

# Memorandum



CITY OF DALLAS

DATE August 16, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the City Manager's Recommended Biennial Budget for FY24 & FY25 (First Set)**

We were pleased to share the City Manager's FY24 & FY25 Recommended Biennial Budget on Tuesday, August 8. Below are responses to unanswered questions.

## 1. What has been the hiring and attrition of DPD uniform employees over the last five fiscal years?

The table below provides the last five years of actual data and the forecast for the current fiscal year which ends on September 30, 2023.

Fiscal Year	Year Begin	Hiring	Attrition	Year-End
FY18	3,070	199	(241)	3,028
FY19	3,028	281	(242)	3,067
FY20	3,067	269	(187)	3,149
FY21	3,149	175	(204)	3,120
FY22	3,120	200	(236)	3,084
FY23*	3,084	185	(200)	3,069

\*Forecast

## 2. What caused the decline in the Office of Environment & Sustainability year-over-year operating budget comparing FY23 to FY24?

The Office of Environmental Quality and Sustainability's (OEQS) total operating budget decreased by \$1.3M from FY23 to FY24 due to \$1.5M one-time funding to support a comprehensive brownfield program. This funding was intended as one-time funding in FY23 and therefore removed in FY24. Additionally, OEQS will receive additional reimbursements in the amount of \$392K from Dallas Water Utilities (DWU), Storm Drainage Management (SDM), Sanitation (SAN), and Texas Commission on Environmental Quality (TCEQ). Since these reimbursements increased year-over-year, the amount of the budget being paid by the General Fund is less.

	FY23	FY24
Total Operating Expenses for OEQS	\$17,988,726	\$17,113,978
Reimbursements paid by DWU, SDM, SAN, and TCEQ	(11,036,829)	(11,428,702)
Net Expenses paid by the General Fund	\$6,951,897	\$5,685,276

**3. What caused the decline in the Environment & Sustainability strategic priority area in All Funds?**

The Environment & Sustainability strategic priority total budget declined by \$66.6M from \$628.0M in FY23 to \$561.4M in FY24. The total budget for All Funds includes all operating funds, capital, and debt. The capital total in this strategic priority caused the year-over-year change. As capital budgets are developed and reviewed annually, funding strategies, engineering and design progress, and construction procurement methodology are incorporated into overall delivery schedules. From year to year, these capital investments may shift and in some cases are moved to later years. Additionally, the financing of projects may have been reduced from FY23 due to overall financial outlays for the next five years. Within this category, two areas were initially included in the FY24 planned budget: (1) Elm Fork Water Treatment Plant Filter Improvements in the amount of \$66.0M; and (2) Central Wastewater Treatment Plant Major Maintenance and System Improvements in the amount of \$12.5M that have been moved to FY25 and FY26. This change impacts both FY24 and FY25. The FY25 planned budget in this strategic priority is \$691.0M (\$129.6M more than FY24 proposed budget).

**4. Provide additional information on Park and Recreation (PKR) fee collections and general cost recovery analysis related to recreation fees.**

PKR is in the process of completing a fee collection study and cost recovery analysis on all Park and Recreation fees system-wide that should be completed before the end of the Fiscal Year. Additional information will be provided once that study is complete.

**5. Provide information on why the school crossing guard contract increased with Dallas' declining population.**

The new contract adds new approved intersections, expands hours, and provides a living wage increase from \$15.21 to \$17.82 per hour. The number of hours will increase from 290,000 in FY23 to projected hours of 312,228 in FY24 and projected hours of 341,600 in FY25. The new contract agreement was approved by City Council on June 28, 2023.

**6. How much of the Office of Arts and Culture budget is funded by the General Fund compared to Hotel Occupancy Tax?**

The FY24 proposed budget for the Office of Arts and Culture is \$30,393,270 and is comprised of \$23,366,671 from the General Fund; \$6,747,040 in reimbursements/additional resources from Hotel Occupancy Tax; \$240,000 in reimbursements from the Capital Bond Program for Public Art; and \$39,559 in reimbursements from Municipal Radio. The Hotel Occupancy Tax funds are used for arts and preservation activities that further tourism in accordance with state law.

DATE August 16, 2023

SUBJECT **Responses to Questions Regarding the City Manager's Recommended Biennial Budget for FY24 & FY25 (First Set)**

PAGE **3**

**7. What membership dues are funded in Non-Departmental?**

<b>Membership</b>	<b>FY24</b>
Friends of Dallas Area Transit	\$5,000
GFOA – Government Finance Officers Association	4,620
Metroplex Mayors	400
NCTCOG - North Central Texas Council of Governments	134,103
TCCFUI - Texas Coalition of Cities for Utility Issues	50,652
OCSC - Oncor Cities Steering Committee	136,505
National League of Cities	38,384
Texas Municipal League	63,710
United States Conference of Mayors	40,235
Dallas Regional Mobility Coalition	37,500
Transportation Excellence for the 21st Century, TEX21 membership	25,000
Total	\$536,109

**8. Provide additional breakdown of the revenues and expenses for the Department of Aviation.**

<b>Revenue</b>	<b>FY24</b>
Service to Others	\$181,314,339
License and Permits	498,105
Interest	260,000
Customer Charges	195,000
Miscellaneous	325,000
Total Revenues	\$182,592,444
<b>Expenses</b>	<b>FY24</b>
Love Field	\$134,148,359
Dallas Executive Airport	3,762,402
Vertiport	548,292
Debt Service	45,827,500
Transportation Regulation	546,131
Total Expenses	\$184,832,684

**9. Why is Civil Service budget and FTEs increasing?**

The FY24 budget for Civil Service decreased by \$60,956 from the FY23 adopted budget of \$3,076,486 to \$3,015,530 due to increased vacancy rate assumptions. The FY24 budget is higher than the FY23 year-end forecast of \$2,744,325 due to savings from vacant positions being realized in FY23. The FTEs increased by 0.74 due to overtime FTEs, however, the additional overtime FTEs are incorrectly shown in the Regular Civilian FTE count. We will fix this to reflect 25.26 FTEs in Regular Civilian and 0.74 FTEs in Civilian Overtime.

**10. Please explain the FY23 performance measure target forecast for the percent increase of Spanish text notification subscribers.**

Communication, Outreach, and Marketing (COM) expects to achieve targeted growth by FY23 end-of-year. The budget document currently shows a decline of 21.4% for FY23 because the baseline was entered but actual data has not been entered for the remainder of the fiscal year resulting in inaccurate information being displayed. COM's actual year-to-date growth exceeds the target due to increased outreach and promotion of signups by Council Members. Additionally, the contract with bilingual text provider Granicus expires this December and the Office of Procurement Services is procuring new technology for more robust multilingual engagement in support of adopted equity goals.

**11. Why is Inspector General office forecasted to be \$130,000 over budget in FY23 and what kind of workflows will be improved to prevent this in FY24?**

The City Attorney's Office will respond directly to City Council.

**12. Where can we find FY23 performance measure data?**

Dallas 365 reflects 35 performance measures that span the City's eight strategic priority areas. The measures for FY23 were identified through the budget development process and made public through the budget document. The status of Dallas 365 measures are reported monthly in the Budget Accountability Report. Dallas 365 measures for current reporting is available [here](#). Additionally, departments report the status of budget book performance measures quarterly. The updates are reported in the Quarterly Performance Measure report and posted on the [Financial Transparency website](#).

**13. How much Transportation & Infrastructure funding is used to support vehicular traffic vs. pedestrian/bicycle traffic?**

Many planned and funded projects impact multiple forms of mobility – for example, a traffic signal project can improve outcomes for drivers, pedestrians, and cyclists, when current technology is implemented. With that in mind, an exact breakdown of which roadway user is supported by a project is not possible. However, included in the FY24 Budget is \$2M for the Bike Lane Fund, and \$45K for the Dockless Vehicles Program. Additionally, \$2.2M of DART surplus revenue has been allocated to Bike Lane Upgrades. Specific to vehicular traffic, Transportation has approximately \$25M for a combination of functions and services included in District Engineering, Neighborhood Traffic Calming, Signal Engineering and Maintenance, Sign Fabrication and Installation, Traffic Markings and Parking Enforcement.

**14. Provide a description of Mobile Food Preparation Vehicles, Outdoor Assembly – Event, and Special Event/Trade Show Reimbursement Fees per Hour Fees.**

Mobile Food Preparation Vehicles – Code's model has recently been updated to include specific guidance for Mobile Food Preparation Vehicles whereas in the past everything from pushcarts, towed trailers, and food trucks were inspected and permitted simply based on the use of LP-gas. The changes in the code language and subsequently in inspection practices will ultimately provide for a higher degree of public and firefighter safety. The current process inspects/permits the LP-Gas associated with the mobile food operation. Since the code now specifically addresses mobile food preparation vehicles, we will be able to provide higher quality inspections and a higher degree of public safety in an ever-changing environment.

Outdoor Assembly – Event - The inclusion of the "Outdoor Assembly Events" permit and inspection process partners with recently adopted Ordinance #32239, specifically Section 38A – Promoters. Previously, many outdoor assembly events were unknown and unregulated by the fire code because they were not associated with a building/structure or commercial enterprise. It is important that we stay vigilant to industry changes and current with the code adoption cycles in the future.

Special Event/Trade Show Reimbursement Fees per Hour Fees - This fee is applied when a special event / trade show has an activity that creates an increased risk requiring the presence of a Fire Prevention Officer. The activities can range from pyrotechnics, hazing, to the use of smoke machines or flame effects. Fees for Firewatch have historically been consistent whether they are for a Special Event/Trade Show or for any other location.

**15. Provide information on prior National Guard cooperation for demolitions.**

In the past, Texas National Guard had a program called "Operation Crackdown," where they would assist with demolition of houses within drug nexuses. This program was discontinued and is no longer in operation.

**16. What is the five-year forecast for sales tax revenue and given actual receipts in FY21 and FY22, should the forecast be higher?**

Over the last 30 years, sales tax revenue averages 4.2% year-over-year growth. During the onset of COVID-19 in FY20, we realized a decline in sales tax of just under 1%. As a result of pent-up demand and inflation coming out of the pandemic, we realized 14% and 15% growth in FY21 and FY22 respectively. Our current forecast is that we will have 6.3% growth during the current year, FY23. It should be noted that three of the last four months (March, April, and June 2023), we received less sales tax revenue from the State Comptroller than we did for those same months in 2022.

Our contract economist, Dearmon Analytics, has advised us that sales tax will not continue at the unprecedented growth rates experienced recently but will return to a more historic growth rate. Again, our 30-year average is 4.2% growth. Therefore, our five-year forecast as recommended by our contract economist includes the following: 4.4% in FY24, 5.5% in FY25, 4.0% in FY26, 4.1% in FY27, and 3.8% in FY28.

We will continue to respond to budget questions asked by members of the City Council over the next several weeks. Please contact me or Janette Weedon, Director of Budget and Management Services, if you need additional information.



Jack Ireland  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors