

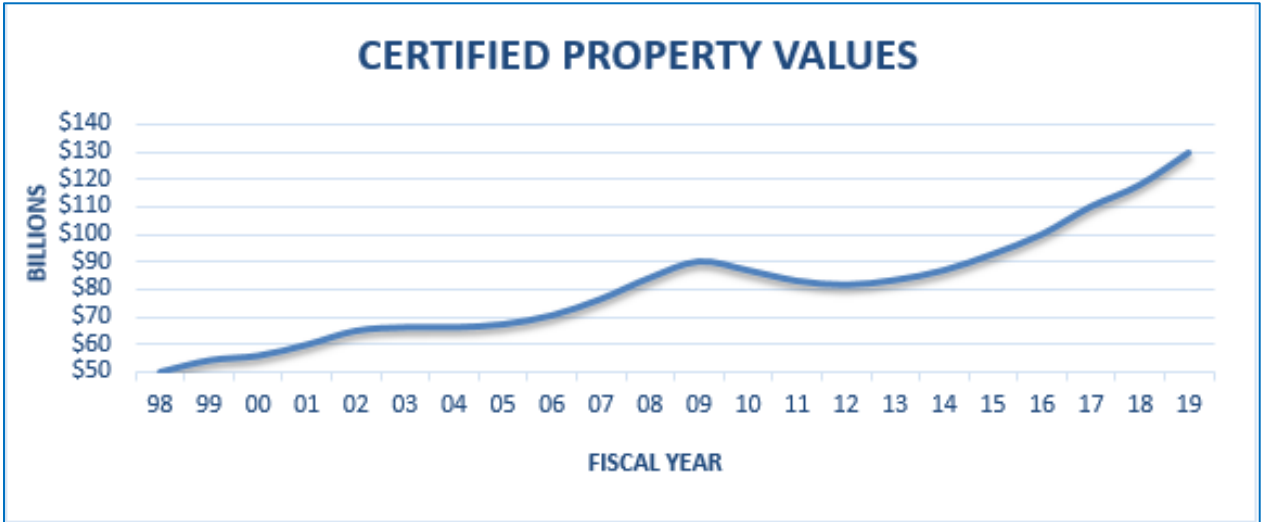
# MAJOR REVENUE SOURCES

## GENERAL FUND

The revenue sources described in this section account for \$1,211,229,793 of the City’s total general fund operating revenues and \$270,069,503 of the tax supported debt service revenues.

## PROPERTY TAXES

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The City’s property tax is levied each September on the assessed value listed as of the prior January 1st for all real property and income-producing personal property located in the City. Assessed values are established by the appraisal districts in the four counties in which the City of Dallas is located. The assessed taxable value for the tax roll as of January 1, 2018 (upon which the FY 2018-19 levy is based) is \$130,080,986,261. The 2018 tax roll is 9.94 percent more than the 2017 tax roll. Property tax growth for the 2019 tax roll (upon which the FY 2019-20 levy will be based) is currently projected to be 6.25 percent more than the 2018 tax roll.



The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100.00 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The adopted tax rate for the year ending September 30, 2019 is \$0.7767 per \$100.00 valuation of which \$0.5667 is allocated for general government operations and maintenance and \$0.2100 is allocated for general obligation debt service payments.

Taxes are due October 1<sup>st</sup> following the September levy and are considered delinquent after January 31<sup>st</sup> of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2018 are estimated to be 97.72 percent of levy and will

# MAJOR REVENUE SOURCES

generate \$720,361,497 in General Fund revenues and \$266,941,794 in Debt Service revenues for a total of \$987,303,291 in revenues. Prior year taxes, penalties and interest, special inventory tax, and refunds are expected to produce an additional \$10,652,491 in revenues.

The City of Dallas grants a homestead exemption of 20.0 percent or a minimum of \$5,000 of the market value of residence homesteads. The City of Dallas has also granted an additional \$90,000 market value exemption to persons who are 65 or older or disabled.

## AMBULANCE REVENUES

The Dallas Fire-Rescue Department provides emergency ambulance services within the boundaries of the City of Dallas to any person requesting aid. The emergency medical staff transports the individual or individuals to a hospital providing emergency aid for a transport charge plus itemized charges. The transport charge is \$1,578 for residents and \$1,678 for non-city residents, and \$125 for treatment/non-transport services.

The billing and collection of ambulance fees and additional supplemental payment from the federal government is provided by vendors contracted by the City of Dallas. To estimate the FY 2018-19 revenue, historical information is used to project the gross amount billed and a projected collection rate is applied to this amount. FY 2018-19 also includes projected reimbursement revenue through Governmental Ambulance Supplemental Payment Program approved by the federal government through Texas Health and Human Services Commission. The program allows governmental ambulance providers to recover a portion of the 'loss' of providing services to Medicaid, Medicaid Managed Care and uninsured patients. The reimbursement amount is calculated by applying a federal medical assistance percentage which is approximately 56.88 percent for Texas in FY 2017-18. This means that the program allows the ambulance providers to be reimbursed up to approximately 56.88 percent of the difference between the cost and the charges (subtracting payments) of providing ambulance services to Medicaid, Medicaid Managed Care and uninsured clients. FY 2019-20 reflects an \$8.7 million reduction in reimbursement revenue through the Governmental Ambulance Supplemental Payment Program due to anticipated mandated program changes to include a charity-care policy that is under development.

# MAJOR REVENUE SOURCES

## FRANCHISE FEE REVENUE

The City of Dallas maintains non-exclusive franchise agreements with utilities and other service providers that use the City's rights-of-way to provide services to the public. These franchise ordinances provide for compensation to the City in the form of franchise fees. These fees are in lieu of all other fees and charges related to the use of the rights-of-way. They are in addition to sales and ad valorem taxes.

Generally, franchise fees are calculated based on a percentage of the companies' gross receipts as a result of doing business in Dallas. Cable TV providers such as Time Warner, AT&T, and Verizon pay a fee equal to 5.0 percent of gross receipts, paid quarterly, 45 days after the end of the period covered. Franchise fees for Atmos Energy are 5.0 percent of their gross receipts, paid quarterly. Projections for FY 2018-19 revenues for cable are based on historical data trended forward using regression analysis. Franchise fees for Oncor Electric are based on a fee per kilowatt hour consumed and are projected for FY 2018-19 using historical data, trended forward by statistical analysis techniques and normalized for weather.

Certificated telecommunications providers no longer pay franchise fees to the City. Pursuant to Local Government Code 283 telecommunications providers must compensate the City for use of the right-of-way on a per access line basis. These fees are to be paid to the City 45 days after the end of each calendar quarter.

## MUNICIPAL COURT REVENUES

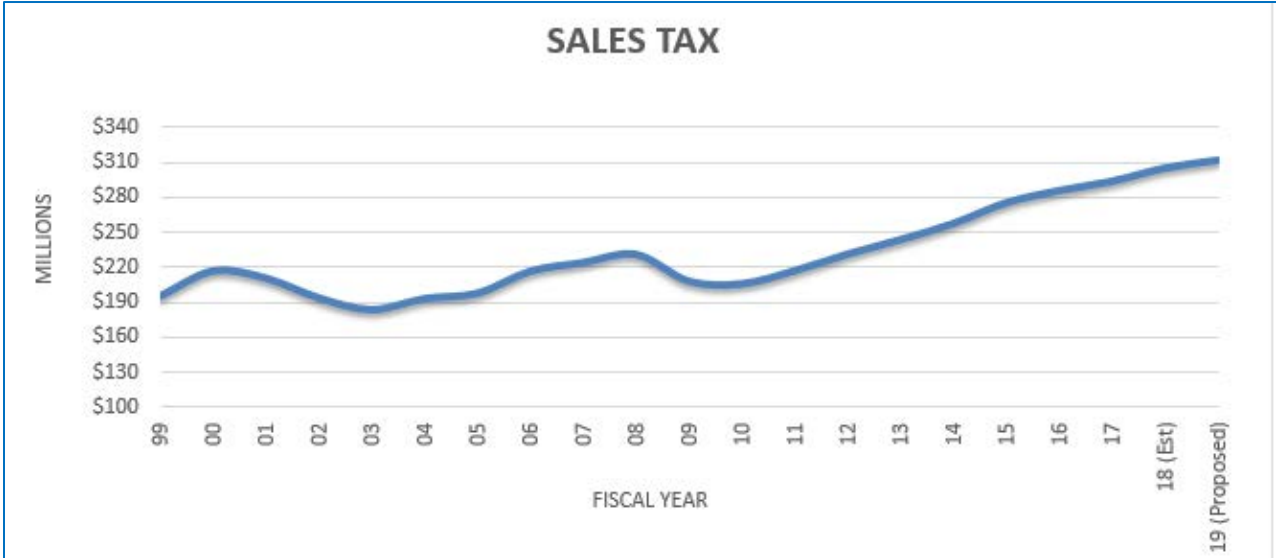
Court and Detention Services collects fines and fees on Class C misdemeanors, including moving/non-moving traffic violations and State law/City ordinance violations. Revenues are collected in-person at cashier windows, through mail, internet, and phone payments. Delinquent accounts receive a warrant, have their driver's license and registration placed on hold (where applicable), and are contacted via mail and phone by an in-house collections unit. Defendants non-responsive to these efforts are pursued through the Marshal's Office and forwarded to a third-party collection agency, where a 30 percent add-on fee is assessed to their case. The methodology used to project Municipal Court revenues is a combination of projecting future citation volumes and factoring in future collection per citation rates.

# MAJOR REVENUE SOURCES

## SALES TAX

The sales tax rate in the City of Dallas is 8.25 percent of taxable goods or services sold within the City limits. The tax is collected by the retriever at the point of sale and forwarded to the State Comptroller’s Office on a monthly or quarterly basis. Of the 8.25 percent collected, the state retains 6.25 percent and distributes 1.0 percent to the City of Dallas and 1.0 percent to the Dallas Area Rapid Transit transportation authority.

For FY 2018-19, sales tax receipts are projected to be 2.7 percent better than budgeted in FY 2017-18. As illustrated in the graph, sales tax receipts have increased from \$234,709,051 million in FY 1998-99 to a projected \$311,645,016 million in FY 2018-19. For FY 2019-20, sales tax revenues are projected to increase by 4.4 percent to a projected \$325,953,238. Sales tax revenues are historically volatile; therefore, actual collections may differ significantly from budgeted.



## SECURITY ALARM PERMIT FEE

The City of Dallas charges an annual permit fee of \$50 for a residence and \$100 for a business permit. A permitted alarm site is allowed three “free” false burglar alarms in a twelve-month period. The fourth, fifth, and sixth false burglar alarms are \$50, seventh and eighth false burglar alarms are \$75, while the ninth+ are \$100 each. All Panic/Hold-up false alarms for a residence are \$100. The first business panic/hold-up false alarm is \$100, second is \$200, third is \$300, while fourth+ are \$400 each.

# MAJOR REVENUE SOURCES

## ENTERPRISE FUNDS

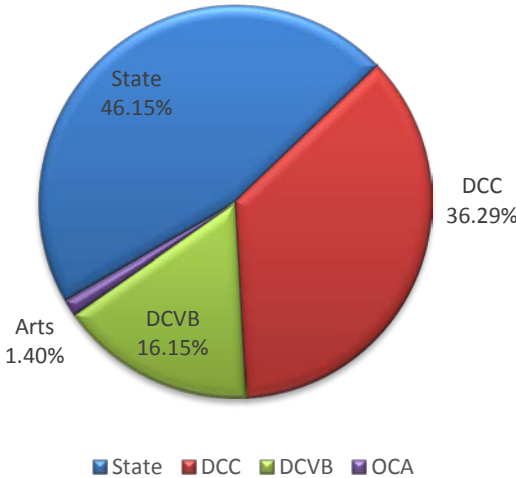
### HOTEL OCCUPANCY TAXES

The Hotel Occupancy Tax rate in the City of Dallas is 13.0 percent of the room rate charged within the City limits. The tax is collected by the hotel at the point of sale and forwarded to the State (6.0 percent) and City (7.0 percent) on a monthly basis.

Of the 7.0 percent received by the City of Dallas, 67.4 percent of it is retained by Dallas Convention Center (DCC) to support operations and capital improvements as required by bond ordinance. The FY 2017-18 adopted and FY 2018-19 planned budget assumes 30.0 percent of it will be distributed to the Dallas Convention and Visitors Bureau (DCVB) to market and promote the City of Dallas as a convention and tourist destination, and 2.6 percent will be distributed to the Office of Cultural Arts to encourage, promote, and improve the arts.

Hotel occupancy tax revenues are historically volatile; therefore, actual collections may differ significantly from the budgeted amount. For FY 2018-19, the City's portion of the Hotel Occupancy Tax revenue (7.0 percent) is projected at \$61,530,327. For FY 2019-20, the City's portion of the Hotel Occupancy Tax revenue (7.0 percent) is projected at \$64,249,315. The distribution of the 13.0 percent hotel occupancy tax is illustrated in the accompanying graph.

**13% HOTEL OCCUPANCY TAX DISTRIBUTION**



# MAJOR REVENUE SOURCES

## SANITATION SERVICES REVENUE

Sanitation Services Revenue is collected to match the cost of providing garbage collection, brush and bulk collection, and recyclables collection services for residential customers and a few small commercial customers. This revenue is based on fees, which are collected through the monthly utility bills issued by Dallas Water Utilities. The FY 2018-19 and FY 2019-20 estimated revenue is determined by multiplying the adopted residential rate of \$27.29 per month for FY 2018-19 (an increase of \$2.11 from FY 2017-18) and \$27.64 per month for FY 2019-20 (an increase of \$0.35 from FY 2018-19) by the projected number of residential customers, plus estimates for fees for “pack out” service, and commercial customers’ fees. The Sanitation rate is partially offset by revenues from the residential recycling program.

## PRIVATE DISPOSAL REVENUE

Private disposal revenue is collected primarily at the McCommas Bluff Landfill from private (commercial) waste haulers for the privilege of disposing of solid waste at the site. The gate rate at the McCommas Bluff Landfill will increase by 5% from \$25 per ton in FY 2017-18 to \$26.25 per ton in FY 2018-2019. The Bachman Transfer Station rate remains unchanged at \$47 per ton. City of Dallas residents hauling their own household and yard wastes are exempt from the fees (with restrictions). Commercial haulers may also elect to enter into a discount disposal contract with the City, allowing for a discount from the posted rate in exchange for a guaranteed minimum amount of waste disposal over a specific time period. The solid waste disposal rates for discount disposal contracts will increase by 2.7% for FY 2018-19. The FY 2018-19 and FY 2019-20 revenues are determined by projecting an estimate for waste tons to be delivered to the landfill multiplied by the gate rate for non-contracted customers or by discounted solid waste disposal rates for contracted customers.

## STORM DRAINAGE MANAGEMENT REVENUES

The Storm Drainage Management Utility Revenue is collected to support the cost of compliance with the City's storm drainage discharge permit with the Texas Commission on Environmental Quality (TCEQ), operation, maintenance and enhancement of the levee system, and operating and maintenance of the City's natural and improved storm drainage system. Compliance activities include, but are not limited to: water quality sampling and analysis; creek monitoring; public education and outreach; hazardous spill response, cleanup and disposal; construction compliance inspections, industrial facility inspections; and engineering, design and inspection of storm sewer infrastructure. Drainage system operating and maintenance activities include, but are not limited to: natural and improved channel maintenance; creek, river and levee maintenance; cleaning and maintenance of storm sewers

# MAJOR REVENUE SOURCES

and inlets; and monthly sweeping of the City’s major thoroughfares. The fee is billed and collected through the monthly Dallas Water Utilities bill.

## WATER/WASTEWATER REVENUES

The Dallas Water Utilities Department is owned and operated by the City of Dallas as a self-supporting enterprise fund. The department receives no tax dollars and earns its revenues through the sale of water and wastewater services in five customer classes. These classes are Residential, General Service, Municipal, Optional General Service, and Wholesale. The wholesale customer class is comprised of 23 communities outside the City of Dallas which receives water service, and 11 communities, which receive wastewater service. Rates for each class are determined by a cost of service study that assigns costs to each class based on the department’s cost to provide them with these services.

The breakdown of the source of revenues from these customer classes is as follows:

- 35.5 percent of the revenues come from the Residential class,
- 44.1 percent comes from the General class,
- 1.0 percent comes from the Municipal class,
- 3.3 percent comes from the Optional General class,
- 16.1 percent comes from the Wholesale class.

These revenues are used to pay for the following:

- Operating and maintenance costs of providing water and wastewater service to customers;
- Debt service (principal and interest) on outstanding debt used to design and construct the facilities necessary to provide these services;
- Street Rental payment (equivalent to franchise fees assessed to other utilities) to the General Fund for the use of the City’s rights-of-way;
- Cash funding for capital improvement facilities not funded through the sale of revenue bonds or other debt.

The Dallas Water Utilities Department also receives other miscellaneous revenues such as, but not limited to, interest earnings, connection fees, and system improvement contributions. In FY 2018-19, water and wastewater revenues will total \$665 million including an approximately 1 percent decrease in retail revenues. In FY 2019-20, water and wastewater revenues are projected to total \$675.7 million, with no increase in retail revenues. Water revenues can fluctuate depending on the summer temperatures and the amount of rainfall in the area.

# MAJOR REVENUE SOURCES

## AVIATION

The Department of Aviation manages Dallas Love Field, Dallas Executive Airport and the Dallas Vertiport. Dallas Love Field is one of the busiest medium hub, air carrier/general aviation airports in the world and has experienced unprecedented growth in passenger traffic since the repeal of the Wright Amendment in 2014. As a result, Dallas Love Field has evolved from a regional air service to a long-haul air service airport requiring enhanced customer service and amenities to match the needs of approximately 15 million annual travelers.

Rental payments received from tenants for leased property and improvements, terminal building space and associated maintenance and warehouse space at Dallas Love Field and Dallas Executive Airport estimated at \$56,032,045 for both FY 2018-19 and FY 2019-20. Airport parking revenues estimated at \$31,965,251 for both FY 2018-19 and FY 2019-20. Revenues relating to concession contract agreements with airport businesses including food and beverage services, retail stores, advertising, car rental agencies, shoe shine services, and bag cart rental for FY 2018-19 and FY 2019-20 are projected to be \$27,231,066. Landing fees paid by commercial aircraft owners to conduct operations at Dallas Love Field are projected to be \$21,875,259 for FY 2018-19 and FY 2019-20.

## SUSTAINABLE DEVELOPMENT AND CONSTRUCTION

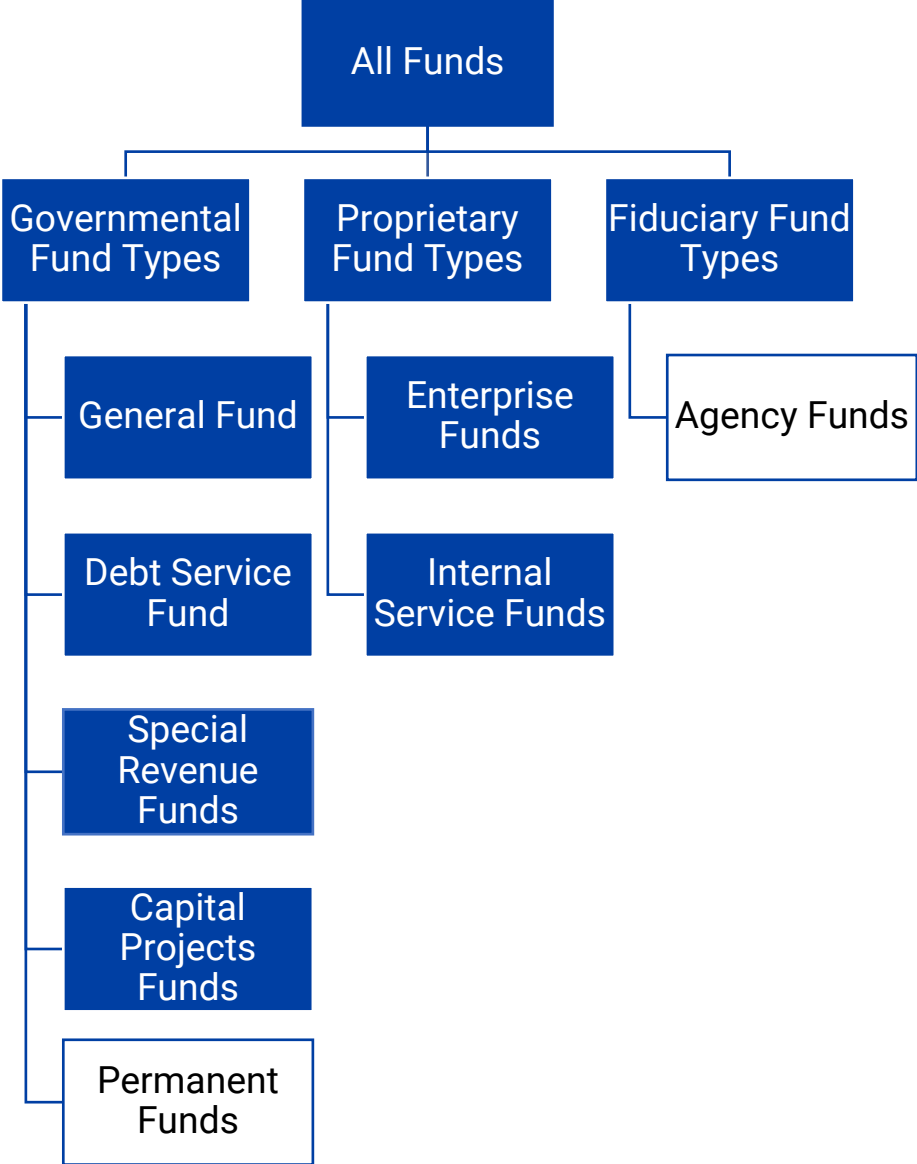
Sustainable Development and Construction provides plan review services for commercial and residential development and redevelopment projects, issues construction and trade permits, and processes Certificates of Occupancy applications for new and existing businesses. Revenues related to construction plan review and permitting activities are projected at \$33,143,848 for FY 2018-19 and FY 2019-20.

## MUNICIPAL RADIO

The City of Dallas owned and managed radio station, WRR 101.1 FM, provides 24-hour broadcasts that include classical music and other select musical programming. The station uses a commercial radio model as licensed by the Federal Communications Commission (FCC) selling commercial air-time and sponsorships to generate revenue that will total that will total \$2,178,813 in FY 2018-19 and \$2,178,813 in FY 2019-20.



# CITY OF DALLAS FUND STRUCTURE



Note: Shading indicates Funds included in the Biennial Budget



# MAJOR FUND DESCRIPTIONS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The City maintains twenty-three individual governmental funds. The general and debt service funds are considered the City's two major governmental funds. Data from the other twenty-one funds is consolidated into a single, aggregated presentation on the City's annual Comprehensive Annual Financial Report (CAFR).

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or to other units within the City. The City maintains two types of proprietary funds: 1) enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and 2) internal service funds which accumulate and allocate costs internally among the City's various functions.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Descriptions of City's major governmental, proprietary, and fiduciary funds as outlined in the City's 2017 Comprehensive Annual Financial Report are listed below.

## Governmental Funds

*The City reports the following major governmental funds:*

**General Fund:** The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The City adopts an annual appropriated budget for its general fund.

**Debt Service Fund:** The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

*The City reports the following non-major governmental funds:*

**Capital Project Funds:** The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows

# MAJOR FUND DESCRIPTIONS

financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Special Revenue Funds:** The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Permanent Funds:** The Permanent Funds are used to account for private endowments whereby interest earnings are restricted in accordance with the endowment terms.

## Proprietary Funds

*The City reports the following major proprietary funds:*

**Dallas Water Utilities Fund:** The Dallas Water Utilities Fund accounts for water and wastewater services for Dallas, area customer cities, and governmental entities. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

**Convention Center Fund:** The Convention Center Fund accounts for convention and event services for the Dallas Convention Center. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

**Airport Revenues Fund:** The Airport Revenues Fund accounts for the Dallas Airports System, which includes airport services and administration of Dallas Love Field, Executive Airport, and the Heliport. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service. DFW airport activity is not included in the financial statements.

**Sanitation Fund:** The Sanitation Fund accounts for solid waste collection and disposal services for residential and commercial customers in Dallas. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

**Other, Non-Major Proprietary Funds:** The non-major proprietary funds consist of Enterprise Funds, which are used to account for operations, other than the major proprietary funds listed above, and are operated in a manner similar to private

# MAJOR FUND DESCRIPTIONS

business enterprise. Non-major Enterprise Funds include the operation of the municipal radio station and building inspections.

**Internal Service Funds:** Internal Service Funds are used to allocate associated costs of centralized services on a cost-reimbursement basis. These services predominantly benefit governmental rather than business-type functions. The services provided to other City departments are vehicles, vehicle maintenance, fuel and lubrication, communication services, data processing and programming services, office supplies, printing, copying and mailing services, implementation of the general obligation bond program, and risk financing, including insurance-related activities.

## Fiduciary Funds

**Pension Trust Fund:** Accounts for the activities of the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees.

**Agency Funds:** Agency Funds are used to account for assets held by the City, as an agent for individuals (cash escrow, confiscated money, employee war and savings bond fund, and deferred compensation fund), and other funds for assets held by the City, in a trustee capacity (tax distribution, employee benefits, and the Dallas Tourism Public Improvement District deposit account).



# BUDGET PROCESS CALENDAR

The City of Dallas' budget process consists of a nine month schedule of presentations, hearings, and deliberations. The FY 2018-19 budget and FY 2019-20 planned process dates are as follows:

<b><u>January 3</u></b>	City Council Briefing- Overview and kick-off meeting for 2018 Community Survey
<b><u>February 21</u></b>	City Council Planning Session
<b><u>March 8</u></b>	Operating Budget kick-off - City departments receive instructions on development of FY 2018-19 and FY 2019-20 budgets for all operating services
<b><u>March 10-May 4</u></b>	City Manager Community Budget Engagement Meetings – Scheduled community meetings where Office of Budget staff surveyed citizens on budget priorities to incorporate in budget development.
<b><u>March 10 – May 4</u></b>	Budget Survey – Held online and paper surveys available at community meetings.
<b><u>March 21</u></b>	City Council Briefing –FY 2018-19 and FY 2019-20 Biennial Budget Update
<b><u>March 28</u></b>	Public hearing on the Operating, Capital, and Grants and Trust Budget
<b><u>March 29</u></b>	Capital Budget kick-off- City departments involved in capital budget development receive instructions for FY 2018-19 and FY 2019-20 capital budget development
<b><u>May – July 31</u></b>	City Manager's Office holds budget deliberations including individual department presentations
<b><u>May 2</u></b>	City Council Briefing – 2018 Community Survey results
<b><u>May 9</u></b>	Public hearing on the Operating, Capital, and Grants and Trust Budget
<b><u>June 20</u></b>	City Council Briefing – FY 2017-18 and FY 2018-19 Budget Update

# BUDGET PROCESS CALENDAR

- August 14** Fiscal Year 2018-19 Annual Budget presented to City Council in a formal Council briefing. Council feedback is received.
- August 16-30** City Council Budget Town Hall Meetings – Scheduled by the individual Councilmembers. Presentation of the City Manager’s recommended budget to those in attendance and the Councilmember receives comments and feedback from constituents on the budget.
- August 20** City Council Committee Meetings –Council members submit proposed amendments to the City Manager’s recommended budget via individual Council Committees.
- August 22** Public Hearing on the Operating, Capital, and Grants & Trusts Budget
- August 27** City Council Committee Meetings – Specific budget related topics are briefed to individual Council Committees. Councilmembers provide comments on possible changes to the recommended budget.
- August 29** City Council Budget Amendments Workshop – Committee chairs report and discuss amendments. Proposed amendments should be balanced with revenue and/or expenditure changes. A majority “straw” vote is required for an amendment to be included in the recommended budget.
- September 5** City Council adopts budget on first reading (requires a majority vote). First public hearing on property tax rate.
- September 11** City Council Budget Workshop.
- September 12** Second public hearing on property tax rate.
- September 18** City Council adopts FY 2018-19 Operating, Capital, and Grants & Trusts Budget on second reading and sets property tax rate (requires a majority vote).



# BUDGET PROCESS

## Preparing the Budget

- In January, Office of Budget staff use preliminary revenue projections to create a starting point for the upcoming budget. In addition, Office of Budget staff prepare a base budget target for each department by removing one-time funding, providing full-year funding for positions and improvement funded for a partial year, and applying a vacancy adjustment to positions.
- In March, a City Council planning session is held to discuss Council priorities.
- In March, departments begin to submit biennial budget requests.
- Also in March, Office of Budget staff surveyed citizens at a variety of community events to gain feedback about their budget priorities.
- May-July, City management meets with departmental staff to review and discuss budget requests.

## Reviewing the Budget

- In March-April, a citizen budget survey is conducted to receive additional citizen input on priorities for the upcoming budget.
- In May, the City Manager presents an updated outlook to Council. A citywide citizen public hearing is held later in the month to receive citizen input. The City Manager and Office of Budget take the input from Council and citizens and make adjustments where feasible.
- By late June, a briefing is provided to Council providing a budget update.
- In August, the City Manager's Proposed Budget is presented to Council and Council Members hold Budget Town Hall Meetings with citizens in their districts to receive opinions about the City Manager's Proposed Budget.
- In late August, a budget workshop and a public hearing allow Council and citizens an opportunity to collectively share opinions on the proposed operating, capital, and grants & trust budgets.

## Amending the Budget

- In August, City Council holds a Budget Amendment Workshop where Council Members submit proposed amendments to the City Manager's Proposed Budget. Proposed amendments should be balanced with revenue and/or expenditure changes.
- In September, a majority straw vote decides if the amendment is included in the final budget.

## Adopting the Budget

- Early September, City Council adopts the budget on its first reading.

# BUDGET PROCESS

- Late September, City Council adopts the upcoming year operating, capital and grants & trusts budget on the second reading. Any approved amendments are included in this adoption.

# GLOSSARY OF BUDGET TERMINOLOGY

## **ACCRUAL ACCOUNTING**

A measure of the City's revenues earned and expenses incurred during the period, regardless of when cash is received or paid.

## **ADOPTED BUDGET**

Budget approved by City Council at the beginning of the fiscal year.

## **AD VALOREM TAX**

A tax levied on the assessed valuation of real land and improvements and personal property located in the City.

## **ADDITIONAL RESOURCES**

Grants, trusts, or any other source of funds (excluding Capital funds) that contribute to the service.

## **AGENCY FUND**

Agency fund consists of resources retained by the governmental unit as an agent for another governmental unit.

## **APPROPRIATION**

An authorization made by the City Council that permits officials to incur obligations against and make expenditures of governmental resources.

## **ARBITRAGE**

The interest earnings derived from invested bond proceeds or debt service fund balances.

## **ASSESSED VALUATION**

This represents the total valuation of land and improvements and personal property less all properties exempt from tax. Also identified as taxable valuation.

## **BALANCED BUDGET**

A budget with revenues equal to expenditures.

## **BIENNIAL BUDGET**

A balanced budget that covers two fiscal years.

## **BOND**

A written promise to pay a sum of money on a specified date at a specified interest rate. General Obligation (GO) and Revenue Bonds are used for funding permanent capital improvements such as buildings, streets, and bridges.

# GLOSSARY OF BUDGET TERMINOLOGY

## **BUDGET**

A financial plan for a specified period of time that matches all planned revenues and expenditures with various municipal services. It is the primary means by which most of the expenditure and service delivery activities of a government are controlled.

## **CAPITAL CONSTRUCTION FUND**

Capital construction funds are used to pay for capital projects which are not debt financed. Funding is usually derived from operating fund transfers.

## **CAPITAL EXPENDITURE**

A capital expenditure is the acquisition or construction of an asset that has a useful life greater than one year.

## **CAPITAL GIFTS AND DONATIONS**

Contributions by individuals or organizations for the purpose of funding capital improvements within the scope of interest of the donor.

## **CAPITAL IMPROVEMENT PROGRAM (CIP)**

The City's plan to finance major infrastructure development and improvement. It is primarily funded through General Obligation Bonds and Revenue Bonds.

## **CAPITAL PROJECTS FUND**

Fund used to account for and report financial sources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

## **CERTIFICATE OF OBLIGATION (CO)**

A written promise secured by the full faith and credit of the City. Used for funding permanent capital improvements. Debt Service is paid from ad valorem taxes or operating revenues.

## **COMMERCIAL PAPER**

A short-term promissory note offering flexibility to borrow as needed at the time of the actual award of projects instead of sale of bond.

## **COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)**

Federal funds available to municipalities specifically for activities and programs to create viable urban communities for low and moderate income persons.

## **CONTINGENCY RESERVE**

A budgetary reserve which provides for unanticipated expenditures of a non-recurring nature.

# GLOSSARY OF BUDGET TERMINOLOGY

## **CONTRACTUAL SERVICE**

The cost related to services performed for the City by individuals, businesses, or utilities.

## **DEBT SERVICE**

Sometimes referred to as the Interest and Sinking Fund, it is used to account for the accumulation of financial resources to meet the requirements of general obligation debt service and debt service reserve.

## **DEFICIT**

Excess of expenses over revenues at a specific point in time.

## **DEPARTMENT**

A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

## **DEPRECIATION**

A systematic allocation of cost for a tangible asset during its estimated useful life.

## **EMERGENCY RESERVE**

A budgetary reserve which provides for temporary financing of unforeseen needs of an emergency nature, unanticipated fluctuations in revenue, and individual judgment/settlement payments exceeding a \$5,000,000 liability cap.

## **ENCUMBRANCE**

The commitment of appropriated funds to purchase an item or service.

## **ENTERPRISE FUND**

These funds are fully supported by charges for service. Each fund establishes revenue-based fees and charges to recoup the costs of providing the services.

## **EQUIPMENT ACQUISITION NOTES**

Short term note financing secured by the full faith and credit of the City used for funding capital equipment purchases. Debt service requirements are met with ad valorem or operating transfers from fee supported funds.

## **FIDUCIARY FUND**

This type of fund accounts for assets held by the City in a trustee or agency capacity.

# GLOSSARY OF BUDGET TERMINOLOGY

## **FINANCIAL MANAGEMENT PERFORMANCE CRITERIA (FMPC)**

The City maintains Financial Management Performance Criteria, established in the late 1970's to reflect financial policies that the City believes necessary for planning purposes and to measure sound financial condition. These criteria are applied to the ongoing management of the City's finances and covers the following aspects of financial management: operating programs; capital and debt management; accounting, auditing and financial planning; cash management; grants and trusts; and Dallas Water Utilities.

## **FINES AND FORFEITURES**

Charges levied by City departments to individuals and businesses that are resolved through payment or loss of property.

## **FISCAL YEAR (FY)**

The twelve-month period beginning October 1st and ending the following September 30th to which the annual budget applies.

## **FRANCHISE FEE**

A fee levied by the City Council on businesses that use the City's right-of-way to deliver services. This fee is usually charged as a percentage of gross receipts.

## **FULL TIME EQUIVALENTS (FTE)**

A unit used to quantify staffing. One FTE is a full year, 40 hour per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be 0.5 FTEs. An FTE equals 2,080 hours of paid time.

## **FULL YEAR FUNDING (FYF)**

The additional required funding necessary for twelve full months of operations related to positions and/or program funding added in the previous fiscal year. This funding complements prior year funding.

## **FUND**

A fiscal and accounting entity with a self-balancing set of accounts (assets, liabilities, fund balance) which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

# GLOSSARY OF BUDGET TERMINOLOGY

## **FUND BALANCE**

The difference between a fund's assets and liabilities. For the purposes of this document, two different calculations are utilized. For the General Fund, the unreserved undesignated portion of fund balance is reported. For Other Funds, fund balance is reported as current assets less current liabilities less reserves for encumbrances. For non-enterprise funds, sick and vacation accruals are excluded. For multi-year funds, reserves for encumbrances are not excluded. For funds that utilize inventory accounting, inventory encumbrances are not deducted (to avoid double-reduction).

## **GENERAL CAPITAL RESERVE**

Depository for proceeds from property sale, abandonments, or reimbursements of prior loans/advances providing funds for Capital Improvements and/or to provide interim financing for Capital Projects.

## **GENERAL FUND**

This is the main operating fund of the City. It accounts for basic operating services such as Police, Fire, Streets, Sanitation, Code Enforcement, Park and Recreation, Library, Environmental and Health Services, and others.

## **GENERAL OBLIGATION BOND (GO)**

Bonds used for funding permanent public capital improvements such as buildings, streets, and bridges. The repayment of these bonds is made from the levy of property tax. Voter approval is required to issue these bonds.

## **GOVERNMENTAL FUNDS**

Governmental funds are made up of the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

## **GRANT**

A contribution by a government or other organization to support a particular function. Typically, these contributions are made to a local government from the state or federal government.

## **HEADCOUNT**

Number of employees on payroll on any given day or time that count is calculated (changes daily).

## **IN-SERVICE DATE**

Date on which a City facility is available to the public.

# GLOSSARY OF BUDGET TERMINOLOGY

## **INTER-DEPARTMENT FINANCING**

Short-term interim financing from one City department to another City department (necessary due to timing of project with permanent financing mechanism) with the repayment of the loan plus interest once permanent financing is in place.

## **INTEREST EARNED**

Assets collected through investment of cash.

## **INTERFUND REVENUE**

Assets transferred from one fund to another for services rendered. These are revenues from various funds that provide indirect cost payments to the General Fund. In addition, this revenue also includes Dallas Water Utilities street rental payment and surplus property auction revenue.

## **INTERGOVERNMENTAL REVENUE**

Money collected from other governmental entities.

## **INTERNAL SERVICE FUND**

Fund used to account for goods or services given to one department by another on a cost reimbursement basis.

## **LIABILITY RESERVE**

Funds reserved for outstanding current and forecasted future liabilities.

## **LICENSE AND PERMITS REVENUE**

These are revenues related to various license and permit fees.

## **MASTER LEASE**

A short-term financing program offering flexibility to borrow as needed at the time of the actual purchase of equipment and technology improvements instead of the sale of equipment notes.

## **MISCELLANEOUS REVENUE**

These are miscellaneous revenues from rental, gifts and donations, and collections for damages to City property.

## **MODIFIED ACCRUAL BASIS OF ACCOUNTING**

Basis of accounting according to which (a) revenues are recognized in the accounting period in which they became available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.



# GLOSSARY OF BUDGET TERMINOLOGY

## **ONE-TIME RESOURCES**

These are non-recurring revenues, which will be used for one-time expenses.

## **OPERATING AND MAINTENANCE COST**

Operational cost incurred by a facility for one year.

## **OPERATING BUDGET**

The personnel, supply, service, and short term capital expenditures of a department.

## **PARTIAL YEAR FUNDING**

The funding required to partially fund operations related to positions and/or program funding added in a fiscal year.

## **PERMANENT FUND**

Fund used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizenry.

## **PLANNED BUDGET**

The second year of the City's financial operations plan (biennial budget). State law does not allow cities in Texas to adopt a two-year appropriation.

## **POSITION**

A specific job with an assigned position identification number, including full-time, part-time, and temporary.

## **PROGRAM**

A sub-unit of a department.

## **PROPRIETARY FUND**

A proprietary fund is one having profit and loss aspects. The two types of proprietary funds are enterprise and internal service funds.

## **REIMBURSEMENT**

Repayment of funds from one fund or department to another for a specific purpose.

## **REVENUE**

Receipt of cash from other entity that requires a cash receipt to be entered in the financial system.

# GLOSSARY OF BUDGET TERMINOLOGY

## **REVENUE FUND**

Fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

## **SERVICE**

A specific operation performed within a department or office.

## **STRATEGIC PRIORITIES**

The City Manager established the following Strategic Priorities: Public Safety; Mobility Solutions, Infrastructure and Sustainability; Economic and Neighborhood Vitality; Human and Social Needs; Quality of Life; and Government Performance and Financial Management.

## **STRUCTURALLY BALANCED BUDGET**

A budget that provides for annual recurring total expenditures and encumbrances which are equal to or less than the annual recurring revenue estimate for the fund.

## **TRUE INTEREST COST**

The full cost of a bond issue taking into account the present value (time value) of money. The TIC is the rate of interest, compounded semiannually, required to discount the payments of principal and interest to bondholders to the original purchase price.

# ACRONYM INDEX

ADA	Americans with Disabilities Act
AFRD	Authorization for Records Disposal
ALJ	Administrative Law Judge
AMTRAK	American Railroad Passenger Corporation
AOA	Airport Operating Area
ARC	Animal Remains Collection
ARFF	Aircraft Rescue and Firefighting
ASAP	Active Senior and Adult Programs
BRINSAP	Bridge Inspection and Appraisal Program
BVS	Bureau of Vital Statistics
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CARE	Community Animal Resource Effort
CBD	Central Business District
CBRNE	Chemical, Biological, Radiological, Nuclear, and Explosive
CCO	City Controller's Office
CDBG	Community Development Block Grant
CDC	City Detention Center
CDRC	City of Dallas Regional Center
CES	Convention & Event Services
CHDO	Community Housing Development Organizations
CIP	Capital Improvement Program
CIS	Communication and Information Services
CNG	Compressed Natural Gas
CNR	Coverage Net Revenue
CO	Certification of Obligation
CoC	Continuum of Care
CP	Commercial Paper
CPE	Center for Performance Excellence
CPI	Consumer Price Index
CTJ	Judiciary
CTS	Court and Detention Services
D/FW	Dallas/Fort Worth Airport
DAL	Dallas Love Field
DART	Dallas Area Rapid Transit
DAS	Dallas Animal Services
DCVB	Dallas Convention and Visitors Bureau
DEV	Sustainable Development and Construction
DFR	Dallas Fire-Rescue
DOT	Department of Transportation
DPD	Dallas Police Department
DPL	Dallas Public Library

# ACRONYM INDEX

<b>DROP</b>	Deferred Retirement Option Plan
<b>DSHS</b>	Department of State Health Services
<b>DVRs</b>	Digital Voice Recorders
<b>DWU</b>	Dallas Water Utilities
<b>EBC</b>	Express Business Center
<b>EBS</b>	Equipment and Fleet Management
<b>ECU</b>	Environmental Crimes Unit
<b>EDMS</b>	Electronic Document Management System
<b>EHS</b>	Environmental and Health Services
<b>EMS</b>	Emergency Medical Service
<b>EMS</b>	Environmental Management System
<b>EOD</b>	Explosive Ordnance Disposal
<b>EPA</b>	Environmental Protection Agency
<b>EPO</b>	Exclusive Provider Organization
<b>ERT</b>	Estimated Response Time
<b>ESG</b>	Emergency Solutions Grant Program
<b>ESL</b>	English as a Second Language
<b>FAR</b>	Federal Aviation Regulations
<b>FCC</b>	Federal Communications Commission
<b>FCC</b>	Federal Communications Commission
<b>FFATA</b>	Federal Financial Accountability and Transparency Act
<b>FMPC</b>	Financial Management Performance Criteria
<b>FOP</b>	First Offenders Program
<b>FROT</b>	Fire Rescue Officer Training
<b>FTE</b>	Full-time Equivalent
<b>FY</b>	Fiscal Year
<b>FYF</b>	Full-year funding
<b>GED</b>	General Equivalency Diploma
<b>GIS</b>	Geographic Information System
<b>GO</b>	General Obligation
<b>HOME</b>	Home Investment Partnerships Program
<b>HOPWA</b>	Housing Opportunities for Persons with AIDS
<b>HOT</b>	Hotel Occupancy Tax
<b>HRC</b>	Human Resource Consulting
<b>HRIS</b>	Human Resources Information System
<b>I&amp;LSE</b>	Inspection and Life Safety Education
<b>IBNR</b>	Incurred but not Reported Claims
<b>IIPOD</b>	International Inland Port of Dallas
<b>JCM</b>	Juvenile Case Managers
<b>KBHCCD</b>	Kay Bailey Hutchison Convention Center Dallas
<b>LFMP</b>	Love Field Modernization Program
<b>LPR</b>	License Plate Reader
<b>M/WBE</b>	Minority and Women Owned Business Enterprises
<b>MCC</b>	Mayor and City Council Office

# ACRONYM INDEX

MDC	Mobile Data Computers
MLPP	Master Lease Purchase Program
MS4	Municipal Separate Storm Sewer System
MSA	Metropolitan Statistical Area
MSD	Municipal Settings Designation
MVA	Market Value Analysis
NAR	National Association of Realtors
NC	New Construction
NCC	Neighborhood Code Compliance
NCTCOG	North Central Texas Council of Governments
NG	Next Generation
NMTC	New Markets Tax Credit
NNA	Neighborhood Nuisance Abatement
Non-D	Non-Departmental
O&M	Operating and Maintenance
OBD	Office of Business Diversity
OCA	Office of Cultural Affairs
OEM	Office of Emergency Management
OEQ	Office of Environmental Quality and Sustainability
ORM	Office of Risk Management
OSE	Office of Special Events
OSP	Office of Strategic Partnerships
PACE	Property Assessed Clean Energy
P-Card	Purchase Card
PID	Public Improvement District
PILOT	Payment-In-Lieu-of-Taxes
POCPP	Property Owners Cost Participation Program
POM	Procurement Services
RBD	Dallas Executive Airport
RIF	Reduction-in-force
RMIS	Risk Management Information System
ROW	Right of Way
RZ	Reinvestment Zones
S.A.V.E.	Spay, Advocate, Vaccinate, and Educate
SD/FPTF	South Dallas/Fair Park Trust Fund
SDC	Sustainable Development and Construction
SECO	State Energy Conservation Office
SLA	Service Level Agreement
SPEP	Sales Per Enplaned Passenger
SR	Requests for City Services
SSI	Supplemental Security Income
TA RZ	Tax Abatement Reinvestment Zones
TCEQ	Texas Commission on Environmental Quality
TDHCA	Texas Department of Housing and Community Affairs

# ACRONYM INDEX

<b>TDSHS</b>	Texas Department of State Health Services
<b>TIF</b>	Tax Increment Financing Districts
<b>TIF RZ</b>	Tax Increment Financing Reinvestment Zones
<b>TNRCC</b>	Texas Natural Resources Conservation Commission
<b>TOD</b>	Transient-Oriented Development
<b>TRE</b>	Trinity Railway Express
<b>TSA</b>	Transportation Security Administration
<b>TWM</b>	Trinity Watershed Management
<b>TxDOT</b>	Texas Department of Transportation
<b>UCMR4</b>	Unregulated Contaminant Monitoring Rule
<b>USPS</b>	U.S. Postal Services
<b>WCIA</b>	Office of Welcoming Communities and Immigrant Affairs
<b>WIC</b>	Women, Infants, and Children
<b>WMD</b>	Weapons of Mass Destruction
<b>WRR</b>	Municipal Radio

# POSITION SUMMARY BY DEPARTMENT

Department	FY 2017-18 Adopted	FY 2017-18 Forecast	FY 2018-19 Adopted
<b>General Fund</b>			
Building Services	297	298	210
City Attorney's Office	156	156	158
City Auditor's Office	26	26	26
City Controller's Office	61	61	66
City Manager's Office	16	16	17
City Secretary's Office	18	20	24
Civil Service	29	29	29
Code Compliance Services	380	384	389
Court and Detention Services	178	179	253
Dallas Animal Services	145	146	166
Fire - Civilian	121	121	118
Fire - Uniform	2,171	2,171	2,177
Housing and Neighborhood Revitalization	21	21	19
Human Resources	74	74	78
Judiciary	57	57	56
Library	436	436	436
Management Services	298	298	349
Agenda Office	3	3	3
Office of Business Diversity	9	9	9
CPE	11	11	0
Office of Equity and Human Rights	3	3	7
Office of Strategic Partnerships	10	11	12
Office of Emergency Management	7	7	7
Office of Innovation	0	0	4
Public Affairs & Outreach	17	15	20
311	110	110	106
Office of Environmental Quality	41	41	101
EMS Compliance	3	3	0
Ethics and Diversity	1	1	0
Office of Homeless Solutions	36	36	32
Office of Community Care	42	43	45
Internal Control Task Force	0	0	0
Resiliency Office	2	2	0
Welcoming Communities & Immigrant Affairs	3	3	3
Mayor and Council	53	54	53
Non-Departmental and Reserves and Transfers	0	0	0
Office of Budget	32	32	35
Office of Cultural Affairs	109	110	110
Office of Economic Development	45	45	42
Park and Recreation	1,462	1,470	1,460
Planning and Urban Design	32	32	32
Police - Civilian	671	671	702
Police - Uniform	3,222	3,222	3,222
Procurement Services	25	25	24
Public Works	600	600	483
Sustainable Development and Construction	41	41	41
Transportation	179	179	184
Trinity Watershed Management	14	14	0

# POSITION SUMMARY BY DEPARTMENT

Department	FY 2017-18 Adopted	FY 2017-18 Forecast	FY 2018-19 Adopted
	<b>10,969</b>	<b>10,988</b>	<b>10,959</b>
<b>Enterprise Funds</b>			
Aviation	302	302	319
Convention and Event Services	134	134	135
Office of Cultural Affairs – Municipal Radio	13	15	14
Sanitation Services	564	564	558
Storm Drainage Management	276	276	0
Sustainable Development and Construction	304	304	307
Water Utilities	1,544	1,554	1,783
	<b>3,137</b>	<b>3,149</b>	<b>3,116</b>
<b>Internal Service/Other Funds</b>			
Communication and Information Services	237	238	232
Employee Benefits/Wellness	11	11	11
Equipment and Fleet Management	262	261	273
The Office of Bond Management	0	0	160
Express Business Center	11	11	11
Risk Management Services	37	37	44
	<b>558</b>	<b>558</b>	<b>731</b>
<b>Grant/Private/Special Funded Positions</b>			
City Attorney's Office	14	14	13
Office of Budget	10	10	10
Dallas Animal Services	4	3	3
Police - Civilian	39	38	38
Police - Uniform	12	12	12
Office of Economic Development	1	1	0
Housing and Neighborhood Revitalization	62	68	68
Library	4	7	7
Management Services	239	239	234
Fair Housing Office	11	11	11
Intergovernmental Services	3	3	3
Office of Emergency Management	8	8	8
Office of Homeless Solutions	13	13	9
Office of Community Care	204	204	203
Office of Cultural Affairs	1	1	0
Park and Recreation	148	140	140
	<b>534</b>	<b>533</b>	<b>525</b>
	<b>15,198</b>	<b>15,228</b>	<b>15,331</b>

Note: Does not include Employee Retirement Fund positions.