



City of Dallas

Budget Workshop: City Manager's Recommended Biennial Budget for FY 2025-26 and FY 2026-27

**City Council Briefing
August 12, 2025**

Jack Ireland, Chief Financial Officer

Janette Weedon, Director

Ivan Guel, Assistant Director

Budget & Management Services

Presentation Outline



- Budget overview
- Proposed budget by Foundational Structure
- General Fund revenues and expenses
- General purpose capital program and debt service
- Enterprise Funds
- Community engagement
- Budget timeline

FY 2025-26 ANNUAL BUDGET



SERVICE
FIRST,
NOW!

Scoring Big for Dallas

Investing in Priority Programs & People



Budget Overview



- FY26 proposed and FY27 planned budgets are balanced and total \$5.20B and \$5.39B, respectively
- FY26 General Fund totals \$1.97B, which is \$61.6M or 3.2% more than FY25
 - Police and Fire increased by \$63.1M
 - All other General Fund departments decreased by (\$1.5M)
- FY26 proposed budget reduces property tax rate for 10th consecutive year (0.50¢ per \$100 valuation)



Budget Overview

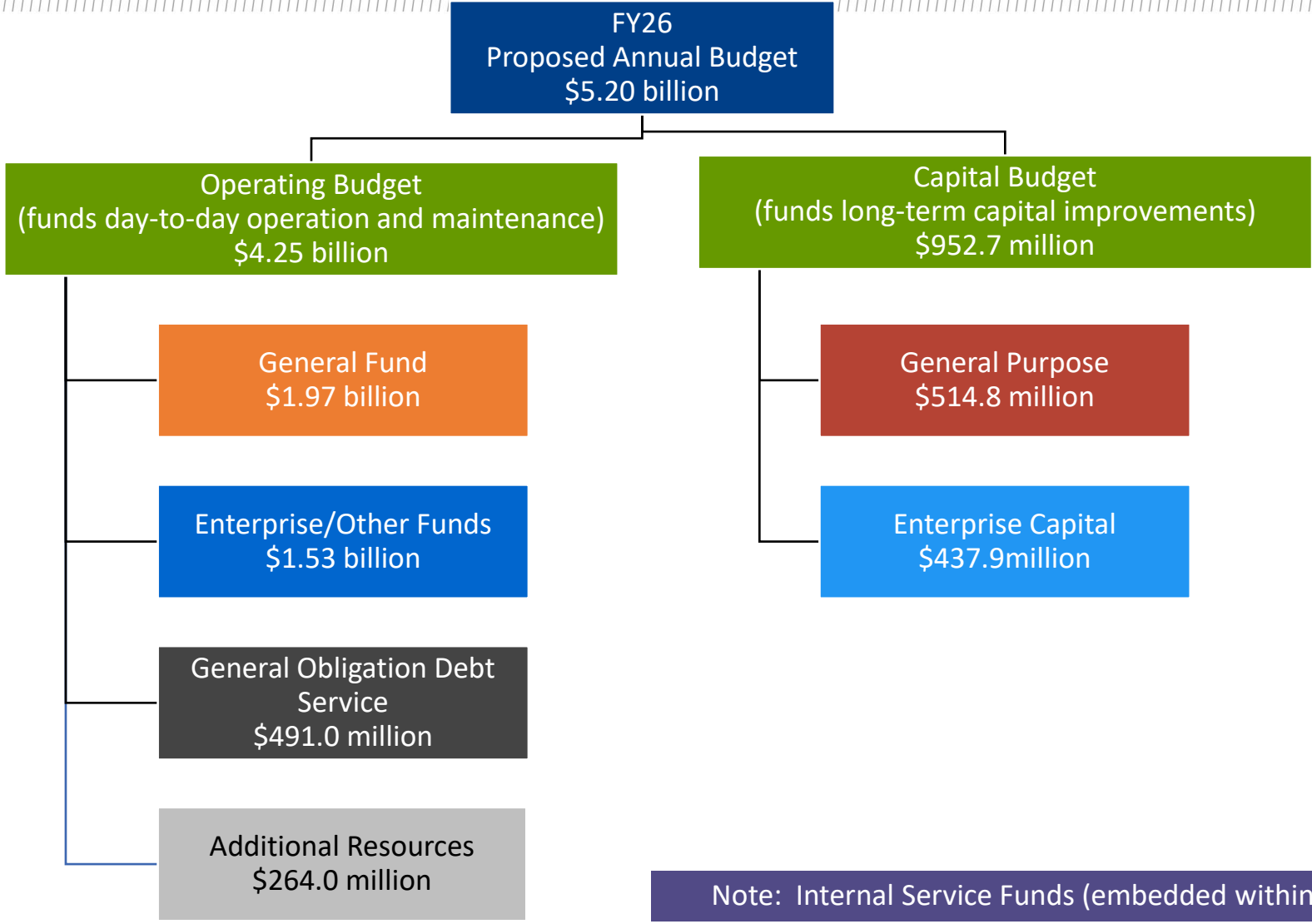


- Budget focuses on community priorities
 - Includes maintenance of street infrastructure and police services
- Implements Priority-Based Budgeting Phase I
 - FY26 budget development begins transition from incremental approach to priority-based approach
 - Included reviewing budget for 7 foundational pillars, 26 departments/offices*, and 291 programs
 - FY27 budget development will expand on the new approach



*Offices within Management Services Department counted separately.

Budget Overview



Note: Internal Service Funds (embedded within operating funds) \$299.4 million



Budget Overview



	FY 2024-25 Adopted Budget	FY 2024-25 Amended Budget	FY 2025-26 Proposed Budget	FY 2026-27 Planned Budget
General Fund	1,903,410,750	1,903,823,686	1,965,019,000	2,052,886,000
Aviation	208,098,739	208,098,739	208,704,381	210,276,446
Convention & Event Services	137,358,763	137,358,763	131,535,243	131,714,645
Dallas Water Utilities	826,863,664	826,863,664	880,895,629	892,943,220
DWU - Stormwater Drainage Management	85,852,114	85,852,114	90,573,980	96,278,751
Planning & Development	60,418,651	60,418,651	52,482,137	54,080,554
Municipal Radio	451,077	451,077	473,114	477,598
Sanitation Services	163,192,313	163,192,313	165,548,703	167,304,387
Transportation Regulation	519,534	519,534	729,332	748,360
Debt Service	485,754,134	485,754,134	491,015,332	514,087,796
Additional Resources	188,972,948	196,770,140	264,014,138	197,696,611
Total Operating Budget	4,060,892,687	4,069,102,815	4,250,990,990	4,318,494,368
General Purpose Capital	479,645,432	479,645,432	514,799,272	587,191,237
Enterprise Capital	432,628,500	432,628,500	437,858,265	482,934,665
Total Capital Budget	912,273,932	912,273,932	952,657,537	1,070,125,902
Total Operating & Capital Budget	4,973,166,619	4,981,376,747	5,203,648,527	5,388,620,270



Budget Overview



- Funding for the City's budget comes from many different revenue sources
- General Fund revenues come from property taxes, sales taxes, franchise fees, charges for service, fines, and other sources
- Enterprise Fund revenues come from customer service charges for operations such as water and sanitation
- Debt Service revenues comes from property taxes to pay general obligation debt
- Additional Resource revenues come from grants, trust, and other restricted sources

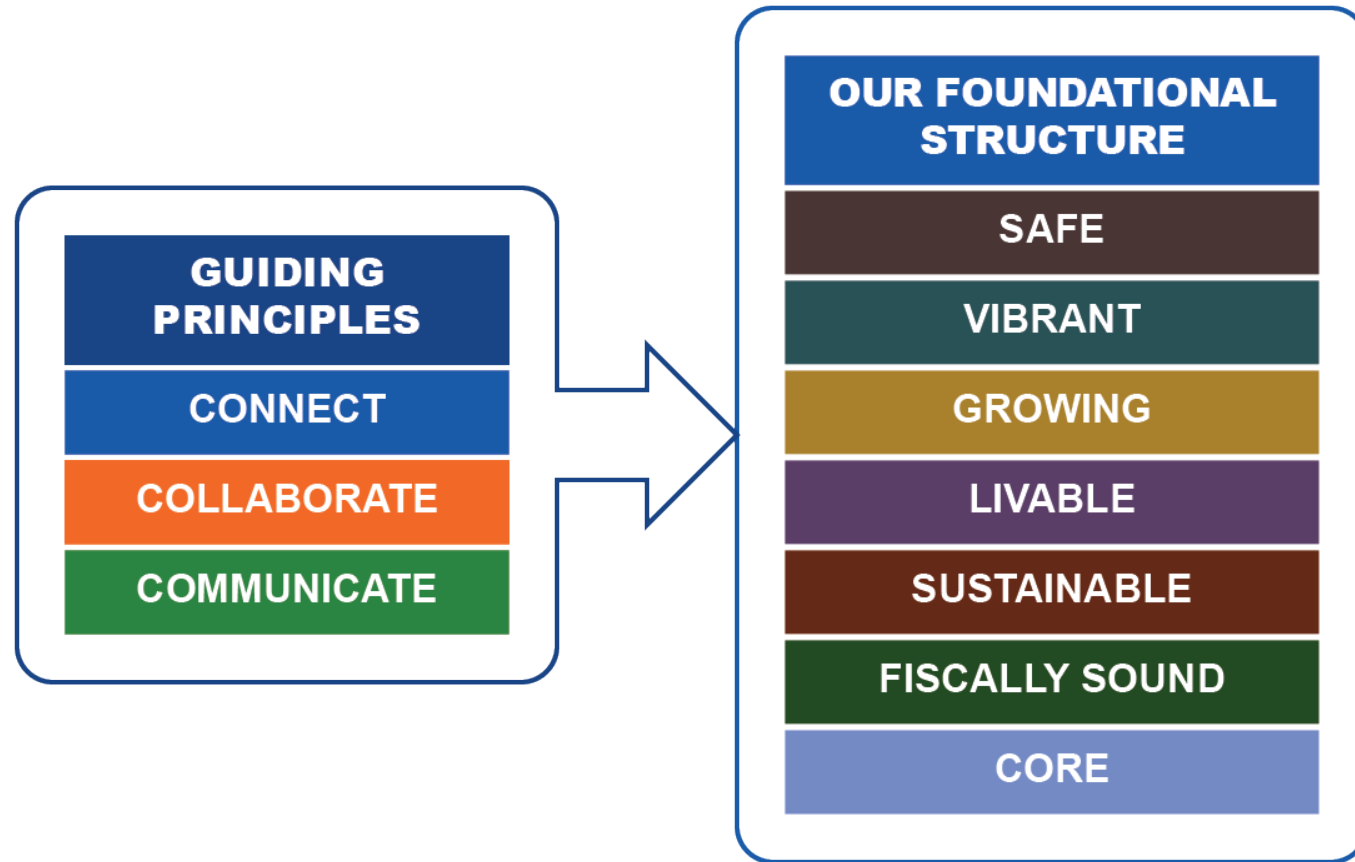




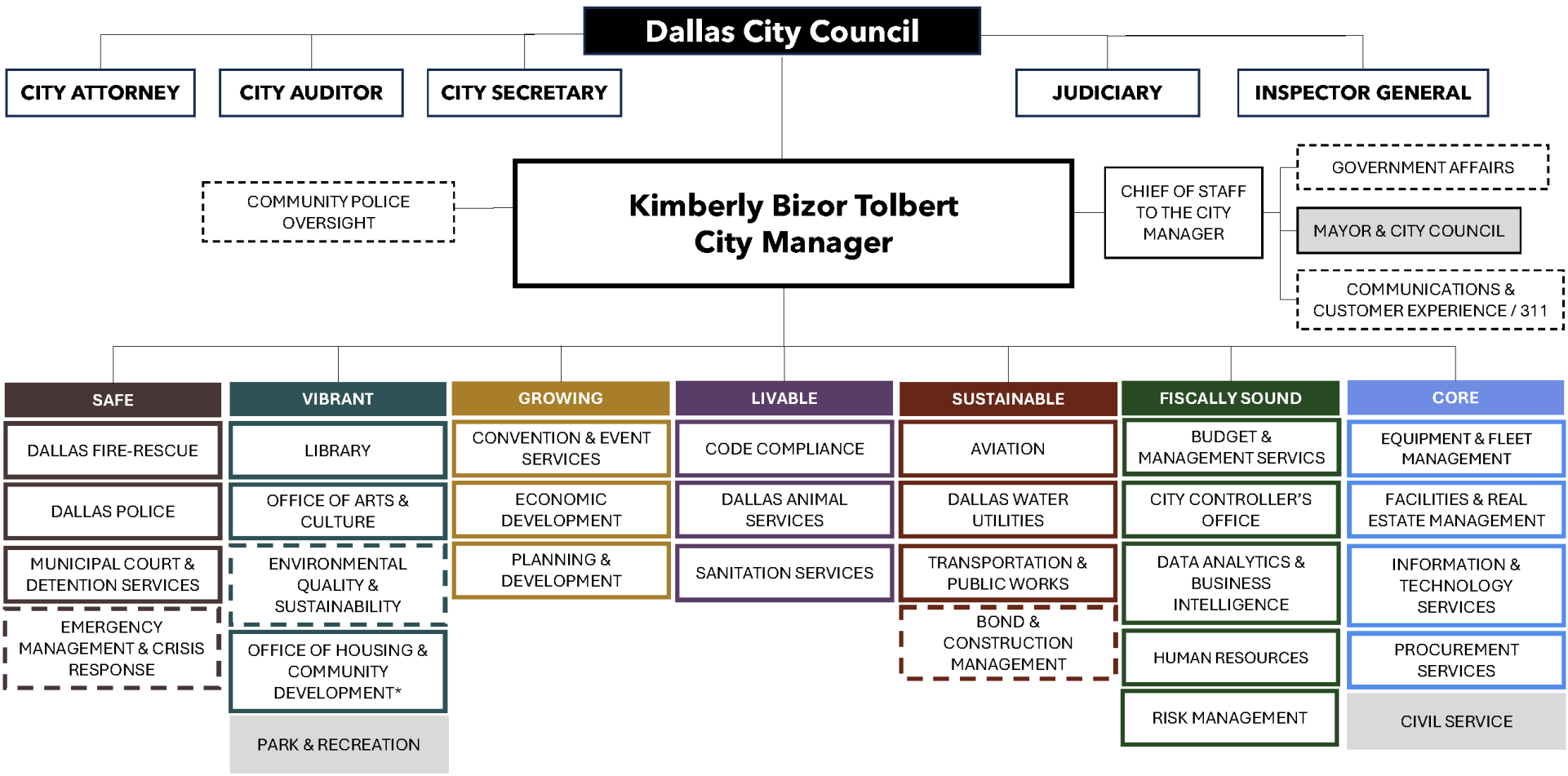
Proposed Budget by Foundational Structure



Proposed Budget by Foundational Structure



Proposed Budget by Foundational Structure



*As of 10/1/25



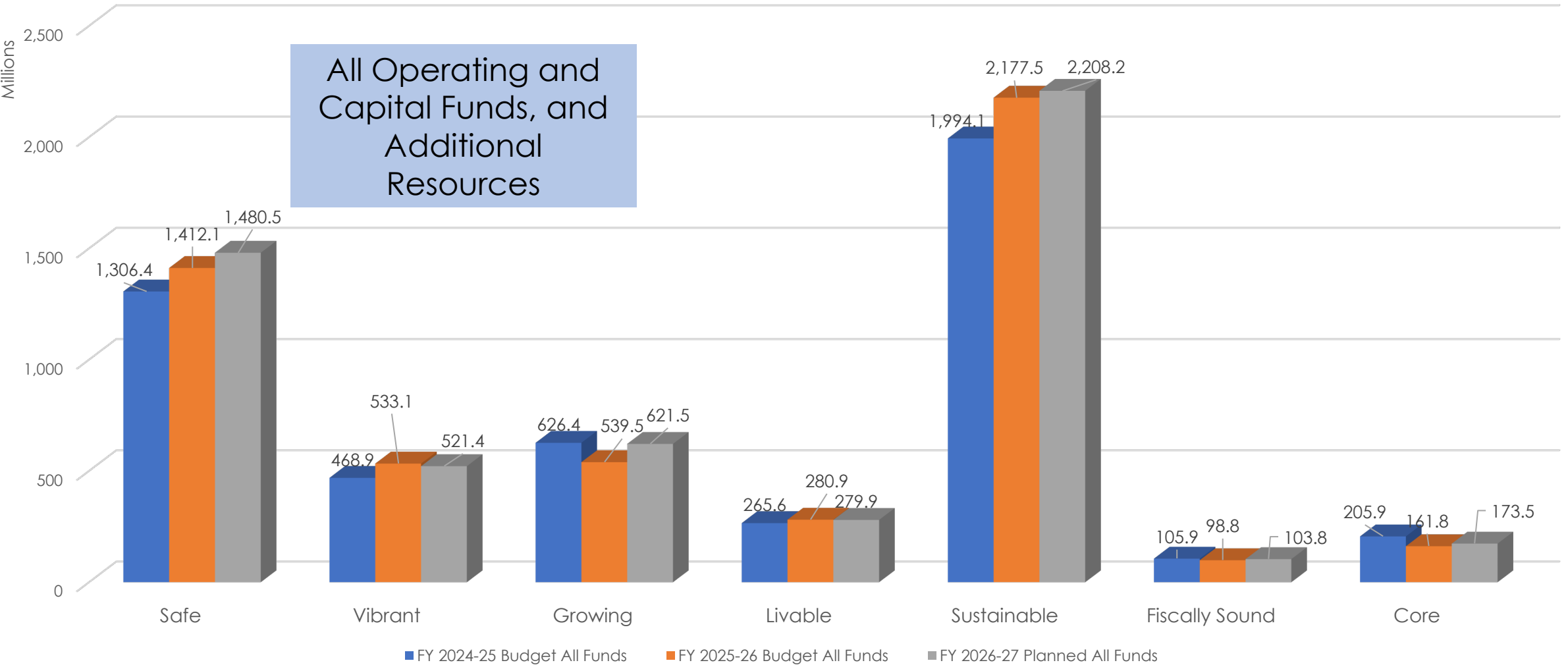
Proposed Budget by Foundational Structure



Foundational Structure	FY 2025-26 Budget All Funds	FY 2026-27 Budget All Funds
Safe	1,412,132,715	1,480,460,297
Vibrant	533,087,735	521,357,644
Growing	539,482,360	621,460,184
Livable	280,933,227	279,855,991
Sustainable	2,177,476,083	2,208,219,499
Fiscally Sound	98,758,219	103,782,902
Core	161,778,188	173,483,753
Expense Total	\$5,203,648,527	\$5,388,620,270



Expenses Aligned by Foundational Structure



SAFE



Become the safest large city by reducing crime and elevating the quality of life for all.

- Keep Dallas safe by hiring 350 police recruits and retaining seasoned officers with a goal of ending FY 2025-26 with 3,424 sworn police officers
- Provide market-based pay and step pay increases in accordance with the Meet and Confer Agreement for uniform employees, and increase entry level salary that when added to other pay components will be one of the regional leaders
- Contribute to the Dallas Police and Fire Pension System (DPFPS) in compliance with the funding plan approved by the City Council on September 11, 2024
- Realign the Marshals Office into the Municipal Court and Detention Services Department
- Coordinate with the FIFA host committee for nine matches of the 2026 World Cup and ensure the safety of teams, visitors, and residents throughout this international event

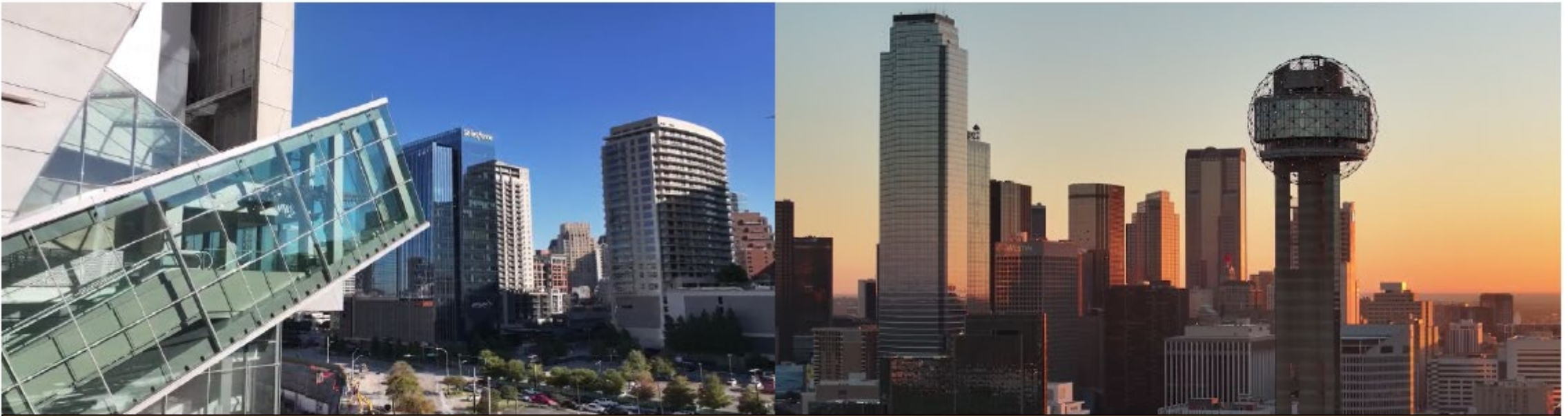
VIBRANT



Creating opportunity and impact across housing, social services, arts and culture, parks, environment, and libraries.

- Establish the Department of Housing and Community Empowerment to consolidate human services and neighborhood programs, creating an all-in-one center and a continuum of empowerment with a focus on serving and supporting residents in need
- Develop Public/Private Partnerships to implement eviction assistance, diversion, Home After Shelter, and other strategies to assist Dallas residents at risk of or experiencing homelessness
- Launch the new Housing Pathways Framework interconnecting five strategies focused on accessible and affordable housing
- Resume city management, operation, and maintenance of Dallas Fair Park
- Advance the Comprehensive Environmental and Climate Action Plan (CECAP) across City departments and in collaboration with community partners

GROWING



Drive an inclusive economy through targeted growth.

- Transform the Dallas convention center district through implementation of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan
- Realign all city-supported real estate development, including housing development, to the Office of Economic Development as a full-service development hub
- Continue to fund Public Private Partnerships, Tax Increment Finance Districts, and the Infrastructure Investment Fund focusing on targeted areas of economic growth and opportunity
- Update the Historic Preservation Plan to establish a clear and strategic framework to effectively approach preservation and enhancement
- Expand capacity to proactively address land use through Authorized Hearings and update Dallas' Development Code to create a set of rules that is simple, clear, and future ready through zoning reform

LIVABLE



Nurture clean and healthy communities for people and pets alike.

- Provide immediate supportive care and response for victims of suspected animal cruelty including investigation and enforcement efforts
- Launch an AI-powered camera system to improve proactive code enforcement efforts through a partnership between Code Compliance and Sanitation Services
- Strengthen code enforcement by expanding the Nighttime Entertainment Strike Team to focus on entertainment zones and high priority late night districts
- Continue Sanitation's route safety and efficiency initiative by transitioning select alley service locations to curbside collection, focusing on public education and community awareness about why this change is necessary
- Invest in community spay/neuter services, microchipping and vaccinations, to reduce pet overpopulation, enhance public health, encourage responsible pet ownership, and maintain compliance with local requirements

SUSTAINABLE



Deliver customer-focused, industry-leading infrastructure that is resilient, sustainable, and future-forward.

SUSTAINABLE



- Invest \$162 million in funding from various funding sources (i.e. General Fund, General Obligation Bond Program, ARPA Redevelopment Fund) for street improvements and maintenance of approximately 750 lane miles in FY 2025-26, compared to 710 lane miles in FY 2024-25
- Advance the Vision Zero Action Plan by leveraging local and federal funds to implement improvements identified in completed corridor studies
- Implement Phase I of the City Council adopted 2025 Bike Plan by investing \$3.3 million to design approximately 4 linear miles and prepare for construction of 5 linear miles of bike lanes, and fund \$300,000 for annual bike lane maintenance
- Continue implementation, centralized oversight, and coordination of the \$1.25 billion General Obligation Bond Program approved by voters in May 2024, and finalize the design of the Dallas Police Department Law Enforcement Training Center
- Ensure reliable and improved water resources and services through the implementation of Elm Fork Water and Central Wastewater improvements
- Implement Love Field Expansion Airport Program (LEAP) including terminal area improvements to enhance customer experience and address the growing passenger demand



FISCALLY SOUND



Advance effective financial stewardship for Dallas by maximizing the efficient use of taxpayer resources.

FISCALLY SOUND



- Lessen property owners' tax bill by reducing the property tax rate for the tenth consecutive year with a reduction of 0.5¢ from 70.47¢ to 69.97¢ per \$100 valuation and increasing the over-65 or disabled exemption from \$153,400 to \$175,000
- Recognize employee performance through continued implementation of the annual merit program for non-uniform employees, increase the city's minimum wage from \$19.25 to \$21.50 per hour leading the DFW market for municipalities, and implement new Task Pay Program for mission critical and hard-to-fill hourly positions to maintain competitiveness
- Optimize departmental staffing by repurposing 272 positions to enhance service delivery and effectiveness
- Launch Talent Central as a collaboration between Human Resources and Civil Service to serve as a single point of entry and improve talent acquisition for all departments
- Implement proactive cost mitigation strategies aimed at reducing employee health benefit costs by approximately \$12 million in FY 2025-26 without compromising program quality



CORE

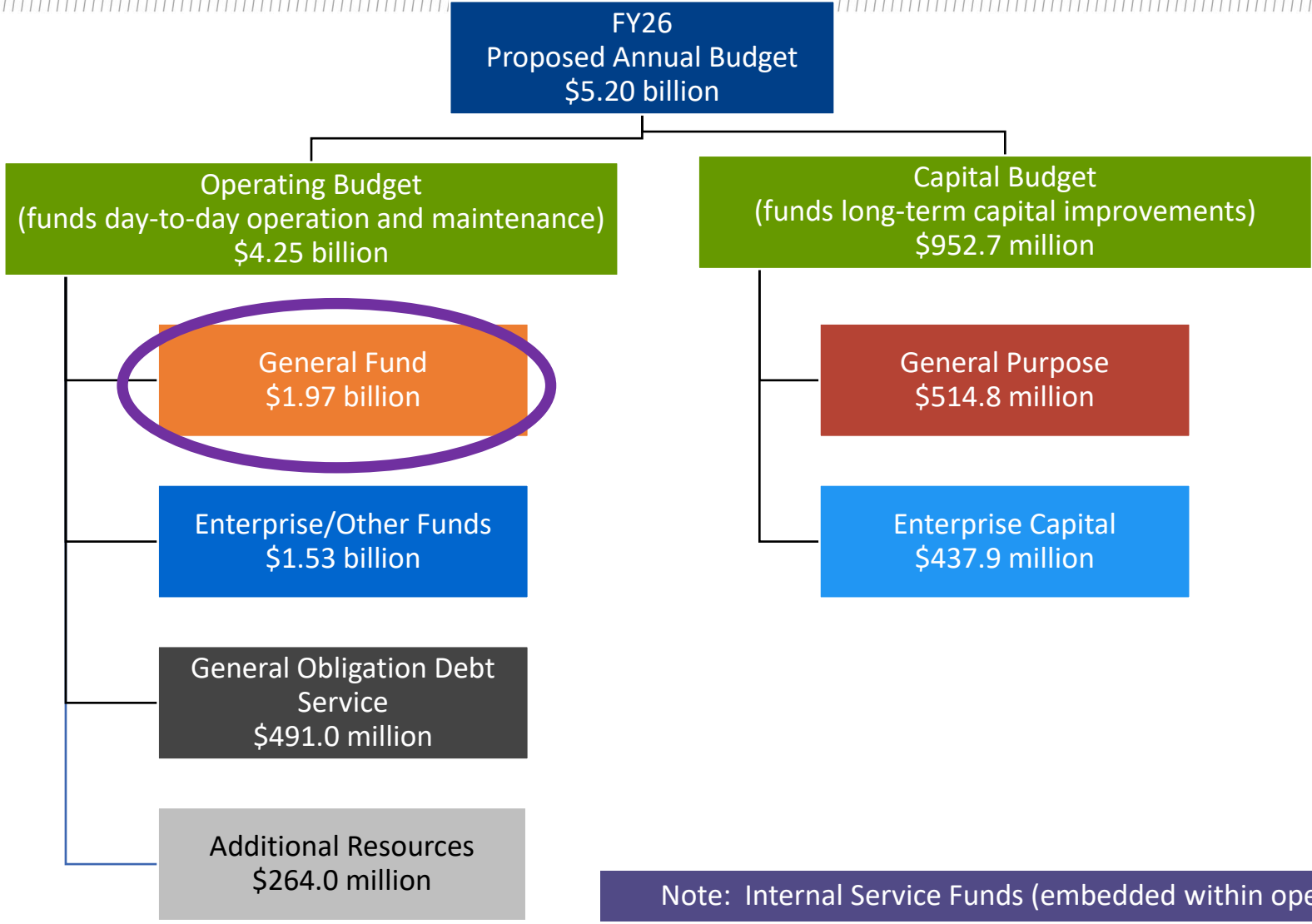


Empower city operations through the delivery of resilient systems, assets, and services.

- Elevate two-way communication strategies, ensure collaboration of citywide messaging and outreach, and outsource marketing
- Implement annual increase of \$2 million for the Annual Preventive Maintenance Program designed to extend the useful life of systems and reduce emergency repairs within city-owned facilities
- Develop a strategic asset management framework by investing in a real estate master plan and facility condition assessment
- Enhance procurement efficiency with investments in AI procurement technology, and data analytic tools that will track cycle times, vendor participation, and compliance metrics
- Invest in top-tier cybersecurity technologies to create multiple layers of defense against potential threats and enhance the overall resilience, security, and reliability of the city's IT infrastructure

General Fund Revenues

Budget Overview



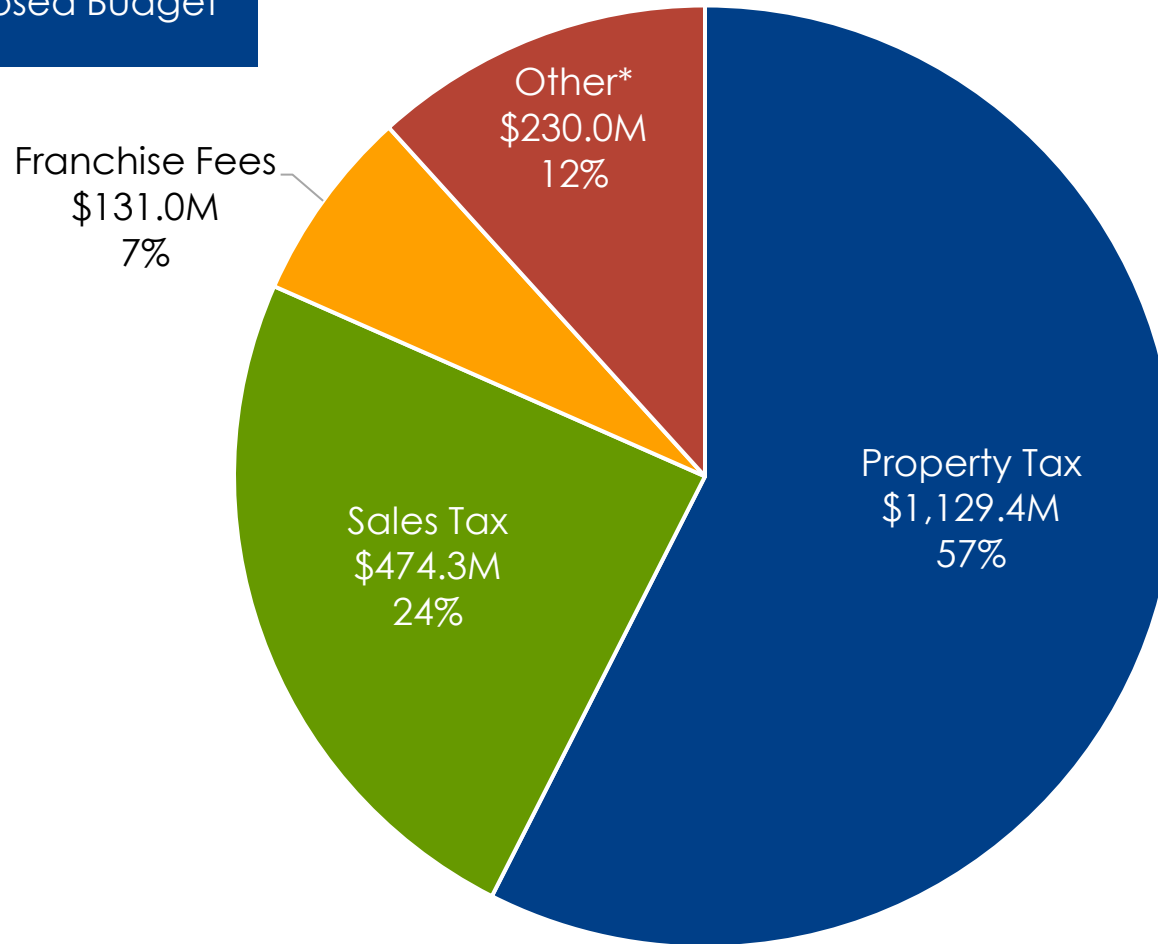
Note: Internal Service Funds (embedded within operating funds) \$299.4 million



FY26 General Fund Revenue



FY26 Proposed Budget



General Fund
Revenue =
\$1.965B



General Fund Revenue



Revenue Category		FY24 Actual	FY25 Adopted Budget	FY25 Amended Budget	FY25 Forecast	FY26 Proposed Budget	FY27 Planned Budget
1	Property Tax	1,020,700,732	1,081,975,899	1,081,975,899	1,073,079,931	1,129,407,289	1,180,010,357
2	Sales Tax	439,665,818	463,804,071	463,804,071	459,149,217	474,300,480	497,865,952
3	Franchise and Other	131,883,033	129,225,177	130,942,280	132,515,763	131,021,590	130,663,824
4	Charges for Services	109,855,008	110,304,724	110,304,724	115,952,152	114,488,328	115,141,348
5	Fines and Forfeitures	19,520,237	19,435,050	19,435,050	20,078,298	19,394,949	19,872,029
6	Operating Transfers In	33,886,257	34,182,910	34,595,846	34,595,846	25,473,411	38,391,658
7	Intergovernmental	22,578,977	21,918,094	21,918,094	23,454,980	23,077,862	23,080,600
8	Miscellaneous	5,804,830	8,086,456	6,369,353	4,240,514	4,743,361	4,742,802
9	Licenses and Permits	11,834,166	14,478,369	14,478,369	14,683,710	15,111,730	15,117,430
10	Interest	25,521,363	20,000,000	20,000,000	26,655,199	28,000,000	28,000,000
Total Revenue		\$1,821,250,420	\$1,903,410,750	\$1,903,823,686	\$1,904,405,610	\$1,965,019,000	\$2,052,886,000



Property Tax



- Property tax is single largest source of revenue for City of Dallas and totals \$1.55B* as proposed for FY26
 - General Fund - \$1.13B
 - Debt Service Fund - \$423.3M
- Property tax is composed of three factors:
 1. Tax base value certified by four appraisal districts
 2. Tax exemptions allowed by state law and approved by City Council
 3. Tax rate set by the City Council



*Represents only current year taxes

Property Tax – Values



- Collin, Dallas, Denton, and Rockwall appraisal districts are required to certify values by July 25 (Sec. 26.01 (a))
- Certified value for FY26 is \$226.5B
- Values increased by \$11.3B or 5.3% compared to FY25 certified
 - New construction is \$4.0B and accounts for 1.9% of growth
 - Reappraisal is \$7.3B and accounts for 3.4% of growth

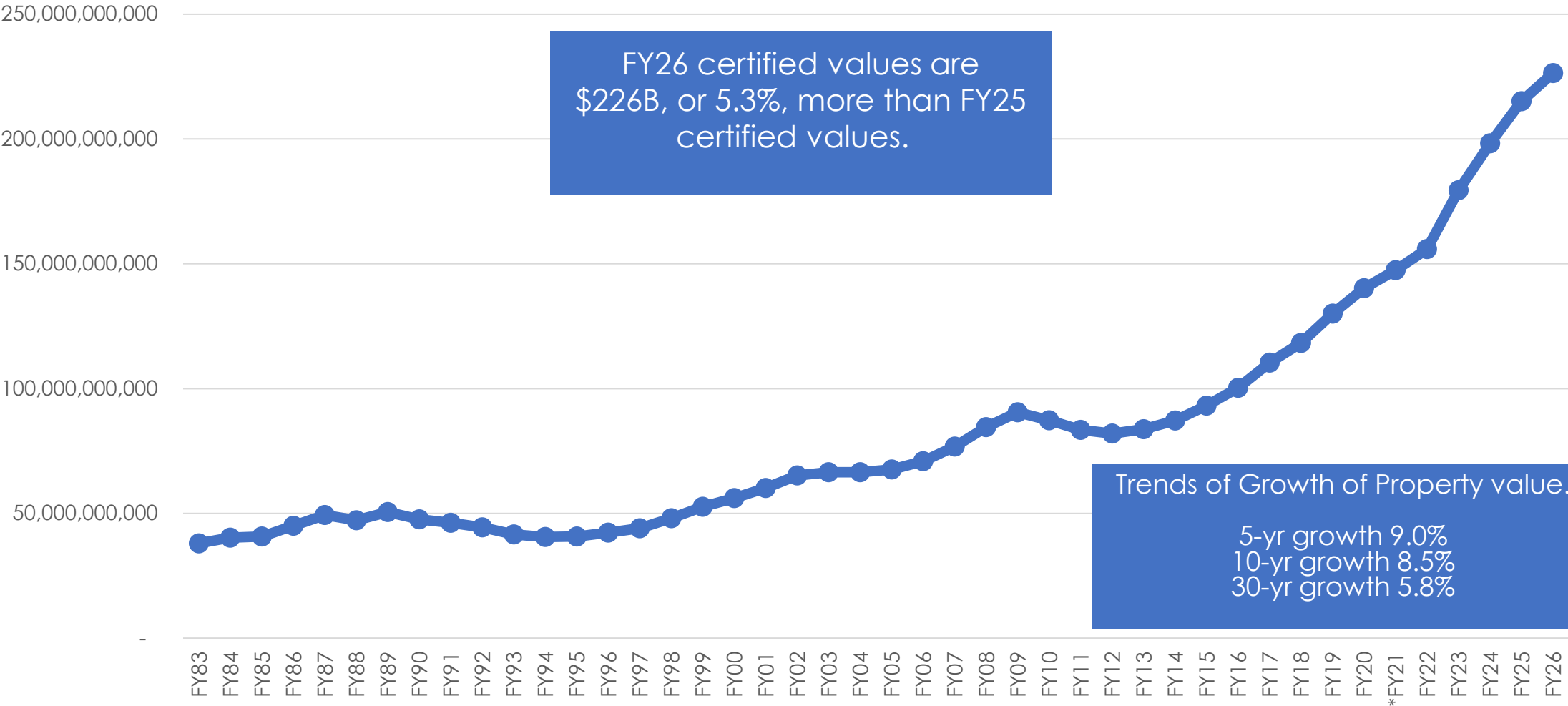


Property Tax – Values



Property Tax Value Trend

FY26 certified values are \$226B, or 5.3%, more than FY25 certified values.



Trends of Growth of Property value.

5-yr growth 9.0%
10-yr growth 8.5%
30-yr growth 5.8%



*Supplemental values

Property Tax – Values



Fiscal Year	Assessed Valuation	Percent Change in Assessed Valuation	Reappraised Value	% of Total Value Change	New Construction	% of Total Value Change
FY19	130,080,986,261	9.9%	126,506,135,042	6.92%	3,574,851,219	3.02%
FY20	140,237,631,635	7.8%	136,496,479,273	4.93%	3,741,152,362	2.88%
FY21*	149,136,781,320	6.4%	145,633,737,634	3.85%	3,503,043,686	2.50%
FY22	155,938,191,755	4.6%	152,716,459,534	2.40%	3,221,732,221	2.16%
FY23	179,433,592,088	15.1%	176,100,035,254	12.93%	3,333,556,834	2.14%
FY24	198,272,090,573	10.5%	194,522,124,164	8.41%	3,749,966,409	2.09%
FY25	215,147,848,879	8.5%	210,083,634,023	5.96%	5,064,214,856	2.55%
FY26	226,456,133,434	5.3%	222,430,241,738	3.43%	4,025,891,696	1.87%

*Supplemental values



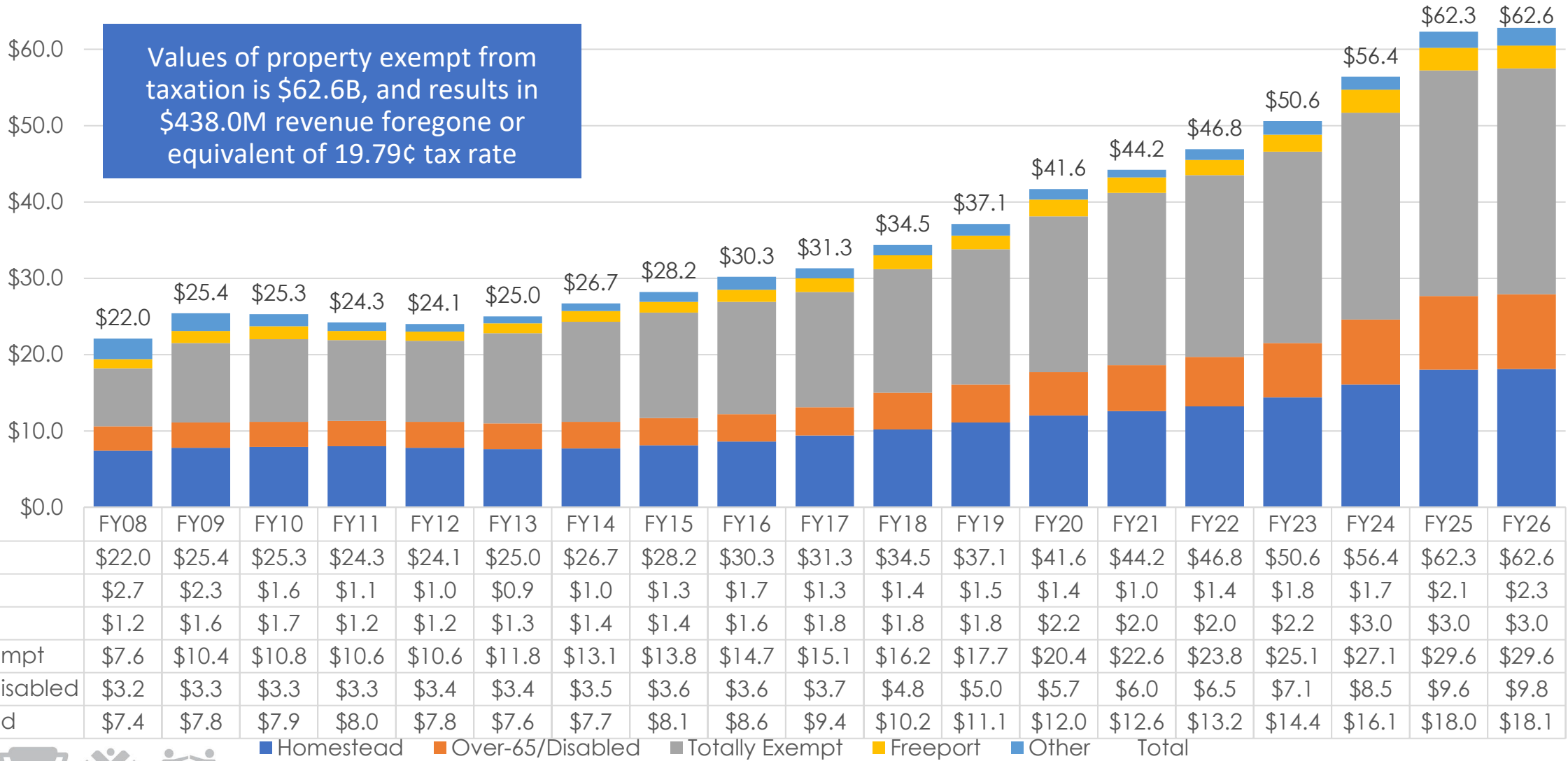
Property Tax – Exemptions



- Exemptions authorized by City Council include:
 - 20% homestead exemption (maximum allowed by state law)
 - \$18.1B value exempt from taxation
 - \$126.4M revenue forgone
 - \$175,000 age-65/over or disabled exemption
 - \$9.8B value exempt from taxation
 - \$68.2M revenue forgone
 - 100% Child-Care Facilities
 - \$5.3M value exempt from taxation
 - \$37,000 revenue forgone



Property Tax – Exemptions



Property Tax – Rate



- Tax rate is split between:
 - General Fund, which supports day-to-day operations – 72.5% of tax rate
 - Debt Service Fund, which is used to pay general obligation long-term debt – 27.5% of tax rate
- Proposed budget recommends reducing tax rate by 0.50¢ from 70.47¢ to 69.97¢ per \$100 valuation for FY26
 - 0.25¢ from General Fund equals \$5.5M revenue forgone*
 - 0.25¢ from Debt Service Fund equals \$5.5M revenue foregone*

*Based on collection rate of 97.73%



Property Tax – Rate



- Proposed budget reduces tax rate for 10th consecutive year for total of 9.73¢ or 12.2% reduction
- Based on current value of \$226.5B and 9.73¢ reduction, the total revenue foregone in FY26 is \$215.3M

Fiscal Year	General Fund	Debt Service	Total	Reduction	Forgone Revenue in Year of Reduction*
FY16	56.46¢ (70.8%)	23.24¢ (29.2%)	79.70¢		
FY17	56.01¢ (71.6%)	22.24¢ (28.4%)	78.25¢	-1.45¢	\$15.6M
FY18	55.80¢ (71.5%)	22.24¢ (28.5%)	78.04¢	-0.21¢	\$2.4M
FY19	56.67¢ (73.0%)	21.00¢ (27.0%)	77.67¢	-0.37¢	\$4.7M
FY20	56.91¢ (73.3%)	20.75¢ (26.7%)	77.66¢	-0.01¢	\$0.1M
FY21	56.88¢ (73.3%)	20.75¢ (26.7%)	77.63¢	-0.03¢	\$0.4M
FY22	56.58¢ (73.2%)	20.75¢ (26.8%)	77.33¢	-0.30¢	\$4.6M
FY23	54.03¢ (72.4%)	20.55¢ (27.6%)	74.58¢	-2.75¢	\$48.5M
FY24	53.17¢ (72.3%)	20.40¢ (27.7%)	73.57¢	-1.01¢	\$19.7M
FY25	51.09¢ (72.5%)	19.38¢ (27.5%)	70.47¢	-3.10¢	\$65.6M
FY26	50.84¢ (72.5%)	19.13¢ (27.5%)	69.97¢	-0.5¢	\$11.1M
			Total	-9.73¢	

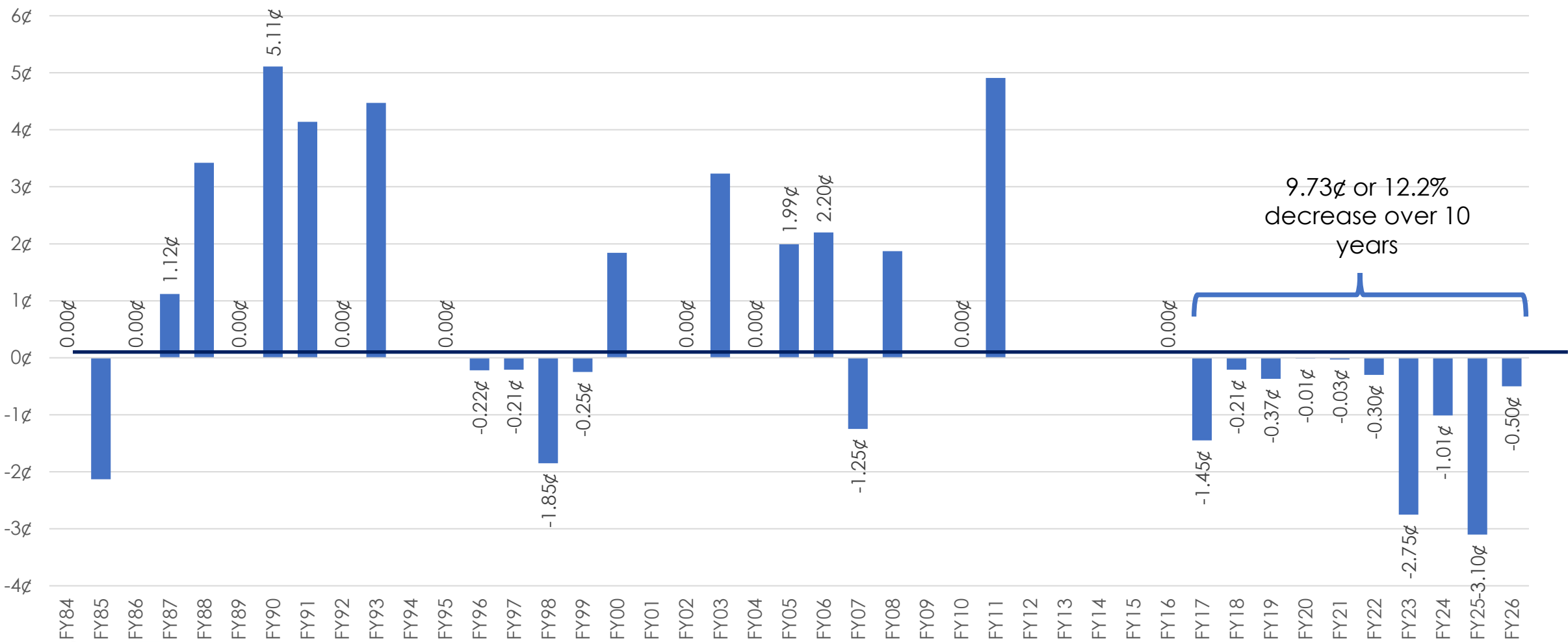
*Based on collection rate at the time of reduction



40-year History of Tax Rate Change



YEAR-OVER-YEAR CHANGE IN TAX RATE
IN CENTS PER \$100 VALUATION



Property Tax – Typical Tax Bill



- Every homeowner's tax bill will be different depending on value of their property and exemptions
- Table below provides change to tax bill based on following:
 - Typical value of residential home in City of Dallas is now \$382,010
 - Owner-occupied residences receive 20% homestead exemption

Compare FY24 Median to FY25 Median Home Value		
	FY25 Tax Rate	FY26 Tax Rate
Median Value	\$381,545	\$382,050
Tax Rate	70.47¢	69.97¢
Tax Bill	\$2,151.00	\$2,138.34
Change	(\$12.66)	

Compare the same Median Home Value in Both Years		
	FY25 Tax Rate	FY26 Tax Rate
Median Value	\$382,050	\$382,050
Tax Rate	70.47¢	69.97¢
Tax Bill	\$2,153.62	\$2,138.34
Change	(\$15.28)	



Property Tax – State Requirements



- Current tax rate for FY25 = **70.4700¢**
- Proposed tax rate for FY26 = **69.9700¢**
- Voter Approval total tax rate = **70.3274¢**
 - Reflects the maximum property tax rate a taxing unit may adopt without a voter election
 - Adopting the Voter-Approval tax rate would increase property tax revenue by \$7.8M from the proposed budget*
- No-New-Revenue total tax rate = **67.3196¢**
 - Generates the same amount of revenue in the new fiscal year as previous fiscal year on property taxed in both years
 - Adopting the No-New-Revenue tax rate would decrease property tax revenue by \$30.5M from the proposed budget*



*Calculation based on O&M portion of the rate and collection rate of 97.73%

Property Tax – State Requirements



- State law requires following action on August 27
 - Specify tax rate ceiling which will be the maximum tax rate to be considered on September 17
 - Take record vote
 - Schedule public hearing
- Notice will be published in newspaper by September 7
- Required Public hearing will be held on September 17
- Tax rate will be adopted on September 17



Sales Tax



- Sales tax in Dallas is 8.25%, including 2% local option that is governed and capped by state law

Sales Tax Distribution	
State of Texas	6.25%
Local Option – Dallas Area Rapid Transit (DART)	1.00%
Local Option – City of Dallas	1.00%
Total	8.25%

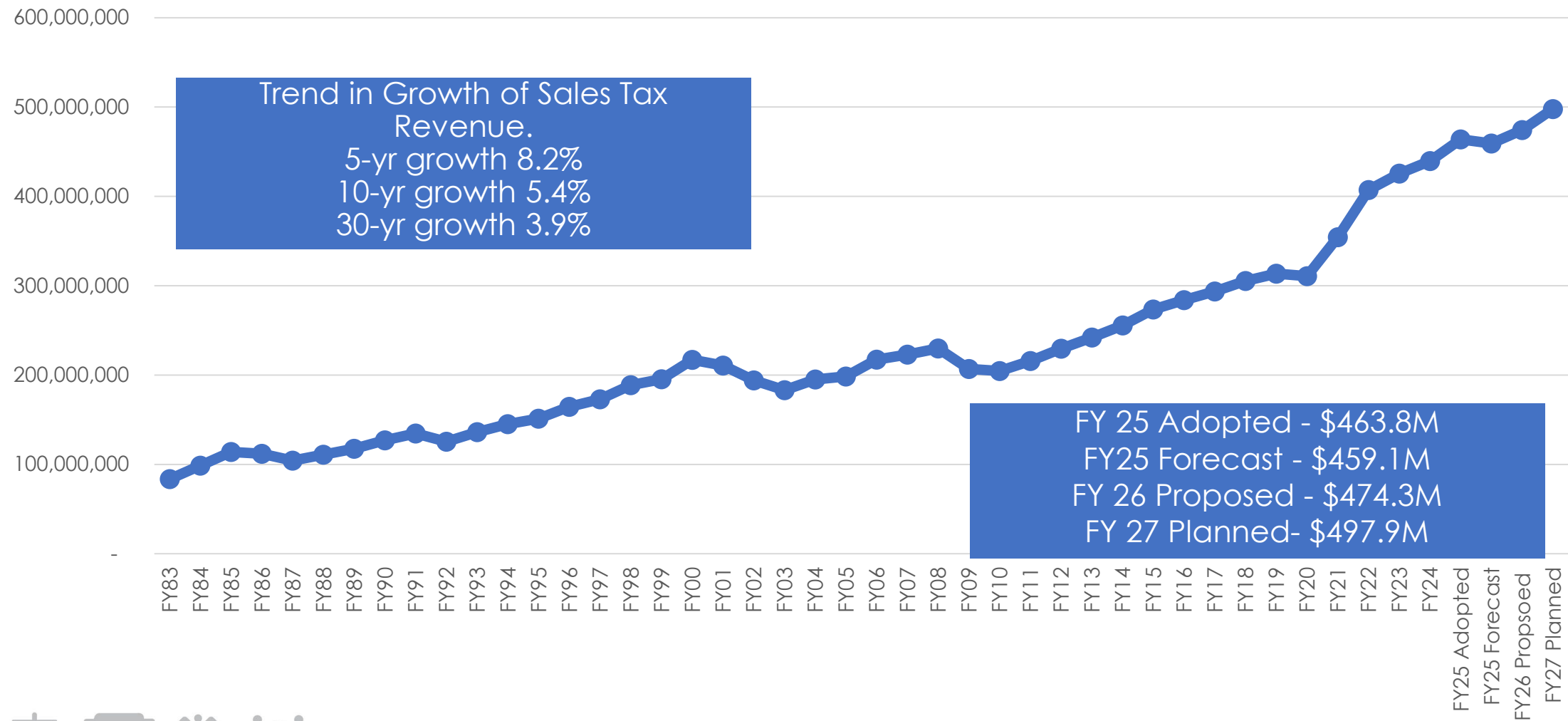
- State law identifies which goods and services are taxable versus non-taxable
- Sales tax is most volatile source of revenue and is affected by local, national, and global factors
- FY26 year-end trend is slowing to more historical growth rate
- FY26 and FY27 reflects average growth of 4.1% compared to FY25 forecast



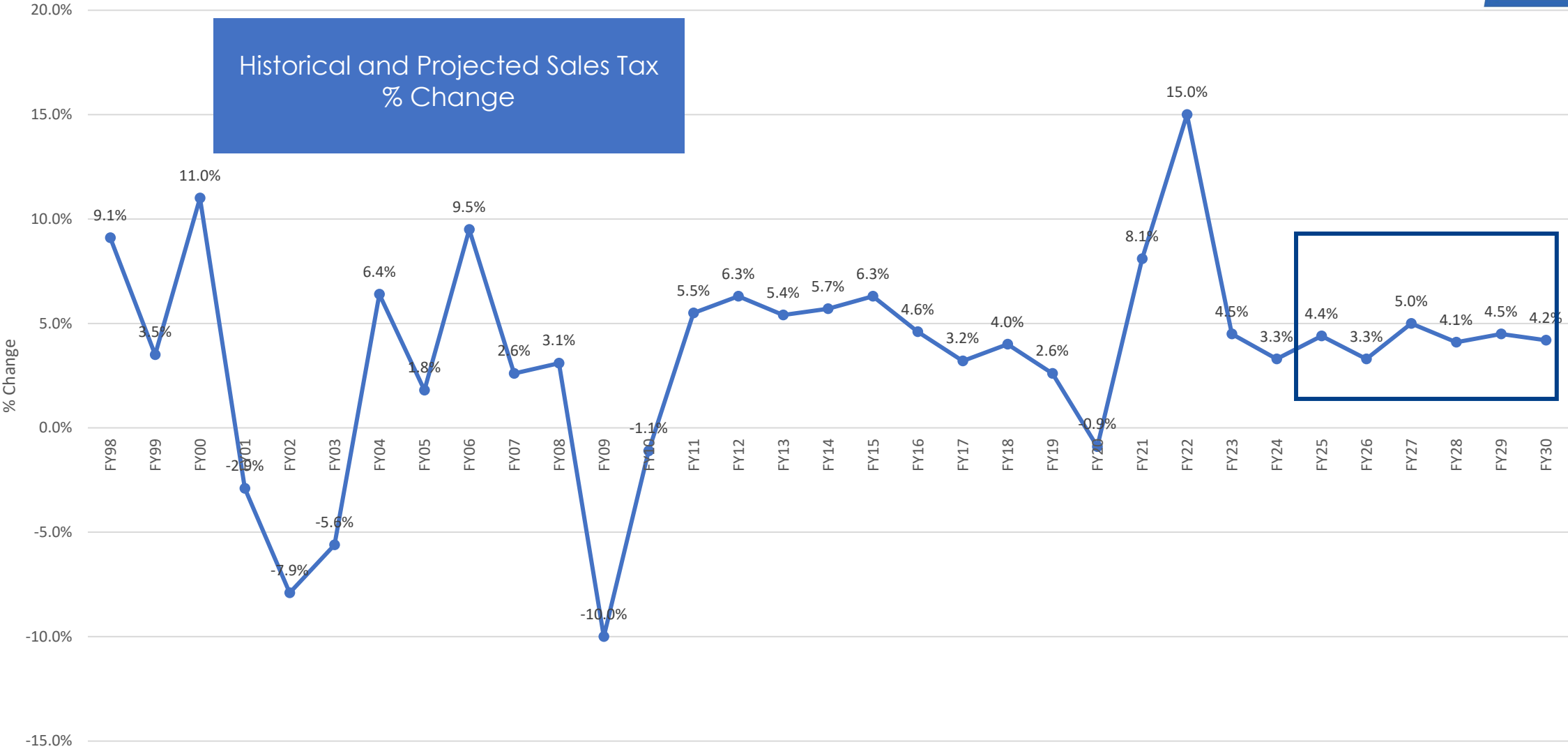
Sales Tax



Sales Tax Revenue Trend



Sales Tax



- Financial Management Performance Criteria (FMPC) #12:
 - Requires review of selected fees and charges at least once every four years
 - Determine extent to which full cost of associated services is being recovered by revenues
 - Where feasible and desirable, City shall set fees and charges to achieve full cost recovery
 - City may subsidize services funded by fees or charges based on other City objectives
 - If an individual fee increases to achieve full cost recovery is greater than 50%, City may opt to phase fee increase over three years

Fee Review



- Fees reviewed this year:
 - Code Compliance
 - Dallas Police Department
 - Planning and Development (General Fund)
- Full cost recovery will result in fee increases and add revenue to support service delivery
- Fee study results included in Appendix
- Fee recommendations are included in FY26 proposed budget and resulted in \$1.7M revenue increase





- Private Property Impound
 - The city licenses Private Property Impound (PPI) towing companies and individual drivers and sets the fee that can be charged
 - Texas Department of Licensing and Regulation (TDLR) sets the maximum amount that the City can authorize
 - The current rates for PPI have not been changed since 2009
 - The FY26 budget recommends an administrative fee of \$5 per tow collected quarterly by the City
 - The administrative fee is expected to generate \$528K additional revenue in FY26.

General Fund Expenses

General Fund Expense Drivers



- FY26 proposed General Fund is \$61.6M or 3.2% more than FY25 adopted budget including several expense drivers
- Police and Fire increased by \$63.1M (5.5%)
- All other General Fund departments decreased by (\$1.5M)



General Fund Expense Drivers



- Police and Fire Expense Drivers
 - Implement market pay adjustments for police and fire uniformed personnel per Meet and Confer \$42.7M in FY26
 - Agreement outlines market-based pay philosophy and step pay increases
 - Based on March 2025 market survey with adjustments to average among 17 city peer group
 - Current agreement expires September 30, 2025
 - Recommend enhancing entry level starting salary to \$81,232 (7.71%), and when combined with other pay components results in Dallas being more competitive regionally
 - Additional 100 police officers in FY25 - \$8.2M in FY26
 - Increase hiring target by 350 Officers in FY26 and 400 Officers in FY27: \$1.8M (\$6.2M in FY27)
 - Dallas Fire Rescue - Add two additional Single Function Paramedic Units - \$0.5M



General Fund Expense Drivers



- Police and Fire Expense Drivers
 - Adjustment to comply with City's funding plan for Dallas Police and Fire Pension System – \$20.6M for a total investment of \$225.7M in FY26
 - Axon body cameras and tasers - \$0.8M
 - Implement rescue remount program - \$1.0M
 - Computer Aided Dispatch (CAD) and Record Management System (RMS) implementation - \$2.0M (Total cost of the new system is \$22.6M over 5-years)
 - Reduce high risk facility inspection backlog and increase annual inspections from 35% to 90% in FY26 - \$0.4M



General Fund Expense Drivers



- General Fund TIF District payments – \$3.5M increase
- Adjustment for funding plan for Employee Retirement Fund – \$5.2M
- Expand facility preventative maintenance program - increase of \$2.0M annually (twice amount initially planned)
- Increase transfer to Street and Alley Fund for infrastructure improvements - \$8.0M
- Increase funding for streetlighting - \$1.3M
- Establish General Fund transfer to Fair Park Fund - \$2.5M
- Advance implementation of AI for 311 modernization - \$1.0M



General Fund Expense Drivers



- Non-uniform compensation - \$6.6M (FYF \$8.8M)
 - Planned merit of average 3%
 - Increase wage floor for all full-time and part-time permanent, temporary, and seasonal City employees to \$21.50 per hour
 - Implement a new Task Pay Program for mission critical and hard-to-fill hourly positions
- Personnel
 - City relies on employees to deliver vast array of services
 - Total personnel cost accounts for approximately 73% of General Fund budget
 - No new positions added in FY26
 - Anticipate staffing optimization impact of approximately 100 positions



General Fund Balanced Budget



- General Fund steps to a balanced the budget

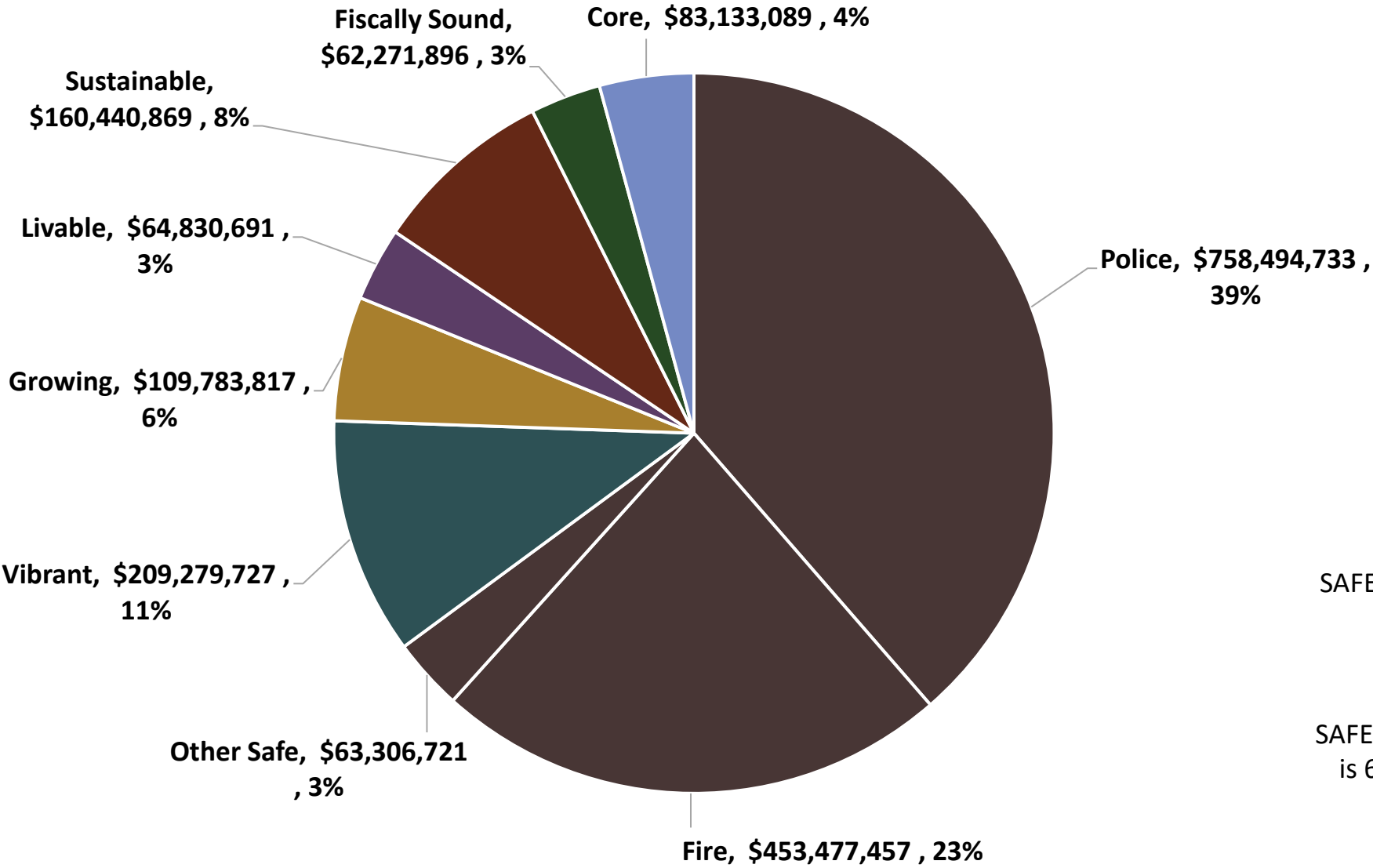
June 2025
(\$36.5M)

August 2025
Closed the Gap
\$0

Steps to a Balanced Budget	FY26 Consolidations/ Efficiencies
Uniform Overtime	(\$12M)
Consolidation of Departments	(\$6.2M)
Non-Departmental Efficiencies	(\$3.3M)
Organizational Efficiencies across Departments	(\$15.0M)
• Contract Utilization	
• Staffing Models	
• Optimize Service Delivery	
• Advance Technology	
• Operational Metrics	
TOTAL	(\$36.5M)



FY26 Proposed Expenses

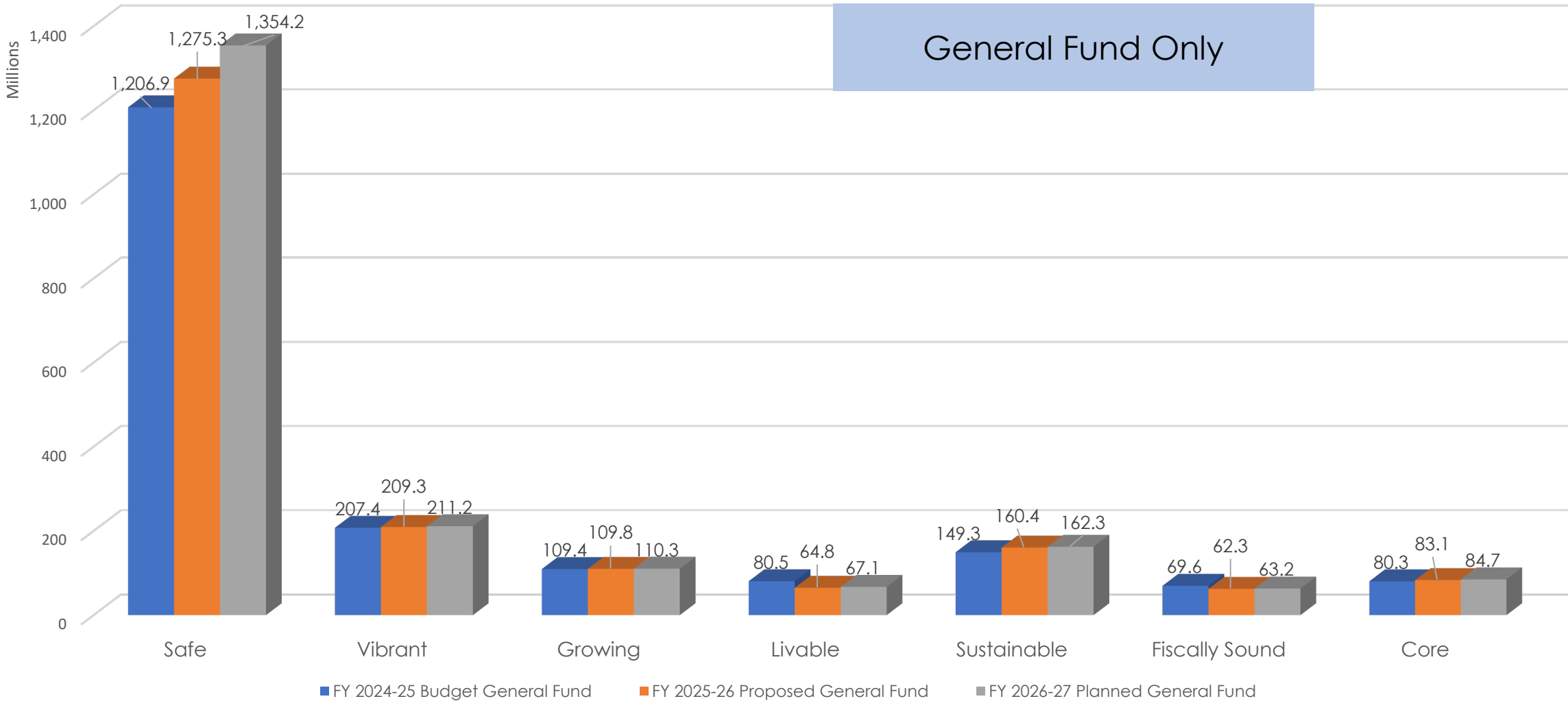


SAFE (Police & Fire) is 62% of General Fund

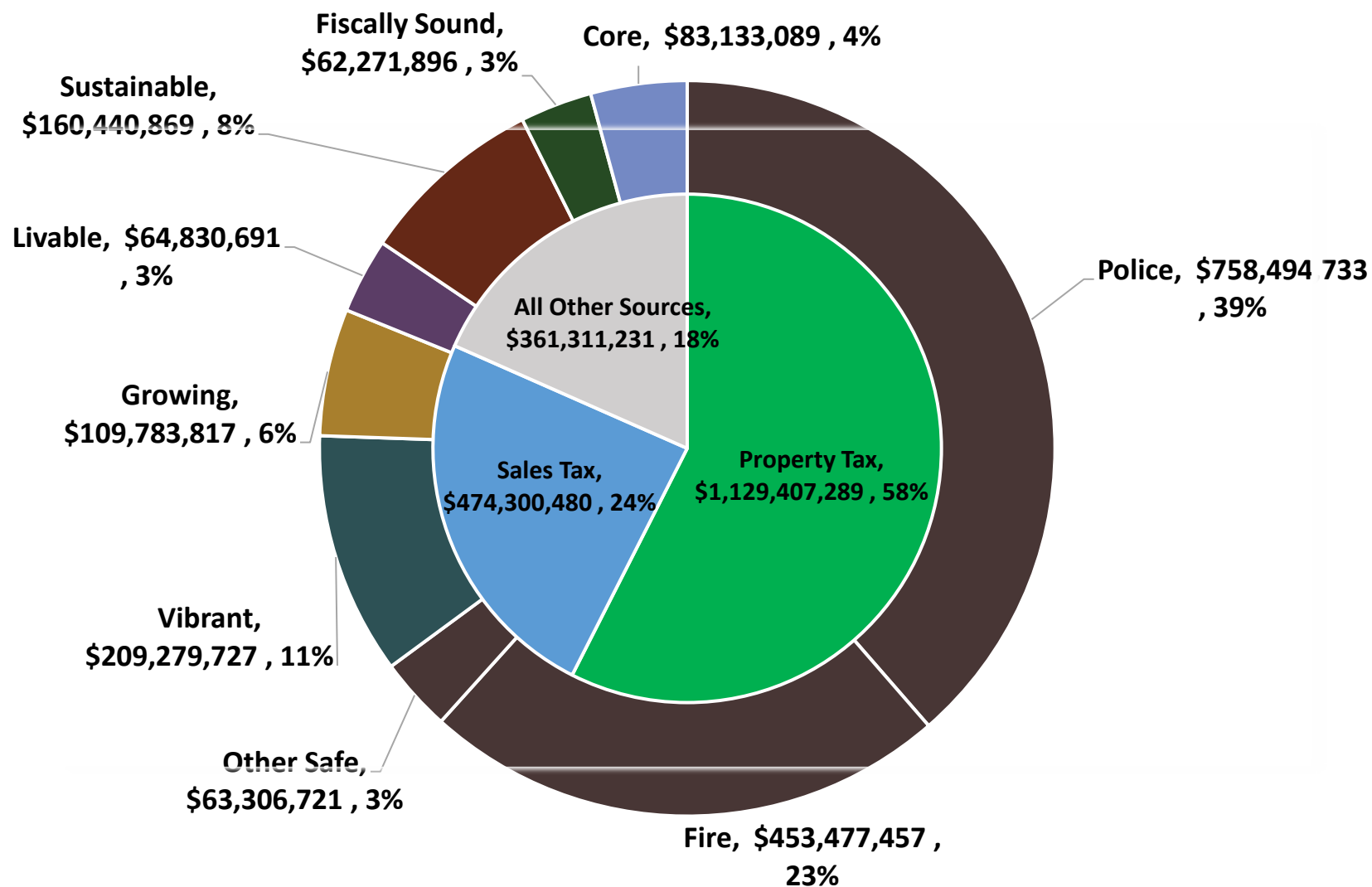
SAFE (Police, Fire, & Other) is 65% of General Fund



Expenses Aligned to Strategic Priority



FY26 Proposed Expenses with Revenues



SAFE (Police & Fire) accounts for 62% of General Fund expense and equals 100% of General Fund property tax and 17.4% of sales tax revenue

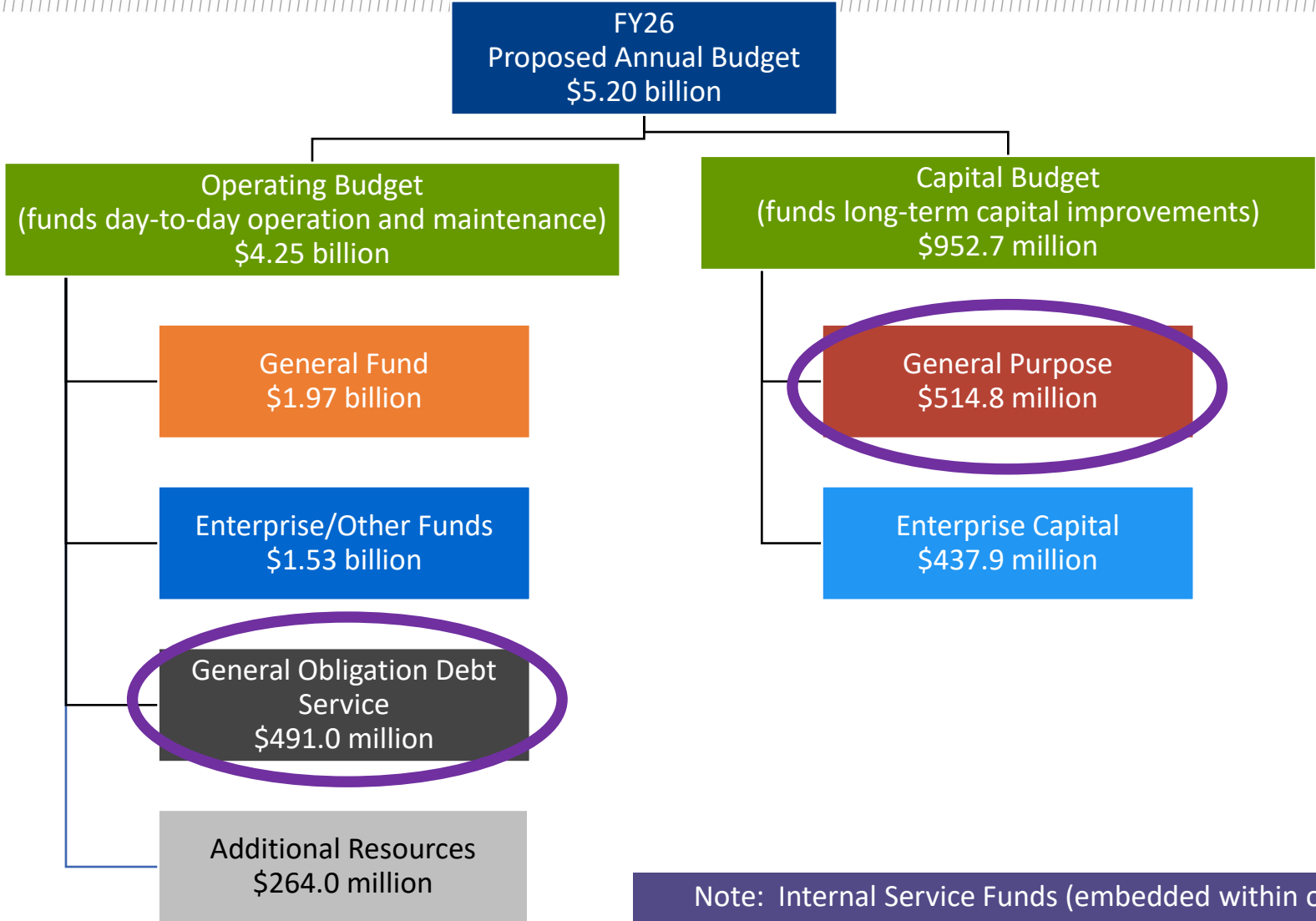




General Purpose Capital and Debt Service



Budget Overview



Note: Internal Service Funds (embedded within operating funds) \$299.4 million



General Purpose Capital



- Budget includes capital improvement projects totaling \$514.8M supported through both debt issuance and pay-as-you-go funding
- Reflects continuation of the 2024 Bond Program approved by the voters in May 2024
- Projects include streets and alleys, flood protection, park and recreation, and City facilities, among others



- FY26 Planned Debt Includes:
 - \$250M - General Obligation Bonds
 - \$34.5M – Equipment Acquisition Notes*
 - Sanitation (38) and Stormwater (26) replacement fleet with debt paid by the Enterprise Funds
 - Fire Apparatus (11) replacement
 - \$52.9M – Master Lease*
 - Fire Ambulance (12) replacement
 - Police vehicles (200) replacement
 - Police vehicles (80) new

Debt Service



- Property tax revenues are used to pay debt service on General Obligation debt totaling \$1.93B outstanding principal (as of 9/30/25)
- FY26 debt service budget includes \$491.0M
 - \$435.1M - principal and interest for existing debt
 - \$10.0M - new General Obligation debt
 - \$5.8M - Master Lease
 - \$1.9M - Equipment Acquisition Notes
 - \$1.9M - Commercial Paper
 - \$36.4M - TIF increment payments

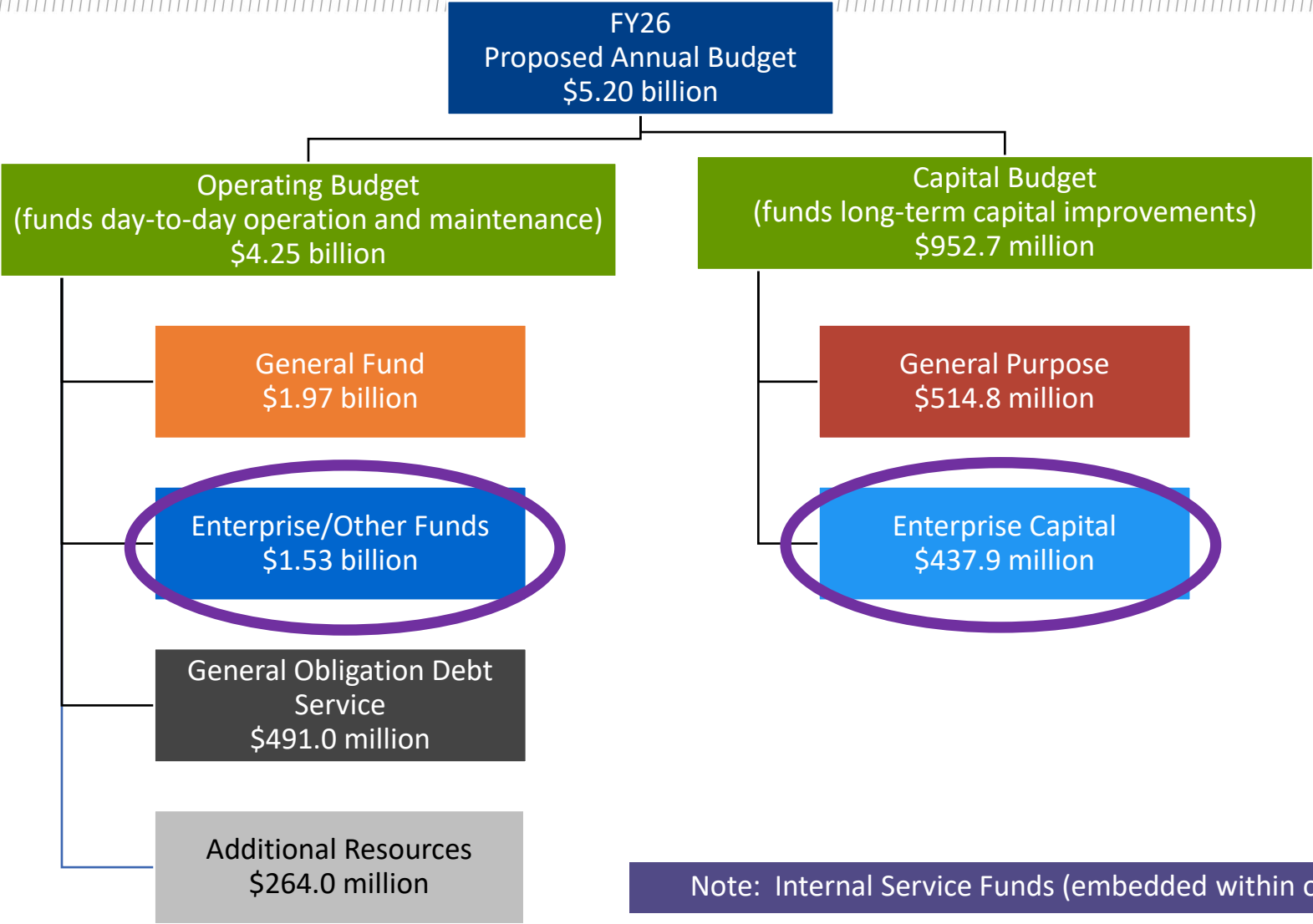




Enterprise Funds



Budget Overview



Note: Internal Service Funds (embedded within operating funds) \$299.4 million



- FY26 proposed operating and capital budget for Aviation (AVI)
 - Operating budget - \$208.7M
 - Capital budget - \$6.9M
 - FY26 budget maintains the same level as last year
 - Love Field has surpassed pre-pandemic enplanement numbers by 6% and anticipate growth as the airlines use larger planes
- Major Investments
 - Investments in fleet/equipment/furniture, IT infrastructure, inflationary contractual increases, and additional staff to sustain growth and ensure safety
 - The Airport Use and Lease Agreement with Southwest Airlines was extended to 2042 with \$800 million of infrastructure funding approved in it for an expansion program (LEAP) in the next 5-8 years – this will enhance the customer experience

Convention & Event Services



- FY26 proposed operating and capital budget for Convention & Event Services (CCT)
 - Operating budget - \$131.5M
 - Capital budget – \$7.5M
- Fund operation and maintenance of Kay Bailey Hutchison Convention Center Dallas (KBHCCD) and direct KBHCCD Master Planning process
- Major investments
 - Pay increase related to personnel services (compensation, pension, and health benefits), capital transfers for KBHCCD renovations and infrastructure improvements



Planning & Development



- FY26 proposed operating budget for Planning and Development (PDV)
 - Operating - \$52.5M
- PDV proposed revenues include 13.1% decrease compared to FY25 based on more conservative estimate that accounts for broader economic conditions
- Major budgetary items include
 - Adjust staffing levels to realize efficiencies and support high-impact, community-centered service delivery
 - Pause contributions to the Vehicle Replacement Program and Certification Fee Program to prioritize more immediate service needs
 - Increase funding for lease renewals and security services in line with operational needs
 - Transition Planning and Zoning to PDV Enterprise Fund (net \$0 change)



DWU – Dallas Water Utilities



- FY26 proposed operating and capital budget for Dallas Water Utilities (DWU)
 - Operating budget - \$880.9M
 - Capital budget - \$367.2M
 - DWU plans 6.7% revenue increase which for the typical residential customer will be from \$72.32 to \$77.20 per month
- ### Major Investments
- Increase due to personnel services (compensation, pension, and health benefits), internal services (ITS, fleet and risk management), maintenance associated with water production, and debt issuance funding for capital system improvements to continue repair and rehabilitation of water and wastewater infrastructure

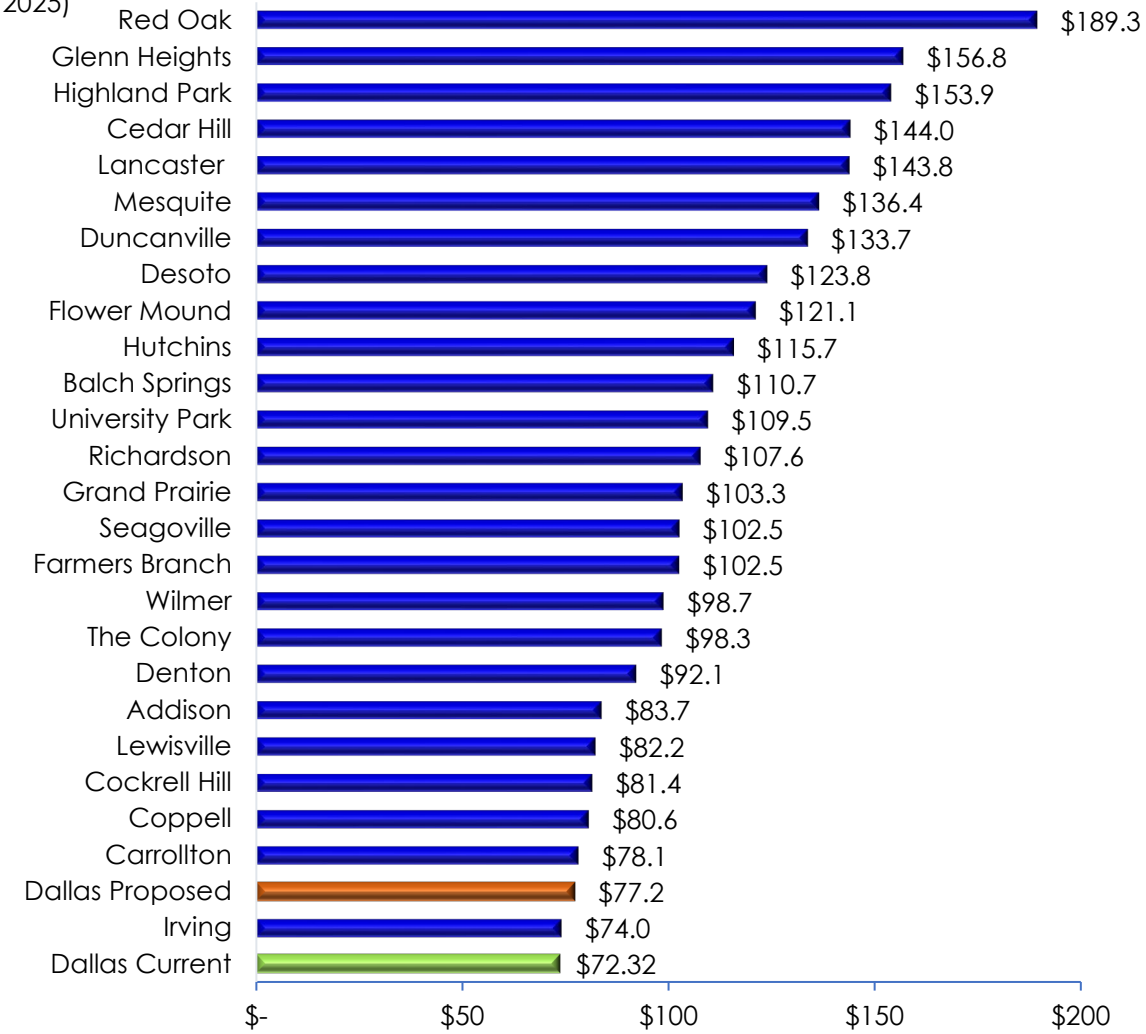


DWU – Dallas Water Utilities



Dallas Average Monthly Water & Wastewater Residential Bill Compared to Customer Cities

(Based on 5/8" Meter; 8300 Gallons/Month; 5900 Gallons Winter Month Average as of July 2025)



Note: Average based on 5/8" Meter; 8,300 gallons/month; 5,700 gallons winter month average



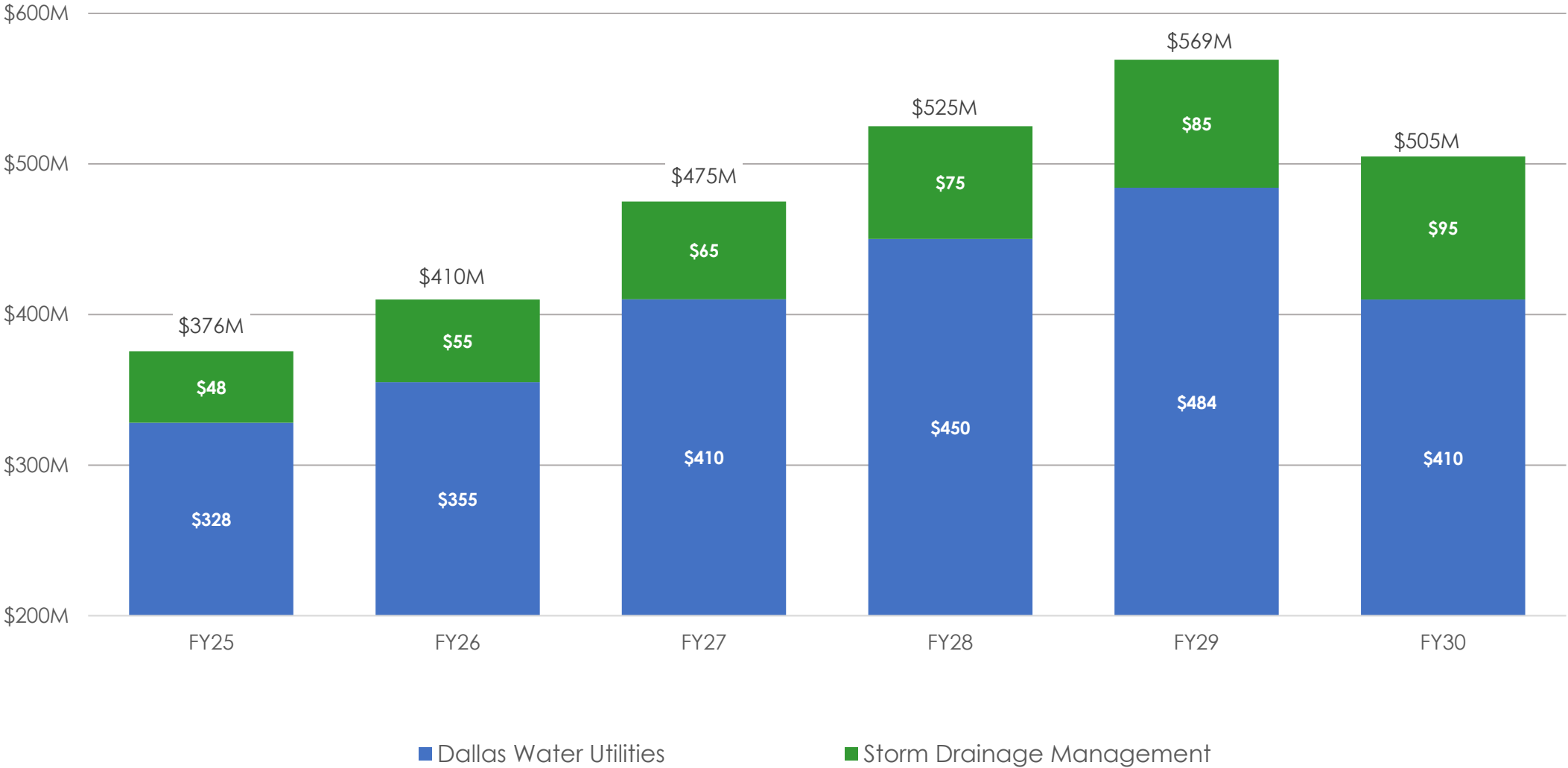
DWU – Storm Drainage Management



- FY26 proposed operating and capital budget for Storm Drainage Management (SDM)
 - Operating budget - \$90.6M
 - Capital budget - \$78.1M
- SDM plans a 5.5% fee increase which for the typical residential customer will be from \$10.16 to \$10.72 per month
- Major Investments
 - Increase in capital costs to address 10-year capital improvement plan, equipment needs, and increases associated with traditional and natural flood risk management actions



DWU/SDM Capital Program Outlook



Sanitation Services



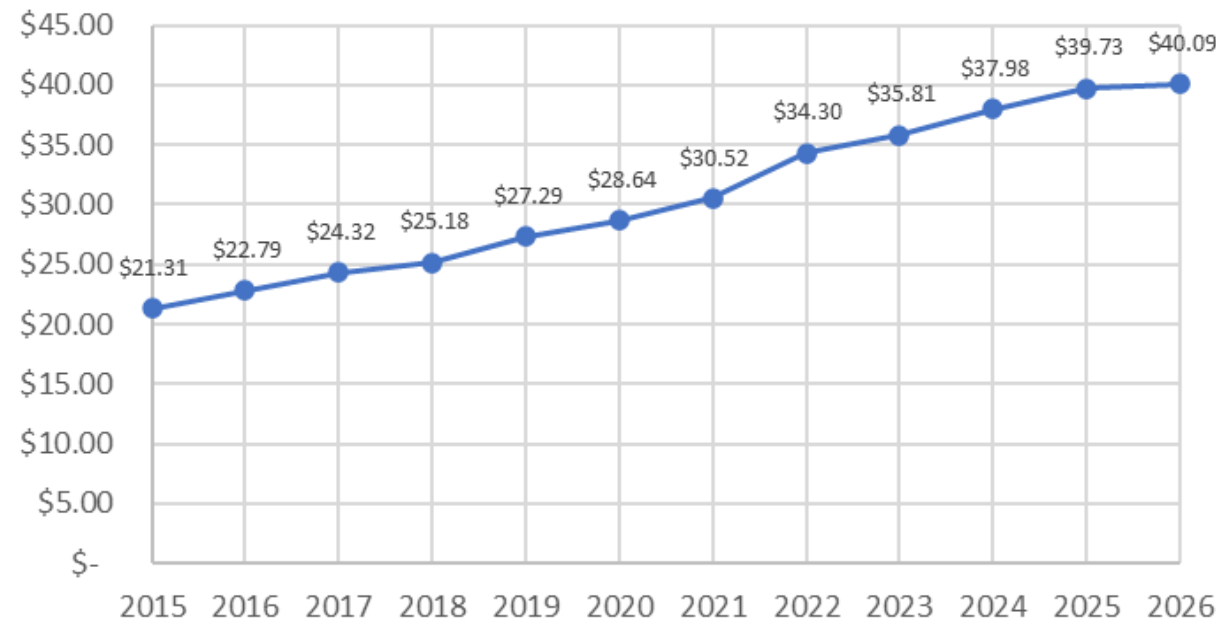
- FY26 proposed operating and capital budget for Sanitation Services (SAN)
 - Operating budget - \$165.5M
 - Capital budget - \$17.0M
- SAN plans <1% fee increase which for typical residential customer will be from \$39.73 to \$40.09 per month
- McCommas Bluff Landfill gate rate will increase 3.0% from \$42.33 to \$43.60 per ton
- Major investments
 - Pay increase related to personnel services (compensation, pension, and health benefits), fuel, temporary labor cost, brush and bulky trash contract increase, and equipment maintenance
 - Continue Sanitation's route safety and efficiency initiative by transitioning select alley service locations to curbside collection



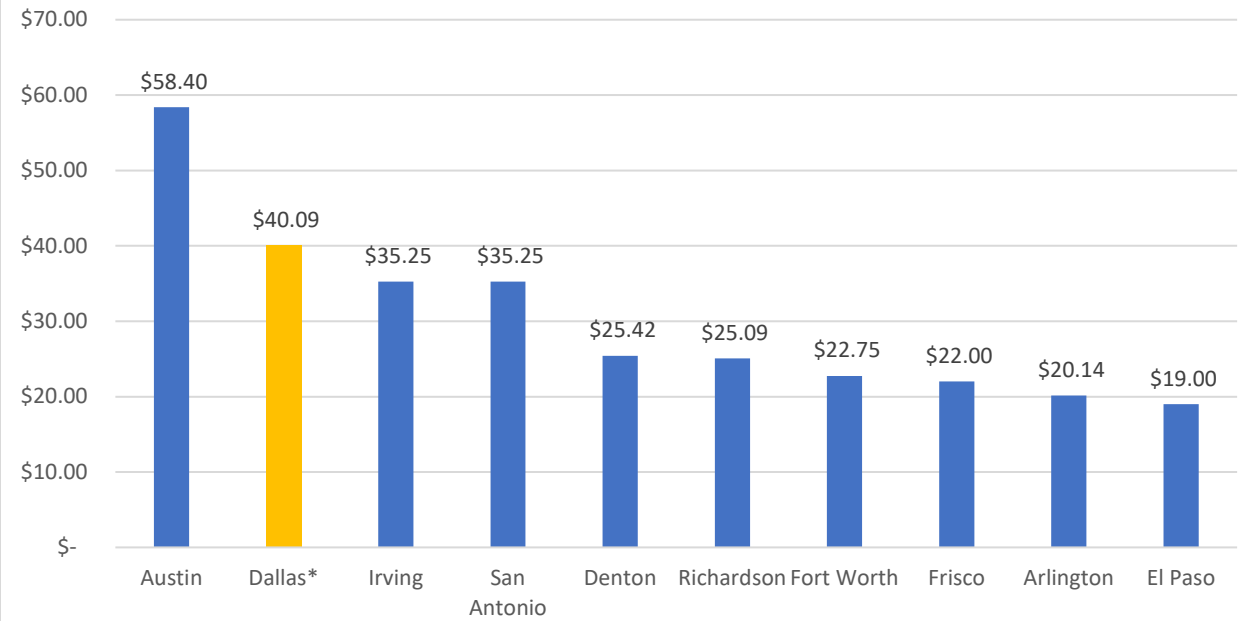
Sanitation Services



Historical Rate



Rate Comparison Rate



*FY 2026 Proposed



Monthly Utility Bill Projections



Preliminary Projection for the Monthly Residential Utilities						
	FY25 Current	FY26	FY27	FY28	FY29	FY30
Water and wastewater*	\$72.32	\$77.20	\$78.20	\$80.00	\$81.76	\$83.56
Stormwater**	\$10.16	\$10.72	\$11.39	\$12.13	\$12.92	\$13.76
Sanitation	\$39.73	\$40.09	\$40.39	\$41.60	\$42.85	\$44.14
Environmental Clean-up Fee	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Total	\$125.21	\$131.01	\$132.98	\$136.73	\$140.53	\$144.46
\$Change		\$5.80	\$1.97	\$3.75	\$3.80	\$3.93
Percent change		4.6%	1.5%	2.8%	2.8%	2.8%

*Based on 5/8" Meter and winter months average of 8,300 gallons (Water) and 5,700 gallons (Wastewater)

**Average monthly residential stormwater bill

Note: Projected residential fees (FY27-FY30) are subject to change based upon final internal service charges such as Information Technology, Benefits, and Fleet



WRR – Municipal Radio



- FY26 proposed operating budget for Municipal Radio (WRR)
 - Operating budget - \$0.47M
- Day-to-day operations of WRR transitioned to management partner KERA on January 1, 2023
- City retained expenses, including 1.00 FTE and radio tower rents, are reimbursed by KERA per management agreement
- Major Investments
 - Pay increase related to personnel services (compensation, pension, and health benefits)



Information & Technology Services (ITS)

Information & Technology Services Overview



- FY26 proposed budget - \$186.9M
- FY27 planned budget - \$200.8M
 - Data Services - Focused on providing secure, reliable, and responsive enterprise-level technology, data, and business solutions that facilitate and enhance the City's effectiveness in serving the residents of Dallas and align with the City's goals and core values
 - 911 - Focused on providing the IT infrastructure, hardware, software, and technical support for processing 911 telephone calls
 - Radio - Focused on providing secure, reliable, and responsive enterprise-level radio communication services that facilitate public safety departments' effectiveness in serving residents with emergency and operational communication





Community Engagement



Community Engagement



- Council-hosted budget town hall meetings (March and August)
- Public hearing meetings held at City Council meetings
- Community Survey conducted by ETC Institute using statistically valid methods
- Online, non-statistically valid version of the Community Survey for any Dallas resident to complete

Engagement Opportunity	Timeline
Budget Public Hearing Meetings*	March 26, May 28, and August 27
Spring Listening Sessions	March 24 – 27
2025 Community Survey	March - May
➡ August Town Hall Meetings	August 14 – 28



*August Budget Public Hearing notice published in newspaper on August 9

Community Survey



- The Community Survey administered by ETC Institute was launched in March 2025
- Purpose
 - Assess resident perceptions of Dallas
 - Understand community priorities regarding city services
 - The survey and its administration are standardized to ensure results are statistically significant
 - ETC selected participating households at random
 - Mailings and follow-up phone calls provide each randomly selected household more than one chance to complete the survey
 - Survey conducted in 2005-2007, 2009, 2011, 2013, 2014, 2016, 2018, 2023-2025



Community Survey



• Priority Results by City Council District

CD#	Priority #1	Priority #2	Priority #3
1	Maintenance of Infrastructure	Police Services	Traffic Management
2	Maintenance of Infrastructure	Police Services	Drinking Water
3	Maintenance of Infrastructure	Police Services	Housing
4	Maintenance of Infrastructure	Social Services	Police Services
5	Maintenance of Infrastructure	Police Services	Neighborhood Code Enforcement
6	Maintenance of Infrastructure	Police Services	Drinking Water
7	Maintenance of Infrastructure	Police Services	Housing
8	Maintenance of Infrastructure	Police Services	Housing
9	Maintenance of Infrastructure	Police Services	Traffic Management
10	Maintenance of Infrastructure	Police Services	Traffic Management
11	Maintenance of Infrastructure	Police Services	Social Services
12	Maintenance of Infrastructure	Police Services	Drinking Water
13	Maintenance of Infrastructure	Police Services	Traffic Management
14	Maintenance of Infrastructure	Police Services	Parks and Recreation System



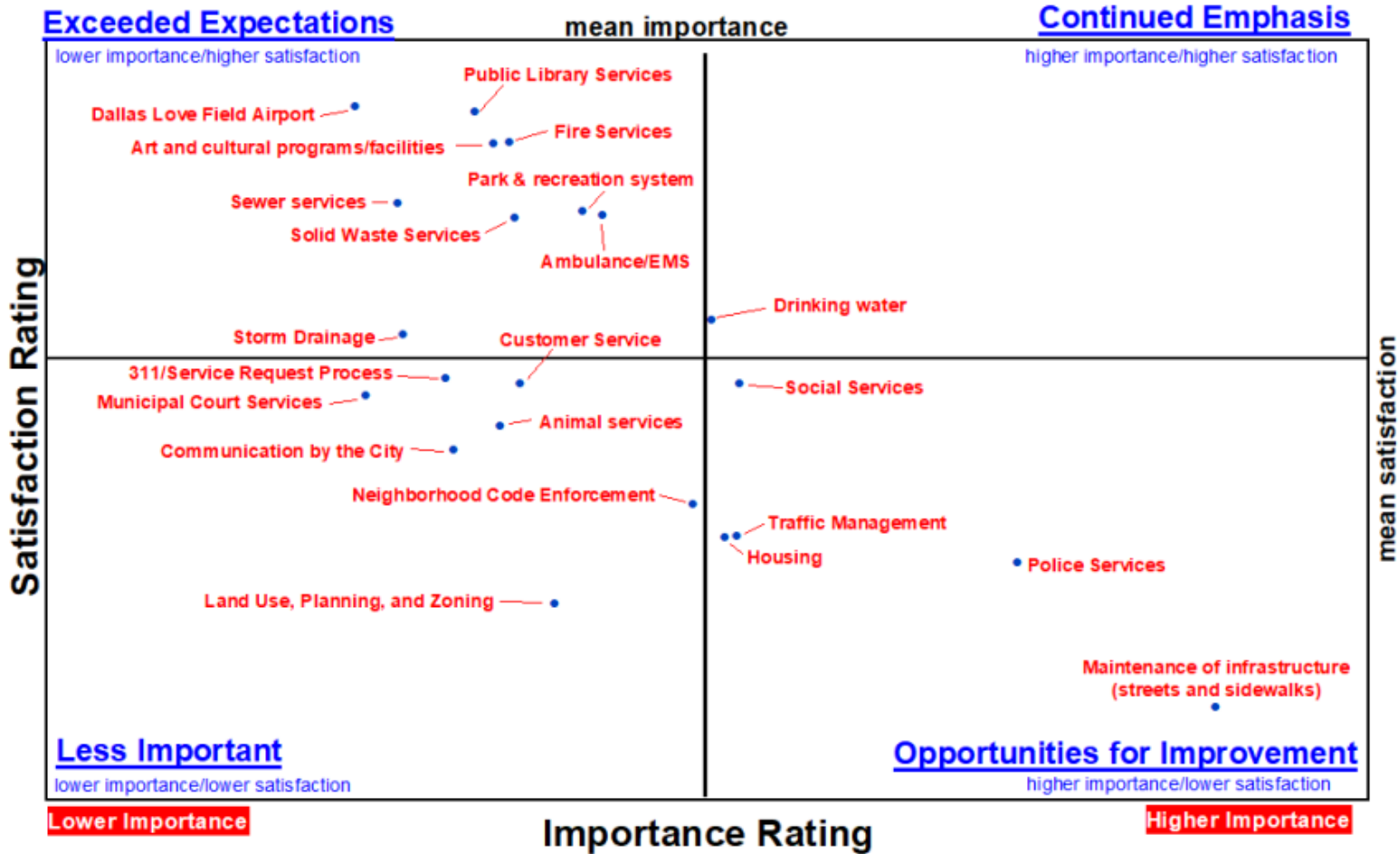
Community Survey



- Importance and Satisfaction Assessment Matrix based on 2025 Community Survey

-Major Categories of City Services-

(points on the graph show deviations from the mean importance and agreement ratings given by respondents to the survey)



Source: ETC Institute (2025)



Community Engagement Summary



Priority Meetings with Council Members

- Infrastructure Maintenance
- Parks
- Homeless/Housing
- Public Safety
- Economic Development
- Targeted Area Improvements

Based on individual meetings with Council members & City Manager's Office (January 2025)

Spring Listening Sessions (March)

- Infrastructure - Sidewalk, Streets, Alleys
- Environment
- Libraries
- Code Enforcement
- Public Safety
- Homelessness

Based on 16 Spring Listening Sessions (March 24-27), 237 residents; March 26, 2025, Public Hearing

2025 Community Survey* (June)

- Infrastructure Maintenance
- Police Services
- Traffic Management
- Housing
- Social Services

Based on **statically** valid survey administration and methodology conducted by ETC Institute

*General Community Survey respondents (**non-statistically valid**) rated Infrastructure Maintenance as the top priority followed by Traffic Management and Social Services



Budget Town Hall Meetings



- Budget Town Hall Meetings are scheduled August 14-28

27
Sessions

2
Joint
Sessions

11
Virtual
Meetings

1
TTHM

11
Spanish



Budget Town Hall Meetings



- Resources
 - [Proposed Budget website](#)
 - City Manager's Budget Video
 - Executive Summary
 - Budget in Brief
 - Budget Development Briefings
 - Budget 101 Videos
 - [Town Hall Meeting Schedule](#)



Budget Timeline

Budget Timeline



Date	Activity
March 26	Budget Public Hearing*
March 24-27	Budget Town Hall Meetings – Listening Sessions in Advance of Budget Preparation
March -May	Community Survey*
April-June	Departments brief City Council Committees by memorandum on FY 2025-26 Planned Budget
May-July	City Manager budget deliberations and program review
May 7	Budget Workshop
May 28	Budget Public Hearing*
July 25	Appraisal Districts provide certified values to City
August 12	Budget Workshop: City Manager's Recommended Budget
August 14-28	Budget Town Hall Meetings*
August 20	Budget Workshop
August 27	Budget Public Hearing*
September 3	Budget Workshop: Consider Amendments (straw votes anticipated)
September 3	Adopt budget on First Reading
September 17	Adopt tax rate and budget on Final Reading
October 1	Fiscal year begins
November 3	Priority Based Budgeting – begin Phase II



*Opportunities for Public Engagement

A photograph of Dallas City Hall, a large, modern, multi-story building with a distinctive architectural style. In the foreground, three tall flagpoles stand, flying the United States flag, the Texas state flag, and the Dallas City flag. The sky is blue with scattered white clouds. The text "financialtransparency.dallascityhall.com" is overlaid in white, underlined, sans-serif font across the middle of the image.

financialtransparency.dallascityhall.com

Appendix

Position Changes by Department

Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Budget & Management Services	35	35	0	-3	0	32
City Attorney's Office	167	167	2	0	-24	156
City Auditor's Office	20	20	0	0	0	20
City Controller's Office	69	69	0	-3	0	66
City Manager's Office	16	16	0	-1	-1	14
City Marshal's Office	166	166	0	0	-166	-
City Secretary's Office	26	26	0	0	0	26
Civil Service	23	23	0	0	0	23
Code Compliance	466	466	5	-34	-1	436
Dallas Animal Services	184	179	0	-4	0	175
Dallas Fire-Rescue	2,383	2,386	13	-4	0	2,395

*Position changes compared to FY26 Planned Budget



Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Dallas Municipal Court	61	61	5	-7	171	230
Dallas Police Department	4,068	4,048	229	-4	0	4,273
Data Analytics & Business Intelligence	41	41	0	-3	0	38
Facilities and Real-Estate Management	212	212	0	-6	3	209
Housing & Neighborhood Revitalization	31	32	0	-14	-18	0
Human Resources	103	103	0	-2	0	101
Judiciary	53	53	0	0	11	64
Library	452	444	0	-10	0	434
Mayor & City Council	66	66	0	0	0	66

*Position changes compared to FY26 Planned Budget



Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Office of Communications & Customer Experience/311	156	156	0	-13	1	144
Office of Community Care and Empowerment	55	54	0	-9	-45	0
Office of Community Police Oversight	6	6	0	0	0	6
Office of Emergency Management & Crisis Response	33	33	0	0	23	56
Office of Environmental Quality & Sustainability	103	103	0	0	-50	53
Office of Equity & Inclusion	19	19	0	-6	-13	0
Office of Government Affairs	6	6	0	0	1	7
Office of Homeless Solutions	45	45	0	-9	-36	0
Non-Departmental	0	0	0	0	0	0
Office of Arts & Culture	121	122	0	0	7	129

*Position changes compared to FY26 Planned Budget



Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Office of Economic Development	38	38	0	0	0	38
Office of Housing and Community Empowerment	0	0	0	0	82	82
Office of Inspector General	11	0	11	-1	0	10
Park & Recreation	1,553	1,553	11	-68	0	1,496
Planning and Development	70	70	1	-2	-17	52
Procurement Services	36	36	0	-4	-1	31
Transportation and Public Works	638	638	0	-6	0	632

*Position changes compared to FY26 Planned Budget



Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Aviation	375	387	0	0	0	387
Convention & Event Services	47	51	0	0	-4	47
Dallas Water Utilities	1,562	1,562	0	0	12	1,574
Dallas Water Utilities - Storm Drainage Management	281	281	0	0	37	318
Municipal Radio	1	1	0	0	0	1
Planning and Development - Enterprise	360	360	0	-61	17	316
Sanitation Services	634	639	0	0	1	640
Bond & Construction Management	23	23	0	0	0	23
Employee Benefits	13	13	0	0	0	13

*Position changes compared to FY26 Planned Budget



Planned Position Changes by Department



Department	FY25 Adopted	FY26 Planned	Add /Repurpose	Delete	Transfer	FY26 Proposed
Equipment & Fleet Management	274	274	0	0	0	274
Express Business Center	10	10	0	-1	1	10
Information & Technology Services - 911	7	7	0	0	0	7
Information & Technology Services - Data	227	227	0	-4	2	225
Information & Technology Services - Radio	32	32	0	0	-1	31
Office of Risk Management	56	56	0	0	0	56
Park & Recreation - OBP	49	49	0	0	0	49
Transportation and Public Works - OBP	126	126	0	-2	0	124
Transportation and Public Works - Transportation Regulation	7	7	0	-1	0	6
TOTAL	15,616	15,608	277	-282	-8	15,595

*Position changes compared to FY26 Planned Budget





General Fund Expense by Department



General Fund Expenses by Department



Departments	FY24 Actual	FY25 Budget	FY25 Forecast*	FY26 Proposed	% Change (FY25 Budget to FY26 Proposed)
Dallas Police Department	662,161,049	719,168,010	720,653,967	758,494,793	5.5%
Dallas Fire-Rescue	415,731,698	435,453,130	441,734,955	453,477,457	5.5%
Transportation & Public Works	144,730,664	145,719,521	145,956,159	156,832,270	7.3%
Non-Departmental	128,495,077	132,825,348	132,322,697	130,879,440	-1.1%
Park & Recreation	123,604,731	122,829,492	123,240,880	118,369,050	-2.8%
Library	42,198,942	44,295,233	44,281,367	43,466,834	-2.2%
Code Compliance	42,003,275	44,596,235	44,596,235	42,990,145	-3.6%
Municipal Court & Detention Services**	7,978,092	11,726,719	11,726,596	42,914,997	266.0%
Facilities & Real Estate Management	29,460,689	32,234,717	36,636,098	36,097,444	12.0%
City Attorney's Office	23,306,177	23,548,490	23,548,490	23,062,497	-2.1%



*FY25 forecast is based on data through 5/31/25 (Budget Accountability Report).

**Reorganization in FY26

General Fund Expenses by Department



Departments	FY24 Actual	FY25 Budget	FY25 Forecast*	FY26 Proposed	% Change (FY25 Budget to FY26 Proposed)
Office of Housing & Community Empowerment**	0	0	0	22,269,417	100.0%
Dallas Animal Services	20,786,001	19,697,228	22,319,346	21,840,546	10.9%
Office of Arts & Culture	19,188,117	20,568,305	20,568,305	16,271,995	-20.9%
Communications & Customer Experience/311	8,730,775	9,660,834	9,660,834	9,735,363	0.8%
City Controller's Office	9,547,875	9,838,945	9,057,153	9,574,723	-2.7%
Office of Emergency Management & Crisis Response	6,330,406	5,455,497	5,454,874	8,970,153	64.4%
Human Resources	9,552,195	8,909,365	8,909,365	8,855,384	-0.6%
Mayor & City Council	6,922,445	7,809,889	7,665,595	7,862,725	0.7%
Judiciary	4,355,193	5,467,988	5,163,375	6,642,522	21.5%
Planning & Development	6,771,702	6,755,392	6,533,879	6,625,219	-1.9%



*FY25 forecast is based on data through 5/31/25 (Budget Accountability Report).

**Reorganization in FY26

General Fund Expenses by Department



Departments	FY24 Actual	FY25 Budget	FY25 Forecast*	FY26 Proposed	% Change (FY25 Budget to FY26 Proposed)
Office of Environmental Quality & Sustainability	5,703,307	5,340,105	4,955,612	5,601,566	4.9%
Data Analytics & Business Intelligence	5,714,929	5,811,154	6,018,987	5,574,811	-4.1%
Budget & Management Services	4,069,542	4,578,495	4,461,266	4,551,001	-0.6%
City Secretary's Office	7,358,590	6,036,337	6,036,337	3,902,422	-35.4%
Office of Economic Development	3,672,388	3,783,770	3,783,770	3,796,327	0.3%
Procurement Services	3,067,951	4,247,838	3,844,434	3,568,404	-16.0%
City Auditor's Office	2,908,075	3,214,170	3,214,170	3,454,320	7.5%
City Manager's Office	3,699,664	3,234,367	2,927,878	3,097,198	-4.2%
Civil Service	2,762,161	2,897,379	2,846,301	2,983,965	3.0%
Office of the Inspector General	0	1,118,903	1,163,208	1,585,562	41.7%



*FY25 forecast is based on data through 5/31/25 (Budget Accountability Report).

**Reorganization in FY26

General Fund Expenses by Department



Departments	FY24 Actual	FY25 Budget	FY25 Forecast*	FY26 Proposed	% Change (FY25 Budget to FY26 Proposed)
Office of Government Affairs	1,062,075	862,347	892,388	996,614	15.6%
Office of Community Police Oversight	561,578	706,614	706,614	673,836	-4.6%
Office of Equity & Inclusion**	3,363,740	2,815,251	2,947,115	0	-100.0%
Office of Homeless Solutions**	16,623,343	14,814,707	15,305,515	0	-100.0%
City Marshal's Office**	30,576,602	30,777,080	30,051,667	0	-100.0%
Housing & Community Development**	6,539,864	4,462,320	4,462,320	0	-100.0%
Office of Community Care & Empowerment**	8,668,549	9,218,721	8,726,048	0	-100.0%

*FY25 forecast is based on data through 5/31/25 (Budget Accountability Report).

**Reorganization in FY26





City of Dallas

Budget Workshop: City Manager's Recommended Biennial Budget for FY 2025-26 and FY 2026-27

**City Council Briefing
August 12, 2025**

Jack Ireland, Chief Financial Officer

Janette Weedon, Director

Ivan Guel, Assistant Director

Budget & Management Services