

# Memorandum



CITY OF DALLAS

DATE August 25, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the City Manager's Recommended Biennial Budget for FY24 & FY25 (Third Set)**

We were pleased to share the City Manager's FY24 and FY25 Recommended Biennial Budget with the City Council. Below are responses to unanswered questions you have asked.

## 1. What are the indirect costs paid to the General Fund?

Many citywide functions and services are accounted for within the General Fund such as the Mayor & City Council Office, City Attorney's Office, City Controller's Office, Human Resources, etc. These offices and departments serve the entire City; therefore, we complete an annual indirect cost study to determine what costs are attributable to enterprise and internal service funds. The indirect cost study allows us to recover costs for services provided through the General Fund to other funds. The FY24 indirect cost to be paid to the General Fund are listed below.

Department/Function	FY24
Aviation	1,960,906
Convention & Event Services	1,044,096
Development Services	2,602,826
Dallas Water Utilities	6,006,636
Information and Technology Services - Radio	128,654
Information and Technology Services - 911	372,918
Information and Technology Services - Data	1,788,310
Equipment & Fleet Management	2,365,934
Bond Program	1,041,574
Employee Benefits Administration	481,559
Express Business Center	240,497
Municipal Radio	77,923
Risk Management	445,638
Sanitation	5,752,690
Storm Drainage Management	831,248
Total	\$25,141,409

**2. What are you doing to address the response time of the Historic Preservation Officer?**

The Office of Historic Preservation has one Code Compliance Inspector that reports to the Office of Historic Preservation and is funded through Code Compliance. This inspector responds to 311 service requests related to historic structure violations. The City has over 21 landmark districts and around 170 individual landmarked structures, which equates to over 4,000 properties. Since January 2023, there have been approximately 85 service requests (SR) specific to Historic Preservation violations. Service requests are typically closed when the property owner completes the Certificate of Appropriateness approval process for all noted violations. Of these 85 SRs, 6 have been closed. The Code Officer continually works with property owners with open violations and cites as needed. Frequent violations include doing work without an approved Certificate of Appropriateness. Per City Code, the length of time to process a Certification of Appropriateness (CA) is 45-60 days to process a complete application and includes architectural drawings as part of the submission. Most CA's require approval through the Landmark Commission. If violators are denied, they will need to revise the application and resubmit.

**3. Please provide the commercial paper interest rate.**

The City Controller's Office receives a report of current Commercial Paper rates from investment advisors. The rates below reflect rates in which the City of Dallas (both General Obligation and Dallas Water and Sewer) could potentially receive for commercial paper issuance:

- 30-day 3.35%
- 60-day 3.37%
- 90-day 3.40%

Dallas Water Utilities Commercial Paper was issued in early August 2023 and the rates were 3.4% and 3.5%.

**4. Please provide the publication list for the tax rate notice advertisement.**

Budget and Management Services will advertise the tax rate notice in the following publications:

- Dallas Morning News
- Dallas Examiner
- Dallas Voice
- Al Dia (Spanish)
- Dallas Chinese News (Chinese)
- Nguoi Viet Dallas (Vietnamese)

**5. Provide a list of new services, programs, or new departments added since FY16.**

The list below includes examples of new and/or expanded programs, services, and new departments added FY16 through FY23. This is not an exhaustive list.

- School Crossing Guard Program - \$5.9M
- RIGHT Care Program - \$6.3M – 10 teams operating over four shifts
- Single-Role Paramedic Program - \$3.2M
- New Fire Station – Station #59 added in FY21 - \$3.7M
- Homeless Action Response Team (HART) – multi-department effort - \$3.2M
- Blight Remediation - \$2.2M (Transportation - \$1M, Code Compliance - \$0.7M, and Integrated Public Safety Solutions - \$0.5M)
- Radio Frequency Identification (RFID) System – \$2.1M acquisition/installation (one-time), plus \$56K ongoing maintenance
- Bike Lanes - \$2.5M
- Overhaul the City's Development Codes (Chapters 51, 51A and 51P) – \$1M (one-time funding to be removed in FY26)
- Marshals in the Parks - \$0.8M
- Financial Empowerment and Sustainability - \$1.8M
- Park Ranger Program - \$1.5M
- Environmental Justice – Brownfields - \$1.5M (one-time)
- Vision Zero - \$1.5M
- Drivers of Poverty - \$1.4M
- Inclement Weather Shelter - \$1.0M
- Code Compliance “Pro Team” - \$1.6M
- Violence Interrupters Program - \$1.0M
- Recovery Services (Sobering) Center - \$0.8M
- Emerald Ash Borer (EAB) multi-departmental mitigation effort - \$1.1M
- Mobile Crisis Intervention Unit - \$0.6M
- City Council District Offices - \$40K
- Expanded library hours in FY23 - \$3.0M
- Expanded 911 in FY22 – added 61 positions including 44 call-takers, 12 dispatchers, 4 supervisors, and 1 administrative specialist at a cost of \$3.9M and added \$1.3M to improve pay.
- Community Police Oversight - \$0.8M
- Small Business Center (includes Business Inclusion & Development, Fresh Start Program, and the Accelerators Program) - \$3.7M\*
- Data Analytics and Business Intelligence - \$5.3M
- Dallas Animal Services - \$17.7M (\$10.9M in FY16 – Service in Code Compliance Services)\*

- Office of Community Care - \$9.4M (\$3.6M in FY17 - Service in Housing & Community Services, \$1.7M in FY17 – Service in Non-Departmental – Vital Statistics)\*
- Office of Homeless Solutions - \$15.2M (\$8.2M in FY17- Service in Housing & Community Services, and \$0.8M in FY17 – Service in Dallas Police Department – Crisis Intervention)\*
- Office of Equity - \$3.8M (includes Fair Housing - \$0.4M in FY17, and Resilience - \$0.3M in FY17)\*

**Total of examples listed above: \$108.9M**

\*Include reallocation of resources from an existing program and/or service.

**6. How is paving prioritized for street & alley, along with sidewalk cost-sharing program?**

For streets and alleys, Public Works (PBW) uses a paving model composed of decision trees and optimization analysis. The configuration of this model analysis is a combination of structural, environmental, and functional indices. The output facilitates the development of the annual work plan. For sidewalk cost-sharing program, the priority is based on a waiting list.

**7. What is the amount of funding allocated for underserved areas in infrastructure?**

In FY24, \$21.6 million is allocated for underserved areas in infrastructure. Funding is comprised of \$14.7 million in Certificate of Obligation for underserved streets (reference on page 649 of the budget book) and \$6.9 million in Street and Alley Infrastructure Underserved Areas (referenced on page 653). The DWU Fee description in the budget document on page 653 is incorrect. It should be titled "Street and Alley Infrastructure Underserved Areas". Staff will update the information in the financial system.

**8. Why haven't Building permit fees been increased since 2015?**

Development Services (DEV) fees have not been adjusted since 2015 due to several changes in executive leadership. A fee study was initiated in 2019 however the fee results were not implemented at that time. A new fee study is currently underway, and recommendations will be brought to City Council for consideration and approval to support DEV's FY24 and future year budgets.

**9. What is the allocation for FY24 for Solar?**

The FY24 budget includes \$500,000 for solar (see budget document page 547).

**10. Are resiliency funds available for solarization projects or other projects?**

The FY21 mid-year and end-of-year ordinance allocated funding to Building Services to purchase 8 generators at \$500,000 for a total cost of \$4 million to establish resiliency centers or warming/cooling centers across the City. Please see [link](#) for additional information regarding completion of work and locations.

**11. Resources needed for Short-Term Rental Code Compliance; how much is the cost for CCO/CCS to enforce?**

The chart below reflects the Department of Code Compliance initial cost to implement a registration and enforcement program. There may be additional costs not yet account for related to illegal land use investigations/lawsuits, overtime, and after-hours inspections when enforcement.

<b>Short-Term Rental Registration and Inspection Team</b>			
	<b>FY24</b>	<b>FY25</b>	<b>Comments</b>
Personnel Services	\$507,984	\$674,702	Reflects the cost of 9 positions.
Supplies - Materials	44,916	42,416	
Contractual - Other Services	369,737	224,057	FY24- \$342K registration/inspection software & identification and monitoring software. FY25- \$192K ongoing cost for identification and monitoring software.
Capital Outlay	452,420	0	One-time cost for vehicles
<b>Total</b>	<b>\$1,375,057</b>	<b>\$941,175</b>	

Additional costs include \$27,700 for discovery service of the collection of Hotel Occupancy Tax (HOT) capture contract and 20% of staff salaries at \$61,252 in the City Controller’s Office for a total cost of \$88,952. Additional cost may include services provided by the City Attorney’s Office, Development Services, and the Dallas Police Department once enforcement begins.

**12. What is included in the budget for bike lane funding?**

The FY23 budget includes an additional \$500,000 for bike lanes for total funding of \$2.5 million in FY23 and future fiscal years. This funding for FY24 continues at \$2.5 million.

**13. Why is there an increase that would bring the stipend to \$500,000 in the Park & Recreation (PKR) budget for Grambling State Game at the Cotton Bowl?**

The increase is funded for FY25. PKR staff received a request from the promoter of the State Fair Classic, one of the three largest historically black colleges and universities (HBCU) games in the country, to increase the City's funding commitment by \$350,000. The game stipend has never been increased and expenses have increased considerably including food costs, gasoline, transportation, lodging, community outreach, and other miscellaneous travel expenses. Additionally, game attendance has continued to increase yearly and has averaged between 40,000 and 50,000 attendees the past few years.

**14. What are revenue streams available to other cities?**

The table below provides other revenue stream options available to other municipalities (source: City budget documents). The cities of Austin and San Antonio both own utilities and provide a percentage of gross revenue of those systems to the City’s General Fund.

City	Municipally owned utility?	Dedicated sales tax or other special revenue to offset General Fund (GF) services?
Comparative Set		
Dallas	Yes, DWU provides <b>\$73M</b> of gross revenues - payment in-lieu of taxes, street rental, and indirect cost	No
Austin	Yes, provides 12% of Austin Energy and 8.2% of Austin Water gross revenues to GF ( <b>\$164M</b> )	Yes, Transportation User Fee for street and traffic signal maintenance ( <b>\$124.8M</b> ) and Clean Community Fee for code compliance ( <b>\$27.3M</b> )
Fort Worth	No	Yes, 1/2% Crime Control District sales tax to support FW Police Department ( <b>\$212.1M</b> )
San Antonio	Yes, provides 14% of City Public Service and 4% of San Antonio Water System gross revenue to GF ( <b>\$423.2M</b> )	Yes, 1/4% Advanced Transportation District sales tax ( <b>\$24.5M</b> ) for street/sidewalk maintenance; 1/8% for Ready to Work and 1/8% for Pre-K4SA early childhood education ( <b>\$96.8M</b> )
Area Suburbs		
Frisco	No	Yes, 1/2% for Frisco Community Development Corp ( <b>\$34.5M</b> ); and 1/2% for Frisco Economic Development Corp ( <b>\$34.5M</b> )
Grand Prairie	No	Yes, four special sales taxes for streets, community policing, park venues, and The Epic (0.25 cents each / <b>\$61.1M</b> total)

The sales tax options presented above are not available to the City of Dallas. The sales tax rate in Dallas is 8.25% (maximum amount allowable). Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Dallas and 1% to Dallas Area Rapid Transit (DART) transportation authority.

**15. What is the Green Jobs Skills program in the Office of Environmental Quality & Sustainability (OEQS) budget?**

The [Green Jobs Skill Program](#) is an education and training program for experienced general contractors who want to expand skills. The \$100,000 will expand the program beyond weatherization to include skills such as electric vehicle maintenance, solar panel installation, and other energy efficiency options.

**16. What conferences will Data Analytics & Business Intelligence (DBI) be attending that is \$25,000?**

The additional funding is not for a specific conference but for professional development, training, as well as professional certifications.

We will continue to provide responses to unanswered questions over the next couple of weeks. Please contact me or Janette Weedon, Director of Budget & Management Services, if you need additional information.



Jack Ireland  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

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