

Memorandum



CITY OF DALLAS

DATE April 7, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT FY 2016-17 Financial Forecast Report

Please find attached the Financial Forecast Report based on information through February 2017. This report covers five months of this fiscal year.

We forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$3.1 million. Based on current forecasts, revenues will be \$1.3 million below budget and expenses will be \$4.4 million below budget. Noteworthy variances are:

- We forecast Municipal Court revenues will be \$2.5 million below budget primarily because of the police department issuing fewer traffic citations.
- We forecast other charges for service will be \$4.5 million below budget primarily because of reductions in Fire-Rescue Department revenues including fire watch inspection services, contract delays for the Mobile Community Health Program, and a change to the interlocal agreement with Parkland Health System.
- We forecast Fire Department expenditures will be \$0.8 million below budget primarily because of salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. We anticipate attrition of 190 officers this year and hiring of 98.
- We forecast Police Department expenditures will be \$2.9 million below budget primarily because of salary and pension savings, offset by increased use of overtime and increased vacation/sick termination payments. We anticipate attrition of 360 officers this year and hiring of 200.

Details related to other budget variances may be found at the end of the report. We will continue to closely monitor revenues and expenditures and keep you informed.

602 M. Elizabeth Reich
Chief Financial Officer

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager

Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Majed A. Al-Ghafry, Assistant City Manager
Alan E. Sims, Interim Chief of Community Services
Theresa O'Donnell, Interim Chief of Economic Development & Neighborhood Services
Directors and Assistant Directors



FY 2016-17

Financial Forecast Report

Information as of February 28, 2017



GENERAL FUND

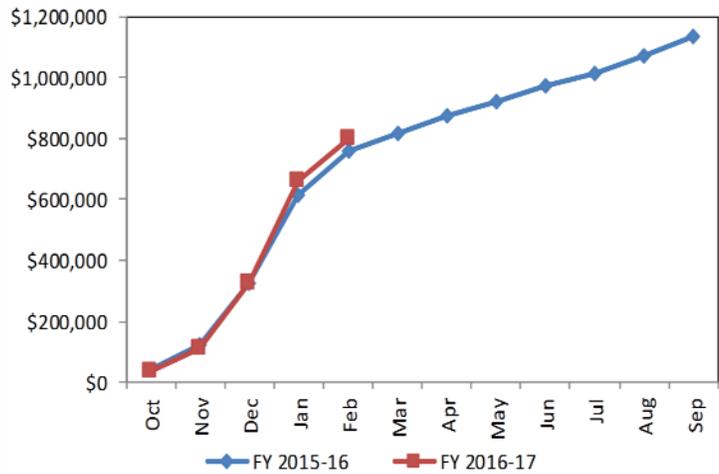
As of February 28, 2017
(000s)

ITEM	AMENDED BUDGET¹	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Revenues	\$1,230,598	\$799,426	\$1,229,324	(\$1,274)
Expenditures	1,230,598	449,207	1,226,230	(4,368)
Net Excess of Revenues Over Expenditures/Transfers	\$0	\$350,219	\$3,094	\$3,094

GENERAL FUND REVENUES

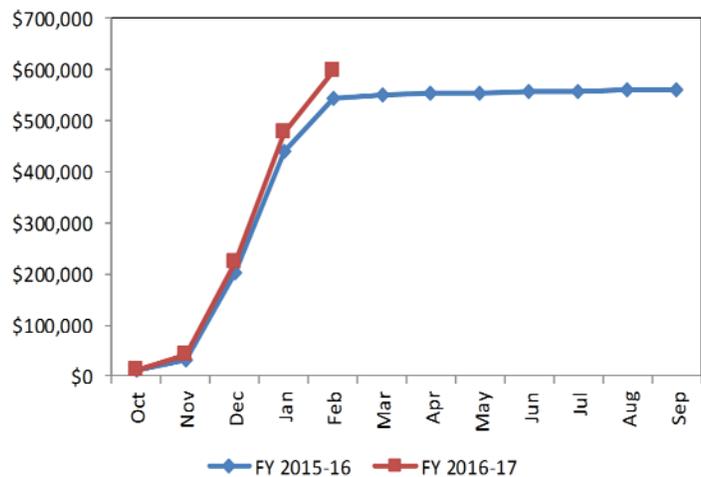
ALL SOURCES

	FY 2015-16	FY 2016-17	Variance
Oct	\$41,660	\$36,761	(\$4,898)
Nov	77,665	75,718	(1,947)
Dec	203,876	210,273	6,397
Jan	288,996	336,924	47,928
Feb	147,975	139,749	(8,226)
Mar	53,193		
Apr	58,776		
May	49,762		
Jun	47,660		
Jul	45,379		
Aug	56,960		
Sep	62,480		
Total	\$1,134,380	\$799,426	\$39,255



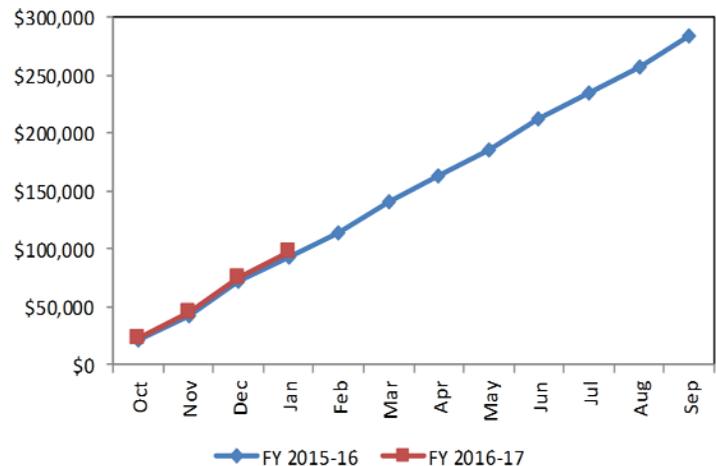
PROPERTY TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$11,487	\$12,787	\$1,300
Nov	20,589	29,060	8,471
Dec	169,848	181,782	11,934
Jan	237,273	252,156	14,883
Feb	104,025	120,141	16,116
Mar	7,675		
Apr	2,364		
May	1,593		
Jun	2,523		
Jul	858		
Aug	852		
Sep	891		
Total	\$559,978	\$595,925	\$52,704



SALES TAX

	FY 2015-16	FY 2016-17	Variance
Oct	\$21,769	\$23,256	\$1,487
Nov	20,524	22,167	1,643
Dec	30,137	30,146	9
Jan	21,258	21,810	552
Feb	20,418		
Mar	27,482		
Apr	22,265		
May	22,311		
Jun	26,609		
Jul	21,921		
Aug	22,670		
Sep	26,554		
Total	\$283,918	\$97,380	\$3,691



GENERAL FUND REVENUES

As of February 28, 2017
(000s)

	AMENDED BUDGET¹	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax ²	\$610,219	\$595,925	\$611,900	\$1,681
Sales Tax ³	292,189	97,380	293,260	1,071
TOTAL TAXES	902,408	693,305	905,160	2,752
FRANCHISE REVENUES				
Oncor Electric ⁴	51,078	28,417	52,108	1,030
AT&T	9,594	5,198	9,594	0
Atmos Energy ⁵	17,157	6,422	16,157	(1,000)
Time Warner Cable	6,210	1,668	6,210	0
Other	29,737	13,071	30,370	634
TOTAL FRANCHISE REVENUES	113,775	54,776	114,439	664
LICENSES AND PERMITS	4,891	2,746	4,871	(19)
INTEREST EARNED⁶	1,316	1,371	2,783	1,467
INTERGOVERNMENTAL⁷	8,501	435	9,065	565
FINES AND FORFEITURES				
Municipal Court ⁸	18,701	6,943	16,191	(2,510)
Vehicle Towing & Storage	7,146	3,185	7,346	200
Parking Fines	5,022	1,391	5,022	0
Red Light Camera Fines	7,460	0	7,460	0
Public Library ⁹	431	73	295	(136)
TOTAL FINES	38,760	11,592	36,314	(2,446)
CHARGES FOR SERVICE				
Parks	10,522	3,209	10,620	98
Emergency Ambulance	32,091	6,665	32,347	255
Security Alarm	4,380	1,725	4,375	(5)
Street Lighting	648	285	648	0
Vital Statistics	1,600	666	1,614	14
Other ¹⁰	28,311	9,812	23,847	(4,464)
TOTAL CHARGES	77,552	22,363	73,451	(4,101)
INTERFUND REVENUE	75,782	9,969	75,549	(232)
MISCELLANEOUS	7,616	2,870	7,692	77
TOTAL REVENUES	\$1,230,598	\$799,426	\$1,229,324	(\$1,274)

GENERAL FUND EXPENDITURES

ALL EXPENSES

	FY 2015-16	FY 2016-17	Variance
Oct	\$75,601	\$71,583	(\$4,018)
Nov	78,065	97,700	19,635
Dec	124,594	98,282	(26,312)
Jan	97,321	94,625	(2,696)
Feb	84,683	87,016	2,333
Mar	95,576		
Apr	86,104		
May	126,118		
Jun	90,989		
Jul	82,900		
Aug	93,679		
Sep	85,148		

Total \$1,120,778 \$449,207 (\$11,057)

POLICE

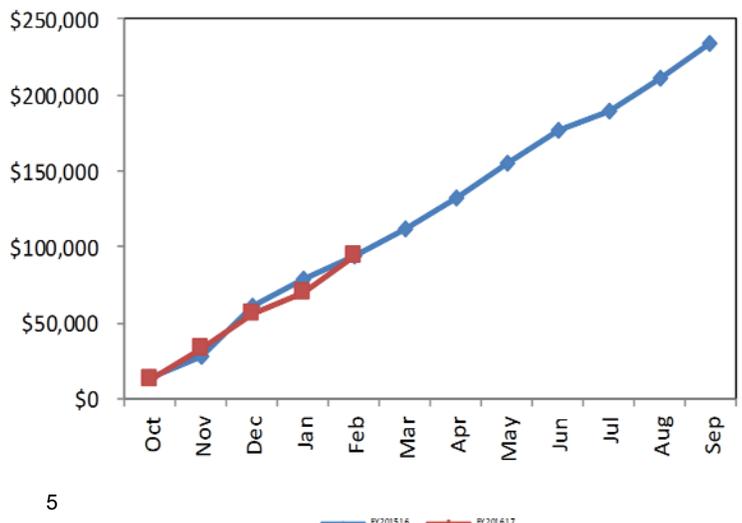
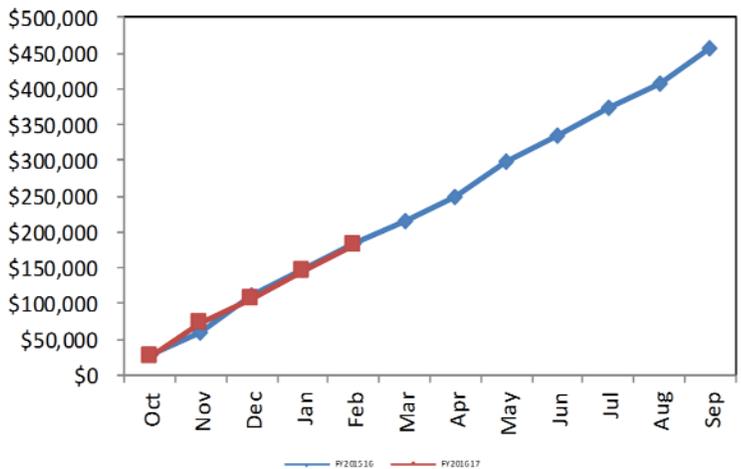
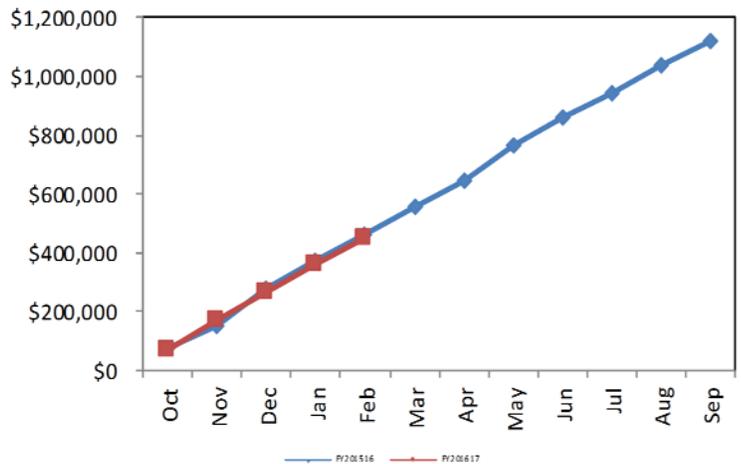
	FY 2015-16	FY 2016-17	Variance
Oct	\$28,488	\$25,289	(\$3,199)
Nov	31,370	46,089	14,719
Dec	52,490	35,634	(16,856)
Jan	35,550	37,304	1,754
Feb	37,126	36,295	(831)
Mar	30,058		
Apr	34,931		
May	48,649		
Jun	37,058		
Jul	38,075		
Aug	32,689		
Sep	49,363		

Total \$455,847 \$180,611 (\$4,413)

FIRE

	FY 2015-16	FY 2016-17	Variance
Oct	\$13,994	\$12,198	(\$1,796)
Nov	14,184	20,784	6,600
Dec	32,389	23,355	(9,034)
Jan	17,547	13,952	(3,595)
Feb	16,128	23,830	7,702
Mar	18,076		
Apr	19,295		
May	23,154		
Jun	21,372		
Jul	13,779		
Aug	21,006		
Sep	23,230		

Total \$234,154 \$94,119 (\$123)



GENERAL FUND EXPENDITURES

As of February 28, 2017
(000s)

DEPARTMENT	AMENDED BUDGET ¹	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$25,312	\$12,179	\$25,312	\$0
Business Dev/Procurement Svcs	3,041	1,170	3,037	(3)
City Attorney's Office	16,783	6,370	16,783	0
City Auditor's Office	3,194	1,112	3,118	(76)
City Controller's Office	5,441	1,866	5,281	(161)
City Manager's Office	2,305	1,328	2,305	0
City Secretary's Office	2,029	644	2,029	(0)
Civil Service	2,887	918	2,885	(2)
Code Compliance	42,386	16,680	42,386	0
Court Services	11,976	4,679	11,828	(147)
Elections ¹¹	1,401	40	1,902	502
Fire ¹²	254,603	94,119	253,779	(823)
Housing	14,403	3,226	14,403	(0)
Human Resources	5,220	2,068	5,132	(88)
Independent Audit	865	-	865	0
Jail Contract - Lew Sterret	7,813	2,604	7,813	0
Judiciary	3,296	1,384	3,233	(62)
Library	29,984	11,891	29,984	0
Management Services	10,235	4,576	10,220	(16)
Mayor and Council	4,465	1,757	4,532	67
Mobility and Street Services	84,577	38,257	84,547	(30)
Mobility and Street Services-Street Lighting	16,956	6,735	16,956	0
Non-Departmental	70,412	980	70,101	(312)
Office of Cultural Affairs	19,605	11,830	19,605	0
Office of Economic Development	2,575	1,647	2,575	0
Office of Financial Services	2,957	970	2,954	(2)
Park and Recreation	94,673	37,172	94,450	(223)
Planning & Urban Design	3,029	963	2,923	(106)
Police ¹³	478,004	180,611	475,148	(2,856)
Sustainable Dev/Construction	1,386	1,153	1,357	(29)
Trinity Watershed Management	1,318	276	1,318	0
RESERVES AND TRANSFERS				
Contingency Reserve	1,650	0	1,650	0
Liability/Claim Fund	4,283	0	4,283	0
Salary & Benefit Reserve ¹⁴	1,537	0	1,537	0
TOTAL EXPENDITURES	\$1,230,598	\$449,207	\$1,226,230	(\$4,368)

PROPRIETARY FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
AVIATION				
BEGINNING FUND BALANCE	\$9,907	\$ -	\$9,907	\$ -
REVENUES:				
Parking	27,143	10,102	26,352	(791)
Terminal Concessions	25,416	9,036	25,403	(12)
Landing Fees	17,784	7,488	17,784	(0)
Rental on Airport - Terminal	14,789	5,676	14,789	0
Rental on Airport - Field	8,586	3,182	8,586	0
Fuel Flow Fees	1,225	452	1,225	(0)
All Remaining Revenues	3,230	2,272	4,522	1,291
TOTAL REVENUES	98,174	38,206	98,662	489
TOTAL EXPENDITURES	99,188	30,463	99,124	(64)
ENDING FUND BALANCE	\$8,893	\$ -	\$9,445	\$552
CONVENTION AND EVENT SERVICES				
BEGINNING FUND BALANCE	\$29,150	\$ -	\$29,150	\$ -
REVENUES:				
Hotel Occupancy Tax	58,856	17,822	58,527	(330)
Alcoholic Beverage Tax	12,445	3,140	12,528	82
Operating Revenues	25,002	10,361	27,624	2,622
Office of Special Events	100	48	106	7
TOTAL REVENUES¹⁵	96,403	31,372	98,785	2,382
TOTAL EXPENDITURES¹⁵	96,403	28,174	98,785	2,382
ENDING FUND BALANCE	\$29,150	\$ -	\$29,150	\$0

PROPRIETARY FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION				
BEGINNING FUND BALANCE	\$36,856	\$ -	\$36,856	\$ -
REVENUES:				
Building Permits	19,240	9,315	19,603	363
Certificate of Occupancy	1,412	478	1,412	0
Plan Review	3,749	1,928	3,870	121
Registration/License	1,028	451	1,028	0
Special Plats	887	449	887	0
Private Development	1,010	602	1,156	146
Zoning	1,184	448	1,184	0
Interest Earnings	117	180	155	38
All Remaining Revenues	1,477	761	1,477	0
TOTAL REVENUES	30,103	14,612	30,772	668
TOTAL EXPENDITURES¹⁶	36,090	9,936	32,041	(4,050)
ENDING FUND BALANCE	\$30,869	\$ -	\$35,587	\$4,718
MUNICIPAL RADIO				
BEGINNING FUND BALANCE	\$1,288	\$ -	\$1,288	\$ -
REVENUES:				
Local and National Sales	1,980	715	2,000	20
All Remaining Revenues	75	6	15	(60)
TOTAL REVENUES	2,055	721	2,015	(40)
TOTAL EXPENDITURES	2,032	803	1,923	(109)
ENDING FUND BALANCE	\$1,310	\$ -	\$1,379	\$69

PROPRIETARY FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
WATER UTILITIES				
BEGINNING FUND BALANCE	\$87,038	\$ -	\$87,038	\$ -
REVENUES:				
Treated Water - Retail	294,427	109,321	294,846	419
Treated Water - Wholesale	84,700	34,153	83,833	(868)
Wastewater - Retail	236,075	91,189	234,036	(2,039)
Wastewater - Wholesale	10,554	4,074	10,188	(366)
All Remaining Revenues	31,708	12,537	31,379	(329)
TOTAL REVENUES	657,465	251,274	654,282	(3,183)
TOTAL EXPENDITURES	657,465	204,425	654,282	(3,183)
ENDING FUND BALANCE	\$87,038	\$ -	\$87,038	\$0
COMMUNICATION & INFORMATION SERVICES				
BEGINNING FUND BALANCE	\$11,178	\$ -	\$11,178	\$ -
REVENUES:				
Interdepartmental Charges	58,330	14,046	58,330	0
Telephones Leased	7,723	780	7,723	0
Circuits	1,449	0	1,449	0
Desktop Services	0	2	2	2
Interest	150	50	120	(20)
Equipment Rental	5,002	71	5,002	0
Miscellaneous	171	56	171	1
TOTAL REVENUES	72,825	15,005	72,797	(28)
TOTAL EXPENDITURES	74,838	36,222	74,392	(446)
ENDING FUND BALANCE	\$9,165	\$ -	\$9,583	\$418

PROPRIETARY FUNDS

As of February 28, 2017

(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EQUIPMENT SERVICES				
BEGINNING FUND BALANCE	\$4,450	\$ -	\$4,450	\$ -
REVENUES:				
Rental/Wreck	33,541	5,989	34,536	995
Fuel	16,482	2,388	16,482	0
Auto Auction/Non-Taxable	418	267	418	0
Miscellaneous Revenue	391	284	533	142
Interest and Other	5	0	0	(5)
TOTAL REVENUES	50,837	8,928	51,969	1,132
TOTAL EXPENDITURES	50,837	14,978	51,481	644
ENDING FUND BALANCE	\$4,450	\$ -	\$4,938	\$489
 EXPRESS BUSINESS CENTER				
BEGINNING FUND BALANCE	\$1,631	\$ -	\$1,631	\$ -
REVENUES:				
Postage Sales	2,703	607	2,703	0
All Other Revenues	1,278	922	1,278	0
TOTAL REVENUES	3,981	1,529	3,981	0
TOTAL EXPENDITURES	3,780	1,177	3,780	0
ENDING FUND BALANCE	\$1,833	\$ -	\$1,833	\$0

PROPRIETARY FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
SANITATION SERVICES				
BEGINNING FUND BALANCE	\$14,681	\$ -	\$14,681	\$ -
REVENUES:				
Residential Collection	72,502	31,126	73,445	943
Cost Plus Bulk/Brush	122	50	126	5
Sale of Recyclables	695	695	1,026	331
City Facility Collection	737	314	753	16
Landfill Revenue	21,890	12,238	24,970	3,080
TOTAL REVENUES¹⁷	95,946	44,423	100,321	4,375
TOTAL EXPENDITURES¹⁷	95,946	30,735	96,719	773
ENDING FUND BALANCE	\$14,681	\$ -	\$18,283	\$3,602

OTHER FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
9-1-1 SYSTEM OPERATIONS				
BEGINNING FUND BALANCE	\$5,494	\$ -	\$5,494	\$ -
REVENUES:				
9-1-1 Service Receipts - Wireless	6,374	2,491	6,340	(35)
9-1-1 Service Receipts - Wireline	6,450	2,582	6,282	(168)
Interest and Other	48	32	79	31
TOTAL REVENUES	12,873	5,105	12,701	(172)
TOTAL EXPENDITURES	16,389	2,061	16,377	(11)
ENDING FUND BALANCE	\$1,978	\$ -	\$1,818	(\$161)
 STORM DRAINAGE MANAGEMENT				
BEGINNING FUND BALANCE	\$6,754	\$ -	\$6,754	\$ -
REVENUES:				
Storm Water Fees	50,856	19,758	50,856	-
Interest and Other	81	37	81	0
TOTAL REVENUES	50,937	19,795	50,937	0
TOTAL EXPENDITURES	53,008	10,596	52,989	(18)
ENDING FUND BALANCE	\$4,683	\$ -	\$4,701	\$18

OTHER FUNDS

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
EMPLOYEE BENEFITS				
BENEFITS ADMINISTRATION				
TOTAL EXPENDITURES	\$998	\$268	\$998	\$0
WELLNESS PROGRAM				
TOTAL EXPENDITURES	\$349	\$63	\$281	(\$68)
RISK MANAGEMENT				
TOTAL EXPENDITURES	\$2,630	\$1,120	\$2,641	\$11

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2016	\$3,158
Budgeted Revenue	9,453
FY 2016-17 Available Funds	12,611
Paid October 2016	(596)
Paid November 2016	(315)
Paid January 2017	(422)
Paid February 2017	(343)
Balance as of February 28, 2017	10,935

DEBT SERVICE FUND

As of February 28, 2017
(000s)

DEPARTMENT	BUDGET	YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
DEBT SERVICE FUND				
BEGINNING FUND BALANCE	\$10,235	\$ -	\$10,235	\$ -
REVENUES:				
Ad Valorem	242,487	189,001	243,113	625
Interest/Transfers/Other	19,799	652	19,799	0
TOTAL REVENUES	262,287	189,653	262,912	625
TOTAL EXPENDITURES	261,865	209,698	261,865	0
ENDING FUND BALANCE	\$10,657	\$ -	\$11,282	\$625

NOTES

(Dollars in 000s)

1. The General Fund budget was amended/increased based on Council's approved use of contingency reserve funds:
 - Increased by \$500 on February 22, 2017 by CR# 17-0438 for additional legal services necessary to continue representing four Dallas City Councilmembers with regard to the Dallas Police and Fire Pension System; and
 - Increased by \$759 on March 22, 2017 by CR# 17-0483 for actuarial services related to the Dallas Police and Fire Pension System.
2. Ad Valorem tax revenues are forecast to be \$1,681 over budget based on current year property tax receipts trending above average.
3. Sales tax revenues are forecast to be \$1,071 over budget based on current sales tax receipts. Sales tax receipts have increased by 4.1 percent over the most recent 12 months.
4. Oncor Electric revenues are forecast to be \$1,030 over budget based on current receipts.
5. Atmos Energy revenues are forecast to be \$1,000 below budget primarily due to a warm fall and winter, which led to decreased gas consumption by customers.
6. Interest earned revenues are forecast to be \$1,467 above budget due to an increase in the market interest rate.
7. Intergovernmental revenues are projected to be \$565 above budget primarily due to a refund check received from the Dallas County Elections Department and a Dallas Fire Rescue deployment reimbursement received from the State.
8. Municipal Court revenues are forecast to be \$2,510 below budget primarily as a result of a decrease in the volume of citations being issued.
9. Public Library revenue is projected to be \$136 below budget due to implementation of automatic renewal on materials that have been checked out at library locations and an increase in the usage of e-materials. Fines and late fees are not collected on e-materials as they are electronically recalled on the due date.
10. Other Charges for Services is projected to be \$4,464 below budget primarily due to the reduction of fire watch inspection services at the American Airlines Center, contract delays for the Mobile Community Health Program and a change in the interlocal agreement with Parkland Health System for Biotel services whereby government entities that would formerly reimburse the City for Biotel services now contract directly with Parkland.
11. Elections expenditures are forecast to be \$502 above budget due to an increase in costs associated with several jurisdictions withdrawing from the May Joint Election.

NOTES

(Dollars in 000s)

12. Fire Department expenditures are forecast to be \$823 below budget primarily due to salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass.

13. Police Department expenditures are forecast to be \$2,856 below budget primarily as a result of salary and pension savings offset by increased use of overtime and increased vacation/sick termination payments. Pension savings are a result of the budget including funds to increase the City's contribution rate contingent upon members increasing their contribution rate via plan election, which did not pass. Additionally, the Police Department planned to hire 451 officers this year, however, that proved to be extremely difficult so the revised plan includes 200 new hires.

14. Salary and Benefit Reserve funds were allocated to City Attorney's Office (\$124) and City Manager's Office (\$340) to offset vacation/sick termination payments.

15. Convention and Event Services is projected to be \$2,382 above budget in revenues and expenditures due to large catered events that exceeded the contractual minimum guarantees.

16. Sustainable Development and Construction is projected to be \$4,050 below budget due to vacancies and technology enhancements deferred to FY 2017-18.

17. Sanitation Services revenues are projected to be \$4,375 above budget due to an increase in cash customers at the landfill. Expenses are projected to be \$773 above budget due to increase in landfill activity.

Memorandum



CITY OF DALLAS

DATE April 7, 2017

TO Honorable Mayor and the Members of the City Council

SUBJECT Pilot Panhandling Initiative Update

On December 12, 2016, staff briefed the Public Safety Committee on a proposed panhandling initiative similar to what exists in the city of Albuquerque, New Mexico (see attached). The primary concern that has been expressed consistently is the impact that aggressive panhandlers have on the surrounding community including adjacent neighborhoods, business establishments, restaurants, visitors and the general public. In response to those concerns, staff proposed a three-pronged approach to the deal with aggressive panhandlers:

1. Increased enforcement by the police department
2. Employment Opportunities
3. Marketing Campaign to encourage donations to homeless service providers instead of giving directly to the homeless.

In January and February, staff held weekly meetings with homeless service providers including The Bridge, Stew Pot, Austin Street, Dallas Life, Union Gospel Mission (UGM), Our Calling, Salvation Army, and CitySquare. Some adjacent neighbors and representatives from Downtown Dallas Inc. (DDI) also participated in the meetings. The service providers and other participants provided feedback on the objectives and outcomes of the initiative. They also provided valuable input into the best locations and preferred dates and times for pickup, types of activities that could be performed, coordination of case management and other services to be provided after their work day has been completed. These recommendations were considered when developing the bid specifications soliciting proposers for the initiative. We are on track for the initiative to begin in late spring/early summer as projected in the timeline presented to the Public Safety committee.

The Police Department has continued its aggressive enforcement for violations of the panhandling ordinance. The marketing campaign was delayed due to the fact the city attorney's office has determined we are unable to accept "pro bono" advertising/media services from an outside advertising company without formal solicitation.

DATE April 7, 2017
SUBJECT Pilot Panhandling Initiative Update

We are now working with the Business Development and Procurement Services (Purchasing) to comply with the City's procurement requirements.



Alan E. Sims
Interim Chief of Community Services

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Theresa O'Donnell, Interim Chief of Economic Development & Neighborhood Services
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE April 7, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT Current Status of Lane Plating Works, Inc. and Potential Superfund Listing

The purpose of this memorandum is to provide information regarding the current environmental conditions at and around the Lane Plating Works Inc. facility (Lane Plating), a former metal plating facility located at 5322 Bonnie View Road, Dallas, Texas (City Council District 8).

Background. Lane Plating was in operation for approximately 90 years and closed when its owner, Stag Management, Inc., declared bankruptcy in October 2015. Between 2011 and 2015, compliance audits and investigations at Lane Plating by the Texas Commission on Environmental Quality (TCEQ), the U.S. Environmental Protection Agency (EPA), and the Occupational Safety and Health Administration (OSHA) identified violations of federal and state environmental and workplace safety regulations. Lane Plating does not have a recent history of municipal ordinance violations, and the City did not cause or contribute to the current conditions at Lane Plating.

From November 2015 until July 2016, TCEQ conducted short-term response activities to address hazardous wastes¹ left onsite and initiated an investigation of potential impacts to on- and off-site soil and surface water quality. In late 2016, EPA conducted a supplemental emergency response action at Lane Plating that resulted in disposal of on-site liquid wastes, impacted soils, and municipal solid waste. Contaminated soil and groundwater are still present on the site, and the City understands that EPA and TCEQ will investigate the impacts and address them as appropriate.

Path forward for TCEQ and EPA. EPA and TCEQ have concluded that their interim on-site response activities reduced the potential risk to human health and the environment at Lane Plating and nearby properties. EPA and TCEQ have secured the perimeter by locking the fence to restrict public access to Lane Plating. EPA and TCEQ have not demolished any structures at Lane Plating (see Attachment A). Nevertheless, EPA and TCEQ are evaluating Lane Plating for potential inclusion in EPA's National Priorities List (NPL) as a federal Superfund site.² In the meantime, EPA has confirmed to the City that it will immediately conduct additional response actions should it determine that actual or

¹ The chemicals of concern at Lane Plating include antimony, arsenic, cadmium, cyanide, chromium, copper, lead, mercury, nickel, and zinc. These chemicals are commonly used in the metal plating process.

² The listing on the NPL as a Superfund site could make federal and state funding available for additional investigation. Each year, EPA typically proposes approximately 700 sites for inclusion on the NPL with less than 4% ultimately being placed on the NPL. Any potential proposal by EPA for inclusion of Lane Plating on the NPL would occur at least six to 12 months in the future.

DATE April 7, 2017
SUBJECT Current Status of Lane Plating Works, Inc. and Potential Superfund Listing

potential releases of hazardous substances at Lane Plating pose an imminent and substantial endangerment to human health or the environment.

Assuring protection of the public. As part of the investigation and remediation at Lane Plating, the City worked with TCEQ and EPA to ensure that there was no unidentified risk to the public at nearby City properties and public waterways. TCEQ and City staff visited and sampled soil, sediment, and surface water at various adjacent and downgradient City properties including Arden Terrace Park and College Park (see Attachments B and C). The data and report from sampling were recently provided to the City. Based on City staff's review of the data currently available, no exceedances of applicable regulatory health-based screening levels were identified in the soil, sediment, and surface water samples collected on City property that would pose a health threat.

One surface water sample collected in the Trinity River adjacent to Joppa Preserve (owned by Dallas County) identified a slightly elevated concentration of manganese. Joppa Preserve is approximately two miles away from Lane Plating (see Attachment D), and neither EPA nor TCEQ have determined that the exceedance is attributable to Lane Plating. TCEQ is not recommending any additional fish consumption advisories based on this result at this time. Accordingly, available data related to Lane Plating do not support a finding of risk to the public at Joppa Preserve.

Communicating with area residents. On April 17, 2017 at 6:00 p.m., Deputy Mayor Pro Tem Erik Wilson will host a community meeting at the Holy Cross Catholic Church located at 2926 East Ledbetter Drive, Dallas, TX, regarding Lane Plating and the issues described in this memorandum. EPA and TCEQ representatives will be present to answer questions and provide information. The City's Office of Environmental Quality (OEQ) is coordinating the event and will be responsible for working with TCEQ and EPA on an ongoing basis to: (1) provide information to area residents; (2) ensure that Lane Plating remains restricted from public access; (3) monitor the regulatory status of Lane Plating; (4) ensure any impacts are appropriately investigated and addressed; (5) review any additional data generated about Lane Plating; and (6) keep a watchful eye for potential off-site impacts. If additional concerns arise, we will update you and take action as appropriate.

Please let me know if you have concerns or require additional information.



Jill A. Jordan, P.E.
Assistant City Manager

Attachments

DATE April 7, 2017
SUBJECT Current Status of Lane Plating Works, Inc. and Potential Superfund Listing

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Theresa O'Donnell, Interim Chief of Economic Development
& Neighborhood Services
Majed A. Al-Ghafry, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Alan E. Sims, Interim Chief of Community Services
Directors and Assistant Directors

**Photographic Documentation
Attachment A**

Location: 5322 Bonnie View Road Dallas, Texas

Photograph No. 1

Date: 3/30/2017

Direction: East

Description:

Photograph taken facing east towards the site. View depicts secured perimeter fencing.



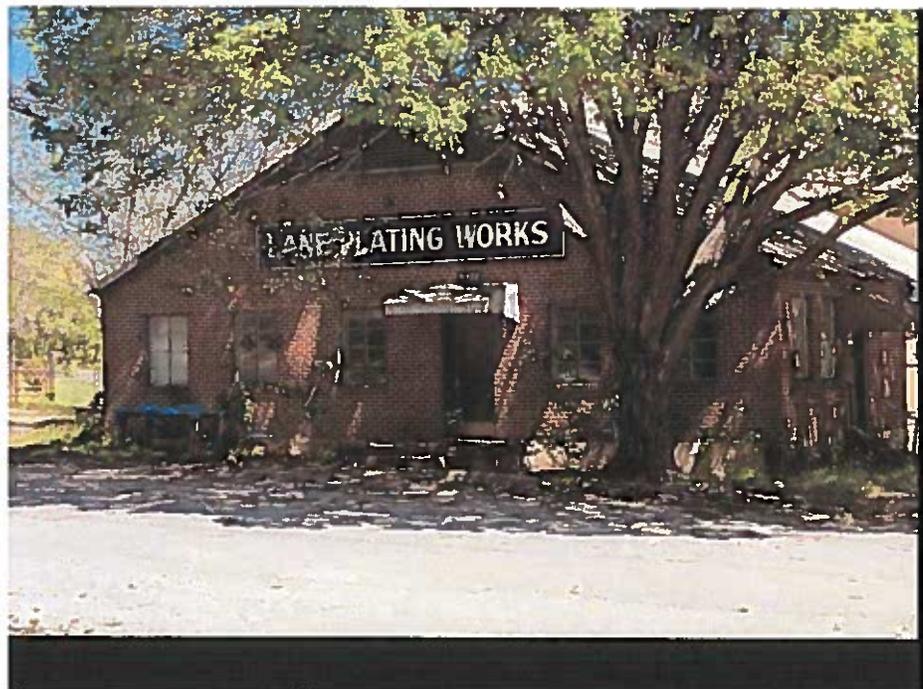
Photograph No. 2

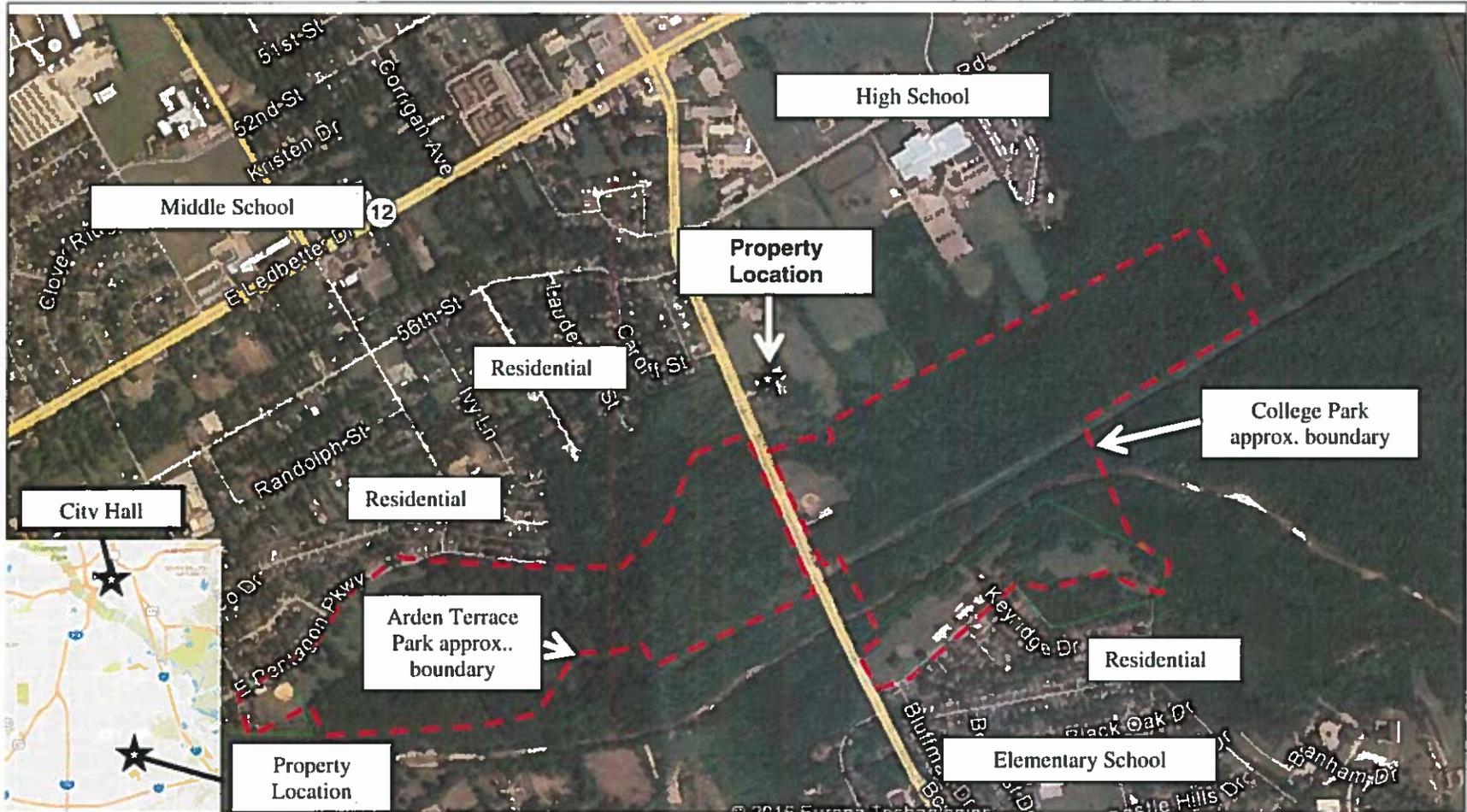
Date: 3/30/2017

Direction: East

Description:

Photograph taken facing east towards the site. View is focused in towards the site's building.





City of Dallas



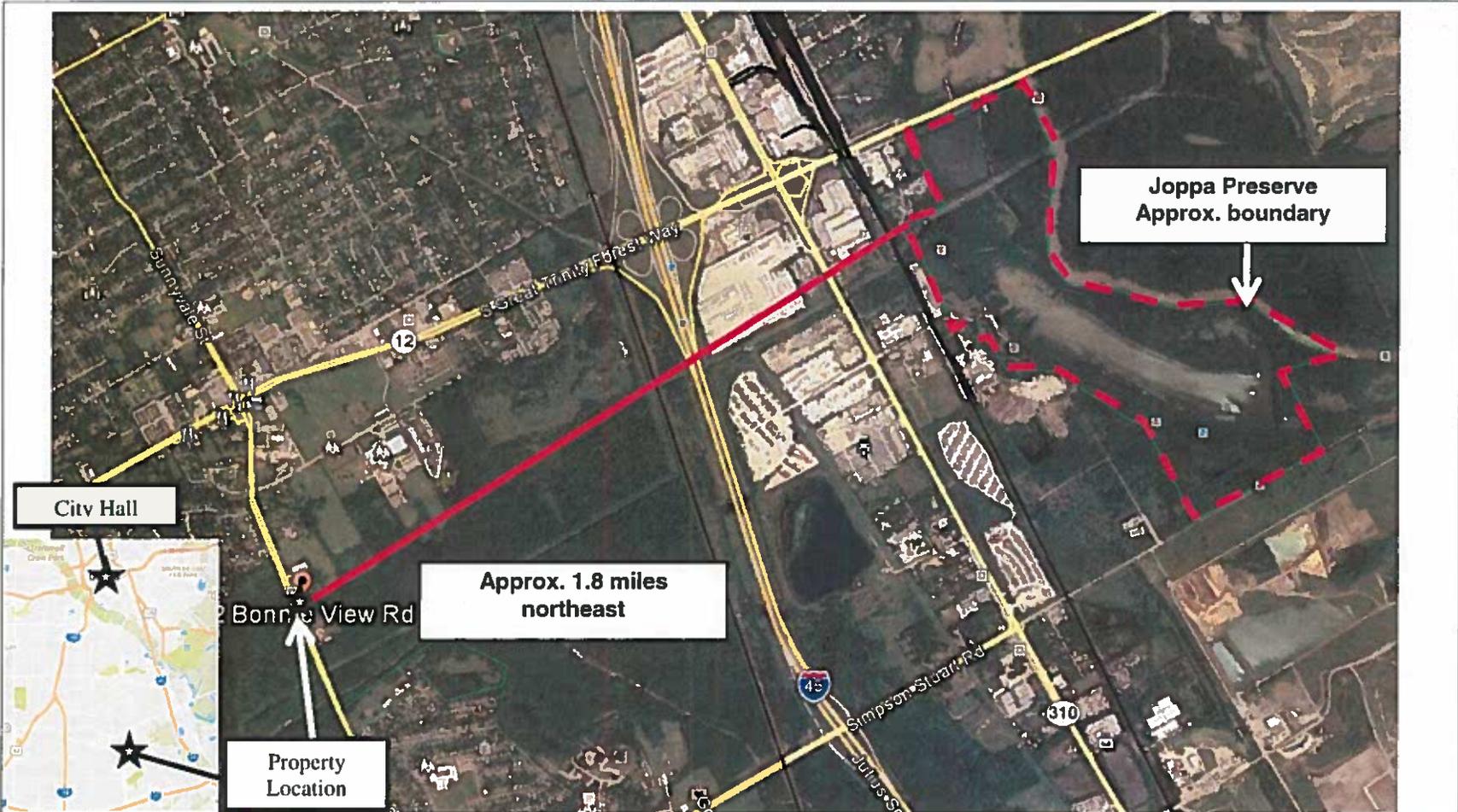
Attachment B
Property Location Figure
 Lane Plating Works, Inc.
 5322 Bonnie View Road
 Dallas, TX 75241



City of Dallas



Attachment C
Property Boundary Figure
Lane Plating Works, Inc.
5322 Bonnie View Road
Dallas, TX 75241



City of Dallas



Attachment D
Property Distance to Joppa Preserve
 Lane Plating Works, Inc.
 5322 Bonnie View Road
 Dallas, TX 75241

Memorandum



CITY OF DALLAS

DATE April 7, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **April 12, 2017 Agenda Item #25 - Correction Memo**

Please note the correction to the April 12, 2017 Agenda Item #25.

The referenced Council District 9 should be replaced with Council District 10. Should you have any questions or concerns, please feel free to contact me.

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

Alan E. Sims
Interim Chief of Community Services

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
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Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE April 7, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **April 12, 2017 Agenda Item for Convention and Event Services**

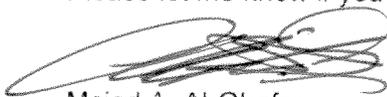
The April 12, 2017 City Council Agenda includes the following Convention and Event Services item for your consideration:

Agenda Item #16 – Authorize the purchase and installation of two replacement chillers, cooling towers and associated pumps at the Kay Bailey Hutchison Convention Center Dallas located at 650 South Griffin Street – Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance – Not to exceed \$2,430,632 – Financing: Convention and Event Services Current Funds

This action will authorize replacement of system components that support Hall C as identified in the Convention Center facility needs assessment. Hall C consists of approximately 200,000 square feet of pre-function meeting rooms, an exhibit hall and ballroom. The hall was constructed in 1984, and many of its HVAC components are original and in need of replacement.

U.S. Communities Government Purchasing Alliance conforms to the requirements of Texas statutes that are applicable for competitive bids and proposals, in accordance with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. In addition, they receive bids from manufacturers and dealers throughout the United States. Trane U.S., Inc., has provided pricing through U.S. Communities for this project including 25 percent minority participation. The replacement services will include labor and materials for the removal and replacement of two chillers, cooling towers and associated pumps. These system components are critical to providing adequate summer cooling. Approval on April 12, 2017 allows for substantial completion of the work in July 2017.

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



Majed A. Al-Ghafry
Assistant City Manager

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
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M. Elizabeth Reich, Chief Financial Officer
Alan E. Sims, Interim Chief of Community Services
Directors and Assistant Directors

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: April 12, 2017

COUNCIL DISTRICT(S): 2

DEPARTMENT: Equipment & Building Services
Convention and Event Services

CMO: Majed Al-Ghafry, 670-3302
Joey Zapata, 670-3009

MAPSCO: 45P

SUBJECT

Authorize the purchase and installation of two replacement chillers, cooling towers and associated pumps at the Kay Bailey Hutchison Convention Center Dallas located at 650 South Griffin Street - Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance - Not to exceed \$2,430,632 - Financing: Convention and Event Services Current Funds

BACKGROUND

U.S. Communities conforms to the requirements of Texas statutes that are applicable for competitive bids and proposals, in accordance with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. In addition, they receive bids from manufacturers and dealers throughout the United States. Trane U.S., Inc., has provided pricing through the U.S. Communities Government Purchasing Alliance for the replacement of these components at the Kay Bailey Hutchison Convention Center Dallas. The replacement services include labor and materials for the removal and replacement of two chillers, cooling towers and associated pumps. These system components are critical to providing adequate summer cooling.

This action will authorize replacement of the system as identified in the Convention Center needs assessment for Hall C. Hall C consists of approximately 200,000 square feet of prefunction meeting rooms, an exhibit hall and ballroom. The hall was constructed in 1984, and many of its heating, ventilation and air conditioning components are original and in need of replacement.

ESTIMATED SCHEDULE OF PROJECT

Begin Replacement April 2017
Substantial Completion July 2017
Complete Replacement September 2017

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

Convention and Event Services Current Funds - \$2,430,632

M/WBE INFORMATION

See Attached.

ETHNIC COMPOSITION

Trane U.S., Inc.

White Male	135	White Female	28
Black Male	7	Black Female	1
Hispanic Male	6	Hispanic Female	0
Other Male	9	Other Female	0

OWNER

Trane U.S., Inc.

David Regnery, President
Kevin Baxter, Vice President

MAP

Attached

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize the purchase and installation of two replacement chillers, cooling towers and associated pumps at the Kay Bailey Hutchison Convention Center Dallas located at 650 South Griffin Street - Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance - Not to exceed \$2,430,632 - Financing: Convention and Event Services Current Funds

Trane U.S., Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use the following sub-contractors.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$1,822,974.00	75.00%
Total non-local contracts	\$607,658.00	25.00%
TOTAL CONTRACT	\$2,430,632.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

<u>Non-local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Dennis Services	WFDB95526Y0917	\$607,658.00	100.00%
Total Minority - Non-local		\$607,658.00	100.00%

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$607,658.00	25.00%
Total	\$0.00	0.00%	\$607,658.00	25.00%

April 12, 2017

WHEREAS, the need to perform a replacement of two chillers, cooling towers and associated pumps located in Hall C of the Kay Bailey Hutchison Convention Center Dallas, located at 650 South Griffin Street was identified; and

WHEREAS, Trane U.S., Inc. submitted a proposal through the U.S. Communities Government Purchasing Alliance for replacement of two chillers, cooling towers and associated pumps located in Hall C of the Kay Bailey Hutchison Convention Center Dallas; and

WHEREAS, it is now desirable to authorize a contract with Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance for the purchase and installation of two replacement chillers, cooling towers and associated pumps for the Kay Bailey Hutchison Convention Center Dallas, in an amount not to exceed \$2,430,632.

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 contract with Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance for the purchase and installation of two replacement chillers, cooling towers and associated pumps in Hall C of the Kay Bailey Hutchison Convention Center Dallas, in an amount not to exceed \$2,430,632, after approval as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is hereby authorized to disburse funds in accordance with the terms and conditions of the contract to Trane U.S., Inc. from Convention and Event Services Current Funds, Fund 0080, Department CCT, Unit 7826, Object 4720, Encumbrance CT 17CCT-7826HVACHC2, Vendor 192154.

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.

ESTIMATED SCHEDULE OF PROJECT

Begin Replacement	April 2017
Substantial Completion	July 2017
Complete Replacement	September 2017

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

Convention and Event Services Current Funds - \$2,430,632

M/WBE INFORMATION

See Attached.

ETHNIC COMPOSITION

Trane U.S., Inc.

White Male	135	White Female	28
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Other Male	9	Other Female	0

OWNER

Trane U.S., Inc.

David Regnery, President
Kevin Baxter, Vice President

MAP

Attached

ESTIMATED SCHEDULE OF PROJECT

Begin Replacement April 2017
Substantial Completion July 2017
Complete Replacement September 2017

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

Convention and Event Services Current Funds - \$2,430,632

M/WBE INFORMATION

See Attached.

ETHNIC COMPOSITION

Trane U.S., Inc.

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OWNER

Trane U.S., Inc.

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Kevin Baxter, Vice President

MAP

Attached

April 12, 2017

WHEREAS, the need to perform a replacement of two chillers, cooling towers and associated pumps located in Hall C of the Kay Bailey Hutchison Convention Center Dallas, located at 650 South Griffin Street was identified; and

WHEREAS, Trane U.S., Inc. submitted a proposal through the U.S. Communities Government Purchasing Alliance for replacement of two chillers, cooling towers and associated pumps located in Hall C of the Kay Bailey Hutchison Convention Center Dallas; and

WHEREAS, it is now desirable to authorize a contract with Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance for the purchase and installation of two replacement chillers, cooling towers and associated pumps for the Kay Bailey Hutchison Convention Center Dallas located at 650 South Griffin Street in an amount of \$2,430,632.

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 contract with Trane U.S., Inc., through the U.S. Communities Government Purchasing Alliance for the purchase and installation of two replacement chillers, cooling towers and associated pumps in Hall C of the Kay Bailey Hutchison Convention Center Dallas in an amount not to exceed \$2,430,632, after approval as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is authorized to disburse funds in accordance with the terms and conditions of the contract to Trane U.S., Inc. from Convention and Event Services Current Funds, Fund 0080, Department CCT, Unit 7826, Object 4310, Encumbrance CT 17CCT-7826HVACHC2, Vendor 192154, in an amount not to exceed \$2,430,632.

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

Memorandum



DATE April 7, 2017
TO Honorable Mayor and Members of the City Council
SUBJECT **City License Applications**

There were no Dance Hall and/or Sexual Oriented Business applications received for the week of March 27-31, 2017 by the Narcotics Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at lisette.rivera@dpd.ci.dallas.tx.us should you need further information.



Eric D. Campbell
Assistant City Manager

cc: T.C. Broadnax, City Manager
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