

Memorandum



CITY OF DALLAS

DATE June 14, 2018

Honorable Members of the Government Performance & Financial Management
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Financial Forecast Report**

Please find attached the Financial Forecast Report based on information through April 2018. The report reflects the budget adjustments approved by City Council on April 25, 2018.

Through April 30, 2018, we forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$11.4 million. We forecast revenues will be \$8.4 million above budget primarily due to \$1.5 million in sales tax, \$4.6 million in franchise fees, and \$2.1 million in charges for services. The increase in franchise fees is due to electric, fiber optic, and natural gas. The City Council increased the charges for services revenue budget by \$1.3 million on April 25 due to additional revenue from the Ambulance Supplemental Payment Program; however, this revenue source continues to trend above budget. This month, fire watch inspection fees are forecast to be \$1 million above budget.

We currently forecast that expenses will be \$3 million below budget primarily due to savings in Non-Departmental, City Attorney's Office, City Auditor's Office, Dallas Animal Services, Library Department, 311 Customer Service, and the Office of Environmental Quality. Non-Departmental savings (\$1.1 million) are due to a delay in the financing of new equipment in the Master Lease Program which will now occur in the fall of FY 2018-19.

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

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

Attachment

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

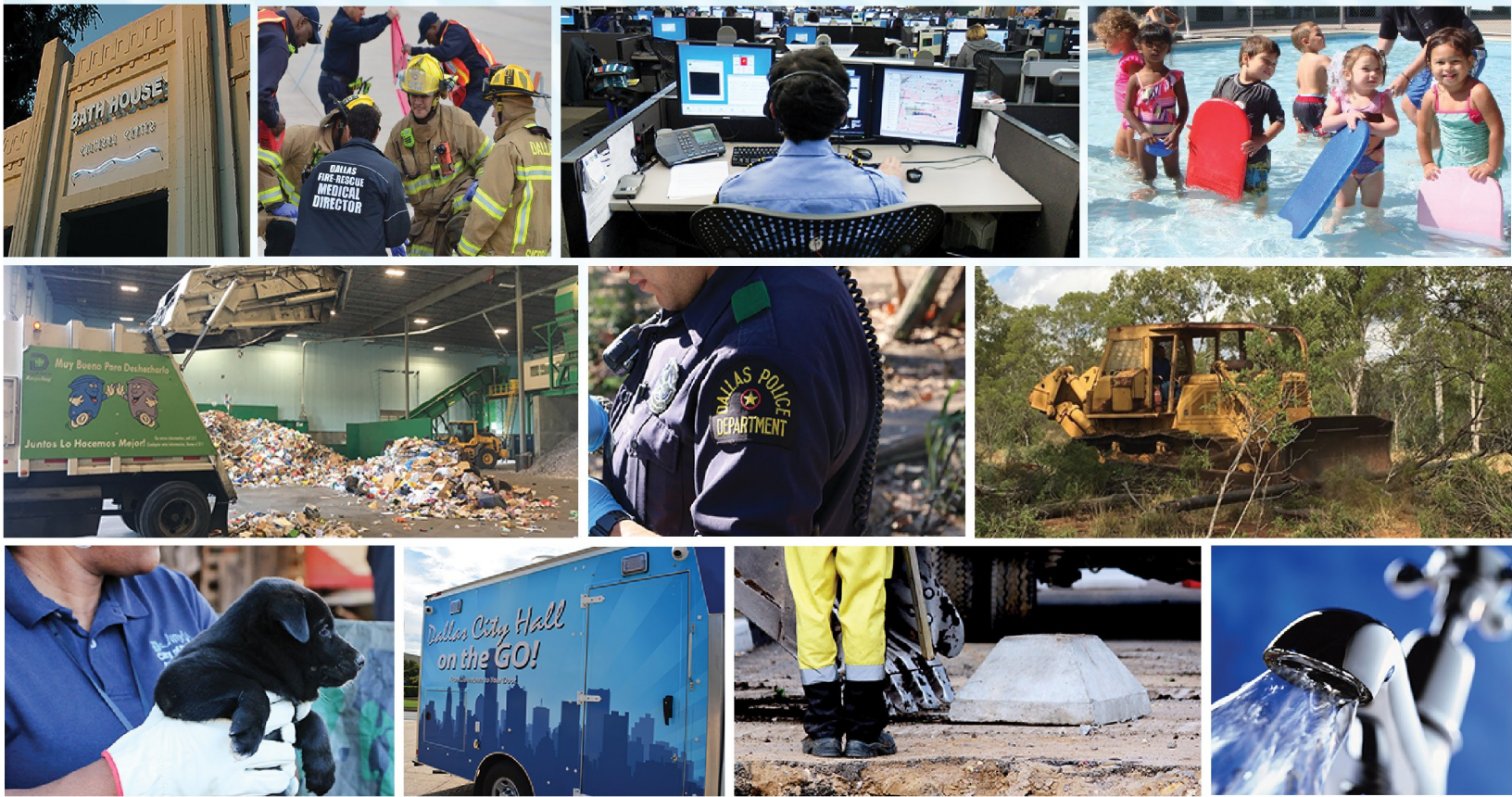
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant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



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of April 30, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of April 30, 2018

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192		\$171,747,804	\$11,130,612
Revenues	1,276,420,942	1,282,512,888	908,652,712	1,290,957,042	8,444,154
Expenditures	1,276,420,942	1,282,512,888	670,970,869	1,279,493,046	(3,019,842)
Ending Fund Balance	\$160,617,192	\$160,617,192		\$183,211,800	\$22,594,608

SUMMARY

The General Fund overview provides a summary of financial activity through April 30, 2018. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency.

Fund Balance. The summary includes fund balance with the year-end revenue and expenditure forecasts. As of April 30, 2018, the Year-End Forecast beginning fund balance represents the FY 2016-17 audited unassigned ending fund balance and includes FY 2016-17 year-end savings.

Revenues. Through April 30, 2018, General Fund revenues are projected to be above budget by \$8.4 million primarily due to electric, fiber optic, and natural gas franchise fees; sales tax; Fire Watch fees; and a new contract with the State Fair for patrol services.

Expenditures. Through April 30, 2018, General Fund expenditures are projected to be below budget by \$3.0 million. Most departments are under budget as a result of vacancies.

Amendments. The General Fund budget was amended on:

- October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0442 in the amount of \$189,300 for emergency flood remediation and related repairs related to the theater automation system at the Dee and Charles Wylie Theater;
- April 25, 2018 by ordinance #30843 for mid-year appropriation ordinance adjustments consisting of a \$294,000 appropriation decrease in Non-Departmental, \$165,000 appropriation increase in Housing and Neighborhood Revitalization, \$60,300 appropriation increase in 311 Customer Service Center, \$68,700 appropriation increase in Office of Community Care, \$115,000 transfer of appropriations from Dallas Police Department to Transportation; and \$3,700,000 appropriation increase in Dallas Fire Rescue from excess revenue.

GENERAL FUND REVENUES

As of April 30, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$652,067,958	\$653,667,958	\$648,640,995	\$654,317,126	\$649,168
Sales Tax ²	303,349,086	303,349,086	122,926,922	304,841,474	1,492,388
Franchise & Other ³	135,319,609	135,319,609	68,761,171	139,896,501	4,576,892
Charges for Services ⁴	103,578,036	104,878,036	40,946,577	107,004,843	2,126,807
Fines and Forfeitures ⁵	36,515,082	36,515,082	14,049,246	35,008,341	(1,506,742)
Operating Transfers In ⁶	22,777,865	25,169,811	328,704	25,169,811	0
Intergovernmental	9,548,046	9,548,046	2,797,650	9,699,200	151,154
Miscellaneous ⁷	6,580,004	7,380,004	4,480,532	7,532,519	152,515
Licenses & Permits	4,668,685	4,668,685	3,334,274	4,636,379	(32,306)
Interest ⁸	2,016,571	2,016,571	2,386,641	2,850,848	834,277
Total Revenue	\$1,276,420,942	\$1,282,512,888	\$908,652,712	\$1,290,957,042	\$8,444,154

VARIANCE NOTES

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

1 Property Tax. Property tax revenues are forecast to be 0.1 percent (\$649,000) greater than budget based on current year property tax and penalties and interest trending above average. Property Tax budgeted revenue was increased by \$1.6 million on April 25, 2018 by ordinance 30843 due to higher current year collections.

2 Sales Tax. Sales tax revenues are forecast to be 0.5 percent (\$1,492,000) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.7 percent over the most recent 12 months.

3 Franchise and Other. Franchise and other revenues are projected to be 3.4 percent (\$4,567,000) over budget primary due to electric, fiber optics, and natural gas.

4 Charges for Service. Charges for services revenues are forecast to be 2.0 percent (\$2,127,000) greater than budget primarily due to \$1.0 million from Fire Watch inspection fees resulting from multiple hard freezes in the winter affecting sprinkler systems at various locations and a new agreement signed with State Fair for police patrol services in which FY 2017-18 received \$1.0 million in revenue for prior years State Fairs. Charges for Services budgeted revenue was increased by \$1.3 million on April 25, 2018 by ordinance 30843 due to additional Emergency Ambulance supplemental payment revenue.

5 Fines and Forfeitures. Fines and forfeitures are projected to be 4.1 percent (\$1,506,000) under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation (\$849,000); a decrease of 8,000 traffic citations over the same time period last year (\$578,000); and a decrease in forfeiture hearings due to compliance of bond terms by defendants (\$289,000).

6 Operating Transfer In. The revenue budget for Operating Transfer In was amended on:

- October 25, 2017 by resolution #17-1652 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018; and

VARIANCE NOTES

- March 28, 2018 by resolution #18-0422 for emergency flood remediation and related repairs related to the theater automation system at the Dee and Charles Wyly Theater.

7 Miscellaneous. Miscellaneous budgeted revenue was increased \$800,000 on April 25, 2018 by ordinance 30843 due to additional one-time revenue from Atmos Energy for the City's support provided to residents affected by the gas emergency.

8 Interest. Interest earned revenues are projected to be 41.3 percent (\$834,000) over budget based on current trends.

GENERAL FUND EXPENDITURES

As of April 30, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$233,174,548	\$235,945,105	\$123,120,969	\$229,000,484	(\$6,944,621)
Civilian Overtime	6,087,198	6,078,044	4,920,924	8,466,552	2,388,508
Civilian Pension	33,654,027	33,952,850	17,923,696	32,798,625	(1,154,225)
Uniform Pay	397,751,284	401,698,616	214,448,815	391,328,211	(10,370,405)
Uniform Overtime	32,141,841	35,897,371	28,072,025	45,102,388	9,205,017
Uniform Pension	151,450,013	153,665,564	81,635,271	153,665,564	0
Health Benefits	62,526,985	62,812,518	33,591,604	62,812,518	0
Workers Comp	10,211,638	10,211,638	0	10,211,638	0
Other Personnel Services	11,798,743	11,952,376	5,894,593	12,339,538	387,162
Total Personnel Services ¹	938,796,277	952,214,082	509,607,897	945,725,518	(6,488,564)
Supplies ²	76,688,160	77,667,357	41,660,532	78,768,175	1,100,818
Contractual Services ³	341,963,586	342,929,363	144,238,474	348,795,959	5,866,596
Capital Outlay ⁴	8,000,250	8,329,492	3,533,119	9,303,543	974,051
Reimbursements ⁵	(89,027,331)	(98,627,406)	(28,069,154)	(103,100,149)	(4,472,743)
Total Expenditures	\$1,276,420,942	\$1,282,512,888	\$670,970,869	\$1,279,493,046	(\$3,019,842)

VARIANCE NOTES

1 Personnel Services. Current year-end forecast is \$6.5 million below budget primarily due to civilian vacancy savings. Uniform overtime YE forecast assumes \$6.6 million for the Dallas Police Department and \$2.6 million for Dallas Fire Rescue. Uniform pension YE forecast equals budget and includes the \$150.7 million contribution required to fund the police and fire pension as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

2 Supplies. Current year-end forecast is \$1.1 million above budget resulting from the purchase of ballistic helmets for the Dallas Police Department (\$676,000), software maintenance of an automated fingerprint identification system for the Dallas Police Department (\$347,000), and software purchases for various other departments (\$200,000).

3 Contractual Services. Current year-end forecast is \$5.9 million over budget primarily due to contract temporary help, day labor, equipment rental, security services and Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment.

4 Capital Outlay. Current year-end forecast is \$974,000 over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement, an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance, and the purchase of Gator vehicles by Code Compliance to better move in and out from alleys and back streets to clean litter, tires, and trash.

5 Reimbursements. General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$4.5 million greater than budget, primarily due to:

- \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue from the 9-1-1 System Operations Fund;
- \$1.1 million greater than budgeted reimbursement to Dallas Fire Rescue from Building Inspections for new construction inspections and Aviation for two full-time paramedics assigned to Love Field Airport, and \$347,000 greater than budgeted department support reimbursement.

VARIANCE NOTES

- \$720,000 reimbursement from a Police Donation Fund for overtime expenses incurred in FY 2016-17 for increased patrols in the Oak Lawn area;
- \$350,000 Dallas Animal Services reimbursement from a special revenue fund for vehicles;
- \$151,000 Courts and Detention Services unbudgeted reimbursement from the City Attorney's Office for three full-time staff dedicated to the Community Courts;
- \$130,000 Park and Recreation greater than budgeted reimbursement for overtime work at Fair Park performed by Facility Services; and
- \$95,000 Office of Cultural Affairs greater than budgeted reimbursement from the Hotel Occupancy Tax Fund.

GENERAL FUND EXPENDITURES

As of April 30, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services ¹	\$28,590,583	\$28,667,529	\$16,502,024	\$28,803,281	\$135,752
City Attorney's Office	16,788,175	16,788,175	8,831,888	16,640,533	(147,642)
City Auditor's Office ²	3,360,043	3,360,043	1,586,552	3,090,058	(269,985)
City Controller's Office	5,351,812	5,379,331	2,946,314	5,379,331	0
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,344,267	1,384,793	2,344,267	0
City Secretary ³	2,367,327	2,632,693	1,428,872	2,632,693	0
Civil Service ⁴	3,080,815	3,080,815	1,613,084	3,105,369	24,554
Code Compliance	30,438,826	30,438,826	14,971,151	30,438,826	0
Court Services	11,627,393	11,627,393	6,663,968	11,599,006	(28,387)
Jail Contract	8,484,644	8,484,644	4,242,322	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	8,419,295	13,831,257	(175,902)
Dallas Fire Department ⁵	267,026,909	270,726,909	148,498,779	270,726,909	0
Dallas Police Department ⁶	465,522,805	464,648,484	246,914,666	464,646,726	(1,758)
Housing and Neighborhood Services ⁷	3,668,283	4,010,682	2,232,908	4,010,682	0
Human Resources	5,234,618	5,234,618	2,987,170	5,209,073	(25,545)
Judiciary	3,454,079	3,454,079	1,985,785	3,435,245	(18,834)
Library	31,279,877	31,279,877	17,386,521	30,918,013	(361,864)
Office of Management Services					
311 Customer Services ⁸	3,509,120	3,569,390	2,652,544	3,231,103	(338,287)
Center for Performance Excellence	1,265,811	1,265,811	812,792	1,253,958	(11,853)
Council Agenda Office	224,495	228,355	108,552	228,355	0
EMS Compliance Program ⁹	340,988	340,988	164,236	321,029	(19,959)
Ethics and Diversity	97,631	119,855	29,726	115,990	(3,865)
Fair Housing ¹⁰	278,274	397,837	263,266	397,837	0
Office of Strategic Partnerships ¹¹	726,947	3,126,947	468,976	3,044,240	(82,707)
Office of Business Diversity ¹²	793,297	793,297	414,057	713,326	(79,971)
Office of Community Care ¹³	4,932,564	5,001,285	2,633,402	5,001,285	0
Office of Emergency Management ¹⁴	715,020	715,020	477,364	750,823	35,803
Office of Environmental Quality ¹⁵	1,197,487	1,197,487	1,166,939	1,051,679	(145,808)
Office of Homeless Solutions	10,081,328	10,081,328	6,743,119	10,081,328	0
Public Affairs and Outreach ¹⁶	1,666,011	1,400,645	651,045	1,174,279	(226,366)
Resiliency Office	353,875	353,875	186,874	353,875	0
Welcoming Communities	428,845	428,845	207,562	428,845	0
Mayor and City Council	4,820,561	4,827,575	2,553,650	4,826,253	(1,322)
Non-Departmental ¹⁷	77,323,336	77,029,345	9,263,931	75,912,433	(1,116,912)
Office of Budget	3,406,338	3,406,338	1,795,721	3,400,012	(6,326)
Office of Cultural Affairs ¹⁸	20,268,063	20,899,767	16,494,874	20,899,767	0
Office of Economic Development	4,840,594	4,840,594	2,497,665	4,840,594	0
Park and Recreation	98,005,546	98,269,651	55,293,812	98,243,465	(26,186)
Planning and Urban Design	2,911,297	2,911,297	1,560,406	2,906,187	(5,110)
Procurement Services	2,389,442	2,457,765	1,351,577	2,441,623	(16,142)
Public Works	73,137,927	73,137,927	51,738,572	73,084,170	(53,757)
Sustainable Development	1,656,869	1,656,869	1,298,618	1,605,406	(51,463)
Transportation ¹⁹	44,325,574	44,440,574	21,115,954	44,440,574	0
Trinity Watershed Management	1,302,754	1,302,754	429,547	1,302,754	0
Total Departments	\$1,264,441,401	\$1,271,258,102	\$670,970,869	\$1,268,238,260	(\$3,019,842)
Liability/Claim Fund Transfer	4,642,666	4,642,666	0	4,642,666	0
Contingency Reserve	4,686,875	4,686,875	0	4,686,875	0
Salary and Benefit Reserve ²⁰	2,650,000	1,925,245	0	1,925,245	0
Total Expenditures	\$1,276,420,942	\$1,282,512,888	\$670,970,869	\$1,279,493,046	(\$3,019,842)

VARIANCE NOTES

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

1 Building Services. Building Services expenditures are forecast to be \$136,000 over budget due to unexpected contract repairs and emergency facility call-outs.

2 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$270,000 below budget due to salary savings associated with five vacant positions. Four positions were filled in April 2018, and one in May 2018.

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

4 Civil Service. Civil Service expenditures are forecast to be \$25,000 over budget due to a nationwide search for the vacant Civil Service Director position.

5 Dallas Fire Department. Dallas Fire Department budget was increased by \$3.7 million on April 25, 2018 by ordinance 30843 for overruns in uniform overtime due to higher than expected attrition.

6 Dallas Police Department. Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships) and decreased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding to Transportation.

7 Housing and Neighborhood Services. Housing and Neighborhood Services budget was increased by \$165,000 on April 25, 2018 by ordinance 30843 to fund a caseworker for the High Impact Landlord Initiative, additional home repair work at eight Home Repair Program properties and expenses associated with moving support staff from Bexar Street offices back to City Hall.

8 311 Customer Services. 311 Customer Services budget was increased by \$60,300 by City Council on April 25, 2018 by ordinance 30843 due to higher than expected usage of the Language Line, a third-party vendor that is used to translate calls for non-English speakers when bilingual 311 Customer Services agents are not available. 311 Customer Services is forecast to be \$338,000 under budget due to a ten percent overall attrition rate in its customer service agents implemented in March 2018 and a decreased demand for overtime.

9 EMS Compliance Program. EMS Compliance Program expenditures are forecast to be \$20,000 under budget primarily due to the non-renewal of the ComplyAssistant contract. The ComplyAssistant contract is a web-based software that was used to document and monitor the City's healthcare compliance activities.

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

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

12 Office of Business Diversity. Office of Business Diversity expenditures are forecast to be \$80,000 below budget due to salary savings associated with vacancies.

13 Office of Community Care. Office of Community Care's budget was increased by \$69,000 on April 25, 2018 by ordinance 30843 for unbudgeted contract temporary help, overtime, and building maintenance expenses.

VARIANCE NOTES

14 Office of Emergency Management. Office of Emergency Management is forecast to be \$36,000 over budget due to grant reimbursements from the State of Texas that will not be received until FY 2018-19.

15 Office of Environmental Quality. Office of Environmental Quality is forecast to be \$146,000 under budget due to salary savings associated with seven vacancies and frequent turnover in key positions.

16 Public Affairs and Outreach. Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary. Public Affairs and Outreach expenditures are forecast to be \$226,000 under budget primarily due to salary savings associated with three vacant management positions.

17 Non-Departmental. Non-Departmental budget was decreased by \$294,000 on April 25, 2018 by ordinance 30843 for mid-year appropriation adjustments. Non-Departmental expenditures are forecast to be \$1.1 million less than budget primarily due to a delay in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

18 Office of Cultural Affairs. Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by resolution # 17-1735 and by \$189,300 on March 28, 2018 by resolution #18-0442 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wyly Theatre, and on February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

19 Transportation. Transportation budget was increased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding from Police to Transportation.

20 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$734,000 were allocated to Building Services (\$77,000), the City Controller's Office (\$27,000), the City Manager's Office (\$81,000), Housing and Neighborhood Revitalization (\$177,000), City Agenda Office (\$4,000), Ethics and Diversity (\$22,000), Mayor and Council (\$7,000), Park and Recreation (\$264,000), and Procurement Services (\$68,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

ENTERPRISE FUNDS

As of April 30, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION					
Beginning Fund Balance	\$13,811,768	\$13,811,768		\$14,111,807	\$300,039
Total Revenues:	127,028,405	127,028,405	69,749,351	127,029,201	796
Total Expenditures:	127,028,405	127,028,405	54,297,941	126,968,987	(59,418)
Ending Fund Balance	\$13,811,768	\$13,811,768		\$14,172,021	\$360,254
CONVENTION AND EVENT SERVICES¹					
Beginning Fund Balance	\$32,258,124	\$32,258,124		\$33,234,399	\$976,275
Total Revenues:	97,787,266	101,187,266	56,075,537	102,365,086	1,177,820
Total Expenditures:	97,787,266	99,371,106	45,626,165	101,043,544	1,672,438
Ending Fund Balance	\$32,258,124	\$34,074,284		\$34,555,940	\$481,656
MUNICIPAL RADIO²					
Beginning Fund Balance	\$1,217,847	\$1,217,847		\$1,087,586	(\$130,261)
Total Revenues:	2,098,813	2,098,813	1,102,728	2,015,000	(83,813)
Total Expenditures:	2,051,318	2,051,318	1,136,161	1,974,411	(76,907)
Ending Fund Balance	\$1,265,342	\$1,265,342		\$1,128,175	(\$137,167)
SANITATION SERVICES³					
Beginning Fund Balance	\$22,431,707	\$22,431,707		\$29,641,449	\$7,209,742
Total Revenues:	102,279,097	106,579,097	64,341,035	106,974,517	395,420
Total Expenditures:	102,279,097	104,419,917	41,403,761	104,419,917	0
Ending Fund Balance	\$22,431,707	\$24,590,887		\$32,196,049	\$7,605,162
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490		\$7,593,575	\$3,047,085
Total Revenues:	55,987,895	55,987,895	32,551,825	55,705,089	(282,806)
Total Expenditures:	55,936,837	55,936,837	28,535,410	55,592,877	(343,960)
Ending Fund Balance	\$4,597,548	\$4,597,548		\$7,705,787	\$3,108,239
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION⁴					
Beginning Fund Balance	\$37,809,029	\$37,809,029		\$43,778,944	\$5,969,915
Total Revenues:	31,711,218	31,711,218	20,028,321	31,764,764	53,546
Total Expenditures:	32,376,190	32,376,190	16,614,921	32,375,277	(913)
Ending Fund Balance	\$37,144,057	\$37,144,057		\$43,168,431	\$6,024,374
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DALLAS WATER UTILITIES⁵					
Beginning Fund Balance	\$84,788,025	\$84,788,025		\$95,808,193	\$11,020,168
Total Revenues:	667,471,388	667,471,388	355,656,200	667,471,388	0
Total Expenditures:	667,471,388	667,471,388	298,260,918	649,048,060	(18,423,328)
Ending Fund Balance	\$84,788,025	\$84,788,025		\$114,231,522	\$29,443,497

INTERNAL SERVICES FUNDS

As of April 30, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁶					
Beginning Fund Balance	\$10,959,687	\$10,959,687		\$10,747,503	(\$212,184)
Total Revenues:	67,963,283	67,963,283	32,986,045	68,590,020	626,737
Total Expenditures:	70,242,680	70,242,680	43,052,385	69,673,911	(568,769)
Ending Fund Balance	\$8,680,290	\$8,680,290		\$9,663,612	\$983,322
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356		\$2,680,270	\$142,914
Total Revenues:	4,823,063	4,823,063	1,102,564	4,842,427	19,364
Total Expenditures:	4,823,063	4,823,063	2,093,688	4,779,926	(43,137)
Ending Fund Balance	\$2,537,356	\$2,537,356		\$2,742,771	\$205,415
EQUIPMENT SERVICES⁷					
Beginning Fund Balance	\$5,611,863	\$5,611,863		\$7,726,208	\$2,114,345
Total Revenues:	52,652,059	54,152,059	25,704,660	54,110,256	(41,803)
Total Expenditures:	52,652,059	54,417,268	24,697,294	54,417,268	0
Ending Fund Balance	\$5,611,863	\$5,346,654		\$7,419,196	\$2,072,542
EXPRESS BUSINESS CENTER⁸					
Beginning Fund Balance	\$2,011,100	\$2,011,100		\$1,700,445	(\$310,655)
Total Revenues:	4,231,450	4,231,450	1,977,403	2,756,467	(1,474,983)
Total Expenditures:	3,740,420	3,740,420	1,049,816	2,108,350	(1,632,070)
Ending Fund Balance	\$2,502,130	\$2,502,130		\$2,348,563	(\$153,567)

OTHER FUNDS

As of April 30, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁹					
Beginning Fund Balance	\$5,941,912	\$5,941,912		\$12,060,896	\$6,118,984
Total Revenues:	12,539,195	12,539,195	6,768,410	12,276,357	(262,838)
Total Expenditures:	15,048,378	16,748,378	6,748,292	16,665,942	(82,436)
Ending Fund Balance	\$3,432,729	\$1,732,729		\$7,671,311	\$5,938,582
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DEBT SERVICE¹⁰					
Beginning Fund Balance	\$13,769,804	\$13,769,804		\$12,613,280	(\$1,156,524)
Total Revenues:	278,149,358	278,149,358	262,447,064	279,561,773	1,412,415
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164		\$24,852,055	\$255,891
EMPLOYEE BENEFITS¹¹					
City Contributions	\$86,088,120	\$86,088,120	\$48,595,828	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	24,621,905	38,086,396	0
Retiree	30,118,491	30,118,491	15,536,511	30,118,491	0
Other	0	0	(46,669)	(39,109)	(39,109)
Total Revenues:	154,293,007	154,293,007	88,707,575	154,253,898	(39,109)
Total Expenditures:	\$154,293,007	\$154,293,007	\$72,289,958	\$154,293,007	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).					
RISK MANAGEMENT¹²					
Worker's Compensation	\$13,219,304	\$13,219,304	\$282,713	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	691,532	10,203,093	0
Purchased Insurance	3,090,183	3,090,183	(389)	3,090,183	0
Interest and Other	406,970	406,970	0	406,970	0
Total Revenues:	26,919,550	26,919,550	973,856	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$11,438,759	\$29,406,225	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).					

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of April 30, 2018, the Year-End Forecast beginning fund balance represents the FY 2016-17 audited ending fund balance. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

1 Convention and Event Services. Convention and Event Services budget was increased by \$1.6 million on April 25, 2018 by ordinance 30843 due to increased food and beverage expenses and by an offsetting \$3.4 million increase in catering service revenues. Convention and Event Services revenues are projected to exceed budget by \$1.2 million primarily due to greater than projected Hotel Occupancy Tax collections. Expenditures are projected to be \$1.7 million greater than budget primarily due to an increased food and beverage expenses fully offset by additional catering revenue.

2 Municipal Radio. Municipal Radio FY 2017-18 revenues are projected to be lower than budget by \$84,000 due a decrease in projected local radio advertisement sales. Local arts groups and small retailers (which account for the largest portion of local sales) have difficulty with the cost of media buys in DFW's large media market. Expenditures are projected to be \$78,000 below budget primarily due to hiring delays for four vacant positions.

3 Sanitation Services. Sanitation Services budget was increased by \$2.5 million on April 25, 2018 by ordinance 30843 for increased landfill disposal fees paid to Texas Commission on Environmental Quality (TCEQ), Equipment Services maintenance charges and master lease payments and by an offsetting \$4.3 million increase in landfill revenues. Sanitation Services revenues are projected to be \$396,000 over budget primarily due to greater than budgeted collection charges.

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

5 Dallas Water Utilities. Water Utilities expenditures are projected to be \$18.4 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA). The escrow payment savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018.

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

7 Equipment Services. Equipment Services budget was increased by \$475,000 on April 11, 2018 by ordinance for a fleet consultant study, and by \$1.2 million on April 25, 2018 by ordinance 30843. The amendment on April 25, 2018 was due to unbudgeted equipment maintenance charges for retained vehicles, increased motor pool use, and increased costs for make ready of new vehicles offset by a \$1.5 million increase in revenues. Equipment Services FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance to fund a fleet consultant study.

8 Express Business Center. Express Business Center expenditures projected to be \$1.6 million less than budget and revenues \$1.5 million less than budget primarily due to the transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017. Water bill printing services will be provided by a vendor and expensed in DWU.

9 9-1-1 System Operations. 9-1-1 System Operations budget was increased by \$1.7 million on April 25, 2018 by ordinance 30843 for a greater than budgeted \$1.7 million reimbursement to Dallas Fire Rescue. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services.

10 Debt Service Fund. Debt Service Fund FY 2017-18 YE forecast revenues will exceed budget by \$1.4 million due to property tax collections trending above average.

VARIANCE NOTES

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

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



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