

Memorandum



CITY OF DALLAS

DATE September 9, 2011
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

For your information, attached is the financial forecast for FY 2010-11, based on information through July. General Fund revenues are projected to be \$2,959,000 below budget and expenditures are projected to be \$4,499,000 below budget.

The General Fund is below budget as a result of delays in hiring offset by higher than anticipated prices for fuel. This expense will be monitored closely and may require future adjustments to the forecast as we proceed further into the fiscal year.

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

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

Mary K. Suhm
City Manager

Attachment

c: A.C. Gonzales, 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, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer

**GENERAL FUND
COMPARISON OF 2010-11 REVENUES AND EXPENDITURES
AS OF JULY 31, 2011
(000s)**

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$1,001,318	\$834,979	\$998,359	(\$2,959)
Expenditures	\$1,008,873	\$797,346	\$1,004,374	(\$4,499)
Sub Total	(\$7,555)	\$37,633	(\$6,015)	\$1,540
Use of one time resources	\$7,555		\$7,555	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>(\$0)</u>		<u>\$1,540</u>	

**FINANCIAL FORECAST REPORT
FY 2010-11
AS OF JULY 31, 2011**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$2,959,000 below budget.
 - Oncor Electric revenues are projected to be \$3,584,000 above budget primarily due to an increase in consumption as a result of abnormal weather.
 - AT&T Telephone revenues are projected to be \$1,651,000 below budget due to customers switching to other providers and also switching to wireless service. The general decline in the economy also results in a reduction in business phone lines.
 - Other franchise revenues are projected to be \$2,197,000 above budget due to higher than budgeted revenue from growth in fiber optic and AT&T U-verse franchise fees.
 - Interest revenues are projected to be \$1,202,000 below budget due to lower than budgeted interest rates.
 - Red Light Camera revenues are projected to be \$1,093,000 below budget due to increased compliance and delays in adding and relocating cameras.
 - Public Library revenues are projected to be \$67,000 below budget due to reduced collection of fines.
 - Park revenues are projected to be \$1,097,000 above budget due to revenue received from classes held at various recreation centers.
 - Private Disposal revenues are projected to be \$5,347,000 below budget primarily due to the delayed improvements to the general economy, and to the construction industry in particular, which constitutes the greatest portion of the revenue from commercial customers. The trend in commercial businesses to divert or recycle wastes has also decreased the waste stream accepted at the city landfill.
 - Emergency Ambulance revenues are projected to be \$4,144,000 below budget due to delays associated with the conversion to the new billing and collection agency.
 - Security Alarm revenues are projected to be \$449,000 below budget primarily due to less than anticipated fees for false calls.
 - Vital Statistics revenues are projected to be \$296,000 below budget due to a decrease in the number of requests for birth and death certificates.
 - Other Charges for Services are projected to be \$2,761,000 below budget primarily due to decrease in re-inspection fees as a result of improved compliance in multi-family, restaurant, and non-owner occupied properties.
 - Interfund Revenue is projected to be \$7,042,000 below budget due to decreased transfers from other City funds.
 - Miscellaneous revenues are projected to be \$4,473,000 above budget primarily due to a reimbursement from Atmos Energy for rate case expenses previously incurred by the City, reimbursement from State Special Events Fund for expenses related to the 2011 Super Bowl, and sales of paper and cardboard recyclables.

Expenditures

- Total General Fund expenditures are estimated to be \$4,499,000 below budget.
 - Independent Audit is projected to be \$300,000 above budget due to increased audit fees, resulting from additional audit work required for the American Recovery and Reinvestment Act (ARRA) grants for FY10 and FY11.

**FINANCIAL FORECAST REPORT
FY 2010-11
AS OF JULY 31, 2011**

- Judiciary is projected to be \$178,000 below budget primarily due to delays in hiring and a delay in the implementation of the Night Court.
- Sustainable Development and Construction is projected to be \$193,000 below budget primarily due to delays in hiring.
- Trinity Watershed Management is projected to be \$97,000 above budget due to legal expenses related to the Trinity River Corridor Project.

PROPRIETARY

- Sustainable Development/Construction revenues are projected to be \$4,137,000 above budget due to an increase in construction activity.
- Equipment Services revenues and expenses are projected to be \$3,103,000 and \$2,747,000, respectively, above budget primarily due to higher than budgeted fuel prices and increased body shop costs which are charged back to the customer department.
- Express Business Center revenues are projected to be \$465,000 above budget primarily due to an increase in the sale value of vehicles sold at auto pound and scrap metal sales.

**GENERAL FUND
FORECAST OF FY 2010-11 REVENUES
AS OF JULY 31, 2011
(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	\$435,785	\$438,649	\$439,983	\$4,199
Sales Tax	\$204,810	\$138,705	\$212,114	\$7,304
FRANCHISE REVENUES				
Oncor Electric	\$46,641	\$38,767	\$50,225	\$3,584
AT&T	\$19,668	\$9,087	\$18,017	(\$1,651)
Atmos Energy	\$11,355	\$10,061	\$11,775	\$420
Time Warner Cable	\$6,000	\$4,754	\$5,995	(\$5)
Other	\$13,486	\$8,386	\$15,683	\$2,197
TOTAL TAXES & FRANCHISE REVENUES	\$737,745	\$648,410	\$753,793	\$16,047
LICENSES AND PERMITS	\$9,893	\$8,050	\$9,697	(\$196)
INTEREST EARNED	\$2,413	\$937	\$1,211	(\$1,202)
INTERGOVERNMENTAL	\$6,312	\$5,345	\$5,593	(\$719)
FINES AND FORFEITURES				
Municipal Court	\$16,560	\$12,982	\$15,723	(\$838)
Vehicle Towing & Storage	\$7,774	\$6,033	\$7,395	(\$379)
Parking Fines	\$5,988	\$3,668	\$5,700	(\$289)
Red Light Camera Fines	\$8,344	\$0	\$7,251	(\$1,093)
Public Library	\$670	\$459	\$603	(\$67)
TOTAL FINES	\$39,337	\$23,142	\$36,672	(\$2,665)
CHARGES FOR SERVICE				
Sanitation Service	\$59,883	\$50,864	\$60,028	\$145
Parks	\$7,488	\$7,040	\$8,585	\$1,097
Private Disposal Fees	\$23,396	\$13,492	\$18,048	(\$5,347)
Emergency Ambulance	\$19,274	\$10,397	\$15,130	(\$4,144)
Security Alarm	\$4,650	\$3,493	\$4,201	(\$449)
Street Lighting	\$1,493	\$919	\$1,592	\$99
Vital Statistics	\$1,853	\$1,319	\$1,557	(\$296)
Other	\$19,344	\$16,645	\$16,583	(\$2,761)
TOTAL CHARGES	\$137,381	\$104,169	\$125,725	(\$11,656)
INTERFUND REVENUE	\$54,238	\$32,080	\$47,196	(\$7,042)
MISCELLANEOUS	\$14,000	\$12,847	\$18,473	\$4,473
TOTAL REVENUE	\$1,001,318	\$834,979	\$998,359	(\$2,959)
USE OF ONE-TIME RESOURCES	\$7,555	\$0	\$7,555	\$0
TOTAL RESOURCES	\$1,008,873	\$834,979	\$1,005,913	(\$2,959)

**GENERAL FUND
FORECAST OF FY 2010-11 EXPENDITURES
AS OF JULY 31, 2011
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$20,888	\$17,926	\$20,836	(\$53)
Business Dev/Procurement Svcs	\$2,088	\$1,592	\$2,062	(\$25)
City Attorney's Office	\$9,944	\$7,812	\$9,684	(\$260)
City Auditor's Office	\$2,157	\$1,645	\$2,126	(\$31)
City Controller's Office	\$3,558	\$2,749	\$3,463	(\$95)
City Manager's Office	\$1,546	\$1,441	\$1,471	(\$75)
City Secretary's Office	\$1,620	\$1,322	\$1,617	(\$3)
Civil Service	\$1,057	\$851	\$1,016	(\$41)
Code Compliance	\$26,846	\$20,276	\$26,804	(\$41)
Court Services	\$10,849	\$8,008	\$10,513	(\$336)
Elections	\$2,668	\$2,372	\$2,770	\$101
Fire	\$196,527	\$161,070	\$196,836	\$310
Housing / Community Services	\$7,450	\$6,581	\$7,445	(\$5)
Human Resources	\$3,064	\$2,422	\$3,037	(\$26)
Independent Audit	\$772	\$0	\$1,072	\$300
Judiciary	\$2,964	\$2,758	\$2,786	(\$178)
Library	\$19,591	\$15,798	\$19,338	(\$252)
Management Services	\$2,524	\$2,566	\$2,434	(\$91)
Mayor and Council	\$3,658	\$2,738	\$3,618	(\$40)
Non-Departmental	\$31,916	\$25,132	\$31,308	(\$608)
Office of Cultural Affairs	\$12,530	\$10,242	\$12,519	(\$10)
Office of Economic Development	\$505	\$433	\$498	(\$7)
Office of Financial Services	\$1,532	\$1,050	\$1,498	(\$34)
Park and Recreation	\$63,700	\$56,750	\$62,989	(\$711)
Police	\$403,070	\$313,673	\$401,217	(\$1,853)
Public Works and Transportation	\$11,875	\$13,800	\$11,217	(\$658)
Sanitation Services	\$72,973	\$58,139	\$73,476	\$503
Street Lighting	\$17,338	\$13,259	\$17,271	(\$67)
Street Services	\$49,002	\$32,096	\$48,952	(\$50)
Sustainable Dev/Construction	\$915	\$904	\$722	(\$193)
Trinity Watershed Management	\$151	\$55	\$247	\$97
OTHER				
Appraisal Districts	\$3,258	\$3,216	\$3,216	(\$42)
Dallas County Tax Collection	\$576	\$552	\$552	(\$24)
Jail Contract - Lew Sterrett	\$8,116	\$8,116	\$8,116	\$0
RESERVES AND TRANSFERS				
Salary and Benefit Reserve	\$1,432	\$0	\$1,432	\$0
Contingency Reserve	\$3,646	\$0	\$3,646	\$0
Liability/Claims Fund	\$6,569	\$0	\$6,569	\$0
EXPENDITURES	\$1,008,873	\$797,346	\$1,004,374	(\$4,499)

**PROPRIETARY FUNDS
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES
AS OF JULY 31, 2011
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$47,007	\$38,566	\$46,501	(\$506)
Expenses	\$47,007	\$26,887	\$46,501	(\$506)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	\$11,679	\$0	\$0
<u>Convention Center</u>				
Revenues	\$58,636	\$46,624	\$59,453	\$817
Expenses	\$58,636	\$48,450	\$59,626	\$991
Net Excess of Revenues				
Over Expenses/Transfer	\$0	(\$1,826)	(\$173)	(\$173)
<u>Municipal Radio Fund</u>				
Revenues	\$2,717	\$1,753	\$2,600	(\$118)
Expenses	\$2,717	\$2,077	\$2,634	(\$83)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	(\$324)	(\$35)	(\$35)
<u>Sustainable Dev/ Construction</u>				
Revenues	\$17,298	\$19,317	\$21,435	\$4,137
Expenses	\$16,791	\$13,224	\$16,470	(\$321)
Net Excess of Revenues				
Over Expenses/Transfer	\$507	\$6,093	\$4,965	\$4,458
<u>Water Utilities</u>				
Revenues	\$531,240	\$401,993	\$511,587	(\$19,653)
Expenses	\$531,240	\$324,158	\$511,587	(\$19,653)
Net Excess of Revenues				
Over Expenses/Transfer	\$0	\$77,835	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,019	\$34,808	\$48,124	\$104
Expenses	\$48,155	\$37,815	\$47,138	(\$1,017)
Net Excess of Revenues				
Over Expenses/Transfer	(\$136)	(\$3,006)	\$985	\$1,121

**PROPRIETARY FUNDS
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES
AS OF JULY 31, 2011
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$44,933	\$34,519	\$48,037	\$3,103
Expenses	\$44,933	\$32,417	\$47,680	\$2,747
Net Excess of Revenues Over Expenses/Transfer	\$0	\$2,102	\$356	\$356
<u>Express Business Center</u>				
Revenues	\$3,901	\$3,358	\$4,366	\$465
Expenses	\$4,049	\$3,302	\$4,185	\$136
Net Excess of Revenues Over Expenses/Transfer	(\$148)	\$56	\$181	\$329

**OTHER FUNDS
FORECAST OF FY 2010-11 REVENUES AND EXPENDITURES
AS OF JULY 31, 2011
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$512	\$333	\$512	\$0
<u>Risk Management</u>	\$1,268	\$985	\$1,268	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$13,457	\$11,554	\$13,733	\$275
Expenses	<u>\$13,912</u>	<u>\$7,817</u>	<u>\$13,595</u>	<u>(\$317)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$454)</u>	<u>\$3,737</u>	<u>\$138</u>	<u>\$592</u>
<u>Storm Water Drainage</u>				
Revenues	\$48,234	\$41,943	\$49,195	\$961
Expenses	<u>\$50,119</u>	<u>\$30,766</u>	<u>\$49,930</u>	<u>(\$189)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$1,885)</u>	<u>\$11,177</u>	<u>(\$734)</u>	<u>\$1,151</u>

**DEBT SERVICE FUND
FORECAST OF 2010-11 REVENUES AND EXPENDITURES
AS OF JULY 31, 2011
(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	\$3,632	\$0	\$3,741	\$109
Revenues	\$259,660	\$231,527	\$253,059	(\$6,601)
Expenses	\$260,685	\$187,800	\$253,882	(\$6,803)
Ending Balance	<u>\$2,607</u>	<u>\$43,727</u>	<u>\$2,918</u>	<u>\$311</u>

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2010	\$5,013,005
Elections - Increase elections services contract with Dallas County (May 25, 2011, CR# 11-1390)	(\$1,576,119)
Balance as of July 31, 2011	<u>\$3,436,886</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2010	\$13,277,328
Paid October 2010	(\$268,115)
Paid November 2010	(\$93,596)
Paid December 2010	(\$1,117,421)
Paid January 2011	(\$60,324)
Paid February 2011	(\$570,568)
Paid March 2011	(\$463,426)
Paid April 2011	(\$388,720)
Paid May 2011	(\$303,641)
Paid June 2011	(\$2,808,973)
Paid July 2011	(\$1,266,886)
Balance as of July 31, 2011	<u>\$5,935,657</u>