

City of
Dayton, Ohio



Finance
Committee Briefing
August 2011 Financial Results

Presented to:
Dayton City Commission
September 28, 2011



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General Fund Financial Condition

1. Given that the first half of the year has been better than expected, we have now allocated \$1 million for demolition. This is a very small restoration to the significant cuts we have made to funding infrastructure needs.
2. The City is now experiencing the State budget cuts which will offset the positive budget performance achieved in the first part of the year. These cuts will continue to have a negative impact for the remainder of the year as well as for 2012 and beyond (\$9 million annual loss).
3. Cuts in HUD funding will also add pressures to our 2012 budget planning.



State Budget Cuts Now Confirmed

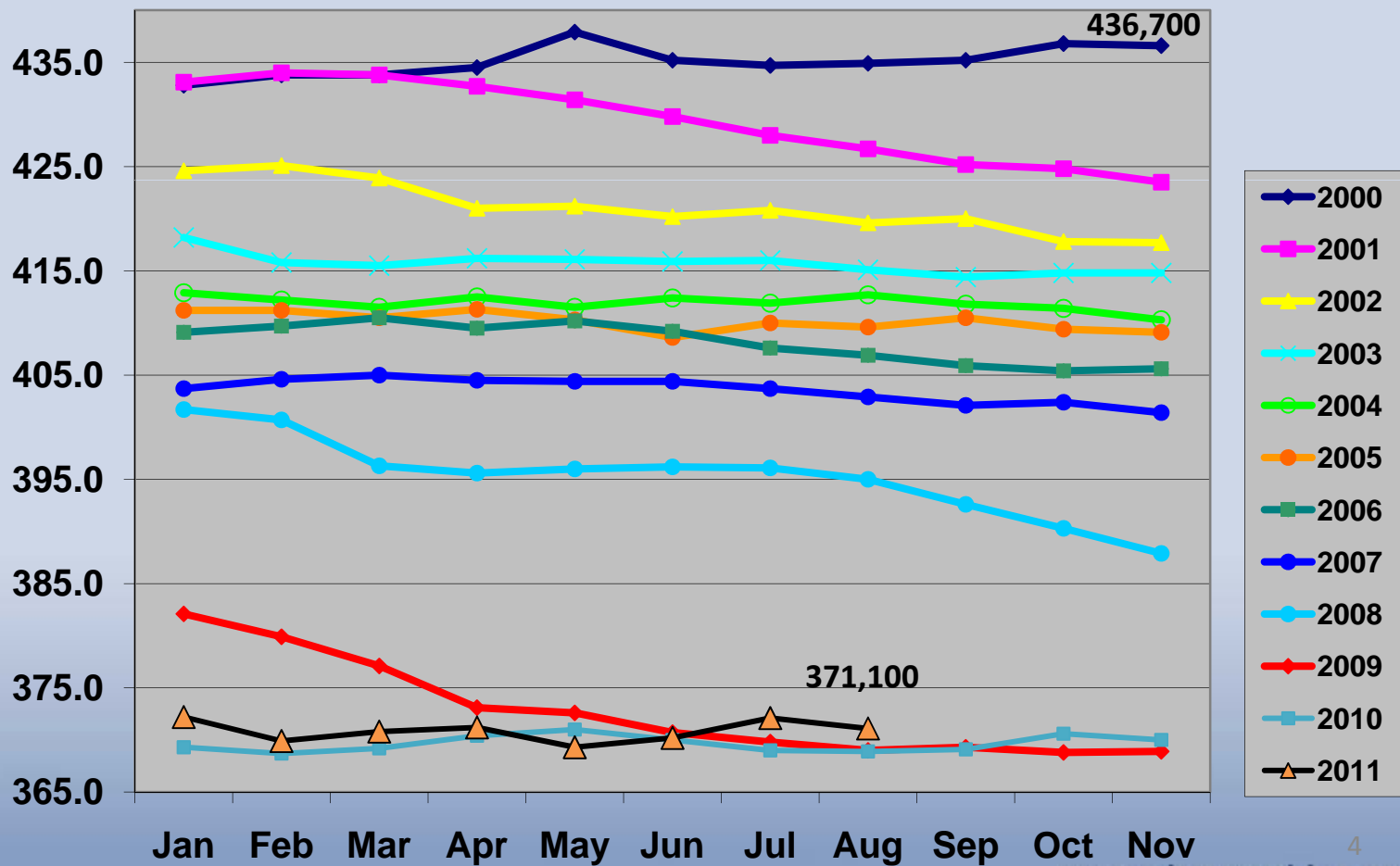
	2011 Certified Estimates	2011 State Budget Impact	2012 State Budget Impact	2013 State Budget Impact
Local Government Fund	\$12,944,000	\$(332,000)	\$(3,968,000)	\$(6,239,000)
Dealers in Intangibles	289,000	55,000	(289,000)	(289,000)
Tangible Personal Property	1,427,000	(1,217,000)	(1,427,000)	(1,427,000)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



Dayton MSA

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

- Regional employment has grown by 2,200 jobs over the same month in 2010.





General Fund Revenue & Expenditures Overview

- ❑ Revenues are tracking \$3.4 million or 3.4% above estimate.
 - ❑ The timing of collections is a factor in over \$1 million of the variance.

- ❑ Expenditures are \$4.2 million or 4.1% under year-to-date budgeted levels at the end of August.



Finance Committee Briefing • August 2011 YTD

General Fund Revenue, Expenditures & Other Sources/Uses Statement

	2011 Orig. Budget	2011 YTD Budget	2011 YTD Actuals	YTD Budget Variance	YTD Budget Variance	2010 YTD Actuals	2011 YTD Actuals	'10-'11 % Chg.
Revenues								
Income Tax	96.5	64.5	66.7	2.2	3.4%	65.8	66.7	1.4%
Property Tax	8.4	6.7	7.3	0.5	7.9%	7.3	7.3	0.1%
Local Gov't Fund	12.5	9.4	9.5	0.1	0.9%	8.9	9.5	6.7%
EMS & Vehicle Accident Fees	4.0	2.9	2.8	(0.1)	-3.4%	3.0	2.8	-7.2%
Fees, Charges & Other Sources	31.7	19.2	19.9	0.7	3.8%	18.2	19.9	9.6%
Total Revenue & Other Sources	153.2	102.7	106.2	3.4	3.4%	103.1	106.2	2.9%
Reserve for Encumbrances due to Accounting Change	1.5	1.5	1.5	0.0	0.0%	0.0	1.5	N.A
Expenditures & Other Uses								
Personnel	105.4	69.8	69.9	(0.1)	-0.2%	74.0	69.9	-5.6%
Contracts, Materials & Other Uses	41.0	27.1	23.2	4.0	14.6%	21.7	23.2	6.6%
Capital Equipment	2.3	0.5	0.2	0.3	61.6%	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%
Total Expenditures & Other Uses	153.7	102.4	98.2	4.2	4.1%	102.1	98.2	-3.8%
Reserve for Encumbrances due to Accounting Change	1.5	1.5	1.5	0.0	0.0%	0.0	1.5	N.A
Excess/(Shortfall) of Rev. & Other Sources over Exp. & Other Uses	(0.5)	0.3	7.9			1.1	7.9	

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. EMS is reported on a cash basis in 2011.
6. 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	Aug YTD
Income Tax	0.3%	0.6%	2.0%	2.8%	4.0%	1.0%	1.4%
Total Revenue & Other Sources	12.5%	4.5%	5.7%	7.6%	8.5%	6.9%	2.9%
Personnel	-3.1%	-4.1%	-4.3%	-4.5%	-4.9%	-5.2%	-5.6%
Total Expenditures & Other Uses	-0.7%	-1.9%	-2.6%	-3.7%	-3.1%	-3.7%	-3.8%



General Fund August 2011 YTD Revenue

- ❑ Income Tax collections are 1.4% higher than the same time last year:
 - ❑ Withholding collections are down 1.1%
 - ❑ Collections from the tax on business profits has increased 20%
 - ❑ 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 August 2011 YTD Revenue

- ❑ Property Tax receipts total \$7.3 million
 - ❑ Collections are essentially completed for the year now that the State budget cuts have eliminated the reimbursements for tangible personal property tax and the public utility tax payments to most municipalities
 - ❑ \$1.3 million of cut is attributable to the State budget cut
- ❑ Local Government Fund receipts are up 6.7% (after being up 9% through July) – the impact of the State budget cut is now being realized (effective with August payment)



General Fund August 2011 YTD Revenue

- ❑ Fees, Charges & Other Sources increased 10% and are \$700,000 ahead of the target
 - ❑ Waste collection revenues for City customers are up \$944,000 due the rate increase
 - ❑ Estate tax collections are \$275,000 higher
 - ❑ The timing of indirect charges in 2010 is responsible for \$380,000 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 August 2011 YTD Expenditures

- ❑ Personnel Costs have declined 6% 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 119 positions) from 1,310 during the first 8-months of 2010 to 1,191 in 2011



General Fund August 2011 YTD Expenditures

- ❑ Contracts, Materials & Other Uses increased 7% during the first eight months of 2011, but are \$4.0M under budget
 - ❑ 2011 expenditures reflect the first full year for fees paid for the Regional Dispatch Center



2012 Budget Planning

1. Policies that are driving this budget
 - a) Use of \$2 million from reserve for this year for capital
 - b) Assumes \$500,000 of casino revenue
 - c) Shift 0.2 mills from General Fund to Debt Service due to shrinking property taxes to pay debt service. (\$250,000)
 - d) Use of Debt for Capital to increase overall investments
 - e) Assumptions of continuation of current pay structure
 - f) Continued implementation of items from the Partition Report during 2012 (not factored in at this point but must be considered)

2. Departments will be preparing their budgets over the next several weeks. Challenges include:
 - a) Higher than planned health insurance bids that are being negotiated
 - b) Impact of the federal budget process – expecting significant cuts to HUD funding



2012 Budget Planning

3. Budget recommendations will be presented to the City Commission late November
4. Departmental budget presentations will be made in December
5. Near term actions:
 - ❑ 2012 Tax Rates Resolution must be approved before October 21 which allocates City's 10 mills of property tax collections



Thank you.

Questions?

