

Memorandum



CITY OF DALLAS

DATE July 9, 2015
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2014-15 Financial Forecast Report based on information through May 2015 is attached and provided for your information. This report reflects an amended General Fund budget based on Council's approved use of contingency reserve funds on December 10, 2014 by CR# 14-2194, on March 25, 2015 by CR# 15-0555, on May 20, 2015 by CR#15-0907, and June 17, 2015 by CR# 15-1153 and CR# 15-1231.

For FY 2014-15, General Fund revenues are projected to be \$1,038,000 below budget and General Fund expenditures are projected to be \$1,195,000 below budget. This results in forecast revenue being in excess of forecast expenditures by \$157,000. Details related to budget variances may be found on page 15 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 2014-15

Financial Forecast Report

Information as of May 31, 2015

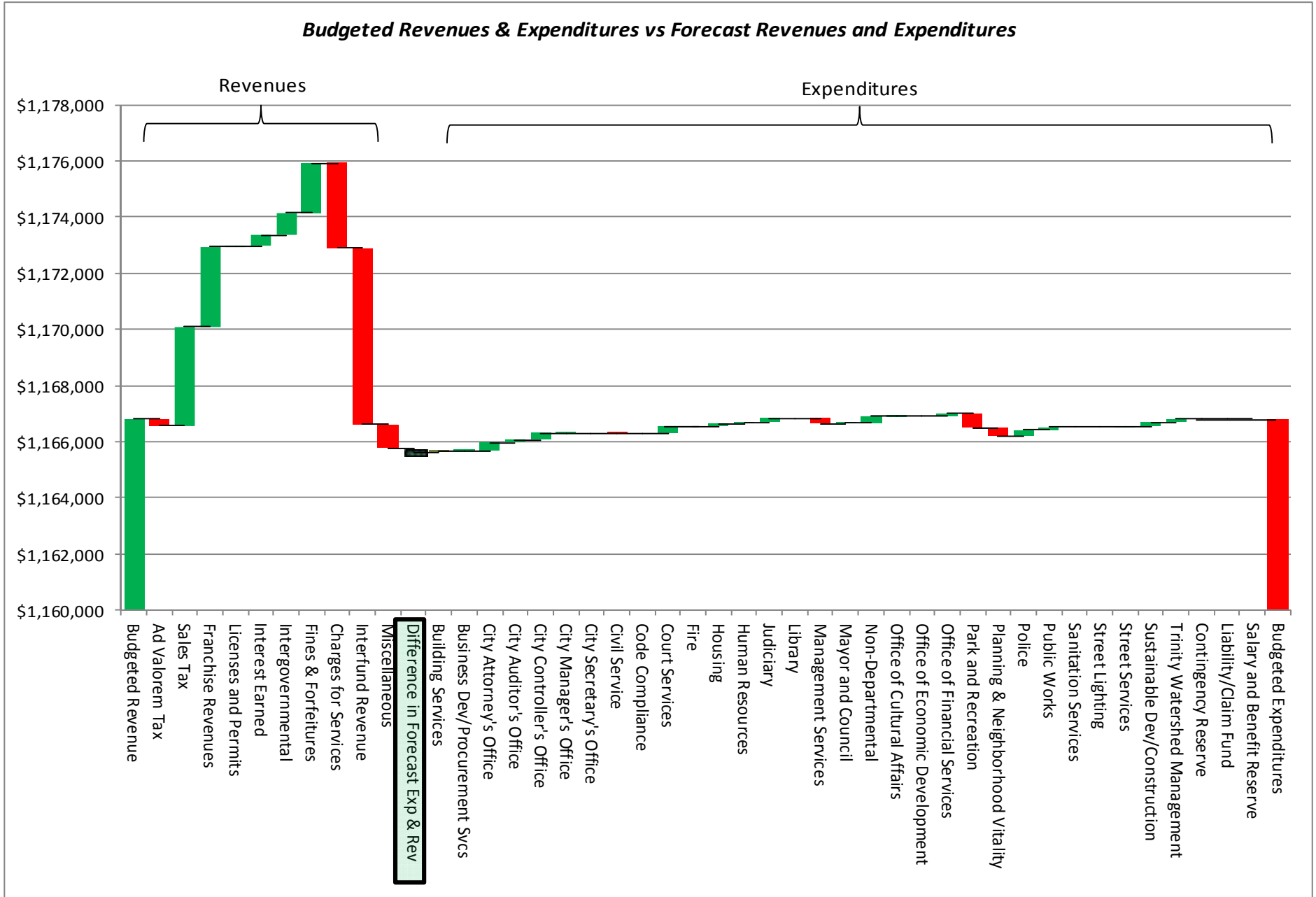


GENERAL FUND

As of May 31, 2015
(000s)

<u>ITEM</u>	<u>AMENDED BUDGET ¹</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$1,170,363	\$937,767	\$1,169,325	(\$1,038)
Expenditures	1,170,363	737,018	1,169,168	(1,195)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$200,749</u>	<u>\$157</u>	<u>\$157</u>

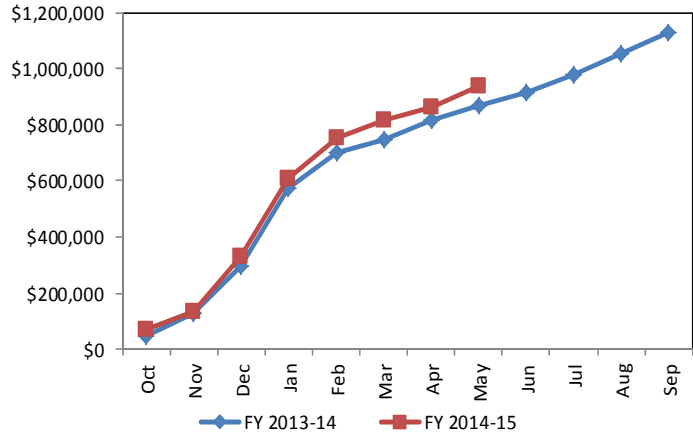
GENERAL FUND



GENERAL FUND REVENUES

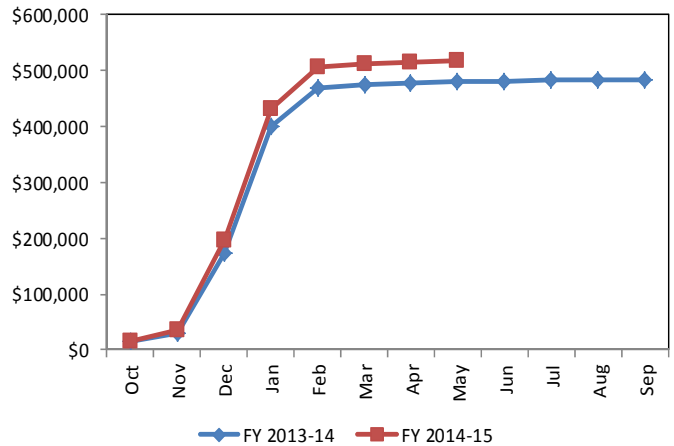
ALL SOURCES

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Variance</u>
Oct	\$49,412	\$69,308	\$19,896
Nov	78,405	65,871	(12,534)
Dec	169,703	194,702	24,999
Jan	278,416	278,998	582
Feb	122,583	144,793	22,210
Mar	51,002	60,850	9,848
Apr	65,815	45,485	(20,330)
May	54,518	77,759	23,241
Jun	45,290		
Jul	60,934		
Aug	79,531		
Sep	72,532		
Total	\$1,128,141	\$937,767	\$67,912



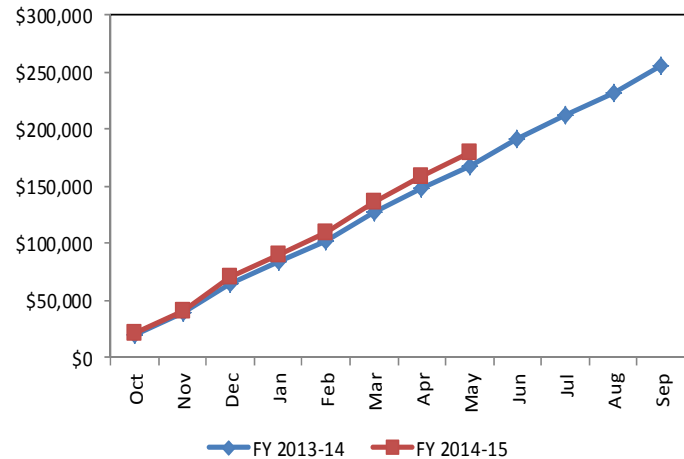
PROPERTY TAX

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Variance</u>
Oct	\$14,962	\$16,175	\$1,213
Nov	15,512	18,472	2,960
Dec	142,039	160,305	18,266
Jan	227,269	235,891	8,622
Feb	69,688	74,439	4,751
Mar	5,696	6,533	837
Apr	2,724	3,115	391
May	1,464	1,536	72
Jun	2,032		
Jul	523		
Aug	654		
Sep	677		
Total	\$483,240	\$516,466	\$37,113



SALES TAX

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Variance</u>
Oct	\$20,062	\$21,933	\$1,872
Nov	18,853	19,220	368
Dec	26,482	29,690	3,208
Jan	18,272	20,009	1,737
Feb	18,878	18,928	50
Mar	24,697	26,847	2,150
Apr	20,532	22,124	1,591
May	19,772	20,755	982
Jun	23,682		
Jul	20,546		
Aug	19,665		
Sep	24,276		
Total	\$255,716	\$179,506	\$11,959



GENERAL FUND REVENUES

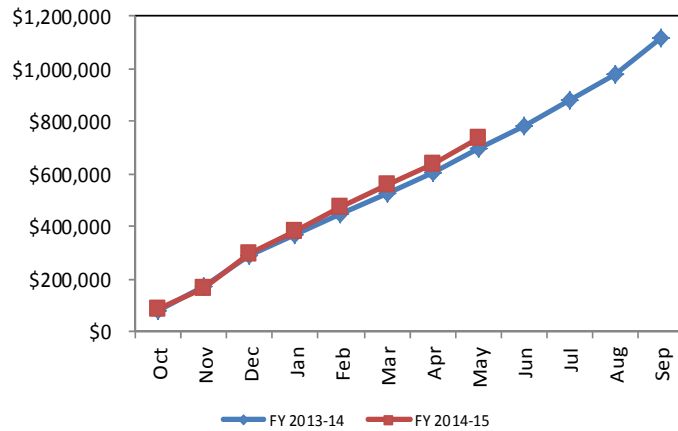
As of May 31, 2015
(000s)

	AMENDED BUDGET ¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$520,321	\$516,466	\$520,067	(\$254)
Sales Tax ²	268,666	179,506	272,210	3,544
TOTAL TAXES	788,987	695,972	792,277	3,290
FRANCHISE REVENUES				
Oncor Electric	50,014	39,866	51,233	1,219
AT&T	12,064	6,348	12,192	128
Atmos Energy ³	12,178	9,287	13,387	1,209
Time Warner Cable	5,768	2,982	5,868	100
Other	22,336	10,967	22,533	197
TOTAL FRANCHISE REVENUES	102,360	69,450	105,212	2,853
LICENSES AND PERMITS	9,857	6,937	9,862	5
INTEREST EARNED⁴	591	631	980	390
INTERGOVERNMENTAL⁵	6,638	7,182	7,432	793
FINES AND FORFEITURES				
Municipal Court ⁶	12,214	9,637	14,831	2,617
Vehicle Towing & Storage	6,978	4,632	6,972	(6)
Parking Fines ⁷	4,419	1,730	3,587	(833)
Red Light Camera Fines	7,335	0	7,335	0
Public Library	500	281	494	(6)
TOTAL FINES	31,446	16,280	33,218	1,772
CHARGES FOR SERVICE				
Sanitation Service	63,530	43,261	63,902	372
Parks	9,814	6,749	9,471	(343)
Private Disposal Fees ⁸	17,509	15,101	21,167	3,658
Emergency Ambulance ⁹	33,626	20,741	28,544	(5,082)
Security Alarm	4,510	3,029	4,400	(110)
Street Lighting ¹⁰	743	319	648	(96)
Vital Statistics	1,470	1,012	1,508	39
Other ¹¹	21,754	15,640	20,297	(1,456)
TOTAL CHARGES	152,954	105,851	149,937	(3,017)
INTERFUND REVENUE¹²	65,391	27,516	59,103	(6,288)
MISCELLANEOUS¹³	12,140	7,949	11,305	(835)
TOTAL REVENUES	\$1,170,363	\$937,767	\$1,169,325	(\$1,038)

GENERAL FUND EXPENDITURES

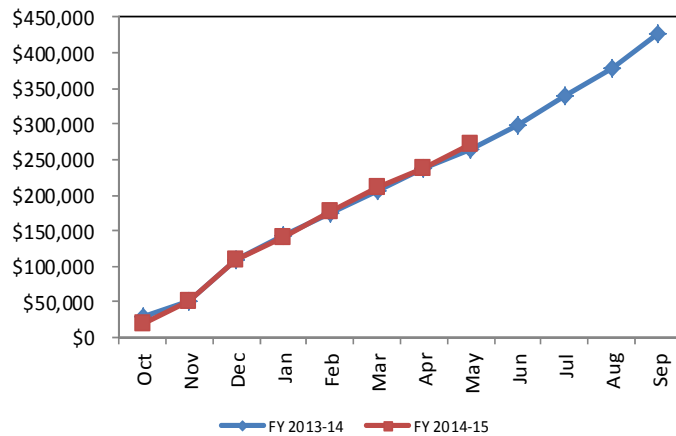
ALL EXPENSES

	FY 2013-14	FY 2014-15	Variance
Oct	\$79,179	\$83,596	\$4,417
Nov	88,876	83,285	(5,591)
Dec	118,448	128,938	10,490
Jan	84,834	82,954	(1,880)
Feb	75,046	91,324	16,278
Mar	81,882	89,279	7,397
Apr	78,188	74,745	(3,443)
May	89,869	102,897	13,028
Jun	83,353		
Jul	99,016		
Aug	98,277		
Sep	140,563		
Total	\$1,117,530	\$737,018	\$40,696



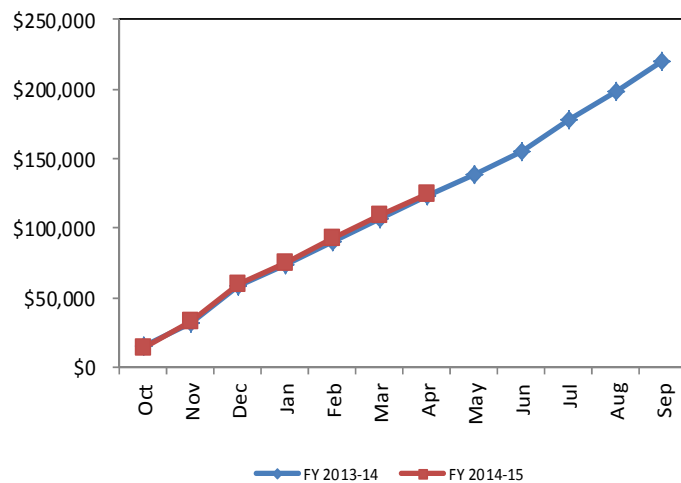
POLICE

	FY 2013-14	FY 2014-15	Variance
Oct	\$29,227	\$19,262	(\$9,965)
Nov	21,557	31,339	9,782
Dec	58,095	57,789	(306)
Jan	35,212	32,898	(2,314)
Feb	31,340	36,864	5,524
Mar	31,152	32,472	1,320
Apr	31,437	27,899	(3,538)
May	27,178	33,265	6,087
Jun	32,164		
Jul	42,757		
Aug	36,838		
Sep	49,275		
Total	\$426,231	\$271,788	\$6,590



FIRE

	FY 2013-14	FY 2014-15	Variance
Oct	\$14,775	\$13,502	(\$1,273)
Nov	17,133	19,557	2,424
Dec	26,151	26,055	(96)
Jan	15,708	16,078	370
Feb	16,476	17,117	641
Mar	16,859	17,033	174
Apr	15,798	15,062	(736)
May	15,816	17,345	1,529
Jun	16,850		
Jul	22,240		
Aug	20,946		
Sep	21,365		
Total	\$220,117	\$141,749	\$3,032



GENERAL FUND EXPENDITURES

As of May 31, 2015
(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,896	\$16,579	\$23,838	(\$58)
Business Dev/Procurement Svcs	2,855	1,758	2,845	(10)
City Attorney's Office	15,147	9,368	14,884	(263)
City Auditor's Office	2,844	1,715	2,747	(97)
City Controller's Office	5,603	2,809	5,362	(241)
City Manager's Office	1,829	1,532	1,827	(2)
City Secretary's Office	4,086	3,033	4,086	0
Civil Service	2,345	1,395	2,346	1
Code Compliance	35,383	22,949	35,383	0
Court Services	20,185	15,658	19,928	(257)
Fire	228,009	141,749	228,009	0
Housing	11,628	8,888	11,525	(103)
Human Resources	4,638	2,937	4,612	(26)
Judiciary	3,695	1,954	3,549	(146)
Library	26,144	16,330	26,144	0
Management Services	5,712	5,647	5,899	187
Mayor and Council	3,923	2,467	3,894	(29)
Non-Departmental	49,342	33,645	49,101	(241)
Office of Cultural Affairs	17,288	10,259	17,286	(1)
Office of Economic Development	1,577	1,571	1,577	0
Office of Financial Services	3,643	2,080	3,546	(96)
Park and Recreation	81,877	54,792	82,377	500
Planning & Neighborhood Vitality ¹⁴	2,527	1,709	2,816	289
Police	440,488	271,788	440,271	(217)
Public Works	6,861	6,773	6,776	(85)
Sanitation Services	75,694	44,051	75,694	0
Street Lighting	17,923	11,240	17,923	0
Street Services	65,914	35,925	65,895	(19)
Sustainable Dev/Construction ¹⁵	1,540	1,194	1,380	(160)
Trinity Watershed Management ¹⁶	1,351	602	1,231	(120)
RESERVES AND TRANSFERS				
Contingency Reserve	450	450	450	0
Liability/Claim Fund	4,170	4,170	4,170	0
Salary & Benefit Reserve	1,800	0	1,800	0
TOTAL EXPENDITURES	\$1,170,363	\$737,018	\$1,169,168	(\$1,195)

PROPRIETARY FUNDS

As of May 31, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$12,043	\$ -	\$12,043	\$ -
REVENUES:				
Parking	24,283	17,213	25,820	1,536
Terminal Concessions	18,543	12,807	19,211	668
Landing Fees	17,784	11,498	17,784	0
Rental on Airport - Terminal	13,831	9,705	14,557	726
Rental on Airport - Field	8,864	5,988	8,982	118
Fuel Flow Fees	1,236	737	1,218	(18)
All Other	2,004	1,427	2,121	117
TOTAL REVENUES	86,545	59,376	89,692	3,148
TOTAL EXPENDITURES	86,545	46,423	85,356	(1,189)
ENDING FUND BALANCE	\$12,043	\$ -	\$16,380	\$4,337
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$15,621	\$ -	\$15,621	\$ -
REVENUES:				
Hotel Occupancy Tax	50,263	29,731	50,263	0
Alcoholic Beverage Tax	9,650	5,525	10,350	700
Contract Services	7,883	7,408	10,342	2,459
All Remaining Revenues	9,595	9,500	12,575	2,980
TOTAL REVENUES ¹⁷	77,392	52,164	83,530	6,138
TOTAL EXPENDITURES ¹⁷	77,345	41,942	82,890	5,545
ENDING FUND BALANCE	\$15,667	\$ -	\$16,261	\$594

PROPRIETARY FUNDS

As of May 31, 2015

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$29,798	\$ -	\$29,798	\$ -
REVENUES:				
Building Permits	16,973	13,908	17,168	194
Certificate of Occupancy	1,324	887	1,345	21
Plan Review	3,562	2,821	3,596	34
Registration/License	1,018	657	1,018	0
Special Plats	878	646	878	0
Private Development	998	788	1,000	2
Zoning	1,172	696	1,172	0
Interest Earnings	116	126	147	31
All Remaining Revenues	1,464	1,180	1,464	0
TOTAL REVENUES	27,505	21,710	27,787	282
TOTAL EXPENDITURES	26,839	15,311	26,054	(785)
ENDING FUND BALANCE	\$30,465	\$ -	\$31,531	\$1,066

MUNICIPAL RADIO

BEGINNING FUND BALANCE	\$1,234	\$ -	\$1,234	\$ -
REVENUES:				
Local and National Sales	2,115	1,413	2,011	(104)
All Remaining Revenues	12	6	6	(6)
TOTAL REVENUES¹⁸	2,126	1,419	2,017	(109)
TOTAL EXPENDITURES	2,062	1,333	1,997	(65)
ENDING FUND BALANCE	\$1,298	\$ -	\$1,254	(\$44)

PROPRIETARY FUNDS

As of May 31, 2015

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$71,876	\$ -	\$71,876	\$ -
REVENUES:				
Treated Water - Retail	271,965	143,808	228,974	(42,991)
Treated Water - Wholesale	72,565	42,768	63,243	(9,322)
Wastewater - Retail	219,098	132,556	199,887	(19,211)
Wastewater - Wholesale	10,217	5,779	9,184	(1,032)
All Remaining Revenues	40,676	19,203	34,194	(6,482)
TOTAL REVENUES¹⁹	614,521	344,113	535,482	(79,039)
TOTAL EXPENDITURES¹⁹	614,521	310,663	535,482	(79,039)
ENDING FUND BALANCE	\$71,876	\$ -	\$71,876	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$9,991	\$ -	\$9,991	\$ -
REVENUES:				
Interdepartmental Charges	51,934	34,578	51,934	0
Telephones Leased	7,971	2,809	7,971	0
Circuits	1,501	698	1,501	0
Desktop Services	1,060	611	688	(372)
Interest	102	80	117	10
Equipment Rental	4,957	3,287	4,957	0
Miscellaneous	77	224	224	147
TOTAL REVENUES	67,603	42,288	67,392	(211)
TOTAL EXPENDITURES	70,446	41,146	69,945	(500)
ENDING FUND BALANCE	\$7,148	\$ -	\$7,438	\$290

PROPRIETARY FUNDS

As of May 31, 2015

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$3,165	\$ -	\$3,165	\$ -
REVENUES:				
Rental/Wreck	31,486	17,778	33,282	1,796
Fuel	22,597	9,899	19,941	(2,656)
Auto Auction	328	584	584	257
Miscellaneous Revenue	16	257	605	589
Interest and Other	5	0	2	(3)
TOTAL REVENUES	54,432	28,519	54,415	(17)
TOTAL EXPENDITURES	54,432	31,050	54,415	(17)
ENDING FUND BALANCE	\$3,165	\$ -	\$3,165	\$0

EXPRESS BUSINESS CENTER

BEGINNING FUND BALANCE	\$1,888	\$ -	\$1,888	\$ -
REVENUES:				
Postage Sales	2,703	1,453	2,703	0
All Other Revenues	1,278	1,139	1,520	241
TOTAL REVENUES²⁰	3,981	2,593	4,223	241
TOTAL EXPENDITURES	4,812	2,378	4,809	(3)
ENDING FUND BALANCE	\$1,058	\$ -	\$1,302	\$244

OTHER FUNDS

As of May 31, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,837	\$ -	\$5,837	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	5,968	3,987	6,272	304
9-1-1 Service Receipts - Wireline	6,909	4,709	6,959	51
Interest and Other	41	37	57	16
TOTAL REVENUES	12,918	8,733	13,288	370
TOTAL EXPENDITURES	17,239	9,801	17,200	(40)
ENDING FUND BALANCE	\$1,515	\$ -	\$1,925	\$410
STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$4,620	\$ -	\$4,620	\$ -
REVENUES:				
Storm Water Fees	51,079	33,490	51,079	0
TOTAL REVENUES	51,079	33,490	51,079	0
TOTAL EXPENDITURES	53,599	20,775	53,355	(243)
ENDING FUND BALANCE	\$2,099	\$ -	\$2,343	\$243

OTHER FUNDS

As of May 31, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
TOTAL EXPENDITURES	\$1,370	\$440	\$1,345	(\$25)
RISK MANAGEMENT				
TOTAL EXPENDITURES ²¹	\$2,525	\$1,654	\$2,303	(\$222)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2014				\$5,464
Budgeted Revenue				5,634
FY 2014-15 Available Funds				11,097
Paid October 2014				(155)
Paid November 2014				(382)
Paid December 2014				(523)
Paid January 2015				(550)
Paid February 2015				(484)
Paid March 2015				(607)
Paid April 2015				(564)
Paid May 2015				(200)
Balance as of May 31, 2015				\$7,633

DEBT SERVICE FUND

As of May 31, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$2,012	\$ -	\$2,012	\$ -
REVENUES:				
Ad Valorem	214,354	212,605	214,402	48
Interest/Transfers/Other	20,842	251	20,842	0
TOTAL REVENUES	235,197	212,856	235,244	48
EXPENDITURES:				
TOTAL EXPENDITURES	229,908	181,759	226,619	(3,289)
ENDING FUND BALANCE	\$7,300	\$ -	\$10,637	\$3,337

NOTES

(Dollars in 000s)

1. The General Fund Budget was amended/increased based on Council's approved use of contingency reserve funds by \$129 on December 10, 2014 by CR# 14-2194 (Bridge Steps operational costs), by \$587 on March 25, 2015 by CR#15-0555 (Council election), by \$472 on May 20, 2015 by CR#15-0907 (Council runoff election), by \$62 on June 17 by CR#15-1153 (social media archiving and public information act request software), and by \$2,428 on June 17, 2015 by CR#15-1231 (squad car purchase).
2. Sales tax revenue is projected to be \$3,544 above budget due to the improved economy.
3. Atmos Energy revenue is projected to be \$1,209 above budget due to a cooler winter which resulted in higher natural gas consumption.
4. Interest Earned is projected to be \$390 above budget due to higher interest allocation as a result of an increased General Fund cash balance.
5. Intergovernmental revenue is projected to be \$793 above budget due to higher than expected payments from Euless and Irving as part of the DFW Airport revenue sharing agreement.
6. Municipal Court revenue is projected to be \$2,617 above budget based on analysis of year end collection revenues of the previous two fiscal years.
7. Parking Fine revenues are projected to be \$833 below budget due in part to reduced ticket issuance as a result of increased compliance with the introduction of pay by phone meters.
8. Private Disposal Fees are projected to be \$3,658 above budget primarily due to an increase in activity from cash customers and an increase in activity from credit customers due to temporary closure of the Lewisville Landfill as a result of flooding.
9. Emergency Ambulance revenue is projected to be \$5,082 below budget due to a reduction in the reimbursement from the State as a result of the increased number of ambulance service providers requesting reimbursement.
10. Street Lighting revenue is projected to be \$96 below budget due to a reduction in expenses that are reimbursable by TxDOT.
11. Other Charges for Service revenues are projected to be \$1,456 below budget primarily due to a later than anticipated start date of the Mobile Community Health program and lower than expected fire inspection permits.
12. Interfund revenue is projected to be \$6,288 below budget due to deferred transfers from internal City funds and a lower than anticipated Street Rental payment from Water Utilities due to a decline in water revenues.
13. Miscellaneous revenues are projected to be \$835 below budget primarily due to lower than expected revenue related to the water/sewer line home warranty program.

NOTES

(Dollars in 000s)

14. Planning and Neighborhood Vitality is projected to be \$289 above budget due to previously grant funded employees being moved to the general fund.
15. Sustainable Development and Construction is projected to be \$160 below budget due to vacancies.
16. Trinity Watershed Management is projected to be \$120 below budget due to vacancies.
17. Convention and Event Services revenues are projected to be \$6,138 above budget primarily due to higher than projected concession revenues resulting from 35 additional events as well as parking fees, higher alcoholic beverage tax receipts, and a contribution from DCVB for deferred maintenance needs. Expenses are projected to be \$5,545 above budget primarily due to expenses for providing food and beverage service for a greater number of events as well as a capital construction transfer to address facility maintenance.
18. Municipal Radio revenues are projected to be \$109 below budget due to the sale of commercials being less than planned.
19. Water Utilities revenues and expenses are both projected to be \$79,039 below budget. Revenues are projected to be under budget as a result of reduced water consumption resulting from increased rainfall. Expenses are projected to be under budget primarily due to a reduction in the transfer to fund capital projects, savings from revenue bond refunding, and salary savings.
20. Express Business Center revenues are projected to be \$241 above budget primarily due to increased handling charges related to auto auctions.
21. Risk Management is projected to be \$222 below budget due to vacancies.