

BUDGET, FINANCE, & AUDIT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, APRIL 17, 2017
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

Chair, Councilmember Jennifer S. Gates
Vice-Chair, Councilmember Philip T. Kingston
Deputy Mayor Pro Tem Erik Wilson
Councilmember Rickey D. Callahan
Councilmember Scott Griggs
Councilmember Lee M. Kleinman

Call to Order

1. Consideration of the minutes from the March 20, 2017 Budget, Finance, & Audit Committee meeting
2. Consideration of Upcoming Agenda Items Memo for April 26, 2017 City Council Meeting

BRIEFINGS

3. Office of the City Auditor - Fiscal Year 2017 Third Quarter Update
Craig D. Kinton, City Auditor
4. Dallas Water Utilities Upcoming Bond Sale
Corrine Steeger, Assistant Director
City Controller's Office

FYI

5. FY 2016-17 Financial Forecast Report
Information as of February 28, 2017

Adjourn


Jennifer S. Gates, Chair
Budget, Finance, & Audit Committee

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.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Budget, Finance, & Audit Committee

Meeting Record

Meeting Date: March 20, 2017

Convened: 1:10 pm

Adjourned: 2:36 pm

Committee Members Present:

Jennifer S. Gates, Chair
Erik Wilson
Rickey D. Callahan

Lee Kleinman

Committee Members Absent:

Philip Kingston, Vice Chair
Scott Griggs

Other Council Members Present:

Staff Present:

Stephanie Cooper
Jack Ireland
Elizabeth Reich
Mike Frosch
Edward Scott

Jack Ireland
Cheritta Johnson
Barbara McAninch
Kelly High
Dennis Ware

Kris Sweckard
Randy Payton
Craig Kinton
Robert Sims
Nick Fehrenbach

Don Knight

Others Present:

N/A

AGENDA:

Call to Order

1. Consideration of the February 21, 2017 Minutes

Presenter(s):

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to approve the February 21, 2017 minutes. Motion passed unanimously.

Motion made by: Rickey Callahan

Motion seconded by: Lee Kleinman

2. Consideration of Upcoming Agenda Items

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to forward to the City Council on March 22, 2017. Motion passed on unanimous vote.

Motion made by: Rickey Callahan

Motion seconded by: Erik Wilson

Budget, Finance, & Audit Committee

Meeting Record

Briefings

3. **Dallas Central Appraisal District 2017-2018 Proposed Budget**

Presenter(s): Ken Nolan, Chief Appraiser, *Dallas Central Appraisal District*

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

4. **Utility Franchising**

Presenter(s): Nick Fehrenbach, Manager of Regulatory Affairs, *Office of Financial Services*

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

FYI

5. **FY 2016-17 Financial Forecast Report**

Presenter(s):

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

6. **December 31, 2016 Quarterly Investment Report**

Presenter(s):

Information Only: X

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

UPCOMING AGENDA ITEMS:

March 22, 2017 City Council Meeting

- A. Agenda Item #4: Authorize a one-year service contract for airfield paint removal, striping, and painting services at Dallas Love Field - Hi-Lite Airfield Services, LLC, through the Texas Association of School Boards (BuyBoard) - Not to exceed \$998,532 - Financing: Aviation Current Funds (subject to appropriations)
- B. Agenda Item #5: Authorize a two-year service contract for the rental of vehicles and equipment - Herc Rentals, Inc. in the amount of \$4,192,108, Enterprise Rent-A Car dba EAN Holdings, LLC in the amount of \$1,554,264, Four Seasons Equipment, Inc. in the amount of \$1,258,350, Landmark Equipment, Inc. in the amount of \$1,187,473, Holt Texas, LTD in the amount of \$777,880, Kirby-Smith Machinery, Inc. in the amount of \$767,126, Sunbelt Rentals in the amount of \$687,865, United Rentals (North America), Inc. in the amount of \$349,543, and Metro Golf Cars in the amount of \$87,646, lowest responsible bidders of nine - Total not to exceed \$10,862,255 - Financing: Current Funds (subject to annual appropriations)

Budget, Finance, & Audit Committee

Meeting Record

- C. Agenda Item #6: Authorize a three-year service contract for barricade services - Dallas Lite and Barricade, Inc., lowest responsible bidder of two - Not to exceed \$201,882 - Financing: Current Funds (\$12,700), Water Utilities Current Funds (\$118,012), and Stormwater Drainage Management Current Funds (\$71,170) (subject to annual appropriations)
- D. Agenda Item #8: Authorize a three-year service contract, with two one-year renewal options, for actuarial analysis services for Risk Management - Bickmore, most advantageous proposer of eight - Not to exceed \$81,600 - Financing: Current Funds (subject to annual appropriations)
- E. Agenda Item #9: Authorize the first of two one-year renewal options to the service contract with Harris Corporation formerly known as Exelis, Inc. for maintenance of hardware and associated software licenses for airport noise and flight tracking monitoring at Dallas Love Field - Not to exceed \$181,832 - Financing: Aviation Current Funds (subject to appropriations)
- F. Agenda Item #11: Authorize (1) Supplemental Agreement No. 1 to increase the consulting contract with Deloitte Consulting, LLP for actuarial services related to the Dallas Police and Fire Pension System in the amount of \$759,000, from \$414,000 to \$1,173,000; and (2) an increase in appropriations in the amount of \$759,000 in the City Controller's Office FY 2016-17 budget, from \$4,682,481 to \$5,441,481 - Not to exceed \$759,000 - Financing: Contingency Reserve Funds
- G. Agenda Item #13: Authorize payment for an asbestos abatement/demolition notification program for a four-year term as required by the Texas Department of State Health Services - Not to exceed \$150,000 - Financing: Current Funds (subject to annual appropriations)
- H. Agenda Item #21: Authorize an amendment to the five-year master municipal lease agreement for the financing of personal property purchases - Banc of America Public Capital Corp. - Financing: No cost consideration to the City
- I. Agenda Item #27: Authorize ordinances granting five franchises for solid waste collection and hauling, pursuant to Chapter XIV, of the City Charter, and Chapter 18, Article IV, of the Dallas City Code (list attached) - Estimated Annual Revenue: \$22,002

Adjourn

Jennifer S. Gates, Chair
Budget, Finance, & Audit Committee

Memorandum



CITY OF DALLAS

DATE April 10, 2017

TO Members of the Budget, Finance, & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT **Upcoming Draft Agenda Items for April 26th Council Agenda Meeting**

The following draft agenda items are scheduled to go before City Council on April 26th.

Draft Agenda Item A

Authorize the first of three, one-year renewal options, to the service contract with Gila LLC dba Municipal Services Bureau for the collection of delinquent fines and fees for violations of City ordinances, traffic, and state laws, excluding parking violations - Estimated Annual Net Revenue: \$4,257,000

Draft Agenda Item B

Authorize Supplemental Agreement No. 6 to exercise the two-year renewal option to the service contract with Dunbar Armored, Inc. for armored car services for City facilities that conduct monetary transactions - Not to exceed \$478,752, from \$669,020 to \$1,147,772 - Financing: Current Funds (subject to annual appropriations)

Draft Agenda Item C

Authorize a five-year service contract for workers' compensation third party claims administration and related medical cost containment services - Tristar Risk Management Services, Inc., most advantageous proposer of three - Not to exceed \$4,892,678 - Financing: Current Funds (subject to annual appropriations)

Draft Agenda Item D

Authorize **(1)** an acquisition contract for the purchase, implementation, configuration, and training of a Forcepoint Triton APX security and threat management system in the amount of \$84,120; and **(2)** a three-year service contract, with two one-year renewal options, for software subscription, maintenance, and support of the Forcepoint Triton APX security and threat management system in the amount of \$376,258 - Accudata Systems, Inc., most advantageous proposer of three - Total not exceed \$460,378 - Financing: Current Funds (subject to annual appropriations)

Draft Agenda Item E

Authorize the sale of one 2005 Bentley Continental and one 2013 Land Rover through a public auction - Revenue: \$55,500

Draft Agenda Item F

Authorize a two-year master agreement for furniture, floor covering, modular walls, high density storage shelving, and related support services with Allsteel, Arcadia, Coalesce, Davis, Encore, Environmanics, Geiger, Group Lacasse, Haworth, Inc., Herman Miller, Inc., Hon Office Furniture, Human Scale, Interface, KI, Knoll, Inc., Krug, Miliken & Company, Mohawk Industries, National Office Furniture, Patcraft, Peter Pepper Products, Inc., Shaw Industries, SitOnIt, Spacesaver, Steelcase, Texas Correctional Industries, Varidesk, Virco, Inc., and their associated distributors through the BuyBoard National Purchasing Cooperation, General Services Administration, National Intergovernmental Purchasing Alliance, National Joint Powers Association, The Cooperative Purchasing Network, Texas Multiple Award Schedules, Texas Correctional Industries, and U.S. Communities Government Purchasing Alliance - Not to exceed \$11,840,522 - Financing: Current Funds (\$9,957,608), Water Utilities Current Funds (\$558,000), Aviation Current Funds (\$435,358), Convention and Event Services Current Funds (\$250,000), Sanitation Current Funds (\$207,256), Public Educational and Governmental Access Funds (\$205,000), 2006 Bond Funds (\$140,000), Texas Department of State Health Services Grant Funds (\$80,000), and Stormwater Drainage Management Current Funds (\$7,300)

DATE April 10, 2017
SUBJECT Upcoming Agenda Items for April 26th Council Agenda Meeting

Draft Agenda Item G

Authorize a three-year master agreement for the purchase of bicycles, bicycle parts, and accessories – Family Bicycle Shop, LLC dba The Bike Shop in the amount of \$154,960 and Binc Corporation dba B&B Bicycles in the amount of \$106,410, lowest responsible bidders of three - Total not to exceed \$261,370 - Financing: Current Funds (\$256,145) and Stormwater Drainage Management Current Funds (\$5,225)


Draft Agenda Item H

Authorize a three-year master agreement for hydrated lime for Bachman Water Treatment Plant – Texas Lime Company, lowest responsible bidder of four – Not to exceed \$1,248,300 - Financing: Water Utilities Current Funds

Draft Agenda Item I

Authorize Supplemental Agreement No. 7 to exercise the third one-year renewal option to the service contract with GTS Technology Solutions, Inc. (formerly Austin Ribbon and Computer Supplies, Inc.) for the lease or purchase of desktop computers, computer related equipment, accessories, and various managed services - Not to exceed \$4,135,306 from \$38,205,230 to \$42,340,536 - Financing: Current Funds (subject to appropriations)

Should you have any questions on these, items, please contact me at (214)670-3309.


Elizabeth Reich
Chief Financial Officer

c: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Larry E. Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Theresa O'Donnell, Interim Chief of Economic Development & Neighborhood Services
Majed A. Al-Ghafry, Assistant City Manager

Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Alan E. Sims, Interim Chief of Community Services
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE: April 10, 2017

TO: Honorable Members of the Budget, Finance & Audit Committee –
Jennifer S. Gates (Chair); Philip T. Kingston (Vice Chair);
Deputy Mayor Pro Tem Erik Wilson; Rickey D. Callahan;
Scott Griggs; Lee M. Kleinman

SUBJECT: Office of the City Auditor – Fiscal Year 2017 Third Quarter Update

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, April 17, 2017 regarding:

- Office of the City Auditor – Fiscal Year 2017 Third Quarter Update

Sincerely,

Craig D. Kinton
City Auditor

C: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
M. Elizabeth Reich, Chief Financial Officer
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Sana Syed, Public Information Officer
Directors and Assistant Directors

Majed A. Al-Ghafry, 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
Alan E. Sims, Interim Chief of Community Services
Theresa O'Donnell, Interim Chief of Economic
Development & Neighborhood Services

Office of the City Auditor – Fiscal Year 2017 Third Quarter Update

**Budget, Finance and Audit Committee
April 17, 2017**

**Craig D. Kinton, City Auditor
Office of the City Auditor
City of Dallas**



Audit and Attestation Services Reports Issued

(November 7, 2016 through March 31, 2017)

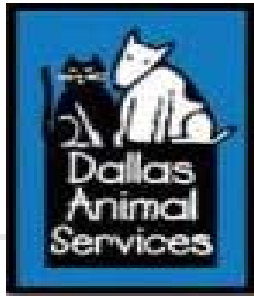
- Performance Audits
 - Muniservices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees
 - Dallas Animal Services Operations
 - Special Audit of the Accounts of Former Chief Financial Officer – Jeanne Chipperfield
 - Fiscal Year 2015 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2014, and 2015

2

MuniServices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees – Recommendations

- *No recommendations associated with this report*
- In FY 2016, verified \$1,014,463 in sales / use tax receipts collections that MuniServices, LLC (Consultant) identified as owed to the City from businesses operating in the City
- Also verified accuracy of \$290,922 in Consultant invoices received for the period of October 1, 2015 through September 30, 2016 for payment of Consultant's percentage of the amount collected under the contingent fee contract arrangement with the City
- Since inception of the contract in 2010, Consultant has identified a total of \$5,235,635 in sales / use tax receipts collections owed to the City, and the City has received \$3,863,108 net of the Consultant's fees of \$1,372,527

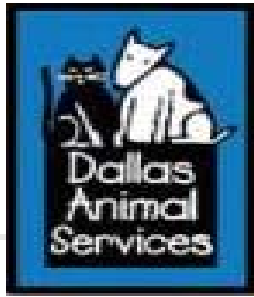
3



Dallas Animal Services Operations – Recommendations

- Ensure Dallas Animal Services (DAS) reviews and tracks call response times to improve timeliness of high priority call responses
- Improve data reliability related to the Chameleon System
- Work with 311 and Department of Communication and Information Services (CIS) for better call response time analysis
- Ensure DAS continues to develop and implement policies and procedures related to call response time management to resolve inconsistent protocols for collecting call response time information

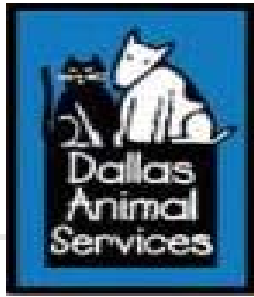
4



Dallas Animal Services Operations – Recommendations *(continued)*

- Improve the Dangerous Dog Program
- Improve oversight of active dangerous dog cases by developing policies and procedures
- Improve drug inventory management
- Improve the surveillance camera system

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Dallas Animal Services Operations – Recommendations *(continued)*

- Improve security protocols related to access to restricted areas
- Formalize certain practices already used and also develop and / or revise policies and procedures used to guide DAS personnel, making them available to all DAS personnel
- Develop policies and procedures related to DAS personnel training
- Ensure DAS employs an independent veterinarian to conduct annual inspections as required in State Health and Safety Code Chapter 823

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Special Audit of the Accounts of Former Chief Financial Officer, Jeanne Chipperfield – Recommendations

- *No recommendations associated with this report*

Fiscal Year 2015 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2014, and 2015 –

- City management implemented 30 of 77, or 39 percent, of the audit recommendations agreed to by management
- Opportunities continue to exist to improve City management's understanding of internal controls and the documentation required to demonstrate recommendation implementation

Fiscal Year 2015 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2014, and 2015 *(continued)* –

- Financial, operational, and compliance risks remain in the following areas:
 - Cash receipts and collections
 - Contract monitoring
 - Ethics Program implementation
 - *Health Insurance Portability and Accountability Act* compliance
 - High risk inventory (weapons and tasers)
 - Information technology user access controls
 - Policies and procedures necessary to establish internal control framework
 - Software license compliance
 - Succession planning

Investigative Services Reports Issued

(November 7, 2016 through March 31, 2017)

- Theft of Cash – Department of Park and Recreation
 - A PKR employee was terminated and arrested for Theft by a Public Servant for theft of cash
- Abuse of Position – Office of Cultural Affairs
 - An OCA employee was terminated for actions in violations of the City's Personnel Rules and Code of Ethics for requiring a dry cleaning business to provide free cleaning services in exchange for the business' employees parking free at an OCA facility

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Anticipated Report Releases

Third Quarter FY 2017

- Special Audit of the Accounts of Former City Manager – A.C. Gonzalez
- Neighborhood Code Enforcement Services
- Cash Management / Collections Processes – Courts Information System
- Sole Source / Single Bid Procurements – Business Development and Procurement Services
- Trinity Watershed Management
- Business Partners Oversight – Arts District
- Construction Related Procurements
- Environmental Compliance – Multiple Departments

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Audit and Attestation Services Projects In-Progress

Third Quarter, Fiscal Year 2017

- Continuity of Operations Audit Follow-Up
- Homeless Response System Effectiveness
- Line-of-Duty Death Report Recommendations – Dallas Police Department
- Miscellaneous Permit Fee Revenues
- Special Collections Operations – Dallas Water Utilities
- Off-Duty Employment Administration – Dallas Police Department
- Records Management System – Dallas Police Department
- Information Technology Processes – Communication and Information Services
- Prior Audit Recommendations Follow-Up (Fiscal Year 2016)
- Franchise Fees Review through MuniServices (*Ongoing*)
- Sales/Use Tax Compliance Review through MuniServices (*Ongoing*)

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Audit and Attestation Services

Anticipated Project Starts

Third Quarter, Fiscal Year 2017

- Contract Monitoring – Cloud Computing
- Dallas Convention & Visitors Bureau (Visit Dallas)
- Surveillance Camera Oversight – Multiple Departments

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Audit Project Cancellations

Third Quarter, Fiscal Year 2017

- City Attorney's Office Operations

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QUESTIONS?

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Appendix – Report Links

Audit Reports

- [Audit of MuniServices, LLC Contract Related to the Verification of Sales / Use Tax Receipts and Associated Fees](#)
- [Audit of Dallas Animal Services Operations](#)
- [Special Audit of the Accounts of Former Chief Financial Officer – Jeanne Chipperfield](#)
- [Fiscal Year 2015 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2012, 2014, and 2015](#)

Investigative Reports

- [Theft of Cash – Department of Park and Recreation](#)
- [Abuse of Position – Office of Cultural Affairs](#)

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Office of the City Auditor – Fiscal Year 2017 Third Quarter Update

**Budget, Finance and Audit Committee
April 17, 2017**

**Craig D. Kinton, City Auditor
Office of the City Auditor
City of Dallas**



Memorandum



CITY OF DALLAS

DATE April 10, 2017

TO Members of the Budget, Finance, & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Dallas Water Utilities Upcoming Bond Sale

On Monday, April 17, 2017, the City Controller's Office will brief the Budget, Finance, & Audit Committee on Dallas Water Utilities Upcoming Bond Sale. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Larry E. Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
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Directors and Assistant Directors

Dallas Water Utilities Upcoming Bond Sale

**Budget, Finance, and Audit
Committee
April 17, 2017**

**Corrine Steeger, Assistant Director
City Controller's Office
City of Dallas**



Purpose

- Provide an overview of the bond sale
- Review the syndicate selection process and assignment for this transaction
- Seek recommendation on the April 26th resolution authorizing staff to prepare for the sale of the Waterworks and Sewer System Revenue Refunding Bonds, Series 2017
- Seek recommendation on the June 14th ordinance authorizing the sale of up to \$201 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2017

Bond Sale Overview

- Set estimated size of bond sale at \$201 million
- Produce proceeds sufficient to retire commercial paper outstanding at the time of the sale
- Pay estimated issuance costs of \$585,900 from Dallas Water Utilities (DWU) operating funds
- Sell 30-year bonds with a 10-year call by negotiation

Commercial Paper Program

- Provides short-term financing for DWU's capital improvement program
- Funds contract awards and payments
 - Current program size of \$600 million
 - Outstanding balance of \$136.892 million as of 3/31/17 with \$ 324 million of commitment (contract awards)
 - Average interest rate 0.8689% for 40 days

Syndicate Selection

- In April 2010, City Council approved two underwriting syndicate teams for negotiated sales. Council approval provided that:
 - Senior manager position rotates between national and MWBE firms or between regional and MWBE firms
 - Co-senior manager is the highest ranking national or regional firm if the senior manager position is assigned to a MWBE by rotation

Syndicate Teams

- Team A
 - National
 - JPMorgan, Bank of America Merrill Lynch, Morgan Stanley
 - Regional
 - RBC Capital Markets, Raymond James & Assoc., Stephens, Inc.
 - MWBE
 - Siebert Cisneros Shank & Co., Cabrera Capital Markets, Duncan-Williams

Syndicate Teams

- Team B
 - National
 - Citigroup Global Markets, Wells Fargo Bank, Goldman Sachs & Co.
 - Regional
 - Piper Jaffray, Stifel Nicolaus & Co., Frost Bank
 - MWBE
 - Loop Capital Markets, Samuel A. Ramirez & Co., Stern Brothers & Co.

Syndicate Team B

- Senior Managers
 - Loop Capital Markets (Senior Manager)
 - Piper Jaffray (Co-Senior Manager)
- Co-Managers
 - Citigroup Global Markets, Inc.
 - Wells Fargo Bank
 - Goldman Sachs & Co.
 - Stifel, Nicolaus & Co.
 - Frost Bank
 - Samuel A. Ramirez & Co.
 - Stern Brothers & Co.



Bond Sale Timeline

- April 17 Budget, Finance and Audit Committee
- April 26 Council authorization to proceed with sale
- June 14 Council approval of parameters ordinance authorizing bond issuance
- June 27/July 11 Pricing of the bonds
- July 20/Aug 10 Deliver bonds and receive proceeds

Recommendation

- Council Action
 - Authorize staff to proceed with preparations for the sale of up to \$201 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2017, on the April 26th Council Agenda
 - Recommend approval of parameters ordinance authorizing the sale of up to \$201 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2017, on the June 14th Council Agenda

Appendix

- Issuance Costs Schedule Page 12
- Bond Summary Statistics Page 13
- Sources and Uses Page 15
- Debt Service Schedule Page 16

Issuance Costs Schedule

Estimated Issuance Costs

Co-Bond Counsel	\$ 159,000
Disclosure Counsel	66,000
Co-Financial Advisors	137,400
Debt Analysis/Structuring	20,000
Official Statement Printing	10,000
Rating Agencies	170,000
Auditor – Grant Thornton	14,000
Attorney General Filing Fee	<u>9,500</u>

Total \$ 585,900

Dallas Water Utilities Upcoming Bond Sale

**Budget, Finance and Audit
Committee**

April 17, 2017

**Corrine Steeger, Assistant Director
City Controller's Office
City of Dallas**



Bond Summary Statistics
City of Dallas, Texas
Waterworks and Sewer System Revenue Bonds, Series 2017
30 Year Level Debt Service

*** Assumes AAA/AA+ Uninsured Rates as of April 3, 2017 Plus 25bps ***

Dated Date	7/20/2017
Delivery Date	7/20/2017
First Coupon	10/1/2017
Last Maturity	10/1/2046
Arbitrage Yield	3.385014%
True Interest Cost (TIC)	3.999403%
Net Interest Cost (NIC)	4.332596%
All-In TIC	3.999403%
Average Coupon	5.000000%
Average Life (years)	18.581
Weighted Average Maturity (years)	18.516
Duration of Issue (years)	12.264
Par Amount	177,935,000.00
Bond Proceeds	200,723,887.35
Total Interest	165,309,386.81
Net Interest	143,243,743.21
Bond Years from Dated Date	3,306,187,736.11
Bond Years from Delivery Date	3,306,187,736.11
Total Debt Service	343,244,386.81
Maximum Annual Debt Service	11,623,625.00
Average Annual Debt Service	11,756,063.10
Underwriter's Fees (per \$1000)	
Average Takedown	3.501524
Other Fee	0.563127

	-
Total Underwriter's Discount	4.064651
Bid Price	112.400957

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds	93,690,000.00	114.029	5.000%	12.333	11/18/2029
Term Bond	42,100,000.00	111.674	5.000%	23.297	11/5/2040
Term Bond	42,145,000.00	111.223	5.000%	27.760	4/23/2045
	177,935,000.00			18.581	

	TIC	All-In TIC	Arbitrage Yield
	-----	-----	-----
Par Value	177,935,000.00		177,935,000.00
+ Accrued Interest			
+ Premium (Discount)	22,788,887.35		22,788,887.35
- Underwriter's Discount	-723,243.75		-723,243.75
- Cost of Issuance Expense			

Bond Summary Statistics
City of Dallas, Texas
Waterworks and Sewer System Revenue Bonds, Series 2017
30 Year Level Debt Service
***** Assumes AAA/AA+ Uninsured Rates as of April 3, 2017 Plus 25bps *****

- Other Amounts

	-----		-----		-----
Target Value		200,000,643.60		200,000,643.60	200,723,887.35
Target Date		7/20/2017		7/20/2017	7/20/2017
Yield		3.999403%		3.999403%	3.385014%

Sources and Uses of Funds
City of Dallas, Texas
Waterworks and Sewer System Revenue Bonds, Series 2017
30 Year Level Debt Service

*** Assumes AAA/AA+ Uninsured Rates as of April 3, 2017 Plus 25bps ***

Dated Date 7/20/2017
Delivery
Date 7/20/2017

Sources:

Bond Proceeds:		
	Par Amount	177,935,000.00
	Premium	22,788,887.35
		200,723,887.35

Uses:

Project Fund Deposits:		
	CP Redemption	200,000,000.00
 Delivery Date Expenses:		
	Underwriter's Discount	723,243.75
 Other Uses of Funds:		
	Additional Proceeds	643.60
		200,723,887.35

Bond Debt Service
City of Dallas, Texas
Waterworks and Sewer System Revenue Bonds, Series 2017
30 Year Level Debt Service

*** Assumes AAA/AA+ Uninsured Rates as of April 3, 2017 Plus 25bps ***

Period Ending	Principal	Coupon	Interest	Debt Service
9/30/2018			6,203,011.81	6,203,011.81
9/30/2019	2,795,000	5.000%	8,826,875.00	11,621,875.00
9/30/2020	2,940,000	5.000%	8,683,500.00	11,623,500.00
9/30/2021	3,090,000	5.000%	8,532,750.00	11,622,750.00
9/30/2022	3,245,000	5.000%	8,374,375.00	11,619,375.00
9/30/2023	3,415,000	5.000%	8,207,875.00	11,622,875.00
9/30/2024	3,590,000	5.000%	8,032,750.00	11,622,750.00
9/30/2025	3,775,000	5.000%	7,848,625.00	11,623,625.00
9/30/2026	3,965,000	5.000%	7,655,125.00	11,620,125.00
9/30/2027	4,170,000	5.000%	7,451,750.00	11,621,750.00
9/30/2028	4,385,000	5.000%	7,237,875.00	11,622,875.00
9/30/2029	4,610,000	5.000%	7,013,000.00	11,623,000.00
9/30/2030	4,845,000	5.000%	6,776,625.00	11,621,625.00
9/30/2031	5,095,000	5.000%	6,528,125.00	11,623,125.00
9/30/2032	5,355,000	5.000%	6,266,875.00	11,621,875.00
9/30/2033	5,630,000	5.000%	5,992,250.00	11,622,250.00
9/30/2034	5,920,000	5.000%	5,703,500.00	11,623,500.00
9/30/2035	6,220,000	5.000%	5,400,000.00	11,620,000.00
9/30/2036	6,540,000	5.000%	5,081,000.00	11,621,000.00
9/30/2037	6,875,000	5.000%	4,745,625.00	11,620,625.00
9/30/2038	7,230,000	5.000%	4,393,000.00	11,623,000.00
9/30/2039	7,600,000	5.000%	4,022,250.00	11,622,250.00
9/30/2040	7,990,000	5.000%	3,632,500.00	11,622,500.00
9/30/2041	8,400,000	5.000%	3,222,750.00	11,622,750.00
9/30/2042	8,830,000	5.000%	2,792,000.00	11,622,000.00
9/30/2043	9,280,000	5.000%	2,339,250.00	11,619,250.00
9/30/2044	9,760,000	5.000%	1,863,250.00	11,623,250.00
9/30/2045	10,260,000	5.000%	1,362,750.00	11,622,750.00
9/30/2046	10,785,000	5.000%	836,625.00	11,621,625.00
9/30/2047	11,340,000	5.000%	283,500.00	11,623,500.00
	177,935,000		165,309,386.81	343,244,386.81

Memorandum



CITY OF DALLAS

DATE April 10, 2017

TO 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 February 2017. This report covers five months of this fiscal year.

We forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$3.1 million. Based on current forecasts, revenues will be \$1.3 million below budget and expenses will be \$4.4 million below budget. Noteworthy variances are:

- We forecast Municipal Court revenues will be \$2.5 million below budget primarily because of the police department issuing fewer traffic citations.
- We forecast other charges for service will be \$4.5 million below budget primarily because of reductions in Fire-Rescue Department revenues including fire watch inspection services, contract delays for the Mobile Community Health Program, and a change to the interlocal agreement with Parkland Health System.
- We forecast Fire Department expenditures will be \$0.8 million below budget primarily because of salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. We anticipate attrition of 190 officers this year and hiring of 98.
- We forecast Police Department expenditures will be \$2.9 million below budget primarily because of salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. We anticipate attrition of 360 officers this year and hiring of 200.

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.

602
M. Elizabeth Reich
Chief Financial Officer

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the 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
Majed A. Al-Ghafry, Assistant City Manager
Alan E. Sims, Interim Chief of Community Services
Theresa O'Donnell, Interim Chief of Economic Development & Neighborhood Services
Directors and Assistant Directors



FY 2016-17

Financial Forecast Report

Information as of February 28, 2017



GENERAL FUND

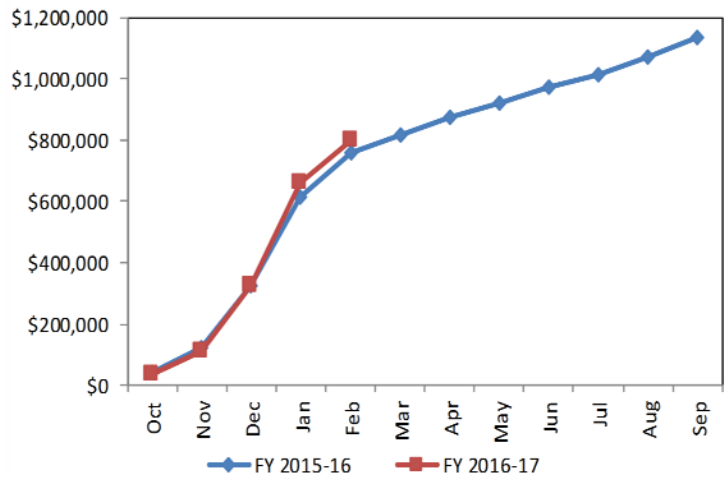
As of February 28, 2017
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,230,598	\$799,426	\$1,229,324	(\$1,274)
Expenditures	1,230,598	449,207	1,226,230	(4,368)
Net Excess of Revenues Over Expenditures/Transfers	\$0	\$350,219	\$3,094	\$3,094

GENERAL FUND REVENUES

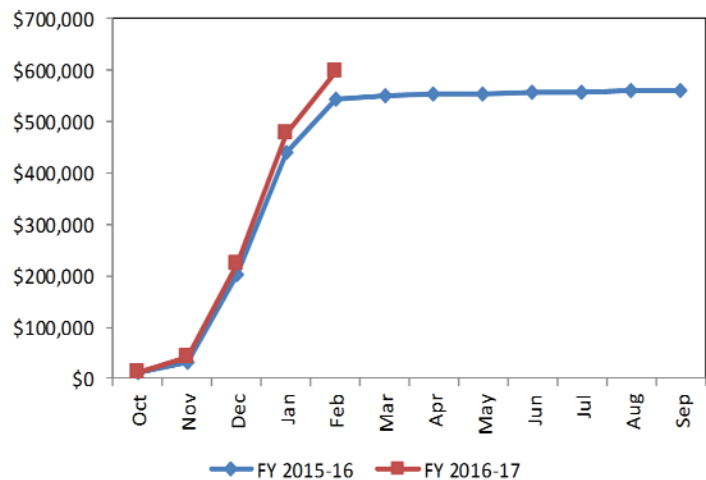
All SOURCES

	FY 2015-16	FY 2016-17	Variance
Oct	\$41,660	\$36,761	(\$4,898)
Nov	77,665	75,718	(1,947)
Dec	203,876	210,273	6,397
Jan	288,996	336,924	47,928
Feb	147,975	139,749	(8,226)
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	\$799,426	\$39,255



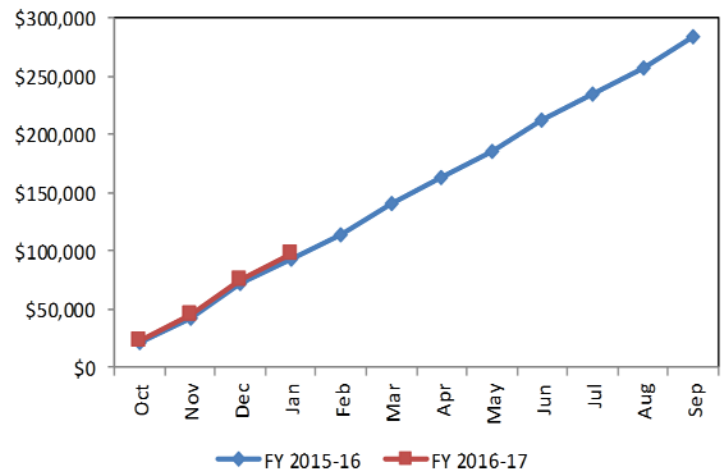
PROPERTY TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$11,487	\$12,787	\$1,300
Nov	20,589	29,060	8,471
Dec	169,848	181,782	11,934
Jan	237,273	252,156	14,883
Feb	104,025	120,141	16,116
Mar	7,675		
Apr	2,364		
May	1,593		
Jun	2,523		
Jul	858		
Aug	852		
Sep	891		
Total	\$559,978	\$595,925	\$52,704



SALES TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$21,769	\$23,256	\$1,487
Nov	20,524	22,167	1,643
Dec	30,137	30,146	9
Jan	21,258	21,810	552
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	\$97,380	\$3,691



GENERAL FUND REVENUES

As of February 28, 2017
(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax ²	\$610,219	\$595,925	\$611,900	\$1,681
Sales Tax ³	292,189	97,380	293,260	1,071
TOTAL TAXES	902,408	693,305	905,160	2,752
FRANCHISE REVENUES				
Oncor Electric ⁴	51,078	28,417	52,108	1,030
AT&T	9,594	5,198	9,594	0
Atmos Energy ⁵	17,157	6,422	16,157	(1,000)
Time Warner Cable	6,210	1,668	6,210	0
Other	29,737	13,071	30,370	634
TOTAL FRANCHISE REVENUES	113,775	54,776	114,439	664
LICENSES AND PERMITS	4,891	2,746	4,871	(19)
INTEREST EARNED⁶	1,316	1,371	2,783	1,467
INTERGOVERNMENTAL⁷	8,501	435	9,065	565
FINES AND FORFEITURES				
Municipal Court ⁸	18,701	6,943	16,191	(2,510)
Vehicle Towing & Storage	7,146	3,185	7,346	200
Parking Fines	5,022	1,391	5,022	0
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁹	431	73	295	(136)
TOTAL FINES	38,760	11,592	36,314	(2,446)
CHARGES FOR SERVICE				
Parks	10,522	3,209	10,620	98
Emergency Ambulance	32,091	6,665	32,347	255
Security Alarm	4,380	1,725	4,375	(5)
Street Lighting	648	285	648	0
Vital Statistics	1,600	666	1,614	14
Other ¹⁰	28,311	9,812	23,847	(4,464)
TOTAL CHARGES	77,552	22,363	73,451	(4,101)
INTERFUND REVENUE	75,782	9,969	75,549	(232)
MISCELLANEOUS	7,616	2,870	7,692	77
TOTAL REVENUES	\$1,230,598	\$799,426	\$1,229,324	(\$1,274)

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	98,282	(26,312)
Jan	97,321	94,625	(2,696)
Feb	84,683	87,016	2,333
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 \$449,207 (\$11,057)

POLICE

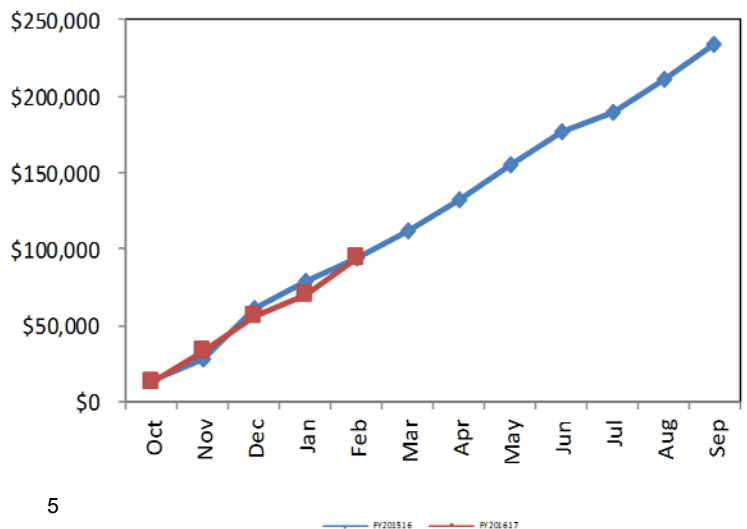
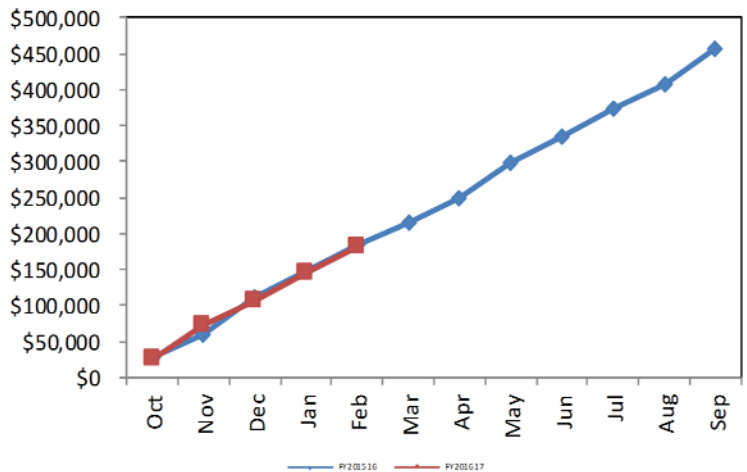
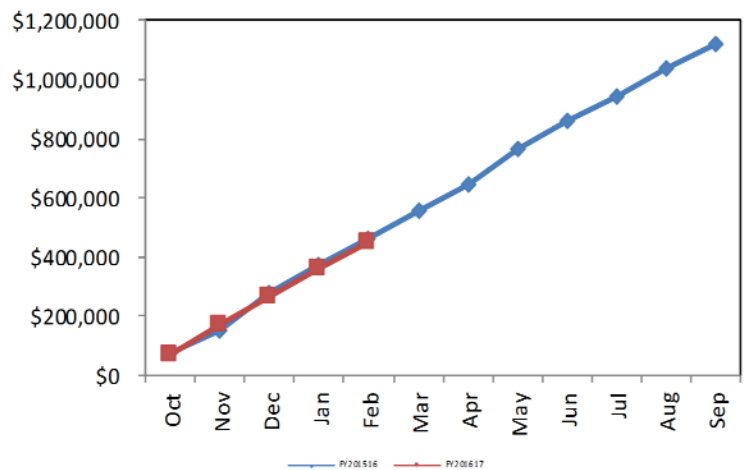
	FY 2015-16	FY 2016-17	Variance
Oct	\$28,488	\$25,289	(\$3,199)
Nov	31,370	46,089	14,719
Dec	52,490	35,634	(16,856)
Jan	35,550	37,304	1,754
Feb	37,126	36,295	(831)
Mar	30,058		
Apr	34,931		
May	48,649		
Jun	37,058		
Jul	38,075		
Aug	32,689		
Sep	49,363		

Total \$455,847 \$180,611 (\$4,413)

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	23,355	(9,034)
Jan	17,547	13,952	(3,595)
Feb	16,128	23,830	7,702
Mar	18,076		
Apr	19,295		
May	23,154		
Jun	21,372		
Jul	13,779		
Aug	21,006		
Sep	23,230		

Total \$234,154 \$94,119 (\$123)



GENERAL FUND EXPENDITURES

As of February 28, 2017
(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$25,312	\$12,179	\$25,312	\$0
Business Dev/Procurement Svcs	3,041	1,170	3,037	(3)
City Attorney's Office	16,783	6,370	16,783	0
City Auditor's Office	3,194	1,112	3,118	(76)
City Controller's Office	5,441	1,866	5,281	(161)
City Manager's Office	2,305	1,328	2,305	0
City Secretary's Office	2,029	644	2,029	(0)
Civil Service	2,887	918	2,885	(2)
Code Compliance	42,386	16,680	42,386	0
Court Services	11,976	4,679	11,828	(147)
Elections ¹¹	1,401	40	1,902	502
Fire ¹²	254,603	94,119	253,779	(823)
Housing	14,403	3,226	14,403	(0)
Human Resources	5,220	2,068	5,132	(88)
Independent Audit	865	-	865	0
Jail Contract - Lew Sterret	7,813	2,604	7,813	0
Judiciary	3,296	1,384	3,233	(62)
Library	29,984	11,891	29,984	0
Management Services	10,235	4,576	10,220	(16)
Mayor and Council	4,465	1,757	4,532	67
Mobility and Street Services	84,577	38,257	84,547	(30)
Mobility and Street Services-Street Lighting	16,956	6,735	16,956	0
Non-Departmental	70,412	980	70,101	(312)
Office of Cultural Affairs	19,605	11,830	19,605	0
Office of Economic Development	2,575	1,647	2,575	0
Office of Financial Services	2,957	970	2,954	(2)
Park and Recreation	94,673	37,172	94,450	(223)
Planning & Urban Design	3,029	963	2,923	(106)
Police ¹³	478,004	180,611	475,148	(2,856)
Sustainable Dev/Construction	1,386	1,153	1,357	(29)
Trinity Watershed Management	1,318	276	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 ¹⁴	1,537	0	1,537	0
TOTAL EXPENDITURES	\$1,230,598	\$449,207	\$1,226,230	(\$4,368)

PROPRIETARY FUNDS

As of February 28, 2017
(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	10,102	26,352	(791)
Terminal Concessions	25,416	9,036	25,403	(12)
Landing Fees	17,784	7,488	17,784	(0)
Rental on Airport - Terminal	14,789	5,676	14,789	0
Rental on Airport - Field	8,586	3,182	8,586	0
Fuel Flow Fees	1,225	452	1,225	(0)
All Remaining Revenues	3,230	2,272	4,522	1,291
TOTAL REVENUES	98,174	38,206	98,662	489
TOTAL EXPENDITURES	99,188	30,463	99,124	(64)
ENDING FUND BALANCE	\$8,893	\$ -	\$9,445	\$552
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$29,150	\$ -	\$29,150	\$ -
REVENUES:				
Hotel Occupancy Tax	58,856	17,822	58,527	(330)
Alcoholic Beverage Tax	12,445	3,140	12,528	82
Operating Revenues	25,002	10,361	27,624	2,622
Office of Special Events	100	48	106	7
TOTAL REVENUES¹⁵	96,403	31,372	98,785	2,382
TOTAL EXPENDITURES¹⁵	96,403	28,174	98,785	2,382
ENDING FUND BALANCE	\$29,150	\$ -	\$29,150	\$0

PROPRIETARY FUNDS

As of February 28, 2017
(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	9,315	19,603	363
Certificate of Occupancy	1,412	478	1,412	0
Plan Review	3,749	1,928	3,870	121
Registration/License	1,028	451	1,028	0
Special Plats	887	449	887	0
Private Development	1,010	602	1,156	146
Zoning	1,184	448	1,184	0
Interest Earnings	117	180	155	38
All Remaining Revenues	1,477	761	1,477	0
TOTAL REVENUES	30,103	14,612	30,772	668
TOTAL EXPENDITURES¹⁶	36,090	9,936	32,041	(4,050)
ENDING FUND BALANCE	\$30,869	\$ -	\$35,587	\$4,718
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,288	\$ -	\$1,288	\$ -
REVENUES:				
Local and National Sales	1,980	715	2,000	20
All Remaining Revenues	75	6	15	(60)
TOTAL REVENUES	2,055	721	2,015	(40)
TOTAL EXPENDITURES	2,032	803	1,923	(109)
ENDING FUND BALANCE	\$1,310	\$ -	\$1,379	\$69

PROPRIETARY FUNDS

As of February 28, 2017
(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	109,321	294,846	419
Treated Water - Wholesale	84,700	34,153	83,833	(868)
Wastewater - Retail	236,075	91,189	234,036	(2,039)
Wastewater - Wholesale	10,554	4,074	10,188	(366)
All Remaining Revenues	31,708	12,537	31,379	(329)
TOTAL REVENUES	657,465	251,274	654,282	(3,183)
TOTAL EXPENDITURES	657,465	204,425	654,282	(3,183)
ENDING FUND BALANCE	\$87,038	\$ -	\$87,038	\$0
COMMUNICATION & INFORMATION SERVICES				
BEGINNING FUND BALANCE	\$11,178	\$ -	\$11,178	\$ -
REVENUES:				
Interdepartmental Charges	58,330	14,046	58,330	0
Telephones Leased	7,723	780	7,723	0
Circuits	1,449	0	1,449	0
Desktop Services	0	2	2	2
Interest	150	50	120	(20)
Equipment Rental	5,002	71	5,002	0
Miscellaneous	171	56	171	1
TOTAL REVENUES	72,825	15,005	72,797	(28)
TOTAL EXPENDITURES	74,838	36,222	74,392	(446)
ENDING FUND BALANCE	\$9,165	\$ -	\$9,583	\$418

PROPRIETARY FUNDS

As of February 28, 2017

(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	5,989	34,536	995
Fuel	16,482	2,388	16,482	0
Auto Auction/Non-Taxable	418	267	418	0
Miscellaneous Revenue	391	284	533	142
Interest and Other	5	0	0	(5)
TOTAL REVENUES	50,837	8,928	51,969	1,132
TOTAL EXPENDITURES	50,837	14,978	51,481	644
ENDING FUND BALANCE	\$4,450	\$ -	\$4,938	\$489
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,631	\$ -	\$1,631	\$ -
REVENUES:				
Postage Sales	2,703	607	2,703	0
All Other Revenues	1,278	922	1,278	0
TOTAL REVENUES	3,981	1,529	3,981	0
TOTAL EXPENDITURES	3,780	1,177	3,780	0
ENDING FUND BALANCE	\$1,833	\$ -	\$1,833	\$0

PROPRIETARY FUNDS

As of February 28, 2017
(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	31,126	73,445	943
Cost Plus Bulk/Brush	122	50	126	5
Sale of Recyclables	695	695	1,026	331
City Facility Collection	737	314	753	16
Landfill Revenue	21,890	12,238	24,970	3,080
TOTAL REVENUES¹⁷	95,946	44,423	100,321	4,375
TOTAL EXPENDITURES¹⁷	95,946	30,735	96,719	773
ENDING FUND BALANCE	\$14,681	\$ -	\$18,283	\$3,602

OTHER FUNDS

As of February 28, 2017
(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	2,491	6,340	(35)
9-1-1 Service Receipts - Wireline	6,450	2,582	6,282	(168)
Interest and Other	48	32	79	31
TOTAL REVENUES	12,873	5,105	12,701	(172)
TOTAL EXPENDITURES	16,389	2,061	16,377	(11)
ENDING FUND BALANCE	\$1,978	\$ -	\$1,818	(\$161)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$6,754	\$ -	\$6,754	\$ -
REVENUES:				
Storm Water Fees	50,856	19,758	50,856	-
Interest and Other	81	37	81	0
TOTAL REVENUES	50,937	19,795	50,937	0
TOTAL EXPENDITURES	53,008	10,596	52,989	(18)
ENDING FUND BALANCE	\$4,683	\$ -	\$4,701	\$18

OTHER FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$998	\$268	\$998	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$349	\$63	\$281	(\$68)
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,630	\$1,120	\$2,641	\$11

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)
Paid January 2017	(422)
Paid February 2017	(343)
Balance as of February 28, 2017	10,935

DEBT SERVICE FUND

As of February 28, 2017
(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	189,001	243,113	625
Interest/Transfers/Other	19,799	652	19,799	0
TOTAL REVENUES	262,287	189,653	262,912	625
TOTAL EXPENDITURES	261,865	209,698	261,865	0
ENDING FUND BALANCE	\$10,657	\$ -	\$11,282	\$625

NOTES

(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds:
 - Increased by \$500 on February 22, 2017 by CR# 17-0438 for additional legal services necessary to continue representing four Dallas City Councilmembers with regard to the Dallas Police and Fire Pension System; and
 - Increased by \$759 on March 22, 2017 by CR# 17-0483 for actuarial services related to the Dallas Police and Fire Pension System.
2. Ad Valorem tax revenues are forecast to be \$1,681 over budget based on current year property tax receipts trending above average.
3. Sales tax revenues are forecast to be \$1,071 over budget based on current sales tax receipts. Sales tax receipts have increased by 4.1 percent over the most recent 12 months.
4. Oncor Electric revenues are forecast to be \$1,030 over budget based on current receipts.
5. Atmos Energy revenues are forecast to be \$1,000 below budget primarily due to a warm fall and winter, which led to decreased gas consumption by customers.
6. Interest earned revenues are forecast to be \$1,467 above budget due to an increase in the market interest rate.
7. Intergovernmental revenues are projected to be \$565 above budget primarily due to a refund check received from the Dallas County Elections Department and a Dallas Fire Rescue deployment reimbursement received from the State.
8. Municipal Court revenues are forecast to be \$2,510 below budget primarily as a result of a decrease in the volume of citations being issued.
9. Public Library revenue is projected to be \$136 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. Other Charges for Services is projected to be \$4,464 below budget primarily due to the reduction of fire watch inspection services at the American Airlines Center, contract delays for the Mobile Community Health Program and a change in the interlocal agreement with Parkland Health System for Biotel services whereby government entities that would formerly reimburse the City for Biotel services now contract directly with Parkland.
11. Elections expenditures are forecast to be \$502 above budget due to an increase in costs associated with several jurisdictions withdrawing from the May Joint Election.

NOTES

(Dollars in 000s)

12. Fire Department expenditures are forecast to be \$823 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.

13. Police Department expenditures are forecast to be \$2,856 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, the Police Department planned to hire 451 officers this year, however, that proved to be extremely difficult so the revised plan includes 200 new hires.

14. Salary and Benefit Reserve funds were allocated to City Attorney's Office (\$124) and City Manager's Office (\$340) to offset vacation/sick termination payments.

15. Convention and Event Services is projected to be \$2,382 above budget in revenues and expenditures due to large catered events that exceeded the contractual minimum guarantees.

16. Sustainable Development and Construction is projected to be \$4,050 below budget due to vacancies and technology enhancements deferred to FY 2017-18.

17. Sanitation Services revenues are projected to be \$4,375 above budget due to an increase in cash customers at the landfill. Expenses are projected to be \$773 above budget due to increase in landfill activity.