

Memorandum



CITY OF DALLAS

DATE February 16, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2017-18 Financial Forecast Report**

Please find attached the Financial Forecast Report based on information through December 2017.

We currently forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$1.5 million. Revenues are forecast to be \$149,000 above budget primarily due to sales tax revenues. Expenses are forecast to be \$1.4 million below budget primarily due to personnel services savings.

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

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

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

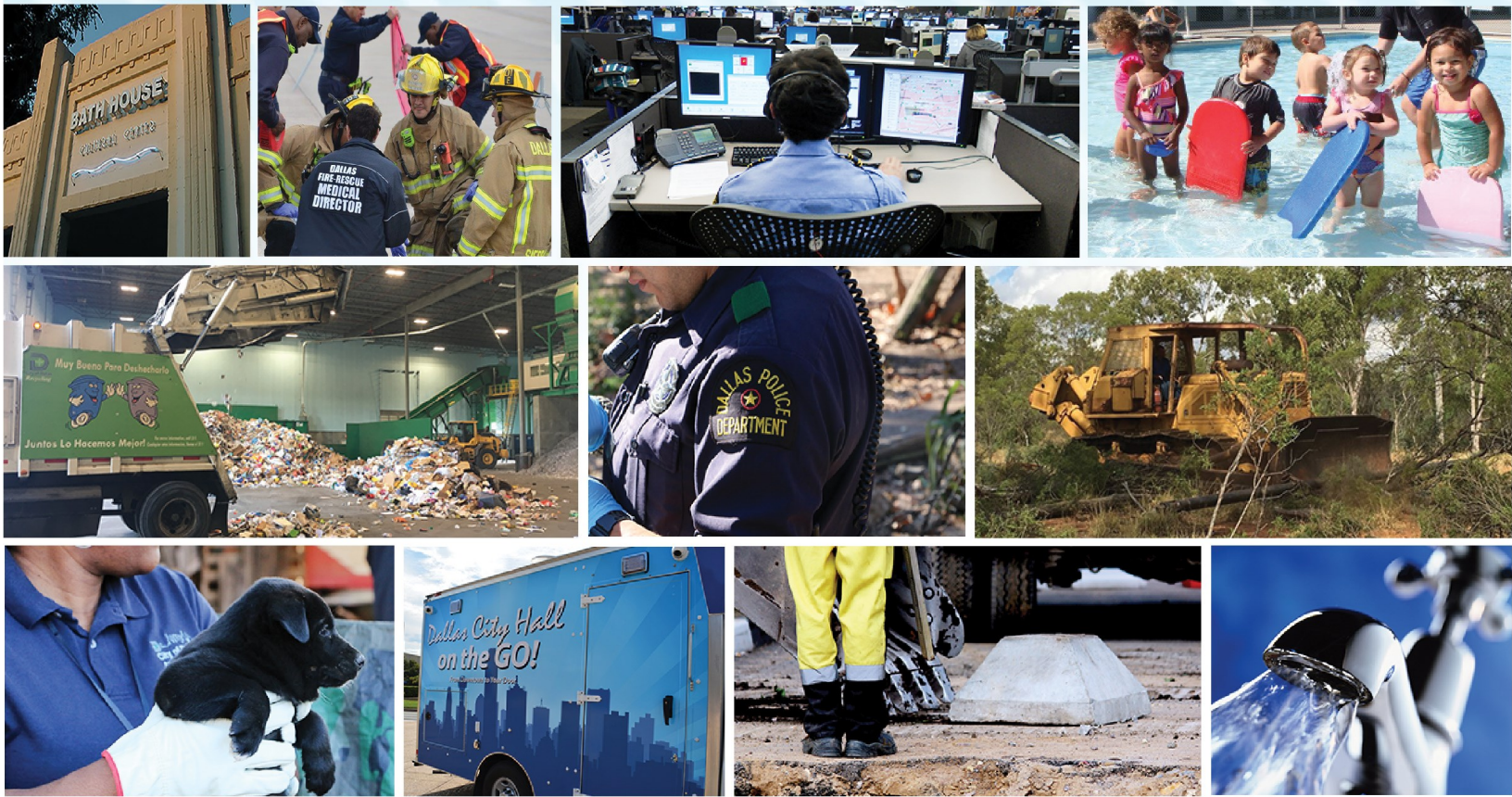
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant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



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of December 31, 2017

SERVICE FIRST



GENERAL FUND OVERVIEW

As of December 31, 2017

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192	\$160,617,192	\$ 160,617,192	\$0
Revenues	1,276,420,942	1,276,679,909	342,217,082	1,276,828,687	148,778
Expenditures	1,276,420,942	1,276,679,909	280,284,022	1,275,309,015	(1,370,894)
Ending Fund Balance	\$160,617,192	\$160,617,192	\$222,550,252	\$162,136,864	\$1,519,672

SUMMARY

The General Fund overview provides a summary of financial activity through December 31, 2017. 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. The summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of December 31, 2017, the beginning fund balance represents the FY 2015-16 audited beginning fund balance and does not reflect projected year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018.

Through the first three months of this fiscal year, General Fund revenues are forecast to exceed expenses by \$1.5 million. Revenues are forecast to be above budget by \$149,000 and expenditures below budget by \$1.4 million.

Revenues. Through December 31, 2017, General Fund revenues are projected to be above budget by \$149,000.

Expenditures. Through December 31, 2017, General Fund expenditures are projected to be under budget by \$1.4 million. Most departments are under budget as a result of vacancies. The General Fund budget was increased on October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing and on 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 Wily Theatre.

GENERAL FUND REVENUES

As of December 31, 2017

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax	\$652,067,958	\$652,067,958	\$210,578,106	\$652,067,958	\$ -
Sales Tax ¹	303,349,086	303,349,086	78,262,291	303,535,182	186,096
Franchise & Other	135,319,609	135,319,609	30,198,334	135,319,609	0
Charges for Services	103,578,036	103,578,036	13,636,916	103,933,511	355,475
Fines and Forfeitures ²	36,515,082	36,515,082	5,462,696	35,954,678	(560,404)
Operating Transfers In ³	22,777,865	22,917,269	139,404	22,917,269	0
Intergovernmental	9,548,046	9,667,609	487,409	9,652,513	(15,096)
Miscellaneous	6,580,004	6,580,004	1,684,490	6,709,459	129,455
Licenses & Permits	4,668,685	4,668,685	1,569,536	4,721,167	52,482
Interest	2,016,571	2,016,571	197,901	2,017,340	769
Total Revenue	\$1,276,420,942	\$1,276,679,909	\$342,217,082	\$1,276,828,687	\$148,778

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. In addition, charts depicting all revenue sources, property tax and sales tax are provided on the following page.

1 Sales Tax. Sales tax revenues are forecast to be 0.4 percent (\$186,000) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.2 percent over the most recent 12 months.

2 Fines and Forfeitures. Fines and forfeitures are projected to be \$560,000 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.

3 Operating Transfer In. Operating Transfer In was amended on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylly Theatre.

GENERAL FUND EXPENDITURES

As of December 31, 2017

Expenditure Category	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$236,546,940	\$45,709,869	\$233,313,900	(\$3,233,040)
Civilian Overtime	6,087,198	1,855,467	7,617,244	1,530,046
Civilian Pension	33,951,120	6,654,438	33,595,538	(355,582)
Uniform Pay	401,698,616	93,164,329	392,210,849	(9,487,767)
Uniform Overtime	32,197,371	12,304,546	41,485,861	9,288,490
Uniform Pension	153,665,564	33,933,926	153,665,564	0
Health Benefits	62,812,518	13,354,975	62,812,518	0
Workers Comp	10,211,638	0	10,211,638	0
Other Personnel Services	13,338,016	2,139,939	13,146,217	(191,799)
Total Personnel Services ¹	950,508,981	209,117,489	948,086,848	(2,449,652)
Supplies ²	76,585,788	17,608,858	78,498,204	1,912,416
Contractual Services ³	340,212,296	53,143,134	341,485,685	1,273,389
Capital Outlay ⁴	8,000,250	1,406,025	8,704,094	703,844
Reimbursements ⁵	(98,627,406)	(991,483)	(101,438,297)	(2,810,891)
Total Expenditures	\$1,276,679,909	\$280,284,022	\$1,275,336,534	(\$1,370,894)

VARIANCE NOTES

1 Personnel Services. Year-end forecast variance of \$2.4 million is due to civilian and uniform salary savings. Uniform overtime YE forecast assumes \$8.1 million for the Dallas Police Department and \$1.2 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 \$1.9 million over budget, primarily attributed to \$1.0 million budgeted in Contractual Services in the Park & Recreation department but spent from Supplies. Additional expenses include the purchase of ballistic helmets for Dallas Police Department (\$685,000), and fire station supplies needed by Dallas Fire Rescue (\$117,000).

3 Contractual Services. Current year-end forecast is \$1.3 million over budget due to approved use of personnel services savings for contract temporary help, day labor, and/or contract services that are providing personnel to accomplish the department services.

4 Capital Outlay. Current year-end forecast is \$704,000 over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement and an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance.

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 \$2.8 million greater than budget, primarily due to a \$1.8 million greater than budgeted reimbursement to the Dallas Police Department from the 911 Tech Fund, a \$350,000 Dallas Animal Services reimbursement from a special revenue fund for vehicles, and a \$221,000 greater than budgeted reimbursement to Dallas Fire Rescue from Aviation for two full-time paramedics assigned to Love Field Airport.

GENERAL FUND EXPENDITURES

As of December 31, 2017

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$28,590,583	\$28,590,583	\$6,894,660	\$28,590,583	\$0
City Attorney's Office	16,788,175	16,788,175	3,485,370	16,740,633	(47,542)
City Auditor's Office ¹	3,360,043	3,360,043	618,964	3,179,671	(180,372)
City Controller's Office ²	5,351,812	5,379,331	1,222,205	5,379,331	0
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,266,902	507,130	2,266,494	(408)
City Secretary ³	2,367,327	2,632,693	576,551	2,654,200	21,507
Civil Services	3,080,815	3,080,815	608,791	3,024,207	(56,608)
Code Compliance	30,438,826	30,438,826	6,305,670	30,438,826	0
Court Services	11,627,393	11,627,393	2,402,317	11,603,005	(24,388)
Jail Contract	8,484,644	8,484,644	1,414,107	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	3,005,026	13,934,015	(73,144)
Dallas Fire Department	267,026,909	267,026,909	65,224,627	267,024,995	(1,914)
Dallas Police Department	465,522,805	465,522,805	106,388,603	465,522,805	0
Housing and Neighborhood Services	3,668,283	3,668,283	656,275	3,668,283	0
Human Resources	5,234,618	5,234,618	1,199,366	5,202,373	(32,245)
Judiciary	3,454,079	3,454,079	763,433	3,351,766	(102,313)
Library	31,279,877	31,279,877	6,678,135	30,808,358	(471,519)
Office of Management Services					
311 Customer Services	3,509,120	3,509,120	1,440,074	3,480,834	(28,286)
Center for Performance Excellence ⁴	1,265,811	1,265,811	401,620	1,177,845	(87,966)
Council Agenda Office	224,495	224,495	44,841	224,495	0
EMS Compliance Program	340,988	340,988	60,569	339,249	(1,739)
Ethics and Diversity	97,631	97,631	459	97,631	0
Fair Housing ⁵	278,274	397,837	166,051	397,837	0
Office of Strategic Partnerships	726,947	726,947	190,502	703,849	(23,098)
Office of Business Diversity ⁶	793,297	793,297	130,995	739,828	(53,469)
Office of Community Care	4,932,564	4,932,564	766,375	4,932,339	(225)
Office of Emergency Management	715,020	715,020	410,727	715,020	0
Office of Environmental Quality ⁷	1,197,487	1,197,487	786,839	1,149,517	(47,970)
Office of Homeless Solutions	10,081,328	10,081,328	600,928	10,081,328	0
Public Affairs and Outreach ⁸	1,666,011	1,400,645	272,123	1,400,645	0
Resiliency Office	353,875	353,875	70,926	353,875	0
Welcoming Communities	428,845	428,845	66,625	428,845	0
Mayor and City Council	4,820,561	4,820,561	972,611	4,820,561	0
Non-Departmental	77,323,336	77,323,336	3,582,631	77,323,336	0
Office of Budget	3,406,338	3,406,338	656,240	3,403,796	(2,542)
Office of Cultural Affairs ⁹	20,268,063	20,407,467	8,963,045	20,407,467	0
Office of Economic Development	4,840,594	4,840,594	1,023,336	4,840,594	0
Park and Recreation ¹⁰	98,005,546	98,005,546	23,371,829	98,195,683	190,137
Planning and Urban Design	2,911,297	2,911,297	576,586	2,900,626	(10,671)
Procurement Services	2,389,442	2,389,442	480,504	2,368,623	(20,819)
Public Works	73,137,927	73,137,927	18,105,519	72,872,382	(265,545)
Sustainable Development	1,656,869	1,656,869	766,723	1,605,406	(51,463)
Transportation ¹¹	44,325,574	44,325,574	8,217,206	44,327,282	1,708
Trinity Watershed Management	1,302,754	1,302,754	206,908	1,302,754	0
Total Departments	\$1,264,441,401	\$1,264,727,887	\$280,284,022	\$1,263,356,993	(\$1,370,894)
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 ¹²	2,650,000	2,622,481	0	2,622,481	0
Total Expenditures	\$1,276,420,942	\$1,276,679,909	\$280,284,022	\$1,275,309,015	(\$1,370,894)

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 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$180,000 below budget due to salary savings associated with attrition, including four vacancies planned to be filled in the second quarter of the fiscal year.

2 City Controller's Office. Salary and Benefit Reserve funds totaling \$27,500 were allocated to the City Controller's Office.

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). City Secretary's Office expenditures are forecast to be \$22,000 over budget due to an office expansion needed to accommodate the new open records division.

4 Center for Performance Excellence. Center for Performance Excellence expenditures are forecast to be \$88,000 under budget primarily due to salary and benefit savings associated with current employee salaries for two FTE(s) being lower than anticipated.

5 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.

6 Office of Business Diversity. Office of Business Diversity expenditures are forecast to be \$53,000 below budget due to salary savings associated with two vacant positions planned to be filled in January 2018 and the end of February 2018.

7 Office of Environmental Quality. Office of Environmental Quality expenditures are forecast to be \$48,000 below budget primarily due to salary savings associated with four vacant positions that are expected to be filled in January, February, and July 2018.

8 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.

9 Office of Cultural Affairs. Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre.

10 Park and Recreation. Park and Recreation expenditures are forecast to be \$190,000 over budget due to unbudgeted vacation/sick termination payments. Additional attrition throughout the year may offset this overage.

11 Transportation. Transportation expenditures are forecast to be \$2,000 over budget due to unbudgeted monthly modem maintenance in new traffic signals. Transportation is working to fully absorb this variance before year-end.

12 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$27,500 were allocated to the City Controller's Office.

ENTERPRISE FUNDS

As of December 31, 2017

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION					
Beginning Fund Balance	\$10,469,442	\$10,469,442	\$10,469,442	\$10,469,442	\$0
Total Revenues:	127,028,405	127,028,405	28,348,145	127,028,405	0
Total Expenditures:	127,028,405	127,028,405	17,371,007	127,028,405	0
Ending Fund Balance	\$10,469,442	\$10,469,442	\$21,446,580	\$10,469,441	\$0
CONVENTION AND EVENT SERVICES¹					
Beginning Fund Balance	\$32,258,124	\$32,258,124	\$32,258,124	\$32,258,124	\$0
Total Revenues:	97,787,266	97,787,266	16,556,597	101,805,170	4,017,904
Total Expenditures:	97,787,266	97,787,266	9,927,928	100,876,125	3,088,859
Ending Fund Balance	\$32,258,124	\$32,258,124	\$38,886,793	\$33,187,169	\$929,045
MUNICIPAL RADIO					
Beginning Fund Balance	\$1,217,847	\$1,217,847	\$1,217,847	\$1,217,847	\$0
Total Revenues:	2,098,813	2,098,813	509,667	2,098,813	0
Total Expenditures:	2,051,318	2,051,318	640,751	2,051,318	0
Ending Fund Balance	\$1,265,342	\$1,265,342	\$1,086,763	\$1,265,342	\$0
SANITATION SERVICES²					
Beginning Fund Balance	\$15,052,459	\$15,052,459	\$15,052,459	\$15,052,459	\$0
Total Revenues:	102,279,097	102,279,097	29,282,640	103,422,787	1,143,690
Total Expenditures:	102,279,097	102,279,097	16,372,276	102,279,097	0
Ending Fund Balance	\$15,052,459	\$15,052,459	\$27,962,824	\$16,196,149	\$1,143,690
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490	\$4,546,490	\$4,546,490	\$0
Total Revenues:	55,987,895	55,987,895	13,987,285	55,672,637	(315,258)
Total Expenditures:	55,936,837	55,936,837	6,136,915	55,635,714	(301,123)
Ending Fund Balance	\$4,597,548	\$4,597,548	\$12,396,860	\$4,583,413	(\$14,135)
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION³					
Beginning Fund Balance	\$37,809,029	\$37,809,029	\$37,809,029	\$37,809,029	\$0
Total Revenues:	31,711,218	31,711,218	8,150,089	31,417,864	(293,354)
Total Expenditures:	32,376,190	32,376,190	5,685,828	32,376,190	0
Ending Fund Balance	\$37,144,057	\$37,144,057	\$40,273,290	\$36,850,703	(\$293,354)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
WATER UTILITIES⁴					
Beginning Fund Balance	\$84,788,025	\$84,788,025	\$84,788,025	\$84,788,025	\$0
Total Revenues:	667,471,388	667,471,388	169,202,750	667,471,388	0
Total Expenditures:	667,471,388	667,471,388	110,770,517	643,354,172	(24,117,216)
Ending Fund Balance	\$84,788,025	\$84,788,025	\$143,220,258	\$108,905,240	\$24,117,215

INTERNAL SERVICES FUNDS

As of December 31, 2017

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁵					
Beginning Fund Balance	\$10,959,687	\$10,959,687	\$10,959,687	\$10,959,687	\$0
Total Revenues:	67,963,283	67,963,283	9,936,112	67,963,283	0
Total Expenditures:	70,242,680	70,242,680	26,314,381	70,242,680	0
Ending Fund Balance	\$8,680,290	\$8,680,290	(\$5,418,582)	\$8,680,290	\$0
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356	\$2,537,356	\$2,537,356	\$0
Total Revenues:	4,823,063	4,823,063	319,221	4,823,063	0
Total Expenditures:	4,823,063	4,823,063	979,995	4,823,063	0
Ending Fund Balance	\$2,537,356	\$2,537,356	\$1,876,581	\$2,537,356	\$0
EQUIPMENT SERVICES					
Beginning Fund Balance	\$5,611,863	\$5,611,863	\$5,611,863	\$5,611,863	\$0
Total Revenues:	52,652,059	52,652,059	8,066,232	52,745,937	93,878
Total Expenditures:	52,652,059	52,652,059	7,373,470	52,652,059	0
Ending Fund Balance	\$5,611,863	\$5,611,863	\$6,304,625	\$5,705,741	\$93,878
EXPRESS BUSINESS CENTER					
Beginning Fund Balance	\$2,011,100	\$2,011,100	\$2,011,100	\$2,011,100	\$0
Total Revenues:	4,231,450	4,231,450	938,518	4,231,489	39
Total Expenditures:	3,740,420	3,740,420	577,507	3,736,925	(3,495)
Ending Fund Balance	\$2,502,130	\$2,502,130	\$2,372,111	\$2,505,665	\$3,535

OTHER FUNDS

As of December 31, 2017

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁶					
Beginning Fund Balance	\$5,941,912	\$5,941,912	\$5,941,912	\$5,941,912	\$0
Total Revenues:	12,539,195	12,539,195	2,749,891	11,914,149	(625,046)
Total Expenditures:	15,048,378	15,048,378	1,422,128	16,823,576	1,775,198
Ending Fund Balance	\$3,432,729	\$3,432,729	\$7,269,675	\$1,032,485	(\$2,400,244)

Note: FY 2017-18 Budget reflects planned use of fund balance.

DEBT SERVICE

Beginning Fund Balance	\$13,769,804	\$13,769,804	\$13,769,804	\$13,769,804	\$0
Total Revenues:	278,149,358	278,149,358	84,074,803	278,149,358	0
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164	\$97,844,607	\$24,596,164	\$0

EMPLOYEE BENEFITS⁷

City Contributions	\$86,088,120	\$86,088,120	\$20,832,127	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	10,836,117	38,086,396	0
Retiree	30,118,491	30,118,491	7,637,458	30,118,491	0
Other	0	0	(11,513)	(11,513)	(11,513)
Total Revenues:	154,293,007	154,293,007	39,294,189	154,281,494	(11,513)
Total Expenditures:	\$154,293,007	\$154,293,007	\$19,826,072	\$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 MANAGEMENT⁸

Worker's Compensation	\$13,219,304	\$13,219,304	\$195,860	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	228,852	10,203,093	0
Purchased Insurance	3,090,183	3,090,183	(529)	3,090,183	0
Interest and Other	406,970	406,970	0	406,970	0
Total Revenues:	26,919,550	26,919,550	424,182	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$4,503,869	\$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 December 31, 2017, the beginning fund balance represents the FY 2015-16 audited beginning fund balance and does not reflect projected year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018. 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 revenues are projected to exceed budget by \$4.0 million primarily due to heavier than anticipated use of catering services at various national corporate events held at the Convention Center. Expenditures are projected to be \$3.1 million greater than budget primarily due to a \$2 million increase in Food Service expenses associated with the increase in catering service revenues, an additional \$1.9 million Capital Construction transfer, and \$600,000 in electrical equipment purchases approved by City Council.

2 Sanitation Services. Sanitation Services revenues are projected \$1.1 million over budget due to private disposal fees at the landfill.

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

4 Water Utilities. Water Utilities expenditures are projected to be \$24.1 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA) that was budgeted at \$24.1 million. The savings will be used to minimize future rate increases. City Council will be briefed on this topic in February 2018.

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

6 9-1-1 System Operations. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance and a \$1.8 million greater than budgeted reimbursement to the Dallas Police Department. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services.

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

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



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