

Memorandum

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DATE: April 8, 2010

CITY SECRETARY  
DALLAS, TEXAS

TO: Members of the Budget, Finance & Audit Committee  
Ann Margolin, Vice Chair, Vonciel Jones Hill, Delia D. Jasso, Ron Natinsky,  
David A. Neumann

SUBJECT: **Budget, Finance & Audit Committee Meeting**  
**Monday, April 12, 2010, 9:30 – 11:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

**AGENDA**

1. Consideration of minutes from the March 8, 2010 Budget, Finance and Audit Committee Meeting

2. Bond Underwriter Syndicates

Corrine Steeger, Assistant Director  
City Controller's Office

**FYI:**

3. American Recovery & Reinvestment Act (ARRA)  
Status Report

4. January/February 2010 Financial Forecast Report

Jerry R. Allen, Chair  
Budget, Finance & Audit Committee

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer

A closed executive session may be held if the discussion concerns one of the following:

1. Contemplated or pending litigation or matter where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. Personnel matters involving discussions of the qualifications for performance of identifiable individuals already employed or being considered for employment by the City. Section 551.074 of the Texas Open Meetings Act.
3. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.074 of the Texas Open Meetings Act.
4. Discussions concerning sale or lease of real property, or negotiated contracts for donations to the City, when such discussions would have a detrimental effect on negotiating position of the City. Section 551.072 of the Texas Open Meetings Act.

**BUDGET, FINANCE, AND AUDIT COMMITTEE  
DRAFT MEETING MINUTES  
March 8, 2010**

The Council's Budget, Finance, and Audit Committee meetings are recorded. Agenda materials and audiotapes may be reviewed by contacting the City Manager's Office Staff Coordinator Laura L. Carrillo at 214-670-7804.

**Meeting Date:** March 8, 2010

**Committee Members Present:**

Jerry R. Allen, Chair, Ann Margolin, Vice – Chair  
Vonciel Jones Hill, Angela Hunt, Delia D. Jasso, Ron Natinsky,  
David A. Neumann

**Committee Members Absent:**

**Staff Members Present:**

Mary Suhm, Jeanne Chipperfield,  
Laura Carrillo, Shelia Robinson, Jack  
Ireland, Anna Holmes, Rhonn  
Ramirez, Jeannie Eneh, Gwen  
Satterthwaite, Craig Kinton -

**Other Council members present who attended a partial or duration of the meeting:**

None

**Meeting called to order at 9:35 a.m.**

**AGENDA:**

**1. Consideration of Minutes from February 22, 2010 Budget, Finance, and Audit**

**Presenter(s):**

**Information Only:**

**Action Taken/Committee Recommendation(s):**

Motion made by: David A. Neumann

Motion seconded by: Ron Natinsky

The motion passed unanimously

**2. Communications Related to the FY 2009 Audit**

**Presenter(s):** Ben Kohnle

**Information Only: Yes**

**Action Taken/Committee Recommendation(s):**

Motion made by:

Motion seconded by:

The motion passed unanimously

**Follow up:** The Budget, Finance & Audit Committee requested that the Communications related to the FY 2009 Audit briefing be brought back to the committee in June 2010.

3. **Dallas/Fort Worth International Airport Board Issues**

**Presenter(s):** Michael Phemister

**Information Only:**

**Action Taken/Committee Recommendation(s):** The Budget, Finance & Audit Committee made a motion to move the Dallas/Fort Worth International Airport Board Issues to full City Council on March 10, 2010.

Motion made by: Ron Natinsky

Motion seconded by: David A. Neumann

**Follow up:**

**FYI Only:**

4. **December 2009 Financial Forecast Report**

**Presenter(s):** Mary Suhm & Jeanne Chipperfield

**Information Only: Yes**

**Action Taken/Committee Recommendation(s):**

Motion made by:

Motion seconded by:

**Follow up:**

**Meeting adjourned at 10:31 a.m.**

# Memorandum



CITY OF DALLAS

DATE April 8, 2010

TO Members of the Budget, Finance & Audit Committee:  
Chair Jerry Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Delia Jasso, Ron Natinsky, David Neumann

SUBJECT Bond Underwriter Syndicate Selection

The April 12, 2010 Budget, Finance & Audit meeting agenda includes a briefing on the recommended bond underwriter syndicate selection. Attached is a copy of the briefing.

Please let me know if you need additional information.

A handwritten signature in cursive script, reading "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

Attachment

c: Honorable Mayor & Members of the City Council  
Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Deborah A. Watkins, City Secretary  
Tom P. Perkins, City Attorney  
Craig Kinton, City Auditor

# CITY OF DALLAS

## BOND UNDERWRITER SYNDICATE SELECTION

BUDGET, FINANCE & AUDIT  
COMMITTEE

April 12, 2010



# UNDERWRITER SELECTION PROCESS

- UNDERWRITING – “The process of purchasing all or any part of a new issue of municipal securities from the issuer and offering such securities for sale to investors.”
- SYNDICATE – “A group of underwriters formed to purchase a new issue of municipal securities from the issuer and offer it for resale to the general public.”

Municipal Securities Rulemaking Board

# UNDERWRITER SELECTION PROCESS

- The City has maintained a pool of underwriters for negotiated sales divided into two syndicates, called Team A and Team B
  - The teams are composed of national, regional, and minority/women business enterprise firms and include a mix of firms with institutional and retail sales capabilities
  - The teams alternate financings, beginning with Team A
  - Two Senior Managers are appointed at the time of the financing

# UNDERWRITER SELECTION PROCESS

- Senior Manager positions in the previous syndicates were rotated between the national and MWBE firms as the teams alternated financings
  - All national firms and the two highest ranked MWBE firms in each team served in the role of Bookrunning Senior Manager
  - Regional firms were not included in the rotation of Senior Manager positions

# UNDERWRITER SELECTION PROCESS

- The new syndicates will include the rotation of firms as Senior Managers as the teams alternate financings
  - National and MWBE firms will be considered for the Bookrunning Senior Manager position, beginning with the highest ranked national and MWBE firm on each team
    - Firms will rotate in the Bookrunning Senior Manager position until all have had an opportunity to serve in this role
  - Regional firms will be considered for rotation with national firms as Co-Senior Managers, beginning with the highest ranked regional firm on each team

# UNDERWRITER SELECTION PROCESS

- On February 8<sup>th</sup>, Budget Finance & Audit Committee was briefed on the underwriter selection process
- On March 3<sup>rd</sup>, the City received responses from 37 firms to serve as underwriter for the City's negotiated bond sales

# UNDERWRITER SELECTION PROCESS

- Evaluation team reviewed responses and submitted recommendations to Business Development and Procurement Services
  - Team members represented City departments and the City's Co-Financial Advisors:
    - Chief Financial Officer
    - Interim Assistant Director of Business Operations, Water Utilities
    - Assistant Director, Office of Financial Services
    - Interim Director, Convention and Event Services
    - Assistant Director/Treasury Manager, City Controller's Office
    - First Southwest Company, Co-Financial Advisor
    - Estrada Hinojosa, Co-Financial Advisor

# UNDERWRITER SELECTION PROCESS

## ■ Selection Criteria

### ■ 30% Experience

- Experience of the firm and its representatives

### ■ 30% Capacity

- Capital

- Municipal securities sales force and public finance staff

### ■ 20% Commitment to Dallas and/or Texas

- Location of offices and public finance personnel

### ■ 20% Other Qualifications

- References

- Litigation/Disclosures

# UNDERWRITER SELECTION PROCESS

- National firms in order of ranking:
  - Citigroup Global Markets, Inc.
  - JPMorgan Chase & Co.
  - Bank of America Merrill Lynch
  - Morgan Stanley
  - Wells Fargo Bank, N.A.
  - Goldman Sachs
  - Barclays Capital
  - Jefferies
  - Robert W. Baird & Co., Inc.
  - Fidelity Capital Markets
  - Edward Jones

# UNDERWRITER SELECTION PROCESS

## ■ Regional firms in order of ranking:

- Southwest Securities Group
- Morgan Keegan & Co., Inc.
- RBC Capital Markets
- Piper Jaffray
- Raymond James & Assoc.
- Stifel Nicolaus
- Stephens Inc.
- BB&T Capital Markets
- Frost Bank
- BOSCO, Inc.
- Sterne Agee & Leach
- Coastal Securities Inc.
- Mesiroow Financial
- SAMCO Capital Markets, Inc.
- Crews & Associates, Inc.
- M.E. Allison & Co.

# UNDERWRITER SELECTION PROCESS

- Minority/women business enterprise firms in order of ranking:
  - Siebert Brandford Shank & Co.
  - Loop Capital Markets
  - M. R. Beal & Co.
  - Ramirez & Co.
  - Jackson Securities
  - Cabrera Capital Markets
  - Duncan-Williams, Inc.
  - Stern Brothers & Co.
  - Rice Financial Products
  - Rockfleet Financial Services

# UNDERWRITER SELECTION PROCESS

## ■ Previous underwriting syndicates:

### Team A

Bank of America Merrill Lynch

Citigroup Global Markets, Inc.

JPMorgan Chase & Co.

Morgan Keegan & Co., Inc.

Ramirez & Co.

Rice Financial Products\*

### Team B

Barclays Capital

Goldman Sachs

Morgan Stanley

RBC Capital Markets

Siebert Brandford Shank & Co.

Southwest Securities Group

Walton Johnson & Co.

\*Formerly Apex Pryor Securities, Inc.

# UNDERWRITER SELECTION PROCESS

## ■ Recommended underwriting syndicates:

### Team A

JPMorgan Chase & Co.  
Bank of America Merrill Lynch  
Morgan Stanley  
Southwest Securities Group  
RBC Capital Markets  
Raymond James & Assoc.  
Siebert Brandford Shank & Co.  
M. R. Beal & Co.  
Cabrera Capital Markets

### Team B

Citigroup Global Markets, Inc.  
Wells Fargo Bank, N.A.  
Goldman Sachs  
Morgan Keegan & Co., Inc.  
Piper Jaffray  
Stifel Nicolaus  
Loop Capital Markets  
Ramirez & Co.  
Jackson Securities

# UNDERWRITER SELECTION PROCESS

- Recommended teams will also include one additional national, regional, and minority/women business enterprise firm, which will serve as an alternate.
- The alternate will assume the place on the team of a firm that can no longer serve
- Recommended alternates:

## Team A

Barclays Capital

Stephens Inc.

Duncan-Williams

## Team B

Jefferies

BB&T Capital Markets

Stern Brothers

# RECOMMENDATION

- Approval of resolution on April 21<sup>st</sup> city council agenda to appoint underwriting syndicates

# Memorandum



DATE April 8, 2010


TO Members of the City Council Budget, Finance, and Audit Committee: Jerry Allen, Chair; Ann Margolin, Vice Chair; Vonciel Jones Hill; Delia Jasso; Ron Natinsky; and David A. Neumann

SUBJECT American Recovery and Reinvestment Act (ARRA) Status Report

Attached please find an ARRA Formula and Competitive Grant Tracking spreadsheet. The spreadsheet provides an overview of grant status, including award amount, projected award date, and other details. The sheet has been subdivided into the following four sections:

- Formula Based Funding Awards
- Federal and State Competitive Based Funding Awards
- Declined Federal Competitive Applications
- Pending Federal and State Competitive Applications

Please contact me if you need additional information.



Mary K. Suhm  
City Manager

c: Honorable Mayor and Members of the City Council  
Deborah Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
A.C. Gonzales, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Frank Libro, Public Information Officer  
Jeanne Chipperfield, Chief Financial Officer

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

**FORMULA BASED FUNDING AWARDED**

Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
Federal Formula	Internet Crimes Against Children Initiatives	Full salary and benefits of one existing and one new detective, skills training, computers and equipment.	Awarded & Accepted	\$ 776,503.00	\$ 130,560.37	\$ 85,794.33	\$ (44,766.04)	48 months	NA
Federal Formula	Byrne	Funding for 41 officers and one civilian; personal equipment for 152 officers, 66 squad cars, 4 existing community prosecutors for non-CDBG areas, Project Reconnect.	Awarded & Accepted	\$ 7,115,022.00	\$ 1,043,934.58	\$ 7,115,022.00	\$ 6,071,087.42	48 months	NA
Federal Formula	Energy Efficiency & Conservation Block Grant (multiple projects)	Sustainable Communities Initiative - Administered by the City's Housing Department, the goal of this component is to reduce energy consumption by at least 15% in approximately 400 homes. The project will complete weatherization/minor repair projects @ \$5,000 each in designated NIP areas, and includes installation of energy efficient appliances, energy audits, and energy star inspections.	Awarded & Accepted	\$ 2,338,588.00	\$ -	\$ -	\$ -	36 months	NA
		Green Building Office - Administered by the Building Inspection Department, the goal is to train and integrate green inspection practices into all building inspections and to integrate green requirements into development, plan review and permitting. This component also supports the City's Green Building Ordinance for all new residential and commercial buildings which goes into effect October 1, 2009.	Awarded & Accepted	\$ 450,000.00	\$ -	\$ -	\$ -	36 months	NA

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

**FORMULA BASED FUNDING AWARDED (cont.)**

Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
		Priority major maintenance, repair, and upgrade (energy/water efficiency) for city-owned/operated facilities. The goal of this component is to increase energy efficiency, reduce energy consumption beyond the 5% required by the Texas legislature, and reduce energy costs through energy efficiency improvements in City facilities.	Awarded & Accepted	\$ 9,191,654.00	\$ -	\$ -		36 months	NA
		<u>Oversight &amp; Reporting includes:</u> Three positions for the City Auditor's Office - 1 Senior Auditor (L) for year 1-3, 1 Fund Analyst (I) for year 1-3, 1 Coordinator (G) for year 1-3, and Two position for Intergovernmental Services - 1 Fund Manager II (K) for year 1-3, 1 Coordinator II (H) for year 1							
		Salaries - Civilian	Awarded & Accepted	\$ 689,890.00	\$ -	\$ -		36 months	NA
		Pensions - Civilian	Awarded & Accepted	\$ 54,915.00	\$ -	\$ -		36 months	NA
		Insurance-Flex Benefits - Civilian	Awarded & Accepted	\$ 52,250.00	\$ -	\$ -		36 months	NA
		FICA - Civilian	Awarded & Accepted	\$ 10,003.00	\$ -	\$ -		36 months	NA
		<b>Total EECBG =</b>	<b>\$</b>	<b>12,787,300.00</b>	<b>\$ 220,950.32</b>	<b>\$ -</b>	<b>\$ (220,950.32)</b>		
Federal Formula	CDBG-R (multiple projects)	MLK Center facility upgrades to improve customer service (roof replacement, HVAC, structural study, ADA improvements, cabinet replacement, parking lot improvements, carpet replacement, interior/exterior painting).	Awarded & Accepted	\$ 2,548,000.00	\$ -	\$ -	\$ -	36 months	NA
		West Dallas Multi-Purpose Center facility upgrades to improve customer service (fire sprinkler and alarm, HVAC system, and interior painting).	Awarded & Accepted	\$ 316,000.00	\$ -	\$ -	\$ -	36 months	NA
		Sidewalk improvements	Awarded & Accepted	\$ 662,180.00	\$ -	\$ -	\$ -	36 months	NA
		Public Services including the community development and re-entry program, low birth weight program, community youth and senior program in West Oak Cliff, vocational training and employment for adults with disabilities, and the community food pantry and resources program.	Awarded & Accepted	\$ 155,000.00	\$ -	\$ -	\$ -	36 months	NA
		West Dallas Community Court	Awarded & Accepted	\$ 200,645.00	\$ -	\$ -	\$ -	36 months	NA
		South Oak Cliff Community Court	Awarded & Accepted	\$ 348,598.00	\$ -	\$ -	\$ -	36 months	NA
		Oversight Reporting/Monitoring	Awarded & Accepted	\$ 470,046.00	\$ -	\$ -	\$ -	36 months	NA
		<b>Total CDBG-R =</b>	<b>\$</b>	<b>4,700,469.00</b>	<b>\$ 154,223.46</b>	<b>\$ 88,874.12</b>	<b>\$ (65,349.34)</b>		

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

**FORMULA BASED FUNDING AWARDED (cont.)**

Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
Federal Formula	Homeless Prevention and Rapid Re-Housing	To provide financial assistance, including short-term rental assistance (up to 3 months) and medium-term rental assistance (up to 18 months), security deposits, utility deposits, utility payments, moving costs, and hotel/motel vouchers. Services include housing relocation and stabilization services, including case management, outreach, housing search and placement, legal services, and credit repair. Grant includes data collection and evaluation, including HMIS costs. It is estimated that 20 percent of the grant funds will be utilized by seniors.	Awarded & Accepted	\$ 6,827,990.00	\$ -	\$ -	\$ -	36 months	NA
		Oversight, Reporting/Monitoring	Awarded & Accepted	\$ 359,367.00	\$ -	\$ -	\$ -	36 months	
<b>Total HPRP =</b>				<b>\$ 7,187,357.00</b>	<b>\$ 733,219.00</b>	<b>\$ 400,805.00</b>	<b>\$ (332,414.00)</b>		

**FORMULA BASED FUNDING AWARDED (PARTNER SUBMITTED)**

Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
Federal Formula	Federal Aid to Highways	Woodall Rogers Deck Park	Awarded to TxDOT	\$ 16,700,000.00					
		Santa Fe Trestle Bridge Trail	Awarded to TxDOT	\$ 3,547,603.00					
		LBJ/Skillman Pedestrian Bridge	Awarded to TxDOT	\$ 1,042,221.00					
		Spring Valley/Coit Streetscape	Awarded to TxDOT	\$ 474,016.00					
		Tenison Trail - East Dallas Veloway	Awarded to TxDOT	\$ 1,982,128.00					
<b>Total Federal Aid to Highways thru TxDOT =</b>				<b>\$ 23,745,968.00</b>					
Federal Formula	Federal Aid to Highways	Industrial from Cadiz to Continental	Awarded to RTC	\$ 15,500,000.00					
		Sylvan Avenue Bridge	Awarded to RTC	\$ 10,560,000.00					
		IH-20 Eastbound Exit Ramp to Clark Road	Awarded to RTC	\$ 2,000,000.00					
		Dallas CBD Streetcars	Awarded to RTC	\$ 2,000,000.00					
<b>Total Federal Aid to Highways thru RTC =</b>				<b>\$ 30,060,000.00</b>					
<b>Federal Formula Grant Award Subtotals</b>				<b>\$ 86,372,619.00</b>					

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

**FORMULA BASED FUNDING AWARDED (cont.)**

Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
		Implementation of a weatherization program targeted specifically at low-income single family residents residing within the city limits of Dallas. The project will serve persons who have an annualized gross income not exceeding 200 percent of the poverty income guidelines, as provided by the U.S. Department of Health and Human Services, using a two-tiered approach that will augment funding currently stated for weatherization in the NIP area defined as the Ideal/Rochester Park and provide weatherization services citywide. The second tier will include citywide assistance of qualified major system repair projects. One (1) Weatherization Manager, two (2) Inspectors, one (1) Caseworker/Coordinator, and one (1) Senior Contract Compliance Administrator will be added to existing Housing staff. The City will set-aside a \$2 million (soft goal) for seniors.							
State Formula	Weatherization Assistance Program		Awarded & Accepted	\$ 13,183,180.00	\$ 147,760.00	\$ 76,984.96	\$ (70,775.04)	TBD	NA
<b>State Formula Grant Award Subtotals</b>				<b>\$ 13,183,180.00</b>					
<b>Total of Federal and State Formula Awards</b>				<b>\$ 99,555,799.00</b>	<b>\$ 2,430,647.73</b>	<b>\$ 7,767,480.41</b>	<b>\$ 5,336,832.68</b>		

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

<b>AWARDED FEDERAL AND STATE COMPETITIVE GRANTS</b>									
Submission Type	Program Name	Submission Description	Tentative Award Date	Amount Awarded	Amount Expended	Amount Reimbursed	Differential**	Performance Period	Budget Impact/ On-going Costs
Federal Competitive	Clean Cities FY09 Petroleum Reduction Technologies Projects for the Transportation Sector	Alternative Fuel Vehicles, Training, Include retrofits, infrastructure and biodiesel.	Awarded/Contract Pending	\$ 2,828,129.00	\$ -	\$ -	\$ -	48 months	TBD
Federal Competitive	Cops Hiring Recovery Program (CHRP)	The City applied for the Salaries/Benefits of 150 Officers over 3 years. City was awarded \$8,896,300 million to hire and fund 50 officers for three years. The City received the maximum number of officers awarded to any city in the country.	Awarded & Accepted	\$ 8,896,300.00	\$ 430,770.52	\$ -	\$ -	36 months	Have to maintain 50 cops for 1 additional year after the end of grant period.
Federal Competitive	Transportation Investment Generating Economic Recovery	Street Cars	Awarded and Pending Contract Negotiation. Pending through NCTCOG	\$ 23,000,000.00	\$ -	\$ -	\$ -	Through 02/2012	Submitted by NCTCOG - Total application was \$96M, with \$48M for Dallas Street Cars
<b>Federal Competitive Award Subtotal</b>				<b>\$ 34,724,429.00</b>					
State Competitive	Homelessness Prevention & Rapid Re-Housing	The City of Dallas submitted an application to serve 250 families by providing homelessness prevention assistance and 83 families through rapid re-housing. Services will be provided by staff at the MLK Jr. Community Center and the West Dallas Multipurpose Center.	Awarded & Accepted	\$ 790,316.00	\$ 157,589.02	\$ 148,718.00	\$ (8,871.02)	TBD	TBD
State Competitive	Byrne Justice Assistance Grants through NCTCOG	Law Enforcement Initiative to fund VisiCad software and maintenance, the police reporting system, and the monitoring of the downtown business cameras.	Awarded & Accepted	\$ 696,227.00	\$ 430,251.00	\$ -	\$ -	TBD	TBD
<b>State Competitive Award Subtotal</b>				<b>\$ 1,486,543.00</b>	<b>\$ -</b>	<b>\$ 148,718.00</b>			
<b>Total of Federal &amp; State Competitive Awards</b>				<b>\$ 36,210,972.00</b>	<b>\$ 1,018,610.54</b>	<b>\$ 148,718.00</b>	<b>\$ (869,892.54)</b>		

\*The JAG Recovery was a full advancement and funds expended will be updated as they are utilized by the various programs under the grant.

\*\*In cases where the Differential is a negative amount, reimbursements have been submitted or are in process; however, as of the completion of this briefing the funds have not been received.

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

<b>DECLINED FEDERAL COMPETITIVE APPLICATIONS</b>			
Submission Type	Program Name	Submission Description	Amount Requested
Federal Competitive	Byrne Memorial Competitive Grant	Four projects - Dallas Police Department Tactical Medical Support Team (TMST), Vacant Structure Court, Dallas Police Department Forensics, and the Community Drug Court.	\$ 2,389,172.00
Federal Competitive	Economic Development Administration	Five projects: Dallas Executive Airport Access Road Completion, Urban League Training Center (Design & Engineering), Urban League Training Center (Construction), Southwest Center Redevelopment Planning Initiative, Lancaster Corridor Initiative.	\$ 9,195,000.00
Federal Competitive	Assistance to Firefighters Grant	Grant submitted to complete \$4,996,730 of the most critically needed repairs on fire stations citywide and to replace stations #32 (\$4,684,268) and #44 (\$4,644,814)	\$ 14,325,812.00
Federal Competitive	TACA or Mid America Fund	Artistic Fees and Salaries for Existing Programs.	\$ 13,000.00
Federal Competitive	Strengthening Communities Fund Non-Profit Capacity Building	Dallas One-Stop Optimized Reentry System - Computers.	\$ 620,000.00
Federal Competitive	Transportation Investment Generating Economic Recovery	City of Dallas Bicycle and Pedestrian Trails Projects. In its efforts to reduce congestion, improve air quality, provide transportation options and improve quality of life, the City of Dallas proposes to complete approximately 15 miles of trails that provide direct connections to downtown, the Stemmons Freeway Corridor and the Southwest Medical District.	\$ 51,459,000.00
Federal Competitive	Transportation Investment Generating Economic Recovery	US 175/Interstate Highway I-45 Connector. This 4,000-foot long roadway will extend existing US 175 to directly connect to IH 45. The connector will improve safety and create a more convenient, more efficient route for motorists traveling to and from communities in South Dallas, southern Dallas County, and Medical/Market Center northwest of Downtown.	\$ 187,600,000.00

Submitted through  
NCTCOG

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

		Expansion of existing NSP2 Program to construct 200 infill homes on tax-foreclosed vacant lots in Dallas, Texas. The vacant lots are currently part of the Land Bank Program or will be acquired by the Land Bank to reclaim tax delinquent, abandoned and blighted areas. These properties lie within NIP areas. The project will provide \$45,000 in construction subsidy per home that will be leveraged by up to \$55,000 in existing HOME funds.	-		
Federal Competitive State	Neighborhood Stabilization Stimulus Program 2		\$	10,000,000.00	
Competitive	SECO	Traffic Signalization	\$	330,000.00	
State Competitive	Violence Against Women Act - TDHCA	Training, travel, and staffing for the Police Department's Sexual Assault Unit	\$	125,000.00	
<b>Total Declined</b>			<b>\$</b>	<b>276,056,984.00</b>	

**CITY OF DALLAS**  
**American Recovery and Reinvestment Act of 2009**

<b>PENDING FEDERAL AND STATE COMPETITIVE APPLICATIONS</b>									
<b>Submission Type</b>	<b>Program Name</b>	<b>Submission Description</b>	<b>Tentative Award Date</b>	<b>Application Amount</b>	<b>Amount Received</b>	<b>Amount Reimbursed</b>	<b>Differential</b>	<b>Performance Period</b>	<b>Notes</b>
Federal Competitive	Energy Efficiency & Conservation Block Grant	Energy and water efficiency upgrades at multiple City-owned or operated facilities, including the Convention Center, initiation of a brown-grease project at the landfill to promote energy efficiency, and the development of NOx emissions and utility savings system to track program effectiveness across all weatherization/energy efficiency programs.	5/1/2010	\$ 43,000,000.00	\$ -	\$ -	\$ -	36 months	
Federal Competitive	Broadband Technology Opportunities Program	Applied through partnership with One Economy, a national non-profit.	9/30/2010	\$ 974,970.00	\$ -	\$ -	\$ -	36 months	Submitted by an outside partners
<b>Total - Pending Competitive Submissions</b>				<b>\$ 43,974,970.00</b>					

# Memorandum



CITY OF DALLAS

DATE April 9, 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 January and February. This report is based on information through February. General Fund revenues are projected to be \$11,822,000 below budget and expenditures are projected to be \$11,872,000 below budget.

The revenue decline is primarily due to Sales Tax that is now projected to be approximately \$8,573,000 less than budget. This forecast assumes continued decline through the spring before flattening in the summer.

The reductions in expenditures are a result of 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 keep you informed.

  
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 FEBRUARY 28, 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	\$998,959	\$575,645	\$987,137	(\$11,822)
Expenditures	\$1,020,654	\$430,045	\$1,008,783	(\$11,872)
Sub Total	(\$21,695)	\$145,600	(\$21,646)	\$50
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$50</u>	

**FINANCIAL FORECAST REPORT  
FY 2009-10  
AS OF FEBRUARY 28, 2010**

**GENERAL FUND**

**Revenues**

- Total General Fund revenues are estimated to be \$11,822,000 below budget.
  - Municipal Court revenues are projected to be \$2,821,000 below budget primarily due to a decrease in the number of citations issued.
  - Vehicle Towing and Storage revenues are projected to be \$1,348,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
  - Private Disposal revenues are projected to be \$3,214,000 below budget primarily due to the weak economy.
  - 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.
  - Miscellaneous revenues are projected to be \$1,073,000 above budget primarily due to unbudgeted revenue anticipated as a result of the utility audit.

**Expenditures**

- Total General Fund expenditures are estimated to be \$11,872,000 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.
  - City Manager's Office is projected to be \$167,000 below budget primarily due to delays in hiring.
  - City Secretary's Office is projected to be \$100,000 above budget primarily due to expenses for records management.
  - Human Resources is projected to be \$197,000 below budget primarily due to savings in contract services resulting from providing HRIS maintenance in-house.
  - Judiciary is projected to be \$171,000 above budget primarily due to lower than budgeted reimbursements.
  - Management Services is projected to be \$351,000 below budget primarily due to delays in hiring.
  - Public Works and Transportation is projected to be \$5,423,000 below budget primarily due to reimbursable work completed for the Bond Program and delays in hiring.
  - Trinity Watershed Management is projected to be \$1,303,000 below budget primarily due to reimbursements for storm water related activities.
  - Liability/Claims Fund is projected to be \$1,000,000 below budget primarily due to less than anticipated funding requirements for liability claims.

**ENTERPRISE FUND**

- Water Utilities revenues are projected to be \$36,593,000 below budget due to lower than budgeted water pumpage. Expenses are projected to be \$36,593,000 below budget primarily due to vacancies and a reduced cash transfer to capital construction.

**OTHER FUNDS**

- 9-1-1 System Operations expenses are projected to be \$1,932,000 above budget primarily due to higher than budgeted transfers.

**GENERAL FUND  
FORECAST OF FY 2009-10 REVENUES  
AS OF FEBRUARY 28, 2010  
(000s)**

	<b>BUDGET</b>	<b>REVENUES YEAR TO DATE</b>	<b>YEAR-END FORECAST</b>	<b>BUDGET VS FORECAST VARIANCE</b>
<b>TAXES</b>				
Ad Valorem Tax	\$420,799	\$400,664	\$420,799	\$0
Sales Tax	206,574	51,718	198,001	(8,573)
<b>FRANCHISE REVENUES</b>				
Oncor Electric	48,658	25,019	47,758	(900)
AT&T	21,000	5,109	21,000	0
Atmos Energy	10,600	2,794	10,600	0
Time Warner Cable	5,800	1,705	5,800	0
Other	11,097	3,522	11,086	(11)
<b>TOTAL TAXES &amp; FRANCHISE REVENUES</b>	<b>724,528</b>	<b>490,532</b>	<b>715,045</b>	<b>(9,484)</b>
<b>LICENSES AND PERMITS</b>	<b>7,970</b>	<b>4,421</b>	<b>8,529</b>	<b>559</b>
<b>INTEREST EARNED</b>	<b>3,077</b>	<b>205</b>	<b>2,413</b>	<b>(664)</b>
<b>INTERGOVERNMENTAL</b>	<b>7,312</b>	<b>225</b>	<b>6,725</b>	<b>(587)</b>
<b>FINES AND FORFEITURES</b>				
Municipal Court	19,382	5,941	16,560	(2,821)
Vehicle Towing & Storage	6,786	3,356	8,133	1,348
Parking Fines	8,788	1,472	8,788	0
Red Light Camera Fines	8,484	0	7,914	(571)
Public Library	611	254	606	(5)
<b>TOTAL FINES</b>	<b>44,050</b>	<b>11,023</b>	<b>42,001</b>	<b>(2,049)</b>
<b>CHARGES FOR SERVICE</b>				
Sanitation Service	60,545	24,717	60,545	0
Parks	7,602	2,433	8,274	673
Private Disposal Fees	23,552	8,039	20,339	(3,214)
Emergency Ambulance	19,250	7,292	19,250	0
Security Alarm	4,650	1,246	3,698	(952)
Street Lighting	1,392	400	1,392	0
Vital Statistics	2,390	686	1,853	(537)
Other	16,257	7,308	15,021	(1,236)
<b>TOTAL CHARGES</b>	<b>135,638</b>	<b>52,121</b>	<b>130,372</b>	<b>(5,266)</b>
<b>INTERFUND REVENUE</b>	<b>66,771</b>	<b>13,667</b>	<b>71,367</b>	<b>4,596</b>
<b>MISCELLANEOUS</b>	<b>9,612</b>	<b>3,451</b>	<b>10,685</b>	<b>1,073</b>
<b>TOTAL REVENUE</b>	<b>998,959</b>	<b>575,645</b>	<b>987,137</b>	<b>(11,822)</b>
<b>USE OF ONE-TIME RESOURCES</b>	<b>21,695</b>	<b>0</b>	<b>21,695</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$1,020,654</b>	<b>\$575,645</b>	<b>\$1,008,832</b>	<b>(\$11,822)</b>

**GENERAL FUND  
FORECAST OF FY 2009-10 EXPENDITURES  
AS OF FEBRUARY 28, 2010  
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$28,120	\$13,135	\$27,537	(\$583)
Business Dev/Procurement Svcs	\$3,304	\$1,151	\$3,285	(\$19)
City Attorney's Office	\$10,332	\$4,388	\$10,331	\$0
City Auditor's Office	\$2,254	\$849	\$2,204	(\$50)
City Controller's Office	\$7,210	\$3,096	\$7,172	(\$38)
City Manager's Office	\$1,872	\$882	\$1,705	(\$167)
City Secretary's Office	\$1,516	\$656	\$1,616	\$100
Civil Service	\$1,223	\$540	\$1,278	\$55
Code Compliance	\$28,399	\$10,860	\$28,072	(\$327)
Court Services	\$11,065	\$4,208	\$10,961	(\$104)
Elections	\$83	\$32	\$83	\$0
Fire	\$201,252	\$85,514	\$200,793	(\$459)
Housing / Community Services	\$7,703	\$5,637	\$7,960	\$257
Human Resources	\$3,304	\$1,331	\$3,107	(\$197)
Independent Audit	\$1,253	\$0	\$1,253	\$0
Judiciary	\$2,856	\$1,208	\$3,028	\$171
Library	\$22,246	\$9,752	\$21,781	(\$465)
Management Services	\$3,250	\$2,394	\$2,898	(\$351)
Mayor and Council	\$3,718	\$1,384	\$3,735	\$18
Non-Departmental	\$23,798	\$6,474	\$23,763	(\$35)
Office of Cultural Affairs	\$12,145	\$7,178	\$11,777	(\$367)
Office of Economic Development	\$2,633	\$1,365	\$2,526	(\$108)
Office of Financial Services	\$1,585	\$710	\$1,534	(\$51)
Park and Recreation	\$65,786	\$28,703	\$65,381	(\$405)
Police	\$412,955	\$163,160	\$417,670	\$4,715
Public Works and Transportation	\$18,428	\$10,887	\$13,004	(\$5,423)
Sanitation Services	\$74,461	\$26,666	\$72,826	(\$1,636)
Street Lighting	\$16,977	\$15,463	\$16,977	\$0
Street Services	\$28,110	\$10,100	\$27,512	(\$598)
Sustainable Dev/Construction	\$1,535	\$915	\$1,512	(\$24)
Trinity Watershed Management	\$1,645	\$837	\$342	(\$1,303)
<b><u>OTHER</u></b>				
Appraisal Districts	\$3,355	\$3,348	\$3,355	\$0
Dallas County Tax Collection	\$554	\$0	\$554	\$0
Jail Contract - Lew Sterrett	\$7,222	\$7,222	\$7,222	\$0
Fuel Savings (to be allocated)	\$0	\$0	(\$3,479)	(\$3,479)
<b><u>RESERVES AND TRANSFERS</u></b>				
Contingency Reserve	\$200	\$0	\$200	\$0
Liability/Claims Fund	\$8,305	\$0	\$7,305	(\$1,000)
Salary and Benefit Reserve	\$0	\$0	\$0	\$0
<b>EXPENDITURES</b>	<b>\$1,020,654</b>	<b>\$430,045</b>	<b>\$1,008,783</b>	<b>(\$11,872)</b>

**PROPRIETARY FUNDS  
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES  
AS OF FEBRUARY 28, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Aviation</u></b>				
Revenues	\$42,489	\$17,860	\$42,665	\$177
Expenses	\$41,926	\$11,249	\$42,037	\$111
Net Excess of Revenues Over Expenses/Transfer	\$563	\$6,611	\$629	(\$66)
<b><u>Convention Center</u></b>				
Revenues	\$60,076	\$16,651	\$55,533	(\$4,543)
Expenses	\$61,347	\$21,592	\$58,826	(\$2,521)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,941)	(\$3,293)	\$2,022
<b><u>Municipal Radio Fund</u></b>				
Revenues	\$2,919	\$1,172	\$2,794	(\$125)
Expenses	\$3,120	\$1,319	\$2,984	(\$137)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	(\$147)	(\$189)	(\$12)
<b><u>Sustainable Dev/ Construction</u></b>				
Revenues	\$16,583	\$6,440	\$14,540	(\$2,043)
Expenses	\$16,019	\$6,048	\$16,222	\$203
Net Excess of Revenues Over Expenses/Transfer	\$564	\$391	(\$1,683)	\$2,247
<b><u>Water Utilities</u></b>				
Revenues	\$530,365	\$168,346	\$493,772	(\$36,593)
Expenses	\$530,365	\$161,927	\$493,772	(\$36,593)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$6,419	\$0	\$0
<b><u>Communication &amp; Information Svcs</u></b>				
Revenues	\$48,266	\$17,255	\$46,855	(\$1,411)
Expenses	\$48,434	\$24,795	\$48,498	\$64
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$7,540)	(\$1,643)	\$1,475

**PROPRIETARY FUNDS  
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES  
AS OF FEBRUARY 28, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Equipment Services</u></b>				
Revenues	\$48,026	\$10,247	\$45,658	(\$2,368)
Expenses	<u>\$47,885</u>	<u>\$32,335</u>	<u>\$46,271</u>	<u>(\$1,614)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$142</u>	<u>(\$22,089)</u>	<u>(\$613)</u>	<u>\$754</u>
<b><u>Office Services</u></b>				
Revenues	\$4,266	\$1,586	\$3,969	(\$298)
Expenses	<u>\$4,384</u>	<u>\$1,875</u>	<u>\$4,197</u>	<u>(\$187)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$117)</u>	<u>(\$290)</u>	<u>(\$228)</u>	<u>\$111</u>

**OTHER FUNDS  
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES  
AS OF FEBRUARY 28, 2010  
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<b><u>Employee Benefits</u></b>	\$724	\$164	\$664	(\$60)
<b><u>Risk Management</u></b>	\$1,264	\$497	\$1,282	\$18
<b><u>9-1-1 System Operations</u></b>				
Revenues	\$12,161	\$6,256	\$13,590	\$1,429
Expenses	<u>\$13,965</u>	<u>\$2,537</u>	<u>\$15,897</u>	<u>\$1,932</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$3,719</u>	<u>(\$2,308)</u>	<u>\$503</u>
<b><u>Storm Water Drainage</u></b>				
Revenues	\$44,674	\$19,439	\$45,476	\$802
Expenses	<u>\$44,674</u>	<u>\$8,791</u>	<u>\$44,646</u>	<u>(\$28)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$0</u>	<u>\$10,649</u>	<u>\$830</u>	<u>(\$830)</u>

**DEBT SERVICE FUND  
FORECAST OF 2009-10 REVENUES AND EXPENDITURES  
AS OF FEBRUARY 28, 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	\$31,279	\$821
Revenues	\$261,586	\$210,864	\$260,808	(\$778)
Expenses	\$289,164	\$27,230	\$289,041	(\$123)
Ending Balance	<u>\$2,880</u>	<u>\$183,634</u>	<u>\$3,046</u>	<u>\$166</u>

**CONTINGENCY RESERVE STATUS**

<b>Beginning Balance October 1, 2009</b>	<b>\$5,123,005</b>
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)
 <b>Balance as of March 5, 2010</b>	 <b><u>\$2,927,236</u></b>

**LIABILITY/CLAIMS FUND**

<b>Beginning Balance October 1, 2009</b>	<b>\$10,025,299</b>
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)
<b>Balance as of February 28, 2010</b>	<b><u>\$8,156,818</u></b>