

RECEIVED

BUDGET, FINANCE & AUDIT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

2016 JAN 29 PM 12: 28

CITY SECRETARY
DALLAS, TEXAS

MONDAY, FEBRUARY 1, 2016
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

Chair, Councilmember Jennifer S. Gates
Vice-Chair, Councilmember Philip T. Kingston
Deputy Mayor Pro Tem Erik Wilson
Councilmember Rickey D. Callahan
Councilmember Scott Griggs
Councilmember Lee M. Kleinman

Call to Order

1. Consideration of the minutes from the January 19, 2016 Budget, Finance and Audit Committee meeting

BRIEFINGS

2. Office of the City Auditor: Fiscal Year 2016 Second Quarter Update
Craig D. Kinton
City Auditor
3. Convention and Event Services: Enterprise Fund Overview
Ron King, Director
Convention and Event Services

FYI

4. November 2015 Financial Forecast Report
5. Quarterly Investment Report as of December 31, 2015

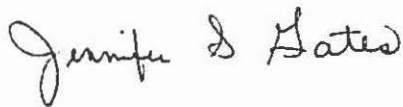
UPCOMING AGENDA ITEMS

February 10, 2016 City Council Meeting

- A. Agenda Item #2: Authorize (1) an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool; and (2) a one-year agreement for Excess Workers' Compensation Insurance through, and subject to, approval by the executive board of Texas Municipal League Intergovernmental Risk Pool - Not to exceed \$525,000 - Financing: Current Funds (subject to appropriations)
- B. Agenda Item #3: Authorize a three-year service contract for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents - HSQ Technology, A Corporation, only proposer - Not to exceed \$293,850 - Financing: Stormwater Drainage Management Current Funds (subject to annual appropriations)

- C. Agenda Item #4: Authorize a three-year professional services contract, with two one-year renewal options, for sales tax compliance review and recovery services - TexasCityServices, LLC, most advantageous proposer of four - Estimated Net Annual Revenue: \$558,600
- D. Agenda Item #5: Authorize the purchase of one airfield passenger bus for Love Field – Cobus Industries, LP, most advantageous proposer of two – Not to exceed \$398,500 - Financing: Aviation Current Funds
- E. Agenda Item #6: Authorize a three-year master agreement for waste collection roll carts – Toter, LLC through the Houston–Galveston Area Council of Governments - Not to exceed \$6,038,800 - Financing: Sanitation Current Funds
- F. Agenda Item #7: Authorize a three-year master agreement for electrical supplies – Crawford Electric Supply Co., lowest responsible bidder of six - Not to exceed \$7,618,837 - Financing: Current Funds (\$3,396,203), Water Utilities Current Funds (\$3,833,547), Aviation Current Funds (\$198,839) and Stormwater Drainage Management Current Funds (\$190,248)
- G. Agenda Item #8: Authorize supplemental agreement no. 5 to exercise the second one-year renewal option of the service contract with Austin Ribbon & Computer Supplies, Inc. for the lease or purchase of desktop computers, computer related equipment, accessories and various managed services - Not to exceed \$3,406,977, from \$34,798,253 to \$38,205,230 – Financing: Current Funds (subject to appropriations)
- H. Draft Addendum Item: Authorize an amendment to Resolution No. 14-1080 approved on June 25, 2014 for a grant from the Texas Department of State Health Services to provide services to the homeless through the Healthy Community Collaborative to change the contract service period from August 31, 2015 to August 31, 2016

Adjourn



Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Budget, Finance & Audit Committee

Meeting Record- DRAFT

Meeting Date: January 19, 2016

Convened: 1:17 pm

Adjourned: 2:24 pm

Committee Members Present:

Jennifer S. Gates, Chair

Erik Wilson
Rickey D. Callahan

Lee M. Kleinman
Scott Griggs

Committee Members Absent:

Philip T. Kingston, Vice-Chair

Other Council Members Present:

N/A

Staff Present:

Jeanne Chipperfield
Craig D. Kinton
Daniel Genz
Erica Robinson
Lance Sehorn
Theresa Pendgraft

Mike Frosch
Stephanie Cooper
Carol Smith
Kevin Hurley
Ron King
Eugene Loew

Barbara McAnich
Zarin Gracey
Lynetta Kidd
Susan Alvarez
Juanita Ortiz
Natalie Wilson

Margaret Wright
William Finch
Jody Puckett
Terry Lowery
Esmeralda Martinez
Eileen Youens

Filicia Hernandez
Lance Sehorn
Mark McDaniel
Sarah Standifer
Jennifer Cottingham
John Jenkins

Others Present:

Keith Readling, PE, Raftelis Financial Consultants, Inc.

AGENDA:

Call to Order

1. Consideration of the January 4, 2016 Minutes

Presenter(s):

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to approve the January 4, 2016 minutes. Motion passed unanimously.

Motion made by: Lee M. Kleinman

Motion seconded by: Erik Wilson

3. Dallas Water Utilities: Enterprise Fund Overview

Presenter(s): Jody Puckett, Director, Dallas Water Utilities

Information Only: X

Action Taken/Committee Recommendation(s):

N/A

Budget, Finance & Audit Committee

Meeting Record- DRAFT

2. **Stormwater Utility: Fund Overview & Rate Study Update**

Presenter(s): Sarah Standifer, Director, Trinity Watershed Management
Keith Readling, PE, Raftelis Financial Consultants, Inc.

Information Only: _

Action Taken/Committee Recommendation(s):

Councilmember Griggs requested information comparing costs to heavily developed and lightly developed watersheds based on a rate structure of measured impervious areas. A motion was made to support staff recommendation to revise the Stormwater rate schedule based on impervious coverage and forward to the City Council for approval. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

3. **Litter Maintenance Services for Park and Recreation**

Presenter(s): Mike Frosch, Director, Business Development and Procurement Services

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Scott Griggs

4. **Grounds Maintenance Services at Parks, Airports and Other City Owned Properties**

Presenter(s): Mike Frosch, Director, Business Development and Procurement Services

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Erik Wilson

Motion seconded by: Scott Griggs

UPCOMING AGENDA ITEMS:

January 27, 2016 City Council Meeting

- A. Agenda Item #5: Authorize the first twelve-month renewal option to the contract to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department – Miko Trucking, Inc. – Not to exceed \$155,292 – Financing: 2015-16 Community Development Block Grant Funds (subject to appropriations)**

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

Budget, Finance & Audit Committee

Meeting Record- DRAFT

- B. Agenda Item #6: Authorize a three-year service contract for maintenance, support, parts and hardware for the supervisory control and data acquisition systems at three treatment water and two wastewater treatment plants - CDM Smith, Inc., most advantageous proposer of three - Not to exceed \$2,397,350 - Financing: Water Utilities Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

- C. Agenda Item #9: Authorize a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks – Stericycle Environmental Solutions, Inc. in the amount of \$819,002 and Liquid Environmental Solutions of Texas, LLC in the amount of \$39,895, lowest responsible bidders of two – Total not to exceed \$858,897 - Financing: Current Funds (\$401,591), Aviation Current Funds (\$369,879), Sanitation Current Funds (\$72,584), Water Utilities Current Funds (\$14,843) (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

- D. Agenda Item #10: Authorize the purchase of mobile/folding stage equipment and accessories for the Kay Bailey Hutchinson Convention Center Dallas - Sico America, Inc. through the National Intergovernmental Purchasing Alliance Company - Not to exceed \$1,153,260 - Financing: Convention and Event Services Capital Construction Funds**

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

- E. Agenda Item #11: Authorize supplemental agreement no. 6 to increase the service contract for upgrades to the Citizen Request Management System - Motorola Solutions, Inc. - Not to exceed \$114,000, from \$1,912,853 to \$2,026,853 - Financing: Current Funds**

A motion was made to forward to the City Council on Wednesday, January 27, 2016. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Erik Wilson

Adjourn

Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

Memorandum



CITY OF DALLAS

DATE: January 28, 2016

TO: Honorable Members of the Budget, Finance & Audit Committee –
Jennifer S. Gates (Chair); Philip T. Kingston (Vice Chair);
Deputy Mayor Pro Tem Erik Wilson; Rickey D. Callahan;
Scott Griggs; Lee M. Kleinman

SUBJECT: Presentation to the Budget, Finance & Audit Committee:
Office of the City Auditor Fiscal Year 2016 – Second Quarter Update

I will provide a briefing to the members of the Budget, Finance & Audit Committee on Monday, February 1, 2016 regarding:

- Office of the City Auditor Fiscal Year 2016 – Second Quarter Update

Sincerely,

A handwritten signature in black ink that reads "Craig D. Kinton".

Craig D. Kinton
City Auditor

Budget, Finance & Audit Committee

Office of the City Auditor Fiscal Year 2016 - Second Quarter Update



City of Dallas
Office of the City Auditor
February 1, 2016

Audit and Attestation Services Reports Issued

through January 29, 2016

▶ Performance Audits

- ▶ MuniServices, LLC Contract Related to the Verification of Sales/Use Tax Receipts and Associated Fees
- ▶ Department of Dallas Fire Rescue's Fleet Maintenance Management
- ▶ Department of Dallas Water Utilities' Maintenance of Infrastructure
- ▶ Access Controls for the Courts' Information Systems
- ▶ Special Audit of the Accounts of Six Former City Council Members

Investigative Services Reports Issued

through January 29, 2016

- ▶ Theft - Department of Dallas Water Utilities
 - DWU Technician provided parts to a non-City employee who was illegally connecting DWU water service to non-paying DWU customers
 - Senior Crew Leader sold DWU parts to a non-City employee who was illegally connecting DWU water service for non-paying DWU customers

- ▶ Policy Issues - Department of Code Compliance
 - Dallas Animal Services Supervisor asserted that prescription medications and pet supplies sold on Facebook were from a previously owned pet grooming business. Evidence revealed pet medications and pet supplies labels were dated years after business closed.

Audit and Attestation Services Anticipated Report Releases

Second Quarter, Fiscal Year 2016

- ▶ Building Permits - Customer Service/Satisfaction
- ▶ Contract Monitoring - Housing
- ▶ Performance Measurement Process - Dallas Police Department

Audit and Attestation Services Projects In-Progress

Second Quarter, Fiscal Year 2016

- ▶ Business Partners Oversight - Fair Park Related Contracts
- ▶ Construction Related Procurements
- ▶ Contract Monitoring - Public Works
- ▶ Customer Service / 311 Non-Emergency Services
- ▶ Leasing, Concessions, and Other Activities - Aviation
- ▶ Neighborhood Code Enforcement Services - Code Compliance
- ▶ Police Personnel and Training Services - Dallas Police Department
- ▶ Prior Audit Recommendations Follow-Up (Fiscal Year 2014)

Audit and Attestation Services Projects In-Progress *(continued)*

Second Quarter, Fiscal Year 2016

- ▶ Regulatory, Safety, and Maintenance - Park and Recreation (Aquatics)
- ▶ Animal Services - Code Compliance
- ▶ Courts Information System - Cash Management/Collections Processes
- ▶ Records Management System - Dallas Police Department
- ▶ Prior Audit Recommendations Follow-Up (Fiscal Year 2015)
- ▶ Franchise Fees Review through MuniServices *(Ongoing)*
- ▶ Sales/Use Tax Compliance Review through MuniServices *(Ongoing)*

Audit and Attestation Services Anticipated Project Starts

Second Quarter, Fiscal Year 2016

- ▶ Performance Measurement Process
- ▶ Compliance with Administrative Directive 4-9, *Internal Control*
- ▶ Regulatory Safety and Maintenance - Park and Recreation (Land Use)
- ▶ Street Cut Repair and Inspection Process
- ▶ Trinity Watershed Management

MuniServices, LLC Contract Related to the Verification of Sales/Use Tax Receipts and Associated Fees

- ▶ In FY 2014-2015, verified \$742,451 in sales/use tax receipts collections that MuniServices identified as owed to the City of Dallas from businesses operating in the City
- ▶ Verified the accuracy of \$205,141 in consultant invoices for the period
- ▶ Original three-year Contract began September 2010
- ▶ Total Collections equal \$4,221,173 (net \$3,139,567)

Department of Dallas Fire-Rescue Fleet Maintenance Management Recommendations

Maintenance Division Operations

- ▶ Ensure preventive maintenance services are performed timely and in accordance with National Fire Protection Association's and manufactures' recommended schedules for all DFR emergency vehicles
- ▶ Work with the Director of BDPS to establish an efficient procurement method, such as a master agreement, to readily obtain emergency vehicles' parts
- ▶ Ensure Division mechanic supervisors consistently perform quality control procedures for all PM services by preparing, signing, and retaining the Division's checklists
- ▶ Address segregation of duties and user access updates for software application (M5)

Department of Dallas Fire-Rescue Fleet Maintenance Management Recommendations *(continued)*

Mechanics' Staffing and Training Plans

- ▶ Develop mechanics' staffing plans
- ▶ Create incentives for mechanic certifications and implement a compensation structure that rewards performance, years of experience, and certifications
- ▶ Develop formal training plans with minimum mechanic training requirements and retain training records

Department of Dallas Water Utilities Maintenance of Infrastructure Recommendations

- ▶ Review water pipeline replacement needs and develop and regularly report on one water pipeline target replacement rate
- ▶ Further develop precise and clear performance measures to evaluate water pipeline replacement efforts
- ▶ Improve controls over data completeness and accuracy, secure access to database and software applications, continue developing an integrated work order system
- ▶ Identify and document elements of the Business Plan relevant for water pipeline replacement; develop a timeline for and a process to monitor implementation progress of the Business Plan
- ▶ Review, develop, and/or update the procedures for water pipeline replacement prioritization

Department of Courts and Detention Services Access Controls for Courts' Information Systems Recommendations

- ▶ Establish, conduct, and retain evidence of monitoring activities to show contractor is complying with remaining implementation activities
- ▶ Establish standard user profiles and modify if business process changes result in inadequate segregation of duties
- ▶ Develop a mapping and/or reference document to assist in reviews of users' access and periodically review activity logs to monitor for known or other potential security risks

Special Audit Accounts of Six Former City Council Members Recommendations

- ▶ Follow procedures for completing and submitting Electronic Termination Notification Forms
- ▶ Develop “chain of custody” form to document City property issued to and returned by City Council Members
- ▶ Maintain records for purchases of personal property considered high-risk for loss or theft
- ▶ Ensure compliance with Administrative Directive 4-15, *Purchasing Card Policy and Procedures*, for P-Card purchases
- ▶ Consider amendments to City Council’s rules to clarify circumstances under which former City Council Members may purchase items assigned to them
- ▶ Ensure electronic devices are returned or use e-cycle buy-back program to establish cost to purchase

Special Audit

Accounts of Six Former City Council Members

Recommendations *(continued)*

- ▶ Continue to identify and formally inform City Council Members prior to their departure of any debts owed to the City
- ▶ Attempt to collect outstanding debt owed by former City Council Members
- ▶ Establish policy to specify work week for Mayor and City Council Members for consistent use in case of future payroll deductions
- ▶ Determine whether former City Council Members should receive an additional 3.2 hours of final pay
- ▶ Timely collect City-issued ID badges and parking decals prior to departure of former City Council Members

QUESTIONS?



City of Dallas
Office of the City Auditor
February 1, 2016

Memorandum



CITY OF DALLAS

DATE January 29, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Convention and Event Services: Enterprise Fund Overview

On February 1, 2016 the Budget, Finance and Audit Committee will be briefed on a Convention and Event Services: Enterprise Fund Overview. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
First Assistant City Manager

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Jill A. Jordan, P.E., Assistant City Manager

Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

CONVENTION & EVENT SERVICES: ENTERPRISE FUND OVERVIEW

BUDGET, FINANCE & AUDIT COMMITTEE
FEBRUARY 1, 2016



KAY BAILEY HUTCHISON
CONVENTION CENTER DALLAS



BRIEFING OUTLINE

- Provide an overview of the Convention & Event Services (CES) Department, including:
 - FY 2016 Budget Summary
 - Facility Operations & Maintenance
 - Recent Accomplishments
 - Industry Trends



CONVENTION & EVENT SERVICES OVERVIEW

- The Convention & Event Services department is an enterprise department comprised of:
 - Kay Bailey Hutchison Convention Center Dallas
 - Office of Special Events
 - Union Station
 - Contract oversight for American Airlines Center, Omni Dallas and the Dallas Convention & Visitor's Bureau



KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS

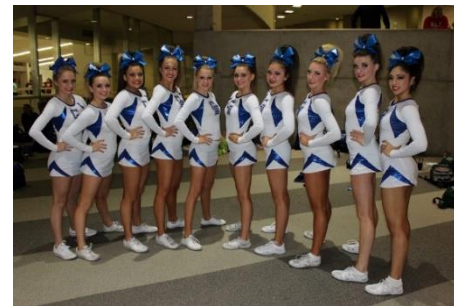
- On average 101 professional, religious, corporate, consumer, trade, sports, and educational events are hosted each year
- In FY 2015 the KBHCCD hosted 105 events, 19 of which were citywide events
- Together these events brought in over 1 million people to the facility and yielded \$20m to the convention center through rentals, concessions, service charges and parking revenue
- The largest event based on Food & Beverage spend was SAS Global, with \$1.2m



2015 TOP 5 ANNUAL EVENTS (ATTENDANCE & SPACE)

Attendance

1. National Cheerleaders Association – All Star National Championships
2. College Football Playoff
3. Austin Junior Volleyball Association – Lone Star Classic
4. DFW New Car Dealers
5. Mary Kay



Space Utilization

1. National Association for the Education of the Young
2. American Academy of Otolaryngology
3. Mecum Auctions
4. College Football Playoffs
5. True Value Hardware

OFFICE OF SPECIAL EVENTS

- The Office of Special Events is the regulatory authority of permitting outdoor special events, street pole banners, neighborhood farmers markets and commercial filming activities
 - Governed by Chapter 42A of the Dallas City Code
 - Currently being reviewed
 - In FY 2015 OSE permitted 887 events, banners, neighborhood farmers markets and filming shoots, including:
 - 7 Neighborhood Farmers Markets, totaling over 140 days and 200 vendors
 - 159 commercial filming activities, including a feature film, 20 TV series, 50 commercials and 8 international documentaries



CITY OF
DALLAS

**OFFICE OF
SPECIAL EVENTS**

UNION STATION

- Purchased in 1973 and renovated to serve as the City's primary transportation center
- Currently under private management
- CES provides funding for security, utilities, building maintenance and disposal services for approximately 161,000 square feet
- Home to Wolfgang Puck Catering , DART, TRE and Amtrak



CONTRACT OVERSIGHT

- American Airlines Center
 - The City receives a \$3.4m annual lease payment from ArenaCo
 - Reported in the Certified Annual Financial Report as part of the Convention Event Services Enterprise Fund, as required by ordinance
 - Lease payment is transferred annually to the General Fund, and may be used for any lawful purpose
 - FY 2016 budgeted uses are \$1.75m for the Street Maintenance Fund and \$1.65m for the City Facility Major Maintenance Fund
- Omni Hotel Dallas
 - Hotel Operating Agreement for operation of the Omni Hotel Dallas and Hotel Ancillary Development
 - Continues to exceed Pro Forma
 - Occupancy 77.5%; all hotels in Dallas 70.6%
 - Food & Beverage up \$13.4m
 - Year to date guest satisfaction scored 8.97 out of 10, with over 9,300 guests surveyed

CONTRACT OVERSIGHT

- Dallas Convention & Visitor's Bureau (DCVB)
 - DCVB provides convention facility promotion, advertising and tourism development services
 - City Council authorized a new contract in September 2015
 - The DCVB agreed to an early contract renewal in order to reduce their HOT revenue allocation from 32.6% to 30%
 - The remaining 2.6% HOT revenue was reallocated to Cultural Arts, as allowed by State Law, to create a dedicated revenue stream for the Arts.
 - The new DCVB contract also includes updated performance goals and reporting requirements as well as a continued annual commitment of \$500,000 for KBHCCD Capital Improvements

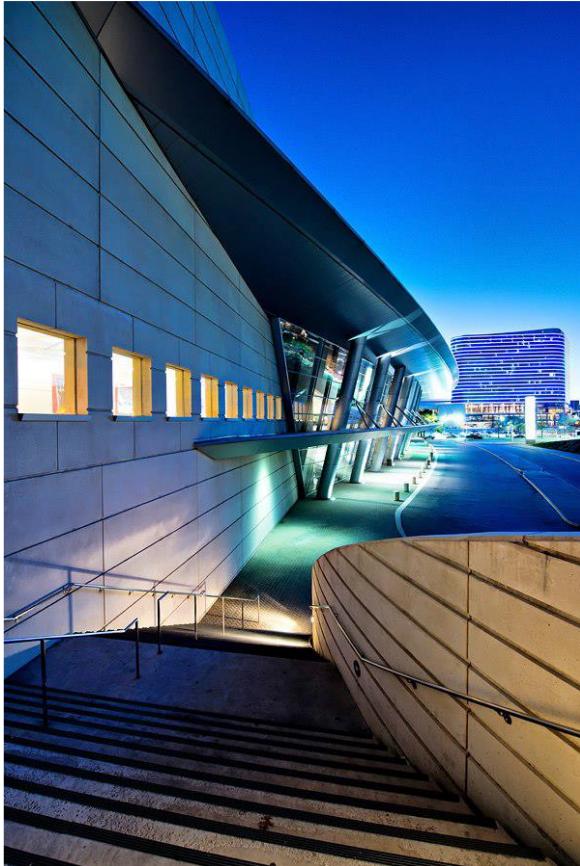




BUDGET OVERVIEW



BUDGET OVERVIEW



- Sources of funding:
 - 7% Hotel Occupancy Tax
 - 10.7143% Alcohol Beverage Tax
 - Operating Revenues, such as:
 - Facility Rental
 - Parking
 - Food & Beverage
- The economic impact* of the Convention Center is growing:
 - FY 2014: \$662m
 - FY 2015: \$699m
 - FY 2016: \$762m

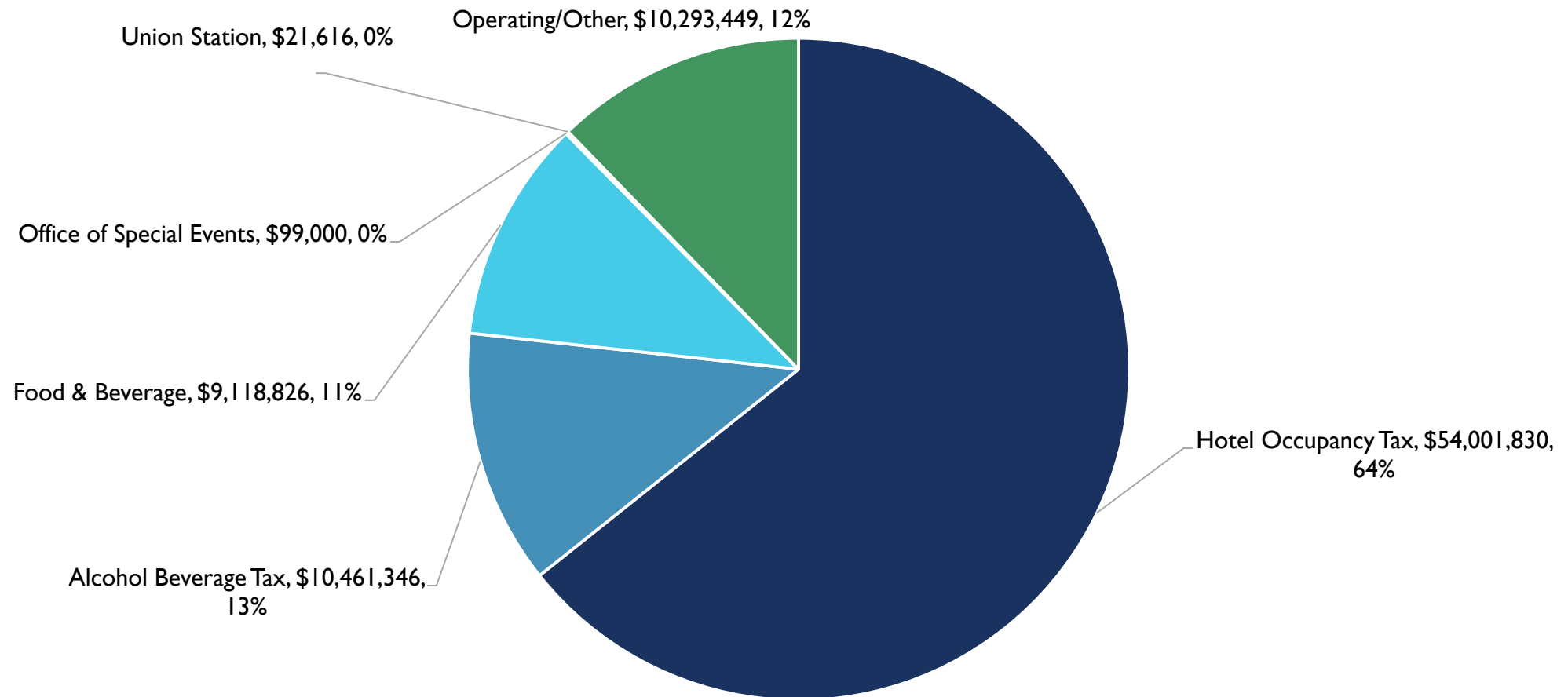
*Tourism Economics, Oxford
Economics partner

FY 2015-16 BUDGET

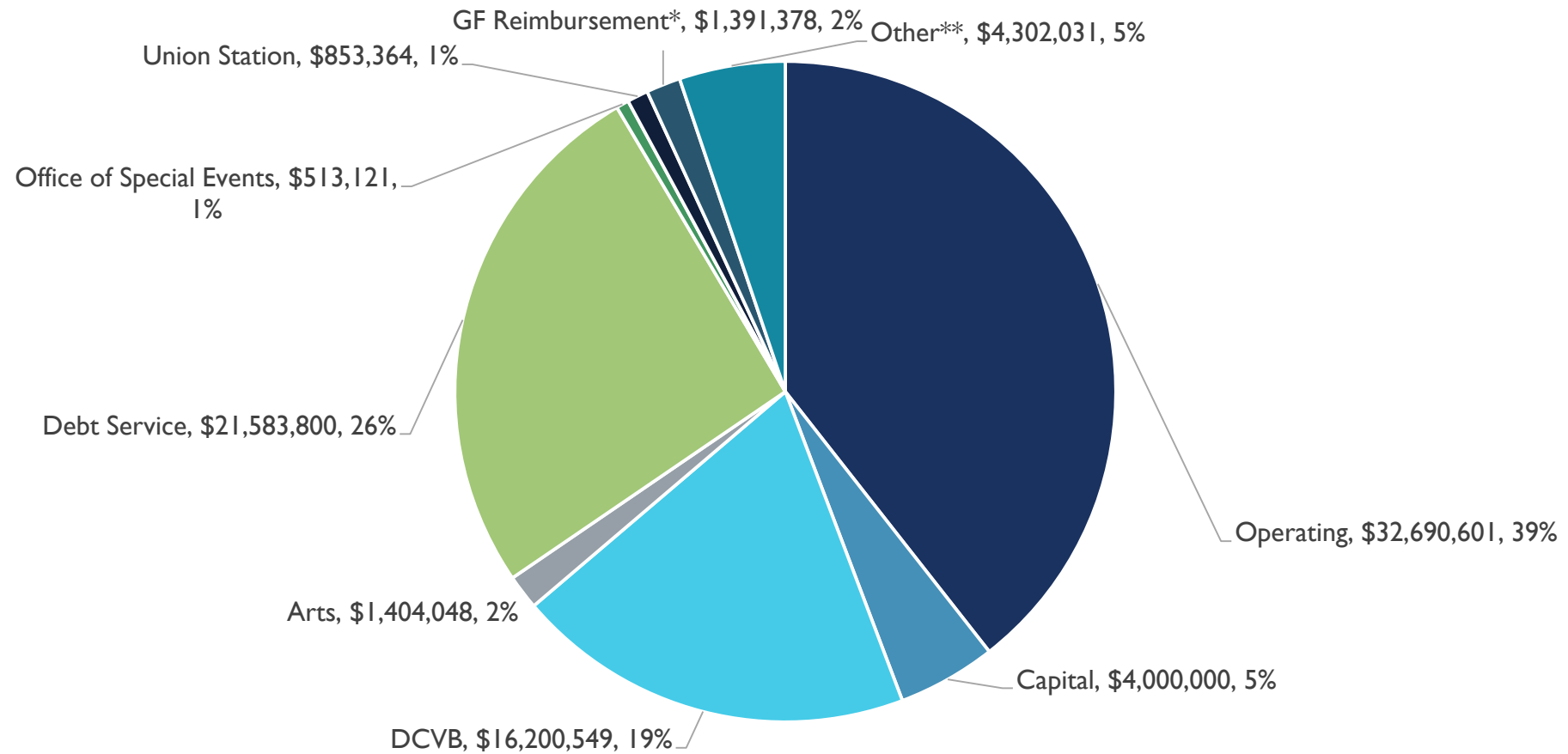
Revenues/Expenditures	FY 2015 Estimate	FY 2016 Adopted
Hotel Occupancy Tax	\$49,881,001	\$54,001,830
Alcoholic Beverage Tax	\$11,246,549	\$10,461,346
Food & Beverage	\$9,915,310	\$9,118,826
Operating/Other	\$10,798,229	\$10,293,449
Office of Special Events	\$104,130	\$99,000
Union Station	\$21,616	\$21,616
Total Revenues	\$81,966,835	\$83,996,067
Operating/Other Expenditures	\$35,090,429	\$38,384,010
Capital Fund Transfer	\$7,250,000	\$4,000,000
DCVB	\$16,234,947	\$16,200,549
Arts	-	\$1,404,048
Debt Service	\$20,868,820	\$21,583,800
Office of Special Events	\$406,279	\$513,121
Union Station	\$592,754	\$853,364
Total Expenditures	\$80,443,229	\$82,938,892
Net Revenue	\$1,523,606	\$1,057,175

Major Funding Items:
DCVB payment reduced to 30%
2.6% dedicated to Arts

FY 2015-16 BUDGET - REVENUES



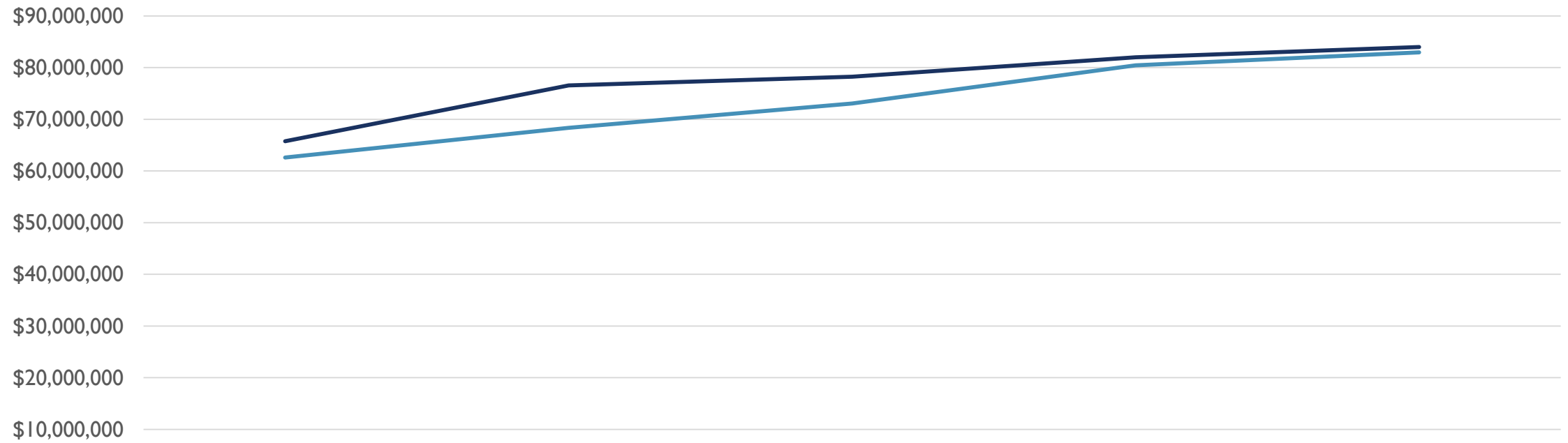
FY 2015-16 BUDGET - EXPENDITURES



*General Fund Reimbursements, include: PBW, EBS, DEV, PKR and CCO

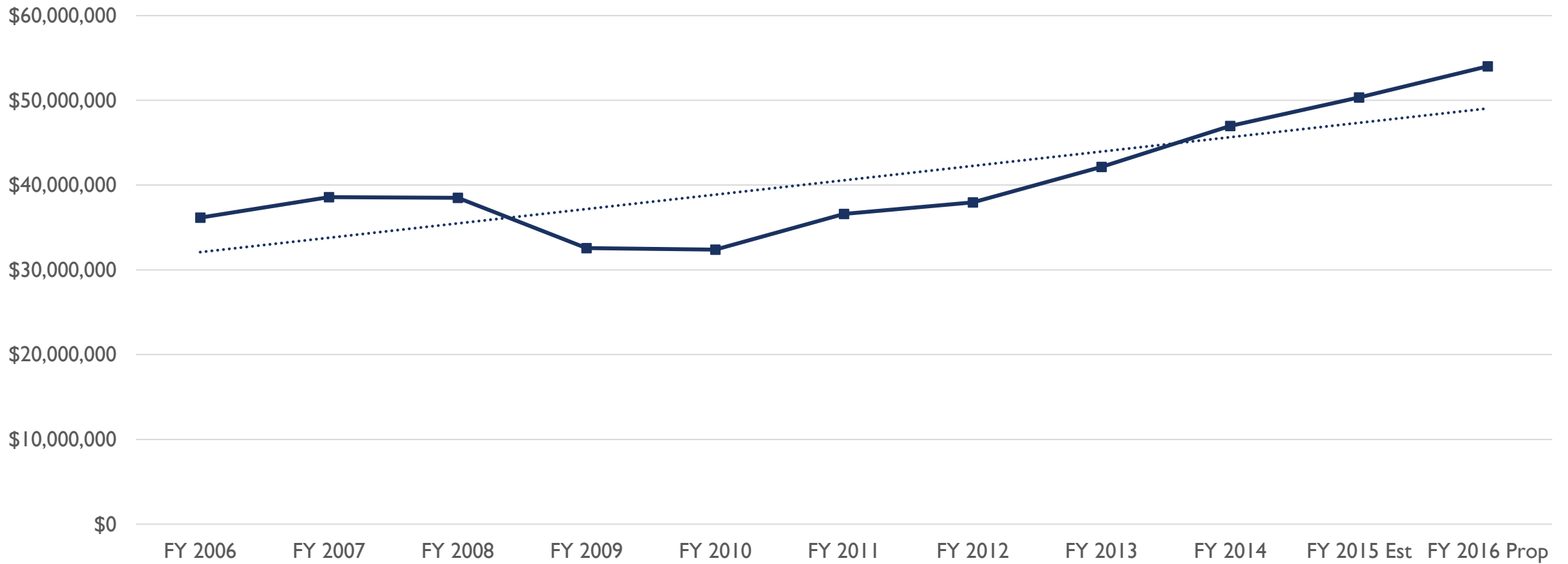
**Other Expenses, include: land payment, DART D-Link, and Energy Management Performance Contract

BUDGET HISTORY



	FY2012	FY2013	FY2014	FY2015 Est	FY2016 Prop
Revenues	\$65,743,816	\$76,570,842	\$78,236,557	\$81,996,835	\$83,996,067
Expenditures	\$62,588,608	\$68,340,833	\$73,073,703	\$80,443,229	\$82,938,892

REVENUE TRENDS: HOTEL OCCUPANCY TAX



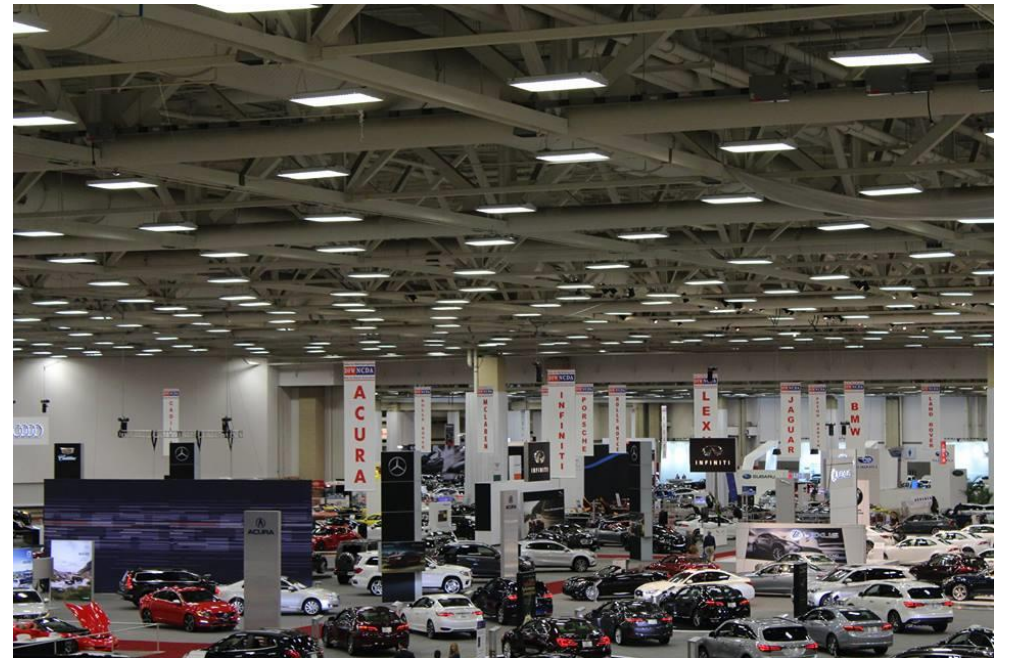


FACILITY OPERATIONS & MAINTENANCE



KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS

- The Kay Bailey Hutchison Convention Center Dallas is a nationally prominent convention and trade show facility
 - Over 1 million square feet of total exhibit space
 - 88 individual meeting rooms totaling 99,567 square feet
 - 3 ballrooms totaling 65,129 square feet
 - 9,816 seat arena and a 1,750 seat general assembly theater
 - 250,000 square feet of lobby/common space



FACILITY OVERVIEW



- Original Dallas Auditorium was built in 1957
- The Dallas Auditorium was expanded and renamed the Dallas Convention Center in the 1970s
- Expansions in 1984, 1994 and 2002 followed
- The \$500 million Omni Dallas Hotel opened in November 2011
- The Center was renamed the Kay Bailey Hutchison Convention Center Dallas in 2013

FACILITY MAINTENANCE

- From FY 2007 to FY 2009 revenues were not sufficient to cover operating expense and CES deferred maintenance in order to balance the budget
- A 2010 Needs Assessment identified \$170m+ in needed capital improvements and repairs
- Increases in revenues have allowed CES to begin addressing unfunded needs by transferring revenues to the Capital Improvement Fund
 - Current balance: \$12.5m
- Tourism PID
 - \$500,000 annual commitment for facility improvements



RECENT CAPITAL IMPROVEMENTS

- City initiated a \$60m Capital Improvement Program to:
 - Address capital needs
 - Better serve customer requirements
 - Complement the hotel development
 - Increase competitiveness
- Completed Projects include:
 - Roof Replacement
 - Upper Level D ballrooms and updated finishes
 - Upgrades and updated finishes in C Area
 - Fire Alarm/Life Safety Upgrades
 - Lamar Streetscape, including improved wayfinding and streetscaping



REMAINING UNFUNDED NEEDS

- \$110m+ in needs remain, including:
 - Mechanical & Plumbing System (cooling tower/chiller/boiler replacements)
 - Electrical System (replacement of failing electrical equipment and infrastructure)
 - Vertical Circulation (replacement/modernization of escalators and elevators)
 - Security System (addition of updated camera and recording equipment)
 - Interior Integrity (replacement of worn finishes and replacement of outdated/damaged equipment)
 - AV/Telecommunications (replacement/upgrade of in-house equipment)



PLANNED PROJECTS

- Replacement of various boilers and electrical buses
- Complete design and begin construction of the KBHCCD Kitchen Renovation
 - Increase ventilation
 - Installation of new equipment, supplied by Centerplate as part of their \$2m capital investment
 - Plumbing and electrical renovations to bring up to code
 - New slip-resistant flooring to reduce safety concerns
- Replace lighting controls and automation
- Replacement/upgrade of flooring in Area A and F Lobby
- Replacement of furniture, including tables and staging equipment
- Issue an RFP for the design and implementation of a security camera system
- Issue an RFP for additional design services to design and implement Phases 2 and 3 of the KBHCCD interior and exterior wayfinding system
- Begin design of phased upgrades to restroom finishes and plumbing fixtures





RECENT ACCOMPLISHMENTS



RECENT ACCOMPLISHMENTS

- Hotel Ancillary Development
 - In response to customer demand, in July 2015, construction of four new restaurants on City-owned land was completed adjacent to the Omni Dallas Hotel
 - These new offerings will provide meeting organizers, attendees, and residents additional entertainment options in the Convention Center District.
 - This 16,000 square foot, \$27m development was shepherded by Convention & Event Services staff in partnership with Matthews Southwest and the Omni Dallas hotel
 - The below-ground parking garage has opened, as well as 3 of the 4 new restaurants: Biergarten, Coal Vines and Little Katana
 - Café Herrera is slated to open soon



RECENT ACCOMPLISHMENTS

- Marketing & Communications
 - CES has expanded its marketing and communications programs to include an enhanced website, robust social media presence, media relations, and an onsite marketing and advertising program
 - The onsite marketing and advertising program launched in FY 2014 has increased marketing revenue from \$5,000 in FY 2014 to an estimated \$38,000 in FY 2015
- Management Systems
 - CES is certified in ISO 9001:2008, OHSAS 18001:2007 and EMS 14001:2004
 - Over the last 24 months CES has created over 165 documents, including forms, procedures and work instructions to enhance the quality, environmental and safety management systems

RECENT ACCOMPLISHMENTS

- Good Neighborhood Program
 - In partnership with its exclusive F&B provider., Centerplate, the U.S. Environmental Protection Agency, and Rock N Wrap it Up!, the KBHCCD launched a Good Neighbor Program to donate unconsumed food and consumer items from events at the convention center to nonprofits serving children and adults who are homeless in Downtown Dallas
 - Since FY 2014 nearly two tons of food and goods have been donated to local nonprofits
 - The Region 6 Office of the EPA recommends it as a model for other organizations in North Texas
- Environmental Stewardship
 - As one of the nation's first U.S. Green Building Council LEED-certified convention centers, the KBHCCD operates in a sustainable manner to divert waste, recycle, reuse, and reduce energy and water consumption
 - In the last four years the facility recycled 825 tons of material
 - In 2014 the American Chemical Society (ACS) and Greenview Hospitality lauded the Convention Center for supporting a sustainable event by using locally sourced menu items, piloting an organics collection program, tracking electricity and water usage, and offering free recycling during their show

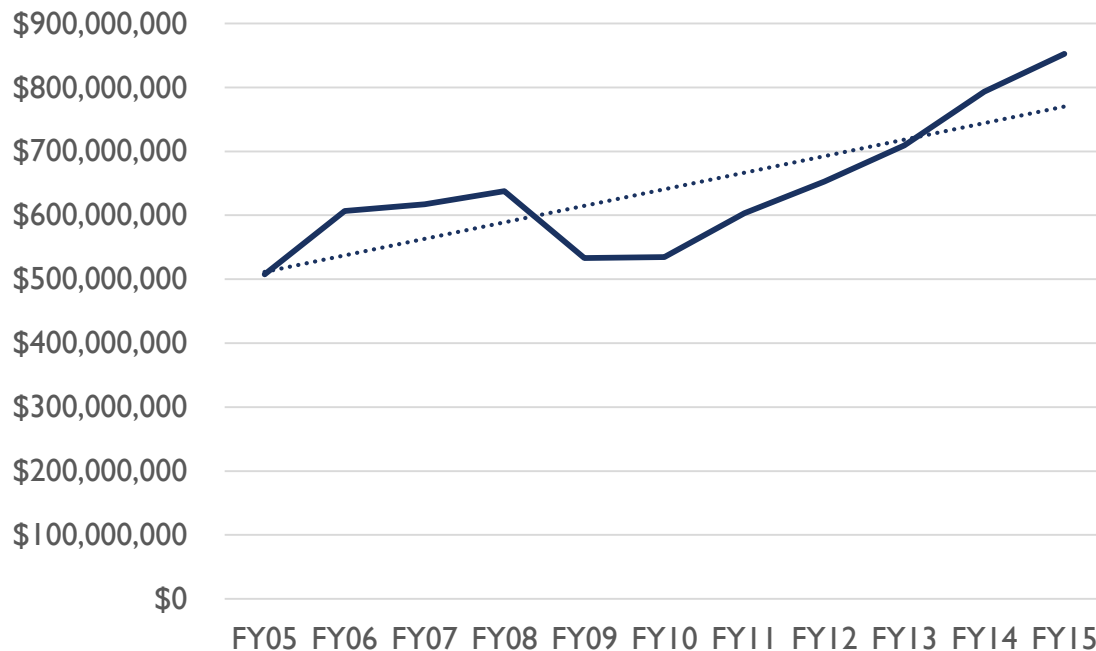


INDUSTRY TRENDS

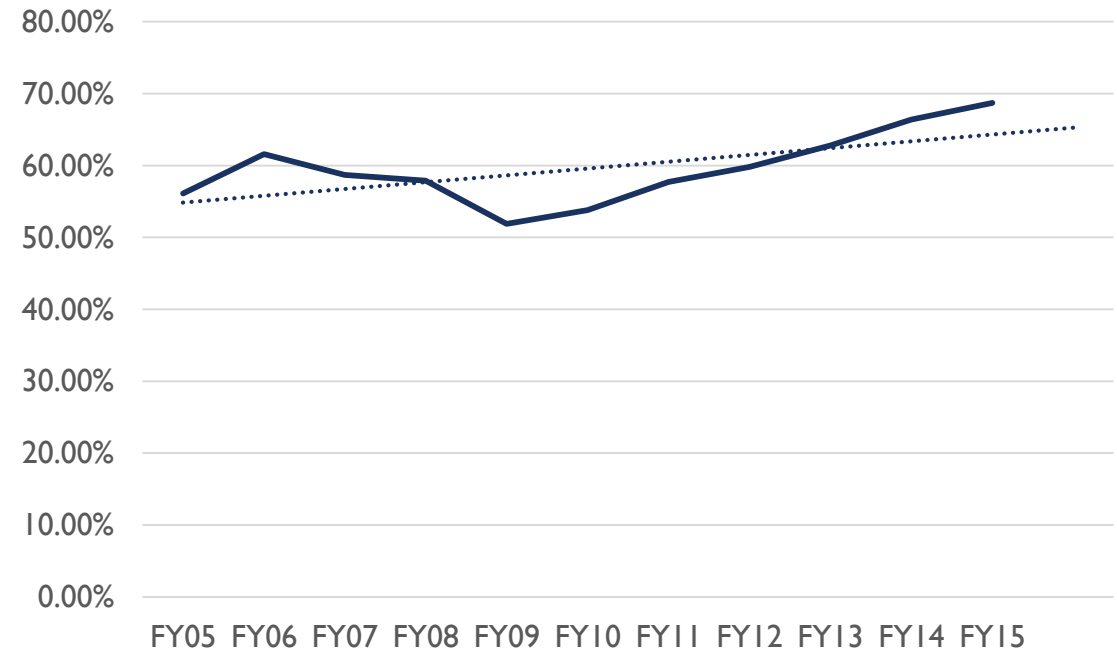


INDUSTRY TRENDS

Hotel Revenue



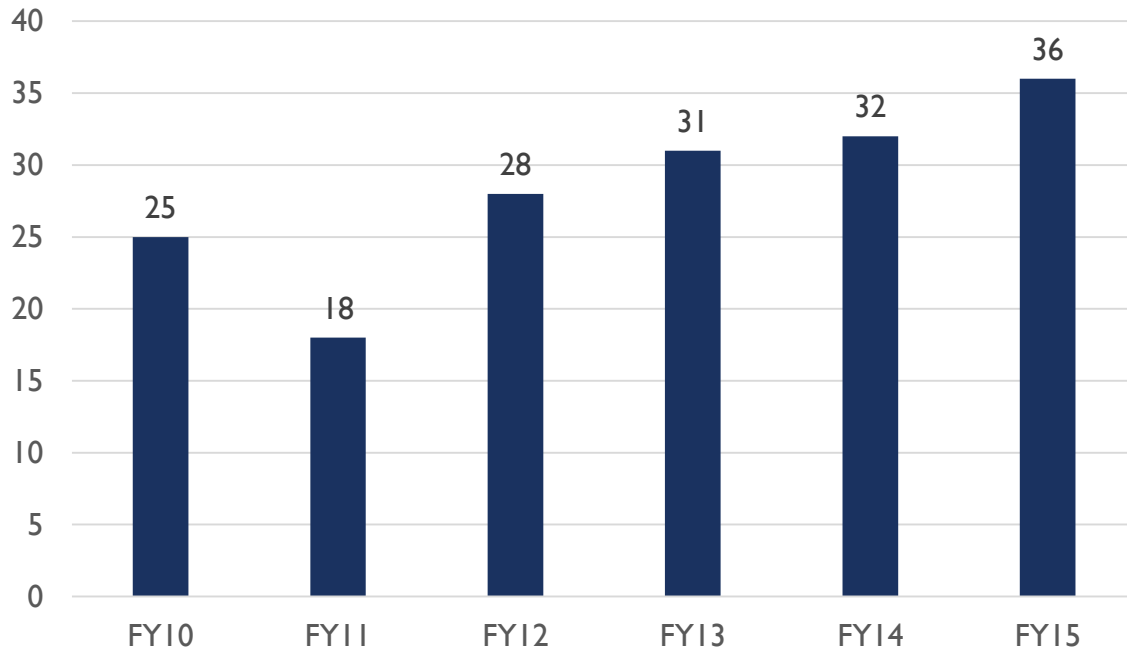
Hotel Occupancy



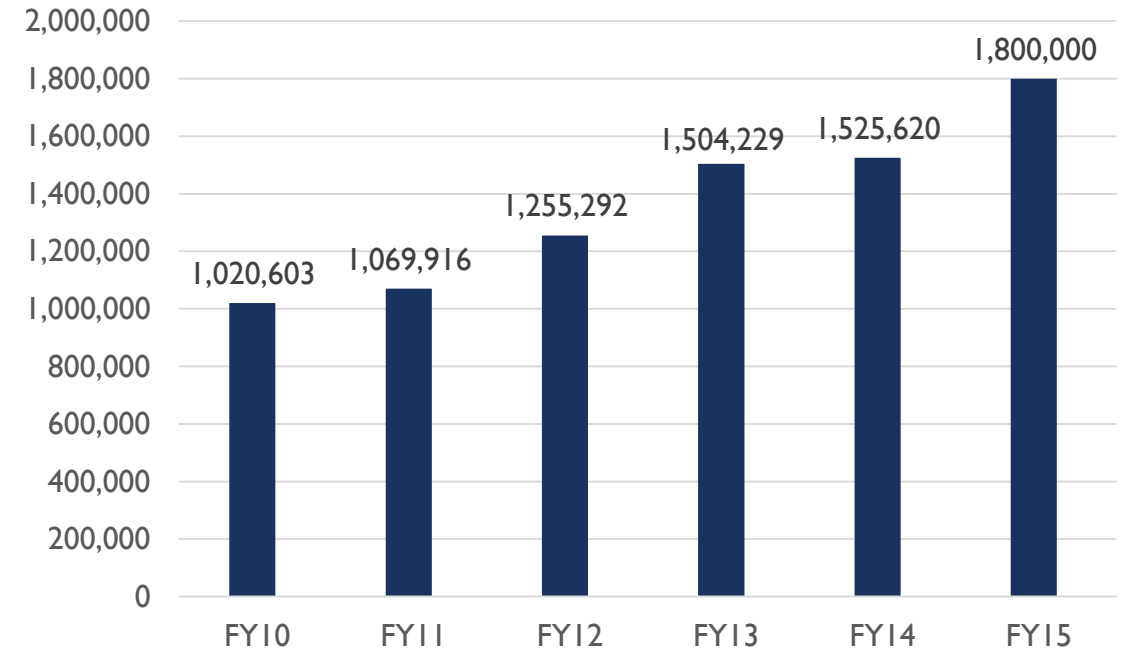
Since FY 2009 hotel revenues and occupancy rates have steadily increased. These trends have resulted in increased Hotel Occupancy Tax (HOT) revenue to the City.

INDUSTRY TRENDS

No. of Citywide Meetings Booked

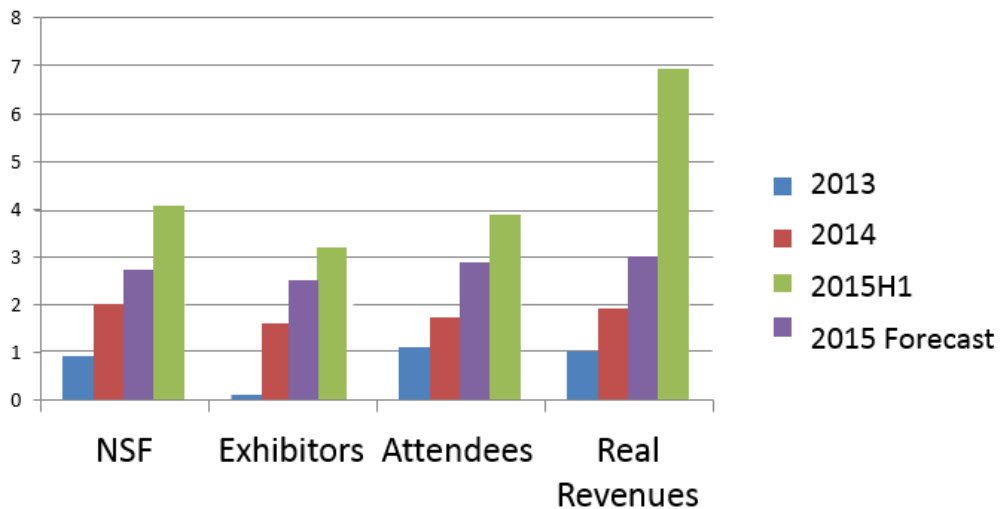


No. of Room Nights Booked



2015 CEIR INDEX REPORT

Overall Industry, Year Over Year % Change

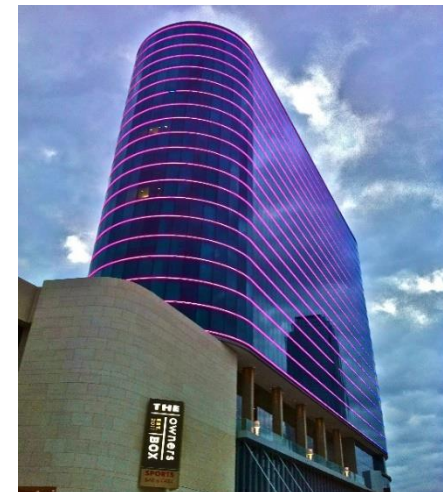


- If economy strengthens, Total Index could rise by another 2-3% in both 2016 and 2017 on top of a strong 2015 gain.

*Center for Exhibition Industry Research

INDUSTRY OUTLOOK

- Average Daily Rate (ADR) for the City of Dallas for December 2015 was \$103.30, \$5.34 over December 2014
- Occupancy is now over 70% for Downtown Dallas and the city limits
- Growth in Occupancy, Revenue per Available Room (RevPAR), Room Revenues in Dallas continue to outpace national averages
- Dallas' hotel development market is expected to continue to grow rapidly with 16 new hotel projects, 8 of them in Downtown Dallas
- Room nights booked have continued to grow year over year since FY 2009
- Bookings on the calendar through 2026





QUESTIONS?

Memorandum



CITY OF DALLAS

DATE January 15, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2015-16 Financial Forecast Report based on information through November 2015 is attached and provided for your information.

For FY 2015-16, General Fund revenues are projected to be \$933,000 above budget and expenditures are projected to be \$478,000 above budget. This results in forecast revenues being in excess of forecast expenditures by \$456,000. Details related to budget variances may be found at the end of the Financial Forecast Report.

We will continue to closely monitor revenues and expenditures and keep you informed.



A.C. Gonzalez
City Manager

Attachment

c: Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jack Ireland, Director, Office of Financial Services



FY 2015-16

Financial Forecast Report

Information as of November 30, 2015



GENERAL FUND

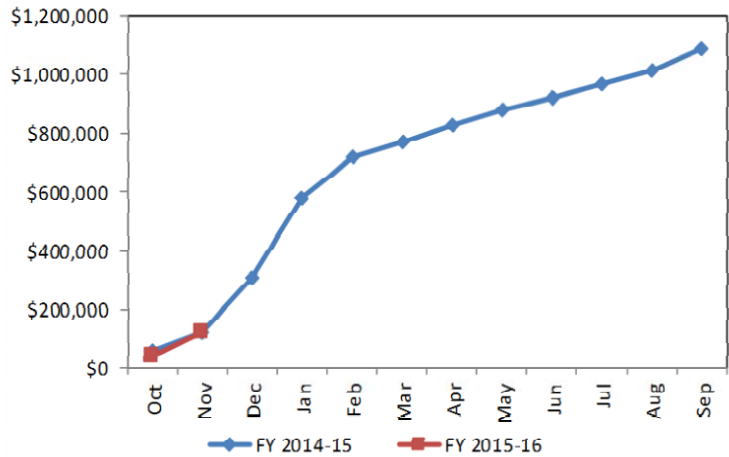
As of November 30, 2015
(000s)

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$1,144,800	\$119,325	\$1,145,733	\$933
Expenditures	1,144,800	153,666	1,145,278	478
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>(\$34,341)</u>	<u>\$456</u>	<u>\$456</u>

GENERAL FUND REVENUES

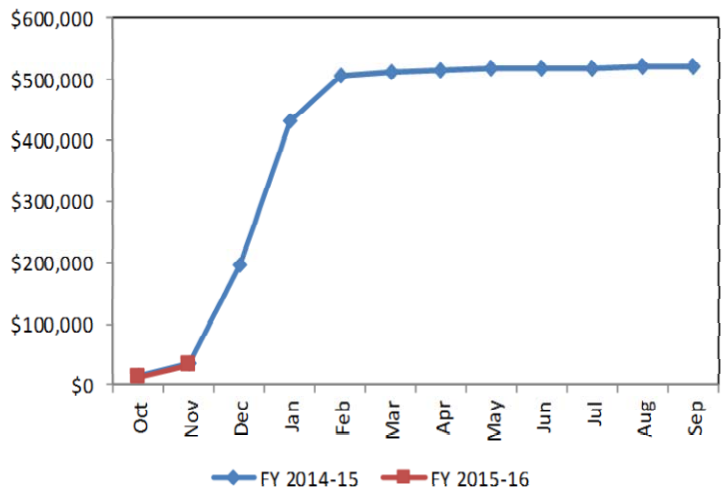
ALL SOURCES

	FY 2014-15	FY 2015-16	Variance
Oct	\$60,959	\$41,660	(\$19,299)
Nov	58,982	77,665	\$18,682
Dec	187,753		
Jan	271,536		
Feb	138,254		
Mar	52,292		
Apr	59,984		
May	48,230		
Jun	43,757		
Jul	46,560		
Aug	45,056		
Sep	74,964		
Total	\$1,088,327	\$119,325	(\$617)



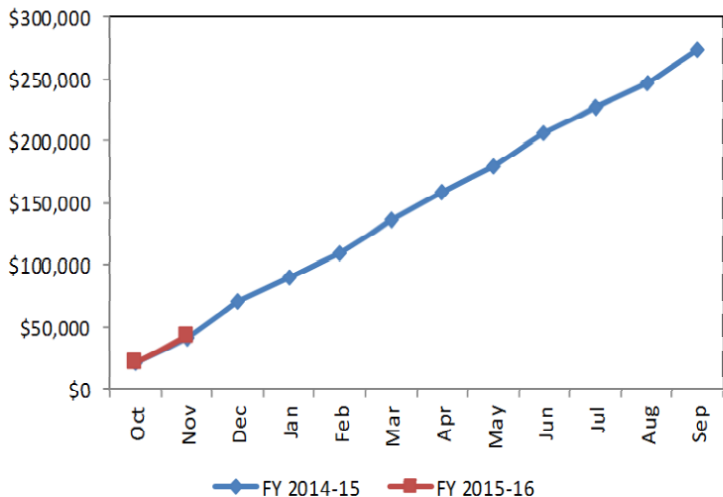
PROPERTY TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$16,175	\$11,487	(\$4,688)
Nov	18,472	20,589	\$2,117
Dec	160,305		
Jan	235,891		
Feb	74,439		
Mar	6,533		
Apr	3,115		
May	1,536		
Jun	1,750		
Jul	821		
Aug	948		
Sep	673		
Total	\$520,658	\$32,076	(\$2,571)



SALES TAX

	FY 2014-15	FY 2015-16	Variance
Oct	\$21,933	\$21,769	(\$164)
Nov	19,220	20,524	\$1,303
Dec	29,690		
Jan	20,009		
Feb	18,928		
Mar	26,847		
Apr	22,124		
May	20,755		
Jun	26,477		
Jul	20,798		
Aug	20,332		
Sep	26,386		
Total	\$273,499	\$42,293	\$1,139



FY 2014-15 All Sources has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND REVENUES

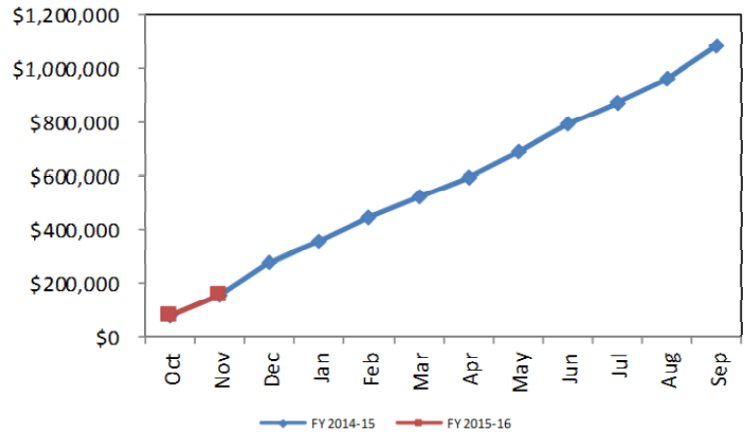
As of November 30, 2015
(000s)

	BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$559,636	\$32,076	\$559,636	\$0
Sales Tax ¹	281,272	42,293	281,763	492
TOTAL TAXES	840,908	74,368	841,399	492
FRANCHISE REVENUES				
Oncor Electric	50,612	15,960	50,612	0
AT&T	10,950	0	10,950	0
Atmos Energy	12,242	1,849	12,242	0
Time Warner Cable	6,102	1,566	6,102	0
Other	27,291	6,367	27,291	0
TOTAL FRANCHISE REVENUES	107,198	25,742	107,198	0
LICENSES AND PERMITS	6,067	756	6,067	0
INTEREST EARNED	962	0	962	0
INTERGOVERNMENTAL	7,432	86	7,432	0
FINES AND FORFEITURES				
Municipal Court ²	14,771	2,420	15,400	629
Vehicle Towing & Storage	7,146	1,162	7,146	0
Parking Fines	3,591	0	3,591	0
Red Light Camera Fines	7,460	0	7,460	0
Public Library	494	45	494	0
TOTAL FINES	33,462	3,627	34,091	629
CHARGES FOR SERVICE				
Parks	10,283	1,345	10,296	13
Emergency Ambulance	31,569	6,371	31,569	0
Security Alarm	4,450	600	4,450	0
Street Lighting	648	0	648	0
Vital Statistics	1,484	220	1,484	0
Other ³	23,147	4,470	22,947	(200)
TOTAL CHARGES	71,581	13,006	71,394	(187)
INTERFUND REVENUE	67,123	0	67,123	0
MISCELLANEOUS	10,068	1,740	10,068	0
TOTAL REVENUES	\$1,144,800	\$119,325	\$1,145,733	\$933

GENERAL FUND EXPENDITURES

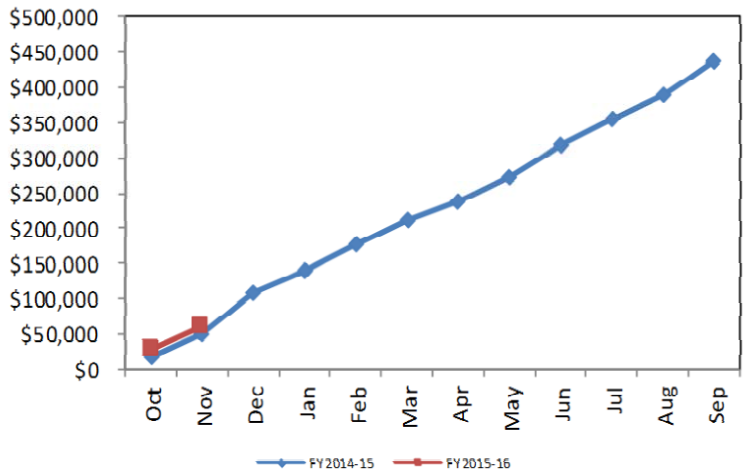
ALL EXPENSES

	FY 2014-15	FY 2015-16	Variance
Oct	\$77,525	\$75,601	(\$1,924)
Nov	79,013	78,065	(948)
Dec	123,491		
Jan	76,655		
Feb	86,673		
Mar	82,668		
Apr	69,958		
May	96,984		
Jun	102,442		
Jul	78,895		
Aug	85,592		
Sep	124,316		
Total	\$1,084,212	\$153,666	(\$2,872)



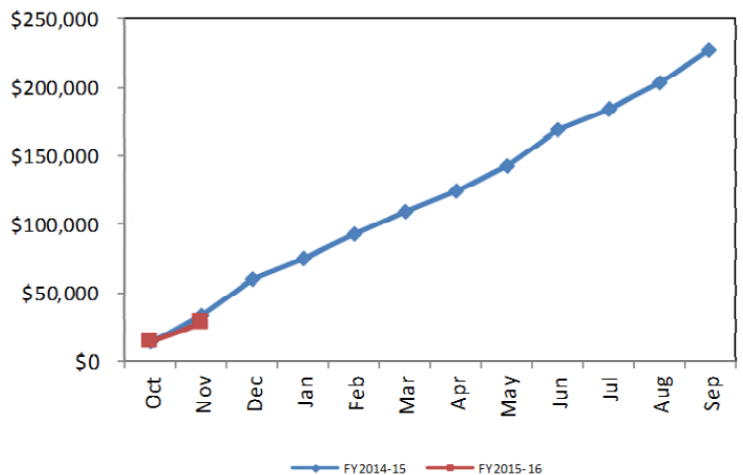
POLICE

	FY 2014-15	FY 2015-16	Variance
Oct	\$19,262	\$28,488	\$9,226
Nov	31,339	31,370	31
Dec	57,789		
Jan	32,898		
Feb	36,863		
Mar	32,472		
Apr	27,900		
May	33,265		
Jun	47,086		
Jul	34,846		
Aug	35,661		
Sep	46,774		
Total	\$436,155	\$59,858	\$9,257



FIRE

	FY 2014-15	FY 2015-16	Variance
Oct	\$13,502	\$13,994	\$492
Nov	19,557	14,184	(5,373)
Dec	26,055		
Jan	16,078		
Feb	17,117		
Mar	17,032		
Apr	15,063		
May	17,344		
Jun	26,753		
Jul	16,442		
Aug	18,322		
Sep	24,269		
Total	\$227,535	\$28,178	(\$4,881)



FY 2014-15 All Expenses has been restated to reflect the conversion of Sanitation to an Enterprise Fund in FY 2015-16

GENERAL FUND EXPENDITURES

As of November 30, 2015

(000s)

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,831	\$4,646	\$23,831	\$0
Business Dev/Procurement Svcs	2,884	372	2,884	0
City Attorney's Office ⁴	15,886	2,348	15,869	(17)
City Auditor's Office	3,004	373	3,003	(1)
City Controller's Office	4,541	584	4,537	(3)
City Manager's Office	1,972	348	1,972	0
City Secretary's Office	2,005	233	2,005	0
Civil Service ⁵	2,599	342	2,636	37
Code Compliance	38,569	4,642	38,569	0
Court Services ⁶	11,563	1,397	11,530	(33)
Elections	97	13	97	0
Fire	239,567	28,178	239,567	0
Housing	11,936	5,475	11,936	0
Human Resources	4,788	692	4,788	0
Independent Audit	786	-	786	0
Jail Contract - Lew Sterret	7,557	7,557	7,557	0
Judiciary	3,231	456	3,231	0
Library	30,509	4,391	30,509	0
Management Services	8,544	2,267	8,544	0
Mayor and Council	4,243	584	4,236	(8)
Non-Departmental	57,926	1,321	57,926	0
Office of Cultural Affairs	17,671	1,145	17,671	0
Office of Economic Development	1,818	559	1,818	0
Office of Financial Services	2,957	450	2,957	0
Park and Recreation ⁷	85,646	14,494	86,149	503
Planning & Urban Design	4,232	406	4,232	0
Police	451,882	59,858	451,882	0
Public Works	5,911	1,004	5,911	0
Street Lighting	17,525	1,290	17,525	0
Street Services	71,531	7,729	71,531	0
Sustainable Dev/Construction	1,438	397	1,438	0
Trinity Watershed Management	1,526	115	1,526	0
RESERVES AND TRANSFERS				
Contingency Reserve	2,628	0	2,628	0
Liability/Claim Fund	1,994	0	1,994	0
Salary & Benefit Reserve	2,000	0	2,000	0
TOTAL EXPENDITURES	\$1,144,800	\$153,666	\$1,145,278	\$478

PROPRIETARY FUNDS

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$16,775	\$ -	\$16,775	\$ -
REVENUES:				
Parking	27,443	4,336	27,443	0
Terminal Concessions	22,423	3,930	22,423	0
Landing Fees	17,784	3,596	17,784	0
Rental on Airport - Terminal	13,831	2,438	13,831	0
Rental on Airport - Field	9,067	1,165	8,950	(117)
Fuel Flow Fees	1,225	219	1,225	0
All Other	2,102	671	4,122	2,020
TOTAL REVENUES⁸	93,876	16,355	95,779	1,903
TOTAL EXPENDITURES⁸	93,876	10,299	95,482	1,606
ENDING FUND BALANCE	\$16,775	\$ -	\$17,072	\$297

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$20,607	\$ -	\$20,607	\$ -
REVENUES:				
Hotel Occupancy Tax	54,002	8,081	54,002	0
Alcoholic Beverage Tax	10,461	0	10,461	0
Contract Services	9,119	1,148	9,119	0
All Remaining Revenues	10,414	2,446	10,414	0
TOTAL REVENUES	83,996	11,675	83,996	0
TOTAL EXPENDITURES	82,939	8,506	82,939	0
ENDING FUND BALANCE	\$21,664	\$ -	\$21,664	\$0

PROPRIETARY FUNDS

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$33,842	\$ -	\$33,842	\$ -
REVENUES:				
Building Permits	18,770	3,092	18,770	0
Certificate of Occupancy	1,412	188	1,412	0
Plan Review	3,736	702	3,736	0
Registration/License	1,028	162	1,028	0
Special Plats	887	198	887	0
Private Development	1,010	274	1,010	0
Zoning	1,184	156	1,184	0
Interest Earnings	117	0	117	0
All Remaining Revenues	1,478	342	1,478	0
TOTAL REVENUES	29,622	5,113	29,622	0
TOTAL EXPENDITURES	30,697	3,136	30,697	0
ENDING FUND BALANCE	\$32,767	\$ -	\$32,767	\$0
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,183	\$ -	\$1,183	\$ -
REVENUES:				
Local and National Sales	2,058	354	2,058	0
All Remaining Revenues	12	0	12	0
TOTAL REVENUES	2,070	354	2,070	0
TOTAL EXPENDITURES	2,055	500	2,070	15
ENDING FUND BALANCE	\$1,198	\$ -	\$1,183	(\$15)

PROPRIETARY FUNDS

As of November 30, 2015

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$86,191	\$ -	\$86,191	\$ -
REVENUES:				
Treated Water - Retail	286,483	53,506	287,947	1,464
Treated Water - Wholesale	80,082	12,621	78,931	(1,151)
Wastewater - Retail	232,649	36,619	228,517	(4,132)
Wastewater - Wholesale	9,874	1,388	9,767	(107)
All Remaining Revenues	36,040	4,441	30,619	(5,421)
TOTAL REVENUES⁹	645,128	108,576	635,782	(9,347)
TOTAL EXPENDITURES⁹	645,128	71,459	635,782	(9,347)
ENDING FUND BALANCE	\$86,191	\$ -	\$86,191	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$10,910	\$ -	\$10,910	\$ -
REVENUES:				
Interdepartmental Charges	52,799	0	52,799	0
Telephones Leased	8,532	0	8,532	0
Circuits	1,367	0	1,367	0
Desktop Services	269	0	269	0
Interest	137	0	137	0
Equipment Rental	4,546	0	4,546	0
Miscellaneous	77	511	577	500
TOTAL REVENUES¹⁰	67,727	511	68,227	500
TOTAL EXPENDITURES¹⁰	72,284	22,184	72,761	477
ENDING FUND BALANCE	\$6,352	\$ -	\$6,375	\$23

PROPRIETARY FUNDS

As of November 30, 2015

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,129	\$ -	\$4,129	\$ -
REVENUES:				
Rental/Wreck	33,640	0	33,640	0
Fuel	16,180	0	16,180	0
Auto Auction	418	0	418	0
Miscellaneous Revenue	267	2	267	0
Interest and Other	5	0	5	0
TOTAL REVENUES	50,509	2	50,509	0
TOTAL EXPENDITURES	50,509	4,428	50,509	0
ENDING FUND BALANCE	\$4,129	\$ -	\$4,129	\$0

EXPRESS BUSINESS CENTER

BEGINNING FUND BALANCE	\$1,223	\$ -	\$1,223	\$ -
REVENUES:				
Postage Sales	2,703	204	2,703	0
All Other Revenues	1,260	166	1,260	0
TOTAL REVENUES	3,963	370	3,963	0
TOTAL EXPENDITURES	3,815	534	3,813	(2)
ENDING FUND BALANCE	\$1,372	\$ -	\$1,373	\$1

PROPRIETARY FUNDS

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$7,108	\$ -	\$7,108	\$ -
REVENUES:				
Residential Collection	66,537	11,390	66,537	0
Cost Plus Bulk/Brush	114	19	114	0
Sale of Recyclables	2,100	296	1,711	(389)
City Facility Collection	761	101	761	0
Landfill Revenue	17,676	5,293	19,770	2,094
TOTAL REVENUES¹¹	87,188	17,098	88,893	1,705
TOTAL EXPENDITURES¹¹	86,480	10,322	86,681	200
ENDING FUND BALANCE	\$7,816	\$ -	\$9,320	\$1,504

OTHER FUNDS

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$7,090	\$ -	\$7,090	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,257	858	6,307	51
9-1-1 Service Receipts - Wireline	6,898	1,083	6,869	(30)
Interest and Other	63	0	63	0
TOTAL REVENUES	13,218	1,941	13,239	21
TOTAL EXPENDITURES	16,292	1,876	16,281	(12)
ENDING FUND BALANCE	\$4,015	\$ -	\$4,048	\$33

STORM DRAINAGE MANAGEMENT

BEGINNING FUND BALANCE	\$8,114	\$ -	\$8,114	\$ -
REVENUES:				
Storm Water Fees	50,413	8,342	50,413	-
Interest and Other	40	0	40	0
TOTAL REVENUES	50,452	8,342	50,452	0
TOTAL EXPENDITURES	51,417	3,141	51,417	0
ENDING FUND BALANCE	\$7,150	\$ -	\$7,150	\$0

OTHER FUNDS

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$1,126	\$80	\$1,126	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$430	\$50	\$430	\$0
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,594	\$263	\$2,594	\$0
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2015				\$3,649
Budgeted Revenue				6,297
FY 2015-16 Available Funds				9,946
Paid October 2015				(168)
Paid November 2015				(328)
Balance as of November 30, 2015				\$9,450

DEBT SERVICE FUND

As of November 30, 2015
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$12,109	\$ -	\$12,109	\$ -
REVENUES:				
Ad Valorem	230,475	13,224	230,475	0
Interest/Transfers/Other	20,468	0	20,468	0
TOTAL REVENUES	250,943	13,224	250,943	0
TOTAL EXPENDITURES¹²	255,326	0	254,657	(669)
ENDING FUND BALANCE	\$7,726	\$ -	\$8,395	\$669

NOTES

(Dollars in 000s)

1. Sales tax revenue is projected to be \$492 above budget due to the improved economy.
2. Municipal Court revenue is projected to be \$629 above budget due to an increase in the collection per citation rates of the new collection agency.
3. Other revenue is projected to be \$200 below budget as a result of Council action on January 13, 2016 to not implement fee increases for Animal Services fees to be at full cost recovery as included in the FY16 budget.
4. City Attorney's Office is projected to be \$17 below budget primarily due to salary savings.
5. Civil Service is projected to be \$37 above budget due to salary expenses.
6. Court Services is projected to be \$33 below budget primarily due to vacancies.
7. Park and Recreation is projected to be \$503 above budget primarily due to repairs related to flooding in 2015.
8. Aviation expenses are projected to be \$1,606 above budget primarily due to the City leasing property for additional offsite parking and for the future site of the consolidated rental car facility. Revenues are projected to be \$1,903 above budget due to revenue received from tenants on the newly leased property.
9. Water Utilities revenues and expenses are both projected to be \$9,347 below budget. Revenues are projected to be under budget due to record rainfalls decreasing water consumption. Expenses are projected to be under budget due to a reduction in the transfer to fund capital projects.
10. Communication and Information Services revenues are projected to be \$500 above budget due to payment from the State Fair of Texas for removal of the Fair Park Tower. Expenses are projected to be \$477 above budget due to expenses related to replacing the City's radio communication system.
11. Sanitation revenues are projected to be \$1,705 above budget and expenses are projected to be \$200 above budget due to the volume of solid waste from non-contract customers being above historic levels and solid waste from the Upper Chain of Wetlands projects.
12. Debt Service expenses are projected to be \$669 below budget due to lower than projected interest rates realized on the 2015 GO Bond sale.

Memorandum



CITY OF DALLAS

DATE January 29, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Quarterly Investment Report as of December 31, 2015

The City of Dallas Investment Policy, in accordance with the Texas Public Funds Investment Act, requires that the City Council and City Manager receive quarterly investment reports. The purpose of this report is to provide a means for Council members, Council committee members and staff to regularly review and monitor the City's investment position and to demonstrate compliance with the City's Investment Policy and the Public Funds Investment Act. Summary reports on each of the City's portfolios are included as well as summary information on the portfolio as a whole.

For the quarter ended December 31, 2015 the City's individual portfolios and the combined portfolio are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

Please let me know if you need additional information.

A handwritten signature in blue ink, reading "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

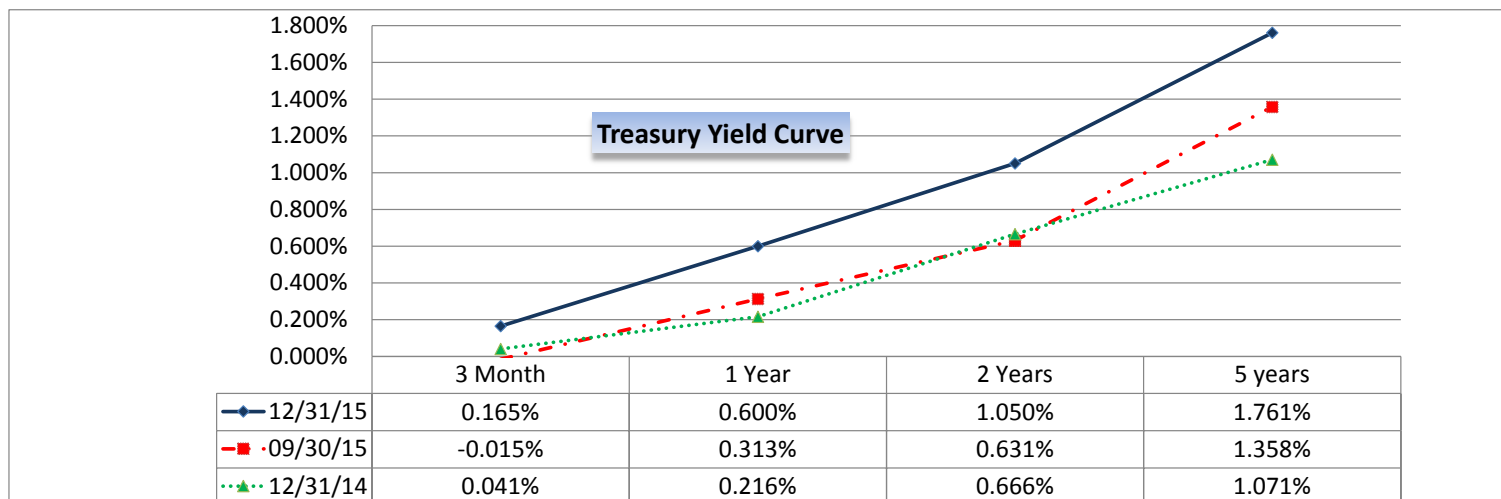
Quarterly National Economic and Market Update
 Quarter Ended December 31, 2015

- Economic activity has been expanding at a moderate pace. Household spending and business fixed investment have been increasing at solid rates, and the housing sector has improved further; however, net exports have been soft. Labor market indicators show further improvement and confirms that underutilization of labor resources has diminished appreciably since early 2015.
- Inflation has continued to run below the Federal Open Market Committee's (FOMC's) 2 percent longer-run objective, partly reflecting declines in energy prices and in prices of non-energy imports.
- Given the economic outlook, and recognizing the time it takes for policy actions to affect future economic outcomes, the FOMC decided to raise the target range for the federal funds rate to 0.25 to 0.50 percent from the 0.00 to 0.25 percent range. Further increases will depend upon changes in labor market conditions and inflation.

Source: FOMC December 16, 2015 Statement

National Economic Data	12/31/2014	12/31/2015
Fed Funds Effective Rate Target	0.00% -0.25%	0.25% -0.50%
2 Years Treasury Note	0.666%	1.050%
10 Years Treasury Note	2.172%	2.270%
Monthly Unemployment Rate	5.60%	5.00%
Weekly Initial Jobless Claims	293,000	287,000
Monthly Change in Nonfarm Payrolls	329,000	292,000
Monthly New Housing Starts	1,087,000	1,149,000

Source: Bloomberg



Source: Bloomberg

City of Dallas
Portfolio Holdings
Combined Investment Summary
As of 12/31/2015

Portfolio Description	Face Amount	Book Value	Market Value	Accrued Interest	Market Value + Accrued Interest	*Unrealized Gain/(Loss)	Weighted Average Yield To Maturity
01 The City's Investment Pool	1,631,255,000	1,632,080,645	1,630,259,711	2,225,584	1,632,485,294	(1,820,935)	0.84%
02 Convention Center Reserve	18,900,000	18,900,000	18,922,090	54,630	18,976,720	22,090	1.29%
03 Water Reserve	90,000,000	89,923,120	89,938,120	275,668	90,213,788	15,000	1.13%
04 Art Endowment	2,235,000	2,235,000	2,223,908	9,983	2,233,891	(11,092)	1.20%
05 Ida Green Library Fund	1,000,000	1,000,000	996,799	1,200	997,999	(3,201)	1.20%
10 DWU Commercial Paper Program	4,432	4,432	4,432	0	4,432	-	0.02%
11 GO Commercial Paper	27,880,000	27,880,000	27,880,000	0	27,880,000	-	0.02%
14 Trinity Parkway Escrow	546,850	546,850	546,850	0	546,850	-	0.27%

*Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

City of Dallas
Trade Activity by Portfolio
As of: 09/30/2015 - 12/31/2015

Portfolio Description	Beginning Face Amount	Beginning Weighted Average Yield To Maturity	Purchased/Deposited	Matured/Called/Redeemed	Ending Face Amount	Ending Weighted Average Yield To Maturity
City's Investment Pool*						
Federal Agricultural Mortgage Corp.	194,770,000	0.91%	13,000,000	30,000,000	177,770,000	0.98%
Federal Farm Credit Bank	100,000,000	0.78%	40,000,000	-	140,000,000	0.90%
Federal Home Loan Bank	225,135,000	0.74%	155,000,000	66,500,000	313,635,000	1.16%
Federal Home Loan Mortgage Corp.	337,000,000	0.90%	60,000,000	35,000,000	362,000,000	0.94%
Federal National Mortgage Assoc.	294,930,000	0.89%	-	35,100,000	259,830,000	0.96%
Total Portfolio	1,151,835,000	0.86%	268,000,000	166,600,000	1,253,235,000	1.00%
<i>*Trade activity excludes local government investment pools and money market mutual funds.</i>						
Convention Center Reserve						
Federal Home Loan Bank	15,000,000	1.30%	-	-	15,000,000	1.30%
Federal National Mortgage Assoc.	3,900,000	1.23%	-	-	3,900,000	1.23%
Total Portfolio	18,900,000	1.29%	-	-	18,900,000	1.29%
Water Reserve						
Federal Farm Credit Bank	5,000,000	0.30%	-	5,000,000	-	-
Federal Home Loan Bank	55,000,000	1.07%	5,000,000	-	60,000,000	1.11%
Federal Home Loan Mortgage Corp.	20,000,000	1.21%	-	-	20,000,000	1.21%
Federal National Mortgage Assoc.	10,000,000	-	-	-	10,000,000	1.14%
Total Portfolio	90,000,000	1.07%	5,000,000	5,000,000	90,000,000	1.13%
Art Endowment						
Federal Home Loan Bank	2,235,000	1.20%	-	-	2,235,000	1.20%
Total Portfolio	2,235,000	1.20%	-	-	2,235,000	1.20%
Ida Green Library Endowment						
Federal Home Loan Bank	1,000,000	1.20%	-	-	1,000,000	1.20%
Total Portfolio	1,000,000	1.20%	-	-	1,000,000	1.20%
DWU Commercial Paper						
Money Market - Tax Exempt	2,187	0.01%	2,246	-	4,433	0.02%
Total Portfolio	2,187	0.01%	2,246	-	4,433	0.02%
GO Commercial Paper						
Money Market - Tax Exempt	27,880,000	0.02%	-	-	27,880,000	0.02%
Total Portfolio	27,880,000	0.02%	-	-	27,880,000	0.02%
Trinity Parkway Escrow						
Money Market	546,634	0.08%	216	-	546,850	0.27%
Total Portfolio	546,634	0.08%	216	-	546,850	0.27%

City of Dallas
Summary Statement by Portfolio
As of: 09/30/2015 - 12/31/2015

Portfolio Description	Beginning Face Amount	Ending Face Amount	Beginning Book Value	Ending Book Value	Beginning Market Value	Ending Market Value	Deposits/ (Redemptions)	Change in Market Value	Accrued Interest	Ending Weighted Average Yield To Maturity
City's Investment Pool¹										
Local Govt. Investment Pool	100,020,000	202,020,000	100,020,000	202,020,000	100,020,000	202,020,000	102,000,000	-	-	0.32%
Money Market	153,000,000	176,000,000	153,000,000	176,000,000	153,000,000	176,000,000	23,000,000	-	-	0.28%
US Agency	1,151,835,000	1,253,235,000	1,152,941,788	1,254,060,645	1,156,180,997	1,252,239,711	101,400,000	(5,314,146)	2,225,584	1.00%
*Total Portfolio	1,404,855,000	1,631,255,000	1,405,961,788	1,632,080,645	1,409,200,997	1,630,259,711	226,400,000	(5,314,146)	2,225,584	0.84%
Convention Center Reserve²										
US Agency	18,900,000	18,900,000	18,900,000	18,900,000	18,975,166	18,922,090	-	(53,076)	54,630	1.29%
Total Portfolio	18,900,000	18,900,000	18,900,000	18,900,000	18,975,166	18,922,090	-	(53,076)	54,630	1.29%
Water Reserve²										
US Agency	90,000,000	90,000,000	89,912,277	89,923,120	90,374,880	89,938,120	-	(436,760)	275,668	1.13%
Total Portfolio	90,000,000	90,000,000	89,912,277	89,923,120	90,374,880	89,938,120	-	(436,760)	275,668	1.13%
Art Endowment³										
US Agency	2,235,000	2,235,000	2,235,000	2,235,000	2,233,990	2,223,908	-	(10,082)	9,983	1.20%
Total Portfolio	2,235,000	2,235,000	2,235,000	2,235,000	2,233,990	2,223,908	-	(10,082)	9,983	1.20%
Ida Green Library Endowment⁴										
US Agency	1,000,000	1,000,000	1,000,000	1,000,000	1,002,901	996,799	-	(6,102)	1,200	1.20%
Total Portfolio	1,000,000	1,000,000	1,000,000	1,000,000	1,002,901	996,799	-	(6,102)	1,200	1.20%
DWU Commercial Paper⁵										
Money Market - Tax Exempt	2,187	4,433	2,187	4,433	2,187	4,433	2,246	-	-	0.02%
Total Portfolio	2,187	4,433	2,187	4,433	2,187	4,433	2,246	-	-	0.02%
GO Commercial Paper⁵										
Money Market - Tax Exempt	27,880,000	27,880,000	27,880,000	27,880,000	27,880,000	27,880,000	-	-	-	0.02%
Total Portfolio	27,880,000	27,880,000	27,880,000	27,880,000	27,880,000	27,880,000	-	-	-	0.02%
Trinity Parkway Escrow⁶										
Money Market	546,634	546,850	546,634	546,850	546,634	546,850	216	-	-	0.27%
Total Portfolio	546,634	546,850	546,634	546,850	546,634	546,850	216	-	-	0.27%

Notes 1-6: See Page 6 for Strategy Statement by Portfolio.

*Numbers may not sum due to rounding

City of Dallas
Strategy Statement and Compliance by Portfolio
As of: 09/30/2015 - 12/31/2015

STRATEGY COMPLIANCE STATEMENT

For the quarter ended December 31, 2015 the portfolios are in compliance with the relevant provisions of the Public Fund Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

STRATEGY STATEMENT BY PORTFOLIO

1) City's Investment Pool

The City's Investment Pool is an aggregation of the majority of City funds that includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years.

2) Convention Center Bond Reserve and Water Bond Reserve

Non-pooled reserve funds for outstanding revenue bonds (Convention Center and Water) are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest at final maturity or if called prior to final maturity.

3) Art Endowment

The Art Endowment Fund was created by the City from a \$1,285,026 repayment to the General Fund from the Convention Center. Pursuant to Resolution No. 84-311 dated September 26, 1984, this endowment fund was created to provide additional monies for the arts, not to replace the current level of support. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return.

4) Ida Green Library Endowment

The Ida M. Green Endowment Fund was created with the proceeds from the sale of stock from the estate of Ms. Green pursuant to Resolution No. 87-0836. Its purpose is to provide funds for the operating and capital expenses of the library's Texas Center for the Book and Children's Center. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return.

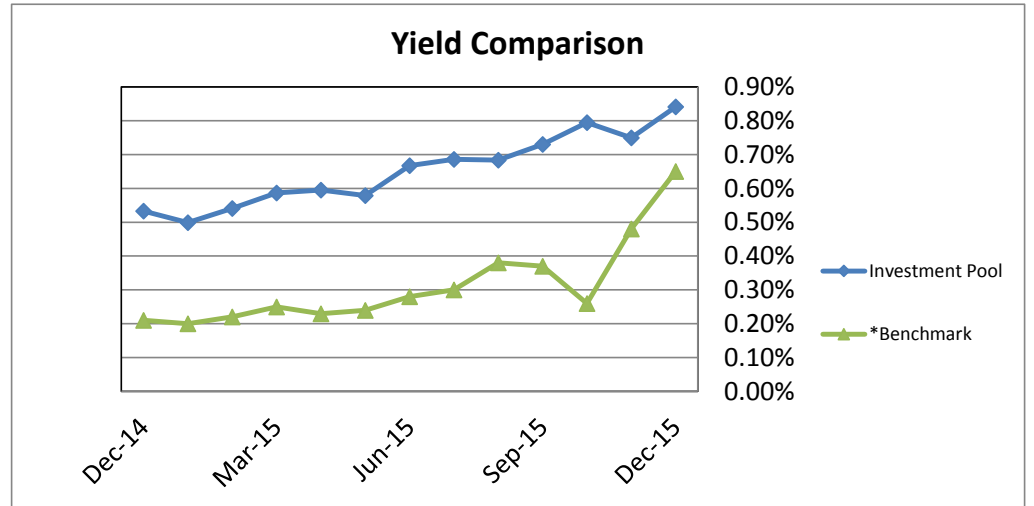
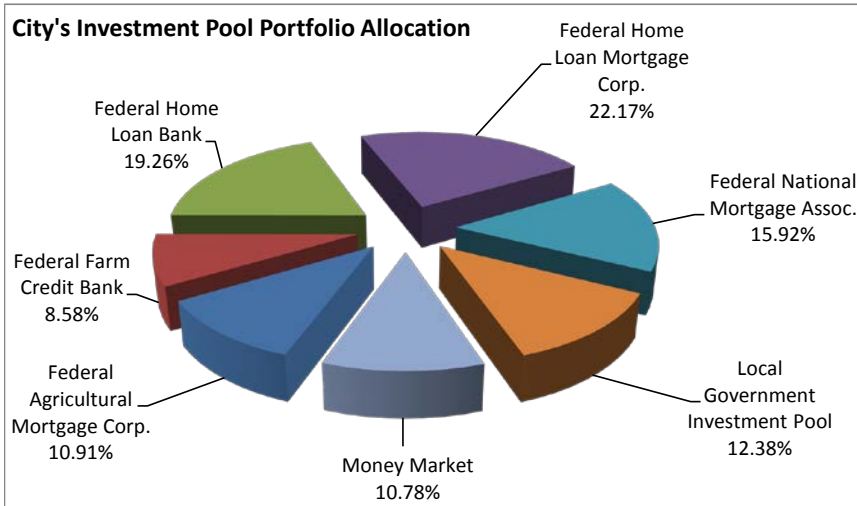
5) DWU Commercial Paper Program and GO Commercial Paper Program

The City issues tax-exempt commercial paper notes as an interim financing tool for construction and capital projects. Proceeds from the issuance of commercial paper debt must be liquid in order to fund periodic payments to contractors and may be invested in tax-exempt securities in order to avoid costly and complex arbitrage rebate computations. In order to meet these objectives, commercial paper proceeds may either be invested in tax-exempt securities or expended subject to a reimbursement program.

6) Trinity Parkway Escrow

The Trinity Parkway Escrow portfolio was created with the deposit of \$5,000,000 on November 16, 1999 in an escrow account in accordance with an agreement dated as of January 1, 1999 between the City and the North Texas Tollway Authority ("NTTA") pertaining to development of the Trinity Parkway. A subsequent deposit of \$4,500,000 was made in June 2009. These funds will be used to reimburse NTTA for specified payment related to project feasibility. Permitted investments for this account are defined in the Escrow Agreement as those that are consistent with the Public Funds Investment Act.

City of Dallas
City's Investment Pool Portfolio Allocation
Investment Summary
As of 12/31/2015



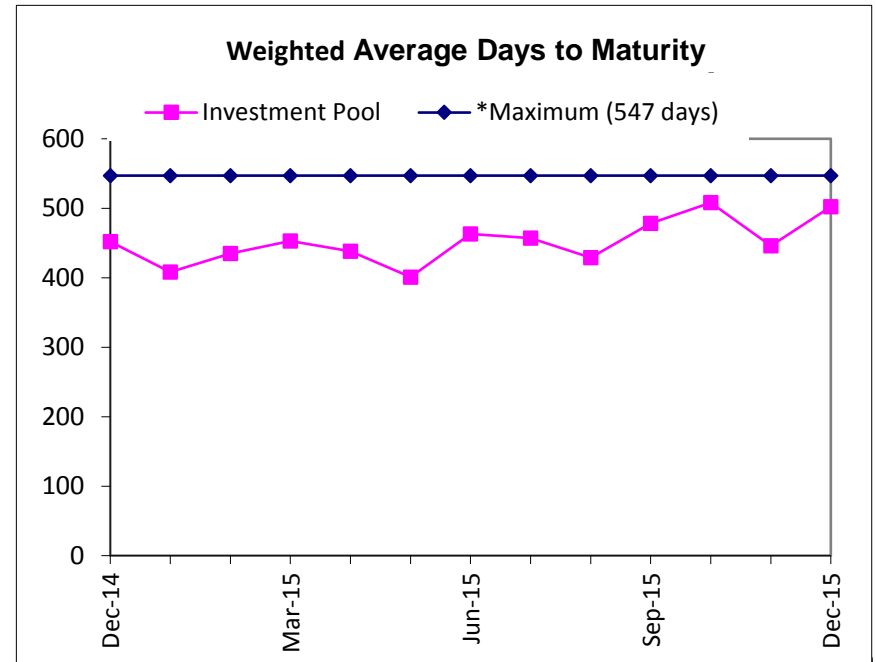
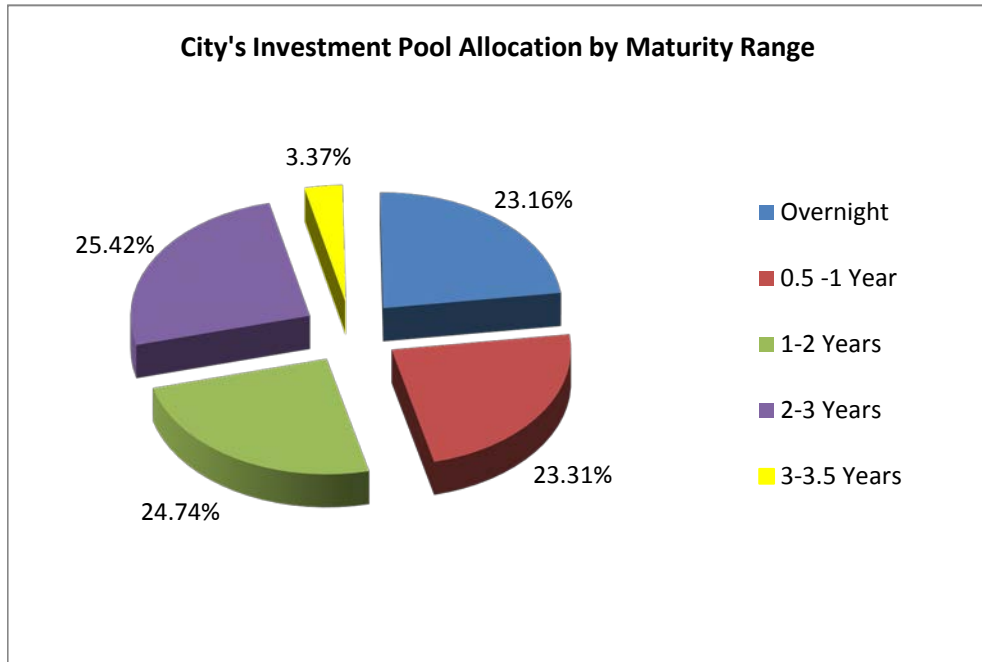
Description	Face Amount	Book Value	Market Value	**Unrealized Gain/(Loss)	Weighted Average Days To Maturity	Weighted Average Yield To Maturity	% of Portfolio
Federal Agricultural Mortgage Corp.	177,770,000	178,072,363	177,869,791	(202,572)	586	0.98%	10.91%
Federal Farm Credit Bank	140,000,000	139,963,536	139,707,110	(256,426)	584	0.90%	8.58%
Federal Home Loan Bank	313,635,000	314,336,572	313,746,413	(590,158)	800	1.16%	19.26%
Federal Home Loan Mortgage Corp.	362,000,000	361,835,794	361,420,307	(415,487)	600	0.94%	22.17%
Federal National Mortgage Assoc.	259,830,000	259,852,381	259,496,090	(356,291)	632	0.97%	15.92%
Local Government Investment Pool	202,020,000	202,020,000	202,020,000	-	1	0.32%	12.38%
Money Market	176,000,000	176,000,000	176,000,000	-	1	0.28%	10.78%
***Total Portfolio	1,631,255,000	1,632,080,645	1,630,259,711	(1,820,935)	502	0.84%	100.00%

*As per Section 17.1 of the City's Investment Policy, the benchmark for the Investment Pool is the 12-month moving average yield on treasury 1-year constant maturities as reported by Federal Reserve Statistical Release H.15.

** Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's strategy to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

*** Numbers may not sum due to rounding

City of Dallas
City's Investment Pool Allocation by Maturity Range
As of 12/31/2015



Description	Face Amount/Shares	Book Value	Market Value	Weighted Average Yield To Maturity	Weighted Average Days To Maturity	% of Portfolio
Overnight	378,020,000	378,020,000	378,020,000	0.30%	1	23.16%
0.5 - 1 Year	379,785,000	380,406,549	380,268,160	0.70%	302	23.31%
1-2 Years	403,830,000	403,764,669	403,232,643	0.96%	555	24.74%
2-3 Years	414,620,000	414,899,404	413,836,393	1.25%	992	25.42%
3-3.5 Years	55,000,000	54,990,023	54,902,515	1.54%	1,242	3.37%
**Total Portfolio	1,631,255,000	1,632,080,645	1,630,259,711	0.84%	502	100%

*As per Section 17.1 of the City's Investment Policy, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years (547 days).

** Numbers may not sum due to rounding

**City of Dallas
Date To Date
Broker/Dealer Activity
As of: FY 15-16 to Date**

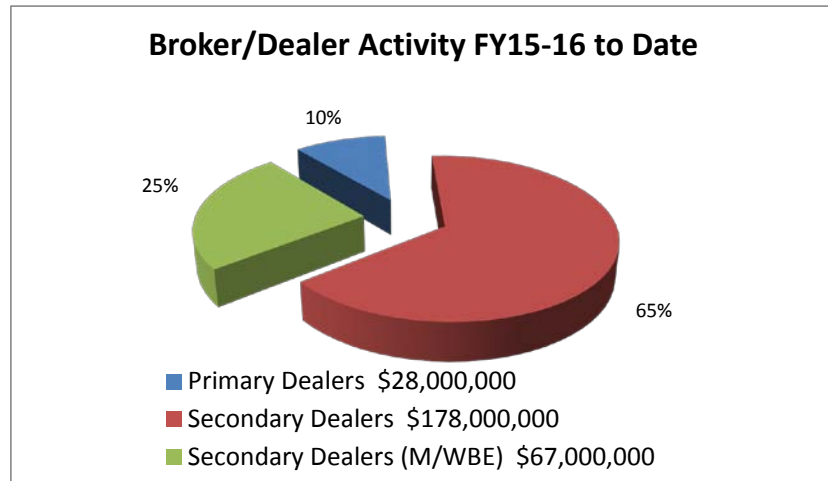
FY 15-16 to Date		
Description	Awarded	%
Primary Dealers		
Bank of America	\$8,000,000	2.93%
Cantor Fitzgerald	0	0.00%
Jefferies & Co.	20,000,000	7.33%
Secondary Dealers		
Coastal Securities	40,000,000	14.65%
First Southwest	20,000,000	7.33%
Mutual Securities	20,000,000	7.33%
Raymond James and Associates	0	0.00%
Samco Capital Market	45,000,000	16.48%
Vining Sparks	53,000,000	19.41%
Wells Fargo	0	0.00%
Secondary Dealers - M/WBE		
Bonwick Capital - M/WBE	47,000,000	17.22%
Duncan Williams - M/WBE	0	0.00%
Loop Capital - M/WBE	20,000,000	7.33%
Ramirez & Co. - M/WBE	0	0.00%
Rice Financial - M/WBE	0	0.00%
Williams Capital - M/WBE	0	0.00%
Total	\$273,000,000	100.00%

Notes:

Section 9 of the City's investment Policy requires the investment committee to annually review and adopt a list of qualified broker/dealers. These firms represent the broker dealer firms that are currently approved by the Investment Committee as of October 2015.

It is the City's Practice to solicit three or more competitive bids/offers each trade except for agency securities purchased at issue.

Q1 FY 15-16		
Description	Awarded	%
Bank of America	\$8,000,000	2.93%
Bonwick Capital - M/WBE	47,000,000	17.22%
Coastal Securities	40,000,000	14.65%
First Southwest	20,000,000	7.33%
Jefferies & Co.	20,000,000	7.33%
Loop Capital - M/WBE	20,000,000	7.33%
Mutual Securities	20,000,000	7.33%
Samco Capital Market	45,000,000	16.48%
Vining Sparks	53,000,000	19.41%
Total	\$273,000,000	100.00%



CITY OF DALLAS

QUARTERLY INVESTMENT REPORT

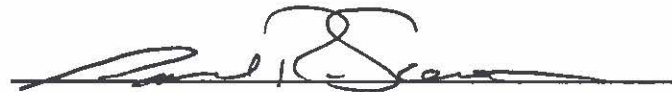
December 31, 2015

For the quarter ended December 31, 2015 the portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

Chief Financial Officer:



City Controller:



Treasury Manager:



KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Office of Risk Management

CMO: Jeanne Chipperfield, 670-7804

MAPSCO: N/A

SUBJECT

Authorize **(1)** an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool; and **(2)** a one-year agreement, with two one-year renewal options, for excess workers' compensation insurance through, and subject to, approval by the executive board of Texas Municipal League Intergovernmental Risk Pool - Not to exceed \$525,000 - Financing: Current Funds (subject to appropriations)

BACKGROUND

This agreement will provide one-year of excess workers' compensation insurance. Excess workers' compensation insurance limits the City's financial exposure on employee injury claims. This insurance provides coverage for catastrophic employee injury claims that exceed an established threshold.

On January 23, 2013, City Council authorized an Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for excess workers' compensation coverage effective February 1, 2013 through January 31, 2014, with two one-year renewal options.

It is recommended the City enter into an Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for excess workers' compensation coverage to be effective February 1, 2016 through January 31, 2017, subject to the approval of TMLIRP's executive board. The City will pay the first \$1.5 million for each injury and an additional \$1 million corridor deductible.

TMLIRP is an interlocal government agency offering excess workers compensation coverage to political subdivisions in accordance with the Texas Workers' Compensation Act. TMLIRP maintains an "A" Stable rating from Standard and Poor's and provides coverage to other political subdivisions such as cities, municipal utility districts, transit authorities and public utility boards.

BACKGROUND (Continued)

Request for competitive sealed proposals for excess workers compensation insurance was issued on October 1, 2015 and opened on November 6, 2015. Proposals were then compared to governmental cooperative purchasing agreements in which it was determined that TMLIRP provided the most advantageous option.

TMLIRP conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 23, 2013, City Council authorized an Interlocal Agreement and the purchase of a one-year insurance policy for Excess Workers' Compensation Insurance by Resolution No. 13-0240.

On March 4, 2013, the Budget Finance and Audit Committee briefing agenda included an informational memo.

On January 21, 2014, this item was included as a briefing memo to the Budget, Finance and Audit Committee.

On January 22, 2014, City Council authorized the first of two one-year renewal options with the Texas Municipal League Intergovernmental Risk Pool for Excess Workers' Compensation Insurance by Resolution No. 14-0246.

On January 5, 2015, the Budget, Finance and Audit Committee was briefed on the excess workers' compensation coverage and recommended approval of this item at the January 28, 2015 Council meeting.

On January 28, 2015, City Council authorized the second of two one-year renewal options with the Texas Municipal League Intergovernmental Risk Pool for Excess Workers' Compensation Insurance by Resolution No. 15-0161.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$525,000.00 - Current Funds (subject to appropriations)

OWNER

Texas Municipal League Intergovernmental Risk Pool

Carol Loughlin, Executive Director

February 10, 2016

WHEREAS, on January 23, 2013, City Council authorized an Interlocal Agreement and the purchase of a one-year insurance policy for Excess Workers' Compensation Insurance by Resolution No. 13-0240; and,

WHEREAS, on January 22, 2014, City Council authorized the first of two one-year renewal options with the Texas Municipal League Intergovernmental Risk Pool for Excess Workers' Compensation Insurance by Resolution No. 14-0246; and,

WHEREAS, on January 28, 2015, City Council authorized the second of two one-year renewal options with the Texas Municipal League Intergovernmental Risk Pool for Excess Workers' Compensation Insurance by Resolution No. 15-0161;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute (1) an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool; and (2) a one-year agreement, with two one-year renewal options, for excess workers' compensation insurance through, and subject to, approval by the executive board of Texas Municipal League Intergovernmental Risk Pool (VS0000075750) from February 1, 2016 through January 31, 2017, upon approval as to form by the City Attorney in the amount of \$525,000.00.

Section 2. That the Chief Financial Officer is authorized to disburse funds from the following appropriation in accordance with the agreement between the City of Dallas and Texas Municipal League Intergovernmental Risk Pool in an amount not to exceed \$525,000.00 (subject to appropriations):

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>ENCUMBRANCE</u>	<u>AMOUNT</u>
0189	ORM	3801	3310	CT-ORMEXCESSWCFY16	\$525,000.00

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Trinity Watershed Management

CMO: Jeanne Chipperfield, 670-7804
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents - HSQ Technology, A Corporation, only proposer - Not to exceed \$293,850 - Financing: Stormwater Drainage Management Current Funds (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will provide the Trinity Watershed Management Flood Control Operations district with parts, telephone technical support and server upgrades for the Supervisory Control and Data Acquisition (SCADA) system. The SCADA system controls and monitors twelve flood control pump stations, forty-two flooded roadway warning systems and three sump gate structures. This system will automatically start and stop stormwater pumps, open and close water flow gates, provide pump station security and activate warning signs at high water crossings. The system can also notify City personnel by email of alarms or faults such as:

- Power failures
- Failure of computerized systems to respond
- Building intrusion after hours
- Fire alarms
- Failure of a pump to start

Additionally the system can produce real-time reports on the City's internal and public websites.

BACKGROUND (Continued)

The SCADA system is a specialized, custom built system, designed to meet the City's unique flood control and monitoring needs. In order for any vendor to provide maintenance, they must have specific details about the system and therefore other vendors are reluctant to enter into a contractual agreement with the City to service this equipment.

A four member committee from the following departments reviewed and evaluated the proposals:

- Trinity Watershed Management (1)
- Water Utilities (1)
- Communication and Information Services (1)
- Business Development & Procurement Services (1)*

*Business Development and Procurement Services only evaluated cost.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Cost 85%
- Experience and Capability 15%

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 1,714 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015 by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 24, 2011, City Council authorized a three-year master agreement for parts, support and upgrades for the Supervisory Control and Data Acquisition and the Automated Local Evaluation in Real Time System for monitoring and control of flood incidents by Resolution No. 11-2164.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On September 11, 2013, City Council authorized a three-year service contract for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents by Resolution No. 13-1546.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$293,850.00 - Stormwater Drainage Management Current Funds (subject to annual appropriations)

M/WBE INFORMATION

288 - Vendors contacted
288 - No response
 0 - Response (Bid)
 0 - Response (No Bid)
 0 - Successful vendor

1,714 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

HSQ Technology, A Corporation

White Male	38	White Female	1
Black Male	1	Black Female	0
Hispanic Male	5	Hispanic Female	1
Other Male	3	Other Female	2

PROPOSAL INFORMATION

The following proposal was received from solicitation number BUZ1524 and opened on July 22, 2015. This service contract is being awarded in its entirety to the only proposer.

*Denotes successful proposer

PROPOSAL INFORMATION (Continued)

<u>Proposer</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
*HSQ Technology, A Corporation	26227 Research Road Hayward, CA 94545	98%	\$293,850.00

Note: A single bid/proposal review process has been conducted and no exceptions have been found.

OWNER

HSQ Technology, A Corporation

Harold K. Spence, President
James Wilkinson, Vice President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents - HSQ Technology, A Corporation, only proposer - Not to exceed \$293,850 - Financing: Stormwater Drainage Management Current Funds (subject to annual appropriations)

HSQ Technology, A Corporation is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$0.00	0.00%
Total non-local contracts	\$293,850.00	100.00%
TOTAL CONTRACT	\$293,850.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

February 10, 2016

WHEREAS, on August 24, 2011, City Council authorized a three-year master agreement for parts, support and upgrades for the Supervisory Control and Data Acquisition and the Automated Local Evaluation in Real Time System for monitoring and control of flood incidents by Resolution No. 11-2164; and,

WHEREAS, on September 11, 2013, City Council authorized a three-year service contract for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents by Resolution No. 13-1546;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute a service contract with HSQ Technology, A Corporation (264584) for parts, support and upgrades for the Supervisory Control and Data Acquisition System for monitoring and control of flood incidents for a term of three years in an amount not exceed \$293,850.00, upon approval as to form by the City Attorney. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to HSQ Technology, A Corporation shall be based only on the amount of the services directed to be performed by the City and properly performed by HSQ Technology, A Corporation under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$293,850.00 (subject to annual appropriations) from Service Contract number BUZ1524.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
City Auditor

CMO: Jeanne Chipperfield, 670-7804
Craig Kinton, 670-3222

MAPSCO: N/A

SUBJECT

Authorize a three-year professional services contract, with two one-year renewal options, for sales tax compliance review and recovery services - TexasCityServices, LLC, most advantageous proposer of four - Estimated Net Annual Revenue: \$558,600

BACKGROUND

This professional service contract will provide the City with sales tax compliance review and recovery services. This contract will allow the contractor to conduct review and recovery services to assist the City with the detection, documentation and correction of errors and omissions related to sales and use tax collections. The proposal submitted reflects anomalies in sales tax collections, reporting and remissions for businesses within the City's jurisdictional boundaries.

The City will pay TexasCityServices, LLC 24 percent of the sales and use tax revenue received by the City from correction of taxpayer reporting errors detected and documented by the Sales and Use Tax Compliance Review. The 24 percent contingency fee is based on the revenue received by the City as a result of the work completed by TexasCityServices, LLC. The 24 percent contingency fee applies to all sales and use tax revenues corrected for the City for any periods prior to the date of correction. The 24 percent contingency fee also applies to revenues received for the first eight consecutive reporting quarters following the date of correction; however, the City will not pay any fees until monies recovered for the City have been received from the State Comptroller of Public Accounts.

BACKGROUND (Continued)

A six member committee from the following departments reviewed and evaluated the proposals:

- Office of Financial Services (2)
- City Manager's Office (1)
- City Auditor's Office (2)
- Business Development and Procurement Services (1)*

*Business Development and Procurement Services only evaluated the fee structure.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Overall approach and methodology 35%
- Project staffing 25%
- Provider experience 20%
- Fee structure 20%

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 780 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015, by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 8, 2010, City Council authorized a three-year professional services contract, with three one-year renewal options, for sales tax compliance review and recovery services by Resolution No. 10-2268.

On August 14, 2013, City Council authorized supplemental agreement no. 1 to exercise the first of three one-year renewal options of the professional services contract for sales tax compliance review and recovery services extending the term through September 7, 2014, by Resolution No. 13-1284.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)

On August 13, 2014, City Council authorized supplemental agreement no. 2 to exercise the second of three one-year renewal options of the professional services contract for sales/use tax compliance review and recovery services extending the term through September 7, 2015, by Resolution No. 14-1214.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$558,600.00 - Estimated Net Annual Revenue

M/WBE INFORMATION

- 148 - Vendors contacted
- 148 - No response
 - 0 - Response (Bid)
 - 0 - Response (No bid)
 - 0 - Successful

780 M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

TexasCityServices, LLC

White Male	3	White Female	2
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

PROPOSAL INFORMATION

The following proposals were received from solicitation number BKZ1518 and read on July 2, 2015. This professional services contract is being awarded in its entirety to the most advantageous proposer.

*Denotes successful proposer

PROPOSAL INFORMATION (Continued)

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*TexasCityServices, LLC	2840 Keller Springs Rd. Suite 102 Carrollton, TX 75006	86.92%
MuniServices, LLC	12301 Kurland Dr. Suite 150 Houston, TX 77034	86.51%
TexasCityServices, LLC (Alternate)	2840 Keller Springs Rd. Suite 102 Carrollton, TX 75006	86.50%
Sales Tax Assurance, LLC	8700 Manchaca Rd. Suite 106 Austin, TX 78748	76.82%

OWNER

TexasCityServices, LLC

Kyle Kasner, President

February 10, 2016

WHEREAS, on September 8, 2010, City Council authorized a three-year professional services contract, with three one-year renewal options, for sales tax compliance review and recovery services by Resolution No. 10-2268; and,

WHEREAS, on August 14, 2013, City Council authorized supplemental agreement no. 1 to exercise the first of three one-year renewal options of the professional services contract for sales tax compliance review and recovery services extending the term through September 7, 2014, by Resolution No. 13-1284; and,

WHEREAS, on August 13, 2014, City Council authorized supplemental agreement no. 2 to exercise the second of three one-year renewal options of the professional services contract for sales/use tax compliance review and recovery services extending the term through September 7, 2015, by Resolution No. 14-1214; and,

WHEREAS, on November 2, 2015, Administrative Action No. 15-7056 authorized extension of the service contract for four months from September 8, 2015 to January 7, 2016;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute a professional services contract with TexasCityServices, LLC (VS88012) for sales tax compliance review and recovery services for a term of three years, with two one-year renewal options, for an estimated annual net revenue amount of \$558,600.00, upon approval as to form by the City Attorney.

Section 2. That the Chief Financial Officer is hereby authorized to receive and deposit all revenues received from the State Comptroller as follows:

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue Source</u>
0001	BMS	1253	6100

Section 3. That the City will pay the contractor a 24% contingency fee based on the sales and use tax revenue received from the correction of detected and documented taxpayer reporting errors. That the Chief Financial Officer is authorized to disburse fees from the following appropriation:

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object Code</u>
0001	BMS	1991	3099

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 5

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): 2

DEPARTMENT: Business Development & Procurement Services
Aviation

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837

MAPSCO: 34E

SUBJECT

Authorize the purchase of one airfield passenger bus for Love Field – Cobus Industries, LP, most advantageous proposer of two – Not to exceed \$398,500 - Financing: Aviation Current Funds

BACKGROUND

The purchase of one airfield passenger bus will enable Aviation to efficiently and safely transport passengers from the airfield at Love Field to the terminal when flights experience major delays.

The airfield passenger bus is uniquely designed to meet United States Department of Transportation (DOT) and International Air Transport Association (IATA) regulations to operate within the confines of an airport airfield. The airfield passenger bus has the ability to transport 112 passengers compared to a standard bus' capability of carrying 55 passengers. This allows for a more efficient loading and unloading of passengers on the apron, while utilizing fewer vehicles and minimizing apron traffic. The passenger transportation bus includes a separate secure driver compartment separating the driver from the passenger section. This provides added security to the driver and limits unauthorized access and control of the vehicle.

Following the repeal of the Wright Amendment on October 13, 2014, Love Field has experienced an increase in traffic of passenger travel. Currently, Love Field's traffic has far exceeded early projections and is now seeing an increase in travel numbers which were not expected until 2017. Love Field anticipates approximately 200 flights per day airport wide with Southwest, Virgin and Delta Airlines. This activity will place the airport very near its functional capacity with very little room to absorb any irregular flight activity.

BACKGROUND (Continued)

During high traffic activity or times of inclement weather, Love Field is the immediate backup for Dallas Fort Worth International Airport (DFW). It is not unusual for Love Field to see an occasional flight re-routed from DFW; stopping at Love Field to avoid hazards elsewhere. During this high traffic time, it is Love Field’s responsibility to ensure passenger rights are met based on all applicable DOT and IATA regulations.

On August 23, 2011, the DOT office of Aviation Enforcement and Proceedings issued rule # DOT 199-09 stating, in part:

- Requires all carriers that must adopt apron delay contingency plans to file data with the Department regarding lengthy apron delays
- Requires U.S. air carriers to not permit a domestic flight to remain on the apron at a U.S. airport for more than three hours without allowing passengers to deplane subject to safety, security, and ATC exceptions
- Requires foreign air carriers to not permit an international flight to remain on the apron at a U.S. airport for more than four hours without allowing passengers to deplane subject to safety, security, and ATC exceptions

Failure to meet the required procedure may subject the airline and/or airport to fines up to \$27,500 for each passenger on board.

A seven member committee from the following departments reviewed and evaluated the qualifications:

- Aviation (2)
- Fire-Rescue (1)
- Water Utilities (1)
- Equipment and Building Services (1)
- Business Development and Procurement Services (2)*

*Business Development and Procurement Services only evaluated the Business Inclusion and Development Plan and cost.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Cost 30%
- Capability and expertise of the proposer 10%
- Functional match to the City’s requirements 45%
- Business Inclusion and Development Plan 15%

BACKGROUND (Continued)

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 335 email proposal notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more proposals, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 40 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$398,500.00 – Aviation Current Funds

M/WBE INFORMATION

- 30 - Vendors contacted
- 30 - No response
 - 0 - Response (Bid)
 - 0 - No response (No Bid)
 - 0 - Successful

335 – M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

Cobus Industries, LP

White Male	1	White Female	0
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	0
Other Male	0	Other Female	0

PROPOSAL INFORMATION

The following proposals were received from solicitation number BNZ1514 and were opened on October 16, 2015. This purchase is being awarded in its entirety to the most advantageous proposer.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
*Cobus Industries, LP	40 Robinwood Road Trumbull, CT 06611	82%	\$398,500.00
TAM Durabus d.o.o.	Cesta k Tamu 33 2000 Maribor, Slovenia	61%	\$320,129.00

OWNER

Cobus Industries, LP

Don Frassetto, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize the purchase of one airfield passenger bus for Love Field – Cobus Industries, LP, most advantageous proposer of two – Not to exceed \$398,500 - Financing: Aviation Current Funds

Cobus Industries, LP is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their workforce.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$0.00	0.00%
Total non-local contracts	\$398,500.00	100.00%
TOTAL CONTRACT	\$398,500.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>

February 10, 2016

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the purchase of one airfield passenger bus for Love Field is authorized with Cobus Industries, LP (VS88394) in an amount not to exceed \$398,500.00.

Section 2. That the Purchasing Agent is authorized, upon appropriate requisition, to issue a purchase order for one airfield passenger bus for Love Field. If a formal contract is required for this purchase instead of a purchase order, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial officer is hereby authorized to disburse funds from the following appropriation in an amount not to exceed \$398,500.00:

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object</u>	<u>Amount</u>	<u>Encumbrance</u>
0130	AVI	7725	4890	\$398,500.00	POAVI00000123421

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Sanitation Services

CMO: Jeanne Chipperfield, 670-7804
Joey Zapata, 670-3009

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for waste and recycling collection roll carts – Toter, LLC through the Houston–Galveston Area Council of Governments - Not to exceed \$3,683,408 - Financing: Sanitation Current Funds

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will provide waste and recycling collection roll carts throughout the City. Approximately 81,000 waste and recycling collection roll carts covered by this master agreement will be utilized in growth areas of the City as well as replacements for broken or stolen roll carts. Roll carts come in three sizes (48, 64 and 96-gallons) and are gray (residential waste) and blue and black (recycle waste) in color. The City collects an estimated 233,000 tons of refuse and 55,000 tons of recycling from residential customers annually.

Houston-Galveston Area Council of Governments (HGAC) conforms to the requirements of Texas Statutes that are applicable to competitive bids and proposals, in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code. In addition, HGAC receives bids from manufacturers and dealers throughout the United States.

PRIOR ACTION/REVIEW (COUNCIL BOARDS, COMMISSIONS)

On November 12, 2013, City Council authorized a three-year master agreement for waste and recycling collection roll carts by Resolution No. 13-1916.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$3,683,408.00 - Sanitation Current Funds

ETHNIC COMPOSITION

Toter, LLC

White Male	66	White Female	23
Black Male	56	Black Female	11
Hispanic Male	75	Hispanic Female	27
Other Male	21	Other Female	4

OWNER

Toter, LLC

Henry Retamal, Division President
Jim Pickett, Vice President

February 10, 2016

WHEREAS, on November 12, 2013, City Council authorized a three-year master agreement for waste and recycling collection roll carts by Resolution No. 13-1916;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That a master agreement for the purchase of waste and recycling collection roll carts is authorized with Toter, LLC (333498) through the Houston–Galveston Area Council of Governments for a term of one year in an amount not to exceed \$3,683,408.00.

Section 2. That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for waste and recycling collection roll carts. If a written contract is required or requested for any or all purchases of waste and recycling collection roll carts under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$3,683,408.00 from Master Agreement number BP1405.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 7

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Aviation
Trinity Watershed Management
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for electrical supplies – Crawford Electric Supply Co., lowest responsible bidder of six - Not to exceed \$7,618,837 - Financing: Current Funds (\$3,396,203), Water Utilities Current Funds (\$3,833,547), Aviation Current Funds (\$198,839) and Stormwater Drainage Management Current Funds (\$190,248)

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will provide for the purchase of various types of electrical supplies that will be used for maintenance at all City facilities such as:

- Water Utilities' facilities
- Park and Recreation facilities
- Libraries
- Kay Bailey Hutchison Convention Center Dallas
- Love Field Airport
- Police and Fire stations

BACKGROUND (Continued)

This agreement will be used to purchase electrical items such as conduit, lighting fixtures, switches, motors, starters, transformers, testing equipment, wire, monitoring equipment, relays, ballast, fuses, electrical safety related equipment and tools.

Water Utilities and Equipment and Building Services will use this agreement to replenish warehouse locations with electrical parts and supplies necessary for the maintenance of City facilities.

Street Services will utilize this agreement for maintaining traffic control systems by supplying parts that will be used in the relocation, installation and maintenance of the traffic system. This agreement will also be used to maintain the citywide Communication and Information Service data infrastructure by supplying fiber optic cables, connectors, mini-com boxes, media cable patches and accessories necessary to help maintain the local area network and wide area network.

This solicitation was structured in a manner which required bidders to submit a percentage discount from Trader Service Pro catalog. This bid resulted in an average discount of 81.54%, as compared to the 2013 discount of 80.28%.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 304 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 12, 2013, City Council authorized a three-year master agreement for electrical supplies by Resolution No. 13-0934.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$3,396,203.11 - Current Funds

\$3,833,546.39 - Water Utilities Current Funds

\$ 198,839.28 - Aviation Current Funds

\$ 190,247.68 - Stormwater Drainage Management Current Funds

M/WBE INFORMATION

54 - Vendors contacted
54 - No response
0 - Response (Bid)
0 - Response (No bid)
0 - Successful

304 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

Crawford Electric Supply Co.

White Male	6	White Female	2
Black Male	1	Black Female	2
Hispanic Male	1	Hispanic Female	1
Other Male	0	Other Female	0

BID INFORMATION

The following bids were received from solicitation number BC1601 and were opened on December 18, 2015. This master agreement is being awarded to the lowest responsive and responsible bidder by group. Information related to this solicitation is available upon request.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Crawford Electric Supply Co.	2928 Irving Blvd. Dallas, TX 75247	Multiple Groups
Wesco Distribution	9400 N. Royal Ln. #100 Irving, TX 75063	Multiple Groups
Summit Electric Supply	2646 Manana Dr. Dallas, TX 75220	Multiple Groups
DX Electric Company	2525 E. Union Bower Rd. Irving, TX 75061	Multiple Groups

BID INFORMATION (Continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
Elliott Electric Supply	10390 Shady Tr. Dallas, TX 75220	Non-Responsive**
Lonestar Electric Supply	999 Regal Row Dallas, TX 75247	Non-Responsive**

**Elliott Electric Supply and Lonestar Electric Supply were deemed non-responsive due to not meeting specifications.

OWNER

Crawford Electric Supply Co.

Tim Horny, President
Kelly Johns, Vice President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement for electrical supplies – Crawford Electric Supply Co., lowest responsible bidder of six - Not to exceed \$7,618,837 - Financing: Current Funds (\$3,396,203), Water Utilities Current Funds (\$3,833,547), Aviation Current Funds (\$198,839) and Stormwater Drainage Management Current Funds (\$190,248)

Crawford Electric Supply Co. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Goods

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$7,618,836.46	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$7,618,836.46	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

February 10, 2016

WHEREAS, on June 12, 2013, City Council authorized a three-year master agreement for electrical supplies by Resolution No. 13-0934;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That a master agreement for the purchase of electrical supplies is authorized with Crawford Electric Supply Co. (516246) for a term of three years in an amount not to exceed \$7,618,836.46.

Section 2. That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for electrical supplies. If a written contract is required or requested for any or all purchases of electrical supplies under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$7,618,836.46 from Master Agreement number BC1601.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 8

KEY FOCUS AREA: E-Gov

AGENDA DATE: February 10, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Communication and Information Services

CMO: Jeanne Chipperfield, 670-7804
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize supplemental agreement no. 5 to exercise the second one-year renewal option of the service contract with Austin Ribbon & Computer Supplies, Inc. for the lease or purchase of desktop computers, computer related equipment, accessories and various managed services - Not to exceed \$3,406,977, from \$34,798,253 to \$38,205,230 - Financing: Current Funds (subject to appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This renewal will allow the City to continue to lease and purchase desktop computers, computer related equipment and accessories. Additionally, this contract includes vendor provided services such as dedicated onsite support, vendor website for order processing (E-Commerce), asset management support and hard drive and computer equipment shredding services.

To continue ensuring the most effective use and security of computing equipment throughout the City, configuration standards have been established for all new and replacement computer orders. Standardization has also achieved efficiencies in the ongoing maintenance and repair of computers citywide.

This supplemental meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015, by Resolution No. 15-2141.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 11, 2009, City Council authorized a sixty-month master agreement, with three twelve-month renewal options, for the purchase of mobile data computers, equipment mounting hardware and maintenance for Police and Dallas Fire-Rescue; and professional installation services by Resolution No. 09-0453.

On February 11, 2009, City Council authorized a sixty-month contract, with three twelve-month renewal options, for the lease or purchase of all forms of computers and computer related equipment and accessories to include various managed services by Resolution No. 09-0454.

On February 17, 2015, the Budget, Finance and Audit Committee was briefed via memorandum.

On February 25, 2015, City Council authorized supplemental agreement no. 4 to exercise the first one-year renewal option of the service contract for the lease or purchase of all forms of computers, computer related equipment, accessories and various managed services by Resolution No. 15-0342.

Information about this item will be provided to the Budget, Finance and Audit Committee on February 1, 2016.

FISCAL INFORMATION

\$3,406,977.00 - Current Funds (subject to appropriations)

ETHNIC COMPOSITION

Austin Ribbon & Computer Supplies, Inc.

White Male	19	White Female	14
Black Male	7	Black Female	0
Hispanic Male	10	Hispanic Female	2
Other Male	10	Other Female	7

OWNER

Austin Ribbon & Computer Supplies, Inc.

Ryan Grant, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize supplemental agreement no. 5 to exercise the second one-year renewal option of the service contract with Austin Ribbon & Computer Supplies, Inc. for the lease or purchase of desktop computers, computer related equipment, accessories and various managed services - Not to exceed \$3,406,977, from \$34,798,253 to \$38,205,230 - Financing: Current Funds (subject to appropriations)

Austin Ribbon & Computer Supplies, Inc. is a local, minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY - THIS ACTION ONLY

	<u>Amount</u>	<u>Percent</u>
Local contracts	\$3,406,977.00	100.00%
Non-local contracts	\$0.00	0.00%
TOTAL THIS ACTION	\$3,406,977.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION THIS ACTION

Local Contractors / Sub-Contractors

<u>Local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Austin Ribbon & Computer Supplies, Inc.	WFWB61978N0516	\$3,406,977.00	100.00%
Total Minority - Local		\$3,406,977.00	100.00%

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE PARTICIPATION

	<u>This Action</u>		<u>Participation to Date</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$3,406,977.00	100.00%	\$38,205,230.00	100.00%
Total	\$3,406,977.00	100.00%	\$38,205,230.00	100.00%

February 10, 2016

WHEREAS, on February 11, 2009, City Council authorized a sixty-month master agreement, with three twelve-month renewal options, for the purchase of mobile data computers, equipment mounting hardware and maintenance for Police and Dallas Fire-Rescue; and professional installation services by Resolution No. 09-0453; and,

WHEREAS, on February 11, 2009, City Council authorized a sixty-month contract, with three twelve-month renewal options, for the lease or purchase of all forms of computers and computer related equipment and accessories to include various managed services by Resolution No. 09-0454; and,

WHEREAS, on December 18, 2013, Administrative Action No. 13-7014 authorized supplemental agreement no. 1 to the service contract with Austin Ribbon & Computer Supplies, Inc. to add the Statement of Work for Office 365 email migration; and,

WHEREAS, on February 11, 2014, Administrative Action No. 14-5420 authorized supplemental agreement no. 2 to the service contract with Austin Ribbon & Computer Supplies, Inc. to extend the contract term from February 16, 2014 to February 15, 2015; and,

WHEREAS, on June 2, 2014, Administrative Action No. 14-6035 authorized supplemental agreement no. 3 to the service contract with Austin Ribbon & Computer Supplies, Inc. to add changes to the Statement of Work for Office 365 email migration through supplemental agreement no. 1; and,

WHEREAS, on February 25, 2015, City Council authorized supplemental agreement no. 4 to exercise the first one-year renewal option of the service contract for the lease or purchase of all forms of computers, computer related equipment, accessories and various managed services in an amount not to exceed \$3,557,706.00, increasing the service contract amount from \$31,240,547.00 to \$34,798,253.00, by Resolution No. 15-0342;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That following approval as to form by the City Attorney, the City Manager is hereby authorized to execute supplemental agreement no. 5 to exercise the second one-year renewal option of the service contract with Austin Ribbon & Computer Supplies, Inc. (263234) for the lease or purchase of desktop computers, computer related equipment, accessories and various managed services in an amount not to exceed \$3,406,977.00, increasing the service contract amount from \$34,798,253.00 to \$38,205,230.00.

February 10, 2016

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$3,406,977.00 (subject to appropriations) from Service Contract number BGZ0805.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Memorandum



CITY OF DALLAS

DATE January 29, 2016

TO Budget, Finance, & Audit Committee Members: Jennifer S. Gates, Chair, Philip T. Kingston, Vice-Chair, Deputy Mayor Pro-Tem Erik Wilson, Scott Griggs, and Lee M. Kleinman

SUBJECT **Addendum Upcoming Agenda Item on the February 10, 2016 Council Agenda – Authorize an amendment to Resolution No. 14-1080 approved on June 25, 2014 for a grant from the Texas Department of State Health Services to provide services to the homeless through the Healthy Community Collaborative to change the contract service period from August 31, 2015 to August 31, 2016**

This item authorizes an amendment to Resolution No. 14-1080, previously approved on June 25, 2014, for a grant from the Texas Department of State Health Services to provide services to the homeless through the Healthy Community Collaborative to change the contract service period from August 31, 2015 to August 31, 2016.

A handwritten signature in black ink, appearing to read 'Alan E. Sims'.

Alan E. Sims
Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council