

Memorandum



CITY OF DALLAS

DATE March 15, 2018

Honorable Members of the Government Performance & Financial Management
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **FY 2017-18 Financial Forecast Report**

Please find attached the Financial Forecast Report based on information through January 2018.

We currently forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$0.8 million. Revenues are forecast to be \$3.1 million above budget primarily due to franchise fees, penalties and interest on property tax, and a new contract with the State Fair for patrol services. Expenses are forecast to be \$2.3 million above budget due to uniform overtime.

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

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

M. Elizabeth Reich
Chief Financial Officer

c: Honorable Mayor and City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

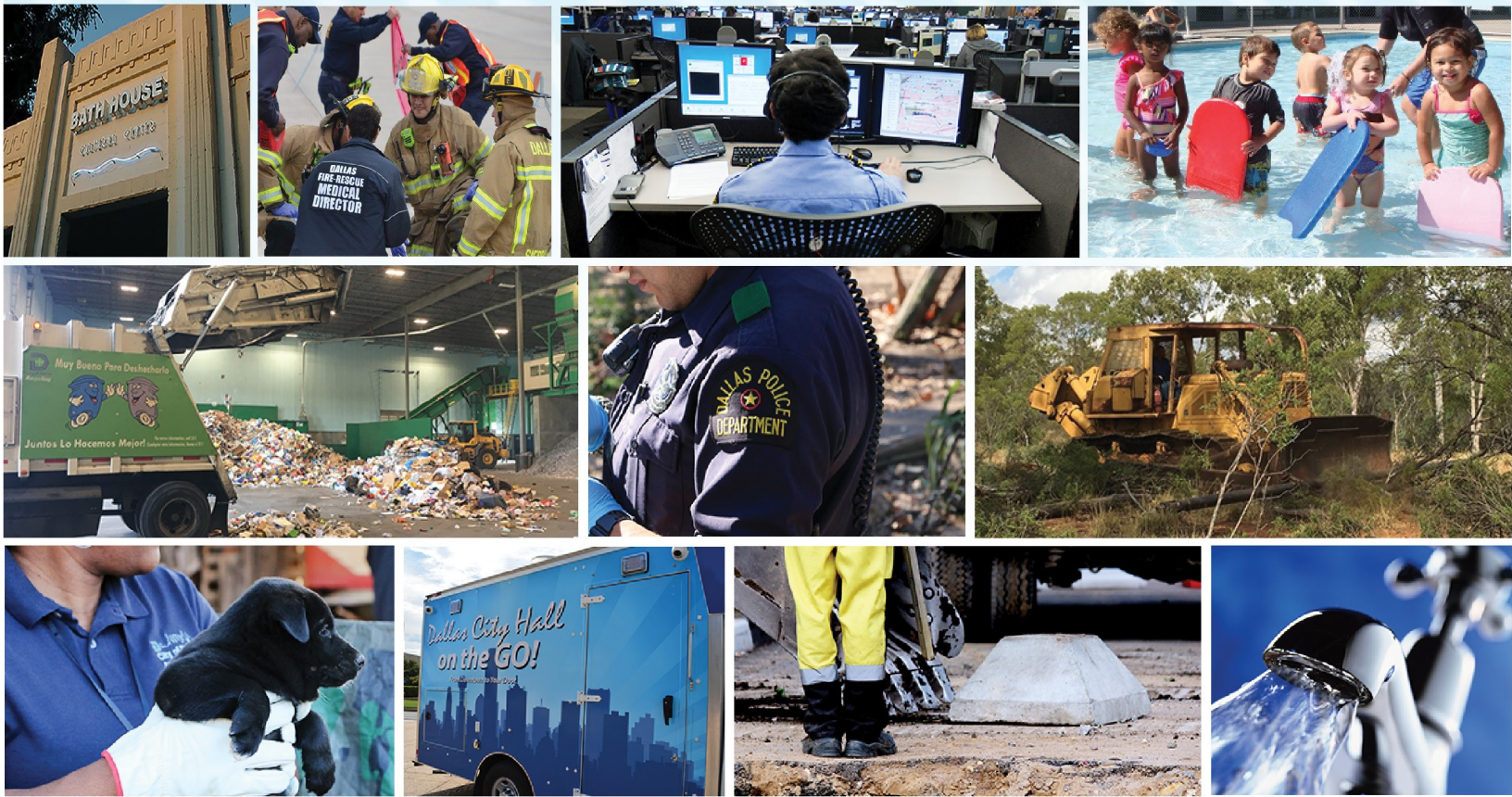
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of January 31, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of January 31, 2018

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192	\$160,617,192	\$ 160,617,192	\$0
Revenues	1,276,420,942	1,278,320,588	508,444,142	1,281,444,525	3,123,937
Expenditures	1,276,420,942	1,278,320,588	394,532,049	1,280,619,720	2,299,132
Ending Fund Balance	\$160,617,192	\$160,617,192	\$274,529,285	\$161,441,997	\$824,805

SUMMARY

The General Fund overview provides a summary of financial activity through January 31, 2018. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency. The summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of January 31, 2018, the beginning fund balance represents the FY 2016-17 unaudited projected ending fund balance and does not reflect additional year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018.

Revenues. Through January 31, 2018, General Fund revenues are projected to be above budget by \$3.1 million primarily due to fiber optic and electric franchise fees, penalties and interest on property tax, and a new contract with the State Fair for patrol services.

Expenditures. Through January 31, 2018, General Fund expenditures are projected to be over budget by \$2.3 million due to overtime in Dallas Fire Rescue (DFR). Most departments are under budget as a result of vacancies. The General Fund budget was increased on October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing, on November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre, and on January 17, 2018 by resolution #18-0125 in the amount of \$1,640,679 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year.

GENERAL FUND REVENUES

As of January 31, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$652,067,958	\$652,067,958	\$345,903,698	\$652,929,043	\$861,085
Sales Tax ²	303,349,086	303,349,086	78,328,387	303,514,496	165,410
Franchise & Other ³	135,319,609	135,319,609	49,603,399	136,625,462	1,305,853
Charges for Services ⁴	103,578,036	103,578,036	20,977,724	104,622,674	1,044,638
Fines and Forfeitures ⁵	36,515,082	36,515,082	7,488,270	35,605,592	(909,490)
Operating Transfers In ⁶	22,777,865	24,557,948	139,404	24,557,948	0
Intergovernmental	9,548,046	9,667,609	617,637	9,722,215	54,606
Miscellaneous	6,580,004	6,580,004	2,271,009	6,681,654	101,650
Licenses & Permits	4,668,685	4,668,685	2,506,715	4,667,811	(874)
Interest ⁷	2,016,571	2,016,571	607,899	2,517,630	501,059
Total Revenue	\$1,276,420,942	\$1,278,320,588	\$508,444,142	\$1,281,444,525	\$3,123,937

VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with year-end (YE) forecast variances of +/- five percent and revenue with an Amended Budget.

1 Property Tax. Property tax revenues are forecast to be 0.13 percent (\$861,000) greater than budget based on penalties and interest trending above average.

2 Sales Tax. Sales tax revenues are forecast to be 0.2 percent (\$165,400) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.2 percent over the most recent 12 months.

3 Franchise and Other. Franchise and Other revenues are projected to be \$1.3 million over budget primary due to fiber optic and electric franchise fees.

4 Charges for Service. Charges for services revenues are forecast to be 1.01 percent (\$1 million) greater than budget primarily due to new agreement signed with State Fair for police patrol services in which FY 2017-18 received revenue for both FY 2015-16 and 2016-17 State Fairs.

5 Fines and Forfeitures. Fines and forfeitures are projected to be \$910,000 under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation.

6 Operating Transfer In. Operating Transfer In was amended on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylly Theatre. CR# 18-0125 amended Operating Transfers In (approved use of contingency) on January 17, 2018 to appropriate funds for the Dallas County Schools Dissolution Committee Crossing Guard payroll settlement.

7 Interest. Interest earned revenues are projected to be \$500,000 over budget based on current trends.

GENERAL FUND EXPENDITURES

As of January 31, 2018

Expenditure Category	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$236,580,308	\$70,842,098	\$233,480,093	(\$3,100,215)
Civilian Overtime	6,087,198	2,746,607	7,728,692	1,641,494
Civilian Pension	33,951,878	10,320,418	33,379,837	(572,041)
Uniform Pay	401,698,616	124,444,892	393,667,663	(8,030,953)
Uniform Overtime	32,197,371	15,930,124	43,964,145	11,766,774
Uniform Pension	153,665,564	46,628,233	153,665,564	0
Health Benefits	62,812,518	23,021,419	62,812,518	0
Workers Comp	10,211,638	0	10,211,638	0
Other Personnel Services	13,310,573	3,158,711	13,477,172	166,599
Total Personnel Services ¹	950,515,664	297,092,501	952,387,322	1,871,658
Supplies ²	77,670,996	23,890,779	77,709,414	38,418
Contractual Services ³	340,431,842	77,374,790	345,089,810	4,657,968
Capital Outlay ⁴	8,329,492	2,112,332	8,933,247	603,755
Reimbursements ⁵	(98,627,406)	(5,938,353)	(103,500,073)	(4,872,667)
Total Expenditures	\$1,278,320,588	\$394,532,049	\$1,280,619,720	\$2,299,132

VARIANCE NOTES

1 Personnel Services. Year-end forecast variance of \$2 million is due to greater than budgeted uniform overtime expenses. Uniform overtime YE forecast assumes \$8.6 million for the Dallas Police Department and \$3.1 million for Dallas Fire Rescue. Uniform pension YE forecast equals budget and includes the \$150.7 million contribution required to fund the police and fire pension as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

2 Supplies. Current year-end forecast is at budget.

3 Contractual Services. Current year-end forecast is \$4.7 million over budget due to approved use of personnel services savings for contract temporary help (\$1.2 million), day labor (\$320,000), and contract services that are providing personnel to accomplish the department services, including:

- \$963,000 Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment;
- \$535,000 Equipment and Building Services overrun for unexpected contract repairs and emergency facility call-outs; and
- \$430,000 Office of Cultural Affairs overrun for stagehand labor services at the Majestic.

4 Capital Outlay. Current year-end forecast is \$603,000 over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement and an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance.

5 Reimbursements. General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$4.9 million greater than budget, primarily due to:

- \$1.7 million greater than budgeted reimbursement to the Dallas Police Department from the 9-1-1 System Operations Fund and \$720,000 reimbursement from a Police Donation Fund for overtime expenses incurred in FY 2016-17 for increased patrols in the Oak Lawn area;

VARIANCE NOTES

- \$948,000 greater than budgeted reimbursement to Dallas Fire Rescue from Building Inspections for new construction inspections and Aviation for two full-time paramedics assigned to Love Field Airport;
- \$401,000 Office of Cultural Affairs greater than budgeted reimbursement from the Hotel Occupancy Tax Fund;
- \$350,000 Dallas Animal Services reimbursement from a special revenue fund for vehicles;
- \$151,000 Courts and Detention Services unbudgeted reimbursement from the City Attorney's Office for three full-time staff dedicated to the Community Courts; and
- \$123,000 Park and Recreation greater than budgeted reimbursement for overtime work at Fair Park performed by Facility Services.

GENERAL FUND EXPENDITURES

As of January 31, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services ¹	\$28,590,583	\$28,590,583	\$10,022,094	\$29,045,844	\$455,261
City Attorney's Office	16,788,175	16,788,175	5,347,002	16,702,970	(85,205)
City Auditor's Office ²	3,360,043	3,360,043	957,755	3,212,620	(147,423)
City Controller's Office ³	5,351,812	5,379,331	1,735,253	5,379,331	0
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,266,902	804,505	2,266,902	0
City Secretary ⁴	2,367,327	2,632,693	819,218	2,607,855	(24,838)
Civil Services	3,080,815	3,080,815	918,948	3,009,095	(71,720)
Code Compliance	30,438,826	30,438,826	9,387,627	30,438,826	0
Court Services	11,627,393	11,627,393	3,663,165	11,610,200	(17,193)
Jail Contract	8,484,644	8,484,644	2,121,161	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	4,595,317	13,956,557	(50,602)
Dallas Fire Department ⁵	267,026,909	267,026,909	89,103,422	270,286,430	3,259,521
Dallas Police Department ⁶	465,522,805	464,763,484	145,687,994	464,763,484	0
Housing and Neighborhood Services ⁷	3,668,283	3,668,283	930,526	3,711,784	43,501
Human Resources	5,234,618	5,234,618	1,819,992	5,157,241	(77,377)
Judiciary	3,454,079	3,454,079	1,158,768	3,454,079	0
Library	31,279,877	31,279,877	9,999,751	30,798,856	(481,021)
Office of Management Services					
311 Customer Services ⁸	3,509,120	3,509,120	1,011,074	3,534,041	24,921
Center for Performance Excellence ⁹	1,265,811	1,265,811	538,653	1,182,958	(82,853)
Council Agenda Office	224,495	224,495	73,823	224,495	0
EMS Compliance Program	340,988	340,988	91,299	339,758	(1,230)
Ethics and Diversity	97,631	97,631	672	97,631	0
Fair Housing ¹⁰	278,274	397,837	198,039	397,837	0
Office of Strategic Partnerships ¹¹	726,947	3,126,947	294,576	3,072,366	(54,581)
Office of Business Diversity ¹²	793,297	793,297	223,709	726,654	(66,643)
Office of Community Care	4,932,564	4,932,564	1,129,567	4,932,564	0
Office of Emergency Management	715,020	715,020	303,786	715,020	0
Office of Environmental Quality	1,197,487	1,197,487	1,129,337	1,177,188	(20,299)
Office of Homeless Solutions	10,081,328	10,081,328	5,704,122	10,076,832	(4,496)
Public Affairs and Outreach ¹³	1,666,011	1,400,645	394,767	1,400,645	0
Resiliency Office	353,875	353,875	108,735	353,875	0
Welcoming Communities	428,845	428,845	112,330	428,845	0
Mayor and City Council	4,820,561	4,820,561	1,509,220	4,820,561	0
Non-Departmental	77,323,336	77,323,336	4,531,463	77,323,336	0
Office of Budget	3,406,338	3,406,338	1,037,982	3,400,564	(5,774)
Office of Cultural Affairs ¹⁴	20,268,063	20,407,467	10,681,486	20,407,467	0
Office of Economic Development	4,840,594	4,840,594	1,520,828	4,840,594	0
Park and Recreation ¹⁵	98,005,546	98,005,546	34,695,464	98,260,618	255,072
Planning and Urban Design	2,911,297	2,911,297	877,824	2,905,028	(6,269)
Procurement Services	2,389,442	2,389,442	775,145	2,353,348	(36,094)
Public Works	73,137,927	73,137,927	25,402,238	72,867,756	(270,171)
Sustainable Development	1,656,869	1,656,869	926,575	1,617,753	(39,116)
Transportation	44,325,574	44,325,574	11,908,652	44,129,335	(196,239)
Trinity Watershed Management	1,302,754	1,302,754	278,186	1,302,754	0
Total Departments	\$1,264,441,401	\$1,266,368,566	\$394,532,049	\$1,268,667,698	\$2,299,132
Liability/Claim Fund Transfer	4,642,666	4,642,666	0	4,642,666	0
Contingency Reserve	4,686,875	4,686,875	0	4,686,875	0
Salary and Benefit Reserve ¹⁶	2,650,000	2,622,481	0	2,622,481	0
Total Expenditures	\$1,276,420,942	\$1,278,320,588	\$394,532,049	\$1,280,619,720	\$2,299,132

VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, departments with an Amended Budget, and for departments with YE forecast projected to exceed budget.

1 Building Services. Building Services expenditures are forecast to be \$455,000 over budget due to overtime, unbudgeted vacation/sick termination payments, unexpected contract repairs, emergency facility call-outs, and greater than budgeted custodial supplies needed to clean 22 buildings that were previously serviced by contract staff.

2 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$147,000 below budget due to salary savings associated with attrition, including four vacancies planned to be filled in the second quarter of the fiscal year.

3 City Controller's Office. Salary and Benefit Reserve funds totaling \$27,500 were allocated to the City Controller's Office.

4 City Secretary. City Secretary Office's budget was increased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred from the Office of Management Services (Public Affairs and Outreach).

5 Dallas Fire Department. Dallas Fire Department expenditures are forecast to be \$3.2 million over budget primarily driven by increased uniform overtime due to higher than expected attrition in January. Vacation/sick termination pay is also higher than expected due to attrition. Additionally, a budgeted increase in revenue from the Ambulance Supplemental Payment Program caused a corresponding, greater than budgeted increase in billing and consulting fees.

6 Dallas Police Department. Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 from the Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships).

7 Housing and Neighborhood Services. Housing and Neighborhood Services expenditures are forecast to be \$44,000 over budget due to repayment of ineligible CDBG grant program expenses and unbudgeted sick/vacation termination payments.

8 311 Customer Services. 311 Customer Services is forecast to be \$24,000 over budget due to an increase in usage of the language line for non-English speaking 311 customers calling in for assistance with city services due to call routing issues. 311 Customer Services will continue to monitor this expense.

9 Center for Performance Excellence. Center for Performance Excellence expenditures are forecast to be \$83,000 under budget primarily due to salary and benefit savings associated with current employee salaries for two FTE(s) being lower than anticipated.

10 Fair Housing Office. Fair Housing Office budget was increased by \$120,000 on October 25, 2017 by CR#17-1652 for a Regional Assessment of Fair Housing.

11 Office of Strategic Partnerships. Office of Strategic Partnerships budget was increased by \$2.4 million on January 17, 2018 by CR #18-0125 to appropriate funds for the Dallas County School Dissolution Committee Crossing Guard payroll.

12 Office of Business Diversity. Office of Business Diversity expenditures are forecast to be \$66,000 below budget due to salary savings associated with vacancies.

13 Public Affairs and Outreach. Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary.

VARIANCE NOTES

14 Office of Cultural Affairs. Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylly Theatre.

15 Park and Recreation. Park and Recreation expenditures are forecast to be \$255,000 over budget due to unbudgeted vacation/sick termination payments. Additional attrition throughout the year may offset this overage.

16 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$27,500 were allocated to the City Controller's Office.

ENTERPRISE FUNDS

As of January 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION¹					
Beginning Fund Balance	\$10,469,442	\$10,469,442	\$10,469,442	\$10,469,442	\$0
Total Revenues:	127,028,405	127,028,405	38,429,160	125,153,462	(1,874,943)
Total Expenditures:	127,028,405	127,028,405	20,835,584	127,008,672	(19,733)
Ending Fund Balance	\$10,469,442	\$10,469,442	\$28,063,018	\$8,614,232	(\$1,855,210)
CONVENTION AND EVENT SERVICES²					
Beginning Fund Balance	\$32,258,124	\$32,258,124	\$32,258,124	\$32,258,124	\$0
Total Revenues:	97,787,266	97,787,266	25,661,073	101,843,009	4,055,743
Total Expenditures:	97,787,266	97,787,266	24,718,080	100,994,548	3,207,282
Ending Fund Balance	\$32,258,124	\$32,258,124	\$33,201,117	\$33,106,585	\$848,461
MUNICIPAL RADIO					
Beginning Fund Balance	\$1,217,847	\$1,217,847	\$1,217,847	\$1,217,847	\$0
Total Revenues:	2,098,813	2,098,813	511,352	2,052,043	(46,770)
Total Expenditures:	2,051,318	2,051,318	794,623	2,015,657	(35,661)
Ending Fund Balance	\$1,265,342	\$1,265,342	\$934,576	\$1,254,233	(\$11,109)
SANITATION SERVICES³					
Beginning Fund Balance	\$15,052,459	\$15,052,459	\$15,052,459	\$15,052,459	\$0
Total Revenues:	102,279,097	102,279,097	37,635,173	106,353,064	4,073,967
Total Expenditures:	102,279,097	102,279,097	24,535,603	102,279,097	0
Ending Fund Balance	\$15,052,459	\$15,052,459	\$28,152,029	\$19,126,426	\$4,073,967
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490	\$4,546,490	\$4,546,490	\$0
Total Revenues:	55,987,895	55,987,895	18,516,676	55,626,221	(361,674)
Total Expenditures:	55,936,837	55,936,837	10,085,407	55,642,236	(294,601)
Ending Fund Balance	\$4,597,548	\$4,597,548	\$12,977,758	\$4,530,476	(\$67,072)
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION⁴					
Beginning Fund Balance	\$37,809,029	\$37,809,029	\$37,809,029	\$37,809,029	\$0
Total Revenues:	31,711,218	31,711,218	10,645,796	31,590,429	(120,789)
Total Expenditures:	32,376,190	32,376,190	8,603,830	32,377,315	1,125
Ending Fund Balance	\$37,144,057	\$37,144,057	\$39,850,996	\$37,022,142	(\$121,915)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
WATER UTILITIES⁵					
Beginning Fund Balance	\$84,788,025	\$84,788,025	\$84,788,025	\$84,788,025	\$0
Total Revenues:	667,471,388	667,471,388	219,384,104	667,471,388	0
Total Expenditures:	667,471,388	667,471,388	177,088,558	643,354,393	(24,116,995)
Ending Fund Balance	\$84,788,025	\$84,788,025	\$127,083,570	\$108,905,021	\$24,116,996

INTERNAL SERVICES FUNDS

As of January 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁶					
Beginning Fund Balance	\$10,959,687	\$10,959,687	\$10,959,687	\$10,959,687	\$0
Total Revenues:	67,963,283	67,963,283	15,593,548	67,963,283	0
Total Expenditures:	70,242,680	70,242,680	29,858,146	69,913,284	(329,396)
Ending Fund Balance	\$8,680,290	\$8,680,290	(\$3,304,911)	\$9,009,686	\$329,396
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356	\$2,537,356	\$2,537,356	\$0
Total Revenues:	4,823,063	4,823,063	505,818	4,823,063	0
Total Expenditures:	4,823,063	4,823,063	1,330,168	4,783,920	(39,143)
Ending Fund Balance	\$2,537,356	\$2,537,356	\$1,713,006	\$2,576,499	\$39,143
EQUIPMENT SERVICES⁷					
Beginning Fund Balance	\$5,611,863	\$5,611,863	\$5,611,863	\$5,611,863	\$0
Total Revenues:	52,652,059	52,652,059	12,626,453	54,397,399	1,745,340
Total Expenditures:	52,652,059	52,652,059	12,841,540	52,652,059	0
Ending Fund Balance	\$5,611,863	\$5,611,863	\$5,396,776	\$7,357,203	\$1,745,340
EXPRESS BUSINESS CENTER⁸					
Beginning Fund Balance	\$2,011,100	\$2,011,100	\$2,011,100	\$2,011,100	\$0
Total Revenues:	4,231,450	4,231,450	1,239,002	2,888,936	(1,342,514)
Total Expenditures:	3,740,420	3,740,420	635,108	2,407,473	(1,332,947)
Ending Fund Balance	\$2,502,130	\$2,502,130	\$2,614,994	\$2,492,563	(\$9,567)

OTHER FUNDS

As of January 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁹					
Beginning Fund Balance	\$5,941,912	\$5,941,912	\$5,941,912	\$5,941,912	\$0
Total Revenues:	12,539,195	12,539,195	3,700,549	12,085,612	(453,583)
Total Expenditures:	15,048,378	15,048,378	2,106,271	16,735,001	1,686,623
Ending Fund Balance	\$3,432,729	\$3,432,729	\$7,536,190	\$1,292,523	(\$2,140,206)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DEBT SERVICE					
Beginning Fund Balance	\$13,769,804	\$13,769,804	\$13,769,804	\$13,769,804	\$0
Total Revenues:	278,149,358	278,149,358	138,258,603	278,149,358	0
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164	\$152,028,407	\$24,596,164	\$0
EMPLOYEE BENEFITS¹⁰					
City Contributions	\$86,088,120	\$86,088,120	\$34,727,553	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	13,635,519	38,086,396	0
Retiree	30,118,491	30,118,491	8,879,640	30,118,491	0
Other	0	0	(13,718)	(11,513)	(11,513)
Total Revenues:	154,293,007	154,293,007	57,228,994	154,281,494	(11,513)
Total Expenditures:	\$154,293,007	\$154,293,007	\$32,459,112	\$154,293,007	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).					
RISK MANAGEMENT¹¹					
Worker's Compensation	\$13,219,304	\$13,219,304	\$224,384	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	253,521	10,203,093	0
Purchased Insurance	3,090,183	3,090,183	(529)	3,090,183	0
Interest and Other	406,970	406,970	0	406,970	0
Total Revenues:	26,919,550	26,919,550	477,375	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$6,146,535	\$29,406,225	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).					

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of January 31, 2018, the beginning fund balance represents the FY 2016-17 unaudited ending fund balance and does not reflect projected year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

1 Aviation. Aviation revenues are projected to be \$1.9 million less than budget due to the postponement of the AVI "Fuel Sale" initiative project at Dallas Executive Airport.

2 Convention and Event Services. Convention and Event Services revenues are projected to exceed budget by \$4.0 million primarily due to heavier than anticipated use of catering services at various national corporate events held at the Convention Center. Expenditures are projected to be \$3.2 million greater than budget primarily due to a \$2 million increase in Food Service expenses associated with the increase in catering service revenues, an additional \$1.9 million Capital Construction transfer, and \$600,000 in electrical equipment purchases approved by City Council.

3 Sanitation Services. Sanitation Services revenues are projected \$4.1 million over budget due to private disposal fees at the landfill.

4 Sustainable Development and Construction. Sustainable Development and Construction FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

5 Water Utilities. Water Utilities expenditures are projected to be \$24.1 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA) that was budgeted at \$24.1 million. The savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018.

6 Information Technology. Information Technology FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

7 Equipment Services. Equipment Services revenues are projected to exceed budget by \$1.7 million primarily due to an increase in the rental rate charged to Sanitation for retained vehicles. Retained vehicles are units that were replaced but departments later opted to keep, along with the replacement unit.

8 Express Business Center. Express Business Center expenditures and revenues are projected to be \$1.3 million less than budget due to transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017. Water bill printing services will be provided by a vendor and expensed in DWU.

9 9-1-1 System Operations. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance and a \$1.8 million greater than budgeted reimbursement to the Dallas Police Department. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services.

10 Employee Benefits. Employee Benefits FY 2017-18 YE forecast expenditures will exceed revenue due to an unbudgeted refund.

11 Risk Management. Risk Management FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.



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