

# Memorandum



DATE November 6, 2015

CITY OF DALLAS

TO The Honorable Mayor and Members of the City Council

SUBJECT Rating Reports: Standard & Poor's Ratings Services and Fitch Ratings

On November 4<sup>th</sup>, a memorandum was sent to the City Council regarding the assignment of bond ratings from Fitch Ratings and Standard & Poor's Ratings Services for the upcoming General Obligation bond issue. Attached are the complete bond rating agency reports.

Please let me know if you need additional information.

  
Jeanne Chipperfield  
Chief Financial Officer

## Attachments

c: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

Fitch Rates the City of Dallas GOs 'AA+'; Outlook Stable

Fitch Ratings, Austin, 04 November 2015: Fitch Ratings has assigned an 'AA+' rating to the following City of Dallas, Texas' (the city) obligations:

--\$227 million general obligation refunding & improvement bonds, series 2015.

The refunding bonds are scheduled for a negotiated sale the week of Nov. 9, 2015. Proceeds will be used to refund outstanding commercial paper notes and to finance public improvements.

In addition, Fitch assigns an 'AA+' rating to \$1.7 billion of outstanding limited tax general obligation debt.

The Rating Outlook is Stable.

#### SECURITY

The general obligation bonds (GOs) are payable from the city's ad valorem tax levy, limited to \$2.50 per \$100 of taxable assessed valuation (TAV). Certificates of obligation (CO)s are additionally payable from surplus revenues of the city's utility system.

#### KEY RATING DRIVERS

**FINANCIAL RESILIENCE:** Strong revenue growth and expenditure flexibility position the city to maintain strong financial capacity through economic downturns.

**EXPANDING TAX BASE:** The city has realized four consecutive years of tax base gains reflecting new development and a robust real estate market. Fitch anticipates further growth in the city's taxable assessed valuation (TAV) based on the current pace of economic development.

**MANAGEABLE LONG-TERM LIABILITIES:** The city's debt and pension plans place a moderate burden on the tax base. Fitch expects ongoing pension reforms to improve pension funding in the medium term. Near term debt plans are manageable.

**BROAD ECONOMY; GROWTH PROSPECTS:** Dallas is the third largest city in Texas with a diverse and stable economic base. The city headquarters a broad array of corporate entities, serving as a nationally recognized technology, trade, and health

service center. Healthy development and real estate trends bode well for near and medium term growth.

#### RATING SENSITIVITIES

Long-Term Liabilities: Pension reforms and improvement in the city's long-term liability burden could lead to positive rating action. Inability to improve the affordability and sustainability of pensions could pressure the current rating.

#### CREDIT PROFILE

Dallas is located in north central Texas and ranks among the top ten cities nationwide by population. The city's population of 1.2 million has remained relatively stable over the past decade, although the metropolitan statistical area has grown by more than 30% since the 2000 census.

#### STRONG OPERATING PERFORMANCE

Dallas benefits from strong revenue growth and mature financial management practices that have allowed it to consistently maintain solid reserves. Strong gap-closing capability is evidenced by the city's demonstrated ability to cut costs when needed. Operating revenues are diverse, comprised of property taxes (42%), sales taxes (23%), service charges (17%), and franchise fees (13%).

The city completed fiscal 2014 with a net surplus of \$23.7 million (2.2% of spending) and unrestricted reserves of \$159.4 million (14.5% of spending). The city projects a modest addition to fiscal 2015 fund balance based on the strength of revenue growth and programmed expenditure savings.

The fiscal 2016 budget is operationally balanced, but includes a reserve draw of \$7.1 million to fund working capital for the city's sanitation operations, transferred in the fiscal 2016 budget to a separate fund. Fitch anticipates the city will outperform the budget and maintain a sound financial cushion, consistent with its 30-day target for unassigned reserves.

#### LONG-TERM LIABILITIES FACE PENSION CHALLENGES

The city's debt burden is moderate at 4.4% of fiscal 2016 market value. Carrying costs (debt service, pension and other post-employment benefits (OPEB)) place a sizable 23.3% burden on fiscal 2014 governmental expenditures. However, affordability of the city's long-term liabilities may be strained based on the city's

unfunded pension liabilities, particularly for the Dallas Police and Fire Pension System (DPFP).

Dallas participates in three single employer defined benefit plans. The Dallas Employees Retirement Fund's (ERF) estimated actuarially-based funded ratio is 72.9% as of Dec. 31, 2014 (adjusted by Fitch to reflect a 7% investment return assumption). Under GASB 67 and 68, the city reports a net pension liability (NPL) of \$605 million, with fiduciary assets covering 84.7% of total pension liabilities at the plan's 8% investment return assumption.

DPFP and the Supplemental Police and Fire Pension Plan's (SPFP) actuarially-based funded ratios are 62.1% and 49.8% respectively as of Jan. 1, 2015 (adjusted by Fitch to reflect a 7% investment return assumption and prior GASB standards.) Under GASB 68, the city reports NPLs of \$5 billion and \$21.3 million respectively for DPFP and SPFP, with fiduciary assets covering only 38.2% and 50.1% of total pension liabilities. The significantly lower DPFP ratios under new GASB standards reflect use of a blended discount rate and the actuary's identification of a depletion date, projected in 2035. Positively, the two plans have begun pursuing reforms intended to ensure longer-term sustainability, although changes are likely to result in higher contributions over time. The current rating assumes the success of reform initiatives.

The current rating assumes the success of initiatives underway to provide structural changes sufficient to achieve affordable long-term sustainability of the plan. The NPL of the city's three pension plans represents 4.4% of fiscal 2016 market value. The city's fiscal 2014 OPEB unfunded accrued liability represents less than .5% of market value.

Series 2015 proceeds will refund outstanding commercial paper and fund public improvements, after which \$437.3 million of authorization will remain from the city's 2006 and 2012 authorizations. Officials anticipate seeking additional authorization for up to \$1 billion in November 2017. Fitch anticipates the city's debt burden will remain manageable based on a rapid debt amortization rate and strong long-term economic growth.

#### PROMINENT AND GROWING ECONOMY

Dallas is a center for technology, trade, finance and major medical centers; it also ranks as the top visitor and leisure destination in the state. The city serves as corporate headquarters for AT&T, Southwest Airlines, Texas Instruments, 7-Eleven, Inc., HollyFrontier Corp., Pizza Hut, Inc., and

other large corporate concerns. Top employers in the education, government and health services sector lend stability to the city's employment base.

The city's role as a wholesale and retail trade center is enabled by a strong transportation network of airports, rail and interstate highways. The Dallas Area Rapid Transit (DART) provides the city with easy access to a highly skilled work force to support its growing technology, finance, business and medical service sectors. The city's August 2015 unemployment rate of 3.9% is below Texas (4.4%) and the U.S. average of 5.2% for the same period. Driven by professional service, construction, mining and trade sector growth, the city's employment base is in its sixth consecutive year of expansion; IHS Global Insights expects five-year average job growth of 2.1%.

Fiscal 2016 TAV of \$100.3 billion is in its fourth year of growth following a moderate recessionary dip. Fitch anticipates maintenance of the growth trend in the near to mid-term based on residential and commercial projects underway and in the pipeline. Top taxpayers represent utility, air transportation, developers, real estate, manufacturing and retail industries. The tax base is without concentration.

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Additional information is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

Fitch recently published an exposure draft of state and local government tax-supported criteria (Exposure Draft: U.S. Tax-Supported Rating Criteria, dated Sept. 10, 2015). The draft includes a number of proposed revisions to existing criteria. If applied in the proposed form, Fitch estimates the revised criteria would result in changes to fewer than 10% of existing tax-supported ratings. Fitch expects that final criteria will be approved and published by Jan. 20, 2016. Once approved, the criteria will be applied immediately to any new issue and surveillance rating review. Fitch anticipates the criteria to be applied to all ratings that fall under the criteria within a 12-month period from the final approval date.

Pursuant to Fitch policy, new rating assignments during the exposure draft period will be analyzed under both the existing and proposed criteria approaches. The rating(s) assigned in this Rating Action Commentary would be the same under both approaches.

In addition to the sources of information identified in the applicable criteria specified below, this action was informed by information from CreditScope, IHS Global Insight, Zillow Group, and The Municipal Advisory Council of Texas.

# RatingsDirect®

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## Summary:

# Dallas, Texas; General Obligation

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## Table Of Contents

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Rationale

Outlook

Related Criteria And Research

## Summary:

# Dallas, Texas; General Obligation

### Credit Profile

US\$227.0 mil GO rfdg & imp bnds ser 2015 due 02/15/2034

*Long Term Rating* AA/Stable New

Dallas GO

*Long Term Rating* AA/Stable Downgraded

#### Dallas GO

*Unenhanced Rating* AA(SPUR)/Stable Downgraded

Many issues are enhanced by bond insurance.

## Rationale

Standard & Poor's Ratings Services lowered to 'AA' from 'AA+' its long-term rating and underlying rating (SPUR) on Dallas' parity general obligation (GO) bonds due to the city's rising pension liabilities and lack of a sufficient plan to address them in the near term. We also assigned our 'AA' rating to the city's series 2015 GO refunding and improvement bonds. The outlook is stable.

The pledge of an ad valorem property tax, limited to \$2.50 per \$100 of assessed valuation (AV) by state law, secures the GO bonds. In our opinion, the city has ample flexibility under the tax cap given its current tax rate of 79.7 cents per \$100 of AV.

The rating reflects the city's:

- Adequate economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with "strong" financial policies and practices under our Financial Management Assessment methodology;
- Adequate budgetary performance, with an operating surplus in the general fund but an operating deficit at the total governmental fund level;
- Strong budgetary flexibility, with an available fund balance in fiscal 2014 of 14.4% of operating expenditures;
- Very strong liquidity, with total government available cash of 46.0% of total governmental fund expenditures and 1.8x governmental debt service, and access to external liquidity we consider exceptional;
- Very weak debt and contingent liability position, with debt service carrying charges of 14.6% of expenditures and net direct debt that is 145.3% of total governmental fund revenue, as well as a large pension and other postemployment benefit (OPEB) liability and the lack of a plan to sufficiently address the obligation; and
- Strong institutional framework score.

### Adequate economy

We consider Dallas' economy adequate. The city is located in Collin, Dallas, and Denton counties in the Dallas-Fort Worth-Arlington MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 93.7% of the national level and per capita market value of \$79,041. Overall, the city's market value grew by

7.7% over the past year to \$100.3 billion in 2016. The weight-averaged unemployment rate of the counties was 5.3% in 2014.

Dallas is the ninth-largest city in the nation, and serves about 1.2 million residents. Many nonresidents commute into the city for employment. The major employers include business and professional services, finance, insurance, and real estate, information, transportation, and health care companies. The city's tax base rebounded by 13.6% to \$93.1 billion in 2015, from its recessionary trough of \$81.9 billion in fiscal 2012.

The city's certified 2016 assessed value (AV) grew 7.7% to \$100.3 billion, with the majority of the value increase occurring in commercial properties. Building permit activity remains strong and home prices in the area grew 11.5% in the second quarter of 2015 from a year earlier, reflecting low inventories and strong demand. The city's economic development strategy is to continue investing in the urban core and increasing the city's share of global and regional trade.

### **Very strong management**

We view the city's management as very strong, with "strong" financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.

The city uses certified property tax values, historical sales tax revenue trends, and other revenue stream data to formulate the budget. Management provides monthly reports to the city council, which can amend the budget at any time. Management also reports investment results to the council, and it reviews the investment policy annually. While the city lacks a formal multiyear forecast for all revenue and expenditure items, management has analyzed the proposed bond program's impact on the property tax rate's debt service and operating portions. In addition, the city uses a four-year financial forecast of the operating budget with assumptions clearly defined as a budgeting tool. While the operational forecast is not formally adopted, it is communicated with the governing body on an annual basis while the budget is prepared.

With the bond program's successful passage, management uses a formal implementation plan. Dallas has also adopted formal management policies. The city's financial management performance criteria establish guidelines and targets for operating programs and cash and debt management, including minimum reserves, debt ratios, and restrictions on debt use and issuance. Within the last year, five senior official positions have changed and three of those positions were shifted from other roles within the organization.

### **Adequate budgetary performance**

Dallas' budgetary performance is adequate in our opinion. The city had surplus operating results in the general fund of 1.8% of expenditures, but a deficit result across all governmental funds of 1.7% in fiscal 2014. General fund operating results of the city have been stable over the last three years, with a result of 0.3% in 2013 and 2.2% in 2012.

Based on fiscal 2015 estimates and the fiscal 2016 budget, we anticipate budgetary performance will remain adequate after adjusting for capital outlay funded with bond proceeds and accounting for the full impact of the city's annual required contribution (ARC). Historically, the city has not contributed 100% of the ARC to its employee retirement fund pension plan due to the city's code, which limits the increase or decrease in pension contribution payments to

10% per year. As a result, the city's unfunded pension liability is growing. To better reflect ongoing budgetary performance, we added back the deferred amount of the ARC to the total governmental fund expenditures. The city has made changes in the actuarial rate of return to the Dallas Police and Fire Pension plan to reduce the return assumption to 7.25% from 8.5%; however management believes the rate of return will fall short of this assumption this year. Therefore, we anticipate the unfunded liability will continue to grow in 2016 but there is no estimate yet due to additional decisions yet to be made regarding the asset allocation by mid-2016.

The city's primary operating revenues consist of property taxes (43% of general fund revenues), sales taxes (24%), and service fees (17%). Sales tax revenues in 2012 surpassed their prerecession peak and have continued to climb through 2015. Sales tax revenues increased 5.7% during fiscal 2014 and are projected to increase 5.7% in fiscal 2015. The 2016 budget is a break-even budget after separating out the sanitation fund into an enterprise fund with 30 days of expenditures (or \$7.1 million) from the general fund and dedicating \$3 million to street maintenance costs.

### **Strong budgetary flexibility**

Dallas' budgetary flexibility is strong, in our view, with an available fund balance in fiscal 2014 of 14.4% of operating expenditures, or \$158.1 million.

The adopted fiscal 2016 budget is break-even assuming 3.3% growth in sales tax revenues (in comparison to 5.7% growth in fiscal 2014 and 2015) and includes a transfer of about \$7.1 million (or 30 days of expenditures) to create a sanitation services enterprise fund. During fiscal 2015, management revised the operating reserve goal to 30 days' expenditures from 5% of expenditures for the unassigned general fund balance, which the city is in compliance with. While the total tax rate has remained stable at 79.7 cents per \$100 of AV since 2011, the city has annually increased the operations tax rate from 53.24 cents in 2011, to 56.46 cents in 2015. The rate is stable for 2016.

### **Very strong liquidity**

In our opinion, Dallas' liquidity is very strong, with total government available cash of 46.0% of total governmental fund expenditures and 1.8x governmental debt service in 2014. In our view, the city has exceptional access to external liquidity if necessary.

We believe the city has exceptional access to external liquidity given that it has issued bonds secured by various revenue streams frequently for at least 15 years. The city's liquid and nonrestricted investments are available in less than a year and are in highly rated investment pools such as Logic and TexPool, and TexSTAR.

While the city has pledged moral obligation support for the Dallas Convention Center Hotel Development Corp.'s bonds (series 2009A, 2009B, and 2009C bonds) and Downtown Dallas Development Authority's tax increment financing bonds (series 2006 and 2007), and civic center operational insufficiencies, we do not view it as likely the city will need to support these in the medium term. The debt service costs of the aforementioned obligations amount to just 3.5% of the city's operating revenues.

### **Very weak debt and contingent liability profile**

In our view, Dallas' debt and contingent liability profile is very weak. Total governmental fund debt service is 14.6% of total governmental fund expenditures, and net direct debt is 145.3% of total governmental fund revenue.

We anticipate that the city will issue about \$175 million in 2017 and \$150 million in 2018 for general infrastructure

improvements should AV grow enough to support it. The issuances will boost net direct debt to roughly 167% of total governmental fund revenue. The city has a contingent liability to make up any shortfalls in debt service coverage for both the Dallas Convention Center Hotel revenue bonds and the Downtown Dallas Tax increment revenue bonds. However, based on revenue trends and coverage for both bonds, GO support is not anticipated for the next year. The combined 2016 principal and interest payment amounts to just 2.8% of total governmental fund revenues. In addition, the city may support the Convention Center operations as it did in 2007 and 2008 by budgeting a \$6 million to \$7 million transfer. Management does not foresee a need to support the operations of the convention center in the near term.

Although the city plans to review the asset allocation of the Dallas Police and Fire Pension plan to determine potential changes that are more in line with their asset allocation targets in the next six months while still contributing the statutorily required pension contribution, we do not view this as a sufficient plan to address the city's growing unfunded liabilities.

In our opinion, a credit weakness is Dallas' large pension and OPEB liability, without a plan that we think will sufficiently address the obligation. Dallas' combined pension and OPEB contributions totaled 12.4% of total governmental fund expenditures in 2014. Of that amount, 11.5% represented contributions to pension obligations and 0.9% represented OPEB payments. The city made 87% of its annual required pension contribution in 2014. The pension funded ratio is 64%.

The city provides pension benefits to its employees via three separate retirement plans: the Employees' Retirement Fund of the City of Dallas (ERF), the Dallas Police and Fire Pension System, and the Supplemental Police and Fire Pension Plan of the City of Dallas. The ERF is for all eligible employees, excluding firefighters and police officers. The maximum increase or decrease in the city's contribution from one year to the next is 10% per city code. The ERF was 85% funded as of Dec. 31, 2013, and during fiscal 2014 the city contributed \$44.8 million, or 71%, of its annual required contribution (ARC). Dallas Police and Fire Pension System is a single defined-benefit pension plan designed to provide retirement, death, and disability benefits to firefighters and police officers. The Dallas Police and Fire Pension System funded ratio declined from 75% to 64% as of Jan. 1, 2015, due to a change in the assumed rate of return to 7.25% from 8.5% and declines in asset values during 2014.

Additionally, the city contributed \$108.3 million, or 95% of the ARC, in 2014 to the system. The Supplemental Police and Fire Pension Plan includes officials in the fire and police departments who hold rank higher than the highest corresponding civil service rank available. The Supplemental Police and Fire Pension System funded ratio declined to 51% as of Jan. 1, 2015, from 62% in the prior year due to changes in the assumed rate of return and decline in the actuarial value of assets. The city contributed \$1.9 million, or 100%, of the ARC in 2014. In addition to pension benefits, the city provides certain other postemployment benefits (OPEBs) to retired employees. As of Sept. 30, 2014, the plan was not funded. The city contributed 39% of the annual OPEB cost, which amounts to \$14.3 million. The city's combined total pension and OPEB contributions amounted to \$169.2 million, or 11% of fiscal 2014 governmental expenditures; however, had the city contributed the full ARC, the combined contributions would have equaled 12.4% of governmental expenditures. In our view, the liabilities could create budget challenges over the long term if the city does not make progress in contributing the full ARC.

## Strong institutional framework

The institutional framework score for Texas municipalities is strong.

## Outlook

The stable outlook reflects our view of the city's consistent financial performance and economy, which is supported by very strong management. We do not expect to revise the ratings in the next two years because we believe the city will maintain very strong reserves and continue to serve as an anchor for the broad and diverse Dallas-Fort Worth MSA.

### Upside scenario

Should the debt and contingent liability profile improve and the city adopt a credible plan to overcome its very large and growing pension liabilities, we could raise the ratings.

### Downside scenario

Deterioration in the city's budgetary flexibility, performance, or liquidity could result in a downgrade. Additionally, if the city's debt service, pension, and OPEB carrying charges rise to a level we view as very high or the city does not continue to pursue a plan to address the large pension liabilities, the rating could be lowered.

## Related Criteria And Research

### Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

### Related Research

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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# Memorandum



CITY OF DALLAS

DATE November 6, 2015

TO The Honorable Mayor and Members of the City Council

SUBJECT Update: Lake Palestine Connection – Integrated Pipeline (IPL) Project \$140 Million Bond Sale for Dallas

This memorandum is being provided to update the City Council regarding the November 1, 2015 issuance, sale, and delivery of Texas Water Development Board issued bonds by Tarrant Regional Water District (TRWD) for Dallas' portion of the Integrated Pipeline Project.

In November 2010, Council authorized the City to enter into a financing agreement with TRWD for 150 million gallons per day (MGD) capacity in an integrated pipeline (IPL) from Lake Palestine to Dallas. The financing agreement sets out Dallas' "Reserved Capacity Right" of 150 MGD in the IPL; TRWD's development, ownership and financing responsibilities, and also defines Dallas financial obligations to fund its "Reserved Capacity Rights." TRWD is responsible for all activities associated with debt issuance and the City approves the structure and amount of the sale for Dallas' share of project costs. The IPL Financing Agreement includes TRWD issuing revenue bonds for Dallas' portion of project costs which has been estimated at \$832 million.

The first two issuances were held February 8, 2012 for \$131.94 million and January 28, 2014 for \$202.13 million. TRWD received State SWIFT funding for the third issuance of revenue bonds for a 30-year term in the principal amount of \$140 million, with a True Interest Cost of 2.84% for an estimated savings of \$24.4 million compared to current market conditions. Co-financial advisors for the sale were First Southwest and Kipling Jones & Co., with co-bond counsels McCall, Parkhurst & Horton L.L.P. and West & Associates, L.L.P.

Proceeds from this sale will cover Dallas' costs for the IPL project through 2018 and will take the project through 100% of the combined delivery sections of the pipeline. It is anticipated that bond sales will be scheduled every other year until the project is completed.

The Dallas Water Utilities department included costs associated with Dallas' share of the project in the fiscal year 2016 budget. Per the Financing Agreement, the terms and conditions of the 2015 sale were approved by the City of Dallas, acting through its City Manager for closing on December 8, 2015.

Please let me know if you need additional information.

  
Jeanne Chipperfield  
Chief Financial Officer

c: A.C. Gonzalez, City Manager  
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# Memorandum



CITY OF DALLAS

DATE November 6, 2015

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Response to Questions Regarding Upcoming Agenda Items for Energy Conservation Projects Utilizing Loan Funds Through the State of Texas Energy Conservation Office LoanStar Fund

The following information is provided in response to questions asked during the November 2<sup>nd</sup> Budget, Finance & Audit meeting regarding the November 10<sup>th</sup> agenda items #39 and #40 to award a construction contract for energy conservation projects at 8 City cultural facilities, utilizing loan funds through the State of Texas' Energy Conservation Office's LoanStar Fund.

The City has been utilizing the performance contract delivery method for energy efficiency upgrades since 2003. As a program, to date six performance contracts totaling \$42.8 million have been awarded. All of the projects have realized savings that exceeded the contract guaranteed amount. To date, these projects have realized \$6.4 million of utility savings in total, with the City receiving \$1.3 million in excess of the debt service cost.

The source of funds for this contract is a loan through the State of Texas LoanStar Program. This program offers the City an opportunity to finance the improvements at market interest rates (2%) and to accrue savings in utility costs above the debt service expense for a 25 year period. Other funding options for these improvements are cash or bond funds, neither of which are available at this time. In addition to the utility savings to be realized by entering into this agreement, the City will potentially avoid incurring repair costs on the current equipment which is obsolete. These potential repair costs are not factored into the analysis.

Attached please find an analysis comparing the current annual cost of utilities for the applicable facilities to the estimated costs for utilizing the loan program. The costs savings are estimated at \$13.5 million and \$9.6 million on a present value basis over a 25 year period.

Please let me know if you need additional information.

  
Jeanne Chipperfield  
Chief Financial Officer

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### Estimated Utility Cost Savings

Year	Current	SECO Contract			Total	Savings
	Utilities*	Utilities*	Debt Service	Verification**		
1	1,906,117	1,054,782	766,991	79,850	1,901,623	(4,494)
2	1,906,117	1,054,782	766,991		1,821,773	(84,344)
3	1,906,117	1,054,782	766,991		1,821,773	(84,344)
4	1,906,117	1,054,782	766,991		1,821,773	(84,344)
5	1,906,117	1,054,782	766,991		1,821,773	(84,344)
6	1,906,117	1,054,782	766,991		1,821,773	(84,344)
7	1,906,117	1,054,782	766,991		1,821,773	(84,344)
8	1,906,117	1,054,782	766,991		1,821,773	(84,344)
9	1,906,117	1,054,782	766,991		1,821,773	(84,344)
10	1,906,117	1,054,782	766,991		1,821,773	(84,344)
11	1,906,117	1,054,782			1,054,782	(851,335)
12	1,906,117	1,054,782			1,054,782	(851,335)
13	1,906,117	1,054,782			1,054,782	(851,335)
14	1,906,117	1,054,782			1,054,782	(851,335)
15	1,906,117	1,054,782			1,054,782	(851,335)
16	1,906,117	1,054,782			1,054,782	(851,335)
17	1,906,117	1,054,782			1,054,782	(851,335)
18	1,906,117	1,054,782			1,054,782	(851,335)
19	1,906,117	1,054,782			1,054,782	(851,335)
20	1,906,117	1,054,782			1,054,782	(851,335)
21	1,906,117	1,054,782			1,054,782	(851,335)
22	1,906,117	1,054,782			1,054,782	(851,335)
23	1,906,117	1,054,782			1,054,782	(851,335)
24	1,906,117	1,054,782			1,054,782	(851,335)
25	1,906,117	1,054,782			1,054,782	(851,335)
25 Year Cost	\$47,652,925				\$ 34,119,310	(\$13,533,615)
Present Value 25 Year Cost	\$36,793,698				\$ 27,214,882	(\$9,578,817)

\*Assumes current electricity rates

\*\*Assumes 1 report to verify the guaranteed savings are achieved

# Memorandum



CITY OF DALLAS

DATE November 6, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT FY 2016-17 Consolidated Plan Budget for HUD Grant Funds Schedule of Neighborhood Public Hearings

Federal regulations and the City of Dallas' adopted Citizen Participation Plan (CPP) require that citizens be provided opportunities to participate in identifying the needs and ability to comment on potential uses of Consolidated Plan grant funds. Consolidated Plan grants include: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA).

To comply with these requirements, the Community Development Commission (CDC) set meetings and developed the communication plan to solicit citizen input on the use of FY 2016-17 Consolidated Plan grant funds to be received from the U.S. Department of Housing and Urban Development (HUD).

In collaboration with the CDC, staff from the Grants Administration/Community Development Division will conduct six (6) neighborhood public hearings during January 2016. As stated in the City's CPP, one neighborhood public hearing will be held outside of Dallas County where HOPWA funds are allocated.

English and Spanish translated flyers of the public hearing schedule are attached for your review. The CDC has recommended that advertisements be placed in the following newspapers: The Dallas Morning News, The Dallas Chinese Times/Asian Gazette, El Extra, Elite News and the Korea Daily Texas. Notices will be posted at public hearing locations, recreation centers, libraries, on the City's webpage and the Dallas City News Network channel. Email notices will also be sent to homeowner and neighborhood associations. Also, in an effort to increase attendance and participation, the neighborhood public hearings will be publicized through social media sites (Facebook, Twitter and Instagram) and the flyers will be distributed to the neighboring Dallas Independent School District (DISD) elementary schools of the public hearing locations.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

c: Community Development Commission  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Sana Syed, Public Information Officer  
Alan E. Sims, Chief of Neighborhood Plus  
Elsa Cantu, Assistant to the City Manager

# January 2016 Neighborhood Public Hearings



**YOUR VOICE  
CREATES  
ACTION FOR  
YOUR  
COMMUNITY!**

- LOW-INCOME NEIGHBORHOODS IMPROVEMENTS
- ◇
- HOME REPAIR ASSISTANCE
- ◇
- YOUTH & SENIOR PROGRAMMING
- ◇
- FIRST-TIME HOMEBUYERS DOWN PAYMENT ASSISTANCE
- ◇
- HOUSING & SUPPORT FOR PERSONS W/HIV/AIDS AND THEIR FAMILIES
- ◇
- HOMELESSNESS PREVENTION & RAPID RE-HOUSING

**OFFICE OF FINANCIAL SERVICES**  
Grant Administration Division  
Dallas City Hall  
1500 Marilla St. – Room 4FS  
Dallas, Texas 75201  
(214) 670.4557

[www.dallascityhall.com](http://www.dallascityhall.com)

## FY 2016-17 Consolidated Plan Budget for U.S. Department of Housing and Urban Development (HUD) Grant Funds

PUBLIC HEARING DATES
<p><b>Thursday, January 7, 2016</b> Dallas City Hall - L1FN Auditorium, 1500 Marilla St., 7:00pm – 9:00pm</p>
<p><b>Monday, January 11, 2016</b> Willie B. Johnson Rec. Center, 12225 Willowdell Dr., 11:30am – 1:30pm</p>
<p><b>Tuesday, January 12, 2016</b> Martin Luther King, Jr. Community Center, 2922 MLK Blvd., 12:30pm – 2:30pm</p>
<p><b>Tuesday, January 12, 2016 (HOPWA Meeting)</b> Timberglen Rec. Center, 3810 Timberglen Rd., 6:00pm – 8:00pm</p>
<p><b>Wednesday, January 13, 2016</b> Jaycee Zaragoza Rec. Center, 3114 Clymer St., 6:00pm – 8:00pm</p>
<p><b>Thursday, January 14, 2016</b> Tommie Allen Rec. Center, 7071 Bonnie View Rd., 10:00am – 12:00pm</p>

*These meetings are not related to the purchase of HUD homes.*



Non-English speaking individuals requiring interpreters or individuals requiring auxiliary aids/services to fully participate in or attend any of the public hearing dates please notify us 48 hours prior to hearing: (214)670-4557 or TTY (800)735-2989.

# Enero de 2016

## Audiencias Publicas del Vecindario



### AF 2016-17 Presupuesto del Plan Consolidado para el Departamento de la Vivienda de EEUU y Desarrollo Urbano (HUD) Fondos de Subvenciones

#### FECHAS DE LAS AUDIENCIAS PUBLICAS

**Jueves 7 de Enero de 2016**

Ayuntamiento de Dallas - Auditorio L1FN, 1500 Marilla St., 7:00pm – 9:00pm

**Lunes 11 de Enero de, 2016**

Centro de Recreación Willie B. Johnson, 12225 Willowdell Dr., 11:30am – 1:30pm

**Martes 12 de Enero de 2016**

Centro Comunitario Martin Luther King, Jr., 2922 MLK Blvd., 12:30pm – 2:30pm

**Martes 12 de Enero de 2016 (Reunión HOPWA)**

Centro de Recreación Timberglén, 3810 Timberglén Rd., 6:00pm – 8:00pm

**Miércoles 13 de Enero de 2016**

Centro de Recreación Jaycee Zaragoza, 3114 Clymer St., 6:00pm – 8:00pm

**Jueves 14 de Enero de 2016**

Centro de Recreación Tommie Allen, 7071 Bonnie View Rd., 10:00am – 12:00pm

*Estas reuniones no están relacionadas a la compra de casas de HUD.*

Personas que no hablan inglés quienes requieren intérpretes o personas que requieren servicios o asistencia especial para participar plenamente o asistir a cualquiera de las audiencias públicas, por favor notifíquenos 48 horas antes de la audiencia:

(214)670-4557 o al TTY (800)735-2989.

¡SU VOZ CREA  
ACCION PARA SU  
COMUNIDAD!

MEJORAS A VECINDARIOS DE  
BAJOS RECURSOS



ASISTENCIA EN REPARACION  
DE CASAS



PROGRAMAS PARA JOVENES Y  
ANCIANOS



ASISTENCIA DE PAGOS DE  
ENGANCHE PARA QUIENES  
COMPRAN CASA POR PRIMERA  
VEZ



VIVIENDA Y APOYO PARA  
PERSONAS CON VIH/SIDA Y SUS  
FAMILIAS



OFICINA DE SERVICIOS  
FINANCIEROS

División de Administración de  
Subvenciones

Dallas City Hall

1500 Marilla St. – Room 4FS

Dallas, Texas 75201

(214) 670.4557

[www.dallascityhall.com](http://www.dallascityhall.com)



# Memorandum



DATE November 6, 2015

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Fair Housing Case Analysis

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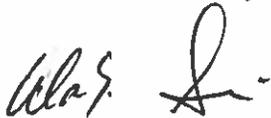
This information is provided as a follow up to the Fair Housing Enforcement briefing which was given to the Housing Committee on November 2, 2015. Attached you will find two charts that outline data concerning the 725 fair housing case closures from 2007 – 2015.

Chart 1 provides a breakout by year of all cases filed by protected class (basis). The three largest categories under which cases were filed were disability with 205 cases, race with 203 cases and multiple bases with 200 cases. The multiple bases category includes at least two bases under which a Complainant believes discrimination has occurred. HUD has recently issued guidance to discourage filing under more than one basis so that the number of cases filed under multiple bases will go down in the future.

Chart 2 provides a breakout by year on the disposition of each case. Out of 725 cases that were closed since 2007, 202 (28%) were resolved through outside settlement. An outside settlement occurs when the Complainant and the Respondent come to a mutual agreement and the Complaint makes a decision to withdraw the case.

There were 65 Conciliations which represents about 9% of the closures. Conciliations are a more formal contractual resolution of the complaint and usually include relief to the aggrieved party as well as a monitoring requirement. No cause cases made up 421 or 56% of cases filed. When a case is closed and disposed of as "no cause", it means that a thorough investigation was done and reasonable cause was not established that discrimination occurred. Cause cases represent about 1% of cases filed. In most cases where there is some indication that policies were not followed or the possibility exists that there is a violation, many parties will seek to resolve the cases through conciliation or outside settlement.

Please let me know if you have any questions or need additional information.



Alan E. Sims  
Chief of Neighborhood Plus

Attachments

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P. E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Chart 1

<b>Fair Housing Cases Closed by Basis</b> Number of Closed Cases by Year									
<b>Basis</b>	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	<b>Total</b>
Race	19	12	28	38	36	31	20	21	205
Disability	24	18	29	32	26	19	29	31	208
Familial Status	10	6	2	3	1	5	2	2	31
National Origin	7	13	12	8	8	12	9	12	81
Other including Multiple Bases	18	14	23	27	44	27	25	22	200
<b>Total</b>	<b>78</b>	<b>63</b>	<b>94</b>	<b>108</b>	<b>115</b>	<b>94</b>	<b>85</b>	<b>88</b>	<b>725</b>

## Chart 2

<b>Fair Housing Case Disposition Report</b>									
<b>Disposition</b>	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	Total
Cause Cases	1	2	1	0	0	2	1	* 2	9
No Cause Cases	45	31	51	67	73	55	48	51	421
Conciliations	16	12	14	6	6	2	6	3	65
Outside Settlement	12	16	25	29	34	30	27	29	202
Closed due to Uncooperative Parties	4	2	3	6	2	5	3	3	28
<b>Total</b>	<b>78</b>	<b>63</b>	<b>94</b>	<b>108</b>	<b>115</b>	<b>94</b>	<b>85</b>	<b>88</b>	<b>725</b>

\* For the 2014-2015 timeframe the FHO has recommended four (4) other cases be found to be in violation of the city' Fair Housing Ordinance. The cases technically have not been closed, however, they were filed during this timeframe. These cases are currently under review in the City Attorney's Office.

# Memorandum



DATE: November 6, 2015

TO: Honorable Mayor and Members of the City Council

SUBJECT: **Dallas Fire-Rescue Fire Watch Fees**

At the November 3, 2015 City Council meeting, two individuals spoke on the subject of increased fire watch fees imposed by Dallas Fire-Rescue (DFR). Fire watch fees are charged when DFR members are assigned to "stand by" at events to ensure the safety of participants. Typically, the fees are charged at events where pyrotechnics are used (concerts, parties, etc.), or commercial occupancies where there is a non-working fire alarm system.

On October 1, 2015 there were many fee changes adopted with the current year budget which were based on a comprehensive fee study. All fees are now governed by city ordinance with the exception of the fire watch and special event fees, which can be set by departmental policy according to the Dallas Fire Code.

For the past several years the fire watch fee was set at \$70 per hour. After the fee study was completed, the fee was increased to \$200. After further review, DFR has concluded that the fee should be set at the original recommendation of \$120. Therefore, effective Monday, November 9, 2015, the fee will be set at the lower rate, keeping in mind the impact on event planners, commercial property owners, and others that may be affected by the rate increase.

If you have any additional questions, Chief Bright will be available to provide information.



Eric D. Campbell  
Assistant City Manager

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

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council  
Chief Louie Bright, III, Dallas Fire-Rescue Department

# Memorandum



**City of Dallas**

DATE November 6, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT November 10, 2015 Agenda Item No. 30 ("Youth Commission") – Correction Memo

The Youth Commission ordinance that was included in your November 10, 2015, Council Agenda packet for Agenda Item No. 30 has been revised. The revised ordinance is attached, along with a redline version showing exactly where changes were made. The purpose of the revisions is:

- to conform to the Charter requirements for advisory boards (Specifically, striking the sentence "All members shall serve until their successors are appointed and qualified," from Section 2-159.1(b));
- to remove an obsolete reference to the youth advisory committee;
- to allow for participation from home-schooled students as well as students in private and public schools; and
- to make grammatical changes to increase clarity.

Please let me know if you have any questions or require additional information.

A handwritten signature in blue ink that reads "Ry - S. Evans".

Ryan S. Evans

First Assistant City Manager

cc: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Joey Zapata, Assistant City Manager

Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Elsa Cantu, Assistant to the City Manager  
Sana Syed, Public Information Officer

**KEY FOCUS AREA:** E-Gov  
**AGENDA DATE:** November 10, 2015  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Intergovernmental Services  
**CMO:** A. C. Gonzalez, 670-3297  
**MAPSCO:** N/A

---

**SUBJECT**

An ordinance amending Chapter 2 of the Dallas City Code to: **(1)** create the Youth Commission of the City; and **(2)** provide for the Commission’s membership and duties - Financing: This action has no cost consideration to the City

**BACKGROUND**

In 1994, the Dallas City Council created the first Youth Commission to address and advocate for issues that impact the lives of youth in the City of Dallas. The Youth Commission was instrumental in passing the City's smoking ordinance and hosting annual youth summits. Due to budget reductions, the Youth Commission was dissolved in 2010.

The prior successes of the Youth Commission and the City's continuing commitment to youth involvement in city policy making has led to a renewed effort to reinstate the Commission. The purpose of the Youth Commission is to promote regular and active civic engagement among the youth of the City by giving the City’s youth a formal role in local decision making, offering real world experiences with elected bodies, teaching them about the roles of our council and our numerous boards and commissions, providing them an opportunity to develop leadership skills, offering them an avenue to engage in discussion with adults and other youth, increasing volunteerism, and enhancing classroom civic education.

The Youth Commission will advise the City Council on City-related issues and provide a forum for voicing the concerns of the City's youth.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On August 24, 1994, by Ordinance No. 22172, City Council amended Chapter 2 of the Dallas City Code to create the Youth Commission of the City; to establish the qualifications and duties of its members; and to create a Youth Advisory Committee to be an advisory subcommittee of the Youth Commission.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

Information about this item was provided to the Quality of Life & Environment Committee on October 26, 2015.

City Council will be briefed on November 3, 2015.

**FISCAL INFORMATION**

This action has no cost consideration to the City.

11/5/15

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Article XXV of Chapter 2, "Administration," of the Dallas City Code, as amended; creating the youth commission; and providing for its membership, terms, and duties; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Article XXV, "Reserved," of Chapter 2, "Administration," of the Dallas City Code, as amended, is amended to read as follows:

"ARTICLE XXV.

YOUTH COMMISSION [RESERVED].

~~[SEC. 2-159 THRU 160.1.]~~

**SEC. 2-159. PURPOSE.**

The purpose of this commission is to promote regular and active civic engagement among the youth of the city by giving them a formal role in local decision making, offering real world experiences with elected bodies, teaching them about the role of our city council and the city's boards and commissions, providing an opportunity to develop leadership skills, offering an avenue to engage in discussion with adults and other youth, increasing volunteerism, and enhancing classroom civic education.

**SEC. 2-159.1. CREATED; MEMBERSHIP; TERMS; MEETINGS.**

(a) There is hereby created the youth commission, which shall be an advisory body of 15 members. Each city council member shall appoint one member to the commission. The mayor shall appoint the chair, and the full city council shall appoint the vice-chair.

(b) All members shall be appointed for an initial term to expire on September 30, 2017. Subsequent appointments will be made in September of each odd-numbered year for a two-year term beginning on October 1.

(c) Each member of the commission must:

(1) either:

(A) be enrolled as a full-time student in grades nine through 12 at a public or private school that accepts students who reside within the city of Dallas; or

(B) be a home-schooled student, as that term is defined in Chapter 29 of the Texas Education Code, entitled to attend public school within the city of Dallas; and

(2) be no younger than 14 years of age and no older than 19 years of age at the time of appointment; and

(3) reside within the district for which the member is appointed.

(d) A member is not required to fulfill the qualifications for board service in Chapter 8 of the Dallas City Code except that the member must:

(1) have been a resident of the city for at least six months prior to the date of appointment; and

(2) not be in arrears on any obligations owed to the city.

(e) The commission must meet at least once each month and may hold additional meetings at the call of the chair.

**SEC. 2-160. DUTIES AND RESPONSIBILITIES.**

(a) The commission shall act as an advisory body to the city manager and the city council and shall:

(1) advise the city council and city manager on issues impacting the city;

(2) assist the city in identifying programs that are needed in the community;  
and

(3) perform such other duties assigned by the city council or city manager.

(b) The city manager shall provide information and assistance to the commission in the performance of its duties and responsibilities.”

SECTION 2. That Chapter 2 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance.

SECTION 3. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 4. That this ordinance will take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

WARREN M.S. ERNST, City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_

~~10/27/15~~11/5/15

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Article XXV, ~~composed of Sections 2-159 through 2-160.1~~, of Chapter 2, "Administration," of the Dallas City Code, as amended; creating the youth commission ~~of the city~~; and providing for its membership, terms, and duties; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Article XXV, "Reserved," of Chapter 2, "Administration," of the Dallas City Code, as amended, is amended to read as follows:

"ARTICLE XXV.

YOUTH COMMISSION [RESERVED].

~~[SEC. 2-159 THRU 160.1.]~~

SEC. 2-159. PURPOSE.

The purpose of this commission is to promote regular and active civic engagement among the youth of ~~this the~~ city by giving ~~our youth~~them a formal role in local decision making, offering real world experiences with elected bodies, teaching them about the roles of our city council and ~~our the numerous city's~~ boards and commissions, providing ~~them~~an opportunity to develop leadership skills, offering ~~them~~an avenue to engage in discussion with adults and other youth, increasing volunteerism, and enhancing classroom civic education.

SEC. 2-159.1. CREATED; MEMBERSHIP; TERMS; MEETINGS.

(a) There is hereby created the youth commission, which shall be an advisory body of 15 members. Each city council member shall appoint one member to the commission. The mayor shall appoint the chair, and the full city council shall appoint the vice-chair.

(b) All members shall be appointed for an initial term to expire on September 30, 2017. Subsequent appointments will be made in September of each odd-numbered year for a

two-year term beginning on October 1. ~~All members shall serve until their successors are appointed and qualified.~~

(c) Each member of the commission must:

(1) either:

(A) be enrolled as a full-time student in grades nine through 12 at a public or private school that accepts students who reside within the city of Dallas; and/or

(B) be a home-schooled student, as that term is defined in Chapter 29 of the Texas Education Code, entitled to attend public school within the city of Dallas; and

(2) be no younger than 14 years of age and no older than 19 years of age at the time of appointment; and

(3) reside within the ~~city council~~ district for which the ~~city council~~ member ~~who is appointed the commission member.~~

(d) A ~~commission~~ member is not required to fulfill the qualifications for board service in Chapter 8 of the Dallas City Code except that the member must:

(1) ~~be a qualified voter of the city, as required for other city board members by Section 8-1.4(a)(2) of this code; or have been a resident of the city for at least six months prior to the date of appointment; and~~

(2) ~~file an affidavit describing the member's criminal history and authorizing the release of any criminal records from law enforcement officials and criminal justice agencies, as required for other city board members by Ordinance No. 21933~~not be in arrears on any obligations owed to the city.

(e) The commission must meet at least once each month and may hold additional meetings at the call of the chair.

## **SEC. 2-160. DUTIES AND RESPONSIBILITIES.**

(a) The commission shall act as an advisory body to the city manager and the city council and shall:

(1) advise the city council and city manager on issues impacting the city;

(2) assist the city in ~~the identification of~~identifying programs that are needed in the community;

~~(3) request and review recommendations from the youth advisory committee;~~  
and

(43) perform such other duties assigned by the city council or city manager.

(b) The city manager shall provide ~~necessary~~ information and assistance to the commission in the performance of its duties and responsibilities.”

SECTION 2. That Chapter 2 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance.

SECTION 3. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 4. That this ordinance will take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

WARREN M.S. ERNST, City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_

# Memorandum



CITY OF DALLAS

DATE November 6, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT **Correction to Revised Agenda Items #39 and 40 - November 10, 2015**

Please note the corrections to the November 10, 2015 Revised Agenda Items Number 39 and 40.

## **State of Texas Energy Conservation Office LoanSTAR Fund**

- \* Authorize **(1)** the acceptance of a loan from the State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Fund in the amount of \$6,935,946, to be repaid plus interest, beginning in FY 2016-17 for a period of ten years from electric and natural gas energy savings; **(2)** the establishment of appropriations in the amount of \$6,935,946 in the State Energy Conservation Office ~~Loan Star~~ LoanSTAR II Fund; **(3)** Supplemental Agreement No. 1 to the contract with Pepco Energy Services for **(a)** construction of energy conservation related projects at eight City facilities in an amount not to exceed \$6,935,946 (list attached) and **(b)** measurement and verification for a period not to exceed ten years, in an amount not to exceed \$798,497 to be paid from electric and natural gas savings; **(4)** the acceptance and deposit in the Oncor Rebate Fund of rebates from Oncor Electric Delivery - Total not to exceed \$7,734,443 - Financing: State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Funds (\$6,935,946) and Current Funds (\$798,497) (subject to annual appropriations)

## **BACKGROUND**

This Supplemental Agreement No. 1 authorizes energy conservation measures for lighting, controls, and commissioning for conservation management programs. In addition, Pepco Energy Services, Inc. will perform measurement and verification services for a period up to ten years for a total cost not to exceed \$798,497 for this same period. ~~This~~ These services will also be paid from guaranteed energy savings.

Project financing for this supplemental agreement will have a term of ten years and will be funded through State Energy Conservation Office's (SECO's) ~~Loan Star~~ LoanSTAR Fund in the amount of \$6,935,946, which will be amortized over a ten-year period at a ~~2.50%~~ 2.00% interest rate. This interest rate is considered competitive with the City's most recent debt issuance.

## **M/WBE INFORMATION**

See attached.

DATE November 6, 2015  
SUBJECT November 10, 2015 – Revised Agenda Items Number 39 and 40 – Correction Memo

## **RESOLUTION 1**

**WHEREAS**, it is desirable to authorize **(1)** the acceptance of a loan from the State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Fund in the amount of \$6,935,946, to be repaid plus interest, beginning in FY 2016-17 for a period of ten years from electric and natural gas energy savings; **(2)** the establishment of appropriations in the amount of \$6,935,946 in the State Energy Conservation Office ~~Loan Star~~ LoanSTAR II Fund; **(3)** Supplemental Agreement No. 1 to the contract with Pepco Energy Services for **(a)** construction of energy conservation related projects at eight City facilities in an amount not to exceed \$6,935,946 (list attached) and **(b)** measurement and verification for a period not to exceed ten years, in an amount not to exceed \$798,497 to be paid from electric and natural gas savings; **(4)** the acceptance and deposit in the Oncor Rebate Fund of rebates from Oncor Electric Delivery for a total amount not to exceed \$7,734,443 (subject to annual appropriations)

**Section 2.** That the Chief Financial Officer is hereby authorized to receive and deposit loan proceeds from SECO LoanSTAR II Program in the SECO ~~Loan Star~~ LoanSTAR II Fund 0706, Dept. PBW, Unit 1724, Revenue Source Code 6532, in the amount of \$6,935,946.

**Section 9.** That in the event the guaranteed annual energy savings are not fully achieved, the Pepco Energy Services, Inc. shall reimburse the City in the amount of the difference between the actual energy savings achieved for the contract year in question and the guaranteed annual energy savings, or the performance security required under the supplemental agreement in such amount as is necessary to make payment of the outstanding loan payment for the contract year in question. Pepco Energy Services, Inc. will also maintain a ~~Letter of Credit~~ Guarantee Bond to provide additional loan security in accordance with the terms of the contract. The City Controller is authorized in such event to deposit the proceeds of any reimbursement or performance security collection in SECO Loan Repayment Fund 0575, Department PBW, Unit DG47, Revenue Source Code 8428.

## **RESOLUTION 2**

**Section 4.** That in the event the guaranteed annual energy savings are not fully achieved, the Pepco Energy Services, Inc. shall reimburse the City in the amount of the difference between the actual energy savings achieved for the contract year in question and the guaranteed annual energy savings, or the performance security required under the supplemental agreement in such amount as is necessary to make payment of the outstanding loan payment for the contract year in question. Pepco Energy Services, Inc. will also maintain a ~~Letter of Credit~~ Guarantee Bond to provide additional loan security in accordance with the terms of the contract. The Chief Financial Officer is authorized in such event to deposit the proceeds of any reimbursement or performance security collection in SECO Loan Repayment Fund 0575, Department PBW, Unit DG47, Revenue Source Code 8428.

DATE November 6, 2015  
SUBJECT November 10, 2015 – Revised Agenda Items Number 39 and 40 – Correction Memo

Should you have any questions or concerns, please feel free to contact me.



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

#### Attachment

c: A. C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager

Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

**KEY FOCUS AREA:** Economic Vibrancy

**AGENDA DATE:** November 10, 2015

**COUNCIL DISTRICT(S):** 1, 7, 9, 14

**DEPARTMENT:** Public Works Department  
Office of Cultural Affairs

**CMO:** Jill A. Jordan, P.E., 670-5299  
Joey Zapata, 670-1204

**MAPSCO:** 37H; 45F/G; 45K; 45L; 46K; 46Q; 46U; 54H

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**SUBJECT**

**State of Texas Energy Conservation Office LoanSTAR Fund**

- \* Authorize **(1)** the acceptance of a loan from the State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Fund in the amount of \$6,935,946, to be repaid plus interest, beginning in FY 2016-17 for a period of ten years from electric and natural gas energy savings; **(2)** the establishment of appropriations in the amount of \$6,935,946 in the State Energy Conservation Office ~~Loan Star~~ LoanSTAR II Fund; **(3)** Supplemental Agreement No. 1 to the contract with Pepco Energy Services for **(a)** construction of energy conservation related projects at eight City facilities in an amount not to exceed \$6,935,946 (list attached) and **(b)** measurement and verification for a period not to exceed ten years, in an amount not to exceed \$798,497 to be paid from electric and natural gas savings; **(4)** the acceptance and deposit in the Oncor Rebate Fund of rebates from Oncor Electric Delivery - Total not to exceed \$7,734,443 - Financing: State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Funds (\$6,935,946) and Current Funds (\$798,497) (subject to annual appropriations)
- \* Authorize **(1)** the repayment of a loan from the State of Texas Energy Conservation Office over a ten year period, plus interest, using savings in the City's annual electricity and natural gas budgets - Total not to exceed \$7,685,946 - Financing: Current Funds - \$7,685,946 (subject to annual appropriations)

**BACKGROUND**

In 1997, Chapter 302, Texas Local Government Code approved legislation allowing Cities and political subdivisions to enter multi-year contracts for the purpose of implementing energy related conservation projects and use energy savings to repay the debt for a period up to 15 years. The City has implemented four energy conservation projects.

## **BACKGROUND** (Continued)

On September 12, 2014, Administrative Action No. 14-6619 authorized Phase 1 of the Energy Services Contract with Pepco Energy Services, Inc. to perform an energy audit and develop energy conservation related projects at 20 Office of Cultural Affairs facilities throughout the City of Dallas.

On January 28, 2015, Resolution No. 15-0171 authorized a Memorandum of Understanding with the State Energy Conservation Office (SECO) for energy projects at City Hall and various city facilities project in the amount of \$7,000,000.

This Supplemental Agreement No. 1 authorizes energy conservation measures for lighting, controls, and commissioning for conservation management programs. In addition, Pepco Energy Services, Inc. will perform measurement and verification services for a period up to ten years for a total cost not to exceed \$798,497 for this same period. ~~This~~ These services will also be paid from guaranteed energy savings.

The terms of the supplemental agreement stipulate, pursuant to Chapter 302, Texas Local Government Code, that the project financing must be repaid from realized annual energy savings, as identified and guaranteed in the contract. An independent third party engineering review was completed by SECO's approved third party consultant.

Project financing for this supplemental agreement will have a term of ten years and will be funded through State Energy Conservation Office's (SECO's) ~~Loan-Star~~ LoanSTAR Fund in the amount of \$6,935,946, which will be amortized over a ten-year period at a ~~2.50%~~ 2.00% interest rate. This interest rate is considered competitive with the City's most recent debt issuance.

This contract will not require any up-front dollars from the City and guarantees the savings. The construction project will be completely funded out of the SECO's ~~Loan-Star~~ LoanSTAR fund and then repaid with the realized energy savings on an annual basis for a period of ten years. If the annual savings falls below the amount guaranteed by Pepco Energy Services, Inc., they will be contractually obligated to make up the amount of energy savings not realized. Pepco Energy Services will also provide one year guaranteed bonds renewed on an annual basis throughout the duration of the project to further secure the loan.

As required by terms, the City Manager is authorized to repay the SECO loan over ten years, plus interest, through energy savings from the City's annual electricity and natural gas budgets, subject to appropriation by the Council, at the beginning of each fiscal year. The guaranteed energy savings will be deducted from the annual electricity and natural gas budget and set aside for the repayment of the loan to SECO ~~Loan-Star~~ LoanSTAR Fund in an amount of \$6,935,946 plus interest.

**BACKGROUND** (Continued)

The City's annual electricity and natural gas budget will include the guaranteed savings for the terms of the loan. As exact electric and gas service rates cannot be known over the ten year term of the repayment, the guaranteed savings from the project will be in the form of units of energy (such as kilowatt hours) and not the rate charged. This means that in the event of a rate increase during the repayment term, the dollar value of the utility savings within the City's budget would increase commensurate with the rate adjustment and not negatively impact the City.

This project is eligible to receive energy and demand reduction incentives from Onco which will be utilized toward the implementation of this project and other energy conservation efforts.

**ESTIMATED SCHEDULE OF PROJECT**

Retrofit Schedule will be as follows:

Begin Construction	January 2016
Complete Construction	October 2016
Complete Contract	October 2026

**PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Authorized a Memorandum of Understanding with the State Energy Conservation Office for energy projects at City Hall and various City facilities project in the amount of \$7,000,000 on January 28, 2015, by Resolution No. 15-0171.

Information about this item will be presented to the Budget, Finance, and Audit Committee on November 2, 2015.

**FISCAL INFORMATION**

State of Texas Energy Conservation Office ~~Loan Star~~ LoanSTAR Fund - \$6,935,946  
Current Funds - \$798,497 (subject to annual appropriations)

Current Funds - \$7,685,946 (subject to annual appropriations)

**M/WBE INFORMATION**

See attached.

**ETHNIC COMPOSITION**

Pepco Energy Services, Inc.

Hispanic Female	1	Hispanic Male	5
African-American Female	9	African-American Male	15
Other Female	6	Other Male	19
White Female	15	White Male	75

**OWNER**

**Pepco Energy Services, Inc.**

John Huffman, President and Chief Executive Officer

**MAP(S)**

Attached

## City Facilities

<u>Bldg</u>	<u>Building Name</u>	<u>Address</u>	<u>District</u>	<u>Mapsco</u>
1	Meyerson Symphony Center	2301 Flora St.	14	45F/G
2	Music Hall at Fair Park	909 1st Ave.	7	46K
3	WRR Radio Studio	1516 1st Ave.	7	46Q
4	Latino Cultural Center	2600 Live Oak St.	14	45L
5	Oak Cliff Cultural Center	223 W Jefferson Blvd.	1	54H
6	South Dallas Cultural Center	3400 S Fitzhugh Ave.	7	46U
7	Bath House	521 E Lawther Dr.	9	37H
8	Dallas Museum of Art	1717 N Harwood	14	45K

## BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

**PROJECT:** Authorize **(1)** the acceptance of a loan from the State of Texas Energy Conservation Office Loan Star Fund in the amount of \$6,935,946, to be repaid plus interest, beginning in FY 2016-17 for a period of ten years from electric and natural gas energy savings; **(2)** the establishment of appropriations in the amount of \$6,935,946 in the State Energy Conservation Office Loan Star II Fund; **(3)** Supplemental Agreement No. 1 to the contract with Pepco Energy Services for **(a)** construction of energy conservation related projects at eight City facilities in an amount not to exceed \$6,935,946 (list attached) and **(b)** measurement and verification for a period not to exceed ten years, in an amount not to exceed \$798,497 to be paid from electric and natural gas savings; **(4)** the acceptance and deposit in the Oncor Rebate Fund of rebates from Oncor Electric Delivery - Total not to exceed \$7,734,443 - Financing: State of Texas Energy Conservation Office Loan Star Funds (\$6,935,946) and Current Funds (\$798,497) (subject to annual appropriations)

Pepco Energy Services is a non-local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use the following sub-contractor.

**PROJECT CATEGORY:** Construction

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### LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$1,986,073.50	28.63%
Total non-local contracts	\$4,949,872.50	71.37%
<b>TOTAL CONTRACT</b>	<b>\$6,935,946.00</b>	<b>100.00%</b>

### LOCAL/NON-LOCAL M/WBE PARTICIPATION

#### Local Contractors / Sub-Contractors

<u>Local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Triton Supply	WFDB84070Y1016	\$1,986,073.50	100.00%
<b>Total Minority - Local</b>		<b>\$1,986,073.50</b>	<b>100.00%</b>

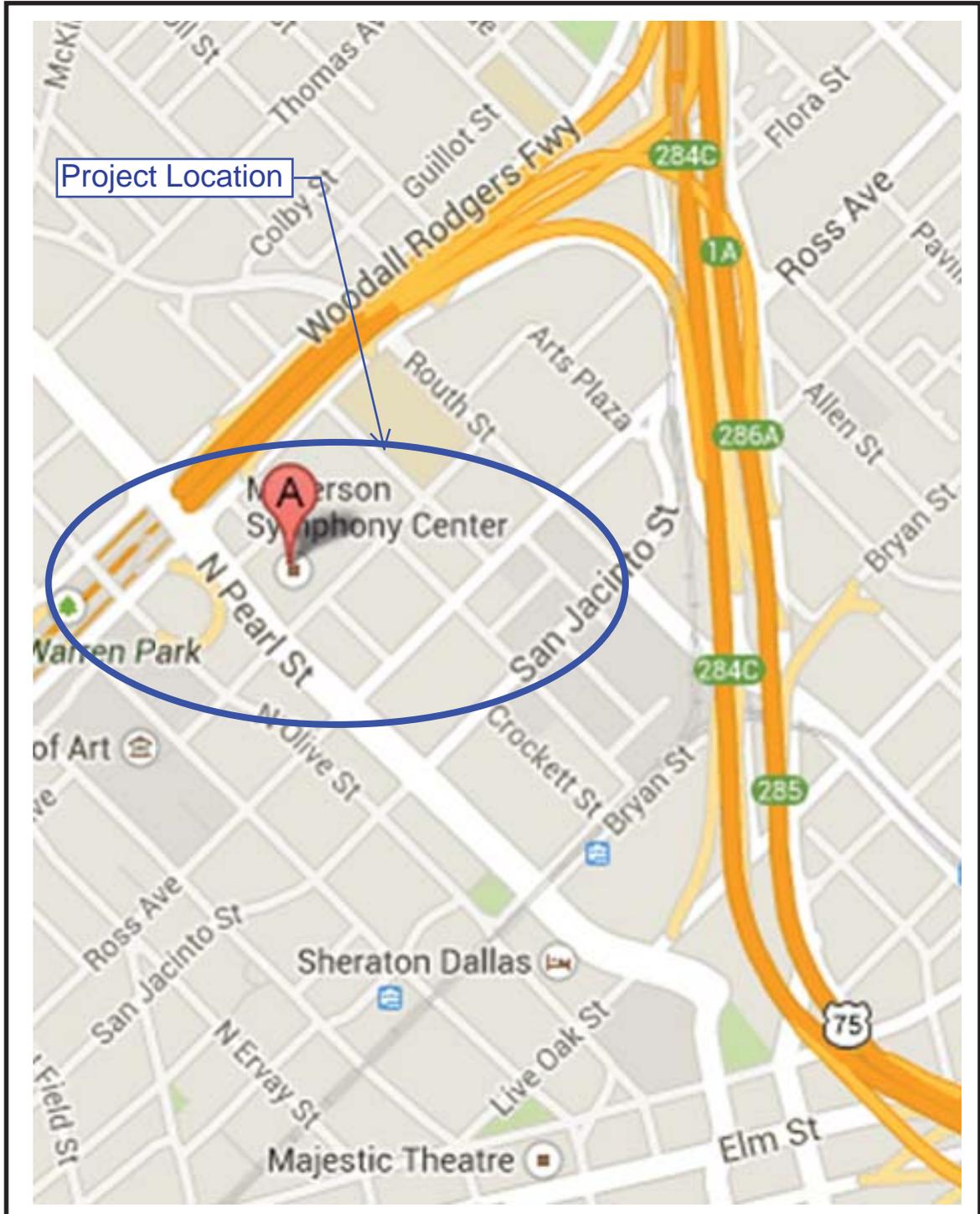
#### Non-Local Contractors / Sub-Contractors

None

**TOTAL M/WBE CONTRACT PARTICIPATION**

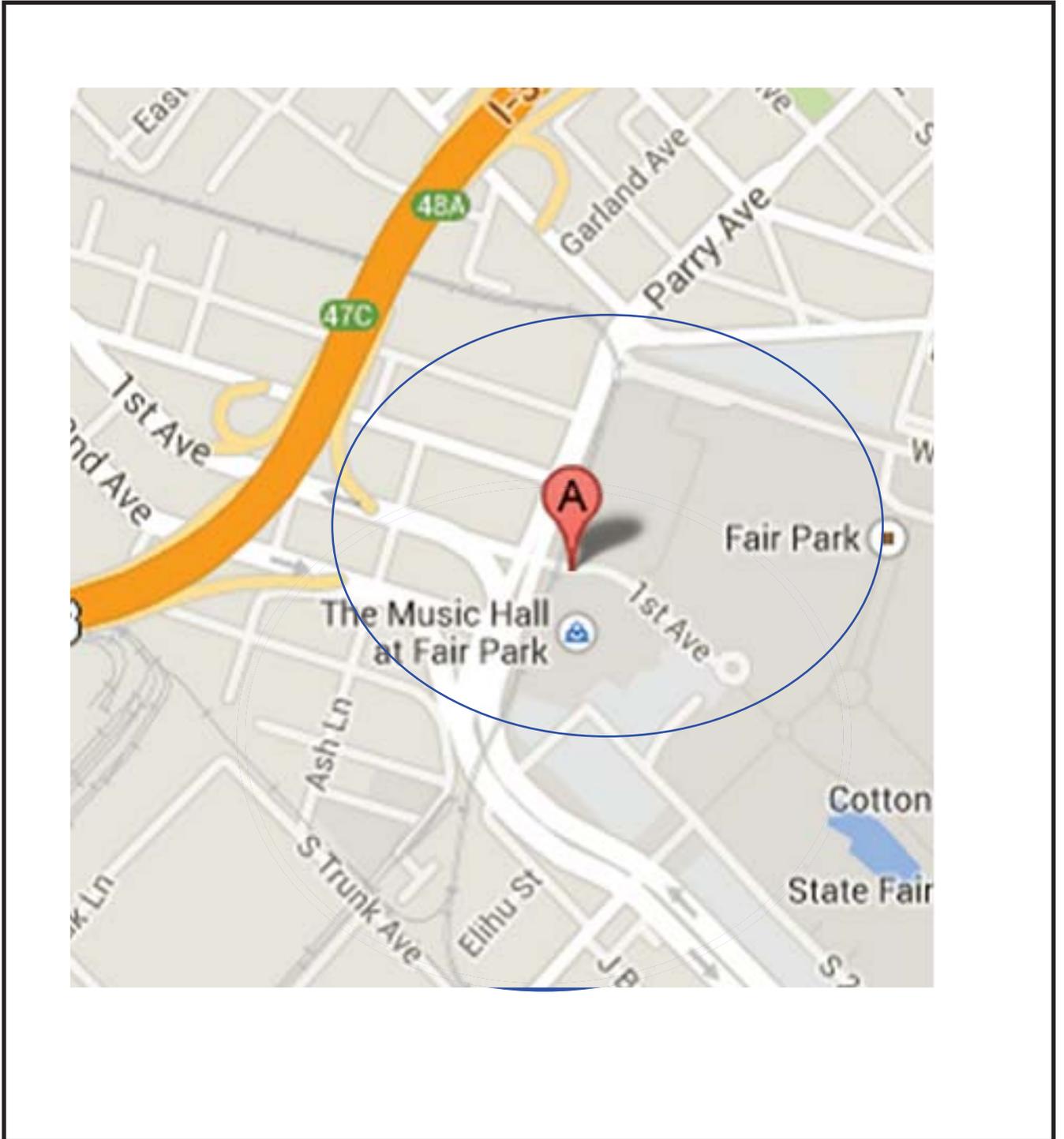
	<b><u>Local</u></b>	<b><u>Percent</u></b>	<b><u>Local &amp; Non-Local</u></b>	<b><u>Percent</u></b>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$1,986,073.50	100.00%	\$1,986,073.50	28.63%
Total	<u>\$1,986,073.50</u>	<u>100.00%</u>	<u>\$1,986,073.50</u>	<u>28.63%</u>

# Meyerson Symphony Center

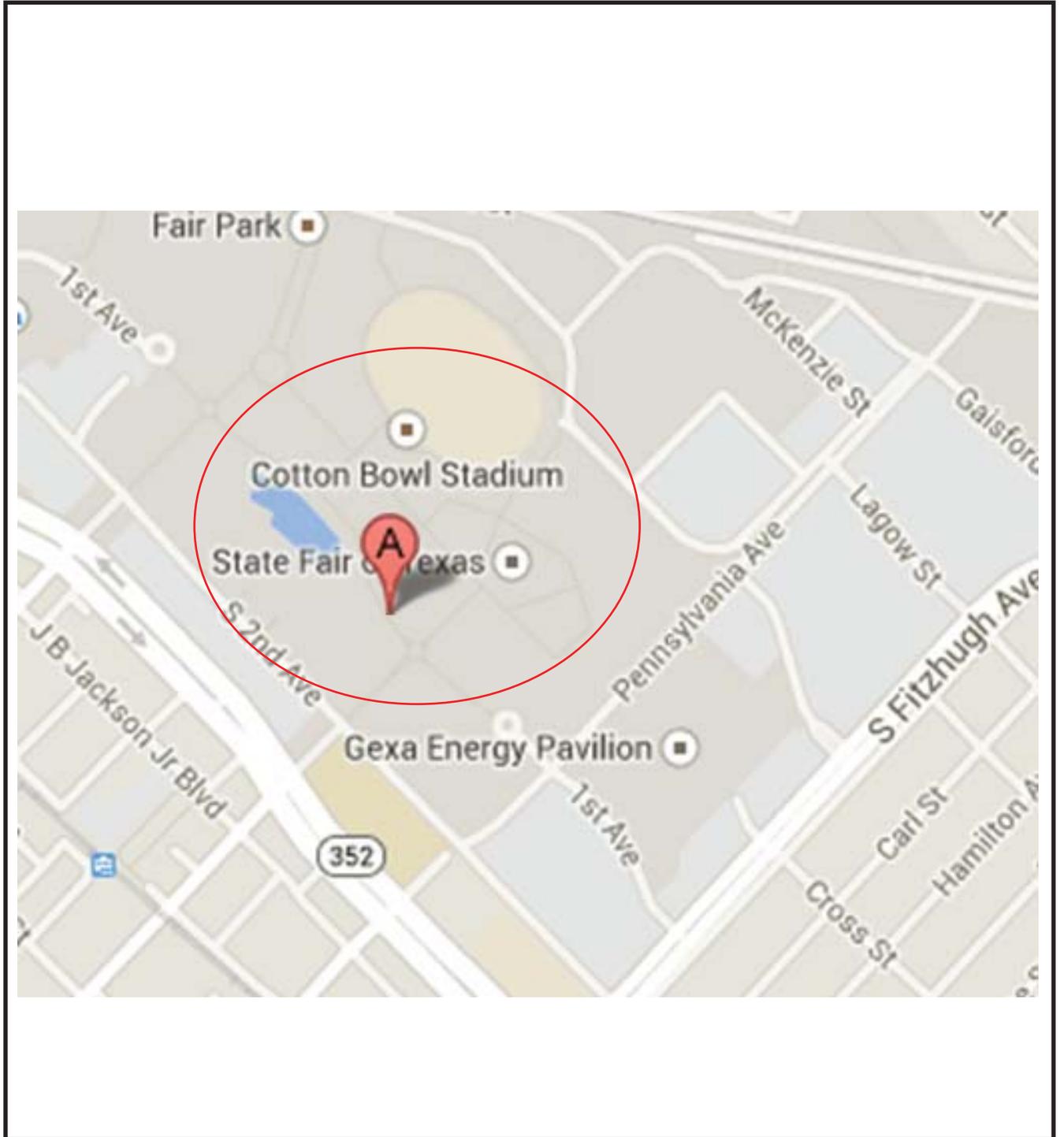


Mapsc0 45F, G

# Music Hall at Fair Park

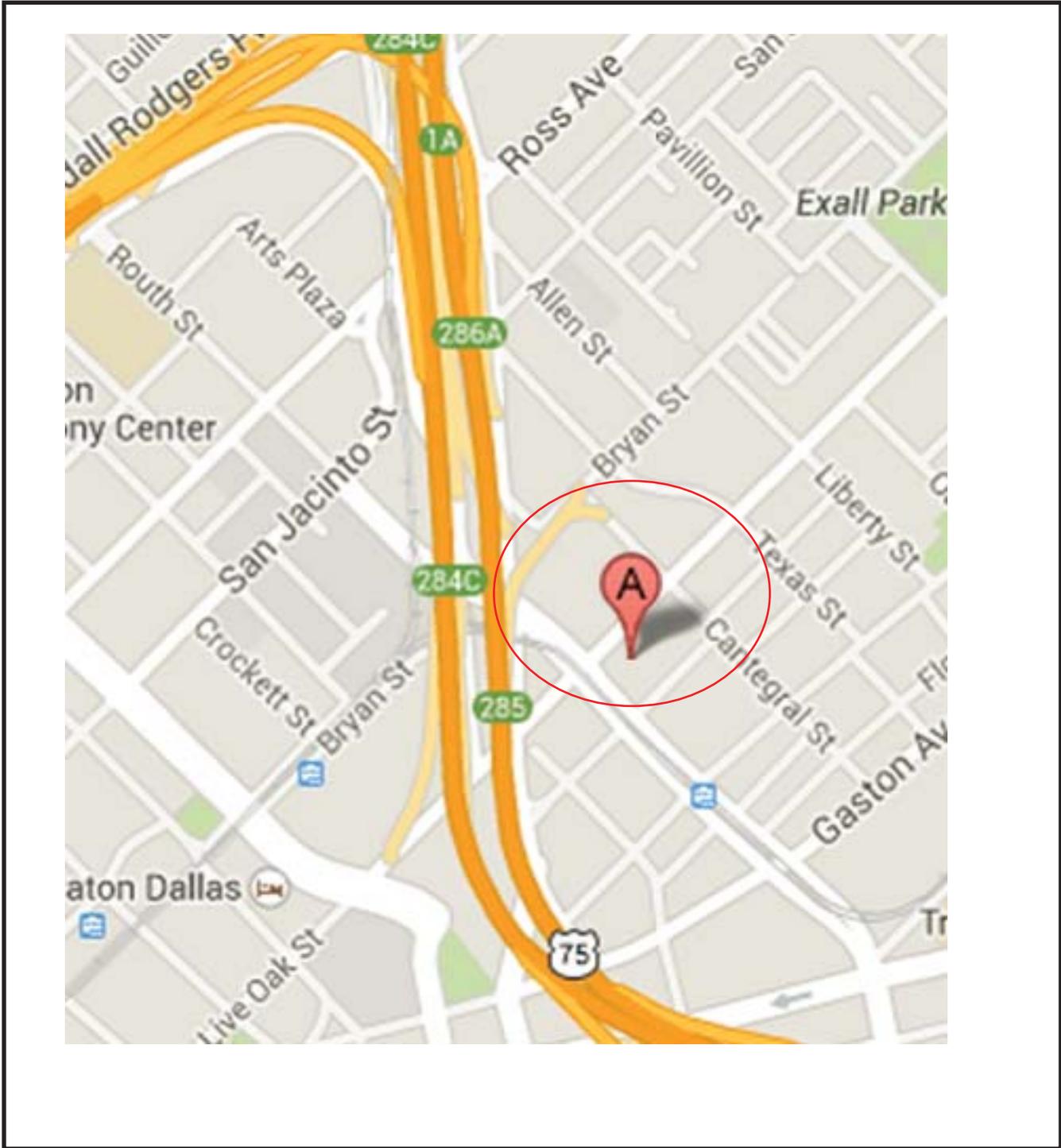


# WRR Radio Studio



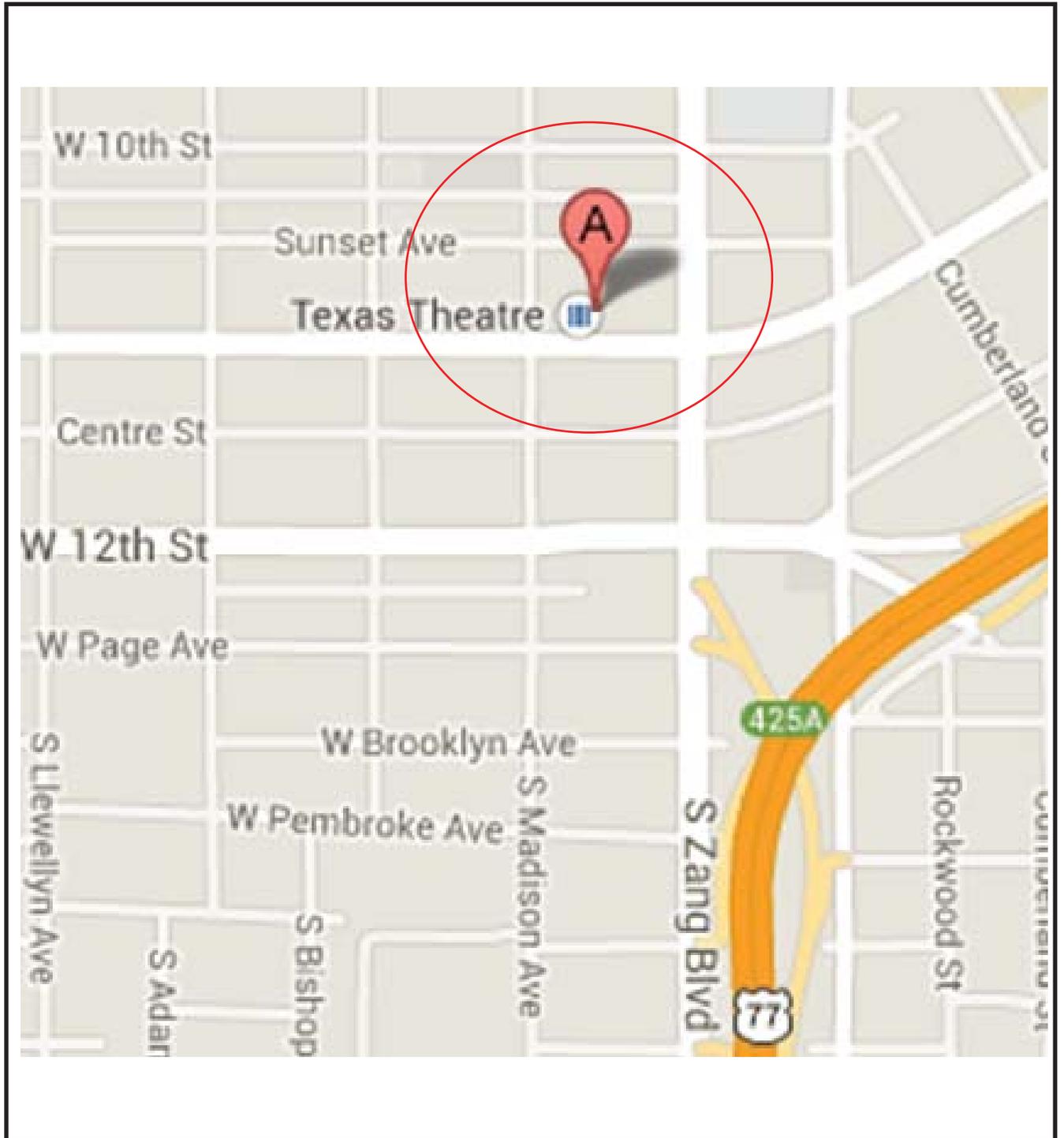
Mapsc0 46Q

# Latino Cultural Center



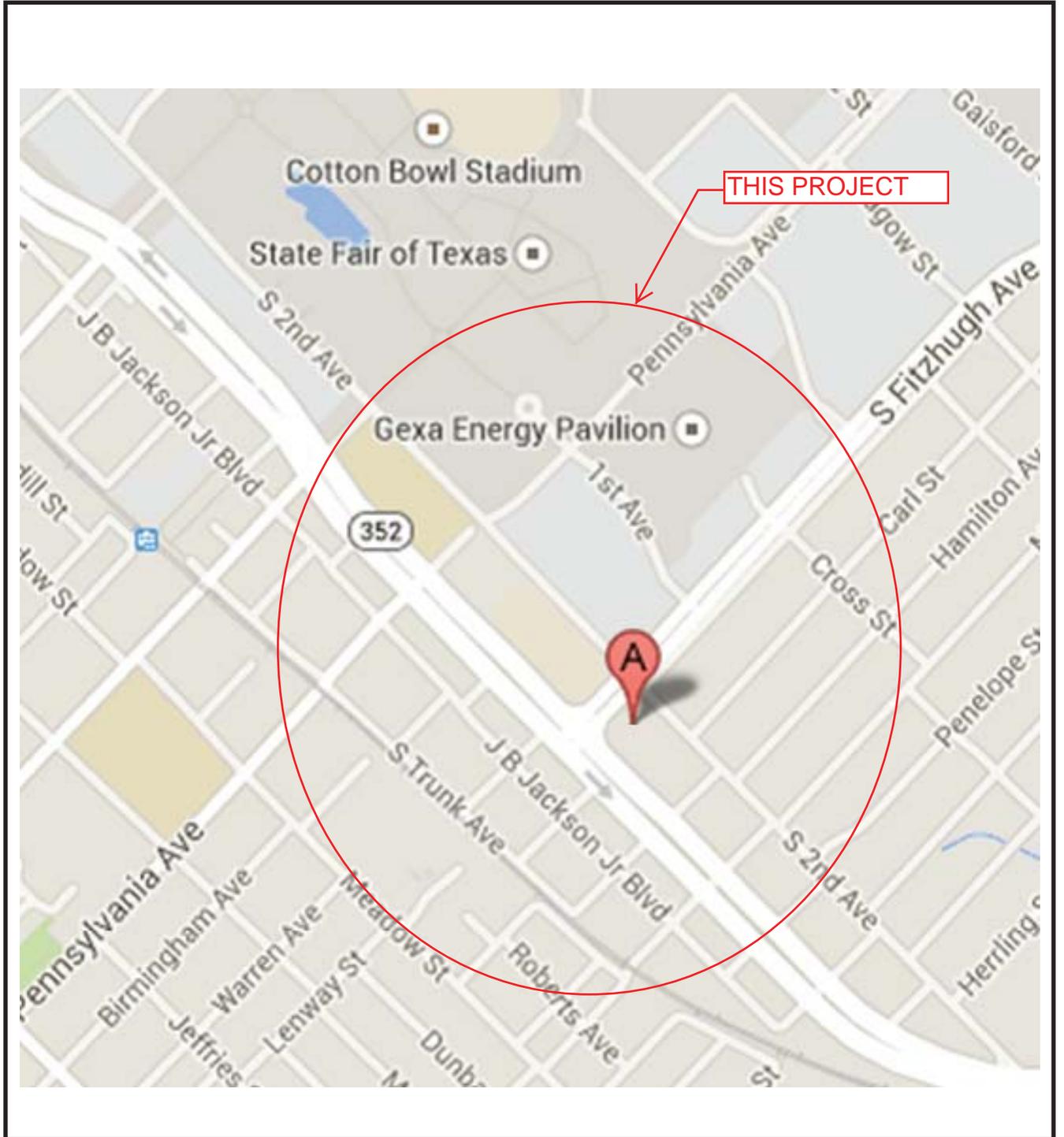
Mapsc0 45L

# Oak Cliff Cultural Center



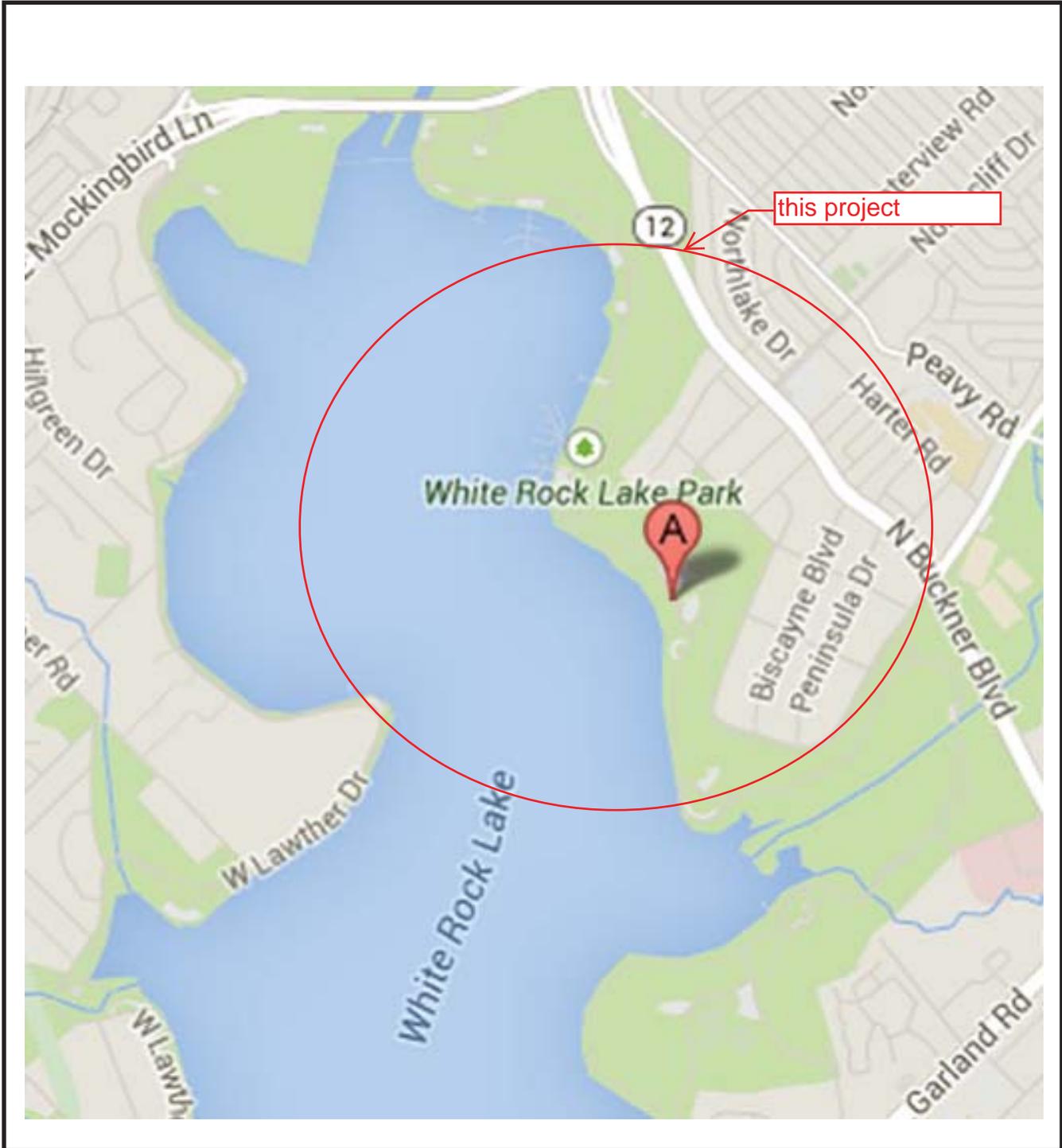
Mapsc0 54H

# S Dallas Cultural Center



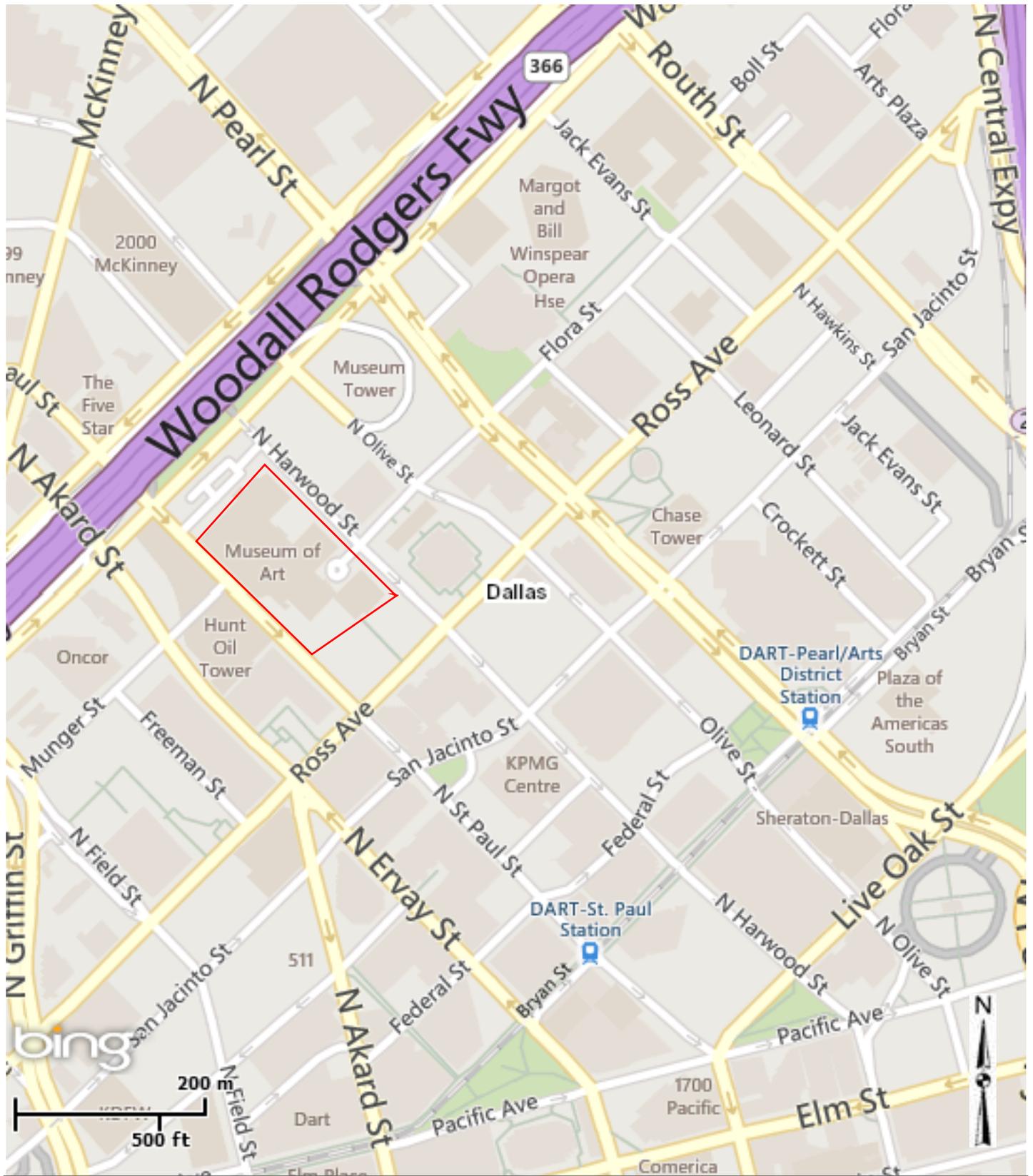
Mapsc0 46U

# Bath House



Mapsc0 37H

1717 N Harwood St



Mapsco 45K

November 10, 2015

**WHEREAS**, Chapter 302 of the Texas Local Government Code, as amended, allows the procurement of energy performance contracts for the purpose of making energy conservation improvements to public buildings; and,

**WHEREAS**, on September 12, 2014, Administrative Action No. 14-6619 authorized a Comprehensive Energy Savings and Photovoltaic (PV) Performance Contract with Pepco Energy Services, Inc. for an energy audit and development of proposals for energy conservation related projects in the amount of \$5,000; and,

**WHEREAS**, the energy audit resulted in proposals for energy conservation measures for Office of Cultural Affairs buildings throughout the city of Dallas; and,

**WHEREAS**, on January 28, 2015, Resolution No. 15-0171 authorized a Memorandum of Understanding with the State Energy Conservation Office (SECO) for energy projects at City Hall and various City facilities in the amount of \$7,000,000; and,

**WHEREAS**, in April 2015, an independent third party review was completed as required per Chapter 302 of the Texas Local Government Code; and,

**WHEREAS**, the terms of the contract stipulate, per the Texas Local Government Code Chapter 302, that the project financing must be repaid from realized annual energy savings, as identified and guaranteed in the contract; and,

**WHEREAS**, it is desirable to authorize **(1)** the acceptance of a loan from the State of Texas Energy Conservation Office ~~Loan-Star~~ LoanSTAR Fund in the amount of \$6,935,946, to be repaid plus interest, beginning in FY 2016-17 for a period of ten years from electric and natural gas energy savings; **(2)** the establishment of appropriations in the amount of \$6,935,946 in the State Energy Conservation Office ~~Loan-Star~~ LoanSTAR II Fund; **(3)** Supplemental Agreement No. 1 to the contract with Pepco Energy Services for **(a)** construction of energy conservation related projects at eight City facilities in an amount not to exceed \$6,935,946 (list attached) and **(b)** measurement and verification for a period not to exceed ten years, in an amount not to exceed \$798,497 to be paid from electric and natural gas savings; **(4)** the acceptance and deposit in the Oncor Rebate Fund of rebates from Oncor Electric Delivery for a total amount not to exceed \$7,734,443 (subject to annual appropriations)

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

November 10, 2015

**Section 1.** That the City Manager is hereby authorized to execute a ten-year term loan agreement with SECO LoanSTAR II Program, in the amount of \$6,935,946 for the funding of the energy related projects, upon approval as to form by the City Attorney, of all loan documents required.

**Section 2.** That the Chief Financial Officer is hereby authorized to receive and deposit loan proceeds from SECO LoanSTAR II Program in the SECO ~~Loan Star~~ LoanSTAR II Fund 0706, Dept. PBW, Unit 1724, Revenue Source Code 6532, in the amount of \$6,935,946.

**Section 3.** That the City Manager is hereby authorized to establish appropriations in the SECO LoanStar II Program Fund 0706, Department PBW, Unit 1724, Object Code 4310, in an amount not to exceed \$6,935,946.

**Section 4.** That the City Manager is hereby authorized to execute Supplemental Agreement No. 1 to the contract with Pepco Energy Services, Inc. for the construction of energy conservation related projects at 8 facilities, in an amount not to exceed \$6,935,946; and for measurement and verification services, in a total amount not to exceed \$798,497 for a ten year period, after it has been approved as to form by the City Attorney.

**Section 5.** That the Chief Financial Officer is hereby authorized to receive and deposit the Oncor Rebate and incentives funds in the Oncor Rebate Fund EG02, Department PBW, Unit P588, Revenue Source Code 7894.

**Section 6.** That the Chief Financial Officer is hereby authorized to disburse funds to Pepco Energy Services, Inc. in accordance with the terms and conditions of Supplemental Agreement No. 1 from:

State of Texas Energy Conservation Office LoanStar II Fund  
Fund 0706, Department PBW, Unit 1724  
Object #4310, Program #PBSEC004, CT PBWSEC004K1  
Vendor #VS0000036947, in an amount not to exceed \$6,935,946

**Section 7.** That the Chief Financial Officer is hereby authorized to transfer funds over a ten year period, from the electricity and natural gas savings in an amount not to exceed \$798,497 from Fund 0001, Department OCA, Unit 4903, Object 3690 to Fund 0575, Department PBW, Unit DG48, Revenue Source 9201 to pay the Measurement and Verification Support Services (subject to annual appropriations).

**Section 8.** That the Chief Financial Officer is hereby authorized to disburse funds to Pepco Energy Services, Inc. for the Measurement and Verification Support Services, in accordance with the terms and conditions of Supplemental Agreement No. 1 from the electricity and natural gas savings, from:

November 10, 2015

SECO Loan Repayment Fund  
Fund 0575, Department PBW, Unit DG48  
Object #3070, Job #PBSEC004  
Vendor #VS0000036947, in an amount not to exceed \$ 798,497

**Section 9.** That in the event the guaranteed annual energy savings are not fully achieved, the Pepco Energy Services, Inc. shall reimburse the City in the amount of the difference between the actual energy savings achieved for the contract year in question and the guaranteed annual energy savings, or the performance security required under the supplemental agreement in such amount as is necessary to make payment of the outstanding loan payment for the contract year in question. Pepco Energy Services, Inc. will also maintain a ~~Letter of Credit~~ Guarantee Bond to provide additional loan security in accordance with the terms of the contract. The ~~City Controller~~ Chief Financial Officer is authorized in such event to deposit the proceeds of any reimbursement or performance security collection in SECO Loan Repayment Fund 0575, Department PBW, Unit DG47, Revenue Source Code 8428.

**Section 10.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

November 10, 2015

**WHEREAS**, Chapter 302 of the Texas Local Government Code, as amended, allows the procurement of energy performance contracts for the purpose of making energy conservation improvements to public buildings; and,

**WHEREAS**, on September 12, 2014, Administrative Action No. 14-6619 authorized a Comprehensive Energy Savings and Photovoltaic (PV) Performance Contract with Pepco Energy Services, Inc. for an energy audit and development of proposals for energy conservation related projects in the amount of \$5,000; and,

**WHEREAS**, the energy audit resulted in proposals for energy conservation measures for Office of Cultural Affairs buildings throughout the city of Dallas; and,

**WHEREAS**, on January 28, 2015, Resolution No. 15-0171 authorized a Memorandum of Understanding with the State Energy Conservation Office (SECO) for energy projects at City Hall and various City facilities in the amount of \$7,000,000; and,

**WHEREAS**, in April 2015, an independent third party review was completed as required per Chapter 302 of the Texas Local Government Code; and,

**WHEREAS**, the terms of the contract stipulate, per the Texas Local Government Code Chapter 302, that the project financing must be repaid from realized annual energy savings, as identified and guaranteed in the contract; and,

**WHEREAS**, it is desirable to authorize **(1)** the repayment of a loan from the State of Texas Energy Conservation Office over a ten year period, plus interest, using savings in the City's annual electricity and natural gas budgets for a total amount not to exceed \$7,685,946 (subject to annual appropriations)

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City Manager is hereby authorized to set aside funds from the annually appropriated electric and natural gas budgets for City departments, in an amount equal to the guaranteed savings, in order to repay the loan and for measurement and verification support services.

November 10, 2015

**Section 2.** That the Chief Financial Officer is hereby authorized to transfer funds over a ten-year period, from the electricity and natural gas savings in an amount not to exceed \$7,685,946 from Fund 0001, Department OCA, Unit 4903, Object 3690 to Fund 0575, Department PBW, Unit DG47, Revenue Source 9201 to repay the loan (subject to annual appropriations).

**Section 3.** That the Chief Financial Officer is hereby authorized to disburse funds to the State of Texas to repay the loan, in accordance with the terms and conditions of the loan agreement, in an amount not to exceed \$6,935,946 plus interest over a ten year period, subject to annual appropriations, beginning FY 2016-17, from the electricity and natural gas savings, from:

SECO Loan Repayment Fund  
Fund 0575, Department PBW, Unit DG47  
Obj. 3535, Job #PBSEC004  
Vendor #269648, in an amount not to exceed                   \$7,685,946

**Section 4.** That in the event the guaranteed annual energy savings are not fully achieved, the Pepco Energy Services, Inc. shall reimburse the City in the amount of the difference between the actual energy savings achieved for the contract year in question and the guaranteed annual energy savings, or the performance security required under the supplemental agreement in such amount as is necessary to make payment of the outstanding loan payment for the contract year in question. Pepco Energy Services, Inc. will also maintain a ~~Letter of Credit~~ Guarantee Bond to provide additional loan security in accordance with the terms of the contract. The Chief Financial Officer is authorized in such event to deposit the proceeds of any reimbursement or performance security collection in SECO Loan Repayment Fund 0575, Department PBW, Unit DG47, Revenue Source Code 8428.

**Section 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

# Memorandum



CITY OF DALLAS

DATE November 6, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT **Correction to Revised Agenda Item #41 – November 10, 2015**

Please note the correction to the November 10, 2015 Agenda Item #41.

Authorize a construction contract with McCon Building and Petroleum Services, Inc., lowest responsible bidder of two, for the installation of **an** above-ground fuel storage tank at the Dallas Love Field Airport Maintenance Facility located at 3387 Hawes Avenue – Not to exceed \$299,393 – Financing: Aviation Capital Construction Funds

Should you have any questions or concerns, please feel free to contact me.

A handwritten signature in cursive script that reads "Frank A. Camp".

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

c: A. C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager

Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** November 10, 2015  
**COUNCIL DISTRICT(S):** 2  
**DEPARTMENT:** Public Works Department  
Aviation  
**CMO:** Jill A. Jordan, P.E., 670-5299  
Ryan S. Evans, 671-9837  
**MAPSCO:** 34K

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**SUBJECT**

Authorize a construction contract with McCon Building and Petroleum Services, Inc., lowest responsible bidder of two, for the installation of an above-ground fuel storage tanks at the Dallas Love Field Airport Maintenance Facility located at 3387 Hawes Avenue – Not to exceed \$299,393 – Financing: Aviation Capital Construction Funds

**BACKGROUND**

This action will authorize a construction contract with McCon Building & Petroleum Services, Inc. for an above-ground fuel storage tank installation at the Dallas Love Field Airport Maintenance Facility.

Airport personnel and equipment need to move about the Dallas Love Field airside runway system to perform daily tasks and respond to events for the airport to remain open. The installation of a fuel storage tank at the airport maintenance facility adjacent to the runway system will ensure that the equipment will have fuel available on site to operate. A contract with the firm of EJES, Inc. was authorized by Resolution No. 14-1916, dated November 12, 2014, to design and provide construction documents for a 4,000-gallon above-ground fuel storage tank installation.

**ESTIMATED PROJECT SCHEDULE**

Began Design	November 2014
Completed Design	July 2015
Begin Construction	November 2015
Complete Construction	April 2016

**PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Authorized a professional services contract with EJES, Inc. on November 12, 2014, by Resolution No. 14-1916.

Information about this item will be presented to the Transportation and Trinity River Project Committee on November 9, 2015.

**FISCAL INFORMATION**

Aviation Capital Construction Funds - \$299,393.00

**M/WBE INFORMATION**

See attached.

**ETHNIC COMPOSITION**

McCon Building & Petroleum Services, Inc.

Hispanic Female	2	Hispanic Male	9
African-American Female	0	African-American Male	1
Other Female	0	Other Male	0
White Female	8	White Male	34

**BID INFORMATION**

The following bids were received and opened on August 20, 2015:

\*Denotes successful bidder(s)

**BIDDERS**

**BID AMOUNT**

*McCon Building & Petroleum Services, Inc. 8120 Jetstar Drive, Suite 150, Irving, TX 75063	\$299,393.00
United Pump Supply	\$321,255.32

**OWNER**

**McCon Building & Petroleum Services, Inc.**

Christopher M. Lawson, President

**MAP**

Attached.

## BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

**PROJECT:** Authorize a construction contract with McCon Building and Petroleum Services, Inc., lowest responsible bidder of two, for the installation of above-ground fuel storage tanks at the Dallas Love Field Airport Maintenance Facility located at 3387 Hawes Avenue - Not to exceed \$299,393 - Financing: Aviation Capital Construction Funds

McCon Building & Petroleum Services, Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

**PROJECT CATEGORY:** Construction

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### LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$165,416.00	55.25%
Total non-local contracts	\$133,977.00	44.75%
<b>TOTAL CONTRACT</b>	<b>\$299,393.00</b>	<b>100.00%</b>

### LOCAL/NON-LOCAL M/WBE PARTICIPATION

#### Local Contractors / Sub-Contractors

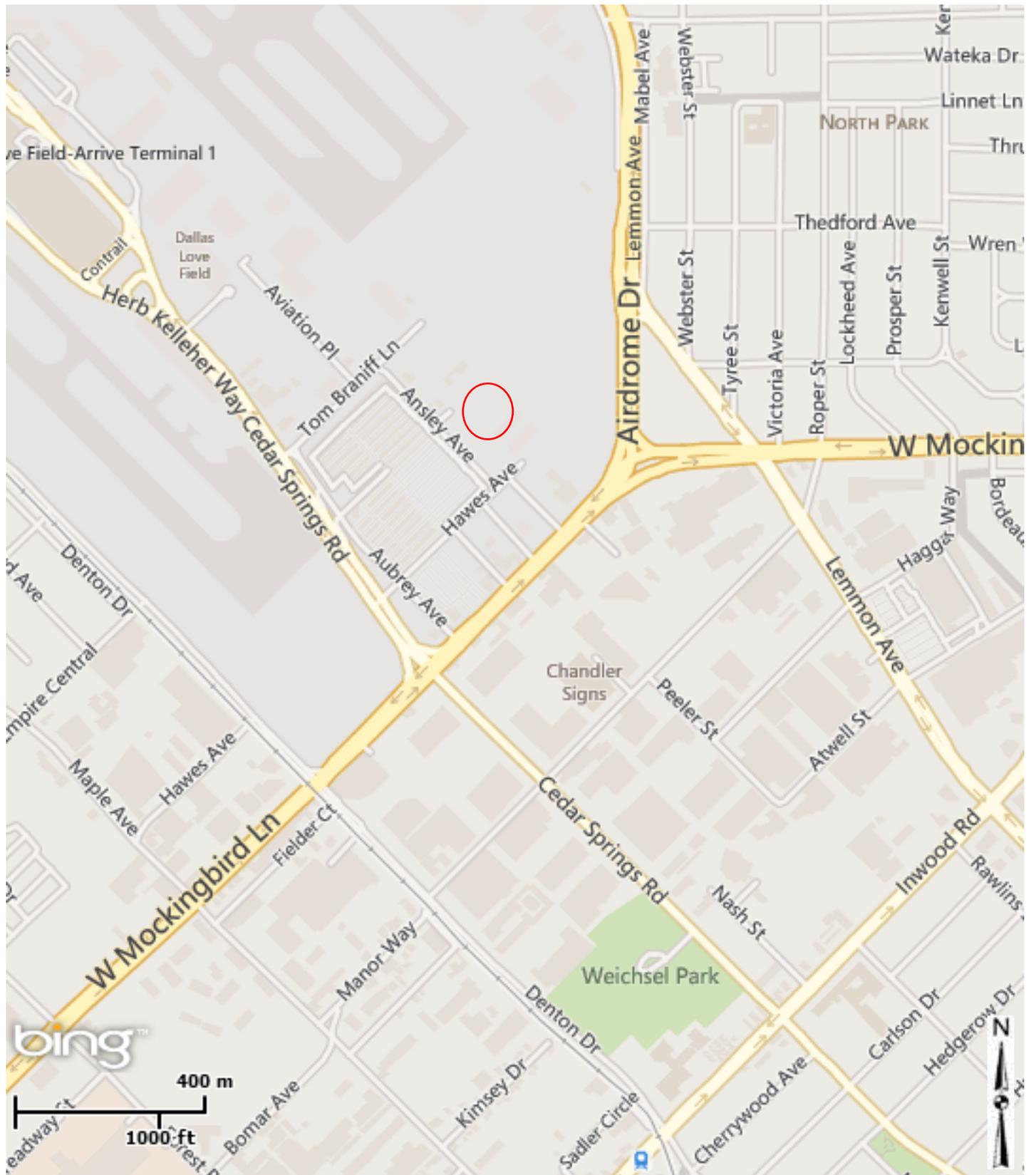
None

#### Non-Local Contractors / Sub-Contractors

None

### TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local &amp; Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>



## Dallas Love Field Above Ground Fuel Storage Tank

3387 Hawes Avenue

November 10, 2015

**WHEREAS**, the installation of a fuel storage tank to support airside operations is needed to allow airport support and maintenance vehicles to remain in operation during temporary fuel delivery delays to Dallas Love Field; and,

**WHEREAS**, EJES, Inc. was awarded a professional services contract to complete construction documents for a fuel storage tank installation at Dallas Love Field as authorized by Resolution No. 14-1916, dated November 12, 2014; and,

**WHEREAS**, the following bids were received and opened on August 20, 2015 for construction of the fuel storage tank installation:

\* Denotes lowest responsible bidder

<u><b>BIDDERS</b></u>	<u><b>BID AMOUNT</b></u>
*McCon Building & Petroleum Services, Inc. 8120 Jetstar Drive, Suite 150, Irving, TX 75063	\$299,393.00
United Pump Supply	\$321,255.32

and,

**WHEREAS**, it is now desirable to authorize a construction contract with McCon Building & Petroleum Services, Inc., the lowest responsible bidder of two, for an above-ground fuel storage tank installation at the Dallas Love Field Airport Maintenance Facility, located at 3387 Hawes Avenue, in an amount not to exceed \$299,393.00.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City Manager is hereby authorized to execute a contract with McCon Building & Petroleum Services, Inc. for construction of an above-ground fuel storage tank installation at the Dallas Love Field Airport Maintenance Facility, located at 3387 Hawes Avenue, in an amount not to exceed \$299,393.00, after it has been approved as to form by the City Attorney.

**Section 2.** That the Chief Financial Officer is hereby authorized to disburse funds in accordance with the terms and conditions of the contract:

Aviation Capital Construction Funds Fund 0131, Dept. AVI, Unit 8748, Act. AAIP Obj. 4599, Program AVSTNK, CT AVIMCN1015 Vendor 513730, in an amount not to exceed	\$299,393.00
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November 10, 2015

**Section 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the City of Dallas, and it is accordingly so resolved.