

RECEIVED

**GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

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2019 MAR 11 PM 2: 18

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, MARCH 18, 2019  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
2:00 P.M. – 3:30 P.M.

**Chair**, Councilmember Jennifer S. Gates  
**Vice-Chair**, Councilmember Scott Griggs  
Councilmember Sandy Greyson  
Councilmember Lee M. Kleinman  
Councilmember Philip T. Kingston  
Councilmember Tennell Atkins  
Councilmember Kevin Felder

Call to Order

1. Consideration of Minutes from the February 4, 2019 Government Performance & Financial Management Committee meeting
2. Consideration of Minutes from the February 19, 2019 Special Called Government Performance & Financial Management Committee meeting
3. Consideration of Upcoming Agenda Items for March 27, 2019 City Council Meeting

**BRIEFINGS**

4. Dallas Central Appraisal District FY 2019-20 Proposed Budget  
John Ames  
*County Tax Assessor*
5. Budget Accountability Report – January 2019  
Jack Ireland, *Director*  
Office of Budget

**FYI**

6. December 31, 2018 Quarterly Investment Report

**Closed Session**

7. Executive Session under Section 551.072 of the Texas Open Meetings Act to deliberate the value of real property and its sale by public auction under Dallas City Code Section 2-24.1.  
Kris Sweckard, *Director*, and  
Ashley Eubanks, *Assistant Director*,  
Sustainable Development and  
Construction

Adjourn



Jennifer S. Gates, Chair  
Government Performance & Financial Management Committee

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

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

#### Handgun Prohibition Notice for Meetings of Governmental Entities

"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."*

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

**Meeting Date:** February 4, 2019

**Convened:** 2:02 pm

**Adjourned:** 3:26 pm

**Committee Members Present:**

Jennifer S. Gates, Chair  
Sandy Greyson  
Lee Kleinman

Scott Griggs, Vice Chair  
Tennell Atkins  
Kevin Felder

Philip Kingston

**Committee Members Absent:**

**Other Council Members Present:**

**Staff Present:**

Elizabeth Reich  
Anne Lockyer  
Chris Caso  
Tony Aguilar  
Renee Hayden

Barbara McAninch  
Mike Frosch  
Connie Tankersley  
Thandee Kywe  
Kelly High

Carol A. Smith  
Adelia Gonzalez  
Zarin Gracey  
Jack Ireland  
Sheri Kowalski

Theresa A. Hampden  
Errick Thompson  
Diane Gibson  
William Bernard  
Zeronda Smith

Jing Xiao  
Maura Pothier  
Theresa Pham  
Robert Sims  
Janette Weedon

**AGENDA:**

**Call to Order**

1. **Consideration of the January 7, 2018 Minutes**

Presenter(s): N/A

Information Only:

Action Taken/Committee Recommendation(s): Approved

A motion was made to approve the January 7, 2019 minutes. The motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Scott Griggs

2. **Consideration of the Upcoming Agenda Items for February 13, 2019 City Council Meeting**

Presenter(s): N/A

Information Only: X

Action Taken/Committee Recommendation(s):

A motion was made to move forward the items. The motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Scott Griggs

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

### Briefings

3. **Office of the City Auditor – Fiscal Year 2019 Second Quarter Update**

Presenter(s): Carol A. Smith, Interim City Auditor

Information Only: X

Action Taken/Committee Recommendation(s):

Carol Smith presented the Fiscal Year 2019 Second Quarter Update. There were questions about best practices for off duty police work and liability for police actions during off duty assignments.

4. **UNT Law School Interlocal Agreement**

Presenter(s): Chris Caso, Interim City Attorney; Felecia Epps, Dean of UNT Law School

Information Only: X

Action Taken/Committee Recommendation(s):

City Attorney Chris Caso and Dean of UNT Law School, Felecia Epps, presented a brief presentation on the UNT Law School Interlocal Agreement. There were questions about using student interns to help resolve liens in and around South Dallas Fair Park.

5. **2018 Diversity Accomplishments & Performance Review**

Presenter(s): Zarin Gracey, Managing Director, Office of Business Diversity

Information Only: X

Action Taken/Committee Recommendation(s):

Zarin Gracey, Managing Director of the Office of Business Diversity, presented the 2018 Diversity Accomplishments and Performance Report. Committee members applauded the progress made this year, and encouraged staff to continue seeking out M/WBE vendors outside of the DFW area.

6. **Budget Accountability Report**

Presenter(s): Jack Ireland, Director, and Janette Weedon, Assistant Director, Office of Budget

Information Only: X

Action Taken/Committee Recommendation(s):

Jack Ireland and Janette Weedon provided a brief overview of the new monthly Budget Accountability Report. There were questions regarding DFR and DPD response time standards.

7. **Auditor Nomination Committee Update**

Presenter(s): Jennifer S. Gates

Information Only: X

Action Taken/Committee Recommendation(s):

Chairwoman Jennifer Gates reviewed her update memo regarding the auditor nomination commission.

8. **Proposed Changes to Resolution 90-2407 dated Dec 1990 and Chapter 12A Code of Ethics**

Presenter(s): Jennifer S. Gates

Information Only: X

Action Taken/Committee Recommendation(s):

FYI

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

9. Electronic Procurement Platform

Presenter(s): N/A

Information Only: X

Action Taken/Committee Recommendation(s):

10. Federal Legislative Program for the 116<sup>th</sup> Congress

Presenter(s): N/A

Information Only: X

Action Taken/Committee Recommendation(s):

11. Service Contract for Medical Examinations, and Drug and Alcohol Testing

Presenter(s): N/A

Information Only: X

Action Taken/Committee Recommendation(s):

Adjourn

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Jennifer S. Gates, Chair  
Government Performance & Financial Management

# SPECIAL GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT Meeting Record

**Meeting Date:** February 19, 2019      **Convened:** 2:07 pm      **Adjourned:** 3:36 pm

**Committee Members Present:**

Jennifer S. Gates, Chair  
Sandy Greyson  
Philip Kingston

Scott Griggs, Vice Chair  
Kevin Felder

**Committee Members Absent:**

Lee Kleinman  
Tennell Atkins

**Other Council Members Present:**

B. Adam McGough  
Rickey Callahan  
Omar Narvaez  
Adam Medrano  
Carolyn King Arnold

**Staff Present:**

T.C. Broadnax  
Elizabeth Reich  
Anne Lockyer  
Juan Garcia  
Chris Caso  
Rosa Fleming

Barbara McAninch  
Connie Tankersley  
Ylde Rodriguez-Sola  
Falecia Jackson  
Brenda DeLeon  
John Hubach

Carol A. Smith  
Adelia Gonzalez  
Zarin Gracey  
Jack Ireland  
CC Gonzalez-Kurz  
Sheri Kowalski

Eva Narten  
Theresa A. Hampden  
Rory Galter  
Andrew Yates  
Janis Berklund  
Robin Bentley

Jiroko Rosales

**AGENDA:**

**Call to Order**

**Briefings**

1. **Office of the City Auditor – Audit of VisitDallas**

Presenter(s): Carol A. Smith, Interim City Auditor

Information Only: X

Action Taken/Committee Recommendation(s):

Carol A. Smith, Interim City Auditor, presented a briefing on the audit of VisitDallas.

2. **Audit of VisitDallas Report No A19-006 Proposed Corrective Actions**

Presenter(s): Joey Zapata, Assistant City Manager; Rosa Fleming, Interim Director, Convention and Event Services; Courtney Pogue, Director, Economic Development; Phillip Jones, President & CEO, VisitDallas; and Joyce Williams, Chair-Elect, VisitDallas

Information Only: X

Action Taken/Committee Recommendation(s):

Leadership from VisitDallas and the City of Dallas management team presented a joint briefing on proposed corrective actions in response to the audit of VisitDallas.

**SPECIAL  
GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT  
Meeting Record**

A motion was made to recommend that the City Council vote to direct City Manager T.C. Broadnax to terminate the VisitDallas contract within 60 days, and begin developing an RFP for the marketing services VisitDallas provides. The motion failed on a divided vote.

Motion made by: Philip Kingston

Motion seconded by: Scott Griggs

For	Opposed
Philip Kingston Scott Griggs	Kevin Felder Sandy Greyson Jennifer Gates

A motion was made to brief full council on the findings of the audit and the proposed corrective actions. The motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Philip Kingston

Adjourn

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Jennifer S. Gates, Chair  
Government Performance & Financial Management



Agenda Information Sheet

**File #:** 19-344

**Item #:** 2.

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** City Controller's Office

**EXECUTIVE:** Elizabeth Reich

**SUBJECT**

An ordinance authorizing **(1)** the issuance and sale of City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2019A, in an aggregate principal amount not to exceed \$271,020,000; **(2)** levying a tax in payment thereof; **(3)** awarding the sale thereof and approving execution of a Purchase Agreement, and a Deposit Agreement; **(4)** approving the official statement; **(5)** enacting other provisions relating to the subject; and **(6)** declaring an effective date - Not to exceed \$720,000 - Financing: 2019A General Obligation Refunding and Improvement Bond Funds

**BACKGROUND**

Pursuant to elections held in November 2006, 2012, and 2017, the residents of Dallas voted and authorized the City to issue general obligation bonds for the purpose of providing funds for permanent public improvements. The City's Financial Advisors recommend: (1) refunding and retirement of commercial paper notes issued for interim financing; and (2) issuance of improvement bonds to finance capital improvement projects at the City, in an amount not to exceed \$271,020,000.

The City's financial advisors, PFM Financial Advisors LLC, recommend issuing up to \$271,020,000 in refunding and improvement bonds for the purpose of funding capital improvements, refunding outstanding commercial paper notes, and refunding special obligations of the City.

This ordinance authorizes City staff and financial advisors, subject to parameters, to competitively bid the sale and issuance of City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2019A, and establishes the maximum par amount of bonds to be issued at \$271,020,000.

**ESTIMATED SCHEDULE OF PROJECT**

Authorized Preparation for Issuance of Bonds	December 2018
Approval of Parameters Ordinance	March 2019
Pricing	April 2019
Delivery of Proceeds	May 2019



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

The Government Performance and Financial Management Committee was briefed on this item on December 3, 2018.

On December 12, 2018, City Council authorized the preparation of plans for issuance of General Obligation Refunding Bonds, Series 2019A, by Resolution No. 18-1756.

**FISCAL INFORMATION**

Series 2019A General Obligation Refunding and Improvement Bond Funds - \$720,000 (See Attachment I)

**M/WBE INFORMATION**

See Attachment I for M/WBE participation.

Attachment I

**Series 2019A  
General Obligation Refunding and Improvement Bonds  
\$271,020,000**

Estimate of Total Bond Issuance Costs and M/WBE Participation

	<u>Fees</u>	<u>Percent of Total Costs</u>
<b>Co-Bond Counsel</b>		
Bracewell (Vendor VS0000056820)	\$226,000	31%
West & Associates (Vendor 330805)	80,000	11%
<b>Disclosure Counsel</b>		
Orrick Herrington & Sutcliffe LLP (Vendor VC18413)	80,000	11%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	183,350	25%
<b>Printing Fee</b>		
TBD	5,000	1%
<b>Paying Agent Fee</b>		
UMB Bank, N.A. (Vendor VS92247)	200	0%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	60,771	8%
S&P Global (Vendor 954974)	69,279	10%
<b>Attorney General Filing Fee</b>		
	9,500	1%
<b>Misc. Expenses</b>		
	<u>5,900</u>	<u>1%</u>
<b>Total Issuance Costs</b>	<u><u>\$720,000</u></u>	<u><u>100%</u></u>
Total M/WBE Participation as % of Total Issuance Costs:	\$85,000	12%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding and Improvement Bonds, Series 2019A.

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**ORDINANCE NO. \_\_\_\_\_  
AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2019B**

**Adopted: March 27, 2019**

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**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$174,705,000; LEVYING A TAX IN PAYMENT THEREOF; APPROVING EXECUTION OF AN ESCROW AGREEMENT; APPROVING THE PREPARATION OF AN OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, there are presently outstanding certain general or special obligations of the City of Dallas, Texas (the “City”) described on Schedule I hereto (the “Refunded Obligations”); and

WHEREAS, pursuant to the provisions of Chapter 1207 of the Texas Government Code, as amended (“Chapter 1207”), the City Council of the City is authorized to issue refunding bonds and deposit the proceeds of sale directly with a trust company or commercial bank that is named in the proceedings of the City authorizing execution of an escrow agreement, and such deposit, when made in accordance with such statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the City Council desires to delegate to the Authorized Officer (as defined herein), pursuant to Chapter 1207, and the parameters set forth in this Ordinance, the authority to approve the amount, the number of series, the interest rate, the price and terms of the bonds authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the bonds and the refunding of the Refunded Obligations; and

WHEREAS, the City Council hereby finds and determines that the manner in which the refunding is being executed does not make it practicable to calculate a savings amount attributable to the refunding of the Refunded Obligations, but that the refunding contemplated in this Ordinance will benefit the City and is in the best interests of the City; and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of such meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS:

**ARTICLE I**

**DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager of the City, and in his or her absence, the Chief Financial Officer or any Assistant City Manager.

“Bond” means any of the Bonds.

“Bonds” means the “City of Dallas, Texas General Obligation Refunding Bonds, Series 2019B.”

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Charter” means the Home Rule Charter of the City, as amended.

“City” means the City of Dallas, Texas.

“City Council” means the governing body of the City of Dallas, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar identified in the Pricing Certificate, its corporate trust office as set forth in the final form of the Bond, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means the Escrow Agent appointed and approved in the Pricing Certificate.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent relating to the Refunded Obligations.

“Escrow Fund” means the fund established by Section 7.01 of this Ordinance to hold cash and, if applicable, securities for the payment of the Refunded Obligations.

“Escrow Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of hereof, are rated as to investment quality by a nationally recognized investment rating firm not less



than “AAA” or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Bond” means the initial Bond, described in Sections 3.04(d) and 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the “City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Interest and Sinking Fund,” as established by Section 7.01 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity or prior redemption of the Bonds, such dates being February 15 and August 15 of each year, commencing on the date set forth in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means UMB Bank, N.A., any successor thereto, or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Paying Agent/Registrar Agreement” means that Paying Agent/Registrar Agreement, dated as of June 27, 2018 by and between the City and the Paying Agent/Registrar, as amended, modified or supplemented from time to time, and any subsequent paying agent/registrar agreement with any successor entity which is appointed as and assumes the duties of paying agent/registrar for the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Purchase Agreement” means one or more bond purchase agreements described in Section 12.01(b) of this Ordinance, if any.

“Purchaser” means the initial purchaser(s) of the Bonds as specified in the Pricing Certificate.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Obligations” means those general or special obligations of the City described in Schedule I attached hereto.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC applicable to the Bonds.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Term Bonds” has the meaning set forth in Section 4.03(a) hereof.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity, and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

## **ARTICLE II**

### **SECURITY FOR THE BONDS**

#### Section 2.01. Tax Levy for Payment of the Bonds.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent per annum (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter while the Bonds or interest thereon remain outstanding and unpaid, a tax within legal limitations on each \$100 assessed valuation of taxable property in the City that is sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Bonds, and the tax shall not be diverted to any other purpose.

(d) Such ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund for the Bonds are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited in accordance with Article XI herein.

## **ARTICLE III**

### **AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS**

Section 3.01. Authorization. The City's bonds to be designated "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B" or such other designations as are set forth in the Pricing Certificate, are hereby authorized to be issued and delivered in accordance with the

Constitution and laws of the State of Texas and the Charter of the City. The Bonds shall be issued in the aggregate principal amount designated in the Pricing Certificate for the public purpose of providing funds to: (i) refund the Refunded Obligations, and (ii) pay the costs incurred in connection with the issuance of the Bonds (including, without limitation, underwriters' discount), under and by virtue of Chapter 1207, Texas Government Code, as amended, and pursuant to Chapter XXI of the Charter of the City. The Authorized Officer is hereby authorized and directed to modify the title of the Series to the extent that, in the judgment of the Authorized Officer, it is necessary or appropriate. The final title and principal amount of the Bonds shall be determined by the Authorized Officer, based on market conditions in the discretion of the Authorized Officer, and set forth in the Pricing Certificate. The Bonds shall be issued in the number of series and aggregate principal amount per series designated in the Pricing Certificate, provided that the aggregate principal amount of the Bonds issued for the purposes described above shall not exceed \$174,705,000.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate.

(c) Interest on each Bond shall accrue from the later of the Original Issue Date (or the date of their delivery to the Purchaser, as set forth in the Pricing Certificate) or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment: Unclaimed Payments.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, by United States

mail, first class, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person in whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to the provisions of Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law.

#### Section 3.04. Execution and Initial Registration.

(a) The Bonds shall be executed on behalf of the City by the Mayor and countersigned by the City Secretary and the City Manager, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Any facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly

authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the typewritten Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor and countersigned by manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser registered definitive Bonds as described in Section 3.10. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

#### Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date or on the Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

#### Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office the Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds within not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its schedule maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 of any one maturity at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Owner of the Bond or Bonds within not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and shall bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such substitute Bond or Bonds are delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

#### Section 3.07. Cancellation and Authentication.

(a) All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. Cancelled Bonds shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Bond issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Bond or Bonds issued under this Ordinance,

shall have printed thereon a Certificate of the Paying Agent/Registrar, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and such Bonds shall be of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above-referenced Certificate of the Paying Agent/Registrar, the exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the form of Bond set forth in this Ordinance.

#### Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

#### Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal



amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, without the necessity of issuing a replacement Bond, may pay such Bond on the date on which such Bond becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

### Section 3.10. Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for such obligations, is hereby affirmed.

Section 3.11. Successor Securities Depository: Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

## **ARTICLE IV**

### **REDEMPTION OF BONDS BEFORE MATURITY**

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The City reserves the option to redeem Bonds in the manner provided in the form of Bond set forth in Section 6.02 of this Ordinance with such changes as are required by the Pricing Certificate.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) Bonds designated as “Term Bonds,” if any, in the Pricing Certificate are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund for such Bonds, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) At least forty-five ( 45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, or such other method specified in the Pricing Certificate, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

The principal amount of the Term Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct

the Paying Agent/Registrar to call by lot or other customary method that results in a random selection of the Bonds, or portions thereof and maturity or maturities and in such principal amounts, for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

#### Section 4.05. Notice of Redemption to Owners.

(a) The City shall give notice of any redemption of Bonds by sending or causing the Paying Agent/Registrar to send notice of such redemption by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

#### Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the principal of and accrued interest on such Bonds.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

**Section 4.07. Effect of Redemption.**

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance and subject to any conditions or rights reserved by the City under Section 4.05(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof, premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender of such Bond for redemption, such Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

**Section 4.08. Lapse of Payment.** Money set aside for the redemption of Bonds and remaining unclaimed by the Owners of such Bonds shall be subject to the provisions of Section 3.03(f) hereof.

**ARTICLE V**

**PAYING AGENT/REGISTRAR**

**Section 5.01. Appointment of Initial Paying Agent/Registrar.**

(a) The selection and appointment of UMB Bank, N.A, to serve as initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of one or more Paying Agent/Registrar Agreements, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Bond to which payments with respect to the Bond shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds. The Paying

Agent/Registrar shall keep proper records of all payment made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges and replacements of such Bonds, as provided in this Ordinance.

Section 5.02. Paying Agent/Registrar Agreement. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Agreement outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after July 1, 2018 through July 30, 2023 which includes the Bonds. Pursuant to its terms, the Paying Agent/Registrar Agreement is subject to and controlled by the City Charter and Ordinances of the City. If any conflict exists between such agreement and this Ordinance, this Ordinance shall govern. In that regard, by accepting the positions of paying agent and registrar, the Paying Agent/Registrar agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent agrees to maintain a true and correct copy of the Register.

Section 5.03. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.04. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.05. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.06. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.07. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.08. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar and to the City.



\_\_\_\_\_

or registered assigns, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

unless this Bond shall have been duly called for prior redemption as provided herein and payment of the principal hereof and accrued but unpaid interest hereon shall have been paid or provided for, and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing \_\_\_\_\_.<sup>3</sup> All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in \_\_\_\_\_<sup>4</sup> (the “Designated Payment/Transfer Office”) of \_\_\_\_\_,<sup>5</sup> or with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date” which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing of such notice.

If a date for the payment of the principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

<sup>3</sup> Information to be inserted from the Pricing Certificate.

<sup>4</sup> Information to be inserted from the Pricing Certificate.

<sup>5</sup> Information to be inserted from the Pricing Certificate.



This Bond is dated \_\_\_\_\_<sup>6</sup> and is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$\_\_\_\_\_<sup>7</sup> (herein referred to as the “Bonds”), issued pursuant to a certain Ordinance of the City Council of the City (the “Ordinance”) for the purpose of providing funds to refund the Refunded Obligations and to pay costs of issuance.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City.

[The City has reserved the option to redeem the Bonds maturing on or after \_\_\_\_\_, before their respective scheduled maturities in whole or in part in integral multiples of \$5,000 on \_\_\_\_\_, or on any date thereafter, at a redemption price of par, plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in random selection of the Bonds, or portions thereof within such maturity or maturities and in such amounts, for redemption.

Bonds maturing on February 15 in each of the years \_\_ through \_\_, inclusive (the “Term Bonds”), are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>Redemption Date</u>	<u>Principal Amount</u>
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The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the registered

<sup>6</sup> Information to be inserted from the Pricing Certificate.

<sup>7</sup> Information to be inserted from the Pricing Certificate.

owner of each of the Bonds to be redeemed in whole or in part. In the Ordinance, the City reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.]<sup>8</sup>

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered Owner of the uncalled principal balance of a Bond.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice or knowledge to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds within the limit prescribed by law; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or

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<sup>8</sup> Insert redemption provisions, if any, and conform as necessary to the Pricing Certificate.

facsimile signature of the City Secretary and the City Manager, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

\_\_\_\_\_  
City Manager,  
City of Dallas, Texas

\_\_\_\_\_  
Mayor,  
City of Dallas, Texas

\_\_\_\_\_  
City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate is attached thereto.

**CERTIFICATE OF PAYING AGENT/REGISTRAR**

It is hereby certified that this Bond has been issued under the provisions of the Ordinance of the City; and that this Bond has been issued in exchange for or replacement of a bond, bonds or portion of a bond or bonds of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

\_\_\_\_\_  
as Paying Agent/Registrar

Dated: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_

(c) Form of Assignment.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in

\_\_\_\_\_  
Authorized Signatory

every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) Initial Bond Insertions.

(i) The Initial Bond shall be in the applicable form set forth in paragraphs (a) and (c) of this Section, except that:

A. immediately under the name of the Bond the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the heading "CUSIP NO." shall be deleted; and

B. in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
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(Information to be inserted from the Pricing Certificate as provided in Section 3.02 hereof.)

(ii) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate of the Comptroller of Public Accounts shall appear on each Initial Bond in lieu of the Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §		REGISTER NO. _____
OF PUBLIC ACCOUNTS §		
OF THE STATE OF TEXAS §		

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS, \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys approving such Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinions of Norton Rose Fulbright US LLP and Mahomes Bolden PC., Co-Bond Counsel, may be printed on the back of each Bond over the certification of the City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Bonds, the Bonds, including the Initial Bond, may bear an appropriate legend, as provided by the insurer.

## ARTICLE VII

### CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds. The City hereby establishes the following special funds or accounts to be designated as follows or as otherwise designated in the Pricing Certificate:

(a) "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Interest and Sinking Fund."

(b) "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Escrow Fund."

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited as follows:

(a) first, an amount equal to all accrued interest, if any, on the Bonds from the Original Issue Date until the Closing Date, plus any additional amounts designated in the Pricing Certificate, shall be deposited to the credit of the Interest and Sinking Fund; and

(b) second, a portion of the proceeds of the Bonds, as set forth in the Pricing Certificate, and used for the purposes described in the preamble hereof shall be deposited to the Escrow Fund and used to pay off the Refunded Obligations; and

(c) third, the remaining balance received on the Closing Date, shall be deposited to a special account of the City and used for the payment of the costs of issuing the Bonds. Any amounts not needed for the payment of costs of issuance shall be deposited to the Interest and Sinking Fund.

Section 7.03. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on such Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds discharged in accordance with Article XI hereof.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 7.04. Escrow Fund. The Escrow Fund will be used to pay in full the Refunded Obligations.

Section 7.05. Excess Bond Proceeds.

(a) Upon the payment in full of the Refunded Obligations, any amount that remains in the Escrow Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account.

(b) The money in such special escrow account shall be used for the payment of principal of and interest on the Bonds, on the respective due dates thereof or dates as of which Bonds have been called for redemption.

Section 7.06. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners of the Bonds and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) To the extent specified in the Pricing Certificate, the money in the Escrow Fund shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a "higher yield," within the meaning of Section 148(t) of the Code, than the yield on the Bonds.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

(b) Subject to the provisions of Section 8.01(c), the investment and application of money in the Escrow Fund shall be in accordance with the provisions of the Escrow Agreement.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each Interest Payment Date for the Bonds, and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on, premium, if any, and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable general obligations of the City in accordance with their terms.

Section 9.03. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) not use or permit the use of the Gross Proceeds of the Bonds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.



(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

(k) Current Refunding; Extraordinary Legal Judgment. The Bonds are issued to refund the Refunded Obligations and the Bonds will be issued less than 90 days before the redemption of the Refunded Obligations. The Refunded Obligations represent an extraordinary legal judgment in an amount in excess of reasonable insurance coverage. Neither the City nor a related party to the City maintains a reserve for such items, such as a self-insurance fund. Neither the City nor a related party to the City has set aside other available amounts for the payment of these types of expenses.

## **ARTICLE X**

### **DEFAULT AND REMEDIES**

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(a) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(b) the failure to perform or observe any other covenant, agreement or obligation of the City, which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

**ARTICLE XI**

**DISCHARGE**

Section 11.01. Discharge. The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

## ARTICLE XII

### SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

#### Section 12.01. Sale of Bonds; Delivery of Official Statement.

(a) The Bonds may be sold pursuant to a competitive sale or a negotiated sale to the Purchaser as specified in the Pricing Certificate and all in accordance with the terms of this Ordinance, including this Section 12.01 (a) and Exhibit A attached hereto, provided that all of the conditions set forth in Exhibit A are satisfied. As authorized by Chapter 1207, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit A can be satisfied, in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Bonds, enter into a credit agreement with respect to the Bonds, whether to sell the Bonds in a competitive or negotiated sale, the aggregate principal amount of the Bonds, whether the Bonds shall be in one or more series from time to time, and price at which each of the Bonds will be sold, the identification, and the aggregate principal amount, of the Refunded Obligations and their redemption dates, the number and designation of series of Bonds to be issued, whether the Bonds will be taxable or tax-exempt, the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the initial date from which interest will accrue, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01 (a) shall expire at 5:00 p.m., 180 days from the date of this Ordinance, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Purchase Agreement (if any) in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) The Authorized Officer is hereby authorized and directed to execute the successful bid form, in the event the bonds are sold via a competitive sale, for and on behalf of the City and as the act and deed of the City Council. If the Bonds are sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver one or more bond purchase agreements (the "Purchase Agreement"), which Purchase Agreement shall be in the form approved by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, which final terms shall be determined to be the most advantageous reasonably attainable by the City, such approval and determination being evidenced by its execution thereof by the Authorized Officer. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

The Initial Bond shall initially be registered in the name of the Purchaser or such other entity as may be specified in the Pricing Certificate.

(c) The City hereby approves the preparation of a Preliminary Official Statement and a Notice of Sale (if any) for use in the initial offering and sale of the Bonds, and authorizes the Authorized Officer to approve the final form and substance of the Preliminary Official Statement and the Notice of Sale (if any) and to deem the Preliminary Official Statement "final" as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule on behalf of the City. The City hereby authorizes the preparation of a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds. The Authorized Officer is hereby authorized and directed to authorize the use and distribution of such final Official Statement, with such appropriate variations as shall be approved by the Authorized Officer, by the Purchasers in the offering and sale of the Bonds.

(d) All officers of the City are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefore including, without limitation, the Purchase Agreement (if any). Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1 % of the principal amount of the Bonds or (ii) \$9,500).

(e) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinions of Norton Rose Fulbright US LLP and Mahomes Bolden PC, Co-Bond Counsel for the City, which opinions shall be dated as of and delivered on the Closing Date.

#### Section 12.02. Control and Delivery of Bonds.

(a) The City Manager is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Initial Bond shall be made to the Purchaser under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, any Assistant City Secretary and any Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem, the Assistant City Secretary and the Assistant City Manager shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor, City Secretary and City Manager, respectively.

## ARTICLE XIII

### CONTINUING DISCLOSURE UNDERTAKING

#### Section 13.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in the Pricing Certificate, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

#### Section 13.02. Material Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (vii) Modifications to rights of the holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) For these purposes, (a) any event described in paragraph (xii) of this section, is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in paragraphs (xv) and (xvi) of this section and the definition of Financial Obligation in this section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

(c) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.01 of this Ordinance by the time required by such Section.

### Section 13.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect

to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any Bond calls and any defeasances that cause the City to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 13.04. Amendments to the Rule. In the event the Authorized Officer, in consultation with Co-Bond Counsel and the City's financial advisor, determines that it is necessary or desirable to amend the provisions of this Article XIII in order to facilitate compliance with



amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds.

## ARTICLE XIV

### AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 14.01. Amendments. This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding except as permitted in this Section. The City may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 14.02. Attorney General Modification. In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required or requested by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

Section 14.03. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 14.04. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

## ARTICLE XV

### PAYMENT OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 15.01. Payment of Refunded Obligations. Unless otherwise specified in the Pricing Certificate, the Refunded Obligations are to be paid by the Escrow Agent within five (5) Business Days following the Closing Date, in the principal amount thereof as set forth in the Pricing Certificate.

Section 15.02. Approval of Escrow Agreement.

(a) The Authorized Officer is hereby authorized to select and appoint an Escrow Agent to hold funds to pay off the Refunded Obligations and the Escrow Agent shall be designated in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by other appropriate City officials, an Escrow Agreement, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. The Escrow Agreement shall contain terms and provisions to be approved by the Authorized Officer including terms and provisions for the purposes of (i) carrying out the program designed for the City, (ii) minimizing the City's costs of refunding, (iii) complying with all applicable laws and regulations relating to the refunding of the Refunded Obligations, (iv) carrying out the other intents and purposes of this Ordinance and (v) complying with the terms set forth in the Pricing Certificate. The execution and delivery by the City Manager of the Escrow Agreement, if necessary, is hereby authorized and approved.

Section 15.03. Subscription for Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

**ARTICLE XVI**

**EFFECTIVE IMMEDIATELY**

Section 16.01. Effective Immediately. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.

FINALLY PASSED, APPROVED AND EFFECTIVE this March 27, 2019

APPROVED AS TO FORM:

Christopher J. Caso,  
Interim City Attorney  
City of Dallas

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## **SCHEDULE I**

### **REFUNDED OBLIGATIONS**

Agreed Final Judgment in Cause No. 1-95-107, *George G. Parker, et. al. vs. City of Dallas, Texas*, in the District Court 382<sup>nd</sup> Judicial District, Rockwall County, Texas, dated February 8, 2019; and

Agreed Final Judgment in Cause No. 1-95-506, *David S. Martin, et. al. vs. City of Dallas, Texas*, in the District Court 382<sup>nd</sup> Judicial District, Rockwall County, Texas, dated February 8, 2019.

## **EXHIBIT A**

### **SALE PARAMETERS**

In accordance with Section 12.01 (a) of the Ordinance, the following conditions with respect to the Bonds must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Bonds to the Purchaser:

(a) the Bonds shall not bear interest at a rate greater than the maximum rate authorized by Chapter 1204, Texas Government Code, as amended;

(b) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the limits described in that Section, and the Bonds sold for the purposes of refunding the Refunded Obligations shall be in an amount sufficient, in combination with the net premium from the sale of the Bonds, plus other available funds of the City, if any, to provide for the payment of the Refunded Obligations and the costs and expenses of issuance of the Bonds, including underwriter's discount; and

(c) the maximum term for which the Bonds issued under this Ordinance may be outstanding is twenty (20) years from the date of their issuance.



Agenda Information Sheet

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**File #:** 19-345

**Item #:** 3.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** City Controller's Office

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

An ordinance authorizing **(1)** the issuance and sale of City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, in an aggregate principal amount not to exceed \$174,705,000; **(2)** levying a tax in payment thereof; **(3)** approving execution of an Escrow Agreement; **(4)** approving the preparation of an official statement; **(5)** enacting other provisions relating to the subject; and **(6)** declaring an effective date - Not to exceed \$515,000 - Financing: 2019B General Obligation Refunding Bond Funds

**BACKGROUND**

This ordinance authorizes the issuance of General Obligation Refunding Bonds, Series 2019B, to refinance an existing obligation of the City to make payments under the terms of a written settlement agreement as incorporated in a judgment entered by the 382nd District of Rockwall County, Texas.

On June 27, 2018, City Council approved settlement of the lawsuits styled Davis S. Martin, et al. v. City of Dallas, Cause No. 1-95-506, and George G. Parker, et al. v. City of Dallas, Cause No. 1-95-107, in an amount not to exceed \$173,312,500, provided that the plaintiffs and the City mutually agreed on the terms of a written settlement agreement by Resolution No. 18-0895. On February 8, 2019, the 382nd District of Rockwall County, Texas entered a judgment in the above-referenced lawsuits incorporating the terms of the written settlement agreement.

Additionally, on December 12, 2018, City Council authorized the preparation of plans and the payment of potential future costs and expenses for the issuance of General Obligation Refunding Bonds, Series 2019B, in a principal amount not to exceed \$174,705,000 in satisfaction of the judgment by Resolution No. 18-1757.

This ordinance authorizes City staff and financial advisors, subject to parameters, to competitively bid the sale and issuance of City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, and establishes the maximum par amount of bonds to be issued at \$174,705,000.

**ESTIMATED SCHEDULE OF PROJECT**

Authorized Preparation for Issuance of Bonds	December 2018
Approval of Parameters Ordinance	March 2019
Pricing	April 2019
Delivery of Proceeds	May 2019

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

The Government Performance and Financial Management Committee was briefed on this item on December 3, 2018.

On December 12, 2018, City Council authorized the preparation of plans and the payment of potential future costs and expenses for the issuance of General Obligation Refunding Bonds, Series 2019B, by Resolution No. 18-1757.

**FISCAL INFORMATION**

2019B General Obligation Refunding Bond Funds - \$515,000 (See Attachment I)

**M/WBE INFORMATION**

See Attachment I for M/WBE participation.

## Attachment I

**Series 2019B**  
**General Obligation Refunding Bonds**  
**\$174,705,000**

Estimate of Total Bond Issuance Costs and M/WBE Participation

	<u>Fees</u>	<u>Percent of Total Costs</u>
<b>Co-Bond Counsel</b>		
Norton Rose Fulbright US LLP (Vendor VC0000006239)	\$130,000	25%
Mahomes & Bolden PC (Vendor VS0000051822)	90,000	17%
<b>Disclosure Counsel</b>		
Orrick Herrington & Sutcliffe LLP (Vendor VC18413)	60,000	12%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	126,350	25%
<b>Paying/Escrow Agent</b>		
UMB Bank, N.A. (Vendor VS92247)	2,700	1%
<b>Printing Fee</b>		
TBD	5,000	1%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	39,229	8%
S&P Global (Vendor 954974)	44,721	9%
<b>Attorney General Filing Fee</b>		
	9,500	2%
<b>Misc. Expenses</b>		
	<u>7,500</u>	<u>1%</u>
<b>Total Issuance Costs</b>	<u><u>\$515,000</u></u>	<u><u>100%</u></u>
Total M/WBE Participation as % of Total Issuance Costs:	\$95,000	18%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding Bonds, Series 2019B.



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**ORDINANCE NO. \_\_\_\_\_  
AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2019B**

**Adopted: March 27, 2019**

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**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$174,705,000; LEVYING A TAX IN PAYMENT THEREOF; APPROVING EXECUTION OF AN ESCROW AGREEMENT; APPROVING THE PREPARATION OF AN OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, there are presently outstanding certain general or special obligations of the City of Dallas, Texas (the “City”) described on Schedule I hereto (the “Refunded Obligations”); and

WHEREAS, pursuant to the provisions of Chapter 1207 of the Texas Government Code, as amended (“Chapter 1207”), the City Council of the City is authorized to issue refunding bonds and deposit the proceeds of sale directly with a trust company or commercial bank that is named in the proceedings of the City authorizing execution of an escrow agreement, and such deposit, when made in accordance with such statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the City Council desires to delegate to the Authorized Officer (as defined herein), pursuant to Chapter 1207, and the parameters set forth in this Ordinance, the authority to approve the amount, the number of series, the interest rate, the price and terms of the bonds authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the bonds and the refunding of the Refunded Obligations; and

WHEREAS, the City Council hereby finds and determines that the manner in which the refunding is being executed does not make it practicable to calculate a savings amount attributable to the refunding of the Refunded Obligations, but that the refunding contemplated in this Ordinance will benefit the City and is in the best interests of the City; and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of such meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS:

**ARTICLE I**

**DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager of the City, and in his or her absence, the Chief Financial Officer or any Assistant City Manager.

“Bond” means any of the Bonds.

“Bonds” means the “City of Dallas, Texas General Obligation Refunding Bonds, Series 2019B.”

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Charter” means the Home Rule Charter of the City, as amended.

“City” means the City of Dallas, Texas.

“City Council” means the governing body of the City of Dallas, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar identified in the Pricing Certificate, its corporate trust office as set forth in the final form of the Bond, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means the Escrow Agent appointed and approved in the Pricing Certificate.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent relating to the Refunded Obligations.

“Escrow Fund” means the fund established by Section 7.01 of this Ordinance to hold cash and, if applicable, securities for the payment of the Refunded Obligations.

“Escrow Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of hereof, are rated as to investment quality by a nationally recognized investment rating firm not less

than “AAA” or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Bond” means the initial Bond, described in Sections 3.04(d) and 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the “City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Interest and Sinking Fund,” as established by Section 7.01 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity or prior redemption of the Bonds, such dates being February 15 and August 15 of each year, commencing on the date set forth in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means UMB Bank, N.A., any successor thereto, or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Paying Agent/Registrar Agreement” means that Paying Agent/Registrar Agreement, dated as of June 27, 2018 by and between the City and the Paying Agent/Registrar, as amended, modified or supplemented from time to time, and any subsequent paying agent/registrar agreement with any successor entity which is appointed as and assumes the duties of paying agent/registrar for the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Purchase Agreement” means one or more bond purchase agreements described in Section 12.01(b) of this Ordinance, if any.

“Purchaser” means the initial purchaser(s) of the Bonds as specified in the Pricing Certificate.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Obligations” means those general or special obligations of the City described in Schedule I attached hereto.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC applicable to the Bonds.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Term Bonds” has the meaning set forth in Section 4.03(a) hereof.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity, and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.



(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

## **ARTICLE II**

### **SECURITY FOR THE BONDS**

#### Section 2.01. Tax Levy for Payment of the Bonds.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent per annum (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter while the Bonds or interest thereon remain outstanding and unpaid, a tax within legal limitations on each \$100 assessed valuation of taxable property in the City that is sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Bonds, and the tax shall not be diverted to any other purpose.

(d) Such ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund for the Bonds are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited in accordance with Article XI herein.

## **ARTICLE III**

### **AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS**

Section 3.01. Authorization. The City's bonds to be designated "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B" or such other designations as are set forth in the Pricing Certificate, are hereby authorized to be issued and delivered in accordance with the

Constitution and laws of the State of Texas and the Charter of the City. The Bonds shall be issued in the aggregate principal amount designated in the Pricing Certificate for the public purpose of providing funds to: (i) refund the Refunded Obligations, and (ii) pay the costs incurred in connection with the issuance of the Bonds (including, without limitation, underwriters' discount), under and by virtue of Chapter 1207, Texas Government Code, as amended, and pursuant to Chapter XXI of the Charter of the City. The Authorized Officer is hereby authorized and directed to modify the title of the Series to the extent that, in the judgment of the Authorized Officer, it is necessary or appropriate. The final title and principal amount of the Bonds shall be determined by the Authorized Officer, based on market conditions in the discretion of the Authorized Officer, and set forth in the Pricing Certificate. The Bonds shall be issued in the number of series and aggregate principal amount per series designated in the Pricing Certificate, provided that the aggregate principal amount of the Bonds issued for the purposes described above shall not exceed \$174,705,000.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate.

(c) Interest on each Bond shall accrue from the later of the Original Issue Date (or the date of their delivery to the Purchaser, as set forth in the Pricing Certificate) or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment: Unclaimed Payments.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, by United States

mail, first class, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person in whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to the provisions of Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law.

#### Section 3.04. Execution and Initial Registration.

(a) The Bonds shall be executed on behalf of the City by the Mayor and countersigned by the City Secretary and the City Manager, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Any facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly

authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the typewritten Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor and countersigned by manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser registered definitive Bonds as described in Section 3.10. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

#### Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date or on the Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

#### Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office the Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds within not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its schedule maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 of any one maturity at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Owner of the Bond or Bonds within not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and shall bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such substitute Bond or Bonds are delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

#### Section 3.07. Cancellation and Authentication.

(a) All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. Cancelled Bonds shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Bond issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Bond or Bonds issued under this Ordinance,

shall have printed thereon a Certificate of the Paying Agent/Registrar, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and such Bonds shall be of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above-referenced Certificate of the Paying Agent/Registrar, the exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the form of Bond set forth in this Ordinance.

#### Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

#### Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal

amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, without the necessity of issuing a replacement Bond, may pay such Bond on the date on which such Bond becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

#### Section 3.10. Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for such obligations, is hereby affirmed.

Section 3.11. Successor Securities Depository: Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.



Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

## **ARTICLE IV**

### **REDEMPTION OF BONDS BEFORE MATURITY**

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The City reserves the option to redeem Bonds in the manner provided in the form of Bond set forth in Section 6.02 of this Ordinance with such changes as are required by the Pricing Certificate.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) Bonds designated as “Term Bonds,” if any, in the Pricing Certificate are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund for such Bonds, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) At least forty-five ( 45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, or such other method specified in the Pricing Certificate, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

The principal amount of the Term Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct

the Paying Agent/Registrar to call by lot or other customary method that results in a random selection of the Bonds, or portions thereof and maturity or maturities and in such principal amounts, for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

#### Section 4.05. Notice of Redemption to Owners.

(a) The City shall give notice of any redemption of Bonds by sending or causing the Paying Agent/Registrar to send notice of such redemption by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

#### Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the principal of and accrued interest on such Bonds.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

**Section 4.07. Effect of Redemption.**

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance and subject to any conditions or rights reserved by the City under Section 4.05(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof, premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender of such Bond for redemption, such Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

**Section 4.08. Lapse of Payment.** Money set aside for the redemption of Bonds and remaining unclaimed by the Owners of such Bonds shall be subject to the provisions of Section 3.03(f) hereof.

**ARTICLE V**

**PAYING AGENT/REGISTRAR**

**Section 5.01. Appointment of Initial Paying Agent/Registrar.**

(a) The selection and appointment of UMB Bank, N.A, to serve as initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of one or more Paying Agent/Registrar Agreements, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Bond to which payments with respect to the Bond shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds. The Paying

Agent/Registrar shall keep proper records of all payment made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges and replacements of such Bonds, as provided in this Ordinance.

Section 5.02. Paying Agent/Registrar Agreement. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Agreement outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after July 1, 2018 through July 30, 2023 which includes the Bonds. Pursuant to its terms, the Paying Agent/Registrar Agreement is subject to and controlled by the City Charter and Ordinances of the City. If any conflict exists between such agreement and this Ordinance, this Ordinance shall govern. In that regard, by accepting the positions of paying agent and registrar, the Paying Agent/Registrar agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent agrees to maintain a true and correct copy of the Register.

Section 5.03. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.04. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.05. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.06. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.07. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.08. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar and to the City.



\_\_\_\_\_

or registered assigns, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

unless this Bond shall have been duly called for prior redemption as provided herein and payment of the principal hereof and accrued but unpaid interest hereon shall have been paid or provided for, and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing \_\_\_\_\_.<sup>3</sup> All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in \_\_\_\_\_<sup>4</sup> (the “Designated Payment/Transfer Office”) of \_\_\_\_\_,<sup>5</sup> or with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date” which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing of such notice.

If a date for the payment of the principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

<sup>3</sup> Information to be inserted from the Pricing Certificate.

<sup>4</sup> Information to be inserted from the Pricing Certificate.

<sup>5</sup> Information to be inserted from the Pricing Certificate.

This Bond is dated \_\_\_\_\_<sup>6</sup> and is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$\_\_\_\_\_<sup>7</sup> (herein referred to as the “Bonds”), issued pursuant to a certain Ordinance of the City Council of the City (the “Ordinance”) for the purpose of providing funds to refund the Refunded Obligations and to pay costs of issuance.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City.

[The City has reserved the option to redeem the Bonds maturing on or after \_\_\_\_\_, before their respective scheduled maturities in whole or in part in integral multiples of \$5,000 on \_\_\_\_\_, or on any date thereafter, at a redemption price of par, plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in random selection of the Bonds, or portions thereof within such maturity or maturities and in such amounts, for redemption.

Bonds maturing on February 15 in each of the years \_\_ through \_\_, inclusive (the “Term Bonds”), are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>Redemption Date</u>	<u>Principal Amount</u>
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The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the registered

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<sup>6</sup> Information to be inserted from the Pricing Certificate.

<sup>7</sup> Information to be inserted from the Pricing Certificate.

owner of each of the Bonds to be redeemed in whole or in part. In the Ordinance, the City reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.]<sup>8</sup>

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered Owner of the uncalled principal balance of a Bond.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice or knowledge to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds within the limit prescribed by law; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or

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<sup>8</sup> Insert redemption provisions, if any, and conform as necessary to the Pricing Certificate.



facsimile signature of the City Secretary and the City Manager, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

\_\_\_\_\_  
City Manager,  
City of Dallas, Texas

\_\_\_\_\_  
Mayor,  
City of Dallas, Texas

\_\_\_\_\_  
City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate is attached thereto.

**CERTIFICATE OF PAYING AGENT/REGISTRAR**

It is hereby certified that this Bond has been issued under the provisions of the Ordinance of the City; and that this Bond has been issued in exchange for or replacement of a bond, bonds or portion of a bond or bonds of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

\_\_\_\_\_  
as Paying Agent/Registrar

Dated: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_

(c) Form of Assignment.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in

\_\_\_\_\_  
Authorized Signatory

every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) Initial Bond Insertions.

(i) The Initial Bond shall be in the applicable form set forth in paragraphs (a) and (c) of this Section, except that:

A. immediately under the name of the Bond the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the heading "CUSIP NO." shall be deleted; and

B. in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
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(Information to be inserted from the Pricing Certificate as provided in Section 3.02 hereof.)

(ii) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate of the Comptroller of Public Accounts shall appear on each Initial Bond in lieu of the Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §		REGISTER NO. _____
OF PUBLIC ACCOUNTS §		
OF THE STATE OF TEXAS §		

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS, \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys approving such Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinions of Norton Rose Fulbright US LLP and Mahomes Bolden PC., Co-Bond Counsel, may be printed on the back of each Bond over the certification of the City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Bonds, the Bonds, including the Initial Bond, may bear an appropriate legend, as provided by the insurer.

## ARTICLE VII

### CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds. The City hereby establishes the following special funds or accounts to be designated as follows or as otherwise designated in the Pricing Certificate:

(a) "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Interest and Sinking Fund."

(b) "City of Dallas, Texas, General Obligation Refunding Bonds, Series 2019B, Escrow Fund."

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited as follows:

(a) first, an amount equal to all accrued interest, if any, on the Bonds from the Original Issue Date until the Closing Date, plus any additional amounts designated in the Pricing Certificate, shall be deposited to the credit of the Interest and Sinking Fund; and

(b) second, a portion of the proceeds of the Bonds, as set forth in the Pricing Certificate, and used for the purposes described in the preamble hereof shall be deposited to the Escrow Fund and used to pay off the Refunded Obligations; and

(c) third, the remaining balance received on the Closing Date, shall be deposited to a special account of the City and used for the payment of the costs of issuing the Bonds. Any amounts not needed for the payment of costs of issuance shall be deposited to the Interest and Sinking Fund.

Section 7.03. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on such Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds discharged in accordance with Article XI hereof.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 7.04. Escrow Fund. The Escrow Fund will be used to pay in full the Refunded Obligations.

Section 7.05. Excess Bond Proceeds.

(a) Upon the payment in full of the Refunded Obligations, any amount that remains in the Escrow Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account.

(b) The money in such special escrow account shall be used for the payment of principal of and interest on the Bonds, on the respective due dates thereof or dates as of which Bonds have been called for redemption.

Section 7.06. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners of the Bonds and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) To the extent specified in the Pricing Certificate, the money in the Escrow Fund shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a "higher yield," within the meaning of Section 148(t) of the Code, than the yield on the Bonds.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

(b) Subject to the provisions of Section 8.01(c), the investment and application of money in the Escrow Fund shall be in accordance with the provisions of the Escrow Agreement.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each Interest Payment Date for the Bonds, and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on, premium, if any, and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable general obligations of the City in accordance with their terms.

Section 9.03. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) not use or permit the use of the Gross Proceeds of the Bonds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

(k) Current Refunding; Extraordinary Legal Judgment. The Bonds are issued to refund the Refunded Obligations and the Bonds will be issued less than 90 days before the redemption of the Refunded Obligations. The Refunded Obligations represent an extraordinary legal judgment in an amount in excess of reasonable insurance coverage. Neither the City nor a related party to the City maintains a reserve for such items, such as a self-insurance fund. Neither the City nor a related party to the City has set aside other available amounts for the payment of these types of expenses.

## **ARTICLE X**

### **DEFAULT AND REMEDIES**

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(a) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(b) the failure to perform or observe any other covenant, agreement or obligation of the City, which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.



Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

**ARTICLE XI**

**DISCHARGE**

Section 11.01. Discharge. The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

## ARTICLE XII

### SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

#### Section 12.01. Sale of Bonds; Delivery of Official Statement.

(a) The Bonds may be sold pursuant to a competitive sale or a negotiated sale to the Purchaser as specified in the Pricing Certificate and all in accordance with the terms of this Ordinance, including this Section 12.01 (a) and Exhibit A attached hereto, provided that all of the conditions set forth in Exhibit A are satisfied. As authorized by Chapter 1207, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit A can be satisfied, in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Bonds, enter into a credit agreement with respect to the Bonds, whether to sell the Bonds in a competitive or negotiated sale, the aggregate principal amount of the Bonds, whether the Bonds shall be in one or more series from time to time, and price at which each of the Bonds will be sold, the identification, and the aggregate principal amount, of the Refunded Obligations and their redemption dates, the number and designation of series of Bonds to be issued, whether the Bonds will be taxable or tax-exempt, the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the initial date from which interest will accrue, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01 (a) shall expire at 5:00 p.m., 180 days from the date of this Ordinance, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Purchase Agreement (if any) in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) The Authorized Officer is hereby authorized and directed to execute the successful bid form, in the event the bonds are sold via a competitive sale, for and on behalf of the City and as the act and deed of the City Council. If the Bonds are sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver one or more bond purchase agreements (the "Purchase Agreement"), which Purchase Agreement shall be in the form approved by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, which final terms shall be determined to be the most advantageous reasonably attainable by the City, such approval and determination being evidenced by its execution thereof by the Authorized Officer. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

The Initial Bond shall initially be registered in the name of the Purchaser or such other entity as may be specified in the Pricing Certificate.

(c) The City hereby approves the preparation of a Preliminary Official Statement and a Notice of Sale (if any) for use in the initial offering and sale of the Bonds, and authorizes the Authorized Officer to approve the final form and substance of the Preliminary Official Statement and the Notice of Sale (if any) and to deem the Preliminary Official Statement "final" as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule on behalf of the City. The City hereby authorizes the preparation of a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds. The Authorized Officer is hereby authorized and directed to authorize the use and distribution of such final Official Statement, with such appropriate variations as shall be approved by the Authorized Officer, by the Purchasers in the offering and sale of the Bonds.

(d) All officers of the City are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefore including, without limitation, the Purchase Agreement (if any). Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1 % of the principal amount of the Bonds or (ii) \$9,500).

(e) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinions of Norton Rose Fulbright US LLP and Mahomes Bolden PC, Co-Bond Counsel for the City, which opinions shall be dated as of and delivered on the Closing Date.

#### Section 12.02. Control and Delivery of Bonds.

(a) The City Manager is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Initial Bond shall be made to the Purchaser under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, any Assistant City Secretary and any Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem, the Assistant City Secretary and the Assistant City Manager shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor, City Secretary and City Manager, respectively.

## ARTICLE XIII

### CONTINUING DISCLOSURE UNDERTAKING

#### Section 13.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in the Pricing Certificate, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

#### Section 13.02. Material Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (vii) Modifications to rights of the holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) For these purposes, (a) any event described in paragraph (xii) of this section, is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in paragraphs (xv) and (xvi) of this section and the definition of Financial Obligation in this section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

(c) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.01 of this Ordinance by the time required by such Section.

### Section 13.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect

to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any Bond calls and any defeasances that cause the City to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 13.04. Amendments to the Rule. In the event the Authorized Officer, in consultation with Co-Bond Counsel and the City's financial advisor, determines that it is necessary or desirable to amend the provisions of this Article XIII in order to facilitate compliance with

amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds.

## ARTICLE XIV

### AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 14.01. Amendments. This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding except as permitted in this Section. The City may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 14.02. Attorney General Modification. In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required or requested by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

Section 14.03. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 14.04. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

## ARTICLE XV

### PAYMENT OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 15.01. Payment of Refunded Obligations. Unless otherwise specified in the Pricing Certificate, the Refunded Obligations are to be paid by the Escrow Agent within five (5) Business Days following the Closing Date, in the principal amount thereof as set forth in the Pricing Certificate.

Section 15.02. Approval of Escrow Agreement.

(a) The Authorized Officer is hereby authorized to select and appoint an Escrow Agent to hold funds to pay off the Refunded Obligations and the Escrow Agent shall be designated in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by other appropriate City officials, an Escrow Agreement, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. The Escrow Agreement shall contain terms and provisions to be approved by the Authorized Officer including terms and provisions for the purposes of (i) carrying out the program designed for the City, (ii) minimizing the City's costs of refunding, (iii) complying with all applicable laws and regulations relating to the refunding of the Refunded Obligations, (iv) carrying out the other intents and purposes of this Ordinance and (v) complying with the terms set forth in the Pricing Certificate. The execution and delivery by the City Manager of the Escrow Agreement, if necessary, is hereby authorized and approved.

Section 15.03. Subscription for Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

**ARTICLE XVI**

**EFFECTIVE IMMEDIATELY**

Section 16.01. Effective Immediately. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.



FINALLY PASSED, APPROVED AND EFFECTIVE this March 27, 2019

APPROVED AS TO FORM:

Christopher J. Caso,  
Interim City Attorney  
City of Dallas

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## **SCHEDULE I**

### **REFUNDED OBLIGATIONS**

Agreed Final Judgment in Cause No. 1-95-107, *George G. Parker, et. al. vs. City of Dallas, Texas*, in the District Court 382<sup>nd</sup> Judicial District, Rockwall County, Texas, dated February 8, 2019; and

Agreed Final Judgment in Cause No. 1-95-506, *David S. Martin, et. al. vs. City of Dallas, Texas*, in the District Court 382<sup>nd</sup> Judicial District, Rockwall County, Texas, dated February 8, 2019.

## **EXHIBIT A**

### **SALE PARAMETERS**

In accordance with Section 12.01 (a) of the Ordinance, the following conditions with respect to the Bonds must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Bonds to the Purchaser:

(a) the Bonds shall not bear interest at a rate greater than the maximum rate authorized by Chapter 1204, Texas Government Code, as amended;

(b) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the limits described in that Section, and the Bonds sold for the purposes of refunding the Refunded Obligations shall be in an amount sufficient, in combination with the net premium from the sale of the Bonds, plus other available funds of the City, if any, to provide for the payment of the Refunded Obligations and the costs and expenses of issuance of the Bonds, including underwriter's discount; and

(c) the maximum term for which the Bonds issued under this Ordinance may be outstanding is twenty (20) years from the date of their issuance.



Agenda Information Sheet

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**File #:** 19-407

**Item #:** 4.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** March 27, 2019  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** Department of Communication and Information Services  
**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a twelve-month contract for data validation services related to human resources and payroll data contained in the City's systems - Premier International Enterprises, Inc. - Not to exceed \$936,000 - Financing: General Fund (\$468,000) and HR Health Risk Fund (\$468,000)

**BACKGROUND**

This contract will provide the City subject matter expertise for data validation services. The consultant will assess the City's human resource system and analyze and validate data contained within. They will also compare the data against files and databases from vendors providing benefits to City employees.

The consultant's data validation services will include:

- An assessment and report of the current state of the City's payroll and benefit data
- Reports and scripts for on-going data validation
- Identification of data issues and gaps by downstream systems
- Assessment of payroll deductions compared to selections

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

The Government Performance & Financial Management Committee will receive this item for consideration on March 18, 2019.

**FISCAL INFORMATION**

General Fund - \$468,000  
HR Health Risk Fund- \$468,000

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b>Contract Amount</b>	<b>Category</b>	<b>M/WBE Goal</b>	<b>M/WBE %</b>	<b>M/WBE \$</b>
\$936,000.00	Professional Services	N/A	N/A	N/A
• The Business Inclusion and Development Plan does not apply to Special Needs contracts.				

**PROCUREMENT INFORMATION**

In accordance with Administrative Directive 4-5, Paragraph 10.5.6 (A), Special Need/Justification was approved to contract with Premier International Enterprises, Inc.

**OWNER**

**Premier International Enterprises, Inc.**

Craig Wood, Chief Executive Officer  
Mikel Naples, President

March 27, 2019

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

**SECTION 1.** That the City Manager is hereby authorized to execute a twelve-month contract with Premier International Enterprises, Inc. (VS100248), approved as to form by the City Attorney, for data validation services related to human resources and payroll data contained in the City's systems, in an amount not to exceed \$936,000.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$936,000 to Premier International Enterprises, Inc., as follows:

General Fund	
Fund 0001, Department BMS, Unit 1991, Object 3070	
Encumbrance/Contract No. DSV-2019-00009753	
Vendor VS100248	\$468,000
HR Health Risk Fund	
Fund 0260, Department PER, Unit 7906, Object 3070	
Encumbrance/Contract No. DSV-2019-00009753	
Vendor VS100248	<u>\$468,000</u>
Total amount not to exceed	\$936,000

**SECTION 3.** That this contract is designated as Contract No. DSV-2019-00009753.

**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 Information Sheet

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**File #:** 19-329

**Item #:** 33.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a three-year master agreement for liquid sodium hypochlorite - FSTI, Inc. in an estimated amount of \$472,500.00 and PVS Minibulk, Inc. in an estimated amount of \$190,121.40, lowest responsible bidders of four - Total estimated amount of \$662,621.40 - Financing: General Fund (\$190,121.40) and Dallas Water Utilities Fund (\$472,500.00)

**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 according to annual budgetary appropriations. The estimated amount is intended as guidance rather than a cap on spending under the agreement, so that actual need combined with the amount budgeted will determine the amount spent under this agreement. We anticipate the following City departments will use this agreement:

- Water Utilities Department
- Park and Recreation Department

This master agreement will provide sodium hypochlorite (bleach) to be used in water treatment processes throughout the City. Bleach is used to boost chlorine and maintain disinfection levels in accordance with State of Texas regulatory standards. These applications require high quality, commercial grade 12.5 percent sodium hypochlorite in solution form. The sodium hypochlorite is delivered in 4,500 gallon tank trucks and transferred to storage tanks where it is dosed directly into the water lines throughout the City. In addition, sodium hypochlorite will be used at Bahama Beach Water Park facilities, City Hall Fountain, Spray Grounds, and various City swimming pools.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 1,072 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On October 22, 2014, City Council authorized a two-year master agreement for sodium hypochlorite (bleach) with Petra Chemical Company and FSTI, Inc. by Resolution No. 14-1783.

The Government Performance & Financial Management Committee will receive this item for consideration on March 18, 2019.

**FISCAL INFORMATION**

General Fund - \$190,121.40 (Estimated amount)  
 Dallas Water Utilities Fund - \$472,500.00 (Estimated amount)

Fund	FY 2018-19	FY 2019-20	FY 2020-21
General Fund	\$63,373.80	\$63,373.80	\$63,373.80
Dallas Water Utilities Fund	\$32,000.00	\$220,250.00	\$220,250.00
Total	\$95,373.80	\$283,623.80	\$283,623.80

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$662,621.40	Goods	18.00%	71.31%	\$472,500.00
<ul style="list-style-type: none"> <li>• This contract exceeds the M/WBE goal.</li> </ul>				

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Low Bid	<ul style="list-style-type: none"> <li>• Recommended vendor is based on the lowest competitive quoted price, who is also technically and financially capable of performing and completing the contract, and otherwise meets all material specification requirements</li> </ul>
	<ul style="list-style-type: none"> <li>• Negotiations are not allowed</li> </ul>

The Office of Procurement Services received the following bids from solicitation number BG1902. We opened them on February 1, 2019. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

\*Denotes successful bidders

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*FSTI, Inc.	6300 Bridgepoint Pkwy Austin, TX 78730	Multiple Groups
*PVS Minibulk, Inc.	10900 Harper Ave. Detroit, MI 48213	Multiple Groups
DCC	2929 Storey Ln. Dallas, TX 75220	Multiple Groups
Petra Chemical Company	2929 Storey Ln. Dallas, TX 75220	Multiple Groups

### **OWNERS**

#### **FSTI, Inc.**

Staci Barton, President

#### **PVS Minibulk, Inc.**

Timothy F. Nicholson, President

March 27, 2019

**WHEREAS**, on October 22, 2014, City Council authorized a two-year master agreement for sodium hypochlorite (bleach) with Petra Chemical Company in the amount of \$267,300.00 and FSTI, Inc. in the amount of \$82,500.00, by Resolution No. 14-1783.

**Now, Therefore,**

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

**SECTION 1.** That a master agreement for the purchase of liquid sodium hypochlorite is authorized with FSTI, Inc. (VS0000023020) in the estimated amount of \$472,500.00 and PVS Minibulk, Inc. (VC16463) in the estimated amount of \$190,121.40, approved as to form by the City Attorney, for a term of three years in a total estimated amount of \$662,621.40. The amount payable pursuant to this master agreement may exceed the estimated amount, but may not exceed the amount of budgetary appropriations for this master agreement during its term.

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

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an estimated amount of at least \$662,621.40, but not more than the amount of budgetary appropriations for this master agreement during its term to FSTI, Inc. and PVS Minibulk, Inc. from Master Agreement Contract No. POM-2019-00009535.

**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 Information Sheet

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**File #:** 19-128

**Item #:** 34.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a three-year master agreement for the purchase of lamps and light bulbs - Dealer's Electric Supply Co. in an estimated amount of \$1,901,656, Facility Solutions Group, Inc. in an estimated amount of \$1,311,050, Regency Enterprises, Inc. dba Regency Lighting in an estimated amount of \$695,252, Voss Electric dba Voss Lighting in an estimated amount of \$204,533, and Simba Industries in an estimated amount of \$25,200, lowest responsible bidders of eight - Estimated total amount of \$4,137,691 - Financing: General Fund (\$3,326,300), Dallas Water Utilities Fund (\$649,891), and Convention and Event Services Fund (\$161,500)

**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 according to annual budgetary appropriations. The estimated amount is intended as guidance rather than a cap on spending under the agreement, so that actual need combined with the amount budgeted will determine the amount spent under this agreement. We anticipate the following City departments will use this agreement:

- Department of Convention and Event Services
- Building Services Department
- Fire-Rescue Department
- Water Utilities Department
- Office of Cultural Affairs
- Park and Recreation Department
- Police Department

This master agreement will provide various size and types of energy efficient light bulbs, tubes and LEDs for all City facilities. Energy efficient light bulbs and tubes have replaced standard bulbs throughout most City facilities.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 481 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services 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, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

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

On August 27, 2014, City Council authorized a five-year master agreement for energy efficient light bulbs, tubes and LEDs for City facilities with Facility Solutions Group, Voss Electric Co. dba Voss Lighting, Simba Industries, Inc., and Triton Supply, Inc. by Resolution No. 14-1354.

The Government Performance & Financial Management Committee will receive this item for consideration on March 18, 2019.

**FISCAL INFORMATION**

General Fund - \$3,326,300.00 (Estimated amount)  
 Dallas Water Utilities Fund - \$649,891.00 (Estimated amount)  
 Convention and Event Services Fund - \$161,500.00 (Estimated amount)

Fund	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
General Fund	\$1,067,766.67	\$1,108,766.66	\$1,108,766.67	\$41,000.00
Dallas Water Utilities Fund	\$185,630.34	\$232,130.33	\$232,130.33	\$0
Convention and Event Services Fund	\$60,000.00	\$60,000.00	\$41,500.00	\$0
Total	\$1,313,397.01	\$1,400,896.99	\$1,382,397.00	\$41,000.00

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$4,137,691.00	Goods	18.00%	16.27%	\$673,013.00
• This contract does not meet the M/WBE goal, but complies with good faith efforts.				

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Low Bid	<ul style="list-style-type: none"> <li>• Recommended vendor is based on the lowest competitive quoted price, who is also technically and financially capable of performing and completing the contract, and otherwise meets all material specification requirements</li> <li>• Negotiations are not allowed</li> </ul>
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The Office of Procurement Services received the following bids from solicitation number BI1816. We opened them on November 11, 2018. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

\*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Dealer's Electric Supply Co.	2320 Columbus Ave. Waco, TX 76701	Multiple Groups
*Facility Solutions Group, Inc.	2525 Walnut Hill Ln. Dallas, TX 75229	Multiple Groups
*Regency Enterprises, Inc. dba Regency Lighting	9261 Jordan Ave. Chatsworth, CA 91311	Multiple Groups
*Voss Electric dba Voss Lighting	11420 Ferrell Dr. Suite 304 Farmers Branch, TX 75236	Multiple Groups
*Simba Industries	753 Port America Pl. Suite 210 Grapevine, TX 76051	Multiple Groups
Stanford Precision	3372 Garden Brook Dr. Farmers Branch, TX 75234	Multiple Groups
Mavich, LLC	525 Commerce St. Southlake, TX 76092	Multiple Groups
Telecom Electric Supply Company	1304 Capital Ave. Plano, TX 75074	Multiple Groups

**OWNERS**

**Dealer's Electrical Supply Co.**

Scott Bracey, President  
Chris Lanham, Vice President

**Facility Solutions Group, Inc.**

William Graham, President  
Steve Byrne, Vice President

**Regency Enterprises, Inc. dba Regency Lighting**

Evan Regenstreif, Chief Executive Officer  
Judah Regenstreif, President  
Scott Anderson, President

**Voss Electric dba Voss Lighting**

Robert Jensen, President  
Stephen Sanderson, Vice President

**Simba Industries**

Vickie L. Kasten, Owner

March 27, 2019

**WHEREAS**, on August 27, 2014, City Council authorized a five-year master agreement for energy efficient light bulbs, tubes and LEDs for City facilities with Facility Solutions Group in the amount of \$839,784, Voss Electric Co. dba Voss Lighting in the amount of \$790,322, Simba Industries, Inc. in the amount of \$379,372, and Triton Supply, Inc. in the amount of \$216,255, by Resolution No. 14-1354.

**Now, Therefore,**

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

**SECTION 1.** That the a master agreement for the purchase of lamps and light bulbs is authorized with Dealer's Electric Supply Co. (VS93195) in the estimated amount of \$1,901,656, Facility Solutions Group, Inc. (VS0000010481) in the estimated amount of \$1,311,050, Regency Enterprises, Inc. dba Regency Lighting (VS0000061649) in the estimated amount of \$695,252, Voss Electric dba Voss Lighting (238705) in the estimated amount of \$204,533, and Simba Industries (519720) in the estimated amount of \$25,200, approved as to form by the City Attorney, for a term of three years in a total estimated amount of \$4,137,691. The amount payable pursuant to this master agreement may exceed the estimated amount, but may not exceed the amount of budgetary appropriations for this master agreement during its term.

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

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an estimated amount of at least \$4,137,691, but not more than the amount of budgetary appropriations for this master agreement during its term to Dealer's Electric Supply Co., Facility Solutions Group, Inc., Regency Enterprises, Inc. dba Regency Lighting, Voss Electric dba Voss Lighting, and Simba Industries from Master Agreement Contract No. POM-2019-00009153.

**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 Information Sheet

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**File #:** 19-102

**Item #:** 35.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize Amendment No. 17 to increase the service contract with AssetWorks, LLC for the purchase, installation, hosting, maintenance, and support of mobile fuel island control units and related hardware for the Equipment and Fleet Management Department - Not to exceed \$89,065.67, from \$5,381,851.95 to \$5,470,917.62 - Financing: Equipment and Fleet Management Fund

**BACKGROUND**

This amendment will provide for the purchase, installation, hosting, maintenance, and support of mobile fuel island control units (ICU) for use with the City's M5 Fleet Management System. The addition of these fuel ICUs will allow the Equipment and Fleet Management Department (EFM) to accurately track fuel being transported from bulk storage tanks to smaller dispensing stations located throughout the city. Examples of these smaller dispensing stations include, but are not limited to, service centers and fire stations where fuel is dispensed directly into vehicles or equipment.

The new fuel ICUs include devices that are installed at the bulk storage tanks to monitor how much fuel is being loaded into a tanker truck. Additionally, a similar ICU will be installed on the tanker truck that will track the amount of fuel being transferred from the truck to a dispensing station. The addition of these mobile ICUs will offer EFM improved accountability and management of fuel stored in City owned tanks located throughout the city. EFM bulk fueling operations services approximately 95 different locations such as:

- Fire-Rescue stations
- Water utility plant facilities
- Sanitation landfill locations
- Park and Recreation centers
- Watershed management facilities

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$11.15; the selected vendor meets this requirement.

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

On February 11, 2015, City Council authorized a five-year service contract for ongoing hosting for the Fleet Data Management System and related hardware; and a five-year service contract for maintenance and support for the FuelFocus software with AssetWorks, LLC by Resolution 15-0265.

The Government Performance & Financial Management Committee will receive this item for consideration on March 18, 2019.

**FISCAL INFORMATION**

Equipment and Fleet Management Fund - \$89,065.67

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b>Contract Amount</b>	<b>Category</b>	<b>M/WBE Goal</b>	<b>M/WBE %</b>	<b>M/WBE \$</b>
\$89,065.67	Other Services	23.80%	0.00%	\$0.00
<ul style="list-style-type: none"> <li>• This contract does not meet the M/WBE goal, but complies with good faith efforts.</li> <li>• Supplemental Agreement No. 17 - 0.00% Overall M/WBE participation</li> </ul>				

**OWNER**

**AssetWorks, LLC**

John H. Hines III, President

March 27, 2019

**WHEREAS**, on February 11, 2015, City Council authorized a five-year service contract for ongoing hosting for the Fleet Data Management System and related hardware; and a five-year service contract for maintenance and support for the FuelFocus software with AssetWorks, LLC, by Resolution 15-0265; and

**WHEREAS**, on November 2, 2015, Administrative Action 15-7156 authorized Amendment No. 16 to add funds and amend the contract to utilize professional services provisioned under Optional Future Services of Amendment no. 15 with AssetWorks, LLC; and

**WHEREAS**, on February 11, 2019, Administrative Action 19-5276 authorized Amendment No. 18 to update to the interface with the City's AMS Advantage 3 Financial System with AssetWorks, LLC.

**Now, Therefore,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute Amendment No. 17 to increase the service contract with AssetWorks, LLC (243388), approved as to form by the City Attorney, for the purchase, installation, hosting, maintenance, and support of mobile fuel island control units and related hardware for the Equipment and Fleet Management Department, in an amount not to exceed \$89,065.67, from \$5,381,851.95 to \$5,470,917.62.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$89,065.67 to AssetWorks, LLC from Master Agreement Service Contract No. DSV-2017-00001908.

**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.





Agenda Information Sheet

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**File #:** 19-183

**Item #:** 36.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize **(1)** Supplemental Agreement No. 2 to increase the service contract for compressed natural gas for equipped fleet vehicles for the Equipment and Fleet Management Department in the amount of \$623,490.75, from \$2,493,963.36 to \$3,117,454.11; and **(2)** Supplemental Agreement No. 2 to increase the service contract for compressed natural gas fuel station parts and maintenance for equipped fleet vehicles for the Equipment and Fleet Management Department in the amount of \$114,180.00, from \$456,720.00 to \$570,900.00 - Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc. - Total not to exceed \$737,670.75, from \$2,950,683.36 to \$3,688,354.11 - Financing: Equipment and Fleet Management Fund

**BACKGROUND**

These Supplemental Agreements will allow the Equipment and Fleet Management Department to continue providing compressed natural gas (CNG) for the City's fleet vehicles and the maintenance support for the City's two CNG stations. These stations provide overnight filling of vehicles, thus saving staff time and ensuring completely filled tanks at the beginning of each shift. The contractor makes frequent trips to each site to verify that the facility is operating properly. Preventative maintenance will be performed per equipment manufacturer requirements, including the compressors in which failed components are repaired or replaced as needed. These two stations provide an average of 21,000 gallons of CNG monthly.

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

On March 23, 2016, City Council authorized a three-year acquisition contract, which resulted in a service contract, for compressed natural gas for equipped fleet vehicles with Clean Energy dba California Clean Energy, Inc. by Resolution No. 16-0419.

On March 23, 2016, City Council authorized a three-year service contract for compressed natural gas fuel station parts and maintenance for equipped fleet vehicles with Clean Energy dba California Clean Energy, Inc. by Resolution No. 16-0420.

The Government Performance & Financial Management Committee will receive this item for consideration on March 18, 2019.

**FISCAL INFORMATION**

Equipment and Fleet Management Fund - \$737,670.75

FY2019-20 \$368,835.37

FY2020-21 \$368,835.39

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<b>Contract Amount</b>	<b>Category</b>	<b>M/WBE Goal</b>	<b>M/WBE %</b>	<b>M/WBE \$</b>
\$737,670.75	Goods	18.00%	0.00%	0.00%
• This contract does not meet the M/WBE goal, but complies with good faith efforts.				
• Supplemental Agreement No. 2 - 0.00% Overall M/WBE Participation				

**OWNER**

**Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc.**

Andrew J. Littlefair, President  
Mitchell W. Pratt, Secretary

March 27, 2019

**WHEREAS**, on March 23, 2016, City Council authorized a three-year acquisition contract, which resulted in a service contract, for compressed natural gas for equipped fleet vehicles with Clean Energy dba California Clean Energy, Inc., in an amount not to exceed \$2,493,963.36, by Resolution No. 16-0419; and

**WHEREAS**, on March 23, 2016, City Council authorized a three-year service contract for compressed natural gas fuel station parts and maintenance for equipped fleet vehicles with Clean Energy dba California Clean Energy, Inc., in an amount not to exceed \$456,720.00, by Resolution No. 16-0420; and

**WHEREAS**, on March 4, 2019, Administrative Action No. 19-5499 authorized Supplemental Agreement No. 1 to extend the service contract for one year for compressed natural gas for equipped fleet vehicles with Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc. from March 22, 2019 to March 21, 2020; and

**WHEREAS**, on March 4, 2019, Administrative Action No. 19-0139 authorized Supplemental Agreement No. 1 to extend the service contract for one year for compressed natural gas fuel station parts and maintenance for equipped fleet vehicles with Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc. from March 22, 2019 to March 21, 2020.

**Now, Therefore,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute **(1)** Supplemental Agreement No. 2 to increase the service contract for compressed natural gas for equipped fleet vehicles for the Equipment and Fleet Management Department, in the amount of \$623,490.75, increasing the service contract amount from \$2,493,963.36 to \$3,117,454.11; and **(2)** Supplemental Agreement No. 2 to increase the service contract for compressed natural gas fuel station parts and maintenance for equipped fleet vehicles for the Equipment and Fleet Management Department, in the amount of \$114,180.00, increasing the service contract amount from \$456,720.00 to \$570,900.00, in a total amount not to exceed \$737,670.75, increasing the contracts from \$2,950,683.36 to \$3,688,354.11, with Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc. (VC14154), approved as to form by the City Attorney.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$737,670.75 to Clean Energy, a California corporation, registered to do business in Texas as California Clean Energy, Inc. from Service Contract No. BQ1605.



March 27, 2019

**SECTION 3.** That these contracts are designated as Contract Nos. POM-2019-00009399 and POM-2019-00009400.

**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 Information Sheet

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**File #:** 19-337

**Item #:** 58.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** March 27, 2019

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Budget

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

A public hearing to receive comments on the FY 2019-20 Operating, Capital, and Grant & Trust Budgets - Financing: No cost consideration to the City

**BACKGROUND**

Each year the City of Dallas holds public hearings to provide the residents of Dallas the opportunity to speak on the upcoming year's budget. This public hearing is one of three to be held. Two will be at Dallas City Hall on March 27, 2019, and August 28, 2019 and one on May 8, 2019 at Kleberg-Rylie Recreation Center. Resident input is an important part of the budget development process.

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

On February 27, 2019, City Council authorized the public hearing by Resolution No. 19-0324.

**FISCAL INFORMATION**

No cost consideration to the City.

# Memorandum



CITY OF DALLAS

DATE March 14, 2019

Honorable Members of the Government Performance & Financial Management  
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Dallas Central Appraisal District FY 2019-20 Proposed Budget**

On March 18, 2019, County Tax Assessor John Ames will present a briefing to the Government Performance and Financial Management Committee on the Dallas Central Appraisal District FY 2019-20 Proposed Budget. The briefing materials are attached for your review.

If you have any questions or concerns, please contact my office at (214) 670-3390.

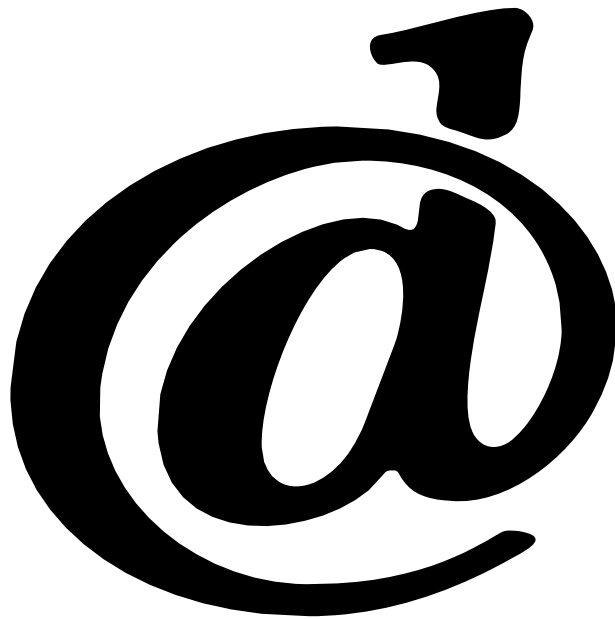
*M. Elizabeth Reich*  
M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol Smith, City Auditor (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager & Chief of Resilience  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors





**DALLAS CENTRAL  
APPRAISAL DISTRICT**

**2019 - 2020**

**PROPOSED BUDGET**



# **BUDGET OVERVIEW**



**2019 - 2020**

**PROPOSED BUDGET**

@



# Dallas Central Appraisal District

## 2019/2020 Proposed Budget

### Budget Comparison

### Executive Summary

	<b>2018/2019</b>	<b>2019/2020</b>
	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
<b>BUDGET EXPENDITURES:</b>		
Salaries & Wages	\$14,932,929	\$15,120,038
Auto Expense	973,067	969,521
Supplies & Materials	821,124	844,541
Operational Services	39,330	45,795
Maintenance of Structure	357,211	338,412
Maintenance of Equipment	356,258	431,435
Contractual Services	792,773	1,135,408
Sundry Expenses	350,780	374,929
Insurance & Benefits	6,743,287	6,749,564
Professional Services	2,009,875	1,981,088
Capital Expenditures	118,700	154,140
Technology Development	0	0
Contingency	0	0
Total Expenditures	\$27,495,334	\$28,144,871
<b>OPERATING FUND SOURCES:</b>		
Entity Allocations (Local Support)	\$27,220,334	\$27,869,871
Rendition Fees	265,000	265,000
Investment Proceeds	0	0
Other Income	10,000	10,000
Total Revenues	\$27,495,334	\$28,144,871



2019/2020

## PROPOSED BUDGET OVERVIEW

The 2019/2020 Proposed Budget is highlighted in the attached document as follows:

1. The 2019/2020 Proposed Budget of \$28,144,171 is an increase of 2.36% from the 2018/2019 Approved Budget of \$27,495,334.
2. The 2019/2020 Proposed Budget calls for a total of two hundred thirty-five (235) full-time positions, which is unchanged from the 2018/2019 Approved Budget. The budget notes personnel by departments/divisions as follows:
  - **Office of Chief Appraiser Department.** The department has six (6) positions and includes the divisions of Chief Appraiser's Office, Community Relations Officer, Quality Control, and Human Resources.
  - **Administrative Services Department.** The divisions included in this department are Administration, Finance/Purchasing, Customer Service, Appeals and Support, Building Services and the Appraisal Review Board (ARB). The department has thirty-two (32) employees and assists in coordinating the one hundred five (105) member ARB.
  - **Legal Services Department.** There are a total of three (3) employees in this department.
  - **Information Technology (IT) Department.** The divisions included are Technical Support, Systems Programming, Computer Support and Database Management. There are a total of thirteen (13) employees in this department. The Geographic Information System (GIS) division has been moved from the IT department to the Appraisal Services department, effective September 1, 2018.
  - **Appraisal Services Department.** This department includes the divisions of Central Appraisal, Residential, Commercial, Business Personal Property, Property Records/Exemptions, and Geographic Information System (GIS), totaling one hundred eighty-one (181) employees.
3. For the 2019/2020 Proposed Budget a 3.0% merit increase is proposed for the District employees. This figure is tied closely to the average salary/merit increases and adjustments given by the taxing entities in 2018/2019, which was 2.70%. This information is obtained from an entity salary survey of all participating entities in the Appraisal District. DCAD bases any merit increases on what the taxing entities have afforded to their employees.
4. Overtime funds are included for appraisal support staff assisting with after hours informal and legally required formal hearings with property owners during the ARB process. Funds are also included for Building Services, Appeals and Support, Customer Service, and the Appraisal Departments during the ARB process.
5. Contract Labor includes funds for temporary services for the Business Personal Property verification and leased equipment projects, contract clerical help during the ARB process in Appeals and Support, Legal Services in processing lawsuits, and for security provided by off-duty police officers year round.

6. Other increases and decreases in the Proposed Budget are noted in the categories as follows:

**Auto Expense** decreased slightly from last year's budget, due to moving a position from Appraisal Services to GIS. The GIS manager was provided with a \$300/month auto allowance, which partially offset the auto expense decrease.

**Supplies and Materials** Postage costs were increased for the mailing of appraisal and ARB notices and for a postage rate increase. The increase was offset by a reduction in software costs and computer supplies.

**Operational Services** is the District's telephone communication system. An increase was noted from the previous year for additional phone equipment needed to support increased requests for ARB phone hearings.

**Maintenance of Structure** shows a slight decrease due to an expected reduction in electric utility costs. Most other costs remained constant.

**Maintenance of Equipment** increased in the line items for equipment and PC Maintenance. The equipment costs include the phone system and UPS maintenance. PC Maintenance includes funds for maintenance and replacement of servers, network equipment, desktop devices, and the iPad computers used as field devices by the appraisal staff. Software maintenance costs are budgeted to maintain the software for network and desktop applications and have declined over last year's budget.

**Contractual Services** increased due to completing payment for the digital photo lease early. Early payment will result in an interest cost savings of just under \$11,000 over the remaining two years of the lease.

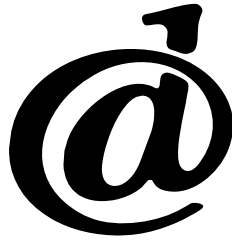
**Sundry Expenses** noted an increase in the categories of Training costs and Dues and Subscriptions. Travel costs decreased slightly, as two conferences are being held locally.

**Insurance and Benefits** are staying comparable to last year's budget. Group Medical costs are anticipated at a rate of 12% and the Retirement expense is at a rate of 20% to keep the employee program current. A decrease in unemployment compensation is expected, along with a slight reduction in Medicare tax.

**Professional Services** decreased slightly from last year as a result of fewer anticipated SOAH and arbitration hearings. ARB Compensation increased due to more hearing days and more total panels being anticipated to complete the increasing demands of the ARB process.

**Capital Expenditures** increased slightly due to the costs associated with the expected construction of two new ARB rooms. This is offset by a small reduction in needed new IT equipment.

**Technology Development and Capital Improvement** includes funds for carpet replacement and other necessary interior/exterior upgrades for this fiscal year. Capital Improvement projects are funded from surplus funds approved by the Board of Directors upon the approval of the Capital Improvement Plan annually.



## Dallas Central Appraisal District 10 Year Budget Analysis

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
<b>Budget Amount</b>	\$21,733,893	\$21,516,555	\$21,516,555	\$21,872,977	\$23,009,832
<b>Budget Increase/Decrease</b>	-\$65,234	-\$217,338	\$0	\$356,422	\$1,136,855
<b>% Budget Increase/Decrease</b>	-0.30%	-1.00%	0.00%	1.66%	5.20%
<b>Merit Increases</b>	0.00%	0.00%	0.00%	3.00%	3.00%
<b>Entity Salary Survey</b>	1.50%	1.09%	1.08%	3.13%	2.92%
<b># of Personnel</b>	240	232	229	229	228



## Dallas Central Appraisal District 10 Year Budget Analysis

2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
\$23,677,340	\$24,471,932	\$25,546,023	\$27,495,334	\$28,144,871
\$667,508	\$794,592	\$1,074,091	\$1,949,311	\$649,537
2.90%	3.36%	4.39%	7.63%	2.36%
3.00%	2.50%	4.00%	3.00%	3.00%
3.14%	2.68%	3.80%	2.86%	2.70%
228	228	228	235	235

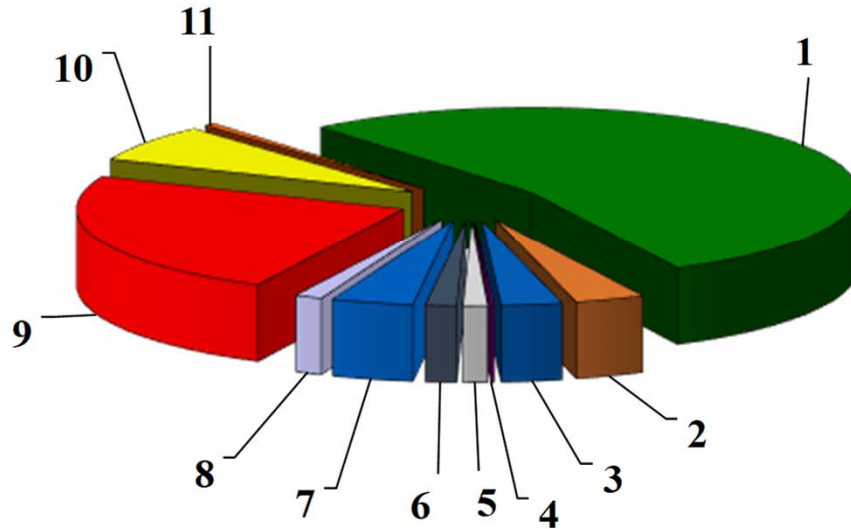
# Dallas Central Appraisal District

## Proposed Areas Of Change

	2018/2019	2019/2020	Increase or	Percent
	<u>Approved</u>	<u>Proposed</u>	<u>(Decrease)</u>	<u>Variance</u>
<b>BUDGET EXPENDITURES:</b>				
Salaries & Wages	\$14,932,929	\$15,120,038	\$187,109	1.25%
Auto Expense	\$973,067	\$969,521	(\$3,546)	-0.36%
Supplies & Materials	\$821,124	\$844,541	\$23,417	2.85%
Operational Services	\$39,330	\$45,795	\$6,465	16.44%
Maintenance of Structure	\$357,211	\$338,412	(\$18,799)	-5.26%
Maintenance of Equipment	\$356,258	\$431,435	\$75,177	21.10%
Contractual Services	\$792,773	\$1,135,408	\$342,635	43.22%
Sundry Expenses	\$350,780	\$374,929	\$24,149	6.88%
Insurance & Benefits	\$6,743,287	\$6,749,564	\$6,277	0.09%
Professional Services	\$2,009,875	\$1,981,088	(\$28,787)	-1.43%
Capital Expenditures	\$118,700	\$154,140	\$35,440	29.86%
Technology Development	\$0	\$0	\$0	0.00%
Contingency	\$0	\$0	\$0	0.00%
Total Expenditures	<u>\$27,495,334</u>	<u>\$28,144,871</u>	<u>\$649,537</u>	<u>2.36%</u>

# 2019/2020

## Budget by Category

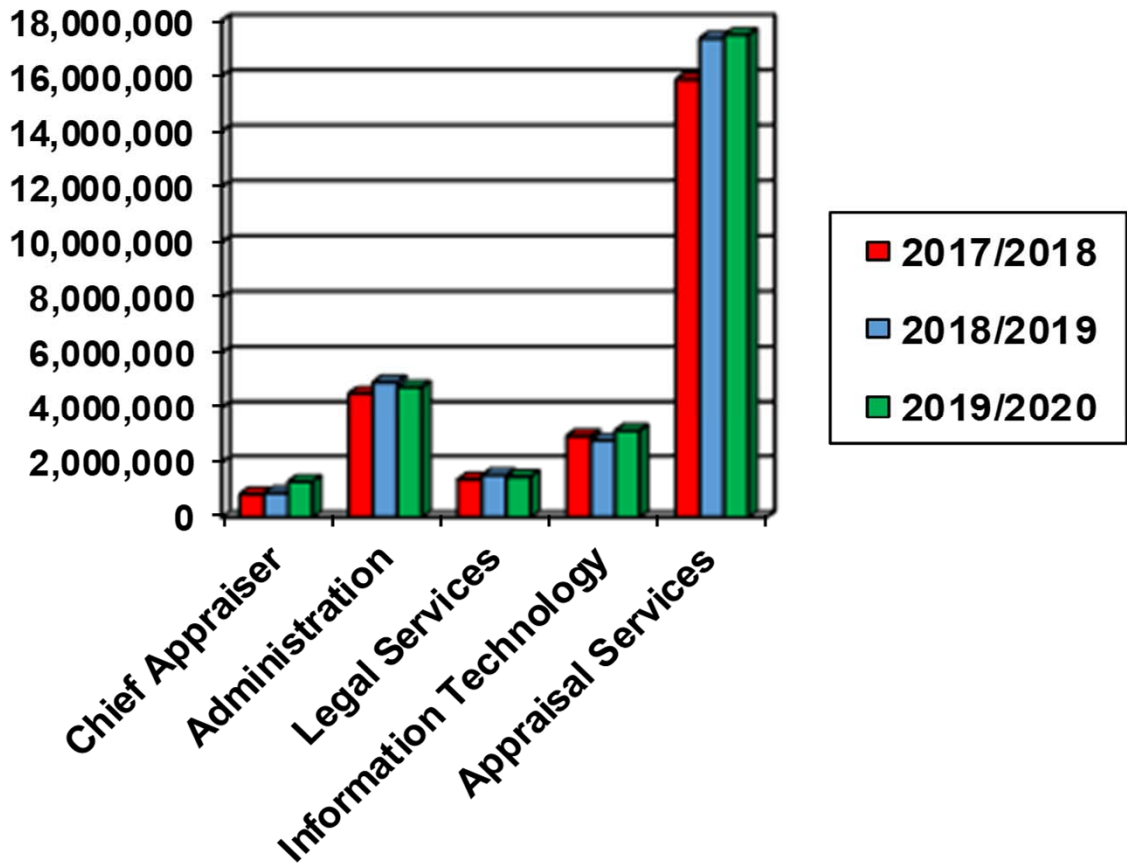


<u>Category</u>	<u>Budget Total</u>	<u>Percent</u>
1 Salaries & Wages	\$15,120,038	53.7%
2 Auto Expenses	969,521	3.4%
3 Supplies & Materials	844,541	3.0%
4 Operational Services	45,795	0.2%
5 Maintenance of Structure	338,412	1.2%
6 Maintenance of Equipment	431,435	1.5%
7 Contractual Services	1,135,408	4.0%
8 Sundry Expenses	374,929	1.3%
9 Insurance & Benefits	6,749,564	24.0%
10 Professional Services	1,981,088	7.0%
11 Capital Expenditures	154,140	0.7%
<b>Total</b>	<b>\$28,144,871</b>	<b>100%</b>

# Dallas Central Appraisal District

## Budget Comparison

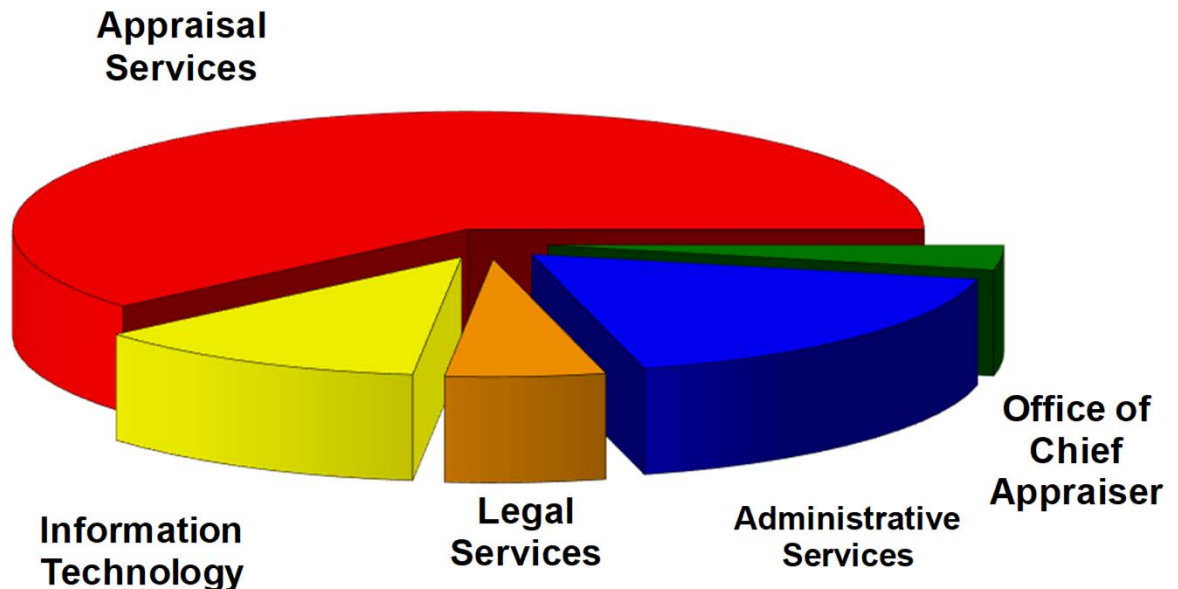
<u>Category</u>	<u>2017/2018 Approved</u>	<u>2017/2018 Actual</u>	<u>2018/2019 Approved</u>	<u>2019/2020 Proposed</u>
Consolidated				
Office of Chief Appraiser	\$842,306	\$846,054	\$884,708	\$1,294,900
Consolidated				
Administrative Services	4,515,551	4,797,782	4,930,389	4,744,249
Consolidated				
Legal Services	1,380,772	1,290,704	1,533,764	1,476,465
Consolidated				
Information Technology	2,942,382	2,772,745	2,788,994	3,141,113
Consolidated				
Appraisal Services	15,865,012	15,927,051	17,357,479	17,488,144
Contingency	0	0	0	0
<b>Total</b>	<b><u>\$25,546,023</u></b>	<b><u>\$25,634,336</u></b>	<b><u>\$27,495,334</u></b>	<b><u>\$28,144,871</u></b>





# 2019/2020

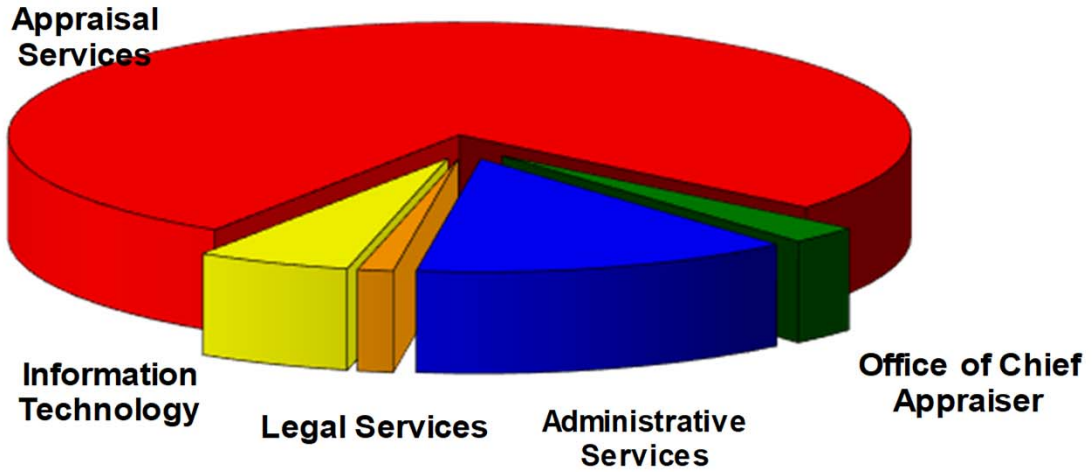
## Budget By Department



<u>Department</u>	<u>Budget Total</u>	<u>Percent</u>
Office of Chief Appraiser	\$1,294,900	4.6%
Administrative Services	4,744,249	16.9%
Legal Services	1,476,465	5.2%
Information Technology	3,141,113	11.2%
Appraisal Services	<u>17,488,144</u>	<u>62.1%</u>
<b>Total</b>	<b>\$28,144,871</b>	<b>100%</b>

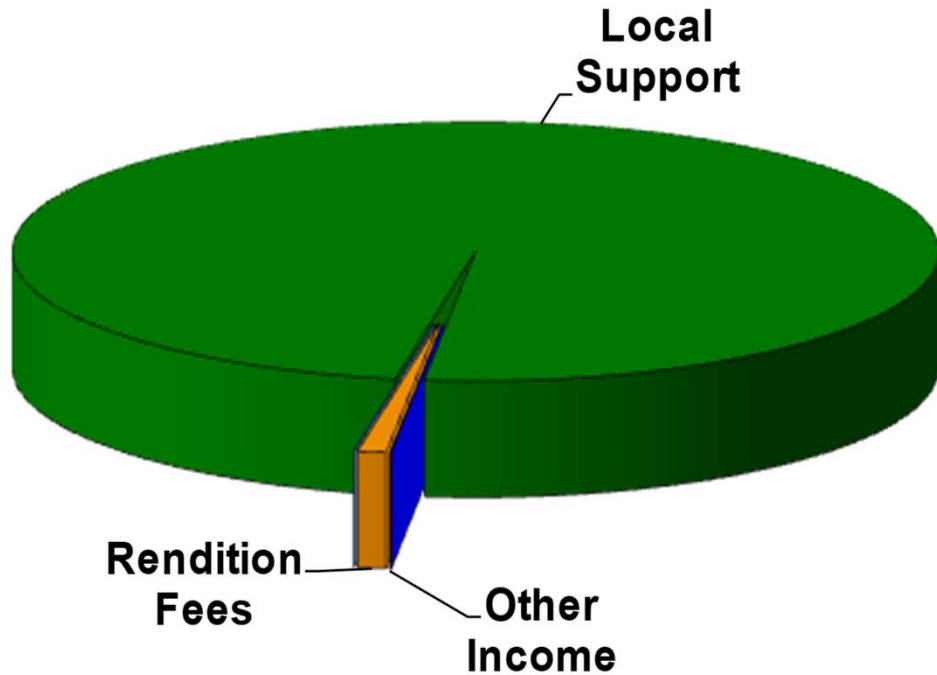
# 2019/2020

## Personnel Breakdown



<u>Department</u>	<u>Number of Personnel</u>	<u>Percent</u>
Office of Chief Appraiser	6	2.6%
Administrative Services	32	13.6%
Legal Services	3	1.3%
Information Technology	13	5.5%
Appraisal Services	<u>181</u>	<u>77.0%</u>
<b>Total</b>	<b>235</b>	<b>100%</b>

# 2019/2020 Operating Funds Sources



<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Local Support	\$27,869,871	99.02%
Investment Proceeds	0	0.00%
Rendition Fees	265,000	0.94%
Other Income	10,000	0.04%
<b>Total</b>	<b>\$28,144,871</b>	<b>100.00%</b>

# Revenue Summary Budget Allocation Comparison

	<b>2018/2019 Approved <u>Allocation</u></b>	<b>%</b>	<b>2019/2020 Proposed <u>Allocation</u></b>	<b>%</b>
Local Support				
Municipalities	\$6,866,411	25.23%	\$6,838,681	24.54%
School Districts	\$11,280,476	41.44%	\$11,741,233	42.13%
County/County Wide	\$8,777,117	32.24%	\$9,019,947	32.36%
Special Districts				
Non-County Wide	\$296,328	1.09%	\$270,010	0.97%
Special Districts				
<b>TOTAL</b>	<b>\$27,220,332</b>	<b>100%</b>	<b>\$27,869,871</b>	<b>100%</b>

# 2019/2020

## PROPOSED BUDGET ALLOCATIONS

	<u>2018/2019 Approved Allocation</u>	<u>2019/2020 Proposed Allocation</u>	<u>Increase or (Decrease)</u>	<u>% Change</u>
<b>County/County-wide</b>				
<b>Special Districts:</b>				
Dallas County	3,497,208	3,617,184	119,976	3.43%
D.C.H.D.	4,035,788	4,165,979	130,191	3.23%
D.C.C.C.D.	1,244,121	1,236,783	(7,338)	-0.59%
<b>Subtotal</b>	<b>8,777,117</b>	<b>9,019,946</b>	<b>242,829</b>	<b>2.77%</b>
<b>Non-County-Wide</b>				
<b>Special Districts:</b>				
Dallas URD	210,573	188,994	(21,579)	-10.25%
Valwood Imp. Authority	19,122	17,537	(1,585)	-8.29%
Irving FCD 1	6,693	6,491	(202)	-3.02%
Irving FCD 3	10,595	10,353	(242)	-2.28%
Dallas FCD #1	36,477	33,965	(2,512)	-6.89%
Denton County LID #1	1,933	1,825	(108)	-5.59%
Denton County RUD #1	0	0	0	0.00%
Lancaster MUD #1	4,026	4,241	215	5.34%
Grand Prairie Metro URD	511	451	(60)	-11.74%
Northwest FCD	6,398	6,152	(246)	-3.84%
<b>Subtotal</b>	<b>296,328</b>	<b>270,009</b>	<b>(26,319)</b>	<b>-8.88%</b>

# 2019/2020

## PROPOSED BUDGET ALLOCATIONS

	<b>2018/2019</b>	<b>2019/2020</b>	<b>Increase or</b>	<b>% Change</b>
	<b>Approved</b>	<b>Proposed</b>	<b>(Decrease)</b>	
<b>Cities:</b>	<b><u>Allocation</u></b>	<b><u>Allocation</u></b>		
Addison	106,459	103,230	(3,229)	-3.03%
Balch Springs	29,697	30,350	653	2.20%
Carrollton	156,517	151,473	(5,044)	-3.22%
Cedar Hill	102,294	101,809	(485)	-0.47%
Cockrell Hill	4,872	4,710	(162)	-3.33%
Combine	163	167	4	2.45%
Coppell	172,005	166,132	(5,873)	-3.41%
Dallas	3,788,363	3,772,606	(15,757)	-0.42%
DeSoto	123,172	122,182	(990)	-0.80%
Duncanville	69,031	68,532	(499)	-0.72%
Farmers Branch	134,142	133,051	(1,091)	-0.81%
Ferris	381	418	37	9.71%
Garland	415,600	418,494	2,894	0.70%
Glenn Heights	16,550	16,415	(135)	-0.82%
Grand Prairie	187,412	192,692	5,280	2.82%
Grapevine	2,341	2,536	195	8.33%
Highland Park	57,408	54,904	(2,504)	-4.36%
Hutchins	16,278	18,533	2,255	13.85%
Irving	625,142	611,381	(13,761)	-2.20%
Lancaster	85,608	88,459	2,851	3.33%
Lewisville	1,633	1,616	(17)	-1.04%
Mesquite	220,485	234,804	14,319	6.49%
Ovilla	735	725	(10)	-1.36%
Richardson	247,732	244,279	(3,453)	-1.39%
Rowlett	127,827	126,641	(1,186)	-0.93%
Sachse	40,558	39,770	(788)	-1.94%
Seagoville	19,735	20,122	387	1.96%
Sunnyvale	19,299	20,122	823	4.26%
University Park	81,498	78,705	(2,793)	-3.43%
Wilmer	11,868	12,207	339	2.86%
Wylie	1,606	1,616	10	0.62%
<b>Total</b>	<b>6,866,411</b>	<b>6,838,681</b>	<b>(27,730)</b>	<b>-0.40%</b>

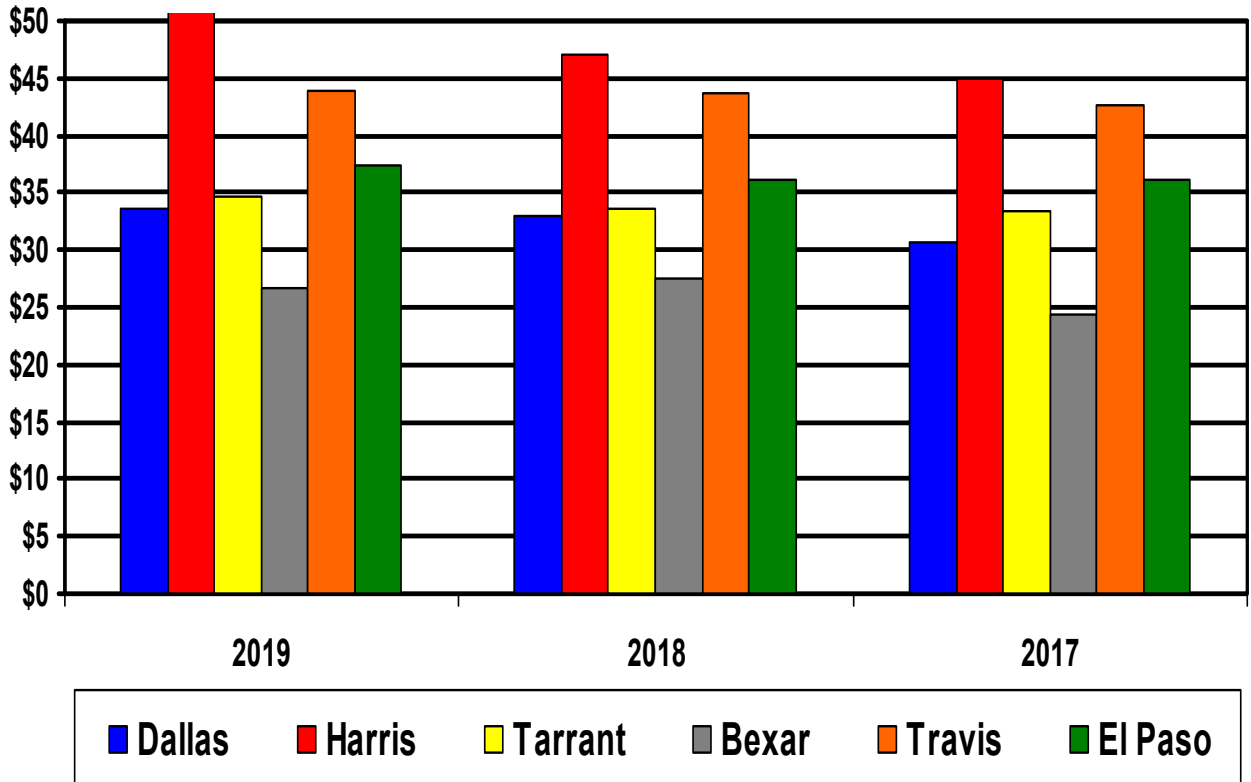
# 2019/2020

## PROPOSED BUDGET ALLOCATIONS

	<u>2018/2019 Approved Allocation</u>	<u>2019/2020 Proposed Allocation</u>	<u>Increase or (Decrease)</u>	<u>% Change</u>
<b>School Districts:</b>				
Carrollton/F.B.	782,045	759,262	(22,783)	-2.91%
Cedar Hill	176,769	159,863	(16,906)	-9.56%
Coppell	581,277	567,162	(14,115)	-2.43%
Dallas	4,999,512	5,443,977	444,465	8.89%
Dallas County Schools	79,747	78,659	(1,088)	-1.36%
DeSoto	150,176	151,643	1,467	0.98%
Duncanville	233,419	231,695	(1,724)	-0.74%
Ferris	966	1,145	179	18.53%
Garland	925,839	928,362	2,523	0.27%
Grand Prairie	373,426	375,949	2,523	0.68%
Grapevine/Colleyville	13,918	13,930	12	0.09%
Highland Park	656,360	647,192	(9,168)	-1.40%
Irving	624,457	607,393	(17,064)	-2.73%
Lancaster	125,461	128,932	3,471	2.77%
Mesquite	406,205	419,493	13,288	3.27%
Richardson	1,090,253	1,167,100	76,847	7.05%
Sunnyvale	60,646	59,476	(1,170)	-1.93%
Wilmer/Hutchins	0	0	0	0.00%
<b>Total</b>	<b>11,280,476</b>	<b>11,741,233</b>	<b>460,757</b>	<b>4.08%</b>

# APPRAISAL DISTRICT COMPARISONS

	2019	Real	Personal	Total	Cost Per Parcel		
	<u>Budget Amount</u>	<u>Property</u>	<u>Property</u>	<u>Parcels</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Dallas CAD	\$28,144,871	729,643	103,313	836,102	\$33.66	\$33.02	\$30.75
Harris CAD	\$88,094,531	1,460,020	174,854	1,634,874	\$53.88	\$47.00	\$45.06
Tarrant CAD	\$24,912,805	656,965	63,545	720,510	\$34.58	\$33.52	\$33.45
Bexar CAD	\$18,261,544	640,466	45,096	685,562	\$26.64	\$27.54	\$24.83
Travis CAD	\$19,486,627	400,805	43,916	444,721	\$43.82	\$43.65	\$42.69
El Paso CAD	\$15,663,771	394,211	24,851	419,062	\$37.38	\$36.23	\$36.13





# APPRAISAL DISTRICT EMPLOYEE COMPARISONS

<b>Appraisal District</b>	<b>2018 Budget</b>	<b>Total Parcels</b>	<b>Number of Employees</b>	<b>Parcels per Employee</b>	<b>Number of Appraisers</b>	<b>Parcels per Appraiser</b>
<b>Dallas Central Appraisal District</b>	<b>\$28,144,871</b>	<b>836,102</b>	<b>235</b>	<b>3,558</b>	<b>100</b>	<b>8,361</b>
<b>Harris Central Appraisal District</b>	<b>\$88,094,531</b>	<b>1,634,874</b>	<b>661</b>	<b>2,473</b>	<b>334</b>	<b>4,895</b>
<b>Tarrant Appraisal District</b>	<b>\$24,912,805</b>	<b>720,510</b>	<b>211</b>	<b>3,415</b>	<b>104</b>	<b>6,928</b>
<b>Bexar Appraisal District</b>	<b>\$18,261,544</b>	<b>685,562</b>	<b>160</b>	<b>4,285</b>	<b>60</b>	<b>11,426</b>
<b>Travis Central Appraisal District</b>	<b>19,486,627</b>	<b>444,721</b>	<b>125</b>	<b>3,558</b>	<b>64</b>	<b>6,949</b>
<b>El Paso Central Appraisal District</b>	<b>\$15,663,771</b>	<b>419,062</b>	<b>140</b>	<b>2,993</b>	<b>42</b>	<b>9,978</b>

## 2018-2019 BUDGET/LEVY COMPARISON

	2018	2019	
	Tax Levy	Budget Amount	Cost As % Of Levy
Dallas CAD	\$7,014,577,007	\$28,144,871	0.40
Harris CAD	\$11,620,419,310	\$88,094,531	0.76
Tarrant CAD	\$4,873,619,791	\$24,912,805	0.51
Bexar CAD	\$4,026,370,797	\$18,261,544	0.45
Travis CAD	\$4,379,778,951	\$19,486,627	0.44
El Paso CAD	\$1,220,095,973	\$15,663,771	1.28

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## ACCURACY OF APPRAISALS

	Median Level of Appraisals	Coefficient of Dispersion
Dallas Central Appraisal District	0.99	8.60
Harris Central Appraisal District	0.98	8.31
Tarrant Appraisal District	0.97	8.41
Bexar Appraisal District	0.99	7.24
Travis Central Appraisal District	0.99	7.20
El Paso Central Appraisal District	0.99	12.61

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## 2018 -2019 Dallas Central Appraisal District Entity Salary Survey

Entity	Contact Person	Title	Increase	Comments
Town of Addison	Chelsea Martin	HR Generalist	3.50%	3-4%
City of Balch Springs	Bianca Sauls	Chief Financial Officer	4.00%	
City of Carrollton	Maya Dennison	Sr Budg & Mgmt Analyst	3.50%	
City of Cedar Hill	Angelica Morales	HR Generalist	3.00%	
City of Cockrell Hill	Bret Haney	City Administrator	3.00%	
City of Combine	Robin Price	City Secretary	0.00%	1.148% of budget one time bonus
City of Coppell	Martha Thomas	Sr HR Advisor	4.00%	
City of Dallas	Laquisha Bill	Sr. HR Analyst	3.00%	
City of Desoto	Rick DeOrdio	Asst Dir HR	2.00%	
City of Duncanville	Todd Siegel	HR Director	3.00%	3% Civilian, 5% Police/fire
City of Farmers Branch	Sherrelle Evans-Jones	Director of Finance	3.00%	
City of Ferris	Melissa Gomzalez	Finance Director	0.00%	
City of Garland	Beatriz Sapene	Sr HR Analyst-Compensation	3.00%	
City of Glenn Heights	Lakeita Sutton	Finance Director	2.00%	
City of Grand Prairie	Pat Alexander	Sr. Budget Analyst	3.21%	
City of Grapevine	Gary Livingston	Management Services Director	4.50%	
Town of Highland Park	Joanna Mekeal	Finance & HR Specialist	4.20%	
City of Hutchins	Trudy Lewis	City Administrator	3.00%	
City of Irving	Corey Hendon	CompAdiminstrator	3.50%	
City of Lancaster	Dori Lee	HR Director	3.00%	
City of Lewisville	Matt Grebliunas	HR Manager	3.00%	
City of Mesquite	Kerry Graham	Employee Services Coordinator	2.00%	2% Govt ee's, 3% public safety
City of Ovilla	Linda Harding	City Accountant	3.00%	
City of Richardson	Jose Moreno	HR Director	3.00%	
City of Rowlett	Vladislav Steere	Budget Officer	5.00%	
City of Sachse	Melinda Walter	HR Director	3.00%	
City of Seagoville	Cindy Brown	HR Director	3.00%	
Town of Sunnyvale	Gretchen Delgado	Comp & Benefits Specialist	2.00%	
City of University Park	Alicia Dorsey	Director of HR	5.70%	
City of Wilmer	Missie Schwab	Finance Director	0.00%	
City of Wylie	Kortney House	HR Analyst	3.00%	
<b>Average Cities</b>			<b>2.94%</b>	



## 2018 -2019 Dallas Central Appraisal District Entity Salary Survey

Entity	Contact Person	Title	Increase	Comments
Carrollton/Farmers Branch ISD	Rebecca McDowell	Director - Payroll	3.00%	
Cedar Hill ISD	Sherra McGaha	Asst Sup of Finance	2.00%	
Coppell ISD	Vicky Cason	Administrative Assistant	3.00%	
Dallas ISD	Kristian Coopwood	Compensation Director	3.00%	
DeSoto ISD	Darryl O. Cobb	Asst Sup Talent Mgmt	0.00%	
Duncanville ISD	Edd Bigbee	Chief Financial Officer	0.00%	
Ferris ISD	TJ Knight	Deputy Superintendent	2.00%	
Garland ISD	Gilberto Prado	Budget Director	1.50%	
Grand Prairie ISD	Robb Welch	Deputy Superintendent Business Ops	2.00%	
Grapevine/Colleyville ISD	DaiAnn Mooney	Chief Financial Officer	2.50%	
Highland Park ISD	Mike White	Asst. Superintendent of Business	1.00%	
Irving ISD	Gary Micinski	Chief Financial Officer	2.50%	2% teachers/exmpt ee's, 3% non-exmpt
Lancaster ISD	Shonna Pumphrey	Chief Financial Officer	0.00%	
Mesquite ISD	Emilio Duran	Dir. Personnel Services	2.00%	
Richardson ISD	Mary Welch	Director of Compensation	2.50%	Corrected from 0% to 2.5%, after TRE
Sunnyvale ISD	Margaret Davis	Business Manager	2.00%	
<b>Average School Districts</b>			<b>1.81%</b>	

Dallas County	Joyce Howell	HR Analyst I V	4.00%	
DCCCD	Thomas Tiska	Assoc. Chief, Bus Affairs	3.00%	
<b>Average Countywide</b>			<b>3.50%</b>	

<b>Total Aggregated Average for All Entities</b>			<b>2.75%</b>
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2019/2020 Dallas Central Appraisal District Proposed Budget Allocation Analysis

ENTITY and ENTITY CODE		2017 Grand Total Taxable Value 9/2017	2018 Grand Total Taxable Value 9/2018	Taxable Value Change	Taxable Value Percent Change	2017 Tax Rates	2018 Tax Rates	Tax Rate Change	Tax Rate Percent Change	2017 Levy	2018 Levy	Levy Change	Levy Percent Change	2018/2019 Budget Allocation	2020/2019 Proposed Budget Allocation	Budget Allocation Change	Budget Allocation Percent Change
<b>CITIES</b>																	
Addison	CA	\$4,459,781,021	\$4,724,399,425	\$264,618,404	5.93%	0.550000	0.550000	0.000000	0.00%	\$24,528,796	\$25,984,197	\$1,455,401	5.93%	\$106,459	\$103,230	(3,229)	(3.03%)
Balch Springs	CB	852,415,626	951,614,874	99,199,248	11.64%	0.803000	0.803000	0.000000	0.00%	6,844,897	7,641,467	796,570	11.64%	29,697	30,350	653	2.20%
Carrollton - Dallas Co.	CC	6,012,639,706	6,407,955,292	395,315,586	6.57%	0.599700	0.594970	(0.004730)	(0.79%)	36,057,800	38,125,412	2,067,611	5.73%	156,517	151,473	(5,044)	(3.22%)
Cedar Hill - Dallas Co.	CH	3,373,164,476	3,675,931,121	302,766,645	8.98%	0.698760	0.697028	(0.001732)	(0.25%)	23,570,324	25,622,269	2,051,945	8.71%	102,294	101,809	(485)	(0.47%)
Cockrell Hill	CL	105,935,987	120,110,240	14,174,253	13.38%	1.058833	0.988947	(0.069886)	(6.60%)	1,121,685	1,187,827	66,141	5.90%	4,872	4,710	(162)	(3.33%)
Combine	OM	10,906,628	11,228,456	321,828	2.95%	0.350000	0.350000	0.000000	0.00%	38,173	39,306	1,126	2.95%	163	167	4	2.45%
Coppell - Dallas Co	CO	6,838,433,814	7,342,730,555	504,296,741	7.37%	0.579500	0.569500	(0.010000)	(1.73%)	39,628,724	41,816,851	2,188,127	5.52%	172,005	166,132	(5,873)	(3.41%)
Dallas	DA	111,841,989,764	122,251,467,782	10,409,478,018	9.31%	0.780400	0.776700	(0.003700)	(0.47%)	872,814,888	949,527,150	76,712,262	8.79%	3,788,363	3,772,606	(15,757)	(0.42%)
DeSoto	CS	3,835,514,625	4,262,865,083	427,350,458	11.14%	0.739900	0.721394	(0.018506)	(2.50%)	28,378,973	30,752,053	2,373,080	8.36%	123,172	122,182	(990)	(0.80%)
Duncanville	CV	2,097,223,216	2,304,758,108	207,534,892	9.90%	0.758447	0.748447	(0.010000)	(1.32%)	15,906,327	17,249,893	1,343,566	8.45%	69,031	68,532	(499)	(0.72%)
Farmers Branch	CF	5,131,542,465	5,586,246,528	454,704,063	8.86%	0.602267	0.599507	(0.002760)	(0.46%)	30,905,587	33,489,939	2,584,352	8.36%	134,142	133,051	(1,091)	(0.81%)
Ferris	FE	12,676,916	15,145,736	2,468,820	19.47%	0.687134	0.687134	0.000000	0.00%	87,107	104,072	16,964	19.47%	381	418	37	9.71%
Garland - Dallas Co	CG	13,589,018,269	14,948,795,119	1,359,776,850	10.01%	0.704600	0.704600	0.000000	0.00%	95,748,223	105,329,210	9,580,988	10.01%	415,600	418,494	2,894	0.70%
Glenn Heights - Dallas Co	CE	430,348,384	469,647,380	39,298,996	9.13%	0.885434	0.879181	(0.006253)	(0.71%)	3,810,451	4,129,051	318,600	8.36%	16,550	16,415	(135)	(0.82%)
Grand Prairie - Dallas Co	CP	6,444,335,155	7,238,133,147	793,797,992	12.32%	0.669998	0.669998	0.000000	0.00%	43,176,917	48,495,347	5,318,431	12.32%	187,412	192,692	5,280	2.82%
Grapevine	GV	185,938,272	220,032,308	34,094,036	18.34%	0.289271	0.289271	0.000000	0.00%	537,865	636,490	98,624	18.34%	2,341	2,536	195	8.33%
Highland Park	TH	6,012,769,984	6,282,630,320	269,860,336	4.49%	0.220000	0.220000	0.000000	0.00%	13,228,094	13,821,787	593,693	4.49%	57,408	54,904	(2,504)	(4.36%)
Hutchins	CU	549,790,158	683,714,755	133,924,597	24.36%	0.682459	0.682459	0.000000	0.00%	3,752,092	4,666,073	913,980	24.36%	16,278	18,533	2,255	13.85%
Irving	CI	24,242,770,872	25,900,950,166	1,658,179,294	6.84%	0.594100	0.594100	0.000000	0.00%	144,026,302	153,877,545	9,851,243	6.84%	625,142	611,381	(13,761)	(2.20%)
Lancaster	CN	2,273,706,062	2,566,096,144	292,390,082	12.86%	0.867500	0.867500	0.000000	0.00%	19,724,400	22,260,884	2,536,484	12.86%	85,608	88,459	2,851	3.33%
Lewisville	LE	86,576,143	94,066,020	7,489,877	8.65%	0.436086	0.436086	0.000000	0.00%	377,546	410,209	32,662	8.65%	1,633	1,616	(17)	(1.04%)
Mesquite - Dallas Co	CM	7,394,258,527	8,051,550,359	657,291,832	8.89%	0.687000	0.734000	0.047000	6.84%	50,798,556	59,098,380	8,299,824	16.34%	220,485	234,804	14,319	6.49%
Ovilla	OV	25,181,311	27,853,057	2,671,746	10.61%	0.680399	0.660000	(0.020399)	(3.00%)	171,333	183,830	12,497	7.29%	735	725	(10)	(1.36%)
Richardson	CR	9,129,322,804	9,834,318,612	704,995,808	7.72%	0.625160	0.625160	0.000000	0.00%	57,072,874	61,480,226	4,407,352	7.72%	247,732	244,279	(3,453)	(1.39%)
Rowlett - Dallas Co	CW	3,789,220,379	4,209,564,535	420,344,156	11.09%	0.777173	0.757173	(0.020000)	(2.57%)	29,448,798	31,873,686	2,424,888	8.23%	127,827	126,641	(1,186)	(0.93%)
Sachse	CK	1,250,407,793	1,390,681,320	140,273,527	11.22%	0.747279	0.720000	(0.027279)	(3.65%)	9,344,035	10,012,906	668,871	7.16%	40,558	39,770	(788)	(1.94%)
Seagoville - Dallas Co	CJ	611,597,202	680,439,553	68,842,351	11.26%	0.743800	0.743800	0.000000	0.00%	4,549,060	5,061,109	512,049	11.26%	19,735	20,122	387	1.96%
Sunnyvale	TS	1,076,713,864	1,226,509,103	149,795,239	13.91%	0.413088	0.412900	(0.000188)	(0.05%)	4,447,776	5,064,256	616,480	13.86%	19,299	20,122	823	4.26%
University Park	CQ	7,548,899,037	8,072,041,154	523,142,117	6.93%	0.248761	0.245379	(0.003382)	(1.36%)	18,778,717	19,807,094	1,028,377	5.48%	81,498	78,705	(2,793)	(3.43%)
Wilmer	CT	544,105,189	598,361,976	54,256,787	9.97%	0.502900	0.512900	0.010000	1.99%	2,736,305	3,068,999	332,694	12.16%	11,868	12,207	339	2.86%
Wylie	WY	47,246,716	55,584,594	8,337,878	17.65%	0.781000	0.725848	(0.055152)	(7.06%)	368,997	403,460	34,463	9.34%	1,606	1,616	10	0.62%
<b>COUNTYWIDE ENTITIES</b>																	
Dallas County	DC	223,639,375,599	243,785,893,485	20,146,517,886	9.01%	0.243100	0.243100	0.000000	0.00%	543,667,322	592,643,507	48,976,185	9.01%	3,497,208	3,617,184	119,976	3.43%
Dallas Co Community College	DO	230,715,898,093	251,037,442,893	20,321,544,800	8.81%	0.124238	0.124000	(0.000238)	(0.19%)	286,636,817	311,286,429	24,649,612	8.60%	1,244,121	1,236,783	(7,338)	(0.59%)
Parkland Hospital	PH	224,550,318,979	244,294,432,279	19,744,113,300	8.79%	0.279400	0.279400	0.000000	0.00%	627,393,591	682,558,644	55,165,053	8.79%	4,035,788	4,165,979	130,191	3.23%
<b>SCHOOL DISTRICTS</b>																	
Carrollton/Farmers Branch ISD	AS	15,880,626,671	17,176,263,779	1,295,637,108	8.16%	1.391700	1.370000	(0.021700)	(1.56%)	221,010,681	235,314,814	14,304,132	6.47%	782,045	759,262	(22,783)	(2.91%)
Cedar Hill ISD	ES	3,269,912,337	3,600,710,925	330,798,588	10.12%	1.516000	1.376000	(0.140000)	(9.23%)	49,571,871	49,545,782	(26,089)	(0.05%)	176,769	159,863	(16,906)	(9.56%)
Coppell ISD	OS	11,031,299,124	12,035,463,919	1,004,164,795	9.10%	1.492700	1.460500	(0.032200)	(2.16%)	164,664,202	175,777,951	11,113,749	6.75%	581,277	567,162	(14,115)	(2.43%)
Dallas ISD	DS	109,355,515,261	119,489,090,937	10,133,575,676	9.27%	1.282085	1.412035	0.129950	10.14%	1,402,030,658	1,687,227,785	285,197,127	20.34%	4,999,512	5,443,977	444,465	8.89%
DeSoto ISD	SS	2,826,475,360	3,154,234,604	327,759,244	11.60%	1.460000	1.490000	0.030000	2.05%	41,266,540	46,998,096	5,731,555	13.89%	150,176	151,643	1,467	0.98%
Duncanville ISD	US	4,302,290,641	4,724,228,238	421,937,597	9.81%	1.521480	1.520000	(0.001480)	(0.10%)	65,458,492	71,808,269	6,349,778	9.70%	233,419	231,695	(1,724)	(0.74%)
Ferris ISD	FS	19,534,163	23,382,095	3,847,932	19.70%	1.355000	1.517300	0.162300	11.98%	264,688	354,777	90,089	34.04%	966	1,145	179	18.53%
Garland ISD	GS	17,783,306,461	19,707,061,177	1,923,754,716	10.82%	1.460000	1.460000	0.000000	0.00%	259,636,274	287,723,093	28,086,819	10.82%	925,839	928,362	2,523	0.27%
Grand Prairie ISD	PS	6,565,592,719	7,305,097,298	739,504,579	11.26%	1.595000	1.595000	0.000000	0.00%	104,721,204	116,516,302	11,795,098	11.26%	373,426	375,949	2,523	0.68%
Grapevine-Colleyville ISD	VS	279,455,100	309,095,673	29,640,573	10.61%	1.396700	1.396700	0.000000	0.00%	3,903,149	4,317,139	413,990	10.61%	13,918	13,930	12	0.09%
Highland Park ISD	HS	15,297,986,218	16,234,827,548	936,841,330	6.12%	1.152700	1.235500	0.082800	7.18%	176,339,887	200,581,294	24,241,407	13.75%	656,360	647,192	(9,168)	(1.40%)
Irving ISD	IS	12,234,076,233	13,435,627,797	1,201,551,564	9.82%	1.445000	1.401100	(0.043900)	(3.04%)	176,782,402	188,246,581	11,464,179	6.48%	624,457	607,393	(17,064)	(2.73%)
Lancaster ISD	LS	2,284,647,912	2,611,711,286	327,063,374	14.32%	1.540000	1.530000	(0.010000)	(0.65%)	35,183,578	39,959,183	4,775,605	13.57%	125,461	128,932	3,471	2.77%
Mesquite ISD	MS	7,802,296,468	8,553,392,849	751,096,381	9.63%	1.460000	1.520000	0.060000	4.11%	113,913,528	130,011,571	16,098,043	14.13%	406,205	419,493	13,288	3.27%
Richardson ISD	RS	21,995,135,418	23,796,980,752	1,801,845,334	8.19%	1.390050	1.520000	0.129950	9.35%	305,743,380	361,714,107	55,970,728	18.31%	1,090,253	1,167,100	76,847	7.05%
Sunnyvale ISD	YS	1,118,890,702	1,212,713,386	93,822,684													



2019/2020 Dallas Central Appraisal District Proposed Budget Allocation Analysis

SPECIAL DISTRICTS																	
Dallas County FCD #1	DD	420,199,855	474,931,190	54,731,335	13.03%	2.250000	1.800000	(0.450000)	(20.00%)	9,454,497	8,548,761	(905,735)	(9.58%)	36,477	33,965	(2,512)	(6.89%)
Dallas County URD	DM	3,884,276,979	4,280,397,118	396,120,139	10.20%	1.295000	1.111300	(0.183700)	(14.19%)	50,301,387	47,568,053	(2,733,334)	(5.43%)	210,573	188,994	(21,579)	(10.25%)
Denton Co. LID #1	NL	243,413,011	252,361,805	8,948,794	3.68%	0.184000	0.182000	(0.002000)	(1.09%)	447,880	459,298	11,419	2.55%	1,933	1,825	(108)	(5.59%)
Denton Co. RUD #1	NR	209,931,458	216,638,467	6,707,009	3.19%	0.000000	0.000000	0.000000	0.00%	0	0	0	0.00%	0	0	0	0.00%
Grand Prairie Metro URD	GU	19,633,843	18,930,390	(703,453)	(3.58%)	0.600000	0.600000	0.000000	0.00%	117,803	113,582	(4,221)	(3.58%)	511	451	(60)	(11.74%)
Irving FCD, Section I	IF	345,737,177	359,065,346	13,328,169	3.86%	0.453000	0.455000	0.002000	0.44%	1,566,189	1,633,747	67,558	4.31%	6,693	6,491	(202)	(3.02%)
Irving FCD, Section III	ID	1,952,759,646	2,084,535,737	131,776,091	6.75%	0.125000	0.125000	0.000000	0.00%	2,440,950	2,605,670	164,720	6.75%	10,595	10,353	(242)	(2.28%)
Lancaster MUD #1	LM	92,761,773	106,738,422	13,976,649	15.07%	1.060000	1.000000	(0.060000)	(5.66%)	983,275	1,067,384	84,109	8.55%	4,026	4,241	215	5.34%
Northwest Dallas Co FCD	NF	491,385,801	516,122,827	24,737,026	5.03%	0.300000	0.300000	0.000000	0.00%	1,474,157	1,548,368	74,211	5.03%	6,398	6,152	(246)	(3.84%)
Valwood Improvement Auth.	FF	2,002,514,031	2,207,008,116	204,494,085	10.21%	0.250000	0.200000	(0.050000)	(20.00%)	5,006,285	4,414,016	(592,269)	(11.83%)	19,122	17,537	(1,585)	(8.29%)

DALLAS CENTRAL APPRAISAL DISTRICT 2019 PRELIMINARY ESTIMATED REAPPRAISAL PLAN - As of February 2019 .

ENTITY	RESIDENTIAL			COMMERCIAL			BPP			TOTAL OF ALL DIVISIONS		
	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED
<b>CITIES</b>												
Addison	727	2,581	28.17%	333	688	48.40%	2,994	2,994	100.00%	4,054	6,263	64.73%
Balch Springs	4,088	6,895	59.29%	2	973	0.21%	842	842	100.00%	4,932	8,710	56.62%
Carrollton	7,904	12,425	63.61%	944	1,774	53.21%	3,840	3,840	100.00%	12,688	18,039	70.34%
Cedar Hill	9,489	16,227	58.48%	375	1,235	30.36%	1,245	1,245	100.00%	11,109	18,707	59.38%
Cockrell Hill	116	927	12.51%	107	107	100.00%	182	182	100.00%	405	1,216	33.31%
Combine	213	341	62.46%	81	81	100.00%	17	17	100.00%	311	439	70.84%
Coppell	4,892	12,343	39.63%	477	1,089	43.80%	1,535	1,535	100.00%	6,904	14,967	46.13%
Dallas	186,931	293,185	63.76%	17,463	39,389	44.33%	47,596	47,596	100.00%	251,990	380,170	66.28%
Desoto	8,827	17,079	51.68%	696	1,276	54.55%	1,406	1,406	100.00%	10,929	19,761	55.31%
Duncanville	8,481	11,956	70.94%	360	1,044	34.48%	1,484	1,484	100.00%	10,325	14,484	71.29%
Farmers Branch	5,437	8,621	63.07%	896	1,268	70.66%	3,419	3,419	100.00%	9,752	13,308	73.28%
Ferris	0	0	0.00%	15	15	100.00%	8	8	100.00%	23	23	100.00%
Garland	32,396	64,900	49.92%	2,784	4,752	58.59%	5,896	5,896	100.00%	41,076	75,548	54.37%
Glenn Heights	2,213	3,752	58.98%	0	197	0.00%	102	102	100.00%	2,315	4,051	57.15%
Grand Prairie	22,315	36,070	61.87%	1,315	5,029	26.15%	3,142	3,142	100.00%	26,772	44,241	60.51%
Grapevine	0	0	0.00%	34	34	100.00%	89	89	100.00%	123	123	100.00%
Highland Park	1,384	3,465	39.94%	74	74	100.00%	358	358	100.00%	1,816	3,897	46.60%
Hutchins	341	1,493	22.84%	79	442	17.87%	327	327	100.00%	747	2,262	33.02%
Irving	24,229	46,800	51.77%	2,332	5,497	42.42%	8,329	8,329	100.00%	34,890	60,626	57.55%
Lancaster	7,871	12,879	61.11%	647	1,620	39.94%	926	926	100.00%	9,444	15,425	61.23%
Lewisville	101	299	33.78%	10	10	100.00%	18	18	100.00%	129	327	39.45%
Mesquite	21,744	38,284	56.80%	1,006	2,669	37.69%	3,241	3,241	100.00%	25,991	44,194	58.81%
Ovilla	65	163	39.88%	23	23	100.00%	8	8	100.00%	96	194	49.48%
Richardson	10,612	21,712	48.88%	795	1,596	49.81%	4,850	4,850	100.00%	16,257	28,158	57.73%
Rowlett	8,075	17,980	44.91%	448	1,087	41.21%	1,049	1,049	100.00%	9,572	20,116	47.58%
Sachse	1,883	5,658	33.28%	49	337	14.54%	313	313	100.00%	2,245	6,308	35.59%
Seagoville	2,760	5,233	52.74%	62	794	7.81%	473	473	100.00%	3,295	6,500	50.69%
Sunnyvale	1,229	2,756	44.59%	205	635	32.28%	423	423	100.00%	1,857	3,814	48.69%
University Park	1,486	6,948	21.39%	252	315	80.00%	732	732	100.00%	2,470	7,995	30.89%
Wilmer	811	1,613	50.28%	15	263	5.70%	206	206	100.00%	1,032	2,082	49.57%
Wylie	178	504	35.32%	16	16	100.00%	13	13	100.00%	207	533	38.84%
<b>Total Cities</b>	<b>376,798</b>	<b>653,089</b>	<b>57.69%</b>	<b>31,895</b>	<b>74,329</b>	<b>42.91%</b>	<b>95,063</b>	<b>95,063</b>	<b>100.00%</b>	<b>503,756</b>	<b>822,481</b>	<b>61.25%</b>
<b>SCHOOLS</b>												
Carrollton/Farmers Branch	14,642	24,374	60.07%	2,254	3,513	64.16%	6,460	6,460	100.00%	23,356	34,347	68.00%
Cedar Hill	10,240	16,887	60.64%	391	1,309	29.87%	1,234	1,234	100.00%	11,865	19,430	61.07%
Coppell	6,525	16,435	39.70%	794	1,553	51.13%	2,410	2,410	100.00%	9,729	20,398	47.70%
Dallas	176,824	270,571	65.35%	16,962	40,197	42.20%	47,504	47,504	100.00%	241,290	358,272	67.35%
Desoto	10,275	19,624	52.36%	545	1,117	48.79%	1,025	1,025	100.00%	11,845	21,766	54.42%
Duncanville	14,861	20,582	72.20%	982	2,084	47.12%	2,072	2,072	100.00%	17,915	24,738	72.42%
Ferris	69	115	60.00%	101	101	100.00%	14	14	100.00%	184	230	80.00%
Garland	39,919	84,526	47.23%	3,285	6,280	52.31%	6,832	6,832	100.00%	50,036	97,638	51.25%
Grand Prairie	22,054	34,638	63.67%	1,311	4,952	26.47%	3,203	3,203	100.00%	26,568	42,793	62.08%
Grapevine-Colleyville	0	0	0.00%	18	18	100.00%	154	154	100.00%	172	172	100.00%
Highland Park	3,006	10,814	27.80%	378	478	79.08%	1,754	1,754	100.00%	5,138	13,046	39.38%
Irving	19,450	37,434	51.96%	1,286	4,919	26.14%	5,902	5,902	100.00%	26,638	48,255	55.20%
Lancaster	7,525	13,214	56.95%	689	1,788	38.53%	920	920	100.00%	9,134	15,922	57.37%
Mesquite	25,029	47,577	52.61%	1,007	3,342	30.13%	3,661	3,661	100.00%	29,697	54,580	54.41%
Richardson	26,132	57,311	45.60%	1,686	3,381	49.87%	10,197	10,197	100.00%	38,015	70,889	53.63%
Sunnyvale	1,229	2,756	44.59%	206	649	31.74%	424	424	100.00%	1,859	3,829	48.55%
<b>Total Schools</b>	<b>377,780</b>	<b>656,858</b>	<b>57.51%</b>	<b>31,895</b>	<b>75,681</b>	<b>42.14%</b>	<b>93,766</b>	<b>93,766</b>	<b>100.00%</b>	<b>503,441</b>	<b>826,305</b>	<b>60.93%</b>



DALLAS CENTRAL APPRAISAL DISTRICT 2018 PRELIMINARY ESTIMATED REAPPRAISAL PLAN - As of January 2018 .

ENTITY	RESIDENTIAL			COMMERCIAL			BPP			TOTAL OF ALL DIVISIONS		
	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED
<b>CITIES</b>												
Addison	1,865	2,382	78.30%	331	687	48.18%	2,972	2,972	100.00%	5,168	6,041	85.55%
Balch Springs	4,427	6,865	64.49%	347	969	35.81%	829	829	100.00%	5,603	8,663	64.68%
Carrollton	9,869	12,462	79.19%	939	1,777	52.84%	3,763	3,763	100.00%	14,571	18,002	80.94%
Cedar Hill	10,594	16,233	65.26%	367	1,224	29.98%	1,239	1,239	100.00%	12,200	18,696	65.25%
Cockrell Hill	804	924	87.01%	105	105	100.00%	165	165	100.00%	1,074	1,194	89.95%
Combine	210	337	62.31%	76	76	100.00%	17	17	100.00%	303	430	70.47%
Coppell	8,621	12,350	69.81%	499	1,077	46.33%	1,542	1,542	100.00%	10,662	14,969	71.23%
Dallas	169,241	292,162	57.93%	17,915	39,331	45.55%	48,217	48,217	100.00%	235,373	379,710	61.99%
Desoto	10,535	17,024	61.88%	4	1,282	0.31%	1,399	1,399	100.00%	11,938	19,705	60.58%
Duncanville	9,536	11,959	79.74%	270	1,050	25.71%	1,423	1,423	100.00%	11,229	14,432	77.81%
Farmers Branch	7,104	8,116	87.53%	580	1,256	46.18%	3,366	3,366	100.00%	11,050	12,738	86.75%
Ferris	0	0	0.00%	15	15	100.00%	8	8	100.00%	23	23	100.00%
Garland	52,600	64,778	81.20%	1,627	4,736	34.35%	5,915	5,915	100.00%	60,142	75,429	79.73%
Glenn Heights	1,827	3,631	50.32%	200	200	100.00%	95	95	100.00%	2,122	3,926	54.05%
Grand Prairie	25,157	35,983	69.91%	1,232	5,021	24.54%	3,045	3,045	100.00%	29,434	44,049	66.82%
Grapevine	0	0	0.00%	34	34	100.00%	83	83	100.00%	117	117	100.00%
Highland Park	1,900	3,447	55.12%	74	74	100.00%	358	358	100.00%	2,332	3,879	60.12%
Hutchins	902	1,379	65.41%	76	441	17.23%	356	356	100.00%	1,334	2,176	61.31%
Irving	27,921	45,871	60.87%	2,706	5,508	49.13%	8,383	8,383	100.00%	39,010	59,762	65.28%
Lancaster	8,230	12,809	64.25%	727	1,606	45.27%	889	889	100.00%	9,846	15,304	64.34%
Lewisville	199	300	66.33%	10	10	100.00%	16	16	100.00%	225	326	69.02%
Mesquite	29,226	38,225	76.46%	1,234	2,665	46.30%	3,236	3,236	100.00%	33,696	44,126	76.36%
Ovilla	26	163	15.95%	23	23	100.00%	8	8	100.00%	57	194	29.38%
Richardson	19,448	21,662	89.78%	770	1,605	47.98%	5,092	5,092	100.00%	25,310	28,359	89.25%
Rowlett	11,303	17,773	63.60%	813	1,065	76.34%	1,040	1,040	100.00%	13,156	19,878	66.18%
Sachse	3,579	5,668	63.14%	326	327	99.69%	306	306	100.00%	4,211	6,301	66.83%
Seagoville	2,747	5,173	53.10%	62	792	7.83%	468	468	100.00%	3,277	6,433	50.94%
Sunnyvale	1,390	2,534	54.85%	208	625	33.28%	437	437	100.00%	2,035	3,596	56.59%
University Park	4,625	6,940	66.64%	147	324	45.37%	731	731	100.00%	5,503	7,995	68.83%
Wilmer	748	1,597	46.84%	26	26	100.00%	192	192	100.00%	966	1,815	53.22%
Wylie	320	430	74.42%	19	19	100.00%	14	14	100.00%	353	463	76.24%
<b>Total Cities</b>	<b>424,954</b>	<b>649,177</b>	<b>65.46%</b>	<b>31,762</b>	<b>73,950</b>	<b>42.95%</b>	<b>95,604</b>	<b>95,604</b>	<b>100.00%</b>	<b>552,320</b>	<b>818,731</b>	<b>67.46%</b>
<b>SCHOOLS</b>												
Carrollton/Farmers Branch	18,877	23,865	79.10%	1,328	3,499	37.95%	6,372	6,372	100.00%	26,577	33,736	78.78%
Cedar Hill	10,882	16,893	64.42%	383	1,298	29.51%	1,227	1,227	100.00%	12,492	19,418	64.33%
Coppell	11,003	16,022	68.67%	716	1,532	46.74%	2,413	2,413	100.00%	14,132	19,967	70.78%
Dallas	151,198	269,435	56.12%	17,758	40,127	44.25%	47,818	47,818	100.00%	216,774	357,380	60.66%
Desoto	11,865	19,445	61.02%	221	1,128	19.59%	1,023	1,023	100.00%	13,109	21,596	60.70%
Duncanville	14,328	20,577	69.63%	597	2,084	28.65%	2,000	2,000	100.00%	16,925	24,661	68.63%
Ferris	0	116	0.00%	100	100	100.00%	14	14	100.00%	114	230	49.57%
Garland	63,466	84,132	75.44%	2,923	6,231	46.91%	6,856	6,856	100.00%	73,245	97,219	75.34%
Grand Prairie	25,006	34,512	72.46%	1,269	4,944	25.67%	3,099	3,099	100.00%	29,374	42,555	69.03%
Grapevine-Colleyville	0	0	0.00%	18	18	100.00%	168	168	100.00%	186	186	100.00%
Highland Park	6,291	10,789	58.31%	227	487	46.61%	1,759	1,759	100.00%	8,277	13,035	63.50%
Irving	20,721	36,969	56.05%	2,306	4,922	46.85%	5,959	5,959	100.00%	28,986	47,850	60.58%
Lancaster	9,045	13,151	68.78%	701	1,776	39.47%	917	917	100.00%	10,663	15,844	67.30%
Mesquite	33,646	47,443	70.92%	1,561	3,330	46.88%	3,657	3,657	100.00%	38,864	54,430	71.40%
Richardson	48,140	57,074	84.35%	1,496	3,402	43.97%	10,418	10,418	100.00%	60,054	70,894	84.71%
Sunnyvale	1,390	2,534	54.85%	208	639	32.55%	437	437	100.00%	2,035	3,610	56.37%
<b>Total Schools</b>	<b>425,858</b>	<b>652,957</b>	<b>65.22%</b>	<b>31,812</b>	<b>75,517</b>	<b>42.13%</b>	<b>94,137</b>	<b>94,137</b>	<b>100.00%</b>	<b>551,807</b>	<b>822,611</b>	<b>67.08%</b>



DALLAS CENTRAL APPRAISAL DISTRICT 2017 PRELIMINARY ESTIMATED REAPPRAISAL PLAN - As of January 2017 .

ENTITY	RESIDENTIAL			COMMERCIAL			BPP			TOTAL OF ALL DIVISIONS		
	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED	ACCOUNTS REAPPRAISED	TOTAL NUMBER OF ACCOUNTS	PERCENT REAPPRAISED
<b>CITIES</b>												
Addison	1,194	2,358	50.64%	686	687	99.85%	3,037	3,037	100.00%	4,917	6,082	80.85%
Balch Springs	2,856	6,875	41.54%	623	964	64.63%	780	780	100.00%	4,259	8,619	49.41%
Carrollton	9,076	12,462	72.83%	1,406	1,778	79.08%	3,728	3,728	100.00%	14,210	17,968	79.09%
Cedar Hill	9,239	16,207	57.01%	698	1,216	57.40%	1,228	1,228	100.00%	11,165	18,651	59.86%
Cockrell Hill	926	926	100.00%	105	105	100.00%	168	168	100.00%	1,199	1,199	100.00%
Combine	209	334	62.57%	75	75	100.00%	13	13	100.00%	297	422	70.38%
Coppell	6,440	12,275	52.46%	672	1,077	62.40%	1,507	1,507	100.00%	8,619	14,859	58.01%
Dallas	155,742	292,124	53.31%	20,883	39,169	53.32%	48,653	48,653	100.00%	225,278	379,946	59.29%
Desoto	7,320	16,935	43.22%	591	1,285	45.99%	1,349	1,349	100.00%	9,260	19,569	47.32%
Duncanville	6,319	11,960	52.83%	737	1,048	70.32%	1,403	1,403	100.00%	8,459	14,411	58.70%
Farmers Branch	6,591	8,116	81.21%	610	1,244	49.04%	3,319	3,319	100.00%	10,520	12,679	82.97%
Ferris	0	0	0.00%	15	15	100.00%	7	7	100.00%	22	22	100.00%
Garland	40,066	64,789	61.84%	2,670	4,709	56.70%	5,839	5,839	100.00%	48,575	75,337	64.48%
Glenn Heights	2,249	3,489	64.46%	20	199	10.05%	87	87	100.00%	2,356	3,775	62.41%
Grand Prairie	24,716	35,977	68.70%	965	4,870	19.82%	2,977	2,977	100.00%	28,658	43,824	65.39%
Grapevine	0	0	0.00%	33	33	100.00%	75	75	100.00%	108	108	100.00%
Highland Park	812	3,447	23.56%	76	76	100.00%	374	374	100.00%	1,262	3,897	32.38%
Hutchins	525	1,379	38.07%	75	421	17.81%	329	329	100.00%	929	2,129	43.64%
Irving	23,126	45,364	50.98%	2,271	5,518	41.16%	8,313	8,313	100.00%	33,710	59,195	56.95%
Lancaster	6,066	12,713	47.71%	562	1,604	35.04%	869	869	100.00%	7,497	15,186	49.37%
Lewisville	186	300	62.00%	10	10	100.00%	17	17	100.00%	213	327	65.14%
Mesquite	31,132	38,221	81.45%	782	2,658	29.42%	3,187	3,187	100.00%	35,101	44,066	79.66%
Ovilla	0	162	0.00%	23	23	100.00%	9	9	100.00%	32	194	16.49%
Richardson	17,874	21,659	82.52%	1,070	1,596	67.04%	4,959	4,959	100.00%	23,903	28,214	84.72%
Rowlett	10,057	17,771	56.59%	372	1,037	35.87%	1,007	1,007	100.00%	11,436	19,815	57.71%
Sachse	3,209	5,592	57.39%	48	325	14.77%	298	298	100.00%	3,555	6,215	57.20%
Seagoville	1,443	5,160	27.97%	786	786	100.00%	447	447	100.00%	2,676	6,393	41.86%
Sunnyvale	1,365	2,467	55.33%	241	629	38.31%	452	452	100.00%	2,058	3,548	58.00%
University Park	1,362	6,940	19.63%	217	320	67.81%	762	762	100.00%	2,341	8,022	29.18%
Wilmer	548	1,544	35.49%	249	250	99.60%	183	183	100.00%	980	1,977	49.57%
Wylie	152	384	39.58%	18	18	100.00%	12	12	100.00%	182	414	43.96%
<b>Total Cities</b>	<b>370,800</b>	<b>647,930</b>	<b>57.23%</b>	<b>37,589</b>	<b>73,745</b>	<b>50.97%</b>	<b>95,388</b>	<b>95,388</b>	<b>100.00%</b>	<b>503,777</b>	<b>817,063</b>	<b>61.66%</b>
<b>SCHOOLS</b>												
Carrollton/Farmers Branch	17,516	23,833	73.49%	2,195	3,484	63.00%	6,293	6,293	100.00%	26,004	33,610	77.37%
Cedar Hill	10,205	16,865	60.51%	700	1,293	54.14%	1,218	1,218	100.00%	12,123	19,376	62.57%
Coppell	8,712	15,760	55.28%	943	1,541	61.19%	2,332	2,332	100.00%	11,987	19,633	61.06%
Dallas	132,682	269,435	49.24%	22,213	39,937	55.62%	48,425	48,425	100.00%	203,320	357,797	56.83%
Desoto	9,055	19,213	47.13%	369	1,129	32.68%	996	996	100.00%	10,420	21,338	48.83%
Duncanville	11,000	20,575	53.46%	862	2,089	41.26%	1,980	1,980	100.00%	13,842	24,644	56.17%
Ferris	0	116	0.00%	99	99	100.00%	17	17	100.00%	116	232	50.00%
Garland	48,678	83,995	57.95%	3,087	6,172	50.02%	6,762	6,762	100.00%	58,527	96,929	60.38%
Grand Prairie	23,979	34,523	69.46%	881	4,795	18.37%	3,018	3,018	100.00%	27,878	42,336	65.85%
Grapevine-Colleyville	0	0	0.00%	18	18	100.00%	155	155	100.00%	173	173	100.00%
Highland Park	2,330	10,789	21.60%	334	483	69.15%	1,839	1,839	100.00%	4,503	13,111	34.35%
Irving	17,196	36,665	46.90%	2,454	4,927	49.81%	5,900	5,900	100.00%	25,550	47,492	53.80%
Lancaster	6,546	13,059	50.13%	710	1,773	40.05%	881	881	100.00%	8,137	15,713	51.79%
Mesquite	34,783	47,379	73.41%	1,123	3,318	33.85%	3,592	3,592	100.00%	39,498	54,289	72.76%
Richardson	46,147	57,011	80.94%	2,303	3,388	67.98%	10,097	10,097	100.00%	58,547	70,496	83.05%
Sunnyvale	1,365	2,467	55.33%	253	642	39.41%	451	451	100.00%	2,069	3,560	58.12%
<b>Total Schools</b>	<b>370,194</b>	<b>651,685</b>	<b>56.81%</b>	<b>38,544</b>	<b>75,088</b>	<b>51.33%</b>	<b>93,956</b>	<b>93,956</b>	<b>100.00%</b>	<b>502,694</b>	<b>820,729</b>	<b>61.25%</b>

# Memorandum



CITY OF DALLAS

DATE March 14, 2019

Honorable Members of the Government Performance & Financial Management  
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Budget Accountability Report – January 2019**

On March 18, 2019, Director of Budget Jack Ireland will present a briefing to the Government Performance and Financial Management Committee on the Budget Accountability Report for January 2019. The briefing materials are attached for your review.

If you have any questions or concerns, please contact my office at (214) 670-3390.

*M. Elizabeth Reich*  
M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol Smith, City Auditor (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager & Chief of Resilience  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors

# Budget Accountability Report

**Government  
Performance & Financial  
Management Committee  
March 18, 2019**

**Jack Ireland, Director  
Office of Budget**





# Raising the “BAR”

- Budget Accountability Report as of January 31



# Financial Forecast Report

- Based on 4 months of actual data and 8 months projection, revenue and expenses for all operating funds are forecast to end the year within 5% of budget

Operating Fund	Year-End Forecast vs. Budget	
	Revenues	Expenses
General Fund	✓	✓
Aviation	✓	✓
Convention and Event Services	✓	✓
Municipal Radio	✓	✓
Sanitation Services	✓	✓
Storm Drainage Management	✓	✓
Sustainable Development and Construction	✓	✓
Dallas Water Utilities	✓	✓
Information Technology	✓	✓
Radio Services	✓	✓
Equipment and Fleet Management	✓	✓
Express Business Center	✓	✓
9-1-1 System Operations	✓	✓
Debt Service	✓	✓

✓ YE forecast within 5% of budget

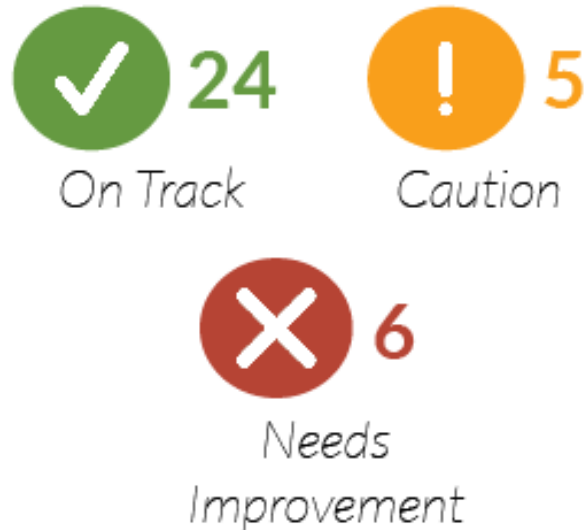
! YE forecast within 6-10% of budget

✗ YE forecast more than 10% from budget or no forecast provided



# Dallas 365

- 69% of measures are on track
- 31% of measures are in either caution or needs improvement status



# Budget Initiative Tracker

- Nearly all budget initiatives are on track as planned this fiscal year
- Completed an additional initiative in January (#1 – Uniform pay increases became effective)



# Budget Accountability Report

Government  
Performance & Financial  
Management Committee  
March 18, 2019

Jack Ireland, Director  
Office of Budget







JANUARY 2019  
**BUDGET  
ACCOUNTABILITY  
REPORT**

PREPARED BY THE  
**OFFICE OF BUDGET**

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1500 Marilla Street, 4FN  
Dallas, TX 75201

214-670-3659  
[financialtransparency.dallascityhall.com](http://financialtransparency.dallascityhall.com)

# EXECUTIVE SUMMARY

## Financial Forecast Report

Operating Fund	Year-End Forecast vs. Budget	
	Revenues	Expenses
General Fund	✓	✓
Aviation	✓	✓
Convention and Event Services	✓	✓
Municipal Radio	✓	✓
Sanitation Services	✓	✓
Storm Drainage Management	✓	✓
Sustainable Development and Construction	✓	✓
Dallas Water Utilities	✓	✓
Information Technology	✓	✓
Radio Services	✓	✓
Equipment and Fleet Management	✓	✓
Express Business Center	✓	✓
9-1-1 System Operations	✓	✓
Debt Service	✓	✓

✓ YE forecast within 5% of budget

! YE forecast within 6-10% of budget

✗ YE forecast more than 10% from budget or no forecast provided

### Dallas 365

✓ 24

On Track

! 5

Caution

✗ 6

Needs Improvement

### Budget Initiative Tracker

● 3

Complete

✓ 39

On Track

! 2

Caution

✗ 0

Cancelled

# FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through January 31, 2019, for the General Fund and other annual operating funds of the City. The Adopted Budget reflects the budget adopted by City Council on September 18, 2018, effective October 1 through September 30. The Amended Budget column reflects City Council-approved transfers between funds and programs, approved use of contingency, and other amendments supported by revenue or fund balance.

Year-to-Date (YTD) Actual amounts represent revenue or expenses/encumbrances that have occurred through the end of the most recent accounting period. Departments provide the Year-End (YE) Forecast, which projects anticipated revenues and expenditures as of September 30, 2019. The variance is the difference between the FY 2018-19 Amended Budget and the YE Forecast. Variance notes are provided when the year-end forecast is +/- five percent of the amended budget and/or if YE expenditures are forecast to exceed the amended budget.

## General Fund Overview

	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$182,017,646	\$182,017,646		\$182,017,646	\$0
Revenues	1,365,966,274	1,366,121,406	775,053,600	1,377,257,180	11,135,774
Expenditures	1,365,966,274	1,366,121,406	388,256,382	1,364,404,537	(1,716,868)
Ending Fund Balance	\$182,017,646	\$182,017,646		\$194,870,289	\$12,852,642

**Fund Balance.** The summary includes fund balance with the YE revenue and expenditure forecasts. As of January 31, 2019, the YE forecast beginning fund balance represents the FY 2017-18 unaudited unassigned projected ending fund balance and does not reflect anticipated additional year-end savings. We anticipate adjustments to the FY 2018-19 amended beginning fund balance after FY 2017-18 audited statements become available in April 2019.

**Revenues.** Through January 31, 2019, General Fund revenues are projected to be \$11,135,000 over budget. This is primarily due to forecasted increases in sales tax collections, franchise fees, Safelight fines, and interest revenue based on current trends.

**Expenditures.** Through January 31, 2019, General Fund expenditures are projected to be below budget by \$1,716,000. At this point in the fiscal year, most departments are forecasted to be at budget. Some departments are under budget as a result of vacancies.

**Amendments.** The General Fund budget was amended on:

- November 14, 2018, by Council Resolution No. 18-1641 in the amount of \$155,000 for services for the District 4 runoff election.



## Financial Forecast Report

**GENERAL FUND REVENUE**

Revenue Category <sup>1</sup>	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax	\$727,886,279	\$727,886,279	\$625,435,565	\$727,886,279	\$0
Sales Tax <sup>2</sup>	311,645,016	311,645,016	81,910,294	315,242,245	3,597,229
Franchise and Other	133,347,988	133,347,988	34,168,088	135,223,301	1,875,313
Charges for Service	110,146,088	110,146,088	19,533,791	111,779,080	1,632,992
Fines and Forfeitures <sup>3</sup>	34,244,958	34,244,958	7,070,229	35,745,539	1,500,581
Operating Transfers In <sup>4</sup>	24,823,767	24,978,899	155,132	24,978,899	0
Intergovernmental	9,563,291	9,563,291	200,673	9,563,291	0
Miscellaneous <sup>5</sup>	6,320,104	6,320,104	3,044,785	7,142,006	821,902
Licenses and Permits	5,670,499	5,670,499	2,153,500	5,787,365	116,866
Interest <sup>6</sup>	2,318,284	2,318,284	1,381,542	3,909,174	1,590,890
<b>Total Revenue</b>	<b>\$1,365,966,274</b>	<b>\$1,366,121,406</b>	<b>\$775,053,600</b>	<b>\$1,377,257,180</b>	<b>\$11,135,774</b>

**VARIANCE NOTES**

General Fund revenue variance notes are provided below for revenue categories with YE forecast variances of +/- five percent and revenue with an amended budget.

**1 Revenue Category.** Beginning with the December 2018 FFR, revenue categories have been restated to match the City's Chart of Accounts.

**2 Sales Tax.** Sales tax revenues are forecast to be \$3,597,000 over budget due to increased collections. Over the most recent 12 months, sales tax receipts have increased by 4.7 percent.

**3 Fines and Forfeitures.** Fines and Forfeitures revenues are forecast to be \$1,500,000 over budget primarily due to increased Safelight citations.

**4 Operating Transfers In.** The revenue budget for Operating Transfers In was amended on November 14, 2018, by Council Resolution No. 18-1641 for services related to the District 4 runoff election.

**5 Miscellaneous.** Miscellaneous revenues are forecast to be \$821,000 over budget, primarily due to facility rental fees.

**6 Interest.** Interest revenue is forecast to be \$1,591,000 over budget based on current trends.

## Financial Forecast Report

**GENERAL FUND EXPENDITURES**

Expenditure Category	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$241,344,527	\$240,498,683	\$74,080,218	\$236,083,669	(\$4,415,014)
Civilian Overtime	6,660,128	6,660,128	3,002,524	7,741,339	1,081,211
Civilian Pension	35,070,258	34,947,747	10,714,187	34,316,622	(631,125)
Uniform Pay	423,709,510	423,709,510	127,025,526	419,526,537	(4,182,973)
Uniform Overtime	39,354,268	39,354,268	14,152,101	43,414,020	4,059,752
Uniform Pension	159,002,901	159,002,901	45,635,749	159,002,901	0
Health Benefits	68,816,185	68,816,185	18,440,977	68,816,185	0
Workers Comp	10,508,446	10,508,446	0	10,508,446	0
Other Personnel Services	12,666,100	12,644,950	3,753,102	12,670,965	26,015
Total Personnel Services <sup>1</sup>	997,132,323	996,142,818	296,804,384	992,080,684	(4,062,134)
Supplies <sup>2</sup>	77,884,269	77,950,378	20,108,350	79,273,457	1,323,078
Contractual Services <sup>3</sup>	366,535,382	367,422,028	72,804,680	369,070,387	1,648,361
Capital Outlay <sup>4</sup>	13,617,618	13,724,618	2,005,265	13,431,641	(292,977)
Reimbursements <sup>5</sup>	(89,203,318)	(89,118,436)	(3,466,298)	(89,502,443)	(384,007)
Total Expenditures	\$1,365,966,274	\$1,366,121,406	\$388,256,382	\$1,364,353,726	(\$1,767,679)

**1 Personnel Services.** Current year-end forecast for civilian pay is \$4,415,000 below budget primarily due to civilian vacancy savings that fully offset the \$1,081,000 overrun in civilian overtime. Uniform overtime YE forecast assumes a \$4,414,000 overrun in anticipated overtime for the Dallas Police Department and \$355,000 projected savings for Dallas Fire-Rescue. Uniform pension YE forecast equals budget and includes the \$156.8 million contribution required to fund the Police and Fire Pension, as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

**2 Supplies.** Current YE forecast is \$1,323,000 over budget primarily due to higher than budgeted Park and Recreation gas and water expenses to be offset by additional revenue, greater than budgeted Office of Cultural Affairs gas payments and furniture expenses, and greater usage of medical-surgical supplies by Dallas Animal Services.

**3 Contractual Services.** Current YE forecast is \$1,648,000 over budget primarily due to contract temporary help and day labor expenses, which are fully offset by salary savings.

**4 Capital Outlay.** Current YE forecast is \$293,000 under budget.

**5 Reimbursements.** General Fund reimbursements reflect contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current YE forecasts are \$384,000 over budget, primarily due to a higher-than-budgeted reimbursement to Dallas Fire-Rescue from Aviation for costs of operation of Aircraft Rescue and Fire Fighting stations at Dallas Executive Airport and Dallas Love Field.

## Financial Forecast Report

**GENERAL FUND EXPENDITURES**

Expenditure By Department	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$22,729,907	\$22,729,907	\$7,644,037	\$22,729,907	\$0
City Attorney's Office	18,348,876	18,348,876	5,299,489	18,348,876	0
City Auditor's Office	3,367,314	3,367,314	873,479	3,236,039	(131,275)
City Controller's Office <sup>1</sup>	6,768,899	6,768,899	2,401,145	6,846,487	77,588
Independent Audit	917,892	917,892	0	917,892	0
City Manager's Office	2,787,305	2,787,305	768,383	2,772,145	(15,160)
City Secretary <sup>2</sup>	4,350,544	4,505,676	1,021,386	4,491,216	(14,460)
Civil Service	3,241,621	3,241,621	897,279	3,234,348	(7,273)
Code Compliance	31,635,395	31,635,395	8,922,075	31,635,395	0
Court Services	23,314,074	23,314,074	5,952,069	23,222,597	(91,477)
Jail Contract	8,908,016	8,908,016	2,227,004	8,908,016	0
Dallas Animal Services	14,878,667	14,878,667	4,640,094	14,790,135	(88,532)
Dallas Fire-Rescue	294,483,209	294,483,209	85,854,393	293,905,339	(577,870)
Dallas Police Department	486,752,691	486,752,691	141,097,076	486,752,691	0
Housing and Neighborhood Services <sup>3</sup>	4,213,724	4,213,724	513,704	3,888,983	(324,741)
Human Resources <sup>4</sup>	7,005,071	7,005,071	2,112,633	7,018,362	13,291
Judiciary	3,446,356	3,446,356	1,091,631	3,439,564	(6,792)
Library	34,138,717	34,138,717	9,894,951	33,870,708	(268,009)
Office of Management Services					0
311 Customer Service	4,495,891	4,495,891	1,621,332	4,495,891	0
Council Agenda Office	219,414	219,414	69,781	219,414	0
Office of Equity and Human Rights	998,436	998,436	160,453	998,436	0
Office of Innovation <sup>5</sup>	603,668	603,668	78,707	506,194	(97,474)
Office of Strategic Partnerships	1,053,433	1,053,433	321,708	1,040,037	(13,396)
Office of Business Diversity	894,165	894,165	257,447	864,163	(30,002)
Office of Community Care	5,375,877	5,375,877	1,734,985	5,337,426	(38,451)
Office of Emergency Management	877,113	877,113	180,198	877,113	0
Office of Environmental Quality	2,734,360	2,734,360	1,878,392	2,734,360	0
Office of Homeless Solutions <sup>6</sup>	11,546,393	11,546,393	6,125,369	11,675,027	128,634
Public Affairs and Outreach <sup>7</sup>	2,098,745	2,098,745	441,759	1,845,718	(253,027)
Welcoming Communities	623,124	623,124	141,634	623,124	0
Mayor and City Council	4,989,530	4,989,530	1,430,817	4,989,530	0
Non-Departmental	92,727,295	92,727,295	4,243,277	92,726,826	(469)
Office of Budget	3,796,050	3,796,050	1,044,839	3,756,389	(39,661)
Office of Cultural Affairs	19,973,188	19,973,188	10,119,221	19,973,188	0
Office of Economic Development	4,972,909	4,972,909	2,065,961	4,972,909	0
Park and Recreation	98,542,371	98,542,371	36,723,780	98,508,572	(33,799)
Planning and Urban Design <sup>8</sup>	3,171,871	3,171,871	944,407	2,906,727	(265,144)
Procurement Services <sup>9</sup>	2,443,038	2,443,038	728,124	2,591,218	148,180
Public Works	75,856,653	75,856,653	22,003,720	75,018,623	(838,030)
Sustainable Development	2,194,525	2,194,525	1,125,032	2,194,525	0
Transportation <sup>10</sup>	47,219,419	47,219,419	13,604,611	48,269,899	1,050,480
<b>Total Departments</b>	<b>\$1,358,695,746</b>	<b>\$1,358,850,878</b>	<b>\$388,256,382</b>	<b>\$1,357,134,009</b>	<b>(\$1,716,868)</b>
Liability/Claim Fund Transfer	2,751,145	2,751,145	0	2,751,145	0
Contingency Reserve	2,319,383	2,319,383	0	2,319,383	0
Salary and Benefit Reserve	2,200,000	2,200,000	0	2,200,000	0
<b>Total Expenditures</b>	<b>\$1,365,966,274</b>	<b>\$1,366,121,406</b>	<b>\$388,256,382</b>	<b>\$1,364,404,537</b>	<b>(\$1,716,868)</b>

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, departments with an amended budget, and for departments with YE forecasts projected to exceed budget.

**1 City Controller's Office.** City Controller's Office expenditures are forecast to be \$78,000 over budget primarily due to unbudgeted vacation/sick termination payouts for two long-time employees, which may be offset by Salary and Benefit reserve funds later in the fiscal year, if necessary.

**2 City Secretary.** City Secretary Office's budget was increased by \$155,000 on November 14, 2018, by Council Resolution No. 18-1641 for services related to the District 4 runoff election.

**3 Housing and Neighborhood Services.** Housing and Neighborhood Services expenditures are forecast to be \$325,000 under budget due to hiring delays and vacancy savings associated with a departmental restructuring.

**4 Human Resources.** Human Resources expenditures are forecast to be \$13,000 over budget primarily due to unbudgeted vacation/sick termination payouts, which may be offset by Salary and Benefit reserve funds later in the fiscal year, if necessary.

**5 Office of Innovation.** Office of Innovation expenditures are forecast to be \$98,000 under budget primarily due to vacancies, including two vacant positions expected to be filled by mid-March.

**6 Office of Homeless Solutions.** Office of Homeless Solutions expenditures are forecast to be \$129,000 over budget primarily due to a \$230,000 increase in The Bridge management services contract.

**7 Public Affairs and Outreach.** Public Affairs and Outreach expenditures are forecast to be \$253,000 under budget due to hiring delays for vacant positions.

**8 Planning and Urban Design.** Planning and Urban Design expenditures are forecast to be \$265,000 under budget due to salary savings from six vacant positions.

**9 Procurement Services.** Procurement Services expenditures are forecast to be \$148,000 over budget due to unbudgeted vacation/sick termination payouts for three long-time employees retiring in the spring, which may be offset by Salary and Benefit reserve funds later in the fiscal year, if necessary.

**10 Transportation.** Transportation expenditures are forecast to be \$1,000,000 over budget primarily due to increased Safelight program payments to the state (offset by increased revenue), as well as monthly traffic signal modem charges and an unplanned traffic signal upgrade.

## Financial Forecast Report

**ENTERPRISE FUNDS**

Department	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
------------	------------------------------	------------------------------	------------	-------------	----------

**AVIATION**

Beginning Fund Balance	\$14,216,560	\$14,216,560		\$14,216,560	\$0
Total Revenues	144,132,819	144,132,819	43,304,771	144,132,819	0
Total Expenditures	144,132,819	144,132,819	35,140,431	144,132,819	0
Ending Fund Balance	\$14,216,560	\$14,216,560		\$14,216,560	\$0

**CONVENTION AND EVENT SERVICES**

Beginning Fund Balance	\$33,234,399	\$33,234,399		\$33,234,399	\$0
Total Revenues	108,647,915	108,647,915	26,816,420	108,812,992	165,077
Total Expenditures	108,647,915	108,647,915	17,464,717	108,485,485	(162,430)
Ending Fund Balance	\$33,234,399	\$33,234,399		\$33,561,907	\$327,508

**MUNICIPAL RADIO**

Beginning Fund Balance	\$1,205,492	\$1,205,492		\$1,205,492	\$0
Total Revenues	2,178,813	2,178,813	535,169	2,098,813	(80,000)
Total Expenditures	2,076,728	2,076,728	832,655	2,076,728	0
Ending Fund Balance	\$1,307,577	\$1,307,577		\$1,227,577	(\$80,000)

Note: FY 2018-19 budget reflects revenue in excess of expenses.

**SANITATION SERVICES**

Beginning Fund Balance	\$29,641,449	\$29,641,449		\$29,641,449	\$0
Total Revenues	112,653,465	112,653,465	40,247,997	113,226,905	573,440
Total Expenditures	112,653,465	112,653,465	18,196,121	112,653,465	0
Ending Fund Balance	\$29,641,449	\$29,641,449		\$30,214,889	\$573,440

**STORM DRAINAGE MANAGEMENT- DALLAS WATER UTILITIES**

Beginning Fund Balance	\$7,928,950	\$7,928,950		\$7,928,950	\$0
Total Revenues	58,436,837	58,436,837	20,142,182	58,436,837	0
Total Expenditures	58,436,837	58,436,837	9,394,709	58,436,837	0
Ending Fund Balance	\$7,928,950	\$7,928,950		\$7,928,950	\$0

**SUSTAINABLE DEVELOPMENT AND CONSTRUCTION**

Beginning Fund Balance	\$43,833,830	\$43,833,830		\$43,833,830	\$0
Total Revenues	33,143,848	33,143,848	12,565,600	33,160,911	17,063
Total Expenditures	34,571,119	34,571,119	9,560,269	34,571,119	0
Ending Fund Balance	\$42,406,559	\$42,406,559		\$42,423,622	\$17,063

Note: FY 2018-19 budget reflects planned use of fund balance.

**WATER UTILITIES<sup>1</sup>**

Beginning Fund Balance	\$118,325,578	\$118,325,578		\$118,325,578	\$0
Total Revenues	665,005,577	665,005,577	195,803,812	646,438,266	(18,567,311)
Total Expenditures	665,491,395	665,506,394	172,859,481	652,749,327	(12,757,067)
Ending Fund Balance	\$117,839,760	\$117,824,761		\$112,014,517	(\$5,810,244)

Note: FY 2018-19 budget reflects planned use of fund balance.



## Financial Forecast Report

**INTERNAL SERVICE FUNDS**

Department	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
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**INFORMATION TECHNOLOGY**

Beginning Fund Balance	\$10,887,991	\$10,887,991		\$10,887,991	\$0
Total Revenues	69,434,657	69,434,657	8,974,722	69,434,657	0
Total Expenditures	77,011,403	77,011,403	36,656,775	76,600,321	(411,082)
Ending Fund Balance	\$3,311,245	\$3,311,245		\$3,722,327	\$411,082

Note: FY 2018-19 budget reflects planned use of fund balance.

**RADIO SERVICES**

Beginning Fund Balance	\$2,800,576	\$2,800,576		\$2,800,576	\$0
Total Revenues	5,917,772	5,917,772	46,304	5,928,972	11,200
Total Expenditures	8,651,413	8,651,413	3,182,598	8,636,725	(14,688)
Ending Fund Balance	\$66,935	\$66,935		\$92,823	\$25,888

Note: FY 2018-19 budget reflects planned use of fund balance.

**EQUIPMENT AND FLEET MANAGEMENT<sup>2</sup>**

Beginning Fund Balance	\$7,254,000	\$7,254,000		\$7,254,000	\$0
Total Revenues	54,412,850	54,412,850	145,973	54,412,850	0
Total Expenditures	54,912,850	54,912,850	14,073,881	56,162,517	1,249,667
Ending Fund Balance	\$6,754,000	\$6,754,000		\$5,504,333	(\$1,249,667)

Note: FY 2018-19 budget reflects planned use of fund balance.

**EXPRESS BUSINESS CENTER**

Beginning Fund Balance	\$2,682,143	\$2,682,143		\$2,682,143	\$0
Total Revenues	2,593,790	2,593,790	745,257	2,607,184	13,394
Total Expenditures	2,137,496	2,137,496	402,837	2,132,618	(4,878)
Ending Fund Balance	\$3,138,437	\$3,138,437		\$3,156,709	\$18,272

Note: FY 2018-19 budget reflects revenue in excess of expenses.

## Financial Forecast Report

**OTHER FUNDS**

Department	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	YTD Actual	YE Forecast	Variance
<b>9-1-1 SYSTEM OPERATIONS</b>					
Beginning Fund Balance	\$7,852,062	\$7,852,062		\$7,852,062	\$0
Total Revenues	12,018,812	12,018,812	3,702,068	12,208,779	189,967
Total Expenditures	15,176,553	15,176,553	4,505,034	15,143,278	(33,275)
Ending Fund Balance	\$4,694,321	\$4,694,321		\$4,917,563	\$223,242

Note: FY 2018-19 budget reflects planned use of fund balance.

**DEBT SERVICE**

Beginning Fund Balance	\$32,549,163	\$32,549,163		\$32,549,163	\$0
Total Revenues	289,189,656	289,189,656	232,472,358	289,189,656	0
Total Expenditures	296,200,044	296,200,044	0	296,200,044	0
Ending Fund Balance	\$25,538,775	\$25,538,775		\$25,538,775	(\$0)

Note: FY 2018-19 budget reflects planned use of fund balance.

**EMPLOYEE BENEFITS**

City Contributions	\$94,862,835	\$94,862,835	27,538,584	\$94,862,835	\$0
Employee Contributions	36,126,244	36,126,244	13,956,511	36,126,244	0
Retiree	31,963,243	31,963,243	7,893,086	31,963,243	0
Other	0	0	139,555	139,555	139,555
Total Revenues	162,952,322	162,952,322	49,527,736	163,091,877	139,555
Total Expenditures	\$160,083,133	\$160,083,133	\$31,959,707	\$160,083,133	\$0

Note: FY 2018-19 budget reflects revenue in excess of expenses. The FY 2018-19 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).

**RISK MANAGEMENT**

Worker's Compensation	\$13,701,708	\$13,701,708	\$923,377	\$13,701,708	\$0
Third Party Liability	10,227,315	10,227,315	95,185	10,227,315	0
Purchased Insurance	3,029,284	3,029,284	(550)	3,029,284	0
Interest and Other	749,900	749,900		749,900	0
Total Revenues	27,708,207	27,708,207	1,018,012	27,708,207	0
Total Expenditures	\$34,166,607	\$34,166,607	\$4,065,771	\$34,166,607	\$0

Note: FY 2018-19 budget reflects planned use of fund balance. The FY 2018-19 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).

## VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summaries include the beginning fund balance with the YE revenue and expenditure forecasts. As of January 31, 2019, YE forecast beginning fund balance represents the FY 2017-18 unaudited projected ending fund balance and does not reflect additional year-end savings. We anticipate adjustments to the FY 2018-19 amended beginning fund balance after FY 2017-18 audited statements become available in April 2019. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

**1 Water Utilities.** Water Utilities' (DWU) revenues are projected to be \$18,567,000 under budget due to (1) wholesale customers receiving a credit to revenues as a result of the Sabine River Authority (SRA) settlement, which will be offset by use of fund balance, and (2) decreased consumption resulting from wetter than normal fall weather. Expenditures are projected to be \$12,757,000 under budget primarily due to a decreased capital construction transfer to offset the weather-related revenue reduction.

**2 Equipment and Fleet Management.** Equipment and Fleet Management (EFM) expenditures are projected to be \$1,250,000 over budget primarily due to cost increases for automotive parts, non-emergency wrecker price agreement, and anticipated new costs associated with the use of emergency wrecker services still pending City Council approval. Billing has been delayed pending a billing program update required by the change in department acronym.



# DALLAS 365

The Dallas 365 initiative aligns 35 key performance measures to our six strategic priorities. The department responsible for each measure is noted at the end of the measure's description, and last year's performance is included, if available. Several measures are new for FY 2018-19, so actual performance data is not available (N/A) for last year.













An annual target has been established for each measure. The annual target is then broken down into a year-to-date (YTD) target, which represents October 1 through the current reporting period. Each month, we will compare the YTD target with the YTD actual performance reported by the responsible department and assign a YTD status based on how well actual performance compares to the target.

Measures are designated "on target" (green) if actual YTD performance is within 5 percent of the YTD target. Measures with actual YTD performance within 6 to 20 percent of the YTD target are designated in "caution" (yellow) status. If actual YTD performance is more than 20 percent from the YTD target, the measure is designated as "needs improvement" (red). For most measures, high values indicate positive performance, but for a few measures, the reverse is true. These measures are noted with an asterisk and include measures numbered 6, 8, 13 and 22. Variance notes are provided for each measure that is not On Track.

 24  
On Track

 5  
Caution

 6  
Needs Improvement

#	Measure	FY 2017-18 Actual	FY 2018-19 Target	YTD Target	YTD Actual	YTD Status
<b>Public Safety</b>						
1	Percentage of responses to structure fires within 5 minutes and 20 seconds of dispatch (Fire-Rescue)	86.11%	90.00%	90.00%	83.59%	
2	Percentage of EMS responses within five minutes (Fire-Rescue)	N/A	90.00%	90.00%	49.98%	
3	Percentage of responses to Priority 1 calls within eight minutes (Police)	N/A	60.00%	60.00%	50.52%	
4	Percentage of 911 calls answered within 10 seconds (Police)	94.21%	91.00%	91.00%	95.46%	
5	Homicide clearance rate (Police)	78.35%	60.00%	60.00%	94.23%	
6	Violent crime rate (per 100,000 residents) (Police)*	N/A	767	255.67	223.58	
<b>Mobility Solutions, Infrastructure &amp; Sustainability</b>						
7	Percentage of annual bond appropriation committed (Bond Program)	N/A	90.00%	30.00%	34.00%	
8	Average response time to emergency sewer calls (in minutes) (Dallas Water Utilities)*	58.68	60	60	59.28	
9	Percentage compliance with state and federal standards and regulations for drinking water (Dallas Water Utilities)	100.00%	100.00%	100.00%	100.00%	
10	Number of street lane miles resurfaced (Public Works)	208.34	197	65.67	15.11	
11	Percentage of potholes repaired within five days (Public Works)	N/A	98.00%	98.00%	100.00%	
12	Percentage of streets with a Pavement Condition Index rating of C or better (Public Works)	N/A	77.40%	77.40%	77.40%	

# DALLAS 365

#	Measure	FY 2017-18 Actual	FY 2018-19 Target	YTD Target	YTD Actual	YTD Status
<b>Mobility Solutions (cont.)</b>						
13	Missed refuse and recycling collections per 10,000 collection points/service opportunities (Sanitation)*	12.83	11	11	12.94	⚠
14	Residential recycling diversion rate (Sanitation)	19.29%	19.00%	19.00%	18.23%	✓
15	Percentage of surveyed street lights on major streets that are working (Transportation)	94.58%	96.00%	96.00%	94.70%	✓
<b>Economic &amp; Neighborhood Vitality</b>						
16	Number of jobs created or retained through written commitment (Economic Development)	N/A	5,000	1,667	1,890	✓
17	Number of Dallas Homebuyer Assistance Program (DHAP) loans provided (Housing)	N/A	81	27	11	✗
18	Total number of new housing units produced (sale and rental combined) (Housing)	595	1,500	375	12	✗
19	Percentage of single-family permits reviewed in three days (Sustainable Development)	80.00%	85.00%	85.00%	85.25%	✓
20	Percentage of inspections performed same day as requested (Sustainable Development)	97.49%	98.00%	98.00%	96.76%	✓
<b>Human &amp; Social Needs</b>						
21	Number of seniors served (Community Care)	1,833	4,500	1,500	3,126	✓
22	Number of days to resolve a homeless encampment site from date of service request to resolution (Homeless Solutions)*	16.31	21	21	17.33	✓
23	Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Homeless Solutions)	N/A	85.00%	85.00%	88.64%	✓
<b>Quality of Life</b>						
24	Number of single-family rental properties inspected (initial inspections and reinspections) (Code Compliance)	12,099	10,000	3,333	1,021	✗
25	Percentage of 311 Code service requests responded to within estimated response time (Code Compliance)	94.58%	96.00%	96.00%	87.50%	⚠
26	Percentage of food establishments inspected on schedule (Code Compliance)	N/A	95.00%	95.00%	95.00%	✓
27	Live release rate (Animal Services)	80.30%	81.00%	81.00%	84.55%	✓
28	Percentage increase in field impoundments over prior fiscal year (Animal Services)	17.32%	18.00%	18.00%	21.62%	✓
29	Number of library visits in person, online, and for programs (Library)	9,352,274	7,420,000	2,473,333	3,318,704	✓
30	Number of participants in adult education courses (ELL, GED, basic education, and citizenship) (Library)	N/A	25,000	8,333	9,109	✓
31	Percentage of cultural services contracts awarded to artists or small arts organizations (budgets less than \$100,000) (Cultural Affairs)	N/A	50.00%	50.00%	59.70%	✓
32	Percentage of residents within ½ mile of a park (Park and Recreation)	60.00%	63.00%	63.00%	61.00%	✓

# DALLAS 365

#	Measure	FY 2017-18 Actual	FY 2018-19 Target	YTD Target	YTD Actual	YTD Status
<b>Government Performance and Financial Management</b>						
33	Percentage of 311 calls answered within 90 seconds (311)	56.46%	70.00%	70.00%	43.45%	✘
34	Percentage of invoices paid within 30 days (City Controller)	95.51%	94.00%	94.00%	98.62%	✔
35	Percentage of dollars spent with local businesses (Business Diversity)	45.41%	50.00%	50.00%	44.27%	!

## VARIANCE NOTES

**#1.** Due to continued focus on driving safety, high numbers of new inexperienced firefighters, and an increase in heavy apparatus assignments to all “Potential Scenes of Violence.” These apparatus must stay on location until police arrival, which affects response times for other fire emergencies nearby.

**#2.** Due to high EMS service demand/call volume and finite emergency resources. Units are often deployed from more distant fire stations to serve areas experiencing simultaneous 911 calls for EMS service. DFR is exploring how the tiered EMS software (Priority Dispatch) can help reduce response times over the next few months.

**#3.** Due to lack of staff, although times have improved. An emphasis on recruiting, changes to Civil Service rules, and increased starting pay should lead to increased staffing and ultimately improved response times.

**#10.** Due to seasonality of resurfacing efforts. Work ramps up in February and peaks from April to August.

**#13.** Due to holidays. When City offices are closed, collection days shift, and Sanitation receives more calls from residents. As expected, collection began returning to normal in January. This number should continue to improve.

**#17.** FY 2017-18 program changes and updated homebuyer qualification guidelines will result in larger loans, but the process is more time-consuming, resulting in fewer loans.

**#18.** The target for this measure was adjusted to 1,500 in consultation with Housing and Neighborhood Revitalization. The 2018 Notice of Funds Available (NOFA) is expected to produce 800 units, and the single-family NOFA to be issued in 2019 is expected to produce an additional 200. Other units may be added through the Home Repair program, the incentive zoning ordinance (if approved), and/or tax credit projects that do not require City funding.

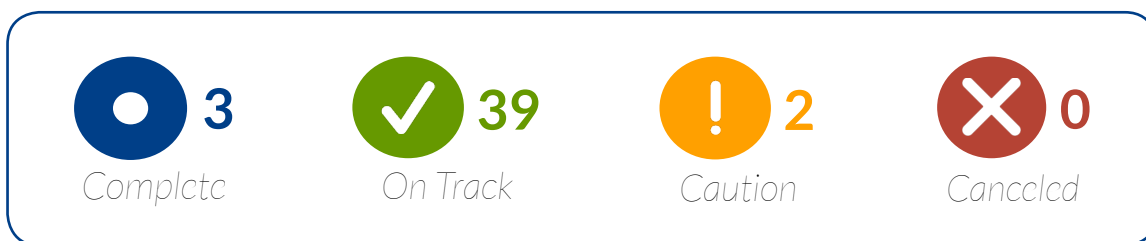
**#24/25.** Due to conversion from CSR system to the new Code Case Management System, which interrupted service request data retrieval. CIS is aware of the issue and anticipates resolution by the end of March 2019.

**#33.** Due to increased attrition/reduction in agents trained to process calls. 311 has offered training continuously since October, and Civil Service is revising testing requirements to hire additional agents. Cornerstone temporary staffing is being used to supplement in the interim.

**#35.** Due to two water/wastewater projects awarded to non-local vendors Southland Contracting (\$22.44 million) and Oscar Renda Contracting (\$15.81 million).

# BUDGET INITIATIVE TRACKER

The Budget Initiative Tracker reports on 44 activities included in the FY 2018-19 and FY 2019-20 biennial budget. For each initiative included in this report, you will find the initiative number, title, description and status. At the end of each description, the responsible department is listed. Each month, the responsible department provides a current status for the initiative and indicates whether the initiative is “complete” (blue circle), “on track” (green check mark), “caution” (yellow exclamation mark), or “canceled” (red x).



## In the Spotlight

The Office of Equity and Human Rights, in partnership with the Government Alliance on Race and Equity (GARE), has trained 200 executives and budget staff on advancing racial equity. OEHR has also launched an equity survey of City employees that will provide a baseline assessment of staff knowledge, skills, and experiences related to race and equity. Lastly, budget staff are currently working to incorporate the GARE racial equity tool into the City’s annual budgeting process.

## Budget Initiative Tracker

**PUBLIC SAFETY****1 Police & Fire Uniform Pay**

**INITIATIVE** Increasing pay for police officers and firefighters (1) effective in October 2018 in accordance with the three-year Meet and Confer agreement, which calls for double-step pay increases of approximately 10 percent, adding a 2 percent top step, and increasing starting pay to \$51,688, and (2) effective in January 2019 in accordance with the City Council budget amendment to increase pay by three percent across the board, to a minimum of \$60,000. (Police and Fire-Rescue)

**STATUS** Uniform pay increases based on the current Meet and Confer agreement went into effect October 2018. On December 23, 2018, City Council authorized the City Manager to enter an Amended Meet and Confer agreement for additional uniform pay increases effective in January 2019.

**2 Number of Police Officers**

**INITIATIVE** Recruiting new police officers to bring the number of sworn employees at the end of FY 2018-19 to 3,050. (Police)

**STATUS** As of February 20, DPD has hired 91 police officers. The department is projected to hire an additional 164 officers this fiscal year for a final sworn strength of 3,034, which is 16 fewer than the goal of 3,050.

**3 Number of Firefighters**

**INITIATIVE** Recruiting new firefighters to bring the number of sworn employees at the end of FY 2018-19 to 1,942. (Fire-Rescue)

**STATUS** Dallas Fire-Rescue anticipates 65 recruits will enter the field in June 2019. DFR plans to hire an additional 65 recruits in June 2019, for a total of 130 planned new hires in FY 2018-19. The summer hiring class size is contingent upon realized attrition through the year.

**4 Police and Fire Uniform Pension**

**INITIATIVE** Contributing \$156.8 million, up \$6.1 million from the current year, to the Dallas Police and Fire Pension System to ensure a secure retirement for our first responders. (Police and Fire-Rescue)

**STATUS** The City pension contributions are being made in compliance with HB 3158 approved by the state legislature in 2017.

**5 Security of City Facilities**

**INITIATIVE** Consolidating security for City facilities into Court and Detention Services and conducting a comprehensive risk assessment to identify future security needs for City facilities and programs. (Court and Detention Services)

**STATUS** An RFCSP for a consultant to develop a Citywide security standard and evaluate security services and plans was advertised on January 17 and January 24. Pre-solicitation conferences were scheduled for January 28 and January 31. The contract is tentatively scheduled for City Council consideration on May 8.

**6 School Crossing Guards**

**INITIATIVE** Investing more than \$5 million in a school crossing guard program to protect Dallas students. (Court and Detention Services)

**STATUS** All City Management Services, Inc. (ACMS) conducted two hiring sessions for volunteer school crossing guards in February. Although the participating independent school districts (ISDs), private schools, and interested parents were notified, only two representatives from DISD attended the first meeting and none attended the second. City staff and ACMS plan to meet with this group in March to discuss the situation and identify obstacles and potential solutions.

**7 P-25 Radio System**

**INITIATIVE** Expanding radio coverage area, improving system reliability, lowering operating costs, and improving interoperability across City departments and with other public safety agencies through implementation of the new P-25 radio system. (Communication and Information Services)

**STATUS** Radio system equipment is being installed at radio communication sites. Radio sites outside the city are being negotiated with neighboring jurisdictions. New shelters are being constructed at the factory.

**8 Firefighter Safety**

**INITIATIVE** Protecting the safety of DFR officers by replacing all self-contained breathing apparatus (SCBA) in phases and providing a second set of personal protective equipment (PPE) to allow for cleaning equipment between fires. (Fire-Rescue)

**STATUS** Dallas Fire-Rescue is meeting with the Office of Procurement Services to determine the specifications for purchasing the second set of PPEs and replacing all SCBAs.

**9 911 Operations Center**

**INITIATIVE** Furthering the City's investment in the 911 emergency system with additional technology and expanded backup capacity. (Communication and Information Services)

**STATUS** Communication and Information Services has installed Text-to-911 and is scheduling the go-live date in consultation with DPD. CIS has also ordered equipment for the backup CAD system, and the vendor is finalizing the quote for the Dual Production Public Safety Answering Point (PSAP) solution for the backup site.



## Budget Initiative Tracker

# MOBILITY SOLUTIONS, INFRASTRUCTURE & SUSTAINABILITY

## 10 Street Conditions

**INITIATIVE** Investing more than \$125 million of bonds and cash to improve the driving condition of city streets. (Public Works)

**STATUS** Work orders were issued in December 2018 for the General Fund work plan maintenance. The preservation contract was advertised in January 2019, and bids were opened on February 8. Staff plans to submit the construction award for City Council consideration on April 10.

## 11 Intersection Safety

**INITIATIVE** Leveraging \$10 million of federal Highway Safety Improvement Program (HSIP) funds with approximately \$2 million in City funds to improve safety at high-crash locations. (Transportation)

**STATUS** Dallas was awarded more than anticipated -- \$11.3 million in federal HSIP funds. The City still plans to invest \$2 million of City funds. Staff is currently working on scheduling design and with TxDOT to complete the Local Project Advanced Funding Agreements wherein the City's 10% match is paid.

## 12 Alley Access

**INITIATIVE** Creating a \$1.8 million cross-departmental pilot program to improve alley access for residents and utilities. (Sanitation, Water Utilities, and Public Works)

**STATUS** Advertising for this program was extended to February 8 so staff could work with the Office of Business Diversity to attract bidders, but no bids were submitted. Alley repairs will be done in-house to accommodate the construction schedule.

## 13 Bike Lanes

**INITIATIVE** Expanding bike lanes and improving mobility by increasing the current \$500,000 budget by \$500,000 per year for each of the next three years to achieve a \$2 million per year investment starting in FY 2020-21. (Transportation)

**STATUS** Transportation is working on projects in the Central Business District, including Akard, Cadiz, and Canton streets, as well as on Zang Blvd. and Union Trail. An upcoming project at Monroe Dr. and Merrell Rd. will connect a Dallas County trail project near the Walnut Hill/Denton DART station.

## 14 OneWater Consolidation

**INITIATIVE** Combining water, wastewater, and stormwater into one utility to provide comprehensive management of Dallas' valuable water resources. (Water Utilities)

**STATUS** DWU's organizational chart has been revised to include the stormwater utility, and functional work groups have been established. A scope is being developed for a comprehensive stormwater system assessment. DWU will brief the MSIS Committee on this item on February 25.

## 15 Environmental Plan

**INITIATIVE** Completing an environmental plan that includes solutions to address climate change by using \$500,000 available revenue received from the previous plastic bag ordinance and fee. (Office of Environmental Quality)

**STATUS** On January 23, City Council authorized a contract with AECOM Technical Services, Inc. to develop a Comprehensive Environmental and Climate Action Plan. A project kickoff meeting is scheduled with the vendor on February 5. Staff are developing internal and external task forces to guide plan development and outreach.

## 16 Traffic Signals

**INITIATIVE** Repairing traffic signals by 1) responding to traffic signal knockdowns and underground cable repairs and 2) replacing broken vehicle detectors at 40 traffic signals across the city. (Transportation)

**STATUS** This initiative is funded in FY 2019-20, the second year of the biennial.

## 17 City Facility Major Maintenance

**INITIATIVE** Repairing City-owned facilities through a \$7 million deferred maintenance program. (Building Services)

**STATUS** Of the \$6 million allocated for general City facilities, projects estimated at \$3.9 million are in progress, including City Hall elevator and parking garage repairs, HVAC repairs at OCMC, replacement of the HVAC system at Fire Station #34, roof replacement at the DFR Complex Maintenance Building C, glass replacement at City Hall, Lancaster-Kiest Branch Library roof and window repairs, Hensley Field Operations fire alarm system replacement, and repairs/renovations at the Forest Green Branch Library.

The remaining \$1 million allocated for deferred maintenance is for cultural facilities: \$0.8 million at City-owned facilities and \$0.2 million for other cultural facilities. Projects estimated at \$0.5 million are in progress, including J. Craft Annex floor replacement, exterior painting at the Latino Cultural Center, lighting at the South Dallas Cultural Center, and interior repairs and flooring at the Oak Cliff Cultural Center.

## 18 Neighborhood Drainage

**INITIATIVE** Implementing a new stormwater program dedicated to neighborhood drainage, which will focus efforts on neighborhood outreach and preventing flooding in local streets. (Water Utilities)

**STATUS** The FY 2019-20 budget includes funding for personnel, equipment, and contracts for increased neighborhood drainage maintenance. In preparation, the former Trinity Watershed Management work groups are being reorganized into two Stormwater Operations divisions: Dallas Floodway and Neighborhood Drainage. The Sr. Program Manager position for Neighborhood Drainage is being reclassified and will be advertised and filled in the next few months.

## Budget Initiative Tracker

**ECONOMIC & NEIGHBORHOOD VITALITY****19 Property Tax Rate** 

**INITIATIVE** Reducing the property tax rate by 0.37¢, making FY 2018-19 the third consecutive year with a tax rate reduction. (Office of Budget)

**STATUS** City Council approved a 0.37¢ property tax reduction on September 18, 2018. Dallas County Tax Office distributed property tax bills and will collect revenue on behalf of the City.

**20 Housing Policy** 

**INITIATIVE** Implementing the Comprehensive Housing Policy approved by City Council in May 2018 to create and preserve housing throughout the city. (Housing and Neighborhood Revitalization)

**STATUS** Staff is operating the Housing Improvement and Preservation Program (HIPP), Dallas Homebuyer Assistance Program (DHAP), and development programs authorized by City Council as part of the Comprehensive Housing Policy. All Housing Task Force subcommittees are meeting regularly; in early 2019, the Task Force will consider neighborhood empowerment zones, low-income housing tax credits (LIHTC), and Housing Trust Fund strategies.

**21 Stabilization and Emerging Market Areas** 

**INITIATIVE** Targeting \$1 million to historically underserved areas at risk of displacement because of changing market conditions, as well as areas in need of intensive environmental enhancements, master planning, and formalized neighborhood organizations. (Housing and Neighborhood Revitalization)

**STATUS** Housing is working on a revitalization plan for targeted R/ECAP areas that will include a coordinated effort between the City, DISD, and the Dallas Housing Authority. It will rely on these funds along with federal grant funds and General Obligation bonds. We expect to brief the EDH Committee by the end of May 2019.

**22 One-Stop Permitting** 

**INITIATIVE** Offering an online one-stop shop for residents and businesses to submit construction plans to the City. (Sustainable Development and Construction)

**STATUS** Phase 1 of the software was implemented October 1, 2018, and is functioning for our customers. Phase 2 will be implemented in FY 2018-19 with enhanced features to improve efficiency, including a more robust interface that will eliminate duplicate data entry and allow inspectors to see electronically reviewed plans in the field using their mobile devices.

**23 Historic Resource Survey** 

**INITIATIVE** Devoting \$100,000 to conduct a historic resource survey with private partners. (Sustainable Development and Construction)

**STATUS** On January 25, the Texas Historical Commission (THC) notified staff that THC has recommended a \$45,000 award to help fund the Historic Thematic Context Assessment and Survey of Greater Downtown and Intown Dallas. Preservation Dallas and members of the former Preservation Solutions Committee have committed to identifying and raising matching funds by April 2019, although no money has been committed to date. Staff will determine the project scope based on budgeted funds, the THC award, and funds raised by these outside entities and release an RFCSP in March to conduct the survey. Staff anticipates the bid will be submitted for City Council consideration in June, with work beginning in July.

## Budget Initiative Tracker

**HUMAN & SOCIAL NEEDS****24 Homelessness Programs** 

**INITIATIVE** Addressing homelessness holistically, including \$2.3 million for strengthening the homeless response system, providing improved supportive housing for chronically homeless seniors, leveraging innovative and collaborative “shovel-ready” projects for affordable housing units, funding a master lease program, and developing a landlord incentive program. (Office of Homeless Solutions)

**STATUS** OHS released two solicitations in January for proposals to strengthen the homeless response system and increase landlord participation in the landlord subsidized leasing program (track 3 of the Homeless Solutions Strategy). Strengthening the response system can include system enhancements, transportation, emergency shelter services, workforce sustainability, or supportive housing for seniors. Bids are scheduled to be opened March 15, with the goal of implementation in July.

Additionally, OHS continues to develop strategic partnerships to leverage funding and resources.

**25 End Panhandling Now** 

**INITIATIVE** Increasing funding for the End Panhandling Now initiative to \$415,000 and continuing public education on ways to effectively assist those in need. (Office of Community Care)

**STATUS** The City has four full-time resources dedicated to anti-panhandling initiatives. Since October 1, staff has completed more than 75 client engagements. Major themes from these engagements have been a desire for quick money, unwillingness to go to a shelter (in some cases because couples cannot go together), and the belief they are not eligible for services due to criminal background.

Additionally, a social media campaign targeting potential contributors was launched in September with more than 3.2 million impressions through November 30. An additional campaign in December and January resulted in more than 2.2 million impressions. Both campaigns included email marketing to a list of 50,000, with average open rates of 7.7%.

**26 Citizenship Programs** 

**INITIATIVE** Committing \$175,000 to partner with nonprofit organizations to offer civil legal services and promote citizenship to immigrants. (Office of Welcoming Communities and Immigrant Affairs)

**STATUS** The City Attorney’s Office is reviewing specifications for procurement of civil legal and citizenship services.

**27 Equity** 

**INITIATIVE** Creating an Office of Equity and Human Rights (OEHR) to promote equity as one of the City’s core values and focus on fair housing. (Office of Equity and Human Rights)

**STATUS** The Government Alliance on Race and Equity (GARE) has trained 200 executives and budget staff on advancing racial equity, and the citywide equity assessment will launch March 4. Additional training has been scheduled for the CORE team of employees and budget staff on using a racial equity tool for programs and services and within the budget process.

**28 Fresh Start Re-Entry Program** 

**INITIATIVE** Increasing funding by \$235,000 for the “Fresh Start” re-entry program to support the transition of formerly incarcerated individuals into the community. (Office of Community Care)

**STATUS** The Office of Community Care has scheduled interviews for a new Program Manager. Staff also met with leaders from multiple departments to determine internal hiring opportunities for clients and is working to develop a catalog of opportunities at the City. Staff is working with HR to create a specialized recruiting and screening process for program clients and is in the process of planning targeted job fairs featuring partner departments.



## Budget Initiative Tracker

## QUALITY OF LIFE

**29 Fair Park** 

**INITIATIVE** Transitioning Fair Park's daily operation from City management to Fair Park First, a nonprofit subcontracting with a private management company to expand fundraising opportunities, improve operations, and make capital improvements. (Park and Recreation)

**STATUS** City Council approved the contract with Fair Park First on October 24, 2018, with the management transition effective January 1, 2019. Fair Park First will provide quarterly updates to the Park Board (first update is scheduled for April 2019).

**30 Dangerous Animals** 

**INITIATIVE** Allocating \$410,000 to mobilize a team in Dallas Animal Services dedicated to dealing with aggressive and dangerous animals and preemptively reducing bites. (Dallas Animal Services)

**STATUS** Dallas Animal Services (DAS) has deployed a team of four officers and a supervisor specifically focused on impounding aggressive and dangerous loose dogs in high-risk areas, with the intention of reducing potential bites. Through February 2019, DAS' collective loose dog intake is up 20% year-over-year, while loose dog bites remain flat.

**31 Neighborhood Code Representatives** 

**INITIATIVE** Adding \$650,000 for seven Neighborhood Code Representatives (NCR), further improving outreach efforts and providing more liaisons to address community issues. (Code Compliance)

**STATUS** The application for the NCR positions has been closed in NEOGOV. Interviews will begin in February, pending Civil Service results, with start dates in late February.

**32 Library RFID** 

**INITIATIVE** Implementing a \$2 million Radio Frequency Identification (RFID) system throughout our library system to improve security and better manage our materials and assets. (Library)

**STATUS** Communication and Information Services approved project specifications in December, and Procurement Services is finalizing its review. Staff anticipate advertisement for bid to occur in February.

**33 Aquatic Spraygrounds** 

**INITIATIVE** Expediting the opening of six spraygrounds for summer 2019. (Park & Recreation)

**STATUS** Three spraygrounds (Crawford, Fretz, and Samuell Grand) opened in August 2018. An additional three spraygrounds are on schedule to open for the 2019 summer season, for a total of six centers. The three expedited facilities for 2019 are Lake Highlands North, Kidd Springs, and Tietze.

**34 Park and ISD Partnerships** 

**INITIATIVE** Partnering with school districts to offer more green spaces and parks. (Park and Recreation)

**STATUS** Currently, 25 DISD and 7 RISD schools are open to the public after hours and on weekends, increasing the percentage of residents within half a mile of a park by 2% (to 60% from 58%). For FY 2018-19, Park and Recreation is looking at additional opportunities and partnerships to increase this to 63% (3% increase from last fiscal year). Five of 32 playgrounds are undergoing construction/improvements with anticipated completion in March 2019.

**35 WellMed Senior Programs** 

**INITIATIVE** Investing in programs for all ages by partnering with the nonprofit WellMed Charitable Foundation to open a new health and wellness center for residents age 60 and older. (Park and Recreation)

**STATUS** The WellMed Charitable Foundation Senior Activity Center is designed to keep adults age 60 or older healthy and active at no cost to participants. In January, the center saw 201 participants, logged 4,229 check-ins, and hosted 259 programs (1,119 program hours).

**36 Cultural Plan** 

**INITIATIVE** Adopting the Dallas Cultural Plan 2018. (Office of Cultural Affairs)

**STATUS** City Council unanimously adopted the Dallas Cultural Plan 2018 and an updated Cultural Policy on November 28, 2018. Implementation of key initiatives began immediately after adoption.

## Budget Initiative Tracker

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## 37 Off-Site City Council Meetings

**INITIATIVE** Expanding opportunities for residents and Council to engage by hosting mobile City Council meetings. (Mayor and City Council)

**STATUS** The Mayor and City Council will host three off-site agenda meetings during FY 2018-19:

- February 13 at Park in the Woods Recreation Center
- May 8 at Kleberg-Rylie Recreation Center
- August 14 at Bachman Lake Branch Library

## 38 Council District Offices

**INITIATIVE** Expanding opportunities for residents and Council to engage by expanding the district office program. (Mayor and City Council)

**STATUS** The City Council opened four district offices in FY 2017-18. The planned District 5 community office has been canceled; however, the District 4 community office will open February 8 at the Beckley-Saner Recreation Center. The District 10 office will be located at 7901 Goforth Rd (opening date to be determined).

## Census 2020

**INITIATIVE** Encouraging participation in Census 2020, including \$75,000 for the Mayor's Complete Count Committee. (Office of Strategic Partnerships and Government Affairs)

**STATUS** OSPGA is working with the Complete Count Committee to develop an outreach plan for Census 2020 and plans to conduct quarterly meetings to discuss solutions for accurately measuring hard-to-count areas of Dallas. The office is also preparing a fundraising budget and collaborating with Dallas County and surrounding cities to promote and fundraise for the Census, as well as share strategies throughout the region. Lastly, staff is identifying new partners to include in the National Census Bureau's strategic workshop planned for Spring 2019.

## Office of Innovation

**INITIATIVE** Establishing an Office of Innovation, which will lead City staff in efforts to improve service, increase efficiency, and be more responsive to community input. (Office of Innovation)

**STATUS** The Office of Innovation was established effective October 1, 2018, and the new Chief Innovation Officer, Laila Alequresh, joined the City in January 2019.

## 41 ADA Compliance

**INITIATIVE** Investing \$200,000 to develop an Americans with Disabilities Act (ADA) transition plan that enhances the City's ADA compliance and addresses accessibility issues in City facilities. (Office of Equity and Human Rights)

**STATUS** OEHR has identified a vendor under a state price agreement and is finalizing the scope of work with City departments. Staff anticipates submitting the contract for City Council consideration in June 2019.

## 42 Availability & Disparity (A&D) Study

**INITIATIVE** Conducting a minority business study to inform decision makers on how the City can better support small and local businesses. (Office of Business Diversity)

**STATUS** Phase 1 of the Availability and Disparity (A&D) Study is currently underway. The first public engagement meeting was a huge success: more than 250 business owners and stakeholders participated. A second meeting is scheduled for February 26. The vendor, MGT Consulting Group, continues to review survey data from department directors and project managers to identify and resolve data gaps.

## 43 Compensation Study

**INITIATIVE** Complete a comprehensive study of the City's position classification and compensation systems. (Human Resources)

**STATUS** HR staff completed the project specifications, which include three distinct phases: Job Architecture, Compensation Strategy, and Market Survey. Procurement Services will be involved in the review of Phase I (Job Architecture), and staff anticipates vendor selection for this phase in early 2019.

## 44 WorkDay HR/Payroll System

**INITIATIVE** Implementing a new human resource and payroll system and evaluating an additional module for uniformed employee scheduling. (Communication and Information Services)

**STATUS** Payroll, compensation, benefits, time tracking, absence, recruiting and talent management functionalities have been designed and configured. Data conversion from legacy systems (Lawson, Kronos, IDS, NEOGOV) is an ongoing activity as staff continues to work in those systems. The project management team is re-evaluating project timelines and will provide updated schedules for additional testing, as well as a new go-live date.



# Memorandum



CITY OF DALLAS

DATE March 14, 2019

Honorable Members of the Government Performance & Financial Management  
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **December 31, 2018 Quarterly Investment Report**

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. We have included summary reports on each of the City's individual portfolios, as well as summary information on the combined portfolio.

For the quarter ended December 31, 2018, 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.

*M. Elizabeth Reich*

M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief of Resilience  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors



CITY OF DALLAS

**December 31, 2018**

**QUARTERLY INVESTMENT REPORT**

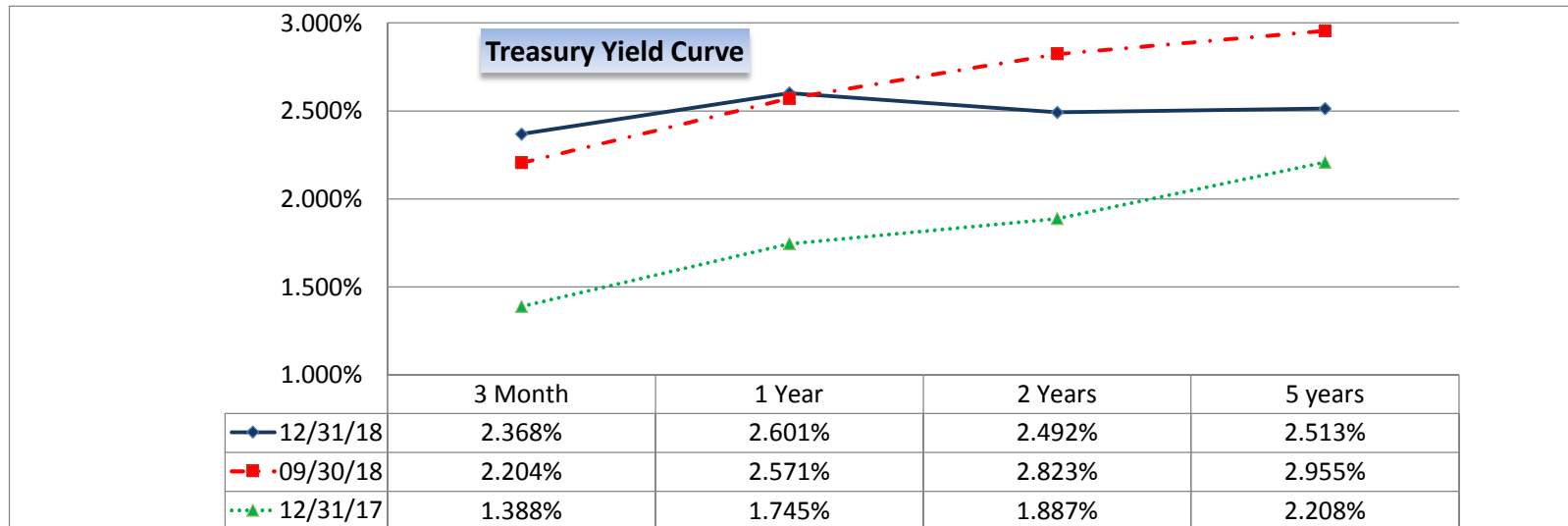
Quarterly National Economic and Market Update  
 Quarter Ended December 31, 2018

- Labor market continued to strengthen and economic activity rose at a strong rate
- Job gains were strong and the unemployment rate remained low
- Household spending continued to grow strongly, while growth of business fixed investment had moderated
- The Federal Open Market Committee (FOMC) raised the top of the target range for the federal funds rate from 2.00% - 2.25% to 2.25% - 2.50%.

Source: FOMC December 19, 2018 Statement

National Economic Data	12/31/2017	12/31/2018
Fed Funds Effective Rate Target Range	1.25% - 1.50%	2.25% - 2.50%
2 Years Treasury Note Yield	1.887%	2.492%
10 Years Treasury Note Yield	2.407%	2.686%
Monthly Unemployment Rate	4.1%	3.9%
Weekly Initial Jobless Claims	250,000	233,000
Monthly Change in Nonfarm Payrolls	160,000	312,000
Monthly New Housing Starts	1,209,000	1,078,000

Source: Bloomberg



Source: Bloomberg

City of Dallas  
Portfolio Holdings  
Combined Investment Summary  
As of 12/31/2018

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	1,940,323,098	1,940,187,351	1,935,309,000	5,261,277	1,940,570,277	(4,878,351)	1.89%
02 Convention Center Reserve	23,000,000	23,000,000	22,678,197	8,400	22,686,597	(321,803)	1.34%
03 Water Reserve	90,000,000	90,000,000	89,197,600	364,192	89,561,792	(802,400)	1.48%
04 Arts Endowment	2,235,000	2,235,000	2,202,997	10,654	2,213,651	(32,003)	1.32%
05 Ida Green Library Fund	1,000,000	1,000,000	994,754	833	995,587	(5,246)	1.25%
10 DWU Commercial Paper Program	13,960	13,960	13,960	-	13,960	-	2.49%
11 GO Commercial Paper Program	3,524,424	3,524,424	3,524,424	-	3,524,424	-	2.52%

\*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 unrealized gains and losses due to market changes occurring prior to an investment's maturity are unlikely to be realized.

**City of Dallas**  
**Trade Activity by Portfolio**  
**As of: 9/30/2018 - 12/31/2018**

Portfolio Description	Beginning Face Amount	Beginning Weighted Average Yield To Maturity	Purchased/Deposited	Matured	Ending Face Amount	Ending Weighted Average Yield To Maturity
<b>City's Investment Pool*</b>						
Federal Agricultural Mortgage Corp.	415,000,000	1.67%	20,000,000	13,000,000	422,000,000	1.73%
Federal Farm Credit Bank	224,275,000	1.41%	-	50,000,000	174,275,000	1.49%
Federal Home Loan Bank	479,000,000	1.57%	-	45,000,000	434,000,000	1.60%
Federal Home Loan Mortgage Corp.	241,000,000	1.45%	-	20,000,000	221,000,000	1.47%
Federal National Mortgage Assoc.	35,000,000	1.15%	10,000,000	10,000,000	35,000,000	1.64%
<b>Total Portfolio</b>	<b>1,394,275,000</b>	<b>1.54%</b>	<b>30,000,000</b>	<b>138,000,000</b>	<b>1,286,275,000</b>	<b>1.61%</b>
<i>*Trade activity excludes bank investment holding account, local government investment pools and money market mutual funds.</i>						
<b>Convention Center Reserve</b>						
Federal Home Loan Mortgage Corp.	4,000,000	1.25%	-	-	4,000,000	1.25%
Federal National Mortgage Assoc.	19,000,000	1.36%	-	-	19,000,000	1.36%
<b>Total Portfolio</b>	<b>23,000,000</b>	<b>1.34%</b>	<b>-</b>	<b>-</b>	<b>23,000,000</b>	<b>1.34%</b>
<b>Water Reserve**</b>						
Federal Agricultural Mortgage Corp.	20,000,000	1.52%	-	-	20,000,000	1.52%
Federal Farm Credit Bank	10,000,000	1.31%	-	10,000,000	-	
Federal Home Loan Bank	5,000,000	1.50%	-	-	5,000,000	1.50%
Federal Home Loan Mortgage Corp.	10,000,000	1.25%	-	-	10,000,000	1.25%
Federal National Mortgage Assoc.	45,000,000	1.20%	-	-	45,000,000	1.20%
<b>Total Portfolio</b>	<b>90,000,000</b>	<b>1.30%</b>	<b>-</b>	<b>10,000,000</b>	<b>80,000,000</b>	<b>1.30%</b>
<i>**Trade activity excludes local government investment pools.</i>						
<b>Arts Endowment</b>						
Federal Home Loan Mortgage Corp.	2,235,000	1.32%	-	-	2,235,000	1.32%
<b>Total Portfolio</b>	<b>2,235,000</b>	<b>1.32%</b>	<b>-</b>	<b>-</b>	<b>2,235,000</b>	<b>1.32%</b>
<b>Ida Green Library Endowment</b>						
Federal Agricultural Mortgage Corp.	1,000,000	1.25%	-	-	1,000,000	1.25%
<b>Total Portfolio</b>	<b>1,000,000</b>	<b>1.25%</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>1.25%</b>
<b>DWU Commercial Paper Program</b>						
Money Market	13,960	2.04%	-	-	13,960	2.49%
<b>Total Portfolio</b>	<b>13,960</b>	<b>2.04%</b>	<b>-</b>	<b>-</b>	<b>13,960</b>	<b>2.49%</b>
<b>GO Commercial Paper Program</b>						
Money Market	3,524,424	2.06%	-	-	3,524,424	2.52%
<b>Total Portfolio</b>	<b>3,524,424</b>	<b>2.06%</b>	<b>-</b>	<b>-</b>	<b>3,524,424</b>	<b>2.52%</b>



City of Dallas  
 Summary Statement by Portfolio  
 As of: 9/30/2018 - 12/31/2018

Portfolio Description	Beginning Face Amount	Ending Face Amount	Beginning Book Value	Ending Book Value	Beginning Market Value	Ending Market Value	Net Deposits/ (Redemptions)	Change in Market Value	Accrued Interest	Ending Weighted Average Yield To Maturity
<b>City's Investment Pool<sup>1</sup></b>										
*Public Funds Interest Checking (PFIC) Account	100,716,835	101,123,560	100,716,835	101,123,560	100,716,835	101,123,560	406,725	-	-	1.60%
Local Govt. Investment Pool	379,373,045	482,924,539	379,373,045	482,924,539	379,373,045	482,924,539	103,551,494	-	-	2.61%
Money Market	78,000,000	70,000,000	78,000,000	70,000,000	78,000,000	70,000,000	(8,000,000)	-	-	2.42%
US Agency	1,394,275,000	1,286,275,000	1,394,267,527	1,286,139,253	1,385,911,056	1,281,260,902	(108,000,000)	3,488,746	5,261,277	1.61%
<b>**Total Portfolio</b>	<b>1,952,364,880</b>	<b>1,940,323,098</b>	<b>1,952,357,407</b>	<b>1,940,187,351</b>	<b>1,944,000,936</b>	<b>1,935,309,000</b>	<b>(12,041,782)</b>	<b>3,488,746</b>	<b>5,261,277</b>	<b>1.89%</b>

<b>Convention Center Reserve<sup>2</sup></b>										
US Agency	23,000,000	23,000,000	23,000,000	23,000,000	22,546,991	22,678,197	-	131,206	8,400	1.34%
<b>Total Portfolio</b>	<b>23,000,000</b>	<b>23,000,000</b>	<b>23,000,000</b>	<b>23,000,000</b>	<b>22,546,991</b>	<b>22,678,197</b>	<b>-</b>	<b>131,206</b>	<b>8,400</b>	<b>1.34%</b>

<b>Water Reserve<sup>2</sup></b>										
Local Govt. Investment Pool	-	10,000,000	-	10,000,000	-	10,000,000	10,000,000	-	-	2.90%
US Agency	90,000,000	80,000,000	89,999,209	80,000,000	88,838,690	79,197,600	(10,000,000)	358,910	364,192	1.30%
<b>Total Portfolio</b>	<b>90,000,000</b>	<b>90,000,000</b>	<b>89,999,209</b>	<b>90,000,000</b>	<b>88,838,690</b>	<b>89,197,600</b>	<b>-</b>	<b>358,910</b>	<b>364,192</b>	<b>1.48%</b>

<b>Arts Endowment<sup>3</sup></b>										
US Agency	2,235,000	2,235,000	2,235,000	2,235,000	2,191,071	2,202,997	-	11,926	10,654	1.32%
<b>Total Portfolio</b>	<b>2,235,000</b>	<b>2,235,000</b>	<b>2,235,000</b>	<b>2,235,000</b>	<b>2,191,071</b>	<b>2,202,997</b>	<b>-</b>	<b>11,926</b>	<b>10,654</b>	<b>1.32%</b>

<b>Ida Green Library Endowment<sup>4</sup></b>										
US Agency	1,000,000	1,000,000	1,000,000	1,000,000	991,561	994,754	-	3,193	833	1.25%
<b>Total Portfolio</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>991,561</b>	<b>994,754</b>	<b>-</b>	<b>3,193</b>	<b>833</b>	<b>1.25%</b>

<b>DWU Commercial Paper<sup>5</sup></b>										
Money Market	13,960	13,960	13,960	13,960	13,960	13,960	-	-	-	2.49%
<b>Total Portfolio</b>	<b>13,960</b>	<b>13,960</b>	<b>13,960</b>	<b>13,960</b>	<b>13,960</b>	<b>13,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.49%</b>

<b>GO Commercial Paper<sup>5</sup></b>										
Money Market	3,524,424	3,524,424	3,524,424	3,524,424	3,524,424	3,524,424	-	-	-	2.52%
<b>Total Portfolio</b>	<b>3,524,424</b>	<b>3,524,424</b>	<b>3,524,424</b>	<b>3,524,424</b>	<b>3,524,424</b>	<b>3,524,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.52%</b>

Notes 1-5: See Page 6 for Strategy Statement by Portfolio.

\*Public Funds Interest Checking (PFIC) Account is fully collateralized, interest-bearing account with liquidity equal to that of a money market mutual fund

\*\*Numbers may not sum due to rounding

## City of Dallas

### Strategy Statement and Compliance by Portfolio

As of: 9/30/2018 - 12/31/2018

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#### STRATEGY COMPLIANCE STATEMENT

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For the quarter ended December 31, 2018 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.

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#### STRATEGY STATEMENT BY PORTFOLIO

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##### 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) Arts Endowment

The Arts 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.

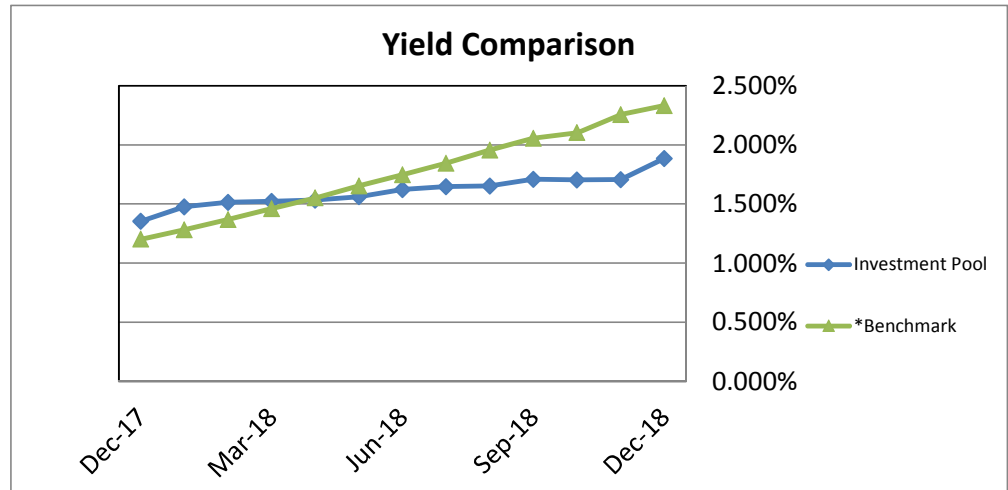
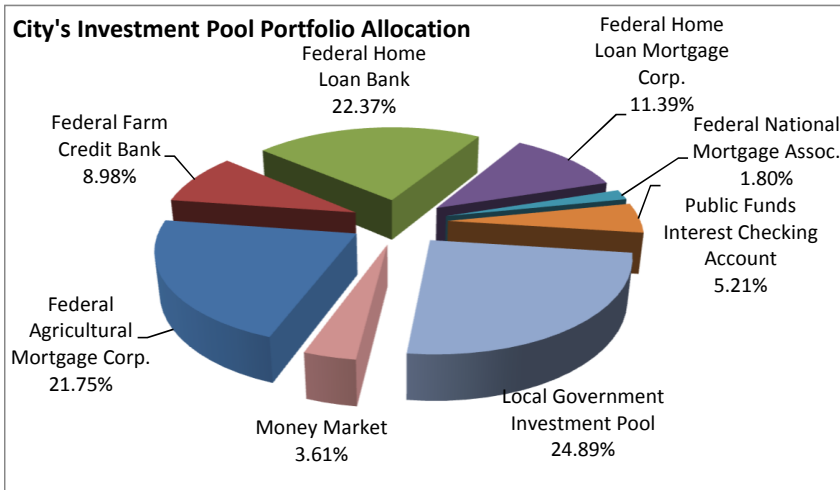
##### 4) Ida Green Library Endowment

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 of capital projects. The investment of the proceeds from the issuance of commercial paper debt should have a high degree of liquidity in order to fund payments to contractors.

**City of Dallas  
City's Investment Pool Portfolio Allocation  
Investment Summary  
As of 12/31/2018**



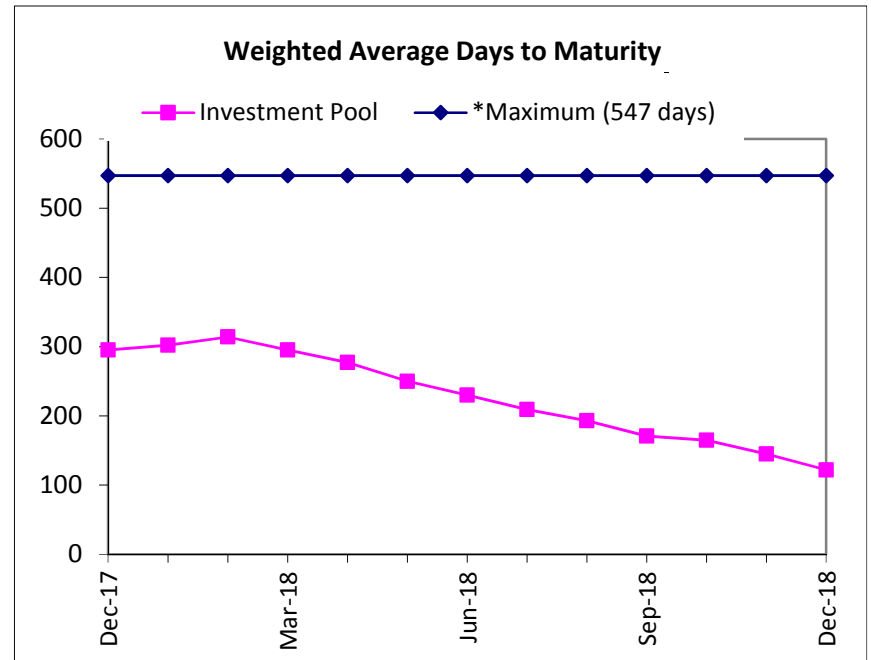
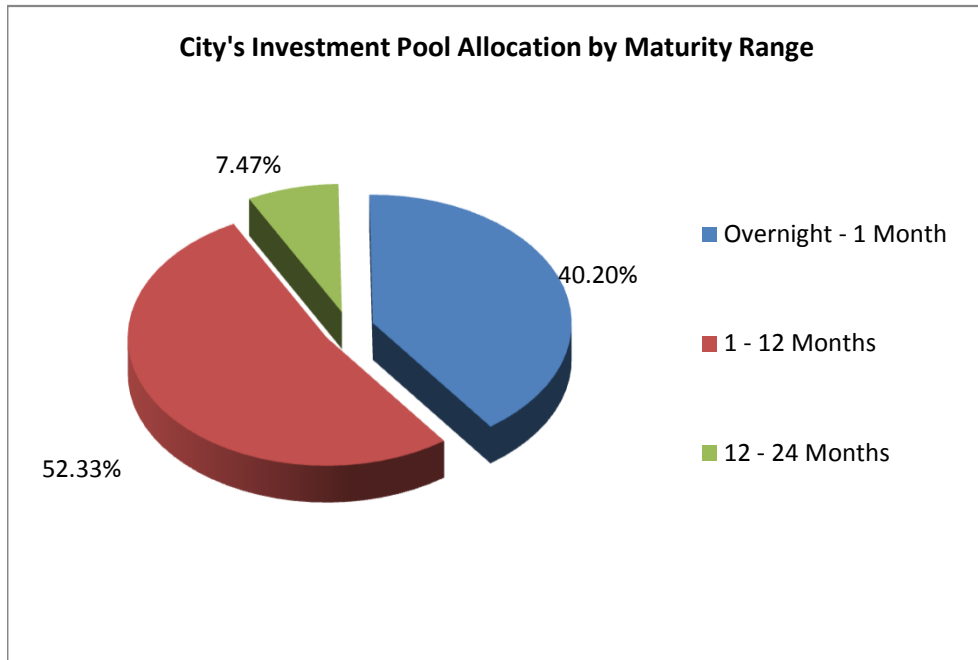
Description	Face Amount	Book Value	Market Value	**Unrealized Gain/(Loss)	Weighted Average Days To Maturity	Weighted Average Yield To Maturity	% of Portfolio
Federal Agricultural Mortgage Corp.	422,000,000	421,999,631	421,111,579	(888,052)	139	1.73%	21.75%
Federal Farm Credit Bank	174,275,000	174,271,376	173,757,615	(513,761)	131	1.49%	8.98%
Federal Home Loan Bank	434,000,000	434,003,946	431,944,204	(2,059,742)	201	1.60%	22.37%
Federal Home Loan Mortgage Corp.	221,000,000	221,000,000	219,598,879	(1,401,121)	218	1.47%	11.39%
Federal National Mortgage Assoc.	35,000,000	34,864,300	34,848,625	(15,675)	152	1.64%	1.80%
Public Funds Interest Checking Account	101,123,560	101,123,560	101,123,560	-	1	1.60%	5.21%
Local Government Investment Pool	482,924,539	482,924,539	482,924,539	-	28	2.61%	24.89%
Money Market	70,000,000	70,000,000	70,000,000	-	1	2.42%	3.61%
<b>***Total Portfolio</b>	<b>1,940,323,098</b>	<b>1,940,187,351</b>	<b>1,935,309,000</b>	<b>(4,878,351)</b>	<b>122</b>	<b>1.89%</b>	<b>100.00%</b>

\*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 practice to hold investments until they mature, the unrealized gains and losses due to market changes occurring prior to an investment's maturity 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 12/31/2018**



Description	Face Amount/Shares	Book Value	Market Value	Weighted Average Yield To Maturity	Weighted Average Days To Maturity	% of Portfolio
Overnight - 1 Month	780,048,098	780,047,596	779,977,794	2.19%	5	40.20%
1 - 12 Months	1,015,275,000	1,015,276,996	1,011,130,296	1.63%	173	52.33%
12 - 24 Months	145,000,000	144,862,759	144,200,910	2.09%	391	7.47%
<b>**Total Portfolio</b>	<b>1,940,323,098</b>	<b>1,940,187,351</b>	<b>1,935,309,000</b>	<b>1.89%</b>	<b>122</b>	<b>100%</b>

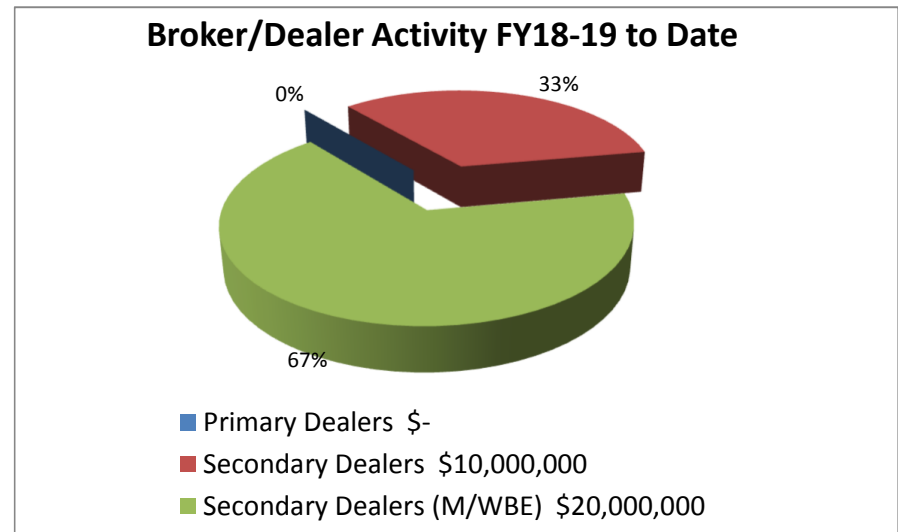
\*As per Section 13.0 of the City's Investment Policy, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years (547 days).

\*\* Numbers may not sum due to rounding

City of Dallas  
Date To Date  
Broker/Dealer Activity  
As of: FY 18-19 Year to Date

FY 18-19 Year to Date		
Description	Awarded	%
<b>Primary Dealers</b>		
Bank of America	\$0	0.00%
Jefferies & Co.	0	0.00%
RBC Capital Markets, LLC	0	0.00%
Wells Fargo	0	0.00%
<b>Secondary Dealers</b>		
FTN Financials	0	0.00%
Hilltop Securities Inc.	10,000,000	33.33%
Intl Fcstone Financial Inc.	0	0.00%
Multi Bank Securities	0	0.00%
Piper Jaffray & Co.	0	0.00%
Samco Capital Market	0	0.00%
SunTrust Robinson Humphrey, Inc.	0	0.00%
Vining Sparks	0	0.00%
<b>Secondary Dealers - M/WBE</b>		
Capital Institutional Services, Inc.	0	0.00%
Loop Capital	20,000,000	66.67%
Rice Financial	0	0.00%
Stern Brothers & Co.	0	0.00%
<b>Total</b>	<b>\$30,000,000</b>	<b>100.00%</b>

Q1 FY 18-19		
Description	Awarded	%
Hilltop Securities Inc.	10,000,000	33.33%
Loop Capital	20,000,000	66.67%
<b>Total</b>	<b>30,000,000</b>	<b>100.00%</b>



**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 February 2018.  
It is the City's policy to solicit three or more competitive bids/offers each trade except for agency securities purchased at issue.

**CITY OF DALLAS**

**December 31, 2018**

**QUARTERLY INVESTMENT REPORT**

For the quarter ended December 31, 2018 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:

M. Elizabeth Reich

City Controller:

Sheri Kowalski

Treasury Manager:

[Signature]