

# Memorandum

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CITY SECRETARY  
DALLAS, TEXAS



DATE: January 20, 2011

TO: Honorable Members of the Budget, Finance & Audit Committee: Ann Margolin (Vice Chair),  
Vonciel Jones Hill, Angela Hunt, Delia D. Jasso, Ron Natinsky, David A. Neumann

SUBJECT: Budget, Finance & Audit Committee Meeting

**Monday, January 24, 2011, 9:30 a.m.**

Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Approval of December 13, 2010 minutes
2. Office of the City Auditor Fiscal Year 2011-  
Second Quarter Update
3. Oncor Electric Delivery Company LLC  
Rate Filing

Craig D. Kinton, City  
Auditor

Nick Fehrenbach, Manager of  
Regulatory Affairs, Office of  
Financial Services

**FYI:**

4. November 2010 Financial Forecast Report

Please let me know if you have any questions.



Jerry R. Allen, Chair  
Budget, Finance & Audit Committee

cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Edward Scott, City Controller

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.

# **Budget, Finance & Audit Committee**

## **Meeting Record**

**(DRAFT)**

**Meeting Date:** 12-13-2010

**Convened:** 9:36 a.m.

**Adjourned:** 10:47 a.m.

Jerry R. Allen, Chair  
Ann Margolin, Vice-Chair  
Vonciel Jones Hill  
Dave Neumann  
Angela Hunt  
Delia D. Jasso  
Ron Natinsky

**Briefing Presenter(s):**

-Jeanne Chipperfield, Chief  
Financial Officer  
-Jack Ireland, Director, Office  
of Financial Services

**Staff Present:**

Craig Kinton, Ryan Lawler, Shelia Robinson, Bilierae Jonson, Edward Scott, Lance Sehorn, Corrine Steeger, Donna Lowe, Laura Carrillo, Daley Lehmann

**AGENDA:**

1. **Approval of the November 8, 2010 minutes**

**Presenter(s):**

**Information Only:** \_\_\_\_\_

**Action Taken/Committee Recommendation(s):**

Motion to approve the November 8, 2010 minutes.

Motion made by: Vonciel Jones Hill

Motion seconded by: Dave Neumann

2. **The Jesuit School – Bond Issue Consent**

**Presenter(s):** Jeanne Chipperfield

**Information Only:** \_\_\_\_\_

**Action Taken/Committee Recommendation(s):**

The issuance of bonds by the Red River Education Finance Corporation in an amount not to exceed \$11 million for the benefit of Jesuit College Preparatory School. They will hold a public hearing on January 7, 2011. The Budget, Finance & Audit Committee made a motion to move approval to have the Jesuit School Bond Issue Consent go to full council on January 12, 2011.

Motion made by: Ann Margolin

Motion seconded by: Dave Neumann

3. **Budget Comparisons of the Five Largest Cities in Texas**

**Presenter(s):** Jack Ireland

**Information Only:** \_\_X\_\_

**Action Taken/Committee Recommendation(s):**

Motion made by:

Motion seconded by:

# **Budget, Finance & Audit Committee**

## **Meeting Record**

**(DRAFT)**

4. **1998 Sports Arena Project Bonds Optional Redemption Memo**

**Presenter(s):** Jeanne Chipperfield

**Information Only:**       

**Action Taken/Committee Recommendation(s):**

Staff recommends redemption of \$8.5 million of Series 1998B bonds, which will reduce the outstanding amount of \$10.4 million and will produce \$2.3 million aggregate savings on a present value basis. This item will be on the January 12, 2011 agenda.

Motion made by: Ron Natinsky

Motion seconded by: Ann Margolin

5. **October 2010 Financial Forecast Report**

**Presenter(s):** Jeanne Chipperfield

**Information Only:**   X  

**Action Taken/Committee Recommendation(s):**

Motion made by:

Motion seconded by:

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Jerry R. Allen, Chair

Budget, Finance & Audit Committee

## Memorandum



DATE: January 20, 2011

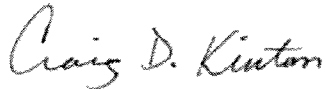
TO: Honorable Members of the Budget, Finance & Audit Committee –  
Jerry R. Allen, Chair; Ann Margolin, Vice-Chair; Delia Jasso; Vonciel Jones Hill;  
Angela Hunt; Ron Natinsky; David A. Neumann

SUBJECT: Presentation to the Budget, Finance & Audit Committee:  
Office of the City Auditor Fiscal Year 2011 – Second Quarter Update

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, January 24, 2011 regarding:

- Fiscal Year 2011 Audit Plan Status Update – Second Quarter

Sincerely,



Craig D. Kinton  
City Auditor

# Budget, Finance and Audit Committee

## Office of the City Auditor Fiscal Year 2011 – Second Quarter Update



City of Dallas  
Office of the City Auditor  
January 24, 2011



# Reports Issued

*First Quarter, Fiscal Year 2011*

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- Sanitation Franchise Fee Audit of a Selected Solid Waste Collection and Hauling Company
- Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation
- Confidential Security Administration Limited Use Report – Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation
- American Recovery and Reinvestment Act (ARRA ) – July 1, 2010 to September 30, 2010
- Audit of Fleet Management Services

# Reports Issued

*First Quarter, Fiscal Year 2011*

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- Independent Auditor's Reports on Applying Agreed-Upon Procedures
  - Fiscal Year 2010 # 4 Drug Destruction
  - Fiscal Year 2010 # 4 Weapons Destruction
  - Fiscal Year 2011 # 1 Weapons Destruction
  - Fiscal Year 2011 # 1 Drug Destruction
  - Bonds Review: General Obligation Refunding Bonds, Series 2010C; Equipment Acquisition Contractual Obligations, Series 2010; General Obligation Refunding Bonds, Taxable Series, 2010



# Reports Issued

## *First Quarter, Fiscal Year 2011*

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### ■ Sole Source Bid Reviews

- Deccan International – Dallas Fire-Rescue
- Hansen Information Technologies Software Service and Maintenance Renewal – Dallas Water Utilities
- Lawson HRIS Software Maintenance Renewal and Contract for Additional Licenses – Department of Communication and Information Services
- LeadsOnline Subscription – Dallas Police Department
- NewsBank, Inc. – Dallas Public Library
- Orion Software Maintenance – Dallas Police Department

### ■ Single Bid Reviews

- Rifle Purchase with Trade-In – Dallas Police Department
- Business Loan Program – Department of Economic Development

# Reports Issued

Second Quarter, Fiscal Year 2011

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- Sanitation Franchise Fee Audit of a Selected Solid Waste Collection and Hauling Company

# Anticipated Report Releases

## Second Quarter, Fiscal Year 2011

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- American Recovery and Reinvestment Act (ARRA) – Summary Report of October 1, to 2009 to September 30, 2010
- South Dallas Fair Park Trust Fund
- Follow-Up Audit of Outstanding Prior Audit Recommendations
- Fiscal Year 2011 # 2 Drug Destruction

# Projects In-Progress

Second Quarter, Fiscal Year 2011

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- Uniform Overtime for Dallas Fire-Rescue
- Sales/Use Tax Compliance Review Service
- No Smoking Ordinance
- Information Technology Disaster Recovery
- Fleet Management Fuel Usage
- Emergency Management Operations and Business Continuity Plan
- Capital Programs

# Anticipated Project Starts

Second Quarter, Fiscal Year 2011

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- Contract Compliance – Office Depot Former Contract
- Sanitation Refuse Collection and Bulk Removal
- Aviation Regulatory Compliance
- Municipal Court Collection Services
- Drug Articles and Weapons Destructions (as requested)
- Single Bid and Sole Source Reviews (as requested)

# Audit Highlights

First Quarter, Fiscal Year 2011

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## ■ Sanitation Franchise Fee Audit of Selected Solid Waste Collection and Hauling Company

- Identified \$51,633 in underpaid franchise fees
- As a result, the company remitted \$51,633 to the City of Dallas on August 26, 2010

# Audit Highlights

## First Quarter, Fiscal Year 2011

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- **Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation**
  - Selected General Computer Controls for the Class and Club Prophet Point of Sale (POS) Applications, which support revenue transaction processing for approximately 72 percent of the \$11.8 million PKR FY 2010 budgeted revenue, are generally not well designed or properly implemented
  - The PKR information technology function has not established general computer controls over change management, security administration, and computer operations for these POS applications; without general computer controls for these POS applications, PKR cannot ensure accuracy and completeness of revenue processing
  
- **Confidential Security Administration Limited Use Report – Audit of Selected General Computer Controls Over Various Revenue Sources for the Department of Park and Recreation**
  - Issues and associated recommendations related to security administration have been omitted from the publicly released report based on:
    - Government Auditing Standards, July 2007 revision, Sections 8.39 – 8.42 Reporting Confidential or Sensitive Information; and,
    - Texas Government Code Section 552.139. Exception: Government Information Related to Security or Infrastructure Issues for Computers

# Audit Highlights

First Quarter, Fiscal Year 2011

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## ■ American Recovery and Reinvestment Act (ARRA) – July 1, 2010 to September 30, 2010

- As of September 30, 2010, the City of Dallas (City) has been awarded ARRA funds of \$136,033,631 by Federal and State agencies. Of this amount, \$76,805,968 was funded through the Texas Department of Transportation, the Regional Transportation Commission, and the North Central Texas Council of Governments. Of the remaining \$59,227,663, the City indicated that \$16,036,051, or approximately 27 percent, has been expended.
- During the period of July 1, 2010 through September 30, 2010, the City did not directly receive new ARRA funding awards; however the City has two applications totaling \$932,479 pending approval by Federal and State agencies
- The City will benefit from \$76.8 million in ARRA funding allocated to transportation projects by Regional Transportation Commission, Texas Department of Transportation, and North Central Texas Council of Governments. The City is not directly responsible for monitoring these funds.
- The Office of the City Auditor previously reported the City's actual ARRA expenditures were not reported to the public because the Federal government required that expenditure amounts could not exceed the amount reimbursed from Federal agencies. This requirement was changed for the reports due beginning in July 2010.
- The Office of the City Auditor has not received any allegations involving Federal stimulus grants through the Fraud, Waste and Abuse Hotline during the period of July 1, 2010 through September 30, 2010



# Audit Highlights

First Quarter, Fiscal Year 2011

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## ■ American Recovery and Reinvestment Act (ARRA) – July 1, 2010 to September 30, 2010 (*CONTINUED FROM PREVIOUS PAGE*)

- The City should be commended for either implementing or partially implementing 27 of the 28 recommendations included in the 2009 ARRA risk assessment reported by the Office of the City Auditor. The recommendation not implemented suggests City management include the ARRA **preference** for “quick start” activities in written policies and procedures. This does not impact the City’s compliance with ARRA requirements.
- A September 2010 Government Accountability Office Recovery Act report on *Opportunities to Improve Management and Strengthen Accountability over States’ and Localities’ Uses of Funds* shows that the Dallas City Auditor has taken various steps to promote accountability within the City
- Weatherization Assistance Program contractors have completed work on 257 homes from July 1, 2010 through September 30, 2010 and the City has met the target production goals per the Mitigation Action Plan; however, non-compliance issues remain a concern
- The City did not meet the initial September 2010 benchmark of spending 20 percent (\$2.6 million) of Energy Efficiency and Conservation Block Grant funds; however, the Federal government did not take any adverse action
- The City and its sub-recipients reported 158 jobs were funded during the period July 1, 2010 through September 30, 2010

# Audit Highlights

## First Quarter, Fiscal Year 2011

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### ■ **Audit of Fleet Management Services**

- The City of Dallas can improve fleet management and efficiency and minimize risks by:
  - Establishing and evaluating vehicle utilization criteria
  - Developing benchmarks for the timely processing of vehicles through the make ready process (process of preparing a vehicle for service) and disposition stages of the vehicles' life cycle
  - Using the FleetFocus M5 software application to track the number and status of all vehicles in the City's fleet
  - Implementing appropriate controls to ensure the reliability and integrity of fleet data used for decision making

# Attestation Highlights

First Quarter, Fiscal Year 2011

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- **Independent Auditor Reports on Applying Agreed-Upon Procedures**
  - **Fiscal Year 2010 # 4 Drug Destruction**
    - 1,113 drug invoices and associated 1,977 drug articles totaling 225.1 pounds destroyed
  - **Fiscal Year 2010 # 4 Weapons Destruction**
    - 115 weapons destroyed
  - **Fiscal Year 2011 # 1 Weapons Destruction**
    - 208 weapons destroyed
  - **Fiscal Year 2011 # 1 Drug Destruction**
    - 66 drug invoices and associated 211 drug articles totaling 811.0 pounds destroyed

# Attestation Highlights

First Quarter, Fiscal Year 2011

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## ■ Bonds Reviews

The following Official Statements related to the listed bonds were reviewed to minimize concerns that the City's financial condition is not accurately disclosed:

- Official Statement Totaling \$237,275,000 – General Obligation Refunding Bonds, Series 2010 C; Equipment Acquisition Contractual Obligations, Series 2010; General Obligation Refunding Bonds, Taxable Series 2010

# Attestation Highlights

First Quarter, Fiscal Year 2011

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## □ Sole Source Bid Reviews

The following Sole Source Bid Reviews met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions (a) (7)** – *a procurement of items that are available from only one source*

- Deccan International \$84,250 – Dallas Fire-Rescue
- Hansen Information Technologies Software Service and Maintenance Renewal \$39,026 – Dallas Water Utilities
- Lawson HRIS Software Maintenance Renewal and Contract for Additional Licenses \$998,321.52 – Department of Communication and Information Services
- LeadsOnline Subscription \$86,400 – Dallas Police Department
- NewsBank, Inc. \$432,594 – Dallas Public Library
- Orion Software Maintenance \$223,869.73 – Dallas Police Department

# Attestation Highlights

First Quarter, Fiscal Year 2011

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## □ **Sole Source Bid Reviews** *(CONTINUED FROM PREVIOUS PAGE)*

The following procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions** (a) (7) – *a procurement of items that are available from only one source*; however, an exception was noted as a result of applying agreed-upon procedures that it was not possible to determine price reasonableness due to insufficient data provided by the vendor:

- Hansen Information Technologies Software Service and Maintenance Renewal \$39,026 – Dallas Water Utilities

The following procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, **General Exemptions** (a) (7) – *a procurement of items that are available from only one source*; however, two exceptions were noted as a result of applying agreed-upon procedures that: (1) In FY 2008, 2009, and 2010, the Dallas Public Library made purchases without City Council approval, an Office of the City Auditor's Sole Source Review, or a contract. In August 2010, City Management approved payment of \$25,000 of the \$125,870 through an Administrative Action. During the same three fiscal years, the Library also purchased NewsBank microfilm access services in the amounts of \$24,430.82, \$22,111, and \$23,190.46, respectively, which were invoiced separately; and, (2) There is no contract with the vendor for the online newspaper database and microfilm access services:

- NewsBank, Inc. \$432,594 – Dallas Public Library

# Attestation Highlights

First Quarter, Fiscal Year 2011

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## □ Single Bid Reviews

The following procurement followed Administrative Directive 4-5 provisions for processing single bid items and made reasonable efforts to increase bid participation:

- Rifle Purchase with Trade-In \$40,900 – Dallas Police Department

The following procurement followed the majority of the provisions contained within Administrative Directive 4-5 provisions for processing single bid items; however, an exception was noted as a result of applying agreed upon procedures that the Request for Competitive Sealed Requirements appeared unduly restrictive, thereby limiting competition:

- Business Loan Program \$3,000,000 – Department of Economic Development



# Audit Highlights

## Second Quarter, Fiscal Year 2011

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- Sanitation Franchise Fee Audit of a Selected Solid Waste Collection and Hauling Company – *Released January 21, 2011*
  - Audit identified \$165,147 in underpaid franchise fees; as a result, the company remitted \$165,147 to the City of Dallas on December 28, 2010



# QUESTIONS?



City of Dallas  
Office of the City Auditor  
January 24, 2011



# Memorandum



CITY OF DALLAS

DATE January 21, 2011

TO Budget, Finance and Audit Committee Members:  
Jerry Allen (Chair), Ann Margolin (Vice Chair), Delia Jasso,  
Vonciel Jones Hill, Ron Natinsky, Angela Hunt, David A.  
Neumann

SUBJECT Oncor Rate Filing

Oncor Electric Delivery Company, LLC has filed a rate request with the City and the Public Utility Commission of Texas. The attached briefing will be presented at your January 24<sup>th</sup> meeting as an overview of this matter.

If you have questions, please let me know.

A handwritten signature in cursive script, reading "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

- c: Honorable Mayor and Members of the City Council
  - Mary K. Suhm, City Manager
  - Thomas P. Perkins, Jr., City Attorney
  - Deborah A. Watkins, City Secretary
  - Craig Kinton, City Auditor
  - C. Victor Lander, Judiciary
  - Ryan S. Evans, First Assistant City Manager
  - Jill A. Jordan, P.E., Assistant City Manager
  - A.C. Gonzales, Assistant City Manager
  - Forest Turner, Assistant City Manager
  - Helena Stevens-Thompson, Assistant to the City Manager
  - Jack Ireland, Director, Office of Financial Services

# Oncor Electric Delivery Company, LLC Rate Filing

Budget, Finance and Audit Committee  
January 24, 2011



# Purpose

- Provide BFA Committee with an overview of Oncor Electric Delivery Company, LLC (Oncor) rate filing and City of Dallas' course of action
  - Timeline
  - Steering Committee of Cities Served by Oncor
  - Overview of Rate Filing
  - Key Issues for City of Dallas
  - Recommendation and Next Steps

# Timeline

- On Jan 7, Oncor filed rate request with City of Dallas, Public Utility Commission of Texas (PUC) and all other cities on their system who retain jurisdiction
- Oncor's requested effective date for new rates is Feb 14, 2011
  - If no action is taken before this date, rates are deemed approved by operation of law
  - Municipality may suspend effective date for an additional 90 days

# Timeline (continued)

- Action item on City Council's Jan 26 addendum to suspend Oncor's rate request for 90 days
  - City Council's last meeting scheduled prior to Oncor proposed effective date is Feb 11
  - Once suspension resolution is passed, new effective date will be May 15
- Council must take additional action prior to May 15 to approve or deny rate request

# Timeline (continued)

- Oncor filed case concurrently with PUC for environs (unincorporated areas of State) and cities that have ceded their rate jurisdiction to PUC
  - In order to have uniform system wide rates, Oncor will likely appeal any City rate order to PUC
  - Appeal will most likely be consolidated with pending environs case that Oncor filed with PUC
- Deadline for PUC to take action on environs case is July 31

# Steering Committee of Cities Served by Oncor

- Formed in late 1980s to assist cities and coordinate efforts in matters before PUC relating to Oncor (formerly TXU)
  - Avoids duplication of effort by all affected cities
  - Currently 146 member cities including Dallas
  - Funded by an annual assessment to member cities on a per capita basis
  - Dallas is a member of executive committee which governs Steering Committee
- Steering Committee has represented City of Dallas in all electric rate cases since 1990



# Steering Committee (continued)

- Steering Committee is in process of reviewing Oncor's Jan 7 rate filing
  - Hired consultants to look at technical issues of case
  - Retained legal counsel to review legal aspects of case and prep for hearing on merits
  - Will fully investigate filing and will make recommendations to member cities in time to act prior to May 15 deadline

# Steering Committee (continued)

- Will participate in PUC environs case prior to City's appeal being consolidated with it
- Will represent City on appeal of local case to PUC
- If there are issues specific to Dallas, City may present its own experts at PUC hearings
  - Rate case expenses are generally reimbursable by utility that filed rate case

# Overview of Rate Filing

- Oncor has requested overall rate increase of 16.2% above rates in effect at end of test year (June 30, 2010) in order to generate additional \$441,407,595 which includes:
  - An increase of \$352,787,050 over existing rates, and
  - Adjustments approved or pending with PUC after June 30 for Transmission Cost of Service (TCOS) and Transmission Cost Recovery Factor (TCRF)

# Overview of Rate Filing (continued)

- Factors driving need to increase rates per Oncor
  - Significant new investment in infrastructure
  - Decline in customer growth
  - Decline in consumption per customer
- Oncor is also requesting an increase in authorized rate of return on equity from 10.25% approved in last case to 11.25%

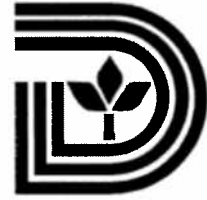
# Key Issues for City of Dallas

- Street Lighting – Oncor has proposed an increase to street lighting rates of 25.9% system-wide
  - Impact on Dallas is very close to system-wide 25.9% and applies only to Transmission and Distribution component of electric expense
- Increase to non-lighting City accounts is approximately 18% and applies only to Transmission and Distribution component of electric expense
- Vegetation Management (Tree Trimming)
  - Oncor proposed moving from a reactive strategy to a cyclical program
  - All circuits trimmed every 5 years
  - Increases costs from \$26m in test year to almost \$61m going forward

# Recommendation and Next Steps

- Jan 26 addendum – Recommend City Council approve resolution to suspend effective date of rates for 90 days from Feb 14 to May 15
  - Allows time for staff and Steering Committee to investigate Oncor's request and make appropriate recommendations to Council
- Council must take additional action prior to May 15 to approve or deny rate request

# Memorandum



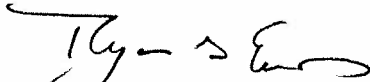
CITY OF DALLAS

DATE January 21, 2011  
TO The Honorable Mayor and Members of the City Council  
SUBJECT Financial Forecast Report

For your information, attached is the financial forecast for FY 2010-11, based on information through November. General Fund revenues are projected to be \$674,000 above budget and expenditures are projected to be \$564,000 above budget.

The General Fund is above budget as a result of higher than anticipated prices for fuel. The per gallon cost of fuel may continue to rise requiring future adjustments to the fuel forecast. This expense will be monitored closely as we proceed further into the fiscal year.

We will continue to closely monitor revenues and expenditures and keep you informed.

  
Mary K. Suhm  
City Manager

## Attachment

c: Ryan S. Evans, First Assistant City Manager  
A.C. Gonzales, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer

**GENERAL FUND  
COMPARISON OF 2010-11 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$998,492	\$71,109	\$999,167	\$674
Expenditures	\$1,006,047	\$167,725	\$1,006,611	\$564
Sub Total	(\$7,555)	(\$96,616)	(\$7,444)	\$110
Use of one time resources	\$7,555		\$7,555	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>(\$0)</u>		<u>\$110</u>	



**FINANCIAL FORECAST REPORT  
FY 2010-11  
AS OF NOVEMBER 30, 2010**

**GENERAL FUND**

**Revenues**

- Total General Fund revenues are estimated to be \$674,000 above budget.
  - Parking Fine revenues are projected to be \$463,000 below budget due to reduced violations and elimination of meters around new green space and parks in the downtown area.
  - Private Disposal revenues are projected to be \$1,687,000 below budget primarily due to the delayed improvement to the general economy, and to the construction industry in particular, resulting in lower-than-projected landfill revenues.
  - Miscellaneous revenues are projected to be \$948,000 above budget primarily due to a reimbursement from Atmos Energy for rate case expenses previously incurred by the City and the re-sale of recyclable paper and cardboard.

**Expenditures**

- Total General Fund expenditures are estimated to be \$564,000 above budget.
  - Fuel expenses are projected to be \$926,000 above budget due to increase cost per gallon for both unleaded and diesel grades.

**GENERAL FUND  
FORECAST OF FY 2010-11 REVENUES  
AS OF NOVEMBER 30, 2010  
(000s)**

	<u>BUDGET</u>	<u>REVENUES YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
<b>TAXES</b>				
Ad Valorem Tax	\$435,785	\$21,537	\$435,785	\$0
Sales Tax	204,810	0	206,043	1,233
<b>FRANCHISE REVENUES</b>				
Oncor Electric	46,641	15,309	46,641	0
AT&T	19,668	0	19,668	0
Atmos Energy	11,355	0	11,355	0
Time Warner Cable	6,000	834	6,000	0
Other	13,486	181	13,486	0
<b>TOTAL TAXES &amp; FRANCHISE REVENUES</b>	<b>737,745</b>	<b>37,861</b>	<b>738,978</b>	<b>1,233</b>
<b>LICENSES AND PERMITS</b>	<b>9,893</b>	<b>1,201</b>	<b>9,895</b>	<b>2</b>
<b>INTEREST EARNED</b>	<b>2,413</b>	<b>35</b>	<b>2,413</b>	<b>0</b>
<b>INTERGOVERNMENTAL</b>	<b>6,312</b>	<b>234</b>	<b>6,292</b>	<b>(20)</b>
<b>FINES AND FORFEITURES</b>				
Municipal Court	16,560	2,263	16,915	354
Vehicle Towing & Storage	7,774	1,247	7,976	202
Parking Fines	5,988	1,569	5,525	(463)
Red Light Camera Fines	8,344	0	8,344	0
Public Library	670	88	670	0
<b>TOTAL FINES</b>	<b>39,337</b>	<b>5,166</b>	<b>39,430</b>	<b>93</b>
<b>CHARGES FOR SERVICE</b>				
Sanitation Service	59,883	10,041	59,890	6
Parks	7,488	1,082	7,481	(8)
Private Disposal Fees	23,396	2,837	21,709	(1,687)
Emergency Ambulance	19,274	1,628	19,274	0
Security Alarm	4,650	674	4,650	0
Street Lighting	1,493	99	1,493	0
Vital Statistics	1,853	229	1,853	0
Other	19,344	2,962	19,451	107
<b>TOTAL CHARGES</b>	<b>137,381</b>	<b>19,552</b>	<b>135,800</b>	<b>(1,581)</b>
<b>INTERFUND REVENUE</b>	<b>52,662</b>	<b>5,087</b>	<b>52,662</b>	<b>0</b>
<b>MISCELLANEOUS</b>	<b>12,750</b>	<b>1,971</b>	<b>13,698</b>	<b>948</b>
<b>TOTAL REVENUE</b>	<b>998,493</b>	<b>71,109</b>	<b>999,167</b>	<b>674</b>
<b>USE OF ONE-TIME RESOURCES</b>	<b>7,555</b>	<b>0</b>	<b>7,555</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$1,006,047</b>	<b>\$71,109</b>	<b>\$1,006,722</b>	<b>\$674</b>

**GENERAL FUND  
FORECAST OF FY 2010-11 EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$20,838	\$4,539	\$20,838	\$0
Business Dev/Procurement Svcs	\$2,029	\$596	\$2,029	\$0
City Attorney's Office	\$9,944	\$1,579	\$9,897	(\$47)
City Auditor's Office	\$2,075	\$317	\$2,073	(\$2)
City Controller's Office	\$3,558	\$675	\$3,558	\$0
City Manager's Office	\$1,496	\$302	\$1,489	(\$7)
City Secretary's Office	\$1,470	\$259	\$1,470	\$0
Civil Service	\$1,012	\$178	\$1,014	\$2
Code Compliance	\$26,846	\$4,001	\$26,846	\$0
Court Services	\$10,849	\$1,559	\$10,763	(\$86)
Elections	\$1,092	\$96	\$1,092	\$0
Fire	\$195,132	\$25,604	\$195,132	\$0
Housing / Community Services	\$7,438	\$4,443	\$7,485	\$48
Human Resources	\$3,053	\$729	\$3,054	\$1
Independent Audit	\$772	\$0	\$772	\$0
Judiciary	\$2,964	\$589	\$2,918	(\$46)
Library	\$19,591	\$3,766	\$19,591	\$0
Management Services	\$2,524	\$1,107	\$2,524	\$0
Mayor and Council	\$3,618	\$532	\$3,567	(\$51)
Non-Departmental	\$30,666	\$1,715	\$30,666	\$0
Office of Cultural Affairs	\$12,530	\$1,254	\$12,490	(\$40)
Office of Economic Development	\$492	\$469	\$492	\$0
Office of Financial Services	\$1,532	\$216	\$1,532	\$0
Park and Recreation	\$63,700	\$12,017	\$63,860	\$160
Police	\$403,070	\$50,851	\$402,820	(\$250)
Public Works and Transportation	\$11,875	\$3,040	\$11,870	(\$5)
Sanitation Services	\$72,748	\$14,078	\$72,748	\$0
Street Lighting	\$17,338	\$17,278	\$17,340	\$3
Street Services	\$48,912	\$4,419	\$48,912	\$0
Sustainable Dev/Construction	\$915	\$442	\$874	(\$41)
Trinity Watershed Management	\$105	\$0	\$105	\$0
<b><u>OTHER</u></b>				
Appraisal Districts	\$3,258	\$2,959	\$3,258	\$0
Dallas County Tax Collection	\$576	\$0	\$576	\$0
Jail Contract - Lew Sterrett	\$8,116	\$8,116	\$8,116	\$0
Fuel (to be allocated)	\$0	\$0	\$926	\$926
<b><u>RESERVES AND TRANSFERS</u></b>				
Salary and Benefit Reserve	\$3,700	\$0	\$3,700	\$0
Contingency Reserve	\$3,646	\$0	\$3,646	\$0
Liability/Claims Fund	\$6,569	\$0	\$6,569	\$0
<b>EXPENDITURES</b>	<b><u>\$1,006,047</u></b>	<b><u>\$167,725</u></b>	<b><u>\$1,006,611</u></b>	<b><u>\$564</u></b>

**PROPRIETARY FUNDS  
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Aviation</u></b>				
Revenues	\$47,007	\$7,800	\$47,014	\$7
Expenses	\$47,007	\$4,849	\$46,984	(\$23)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	\$2,951	\$30	\$30
<b><u>Convention Center</u></b>				
Revenues	\$58,636	\$5,136	\$58,636	\$0
Expenses	\$58,636	\$7,981	\$58,512	(\$123)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	(\$2,845)	\$123	\$123
<b><u>Municipal Radio Fund</u></b>				
Revenues	\$2,717	\$540	\$2,717	\$0
Expenses	\$2,717	\$557	\$2,717	\$0
Net Excess of Revenues				
Over Expenses/Transfer	\$0	(\$17)	\$0	\$0
<b><u>Sustainable Dev/ Construction</u></b>				
Revenues	\$17,298	\$2,290	\$16,758	(\$540)
Expenses	\$16,791	\$1,612	\$16,683	(\$108)
Net Excess of Revenues				
Over Expenses/Transfer	\$507	\$678	\$75	(\$432)
<b><u>Water Utilities</u></b>				
Revenues	\$531,240	\$79,318	\$529,590	(\$1,651)
Expenses	\$531,240	\$53,699	\$529,590	(\$1,651)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	\$25,619	\$0	\$0
<b><u>Communication &amp; Information Svcs</u></b>				
Revenues	\$48,019	\$6,790	\$48,019	\$0
Expenses	\$48,155	\$5,679	\$48,155	\$0
Net Excess of Revenues				
Over Expenses/Transfer	(\$136)	\$1,111	(\$136)	\$0

**PROPRIETARY FUNDS  
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Equipment Services</u></b>				
Revenues	\$44,933	(\$635)	\$46,012	\$1,079
Expenses	\$44,933	\$4,201	\$45,992	\$1,059
Net Excess of Revenues Over Expenses/Transfer	\$0	(\$4,836)	\$20	\$20
<b><u>Express Business Center</u></b>				
Revenues	\$3,901	\$630	\$3,905	\$4
Expenses	\$4,049	\$930	\$4,049	\$0
Net Excess of Revenues Over Expenses/Transfer	(\$148)	(\$300)	(\$144)	\$4

**OTHER FUNDS  
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Employee Benefits</u></b>	\$512	\$57	\$512	\$0
<b><u>Risk Management</u></b>	\$1,268	\$205	\$1,268	\$0
<b><u>9-1-1 System Operations</u></b>				
Revenues	\$13,457	\$2,303	\$13,457	\$0
Expenses	<u>\$13,912</u>	<u>\$128</u>	<u>\$13,912</u>	<u>\$0</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$454)</u>	<u>\$2,175</u>	<u>(\$454)</u>	<u>\$0</u>
<b><u>Storm Water Drainage</u></b>				
Revenues	\$48,234	\$8,232	\$48,234	\$0
Expenses	<u>\$50,119</u>	<u>\$3,379</u>	<u>\$49,942</u>	<u>(\$177)</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$1,885)</u>	<u>\$4,853</u>	<u>(\$1,708)</u>	<u>\$177</u>

**DEBT SERVICE FUND  
FORECAST OF 2010-11 REVENUES AND EXPENDITURES  
AS OF NOVEMBER 30, 2010  
(000s)**

<u>DEBT SERVICE</u>	<u>BUDGET</u>	<u>EXPENDITURES AND REVENUES YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Beginning Balance	\$3,632	\$0	\$3,632	\$0
Revenues	\$259,660	\$10,679	\$253,073	(\$6,587)
Expenses	\$260,685	\$0	\$253,922	(\$6,763)
Ending Balance	<u>\$2,607</u>	<u>\$10,679</u>	<u>\$2,783</u>	<u>\$176</u>

**CONTINGENCY RESERVE STATUS**

<b>Beginning Balance October 1, 2010</b>	<b>\$5,013,005</b>
No uses of Contingency Reserve	\$0
<b>Balance as of November 30, 2010</b>	<u><u><b>\$5,013,005</b></u></u>



**LIABILITY/CLAIMS FUND**

<b>Beginning Balance October 1, 2010</b>	<b>\$8,574,065</b>
Paid October 2010	(\$28,115)
Paid November 2010	(\$93,596)
<b>Balance as of November 30, 2010</b>	<b><u>\$8,452,354</u></b>