

Memorandum



CITY OF DALLAS

DATE December 30, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT FY 2016-17 Financial Forecast Report

Please find attached the Financial Forecast Report based on information through November 2016.

Although the report only covers two months of this fiscal year, it is encouraging that, at this time, we forecast General Fund revenues will exceed expenses by \$1.5 million. Revenues will be \$2.5 million below budget and expenditures will be \$4 million below budget based on current forecasts. Noteworthy variances are:

- We forecast Municipal Court revenues will be \$2.5 million below budget primarily as a result of the police department issuing fewer traffic citations.
- We forecast Fire Department expenditures will be \$1 million below budget primarily due to salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. DFR anticipates attrition of 140 uniform employees during FY 2016-17.
- We forecast Police Department expenditures will be \$2.9 million below budget primarily as a result of salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. Additionally, we planned to hire 451 officers this year, but as it is now, that will be extremely difficult if not impossible so we will only be able to hire 300 replacing those leaving this year.

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

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez', written over a circular stamp or seal.

A.C. Gonzalez
City Manager



FY 2016-17

Financial Forecast Report

Information as of November 30, 2016



GENERAL FUND

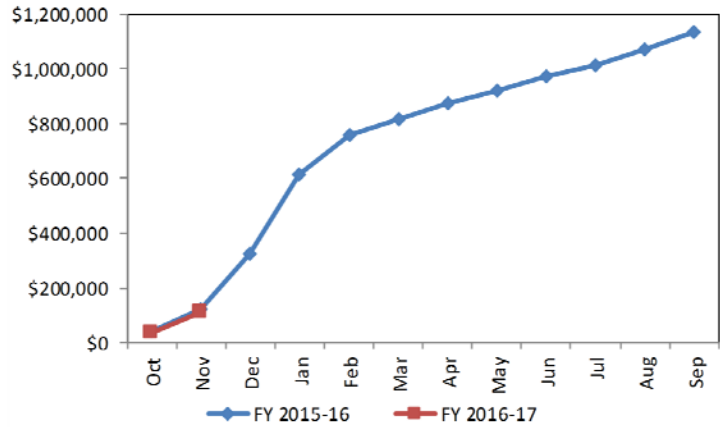
As of November 30, 2016
(000s)

ITEM	ADOPTED BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,229,339	\$112,479	\$1,226,854	(\$2,485)
Expenditures	1,229,339	169,283	1,225,311	(4,028)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>(\$56,804)</u>	<u>\$1,543</u>	<u>\$1,543</u>

GENERAL FUND REVENUES

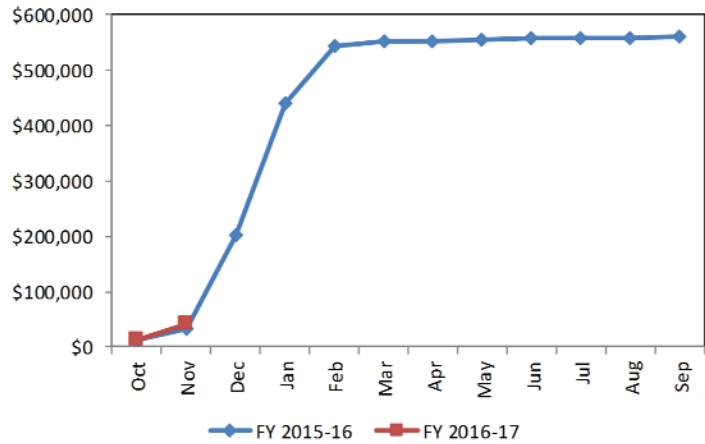
ALL SOURCES

	FY 2015-16	FY 2016-17	Variance
Oct	\$41,660	\$36,761	(\$4,898)
Nov	77,665	75,718	(1,947)
Dec	203,876		
Jan	288,996		
Feb	147,975		
Mar	53,193		
Apr	58,776		
May	49,762		
Jun	47,660		
Jul	45,379		
Aug	56,960		
Sep	62,480		
Total	\$1,134,380	\$112,479	(\$6,845)



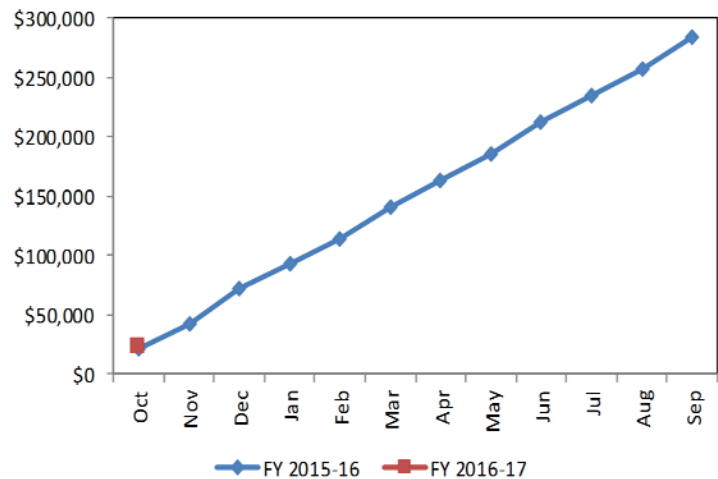
PROPERTY TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$11,487	\$12,787	\$1,300
Nov	20,589	29,060	8,471
Dec	169,848		
Jan	237,273		
Feb	104,025		
Mar	7,675		
Apr	2,364		
May	1,593		
Jun	2,523		
Jul	858		
Aug	852		
Sep	891		
Total	\$559,978	\$41,847	\$9,771



SALES TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$21,769	\$23,256	\$1,487
Nov	20,524		
Dec	30,137		
Jan	21,258		
Feb	20,418		
Mar	27,482		
Apr	22,265		
May	22,311		
Jun	26,609		
Jul	21,921		
Aug	22,670		
Sep	26,554		
Total	\$283,918	\$23,256	\$1,487



GENERAL FUND REVENUES

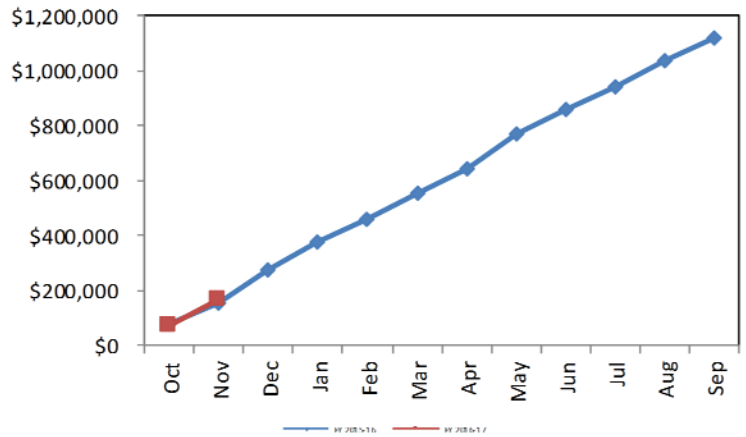
As of November 30, 2016
(000s)

	ADOPTED BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$610,219	\$41,847	\$610,219	\$0
Sales Tax ¹	292,189	23,256	292,801	613
TOTAL TAXES	902,408	65,103	903,021	613
FRANCHISE REVENUES				
Oncor Electric	51,078	16,218	51,078	0
AT&T	9,594	2,621	9,594	0
Atmos Energy	17,157	3,222	17,157	0
Time Warner Cable	6,210	1,668	6,210	0
Other	29,737	6,393	29,737	0
TOTAL FRANCHISE REVENUES	113,775	30,121	113,775	0
LICENSES AND PERMITS	4,891	537	4,896	5
INTEREST EARNED	1,316	242	1,316	0
INTERGOVERNMENTAL	8,501	130	8,631	130
FINES AND FORFEITURES				
Municipal Court ²	18,701	2,128	16,191	(2,510)
Vehicle Towing & Storage	7,146	1,231	7,146	0
Parking Fines	5,022	0	5,022	0
Red Light Camera Fines	7,460	0	7,460	0
Public Library	431	29	431	0
TOTAL FINES	38,760	3,388	36,250	(2,510)
CHARGES FOR SERVICE				
Parks	10,522	1,137	10,925	403
Emergency Ambulance	32,091	4,029	32,091	0
Security Alarm	4,380	676	4,379	(1)
Street Lighting	648	173	648	0
Vital Statistics	1,600	236	1,600	0
Other ³	28,311	3,427	27,407	(903)
TOTAL CHARGES	77,552	9,678	77,051	(501)
INTERFUND REVENUE	74,523	2,526	74,290	(232)
MISCELLANEOUS	7,616	754	7,626	10
TOTAL REVENUES	\$1,229,339	\$112,479	\$1,226,854	(\$2,485)

GENERAL FUND EXPENDITURES

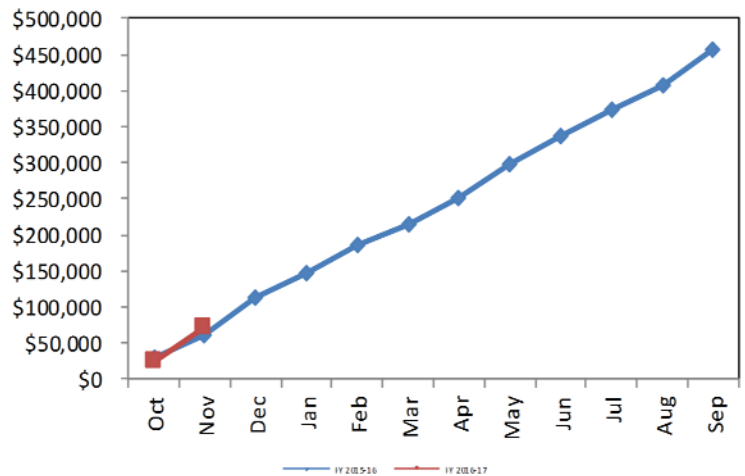
ALL EXPENSES

	FY 2015-16	FY 2016-17	Variance
Oct	\$75,601	\$71,583	(\$4,018)
Nov	78,065	97,700	19,635
Dec	124,594		
Jan	97,321		
Feb	84,683		
Mar	95,576		
Apr	86,104		
May	126,118		
Jun	90,989		
Jul	82,900		
Aug	93,679		
Sep	85,148		
Total	\$1,120,778	\$169,283	\$15,617



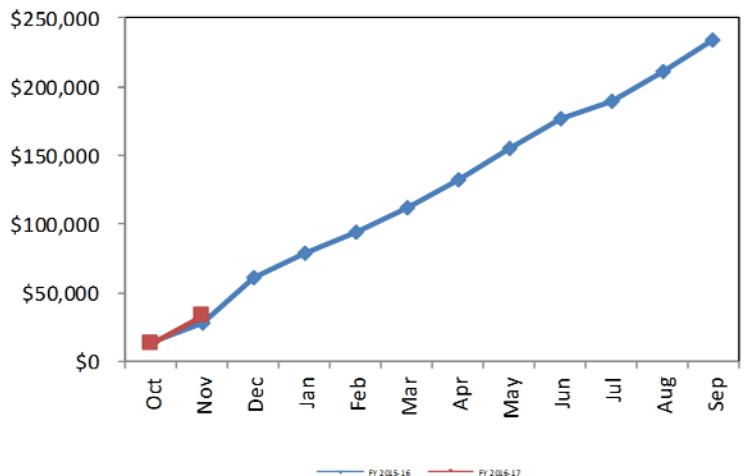
POLICE

	FY 2015-16	FY 2016-17	Variance
Oct	\$28,488	\$25,289	(\$3,199)
Nov	31,370	46,089	14,719
Dec	52,490		
Jan	35,550		
Feb	37,126		
Mar	30,058		
Apr	34,931		
May	48,649		
Jun	37,058		
Jul	38,075		
Aug	32,689		
Sep	49,363		
Total	\$455,847	\$71,378	\$11,520



FIRE

	FY 2015-16	FY 2016-17	Variance
Oct	\$13,994	\$12,198	(\$1,796)
Nov	14,184	20,784	6,600
Dec	32,389		
Jan	17,547		
Feb	16,128		
Mar	18,076		
Apr	19,295		
May	23,154		
Jun	21,372		
Jul	13,779		
Aug	21,006		
Sep	23,230		
Total	\$234,154	\$32,983	\$4,805



GENERAL FUND EXPENDITURES

As of November 30, 2016
(000s)

DEPARTMENT	ADOPTED BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$25,312	\$4,791	\$25,312	\$0
Business Dev/Procurement Svcs	3,041	363	3,041	0
City Attorney's Office	16,264	2,323	16,264	0
City Auditor's Office	3,194	379	3,194	0
City Controller's Office	4,682	556	4,548	(135)
City Manager's Office	2,110	327	2,110	0
City Secretary's Office	2,029	211	2,024	(6)
Civil Service	2,887	291	2,885	(2)
Code Compliance	42,386	5,939	42,386	0
Court Services	11,976	1,595	11,967	(8)
Elections	1,401	13	1,400	(0)
Fire ⁴	254,603	32,983	253,593	(1,009)
Housing	14,403	750	14,403	0
Human Resources	5,220	604	5,220	0
Independent Audit	865	-	865	0
Jail Contract - Lew Sterret	7,813	651	7,813	0
Judiciary	3,296	373	3,296	0
Library	29,984	4,119	29,984	0
Management Services	10,235	1,745	10,235	0
Mayor and Council	4,465	581	4,431	(34)
Mobility and Street Services	84,577	12,992	84,577	0
Mobility and Street Services-Street Lighting	16,956	2,521	16,956	0
Non-Departmental	70,412	1,455	70,599	187
Office of Cultural Affairs	19,605	4,668	19,605	0
Office of Economic Development	2,575	590	2,575	0
Office of Financial Services	2,957	304	2,849	(107)
Park and Recreation	94,673	15,870	94,673	0
Planning & Urban Design	3,029	302	2,968	(60)
Police ⁵	478,004	71,378	475,151	(2,852)
Sustainable Dev/Construction	1,386	517	1,386	0
Trinity Watershed Management	1,318	93	1,318	0
RESERVES AND TRANSFERS				
Contingency Reserve	1,650	0	1,650	0
Liability/Claim Fund	4,283	0	4,283	0
Salary & Benefit Reserve ⁶	1,751	0	1,751	0
TOTAL EXPENDITURES	\$1,229,339	\$169,283	\$1,225,311	(\$4,028)

PROPRIETARY FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$9,907	\$ -	\$9,907	\$ -
REVENUES:				
Parking	27,143	4,290	27,078	(65)
Terminal Concessions	25,416	4,479	25,416	0
Landing Fees	17,784	3,476	17,784	0
Rental on Airport - Terminal	14,789	3,512	14,789	0
Rental on Airport - Field	8,586	235	8,586	0
Fuel Flow Fees	1,225	242	1,225	0
All Remaining Revenues	3,230	795	3,295	65
TOTAL REVENUES	98,174	17,029	98,174	0
TOTAL EXPENDITURES	99,188	11,792	99,188	0
ENDING FUND BALANCE	\$8,893	\$ -	\$8,893	\$0
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$29,150	\$ -	\$29,150	\$ -
REVENUES:				
Hotel Occupancy Tax	58,856	5,575	58,856	0
Alcoholic Beverage Tax	12,445	0	12,445	0
Operating Revenues	25,002	2,878	24,522	(480)
Office of Special Events	100	15	100	0
TOTAL REVENUES	96,403	8,468	95,923	(480)
TOTAL EXPENDITURES	96,403	8,074	95,923	(480)
ENDING FUND BALANCE	\$29,150	\$ -	\$29,150	\$0

PROPRIETARY FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$36,856	\$ -	\$36,856	\$ -
REVENUES:				
Building Permits	19,240	4,475	19,240	0
Certificate of Occupancy	1,412	186	1,412	0
Plan Review	3,749	764	3,749	0
Registration/License	1,028	163	1,028	0
Special Plats	887	127	887	0
Private Development	1,010	288	1,010	0
Zoning	1,184	145	1,184	0
Interest Earnings	117	82	117	0
All Remaining Revenues	1,477	311	1,477	0
TOTAL REVENUES	30,103	6,541	30,103	0
TOTAL EXPENDITURES	36,090	3,197	36,090	0
ENDING FUND BALANCE	\$30,869	\$ -	\$30,869	\$0
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,288	\$ -	\$1,288	\$ -
REVENUES:				
Local and National Sales	1,980	299	1,980	0
All Remaining Revenues	75	0	75	0
TOTAL REVENUES	2,055	299	2,055	0
TOTAL EXPENDITURES	2,032	457	2,032	0
ENDING FUND BALANCE	\$1,310	\$ -	\$1,310	\$0

PROPRIETARY FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$87,038	\$ -	\$87,038	\$ -
REVENUES:				
Treated Water - Retail	294,427	51,503	296,010	1,583
Treated Water - Wholesale	84,700	13,612	84,129	(571)
Wastewater - Retail	236,075	38,212	233,902	(2,173)
Wastewater - Wholesale	10,554	1,507	10,281	(273)
All Remaining Revenues	31,708	5,096	31,195	(513)
TOTAL REVENUES	657,465	109,931	655,518	(1,947)
TOTAL EXPENDITURES	657,465	76,745	655,518	(1,947)
ENDING FUND BALANCE	\$87,038	\$ -	\$87,038	\$0
COMMUNICATION & INFORMATION SERVICES				
BEGINNING FUND BALANCE	\$11,178	\$ -	\$11,178	\$ -
REVENUES:				
Interdepartmental Charges	58,330	0	58,330	0
Telephones Leased	7,723	0	7,723	0
Circuits	1,449	0	1,449	0
Desktop Services	0	2	2	2
Interest	150	35	150	0
Equipment Rental	5,002	0	5,002	0
Miscellaneous	171	25	171	1
TOTAL REVENUES	72,825	61	72,828	2
TOTAL EXPENDITURES	74,838	7,408	74,838	0
ENDING FUND BALANCE	\$9,165	\$ -	\$9,167	\$2

PROPRIETARY FUNDS

As of November 30, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,450	\$ -	\$4,450	\$ -
REVENUES:				
Rental/Wreck	33,541	0	33,541	0
Fuel	16,482	0	16,482	0
Auto Auction/Non-Taxable	418	0	418	0
Miscellaneous Revenue	391	5	396	5
Interest and Other	5	0	5	0
TOTAL REVENUES	50,837	5	50,842	5
TOTAL EXPENDITURES	50,837	4,776	50,837	0
ENDING FUND BALANCE	\$4,450	\$ -	\$4,455	\$5
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,631	\$ -	\$1,631	\$ -
REVENUES:				
Postage Sales	2,703	383	2,703	0
All Other Revenues	1,278	194	1,278	0
TOTAL REVENUES	3,981	577	3,981	0
TOTAL EXPENDITURES	3,780	778	3,780	0
ENDING FUND BALANCE	\$1,833	\$ -	\$1,833	\$0

PROPRIETARY FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$14,681	\$ -	\$14,681	\$ -
REVENUES:				
Residential Collection	72,502	12,902	72,550	48
Cost Plus Bulk/Brush	122	26	122	0
Sale of Recyclables	695	324	695	0
City Facility Collection	737	100	737	0
Landfill Revenue	21,890	5,577	21,937	46
TOTAL REVENUES	95,946	18,929	96,040	94
TOTAL EXPENDITURES	95,946	8,976	95,946	0
ENDING FUND BALANCE	\$14,681	\$ -	\$14,775	\$94

OTHER FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,494	\$ -	\$5,494	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,374	857	6,306	(69)
9-1-1 Service Receipts - Wireline	6,450	1,046	6,401	(50)
Interest and Other	48	12	48	0
TOTAL REVENUES	12,873	1,916	12,755	(118)
TOTAL EXPENDITURES	16,389	733	16,389	0
ENDING FUND BALANCE	\$1,978	\$ -	\$1,860	(\$118)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$6,754	\$ -	\$6,754	\$ -
REVENUES:				
Storm Water Fees	50,856	8,219	50,856	-
Interest and Other	81	26	81	0
TOTAL REVENUES	50,937	8,244	50,937	0
TOTAL EXPENDITURES	53,008	3,394	53,008	0
ENDING FUND BALANCE	\$4,683	\$ -	\$4,683	\$0

OTHER FUNDS

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$998	\$87	\$998	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$349	\$21	\$334	(\$15)
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,630	\$326	\$2,630	\$0
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2016				\$3,158
Budgeted Revenue				9,453
FY 2016-17 Available Funds				12,611
Paid October 2016				(596)
Paid November 2016				(315)
Balance as of November 30, 2016				11,700

DEBT SERVICE FUND

As of November 30, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$10,235	\$ -	\$10,235	\$ -
REVENUES:				
Ad Valorem	242,487	16,650	242,487	0
Interest/Transfers/Other	19,799	380	19,799	0
TOTAL REVENUES	262,287	17,031	262,287	0
TOTAL EXPENDITURES	261,865	0	261,865	0
ENDING FUND BALANCE	\$10,657	\$ -	\$10,657	\$0

NOTES

(Dollars in 000s)

1. Sales tax revenues are forecast to be \$613 over budget based off most recent sales tax receipts.
2. Other Charges for Services is projected to be \$903 below budget due to the termination of fire watch inspection services at the American Airlines Center.
3. Municipal Court revenues are forecast to be \$2,500 below budget primarily as a result of a decrease in the volume of citations being issued.
4. Fire Department expenditures are forecast to be \$1,000 below budget primarily due to salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. DFR anticipates attrition of 140 uniform employees during FY 2016-17.
5. Police Department expenditures are forecast to be \$2,900 below budget primarily as a result of salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. Additionally, we planned to hire 451 officers this year, but as it is now, that will be extremely difficult if not impossible so we will only be able to hire 300 replacing those leaving this year.
6. Salary and Benefit Reserve funds allocated to City Attorney's Office and City Manager's Office to offset vacation/sick termination payments.