

Memorandum

CITY SECRETARY
DALLAS, TEXAS



DATE: January 4, 2013

TO: Honorable Members of the Budget, Finance & Audit Committee: Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

SUBJECT: Budget, Finance & Audit Committee Meeting

Monday, January 7, 2013, 1:00 p.m.

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

The agenda for the meeting is as follows:

1. Approval of December 3, 2012 minutes
2. American Recovery & Reinvestment Act (ARRA)
Status Update
Period Ending November 30, 2012
Brett Wilkinson, Managing Director
Office of Intergovernmental Services
3. Financial Transparency Website
Jack Ireland, Director
Office of Financial Services

FYI:

4. Upcoming Agenda Item Memo - Financial System Upgrade
5. Upcoming Agenda Item Memo - Professional Services Contract
with Diversified Utility Consultant's Inc.
6. November 2012 Financial Forecast Report



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

cc: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Thomas P. Perkins, Jr., City Attorney
Daniel Solis, Administrative Judge Municipal Court

Craig D. Kinton, City Auditor
A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, City Controller
Frank Libro, Public Information Office
Stephanie Pegues-Cooper, Assistant to the City Manager

A quorum of the Dallas City Council may attend this Council Committee meeting.

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 - 03- 2012

Convened: 1:06 p.m.

Adjourned: 2:30 p.m.

Committee Members Present:

Jerry R. Allen, Chair

Tennell Atkins, Vice-Chair

Monica Alonzo

Scott Griggs

Ann Margolin

Staff Present:

Jeanne Chipperfield, Forest Turner, Jack Ireland, Edward Scott, Lance Sehorn, Molly McCall, Errick Thompson, Mike Frosch, Nick Fehrenbach, Jing Xiao

AGENDA:

1. **Approval of the October 1, 2012 minutes**

Presenter(s):

Information Only: _____

Action Taken/Committee Recommendation(s):

A motion was made to approve the October 1, 2012 minutes. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Monica Alonzo

2. **Communications Related to the FY 2012 Audit**

Presenter(s): Ben Kohnle, Engagement Partner, Grant Thornton

Information Only: __X__

Action Taken/Committee Recommendation(s):

N/A

3. **Electricity Procurement**

Presenter(s): Errick Thompson, Director, Equipment & Building Services

Information Only: _____

Action Taken/Committee Recommendation(s):

A motion was made to move the briefing to full Council on Wednesday, December 12, 2012. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion Seconded by: Scott Griggs

4. **Employee/ Retiree Health Benefit**

Presenter(s): Molly McCall

Information Only: _____

Action Taken/ Committee Recommendation(s):

A motion was made to move the agenda items to full Council on Wednesday, December 12, 2012. Motion passed unanimously.

Budget, Finance & Audit Committee

Meeting Record

(DRAFT)

Motion made by: Monica Alonzo

Motion Seconded by: Tennell Atkins

5. **Financial Forecast Report, October 2012**
Information Only: X

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

Memorandum



DATE January 4, 2013

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

SUBJECT American Recovery & Reinvestment Act (ARRA) – Program Status Report as of
November 30, 2012

Overview

Since April 2009, approximately \$133M in American Recovery and Reinvestment Act (ARRA) funds were awarded to the City of Dallas (COD). More than \$79.2M of that amount was awarded directly to the COD. Another \$53.8M was awarded to the Texas Department of Transportation (TxDOT) and the Regional Transportation Commission (RTC) to complete roadway projects that directly impact the COD.

Project Status

As indicated in the attached PowerPoint presentation entitled *American Recovery and Reinvestment Act (ARRA) – Status Update – Period Ending November 30, 2012*, COD staff members have been diligent in their completion of ARRA-funded projects. To-date, the only remaining active ARRA grants are the Internet Crimes Against Children, COPS, Byrne Justice Assistance, Clean Cities and TIGER. Staff anticipate completing all activity related to these grants on or before June 2013, with the exception of TIGER which will be completed in 2014.

ARRA funds have been audited internally and externally, with an overall indication that the funds are being well-managed. Additionally, all ARRA-related reports have been submitted timely, and we have received complimentary monitoring visits from the granting agencies.

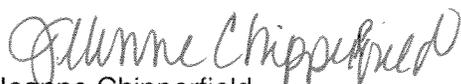
Outcome data demonstrates that the ARRA-funded projects are performing well and have been beneficial to the COD in terms of public safety enhancements, long-term energy cost-savings, the provision of services for qualified persons in need of housing-related assistance, public services and transportation enhancements.

In terms of job creation, ARRA projects resulted in the creation of 132 jobs and the retention of an additional 15 jobs within the COD organization. ARRA funds also resulted in the issuance of contracts for project design, construction projects, weatherization, public services delivery, and other activities that generated 374 direct jobs in the private sector. In addition, hundreds of “induced” jobs were created as a result of ARRA-related contracts. These jobs include positions in manufacturing, retail, and other service-related industries.

Highlights of the impact ARRA-funded projects have had on the COD and service deliveries are provided below:

- Increases in public safety through the hiring of 91 additional police officers.
- Improved ability to detect and prosecute cybercrimes against children.
- Cleaner and safer neighborhoods by funding Community Prosecution's efforts to cite and prosecute code violations that include debris removal, illegal dumping and boarding house violations.
- Enhancement and sustainability of the City's Green Building Code which ensures that new construction within the city of Dallas meets or exceeds national energy standards.
- Retrofitting of 103 City-owned buildings demonstrating our commitment to ensuring that our older buildings are more energy efficient. When all 145 buildings are completed, the estimated cost savings is \$1.3 million annually.
- Purchasing and retrofitting 79 new energy-efficient vehicles.
- Construction of a compressed natural gas (CNG) station with 26 slow-fill pumps and one fast-fill.
- Direct homeless prevention, rapid re-housing and utility assistance to 4,608 families, and outreach to over 6,000.
- Weatherization of 685 single-family homes citywide and 326 multi-family units.
- Installation of ADA enhancements to the Martin Luther King, Jr. Center and the West Dallas Multi-Purpose center to increase access for those with physical disabilities.
- Completion of sidewalk improvements in targeted areas which enhances neighborhood livability.
- Design, construction and/or reconstruction of major roadways in various parts of the City.

If you have questions or need additional information, please let me know.



Jeanne Chipperfield
Chief Financial Officer

Attachment

cc: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Daniel Soliz, Administrative Judge
A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Edward Scott, City Controller
John Johnson, Assistant to the City Manager

American Recovery and Reinvestment Act (ARRA)

Status Update

Period Ending November 30, 2012

Prepared by:
**The Office of Intergovernmental Services
Management Services Department**

**Budget, Finance & Audit Committee
January 7, 2013**



Table of Contents

- **Overview**
- **Public Safety**
- **Energy Efficiency**
- **Housing**
- **Public Infrastructure and Services**
- **Transportation**

Overview

ARRA was designed to inject money quickly into the economy by using mostly pre-existing programs, criteria, and funding methods. Funds were distributed directly to federal agencies, states, and local governments using pre-existing funding formulas. Other funds were made available through federal, state and local entities via a competitive application process.

The City of Dallas benefitted from approximately \$133 million through direct funding of City of Dallas programs and through projects within Dallas funded through other agencies.

Public Safety

Total Funds Received: \$17,627,217

The City of Dallas received ARRA formula and competitive funding to support public safety efforts citywide. This funding includes grant resources to support:

Internet Crimes Against Children Initiative in its detection, investigation, and prosecution of internet-based crimes.

Byrne Justice Assistance Grant (JAG) and COPS programs to support salaries for a total of 91 new officers, to purchase public safety equipment, to assist in the case management of ex-offenders, to support four existing community prosecutors and to provide technology enhancements that will assist with investigations, prosecution and data management.

Public Safety cont. Internet Crimes Against Children

- The City was awarded **\$776,503** to fund two detectives, provide skills training and purchase equipment over a three-year period.
- To-date, the Police Department has expended \$735,194, with reimbursements totaling \$698,784.
- **The grant is approximately 95% complete.**

Public Safety cont. BYRNE JUSTICE ASSISTANCE GRANT (JAG)

- Administered by IGS, the City was awarded **\$9,158,669**.
- The City serves as the **fiscal agent for 18 jurisdictions**, with funds utilized for activities that are law enforcement focused.
- **\$7,258,077** was allocated to the City to fund the hiring of 41 new officers for one year, the purchase of uniforms and accessories for 152 officers, the purchase of 66 squad cars, partial funding for the Community Prosecution program, and partial funding for Project Reconnect's prisoner re-entry initiatives.
- To-date, \$6,675,454 has been expended. All funds were received in advance so no reimbursements are pending.
- **The grant is approximately 92% complete.**

Public Safety cont. Byrne Justice Assistance (NCTCOG)

- The City received **\$696,337** in competitive grant funds through the North Central Texas Council of Governments (NCTCOG).
- Funds were used to purchase servers and Visicad software that enhances the police department's ability to store and retrieve crime-related information.
- Additional funds were used to support officers working as monitors for the Central Business District Camera initiative.
- **The grant is 100% complete and has been closed.**

Public Safety cont. COPS Hiring Recovery Program

- The City was awarded **\$8,896,300** to fund 50 new police officers over a three-year period.
 - *Due to the implementation of mandatory leave days under the Meet and Confer Agreement, the City is expected to spend approximately \$8.6M of the awarded amount.*
- The Police Department will ensure that the positions created with this grant will be retained one year after the completion of the grant.
- To-date, \$8,109,185 has been expended, with \$7,194,996 reimbursed.
- **The grant is approximately 94% complete.**

Public Safety Project Examples



New Officers hired with COPS and/or JAG funds

Public Safety Project Examples cont.



One of the graduating classes of police officers hired with COPS and/or JAG funds.

Public Safety Project Examples cont.



One of the 66 squad cars purchased with JAG funding.

Public Safety Project Examples cont.



JAG funding allowed the Community Prosecutor's Office to continue prosecuting severe code enforcement violations and other crimes thereby transforming neighborhoods. The pictures above show a home before and after intervention.

Public Safety Project Examples cont.



Before and after pictures of a junked car site cleared by Community Prosecution.

Energy Efficiency

Total Funds Received: \$22,917,414

- The City of Dallas received ARRA formula and competitive funding to support the City's long-term green initiatives.
- Over \$11M was allocated for the retrofitting of City-owned buildings.
- Additional funds were used to implement the City of Dallas' Green Building Ordinance, which became effective October 1, 2009.
- Approximately \$2.8M was allocated for the purchase and retrofit of energy-efficient vehicles and fueling stations.
- The remaining funds were allocated for weatherization activities in residential areas.

Energy Efficiency cont. Energy Efficiency & Conservation Block Grant (EECBG)

- The City initially received an allocation of **\$12,787,300.**
- The grant was divided into three major focus areas:
 - The Dallas Sustainable Communities Initiative **\$351,940**
 - The 21st Century Municipal Building Program **\$11,304,612**
 - The Green Building Office **\$366,052**
 - The remaining funds (**\$764,696**) were allocated for three years of grant administration.
- **The grant is 100% complete and is being closed out.**

Energy Efficiency cont. Energy Efficiency & Conservation Block Grant (EECBG)

- The Dallas Sustainable Communities Initiative was allocated **\$351,940**.
- The project was deemed a pilot project by the Department of Energy, with efforts focused on West Dallas.
- The project resulted in the weatherization of 37 homes at an average expenditure of \$5,000 per home.
- **This component of the EECBG is 100% completed.**

Energy Efficiency cont. Energy Efficiency & Conservation Block Grant (EECBG)

- The 21st Century Municipal Building Program was allocated **\$11,304,612.**
- The program was completed in September 2012.
 - This component of the project **included retrofitting City-owned buildings. 179 buildings were completed.**
 - Retrofits include the replacement of inefficient lighting and control systems. Retrofits have **been completed** in all Council Districts.
 - This component also included preventative maintenance activities such as controls and HVAC systems. **Over 450 preventative maintenance projects were** completed on City-owned buildings.
 - The FY savings is 3.78 million kWh, or approximately \$335,000.
- **This component of the EECBG project is 100% complete.**

Energy Efficiency cont. Energy Efficiency & Conservation Block Grant (EECBG)

- The Green Building Office was allocated **\$366,052** in EECBG funds.
- The project built upon the City's 2009 adoption of a Green Building Code. EECBG funding allowed the City to develop training manuals, hire an additional 5 staff members, train existing staff on the plan review process, and develop third-party green orientation classes.
- As a result of the program, the Building Inspection Department has reviewed 2,495 residential plans, 779 commercial plans for structures under 50,000 sq. ft. and 86 commercial plans for structures over 50,000 sq. ft.
- **This component of the EECBG project is 100% complete.**

Energy Efficiency cont. Weatherization Assistance Program (WAP)

- The City of Dallas received an initial **allocation of \$13M**, expended **\$7,306,985**. The remaining funds were transferred to Dallas County to continue providing weatherization services to city of Dallas residents.
- The City of Dallas completed residential energy retrofits on **648 single-family units and 326 multi-family units**.
- **The project is 100% complete and has been closed.**

Energy Efficiency cont. Clean Cities

- The City of Dallas received \$2,823,129 in competitive funding through a NCTCOG request for proposals.
- The grant included purchasing and retrofitting energy efficient vehicles (see below) and installing charging/fuel stations:
 - 11 CNG rear loader refuse trucks in service
 - 10 CNG dump trucks
 - 7 CNG Hondas
 - 27 Hybrids
 - 24 Electric trucks
 - 5 Electric charging stations have been installed and in operation
 - A slow-fill and fast-fill compressed natural gas (CNG) station was constructed.
- To date, \$2,701,778 has been expended.
- The grant is approximately 96% complete.

Energy Efficiency Project Examples



Sanitation vehicle purchased with Clean Cities funding.



Vehicle purchased with Clean Cities funding using the new charging station.

Energy Efficiency Project Examples



A new compressed natural gas (CNG) station was installed at 2768 Municipal Street using Clean Cities funding. The pictures show the site under construction and at completion. The station includes 26 slow-fill positions and a fast-fill pump. Construction is complete and the facility is in operation.

Energy Efficiency Project Examples



Fast-fill pump at the newly constructed CNG station on Municipal Street.



Twenty-six (26) slow fill pumps at the newly constructed CNG station on Municipal Street.

Energy Efficiency Project Examples



Jack Evans Police Headquarters received LED lighting as a result EECBG.



The main Dallas Public Library received LED lighting and controls as a result of EECBG.

Energy Efficiency Project Examples



LED lighting replacement in the City Hall L1 garage. The project was completed with EECSBG funding.

Energy Efficiency Project Examples



Preventative maintenance on an HVAC system completed with funds provided through EECSBG.

Housing

Total Funds Received: \$7,977,673

The City of Dallas received ARRA formula and competitive funding to prevent homelessness and to assist in rapidly re-housing the newly homeless. The funds were used to provide short-term rental assistance, to help with utility payments, and to support some relocation of families.

Housing cont.

Homelessness Prevention and Rapid Re-Housing (HPRP) Federal

- The City received **\$7,187,357** in funding.
- The program **directly assisted 4,608 families**, with outreach conducted to over 6,000.
- **The grant is 100% complete and is being closed out.**

Housing cont. Homelessness Prevention and Rapid Re-housing (HPRP) State

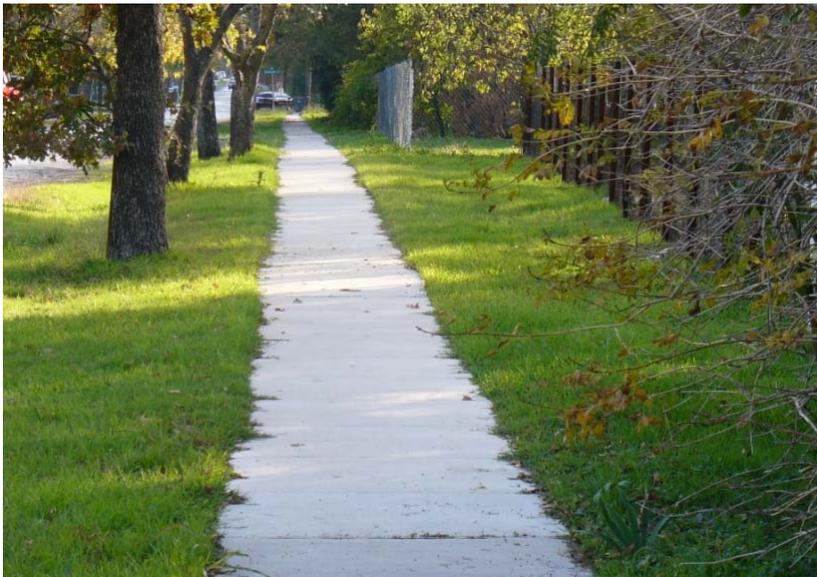
- The City received **\$790,316** in competitive funding through the Texas Department of Housing and Community Affairs (TDHCA).
- The program **directly assisted 486 families.**
- The grant is **100% complete and has been closed.**

Public Infrastructure and Services cont. Community Development Block Grant (CDBG-R)

Total Funds Received: \$4,700,469

- The grant was divided into three major focus areas:
 - Public Improvements that included facility upgrades at the MLK Center and the West Dallas Multi-Purpose Center; and, sidewalk improvements in target areas
 - Public Services including youth and senior programs, vocational and training for adults with disabilities, and the community food pantry.
 - Administration/Oversight
- **The grant is 100% complete and is being closed out.**

Public Infrastructure and Services Project Examples



CDBG-R funded sidewalk improvements along Cheyenne Road (left) and Dilido Road (right).

Public Infrastructure and Services Project Examples



CDBG-R funded sidewalk and curb improvements along Rosewood Avenue (left) and Cheyenne Road (right).

Transportation Initiatives

Total Funds Received: \$76,805,968

The City of Dallas will benefit from \$46,745,968 in roadway projects through ARRA funds provided directly to the Texas Department of Transportation and the North Central Texas Council of Governments. An additional \$30,060,000 in roadway projects will be implemented as a result of ARRA funding provided to the Regional Transportation Council (RTC) to complete other previously planned projects. These funds allowed the RTC to allocate funds for projects directly impacting Dallas.

Transportation Initiatives cont. TIGER

- The City of Dallas will benefit from **\$23M in TIGER I funding** received through a collaborative grant submission with NCTCOG.
- To-date, the Design Build Contract has been let and the track system design is progressing on schedule.
- Construction is anticipated to begin in February 2013.
- **An additional \$3M was awarded** for the addition of passing tracks.
- **Approximately \$1.6M in matching funds** have been expended on engineering and design work.
- The project is **scheduled for completion by October 2014**, with all federal funds expended in 2013.

Transportation Initiatives cont. TIGER

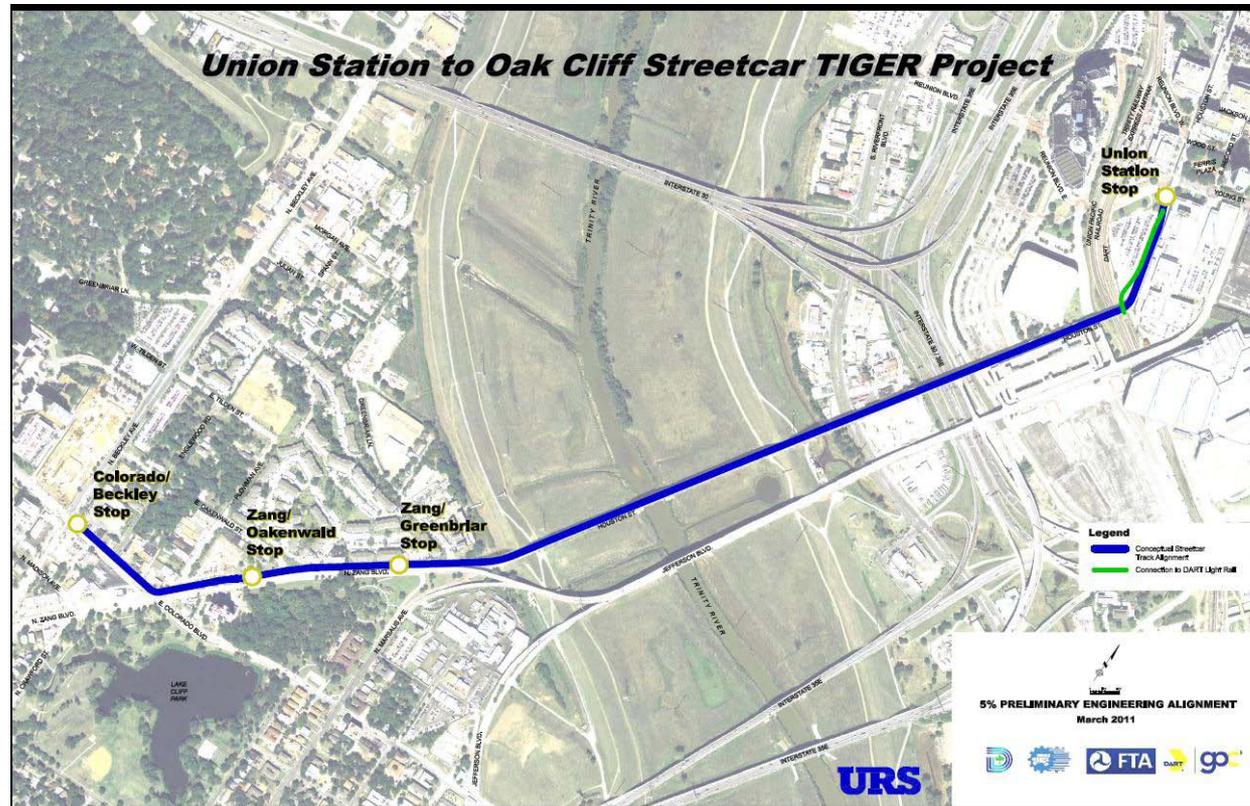


Illustration showing the 1.6 mile single-track streetcar alignment operating in a dedicated bi-directional streetcar lane.

Summary

- The majority of the ARRA funded projects are completed. The remaining projects are scheduled for completion by mid-2013, with the exception of the TIGER project.
- ARRA projects resulted in the creation of 132 jobs and the retention of an additional 15 jobs within the City of Dallas organization.
- ARRA funds resulted in the issuance of contracts for project design, construction projects, weatherization, public services delivery and other activities that generated hundreds of additional jobs.

Memorandum



CITY OF DALLAS

DATE January 4, 2013

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Tennell Atkins (Vice Chair), Monica A. Alonzo, Scott Griggs, and Ann Margolin

SUBJECT Financial Transparency Website

On Monday, January 7, 2012, the Budget, Finance & Audit Committee will be briefed on the City of Dallas' Financial Transparency Web Page. Please see the briefing material attached.

If you have additional questions, please feel free to contact me.

A handwritten signature in black ink, 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
Rosa Rios, City Secretary
Craig Kinton, City Auditor
Daniel Solis, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Stephanie Cooper, Assistant to the City Manager

Financial Transparency Web Page

Budget, Finance, and Audit Committee
January 7, 2013



Financial Transparency Web Page

Overview

- The goal of the Financial Transparency web page is to create a centralized site for citizens to locate all of the City's financial documents and expense statements

Standard for Suggested Content

- Conducted a review to research industry best practices
- Determination made that the Texas Comptroller's "Leadership Circle" was the best standard for Dallas. The Leadership Circle began in 2009 in an effort to spotlight governments that are "opening their books"



Texas Comptroller
Leadership Circle

Scoring System

- The State's Comptroller scores the transparency web page Gold, Silver, or Bronze based on content
- Application submitted for the 2012 evaluation period; verbal indication given of achieving the Gold standard

Financial Transparency Web Page



State Comptroller's Scoring Criteria

Gold Standard –

All three (3) of the major documents and eight (8) minor criteria for a total of 14 points.

Content Scoring Criteria <i>(Bold denotes <u>Major</u> Criteria)</i>	Max	Dallas
Budget (Official Adopted Budget)	2	2
Annual Financial Report / Comprehensive Financial Report	2	2
Check Register	2	2
Local Government contact information	1	1
Contact information for elected officials	1	1
Public information request - contact & instructions	1	1
Easy access to financial documents in 3 clicks or less	1	1
Budgets for three most recent fiscal years	1	1
Annual financial reports for three most recent completed reports	1	1
Check registers for three most recent fiscal years	1	1
Searchable check registers	1	1
Descriptive check registers	1	0
Visual representation of financial data	1	0
Current tax rates for local option taxes	1	1
Raw format budget	<u>1</u>	<u>1</u>
Total Possible Points	18	16

Financial Transparency Web Page

What Other Cities Participate?

- Other large cities that participate include: Arlington, Austin, Houston, Plano, and San Antonio

Next Steps

- Continue to migrate financial content currently on the City's website to the new Financial Transparency web page
- Apply for GFOA's "Award for Excellence in Government Finance" in the area of "eGovernment"

Financial Transparency Web Page Demonstration:

<http://www.dallascityhall.com/transparency/index.html>

Memorandum



DATE January 4, 2013

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

SUBJECT Financial System Upgrade

The City of Dallas partnered with CGI Technologies and Solutions, Inc. (CGI) in 2006 to upgrade the City's financial system. That version of the software, Advantage 3, modernized the City's financial system which had been in place since 1985. On the January 23, 2013 council agenda is a request for authorization to amend the service contract with CGI to provide support for another upgrade to the financial system. This upgrade will increase the existing contract in an amount not to exceed \$1,130,411. Funding will be provided from current funds (\$127,361) and municipal lease agreement funds (\$1,003,050).

The City's financial system, Advantage 3, is the core business application that supports the City in delivering services to its citizens, elected officials and employees. Most of the software applications in use at the City depend upon or interact with this financial system at some level. It provides:

- processing of essential financial transactions including: purchasing, accounts payable, grant management, fixed assets, and general ledger accounting
- compliance with approved budget
- financial reporting and legal requirements
- integration with the City's other key business applications and service providers including payroll, banking services, and utility billing

The current software release has exceeded the end of a reasonable lifecycle as it has been in production for more than six years without a major refresh or update. The system is running on outdated technology and has demonstrated performance issues. Failure to upgrade this system will increase the risk of interrupting critical business processes, including contract management and paying external vendors. Failure to upgrade to the current version of the software will also result in reduced support from the vendor.

The purpose of this contract is to engage CGI to provide the following services in support of the upgrade:

- Training of new features and functionality in the new financial system
- Upgrade and install the new financial system
- Install the new financial reporting component
- Test the new system with the City's historical data
- Support the City in final implementation of software

The upgrade will provide the City with enhanced reporting capabilities. Users will be able to prepare and publish reports more easily, combining data from Advantage and the various other financial systems which are integrated into it. More specifically, the Advantage 3 system will provide the following benefits:

- Improved process efficiencies, including:
- Automation of current paper intensive processes
- Updated user interface, providing improved navigation for both City employees and external vendors
- General increase in system functionality and security features
- Mitigation of vendor software support risks
- Easier future upgrade path
- Improved reporting functionality, including enhanced ad-hoc reporting and inquiry
- Improved accountability and control
- Ability to support new initiatives including open government transparency and strategic planning
- Significant improvement in the quality, quantity, and timeliness of information used in decision-making
- More efficient and accurate research tools to provide not only standard reporting of "what happened", but also business intelligence tools such as ad-hoc queries and reports to help determine "why did it happen", and analytics and dashboards to monitor "what's happening right now"

Implementation will start immediately after Council approval. The vendor will work with the City to upgrade the system as quickly as possible while maintaining the integrity of the business process functions.

Please contact me should you have additional questions.



Jill A. Jordan, P.E.
Assistant City Manager

Attachment

cc: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Daniel F. Solis, Administrative Judge
A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jack Ireland, Director, Financial Services
Michael Frosch, Director, Business Development & Procurement Services
William Finch, Chief Information Officer
Frank Libro, Public Information Officer

Memorandum



CITY OF DALLAS

DATE January 3, 2013

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, and Ann Margolin

SUBJECT Supplemental Agreement Number 2 to a Professional Services Contract with Diversified Utility
Consultants, Inc.

Item number 8 on the January 9, 2013 City Council agenda is adoption of a resolution authorizing supplemental agreement number 2 to a professional service contract with Diversified Utility Consultants Inc. (DUCI) to assist the City in reviewing Atmos Energy Corporation's (Atmos) Dallas Annual Rate Review filing.

The Dallas Annual Rate Review (DARR) tariff was approved by the City of Dallas as part of a comprehensive settlement of Atmos 2011 rate adjustment filing. This is Atmos' second filing under the new rate review mechanism. Atmos will file its DARR filing with the City on or about January 15, 2013. Pursuant to the tariff, the City has 135 days to review the filing and adopt an ordinance setting appropriate rates to be charged by Atmos.

DUCI has expertise in reviewing gas utility rate cases and assisted the City in negotiating the DARR tariff. Further DUCI assisted the City in its review of the 2012 filing which resulted in a rate decrease being ordered by the City of Dallas. Subsequent to the 2012 DARR filing, Atmos filed a depreciation only rate case with the Railroad Commission of Texas (RCT). Supplemental agreement number 1 to the contract authorized DUCI to assist in the review of the depreciation rates and provide expert testimony before the RCT (AA Number 122949). As a direct result of DUCI's testimony in that case, the RCT on December 4, 2012 issued a final order which reduced Atmos requested depreciation rates. Because the DARR uses methodologies adopted in the prior rate case and the depreciation rate case, which DUCI participated in, they have intimate knowledge of the process and methodologies which makes their review of the upcoming filing much more efficient than bringing in a new consultant.

Supplemental agreement number 2 increases the contract with DUCI in an amount not to exceed \$80,000 from \$110,000 to \$190,000. The amount of this contract is fully reimbursable by Atmos under the terms of the DARR tariff and these costs are not passed on to Atmos rate payers.

Please let me know if you have any questions or need additional information.

A handwritten signature in cursive script, appearing to read 'Jeanne Chipperfield'.

Jeanne Chipperfield
Chief Financial Officer

C: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Thomas P. Perkins Jr., City Attorney
Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor

A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Stephanie Pegues-Cooper, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE January 04, 2013
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2012-13 Financial Forecast Report based on information through November 2012 is attached and provided for your information.

For FY 2012-13, General Fund revenues are projected to be \$10,000 below budget and expenditures are projected to be \$47,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$37,000.

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

A handwritten signature in black ink, appearing to read 'Mary K. Suhm'.

Mary K. Suhm
City Manager

Attachment

c: A.C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services

**GENERAL FUND
COMPARISON OF FY 2012-13 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2012
(000s)**

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$1,041,303	\$106,175	\$1,041,293	(\$10)
Expenditures	\$1,041,303	\$165,023	\$1,041,257	(\$47)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>(\$58,848)</u>	<u>\$37</u>	<u>\$37</u>

**GENERAL FUND
FORECAST OF FY 2012-13 REVENUES
AS OF NOVEMBER 30, 2012
(000s)**

	<u>BUDGET</u>	<u>REVENUES YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
TAXES				
Ad Valorem Tax	\$451,489	\$28,960	\$451,489	\$0
Sales Tax	\$231,463	\$18,910	\$231,463	\$0
TOTAL TAXES	\$682,952	\$47,870	\$682,952	\$0
FRANCHISE REVENUES				
Oncor Electric	\$49,323	\$15,887	\$49,323	\$0
AT&T	\$14,875	\$4,017	\$14,875	\$0
Atmos Energy	\$11,174	\$1,589	\$11,174	\$0
Time Warner Cable	\$6,170	\$1,561	\$6,170	\$0
Other	\$18,096	\$4,924	\$18,096	\$0
TOTAL FRANCHISE REVENUES	\$99,639	\$27,979	\$99,639	\$0
LICENSES AND PERMITS	\$9,808	\$1,427	\$9,808	\$0
INTEREST EARNED	\$755	\$59	\$755	\$0
INTERGOVERNMENTAL	\$5,589	\$0	\$5,589	\$0
FINES AND FORFEITURES				
Municipal Court	\$16,540	\$2,027	\$16,490	(\$50)
Vehicle Towing & Storage	\$7,678	\$1,097	\$7,678	\$0
Parking Fines	\$5,962	\$565	\$5,962	\$0
Red Light Camera Fines	\$6,867	\$0	\$6,867	\$0
Public Library	\$603	\$87	\$603	\$0
TOTAL FINES	\$37,650	\$3,776	\$37,600	(\$50)
CHARGES FOR SERVICE				
Sanitation Service	\$59,838	\$10,796	\$59,838	\$0
Parks	\$8,629	\$1,260	\$8,629	\$0
Private Disposal Fees	\$18,864	\$3,259	\$18,864	\$0
Emergency Ambulance	\$20,207	\$973	\$20,207	\$0
Security Alarm	\$4,231	\$811	\$4,231	\$0
Street Lighting	\$1,200	\$0	\$1,200	\$0
Vital Statistics	\$1,492	\$225	\$1,492	\$0
Other	\$17,729	\$3,178	\$17,769	\$40
TOTAL CHARGES	\$132,190	\$20,502	\$132,230	\$40
INTERFUND REVENUE	\$60,410	\$2,294	\$60,410	\$0
MISCELLANEOUS	\$12,311	\$2,268	\$12,311	\$0
TOTAL REVENUES	\$1,041,303	\$106,175	\$1,041,293	(\$10)

**GENERAL FUND
FORECAST OF FY 2012-13 EXPENDITURES
AS OF NOVEMBER 30, 2012
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$22,102	\$5,063	\$22,102	\$0
Business Dev/Procurement Svcs	\$2,331	\$368	\$2,331	\$0
City Attorney's Office	\$12,663	\$1,764	\$12,663	\$0
City Auditor's Office	\$2,180	\$324	\$2,180	\$0
City Controller's Office	\$4,176	\$533	\$4,173	(\$2)
City Manager's Office	\$1,509	\$315	\$1,508	(\$0)
City Secretary's Office	\$1,743	\$191	\$1,743	\$0
Civil Service	\$1,804	\$225	\$1,801	(\$4)
Code Compliance	\$30,287	\$4,747	\$30,287	\$0
Court Services	\$11,519	\$2,102	\$11,491	(\$27)
Elections	\$1,120	\$103	\$1,120	\$0
Fire	\$203,346	\$33,411	\$203,346	\$0
Housing	\$9,119	\$4,530	\$9,119	\$0
Human Resources	\$3,802	\$652	\$3,802	\$0
Independent Audit	\$803	\$0	\$803	\$0
Jail Contract - Lew Sterrett	\$8,229	\$654	\$8,229	\$0
Judiciary	\$3,286	\$540	\$3,286	\$0
Library	\$20,295	\$3,520	\$20,295	\$0
Management Services	\$4,646	\$1,821	\$4,643	(\$3)
Mayor and Council	\$3,864	\$535	\$3,864	\$0
Non-Departmental	\$36,539	\$5,487	\$36,539	\$0
Office of Cultural Affairs	\$16,025	\$3,576	\$16,025	\$0
Office of Economic Development	\$760	\$620	\$760	\$0
Office of Financial Services	\$2,147	\$217	\$2,147	\$0
Park and Recreation	\$72,747	\$13,506	\$72,747	\$0
Police	\$401,237	\$59,667	\$401,227	(\$10)
Public Works and Transportation	\$5,659	\$1,811	\$5,659	\$0
Sanitation Services	\$73,596	\$8,446	\$73,596	\$0
Street Lighting	\$19,058	\$3,490	\$19,058	\$0
Street Services	\$57,262	\$6,232	\$57,262	\$0
Sustainable Dev/Construction	\$1,328	\$425	\$1,328	\$0
Trinity Watershed Management	\$244	\$145	\$244	\$0
RESERVES AND TRANSFERS				
Contingency Reserve	\$200	\$0	\$200	\$0
Liability Reserve/Claim Fund	\$1,779	\$0	\$1,779	\$0
Salary and Benefit Reserve	\$3,900	\$0	\$3,900	\$0
TOTAL EXPENDITURES	\$1,041,303	\$165,023	\$1,041,257	(\$47)

PROPRIETARY FUNDS
FORECAST OF FY 2012-13 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Aviation				
Revenues	\$49,074	\$7,325	\$49,113	\$39
Expenses	\$49,074	\$3,723	\$49,053	(\$21)
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$3,601</u>	<u>\$60</u>	<u>\$60</u>
Convention Center				
Revenues	\$59,332	\$6,575	\$60,548	\$1,216
Expenses	\$59,332	\$7,575	\$60,544	\$1,213
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>(\$1,000)</u>	<u>\$3</u>	<u>\$3</u>
Sustainable Dev. Services				
Revenues	\$23,243	\$4,346	\$23,243	\$0
Expenses	\$23,171	\$2,228	\$23,171	\$0
Net Excess of Revenues Over Expenses/Transfer	<u>\$72</u>	<u>\$2,118</u>	<u>\$72</u>	<u>\$0</u>
Municipal Radio Fund				
Revenues	\$2,625	\$398	\$2,627	\$2
Expenses	\$2,599	\$461	\$2,550	(\$49)
Net Excess of Revenues Over Expenses/Transfer	<u>\$26</u>	<u>(\$63)</u>	<u>\$77</u>	<u>\$51</u>
Water Utilities				
Revenues	\$563,964	\$97,921	\$567,221	\$3,257
Expenses	\$563,964	\$64,215	\$563,261	(\$703)
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$33,707</u>	<u>\$3,960</u>	<u>\$3,960</u>
Communication & Information Svcs.				
Revenues	\$46,172	\$53	\$46,172	\$0
Expenses	\$54,643	\$16,293	\$54,643	\$0
Net Excess of Revenues Over Expenses/Transfer	<u>(\$8,471)</u>	<u>(\$16,240)</u>	<u>(\$8,471)</u>	<u>\$0</u>

PROPRIETARY FUNDS
FORECAST OF FY 2012-13 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Equipment Services				
Revenues	\$49,529	\$3	\$49,529	\$0
Expenses	\$49,443	\$4,434	\$49,443	\$0
Net Excess of Revenues Over Expenses/Transfer	<u>\$86</u>	<u>(\$4,432)</u>	<u>\$86</u>	<u>\$0</u>
Express Business				
Revenues	\$4,119	\$452	\$4,120	\$1
Expenses	\$3,813	\$413	\$3,813	\$0
Net Excess of Revenues Over Expenses/Transfer	<u>\$307</u>	<u>\$39</u>	<u>\$308</u>	<u>\$1</u>

OTHER FUNDS
FORECAST OF FY 2012-13 REVENUES AND EXPENDITURES
AS OF NOVEMBER 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Employee Benefits	\$1,015	\$77	\$1,015	\$0
Risk Management	\$1,810	\$302	\$1,810	\$0
9-1-1 System Operations				
Revenues	\$13,170	\$2,275	\$13,170	\$0
Expenses	\$18,230	\$610	\$18,230	\$0
Net Excess of Revenues Over Expenses/Transfer	<u>(\$5,060)</u>	<u>\$1,665</u>	<u>(\$5,060)</u>	<u>\$0</u>
Storm Water Drainage				
Revenues	\$49,746	\$8,813	\$49,746	\$0
Expenses	\$53,846	\$2,187	\$53,819	(\$28)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$4,100)</u>	<u>\$6,626</u>	<u>(\$4,072)</u>	<u>\$28</u>

**DEBT SERVICE FUND
 FORECAST OF FY 2012-13 REVENUES AND EXPENDITURES
 AS OF NOVEMBER 30, 2012
 (000s)**

DEBT SERVICE	BUDGET	EXPENDITURES AND REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Beginning Balance	\$5,233	\$0	\$5,233	\$0
Revenues	\$233,008	\$13,486	\$233,008	\$0
Expenses	<u>\$233,285</u>	<u>\$0</u>	<u>\$233,285</u>	<u>\$0</u>
Ending Balance	<u><u>\$4,955</u></u>	<u><u>\$13,486</u></u>	<u><u>\$4,955</u></u>	<u><u>\$0</u></u>

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2012	\$5,100,000
Budgeted Transfer In	\$200,000
Balance as of November 30, 2012	<u>\$5,300,000</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2012	\$4,295,717
Budgeted Revenue	<u>\$3,553,463</u>
FY 2012-13 Available Funds	\$7,849,180
Paid October 2012	(\$928,543)
Paid November 2012	(\$711,014)
Balance as of November 30, 2012	<u>\$6,209,623</u>

SALES TAX

as of October 2012

	ACTUAL	BUDGET	ACTUAL	YTD VARIANCE FY 12-13		YTD VARIANCE FY 12-13	
	FY 2011-12	FY 2012-13	FY 2012-13	ACT. VS. FY 11-12	ACT.	ACTUAL VS. BUDGET	PERCENT
				<i>DOLLARS</i>	<i>PERCENT</i>	<i>DOLLARS</i>	<i>PERCENT</i>
OCT	\$15,401,765	\$17,542,004	\$18,909,571	\$3,507,806	22.8%	\$1,367,567	7.8%
NOV	16,931,117	17,495,657					
DEC	24,429,551	26,220,175					
JAN	16,540,783	16,954,266					
FEB	16,195,414	16,418,404					
MAR	22,362,792	24,175,756					
APR	17,489,176	16,567,636					
MAY	17,840,445	17,165,800					
JUN	22,383,001	22,804,133					
JUL	20,223,678	17,025,086					
AUG	18,639,347	17,268,947					
SEP	21,140,086	21,825,304					
TOTAL	\$229,577,155	\$231,463,168	\$18,909,571	\$3,507,806	22.8%	\$1,367,567	7.8%

