



**City of Dallas**

# **FY 2022-23 Proposed Budget Discussion**

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# Overview



- Review budget for various enterprise funds
  - Aviation
  - Convention Center
  - Dallas Water Utilities and Storm Drainage Management
  - Sanitation Services
- Timeline





# Department of Aviation (AVI)

# Aviation Overview



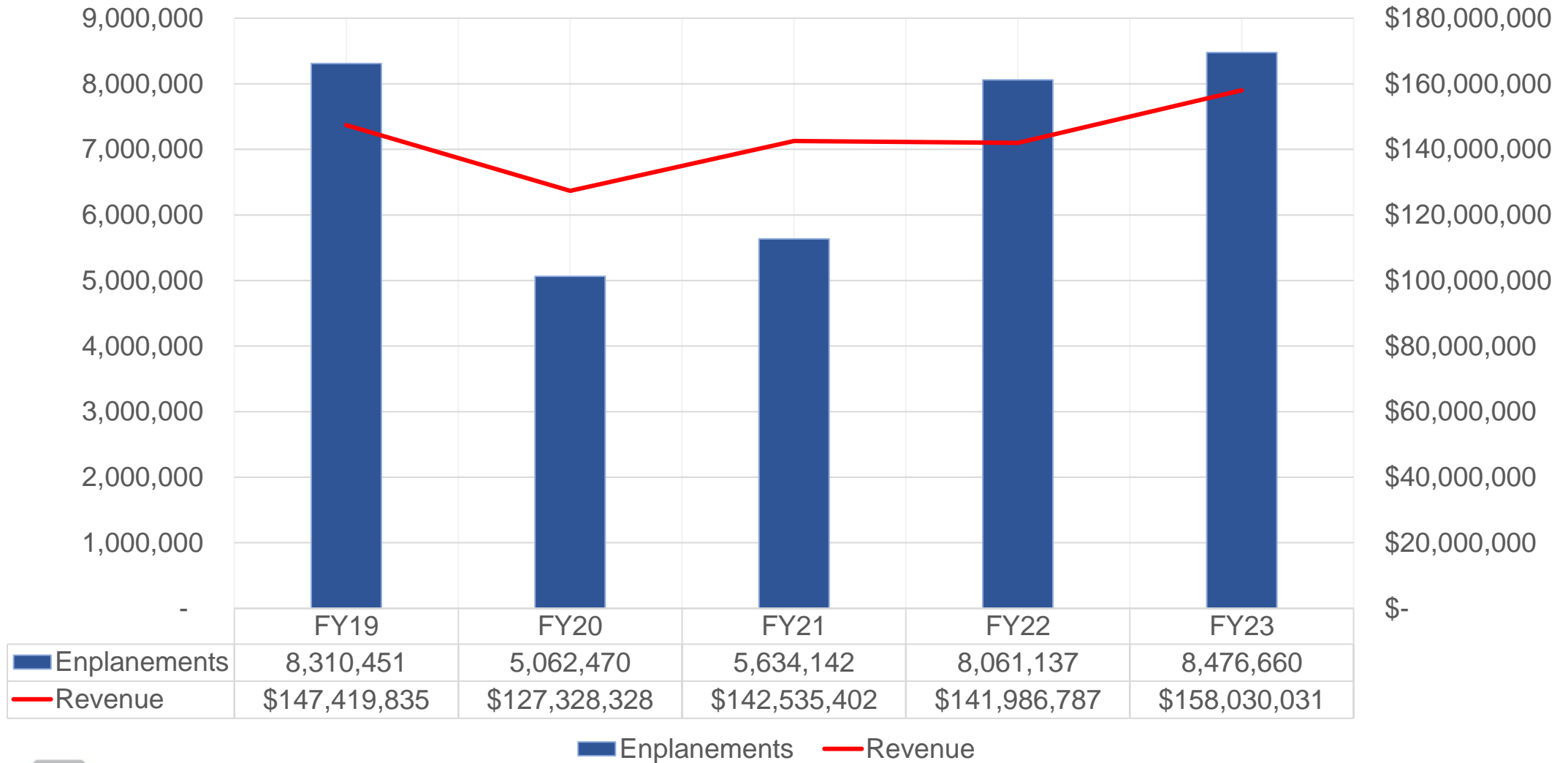
- Enplanements are the most important air traffic metric because more than 80% of Aviation revenues are generated *directly* or *indirectly* from enplaned passengers
- Airlines revenues count for more than 60% of our total revenue
  - Landing Fees – 21%
  - Terminal Rents – 40%
- Non-Airline Revenues count for less than 40%
  - Parking, concessions, car rentals, TNC, other leases



# Aviation Enplanements



## Enplanements & Revenue



# Aviation Revenue



## Department of Aviation Total

Revenue Type	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Proposed
Airline Revenues	\$73,356,625	\$76,926,595	\$83,068,812	\$82,053,323	\$88,517,253
Non-Airline Revenues	74,063,211	50,401,733	59,466,591	59,933,464	69,512,778
Total	\$147,419,836	\$127,328,328	\$142,535,402	\$141,986,787	\$158,030,031

## Parking & Ground Transportation

Gross Revenues	FY19 Actual	FY20 Actual	FY21 Actual	Mid-Year 2022
Nonairline Revenue	\$42,834,000	\$27,419,000	\$32,343,000	\$29,896,000
Interest Income	20,000	17,000	18,000	18,000
Total	\$42,854,000	\$27,436,000	\$32,361,000	\$29,914,000



# Aviation Key Metrics



Metrics	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Proposed
AVI Positions	316	341	341	341	357
Enplanements	8,310,451	5,062,470	5,634,142	8,061,137	8,476,660
Enplanements per Position	26,299	14,846	16,522	23,640	23,288
Percent Increase of Positions		8%	0%	0%	5%



# Aviation Expenses



	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Proposed
Personnel	\$19,417,785	\$20,939,629	\$20,994,666	\$25,444,963	\$27,948,587
Supplies	7,936,398	7,265,908	7,017,240	8,184,820	9,759,124
Contracts	125,569,210	117,020,213	96,183,338	116,228,326	123,297,624
Capital Outlay	3,785,511	6,116,700	1,455,874	2,096,787	8,255,336
Reimbursements	(5,314,874)	(34,152,211)	(18,468,168)	(9,968,109)	(6,296,825)
<b>Total</b>	<b>\$151,394,030</b>	<b>\$117,190,239</b>	<b>\$107,182,950</b>	<b>\$141,986,787</b>	<b>\$162,963,846</b>
Positions	316	341	341	341	357





# Aviation Expense Drivers



- Enplanements have recovered to 96% of pre-pandemic level. Enplanement forecast based upon FY22 actual data: 8,061,137.
- Expenditures have increased due to inflation and the ongoing increase in employee costs.
- Contract expenses are major cost drivers (equipment rental, professional services, contractor service fees, security services, building repairs/maintenance, fire station reimbursement).
- Police and Fire reimbursements are major cost drivers. Actual budget numbers will increase due to a shortage of police personnel city-wide and use of overtime.

Reimbursement Type	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Proposed
Dallas Police Department	\$9,902,182	\$9,839,813	\$9,748,241	\$7,643,187	\$8,454,343
Dallas Fire-Rescue Reimbursement	\$6,144,046	\$6,613,872	\$5,214,430	\$7,919,032	\$7,919,661



# Aviation Requested Enhancements



## FY23 Enhancements:

- Upgrade 38 positions and add 4 new positions to meet job market competition and airport growth (\$849,867)
- Fund inflation-driven cost increases to various contracts and for increases in the cost of supplies & equipment (\$5.8 million)
- Replacement of six aging maintenance vehicles, the purchase of winter operations equipment and other major maintenance that was halted until traffic increased (\$6.2 million)



# Aviation Budget Performance Measures



Performance Measures	FY22 Target	FY22 Forecast	FY23 Target	FY24 Target
Overall customer satisfaction index (scale 1-5)	5.00	4.41	5.00	5.00
Sales per Enplaned Passenger (SPEP)	\$10.00	\$11.73	\$10.00	\$10.00
Percentage increase of Black, Asian, Hispanic, or Native American Collegiate Interns (new)	N/A	N/A	20.0%	20.0%
Percentage increase in private and public sector investment at Dallas Executive Airport	10.0%	10.0%	10.0%	10.0%



# Aviation Capital and Debt Service



Issue Name	Issue Date	Original Issue Amount	Outstanding Principal
Special Facilities Revenue Bonds, Series 2012	6/14/2012	146,260,000	79,340,000
General Airport Revenue Bonds, Series 2015	8/18/2015	109,235,000	92,500,000
General Airport Revenue Bonds, Series 2017	1/18/2017	116,850,000	103,755,000
General Airport Revenue Bonds, Series 2021	9/27/2021	255,160,000	255,160,000
Commercial Paper	6/24/2021	150,000,000	52,199,039
Total Aviation Debt			\$582,954,039

Grant Funding	Award Amount	Amount Received	Amount Remaining
CARES Act	\$53,883,334	\$52,777,074	\$1,106,260
CRRSAA	\$15,689,037	\$13,887,177	\$1,801,860
ARPA	\$58,007,158	\$6,896,050	\$51,111,108
Total	\$127,579,529	\$73,560,301	\$54,019,228





## Upcoming Capital Projects in FY23

Rehabilitate TWY A - Design

CONRAC - Design & CA services

AEOC - Airport Emergency Operation Center - Design

DAL Streetscape Enhancements - Lemmon & Shorecrest Construction

Streetscape Enhancement - Phase I – Construction at DEA

TWY E Extension at DEA

ARFF Station Design

Elevator Upgrade

EMS Suite Construction

TNC Construction in Garage B



# Aviation Future Challenges



- Service level challenges facing the Department of Aviation include:
  - COVID-19 and its impact on customers and custodial service
  - The hiring of qualified personnel due to competitive salaries
  - A shortage of space in the terminal to accommodate increasing passenger traffic
  - Roadway congestion and limited curbside space due to increasing passenger traffic



# Aviation Equity and Community Engagement Goals



- The Department of Aviation has taken action through community engagement to address the following equity goals:
  - Investment in Aviation's education initiatives and provide more career days for residents most impacted by inequities, as noted in the Equity Impact Assessment Tool
  - Adding to our Airport Concession Disadvantaged Business Enterprise (ACDBE), Disadvantaged Business Enterprise (DBE) and MWBE contractor networks for airport projects by increasing the number of Vendor Days (outreach) in the business community and outreach to various contractor associations
  - Increase the percentage of Black, Asian, Hispanic, and / or Native American collegiate interns to 20% of total number of interns
  - Good Neighborhood Plan and Love Field / DEA Advisory Committees: community feedback
  - “Noise Dynamic” Newsletter to the Community: monthly outreach
  - Lemmon Avenue Streetscapes: creating an airport district
  - Hike and Bike Trails at Dallas Executive Airport and Love Field Loop Trail



# Aviation – Budgeting for Equity



- The Department of Aviation has taken action through recruitment and community engagement to address the following equity goals:
  - Increase the number of recruitment trips to Historically Black Colleges and Universities and Historically Hispanic Colleges by 50% in FY23
  - Increase the Community Outreach budget to \$400,000 in FY23 to enhance collaboration and marketing of events with neighborhoods around DAL and DEA
  - Increase the recruitment advertisements and job fairs for airport positions in Southern sector zip codes from 2 to 4 events in 2023







# Convention and Event Services (CES)

# Convention and Event Services (CES) Overview



- Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan process was initiated in January 2021 when WSP USA, Inc. (WSP) was approved as the master planning firm by City Council
- City Council approved 3C West of Lamar, which conceptualizes the move of the convention center from an east-west orientation to one that spans north-south and is built over Interstate 30
- Financing strategy includes no general fund dollars but anticipates a revenue bond sale secured by existing local HOT, an approved Project Financing Zone (PFZ) that collects the state portion of incremental hotel associated taxes, and a referendum for the 30-year use of a 2% increase to local HOT collections on the November 8th election ballot = ~3.7B (excluding local HOT)
- Assuming a conservative no growth over 30 years for local HOT = an additional \$1.8 billion
- Upcoming revenue forecast (Budget Accountability Report - June), CES is projected to exceed revenues by approximately \$9 million



# Convention and Event Services (CES) Revenue



	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Service to Others	\$22,939,235	\$30,753,876	\$27,645,116	\$34,539,944	\$36,568,115
Licenses to Others	1,400	500	2,225	500	500
Interest	180,234	0	121,065	0	0
Alcoholic Beverage Tax (ABT)	12,935,497	11,653,405	11,653,405	12,236,075	12,847,879
Hotel Occupancy Tax (HOT)	38,792,167	58,310,171	58,171,205	66,453,873	74,516,220
Miscellaneous	2,453	102,000	142,396	0	0
<b>Total</b>	<b>\$74,850,986</b>	<b>\$100,819,948</b>	<b>\$97,735,411</b>	<b>\$113,230,392</b>	<b>\$123,932,714</b>



# Convention and Event Services (CES) Expenses



Expense Type	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Personnel	\$2,532,704	\$2,978,792	\$2,440,940	\$3,318,471	\$ 3,460,177
Supplies	2,625,795	3,095,700	3,153,847	3,066,702	3,066,732
Contracts	66,448,325	94,703,456	92,489,341	107,133,219	117,692,805
Capital Outlay	0	50,000	50,000	0	0
Reimbursements	(763,587)	(8,000)	(398,718)	(287,000)	(287,000)
Total	\$70,843,237	\$100,819,948	\$97,735,411	\$113,231,392	\$123,932,714
Positions	31	31	31	34	34



# Convention and Event Services (CES) Expense Drivers



- Escalating contract and construction costs
- Unanticipated maintenance within the CES portfolio of properties
- Unexpected increases in utility costs
- Economic downturn that could affect the hospitality industry, HOT, and ABT



# Convention and Event Services (CES) Capital and Debt Service



- Capital Fund will continue to grow as the concentration on the KBHCCD Master Plan continues and limited capital funds are expended on the existing building
- Debt Service for the convention center matures in 2038, with the current estimate at \$289.5 million
- Hotel Occupancy Revenue Refunding Series 2021 was completed in October 2021
- Bond sale reduced the payment from the payment from \$23.4 million per year to \$19.3 million, a savings of approximately \$4.1 million annually or \$61.5 million over the remaining life of the debt



# Convention and Event Services (CES)

## Future Challenges



- CES does not anticipate any future issues, rather opportunities that will result in an escalation in Capital expenditures related to the KBHCCD Master Plan as outlined below:
- Assuming the Brimer Bill proposition is successful on November 8, 2022, CES will need to coordinate with the Controller's Office and Procurement to implement the following:
  - Complete revenue bond sale by November 2023
  - Initiate procurement for Owner's Representative by November 10, 2022, with evaluation and selection by January 2023
  - Owner's Representative is typically 2% of the guaranteed maximum cost for construction of a building
  - Cost would have to be front-loaded and initial payments would come from the CES capital fund



# Convention and Event Services (CES) Equity Indicators



As part of its commitment to Budgeting for Equity, Convention and Event Services has included the following in its FY23 proposed budget:

- Coordinating with multiple partners to launch an internship program that crosses multiple sectors of the hospitality/tourism industry
- Increasing the dollars expended on M/WBE and DBE contracts
- Enhancing its relationship with the Small Business Center and Procurement to find avenues to engage M/WBE and DBE businesses in understanding the types of contracts that emanate from the CES portfolio
- Looking at the CES partnership with Code to advocate for an increase in the number of mobile food unit locations in food desert areas







# **Dallas Water Utilities (DWU) & Storm Drainage Management (SDM)**

# Dallas Water Utilities Overview



- **DWU Proposed Operating Budget - \$761.2 million** will continue the focus on maintaining infrastructure and conserving resources and includes:
  - Ongoing Integrated Pipeline Project construction to bring Lake Palestine water to Dallas' water system
  - Update the Long Range Water Supply Plan to update population and water demand projections and re-evaluate the recommended and alternate water management strategies along with new potential water supply strategies
- **DWU Capital Budget - \$342.8 million**
  - \$274.2 million related to infrastructure maintenance including \$143.6 million for small and large diameter pipeline replacements
  - Proposed Revenue Bond Sale of ~\$255 million to retire outstanding Commercial Paper



# Dallas Water Utilities Revenue



Revenue	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Retail Water/ Wastewater	\$564,487,671	\$586,168,029	600,685,318	\$623,503,783	\$652,808,905
Wholesale Water/Wastewater	107,928,748	119,181,581	120,545,828	123,369,934	125,831,924
Other*	6,900,314	8,383,040	7,135,788	8,352,443	8,324,620
Total	\$679,316,733	\$713,732,650	\$728,366,934	\$755,226,160	\$786,965,449

\*Interest Income, contributions and miscellaneous revenue



# Dallas Water Utilities Expense Drivers



- DWU Proposed Operating Budget of \$761.2 million includes an increase of \$38.8 million from FY22 Adopted Budget of \$722.4 million
- Major cost drivers include:
  - \$13.5 million - Increased contract costs for chemicals
  - \$10.3 million - Increased Integrated Pipeline project costs due to timing of SWIFT bond sale and increased O&M
  - \$6.5 million - Increased debt service due to timing of SWIFT bond sale in FY23
  - \$6.4 million - Personnel Costs (including phased implementation of citywide Compensation Study)
  - \$5.3 million - Increased cost associated with Fleet Management Study



# DWU Operating Budget Expenses



Expenses	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Personnel	\$104,275,692	\$111,720,611	\$108,000,720	\$118,067,302	\$129,272,170
Supplies	82,398,281	99,310,441	102,666,407	111,697,597	112,033,235
Contracts	473,132,792	545,588,633	522,876,643	527,290,437	542,218,036
Capital Outlay	1,197,229	7,957,000	7,957,000	13,226,125	13,379,451
Reimbursements	(7,741,132)	(9,108,350)	(9,187,050)	(9,055,301)	(9,936,680)
Total	\$653,262,862	\$755,468,335	\$732,313,720	\$761,226,160	\$786,966,212
Positions	1,274	1,563	1,248	1,563	1,563



# Dallas Water Utilities Retail Rate Impact



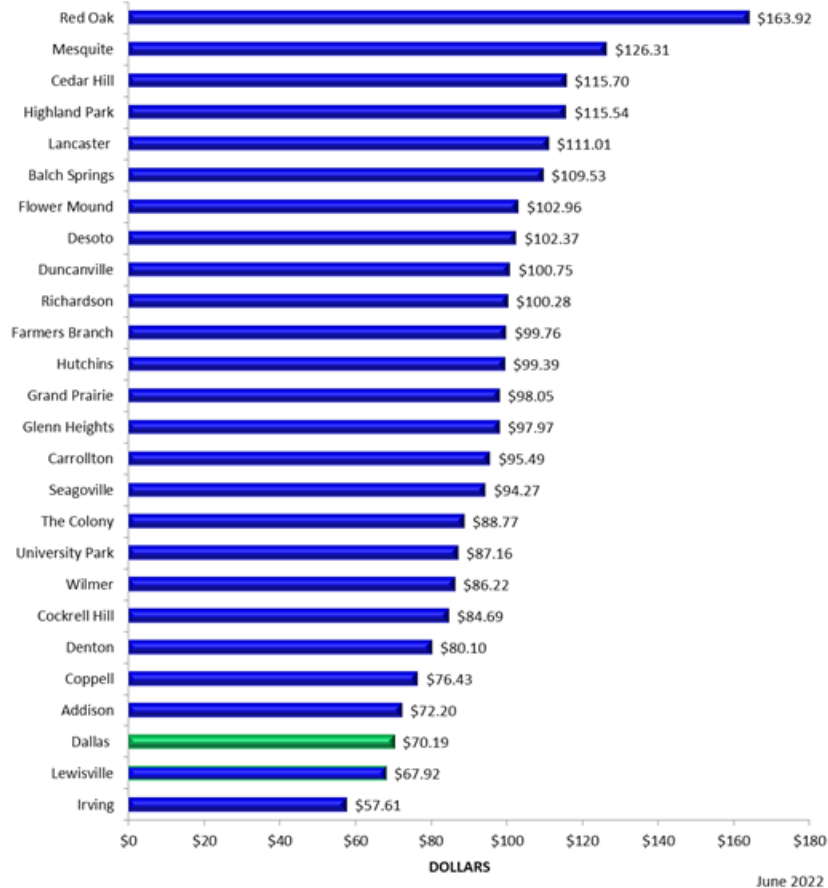
- From FY18 to FY23 the typical residential bill has increased from \$67.12 to \$70.19 or 4.6%
- 77% of residential customers will see an average monthly bill increase of \$2.85 or less



# Dallas Water Utilities Retail Rate Impact



**Average Monthly Water & Wastewater Residential Bills  
Dallas Rates Compared to Customer Cities  
(Based on 5/8" Meter; 8,300 Gallons/Month; 5,800  
Gallons Winter Month Average)**



**FY23 - Impact of Proposed Rate Adjustment to Residential Water and Sewer Bills**

Customer Usage In Range		Average Bill at Current Rates	Proposed Average Rates	Proposed Increase	% Increase	Number of Customers Impacted	% of Customers in Range
0 to 4,000 gallons	2,096	\$25.61	\$26.78	\$1.16 <sup>a</sup>	4.5%	88,942	36.8%
4,001 to 10,000 gallons	6,491	\$59.51	\$62.35	\$2.85 <sup>b</sup>	4.8%	97,435	40.3%
10,001 to 20,000 gallons	13,733	\$98.94	\$103.94	\$5.00 <sup>c</sup>	5.1%	38,114	15.8%
20,001 to 30,000 gallons	23,710	\$176.36	\$185.64	\$9.28 <sup>d</sup>	5.3%	10,177	4.2%
Above 30,000 gallons	49,927	\$457.62	\$482.59	\$24.97 <sup>e</sup>	5.5%	7,045	2.9%
<b>Total</b>						<b>241,712</b>	<b>100.0%</b>

Data based on January 2021 through December 2021 usage

<sup>a</sup> Average water and sewer use: 2,096 gallons

<sup>b</sup> Average water use 6,491 gallons and sewer use: 5,800 gallons

<sup>c</sup> Average water use 13,733 gallons and sewer use: 5,800 gallons

<sup>d</sup> Average water use 23,710 gallons and sewer use: 5,800 gallons

<sup>e</sup> Average water use 49,927 gallons and sewer use: 5,800 gallons



# DWU-Storm Drainage Management Overview



- **DWU - SDM Proposed Operating Budget - \$72.4 million** will continue focus on building a sustainable stormwater utility and includes:
  - Establishment of a forestry team
  - Debt issuance for capital system investments to create a more sustainable and reliable storm drainage system
  - Finalize Phase I of the Comprehensive Stormwater System Assessment and complete Phase II including long range system capital improvement plan
- **DWU - SDM Capital Budget - \$47.5 million**
  - Implementation of 10-year CIP to expand capital program and implement system improving projects - \$30.8 million
  - 2017 Bond Program - \$14.2 million
  - Equipment - \$2.5 million





# DWU-Storm Drainage Management Expense Drivers



- DWU - SDM Proposed Operating Budget of \$72.4 million includes an increase of \$3.1 million from FY22 Adopted Budget of \$69.3 million
- Major cost drivers include:
  - \$1.3 million - Cost associated with debt issuance for capital projects
  - \$1.2 million - Personnel Costs (including phased implementation of citywide Compensation Study)
  - \$0.6 million - Equipment Notes for fleet replacement



# DWU-Storm Drainage Management Expenses



Expenses	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Personnel	\$15,187,669	\$17,962,156	\$16,611,467	\$20,516,583	\$21,341,547
Supplies	3,131,528	3,864,691	3,331,661	3,741,527	4,073,751
Contracts	41,145,978	50,017,148	52,360,704	48,144,815	50,475,462
Capital Outlay	198,965	152,922	369,660	213,148	347,000
Reimbursements	(264,169)	(182,331)	(228,000)	(182,331)	(182,331)
Total	\$59,399,971	\$71,814,586	\$72,445,492	\$72,433,742	\$76,055,429
Positions	205	274	221	281	281



# DWU-Storm Drainage Management Revenue



Revenue	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Total	\$68,805,369	\$69,314,586	\$69,314,586	\$72,433,742	\$76,055,429



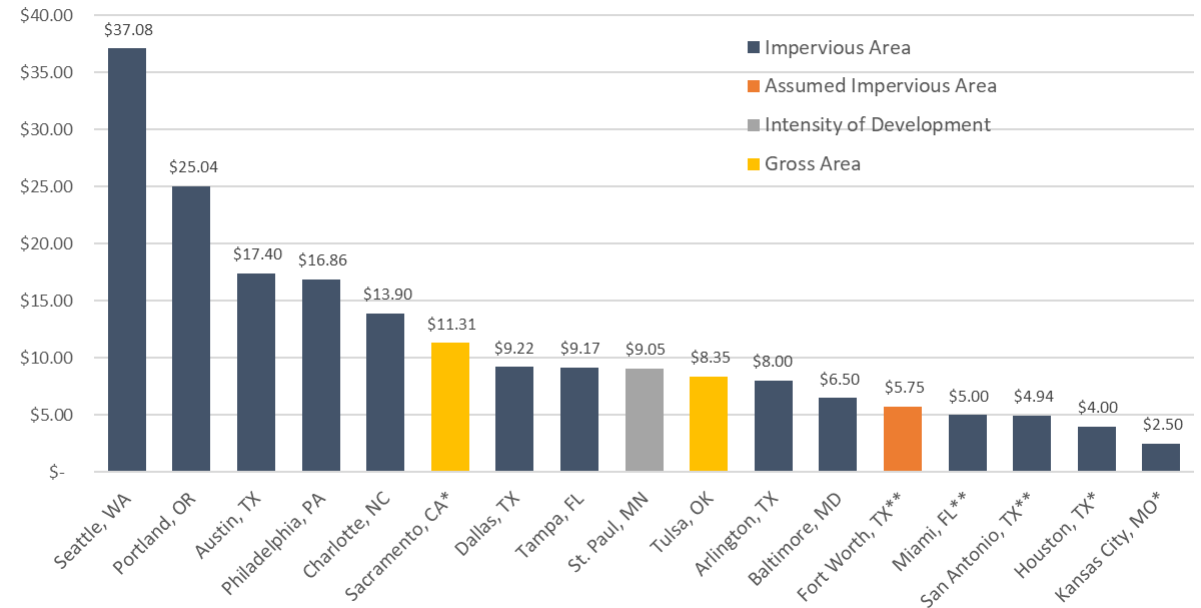
# DWU-Storm Drainage Management



- Average residential monthly bill will increase by \$0.40 from \$8.82 to \$9.22

IMPERVIOUS AREA (in square feet)	Monthly Rate		
	Residential	Current	Proposed
Up to 2,000 square feet		\$4.44	\$4.64
2,001 to 3,500 square feet		\$7.06	\$7.38
3,501 to 5,500 square feet		\$10.57	\$11.05
more than 5,500 square feet		\$17.28	\$18.06
<b>Non-Residential</b>			
Per 1,000 square feet		\$2.39	\$2.50
Minimum Charge		\$6.82	\$7.13

Stormwater Average Residential Monthly Fee



# Projection for Monthly Residential Utilities Bill

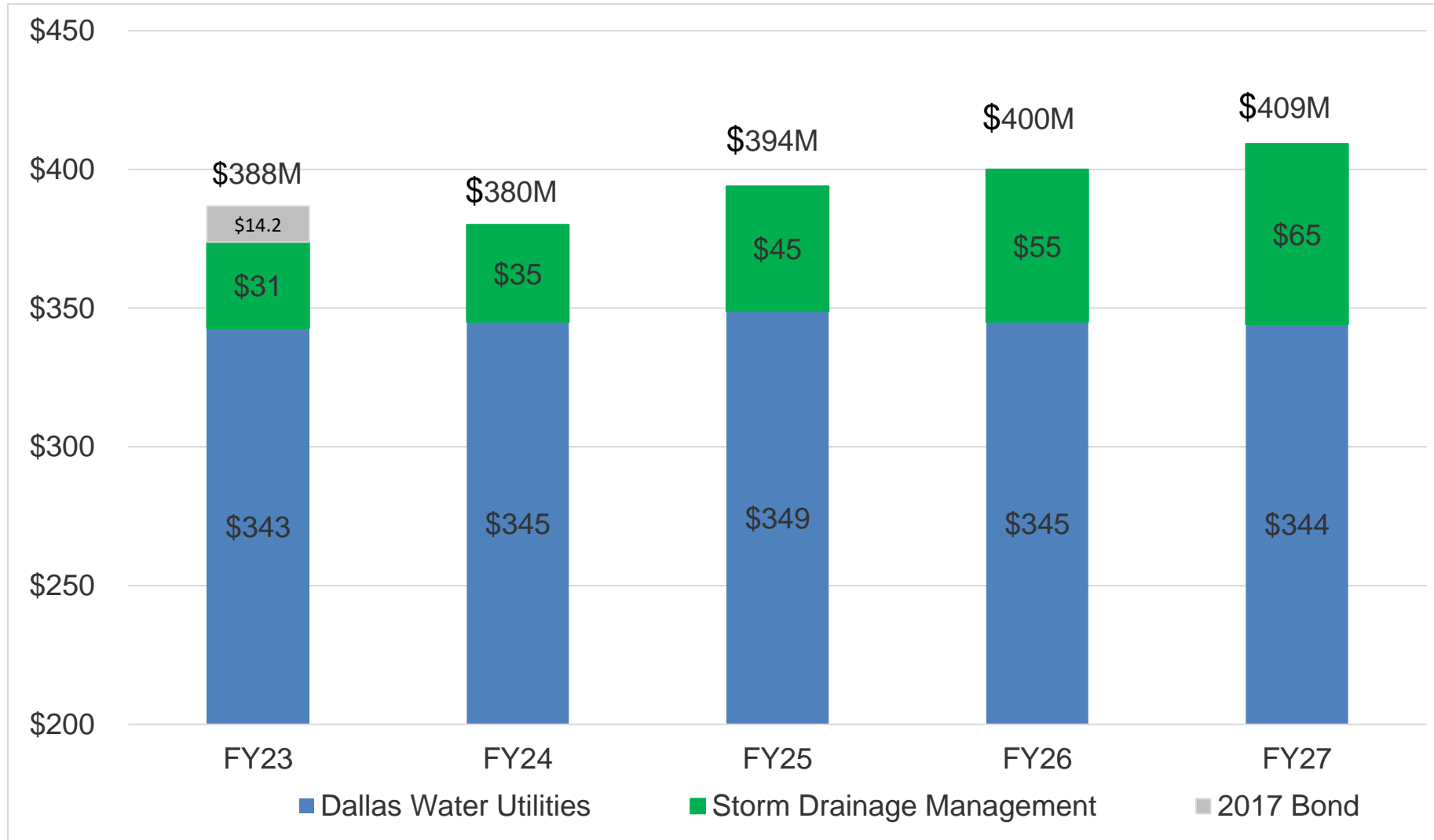


	FY23	FY24	FY25	FY26	FY27
*Water & Wastewater	\$ 70.19	\$ 73.35	\$ 74.23	\$ 75.19	\$ 78.80
Stormwater	\$9.22	\$9.68	\$10.16	\$10.72	\$11.31
<b>Total Utilities Bill</b>	<b>\$ 79.41</b>	<b>\$ 83.03</b>	<b>\$ 84.39</b>	<b>\$ 85.91</b>	<b>\$ 90.11</b>
Increase		\$ 3.62	\$ 1.36	\$ 1.52	\$ 4.20
Percent Change		4.6%	1.6%	1.8%	4.9%

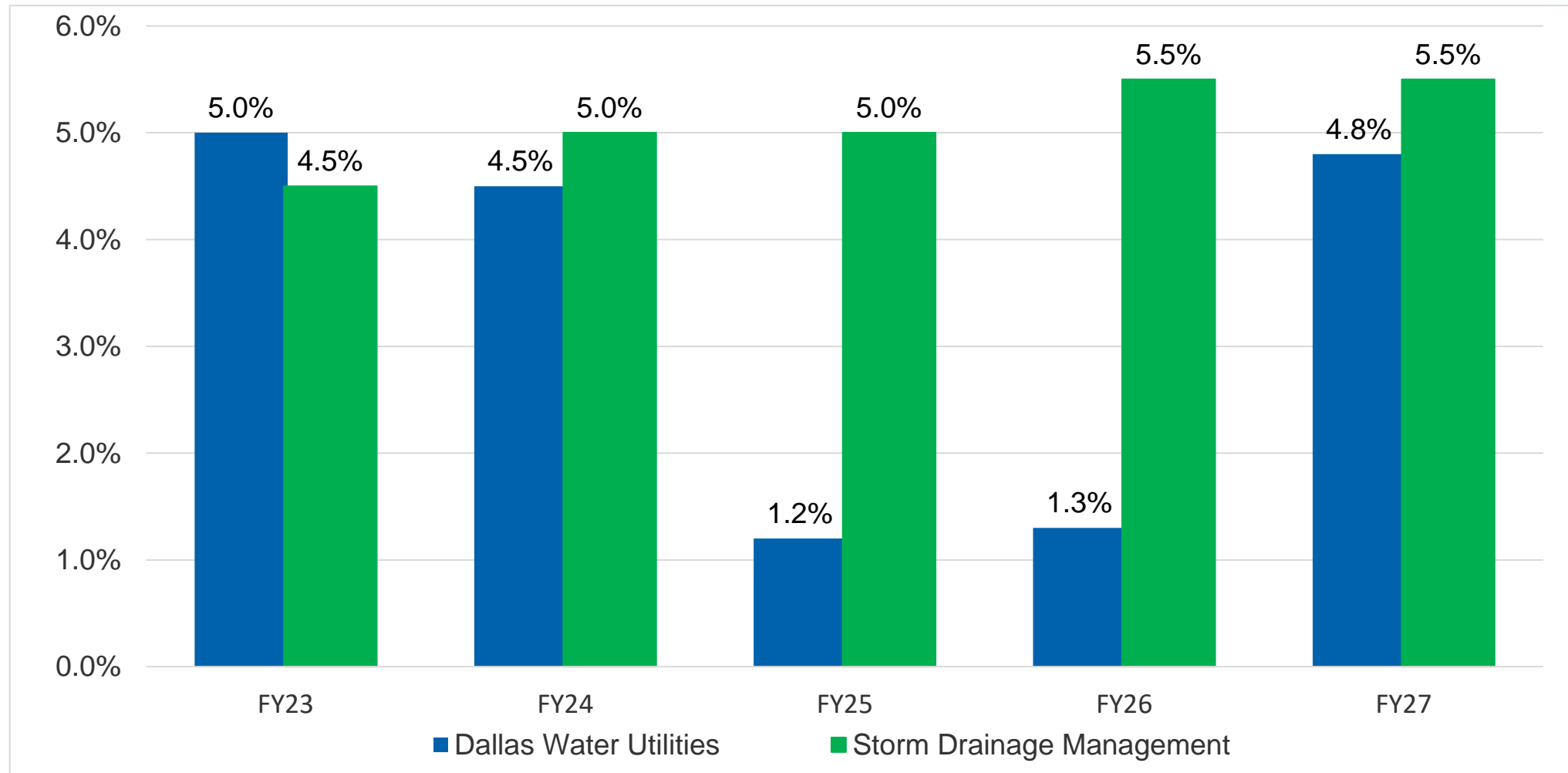
\* Based on 5/8" Meter and Winter Months Average of 8,300 Gallons (Water) and 5,800 Gallons (Wastewater)



# DWU-Storm Drainage Management Capital Program Outlook



# DWU-Storm Drainage Management Rates and Fees Future Outlook



# Dallas Water Utilities - Budgeting for Equity



- DWU will continue designing and constructing water and wastewater infrastructure improvements to all occupied, unserved areas throughout the City as part of DWU's Unserved Areas Program. Priority will be given to those unserved areas that are also identified as reinvestment areas in the City's Comprehensive Housing Policy.
- Currently partnering with the United States Army Corp of Engineers to complete the Dallas Floodway and Dallas Floodway Extension which, when completed will protect historically disenfranchised communities from flooding.
- Complete an inventory of all city owned lines and provide outreach and free lead and copper testing programs at private schools in historically disadvantaged communities with the greatest needs.





# Dallas Water Utilities - Budgeting for Equity



- In collaboration with the Office of Cultural Affairs, construct the Memorial for Victims of Racial Violence public art project at Martyr's Park. The project will create a tribute to the memory of victims of lynching and racial violence in Dallas, with references to victims in Dallas between 1853-1920.
- DWU will continue working with peer water leaders and other participants in the implementation of equitable policies and programs to advance water equity through the US Water Alliance-Water Network and Texas Water Equity Cohort.





# Sanitation Services (SAN)

# Sanitation Overview



Two major business components:

- 1) Residential Collection provides weekly garbage and recycling collections and monthly brush and bulky item collections to approximately 250,000 residential households; and
- 2) Post Collection manages 3 transfer stations, and the McCommas Bluff Landfill; which processes approximately 1.7 million tons annually.



# Sanitation Revenue



Revenue	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Residential	\$97,444,298	\$103,510,606	\$109,485,128	\$111,370,396	\$114,843,570
Landfill	33,547,610	33,421,472	32,286,110	32,997,527	34,255,255
City Facilities	629,125	1,050,129	1,050,129	1,001,595	1,011,556
Total	\$131,621,033	\$137,982,207	\$142,821,367	\$145,369,518	\$150,110,381

						Proposed	Planned
FY	2018	2019	2020	2021	2022	2023	2024
Rate	\$25.18	\$27.29	\$28.64	\$30.52	\$34.30	\$35.81	\$37.01
% fee change	3.5%	8.4%	4.9%	6.6%	12.4%	4.4%	3.4%

						Proposed	Planned
FY	FY 18	FY 19	FY 20	FY 21	FY22	FY23	FY24
Rate	\$25.0	\$26.25	\$28.50	\$34.20	\$34.88	\$37.67	\$38.80
% fee change	0.0%	5.0%	8.6%	20.0%	2.0%	8.0%	3.0%



# Sanitation Expenses



Expenses	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Proposed	FY24 Planned
Personnel	\$39,160,306	\$46,291,507	\$44,928,148	\$49,279,144	\$51,340,270
Supplies	7,584,712	9,325,689	10,311,966	8,354,460	9,066,126
Contracts	85,506,721	85,963,536	86,340,618	86,202,888	87,817,529
Capital Outlay	37,392	340,000	340,000	170,000	0
Reimbursements	(221,352)	(221,352)	(221,352)	(221,352)	(221,352)
Total	\$130,067,779	\$141,699,380	\$141,699,380	\$143,785,140	\$148,002,573
Positions	601	616	616	622	622



# Sanitation Expense Drivers



- Expenditure budget is \$143.8 million that includes:
  - Personnel (34%)
  - Equipment and Fuel (20%)
  - Contracted Services (20%)
  - Internal Services (9%)
  - Capital Improvement & Environmental Funds (8%)
  - Landfill Lease and Street Improvement Fund (6%)
  - Uniforms & Supplies (3%)
- Residential fee is \$35.81; which is a 4.4% increase from the current monthly rate of \$34.30
- Residential fee increases due to:
  - Fuel
  - Equipment maintenance
  - Minimum wage and merit increase
  - Contribution to the Street Improvement Fund
  - Increase in roll cart prices



# Sanitation Expense Drivers



- The General Gate Rate is proposed at \$37.67 per ton; an 8% increase from the current \$34.88 per ton. It is a 51% increase from the \$25.00 per ton rate in FY18

						Proposed	Planned
FY	FY 18	FY 19	FY 20	FY 21	FY22	FY23	FY24
Rate	\$25.0	\$26.25	\$28.50	\$34.20	\$34.88	\$37.67	\$38.80
Change	0.0%	5.0%	8.6%	20.0%	2.0%	8.0%	3.0%

- In addition to the General Gate Rate increase, SAN implemented a surcharge of \$2.00 per ton Cash Processing Fee in FY20
- A new \$2.00 per ton Environmental Fee effective January 1, 2023, is included in Sanitation's FY23 proposed budget. The \$2.00 per ton rate will be evaluated annually and the rate adjusted accordingly
- SAN will continue to monitor regional disposal rates and adjust the City's landfill disposal rate to preserve this resource and maximize the benefit for Dallas residents



# Sanitation Capital and Debt Service



- Sanitation Capital Improvement Fund is a multi-year fund dedicated to the department's capital needs. The fund is used for, but not limited to:
  - Landfill cell design and construction
  - Equipment purchases
  - Disposal facility repairs and improvements
- The current disposal cell is approaching capacity and the engineering design and construction for a new cell is planned to start in FY23. The estimated cost is \$12 million
- SAN finances equipment purchases. From FY18 to FY22 Sanitation borrowed approximately \$35.5 million through Master Lease and Equipment Acquisition Notes (EAN)
- The FY23 proposed, and FY24 planned budget include \$8 million (each year) in EAN for collection equipment purchases





# Sanitation Challenges



- High inflation and increased cost of living negatively impact front-line employees' and ultimately impact Sanitation's workforce stability
- High turnover of employees with a Commercial Driver License (CDL) due to private-sector demand which generally offers substantially higher pay
- Insufficient transfer infrastructure to meet the diversion goals prescribed in the CECAP and LSWMP
- Lack of adequate composting infrastructure to process separately collected yard trimmings and brush
- Lack of widely available technology to replace existing refuse trucks with electric alternatives as encouraged by the CECAP and LSWMP
- Sanitation Storm Reserve has been established but will need more than six years to reach the target minimum level



# Sanitation – Budgeting for Equity



- With the FY23 budget, Sanitation Services maintains a focus on ensuring that all customers have equitable access to resources and services, while striving to improve awareness of available services in underserved neighborhoods. With that goal in mind, Sanitation aims to:
- Continue partnering with Code Compliance, to provide Batteries, Oil, Paint, and Antifreeze (BOPA) collection and document shredding services at neighborhood events in historically underserved communities.
- Publication of a Services Guide that details all Sanitation services that will be available to all residential customers annually
- Increase the percentage of targeted outreach in areas with the highest brush & bulk violations to 50%, with communities of color and lower-income neighborhoods being the most impacted historically.
- Continue to develop a proposal to provide rate assistance to income eligible households that offsets the impact of future rate increases





# Budget Timeline

# Timeline



Date	Activity
March 9	Budget Public Hearing*
March 28-31	Budget Town Hall Meetings – Listening Sessions in Advance of Budget Preparation*
May 4	Budget Workshop
May 25	Budget Public Hearing*
June 15	Budget Workshop
July 25	Central Appraisal Districts provide certified property values to the City
August 6	Deliver budget documents and supporting materials to MCC offices by noon
August 9	Budget Workshop: City Manager’s Recommended Budget
August 11- 25	Budget Town Hall Meetings*
<b>August 17</b>	<b>Budget Workshop</b>
August 24	Budget Public Hearing*
August 31 or September 7	Budget Workshop: Consider Amendments (straw votes anticipated)
September 7	Adopt budget on First Reading
September 21	Adopt tax rate and budget on Final Reading
October 1	Fiscal year begins



*\*Opportunities for Public Input*



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**City of Dallas**

# **FY 2022-23 Proposed Budget Discussion**

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**Janette Weedon, Director, Budget &  
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**Mark Duebner, Director, Aviation**  
**Rosa Fleming, Director, Convention & Event  
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**Terry Lowery, Director, Dallas Water Utilities**  
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