

Memorandum




CITY OF DALLAS

DATE June 15, 2012
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2011-12 Financial Forecast Report based on information through April 2012 is attached and provided for your information. This report also reflects budget adjustments approved by the City Council on May 9th increasing appropriations and expenditures for partial pay restoration for civilian employees.

For FY 2011-12, General Fund revenues are projected to be \$1,813,000 below budget and expenditures are projected to be \$4,158,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$2,345,000.

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



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 2011-12 REVENUES AND EXPENDITURES
AS OF APRIL 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	\$1,012,786	\$754,679	\$1,010,973	(\$1,813)
Expenditures	\$1,012,786	\$551,107	\$1,008,627	(\$4,158)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$203,572</u>	<u>\$2,345</u>	<u>\$2,345</u>

FINANCIAL FORECAST REPORT
FY 2011-12
AS OF APRIL 30, 2012

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$1,813,000 below budget.
 - Property tax revenues are projected to be \$5,769,000 above budget primarily due to better than expected collection rate for current year taxes.
 - Sale tax revenues are projected to be \$9,025,000 better than budget due to improvements in the economy.
 - Municipal Court revenues are projected to be \$2,211,000 below budget due to a decrease in the number of citations written, high dismissal rates, and defendants choosing not to respond/resolve their citations.
 - Vehicle Towing and Storage fees are projected to be \$678,000 below budget due to fewer than anticipated tows for arrests and no insurance.
 - Parking Fines are projected to be \$451,000 below budget due to lower ticket issuance.
 - Park revenues are projected to be \$995,000 above budget primarily due to revenue received from classes held at various recreation centers. The revenue offsets a corresponding expense for payment to instructors.
 - Emergency Ambulance revenues are projected to be \$1,924,000 below budget. First two quarters Emergency Ambulance revenues were below anticipated level; however the new billing and collections contract, awarded in late January, is expected to improve collections and has been reflected in the estimate included in this report.
 - Street Lighting revenue is projected to be \$490,000 below budget primarily due to less revenue from TxDOT since the city's electricity cost is lower and due to the elimination of internal street light billing to the Park Department.
 - Other Charges for Service revenues are projected to be \$1,502,000 below budget primarily due to Non-Owner Occupied Registration Fees and Multi-Tenant Re-Inspection Fees being less than anticipated as a result of improved compliance. The Parking Meter revenue is also projected to be lower than anticipated due to lower parking usage in downtown area.
 - Interfund Revenue is projected to be \$9,755,000 below budget due to lower than anticipated indirect cost charge from TQEQ and Housing grants and due to deferred transfers from other city funds.
 - Miscellaneous revenue is projected to be \$755,000 below budget primarily due to the sharp decline in the paper and cardboard recycling market and due to lower than anticipated unclaimed property revenue.

Expenditures

- Total General Fund expenditures are estimated to be \$4,158,000 below budget.
 - Street Lighting is projected to be \$955,000 below budget primarily due to electricity savings from lower rates, and due to new street lights being in use for less time than planned.
 - Sustainable Development and Construction is projected to be \$63,000 below budget primarily due to delays in hiring.
 - Trinity Watershed Management is projected to be \$70,000 below budget primarily due to delays in hiring.

FINANCIAL FORECAST REPORT
FY 2011-12
AS OF APRIL 30, 2012

PROPRIETARY FUND

- Municipal Radio Fund expenses are projected to be \$232,000 below budget primarily due to delays in hiring. Municipal Radio revenue is projected to be \$313,000 below budget due to lower local sales.
- Sustainable Development/Construction revenues are projected to be \$3,710,000 above budget due to a recent increase in new multi-family construction and continued expansion of healthcare facilities.

GENERAL FUND
FORECAST OF FY 2011-12 REVENUES
AS OF APRIL 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	\$434,638	\$431,186	\$440,407	\$5,769
Sales Tax	\$215,508	\$129,351	\$224,533	\$9,025
TOTAL TAXES	\$650,147	\$560,537	\$664,940	\$14,794
FRANCHISE REVENUES				
Oncor Electric	\$51,097	\$40,070	\$51,027	(\$69)
AT&T	\$16,515	\$4,209	\$16,400	(\$115)
Atmos Energy	\$11,474	\$7,133	\$11,333	(\$141)
Time Warner Cable	\$6,170	\$2,716	\$6,272	\$102
Other	\$17,212	\$4,586	\$17,289	\$77
TOTAL FRANCHISE REVENUES	\$102,469	\$58,713	\$102,322	(\$146)
LICENSES AND PERMITS	\$9,747	\$6,162	\$9,477	(\$271)
INTEREST EARNED	\$914	\$717	\$1,100	\$186
INTERGOVERNMENTAL	\$5,430	\$5,757	\$5,705	\$275
FINES AND FORFEITURES				
Municipal Court	\$17,822	\$8,474	\$15,611	(\$2,211)
Vehicle Towing & Storage	\$7,874	\$4,179	\$7,196	(\$678)
Parking Fines	\$5,793	\$1,927	\$5,342	(\$451)
Red Light Camera Fines	\$7,276	\$0	\$7,176	(\$101)
Public Library	\$603	\$305	\$603	\$0
TOTAL FINES	\$39,368	\$14,885	\$35,928	(\$3,440)
CHARGES FOR SERVICE				
Sanitation Service	\$59,922	\$35,451	\$60,176	\$254
Parks	\$7,321	\$4,056	\$8,316	\$995
Private Disposal Fees	\$18,336	\$10,589	\$18,351	\$15
Emergency Ambulance	\$20,063	\$8,095	\$18,139	(\$1,924)
Security Alarm	\$4,155	\$2,618	\$4,183	\$28
Street Lighting	\$1,493	\$296	\$1,003	(\$490)
Vital Statistics	\$1,563	\$877	\$1,488	(\$75)
Other	\$18,756	\$13,105	\$17,254	(\$1,502)
TOTAL CHARGES	\$131,610	\$75,088	\$128,910	(\$2,700)
INTERFUND REVENUE	\$60,584	\$26,679	\$50,830	(\$9,755)
MISCELLANEOUS	\$12,516	\$6,142	\$11,761	(\$755)
TOTAL REVENUES	\$1,012,786	\$754,679	\$1,010,973	(\$1,813)

**GENERAL FUND
FORECAST OF FY 2011-12 EXPENDITURES
AS OF APRIL 30, 2012
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$17,880	\$11,446	\$17,947	\$67
Business Dev/Procurement Svcs	\$2,106	\$1,156	\$2,106	\$0
City Attorney's Office	\$10,754	\$5,640	\$10,643	(\$111)
City Auditor's Office	\$2,067	\$1,102	\$2,064	(\$2)
City Controller's Office	\$3,597	\$1,902	\$3,568	(\$29)
City Manager's Office	\$1,625	\$1,097	\$1,620	(\$4)
City Secretary	\$1,490	\$769	\$1,522	\$32
Civil Service	\$1,431	\$738	\$1,391	(\$40)
Code Compliance	\$27,445	\$13,479	\$27,473	\$28
Court Services	\$10,943	\$5,403	\$10,567	(\$376)
Elections	\$789	\$57	\$789	\$0
Fire	\$205,558	\$118,111	\$204,881	(\$677)
Housing	\$8,035	\$6,547	\$8,035	(\$1)
Human Resources	\$3,491	\$1,868	\$3,489	(\$2)
Independent Audit	\$937	\$0	\$937	\$0
Judiciary	\$3,077	\$1,581	\$2,959	(\$118)
Library	\$18,422	\$10,512	\$18,412	(\$10)
Management Services	\$3,255	\$2,529	\$3,127	(\$128)
Mayor and Council	\$3,624	\$1,833	\$3,570	(\$54)
Non-Departmental	\$29,845	\$17,065	\$28,571	(\$1,274)
Office of Cultural Affairs	\$13,895	\$8,642	\$13,729	(\$166)
Office of Economic Development	\$627	\$603	\$627	\$0
Office of Financial Services	\$1,776	\$703	\$1,747	(\$29)
Park and Recreation	\$65,036	\$38,684	\$66,506	\$1,471
Police	\$399,406	\$212,489	\$398,314	(\$1,092)
Public Works and Transportation	\$5,015	\$3,626	\$4,861	(\$154)
Sanitation Services	\$74,535	\$34,837	\$74,168	(\$368)
Street Lighting	\$18,559	\$9,050	\$17,604	(\$955)
Street Services	\$53,245	\$26,527	\$53,234	(\$10)
Sustainable Dev/Construction	\$1,204	\$1,158	\$1,141	(\$63)
Trinity Watershed Management	\$320	\$248	\$251	(\$70)
OTHER				
Appraisal Districts	\$3,321	\$3,321	\$3,321	\$0
Jail Contract - Lew Sterrett	\$7,852	\$7,852	\$7,852	\$0
Dallas County Tax Collection	\$556	\$533	\$533	(\$23)
RESERVES AND TRANSFERS				
Contingency Reserve	\$1,663	\$0	\$1,663	\$0
Liability Reserve/Claim Fund	\$5,288	\$0	\$5,288	\$0
Salary and Benefit Reserve	\$4,117	\$0	\$4,117	\$0
TOTAL EXPENDITURES	\$1,012,786	\$551,107	\$1,008,627	(\$4,158)

PROPRIETARY FUNDS
FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Aviation				
Revenues	\$47,682	\$26,435	\$47,563	(\$119)
Expenses	\$47,682	\$24,481	\$47,475	(\$207)
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$1,954</u>	<u>\$88</u>	<u>\$88</u>
Convention Center				
Revenues	\$59,772	\$35,578	\$61,154	\$1,382
Expenses	\$59,437	\$34,295	\$61,418	\$1,981
Net Excess of Revenues Over Expenses/Transfer	<u>\$335</u>	<u>\$1,283</u>	<u>(\$264)</u>	<u>(\$599)</u>
Sustainable Dev. Services				
Revenues	\$17,932	\$13,968	\$21,643	\$3,710
Expenses	\$17,900	\$8,448	\$18,037	\$137
Net Excess of Revenues Over Expenses/Transfer	<u>\$32</u>	<u>\$5,520</u>	<u>\$3,606</u>	<u>\$3,574</u>
Municipal Radio Fund				
Revenues	\$2,842	\$1,595	\$2,529	(\$313)
Expenses	\$2,798	\$1,378	\$2,566	(\$232)
Net Excess of Revenues Over Expenses/Transfer	<u>\$43</u>	<u>\$217</u>	<u>(\$37)</u>	<u>(\$80)</u>
Water Utilities				
Revenues	\$551,600	\$274,869	\$538,110	(\$13,491)
Expenses	\$551,826	\$249,479	\$538,110	(\$13,716)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$225)</u>	<u>\$25,390</u>	<u>\$0</u>	<u>\$226</u>
Communication & Information Svcs.				
Revenues	\$46,142	\$25,421	\$46,148	\$5
Expenses	\$48,145	\$21,884	\$47,837	(\$307)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$2,002)</u>	<u>\$3,537</u>	<u>(\$1,690)</u>	<u>\$313</u>

PROPRIETARY FUNDS
FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Equipment Services				
Revenues	\$47,743	\$22,016	\$48,983	\$1,239
Expenses	\$47,880	\$19,233	\$50,176	\$2,296
Net Excess of Revenues Over Expenses/Transfer	(\$136)	\$2,783	(\$1,193)	(\$1,056)
Express Business				
Revenues	\$3,924	\$2,202	\$3,736	(\$188)
Expenses	\$3,871	\$1,784	\$3,545	(\$326)
Net Excess of Revenues Over Expenses/Transfer	\$53	\$418	\$191	\$138

OTHER FUNDS
FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES
AS OF APRIL 30, 2012
(000s)

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Employee Benefits	\$616	\$208	\$616	(\$0)
Risk Management	\$1,349	\$698	\$1,523	\$174
9-1-1 System Operations				
Revenues	\$13,075	\$7,465	\$13,075	\$0
Expenses	<u>\$13,906</u>	<u>\$3,419</u>	<u>\$13,893</u>	<u>(\$14)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$831)</u>	<u>\$4,046</u>	<u>(\$818)</u>	<u>\$14</u>
Storm Water Drainage				
Revenues	\$49,199	\$29,646	\$49,641	\$443
Expenses	<u>\$51,563</u>	<u>\$12,642</u>	<u>\$51,427</u>	<u>(\$136)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$2,365)</u>	<u>\$17,003</u>	<u>(\$1,786)</u>	<u>\$579</u>

**DEBT SERVICE FUND
 FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES
 AS OF APRIL 30, 2012
 (000s)**

DEBT SERVICE	BUDGET	EXPENDITURES AND REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Beginning Balance	\$2,918	\$0	\$4,238	\$1,320
Revenues	\$248,494	\$207,808	\$252,680	\$4,185
Expenses	\$248,845	\$184,777	\$248,823	(\$22)
Ending Balance	\$2,567	\$23,031	\$8,095	\$5,528

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2011	\$5,100,000
Balance as of April 30, 2012	<u>\$5,100,000</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2011	\$8,568,433
Paid October 2011	(\$311,880)
Paid November 2011	(\$697,640)
Paid December 2011	(\$334,763)
Paid January 2012	(\$729,393)
Paid February 2012	(\$148,466)
Paid March 2012	(\$549,955)
Paid April 2012	(\$219,959)
Balance as of April 30, 2012	<u>\$5,576,377</u>

SALES TAX

as of April 2012

	ACTUAL FY 2010-11	BUDGET FY 2011-12	ACTUAL FY 2011-12	YTD VARIANCE FY 11-12		YTD VARIANCE FY11-12	
				ACT. VS. FY 10-11 ACT. DOLLARS	PERCENT	ACTUAL VS. BUDGET DOLLARS	PERCENT
OCT	\$15,272,080	\$15,623,064	\$15,401,765	\$129,685	0.8%	(\$221,299)	-1.4%
NOV	15,470,539	16,172,808	16,931,117	1,460,578	9.4%	758,309	4.7%
DEC	22,992,788	23,741,642	24,429,551	1,436,763	6.2%	687,909	2.9%
JAN	15,322,370	15,550,064	16,540,783	1,218,413	8.0%	990,719	6.4%
FEB	14,670,044	14,902,387	16,195,414	1,525,370	10.4%	1,293,027	8.7%
MAR	22,537,374	21,789,663	22,362,792	(174,582)	-0.8%	573,129	2.6%
APR	15,672,560	15,978,845	17,489,176	1,816,616	11.6%	1,510,331	9.5%
MAY	16,714,276	16,780,773					
JUN	21,525,471	21,839,144					
JUL	18,628,602	16,428,177					
AUG	15,839,193	15,968,985					
SEP	21,247,748	20,732,552					
TOTAL	\$215,893,045	\$215,508,103	\$129,350,598	\$7,412,843	6.1%	\$5,592,126	4.5%

