

RECEIVED

**GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT**

DALLAS CITY COUNCIL COMMITTEE AGENDA

2019 APR 12 AM 10:55

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, APRIL 15, 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 April 1, 2019 Government Performance & Financial Management Committee meeting
2. Consideration of Upcoming Agenda Items for April 24, 2019 City Council Meeting

**BRIEFINGS**

3. Communications Related to the FY 2018 Audit  
Dan Barron  
Grant Thornton
4. FY 2019 Mid-Year Appropriation Adjustments  
Jack Ireland, *Director*  
Office of Budget

**FYI**

5. Budget Accountability Report – February 2019
6. FY 2017-18 End-of-Year Report
7. Quarterly Fleet Management Study Progress Update

Adjourn



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

A quorum of the City Council may attend this Council Committee meeting

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:** April 1, 2019

**Convened:** 2:02 pm

**Adjourned:** 3:34 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  
Jenifer West  
Lance Sehorn

Barbara McAninch  
Chhunny Chhean  
Robert Coalter  
Robert Sims  
Joanna Salas

Richard Wagner  
Zarin Gracey  
Terry Lowery  
Errick Thompson  
Sheri Kowalski

Kris Sweckard  
Susan Alvarez  
Ashley Eubanks  
Thandee Kywe  
James McGuire

## AGENDA:

### Call to Order

#### 1. Consideration of the March 18, 2019 Minutes

Presenter(s): N/A

Information Only:

Action Taken/Committee Recommendation(s): Approved

A motion was made to approve the March 18, 2019 minutes. The motion passed unanimously.

Motion made by: Sandy Greyson

Motion seconded by: Scott Griggs

#### 2. Consideration of the Upcoming Agenda Items for April 10, 2019 City Council Meeting

Presenter(s): N/A

Information Only: X

Action Taken/Committee Recommendation(s):

### Briefings

#### 3. Energy Policy, Strategy, and Electricity Procurement

Presenter(s): Errick Thompson, Director, Building Services Department; Michael Ayala, CEC, Executive Director, Tradition Energy

Information Only: X

Action Taken/Committee Recommendation(s):

Errick Thompson presented a briefing on the City's energy policy and the upcoming reverse auction electricity procurement.

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## Meeting Record

There were questions about solar panels and power purchasing agreements in the past.

4. **Online Hotel Occupancy Tax Registration and Collection**

Presenter(s): Elizabeth Reich, Chief Financial Officer

Information Only: X

Action Taken/Committee Recommendation(s):

Chief Financial Officer Elizabeth Reich presented a briefing on the City's new online Hotel Occupancy Tax (HOT) portal.

Some council members suggested implementing registration fees to raise revenue. Others urged legal action against Airbnb and other online platforms which do not remit HOT.

### **FYI**

5. **Texas Water Development Board – Low Cost Financial Assistance Programs**

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



Agenda Information Sheet

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**File #:** 19-336

**Item #:** 2.

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**STRATEGIC PRIORITY:** Quality of Life  
**AGENDA DATE:** April 24, 2019  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Building Services Department  
**EXECUTIVE:** Joey Zapata

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**SUBJECT**

Authorize **(1)** an increase to the construction services contract with Phoenix 1 Restoration and Construction, Ltd. to increase the scope of work for construction modifications and corrective actions for hidden conditions discovered during the construction phase for the Dallas City News Studio in Fair Park located at 1620 First Avenue; and **(2)** an increase in appropriations in an amount not to exceed \$379,692.00 in the Public Educational and Governmental Access Fund - Not to exceed \$347,828.01, from \$6,027,471.36 to \$6,375,299.37 - Financing: Public Educational and Governmental Access Fund

**BACKGROUND**

This action authorizes an increase to the construction services contract with Phoenix 1 Restoration and Construction, Ltd. to increase the scope of work for construction modifications and corrective actions for hidden conditions discovered during the construction phase for the Dallas City News Studio in Fair Park located at 1620 First Avenue. This is the final change order to closeout this construction contract. Construction is complete with the exception of the installation of four phone lines and final inspection.

The construction services contract was awarded in the amount of \$5,146,800.00 and included a contingency line in the amount of \$490,000.00. Change Order No. 1 was authorized for program changes and design improvements, which were funded by the contingency line, in the amount of \$400,756.00, leaving a contingency balance of \$89,244.00.

Change Order No. 2 was authorized for deficiencies and unforeseen conditions discovered during construction, for modifications, repairs, and/or replacement to items such as countertops, mechanical system ducts and conduit, electrical, plumbing, wooden wall paneling, and structural steel modifications.

Final modifications and corrective actions in Change Order No. 3 include:

Construction Modifications

- Door changes
- Aluminum door hardware changes
- Miscellaneous interior modifications: revise second floor ceilings, relocate and add fixtures, interior walls, electrical, plumbing and duct work
- Acoustical wall liner
- Add acoustical ceiling

Deficiencies

- Correct exterior expansion joints
- Add fence at generator
- Add operable windows
- Add special threshold door
- Emergency generator shared by the news studio and WRR
- Security system with cameras and card readers

Unforeseen Conditions

- Utility items for Fire Line
- Repairs to WRR Cable
- Install ONCOR transformer and switch pads
- Floor leveling
- Replace original wooden wall paneling due to termite damage
- Replace riser and stair wood trim
- Add vents in elevator rooms

**ESTIMATED SCHEDULE OF PROJECT**

Began Design	June 2015
Completed Design	October 2016
Began Construction	January 2017
Complete Construction	June 2019

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

On June 17, 2015, City Council authorized a professional services contract with Russ Berger Design Group, Inc. for renovation of the Science Place II Building at Fair Park for the Dallas City News Network by Resolution No. 15-1159.

On November 2, 2016, City Council was briefed on the Communications and Policy Institute.

On December 14, 2016, City Council authorized a construction services contract with Phoenix 1 Restoration and Construction, Ltd. for the Dallas City News Studio in Fair Park by Resolution No. 16-1985.

On November 8, 2017, City Council authorized Change Order No. 1 for the additional scope of work to the construction services contract with Phoenix 1 Restoration and Construction, Ltd. for program changes, design improvements and corrective actions for concealed conditions discovered during demolition for the Dallas City News Studio by Resolution No. 17-1729.

On June 13, 2018, City Council authorized Change Order No. 2 for construction modifications and an increase in appropriations to the construction services contract with Phoenix 1 Restoration and Construction, Ltd. for the Dallas City News Studio by Resolution No. 18-0813.

City Council will be briefed by memorandum regarding this matter on April 19, 2019.

Information about this item will be provided to the Government Performance and Financial Management Committee on April 15, 2019.

**FISCAL INFORMATION**

Public Educational and Governmental Access Fund - \$347,828.01

Construction Amount	\$5,146,800.00
Change Order No. 1	\$ 0.00
Change Order No. 2	\$ 880,671.36
Change Order No. 3 (this action)	<u>\$ 347,828.01</u>
Total	\$6,375,299.37

**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 \$
\$347,828.01	Construction	25.00%	26.64%	\$92,671.92
• This contract exceeds the M/WBE goal.				
• Change Order No. 3 - 30.77% Overall M/WBE participation				

**OWNER**

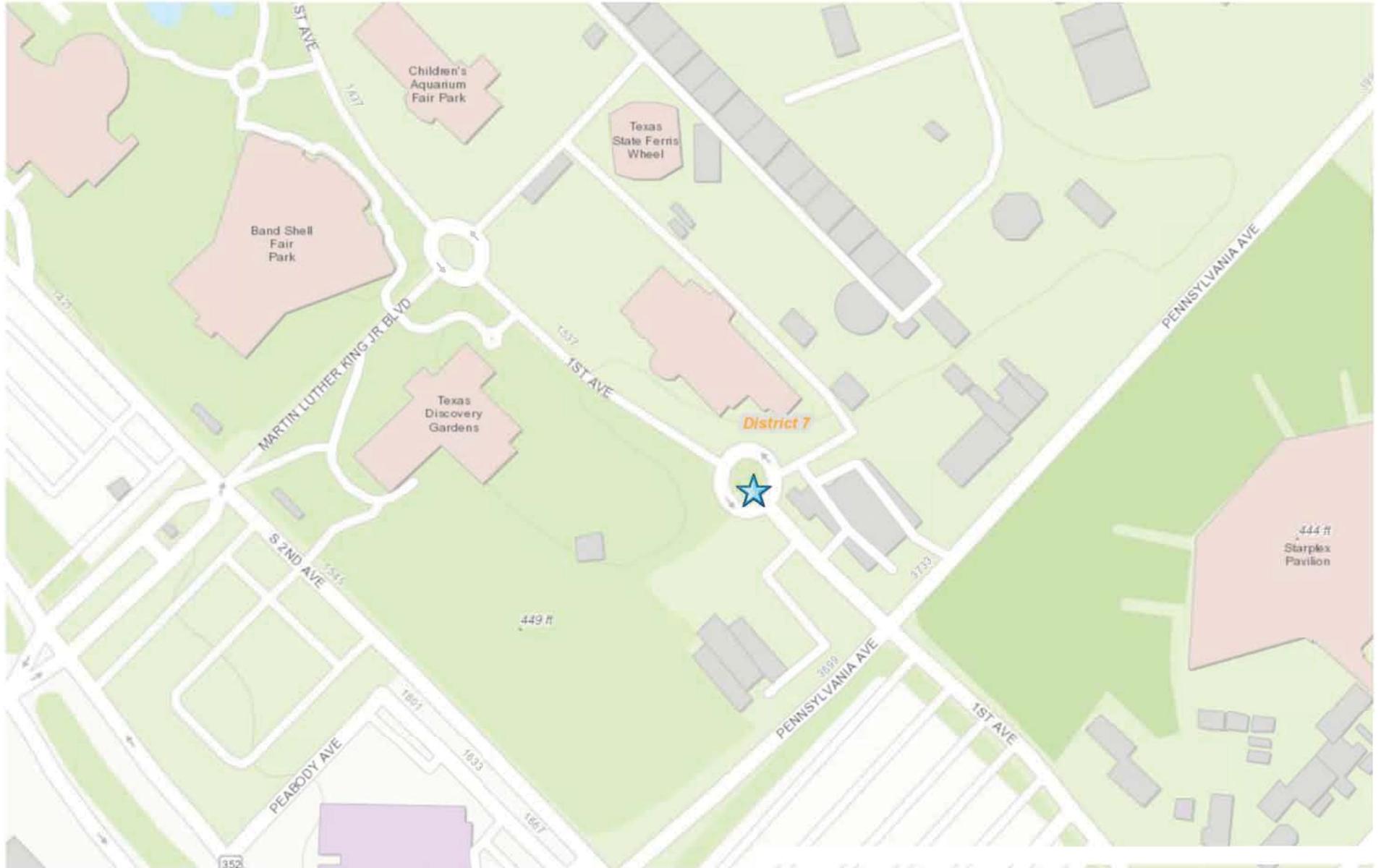
**Phoenix 1 Restoration and Construction, Ltd.**

Dale Sellers, President

**MAP**

Attached

Dallas City News Studio in Fair Park  
1620 First Avenue



April 24, 2019

**WHEREAS**, on June 17, 2015, City Council authorized a professional services contract with Russ Berger Design Group, Inc. for renovation of the Science Place II Building at Fair Park for the Dallas City News Network, in an amount not to exceed \$301,000.00, by Resolution No. 15-1159; and

**WHEREAS**, on December 14, 2016, City Council authorized a construction services contract with Phoenix 1 Restoration and Construction, Ltd. for the Dallas City News Studio located at 1620 First Avenue in Fair Park, in an amount not to exceed \$5,146,800.00, by Resolution No. 16-1985; and

**WHEREAS**, on February 16, 2017, Administrative Action No. 17-0316 authorized Supplemental Agreement No. 1 to the professional services contract with Russ Berger Design Group, Inc. for special services for interior design services to add exterior renovation, in an amount not to exceed \$39,000.00, from \$301,000.00 to \$340,000.00; and

**WHEREAS**, on July 24, 2017, Administrative Action No. 17-0894 authorized Supplemental Agreement No. 2 to the professional services contract with Russ Berger Design Group, Inc. for design of the new emergency generator system, in an amount not to exceed \$34,380.00, from \$340,000.00 to \$374,380.00; and

**WHEREAS**, on November 8, 2017, City Council authorized Change Order No. 1 to increase the construction services contract with Phoenix 1 Restoration and Construction, Ltd. for program changes, design improvements and corrective actions for concealed conditions discovered during demolition for the Dallas City News Studio, with no cost consideration to the City; and

**WHEREAS**, on June 13, 2018, City Council authorized Change Order No. 2 to increase the construction services contract with Phoenix 1 Restoration and Construction, Ltd. for construction modifications and corrective actions for concealed conditions discovered during the construction phase for the Dallas City News Studio, in an amount not to exceed \$880,671.36, from \$5,146,800.00 to \$6,027,471.36, by Resolution No. 18-0813; and

**WHEREAS**, it is now necessary to authorize Change Order No. 3 to increase the construction services contract with Phoenix 1 Restoration and Construction, Ltd. for construction modifications and corrective actions for hidden conditions discovered during the construction phase for the Dallas City News Studio, in an amount not to exceed \$347,828.01, increasing the contract amount from \$6,027,471.36 to \$6,375,299.37.

April 24, 2019

**Now, Therefore,**

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

**SECTION 1.** That an increase to the construction services contract with Phoenix 1 Restoration and Construction, Ltd. (Change Order No. 3) is authorized for construction modifications and corrective actions for hidden conditions discovered during the construction phase for the Dallas City News Studio in Fair Park located at 1620 First Avenue, in an amount of \$347,828.01, increasing the contract amount from \$6,027,471.36 to \$6,375,299.37.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$347,828.01 to Phoenix 1 Restoration and Construction, Ltd., in accordance with the terms and conditions of the contract from Public Educational and Governmental Access Fund, Fund 0560, Department DSV, Unit 4817, Object 4310, Program PBWCNNS, Major Program DSVMJR, Encumbrance EBSCNNSSG002, Vendor VC0000003594.

**SECTION 3.** That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$379,692.00 in the Public Educational and Governmental Access Fund, Fund 0560, Department DSV, Unit 4817, Object 4310.

**SECTION 4.** That this contract is designated as Contract No. EBS-2016-00001487.

**SECTION 5.** 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 #:** 19-527

**Item #:** 7.

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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** April 24, 2019  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** Department of Communication and Information Services  
**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a subscription contract for additional specialized municipal-related services with Gartner, Inc. - Not to exceed \$86,232.25 - Financing: Data Services Fund

**BACKGROUND**

This agreement is for a subscription to Gartner, Inc.'s Executive Program, an executive assistance and mentoring program that provides access to leading technology analysts and research providing insight and interpretation into continuous improvement strategies for information technology (IT) organizations. This subscription provides an experienced advisor that will work with City management on various initiatives including best practices, latest industry trends, emerging technologies, and support with strategic planning. This subscription also includes unlimited access to published research data, peer connections, and IT planning briefings.

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

On September 26, 2018, City Council authorized payment of annual membership fees and continuation of arrangements for providing specialized municipal-related services to Gartner, Inc. by Resolution No. 18-1367.

The Government Performance & Financial Management Committee will receive this item for consideration on April 15, 2019.

**FISCAL INFORMATION**

Data Services Fund - \$86,232.25

**OWNER**

**Gartner, Inc.**

Eugene A Hall, Chief Executive Officer

April 24, 2019

**WHEREAS**, on September 26, 2018, City Council authorized payment of annual membership fees and continuation of arrangements for providing specialized municipal-related services to Gartner, Inc. by Resolution No. 18-1367.

**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 a subscription contract with Gartner, Inc. (VS0000018090), approved as to form by the City Attorney, for additional specialized municipal-related services, in an amount not to exceed \$86,232.25.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$86,232.25 to Gartner, Inc. from Data Services Fund, Fund 0198, Department DSV, Unit 1664, Object 3340, Encumbrance/Contract No. CX-DSV-2018-00007904, Vendor VS0000018090.

**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 #:** 19-442

**Item #:** 23.

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

**AGENDA DATE:** April 24, 2019

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

**DEPARTMENT:** Office of Budget

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a public hearing to be held on May 8, 2019 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 will be at the Kleberg-Rylie Recreation Center on May 8, 2019. Resident input is an important part of the budget development process.

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

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City.

April 24, 2019

**WHEREAS**, the City Council is committed to providing the residents of Dallas with the opportunity to speak on the City's FY 2019-20 budget.

**Now, Therefore,**

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

**SECTION 1.** That a public hearing on the City's FY 2019-20 Operating, Capital, and Grant & Trust Budgets will be held on May 8, 2019 at Kleberg-Rylie Recreation Center.

**SECTION 2.** 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 #:** 19-516

**Item #:** 24.

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

**AGENDA DATE:** April 24, 2019

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

**DEPARTMENT:** Office of Budget

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

An ordinance amending Ordinance No. 30991, previously approved on September 18, 2018, as amended by Ordinance No. 31035, previously approved on November 14, 2018, authorizing certain transfers and appropriation adjustments for FY 2018-19 for the maintenance and operation of various departments, activities, and amending the capital budget; and authorize the City Manager to implement those adjustments - Financing: No cost consideration to the City

**BACKGROUND**

On September 18, 2018, City Council adopted the Operating, Grants/Trust, and Capital Budgets for FY 2018-19, by Ordinance No. 30991.

On November 14, 2018, City Council adopted Ordinance No. 31035 amending Ordinance No. 30991, to adjust appropriation for Management Services.

City Charter does not allow for expenditure of City funds without sufficient appropriation (City Charter, Chapter XI, Section 6). Management has closely monitored revenues and expenses throughout the fiscal year to ensure compliance with City Charter. The amendments requested reflect: (1) appropriation adjustments previously approved by City Council; (2) adjustments to ensure adequate departmental appropriations in the General Fund; (3) Enterprise, Other, Grant, and Trust funds revenue and expenditure increases; (4) capital appropriation adjustments; and (5) General Fund contingency to fund a portion of the staffing study for the Dallas Police Department and funding to expand youth programs in the Park & Recreation Department.

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

On September 18, 2018, City Council adopted the FY 2018-19 City of Dallas Operating, Grants/Trusts, and Capital Budgets by Resolution No. 18-1337; Ordinance No. 30991.

On November 14, 2018, City Council amended Ordinance No. 30991, previously approved on September 18, 2018, to authorize appropriation adjustments to the FY 2018-19 City of Dallas Operating, Grants/Trusts, and Capital Budgets by Resolution No. 18-1613; Ordinance No. 31035.

The Government Performance and Financial Management Committee will be briefed regarding this item on April 15, 2019.

**FISCAL INFORMATION**

No cost consideration to the City.

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

**AMENDING THE OPERATING AND CAPITAL BUDGETS' APPROPRIATIONS  
ORDINANCE**

An ordinance amending Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets' Appropriation Ordinance), as amended by Ordinance No. 31035, to make adjustments for the fiscal year 2018-19 for the maintenance and operation of various departments and activities, amending capital budgets; authorizing the city manager to make certain adjustments; appropriating funds for public improvements to be financed from bond funds and other revenues of the city of Dallas for fiscal year 2018-19; providing a saving clause; and providing an effective date.

WHEREAS, on September 18, 2018, the city council passed Ordinance No. 30991, which adopted the operating and capital budgets' appropriations ordinance for fiscal year 2018-19; and

WHEREAS, on November 14, 2018, the city council passed Ordinance No. 31035, which amended Ordinance No. 30991 by adding capital funds to fund appropriations for fiscal year 2018-19; and

WHEREAS, shortages and excesses in various departments and activity appropriations have created a need to adjust those appropriations; and

WHEREAS, the city council authorizes in accordance with Chapter XI, Section 4, of the Dallas City Charter to transfer an unencumbered balance of an appropriation made for the use of one department, division, or purpose to any other department, division, or purpose, upon the written recommendation of the city manager; and

WHEREAS, the city council is authorized in accordance with Chapter XI, Section 5, of the Dallas City Charter to appropriate, from time to time, excess revenues of the city to such uses as will not conflict with any uses for which such revenues specifically accrued; Now, Therefore,

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

SECTION 2. That Section 1 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets' Appropriation Ordinance), passed by the city council on September 18, 2018, is amended by making adjustments to fund appropriations for fiscal year 2017-18 for maintenance and operation of various departments and activities, to read as follows:

“SECTION 1. That for the purpose of providing the funds to be expended in the budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019, the available revenues of the city of Dallas are hereby appropriated for the maintenance and operation of the various city departments and activities as follows:

<b><u>DEPARTMENTS AND ACTIVITIES</u></b>	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
Building Services	22,729,907
City Attorney's Office	18,348,876
City Auditor's Office	3,367,314
City Manager's Office	2,787,305
City Secretary's Office	2,873,978
Civil Service	<u>3,316,621</u> [ <del>3,241,624</del> ]
Code Compliance	31,635,395
City Controller's Office	<u>6,849,599</u> [ <del>6,768,899</del> ]
Court and Detention Services	<u>23,164,074</u> [ <del>23,314,074</del> ]
Dallas Animal Services	14,878,667
Elections	<u>*1,631,698</u> [ <del>1,476,556</del> ]
Fire	294,483,209
Human Resources	7,005,071
Independent Audit	917,892
Jail Contract – Lew Sterrett	8,908,016
Judiciary	3,446,356
Library	<u>34,038,717</u> [ <del>34,138,717</del> ]
Mayor and Council	4,989,530
Non-Departmental	<u>92,653,775</u> [ <del>92,727,295</del> ]

Office of Cultural Affairs	** <u>20,453,188</u> [19,973,188]
Office of Budget	3,796,050
Office of Economic Development	4,972,909
Office of Housing and Neighborhood Revitalization	4,213,724
Office of Management Services	<u>31,688,439</u> [31,520,619]
Park and Recreation	<u>99,042,371</u> [98,542,371]
Planning and Urban Design	3,171,871
Police	<u>487,002,691</u> [486,752,691]
Procurement Services	2,443,038
Public Works	75,856,653
Sustainable Development and Construction	2,194,525
Transportation	47,219,419
Trinity Watershed Management	1,302,754
Contingency Reserve	2,319,383
Salary and Benefits Reserve	2,200,000
Liability/Claims Fund	2,751,145

\* An increase to \$1,631,698 was previously approved by Resolution No. 18-1641.

\*\* An increase to \$20,453,188 was previously approved by Resolution No. 19-0296.

**GENERAL FUND TOTAL** **\$1,367,351,406 [~~1,365,966,274~~]**

	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
<b><u>GRANT FUNDS</u></b>	
<u>Court and Detention Services</u>	
Law Enforcement Officer Standards and Education (S104)	1,685
<u>Management Services</u>	
Fair Housing FHAP Award 14-15 (F439)	6,126
Fair Housing FHAP Award 15-16 (F471)	22,671
<b>GRANT FUNDS TOTAL</b>	<b>\$30,518</b>

	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
<b><u>TRUST AND OTHER FUNDS</u></b>	
<u>Communication and Information Services</u>	
Information Technology Equipment Fund (0897)	<u>5,450,000</u> [1,450,000]
<u>Court and Detention Services</u>	
Employee Morale Fund (0902)	11
Technology Fund (0401)	343,587

<u>Dallas Animal Services</u>	
Animal Control Enhancement (0898)	46,597
Animal Control Enhancement 87D (0878)	842
Animal Services Operation Supp (0883)	137
Dallas Animal Services Online Donations (0714)	56
Dallas Animal Welfare Fund (0711)	<u>566 [393]</u>
<u>Fire</u>	
Smoke Detector Program Donation (0230)	19,541
Paramedic Activity (0302)	<u>10,238</u>
<u>Library</u>	
Edmond and Louise Kahn E. Trust (0208)	262,567
Central Library Gift and Donations (0214)	42,668
Hamon Trust (0458)	14,794
Genealogy Fund (0687)	19,550
Donations and Interest Fund (0734)	59,313
<u>Management Services</u>	
Carryout Bag Regulation Fund (0989)	126,953
<u>Office of Budget</u>	
Rate Case Reimbursement Reserve Fund (0007)	4,000,000
Fair Park First Reserve Fund (0444)	<u>***3,500,000</u>
<u>Office of Cultural Affairs</u>	
OCA Hotel Occupancy Tax (0435)	2,670,482
<u>Office of Economic Development</u>	
Economic Development Sales Tax Rebate Program (0680)	467,562
New Market Tax Credit (0065)	114,225
Property Assessed Clean Energy Fund (0750)	4,511
South Dallas/Fair Park Trust Fund (0351)	1,298,031
Dallas Housing Trust Fund (9P16)	<u>****7,000,000</u>
Deep Ellum Public Improvement District (9P01)	628,778
Dallas Downtown Improvement District (9P02)	7,566,520
Klyde Warren Park/ Dallas Arts District Public Improvement District (9P03)	1,273,513
Knox Street Public Improvement District (9P04)	366,712
Lake Highlands Public Improvement District (9P05)	695,989
North Lake Highlands Public Improvement District (9P06)	385,089
Oak Lawn-Hi Line Public Improvement District (9P07)	362,020
Prestonwood Public Improvement District (9P08)	427,621
South Side Public Improvement District (9P10)	260,676
University Crossing Public Improvement District (9P12)	773,814
Uptown Public Improvement District (9P13)	2,723,533
Vickery Meadow Public Improvement District (9P15)	900,464

Office of Housing and Neighborhood Revitalization

Mayfair Gifts and Donation (0471)	2,518
Dallas Tomorrow Fund (0476)	530,705

Park and Recreation

Craddock Park Expense Trust (0340)	6,022
Fair Park Marketing (0G43)	42,626
<u>Fair Park Naming Sponsorship (0426)</u>	<u>1,632,004</u>
Fair Park Special Maintenance (0329)	108,492
Ford Found Innovative Program (0T14)	1,089
Golf Improvement Trust (0332)	1,481,189
Grauwlyer Memorial E Trust (0331)	54
Junior Golf Program (0359)	5,116
Meadows-Fair Park Security 64E (0643)	130
Mowmentum Park Improvement (0T80)	41,752
Outdoor Programs (0469)	82,566
P & R Athletic Field Maintenance (0349)	163,825
Park and Rec Beautification (0641)	199,520
PKR Program Fund Tracking (0395)	2,197,698
Recreation Program (0341)	475,402
Southern Skates (0327)	81,009
White Rock Endowment (0354)	1,996
W.W. Samuell Park Trust (0330)	647,205

Planning and Urban Design

Neighborhood Vitality Project Fund (0297)	70,770
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Police

Confiscated Monies - Federal (0436)	245,896
Confiscated Monies – State (0411)	3,343,712
Law Enforcement Officer Standard Education (0S1N)	<u>595,859</u> [ <del>516,536</del> ]
Police Gifts and Donations	1,544

Procurement Services

DABD 2003 South Fair Fund (0245)	4,668
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\*\*\* An increase to \$3,500,000 was previously approved by Resolution No. 18-1531.

\*\*\*\* An increase of \$4,575,000 was previously approved by Resolution No. 18-1789 on December 12, 2018. An increase of \$424,528 was previously approved by Resolution No. 18-1791 on December 12, 2018. An increase of \$828,129 was previously approved by Resoulution No. 18-1792 on December 12, 2018. An increase of \$523,246 was previously approved by Resolution No. 18-1793 on December 12, 2018. An increase of \$649,097 was previously approved by Resolution No. 18-1795 on December 12, 2018.

**TRUST AND OTHER FUNDS TOTAL**

**\$53,780,327 [~~33,492,451~~]**

**GRANT, TRUST AND OTHER FUNDS GRAND TOTAL** **\$53,810,845 [~~33,522,969~~]**

<b><u>ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS</u></b>	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
Aviation	
Airport Operations	<u>154,585,549</u> [ <del>143,726,945</del> ]
Transportation Regulation	405,874
Communication and Information Services	
Information Technology	77,011,403
Radio Services	8,651,413
Convention and Event Services	108,647,915
Employee Benefits	
Benefits Administration	1,049,538
Wellness Program	358,858
Equipment and Fleet Management	<u>56,162,517</u> [ <del>54,912,850</del> ]
Express Business Center	2,137,496
Management Services	<u>6,385,239</u>
<del>Office of the Bond Program</del>	<del>****10,079,445</del> ]
<u>Park and Recreation</u>	<u>3,694,206</u>
Public Works	*****7,167,340
Risk Management	4,579,552
Sanitation Services	<u>114,157,465</u> [ <del>112,653,465</del> ]
Storm Water Drainage Management	58,436,837
Sustainable Development and Construction	34,571,119
Water Utilities	665,491,395
WRR - Municipal Radio	2,076,728
911 System Operations	15,176,553

\*\*\*\*\* A decrease to \$10,079,445 was previously approved by Resolution No. 18-1613.

\*\*\*\*\* An increase to \$7,167,340 was previously approved by Resolution No. 18-1613.

**ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS TOTAL** **\$1,320,746,997**  
**[~~1,307,134,726~~]**”

SECTION 2. That Section 4 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), is amended by making adjustments to fund appropriations for fiscal year 2018-19 for maintenance and operation of various departments and activities, to read as follows:

“SECTION 4. That the city manager is hereby authorized, upon written notice to the city controller, to make the following adjustments:

(1) Transfer internal service fund equity from unanticipated excesses to contributing funds.

(2) Transfer funds, not to exceed \$23,484,663, from the Convention Center Operating Fund 0080, Department CCT, Unit 7840, Object 3870, to the 2009 Convention Center Debt Service Fund 0980, Department CCT, Unit P505, Revenue Source 9219, for the payment of debt service on Series 2009 Revenue Refunding and Improvement Bonds for improvements to the Dallas Civic Center Convention Complex.

(3) Transfer funds, not to exceed \$2,751,145, from the General Fund 0001, Department BMS, Unit 1997, Object 3621 to the Liability Reserve Fund 0192, Department ORM, Unit 3890, Revenue Source 8525, for payment of small and large claims against the city.

(4) Transfer funds, not to exceed \$3,366,284 to the General Fund 0001, Department BMS, Unit 1995, Revenue Source 9229, from the Sports Arena Lease Fund 0A71, Department CCT, Unit 8851, Object 3690, to support general fund operations.

(5) Transfer funds, not to exceed \$25,313,609, from the Water Utilities Operating Fund 0100, Department DWU, Unit 7015, Object 3690, in the amounts not to exceed \$8,300,000 to the Public/Private Partnership Fund 0352, Department ECO, Unit P151, Revenue Source 9201 and \$17,013,609 to the General Fund 0001, Department BMS, Unit 1991, Revenue Source 9201, as payment in lieu of taxes by the water utilities department to support economic initiatives of the city.

(6) Transfer funds, not to exceed \$68,280, from the General Fund 0001, Department PNV, Unit 1581, Object 3690, to the Neighborhood Vitality Project Fund 0297, Department PNV, Unit 1728, Revenue Source 9201, for GrowSouth Neighborhood Challenge grants.

(7) Transfer funds, not to exceed \$1,450,000, from the Information Technology Operating Fund 0198, Department DSV, Unit 1667 and 1622, Object 3690, to the Information Technology Equipment Fund 0897, Department DSV, Unit 3717,3718, and 3719, Revenue Source 9201, for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(8) Transfer funds, not to exceed \$2,670,482, from the Convention and Event Services Operating Fund 0080 Department CCT, Unit 7840, Object 3690 to the OCA Hotel Occupancy Fund 0435, Department OCA, Unit 1841, Revenue Source 9201, for the promotion of cultural arts.

(9) Transfer funds, not to exceed \$467,562, from the General Fund 0001 Department BMS, Unit 1991, Object 3690, to the Economic Development Sales Tax Rebate Program Fund 0680 Department ECO, Unit 6696, Revenue Source 9201, for sales tax rebates in accordance with the terms of the e-commerce sales tax grant agreement pursuant to Chapter 380 of the Texas Local Government Code.

(10) Transfer funds, not to exceed \$635,310, from City of Dallas Regional Center Fund 0067, Department ECO, Unit P682, Object 3090, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

(11) Transfer funds, not to exceed \$216,305, from New Markets Tax Credit Fund 0065, Unit P607, Object 3899, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

(12) Transfer funds, not to exceed \$800,000, from the General Fund 0001 Unit 1165, Object Code 3690, to South Dallas Fair Park Opportunity Fund 0351, Unit 0448, Revenue Source 9201, for Special Grant/Loan Program for catalyst economic development initiatives.

(13) Transfer funds, not to exceed \$4,000,000, from the Rate Case Reimbursement Reserve Fund 0007, Unit P155, Object 3690, to the Information Technology Equipment Fund 0897, unit 3719, Revenue Source 9201 for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(14) Transfer funds, not to exceed \$250,000, from Fund 0001, Department NBG, Unit 1000, Revenue Code RTRF, to Fund 0001, Dept. DPD, Appropriation Unit 0001DPD, Unit 2181, Revenue Source 9229; and a clearing entry, in the same amount, to Fund 0001, Department BMS, Balance Sheet Account 0991 (Debit) and to Fund 0001, Department BMS, Balance Sheet Account 0950 (Credit).

(15) Transfer funds, not to exceed \$500,000, from Fund 0001, Department NBG, Unit 1000, Revenue Code RTRF, to Fund 0001, Dept. PKR, Appropriation Unit 0001PKR, Unit 5071, Revenue Source 9229; and a clearing entry, in the same amount, to Fund 0001, Department BMS, Balance Sheet Account 0991 (Debit) and to Fund 0001, Department BMS, Balance Sheet Account 0950 (Credit).

(16) Transfer funds, not to exceed \$101,480, from the General Fund 0001, Unit 1987, Object 3070, to the Capital Construction Fund 0671, Unit W221, Revenue Source 9201 for maintenance of city facilities.

(17) Transfer and administer gifts and bequests to the city in accordance with the terms and conditions accompanying the gifts or bequests and, for this purpose, the appropriation of donated amounts is hereby made.

(18) Transfer positions from Management Services, Fund 0294, Unit 3856 and Unit 3857, to Park and Recreation, Fund 0294, Unit 3856 and Unit 3857, to facilitate implementation of the General Obligation Bond Program.”

SECTION 3. That Section 9 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), passed by the city council on September 18, 2018, as amended by Ordinance No. 31035, passed by city council on November 14, 2018, is amended by adding capital funds to fund appropriations for fiscal year 2018-19 to read as follows:

“SECTION 9. (a) That the following amounts are hereby appropriated from the funds indicated for projects listed in the FY 2018-19 capital budget:

**CAPITAL FUNDS**

From the Aviation Capital Construction Fund (0131)	<u>20,154,155</u> [ <del>17,804,155</del> ]
From the Aviation Passenger Facility Charge Near Term Projects Fund (A477)	40,350,000
From the Capital Assessment 2003BP Fund (L003)	540,233
From Capital Assessment 2006BP Fund (L006)	169,987
From Capital Assessment 2012BP Fund (L012)	121,487

From Capital Assessment Fund-85 Fund (L085)	90,017
From Capital Assessment Fund-98 Fund(L098)	1,711,842
From Capital Assessment Funds Fund (L095)	59,574
From the Capital Construction Fund for City and Cultural Facilities (0671)	<u>7,101,480</u> [7,000,000]
<u>From the Capital Projects Reimbursement Fund (0556)</u>	<u>*4,989,639</u>
From the Cedars Tax Increment Finance District Fund (0033)	691,440
From the City Center Tax Increment Finance District Fund (0035)	<u>**7,019,640</u> [6,595,112]
From the City Hall, City Service and Maintenance Facilities Fund (6T60)	100,000
From the City Services Facility Fund (3R60)	5,689,200
<u>From the Cityplace Area TIF District Fund (0030)</u>	<u>***2,540,080</u>
From the Convention Center Capital Construction Fund (0082)	13,467,033
From the Cultural Affairs Fund (2017 GO Bonds) (1V49)	9,985,000
From the Cypress Waters Tax Increment Finance District Fund (0066)	<u>3,832,442</u> [1,979,799]
From the Davis Garden Tax Increment Finance District Fund (0060)	1,440,492
From the Deep Ellum Tax Increment Finance District Fund (0056)	2,246,610

From the Design District Tax Increment Finance District Fund (0050)	9,650,000
From the Downtown Connection Tax Increment Finance District Fund (0044)	<u>26,828,371</u> [ <del>17,820,617</del> ]
From the Dallas Water Utilities Public Art Fund (0121)	82,500
From the Economic & Southern Area of City Transit-Oriented Development Fund (9T52)	6,000
<u>From the Economic Development Fund (2017 GO Bonds) (1V52)</u>	<u>****1,450,000</u>
From the City Facilities Fund (2017 GO Bonds) (1V60)	11,662,600
From the Fair Park Improvement Fund (2017 GO Bonds) (1V02)	18,970,000
From the Farmers Market Tax Increment Finance District Fund (0036)	2,593,126
From the Flood Control Fund (2017 GO Bonds) (1V23)	16,195,600
From the Fort Worth Avenue Tax Increment Finance District Fund (0058)	1,005,594
From the Homeless Assistance Facilities Fund (2017 GO Bonds) (1V43)	1,500,000
From the Library Facilities Fund (2017 GO Bonds) (1V42)	6,589,000
From the Maple/Mockingbird Tax Increment Finance District Fund (0064)	3,358,665
From the Master Lease-Equipment Fund (ML19)	34,000,000
From the Oak Cliff Gateway Tax Increment Finance District Fund (0034)	4,075,556
From the Parks and Recreation Facilities Fund (2017 GO Bonds) (1V00)	84,724,345

From the Public/Private Partnership Fund (0352)	<u>*****17,892,140</u> [ <del>11,192,140</del> ]
From the Public Safety Facilities Fund (2017 GO Bonds) (1V33)	27,455,000
From the Public Safety Facilities Fund (6T33)	60,000
From the Resurfacing and Reconstruction Improvements Fund (0717)	4,100,000
From the Sanitation Capital Improvement Fund (0593)	<u>*****14,837,495</u> [ <del>13,600,000</del> ]
From the Sewer Construction Fund (0103)	23,250,000
From the Skillman Corridor Tax Increment Finance District Fund (0052)	<u>4,417,600</u> [ <del>1,915,426</del> ]
From the Sports Arena Tax Increment Finance District Fund (0038)	12,812,528
<u>From the State Thomas TIF District Fund (0032)</u>	<u>*****1,003,651</u>
From the Street and Alley Improvement Fund (0715)	20,400,373
From the Street and Transportation Fund (2017 GO Bonds) (1V22)	75,055,583
From the Transit Oriented Development Tax Increment Financing Fund (0062)	<u>2,662,865</u> [ <del>753,206</del> ]
From the Storm Water Drainage Management Capital Construction Fund (0063)	<u>10,708,653</u> [ <del>6,024,848</del> ]
From the Vickery Meadow Tax Increment Finance District Fund (0048)	<u>*****3,110,097</u> [ <del>2,461,000</del> ]
From the Water (Drinking Water) TWDB Fund (1150)	44,000,000

From the Wastewater (Clean Water) - TWDB Fund (1151)	22,000,000
From the Water Capital Improvement Series D Fund (2116)	29,817,500
From the Wastewater Capital Improvement Fund (3116)	70,700,000
From the Water Capital Construction Fund (0102)	30,700,000
From the Water Capital Improvement Fund (2115)	29,000,000
From the Water Capital Improvement Fund (3115)	50,450,000

\*An increase of \$1,900,000 was previously approved by Resolution No. 18-1847.

\*An increase of \$21,482 was previously approved by Resolution No. 18-1610.

\*An increase of \$249,000 was previously approved by Resolution No. 18-1590.

\*An increase of \$832,258 was previously approved by Resolution No. 18-0197.

\*An increase of \$1,800,000 was previously approved by Resolution No. 19-0169.

\*An increase of \$165,217 was previously approved by Resolution No. 19-0264.

\*An increase of \$21,681 was previously approved by Resolution No. 19-0236.

\*\*An increase of \$424,528 was previously approved by Resolution No. 18-1791.

\*\*\*An increase of \$2,540,080 was previously approved by Resolution No. 18-1792.

\*\*\*\*An increase of \$1,450,000 was previously approved by Resolution No. 18-1556.

\*\*\*\*\*An increase of \$6,700,000 was previously approved by Resolution No. 18-1789.

\*\*\*\*\*An increase of \$335,722 was previously approved by Resolution No. 18-1614.

\*\*\*\*\*An increase of \$345,000 was previously approved by Resolution No. 18-1671.

\*\*\*\*\*An increase of \$556,773 was previously approved by Resolution No. 19-0419.

\*\*\*\*\*An increase of \$1,003,651 was previously approved by Resolution No. 18-1793.

\*\*\*\*\*An increase of \$649,097 was previously approved by Resolution No. 18-1795.

**CAPITAL FUNDS TOTAL \$839,425,193~~[798,023,188]~~**

(b) That the following amounts are hereby appropriated from the funds indicated for payment of the FY 2018-19 Debt Service Budget:

**DEBT SERVICE FUNDS**

From the General Obligation Debt Service Fund (0981)	296,200,044
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**DEBT SERVICE FUNDS TOTAL**

**\$296,200,044**

(c) That these appropriations and all previous appropriated funds for these projects remain in force until each project is completed or terminated.

(d) That the appropriations listed in Subsections (a) and (b) may be increased by the city council upon the recommendation of the city manager.”

SECTION 4. That That Section 11 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), passed by the city council on September 18, 2018, as amended by Ordinance No. 31035, passed by city council on November 14, 2018, is amended by adding capital funds to fund appropriations for fiscal year 2018-19 to read as follows:

“SECTION 11. That the city manager is authorized to make the following adjustments:

(1) Transfer amounts from one project appropriation to another within the same fund, provided that the total appropriation for each fund is not exceeded by this action.

(2) Decrease appropriation of any fund described in Section 9 to reduce expenditures within the fund when, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures.

(3) Transfer funds, not to exceed \$830,400 to the Debt Service Fund 0981, in the amount not to exceed \$63,000 from Street System Improvements Fund 0522; \$20,000 from Street System Improvements Fund 0E22; \$200 from Central Expressway-Land Acquisition Fund 0HLC; \$14,000 from Major Park, Rec & Community Fund 0N00; \$200 from Neighborhood Park, Play & Rec Fund 0N05; \$24,000 from City Facilities Repair & Imp Fund 0L60; \$22,000 from City Facilities Repairs Fund 0M60; \$26,000 from City Facilities Repairs & Imp Fund 0N60; \$100 from Fire Protection Facilities Fund 0M41; \$15,000 from 01 Park Play Ground Rec Fund 0P00; \$7,000

from 02 Park Play Ground Rec Fund 1P00; \$26,000 from Police Headquarters Fac Fund 0P44; \$20,000 from Fire Protection Facilities Fund 0P41; \$1,600 from Fire Protection Facilities Fund 9P41; \$16,000 from Cultural Arts Facilities Fund 9P49; \$300 from City Animal Control Facilities Fund 0P46; \$6,000 from City Animal Control Facilities Fund 1P46; \$17,000 from Arts Theater Fund 3R07; \$4,000 Arts Theater Fund 5R07; \$83,000 from 06 Arts Theater Fund 6R07; \$140,000 from City Services Facility Fund 3R60; \$115,000 from Animal Shelter Fund 3R46; \$21,000 from Fire Station Fund 3R41; \$42,000 from Fire Station 04-05 Fund 4R41; \$6,000 from Fire Station Facilities Fund 5R41; \$24,000 from Fire Station Facilities Fund 6R41; \$6,000 from Farmers Market Fund 3R40; \$38,000 from Farmers Market 04-05 Fund 4R40; \$5,000 from Farmers Market Improvement Fund 5R40; and \$68,000 from Homeless Assistance Facilities Fund 6S43 to close-out inactive general obligation bond funds.

(4) Upon written notice to the city controller, to transfer expenses, appropriations, or both between funds in the 1985 General Obligation Bond Program series of funds, the 1998 General Obligation Bond Program series of funds, the 2003 General Obligation Bond Program series of funds, and the 2005 General Obligation Bond Program series of funds, and to transfer residual cash amounts to the General Obligation Debt Service Fund to facilitate the close out of prior bond programs.”

SECTION 5. That it is the intent of the city council, by passage of this ordinance, to appropriate funds for the city departments and activities. No office or position is created by the appropriations.

SECTION 6. That Ordinance Nos. 30991 and 31035 will remain in full force and effect, save and except as amended by this ordinance.

SECTION 7. That this ordinance will take effect immediately from its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly ordered.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, Interim City Attorney

By \_\_\_\_\_  
Assistant City Attorney



Agenda Information Sheet

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**File #:** 19-412

**Item #:** 26.

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

**AGENDA DATE:** April 24, 2019

**COUNCIL DISTRICT(S):** 9

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a service contract for the purchase and installation of one generator for the Water Utilities Department - LJ Power, Inc., lowest responsible bidder of two - Not to exceed \$72,057 - Financing: Water Construction Fund

**BACKGROUND**

This service contract will provide for the purchase and installation of one generator for the Water Utilities Department.

This generator will provide emergency back-up power for the White Rock Operations Control Center. The current generator is an older, obsolete model of questionable reliability that has reached the end of its useful life. The White Rock Operations Control Center utilizes a secured Supervisory Control and Data Acquisition (SCADA) operating system which provides control of the transmission, storage, and delivery of potable water for the City and many surrounding cities. Replacement of this generator will ensure continuous operational control in the event of a loss of electrical power.

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 3,921 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.

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)**

The Government Performance & Financial Management Committee will receive this item for consideration on April 15, 2019.

**FISCAL INFORMATION**

Water Construction Fund - \$72,057.00

**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 \$
\$72,057.00	Other Services	23.80%	13.18%	\$9,500.00
• 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 BN1904. We opened them on January 10, 2019. We recommend the City Council award this purchase in its entirety to the lowest responsive and responsible bidder.

\*Denotes successful bidder

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
*LJ Power, Inc.	2009 108th St. Suite 902 Grand Prairie, TX 75050	\$72,057.00
Acumen Enterprises, Inc.	1504 Falcon Dr. DeSoto, TX 75115	\$92,595.00

**OWNER**

**LJ Power, Inc.**

Norman Larry Davis III, President  
James P. Davis, Vice President

April 24, 2019

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

**SECTION 1.** That the purchase and installation of one generator for the Water Utilities Department is authorized with LJ Power, Inc. (VS90040), in an amount not to exceed \$72,057.

**SECTION 2.** That the Purchasing Agent is authorized, upon appropriate requisition, to issue a purchase order for the purchase and installation of one generator for the Water Utilities Department. If a formal contract is required for this purchase instead of a purchase order, the City Manager is hereby authorized to execute the contract, approved as to form by the City Attorney.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$72,057 to LJ Power, Inc. from Water Construction Fund, Fund 0102, Department DWU, Unit CW50, Object 4720, Master Agreement Service Contract No. DWU-2019-00009547.

**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 #:** 19-418

**Item #:** 27.

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

**AGENDA DATE:** April 24, 2019

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a five-year service contract to expand and enhance the enterprise capital project management system - eCIFM Solutions, Inc. - Not to exceed \$2,169,090 - Financing: Bond Program Administration Fund (\$276,960), Sewer Construction Fund (\$946,066), and Water Construction Fund (\$946,064) (subject to annual appropriations)

**BACKGROUND**

We anticipate the following City departments will use this agreement:

- Water Utilities Department
- Department of Public Works
- Park and Recreation Department
- Building Services Department
- Department of Transportation
- Department of Communication and Information Services

This service contract will allow for the expansion and enhancement of the existing enterprise capital project management system (ECPMS). This contract is the second phase of a multiphase approach to implementing an enterprise capital project management system. The current capital project management system was implemented in 2018 and has proven to be a valuable tool in tracking capital projects for various departments. This new contract will allow for the expansion of the system to allow Dallas Water Utilities (DWU) to gain the same level of efficiencies. Expanding the current ECPMS will provide additional improvements for DWU by eliminating multiple legacy systems, manual processes and redundancies into one enterprise system. By expanding the current ECPMS to DWU. This contract will also provide certain enhancements to the current system to further improve functionality. Some examples of these enhancements include but are not limited to:

- Enhance interface capabilities with Geographic Information System, the financial system, the Bond Program web, and insurance tracking system

- Improved workflow to align and standardize capital management processes throughout the City
- Improve capital management planning, collaboration and coordination between multiple departments and projects
- Additional software improvements to provide customized reporting

Additionally, this contract will provide additional systems administration and technical training support to meet all requirements and provide a foundation for City self-administration to support the system going forward.

In accordance with Administrative Directive 4-5, Paragraph 9.3.5, Special Needs Justification was approved to contract with eCIFM Solution, Inc.

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 June 22, 2016, City Council authorized one-year service contract for cloud services subscription for the IBM Tririga software for a citywide capital management system with IBM Corporation, through the Department of Information Resources, State of Texas Cooperative by Resolution No. 16-1046.

On June 22, 2016, City Council authorized three-year service contract for the implementation of IBM Tririga software for a citywide capital management system with eCIFM Solution, Inc. by Resolution No. 16-1047.

The Government Performance & Financial Management Committee will receive this item for consideration on April 15, 2019.

**FISCAL INFORMATION**

Bond Program Administration Fund - \$276,960.00 (subject to annual appropriations)

Sewer Construction Fund - \$946,066.00 (subject to annual appropriations)

Water Construction Fund - \$946,064.00 (subject to annual appropriations)

Fund	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Bond Program Administration Fund	\$0	\$69,240.00	\$69,240.00	\$69,240.00	\$69,240.00
Sewer Construction Fund	\$273,628.00	\$513,890.00	\$34,620.00	\$89,308.00	\$34,620.00
Water Construction Fund	\$273,627.00	\$513,890.00	\$34,620.00	\$89,307.00	\$34,620.00
Total	\$547,255.00	\$1,097,020.00	\$138,480.00	\$247,855.00	\$138,480.00

**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:

<b>Contract Amount</b>	<b>Category</b>	<b>M/WBE Goal</b>	<b>M/WBE %</b>	<b>M/WBE \$</b>
\$2,169,090.00	Other Services	23.80%	100.00%	\$2,169,090.00
• This contract exceeds the M/WBE goal.				

**PROCUREMENT INFORMATION**

<b><u>Proposer</u></b>	<b><u>Address</u></b>	<b><u>Amount</u></b>
eCIFM Solutions, Inc.	3160 Crow Canyon Rd. Suite 240 San Ramon, CA 94583	\$2,169,090.00

**OWNER**

**eCIFM Solutions, Inc.**

Vimal Uberoi, President  
Sanjiv Paul Singh, Vice President

April 24, 2019

**WHEREAS**, on June 22, 2016, City Council authorized a one-year service contract for cloud services subscription for the IBM Tririga software for a citywide capital management system with IBM Corporation, through the Department of Information Resources, State of Texas Cooperative, in an amount not to exceed \$298,800, by Resolution No. 16-1046; and

**WHEREAS**, on June 22, 2016, City Council authorized three-year service contract for the implementation of IBM Tririga software for a citywide capital management system with eCIFM Solution, Inc, in an amount not to exceed \$549,125, by Resolution No. 16-1047.

**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 a service contract with eCIFM Solutions, Inc. (VS0000084199), approved as to form by the City Attorney, to expand and enhance the enterprise capital project management system for a term of five years, in an amount not to exceed \$2,169,090. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to eCIFM Solutions, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by eCIFM Solutions, Inc. under the contract.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$2,169,090 (subject to annual appropriations) to eCIFM Solutions, Inc. from Master Agreement Service Contract No. DSV-2019-00009573.

**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

**File #:** 19-437

**Item #:** 28.

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

**AGENDA DATE:** April 24, 2019

**COUNCIL DISTRICT(S):** 3

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

**SUBJECT**

Authorize a five-year service contract for maintenance, support, parts, and hardware for Dallas Executive Airport control tower operation equipment for the Department of Aviation - Robinson Aviation (RVA), Inc., most advantageous proposer of two - Not to exceed \$308,123.80 - Financing: Aviation Fund (subject to annual appropriations)

**BACKGROUND**

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

This service contract will provide as needed maintenance, support, parts, and hardware for Dallas Executive Airport control tower operation equipment for the Department of Aviation. This service contract will provide maintenance stipulated by Federal Aviation Administration Contract Tower Program and the City of Dallas to preform monthly and annual calibrations, inspections, and repairs of control tower equipment.

The inspections and equipment calibrations of all tower equipment, including radio technology, Automatic Terminal Information Service digital voice recorder, voice switch, headset/handsets operations, rotating beacon remote controller, and runway lighting remote controller that allow the tower to facilitate over 42,000 aircraft operations per year. Each incoming and outgoing aircraft that touches the runway must use pivotal tower radio communications to ensure safe and efficient flights in the Dallas Executive Airport airspace.

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

- Police Department (1)
- Department of Communication and Information Services (1)
- Department of Aviation (2)

- Department of Public Works (1)
- Office of Business Diversity (1)\*
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated cost and the Office of Business Diversity only evaluated the Business Inclusion and Development Plan.

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

- Cost 30 points
- Approach 25 points
- Experience and qualifications 15 points
- Technical capability 15 points
- Business Inclusion and Development Plan 15 points

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 1,259 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.

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)**

Information about this item will be provided to the Mobility Solutions, Infrastructure and Sustainability Committee on April 22, 2019.

**FISCAL INFORMATION**

Aviation Fund - \$308,123.80 (subject to annual appropriations)

- FY 2019-20 \$61,624.76
- FY 2020-21 \$61,624.76 (subject to annual appropriations)
- FY 2021-22 \$61,624.76 (subject to annual appropriations)
- FY 2022-23 \$61,624.76 (subject to annual appropriations)
- FY 2023-24 \$61,624.76 (subject to annual appropriations)

**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 \$
\$308,123.80	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> </ul>				

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Request for Competitive Sealed Proposal	<ul style="list-style-type: none"> <li>• Utilized for high technology procurements, insurance procurements, and other goods and services</li> <li>• Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications</li> <li>• Always involves a team evaluation</li> <li>• Allows for negotiation on contract terms, including price</li> </ul>
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The Office of Procurement Services received the following proposals from solicitation number BUZ1817. We opened them on September 6, 2018. We recommend the City Council award this service contract in its entirety to the most advantageous proposer.

\*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
*Robinson Aviation (RVA), Inc.	1601 N.W. Expressway Suite 850 Oklahoma City, OK 73118	85.40	\$308,123.80
Airport Electronics, LLP	4531 Wildwood Circle Granbury, TX 76049	56.61	\$420,005.00

**OWNER**

**Robinson Aviation (RVA), Inc.**

Keren Williams McLendon, President  
Chris Dias, Secretary

April 24, 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 service contract with Robinson Aviation (RVA), Inc. (VS97488), approved as to form by the City Attorney, for maintenance, support, parts, and hardware for Dallas Executive Airport control tower operation equipment for the Department of Aviation for a term of five years, in an amount not to exceed \$308,123.80. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to Robinson Aviation (RVA), Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by Robinson Aviation (RVA), Inc. under the contract.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$308,123.80 (subject to annual appropriations) to Robinson Aviation (RVA), Inc. from Master Agreement Contract No. AVI-2019-00008933.

**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 #:** 19-333

**Item #:** 29.

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

**AGENDA DATE:** April 24, 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 swimming pool, fountain and disinfecting chemicals and supplies - Leslie's Poolmart, Inc. in the amount of \$233,189.81, Sunbelt Pools, Inc. in the amount of \$191,809.14, and Chemrite, Incorporated in the amount of \$71,175.00, lowest responsible bidders of five - Total not to exceed \$496,173.95 - Financing: General Fund (\$479,058.74), Aviation Fund (\$9,324.56), Dallas Water Utilities Fund (\$6,975.00), and Convention and Event Services Fund (\$815.65)

**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. We anticipate the following City departments will use this agreement:

- Department of Aviation
- Park and Recreation Department
- Department of Code Compliance
- Department of Convention and Event Services
- Building Services Department
- Water Utilities Department

This master agreement will facilitate the purchase of chemicals to treat City swimming pools, fountains, and spraygrounds for the Park and Recreation Department as well as disinfecting chemicals for the Water Utilities Department (DWU). Swimming pool chemicals are applied by licensed staff during scheduled cycles or as required to stabilize the water chemistry. The master agreement will also facilitate the purchase of maintenance and testing supplies necessary to monitor water chemistry and maintain water and facility cleanliness.

The City utilizes these chemicals to maintain areas such as:

- Fountains: Dallas Museum of Art, Morton H. Meyerson Symphony Center, City Hall, and other City facilities
- Bahama Beach Waterpark
- Bachman Therapeutic Pool
- Spraygrounds
- Community swimming pools

The City’s community swimming pools, spraygrounds and fountains are visited by thousands of residents and visitors yearly. Proper filtration and chemical application ensure water is kept clear, sanitary and safe.

Additionally, DWU utilizes chemicals from this master agreement to disinfect piping, flumes and filters as part of the water treatment process at the Elm Fork, Bachman and Eastside water treatment plants.

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 657 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)**

The Government Performance & Financial Management Committee will receive this item for consideration on April 15, 2019.

**FISCAL INFORMATION**

General Fund - \$479,058.74  
 Aviation Fund - \$9,324.56  
 Dallas Water Utilities Fund - \$6,975.00  
 Convention and Event Services Fund - \$815.65

Fund	FY 2018-19	FY 2019-20	FY 2020-21
General Fund	\$115,364.50	\$181,846.52	\$181,847.72
Aviation Fund	\$9,324.56	\$0	\$0
Dallas Water Utilities Fund	\$2,325.00	\$2,325.00	\$2,325.00
Convention and Event Services Fund	\$300	\$300	\$215.65
Total	\$127,314.06	\$184,471.52	\$184,388.37

**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 \$
\$496,173.95	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> </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> <li>• Negotiations are not allowed</li> </ul>
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The Office of Procurement Services received the following bids from solicitation number BW1805. We opened them on April 6, 2018. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by line. 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>
*Leslie’s Poolmart, Inc.	2005 E. Indian School Rd. Phoenix, AZ 85016	Multiple Lines
*Sunbelt Pools, Inc.	10555 Plano Rd. Dallas, TX 75238	Multiple Lines
*Chemrite, Incorporated	5202 Belle Wood Ct. Ste. 104 Buford, GA 30518	Multiple Lines
Petra Chemical Company	2929 Storey Ln. Dallas, TX 75220	Multiple Lines
The Bargain Source	2516 Morningside Dr. Garland, TX 75041	Multiple Lines

**OWNERS**

**Leslie’s Poolmart, Inc.**

Steven L. Ortega, President  
Steven Weddell, Chief Financial Officer

**Sunbelt Pools, Inc.**

Rob Morgan, President  
Jon Collins, Vice President

**Chemrite, Incorporated**

Joe Opp, President  
Aaron Opp, Vice President

April 24, 2019

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

**SECTION 1.** That a master agreement for the purchase of swimming pool, fountain and disinfecting chemicals and supplies is authorized with Leslie's Poolmart, Inc. (346311) in the amount of \$233,189.81, Sunbelt Pools, Inc. (255049) in the amount of \$191,809.14, and Chemrite, Incorporated (VS0000023439) in the amount of \$71,175.00, approved as to form by the City Attorney, for a term of three years in a total amount not to exceed \$496,173.95.

**SECTION 2.** That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for swimming pool, fountain and disinfecting chemicals and supplies. If a written contract is required or requested for any or all purchases for swimming pool, fountain and disinfecting chemicals and supplies 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 amount not to exceed \$496,173.95 to Leslie's Poolmart, Inc., Sunbelt Pools, Inc., and Chemrite, Incorporated from Master Agreement Contract No. POM-2019-00009536.

**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.

# Memorandum



CITY OF DALLAS

DATE April 12, 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 **Communications Related to the FY 2018 Audit**

On Monday, April 15, 2019, Grant Thornton will brief the Government Performance & Financial Management Committee on Communications Related to the FY 2018 Audit. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "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, Interim City Attorney  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor 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 Resilience Officer  
Michael Mendoza, Chief of Economic Development & Neighborhood Services  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors



Grant Thornton

# **2018 Presentation to the Government Performance and Financial Management Committee of the City of Dallas**

**Communications Related to the FY 2018 Audit  
April 15, 2019**



# Significant Risks and Areas of Audit Focus

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Water and Sewer Revenues and Receivables	<ul style="list-style-type: none"><li>- Tested existence and accuracy of receivables at 9/30 year-end by reviewing customer activity, invoices, and subsequent payment.</li><li>- Tested revenues by recalculating water and sewer charges using readings and rates per City Ordinance.</li></ul> <p><b>Results:</b> No exceptions noted.</p>
Airport Revenues and Receivables	<ul style="list-style-type: none"><li>- Tested existence and accuracy of receivables at 9/30 year-end by reviewing invoice, examining evidence that services were provided, and verifying subsequent payment was received.</li><li>- Tested revenues by reviewing invoice, examining evidence that services were provided, and verifying payment was received.</li></ul> <p><b>Results:</b> No exceptions noted.</p>
Grant Revenues and Receivables	<ul style="list-style-type: none"><li>- Tested existence and accuracy of receivables at 9/30 year-end by reviewing applicable agreement, ensuring eligibility requirements were met, and verifying payments from awarding party.</li><li>- Tested revenues by reviewing applicable agreement, ensuring eligibility requirements were met, and verifying payments from awarding party.</li><li>- Reconciled amounts reported as grant revenues to the SEFA/SESA.</li></ul> <p><b>Results:</b> No exceptions noted.</p>

# Significant Risks and Areas of Audit Focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Other Revenues and Receivables	<ul style="list-style-type: none"> <li>- Tested existence and accuracy of receivables at 9/30 year-end by reviewing invoice, examining evidence that services were provided, and verifying subsequent payment was received.</li> <li>- Tested revenues by reviewing invoice, examining evidence that services were provided, and verifying payment was received.</li> </ul> <p><b>Results:</b> No exceptions noted.</p>
Net pension and OPEB liability and expense, actuarial information related to self-insurance (IBNR), workers compensation liabilities	<ul style="list-style-type: none"> <li>- Reviewed assumptions in the actuarial report for reasonableness. Agreed and tested the active census population data from the GRS valuation report as of 12/31/17. Verified Net Pension Liability disclosures (GASB 68) were appropriate.</li> <li>- Reviewed the actuarial report or third party calculations related to worker's compensation, self-funded group health insurance, life insurance and general liability insurance. Reviewed the work of specialist used by the City to calculate the financial amounts.</li> <li>- Reviewed assumptions in the actuarial report for reasonableness. Agreed and tested the active census population data to the Holmes Murphy valuation report as of 9/30/18. Verified OPEB disclosures were appropriate.</li> </ul> <p><b>Results:</b> No exceptions noted.</p>
Compliance and controls related to federal and state single audit major programs	<ul style="list-style-type: none"> <li>- Tested compliance and the effectiveness of internal controls over compliance in accordance with Uniform Guidance and the State of Texas Single Audit Circular.</li> </ul> <p><b>Results:</b> See Single Audit slide</p>

# Significant Risks and Areas of Audit Focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Controls- based approach	Payroll
Controls- based approach	Disbursements

## Other Areas:

- Governance
- Account inquiries were made through out the audit with employees of the City while testing individual transactions
- Fraud and non compliance inquiries were made during the planning process, through out our audit, and during concluding
- Information technology
- Adequacy of disclosures
- Investments/Treasury
- Debt, including compliance and ratios
- Tax Revenues
- Allowance for doubtful accounts
- Capital Assets
- Investments
- Compliance with Public Funds Investment Act
- Revenue and GO bond issuances
- Employee Compensation
- Operating Expenditures
- Landfill closure and post-closure
- Passenger Facility Charge compliance
- Dallas Convention Center Hotel Development Corporation
- Love Field Airport Modernization Corporation and related transactions

# Federal and State Major Programs

Federal Programs Audited	State Programs Audited
Continuum of Care	Sidewalks and Landscaping Improvements
Special Supplemental Nutrition Program for Women, Infants, and Children	HHSC Health Community Collaborative Grant
Housing Opportunities for Persons with AIDS (HOPWA)	A Modern Streetcar System Development Program
Highway Planning and Construction	Air Pollution Compliance Program
	ATMS Communication Network
	Zang Triangle Sustainable Development Infrastructure
	CJD Rifle Resistant Body Armor

# Single Audit – Current Year Draft Findings

Source	Program	Award #	Finding	Severity	Status
Federal	Continuum of Care	Various	Testing still in process; however, similar findings noted as in previous years.	Still to be determined	Repeat Finding

Testing and/or reviews still in process on the major programs.

# Scope of IT Control Testing

- The scope of the IT Controls Testing included the following IT governance areas:
  - Security Administration
  - Change Management
  - Batch Job Administration
- The following applications were included in our review:
  - SAP (and underlying databases)
  - Advantage Financial System (and underlying databases)
  - Active Directory
- IT control observations were identified during this year's IT testing:
  - End users with security administration access in SAP
  - End users with privileged access to batch administration in SAP
  - Inappropriate access to promote application changes in SAP
  - Timely revocation of SAP access for terminated employees
  - Changes to SAP were not being formally tested and approved prior to implementation.
  - User accounts and associated permissions within SAP were not being formally, proactively reviewed for appropriateness

# Reports Issued

- Financial statements and single audits:
  - Comprehensive annual financial report (CAFR)
  - Single Audits
    - Federal (Uniform Grants Guidance)- to be issued
    - State (State of Texas Single Audit Circular) - to be issued
- Separate reports:
  - Airport Revenues Fund and Passenger Facility Charge compliance
  - Dallas Convention Center Hotel Development Corporation
  - Dallas Water Utilities
  - Downtown Dallas Development Authority Tax Increment Financing District
  - Texas Commission on Environment Quality financial assurance agreed-upon procedures

# Results of Financial Statement Audits

- Comprehensive Annual Financial Report (CAFR) :
  - Unmodified "clean" opinions
  - Issued March 21<sup>st</sup>, 2019
  - Includes GFOA Certificate of Achievement for 2017 CAFR. The City has received this award for twelve years in a row.
  - No scope limitations
  - Continued open and effective communication with management
- Federal Single Audit Report:
  - Pending completion
  - Continuum of Care – similar repeat findings
- State Single Audit Report:
  - Pending completion

# Summary of Misstatements

There were no adjusting journal entries recorded or passed as a result of the financial statement audits.

# Other Required Communications

Professional standards require that we communicate the following matters to you, as applicable.

Going concern matters
Fraud and noncompliance with laws and regulations
Significant deficiencies and material weaknesses in internal control over financial reporting
Use of other auditors
Use of internal audit
Related parties and related party transactions



# Other Required Communications

(continued)

Disagreements with management
Management's consultations with other accountants
Significant issues discussed with management
Significant difficulties encountered during the audit
Other significant findings or issues that are relevant to you and your oversight responsibilities
Modifications to the auditor's report
Other information in documents containing audited financial statements



# Quality of Accounting Practices

Accounting policies	Accounting policies used are considered appropriate in all material respects.
Accounting estimates	<ul style="list-style-type: none"><li>• Depreciation of capital assets;</li><li>• Allowance for receivables;</li><li>• Accruals for self-insurance liabilities, including Incurred But Not Reported (IBNR) Claims;</li><li>• Arbitrage rebate liability;</li><li>• Net Pension and OPEB Assets, Liabilities and related disclosures; and</li><li>• Landfill closure and post-closure</li></ul> <p>We performed test to satisfy ourselves that these amounts are materially correct.</p>
Disclosures	<ul style="list-style-type: none"><li>• We have assessed the financial statements and disclosures for clarity and completeness.</li><li>• Footnote disclosures in the financial statements appear overall to be neutral, consistent, and clear.</li></ul>

# Internal Controls Matters

## Responsibility

We are responsible for obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. Control deficiencies that are of a lesser magnitude than a significant deficiency will be communicated to management.

## Definitions

- A deficiency in internal control ("control deficiency") exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, misstatements on a timely basis.
- A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the city's annual or interim financial statements will not be prevented or detected on a timely basis.
- A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the city's financial reporting.

# Significant Deficiencies

## Significant deficiencies were identified related to Information Technology General Controls

- End users with security administration access in SAP
- Inappropriate access to promote application changes in SAP

# Use of the Work of Others

## Other Auditors

Hopkins & Associates

Logan & Associates

Owen & Thurman, P.C.

Emma S. Walker, P.C.

## Specialists

GT IT/Advisory – review of information technology environment

Grant Thornton Pricing Group – reviewed investment valuations

Grant Thornton Compensation & Benefits Consulting Group – evaluated assumptions utilized in workers' compensation, health insurance and general claims, OPEB, and pension actuarial valuations

Harvest Investments – Investment valuation related to short-term investments

## Specialists

Holmes Murphy– performed OPEB actuarial analysis

Segal Consulting – performed pension actuarial analysis

Bickmore – calculated self-insurance workers' compensation liability, general liability, and auto liability

Holmes Murphy– performed insurance IBNR analysis

Hilltop Holdings – performed arbitrage rebate liability

# Financial Trends



# Financial Highlights – Government-Wide (In Millions)

## Definitions:

- "Change in net position (deficit)": essentially "net income (loss)"
- "Total net position (deficit)": the excess (deficit) of assets vs. liabilities
- "Unrestricted net position": "remaining" net position after deducting "net investment in capital assets" and "restricted" components
- "Capital Assets, net": long-term capital assets, net of accumulated depreciation

## Financial Trends

<u>Government-Wide:</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Governmental:</u>					
Change in net position (deficit)	\$ 1,229	\$ (494)	\$ (742)	\$ 256	\$ 81
Total net position	(2,822)	(3,847)	(3,353)	(2,679)	2,245
Ending unrestricted net position (deficit) (1)	(5,904)	(6,773)	(6,164)	(5,393)	(306)
Capital assets, net (3)	4,084	3,917	3,829	3,735	3,596
<u>Business-type:</u>					
Change in net position	\$ 152	\$ 111	\$ (4)	\$ 93	\$ 114
Total net position	3,420	3,319	3,208	3,280	3,357
Ending unrestricted net position (2)	(87)	(50)	1,946	239	363
Capital assets, net (3)	6,890	6,680	6,468	6,057	5,808

## Key Observations:

- (1) The "Governmental" unrestricted net (deficit) position decreased annually from 2014-2017 and increased from 2017-2018.
- (2) The "Business-type" unrestricted net position decreased from 2014 to 2015, increased in 2016, decreased in 2017 and 2018.
- (3) "Capital Assets, net balances (both "Governmental" and "Business-type") have increased annually from 2014-2018.

# Financial Highlights – Governmental Tax Rate, Assessed Value and Debt (In Millions)

## Definitions:

- The "Tax Rate" is the City's tax rate in total (per \$100 of valuation) with components for general fund or debt service shown separately
- "Taxable Assessed Valuation" is the total value of the City's tax base upon which the tax rate is levied
- Total "General Obligation Debt" is debt backed by the full faith and credit of the City

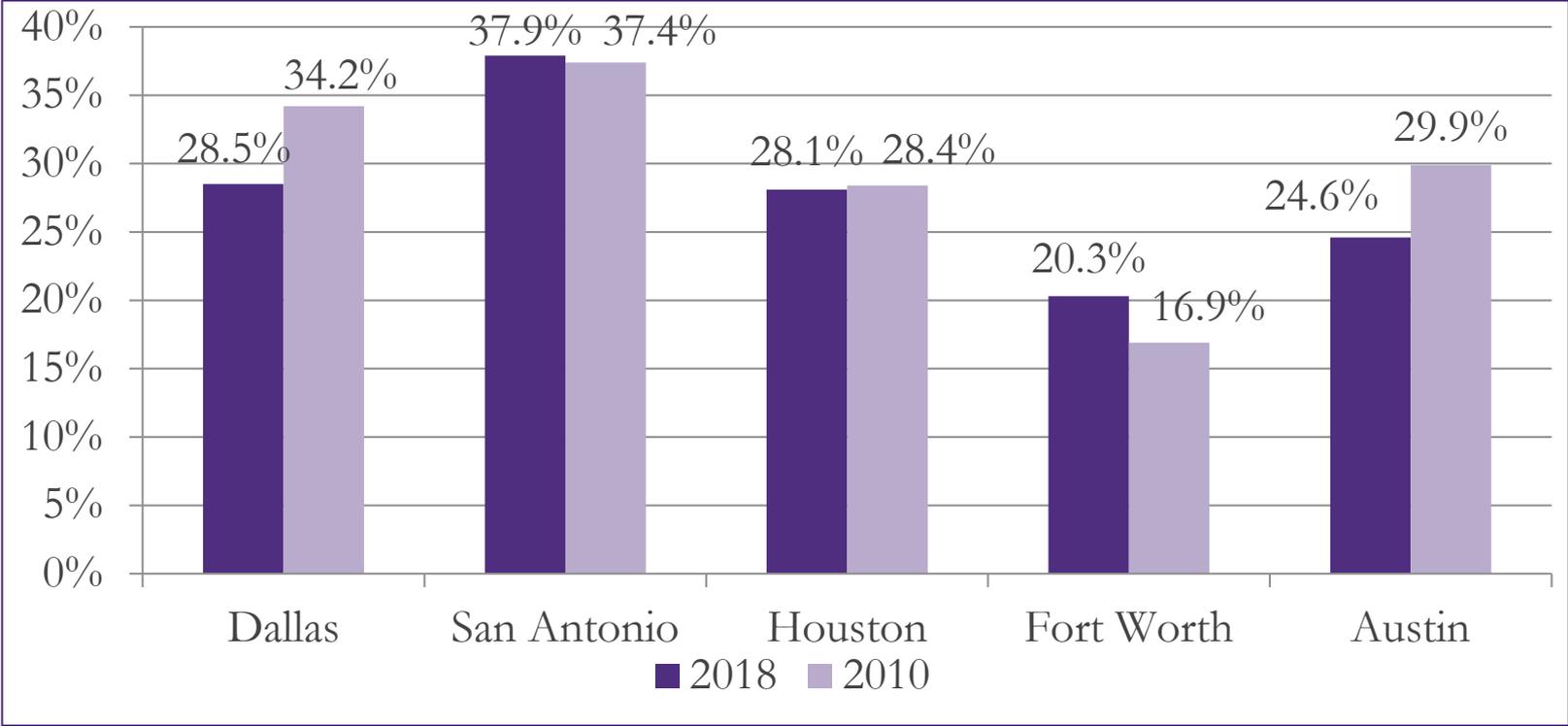
## Financial Trends:

<u>Governmental:</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate (per \$100 valuation)					
Total (1)	\$ 0.7804	\$ 0.7825	\$ 0.7970	\$ 0.7970	\$ 0.7970
General Fund	0.5580	0.5601	0.5646	0.5646	0.5601
Debt Service (2)	0.2224	0.2224	0.2324	0.2324	0.2369
Taxable Assessed Valuation (in billions) (3)	\$ 118.3	\$ 110.4	\$ 100.3	\$ 93.1	\$ 87.3
Total General Obligation Debt (4)	\$ 1,558	\$ 1,355	\$ 1,492	\$ 1,559	\$ 1,236
Debt Service expenditures as a percentage of non-capital expenditures (5)	15.23%	16.20%	16.60%	16.34%	15.10%

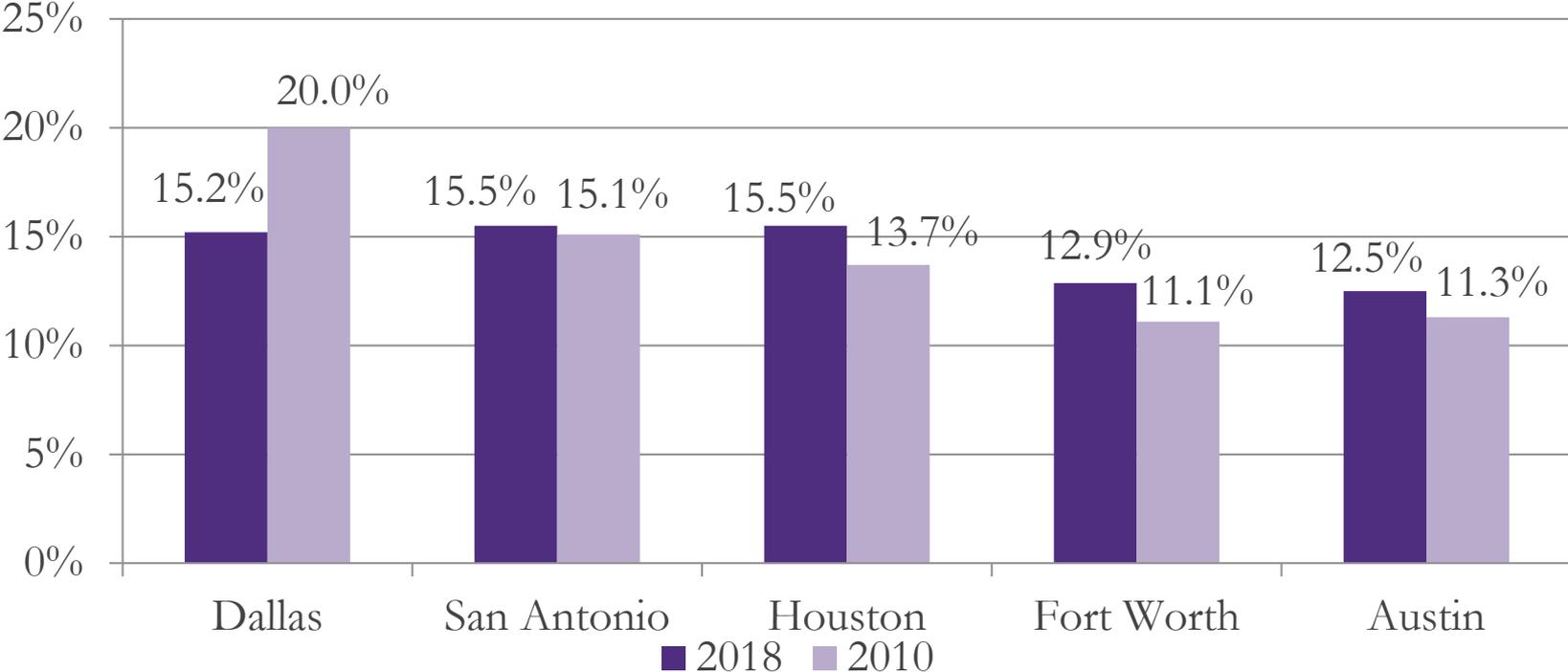
## Key Observations:

- (1) The total tax rate remained unchanged from 2014-2016. Total tax rate decreased in 2017 and again in 2018..
- (2) The tax rate component for debt service increased from 2014-2015, stayed flat in 2016, and decreased in 2017 and in 2018.
- (3) The taxable assessed valuation increased annually from 2014-2018.
- (4) Total General Obligation debt increased in 2015, decreased in 2016 and 2017 and increased in 2018.
- (5) Debt service expenditures as a % of non-capital expenditures increased in 2015 and 2016, decreased in 2017-2018.

# Debt Service Component of Tax Rate as a Percentage of Total Rate



# Debt Service Expenditures as a Percentage of Non-Capital Expenditures



# Financial Highlights – General Fund (In Millions)

## Definitions:

- The General fund essentially accounts for all activities that are not required to be accounted for elsewhere
- Transfers in (out) of general fund, net reflects all transfers from (to) other funds of the City, net

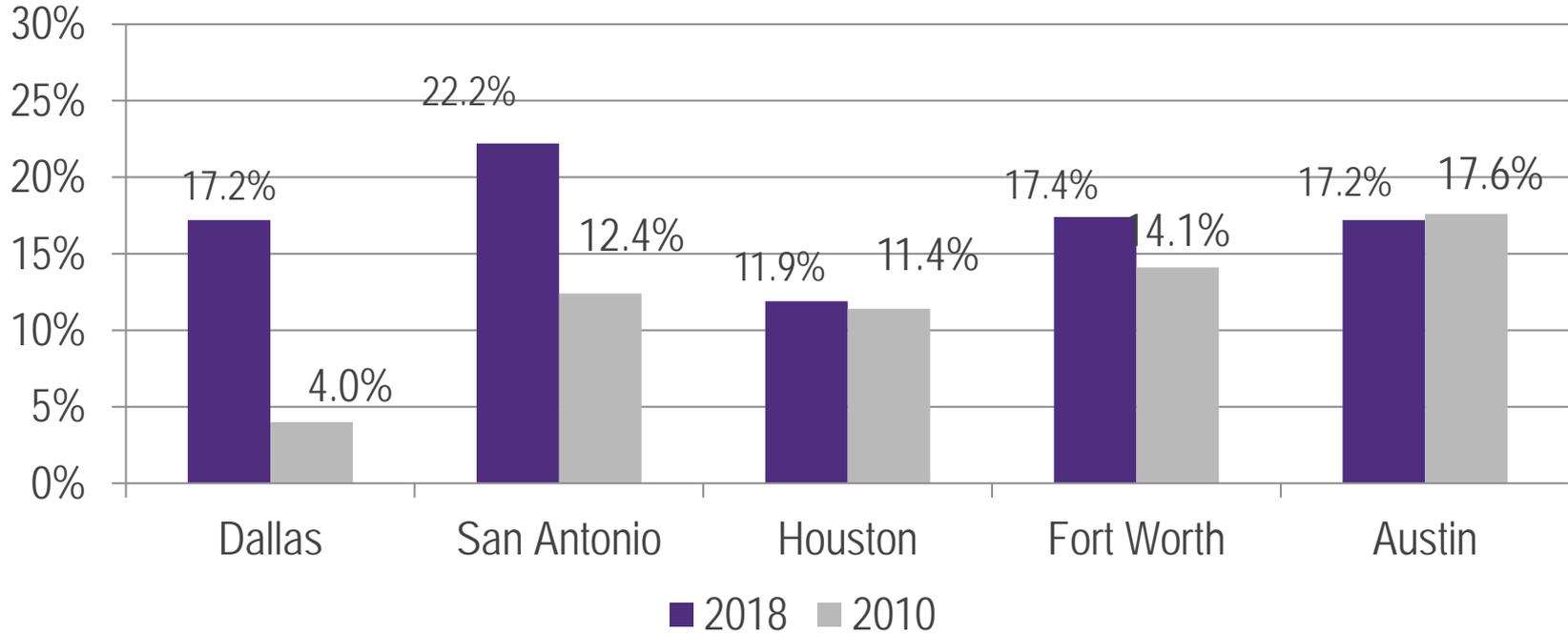
## Financial Trends:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund Balance: (1)					
Total	\$ 256.3	\$ 235.2	\$ 191.0	\$ 200.1	\$ 180.7
Unreserved/Unassigned	\$ 212.8	\$ 171.7	\$ 153.7	\$ 141.6	\$ 129.2
General Fund Expenditures (2)	\$ 1,235.6	\$ 1,160.0	\$ 1,122.7	\$ 1,138.8	\$ 1,091.9
Unreserved/Unassigned General Fund balance as a percentage of expenditures (1)	17.22%	14.80%	13.70%	12.40%	11.84%
Excess (deficiency) of revenues over (under) expenditures (3)	\$ 9.8	\$ 32.8	\$ (1.6)	\$ 11.4	\$ 3.6
Transfers in (out) of General Fund, net (4)	\$ (51.6)	\$ 11.3	\$ 6.2	\$ 7.5	\$ 16.1

## Key Observations:

- (1) The Total General Fund Balance increased annually from 2014- 2015, decreased in 2016, and increased in 2017 and 2018. The Unreserved/Unassigned General Fund Balance increased annually from 2014 to 2018. The "unreserved/unassigned general fund balance as a percentage of expenditures" increased annually from 2014 to 2018.
- (2) General Fund expenditures have remained relatively consistent from 2014-2018.
- (3) Revenues have been in excess of expenditures from 2014-2018, except in 2016.
- (4) Transfers have been transfers-in from 2014 through 2017 and transfers-out for 2018 .

# Unassigned/Unreserved General Fund Balance as a Percentage of General Fund Expenditures



# Financial Highlights – Business-Type "Enterprise" Activities (In Millions)

## Definitions:

- Income (loss) before transfers and contributions is essentially "operating income (loss)"
- Revenue bond coverage is "net revenues, as defined" divided by total debt service expenditures

## Financial Trends:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Income (loss) before transfers and contributions:					
Dallas Water Utilities (3)	\$ 123.4	\$ 111.5	\$ 24.9	\$ 77.0	\$ 137.3
Convention Center*	13.7	5.7	4.8	6.9	-
Airport Revenue	16.4	(8.1)	(11.0)	7.3	(6.5)
Sanitation	11.2	3.6	(13.6)	N/A	N/A
Total Capital Assets, net					
Dallas Water Utilities	5,200	5,034	4,889	\$ 4,601	\$ 4,391
Convention Center*	450	464	479	495	508
Airport Revenue	1,187	1,136	1,059	960	907
Sanitation	51	44	39	N/A	N/A
Revenue Bond Coverage:					
Dallas Water Utilities (1)	1.97	1.85	1.74	1.54	1.81
Convention Center* (2)	2.0	1.7	1.8	2.0	1.7
Airport Revenue	N/A	N/A	N/A	N/A	N/A
Sanitation	N/A	N/A	N/A	N/A	N/A

## Key Observations:

- (1) Revenue Bond Coverage for Dallas Water Utilities remained relatively consistent from 2014 to 2018.
- (2) Revenue Bond Coverage for Convention Center has remained consistent from 2014-2018.
- (3) Dallas Water Utilities net income decreased from 2014-2016 and increased in 2017-2018.

\*The operations of the Convention Center include the Kay Bailey Hutchison Convention Center, American Airlines Center, Union Station, the City Fountain, and Office of Special Events,

\*\*The Sanitation fund was presented as a major fund for the first time during FY 2016. As such, other prior year balances are not available.

# Financial Highlights – Risk Funds, OPEB (Other Postemployment Benefits), Pension and Landfill Obligations (In Millions)

## Definitions:

- The Risk funds account for the City's self-insured health, worker's compensation and general liability programs
- The net OPEB obligation is the actuarially-determined liability for benefits to be provided to retired employees
- The landfill closure and post-closure liability is estimated based upon percentage utilized

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Internal Service Fund Balance (deficit): (1)					
Risk Funds fund deficit	\$ (213.2)	\$ (112.0)	\$ (64.2)	\$ (51.5)	\$ (42.0)
Risk Funds claims total liability	248.1	137.4	79.4	68.7	66.2
Risk Funds fund deficit as a % of total general fund balance (2)	83.22%	47.62%	33.59%	25.74%	23.24%
Net Other Post Employment Benefit "OPEB" obligation (5)	\$ -	\$ 264.2	\$ 252.2	\$ 241.5	\$ 229.5
Landfill closure and post-closure liability (4)	\$ 41.5	\$ 40.2	\$ 30.9	\$ 30.6	\$ 34.6
Net Pension Liability (3)	\$ 3,175	\$ 7,262	\$ 9,050	\$ 5,600	\$ 5,090
Net OPEB Liability (5)	\$ 511	\$ 519			

## Key Observations:

- (1) The City's self-insured risk activities are essentially being funded on a "pay-as-you-go" basis.
- (2) The Risk Funds fund deficit as a % of total general fund balance increased annually from 2014 - 2018.
- (3) The net Pension Liability has increased annually from 2014-2016, then decreased in 2017 and 2018.
- (4) The City's unfunded landfill closure and post-closure liability decreased in 2015, increased slightly in 2016 and has increased during 2017 and 2018.
- (5) New account accounting rules, GASB Statement number 75, required by the City to accrue a liability on its financial statements for its unfunded OPEB benefits. Implementation of GASB 75 was adopted during the fiscal year ending September 30, 2018.

# Commitment to Promote Ethical and Professional Excellence

We are committed to promoting ethical and professional excellence. To advance this commitment, we have put in place a phone and internet-based hotline system.

The Ethics Hotline (1.866.739.4134) provides individuals a means to call and report ethical concerns.

The EthicsPoint URL link can be accessed from our external website or through this link:

[https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=15191](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191)

Disclaimer: EthicsPoint is not intended to act as a substitute for a company's "whistleblower" obligations.



**Audit Wrap Up Presentation**

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# Accounting Updates



# Selected pronouncements effective for the year ending September 30, 2018:

Pronouncement	Effective Date
<p>Effective for FY18:</p> <p><u>GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</u> The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.</p>	<p>Adopted in FY2018</p>
<p><u>GASB 86 – Certain Debt Extinguishment Issues</u> Provides guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.</p>	<p>Adopted in FY2018. The implementation did not result in any changes to the financial statements.</p>

# Selected pronouncements effective for the year ending September 30, 2018:

Pronouncement	Effective Date
<p>Effective for FY18:</p> <p><u>GASB 85 – Omnibus 2017</u></p> <p>This statement address a variety of topics including issues related to:</p> <ul style="list-style-type: none"><li>- Blending component units: for a primary government that is a business-type activity and uses a single column for financial statement presentation, a component unit may be blended only if the component unit meets a criterion for blending in paragraph 53 of Stmt 14.</li><li>- Fair value measurement and application: Real estate held by insurance entities should be classified either as an investment or a capital asset. The money market investments and participating interest-earning investment contracts described in paragraph 69c of Statement 72 may be measured at amortized cost to the extent permitted by paragraph 9 of Statement 31.</li><li>- OPEB: In financial statements prepared using the current financial resources measurement focus, liabilities to employees for defined benefit pensions of OPEB should be measured as of the end of the reporting period. Update to the measurement of on-behalf payments. "Measure of payroll" required by paragraph 36 of Statement 74 should be covered payroll. Employer-paid member contributions should be classified as plan member contributions. Modifications to the alternative measurement method. Modifications for multiple-employer defined benefit OPEB plans.</li></ul>	<p>Adopted in FY2018.</p> <p>The implementation did not result in any changes to the financial statements</p>

# Selected pronouncement adopted for the year ending September 30, 2018:

Pronouncement	Effective Date
<p>Adopted in FY18:</p> <p><u>GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period</u></p> <p>This statement establishes accounting requirements for interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resource measurement focus. As a result, interest cost incurred before the end of a construction period will be expenses and will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.</p>	<p>Early Adopted in FY2018.</p>

# Recently Issued Guidance

- GASB Statement No. 83 - "Certain Asset Retirement Obligations"
  - This Statement addresses accounting and financial reporting for certain asset retirement obligations.
  - Effective for 9/30/19 year-ends
- GASB Statement No. 84 - "Fiduciary Activities"
  - This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
  - Effective for 9/30/19 year-ends
- GASB Statement No. 87 - "Leases"
  - This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as deferred inflows of resources or deferred outflows of resources based on the payment provisions of the contract.
  - Effective for 9/30/21 year-ends

# Recently Issued Guidance

- GASB Statement No. 88 - "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"
  - This primary objective of the statement is to improve information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.
  - Effective for 9/30/19 year-ends
- GASB Statement No.90 - "Majority Equity Interests-an amendment of GASB Statements No.14 and No.61"
  - The primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization.
  - Effective for 9/30/20 year-ends

This communication is intended solely for the information and use of management and the Government Performance and Financial Management Committee of the City of Dallas and is not intended to be and should not be used by anyone other than these specified parties.



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# Memorandum



CITY OF DALLAS

DATE April 12, 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 **FY 2019 Mid-Year Appropriation Adjustments**

On Monday, April 15, 2019, Jack Ireland, Director of the Office of Budget, will brief the Government Performance & Financial Management Committee on the FY 2019 Mid-Year Appropriation Adjustments. I have attached the briefing for your review.

Please contact me 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, Interim City Attorney  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor 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 Resilience Officer  
Michael Mendoza, Chief of Economic Development & Neighborhood Services  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# **FY 2018-19 Mid-Year Appropriation Adjustments**

**April 15, 2019**

**Elizabeth Reich  
Chief Financial Officer**

**Jack Ireland, Director  
Office of Budget**

**Janette Weedon, Assistant Director  
Office of Budget**



# Purpose

- Background
- Overview of FY 2018-19 budget ordinance amendments
- Recommendation and next steps



# Background

- Annual appropriation ordinance approved by City Council establishes appropriations  
(City Charter Chapter XI, Sec. 3)
- City Council may transfer appropriations between departments, division, or purpose  
(City Charter Chapter XI, Sec. 4)
- City Council may appropriate excess revenue  
(City Charter Chapter XI, Sec. 5)
- City Charter does not allow for expenditure of City funds without sufficient appropriation  
(City Charter Chapter XI, Sec. 6)



# Background

- City Council adopted the FY 2018-19 Operating, Grants/Trust, and Capital budgets ordinance on September 18, 2018
  - Budget has been amended several times by City Council action
  - Additional amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through September 30, 2019

# Background

- Common reasons for appropriation amendments include:
  - Unanticipated event
  - New initiative or need identified during fiscal year
  - Additional revenue used to offset additional related expenditures



# Background

- Management:
  - Closely monitors revenues and expenditures throughout the fiscal year
  - Communicates the financial position to City Council and to Government Performance and Financial Management Committee through the monthly Budget Accountability Report
  - Seek City Council approval for amendments



# Budget Ordinance Amendment

- Ordinance amendment reflects:
  - Appropriation adjustments previously approved by City Council
  - Adjustments to address potential over-runs
  - Enterprise and Other funds revenue and expenditure increases
  - Grant and Trust funds revenue and expenditure increases
  - Capital appropriation adjustments



# Budget Ordinance Amendment

- Ordinance amendment reflects appropriation adjustments previously approved by City Council
  - 1) 10/14/18 – Use of contingency reserve for the City Secretary’s Office budget for the District 4 runoff election held December 11, 2018 (\$155,132)
  - 2) 2/13/19 – Use of contingency reserve for the Office of Cultural Affairs for the disassembly and removal of the Confederate Monument located in Pioneer Cemetery (\$480,000)
- FY 2018-19 budget ordinance was amended on 11/14/19 to transfer appropriation from the Office of Management Services to the Department of Public Works to facilitate the implementation of an Internal Service Fund for the General Obligation Bond Program

# Budget Ordinance Amendment

- Ordinance amendment includes General Fund appropriation adjustment **requests** to address potential over-runs based on February Financial Forecast Report (FFR)
  1. Decrease Non-Departmental – timing of master lease payments (\$73,520)
  2. Decrease Court and Detention Services – salary savings (\$150,000)
  3. Decrease Library – salary savings (\$100,000)
  4. Decrease Public Affairs and Outreach – salary savings (\$125,000)

# Budget Ordinance Amendment

5. Increase Civil Service – installation of security system in the exam/testing room, and installation of a card key entry system - \$75,000
6. Increase Controller’s Office – technology upgrades and Certified Accounts Payable Professional (CAPP) certification, training, and membership - \$80,700
7. Increase 311 Customer Service - salary expense due to contracted staffing - \$150,710
8. Increase Office of Homeless Solutions – temporary staffing hired to implement the Continuum of Care - \$142,110



# Budget Ordinance Amendment

- Ordinance amendment includes use of General Fund contingency **requests**:
  1. Increase Dallas Police Department (DPD) – use General Fund funding in-lieu of confiscated funds for staffing study - \$250,000 (City Council discussion on 11/28/18)
  2. Increase Park & Recreation – develop/expand youth programs during the evenings/weekends - \$500,000 (City Council discussion on 2/13/19)

# Budget Ordinance Amendment

- Appropriation adjustments within Enterprise and Internal Service Funds are supported by increased revenues or available fund balances, and are **requested** as follows:
  1. Aviation – pay debt service payment in FY 19, and additional appropriation for IT storage - \$10.9 million
  2. Equipment and Fleet Management – support overtime, cost increases for automotive parts, non-emergency wrecker price agreement, and anticipated new cost for emergency wrecker services - \$1.2 million
  3. Sanitation Services – fleet maintenance, increased landfill operations, increase in temporary labor contract, and unanticipated infrastructure repairs - \$1.5 million

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# Budget Ordinance Amendment

- Appropriation adjustments within grants, trust, and other funds are supported by additional revenues that have become available during the fiscal year or available fund balance, and are **requested** as follows: (8 funds included)
  1. Communication and Information Services – purchase information technology equipment including related software, and implementation services (transfer from Energy Rate Case Reimbursement fund) - \$4.0 million
  2. Park & Recreation – repairs at Fair Park - \$1.6 million
  3. Dallas Police Department – training - \$79,000
  4. Dallas Fire Rescue – purchase smoke detectors, life safety education, and EMS supplies and expenses - \$30,000
  5. Dallas Animal Services – field and shelter services - \$47,000

# Budget Ordinance Amendment

- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council, new appropriation request, and transfers between funds
- **Request** authorization for the following (Appendix B):
  1. Include eight projects whose appropriations were approved by the City Council since October 1, 2018 – total \$19.0 million
  2. Increase annual appropriations for Tax Increment Financing district funds (4 districts) – total \$15.3 million
  3. Increase Stormwater Capital Construction Fund – \$4.7 million
  4. Increase Aviation Capital Construction Fund - \$2.4 million
  5. Include transfer from General Fund (Non-Departmental) savings to Capital Construction Fund for facility maintenance - \$101,000
  6. Transfer appropriation from the Office of Management Services to Park & Recreation to facilitate implementation of an Internal Service Fund for the General Obligation Bond Program - \$3.7 million

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# Budget Ordinance Amendment

- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council and transfers between funds
- **Request** authorization to facilitate close-out of prior bond programs:
  - Transfer expenses, appropriations, or both between funds in the 1985, 1998, 2003, and 2005 General Obligation Bond Program series of funds
  - Transfer remaining cash from twenty General Obligation Bond Program propositions to the Debt Service Fund

# Recommendation and Next Steps

- Staff recommends amending the Operating and Capital Budgets' Appropriations Ordinance as requested
- Seek City Council approval of the attached amendments on April 24
- Continue monthly review of revenue and expenditures and recommend additional adjustments in September 2019 if necessary

# **FY 2018-19 Mid-Year Appropriation Adjustments**

**April 15, 2019**

**Elizabeth Reich  
Chief Financial Officer**

**Jack Ireland, Director  
Office of Budget**

**Janette Weedon, Assistant Director  
Office of Budget**



# Appendix A

Budget ordinance approved by City Council on September 18, 2018, and amended on November 14, 2018 with requested adjustments indicated with underline and strikethrough.



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

**AMENDING THE OPERATING AND CAPITAL BUDGETS' APPROPRIATIONS  
ORDINANCE**

An ordinance amending Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets' Appropriation Ordinance), as amended by Ordinance No. 31035, to make adjustments for the fiscal year 2018-19 for the maintenance and operation of various departments and activities, amending capital budgets; authorizing the city manager to make certain adjustments; appropriating funds for public improvements to be financed from bond funds and other revenues of the city of Dallas for fiscal year 2018-19; providing a saving clause; and providing an effective date.

WHEREAS, on September 18, 2018, the city council passed Ordinance No. 30991, which adopted the operating and capital budgets' appropriations ordinance for fiscal year 2018-19; and

WHEREAS, on November 14, 2018, the city council passed Ordinance No. 31035, which amended Ordinance No. 30991 by adding capital funds to fund appropriations for fiscal year 2018-19; and

WHEREAS, shortages and excesses in various departments and activity appropriations have created a need to adjust those appropriations; and

WHEREAS, the city council authorizes in accordance with Chapter XI, Section 4, of the Dallas City Charter to transfer an unencumbered balance of an appropriation made for the use of one department, division, or purpose to any other department, division, or purpose, upon the written recommendation of the city manager; and

## Appendix A

WHEREAS, the city council is authorized in accordance with Chapter XI, Section 5, of the Dallas City Charter to appropriate, from time to time, excess revenues of the city to such uses as will not conflict with any uses for which such revenues specifically accrued; Now, Therefore,

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

SECTION 2. That Section 1 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets' Appropriation Ordinance), passed by the city council on September 18, 2018, is amended by making adjustments to fund appropriations for fiscal year 2017-18 for maintenance and operation of various departments and activities, to read as follows:

“SECTION 1. That for the purpose of providing the funds to be expended in the budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019, the available revenues of the city of Dallas are hereby appropriated for the maintenance and operation of the various city departments and activities as follows:

<b><u>DEPARTMENTS AND ACTIVITIES</u></b>	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
Building Services	22,729,907
City Attorney's Office	18,348,876
City Auditor's Office	3,367,314
City Manager's Office	2,787,305
City Secretary's Office	2,873,978
Civil Service	<u>3,316,621</u> [ <del>3,241,624</del> ]
Code Compliance	31,635,395
City Controller's Office	<u>6,849,599</u> [ <del>6,768,899</del> ]
Court and Detention Services	<u>23,164,074</u> [ <del>23,314,074</del> ]
Dallas Animal Services	14,878,667
Elections	<u>*1,631,698</u> [ <del>1,476,556</del> ]
Fire	294,483,209
Human Resources	7,005,071
Independent Audit	917,892
Jail Contract – Lew Sterrett	8,908,016
Judiciary	3,446,356
Library	<u>34,038,717</u> [ <del>34,138,717</del> ]
Mayor and Council	4,989,530
Non-Departmental	<u>92,653,775</u> [ <del>92,727,295</del> ]

## Appendix A

Office of Cultural Affairs	** <u>20,453,188</u> [19,973,188]
Office of Budget	3,796,050
Office of Economic Development	4,972,909
Office of Housing and Neighborhood Revitalization	4,213,724
Office of Management Services	<u>31,688,439</u> [31,520,619]
Park and Recreation	<u>99,042,371</u> [98,542,371]
Planning and Urban Design	3,171,871
Police	<u>487,002,691</u> [486,752,691]
Procurement Services	2,443,038
Public Works	75,856,653
Sustainable Development and Construction	2,194,525
Transportation	47,219,419
Trinity Watershed Management	1,302,754
Contingency Reserve	2,319,383
Salary and Benefits Reserve	2,200,000
Liability/Claims Fund	2,751,145

\* An increase to \$1,631,698 was previously approved by Resolution No. 18-1641.

\*\* An increase to \$20,453,188 was previously approved by Resolution No. 19-0296.

<b>GENERAL FUND TOTAL</b>	<b><u>\$1,367,351,406</u> [<del>1,365,966,274</del>]</b>
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	<b><u>PROPOSED</u></b>
<b><u>GRANT FUNDS</u></b>	<b><u>2018-19</u></b>
<u>Court and Detention Services</u>	
Law Enforcement Officer Standards and Education (S104)	1,685
<u>Management Services</u>	
Fair Housing FHAP Award 14-15 (F439)	6,126
Fair Housing FHAP Award 15-16 (F471)	22,671
<b>GRANT FUNDS TOTAL</b>	<b>\$30,518</b>

	<b><u>PROPOSED</u></b>
<b><u>TRUST AND OTHER FUNDS</u></b>	<b><u>2018-19</u></b>
<u>Communication and Information Services</u>	
Information Technology Equipment Fund (0897)	<u>5,450,000</u> [1,450,000]
<u>Court and Detention Services</u>	
Employee Morale Fund (0902)	11
Technology Fund (0401)	343,587

## Appendix A

### Dallas Animal Services

<u>Animal Control Enhancement (0898)</u>	46,597
Animal Control Enhancement 87D (0878)	842
Animal Services Operation Supp (0883)	137
Dallas Animal Services Online Donations (0714)	56
Dallas Animal Welfare Fund (0711)	<u>566 [393]</u>

### Fire

<u>Smoke Detector Program Donation (0230)</u>	19,541
<u>Paramedic Activity (0302)</u>	<u>10,238</u>

### Library

Edmond and Louise Kahn E. Trust (0208)	262,567
Central Library Gift and Donations (0214)	42,668
Hamon Trust (0458)	14,794
Genealogy Fund (0687)	19,550
Donations and Interest Fund (0734)	59,313

### Management Services

Carryout Bag Regulation Fund (0989)	126,953
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### Office of Budget

<u>Rate Case Reimbursement Reserve Fund (0007)</u>	<u>4,000,000</u>
<u>Fair Park First Reserve Fund (0444)</u>	<u>***3,500,000</u>

### Office of Cultural Affairs

OCA Hotel Occupancy Tax (0435)	2,670,482
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### Office of Economic Development

Economic Development Sales Tax Rebate Program (0680)	467,562
New Market Tax Credit (0065)	114,225
Property Assessed Clean Energy Fund (0750)	4,511
South Dallas/Fair Park Trust Fund (0351)	1,298,031
<u>Dallas Housing Trust Fund (9P16)</u>	<u>****7,000,000</u>
Deep Ellum Public Improvement District (9P01)	628,778
Dallas Downtown Improvement District (9P02)	7,566,520
Klyde Warren Park/ Dallas Arts District Public Improvement District (9P03)	1,273,513
Knox Street Public Improvement District (9P04)	366,712
Lake Highlands Public Improvement District (9P05)	695,989
North Lake Highlands Public Improvement District (9P06)	385,089
Oak Lawn-Hi Line Public Improvement District (9P07)	362,020
Prestonwood Public Improvement District (9P08)	427,621
South Side Public Improvement District (9P10)	260,676
University Crossing Public Improvement District (9P12)	773,814
Uptown Public Improvement District (9P13)	2,723,533
Vickery Meadow Public Improvement District (9P15)	900,464

## Appendix A

### Office of Housing and Neighborhood Revitalization

Mayfair Gifts and Donation (0471)	2,518
Dallas Tomorrow Fund (0476)	530,705

### Park and Recreation

Craddock Park Expense Trust (0340)	6,022
Fair Park Marketing (0G43)	42,626
<u>Fair Park Naming Sponsorship (0426)</u>	<u>1,632,004</u>
Fair Park Special Maintenance (0329)	108,492
Ford Found Innovative Program (0T14)	1,089
Golf Improvement Trust (0332)	1,481,189
Grauwyler Memorial E Trust (0331)	54
Junior Golf Program (0359)	5,116
Meadows-Fair Park Security 64E (0643)	130
Mowmentum Park Improvement (0T80)	41,752
Outdoor Programs (0469)	82,566
P & R Athletic Field Maintenance (0349)	163,825
Park and Rec Beautification (0641)	199,520
PKR Program Fund Tracking (0395)	2,197,698
Recreation Program (0341)	475,402
Southern Skates (0327)	81,009
White Rock Endowment (0354)	1,996
W.W. Samuell Park Trust (0330)	647,205

### Planning and Urban Design

Neighborhood Vitality Project Fund (0297)	70,770
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### Police

Confiscated Monies - Federal (0436)	245,896
Confiscated Monies – State (0411)	3,343,712
Law Enforcement Officer Standard Education (0S1N)	<u>595,859</u> [ <del>516,536</del> ]
Police Gifts and Donations	1,544

### Procurement Services

DABD 2003 South Fair Fund (0245)	4,668
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*\*\*\* An increase to \$3,500,000 was previously approved by Resolution No. 18-1531.*

*\*\*\*\* An increase of \$4,575,000 was previously approved by Resolution No. 18-1789 on December 12, 2018. An increase of \$424,528 was previously approved by Resolution No. 18-1791 on December 12, 2018. An increase of \$828,129 was previously approved by Resoulution No. 18-1792 on December 12, 2018. An increase of \$523,246 was previously approved by Resolution No. 18-1793 on December 12, 2018. An increase of \$649,097 was previously approved by Resolution No. 18-1795 on December 12, 2018.*

### **TRUST AND OTHER FUNDS TOTAL**

**\$53,780,327 [~~33,492,451~~]**

## Appendix A

**GRANT, TRUST AND OTHER FUNDS GRAND TOTAL** **\$53,810,845** [~~**33,522,969**~~]

<b><u>ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS</u></b>	<b><u>PROPOSED</u></b> <b><u>2018-19</u></b>
Aviation	
Airport Operations	<u>154,585,549</u> [ <del>143,726,945</del> ]
Transportation Regulation	405,874
Communication and Information Services	
Information Technology	77,011,403
Radio Services	8,651,413
Convention and Event Services	108,647,915
Employee Benefits	
Benefits Administration	1,049,538
Wellness Program	358,858
Equipment and Fleet Management	<u>56,162,517</u> [ <del>54,912,850</del> ]
Express Business Center	2,137,496
Management Services	<u>6,385,239</u>
[Office of the Bond Program	****10,079,445]
<u>Park and Recreation</u>	<u>3,694,206</u>
Public Works	*****7,167,340
Risk Management	4,579,552
Sanitation Services	<u>114,157,465</u> [ <del>112,653,465</del> ]
Storm Water Drainage Management	58,436,837
Sustainable Development and Construction	34,571,119
Water Utilities	665,491,395
WRR - Municipal Radio	2,076,728
911 System Operations	15,176,553

\*\*\*\*\* A decrease to \$10,079,445 was previously approved by Resolution No. 18-1613.

\*\*\*\*\* An increase to \$7,167,340 was previously approved by Resolution No. 18-1613.

**ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS TOTAL** **\$1,320,746,997**  
**[~~1,307,134,726~~]**”

SECTION 2. That Section 4 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), is amended by making adjustments to fund appropriations for fiscal year 2018-19 for maintenance and operation of various departments and activities, to read as follows:

## Appendix A

“SECTION 4. That the city manager is hereby authorized, upon written notice to the city controller, to make the following adjustments:

(1) Transfer internal service fund equity from unanticipated excesses to contributing funds.

(2) Transfer funds, not to exceed \$23,484,663, from the Convention Center Operating Fund 0080, Department CCT, Unit 7840, Object 3870, to the 2009 Convention Center Debt Service Fund 0980, Department CCT, Unit P505, Revenue Source 9219, for the payment of debt service on Series 2009 Revenue Refunding and Improvement Bonds for improvements to the Dallas Civic Center Convention Complex.

(3) Transfer funds, not to exceed \$2,751,145, from the General Fund 0001, Department BMS, Unit 1997, Object 3621 to the Liability Reserve Fund 0192, Department ORM, Unit 3890, Revenue Source 8525, for payment of small and large claims against the city.

(4) Transfer funds, not to exceed \$3,366,284 to the General Fund 0001, Department BMS, Unit 1995, Revenue Source 9229, from the Sports Arena Lease Fund 0A71, Department CCT, Unit 8851, Object 3690, to support general fund operations.

(5) Transfer funds, not to exceed \$25,313,609, from the Water Utilities Operating Fund 0100, Department DWU, Unit 7015, Object 3690, in the amounts not to exceed \$8,300,000 to the Public/Private Partnership Fund 0352, Department ECO, Unit P151, Revenue Source 9201 and \$17,013,609 to the General Fund 0001, Department BMS, Unit 1991, Revenue Source 9201, as payment in lieu of taxes by the water utilities department to support economic initiatives of the city.

## Appendix A

(6) Transfer funds, not to exceed \$68,280, from the General Fund 0001, Department PNV, Unit 1581, Object 3690, to the Neighborhood Vitality Project Fund 0297, Department PNV, Unit 1728, Revenue Source 9201, for GrowSouth Neighborhood Challenge grants.

(7) Transfer funds, not to exceed \$1,450,000, from the Information Technology Operating Fund 0198, Department DSV, Unit 1667 and 1622, Object 3690, to the Information Technology Equipment Fund 0897, Department DSV, Unit 3717,3718, and 3719, Revenue Source 9201, for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(8) Transfer funds, not to exceed \$2,670,482, from the Convention and Event Services Operating Fund 0080 Department CCT, Unit 7840, Object 3690 to the OCA Hotel Occupancy Fund 0435, Department OCA, Unit 1841, Revenue Source 9201, for the promotion of cultural arts.

(9) Transfer funds, not to exceed \$467,562, from the General Fund 0001 Department BMS, Unit 1991, Object 3690, to the Economic Development Sales Tax Rebate Program Fund 0680 Department ECO, Unit 6696, Revenue Source 9201, for sales tax rebates in accordance with the terms of the e-commerce sales tax grant agreement pursuant to Chapter 380 of the Texas Local Government Code.

(10) Transfer funds, not to exceed \$635,310, from City of Dallas Regional Center Fund 0067, Department ECO, Unit P682, Object 3090, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

## Appendix A

(11) Transfer funds, not to exceed \$216,305, from New Markets Tax Credit Fund 0065, Unit P607, Object 3899, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

(12) Transfer funds, not to exceed \$800,000, from the General Fund 0001 Unit 1165, Object Code 3690, to South Dallas Fair Park Opportunity Fund 0351, Unit 0448, Revenue Source 9201, for Special Grant/Loan Program for catalyst economic development initiatives.

(13) Transfer funds, not to exceed \$4,000,000, from the Rate Case Reimbursement Reserve Fund 0007, Unit P155, Object 3690, to the Information Technology Equipment Fund 0897, unit 3719, Revenue Source 9201 for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(14) Transfer funds, not to exceed \$250,000, from Fund 0001, Department NBG, Unit 1000, Revenue Code RTRF, to Fund 0001, Dept. DPD, Appropriation Unit 0001DPD, Unit 2181, Revenue Source 9229; and a clearing entry, in the same amount, to Fund 0001, Department BMS, Balance Sheet Account 0991 (Debit) and to Fund 0001, Department BMS, Balance Sheet Account 0950 (Credit).

(15) Transfer funds, not to exceed \$500,000, from Fund 0001, Department NBG, Unit 1000, Revenue Code RTRF, to Fund 0001, Dept. PKR, Appropriation Unit 0001PKR, Unit 5071, Revenue Source 9229; and a clearing entry, in the same amount, to Fund 0001, Department BMS, Balance Sheet Account 0991 (Debit) and to Fund 0001, Department BMS, Balance Sheet Account 0950 (Credit).

## Appendix A

(16) Transfer funds, not to exceed \$101,480, from the General Fund 0001, Unit 1987, Object 3070, to the Capital Construction Fund 0671, Unit W221, Revenue Source 9201 for maintenance of city facilities.

(17) Transfer and administer gifts and bequests to the city in accordance with the terms and conditions accompanying the gifts or bequests and, for this purpose, the appropriation of donated amounts is hereby made.

(18) Transfer positions from Management Services, Fund 0294, Unit 3856 and Unit 3857, to Park and Recreation, Fund 0294, Unit 3856 and Unit 3857, to facilitate implementation of the General Obligation Bond Program.”

SECTION 3. That Section 9 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), passed by the city council on September 18, 2018, as amended by Ordinance No. 31035, passed by city council on November 14, 2018, is amended by adding capital funds to fund appropriations for fiscal year 2018-19 to read as follows:

“SECTION 9. (a) That the following amounts are hereby appropriated from the funds indicated for projects listed in the FY 2018-19 capital budget:

### **CAPITAL FUNDS**

From the Aviation Capital Construction Fund (0131)	<u>20,154,155</u> [ <del>17,804,155</del> ]
From the Aviation Passenger Facility Charge Near Term Projects Fund (A477)	40,350,000
From the Capital Assessment 2003BP Fund (L003)	540,233
From Capital Assessment 2006BP Fund (L006)	169,987
From Capital Assessment 2012BP Fund (L012)	121,487

## Appendix A

From Capital Assessment Fund-85 Fund (L085)	90,017
From Capital Assessment Fund-98 Fund(L098)	1,711,842
From Capital Assessment Funds Fund (L095)	59,574
From the Capital Construction Fund for City and Cultural Facilities (0671)	<u>7,101,480</u> [7,000,000]
<u>From the Capital Projects Reimbursement Fund (0556)</u>	<u>*4,989,639</u>
From the Cedars Tax Increment Finance District Fund (0033)	691,440
From the City Center Tax Increment Finance District Fund (0035)	<u>**7,019,640</u> [6,595,112]
From the City Hall, City Service and Maintenance Facilities Fund (6T60)	100,000
From the City Services Facility Fund (3R60)	5,689,200
<u>From the Cityplace Area TIF District Fund (0030)</u>	<u>***2,540,080</u>
From the Convention Center Capital Construction Fund (0082)	13,467,033
From the Cultural Affairs Fund (2017 GO Bonds) (1V49)	9,985,000
From the Cypress Waters Tax Increment Finance District Fund (0066)	<u>3,832,442</u> [1,979,799]
From the Davis Garden Tax Increment Finance District Fund (0060)	1,440,492
From the Deep Ellum Tax Increment Finance District Fund (0056)	2,246,610

## Appendix A

From the Design District Tax Increment Finance District Fund (0050)	9,650,000
From the Downtown Connection Tax Increment Finance District Fund (0044)	<u>26,828,371</u> [ <del>17,820,617</del> ]
From the Dallas Water Utilities Public Art Fund (0121)	82,500
From the Economic & Southern Area of City Transit-Oriented Development Fund (9T52)	6,000
<u>From the Economic Development Fund (2017 GO Bonds) (1V52)</u>	<u>****1,450,000</u>
From the City Facilities Fund (2017 GO Bonds) (1V60)	11,662,600
From the Fair Park Improvement Fund (2017 GO Bonds) (1V02)	18,970,000
From the Farmers Market Tax Increment Finance District Fund (0036)	2,593,126
From the Flood Control Fund (2017 GO Bonds) (1V23)	16,195,600
From the Fort Worth Avenue Tax Increment Finance District Fund (0058)	1,005,594
From the Homeless Assistance Facilities Fund (2017 GO Bonds) (1V43)	1,500,000
From the Library Facilities Fund (2017 GO Bonds) (1V42)	6,589,000
From the Maple/Mockingbird Tax Increment Finance District Fund (0064)	3,358,665
From the Master Lease-Equipment Fund (ML19)	34,000,000
From the Oak Cliff Gateway Tax Increment Finance District Fund (0034)	4,075,556
From the Parks and Recreation Facilities Fund (2017 GO Bonds) (1V00)	84,724,345

## Appendix A

From the Public/Private Partnership Fund (0352)	<u>*****17,892,140</u> [ <del>11,192,140</del> ]
From the Public Safety Facilities Fund (2017 GO Bonds) (1V33)	27,455,000
From the Public Safety Facilities Fund (6T33)	60,000
From the Resurfacing and Reconstruction Improvements Fund (0717)	4,100,000
From the Sanitation Capital Improvement Fund (0593)	<u>*****14,837,495</u> [ <del>13,600,000</del> ]
From the Sewer Construction Fund (0103)	23,250,000
From the Skillman Corridor Tax Increment Finance District Fund (0052)	<u>4,417,600</u> [ <del>1,915,426</del> ]
From the Sports Arena Tax Increment Finance District Fund (0038)	12,812,528
<u>From the State Thomas TIF District Fund (0032)</u>	<u>*****1,003,651</u>
From the Street and Alley Improvement Fund (0715)	20,400,373
From the Street and Transportation Fund (2017 GO Bonds) (1V22)	75,055,583
From the Transit Oriented Development Tax Increment Financing Fund (0062)	<u>2,662,865</u> [ <del>753,206</del> ]
From the Storm Water Drainage Management Capital Construction Fund (0063)	<u>10,708,653</u> [ <del>6,024,848</del> ]
From the Vickery Meadow Tax Increment Finance District Fund (0048)	<u>*****3,110,097</u> [ <del>2,461,000</del> ]
From the Water (Drinking Water) TWDB Fund (1150)	44,000,000

## Appendix A

From the Wastewater (Clean Water) - TWDB Fund (1151)	22,000,000
From the Water Capital Improvement Series D Fund (2116)	29,817,500
From the Wastewater Capital Improvement Fund (3116)	70,700,000
From the Water Capital Construction Fund (0102)	30,700,000
From the Water Capital Improvement Fund (2115)	29,000,000
From the Water Capital Improvement Fund (3115)	50,450,000

\*An increase of \$1,900,000 was previously approved by Resolution No. 18-1847.

\*An increase of \$21,482 was previously approved by Resolution No. 18-1610.

\*An increase of \$249,000 was previously approved by Resolution No. 18-1590.

\*An increase of \$832,258 was previously approved by Resolution No. 18-0197.

\*An increase of \$1,800,000 was previously approved by Resolution No. 19-0169.

\*An increase of \$165,217 was previously approved by Resolution No. 19-0264.

\*An increase of \$21,681 was previously approved by Resolution No. 19-0236.

\*\*An increase of \$424,528 was previously approved by Resolution No. 18-1791.

\*\*\*An increase of \$2,540,080 was previously approved by Resolution No. 18-1792.

\*\*\*\*An increase of \$1,450,000 was previously approved by Resolution No. 18-1556.

\*\*\*\*\*An increase of \$6,700,000 was previously approved by Resolution No. 18-1789.

\*\*\*\*\*An increase of \$335,722 was previously approved by Resolution No. 18-1614.

\*\*\*\*\*An increase of \$345,000 was previously approved by Resolution No. 18-1671.

\*\*\*\*\*An increase of \$556,773 was previously approved by Resolution No. 19-0419.

\*\*\*\*\*An increase of \$1,003,651 was previously approved by Resolution No. 18-1793.

\*\*\*\*\*An increase of \$649,097 was previously approved by Resolution No. 18-1795.

**CAPITAL FUNDS TOTAL \$839,425,193~~[798,023,188]~~**

(b) That the following amounts are hereby appropriated from the funds indicated for payment of the FY 2018-19 Debt Service Budget:

**DEBT SERVICE FUNDS**

From the General Obligation Debt Service Fund (0981)	296,200,044
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## Appendix A

### DEBT SERVICE FUNDS TOTAL

**\$296,200,044**

(c) That these appropriations and all previous appropriated funds for these projects remain in force until each project is completed or terminated.

(d) That the appropriations listed in Subsections (a) and (b) may be increased by the city council upon the recommendation of the city manager.”

SECTION 4. That That Section 11 of Ordinance No. 30991 (2018-19 FY Operating and Capital Budgets’ Appropriation Ordinance), passed by the city council on September 18, 2018, as amended by Ordinance No. 31035, passed by city council on November 14, 2018, is amended by adding capital funds to fund appropriations for fiscal year 2018-19 to read as follows:

“SECTION 11. That the city manager is authorized to make the following adjustments:

(1) Transfer amounts from one project appropriation to another within the same fund, provided that the total appropriation for each fund is not exceeded by this action.

(2) Decrease appropriation of any fund described in Section 9 to reduce expenditures within the fund when, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures.

(3) Transfer funds, not to exceed \$830,400 to the Debt Service Fund 0981, in the amount not to exceed \$63,000 from Street System Improvements Fund 0522; \$20,000 from Street System Improvements Fund 0E22; \$200 from Central Expressway-Land Acquisition Fund 0HLC; \$14,000 from Major Park, Rec & Community Fund 0N00; \$200 from Neighborhood Park, Play & Rec Fund 0N05; \$24,000 from City Facilities Repair & Imp Fund 0L60; \$22,000 from City Facilities Repairs Fund 0M60; \$26,000 from City Facilities Repairs & Imp Fund 0N60; \$100 from Fire Protection Facilities Fund 0M41; \$15,000 from 01 Park Play Ground Rec Fund 0P00; \$7,000

## Appendix A

from 02 Park Play Ground Rec Fund 1P00; \$26,000 from Police Headquarters Fac Fund 0P44; \$20,000 from Fire Protection Facilities Fund 0P41; \$1,600 from Fire Protection Facilities Fund 9P41; \$16,000 from Cultural Arts Facilities Fund 9P49; \$300 from City Animal Control Facilities Fund 0P46; \$6,000 from City Animal Control Facilities Fund 1P46; \$17,000 from Arts Theater Fund 3R07; \$4,000 Arts Theater Fund 5R07; \$83,000 from 06 Arts Theater Fund 6R07; \$140,000 from City Services Facility Fund 3R60; \$115,000 from Animal Shelter Fund 3R46; \$21,000 from Fire Station Fund 3R41; \$42,000 from Fire Station 04-05 Fund 4R41; \$6,000 from Fire Station Facilities Fund 5R41; \$24,000 from Fire Station Facilities Fund 6R41; \$6,000 from Farmers Market Fund 3R40; \$38,000 from Farmers Market 04-05 Fund 4R40; \$5,000 from Farmers Market Improvement Fund 5R40; and \$68,000 from Homeless Assistance Facilities Fund 6S43 to close-out inactive general obligation bond funds.

(4) Upon written notice to the city controller, to transfer expenses, appropriations, or both between funds in the 1985 General Obligation Bond Program series of funds, the 1998 General Obligation Bond Program series of funds, the 2003 General Obligation Bond Program series of funds, and the 2005 General Obligation Bond Program series of funds, and to transfer residual cash amounts to the General Obligation Debt Service Fund to facilitate the close out of prior bond programs.”

SECTION 5. That it is the intent of the city council, by passage of this ordinance, to appropriate funds for the city departments and activities. No office or position is created by the appropriations.

SECTION 6. That Ordinance Nos. 30991 and 31035 will remain in full force and effect, save and except as amended by this ordinance.

## Appendix A

SECTION 7. That this ordinance will take effect immediately from its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly ordered.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, Interim City Attorney

By \_\_\_\_\_  
Assistant City Attorney

# Appendix B

- Capital Budget Amendments

Description	Resolution	Fund	Fund Name	FY 19 Adopted	Appropriation Adjustment	FY 19 Budget
Redevelopment of Square 67 Shopping Center in the Red Bird area of Oak Cliff.	No. 18-1095 (10/24/18)	1V52	Economic Development Fund (2017 GO Bonds)	0	1,450,000	1,450,000
Partnerships with Dallas County, Dallas Theological Seminary, State Fair of Texas, Dallas Area Rapid Transit (DART), and AT&T.	No. 18-1487 (10/24/18), 18-1610 (11/14/18), 18-1590 (11/14/18), 19-0197 (1/23/19), 19-0169 (1/23/19), 19-0264 (2/13/19), and 19-0263 (2/13/19)	0556	Capital Projects Reimbursements	0	4,989,639	4,989,639
Purchase of heavy duty equipment, installation and testing of Geo-probes at the landfill, and construction of a 52-acre waste cell at the landfill.	No. 18-1614 (11/14/18), 18-1671 (11/28/18), and 19-0419 (3/27/19)	0593	Sanitation Capital Improvement Fund	13,600,000	1,237,495	14,837,495
Transfer funds to the Dallas Housing Trust Fund to create and maintain affordable housing.	No. 18-1792 (12/12/18)	0030	Cityplace Area TIF District	0	2,540,080	2,540,080
Transfer funds to the Dallas Housing Trust Fund to create and maintain affordable housing.	No. 18-1793 (12/12/18)	0032	State-Thomas TIF district	0	1,003,651	1,003,651
Transfer funds to the Dallas Housing Trust Fund to create and maintain affordable housing.	No. 18-1791 (12/12/18)	0035	City Center Tif District	6,595,112	424,528	7,019,640
Transfer funds to the Dallas Housing Trust Fund to create and maintain affordable housing.	No. 18-1795 (12/12/18)	0048	Vickery Meadow TIF District	2,461,000	649,097	3,110,097

# Appendix B

- Capital Budget Amendments

Description	Resolution	Fund	Fund Name	FY 19 Adopted	Appropriation Adjustment	FY 19 Budget
Transfer funds to the Dallas Housing Trust Fund to create and maintain affordable housing.	No. 18-1789 (12/12/18)	0352	Public/Private Partnership	11,192,140	6,700,000	17,892,140
TIF - current fund balances, combined with anticipated revenue from property tax increments, give the TIFs sufficient capacity to increase appropriations and reimburse developers in the current fiscal year for projects, some of which were completed ahead of schedule.	This action	0044	Downtown Connection TIF	17,820,617	9,007,754	26,828,371
	This action	0052	Skillman Corridor TIF District	1,915,426	2,502,174	4,417,600
	This action	0062	Transit Oriented Development TIF	753,206	1,909,659	2,662,865
	This action	0066	Cypress Water TIF District	1,979,799	1,852,643	3,832,442
Increase appropriation to move projects forward from FY20.	This action	0063	SDM-Capital Construction Fund	6,024,848	4,683,805	10,708,653
Increase appropriation to align with FY 19 operating transfer.	This action	0131	Aviation Construction	17,804,155	2,350,000	20,154,155
Transfer savings from Non-Departmental for facility maintenance.	This action	0671	Capital Construction	7,000,000	101,480	7,101,480
<b>TOTAL</b>				<b>\$87,146,303</b>	<b>\$41,402,005</b>	<b>\$128,548,308</b>



FEBRUARY 2019  
**BUDGET  
ACCOUNTABILITY  
REPORT**

PREPARED BY THE  
**OFFICE OF BUDGET**

---

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



On Track



Caution



Needs Improvement

### Budget Initiative Tracker



Complete



On Track



Caution



Cancelled

# FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through February 28, 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	1,366,601,406	915,798,763	1,375,935,518	9,334,112
Expenditures	1,365,966,274	1,366,601,406	483,257,228	1,365,410,558	(1,190,850)
Ending Fund Balance	\$182,017,646	\$182,017,646		\$192,542,606	\$10,524,962

The General Fund overview provides a summary of financial activity through February 28, 2019. 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 and approved use of contingency.

**Fund Balance.** The summary includes fund balance with the year-end (YE) revenue and expenditure forecasts. As of February 28, 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 February 28, 2019, General Fund revenues are projected to be \$9,334,000 over budget. This is primarily due to forecasted increases in property tax and sales tax collections, franchise fees, Safelight fines, and interest revenue based on current trends.

**Expenditures.** Through February 28, 2019, General Fund expenditures are projected to be below budget by \$1,190,000. Departments are under budget primarily because of salary savings from vacant positions.

**Amendments.** The General Fund budget was amended on:

- November 14, 2018, by resolution #18-1641 in the amount of \$155,000 for the District 4 runoff election.
- February 13, 2019, by resolution #19-0296 in the amount of \$480,000 for the disassembly, removal, and transfer to storage of The Confederate Monument in Pioneer Cemetery.

## 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	\$708,333,054	\$728,936,782	\$1,050,503
Sales Tax <sup>2</sup>	311,645,016	311,645,016	106,556,521	316,066,026	4,421,010
Franchise and Other	133,347,988	133,347,988	43,145,796	135,199,176	1,851,188
Charges for Service	110,146,088	110,146,088	29,866,208	111,959,030	1,812,942
Fines and Forfeitures	34,244,958	34,244,958	9,306,798	34,316,634	71,676
Operating Transfers In <sup>3</sup>	24,823,767	25,458,899	9,141,937	22,122,899	(3,336,000)
Intergovernmental	9,563,291	9,563,291	301,554	9,692,291	129,000
Miscellaneous <sup>4</sup>	6,320,104	6,320,104	3,762,190	7,321,625	1,001,521
Licenses and Permits	5,670,499	5,670,499	2,528,937	5,841,873	171,374
Interest <sup>5</sup>	2,318,284	2,318,284	2,855,768	4,479,181	2,160,897
<b>Total Revenue</b>	<b>\$1,365,966,274</b>	<b>\$1,366,601,406</b>	<b>\$915,798,763</b>	<b>\$1,375,935,518</b>	<b>\$9,334,111</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.

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 financial report, revenue categories have been restated to match the City's Chart of Accounts.

**2 Sales Tax.** Sales tax revenues are forecast to be \$4,421,000 over budget due to increased collections. Over the most recent 12 months, sales tax receipts have increased by 5.1 percent.

**3 Operating Transfers In.** The revenue budget for Operating Transfer In was amended on November 14, 2018, by resolution #18-1641 for the District 4 runoff election, and on February 13, 2019, by resolution #19-0296 in the amount of \$480,000 for the disassembly, removal, and transfer to storage of The Confederate Monument in Pioneer Cemetery. Revenue is forecast to be below budget due to deferral of inter-fund transfers.

**4 Miscellaneous.** Miscellaneous revenues are forecast to be \$1,001,000 over budget primarily due to facility rental fees.

**5 Interest.** Interest revenue is forecast to be \$2,161,000 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	\$90,429,585	\$234,057,699	(\$6,440,984)
Civilian Overtime	6,660,128	6,660,128	3,610,757	7,971,309	1,311,181
Civilian Pension	35,070,258	34,947,747	13,027,023	33,643,425	(1,304,322)
Uniform Pay	423,709,510	423,709,510	159,522,879	415,789,176	(7,920,334)
Uniform Overtime	39,354,268	39,354,268	17,322,261	44,673,342	5,319,074
Uniform Pension	159,002,901	159,002,901	55,629,701	159,002,901	0
Health Benefits	68,816,185	68,816,185	23,221,611	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	4,567,884	12,501,196	(143,754)
Total Personnel Services <sup>1</sup>	997,132,323	996,142,818	367,331,700	986,963,679	(9,179,139)
Supplies <sup>2</sup>	77,884,269	77,950,378	26,560,735	80,818,661	2,868,282
Contractual Services <sup>3</sup>	366,535,382	367,902,028	97,897,000	371,820,677	3,918,651
Capital Outlay <sup>4</sup>	13,617,618	13,724,618	2,331,709	15,141,455	1,416,837
Reimbursements <sup>5</sup>	(89,203,318)	(89,118,436)	(10,863,915)	(89,333,915)	(215,479)
Total Expenditures	\$1,365,966,274	\$1,366,601,406	\$483,257,228	\$1,365,410,557	(\$1,190,848)

**VARIANCE NOTES**

**1 Personnel Services.** Current year-end civilian pay forecast is \$6,440,000 below budget primarily due to civilian vacancy savings that fully offset the \$1,311,000 overrun in civilian overtime. Uniform overtime YE forecast assumes \$5,368,000 anticipated use of overtime for Dallas Police Department and \$49,000 projected savings for Dallas Fire Rescue offset by salary savings from vacant positions. Uniform pension YE forecast equals budget and includes the \$156,819,000 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 year-end forecast is \$2,868,000 above 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.** Contractual Services are \$3,919,000 over budget due to the use of temporary help and day labor expenses in various departments which is offset by salary savings, software licenses related to the Code Compliance case management system, increased contractual costs as a result of higher Safelight revenues, and equipment upgrades and maintenance in the Fire department.

**4 Capital Outlay.** Current year-end forecast is \$1,417,000 over budget primarily due to the unbudgeted replacement of five ambulances as a result of wrecks.

**5 Reimbursements.** General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$215,000 greater than budget, primarily due to a greater 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 <sup>1</sup>	\$22,729,907	\$22,729,907	\$9,419,510	\$23,026,399	\$296,492
City Attorney's Office	18,348,876	18,348,876	6,492,790	18,348,876	0
City Auditor's Office <sup>2</sup>	3,367,314	3,367,314	1,065,109	3,167,697	(199,617)
City Controller's Office <sup>3</sup>	6,768,899	6,768,899	3,020,335	6,972,803	203,904
Independent Audit	917,892	917,892	0	917,892	0
City Manager's Office	2,787,305	2,787,305	967,536	2,773,098	(14,207)
City Secretary <sup>4</sup>	4,350,544	4,505,676	1,853,585	4,487,932	(17,744)
Civil Service <sup>5</sup>	3,241,621	3,241,621	1,093,042	3,265,017	23,396
Code Compliance	31,635,395	31,635,395	10,748,004	31,635,287	(108)
Court Services	23,314,074	23,314,074	6,937,452	22,707,701	(606,373)
Jail Contract	8,908,016	8,908,016	2,969,339	8,908,016	0
Dallas Animal Services	14,878,667	14,878,667	5,548,510	14,645,901	(232,766)
Dallas Fire-Rescue	294,483,209	294,483,209	104,759,313	294,354,276	(128,933)
Dallas Police Department	486,752,691	486,752,691	172,016,131	486,752,691	0
Housing and Neighborhood Services	4,213,724	4,213,724	643,399	4,132,408	(81,316)
Human Resources	7,005,071	7,005,071	2,517,433	7,005,071	0
Judiciary	3,446,356	3,446,356	1,339,017	3,416,216	(30,140)
Library	34,138,717	34,138,717	11,989,676	33,944,710	(194,007)
Office of Management Services					
311 Customer Service <sup>6</sup>	4,495,891	4,495,891	2,111,010	4,723,244	227,353
Council Agenda Office	219,414	219,414	86,435	219,414	0
Office of Equity and Human Rights	998,436	998,436	317,977	998,436	0
Office of Innovation <sup>7</sup>	603,668	603,668	99,617	490,922	(112,746)
Office of Strategic Partnerships	1,053,433	1,053,433	398,941	998,029	(55,404)
Office of Business Diversity	894,165	894,165	319,440	890,346	(3,819)
Office of Community Care	5,375,877	5,375,877	1,943,903	5,375,017	(860)
Office of Emergency Management	877,113	877,113	114,840	877,113	0
Office of Environmental Quality	2,734,360	2,734,360	1,789,396	2,717,459	(16,901)
Office of Homeless Solutions <sup>8</sup>	11,546,393	11,546,393	6,323,364	11,688,506	142,113
Public Affairs and Outreach <sup>9</sup>	2,098,745	2,098,745	541,491	1,823,877	(274,868)
Welcoming Communities	623,124	623,124	175,195	620,858	(2,266)
Mayor and City Council	4,989,530	4,989,530	1,758,256	4,989,530	0
Non-Departmental	92,727,295	92,727,295	6,084,615	92,489,527	(237,768)
Office of Budget	3,796,050	3,796,050	1,291,776	3,685,759	(110,291)
Office of Cultural Affairs <sup>10</sup>	19,973,188	20,453,188	13,635,545	20,453,188	0
Office of Economic Development	4,972,909	4,972,909	2,348,493	4,972,315	(594)
Park and Recreation	98,542,371	98,542,371	41,857,964	98,508,533	(33,838)
Planning and Urban Design <sup>11</sup>	3,171,871	3,171,871	1,104,330	2,866,897	(304,974)
Procurement Services <sup>12</sup>	2,443,038	2,443,038	880,595	2,557,273	114,235
Public Works	75,856,653	75,856,653	38,058,271	75,266,259	(590,394)
Sustainable Development	2,194,525	2,194,525	1,253,112	2,194,525	0
Transportation <sup>13</sup>	47,219,419	47,219,419	17,382,483	48,271,008	1,051,589
<b>Total Departments</b>	<b>\$1,358,695,746</b>	<b>\$1,359,330,878</b>	<b>\$483,257,228</b>	<b>\$1,358,140,030</b>	<b>(\$1,190,850)</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>\$1,366,601,406</b>	<b>\$483,257,228</b>	<b>\$1,365,410,558</b>	<b>(\$1,190,850)</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 forecast projected to exceed budget.

**1 Building Services.** Building Services expenditures are forecast to be \$296,000 over budget due primarily to repairs to facilities in the Arts and Central districts, increased usage of pest control, dumpster rentals, and landscaping activities at City Hall.

**2 City Auditor's Office.** City Auditor's Office expenditures are \$199,000 below budget due to salary savings from vacant positions.

**3 City Controller's Office.** City Controller's Office expenditures are forecast to be \$203,000 over budget primarily due to unbudgeted vacation/sick termination payouts for two long-time employees which may be offset by use of Salary and Benefit reserve funds later in the fiscal year, if necessary, Certified Accounts Payable Professional training and membership dues, and technology upgrades which may be offset by savings in other departments.

**4 City Secretary.** City Secretary Office's budget was increased by \$155,000 on November 14, 2018, by resolution #18-1641 for the District 4 runoff election.

**5 Civil Service.** Civil Service expenditures are \$23,000 over budget due to the installation of a new secure card key entry system, which may be offset by savings in other departments.

**6 311 Customer Service.** 311 Customer Service expenditures are forecast to be \$227,000 over budget due to unbudgeted vacant/sick termination payouts for one long-time employee, an office reconfiguration, and use of temporary employees, which may be offset by savings in other departments.

**7 Office of Innovation.** Office of Innovation expenditures are forecast to be under budget by \$112,000 primarily due to vacancies, including two vacant positions that are expected to be filled by mid-April.

**8 Office of Homeless Solutions.** Office of Homeless Solutions expenditures are forecast to be \$142,000 over budget, primarily due to temporary staff hired to implement the Continuum of Care.

**9 Public Affairs and Outreach.** Public Affairs and Outreach expenditures are forecast to be \$274,000 under budget due to hiring delays for vacant positions, and lower costs associated with off-site city council meetings.

**10 Office of Cultural Affairs.** Office of Cultural Affairs' budget was increase by \$480,000 on February 13, 2019 by resolution #19-0296 for the disassembly, removal, and transfer to storage of The Confederate Monument at Pioneer Cemetery.

**11 Planning and Urban Design.** Planning and Urban Design expenditures are forecast to be \$305,000 under budget due to salary savings from ten vacant positions that occurred due to restructuring with a plan that is currently underway to fill the vacancies.

**12 Procurement Services.** Procurement Services expenditures are forecast to be \$114,000 over budget due to unbudgeted vacation/sick termination payouts for three long-time employees who are retiring in the Spring which may be offset by use of Salary and Benefit reserve funds later in the fiscal year if necessary.

**13 Transportation.** Transportation expenditures are forecast to be \$1,052,000 over budget primarily due to increased Safelight program payment 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
<b>AVIATION<sup>1</sup></b>					
Beginning Fund Balance	\$14,216,560	\$14,216,560		\$14,216,560	\$0
Total Revenues	144,132,819	144,132,819	55,182,517	154,991,421	10,858,602
Total Expenditures	144,132,819	144,132,819	46,499,356	154,991,422	10,858,603
Ending Fund Balance	\$14,216,560	\$14,216,560		\$14,216,560	\$0

<b>CONVENTION AND EVENT SERVICES<sup>2</sup></b>					
Beginning Fund Balance	\$33,234,399	\$33,234,399		\$33,234,399	\$0
Total Revenues	108,647,915	108,647,915	36,279,361	110,064,832	1,416,917
Total Expenditures	108,647,915	108,647,915	21,221,865	110,057,423	1,409,508
Ending Fund Balance	\$33,234,399	\$33,234,399		\$33,241,808	\$7,409

<b>MUNICIPAL RADIO</b>					
Beginning Fund Balance	\$1,205,492	\$1,205,492		\$1,205,492	\$0
Total Revenues	2,178,813	2,178,813	776,345	2,098,813	(80,000)
Total Expenditures	2,076,728	2,076,728	951,468	2,075,669	(1,059)
Ending Fund Balance	\$1,307,577	\$1,307,577		\$1,228,636	(\$78,941)

Note: FY 2018-19 budget reflects revenue in excess of expenses.

<b>SANITATION SERVICES<sup>3</sup></b>					
Beginning Fund Balance	\$29,641,449	\$29,641,449		\$29,641,449	\$0
Total Revenues	112,653,465	112,653,465	50,213,908	115,195,884	2,542,419
Total Expenditures	112,653,465	112,653,465	29,514,374	114,157,465	1,504,000
Ending Fund Balance	\$29,641,449	\$29,641,449		\$30,679,869	\$1,038,420

<b>STORM DRAINAGE MANAGEMENT- DALLAS WATER UTILITIES</b>					
Beginning Fund Balance	\$7,928,950	\$7,928,950		\$7,928,950	\$0
Total Revenues	58,436,837	58,436,837	24,707,810	58,459,482	22,645
Total Expenditures	58,436,837	58,436,837	13,570,772	58,436,836	(1)
Ending Fund Balance	\$7,928,950	\$7,928,950		\$7,951,596	\$22,646

<b>SUSTAINABLE DEVELOPMENT AND CONSTRUCTION</b>					
Beginning Fund Balance	\$43,833,830	\$43,833,830		\$43,833,830	\$0
Total Revenues	33,143,848	33,143,848	15,230,986	33,145,040	1,192
Total Expenditures	34,571,119	34,571,119	12,387,270	34,571,119	0
Ending Fund Balance	\$42,406,559	\$42,406,559		\$42,407,751	\$1,192

Note: FY 2018-19 budget reflects planned use of fund balance.

<b>WATER UTILITIES<sup>4</sup></b>					
Beginning Fund Balance	\$118,325,578	\$118,325,578		\$118,325,578	\$0
Total Revenues	665,005,577	665,005,577	233,424,928	644,220,939	(20,784,638)
Total Expenditures	665,491,395	665,491,394	228,677,008	650,268,615	(15,222,779)
Ending Fund Balance	\$117,839,760	\$117,839,761		\$112,277,902	(\$5,561,859)

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	9,031,111	69,434,657	0
Total Expenditures	77,011,403	77,011,403	40,295,049	76,495,953	(515,450)
Ending Fund Balance	\$3,311,245	\$3,311,245		\$3,826,695	\$515,450

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	343,478	5,900,868	(16,904)
Total Expenditures	8,651,413	8,651,413	3,443,084	8,614,748	(36,665)
Ending Fund Balance	\$66,935	\$66,935		\$86,696	\$19,761

Note: FY 2018-19 budget reflects planned use of fund balance.

**EQUIPMENT AND FLEET MANAGEMENT<sup>5</sup>**

Beginning Fund Balance	\$7,254,000	\$7,254,000		\$7,254,000	\$0
Total Revenues	54,412,850	54,412,850	146,388	54,412,850	0
Total Expenditures	54,912,850	54,912,850	16,778,180	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	943,010	2,593,790	0
Total Expenditures	2,137,496	2,137,496	665,476	2,133,439	(4,057)
Ending Fund Balance	\$3,138,437	\$3,138,437		\$3,142,494	\$4,057

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	4,892,740	12,198,167	179,355
Total Expenditures	15,176,553	15,176,553	4,861,559	15,136,057	(40,496)
Ending Fund Balance	\$4,694,321	\$4,694,321		\$4,914,172	\$219,851

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	263,220,071	290,151,456	961,800
Total Expenditures	296,200,044	296,200,044	145,278,350	296,200,044	0
Ending Fund Balance	\$25,538,775	\$25,538,775		\$26,500,575	\$961,800

Note: FY 2018-19 budget reflects planned use of fund balance.

**EMPLOYEE BENEFITS**

City Contributions	\$94,862,835	\$94,862,835	32,353,396	\$94,862,835	\$0
Employee Contributions	36,126,244	36,126,244	16,391,068	36,126,244	0
Retiree	31,963,243	31,963,243	10,454,438	31,963,243	0
Other	0	0	136,262	136,262	136,262
Total Revenues	162,952,322	162,952,322	59,335,164	163,088,584	136,262
Total Expenditures	\$160,083,133	\$160,083,133	\$42,238,637	\$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	\$1,103,968	\$13,701,708	\$0
Third Party Liability	10,227,315	10,227,315	127,312	10,227,315	0
Purchased Insurance	3,029,284	3,029,284	1,803	3,029,284	0
Interest and Other	749,900	749,900		749,900	0
Total Revenues	27,708,207	27,708,207	1,233,083	27,708,207	0
Total Expenditures	\$34,166,607	\$34,166,607	\$6,954,140	\$34,166,607	\$0

Note: FY 2018-19 budget reflects planned use of fund balance. The FY 2018-19 YE forecast reflect 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 February 28, 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 Aviation.** Aviation revenues and expenditures are \$10,859,000 over budget in order to accrue revenues to service a Fall 2019 payment on the Series 2017 Bonds, and for the purchase of IT storage infrastructure.

**2 Convention Center.** Convention Center expenditures are forecast to be \$1,409,000 over budget due to increased food and beverage sales and is fully offset by \$1,417,000 increased revenues.

**3 Sanitation Services.** Sanitation Services expenditures are forecast to be \$1,504,000 over budget due to increased equipment maintenance charges from aging fleet, increased landfill operating expenses associated with higher than normal rain in the Fall, increased use of temporary help, and infrastructure repair at various sanitation facilities which may be offset by additional forecasted revenues of \$2,542,000 from stronger than anticipated landfill cash customers and residential revenues.

**4 Water Utilities.** Water Utilities' (DWU) revenues are projected to be \$20,785,000 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) due to decreased consumption resulting from wetter than normal Fall weather. Expenditures are projected to be \$15,223,000 below budget primarily due to a decreased capital construction transfer to offset the weather-related revenue reduction.

**5 Equipment and Fleet Management.** Equipment and Fleet Management (EFM) expenditures are projected to be \$1,250,000 over budget due to overtime to support Sanitation fleet maintenance, cost increases for automotive parts, non-emergency wrecker price agreement, and anticipated new costs associated with the use of emergency wrecker services. 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.



On Track



Caution



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%	82.96%	!
2	Percentage of EMS responses within five minutes (Fire-Rescue)	N/A	90.00%	90.00%	49.19%	✗
3	Percentage of responses to Priority 1 calls within eight minutes (Police)	N/A	60.00%	60.00%	50.69%	!
4	Percentage of 911 calls answered within 10 seconds (Police)	94.21%	91.00%	91.00%	95.69%	✓
5	Homicide clearance rate (Police)	78.35%	60.00%	60.00%	88.72%	✓
6	Violent crime rate (per 100,000 residents) (Police)*	N/A	767	319.58	268.34	✓
<b>Mobility Solutions, Infrastructure &amp; Sustainability</b>						
7	Percentage of annual bond appropriation committed (Bond Program)	N/A	90.00%	37.50%	37.00%	✓ ✓
8	Average response time to emergency sewer calls (in minutes) (Dallas Water Utilities)*	58.68	60	60	59.34	✓
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	82.08	23.05	✗
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	12.30	⚠
14	Residential recycling diversion rate (Sanitation)	19.29%	19.00%	19.00%	18.10%	✓
15	Percentage of surveyed street lights on major streets that are working (Transportation)	94.58%	96.00%	96.00%	95.20%	✓
<b>Economic &amp; Neighborhood Vitality</b>						
16	Number of jobs created or retained through written commitment (Economic Development)	N/A	5,000	2,083	1,890	⚠
17	Number of Dallas Homebuyer Assistance Program (DHAP) loans provided (Housing)	N/A	81	33.75	11	✗
18	Total number of new housing units produced (sale and rental combined) (Housing)	595	1,500	2,771	12	✗
19	Percentage of single-family permits reviewed in three days (Sustainable Development)	80.00%	85.00%	85.00%	84.80%	✓
20	Percentage of inspections performed same day as requested (Sustainable Development)	97.49%	98.00%	98.00%	96.72%	✓
<b>Human &amp; Social Needs</b>						
21	Number of seniors served (Community Care)	1,833	4,500	1,875	3,332	✓
22	Number of days to resolve a homeless encampment site from date of service request to resolution (Homeless Solutions)*	16.31	21	21	16.36	✓
23	Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Homeless Solutions)	N/A	85.00%	85.00%	89.57%	✓
<b>Quality of Life</b>						
24	Number of single-family rental properties inspected (initial inspections and reinspections) (Code Compliance)	12,099	10,000	4,167	1,364	✗
25	Percentage of 311 Code service requests responded to within estimated response time (Code Compliance)	94.58%	96.00%	96.00%	86.20%	⚠
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%	85.46%	✓
28	Percentage increase in field impoundments over prior fiscal year (Animal Services)	17.32%	18.00%	18.00%	23.75%	✓
29	Number of library visits in person, online, and for programs (Library)	9,352,274	7,420,000	3,091,667	3,973,042	✓
30	Number of participants in adult education courses (ELL, GED, basic education, and citizenship) (Library)	N/A	25,000	10,417	11,223	✓
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%	50.06%	✘
34	Percentage of invoices paid within 30 days (City Controller)	95.51%	94.00%	94.00%	98.72%	✔
35	Percentage of dollars spent with local businesses (Business Diversity)	45.41%	50.00%	50.00%	42.03%	!

## 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, missed collections dropped to 9.73 per 10,000 in February, and this number should continue to improve.

**#16.** Job creation through economic development incentives does not occur in a linear fashion. With a robust pipeline of prospects, the City will surpass the annual job creation goal.

**#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.

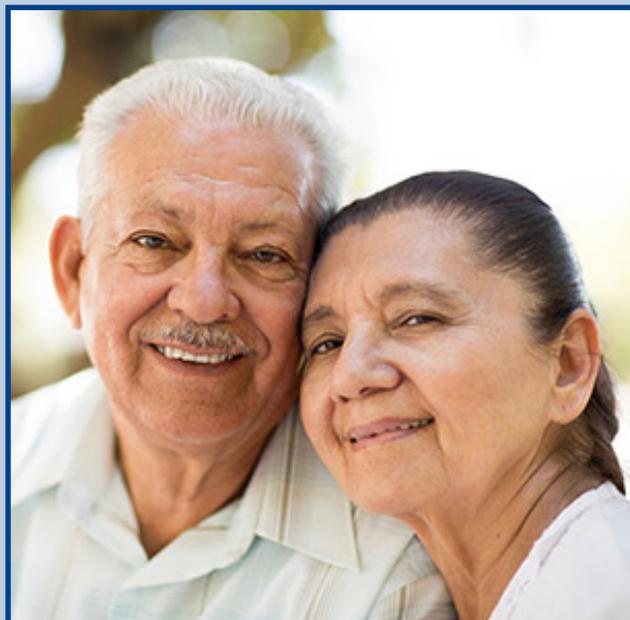
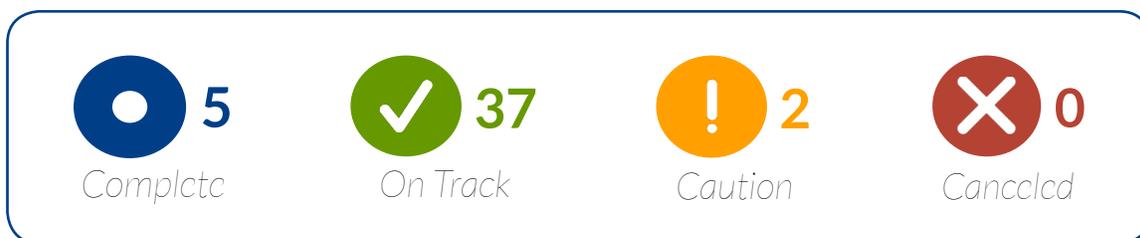
**#24/25.** Due to conversion from CSR system to the new Code Case Management System, which interrupted service request data retrieval. CIS is aware of the issue and anticipates resolution by the end of March 2019.

**#33.** Due to increased attrition/reduction in agents trained to process calls, but performance continues to improve, increasing to 76.53% in February.

**#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 Park and Recreation Department and WellMed Charitable Foundation partnered to open a new health and wellness center for senior adults at Redbird Square in December 2018. The Senior Activity Center is designed to keep adults age 60 or older healthy and active at no cost to participants. In its first month, the center saw 201 participants, logged 4,229 check-ins, and hosted 259 program hours.

## 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 delay hiring the spring 2019 rookie class. The class is scheduled to begin July 2019. FY 2018-19 anticipated attrition is now forecast to be 106 members versus 126 members previously forecasted.

**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** Staff conducted proposal presentations and evaluations on March 20 for a consultant to develop a Citywide security standard and evaluate security services. 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 ISDs, private schools, and interested parents were notified, few representatives from DISD attended the first meeting and none attended the second. Due to spring break there will be no March meetings. City staff and ACMS will meet with participating schools and PTA chairs in April and May to 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 continues to be installed at radio communication sites, and the City is negotiating new radio sites with their respective owners. The first new shelter will be installed March 28.

**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 has finished researching the safety of the material used to manufacture PPEs and is submitting specifications to Procurement Services for the second set of PPEs and SCBA replacement. Staff expects to advertise and close the solicitation in April.

**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** DPD and CIS launched the Text-to-911 system on March 26. 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. Bids for the preservation contract 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** No bids were submitted for alley repairs, so they will be done in-house to accommodate the construction schedule.

City Council awarded a contract for alley vegetation abatement on January 23. Sanitation is working with the contractor to prioritize work, since the green season started in late February, and anticipates work will begin in April.

## 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 anticipates submitting the Union Bikeway contract (\$140K) to City Council for consideration in Q3. Additional signage and striping projects totaling about \$200K will be completed in Q3. Staff are also working with other agencies and departments to strategically place bike lanes throughout the city.

## 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 briefed the MSIS Committee on February 25 about the benefits of a "one water" organization, the current status of the transition, and next steps.

## 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** Staff conducted a project kickoff meeting with the vendor, AECOM, on February 5. Staff are developing internal and external task forces to guide plan development and outreach. A series of community meetings are planned April 29 through May 9 to capture resident input.

## 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** \$6 million has been allocated for general City facilities, projects estimated at \$4.75 million are in progress, including roof replacements at Harry Stone and Beckley-Saner recreation centers, as well as the DFR Complex Maintenance Building C, roof overlay at Fire Station #20, City Hall elevator and parking garage repairs, HVAC repairs at OCMC, replacement of the HVAC system at Fire Station #34, 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: \$800,000 at City-owned facilities and \$200,000 for other cultural facilities. Projects estimated at \$600,000 are in progress, including HVAC repairs at Kalita Humphreys Theater, J. Craft Annex floor replacement, exterior painting at the Latino Cultural Center, lighting at the South Dallas Cultural Center, and interior and storefront 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 planned budget includes funding for personnel, equipment, and contracts for increased neighborhood drainage maintenance. In addition to reclassifying and advertising the Sr. Program Manager position, additional requisitions are being opened for the newly designated Neighborhood Drainage Division of DWU.

## 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 are continuing to implement the Comprehensive Housing Policy. In December 2019, pursuant to the New Construction and Substantial Redevelopment program, City Council approved the award of \$20.3 million in funding for three multi-family housing development projects that will produce a total of 560 affordable units. In February 2019, the Land Bank program officially re-started activity through the Council-approved sale of 51 lots to be developed for affordable housing. Additionally, on April 15, 2019, staff will present a new Land Transfer program that will facilitate the sale of tax-foreclosed and city-owned lots for the development of affordable housing and other redevelopment activities. The Housing Policy Taskforce committees continue to meet on a monthly basis to provide stakeholder input that informs the implementation of the comprehensive housing policy.

**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. Staff expects 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, and developing a landlord subsidized leasing 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 were opened March 15, oral presentations have been scheduled, and proposals are currently being reviewed/evaluated for final recommendations.

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. Additionally, two social media campaigns targeting potential contributors in 12 Dallas zip codes resulted in more than 5.4 million impressions. Both campaigns included email marketing to a list of 50,000, with average open rates of 7.7%. Staff briefed the PSCJ Committee on this initiative March 25. Staff recognizes that the education campaign may not be as effective as desired. Staff has compiled research from other cities with similar initiatives, though there are few examples of sustained success.

**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 services, and Procurement is reviewing the specifications for 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 closed on March 29. 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, in partnership with at least seven other departments, is hosting the first of a series of hiring events in April. Staff is working with multiple community-based organizations who work with formerly incarcerated individuals and with multiple City programs to recruit potential applicants and ensure they are trained and prepared for the event.

## 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 closed in NEOGOV. Interviews began in February, pending Civil Service results, start dates will be in early March.

**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** Procurement Services has advertised the RFID project for bid, and vendor proposals are due on April 4.

**33 Aquatic Facilities** 

**INITIATIVE** Expediting the opening of three aquatic facilities for summer 2019. (Park & Recreation)

**STATUS** The Lake Highlands North, Kidd Springs, and Tietze aquatic facilities are on schedule to open for the 2019 summer season.

**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 at Redbird Square opened in December 2018. The 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 first off-site meeting took place February 13 at Park in the Woods Recreation Center. The remaining two meetings will be:

- 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 was canceled; however, the District 4 community office opened February 8 at the Beckley-Saner Recreation Center. The District 10 office is opening April 12 at the Northeast Service Center.

## 39 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.

## 40 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 Aleqresh, 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 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 about fifty percent (50%) complete. The second public engagement was February 26 at the Bill J Priest Economic Development Center. Over 100 business owners and stakeholders attended this event. The internal survey activity involving the Directors and Project Managers within the City of Dallas is now complete. MGT is finalizing its review and analysis of data received to ensure data gaps are resolved.

## 43 Compensation Study

**INITIATIVE** Complete a comprehensive study of the City's position classification and compensation systems. (Human Resources)

**STATUS** The RFP for the Compensation Study closes March 28, and staff will begin evaluating bids in April.

## 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 team is preparing for Part 2 of end-to-end data conversion in anticipation of end-to-end testing. The Project Governance Board is also 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 April 12, 2019

TO Members of the Government Performance and Financial Management Committee

SUBJECT **FY 2017-18 Budget versus Actual End of Year Report**

Attached for your review is the Fiscal Year 2017-18 Budget versus Actual End of Year Report.

The purpose of the End of Year Report is to communicate the final status of year-end total expenditures compared to appropriations, total revenues compared to budget, and significant expenditure and revenue variances (compared to budget) for all operating funds. This report is the conclusion of Financial Forecast Reports that were provided through FY 2017-18. In addition, the report provides a status of compliance with the Financial Management Performance Criteria (FMPC).

Through September 30, 2018, General Fund revenues exceeded budget by \$11,690,000 while General Fund expenditures were less than budget by \$21,537,000, resulting in a net excess of revenues over expenditures of \$33,227,000. Details related to other budget variances may be found throughout the report.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich

Chief Financial Officer

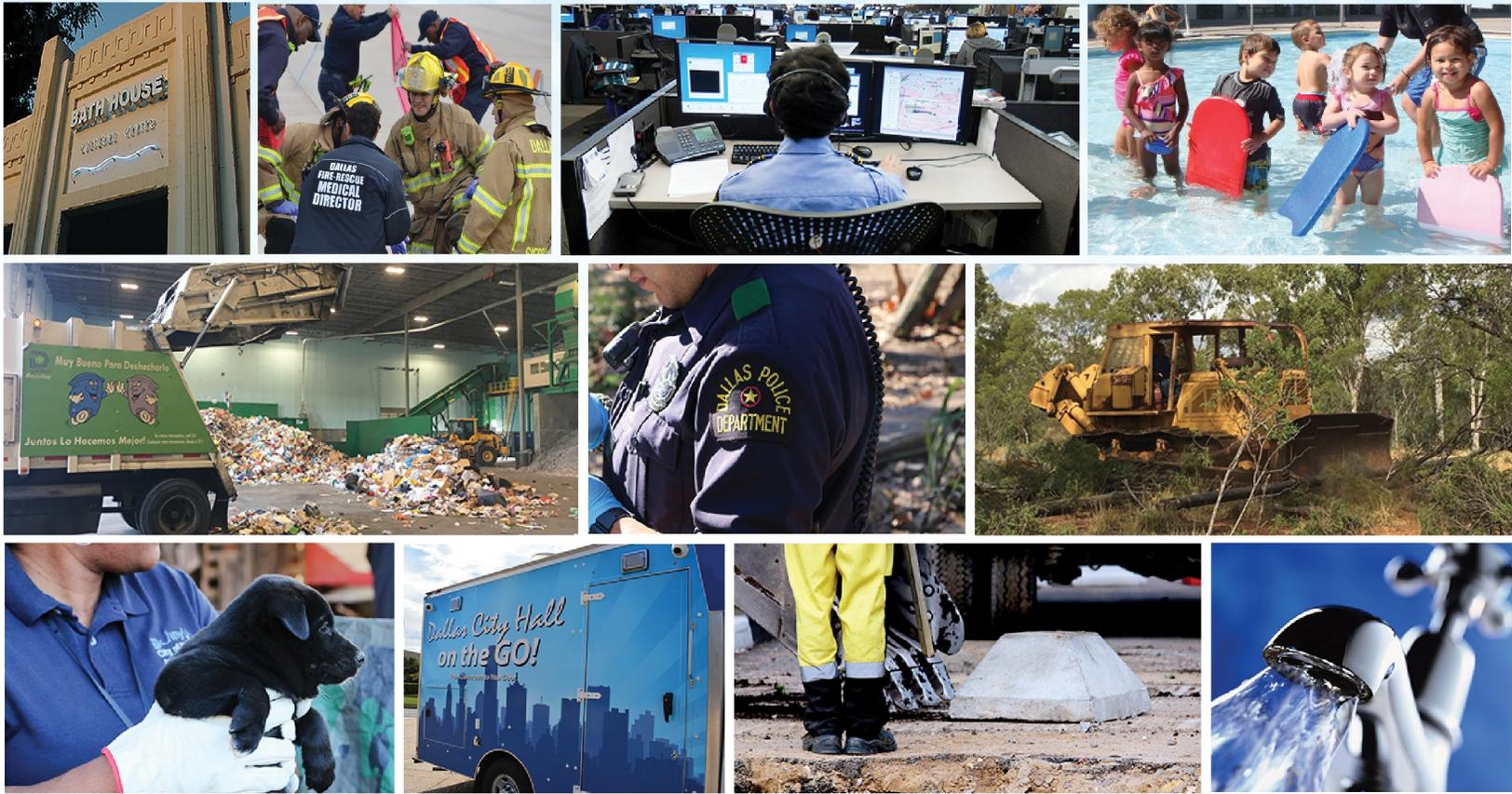
c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors



**FY 2017-18**  
**BUDGET VERSUS ACTUAL**  
**END OF YEAR REPORT**  
Information as of September 30, 2018

**SERVICE FIRST**



# GENERAL FUND OVERVIEW

As of September 30, 2018

	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
Revenues	\$1,276,420,942	\$1,288,486,300	\$1,300,176,402	\$11,690,102
Expenditures	\$1,276,420,942	\$1,288,486,300	\$1,266,949,468	(\$21,536,832)
Net Excess of Revenues Over Expenditure/Transfers	\$0	\$0	\$33,226,933	\$33,226,933

## SUMMARY

The General Fund overview provides a summary of audited financial activity for Fiscal Year 2017-18. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency.

**Revenues.** Revenues exceeded budget by \$11,690,000 primarily due to electric, fiber optic, and natural gas franchise fees; sales tax; interest; Fire Watch fees; ambulance supplement from the Texas Human Health and Services Commission; and a new contract with the State Fair for patrol services.

**Expenditures.** General Fund expenditures were below budget by \$21,537,000. Most departments are under budget as a result of vacancies.

**Amendments.** The General Fund budget was amended based on Council's approved use of contingency reserve funds, approved transfer of appropriations from one department to another in accordance with Chapter XI, Section 4, of Dallas City Charter, and approved appropriation of excess revenues in accordance with Chapter XI, Section 5, of the Dallas City Charter, as follows:

- October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wyly Theatre;
- January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0442 in the amount of \$189,300 for emergency flood remediation and related repairs related to the theater automation system at the Dee and Charles Wyly Theatre;
- April 25, 2018 by ordinance #30843 for mid-year appropriation ordinance adjustments consisting of a \$294,000 appropriation decrease in Non-Departmental, \$165,000 appropriation increase in Housing and Neighborhood Revitalization, \$60,300 appropriation increase in 311 Customer Service Center, \$68,700 appropriation increase in Office of Community Care, \$115,000 transfer of appropriations from Dallas Police Department to Transportation; and \$3,700,000 appropriation increase in Dallas Fire Rescue from excess revenue;

## SUMMARY

- May 23, 2018 by resolution #18-0773 in the amount of \$200,000 for a service contract to provide school crossing guard services;
- September 5, 2018 by resolution #18-1215 and #18-1216 for the special election held on November 6, 2018 in the amount of \$73,000; and on
- September 12, 2018 by ordinance #30972 for year-end appropriation ordinance adjustments consisting of \$200,000 appropriation decrease to the City Auditor's Office, \$134,000 appropriation increase to the City Secretary's Office, \$66,000 appropriation increase to Civil Service, \$275,000 appropriation decrease to Code Compliance, \$174,000 appropriation decrease to Court Services, \$10,300,000 appropriation increase to Dallas Fire-Rescue, \$275,000 appropriation decrease to Library, \$345,000 appropriation decrease to Non-Departmental, \$3,100,000 appropriation decrease to Dallas Police Department, \$120,000 appropriation decrease to 311 Customer Service Center, \$170,000 appropriation decrease to Office of Public Affairs, \$70,000 appropriation decrease to Office of Strategic Partnerships and Government Affairs, and \$19,000 appropriation increase to the City Agenda Office.

# GENERAL FUND REVENUES

As of September 30, 2018

Revenue Category	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
Property Tax <sup>1</sup>	\$652,067,958	\$653,667,958	\$652,462,497	(\$1,205,461)
Sales Tax <sup>2</sup>	\$303,349,086	\$304,549,086	\$305,397,782	\$848,696
Franchise & Other <sup>3</sup>	\$135,319,609	\$139,819,609	\$141,897,120	\$2,077,511
Charges for Services <sup>4</sup>	\$103,578,036	\$104,878,036	\$114,565,493	\$9,687,457
Fines and Forfeitures <sup>5</sup>	\$36,515,082	\$36,515,082	\$35,170,662	(\$1,344,420)
Operating Transfers In <sup>6</sup>	\$22,777,865	\$25,020,660	\$21,580,964	(\$3,439,696)
Intergovernmental	\$9,548,046	\$9,667,609	\$10,194,079	\$526,470
Miscellaneous <sup>7</sup>	\$6,580,004	\$7,683,004	\$9,633,532	\$1,950,528
Licenses & Permits	\$4,668,685	\$4,668,685	\$4,824,006	\$155,321
Interest <sup>8</sup>	\$2,016,571	\$2,016,571	\$4,450,267	\$2,433,696
<b>Total Revenue</b>	<b>\$1,276,420,942</b>	<b>\$1,288,486,300</b>	<b>\$1,300,176,402</b>	<b>\$11,690,102</b>

## VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with year-end (YE) variances of +/- five percent and revenue with an Amended Budget.

**1 Property Tax.** Property Tax budgeted revenue was increased by \$1,600,000 on April 25, 2018 by ordinance #30843 due to higher collections.

**2 Sales Tax.** Sales Tax budgeted revenue was increased by \$1,200,000 on September 18, 2018 by ordinance #30972 due to higher sales tax collections.

**3 Franchise and Other.** Franchise and other budgeted revenues were increased by \$4,500,000 on September 12, 2018 by ordinance #30972 due to higher electric, fiber optics, street rental charges, and natural gas collections.

**4 Charges for Service.** Charges for Services budgeted revenue was increased by \$1,300,000 on April 25, 2018 by ordinance #30843 due to additional Emergency Ambulance supplemental payment revenue. Charges for services revenues are greater than budget by 9.2 percent (\$9,687,000) due to fees for ambulance services and ambulance supplement from the Texas Health and Human Services Commission (\$3,800,000); Fire Watch inspection revenues (\$2,800,000); a new agreement with the State Fair for police patrol services in which the City now bills directly after services are incurred (\$1,000,000 received from prior years and \$958,000 in FY 2017-18); increases in construction permits (\$1,070,000); and increases in paid liens from weed cutting (\$1,070,000 million). Overages are offset by a decrease in swimming pool fees (\$618,000) due to the delayed opening of three aquatic centers; and special event and building rental fees (\$769,000).

**5 Fines and Forfeitures.** Fines and forfeitures are 3.7 percent (\$1,344,000) under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation (\$1,600,000); a decrease of 8,000 traffic citations over the same time period last year (\$1,400,000), a decrease in forfeiture hearings due to compliance of bond terms by defendants (\$289,000); a decrease in fines for towed vehicles at the auto pound (\$208,000); and fines for late fees at the Library due to automatic electronic renewal (\$189,000). Revenue underruns are offset by increased collection of fines for red light cameras (\$2,500,000).

# VARIANCE NOTES

**6 Operating Transfer In.** Operating Transfers In is under budget by 13.7 percent (\$3,440,000) due to deferred inter-fund transfers from other funds. The revenue budget for Operating Transfer In was amended on:

- October 25, 2017 by resolution #17-1652 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0442 for emergency flood remediation and repairs related to the theater automation system at the Dee and Charles Wylie Theatre;
- May 23, 2018 by resolution #18-0773 for a service contract to provide school crossing guard services;
- September 5, 2018 by resolution #18-1215 for an increase to the Interlocal Agreement with Dallas County for assistance and services related to verifying a City petition;
- September 5, 2018 by resolution #18-1216 for the special election to be held on November 6, 2018; and
- September 12, 2018 by ordinance 30972 to increase the general fund operating revenue appropriation budget by \$5,400,000 due to additional one-time revenue

**7 Miscellaneous.** Miscellaneous revenues are 25 percent (\$1,950,000) over budget due to reimbursements from Atmos Energy and the sale of fixed assets (\$450,000). Budgeted revenue was increased \$800,000 on April 25, 2018 by ordinance 30843 due to additional one-time revenue from Atmos Energy for the City's support provided to residents affected by the gas emergency. Reimbursement from Atmos was greater than anticipated (\$1,120,000).

**8 Interest.** Interest earned revenues are 121 percent (\$2,434,000) over budget due to an increase in the market interest rate.

# GENERAL FUND EXPENDITURES

As of September 30, 2018

Department	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
Building Services	\$28,590,583	\$28,667,529	\$28,390,210	(\$277,319)
City Attorney's Office	\$16,788,175	\$16,788,175	\$16,524,863	(\$263,312)
City Auditor's Office <sup>1</sup>	\$3,360,043	\$3,160,043	\$3,104,363	(\$55,680)
City Controller's Office	\$5,351,812	\$5,379,331	\$5,290,357	(\$88,974)
Independent Audit	\$891,157	\$891,157	\$860,887	(\$30,270)
City Manager's Office	\$2,266,902	\$2,344,267	\$2,247,912	(\$96,355)
City Secretary <sup>2</sup>	\$2,367,327	\$2,839,606	\$2,750,145	(\$89,461)
Civil Service <sup>3</sup>	\$3,080,815	\$3,146,870	\$3,058,526	(\$88,344)
Code Compliance <sup>4</sup>	\$30,438,826	\$30,163,826	\$28,995,433	(\$1,168,393)
Court Services <sup>5</sup>	\$11,627,393	\$11,453,393	\$11,047,556	(\$405,837)
Jail Contract	\$8,484,644	\$8,484,644	\$8,484,644	\$0
Dallas Animal Services	\$14,007,159	\$14,007,159	\$13,817,436	(\$189,723)
Dallas Fire-Rescue <sup>6</sup>	\$267,026,909	\$281,026,909	\$277,814,246	(\$3,212,663)
Dallas Police Department <sup>7</sup>	\$465,522,805	\$461,548,484	\$460,394,903	(\$1,153,581)
Housing and Neighborhood Services <sup>8</sup>	\$3,668,283	\$4,010,682	\$3,842,265	(\$168,417)
Human Resources	\$5,234,618	\$5,234,618	\$5,216,577	(\$18,041)
Judiciary	\$3,454,079	\$3,454,079	\$3,392,777	(\$61,302)
Library	\$31,279,877	\$31,004,877	\$30,810,580	(\$194,297)
Office of Management Services				
311 Customer Services <sup>9</sup>	\$3,509,120	\$3,449,390	\$2,986,571	(\$462,819)
Center for Performance Excellence <sup>10</sup>	\$1,265,811	\$1,265,811	\$1,088,473	(\$177,338)
Council Agenda Office <sup>11</sup>	\$224,495	\$247,782	\$206,945	(\$40,837)
EMS Compliance Program <sup>12</sup>	\$340,988	\$340,988	\$296,449	(\$44,539)
Ethics and Diversity <sup>13</sup>	\$97,631	\$119,855	\$91,896	(\$27,959)
Fair Housing <sup>14</sup>	\$278,274	\$397,837	\$387,950	(\$9,887)
Office of Strategic Partnerships <sup>15</sup>	\$726,947	\$3,256,947	\$3,198,131	(\$58,816)
Office of Business Diversity	\$793,297	\$793,297	\$782,668	(\$10,629)
Office of Community Care <sup>16</sup>	\$4,932,564	\$5,001,285	\$3,859,190	(\$1,142,095)
Office of Emergency Management	\$715,020	\$715,020	\$695,507	(\$19,513)
Office of Environmental Quality <sup>17</sup>	\$1,197,487	\$1,270,712	\$1,269,239	(\$1,473)
Office of Homeless Solutions <sup>18</sup>	\$10,081,328	\$10,008,103	\$8,936,236	(\$1,071,868)
Public Affairs and Outreach <sup>19</sup>	\$1,666,011	\$1,230,645	\$1,045,752	(\$184,893)
Resiliency Office <sup>20</sup>	\$353,875	\$353,875	\$324,799	(\$29,076)
Welcoming Communities	\$428,845	\$428,845	\$418,479	(\$10,366)
Mayor and City Council	\$4,820,561	\$4,827,575	\$4,632,662	(\$194,913)
Non-Departmental <sup>21</sup>	\$77,323,336	\$76,684,120	\$72,250,181	(\$4,433,939)
Office of Budget	\$3,406,338	\$3,406,338	\$3,274,193	(\$132,145)
Office of Cultural Affairs <sup>22</sup>	\$20,268,063	\$20,899,767	\$20,862,998	(\$36,769)
Office of Economic Development	\$4,840,594	\$4,840,594	\$4,831,028	(\$9,566)
Park and Recreation	\$98,005,546	\$98,269,651	\$96,968,671	(\$1,300,980)
Planning and Urban Design	\$2,911,297	\$2,911,297	\$2,852,047	(\$59,250)
Procurement Services	\$2,389,442	\$2,389,442	\$2,376,875	(\$12,567)
Public Works	\$73,137,927	\$73,137,927	\$72,151,675	(\$986,252)
Sustainable Development	\$1,656,869	\$1,656,869	\$1,647,825	(\$9,044)
Transportation <sup>23</sup>	\$44,325,574	\$44,440,574	\$43,188,575	(\$1,251,999)
Trinity Watershed Management <sup>24</sup>	\$1,302,754	\$1,302,754	\$951,231	(\$351,523)
<b>Total Departments</b>	<b>\$1,264,441,401</b>	<b>\$1,277,252,949</b>	<b>\$1,257,619,927</b>	<b>(\$19,633,022)</b>
Liability/Claim Fund Transfer	\$4,642,666	\$4,642,666	\$4,642,666	\$0
Contingency Reserve	\$4,686,875	\$4,686,875	\$4,686,875	\$0
Salary and Benefit Reserve <sup>25</sup>	\$2,650,000	\$1,903,810	\$0	(\$1,903,810)
<b>Total Expenditures</b>	<b>\$1,276,420,942</b>	<b>\$1,288,486,300</b>	<b>\$1,266,949,468</b>	<b>(\$21,536,832)</b>

# VARIANCE NOTES

General Fund variance notes are provided below for departments with YE variances of +/- five percent, and departments with an Amended Budget.

**1 City Auditor's Office.** City Auditor's Office budget was reduced \$200,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments.

**2 City Secretary.** City Secretary Office's budget was increased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred from the Office of Management Services (Public Affairs and Outreach), by \$73,000 on September 5, 2018 by CR#18-1215 and CR#18-1216 (approved use of contingency reserve funds) to cover costs related to the November 6, 2018 special election, and increased by \$134,000 on September 12, 2018 by ordinance 30972 to cover unforeseen expenditures related to petition verification, an office reconfiguration, and salaries.

**3 Civil Service.** Civil Service's budget was increased by \$66,000 on September 12, 2018 by ordinance 30972 to offset costs related to a nationwide search for a Civil Service Director and remodel of the Civil Service Board Room.

**4 Code Compliance.** Code Compliance's budget was decreased by \$275,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments.

**5 Court Services.** Court Services budget was decreased by \$174,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments.

**6 Dallas Fire-Rescue.** Dallas Fire-Rescue budget was increased by \$3,700,000 on April 25, 2018 by ordinance 30843 and by \$10,300,000 on September 12, 2018 by ordinance 30972 for greater than budgeted use of overtime. This was due to attrition in prior fiscal years that exceeded hiring, affecting mandatory minimum staffing. Fire Department ultimately ended the year under budget primarily by altering their training schedule, and not utilizing the increased overtime funding.

**7 Dallas Police Department.** Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR#18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships), by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding to Transportation, and by \$3,100,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments.

**8 Housing and Neighborhood Services.** Housing and Neighborhood Services budget was increased by \$165,000 on April 25, 2018 by ordinance 30843 to fund a caseworker for the High Impact Landlord Initiative, additional home repair work at eight Home Repair Program properties and expenses associated with moving support staff from Bexar Street offices to City Hall.

**9 311 Customer Services.** 311 Customer Services budget was increased by \$60,000 on April 25, 2018 by ordinance 30843 due to higher than expected usage of a third-party vendor that used to translate calls for non-English speakers. The budget was decreased by \$120,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments. 311 Customer Services is \$462,000 under budget primarily due to salary savings from vacancies.

**10 Center for Performance Excellence.** Center for Performance Excellence expenditures are \$177,000 under budget primarily due to salary savings from vacant positions.

**11 Council Agenda Office.** Council Agenda Office expenditures are \$41,000 under budget primarily due to salary savings.

# VARIANCE NOTES

**12 EMS Compliance Program.** EMS Compliance Program expenditures are \$45,000 under budget primarily due to the non-renewal of the ComplyAssistant contract that was used to document and monitor the City's healthcare compliance activities.

**13 Ethics and Diversity.** Ethics and Diversity is \$28,000 under budget due to salary savings from vacant positions.

**14 Fair Housing Office.** Fair Housing Office budget was increased by \$120,000 on October 25, 2017 by CR#17-1652 for a Regional Assessment of Fair Housing.

**15 Office of Strategic Partnerships.** Office of Strategic Partnerships' budget was increased by \$2,400,000 million on January 17, 2018 by CR #18-0125 to appropriate funds for the Dallas County School Dissolution Committee Crossing Guard payroll, and by \$200,000 on May 23, 2018 by CR 18-0773 for a service contract to provide school crossing guard services. Office of Strategic Partnerships' budget was decreased by \$70,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments.

**16 Office of Community Care.** Office of Community Care's budget was increased by \$68,700 on April 25, 2018 by ordinance 30843 for unbudgeted contract temporary help, overtime, and building maintenance expenses. Office of Community Care's expenditures are \$1,142,000 under budget due to unexecuted contracts and salary savings due to vacancies.

**17 Office of Environmental Quality.** Savings from other Management Services divisions were used to cover overruns in the Office of Environmental Quality due to lower than budgeted state grant reimbursements.

**18 Office of Homeless Solutions.** Savings from Office of Homeless Solutions were used to cover overruns in other Management Service divisions. Office of Homeless Solutions is under budget due to salary savings from vacancies and unexecuted contracts.

**19 Public Affairs and Outreach.** Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary, and decreased by \$170,000 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments. Public Affairs and Outreach expenditures are \$184,000 under budget primarily due to salary savings from vacant positions.

**20 Resiliency Office.** Resiliency Office is \$29,000 under budget due to salary savings from vacant positions.

**21 Non-Departmental.** Non-Departmental budget was decreased by \$294,000 on April 25, 2018 by ordinance 30843 for mid-year appropriation adjustments, and decreased by \$345,225 on September 12, 2018 by ordinance 30972 for year-end appropriation adjustments. Non-Departmental expenditures are \$4,434,000 less than budget primarily due to a delay in Master Lease draw for new equipment purchases.

**22 Office of Cultural Affairs.** Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by CR#17-1735; increased by \$189,300 on March 28, 2018 by CR 18#0442 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre; and increased by \$303,000 on February 14, 2018 by resolution #18-0282 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

**23 Transportation.** Transportation budget was increased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding from Police to

# VARIANCE NOTES

Transportation.

**24 Trinity Watershed Management.** Trinity Watershed Management expenditures are \$351,000 under budget due to salary savings from vacant positions.

**25 Salary and Benefit Reserve.** Salary and Benefit Reserve funds totaling \$747,000 were allocated to Building Services (\$77,000), the City Controller's Office (\$28,000), the City Manager's Office (\$77,000), the City Secretary's Office (\$70,000), Housing and Neighborhood Revitalization (\$177,000), City Agenda Office (\$25,000), Ethics and Diversity (\$22,000), Mayor and Council (\$7,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

# ENTERPRISE FUNDS

As of September 30, 2018

Department	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
<b>AVIATION</b>				
Total Revenues:	\$127,028,405	\$127,028,405	\$126,421,730	(\$606,675)
Total Expenditures:	\$127,028,405	\$127,028,405	\$126,917,722	(\$110,683)
Net Excess of Revenues Over Expenditures	\$0	\$0	(\$495,992)	(\$495,992)
<b>CONVENTION AND EVENT SERVICES<sup>1</sup></b>				
Total Revenues:	\$97,787,266	\$104,430,364	\$106,303,012	\$1,872,648
Total Expenditures:	\$97,787,266	\$104,430,364	\$100,937,490	(\$3,492,874)
Net Excess of Revenues Over Expenditures	\$0	\$0	\$5,365,522	\$5,365,522
<b>MUNICIPAL RADIO<sup>2</sup></b>				
Total Revenues:	\$2,098,813	\$2,098,813	\$1,859,193	(\$239,620)
Total Expenditures:	\$2,051,318	\$2,051,318	\$1,892,876	(\$158,442)
Net Excess of Revenues Over Expenditures	\$47,495	\$47,495	(\$33,683)	(\$81,178)
<b>SANITATION SERVICES<sup>3</sup></b>				
Total Revenues:	\$102,279,097	\$109,056,415	\$111,638,134	\$2,581,719
Total Expenditures:	\$102,279,097	\$109,056,415	\$108,885,498	(\$170,917)
Net Excess of Revenues Over Expenditures	\$0	\$0	\$2,752,637	\$2,752,637
<b>STORM DRAINAGE MANAGEMENT<sup>4</sup></b>				
Total Revenues:	\$55,987,895	\$55,987,895	\$55,337,503	(\$650,392)
Total Expenditures:	\$55,987,895	\$55,936,837	\$53,060,005	(\$2,876,832)
Net Excess of Revenues Over Expenditures	\$0	\$51,058	\$2,277,498	\$2,226,440
<b>SUSTAINABLE DEVELOPMENT AND CONSTRUCTION<sup>5</sup></b>				
Total Revenues:	\$31,711,218	\$31,711,218	\$35,907,690	\$4,196,472
Total Expenditures:	\$32,376,190	\$32,376,190	\$32,176,584	(\$199,606)
Net Excess of Revenues Over Expenditures	(\$664,972)	(\$664,972)	\$3,731,106	\$4,396,078
Note: FY 2017-18 Budget reflects planned use of fund balance.				
<b>DALLAS WATER UTILITIES<sup>6</sup></b>				
Total Revenues:	\$667,471,388	\$667,471,388	\$676,232,551	\$8,761,163
Total Expenditures:	\$667,471,388	\$667,471,388	\$628,810,744	(\$38,660,644)
Net Excess of Revenues Over Expenditures	\$0	\$0	\$47,421,807	\$47,421,807

# INTERNAL SERVICES FUNDS

As of September 30, 2018

Department	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
<b>INFORMATION TECHNOLOGY<sup>7</sup></b>				
Total Revenues:	\$67,963,283	\$67,963,283	\$68,115,690	\$152,407
Total Expenditures:	\$70,242,680	\$74,242,680	\$72,873,369	(\$1,369,311)
Net Excess of Revenues Over Expenditures	(\$2,279,397)	(\$6,279,397)	(\$4,757,679)	\$1,521,718
Note: FY 2017-18 Budget reflects planned use of fund balance.				
<b>RADIO SERVICES<sup>8</sup></b>				
Total Revenues:	\$4,823,063	\$4,823,063	\$4,766,268	(\$56,795)
Total Expenditures:	\$4,823,063	\$4,823,063	\$4,523,143	(\$299,920)
Net Excess of Revenues Over Expenditures	\$0	\$0	\$243,125	\$243,125
<b>EQUIPMENT SERVICES<sup>9</sup></b>				
Total Revenues:	\$52,652,059	\$54,152,059	\$54,838,838	\$686,779
Total Expenditures:	\$52,652,059	\$56,760,634	\$55,853,493	(\$907,141)
Net Excess of Revenues Over Expenditures	\$0	(\$2,608,575)	(\$1,014,655)	\$1,593,920
<b>EXPRESS BUSINESS CENTER<sup>10</sup></b>				
Total Revenues:	\$4,231,450	\$4,231,450	\$3,154,970	(\$1,076,480)
Total Expenditures:	\$3,740,420	\$3,740,420	\$2,413,615	(\$1,326,805)
Net Excess of Revenues Over Expenditures	\$491,030	\$491,030	\$741,355	\$250,325

# OTHER FUNDS

As of September 30, 2018

Department	Adopted Budget	Amended Budget	Actual	Over/(Under) Budget
<b>9-1-1 SYSTEM OPERATIONS<sup>11</sup></b>				
Total Revenues:	\$12,539,195	\$12,539,195	\$12,439,202	(\$99,993)
Total Expenditures:	\$15,048,378	\$16,748,378	\$14,412,666	(\$2,335,712)
Net Excess of Revenues Over Expenditures	(\$2,509,183)	(\$4,209,183)	(\$1,973,464)	\$2,235,719
Note: FY 2017-18 Budget reflects planned use of fund balance.				
<b>DEBT SERVICE<sup>12</sup></b>				
Total Revenues:	\$278,149,358	\$278,149,358	\$279,969,982	\$1,820,624
Total Expenditures:	\$267,322,998	\$267,322,998	\$259,623,576	(\$7,699,422)
Net Excess of Revenues Over Expenditures	\$10,826,360	\$10,826,360	\$20,346,405	\$9,520,045
<b>EMPLOYEE BENEFITS</b>				
Total Revenues:	\$154,293,007	\$154,293,007	\$160,383,729	\$6,090,722
Total Expenditures:	\$154,293,007	\$154,293,007	\$154,241,243	(\$51,764)
Net Excess of Revenues Over Expenditures	\$0	\$0	\$6,142,486	\$6,142,486
<b>RISK MANAGEMENT<sup>13</sup></b>				
Total Revenues:	\$26,919,550	\$26,919,550	\$21,222,818	(\$5,696,732)
Total Expenditures:	\$29,406,225	\$29,406,225	\$20,580,620	(\$8,825,605)
Net Excess of Revenues Over Expenditures	(\$2,486,675)	(\$2,486,675)	\$642,198	\$3,128,873

# VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditures. Variance notes are provided below for funds with a YE variance of +/- five percent, funds that exceed budget, and funds that use fund balance.

**1 Convention and Event Services.** Convention and Event Services budget was increased by \$1,600,000 on April 25, 2018 by ordinance 30843 and by \$5,000,000 on September 12, 2018 by ordinance 30972 due to increased food and beverage expenses offset by additional catering service revenues.

**2 Municipal Radio.** Municipal Radio revenues are under budget by \$240,000 due to a decrease in local radio advertisement sales. Local arts groups and small retailers (which account for the largest portion of local sales) have difficulty with the cost of media buys in DFW's large media market. Expenditures are \$158,000 under budget primarily due to salary savings from vacant positions.

**3 Sanitation Services.** Sanitation Services budget was increased by \$2,100,000 on April 25, 2018 by ordinance 30843 and by \$4,600,000 on September 12, 2018 by ordinance 30972 for an additional transfer to the Sanitation capital improvement fund, increased landfill equipment usage and repair costs, increased fuel costs, and increased overtime and contracted labor expenses related to high truck driver turnover.

**4 Storm Drainage Management** Storm Drainage Management expenses are \$2,877,000 under budget due to salary savings from vacant positions.

**5 Sustainable Development and Construction.** Sustainable Development and Construction revenues are \$4,196,000 over budget primarily due to greater than anticipated construction permit activity and corresponding charges for service for Express Plan Review and Private Development Review.

**6 Dallas Water Utilities.** Water Utilities expenditures are \$38,660,000 under budget due to a settlement with the Sabine River Authority (SRA). The escrow payment savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018. Revenues are \$8,761,000 over budget due to excess water consumption accompanying high temperatures during the months of July and August.

**7 Information Technology.** Information Technology budget was increased by \$4,000,000 on September 12, 2018 by ordinance 30972 to fund an additional technology construction fund transfer using fund balance.

**8 Radio Services** Radio Services expenditures are \$300,000 under budget due to salary savings from vacant positions.

**9 Equipment Services.** Equipment Services budget was increased by \$475,000 on April 11, 2018 for a fleet consultant study, by \$1,200,000 on April 25, 2018 by ordinance 30843 due to unbudgeted equipment maintenance charges for retained vehicles, increased motor pool use, and increased costs for make ready of new vehicles and by \$2,300,000 on September 12, 2018 due to increased fuel costs offset by additional revenue.

**10 Express Business Center.** Express Business Center expenditures are \$1,327,000 under budget and revenues \$1,077,000 under budget primarily due to the transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017.

**11 9-1-1 System Operations.** 9-1-1 System Operations budget was increased by \$1,700,000 on April 25, 2018 by ordinance 30843 for a greater than budgeted \$1,700,000 reimbursement to Dallas Fire Rescue. 9-1-1 System Operations expenditures were \$2,335,000 under budget due to lower than expected equipment and software maintenance, and a lower reimbursement to Dallas Fire Rescue.

**12 Debt Service Fund.** Debt Service Fund expenditures are \$7,600,000 under budget due to the refunding in November 2017 of 2007 GO Bonds.

**13 Risk Management.** Risk Management expenditures are \$8,826,000 under budget primarily due to the resolution of settlements in FY 2017-18 moving to FY 2018-19.



# City of Dallas Contact Information

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# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

City Council originally adopted the Financial Management Performance Criteria (FMPC) on March 15, 1978, to provide standards and guidelines for the City's financial managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions. The FMPC contain 54 criteria in seven different categories, in addition to 13 criteria specific to Dallas Water Utilities.

Operating Program: Criteria 1-14

Pension Program: Criteria 15-16

Budgeting and Planning: Criteria 17-24

Capital and Debt Management: Criteria 25-41

Economic Development: Criteria 42-49

Accounting, Auditing, and Financial Planning: Criteria 50-52

Grants and Trusts: Criteria 53-54

Dallas Water Utilities: Criteria DWU 1-13

City Council approved the most recent revision to the FMPC in December 2017. The status of each criterion is updated annually and presented with the annual budget, at year-end, and for each debt issuance.

## Revisions:

9/27/1978

7/8/1981

9/28/2011

10/8/2014

12/13/2017

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

## OPERATING PROGRAM

---

**Number:** 1

**Name:** Property tax revenue limit

**Type:** Operating Program

**Description:** The year-to-year increase of actual revenue from the levy of the ad valorem tax will generally not exceed eight percent, excluding taxable value gained through annexation or consolidation; excluding the value gained through new construction; excluding expenditure increases mandated by the voters or another governmental entity; and not excluding the valuation gained through revaluation or equalization programs.

**Status:** In compliance. 2.74 percent.

---

**Number:** 2

**Name:** Unassigned fund balance minimum

**Type:** Operating Program

**Description:** The unassigned fund balance of the General Fund, which includes the Emergency and Contingency Reserves, shall be maintained at a level not less than 40 days of the General Fund operating expenditures less debt service. Funds will be allocated from unassigned fund balance only after the City Manager has prepared an analysis and presented it to the City Council.

**Status:** In compliance.

\$207.9 million is 59.9 days of the FY 18 (Actual) General Fund budget.

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# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 3  
**Name:** Contingency Reserve  
**Type:** Operating Program

**Description:** The Contingency Reserve, a component of unassigned fund balance, shall be used to provide for unanticipated needs that arise during the year: for example, expenses associated with new service needs that have been identified after the budget process, new public safety or health needs, revenue shortfalls, service enhancements, or opportunities to achieve cost savings. Funds shall be allocated from the Contingency Reserve only after an analysis has been prepared by the City Manager and presented to the City Council outlining the initial and recurring costs associated with the adopted expenditure. Additionally, these funds would be used prior to use of the Emergency Reserve funds. Funds shall be allocated each year in the budget process to replace any use of the Contingency Reserve funds during the preceding fiscal year and to maintain the balance of the Contingency Reserve at a level ranging from 0.5 percent to 1.0 percent of budgeted departmental expenditures.

**Status:** In compliance. FY 2017-18 (Actual) Contingency Reserve level \$9.18 million, or 0.72% of the FY 2017-18 (Actual) General Fund budget.

---

**Number:** 4  
**Name:** Emergency Reserve  
**Type:** Operating Program

**Description:** The Emergency Reserve, a component of unassigned fund balance, shall be used to provide for temporary financing of unanticipated or unforeseen extraordinary needs of an emergency nature; for example, costs related to a natural disaster or calamity, a five percent decline in property values, or an unexpected liability created by federal or state legislative action. Funds shall be allocated from the Emergency Reserve only after an analysis has been prepared by the City Manager and presented to City Council. The analysis shall provide sufficient evidence to establish that the remaining balance is adequate to offset potential downturns in revenue sources. The analysis shall address the nature of the adopted expenditure and the revenue requirement in subsequent budget years. Prior to allocating funds from the Emergency Reserve, the City Council shall find that an emergency or extraordinary need exists to justify the use of these funds. Management shall designate up to 20 percent of the General Fund's projected unassigned fund balance but not less than \$25 million to the Emergency Reserve. Use of the Emergency Reserve shall require a super-majority of City Council.

**Status:** In compliance. FY 2017-18 (Actual) Emergency Reserve - \$35.0 million.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 5  
**Name:** Risk Reserve  
**Type:** Operating Program

**Description:** The Risk Reserve shall be maintained at a level that, together with purchased insurance policies, adequately protects the City's assets against loss. An analysis shall be conducted every three years or when the deductible level of the City's property insurance is modified (whichever is earlier), to determine the appropriate level of this reserve.

**Status:** In compliance. FY 2017-18 (Actual) Risk Reserve is \$1.25 million.

---

**Number:** 6  
**Name:** Prohibition of debt for operating expenditures  
**Type:** Operating Program

**Description:** Debt will not be used to fund current operating expenditures.

**Status:** In compliance.

---

**Number:** 7  
**Name:** Enterprise Funds full-cost funding and minimum net working capital  
**Type:** Operating Program

**Description:** Each Enterprise Fund of the City will maintain revenues that support the full (direct and indirect) cost of the fund. In addition, each Enterprise Fund should maintain at least 30 days of budgeted operations and maintenance expense in net working capital and avoid cash deficits. Enterprise Funds will maintain positive balances.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 8  
**Name:** Liability/Claims Fund  
**Type:** Operating Program

**Description:** A General Fund Liability Fund shall be budgeted annually to provide for outstanding and anticipated claims expense and resulting liabilities during the budget year. An individual judgment settlement cap is set at \$5 million. The Emergency Reserve will be accessed should the cap be exceeded. An independent actuarial analysis shall be conducted every two years to determine the appropriate level of this fund. Additionally, the Liability Fund will include an allocation for unanticipated affirmative litigation.

**Status:** In compliance.

---

**Number:** 9  
**Name:** Landfill Closure/Post-Closure Reserve  
**Type:** Operating Program

**Description:** Consider the establishment of a Landfill Closure/Post-Closure Reserve to provide for any future potential liabilities. Analysis will be performed periodically to determine appropriate timing and amount of funding needs. Funds could be allocated from an increase in user fees.

**Status:** Establishment of reserve is not recommended at this time.

---

**Number:** 10  
**Name:** Facilities replacement versus maintenance analysis  
**Type:** Operating Program

**Description:** Operating expenditures will be programmed to include current costs of fully maintaining City facilities, including parks, streets, levees, vehicles, buildings, and equipment. A cost-benefit analysis will be performed on replacement cost versus projected required maintenance costs to determine the level at which City facilities should be maintained. The analysis will also determine the long-term cost of any potential deferred maintenance cost. Normal maintenance will be funded through the operating budget.

**Status:** Not in compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 11

**Name:** Annual assessment for equipment and maintenance needs

**Type:** Operating Program

**Description:** An annual assessment and five-year projection for all equipment and maintenance needs should be performed and a maintenance and replacement schedule developed based on the projection.

**Status:** Not in compliance. Annual assessment completed – December 2018.

---

**Number:** 12

**Name:** User fees review

**Type:** Operating Program

**Description:** An annual review of selected fees and charges will be conducted to determine the extent to which the full cost of associated services is being recovered by revenues. All fees and charges will be reviewed at least once every four years. Where feasible and desirable, the City shall set fees and charges to achieve full cost recovery. The City may subsidize the services funded by fees or charges based on other City objectives.

**Status:** In compliance.

---

**Number:** 13

**Name:** Employee Benefits Fund minimum cash reserve

**Type:** Operating Program

**Description:** The Employee Benefits Fund will maintain a cash reserve of at least the anticipated end-of-year claims incurred but not paid, and other current liabilities. This does not include incurred but not reported (IBNR) claims. The Employee Benefits Fund will maintain a positive cash balance.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 14

**Name:** Internal Service Funds and Enterprise Funds cash balances

**Type:** Operating Program

**Description:** Internal Service Funds and Enterprise Funds will maintain positive cash balances.

**Status:** In compliance.

## PENSION PROGRAM

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**Number:** 15

**Name:** Sufficient funding for retirement systems

**Type:** Pension Program

**Description:** All retirement systems will be financed in a manner to systematically fund liabilities. The City will ensure sufficient funds are provided to pay current service plus interest on unfunded liabilities plus amortization of the unfunded liabilities over a programmed period. No less than annual reviews will be provided to City Council by the pension funds.

**Status:** In compliance.

---

**Number:** 16

**Name:** Actuarial analysis required on retirement systems

**Type:** Pension Program

**Description:** Actuarial analysis will be performed annually on all retirement systems. Adjustments in benefits and contributions will be authorized only after meeting the test of actuarial soundness. All health plans should have actuarial reviews performed biannually to determine the required levels of funding necessary. These health plans shall be financed in a manner to ensure sufficient funds are available to fund current liabilities and provide some reserve levels for extraordinary claims.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

## BUDGETING AND PLANNING

---

**Number:** 17

**Name:** Balanced budget

**Type:** Budgeting and Planning

**Description:** The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of unassigned fund balance accumulated through prior year surplus. Nonrecurring or one-time revenues should, to the extent possible, be used only for one-time expenditures (expenditures not expected to reoccur and requiring future appropriations) to avoid future shortfalls.

**Status:** In compliance.

---

**Number:** 18

**Name:** Five-year revenue and expenditure projection

**Type:** Budgeting and Planning

**Description:** Management will project revenues and expenditures annually for at least five years beyond the current year for the General Fund and each Enterprise Fund of the City.

**Status:** In compliance.

---

**Number:** 19

**Name:** Financial monitoring

**Type:** Budgeting and Planning

**Description:** Financial systems will be maintained to monitor expenditures, revenues, and performance of all municipal programs on an ongoing basis.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 20

**Name:** Operating impact of capital improvements

**Type:** Budgeting and Planning

**Description:** Operating expenditures will be programmed to include the cost of implementing service of the capital improvements, and future revenues necessary for these expenditures will be estimated and provided for prior to undertaking the capital improvement.

**Status:** In compliance.

---

**Number:** 21

**Name:** Comparison of financial performance to FMPC

**Type:** Budgeting and Planning

**Description:** A report reflecting end of fiscal year status of performance against these criteria will be prepared within 60 days after official presentation of the Comprehensive Annual Financial Report (CAFR) to the City Council. A pro forma report reflecting Adopted Budget status will be submitted with the City Manager's Adopted Budget each year.

**Status:** In compliance.

---

**Number:** 22

**Name:** Two-year balanced budget

**Type:** Budgeting and Planning [Effective 12/2017]

**Description:** Each year, the City Manager shall develop and present to the City Council a two-year balanced budget. The City Council will adopt a one-year budget and set the property tax rate in accordance with state law annually. Expenditures shall be budgeted and controlled so as not to exceed current revenues in each year or City Council approved use of fund balance.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 23

**Name:** Over-65 and disabled homestead exemption modification [Effective 12/2017]

**Type:** Budgeting and Planning

**Description:** The City will compare the current disabled and over-65 exemption to the most recent annual Consumer Price Index (CPI) every two years and provide the analysis to City Council for consideration prior to June 30 for possible increase of this property tax exemption. Changes to property tax exemptions must be provided to the appraisal districts no later than June 30.

**Status:** Not applicable. Calculated each odd-numbered year.

---

**Number:** 24

**Name:** Effective tax rate-based budget proposal [Effective 12/2017]

**Type:** Budgeting and Planning

**Description:** The City Manager will develop an estimated effective tax rate budget scenario and, if different from the City Manager's recommended budget required by Chapter 11, Section 1 of the City Charter, will provide it to the City Council at the same time. The estimated effective tax rate budget scenario will include a prioritized list of services/expenses that could be funded and a prioritized list of services/expenses that could not be funded with the estimated effective tax rate.

**Status:** Not applicable.

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## CAPITAL AND DEBT MANAGEMENT

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**Number:** 25

**Name:** Matching of bond funds and useful life of project

**Type:** Capital and Debt Management

**Description:** Any capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project (for example, bonds issued for street resurfacing shall be financed for a period not to exceed 10 years).

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 26

**Name:** GO debt to market value of taxable property limit

**Type:** Capital and Debt Management

**Description:** The net (non-self-supporting) General Obligation (GO) debt of Dallas will not exceed four percent of the true market valuation of the taxable property of Dallas.

**Status:** In compliance. 1.13 percent.

---

**Number:** 27

**Name:** Direct and overlapping debt to market value of taxable property limit

**Type:** Capital and Debt Management

**Description:** Total direct plus overlapping debt shall be managed to not exceed eight percent of market valuation of taxable property of Dallas. All debt, which causes total direct plus overlapping debt to exceed six percent of market valuation, shall be carefully planned and coordinated with all overlapping jurisdictions.

**Status:** In compliance. 3.96 percent.

---

**Number:** 28

**Name:** Capitalization of interest expense

**Type:** Capital and Debt Management

**Description:** Interest expense incurred prior to actual operation will be capitalized only for facilities of enterprise activities.

**Status:** In compliance.

---

**Number:** 29

**Name:** Average GO bond maturities

**Type:** Capital and Debt Management

**Description:** Average (weighted) GO bond maturities (exclusive of Pension Obligation bonds) shall be kept at or below 10 years.

**Status:** In compliance. 6.8 years.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 30

**Name:** GO debt service to Governmental Fund expenditures limit

**Type:** Capital and Debt Management

**Description:** Annual GO debt service (contribution), including certificates of obligation (CO) debt for risk management funding, shall not exceed 20 percent of the total Governmental Fund expenditures (composed of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds).

**Status:** In compliance. 13.95 percent.

---

**Number:** 31

**Name:** Per capita GO debt to personal income limit

**Type:** Capital and Debt Management

**Description:** Per capita GO debt, including COs, equipment acquisition notes and GO bonds, will be managed to not exceed 10 percent of the latest authoritative computation of Dallas' per capita annual personal income as determined by the U.S. Department of Commerce Bureau of Economic Analysis.

**Status:** In compliance. 4.6 percent.

---

**Number:** 32

**Name:** Debt financing for betterment of capital improvements

**Type:** Capital and Debt Management

**Description:** Debt may be used to finance betterments intended to extend the service life of original permanent capital improvements under the following conditions: the original improvement is at or near the end of its expected service life; the betterment extends the life of the original improvement by at least one-third of the original service life; the life of the financing is less than the life of the betterment; and the betterment is financed through either COs or GOs.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 33

**Name:** Interest earnings from GO bond proceeds

**Type:** Capital and Debt Management

**Description:** Interest earnings from GO bonds shall be used solely to fund capital expenditures, debt service, or a reserve for capital contingencies.

**Status:** In compliance.

---

**Number:** 34

**Name:** Certificates of Obligation uses

**Type:** Capital and Debt Management

**Description:** COs should be used only to fund tax-supported projects previously approved by the voters or for risk management funding as authorized by the City Council or non-tax revenue-supported projects approved by City Council.

**Status:** In compliance.

---

**Number:** 35

**Name:** CO limit as percentage of GO debt

**Type:** Capital and Debt Management

**Description:** CO debt, including that for risk management funding supported by an ad valorem tax pledge, should not exceed 15 percent of total authorized and issued GO debt. All COs issued in lieu of revenue bonds should not exceed 10 percent of outstanding GO debt.

**Status:** In compliance. 0.6 percent.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 36  
**Name:** COs for enterprise projects  
**Type:** Capital and Debt Management

**Description:** COs for an enterprise system will be limited to only those projects that can demonstrate the capability to support the certificate debt either through its own revenues or another pledged source other than ad valorem taxes.

**Status:** In compliance.

---

**Number:** 37  
**Name:** CO authorization limit  
**Type:** Capital and Debt Management

**Description:** CO authorization will remain in effect for no more than five years from the date of approval by the City Council.

**Status:** In compliance.

---

**Number:** 38  
**Name:** CO authorization limit for risk management funding  
**Type:** Capital and Debt Management

**Description:** COs authorized for risk management funding shall be issued for a term not to exceed 20 years.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 39  
**Name:** Advance and current refunding criteria  
**Type:** Capital and Debt Management

**Description:** Advance refunding and forward delivery refunding transactions should be considered when the net present value savings as a percentage of the par amount of refunded bonds is at least four percent.

Current refunding transactions should be considered when the net present value savings as a percentage of the par amount of refunded bonds is at least three percent.

**Status:** In compliance.

---

**Number:** 40  
**Name:** Enterprise Fund debt reserve requirements  
**Type:** Capital and Debt Management

**Description:** Each Enterprise Fund (where applicable) will maintain fully funded debt service reserves. A surety bond (or other type of credit facility such as a letter of credit) may be used in lieu of funding the reserve if the former is economically advantageous.

**Status:** In compliance.

---

**Number:** 41  
**Name:** GO Debt Service Fund minimum reserve  
**Type:** Capital and Debt Management

**Description:** The City shall maintain a reserve in the GO Debt Service Fund equal to five percent of the following year's annual principal and interest debt service expense. The Debt Service Fund tax rate and/or future debt will be structured to maintain this debt service reserve.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

## ECONOMIC DEVELOPMENT

---

**Number:** 42

**Name:** Tax Increment Financing zones revenue coverage

**Type:** Economic Development

**Description:** Tax Increment Financing (TIF) zones should be established where revenues will recover 1.25 times the public cost of debt to provide an adequate safety margin.

**Status:** In compliance.

---

**Number:** 43

**Name:** TIF zone residential limit

**Type:** Economic Development

**Description:** A TIF Reinvestment Zone (RZ) may not be created if more than 10 percent of the property in the adopted zone, excluding property dedicated for public use, is used for residential purposes. "Residential purposes" includes property occupied by a house, which is less than five living units.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** 44  
**Name:** RZs to total tax base limit  
**Type:** Economic Development

**Description:** Pursuant to the provisions of the Texas Tax Code, the City creates RZs both for tax increment financing (TIF RZ) and for tax abatement (TA RZ). TA RZs are created to grant tax abatements on real or business personal property or both located in the TA RZ. For the FMPC, TIF RZs and TA RZs shall be referred to collectively as Reinvestment Zones (RZs).

No RZ can be created if the total property tax base of certain TIF RZs plus the total real property and business personal property tax base (if there is business personal property tax being abated) of TA RZs exceeds 15 percent of the total tax base (all real and business personal property) of the City. RZs no longer collecting tax increment or abating taxes (i.e. now contributing 100 percent to the City of Dallas property tax revenues) will be excluded from the calculation.

**Status:** In compliance.

---

**Number:** 45  
**Name:** PID and TIF service impact analysis  
**Type:** Economic Development

**Description:** All Public Improvement District (PID) and TIF proposals, even pay-as-you-go projects, will be evaluated for service impact. A five-year fiscal note must accompany any request to establish a PID or TIF including repayment terms of any inter-fund borrowing.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 46

**Name:** PID and TIF debt issuance criteria

**Type:** Economic Development

**Description:** All adopted PID or TIF debt issuances supported by a district's revenues are subject to the following criteria:

- Coverage Tests – The project should provide for revenues, net of overlapping taxes, of 1.25 times maximum annual debt service requirement. The issuance of TIF bonds may be considered prior to achieving coverage ratio of 1.25 if:
  - a developer or property owner provides a credit enhancement, such as a letter of credit or bond insurance from a AAA-rated financial institution, for the entire amount of the debt issue;
  - if there is insufficient TIF increment revenues to retire TIF bonds, which consequently requires the credit enhancement mechanism be called upon to service the TIF-bonded indebtedness, contingent liability to reimburse a credit enhancer would be the sole liability of the developer or its affiliates;
  - if there are changes in the rating of the financial institution providing credit enhancement, then that institution shall be replaced with a AAA-rated financial institution within 90 days; and
  - If no replacement of a AAA-rated institution is provided, no further TIF bonds in advance of the 1.25 coverage ratio will be provided for any additional TIF projects undertaken by the developer or its affiliates.
- Additional Bonds Test – The project should include an additional bonds test parallel to the coverage test.
- Reserve Fund – The project should include a debt service reserve fund equal to the maximum annual debt service requirements.
- Limitations on Amount of PID/TIF Bonds:
  - The total amount of PID/TIF indebtedness will be included and managed as part of the City's overlapping debt.
  - The total amount of PID/TIF debt outstanding should generally not exceed 20 percent of the City's outstanding GO indebtedness.
- PID/TIF bonds should be limited to projects consistent with the City's previously adopted FMPC for debt issuance.
- PID bonds should be limited to those projects that can demonstrate the ability to support the debt either through its own revenues or another pledge source other than ad valorem taxes.
- PID/TIF bond authorizations should remain in effect for no more than five years from the date of City Council approval.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

---

**Number:** 47  
**Name:** PID and TIF debt issuances maturity limit  
**Type:** Economic Development

**Description:** All adopted PID or TIF debt issuances must mature on or before the termination date of the respective PID or TIF district and, further, all bonds must also conform to the district's Financial Plan by maturing on or before the plan's projected date by which all district expenses would be paid.

**Status:** In compliance.

---

**Number:** 48  
**Name:** PID and TIF unrated, high-yield bond limit  
**Type:** Economic Development

**Description:** The City will not propose the issuance of any unrated, high-yield PID/TIF bond that could be labeled a "high-risk bond," except for small (less than \$5 million) private placements coordinated with the City's Financial Advisor. All projects must be carefully evaluated for creditworthiness and meet the criteria above, whether a credit rating is obtained.

**Status:** In compliance.

---

**Number:** 49  
**Name:** PID and TIF bond use  
**Type:** Economic Development

**Description:** The City should use PID/TIF bonds only when other options have been considered.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

## **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING**

---

**Number:** 50

**Name:** Conformance with Generally Accepted Accounting Principles (GAAP)

**Type:** Accounting, Auditing, and Financial Reporting

**Description:** The City will establish and maintain a high degree of accounting practices that conform to GAAP as set forth by the Governmental Accounting Standards Board (GASB). GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

**Status:** In compliance.

---

**Number:** 51

**Name:** Annual independent audit and financial report

**Type:** Accounting, Auditing, and Financial Reporting

**Description:** Management will contract with an independent public accounting firm for an annual audit, with the subsequent issuance of an official CAFR in conformity with GAAP and applicable state statutes.

**Status:** In compliance.

---

**Number:** 52

**Name:** Full disclosure in financial statements and bond representations

**Type:** Accounting, Auditing, and Financial Reporting

**Description:** Full disclosure will be provided in the annual financial statements and bond representations.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

## GRANTS AND TRUSTS

---

**Number:** 53  
**Name:** Grants and gifts compliance  
**Type:** Grants and Trusts

**Description:** All grants will be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations will be managed and expended according to the wishes and instructions of the donor.

**Status:** In compliance.

---

**Number:** 54  
**Name:** Pre-acceptance fiscal review  
**Type:** Grants and Trusts

**Description:** Prior to acceptance of proposed gifts, donations, and governmental grants, a fiscal review will be conducted. The review should consider matching requirements, impacts on both revenues and expenditures for the next five years, whether the objectives of the gifts, donations, or grants meet the strategic goals of the City, and any potential impact of loss of funds.

**Status:** In compliance.

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## DALLAS WATER UTILITIES (DWU)

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**Number:** DWU 1  
**Name:** Matching of current revenues and current expenses  
**Type:** Dallas Water Utilities

**Description:** Current revenues will be sufficient to support current expenses including debt service and other obligations of the system.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** DWU 2  
**Name:** Use of long-term debt  
**Type:** Dallas Water Utilities

**Description:** Long-term debt will be used only for capital expansion, replacement, and improvement of plant, not for current expenses.

**Status:** In compliance.

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**Number:** DWU 3  
**Name:** Short-term debt authorization  
**Type:** Dallas Water Utilities

**Description:** Short-term debt, including tax-exempt commercial paper, will be used as authorized for interim financing of projects which result in capital improvements. The authorization of tax-exempt commercial paper will be limited to 20 percent of the 10-year capital improvement program in effect at the time of the commercial paper authorization. No commercial paper program will be authorized for more than 10 years. Outstanding tax-exempt commercial paper will never exceed the amount authorized by City Council.

**Status:** In compliance.

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**Number:** DWU 4  
**Name:** Contingency reserve sufficiency  
**Type:** Dallas Water Utilities

**Description:** Contingency reserves will be appropriated at a level sufficient to provide for unanticipated, nonrecurring expenditures.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** DWU 5  
**Name:** Debt financing maturity limit  
**Type:** Dallas Water Utilities

**Description:** Debt financing for capital projects will not exceed the useful life of the asset, and in no case shall the term exceed 30 years.

**Status:** In compliance.

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**Number:** DWU 6  
**Name:** Unreserved cash balance minimum  
**Type:** Dallas Water Utilities

**Description:** An unreserved cash balance will be maintained such that it provides a minimum quick ratio of 1.50 and at least 30 days of budgeted expenditures for operations and maintenance in net working capital.

**Status:** In compliance.

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**Number:** DWU 7  
**Name:** Debt service coverage requirements  
**Type:** Dallas Water Utilities

**Description:** Net revenues available for debt service should be at least 1.5 times the maximum annual principal and interest requirements of relevant outstanding revenue bonds at the end of the fiscal year, and at least 1.3 times maximum-year requirements at all times, measured during a fiscal year using the previous year net revenues available for debt service.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** DWU 8  
**Name:** Use of excess current revenues  
**Type:** Dallas Water Utilities

**Description:** Current revenues that are more than operating expenses and debt service will be used for capital expenditures and other water and wastewater purposes.

**Status:** In compliance.

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**Number:** DWU 9  
**Name:** Funding from current rates relationship to depreciation expense  
**Type:** Dallas Water Utilities

**Description:** Funds available from current rates in each fiscal year for system rehabilitation, replacement, and expansion will be appropriated equal to or more than financial statement depreciation expense reasonably estimated in the same year.

**Status:** In compliance.

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**Number:** DWU 10  
**Name:** Capital financing methods and equity-to-debt ratio  
**Type:** Dallas Water Utilities

**Description:** Capital financing will be provided through a combination of revenue bonds, current revenues, contributed capital, and short-term debt. An equity-to-debt ratio of at least 20 percent should be maintained on all capital projects.

**Status:** In compliance.

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**Number:** DWU 11  
**Name:** Cost of service studies  
**Type:** Dallas Water Utilities

**Description:** Retail cost of service studies will be performed at least every two years and reviewed annually. Rate adjustments will be recommended when required, but normally no more frequently than annually.

**Status:** In compliance.

# FINANCIAL MANAGEMENT PERFORMANCE CRITERIA

Year Ending September 30, 2018

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**Number:** DWU 12  
**Name:** Wholesale water and wastewater rates  
**Type:** Dallas Water Utilities

**Description:** Wholesale treated water rates for customer cities and other governmental entities will be determined based on the inter-city agreement currently in effect. Wholesale wastewater and untreated water rates will be determined based on contractual agreements with wholesale customers. Rates shall be adjusted annually if cost of service studies indicate a need.

**Status:** In compliance.

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**Number:** DWU 13  
**Name:** Use of funds generated by DWU  
**Type:** Dallas Water Utilities

**Description:** Funds generated by DWU will be used solely for the development, operation, and maintenance of the water and wastewater utility system.

**Status:** In compliance.

# Memorandum



CITY OF DALLAS

DATE April 12, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Quarterly Fleet Management Study Progress Update**

On December 5, 2018, we briefed City Council on the Fleet Management Study conducted by Alvarez and Marsal. The attached progress report provides a status update through the first quarter of 2019.

If you have any questions or concerns, please contact Donzell Gipson, Director of Equipment and Fleet Management, at 214-671-5131 or via email.

*M. Elizabeth Reich*

M. Elizabeth Reich  
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor 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 Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors

# Organizational Assessment

Date	Consultant Observations	Completed	In-Progress	Next Steps
<b>Hiring</b>				
December 2018	1. Develop “Temp” to “Hire” Program	✓		
December 2018	2. Hired and assigned to work at various City service centers	✓		
4 <sup>th</sup> Quarter 2018	<ul style="list-style-type: none"> <li>• 15 temporaries hired and assigned</li> </ul>	✓		
1st Quarter 2019	<ul style="list-style-type: none"> <li>• 25 temporaries hired and assigned</li> </ul>	✓		
<b>Training</b>				
December 2018	3. Modernize Training Program by increasing hands on instruction and utilizing free training opportunities from existing vendors		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Chose 8+ Adjunct Trainers to begin curriculum development</li> </ul>	✓		
1st Quarter 2019	<ul style="list-style-type: none"> <li>• City-wide Forklift training and shop orientation training for temporaries underway</li> </ul>	✓		
<b>Employee Compensation</b>				
December 2018	4. Address tool/boot allowance and certification pay		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Tool &amp; Boot allowance increased</li> </ul>	✓		
December 2018	5. Engage Human Resources in the City-wide Compensation Study			✓

# Follow TCO Procurement Approach

Date	Consultant Recommendations	Completed	In-Progress	Next Steps
<b>Fleet Governance</b>				
December 2018	1. Establish a Fleet Advisory Board to establish standards		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>Inaugural meeting held April 8th</li> </ul>	✓		
December 2018	2. Ensure (PM) periodic maintenance compliance		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>Saturday PM program initiated in February 2019</li> </ul>	✓		
December 2018	3. Centralize decision making on fleet purchases		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>Administrative Directive 6-02 being revised to reflect the new process</li> </ul>		✓	
<b>Vehicle Procurement</b>				
December 2018	4. Evaluate the total cost of ownership versus short term initial purchase or operational reliance on rental equipment	✓		
December 2018	5. Determine the most cost-effective funding mechanism for fleet purchases	✓		
<b>Enhance Outsource Contracting Options</b>				
December 2018	6. Work with Office of Procurement Services for better specifications and timely execution of contracts		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>OEM master agreement out for bid for refuse parts/service to address gaps in Sanitation maintenance</li> </ul>		✓	

# Make Workshop Flow Improvements

Date	Consultant Recommendations	Completed	In-Progress	Next Steps
<b>Scheduling Improvements</b>				
December 2018	1. Staff realignment by shift and service center	√		
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Adding additional Saturday shifts at service centers to support customer demands</li> </ul>		√	
December 2018	2. Add 3rd shift at the NW Service Center for Sanitation Services Vehicle maintenance	√		
<b>Shop Infrastructure/Equipment</b>				
December 2018	3. Purchase new shop equipment to increase safety, productivity and diagnostic capabilities		√	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Developed prioritized list and identified funding and currently making purchases from master agreements</li> </ul>		√	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Working with CIS to enhance network and wi-fi capability, as well as purchase tablets and computers for shop operations</li> </ul>		√	
<b>Revamp Intake/Outtake Process</b>				
December 2018	4. Hire (6) Service Advisors to engage customers and perform better quality control		√	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Positions are posted. Candidates under review. Shop roles and responsibilities being updated.</li> </ul>		√	
<b>Change Workorder Management</b>				
December 2018	5. Maintenance Triage to better address customer needs and improve turnaround time		√	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Prioritization of maintenance requests at service centers aimed at reducing the need for outside rental of equipment</li> </ul>		√	

## Underutilization, Right Sizing & Motor Pool

Date	Consultant Recommendations	Completed	In-Progress	Next Steps
<b>Underutilization</b>				
December 2018	1. Identify potential surplus vehicles			✓
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Developing cost avoidance/savings tracker to report metrics</li> </ul>		✓	
December 2018	2. Validate mileage, use, and hours in operation of vehicles with low annual mileage as criteria for low utilization			✓
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Review of DWU, PKR, AVI and EFM underway</li> </ul>		✓	
<b>Right Sizing</b>				
December 2018	3. Identify options to share vehicles			✓
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Developing vehicle purchase strategy for motor pool to address fleet shortages and seasonality of operational needs and reduce expensive outside rentals</li> </ul>		✓	
December 2018	4. Determine requirements based on operational needs		✓	
December 2018	5. Develop business rules to earn authorizations to validate requirements for fleet purchases or retention of their fleet			✓
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Draft requirements under review</li> </ul>		✓	
<b>Increase Motor Pool</b>				
December 2018	6. Identify city facilities for expansion of motor pool		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>• Evaluating Jack Evans as potential new location</li> </ul>		✓	

# Technology & Data Quality

Date	Consultant Recommendations	Completed	In-Progress	Next Steps
<b>Maximize Use of the Fleet Management System (M5)</b>				
December 2018	1. Enforce requirement to track all vehicles and equipment in M5		✓	
December 2018	2. Evaluate implementation of M5 system modules currently not in use		✓	
December 2018	3. Integrate with Risk Management System (Origami) on accident data			✓
1st Quarter 2019	<ul style="list-style-type: none"> <li>Data sharing via system reports and access to M5 being granted to Risk Management</li> </ul>		✓	
December 2018	4. Offer refresher and on-going M5 training tailored to individual roles		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>DFR had basic M5 navigation training</li> </ul>	✓		
1st Quarter 2019	<ul style="list-style-type: none"> <li>Developing Train-the-Trainer strategy for roll-out city-wide</li> </ul>		✓	
<b>Assign staff support to monitor data quality</b>				
December 2018	5. Hire/Train incumbent to fill role of Data Quality Senior Analyst		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>Working with current technology team and CIS to determine if additional support is needed</li> </ul>		✓	
<b>Simplify and automate billing</b>				
December 2018	6. Identify top disparities in lease rates and actual work order totals for transparency and customer service		✓	
1st Quarter 2019	<ul style="list-style-type: none"> <li>Scheduling follow-up with consultant A&amp;M in second quarter of 2019 on moving to more system-based streamline billing</li> </ul>		✓	