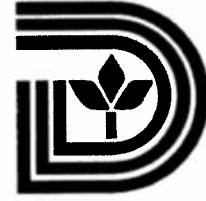


Memorandum



CITY OF DALLAS

DATE September 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 July 2010. General Fund revenues are projected to be \$6,089,000 below budget and expenditures are projected to be \$6,114,000 below budget.

A number of major revenues are projected to be below budget. Therefore, expenditures have been reduced including 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 provide additional information as it becomes available.


 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 JULY 31, 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	\$1,000,519	\$814,154	\$994,431	(\$6,089)
Expenditures	\$1,022,214	\$836,780	\$1,016,101	(\$6,114)
Sub Total	(\$21,695)	(\$22,626)	(\$21,670)	\$25
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$25</u>	

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF JULY 31, 2010**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$6,089,000 below budget.
 - AT&T Telephone revenues are projected to be \$1,141,000 below budget due to fewer customer accounts.
 - Atmos Energy revenues are projected to be \$1,993,000 above budget due to an increase in consumption during the winter months.
 - Time Warner Cable revenues are projected to be \$738,000 above budget due to more customers and rate increases.
 - Other Franchise Fees are projected to be \$1,039,000 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 \$964,000 below budget primarily due to lower than budgeted interest rates.
 - Municipal Court revenues are projected to be \$2,739,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,346,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Parking Fines revenues are projected to be \$1,173,000 below budget primarily due to the weak economy.
 - Red Light Camera Fines revenues are projected to be \$1,147,000 below budget due to decreased citations.
 - Private Disposal revenues are projected to be \$4,443,000 below budget primarily due to the weak economy.
 - Security Alarm revenues are projected to be \$723,000 below budget primarily due to less than anticipated fees for false 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 \$2,826,000 below budget primarily due to lower than budgeted revenue from motor vehicle accident clean up fees and accident reports.
 - Interfund Revenue is projected to be \$3,859,000 above budget due to increased transfers from other City funds.
 - Miscellaneous revenues are projected to be \$1,607,000 above budget primarily due to unbudgeted revenue as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$6,114,000 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 \$2,096,000 below budget primarily due to delays in hiring and reimbursements.
 - City Secretary's Office is projected to be \$107,000 above budget primarily due to expenses for records management.
 - Independent Audit is projected to be \$425,000 below budget due to lower than anticipated cost for contract.

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF JULY 31, 2010**

- Management Services is projected to be \$361,000 below budget primarily due to delays in hiring.
- Public Works and Transportation is projected to be \$4,065,000 below budget primarily due to reimbursable work completed for the Bond Program and delays in hiring.
- Street Lighting is projected to be \$1,241,000 above budget primarily due to a maintenance fee increase.
- Trinity Watershed Management is projected to be \$924,000 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 \$2,300,000 below budget primarily due to less than anticipated funding requirements for liability claims.

ENTERPRISE FUND

- Convention and Event Services revenues are projected to be \$5,387,000 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 \$3,159,000 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 \$261,000 below budget due to lower than anticipated sales. Expenses are projected to be \$328,000 below budget due to delays in hiring.
- Water Utilities revenues are projected to be \$63,949,000 below budget due to lower than budgeted water pumpage. Expenses are projected to be \$63,949,000 below budget primarily due to vacancies and a reduced cash transfer to capital construction.
- Express Business Center revenues are projected to be \$247,000 below budget primarily due to fewer requests for printing and copying services.

OTHER FUNDS

- Employee Benefits expenses are projected to be \$86,000 below budget primarily due to delays in hiring.
- 9-1-1 System Operations revenues are projected to be \$1,459,000 above budget due to higher than anticipated revenue from service receipts. Expenses are projected to be \$1,809,000 above budget primarily due to higher than budgeted transfers.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF JULY 31, 2010
(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	\$420,799	\$420,005	\$422,471	\$1,672
Sales Tax	206,574	133,385	203,329	(3,245)
FRANCHISE REVENUES				
Oncor Electric	48,658	48,641	48,641	(17)
AT&T	21,000	5,109	19,859	(1,141)
Atmos Energy	10,600	8,674	12,593	1,993
Time Warner Cable	5,800	4,427	6,538	738
Other	11,097	12,658	12,137	1,039
TOTAL TAXES & FRANCHISE REVENUES	724,528	632,899	725,568	1,040
LICENSES AND PERMITS	7,970	7,859	8,574	604
INTEREST EARNED	3,077	1,590	2,113	(964)
INTERGOVERNMENTAL	7,312	5,636	7,012	(300)
FINES AND FORFEITURES				
Municipal Court	19,382	13,418	16,642	(2,739)
Vehicle Towing & Storage	6,786	6,736	8,131	1,346
Parking Fines	8,788	3,530	7,615	(1,173)
Red Light Camera Fines	8,484	0	7,338	(1,147)
Public Library	611	523	608	(3)
TOTAL FINES	44,050	24,208	40,334	(3,716)
CHARGES FOR SERVICE				
Sanitation Service	60,545	51,032	60,383	(163)
Parks	7,602	6,334	7,716	115
Private Disposal Fees	23,552	14,942	19,110	(4,443)
Emergency Ambulance	19,250	13,772	19,250	0
Security Alarm	4,650	2,892	3,927	(723)
Street Lighting	1,392	914	1,750	358
Vital Statistics	2,390	1,533	1,853	(537)
Other	16,257	14,231	13,431	(2,826)
TOTAL CHARGES	135,638	105,649	127,420	(8,218)
INTERFUND REVENUE	68,331	27,755	72,190	3,859
MISCELLANEOUS	9,612	8,559	11,219	1,607
TOTAL REVENUE	1,000,519	814,154	994,431	(6,089)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,022,214	\$814,154	\$1,016,126	(\$6,089)

**GENERAL FUND
FORECAST OF FY 2009-10 EXPENDITURES
AS OF JULY 31, 2010
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$28,120	\$21,198	\$26,023	(\$2,096)
Business Dev/Procurement Svcs	\$3,304	\$2,357	\$3,126	(\$178)
City Attorney's Office	\$10,392	\$8,937	\$10,763	\$372
City Auditor's Office	\$2,254	\$1,787	\$2,176	(\$78)
City Controller's Office	\$7,210	\$5,699	\$7,194	(\$16)
City Manager's Office	\$1,872	\$1,702	\$1,800	(\$72)
City Secretary's Office	\$1,516	\$1,548	\$1,623	\$107
Civil Service	\$1,223	\$1,059	\$1,273	\$50
Code Compliance	\$28,399	\$22,517	\$28,214	(\$185)
Court Services	\$11,065	\$8,704	\$11,099	\$34
Elections	\$1,393	\$79	\$1,393	\$1
Fire	\$201,252	\$167,225	\$201,230	(\$22)
Housing / Community Services	\$7,643	\$7,396	\$7,739	\$96
Human Resources	\$3,304	\$2,346	\$3,150	(\$154)
Independent Audit	\$1,253	\$0	\$829	(\$425)
Judiciary	\$2,856	\$2,852	\$2,974	\$118
Library	\$22,446	\$18,155	\$22,146	(\$300)
Management Services	\$3,500	\$3,670	\$3,139	(\$361)
Mayor and Council	\$3,718	\$2,931	\$3,704	(\$14)
Non-Departmental	\$23,798	\$20,923	\$23,739	(\$59)
Office of Cultural Affairs	\$12,145	\$10,679	\$11,894	(\$250)
Office of Economic Development	\$2,633	\$2,705	\$2,570	(\$63)
Office of Financial Services	\$1,585	\$1,212	\$1,459	(\$126)
Park and Recreation	\$65,586	\$57,316	\$65,880	\$294
Police	\$412,955	\$335,267	\$417,304	\$4,349
Public Works and Transportation	\$18,428	\$17,830	\$14,363	(\$4,065)
Sanitation Services	\$74,461	\$60,676	\$74,321	(\$140)
Street Lighting	\$16,977	\$15,502	\$18,217	\$1,241
Street Services	\$28,110	\$21,100	\$27,180	(\$931)
Sustainable Dev/Construction	\$1,535	\$1,541	\$1,518	(\$17)
Trinity Watershed Management	\$1,645	\$742	\$721	(\$924)
<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
<u>RESERVES AND TRANSFERS</u>				
Contingency Reserve	\$200	\$0	\$200	\$0
Liability/Claims Fund	\$8,305	\$0	\$6,005	(\$2,300)
Salary and Benefit Reserve	\$0	\$0	\$0	\$0
EXPENDITURES	\$1,022,214	\$836,780	\$1,016,101	(\$6,114)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF JULY 31, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$37,070	\$44,454	\$1,966
Expenses	\$41,926	\$28,702	\$41,528	(\$398)
Net Excess of Revenues Over Expenses/Transfer	\$563	\$8,368	\$2,926	\$2,363
<u>Convention Center</u>				
Revenues	\$60,076	\$41,737	\$54,689	(\$5,387)
Expenses	\$61,347	\$46,059	\$58,188	(\$3,159)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,323)	(\$3,499)	(\$2,228)
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$2,366	\$2,659	(\$261)
Expenses	\$3,120	\$2,308	\$2,792	(\$328)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	\$58	(\$134)	\$67
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$15,565	\$16,755	\$172
Expenses	\$16,019	\$13,376	\$16,254	\$235
Net Excess of Revenues Over Expenses/Transfer	\$564	\$2,190	\$501	(\$63)
<u>Water Utilities</u>				
Revenues	\$530,365	\$366,921	\$466,417	(\$63,949)
Expenses	\$530,365	\$332,753	\$466,417	(\$63,949)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$34,168	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$37,728	\$46,516	(\$1,751)
Expenses	\$48,434	\$40,041	\$49,327	\$893
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$2,314)	(\$2,811)	(\$2,643)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF JULY 31, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$48,026	\$27,918	\$44,786	(\$3,241)
Expenses	<u>\$47,885</u>	<u>\$42,101</u>	<u>\$45,546</u>	<u>(\$2,339)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$142</u>	<u>(\$14,183)</u>	<u>(\$760)</u>	<u>(\$901)</u>
<u>Express Business Center</u>				
Revenues	\$4,266	\$3,249	\$4,019	(\$247)
Expenses	<u>\$4,384</u>	<u>\$3,485</u>	<u>\$4,223</u>	<u>(\$160)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$117)</u>	<u>(\$237)</u>	<u>(\$204)</u>	<u>(\$87)</u>

**OTHER FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF JULY 31, 2010
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$424	\$638	(\$86)
<u>Risk Management</u>	\$1,264	\$1,013	\$1,264	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$11,890	\$13,620	\$1,459
Expenses	<u>\$13,965</u>	<u>\$8,476</u>	<u>\$15,774</u>	<u>\$1,809</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$3,413</u>	<u>(\$2,154)</u>	<u>(\$350)</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$41,158	\$48,154	\$3,480
Expenses	<u>\$44,674</u>	<u>\$30,621</u>	<u>\$47,671</u>	<u>\$2,997</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>\$0</u>	<u>\$10,537</u>	<u>\$482</u>	<u>\$482</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF JULY 31, 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	\$31,044	\$586
Revenues	\$261,586	\$243,229	\$261,376	(\$210)
Expenses	\$289,164	\$226,101	\$288,788	(\$376)
Ending Balance	<u>\$2,880</u>	<u>\$17,128</u>	<u>\$3,632</u>	<u>\$752</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)
Elections - Authorization of joint election agreements and election services between the City of Dallas, Dallas, Collin, and Denton counties (June 23, 2010, CR# 10-1714, CR# 10-1715, and CR# 10-1716)	(\$1,220,000)
Elections - Authorization of an increase in appropriations for additional expenses relating to temporary help to verify petitions for the November 2, 2010 special election (September 22, 2010, CR# 10-2464)	(\$90,000)
Balance as of September 22, 2010	<u>\$1,367,236</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)
Paid May 2010	(\$291,296)
Paid June 2010	(\$412,491)
Paid July 2010	(\$52,303)
Balance as of July 31, 2010	<u><u>\$5,986,250</u></u>