

# Memorandum



CITY OF DALLAS

DATE July 23, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Raised During June 16 Budget Workshop**

## 1. Why did franchise and other, charges for service, fines and forfeitures, licenses and permits, and interest revenues decline from FY 2018-19 to FY 2020-21?

Source	FY19 Actuals	FY20 Actuals	FY21 Budget	FY21 Forecast
Franchise and Other	135,697,060	120,944,398	115,907,401	119,674,474
Charges for Services	101,378,260	92,493,689	105,618,133	100,184,807
Fines and Forfeitures	35,826,127	24,313,182	23,554,646	24,042,330
Licenses and Permits	6,593,687	4,485,774	5,023,871	4,944,634
Interest	8,025,690	5,399,335	4,366,308	1,324,844

- Franchise and Other revenue began to decline in FY 2019-20 primarily due to (1) collections from naming rights sponsorships trending downward and (2) customers switching from fiber optics to wireless, which impacted fiber optic revenues.
- The decline in Charges for Services coincided with the beginning of the COVID-19 pandemic in FY 2019-20, primarily due to facility closures (parks, libraries, cultural centers, parking, etc.) and ambulance-related services.
- The decline in Fines and Forfeitures in FY 2019-20 was primarily due to a decrease in non-traffic fines, warrant service fees, parking citations, and civil fines associated with COVID-19.
- In FY 2018-19, Licenses and Permits ended the year at \$923,000 over budget due to higher-than-anticipated certificate of occupancy and liquor license revenues. The decline in FY 2019-20 was primarily due to a decrease in fire prevention permits associated with COVID-19.
- The decline in Interest in FY 2019-20 was primarily due to the Federal Reserve lowering interest rates close to zero.

DATE July 23, 2021

SUBJECT **Responses to Questions Raised During June 16 Budget Workshop**

**2. Why did the Non-Departmental budget increase from the FY 2020-21 adopted budget to the FY 2021-22 planned budget?**

The Non-Departmental budget includes various citywide expenses and other costs not assigned to a specific operational department. Examples of expenses included within the Non-Departmental budget are the General Fund transfer to Tax Increment Financing Districts (TIF), Master Lease repayment, unemployment insurance, appraisal district contracts, tax office contracts, and contract wrecker service.

The single largest driver in year-over-year cost increase from FY 2020-21 adopted budget to the FY 2021-22 planned budget was Master Lease repayment. The Master Lease program is used to purchase fleet and equipment such as fire department apparatus and general-purpose fleet as well as for information technology acquisitions. Funds to repay the Master Lease financing is budgeted in Non-Departmental.

**3. How much of the General Fund increase from FY 2018-19 to FY 2020-21 is due to changes in things like population or inflation vs. service enhancements?**

The budget presentation on August 10 will provide information about growth in the General Fund budget.

**4. Can you provide the survey results from the May Tele-Town Hall Meetings broken down by Council District? What about participant contact information by Council District?**

We did not request survey results by Council District from TTHM, so we are unable to provide that level of detail.

**5. Please resend the memo regarding the Cities and Counties for Fine and Fee Justice program.**

Liz Cedillo-Pereira, Chief of Equity and Inclusion, provided a memo on [Cities and Counties for Fine and Fee Justice Reform Update](#) to the Workforce, Education, and Equity Committee on June 4.

DATE July 23, 2021  
SUBJECT **Responses to Questions Raised During June 16 Budget Workshop**

Thank you for your engagement in the budget process so far. We are still working to finalize the City Manager's recommended budget for the upcoming biennial but have not completed that process at this time.

Mr. Broadnax is scheduled for brief one-on-one sessions with the Mayor and each Council Member beginning on August 2 to provide an overview of the upcoming budget. The budget document and other materials will be distributed on Saturday, August 7, and then we will present the City Manager's budget at your workshop on Tuesday, August 10. If you need immediate assistance, please contact me or Jack Ireland, Director of Budget and Management Services.



M. Elizabeth Reich  
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors