

# Memorandum



DATE July 30, 2021

CITY OF DALLAS

TO Honorable Mayor and City Councilmembers

SUBJECT **City Manager 2021 Goals Update**

In January, I provided the Mayor and City Council with my 120 goals for 2021. On April 7<sup>th</sup>, you were briefed on these goals and how they align with your goals from the council planning session, the strategic priorities, and how in completing these goals we get closer to our overall goal of a better City as One Dallas.

This memo will focus on the Top 25 Goals for 2021 and the estimated completion dates. The goals included on this list do not reflect the only items the various City departments will be working on but will be prioritized as it relates to staff time and resources put forth during the calendar/fiscal year. I also want to note that the Top 25 and the other goals included align and continue our focus on the priorities identified during the February 19, 2020 City Council Planning Retreat.

I look forward to working with the respective City Council Standing Committees to receive feedback, review and/or provide updates on the many projects and initiatives we plan to diligently continue working on throughout 2021. My staff and I plan to brief the City Council on the total 2021 goals in October.

Please feel free to reach out to me directly and/or any of the respective members on my Executive Leadership Team should you have any questions related to any of the 2021 City Manager Goals.

In The Spirit of Excellence,

A handwritten signature in black ink, appearing to read 'T.C. Broadnax', written over a white background.

T.C. Broadnax  
City Manager

c: Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Kimberly Bizzor Tolbert, Chief of Staff  
Preston Robinson, Administrative Judge  
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 Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

## City Manager's Top 25 Goals for 2021

**Economic Development:** To be known as a business-friendly city that supports job creation, private investment, a broadened tax base, and economic opportunities for all members of our community

Goals	Estimated Completion
Complete and implement the Economic Development Strategic Plan	December 2021
Establish and implement an independent economic development entity to facilitate economic development, marketing, branding, and public/private partnerships	December 2021
Create a new Economic Development Policy, including recommended amendments to incentive programs such as Chapter 380 loans and grants, tax abatements, the TIF and PID programs, and the NEZ program	December 2021
Develop an RFCSP to hire a third-party consultant to complete an efficiency and staffing study of the building and permitting functions of the City	December 2021
Design and develop an electronic building permit and land use planning/management system to improve the review and end-to-end permitting process	December 2022
Develop an RFCSP to hire a third-party consultant to design and implement a self-certification program for engineers and architects; or design and implement third-party plan review, including strategies to enhance options for review of building permits for certain projects	December 2021

**Environment and Sustainability:** To be a global leader focused on sustainability, conservation, climate change, and environmental justice to build a more resilient city

Goals	Estimated Completion
Analyze City's history of purchasing goods and services to develop a comprehensive Sustainable Procurement Plan for City operations and establish a sustainable procurement policy as part of achieving Goal 4 (zero waste community) of the CECAP work plan for this fiscal year	September 2021

**Government Performance and Financial Management:** To be a well-managed and fiscally responsible city focused on delivering effective and efficient government services

Goals	Estimated Completion
Prepare and present a balanced General Fund budget for FY 2021-22 and include a planned budget for FY 2022-23	August 2021

**Housing and Homelessness Solutions:** To ensure housing opportunities for all residents while promoting fair housing and affordable choices throughout every area of the city while working to eliminate homelessness

Goals	Estimated Completion
Establish and implement a “fee in lieu of” onsite affordable housing production to provide an alternative to satisfy housing requirements and provide an additional local funding source to finance affordable housing	August 2021
Review the City’s panhandling ordinance for revisions and opportunities to improve enforcement and compliance and address quality of life issues	December 2021
Acquire and/or financially support at least four turnkey properties to facilitate rapid rehousing and associated wraparound services for individuals or families experiencing homelessness	August 2021

**Quality of Life, Arts, and Culture:** To be a world-class city that fosters clean and appealing neighborhoods while offering recreational, educational, and cultural activities that enhance the quality of life for our residents and visitors

Goals	Estimated Completion
Establish and implement a citywide illegal dumping and blight abatement strategic plan	July 2021

**Workforce, Education, and Equity:** To be recognized as a city that is equitable, inclusive, and welcoming for all residents and visitors

Goals	Estimated Completion
Update the City's Equity Indicators pursuant to the Resilience Strategy and continue developing action plans and targeted strategies across departments to address disparities identified in the report and develop a comprehensive racial equity plan in collaboration with city departments and community partners	Equity Indicator Report: August 9, 2021; Racial Equity Plan: September 30, 2022
Develop and implement a Financial Empowerment Center and sustainability program to help low-income residents navigate out of poverty and achieve financial stability	Completed

**Transportation and Infrastructure:** To protect and enhance the city's transportation and infrastructure network while continuing to deliver innovative, safe, and equitable infrastructure solutions and moving Dallas forward with a "service first" mentality

Goals	Estimated Completion
Design and implement an unserved area water and wastewater infrastructure extension program to extend potable water and sanitary sewer facilities to all residents in unserved areas of the city within the next 10 years	September 2021
Update the Bicycle Master Plan and develop an implementation and funding strategy	May 2023

**Public Safety:** To be the safest large city in the United States while serving and protecting our diverse community with integrity, respect, and equity

Goals	Estimated Completion
Develop and implement a recovery services center to divert public intoxication cases from jail with a goal of helping residents identify and manage substance use disorders	Complete
Update and implement the violent crime reduction plan for 2021	Continues

Successfully onboard all civilians budgeted for FY 2020-21 to increase DPD's civilian-to-sworn staffing ratio to 18%	March 2022
Implement an Early Warning System for police officers to identify appropriate interventions to support officer wellness and officer accountability	August 2021
Execute DPD internal improvement projects directed toward improving the culture of the department, including a cultural assessment, use of force team, and launching the ABLE (Active Bystander for Law Enforcement) training program	January 2022
Develop and implement a civilian crisis intervention and mobile crisis response program in lieu of police officers to support residents with direct service navigation for behavioral health and/or other social services	August 2021
Successfully expand the RIGHT Care program and establish a citywide response system with a goal of responding to half of eligible mental health calls annually once fully implemented	Complete
Establish a violence interruption program with credible partners to serve as mentors and conflict resolution experts to curb violence in high-crime neighborhoods	Complete
Implement a program to address abandoned properties, vacant lots, insufficient lighting, and substandard structures in areas identified via Risk Terrain Modeling in partnership with Code Compliance and Transportation	October 2021

# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Budget and Management Services Agenda Item  
Substantial Amendment No. 4 to FY2020-21 Action Plan**

On August 11, 2021, the City Council will be asked to approve preliminary adoption of Substantial Amendment No. 4 to the FY2020-21 Action Plan to make budget amendments for U.S. Department of Housing and Urban Development (HUD) funds awarded to the City of Dallas under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Under the City's Citizen Participation Plan, a change in funding that exceeds \$500,000 of a budget appropriation in the adopted Action Plan is considered a substantial amendment and requires City Council approval after a citizen participation process.

In this action, CARES Act Relief Funds for the Community Development Block Grant (CDBG) in the amount of \$1,421,547 will be reallocated from the Small Business Continuity Loan Program to the Small Business Continuity Grant Program, to address the need to provide grants, as opposed to loans, to small businesses economically impacted by COVID-19 to facilitate their recovery.

The CARES Act provides an expedited review and public comment period of no less than 5 days. Therefore, we will schedule the public hearing and final adoption for August 25, 2021.

If you have any questions, please contact Chan Williams, Assistant Director in Budget and Management Services.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
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M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Water Utilities Campaign to Establish Payment Plans**

The purpose of this memo is to share information on the Dallas Water Utilities (DWU) marketing campaign encouraging customers with outstanding balances of more than 60 days to establish payment plans prior to October 2021. DWU, like most water utilities across the country, suspended water disconnections and late fee charges in March 2020 at the start of the COVID-19 pandemic. Currently fifteen percent of DWU customers have past due balances of more than 60 days with a median balance of \$291.55.

DWU will begin a two-month public outreach campaign to connect with customers who have past due balances and assist them in establishing payment plans to meet their individual needs. All residential customers will receive an insert (see attached) in both their August and September utility bills encouraging them to contact customer service and establish a payment plan if their account is past due. DWU is also partnering with Communication, Outreach & Marketing and the Office of Community Care. These partnerships will ensure the campaign reaches our customer base, identify agencies that can assist customers with past due utility bills and assist DWU with community outreach through social media and other media outlets.

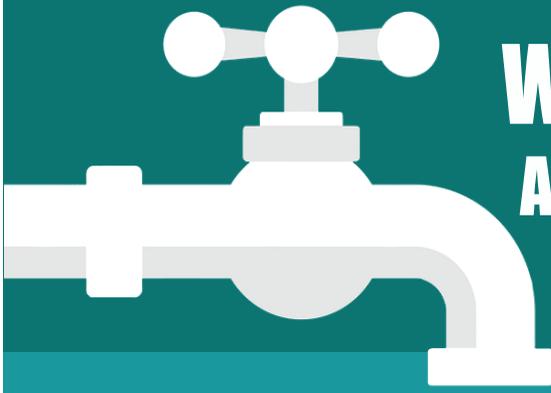
DWU understands that customers with past due balances are facing financial hardships and will continue to assist customers by developing a payment plan that fits their budget. DWU will also assist customers with identifying non-profit agencies that may be able to provide financial assistance. As part of DWU's outreach campaign, customers will be encouraged to contact DWU to set up a payment plan and avoid late fees and water disconnection by calling water customer service at 214-651-1441, Monday through Friday from 8:00 a.m. – 5:00 p.m. As the country and City move towards a new normal, DWU will resume water disconnections during the month of October 2021. Our goal is to assist each and every customer to maintain this essential service and help in any way we can.

A handwritten signature in blue ink, appearing to read 'Majed A. Al-Ghafry'.

Majed A. Al-Ghafry, P.E.  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
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Directors and Assistant Directors



# Water Bill Past Due?

## As disconnections resume, we are here to help!



Dallas Water Utilities (DWU) suspended water disconnections and late fees in March of 2020, at the onset of the COVID-19 pandemic. DWU understands the need for all of our customers to have these essential services. As the country reopens and returns to normal, so is Dallas Water Utilities. To ensure continued and efficient delivery of utility services, DWU will resume water disconnections for accounts that are past due and will again apply late fees for past due balances starting October 1, 2021.

Dallas Water Utilities is still here to assist you during these difficult times. We value all of our customers and will work with each and every customer to establish a payment plan that fits your budget. Customers who establish payment plans will avoid disruption of services and continue to avoid late fees.

### Homeowners:

If you are behind on your water bill and are unable to make your full payment at this time, please contact us at (214) 651-1441 to discuss your options for establishing a payment plan that meets your needs. Our specially trained Customer Service Agents are available Monday through Friday from 8:00 a.m. to 5:00 p.m.

### Renters:

If you are a renter and need assistance paying your utility bill and/or your rent, please visit <https://bit.ly/codrentrelief>. This website will be updated regularly as other assistance opportunities become available.

### To make a payment:

If you would like to make a payment on your DWU account, please contact (214) 651-1441 or visit DWU's ePay website at [Dallascityhall.com](http://Dallascityhall.com).

For additional resources, contact 311.

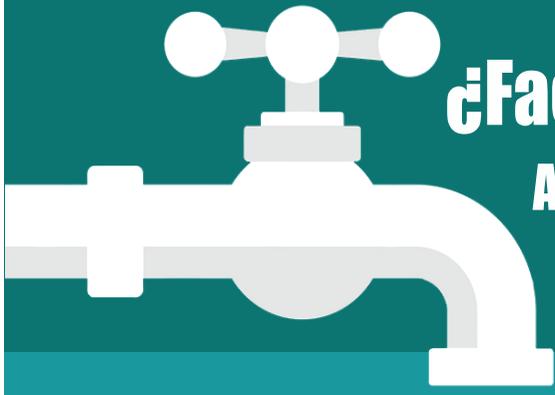
如需額外其他資源，請聯繫 311

如需其他更多資源，請聯絡 311

추가로 자료가 필요한 경우, 311 로 연락하세요.

Để biết thêm thông tin, vui lòng liên hệ với 311

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# ¿Factura de agua vencida?

## Al reanudarse las desconexiones, ¡estamos aquí para ayudar!

Los Servicios de Agua de Dallas (DWU, por sus siglas en inglés) suspendieron las desconexiones de agua y los cargos por retraso en marzo de 2020, al inicio de la pandemia por COVID-19. DWU entiende la necesidad que tienen todos nuestros clientes de recibir estos servicios básicos. A medida que el país vuelve a la normalidad, también lo hacen los Servicios de Agua de Dallas. Para garantizar servicios públicos continuos y eficientes, DWU reanudará las desconexiones de agua para las cuentas que están atrasadas y volverá a aplicar cargos por retraso en el pago a partir del 1 de octubre de 2021.

Los Servicios de Agua de Dallas siguen estando aquí para ayudarle durante estos tiempos difíciles. Valoramos a todos nuestros clientes y trabajaremos con cada uno de ellos para establecer un plan de pago que se ajuste a su presupuesto. Los clientes que establezcan planes de pago evitarán la interrupción de los servicios y continuarán evitando los cargos por demora.

### Propietarios de viviendas:

Si está atrasado en el pago de su factura de agua y no puede hacer el pago completo en este momento, por favor póngase en contacto con nosotros llamando al (214) 651-1441 para discutir sus opciones para establecer un plan de pago que se ajuste a sus necesidades. Nuestros agentes de servicio al cliente especialmente capacitados están disponibles de lunes a viernes de 8:00 a.m. a 5:00 p.m.

### Inquilinos:

Si usted es un inquilino y necesita ayuda para pagar su factura de servicios públicos y/o su alquiler, por favor visite <https://bit.ly/codrentrelief>. Este sitio web se actualizará regularmente a medida que haya otras oportunidades de asistencia disponibles.

### Para hacer un pago:

Si desea hacer un pago en su cuenta de DWU, por favor, llame al (214) 651-1441 o visite el sitio web ePay de DWU en [Dallascityhall.com](http://Dallascityhall.com).

PARA OBTENER RECURSOS ADICIONALES,  
PONGASE EN CONTACTO CON EL 311

如需額外其他資源，請联系 311

如需其他更多資源，請聯絡 311

추가로 자료가 필요한 경우, 311 로 연락하세요.

Để biết thêm thông tin, vui lòng liên hệ với 311

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# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Small Business Administration – Shuttered Venue Operators Grant Awards**

In December 2020, Congress passed the Consolidated Appropriations Act that included \$15 billion for Shuttered Venue Operator Grants (SVOG) through the US Small Business Administration. This grant program was created by the bipartisan Save Our Stages Act, led by Senators John Cornyn (R-TX), and Amy Klobuchar (D-MN), to ensure that the live performance industry, which is a critical part of the community and the economy, is able to continue its work for generations to come.

This stimulus grant program provides grants of up to \$10 million to small live entertainment venues, museums, live performing arts organizations, talent presenters and promoters, and related small businesses. Due to the drastic impact of COVID-19 on the live performance industry, an additional \$1.5 billion was added to the program by the American Rescue Plan Act in March 2021, with total available funding of \$16.5 billion. Applications opened on April 26, 2021, and the City of Dallas applied for its three eligible venues: Majestic Theater, Moody Performance Hall, and Latino Cultural Center.

In late July 2021, the Office of Arts and Culture (OAC) and the Office of Government Affairs received notification of City grants awards totaling \$1,077,461. In addition, many of the City's arts and cultural partners were awarded funding. Total Dallas organization grants awarded through the SVOG Program totals over \$104 million as of July 26, 2021; a list of City and OAC partners awarded through July 26 is attached.

On behalf of the City and our partners, the OAC is grateful to Congress, Texans for the Arts, the National Independent Venue Association, and the Office of Government Affairs for the support and guidance throughout this process.

A handwritten signature in blue ink, appearing to read 'Joey Zapata'.

Joey Zapata  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
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M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

DATE July 30, 2021

SUBJECT Small Business Administration – Shuttered Venue Operators Grant Awards

**Shuttered Venue Operator Grants (SVOG) – Dallas, TX as of July 26, 2021**

<b>Amount</b>	<b>Grantee (City of Dallas and Partners)</b>	<b>SVOG Organization Type</b>
\$28,013	American Baroque Opera Company	Live performing arts organization operator
\$447,239	Aviation Cinemas Inc. (Texas Theatre)	Motion picture theater operator
\$27,507	Ballet North Texas	Live performing arts organization operator
\$34,798	Cara Mía Theatre Co.	Live performing arts organization operator
\$98,464	Children's Chorus of Greater Dallas	Live performing arts organization operator
\$26,878	City of Dallas - Latino Cultural Center	Museum Operator
\$754,895	City of Dallas - Majestic Theatre	Live venue operator or promoter
\$295,687	City of Dallas- Moody Performance Hall	Live venue operator or promoter
\$459,723	Dallas Black Dance Theatre, Inc	Live performing arts organization operator
\$4,447,420	Dallas Center For the Performing Arts Foundation, Inc. (ATTPAC)	Live venue operator or promoter
\$33,334	Dallas Chamber Symphony	Live performing arts organization operator
\$267,137	Dallas Childrens Theater Inc	Theatrical producer
\$41,256	Dallas Historical Society	Museum Operator
\$1,170,443	Dallas Museum of Art	Museum Operator
\$9,200,000	Dallas Summer Musicals, Inc.	Live performing arts organization operator
\$3,283,407	Dallas Symphony Association, Inc.	Live performing arts organization operator
\$1,374,852	Dallas Theater Center	Live performing arts organization operator
\$159,685	Dallas Wind Symphony	Live performing arts organization operator
\$6,637,496	Dallas Zoological Society	Museum Operator
\$20,382	Flamenco Fever	Live performing arts organization operator
\$83,830	Greater Dallas Youth Orchestra	Live performing arts organization operator
\$199,810	Junior Players Guild	Live performing arts organization operator
\$45,240	Kitchen Dog Theater Company	Theatrical producer
\$366,188	TeCo Theatrical Productions, Inc. (Bishop Arts Theatre Center)	Live performing arts organization operator
\$183,971	The Black Academy of Arts and Letters, Inc.	Live performing arts organization operator
\$3,130,202	The Perot Museum of Nature and Science	Museum Operator
\$102,898	The Shakespeare Festival of Dallas	Theatrical producer
\$91,804	Theatre Three, Inc	Theatrical producer
\$241,584	Texas International Theatrical Arts Society (TITAS)	Live performing arts organization operator
\$65,150	Turtle Creek Chorale, Inc.	Live performing arts organization operator
\$187,429	Uptown Players, Inc	Live performing arts organization operator

# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Budget Accountability Report – May 2021**

Please find attached the May Budget Accountability Report (BAR) based on information through May 31. As a reminder, this report combines the Financial Forecast Report (FFR), Dallas 365, and Budget Initiative Tracker into a single monthly report.

Please note the appropriation changes you approved on June 9 are included in this report. You can view all published reports on the [Financial Transparency website](#).

If you have any questions, please contact Jack Ireland, Director of Budget and Management Services.

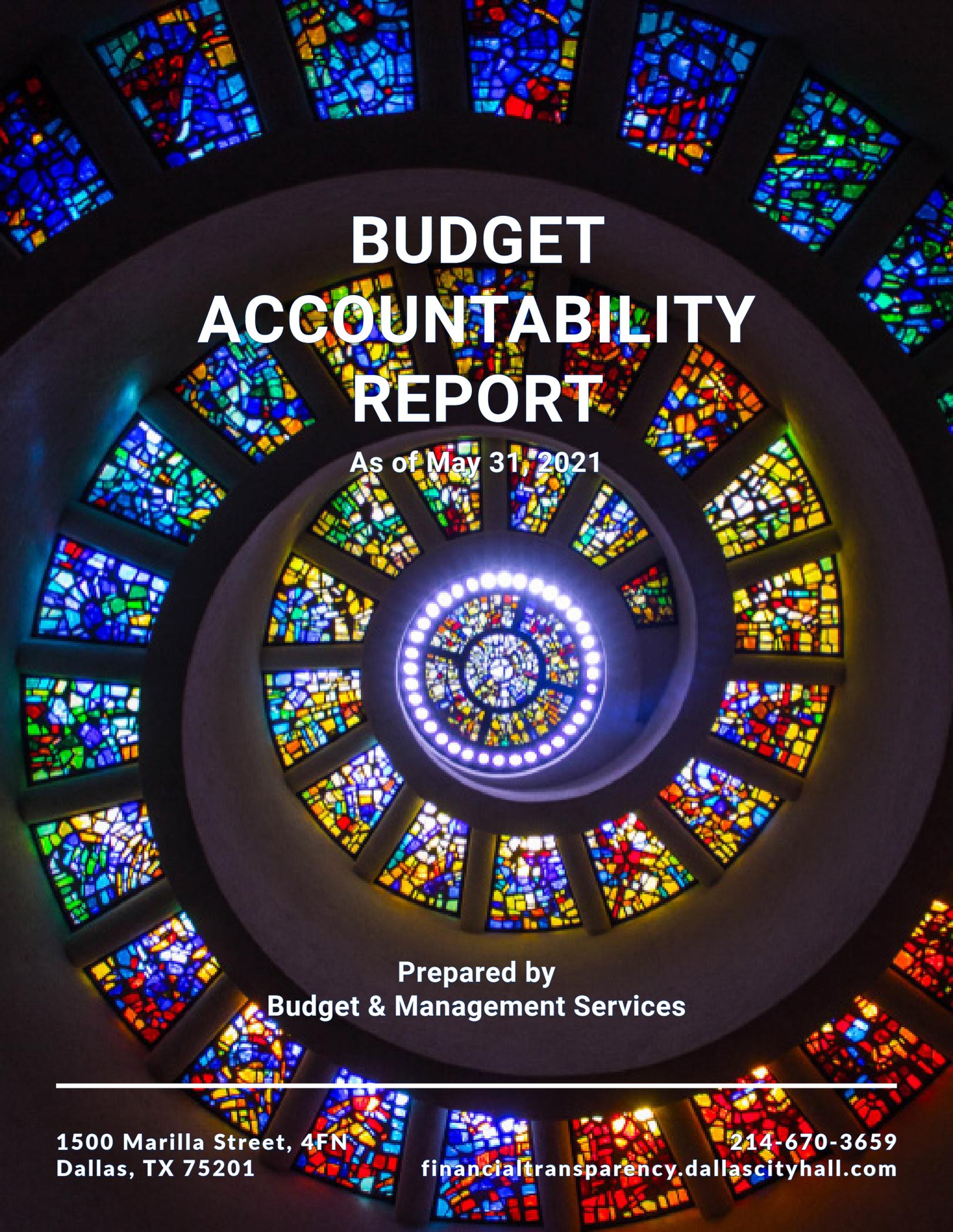
A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
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Directors and Assistant Directors



# **BUDGET ACCOUNTABILITY REPORT**

**As of May 31, 2021**

**Prepared by  
Budget & Management Services**

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**1500 Marilla Street, 4FN  
Dallas, TX 75201**

**214-670-3659  
[financialtransparency.dallascityhall.com](http://financialtransparency.dallascityhall.com)**

# EXECUTIVE SUMMARY

## Financial Forecast Report

Operating Fund	Year-End Forecast vs. Budget	
	Revenues	Expenses
General Fund	✓	✓
Aviation	✓	✓
Convention and Event Services	18.6% under budget	18.6% under budget
Municipal Radio	31.2% under budget	10.2% under budget
Sanitation Services	✓	✓
Storm Drainage Management	✓	✓
Sustainable Development and Construction	✓	✓
Dallas Water Utilities	✓	✓
Information Technology	✓	✓
Radio Services	✓	✓
Equipment and Fleet Management	✓	✓
Express Business Center	✓	✓
Bond and Construction Management	9.2% under budget	9.2% under budget
9-1-1 System Operations	✓	✓
Debt Service	✓	✓

✓ YE forecast within 5% of budget

### Dallas 365

#### Year-to-Date

✓ 18  
On Target

! 5  
Near Target

✗ 12  
Not on Target

#### Year-End Forecast

✓ 28  
On Target

! 0  
Near Target

✗ 7  
Not on Target

### Budget Initiative Tracker

● 9  
Complete

! 2  
At Risk

✓ 24  
On Track

✗ 0  
Canceled

# FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through May 31, 2021, for the General Fund and other annual operating funds of the City. The Adopted Budget column reflects the budget adopted by City Council on September 23, 2020, effective October 1, 2020, through September 30, 2021. The Amended Budget column reflects City Council-approved transfers between funds and programs, department-initiated transfers between expense objects, approved use of contingency, and other amendments supported by revenue or fund balance.

Year-to-date (YTD) actual amounts represent revenue or expenses/encumbrances that have occurred through the end of the most recent accounting period. Departments provide the year-end (YE) forecast, which projects anticipated revenues and expenditures as of September 30, 2021. The variance is the difference between the FY 2020-21 amended budget and the YE forecast. Variance notes are provided when the YE forecast is +/- five percent of the amended budget and/or if YE expenditures are forecast to exceed the amended budget.

## General Fund Overview

The General Fund overview provides a summary of financial activity through May 31, 2021.

	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$235,992,351	\$235,992,351		\$250,424,498	\$14,432,147
Revenues	1,437,039,483	1,445,788,159	1,187,750,067	1,477,665,988	31,877,829
Expenditures	1,437,039,483	1,445,788,159	921,590,603	1,456,032,201	10,244,041
Ending Fund Balance	\$235,992,351	\$235,992,351		\$272,058,285	\$36,065,935

**Fund Balance.** As of May 31, 2021, the beginning fund balance for the adopted and amended budgets and YE forecast reflects the FY 2019-20 audited unassigned ending fund balance and includes FY 2019-20 YE savings.

**Revenues.** Through May 31, 2021, General Fund revenues are projected to be \$31,878,000 over budget. Sales tax revenue is projected to be \$30,938,000 over budget based on actual collection trends. Additionally, property tax is forecast to be \$17,246,000 over budget. This is primarily because final property values are significantly higher than the certified values the appraisal districts provided last summer. This is partially offset by operating transfers (\$21,383,000) and interest earnings (\$3,041,000) projected to be under budget.

**Expenditures.** Through May 31, 2021, General Fund expenditures are projected to be \$10,244,000 over budget primarily due to DPD and DFR uniform overtime and repair costs to City facilities associated with Winter Storm Uri (PKR). This is partially offset by salary savings from vacant non-uniform positions across all General Fund departments.

## FY 2020-21 Financial Forecast Report

**GENERAL FUND REVENUE**

Revenue Category	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax <sup>1</sup>	\$825,006,993	\$825,006,993	\$838,977,396	\$842,253,328	\$17,246,335
Sales Tax <sup>2</sup>	296,324,365	305,073,041	167,409,554	336,011,501	30,938,460
Franchise and Other	115,907,401	115,907,401	77,961,514	119,756,341	3,848,940
Charges for Services	105,618,133	105,618,133	58,092,600	107,224,167	1,606,034
Fines and Forfeitures	23,554,646	23,554,646	16,127,386	24,142,521	587,875
Operating Transfers In <sup>3</sup>	42,410,021	42,410,021	8,291,724	21,027,322	(21,382,699)
Intergovernmental <sup>4</sup>	12,111,533	12,111,533	8,667,390	13,324,459	1,212,926
Miscellaneous <sup>5</sup>	6,716,212	6,716,212	7,595,688	7,907,213	1,191,001
Licenses and Permits <sup>6</sup>	5,023,871	5,023,871	3,469,811	4,694,276	(329,595)
Interest <sup>7</sup>	4,366,308	4,366,308	1,157,004	1,324,860	(3,041,448)
<b>Total Revenue</b>	<b>\$1,437,039,483</b>	<b>\$1,445,788,159</b>	<b>\$1,187,750,067</b>	<b>\$1,477,665,988</b>	<b>\$31,877,829</b>

**VARIANCE NOTES**

General Fund revenue variance notes are provided below for revenue categories with YE forecast variances of +/- five percent and revenue with an amended budget.

**1 Property Tax.** Revenues are forecast to be \$17,246,000 over budget primarily because final property values are significantly higher than the certified values the appraisal districts provided last summer. Property values were certified at \$147.4 billion last summer. After certification, appraisal districts continued to resolve a record number of protests. Now that protests have been resolved, the value is \$150.0 billion.

**2 Sales Tax.** City Council increased the sales tax budget by \$8,749,000 on June 9 as part of the mid-year appropriations adjustment process. Revenues are forecast to be \$30,938,000 over budget based on actual collection trends. The City received \$4.2 million from the Texas Comptroller this year as part of audit findings from prior years (\$2.5 million in December and \$1.7 million in February).

**3 Operating Transfers In.** Revenues are forecast to be \$21,383,000 under budget primarily because General Fund revenue is forecast to exceed the budgeted amount, eliminating the need for the Sports Arena and Revenue Stabilization Fund transfers.

**4 Intergovernmental** Revenues are forecast to be \$1,213,000 over budget primarily due to a larger-than-budgeted payment through the DFW Airport revenue-sharing agreements.

**5 Miscellaneous.** Revenues are forecast to be \$1,191,000 over budget primarily due to auction sales exceeding budget (\$1,650,000) and an unbudgeted legal settlement with the AT&T Performing Arts Center. This is partially offset by reduced revenues associated with new Transportation (TRN) engineering review fees for locating utilities and 311 T-Review (\$1,147,000).

**6 Licenses and Permits.** Revenues are forecast to be \$330,000 under budget primarily due to lower-than-expected collections for beer licenses (\$225,000), liquor licenses (\$283,000), and dockless permits (\$200,000). This is partially offset by higher-than-expected Sustainable Development and Construction (DEV) license fees (\$638,000).

**7 Interest.** Revenues are forecast to be \$3,041,000 under budget primarily due to the Federal Reserve lowering interest rates.

## FY 2020-21 Financial Forecast Report

**GENERAL FUND EXPENDITURES**

Expenditure Category	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$241,523,414	\$241,778,131	\$136,416,805	\$226,334,998	(\$15,443,136)
Civilian Overtime	7,514,598	7,494,937	6,375,799	9,827,816	2,332,879
Civilian Pension	33,844,770	34,039,860	19,636,397	32,402,322	(1,637,538)
Uniform Pay	481,652,999	479,350,661	306,826,623	476,393,094	(2,957,567)
Uniform Overtime	30,835,323	33,207,322	39,356,305	56,333,579	23,126,257
Uniform Pension	167,665,603	167,665,603	107,796,558	168,307,411	641,808
Health Benefits	72,562,299	72,606,304	40,176,834	72,606,304	0
Workers Comp	16,977,554	16,977,204	0	16,977,204	0
Other Personnel Services	11,738,318	11,661,092	7,520,448	11,623,918	(37,174)
<b>Total Personnel Services<sup>1</sup></b>	<b>1,064,314,878</b>	<b>1,064,781,115</b>	<b>664,105,769</b>	<b>1,070,806,644</b>	<b>6,025,529</b>
Supplies	74,443,068	74,825,828	42,148,844	76,787,452	1,961,624
Contractual Services <sup>2</sup>	405,650,955	410,435,358	259,953,042	424,385,186	13,949,828
Capital Outlay <sup>3</sup>	11,244,563	14,239,204	8,996,151	18,701,520	4,462,316
Reimbursements <sup>4</sup>	(118,613,981)	(118,493,346)	(53,613,203)	(134,648,601)	(16,155,255)
<b>Total Expenditures</b>	<b>\$1,437,039,483</b>	<b>\$1,445,788,159</b>	<b>\$921,590,603</b>	<b>\$1,456,032,201</b>	<b>\$10,244,041</b>

**VARIANCE NOTES**

General Fund expenditure variance notes are provided below for expenditure categories with YE forecast variances of +/- five percent. The Amended Budget column reflects department-initiated transfers between expense objects.

**1 Personnel Services.** Personnel services are forecast to be \$6,026,000 over budget primarily due to overtime for DPD (\$17,515,000) and DFR (\$5,611,000) uniform employees. This is primarily offset by salary savings from non-uniform employees.

**2 Contractual Services.** Contractual services are forecast to be \$13,950,000 over budget due to unbudgeted repairs associated with Winter Storm Uri in February that will be partially offset by a reimbursement from property insurance and maintenance work related to COVID-19 not completed by December 30. This is partially offset by savings in master lease drawdowns.

**3 Capital Outlay.** Capital outlays are forecast to be \$4,462,000 over budget due to purchase of materials that will be fully reimbursed by bond funds (\$300,000), a new generator for a jail facility (\$350,000), and refrigerant replacement (\$415,000).

**4 Reimbursements.** Reimbursements are forecast to be \$16,155,000 better than budget due to unbudgeted repairs associated with Winter Storm Uri anticipated to be covered by insurance (\$7,250,000), a reimbursement from Community Development Block Grant funds to cover a street operations project (\$2,421,000), ARPA-eligible reimbursements related to facility maintenance and installations (\$1,427,000), and reimbursements from the Federal Emergency Management Agency (FEMA) for DPD's (\$4,200,000) and DFR's (\$2,260,000) vaccination efforts.

## FY 2020-21 Financial Forecast Report

**GENERAL FUND EXPENDITURES**

Expenditure by Department	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
Budget and Management Services	\$4,172,709	\$4,172,709	\$2,316,422	\$4,126,236	(\$46,473)
Building Services <sup>1</sup>	23,397,410	29,675,143	17,355,793	32,285,283	2,610,140
City Attorney's Office	16,978,300	16,978,300	10,432,471	16,915,891	(62,409)
City Auditor's Office <sup>2</sup>	3,123,860	3,123,860	1,813,847	2,958,715	(165,145)
City Controller's Office	8,004,574	8,004,574	5,493,427	7,877,367	(127,207)
Independent Audit <sup>3</sup>	945,429	945,429	0	745,429	(200,000)
City Manager's Office	2,918,134	2,918,134	1,805,323	2,918,134	0
City Secretary's Office	2,886,027	2,886,027	1,824,799	2,886,016	(11)
Elections <sup>4</sup>	1,106,896	1,928,528	1,769,039	1,927,571	(957)
Civil Service	2,946,744	2,946,744	1,556,050	2,821,853	(124,891)
Code Compliance <sup>5</sup>	32,209,414	33,858,725	17,810,245	32,692,383	(1,166,342)
Court and Detention Services <sup>6</sup>	23,811,595	23,811,595	12,803,585	22,481,952	(1,329,643)
Jail Contract	9,547,117	9,547,117	4,773,558	9,547,117	0
Dallas Animal Services	15,314,969	15,314,969	8,901,149	15,312,525	(2,444)
Dallas Fire-Rescue <sup>7</sup>	315,544,933	315,544,933	199,831,260	320,237,968	4,693,035
Dallas Police Department <sup>8</sup>	513,535,030	513,535,030	331,874,364	525,826,617	12,291,587
Housing and Neighborhood Revitalization <sup>9</sup>	3,587,062	3,587,062	1,581,470	3,350,606	(236,456)
Human Resources	6,055,192	6,055,192	3,630,826	6,054,449	(743)
Judiciary	3,663,199	3,663,199	2,246,299	3,663,199	0
Library	32,074,999	32,074,999	17,938,662	31,839,925	(235,074)
Management Services					
311 Customer Service Center <sup>10</sup>	4,639,768	4,639,768	2,111,739	4,228,958	(410,810)
Communications, Outreach, and Marketing <sup>11</sup>	2,295,750	2,295,750	1,113,985	2,098,000	(197,750)
Emergency Management Operations <sup>12</sup>	1,152,959	1,152,959	1,442,569	1,343,673	190,714
Office of Community Care	8,415,504	8,415,505	3,245,549	8,397,932	(17,573)
Office of Community Police Oversight <sup>13</sup>	545,133	545,133	229,885	468,342	(76,791)
Office of Environmental Quality and Sustainability <sup>14</sup>	4,247,434	4,247,433	3,481,966	3,763,144	(484,289)
Office of Equity and Inclusion <sup>15</sup>	2,401,046	2,401,046	1,114,450	2,459,168	58,122
Office of Government Affairs	937,370	937,370	595,437	904,438	(32,932)
Office of Historic Preservation	728,797	728,797	422,746	709,086	(19,711)
Office of Homeless Solutions	12,364,516	12,364,516	7,203,376	12,240,836	(123,680)
Office of Integrated Public Safety Solutions	3,393,814	3,393,814	416,115	3,391,120	(2,694)
Mayor and City Council	5,140,653	5,140,653	3,070,975	5,139,596	(1,057)
Non-Departmental <sup>16</sup>	113,461,571	113,461,571	88,796,505	109,621,610	(3,839,961)
Office of Arts and Culture	20,204,697	20,204,697	16,597,309	19,930,192	(274,505)
Office of Data Analytics and Business Intelligence	1,261,913	1,261,913	1,521,581	1,245,664	(16,249)
Office of Economic Development	5,442,727	5,442,727	3,315,002	5,402,100	(40,627)
Park and Recreation <sup>17</sup>	94,313,446	94,313,446	56,671,973	96,157,857	1,844,411
Planning and Urban Design <sup>18</sup>	3,312,735	3,312,735	1,875,506	3,111,306	(201,429)
Procurement Services	3,018,085	3,018,085	1,721,484	2,910,064	(108,021)
Public Works	76,141,197	76,141,197	53,076,844	75,552,504	(588,693)
Sustainable Development and Construction <sup>19</sup>	1,868,980	1,868,980	1,514,672	1,262,049	(606,931)
Transportation <sup>20</sup>	43,105,575	43,105,575	26,292,347	42,403,106	(702,469)
<b>Total Departments</b>	<b>1,430,217,263</b>	<b>1,438,965,939</b>	<b>921,590,603</b>	<b>1,449,209,981</b>	<b>10,244,041</b>
Financial Reserves	0	0	0	0	0
Liability/Claims Fund Transfer	4,822,220	4,822,220	0	4,822,220	0
Salary and Benefit Stabilization	2,000,000	2,000,000	0	2,000,000	0
<b>Total Expenditures</b>	<b>\$1,437,039,483</b>	<b>\$1,445,788,159</b>	<b>\$921,590,603</b>	<b>\$1,456,032,201</b>	<b>\$10,244,041</b>

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**1 Building Services.** City Council increased BSD's budget by \$6,278,000 on June 9 by resolution #21-0977 for maintenance and repair of City facilities. BSD is projected to be \$2,610,000 over budget due to maintenance work related to COVID-19 not completed by December 30, reduced reimbursements from various City departments, and various emergency HVAC and plumbing repairs. This is partially offset by salary and overtime savings, and an expected reimbursement by ARPA funds.

**2 City Auditor's Office.** AUD is projected to be \$165,000 under budget due to vacancy savings.

**3 Independent Audit.** Expenditures are projected to be \$200,000 under budget due to a lower-than-anticipated contract expense associated with the City's annual independent audit.

**4 Elections.** City Council increased the Elections budget by \$822,000 on June 9 by resolution #21-0977 due to a higher-than-anticipated contract expense with Dallas, Collin, and Denton counties for the May election.

**5 Code Compliance.** City Council increased CCS' budget by \$1,649,000 on June 9 by resolution #21-0977 for a redeployment and engagement plan. CCS is projected to be \$1,166,000 under budget due to salary savings associated with 44 vacant positions.

**6 Court and Detention Services.** CTS is projected to be \$1,330,000 under budget due to salary savings associated with 61 vacant positions and a lower-than-anticipated number of ad hoc department requests for security services.

**7 Dallas Fire-Rescue.** DFR is projected to be \$4,693,000 over budget primarily due to increased overtime for sworn positions (\$5,611,000), medical supplies, parts for fleet repair/maintenance, and a decreased reimbursement from Aviation (AVI), all of which is partially offset by an anticipated reimbursement from FEMA (\$2,260,000). Increased uniform overtime is associated with citywide COVID-19 vaccination efforts, as well as with increased backfill expenses for quarantined uniform staff.

**8 Dallas Police Department.** DPD is projected to be \$12,292,000 over budget primarily due to \$17,515,000 in overtime for sworn positions associated with a greater focus on crime suppression efforts, which is partially offset by an anticipated reimbursement from FEMA (\$4,200,000).

**9 Housing and Neighborhood Revitalization.** HOU is projected to be \$236,000 under budget due to prior vacancies that have since been filled.

**10 311 Customer Service Center.** 311 is projected to be \$411,000 under budget due to salary savings associated with 21 vacant positions.

**11 Communications, Outreach, and Marketing.** COM is projected to be \$198,000 under budget due to salary savings associated with four vacant positions.

**12 Emergency Management Operations.** OEM is projected to be \$191,000 over budget primarily due to contracts with private bus companies for mobile warming services during Winter Storm Uri. OEM and other impacted departments are tracking severe weather expenses and plan to seek reimbursement from FEMA.

**13 Office of Community Police Oversight.** OCPO is projected to be \$77,000 under budget due to salary savings associated with two vacant positions.

**14 Office of Environmental Quality and Sustainability.** OEQS is projected to be \$484,000 under budget due to salary savings associated with eight vacant positions.

**15 Office of Equity and Inclusion.** EQU is projected to be \$58,000 over budget due to unbudgeted

## VARIANCE NOTES

termination payouts.

**16 Non-Departmental.** Non-D is projected to be \$3,840,000 under budget primarily due to savings from delayed master lease drawdowns.

**17 Park and Recreation.** PKR is projected to be \$1,844,000 over budget due to unbudgeted repairs associated with Winter Storm Uri that are not considered insurable. PKR currently estimates repair expenses at \$10,000,000 and anticipates about \$7,250,000 from insurance via reimbursements. This is partially offset by salary savings associated with vacant positions.

**18 Planning and Urban Design.** PUD is projected to be \$201,000 under budget due to salary savings associated with four vacant positions.

**19 Sustainable Development and Construction.** DEV is projected to be \$607,000 under budget primarily due to a delay in processing FY 2019-20 reimbursements from the Water Utilities and Building Inspection funds.

**20 Transportation.** TRN is projected to be \$702,000 under budget primarily due to salary savings associated with 30 vacant positions.

## FY 2020-21 Financial Forecast Report

**ENTERPRISE FUNDS**

Department	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
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**AVIATION<sup>1</sup>**

Beginning Fund Balance	\$0	\$0		\$15,319,809	\$15,319,809
Total Revenues	112,758,320	119,081,299	80,205,125	119,080,333	(966)
Total Expenditures	112,758,320	119,081,299	66,763,767	119,080,333	(966)
Ending Fund Balance	\$0	\$0		\$15,319,809	\$15,319,809

**CONVENTION AND EVENT SERVICES<sup>2</sup>**

Beginning Fund Balance	\$57,091,833	\$57,091,833		\$39,553,867	(\$17,537,966)
Total Revenues	85,832,581	85,832,581	20,563,564	69,859,902	(15,972,679)
Total Expenditures	85,832,581	85,832,581	38,754,839	69,859,902	(15,972,679)
Ending Fund Balance	\$57,091,833	\$57,091,833		\$39,553,867	(\$17,537,966)

**MUNICIPAL RADIO<sup>3</sup>**

Beginning Fund Balance	\$685,965	\$685,965		\$725,264	\$39,299
Total Revenues	1,911,000	1,911,000	799,772	1,315,142	(595,858)
Total Expenditures	1,875,612	1,875,612	1,158,740	1,684,456	(191,156)
Ending Fund Balance	\$721,353	\$721,353		\$355,950	(\$365,403)

**SANITATION SERVICES<sup>4</sup>**

Beginning Fund Balance	\$33,204,530	\$33,204,530		\$22,151,461	(\$11,053,069)
Total Revenues	127,068,910	127,068,910	84,774,274	125,943,184	(1,125,726)
Total Expenditures	128,413,418	131,628,920	60,010,163	131,628,919	0
Ending Fund Balance	\$31,860,022	\$28,644,520		\$16,465,726	(\$12,178,794)

**STORM DRAINAGE MANAGEMENT—DALLAS WATER UTILITIES**

Beginning Fund Balance	\$9,918,699	\$9,918,699		\$10,383,149	\$464,450
Total Revenues	66,355,747	66,355,747	45,793,307	66,332,748	(22,999)
Total Expenditures	66,329,747	66,329,747	24,600,770	66,329,747	0
Ending Fund Balance	\$9,944,699	\$9,944,699		\$10,386,150	\$441,451

**SUSTAINABLE DEVELOPMENT AND CONSTRUCTION<sup>5</sup>**

Beginning Fund Balance	\$47,421,969	\$47,421,969		\$51,667,089	\$4,245,120
Total Revenues	33,644,751	33,434,751	24,027,549	34,123,517	688,766
Total Expenditures	36,544,104	38,544,104	22,456,661	36,803,567	(1,740,537)
Ending Fund Balance	\$44,522,616	\$42,312,616		\$48,987,039	\$6,674,423

**WATER UTILITIES<sup>6</sup>**

Beginning Fund Balance	\$140,647,348	\$140,647,348		\$131,522,556	(\$9,124,792)
Total Revenues	692,146,200	692,146,200	411,543,187	672,903,109	(19,243,091)
Total Expenditures	714,778,341	714,778,341	378,914,368	695,535,250	(19,243,091)
Ending Fund Balance	\$118,015,207	\$118,015,207		\$108,890,415	(\$9,124,792)

## FY 2020-21 Financial Forecast Report

**INTERNAL SERVICE FUNDS**

Department	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
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**INFORMATION TECHNOLOGY**

Beginning Fund Balance	\$5,590,116	\$5,590,116		\$7,667,186	\$2,077,070
Total Revenues	84,372,061	84,372,061	54,014,211	84,492,913	120,852
Total Expenditures	85,013,099	85,013,099	60,257,519	84,462,372	(550,727)
Ending Fund Balance	\$4,949,078	\$4,949,078		\$7,697,727	\$2,748,649

**RADIO SERVICES**

Beginning Fund Balance	\$1,039,213	\$1,039,213		\$1,351,631	\$312,418
Total Revenues	12,843,519	12,843,519	7,331,780	12,582,362	(261,157)
Total Expenditures	13,423,481	13,423,481	9,691,822	13,416,860	(6,621)
Ending Fund Balance	\$459,251	\$459,251		\$517,133	\$57,882

**EQUIPMENT AND FLEET MANAGEMENT<sup>7</sup>**

Beginning Fund Balance	\$12,006,161	\$12,006,161		\$11,979,713	(\$26,448)
Total Revenues	54,714,940	54,714,940	17,977,592	55,234,095	519,155
Total Expenditures	56,069,040	56,069,040	32,851,749	56,588,195	519,155
Ending Fund Balance	\$10,652,061	\$10,652,061		\$10,625,614	(\$26,448)

**EXPRESS BUSINESS CENTER**

Beginning Fund Balance	\$4,120,084	\$4,120,084		\$4,153,287	\$33,203
Total Revenues	2,593,790	2,593,790	2,107,900	2,593,790	0
Total Expenditures	2,080,890	2,080,890	1,433,246	2,080,890	0
Ending Fund Balance	\$4,632,984	\$4,632,984		\$4,666,187	\$33,203

**OFFICE OF BOND AND CONSTRUCTION MANAGEMENT<sup>8</sup>**

Beginning Fund Balance	\$0	\$0		(\$1,173,960)	(\$1,173,960)
Total Revenues	23,074,750	23,074,750	829,724	20,942,825	(2,131,925)
Total Expenditures	23,074,750	23,074,750	13,743,866	20,942,825	(2,131,925)
Ending Fund Balance	\$0	\$0		(\$1,173,960)	(\$1,173,960)

## FY 2020-21 Financial Forecast Report

**OTHER FUNDS**

Department	FY 2020-21 Adopted Budget	FY 2020-21 Amended Budget	YTD Actual	YE Forecast	Variance
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**9-1-1 SYSTEM OPERATIONS<sup>9</sup>**

Beginning Fund Balance	\$5,843,389	\$5,843,389		\$8,723,705	\$2,880,316
Total Revenues	12,017,444	12,017,444	7,826,676	11,976,986	(40,458)
Total Expenditures	16,126,922	16,523,922	6,957,250	16,520,423	(3,499)
Ending Fund Balance	\$1,733,911	\$1,336,911		\$4,180,268	\$2,843,357

**DEBT SERVICE**

Beginning Fund Balance	\$43,627,241	\$43,627,241		\$46,554,040	\$2,926,799
Total Revenues	319,810,380	319,810,380	306,716,424	325,003,084	5,192,704
Total Expenditures	316,672,860	316,672,860	256,231,360	315,521,525	(1,151,335)
Ending Fund Balance	\$46,764,761	\$46,764,761		\$56,035,599	\$9,270,838

**EMPLOYEE BENEFITS<sup>10</sup>**

City Contributions	99,503,000	99,503,000	55,868,353	99,503,000	0
Employee Contributions	29,341,804	29,341,804	29,690,117	26,937,141	(2,404,663)
Retiree	27,290,950	27,290,950	16,547,395	27,283,270	(7,680)
Other	0	0	12,223	13,217,967	13,217,967
Total Revenues	156,135,754	156,135,754	102,118,088	166,941,378	10,805,624
Total Expenditures	163,814,169	163,814,169	100,345,862	165,922,755	2,108,586

Note: FY 2020-21 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported (IBNR) claims.

**RISK MANAGEMENT<sup>11</sup>**

Worker's Compensation	23,001,180	23,001,180	220,862	23,001,180	0
Third Party Liability	13,784,533	13,784,533	4,870,114	13,784,533	0
Purchased Insurance	7,480,093	7,480,093	21	7,480,093	0
Interest and Other	0	0	1,029,994	1,029,994	1,029,994
Total Revenues	44,265,806	44,265,806	6,120,991	45,295,800	1,029,994
Total Expenditures	47,212,601	47,212,601	18,446,513	31,950,106	(15,262,495)

Note: FY 2020-21 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (worker's compensation/liability/property insurance).

## VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summaries include the beginning fund balance with the YE revenue and expenditure forecasts. As of May 31, 2021, the beginning fund balance for the adopted and amended budgets and YE forecast reflects the FY 2019-20 audited unassigned ending fund balance and includes FY 2019-20 YE savings. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, YE forecast projected to exceed budget, or projected use of fund balance.

**1 Aviation.** City Council increased AVI's budget by \$6,322,979 on June 9 by resolution #21-0977 as part of the mid-year appropriations adjustment process due to higher expenses than budgeted, offset by increased revenue. The expenses will be used for unbudgeted reimbursements to DPD and DFR for services at Love Field and an unbudgeted insurance fee for commercial paper.

**2 Convention and Event Services.** CCT revenues and expenses are projected to be \$15,973,000 under budget due to various event cancellations as a result of COVID-19.

**3 Municipal Radio.** WRR revenues are projected to be \$596,000 under budget due to the loss of arts-related advertising revenues as a result of COVID-19. Similarly, expenses for personnel services are projected to be \$191,000 under budget primarily due to lower sales commissions as a result of lower ad sales. WRR anticipates using fund balance to offset lost revenue. Arts and Culture (OAC) requested input from the Quality of Life, Arts, and Culture Committee on March 17 regarding an alternative management arrangement to overcome some of the challenges of WRR's current operating model.

**4 Sanitation Services.** City Council increased SAN's budget by \$811,000 on February 24 by resolution #21-0383 for restoration work related to the use of a temporary storm debris staging area after the October 2019 tornado. City Council increased SAN's budget again by \$2,405,000 on June 9 by resolution #21-0977 as part of the mid-year appropriations adjustment process due to the use of fund balance to offset lost revenue and the increased expenses associated with the shingle cleanup at the former Blue Star Recycling facility.

**5 Sustainable Development and Construction.** City Council increased DEV's budget by \$2,000,000 on January 27 by resolution #21-0266 to authorize a professional services contract for supplemental permit plan review and inspection services. DEV's expenses are projected to be \$1,741,000 under budget primarily due to the elimination of POSSE system upgrades and reduced costs for the workflow evaluation staffing study.

**6 Water Utilities.** DWU revenues are projected to be \$19,243,000 under budget primarily because of the third of three annual credits issued to wholesale customers as a result of the Sabine River Authority settlement, as well as an increase in unpaid utility bills, elimination of past-due fees associated with COVID-19, and decreased water usage resulting from significant rainfall. DWU expenses are projected to be \$19,243,000 under budget primarily due to salary savings, decreased street rental payments, and reduced capital construction transfers. DWU anticipates the further use of fund balance to offset additional lost revenue.

**7 Equipment and Fleet Management.** EFM expenses are projected to be \$519,000 over budget due to increased costs associated with Winter Storm Uri and for maintaining existing DPD fleet. Revenues are also projected to be \$519,000 over budget to reflect increased charges to customer departments.

**8 Bond and Construction Management.** BCM revenues and expenses are projected to be \$2,132,000 under budget primarily due to salary savings associated with 41 vacant positions. BCM charges each capital project budget for project implementation costs. Savings in actual implementation expenses result in fewer charges to the capital project.

## VARIANCE NOTES

**9 911 System Operations.** City Council increased 911's budget by \$397,000 on June 9 by resolution #21-0977 due to the delayed implementation of the Next Generation 911 System to FY 2020-21 after being budgeted in FY 2019-20.

**10 Employee Benefits.** Expenses are projected to be \$2,100,000 over budget due to expenses associated with employee participation in flexible spending accounts which is offset by health benefit expenses under budget due to better claim experience, and a CVS rebate.

**11 Risk Management.** ORM expenses are projected to be \$15,262,000 under budget primarily due to a delay in anticipated claims expenses from FY 2020-21 to FY 2021-22 and a positive recovery resulting in a lower-than-expected payout.

## FY 2020-21 Financial Forecast Report

**GENERAL OBLIGATION BONDS****2017 Bond Program**

Proposition	Authorized by Voters	ITD Appropriations	ITD Expenditures	Current Encumbered	Unencumbered
Street and Transportation [A]	\$533,981,000	\$306,967,270	\$116,525,333	\$69,290,427	\$121,151,510
Park and Recreation Facilities [B]	261,807,000	206,776,093	114,573,926	29,843,760	62,358,407
Fair Park [C]	50,000,000	35,854,549	27,406,401	1,224,290	7,223,859
Flood Protection and Storm Drainage [D]	48,750,000	22,484,312	4,382,062	6,767,535	11,334,715
Library Facilities [E]	15,589,000	15,589,000	13,941,384	1,097,700	549,916
Cultural and Performing Arts Facilities [F]	14,235,000	13,970,604	8,761,495	4,536,852	672,257
Public Safety Facilities [G]	32,081,000	27,737,155	14,263,661	9,978,194	3,495,300
City Facilities [H]	18,157,000	12,720,154	5,522,802	785,829	6,411,522
Economic Development [I]	55,400,000	36,709,750	13,965,554	10,615,370	12,128,826
Homeless Assistance Facilities [J]	20,000,000	13,989,185	82,574	3,307,090	10,599,522
<b>Total</b>	<b>\$1,050,000,000</b>	<b>\$692,798,072</b>	<b>\$319,425,192</b>	<b>\$137,447,046</b>	<b>\$235,925,834</b>

**2012 Bond Program**

Proposition	Authorized by Voters	ITD Appropriations	ITD Expenditures	Current Encumbered	Unencumbered
Street and Transportation Improvements [1]	\$260,625,000	\$265,630,488	\$240,937,160	\$16,505,657	\$8,187,672
Flood Protection and Storm Drainage Facilities [2]	326,375,000	326,375,000	193,705,220	104,450,586	28,219,194
Economic Development [3]	55,000,000	55,000,000	36,151,904	6,569,359	12,278,737
<b>Total</b>	<b>\$642,000,000</b>	<b>\$647,005,488</b>	<b>\$470,794,283</b>	<b>\$127,525,602</b>	<b>\$48,685,603</b>

**2006 Bond Program**

Proposition	Authorized by Voters	ITD Appropriations	ITD Expenditures	Current Encumbered	Unencumbered
Street and Transportation Improvements [1]	\$390,420,000	\$406,490,554	\$377,400,534	\$20,492,996	\$8,597,023
Flood Protection and Storm Drainage Facilities [2]	334,315,000	342,757,166	275,708,321	20,861,547	46,187,298
Park and Recreation Facilities [3]	343,230,000	353,022,660	342,713,064	3,545,628	6,763,968
Library Facilities [4]	46,200,000	47,693,804	46,819,869	693,481	180,453
Cultural Arts Facilities [5]	60,855,000	63,556,770	62,497,108	191,122	868,540
City Hall, City Service and Maintenance Facilities [6]	34,750,000	35,360,236	25,048,147	1,889,217	8,422,872
Land Acquisition Under Land Bank Program [7]	1,500,000	1,500,000	1,452,418	0	47,582
Economic Development [8]	41,495,000	45,060,053	41,939,230	1,153,500	1,967,324
Farmers Market Improvements [9]	6,635,000	6,933,754	6,584,013	3,208	346,532
Land Acquisition in the Cadillac Heights Area [10]	22,550,000	22,727,451	11,112,082	400,672	11,214,698
Court Facilities [11]	7,945,000	7,948,603	7,680,430	154,088	114,085
Public Safety Facilities and Warning Systems [12]	63,625,000	65,124,222	64,554,146	321,252	248,824
<b>Total</b>	<b>\$1,353,520,000</b>	<b>\$1,398,175,273</b>	<b>\$1,263,509,362</b>	<b>\$49,706,711</b>	<b>\$84,959,200</b>

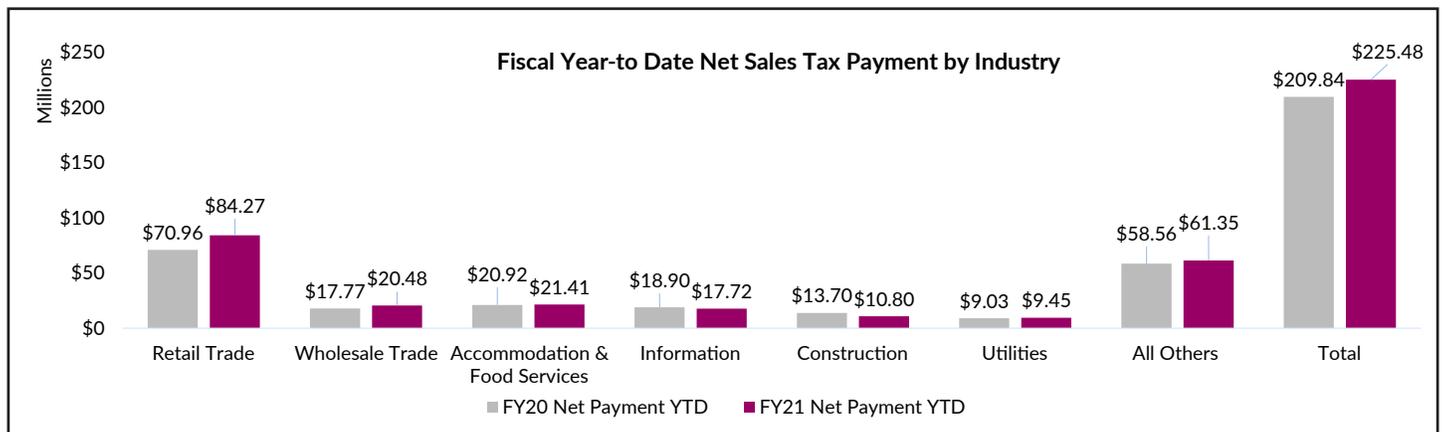
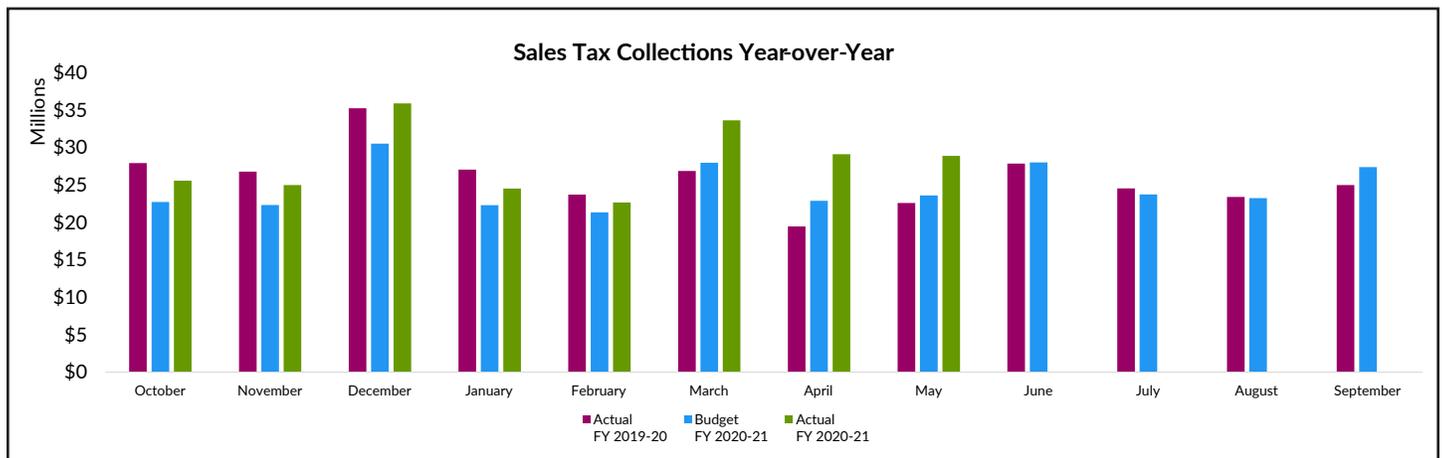
Note: The tables above reflect expenditures and encumbrances recorded in the City's financial system of record. They do not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.

FY 2020-21 Financial Forecast Report

# ECONOMIC INDICATORS

## Sales Tax

The current sales tax rate is 8.25 percent—6.25 percent goes to the state, one percent to the City, and one percent to DART. In FY 2019-20, the City received \$310,738,000 in sales tax revenue, but because of COVID-19 and the subsequent economic decline, we budgeted only \$305,073,000 for FY 2020-21. As of May 31, the forecast for sales tax revenue is \$30,938,000 over budget—we will update the forecast throughout the year as additional information becomes available. The charts in this section provide more information about sales tax collections.



Note: Net sales tax payments by industry do not include the City's self-reported sales tax numbers.

## FY 2020-21 Financial Forecast Report

**ECONOMIC INDICATORS**

Year-over-Year Change in Sales Tax Collections		
Industry	May FY21 over May FY20	FYTD21 over FYTD20
Retail Trade	36%	19%
Wholesale Trade	10%	15%
Accommodation and Food Services	69%	2%
Information	-8%	-6%
Construction	8%	-21%
Utilities	35%	5%
All Others	27%	5%
Total Collections	28%	7%

**Retail Trade.** Includes establishments engaged in selling (retailing) merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise, so retailers are organized to sell merchandise in small quantities to the general public.

**Wholesale Trade.** Includes establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale to other wholesalers or retailers, (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production.

**Accommodation and Food Services.** Includes establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

**Information.** Includes establishments engaged in (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

**Construction.** Includes establishments primarily engaged in the construction of buildings or engineering projects (e.g. highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction or in subdividing land for sale as building sites are also included in this sector.

**Utilities.** Includes establishments providing electric power, natural gas, steam supply, water supply, and sewage removal.

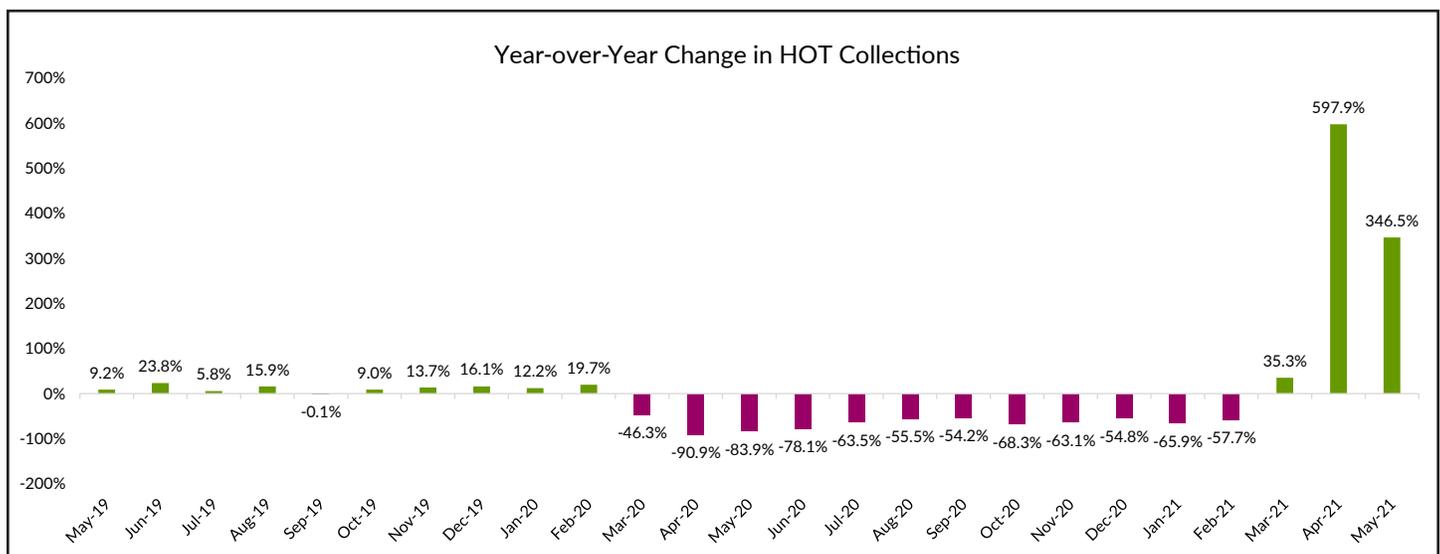
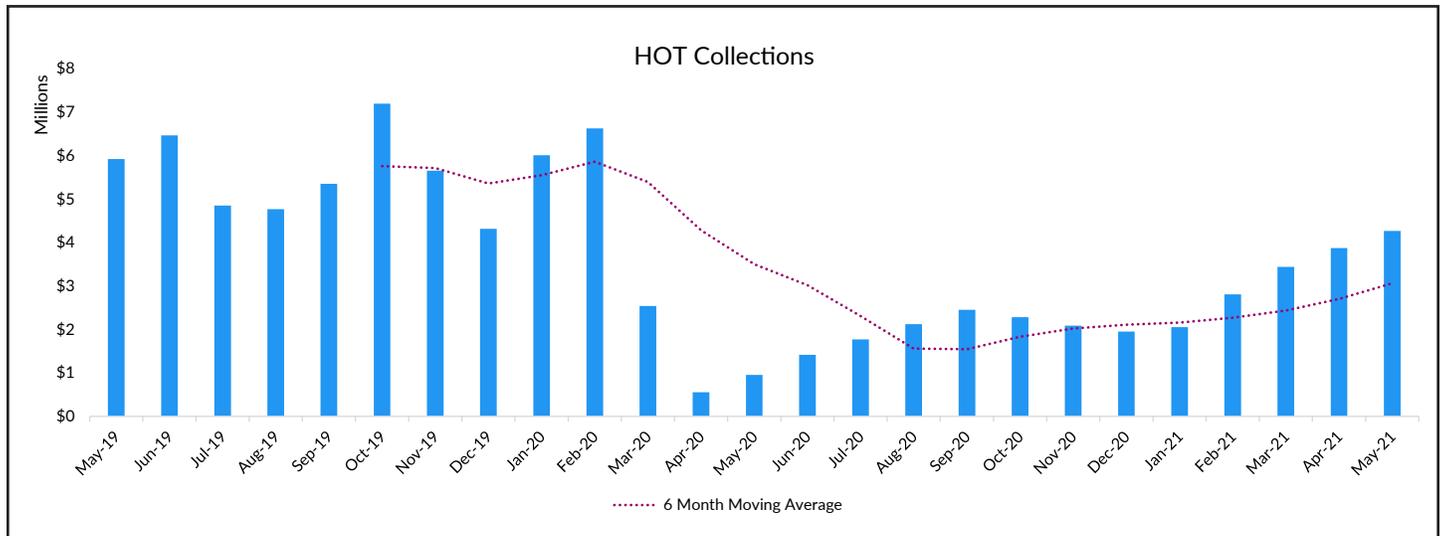
**All Others.** Includes but is not limited to manufacturing, professional and business services, financial activities, education and health services, and natural resources and mining.

FY 2020-21 Financial Forecast Report

# ECONOMIC INDICATORS

## Hotel Occupancy Tax

The City collects hotel occupancy taxes (HOT) on hotel, motel, bed and breakfast, and short-term rentals in the city limits. The HOT rate in Dallas is 13 percent of the cost of the room (not including food served or personal services not related to cleaning and readying the space for the guest)—six percent goes to the state, and seven percent goes to the City. HOT is the largest single revenue source for the Kay Bailey Hutchison Convention Center, and data is typically updated every two months.



## FY 2020-21 Financial Forecast Report

**ECONOMIC INDICATORS**

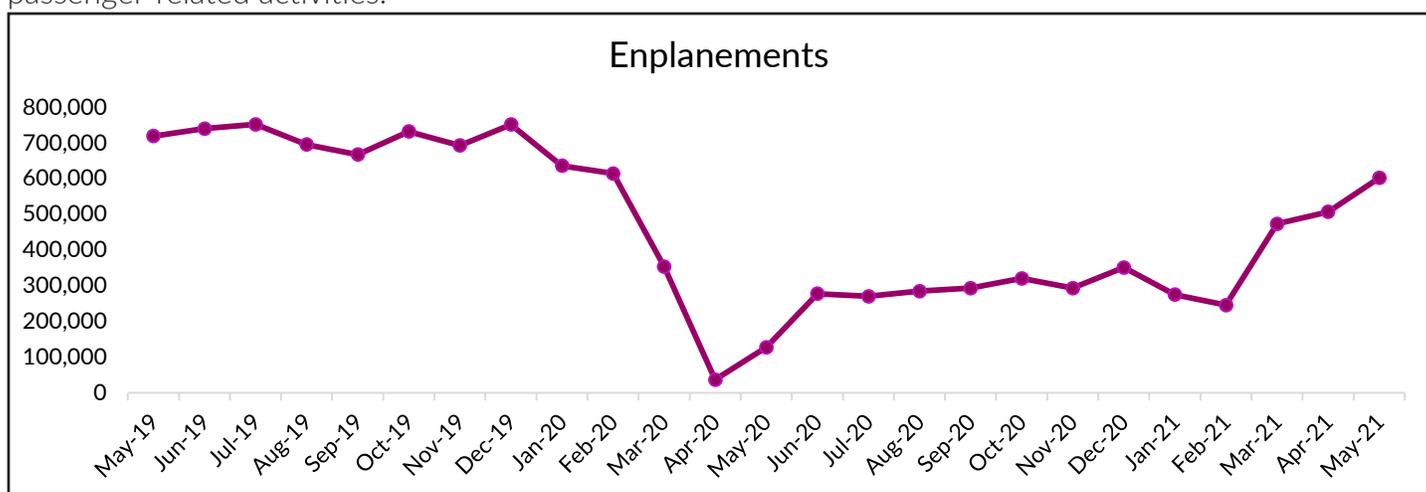
## Convention Center Event Bookings

The table below lists the number of actual, planned, and forecast events at the KBHCCD for the last three fiscal years. Please note if no event takes place, it results in an equal reduction in revenue and expenses.

	FY19 Actual	FY20 Actual	FY21 Planned	FY21 Actual/Forecast
October	6	6	6	3
November	2	11	6	1
December	9	5	7	2
January	7	13	10	0
February	9	12	6	0
March	8	1	6	0
April	6	1	3	1
May	6	0	9	5
June	5	0	8	6
July	3	0	3	3
August	7	0	7	4
September	11	0	3	7
Total	79	49	74	32

## Love Field Enplanements

An enplanement is when a revenue-generating passenger boards an aircraft. Enplanements are the most important air traffic metric because enplaned passengers directly or indirectly generate 80 percent of Aviation revenues. Typically, Aviation generates only 20 percent of total operating revenues from non-passenger-related activities.

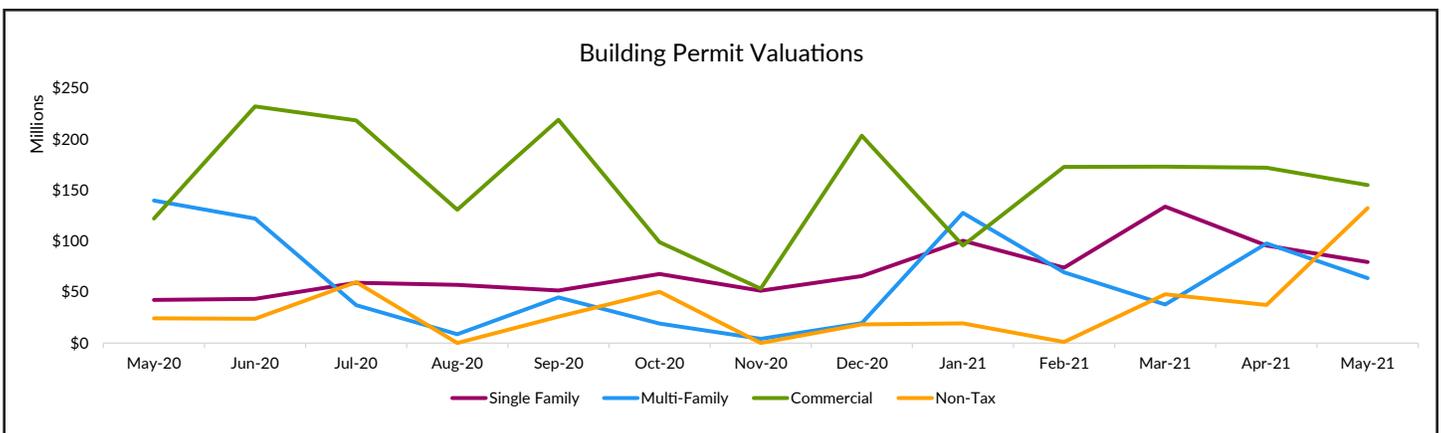
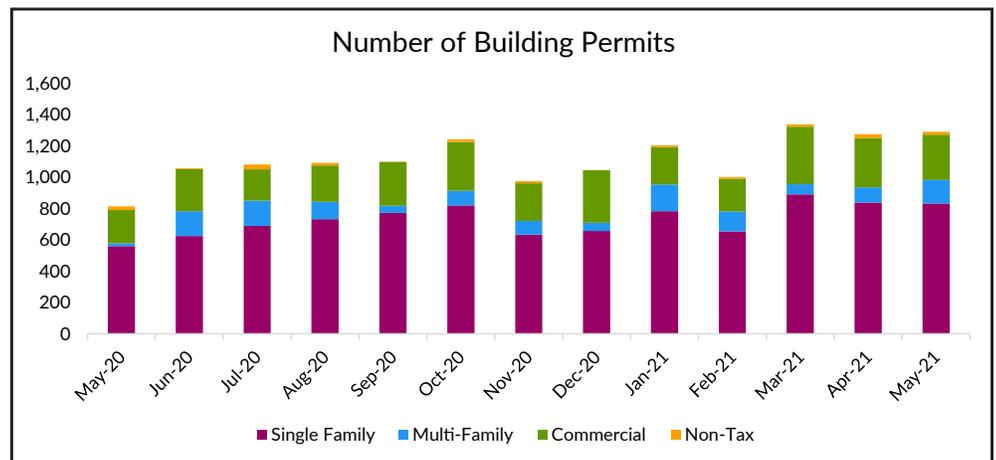


FY 2020-21 Financial Forecast Report

# ECONOMIC INDICATORS

## Building Permits

Building permits (required for all construction in Dallas) can provide insight into upcoming activity in the housing market and other areas of the economy. Permits are a key indicator of the confidence developers have in the economy; likewise, a decline can indicate developers do not anticipate economic growth in the near future. In some cities, this measure may be a leading indicator of property tax value growth, but in Dallas, the property tax forecast model includes other variables like wage/job growth, housing supply, gross domestic product, population, vacancy rates, and others.



# DALLAS 365

The Dallas 365 initiative aligns 35 key performance measures to our eight strategic priorities. The department responsible for each measure is noted at the end of the measure's description, and last year's performance is included if available. If FY 2019-20 data is not available, N/A is listed.

Year-to-date (YTD) and year-end (YE) targets are presented for each measure. YTD targets may vary based on seasonality of the work. Each month, we compare 1) the YTD target with the actual performance for the current reporting period and 2) the YE target with the department's forecasted performance as of September 30, 2021.

Measures are designated "on target" (green) if actual YTD performance is equal to or greater than the YTD target.

If actual YTD performance is within five percent of the YTD target, it is "near target" (yellow). Otherwise, the measure is designated "not on target" (red). The same methodology applies to YE forecasts. Variance notes are provided for each red measure.



#	Measure	FY 2019-20 Actual	YTD Target	YTD Actual	YE Target	YE Forecast
<b>Economic Development</b>						
1	Percentage of dollars spent with local M/WBE businesses (Economic Development)	69.98%	65%	73.3%	65%	73.6%
2	Percentage of businesses from low- to moderate-income (LMI) census tracts connected to the B.U.I.L.D. ecosystem (Economic Development)	N/A	40%	97.8%	40%	97.8%
3	Percentage of single-family permits reviewed in three days (Sustainable Development)	N/A	85%	0%	85%	0%
4	Percentage of inspections performed same day as requested (Sustainable Development)	96.77%	98%	97.6%	98%	98%
<b>Environment &amp; Sustainability</b>						
5	Percentage of annual Comprehensive Environmental & Climate Action Plan (CECAP) milestones completed	N/A	55%	16.9%	92%	92%
6	Monthly residential recycling diversion rate (Sanitation Services)	N/A	19%	18.4%	19%	19%
7*	Missed refuse and recycling collections per 10,000 collection points/service opportunities (Sanitation Services)	14.66	12.5	13.53	12.5	14.5
<b>Government Performance &amp; Financial Management</b>						
8	Percentage of 311 calls answered within 90 seconds (311 Customer Service Center)	35.68%	75%	28.1%	75%	40%
9	Percentage of vehicles receiving preventive maintenance on schedule (Equipment and Fleet Management)	76.67%	70%	87.0%	70%	87.0%

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

## FY 2020-21 Dallas 365

#	Measure	FY 2019-20 Actual	YTD Target	YTD Actual	YE Target	YE Forecast
<b>Housing &amp; Homeless Solutions</b>						
10*	Average number of days to contract signing for Home Improvement and Preservation Program (HIPP) applications (Housing & Neighborhood Revitalization)	N/A	120	164	120	180
11	Percentage of development funding contributed by private sources (Housing & Neighborhood Revitalization)	N/A	60%	75.98%	60%	60%
12	Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Homeless Solutions)	75.03%	85%	98.6%	85%	85%
13	Percentage of individuals who exit to positive destinations through the Landlord Subsidized Leasing Program (Homeless Solutions)	N/A	80%	91.2%	80%	85%
<b>Public Safety</b>						
14	Percentage of responses to structure fires within 5 minutes and 20 seconds of dispatch (Fire-Rescue)	85.54%	90%	84.7%	90%	90%
15	Percentage of EMS responses within nine minutes (Fire-Rescue)	88.98%	90%	89.6%	90%	90%
16	Percentage of responses to Priority 1 calls within eight minutes (Police)	52.75%	60%	56.9%	60%	60%
17	Percentage of 911 calls answered within 10 seconds (Police)	81.90%	90%	62.3%	90%	70%
18*	Crimes against persons (per 100,000 residents) (Police)	2,028.89	1,332.7	1,382.4	1,999	1,999
19	Percentage of crisis intervention calls handled by the RIGHT Care team (Integrated Public Safety Solutions)	N/A	25%	28.52%	45%	45%
20	Complaint resolution rate (Community Police Oversight)	N/A	70%	86.2%	70%	70%
<b>Quality of Life, Arts, &amp; Culture</b>						
21	Percentage of cultural services funding to ALAANA (African, Latinx, Asian, Arab, Native American) artists and organizations (Office of Arts & Culture)	N/A	27%	29.3%	30%	30%
22	Percentage of litter and high weed service requests closed within SLA (Code Compliance)	54.42%	65%	72.1%	65%	65%
23	Live release rate for dogs and cats (Animal Services)	90.6%	90%	88.9%	90%	90%
24	Percentage of technology devices checked out (hot spots and Chromebooks) (Library)	N/A	85%	57.1%	85%	60%
25	Percentage of users who report learning a new skill through adult learning or career development programs (Library)	N/A	90%	93.3%	90%	90%
26	Percentage of planned park visits completed by Park Rangers (Park & Recreation)	N/A	95%	101.6%	95%	95%
27	Participation rate at late-night Teen Recreation (TRec) sites (27,300 annual participants) (Park and Recreation)	6.8%	27%	0%	100%	20%

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

## FY 2020-21 Dallas 365

#	Measure	FY 2019-20 Actual	YTD Target	YTD Actual	YE Target	YE Forecast
<b>Transportation &amp; Infrastructure</b>						
28	Percentage of bond appropriation awarded ITD (Bond & Construction Management)	90%	77%	79.8%	90%	90%
29*	Percentage of work orders for emergency maintenance (Building Services)	N/A	4%	0.60%	4%	1%
30	Percentage of planned lane miles improved (726 out of 11,800 miles) (Public Works)	100%	46%	21.8%	100%	100%
31	Percentage of potholes repaired within three days (Public Works)	95.37%	98%	99.5%	98%	98%
32	Percentage of signal malfunction responses within 120 minutes (Transportation)	91.55%	91%	94.6%	91%	91%
<b>Workforce, Education, &amp; Equity</b>						
33	Percentage increase in Senior Medical Transportation Program trips (Community Care)	N/A	10%	44.8%	10%	10%
34	Percentage of Fresh Start clients who maintain employment for six months (Economic Development)	N/A	25%	50%	25%	57.14%
35	Percentage of City departments participating in the Equity Indicators alignment process (Equity & Inclusion)	N/A	55%	20%	80%	80%

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

## VARIANCE NOTES

**#3.** As of June 28, DEV estimates residential permit review times at three weeks for first review. DEV is working with Matrix Consultants to expedite the review process and anticipates a similar review time without outside help once improvements are fully implemented.

**#5.** As of May 30, 51 of 136 milestones are complete. OEQS will complete a significant number in the third quarter based on planned procurements and ongoing programmatic efforts. OEQS has met with the departments involved in implementing the work plan to activate lagging milestones, and staff still anticipate completing 126 milestones by year-end.

**#7.** SAN continues to be impacted by the higher than usual municipal solid waste volumes and the ability to fill vacancies which have resulted in an increase in missed service calls.

**#8.** 311 continues to experience software and IVR malfunctions that adversely impact staff's performance. Replacement of 311's aged contact center software in late summer should positively impact this measure.

**#10.** Contractor capacity and construction delays due to permitting and lead testing continue to adversely impact performance. HOU has closed 15 projects YTD and will close additional applications as contractors become available.

**#14.** DFR's four closed fire stations continue to impact response times due to displaced apparatus. Most structure fires didn't meet the targeted response time because the first up engine company was not assigned to the fire as a result of being assigned to another fire or out of service, which extended the response time. DFR added temporary stations in two affected districts and will continue to monitor response times of all displaced apparatus to maximize impact and minimize delays.

**#16.** Inclement weather in May, including flash flooding and a tornado, greatly increased Priority 1 response times in the north areas of the city, adversely impacting the overall average.

## FY 2020-21 Dallas 365

**#17.** As of June 2, 911 call taker staffing is at 76%, and after several candidate disqualifications, 12 remain in the background check process. Staffing is on track to be at 95% within 90 days, and DPD anticipates call response times will increase to 76% within 10 seconds.

**#24.** Overall circulation of LIB materials, including technology devices, is down compared to last year because of COVID-19 closures and limited services. At any time, 90% of the 100 Chromebook technology bundles (paired with a hot spot) are checked out, and approximately 65% of the remaining individual hot spots are in use. LIB has revised its marketing tactics to increase awareness, and May hot spot circulation increased by 52% over April.

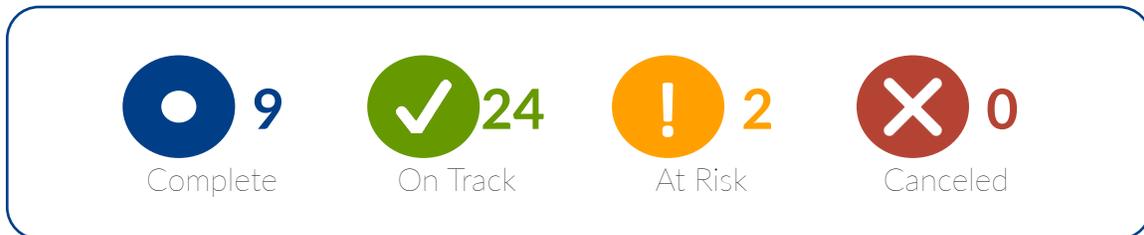
**#27.** PKR anticipated resuming TRec programming in April, but delayed because of continued COVID-19 precautions. Programming resumed at 13 locations on June 25.

**#30.** Multiple weather events from November to February, particularly Winter Storm Uri, slowed anticipated construction schedules. Finalizing previously programmed projects also impacted performance, but PBW still anticipates completing all planned lane miles by the end of the fiscal year.

**#35.** EQU diverted resources in February and March to reviewing “Budgeting for Equity” submissions for the FY 2021-22 proposed budget. Two departments have completed Phase II of the Equity Indicators alignment process and will be reflected in the June report. EQU plans to engage eight additional departments per month for the remaining quarter to reach 80% participation by year-end.

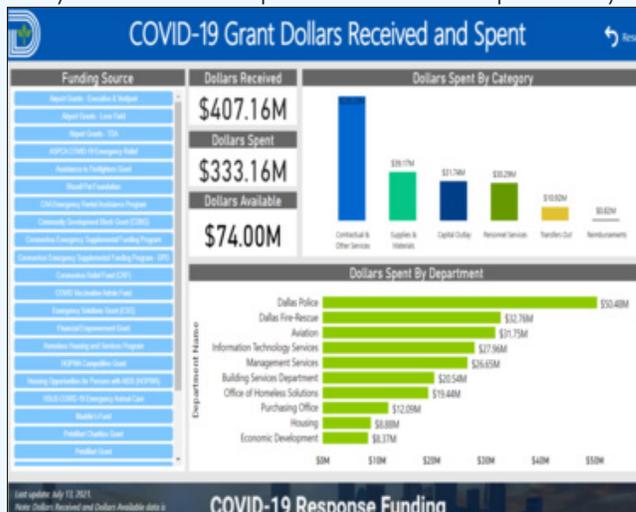
# BUDGET INITIATIVE TRACKER

The Budget Initiative Tracker reports on 35 activities included in the FY 2020-21 budget. For each initiative included in this report, you will find the initiative number, title, description, status, and measure. At the end of each description, the responsible department is listed. Each month, the responsible department provides a current status for the initiative and indicates whether the initiative is “complete” (blue circle), “on track” for completion by the end of the fiscal year (green check mark), “at risk” of not being completed by the end of the fiscal year (yellow exclamation mark), or “canceled” (red x).



## In the Spotlight

The newly created Office of Data Analytics and Business Intelligence (DBI) was challenged this year to build a team that could harness the City's data to promote transparency and accessibility to the public



and provide crucial insights to support better decision making throughout the City. The Department is rising to the challenge, staffing 23 of 28 positions, and recruiting three Data Science Analysts, one Data Scientist, and an intern, all of whom are targeted to be hired by the end of September.

You may have already seen some of DBI's work, like the COVID-19 Dashboard, but

DBI is so much more than dashboards! They developed a smart mapping application to assist service departments with the February winter storm response, and through the Data Academy training program, they have increased the City's Tableau Desktop users by 46% and trained more than 60 students across multiple departments. Thanks to DBI for leading the charge to change the way we think about and use data in the City of Dallas!

## FY 2020-21 Budget Initiative Tracker

# ECONOMIC DEVELOPMENT

## 1 Workforce Development

**INITIATIVE** Merge business and workforce development efforts into a single team that will collaborate with community and business stakeholders to prepare residents for emerging job growth sectors. (Economic Development)

**STATUS** ECO has aligned business and workforce efforts to eliminate duplication, and the team is working with Community Care and outside organizations like the South Dallas Employment Project to implement this initiative.

## 2 B.U.I.L.D. Program

**INITIATIVE** Roll out the Broadening Urban Investment to Leverage Dallas (B.U.I.L.D.) program to strengthen small businesses and provide access to technical training, funding, mentorship, and capacity-building guidance. (Economic Development)

**STATUS** The program launched November 12. In December, staff reviewed and scored 129 applications. In January, staff identified 50 awardees, 45 of whom completed the required technical assistance/business coaching and received funds. From the initial award cycle, 44 of 45 businesses (97.8 percent) were from low- to moderate-income census tracts.

# ENVIRONMENT & SUSTAINABILITY

## 3 Environmental Action Plan

**INITIATIVE** Initiate the 48 actions and 137 milestones identified in the Comprehensive Environmental and Climate Action Plan (CECAP) for FY 2020-21. (Environmental Quality and Sustainability)

**STATUS** OEQS has developed an RFCSP for community solar, which is currently under review by Procurement Services. A consultant for the Urban Agriculture Plan has been selected. City Council has approved the Urban Forest Master Plan, a resolution for sustainable procurement, and a resolution approving funds from the VW Mitigation Trust to develop electric vehicle charging infrastructure will go to City Council. OEQS is working on an application for more funds from the VW Mitigation Trust to install additional electric vehicle charging infrastructure.

You can find more details on the CECAP, including the full work plan for FY 2020-21, at [dallasclimateaction.com/cecap](https://dallasclimateaction.com/cecap).

## 4 Brush & Bulky Trash Collection

**INITIATIVE** Streamline brush/bulky trash collection to reduce emissions, improve air quality, and realize collection efficiencies as outlined in the CECAP. (Sanitation Services)

**STATUS** SAN adjusts collection routes periodically to improve collection vehicle efficiency. The department has also rearranged collection equipment crews and is using more environmentally friendly vehicles. In addition, SAN plans to install a real-time fleet telematic system to improve the quality of collected data, such as actual completed routes and actual miles driven. This effort will support continuous improvement of collection routes.

## FY 2020-21 Budget Initiative Tracker

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## 5 Language Equity

**INITIATIVE** Assist residents in their primary languages, which include Spanish, Vietnamese, Arabic, French, Burmese, Hindi, Korean, Swahili, and Mandarin, by recruiting four additional Spanish-speaking customer service agents (CSAs) and maintaining LanguageLine translation services. (311 Customer Service Center)

**STATUS** In May, the average speed of answer (ASA) for 311 Spanish calls was 8 minutes and 39 seconds. This represents a one-minute reduction in the ASA for residents waiting in the queue from last month actual. 311 will continue to monitor Spanish call queues and make real-time adjustments to ensure calls are being handled as quickly as possible.

## 6 Data Analytics

**INITIATIVE** Build a new team that will harness the City's data to promote transparency and accessibility to the public and provide crucial insights that support better decision-making throughout the organization. (Data Analytics & Business Intelligence)

**STATUS** DBI has staffed 23 of 28 positions and is recruiting three Data Science Analysts, one Data Scientist, and an intern, all of whom are targeted to be hired by the end of September.

## 7 Minimum Wage

**INITIATIVE** Lead by example by increasing the minimum wage for permanent, part-time, seasonal, and temporary City employees to \$14 per hour in FY 2020-21. (Human Resources)

**STATUS** City Council approved the \$14 minimum wage as part of adopting the FY 2020-21 budget. The increase took effect October 1, 2020.

# HOUSING & HOMELESSNESS SOLUTIONS

## 8 Eviction Assistance

**INITIATIVE** Alleviate financial hardship through an eviction assistance program that connects tenants facing eviction to resources ranging from housing assistance and direct legal services to financial education. (Equity and Inclusion)

**STATUS** The Eviction Assistance Initiative served 279 people from January 2021 to May 2021. In the month of May 2021, 49 people were assisted. These households met with a legal representative from Legal Aid of Northwest Texas to provide some measure of defense to the threat of eviction.

## 9 Comprehensive Housing Policy

**INITIATIVE** Refine the Comprehensive Housing Policy to better meet residents' housing needs, including changing the terms of some loans from repayable to forgivable and creating a targeted home rehabilitation program. (Housing & Neighborhood Revitalization)

**STATUS** City Council adopted changes to the Comprehensive Housing Policy on August 26, including creating the Targeted Repair Program (TRP) and updating the Home Improvement and Preservation Program (HIPP) and Dallas Homebuyers Assistance Program (DHAP) to increase participation. At this time last fiscal year, HOU had served 12 residents, and this year has served six. Now that construction has begun on several repairs, staff anticipate growth in the coming months.

## FY 2020-21 Budget Initiative Tracker

**PUBLIC SAFETY****10 Environmental Design** 

**INITIATIVE** Reduce crime and improve quality of life by remediating environmental issues such as vacant lots, abandoned properties, substandard structures, and insufficient lighting. (Code Compliance, Transportation)

**STATUS** TRN has completed LED conversion of 76 street lights on Malcolm X Blvd. The Illegal dumping team is currently on track with the remediation of illegal dumping cases. Since October, CCS has resolved all code violations and remediated 178 vacant lots referred by IPSS.

**11 Police Mediation** 

**INITIATIVE** Strengthen accountability through the Office of Community Police Oversight by adding a mediation coordinator and intake specialist. (Community Police Oversight)

**STATUS** HR reclassified the mediation position as a Mediation Manager and expects to post the position before August. The Intake Specialist has been hired.

**12 Intoxication Recovery Center** 

**INITIATIVE** Divert public intoxication cases from jail to a recovery services center staffed with case workers who will help individuals identify and manage substance use disorders. (Court and Detention Services)

**STATUS** The Sobering Center manager has onboarded three supervisors, and the North Texas Behavioral Health Authority will contract caseworkers through an interlocal agreement with the Marshal's Office. Renovations will be completed by the end of July. The Center hosted a soft opening on May 19 and is on track for a full opening by the end of July 2021. Center staff have been interviewing individuals and connecting them to community-based treatment programs.

**13 Fire-Rescue Response** 

**INITIATIVE** Augment our fire-rescue response by hiring 21 new firefighters to fully staff Station #59 (scheduled to open in September 2021) and operating a ladder truck at Station #18 to respond more efficiently to multi-story structure fires in downtown. (Fire-Rescue)

**STATUS** DFR hired 25 new members in the Fall 2020 class and 35 in the Spring 2021 class. The department plans to hire 35 additional members in the summer to fully staff the new station and cover existing assignments while accounting for attrition.

**14 RIGHT Care** 

**INITIATIVE** Expand the RIGHT Care program to five teams to avoid unnecessary hospitalization, arrests, and interactions between residents and law enforcement. (Integrated Public Safety Solutions)

**STATUS** As of April 1, all five teams are active and the percentage of crisis intervention calls handled by the teams increased from 10 percent of all such calls in January to 29 percent in May.

**15 Mobile Crisis Response** 

**INITIATIVE** Form a mobile crisis response team to support police officers when residents need direct services such as food, housing, transportation, or shelter in cases of domestic violence. (Integrated Public Safety Solutions)

**STATUS** The City will staff the Mobile Crisis Response Team with a combination of internal new hires and contractors. IPSS will extend an offer for the manager position in July. The seven outreach specialist positions have been posted and candidates are under review. Staff have identified a behavioral health organization for the outsourced positions, and the team will be up and running by the end of the month.

**16 Behavioral Health Care** 

**INITIATIVE** Remove barriers to behavioral health care in communities with limited or no access to these services to mitigate behavioral health crises. (Integrated Public Safety Solutions)

**STATUS** Staff have identified a behavioral health organization, which City Council will consider in August. IPSS expects them to start offering services by the end of August.

## FY 2020-21 Budget Initiative Tracker

**PUBLIC SAFETY****17 Violence Interrupters** 

**INITIATIVE** Partner with community organizations to establish violence interrupters—credible individuals who serve as mentors and conflict resolution experts to curb violence from within their neighborhoods. (Integrated Public Safety Solutions)

**STATUS** City Council awarded a contract for the violence interrupters program on April 28, and IPSS has hired a program manager. The program was operational on June 21.

**18 21st Century Training** 

**INITIATIVE** Improve police training in alignment with the principles of 21st Century Policing by enhancing external review, expanding programs to reduce implicit bias, and requiring annual training in alternative solutions, de-escalation, and less-lethal tactics. (Police)

**STATUS** DPD is partnering with the Caruth Police Institute, a recognized center of excellence, and the Meadows Mental Health Policy Institute to implement Active Bystandership for Law Enforcement (ABLE) training. Project ABLE is an evidence-based education program designed to not only prevent harm but change the culture of policing. Project ABLE certified multiple DPD instructors through its train-the-trainers event, and department-wide training began in April. DPD added more classes to expedite the training of all sworn officers.

All DPD officers are trained in less-lethal tactics, including taser and baton annual certification, de-escalation, and alternative force solutions.

**19 Staffing Study Implementation** 

**INITIATIVE** Respond more efficiently to high-priority calls and free up resources for other efforts through continued implementation of staffing study recommendations, including transitioning 95 sworn positions to patrol and adding 95 non-sworn positions. (Police)

**STATUS** DPD has hired 56 of the 95 non-sworn positions. Forty-two have completed training, and the transition from sworn to non-sworn is complete. Fourteen are still in training, and seven are in the background check process. DPD is working to redeploy sworn positions to patrol and other units where they will be most effective based on departmental needs.

**20 Real-Time Crime Center** 

**INITIATIVE** Expand the Real-Time Crime Center (RTCC) team by adding 11 civilian crime intelligence analysts, for a total of 22 staff who analyze imaging and data in real time to proactively implement crime-fighting strategies. (Police)

**STATUS** RTCC construction is complete and is in the commissioning/certification process. DPD has hired 19 crime analysts, two are in the background check process, and one additional position needs to be filled.

## FY 2020-21 Budget Initiative Tracker

**QUALITY OF LIFE, ARTS, & CULTURE****21** **Illegal Dumping** 

**INITIATIVE** Target illegal dumping by investing \$500,000 for Code Compliance to add three new mow/clean crews. (Code Compliance)

**STATUS** CCS hired six new Code Officers to proactively identify illegal dumps and work with the camera crew to place cameras in chronic dumping areas. CCS received equipment for the new crews and will update Salesforce to track illegal dumping cases in coordination with the Marshal's Office by the end of July.

**22** **Digital Equity** 

**INITIATIVE** Continue bridging the digital divide by making additional mobile hot spots and Chromebooks available for checkout at select libraries. (Library)

**STATUS** All 1,125 laptops purchased with CARES Act funds, were delivered at the end of May and were made available for checkout mid-June.

**23** **Branch Libraries** 

**INITIATIVE** Open two state-of-the-art branch libraries at Vickery Park in Fall 2020 and Forest Green in Spring 2021. (Library)

**STATUS** Vickery Park Branch Library opened for curbside service February 2. Forest Green construction is delayed but still on track for completion by the end of the fiscal year.

**24** **Youth Recreation** 

**INITIATIVE** Engage Dallas youth through expanded recreational and cultural programming, mentoring relationships, job training and apprenticeships, physical and mental health initiatives, and fun educational activities. (Park & Recreation)

**STATUS** TRec programs adapted for COVID-19 restrictions resumed at 13 locations in June. PKR is also offering teen summer camps.

## FY 2020-21 Budget Initiative Tracker

**TRANSPORTATION & INFRASTRUCTURE****25 Facility Accessibility**

**INITIATIVE** Increase accessibility for residents with disabilities by updating City facilities in compliance with the Americans with Disabilities Act (ADA). (Equity & Inclusion)

**STATUS** Access ramp work at the MLK complex is ongoing. Work on ramps and handrails at MLK library is complete, and sidewalk corrections are 50 percent complete. Municipal Court ADA upgrades have begun that will address noncompliant furniture, handrails, sidewalk repair, and entry. Mildred Dunn's handrails, restroom, and entryway barrier removal work is on hold until August. Majestic Theatre restroom updates are scheduled for completion before the end of December.

**26 Infrastructure Equity**

**INITIATIVE** Dedicate \$32.4 million to make equitable investments in streets, alleys, sidewalks, and other infrastructure, including \$8.6 million dedicated to underserved neighborhoods and near schools and senior centers. (Public Works)

**STATUS** PBW has completed 69.0 of 61 planned lane miles in targeted areas using the new equity framework for infrastructure projects. PBW will exceed projections by the end of the fiscal year

**27 Sidewalk Master Plan**

**INITIATIVE** Increase accessibility for residents with disabilities by implementing the Sidewalk Master Plan with \$9.4 million in bond funds. (Public Works)

**STATUS** PBW has completed 22 of 32 sidewalk projects, including three in May.

**28 Bike Lanes**

**INITIATIVE** Maintain our investment in bike lanes at \$1.5 million to continue expanding mobility options, improving air quality, and making Dallas more sustainable. (Transportation)

**STATUS** TRN completed 1.1 miles of buffered bike lanes on West Commerce from Fort Worth Ave. to Riverfront Blvd. Staff expects to obligate the Union Bikeway project for construction by the end of FY 2020-21. Staff also plans to bid and award engineering services for Ross Ave. and Elam Rd. shared-use paths and consultant planning services for the Bike Plan Update by year-end. Staff are working to implement bike facilities on Lawnview Ave. and Vernon Rd. in Summer 2021.

**29 Water/Wastewater Service**

**INITIATIVE** Set aside \$2.9 million annually to extend water and wastewater infrastructure to all residents in unserved areas within the next 10 years. (Water Utilities)

**STATUS** City Council awarded the construction project for Gooch St. on April 28. Staff have received construction bids for Killough Blvd. and the project is scheduled for award on June 23. Finally, design is complete for Mesquite Heights and construction is scheduled for award in September.

## FY 2020-21 Budget Initiative Tracker

**WORKFORCE, EDUCATION, & EQUITY****30 Virtual Language Center** 

**INITIATIVE** Establish the City as a trusted primary source for information and ensure residents with limited English proficiency have equal access to programs and services through a new Virtual Language Center and other translation efforts. (Communication, Outreach, & Marketing)

**STATUS** The Virtual Language Center continues to provide translation services in various languages while actively working toward establishing the City as a trusted primary source of information.

**31 Fair Park Multimedia Center** 

**INITIATIVE** Launch the Fair Park Multimedia Center (FPMC) to magnify the impact of City programs and services, broadcast a Spanish-language City television channel, provide apprenticeships for local students, and bolster resilience through additional digital communications capacity. (Communication, Outreach, & Marketing)

**STATUS** The apprenticeship program began in February with two students from Thomas Jefferson P-TECH High School. City Council approved the contract for construction and installation of broadcasting and editing equipment on April 28.

**32 Direct Assistance** 

**INITIATIVE** Meet residents' basic needs with direct assistance, including rent and utility assistance, food distribution, benefits navigation, and clothing distribution. (Community Care)

**STATUS** Staff is evaluating Drivers of Poverty proposals and will select and notify partners in the coming weeks. Additionally, the CARES CDBG Drivers of Poverty solicitation has been published and proposals are being accepted.

**33 Financial Empowerment Centers** 

**INITIATIVE** Pilot two Financial Empowerment Centers (FECs), community-based centers that offer financial coaching, employment referrals, mental health services, and housing support to help low-income residents navigate out of poverty and achieve financial stability. (Community Care)

**STATUS** City Council approved contract awards on June 23. Additionally, OCC has launched the formal planning process with Cities for Financial Empowerment to align with pilot programming and will integrate newly selected partners once selected.

**34 Reentry Services** 

**INITIATIVE** Support formerly incarcerated people reentering public life through community-based services such as housing placement, job skills training, job placement, and wraparound support services. (Community Care, Economic Development)

**STATUS** OCC and ECO have developed solicitations for new reentry services partners, and additional services are targeted to begin in the summer. The current program partner, the Regional Black Contractors Association, has enrolled 41 clients as of April 30, funded by an allocation from the Texas Department of Criminal Justice.

**35 Equity & Inclusion** 

**INITIATIVE** Integrate the City's equity, resilience, inclusion, fair housing, and human rights initiatives in a single office. (Equity & Inclusion)

**STATUS** The City consolidated its offices of Equity, Fair Housing & Human Rights, Resilience, and Welcoming Communities & Immigrant Affairs into the Office of Equity & Inclusion, effective October 1.

## Budget Initiative Tracker

**MULTI-YEAR INITIATIVES**

While most initiatives can be completed in a single fiscal year, several FY 2018-19 and FY 2019-20 initiatives required additional time because of the scope and term of the project, as well as delays due to COVID-19. We will continue to report the status of these 10 initiatives below, using the initiative numbers from the prior reports for reference.

**FY 2018-19**

- 5 Security of City Facilities**

INITIATIVE Consolidating security for City facilities into Court and Detention Services and conducting a comprehensive risk assessment to identify future security needs for City facilities and programs. (Court & Detention Services)

STATUS Security has been consolidated into the Court and Detention Services. The Public Safety Committee was briefed on the assessment results and recommended next steps on May 10. A comprehensive risk assessment plan has been created and prioritized.

**23 Historic Resource Survey**

INITIATIVE Devoting \$100,000 to conduct a historic resource survey with private partners. (Historic Preservation)

STATUS OHP presented the initial survey findings to the community on May 18, and staff anticipate hosting at least one more community meeting in the coming months. The final draft of the survey and public hearings are set for Spring 2022 with a target completion date in June 2022.
- 
- 7 P-25 Radio System**

INITIATIVE Expanding radio coverage area, improving system reliability, lowering operating costs, and improving interoperability across City departments and with other public safety agencies through implementation of the new P-25 radio system. (Information & Technology Services)

STATUS The project is on track to go live in August 2022 (originally December 2020). Of the 33 planned sites, 20 are complete, and the remaining 13 are more than 75 percent complete. The City has signed an interlocal agreement (ILA) with the City of Irving and City of DeSoto to share premises, facilities, and/or equipment, and ILAs are pending with the cities of Mesquite, Sachse, and Fort Worth.

## Budget Initiative Tracker

**MULTI-YEAR INITIATIVES****FY 2019-20****4 Body-Worn Cameras** 

**INITIATIVE** Enhance safety for officers and residents and encourage positive community interactions by purchasing additional body-worn cameras for police officers, the Marshal's Office, and Dallas Animal Services officers. (Police)

**STATUS** DPD has equipped 1,500 officers with cameras and finished the rollout of new models to existing users. New user classes have begun, and DPD anticipates all 2,000 cameras will be in service by the summer. DAS has purchased 50 cameras that will be active by May, and CTS has purchased 35 cameras for use this fiscal year.

**5 Firefighter Safety** 

**INITIATIVE** Protect our firefighters by purchasing a second set of personal protective equipment (PPE) and a complete replacement of self-contained breathing apparatus (SCBA) to allow for cleaning equipment between fires. This is a two-year initiative begun in FY 2018-19. (Fire-Rescue)

**STATUS** DFR has purchased and issued all 1,835 sets of PPE, and all SCBA equipment has been delivered.

**12 Traffic Signals** 

**INITIATIVE** Promote safety and enhance traffic flow by replacing broken vehicle detectors at 40 critical intersections and retiming 250 traffic signals. This is a multi-year initiative begun in FY 2018-19. (Transportation)

**STATUS** The signal contractor has a work order to install radar at 20 of the 27 remaining locations, and staff is coordinating scheduling. City staff will handle installations at the remaining seven locations.

**15 Affordable Housing** 

**INITIATIVE** Further affordable housing throughout the city as prescribed in the Comprehensive Housing Policy through the 2020 Notice of Funds Available (NOFA). (Housing & Neighborhood Revitalization)

**STATUS** City Council has approved investments of \$24.1 million in three NOFA projects this fiscal year—St. Jude, Westmoreland Heights, and Midpark Towers—for a total of 630 new units and a total investment of almost \$100 million into housing projects in Dallas.

**19 Comprehensive Plan** 

**INITIATIVE** Update the City's Comprehensive Plan to incorporate more recent policy initiatives and encourage strategic land development while promoting equity, sustainability, and neighborhood revitalization. (Planning & Urban Design)

**STATUS** City Council approved the consultant contract on April 28, and PUD anticipates launching the public process phase in June 2021 with a draft plan by June 2022.

**29 Juanita J. Craft Civil Rights House** 

**INITIATIVE** Preserve civil rights history by restoring the Juanita J. Craft Civil Rights House. (Arts & Culture)

**STATUS** OAC has secured approximately \$1 million for this project. McCoy's construction documents are over halfway complete and under review by the National Park Service. Staff received the defined fabrication and implementation cost estimates for each exhibit in the house and anticipated approval at the August 11, 2021 agenda.

**39 Ethics Training** 

**INITIATIVE** Foster an ethical organizational culture by continuing biennial ethics training and expanding the Values Ambassador program. (Equity & Inclusion)

**STATUS** EQU continues to deliver biennial ethics training. The Values Ambassador program was on hold while the Ethics Officer position was vacant and is discontinued pending an overall review of the entire Ethics program.



# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **City of Dallas Sidewalk Master Plan – Implementation Update**

## Background

In FY 2021, the Department of Public Works was budgeted \$10.7M to deliver 25 miles of sidewalks. As Public Works was still completing the Sidewalk Master Plan at the beginning of FY 2021, utilizing \$6.0M of the FY 2021 funds, Public Works programmed 33 sidewalk projects as part of the Five-Year Infrastructure Management Program (IMP). To date, Public Works has completed 27 of the 33 IMP sidewalk projects and will complete the remaining six projects by the end of FY 2021.

Aside from the sidewalk projects in the Five-Year IMP, in June 2021, the Department of Public Works briefed the City Council on the completion of the Sidewalk Master Plan (DSWMP), which prioritized sidewalk projects among 12 priority areas. The purpose of this memorandum is to provide the City Council the list of the 14 high priority sidewalk projects, identified in the Sidewalk Master Plan, that Public Works will work towards completing in FY 2021. The 14 identified sidewalk projects, which total \$4.7M, are included in one of the 12 Focus Areas and are located throughout all 14 City Council Districts.

## Dallas Sidewalk Master Plan – \$4.7M

The Department of Public Works completed the City's first Sidewalk Master Plan in June 2021, and through this work, a data driven system was utilized to identify the most impactful projects to increase accessibility for pedestrians, improve safety for all City residents, and address sidewalk needs in historically underserved areas. Finalization of the Sidewalk Master Plan included the identification of priority sidewalk projects located within 12 Focus Areas, which were developed through a data-driven prioritization process, community feedback, logical boundaries created by natural and manmade barriers, and a sensitivity to the neighborhood fabric. Sidewalk projects identified in the 12 Focus Areas are estimated at a cost of \$30M, are those that are most impactful, and would address the highest amounts of needs.

Based upon the prioritization methodology of the projects included in the Sidewalk Master Plan's 12 Focus Areas and FY 2021's available budget to implement the Sidewalk Master Plan, on the following page of this memorandum is the project list of priority projects that Public Works will work to complete in the remainder of FY 2021. Again, the identified sidewalk projects will include work in all 14 City Council Districts and all 12 Focus Areas. The 14 priority projects, estimated at a cost of \$4.7M, will deliver approximately 9.4 miles of sidewalk improvements.

DATE July 30, 2021  
 SUBJECT City of Dallas Sidewalk Master Plan – Implementation Update

**Sidewalk Master Plan Projects to Be Constructed in FY 2021**

Focus Area (FA)	Council District	Street Name	From	To
FA1: Martin Luther King, Jr	7	Malcolm X Blvd	Martin Luther King Jr Blvd	Romine Ave
FA2: Renaissance Oaks & Haskell	2	Peak St	Munger Ave	Live Oak St
FA2: Renaissance Oaks & Haskell	14	Haskell Ave	Lemmon Ave	Live Oak St
FA3: Tenison Park East	9	Ferguson Rd	Cambridge Sq Dr	Highland Rd
FA4: Fair Oaks	13	Walnut Hill Ln	N Central Exwy NBFR	Greenville Ave
FA5: Hampton Crossing	6	Bickers St	Greenleaf St	Vilbig Rd
FA6: Southern Gateway	1	E 8th St	N Denver St	S RL Thornton SBFR
FA7: Cedar Creek	4	Cedar Crest Blvd	E 11th St	Morrell Ave
FA8: Hampton & Illinois	3 & 4	Hampton Rd	Hampton Dart Station	Perryton Dr
FA9: Denton County Gateway	12	Kelly Blvd	Michaelangelo Dr	Old Mill Rd
FA10: Coit & 635	11	Coit Rd	Greenhollow Ln	Alpha Rd
FA11: Woodridge	10	Skillman St	Adleta Blvd	Forestgate Dr
FA12: Elam Creek	5	Buckner Blvd	Rosemont Rd	Elam Rd
FA12: Elam Creek	5 & 8	Jim Miller Rd	CF Hawn Fwy EBFR	Great Trinity Forest Way

While the projects above will be the first projects constructed from the Sidewalk Master Plan, additional funding will go towards the \$30M inventory of projects identified in the Sidewalk Master Plan’s, 12 Focus Areas.

Should you have questions regarding the upcoming high priority projects, the associated budget, or any other related questions, please feel free to contact me or Dr. Robert M. Perez, Director of Public Works Department.

Majed A. Al-Ghafry, P.E.  
 Assistant City Manager

- c: T.C. Broadnax, City Manager
- Chris Caso, City Attorney
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizzor Tolbert, Chief of Staff to the 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 Reich, Chief Financial Officer
- M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
- Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **D2 Eastern End Alignment - Zone B Progress Update #3**

## **Background**

On March 24, 2021, the City Council passed a resolution ([CR 21-0535](#)) in support of the Dallas Area Rapid Transit (DART) D2 project. The resolution included a map (copy attached and [linked](#)) that separated the alignment into two zones; Zone A, where the alignment is set with no significant changes, and Zone B, the eastern end of the alignment where discussions with DART, North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), and other stakeholders are continuing. The goal of these continued discussions is to explore potential refinements, enhancements and/or modifications to D2 in Zone B (hereafter referred to as “alternatives”) to address community concerns and optimize the project’s interface with IH-345. This process involves the following key steps:

- Document and discuss key issues
- Develop alternatives based on input from agencies and stakeholders
- Evaluate and compare key factors to enable decision-makers and elected officials to clearly understand the differences in potential impacts, benefits, costs, scope, and schedule
- Develop an agency staff recommendation and a draft interlocal agreement

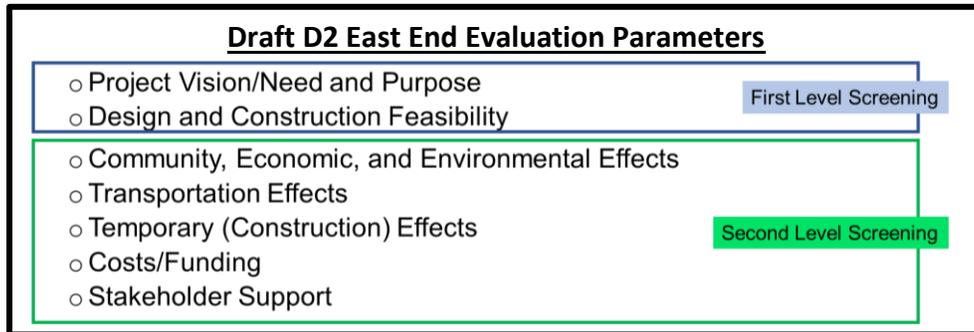
Section 6 of the resolution contained a provision for elected and appointed officials of the City, DART, NCTCOG, and TxDOT to be briefed on a regular basis to document progress and stakeholder feedback.

## **Progress**

The first progress memorandum to City Council on [April 23, 2021](#), provided information on the creation of a work plan and schedule (Attachment 2). The second progress memorandum to City Council on [May 21, 2021](#), outlined work that had been completed to identify issues, develop the range of Zone B alternatives to be evaluated, and begin drafting the evaluation process and parameters.

Throughout June and July, the City, DART, NCTCOG, and TxDOT staff worked to finalize the evaluation parameters and the alternatives to be evaluated. The draft evaluation parameters are shown below. Staff from the partnering agencies began evaluating the alternatives through the first level screening, in which options were reviewed for constructability and whether they address the objectives of the D2 project. On July 2 and July 9, 2021, the City, DART, NCTCOG, and TxDOT staff met to discuss the findings from the first level screening and to refine the alternatives that are feasible to be advanced based on the screening parameters.

DATE July 30, 2021  
SUBJECT **D2 Eastern End Alignment - Zone B Progress Update #3**



### **Next Steps**

City staff have coordinated with DART and NCTCOG to schedule a stakeholder/public meeting for [August 5, 2021](#) to present the work to date, the range of alternatives being evaluated, the evaluation process and parameters, and findings from the first level screening.

The partner agencies will continue to meet and are committing the necessary resources to guide this process so that evaluation of potential refinements, enhancements, and/or modifications to the Zone B eastern end of the alignment is complete by the end of September 2021 and any recommended refinements, enhancements, and/or modifications are finalized no later than December 2021.

If you have questions or need additional information, please contact Ghassan Khankarli, Director of the Department of Transportation, at [ghassan.khankarli@dallascityhall.com](mailto:ghassan.khankarli@dallascityhall.com).



Majed Al-Ghafry, P.E.  
Assistant City Manager

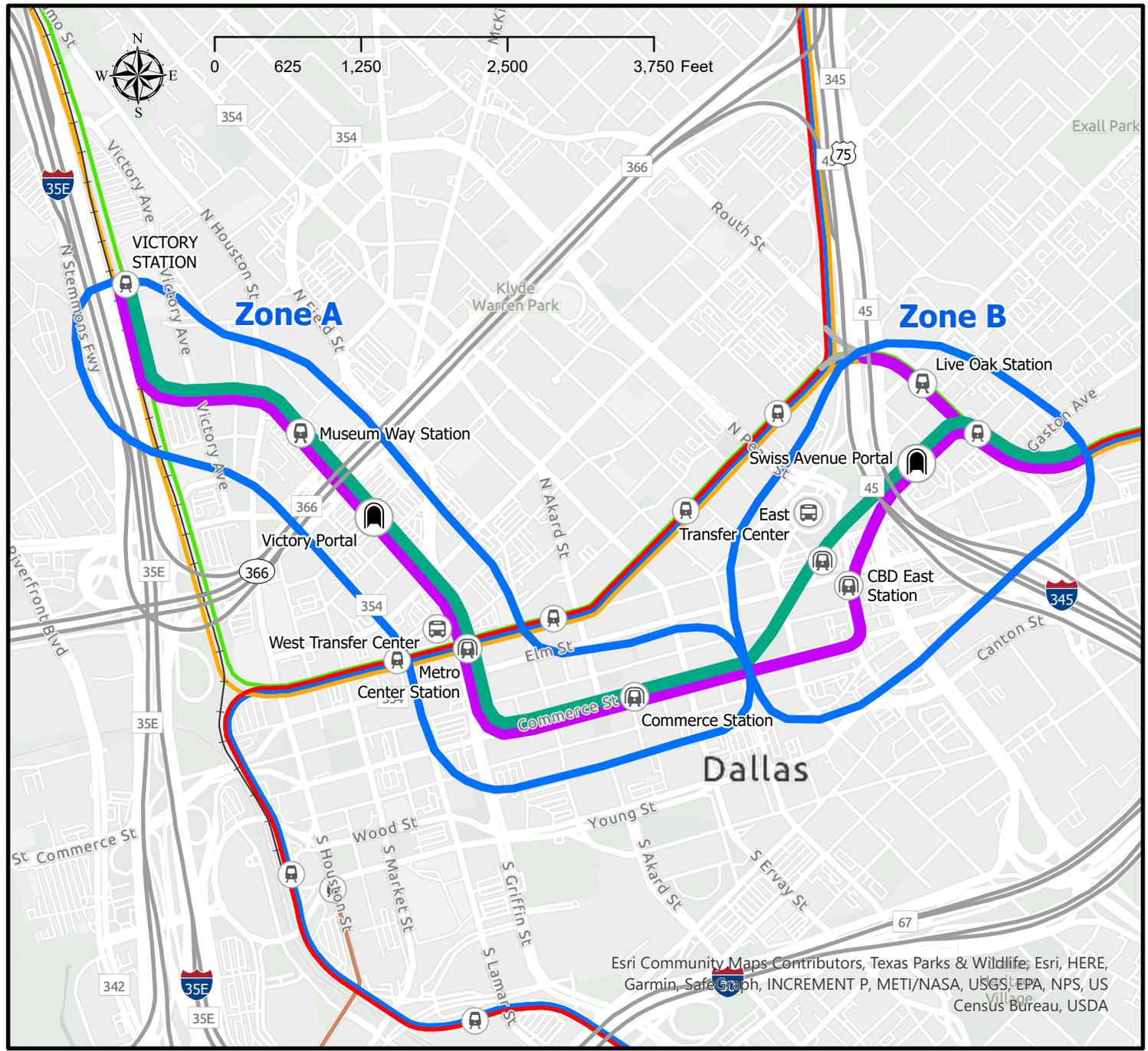
[Attachments]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Jon Fortune, Assistant City Manager  
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Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

# Attachment 1 DART D2 Project Council District 2, 14

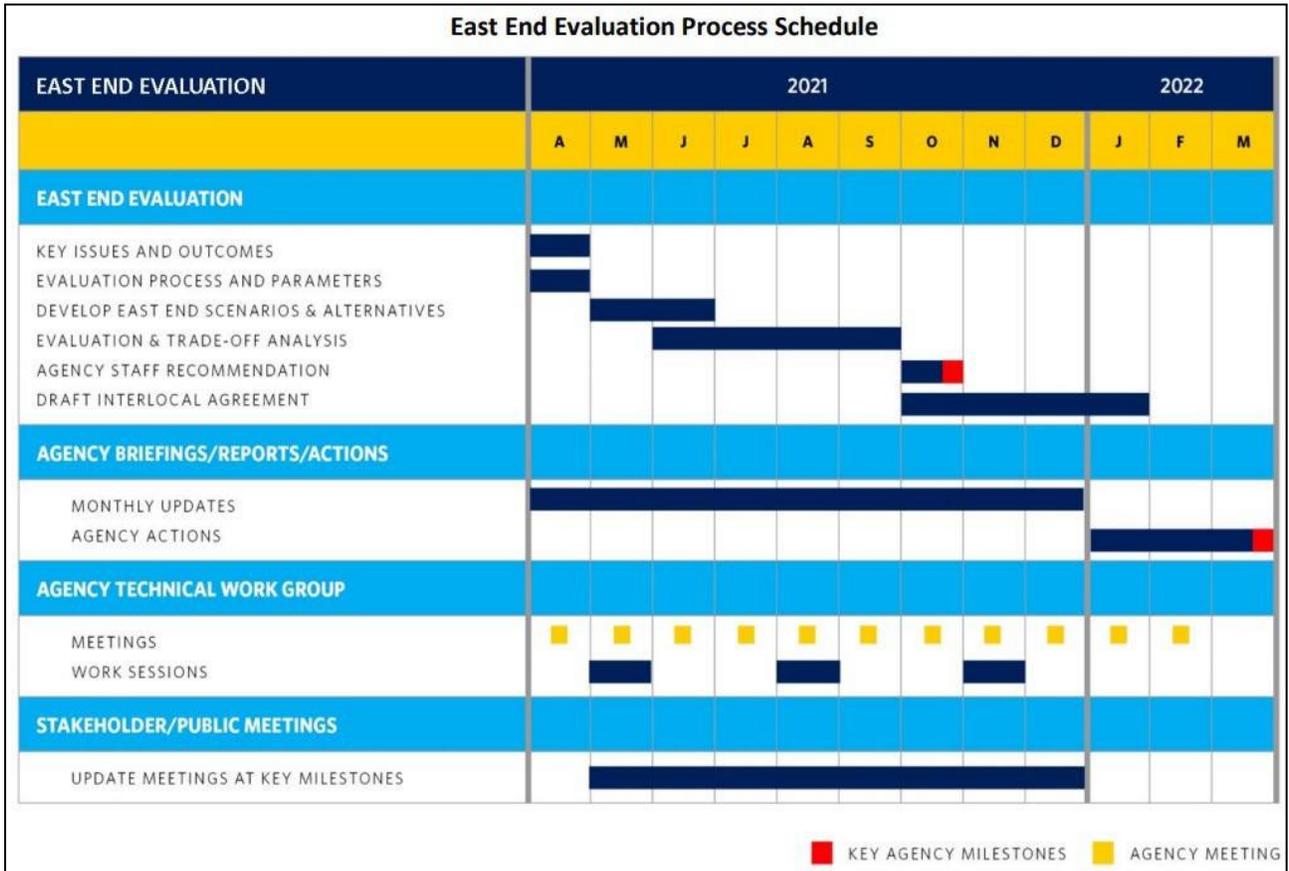
- █ Locally Preferred Alternative - City Council Resolution September 2017
  - █ DART's Current Proposed Alternative
  
  - █ BLUE LINE
  - █ GREEN LINE
  - █ ORANGE LINE
  - █ RED LINE
  - █ MCKINNEY AVENUE TROLLEY
  - █ DALLAS STREETCAR
- + TRINITY RAILWAY



Esri Community Maps Contributors, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

## Attachment 2

### DART D2 East End Evaluation Process Schedule



# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Moody's Investors Service Releases Update to Credit Analysis of City's 'A1' (Stable) Rating - INFORMATION**

On July 29, Moody's Investors Service (Moody's) released an update to the credit analysis of the City's 'A1' rating. Moody's last affirmed the rating and stable outlook on June 5, 2020 as part of an annual review of the City. According to Moody's report, the credit profile of the City "benefits from a very strong and diverse economy that has led to job and population growth, as well as strong tax base expansion. Management's conservative budgeting and revenue growth have contributed to healthy operating reserves that have increased annually for the past several years. The growing tax base has allowed the debt burden to remain stable as the city continues to invest in infrastructure." A new feature in the report rates the City's ESG Credit Impact Score as "neutral-to-low (CIS-2), reflecting low exposure to environmental risks, low exposure to social risks, and good governance."

Moody's report also identifies two credit challenges of the City, including "longer term budgetary pressures deriving from rising pension costs, coupled with maintenance of city services and continued infrastructure investment," and "elevated pension burden expected to increase due to weak annual contributions and investment returns." However, the report explains that the stable outlook, "reflects the expectation that conservative financial management and growing operating revenue will lead to stable reserves, and that the tax base will continue to expand because of the strong economy."

While Moody's update is not a rating action on the City, their report is a testament to the stewardship and leadership of the City and a positive reflection of the credit ahead of budget adoption and debt issuance. Attached is the published report for your review. Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

## Attachment

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

## CREDIT OPINION

29 July 2021

 Rate this Research

### Contacts

Heather Guss +1.214.979.6881  
 Analyst  
 heather.guss@moodys.com

Genevieve Nolan +1.212.553.3912  
 VP-Senior Analyst  
 genevieve.nolan@moodys.com

### CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

# Dallas (City of) TX

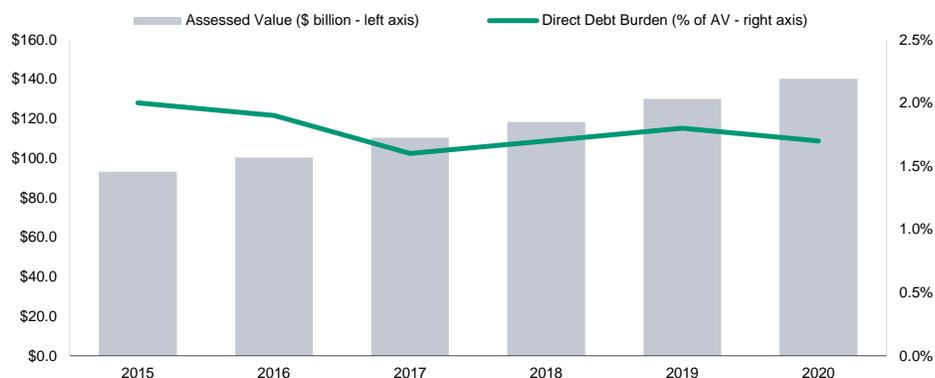
## Update to credit analysis

### Summary

The [City of Dallas, TX's](#) (A1 stable) credit profile benefits from a very strong and diverse economy that has led to job and population growth, as well as strong tax base expansion. Management's conservative budgeting and revenue growth have contributed to healthy operating reserves that have increased annually for the past several years. The growing tax base has allowed the debt burden to remain stable as the city continues to invest in infrastructure. The primary and continuing challenge to the credit profile is the unfunded pension liability that will continue to grow because caps to contributions remain below a "tread water" level that would prevent the liability from growing, while investment returns lag plan targets.

Exhibit 1

### Strong AV growth keeps debt burden manageable despite annual new issuances



Source: Dallas (City of) TX's financial statements and Moody's Investors Service

### Credit strengths

- » Large, rapidly growing and diverse tax base that anchors the Dallas / [Fort Worth](#) (Aa3 stable) metroplex
- » Continued annual surpluses have increased operating reserves to healthy levels
- » Legal flexibility to further adjust pension benefits for current employees on a prospective basis

## Credit challenges

- » Longer term budgetary pressures deriving from rising pension costs, coupled with maintenance of city services and continued infrastructure investment
- » Elevated pension burden expected to increase due to weak annual contributions and investment returns

## Rating outlook

The stable outlook reflects the expectation that conservative financial management and growing operating revenue will lead to stable reserves, and that the tax base will continue to expand because of the strong economy. The outlook also considers pension contributions that should remain manageable in the near-term, but over the longer term the liability and annual costs are projected to grow.

## Factors that could lead to an upgrade

- » Material reduction in the Moody's Adjusted Net Pension Liability (ANPL) relative to operating revenue
- » Demonstrated balanced operations inclusive of pension funding at actuarially determined levels

## Factors that could lead to a downgrade

- » Trend of declining operating reserves
- » Trend of pension asset accumulation that lags targets; increases to the ANPL and weakened annual contributions
- » Significant increase to the debt burden

## Key indicators

Exhibit 2

### Dallas (City of) TX

	2016	2017	2018	2019	2020
<b>Economy/Tax Base</b>					
Total Full Value (\$000)	\$100,318,937	\$110,387,629	\$118,314,678	\$130,080,986	\$140,237,632
Population	1,278,433	1,300,122	1,318,806	1,330,612	1,330,612
Full Value Per Capita	\$78,470	\$84,906	\$89,713	\$97,760	\$105,393
Median Family Income (% of US Median)	71.6%	72.3%	73.7%	74.9%	74.9%
<b>Finances</b>					
Operating Revenue (\$000)	\$1,355,442	\$1,441,984	\$1,506,713	\$1,583,747	\$1,606,195
Fund Balance (\$000)	\$178,987	\$224,582	\$263,690	\$285,100	\$367,076
Cash Balance (\$000)	\$187,938	\$215,589	\$245,393	\$311,602	\$373,966
Fund Balance as a % of Revenues	13.2%	15.6%	17.5%	18.0%	22.9%
Cash Balance as a % of Revenues	13.9%	15.0%	16.3%	19.7%	23.3%
<b>Debt/Pensions</b>					
Net Direct Debt (\$000)	\$1,933,095	\$1,804,061	\$2,057,083	\$2,306,237	\$2,403,401
3-Year Average of Moody's ANPL (\$000)	\$7,117,560	\$8,047,975	\$7,752,987	\$7,191,402	\$7,064,657
Net Direct Debt / Full Value (%)	1.9%	1.6%	1.7%	1.8%	1.7%
Net Direct Debt / Operating Revenues (x)	1.4x	1.3x	1.4x	1.5x	1.5x
Moody's - ANPL (3-yr average) to Full Value (%)	7.1%	7.3%	6.6%	5.5%	5.0%
Moody's - ANPL (3-yr average) to Revenues (x)	5.3x	5.6x	5.1x	4.5x	4.4x

Cash and fund balances include the general fund and debt service funds

Sources: US Census Bureau, Dallas (City of) TX's financial statements and Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Profile

Dallas is the ninth largest city in the US and the third largest in [Texas](#) (Aaa stable) behind [Houston](#) (Aa3 stable) and [San Antonio](#) (Aaa negative). The city serves as the anchor to the Dallas-Fort Worth metroplex. The current population is approximately 1.3 million.

## Detailed credit considerations

### Economy and tax base

Dallas' economy remains strong and the diverse tax base will continue to expand as new jobs come online leading to population growth and housing demand. Fiscal 2022 assessed value increased 4% to \$155.9 billion. Approximately 45% of AV is comprised of commercial properties and while some commercial properties' values depreciated last year because of the pandemic, the overall growth in AV was due to new construction and appreciation of existing properties.

Dallas continues to have the largest job base in the metro area and employment gains since the middle part of last year have outperformed most other Texas cities, as well as the nation. The unemployment rate has declined considerably since last year and was 6.4% in April, which is on par with the state's 6.3% and slightly above the national rate of 5.7%. Out of the nation's twelve largest metropolitan statistical areas, Dallas experienced the second smallest job loss last year. Like most cities/metros, most of the job losses in Dallas were in the leisure and hospitality industry.

### Financial operations and reserves

The city budgets and manages its finances conservatively, posting general fund surpluses for the past several years that have driven healthy reserves. While expect this trend will continue over the near term, the positive financial results are somewhat muted by persistent annual underfunding of pension plans, which is due to statutory and local ordinance caps on contributions, as well as investment returns which lag plan targets. Longer term, the financial position will be challenged by balancing increasing pension and public safety expenses, as well as general costs of services.

Fiscal 2020 (September 30 year-end) audited results came in better than projected because of stronger sales tax revenue and tight expenditure controls. The city posted another surplus of \$47.5 million which increased available general fund balance to \$320.5 million or 23.5% of revenue. The city receives most of its general fund revenue from property taxes (54% of total revenue in fiscal 2020) and collections have been stable, and sales taxes account for about 25% of total revenue every year.

The rebound in sales tax revenue is continuing six months into fiscal 2021; year-end sales tax revenue is projected to be up almost 12% over the budget. Property tax revenue is also outperforming the budget, and this is helping to offset underperformance in charges for services and interest earnings revenue as well as an overage in expenses for public safety overtime and facility repairs caused by Winter Storm Uri. At this point, the city is projecting another surplus at fiscal year-end.

### Liquidity

Cash will remain healthy and in line with fund balance. The fiscal 2020 general fund cash position was \$328.3 million or 24.1% of general fund revenue. When also including the debt service fund, the combined the operating funds cash position was \$374 million or 23.3% of operating revenue.

### Debt and pensions

Balance sheet leverage is high because of the pension burden; the debt burden remains stable and moderately-low and the unfunded OPEB liability is modest. The outstanding debt and unfunded retirement benefit liabilities (using our [adjustments](#) to pension and OPEB) total a significant 676% of operating revenue and 7.7% of full value as of fiscal 2020.

The debt burden has been stable despite annual bond issuances due to strong tax base growth and it is expected to remain around 2%. In November 2017, voters approved a \$1.05 billion bond package to invest in city roads and other public infrastructure, which the city has been issuing in phases. Of this, \$710.5 million remains unissued.

Fixed costs, which include debt service, pension and OPEB contributions, totaled a high 32% of fiscal 2020 operating revenue. If the city were to increase its pension contributions to prevent the unfunded liability from growing, fixed costs would increase to 38.7% of operating revenue.

**Legal security**

The general obligation limited tax bonds constitute direct and general obligations of the city, payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the city.

**Debt structure**

All general obligation bonds are fixed rate and about 73% of the outstanding principal matures within 10 years.

**Debt-related derivatives**

The city is not a party to any derivative agreements.

**Pensions and OPEB**

The unfunded pension liability remains high and is a key constraining factor to the credit profile. Further, additional contributions and/or benefit reforms will likely be needed to the Dallas Police and Fire Plan (DPFP) and the Employees' Retirement Fund (ERF) plan to maintain their solvency. The ERF plan is projecting depletion in 2058. For the plan to remain solvent and amortize the unfunded liability, asset returns would need to exceed targets, absent increases to contributions or further benefit changes. The plan is governed by local ordinance and increases to contributions would need to be approved by voters.

The DPFP plan remains poorly funded and is not projected to reach full funding for several decades. The plan has negative non-investment cash flow, which heightens the importance of the plan achieving its return targets in the near-term. But achieving targeted returns are challenged because the plan remains heavily invested in illiquid assets. The accumulation of assets is also dependent on higher near-term contributions tied to payroll targets. Deviation from these key targets will likely require further benefit changes and/or higher contributions. Favorably, police officer counts have increased and salaries have been raised to better compete with suburban police departments. Both factors increase total public safety payroll, which bodes well for annual contributions because they are based on a percentage of payroll after 2024, though it increases the long-term liability.

The city's adjusted net pension liability (ANPL), reflective of all three of the city's single-employer plans<sup>1</sup> increased to \$7.9 billion in fiscal 2020, which is equal to a high 5x operating revenue. The ANPL was based on a discount rate of 3.22%. The plans assume discount rates of 7.00% and 7.25%, which were reduced last year but are still elevated compared to other large pension systems nationally. The ANPL is expected to continue to increase because contributions are not sufficient to prevent the unfunded liability from growing, even if all reported assumptions are met, including the assumed rates of return for both plans.

Texas House Bill 3898, effective September 1, 2021, was passed by the 87th Texas Legislature in May 2021. The legislation calls for local retirement systems, such as those of the City of Dallas, to develop funding policies that align with certain state guidelines. The city's two retirement systems, the DPFP and the ERF, will review contribution policies in light of the new state legislation, although the precise timing and effect on the city's annual contributions is currently uncertain.

Exhibit 3

2020	\$\$\$ (000)	% of Operating Revenues	Discount Rate
Operating Revenue	1,606,195	n/a	n/a
Reported Unfunded Pension Liability	4,017,001	250%	6.53%
Moody's Adjusted Net Pension Liability	7,945,879	495%	3.22%
Reported Net OPEB Liability	530,989	33%	2.41%
Moody's Adjusted Net OPEB Liability	510,315	32%	2.65%
Net Direct Debt	2,403,401	150%	n/a
Debt & unfunded retirement benefits (Moody's adjusted)	10,859,595	676.11%	
Pension Contribution	201,542	12.55%	n/a
OPEB Contribution	18,572	1.16%	n/a
Debt Service	293,549	18.28%	n/a
Total Fixed Costs	513,663	31.98%	n/a
Tread Water Gap	108,120	6.73%	n/a
Moody's Adjusted Fixed Costs	621,783	38.71%	n/a

The ANPL is an aggregate of DPFP and ERF; ERF is net of enterprise support. The discount rate for the reported unfunded liabilities is blended for the plans. DPFP assumes 7% and ERF assumes 7.25%. Given the ERF depletion projection, the single-equivalent discount rate as reported in the 2020 audit was 5.93%.

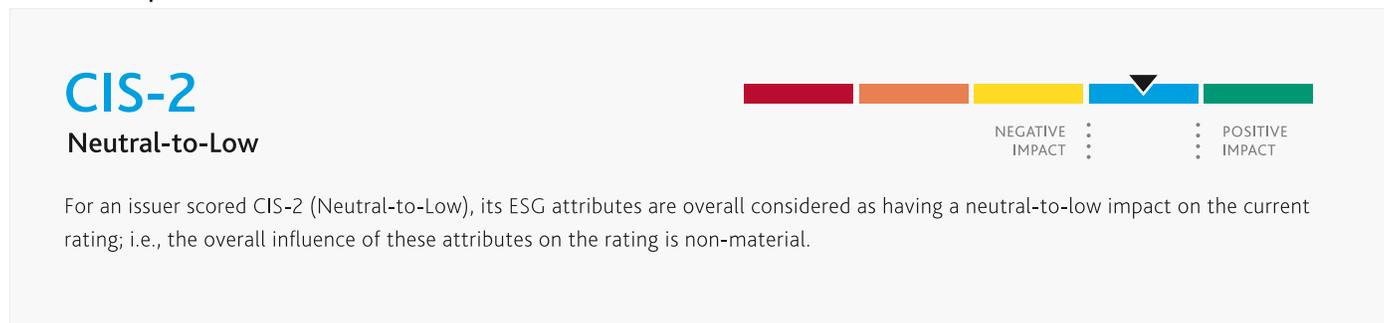
Source: Dallas (City of) TX's financial statements and Moody's Investors Service

## ESG considerations

### Dallas (City of) TX's ESG Credit Impact Score is neutral-to-low CIS-2.

Exhibit 4

#### ESG Credit Impact Score



Source: Moody's Investors Service

The City of Dallas' ESG Credit Impact Score is neutral-to-low (**CIS-2**), reflecting low exposure to environmental risks, low exposure to social risks, and good governance.

Exhibit 5

#### ESG Issuer Profile Scores



Source: Moody's Investors Service

### Environmental

Dallas' E issuer profile score is neutral-to-low (**E-2**), reflecting relatively low exposure to environmental risks across all categories, including physical climate risk, carbon transition, natural resources management, and waste and pollution. Of the physical climate risks Moody's affiliate Four Twenty Seven evaluates, Dallas has medium exposure to heat stress, water stress and extreme rainfall. The city maintains robust water, wastewater and stormwater capital improvement, water sourcing and conservation plans to manage these risks, which are expected to materialize over the long term.

### Social

We assess the S issuer profile score as neutral-to-low (**S-2**), reflecting relatively low exposure to social risks across all categories, including demographics, labor and income, education, housing, health and safety, and access to basic services. Demographic trends have been strong, though income levels are below the US median, similar to other large urban centers. Health and safety and access to basic services are positive in the area, and exposure to labor and income, education and housing risks are neutral to low.

### Governance

Dallas' G issuer profile score is neutral-to-low (**G-2**), reflecting solid institutional structure and the city's strong commitment to transparency and disclosure reflected in monthly financial reporting and timely filing of audited financial statements and other disclosures. Budget management is sound as evidenced in outcomes that are favorable compared to expectations. The city also maintains long-term financial forecasting and capital planning, and has demonstrated policy credibility and effectiveness. Although management of the city's two defined benefit pension plans has led to very high unfunded liabilities, the city has the legal ability to enact additional reform to prevent further leveraging and rising fixed costs.

## Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 6

Scorecard Factors and Subfactors	Measure	Score
<b>Economy/Tax Base (30%)</b> <sup>[1]</sup>		
Tax Base Size: Full Value (in 000s)	\$147,443,518	Aaa
Full Value Per Capita	\$110,809	Aa
Median Family Income (% of US Median)	74.9%	Baa
<b>Notching Factors:</b> <sup>[2]</sup>		
Regional Economic Center		Up
<b>Finances (30%)</b>		
Fund Balance as a % of Revenues	22.9%	Aa
5-Year Dollar Change in Fund Balance as % of Revenues	10.7%	Aa
Cash Balance as a % of Revenues	23.3%	Aa
5-Year Dollar Change in Cash Balance as % of Revenues	10.9%	Aa
<b>Notching Factors:</b> <sup>[2]</sup>		
Other Scorecard Adjustment Related to Finances: treadwater gap		Down
<b>Management (20%)</b>		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	Aa
<b>Debt and Pensions (20%)</b>		
Net Direct Debt / Full Value (%)	1.6%	Aa
Net Direct Debt / Operating Revenues (x)	1.5x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	4.8%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	4.4x	Baa
<b>Notching Factors:</b> <sup>[2]</sup>		
Unusually Strong or Weak Security Features		Up
Other Scorecard Adjustment Related to Debt/Pensions		Down
	Scorecard-Indicated Outcome	Aa3
	Assigned Rating	A1

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: US Census Bureau, Dallas (City of) TX's financial statements and Moody's Investors Service

## Endnotes

1 The city participates in three single-employer systems: the Employees' Retirement Fund (ERF), Dallas Police and Fire Plan (DPFP), and the Supplemental Police and Fire Plan. Contribution rates for the systems are set by ordinance or statutes, and the ERF and DPFP are each managed by separate boards. In 2017, the city, DPFP and the state, were able to come to an agreement around pension reform: HB 3158 implemented sweeping changes to the DPFP plan, including reduced prospective pension benefits for current and future employees, significant reductions to DROP, including time limits to participation, ceased lump-sum withdrawals and elimination of guaranteed interest, increased statutorily required contributions from the city and the membership, and governance, changes. ERF also implemented changes in 2017, with the approval by the city council and voters in November 2016 to create a new tier of reduced pension benefits for new employees hired on or after January 1, 2017. The new tier reduces the normal cost and the pace at which pension liabilities are accrued.

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# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **S&P Global Ratings Affirms 'AAA' Rating, Stable Outlook on Waterworks and Sewer System Revenue Refunding Bonds – INFORMATION**

On July 29, S&P Global Ratings (S&P) affirmed its 'AAA' rating and stable outlook on the upcoming Waterworks and Sewer System Revenue Refunding Bonds, Series 2021C ("Series 2021C") and outstanding City of Dallas Waterworks and Sewer System ("System") bonds. S&P also affirmed the 'A-1+' short-term rating on Dallas Water Utilities' (DWU) Series F and Series G commercial paper programs. The Series 2021C bonds are scheduled to be sold on August 24, 2021.

In their report, S&P notes that the rating is reflective of the System's "proactive long-term planning," "affordable rates, with a demonstrated willingness to regularly adjust them," "all-in debt service coverage" that is "boosted by the wholesale relationships that provide cash flow certainty to overall operating revenues even if weather patterns affect retail sales," "total available reserves typically equivalent to four-to-six months of operating expenses," and strong management practices "which indicate best practices across the utility and the city are well embedded, and financial and operational goals are highly aligned." S&P also rates the System's environmental, social, and governance (ESG) factors as having "comparably strong environmental stewardship relative to that of 'AAA' peers," "sensitive to affordability concerns," and "good overall governance." The report also presents a downside scenario wherein, "although unlikely," S&P "could lower the rating should there be sustained deterioration in the credit fundamentals, primarily measured by total financial capacity."

In anticipation of the upcoming bond sale, the affirmed rating is another positive reflection of the diligent stewardship of the DWU System as a regional provider and a testament to the System's strong credit profile. Attached is the published S&P report. Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera 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 & Neighborhood Services  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

# RatingsDirect®

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## Summary:

### Dallas; CP; Water/Sewer

**Primary Credit Analyst:**

Theodore A Chapman, Farmers Branch + 1 (214) 871 1401; theodore.chapman@spglobal.com

**Secondary Contact:**

Edward R McGlade, New York + 1 (212) 438 2061; edward.mcglade@spglobal.com

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Rating Action

Stable Outlook

Related Research

## Summary:

# Dallas; CP; Water/Sewer

### Credit Profile

US\$135.87 mil wtrwks & swr sys rev rfdg bnds ser 2021C due 10/01/2050

*Long Term Rating* AAA/Stable New

Dallas WS

*Long Term Rating* AAA/Stable Affirmed

## Rating Action

S&P Global Ratings assigned its 'AAA' long-term rating to the City of Dallas, Texas' \$135.87 million series 2021C waterworks and sewer system revenue refunding bonds. At the same time, S&P Global Ratings affirmed its 'AAA' long-term and underlying (SPUR) ratings on the city's previously issued revenue bonds, of which about \$2.5 billion is outstanding. The city's water and sewer system, doing business as Dallas Water Utilities (DWU), also supports approximately \$688 million in debt, issued by Tarrant Regional Water District (TRWD), for the city's share of a joint water supply and transmission project. The outlook on all ratings is stable.

We are also affirming our 'A-1+' short-term rating on DWU's series F and series G commercial paper (CP) programs. The short-term rating is based on the 'AAA' rating using the application of our "Methodology For Linking Long-Term And Short-Term Ratings," published April 7, 2017.

The bonds are secured by a first lien pledge on the net revenues of the city's water and sewer system. Proceeds will be used to convert \$146 million of existing CP notes to long-term debt. A reserve fund in the amount of average annual debt service provides additional liquidity.

The DWU system has a predominantly locally derived revenue base. Local service charges, derived through an autonomous rate-setting process, represent virtually all of both entities' revenue. This, coupled with operating-expense flexibility, limits the system's exposure to federal revenue and allows us to rate Dallas' debt above the U.S. sovereign rating.

### Credit overview

The 'AAA' rating reflects our view of the city's:

- Proactive long-term planning, locking in what will be, when an ongoing project is finished, a 50-year supply;
- Affordable rates, with a demonstrated willingness to regularly adjust them;
- All-in debt service coverage (DSC) typically at or close to 1.4x, boosted by the wholesale relationships that provide cash flow certainty to overall operating revenues even if weather patterns affect retail sales. All-in DSC is S&P Global Ratings adjusted DSC metric that includes all use of operating revenues regardless of lien or accounting treatment. DWU is projecting senior lien DSC of better than 1.7x in fiscal 2021;
- Total available reserves typically equivalent to four-to-six months of operating expenses; and

- Management practices that we consider strong, which indicate best practices across the utility and the city are well embedded, and financial and operational goals are highly aligned.

The DWU system supplies retail water and wastewater service to Dallas, which has a population of about 1.3 million, as well as treated and raw water services to almost all the cities in Dallas County on a wholesale basis, and to the Dallas-Fort Worth International Airport. Because the customer base is sufficiently large and diverse, in our view, DWU has no dependence on any of its principal retail customers for its operating revenues.

In the early days of COVID-19, the city revised its 2020 budget with far more conservative assumptions for both revenues and expenses than the 4% variance that actually played out. The city had always planned to make use of a rate-stabilization reserve through at least fiscal 2022; therefore, the stable base rates are unrelated to the pandemic's impact on the customer base, and adjustments to retail and wholesale rates are considered whenever necessary. The city has also represented that it received full and timely payments from all its wholesale customers throughout the worst of the recent recession, and that it began the fourth quarter of fiscal 2021 with \$99.5 million in available cash, equivalent to five months of operating expenses on a budgetary basis. DWU reported no material effects from the February 2021 winter storm.

The city's capital improvement plan (CIP), beyond the joint-venture project with TRWD, contains no major programs beyond traditional renewals and replacements and largely did not need to be reprioritized due to the pandemic. Management identified about \$1 billion in capital commitments from fiscal years 2021-2023, with a target of equal balance between debt financing internally generated revenues. In addition, DWU has no responsibility for or exposure to the city's most underfunded fiduciary obligations for its uniformed civil service. Those pension and postemployment benefit liabilities have been among the factors most pressuring our general obligation rating on the city. The plan in which DWU participates--the Employees Retirement System--is however only 65% funded, assuming a relatively conservative 5.93% discount rate. DWU's share as of fiscal 2020 of the \$2 billion liability is \$438 million.

### **Environmental, social, and governance (ESG) factors**

In addition to enhancing the long-term water supply with the joint project with TRWD, Dallas has proactively engaged in preserving its existing supplies by way of aggressive water-conservation measures--most recently revised in 2019--including public education and a number of supporting ordinances and practices aimed primarily at curbing outdoor watering. Based on consumption use patterns in 2001 across all customer classes, DWU management estimates that the water-conservation measures have extended the life of existing reservoirs by two-three years, as well as reducing per capita per day consumption by 30% even as the population has increased by 10%. The city reports no regulatory mandates or environmental enforcement actions among its well-prioritized CIP. Because of the complexity--and massive capital investments--required for bringing a new reservoir into commercial operations, we view this as comparably strong environmental stewardship relative to that of 'AAA' peers.

The city is also sensitive to affordability concerns, even as city council has a long history of as-necessary rate adjustments; we understand that a low single-digit adjustment could be proposed for consideration for fiscal 2022. As a health and safety measure, a suspension of shutoffs and disconnections that began in March 2020 remains in place. DWU does not have a formal bill-pay-customer-assistance program, but it does have payment plans and other ancillary services such as in-home leak detection and free repairs of certain fixtures to qualified customers to help

them reduce water use and, therefore, lower their monthly bill. Dallas did receive some federal assistance from the December 2020 stimulus package related to rental and bill pay assistance. Dallas will also receive \$377 million from the federal American Rescue Plan Act, although it is not yet fully defined as to if DWU will benefit from the first tranche as initial indications reflect rental and housing assistance as priorities. Similarly, neither timing nor eligibility for federal low-income-household water assistance has been fully defined by the federal government, but it could eventually be another source of assistance for qualifying DWU customers.

It is our view that the good overall governance, in which immediate- and long-term operational needs are aligned with intended financial resources, also lend to our stable outlook. The city has for years used its financial management performance criteria (FMPC) to establish required financial metrics for all of its major operating funds, including DWU. The FMPC speaks to desired DSC, minimum required reserves, and other guidelines that we typically observe in our Financial Management Assessment that we would characterize as strong.

## Stable Outlook

### Downside scenario

Although unlikely, we could lower the rating should there be sustained deterioration in the credit fundamentals, primarily measured by total financial capacity. General examples could include costly regulatory mandates or a collapse in operating revenues, neither of which is currently the case for Dallas. The stable outlook is also predicated on the city's representation that any near-term weakness in DSC is attributable to the purposeful drawdown of designated cash reserves and recessionary effects, and that beyond that revenues will generally be supportive of financial performance that is more in line with historical levels.

## Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of July 29, 2021)		
Dallas Wtrwks and Swr Sys Commercial Paper Nts ser G due 07/08/2024		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas Wtrwks and Swr Sys Commercial Paper Nts ser 2021F-1 due 07/07/2024		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas Wtrwks and Swr Sys Commercial Paper Nts ser 2021F-2 due 07/08/2024		
<i>Short Term Rating</i>	A-1+	Affirmed
Dallas WS		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Dallas WS (AGM)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
<b>Tarrant Regl Wtr Dist, Texas</b>		
Dallas, Texas		
Tarrant Regl Wtr Dist (Dallas) wtr		

Ratings Detail (As Of July 29, 2021) (cont.)		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Tarrant Regl Wtr Dist (Dallas) wtr		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website 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 July 26, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Certified Property Values for FY 2021-22 Budget – July 26 Update**

Last week, I provided you with 2021 certified property values from Collin, Dallas, and Rockwall Central Appraisal Districts (CAD). Today we received the certified property values from Denton CAD, so we are now providing you with our total 2021 certified property values. We will use these property values to calculate the General Fund and Debt Service property tax revenue for FY 2021-22, and subsequently, we will finalize the City Manager's proposed budget for FY 2021-22 and the planned budget for FY 2022-23.

Certified property values for 2021 total \$155.9 billion, an increase of \$6 billion, or 3.97 percent, from the 2020 final values. You may recall that last summer, the certification process was delayed due to the COVID-19 pandemic, and when the CADs provided the 2020 certified values, many properties were still under protest. The table below details the 2020 certified values and the 2020 final values. We appreciate the hard work of all four CADs in completing the process this year by the State deadline.

Central Appraisal District	2020 Certified Values	2020 Final Values	2021 Certified Values	Dollar Change from 2020 Final Values	Percent Change from 2020 Final Values
Collin	\$ 5,855,296,354	\$ 5,850,700,355	\$ 5,944,890,728	\$ 94,190,373	1.61%
Dallas	\$139,791,951,831	\$141,975,337,079	\$148,138,418,967	\$ 6,163,081,888	4.34%
Denton	\$ 1,787,322,578	\$ 2,143,338,936	\$ 1,845,927,380	\$ (297,411,556)	-13.88%
Rockwall	\$ 8,947,100	\$ 8,947,100	\$ 8,954,680	\$ 7,580	0.08%
Total	\$147,443,517,863	\$149,978,323,470	\$155,938,191,755	\$ 5,959,868,285	3.97%

As part of the \$6 billion increase, more than half, or \$3.2 billion, is property added to the certified roll from new construction. New construction accounts for 2.15 percent of the overall 3.97 percent increase while reappraisal of existing properties accounts for 1.83 percent of the overall increase.

We will continue to analyze the property tax rolls to provide additional information and insight on August 10 when we present the City Manager's proposed budget for FY 2021-22 and the planned budget for FY 2022-23. For example, we have contacted Denton CAD to discuss the almost 14 percent drop in values from 2020 to 2021. Additionally, we are working with the Dallas County Tax Office to determine the no-new-revenue tax rate and voter-approval tax rate calculations.

DATE July 26, 2021

SUBJECT **Certified Property Values for FY 2021-22 Budget – July 26 Update**

As a reminder, Mr. Broadnax will meet with each of you one-on-one beginning on August 2 to provide an overview of his budget. We will provide the budget document and related materials to you on Saturday, August 7 in advance of your workshop on Tuesday, August 10.

Thank you for your support of the budget process. If you have immediate questions, please contact me.



M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer 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

# Memorandum



CITY OF DALLAS

DATE July 30, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **City License Applications**

Attached is a list of the most recent Dance Hall, Sexual Oriented Business, Billiard Hall, and/or Amusement Center license applications received for the week of July 19, 2021 – July 23, 2021 by the Tactical and Special Operations Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant John Page, at 214.670.4413 and/or by email at [john.page@dallascityhall.com](mailto:john.page@dallascityhall.com) should you need further information.

A handwritten signature in black ink that reads "Jon Fortune".

Jon Fortune  
Assistant City Manager  
[Attachment]

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity, and Inclusion  
Directors and Assistant Directors

WEEKLY APPLICATION LOG REPORT

DISTRICT	NAME OF BUSINESS	STREET ADDRESS	TYPE OF LICENSE	DATE OF APPLICATION	STATUS (RENEWAL/NEW)	APPLICANT NAME
D6	ODYSSEY ADULT MEGA STORE	11505 ANAHEIM DRIVE	SOB	7/20/2021	RENEWAL	ARPIT, JOSHI

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**License Definitions**

- DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week*
- DH - Class "C" Dance Hall - Dancing Scheduled One Day At A Time*
- DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only*
- LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00*
- BH - Billiard Hall - Billiards Are Played*
- SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult Adult Theater / Escort Agency / Nude Model Studio*
- AC - Amusement Center*