
MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Debbie Mol, Director of Finance

DATE: June 25, 2018

SUBJECT: Fiscal Year 2017-18 Amended Budget Summary of Changes

The fiscal year 2017-18 budget was adopted on September 5, 2017 for the financial plan of operations beginning October 1, 2017 to September 30, 2018. The budget was amended on January 16, 2018 to add budget for open purchase orders and contracts that were rolled from fiscal year 2016-17 to 2017-18, along with a few of the major departmental changes that have occurred after the adoption of the fiscal year 2017-18 budget. Highlighted below is a summary of all the major changes that have occurred after adoption of the budget on September 5, 2018:

General Fund:

Revenues

- Most revenues are trending with adopted budget; however, minor adjustments have been made to match revenue trends.
- Sales tax is trending approximately \$385,000 more than original budget.
- “Other Revenues” includes an estimated amount of \$500,000 from the Medicare Ambulance Supplemental Payment program. This is the fourth year the City has applied for reimbursement from the federal grant program.
- Increase of \$500,000 from Capital Projects Reserve Fund that will be transferred to the Group Medical Insurance Fund.
- Library fees budget decreased to align with the Ordinance No. 4516 passed on September 18, 2017 that eliminated all overdue Library fines.

Expenditures

- Overall increases to the General Fund across all departments.
 - Increase of \$983,910 for Group Medical Insurance Employer Contribution across all departments to help address the negative fund balance in the Group Medical Insurance Fund.
 - Total rolled purchase orders and contracts for the General Fund is approximately \$105,000.
- Several departments and divisions within General Government along with Library Services are experiencing salary savings due to vacant positions throughout the year.

- Housing and Community Services decreased because the Manager of Housing and Community Services was originally budgeted in the General Fund; however, it was determined that majority of their time is spent in Housing; therefore, this position will continue to be charged to the Housing Fund with small work order credits charged to the General Fund when applicable.
- Neighborhood Services increase is primarily from code abatement contracts.
- Fire increase is from additional overtime expense related to retirements, injury leave, long-term sick leave and Ambulance 6.
- Police increase is from additional overtime expenses related to special impact operations.
- Public Works is experiencing salary savings along with an increase in work order credits of \$750,000 due to increase in capital projects and development activity.
- Planning and Development Services increase is from a department retirement along with an increase in hours charged to the General Fund instead of the Community Development Block Grant (CDBG) Fund for Building Inspectors due to stricter requirements by CDBG.
- Parks and Recreation increase is from increased user participation in programs that results in additional staff to meet the demand, but offset by additional revenues. We budget at the basic required positions and then make changes at amended to accommodate the additional needs.
- Other Expenditures increase is due to 380 Agreements payments and legal services related to annexation, charter amendments and developer agreements that were not originally budgeted.
- Increase in Transfers Out is to the Group Medical Insurance Fund. It is offset by the transfer in from the Capital Projects Reserve Fund.

Water/Sewer Fund:

Revenues

- Increase for investment income that is trending \$200,000 more for the fiscal year.

Expenditures

- Increase of approximately \$3,160 for rolled purchase orders.
- Increase of \$82,380 for Group Medical Insurance Employer Contribution across all divisions.
- Increase of \$30,000 for Meter Services is due to additional costs related to maintenance of new fire hydrant meters.
- Other Expenditures increase of \$30,000 for additional maintenance at the Chiller plant.
- Capital Outlay increase of \$86,500 for Asset Management Software, office remodel due to reorganization and replacement of AT&T line with fiber to Long Branch Lift Station.

DUD Operating Fund:

Revenues

- Increase for investment income that is trending \$10,000 more for the fiscal year.

Expenditures

- Increase of \$5,540 for rolled contract.
- Increase of \$4,600 for Group Medical Insurance Employer Contribution across all divisions.
- Capital Outlay increase for \$81,920 to purchase an asphalt paver and purchase of land for future DUD projects.

Airport Operating Fund:

Revenues

- Decrease in revenues to match trending actuals for Hanger Rentals.

Expenditures

- Decrease in Personal Services from salary savings due to vacant positions throughout the year even with an increase of \$1,270 for Group Medical Insurance Employer Contribution.
- Increase in Contractual Services for equipment maintenance.

Golf Course Fund:

Expenditures

- Increase of \$5,220 for Group Medical Insurance Employer Contribution.
- Increase of \$20 for rolled purchase order.
- Decrease of \$1,190 for reduced vehicle maintenance charges.

Group Medical Insurance Fund:

Revenues

- Increase of \$500,000 for Transfer In from General Fund.
- Increase of \$1,000,000 from Employer Contributions.
- The additional revenue is projected to allow the fund to break even for the current fiscal year and not increase the fund deficit.

General Liability Fund:

Revenues

- Investment Income is trending \$7,500 more for the fiscal year.
- Worker's Compensation Contributions are projecting to be \$99,500 more for the fiscal year.
- Increase of \$110,000 in Other Revenue for the collection of claims associated with damaged City property. Starting in the current fiscal year, reimbursements related to damaged City property will be recorded in the General Liability Fund.

Expenditures

- Increase of \$30,000 in Legal Services related to General Liability claims.
- Increase of \$110,000 for repairs to damaged City property. As noted above, beginning in the current fiscal year, expenses related to damaged City property will all be charged to the General Liability Fund rather than the previous practice of charging to various departments with offsetting reimbursements. This will allow the City to get a true picture of the costs associated with damaged City property.

Hotel Occupancy Tax Fund:

Revenues

- Investment Income is trending \$11,500 more for the fiscal year.

Expenditures

- Increase of \$4,972 for rolled purchase order.

Confiscated Seizure Fund:

Revenues

- Investment Income is trending \$10,500 more for the fiscal year.

Expenditures

- Increase of \$288,000 for seizure amendment #1 approved by City Council on October 16, 2017.
- Increase of \$95,000 for seizure amendment #2 approved by City Council on October 16, 2017.
- Increase of \$320,000 for seizure amendment #3 approved by City Council on February 19, 2018.
- Increase of \$103,000 for seizure amendment #4 approved by City Council on May 7, 2018.
- Increase of \$410,548 for rolled purchase orders.

911 Service Fee Fund:

Expenditures

- Increase of \$10,000 for estimated telephone service expense.

Community Development Block Grant Program Fund:

Increase for prior years' grant awards for Administration, Comprehensive Planning, Code Enforcement, Housing Rehabilitation, Mission East Dallas County Health Ministries and Neighborhood Development Program.

Housing Choice Voucher Program Fund:

Revenues

- Investment Income is trending \$8,700 more for the fiscal year.
- Housing Voucher revenue is trending \$495,000 more for the fiscal year which is offset by an increase in expenses.

Expenditures

- Housing Assistance Payments are estimated to be an additional \$400,000 for the fiscal year.
- Increase of \$6,280 for Group Medical Insurance Employer Contribution.
- Increase of approximately \$114,000 for the Manager of Housing and Community Services that was originally budgeted in the General Fund, but determined that majority of their time is spent in Housing.
- Increase of \$15,000 for Housing software upgrade.

Public, Educational and Government Access Fund:

Revenues

- Investment Income is trending \$4,500 more for the fiscal year.

Mesquite Quality of Life Corporation Fund:

Revenues

- Increase of \$4,871,906 for prior year grant receivables.
- Increase of \$3,800,000 for Dallas County reimbursement agreement for Scyene Road project.
- Increase of \$10,000 for reimbursement from MISD for Motley Playground.

Expenditures

- Increase Transportation Improvements
 - \$7,583,258 for prior year transportation projects that are not completed and rolled contracts.
 - \$3,800,000 for Scyene Road project that will be reimbursed by Dallas County.
- Increase Parks and Recreation Improvements
 - \$2,920,193 for prior year park projects that are not completed and rolled purchase orders and contracts.
 - \$100,000 in Park Operations and Public Safety Equipment for Laser Mapping Scanner.
 - \$45,000 for Downtown Design Development Plan.
 - \$49,600 for Motley Park Playground.
 - \$6,000 for Brickyard Cemetery.
- Increase Administration by \$50,000.

Municipal Court Technology Fund:

Revenues

- Investment Income is trending \$1,200 more for the fiscal year.

Expenditures

- Increase of \$5,500 for Incode Interface with Court and Police for automated clearing and adding of warrants.
- Increase of \$5,000 for other subscription renewal increases.

Capital Projects Reserve Fund:

Revenues

- Increase Other Revenue by \$387,500 for Dallas County reimbursement agreement for Major Thoroughfare Pavement Preservation project.
- Increase Other Revenue by \$260,000 for Military Parkway Trail Phase 2 reimbursement.
- Investment Income is trending \$7,000 more for the fiscal year.

Expenditures

- Increase \$500,000 for transfer out to General Fund.
- Increase \$673,659 for prior year projects that are not completed.

- Increase \$387,500 for Major Thoroughfare Pavement Preservation project that will be reimbursed by Dallas County.
- Increase \$260,000 for Military Parkway Trial Phase 2 project.
- Increase \$138,770 for administration charge related to TIRZ Funds' administration. This is a work order credit back to the General Fund for the costs of positions that provide administration of the TIRZ Funds.

Town Centre Increment Financing District Fund:

Revenues

- Increase City of Mesquite's tax portion by \$60,423.
- Decrease MISD's tax portion by \$75,999.

Expenditures

- Increase for all projects approved in the updated project and finance plan for Town Centre TIRZ (Downtown Manager, Retail Area Land Use Plan and Study, Highway Corridor Maintenance, Downtown Infrastructure and Purchase of Downtown Properties).
- Increase Capital Outlay \$9,141,098 for prior year projects that are not completed and rolled contracts.

Roadway Impact Fee Fund:

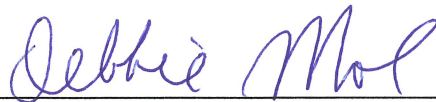
Revenues

- Roadway Impact Fees are trending \$110,000 more this fiscal year due to development activity.
- Investment Income is trending \$8,500 more for the fiscal year.

Water and Sewer Impact Fee Fund:

Revenues

- Water Impact Fees are trending \$10,000 more this fiscal year due to development activity.
- Investment Income is trending \$1,400 more for the fiscal year.



Debbie Mol
Director of Finance