

**Memorandum**

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CITY SECRETARY  
DALLAS, TEXAS



DATE January 16, 2015

TO Members of the Budget, Finance & Audit Committee:  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Budget, Finance & Audit Committee Meeting

**Tuesday, January 20, 2015, 1:00 p.m.**

Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the January 5, 2015 Budget, Finance & Audit Committee meeting

2. External Audit Contract-  
Request for Proposals

Edward Scott  
City Controller

3. Dallas Water Utilities Upcoming Bond Sale

Corrine Steeger, Assistant Director  
City Controller's Office

**FYI**

4. Upcoming Agenda Items: Service Contract Extensions for Grounds Maintenance, Litter Pick Up and Refuse Collection Services

5. Upcoming Agenda Item: Enhanced Technical Support for Microsoft Products

6. November 2014 Financial Forecast Report

A handwritten signature in blue ink, appearing to read 'Jerry R. Allen'.

Jerry R. Allen, Chair  
Budget, Finance & Audit Committee

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Forest E. Turner, Chief Wellness Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.

# **Budget, Finance & Audit Committee**

## **Meeting Record- DRAFT**

**Meeting Date:** 1.5.2015

**Convened:** 1:03pm

**Adjourned:** 1:29pm

### **Committee Members Present:**

Jerry R. Allen, Chair  
Sheffie Kadane

Jennifer S. Gates, Vice-Chair  
Philip T. Kingston

Tennell Atkins

### **Committee Members Absent:**

N/A

### **Other Council Members Present:**

Adam Medrano

### **Staff Present:**

Jeanne Chipperfield  
Craig Kinton  
Jack Ireland  
Doris Bridges  
Terry Lowery

Zeronda Smith  
Edward Scott  
Zack Kuentz  
Bill Finch  
Davis Visconti

Cheryl Orr  
Donna Lowe  
Dolores Lewis  
Filicia Hernandez  
Beverly Davis

Lance Sehorn  
Molly Carroll  
Zaida Basora  
Rick Galceran  
Carl Janak

### **Others Present:**

Cheryl Richard, Dallas Convention and Visitors Bureau

### **AGENDA:**

#### **1. Consideration of the December 1, 2014 Minutes**

**Presenter(s):**

**Information Only:** \_\_\_

**Action Taken/Committee Recommendation(s):**

A motion was made to approve the December 1, 2014 minutes. Motion passed unanimously.

Motion made by: Philip T. Kingston

Motion seconded by: Tennell Atkins

#### **2. Valuing a Diverse Workforce: Progress Towards Equality**

**Presenter(s):** Cheryl D. Orr, Ethics and Diversity Officer

**Information Only:**

**Action Taken/Committee Recommendation(s):**

### **FYI**

#### **3. Upcoming Agenda Item: Excess Workers' Compensation Insurance Policy Renewal**

**Presenter(s):**

**Information Only:** \_

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, January 28, 2015. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Sheffie Kadane

# **Budget, Finance & Audit Committee**

Meeting Record- **DRAFT**

4. **Upcoming Agenda Item: Safety Training Contract with University of Texas at Arlington/ Texas Manufacturing Assistance Center (TMAC)**

**Presenter(s):**

**Information Only:** \_

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, January 14, 2015. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Sheffie Kadane

5. **Upcoming Agenda Item: Construction Contract for the exterior renovation of the Old Municipal Building (106 South Harwood Street)**

**Presenter(s):**

**Information Only:** \_

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, January 14, 2015. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Tennell Atkins

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Jerry R. Allen, Chair  
Budget, Finance & Audit Committee

# Memorandum



CITY OF DALLAS

DATE January 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT External Audit Contract- Request for Proposals

On January 20, 2015, the Budget, Finance and Audit Committee will be briefed on the External Audit Contract- Request for Proposals. The briefing will be presented by Edward Scott, City Controller.

Please let me know if you need additional information.

  
Jeanne Chipperfield  
Chief Financial Officer

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
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Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

# External Audit Contract Request for Proposals

Budget, Finance and Audit Committee

January 20, 2015



# Purpose

- ▶ Provide historical background
- ▶ Brief the committee on contents of the Request for Competitive Sealed Proposal (RFCSP)

# Background

- ▶ The City is required by Charter and State law to have an annual independent audit.
- ▶ Unlike most contracts, the City Council evaluates and recommends award of the auditing services contract without a recommendation from City staff.
- ▶ In 2007, the City awarded a contract to Grant Thornton LLP to perform the fiscal years 2007, 2008 and 2009 audits.
- ▶ In 2009, the City awarded the current contract to Grant Thornton LLP to perform the fiscal years 2010, 2011 and 2012 audits, with two one-year renewal options for fiscal years 2013 and 2014, which were subsequently approved.



# Background

- ▶ The current contract expires upon the completion of the fiscal year 2014 audit.
- ▶ The City is anticipating this to occur mid- to late-May.
- ▶ A new contract for auditing services must be in place prior to the end of fiscal year 2015 to allow sufficient time to plan the audit and begin preliminary field work.

# Contract RFCSP Details

- ▶ The attached RFCSP provides for a 5-year contract instead of a 3-year contract with two 1-year renewals.
  - ▶ Provides new firms a better opportunity to recover startup costs over five years.
  - ▶ Contract will include a clause which will allow the City to terminate the contract upon thirty days written notice.
- ▶ Requires rotation of the senior audit partner every 5 years. If the current audit firm, Grant Thornton, elects to submit a bid, the firm would have to name a new audit partner for the engagement.
- ▶ All other provisions are recommended to remain essentially the same as the current contract.

# Selection Criteria

- ▶ The attached RFCSP has the following recommended selection criteria and weightings:
  - ▶ Governmental Auditing Experience, 20 points
    - ▶ Current governmental clients
    - ▶ Experience in comparable audits and single audits
  - ▶ Audit Approach, 15 points
    - ▶ Extent of City staff utilization during engagement
    - ▶ Reasonableness of audit timeline
    - ▶ Reasonableness of audit hours
    - ▶ Adequacy of sampling techniques and analytical procedures
  - ▶ Qualifications of Staff to be Assigned to the Audit, 20 points
    - ▶ Peer review rating
    - ▶ Extent of continuing education received by staff
    - ▶ Size of local office
    - ▶ Extent of on-site staff's government audit experience
    - ▶ Experience in electronic data processing auditing
    - ▶ Participation in professional associations
  - ▶ Business Inclusion and Development Plan, 15 points
  - ▶ Fees, 30 points

# Timeline

- ▶ 1/29/15 & 2/5/15: Advertising
- ▶ 2/9/15: Pre-proposal Conference
- ▶ 2/25/15: Proposal due date
- ▶ 4/6/15: Vendor presentations to Budget, Finance and Audit committee
- ▶ 4/10/15: Committee members return completed bid tabulation worksheets
- ▶ 4/20/15: Memo to Committee regarding results
- ▶ 5/27/15: Approval by Council

# Requested Action

- ▶ Provide direction to staff regarding the terms of the contract, selection criteria and timeline.

# Appendix

## Request for Competitive Sealed Proposal

**REQUEST FOR COMPETITIVE SEALED PROPOSAL (RFCSP)**  
**Auditing Services**  
**BKZ1517**

- I. INTRODUCTION:** The City of Dallas (the City) is soliciting proposals from qualified certified public accounting firms to perform the City's annual audits, including the audits of certain component units of the City, and to provide other auditing services as described within this RFCSP for fiscal years ending September 30, 2015 through September 30, 2019, and certain component unit fiscal years ending December 31, 2015 through December 31, 2019. The auditor is not required to audit the introductory or statistical information sections of the Comprehensive Annual Financial Report.

The audits are to be performed in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, 2011 Revision, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of states, local governments and non-profit organizations.

After reviewing all proposals submitted, the City will notify those firms it wishes to consider further and will schedule oral presentations before the Council's Budget, Finance and Audit Committee. The successful firm will be selected using the criteria identified in Section XIX and audit fees negotiated. The City reserves the right to reject any and all proposals submitted and to request additional information. It should be noted that the use of the auditor's opinion and audited financial statements is at the discretion of the City. The successful firm will be required, in the contract, to consent to the use by the City of the auditor's opinion and the City's audited financial statements in connection with City debt offering documents.

The City's fiscal year 2013 Comprehensive Annual Financial Report (CAFR) was submitted for review by the Government Finance Officers Association of the United States and Canada (GFOA) and was awarded the Certificate of Achievement for Excellence in Financial Reporting. Financial information is available online at [www.dallascityhall.com/transparency/](http://www.dallascityhall.com/transparency/).

- II. MINORITY PARTICIPATION:** It is the policy of the City of Dallas to involve Minority and Women-Owned Business Enterprises (M/WBE) to the greatest extent feasible on the City's construction, procurement, and professional services contracts. The City and its contractors shall not discriminate on the basis of race, color, religion, national origin, or sex in the award and performance of contracts. In consideration of this policy, the City of Dallas has adopted the Business Inclusion and Development Plan (BID Plan) for all City of Dallas contracts. The information shall be submitted with the proposal and shall include:

1. Submission of an Affirmative Action Plan and/or Policy. If your company does not have an Affirmative Action Plan the Business Inclusion and Development Staff can provide the Affirmative Action Requirements (BDPS-PRO-204) which will serve as a template to be utilized for this criterion.
2. The Ethnic Workforce Composition Report (BDPS-FRM-204)
3. Submission of documentation showing the RFCSP/RFQ Contractor's Affidavit History of M/WBE Utilization Form (BDPS-FRM-205) on previous contracts on the form provided.
4. Firm (s) Team make-up includes a significant number of diverse M/WBE firms in meaningful roles on the project. Please submit the RFCSP/RFQ Contractor's Affidavit Type of Work by Prime and Sub-consultant Form (BDPS-FRM-206)
  - (a) The name, address and telephone number of each M/WBE; (b) the description of the work to be performed by each M/WBE; and (c) the approximate dollar amount/percentage of the participation.

5. Evidence of acknowledgement of the City's Business Inclusion and Development (BID) Plan, signed Business Inclusion and Development Affidavit (BDPS-FRM-203) that demonstrates intent to comply with the policy and evidence of M/WBE inclusion to meet the BID goal for the project.

- III. DUE DATE OF PROPOSALS:** All proposals shall be received by Business Development & Procurement Services no later than 2:00 p.m. on the due date. Late proposals cannot be accepted. Proposers are responsible for insuring that proposals are received on time and at the right location.

Upon receipt, all proposals become the property of the City of Dallas, which will not be liable for any costs incurred by any Firm responding to this RFCSP. All proposals submitted shall remain valid for one hundred and fifty (150) days following the deadline date. Any proposal submitted before the due date can be withdrawn before the proposal due date and resubmitted. Any proposals not so withdrawn shall constitute an irrevocable offer to provide us the services set forth in the specifications.

- IV. LATE AND WITHDRAWN PROPOSALS:** Proposals received by the City after the time and date will not be considered.

- V. REJECTION OR ACCEPTANCE OF PROPOSALS:** This RFCSP does not commit the City to award any contract. The City of Dallas reserves the right to reject any or all proposals, to waive technicalities or irregularities, and to accept any proposal it deems to be in the best interest of the City. The City reserves the right to reject specific elements contained in all proposals. The City of Dallas shall not be liable for any costs incurred by any firm responding to this RFCSP.

- VI. DISQUALIFICATION OF PROPOSERS:** Proposers may be disqualified for non-compliance with any requirements but not limited to the following reasons:

1. Reason to believe collusion exists among the Proposers.
2. The Proposer is involved in any litigation against the City of Dallas.
3. The Proposer is in arrears on an existing contract or has failed to perform on a previous contract with the City of Dallas.
4. Lack of financial stability.
5. Failure to use the City of Dallas approved forms.

- VII. CONFLICT OF INTEREST:** The Proposer acknowledges that the following section of the Charter of the City of Dallas prohibits certain transactions between the City and its officers and employees, to wit:

**CHARTER XXII Sec. 11 FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED -** No city official or employee shall have any financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as a city official or employee. Any violation of this section shall constitute malfeasance in office, and any city official or employee guilty thereof shall thereby forfeit the city official's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council. The alleged violations of this section shall be matters to be determined either by the trial board in the case of employees who have the right to appeal to the trial board, and by the city council in the case of other employees. The prohibitions of this section shall not apply to the participation by city employees in federally-funded housing programs, to the extent permitted by applicable federal or state law.

This section does not apply to an ownership interest in a mutual or common investment fund that holds securities or other assets unless the person owns more than 10 percent of the value of the fund.



This section does not apply to non-negotiated, form contracts for general city services or benefits if the city services or benefits are made available to the city official or employee on the same terms that they are made available to the general public.

This section does not apply to a nominee or member of a city board or commission, including a city appointee to the Dallas Area Rapid Transit Board. A nominee or member of a city board or commission, including a city appointee to the Dallas Area Rapid Transit Board, must comply with any applicable conflict of interest or ethics provisions in the state law and the Dallas City Code.

- VIII. INDEMNITY:** The CONTRACTOR agrees to defend, indemnify and hold the City, its officers, agents and employees, harmless against any and all claims, lawsuits, judgments, costs, and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, that may arise out of or be occasioned by CONTRACTOR'S breach of any of the terms or provisions of the contract, or by any other negligent or strictly liable act or omission of CONTRACTOR, its officers, agents, employees, or sub-Contractors, in the performance of the contract; except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence or fault of the City, its officers, agents, or employees and in the event of joint and concurrent negligence or fault of CONTRACTOR and CITY, responsibility, and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without waiving any governmental immunity available to the City under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.
- IX. PRE-PROPOSAL CONFERENCE:** The City will hold a pre-proposal meeting for interested proposers concerning the specifications of this solicitation. Proposers are encouraged to attend the pre-proposal meeting to discuss any questions with the user department's representative(s). This will be the only contact between the proposer and the department during the bidding process. After the pre-proposal meeting, all correspondence shall go through the buyer.

**If the proposer does not ask questions or clarify assumptions, the City will assume the proposer(s) agree(s) with, and understand(s), the City's requirements.**

**Note**

All Addenda and any additional applicable correspondence (general information, questions/responses) to this proposal will be made available "exclusively" through the City of Dallas website for viewing/retrieval. Contractors are solely responsible for frequently checking the website for updates to the solicitation. <https://bids.dallascityhall.com>

**CONFIDENTIALITY:** Respondents are advised that materials contained in proposals are subject to open records after the contract award, and may be viewed and copied by any member of the public, including news outlets and competitors. The Attorney General may make the final determination as to whether documents are releasable.

- X. INQUIRIES ABOUT THE RFCSP:** Prior to the pre-proposal conference and after the pre-proposal conference, all inquiries and requests for information regarding this RFCSP shall be submitted in writing to the buyer:
- RFCSP# BKZ1517 Audit Services  
Attn: Doug Shelton  
[Douglas.shelton@dallascityhall.com](mailto:Douglas.shelton@dallascityhall.com)

All requests for information shall be submitted prior to the established RFCSP cutoff date and time. Questions should be submitted in writing no later than the next business day following the pre-proposal meeting. Requests for information will not be honored beyond the established timeframe to allow sufficient time for distribution of the requested information to proposers.

Responses provided will be written and will be issued via Addendum. Addenda will be made available electronically on the City's procurement website: [www.bids.dallascityhall.org](http://www.bids.dallascityhall.org). No proposal negotiations, decisions or actions initiated by any proposers as a result of any verbal discussion with any City employee shall be binding upon the City of Dallas. Only proposers will be notified of any communications after the proposal closing.

All inquiries shall be directed to the buyer assigned to this procurement. Inquiries are not to be directed to any consultant of the City or City staff member. Such action may disqualify proposers from further consideration of this RFCSP.

During your review of the RFCSP and preparation of proposals, proposer(s) may discover certain errors, omissions or ambiguities. If this is the case, or if the meaning of any part of this RFCSP is unclear, proposer(s) shall submit written questions to the buyer in time to allow the City to answer the questions and distribute written responses to all proposers before the RFCSP due date and time.

The Business Development and Procurement Services Department will make all necessary arrangements for direct contact with other City departments, if required.

- XI. DESCRIPTION OF THE CITY:** The City of Dallas, incorporated in 1856, adopted the City Charter in 1907 and has had a Council-Manager form of government since 1931. The City Council consists of fourteen single district council members and a mayor elected at-large. The estimated population of the City as of 2013 was 1,232,243.

The City Council's Budget, Finance and Audit Committee consists of five council members. The committee is charged with the responsibility of financial and audit oversight of the operations of the City. A list of elected officials, and members of the Budget, Finance and Audit Committee are included in Exhibit E.

The City's 2015 budget provides for \$2.258 billion in operating expenditures and \$549 million in capital improvements.

The following component units included in this request for competitive sealed proposal are not included in the City's budget: Employees' Retirement Fund Pension Plan, Convention Center Hotel Development Corporation, Love Field Airport Modernization Corporation, and Downtown Dallas Development Authority. Additional information for all of the component units of the City can be found in Exhibits B-1 and B-2. In addition, the City may establish one or more additional local government corporations or other special purpose entities which may require reporting as a component unit of the City during the contract period.

The City Controller's Office is responsible for preparing the audited financial statements for the City. The department is headed by the City Controller, Assistant City Controller, Assistant Director for Cash and Debt and Assistant Director for Cash Disbursements. Organizational charts are included in Exhibit E.

- XII. RELATIONSHIP WITH CURRENT AUDIT FIRM:** The City Council awarded a three-year contract to Grant Thornton LLP in 2007 to perform the audits for the City's fiscal years 2007, 2008 and 2009. In 2009, the City awarded a new three-year contract with two one-year renewals, which were subsequently approved, for fiscal years 2010 – 2014. The current firm is eligible to submit a response to this RFCSP, contingent upon current audit partner rotation off of the engagement beginning with the fiscal year 2015 audit and continuing for the remainder of the engagement.

- XIII. AUDIT REQUIREMENTS:** The City Council is required by the State of Texas and the City Charter to have an independent annual audit performed by a public accounting firm licensed to practice in the State of Texas.

Certain difficulties may arise in the future which may increase the level of service required in past audits due to additional grant reporting requirements, implementation of new accounting

standards and financial system upgrades. Additionally, audits for the past 3 years would be required for Oak Cliff Gateway TIF district if bonds are sold.

The City maintains numerous individual funds and groups of accounts to record transactions. The number and type of funds, grants and component units will change over time; the lists presented throughout this request for competitive sealed proposal are current as of September 30, 2014.

- A. Exhibit A lists the reporting entities included in the City's financial statements, by fund type, and the number of funds maintained for each type as of September 30, 2014. Exhibit A-2 lists the funds included in Exhibit A-1 which require a separate audit of their respective basic financial statements. These funds are included as part of this request for competitive sealed proposal, but should be separately identified.
- B. Exhibit B lists the City's component units. Exhibit B-1 lists the component units which are included in this request for competitive sealed proposal. The individual boards for those indicated must also approve the bids; therefore, audit fees should be separately stated for each of those component units. Audits of the component units listed in Exhibit B-2 are not included as part of this request for competitive sealed proposal, but the funds are included in the City's financial statements. All component units maintain financial information in systems other than the City's main financial system. Related organizations not included as component units of the City include the Dallas/Fort Worth International Airport, Dallas Housing Authority and Dallas Area Rapid Transit (please refer to Note 1, page 34 of the City's Fiscal Year 2013 CAFR for additional information).
- C. Exhibit C includes those funds requiring compliance audits as prescribed by other governmental agencies or revenue bond ordinances.
- D. Dallas Water Utilities and Aviation Revenue require a certificate of adequate net revenue coverage for each bond sale. Verification of arithmetical computation of adequacy of escrowed securities and interest will be required for DWU bond refunding as well as infrequent comfort letter(s) (last required in 1988). All such fees should be separately stated.
- E. Other reports required by the City related to: (1) Agreed upon procedures satisfying the Texas Commission on Environmental Quality financial assurance test special report requirements of the Texas Administrative Code, Chapter 37, Subchapter C, which must be filed within six months after the fiscal year end; (2) Passenger Facility Charge audit; and, (3) review of each official statement in conjunction with bond offerings.
- F. A compliance audit is required of management controls on investments and adherence to the City's established investment policy and the Public Funds Investment Act.
- G. A letter to management setting forth any reportable conditions found during the audit as required by generally accepted auditing standards. A written report of all irregularities and illegal, or indications of illegal, acts must be immediately given to the City Manager, Chief Financial Officer, City Controller and the City Attorney.
- H. The City also requires the performance of a Single Audit (Schedule of Grant Expenditures) of federal, state and local grant funds as prescribed by the "Single Audit Act of 1984" as amended and the U.S. Office of Management and Budget (OMB) Circular A-133 and the State of Texas Single Audit Circular (the Circular) in accordance with the State Uniform Grant Management Standards. Exhibit D lists various federal, state and local agencies that currently provide grant funds to the City.

#### **XIV. ACCOUNTING INFORMATION**

- A. The modified accrual basis of accounting is used for all governmental fund types; revenues are recorded when measurable and available.

- B. Expenditures are recorded when incurred as fund liabilities according to generally accepted accounting principles.
- C. All proprietary fund types use the accrual basis of accounting, and economic resources measurement focus.
- D. All funds are restated to the accrual basis of accounting and economic resources measurement focus for the government-wide financial statements. For governmental-type funds, this is performed using Excel spreadsheets. The City budget represents departmental appropriations authorized by the annual appropriation ordinance and as revised by the City Council during the fiscal year. Appropriations, estimated revenues and encumbrances are recorded in the accounting records.
- E. Financial System
1. The City uses the integrated accounting system Advantage version 3.9, a product of CGI, Inc., Fairfax, Virginia. Advantage is a financial management system which provides general ledger functions including encumbrance and budget controls, and modules for purchasing, fixed assets, vendor management, and job cost.
 

The Lawson Human Resources Information System interfaces with Advantage and is not part of the integrated system. Water utilities, sanitation, aviation, security alarm permits, and several other revenue sources are maintained in SAP. The information is interfaced with Advantage. Various other billing and cash receipts systems other than SAP also interface with Advantage.
  2. There are approximately 860 data entry personnel and general system users. Approximately 4,000 journal vouchers are entered annually. Another 100,000 transactions annually are input as interface files from 'feeder' systems such as Lawson, SAP, and equipment services billing and inventory systems.
  3. The accounting structure of Advantage includes approximately:
    - a) 1,200 Funds
    - b) 11,000 Units (cost centers)
    - c) 1,200 Balance Sheet Accounts
    - d) 700 Expenditure Object Categories
    - e) 1,100 Revenue Source Categories
  4. The City processes about 93,000 payment vouchers annually. The City also processes approximately 7,500 wire transfers per year.
  5. The Advantage Financial data base consists of four components, all of them Oracle tables:
    - a) Document Catalog contains all documents which were processed manually or interfaced into the system.
    - b) Tables contain chart of accounts, configuration options and various repositories of information, such as vendors.
    - c) Journals contain chronological accounting activity in detail.
    - d) Ledgers contain summary-level accounting data.
  6. Documentation for the City's systems, policies, and procedures is provided by various manuals including:
    - a) Administrative Directives
    - b) Advantage Training Guide
    - c) Advantage Financial User Guides
    - d) Advantage Financial online help for pages and individual fields
    - e) Human Resources Information System (HRIS) Manual

- f) Records Management Manual
- g) Personnel Rules
- h) City Charter
- i) City Code

F. Centralized Computer Center

The City of Dallas has a Centralized Computer Center. The Advantage financial system is supported, as follows:

1. Database applications run RHEL 5.9 on five physical HP DL380P (Intel Xeon E5) servers.
2. The application is written in Java. IBM Websphere serves HTML pages to standard web browsers on the Intranet.
3. The database is Oracle 11gR2.
4. The data extraction tool is Oracle PL/SQL (SQL Plus), or other database utilities.
5. The end-user reporting tool is InfoAdvantage (a vendor-provided configuration of Business Objects), which runs on a Wintel platform.

**XV. ASSISTANCE AVAILABLE TO AUDITORS:** The City Controller's Office staff will prepare workpapers, provide documentation and make available training aids for orientation of the auditor's staff. The preparation of confirmation letters will be the responsibility of the City Controller's Office. The City will provide reasonable workspace for the audit staff. Access to telephone, fax, internet and photocopy machines will also be provided.

**XVI. PROPOSAL REQUIREMENTS:** Each firm should submit one (1) Original – Clearly marked "ORIGINAL" on the front, twenty (20) legible hard Copies each clearly marked "COPY" on the front and one (1) electronic copy on one (1) separate disc or flash drive. Each disc or flash drive shall contain a copy of the entire submittal. Each disc or flash drive shall have the name of the firm and the solicitation name and number on the front of each copy. All shall be submitted in a sealed package. Faxed or emailed responses are not acceptable. The original proposal shall be clearly marked "Original" and signed in blue ink, by hand, in the space marked Authorized Signature. The exterior of the sealed package shall reference the RFCSP name and number. The City of Dallas is not responsible for submissions not properly identified.

Items to be included are:

- A. Table of Contents  
Include a clear identification of the material submitted by section and by page number.
- B. Scope of Service  
Clearly describe the scope of the required services to be provided defined in terms of both financial statement audit and compliance audit.
- C. Audit Staff  
Identify the responsible partner, manager, and in-charge accountant who will work on the audit, including staff from other than the local office. Resumes for each should be included, containing specific governmental experience and whether they are licensed to practice as a Certified Public Accountant in the State of Texas. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to them. The depth of the staff available should be included and the firm's intent regarding continuity of assigned staff during future years. State whether the proposed staff have received continuing professional education in governmental accounting and auditing during the last two years.

Indicate any joint venture/subcontractor participation by other audit firms and staff profiles as appropriate. Describe the roles of each of the subcontractors in this engagement. Indicate all prior engagements where the subcontractors were utilized by your firm. Provide resumes for the owners/partners participating on the engagement. Indicate any complaints against them that have been leveled by the state board of accountancy or

other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to them.

It is the City's desire for firms to comply with audit partner rotation from the engagement after five consecutive audits. Describe your firm's plan for audit partner rotation should that become necessary for the current or future audits.

D. Audit Approach

Clearly describe your firm's approach to conducting the audit. Include in this description your proposed utilization of City staff, total staff assigned to this engagement from your firm and the subcontractors, use of technology, methodology for accomplishing the audit requirements in a timely and efficient manner and any special techniques you may employ. Also include proposed segmentation of the engagement, level of staff assigned to each segment, approach to determining sample sizes, use of analytical procedures, approach to determining compliance with laws and regulations, areas that will receive primary emphasis, and the approach to be used in gaining an understanding of the internal control structure. It is the City's goal to issue audited financial statements within 180 days after the fiscal year end. Therefore, indicate procedures and/or work schedules that would be used to facilitate the completion of the audit within this time frame.

Describe the communication process used by your firm to discuss issues with management and the Budget, Finance and Audit committee, including control deficiencies. Discuss your firm's policy and approach to sharing with management copies of electronic files of flowcharts, narratives and other internal control documentation developed during the audit.

E. Identify any potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City.

F. Independence

State whether your firm is independent of the City of Dallas as defined by generally accepted auditing standards. List and describe the firm's professional relationships involving the City of Dallas, elected or appointed officials or any of its agencies for the past five years. Include a statement explaining why such relationships, if any, do not constitute a conflict of interest.

G. Profile of the Firm

State whether your firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers and other professional staff employed at that office. Provide a statement that the firm and engagement partners are licensed to practice public accounting by the State of Texas.

H. List of all lawsuits pending or filed since of January 2010, including subject matter and status. Disclose any disciplinary action brought against your firm or employees by state regulators, bodies, or professional organizations during the past five years.

I. Governmental Experience

Provide references for your firm's recent experience in local government audits similar to the type requested. Indicate the client name, contact name and title, fiscal years audited, scope of work and engagement partner assigned to the audit. Include whether those clients received the GFOA certificate for excellence in financial reporting for each of the years the client was served by your firm. Provide as references the names and telephone numbers of client officials responsible for those audits. Also identify the five largest local government clients your firm has lost in the past three years and the reasons. In instances when loss of the client was due to an unresolved auditing or accounting matter, discuss the process of attempting to resolve the issue(s).

The City reserves the right to contact references provided by your firm.

- J. Compliance with Auditing Standards Generally Accepted in the United States of America. State whether your firm intends to comply with auditing standards generally accepted in the United States of America and the standards applicable to financial auditing committees in the Government Auditing Standards, 2011 Revision, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of states, local governments and non-profit organizations, including special reporting on internal controls and on compliance with applicable laws and regulations. State whether your firm has complied with applicable requirements for external quality control review and continuing professional education. Include a copy of the firm's most recent peer review report with a statement whether that review included a review of specific government engagements, related letter of comments and the firm's response to the letter of comments. State also whether your firm has complied with continuing professional education in governmental accounting and auditing as specified by the GAO.
- K. Insurance  
The successful proposer will be required to purchase, and maintain during the term of the contract, insurance as described in Exhibit F.
- L. Audit Fees  
The City Council is required to approve the fees for this contract at the time the auditor is selected and the contract is approved. The estimated fee provided in the response for each level of staff should indicate:
- 1) a combined not-to-exceed fee and estimated hours for the simultaneous audit of the CAFR and Schedule of Grant Activity (Single Audit);
  - 2) the fee and estimated hours for each review of the City's official statement in conjunction with its bond offerings;
  - 3) the fee and estimated hours for the Texas Commission on Environmental Quality Financial Assurance report and Passenger Facility Charge audit;
  - 4) the fee and estimated hours for verification of arithmetical computation of adequacy of escrowed securities and interest for DWU bond refunding and infrequent comfort letter(s) (last required in 1988);
  - 5) the fee and estimated hours for the audit of each component unit identified in Exhibit B-1;
  - 6) the maximum percentage increase in 1), 2), 3), 4) and 5) that can be anticipated in subsequent years (see Section XVIII);
  - 7) maximum hourly rates for services which may be requested outside the scope of the audits for each of the following: Partner, Manager, Senior Accountant, and Staff Accountants;
  - 8) policy for billing the City for questions on technical matters; and
  - 9) conditions which may occur which may result in increases to the audit fees above, although the City will not include unreasonable provisions in the contract that could result in additional obligations on the part of the City without prior approval.
- M. Additional Information  
Give any additional information considered essential to this proposal, including involvement in professional organizations. Indicate any planned participation by certified women- or minority-owned firms. Indicate your availability in providing a minimum of 16 hours of continuing professional education annually for the City's professional accounting staff. Indicate any additional services your firm will provide to City residents or staff. Indicate your firm's availability for providing ongoing accounting, financial management systems, and pension/actuarial consultation throughout the year. Describe how the selection of your firm is the best decision the City could make.
- XVII. SELECTION PROCESS:** The Budget, Finance and Audit Committee of the City Council will review the proposals, choose the firms for oral presentations and select the firm it deems most qualified.

**XVIII. CONTRACT:** The professional audit firm selected by the City to perform this service will be required to sign a contract prepared by the City Attorney's Office (sample contracts are provided). Any modifications to the contract should be addressed in the proposer's response to this RFCSP. Modifications to the contract are subject to review and approval by the City Attorney's Office. The contract will be a five year contract.



**XIX. CRITERIA FOR EVALUATION:** The criteria for evaluation will include, but not be limited to, the following areas with the approximate weightings as noted:

A.	Governmental auditing experience	20
	- Current governmental clients	
	- Experience in comparable audits and single audits	
B.	Audit approach	15
	- Extent of City staff utilization during engagement	
	- Reasonableness of audit timetable	
	- Reasonableness of audit hours	
	- Adequacy of sampling techniques and analytical procedures	
C.	Qualifications of staff to be assigned to the audit	20
	- Peer review rating	
	- Extent of continuing education received by staff	
	- Size of local office	
	- Extent of on-site staff's government audit experience	
	- Experience in electronic data processing auditing	
	- Participation in professional associations	
D.	Business Inclusion and Development Plan	15
E.	Fees	30

**Reporting Entities to be Audited**  
**As of September 30, 2014**

	<b><u>Number of Actual Funds Included In This Classification</u></b>	
Governmental Funds:		
General Fund	14	
Debt Service	7	
Special Revenue Fund	642	
Capital Project Fund	360	
Permanent Fund	5	
Internal Service Funds:		
Equipment Services	1	
Communication Services	2	
Office Services	2	
Information Systems	2	
Risk Funds	17	
Enterprise Funds:		
Water Utilities	52	
Convention Center	22	
Aviation Revenue	39	
Municipal Radio	2	
Building Inspection	1	
Fiduciary Funds		
Agency Fund	17	
Pension Trust Fund	3	(None maintained in City's financial system)
Other		
General Fixed Assets	2	
General Long-Term Debt	1	
Component Units	<u>8</u>	(None maintained in City's financial system)
Total	1,199	

Note: Number of funds may change based on new requirements.

**Funds Requiring Separate Audited Financial Statements**

The City is requesting pricing for the audit of the following funds as part of this request for competitive sealed proposal. These funds require the audit of separate basic financial statements prepared by the City due to bond requirements. The bids for these audits should be separately identified, but do not require additional approval.

## Enterprise Funds

Water Utilities

Aviation Revenue

## Special Revenue Fund

Vickery Meadow TIF District

**City Component Units**  
**Included in the Request for Competitive Sealed Proposal**

The following component units prepare separate financial statements. The City is requesting pricing for the audit of these component units as part of this request for competitive sealed proposal. The bids should be separately identified, and are subject to approval by the respective boards.

	<u>Report Date</u>
Employees' Retirement Fund Pension Plan <sup>(1)</sup> Established for the benefit of all eligible City employees, excluding firefighters and police officers.	12/31
Dallas Convention Center Hotel Development Corporation <sup>(2)</sup> Nonprofit local government corporation created by the City to finance the costs to acquire land and to develop, furnish and equip the City of Dallas Convention Center Hotel.	12/31
Love Field Airport Modernization Corporation <sup>(2)</sup> Nonprofit local government corporation created and organized by the City to finance the costs required to demolish and rebuild terminals at Love Field airport as a result of the repeal of the Wright Amendment.	09/30
Downtown Dallas Development Authority <sup>(2)</sup> Organized to increase the property tax base in the downtown area of the City in a manner similar to other tax increment financing zones of the City, but with a separate board.	09/30

## Notes:

- (1) Financial information is maintained in a separate financial system from the City's. The staff responsible for preparation of financial statements is separate from the City's.
- (2) Financial information is maintained and prepared by the City. The component unit does not use the City's main financial system, but instead uses either Peachtree or Excel to maintain financial activity.

**City Component Units**  
**Not Included in the Request for Competitive Sealed Proposal**

The following component units are reported in the City's financial statements. The boards of each of the component units procure auditing services independent from the City's procurement process.

	<u>Report Date</u>
Housing Finance Corporation Organized to issue tax-exempt mortgage revenue bonds to encourage opportunities to low to moderate-income citizens for single-family residential home ownership.	12/31
Housing Acquisition and Development Corporation Organized solely and exclusively for the public purpose of providing safe, affordable housing facilities for low and moderate income persons.	09/30
Dallas Development Fund Assists in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit program.	09/30
North Oak Cliff Municipal Management District (MMD) Organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and public welfare in the District, and educational scholarships for college-bound students residing in or out of the District.	09/30
Cypress Waters MMD Organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and public welfare in the District.	09/30
Dallas Police and Fire Pension System Pension Plan Defined benefit pension plan designed to provide retirement, death and disability benefits for firefighters and police officers in compliance with State statutes.	12/31
Police & Fire Supplemental Pension Fund Pension Plan Established for officials in the Fire and Police Departments who hold rank higher than the highest corresponding Civil Service and available as a result of competitive examination.	12/31

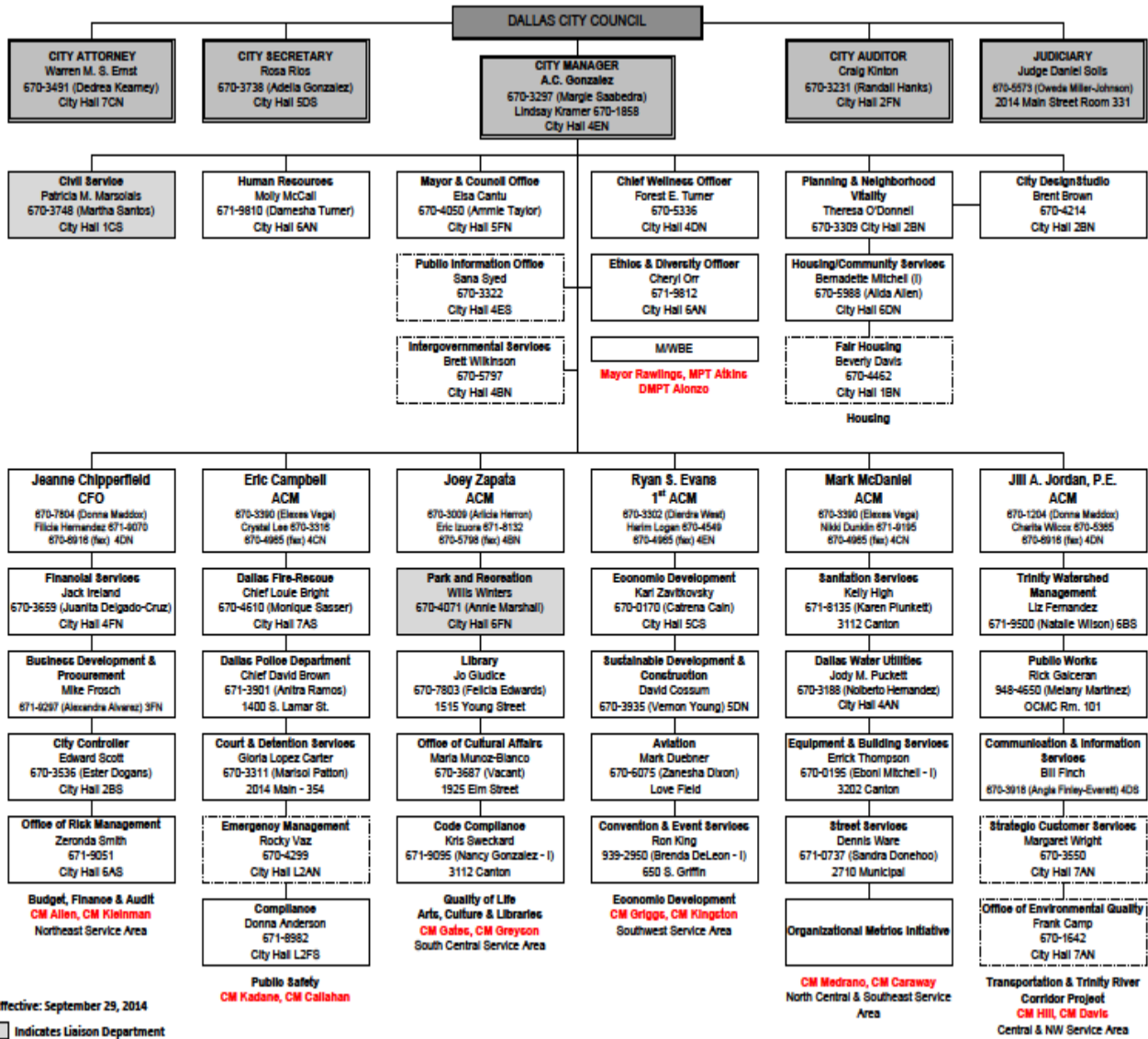
**Funds Requiring Compliance Audit**

<u>Fund</u>	<u>Compliance Required By</u>	<u>Report Date</u>
Federal/State Grants	Single Audit Act of 1984	09/30
Water Utilities	Revenue Bond Ordinance	09/30
Convention Center	Revenue Bond Ordinance	09/30
Airport Revenue	Revenue Bond Ordinance	09/30

**Agencies Providing Grant Funds to City of Dallas**

U.S. Department of Agriculture  
U.S. Department of Defense  
U.S. Department of Education  
U.S. Department of Energy  
U.S. Department of Health and Human Services  
U.S. Department of Homeland Security  
U.S. Department of Housing and Urban Development  
U.S. Department of Interior, National Park Services  
U.S. Department of Justice  
U.S. Department of Transportation  
U.S. Environmental Protection Agency  
Texas Department of Housing and Community Affairs  
Texas Department of Transportation  
Texas Department of Public Safety  
Tax Allocation Section of State Comptroller's Office  
Texas Automobile Theft Prevention Authority  
Texas Commission on Environmental Quality  
Texas Commission on the Arts  
Texas Parks and Wildlife Department  
Texas State University, Texas School Safety Center  
State of Texas Comptroller of Public Accounts  
State of Texas Energy Conservation Office  
National Highway and Traffic Safety Administration  
Governor's Office of General Council and Criminal Justice

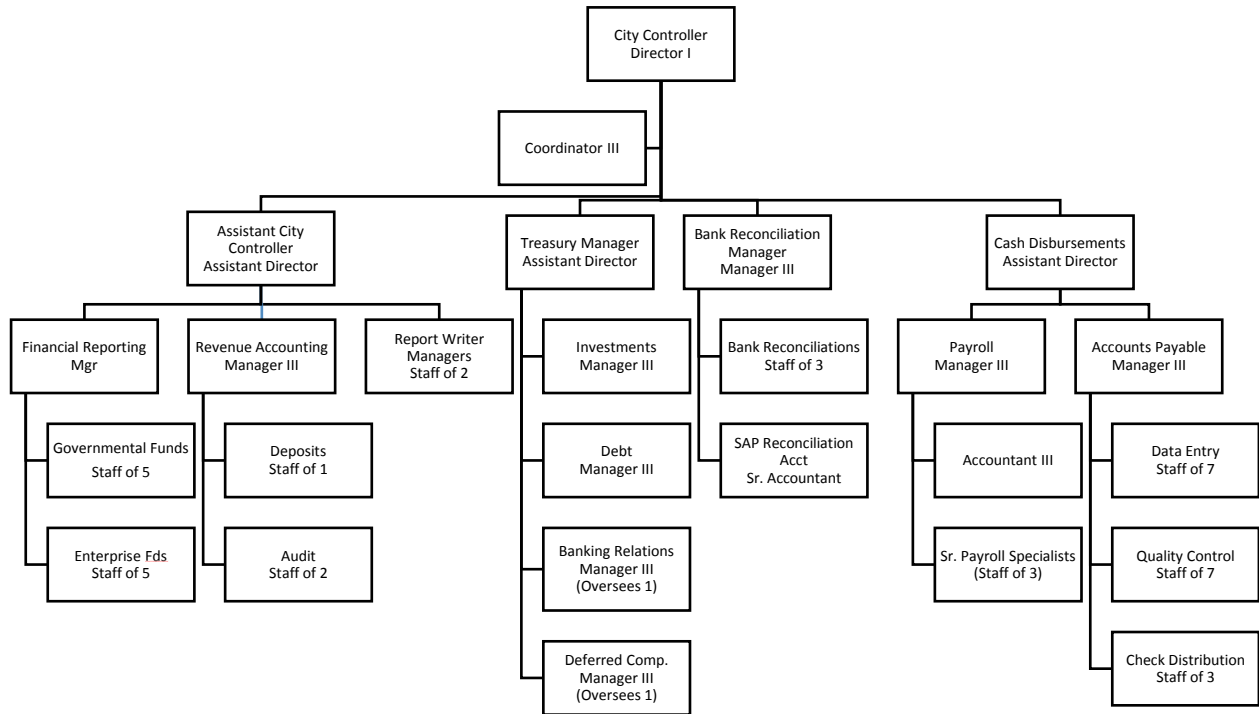
**City of Dallas Organizational Chart**



Effective: September 29, 2014  
 [Solid Box] Indicates Liaison Department  
 [Dashed Box] Indicates Management Services Division



**City Controller's Office Organizational Chart**



**List of Key Personnel****Elected Officials:**

Mike Rawlings	Mayor
Scott Griggs	Councilmember, District 1
Adam Medrano	Councilmember, District 2
Vonciel Jones Hill	Councilmember, District 3
Dwaine R. Caraway	Councilmember, District 4
Rick Callahan	Councilmember, District 5
Monica R. Alonzo	Deputy Mayor Pro Tem, Councilmember, District 6
Carolyn R. Davis	Councilmember, District 7
Tennell Atkins	Mayor Pro Tem, Councilmember, District 8
Sheffield Kadane	Councilmember, District 9
Jerry R. Allen	Councilmember, District 10
Lee M. Kleinman	Councilmember, District 11
Sandy Grayson	Councilmember, District 12
Jennifer Staubach Gates	Councilmember, District 13
Philip T. Kingston	Councilmember, District 14

**Budget, Finance and Audit Committee**

Jerry R. Allen	Chair
Jennifer Staubach Gates	Vice-Chair
Tennell Atkins	Member
Sheffie Kadane	Member
Philip T. Kingston	Member

**Selected Administrative Staff**

A.C. Gonzalez	City Manager
Ryan Evans	First Assistant City Manager
Eric Campbell	Assistant City Manager
Jill Jordan	Assistant City Manager
Mark McDaniel	Assistant City Manager
Joey Zapata	Assistant City Manager
Jeanne Chipperfield	Chief Financial Officer
Warren Ernst	City Attorney
Rosa Rios	City Secretary
Craig Kinton, CPA	City Auditor
Edward Scott, CPA	City Controller
Lance Sehorn, CPA	Assistant City Controller
Corrine Steeger	Assistant Director
Jimmy Martin, CPA	Assistant Director

# Memorandum



CITY OF DALLAS

DATE January 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Dallas Water Utilities Upcoming Bond Sale

On January 20, 2015, the Budget, Finance and Audit Committee will be briefed on the Dallas Water Utilities Upcoming Bond Sale. The briefing will be presented by Corrine Steeger, Assistant Director in the City Controller's Office.

Please let me know if you need additional information.

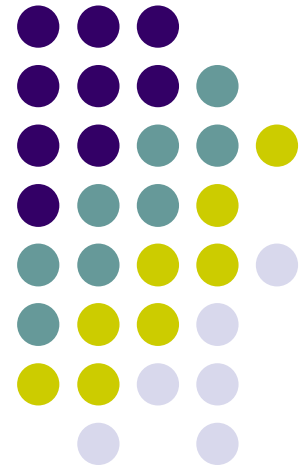
  
Jeanne Chippertfield  
Chief Financial Officer

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

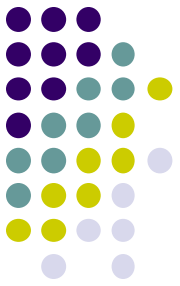
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Forest E. Turner, Chief Wellness Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

# Dallas Water Utilities Upcoming Bond Sale

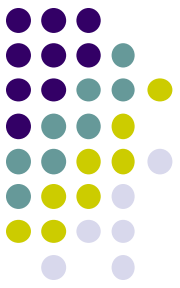
Budget, Finance and Audit Committee  
January 20, 2015



# Purpose



- Provide an overview of the tax-exempt and taxable bond sales
- Review the syndicate selection process and assignment for these transactions
- Seek committee recommendation on the February 11<sup>th</sup> resolution authorizing staff to proceed with preparations for the sale of Waterworks and Sewer System Revenue Refunding Bonds, Series 2015A/B
- Recommend approval of parameters ordinance authorizing the sale of up to \$1.135 billion Waterworks and Sewer System Revenue Refunding Bonds, Series 2015A/B on the February 25<sup>th</sup> Council Agenda



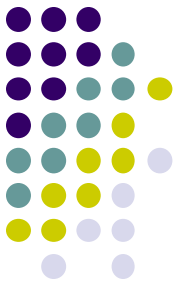
# Bond Sales Overview

- Total size of bond sales currently estimated up to \$1.135 billion
- Proposed bond sale will include proceeds sufficient to retire up to \$220.000 million in commercial paper estimated to be outstanding at the time of the sale and to refund approximately \$793.405 million in existing revenue bond debt through the issuance of tax-exempt and taxable bonds
- Issuance costs of \$2.081 million to be paid from Water Utilities (DWU) operating funds
- 30-year bonds with a ten-year call
- Sales will be negotiated



# Revenue Bond Refundings

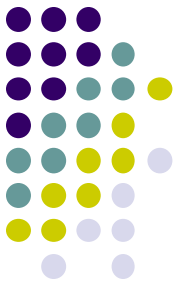
- Current interest rates provide an opportunity to advance refund approximately \$793.000 million in outstanding revenue bonds using a combination of tax-exempt and taxable refundings
- Proposed tax-exempt refunding includes specified maturities of:
  - Series 2006 Revenue Refunding Bonds: \$65.095 million principal
    - Maturities: Oct.1, 2016/2017; Oct.1, 2032 – Oct. 1, 2035
    - Interest Rates: 4.25% - 5.00%
  - Series 2007 Revenue Refunding Bonds: \$112.615 million principal
    - Maturities: Oct. 1, 2018 – Oct. 1, 2036
    - Interest Rates: 4.25% – 5.00%
  - Series 2008 Revenue Refunding Bonds: \$123.455 million principal
    - Maturities: Oct. 1, 2019 – Oct. 1, 2037
    - Interest Rate: 5.00%



# Revenue Bond Refundings

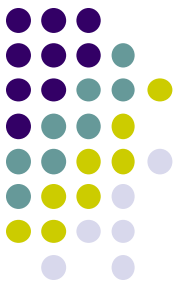
- Proposed tax-exempt refunding includes specified maturities of:
  - Series 2011 Revenue Refunding Bonds: \$54.275 million principal
    - Maturities: Oct. 1, 2022 – Oct. 1, 2035
    - Interest Rate: 5.00%
  - Series 2012A Revenue Refunding Bonds: \$38.350 million principal
    - Maturities: Oct. 1, 2023 – Oct. 1, 2031
    - Interest Rates: 4.00% - 5.00%
  - Series 2013A Revenue Refunding Bonds: \$27.600 million principal
    - Maturities: Oct. 1, 2024 – Oct. 1, 2029
    - Interest Rate: 5.00%





# Revenue Bond Refundings

- Proposed taxable refunding includes specified maturities of:
  - Series 2007 Revenue Refunding Bonds: \$279.580 million principal
    - Maturities: Oct. 1, 2018 – Oct. 1, 2030; Oct. 1, 2032 – Oct. 1, 2036
    - Interest Rates: 4.25% - 5.00%
  - Series 2010 Revenue Refunding Bonds: \$84.560 million principal
    - Maturities: Oct. 1, 2033 – Oct. 1, 2039
    - Interest Rate: 5.00%
  - Series 2011 Revenue Refunding Bonds: \$7.875 million principal
    - Maturities: Oct. 1, 2025 – Oct. 1, 2028
    - Interest Rate: 5.00%



# Revenue Bond Refundings

- Based on current interest rates, the estimated savings are:
  - Total net present value (NPV) cash savings of \$52.977 million
  - 6.68% NPV savings as a percentage of the bonds being refunded
    - Exceeds FMPC criteria of 4% savings
- May provide an opportunity to modernize the governing bond ordinance to allow flexibility in structuring future financings, including sizing and funding of bond reserves
- Co-Financial Advisors will continue to monitor the market to ensure feasibility of refunding, which may be restructured or deleted if market changes prior to March pricing



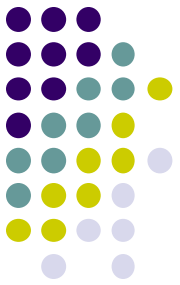
# Commercial Paper Refunding

- Commercial paper provides short-term financing for the DWU's capital improvement program
- Current program size is \$600 million
- Commercial paper issuance is timed to fund contract payments
- Outstanding commercial paper balance is \$171.385 million as of 1/14/2015 with \$393.300 million in commitments (contract awards)
- Average interest rate is 0.0652% for 42 days



# Syndicate Selection

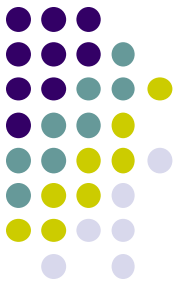
- In April 2010, City Council approved two underwriting syndicate teams for negotiated sales. Council approval provided that:
  - Bookrunning senior manager position rotates between national and M/WBE firms
  - Co-senior manager is the highest ranking national or regional firm if the bookrunning senior manager position is assigned to the M/WBE firm on a rotating basis
  - Alternate firms assume the place on a team of a firm that can no longer serve



# Syndicate Team A

- Team A consists of the following firms:
  - **National**
    - JP Morgan
    - Bank of America Merrill Lynch
    - Morgan Stanley
  - **Regional**
    - RBC Capital Markets
    - Raymond James & Assoc.
    - Stephens, Inc. (replaced Southwest Securities Group)
  - **MWBE**
    - Siebert Brandford Shank & Co.
    - Cabrera Capital Markets
    - Duncan-Williams (replaced M.R. Beal & Co.)

# Syndicate Team B



- Team B consists of the following firms:
  - **National**
    - Citigroup Global Markets, Inc.
    - Wells Fargo Bank, N.A.
    - Goldman, Sachs & Co.
  - **Regional**
    - Piper Jaffray
    - Stifel Nicolaus & Co.
    - Frost Bank
  - **MWBE**
    - Loop Capital Markets, LLC
    - Samuel A. Ramirez & Co.
    - Stern Brothers & Co.



# Syndicate Team A

- It is proposed that Team A underwrite the Waterworks and Sewer System Revenue Refunding bond sales:

## **Senior Managers**

Cabrera Capital Markets (Bookrunning Senior Manager)

Morgan Stanley (Co-Senior Manager)

RBC Capital Markets (Co-Senior Manager)

## **Co-Managers**

JP Morgan

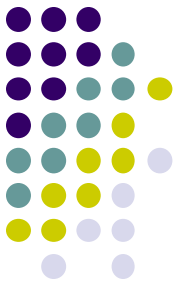
Bank of America Merrill Lynch

Raymond James & Assoc.

Stephens, Inc.

Siebert Brandford Shank & Co.

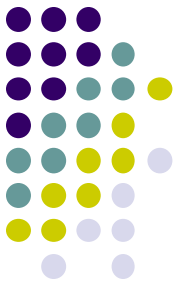
Duncan-Williams



# Timeline for Bond Sales

January 20	Budget, Finance and Audit Committee
February 11	City Council authorization to proceed with sale
February 25	Parameters ordinance authorized by City Council
March 19	Pricing of the bonds
April 13	Deliver bonds and receive proceeds

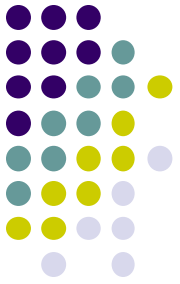




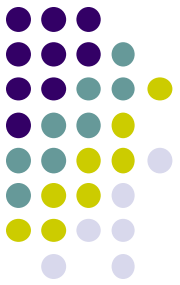
# Recommendation

- Authorize staff to proceed with preparations for the sale of up to \$1.135 billion Waterworks and Sewer System Revenue Refunding Bonds, Series 2015A/B on the February 11<sup>th</sup> Council Agenda
- Recommend approval of parameters ordinance authorizing the sale of up to \$1.135 billion Waterworks and Sewer System Revenue Refunding Bonds, Series 2015A/B on the February 25<sup>th</sup> Council Agenda

# Appendix



Issuance Costs Schedule	Page 16
Bond Summary Statistics	Page 17
Sources and Uses	Page 18
Debt Service Schedule	Page 19
Summary of Bonds to be Refunded	Page 20-22
Savings on Refunding	Page 23



# Issuance Costs Schedule

## Estimated Issuance Costs

Co-Bond Counsel	\$675,250
Co-Disclosure Counsel	372,525
Co-Financial Advisors	637,700
Debt Analysis/Structuring	40,000
Official Statement Printing	10,000
Rating Agencies	299,200
Escrow Fees	10,000
Auditor – Grant Thornton	17,000
Attorney General Filing Fee	19,000
<b>Total</b>	<b>\$2,080,675</b>

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**Bond Summary Statistics**

**City of Dallas, Texas**

**Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015AB**

**Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps**

**Refund All Bonds with at least 0.50% PV Savings**

**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

<b>Dated Date</b>	<b>3/19/2015</b>
<b>Delivery Date</b>	<b>3/19/2015</b>
<b>First Coupon</b>	<b>10/1/2015</b>
<b>Last Maturity</b>	<b>10/1/2044</b>
<b>Arbitrage Yield</b>	<b>2.458549%</b>
<b>True Interest Cost (TIC)</b>	<b>3.133740%</b>
<b>Net Interest Cost (NIC)</b>	<b>3.487819%</b>
<b>All-In TIC</b>	<b>3.167590%</b>
<b>Average Coupon</b>	<b>4.401678%</b>
<b>Average Life (years)</b>	<b>13.752</b>
<b>Weighted Average Maturity (years)</b>	<b>14.277</b>
<b>Duration of Issue (years)</b>	<b>10.689</b>

Sources and Uses of Funds  
City of Dallas, Texas  
Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015AB  
Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps  
Refund All Bonds with at least 0.50% PV Savings  
\*\*\* Preliminary - For Discussion Purposes Only \*\*\*  
Dated Date 3/19/2015  
Delivery Date 3/19/2015

Sources:	CP Refunding	Tax-Exempt Refunding	Taxable Refunding	Total
<b>Bond Proceeds:</b>				
Par Amount	182,720,000.00	387,375,000.00	418,025,000.00	988,120,000.00
Premium	39,108,034.55	91,002,157.75		130,110,192.30
	221,828,034.55	478,377,157.75	418,025,000.00	1,118,230,192.30
<b>Other Sources of Funds:</b>				
Debt Service Fund		9,516,222.92	8,046,039.17	17,562,262.09
	221,828,034.55	487,893,380.67	426,071,039.17	1,135,792,454.39

Uses:	CP Refunding	Tax-Exempt Refunding	Taxable Refunding	Total
<b>Project Fund Deposits:</b>				
Commercial Paper Refunding	220,000,000.00			220,000,000.00
<b>Refunding Escrow Deposits:</b>				
Cash Deposit		10,195,953.95	8,620,757.05	18,816,711.00
SLGS Purchases		473,819,179.00	413,269,961.00	887,089,140.00
		484,015,132.95	421,890,718.05	905,905,851.00
<b>Delivery Date Expenses:</b>	1,827,200.00	3,873,750.00	4,180,250.00	9,881,200.00
<b>Other Uses of Funds:</b>				
Additional Proceeds	834.55	4,497.72	71.12	5,403.39
	221,828,034.55	487,893,380.67	426,071,039.17	1,135,792,454.39

**Summary of Bonds Refunded**  
**City of Dallas, Texas**  
**Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015A**  
**Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps**  
**Refund All Bonds with at least 0.50% PV Savings**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
<b>\$255,375,000 Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2006, 2006:</b>					
SERIAL	10/1/2016	4.250%	5,580,000.00	10/1/2015	100.000
	10/1/2017	4.375%	5,865,000.00	10/1/2015	100.000
TERM	10/1/2032	5.000%	12,425,000.00	10/1/2015	100.000
	10/1/2033	5.000%	13,060,000.00	10/1/2015	100.000
	10/1/2034	5.000%	13,730,000.00	10/1/2015	100.000
	10/1/2035	5.000%	14,435,000.00	10/1/2015	100.000
			65,095,000.00		
<b>\$678,480,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2007, 2007:</b>					
SERIAL	10/1/2018	5.000%	11,765,000.00	10/1/2017	100.000
	10/1/2019	4.500%	12,330,000.00	10/1/2017	100.000
	10/1/2020	4.500%	11,905,000.00	10/1/2017	100.000
	10/1/2021	4.500%	11,320,000.00	10/1/2017	100.000
	10/1/2022	4.250%	9,070,000.00	10/1/2017	100.000
	10/1/2023	4.500%	6,460,000.00	10/1/2017	100.000
	10/1/2024	4.500%	6,755,000.00	10/1/2017	100.000
	10/1/2025	4.375%	4,280,000.00	10/1/2017	100.000
	10/1/2026	4.500%	4,470,000.00	10/1/2017	100.000
	10/1/2027	4.500%	4,675,000.00	10/1/2017	100.000
	10/1/2028	4.500%	4,885,000.00	10/1/2017	100.000
TERM	10/1/2029	4.375%	5,105,000.00	10/1/2017	100.000
	10/1/2030	4.375%	2,535,000.00	10/1/2017	100.000
	10/1/2031	4.375%	2,650,000.00	10/1/2017	100.000
	10/1/2032	4.375%	2,770,000.00	10/1/2017	100.000
TERM2	10/1/2033	4.375%	660,000.00	10/1/2017	100.000
	10/1/2034	4.375%	690,000.00	10/1/2017	100.000
	10/1/2035	4.375%	720,000.00	10/1/2017	100.000
TERM3	10/1/2033	4.500%	2,235,000.00	10/1/2017	100.000
	10/1/2034	4.500%	2,335,000.00	10/1/2017	100.000
	10/1/2035	4.500%	2,445,000.00	10/1/2017	100.000
	10/1/2036	4.500%	2,555,000.00	10/1/2017	100.000
			112,615,000.00		
<b>\$158,655,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2008, 2008:</b>					
SERIAL	10/1/2019	5.000%	3,990,000.00	10/1/2018	100.000
	10/1/2020	5.000%	4,195,000.00	10/1/2018	100.000
	10/1/2021	5.000%	4,410,000.00	10/1/2018	100.000
	10/1/2022	5.000%	4,635,000.00	10/1/2018	100.000
	10/1/2023	5.000%	4,875,000.00	10/1/2018	100.000
	10/1/2024	5.000%	5,125,000.00	10/1/2018	100.000
	10/1/2025	5.000%	5,390,000.00	10/1/2018	100.000
	10/1/2026	5.000%	5,665,000.00	10/1/2018	100.000
	10/1/2027	5.000%	5,955,000.00	10/1/2018	100.000
	10/1/2028	5.000%	6,260,000.00	10/1/2018	100.000
	10/1/2029	5.000%	6,580,000.00	10/1/2018	100.000
	10/1/2030	5.000%	6,920,000.00	10/1/2018	100.000

**Summary of Bonds Refunded**  
**City of Dallas, Texas**  
**Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015A**  
**Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps**  
**Refund All Bonds with at least 0.50% PV Savings**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
TERM	10/1/2031	5.000%	7,275,000.00	10/1/2018	100.000
	10/1/2032	5.000%	7,645,000.00	10/1/2018	100.000
	10/1/2033	5.000%	8,040,000.00	10/1/2018	100.000
TERM2	10/1/2034	5.000%	8,450,000.00	10/1/2018	100.000
	10/1/2035	5.000%	8,885,000.00	10/1/2018	100.000
	10/1/2036	5.000%	9,340,000.00	10/1/2018	100.000
	10/1/2037	5.000%	9,820,000.00	10/1/2018	100.000
			123,455,000.00		

**\$239,425,000 City of Dallas Waterworks and Sewer System Revenue Refunding Bonds, Series 2011, 2011:**

SER	10/1/2022	5.000%	8,530,000.00	10/1/2021	100.000
	10/1/2023	5.000%	8,980,000.00	10/1/2021	100.000
	10/1/2024	5.000%	2,290,000.00	10/1/2021	100.000
	10/1/2025	5.000%	2,410,000.00	10/1/2021	100.000
	10/1/2026	5.000%	2,535,000.00	10/1/2021	100.000
	10/1/2027	5.000%	2,665,000.00	10/1/2021	100.000
	10/1/2028	5.000%	2,800,000.00	10/1/2021	100.000
	10/1/2029	5.000%	2,945,000.00	10/1/2021	100.000
	10/1/2030	5.000%	3,095,000.00	10/1/2021	100.000
	10/1/2031	5.000%	3,255,000.00	10/1/2021	100.000
TERM1	10/1/2032	5.000%	3,420,000.00	10/1/2021	100.000
	10/1/2033	5.000%	3,595,000.00	10/1/2021	100.000
	10/1/2034	5.000%	3,780,000.00	10/1/2021	100.000
	10/1/2035	5.000%	3,975,000.00	10/1/2021	100.000
			54,275,000.00		

**\$259,420,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2012A, 2012A:**

SER	10/1/2023	5.000%	9,050,000.00	10/1/2022	100.000
	10/1/2024	5.000%	2,245,000.00	10/1/2022	100.000
	10/1/2025	4.000%	2,350,000.00	10/1/2022	100.000
	10/1/2026	4.000%	2,440,000.00	10/1/2022	100.000
	10/1/2028	5.000%	8,135,000.00	10/1/2022	100.000
	10/1/2029	5.000%	8,550,000.00	10/1/2022	100.000
	10/1/2030	5.000%	2,490,000.00	10/1/2022	100.000
	10/1/2031	5.000%	3,090,000.00	10/1/2022	100.000
			38,350,000.00		

**\$156,540,000 Waterworks and Sewer System Revenue Bonds, Series 2013, 2013:**

SER	10/1/2024	5.000%	4,045,000.00	10/1/2023	100.000
	10/1/2025	5.000%	4,250,000.00	10/1/2023	100.000
	10/1/2026	5.000%	4,470,000.00	10/1/2023	100.000
	10/1/2027	5.000%	4,700,000.00	10/1/2023	100.000
	10/1/2028	5.000%	4,940,000.00	10/1/2023	100.000
	10/1/2029	5.000%	5,195,000.00	10/1/2023	100.000
			27,600,000.00		
			421,390,000.00		

**Summary of Bonds Refunded**  
**City of Dallas, Texas**  
**Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015B (Taxable)**  
**Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps**  
**Refund All Bonds with at least 0.50% PV Savings**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

		Maturity				
	Bond	Date	Interest Rate	Par Amount	Call Date	Call Price
<b>\$678,480,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2007, 2007:</b>						
	SERIAL	10/1/2018	5.000%	29,910,000.00	10/1/2017	100.000
		10/1/2019	4.500%	31,350,000.00	10/1/2017	100.000
		10/1/2020	4.500%	30,270,000.00	10/1/2017	100.000
		10/1/2021	4.500%	28,790,000.00	10/1/2017	100.000
		10/1/2022	4.250%	23,055,000.00	10/1/2017	100.000
		10/1/2023	4.500%	16,425,000.00	10/1/2017	100.000
		10/1/2024	4.500%	17,170,000.00	10/1/2017	100.000
		10/1/2025	4.375%	10,875,000.00	10/1/2017	100.000
		10/1/2026	4.500%	11,365,000.00	10/1/2017	100.000
		10/1/2027	4.500%	11,880,000.00	10/1/2017	100.000
		10/1/2028	4.500%	12,420,000.00	10/1/2017	100.000
	TERM	10/1/2029	4.375%	12,975,000.00	10/1/2017	100.000
		10/1/2030	4.375%	6,450,000.00	10/1/2017	100.000
		10/1/2032	4.375%	7,040,000.00	10/1/2017	100.000
	TERM2	10/1/2033	4.375%	1,670,000.00	10/1/2017	100.000
		10/1/2034	4.375%	1,755,000.00	10/1/2017	100.000
		10/1/2035	4.375%	1,835,000.00	10/1/2017	100.000
	TERM3	10/1/2033	4.500%	5,685,000.00	10/1/2017	100.000
		10/1/2034	4.500%	5,945,000.00	10/1/2017	100.000
		10/1/2035	4.500%	6,215,000.00	10/1/2017	100.000
		10/1/2036	4.500%	6,500,000.00	10/1/2017	100.000
				<b>279,580,000.00</b>		
<b>\$295,850,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2010, 2010:</b>						
	TERM1	10/1/2033	5.000%	10,345,000.00	10/1/2020	100.000
		10/1/2034	5.000%	10,875,000.00	10/1/2020	100.000
		10/1/2035	5.000%	11,435,000.00	10/1/2020	100.000
	TERM2	10/1/2036	5.000%	12,020,000.00	10/1/2020	100.000
		10/1/2037	5.000%	12,635,000.00	10/1/2020	100.000
		10/1/2038	5.000%	13,285,000.00	10/1/2020	100.000
		10/1/2039	5.000%	13,965,000.00	10/1/2020	100.000
				<b>84,560,000.00</b>		
<b>\$239,425,000 City of Dallas Waterworks and Sewer System Revenue Refunding Bonds, Series 2011, 2011:</b>						
	SER	10/1/2025	5.000%	1,825,000.00	10/1/2021	100.000
		10/1/2026	5.000%	1,915,000.00	10/1/2021	100.000
		10/1/2027	5.000%	2,015,000.00	10/1/2021	100.000
		10/1/2028	5.000%	2,120,000.00	10/1/2021	100.000
				<b>7,875,000.00</b>		
				<b>372,015,000.00</b>		



**Debt Service**  
**City of Dallas, Texas**  
**Waterworks and Sewerage System Revenue Refunding Bonds, Series 2015AB**  
**Assumes Aa1/AAA Uninsured Rates as of January 5, 2015 Less 25bps**  
**Refund All Bonds with at least 0.50% PV Savings**  
**\*\*\* Preliminary - For Discussion Purposes Only \*\*\***

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
9/30/2015	18,816,709.38	17,562,262.09	1,254,447.29		1,254,447.29
9/30/2016	37,633,418.76		37,633,418.76	29,561,059.57	8,072,359.19
9/30/2017	43,094,843.76		43,094,843.76	28,607,477.00	14,487,366.76
9/30/2018	43,132,971.88		43,132,971.88	28,607,477.00	14,525,494.88
9/30/2019	77,772,800.00		77,772,800.00	73,661,297.00	4,111,503.00
9/30/2020	81,643,375.00		81,643,375.00	81,529,342.25	114,032.75
9/30/2021	78,207,012.50		78,207,012.50	78,094,215.50	112,797.00
9/30/2022	74,290,475.00		74,290,475.00	74,177,467.25	113,007.75
9/30/2023	73,035,968.75		73,035,968.75	72,923,731.00	112,237.75
9/30/2024	71,436,650.00		71,436,650.00	71,321,943.00	114,707.00
9/30/2025	61,308,175.00		61,308,175.00	61,193,524.00	114,651.00
9/30/2026	53,451,846.88		53,451,846.88	53,335,882.00	115,964.88
9/30/2027	53,436,743.76		53,436,743.76	53,324,968.50	111,775.26
9/30/2028	50,941,168.76		50,941,168.76	50,828,613.00	112,555.76
9/30/2029	58,859,568.76		58,859,568.76	58,746,625.00	112,943.76
9/30/2030	56,676,581.26		56,676,581.26	56,561,250.00	115,331.26
9/30/2031	35,330,159.38		35,330,159.38	35,219,000.00	111,159.38
9/30/2032	29,202,518.75		29,202,518.75	29,091,500.00	111,018.75
9/30/2033	45,032,206.25		45,032,206.25	44,917,750.00	114,456.25
9/30/2034	55,115,193.75		55,115,193.75	55,001,875.00	113,318.75
9/30/2035	55,119,365.63		55,119,365.63	55,007,250.00	112,115.63
9/30/2036	55,124,715.63		55,124,715.63	55,009,000.00	115,715.63
9/30/2037	33,637,987.50		33,637,987.50	33,527,000.00	110,987.50
9/30/2038	24,378,875.00		24,378,875.00	24,265,625.00	113,250.00
9/30/2039	14,315,375.00		14,315,375.00	14,202,250.00	113,125.00
9/30/2040	14,314,125.00		14,314,125.00	14,201,375.00	112,750.00
	<b>1,295,308,831.34</b>	<b>17,562,262.09</b>	<b>1,277,746,569.25</b>	<b>1,232,917,497.07</b>	<b>44,829,072.18</b>

Savings Summary

Savings PV date	3/19/2015
PV of savings from cash flow	52,972,835.74
Plus: Refunding funds on hand	4,568.84
	-----
Net PV Savings	52,977,404.58

# Memorandum



CITY OF DALLAS

DATE January 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Items: Service Contract Extensions for Grounds Maintenance, Litter  
Pick Up and Refuse Collection Services

The January 28, 2015 Council Agenda will include four agenda items for your consideration to exercise supplemental agreements for various services including:

Agenda Item #11 - Supplemental agreement no. 1 to increase the service contract with Good Earth Corporation for grounds maintenance services at various Dallas Water Utilities' properties in the amount of \$131,408.

Agenda Item #12 - Supplemental agreement no. 1 to increase the service contract with Good Earth Cooperation for litter pick up and refuse collection services at City parks in the amount of \$1,743,794.

Agenda Item #13 - Supplemental agreement no. 2 to increase the service contracts with Good Earth Landscaping and Management, Ltd. and JBA Land Management, LLC for grounds maintenance services at parks, airports and other City owned properties in the amount of \$602,005.

Agenda Item #14 - Supplemental agreement no. 2 to increase the service contracts with Good Earth Cooperation and JBA Land Management, LLC for grounds maintenance services for medians, right-of-ways, vacant lots and residential properties in the amount of \$1,491,944.

Current contracts for these services are set to expire during the "growing season", between the months of March and November, which is consequently the peak season for services. These contracts include mowing, edging, trimming, tree pruning, herbicide, fertilizer treatments and litter removal for approximately 100 DWU locations, as well as ground maintenance services for approximately 30,000 acres, 13,000 vacant lots, residential property medians and rights-of-ways, and 142 park locations throughout the City. These contracts are structured in a way that requires vendors to follow specific weekly, bi-weekly and monthly cycles for the services in addition to as needed services to meet special needs and code violations.

Awarding the contracts during the peak season would have a direct impact on a new vendor and the City, due to the significant acreage of mowing and maintenance services required. Vendors need additional time to assess the scope of work, hire staff and purchase equipment to meet the requirements of the City. Therefore, any transition with a new service provider during this period would be challenging and may have the potential for interruption in service.

Additionally, the extension will allow staff to further research the potential of aggregating some of the agreements to further strengthen the City's position in securing the best price for these services. Approval of these agenda items will help ensure continuous service and allow for ample time to implement new contracts.

Please let me know if you need additional information.

  
Jeanne Chipperfield  
Chief Financial Officer

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

DATE January 16, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer Staubach Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT **Upcoming Agenda Item: Enhanced Technical Support for Microsoft Products**

The January 28, 2015 Council Agenda will include an item to authorize a three-year service contract for Microsoft Premier Support Services - Microsoft Corporation through the Department of Information Resources, State of Texas Department Cooperative contract for a not to exceed amount of \$225,547 financed with current funds (subject to annual appropriations).

This agreement will continue to provide Communication and Information Services (CIS) with enhanced technical support for Microsoft products used on the City's servers, workstations and mobile devices to support daily business operations. Examples of Microsoft products being used includes Windows Server operating systems, Office 365 cloud computing, Office, Visio and Project.

Enhanced technical support gives the ability to leverage Microsoft subject matter experts to assist support the City in resolving complex or critical technical system issues, installation and configuration support for Information Technology projects that include Microsoft product elements, and training workshops to gain better knowledge of existing and upcoming Microsoft solutions. Additionally, this contract will grant the City a one-year extension on Windows XP operating system support that reached manufacturer end of life support in April 2014.

Please contact Bill Finch at 670-1890 if you have any questions.

A handwritten signature in blue ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.  
Assistant City Manager

c: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
William Finch, CIO/Director  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# Memorandum



CITY OF DALLAS

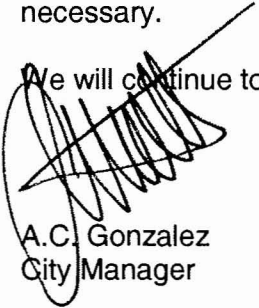
DATE January 16, 2015  
TO The Honorable Mayor and Members of the City Council  
SUBJECT Financial Forecast Report

The FY 2014-15 Financial Forecast Report based on information through November 2014 is attached and provided for your information. This report reflects an amended General Fund budget based on Council's approved use of contingency reserve funds on December 10, 2014 by CR# 14-2194.

For FY 2014-15, General Fund revenues are projected to be \$5,830,000 below budget and General Fund expenditures are projected to \$2,260,000 below budget. This results in forecast expenditures being in excess of forecast revenues by \$3,570,000.

The General Fund revenue reduction is due primarily to more service providers applying to the State of Texas for the Ambulance Supplemental Payment Program resulting in less funds available to reimburse the City of Dallas. This revenue reduction is already partially offset by anticipated savings in fuel expense as the price per gallon is less than budgeted. As the Financial Forecast Report is monitored monthly, additional opportunities to offset the remaining revenue reduction will be identified. Potential savings will be identified from slowed spending, vacancies, a possible selected hiring freeze, deferral of the planned major maintenance projects, reduction in number of lane miles of partial reconstruction, and/or possible increases in other revenues. As a last resort, fund balance is available to make up the variance if necessary.

We will continue to closely monitor revenues and expenditures and keep you informed.

  
A.C. Gonzalez  
City Manager

## Attachment

c: Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jack Ireland, Director, Office of Financial Services

**GENERAL FUND  
COMPARISON OF FY 2014-15 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2014  
(000s)**

<u>ITEM</u>	<u>AMENDED BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$ 1,166,814	\$ 135,179	\$ 1,160,985	\$ (5,830)
Expenditures	1,166,814	166,881	1,164,554	(2,260)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$ -</u>	<u>\$ (31,702)</u>	<u>\$ (3,570)</u>	<u>\$ (3,570)</u>

**FINANCIAL FORECAST REPORT  
FY 2014-15  
AS OF NOVEMBER 30, 2014**

**GENERAL FUND**

**Revenues**

- Total General Fund revenues are estimated to be \$5,830,000 below budget.
  - Municipal Court revenue is projected to be \$1,428,000 above budget based on analysis of year end collection revenues of the previous two fiscal years.
  - Emergency Ambulance revenue is projected to be \$6,709,000 below budget due to a reduction in the reimbursement from the State as a result of the increased number of ambulance service providers requesting reimbursement.

**Expenditures**

- Total General Fund expenditures are estimated to be \$2,260,000 below budget.
  - Fuel expenses are projected to be \$1,960,000 below budget due to a decline in fuel prices.

**GENERAL FUND  
FORECAST OF FY 2014-15 REVENUES  
AS OF NOVEMBER 30, 2014  
(000s)**

	<b>AMENDED BUDGET</b>	<b>REVENUES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>TAXES</b>				
Ad Valorem Tax	\$ 520,321	\$ 34,647	\$ 520,321	\$ -
Sales Tax	268,666	41,154	268,666	-
<b>TOTAL TAXES</b>	<b>788,987</b>	<b>75,800</b>	<b>788,987</b>	<b>-</b>
<b>FRANCHISE REVENUES</b>				
Oncor Electric	50,014	15,171	50,014	-
AT&T	12,064	3,291	12,064	-
Atmos Energy	12,178	2,511	12,178	-
Time Warner Cable	5,768	1,503	5,768	-
Other	22,336	5,342	22,336	-
<b>TOTAL FRANCHISE REVENUES</b>	<b>102,360</b>	<b>27,817</b>	<b>102,360</b>	<b>-</b>
<b>LICENSES AND PERMITS</b>	<b>9,857</b>	<b>1,178</b>	<b>9,808</b>	<b>(49)</b>
<b>INTEREST EARNED</b>	<b>591</b>	<b>-</b>	<b>591</b>	<b>-</b>
<b>INTERGOVERNMENTAL</b>	<b>6,638</b>	<b>-</b>	<b>6,638</b>	<b>-</b>
<b>FINES AND FORFEITURES</b>				
Municipal Court	12,214	1,779	13,642	1,428
Vehicle Towing & Storage	6,978	1,072	6,978	-
Parking Fines	4,419	-	4,419	-
Red Light Camera Fines	7,335	-	7,335	-
Public Library	500	67	500	-
<b>TOTAL FINES</b>	<b>31,446</b>	<b>2,917</b>	<b>32,874</b>	<b>1,428</b>
<b>CHARGES FOR SERVICE</b>				
Sanitation Service	63,530	11,033	63,530	-
Parks	9,814	959	9,814	-
Private Disposal Fees	17,509	3,813	17,509	-
Emergency Ambulance	33,626	3,091	26,917	(6,709)
Security Alarm	4,510	755	4,510	-
Street Lighting	743	46	743	-
Vital Statistics	1,470	213	1,470	-
Other	21,755	3,540	21,230	(525)
<b>TOTAL CHARGES</b>	<b>152,955</b>	<b>23,448</b>	<b>145,721</b>	<b>(7,234)</b>
<b>INTERFUND REVENUE</b>	<b>61,842</b>	<b>2,416</b>	<b>61,842</b>	<b>-</b>
<b>MISCELLANEOUS</b>	<b>12,139</b>	<b>1,603</b>	<b>12,164</b>	<b>25</b>
<b>TOTAL REVENUES</b>	<b>\$ 1,166,814</b>	<b>\$ 135,179</b>	<b>\$ 1,160,985</b>	<b>\$ (5,830)</b>



**GENERAL FUND  
FORECAST OF FY 2014-15 EXPENDITURES  
AS OF NOVEMBER 30, 2014  
(000s)**

<b>DEPARTMENT</b>	<b>AMENDED BUDGET</b>	<b>EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
Building Services	\$ 23,896	\$ 5,676	\$ 23,896	\$ -
Business Dev/Procurement Svcs	2,855	387	2,855	-
City Attorney's Office	15,147	2,101	15,147	-
City Auditor's Office	2,844	372	2,843	(1)
City Controller's Office	5,603	542	5,603	-
City Manager's Office	1,829	348	1,829	-
City Secretary's Office	3,028	340	3,028	-
Civil Service	2,345	246	2,332	(12)
Code Compliance	35,383	6,176	35,383	-
Court Services	20,185	9,315	20,134	(51)
Fire	228,009	33,059	228,009	-
Housing	11,628	5,565	11,628	-
Human Resources	4,638	967	4,638	-
Judiciary	3,695	437	3,695	-
Library	26,144	3,184	26,144	-
Management Services	5,650	2,229	5,608	(42)
Mayor and Council	3,923	559	3,922	(1)
Non-Departmental	49,342	5,174	49,342	-
Office of Cultural Affairs	17,288	885	17,207	(80)
Office of Economic Development	1,577	468	1,577	-
Office of Financial Services	3,643	354	3,614	(28)
Park and Recreation	81,877	14,223	81,877	-
Planning and Neighborhood Vitality	2,527	436	2,527	-
Police	438,060	50,601	438,060	-
Public Works	6,861	2,094	6,861	0
Sanitation Services	75,694	10,343	75,694	-
Street Lighting	17,923	919	17,923	-
Street Services	65,914	9,436	65,914	(0)
Sustainable Dev/Construction	1,540	351	1,459	(80)
Trinity Watershed Management	1,351	92	1,346	(4)
<b>OTHER</b>				
Fuel and Fleet Cost (to be allocated)	-	-	(1,960)	(1,960)
<b>RESERVES AND TRANSFERS</b>				
Contingency Reserve	450	-	450	-
Liability/Claim Fund	4,170	-	4,170	-
Salary and Benefit Reserve	1,800	-	1,800	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,166,814</b>	<b>\$ 166,881</b>	<b>\$ 1,164,554</b>	<b>\$ (2,260)</b>

**PROPRIETARY FUNDS**  
**FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES**  
**AS OF NOVEMBER 30, 2014**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Aviation</b>				
Revenues	\$ 86,545	\$ 13,765	\$ 86,545	\$ -
Expenses	86,545	6,486	86,545	-
Net Excess of Revenues Over Expenses/Transfer	-	7,279	-	-
<b>Convention Center</b>				
Revenues	77,392	6,297	77,399	7
Expenses	77,345	8,440	77,345	-
Net Excess of Revenues Over Expenses/Transfer	47	(2,143)	54	7
<b>Sustainable Dev/Construction</b>				
Revenues	27,505	4,978	27,505	-
Expenses	26,839	2,921	26,548	(290)
Net Excess of Revenues Over Expenses/Transfer	667	2,057	957	290
<b>Municipal Radio Fund</b>				
Revenues	2,126	400	2,126	-
Expenses	2,062	249	2,062	-
Net Excess of Revenues Over Expenses/Transfer	65	151	65	-
<b>Water Utilities</b>				
Revenues	614,521	100,591	610,298	(4,223)
Expenses	614,521	68,237	610,298	(4,223)
Net Excess of Revenues Over Expenses/Transfer	-	32,354	-	-
<b>Communication &amp; Information Svcs.</b>				
Revenues	67,603	19	67,605	3
Expenses	70,446	15,932	70,319	(127)
Net Excess of Revenues Over Expenses/Transfer	\$ (2,843)	\$ (15,914)	\$ (2,713)	\$ 130

**PROPRIETARY FUNDS**  
**FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES**  
**AS OF NOVEMBER 30, 2014**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Equipment Services</b>				
Revenues	\$ 54,432	\$ 51	\$ 52,072	\$ (2,360)
Expenses	54,432	4,682	52,045	(2,386)
Net Excess of Revenues Over Expenses/Transfer	-	(4,631)	27	27
<b>Express Business</b>				
Revenues	3,981	673	4,032	51
Expenses	4,812	523	4,812	-
Net Excess of Revenues Over Expenses/Transfer	\$ (830)	\$ 150	\$ (780)	\$ 51

**OTHER FUNDS**  
**FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES**  
**AS OF NOVEMBER 30, 2014**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Employee Benefits</b>	\$ 1,370	\$ 107	\$ 1,370	\$ -
<b>Risk Management</b>	2,525	281	2,525	-
<b>9-1-1 System Operations</b>				
Revenues	12,918	1,321	12,917	(1)
Expenses	<u>17,239</u>	<u>569</u>	<u>17,191</u>	<u>(48)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(4,321)</u>	<u>751</u>	<u>(4,275)</u>	<u>46</u>
<b>Storm Water Drainage</b>				
Revenues	51,079	8,589	51,079	-
Expenses	<u>53,599</u>	<u>2,706</u>	<u>53,565</u>	<u>(33)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$ (2,520)</u>	<u>\$ 5,883</u>	<u>\$ (2,487)</u>	<u>\$ 33</u>

**DEBT SERVICE FUND  
FORECAST OF FY 2014-15 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2014  
(000s)**

<b>DEBT SERVICE</b>	<b>BUDGET</b>	<b>EXPENDITURES AND REVENUES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
Beginning Balance	\$ 1,582	\$ -	\$ 1,582	\$ -
Revenues	235,197	14,300	235,197	-
Expenses	229,908	-	226,719	(3,190)
Ending Balance	<u>\$ 6,871</u>	<u>\$ 14,300</u>	<u>\$ 10,060</u>	<u>\$ 3,190</u>

**CONTINGENCY RESERVE STATUS**

<b>Beginning Balance October 1, 2014</b>	<b>\$ 6,200,000</b>
Budgeted Transfer In	<u>650,000</u>
<b>FY 2014-15 Available Funds</b>	<b>6,850,000</b>
Payment to Bridge Steps for unreimbursed operational costs from a prior year's contract with Dallas County Health and Human Services	(129,145)
<b>Balance as of November 30, 2014</b>	<b><u>\$ 6,850,000</u></b>

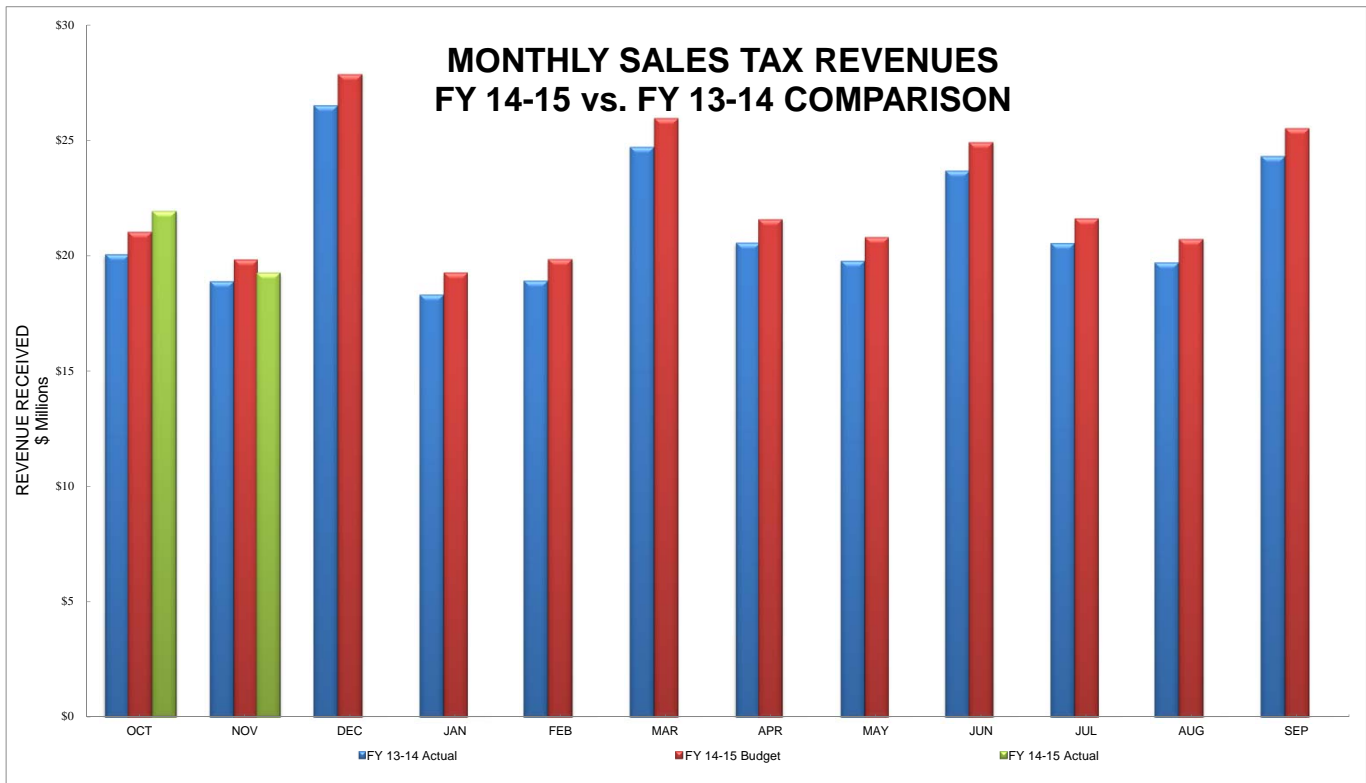
**LIABILITY/CLAIMS FUND**

<b>Beginning Balance October 1, 2014</b>	<b>\$ 5,463,587</b>
Budgeted Revenue	<u>5,633,748</u>
<b>FY 2014-15 Available Funds</b>	<b>11,097,335</b>
Paid October 2014	(154,611)
Paid November 2014	(382,199)
<b>Balance as of November 30, 2014</b>	<b><u>\$ 10,560,525</u></b>

# SALES TAX

as of November 2014

	ACTUAL FY 2013-14	BUDGET FY 2014-15	ACTUAL FY 2014-15	YTD VARIANCE FY 14-15 ACT. VS. FY 13-14 ACT.		YTD VARIANCE FY 14-15 ACTUAL VS. BUDGET	
				DOLLARS	PERCENT	DOLLARS	PERCENT
OCT	\$20,061,677	\$21,027,268	\$21,933,271	\$1,871,594	9.3%	\$906,003	4.3%
NOV	18,852,710	19,791,769	19,220,275	367,565	1.9%	(571,494)	-2.9%
DEC	26,481,621	27,836,006					
JAN	18,271,632	19,223,613					
FEB	18,878,147	19,802,119					
MAR	24,696,838	25,941,300					
APR	20,532,409	21,546,647					
MAY	19,772,367	20,793,396					
JUN	23,681,808	24,912,755					
JUL	20,545,743	21,617,650					
AUG	19,665,164	20,683,085					
SEP	24,276,012	25,490,083					
<b>TOTAL</b>	<b>\$255,716,128</b>	<b>\$268,665,691</b>	<b>\$41,153,546</b>	<b>\$2,239,159</b>	<b>5.8%</b>	<b>\$334,509</b>	<b>0.8%</b>



**GENERAL FUND  
HISTORICAL REVENUE COMPARISON  
AS OF NOVEMBER  
(000s)**

	FY 2012-13			FY 2013-14			FY 2014-15		
	AMENDED BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
<b>TAXES</b>									
Ad Valorem Tax	\$ 451,489	\$ 28,960	\$ 450,752	\$ 483,898	\$ 30,473	\$ 484,244	\$ 520,321	\$ 34,647	\$ 520,321
Sales Tax	231,463	18,910	241,946	255,519	20,062	255,519	268,666	41,154	268,666
<b>TOTAL TAXES</b>	<b>682,952</b>	<b>47,870</b>	<b>692,698</b>	<b>739,417</b>	<b>50,535</b>	<b>739,763</b>	<b>788,987</b>	<b>75,800</b>	<b>788,987</b>
<b>FRANCHISE REVENUES</b>									
Oncor Electric	49,323	15,887	51,139	51,110	15,732	52,472	50,014	15,171	50,014
AT&T	14,875	4,017	15,132	13,422	3,668	13,640	12,064	3,291	12,064
Atmos Energy	11,174	1,589	11,736	12,228	1,952	15,102	12,178	2,511	12,178
Time Warner Cable	6,170	1,561	6,362	6,376	1,566	5,969	5,768	1,503	5,768
Other	18,096	4,924	20,012	20,773	5,077	21,301	22,336	5,342	22,336
<b>TOTAL FRANCHISE REVENUES</b>	<b>99,639</b>	<b>27,979</b>	<b>104,381</b>	<b>103,908</b>	<b>27,994</b>	<b>108,484</b>	<b>102,360</b>	<b>27,817</b>	<b>102,360</b>
<b>LICENSES AND PERMITS</b>	<b>9,808</b>	<b>1,427</b>	<b>9,786</b>	<b>9,090</b>	<b>1,376</b>	<b>9,774</b>	<b>9,857</b>	<b>1,178</b>	<b>9,808</b>
<b>INTEREST EARNED</b>	<b>755</b>	<b>59</b>	<b>455</b>	<b>632</b>	<b>57</b>	<b>675</b>	<b>591</b>	<b>-</b>	<b>591</b>
<b>INTERGOVERNMENTAL</b>	<b>5,589</b>	<b>-</b>	<b>6,715</b>	<b>6,203</b>	<b>-</b>	<b>6,887</b>	<b>6,638</b>	<b>-</b>	<b>6,638</b>
<b>FINES AND FORFEITURES</b>									
Municipal Court	16,540	2,027	14,754	13,779	2,263	14,824	12,214	1,779	13,642
Vehicle Towing & Storage	7,678	1,097	6,881	6,957	1,044	6,941	6,978	1,072	6,978
Parking Fines	5,962	565	4,342	5,070	318	3,989	4,419	-	4,419
Red Light Camera Fines	6,867	-	7,719	6,867	-	7,391	7,335	-	7,335
Public Library	603	87	522	553	77	471	500	67	500
<b>TOTAL FINES</b>	<b>37,650</b>	<b>3,776</b>	<b>34,218</b>	<b>33,227</b>	<b>3,703</b>	<b>33,616</b>	<b>31,446</b>	<b>2,917</b>	<b>32,874</b>
<b>CHARGES FOR SERVICE</b>									
Sanitation Service	59,838	10,796	60,860	62,010	10,509	62,148	63,530	11,033	63,530
Parks	8,629	1,260	9,943	9,716	1,208	10,767	9,814	959	9,814
Private Disposal Fees	18,864	3,259	18,574	17,694	2,706	19,289	17,509	3,813	17,509
Emergency Ambulance	20,207	973	20,507	42,982	2,966	43,367	33,626	3,091	26,917
Security Alarm	4,231	811	4,361	4,500	880	4,570	4,510	755	4,510
Street Lighting	1,200	-	1,450	1,000	-	665	743	46	743
Vital Statistics	1,492	225	1,562	1,581	205	1,530	1,470	213	1,470
Other	17,729	3,178	18,815	20,182	3,024	20,242	21,755	3,540	21,230
<b>TOTAL CHARGES</b>	<b>132,190</b>	<b>20,502</b>	<b>136,071</b>	<b>159,665</b>	<b>21,497</b>	<b>162,579</b>	<b>152,955</b>	<b>23,448</b>	<b>145,721</b>
<b>INTERFUND REVENUE</b>	<b>60,410</b>	<b>2,294</b>	<b>46,552</b>	<b>67,330</b>	<b>2,459</b>	<b>60,748</b>	<b>61,842</b>	<b>2,416</b>	<b>61,842</b>
<b>MISCELLANEOUS</b>	<b>12,311</b>	<b>2,268</b>	<b>11,192</b>	<b>11,109</b>	<b>1,344</b>	<b>11,321</b>	<b>12,139</b>	<b>1,603</b>	<b>12,164</b>
<b>TOTAL REVENUES</b>	<b>\$ 1,041,303</b>	<b>\$ 106,175</b>	<b>\$ 1,042,069</b>	<b>\$ 1,130,581</b>	<b>\$ 108,964</b>	<b>\$ 1,133,847</b>	<b>\$ 1,166,814</b>	<b>\$ 135,179</b>	<b>\$ 1,160,985</b>

\* Based on Actual FY 2012-13 year end revenues

\*\* Estimates based on revenues through August 2014

\*\*\* Estimates based on revenues through November 2014



**GENERAL FUND  
HISTORICAL EXPENDITURE COMPARISON  
AS OF NOVEMBER  
(000s)**

DEPARTMENT	FY 2012-13			FY 2013-14			FY 2014-15		
	AMENDED BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
Building Services	\$ 22,602	\$ 5,063	\$ 22,042	\$ 25,709	\$ 7,235	\$ 25,682	\$ 23,896	\$ 5,676	\$ 23,896
Business Dev/Procurement Svcs	2,410	368	2,229	2,654	337	2,644	2,855	387	2,855
City Attorney's Office	12,915	1,764	12,913	14,456	2,178	14,427	15,147	2,101	15,147
City Auditor's Office	2,180	324	2,087	2,391	347	2,376	2,844	372	2,843
City Controller's Office	4,969	533	4,781	5,391	580	5,378	5,603	542	5,603
City Manager's Office	1,509	315	1,503	1,596	330	1,596	1,829	348	1,829
City Secretary's Office	2,877	294	3,015	2,944	217	2,930	3,028	340	3,028
Civil Service	1,829	225	1,735	2,126	268	2,076	2,345	246	2,332
Code Compliance	30,663	4,747	30,096	33,720	4,693	33,042	35,383	6,176	35,383
Court Services	19,083	2,756	19,008	20,039	10,000	19,930	20,185	9,315	20,134
Fire	207,275	33,411	207,212	221,718	31,907	221,263	228,009	33,059	228,009
Housing	9,516	4,530	9,516	11,373	5,631	11,360	11,628	5,565	11,628
Human Resources	3,752	652	3,237	4,121	771	4,121	4,638	967	4,638
Judiciary	3,286	540	2,980	3,528	488	3,406	3,695	437	3,695
Library	20,295	3,520	19,845	22,370	4,009	22,365	26,144	3,184	26,144
Management Services	4,646	1,821	4,478	5,568	1,984	5,320	5,650	2,229	5,608
Mayor and Council	3,864	535	3,706	3,911	519	3,878	3,923	559	3,922
Non-Departmental	33,239	5,487	31,482	38,455	5,251	37,836	49,342	5,174	49,342
Office of Cultural Affairs	16,025	3,576	15,083	16,916	3,732	16,914	17,288	885	17,207
Office of Economic Development	760	620	756	1,122	713	1,122	1,577	468	1,577
Office of Financial Services	2,147	217	1,757	2,826	250	2,753	3,643	354	3,614
Park and Recreation	73,442	13,506	73,292	78,764	14,022	78,764	81,877	14,223	81,877
Planning and Neighborhood Vitality							2,527	436	2,527
Police	402,252	59,667	401,874	428,943	50,784	428,416	438,060	50,601	438,060
Public Works	5,279	1,811	5,053	7,121	1,567	6,803	6,861	2,094	6,861
Sanitation Services	73,596	8,446	73,350	74,797	8,958	74,797	75,694	10,343	75,694
Street Lighting	18,318	3,490	18,029	18,201	2,342	18,118	17,923	919	17,923
Street Services	57,262	6,232	55,620	61,742	8,473	61,732	65,914	9,436	65,914
Sustainable Dev/Construction	1,238	425	463	1,613	403	1,498	1,540	351	1,459
Trinity Watershed Management	244	145	205	641	65	559	1,351	92	1,346
<b>OTHER</b>									
Fuel and Fleet Cost (to be allocated)		-	-		-	-		-	(1,960)
<b>RESERVES AND TRANSFERS</b>									
Contingency Reserve	200	-	200	3,248	-	3,248	450	-	450
Liability/Claim Fund	3,630	-	3,630	11,531	-	11,531	4,170	-	4,170
Salary and Benefit Reserve	-	-	-	1,045	-	1,045	1,800	-	1,800
<b>EXPENDITURES</b>	<b>\$ 1,041,303</b>	<b>\$ 165,023</b>	<b>\$ 1,031,177</b>	<b>\$ 1,130,581</b>	<b>\$ 168,055</b>	<b>\$ 1,126,929</b>	<b>\$ 1,166,814</b>	<b>\$ 166,881</b>	<b>\$ 1,164,554</b>

\* Based on Actual FY 2012-13 year end expenditures

\*\*Estimates based on expenditures through August 2014

\*\*\* Estimates based on expenditures through November 2014