

# Memorandum



CITY OF DALLAS

DATE May 18, 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 March 2018. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April report.

Through the end of March, General Fund revenues are forecast to exceed expenses at the end of the fiscal year by \$6.7 million. Revenues are forecast to exceed budget by \$7.3 million while expenses are forecast to be below budget by \$0.6m.

On April 25, you approved an increase to the General Fund budget in the amount of \$3.7 million from the \$6.7 million forecast surplus to help address Fire-Rescue Department's overtime expenses.

Details related to 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  
Daniel F. Solis, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

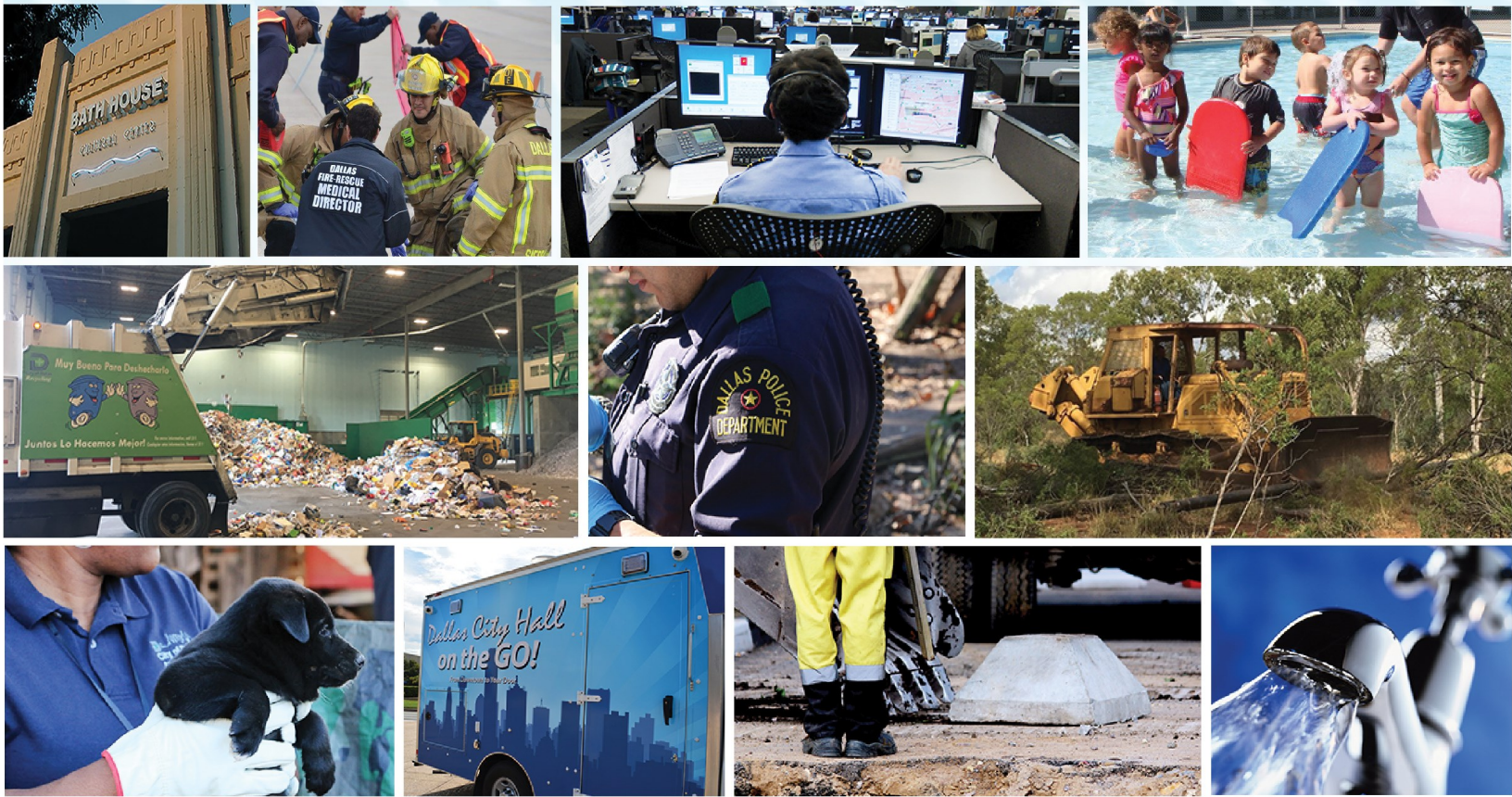
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors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



# FY 2017-18 FINANCIAL FORECAST REPORT

Information as of March 31, 2018

## SERVICE FIRST



# GENERAL FUND OVERVIEW

As of March 31, 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	1,278,812,888	867,249,760	1,286,105,167	7,292,279
Expenditures	1,276,420,942	1,278,812,888	582,602,518	1,279,380,202	567,314
Ending Fund Balance	\$160,617,192	\$160,617,192		\$178,472,769	\$17,855,577

## SUMMARY

The General Fund overview provides a summary of financial activity through March 31, 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 March 31, 2018, the Year-End Forecast beginning fund balance represents the FY 2016-17 unassigned ending fund balance and includes FY 2016-17 year-end savings.

**Revenues.** Through March 31, 2018, General Fund revenues are projected to be above budget by \$7.3 million primarily due to property taxes trending above average; Emergency Ambulance revenue from the State; electric, fiber optic, and commercial container franchise fees; and a new contract with the State Fair for patrol services.

**Expenditures.** Through March 31, 2018, General Fund expenditures are projected to be over budget by \$0.6 million due to overtime in Dallas Fire Rescue (DFR) offset by savings in other departments. Most departments are under budget as a result of vacancies.

**Amendments.** 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;
- 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; and
- 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.

# GENERAL FUND REVENUES

As of March 31, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax <sup>1</sup>	\$652,067,958	\$652,067,958	\$644,989,349	\$653,988,652	\$1,920,694
Sales Tax <sup>2</sup>	303,349,086	303,349,086	100,845,608	302,975,220	(373,866)
Franchise & Other <sup>3</sup>	135,319,609	135,319,609	65,936,303	138,147,158	2,827,549
Charges for Services <sup>4</sup>	103,578,036	103,578,036	33,434,144	106,119,704	2,541,668
Fines and Forfeitures <sup>5</sup>	36,515,082	36,515,082	11,862,195	35,089,028	(1,426,054)
Operating Transfers In <sup>6</sup>	22,777,865	25,169,811	139,404	25,169,811	0
Intergovernmental	9,548,046	9,548,046	998,271	9,650,072	102,026
Miscellaneous <sup>7</sup>	6,580,004	6,580,004	4,025,471	7,481,775	901,771
Licenses & Permits	4,668,685	4,668,685	3,082,698	4,669,418	733
Interest <sup>8</sup>	2,016,571	2,016,571	1,936,317	2,814,329	797,758
<b>Total Revenue</b>	<b>\$1,276,420,942</b>	<b>\$1,278,812,888</b>	<b>\$867,249,760</b>	<b>\$1,286,105,167</b>	<b>\$7,292,279</b>

## 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 0.29 percent (\$1,920,000) greater than budget based on current year property tax and penalties and interest trending above average.

**2 Sales Tax.** Sales tax revenues are forecast to be 0.1 percent (\$373,000) less than budget based on most recent sales tax receipts. Sales tax receipts have increased by 0.9 percent over the most recent 12 months.

**3 Franchise and Other.** Franchise and Other revenues are projected to be 0.97 percent (\$2,830,000) over budget primary due to electric, fiber optics, and commercial container franchise fees.

**4 Charges for Service.** Charges for services revenues are forecast to be 2.3 percent (\$2,540,000) greater than budget primarily due to a \$1.3 million increase in the Emergency Ambulance revenue from the State and a new agreement signed with State Fair for police patrol services in which FY 2017-18 received revenue for prior years State Fairs (\$1,000,000).

**5 Fines and Forfeitures.** Fines and forfeitures are projected to be 3.9 percent (\$1,430,000) 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 (\$929,000) and a decrease of 8,000 traffic citations over the same time period last year (\$578,000).

**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
- 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 Wylie Theater.

# VARIANCE NOTES

**7 Miscellaneous.** Miscellaneous revenue is projected to be 13.7 percent (\$900,000) greater than budget primarily due to an \$800,000 reimbursement 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 40 percent (\$798,000) over budget based on current trends.

# GENERAL FUND EXPENDITURES

As of March 31, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$234,373,044	\$236,552,789	\$105,557,702	\$231,619,712	(\$4,933,077)
Civilian Overtime	6,087,198	6,087,198	4,233,297	8,406,361	2,319,163
Civilian Pension	33,654,027	33,951,878	15,346,523	33,123,642	(828,236)
Uniform Pay	397,751,284	401,698,616	184,516,595	393,279,989	(8,418,627)
Uniform Overtime	32,141,841	32,197,371	24,066,407	44,475,074	12,277,703
Uniform Pension	151,450,013	153,665,564	68,751,286	153,665,564	0
Health Benefits	62,526,985	62,812,518	28,500,376	62,812,518	0
Workers Comp	10,211,638	10,211,638	0	10,211,638	0
Other Personnel Services	10,600,247	10,688,092	4,621,974	10,983,886	295,794
Total Personnel Services <sup>1</sup>	938,796,277	947,865,664	435,594,159	948,578,384	712,720
Supplies <sup>2</sup>	76,688,160	77,667,357	35,098,019	77,576,000	(91,357)
Contractual Services <sup>3</sup>	341,963,586	343,577,781	123,738,183	347,558,506	3,980,725
Capital Outlay <sup>4</sup>	8,000,250	8,329,492	2,791,035	9,322,853	993,361
Reimbursements <sup>5</sup>	(89,027,331)	(98,627,406)	(14,618,880)	(103,655,541)	(5,028,135)
Total Expenditures	\$1,276,420,942	\$1,278,812,888	\$582,602,518	\$1,279,380,202	\$567,314

## VARIANCE NOTES

**1 Personnel Services.** Current year-end forecast is \$713,000 over budget primarily due to uniform overtime expenses. Uniform overtime YE forecast assumes \$6.0 million for the Dallas Police Department and \$6.2 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 \$91,000 below budget resulting from other supplies, tools, uniform, and software purchases.

**3 Contractual Services.** Current year-end forecast is \$4.0 million over budget primarily due to contract temporary help, credit card charges, equipment maintenance and Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment.

**4 Capital Outlay.** Current year-end forecast is \$993,000 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 \$5.0 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;
- \$948,000 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;
- \$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;

## VARIANCE NOTES

- \$313,500 Public Works greater than budgeted reimbursement for staff time on TIF projects;
- \$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
- \$60,000 Office of Cultural Affairs greater than budgeted reimbursement from the Hotel Occupancy Tax Fund.

# GENERAL FUND EXPENDITURES

As of March 31, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$28,590,583	\$28,667,529	\$14,885,855	\$28,664,493	(\$3,036)
City Attorney's Office	16,788,175	16,788,175	7,679,495	16,657,786	(130,389)
City Auditor's Office <sup>1</sup>	3,360,043	3,360,043	1,351,832	3,143,878	(216,165)
City Controller's Office	5,351,812	5,379,331	2,552,278	5,351,812	(27,519)
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,348,029	1,190,069	2,348,029	0
City Secretary <sup>2</sup>	2,367,327	2,632,693	1,225,490	2,642,297	9,604
Civil Service	3,080,815	3,080,815	1,382,463	3,078,647	(2,168)
Code Compliance	30,438,826	30,438,826	13,171,881	30,438,826	0
Court Services	11,627,393	11,627,393	5,862,734	11,597,971	(29,422)
Jail Contract	8,484,644	8,484,644	3,535,268	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	6,783,674	13,964,017	(43,142)
Dallas Fire Department <sup>3</sup>	267,026,909	267,026,909	129,538,812	270,806,652	3,779,743
Dallas Police Department <sup>4</sup>	465,522,805	464,763,484	214,642,938	464,763,484	0
Housing and Neighborhood Services <sup>5</sup>	3,668,283	3,845,682	1,860,220	3,945,783	100,101
Human Resources	5,234,618	5,234,618	2,584,076	5,107,620	(126,998)
Judiciary	3,454,079	3,454,079	1,713,466	3,409,686	(44,393)
Library	31,279,877	31,279,877	14,901,144	30,943,419	(336,458)
Office of Management Services					
311 Customer Services <sup>6</sup>	3,509,120	3,509,120	2,092,053	3,294,089	(215,031)
Center for Performance Excellence	1,265,811	1,265,811	719,915	1,254,596	(11,215)
Council Agenda Office	224,495	228,355	96,228	228,355	0
EMS Compliance Program <sup>7</sup>	340,988	340,988	142,655	321,182	(19,806)
Ethics and Diversity	97,631	119,855	14,562	119,855	0
Fair Housing <sup>8</sup>	278,274	397,837	241,501	397,837	0
Office of Strategic Partnerships <sup>9</sup>	726,947	3,126,947	448,240	3,044,006	(82,941)
Office of Business Diversity <sup>10</sup>	793,297	793,297	360,915	716,377	(76,920)
Office of Community Care <sup>11</sup>	4,932,564	4,932,564	2,250,544	4,987,708	55,144
Office of Emergency Management <sup>12</sup>	715,020	715,020	435,079	750,823	35,803
Office of Environmental Quality	1,197,487	1,197,487	834,507	1,146,850	(50,637)
Office of Homeless Solutions	10,081,328	10,081,328	6,545,406	10,081,328	0
Public Affairs and Outreach <sup>13</sup>	1,666,011	1,400,645	555,287	1,400,643	(2)
Resiliency Office	353,875	353,875	160,810	353,875	0
Welcoming Communities	428,845	428,845	175,242	428,845	0
Mayor and City Council	4,820,561	4,834,775	2,206,089	4,834,775	0
Non-Departmental <sup>14</sup>	77,323,336	77,323,336	7,598,074	75,789,989	(1,533,347)
Office of Budget	3,406,338	3,406,338	1,554,439	3,360,719	(45,619)
Office of Cultural Affairs <sup>15</sup>	20,268,063	20,899,767	15,221,262	20,899,767	0
Office of Economic Development	4,840,594	4,840,594	2,198,726	4,840,594	0
Park and Recreation	98,005,546	98,269,651	45,653,613	98,199,575	(70,076)
Planning and Urban Design	2,911,297	2,911,297	1,407,279	2,889,869	(21,428)
Procurement Services	2,389,442	2,389,442	1,095,535	2,329,412	(60,030)
Public Works	73,137,927	73,137,927	45,597,651	72,923,051	(214,876)
Sustainable Development	1,656,869	1,656,869	1,234,900	1,605,406	(51,463)
Transportation	44,325,574	44,325,574	18,523,458	44,325,574	0
Trinity Watershed Management	1,302,754	1,302,754	376,854	1,302,754	0
<b>Total Departments</b>	<b>\$1,264,441,401</b>	<b>\$1,267,500,741</b>	<b>\$582,602,518</b>	<b>\$1,268,068,055</b>	<b>\$567,314</b>
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 <sup>16</sup>	2,650,000	1,982,606	0	1,982,606	0
<b>Total Expenditures</b>	<b>\$1,276,420,942</b>	<b>\$1,278,812,888</b>	<b>\$582,602,518</b>	<b>\$1,279,380,202</b>	<b>\$567,314</b>



# 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 \$216,000 below budget due to salary savings associated with five vacancies.

**2 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 \$10,000 over-budget due to an office expansion needed to accommodate the new open records division.

**3 Dallas Fire Department.** Dallas Fire Department expenditures are forecast to be \$3.8 million over budget primarily driven by increased uniform overtime due to higher than expected attrition. Vacation/sick termination pay is also higher than expected due to attrition. Additionally, a budgeted increase in revenue from the Ambulance Supplemental Payment Program caused a corresponding, greater than budgeted increase in billing and consulting fees. These expenses are offset by \$1.7 million greater than budgeted reimbursement from the 9-1-1 System Operations Fund. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**4 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).

**5 Housing and Neighborhood Services.** Housing and Neighborhood Services expenditures are forecast to be \$100,000 over budget due to funding for 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. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**6 311 Customer Services.** 311 Customer Services is forecast to be \$215,000 under budget due to a ten percent overall attrition rate in its customer service agents and a decreased demand for overtime. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**7 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.

**8 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.

**9 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.

**10 Office of Business Diversity.** Office of Business Diversity expenditures are forecast to be \$77,000 below budget due to salary savings associated with vacancies.

**11 Office of Community Care.** Office of Community Care is forecast \$55,000 over budget due to unbudgeted contract temporary help, overtime, and building maintenance. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**12 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.

# VARIANCE NOTES

**13 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.

**14 Non-Departmental.** Non-Departmental expenditure forecast \$1.5 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. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**15 Office of Cultural Affairs.** Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by resolution # 17-1735 and by \$189,3000 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 Wylie 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.

**16 Salary and Benefit Reserve.** Salary and Benefit Reserve funds totaling \$667,000 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 (\$14,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

# ENTERPRISE FUNDS

As of March 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
<b>AVIATION</b>					
Beginning Fund Balance	\$13,811,768	\$13,811,768		\$14,111,807	\$300,039
Total Revenues:	127,028,405	127,028,405	58,966,758	127,072,180	43,775
Total Expenditures:	127,028,405	127,028,405	30,464,349	127,017,387	(11,018)
Ending Fund Balance	\$13,811,768	\$13,811,768		\$14,166,600	\$354,833
<b>CONVENTION AND EVENT SERVICES<sup>1</sup></b>					
Beginning Fund Balance	\$32,258,124	\$32,258,124		\$33,234,399	\$976,275
Total Revenues:	97,787,266	97,787,266	44,153,709	101,328,799	3,541,533
Total Expenditures:	97,787,266	97,787,266	38,639,541	100,927,180	3,139,914
Ending Fund Balance	\$32,258,124	\$32,258,124		\$33,636,017	\$1,377,893
<b>MUNICIPAL RADIO<sup>2</sup></b>					
Beginning Fund Balance	\$1,217,847	\$1,217,847		\$1,087,586	(\$130,261)
Total Revenues:	2,098,813	2,098,813	901,424	2,015,000	(83,813)
Total Expenditures:	2,051,318	2,051,318	1,023,670	1,967,094	(84,224)
Ending Fund Balance	\$1,265,342	\$1,265,342		\$1,135,492	(\$129,850)
<b>SANITATION SERVICES<sup>3</sup></b>					
Beginning Fund Balance	\$22,431,707	\$22,431,707		\$29,641,449	\$7,209,742
Total Revenues:	102,279,097	102,279,097	54,444,996	106,706,755	4,427,658
Total Expenditures:	102,279,097	102,279,097	35,560,806	104,419,917	2,140,820
Ending Fund Balance	\$22,431,707	\$22,431,707		\$31,928,287	\$9,496,580
<b>STORM DRAINAGE MANAGEMENT</b>					
Beginning Fund Balance	\$4,546,490	\$4,546,490		\$7,593,575	\$3,047,085
Total Revenues:	55,987,895	55,987,895	28,212,133	56,106,197	118,302
Total Expenditures:	55,936,837	55,936,837	24,600,258	55,631,703	(305,134)
Ending Fund Balance	\$4,597,548	\$4,597,548		\$8,068,070	\$3,470,522
<b>SUSTAINABLE DEVELOPMENT AND CONSTRUCTION<sup>4</sup></b>					
Beginning Fund Balance	\$37,809,029	\$37,809,029		\$43,778,944	\$5,969,915
Total Revenues:	31,711,218	31,711,218	17,028,680	31,551,349	(159,869)
Total Expenditures:	32,376,190	32,376,190	14,233,787	32,375,395	(795)
Ending Fund Balance	\$37,144,057	\$37,144,057		\$42,954,898	\$5,810,841
Note: FY 2017-18 Budget reflects planned use of fund balance.					
<b>DALLAS WATER UTILITIES<sup>5</sup></b>					
Beginning Fund Balance	\$84,788,025	\$84,788,025		\$95,808,193	\$11,020,168
Total Revenues:	667,471,388	667,471,388	311,385,995	667,472,258	870
Total Expenditures:	667,471,388	667,471,388	256,485,534	651,309,866	(16,161,522)
Ending Fund Balance	\$84,788,025	\$84,788,025		\$111,970,585	\$27,182,560

# INTERNAL SERVICES FUNDS

As of March 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
<b>INFORMATION TECHNOLOGY<sup>6</sup></b>					
Beginning Fund Balance	\$10,959,687	\$10,959,687		\$10,747,503	(\$212,184)
Total Revenues:	67,963,283	67,963,283	27,327,538	68,613,408	650,125
Total Expenditures:	70,242,680	70,242,680	39,105,496	69,735,669	(507,011)
Ending Fund Balance	\$8,680,290	\$8,680,290		\$9,625,242	\$944,952
Note: FY 2017-18 Budget reflects planned use of fund balance.					
<b>RADIO SERVICES</b>					
Beginning Fund Balance	\$2,537,356	\$2,537,356		\$1,087,586	(\$1,449,770)
Total Revenues:	4,823,063	4,823,063	852,573	4,842,826	19,763
Total Expenditures:	4,823,063	4,823,063	1,710,541	4,761,653	(61,410)
Ending Fund Balance	\$2,537,356	\$2,537,356		\$1,168,759	(\$1,368,597)
<b>EQUIPMENT SERVICES<sup>7</sup></b>					
Beginning Fund Balance	\$5,611,863	\$5,611,863		\$7,726,208	\$2,114,345
Total Revenues:	52,652,059	52,652,059	21,234,077	54,560,286	1,908,227
Total Expenditures:	52,652,059	52,652,059	20,859,175	54,415,167	1,763,108
Ending Fund Balance	\$5,611,863	\$5,611,863		\$7,871,327	\$2,259,464
<b>EXPRESS BUSINESS CENTER<sup>8</sup></b>					
Beginning Fund Balance	\$2,011,100	\$2,011,100		\$1,700,445	(\$310,655)
Total Revenues:	4,231,450	4,231,450	1,703,733	2,723,881	(1,507,569)
Total Expenditures:	3,740,420	3,740,420	919,709	2,182,551	(1,557,869)
Ending Fund Balance	\$2,502,130	\$2,502,130		\$2,241,775	(\$260,355)

# OTHER FUNDS

As of March 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
<b>9-1-1 SYSTEM OPERATIONS<sup>9</sup></b>					
Beginning Fund Balance	\$5,941,912	\$5,941,912		\$12,060,896	\$6,118,984
Total Revenues:	12,539,195	12,539,195	5,398,923	12,254,597	(284,598)
Total Expenditures:	15,048,378	15,048,378	2,747,906	16,638,189	1,589,811
Ending Fund Balance	\$3,432,729	\$3,432,729		\$7,677,304	\$4,244,575
Note: FY 2017-18 Budget reflects planned use of fund balance.					
<b>DEBT SERVICE<sup>10</sup></b>					
Beginning Fund Balance	\$13,769,804	\$13,769,804		\$12,613,280	(\$1,156,524)
Total Revenues:	278,149,358	278,149,358	260,976,573	278,945,555	796,197
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164		\$24,235,837	(\$360,327)
<b>EMPLOYEE BENEFITS<sup>11</sup></b>					
City Contributions	\$86,088,120	\$86,088,120	\$41,674,026	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	20,956,273	38,086,396	0
Retiree	30,118,491	30,118,491	10,275,847	30,118,491	0
Other	0	0	(39,109)	(39,109)	(39,109)
Total Revenues:	154,293,007	154,293,007	72,867,036	154,253,898	(39,109)
Total Expenditures:	\$154,293,007	\$154,293,007	\$54,796,687	\$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).					
<b>RISK MANAGEMENT<sup>12</sup></b>					
Worker's Compensation	\$13,219,304	\$13,219,304	\$261,777	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	469,663	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	731,050	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$10,657,699	\$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 March 31, 2018, the Year-End Forecast represents the FY 2016-17 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 revenues are projected to exceed budget by \$3.5 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 increases in food and beverage expenses associated with the increase in catering service revenues, an additional \$1.1 million Capital Construction transfer contingent upon realization of increased revenue estimate, and an increase in HVAC and electrical equipment expenses. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**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. Expenditures are projected to be \$84,000 below budget primarily due to hiring delays for three vacant positions.

**3 Sanitation Services.** Sanitation Services revenues are projected to be \$4.4 million over budget primarily due to increase in private disposal waste tonnage from cash customers at the landfill. Expenditures are projected to be \$2.1 million greater than budget due to increased landfill disposal fees (\$643,000) paid to Texas Commission on Environmental Quality (TCEQ), Equipment Services maintenance charges (\$673,000) and master lease payments (\$695,000). Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**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 \$16.2 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 revenues are projected to exceed budget by \$1.9 million primarily due to an increase in the rental rate charged to Sanitation for retained vehicles and an increase in direct work orders. Retained vehicles are units that were replaced but departments later opted to keep, along with the replacement unit. Equipment Services expenditures are projected to exceed budget by \$1.8 million due to maintenance for unbudgeted retained and added equipment, increased motor pool use, and increased costs for make ready of new vehicles which will be offset by additional revenue. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**8 Express Business Center.** Express Business Center expenditures and revenues are projected to be \$1.5 million less than budget primarily due to 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.

# VARIANCE NOTES

**9 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 greater than budgeted \$1.7 million reimbursement to Dallas Fire Rescue. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services. Budget adjustments approved by City Council on April 25, 2018 are not included in the March Financial Forecast Report but will be reflected in the April Financial Forecast Report.

**10 Debt Service Fund.** Debt Service Fund FY 2017-18 YE forecast revenues will exceed budget by \$796,000 due to current year collections trending above average.

**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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