

Memorandum



CITY OF DALLAS

DATE September 23, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2022-23 Adoption of the Budget**

Thank you for your continued participation in the FY 2022-23 budget development process that will conclude next Wednesday, September 28. Budget amendments supported by a majority of the City Council members on September 7 and September 21 have already been incorporated into the budget ordinance.

On September 21, the City Council held a public hearing to receive comments on the property tax rate. On September 28, the City Council will hold a public hearing to receive comments on the FY 2022-23 Operating, Capital, and Grant & Trust Budgets. The public hearing must be considered before consideration of budget-related items. After the public hearing, there will be suite of budget-related items that must be approved. Because of varying legal requirements, items 58, 59, and 60 will require a record vote as indicated below; items 61, 62, and 63 do not require a record vote.

- **Agenda Item 58** – Final reading and adoption of the appropriation ordinance appropriating funds for the FY 2022-23 City of Dallas Operating, Capital, and Grant & Trust Budgets. This item requires a record vote and must be considered before approval of the tax rate. Per the Local Government Code (102.009), the governing body may levy taxes only in accordance with the budget. The total of \$4,757,983,194 reflects the City Council amendments approved in the first reading of the budget ordinance on September 7, amendments approved by straw vote on September 21, as well as Internal Service Funds that are not listed in the City Manager’s budget overview in the budget book to avoid double counting the revenue/expense, an increase in Capital Funds to reflect an approved budget amendment moved from the operating budget to capital, and the Employees Retirement Fund.
- **Agenda Item 59** – An ordinance setting the tax rate at \$0.7458 per \$100 assessed valuation, which includes \$0.5403 for the General Fund and \$0.2055 for Debt Service. This item requires a record vote and 60 percent (9 votes) of the members of the City Council must vote in favor of the adoption of the tax rate. The motion to adopt the tax rate must be made in the following form:
 - “I move that the property tax rate be increased by the adoption of a tax rate of \$0.7458 per \$100 assessed valuation, which is effectively a 15.05 percent increase in the tax rate”.

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This year's levy to fund maintenance and operation expenditures exceeds last year's maintenance and operations tax levy and therefore exceeds the no-new-revenue tax rate. The motion to adopt the tax rate requires the above statement, "increase in the tax rate" as specified in section 26.05(b) of the Property Tax Code even though the proposed tax rate of \$0.7458 is \$0.0275 less than the current tax rate of \$0.7733 per \$100 assessed valuation.

- **Agenda Item 60** – A resolution to ratify the increase in total property tax revenues reflected in the FY 2022-23 budget. This item requires a record vote. Per the Local Government Code (102.007), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the City Council to ratify the property tax increase reflected in the budget. This vote is in addition to and separate from the vote to set the tax rate.
- **Agenda Item 61** – An ordinance amending Chapters 2, 5A, 17, 18, 20A, 27, and 49 of the Dallas City Code to amend fee, rates, and charges. A memo regarding this item was sent to the City Council on September 16 and can be found [here](#).
- **Agenda Item 62** – Authorize position changes, salary schedules, civilian merit and uniform salary increases, minimum hiring rate, and new pay schedules for uniform executives.
- **Agenda Item 63** – Authorize approval of plan design effective January 1, 2023, and health coverage plans and premium rates.

Please note, if items 59-61 fail and cause the budget to be out of balance, we will need to reconsider the final reading and adoption of the budget ordinance, item 58.

Please let me or Janette Weedon, Director of Budget and Management Services, know if you have any questions.



Jack Ireland
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors