

Memorandum



CITY OF DALLAS

DATE March 5, 2010
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

An updated financial forecast report for FY2009-10 is attached for your information. This report is based on information through December. General Fund revenues are projected to be \$8,559,000 below budget and expenditures are projected to be \$8,593,000 below budget.

The revenue decline is primarily due to Sales Tax that is now projected to be about 4.6% or \$9,406,000 less than budget. This forecast assumes continued decline through the spring before flattening in the summer.

Operational savings, continued restrictive hiring freeze and "belt tightening" have resulted in expenditures being projected below budget for most departments. The financial forecast includes delaying the expansion of Sanitation's Pride in Your Neighborhood program, savings from purchasing fewer library materials, and savings in contract services resulting from providing HRIS maintenance in-house. Additional savings are being realized as fuel prices and consumption are lower than anticipated.

Further, slow down of growth in the police force was previously recommended to occur in FY11. It is advisable to begin this process in FY10 in order to achieve savings in the current year. While economic factors are driving this hiring slow down, it does provide for better integration within the police department of the nearly 2000 new officers hired since late 2003.

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 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$998,628	\$170,776	\$990,069	(\$8,559)
Expenditures	\$1,020,323	\$189,086	\$1,011,730	(\$8,593)
Sub Total	(\$21,695)	(\$18,310)	(\$21,661)	\$34
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$34</u>	

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF DECEMBER 31, 2009**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$8,559,000 below budget.
 - Municipal Court revenues are projected to be \$2,685,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,300,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Park revenues are projected to be \$676,000 above budget due to a procedural change offset by a corresponding increase in expenses.
 - Private Disposal revenues are projected to be \$1,398,000 below budget primarily due to the weak economy.
 - Vital Statistics revenues are projected to be \$540,000 below budget due to a decrease in the number of requests for birth and death certificates.
 - Miscellaneous revenues are projected to be \$1,398,000 above budget primarily due to unbudgeted revenue anticipated as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$8,593,000 below budget.
 - The expenses for termination payments are included in the departments' estimates. The appropriations from the Salary and Benefit Reserve have been allocated to those departments.
 - City Manager's Office is projected to be \$151,000 below budget primarily due to delays in hiring.
 - City Secretary's Office is projected to be \$100,000 above budget primarily due to higher than budgeted expenses for records management.
 - Management Services is projected to be \$268,000 below budget primarily due to delays in hiring.
 - Public Works and Transportation is projected to be \$2,283,000 below budget primarily due to additional reimbursable work completed for the Bond Program and delays in hiring.
 - Trinity Watershed Management is projected to be \$1,007,000 below budget primarily due to additional reimbursements for storm water related activities.
 - Liability/Claims Fund is projected to be \$1,000,000 below budget primarily due to less than anticipated funding requirements for liability claims.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF DECEMBER 31, 2009
(000s)**

	BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$420,799	\$81,749	\$420,799	\$0
Sales Tax	206,574	14,530	197,168	(9,406)
FRANCHISE REVENUES				
Oncor Electric	48,658	14,575	48,658	0
AT&T	21,000	5,207	21,000	0
Atmos Energy	10,600	1,515	10,600	0
Time Warner Cable	5,800	2,283	5,800	0
Other	11,097	3,244	11,086	(11)
TOTAL TAXES & FRANCHISE REVENUES	724,528	123,102	715,111	(9,417)
LICENSES AND PERMITS	7,970	2,330	7,918	(52)
INTEREST EARNED	3,077	102	3,077	0
INTERGOVERNMENTAL	7,312	0	7,434	122
FINES AND FORFEITURES				
Municipal Court	19,382	2,780	16,696	(2,685)
Vehicle Towing & Storage	6,786	2,044	8,086	1,300
Parking Fines	8,788	1,474	8,788	0
Red Light Camera Fines	8,484	0	8,484	0
Public Library	611	143	611	0
TOTAL FINES	44,050	6,441	42,665	(1,385)
CHARGES FOR SERVICE				
Sanitation Service	60,545	15,289	61,312	767
Parks	7,602	1,066	8,277	676
Private Disposal Fees	23,552	4,759	22,155	(1,398)
Emergency Ambulance	19,250	4,722	19,250	0
Security Alarm	4,650	634	4,650	0
Street Lighting	1,392	107	1,392	0
Vital Statistics	2,390	399	1,850	(540)
Other	16,257	4,427	15,488	(769)
TOTAL CHARGES	135,638	31,403	134,375	(1,263)
INTERFUND REVENUE	66,440	5,086	68,479	2,039
MISCELLANEOUS	9,612	2,311	11,010	1,398
TOTAL REVENUE	998,628	170,776	990,069	(8,559)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,020,323	\$170,776	\$1,011,764	(\$8,559)

**GENERAL FUND
FORECAST OF FY 2009-10 EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$27,789	\$9,779	\$27,380	(\$409)
Business Dev/Procurement Svcs	\$3,304	\$688	\$3,297	(\$8)
City Attorney's Office	\$10,332	\$2,689	\$10,332	\$0
City Auditor's Office	\$2,254	\$527	\$2,227	(\$27)
City Controller's Office	\$7,210	\$1,622	\$7,176	(\$34)
City Manager's Office	\$1,872	\$532	\$1,722	(\$151)
City Secretary's Office	\$1,516	\$311	\$1,616	\$100
Civil Service	\$1,223	\$322	\$1,259	\$36
Code Compliance	\$28,399	\$6,429	\$27,991	(\$407)
Court Services	\$11,065	\$2,272	\$10,980	(\$86)
Elections	\$83	\$21	\$83	\$0
Fire	\$201,252	\$51,977	\$200,792	(\$460)
Housing / Community Services	\$7,703	\$4,911	\$7,960	\$257
Human Resources	\$3,304	\$948	\$3,157	(\$147)
Independent Audit	\$1,253	\$0	\$1,253	\$0
Judiciary	\$2,856	\$730	\$2,792	(\$64)
Library	\$22,116	\$6,122	\$22,215	\$99
Management Services	\$3,250	\$2,438	\$2,982	(\$268)
Mayor and Council	\$3,718	\$806	\$3,776	\$59
Non-Departmental	\$23,798	\$1,973	\$23,717	(\$81)
Office of Cultural Affairs	\$12,145	\$4,796	\$11,978	(\$166)
Office of Economic Development	\$2,633	\$844	\$2,526	(\$108)
Office of Financial Services	\$1,585	\$405	\$1,560	(\$25)
Park and Recreation	\$65,521	\$17,827	\$66,099	\$578
Police	\$412,955	\$98,157	\$416,644	\$3,689
Public Works and Transportation	\$18,428	\$7,200	\$16,145	(\$2,283)
Sanitation Services	\$74,461	\$17,595	\$71,899	(\$2,563)
Street Lighting	\$16,977	\$15,446	\$16,977	\$0
Street Services	\$28,110	\$7,030	\$27,535	(\$576)
Sustainable Dev/Construction	\$1,535	\$610	\$1,472	(\$63)
Trinity Watershed Management	\$1,645	\$1,585	\$638	(\$1,007)
<u>OTHER</u>				
Appraisal Districts	\$3,355	\$3,239	\$3,355	\$0
Dallas County Tax Collection	\$554	\$0	\$554	\$0
Jail Contract - Lew Sterrett	\$7,222	\$7,222	\$7,222	\$0
Fuel Savings (to be allocated)	\$0	\$0	(\$3,479)	(\$3,479)
<u>RESERVES AND TRANSFERS</u>				
Contingency Reserve	\$200	\$0	\$200	\$0
Liability/Claims Fund	\$8,305	\$0	\$7,305	(\$1,000)
Salary and Benefit Reserve	\$395	\$0	\$395	\$0
EXPENDITURES	\$1,020,323	\$277,057	\$1,011,730	(\$8,593)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$10,887	\$42,593	\$105
Expenses	\$41,926	\$6,454	\$41,784	(\$142)
Net Excess of Revenues Over Expenses/Transfer	\$563	\$4,433	\$810	(\$247)
<u>Convention Center</u>				
Revenues	\$60,076	\$6,237	\$57,527	(\$2,549)
Expenses	\$61,347	\$11,152	\$60,182	(\$1,165)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,915)	(\$2,655)	\$1,384
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$748	\$2,794	(\$125)
Expenses	\$3,120	\$889	\$3,026	(\$94)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	(\$141)	(\$232)	\$31
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$4,143	\$16,344	(\$239)
Expenses	\$16,019	\$3,085	\$16,196	\$177
Net Excess of Revenues Over Expenses/Transfer	\$564	\$1,058	\$149	\$416
<u>Water Utilities</u>				
Revenues	\$530,365	\$108,898	\$510,967	(\$19,399)
Expenses	\$530,365	\$82,820	\$510,967	(\$19,399)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$26,078	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$40	\$46,856	(\$1,410)
Expenses	\$48,434	\$16,474	\$48,473	\$39
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$16,434)	(\$1,617)	\$1,449

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$48,026	\$7,118	\$45,724	(\$2,302)
Expenses	<u>\$47,885</u>	<u>\$18,228</u>	<u>\$46,325</u>	<u>(\$1,559)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$142</u>	<u>(\$11,109)</u>	<u>(\$602)</u>	<u>\$743</u>
<u>Office Services</u>				
Revenues	\$4,266	\$1,104	\$4,194	(\$73)
Expenses	<u>\$4,384</u>	<u>\$1,155</u>	<u>\$4,518</u>	<u>\$134</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$117)</u>	<u>(\$50)</u>	<u>(\$324)</u>	<u>\$207</u>

**OTHER FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$74	\$722	(\$2)
<u>Risk Management</u>	\$1,264	\$295	\$1,264	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$3,890	\$13,142	\$982
Expenses	<u>\$13,965</u>	<u>\$2,221</u>	<u>\$14,957</u>	<u>\$992</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$1,669</u>	<u>(\$1,815)</u>	<u>\$11</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$11,644	\$45,390	\$716
Expenses	<u>\$44,674</u>	<u>\$1,272</u>	<u>\$44,674</u>	<u>\$0</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>\$0</u>	<u>\$10,372</u>	<u>\$716</u>	<u>(\$716)</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(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	\$30,458	\$0	\$30,458	\$0
Revenues	\$261,586	\$141,605	\$261,586	\$0
Expenses	\$289,164	\$27,230	\$289,164	\$0
Ending Balance	<u>\$2,880</u>	<u>\$114,375</u>	<u>\$2,880</u>	<u>\$0</u>

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2009	\$5,123,005
Non-Departmental - Reimbursable deposit with the Texas Comptroller of Public Accounts Major Events Trust Fund for activities related to the 2010 NBA All-Star Game (October 28, 2009, CR# 09-2671)	(\$1,730,000)
City Secretary's Office - Implementation of the lobbyist registration program (November 9, 2009, CR# 09-2833)	(\$134,769)
Building Services - Security enhancements at City Hall (February 24, 2010, CR# 10-0532)	(\$331,000)
 Balance as of March 5, 2010	 <u>\$2,927,236</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2009	\$10,025,299
Paid October 2009	(\$217,299)
Paid November 2009	(\$747,600)
Paid December 2009	(\$304,906)
Balance as of December 31, 2009	<u><u>\$8,755,494</u></u>