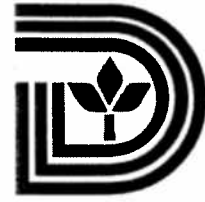


Memorandum



CITY OF DALLAS

DATE September 16, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2015-16 Financial Forecast Report based on information through July 2016 is attached and provided for your information. This report reflects amended budgets based on appropriation adjustments approved by Council on August 24, 2016.

For FY 2015-16, General Fund revenues are projected to be \$4,308,000 above budget and expenditures are projected to be \$1,074,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$5,382,000. Details related to budget variances may be found at the end of the Financial Forecast Report.

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
Elizabeth Reich, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services



FY 2015-16

Financial Forecast Report

Information as of July 31, 2016



GENERAL FUND

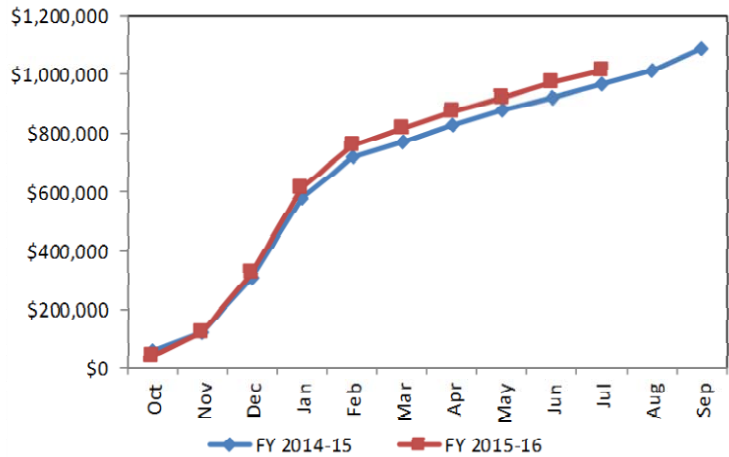
As of July 31, 2016
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,149,413	\$1,014,940	\$1,153,720	\$4,308
Expenditures	1,149,413	941,951	1,148,338	(1,074)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$72,990</u>	<u>\$5,382</u>	<u>\$5,382</u>

GENERAL FUND REVENUES

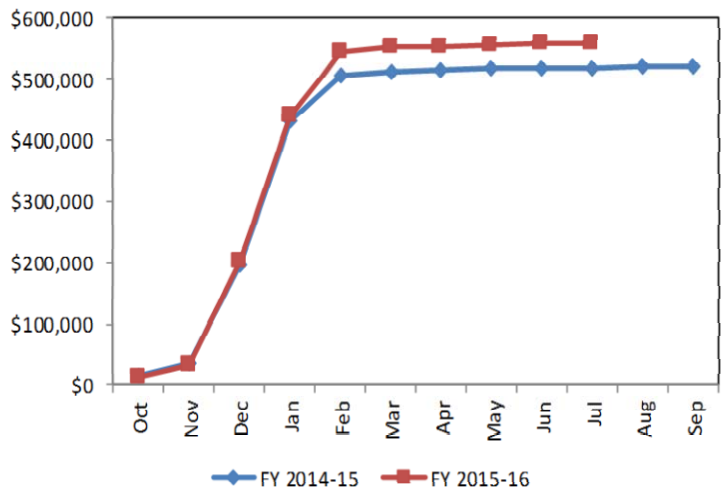
ALL SOURCES

	FY 2014-15	FY 2015-16	Variance
Oct	\$60,959	\$41,660	(\$19,299)
Nov	58,982	77,665	18,682
Dec	187,753	203,876	16,123
Jan	271,536	288,996	17,460
Feb	138,254	147,975	9,721
Mar	52,292	53,193	901
Apr	59,984	58,776	(1,208)
May	48,230	49,762	1,532
Jun	43,757	47,660	3,903
Jul	46,560	45,379	(1,182)
Aug	45,056		
Sep	74,964		
Total	\$1,088,327	\$1,014,940	\$46,633



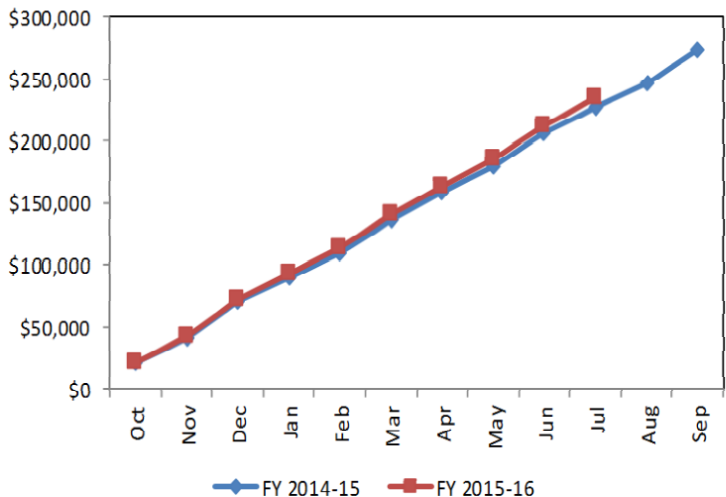
PROPERTY TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$16,175	\$11,487	(\$4,688)
Nov	18,472	20,589	2,117
Dec	160,305	169,848	9,543
Jan	235,891	237,273	1,382
Feb	74,439	104,025	29,586
Mar	6,533	7,675	1,142
Apr	3,115	2,364	(751)
May	1,536	1,593	56
Jun	1,750	2,523	773
Jul	821	858	37
Aug	948		
Sep	673		
Total	\$520,658	\$558,234	\$39,197



SALES TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$21,933	\$21,769	(\$164)
Nov	19,220	20,524	1,303
Dec	29,690	30,137	447
Jan	20,009	21,258	1,250
Feb	18,928	20,418	1,490
Mar	26,847	27,482	635
Apr	22,124	22,265	141
May	20,755	22,311	1,557
Jun	26,477	26,609	132
Jul	20,798	21,921	1,123
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$234,694	\$7,913



FY 2014-15 All Sources has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND REVENUES

As of July 31, 2016
(000s)

	AMENDED BUDGET ¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$558,234	\$559,644	\$7
Sales Tax ²	281,272	234,694	283,227	1,956
TOTAL TAXES	840,908	792,928	842,871	1,963
FRANCHISE REVENUES				
Oncor Electric ³	50,612	50,936	50,936	324
AT&T	10,950	5,730	11,062	111
Atmos Energy ⁴	12,242	6,706	10,707	(1,536)
Time Warner Cable	6,102	4,812	6,414	312
Other	27,291	16,148	27,675	384
TOTAL FRANCHISE REVENUES	107,198	84,333	106,794	(405)
LICENSES AND PERMITS	6,067	5,767	6,236	169
INTEREST EARNED⁵	962	1,847	2,021	1,059
INTERGOVERNMENTAL	7,432	7,523	7,687	256
FINES AND FORFEITURES				
Municipal Court ⁶	16,471	15,495	18,507	2,036
Vehicle Towing & Storage ⁷	7,146	6,601	7,813	668
Parking Fines ⁸	4,304	1,807	4,092	(212)
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁹	494	208	285	(209)
TOTAL FINES	35,875	24,111	38,157	2,282
CHARGES FOR SERVICE				
Parks ¹⁰	10,283	9,563	11,397	1,115
Emergency Ambulance ¹¹	31,569	16,863	30,462	(1,107)
Security Alarm	4,450	3,562	4,358	(92)
Street Lighting	648	484	648	0
Vital Statistics ¹²	1,484	1,276	1,633	149
Other ¹³	23,247	21,117	21,359	(1,889)
TOTAL CHARGES	71,681	52,864	69,856	(1,824)
INTERFUND REVENUE	69,223	37,417	69,342	120
MISCELLANEOUS¹⁴	10,068	8,150	10,755	688
TOTAL REVENUES	\$1,149,413	\$1,014,940	\$1,153,720	\$4,308

GENERAL FUND EXPENDITURES

ALL EXPENSES

	FY 2014-15	FY 2015-16	Variance
Oct	\$77,525	\$75,601	(\$1,924)
Nov	79,013	78,065	(948)
Dec	123,491	124,594	1,103
Jan	76,655	97,321	20,666
Feb	86,673	84,683	(1,990)
Mar	82,668	95,576	12,908
Apr	69,958	86,104	16,146
May	96,984	126,118	29,134
Jun	102,442	90,989	(11,453)
Jul	78,895	82,900	4,005
Aug	85,592		
Sep	124,316		

Total \$1,084,212 \$941,951 \$67,647

POLICE

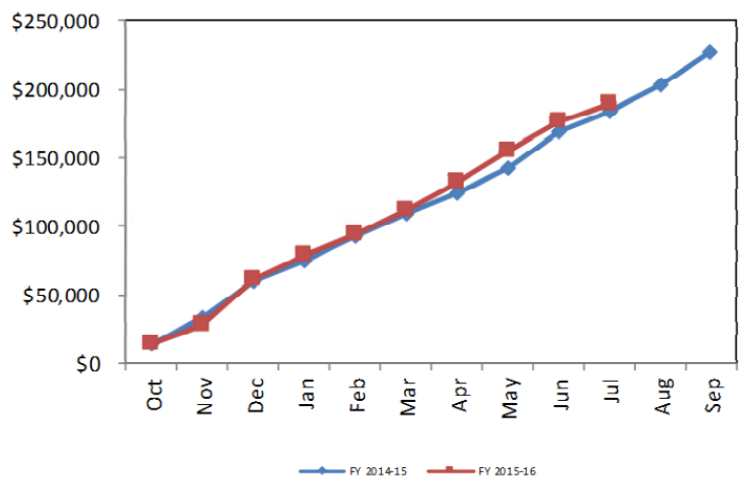
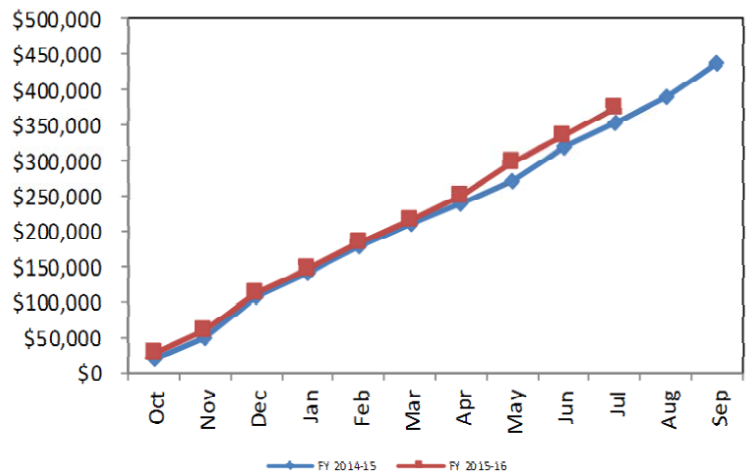
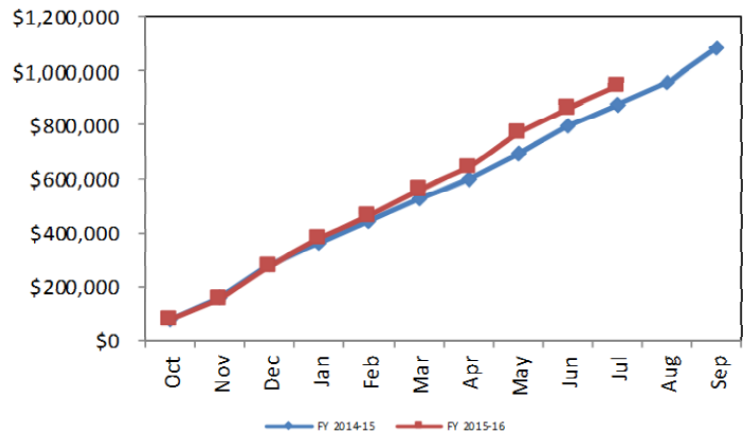
	FY 2014-15	FY 2015-16	Variance
Oct	\$19,262	\$28,488	\$9,226
Nov	31,339	31,370	31
Dec	57,789	52,490	(5,299)
Jan	32,898	35,550	2,652
Feb	36,863	37,126	263
Mar	32,472	30,058	(2,414)
Apr	27,900	34,931	7,031
May	33,265	48,649	15,384
Jun	47,086	37,058	(10,028)
Jul	34,846	38,075	3,229
Aug	35,661		
Sep	46,774		

Total \$436,155 \$373,795 \$20,075

FIRE

	FY 2014-15	FY 2015-16	Variance
Oct	\$13,502	\$13,994	\$492
Nov	19,557	14,184	(5,373)
Dec	26,055	32,389	6,334
Jan	16,078	17,547	1,469
Feb	17,117	16,128	(989)
Mar	17,032	18,076	1,044
Apr	15,063	19,295	4,232
May	17,344	23,154	5,810
Jun	26,753	21,372	(5,381)
Jul	16,442	13,779	(2,663)
Aug	18,322		
Sep	24,269		

Total \$227,535 \$189,918 \$4,974



FY 2014-15 All Expenses has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND EXPENDITURES

As of July 31, 2016

(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,971	\$21,162	\$23,971	\$0
Business Dev/Procurement Svcs	2,884	2,372	2,871	(13)
City Attorney's Office	15,686	12,367	15,672	(14)
City Auditor's Office	2,954	1,350	2,929	(25)
City Controller's Office	4,411	3,600	4,359	(52)
City Manager's Office	1,972	1,641	1,947	(25)
City Secretary's Office	2,005	1,461	2,005	0
Civil Service	2,569	1,896	2,544	(25)
Code Compliance	39,724	29,332	39,722	(2)
Court Services	11,138	8,639	11,096	(41)
Elections	97	73	97	0
Fire	239,567	189,918	239,560	(8)
Housing	11,936	10,901	11,936	0
Human Resources	4,788	3,751	4,767	(21)
Independent Audit	789	-	786	(4)
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary	2,991	2,588	2,963	(28)
Library	30,034	23,305	29,987	(47)
Management Services	8,094	7,233	7,831	(264)
Mayor and Council	4,331	3,411	4,295	(37)
Non-Departmental	56,671	44,614	56,612	(59)
Office of Cultural Affairs	17,701	16,867	17,686	(15)
Office of Economic Development	1,818	1,818	1,818	0
Office of Financial Services	2,932	2,086	2,870	(62)
Park and Recreation	86,171	75,953	86,121	(50)
Planning & Urban Design	3,782	2,153	3,743	(39)
Police	459,407	373,795	459,331	(76)
Public Works	5,911	5,453	5,884	(26)
Street Lighting	17,525	12,115	17,525	0
Street Services	72,731	68,084	72,731	0
Sustainable Dev/Construction ¹⁵	1,128	1,006	1,006	(122)
Trinity Watershed Management	1,126	774	1,107	(19)
RESERVES AND TRANSFERS				
Contingency Reserve	2,628	2,682	2,628	0
Liability/Claim Fund	1,994	1,994	1,994	0
Salary & Benefit Reserve	387	0	387	0
TOTAL EXPENDITURES	\$1,149,413	\$941,951	\$1,148,338	(\$1,074)

PROPRIETARY FUNDS

As of July 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$16,775	\$ -	\$16,775	\$ -
REVENUES:				
Parking	27,443	20,468	25,324	(2,119)
Terminal Concessions	24,913	21,535	25,611	698
Landing Fees	17,784	13,619	17,784	0
Rental on Airport - Terminal	13,831	10,903	13,831	0
Rental on Airport - Field	9,067	5,723	8,426	(642)
Fuel Flow Fees	1,225	960	1,152	(73)
All Other	2,102	2,454	3,796	1,693
TOTAL REVENUES	96,366	75,662	95,924	(442)
TOTAL EXPENDITURES	96,366	74,106	95,924	(442)
ENDING FUND BALANCE	\$16,775	\$ -	\$16,775	\$0

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,222	40,955	54,516	294
Alcoholic Beverage Tax	12,161	9,178	12,083	(79)
Contract Services	12,949	12,293	12,939	(10)
All Remaining Revenues	15,564	12,779	15,528	(36)
TOTAL REVENUES	94,896	75,205	95,066	170
TOTAL EXPENDITURES	93,839	61,772	92,959	(880)
ENDING FUND BALANCE	\$21,664	\$ -	\$22,714	\$1,050

PROPRIETARY FUNDS

As of July 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$33,842	\$ -	\$33,842	\$ -
REVENUES:				
Building Permits	18,770	17,595	19,104	334
Certificate of Occupancy	1,412	1,072	1,412	0
Plan Review	3,736	3,935	3,749	13
Registration/License	1,028	929	1,028	(0)
Special Plats	887	922	887	0
Private Development	1,010	1,149	1,010	(0)
Zoning	1,184	850	1,184	0
Interest Earnings	117	295	117	0
All Remaining Revenues	1,478	1,488	1,478	0
TOTAL REVENUES	29,622	28,235	29,969	347
TOTAL EXPENDITURES	30,697	22,434	30,668	(29)
ENDING FUND BALANCE	\$32,767	\$ -	\$33,142	\$375
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	1,573	1,950	(108)
All Remaining Revenues	12	10	12	1
TOTAL REVENUES¹⁶	2,070	1,583	1,962	(108)
TOTAL EXPENDITURES¹⁶	2,055	1,614	1,958	(97)
ENDING FUND BALANCE	\$1,198	\$ -	\$1,187	(\$11)

PROPRIETARY FUNDS

As of July 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$86,191	\$ -	\$86,191	\$ -
REVENUES:				
Treated Water - Retail	286,483	213,942	280,057	(6,427)
Treated Water - Wholesale	80,082	61,962	75,765	(4,317)
Wastewater - Retail	232,649	178,161	218,754	(13,895)
Wastewater - Wholesale	9,874	8,390	9,949	75
All Remaining Revenues	36,040	22,709	29,713	(6,327)
TOTAL REVENUES¹⁷	645,128	485,163	614,237	(30,891)
TOTAL EXPENDITURES¹⁷	645,128	467,538	614,237	(30,891)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	43,601	52,799	0
Telephones Leased	8,532	4,131	8,109	(423)
Circuits	1,367	679	1,220	(147)
Desktop Services	269	54	55	(214)
Interest	137	165	195	47
Equipment Rental	4,546	3,788	4,545	(1)
Miscellaneous	502	568	582	80
TOTAL REVENUES	68,152	52,986	67,504	(647)
TOTAL EXPENDITURES	72,709	51,567	71,652	(1,058)
ENDING FUND BALANCE	\$6,352	\$ -	\$6,762	\$410

PROPRIETARY FUNDS

As of July 31, 2016

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,129	\$ -	\$4,129	\$ -
REVENUES:				
Rental/Wreck	37,140	25,589	38,733	1,593
Fuel	16,180	9,981	13,761	(2,419)
Auto Auction	418	550	850	433
Miscellaneous Revenue	267	474	544	277
Interest and Other	5	0	0	(5)
TOTAL REVENUES	54,009	36,594	53,888	(121)
TOTAL EXPENDITURES	54,009	41,484	53,888	(121)
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	\$0
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	1,982	2,697	(6)
All Other Revenues	1,260	1,225	1,433	173
TOTAL REVENUES	3,963	3,207	4,130	167
TOTAL EXPENDITURES	3,815	3,322	3,741	(74)
ENDING FUND BALANCE	\$1,372	\$ -	\$1,613	\$241

PROPRIETARY FUNDS

As of July 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$7,108	\$ -	\$7,108	\$ -
REVENUES:				
Residential Collection	66,537	58,063	68,627	2,090
Cost Plus Bulk/Brush	114	110	132	18
Sale of Recyclables	2,100	1,469	1,763	(337)
City Facility Collection	761	569	718	(43)
Landfill Revenue	21,676	25,270	27,304	5,628
TOTAL REVENUES¹⁸	91,188	85,480	98,544	7,356
TOTAL EXPENDITURES	90,480	64,044	89,887	(594)
ENDING FUND BALANCE	\$7,816	\$ -	\$15,765	\$7,949

OTHER FUNDS

As of July 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$7,090	\$ -	\$7,090	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,257	4,892	6,317	60
9-1-1 Service Receipts - Wireline	6,898	5,400	6,494	(404)
Interest and Other	63	55	67	4
TOTAL REVENUES	13,218	10,347	12,878	(340)
TOTAL EXPENDITURES	16,292	11,245	15,811	(482)
ENDING FUND BALANCE	\$4,015	\$ -	\$4,157	\$142
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	42,222	50,413	-
Interest and Other	40	99	99	60
TOTAL REVENUES	50,452	42,321	50,512	60
TOTAL EXPENDITURES	53,017	33,596	52,975	(42)
ENDING FUND BALANCE	\$5,550	\$ -	\$5,652	\$102

OTHER FUNDS

As of July 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES ¹⁹	\$1,126	\$485	\$944	(\$182)
WELLNESS PROGRAM				
TOTAL EXPENDITURES ²⁰	\$430	\$324	\$391	(\$38)
RISK MANAGEMENT				
TOTAL EXPENDITURES ²¹	\$2,594	\$2,034	\$2,370	(\$224)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2015				\$3,649
Budgeted Revenue			<u>6,297</u>	
FY 2015-16 Available Funds				9,946
Paid October 2015				(168)
Paid November 2015				(328)
Paid December 2015				(379)
Paid January 2016				(744)
Paid February 2016				(436)
Paid March 2016				(353)
Paid April 2016				(434)
Paid May 2016				(783)
Paid June 2016				(350)
Paid July 2016				(493)
Balance as of July 31, 2016			<u><u>\$5,478</u></u>	

DEBT SERVICE FUND

As of July 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$12,109	\$ -	\$12,109	\$ -
REVENUES:				
Ad Valorem	230,475	229,910	230,419	(57)
Interest/Transfers/Other	20,468	19,786	20,468	0
TOTAL REVENUES	250,943	249,696	250,886	(57)
TOTAL EXPENDITURES²²	255,326	212,338	253,909	(1,417)
ENDING FUND BALANCE	\$7,726	\$ -	\$9,087	\$1,360

NOTES

(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds by \$100 on January 27, 2016 by CR# 16-0214 (executive search contract for the City Attorney), based on an increase in projected revenue by \$813 on June 15, 2016 by CR# 16-1007 (Parking Services contract), \$1,700 on August 24, 2016 by Ordinance No. 30175 (Mid-Year Adjustments), and through the approved use of contingency reserve funds by \$2,000 on September 7, 2016 by CR# 16-1405 (aerial mosquito spraying).
2. Sales Tax is projected to be \$1,956 above budget due to the strength of the local economy. Over the most recent 12 months, sales tax receipts have increased by 3.9%.
3. Oncor Electric revenues are projected to be \$324 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$1,536 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Interest Earned revenue is projected to be \$1,059 above budget due to an increase in the market interest rate.
6. Municipal Court revenue is projected to be \$2,036 above budget primarily due to an increase in the collection per citation rates and due to the new collection agency's success of collection on older past due accounts.
7. Vehicle Towing & Storage revenues are projected to be \$668 above budget due to an increase in tows as well as vehicles staying on the auto pound property longer than anticipated.
8. Parking Fines are projected to be \$212 below budget due in part to reduced ticket issuance as a result of increased compliance with the introduction of pay-by-phone meters.
9. Public Library revenue is projected to be \$209 below budget due to implementation of automatic renewal on materials that have been checked out at library locations and an increase in the usage of e-materials. Fines and late fees are not collected on e-materials as they are electronically recalled on the due date.
10. Parks revenue is projected to be \$1,115 above budget primarily due to an increase in demand for contract classes and an increase in pavilion rentals.
11. Emergency Ambulance revenue is projected to be \$1,483 below budget primarily due to billing complications related to vendor software implantation of the Electronic Patient Care Report (EPCR).
12. Vital Statistics revenues are projected to be \$149 above budget due to an increase in the sale of birth certificates.

NOTES

(Dollars in 000s)

13. Other Charges for Service revenue is projected to be \$1,889 below budget primarily as a result of contracting with fewer hospitals than anticipated for the Mobile Community Healthcare Program, a reduction in Fire Watch fees, and a reduction in the number of fire inspectors used at American Airline Center events.

14. Miscellaneous revenue is projected to be \$688 above budget due to land lease payments from AT&T for communication towers located on Dallas Fire Rescue premises, Atmos Energy rate case reimbursement, and TxDOT reimbursement for mowing/litter cycles.

15. Sustainable Development and Construction is projected to be \$122 below budget due to vacancies.

16. Municipal Radio expenses are projected to be \$97 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$108 below budget due to the sale of commercials being less than planned.

17. Water Utilities revenues and expenses are both projected to be \$30,891 below budget. Revenues are projected to be below budget primarily due to the loss of a wholesale water customer contract and lower than projected retail wastewater service revenues. Expenses are projected to be under budget primarily due to a reduction in the transfer to fund capital projects.

18. Sanitation revenues are projected to be \$7,356 above budget due to the volume of solid waste from non-contract customers being above historic levels and solid waste from the Upper Chain of Wetlands projects.

19. Benefits Administration expenses are projected to be \$182 below budget primarily due to lower than expected costs for outside legal consulting related to the Affordable Care Act.

20. Wellness Program expenses are projected to be \$38 below budget due to vacancies.

21. Risk Management expenses are projected to be \$224 below budget primarily due to vacancies.

22. Debt Service expenses are projected to be \$1,417 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale and lower than anticipated TIF expenses and Commercial Paper interest.