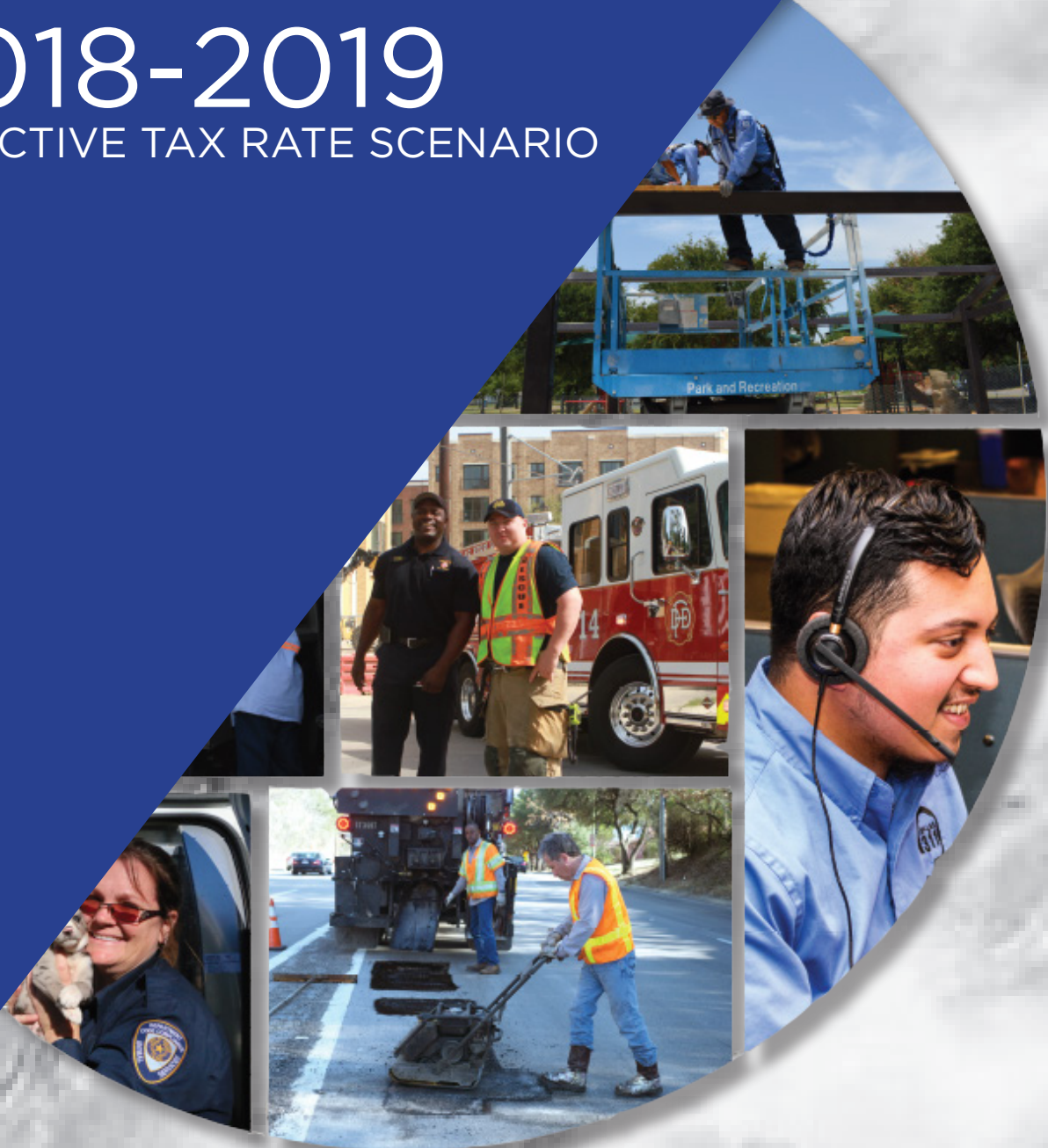




FISCAL YEAR 2018-2019

EFFECTIVE TAX RATE SCENARIO





EFFECTIVE TAX RATE SCENARIO

COMPLYING WITH THE FINANCIAL MANAGEMENT PERFORMANCE CRITERIA IS A PRIORITY FOR CITY MANAGEMENT

On December 13, 2017, the City Council adopted a new criterion for the City’s Financial Management Performance Criteria (FMPC) related to the Effective Tax Rate. Refer to the box to the right for more details regarding FMPC #24.

FMPC #24

“The City Manager will develop an estimated Effective Tax Rate budget scenario and, if different from the City Manager’s recommended budget required by Chapter 11, Section 1 of the City Charter, will provide it to the City Council at the same time. The estimated Effective Tax Rate budget scenario will include a prioritized list of services/expenses that could be funded and a prioritized list of service/expenses that could not be funded with the estimated Effective Tax Rate.”

Therefore, this scenario is provided to comply with the FMPC.

What is an effective tax rate?

The effective tax rate is a rate that generates the same amount of revenue next fiscal year on property that was taxed in the previous fiscal year. The calculation excludes the value of new construction and other adjustments. The Dallas County Tax Office calculates this rate.

What is Dallas’ effective tax rate for FY 2018-19?

The recommended General Fund budget for FY 2018-19 totals \$1.35 billion and is based on a property tax rate of 76.50¢ per \$100 valuation. The effective tax rate is 73.91¢, or 2.58¢ less than the recommended tax rate that supports the recommended General Fund budget.

To lower the tax rate to 73.91¢, the City Council would need to reduce General Fund revenue by \$32.8 million. To maintain a balanced budget, the City Council would need to identify General Fund expense reductions of the same amount.

The table below shows the reduction that would be necessary to achieve an Effective Tax Rate budget. A larger reduction would be required in the FY 2019-20 planned budget since the tax base is assumed to continue to grow in FY 2019-20 as well.

Effective Tax Rate Scenario		
	FY 2018-19	FY 2019-20
Recommended Budget	1,351,193,000	1,399,298,000
Revenue Decrease	(32,813,502)	(34,864,346)
Alternative Scenario	\$1,318,379,498	\$1,364,433,654

EFFECTIVE TAX RATE SCENARIO

Reductions by Strategic Priority totaling \$32.8 million

On the following pages is a list of expenses currently included in the proposed budget that City Council could choose not to fund if it adopts an effective tax rate and revenue is reduced by \$32.8 million. Summarized by Strategic Priority, the list includes:

- Public Safety – \$12.5 million
- Mobility Solutions, Infrastructure, and Sustainability – \$3.7 million
- Economic and Neighborhood Vitality – \$1.2 million
- Human and Social Needs – \$4.2 million
- Quality of Life – \$9.0 million
- Government Performance and Financial Management – \$2.2 million

This list is provided in the order of least impactful to most impactful. The expense listed as number one would be the first expense proposed to be eliminated, if necessary.

“Below the line” expenses of \$24.7 million are those not included in the FY 2018-19 recommended budget

Obviously, there are countless needs within the City not included in the FY 2018-19 budget. Some of these additional expenses could have been included in the budget, but we thought it was necessary to reduce the tax rate in response to feedback received from residents and some City Council members. The FY 2019-20 planned budget includes expenses recommended for funding in a future year should additional revenues become available; however, they are “below the line” in regard to being recommended for funding in FY 2018-19.

The expenses that could be added if additional resources became available are summarized here by Strategic Priority and detailed on the final page of this document:

- Public Safety – \$9.9 million
- Mobility Solutions, Infrastructure, and Sustainability – \$12.0 million
- Economic and Neighborhood Vitality – \$0
- Human and Social Needs – \$0
- Quality of Life – \$2.4 million
- Government Performance and Financial Management – \$0.4 million

Least Impactful to Most Impactful Services Included in City Manager's Proposed FY 2018-19 Budget

Rank	Existing or New Service	Department	Brief Description	FY 2018-19 Expense	FY 2019-20 Expense
1	Existing Service	Public Works	Forestry Division that provides maintenance of trees in medians and rights-of-way	897,656	897,656
2	Existing Service	Library	19 positions in central and branch libraries that provide community outreach and programming	890,000	890,000
3	Existing Service	Police	Police mounted unit used primarily for crowd control, special events, and large gatherings	275,000	275,000
4	New in FY19	Human Resources	Summer internship program	120,000	120,000
5	Existing Service	Park & Recreation	Stipends paid to Park and Recreation partner organizations and facilities including Zoo, Cedar Ridge Preserve, Trinity River Audubon Center, and the Arboretum	775,000	775,000
6	New in FY19	Public Works	Pilot program to address alley access, in partnership with Public Works, Dallas Water Utilities, and Sanitation	500,000	500,000
7	Increased in FY19 & FY20	Transportation	Expanded bike lane program	500,000	1,000,000
8	New in FY19	Public Affairs	Overtime for Public Affairs and Outreach and Building Services to provide support to City Council members at offsite meetings after regular business hours	75,000	75,000
9	Increased in FY19	Community Care	Expanded panhandling initiative	215,000	215,000
10	Increased in FY19	Code Compliance	Seven Neighborhood Code Representatives responsible for engaging/partnering with and educating the community	650,000	650,000
11	Increased in FY19	Judiciary	One Bailiff assigned within Judiciary	64,789	64,789
12	New in FY19	Public Affairs	Equipment rental to enable live broadcast of six City Council meetings scheduled away from City Hall	90,000	90,000
13	New in FY19	Development Services	Historic resource survey recommended by Downtown Dallas Historic Preservation Task Force and endorsed by Council in June 2015	100,000	one time
14	Existing Service	Cultural Affairs	Cultural service contracts including cultural institutions and theatrical, historical, scientific, musical, and dance performances, exhibits, and workshops	550,000	550,000
15	New in FY19	Library	New Radio Frequency Identification (RFID) system for improved efficiency of handling library materials	2,000,000	one time
16	New in FY20	Transportation	Replace broken vehicle detectors at traffic signals at 40 critical intersections	-	1,000,000
17	Existing Service	Economic Development	Earned Income Tax Credit and Volunteer Income Tax Assistance programs, which partner with other organizations to assist low-to-moderate income individuals with tax return filing	100,000	100,000
18	Existing Service	Mayor & Council	City Council district offices	375,000	338,000
19	Increased in FY19	City Secretary	Three staff in Open Records division of the City Secretary's Office	383,052	383,052
20	New in FY19	Strategic Partnerships	One coordinator for Census 2020 efforts	75,811	75,811
21	New in FY19	Homeless Solutions	Dallas Homeless Investment Program that will offer funds to leverage innovative and collaborative "shovel ready" capital projects	500,000	500,000
22	New in FY19	Park & Recreation	Operating/maintenance cost for new partnerships with DISD, RISD, and PISD to utilize ISD playgrounds and property as additional park and open space	102,500	290,000
23	Increased in FY19	Animal Services	Nine positions for shelter operation at Dallas Animal Services' facility as part of BCG recommendations	359,464	359,464
24	Existing Service	City Controller's Office	EMS/Ambulance Compliance Program that ensures appropriate billing for ambulance services	299,394	346,565
25	Existing Service	Fire-Rescue	Fire-Rescue officer promotional exams	350,000	350,000
26	Existing Service	Fire-Rescue	Fire-Rescue officer tactical development and safety training	400,000	400,000

Least Impactful to Most Impactful Services Included in City Manager's Proposed FY 2018-19 Budget

Rank	Existing or New Service	Department	Brief Description	FY 2018-19 Expense	FY 2019-20 Expense
27	New in FY19	Fire-Rescue & Police	Purchase and installation of Police and Fire-Rescue payroll/scheduling software to interface with City's new payroll system	1,000,000	one time
28	New in FY19	Transportation	Funds to leverage \$1.4m of NCTCOG funds to retime 106 traffic signals and provide vehicle detection capabilities at 20 intersection	278,000	278,000
29	New in FY19	Human Resources	Comprehensive compensation and reclassification redesign of City's position and salary schedules	1,000,000	one time
30	New in FY19	Fire-Rescue	60 mechanical chest compression devices for EMS members riding in ambulances, to improve care of patients in cardiac arrest	900,000	one time
31	Increased in FY20	Animal Services	Expanded overnight field coverage from four nights to seven in Dallas Animal Services	-	217,590
32	New in FY20	Park & Recreation	One position to implement park land dedication ordinance	-	80,000
33	New in FY20	Park & Recreation	Funding for WellMed senior program	-	300,000
34	New in FY20	Transportation	Replacement of 21 LED Dynamic Message Signs around Fair Park	-	1,000,000
35	Existing Service	Fire-Rescue	Overtime funding for Fire-Rescue officers to help meet daily minimum staffing levels	647,739	647,739
36	Increased in FY19	Fire-Rescue	Six additional Fire-Rescue officer recruits to address overtime and meet daily minimum staffing levels	606,676	606,676
37	New in FY19	Non-Departmental	Comprehensive Housing Policy implementation to target historically underserved areas at risk of displacement	1,000,000	1,000,000
38	Existing Service	Transportation	Existing bike lane program	500,000	500,000
39	New in FY19	Equity and Human Rights	Fresh Start offender re-entry program	235,000	235,000
40	Existing Service	Community Care	Teen pregnancy prevention program	300,000	300,000
41	Existing Service	Welcoming Communities & Immigrant Affairs	Office of Welcoming Communities and Immigrant Affairs	623,124	635,827
42	New in FY19	Homeless Solutions	System Enhancement Program that strengthens homeless response systems, including case management, transportation, mental health, workforce solutions, etc.	250,000	250,000
43	Existing Service	Community Care	Senior dental services for 380 senior clients, 688 individual patient visits, and 1,140 dental procedures	75,000	75,000
44	Existing Service	Community Care	Senior Citizen Transportation Program	250,000	250,000
45	Existing Service	Community Care	Existing panhandling initiative	200,000	200,000
46	Existing Service	Park & Recreation	Recreation centers - 14 positions and 5 of 65 hours of service provided each week at 13 large recreation centers	700,000	700,000
47	Existing Service	Park & Recreation	Park land maintenance, including graffiti and litter removal services	767,000	767,000
48	Existing Service	Police	Police department summer overtime initiatives to address summer trends	3,000,000	3,000,000
49	New in FY19	Equity and Human Rights	ADA transition plan	200,000	one time
50	Increased in FY20	Fire-Rescue	18 new Fire-Rescue officer recruits to help reduce overtime and meet daily minimum staffing levels	-	2,400,000
51	Existing Service	Code Compliance	Mowing of tax foreclosed properties	325,000	325,000
52	New in FY19	Homeless Solutions	Homeless Solutions master leasing program to secure units and provide housing assistance	1,200,000	1,200,000
53	Existing Service	Public Works	Pay-as-you-go street and alley improvements	1,000,000	1,000,000
54	Existing Service	Code Compliance	Code Compliance Intensive Case Resolution Team	1,072,387	1,072,387

Least Impactful to Most Impactful Services Included in City Manager's Proposed FY 2018-19 Budget

Rank	Existing or New Service	Department	Brief Description	FY 2018-19 Expense	FY 2019-20 Expense
55	New in FY19	Courts	Comprehensive security study and risk analysis of City facilities and programs	1,015,120	one time
56	Existing Service	Police	Police helicopter unit	975,790	975,790
57	Existing Service	Fire-Rescue	One fire company each day on a rolling-brown out basis	1,690,000	1,690,000
58	Existing Service	Fire-Rescue	Three of six peak demand EMS/ambulance units	1,250,000	1,250,000
59	New in FY19	Homeless Solutions	Supportive housing for seniors including rental subsidies and support services	250,000	250,000
60	New in FY19	Homeless Solutions	Homeless Solutions landlord incentive program to encourage private property owners to rent units for homeless	100,000	100,000
61	Existing Service	Animal Services	Two field officers, four shelter staff, and one administrative position in Dallas Animal Services	345,000	345,000
62	New in FY19	Animal Services	New operations team specifically focused on aggressive dog calls and efforts to preemptively reduce bites	410,000	318,000
63	New in FY20	Fire-Rescue	Phase 1 of 2 to purchase a complete second set of personal protective equipment (PPE) for each emergency response member	-	2,650,000
Total				\$ 32,813,502	\$ 34,864,346



"Below the Line" Expenses Not Included in City Manager's Proposed FY 2018-19 Budget

Rank	Department	Brief Description	Expense
1	Dallas Animal Services	Expand overnight field coverage from four days a week to seven days a week, by funding two Animal Services Officers, one Senior Animal Services Officers, and one Supervisor II	248,303
2	Dallas Animal Services	Field tranquilization service with a licensed veterinarian (once a week) for loose aggressive dogs that are hard to obtain through traditional field capture methods	60,000
3	Emergency Management	Six additional outdoor warning sirens to increase residential coverage	176,069
4	Emergency Management	Increase funding for maintenance of six new outdoor warning sirens	50,000
5	Transportation	Dedicated crew to install engineering work orders for emergency response to signal knockdowns and underground cable repairs	394,925
6	Transportation	Replace broken vehicle detectors at traffic signals at 40 critical intersections	1,450,000
7	Transportation	Add program to systematically retune 250 traffic signals (20%) annually	700,000
8	Cultural Affairs	Expands cultural services across Dallas to serve more residents with neighborhood pop-up cultural centers	376,368
9	Dallas Animal Services	Treatment of heartworm-positive dogs to improve live release rate	296,111
10	Fire-Rescue	18 additional Fire-Rescue officers	2,400,000
11	Fire-Rescue	Purchase a complete set of personal protective equipment for each emergency response member	5,300,000
12	Park and Recreation	Partner with WellMed Charitable Foundation to create a senior center and clinic	300,000
13	Transportation	One traffic controller position for in-house street striping crew	52,794
14	Transportation	Replace 21 LED Dynamic Message Signs around Fair Park	3,000,000
15	Police	Down payment assistance and relocation costs for police officers	496,500
16	Business Diversity	Membership dues for advocacy groups and overtime to enhance M/WBE outreach efforts	27,716
17	Equity and Human Rights	Citywide ADA professional development	36,065
18	Business Diversity	Citywide marketing initiatives related to diversity and inclusion	15,000
19	Human Resources	2020 Biennial Ethics Training modifications, improvements, development, and delivery	50,000
20	Court Services	One departmental Data Tech Analyst to address increased requests for departmental statistical and trend analysis	91,519
21	Civil Service	Purchase Statistical Package for Social Sciences software used by HR Analysts	25,000
22	Public Affairs & Outreach	Professional services to support the development and implementation of new City employee engagement initiatives	30,000
23	Civil Service	Two intern positions to help with validation	40,580
24	Police	Increase overtime funding	1,414,917
25	Park and Recreation	One full-time employee to manage hundreds of transactions per year, resulting from the new park land dedication ordinance	80,000
26	Environmental Quality & Sustainability	Develop an Environmental Action Plan	400,000
27	Code Compliance	One-time purchase to replace vehicles for the Nuisance Abatement Team	426,185
28	Building Services	Continue implementation of the Facility Condition Assessment (FCA) deferred maintenance program	6,000,000
29	Civil Service	Additional recruiters needed to increase social media presence	153,510
30	Dallas Animal Services	Sterilization program for roaming cats	573,000
33	Cultural Affairs	Additional coordinator to oversee public art selection, design, and implementation related to General Fund and Bond Fund projects	76,854
Total			\$ 24,741,416



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