

Memorandum



CITY OF DALLAS

DATE April 9, 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 January and February. This report is based on information through February. General Fund revenues are projected to be \$11,822,000 below budget and expenditures are projected to be \$11,872,000 below budget.

The revenue decline is primarily due to Sales Tax that is now projected to be approximately \$8,573,000 less than budget. This forecast assumes continued decline through the spring before flattening in the summer.

The reductions in expenditures are a result of operational savings, continued restrictive hiring freeze, reduction in growth in the police force and "belt tightening" throughout the organization. Additional savings are being realized as fuel prices and consumption are lower than anticipated.

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 FEBRUARY 28, 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	\$998,959	\$575,645	\$987,137	(\$11,822)
Expenditures	\$1,020,654	\$430,045	\$1,008,783	(\$11,872)
Sub Total	(\$21,695)	\$145,600	(\$21,646)	\$50
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$50</u>	

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF FEBRUARY 28, 2010**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$11,822,000 below budget.
 - Municipal Court revenues are projected to be \$2,821,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,348,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Private Disposal revenues are projected to be \$3,214,000 below budget primarily due to the weak economy.
 - Vital Statistics revenues are projected to be \$537,000 below budget due to a decrease in the number of requests for birth and death certificates.
 - Miscellaneous revenues are projected to be \$1,073,000 above budget primarily due to unbudgeted revenue anticipated as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$11,872,000 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 \$167,000 below budget primarily due to delays in hiring.
 - City Secretary's Office is projected to be \$100,000 above budget primarily due to expenses for records management.
 - Human Resources is projected to be \$197,000 below budget primarily due to savings in contract services resulting from providing HRIS maintenance in-house.
 - Judiciary is projected to be \$171,000 above budget primarily due to lower than budgeted reimbursements.
 - Management Services is projected to be \$351,000 below budget primarily due to delays in hiring.
 - Public Works and Transportation is projected to be \$5,423,000 below budget primarily due to reimbursable work completed for the Bond Program and delays in hiring.
 - Trinity Watershed Management is projected to be \$1,303,000 below budget primarily due to 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.

ENTERPRISE FUND

- Water Utilities revenues are projected to be \$36,593,000 below budget due to lower than budgeted water pumpage. Expenses are projected to be \$36,593,000 below budget primarily due to vacancies and a reduced cash transfer to capital construction.

OTHER FUNDS

- 9-1-1 System Operations expenses are projected to be \$1,932,000 above budget primarily due to higher than budgeted transfers.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF FEBRUARY 28, 2010
(000s)**

	BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$420,799	\$400,664	\$420,799	\$0
Sales Tax	206,574	51,718	198,001	(8,573)
FRANCHISE REVENUES				
Oncor Electric	48,658	25,019	47,758	(900)
AT&T	21,000	5,109	21,000	0
Atmos Energy	10,600	2,794	10,600	0
Time Warner Cable	5,800	1,705	5,800	0
Other	11,097	3,522	11,086	(11)
TOTAL TAXES & FRANCHISE REVENUES	724,528	490,532	715,045	(9,484)
LICENSES AND PERMITS	7,970	4,421	8,529	559
INTEREST EARNED	3,077	205	2,413	(664)
INTERGOVERNMENTAL	7,312	225	6,725	(587)
FINES AND FORFEITURES				
Municipal Court	19,382	5,941	16,560	(2,821)
Vehicle Towing & Storage	6,786	3,356	8,133	1,348
Parking Fines	8,788	1,472	8,788	0
Red Light Camera Fines	8,484	0	7,914	(571)
Public Library	611	254	606	(5)
TOTAL FINES	44,050	11,023	42,001	(2,049)
CHARGES FOR SERVICE				
Sanitation Service	60,545	24,717	60,545	0
Parks	7,602	2,433	8,274	673
Private Disposal Fees	23,552	8,039	20,339	(3,214)
Emergency Ambulance	19,250	7,292	19,250	0
Security Alarm	4,650	1,246	3,698	(952)
Street Lighting	1,392	400	1,392	0
Vital Statistics	2,390	686	1,853	(537)
Other	16,257	7,308	15,021	(1,236)
TOTAL CHARGES	135,638	52,121	130,372	(5,266)
INTERFUND REVENUE	66,771	13,667	71,367	4,596
MISCELLANEOUS	9,612	3,451	10,685	1,073
TOTAL REVENUE	998,959	575,645	987,137	(11,822)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,020,654	\$575,645	\$1,008,832	(\$11,822)

**GENERAL FUND
FORECAST OF FY 2009-10 EXPENDITURES
AS OF FEBRUARY 28, 2010
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$28,120	\$13,135	\$27,537	(\$583)
Business Dev/Procurement Svcs	\$3,304	\$1,151	\$3,285	(\$19)
City Attorney's Office	\$10,332	\$4,388	\$10,331	\$0
City Auditor's Office	\$2,254	\$849	\$2,204	(\$50)
City Controller's Office	\$7,210	\$3,096	\$7,172	(\$38)
City Manager's Office	\$1,872	\$882	\$1,705	(\$167)
City Secretary's Office	\$1,516	\$656	\$1,616	\$100
Civil Service	\$1,223	\$540	\$1,278	\$55
Code Compliance	\$28,399	\$10,860	\$28,072	(\$327)
Court Services	\$11,065	\$4,208	\$10,961	(\$104)
Elections	\$83	\$32	\$83	\$0
Fire	\$201,252	\$85,514	\$200,793	(\$459)
Housing / Community Services	\$7,703	\$5,637	\$7,960	\$257
Human Resources	\$3,304	\$1,331	\$3,107	(\$197)
Independent Audit	\$1,253	\$0	\$1,253	\$0
Judiciary	\$2,856	\$1,208	\$3,028	\$171
Library	\$22,246	\$9,752	\$21,781	(\$465)
Management Services	\$3,250	\$2,394	\$2,898	(\$351)
Mayor and Council	\$3,718	\$1,384	\$3,735	\$18
Non-Departmental	\$23,798	\$6,474	\$23,763	(\$35)
Office of Cultural Affairs	\$12,145	\$7,178	\$11,777	(\$367)
Office of Economic Development	\$2,633	\$1,365	\$2,526	(\$108)
Office of Financial Services	\$1,585	\$710	\$1,534	(\$51)
Park and Recreation	\$65,786	\$28,703	\$65,381	(\$405)
Police	\$412,955	\$163,160	\$417,670	\$4,715
Public Works and Transportation	\$18,428	\$10,887	\$13,004	(\$5,423)
Sanitation Services	\$74,461	\$26,666	\$72,826	(\$1,636)
Street Lighting	\$16,977	\$15,463	\$16,977	\$0
Street Services	\$28,110	\$10,100	\$27,512	(\$598)
Sustainable Dev/Construction	\$1,535	\$915	\$1,512	(\$24)
Trinity Watershed Management	\$1,645	\$837	\$342	(\$1,303)
<u>OTHER</u>				
Appraisal Districts	\$3,355	\$3,348	\$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	\$0	\$0	\$0	\$0
EXPENDITURES	\$1,020,654	\$430,045	\$1,008,783	(\$11,872)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF FEBRUARY 28, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$17,860	\$42,665	\$177
Expenses	\$41,926	\$11,249	\$42,037	\$111
Net Excess of Revenues Over Expenses/Transfer	\$563	\$6,611	\$629	(\$66)
<u>Convention Center</u>				
Revenues	\$60,076	\$16,651	\$55,533	(\$4,543)
Expenses	\$61,347	\$21,592	\$58,826	(\$2,521)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,941)	(\$3,293)	\$2,022
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$1,172	\$2,794	(\$125)
Expenses	\$3,120	\$1,319	\$2,984	(\$137)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	(\$147)	(\$189)	(\$12)
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$6,440	\$14,540	(\$2,043)
Expenses	\$16,019	\$6,048	\$16,222	\$203
Net Excess of Revenues Over Expenses/Transfer	\$564	\$391	(\$1,683)	\$2,247
<u>Water Utilities</u>				
Revenues	\$530,365	\$168,346	\$493,772	(\$36,593)
Expenses	\$530,365	\$161,927	\$493,772	(\$36,593)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$6,419	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$17,255	\$46,855	(\$1,411)
Expenses	\$48,434	\$24,795	\$48,498	\$64
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$7,540)	(\$1,643)	\$1,475

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF FEBRUARY 28, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$48,026	\$10,247	\$45,658	(\$2,368)
Expenses	\$47,885	\$32,335	\$46,271	(\$1,614)
Net Excess of Revenues Over Expenses/Transfer	\$142	(\$22,089)	(\$613)	\$754
<u>Office Services</u>				
Revenues	\$4,266	\$1,586	\$3,969	(\$298)
Expenses	\$4,384	\$1,875	\$4,197	(\$187)
Net Excess of Revenues Over Expenses/Transfer	(\$117)	(\$290)	(\$228)	\$111

**OTHER FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF FEBRUARY 28, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$164	\$664	(\$60)
<u>Risk Management</u>	\$1,264	\$497	\$1,282	\$18
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$6,256	\$13,590	\$1,429
Expenses	<u>\$13,965</u>	<u>\$2,537</u>	<u>\$15,897</u>	<u>\$1,932</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$3,719</u>	<u>(\$2,308)</u>	<u>\$503</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$19,439	\$45,476	\$802
Expenses	<u>\$44,674</u>	<u>\$8,791</u>	<u>\$44,646</u>	<u>(\$28)</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>\$0</u>	<u>\$10,649</u>	<u>\$830</u>	<u>(\$830)</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF FEBRUARY 28, 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	\$30,458	\$0	\$31,279	\$821
Revenues	\$261,586	\$210,864	\$260,808	(\$778)
Expenses	\$289,164	\$27,230	\$289,041	(\$123)
Ending Balance	<u>\$2,880</u>	<u>\$183,634</u>	<u>\$3,046</u>	<u>\$166</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)
Paid January 2010	(\$292,233)
Paid February 2010	(\$306,443)
Balance as of February 28, 2010	<u>\$8,156,818</u>