

Memorandum



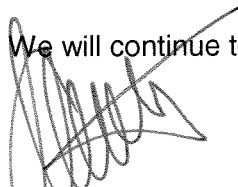
CITY OF DALLAS

DATE April 15, 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 February 2016 is attached and provided for your information.

For FY 2015-16, General Fund revenues are projected to be \$1,880,000 above budget and expenditures are projected to be \$666,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$2,546,000. 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
Jeanne Chipperfield, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services



FY 2015-16

Financial Forecast Report

Information as of February 29, 2016



GENERAL FUND

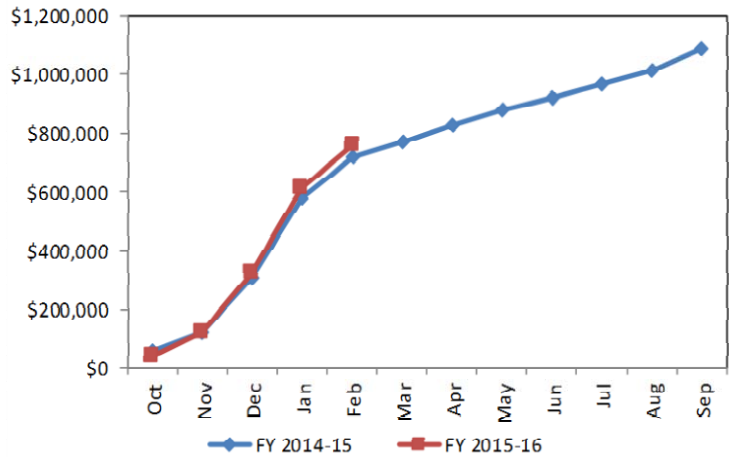
As of February 29, 2016
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,144,900	\$760,171	\$1,146,780	\$1,880
Expenditures	1,144,900	460,264	1,144,234	(666)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$299,907</u>	<u>\$2,546</u>	<u>\$2,546</u>

GENERAL FUND REVENUES

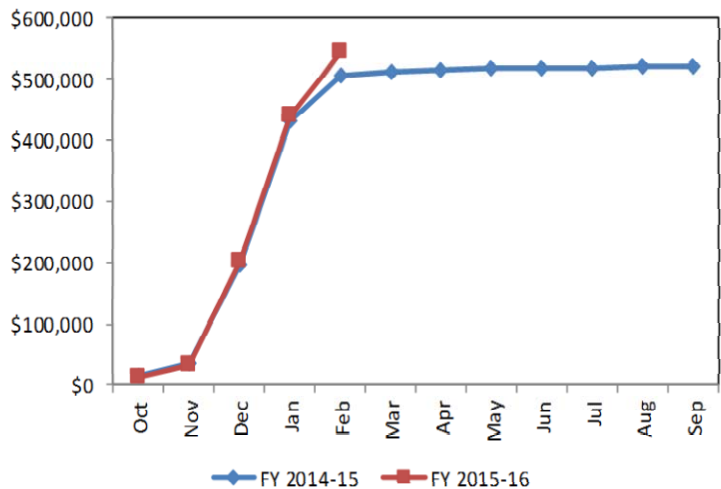
ALL SOURCES

	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		
Apr	59,984		
May	48,230		
Jun	43,757		
Jul	46,560		
Aug	45,056		
Sep	74,964		
Total	\$1,088,327	\$760,171	\$42,687



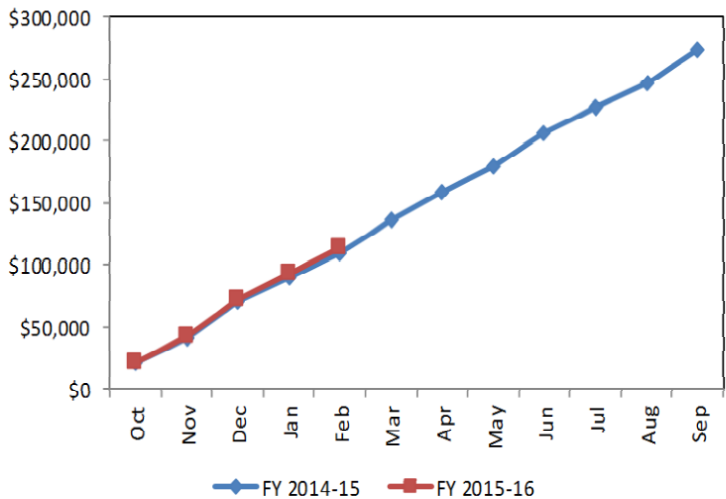
PROPERTY TAX

	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	237,272	1,382
Feb	74,439	104,025	29,586
Mar	6,533		
Apr	3,115		
May	1,536		
Jun	1,750		
Jul	821		
Aug	948		
Sep	673		
Total	\$520,658	\$543,221	\$37,939



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		
Apr	22,124		
May	20,755		
Jun	26,477		
Jul	20,798		
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$114,107	\$4,326



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 February 29, 2016

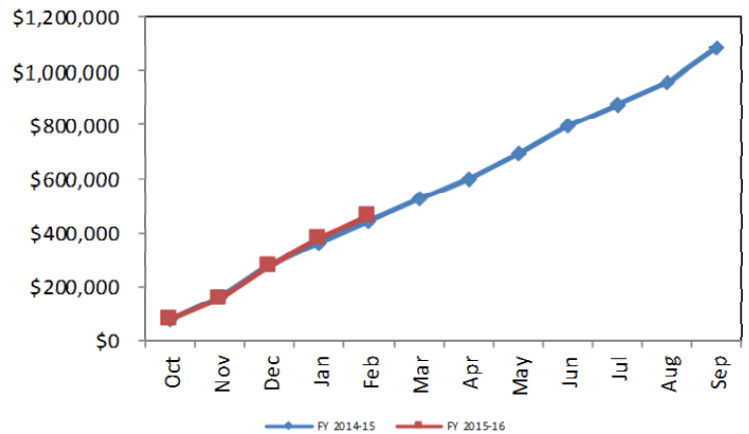
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	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$543,221	\$559,239	(\$397)
Sales Tax ²	281,272	114,107	283,207	1,935
TOTAL TAXES	840,908	657,328	842,446	1,538
FRANCHISE REVENUES				
Oncor Electric ³	50,612	27,798	51,763	1,150
AT&T	10,950	2,912	10,993	42
Atmos Energy ⁴	12,242	2,743	11,062	(1,180)
Time Warner Cable	6,102	1,561	6,122	20
Other ⁵	27,291	7,778	27,864	573
TOTAL FRANCHISE REVENUES	107,198	42,792	107,804	606
LICENSES AND PERMITS⁶	6,067	3,419	5,485	(582)
INTEREST EARNED	962	0	962	0
INTERGOVERNMENTAL	7,432	365	7,460	29
FINES AND FORFEITURES				
Municipal Court ⁷	14,771	7,232	15,400	629
Vehicle Towing & Storage	7,146	3,156	7,146	0
Parking Fines	3,591	632	3,592	1
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁸	494	104	445	(49)
TOTAL FINES	33,462	11,124	34,042	580
CHARGES FOR SERVICE				
Parks	10,283	3,714	10,283	0
Emergency Ambulance	31,569	6,692	31,569	0
Security Alarm	4,450	1,724	4,350	(100)
Street Lighting	648	231	648	0
Vital Statistics ⁹	1,484	586	1,617	133
Other ¹⁰	23,147	13,304	22,537	(611)
TOTAL CHARGES	71,581	26,250	71,003	(578)
INTERFUND REVENUE	67,223	14,375	67,223	0
MISCELLANEOUS	10,068	4,518	10,356	288
TOTAL REVENUES	\$1,144,900	\$760,171	\$1,146,780	\$1,880

GENERAL FUND EXPENDITURES

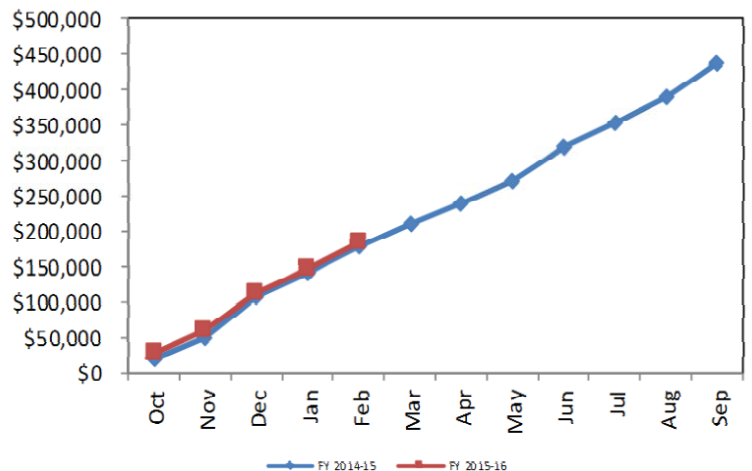
ALL EXPENSES

	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		
Apr	69,958		
May	96,984		
Jun	102,442		
Jul	78,895		
Aug	85,592		
Sep	124,316		
Total	\$1,084,212	\$460,264	\$16,907



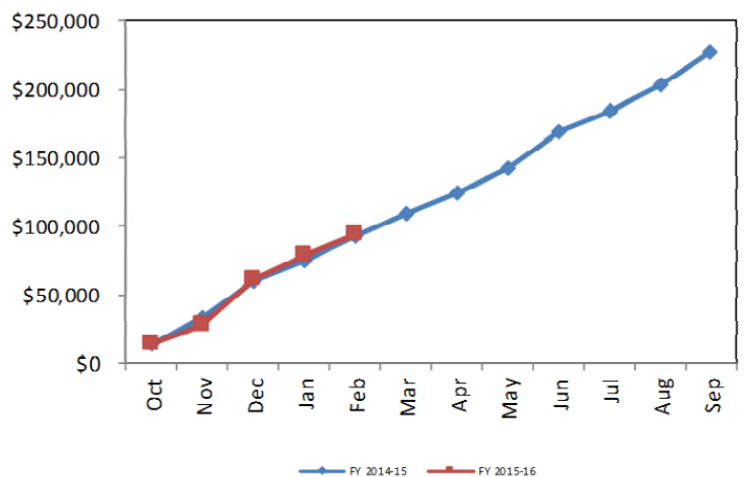
POLICE

	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		
Apr	27,900		
May	33,265		
Jun	47,086		
Jul	34,846		
Aug	35,661		
Sep	46,774		
Total	\$436,155	\$185,024	\$6,872



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		
Apr	15,063		
May	17,344		
Jun	26,753		
Jul	16,442		
Aug	18,322		
Sep	24,269		
Total	\$227,535	\$94,242	\$1,933



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 February 29, 2016

(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,831	\$10,708	\$23,831	\$0
Business Dev/Procurement Svcs	2,884	1,217	2,870	(14)
City Attorney's Office	15,886	5,938	15,817	(69)
City Auditor's Office ¹¹	3,004	1,082	3,050	46
City Controller's Office	4,541	1,845	4,458	(83)
City Manager's Office	1,972	909	1,972	0
City Secretary's Office ¹²	2,005	691	2,034	29
Civil Service ¹³	2,599	877	2,634	35
Code Compliance	38,569	14,466	38,569	0
Court Services ¹⁴	11,563	3,977	11,101	(462)
Elections ¹⁵	97	34	109	12
Fire	239,567	94,242	239,474	(93)
Housing ¹⁶	11,936	7,850	12,190	254
Human Resources	4,788	1,940	4,778	(11)
Independent Audit	786	-	786	0
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary ¹⁷	3,231	1,229	3,059	(171)
Library	30,509	11,678	30,509	0
Management Services	8,544	5,164	8,404	(141)
Mayor and Council ¹⁸	4,243	1,620	4,392	149
Non-Departmental ¹⁹	58,026	5,349	58,286	260
Office of Cultural Affairs ²⁰	17,671	9,441	17,726	55
Office of Economic Development	1,818	1,538	1,818	0
Office of Financial Services	2,957	1,007	2,957	(1)
Park and Recreation ²¹	85,646	37,389	85,698	51
Planning & Urban Design	4,232	939	4,101	(131)
Police	451,882	185,024	451,882	0
Public Works	5,911	3,950	5,839	(72)
Street Lighting	17,525	5,763	17,525	0
Street Services	71,531	30,806	71,520	(11)
Sustainable Dev/Construction ²²	1,438	981	1,138	(300)
Trinity Watershed Management	1,526	375	1,526	0
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	2,000	0	2,000	0
TOTAL EXPENDITURES	\$1,144,900	\$460,264	\$1,144,234	(\$666)

PROPRIETARY FUNDS

As of February 29, 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	10,122	27,443	0
Terminal Concessions	22,423	9,300	22,423	0
Landing Fees	17,784	6,137	17,784	0
Rental on Airport - Terminal	13,831	5,367	13,831	0
Rental on Airport - Field	9,067	2,870	8,950	(117)
Fuel Flow Fees	1,225	443	1,225	0
All Other	2,102	753	3,756	1,654
TOTAL REVENUES²³	93,876	34,991	95,413	1,537
TOTAL EXPENDITURES²³	93,876	28,879	95,314	1,438
ENDING FUND BALANCE	\$16,775	\$ -	\$16,874	\$98

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,002	18,894	52,652	(1,350)
Alcoholic Beverage Tax	10,461	2,969	11,683	1,222
Contract Services	9,119	5,678	10,861	1,742
All Remaining Revenues	10,414	5,412	13,175	2,761
TOTAL REVENUES²⁴	83,996	32,953	88,372	4,376
TOTAL EXPENDITURES²⁴	82,939	27,848	84,866	1,927
ENDING FUND BALANCE	\$21,664	\$ -	\$24,113	\$2,449

PROPRIETARY FUNDS

As of February 29, 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	8,394	19,104	334
Certificate of Occupancy	1,412	514	1,412	0
Plan Review	3,736	1,922	3,749	13
Registration/License	1,028	496	1,028	(0)
Special Plats	887	459	887	0
Private Development	1,010	604	1,010	(0)
Zoning	1,184	339	1,184	0
Interest Earnings	117	0	117	0
All Remaining Revenues	1,478	733	1,478	0
TOTAL REVENUES	29,622	13,461	29,969	347
TOTAL EXPENDITURES²⁵	30,697	9,280	28,768	(1,929)
ENDING FUND BALANCE	\$32,767	\$ -	\$35,042	\$2,275
 MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	816	1,974	(84)
All Remaining Revenues	12	0	11	(1)
TOTAL REVENUES²⁶	2,070	816	1,985	(85)
TOTAL EXPENDITURES²⁶	2,055	905	1,955	(99)
ENDING FUND BALANCE	\$1,198	\$ -	\$1,212	\$14

PROPRIETARY FUNDS

As of February 29, 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	107,217	291,015	4,531
Treated Water - Wholesale	80,082	31,348	77,280	(2,802)
Wastewater - Retail	232,649	87,920	228,290	(4,359)
Wastewater - Wholesale	9,874	4,136	9,872	(2)
All Remaining Revenues	36,040	9,843	29,726	(6,314)
TOTAL REVENUES²⁷	645,128	240,464	636,182	(8,947)
TOTAL EXPENDITURES²⁷	645,128	208,021	636,182	(8,947)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	21,403	52,799	0
Telephones Leased	8,532	1,867	8,532	0
Circuits	1,367	0	1,367	0
Desktop Services	269	47	58	(211)
Interest	137	0	137	0
Equipment Rental	4,546	1,894	4,546	0
Miscellaneous	77	618	677	600
TOTAL REVENUES²⁸	67,727	25,829	68,116	390
TOTAL EXPENDITURES²⁸	72,284	33,324	72,461	177
ENDING FUND BALANCE	\$6,352	\$ -	\$6,564	\$213

PROPRIETARY FUNDS

As of February 29, 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	33,640	7,921	36,503	2,863
Fuel	16,180	3,449	13,591	(2,589)
Auto Auction	418	327	488	70
Miscellaneous Revenue	267	250	404	137
Interest and Other	5	0	1	(4)
TOTAL REVENUES	50,509	11,947	50,987	478
TOTAL EXPENDITURES	50,509	21,844	50,987	478
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	\$0
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	1,003	2,703	0
All Other Revenues	1,260	130	1,260	0
TOTAL REVENUES	3,963	1,133	3,963	0
TOTAL EXPENDITURES	3,815	1,223	3,740	(74)
ENDING FUND BALANCE	\$1,372	\$ -	\$1,446	\$74

PROPRIETARY FUNDS

As of February 29, 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	28,728	67,089	552
Cost Plus Bulk/Brush	114	49	117	2
Sale of Recyclables	2,100	728	1,747	(353)
City Facility Collection	761	249	619	(143)
Landfill Revenue	17,676	12,213	21,975	4,300
TOTAL REVENUES²⁹	87,188	41,967	91,546	4,358
TOTAL EXPENDITURES²⁹	86,480	29,350	87,367	887
ENDING FUND BALANCE	\$7,816	\$ -	\$11,288	\$3,471

OTHER FUNDS

As of February 29, 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	2,442	6,324	68
9-1-1 Service Receipts - Wireline	6,898	2,737	6,700	(198)
Interest and Other	63	2	63	0
TOTAL REVENUES	13,218	5,180	13,087	(131)
TOTAL EXPENDITURES	16,292	2,873	16,227	(65)
ENDING FUND BALANCE	\$4,015	\$ -	\$3,949	(\$66)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	20,941	50,413	-
Interest and Other	40	0	40	0
TOTAL REVENUES	50,452	20,941	50,452	0
TOTAL EXPENDITURES	51,417	11,985	51,356	(61)
ENDING FUND BALANCE	\$7,150	\$ -	\$7,210	\$61

OTHER FUNDS

As of February 29, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$1,126	\$209	\$1,111	(\$15)
WELLNESS PROGRAM				
TOTAL EXPENDITURES ³⁰	\$430	\$149	\$342	(\$87)
RISK MANAGEMENT				
TOTAL EXPENDITURES ³¹	\$2,594	\$1,059	\$2,418	(\$176)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2015				\$3,649
Budgeted Revenue			6,297	
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)
Balance as of February 29, 2016			\$7,891	

DEBT SERVICE FUND

As of February 29, 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	223,593	230,298	(177)
Interest/Transfers/Other	20,468	771	20,468	0
TOTAL REVENUES	250,943	224,364	250,766	(177)
TOTAL EXPENDITURES³²	255,326	201,628	254,657	(669)
ENDING FUND BALANCE	\$7,726	\$ -	\$8,218	\$491

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).
2. Sales tax revenue is projected to be \$1,935 above budget due to the strength of the local economy.
3. Oncor Electric revenues are projected to be \$1,150 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$1,180 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Other Franchise revenues are projected to be \$573 above budget primarily due to an increase in private hauler usage at the landfill and more growth than expected in Cable TV service.
6. Licenses and Permits revenues are projected to be \$582 below budget primarily due to decreases in permits related to Transportation for Hire background checks done by the City and Motor Vehicle Repair, as a result of the improved economy.
7. Municipal Court revenue is projected to be \$629 above budget primarily due to an increase in the collection per citation rates of the new collection agency.
8. Public Library revenue is projected to be \$49 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.
9. Vital Statistics revenues are projected to be \$133 above budget due to an increase in the sale of birth certificates.
10. Other Charges for Service revenue is projected to be \$611 below budget primarily as a result of contracting with fewer hospitals than anticipated for the Mobile Community Healthcare Program.
11. City Auditor's Office is projected to be \$46 above budget due to salary expenses.
12. City Secretary's Office is projected to be \$29 above budget due to higher than budgeted salary expenses and the purchase of unbudgeted software to assist with Boards and Commissions administration.
13. Civil Service is projected to be \$35 above budget primarily due to salary expenses.
14. Court Services is projected to be \$462 below budget primarily due to delays in hiring.

NOTES

(Dollars in 000s)

15. Elections is projected to be \$12 above budget due to the purchase of unbudgeted petition verification software.

16. Housing and Community Services is projected to be \$254 above budget due to several unbudgeted expenses including temp help, replacement of fire and alarm system at the MLK Community Center, items related to the master plan for the MLK and WDMP Community Centers, and various special events.

17. Judiciary is projected to be \$171 below budget due to vacancies.

18. Mayor and Council is projected to be \$149 above budget due to double filled positions and the unbudgeted use of temp help.

19. Non-Departmental is projected to be \$260 above budget primarily due to unbudgeted costs such as the actuarial review related to the Police and Fire Pension Fund and efforts related to ADA Compliance.

20. Office of Cultural Affairs is projected to be \$55 above budget primarily due to increased usage of custodial and security services based on events at the Majestic, Meyerson, and City Performance Hall facilities. These expenses are offset by corresponding revenue.

21. Park and Recreation is projected to be \$51 above budget primarily due to repairs related to flooding in 2015.

22. Sustainable Development and Construction is projected to be \$300 below budget due to vacancies.

23. Aviation expenses are projected to be \$1,438 above budget primarily due to the City leasing property for additional offsite parking and for the future site of the consolidated rental car facility. Revenues are projected to be \$1,537 above budget primarily due to revenue received from existing tenants on the newly leased property.

24. Convention and Event Services expenses are projected to be \$1,927 above budget due to increased food and beverage service based on event demand as well as an increased transfer to capital construction resulting from additional revenues. Revenues are projected to be \$4,376 above budget primarily due to higher than expected Alcoholic Beverage Tax and more events than anticipated.

25. Sustainable Development and Construction expenses are projected to be \$1,929 below budget primarily due to vacancies.

NOTES

(Dollars in 000s)

26. Municipal Radio expenses are projected to be \$99 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$85 below budget due to the sale of commercials being less than planned.

27. Water Utilities revenues and expenses are both projected to be \$8,947 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 due to a reduction in the transfer to fund capital projects.

28. Communication and Information Services expenses are projected to be \$177 above budget primarily due to removal of the Fair Park Tower and the purchase of software maintenance, support, and capacity to be in compliance with audit findings for storage. Revenues are projected to be \$390 above budget due to payment from the State Fair of Texas for removal of the Fair Park Tower.

29. Sanitation expenses are projected to be \$887 above budget and revenues are projected to be \$4,358 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.

30. Wellness Program expenses are projected to be \$87 below budget due to vacancies.

31. Risk Management expenses are projected to be \$176 below budget due to vacancies.

32. Debt Service expenses are projected to be \$669 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale.