

Memorandum



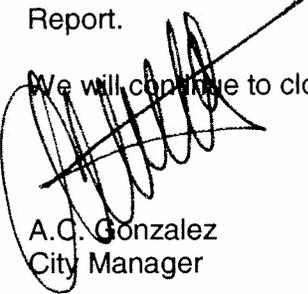
CITY OF DALLAS

DATE May 15, 2015
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

The FY 2014-15 Financial Forecast Report based on information through March 2015 is attached and provided for your information. This report reflects an amended General Fund budget based on Council's approved use of contingency reserve funds on December 10, 2014 by CR# 14-2194 and on March 25, 2015 by CR# 15-0555.

For FY 2014-15, General Fund revenues are projected to be \$1,255,000 above budget and General Fund expenditures are projected to be \$1,875,000 below budget. This results in forecast revenue being in excess of forecast expenditures by \$3,130,000. Details related to budget variances may be found on page 15 of the Financial Forecast Report.

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


A.C. Gonzalez
City Manager

Attachment

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



FY 2014-15

Financial Forecast Report

Information as of March 31, 2015

All Dollars in Thousands

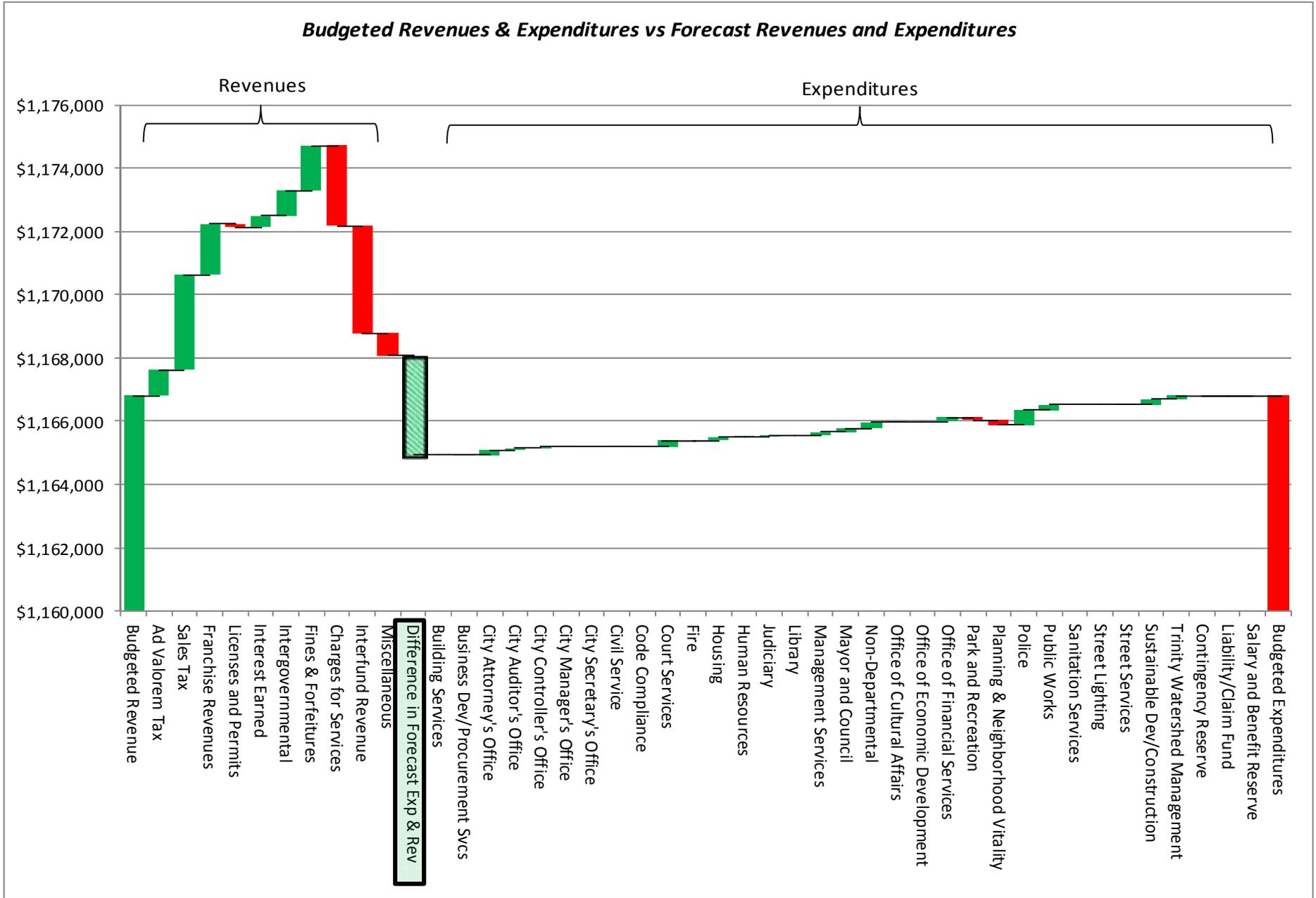


GENERAL FUND

As of March 31, 2015

<u>ITEM</u>	<u>AMENDED BUDGET ¹</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$1,167,401	\$814,522	\$1,168,656	\$1,255
Expenditures	1,167,401	559,377	1,165,526	(1,875)
Net Excess of Revenues Over Expenditures/Transfers	<u>\$0</u>	<u>\$255,145</u>	<u>\$3,130</u>	<u>\$3,130</u>

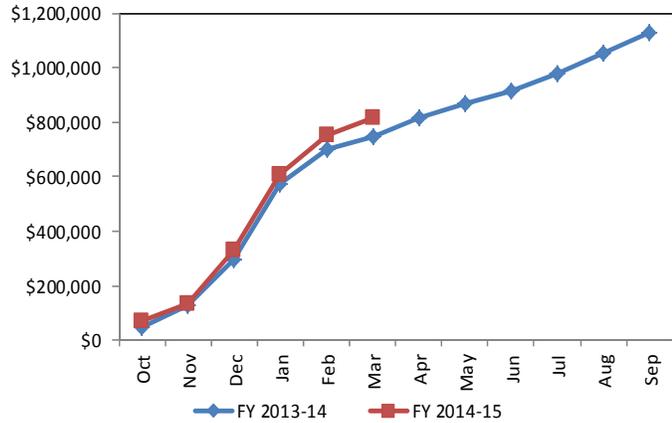
GENERAL FUND



GENERAL FUND REVENUES

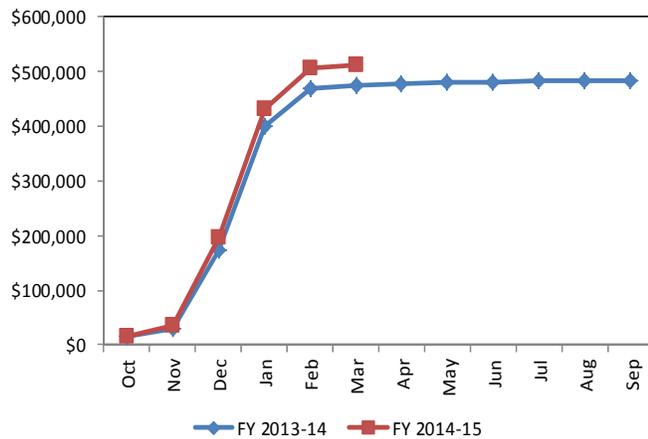
All SOURCES

	FY 2013-14	FY 2014-15	Variance
Oct	\$49,412	\$69,308	\$19,896
Nov	78,405	65,871	(12,534)
Dec	169,703	194,702	24,999
Jan	278,416	278,998	582
Feb	122,583	144,793	22,210
Mar	51,002	60,850	9,848
Apr	65,815		
May	54,518		
Jun	45,290		
Jul	60,934		
Aug	79,531		
Sep	72,532		
Total	\$1,128,141	\$814,522	\$65,001



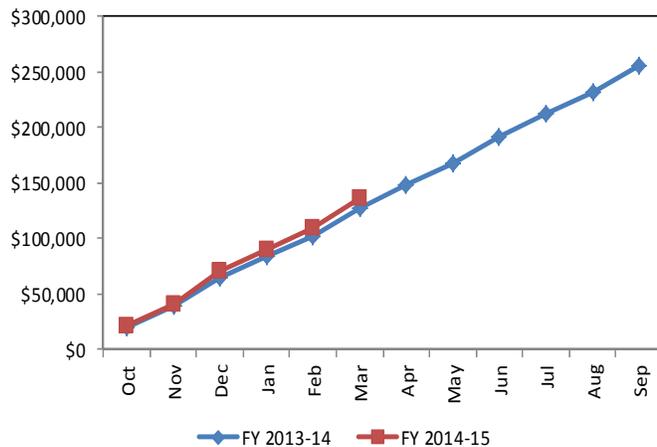
PROPERTY TAX

	FY 2013-14	FY 2014-15	Variance
Oct	\$14,962	\$16,175	\$1,213
Nov	15,512	18,472	2,960
Dec	142,039	160,305	18,266
Jan	227,269	235,891	8,622
Feb	69,688	74,439	4,751
Mar	5,696	6,533	837
Apr	2,724		
May	1,464		
Jun	2,032		
Jul	523		
Aug	654		
Sep	677		
Total	\$483,240	\$511,814	\$36,649



SALES TAX

	FY 2013-14	FY 2014-15	Variance
Oct	\$20,062	\$21,933	\$1,872
Nov	18,853	19,220	368
Dec	26,482	29,690	3,208
Jan	18,272	20,009	1,737
Feb	18,878	18,928	50
Mar	24,697	26,847	2,150
Apr	20,532		
May	19,772		
Jun	23,682		
Jul	20,546		
Aug	19,665		
Sep	24,276		
Total	\$255,716	\$136,627	\$9,385



GENERAL FUND REVENUES

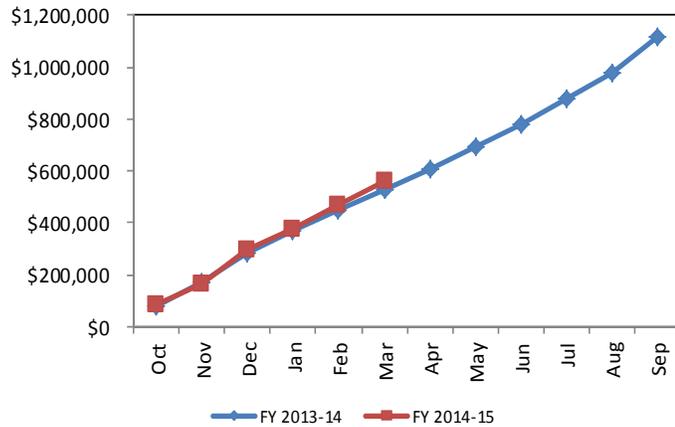
As of March 31, 2015

	AMENDED BUDGET ¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$520,321	\$511,814	\$521,137	\$815
Sales Tax ²	268,666	136,627	271,671	3,005
TOTAL TAXES	788,987	648,442	792,808	3,821
FRANCHISE REVENUES				
Oncor Electric	50,014	26,796	51,233	1,219
AT&T	12,064	3,213	12,119	56
Atmos Energy	12,178	3,566	11,987	(191)
Time Warner Cable	5,768	1,467	5,795	27
Other	22,336	5,470	22,832	496
TOTAL FRANCHISE REVENUES	102,360	40,512	103,966	1,606
LICENSES AND PERMITS	9,857	5,735	9,757	(101)
INTEREST EARNED³	591	868	950	360
INTERGOVERNMENTAL⁴	6,638	5,864	7,432	793
FINES AND FORFEITURES				
Municipal Court ⁵	12,214	6,844	14,474	2,260
Vehicle Towing & Storage	6,978	3,430	6,972	(6)
Parking Fines ⁶	4,419	804	3,586	(833)
Red Light Camera Fines	7,335	0	7,335	0
Public Library	500	211	494	(6)
TOTAL FINES	31,446	11,288	32,860	1,415
CHARGES FOR SERVICE				
Sanitation Service	63,530	32,818	63,892	362
Parks ⁷	9,814	4,590	10,458	644
Private Disposal Fees ⁸	17,509	10,850	19,933	2,424
Emergency Ambulance ⁹	33,626	9,165	28,544	(5,082)
Security Alarm	4,510	2,208	4,450	(60)
Street Lighting ¹⁰	743	215	648	(96)
Vital Statistics	1,470	730	1,510	40
Other	21,754	12,085	20,992	(762)
TOTAL CHARGES	152,954	72,661	150,425	(2,529)
INTERFUND REVENUE¹¹	62,429	23,613	59,029	(3,400)
MISCELLANEOUS¹²	12,140	5,539	11,430	(710)
TOTAL REVENUES	\$1,167,401	\$814,522	\$1,168,656	\$1,255

GENERAL FUND EXPENDITURES

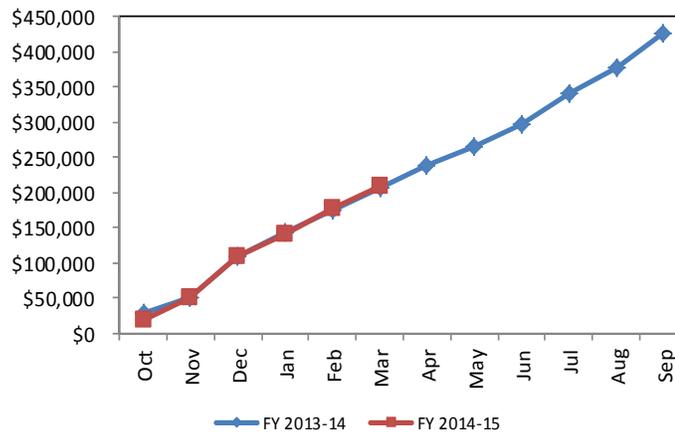
ALL EXPENSES

	FY 2013-14	FY 2014-15	Variance
Oct	\$79,179	\$83,596	\$4,417
Nov	88,876	83,285	(5,591)
Dec	118,448	128,938	10,490
Jan	84,834	82,954	(1,880)
Feb	75,046	91,324	16,278
Mar	81,882	89,279	7,397
Apr	78,188		
May	89,869		
Jun	83,353		
Jul	99,016		
Aug	98,277		
Sep	140,563		
Total	\$1,117,530	\$559,376	\$31,111



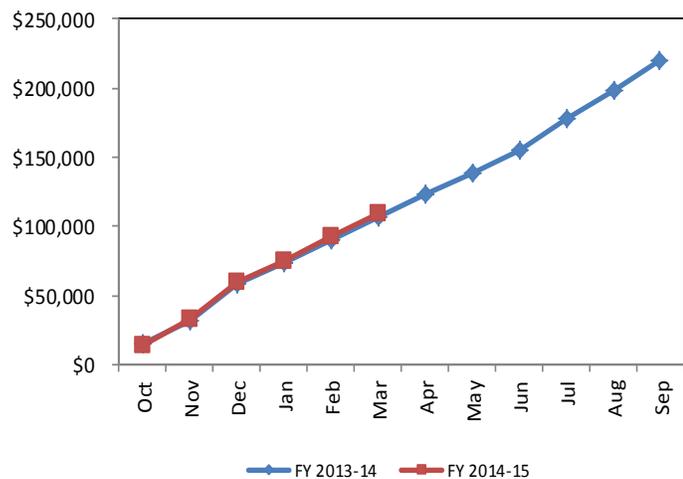
POLICE

	FY 2013-14	FY 2014-15	Variance
Oct	\$29,227	\$19,262	(\$9,965)
Nov	21,557	31,339	9,782
Dec	58,095	57,789	(306)
Jan	35,212	32,898	(2,314)
Feb	31,340	36,864	5,524
Mar	31,152	32,472	1,320
Apr	31,437		
May	27,178		
Jun	32,164		
Jul	42,757		
Aug	36,838		
Sep	49,275		
Total	\$426,231	\$210,624	\$4,041



FIRE

	FY 2013-14	FY 2014-15	Variance
Oct	\$14,775	\$13,502	(\$1,273)
Nov	17,133	19,557	2,424
Dec	26,151	26,055	(96)
Jan	15,708	16,078	370
Feb	16,476	17,117	641
Mar	16,859	17,033	174
Apr	15,798		
May	15,816		
Jun	16,850		
Jul	22,240		
Aug	20,946		
Sep	21,365		
Total	\$220,117	\$109,342	\$2,240



GENERAL FUND EXPENDITURES

As of March 31, 2015

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$23,896	\$13,546	\$23,896	\$0
Business Dev/Procurement Svcs	2,855	1,354	2,854	(1)
City Attorney's Office	15,147	7,244	14,995	(152)
City Auditor's Office	2,844	1,268	2,776	(68)
City Controller's Office	5,603	2,154	5,576	(27)
City Manager's Office	1,829	1,152	1,825	(4)
City Secretary's Office	3,614	2,196	3,614	0
Civil Service	2,345	1,028	2,348	4
Code Compliance	35,383	17,311	35,383	0
Court Services	20,185	13,507	19,979	(206)
Fire	228,009	109,342	228,009	0
Housing	11,628	7,769	11,520	(108)
Human Resources	4,638	2,330	4,629	(10)
Judiciary	3,695	1,436	3,647	(48)
Library	26,144	11,984	26,144	0
Management Services	5,650	4,335	5,540	(110)
Mayor and Council	3,923	1,811	3,821	(102)
Non-Departmental	49,342	9,242	49,140	(202)
Office of Cultural Affairs	17,288	8,547	17,265	(23)
Office of Economic Development	1,577	1,577	1,577	0
Office of Financial Services	3,643	1,544	3,519	(124)
Park and Recreation	81,877	44,571	81,959	82
Planning & Neighborhood Vitality ¹³	2,527	1,203	2,680	153
Police	438,060	210,624	437,587	(473)
Public Works	6,861	6,350	6,699	(162)
Sanitation Services	75,694	33,351	75,694	0
Street Lighting	17,923	9,926	17,923	0
Street Services	65,914	26,840	65,898	(16)
Sustainable Dev/Construction ¹⁴	1,540	1,192	1,380	(160)
Trinity Watershed Management ¹⁵	1,351	474	1,233	(118)
RESERVES AND TRANSFERS				
Contingency Reserve	450	0	450	0
Liability/Claim Fund	4,170	4,170	4,170	0
Salary & Benefit Reserve	1,800	0	1,800	0
TOTAL EXPENDITURES	\$1,167,401	\$559,376	\$1,165,526	(\$1,875)

PROPRIETARY FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$12,043	\$ -	\$12,043	\$ -
REVENUES:				
Parking	24,283	12,557	25,114	831
Terminal Concessions	18,543	8,884	18,832	289
Landing Fees	17,784	7,950	17,784	0
Rental on Airport - Terminal	13,831	5,564	13,831	0
Rental on Airport - Field	8,864	6,148	8,794	(70)
Fuel Flow Fees	1,236	529	1,224	(12)
All Other	2,004	995	2,218	214
TOTAL REVENUES	86,545	42,627	87,796	1,251
TOTAL EXPENDITURES	86,545	34,000	85,499	(1,046)
ENDING FUND BALANCE	\$12,043	\$ -	\$14,340	\$2,297

CONVENTION AND EVENT SERVICES

BEGINNING FUND BALANCE	\$15,621	\$ -	\$15,621	\$ -
REVENUES:				
Hotel Occupancy Tax	50,263	20,291	50,263	0
Alcoholic Beverage Tax	9,650	2,703	10,350	700
Contract Services	7,883	4,710	9,341	1,458
All Remaining Revenues	9,595	5,783	9,765	170
TOTAL REVENUES	77,392	33,488	79,720	2,328
TOTAL EXPENDITURES	77,345	28,278	79,694	2,349
ENDING FUND BALANCE	\$15,667	\$ -	\$15,647	(\$20)

PROPRIETARY FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$29,798	\$ -	\$29,798	\$ -
REVENUES:				
Building Permits	16,973	10,474	17,199	226
Certificate of Occupancy	1,324	659	1,345	21
Plan Review	3,562	2,085	3,596	34
Registration/License	1,018	464	1,018	0
Special Plats	878	427	878	0
Private Development	998	572	1,000	2
Zoning	1,172	550	1,172	0
Interest Earnings	116	122	116	0
All Remaining Revenues	1,464	887	1,464	0
TOTAL REVENUES	27,505	16,240	27,787	282
TOTAL EXPENDITURES	26,839	11,348	26,054	(785)
ENDING FUND BALANCE	\$30,465	\$ -	\$31,531	\$1,066
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,234	\$ -	\$1,234	\$ -
REVENUES:				
Local Sales	2,003	899	1,777	(226)
National Sales	8	26	52	44
Local Political	4	0	4	0
Local New Sales	100	171	311	211
Interest Earned	7	6	7	0
All Remaining Revenues	5	0	5	0
TOTAL REVENUES	2,126	1,103	2,155	29
TOTAL EXPENDITURES	2,062	1,072	2,083	21
ENDING FUND BALANCE	\$1,298	\$ -	\$1,306	\$8

PROPRIETARY FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$71,876	\$ -	\$71,876	\$ -
REVENUES:				
Treated Water - Retail	271,965	112,364	261,054	(10,912)
Treated Water - Wholesale	72,565	32,793	69,376	(3,189)
Wastewater - Retail	219,098	101,482	214,117	(4,981)
Wastewater - Wholesale	10,217	4,122	9,230	(986)
All Remaining Revenues	40,676	15,749	37,767	(2,909)
TOTAL REVENUES	614,521	266,510	591,544	(22,977)
TOTAL EXPENDITURES	614,521	237,463	591,544	(22,977)
ENDING FUND BALANCE	\$71,876	\$ -	\$71,876	\$0

COMMUNICATION & INFORMATION SERVICES

BEGINNING FUND BALANCE	\$9,991	\$ -	\$9,991	\$ -
REVENUES:				
Interdepartmental Charges	51,934	25,965	51,934	0
Telephones Leased	7,971	1,825	7,971	0
Circuits	1,501	640	1,501	0
Desktop Services	1,060	508	1,060	0
Interest	102	72	72	(34)
Equipment Rental	4,957	2,466	4,957	0
Miscellaneous	77	135	135	58
TOTAL REVENUES	67,603	31,612	67,630	27
TOTAL EXPENDITURES	70,446	33,413	69,368	(1,077)
ENDING FUND BALANCE	\$7,148	\$ -	\$8,252	\$1,104

PROPRIETARY FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$3,165	\$ -	\$3,165	\$ -
REVENUES:				
Rental/Wreck	31,486	12,624	32,484	998
Fuel	22,597	7,206	20,744	(1,853)
Auto Auction	328	481	481	154
Miscellaneous Revenue	16	231	239	223
Interest and Other	5	0	5	0
TOTAL REVENUES	54,432	20,542	53,953	(479)
TOTAL EXPENDITURES	54,432	22,731	53,953	(479)
ENDING FUND BALANCE	\$3,165	\$ -	\$3,165	\$0

EXPRESS BUSINESS CENTER

BEGINNING FUND BALANCE	\$1,888	\$ -	\$1,888	\$ -
REVENUES:				
Postage Sales	2,703	1,080	2,703	0
All Other Revenues	1,278	900	1,520	242
TOTAL REVENUES¹⁶	3,981	1,980	4,223	242
TOTAL EXPENDITURES	4,812	1,750	4,871	60
ENDING FUND BALANCE	\$1,058	\$ -	\$1,240	\$182

OTHER FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,837	\$ -	\$5,837	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	5,968	2,844	6,233	265
9-1-1 Service Receipts - Wireline	6,909	3,442	6,909	0
Interest and Other	41	37	42	1
TOTAL REVENUES	12,918	6,323	13,184	266
TOTAL EXPENDITURES	17,239	3,627	17,228	(12)
ENDING FUND BALANCE	\$1,515	\$ -	\$1,793	\$278
STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$4,620	\$ -	\$4,620	\$ -
REVENUES:				
Storm Water Fees	51,079	25,441	51,079	0
TOTAL REVENUES	51,079	25,441	51,079	0
TOTAL EXPENDITURES	53,599	16,008	53,357	(242)
ENDING FUND BALANCE	\$2,099	\$ -	\$2,342	\$242

OTHER FUNDS

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
TOTAL EXPENDITURES	\$1,370	\$345	\$1,359	(\$11)
RISK MANAGEMENT				
TOTAL EXPENDITURES ¹⁷	\$2,525	\$1,096	\$2,327	(\$199)
LIABILITY/CLAIMS FUND				
Beginning Balance October 1, 2014				\$5,464
Budgeted Revenue				5,634
FY 2014-15 Available Funds				11,097
Paid October 2014				(155)
Paid November 2014				(382)
Paid December 2014				(523)
Paid January 2015				(550)
Paid February 2015				(484)
Paid March 2015				(607)
Balance as of March 31, 2015				\$8,397

DEBT SERVICE FUND

As of March 31, 2015

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$2,012	\$ -	\$2,012	\$ -
REVENUES:				
Ad Valorem	214,354	210,703	214,894	540
Interest/Transfers/Other	20,842	228	20,842	0
TOTAL REVENUES	235,197	210,931	235,737	540
TOTAL EXPENDITURES	229,908	173,223	226,719	(3,190)
ENDING FUND BALANCE	\$7,300	\$ -	\$11,030	\$3,730

NOTES

(Dollars in 000s)

1. The General Fund Budget was amended/increased based on Council's approved use of contingency reserve funds by \$129 on December 10, 2014 by CR# 14-2194 and by \$587 on March 25, 2015 by CR#15-0555.
2. Sales tax revenue is projected to be \$3,005 above budget due to the improved economy.
3. Interest Earned is projected to be \$360 above budget due to higher interest allocation as a result of an increased General Fund cash balance.
4. Intergovernmental revenue is projected to be \$793 above budget due to higher than expected payments from Euless and Irving as part of the DFW Airport revenue sharing agreement.
5. Municipal Court revenue is projected to be \$2,260 above budget based on analysis of year end collection revenues of the previous two fiscal years.
6. Parking Fine revenues are projected to be \$833 below budget due in part to reduced ticket issuance as a result of increased compliance with the introduction of pay by phone meters.
7. Parks revenue is projected to be \$644 above budget primarily due to higher than anticipated demand for contract classes and an increase in special events at Gexa Energy Pavilion.
8. Private Disposal Fees are projected to be \$2,424 above budget primarily due to an increase in activity from cash customers.
9. Emergency Ambulance revenue is projected to be \$5,082 below budget due to a reduction in the reimbursement from the State as a result of the increased number of ambulance service providers requesting reimbursement.
10. Street Lighting revenue is projected to be \$96 below budget due to a reduction in expenses that are reimbursable by TxDOT.
11. Interfund revenue is projected to be \$3,400 below budget due to deferred transfers from internal City funds.
12. Miscellaneous revenues are projected to be \$710 below budget primarily due to lower than expected revenue related to the water/sewer line home warranty program.
13. Planning and Neighborhood Vitality is projected to be \$153 above budget due to previously grant funded employees being moved to the general fund.
14. Sustainable Development and Construction is projected to be \$160 below budget due to vacancies.
15. Trinity Watershed Management is projected to be \$118 below budget due to vacancies.
16. Express Business Center revenues are projected to be \$242 above budget primarily due to increased handling charges related to auto auctions.
17. Risk Management is projected to be \$199 below budget due to vacancies.

**GENERAL FUND
HISTORICAL REVENUE COMPARISON
AS OF MARCH
(000s)**

	FY 2012-13			FY 2013-14			FY 2014-15		
	FINAL BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
TAXES									
Ad Valorem Tax	\$451,489	\$442,274	\$450,752	\$483,898	\$475,165	\$484,244	\$520,321	\$511,814	\$521,137
Sales Tax	231,463	96,478	241,946	255,519	102,546	255,519	268,666	136,627	271,671
TOTAL TAXES	682,952	538,752	692,698	739,417	577,711	739,763	788,987	648,442	792,808
FRANCHISE REVENUES									
Oncor Electric	49,323	27,368	51,139	51,110	27,775	52,472	50,014	26,796	51,233
AT&T	14,875	3,913	15,132	13,422	3,587	13,640	12,064	3,213	12,119
Atmos Energy	11,174	2,569	11,736	12,228	3,428	15,102	12,178	3,566	11,987
Time Warner Cable	6,170	1,580	6,362	6,376	1,437	5,969	5,768	1,467	5,795
Other	18,096	4,739	20,012	20,773	5,404	21,301	22,336	5,470	22,832
TOTAL FRANCHISE REVENUES	99,638	40,169	104,381	103,908	41,631	108,484	102,360	40,512	103,966
LICENSES AND PERMITS	9,808	5,372	9,786	9,090	5,125	9,774	9,857	5,735	9,757
INTEREST EARNED	755	352	455	632	192	675	591	998	950
INTERGOVERNMENTAL	5,589	4,686	6,715	6,203	500	6,887	6,638	5,864	7,432
FINES AND FORFEITURES									
Municipal Court	16,540	6,819	14,754	13,779	7,325	14,824	12,214	6,844	14,474
Vehicle Towing & Storage	7,678	3,396	6,881	6,957	3,555	6,941	6,978	3,430	6,972
Parking Fines	5,962	1,320	4,342	5,070	687	3,989	4,419	804	3,586
Red Light Camera Fines	6,867	0	7,719	6,867	0	7,391	7,335	0	7,335
Public Library	603	260	522	553	223	471	500	211	494
TOTAL FINES	37,650	11,794	34,218	33,227	11,790	33,616	31,446	11,288	32,860
CHARGES FOR SERVICE									
Sanitation Service	59,838	31,064	60,860	62,010	25,577	62,148	63,530	32,818	63,892
Parks	8,629	4,603	9,943	9,716	3,785	10,767	9,814	4,590	10,458
Private Disposal Fees	18,864	8,715	18,574	17,694	6,217	19,289	17,509	10,850	19,933
Emergency Ambulance	20,207	6,170	20,507	42,982	5,734	43,367	33,626	9,165	28,544
Security Alarm	4,231	2,230	4,361	4,500	1,806	4,570	4,510	2,208	4,450
Street Lighting	1,200	230	1,450	1,000	112	665	743	215	648
Vital Statistics	1,492	751	1,562	1,581	552	1,530	1,470	730	1,510
Other	17,729	11,862	18,815	20,182	8,949	20,242	21,754	12,085	20,992
TOTAL CHARGES	132,190	65,624	136,071	159,665	52,732	162,579	152,954	72,661	150,425
INTERFUND REVENUE	60,410	13,199	46,552	67,330	13,987	60,748	62,429	23,613	59,029
MISCELLANEOUS	12,311	5,003	11,192	11,109	3,869	11,321	12,140	5,539	11,430
TOTAL REVENUES	\$1,041,303	\$684,952	\$1,042,069	\$1,130,581	\$707,537	\$1,133,847	\$1,167,401	\$814,652	\$1,168,656

* Based on Actual FY 2012-13 year end revenues

** Estimates based on revenues through August 2014

*** Estimates based on revenues through March 2015

**GENERAL FUND
HISTORICAL EXPENDITURE COMPARISON
AS OF MARCH
(000s)**

DEPARTMENT	FY 2012-13			FY 2013-14			FY 2014-15		
	FINAL BUDGET	YEAR TO DATE	YEAR-END ACTUAL*	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST**	AMENDED BUDGET	YEAR TO DATE	YEAR-END FORECAST***
Building Services	\$22,602	\$11,089	\$22,042	\$25,709	\$14,227	\$25,682	\$23,896	\$13,546	\$23,896
Business Dev/Procurement Svcs	2,410	1,091	2,229	2,654	1,146	2,644	2,855	1,354	2,854
City Attorney's Office	12,915	5,932	12,913	14,456	6,864	14,427	15,147	7,244	14,995
City Auditor's Office	2,180	927	2,087	2,391	1,057	2,376	2,844	1,268	2,776
City Controller's Office	4,969	1,884	4,781	5,391	2,063	5,378	5,603	2,154	5,576
City Manager's Office	1,509	905	1,503	1,596	1,102	1,596	1,829	1,152	1,825
City Secretary's Office	2,877	856	3,015	2,944	849	2,930	3,614	2,196	3,614
Civil Service	1,829	772	1,735	2,126	817	2,076	2,345	1,028	2,348
Code Compliance	30,663	13,470	30,096	33,720	14,193	33,042	35,383	17,311	35,383
Court Services	19,083	13,006	19,008	20,039	13,511	19,930	20,185	13,507	19,979
Fire	207,275	105,695	207,212	221,718	107,102	221,263	228,009	109,342	228,009
Housing	9,516	6,086	9,516	11,373	7,029	11,360	11,628	7,769	11,520
Human Resources	3,752	1,979	3,237	4,121	2,102	4,121	4,638	2,330	4,629
Judiciary	3,286	1,520	2,980	3,528	1,512	3,406	3,695	1,436	3,647
Library	20,295	9,134	19,845	22,370	10,334	22,365	26,144	11,984	26,144
Management Services	4,646	2,928	4,478	5,568	3,545	5,320	5,650	4,335	5,540
Mayor and Council	3,864	1,692	3,706	3,911	1,756	3,878	3,923	1,811	3,821
Non-Departmental	33,239	8,827	31,482	38,455	10,030	37,836	49,342	9,242	49,140
Office of Cultural Affairs	16,025	9,307	15,083	16,916	8,047	16,914	17,288	8,547	17,265
Office of Economic Development	760	760	756	1,122	1,122	1,122	1,577	1,577	1,577
Office of Financial Services	2,147	706	1,757	2,826	996	2,753	3,643	1,544	3,519
Park and Recreation	73,442	37,878	73,292	78,764	40,788	78,764	81,877	44,571	81,959
Planning and Neighborhood Vitality							2,527	1,203	2,680
Police	402,252	195,235	401,874	428,943	206,583	428,416	438,060	210,624	437,587
Public Works	5,279	4,064	5,053	7,121	4,913	6,803	6,861	6,350	6,699
Sanitation Services	73,596	28,927	73,350	74,797	30,548	74,797	75,694	33,351	75,694
Street Lighting	18,318	7,797	18,029	18,201	8,292	18,118	17,923	9,926	17,923
Street Services	57,262	23,037	55,620	61,742	26,317	61,732	65,914	26,840	65,898
Sustainable Dev/Construction	1,238	812	463	1,613	1,165	1,498	1,540	1,192	1,380
Trinity Watershed Management	244	243	205	641	254	559	1,351	474	1,233
RESERVES AND TRANSFERS									
Contingency Reserve	200	0	200	3,248	0	3,248	450	0	450
Liability/Claim Fund	3,630	0	3,630	11,531	0	11,531	4,170	4,170	4,170
Salary and Benefit Reserve	0	0	0	1,045	0	1,045	1,800	0	1,800
EXPENDITURES	\$1,041,303	\$496,560	\$1,031,177	\$1,130,581	\$528,265	\$1,126,929	\$1,167,401	\$559,376	\$1,165,526

* Based on Actual FY 2012-13 year end expenditures

**Estimates based on expenditures through August 2014

*** Estimates based on expenditures through March 2015

Memorandum



Date May 15, 2015

To The Honorable Mayor and Members of the City Council

Subject 2015 Preliminary Property Tax Values

The Appraisal Districts (for the counties in which the city is located) have released the preliminary tax rolls. The total preliminary values are \$105.2 billion. The preliminary values do not include results of appraisal appeals that will be decided prior to the July 25, 2015 release of the certified tax rolls. A comparison of the preliminary 2015 appraised values to the 2014 certified appraised values reflects a 13.0% increase in value.

While this appears to be positive, we must be cautious in how we use these figures until the final tax rolls are certified by the appraisal districts. When comparing preliminary and certified values in the past ten years, the value loss due to appeals has been as high as 7.7% of the preliminary roll.

The current budget outlook for FY 2015-16 assumes the final certified 2015 tax roll will be 5.5% higher than the certified 2014 roll. This assumption will change as additional information becomes available. The certified roll is expected on July 25, 2015. It will be used for final development of the City Manager's recommended budget for FY 2015-16.

Please let me know if you have questions or need additional information regarding this matter.



A.C. Gonzalez
City Manager

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

Memorandum



DATE May 15, 2015

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT HUD Monitoring Review of HOPWA Program

As per City Council direction, we are providing the attached final HUD Monitoring Review for the Housing Opportunities for Persons with AIDS (HOPWA) program. There were no findings, concerns, or required paybacks.

Please let me know if I can be of further assistance regarding this matter.



Theresa O'Donnell
Chief Planning Officer

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
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Elsa Cantu, Assistant to the City Manager – Mayor and Council



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of the Community Planning and Development
801 Cherry Street, Unit #45, Suite 2500
Fort Worth, TX 76102
Phone (817) 978-5933 - Fax (817) 978-5569
www.hud.gov

MAY 07 2015

A.C. Gonzalez, City Manager
City of Dallas
Dallas City Hall, 4EN
1500 Marilla
Dallas, Texas 75201

Dear Mr. Gonzalez:

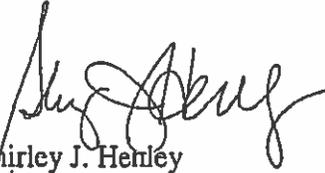
**SUBJECT: HUD Monitoring Review
Housing Opportunities for Persons with AIDS Program
Competitive Grant Numbers TXH11-0001 and TXH12-0026**

HUD conducted an onsite monitoring review of City of Dallas' Housing Opportunities for Persons with AIDS (HOPWA) Program, March 24-26, 2015. The review was conducted by Kristin Hadawi, Senior Community Planning and Development Representative.

The purpose of monitoring is to ensure that federal funds are expended in compliance with applicable statutory and regulatory requirements, confirm that grantees carry out proposed activities, review management controls, and detect any potential or actual performance problems. To ensure compliance, your HOPWA program was reviewed in the areas of planning, housing and rental subsidies, and participant eligibility. The enclosed monitoring report contains the results of our review, which identified no findings or concerns.

Thank you for the courtesies extended to Ms. Hadawi during her review. We appreciate your staff's cooperation and assistance. If you have any questions about this report, please contact Ms. Hadawi at (817) 978-5959.

Sincerely,


Shirley J. Henley
Director

cc: Chan Williams, Assistant Director, Office of Financial Services
Bernadette Mitchell, Interim Director, Housing/Community Services Department

MONITORING REPORT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM
Grant Numbers TXH11-0001 and TXH12-0026
City of Dallas, Texas
March 24-26, 2015

BACKGROUND

The City of Dallas was awarded a Fiscal Year (FY) 2006 HOPWA competitive grant to provide 29 units of permanent supportive housing to ex-offenders with HIV/AIDS. The initial three-year grant term was renewed for two additional three-year grant terms in 2009 and 2012. The term of the second renewal, grant number TXH120026, began on January 1, 2013. HUD recently approved the city's request to extend the current grant term through September 30, 2016.

The city applied for a new competitive grant in the FY 2011 HOPWA competition. Grant funds were awarded for two components: (1) a transitional housing program to serve 60 ex-offenders with HIV/AIDS over a three-year period; and (2) a community planning component to develop an Integrated HIV/AIDS Housing Plan (IHHP) for the Dallas EMSA. The term of grant number TXH11-0001 began on January 1, 2012. The grant agreement was recently amended to extend the grant term for the transitional housing component of the project through December 31, 2016,

The city's HOPWA program is managed by the Housing and Community Development Department's Comprehensive Homeless Services Division. Both of the competitive grants included in this review were a part of the City of Dallas' offender re-entry initiative, Project Reconnect, which came under investigation in 2013 by HUD's Office of Inspector General in cooperation with the FBI and the Dallas Police Department. In early 2014, the city ceased accepting participants into the program, but continued to provide housing and services to the participants enrolled in the program at that time.

In March of 2014, the Departmental Enforcement Center (DEC) conducted an onsite review of the city's Project Reconnect Program. As part of the review, the DEC reviewed the files for all 76 participants assisted with HOPWA competitive grant funds between January 1, 2010 and April 30, 2013. For each participant, the DEC reviewed eligibility documentation, lease agreements, and case management documentation. The review resulted in a finding of noncompliance which required repayment of funds to grant number TXH11-0001 in the amount of \$12,570.08. As part of the corrective action, HUD required the city to submit a quality assurance plan for ensuring that all future clients met program eligibility requirements.

The city submitted its plan for ensuring program participant eligibility in a letter dated July 14, 2014, and stated that the future of Project Reconnect was under consideration. We approved the city's quality assurance plan on July 31, 2014, and advised the city to notify us once a decision about Project Reconnect had been reached.

On October 10, 2014, the city informed this office of its commitment to continue providing housing and services to low-income ex-offenders with HIV/AIDS, just not using the "Project Reconnect" name. The Comprehensive Homeless Services Division was reorganized to include two housing service delivery teams. The *Supportive Housing* team specializes in homeless housing services funded by the Continuum of Care Program, and the *Fresh Start Housing* team

specializes in housing services for special populations (including ex-offenders) funded by the HOPWA competitive grants as well as other grants.

SCOPE OF REVIEW

In January 2015 the city began accepting new clients into the program. Because the DEC reviewed the files of all HOPWA grant-funded participants who were accepted into the program from 2010 to 2014, the scope of this onsite review was limited to those individuals who had entered the program since January 2015.

As of March 24, 2015, only four new participants had been housed, so the scope of the review was expanded to include the additional 29 households which were in various stages of the intake process. Files for 16 of those 29 households were randomly selected for review. The files for the four participants who had moved into their HOPWA-assisted housing units were reviewed. A total of 20 files were reviewed. For the transitional housing program we reviewed 15 participant files, for 14 single individuals and one family. For the permanent housing program, we reviewed the files of five single individuals.

	Housed		In the Queue		Total	
	Total	Reviewed	Total	Reviewed	Total	Reviewed
Transitional Housing	1	1	23	14	24	15
Permanent Supportive Housing	3	3	6	2	9	5
Total	4	4	29	16	33	20

The city's intake process involves multiple steps. The level of file reviewed depended on where each participant was in the intake process.

Number of Participants	Stage of Intake Completed
20	Participants have been referred to City of Dallas
17	Participants have completed the initial assessment
13	Participants have been accepted into program
6	Participants have selected housing unit
4	Participants have moved into unit

PARTICIPANT ELIGIBILITY

To be eligible for the HOPWA program, a person must be diagnosed with AIDS or tested positive for HIV and have a household income which is at or below 80 percent of the area median income. The program was reviewed to ensure that participants met the eligibility requirements at 24 CFR 574.3.

All 20 participant files reviewed contained medical documentation of HIV/AIDS diagnosis. (Referral agencies send this documentation to the city as part of the referral packet.) The files for the 13 participants who had been accepted into the program contained third-party documentation of income or a signed "Verification of No Income" statement. Therefore, we

were able to confirm that those 13 participants met the program eligibility requirements at the time they were accepted into the program.

QUALITY ASSURANCE PLAN

As mentioned previously in this report, the city submitted a plan for ensuring future compliance with program eligibility requirements on July 14, 2014. To accurately reflect the reorganization, the city made updates to the quality assurance plan. The revisions were discussed with city staff during the onsite review and subsequently outlined in a letter from the city dated April 14, 2015. To ensure compliance, the updated plan includes the following provisions.

- At least two different staff persons (an intake coordinator and a case manager) engage an applicant during the application and intake process. The intake process is reviewed by the manager through weekly intake case conferences
- Review of client files take place at three different levels.
 1. The Fresh Start Housing Manager will authorize rental payments each time a new participant enters into a lease agreement or when a current participant renews a lease or enters into a new lease agreement.
 2. Periodically, the assigned contract compliance administrator in the Comprehensive Homeless Services Division performs in-depth reviews of randomly-selected client files.
 3. Once per year, a staff person in the Asset Management and Program Compliance Division will conduct an onsite monitoring review at the project site, which includes a review of a statistical sample of client files.

HOUSING

Habitability Standards. Each unit subsidized with HOPWA assistance must pass a housing quality inspection to ensure the housing provided is safe and sanitary and in compliance with habitability standards outlined in 24 CFR 574.310(b). According to the city's written policies and procedures, each HOPWA-assisted housing unit is inspected before the participant's initial move-in and annually thereafter. For the four participants who had moved into their assisted housing units, the files contained evidence that city staff had inspected the units prior to occupancy and certified that they met the program habitability standards.

Rent Reasonableness. In accordance with the regulations at 24 CFR 574.320(a)(3), only units for which the rent is reasonable can be assisted with HOPWA funds. Grantees or project sponsors must determine if the rent charged for the unit is reasonable in relation to rents being charged for comparable unassisted units, as well as rents being charged by the same owner for comparable unassisted units. The files for the four housed participants included the required documentation demonstrating compliance with this regulation.

Rent Calculation. The HOPWA program regulations at 24 CFR 574.310(d) require that each participant receiving HOPWA-funded housing assistance pay rent in accordance with section 3(a)(1) of the U.S. Housing Act of 1937. The city performs the required computations at the time each participant is accepted into the program. Based on our review of the 13 applicable files, we concluded that the program is in compliance with 24 CFR 574.310(d).

SUPPORTIVE SERVICES

The first step in the city's intake process is a comprehensive assessment using a tool known as the "Vulnerability Index and Service Prioritization Decision Tool" (SPDT). The completed assessments were found in the files reviewed for the participants who had completed that step in the process.

Grantees are required to conduct an ongoing assessment of the housing assistance and supportive services required by program participants in accordance with 24 CFR 574.500(b)(2). Within ten days of the participant's move-in, the case manager makes the initial home visit. Together with the participant, the case manager develops an individual service plan (ISP). Plans were included in the housed participants' files. According to the city's internal guidelines, case managers must meet with each participant at least twice a month, once in the participant's home and once in the case manager's office. The city's guidelines also require that each participant's ISP be updated every 90 days, which complies with the regulation at 574.500(b)(2).

Detailed case management notes were present in the files of all 17 participants who had completed the initial assessment. For the 13 participants who had not moved into housing, the notes thoroughly documented each stage of the intake process including issuance of voucher, housing search and selection, inspection and move-in.

IHHP COMMUNITY PLANNING PROJECT

The FY2011 grant award included funding for a community planning component, consisting of a comprehensive planning and coordination of local resources to meet the housing and service needs of all persons with HIV/AIDS in the eight-county Dallas EMSA. This included the planning and development of the Integrated HIV/AIDS Housing Plan (IHHP.)

The hallmark IHHP strategy was the development and implementation of an HIV Housing Resource Center, which provides information and referrals to housing resources for persons with HIV/AIDS. This service, called "Homebase for Housing," encompasses the center and its staff, a website, and a resources database. Between January 2013 and March 2015, Homebase for Housing assisted 580 persons seeking affordable housing.

The city's grant files contain extensive documentation of all phases of the community planning project. Based on our review, we found that the city carried out the planning component of the grant as described in the application.

Memorandum



CITY OF DALLAS

DATE May 15, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT **Sale of Elgin B. Robertson Park**

The City of Dallas has closed the transaction for the sale of Elgin B. Robertson Park to the City of Rowlett; \$31.8 million has been transferred to the City of Dallas.

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

Ryan S. Evans
First Assistant City Manager

c: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum



Date: May 15, 2015

To: Honorable Mayor and Members of the City Council

Subject: Letter to Dallas Water Utilities' Wholesale Customers with Impacts of SRA Lake Fork Rate Dispute

Please find attached a copy of a letter sent to all City of Dallas wholesale water customers. (A customer list is also attached.) The purpose of the letter is to inform our wholesale water customers of the status of the City's petition to the Public Utility Commission challenging the Sabine River Authority's rate for Lake Fork water, and also to inform them of the impact to the 2015 Wholesale Cost of Service Study for both treated and untreated wholesale water rates.

Please let me know if you have any questions or need additional information.



Mark McDaniel
Assistant City Manager

Attachments

c: A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Jo M. (Jody) Puckett, P.E., Director

May 15, 2015

Page 2

Attachment 1

Name	Title	Customer
Mr. Charles Daniels	Interim City Manager	Town of Addison
Ms. Susan Cluse	City Manager	City of Balch Springs
Mr. Leonard Martin	City Manager	City of Carrollton
Mr. Greg Porter	City Manager	City of Cedar Hill
Mr. Luis D. Carrera	Mayor	City of Cockrell Hill
Mr. Lance Bruce	Manager	Combine Water Supply Corporation
Mr. Clay Phillips	City Manager	City of Coppell
Mr. George Campbell	City Manager	City of Denton
Dr. Tarron Richardson	City Manager	City of DeSoto
Mr. James Christ	Executive Vice President of Operations	D/FW International Airport
Mr. Kevin Hugman	City Manager	City of Duncanville
Mr. Paul Stevens	City Manager	City of Waxahachie
Mr. Gary Greer	City Manager	City of Farmers Branch
Mr. Jimmy Stathatos	Town Manager	Town of Flower Mound
Ms. Aretha Ferrell-Benavides	Interim City Manager	City of Glenn Heights
Mr. Tom Hart	City Manager	City of Grand Prairie
Mr. Bruno Rumbelow	City Manager	City of Grapevine
Mr. Guy Brown	City Manager	City of Hutchins
Mr. Chris Hillman	City Manager	City of Irving
Ms. Opal Mauldin-Robertson	City Manager	City of Lancaster
Ms. Donna Barron	City Manager	City of Lewisville
Ms. Jackie Lee	City Administrator (Interim)	City of Ovilla
Mr. Larry McDaniel	General Manager	Dallas County Park Cities Municipal Utility District
Mr. Tod Fuller	City Manager	City of Red Oak
Mr. Larry Graves	City Manager	City of Seagoville
Mr. Joe McCourry	Mayor	City of The Colony
Mr. Thomas E. Taylor	Executive Director	Upper Trinity Regional Water District
Mr. Thomas W. Kula	Executive Director	North Texas Municipal Water District



City of Dallas

May 15, 2015

DRAFT

Re: City of Dallas Petition to the Public Utility Commission Challenging the Sabine River Authority's Rate for Lake Fork Water

As you may know, the City of Dallas' Lake Fork water supply is integral to providing for the current and future water supply needs of Dallas and its wholesale customers. Dallas, pursuant to a 1981 contract with the Sabine River Authority (SRA), secured the rights to obtain up to 131,860 acre-feet of raw water per year from the Lake Fork reservoir and up to 120,000 acre-feet per year of that amount can be transferred to the Trinity River Basin. In exchange, Dallas has paid 100% of the total cost for the construction of the Lake Fork water supply reservoir (\$270,841,822.50 in principal and interest) and 74% of the service charges for the operations and maintenance of the reservoir for each of the last 33 years. Dallas has also invested in excess of \$200 million to design and construct a pump station and approximately 30 miles of pipeline to bring the water into the Dallas system to serve our customers.

The 1981 initial contract with SRA ended on November 1, 2014, and pursuant to its terms, the contract automatically renewed for a 40-year period. Section 6.02 of the contract states that the amount of compensation that SRA shall be entitled to receive during any renewal term, in addition to the parties pro-rata share of the service charge, "shall be determined by mutual agreement between Dallas and SRA, taking into account such price as is prevailing in the general area at the time for like contract sales of water of similar quality, quantity and contract period."

Despite extensive negotiations, Dallas and SRA have not been able to agree on the compensation amount. On October 9, 2014, the SRA's board of directors took action purporting to set a new rate for Dallas' water that is \$0.5613 per 1000 gallons, payable on a "take or pay" basis plus a rate escalation based on the consumer price index for 131,860 acre-feet of water per year. The SRA proposed rate, which took effect on November 2, 2014, is much higher than the rate SRA charges other customers and, as noted above, is payable in addition to the service charges Dallas already pays SRA for the operation and maintenance of Lake Fork.

DRAFT

May 15, 2015
Page 2 of 2

In response to the unilateral action taken by SRA, Dallas filed a petition with the Public Utility Commission (PUC) on October 30, 2014 that challenges the SRA's new rate. Dallas requested that the PUC review the rate and set an interim rate during the pendency of the rate protest proceedings. In addition, Dallas has also filed lawsuits in Travis and Orange Counties seeking a judicial declaration that the SRA's rate was not established pursuant to the contract and is unlawful.

On April 2, 2015, an administrative law judge assigned by the PUC to hear this dispute ruled that the interim rate to be paid by Dallas until the rate case is resolved will be the rate adopted by the SRA board on a take-or-pay basis, without the cost escalator. This interim rate will be retroactive to November 2, 2014. The amounts Dallas will pay in accordance with the interim rate are to be deposited into an interest-bearing escrow account that neither Dallas nor SRA can access without a court order pending the final outcome of the rate case. Thus, Dallas will have to pay approximately \$24.1 million per year into the escrow account until the rate case is resolved.

This \$24.1 million is not a part of the current City of Dallas budget related to the capital and operating costs of Lake Fork. Dallas could not have anticipated this significant additional expense. Dallas Water Utilities has estimated the \$22.1 million increase (based on eleven months of Fiscal Year 2015) will result in an increase of almost \$10 million in wholesale treated water and raw water costs beginning October 1, 2015. Dallas will pass this increase in expense on to all of its retail customers and wholesale customers based on cost of service and existing contract provisions. This expense will be included in the 2015 Wholesale Cost of Service Study currently being performed. The Wholesale Cost Study including draft rates will be mailed to Joint Rate Subcommittee members for review the third week of June. If Dallas partially or totally prevails in the rate case, some or all of the funds in the escrow account will be returned but resolution of the dispute could take several years.

Dallas will continue to do all it can to ensure a favorable outcome and to keep you informed of the legal proceedings and any significant rate impacts. In the meantime, please let us know if you have any questions by contacting Jody Puckett at 214-670-3188 or jo.puckett@dallascityhall.com or Terry Lowery at 214-670-4685 or terry.lowery@dallascityhall.com.

Sincerely,



Mark McDaniel
Assistant City Manager

CC: A. C. Gonzalez, City Manager
Jo M. (Jody) Puckett, P.E., Director, City of Dallas Water Utilities
Terry Lowery, Assistant Director, City of Dallas Water Utilities
Isom Cameron, Managing Director of Public Utilities, City of DeSoto
Edena Atmore, Managing Director of Financial Services, City of DeSoto

Memorandum



CITY OF DALLAS

Date May 15, 2015

To Honorable Mayor and Members of the City Council

Subject Service Line Warranty Program Letters to Residents

On April 22, the City Council authorized an Interlocal Agreement with the North Central Texas Council of Governments and a one-year marketing license agreement, with three one-year renewals, with Utility Service Partners Private Label, Inc., dba Service Line Warranties of America (SLWA). SLWA is a private company that provides optional, month-to-month external warranties to homeowners for the portion of their water/sewer/in-home plumbing lines that are the responsibility of the homeowner. The homeowners' portion of the lines are not repaired by City crews if they break or fail. The Interlocal Agreement includes a non-exclusive license to use the City's name and logo on letterhead, advertising, and marketing materials.

During the term of this Agreement, SLWA will conduct three seasonal campaigns per year (spring, fall, and winter). The letters (example attached) for the spring sewer line campaign will be mailed to homeowners in the City of Dallas today, May 15, 2015. Reminder letters will be mailed out two weeks later on Friday, May 29, 2015. Water line campaign letters will be mailed in the fall, and in-home plumbing campaign letters will be mailed to homeowners in the winter.

A temporary increase in phone calls to the 311 Call Center and Water Customer Service is anticipated. Accordingly, our customer service agents have been trained on SLWA program information, and agents will be able to connect customers with SLWA directly for more questions. Information regarding this voluntary program will also be placed on our website, and a related press release will be issued as well.

This program encourages residents to report line leaks in a timely manner which conserves water and minimizes wastewater pollution, and it is a valuable opportunity for City of Dallas homeowners if they choose to participate in the program. If you have any questions, please let me know.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel
Assistant City Manager

Attachment: Letter

C: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



City of Dallas



T1 P1*****AUTO**5 DIGIT 26301
John Smith
987 Main Street
Anytown, ST 12345



Contact ID: 1234567

Re: Sewer Service Line Repair
Coverage for Dallas Homeowners

Reminder - Please disregard if you have already enrolled

Dear [Customer Name]:

Many homeowners are not aware that they are responsible for the repair of a broken sewer line after the line crosses their property line. Recognizing that residents are sometimes subject to expensive plumbing repairs on the private side of the meter, the City of Dallas recently agreed to assist Service Line Warranties of America (SLWA), a company identified by the North Central Texas Council of Governments, to make a private sewer line warranty program available to Dallas homeowners on a voluntary/optional basis. Typically, standard homeowner's insurance does not cover these repairs and you are encouraged to contact your insurance company to determine if coverage is needed prior to enrollment.

This new voluntary service line repair program offered by SLWA provides repair coverage for your outside private sewer line, up to \$4,000 per incident with no deductibles. SLWA's Sewer Line Warranty Program is the only service line protection program for homeowners endorsed by the National League of Cities. The program provides coverage 24 hours a day, 365 days a year.

SLWA, an independent organization, sells and administers the warranty program and is a Better Business Bureau Accredited Business with an A+ rating. SLWA has helped more than 100,000 homeowners across the country save over \$64 million in service line repair costs.

The City of Dallas in no way warrants or is liable for the work or performance of SLWA. Should you desire to participate in this voluntary program offered by SLWA, the cost is just \$6.50 per month – a savings of more than 10% on their standard price, or save even more with an annual payment of \$73.00 – a savings of more than 16%. Plus, SLWA will waive the 30-day waiting period, so you will get immediate coverage! To receive these benefits, enroll by July 3.

Homeowners* can enroll in this optional warranty program by returning the completed bottom portion of this letter in the enclosed envelope to SLWA or call 1-844-672-9103 to speak with an SLWA agent Monday through Friday 9:00 am to 5:00 pm, or visit www.slwofa.com where you can enroll online – and learn about other service line warranty products available in your area!

Sincerely,

The City of Dallas

* Owners of single family rental properties can enroll by calling 1-844-672-9103.

Complete warranty terms and conditions will be provided following enrollment. Program participation may be terminated at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.

✂ Cut here

[LETTERCD]



John Smith
987 Main Street
Anytown, ST 12345
Contact ID: 1234567

Send No Money Now: You Will Receive a Separate Bill

To enroll or to view the Terms and Conditions, please visit www.slwofa.com.

Please mark your selection:

- Yes, please enroll me in the Sewer Line Warranty for just \$6.50 per month.
- I want to save more. Enroll me in the Sewer Line Warranty for \$73.00 per year.

I certify to the best of my knowledge that my line is in good working order.

Signature: _____

Email: _____

Date: _____

To protect your privacy, we do not share your information.

