

Memorandum



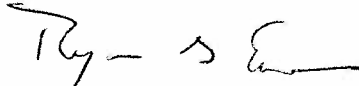
CITY OF DALLAS

DATE October 8, 2010
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

For your information, attached is the financial forecast for FY 2009-10, based on information through August. Mid-year appropriation adjustments approved on September 8, 2010 are included in this report. General Fund revenues are projected to be \$5,244,000 below budget and expenditures are projected to be \$9,206,000 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 AUGUST 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	\$875,560	\$995,276	(\$5,244)
Expenditures	\$1,025,842	\$910,744	\$1,016,636	(\$9,206)
Sub Total	(\$25,323)	(\$35,184)	(\$21,360)	\$3,962
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>(\$3,628)</u>		<u>\$334</u>	

*As amended by Ordinance No. 27692 on September 8, 2010

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

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$5,244,000 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 \$1,070,000 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 \$1,022,000 below budget primarily due to lower than budgeted interest rates.
 - Municipal Court revenues are projected to be \$2,192,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,371,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Parking Fines revenues are projected to be \$1,273,000 below budget primarily due to the weak economy.
 - Red Light Camera Fines revenues are projected to be \$1,407,000 below budget due to decreased citations.
 - Private Disposal revenues are projected to be \$4,456,000 below budget primarily due to the weak economy.
 - Security Alarm revenues are projected to be \$634,000 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 \$2,652,000 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 \$3,769,000 above budget due to increased transfers from other City funds.
 - Miscellaneous revenues are projected to be \$886,000 above budget primarily due to unbudgeted revenue as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$9,206,000 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.
 - Management Services is projected to be \$286,000 below budget primarily due to delays in hiring.
 - Liability/Claims Fund is projected to be \$500,000 below budget primarily due to less than anticipated funding requirements for liability claims.

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

ENTERPRISE FUND

- Convention and Event Services revenues are projected to be \$5,517,000 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 \$3,425,000 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 \$346,000 below budget due to delays in hiring.
- Water Utilities revenues are projected to be \$63,469,000 below budget due to lower than budgeted water pumpage. Expenses are projected to be \$63,469,000 below budget primarily due to vacancies and a reduced cash transfer to capital construction.
- Equipment Services revenues are projected to be \$2,840,000 below budget and expenses are projected to be \$2,028,000 below budget primarily due to lower than budgeted fuel prices.

OTHER FUNDS

- Employee Benefits expenses are projected to be \$131,000 below budget primarily due to delays in hiring.
- 9-1-1 System Operations revenues are projected to be \$1,487,000 above budget due to higher than anticipated revenue from service receipts.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF AUGUST 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	\$421,404	\$423,642	\$2,843
Sales Tax	206,574	154,103	203,848	(2,726)
FRANCHISE REVENUES				
Oncor Electric	48,658	48,641	48,641	(17)
AT&T	21,000	14,968	19,859	(1,141)
Atmos Energy	10,600	11,031	12,593	1,993
Time Warner Cable	5,800	5,447	6,538	738
Other	11,097	10,720	12,168	1,070
TOTAL TAXES & FRANCHISE REVENUES	724,528	666,314	727,289	2,761
LICENSES AND PERMITS	7,970	7,863	8,427	456
INTEREST EARNED	3,077	1,907	2,055	(1,022)
INTERGOVERNMENTAL	7,312	5,769	6,689	(622)
FINES AND FORFEITURES				
Municipal Court	19,382	15,963	17,189	(2,192)
Vehicle Towing & Storage	6,786	7,459	8,157	1,371
Parking Fines	8,788	6,027	7,515	(1,273)
Red Light Camera Fines	8,484	0	7,078	(1,407)
Public Library	611	572	652	42
TOTAL FINES	44,050	30,021	40,591	(3,459)
CHARGES FOR SERVICE				
Sanitation Service	60,545	56,387	60,405	(140)
Parks	7,602	7,097	7,715	113
Private Disposal Fees	23,552	16,561	19,096	(4,456)
Emergency Ambulance	19,250	15,914	19,250	0
Security Alarm	4,650	3,466	4,016	(634)
Street Lighting	1,392	1,012	1,750	358
Vital Statistics	2,390	1,716	1,853	(537)
Other	16,257	12,725	13,540	(2,717)
TOTAL CHARGES	135,638	114,878	127,627	(8,012)
INTERFUND REVENUE	68,331	34,601	72,100	3,769
MISCELLANEOUS	9,612	9,806	10,498	886
TOTAL REVENUE	1,000,519	871,158	995,276	(5,244)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,022,214	\$871,158	\$1,016,971	(\$5,244)

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

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$26,580	\$24,074	\$25,960	(\$620)
Business Dev/Procurement Svcs	\$3,154	\$2,614	\$3,126	(\$28)
City Attorney's Office	\$10,922	\$9,785	\$10,891	(\$32)
City Auditor's Office	\$2,254	\$1,952	\$2,178	(\$76)
City Controller's Office	\$7,329	\$6,118	\$7,199	(\$130)
City Manager's Office	\$1,872	\$1,651	\$1,797	(\$75)
City Secretary's Office	\$1,648	\$1,699	\$1,623	(\$25)
Civil Service	\$1,303	\$1,169	\$1,274	(\$28)
Code Compliance	\$28,561	\$24,782	\$28,306	(\$255)
Court Services	\$11,281	\$9,487	\$10,945	(\$336)
Elections	\$1,393	\$110	\$1,393	\$0
Fire	\$201,715	\$182,601	\$201,446	(\$269)
Housing / Community Services	\$8,122	\$7,544	\$7,740	(\$382)
Human Resources	\$3,177	\$2,560	\$3,045	(\$132)
Independent Audit	\$845	\$0	\$829	(\$17)
Judiciary	\$3,046	\$2,853	\$2,977	(\$69)
Library	\$22,396	\$19,682	\$22,186	(\$210)
Management Services	\$3,500	\$3,391	\$3,214	(\$286)
Mayor and Council	\$3,813	\$3,260	\$3,768	(\$45)
Non-Departmental	\$25,019	\$21,470	\$23,903	(\$1,116)
Office of Cultural Affairs	\$12,145	\$11,042	\$11,970	(\$174)
Office of Economic Development	\$2,633	\$2,489	\$2,570	(\$63)
Office of Financial Services	\$1,625	\$1,342	\$1,595	(\$30)
Park and Recreation	\$66,369	\$61,750	\$65,942	(\$427)
Police	\$418,677	\$370,004	\$417,259	(\$1,418)
Public Works and Transportation	\$14,580	\$19,305	\$14,260	(\$320)
Sanitation Services	\$74,461	\$64,171	\$74,066	(\$396)
Street Lighting	\$18,398	\$15,597	\$17,973	(\$425)
Street Services	\$27,711	\$24,431	\$26,827	(\$884)
Sustainable Dev/Construction	\$1,535	\$1,321	\$1,518	(\$17)
Trinity Watershed Management	\$739	\$1,366	\$721	(\$18)
<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	\$7,305	\$0	\$6,805	(\$500)
Salary and Benefit Reserve	\$400	\$0	\$0	(\$400)
EXPENDITURES	<u>\$1,025,842</u>	<u>\$910,744</u>	<u>\$1,016,636</u>	<u>(\$9,206)</u>

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

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$41,068	\$44,772	\$2,284
Expenses	\$42,878	\$30,343	\$41,510	(\$1,368)
Net Excess of Revenues Over Expenses/Transfer	(\$389)	\$10,725	\$3,262	\$3,652
<u>Convention Center</u>				
Revenues	\$60,076	\$46,456	\$54,559	(\$5,517)
Expenses	\$61,347	\$50,673	\$57,922	(\$3,425)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,217)	(\$3,363)	(\$2,092)
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$2,605	\$2,659	(\$261)
Expenses	\$3,120	\$2,477	\$2,774	(\$346)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	\$128	(\$116)	\$85
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$17,016	\$18,305	\$1,722
Expenses	\$16,631	\$14,715	\$16,254	(\$378)
Net Excess of Revenues Over Expenses/Transfer	(\$48)	\$2,300	\$2,051	\$2,100
<u>Water Utilities</u>				
Revenues	\$530,365	\$418,500	\$466,897	(\$63,469)
Expenses	\$530,365	\$368,942	\$466,897	(\$63,469)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$49,557	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$41,546	\$46,552	(\$1,715)
Expenses	\$49,426	\$43,016	\$49,221	(\$205)
Net Excess of Revenues Over Expenses/Transfer	(\$1,160)	(\$1,470)	(\$2,669)	(\$1,509)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF AUGUST 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	\$27,933	\$45,187	(\$2,840)
Expenses	<u>\$47,885</u>	<u>\$38,512</u>	<u>\$45,857</u>	<u>(\$2,028)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$142</u>	<u>(\$10,579)</u>	<u>(\$670)</u>	<u>(\$811)</u>
<u>Express Business Center</u>				
Revenues	\$4,266	\$3,452	\$4,072	(\$195)
Expenses	<u>\$4,384</u>	<u>\$3,932</u>	<u>\$4,246</u>	<u>(\$138)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$117)</u>	<u>(\$480)</u>	<u>(\$174)</u>	<u>(\$57)</u>

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

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$451	\$593	(\$131)
<u>Risk Management</u>	\$1,264	\$1,115	\$1,264	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$13,056	\$13,648	\$1,487
Expenses	<u>\$16,129</u>	<u>\$8,583</u>	<u>\$15,611</u>	<u>(\$519)</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$3,969)</u>	<u>\$4,473</u>	<u>(\$1,963)</u>	<u>\$2,006</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$45,681	\$48,158	\$3,484
Expenses	<u>\$49,117</u>	<u>\$34,329</u>	<u>\$48,145</u>	<u>(\$972)</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$4,443)</u>	<u>\$11,352</u>	<u>\$13</u>	<u>\$4,456</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF AUGUST 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	\$260,639	\$261,911	\$325
Expenses	\$289,164	\$288,803	\$288,803	(\$361)
Ending Balance	<u>\$2,880</u>	<u>(\$28,164)</u>	<u>\$4,152</u>	<u>\$1,272</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 30, 2010	<u>\$1,367,236</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2009	\$9,203,980
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)
Paid August 2010	(\$783,140)
Balance as of August 31, 2010	<u><u>\$4,381,791</u></u>