

City of  
Dayton, Ohio



*Finance*  
*Committee Briefing*  
**July 2011 Financial Results**

Presented to:  
**Dayton City Commission**  
August 24, 2011



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## *General Fund Financial Condition*

1. The national economy continues to face many challenges.
2. While we are currently experiencing gains in most revenue categories, the State budget cuts will have a negative impact for the remainder of the year and into the future.
3. The impact of the adopted State budget is estimated at a \$9 million annual loss. Cuts in HUD funding will also add pressures to our 2012 budget planning.
4. Given that the first half of the year has been better than expected, we plan to transfer \$1 million for demolition and an additional transfer to capital later in the year if revenues can support it.



## State Budget Cuts Now Confirmed

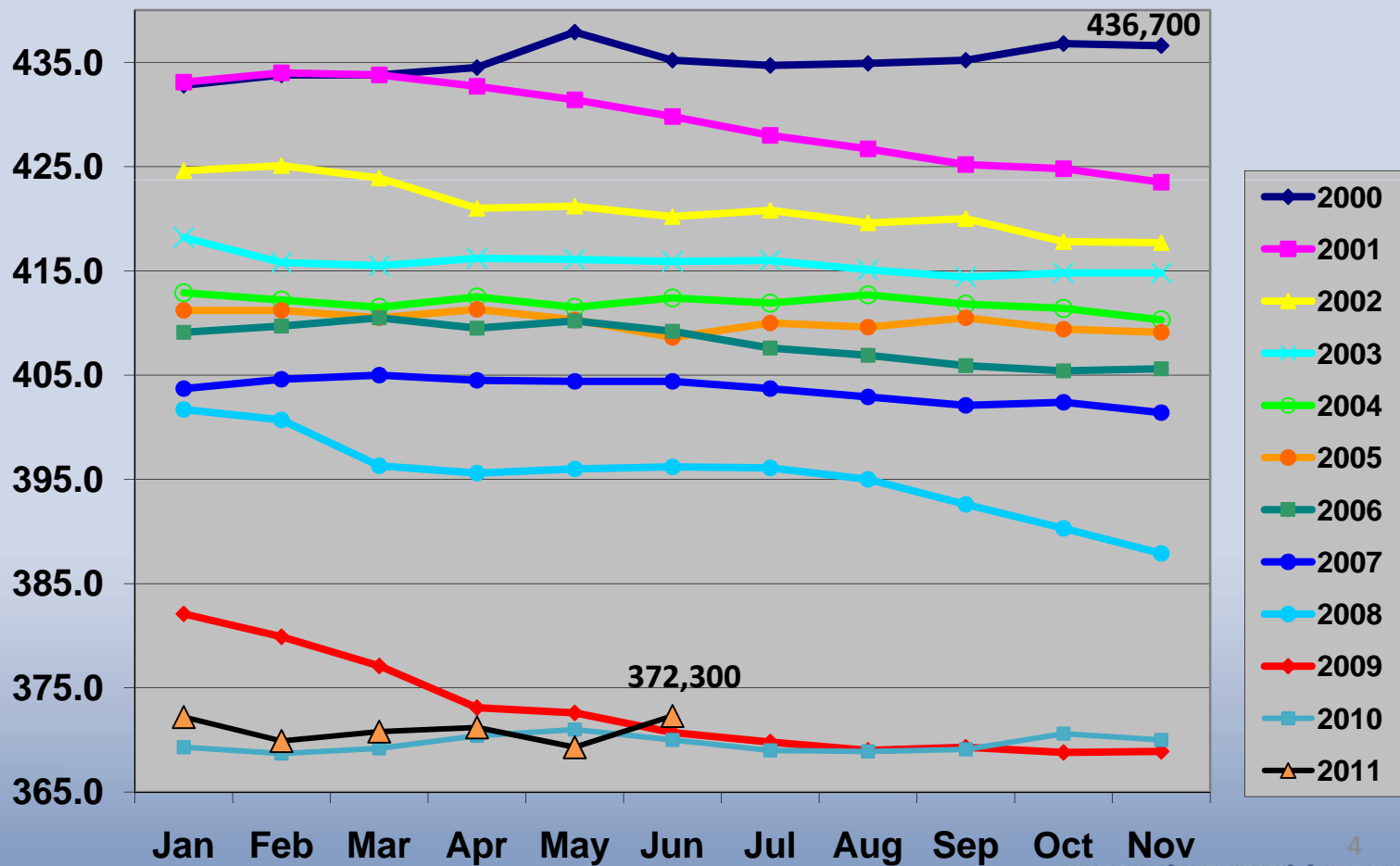
	2011 Certified Estimates	2011 State Budget Impact	2012 State Budget Impact	2013 State Budget Impact
Local Government Fund	\$12,944,000	\$(332,000)	\$(3,968,000)	\$(6,239,000)
Dealers in Intangibles	289,000	55,000	(289,000)	(289,000)
Tangible Personal Property	1,427,000	(1,217,000)	(1,427,000)	(1,427,000)
Public Utility	161,000	(80,000)	(161,000)	(161,000)
Estate Tax	1,173,000 (5 Year Ave.)	0	0	(1,173,000)
<b>TOTAL IMPACT</b>	<b>\$15,994,000</b>	<b>\$(1,574,000)</b>	<b>\$(5,845,000)</b>	<b>\$(9,289,000)</b>



# Dayton MSA

## Total Non-Farm Employment (Seasonally Adjusted, In Thousands)

Regional employment has grown by 2,300 jobs over the same month in 2010.





## *General Fund Revenue & Expenditures Overview*

- ❑ Revenues are tracking \$4.0 million or 4.4% above estimate.
  - ❑ The timing of collections is a factor in nearly \$2 million of the variance.
  
- ❑ Expenditures are \$3.3 million or 3.7% under year-to-date budgeted levels at the end of July.



## Finance Committee Briefing • July 2011 YTD

### General Fund Revenue, Expenditures & Other Sources/Uses Statement

Revenues	2011 Orig. Budget	2011 YTD Budget	2011 YTD Actuals	YTD Budget Variance	YTD Budget Variance	2010 YTD Actuals	2011 YTD Actuals	'10-'11 % Chg.
Income Tax	96.5	57.3	58.6	1.3	2.3%	58.0	58.6	1.0%
Property Tax	8.4	6.2	6.2	0.1	1.4%	5.2	6.2	19.9%
Local Gov't Fund	12.5	8.6	8.7	0.1	1.0%	8.0	8.7	9.4%
EMS & Vehicle Accident Fees	4.0	2.2	3.2	1.1	48.5%	2.3	3.2	42.6%
Fees, Charges & Other Sources	31.7	16.8	18.3	1.5	8.9%	15.5	18.3	18.1%
<b>Total Revenue &amp; Other Sources</b>	<b>153.2</b>	<b>91.1</b>	<b>95.1</b>	<b>4.0</b>	<b>4.4%</b>	<b>88.9</b>	<b>95.1</b>	<b>6.9%</b>
Reserve for Encumbrances due to Accounting Change	1.5	1.5	1.5	0.0	0.0%	0.0	1.5	N.A.
<b>Expenditures &amp; Other Uses</b>								
Personnel	105.4	61.9	62.2	(0.3)	-0.6%	65.6	62.2	-5.2%
Contracts, Materials & Other Uses	41.0	23.4	20.1	3.4	14.4%	18.9	20.1	6.1%
Capital Equipment	2.3	0.5	0.2	0.3	61.5%	0.0	0.2	N.A.
Capital Improvements	2.0	2.0	2.0	0.0	0.0%	3.0	2.0	-33.3%
Development	3.0	3.0	3.0	0.0	0.0%	3.3	3.0	-9.9%
<b>Total Expenditures &amp; Other Uses</b>	<b>153.7</b>	<b>90.8</b>	<b>87.5</b>	<b>3.3</b>	<b>3.7%</b>	<b>90.9</b>	<b>87.5</b>	<b>-3.7%</b>
Reserve for Encumbrances due to Accounting Change	1.5	1.5	1.5	0.0	0.0%	0.0	1.5	N.A.
<b>Excess/(Shortfall) of Rev. &amp; Other Sources over Exp. &amp; Other Uses</b>	<b>(0.5)</b>	<b>0.3</b>	<b>7.6</b>			<b>(2.0)</b>	<b>7.6</b>	

Notes:

1. Amounts may not sum due to rounding.
2. 2011 Budget includes adopted budget and appropriated fund balance (i.e., prior year's encumbrances).
3. Other Sources includes interest earnings, appropriated fund balance, special project revenue and operating transfers in.
4. Other Uses include debt service, special project expenditures, and miscellaneous operating transfers out.
5. In 2010 the accounting basis was changed from modified accrual to modified cash, resulting in an reserve for encumbrances to account for 12-months of expense activity.



## General Fund YTD Performance by Month

% Change over Prior Year						
	Feb YTD	Mar YTD	April YTD	May YTD	June YTD	July YTD
Income Tax	0.3%	0.6%	2.0%	2.8%	4.0%	1.0%
<b>Total Revenue &amp; Other Sources</b>	<b>12.5%</b>	<b>4.5%</b>	<b>5.7%</b>	<b>7.6%</b>	<b>8.5%</b>	<b>6.9%</b>
Personnel	-3.1%	-4.1%	-4.3%	-4.5%	-4.9%	-5.2%
<b>Total Expenditures &amp; Other Uses</b>	<b>-0.7%</b>	<b>-1.9%</b>	<b>-2.6%</b>	<b>-3.7%</b>	<b>-3.1%</b>	<b>-3.7%</b>



## General Fund July 2011 YTD Revenue

- ❑ Income Tax collections are 1.0% higher than the same time last year:
  - ❑ Withholding collections are down 1.4%.
  - ❑ Collections from the tax on business profits has increased 21%.
  - ❑ Our original forecast of a 1.6% decrease in income tax will be adjusted upward. We believe we will now see positive, year over year growth, in 2011 income tax receipts.



## **General Fund July 2011 YTD Revenue**

- ❑ Property Tax receipts are up 20% but solely due to timing.
  - ❑ The recent presentation from the Montgomery County Auditor provided useful, though sobering, data that will inform our 2012 forecast.
- ❑ Local Government Fund revenue-sharing has climbed 9% compared to last year reflecting the growth in State revenues.



## **General Fund July 2011 YTD Revenue**

- ❑ Fees, Charges & Other Sources increased 18% and are \$1.5 million ahead of the target.
  - ❑ Waste collection revenues for City customers are up \$955,000 due the rate increase.
  - ❑ Estate tax collections are \$259,000 higher.
  - ❑ The timing of indirect charges in 2010 is responsible for \$500,000 of the variance.
  - ❑ Also included are loan proceeds of \$462,000 for the purchase of waste containers.
- ❑ An accounting change in 2010 required the establishment of a \$1.5M reserve for encumbrances that is a one-time source of funds in 2011.



## *General Fund July 2011 YTD Expenditures*

- ❑ Personnel Costs have declined 5.2% compared to the same period last year.
- ❑ The average number of full-time employees in the General and Street Maintenance funds is down 9% (or 117 positions) from 1,312 during the first 7-months of 2010 to 1,195 in 2011.
- ❑ Overtime in the General Fund is up \$276,000 or 17% compared to the same period in 2010.



## General Fund July 2011 YTD Expenditures

- ❑ Contracts, Materials & Other Uses increased 6.1% during the first half of 2011, but are \$3.4M under budget.
  - ❑ 2011 expenditures reflect the first full year for fees paid for the Regional Dispatch Center.



## *2012 Budget Planning*

- ❑ Research and analysis continues on the “Partition” recommendations to address the state budget cuts.
- ❑ Monitoring federal budget process – expecting significant cuts to HUD funding.
- ❑ As recommendations are firmed up, we will discuss them with the City Commission in a work session and then submit the needed ordinance/resolution/CM Report for formal action the following week.



*Thank you.*

**Questions?**

