

Memorandum



CITY OF DALLAS

DATE July 27, 2018

TO Honorable Mayor and Members of the City Council

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

Please find attached the Financial Forecast Report (FFR) based on information through May 2018. This report forecasts revenues and expenditures to the end of the current fiscal year (9/30/18).

After eight months of this fiscal year, we forecast general fund revenues will be \$8.4 million over the amended budget and expenses will be \$6.3 million over the amended budget. Sales tax, franchise fees, and other charges for service are trending better than budget, accounting for the revenue variance. On the expense side, the projected year-end variance is due to overtime usage within Dallas Fire-Rescue (DFR).

DFR is forecast to exceed budget by \$11.8 million, primarily due to attrition, which has a negative impact on the Department's daily minimum staffing model. As the Department continues to catch-up from excessive attrition of 182 firefighters last year and an estimated 154 firefighters this year, it is using overtime to meet the daily minimum staffing requirement. Although we are able to partially offset DFR's overtime expense with savings from other general fund departments, we will be asking City Council to increase the general fund budget and use excess revenue to cover the remainder of DFR's overtime.

On September 4, we will brief GPFM on a complete package of FY 2017-18 appropriation adjustments, including this requested adjustment. We will also prepare an agenda item for City Council consideration in September to amend the current year budget.

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
Billierae 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

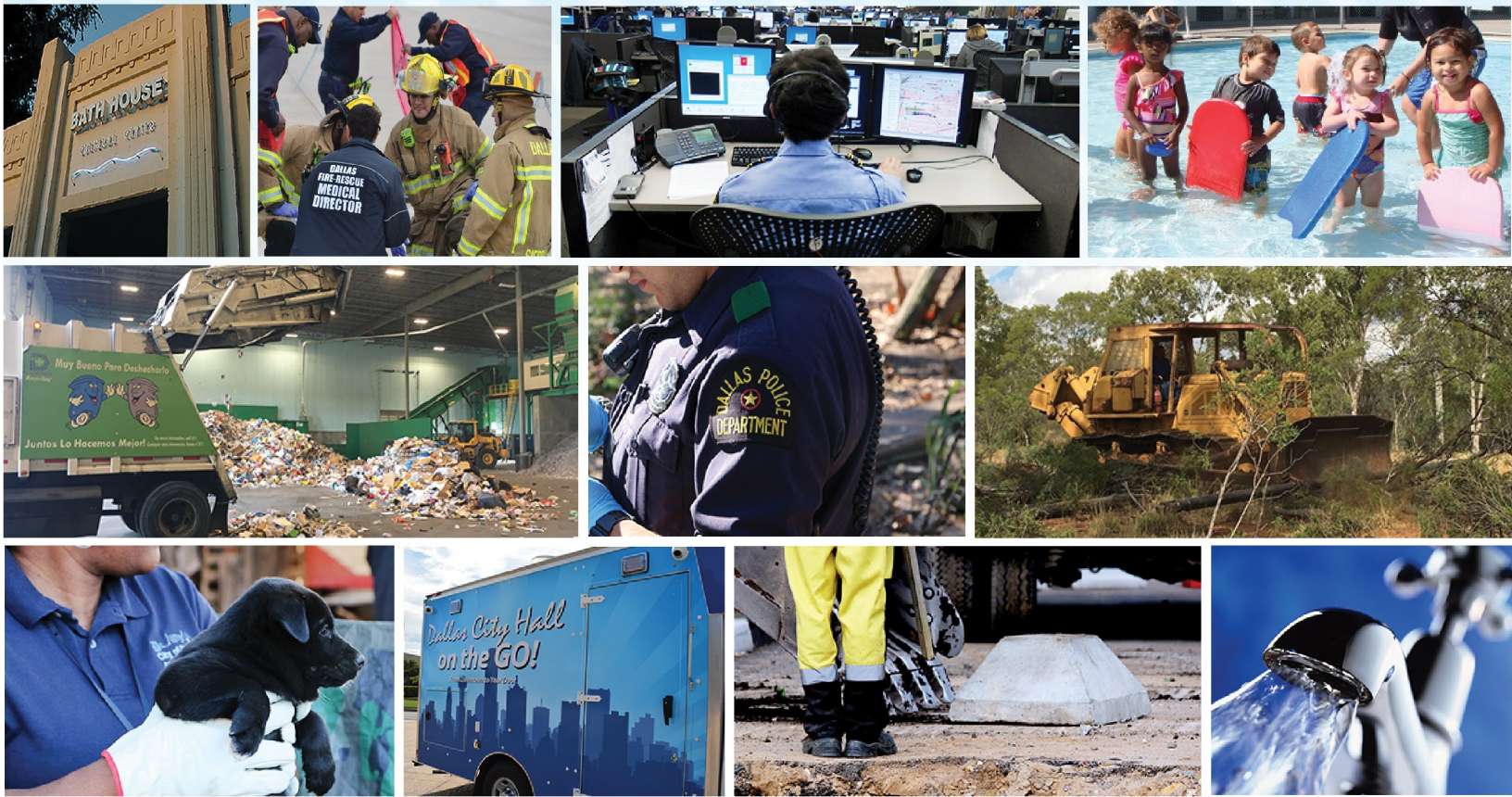
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of May 30, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of May 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	991,853,127	1,290,897,705	8,384,817
Expenditures	1,276,420,942	1,282,512,888	782,287,030	1,288,814,657	6,301,769
Ending Fund Balance	\$160,617,192	\$160,617,192		\$173,830,852	\$13,213,660

SUMMARY

The General Fund overview provides a summary of financial activity through May 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 May 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 May 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 May 30, 2018, General Fund expenditures are projected to be above budget by \$6.3 million. The primary driver of the overrun is greater than anticipated use of overtime by Dallas Fire Department.

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 Wyly 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 Wyly 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 May 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	\$648,547,880	\$653,733,742	\$65,784
Sales Tax ²	303,349,086	303,349,086	153,568,703	304,904,662	1,555,576
Franchise & Other ³	135,319,609	135,319,609	101,191,057	140,085,777	4,766,168
Charges for Services ⁴	103,578,036	104,878,036	46,845,066	106,453,883	1,575,847
Fines and Forfeitures ⁵	36,515,082	36,515,082	16,160,884	34,980,750	(1,534,332)
Operating Transfers In ⁶	22,777,865	25,169,811	9,453,237	25,359,111	189,300
Intergovernmental	9,548,046	9,548,046	3,282,437	9,765,015	216,969
Miscellaneous ⁷	6,580,004	7,380,004	6,314,157	7,815,480	435,476
Licenses & Permits	4,668,685	4,668,685	3,685,889	4,713,208	44,523
Interest ⁸	2,016,571	2,016,571	2,803,817	3,086,077	1,069,506
Total Revenue	\$1,276,420,942	\$1,282,512,888	\$991,853,127	\$1,290,897,705	\$8,384,817

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 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 (\$1,555,000) 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 3.52 percent (\$4,766,000) over budget primary due to electric, fiber optics, and natural gas.

4 Charges for Service. Charges for services revenues are forecast to be 1.50 percent (\$1,576,000) 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. Overages are offset by a decrease of 758,000 in swimming pool charges due to the delayed opening of three aquatic centers. 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 4.2 percent (\$1,534,000) 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
- March 28, 2018 by resolution #18-0422 for emergency flood remediation and related repairs related to

VARIANCE NOTES

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. Reimbursement from Atmos was greater than anticipated (\$1,120,000).

8 Interest. Interest earned revenues are projected to be 53.0 percent (\$1,070,000) over budget based on current trends.

GENERAL FUND EXPENDITURES

As of May 30, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$233,174,548	\$235,952,119	\$140,489,370	\$226,499,684	(\$9,452,435)
Civilian Overtime	6,087,198	6,078,044	5,690,042	8,885,476	2,807,432
Civilian Pension	33,654,027	33,952,850	20,454,216	32,495,770	(1,457,080)
Uniform Pay	397,751,284	401,698,616	257,182,518	392,436,236	(9,262,380)
Uniform Overtime	32,141,841	35,897,371	33,085,918	52,659,106	16,761,735
Uniform Pension	151,450,013	153,665,564	97,258,715	153,665,564	0
Health Benefits	62,526,985	62,812,518	38,655,958	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	7,162,427	12,516,490	564,114
Total Personnel Services ¹	938,796,277	952,221,096	599,979,165	952,182,482	(38,614)
Supplies ²	76,688,160	77,667,357	47,337,706	79,597,842	1,930,485
Contractual Services ³	341,963,586	342,922,349	162,455,820	349,906,512	6,984,163
Capital Outlay ⁴	8,000,250	8,329,492	4,541,339	9,791,870	1,462,378
Reimbursements ⁵	(89,027,331)	(98,627,406)	(32,027,000)	(102,664,049)	(4,036,643)
Total Expenditures	\$1,276,420,942	\$1,282,512,888	\$782,287,030	\$1,288,814,657	\$6,301,769

VARIANCE NOTES

1 Personnel Services. Current year-end forecast is \$39,000 below budget primarily due to greater than anticipated use of overtime by Dallas Fire Department. Uniform overtime YE forecast assumes \$5.3 million for the Dallas Police Department and \$11.5 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 above budget resulting from the purchase of ballistic helmets for the Dallas Police Department, software maintenance of an automated fingerprint identification system for the Dallas Police Department, and software purchases for various other departments.

3 Contractual Services. Current year-end forecast is \$7.0 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 \$1.5 million 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 \$4.0 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;
- \$600,000 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; and \$347,000 greater than budgeted department support reimbursement.

VARIANCE NOTES

- \$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; and
- \$161,000 Park and Recreation greater than budgeted reimbursement for overtime work at Fair Park performed by Facility Services.

GENERAL FUND EXPENDITURES

As of May 30, 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	\$18,586,856	\$28,667,529	\$0
City Attorney's Office	16,788,175	16,788,175	10,308,390	16,740,025	(48,150)
City Auditor's Office ¹	3,360,043	3,360,043	1,848,977	3,083,365	(276,678)
City Controller's Office	5,351,812	5,379,331	3,533,780	5,379,331	0
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,344,267	1,575,693	2,334,829	(9,438)
City Secretary ²	2,367,327	2,632,693	1,611,300	2,631,747	(946)
Civil Service	3,080,815	3,080,815	1,832,734	3,066,463	(14,352)
Code Compliance	30,438,826	30,438,826	17,365,698	30,188,826	(250,000)
Court Services	11,627,393	11,627,393	7,967,993	11,401,449	(225,944)
Jail Contract	8,484,644	8,484,644	4,949,376	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	9,454,620	13,832,122	(175,037)
Dallas Fire Department ³	267,026,909	270,726,909	178,574,361	282,538,369	11,811,460
Dallas Police Department ⁴	465,522,805	464,648,484	294,110,639	462,048,484	(2,600,000)
Housing and Neighborhood Services ⁵	3,668,283	4,010,682	2,576,831	4,010,682	0
Human Resources ⁶	5,234,618	5,234,618	3,435,983	4,929,012	(305,606)
Judiciary	3,454,079	3,454,079	2,282,524	3,453,375	(704)
Library	31,279,877	31,279,877	20,000,663	30,918,264	(361,613)
Office of Management Services					
311 Customer Services ⁷	3,509,120	3,569,390	1,910,751	3,565,945	(3,445)
Center for Performance Excellence	1,265,811	1,265,811	906,529	1,265,811	0
Council Agenda Office	224,495	245,628	121,843	245,628	0
EMS Compliance Program	340,988	340,988	185,407	327,641	(13,347)
Ethics and Diversity	97,631	119,855	39,819	119,855	0
Fair Housing ⁸	278,274	397,837	285,253	397,837	0
Office of Strategic Partnerships ⁹	726,947	3,126,947	542,495	3,031,537	(95,410)
Office of Business Diversity ¹⁰	793,297	793,297	523,733	741,970	(51,327)
Office of Community Care ¹¹	4,932,564	5,001,285	2,924,984	4,975,093	(26,192)
Office of Emergency Management	715,020	715,020	348,172	715,020	0
Office of Environmental Quality ¹²	1,197,487	1,197,487	1,154,109	1,006,369	(191,118)
Office of Homeless Solutions	10,081,328	10,081,328	6,983,717	10,081,328	0
Public Affairs and Outreach ¹³	1,666,011	1,400,645	790,322	1,190,870	(209,775)
Resiliency Office	353,875	353,875	213,955	353,636	(239)
Welcoming Communities	428,845	428,845	239,378	428,845	0
Mayor and City Council	4,820,561	4,827,575	2,917,952	4,827,575	0
Non-Departmental ¹⁴	77,323,336	77,029,345	10,737,597	76,603,864	(425,481)
Office of Budget	3,406,338	3,406,338	2,065,992	3,364,909	(41,429)
Office of Cultural Affairs ¹⁵	20,268,063	20,899,767	17,568,625	20,899,767	0
Office of Economic Development	4,840,594	4,840,594	3,649,324	4,840,594	0
Park and Recreation	98,005,546	98,269,651	62,258,338	98,183,669	(85,982)
Planning and Urban Design	2,911,297	2,911,297	1,783,759	2,897,693	(13,604)
Procurement Services	2,389,442	2,461,754	1,523,904	2,461,754	0
Public Works	73,137,927	73,137,927	57,012,253	73,096,472	(41,455)
Sustainable Development	1,656,869	1,656,869	1,368,485	1,614,450	(42,419)
Transportation ¹⁶	44,325,574	44,440,574	23,695,811	44,440,574	0
Trinity Watershed Management	1,302,754	1,302,754	518,105	1,302,754	0
Total Departments	\$1,264,441,401	\$1,271,279,364	\$782,287,030	\$1,277,581,133	\$6,301,769
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 ¹⁷	2,650,000	1,903,983	0	1,903,983	0
Total Expenditures	\$1,276,420,942	\$1,282,512,888	\$782,287,030	\$1,288,814,657	\$6,301,769

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 \$277,000 below budget due to salary savings associated with five vacant positions. Four positions were filled in April 2018, and one in May 2018.

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).

3 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. Dallas Fire Department expenditures are forecast to be \$11.8 million greater than budget primarily due to uniform overtime expenses. The primary driving factor of the greater than budgeted use of overtime includes the impact of attrition in prior fiscal years that has exceeded hiring which has affected mandatory minimum staffing. The department is reviewing options to reduce and/or defer expenses in order to reduce the impact of uniform overtime.

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) and decreased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding to Transportation. Dallas Police Department expenditures are forecast to be \$2,600,000 below budget primarily due to hiring 34 fewer officers than planned in FY 2017-18 and unplanned uniform attrition at the end of FY 2016-17.

5 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.

6 Human Resources. Human Resources expenditures are forecast to be \$306,000 below budget due to salary savings associated with vacancies, including 5 vacant positions at the end of May.

7 311 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.

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 \$51,000 below budget due to salary savings associated with vacancies.

11 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.

12 Office of Environmental Quality. Office of Environmental Quality is forecast to be \$191,000 under budget due to salary savings associated with seven vacancies and frequent turnover in key positions.

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. Public Affairs and Outreach expenditures are forecast to be \$210,000 under budget primarily due to salary savings associated with three vacant management positions.

14 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 \$426,000 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.

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 \$189,300 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.

16 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.

17 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$746,000 were allocated to Building Services (\$77,000), the City Controller's Office (\$27,000), the City Manager's Office (\$77,000), Housing and Neighborhood Revitalization (\$177,000), City Agenda Office (\$21,000), Ethics and Diversity (\$22,000), Mayor and Council (\$7,000), Park and Recreation (\$264,000), and Procurement Services (\$74,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

ENTERPRISE FUNDS

As of May 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	126,811,603	(216,802)
Ending Fund Balance	\$13,811,768	\$13,811,768		\$14,329,405	\$517,638
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 May 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		\$1,087,586	(\$1,449,770)
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		\$1,150,087	(\$1,387,269)
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 May 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	\$23,043,523	(\$6,362,702)
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 May 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 \$77,000 below budget primarily due to hiring delays for four vacant positions.

3 Sanitation Services. Sanitation Services budget was increased by \$2.1 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 \$395,000 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 are 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.

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.

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

VARIANCE NOTES

12 Risk Management. Risk Management FY 2017-18 YE forecast expenditures are less than budget due to planned resolution of settlements in the current year moving to FY 2018-19 (\$6,363,000).



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