

Memorandum



CITY OF DALLAS

DATE September 1, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT Financial Forecast Report

Please find attached the Financial Forecast Report based on information through July 2017.

We currently forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$2.5 million. Revenues are forecast to be \$4 million below budget primarily due to lower than budgeted gas and cable franchise revenues, municipal court fines, and red light camera fines. Expenses are forecast to be \$6.5 million below budget primarily due to savings in the master lease program and in the Police Department. We included details of the budget variances at the end of the report.

Please note that we adjusted this report to reflect City Council action on August 23, 2017 reallocating general fund appropriations in the following budgets: decreased Non-Departmental (\$2.1 million), increased Elections (\$1.25 million), increased Mayor and Council (\$50,000), increased Housing (\$120,000), and increased the Liability Reserve Fund (\$680,000). City Council also amended the following Enterprise and Internal Service Fund appropriations based on June 2017 projections: increased Aviation (\$845,000), increased Convention and Event Services (\$1.1 million), increased Equipment Services (\$1.6 million), increased Risk Management (\$80,000), increased Sanitation Services (\$4.6 million), and increased Storm Drainage Management (\$1.7 million).

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

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



FY 2016-17

Financial Forecast Report

Information as of July 31, 2017



GENERAL FUND

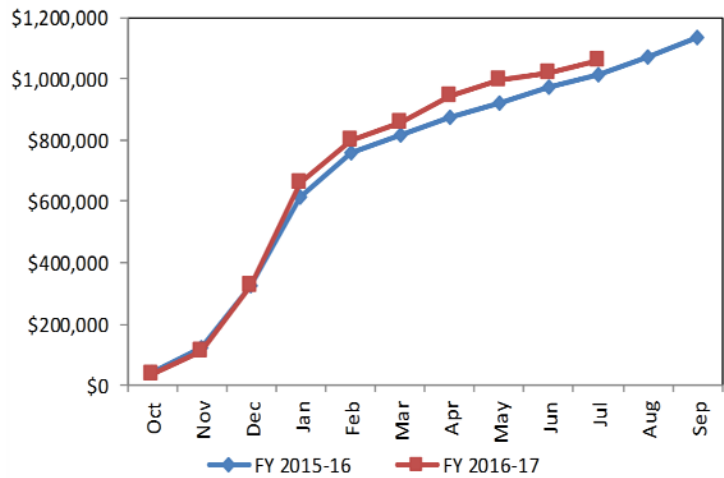
As of July 31, 2017
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,239,518	\$1,057,865	\$1,235,459	(\$4,059)
Expenditures	1,239,518	952,975	1,232,934	(6,583)
Net Excess of Revenues Over Expenditures/Transfers	\$0	\$104,891	\$2,524	\$2,524

GENERAL FUND REVENUES

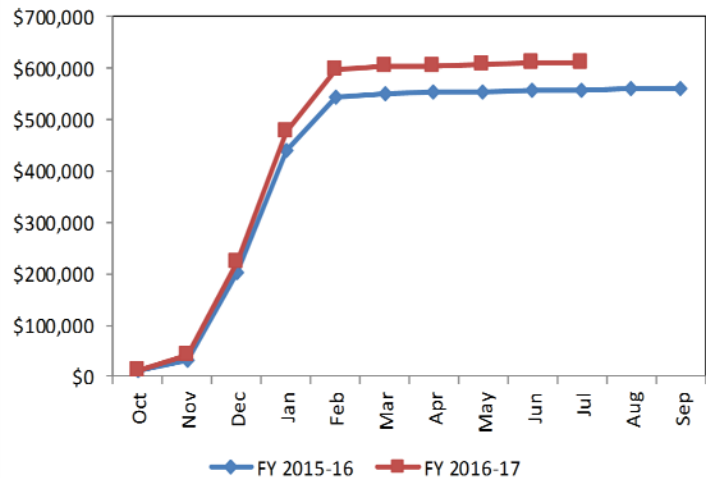
All SOURCES

	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	57,692	4,499
Apr	58,776	85,640	26,864
May	49,762	55,258	5,496
Jun	47,660	21,176	(26,483)
Jul	45,379	38,674	(6,705)
Aug	56,960		
Sep	62,480		
Total	\$1,134,380	\$1,057,865	\$42,925



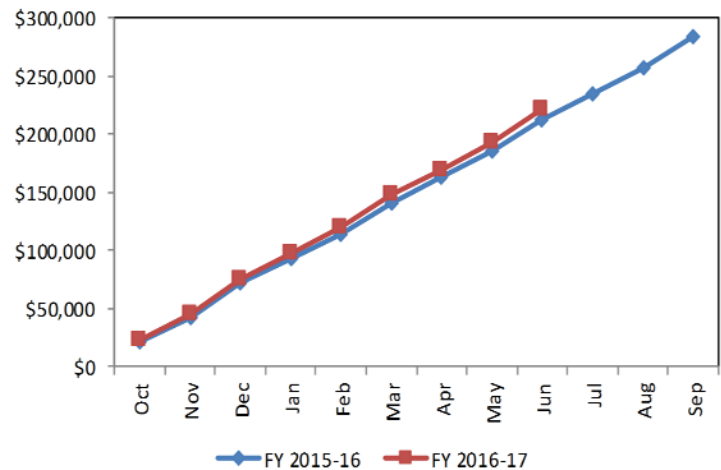
PROPERTY TAX

	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	7,304	(371)
Apr	2,364	1,997	(367)
May	1,593	2,068	475
Jun	2,523	1,691	(832)
Jul	858	603	(255)
Aug	852		
Sep	891		
Total	\$559,978	\$609,587	\$51,353



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	21,899	1,480
Mar	27,482	28,359	878
Apr	22,265	22,206	(59)
May	22,311	23,407	1,095
Jun	26,609	27,407	798
Jul	21,921		
Aug	22,670		
Sep	26,554		
Total	\$283,918	\$220,657	\$7,884



GENERAL FUND REVENUES

As of July 31, 2017
(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax ²	\$610,219	\$609,587	\$611,725	\$1,505
Sales Tax ³	292,189	193,250	293,770	1,581
TOTAL TAXES	902,408	802,837	905,494	3,086
FRANCHISE REVENUES				
Oncor Electric	51,078	40,314	52,121	1,043
AT&T	9,594	7,676	9,705	111
Atmos Energy ⁴	17,157	12,599	15,729	(1,428)
Time Warner Cable	6,210	4,858	6,336	126
Other ⁵	29,737	21,279	27,889	(1,848)
TOTAL FRANCHISE REVENUES	113,775	86,726	111,780	(1,995)
LICENSES AND PERMITS	4,891	4,895	4,957	66
INTEREST EARNED⁶	1,316	2,840	3,133	1,817
INTERGOVERNMENTAL⁷	8,501	8,353	9,465	965
FINES AND FORFEITURES				
Municipal Court ⁸	18,701	15,167	17,736	(966)
Vehicle Towing & Storage ⁹	7,146	6,286	7,640	494
Parking Fines	5,022	3,418	5,022	0
Red Light Camera Fines ¹⁰	7,460	0	6,106	(1,354)
Public Library ¹¹	431	148	225	(206)
TOTAL FINES	38,760	25,020	36,728	(2,031)
CHARGES FOR SERVICE				
Parks	10,522	9,192	10,873	351
Emergency Ambulance	40,191	17,669	40,652	461
Security Alarm ¹²	4,380	3,356	4,100	(280)
Street Lighting	648	525	648	0
Vital Statistics	1,600	1,514	1,616	16
Other ¹³	28,311	20,552	22,880	(5,431)
TOTAL CHARGES	85,652	52,807	80,768	(4,883)
INTERFUND REVENUE	76,601	40,272	75,369	(1,232)
MISCELLANEOUS	7,616	6,707	7,764	148
TOTAL REVENUES	\$1,239,518	\$1,030,458	\$1,235,459	(\$4,059)

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	92,076	(3,500)
Apr	86,104	99,146	13,042
May	126,118	134,691	8,573
Jun	90,989	92,062	1,073
Jul	82,900	85,794	2,894
Aug	93,679		
Sep	85,148		

Total \$1,120,778 \$952,975 \$11,024

POLICE

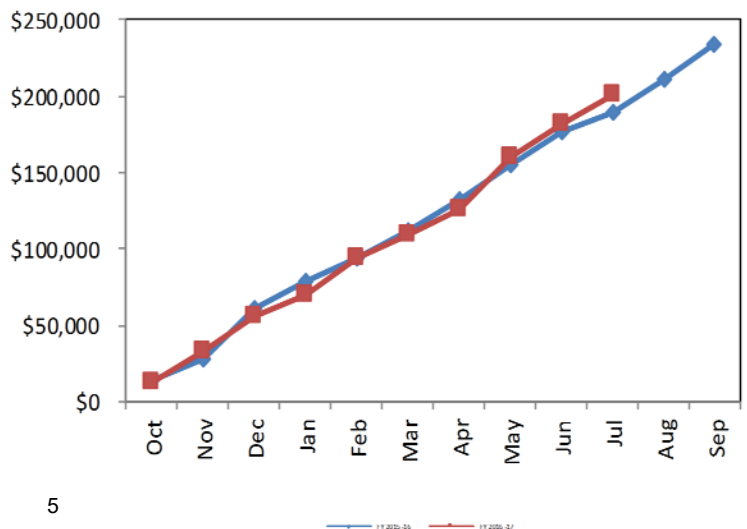
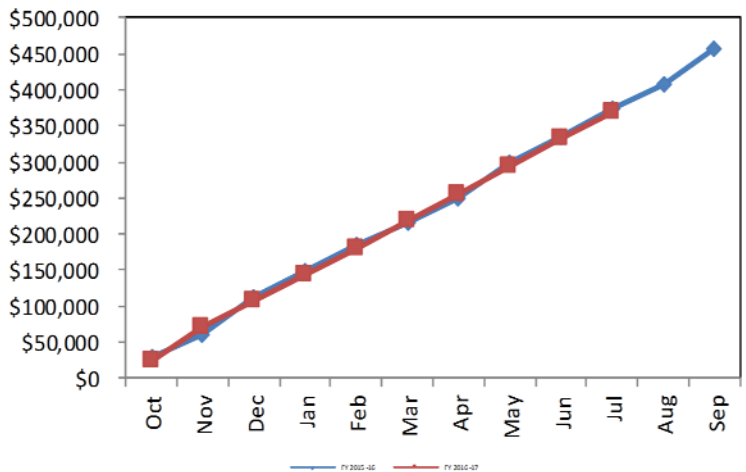
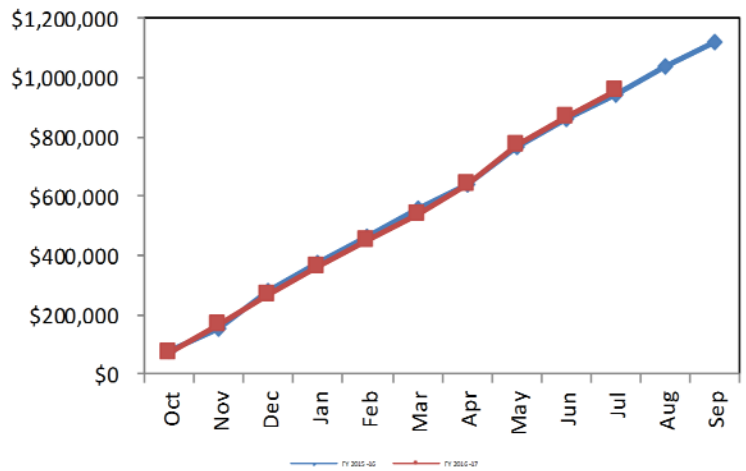
	FY 2015-16	FY 2016-17	Variance
Oct	\$28,488	\$25,289	(\$3,199)
Nov	31,370	46,089	14,719
Dec	52,490	35,634	(16,856)
Jan	35,550	37,304	1,754
Feb	37,126	36,295	(831)
Mar	30,058	37,745	7,687
Apr	34,931	35,609	678
May	48,649	40,709	(7,940)
Jun	37,058	37,219	161
Jul	38,075	36,412	(1,663)
Aug	32,689		
Sep	49,363		

Total \$455,847 \$368,305 (\$87,542)

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	15,740	(2,336)
Apr	19,295	16,526	(2,769)
May	23,154	33,295	10,141
Jun	21,372	21,626	254
Jul	13,779	19,129	5,350
Aug	21,006		
Sep	23,230		

Total \$234,154 \$200,434 \$33,720



GENERAL FUND EXPENDITURES

As of July 31, 2017
(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$25,312	\$22,068	\$25,312	\$0
Business Dev/Procurement Svcs	3,041	2,267	2,981	(60)
City Attorney's Office	16,660	12,514	16,660	0
City Auditor's Office ¹⁴	3,194	2,234	2,864	(330)
City Controller's Office	5,441	3,681	5,429	(13)
City Manager's Office	2,468	2,047	2,468	0
City Secretary's Office	2,029	1,468	2,029	0
Civil Service	2,887	2,145	2,887	0
Code Compliance	42,386	31,805	41,576	(810)
Court Services	11,976	9,199	11,908	(67)
Elections	2,980	1,268	2,980	0
Fire	254,603	200,434	253,848	(754)
Housing	14,523	11,717	14,510	(13)
Human Resources	5,220	3,790	5,128	(91)
Independent Audit	865	865	865	0
Jail Contract - Lew Sterret	7,813	5,860	7,813	0
Judiciary	3,296	2,758	3,291	(5)
Library	29,984	23,104	29,984	0
Management Services	10,725	7,238	10,349	(376)
Mayor and Council	4,515	3,505	4,513	(2)
Mobility and Street Services ¹⁵	97,677	66,000	97,677	0
Mobility and Street Services-Street Lighting	16,956	12,114	16,956	0
Non-Departmental ¹⁶	64,312	52,050	62,107	(2,205)
Office of Cultural Affairs	19,605	18,678	19,605	0
Office of Economic Development	2,575	3,345	2,575	0
Office of Financial Services	2,957	2,165	2,947	(10)
Park and Recreation	94,673	76,085	94,671	(2)
Planning & Urban Design ¹⁷	3,029	2,211	2,876	(153)
Police ¹⁸	477,004	368,305	475,822	(1,182)
Sustainable Dev/Construction ¹⁹	1,386	1,466	1,080	(306)
Trinity Watershed Management	1,318	588	1,113	(205)
RESERVES AND TRANSFERS				
Contingency Reserve	1,650	0	1,650	0
Liability/Claim Fund	4,963	0	4,963	0
Salary & Benefit Reserve ²⁰	1,498	0	1,498	0
TOTAL EXPENDITURES	\$1,239,518	\$952,975	\$1,232,934	(\$6,583)

PROPRIETARY FUNDS

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$9,907	\$0	\$13,812	\$3,905
REVENUES:				
Parking	27,143	21,427	25,776	(1,367)
Terminal Concessions	25,416	19,805	25,104	(312)
Landing Fees	22,211	16,608	21,644	(567)
Rental on Airport - Terminal	15,634	18,158	24,759	0
Rental on Airport - Field	8,586	891	1,076	(7,511)
Fuel Flow Fees	1,225	1,014	1,213	(12)
All Remaining Revenues	7,657	4,059	4,988	(2,669)
TOTAL REVENUES	107,872	81,962	104,559	(3,313)
TOTAL EXPENDITURES	108,886	76,925	108,551	(335)
ENDING FUND BALANCE	\$8,893	\$0	\$9,820	\$927
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$29,150	\$0	\$32,258	\$3,108
REVENUES:				
Hotel Occupancy Tax	56,262	41,664	56,270	8
Alcoholic Beverage Tax	12,528	9,570	12,562	34
Operating Revenues	28,541	22,685	28,151	(391)
Office of Special Events	147	111	140	(8)
TOTAL REVENUES	97,478	74,031	97,122	(356)
TOTAL EXPENDITURES	97,478	63,864	97,122	(356)
ENDING FUND BALANCE	\$29,150	\$0	\$32,258	\$3,108

PROPRIETARY FUNDS

As of July 31, 2017

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$36,856	\$0	\$42,208	\$5,352
REVENUES:				
Building Permits	19,240	18,228	19,603	363
Certificate of Occupancy	1,412	997	1,412	0
Plan Review	3,749	4,040	3,901	152
Registration/License	1,028	1,010	1,028	0
Special Plats	887	916	887	0
Private Development	1,010	1,209	1,313	303
Zoning	1,184	884	1,189	5
Interest Earnings	117	449	336	220
All Remaining Revenues	1,477	1,684	1,579	102
TOTAL REVENUES	30,103	29,417	31,249	1,145
TOTAL EXPENDITURES	36,090	22,717	35,261	(829)
ENDING FUND BALANCE	\$30,869	\$0	\$38,195	\$7,326
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,288	\$0	\$1,155	(\$133)
REVENUES:				
Local and National Sales	1,980	1,473	2,000	20
All Remaining Revenues	75	11	15	(60)
TOTAL REVENUES	2,055	1,484	2,015	(40)
TOTAL EXPENDITURES	2,032	1,486	1,959	(73)
ENDING FUND BALANCE	\$1,310	\$0	\$1,210	(\$100)

PROPRIETARY FUNDS

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$87,038	\$0	\$84,788	(\$2,250)
REVENUES:				
Treated Water - Retail	294,427	223,849	288,291	(6,137)
Treated Water - Wholesale	84,700	67,572	82,747	(1,953)
Wastewater - Retail	236,075	185,889	228,139	(7,936)
Wastewater - Wholesale	10,554	8,355	10,153	(401)
All Remaining Revenues	31,708	25,365	31,432	(276)
TOTAL REVENUES	657,465	511,030	640,762	(16,703)
TOTAL EXPENDITURES	657,465	460,239	640,762	(16,703)
ENDING FUND BALANCE	\$87,038	\$0	\$84,788	(\$2,250)
COMMUNICATION & INFORMATION SERVICES				
BEGINNING FUND BALANCE	\$11,178	\$0	\$12,859	\$1,681
REVENUES:				
Interdepartmental Charges	58,330	33,424	58,330	0
Telephones Leased	7,723	3,508	7,723	0
Circuits	1,449	3	1,449	0
Desktop Services	0	2	2	2
Interest	150	152	183	47
Equipment Rental	5,002	353	5,002	0
Miscellaneous	171	170	174	3
TOTAL REVENUES	72,825	37,612	72,863	37
TOTAL EXPENDITURES	74,838	53,641	73,275	(1,563)
ENDING FUND BALANCE	\$9,165	\$0	\$12,446	\$3,281

PROPRIETARY FUNDS

As of July 31, 2017

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,450	\$0	\$4,689	\$239
REVENUES:				
Rental/Wreck	35,091	26,965	36,152	1,061
Fuel	16,482	11,376	15,684	(798)
Auto Auction/Non-Taxable	418	368	418	0
Miscellaneous Revenue	391	878	1,118	727
Interest and Other	5	4	6	1
TOTAL REVENUES	52,387	39,592	53,378	991
TOTAL EXPENDITURES	52,387	40,333	52,324	(64)
ENDING FUND BALANCE	\$4,450	\$0	\$5,743	\$1,294
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,631	\$0	\$1,402	(\$229)
REVENUES:				
Postage Sales	2,703	1,955	2,703	0
All Other Revenues	1,278	1,378	1,492	214
TOTAL REVENUES	3,981	3,332	4,196	214
TOTAL EXPENDITURES	3,780	3,138	3,627	(154)
ENDING FUND BALANCE	\$1,833	\$0	\$1,971	\$139

PROPRIETARY FUNDS

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$14,681	\$0	\$17,520	\$2,839
REVENUES:				
Residential Collection	72,502	62,538	74,336	1,833
Cost Plus Bulk/Brush	122	128	170	49
Sale of Recyclables	695	1,105	1,267	572
City Facility Collection	737	647	776	39
Landfill Revenue	26,485	25,323	28,913	2,428
TOTAL REVENUES	100,541	89,740	105,462	4,921
TOTAL EXPENDITURES	100,541	67,791	100,541	(0)
ENDING FUND BALANCE	\$14,681	\$0	\$22,441	\$7,760

OTHER FUNDS

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,494	\$0	\$9,593	\$4,099
REVENUES:				
9-1-1 Service Receipts - Wireless	6,374	4,944	6,351	(23)
9-1-1 Service Receipts - Wireline	6,450	5,043	6,080	(371)
Interest and Other	48	94	117	68
TOTAL REVENUES	12,873	10,081	12,548	(326)
TOTAL EXPENDITURES	16,389	8,568	16,355	(34)
ENDING FUND BALANCE	\$1,978	\$0	\$5,786	\$3,807
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$6,754	\$0	\$8,250	\$1,496
REVENUES:				
Storm Water Fees	50,856	40,200	48,819	(2,037)
Interest and Other	81	141	150	69
TOTAL REVENUES	50,937	40,341	48,969	(1,968)
TOTAL EXPENDITURES	54,658	30,151	52,621	(2,036)
ENDING FUND BALANCE	\$3,033	\$0	\$4,598	\$1,565

OTHER FUNDS

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$998	\$610	\$998	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$349	\$134	\$248	(\$101)
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,710	\$2,222	\$2,705	(\$5)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2016				\$3,158
Budgeted Revenue			<u>9,453</u>	
FY 2016-17 Available Funds				12,611
Paid October 2016				(596)
Paid November 2016				(315)
Paid January 2017				(422)
Paid February 2017				(343)
Paid March 2017				(424)
Paid April 2017				(280)
Paid May 2017				(1,074)
Paid June 2017				(234)
Paid July 2017				<u>(1,502)</u>
Balance as of July 31, 2017				<u>7,421</u>

DEBT SERVICE FUND

As of July 31, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$10,777	\$0	\$11,079	\$303
REVENUES:				
Ad Valorem	242,487	242,210	242,984	497
Interest/Transfers/Other	19,799	11,649	19,799	0
TOTAL REVENUES	262,287	253,858	262,784	497
TOTAL EXPENDITURES	261,865	222,776	261,865	0
ENDING FUND BALANCE	\$11,198	\$0	\$11,998	\$800

NOTES

(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds and excess revenues:
 - Increased by \$490 on December 14, 2016 by CR# 16-1987 for a Regional Assessment of Fair Housing collaboration with other entitlement jurisdictions in the North Texas region;
 - 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;
 - Increased by \$759 on March 22, 2017 by CR# 17-0483 for actuarial services related to the Dallas Police and Fire Pension System;
 - Increased by \$330 on May 24, 2017 by CR# 17-0889 for an increase in the joint elections agreement and election services contract between the City of Dallas, Dallas County and other jurisdictions;
 - Increased by \$8,100 on June 14, 2017 by CR# 17-0954 using surplus emergency ambulance revenue which was appropriated for street and alley improvements this fiscal year; and
 - Amended on August 23, 2017 by Ordinance Nos. 30594 and 30595 to reflect appropriation adjustments to the following budgets: decreased Non-Departmental (\$2,100), increased Elections (\$1,250), increased Mayor and Council (\$50), increased Housing (\$120), and increased Liability Reserve Fund (\$680). The following Enterprise and Internal Service Funds were amended: increased Aviation (\$845), increased Convention and Event Services (\$1,100), increased Equipment Services (\$1,600), increased Risk Management (\$80), increased Sanitation Services (\$4,600) and increased Storm Drainage Management (\$1,700).
2. Ad Valorem tax revenues are forecast to be \$1,505 over budget based on current year property tax receipts trending above average.
3. Sales tax revenues are forecast to be \$1,581 over budget based on current sales tax receipts. Sales tax receipts have increased by 4.3 percent over the most recent 12 months.
4. Atmos Energy revenues are forecast to be \$1,428 under budget due to approximately \$2,000 in prior year revenues related to an amended gas franchise agreement that were received in fall 2016 but accrued to FY 2015-16 at the request of the City Controller's Office and the City's independent auditor.
5. Other Franchise revenues are forecast to be \$1,848 below budget due to subscribers switching from cable to satellite services which is reducing cable franchise fees.

NOTES

(Dollars in 000s)

6. Interest earned revenues are forecast to be \$1,817 above budget due to an increase in the market interest rate.
7. Intergovernmental revenues are projected to be \$965 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 \$966 below budget primarily as a result of a decrease in the volume of citations being issued.
9. Vehicle Towing and Storage fines are forecast to be \$494 over budget due to an increase in tows as well as vehicles staying on the auto pound property longer than anticipated.
10. Red Light Camera fines are forecast to be \$1,354 below budget due to construction lag time resulting from changing red light camera vendors. The revenue loss is offset by \$2.1m in reduced expenses related to not paying for camera activity during construction.
11. Public Library revenues are projected to be \$206 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.
12. Security Alarm revenues are projected to be \$280 below budget due to a decrease in the number of permits issued compared to the same period last fiscal year.
13. Other Charges for Services are projected to be \$5,431 below budget primarily due to the reduction of fire watch fees, contract delays for the Mobile Community Health Program, a change in the inter-local 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, and lower than budgeted multi-tenant registration and multi-tenant re-inspection fees.
14. City Auditor's Office expenditures are forecast to be \$330 below budget due to vacancies and salary savings.
15. Mobility and Street Services budget was increased by \$13.1m from \$8.1m surplus in revenue and \$5m reallocation from Police Department and Non-Departmental.
16. Non-Departmental expenditures are forecast to be \$2,205 below due to savings in the master lease program.
17. Planning and Urban Design expenditures are forecast to be \$153 below budget due to salary savings.

NOTES

(Dollars in 000s)

18. Police Department expenditures are forecast to be \$1,182 below budget primarily as a result of reduced costs as the city transitions to a new red light camera vendor. There is a reduction in revenue of \$1,354 during the transition to the new vendor as well. The expense savings are offset by a \$3.5M transfer to Fleet Capital Purchase Fund for squad cars.

19. Sustainable Development and Construction is forecast to be \$306 below budget primarily due to greater than budgeted abandonments and tax foreclosed property sale transactions, and corresponding reimbursements.

20. Salary and Benefit Reserve funds were allocated to City Manager's Office (\$502) to offset vacation/sick termination payments.