

# Memorandum



CITY OF DALLAS

DATE September 21, 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 July 2012 is attached and provided for your information. This report also reflects budget adjustments approved by the City Council on May 9<sup>th</sup> increasing appropriations and expenditures for partial pay restoration for civilian employees and mid-year appropriation adjustments approved by City Council on September 12<sup>th</sup>.

For FY 2011-12, General Fund revenues are projected to be \$2,386,000 below budget and expenditures are projected to be \$4,683,000 below budget. This results in forecast revenues being in excess of forecast expenditures by \$2,298,000.

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. 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 JULY 31, 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	\$874,458	\$1,010,400	(\$2,386)
Expenditures	\$1,012,786	\$800,550	\$1,008,102	(\$4,683)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$73,907</u>	<u>\$2,298</u>	<u>\$2,298</u>

**FINANCIAL FORECAST REPORT  
FY 2011-12  
AS OF JULY 31, 2012**

**GENERAL FUND**

**Revenues**

- Total General Fund revenues are estimated to be \$2,386,000 below budget.
  - Property tax revenues are projected to be \$4,358,000 above budget primarily due to better than expected collection rate for current year taxes.
  - Sale tax revenues are projected to be \$10,019,000 better than budget due to improvements in the economy.
  - Atmos Energy franchise revenue is to be \$919,000 below budget due to the warm winter that reduced gas consumption and decreased revenue this fiscal year.
  - Municipal Court revenues are projected to be \$2,608,000 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 \$695,000 below budget due to fewer than anticipated tows for arrests and no insurance.
  - Parking Fines are projected to be \$680,000 below budget due to lower ticket issuance.
  - Public Library revenues are projected to be \$60,000 below budget primarily due to lower than anticipated library fines since more patrons are using e-book which does not result in fines.
  - Park revenues are projected to be \$1,281,000 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 \$4,173,000 below budget. First three 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 \$441,000 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 \$1,254,000 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.
  - Interfund Revenue is projected to be \$12,135,000 below budget due to lower than anticipated indirect cost recovery from grants and due to deferred transfers from other city funds.

**Expenditures**

- Total General Fund expenditures are estimated to be \$4,683,000 below budget.
  - Management Service is projected to be \$179,000 below budget due to delays in hiring.
  - Sustainable Development and Construction is projected to be \$102,000 below budget primarily due to delays in hiring.
  - Trinity Watershed Management is projected to be \$18,000 below budget primarily due to delays in hiring.

**FINANCIAL FORECAST REPORT  
FY 2011-12  
AS OF JULY 31, 2012**

**PROPRIETARY FUND**

- Municipal Radio Fund expenses are projected to be \$477,000 below budget primarily due to delays in hiring. Municipal Radio revenue is projected to be \$450,000 below budget due to lower local sales.
- Sustainable Development/Construction revenues are projected to be \$2,974,000 above budget due to a recent increase in new and remodel single-family construction, multi-family construction and continued expansion of healthcare facilities.
- Express Business Center expenses are projected to be \$324,000 below budget due to decreased postage and mailing.

**GENERAL FUND  
FORECAST OF FY 2011-12 REVENUES  
AS OF JULY 31, 2012  
(000s)**

	<u>BUDGET</u>	<u>REVENUES YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
<b>TAXES</b>				
Ad Valorem Tax	\$434,638	\$437,351	\$438,996	\$4,358
Sales Tax	\$215,508	\$169,574	\$225,527	\$10,019
<b>TOTAL TAXES</b>	<b>\$650,147</b>	<b>\$606,925</b>	<b>\$664,523</b>	<b>\$14,377</b>
<b>FRANCHISE REVENUES</b>				
Oncor Electric	\$51,097	\$52,466	\$52,466	\$1,369
AT&T	\$16,515	\$8,335	\$16,330	(\$185)
Atmos Energy	\$11,474	\$7,133	\$10,555	(\$919)
Time Warner Cable	\$6,170	\$4,361	\$6,375	\$205
Other	\$17,212	\$10,298	\$17,862	\$650
<b>TOTAL FRANCHISE REVENUES</b>	<b>\$102,469</b>	<b>\$82,592</b>	<b>\$103,588</b>	<b>\$1,119</b>
<b>LICENSES AND PERMITS</b>	<b>\$9,747</b>	<b>\$8,361</b>	<b>\$9,351</b>	<b>(\$396)</b>
<b>INTEREST EARNED</b>	<b>\$914</b>	<b>\$1,066</b>	<b>\$1,101</b>	<b>\$187</b>
<b>INTERGOVERNMENTAL</b>	<b>\$5,430</b>	<b>\$6,096</b>	<b>\$6,521</b>	<b>\$1,091</b>
<b>FINES AND FORFEITURES</b>				
Municipal Court	\$17,822	\$11,993	\$15,214	(\$2,608)
Vehicle Towing & Storage	\$7,874	\$5,838	\$7,179	(\$695)
Parking Fines	\$5,793	\$3,060	\$5,113	(\$680)
Red Light Camera Fines	\$7,276	\$0	\$7,139	(\$137)
Public Library	\$603	\$443	\$543	(\$60)
<b>TOTAL FINES</b>	<b>\$39,368</b>	<b>\$21,333</b>	<b>\$35,187</b>	<b>(\$4,181)</b>
<b>CHARGES FOR SERVICE</b>				
Sanitation Service	\$59,922	\$51,443	\$61,215	\$1,292
Parks	\$7,321	\$7,468	\$8,603	\$1,281
Private Disposal Fees	\$18,336	\$16,290	\$19,333	\$997
Emergency Ambulance	\$20,063	\$8,513	\$15,890	(\$4,173)
Security Alarm	\$4,155	\$3,676	\$4,183	\$28
Street Lighting	\$1,493	\$635	\$1,052	(\$441)
Vital Statistics	\$1,563	\$1,293	\$1,488	(\$75)
Other	\$18,756	\$14,987	\$17,502	(\$1,254)
<b>TOTAL CHARGES</b>	<b>\$131,610</b>	<b>\$104,306</b>	<b>\$129,265</b>	<b>(\$2,345)</b>
<b>INTERFUND REVENUE</b>	<b>\$60,584</b>	<b>\$33,774</b>	<b>\$48,449</b>	<b>(\$12,135)</b>
<b>MISCELLANEOUS</b>	<b>\$12,516</b>	<b>\$10,006</b>	<b>\$12,414</b>	<b>(\$102)</b>
<b>TOTAL REVENUES</b>	<b>\$1,012,786</b>	<b>\$874,458</b>	<b>\$1,010,400</b>	<b>(\$2,386)</b>

**GENERAL FUND  
FORECAST OF FY 2011-12 EXPENDITURES  
AS OF JULY 31, 2012  
(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
Building Services	\$18,180	\$14,832	\$18,147	(\$33)
Business Dev/Procurement Svcs	\$2,116	\$1,672	\$2,106	(\$10)
City Attorney's Office	\$10,754	\$8,513	\$10,736	(\$18)
City Auditor's Office	\$2,067	\$1,659	\$2,044	(\$22)
City Controller's Office	\$3,613	\$3,007	\$3,588	(\$24)
City Manager's Office	\$1,625	\$1,482	\$1,612	(\$13)
City Secretary	\$1,514	\$1,193	\$1,508	(\$6)
Civil Service	\$1,459	\$1,115	\$1,453	(\$6)
Code Compliance	\$27,785	\$21,149	\$27,783	(\$2)
Court Services	\$10,693	\$7,989	\$10,648	(\$45)
Elections	\$1,239	\$75	\$1,172	(\$67)
Fire	\$206,358	\$173,066	\$206,258	(\$100)
Housing	\$8,097	\$7,881	\$8,081	(\$16)
Human Resources	\$3,491	\$2,675	\$3,469	(\$23)
Independent Audit	\$937	\$0	\$937	\$0
Judiciary	\$3,077	\$2,487	\$2,930	(\$147)
Library	\$18,462	\$14,656	\$18,348	(\$114)
Management Services	\$3,305	\$2,936	\$3,126	(\$179)
Mayor and Council	\$3,624	\$2,814	\$3,581	(\$43)
Non-Departmental	\$27,270	\$20,440	\$26,305	(\$966)
Office of Cultural Affairs	\$13,895	\$11,022	\$13,745	(\$151)
Office of Economic Development	\$637	\$627	\$627	(\$10)
Office of Financial Services	\$1,776	\$1,075	\$1,746	(\$30)
Park and Recreation	\$66,186	\$56,475	\$66,183	(\$2)
Police	\$399,406	\$315,803	\$399,280	(\$126)
Public Works and Transportation	\$5,015	\$4,782	\$4,849	(\$165)
Sanitation Services	\$74,535	\$56,842	\$73,802	(\$733)
Street Lighting	\$18,084	\$14,269	\$17,644	(\$440)
Street Services	\$53,295	\$41,343	\$53,244	(\$50)
Sustainable Dev/Construction	\$1,204	\$1,264	\$1,102	(\$102)
Trinity Watershed Management	\$262	\$244	\$244	(\$18)
<b>OTHER</b>				
Appraisal Districts	\$3,321	\$2,701	\$3,321	\$0
Jail Contract - Lew Sterrett	\$7,852	\$3,926	\$7,852	\$0
Dallas County Tax Collection	\$556	\$533	\$533	(\$23)
<b>RESERVES AND TRANSFERS</b>				
Contingency Reserve	\$1,663	\$0	\$1,663	\$0
Liability Reserve/Claim Fund	\$5,288	\$0	\$5,288	\$0
Salary and Benefit Reserve	\$4,145	\$0	\$3,145	(\$1,000)
<b>TOTAL EXPENDITURES</b>	<b>\$1,012,786</b>	<b>\$800,550</b>	<b>\$1,008,102</b>	<b>(\$4,683)</b>

**PROPRIETARY FUNDS**  
**FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES**  
**AS OF JULY 31, 2012**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Aviation</b>				
Revenues	\$47,682	\$39,005	\$47,871	\$189
Expenses	\$47,682	\$33,365	\$47,450	(\$233)
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$5,640</u>	<u>\$421</u>	<u>\$421</u>
<b>Convention Center</b>				
Revenues	\$62,642	\$51,898	\$63,067	\$425
Expenses	\$62,642	\$49,242	\$62,501	(\$141)
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$2,656</u>	<u>\$566</u>	<u>\$566</u>
<b>Sustainable Dev. Services</b>				
Revenues	\$19,075	\$21,238	\$22,048	\$2,974
Expenses	\$19,043	\$13,776	\$18,814	(\$228)
Net Excess of Revenues Over Expenses/Transfer	<u>\$32</u>	<u>\$7,462</u>	<u>\$3,234</u>	<u>\$3,202</u>
<b>Municipal Radio Fund</b>				
Revenues	\$2,842	\$2,075	\$2,391	(\$450)
Expenses	\$2,798	\$1,931	\$2,321	(\$477)
Net Excess of Revenues Over Expenses/Transfer	<u>\$43</u>	<u>\$144</u>	<u>\$70</u>	<u>\$27</u>
<b>Water Utilities</b>				
Revenues	\$551,600	\$420,766	\$532,084	(\$19,516)
Expenses	\$551,826	\$376,189	\$540,382	(\$11,444)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$225)</u>	<u>\$44,577</u>	<u>(\$8,297)</u>	<u>(\$8,072)</u>
<b>Communication &amp; Information Svcs.</b>				
Revenues	\$46,142	\$38,166	\$46,466	\$324
Expenses	\$48,345	\$37,171	\$48,113	(\$232)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$2,202)</u>	<u>\$995</u>	<u>(\$1,647)</u>	<u>\$555</u>

**PROPRIETARY FUNDS**  
**FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES**  
**AS OF JULY 31, 2012**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Equipment Services</b>				
Revenues	\$49,261	\$34,140	\$48,954	(\$308)
Expenses	\$49,261	\$39,062	\$49,112	(\$150)
Net Excess of Revenues Over Expenses/Transfer	\$0	(\$4,922)	(\$158)	(\$158)
<b>Express Business</b>				
Revenues	\$3,924	\$3,154	\$3,744	(\$181)
Expenses	\$3,871	\$2,868	\$3,547	(\$324)
Net Excess of Revenues Over Expenses/Transfer	\$53	\$286	\$197	\$144



**OTHER FUNDS**  
**FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES**  
**AS OF JULY 31, 2012**  
**(000s)**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>REVENUES AND EXPENDITURES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>Employee Benefits</b>	\$621	\$352	\$621	\$0
<b>Risk Management</b>	\$1,621	\$1,273	\$1,591	(\$29)
<b>9-1-1 System Operations</b>				
Revenues	\$13,075	\$10,656	\$13,703	\$628
Expenses	\$14,131	\$10,100	\$14,076	(\$55)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$1,056)</u>	<u>\$556</u>	<u>(\$373)</u>	<u>\$683</u>
<b>Storm Water Drainage</b>				
Revenues	\$49,199	\$42,839	\$49,838	\$640
Expenses	\$54,563	\$24,202	\$53,289	(\$1,274)
Net Excess of Revenues Over Expenses/Transfer	<u>(\$5,365)</u>	<u>\$18,636</u>	<u>(\$3,451)</u>	<u>\$1,914</u>

**DEBT SERVICE FUND  
FORECAST OF FY 2011-12 REVENUES AND EXPENDITURES  
AS OF JULY 31, 2012  
(000s)**

<b>DEBT SERVICE</b>	<b>BUDGET</b>	<b>EXPENDITURES AND REVENUES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
Beginning Balance	\$2,918	\$0	\$5,510	\$2,592
Revenues	\$248,494	\$233,231	\$248,262	(\$232)
Expenses	\$248,845	\$184,777	\$248,823	(\$22)
Ending Balance	<u>\$2,567</u>	<u>\$48,454</u>	<u>\$4,949</u>	<u>\$2,382</u>

**CONTINGENCY RESERVE STATUS**

<b>Beginning Balance October 1, 2011</b>	<b>\$5,100,000</b>
<b>Balance as of July 31, 2012</b>	<b><u>\$5,100,000</u></b>

**LIABILITY/CLAIMS FUND**

<b>Beginning Balance October 1, 2011</b>	<b>\$8,568,433</b>
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)
Paid May 2012	(\$265,916)
Paid June 2012	(\$2,215,445)
Paid July 2012	(\$343,447)
<b>Balance as of July 31, 2012</b>	<b><u>\$2,751,569</u></b>

# SALES TAX

as of July 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 DOLLARS	ACT. PERCENT	ACTUAL VS. BUDGET DOLLARS	PERCENT
<b>OCT</b>	\$15,272,080	\$15,623,064	\$15,401,765	\$129,685	0.8%	(\$221,299)	-1.4%
<b>NOV</b>	15,470,539	16,172,808	16,931,117	1,460,578	9.4%	758,309	4.7%
<b>DEC</b>	22,992,788	23,741,642	24,429,551	1,436,763	6.2%	687,909	2.9%
<b>JAN</b>	15,322,370	15,550,064	16,540,783	1,218,413	8.0%	990,719	6.4%
<b>FEB</b>	14,670,044	14,902,387	16,195,414	1,525,370	10.4%	1,293,027	8.7%
<b>MAR</b>	22,537,374	21,789,663	22,362,792	(174,582)	-0.8%	573,129	2.6%
<b>APR</b>	15,672,560	15,978,845	17,489,176	1,816,616	11.6%	1,510,331	9.5%
<b>MAY</b>	16,714,276	16,780,773	17,840,445	1,126,169	6.7%	1,059,672	6.3%
<b>JUN</b>	21,525,471	21,839,144	22,383,001	857,530	4.0%	543,857	2.5%
<b>JUL</b>	18,628,602	16,428,177	20,223,678	1,595,076	8.6%	3,795,501	23.1%
<b>AUG</b>	15,839,193	15,968,985					
<b>SEP</b>	21,247,748	20,732,552					
<b>TOTAL</b>	<b>\$215,893,045</b>	<b>\$215,508,103</b>	<b>\$189,797,722</b>	<b>\$10,991,618</b>	<b>6.1%</b>	<b>\$10,991,156</b>	<b>6.1%</b>

