

# Memorandum



CITY OF DALLAS

DATE September 14, 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 July 31. This report does not reflect changes approved by City Council on September 12.

We forecast general fund revenues will be \$13.1 million over the amended budget and expenses will be \$1.4 million over the amended budget at the end of the fiscal year. Property tax, sales tax, franchise fees/other, and charges for services 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 continues to refine year-end projections and is forecast to exceed budget by \$10.3 million, primarily due to attrition. Attrition impacts the Department's daily minimum staffing model, resulting in additional overtime usage. City Council increased the general fund budget by \$3.7 million on April 25; and by \$5.7 million on September 12, 2018 using savings from other general fund departments and excess revenue to offset DFR's overtime expense. FY 2017-18 year-end appropriation adjustments approved on September 12, 2018 will be reflected in the August FFR.

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  
Chris Caso, City Attorney (I)  
Craig D. Kinton, City Auditor  
Biliera Johnson, City Secretary  
Judge Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Directors and Assistant Directors

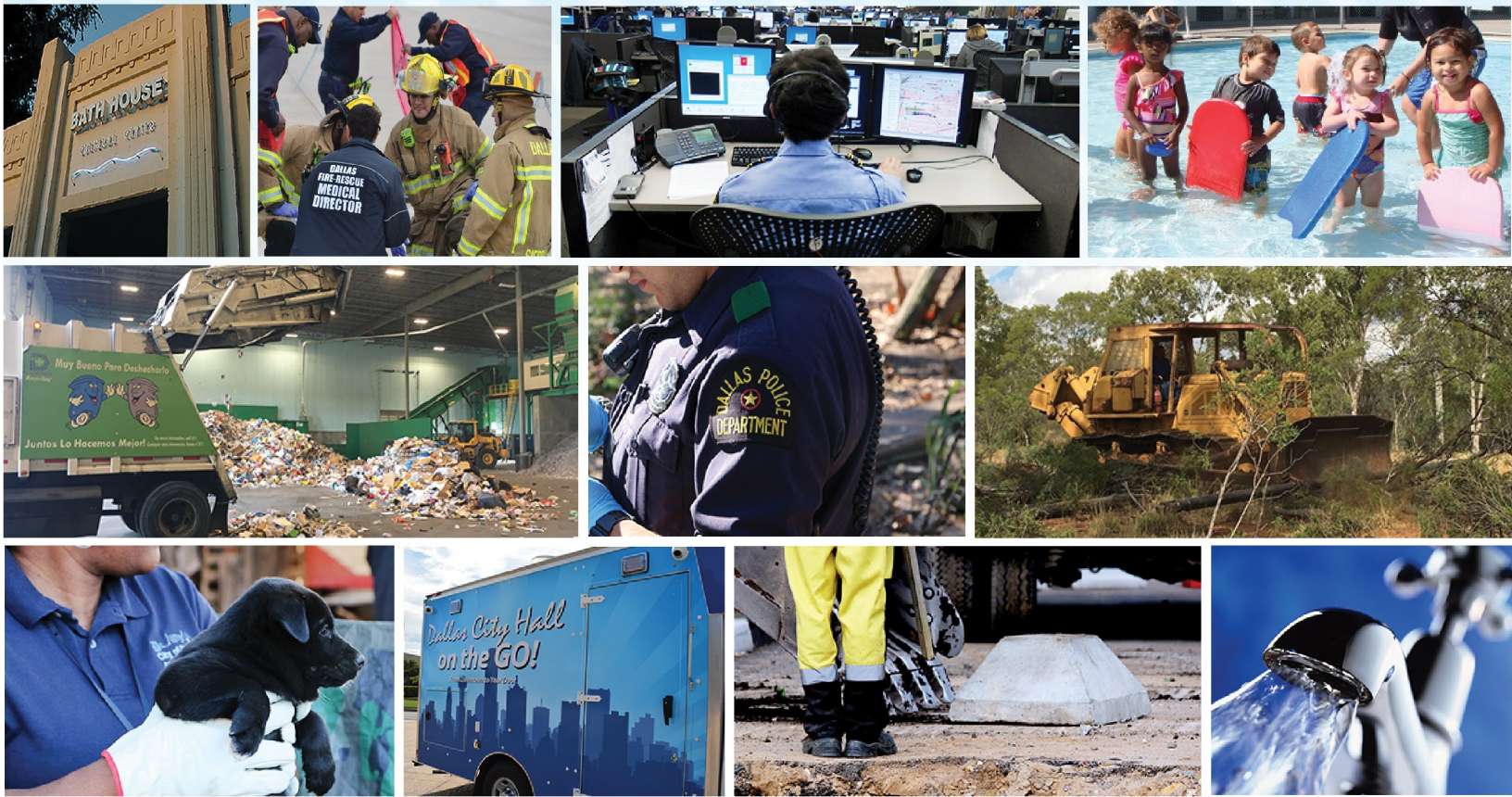




# FY 2017-18 FINANCIAL FORECAST REPORT

Information as of July 31, 2018

## SERVICE FIRST





# GENERAL FUND OVERVIEW

As of July 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	1,282,712,888	1,080,313,389	1,295,820,955	13,108,067
Expenditures	1,276,420,942	1,282,712,888	1,020,634,373	1,284,103,541	1,390,653
Ending Fund Balance	\$160,617,192	\$160,617,192		\$183,465,218	\$22,848,026

## SUMMARY

The General Fund overview provides a summary of financial activity through July 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 July 31, 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 July 31, 2018, General Fund revenues are projected to be above budget by \$13.1 million primarily due to electric, fiber optic, and natural gas franchise fees; sales tax; interest, Fire Watch fees; and a new contract with the State Fair for patrol services.

**Expenditures.** Through July 31, 2018, General Fund expenditures are projected to be above budget by \$1.4 million. The primary driver of the overrun is greater than anticipated use of overtime by Dallas Fire-Rescue.

**Amendments.** The General Fund budget was amended on:

- October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0442 in the amount of \$189,300 for emergency flood remediation and related repairs related to the theater automation system at the Dee and Charles Wylie Theatre;
- 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; and
- May 23, 2018 by resolution #18-0773 in the amount of \$200,000 for a service contract to provide school crossing guard services.

# GENERAL FUND REVENUES

As of July 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	\$653,667,958	\$651,994,031	\$654,121,370	\$453,412
Sales Tax <sup>2</sup>	303,349,086	303,349,086	201,280,692	304,905,211	1,556,125
Franchise & Other <sup>3</sup>	135,319,609	135,319,609	117,952,203	141,240,444	5,920,835
Charges for Services <sup>4</sup>	103,578,036	104,878,036	60,495,951	108,414,159	3,536,123
Fines and Forfeitures <sup>5</sup>	36,515,082	36,515,082	20,197,728	35,283,926	(1,231,156)
Operating Transfers In <sup>6</sup>	22,777,865	24,947,248	9,453,237	24,947,248	0
Intergovernmental	9,548,046	9,667,609	3,811,387	9,879,217	211,608
Miscellaneous <sup>7</sup>	6,580,004	7,683,004	7,688,913	9,005,604	1,322,600
Licenses & Permits	4,668,685	4,668,685	4,234,733	4,809,323	140,638
Interest <sup>8</sup>	2,016,571	2,016,571	3,204,514	3,214,453	1,197,882
<b>Total Revenue</b>	<b>\$1,276,420,942</b>	<b>\$1,282,712,888</b>	<b>\$1,080,313,389</b>	<b>\$1,295,820,955</b>	<b>\$13,108,067</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 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 (\$1,556,000) 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 4.38 percent (\$5,920,835) over budget primary due to electric, fiber optics, and natural gas.

**4 Charges for Service.** Charges for services revenues are forecast to be 1.84 percent (\$3,536,000) greater than budget primarily due to Fire Watch inspection revenues that continues to increase compared to previous month (\$2.2 million); a new agreement signed with State Fair for police patrol services in which FY 2017-18 as received \$1.0 million in revenue for prior years State Fairs and 958,000 in the current year; and increases in construction permits (\$730,000). Overages are offset by a decrease of \$758,000 in swimming pool fees 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 (\$1,231,000) 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;

# VARIANCE NOTES

- March 28, 2018 by resolution #18-0422 for emergency flood remediation and repairs related to the theater automation system at the Dee and Charles Wyly Theatre; and on
- May 23, 2018 by resolution #18-0773 in the amount of \$200,000 for a service contract to provide school crossing guard services.

**7 Miscellaneous.** Miscellaneous revenues are forecast to be \$1,322,000 over budget due to reimbursements from Atmos Energy and the sale of fixed assets (\$450,000). 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 59.4 percent (\$1,198,000) over budget based on current trends.

# GENERAL FUND EXPENDITURES

As of July 31, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$233,174,548	\$235,953,394	\$182,589,925	\$224,323,099	(\$11,630,295)
Civilian Overtime	6,087,198	6,079,044	7,708,401	9,478,110	3,399,066
Civilian Pension	33,654,027	33,952,850	26,461,187	32,447,267	(1,505,583)
Uniform Pay	397,751,284	401,698,616	319,253,025	390,669,818	(11,028,798)
Uniform Overtime	32,141,841	35,897,371	40,928,921	51,136,469	15,239,098
Uniform Pension	151,450,013	153,665,564	122,527,734	153,665,564	0
Health Benefits	62,526,985	62,812,518	48,621,690	62,812,518	0
Workers Comp	10,211,638	10,211,638	10,313,305	10,386,708	175,070
Other Personnel Services	11,798,743	11,952,376	9,102,822	12,571,378	619,002
Total Personnel Services <sup>1</sup>	938,796,277	952,223,371	767,507,011	947,490,931	(4,732,440)
Supplies <sup>2</sup>	76,688,160	77,679,249	59,483,856	79,300,942	1,621,693
Contractual Services <sup>3</sup>	341,963,586	343,085,382	240,071,592	349,837,547	6,752,165
Capital Outlay <sup>4</sup>	8,000,250	8,329,492	5,487,677	11,004,710	2,675,218
Reimbursements <sup>5</sup>	(89,027,331)	(98,604,606)	(51,915,763)	(103,530,589)	(4,925,983)
Total Expenditures	\$1,276,420,942	\$1,282,712,888	\$1,020,634,373	\$1,284,103,541	\$1,390,653

## VARIANCE NOTES

**1 Personnel Services.** Current year-end forecast is \$4.7 million below budget primarily due to civilian vacancy savings. Uniform overtime YE forecast assumes \$11.5 million overrun for the Dallas Fire Rescue and \$3.7 million overrun for Dallas Police Department. The overrun in uniform overtime is partially offset by savings in uniform pay. 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 \$1.6 million above budget resulting from the purchase of ballistic helmets for the Dallas Police Department, nearly \$922,000 in greater than anticipated fuel and lube usage charges from Equipment and Building Services to various departments, 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 \$6.8 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 \$2.7 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 \$4.9 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

# VARIANCE NOTES

increased patrols in the Oak Lawn area; and \$347,000 greater than budgeted department support reimbursement;

- \$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 July 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	\$25,573,656	\$28,667,529	\$0
City Attorney's Office	16,788,175	16,809,925	13,356,522	16,809,925	0
City Auditor's Office <sup>1</sup>	3,360,043	3,360,043	2,471,798	3,155,339	(204,704)
City Controller's Office	5,351,812	5,379,331	4,703,053	5,379,331	0
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office <sup>2</sup>	2,266,902	2,344,267	1,967,442	2,214,313	(129,954)
City Secretary <sup>3</sup>	2,367,327	2,703,024	2,082,339	2,758,702	55,678
Civil Service <sup>4</sup>	3,080,815	3,137,099	2,417,615	3,203,154	66,055
Code Compliance	30,438,826	30,438,826	22,184,479	29,988,826	(450,000)
Court Services	11,627,393	11,627,393	9,211,380	11,239,155	(388,238)
Jail Contract	8,484,644	8,484,644	6,363,483	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	12,345,004	14,004,043	(3,116)
Dallas Fire-Rescue <sup>5</sup>	267,026,909	270,726,909	222,229,287	281,001,262	10,274,353
Dallas Police Department <sup>6</sup>	465,522,805	464,648,484	371,965,832	460,141,556	(4,506,928)
Housing and Neighborhood Services <sup>7</sup>	3,668,283	4,010,682	3,033,538	4,010,682	0
Human Resources	5,234,618	5,234,618	4,568,327	5,185,408	(49,210)
Judiciary	3,454,079	3,454,079	3,049,779	3,451,501	(2,578)
Library	31,279,877	31,279,877	25,692,466	30,913,887	(365,990)
Office of Management Services					
311 Customer Services <sup>8</sup>	3,509,120	3,569,390	1,977,371	3,202,960	(366,430)
Center for Performance Excellence	1,265,811	1,265,811	1,154,545	1,265,811	0
Council Agenda Office	224,495	248,233	161,508	248,233	0
EMS Compliance Program	340,988	340,988	237,594	333,429	(7,559)
Ethics and Diversity	97,631	119,855	61,896	119,855	0
Fair Housing <sup>9</sup>	278,274	397,837	337,832	397,837	0
Office of Strategic Partnerships <sup>10</sup>	726,947	3,326,947	2,295,782	3,202,213	(124,734)
Office of Business Diversity <sup>11</sup>	793,297	793,297	609,952	727,512	(65,785)
Office of Community Care <sup>12</sup>	4,932,564	5,001,285	3,685,159	4,899,456	(101,829)
Office of Emergency Management	715,020	715,020	444,065	714,700	(320)
Office of Environmental Quality	1,197,487	1,197,487	1,344,997	1,171,773	(25,714)
Office of Homeless Solutions	10,081,328	10,081,328	7,457,692	10,076,836	(4,492)
Public Affairs and Outreach <sup>13</sup>	1,666,011	1,400,645	1,037,623	1,156,079	(244,566)
Resiliency Office	353,875	353,875	273,874	344,184	(9,691)
Welcoming Communities	428,845	428,845	329,695	428,845	0
Mayor and City Council	4,820,561	4,827,575	3,776,397	4,827,575	0
Non-Departmental <sup>14</sup>	77,323,336	77,029,345	54,607,676	76,037,012	(992,333)
Office of Budget	3,406,338	3,406,338	2,725,579	3,314,395	(91,943)
Office of Cultural Affairs <sup>15</sup>	20,268,063	20,899,767	19,745,542	20,899,767	0
Office of Economic Development	4,840,594	4,840,594	4,358,381	4,840,594	0
Park and Recreation	98,005,546	98,269,651	82,383,705	97,513,271	(756,380)
Planning and Urban Design	2,911,297	2,911,297	2,373,959	2,911,297	0
Procurement Services	2,389,442	2,389,442	1,906,214	2,364,826	(24,616)
Public Works	73,137,927	73,137,927	62,325,215	73,101,067	(36,860)
Sustainable Development	1,656,869	1,656,869	1,771,074	1,605,406	(51,463)
Transportation <sup>16</sup>	44,325,574	44,440,574	29,308,786	44,440,574	0
Trinity Watershed Management	1,302,754	1,302,754	726,261	1,302,754	0
<b>Total Departments</b>	<b>\$1,264,441,401</b>	<b>\$1,271,558,022</b>	<b>\$1,020,634,373</b>	<b>\$1,272,948,675</b>	<b>\$1,390,653</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>17</sup>	2,650,000	1,825,325	0	1,825,325	0
<b>Total Expenditures</b>	<b>\$1,276,420,942</b>	<b>\$1,282,712,888</b>	<b>\$1,020,634,373</b>	<b>\$1,284,103,541</b>	<b>\$1,390,653</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 \$205,000 below budget due to salary savings associated with vacancies.

**2 City Manager's Office.** City Manager's Office expenditures are forecast to be \$130,000 below budget due to salary savings associated with vacancies.

**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 Office's expenditures are forecast to be \$56,000 greater than budget primarily due to an office expansion needed to accommodate the new open records division.

**4 Civil Service.** Civil Service expenditures are forecast to be \$66,000 greater than budget due to a nationwide search for the vacant Civil Service Director position and replacement costs for damaged Civil Service Board Room audio and recording equipment.

**5 Dallas Fire-Rescue.** Dallas Fire-Rescue 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-Rescue expenditures are forecast to be \$10.3 million greater than budget primarily due to uniform overtime expenses. The primary 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.

**6 Dallas Police Department.** Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships) and decreased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding to Transportation. Dallas Police Department expenditures are forecast to be \$4,507,000 below budget primarily due to hiring fewer officers than planned in FY 2017-18 and unplanned uniform attrition at the end of FY 2016-17.

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

**8 311 Customer Services.** 311 Customer Services budget was increased by \$60,300 by City Council on April 25, 2018 by ordinance 30843 due to higher than expected usage of the Language Line, a third-party vendor that is used to translate calls for non-English speakers when bilingual 311 Customer Services agents are not available. 311 Customer Services is forecast to be \$366,000 under budget primarily due to salary savings from vacancies.

**9 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.

**10 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 and by \$200,000 on May 23, 2018 by CR 18-0773 for a service contract to provide school crossing guard services. Office of Strategic Partnerships expenditures are forecast to be \$125,000 below budget due to salary savings and lower than projected contractual service expenditures.

**11 Office of Business Diversity.** Office of Business Diversity expenditures are forecast to be \$66,000 below budget due to salary savings associated with vacancies.

# VARIANCE NOTES

**12 Office of Community Care.** Office of Community Care's budget was increased by \$87,000 on April 25, 2018 by ordinance 30843 for unbudgeted contract temporary help, overtime, and building maintenance expenses.

**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 \$245,000 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 \$992,000 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 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 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 \$825,000 were allocated to Building Services (\$77,000), the City Attorney's Office (\$22,000), the City Controller's Office (\$28,000), the City Manager's Office (\$77,000), the City Secretary's Office (\$70,000), Civil Service (\$56,000), Housing and Neighborhood Revitalization (\$177,000), City Agenda Office (\$25,000), Ethics and Diversity (\$22,000), Mayor and Council (\$7,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

# ENTERPRISE FUNDS

As of July 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	101,960,187	127,133,546	105,141
Total Expenditures:	127,028,405	127,028,405	94,051,742	127,028,405	0
Ending Fund Balance	\$13,811,768	\$13,811,768		\$14,216,948	\$405,180
<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	101,187,266	82,779,026	106,001,045	4,813,779
Total Expenditures:	97,787,266	99,371,106	64,160,315	103,782,312	4,411,206
Ending Fund Balance	\$32,258,124	\$34,074,284		\$35,453,132	\$1,378,848
<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	1,547,683	1,847,485	(251,328)
Total Expenditures:	2,051,318	2,051,318	1,577,667	1,906,342	(144,976)
Ending Fund Balance	\$1,265,342	\$1,265,342		\$1,028,729	(\$236,613)
<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	106,579,097	94,194,960	109,382,342	2,803,245
Total Expenditures:	102,279,097	104,419,917	63,749,977	109,056,415	4,636,498
Ending Fund Balance	\$22,431,707	\$24,590,887		\$29,967,377	\$5,376,490
<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	47,085,711	56,171,550	183,655
Total Expenditures:	55,936,837	55,936,837	41,700,307	55,615,608	(321,229)
Ending Fund Balance	\$4,597,548	\$4,597,548		\$8,149,517	\$3,551,969
<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	29,998,296	33,121,014	1,409,796
Total Expenditures:	32,376,190	32,376,190	25,928,337	32,376,190	0
Ending Fund Balance	\$37,144,057	\$37,144,057		\$44,523,768	\$7,379,711
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	542,471,349	671,637,993	4,166,605
Total Expenditures:	667,471,388	667,471,388	450,136,701	649,432,901	(18,038,487)
Ending Fund Balance	\$84,788,025	\$84,788,025		\$118,013,285	\$33,225,260

# INTERNAL SERVICES FUNDS

As of July 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	49,848,931	68,594,824	631,541
Total Expenditures:	70,242,680	70,242,680	52,570,969	73,841,928	3,599,248
Ending Fund Balance	\$8,680,290	\$8,680,290		\$5,500,400	(\$3,179,890)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
<b>RADIO SERVICES</b>					
Beginning Fund Balance	\$2,537,356	\$2,537,356		\$2,680,270	\$142,914
Total Revenues:	4,823,063	4,823,063	1,216,054	4,837,048	13,985
Total Expenditures:	4,823,063	4,823,063	3,711,404	4,692,742	(130,321)
Ending Fund Balance	\$2,537,356	\$2,537,356		\$2,824,576	\$287,220
<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	54,152,059	38,735,570	56,297,817	2,145,758
Total Expenditures:	52,652,059	54,417,268	39,055,984	56,760,634	2,343,366
Ending Fund Balance	\$5,611,863	\$5,346,654		\$7,263,391	\$1,916,737
<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	2,753,811	3,113,109	(1,118,341)
Total Expenditures:	3,740,420	3,740,420	1,494,754	2,112,659	(1,627,761)
Ending Fund Balance	\$2,502,130	\$2,502,130		\$2,700,895	\$198,765



# OTHER FUNDS

As of July 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	9,908,155	12,355,563	(183,632)
Total Expenditures:	15,048,378	16,748,378	9,933,468	16,574,969	(173,409)
Ending Fund Balance	\$3,432,729	\$1,732,729		\$7,841,490	\$6,108,761
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	275,970,978	283,937,776	5,788,418
Total Expenditures:	267,322,998	267,322,998	16,472,087	263,466,877	(3,856,121)
Ending Fund Balance	\$24,596,164	\$24,596,164		\$33,084,179	\$8,488,015
<b>EMPLOYEE BENEFITS<sup>11</sup></b>					
City Contributions	\$86,088,120	\$86,088,120	\$385,958	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	0	37,624,465	(461,931)
Retiree	30,118,491	30,118,491	11,154,763	31,448,943	1,330,452
Other	0	0	(7,893)	0	0
Total Revenues:	154,293,007	154,293,007	11,532,828	155,161,528	868,521
Total Expenditures:	\$154,293,007	\$154,293,007	\$326,163	\$149,728,266	(\$4,564,741)
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	\$0	\$14,050,921	\$831,617
Third Party Liability	10,203,093	10,203,093	0	13,779,511	3,576,418
Purchased Insurance	3,090,183	3,090,183	0	3,002,223	(87,960)
Interest and Other	406,970	406,970	0	0	(406,970)
Total Revenues:	26,919,550	26,919,550	0	30,832,655	3,913,105
Total Expenditures:	\$29,406,225	\$29,406,225	\$2,406,769	\$24,498,409	(\$4,907,816)
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 July 31, 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 \$4.8 million primarily due to greater than projected Hotel Occupancy Tax collections. Expenditures are projected to be \$4.4 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 \$251,000 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 \$145,000 below budget primarily due to hiring delays for three 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 \$4.6 million increase in landfill revenues. Sanitation Services revenues are projected to be \$2.8 million over budget primarily due to higher than anticipated residential collection revenues and increased non-contract landfill customer usage. Expenditures are projected to exceed budget by \$4.6 million primarily due to an additional transfer to the Sanitation capital improvement fund, increased landfill equipment usage and repair costs, increased fuel costs, and increased overtime and contracted labor expenses related to high truck driver turnover.

**4 Sustainable Development and Construction.** Sustainable Development and Construction revenues are projected to be \$1.4 million over budget primarily due to greater than anticipated construction permit activity and corresponding charges for service for Express Plan Review and Private Development Review.

**5 Dallas Water Utilities.** Water Utilities expenditures are projected to be \$18.0 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. Revenues are projected to be \$4.2 million over budget due to excess water consumption accompanying high temperatures during the month of July and August and no significant rain events.

**6 Information Technology.** Information Technology expenditures will exceed revenue to fund an additional technology construction fund transfer using 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 additional revenues. Equipment Services FY 2017-18 YE forecast expenditures will exceed revenue by \$2.0 million due to increased fuel cost and 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 \$1.1 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

# VARIANCE NOTES

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 \$4.4 million primarily due to property tax collections trending above average and greater than budgeted interest earnings.

**11 Employee Benefits.** Employee Benefits FY 2017-18 YE forecast expenditures are projected to be \$4.6 million below budget primarily due to lower than budgeted medical claim expenses for active employees.

**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.





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