

# Memorandum



CITY OF DALLAS

DATE August 23, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the Interim City Manager's Recommended Biennial Budget for FY 2024-25 & FY 2025-26 (First Set)**

We were pleased to share the City Manager's FY 2024-25 & FY 2025-26 Recommended Biennial Budget on Tuesday, August 13. Below are responses to unanswered questions.

**1. Once we commit to having no unpaved streets in Dallas, will there be an opportunity to look at street repair/improvement of highly used downtown streets?**

The goal is to reconstruct all unimproved streets to concrete curb and gutter, with sidewalks and subsurface storm drain lines. The opportunity exists for all candidates in this category, provided they have sufficient existing right-of-way (otherwise, property acquisition would be necessary). In the FY 2023-24 workplan, the Public Works Department programmed and completed various street repairs from preservation to street resurfacing in the Central Business District. If there are areas of interest for specific streets downtown, Transportation & Public Works staff will follow up with an assessment and potential action plan.

**2. Will there be an increase in Inspectors/Code Enforcement Officers to focus on historic/conservation districts?**

Code Compliance does not currently have any direct plans for increasing staffing in these areas. Currently, Code Compliance supports Planning and Development (PDV) by staffing one dedicated Code Officer for Historic Districts. Conservation District violations are enforced directly by Planning and Development.

**3. Provide a breakdown of how revenue from the new \$3 Environmental Clean-up Fee will be allocated to the various programs.**

Please see breakdown below.

<b>Department</b>	<b>FY 2024-25 Budget</b>
Sanitation Services	\$3.5 million
Homeless Solutions	\$1.0 million
Transportation & Public Works	\$6.0 million
<b>Total</b>	<b>\$10.5 million</b>

**4. What does the \$3 Environmental Clean-up Fee seek to accomplish?**

The City of Dallas will use the revenue from the fee for the following services: severe storm reserve, zero waste, household hazardous waste, illegal dumping on public right-of-way, homeless encampment cleanup, and litter and mowing nuisance abatement on public right-of-way.

**5. Provide a “People’s Chart” that includes annual utility bills using the same median home value in both years.**

The median residential value in FY 2024-25 is \$381,545. This value is used in the comparison provided in the chart below. The comparison assumes the property has a 20% homestead exemption, but no over-65/disabled exemption. The property tax rate is 73.57¢ per \$100 valuation in FY 2023-24 and is reduced to 70.47¢ per \$100 valuation in FY 2024-25. In addition to the City portion of a property tax bill, the chart also includes Dallas Water Utilities, Storm Drainage Management, Sanitation Services, and the new Environmental Clean-up Fee. Please see the requested chart below for the year-to-year comparison.

People's Chart Using FY 2024-25 Median Home Value of \$381,545 resulting in an Assessed Value of \$305,236	FY 2023-24 Adopted Budget Non-Seniors	FY 2024-25 Proposed Budget Non-Seniors	Difference
Tax Rate	73.57	70.47	(3.10)
Dallas Water Utilities typical monthly bill	71.33	72.32	0.99
DWU Annual Cost	\$ 855.96	\$ 867.84	\$ 11.88
Storm Drainage Mgmt typical monthly bill	9.68	10.16	0.48
SDM Annual Cost	\$ 116.16	\$ 121.92	\$ 5.76
Sanitation Services typical monthly bill	37.98	39.73	1.75
SAN Annual Cost	\$ 455.76	\$ 476.76	\$ 21.00
Environmental Clean-up Fee monthly bill	-	3.00	3.00
Environmental Clean-up Fee Annual Cost*	\$ -	\$ 36.00	\$ 36.00
Property Tax Bill Total (City of Dallas	\$ 2,245.62	\$ 2,151.04	\$ (94.58)
<b>Total Annual Bill</b>	<b>3,673.50</b>	<b>3,653.56</b>	<b>(19.94)</b>

\*Represents a new fee in FY 2024-25

**6. Provide additional information regarding the Aviation Department (AVI):**

- Top FY 2024-25 anticipated revenues for Aviation/Love Field Airport: The anticipated revenue for airlines is \$107 million, Parking is \$44 million, and Concession is \$39 million.
- FY 2024-25 enplanement forecast: 9.9 million
- FY 2023-24 Adopted Budget compared to FY 2024-25 Proposed Budget –
  - AVI budget will increase by \$23.8 million. Significant investments include:
    - Acquisition of 20 new vehicles \$1.6 million
    - Renovation of the baggage handling system including upgrades to servers, communication modules, operator workstations, network switches, and other essential equipment \$12.7 million
  - Increased capital construction transfer \$11.1 million

**7. Provide additional information regarding Convention and Event Services (CCT):**

- Three primary revenue sources that fund CCT - In FY 2024-25, the three key revenue sources are:
  - Hotel Occupancy Tax collections at \$83.5 million
  - Event Revenues at \$40.0 million
  - Alcohol Beverage Tax collections at \$18.5 million
- FY 2023-24 Adopted Budget compared to FY 2024-25 Proposed Budget – FY 2024-25 budget to equal the FY 2023-24 adopted budget at \$137 million
- Capital Budget Highlights - The proposed Capital budget is \$69.6 million which will primarily be used for Kay Bailey Hutchinson Convention Center Dallas (KBHCCD) Master Plan activities.

**8. Elaborate on veterinarian services such as spay/neuter funding for Dallas Animal Services (DAS) and after-hours vet care and proposed reductions for this program.**

In FY 2023-24, DAS had a goal of 2,000 spay/neuter surgeries and budgeted resources of \$250,000 for these surgeries. Year to date expenditures total \$118,180 for 1,443 completed surgeries, utilizing services from the Spay Neuter Network, Operation Kindness, and the Texas Coalition for Animal Protection. DAS anticipates meeting the goal of 2,000 surgeries by September 30 without expending the full \$250,000. Due to this, DAS has proposed to true up FY 2024-25 funding to align better with the current year forecast and reduce the spay/neuter budget from \$250,000 to \$182,500 (a reduction of \$67,500). The spay/neuter program remains unchanged, and DAS will continue to strive to meet the goal of 2,000 surgeries per year.

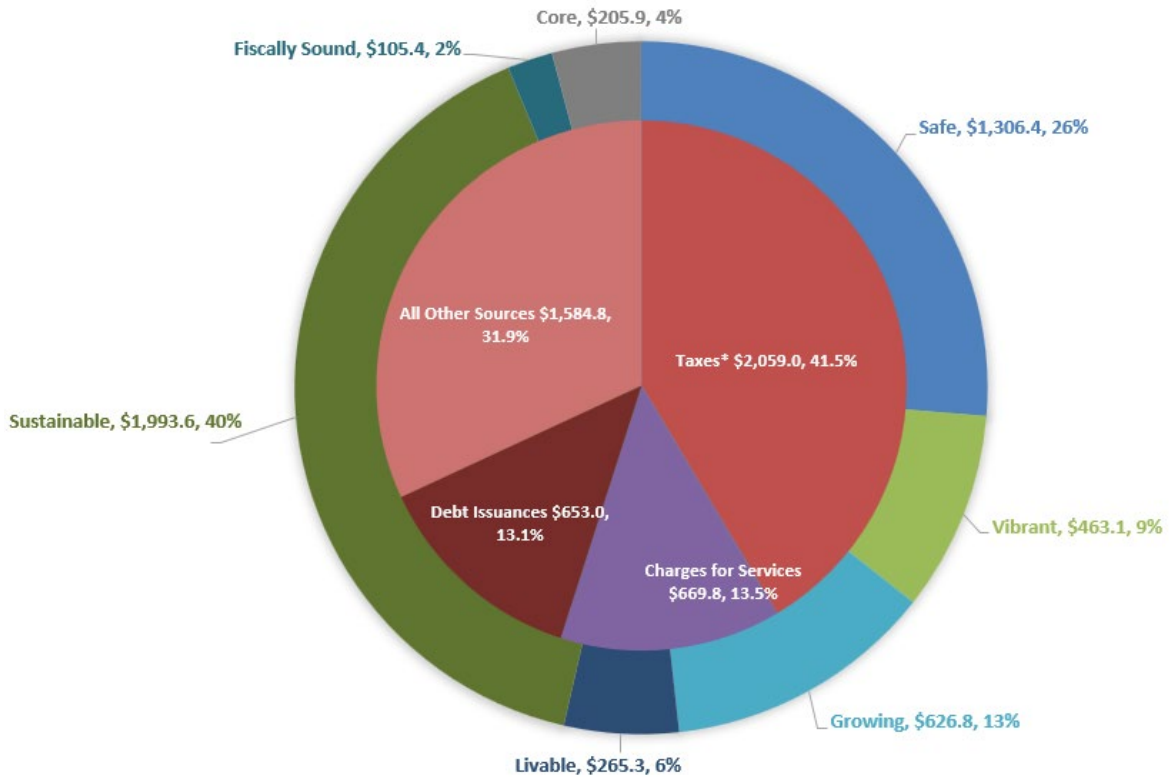
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**9. Provide a pie chart of total budget (all funds) with revenue in the center, expenses on the outside.**

Please see chart below (in millions).



\*Taxes include Property Tax, Sales and Use Tax, Hotel Occupancy Tax, and Alcohol and Beverage Tax.

**10. Provide a graph depicting funds needed for zero street degradation compared to actual and budgeted spend.**

This graph can be prepared by the City’s consultant in the coming months, subject to various assumptions that need to be articulated to run the models. However, the [Infrastructure Management Plan](#) provides a number of different scenarios and analyses, including information on achieving zero degradation beginning on page 12 of the Infrastructure Management Plan.

**11. Why are we cutting the new bike engineer position and reducing bike funds from \$2.5 million to \$2.0 million?**

The decision to streamline the new bike engineer position and adjust bike funding from \$2.5 million to \$2.0 million is part of a broader effort to optimize resources while expanding bike infrastructure. On August 14, 2024, the City Council approved two on-call engineering contracts to accelerate bike lane and shared-use path projects. By leveraging existing staff, we can ensure a comprehensive approach to bike lane development.

The bike lane funds are part of a multi-year funding strategy. This means that any unspent funds from the current fiscal year will roll over into the next, ensuring that resources are continuously available as projects progress. As the bike plan update is still in progress and set for completion by the end of 2024, there are sufficient funds available to support upcoming projects. Additionally, integrating bike lanes into larger capital projects allows us to use other funding sources, maximizing every dollar spent.

**12. Provide additional information regarding Bike Plan initiatives and staffing.**

**Bike Lane Funding:** The FY 2024-25 Budget shows \$2 million for Bike Plan projects. In addition, the City received \$2.2 million from DART’s excess sales tax funds that is dedicated to bike lane projects in the coming year and for the purchase of a bike lane sweeper (\$200K). As such, total available bike lane project funding for FY 2024-25 is \$4 million, a 60% increase from the \$2.5 million in the FY 2023-24 budget.

**Leveraging Funding:** Bike Lane projects are also being implemented through street reconstruction projects, allowing us to leverage funding to expand our bike network. Some current projects include Riverfront Blvd, Pemberton Hill, and CBD/ Fair Park link. Future projects include projects like Columbia-Main, Harwood, and Chalk Hill.

**Safety:** The City has enhanced safety for our cyclists with the installation of the first bike lanes traffic signal at Gaston/Abrams intersection and the implementation of green pavement markings at some intersection locations such as Richmond Ave at Skillman St.

**Project Delivery and Staffing:** On August 14, 2024, the City Council approved two on-call engineering contracts totaling \$900,000 for the design of bike lanes and shared use paths, which will allow for faster mobilization and delivery of projects than would be achieved through a single engineer position.

**13. What would be the process of instituting a new fee for individuals who maintain vacant lots?**

The Dallas City Council has endorsed a vacant lot/property registration program under Chapter 48B of the Dallas City Code to enhance compliance with health and safety standards and mitigate urban blight and crime. This program applies to all vacant properties outside the central business district and includes:

- Tier I – Voluntary: No fee for initial registration to encourage prompt compliance.
- Tier II – Basic: A \$124 fee for properties with 1-2 maintenance violations within six months.
- Tier III – Problem Property: A \$196 registration fee plus a \$219 monitoring fee for properties with three or more violations within the same period.

Implementation and Software: The program features an online registration and payment system, developed in partnership with a software vendor, currently in its final testing phase.

Current Enforcement: Vacant private properties are already regulated through code enforcement processes, including notices of violation, citations, and abatements that can lead to liens for cost recovery.

Code Compliance Services (CCS) is considering introducing a blighted property fee, similar to successful implementations in cities like Atlanta, to incentivize the maintenance or redevelopment of underused properties. This would involve a legal assessment to verify authority and a feasibility study to evaluate potential impacts and gather stakeholder feedback.

**14. Provide more information about the \$670,000 expenditure in FY 2025-26 for AI enhanced camera systems.**

The cameras will be mounted on vehicles and will automatically capture, label, and categorize violations in a database for easy access and reporting. Using AI technology, the camera can detect over 100 violations including tall weeds, roof damage, graffiti, illegal dumping, homeless encampments, potholes, vacant and open structures, and junk motor vehicles. This technology enhancement will be a force multiplier for Code Compliance Services (CCS). It will aid the CCS inspectors by providing data for strategic enforcement, the CCS Marketing and Outreach team to better organize volunteer clean-up efforts, and the CCS Nuisance Abatement team by supplying data for targeted illegal dumping and graffiti abatement. The technology may also have some positive uses for partner departments in identifying homeless encampments, potholes, and bulky trash.

**15. What is the procedural process for bringing up the short-term rental ordinance again, based on the fiscal concerns with the current ordinance?**

There are two aspects related to short-term rental ordinances.

The first aspect is related to zoning under the Dallas City Code Chapter 51A. A public hearing will need to be authorized if there is a desire to amend Chapter 51A. Under Section 51A-4.701, a public hearing to amend the short-term rental zoning regulations may be authorized by City Council or the City Plan Commission.

The process for requesting a public hearing at the City Council level may be initiated through:

- A five-signature memo under City Council Rules of Procedure Section 6.2,
- A written request from three Committee Members to place an item on a City Council Committee Agenda under City Council Rules of Procedure Section 9.6,
- A Committee Chair placing an item directly on a City Council Committee agenda under City Council Rules of Procedure Section 9.6, or
- The Mayor placing an item directly on the City Council agenda under City Council Rules of Procedure Section 6.1.

The City Plan Commission may initiate a request for a public hearing through a written request from three members under City Plan Commission Rules of Procedure Section 5(b)(1).

Under either scenario, Section 51A-4.701 requires the City to provide notice of the public hearing to consider authorizing a public hearing to amend Chapter 51A and either City Council or the City Plan Commission, as appropriate, to vote to authorize the public hearing following the public hearing to consider authorizing a public hearing to amend Chapter 51A.

The second aspect is the regulations for short-term rental operations and hosting platforms under Dallas City Code Chapter 42B. No public hearing is required to amend Chapter 42B. City Council may amend Chapter 42B at any time by initiating a code amendment through one of the four processes detailed above, however, the regulations in Chapters 42B and 51A were designed to work together, so the City will likely want to consider any amendments to Chapters 42B and 51A at the same time.

**16. Provide 5-year forecast for HOT revenues contributed to the Office of Arts and Culture.**

Please see the table below.

<b>Fiscal year</b>	<b>Amount</b>	<b>Allocation %</b>
FY 2023-24	\$8,068,365	10.0%
FY 2024-25	\$10,437,500	12.5%
FY 2025-26 *	\$10,625,000	12.5%
FY 2026-27 **	\$11,498,427	13.0%
FY 2027-28 **	\$12,336,759	13.5%
FY 2028-29 **	\$14,495,857	15.0%

\*Amounts subject to change based on reforecasting of FIFA revenues.  
 \*\*Based on current Tourism Economic Data.

**17. Why are Street Name Change Fees provided at no cost, but we charge for Ceremonial Street Signs and Neighborhood Sign Toppers?**

Charges for both Street Name Changes and Ceremonial Street Names are authorized by City Council Ordinance 31040. When the request is submitted by a City Council member, the City absorbs the cost. When the request is submitted by a resident, the resident must pay the cost. Most street renaming changes for the City are submitted by the City Council members rather than residents.

**18. Explain Surplus Property fees (undevelopable and developable). What are these for, who pays for them, and why are they so high? (Revenue/Fees slide 88-89)**

The Surplus Property fee is an interdepartmental fee to cover staff costs for processing the transaction. Pursuant to the authorizing resolution for each transaction, Real Estate shall be reimbursed for their administrative costs which shall be disbursed from the sale proceeds. Any remaining proceeds shall be transferred to the General Capital Reserve (GCR) Fund or the appropriate Enterprise Fund.



**19. Please prioritize DAS maintenance, focusing on the HVAC system and adding parking spaces. The shelter, built in 2006 and not included in the bond package, urgently needs AC/HVAC upgrades. Unlike other facilities, DAS staff can't leave due to the animals they care for, making these improvements critical. We also request city assistance in expanding the parking lot.**

Citywide facilities maintenance funding is allocated based on the urgency of anticipated critical failures, emergency repairs, abatement needs, operational overages, and other essential requirements. For emergency HVAC repairs at DAS facilities, priority is given, and large-scale temporary equipment is promptly deployed to ensure supplemental cooling in case of permanent infrastructure failure.

Recognizing that animals cannot be relocated, DAS facilities are treated with the highest priority. However, addressing parking concerns falls outside the scope of Facility & Real Estate Management's capabilities. Although a bond program request was made for additional land to build a larger DAS facility, it was not approved by the City Council.

**20. Provide an overview of the newly streamlined workflows as part of the Planning and Development reorganization.**

The Planning & Development Department has implemented the following changes to enhance efficiency, reduce bottlenecks, and ensure that our procedures remain effective and practical:

**A. Q-Team**

1. Merge the two Q-Teams: There are currently two Q-Teams that have different submittal requirements based on square footage and project scope of work. The new process will consolidate Q-Team 2 with the main Q-Team to ensure all projects are submitted through a single team. This will eliminate redundancy and promote a more unified approach to commercial project management.
2. Remove Minimum Square Footage Requirements: The current process requires that projects have a minimum of 10,000 square feet to be eligible to utilize the Q-Team process. The new process will eliminate the minimum square footage requirement to allow any commercial project, regardless of size, to be submitted to the Q-Team. This change will enable a broader range of projects to benefit from the Q-Team review process.
3. Adjust Engineering Approval Requirements: The current process requires that proposers have full engineering approval and an Early Release to submit to the Q-Team. The new process will mandate that only one round of engineering review be completed. This will expedite the submission process without compromising project quality.

4. **Modify Same-Day Approval Requirement:** The current process disqualifies applicants unless the Q-Team review can accomplish same-day permit approval. The new process will make same-day approval optional for those who qualify for it, allowing for greater flexibility and reducing unnecessary pressure on the approval process.

## **B. Commercial Permitting**

The Planning and Development Department is implementing a system to streamline the permitting process by canceling permit applications that have been inactive for 180 days or longer. Effective Sunday, September 1, we will begin canceling permit applications in both Posse and Project Dox where no submittals or resubmittals have been received. A notification has already been sent to the public, informing them of this initiative and providing time to resubmit any required information for final review and approval before the action take effect on September 1.

As of August 14, 2024, the City of Dallas Permitting Commercial Dashboard reflected 318 median issued days for permits. This figure includes the time with both the applicant and City staff. Of these 318 median issued days, 178 days represent the time with City staff only. Recognizing that continuous improvement of our commercial permitting system is a priority, we will evaluate in more detail the factors in the review process that are contributing to this number and identify areas where permit delays are most significant. Once identified, we will assess these areas to implement potential measures that can streamline the permitting process and enhance efficiency.

## **C. Rezoning**

Efforts to streamline the rezoning process include digitization and technology updates. Restructuring of the department will create a unified zoning team which will ensure coordination and alignment for a more efficient process from rezoning to permitting. In the first phase we are looking at an improved pre-application phase so that we can provide predictability of our applicants.

As a result of the merger of the two previous departments, executive positions funded by the General Fund decreased from 3.00 to 2.26 FTEs.

<b>Executive Positions Associated with General Fund Before Merger</b>		
Executive Positions	General Fund	Enterprise Fund
Director of Planning & Urban Design	100%	0%
Assistant Director of Planning & Urban Design	100%	0%
Assistant Director-Urban Design & Preservation	100%	0%
<b>Full Time Equivalent</b>	<b>3.0 FTEs</b>	

<b>Executive Positions Associated with General Fund After Merger</b>		
Executive Positions	General Fund	Enterprise Fund
Director of Planning and Development	25%	75%
Deputy Director of Planning and Development	66%	34%
Assistant Director-Urban Design & Preservation	100%	0%
Assistant Director-Zoning	10%	90%
Assistant Director-Team Excellence	25%	75%
<b>Full Time Equivalent</b>	<b>2.26 FTEs</b>	

**21. Provide a consolidated list of position deletions by department.**

Please see the appendix that notes the net position changes for the FY 2024-25 Proposed Budget. For the FY 2024-25 Proposed Budget there is a net reduction of 533 positions across all operating funds. There are 8 additional position reductions in grant funds for a total of 541 positions being reduced.

Please note that vacant positions have been repurposed and reallocated between departments as part of a Citywide realignment strategy. Position changes due to increases in service delivery are noted as, "Realignment Strategy: Transfer" in the department summary sections. A thorough review of all positions was conducted, resulting in the elimination of vacant, unfunded non-uniform positions and primarily vacant, unfunded uniform positions that were used in prior years only to facilitate the academy hiring process. Both the Dallas Police Department and Dallas Fire-Rescue have enough positions remaining to meet budgeted hiring goals.

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



Jack Ireland  
Chief Financial Officer

[Attachment]

c: Kimberly Bizzor Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Alina Ciocan, Assistant City Manager

Dev Rastogi, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors

# Appendix

Positions by Department	FY 2023-24 Adopted	FY 2024-25 Proposed	FY 2024-25 Changes
<b>General Fund</b>			
Budget & Management Services	38	35	-3
Building Services*	195	0	-195
City Attorney's Office	175	178	3
City Auditor's Office	20	20	0
City Controller's Office	73	69	-4
City Manager's Office	18	16	-2
City Marshal's Office	174	166	-8
City Secretary's Office	25	26	1
Civil Service	24	23	-1
Code Compliance	490	466	-24
Dallas Municipal Court	66	61	-5
Dallas Animal Services	187	184	-3
Dallas Fire-Rescue**	2,548	2,383	-165
Dallas Police Department**	4,313	4,068	-245
Data Analytics & Business Intelligence	45	41	-4
Facilities & Real Estate Management*	0	212	212
Housing & Community Development*	26	31	5
Human Resources	107	103	-4
Judiciary	48	53	5
Library	468	444	-24
<b>Management Services</b>			
311 Customer Service Center*	135	0	-135
Office of Communications, Outreach & Marketing*	30	0	-30
Office of Communications & Customer Experience/311*	0	156	156
Office of Community Care & Empowerment	52	55	3
Office of Community Development*	9	0	-9
Office of Community Police Oversight	6	6	0
Office of Emergency Management*	6	0	-6
Office of Emergency Management & Crisis Response*	0	33	33
Office of Environmental Quality & Sustainability	103	103	0
Office of Equity & Inclusion	22	19	-3
Office of Government Affairs	9	6	-3
Office of Homeless Solutions	44	45	1
Office of Integrated Public Safety Solutions*	34	0	-34
Small Business Center*	21	0	-21
Mayor & City Council	70	66	-4
Office of Arts & Culture	115	121	6
Office of Economic Development	41	38	-3
Park & Recreation	1,559	1,553	-6
Planning & Development*	0	70	70
Planning & Urban Design*	72	0	-72

## Appendix

Procurement Services	34	36	2
Public Works*	470	638	168
Transportation*	213	0	-213
<b>General Fund Total</b>	<b>12,085</b>	<b>11,524</b>	<b>-561</b>
<b>Enterprise Funds</b>			
Aviation	366	375	9
Aviation - Transportation Regulation*	5	0	-5
Convention & Event Services	43	47	4
Dallas Water Utilities	1,561	1,562	1
Dallas Water Utilities - SDM	281	281	0
Development Services*	372	0	-372
Municipal Radio	1	1	0
Planning & Development*	0	360	360
Sanitation Services	628	634	6
<b>Enterprise Funds Total</b>	<b>3,257</b>	<b>3,260</b>	<b>3</b>
<b>Internal Service &amp; Other Funds</b>			
<b>Bond &amp; Construction Management</b>			
Bond & Construction Management	17	23	6
Park & Recreation	44	49	5
Public Works*	120	0	-120
Transportation & Public Works*	0	126	126
Employee Benefits	13	13	0
Equipment & Fleet Management	273	274	1
Express Business Center	10	10	0
Information & Technology Services - 911	7	7	0
Information & Technology Services - Data	229	227	-2
Information & Technology Services - Radio	30	32	2
Office of Risk Management	56	56	0
Transportation & Public Works-Transportation Regulation*	0	7	7
<b>Internal Service &amp; Other Funds Total</b>	<b>799</b>	<b>824</b>	<b>25</b>
<b>Grand Total</b>	<b>16,141</b>	<b>15,608</b>	<b>-533</b>

\*This department was included in a reorganization as part of realignment strategies to identify efficiencies throughout the City.

\*\*A thorough review of all positions was conducted, resulting in the elimination of vacant, unfunded non-uniform positions and primarily vacant, unfunded uniform positions that were used in prior years only to facilitate hiring. Both the Dallas Police Department and Dallas Fire-Rescue have sufficient positions remaining to meet budgeted hiring goals.