

# Memorandum

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CITY SECRETARY  
DALLAS, TEXAS



DATE August 15, 2014

TO Members of the Budget, Finance & Audit Committee:  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Budget, Finance & Audit Committee Meeting

**Monday, August 18, 2014, 1:00 p.m.**

Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the August 4, 2014 Budget, Finance & Audit Committee meeting
2. Alternative Financial Establishments  
David Cossum, Director  
Sustainable Development and Construction
3. Securities and Exchange Commission's  
Municipalities Continuing Disclosure Cooperation  
(MCDC) Initiative  
Warren M.S. Ernst  
City Attorney  
**Closed Session (Sec. 551.071 TOMA)**  
Consultations with Attorney, Section 551.071 of the Texas Open Meetings Act

## FYI

4. Upcoming Agenda Item: Amendment to the Contracts for Co-Bond Counsel Services
5. Upcoming Agenda Item: Web Content Management System for Police Internet and Intranet Websites

Jerry R. Allen, Chair  
Budget, Finance & Audit Committee

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Sois, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager

A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.

# **Budget, Finance & Audit Committee**

## **Meeting Record- DRAFT**

**Meeting Date:** 8.4.2014

**Convened:** 1:03pm

**Adjourned:** 1:54pm

### **Committee Members Present:**

Jerry R. Allen, Chair  
Sheffie Kadane

Jennifer S. Gates, Vice-Chair  
Tennell Atkins

Philip T. Kingston

### **Committee Members Absent:**

N/A

### **Other Council Members Present:**

N/A

### **Staff Present:**

Jeanne Chipperfield  
Forest Turner  
Molly Carroll  
Lance Sehorn

Craig Kinton  
Michael Frosch  
Renee Hayden  
Erick Thompson

Yasmin Barnes  
Donna Lowe  
Tommy Ludwig

Kelly High  
Rick Galceran  
Edward Scott

### **Others Present:**

N/A

### **AGENDA:**

#### **1. Consideration of the June 16, 2014 Minutes**

**Presenter(s):**

**Information Only:** —

**Action Taken/Committee Recommendation(s):**

A motion was made to approve the June 16, 2014 minutes. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Tennell Atkins

#### **2. Nomination and Appointment of the City Auditor**

**Presenter(s):** Craig D. Kinton, City Auditor

**Information Only:** —

**Action Taken/Committee Recommendation(s):**

Councilmember Gates moved that the Budget, Finance and Audit Committee serve as the nominating commission for reappointment of the City Auditor. A motion was made to move Craig Kinton forward as the nominee. Motion passed unanimously.

Motion made by: Jennifer S. Gates

Motion seconded by: Tennell Atkins

#### **3. Ethics and Diversity Officer Introduction and Status Update**

**Presenter(s):** Cheryl Orr, Ethics and Diversity Officer

**Information Only:** X

**Action Taken/Committee Recommendation(s):**

N/A

# **Budget, Finance & Audit Committee**

Meeting Record- **DRAFT**

## **FYI**

4. **Upcoming Agenda Item: Supplemental Agreement No. 2 to the Professional Services Contract with MuniServices, LLC for Sales/Use Tax Compliance Review and Recovery Services**

**Presenter(s):**

**Information Only: X**

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, August 13, 2014. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Sheffie Kadane

5. **Upcoming Agenda Item: Auto Body Collision Repair Services for City Vehicles**

**Presenter(s):**

**Information Only: X**

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, August 27, 2014. Motion passed unanimously.

Motion made by: Sheffie Kadane

Motion seconded by: Tennell Atkins

6. **Upcoming Agenda Item: Global Positioning System Master Agreement**

**Presenter(s):**

**Information Only: X**

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, August 13, 2014. Motion passed on a divided vote, with Councilmember Kingston voting in opposition.

Motion made by: Tennell Atkins

Motion seconded by: Sheffie Kadane

7. **Upcoming Agenda Item: Renewal of Contract with ComVerge Inc. to Administer the City's Participation in the Emergency Response Service (ERS) and Commercial Load Management (CLM) Programs**

**Presenter(s):**

**Information Only: X**

**Action Taken/Committee Recommendation(s):**

A motion was made to forward to the City Council for consideration on Wednesday, Wednesday, August 13, 2014. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Sheffie Kadane

## Memorandum



**DATE** August 15, 2014

**TO** Members of the Budget, Finance & Audit: Jerry R. Allen (Chair), Jennifer S. Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

**SUBJECT** Alternative Financial Establishments

Please find attached briefing materials on for an update on alternative financial establishment uses and possible amendments to that use. The briefing will be presented to the committee on August 18, 2014.

Please contact me if you need additional information.



Ryan S. Evans  
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Craig D. Kinton, City Auditor  
Theresa O'Donnell, (I) Assistant City Manager  
Charles M. Cato (I) Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Shawn Williams, (I) Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Alternative Financial Establishments

City Council  
Budget, Finance & Audit Committee  
August 18, 2014



# Purpose

- To update the Committee on activity since the adoption of the Alternative Financial Establishment ordinance by Council on May 25, 2011
- Obtain direction from the Committee regarding possible amendments to the regulations

# Current Regulations

- AFEs are currently allowed by SUP only in nonresidential districts except the NO(A), NS(A), MU-1, MU-1(SAH), UC-1, and P(A) districts.
- No AFE may be located within 1,500 feet from another AFE.
- No AFE may be located within 300 feet of a lot in a residential district.
- No AFE may be located within 500 feet of an expressway.
- An AFE may only operate within a freestanding building and may not operate in the same structure as any other use.
- AFEs that operate as Credit Access Businesses are also subject to registration requirements and restrictions on extensions of consumer credit pursuant to Chapter 50

# Background

- Since May 2011, Code Inspections have:
  - conducted approximately 92 inspections
  - conducted 6 financial audits of alternative financial establishments
  - Issued four criminal violations to one AFE
    - scheduled for a jury trial in municipal court on October 8, 2014
  - issued notices of violation to approximately 38 AFE (one per business)
- In response to violation notices, one pawn shop operator has ceased its payday lending operations at 13 locations in the City.

# Background

## Objectives of the creation of the AFE use:

- To provide appropriate standards and regulations for AFEs; requiring a specific use permit, spacing requirements, and other regulations for the use.
- Reduce clustering of AFEs as this can have a detrimental effect on neighborhoods and create the appearance of an area in decline.
- A proliferation of AFEs at particular locations can overwhelm a neighborhood and can be a disincentive for other businesses to locate in these neighborhoods.

# Committee Direction Options

Possible amendments to AFE, money services business, and financial institution definitions:

- Clarify AFE definition by
  - specifically excluding business regulated under Chapter 342 of the Texas Finance Code
  - limiting financial services that can be accessory to another main use to money transfer and check cashing
  - renaming check cashing business to money services business
- Add Chapter 342 businesses to the Financial Institution use in Chapter 51A and the Bank or Savings and Loan Office use in Chapter 51

# **Executive Session**

This item will be briefed in closed section, pursuant to Section 551.071 of the Texas Open Meetings Act.

Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperation (MCDC) Initiative

# Memorandum



CITY OF DALLAS

DATE August 15, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Amendment to the Contracts for Co-Bond Counsel Services

The August 27, 2014 Council Agenda includes an item for your consideration to authorize an amendment to the contracts for co-bond counsel services with McCall, Parkhurst & Horton, L.L.P. and Escamilla Poneck & Cruz, LLP (Team A) and Bracewell & Giuliani LLP and West and Associates, L.L.P. (Team B). This amendment will extend the contracts for a two-year term ending February 28, 2016.

On February 28, 2007, the City Council authorized a three-year contract with: (1) McCall, Parkhurst & Horton, L.L.P. and Escamilla & Poneck, Inc. (Team A) to provide legal services to the City in connection with the issuance of its Water and Sewer System Bonds, and Commercial Paper Notes, bonds issued by the Consolidated Economic Development Boards, and certain other City conduit issuers, Economic Development obligations, Tax Increment Financing bonds, Public Improvement District bonds and other special district bonds; and (2) Vinson & Elkins L.L.P. and West and Associates, L.L.P. (Team B) to provide legal services to the City in connection with the issuance of its various types of general obligation debt, Convention Center Bonds and Dallas Multifamily Housing Acquisition Corporation Obligations. On February 24, 2010, the City Council authorized a two year renewal to extend the contracts.

The attorneys who have served as co-bond counsel at Vinson & Elkins, L.L.P., departed from that firm and joined Bracewell & Guiliani LLP, during January 2012. On April 11, 2012, the City Council authorized a two year contract with McCall, Parkhurst & Horton, L.L.P. and Escamilla Poneck & Cruz, LLP (f/k/a Escamilla & Poneck, Inc.) (Team A) and Bracewell & Giuliani LLP and West and Associates, L.L.P. (Team B) for co-bond counsel services for a two year-term.

The fees for legal services provided by the co-bond counsel firms in connection with the issuance, sale and delivery of the City's bonds are contingent upon the sale and delivery of the bonds, remain the same fees payable under the prior contracts and are payable from bond proceeds or Water Utilities funds, as applicable. The fees under the proposed amendment remain the same as those under the previously-approved contracts.

Please contact me if you need additional information.



Warren M. S. Ernst  
City Attorney

**Attachment**

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Elsa Cantu, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

DATE August 15, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer Staubach Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Web Content Management System for Police Internet and Intranet Websites

The August 27, 2014 Council Agenda includes an item to authorize a professional service contract for implementation of a web content management system for Police internet and intranet websites with KnackTek LLC dba SharePoint Engine in an amount not to exceed \$88,004, financed with Current Funds.

The Communications and Information Services department is currently implementing the latest version of Microsoft SharePoint Collaboration System to better manage websites and provide enhanced capabilities for City department users. It provides many built-in features that enable users to post information on websites, manage calendars and events, share documents, create online forms, and create surveys/polls.

Today, City of Dallas websites are created and every change must be made by the Web Group. With SharePoint, the Dallas Police Department will be able to update their websites on their own and immediately post information to the public such as news, announcements, calendar events, new forms or documents.

As early as 2004, the Dallas Police Department purchased a custom built web content management system to manage their web sites. The product is no longer supported by the vendor for new releases or fixes for this product since 2008. It is proprietary and not readily supportable by the marketplace. As such, it is necessary to acquire professional services with expertise to move from the existing system to Microsoft SharePoint. Passage of this agenda item will enable the acquisition of the necessary professional service.

Please contact me if you have any questions.



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

C: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Rosa Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Forest Turner, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
William Finch, Director/CIO, CIS

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