

Memorandum



CITY OF DALLAS

DATE July 21, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Shared Dockless Vehicle Program Update**

Following the relaunch of the Shared Dockless Vehicle Program on May 24, 2023, City staff has received numerous media inquiries and questions from the public about the launch. The purpose of this memorandum is to provide answers to some of the frequently asked questions and provide a timeline for evaluating additional improvements to the program.

Frequently Asked Questions

- Q:** How many 311 complaints have been received since the program relaunched?
A: Between the scooter relaunch on May 24th and July 17th, there have been 674 submissions to 311. The number of 311 submissions is reflective of the work done to actively advertise and promote 311 as the optimal method to address parking and riding issues for data-driven compliance management.
- Q:** Is City staff meeting with the operators on a regular basis?
A: City staff is holding meetings with all operators on a bi-weekly basis and are in regular and frequent communication with the operators between those meetings. Operators are aware of 311 requests, are responding to them, and are updating staff on the status of those requests.
- Q:** Are there penalties if the operators do not comply with city rules?
A: Through a dashboard, hosted by the City's data vendor, City staff is actively monitoring operator compliance. For those metrics that are near or exceeding thresholds for compliance, staff is working with the operators to bring them into compliance. However, the City is prepared for progressive enforcement if necessary, as noted in the Program Rules.

Next Steps

Noting the frequently asked questions, the program was relaunched with the understanding that future changes would likely be needed to ensure that the City is continually responding to lessons learned and implementing best practices. Therefore, many of the requirements were included in the Program Rules rather than City Code to allow for greater flexibility of amendments.

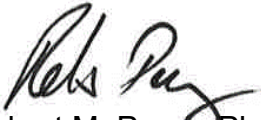
As the program is to be reevaluated every three months, a meeting with the operators and Micromobility Working Group will be scheduled for late August to review the program metrics and discuss any recommended changes to the rules. Additionally, a comment form will be posted on the program website the week of July 24th, to solicit ideas from the public on changes that should be made to the rules. Recommended changes would then

DATE July 21, 2023
SUBJECT **Shared Dockless Vehicle Program Update**
PAGE **2 of 2**

be taken through a formal public hearing process to be adopted in the rules. Following this quarterly review, staff anticipates briefing the Transportation and Infrastructure (TRNI) Committee on the status of the program.

Between now and the upcoming TRNI Committee meeting, updates on the program can be found at: <https://dallascityhall.com/departments/transportation/Pages/dockless-vehicle-program.aspx>.

The city is committed to promoting low-emission transportation options such as, shared dockless vehicles, to meet the goals in the City of Dallas Strategic Mobility Plan and Comprehensive Environmental and Climate Action Plan, while at the same time working with the operators to ensure the program does not work against other city goals such as Vision Zero. Should you have any questions or concerns, please contact Ghassan “Gus” Khankarli, PhD, PE, PMP, CLTD, Director of the Department of Transportation, at ghassan.khankarli@dallas.gov.



Robert M. Perez, Ph.D.
Assistant City Manager

- 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
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE July 21, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2023-24 Budget Town Hall Meetings**

We look forward to presenting the City Manager's Recommended Biennial budget for FY 2023-24 and FY 2024-25 to the City Council on August 8. This year's budget will focus on Responsible, Equitable, Accountable, and Legitimate (R.E.A.L.) Engagement for the residents of Dallas.

City Council hosted budget town hall meetings are scheduled from August 10 through August 24. These meetings provide you with an opportunity to engage with your residents. We have planned for in-person, virtual, and tele-town hall meeting (TTHM) options. Information on the budget town hall meetings is attached (English and Spanish) and will be posted on our [Financial Transparency webpage](#), advertised in various publications, and promoted through City of Dallas communications and social media channels to support wide public engagement. Additionally, we are extending our reach to advertise in multicultural publications to further garner feedback around the City's budget priorities. Budget and Management Services will distribute town hall meeting graphics (English and Spanish) to the Mayor and City Council staff for use on social media or other communication channels.

If you have any questions, please contact me or Janette Weedon, Director of Budget and Management Services.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
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WE WANT YOUR INPUT ON THE CITY'S BUDGET!

Join us at a budget town hall meeting.

We invite all Dallas residents to weigh in on how the City's tax dollars are spent for Fiscal Year 2023-24. Residents can voice their opinion virtually, in person, or by telephone (TTHM).



City of Dallas

Budget Town Hall Meeting Schedule

DATE/TIME	HOSTED BY	MEETING TYPE	PRIMARY LANGUAGE	PARTICIPATION INFO
Thursday, August 10				
6:00 PM	Council Member Chad West District 1	In-person	English **	Dallas Methodist Medical Center 1441 N. Beckley Ave.
6:00 PM	Council Member Zarin D. Gracey District 3	In-person	English	Park in the Woods Recreation Center 6801 Mountain Creek Pkwy.
6:00 PM	Council Member Omar Narvaez District 6	In-person	English **	West Dallas Multipurpose Center 2828 Fishtrap Rd.
6:00 PM	Mayor Pro Tem Tennell Atkins District 8	In-person	English **	Kleberg-Rylie Recreation Center 1515 Edd Rd.
6:30 PM	Deputy Mayor Pro Tem Carolyn King Arnold District 4	Virtual (Webex)	English **	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
Monday, August 14				
12:00 PM	Council Member Chad West District 1	Virtual (Webex)	English	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
6:00 PM	Council Member Zarin D. Gracey District 3	In-person	English **	Centro Church 3822 W. Kiest Blvd.
6:00 PM	Council Member Adam Bazaldua District 7	In-person	English **	MLK Recreation Center 2922 Martin Luther King Jr. Blvd.
6:00 PM	Council Member Kathy Stewart District 10	Virtual (Webex)	English	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
Tuesday, August 15				
6:00 PM	Council Member Chad West District 1	In-person	Spanish	Martin Weiss Recreation Center 1111 Martindell Ave.
6:00 PM	Council Members Zarin D. Gracey and Omar Narvaez Districts 3 & 6	In-person	English **	Arcadia Park Branch Library 5420 S. Arcadia Dr.
6:00 PM	Mayor Pro Tem Tennell Atkins District 8	In-person	English **	Singing Hills Recreation Center 6805 Patrol Way
6:00 PM	Council Member Jaynie Schultz District 11	In-person	English	Prism Center 5580 Peterson Ln., Suite. 160
6:00 PM	Council Member Paul E. Ridley District 14	Virtual (Webex)	English **	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
6:30 PM	Deputy Mayor Pro Tem Carolyn King Arnold District 4	Telephone (TTHM)	English	Find details on how to join by scanning the QR code or visiting...
Wednesday, August 16				
6:00 PM	Council Member Zarin D. Gracey District 3	In-person	English **	Thurgood Marshall Recreation Center 5150 Mark Trail Way
6:00 PM	Mayor Pro Tem Tennell Atkins District 8	In-person	English **	Polk-Wisdom Branch Library 7151 Library Ln.
6:00 PM	Council Member Paula Blackmon District 9	Virtual (Webex)	English **	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall



WE WANT YOUR INPUT ON THE CITY'S BUDGET!

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We invite all Dallas residents to weigh in on how the City's tax dollars are spent for Fiscal Year 2023-24. Residents can voice their opinion virtually, in person, or by telephone (TTHM).



City of Dallas

Budget Town Hall Meeting Schedule

DATE/TIME	HOSTED BY	MEETING TYPE	PRIMARY LANGUAGE	PARTICIPATION INFO
Thursday, August 17				
11:30 AM	Deputy Mayor Pro Tem Carolyn King Arnold District 4	In-person	English	Hiawatha Williams Recreation Center 2976 Cummings St.
6:00 PM	Council Members Jesse Moreno and Adam Bazaldua Districts 2 & 7	In-person	English **	Harry Stone Recreation Center 2403 Millmar Dr.
6:00 PM	Council Member Zarin D. Gracey District 3	In-person	English **	Paradise Missionary Baptist Church 1222 E. Redbird Ln.
6:00 PM	Mayor Pro Tem Tennell Atkins District 8	Telephone (TTHM)	English **	Find details on how to join by scanning the QR code or visiting...
6:00 PM	Council Members Paula Blackmon and Kathy Stewart Districts 9 & 10	In-person	English	Bath House Cultural Center 521 E. Lawther Dr.
7:00 PM	Council Member Cara Mendelsohn District 12	Virtual (Webex)	English **	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
Monday, August 21				
6:00 PM	Council Member Omar Narvaez District 6	In-person	English **	Bachman Lake Branch Library 9480 Webb Chapel Rd.
6:00 PM	Council Members Kathy Stewart and Jaynie Schultz Districts 10 & 11	In-person	English	Willie B. Johnson Recreation Center 12225 Willowdell Dr.
6:30 PM	Council Member Adam Bazaldua District 7	Virtual (Webex)	English **	Find details on how to join by scanning the QR code or visiting: bit.ly/dallasbudgettownhall
Tuesday, August 22				
6:00 PM	Council Members Jesse Moreno, Omar Narvaez, and Gay Donnell Willis Districts 2, 6, & 13	In-person	English **	KB Polk Recreation Center 6801 Roper St.
6:00 PM	Council Member Adam Bazaldua District 7	In-person	English	Skyline Branch Library 6006 Everglade Rd.
7:00 PM	Council Member Cara Mendelsohn District 12	In-person	English **	Renner Frankford Branch Library 6400 Frankford Rd.
Thursday, August 24				
6:00 PM	Council Members Jesse Moreno and Paul E. Ridley Districts 2 & 14	In-person	English **	Samuell Grand Recreation Center 6200 E. Grand Ave.
6:00 PM	Council Member Gay Donnell Willis District 13	In-person	English	Walnut Hill Recreation Center 10011 Midway Rd.
6:00 PM	Council Member Jaime Resendez District 5	In-person	Bilingual **	Dallas College - Pleasant Grove Center 802 Buckner Blvd.

**Spanish/Español Accomodation



¡QUEREMOS CONOCER SU OPINIÓN SOBRE EL PRESUPUESTO DE LA CIUDAD! Acompáñenos en una reunión comunitaria sobre el presupuesto. Invitamos a los habitantes de Dallas a compartir su opinión sobre cómo se debe invertir el dinero recaudado de impuestos por la Ciudad durante el año fiscal 2023-24. Puede participar de manera virtual, presencial o por teléfono (TTHM).



Calendario de Reuniones Comunitarias sobre el Presupuesto

FECHA/HORA	PRESENTADA POR	TIPO DE REUNIÓN	IDIOMA PRINCIPAL	INFORMACIÓN DE LA REUNIÓN
Jueves, 10 de agosto				
6:00 PM	Concejal Chad West Distrito 1	Presencial	Inglés **	Dallas Methodist Medical Center 1441 N. Beckley Ave.
6:00 PM	Concejal Zarin D. Gracey Distrito 3	Presencial	Inglés	Park in the Woods Recreation Center 6801 Mountain Creek Pkwy.
6:00 PM	Concejal Omar Narvaez Distrito 6	Presencial	Inglés **	West Dallas Multipurpose Center 2828 Fishtrap Rd.
6:00 PM	Alcalde pro tem Tennell Atkins Distrito 8	Presencial	Inglés **	Kleberg-Rylie Recreation Center 1515 Edd Rd.
6:30 PM	Alcaldesa adjunta pro tem Carolyn King Arnold Distrito 4	Virtual (Webex)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
Lunes, 14 de agosto				
12:00 PM	Concejal Chad West Distrito 1	Virtual (Webex)	Inglés	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
6:00 PM	Concejal Zarin D. Gracey Distrito 3	Presencial	Inglés **	Centro Church 3822 W. Kiest Blvd.
6:00 PM	Concejal Adam Bazaldua Distrito 7	Presencial	Inglés **	MLK Recreation Center 2922 Martin Luther King Jr. Blvd.
6:00 PM	Concejal Kathy Stewart Distrito 10	Virtual (Webex)	Inglés	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
Martes, 15 de agosto				
6:00 PM	Concejal Chad West Distrito 1	Presencial	Español	Martin Weiss Recreation Center 1111 Martindell Ave.
6:00 PM	Concejales Zarin D. Gracey y Omar Narvaez Distritos 3 y 6	Presencial	Inglés **	Arcadia Park Branch Library 5420 S. Arcadia Dr.
6:00 PM	Alcalde pro tem Tennell Atkins Distrito 8	Presencial	Inglés **	Singing Hills Recreation Center 6805 Patrol Way
6:00 PM	Concejal Jaynie Schultz Distrito 11	Presencial	Inglés	Prism Center 5580 Peterson Ln., Suite. 160
6:00 PM	Concejal Paul E. Ridley Distrito 14	Virtual (Webex)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
6:30 PM	Alcaldesa adjunta pro tem Carolyn King Arnold District 4	Teléfono (TTHM)	Inglés	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
Miércoles, 16 de agosto				
6:00 PM	Concejal Zarin D. Gracey Distrito 3	Presencial	Inglés **	Thurgood Marshall Recreation Center 5150 Mark Trail Way
6:00 PM	Alcalde pro tem Tennell Atkins Distrito 8	Presencial	Inglés **	Polk-Wisdom Branch Library 7151 Library Ln.
6:00 PM	Concejal Paula Blackmon Distrito 9	Virtual (Webex)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall



¡QUEREMOS CONOCER SU OPINIÓN SOBRE EL PRESUPUESTO DE LA CIUDAD! Acompáñenos en una reunión comunitaria sobre el presupuesto. Invitamos a los habitantes de Dallas a compartir su opinión sobre cómo se debe invertir el dinero recaudado de impuestos por la Ciudad durante el año fiscal 2023-24. Puede participar de manera virtual, presencial o por teléfono (TTHM).



Calendario de Reuniones Comunitarias sobre el Presupuesto

FECHA/HORA	PRESENTADA POR	TIPO DE REUNIÓN	IDIOMA PRINCIPAL	INFORMACIÓN DE LA REUNIÓN
Jueves, 17 de agosto				
11:30 AM	Alcaldesa adjunta pro tem Carolyn King Arnold Distrito 4	Presencial	Inglés	Hiawatha Williams Recreation Center 2976 Cummings St.
6:00 PM	Concejales Jesse Moreno y Adam Bazaldua Distritos 2 y 7	Presencial	Inglés **	Harry Stone Recreation Center 2403 Millmar Dr.
6:00 PM	Concejal Zarin D. Gracey Distrito 3	Presencial	Inglés **	Paradise Missionary Baptist Church 1222 E. Redbird Ln.
6:00 PM	Alcalde pro tem Tennell Atkins Distrito 8	Teléfono (TTHM)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
6:00 PM	Concejales Paula Blackmon y Kathy Stewart Distritos 9 y 10	Presencial	Inglés	Bath House Cultural Center 521 E. Lawther Dr.
7:00 PM	Concejal Cara Mendelsohn Distrito 12	Virtual (Webex)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
Lunes, 21 de agosto				
6:00 PM	Concejal Omar Narvaez Distrito 6	Presencial	Inglés **	Bachman Lake Branch Library 9480 Webb Chapel Rd.
6:00 PM	Concejales Kathy Stewart y Jaynie Schultz Distritos 10 y 11	Presencial	Inglés	Willie B. Johnson Recreation Center 12225 Willowdell Dr.
6:30 PM	Concejal Adam Bazaldua Distrito 7	Virtual (Webex)	Inglés **	Información sobre cómo participar escaneando el código QR o en: bit.ly/dallasbudgettownhall
Martes, 22 de agosto				
6:00 PM	Concejales Jesse Moreno, Omar Narvaez y Gay Donnell Willis Distritos 2, 6 y 13	Presencial	Inglés **	KB Polk Recreation Center 6801 Roper St.
6:00 PM	Concejal Adam Bazaldua Distrito 7	Presencial	Inglés	Skyline Branch Library 6006 Everglade Rd.
7:00 PM	Concejal Cara Mendelsohn Distrito 12	Presencial	Inglés **	Renner Frankford Branch Library 6400 Frankford Rd.
Jueves, 24 de agosto				
6:00 PM	Concejales Jesse Moreno y Paul E. Ridley Distritos 2 y 14	Presencial	Inglés **	Samuell Grand Recreation Center 6200 E. Grand Ave.
6:00 PM	Concejal Gay Donnell Willis Distrito 13	Presencial	Inglés	Walnut Hill Recreation Center 10011 Midway Rd.
6:00 PM	Concejal Jaime Resendez Distrito 5	Presencial	Bilingüe **	Dallas College - Pleasant Grove Center 802 Buckner Blvd.

**Interpretación al español

Memorandum



CITY OF DALLAS

DATE July 21, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Community Care Agenda Item Related to the Lactation Support Center Services Program for Women, Infants and Children Grant Acceptance- August 9, 2023**

On August 9, 2023, the following Office of Community Care item will be considered by City Council:

File ID: 23-1849: Authorize (1) the fourth amendment to Contract No. HHS000455600001, with the Texas Health and Human Services Commission, Department of State Health Services for the Lactation Support Center Services Program (LSCS) to increase by \$332,500.00, from \$2,006,520.00 to \$2,339,020.00; (a) to amend the term of the contract period from September 1, 2019 through August 31, 2023 to September 1, 2019 through August 31, 2024; (b) to accept additional grant funds for FY 2024 budget for Amendment No. 4, in the amount of \$332,500.00 for the continuation of the LSCS Program; and (2) execution of the fourth amendment to the contract and all terms, conditions, and documents required by contract - Not to exceed \$332,500.00, from \$2,006,520.00 to \$2,339,020.00 - Financing: Department of State Health Services Grant Funds

Background

This item funds the Dallas WIC Lactation Support Center, enabling the WIC program to offer Lactation Support for mothers who require breastfeeding assistance free of charge for this service. The program deploys multiple service delivery methods, including in person classed for WIC moms in clinics, tele-consult services, support groups and training. To date in FY23, the Lactation Support Center has serviced over 11,746 clients. This grant will also enable the program to focus on strategic outreach in many of our most underserved communities and in alignment with the City's adopted Racial Equity Plan.

Since 2010, the Health and Human Services Commission (HHSC) funded the Dallas Lactation Care Center through a grant contract with the City of Dallas Women, Infants and Children Program (Dallas WIC). The Lactation Care Center is funded separately from the core WIC program administered by Dallas WIC. The Lactation Care Center is a specialty walk-in clinic located in the heart of the Medical District. The staff includes a Registered Nurse, Internationally Board-Certified Lactation Consultants (IBCLC) and Breastfeeding Peer Counselors who provide comprehensive breastfeeding support and assistance to mothers currently enrolled in the WIC Program.

DATE July 21, 2023
SUBJECT **Upcoming Office of Community Care Agenda Item Related to the Lactation Support Center Services Program for Women, Infants and Children Grant Acceptance- August 9, 2023**
PAGE **2 of 2**

Dallas WIC will work with the HHSC, Community Health Improvement Division, Maternal and Child Health Unit to develop and implement the Lactation Support Center Services - Strategic Expansion Program. This program, through the Dallas Lactation Care Center will provide population-based services and implement strategies that will increase accessibility, quality, and coordination of breastfeeding support services in the contractor's service delivery area. The services provided under this contract complement and expand upon the services by the Dallas WIC program and allow the WIC program to act as: (1) a lactation resource center for the Special Supplemental Nutrition Program for mothers with breastfeeding problems; (2) a training center for WIC local agency staff and other health providers to receive clinical experience working with breastfeeding; mothers and (3) a statewide Breastfeeding Resource Center for health providers to utilize for information and assistance when working with pregnant and breastfeeding women.

The total amount of this contract will not exceed \$2,339,020.00, of which \$332,500.00 is funding from Department of State Health Services for Fiscal Year (FY) 2024. With all renewals exercised, the total contract amount in two years is projected to be \$2,339,020.00. These funds will be utilized beginning September 1, 2023, to support program operations in alignment with DSHS fiscal year.

Should you have any questions or need any additional information, please contact myself or Jessica Galleshaw, Director of Community Care, at (214) 670-5113 or jessica.galleshaw@dallas.gov.



c: **M. Elizabeth (Liz) Cedillo-Pereira**
Assistant City Manager

T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
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Memorandum



CITY OF DALLAS

DATE July 21, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Coronavirus Relief Funds (CRF)**
U.S. Department of the Treasury's Office of Inspector General - Desk Review

The City received \$234 million in Coronavirus Relief Funds (CRF) in 2020. The grant ended in December 2021 and all funds allocated to the City were spent by the deadline. Since July 2022, the U.S. Department of the Treasury's Office of Inspector General (TOIG) has been conducting a review of CRF expenditures using the audit firm Castro & Company, LLC (Castro). As part of their desk review, Castro reviewed documentation for 19 transactions and noted one exception.

Castro questioned whether approximately \$2.2 million of non-Public Health or non-Public Safety expenses were eligible, in part due to unavailable documentation during the City's transition between payroll systems. Castro was unable to determine if the civilian salary expenses complied with U.S. Department of Treasury's guidance.

To proactively address Castro's questions, City staff reclassified all civilian salary expenses charged to CRF to public safety salary expenses. TOIG allowed staff to submit follow up documentation to evidence that expenses had been reclassified in the City's financial system.

The final report from TOIG was received on July 20 and will be posted on the Office of Inspector General website on or before July 25. A copy of the final report is attached.

If you have any questions, please contact me or Janette Weedon, Director of Budget and Management Services.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
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OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 20, 2023

**MEMORANDUM FOR MS. JENNIFER MILANO, ACTING CHIEF RECOVERY
OFFICER, DEPARTMENT OF THE TREASURY**

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Desk Review of City of Dallas, Texas's Use of
Coronavirus Relief Fund Proceeds (OIG-CA-23-028)

Please find the attached desk review memorandum¹ on the City of Dallas, Texas' (Dallas) use of Coronavirus Relief Fund (CRF) proceeds. The CRF is authorized under Title VI of the Social Security Act, as amended by Title V, Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under a contract monitored by our office, Castro & Company, LLC (Castro), a certified independent public accounting firm, performed the desk review. Castro performed the desk review in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Federal Offices of Inspector General* standards of independence, due professional care, and quality assurance.

In its desk review, Castro personnel reviewed documentation for a non-statistical selection of 19 transactions reported in the quarterly Financial Progress Reports (FPR) and found that Dallas personnel could not provide the necessary documentation to support 1 of 19 transactions resulting in total unsupported expenditures of \$2,211,593.67 (see attached schedule of monetary benefits).

Specifically, Castro determined that the expenditures related to Aggregate Payments to Individuals² obligation type did not comply with the CARES Act and Department of the Treasury (Treasury) Guidance and that the risk of unallowable use of funds was moderate. As such, Castro is recommending Treasury Office of Inspector General (OIG) pursue obtaining documentation from Dallas management and ensure that expenditures reported are properly supported. Further, based on Dallas' responsiveness to Treasury OIG's requests and its ability

¹ The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) assigned the Department of the Treasury Office of Inspector General with responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) payments. The purpose of the desk review is to perform monitoring procedures of the prime recipient's receipt, disbursement, and use of CRF proceeds as reported in the grants portal on a quarterly basis.

² Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the grants portal to prevent inappropriate disclosure of personally identifiable information.

to provide documentation, we recommend Treasury OIG determine if a focused audit on Aggregate Payments to Individuals is feasible. Castro and Treasury OIG met with Dallas management to discuss the questioned costs and reporting issues. Dallas management stated that they would provide Treasury OIG documentation to support the use of the \$2,211,593.67 in questioned costs.

In connection with the contract, we reviewed Castro's desk review memorandum and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express an opinion on Dallas' use of the CRF proceeds. Castro is responsible for the attached desk review memorandum and the conclusions expressed therein. Our review found no instances in which Castro did not comply in all material respects, with *Quality Standards for Federal Offices of Inspector General*.

We appreciate the courtesies and cooperation provided to Castro and our staff during the desk review. If you have any questions or require further information, please contact me at (202) 486-1420, or a member of your staff may contact Lisa DeAngelis, Deputy Assistant Inspector General for Audit, at (202) 487-8371.

cc: Michelle. A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Victoria Collin, Chief Compliance & Finance Officer, Office of Recovery Programs, Department of the Treasury
Christopher Sun, Director of Data and Reporting, Office of Recovery Programs, Department of the Treasury
Jack Ireland, Chief Financial Officer, City of Dallas, Texas
Wayne Ference, Partner, Castro & Company, LLC

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,³ a questioned cost is a cost that is questioned due to a finding:

- (a) which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) where the costs, at the time of the review, are not supported by adequate documentation; or
- (c) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Questioned costs are to be recorded in the Department of the Treasury's (Treasury) Joint Audit Management Enterprise System (JAMES).⁴ The amount will also be included in the Office of Inspector General (OIG) Semiannual Report to Congress. It is Treasury management's responsibility to report to Congress on the status of the agreed to recommendations with monetary benefits in accordance with 5 USC Section 405(b) of the Inspector General Act of 1978.

<u>Recommendation</u>	<u>Questioned Costs</u>
Recommendation No. 1	\$2,211,593.67

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$2,211,593.67 is Dallas' expenditures reported in the grant-reporting portal that lacked supporting documentation.

³ 2 CFR § 200.84 – Questioned Cost

⁴ JAMES is Treasury's audit recommendation tracking system.

Desk Review of the City of Dallas, Texas

July 20, 2023

OIG-CA-23-028

MEMORANDUM FOR DEBORAH L. HARKER,
ASSISTANT INSPECTOR GENERAL FOR AUDIT

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the City of Dallas, Texas

On June 13, 2022, we initiated a desk review of the City of Dallas' (Dallas) use of the Coronavirus Relief Fund (CRF) authorized under Title VI of the Social Security Act, as amended by Title V Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).¹ The objective of our desk review was to evaluate Dallas' documentation supporting its uses of CRF proceeds as reported in the GrantSolutions² portal and to assess the risk of unallowable use of funds. The scope of our desk review was limited to obligation and expenditure data for the period of March 1, 2020 through March 31, 2022 as reported in Cycles 1³ through 8⁴ in the GrantSolutions portal.

As part of our desk review, we performed the following:

- 1) reviewed Dallas' quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through March 31, 2022;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;⁵

¹ P.L. 116-136 (March 27, 2020).

² GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services, developed a customized and user-friendly reporting solution to capture the use of CRF payments from recipients.

³ Calendar quarter ending June 30, 2020.

⁴ Calendar quarter ending March 31, 2022.

⁵ Coronavirus Relief Fund Guidance as published in the Federal Register (January 15, 2021)
https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

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- 3) reviewed Treasury's Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁶
- 4) reviewed Treasury OIG's monitoring checklists⁷ of Dallas' quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit reports, and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose risk or impact Dallas' uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations (OI), the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC),⁸ and Treasury OIG Office of Counsel input on issues that may pose risk or impact Dallas' uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying Dallas' GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of Contracts, Grants, Direct Payments, Aggregate Reporting,⁹ and Aggregate Payments to Individuals¹⁰ data identified through GrantSolutions reporting; and
- 9) evaluated documentation and records used to support Dallas' quarterly FPRs.

Based on the results of our desk review, we determined that the expenditures related to Aggregate Payments to Individuals did not comply with the CARES Act and Treasury's Guidance, which resulted in total questioned costs of

⁶ Department of the Treasury Office of Inspector General *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping* OIG-20-028R; March 2, 2021

⁷ The checklists are used by Treasury OIG personnel to monitor the progress of prime recipient reporting in the GrantSolutions portal. GrantSolutions quarterly submission reviews are designed to identify material omissions and significant errors, and where necessary, include procedures for notifying prime recipients of misreported data for timely correction. Treasury OIG follows the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipients quarterly.

⁸ Section 15010 of P.L. 116-136 established the Pandemic Response Accountability Committee within the Council of the Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight of covered funds (see Footnote 17 for a definition of covered funds) and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries.

⁹ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the GrantSolutions portal. Transactions less than \$50,000 can be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

¹⁰ Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

\$2,211,593.67. Additionally, we determined that Dallas’ risk of unallowable use of funds to be moderate. As such, Castro recommends Treasury OIG pursue obtaining documentation from Dallas management and ensure expenditures reported are properly supported. Further, based on Dallas’ responsiveness to Treasury OIG’s requests and its ability to provide documentation, we recommend Treasury OIG determine if a focused audit on Aggregate Payments to Individuals is feasible.

Non-Statistical Transaction Selection Methodology

Treasury issued a CRF payment to Dallas of \$234,443,127.60. As of March 31, 2022 (Cycle 8), Dallas’ cumulative obligations and expenditures were \$234,443,127.60. Dallas’ cumulative obligations and expenditures by payment type, as reported in GrantSolutions through Cycle 8, are summarized below:

Payment Type	Cumulative Obligated Amount	Cumulative Expenditure Amount
Contracts >= \$50,000	\$ 100,795,501.92	\$ 100,795,501.92
Grants >= \$50,000	\$ 8,566,596.26	\$ 8,566,596.26
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -
Direct Payments >= \$50,000	\$ 14,741,667.06	\$ 14,741,667.06
Aggregate Reporting < \$50,000	\$ 9,280,022.57	\$ 9,280,022.57
Aggregate Payments to Individuals (in any amount)	\$ 101,059,339.79	\$ 101,059,339.79
Totals	\$ 234,443,127.60	\$ 234,443,127.60

Castro made a non-statistical selection of Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies¹¹ identified by the Treasury OIG CRF monitoring team, and review of Dallas’ FPR submissions. Castro noted Dallas did not obligate or expend CRF proceeds to Loans greater than or equal to \$50,000, or Transfers¹² greater than or equal to \$50,000, therefore, we did not make a selection of transactions from these categories.

¹¹ Treasury OIG has a pre-defined list of risk indicators that are triggered based on data submitted by recipients in the FPR submissions that meet certain criteria. Castro reviewed these results provided by Treasury OIG for Dallas.

¹² A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

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The number of transactions (19) we selected to test were based on Dallas' total CRF award amount and our overall risk assessment of Dallas. To allocate the number of transactions (19) by obligation type (Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals), we compared the obligation type dollar amounts as a percentage of cumulative obligations for Cycle 8.¹³ Additionally, Treasury OIG identified one potential duplicate payment and two outliers.¹⁴ We included the potential duplicate payment from the Contracts greater than or equal to \$50,000 payment type in Castro's selection. The two outlier payments were related to the Contracts greater than or equal to \$50,000 obligation type, and did not result in any additional selections.

Background

The CARES Act appropriated \$150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories, including the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and Tribal governments. Treasury issued a CRF payment to Dallas for \$234,443,127.60. The CARES Act stipulates that a recipient may only use the funds to cover costs that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020; and
- (3) were incurred between March 1, 2020 and December 31, 2021.¹⁵

¹³ Calendar quarter ending March 31, 2022.

¹⁴ The two outliers for the Contracts greater than or equal to \$50,000 payment type related to funds used for public health expenses and costs associated with improving telework capabilities for public employees during the Pandemic. These were identified by the Treasury OIG CRF monitoring team as outliers because the transactions were identified as having a high dollar amount relative to transactions at similar points in time, with similar award descriptions, and that were disbursed by the same prime recipient.

¹⁵ P.L. 116-260 (December 27, 2020). The period of performance end date of the CRF was extended through December 31, 2021 by the Consolidated Appropriations Act, 2021. The period of performance end date for tribal entities was further extended to December 31, 2022 by the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act, Division LL of the Consolidated Appropriations Act, 2023, P.L. 117-328, December 29, 2022, 136 Stat. 4459.

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Section 15011 of the CARES Act, requires each covered recipient¹⁶ to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar quarter, a report that contains (1) the total amount of large covered funds^{17,18} received from Treasury; (2) the amount of large covered funds received that were expended or obligated for each project or activity; (3) a detailed list of all projects or activities for which large covered funds were expended or obligated; and (4) detailed information on any level of sub-contracts or sub-grants awarded by the covered recipient or its sub-recipients.

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG also has authority to recoup funds in the event that it is determined a recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Desk Review Results

Dallas' quarterly FPR submissions through March 31, 2022 were timely submitted to Treasury. Other than Aggregate Payments to Individuals, transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury's guidance. We also found that Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000 were necessary expenditures due to the COVID-19 public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the covered period. The transactions selected for testing were not selected statistically, and therefore results cannot be extrapolated to the total universe of transactions.

The following table includes the total cumulative expenditure population and the expenditure amount tested. This table also includes a summary of Castro's testing results over expenditure transaction balances. Within the "Exception Noted: IPA [Independent Public Accountant] Recommended for Treasury OIG Follow-up" section of this table, we have included a summary of unsupported and ineligible exceptions identified as questioned costs. These exceptions do not comply with

¹⁶ Section 15011 of P.L. 116-136 defines a covered recipient as any entity that receives large covered funds and includes any State, the District of Columbia, and any territory or possession of the United States.

¹⁷ Section 15010 of P.L. 116-136 defines covered funds as any funds, including loans, that are made available in any form to any non-Federal entity, not including an individual, under Public Laws 116-123, 127, and 136, as well as any other law which primarily makes appropriations for Coronavirus response and related activities.

¹⁸ Section 15011 of P.L. 116-136 defines large covered funds as covered funds that amount to more than \$150,000.

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the CARES Act and Treasury’s Guidance. Additionally, in the far-right column, we have identified the expenditures that Castro tested without exception. See the Desk Review Results section below this table for a detailed discussion of questioned costs and other issues identified.

Summary of Expenditure Testing and Recommended Results – As of Cycle 8¹⁹

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Unsupported Exception	Ineligible Exception	Amount Reviewed Without Exception
Contracts >= \$50,000	\$ 100,795,501.92	\$ 39,168,441.95	\$ -	\$ -	\$ 39,168,441.95
Grants >= \$50,000	\$ 8,566,596.26	\$ 4,468,459.97	\$ -	\$ -	\$ 4,468,459.97
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Government Agencies >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Payments >= \$50,000	\$ 14,741,667.06	\$ 6,629,702.40	\$ -	\$ -	\$ 6,629,702.40
Aggregate Reporting < \$50,000	\$ 9,280,022.57	\$ 33,148.00	\$ -	\$ -	\$ 33,148.00
Aggregate Payments to Individuals (in any amount)	\$ 101,059,339.79	\$ 74,894,522.11	\$2,211,593.67	\$ -	\$ 72,682,928.44
Totals	\$ 234,443,127.60	\$125,194,274.43	\$2,211,593.67	\$ -	\$ 122,982,680.76

Aggregate Payments to Individuals (API)

We determined Dallas’ API did not comply with the CARES Act and Treasury’s Guidance. Of the 10 API transactions tested, we identified exceptions in one transaction resulting in unsupported costs of \$2,211,593.67. The transaction was for costs not related to a public health and safety unit. The transaction was the highest aggregate dollar expenditure amount reported by Dallas management as allocation code (2) - Payroll Costs for Non-Public Health and Safety Employees. Specifically, Dallas management submitted a request to their Information Technology (IT) department to pull the data from their legacy timekeeping system, which took four weeks to obtain and review before Dallas was able to provide

¹⁹ Calendar quarter ending March 31, 2022.

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Castro documentation for a small subset (four) of the transactions selected within the Non-Public Health and Safety Employees allocation code. After multiple requests, Dallas management was unable to provide adequate and/or sufficient supporting documentation of payroll reimbursement amounts using CRF proceeds during our fieldwork procedures. Specifically, Dallas management was unable to provide general and subsidiary ledgers used to account for the receipt of CRF payments and subsequent disbursements to reconcile to our transaction selection in relation to payroll expenses for employees whose work duties were not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

In June of 2020, Dallas completed their implementation of a new payroll system. Dallas management told us that due to this change in payroll systems, it was unable to provide the requested API supporting documentation during our fieldwork. Overall, based on Dallas management's utilization of the old payroll system during the CRF program, our additional requests were significantly delayed. We asked Dallas management to provide the procedures used to calculate and report the amounts reimbursed to the non-public health and safety unit. Dallas provided their documented procedures; however, we were unable to re-perform those procedures to calculate the amounts reported in GrantSolutions.

Dallas management stated the reimbursement payroll costs assigned to their COVID-19 Fund would not reconcile to the transaction selected for testing due to the underlying financial data being allocated across multiple pay periods. In conclusion, Dallas management did not comply with the reporting and record retention requirements criteria of the CRF program, including Treasury OIG Guidance OIG-CA-20-021,²⁰ *Coronavirus Relief Fund Reporting and Record Retention Requirements*.

Conclusion

We determined that certain expenditures related to Aggregate Payments to Individuals did not comply with the CARES Act and Treasury's Guidance. As such, we question \$2,211,593.67 of expenditures due to a lack of supporting documentation. We found that uses of CRF proceeds for Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000 complied with the CARES Act and Treasury's Guidance.

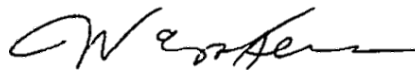
²⁰ <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-20-021.pdf>

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Based on the totality of the work performed and due to the exceptions identified above, we determined Dallas' risk of unallowable use of funds to be moderate. Castro recommends that Treasury OIG pursue obtaining documentation from Dallas management related to the Aggregate Payments to Individuals and ensure that expenditures reported are properly supported. Further, based on Dallas' responsiveness to Treasury OIG's requests and its ability to provide documentation, we recommend Treasury OIG determine if a focused audit on Aggregate Payments to Individuals is feasible.

All work completed with this letter complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented.²¹ We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

²¹ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>