

Memorandum



CITY OF DALLAS

DATE May 13, 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 March 2016 is attached and provided for your information.

For FY 2015-16, General Fund revenues are projected to be \$3,478,000 above budget and expenditures are projected to be \$761,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$4,239,000. 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 March 31, 2016



GENERAL FUND

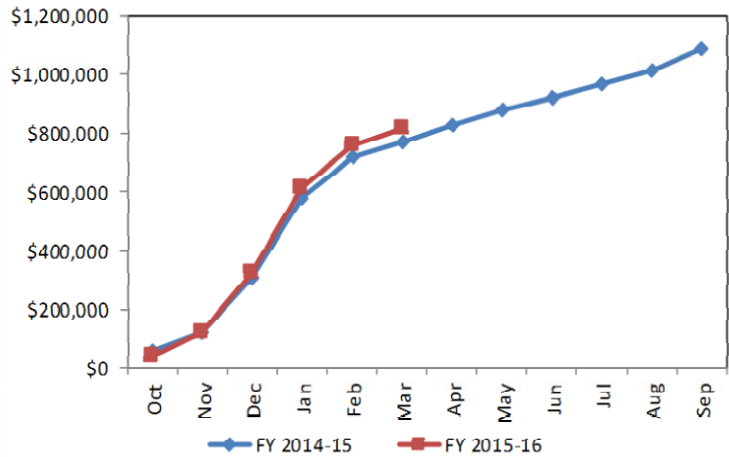
As of March 31, 2016
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,144,900	\$785,883	\$1,148,378	\$3,478
Expenditures	1,144,900	555,840	1,144,139	(761)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$230,042</u>	<u>\$4,239</u>	<u>\$4,239</u>

GENERAL FUND REVENUES

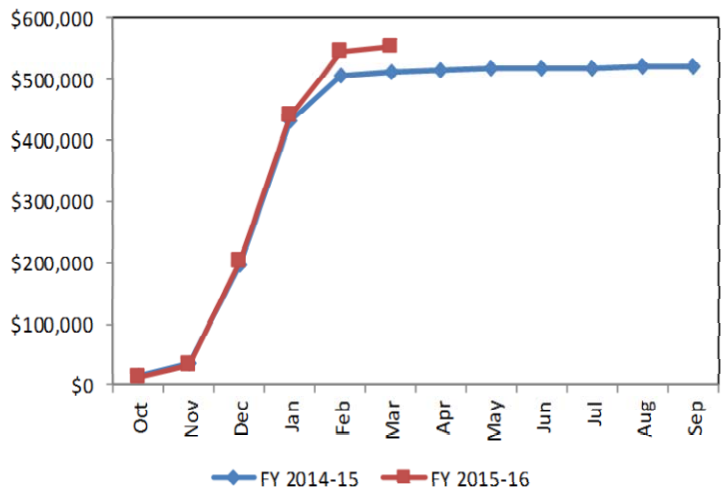
ALL SOURCES

	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		
May	48,230		
Jun	43,757		
Jul	46,560		
Aug	45,056		
Sep	74,964		
Total	\$1,088,327	\$813,364	\$43,588



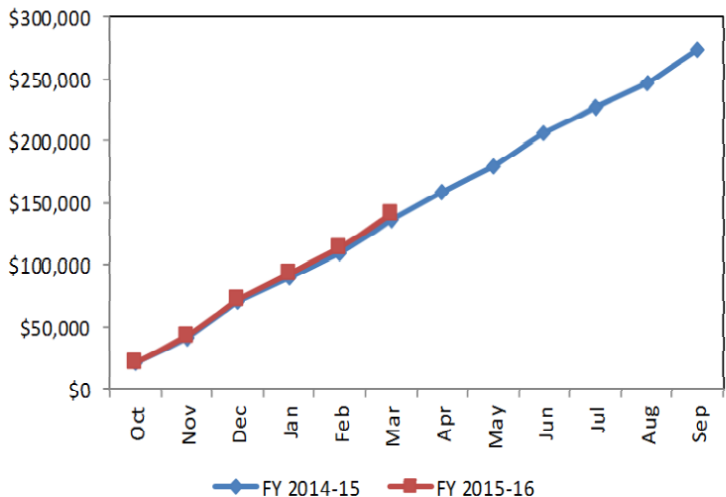
PROPERTY TAX

	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	7,675	1,142
Apr	3,115		
May	1,536		
Jun	1,750		
Jul	821		
Aug	948		
Sep	673		
Total	\$520,658	\$550,896	\$39,081



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		
May	20,755		
Jun	26,477		
Jul	20,798		
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$141,588	\$4,961



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 March 31, 2016

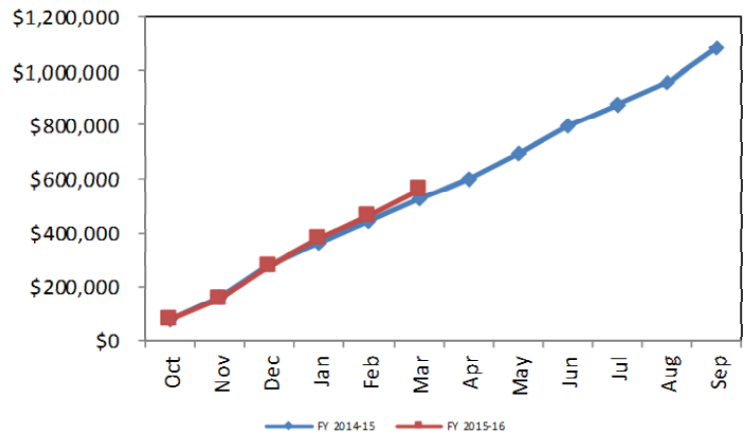
(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$550,896	\$559,239	(\$397)
Sales Tax ²	281,272	141,588	283,208	1,936
TOTAL TAXES	840,908	692,485	842,447	1,539
FRANCHISE REVENUES				
Oncor Electric ³	50,612	27,798	51,013	401
AT&T	10,950	2,912	10,993	42
Atmos Energy ⁴	12,242	2,743	11,130	(1,113)
Time Warner Cable	6,102	1,561	6,122	20
Other ⁵	27,291	8,087	27,718	427
TOTAL FRANCHISE REVENUES	107,198	43,102	106,975	(223)
LICENSES AND PERMITS⁶	6,067	3,965	5,492	(575)
INTEREST EARNED⁷	962	1,188	1,200	238
INTERGOVERNMENTAL	7,432	5,899	7,544	113
FINES AND FORFEITURES				
Municipal Court ⁸	14,771	9,201	18,049	3,277
Vehicle Towing & Storage ⁹	7,146	3,826	7,527	381
Parking Fines	3,591	622	3,592	1
Red Light Camera Fines	7,460	0	7,460	0
Public Library ¹⁰	494	124	398	(96)
TOTAL FINES	33,462	13,773	37,025	3,563
CHARGES FOR SERVICE				
Parks	10,283	4,582	10,438	155
Emergency Ambulance	31,569	9,247	31,569	0
Security Alarm	4,450	2,138	4,300	(150)
Street Lighting	648	319	648	0
Vital Statistics ¹¹	1,484	734	1,617	133
Other ¹²	23,147	15,137	21,884	(1,264)
TOTAL CHARGES	71,581	32,156	70,455	(1,126)
INTERFUND REVENUE	67,223	15,802	67,223	0
MISCELLANEOUS	10,068	4,996	10,016	(52)
TOTAL REVENUES	\$1,144,900	\$813,364	\$1,148,378	\$3,478

GENERAL FUND EXPENDITURES

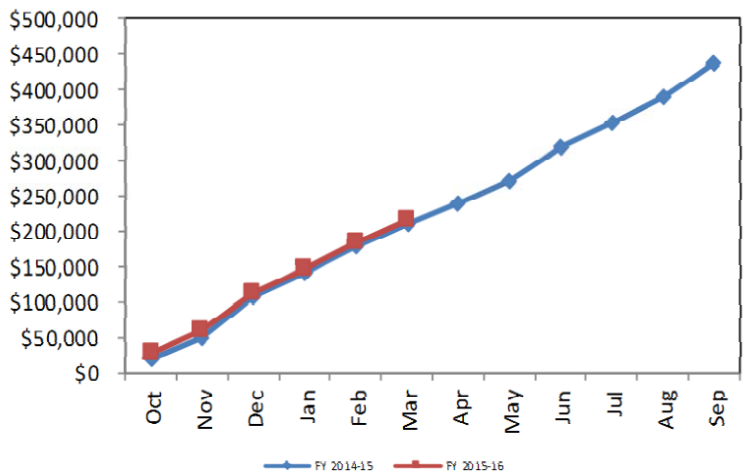
ALL EXPENSES

	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		
May	96,984		
Jun	102,442		
Jul	78,895		
Aug	85,592		
Sep	124,316		
Total	\$1,084,212	\$555,840	\$29,815



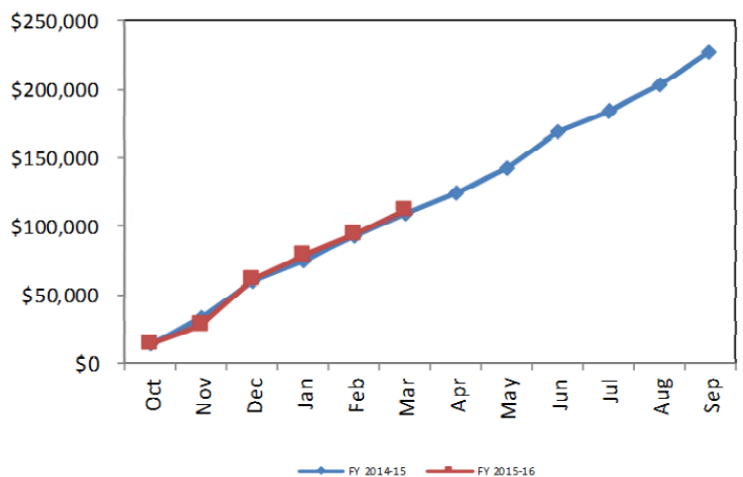
POLICE

	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		
May	33,265		
Jun	47,086		
Jul	34,846		
Aug	35,661		
Sep	46,774		
Total	\$436,155	\$215,082	\$4,458



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		
May	17,344		
Jun	26,753		
Jul	16,442		
Aug	18,322		
Sep	24,269		
Total	\$227,535	\$112,318	\$2,976



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 March 31, 2016

(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,831	\$13,135	\$23,831	\$0
Business Dev/Procurement Svcs ¹³	2,884	1,529	2,931	47
City Attorney's Office	15,886	7,551	15,880	(6)
City Auditor's Office	3,004	1,425	3,004	0
City Controller's Office	4,541	2,267	4,434	(107)
City Manager's Office	1,972	1,203	1,972	0
City Secretary's Office ¹⁴	2,005	871	2,015	11
Civil Service ¹⁵	2,599	1,124	2,623	24
Code Compliance	38,569	18,055	38,569	0
Court Services	11,563	5,362	11,153	(410)
Elections ¹⁶	97	45	109	12
Fire	239,567	112,318	239,375	(192)
Housing ¹⁷	11,936	8,623	12,217	281
Human Resources	4,788	2,406	4,729	(59)
Independent Audit	786	-	786	0
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary ¹⁸	3,231	1,593	3,059	(171)
Library	30,509	14,655	30,509	0
Management Services	8,544	5,878	8,408	(136)
Mayor and Council ¹⁹	4,243	2,064	4,354	111
Non-Departmental ²⁰	58,026	9,919	58,313	287
Office of Cultural Affairs ²¹	17,671	10,968	17,721	50
Office of Economic Development	1,818	1,818	1,818	0
Office of Financial Services	2,957	1,280	2,949	(8)
Park and Recreation ²²	85,646	48,268	85,719	73
Planning & Urban Design	4,232	1,283	4,061	(171)
Police	451,882	215,082	451,882	(0)
Public Works	5,911	4,466	5,823	(88)
Street Lighting	17,525	6,718	17,525	0
Street Services	71,531	42,081	71,520	(12)
Sustainable Dev/Construction ²³	1,438	1,143	1,143	(295)
Trinity Watershed Management	1,526	475	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	\$555,840	\$1,144,139	(\$761)

PROPRIETARY FUNDS

As of March 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	12,430	26,643	(800)
Terminal Concessions	22,423	11,340	21,769	(654)
Landing Fees	17,784	7,560	17,784	0
Rental on Airport - Terminal	13,831	6,485	11,478	(2,353)
Rental on Airport - Field	9,067	3,391	9,777	710
Fuel Flow Fees	1,225	547	1,211	(15)
All Other	2,102	1,075	5,214	3,112
TOTAL REVENUES	93,876	42,827	93,876	0
TOTAL EXPENDITURES	93,876	44,145	93,876	0
ENDING FUND BALANCE	\$16,775	\$ -	\$16,775	\$0

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,002	24,622	52,802	(1,200)
Alcoholic Beverage Tax	10,461	2,969	11,819	1,358
Contract Services	9,119	7,180	10,861	1,742
All Remaining Revenues	10,414	7,062	13,516	3,102
TOTAL REVENUES²⁴	83,996	41,833	88,998	5,002
TOTAL EXPENDITURES²⁴	82,939	34,468	88,998	6,059
ENDING FUND BALANCE	\$21,664	\$ -	\$20,607	(\$1,057)

PROPRIETARY FUNDS

As of March 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	10,659	19,104	334
Certificate of Occupancy	1,412	629	1,412	0
Plan Review	3,736	2,339	3,749	13
Registration/License	1,028	530	1,028	(0)
Special Plats	887	572	887	0
Private Development	1,010	741	1,010	(0)
Zoning	1,184	542	1,184	0
Interest Earnings	117	140	117	0
All Remaining Revenues	1,478	890	1,478	0
TOTAL REVENUES	29,622	17,041	29,969	347
TOTAL EXPENDITURES	30,697	11,787	29,803	(894)
ENDING FUND BALANCE	\$32,767	\$ -	\$34,008	\$1,241
 MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	977	1,913	(145)
All Remaining Revenues	12	5	11	(1)
TOTAL REVENUES²⁵	2,070	982	1,924	(146)
TOTAL EXPENDITURES²⁵	2,055	1,055	1,941	(114)
ENDING FUND BALANCE	\$1,198	\$ -	\$1,166	(\$33)

PROPRIETARY FUNDS

As of March 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	127,061	288,614	2,131
Treated Water - Wholesale	80,082	37,293	77,758	(2,324)
Wastewater - Retail	232,649	106,260	224,815	(7,834)
Wastewater - Wholesale	9,874	4,934	9,866	(8)
All Remaining Revenues	36,040	13,159	30,552	(5,488)
TOTAL REVENUES²⁶	645,128	288,706	631,605	(13,524)
TOTAL EXPENDITURES²⁶	645,128	256,019	631,605	(13,524)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	25,746	52,799	0
Telephones Leased	8,532	2,458	8,532	0
Circuits	1,367	0	1,367	0
Desktop Services	269	49	68	(200)
Interest	137	68	138	0
Equipment Rental	4,546	2,273	4,546	0
Miscellaneous	77	743	721	643
TOTAL REVENUES²⁷	67,727	31,336	68,171	445
TOTAL EXPENDITURES²⁷	72,284	36,661	72,411	126
ENDING FUND BALANCE	\$6,352	\$ -	\$6,670	\$318

PROPRIETARY FUNDS

As of March 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	33,640	10,570	39,409	5,770
Fuel	16,180	4,460	13,474	(2,706)
Auto Auction	418	327	488	70
Miscellaneous Revenue	267	295	403	136
Interest and Other	5	0	1	(4)
TOTAL REVENUES²⁸	50,509	15,652	53,775	3,265
TOTAL EXPENDITURES²⁸	50,509	26,377	53,775	3,265
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	\$0
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	1,397	2,703	0
All Other Revenues	1,260	1,182	1,329	68
TOTAL REVENUES	3,963	2,579	4,032	68
TOTAL EXPENDITURES	3,815	1,869	3,801	(14)
ENDING FUND BALANCE	\$1,372	\$ -	\$1,454	\$82

PROPRIETARY FUNDS

As of March 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	35,233	67,691	1,154
Cost Plus Bulk/Brush	114	60	120	6
Sale of Recyclables	2,100	849	1,699	(401)
City Facility Collection	761	339	691	(70)
Landfill Revenue	17,676	14,378	22,676	5,000
TOTAL REVENUES²⁹	87,188	50,859	92,877	5,689
TOTAL EXPENDITURES²⁹	86,480	35,064	87,279	799
ENDING FUND BALANCE	\$7,816	\$ -	\$12,706	\$4,890

OTHER FUNDS

As of March 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	2,880	6,324	68
9-1-1 Service Receipts - Wireline	6,898	3,255	6,717	(182)
Interest and Other	63	31	63	0
TOTAL REVENUES	13,218	6,166	13,104	(114)
TOTAL EXPENDITURES	16,292	8,500	15,996	(297)
ENDING FUND BALANCE	\$4,015	\$ -	\$4,197	\$182
STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	25,655	50,413	-
Interest and Other	40	30	40	0
TOTAL REVENUES	50,452	25,685	50,452	0
TOTAL EXPENDITURES	51,417	14,241	51,336	(80)
ENDING FUND BALANCE	\$7,150	\$ -	\$7,230	\$80

OTHER FUNDS

As of March 31, 2016
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$1,126	\$268	\$1,088	(\$38)
WELLNESS PROGRAM				
TOTAL EXPENDITURES ³⁰	\$430	\$263	\$381	(\$49)
RISK MANAGEMENT				
TOTAL EXPENDITURES ³¹	\$2,594	\$1,289	\$2,377	(\$217)
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)
Paid March 2016				(353)
Balance as of March 31, 2016				\$7,538

DEBT SERVICE FUND

As of March 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	226,769	230,298	(177)
Interest/Transfers/Other	20,468	950	20,468	0
TOTAL REVENUES	250,943	227,719	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 \$1,936 above budget due to the strength of the local economy. Over the most recent 12 months, sales tax receipts have increased by 5%.
3. Oncor Electric revenues are projected to be \$401 above budget primarily due to higher than expected electric consumption.
4. Atmos Energy revenues are projected to be \$1,113 below budget primarily due to warmer winter weather that resulted in less gas consumption.
5. Other Franchise revenues are projected to be \$427 above budget primarily due to an increase in private waste hauler activity at the landfill and more growth than expected in Cable TV service.
6. Licenses and Permits revenues are projected to be \$575 below budget primarily due to decreases in permits related to Transportation for Hire and Motor Vehicle Repair.
7. Interest Earned revenue is projected to be \$238 above budget due to an increase in the market interest rate.
8. Municipal Court revenue is projected to be \$3,277 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.
9. Vehicle Towing & Storage revenues are projected to be \$381 above budget due to an increase in tows as well as vehicles staying on the auto pound property longer than anticipated.
10. Public Library revenue is projected to be \$96 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.
11. Vital Statistics revenues are projected to be \$133 above budget due to an increase in the sale of birth certificates.
12. Other Charges for Service revenue is projected to be \$1,264 below budget primarily as a result of contracting with fewer hospitals than anticipated for the Mobile Community Healthcare Program as well as a reduction in Fire Watch fees.
13. Business Development and Procurement Services are projected to be \$47 above budget primarily due to salary expenses.

NOTES

(Dollars in 000s)

14. City Secretary's Office is projected to be \$11 above budget due to higher than budgeted salary expenses.
15. Civil Service is projected to be \$24 above budget primarily due to salary expenses.
16. Elections is projected to be \$12 above budget due to the purchase of unbudgeted petition verification software.
17. Housing and Community Services is projected to be \$281 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.
18. Judiciary is projected to be \$171 below budget due to vacancies.
19. Mayor and Council is projected to be \$111 above budget due to double filled positions and the unbudgeted use of temp help.
20. Non-Departmental is projected to be \$287 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.
21. Office of Cultural Affairs is projected to be \$50 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.
22. Park and Recreation is projected to be \$73 above budget primarily due to repairs related to flooding in 2015.
23. Sustainable Development and Construction is projected to be \$295 below budget due to vacancies.
24. Convention and Event Services expenses are projected to be \$6,059 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 \$5,002 above budget primarily due to higher than expected Alcoholic Beverage Tax and more events than anticipated.
25. Municipal Radio expenses are projected to be \$114 below budget due to vacancies and a reduction in sales commission. Revenues are projected to be \$146 below budget due to the sale of commercials being less than planned.

NOTES

(Dollars in 000s)

26. Water Utilities revenues and expenses are both projected to be \$13,524 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.

27. Communication and Information Services expenses are projected to be \$126 above budget primarily due to removal of the Fair Park Tower and the purchase of software licenses, maintenance, support, and capacity to be in compliance with audit findings. Revenues are projected to be \$445 above budget due to payment from the State Fair of Texas for removal of the Fair Park Tower.

28. Equipment Services revenues and expenses are both projected to be \$3,265 above budget primarily due to increased maintenance and repair costs for heavy equipment partially offset by fuel savings.

29. Sanitation expenses are projected to be \$799 above budget and revenues are projected to be \$5,689 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 \$49 below budget due to vacancies.

31. Risk Management expenses are projected to be \$217 below budget primarily 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.