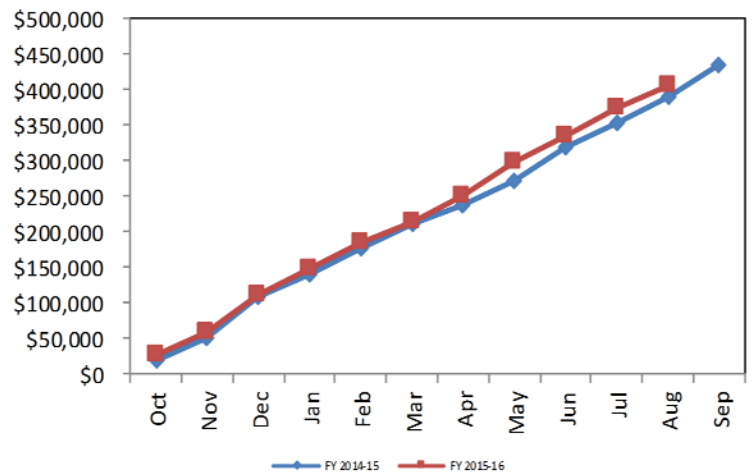
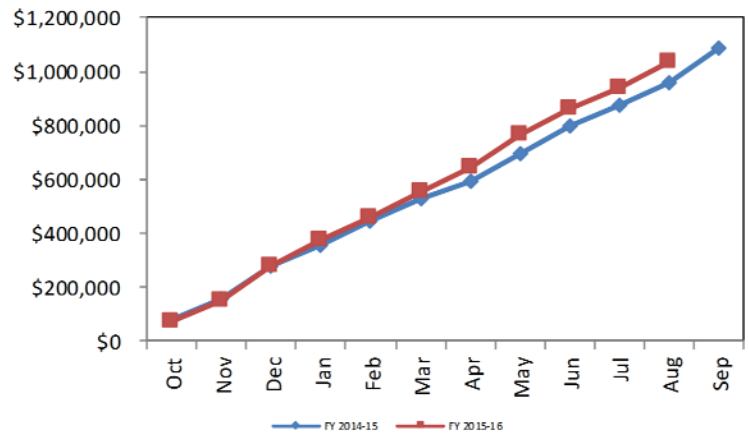
	FY 2014-15	FY 2015-16	Variance
Oct	\$19,262	\$28,488	\$9,226
Nov	31,339	31,370	31
Dec	57,789	52,490	(5,299)
Jan	32,898	35,550	2,652
Feb	36,863	37,126	263
Mar	32,472	30,058	(2,414)
Apr	27,900	34,931	7,031
May	33,265	48,649	15,384
Jun	47,086	37,058	(10,028)
Jul	34,846	38,075	3,229
Aug	35,661	32,689	(2,972)
Sep	46,774		

Total \$436,155 \$406,484 \$17,103

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	21,372	(5,381)
Jul	16,442	13,779	(2,663)
Aug	18,322	21,006	2,684
Sep	24,269		

Total \$227,535 \$210,924 \$7,658



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 August 31, 2016

(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,971	\$23,224	\$23,971	\$0
Business Dev/Procurement Svcs	2,884	2,651	2,884	0
City Attorney's Office	15,686	14,108	15,661	(25)
City Auditor's Office	2,954	2,677	2,911	(43)
City Controller's Office	4,411	3,955	4,317	(94)
City Manager's Office	1,972	1,913	1,947	(25)
City Secretary's Office	2,005	1,635	2,005	0
Civil Service	2,569	2,138	2,565	(4)
Code Compliance	39,724	33,585	39,620	(105)
Court Services	11,138	9,601	11,019	(118)
Elections	754	84	754	0
Fire	239,567	210,924	239,547	(20)
Housing	11,936	11,657	11,936	0
Human Resources	4,788	4,243	4,771	(18)
Independent Audit	789	-	786	(4)
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary	2,991	2,946	2,991	0
Library	30,034	26,307	30,017	(17)
Management Services	8,094	7,598	7,848	(246)
Mayor and Council	4,331	3,889	4,267	(64)
Non-Departmental	57,085	51,125	57,077	(9)
Office of Cultural Affairs	17,701	16,918	17,700	(1)
Office of Economic Development	1,818	1,818	1,818	0
Office of Financial Services	2,932	2,490	2,870	(63)
Park and Recreation	86,171	83,509	86,112	(59)
Planning & Urban Design	3,782	2,738	3,743	(39)
Police	459,407	406,484	459,406	(1)
Public Works	5,911	5,783	5,884	(27)
Street Lighting	17,525	15,938	17,525	0
Street Services	72,731	71,590	72,730	(1)
Sustainable Dev/Construction ¹⁵	1,128	1,072	1,072	(55)
Trinity Watershed Management	1,126	850	1,125	(1)
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	387	0	387	0
TOTAL EXPENDITURES	\$1,150,484	\$1,035,630	\$1,149,445	(\$1,039)

PROPRIETARY FUNDS

As of August 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	23,813	26,537	(906)
Terminal Concessions	24,913	22,924	24,607	(306)
Landing Fees	17,784	15,092	17,784	0
Rental on Airport - Terminal	13,831	12,006	13,831	0
Rental on Airport - Field	9,067	6,301	6,879	(2,189)
Fuel Flow Fees	1,225	1,058	1,188	(38)
All Other	2,102	3,010	3,272	1,170
TOTAL REVENUES	96,366	84,204	94,098	(2,268)
TOTAL EXPENDITURES	96,366	80,354	95,875	(492)
ENDING FUND BALANCE	\$16,775	\$ -	\$14,999	(\$1,777)

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,222	47,921	55,718	1,496
Alcoholic Beverage Tax	12,161	9,178	12,083	(79)
Contract Services	12,949	12,636	12,939	(10)
All Remaining Revenues	15,564	13,005	15,739	175
TOTAL REVENUES	94,896	82,740	96,479	1,583
TOTAL EXPENDITURES	93,839	69,870	93,839	0
ENDING FUND BALANCE	\$21,664	\$ -	\$23,246	\$1,583

PROPRIETARY FUNDS

As of August 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	19,477	17,790	(980)
Certificate of Occupancy	1,412	1,180	1,412	0
Plan Review	3,736	4,431	4,517	781
Registration/License	1,028	1,032	1,171	143
Special Plats	887	1,002	1,012	125
Private Development	1,010	1,255	1,266	257
Zoning	1,184	1,044	1,192	8
Interest Earnings	117	335	335	218
All Remaining Revenues	1,478	1,655	1,686	208
TOTAL REVENUES	29,622	31,412	30,382	760
TOTAL EXPENDITURES	30,697	26,348	28,906	(1,791)
ENDING FUND BALANCE	\$32,767	\$ -	\$35,318	\$2,551
 MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	1,691	1,950	(108)
All Remaining Revenues	12	10	10	(2)
TOTAL REVENUES¹⁶	2,070	1,701	1,960	(110)
TOTAL EXPENDITURES¹⁶	2,055	1,776	1,959	(95)
ENDING FUND BALANCE	\$1,198	\$ -	\$1,184	(\$14)

PROPRIETARY FUNDS

As of August 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	247,775	280,072	(6,411)
Treated Water - Wholesale	80,082	69,171	75,293	(4,789)
Wastewater - Retail	232,649	200,220	219,573	(13,076)
Wastewater - Wholesale	9,874	9,125	9,855	(19)
All Remaining Revenues	36,040	26,336	29,158	(6,882)
TOTAL REVENUES¹⁷	645,128	552,627	613,951	(31,178)
TOTAL EXPENDITURES¹⁷	645,128	531,153	613,951	(31,178)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	47,727	52,799	0
Telephones Leased	8,532	4,909	8,082	(450)
Circuits	1,367	679	1,341	(26)
Desktop Services	269	279	55	(214)
Interest	137	181	198	47
Equipment Rental	4,546	4,167	4,545	(1)
Miscellaneous	502	621	628	126
TOTAL REVENUES	68,152	58,563	67,648	(504)
TOTAL EXPENDITURES	72,709	57,812	71,724	(986)
ENDING FUND BALANCE	\$6,352	\$ -	\$6,834	\$482

PROPRIETARY FUNDS

As of August 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	37,140	28,504	39,196	2,057
Fuel	16,180	11,355	13,283	(2,896)
Auto Auction	418	550	850	433
Miscellaneous Revenue	267	635	679	412
Interest and Other	5	0	0	(5)
TOTAL REVENUES	54,009	41,044	54,009	(0)
TOTAL EXPENDITURES	54,009	46,672	54,009	0
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	(\$0)
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	2,117	2,697	(6)
All Other Revenues	1,260	1,139	1,433	173
TOTAL REVENUES	3,963	3,257	4,130	167
TOTAL EXPENDITURES	3,815	3,779	3,815	0
ENDING FUND BALANCE	\$1,372	\$ -	\$1,539	\$167

PROPRIETARY FUNDS

As of August 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	64,865	68,908	2,370
Cost Plus Bulk/Brush	114	126	137	23
Sale of Recyclables	2,100	1,628	1,776	(324)
City Facility Collection	761	687	750	(12)
Landfill Revenue	21,676	28,092	28,563	6,887
TOTAL REVENUES¹⁸	91,188	95,399	100,134	8,946
TOTAL EXPENDITURES	90,480	78,677	90,412	(68)
ENDING FUND BALANCE	\$7,816	\$ -	\$16,830	\$9,013

OTHER FUNDS

As of August 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	5,572	6,311	54
9-1-1 Service Receipts - Wireline	6,898	5,918	6,440	(458)
Interest and Other	63	64	72	9
TOTAL REVENUES	13,218	11,554	12,823	(395)
TOTAL EXPENDITURES	16,292	14,501	15,794	(498)
ENDING FUND BALANCE	\$4,015	\$ -	\$4,118	\$103
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	47,106	50,413	-
Interest and Other	40	104	104	64
TOTAL REVENUES	50,452	47,210	50,517	64
TOTAL EXPENDITURES	53,017	39,794	52,955	(62)
ENDING FUND BALANCE	\$5,550	\$ -	\$5,676	\$127

OTHER FUNDS

As of August 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES ¹⁹	\$1,126	\$561	\$944	(\$182)
WELLNESS PROGRAM				
TOTAL EXPENDITURES ²⁰	\$430	\$354	\$405	(\$25)
RISK MANAGEMENT				
TOTAL EXPENDITURES ²¹	\$2,594	\$2,490	\$2,374	(\$219)
Beginning Balance October 1, 2015				\$3,649
Budgeted Revenue				<u>6,297</u>
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)
Paid June 2016				(350)
Paid July 2016				(493)
Paid August 2016				(1,266)
Balance as of August 31, 2016				<u>4,212</u>

DEBT SERVICE FUND

As of August 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	230,269	230,419	(57)
Interest/Transfers/Other	20,468	18,459	20,468	0
TOTAL REVENUES	250,943	248,729	250,886	(57)
TOTAL EXPENDITURES ²²	255,326	253,909	253,909	(1,417)
ENDING FUND BALANCE	\$7,726	\$ -	\$9,087	\$1,360

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), based on an increase in projected revenue by \$813 on June 15, 2016 by CR# 16-1007 (Parking Services contract), \$1,700 on August 24, 2016 by Ordinance No. 30175 (Mid-Year Adjustments), and through the approved use of contingency reserve funds by \$2,000 on September 7, 2016 by CR# 16-1405 (aerial mosquito spraying), by \$414 on September 21, 2016 by CR# 16-1531 (Police and Fire pension consulting contract) and by \$657 on September 28, 2016 by CR# 16-1628, CR# 16-1629 and CR# 16-1630 (November 2016 election services contract).
2. Sales Tax is projected to be \$1,956 above budget due to the strength of the local economy. Over the most recent 12 months, sales tax receipts have increased by 3.9%.
3. Oncor Electric revenues are projected to be \$324 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$1,536 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Interest Earned revenue is projected to be \$1,059 above budget due to an increase in the market interest rate.
6. Municipal Court revenue is projected to be \$1,638 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.
7. Vehicle Towing & Storage revenues are projected to be \$790 above budget due to an increase in tows as well as vehicles staying on the auto pound property longer than anticipated.
8. Parking Fines are projected to be \$212 below budget due in part to reduced ticket issuance as a result of increased compliance with the introduction of pay-by-phone meters.
9. Public Library revenue is projected to be \$244 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 \$1,192 above budget primarily due to an increase in demand for contract classes and an increase in pavilion rentals.
11. Emergency Ambulance revenue is projected to be \$1,943 below budget primarily due to billing complications related to vendor software implementation of the Electronic Patient Care Report (EPCR).
12. Security Alarm revenues are projected to be \$294 below budget due to a decrease in the sale of security alarm permits.

NOTES

(Dollars in 000s)

13. Other Charges for Service revenue is projected to be \$1,934 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.

14. Miscellaneous revenue is projected to be \$1,214 above budget due to land lease payments from AT&T for communication towers located on Dallas Fire Rescue premises, Atmos Energy rate case reimbursement, and TxDOT reimbursement for mowing/litter cycles.

15. Sustainable Development and Construction is projected to be \$1,791 below budget due to design award for the Oak Cliff Municipal Center renovation delayed until October 11, 2016 city council agenda.

16. Municipal Radio expenses are projected to be \$95 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$110 below budget due to the sale of commercials being less than planned.

17. Water Utilities revenues and expenses are both projected to be \$31,178 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.

18. Sanitation revenues are projected to be \$8,946 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.

19. Benefits Administration expenses are projected to be \$182 below budget primarily due to lower than expected costs for outside legal consulting related to the Affordable Care Act.

20. Wellness Program expenses are projected to be \$25 below budget due to vacancies.

21. Risk Management expenses are projected to be \$219 below budget primarily due to vacancies.

22. Debt Service expenses are projected to be \$1,417 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale and lower than anticipated TIF expenses and Commercial Paper interest.