

Memorandum



CITY OF DALLAS

DATE June 24, 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 April 2010. General Fund revenues are projected to be \$7,876,000 below budget and expenditures are projected to be \$8,100,000 below budget.

The revenue decline is primarily due to Sales Tax that is now projected to be approximately \$6,300,000 less than budget. The Sales Tax forecast assumes revenues remain flat for the remainder of the year.

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.

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

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 APRIL 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	\$1,000,429	\$677,027	\$992,554	(\$7,876)
Expenditures	\$1,022,124	\$622,108	\$1,014,025	(\$8,100)
Sub Total	(\$21,695)	\$54,919	(\$21,471)	\$224
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$224</u>	

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF APRIL 30, 2010**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$7,876,000 below budget.
 - AT&T Telephone revenues are projected to be \$1,108,000 below budget due to fewer customer accounts.
 - Atmos Energy revenues are projected to be \$1,494,000 above budget due to increased consumption during the winter months.
 - Time Warner Cable revenues are projected to be \$979,000 above budget due to more customers and rate increases.
 - Other Franchise Fees are projected to be \$1,649,000 above budget primarily due to increases in actual collections from AT&T Video as they continue to expand their systems and reach more customers.
 - Interest Earned is projected to be \$652,000 below budget primarily due to lower than budgeted interest rates.
 - Municipal Court revenues are projected to be \$2,664,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,349,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Parking Fines revenues are projected to be \$741,000 below budget primarily due to the weak economy.
 - Red Light Camera Fines revenues are projected to be \$608,000 below budget due to decrease citations.
 - Park revenues are projected to be \$554,000 above budget due to a procedural change offset by a corresponding increase in expenses.
 - Private Disposal revenues are projected to be \$3,202,000 below budget primarily due to the weak economy.
 - Security Alarm revenues are projected to be \$1,589,000 below budget primarily due to fewer than anticipated false alarm calls.
 - 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.
 - Other Charges for Service revenues are projected to be \$1,898,000 below budget primarily due to lowered than budgeted revenue from motor vehicle accident clean up fees and accident reports.
 - Interfund Revenue is projected to be \$3,611,000 above budget due to increased transfers from other City funds.
 - Miscellaneous revenues are projected to be \$950,000 above budget primarily due to unbudgeted revenue as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$8,100,000 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.
 - Building Services is projected to be \$2,198,000 below budget primarily due to delays in hiring and reimbursements.

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF APRIL 30, 2010**

- City Manager's Office is projected to be \$95,000 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 \$190,000 below budget primarily due to savings in contract services resulting from providing HRIS maintenance in-house.
- Management Services is projected to be \$521,000 below budget primarily due to delays in hiring.
- Office of Financial Services is projected to be \$90,000 below budget primarily due to delays in hiring.
- Public Works and Transportation is projected to be \$4,708,000 below budget primarily due to reimbursable work completed for the Bond Program and delays in hiring.
- Street Lighting is projected to be \$1,068,000 above budget primarily due to a maintenance fee increase.
- Trinity Watershed Management is projected to be \$735,000 below budget primarily due to reimbursements for storm water related activities offset by higher than budgeted expenses for electricity.
- 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

- Convention and Event Services revenues are projected to be \$5,987,000 below budget primarily due to lower than budgeted Hotel Occupancy Tax and other revenues sources impacted by lower than anticipated attendance at scheduled events. Expenses are projected to be \$3,272,000 below budget primarily due to delays in hiring and a lower than budgeted transfer to Convention and Visitors Bureau.
- Municipal Radio revenues are projected to be \$243,000 below budget due to lower than anticipated sales. Expenses are projected to be \$262,000 below budget due to delays in hiring.
- Sustainable Development/Construction revenues are projected to be \$2,043,000 below budget due to a reduction in construction activity. This is reflective of the national economy and trends in the construction industry.
- Water Utilities revenues are projected to be \$42,449,000 below budget due to lower than budgeted water pumpage. Expenses are projected to be \$42,449,000 below budget primarily due to vacancies and a reduced cash transfer to capital construction.
- Express Business Center revenues are projected to be \$334,000 below budget primarily due to fewer requests for printing and copying services.

OTHER FUNDS

- Employee Benefits expenses are projected to be \$68,000 below budget primarily due to delays in hiring.
- 9-1-1 System Operations revenues are projected to be \$1,495,000 above budget due to higher than anticipated revenues. Expenses are projected to be \$1,799,000 above budget primarily due to higher than budgeted transfers.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF APRIL 30, 2010
(000s)**

	BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$420,799	\$412,553	\$422,227	\$1,428
Sales Tax	206,574	80,695	200,267	(6,307)
FRANCHISE REVENUES				
Oncor Electric	48,658	37,447	48,753	95
AT&T	21,000	5,109	19,892	(1,108)
Atmos Energy	10,600	2,794	12,094	1,494
Time Warner Cable	5,800	3,408	6,779	979
Other	11,097	4,283	12,746	1,649
TOTAL TAXES & FRANCHISE REVENUES	724,528	546,290	722,757	(1,771)
LICENSES AND PERMITS	7,970	5,274	8,280	309
INTEREST EARNED	3,077	1,149	2,425	(652)
INTERGOVERNMENTAL	7,312	5,319	7,012	(300)
FINES AND FORFEITURES				
Municipal Court	19,382	9,430	16,718	(2,664)
Vehicle Towing & Storage	6,786	4,716	8,135	1,349
Parking Fines	8,788	2,959	8,047	(741)
Red Light Camera Fines	8,484	0	7,877	(608)
Public Library	611	366	608	(3)
TOTAL FINES	44,050	17,471	41,384	(2,666)
CHARGES FOR SERVICE				
Sanitation Service	60,545	35,679	59,860	(685)
Parks	7,602	3,569	8,156	554
Private Disposal Fees	23,552	9,998	20,350	(3,202)
Emergency Ambulance	19,250	11,038	19,250	0
Security Alarm	4,650	1,652	3,061	(1,589)
Street Lighting	1,392	560	1,392	0
Vital Statistics	2,390	1,058	1,853	(537)
Other	16,257	10,174	14,359	(1,898)
TOTAL CHARGES	135,638	73,727	128,282	(7,356)
INTERFUND REVENUE	68,241	22,918	71,852	3,611
MISCELLANEOUS	9,612	4,878	10,562	950
TOTAL REVENUE	1,000,429	677,027	992,554	(7,876)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,022,124	\$677,027	\$1,014,249	(\$7,876)

**GENERAL FUND
FORECAST OF FY 2009-10 EXPENDITURES
AS OF APRIL 30, 2010
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$28,120	\$15,869	\$25,922	(\$2,198)
Business Dev/Procurement Svcs	\$3,304	\$1,603	\$3,279	(\$25)
City Attorney's Office	\$10,332	\$6,190	\$10,521	\$190
City Auditor's Office	\$2,254	\$1,191	\$2,185	(\$69)
City Controller's Office	\$7,210	\$3,930	\$7,188	(\$22)
City Manager's Office	\$1,872	\$1,215	\$1,777	(\$95)
City Secretary's Office	\$1,516	\$967	\$1,616	\$100
Civil Service	\$1,223	\$751	\$1,281	\$58
Code Compliance	\$28,399	\$15,765	\$28,238	(\$160)
Court Services	\$11,065	\$5,991	\$11,026	(\$40)
Elections	\$1,303	\$44	\$1,303	\$0
Fire	\$201,252	\$126,503	\$200,752	(\$500)
Housing / Community Services	\$7,703	\$6,568	\$7,960	\$257
Human Resources	\$3,304	\$1,725	\$3,114	(\$190)
Independent Audit	\$1,253	\$0	\$1,253	\$0
Judiciary	\$2,856	\$1,952	\$2,989	\$132
Library	\$22,246	\$13,111	\$21,874	(\$372)
Management Services	\$3,500	\$2,903	\$2,979	(\$521)
Mayor and Council	\$3,718	\$1,953	\$3,732	\$14
Non-Departmental	\$23,798	\$18,694	\$24,649	\$851
Office of Cultural Affairs	\$12,145	\$8,740	\$11,888	(\$257)
Office of Economic Development	\$2,633	\$2,123	\$2,556	(\$77)
Office of Financial Services	\$1,585	\$1,100	\$1,495	(\$90)
Park and Recreation	\$65,786	\$41,643	\$65,757	(\$29)
Police	\$412,955	\$244,997	\$418,440	\$5,485
Public Works and Transportation	\$18,428	\$13,194	\$13,719	(\$4,708)
Sanitation Services	\$74,461	\$38,996	\$72,838	(\$1,623)
Street Lighting	\$16,977	\$15,475	\$18,044	\$1,068
Street Services	\$28,110	\$15,039	\$27,514	(\$597)
Sustainable Dev/Construction	\$1,535	\$1,159	\$1,512	(\$24)
Trinity Watershed Management	\$1,645	\$1,595	\$910	(\$735)
<u>OTHER</u>				
Appraisal Districts	\$3,355	\$3,348	\$3,355	\$0
Dallas County Tax Collection	\$554	\$554	\$554	\$0
Jail Contract - Lew Sterrett	\$7,222	\$7,222	\$7,222	\$0
Fuel Savings (to be allocated)	\$0	\$0	(\$2,922)	(\$2,922)
<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	<u>\$1,022,124</u>	<u>\$622,108</u>	<u>\$1,014,025</u>	<u>(\$8,100)</u>

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$25,537	\$43,657	\$1,168
Expenses	\$41,926	\$17,774	\$42,096	\$171
Net Excess of Revenues Over Expenses/Transfer	\$563	\$7,763	\$1,561	\$998
<u>Convention Center</u>				
Revenues	\$60,076	\$26,799	\$54,089	(\$5,987)
Expenses	\$61,347	\$31,010	\$58,075	(\$3,272)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,211)	(\$3,985)	(\$2,714)
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$1,600	\$2,677	(\$243)
Expenses	\$3,120	\$1,676	\$2,858	(\$262)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	(\$77)	(\$182)	\$19
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$10,511	\$14,540	(\$2,043)
Expenses	\$16,019	\$8,593	\$16,222	\$203
Net Excess of Revenues Over Expenses/Transfer	\$564	\$1,918	(\$1,683)	(\$2,247)
<u>Water Utilities</u>				
Revenues	\$530,365	\$241,055	\$487,916	(\$42,449)
Expenses	\$530,365	\$229,103	\$487,916	(\$42,449)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$11,952	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$24,705	\$46,559	(\$1,708)
Expenses	\$48,434	\$28,049	\$48,428	(\$6)
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$3,344)	(\$1,870)	(\$1,702)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$48,026	\$20,558	\$45,872	(\$2,155)
Expenses	\$47,885	\$31,847	\$46,552	(\$1,332)
Net Excess of Revenues Over Expenses/Transfer	\$142	(\$11,289)	(\$681)	(\$822)
<u>Express Business Center</u>				
Revenues	\$4,266	\$2,302	\$3,933	(\$334)
Expenses	\$4,384	\$2,436	\$4,202	(\$182)
Net Excess of Revenues Over Expenses/Transfer	(\$117)	(\$134)	(\$269)	(\$152)

**OTHER FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$334	\$656	(\$68)
<u>Risk Management</u>	\$1,264	\$701	\$1,264	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$8,455	\$13,656	\$1,495
Expenses	<u>\$13,965</u>	<u>\$2,736</u>	<u>\$15,764</u>	<u>\$1,799</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$5,719</u>	<u>(\$2,108)</u>	<u>(\$304)</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$28,543	\$46,300	\$1,626
Expenses	<u>\$44,674</u>	<u>\$15,947</u>	<u>\$45,927</u>	<u>\$1,253</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$12,596</u>	<u>\$374</u>	<u>\$374</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF APRIL 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	\$30,458	\$0	\$31,279	\$821
Revenues	\$261,586	\$220,432	\$260,915	(\$671)
Expenses	\$289,164	\$226,101	\$288,820	(\$344)
Ending Balance	<u>\$2,880</u>	<u>(\$5,669)</u>	<u>\$3,374</u>	<u>\$494</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)
Management Services - Corrective actions at five leaking petroleum storage tank sites (May 12, 2010, CR# 10-1202)	(\$250,000)
City Secretary's Office - Authorization of joint election agreements and election services between the City of Dallas, Dallas, Collin, and Denton counties (June 23, 2010)	(\$1,220,000)
Balance as of June 23, 2010	<u>\$1,457,236</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)
Paid March 2010	(\$395,428)
Paid April 2010	(\$1,019,050)
Balance as of April 30, 2010	<u><u>\$6,742,340</u></u>