

Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item - Fair Park Management Agreement**

On September 18, Fair Park First, Spectra, and staff from Park and Recreation briefed the City Council on the Fair Park Management Agreement. After some additional negotiation prompted by Park Board and City Council suggestions, we are placing this item on the October 24 Council Agenda for consideration.

We will provide a redlined copy of the management agreement, as well as a copy of the sub-management agreement between Fair Park First and Spectra, to you, subject to the same confidentiality provisions as prior documents related to this procurement.

If you would like to discuss or have further questions about the Fair Park Management Agreement, Assistant City Manager Joey Zapata and I are available to meet with you prior to October 24. To schedule a meeting, please contact my office at (214) 670-3390.

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

M. Elizabeth Reich
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

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

Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Results of U.S. Department of Housing and Urban Development's Quality Control Review of the City of Dallas, Texas for the fiscal years ended September 30, 2016 and September 30, 2017**

As you may recall the City was notified earlier in the year that we had been selected for a Housing and Urban Development (HUD) Quality Control Review. HUD notified the City that they would be performing an audit of Grant's Thornton's audits for the fiscal years ended September 30, 2016 and September 30, 2017.

On October 5, 2018, Grant Thornton, LLP received a letter from HUD stating that they had completed their Community Planning and Development Quality Control Review of the related audits Grant Thornton, LLP performed for the fiscal years ended September 30, 2016 and September 2017.

I am happy to report that the results of HUD's Quality Control Review agreed with Grant Thornton, LLP's findings. Specifically, HUD found that Grant Thornton's major program determination complied with the Uniform Guidance and their audit procedures were in substantial compliance with applicable Community Planning and Development Compliance Supplement requirements.

This is great news that I wanted to share with you. Please let me know if you have any questions.

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

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
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U.S. Department of Housing and Urban Development

Potomac Center South
550 12th Street SW
Suite 100
Washington, D.C. 20410



OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

October 5, 2018

Mr. Dan Barron, Partner
Grant Thornton, LLP
1717 Main Street, Suite 1800
Dallas, TX 75201
E-mail: Dan.Barron@US.GT.com

Dear Mr. Barron:

At the request of the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD), personnel from the Office of Public and Indian Housing – Real Estate Assessment Center (REAC) have completed a CPD Quality Control Review (QCR) of the City of Dallas, Texas audits for fiscal years ended September 30, 2016 and September 30, 2017 performed by Grant Thornton, LLP (the Firm).

The objectives of this CPD QCR were to determine whether the Firm:

- correctly applied the Uniform Guidance in identifying major federal programs for its compliance audit; and
- documented and performed adequate audit procedures to address the audit objectives in the OMB Compliance Supplement for the CPD federal programs.

Based on the CPD QCR procedures performed, it is HUD's position that the Firm's major program determination complied with the Uniform Guidance and the Firm's audit procedures were in substantial compliance with applicable CPD Compliance Supplement requirements.

Thank you for your cooperation during this review. If you have any questions regarding our process, please contact Robert Nguyen at (202) 631-6166 or myself at (404) 229-8952.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Fox".

Deborah Fox
Supervisory Auditor
HUD/PIH/REAC
Financial Quality Assurance

Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Moody's Investors Service Credit Analysis Update Affirms City's A1 Stable Rating - INFORMATION**

On October 8, 2018, Moody's Investors Service (Moody's) released a credit opinion for the City which affirms the City's A1 stable rating. Moody's credit analysis focuses heavily on the Dallas Police and Fire Pension unfunded liability but provides positive comments regarding the City's current efforts and future growth in revenues. In particular, Moody's report states that, "the stable outlook considers the city's adequate level of operating reserves, and its enhanced fiscal management as evidenced by its implementation of forward-planning tools, including the biennial budget and longer range financial projections."

Similar to the article released in July, this is a positive reflection on Dallas following the adoption of the Fiscal Year 2018-19 budget and in advance of upcoming bond sales.

Please let me know if you need additional information.

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

M. Elizabeth Reich
Chief Financial Officer

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CREDIT OPINION

8 October 2018


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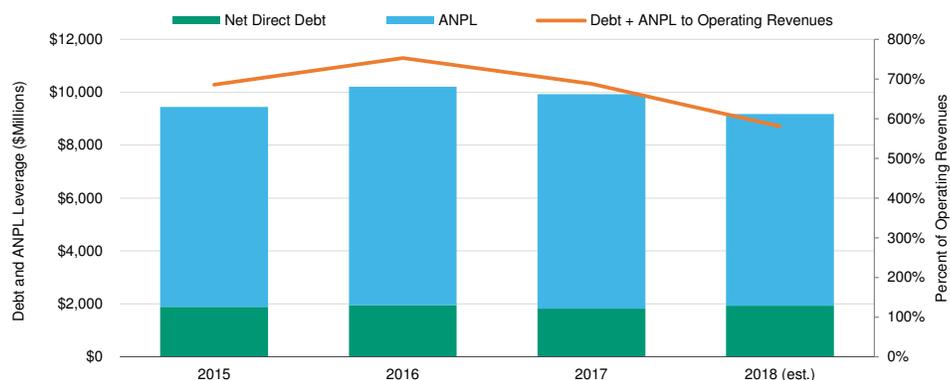
Dallas (City of) TX

Update to credit analysis

Summary

The city of Dallas (A1 stable) benefits from growing revenues stemming from strong economic growth and a rapidly expanding tax base, a stable and manageable debt burden even with ramped up investment in city infrastructure, and modestly improving, healthy operating reserves. The city's primary credit weakness is poorly funded pension plans, namely the Dallas Police and Fire Pension. Major reform has brought about a significant reduction in the city's unfunded pension liabilities, but the city still faces significant risk that its costs must rise above currently planned levels. The city's unfunded liabilities will likely continue growing for the foreseeable future because its statutory contribution schedule remains below our "tread water" indicator and its public safety pension asset portfolio is unlikely to produce targeted return levels. The projected buildup of pension assets is heavily reliant on the pension system meeting investment return assumptions and payroll growth targets. Further, the city's credit profile is somewhat constrained by the need to increase public safety staffing and absorb increases to public safety salaries, which impacts the largest expenditure category in the city's general fund. However, based on our expectations of continued strong revenue growth and the city's implementation of longer-range financial planning, these operational pressures in combination with the trajectory of the pension funds, and the need to maintain core services, will be manageable challenges over the near term.

Exhibit 1

Pension reform and growing revenues point to reduced leverage relative to operating revenues in fiscal 2018


Debt figures include GOLT net of self-support from essential enterprises, accreted interest, as well as capital leases.

Source: Moody's Investors Service, city of Dallas audited financial reports

Credit strengths

- » Large, rapidly growing and diverse tax base that anchors the Dallas/Fort Worth metroplex
- » Population and employment growth that surpass national averages
- » Seven consecutive years of operating surpluses on a reported basis; growth in operating reserves
- » Legal flexibility to further adjust pension benefits for current employees on a prospective basis and ample legal flexibility to raise revenues or cut expenditures
- » [Settlement of public safety back-pay lawsuits](#) removes a large contingent liability

Credit challenges

- » Reduced though still elevated unfunded pension liability expected to grow; pension contributions below "tread water" level
- » Budgetary pressures over near to medium term stemming from increased pension contributions, coupled with the cost of service priorities of the city
- » Elevated fixed costs, including debt service, pension contributions and OPEB

Rating outlook

The stable outlook reflects the significantly reduced unfunded pension liability following reform of the Dallas Police and Fire Pension (DPFP), and continued strong economic growth which affords ample financial flexibility. Additionally, the stable outlook considers the city's adequate level of operating reserves, and its enhanced fiscal management as evidenced by its implementation of forward-planning tools, including the biennial budget and longer range financial projections.

Factors that could lead to an upgrade

- » Material reduction in Moody's Adjusted Net Pension Liability (ANPL) relative to operating reserves
- » Demonstrated balanced operations inclusive of pension funding at actuarially determined levels

Factors that could lead to a downgrade

- » Pension asset accumulation that lags targets; increases to the ANPL and weakened annual contributions
- » Trend of declining operating reserves
- » Significant increase in the debt burden

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Dallas (City of) TX	2013	2014	2015	2016	2017
Economy/Tax Base					
Total Full Value (\$000)	\$83,681,722	\$87,251,522	\$93,138,211	\$100,318,937	\$110,387,629
Population	1,222,167	1,240,985	1,260,688	1,278,433	1,270,170
Full Value Per Capita	\$68,470	\$70,308	\$73,879	\$78,470	\$86,908
Median Family Income (% of US Median)	70.8%	71.0%	71.1%	71.6%	71.6%
Finances					
Operating Revenue (\$000)	\$1,250,319	\$1,327,996	\$1,377,442	\$1,355,442	\$1,441,984
Fund Balance (\$000)	\$145,167	\$162,886	\$195,532	\$178,987	\$224,582
Cash Balance (\$000)	\$141,588	\$155,980	\$198,819	\$187,938	\$215,589
Fund Balance as a % of Revenues	11.6%	12.3%	14.2%	13.2%	15.6%
Cash Balance as a % of Revenues	11.3%	11.7%	14.4%	13.9%	15.0%
Debt/Pensions					
Net Direct Debt (\$000)	\$1,778,653	\$1,683,386	\$1,882,725	\$1,951,220	\$1,820,650
3-Year Average of Moody's ANPL (\$000)	\$5,229,534	\$5,860,728	\$6,476,453	\$7,117,560	\$7,974,116
Net Direct Debt / Full Value (%)	2.1%	1.9%	2.0%	1.9%	1.6%
Net Direct Debt / Operating Revenues (x)	1.4x	1.3x	1.4x	1.4x	1.3x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	6.2%	6.7%	7.0%	7.1%	7.2%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	4.2x	4.4x	4.7x	5.3x	5.5x

Source: Moody's Investors Service, city of Dallas audited financial reports

Profile

The city of Dallas is the ninth largest city in the US and the third largest city in Texas behind [Houston](#) (Aa3 stable) and [San Antonio](#) (Aaa stable). The city serves as the anchor to the Dallas-Fort Worth metroplex. The current population in Dallas is approximately 1.3 million.

Detailed credit considerations

Economy and tax base: strong economic indicators and tax base growth to continue

With job growth that continues to outpace the state and the nation, Dallas' tax base will continue to grow as strong population and job growth support demand for property. New development remains robust, particularly multi-family housing and office space. Assessed value (AV) growth has been very strong, most recently growing 9.9% in fiscal 2019, bringing the AV to a sizable \$130.1 billion. Following years of home appreciations that outpaced wage increases, annual growth is expected to soften but continue as home prices appreciate at a slower pace.

Demographic trends in the city are positive, with the population having increased by over 9% since the 2010 census to reach approximately 1.3 million. Dallas continues to have the largest job base in the metropolitan area, serving as home to many fortune 500 companies and a day time population that increases by over 20% relative to the resident population. As such, Dallas is a regional economic center for the metro area with thousands of people commuting to the city for work. The strong job and population growth has meant an increasing labor force with an unemployment rate that remains below the national average of 3.9%. As of May 2018, unemployment in the city was 3.5%, reflecting a tight labor market that puts upward pressure on wages. Employment growth has been visible across many sectors, and residents in the metropolitan area enjoy a diverse economic base with employment opportunities in the information technology, banking, commerce, medical, transportation, government and logistics sectors, among many others.

Financial operations and reserves: general fund to remain stable despite increased public safety expenditures

The city's financial position is stable and is expected to remain so over the near term supported by operating reserve policies, long range financial planning and continued economic growth. In 2019, the city has incorporated increased base salary and 3% pay increases to existing public safety employees. These budget approved increases are above negotiated levels per the meet and confer agreement

which expires in September 2019. The increased base salaries are partially attributable to challenges around increasing net public safety personnel. Though we expect that the city will be able to successfully absorb these increases, they will need to be incorporated into forward planning in years beyond fiscal 2019.

Fiscal 2017 ended with a strong surplus. Below-budget public safety headcount coupled with stronger than expected revenues and otherwise conservative budgeting led to a large \$44.1 million general fund surplus in fiscal 2017, bringing available general fund reserves to \$211.9 million or a healthy 17.4% of general fund revenues. Of note, the available general fund balance has increased annually, up from 12.7% of revenues in fiscal 2012. Inclusive of the debt service fund, the combined operating funds available balance increased to \$224.6 million in 2017, or 15.6% of operating revenues. The apparent structural balance and increasing reserves is somewhat muted by the annual underfunding of the pension plans such that the liability will grow, which persists but improves post-reform. The underfunding is largely attributable to statutory and/or local ordinance caps on contributions, and exacerbated in the recent past by severe asset loss in the public safety pension plan.

Looking forward, the city's general fund reserves will remain at least at policy levels over the next 5 years. The city expects to report a surplus and maintain reserves in fiscal 2018. The city's five year financial forecast tempers public safety hiring goals, though does include higher salaries, statutorily required higher public safety pension contributions, and expanded services commensurate with growth. While the next few years point to stable reserves, years three through five in the city's long-range plan indicate a need for additional revenues or expenditure cuts to maintain unassigned reserves at least at the policy level of 40 days of expenditures, which we expect will occur. The city has prudently built in softening growth in its projections, including an expected 2-2.5% annual growth in sales tax over the next five years, compared to 4% growth in 2018, and 6.3% AV growth in fiscal 2020, gradually decreasing to 3.8% in fiscal 2023.

While the sales tax rate cannot be increased, the city does have the legal ability to increase property tax revenues if needed. The majority of operating funds revenues were derived from property taxes in 2017, representing 56.0%, followed by sales taxes at 20.5%. The city remains well below the statutory maximum rate for property taxes of \$25/\$1000 of AV, having levied \$7.83/\$1000 in fiscal 2017. The city has been slowly dropping the tax rate annually since 2017, bringing it to \$7.81 in 2018, and again to \$7.77 in fiscal 2019, amid strong property appreciation. The city is mindful of annually setting the rate below the effective 8% yield control, which could trigger a rollback election if exceeded. Over the past several years, the city has set the rate below the 8% yield, and could raise an additional \$3-\$9.5 million in property taxes on existing property if the rate fully leveraged the effective yield.

LIQUIDITY

As of fiscal 2017, the city's cash and investment position in the combined operating funds was \$215.6 million, an adequate 15% of operating revenues.

Debt and pensions: manageable debt burden; significantly improved pension liability post-reform over long-term

The city's debt burden will continue to be stable and manageable as planned annual issuances are outpaced by strong tax base growth. A \$1.05 billion bond package was approved by voters in November 2017, which will be issued in phases, and will facilitate needed investment in public infrastructure. The city maintains a debt policy which stipulates a maximum debt burden of 4% of the estimated market value of the taxable property in the city. Inclusive of accreted interest on outstanding bonds, the city has typically maintained a debt burden that is consistent with peers at or below 2% of assessed valuation. With strong AV growth over the past few years, the net direct debt burden as of fiscal 2017 decreased to 1.6% of fiscal 2017 AV, and includes \$1.8 billion of GOLT debt. The debt burden is expected to increase to about 1.8% through fiscal 2019 and remain within historical levels over the next several years.

DEBT STRUCTURE

All of the city's debt is fixed rate. The city amortizes debt relatively quickly over twenty years, with 75% retired within ten years.

DEBT-RELATED DERIVATIVES

The city is not a party to any derivative agreements.

PENSIONS AND OPEB

Over one year into pension reform, the city's pension valuation reports reflect an improved pension landscape for the city, though the pension burden remains elevated. Annual contributions are significantly improved compared to reported funding levels though remain weak, and solvency challenges remain, particularly for the Dallas Police and Fire Pension fund (DPFP). Required accumulation of DPFP

assets is highly dependent on investment returns and higher near-term contributions tied to payroll targets. Deviation from these key targets over the medium term could require further benefit changes or higher contributions, placing additional pressure on the general fund budget.

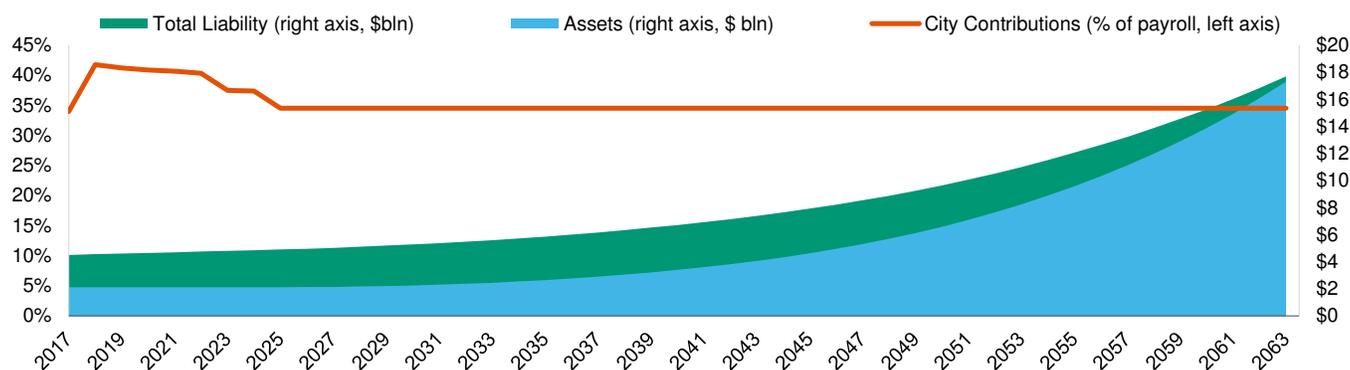
The city's adjusted net pension liability (ANPL), reflective of all three of the city's single employer plans,¹ was reduced by a significant \$900M due to reforms and strong investment returns in the ERF plan, which are fully incorporated into the 2018 actuarial valuation reports. While audited financials are not yet available for the plans, based on the valuation reports, the estimated 2018 ANPL has come down to \$7.2 billion, from \$8.1 billion in fiscal 2017, representing a reduced through still elevated ratio of 4.6 times estimated fiscal 2018 operating revenues and 5.5% of the fiscal 2019 AV. The ANPL is net of support to ERF from the city's enterprise funds, namely the Waterworks and Sewer Fund and the airport.

The city's fixed costs are high, especially when considering pension contributions at a "tread water" level, though have been brought back to more manageable levels with reform. Moody's calculates fixed costs as debt service, pension contributions and retiree health benefits (OPEB) relative to operating revenues. For Dallas, fixed costs represented a high 30% of 2017 operating revenues. While DPFP annual contributions have increased, they remain governed by state statute; ERF annual contributions are capped by local ordinance. Based on these requirements, contributions fall short of a level that would "tread water" on the unfunded pension liabilities.² With reform, favorable earnings in ERF, and increased contributions, the "tread water" indicator has declined significantly; assuming pension contributions at "tread water" fixed costs increase by only 3%, to 33% of estimated 2018 operating revenues.

Estimated 2018 pension metrics are significantly improved for the city, bringing them to levels that are still high but closer to large city peers. However, the funding plan for DPFP, the largest of the city's plans by liability, is not without risk. Deviation from key assumptions would jeopardize the accumulation of pension assets, and thus the amortization of the unfunded liability, and since the plan is governed by state statute, further changes will need to be made at the state level. Favorably, HB 3158 requires key parties to look at further needed changes after an initial 7 year period, or 2024. DPFP's unfunded liability is expected to fully amortize by 2063, based on assumptions such as a 7.25% static earnings rate and payroll that increases by at least 3% per year (Exhibit 3).

Exhibit 3

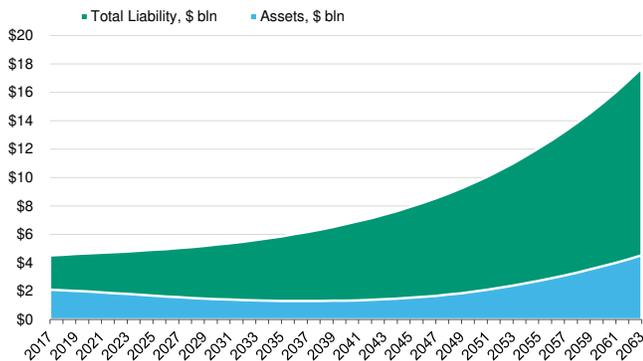
DPFP unfunded liability amortizes by 2063 per actuarial assumptions



Source: Moody's Investors Service, DPFP valuation report as of 1-1-2018

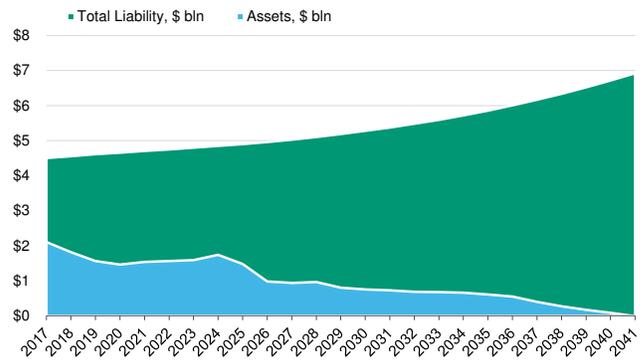
Reaching the assumptions underlying the amortization plan will be a challenge, though favorably the city has the legal ability to make further changes if warranted, albeit politically challenging. As reported in the most recent valuation reports for each plan, DPFP assets earned 4.7%, compared to 12.3% in the more traditionally invested ERF³. The DPFP board is still slowly working to divest from highly illiquid assets, many of which caused large write-downs in the last several years. Furthermore, the portfolio's expected 20-year compound return is currently 5%, well below the assumed 7.25%. Based on Moody's calculations, if the plan were to earn 5% static returns, and increase payroll by at least 3% annually, the funded status of the plan would erode significantly over the 45 year period, as assets would only marginally increase given annual benefit payments exceeding inflows, while the liability would continue to grow (Exhibit 4). However, assuming lower 2.75% annual payroll increases, as considered by the actuary, and higher 7% compound returns but with annual volatility, the plan could run out of assets by 2041 (Exhibit 5).

Exhibit 4
With 5% static returns DPFP unfunded liability will grow significantly as asset accumulation falls short



Source: Moody's Investors Service, DPFP valuation report as of 1-1-2018

Exhibit 5
With reduced payroll projections and volatile 7% compound returns, assets deplete over the long term



Asset earnings assume 7% compound returns and 11.7% market volatility
 Source: Moody's Investors Service, DPFP valuation report as of 1-1-2018

Management and governance: enhanced forward planning; high institutional framework score

The city operates under a council-manager form of government. Dallas' city manager and CFO have worked to implement enhanced forward-thinking and strategic planning to bolster the already sophisticated financial management of the city. The political will exhibited over the course of fiscal 2017 to bring about needed reforms to the public safety pension further demonstrate the strength of the management team in place at the city.

Texas cities have an Institutional Framework score of Aa, which is high. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. Property taxes, one of the sector's major revenue sources are subject to a cap, which cannot be overridden. However, the cap of \$25 per \$1,000 of assessed values, with no more than \$15 allocated for debt, still allows for significant revenue-raising ability. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. Texas is a Right to Work state, providing significant expenditure-cutting ability. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Endnotes

- 1 The city participates in three single-employer systems: the Employees's Retirement Fund (ERF), DPFP, and the Supplemental Police and Fire Plan. Contribution rates for the systems are set by ordinance or statutes, and the ERF and DPFP are each managed by separate boards. In 2017, the city, DPFP and the state, were able to come to an agreement around pension reform: HB 3158 implemented sweeping changes to the DPFP plan, including reduced prospective pension benefits for current and future employees, significant reductions to DROP, including time limits to participation, ceased lump-sum withdrawals and elimination of guaranteed interest, increased statutorily required contributions from the city and the membership, and governance changes. ERF also saw changes in 2017, with the approval by voters in November 2016 to create a new tier of reduced pension benefits for new employees hired after January 2, 2017. The new tier reduces the normal cost and the pace at which pension liabilities are accrued.
- 2 Moody's "tread water" indicator represents the annual contribution that would prevent the liability from growing, under reported assumptions. It is calculated as the employer portion of service cost (also called "normal cost") plus interest on the unfunded liability at the reported discount rate.
- 3 DPFP valuation report as of 1-1-2018 and ERF valuation report as of 12-31-2017

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EMEA 44-20-7772-5454

Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Community Development Block Grant Funds
Timely Expenditure Tests and Repayment of Funds**

This memo serves to provide an update regarding the Community Development Block Grant (CDBG) timely expenditure deadline and to notify you of a repayment of CDBG funds.

Timely Expenditure of CDBG Funds

The U.S. Department of Housing and Urban Development (HUD) requires that CDBG funds be spent in a timely manner. The timely expenditure regulations require that the City spend grant funds so that on August 1 of each year that the City has no more than 1.5 times the amount of the current year's CDBG grant allocation. The city spent CDBG funds more slowly than usual during FY 2017-18 due to reorganization within the Housing & Neighborhood Revitalization Department and development and approval of the new housing policy. However, the City still met the timely expenditure test and had an unspent grant balance below the required limit on August 1, 2018.

HUD has a second expenditure test that counts not only the annual CDBG grant allocation but also program income that the City receives during the year. The City received an unanticipated lump-sum program income payment of \$1.6 million although we had only anticipated \$0.5 million of program income for FY 2017-18. Therefore, for the second test, the City had an unspent balance that exceeded the allowed limit by \$886,774. HUD notified the City that a finding was issued for noncompliance with respect to the timely expenditure standards related to this test. To address this finding, we must develop and submit a "workout plan" providing detail of how the City will meet the expenditure requirement by August 1, 2019. Staff in the Office of Budget has been in communication with HUD and we will submit the workout plan to HUD no later than October 22.

Repayment of CDBG Funds

In July 2016, HUD's Departmental Enforcement Center (DEC) conducted an onsite review of the Bexar Street mixed-use development project located at 5203 Bexar Street. The total amount of grant funds for this project was \$1.9 million, which included \$1 million in CDBG funds and \$0.9 million in HOME funds. The purpose of DEC's review was to examine the use of funds spent for the residential/commercial development. The results of the review identified \$405,086 unsupported costs and questioned whether the project met a CDBG national objective. Housing & Neighborhood Revitalization Department staff worked with HUD since that time to address their concerns. After working on the concerns with HUD, the questions related

DATE October 12, 2018
SUBJECT Community Development Block Grant Funds
Timely Expenditure Tests and Repayment of Funds

to the CDBG national objective have been resolved and HUD required that \$111,422.21 be repaid since in HUD's determination the expenditures could not be supported. We issued a repayment to HUD on September 28, 2018 in the amount of \$111,422.21. This amount will be returned to the City's line-of-credit balance at HUD and available for the City to use on other eligible projects.

Please let me know if you need additional information.



M. Elizabeth Reich
Chief Financial Officer

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

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

Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2017-18 Financial Forecast Report**

Please find attached the Financial Forecast Report (FFR) based on information through August 31. This report does not reflect changes approved by City Council on September 12. FY 2017-18 year-end appropriation adjustments approved on September 12, 2018 will be reflected in the September FFR.

We forecast general fund revenues will be \$19 million over the amended budget and expenses will be \$0.7 million under the amended budget at the end of the fiscal year. Sales tax, franchise fees/other, and charges for services are trending better than budget, accounting for over 50 percent of the revenue variance. On the expense side, the projected year-end variance is due to overtime usage within Dallas Fire-Rescue (DFR).

DFR continues to refine year-end projections and is forecast to exceed budget by \$10 million, primarily due to attrition. Attrition impacts the Department's daily minimum staffing model, resulting in additional overtime usage. City Council increased the general fund budget by \$3.7 million on April 25; and by \$5.7 million on September 12 using savings from other general fund departments and excess revenue to offset DFR's overtime expense.

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

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

M. Elizabeth Reich
Chief Financial Officer

Attachment

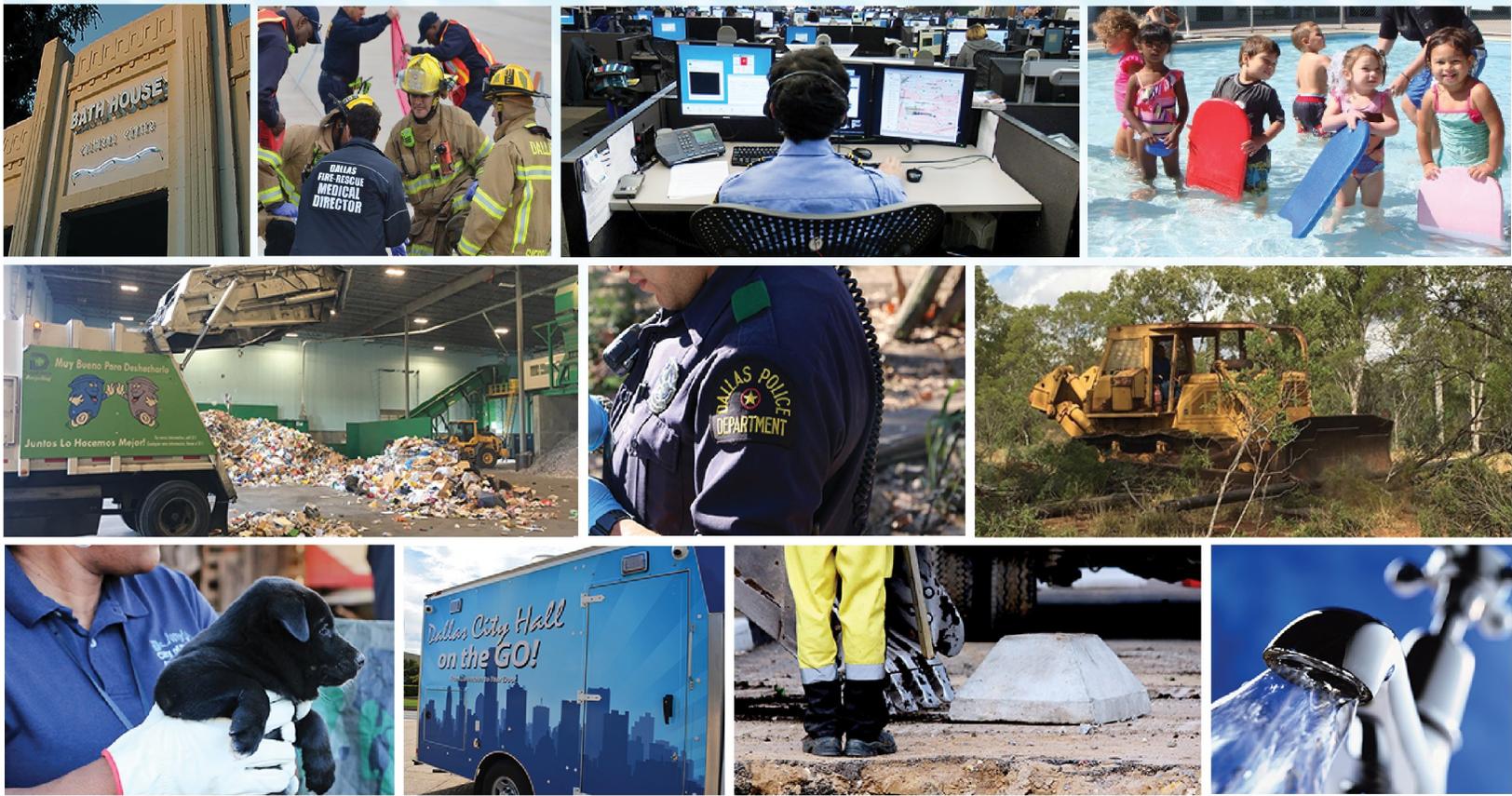
- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Billieae Johnson, City Secretary
Judge Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
- Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Majed A. Al-Ghafry, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Directors and Assistant Directors



FY 2017-18 FINANCIAL FORECAST REPORT

Information as of August 31, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of August 31, 2018

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192		\$171,747,804	\$11,130,612
Revenues	1,276,420,942	1,282,712,888	1,150,091,289	1,301,727,821	19,014,933
Expenditures	1,276,420,942	1,282,712,888	1,139,311,857	1,281,981,551	(731,337)
Ending Fund Balance	\$160,617,192	\$160,617,192		\$191,494,073	\$30,876,881

SUMMARY

The General Fund overview provides a summary of financial activity through August 31, 2018. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency.

Fund Balance. The summary includes fund balance with the year-end revenue and expenditure forecasts. As of August 31, 2018, the year-end (YE) forecast beginning fund balance represents the FY 2016-17 audited unassigned ending fund balance and includes FY 2016-17 year-end savings.

Revenues. Through August 31, 2018, General Fund revenues are projected to be above budget by \$19 million primarily due to electric, fiber optic, and natural gas franchise fees; sales tax; interest, Fire Watch fees; ambulance supplement from the Texas Human Health and Services Commission; and a new contract with the State Fair for patrol services.

Expenditures. Through August 31, 2018, General Fund expenditures are projected to be below budget by \$731,000. Most departments are under budget as a result of vacancies.

Amendments. The General Fund budget was amended on:

- October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0442 in the amount of \$189,300 for emergency flood remediation and related repairs related to the theater automation system at the Dee and Charles Wylie Theatre;
- April 25, 2018 by ordinance #30843 for mid-year appropriation ordinance adjustments consisting of a \$294,000 appropriation decrease in Non-Departmental, \$165,000 appropriation increase in Housing and Neighborhood Revitalization, \$60,300 appropriation increase in 311 Customer Service Center, \$68,700 appropriation increase in Office of Community Care, \$115,000 transfer of appropriations from Dallas Police Department to Transportation; and \$3,700,000 appropriation increase in Dallas Fire Rescue from excess revenue; and
- May 23, 2018 by resolution #18-0773 in the amount of \$200,000 for a service contract to provide school crossing guard services; and
- September 18, 2018 by ordinance #30972 for year-end appropriation ordinance adjustments. Adjustments are not yet incorporated since this Financial Forecast Report is through August 31, 2018.

GENERAL FUND REVENUES

As of August 31, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$652,067,958	\$653,667,958	\$653,052,109	\$653,827,632	\$159,674
Sales Tax ²	303,349,086	303,349,086	229,605,399	305,008,923	1,659,837
Franchise & Other ³	135,319,609	135,319,609	129,892,966	142,739,913	7,420,304
Charges for Services ⁴	103,578,036	104,878,036	79,283,977	112,022,717	7,144,681
Fines and Forfeitures ⁵	36,515,082	36,515,082	22,380,955	35,250,295	(1,264,787)
Operating Transfers In ⁶	22,777,865	24,947,248	9,453,237	24,947,248	0
Intergovernmental	9,548,046	9,667,609	9,783,384	10,249,197	581,588
Miscellaneous ⁷	6,580,004	7,683,004	8,628,386	9,297,090	1,614,086
Licenses & Permits	4,668,685	4,668,685	4,589,077	4,863,088	194,403
Interest ⁸	2,016,571	2,016,571	3,421,799	3,521,718	1,505,147
Total Revenue	\$1,276,420,942	\$1,282,712,888	\$1,150,091,289	\$1,301,727,821	\$19,014,933

VARIANCE NOTES

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

1 Property Tax. Property Tax budgeted revenue was increased by \$1.6 million on April 25, 2018 by ordinance 30843 due to higher current year collections.

2 Sales Tax. Sales tax revenues are forecast to be 0.6 percent (\$1,660,000) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.5 percent over the most recent 12 months.

3 Franchise and Other. Franchise and other revenues are projected to be 5.5 percent (\$7,420,000) over budget primary due to electric, fiber optics, and natural gas.

4 Charges for Service. Charges for services revenues are forecast to be 6.8 percent (\$7,145,000) greater than budget primarily due to ambulance supplement from the Texas Health and Human Services Commission (\$2.7 million); Fire Watch inspection revenues that continues to increase compared to previous month (\$2.2 million); a new agreement with the State Fair for police patrol services in which the City now bills directly after services are incurred (\$1.0 million received from prior years and \$958,000 in the current year); and increases in construction permits (\$812,000). Overages are offset by a decrease of \$758,000 in swimming pool fees due to the delayed opening of three aquatic centers. Charges for Services budgeted revenue was increased by \$1.3 million on April 25, 2018 by ordinance 30843 due to additional Emergency Ambulance supplemental payment revenue.

5 Fines and Forfeitures. Fines and forfeitures are projected to be 3.5 percent (\$1,264,500) under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation (\$849,000); a decrease of 8,000 traffic citations over the same time period last year (\$1.3 million), a decrease in forfeiture hearings due to compliance of bond terms by defendants (\$289,000); a decrease in fines for towed vehicles at the auto pound (\$208,000); and fines for late fees at the Library due to automatic electronic renewal (\$165,000). Revenue underruns are offset by increased collection of fines for red light cameras (\$1.7 million).

VARIANCE NOTES

6 Operating Transfer In. The revenue budget for Operating Transfer In was amended on:

- October 25, 2017 by resolution #17-1652 for a Regional Assessment of Fair Housing;
- November 8, 2017 by resolution #17-1735 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wylie Theatre;
- January 17, 2018 by resolution #18-0125 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year;
- February 14, 2018 by resolution #18-0282 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018;
- March 28, 2018 by resolution #18-0422 for emergency flood remediation and repairs related to the theater automation system at the Dee and Charles Wylie Theatre; and on
- May 23, 2018 by resolution #18-0773 in the amount of \$200,000 for a service contract to provide school crossing guard services.

7 Miscellaneous. Miscellaneous revenues are forecast to be 21% (\$1,614,000) over budget due to reimbursements from Atmos Energy and the sale of fixed assets (\$450,000). Budgeted revenue was increased \$800,000 on April 25, 2018 by ordinance 30843 due to additional one-time revenue from Atmos Energy for the City's support provided to residents affected by the gas emergency. Reimbursement from Atmos was greater than anticipated (\$1,120,000).

8 Interest. Interest earned revenues are projected to be 74.6 percent (\$1,505,000) over budget based on current trends.

GENERAL FUND EXPENDITURES

As of August 31, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$233,174,548	\$235,953,394	\$200,998,083	\$224,043,896	(\$11,909,498)
Civilian Overtime	6,087,198	6,076,161	8,648,632	9,558,652	3,482,491
Civilian Pension	33,654,027	33,952,850	29,125,861	32,336,440	(1,616,410)
Uniform Pay	397,751,284	401,698,616	349,419,547	391,006,165	(10,692,451)
Uniform Overtime	32,141,841	35,897,371	44,967,774	51,495,122	15,597,751
Uniform Pension	151,450,013	153,665,564	134,431,637	153,665,564	0
Health Benefits	62,526,985	62,812,518	53,670,914	62,812,518	0
Workers Comp	10,211,638	10,211,638	10,310,194	10,277,772	66,134
Other Personnel Services	11,798,743	11,952,376	10,086,015	12,073,018	120,642
Total Personnel Services ¹	938,796,277	952,220,488	841,658,658	947,269,147	(4,951,341)
Supplies ²	76,688,160	77,681,267	64,884,347	80,726,098	3,044,831
Contractual Services ³	341,963,586	343,086,247	282,009,059	345,399,363	2,313,116
Capital Outlay ⁴	8,000,250	8,329,492	6,883,190	9,740,716	1,411,224
Reimbursements ⁵	(89,027,331)	(98,604,606)	(56,123,398)	(101,153,773)	(2,549,167)
Total Expenditures	\$1,276,420,942	\$1,282,712,888	\$1,139,311,857	\$1,281,981,551	(\$731,337)

VARIANCE NOTES

1 Personnel Services. Current year-end forecast is \$4.9 million below budget primarily due to civilian vacancy savings. Uniform overtime YE forecast assumes \$11.5 million overrun for the Dallas Fire Rescue and \$4.1 million overrun for Dallas Police Department. The overrun in uniform overtime is partially offset by savings in uniform pay. Uniform pension YE forecast equals budget and includes the \$150.7 million contribution required to fund the police and fire pension as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

2 Supplies. Current year-end forecast is \$3.0 million above budget resulting from the purchase of ballistic helmets for the Dallas Police Department, nearly \$922,000 in greater than anticipated fuel and lube usage charges from Equipment and Building Services to various departments, software maintenance of an automated fingerprint identification system for the Dallas Police Department, and software purchases for various other departments.

3 Contractual Services. Current year-end forecast is \$2.3 million over budget primarily due to contract temporary help, day labor, equipment rental, security services, and Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment.

4 Capital Outlay. Current year-end forecast is \$1.4 million over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement, an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance, and the purchase of Gator vehicles by Code Compliance to better move in and out from alleys and back streets to clean litter, tires, and trash.

5 Reimbursements. General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$2.5 million greater than budget, primarily due to \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue from the 9-1-1 System Operations Fund and \$600,000 greater than budgeted reimbursement to Dallas Fire Rescue from Building Inspections for new construction inspections and Aviation for two full-time paramedics assigned to Love Field Airport.

GENERAL FUND EXPENDITURES

As of August 31, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$28,590,583	\$28,667,529	\$27,370,034	\$28,667,529	\$0
City Attorney's Office	16,788,175	16,809,925	14,488,589	16,767,899	(42,026)
City Auditor's Office ¹	3,360,043	3,360,043	2,734,669	3,106,743	(253,300)
City Controller's Office ²	5,351,812	5,379,331	5,207,649	5,082,857	(296,474)
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,344,267	2,279,791	2,247,733	(96,534)
City Secretary ³	2,367,327	2,703,024	2,287,235	2,769,209	66,185
Civil Service ⁴	3,080,815	3,137,099	2,663,249	3,141,210	4,111
Code Compliance	30,438,826	30,438,826	25,064,827	29,566,585	(872,241)
Court Services	11,627,393	11,627,393	9,981,273	11,216,723	(410,670)
Jail Contract	8,484,644	8,484,644	7,070,537	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	13,233,080	14,004,677	(2,482)
Dallas Fire-Rescue ⁵	267,026,909	270,726,909	243,917,211	280,743,402	10,016,493
Dallas Police Department ⁶	465,522,805	464,648,484	408,298,319	460,323,137	(4,325,347)
Housing and Neighborhood Services ⁷	3,668,283	4,010,682	3,321,949	3,761,853	(248,829)
Human Resources	5,234,618	5,234,618	4,985,197	5,205,245	(29,373)
Judiciary	3,454,079	3,454,079	3,319,789	3,453,849	(230)
Library	31,279,877	31,279,877	28,011,322	30,843,376	(436,501)
Office of Management Services					
311 Customer Services ⁸	3,509,120	3,569,390	2,627,918	3,417,371	(152,019)
Center for Performance Excellence ⁹	1,265,811	1,265,811	1,244,487	1,136,712	(129,099)
Council Agenda Office	224,495	248,233	179,491	248,233	0
EMS Compliance Program ¹⁰	340,988	340,988	264,320	316,598	(24,390)
Ethics and Diversity	97,631	119,855	74,296	119,855	0
Fair Housing ¹¹	278,274	397,837	361,344	397,837	0
Office of Strategic Partnerships ¹²	726,947	3,326,947	2,692,129	3,220,874	(106,073)
Office of Business Diversity	793,297	793,297	648,758	790,908	(2,389)
Office of Community Care ¹³	4,932,564	5,001,285	4,063,607	4,981,040	(20,245)
Office of Emergency Management	715,020	715,020	505,591	715,020	0
Office of Environmental Quality ¹⁴	1,197,487	1,197,487	1,324,187	1,005,311	(192,176)
Office of Homeless Solutions	10,081,328	10,081,328	7,909,375	9,723,116	(358,212)
Public Affairs and Outreach ¹⁵	1,666,011	1,400,645	1,149,566	1,206,492	(194,153)
Resiliency Office	353,875	353,875	300,772	343,349	(10,526)
Welcoming Communities	428,845	428,845	372,110	428,845	0
Mayor and City Council	4,820,561	4,827,575	4,139,109	4,827,575	0
Non-Departmental ¹⁶	77,323,336	77,029,345	74,228,128	75,710,306	(1,319,039)
Office of Budget ¹⁷	3,406,338	3,406,338	2,993,939	3,189,955	(216,383)
Office of Cultural Affairs ¹⁸	20,268,063	20,899,767	20,779,719	20,899,767	0
Office of Economic Development	4,840,594	4,840,594	4,668,189	4,840,594	0
Park and Recreation	98,005,546	98,269,651	89,248,371	97,302,962	(966,689)
Planning and Urban Design	2,911,297	2,911,297	2,617,049	2,887,077	(24,220)
Procurement Services	2,389,442	2,389,442	2,170,347	2,368,987	(20,455)
Public Works	73,137,927	73,137,927	68,203,114	73,137,927	0
Sustainable Development	1,656,869	1,656,869	2,062,180	1,600,531	(56,338)
Transportation ¹⁹	44,325,574	44,440,574	34,777,482	44,440,574	0
Trinity Watershed Management	1,302,754	1,302,754	784,683	1,291,041	(11,713)
Total Departments	\$1,264,441,401	\$1,271,558,022	\$1,134,624,982	\$1,270,826,685	(\$731,337)
Liability/Claim Fund Transfer	4,642,666	4,642,666	0	4,642,666	0
Contingency Reserve	4,686,875	4,686,875	4,686,875	4,686,875	0
Salary and Benefit Reserve ²⁰	2,650,000	1,825,325	0	1,825,325	0
Total Expenditures	\$1,276,420,942	\$1,282,712,888	\$1,139,311,857	\$1,281,981,551	(\$731,337)

VARIANCE NOTES

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

1 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$253,000 below budget due to salary savings associated with vacancies.

2 City Controller's Office. City Controller's Office expenditures are forecast to be \$296,000 below budget due to salary savings associated with vacancies.

3 City Secretary. City Secretary Office's budget was increased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred from the Office of Management Services (Public Affairs and Outreach). City Secretary Office's expenditures are forecast to be \$66,000 greater than budget primarily due to an office expansion needed to accommodate the new open records division.

4 Civil Service. Civil Service expenditures are forecast to be \$4,000 greater than budget due to a nationwide search for the vacant Civil Service Director position and replacement costs for damaged Civil Service Board Room audio and recording equipment.

5 Dallas Fire-Rescue. Dallas Fire-Rescue budget was increased by \$3.7 million on April 25, 2018 by ordinance 30843 for overruns in uniform overtime due to higher than expected attrition. Dallas Fire-Rescue expenditures are forecast to be \$10 million greater than budget primarily due to uniform overtime expenses. The primary factor of the greater than budgeted use of overtime includes the impact of attrition in prior fiscal years that has exceeded hiring which has affected mandatory minimum staffing.

6 Dallas Police Department. Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships) and decreased by \$115,000 on April 25, 2018 by ordinance 30843 to transfer Parking Enforcement division overtime and merit funding to Transportation. Dallas Police Department expenditures are forecast to be \$4.3 million below budget primarily due to hiring fewer officers than planned in FY 2017-18 and unplanned uniform attrition at the end of FY 2016-17.

7 Housing and Neighborhood Services. Housing and Neighborhood Services budget was increased by \$165,000 on April 25, 2018 by ordinance 30843 to fund a caseworker for the High Impact Landlord Initiative, additional home repair work at eight Home Repair Program properties and expenses associated with moving support staff from Bexar Street offices back to City Hall. Housing and Neighborhood Services expenditures are forecast to be \$249,000 below budget primarily due to salary savings from vacant positions and unspent Home Improvement Rebate Program and Emergency Repair Program funds.

8 311 Customer Services. 311 Customer Services budget was increased by \$60,300 by City Council on April 25, 2018 by ordinance 30843 due to higher than expected usage of the Language Line, a third-party vendor that is used to translate calls for non-English speakers when bilingual 311 Customer Services agents are not available. 311 Customer Services is forecast to be \$152,000 under budget primarily due to salary savings from vacancies.

9 Center for Performance Excellence. Center for Performance Excellence expenditures are forecast to be \$129,000 below budget primarily due to hiring delays for the vacant Innovation Officer position.

10 EMS Compliance Program. EMS Compliance Program expenditures are forecast to be \$24,000 below budget primarily due to the non-renewal of the ComplyAssistant contract. The ComplyAssistant contract is a web-based software that was used to document and monitor the City's healthcare compliance activities.

VARIANCE NOTES

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

12 Office of Strategic Partnerships. Office of Strategic Partnerships budget was increased by \$2.4 million on January 17, 2018 by CR #18-0125 to appropriate funds for the Dallas County School Dissolution Committee Crossing Guard payroll and by \$200,000 on May 23, 2018 by CR 18-0773 for a service contract to provide school crossing guard services. Office of Strategic Partnerships expenditures are forecast to be \$106,000 below budget due to salary savings and lower than projected contractual service expenditures.

13 Office of Community Care. Office of Community Care's budget was increased by \$52,000 on April 25, 2018 by ordinance 30843 for unbudgeted contract temporary help, overtime, and building maintenance expenses.

14 Office of Environmental Quality. Office of Environmental Quality is forecast to be \$192,000 under budget due to salary savings associated with vacancies and frequent turnover in key positions.

15 Public Affairs and Outreach. Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary. Public Affairs and Outreach expenditures are forecast to be \$194,000 under budget primarily due to salary savings associated with three vacant management positions.

16 Non-Departmental. Non-Departmental budget was decreased by \$294,000 on April 25, 2018 by ordinance 30843 for mid-year appropriation adjustments. Non-Departmental expenditures are forecast to be \$1.3 million less than budget primarily due to a delay in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

17 Office of Budget. Office of Budget expenditures are forecast to be \$216,000 below budget due to salary savings associated with vacant positions.

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

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

20 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$825,000 were allocated to Building Services (\$77,000), the City Attorney's Office (\$22,000), the City Controller's Office (\$28,000), the City Manager's Office (\$77,000), the City Secretary's Office (\$70,000), Civil Service (\$56,000), Housing and Neighborhood Revitalization (\$177,000), City Agenda Office (\$25,000), Ethics and Diversity (\$22,000), Mayor and Council (\$7,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

ENTERPRISE FUNDS

As of August 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION					
Beginning Fund Balance	\$13,811,768	\$13,811,768		\$14,111,807	\$300,039
Total Revenues:	127,028,405	127,028,405	113,018,548	127,160,169	131,764
Total Expenditures:	127,028,405	127,028,405	100,924,305	127,028,405	0
Ending Fund Balance	\$13,811,768	\$13,811,768		\$14,243,570	\$431,803
CONVENTION AND EVENT SERVICES¹					
Beginning Fund Balance	\$32,258,124	\$32,258,124		\$33,234,399	\$976,275
Total Revenues:	97,787,266	101,187,266	90,787,268	106,882,739	5,695,473
Total Expenditures:	97,787,266	99,371,106	76,851,057	104,430,364	5,059,258
Ending Fund Balance	\$32,258,124	\$34,074,284		\$35,686,774	\$1,612,490
MUNICIPAL RADIO²					
Beginning Fund Balance	\$1,217,847	\$1,217,847		\$1,087,586	(\$130,261)
Total Revenues:	2,098,813	2,098,813	1,681,474	1,826,293	(272,520)
Total Expenditures:	2,051,318	2,051,318	1,706,036	1,822,029	(229,289)
Ending Fund Balance	\$1,265,342	\$1,265,342		\$1,091,850	(\$173,492)
SANITATION SERVICES³					
Beginning Fund Balance	\$22,431,707	\$22,431,707		\$29,641,449	\$7,209,742
Total Revenues:	102,279,097	106,579,097	104,455,092	110,656,618	4,077,521
Total Expenditures:	102,279,097	104,419,917	75,427,946	109,056,415	4,636,498
Ending Fund Balance	\$22,431,707	\$24,590,887		\$31,241,652	\$6,650,765
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490		\$7,593,575	\$3,047,085
Total Revenues:	55,987,895	55,987,895	52,821,553	56,269,383	281,488
Total Expenditures:	55,936,837	55,936,837	46,450,080	55,724,975	(211,862)
Ending Fund Balance	\$4,597,548	\$4,597,548		\$8,137,983	\$3,540,435
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION⁴					
Beginning Fund Balance	\$37,809,029	\$37,809,029		\$43,778,944	\$5,969,915
Total Revenues:	31,711,218	31,711,218	33,104,423	33,832,420	2,121,202
Total Expenditures:	32,376,190	32,376,190	29,420,641	32,350,779	(25,411)
Ending Fund Balance	\$37,144,057	\$37,144,057		\$45,260,585	\$8,116,528
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DALLAS WATER UTILITIES⁵					
Beginning Fund Balance	\$84,788,025	\$84,788,025		\$95,808,193	\$11,020,168
Total Revenues:	667,471,388	667,471,388	623,411,614	678,108,173	10,636,785
Total Expenditures:	667,471,388	667,471,388	515,205,604	651,750,964	(15,720,424)
Ending Fund Balance	\$84,788,025	\$84,788,025		\$122,165,402	\$37,377,377

INTERNAL SERVICES FUNDS

As of August 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁶					
Beginning Fund Balance	\$10,959,687	\$10,959,687		\$10,747,503	(\$212,184)
Total Revenues:	67,963,283	67,963,283	55,479,274	68,601,438	638,155
Total Expenditures:	70,242,680	70,242,680	58,597,348	73,879,104	3,636,424
Ending Fund Balance	\$8,680,290	\$8,680,290		\$5,469,837	(\$3,210,453)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356		\$2,680,270	\$142,914
Total Revenues:	4,823,063	4,823,063	1,226,623	4,842,498	19,435
Total Expenditures:	4,823,063	4,823,063	4,026,646	4,714,244	(108,819)
Ending Fund Balance	\$2,537,356	\$2,537,356		\$2,808,524	\$271,168
EQUIPMENT SERVICES⁷					
Beginning Fund Balance	\$5,611,863	\$5,611,863		\$7,726,208	\$2,114,345
Total Revenues:	52,652,059	54,152,059	45,816,655	58,404,481	4,252,422
Total Expenditures:	52,652,059	54,417,268	47,051,510	56,760,634	2,343,366
Ending Fund Balance	\$5,611,863	\$5,346,654		\$9,370,055	\$4,023,401
EXPRESS BUSINESS CENTER⁸					
Beginning Fund Balance	\$2,011,100	\$2,011,100		\$1,700,445	(\$310,655)
Total Revenues:	4,231,450	4,231,450	2,990,409	3,177,286	(1,054,164)
Total Expenditures:	3,740,420	3,740,420	1,786,465	2,034,503	(1,705,917)
Ending Fund Balance	\$2,502,130	\$2,502,130		\$2,843,228	\$341,098

OTHER FUNDS

As of August 31, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁹					
Beginning Fund Balance	\$5,941,912	\$5,941,912		\$12,060,896	\$6,118,984
Total Revenues:	12,539,195	12,539,195	11,182,673	12,414,933	(124,262)
Total Expenditures:	15,048,378	16,748,378	10,002,067	16,693,596	(54,782)
Ending Fund Balance	\$3,432,729	\$1,732,729		\$7,782,233	\$6,049,504
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DEBT SERVICE¹⁰					
Beginning Fund Balance	\$13,769,804	\$13,769,804		\$12,613,280	(\$1,156,524)
Total Revenues:	278,149,358	278,149,358	279,614,049	280,272,593	2,123,235
Total Expenditures:	267,322,998	267,322,998	263,466,877	263,466,877	(3,856,121)
Ending Fund Balance	\$24,596,164	\$24,596,164		\$29,418,996	\$4,822,832
EMPLOYEE BENEFITS¹¹					
City Contributions	\$86,088,120	\$86,088,120	76,099,093	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	38,891,211	37,624,465	(461,931)
Retiree	30,118,491	30,118,491	26,366,902	31,448,943	1,330,452
Other	0	0	213,406	0	0
Total Revenues:	154,293,007	154,293,007	141,570,612	155,161,528	868,521
Total Expenditures:	\$154,293,007	\$154,293,007	\$121,404,707	\$149,728,266	(\$4,564,741)
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).					
RISK MANAGEMENT¹²					
Worker's Compensation	\$13,219,304	\$13,219,304	\$14,383,822	\$14,383,822	\$1,164,518
Third Party Liability	10,203,093	10,203,093	5,038,686	13,561,489	3,358,396
Purchased Insurance	3,090,183	3,090,183	3,033,882	3,033,882	(56,301)
Interest and Other	406,970	406,970	75,701	75,701	(331,269)
Total Revenues:	26,919,550	26,512,580	22,456,390	30,979,193	4,466,613
Total Expenditures:	\$29,406,225	\$29,406,225	\$19,582,626	\$25,847,865	(\$3,558,360)
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).					

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of August 31, 2018, the Year-End Forecast beginning fund balance represents the FY 2016-17 audited ending fund balance. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

1 Convention and Event Services. Convention and Event Services budget was increased by \$1.6 million on April 25, 2018 by ordinance 30843 due to increased food and beverage expenses and by an offsetting \$3.4 million increase in catering service revenues. Convention and Event Services revenues are projected to exceed budget by \$5.7 million primarily due to greater than projected Hotel Occupancy Tax collections. Expenditures are projected to be \$5.1 million greater than budget primarily due to an increased food and beverage expenses fully offset by additional catering revenue.

2 Municipal Radio. Municipal Radio FY 2017-18 revenues are projected to be lower than budget by \$272,000 due a decrease in projected local radio advertisement sales. Local arts groups and small retailers (which account for the largest portion of local sales) have difficulty with the cost of media buys in DFW's large media market. Expenditures are projected to be \$229,000 below budget primarily due to hiring delays.

3 Sanitation Services. Sanitation Services budget was increased by \$2.1 million on April 25, 2018 by ordinance 30843 for increased landfill disposal fees paid to Texas Commission on Environmental Quality (TCEQ), Equipment Services maintenance charges and master lease payments and by an offsetting \$4.6 million increase in landfill revenues. Sanitation Services revenues are projected to be \$4.1 million over budget primarily due to higher than anticipated residential collection revenues and increased non-contract landfill customer usage. Expenditures are projected to exceed budget by \$4.6 million primarily due to an additional transfer to the Sanitation capital improvement fund, increased landfill equipment usage and repair costs, increased fuel costs, and increased overtime and contracted labor expenses related to high truck driver turnover.

4 Sustainable Development and Construction. Sustainable Development and Construction revenues are projected to be \$2.1 million over budget primarily due to greater than anticipated construction permit activity and corresponding charges for service for Express Plan Review and Private Development Review.

5 Dallas Water Utilities. Water Utilities expenditures are projected to be \$15.7 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA). The escrow payment savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018. Revenues are projected to be \$10.6 million over budget due to excess water consumption accompanying high temperatures during the month of July and August.

6 Information Technology. Information Technology expenditures will exceed revenue by \$5.3 million to fund an additional technology construction fund transfer using fund balance.

7 Equipment Services. Equipment Services budget was increased by \$475,000 on April 11, 2018 by ordinance for a fleet consultant study, and by \$1.2 million on April 25, 2018 by ordinance 30843. The amendment on April 25, 2018 was due to unbudgeted equipment maintenance charges for retained vehicles, increased motor pool use, and increased costs for make ready of new vehicles offset by additional revenues. Equipment Services FY 2017-18 YE forecast expenditures are projected to be \$2.3 million greater than budget due to increased fuel costs and planned use of fund balance to fund a fleet consultant study. Revenues are projected to be \$4.2 million greater than budget due to large work orders completed for Sanitation, Code Compliance Services, and Dallas Police Department.

8 Express Business Center. Express Business Center expenditures are projected to be \$1.7 million less than budget and revenues \$1.1 million less than budget primarily due to the transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017. Water bill printing services will be provided by a vendor and expensed in DWU.

VARIANCE NOTES

9 9-1-1 System Operations. 9-1-1 System Operations budget was increased by \$1.7 million on April 25, 2018 by ordinance 30843 for a greater than budgeted \$1.7 million reimbursement to Dallas Fire Rescue. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

10 Debt Service Fund. Debt Service Fund FY 2017-18 YE forecast revenues will exceed budget by \$2.1 million primarily due to property tax collections trending above average and greater than budgeted interest earnings.

11 Employee Benefits. Employee Benefits FY 2017-18 YE forecast expenditures are projected to be \$4.6 million below budget primarily due to lower than budgeted medical claim expenses for active employees.

12 Risk Management. Risk Management FY 2017-18 YE forecast expenditures are less than budget due to planned resolution of settlements in the current year moving to FY 2018-19.



City of Dallas Contact Information

Financial Transparency

financialtransparency@dallascityhall.com

Dallas City Hall

1500 Marilla St.

Room 4-F-North

Dallas, Texas 75201

[Phone: \(214\) 670-3659](tel:(214)670-3659)

Fax: (214) 670-7008



Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Sales Tax Receipts**

The August 2018 sales tax receipts from the State Comptroller's Office are \$23,995,432 which represents a 3.1 percent increase in total collections compared to the same reporting period last year.

- August 2017 actual \$23,277,160
- August 2018 budget \$24,049,220
- August 2018 actual \$23,995,432

Sales tax receipts for the first 11 months of FY 2017-18 are more than budgeted by \$1,606,049 or 0.6 percent. Over the most recent 12 months, sales tax receipts have increased by 3.6 percent. We will continue to monitor our sales tax forecast closely and keep you informed.

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

M. Elizabeth Reich
Chief Financial Officer

Attachment

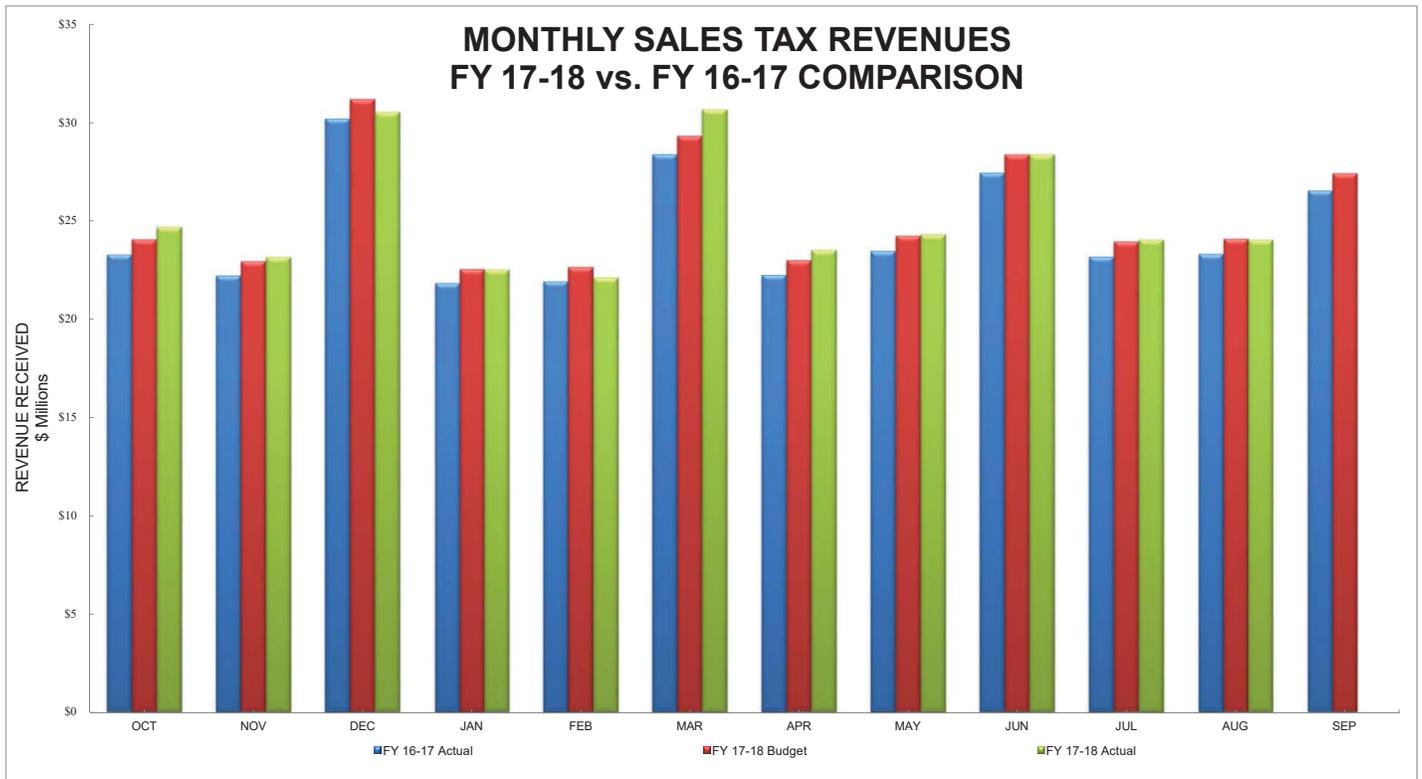
c: T.C. Broadnax, City Manager
Christopher Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

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

SALES TAX

as of August 2018

	ACTUAL FY 2016-17	BUDGET FY 2017-18	ACTUAL FY 2017-18	YTD VARIANCE FY 17-18		YTD VARIANCE FY 17-18	
				ACT. VS. FY 16-17 DOLLARS	ACT. PERCENT	ACTUAL VS. BUDGET DOLLARS	PERCENT
OCT	\$23,256,127	\$24,027,490	\$24,658,939	\$1,402,812	6.0%	\$631,450	2.6%
NOV	22,167,177	22,902,421	23,107,433	940,256	4.2%	205,011	0.9%
DEC	30,146,384	31,146,284	30,495,919	349,535	1.2%	(650,365)	-2.1%
JAN	21,809,865	22,533,258	22,512,572	702,707	3.2%	(20,686)	-0.1%
FEB	21,898,775	22,625,117	22,085,841	187,066	0.9%	(539,276)	-2.4%
MAR	28,359,166	29,299,787	30,639,226	2,280,060	8.0%	1,339,439	4.6%
APR	22,205,794	22,942,319	23,469,135	1,263,341	5.7%	526,815	2.3%
MAY	23,406,768	24,183,127	24,246,315	839,547	3.6%	63,187	0.3%
JUN	27,407,086	28,316,129	28,316,678	909,592	3.3%	549	0.0%
JUL	23,147,421	23,915,178	24,018,891	871,470	3.8%	103,712	0.4%
AUG	23,277,160	24,049,220	23,995,432	718,272	3.1%	(53,788)	-0.2%
SEP	26,528,842	27,408,755					
TOTAL	\$293,610,565	\$303,349,086	\$277,546,380	\$10,464,657	3.9%	\$1,606,049	0.6%



Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Taking Care of Business – October 9, 2018**

Update Items

[Encampment Resolution Schedule –October 9, 2018 and October 16, 2018](#)

The Office of Homeless Solutions (OHS) has scheduled the following sites for homeless encampment resolution on Tuesday, October 9 and 16, 2018:

October 9, 2018 – Complete as of 4:00 pm	October 16, 2018
<ul style="list-style-type: none">• 4900 E R.L. Thornton Freeway (District 2)• 600 Peak Street (District 2)• 500 Hill Street (District 2)• 700 Fletcher Street (District 2)• 2929 Hickory Street (District 2)• 2600 Hickory Street (District 2)• 2400 Hickory Street (District 2)• 2628 Louise Street (District 2)	<ul style="list-style-type: none">• 7600 Lyndon B Johnson Freeway (District 10)• Royal at Central Expressway (District 11)• Forest Lane at Central Expressway (District 11)• Lyndon B Johnson Freeway at Jupiter Road (District 9)• Lyndon B Johnson Freeway at Webb Chapel (District 9)• Stemmons Freeway at Merrill Road (District 6)• Stemmons Freeway at Medical District (District 6)

OHS Street Outreach team will continue to engage with homeless individuals to provide notice of clean-up and connect to resources and shelter. OHS Community Mobilization staff are meeting with stakeholders to determine long-term sustainability of encampment sites and will provide periodic updates. Should you have any questions or concerns, please contact Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer or Monica Hardman, Managing Director of Office of Homeless Solutions.

New Items

[“OurDallas” Mobile App Launch and Availability](#)

Salesforce, 311’s new service request software, has been functioning smoothly for a week, and the updated versions of the mobile app (“OurDallas”) were released to the Apple and Android app stores on Monday, October 8, 2018. As of Tuesday morning, over 2,600 Android users and 3,100 iPhone users have updated or installed the new app. The app launch was the final major step of this implementation that included data migration of over 2 million records from the old system to Salesforce and the training of 700 employees. Staff is monitoring social media and the Dallas311@dallascityhall.com inbox for customer comments and concerns with the new system. Should you have any

DATE October 12, 2018
SUBJECT **Taking Care of Business – October 9, 2018**

questions or concerns, please contact Margaret Wright, Director of 311 Customer Service Center.

Community Development Tour

On October 27, 2018, the Community Development Commission will host their annual Community Tour. This riding tour will allow the commission to visit projects that utilized funding from the U.S. Department of Housing and Urban Development (HUD) including CDBG, HOME, ESG, and/or HOPWA. This year's tour is also scheduled to include visits to the Redbird Area and the Vickery Meadows Community. If you are interested in participating in the Community Tour, please save the date of Saturday, October 27, 2018. Additional information about the tour, including the specific tour sites and schedule will be provided at a later date. Should you have any questions, please contact Chan Williams, Assistant Director in the Office of Budget – Grant Administration Division.

Bike to City Hall

To promote Dallas cycling culture and alternative transportation, Deputy Mayor Pro Tem Adam Medrano, Councilmembers Scott Griggs, Omar Narvaez, and Philip Kingston, will host Bike to City Hall on Wednesday, October 17. Participants will meet at Main Street Garden Park at 7:30 am, ride to City Hall at 8:00am, accompanied by a Dallas Police escort, and upon arrival, host a short press event before the Council Briefing begins. Should you have questions or concerns, please contact Carrie Prysock, Managing Director of the Mayor and City Council Office.

Municipal Court Training Day

The Municipal Court system will be closed to the public on Friday, October 12 to conduct training for the court clerks and bailiffs. In anticipation of this down day, no court appearances were scheduled for this day. The jail and City Detention Center dockets will be conducted as normal. Defendants seeking to resolve their citation(s) can do so online at courts.dallascityhall.com, by mail or by phone by calling 214-670-0109. Additionally, defendants can make full citation payments at the Dallas Marshal's Office which is open 24/7. Should you have any questions or concerns, please contact Gloria Lopez Carter, Court & Detention Services Director.

Media Inquiries

As of October 8th, the City has received media requests from various news outlets regarding the following topics:

- Fence Construction at Southeast Patrol Station
- Dockless Vehicles
- 2017 Capital Bond Program
- DFR National Night Out
- DFR Borger Street Building Collapse

Please see the attached document compiling information provided to the media outlets for the week of October 1st – October 8th for your reference and in the event you are contacted by the press. Should you have any questions or concerns, please contact Gwendolyn Schuler, Manager of the Office of Public Affairs and Outreach.

DATE October 12, 2018
SUBJECT **Taking Care of Business – October 9, 2018**

Look Ahead

Office of Community Care – Senior Listening Sessions

The Office of Community Care is continuing to schedule listening sessions across the City. There are two senior listening sessions scheduled for the month of October, listed below. These sessions are planned in partnership with our Senior Affairs Commissioners to create opportunities to hear directly from the older adults in our community. Should you have questions or concerns, please contact Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer, or Jessica Galleshaw, Managing Director of the Office of Community Care.

Commissioner	Distr.	Location	Date	Time
Jeri Baker	10	Willie B. Johnson Recreation Center	Thursday, October 18	11:00 AM
Irwin "Bill" Gart	11	Jewish Community Center of Dallas	Thursday, October 25	9:45 AM - 11:00

City Council Briefings

October 17, 2018

- Autonomous Delivery Devices
- FCC Briefing (placeholder)



T.C. Broadnax
City Manager

c: Chris Caso, City Attorney (I)
Carol A. Smith, City Auditor (I)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors



City of Dallas

**Public Affairs & Outreach
Media Requests
Oct. 2 - 8**

Oct. 2; Fernando Mejia, Telemundo; I am working on a story about economic development in Richardson, and we are interested in showing how property tax revenue is divided up in Richardson compared to nearby cities. In Richardson, 60 percent of property taxes come from commercial businesses and 40 percent comes from residential. Are you able to provide the same percentage breakdown for Dallas?

City Response: Department of Transportation staff are aware of the previous crashes that occurred on Norwich. In response, speed studies were conducted, and it was determined the street would qualify for speed humps based on the speed. A petition from the community is required to have speed humps installed on a residential street. A petition was provided to the community to gather resident signatures, but not returned. The Department has funding to install speed humps but needs to be contacted by the community, and a signed petition returned to the Department to initiate the process. The City does not install speed humps without support from the community.

There is additional information on the City's traffic management program at the following link (<https://dallascityhall.com/departments/transportation/traffic-calming>).

Oct. 2; Nashwa Bawab; Dallas Observer; I am trying to figure out how much of a problem animal cruelty is in the area. Are there any reports I can look at? I know the Dallas Police Department is trying to rollout a new program that has 2 detectives solely focused on animal cruelty cases and I wanted to know what Dallas Animal Services thinks about that.

Please let me know if you can give me a call today. I would love to chat with someone for a few minutes today if that's possible. Thank you for your time!

City Response: DAS is supportive of this addition from DPD, we don't have any comment beyond that.

Oct. 2; CBS 11, WFAA, NBC 5; Did the city stop work on a fence at a police substation? Who is in charge of getting the fence built? And is that the same department or a different department than the one building inspection would fall under?

City Response: This work is typically performed by a contractor hired by the city who usually is responsible for obtaining permits. Equipment and Building Services has contracts for this type of work on City facilities. Building Inspection, who is responsible for permitting and inspecting construction projects, is part of Sustainable Development and Construction. We anticipate being able to issue a permit for the fence tomorrow. The electrical contractor for the gate did apply for a permit but the fence contractor had not.

Follow up: Who is the contractor that did not correctly apply for a permit? Was a permit issued today? How long has the stop work order been in place? There's a date of 7-5-18 on the bottom right corner of the order, but it isn't clear what that refers to.



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Response: Lone Star Fence and Supply Inc.; Staff expect it to be completed today but it could take until the 5th to be issued; The stop work order states that it was 7-5-18. However, staff were not made aware of the stop work order until September 13. The fence was erected in late June. What remains to be completed is the installation of the gate motors and card reader pedestal to allow staff to enter/exit. The electrical permit to install them have already been issued.

Oct. 3; Olivia Lueckemeyer, Community Impact Newspaper: I am writing a story on office leasing in Richardson and would like to do a comparison with nearby cities. I was hoping you could help me out with the following information for Dallas:

- Average office rental rate per SF (this would include Class A, B, C, etc., but would exclude industrial/flex space)
- . Instead of listing the major employers (1,000 employees or more) per square foot, if y'all can just let me know how many employers there are in Dallas with over 1,000 employees, that would suffice.
- Major employers (1,000 employees or more) per SF.

City Response: We advise you peruse the following links for the information you seek:

Dallas Business Environment via the Office of Economic Development:
<https://www.dallasecodev.org/296/Business-Environment>

Dallas' Economic Profile via the Office of Economic Development:
<https://www.dallasecodev.org/DocumentCenter/View/2095/Dallas-Economic-Profile?bidId>

The Dallas Regional Chamber:
<https://www.dallaschamber.org/why-dallas/about-the-region/>

Market fundamentals trend upward across the board via TAMU
https://assets.recenter.tamu.edu/Documents/MktResearch/DFW_CBRE_Office_MarketView.pdf

Oct. 5; Jesus Jimenez, Dallas Morning News; I'm writing a story about Proposition D in the current bond package. I was wondering who would be the best person to get a quote from about how Proposition D will keep Dallas residents safe.

City Response: Below is the link for the overview of technical criteria that helped develop the flood proposition. I think it will answer most of your questions. I also advise contacting the Army Corps of Engineers.

https://dallascityhall.com/government/Council%20Meeting%20Documents/ttrp_4_2017-bond-program-technical-criteria-policy-for-flood-drainage-and-erosion-propositions_050916.pdf

Oct. 8; Luke Ranker, Star-Telegram; I'm the new local government reporter at The Star-Telegram, mostly covering Fort Worth.



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I saw this morning Razor is expanding to Dallas. I don't believe we've written about the possibility of scooters coming to Fort Worth. I was hoping to get a little background on the programs in Dallas.

Which companies currently operate scooter or bike shares in Dallas?
About how many scooters/bikes are there?
Is this pilot program and if so, does it expire?
What did the city consider before allowing scooter shares to operate in Dallas?

Thanks!

City Response: I have provided answers in red below. You may also find useful information on the Dockless Vehicles page of the Transportation website:

<https://dallascityhall.com/departments/transportation/Pages/Dockless-Vehicles-.aspx>

Which companies currently operate scooter or bike shares in Dallas?
Bird, Lime, Razor operate scooters; Lime and VBike also operates bikes
About how many scooters/bikes are there?
6,000 scooters; 1,500 bikes
Is this pilot program and if so, does it expire?
The motorized scooter pilot program will expire on December 27. The bike ordinance was made official earlier this year.

Dallas Police media:

Oct. 3; Fox 4, NBC 5, WFAA, CBS11, DMN; inquiries related to a major accident at 11400 Garland Rd.

City Response: On October 2, 2018, at about 8:41 p.m. an unknown Latin male 44 years old was crossing the 11400 block of Garland Road, not at a crosswalk from east to west. At the same time, a tan 1998 Chevy Corvette was travelling southbound 11400 block of Garland Road in the middle lane slightly behind an uninvolved pickup in the left lane. The unknown Latin male ran out in front of the corvette from behind the pickup. An unknown Latin male was impacted front center of the corvette then into the windshield and over the top. The Latin male was pronounced deceased at the scene, no other injuries were reported. Next of kin was not made at the time of the update. This crash is documented on case numbers 217975-2018 and 217998-2018.

Oct. 6; Fox 4, NBC 5, WFAA, CBS 11, DMN; inquiries related to a crash involving a DPD squad car at 900 N. Central Expy.

City Response: On October 6, 2018, at about 3:35 am, the driver in a 2014 Nissan was traveling northbound in the southbound exit at 900 N. Central Expressway at the Good Latimer exit. The Nissan at that point swiped the right front quarter panel of a marked Dallas Police Squad car with its right back quarter panel. No officers were injured and the driver was arrested for DWI. This offense is documented on case numbers (crash) 220396-2018 and (DWI) 220397-2018. The suspects name is not being released until officially being booked into the county Jail.

Oct. 6; Fox 4, NBC 5, WFAA, CBS 11, DMN; inquiries related to a shooting at the 300 block of E. Grover C. Washington Ave.



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City Response: On October 6, 2018, at about 3:06 a.m., officers were dispatched to the 300 block of Grover C. Washington Avenue regarding a shooting. Upon arrival officers observed one male was shot. Preliminary investigation reveals that a dark colored small sedan pulled up to the offense location where the victim and two other individuals were standing. The suspects exited the vehicle and demanded property-pointing guns at the victims. Everyone complied with the suspects demands. During the offense one of the suspects fired a weapon striking the one of the victims. The suspects then fled the location in the suspect vehicle. Dallas Fire Rescue responded and transported the gunshot victim to Methodist Central Hospital with a gunshot wound to the calf area. The suspects are described as Black males between the ages of 20-25 years old 6'1 to 6'4 and weighing about 160 pounds, with their faces covered. This offense is documented on case number 220372-2018. The investigation is ongoing.



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Dallas Fire Rescue Media Inquiries
October 1-8

Tuesday, October 1st: The following information was sent out to **all local news media** about DFR on National Night Out.

National Night Out 2018

Dallas: Held annually since 1984, National Night Out was originally an event meant to increase awareness about police programs, such as drug prevention, town watch, neighborhood watch and other anti-crime efforts, in communities. However, as the years have passed, and the occasion has changed, fire departments across the country have become increasingly involved in the annual event.

Typically done nationwide on the first Tuesday of every August; Texas, because of its traditionally hot weather, exercises the option of holding theirs on the first Tuesday of October. This makes it a more pleasant experience when the community, while not having to battle the elements, can meet their local first responders, under circumstances not related to a 911 call. Tuesday, October 2, 2018, Dallas Fire-Rescue (DFR) will make the acquaintances of various groups and communities, while attending a little more than 30 National Night Out events, across the entire City. On the Fire Operations side, citizens will get to meet their firefighters, tour an actual fire engine and witness demonstrations related to how we protect the community. There will also be a heavy Fire Prevention and Education element, where DFR Fire Inspectors, Educators and Sparky, if you're lucky, will be on-hand demonstrating and providing literature on all matters related to fire safety.

National Night Out is not only a great opportunity to get to know your local first responders, it is also an opportunity to discuss and practice safety with members of your community. When asked about the annual event, Fire Chief, David Coatney said, "The safety and security of your home can be significantly increased by knowing your neighbors and watching out for each other's property." He added, "It also gives neighbors the chance to discuss crime watch and crime prevention programs, and talk about other neighborhood safety needs and activities." It should be a fun-filled evening no matter where you live. So take the family out and meet the local first responders who help keep your communities safe.

Monday, October 8th: The following information was sent out to **all local media outlets** about DFR's efforts for Fire Prevention Week.

Fire Prevention Week 2018

Dallas: Annually, the week of October 9th is recognized as Fire Prevention Week; and while firefighters assume the forefront for the other 51 weeks or the year, this is the time in which the men and women of Fire Prevention take center stage to show how preventing fires is just as, if not more, important than putting them out.

October 7 – 13 2018, Dallas Fire-Rescue (DFR) Fire Inspectors, in accordance with this year's National Fire Protection Association (NFPA) theme, will be out in the communities emphasizing the message of "Look. Listen. Learn. Be Aware. Fire can happen anywhere." to educate people about the three basic but essential steps to take to reduce the likelihood of having a fire, and



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reinforce why everyone needs to have an escape plan. Officers will be using a variety of departmental resources to reiterate everything from identifying everyday fire hazards to Exit Drills in the Home (EDITH) while helping to push this message out.

For more information on Fire Prevention Week, please visit the National Fire Protection Association's website, at <https://www.nfpa.org/fpw>.

For more information on the educational programs utilized by DFR's Fire Educators, in addition to other useful fire safety tips, please visit

http://dallasfirerescue.com/inspections_investigations_education.html. And remember, **if you are a home owner, live in the City of Dallas and are in need of a smoke alarm(s), you can call 311 to make that request and someone will come out and install them at no charge.**

Monday, October 8th: Dallas Fire-Rescue Officer, Kenneth Sutcliffe, has been deployed, with Texas Task Force 1 (TX-TF1), to the Florida panhandle to support search and rescue operations related to Hurricane Michael. Officer Sutcliffe was deployed on the evening of Monday, October 8th. The hurricane is expected to make landfall mid-day on Wednesday, October 10th; and deployment is expected to last as long as TX-TF1's service are needed. DFR is extremely proud of the lengths its members will go to train and make themselves available for situations like this. We are certain that Officer Sutcliffe will represent DFR, and the City of Dallas, with a "service first" mentality.

Monday, October 8th: All Local Media Outlets – Can we have more information a building collapse you all are responding to?

City Response: At 3:52 p.m. Dallas Fire-Rescue's Urban Search and Rescue (US&R) team was dispatched to 2625 Borger Street after a three-story town home, still under construction, collapsed.

Initial reports indicated anywhere between 25 and 30 construction workers were near the collapse zone when the incident took place. When first responders arrived at the scene a total of 6 workers were still inside the debris. Utilizing various measures to shore up parts of the debris, US&R technicians were able to extricate five of the workers before they were taken to area hospitals with non-life-threatening injuries.