

Memorandum



CITY OF DALLAS

DATE August 13, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions on Proposed FY 2021-22 Budget (First Set)**

1. Provide a comparison of the FY21 and FY22 proposed budgets for Office of Environmental Quality showing total expense as well as net of reimbursements.

The Office of Environmental Quality and Sustainability's (OEQS) total operating expenses are increasing by approximately \$200,000 from FY 2020-21 to FY 2021-22, not decreasing. OEQS is a General Fund department and as such the budget reflects the amount of General Fund dollars being allocated. This amount is net of, or has been reduced by, any reimbursements from non-General Fund sources. In the case of OEQS, the Office receives reimbursements from Dallas Water Utilities, Storm Drainage Management, Sanitation Services, and the Texas Commission on Environmental Quality. Since these reimbursements increased year-over-year, the amount of the budget being paid by the General Fund is less.

	FY21 Budget	FY22 Proposed
Total Operating Expenses for OEQS	\$14,711,218	\$14,938,679
Reimbursements paid by DWU, SDM, SAN, and TCEQ	\$(10,463,785)	\$(11,082,917)
Net Expenses paid by General Fund	\$4,247,433	\$3,855,762

OEQS' operating budget includes an additional \$200,000 for the implementation of the Comprehensive Food & Urban Agriculture Plan. In FY 2021-22, apart from OEQS' operating budget, the budget includes \$1 million in American Rescue Plan Act (ARPA) funds for air monitors and \$500,000 each year of the biennial for solar installation at City facilities.

2. Provide additional information on the American Rescue Plan Act (ARPA) allocation plan.

We will provide a briefing on Wednesday, August 18.

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3. Why does the expense to repay the Master Lease debt increase in each year of the biennial?

The Master Lease program is a short-term just-in-time financing instrument used to purchase equipment and technology enhancements. Typically, we have used Master Lease to purchase fire apparatus, ambulances, heavy equipment, and general-purpose fleet. Additionally, the program has been used to purchase technology equipment and systems. The term of the repayment is matched to the useful life of the asset – either three, five, or 10 years. Each year, we budget funds in the Non-Departmental appropriation to repay this debt and evaluate the debt payments that are coming due as well as make projections on additional debt payments that will be required as additional equipment is purchased. For FY 2020-21, the budget was \$16.8 million. We have projected this cost to increase to \$17.7 million in FY 2021-22 and to \$19.6 million in FY 2022-23. Next summer, prior to recommending the FY 2022-23 budget, we will review the Master Lease debt payment expense and adjustment if necessary.

4. Of the citywide memberships cut from the FY21 budget, which ones have been restored in the FY22 proposed budget?

During the FY 2020-21 budget amendment process, the City Council defunded various citywide memberships. The City Manager’s budget recommendation for FY 2021-22 includes funding for the three memberships that the City Council has taken action to reinstate in FY 2020-21 through current year adjustments. These three memberships are: U.S. Conference of Mayors, Texas Municipal League, and National League of Cities. The memberships not included in the recommended budget are: Dallas Regional Mobility Coalition (\$37,500), North Texas Commission (\$60,000), and TEX-21 (\$25,000).

5. What is the impact of increase the over-65 and disabled property tax exemption from \$107,000 to \$120,000?

The City Council amended the City’s Financial Management Performance Criteria (FMPC) #23 on June 9, 2021 to require staff to provide an analysis of the over-65 or disabled property tax exemption and present it to the City Council for approval no later than June 30 of each year. The June 30 deadline is due to that being the last day that changes to exemptions may be submitted to the appraisal districts for the upcoming tax year.

Also on June 9, 2021, the City Council approved an increase in over-65 or disabled exemption from \$100,000 to \$107,000. It is projected this increase will reduce property tax revenue by \$2.4 million. At the median residential property value, the change in the exemption will save the homeowner \$54.34 on their tax bill.

Based on current information, increasing the over-65 or disabled exemption from \$107,000 to \$120,000 would reduce property tax revenue by \$4.4 million. At the median

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value residential property, the change would decrease the homeowners tax bill by \$100.53. However, as noted above, it is too late to increase the exemption further this year.

Staff will complete the required analysis in compliance with FMPC #23 and present it to the City Council in May 2022 in advance of the June 30, 2022 deadline to make additional changes.

6. How will \$300 million over the biennial affect the condition of streets?

By maintaining an annual budget of \$150 million for street improvements for the next nine years, the Department of Public Works anticipates an overall Pavement Condition Index Rating of the City's street network to increase from a 59 to a 70 (100 max point scale) by FY 2030.

7. What is the amount in the budget for traffic signals, both City funds and leveraged funds, and what is the per unit cost?

The Department of Transportation has approximately \$3 million in the General Fund identified for personnel, materials, and equipment related to ongoing signal maintenance. Additionally, the budget recommends allocating \$14 million in ARPA funds over the next three years to leverage approximately \$53 million in grants through partner agencies to replace 100 signals across the city. The general average cost of a full signal rebuild is approximately \$425,000 (\$350,000 for construction, \$45,000 for engineering, and \$30,000 for construction management and contingencies) if the project requires only replacing the signal and minor ADA ramp work. However, for the leveraged funds, these are for specific projects that include some locations with significant modifications. An example project is Zang and Sanner, where we plan to realign the intersection and add left turn lanes; this project construction cost is approximately \$800,000 and excludes engineering and other costs. We have several projects that fall under this category, where some of the funds allocated will be used not only for signal work but road modifications as necessary, thus the higher average.

8. Where do residents go to look at information related to the sidewalk and infrastructure plans online?

The Five-Year Infrastructure Management Program (IMP) and the Sidewalk Master Plan can be found in the righthand sidebar of [Public Works' website](#) or directly linked below:

- [Five-Year Infrastructure Management Program \(IMP\)](#)
- [Sidewalk Master Plan \(SMP\)](#)
- [Bike Plan](#)
- [Vision Zero](#)

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9. What is the ongoing maintenance and operation associated with the Alley Conversion Program and who will be responsible for the cost?

There will not be any ongoing City cost for maintenance and operations for the cleanup component of the Alley Conversion Program as the adjacent property owners are responsible for maintenance of the alleys. We will work with Code Compliance to properly message this as part of the notification of work. For the 40 alleys that will be converted to the trails with lighting, we plan to work with the adjacent residents, Home Owners' Associations (HOAs), and Neighborhood Associations (NAs) to enter into maintenance agreements before installing the trails/sidewalks. Going forward, the HOAs and NAs would be responsible for maintaining the converted alleys.

9. Provide a map of the 129 miles of alley that are part of the Alley Conversion Program.

The alley clean-up and trail conversion initiative consists of a one-time clean-up of 1,362 unimproved, non-Sanitation alleys that span 129 miles, and converting 40 of the alley segments into trails. Of the 40 conversions, 27 will have decomposed granite trails and 13 will have paved sidewalk trails. Lighting will also be included for the 40 alley segments. A map of the 40 alleys to be converted is attached. Public Works will provide an additional map next week that identifies the 1,362 alleys to receive the one-time clean-up.

We will continue to answer questions we receive on a rolling basis. If you need additional information, please contact me or Jack Ireland, Director of the Office of Budget.



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 and Neighborhood Services
	Preston Robinson, Administrative Judge	M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
	Kimberly Bizzor Tolbert, Chief of Staff	Directors and Assistant Directors

