

Memorandum



CITY OF DALLAS

DATE May 12, 2023

TO Honorable Members of the Government Performance and Financial Management Committee: Cara Mendelsohn (Chair), Gay Donnell Wills (Vice Chair), Tennell Atkins, Adam Bazaldua, Adam McGough, Paul Ridley, Chad West

SUBJECT **Atmos Dallas Annual Rate Review Filing Update**

On January 13, Atmos Energy Corporation, Mid-Tex Division (Atmos) filed a request with the City to increase rates. This filing was made under the Dallas Annual Rate Review (DARR) Tariff and is the company's fifth filing under the current DARR mechanism. Atmos requested an increase in annual revenues of \$20.6 million for the City of Dallas. This represents a monthly increase of 6.36 percent or \$6.10 for the average residential customer. Atmos has requested a June 1, 2023, effective date for the new rates.

Staff assisted by the City's gas rate consultant and outside legal counsel negotiated a settlement with Atmos which will be briefed to the Government Performance and Financial Management (GPFM) Committee on May 22, 2023, with recommendations for Council action on May 24, 2023. Pursuant to the DARR tariff the City has a review period of 135 days from the date of the filing to render a decision which would be May 28, 2023 however on May 13, 2020 in response to the COVID-19 pandemic the City amended the language to extend the evaluation period. The following language was added to the ordinance:

"The City of Dallas shall have 135 days to review and render a decision on the Company's filed schedules and work papers. However, should a declaration of emergency be issued affecting the City of Dallas by action of the United States federal government, the government of the State of Texas, the County of Dallas or the City of Dallas which is in effect during the 135-day evaluation period, the 135-day evaluation period shall be extended an additional 92 days (: Extended Period)".

The Governor has issued an emergency declaration monthly pertaining to the COVID-19 pandemic. The most recent order related to the COVID-19 pandemic was issued on April 15, 2023, therefore the review period of the 2023 is extended 92 days from May 28, 2023, to August 28, 2023. Staff recommends moving forward as negotiations are now complete.

The settlement reduces the requested increase by \$2.4 million annually and delays the implementation of the new rates from June 1, 2023, until September 1, 2023. This represents a monthly increase of \$5.73 per month for the average residential customer.

DATE May 12, 2023
SUBJECT **Atmos Dallas Annual Rate Review Filing Update**
PAGE **2 of 2**

On Monday, May 22, 2023, staff will brief the GPFM committee on the City Manager's recommendation and next steps. If you have any questions, please contact Nick Fehrenbach, Manager of Regulatory Affairs in Budget and Management Services.



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
Kimberly Bizzor Tolbert, Deputy City Manager
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Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors



City of Dallas

Atmos Dallas Annual Rate Review Filing

**Government Performance and
Financial Management
May 22, 2023**

Nick Fehrenbach
Manager of Regulatory Affairs
Budget and Management Services

Overview



- Update City Council on Atmos Energy Corporation's (Atmos) Dallas Annual Rate Review (DARR) filing
- Review proposed settlement agreement
- Discuss options
- Provide City Manager's recommendation
- Next steps



2023 DARR Filing



- Atmos filed its 2023 DARR rate case on January 13, 2023*
- Requested annual rate increase of \$20.6 million from within the city of Dallas
 - Average residential bill to increase by \$6.10/month or 6.36% with gas costs
 - Average commercial bill to increase by \$20.30/month or 3.41% with gas costs
- Requested rates to become effective June 1, 2023



**2023 DARR filed on January 13 due to January 15 being Sunday*

2023 DARR Filing



- The 2023 filing is the largest increase requested by Atmos under the DARR tariff since it was adopted in 2012
 - Although Atmos has had some increases in operating costs, the driving factor in this rate increase is Atmos' investment in new plant
 - In the past year Atmos has:
 - Spent over \$180 million in new capital investment
 - Replaced 64 miles of pipe within the City of Dallas
 - Reflects approximately 2% of pipeline in Dallas
 - Replaced 3,200 steel service lines within the City of Dallas



2023 DARR Filing



- City amended DARR ordinance May 13, 2020 in response to the COVID-19 Pandemic
 - The following language was added to the ordinance
 - However, should a declaration of emergency be issued affecting the City of Dallas by action of the United States federal government, the government of the State of Texas, the County of Dallas or the City of Dallas which is in effect during the 135 day evaluation period, the 135 day evaluation period shall be extended an additional 92 days (:Extended Period")
 - The Governor has issued an emergency declaration monthly pertaining to the COVID-19 pandemic. The most recent declaration being April 15, 2023
 - Therefore the review period of the 2023 DARR is extended 92 days from May 28, 2023 to August 28, 2023
 - Staff recommends moving forward as negotiations are now complete



2023 DARR Filing



- City retained Garrett Group LLC (Garrett) in 2017 to review gas rate cases such as the current DARR filing
- After reviewing the filing and supplemental information requested from Atmos, Garrett provided a draft report and preliminary findings, including recommendations for several adjustments to filing
- Staff shared Garrett's preliminary findings with Atmos
- Staff (assisted by Garrett and outside legal counsel) met with Atmos on multiple occasions via virtual conference and telephone to negotiate a settlement
 - Reached proposed settlement on May 5, 2023



2023 DARR Proposed Settlement



- Atmos to increase rates in Dallas by \$18.2 million annually
- Rates to become effective September 1, 2023
- Average residential bill will increase by \$5.73 per month
- Average commercial bill will increase by \$14.11 per month
- Atmos will reimburse City's rate case expense
 - Amount determined after adoption of settlement



Options



- 1) Adopt proposed settlement agreement
 - Atmos to increase rates by \$18.2 million annually
 - Rates to become effective September 1, 2023
 - Atmos to reimburse City for rate case expense
- 2) Adopt rates at some amount less than the proposed settlement
 - Atmos could appeal rates to RCT
 - Atmos could implement requested increase of \$20.6M in rates subject to refund while appeal was pending
- 3) Deny rate request, keeping current rates in effect
 - Atmos could appeal rates to RCT
 - Atmos could implement requested rates subject to refund while appeal was pending



City Manager's Recommendation



- Adopt proposed settlement agreement as negotiated by staff (Option 1)
 - Saves residents \$2.4 million off of requested rates
 - Atmos to pay City's rate case expenses
 - Rates to become effective September 1, 2023
 - Avoids uncertainty of litigating and appeal at RCT
 - Avoids additional rate case expense which would be passed on to customers





Next Steps

- City Council will consider ordinance to set rates to be charged by Atmos on *May 24, 2023*





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Appendix

2022 DARR Filing



- Atmos filed its 2022 DARR rate case on January 14, 2022
- Requested annual rate increase of \$15.3 million from within the city of Dallas
 - Average residential bill to increase by \$4.51/month or 6.33% with gas costs
 - Average commercial bill to increase by \$14.90/month
 - Atmos requested rates become effective June 1, 2022





2022 DARR Settlement Agreement

- Atmos increased rates in Dallas by \$13.3 million annually
- Rates became effective September 1, 2022
- Average residential bill increased by \$4.17 per month
- Average commercial bill increased by \$10.33 per month
- Atmos reimbursed City's rate case expense



Franchise History



- Original franchise granted to The Dallas Gas Company in 1905
- Purchased by Lone Star Gas in 1927
- Acquired by TXU Gas in 1996
- Merged with Atmos in 2004
- Current franchise approved January 13, 2010, by ordinance #27793 authorizes Atmos to provide natural gas utility service in city
 - Initial term of 15 years



Jurisdiction to Set Rates



- Texas Utilities Code indicates jurisdictional responsibility for regulation of natural gas in state
- City has original jurisdiction to set local distribution rates within city boundaries
- Railroad Commission of Texas (RCT) has appellate jurisdiction over local distribution rates and original jurisdiction over pipeline rates



Utility Bill Breakdown



- Customer's gas utility bill has two primary components:
 - Local distribution rates
 - Approved by City Council (RCT has appellate jurisdiction)
 - Charges for distribution from city limits to customers' premises
 - Includes costs for meter reading, billing, and customer service
 - Distribution charges split between monthly customer charge and consumption charge
 - Pipeline rates (appear on bill as Rider GCR-Gas Cost Recovery)
 - Approved by RCT
 - Costs from producer and pipeline company to city limits
 - Includes pass-through of actual cost of gas
 - Typically comprise 60% of residential charges and 70% of commercial charges



Billing Classes



- Gas utility customers are divided into four billing classes:
 - Residential
 - Commercial
 - Businesses and apartments with gas for common use
 - Industrial
 - Contract for minimum of 125 Mcf per month
 - Service may be interrupted in extreme conditions
 - Transport
 - Fee charged to transport gas between two other parties



Litigation History



- Last fully litigated case to set Dallas rates:
 - 11/5/08 – Atmos requested a rate increase of \$9.1 million
 - 3/25/09 – City denied increase and set rates below Atmos existing rates
 - Atmos appealed this rate decision to RCT
 - 1/23/10 – RCT granted Atmos a rate increase of \$1.6 million



Gas Reliability Infrastructure Program (GRIP)



- Enacted by 78th Legislature (2003) as incentive for gas utilities to invest in new infrastructure
- Rates adjusted annually to account for changes in net investment
- 2/25/11 – Filed with City of Dallas
 - Atmos requested increase of \$20.2 million (systemwide)
 - Settled for increase of \$11.0 million (systemwide)
 - City authorized DARR tariff as part of settlement



DARR Filing History



Year of DARR Filing	Atmos Request	Settlement
2012	\$2.5 million increase	\$0.4 million decrease
2013	\$4.0 million increase	\$1.8 million increase
2014	\$8.7 million increase	\$6.3 million increase
2015	\$7.4 million increase	\$4.7 million increase
2016	\$7.4 million increase	\$5.3 million increase
2017	\$10.7 million increase	\$9.9 million increase By RCT on appeal
2018	No DARR filing	
2019	\$10.1 million increase	\$8.5 million increase Settled on appeal
2020	\$18.3 million increase	\$15.8 million increase
2021	\$17.04 million increase	\$1.9 million increase
2022	\$15.3 million increase	\$13.3 million increase
2023	\$20.6 million increase	\$18.2 million increase Proposed



Memorandum



CITY OF DALLAS

DATE May 12, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Bond Sale Results - General Obligation Refunding and Improvement Bonds, Series 2023A; and Combination Tax and Revenue Certificates of Obligation, Series 2023**

Earlier this week, the City successfully held a negotiated sale of the City of Dallas, Texas General Obligation Refunding and Improvement Bonds, Series 2023A (the “2023A Bonds”); and Combination Tax and Revenue Certificates of Obligation, Series 2023 (the “Certificates of Obligations,”), (collectively, the “Bonds”). Prior to the issuance of the Bonds, the City received affirmed ratings of AA- (Stable) from S&P Global Ratings and AA (Stable) from Fitch Ratings. Response to the City’s Bonds was especially positive once again and the transaction received orders for close to three times the par amount of the sale for a total of over \$1 billion in priority orders.

Final pricing for the 2023A Bonds resulted in a par amount of \$381.1 million and bond premium of \$48.5 million; with a net present value savings of approximately \$6.6 million, or 10.8%, on the refunded Series 2013A bonds. Final pricing for the Certificates of Obligation resulted in a par amount of \$55.2 million and bond premium of \$6.1 million. The combined par amount is \$436.3 million and bond premium is \$54.6 million on the Bonds. The combined true interest cost (TIC) of the Bonds is 3.3%.

The outcome of the City’s bond sale was a significant success despite an uncertain and fluctuating market and reflects the continued investor demand for the City’s credit, bolstered by the City’s credit ratings, budgetary performance, and prudent leadership. The Bonds are scheduled to close on June 6, 2023.

Thank you for your continued support. Please let me know if you have any questions.

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

Jack Ireland
Chief Financial Officer

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
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Memorandum



CITY OF DALLAS

DATE May 12, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Online Reporting System and Phone Reports Update**

In 2020, KPMG conducted a comprehensive staffing and efficiency study that recommended the reporting of non-emergency incidents to an online system or via phone and the transfer of certain response functions to other departments/agencies. Subsequently, the Dallas Police Department (DPD) implemented a new online reporting system for eligible non-emergency offenses known as the Dallas Online Reporting System (DORS).

At the May 8, 2023 Public Safety Committee meeting, staff briefed DPD's recommendation to further improve the efficiency of operations and increase the availability of officers for high-priority calls through the expanded use of the online reporting system. Rather than continue the current practice of providing an *option* to use DORS for certain non-emergency offenses, the Department recommended removing the option and instead *require* the use of the online reporting system for the same offenses. It is estimated that this change could free up approximately 135,000 patrol hours which is equivalent to the work of 65 full-time sworn officers. A copy of the briefing presentation is attached.

The Public Safety Committee supported the Department's recommendation and staff will soon be launching an outreach and educational program, including but not limited to social media releases, updated instructional videos, information distributed through neighborhood groups, and information about kiosks installed at the police stations for those that need assistance. Implementing this program will allow the citizen to report eligible incidents quickly, help improve patrol officer response times to high-priority calls and allow officers more time to focus on violent crime reduction. The use of the online reporting system results in the same investigative process as if a police officer completed an offense report at the incident scene.

The chart below details offenses that will be required to be reported through the online reporting system or over the phone with a police representative. It is estimated that these changes will occur mid-to-late June following the outreach and educational campaign.

Online or Phone Report Eligible	Criteria	Online	Phone
Accident Reports	No injuries, insurance info exchanged, wrecker not needed, under \$1,000 in damage, vehicles are drivable.	Yes	No
Burglary of Coin Machine	Any coin, debit card, credit card vending machine such as soft drink, video rental machine, or snack machine.	Yes	Yes
Burglary of Motor Vehicle	Vehicle broken into without the consent of owner, suspect is not at the scene.	Yes	Yes
Credit/Debit Card Abuse	The use of a credit card or debit card without the owner's consent and occurs in the Dallas city limits.	Yes	No
Criminal Mischief	Intentional damage of property under \$2,500.	Yes	Yes
Graffiti	Making markings or symbols on property without the owner's consent causing under \$2,500 of damage.	Yes	Yes
Harassing Phone Calls	Must receive 10 or more phone calls or texts designed to harass, annoy, alarm, abuse, or embarrass, not related to family violence.	Yes	Yes
Identify Thefts	Obtaining someone else's personal identifying information to obtain credit, goods, or services and occurred in the Dallas city limits.	Yes	No
Interference with Child Custody	Did not exchange children at court ordered time. Must have a court order. Child cannot be in any danger and have occurred in the Dallas city	Yes	No
Lost Property	Lost item not as a result of a criminal action.	Yes	Yes
Reckless Damage	The damage or destruction of property due to lack of reasonable care within the Dallas city limits. Ex. In a private parking lot, hitting another vehicle while parking.	Yes	Yes
Theft	Property stolen valued under \$2,500. Not resulting from entry into a home or business.	Yes	No
Theft of Service	Obtaining a service without paying for the service under \$2,500.	Yes	Yes
Theft Shoplifting	This report is for business who have items stolen from their stores valued at under \$2,500.	Yes	No

Should you have any questions, or need additional information, please contact Robert Uribe, 911 Administrator at robert.uribe@dallaspolice.gov.



Jon Fortune
 Deputy City Manager
[Attachment]

- c: T.C. Broadnax, City Manager
- Tammy Palomino, Interim City Attorney
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
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- Genesis D. Gavino, Chief of Staff to the City Manager
- Directors and Assistant Directors



City of Dallas

Dallas Online Reporting System (DORS) Update and Discussion

**Public Safety Committee
May 8, 2023**

Robert Uribe, 911 Administrator
Dallas Police Department
City of Dallas

Presentation Overview



- High Priority Calls
- Patrol Response Times
- Historical Staffing vs. Priority One Calls
- Report Calls with Police Officers Dispatched
- Consultant Recommendations
- What's Been Done
- Call Types Under Review for Future Consideration
- DORS/Phone Report Usage Remains Low
- Recommendation to Help Reduce Response Times
- Benefits of DORS, Phone Reports and Other Strategies
- Comparable Cities
- Next Steps
- Questions



High Priority Calls for Service



- High priority calls have increased compared to the same time last year.
- These calls require multiple officers at the scene for extended periods of time.

Dispatched Calls For Service: January 1 thru April 30- 2022 vs 2023

	2022	2023	% Increase
Priority 1	11,495	12,368	7.59%
Priority 2	91,180	94,191	3.30%



Patrol Response Times



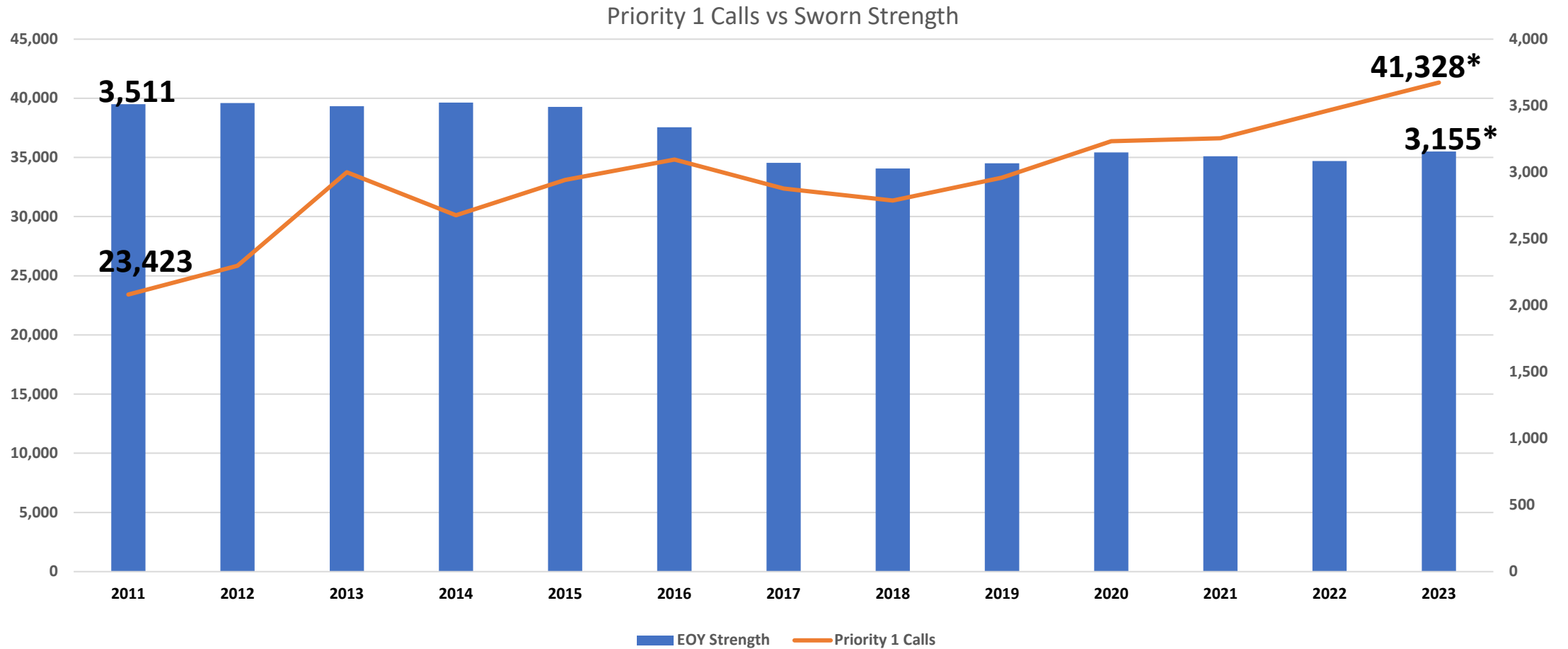
- The increase in high priority calls is a contributing factor for increasing response times.

Response Times: 2022 and 2023*			
	2022	2023*	2022 to 2023 % Increase*
Priority 1	9.50	10.09	6.21%
Priority 2	64.51	91.89	42.44%
Priority 3	381.14	583.12	53.00%
Priority 4	441.02	574.36	30.23%

*January 1, 2023 to April 30, 2023



Priority One Calls vs. Sworn Staffing



*Projected end of year- 2023

Report Calls with Officers Dispatched



- 2019 through 2022- an average of 19.3% of all calls dispatched for service were in call categories currently eligible for DORS or phone reporting.
- Total dispatched incidents which were DORS or phone reporting eligible:
 - 2022- 104,303
 - 2021- 110,897
 - 2020- 112,794
 - 2019- 136,018





- Divert to DORS/Over the phone reporting:
 - Thefts
 - Unauthorized Use of Motor Vehicle
 - Burglary of Motor Vehicle
 - Robbery (report) +1 hour
 - Criminal Mischief
 - Burglary of Motor Vehicles
 - Meet Complainant
 - Missing Person
 - Minor Accidents



KPMG Recommendations – Continued



- Divert to Other Agencies:

23 – Parking Violations

37- Street Blockages

6F – Fire Works Disturbance

6M – Loud Music Disturbance

PH – Panhandler

SIP – Sleeping In Public

22 – Animal Disturbance

46 – CIT

46A – CIT w/Ambulance

DH – Drug House

OADS – Open Air Drug Sales

33 – Prostitution

24 – Abandoned Property

TOW – Tow Repo



What Has Been Done



- Parking Violations and Street Blockages were transferred from DPD to Transportation. Forecasted savings of:
 - 6.5 sworn officers
 - \$878,450
 - 13,500 patrol hours
- Calls diverted to DORS and phone reports in 2022 led to an estimated savings of:
 - 24.6 sworn officers
 - \$3,324,606
 - 51,188 patrol hours
- Right Care teams created to assist with mental health calls
- New tow process went live on May 2, 2023 – Auto Return



What Has Been Done - Continued



- Kiosks installed at the Dallas Police stations.



Call Types Being Reviewed for Future Consideration



- KPMG recommendations under evaluation:
 - Stolen vehicles (UUMV)
 - Robbery reports
 - Loud music
 - Animal disturbance
 - Meet complainant
- Other call types:
 - Burglary of Business – no suspect
 - Burglary of Residence – no suspect

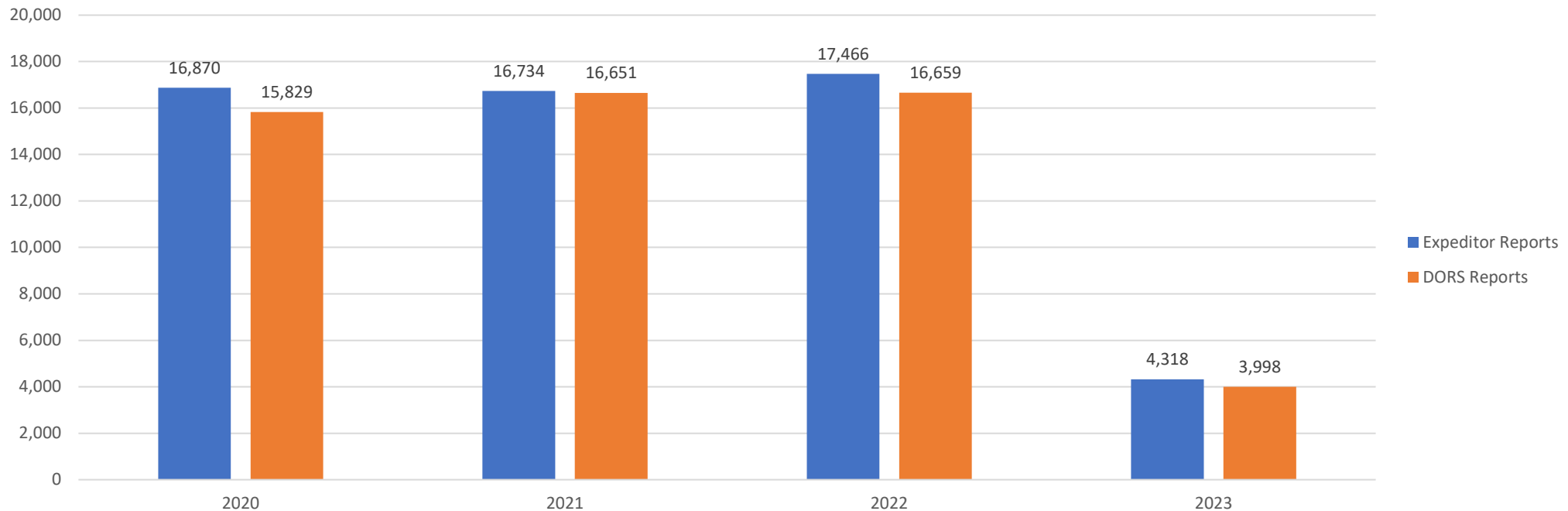




Use of DORS and Phone Reporting Remains Low

- 2023 Diversion Rate: 6% of all calls dispatched
- Desired Diversion Rate: 100% of all eligible

DORS and Expeditor Reports Filed



Recommendation to Reduce Police Response Times



- Require the use of DORS, phone reporting and the new computer access at the sub stations to file police reports for calls already approved for reporting online or over the phone beginning June 1, 2023.
 - Minor Accident (no injuries, vehicles drivable, and information exchanged)
 - Theft
 - Burglary of Coin Operated Machine
 - Burglary of Motor Vehicle
 - Criminal Mischief



Benefits of DORS, Phone Reports and Other Strategies



- Citizens efficiently complete reports online or over the phone.
- The same investigative process as if an officer arrives to take a report.
- Expanding the use online, phone and other strategies will improve response times for high priority calls.
- Forecast of 135,000 patrol hours saved per year.
 - Equates to 65 sworn officers or \$8,784,527.00 per year.
- Violent crime grid expansion.



Comparable Cities



- Cities that offer online, phone and/or substation reporting as the primary method of filing police reports for low priority calls:
 - Los Angeles
 - Phoenix
 - San Diego
 - Houston
 - Austin
 - Fort Worth
 - El Paso



Next Steps



- Obtain feedback from this committee.
- Begin a public education campaign May 2023.
- Training of DPD staff.
- Evaluate the ongoing results of the initiative for continued improvements.
- Begin the updated reporting procedures on June 1, 2023.
- Return to this Committee in six months to provide a status and possible additional recommendations.





City of Dallas

Dallas Online Reporting System (DORS) Update and Discussion

**Public Safety Committee
May 8, 2023**

Robert Uribe, 911 Administrator
Dallas Police Department
City of Dallas

Memorandum



CITY OF DALLAS

DATE May 12, 2024

TO Honorable Mayor and City Councilmembers

SUBJECT **FY 2024 Community Project Funding Requests**

The offices of the United States House of Representatives have officially released their FY 2024 Community Project Funding requests. Per House rules, each member is allowed to submit up to 15 requests, with requests limited to projects sponsored by governmental entities and nonprofit organizations. In addition, requests are limited to specific accounts (COPS Technology, HUD Economic Development Initiative, Highway Infrastructure Projects, etc.) and most accounts are limited to requests in the range of \$100,000 to \$5 million, with each House member receiving \$10 million to \$15 million across all requests.

House Appropriations Chair Kay Granger (R-TX) distributed a [letter](#) to committee members recently outlining an initial markup schedule. The Committee plans to have subcommittee markups on May 17-18 and June 7-8, and full committee markups on May 23-25 and June 13-15.

Historically, the Senate Appropriations Committee does not mark up an Appropriations bill until its House companion measure has passed the full House. However, Senate Appropriations Chair Patty Murray last week shared that her Committee plans to start its markups on May 18, before any House bills are expected to reach the Floor. That date is not set in stone and is contingent on a top-line spending agreement determining how much each Subcommittee has available to it so that they can fine-tune their bills. The Committee has yet to formally announce a markup schedule, but we will update you as more information becomes available.

Specifics on the earmarks included in each bill are generally available at time of Subcommittee markup.

In the meantime, it is appropriate to thank Representatives Allred, Crockett, and Veasey for submitting City projects when you see them in person. The Community Project Funding process is competitive; as noted above, each House member can only submit 15 requests and those 15 requests must cover every local government, transit agency, public agency, college, university, and nonprofit in their district.

A summary of City of Dallas requests (and links to all requests) submitted by the Dallas House delegation follows. A complete list of the projects the City submitted can be found [here](#).

City of Dallas CPF Requests

Representative Allred

- White Rock Lake Environmental Infrastructure – \$2 million
- Garland Road Next Generation Planning – \$1 million
- DPD Investigation Software (Social Media) – \$500,000

DATE May 12, 2024
SUBJECT **FY 2024 Community Project Funding Requests**

Representative Crockett

- Martin Luther King, Jr. Community Center Enhancements – \$2.5 million

Representative Veasey

- West Dallas Multipurpose Center – \$2.5 million
- Kiest Recreation Center Resilience Hub – \$3 million

Partner CPF Requests

In addition, the delegation submitted projects requested by City of Dallas partners, including:

Representative Allred

- DART Cityplace/Uptown Station Tunnel Fire Standpipes Replacement – \$2.5 million
- DFW International Airport Mobile Command Post – \$2 million
- DFW International Airport Mobile Bomb Squad Response Vehicles – \$2 million
- Trinity Park Conservancy – Ron Kirk Bridge & Felix Lozada Gateway Infrastructure – \$5 million

Representative Crockett

- Bonton Farms Bexar Street Resource Center – \$600,000
- UNT College of Law Community Lawyering Center – \$2.5 million
- Development of the Community Park at Fair Park – \$5 million
- Trust for Public Land - Judge Charles Rose Community Park – \$8 million
- Southern Gateway Park Foundation – \$7 million

Representative Veasey

- Southern Gateway Park Foundation – \$7 million
- Trinity Park Conservancy – West Dallas Multimodal Bridge – \$5 million

We will continue to keep you apprised as these items move through the process. Should you have any questions, please reach out to Dina Colarossi, Government Affairs Manager for Grants at dina.colarossi@dallas.gov, or Lillian Mauldin, Senior Governmental Affairs Coordinator, at lillian.mauldin@dallas.gov.

Sincerely,


Carrie Rogers
Director
Office of Government Affairs

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
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CITY OF DALLAS

DATE May 12, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Follow-up to the May 3, 2023, City Council Briefing**

On May 3, 2023, City Council was briefed on the FY 2023-24 HUD Consolidated Plan Budget and FY 2022-23 Mid-Year Budget Amendments. Below are responses to unanswered questions.

Responses to FY 2023-24 HUD Consolidated Plan Budget

1. Please provide detail of how the \$2.8 million for Public Facilities and Improvements will be allocated.

Project	Amount
Commitment for 5-Mile Infrastructure (Initial commitment was \$6 million. This is final amount needed to complete CDBG multi-year commitment.)	\$1,243,000
Public Facilities and Improvements for Nonprofits (Council policy limits amount available to nonprofits each year to no more than 5% of the annual CDBG grant. FY 2023-24 amount is \$13,809,603)	\$690,480
TBD/Currently unspecified	\$869,667
Total for FY 2023-24 Public Facilities	\$2,803,147

Responses to FY 2022-23 Mid-Year Budget Amendments

1. Provide a list of areas where reforestation funds will be spent

The Reforestation Fund includes funding for the purchase of new trees (\$13,000) and land acquisitions for future park developments (\$2.5 million).

Dallas Park and Recreation staff is preparing an acquisition (\$2.5 million) for consideration by the Park Board (anticipated for May 2023 or June 2023) for ~285 acres of forested land in Southwest Dallas from the Trust for Public Land for 'Big Cedar Wilderness' property near W. Camp Wisdom Road and Eagle Ford Road.

The criteria for using the Reforestation Fund for acquisition of forested land:

1. Acquisition of land for/to benefit the public good.
2. Land acquired must be conserved/retained to support tree canopy coverage and the enhancement of wildlife habitat.
3. Prioritization of sites that are development-threatened habitat areas and provide interconnectedness with natural area corridors for retention of continuous tree canopy, including city parks and riparian zones.
4. Prioritize sites identified for city-wide development regions to provide current and future residents the opportunity to have close contact with natural areas.

2. Provide additional information regarding our strategy for electric vehicles (EV) in our fleet replacement and the additional funding.

Equipment & Fleet Management (EFM) will continue the EV strategy as briefed to City Council in August 2022 and November 2022. Specifically, EFM maintains an active inventory of vehicles that are replacement eligible, meaning they have met or exceed their useful life. Departments that have vehicles that are replacement eligible make specific requests, provide vehicle specifications and justification for a new vehicle. Any eligible vehicle selected for replacement is validated to confirm it aligns with our EV strategy which is defined as purchasing electric vehicles where the market availability, vehicle specifications, and charging infrastructure meet the needs of the department requesting the replacement. Since August 2022, 96 EVs have been ordered. Existing and additional funding will be used to procure more replacement vehicles as EV in support of CECAP.

3. How many vacant vs filled positions are in Office of Procurement Services (OPS)? How many temporary personnel are currently being used?

As of March 2023, the FY 2022-23 budget includes 29 total positions in OPS: 14 vacant positions and 15 filled positions. Additionally, OPS has recently staffed five (5) temporary positions with a contracted vendor that is projected to end September 30, 2023.

4. Provide a list of ARPA funded street light enhancement projects either in progress or completed.

The Department of Transportation (TRN) identified locations that would have the most impact on public safety using established criteria such as:

1. Insufficient number of streetlights, or insufficient distance between streetlights.
2. Violent crime density based on DPD data.

DATE May 12, 2023
 SUBJECT Follow-up to the May 3, 2023, City Council Briefing
 PAGE 3 of 3

3. Risk Terrain Model data developed by the Child Poverty Lab (data based on existing streetlights and violent crime).
4. High Injury Network developed by the TRN for Vision Zero.
5. Equity Risk Score.
6. ARPA Qualified Census Tracts (QTCs).

Below is a list of new and upgraded LED projects using ARPA funds.

New Lighting and Existing Lighting Upgrade to LED Projects Using ARPA Funds

FY	Project Name	Status	Completion Date	Project Cost Estimate	Work Type
2022	Red Cloud (Wi-Fi Project)	Completed	8/16/2022	\$ 174,343	New City Lights
2022	2600-2700 Marsalis Ave	Completed	8/30/2022	\$ 61,465	New City Lights
2022	Markville Dr/Vantage Point Dr	Completed	2/23/2023	\$ 217,162	New City Lights
2022	W Overton Dr	Completed	5/25/2022	\$ 52,043	New City Lights
2022	Village Fair / Conway	Completed	11/14/2022	\$ 158,527	New City Lights
2022	Material for LED Conversion	Completed	9/30/2022	\$ 930,567	City light Conversion
2022	Material for Central Expwy - LED	Completed	9/30/2022	\$ 299,992	City light Conversion
2022	Material for Poulsen Light Conversion	Completed	9/30/2022	\$ 121,646	City light Conversion
2023	Timberglen/Vail	Construction		\$ 304,341	New City Lights
2023	Material for N Central Expy Conversion	Ordered		\$ 677,078	City light Conversion
Total Spent as of May 12, 2023				\$ 2,997,164	

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



Jack Ireland
 Chief Financial Officer

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

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 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

Memorandum



CITY OF DALLAS

DATE May 12, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Sales Tax Receipts**

As part of the FY 2022-23 mid-year budget ordinance approved by the City Council on May 10, we increased the sales tax revenue budget by \$15.5 million from \$417.2 million to \$432.8 million. The budget increase was possible based on YTD actual collections. Receipts have increased by 10.5% over the most recent 12 months.

The March 2023 sales tax receipts from the State Comptroller's Office are \$38.6 million and represent a 3.0% decrease in total collections compared to the same reporting period last year which included a one-time positive audit finding that we received in March 2022. When comparing current collections, March 2023 receipts are 1.2% greater than the same reporting period last year.

- March 2022 actual \$39,832,144
- March 2023 budget \$40,266,992
- March 2023 actual \$38,643,035*

*This amount does not include self-reported sales tax (\$127,000 average collections) due to ongoing system issues

The FY 2022-23 YTD trend is positive and consultation with Dearmon Analytics (contract economist) predicts slowing to more historical growth rates should occur over the next several months. We will continue to monitor our sales tax forecast closely and provide additional information as it becomes available.

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

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

Jack Ireland
Chief Financial Officer

[Attachment]

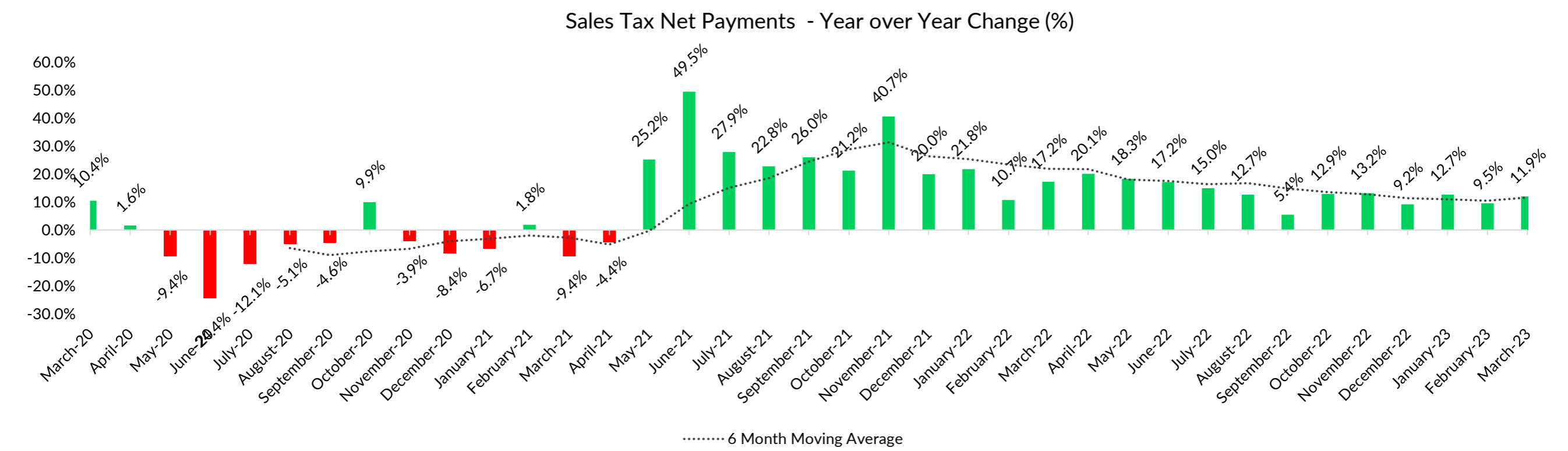
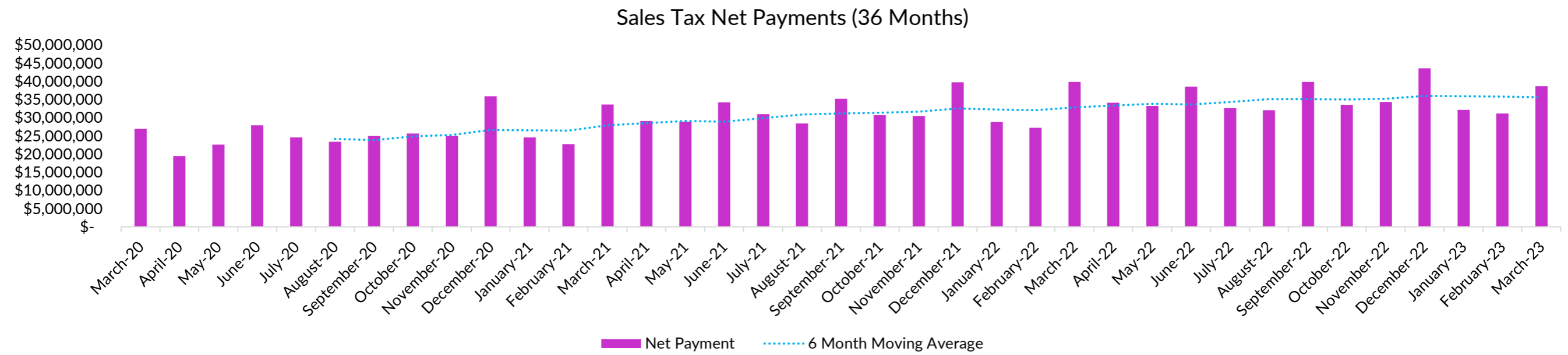
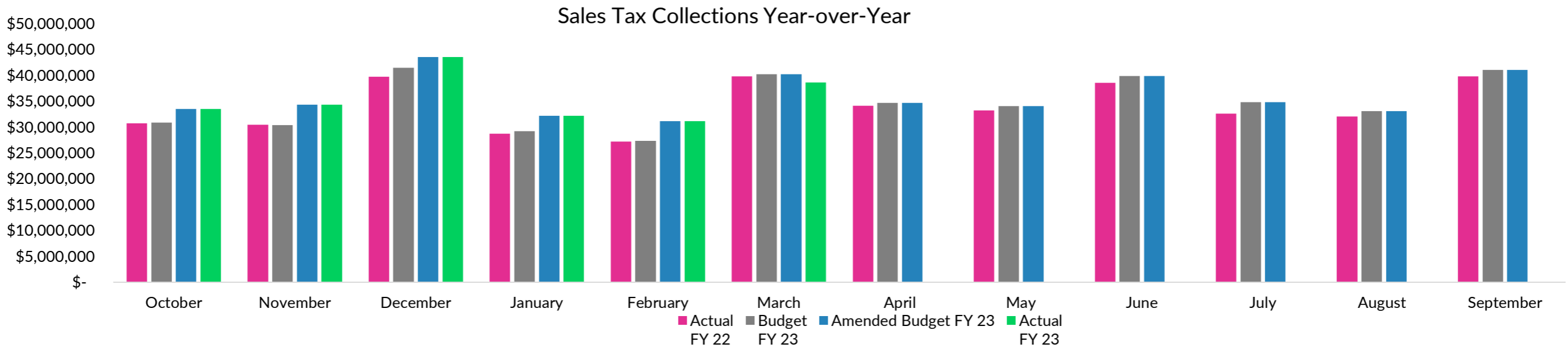
c: T.C. Broadnax, City Manager
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Directors and Assistant Directors

Sales Tax

as of February 2023

Month	Actual FY 22	Budget FY 23	Amended Budget FY 23	Actual FY 23	YTD Variance FY 2022-23	YTD Variance FY 2022-23	FY 2022-23	FY 2022-23
					Actuals versus	Actuals versus	Actuals versus	Actuals versus
					FY 2021-22 Actuals	FY 2021-22 Actuals	Amended	Amended
					(\$)	(%)	Budget	Budget
October	\$ 30,717,609	\$ 30,857,310	\$ 33,546,824	\$ 33,546,824	\$ 2,829,215	9.2%	\$ -	0.0%
November	30,461,440	30,389,940	34,320,398	34,320,398	3,858,958	12.7%	\$ -	0.0%
December	39,784,802	41,477,877	43,576,728	43,576,728	3,791,926	9.5%	\$ -	0.0%
January	28,760,595	29,196,263	32,196,210	32,196,210	3,435,615	11.9%	\$ -	0.0%
February	27,238,115	27,350,419	31,149,534	31,149,534	3,911,419	14.4%	\$ -	0.0%
March	39,832,144	40,266,992	40,266,992	38,643,035	(1,189,109)	-3.0%	(1,623,956)	-4.0%
April	34,139,323	34,661,953	34,661,953					
May	33,254,120	34,060,402	34,060,402					
June	38,602,297	39,913,555	39,913,555					
July	32,646,635	34,850,176	34,850,176					
August	32,060,088	33,125,024	33,125,024					
September	39,811,956	41,082,472	41,082,472					
Total	\$ 407,309,124	\$ 417,232,383	\$ 432,750,269	\$ 213,432,729	\$ 16,638,024	8.5%	\$ (1,623,956)	-0.8%



Memorandum



CITY OF DALLAS

DATE May 12, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Title 42 Expiration**

Title 42 provisions that have been in place for the last three years to manage migrant acceptance at the US border expired last night. While the larger impact of the expiration of Title 42 is unknown, the City of Dallas is developing contingency plans for the possibility of additional migrants coming to the Dallas area seeking assistance and shelter.

Currently, the City of Dallas has partnered with Dallas Responds and Catholic Charities of Dallas to address migrant services in our area. Dallas Responds, has been operating respite centers at two area churches that aid migrants bussed to Dallas and continue the journey to their final destinations. The respite center typically operates 12-hours per day, and the arrival of buses is coordinated with border cities. Catholic Charities of Dallas has been providing support to individuals who have made their way to the Dallas area, but not through the planned coordination mentioned above.

While there is no direct indication that we will see an increased number of migrants in Dallas, staff is developing contingency plans. More details on these contingency plans will be provided as soon as possible. Until then, should it be necessary, staff is prepared to take immediate action to ensure that migrant needs are met including the emergency expenditure of City resources that may require Council ratification at some point.

Staff will continue to monitor this situation and be prepared to provide additional updates as needed. Please let me know if you have any questions or need additional information.

A handwritten signature in cursive script that reads "Rocky Vaz".

Rocky Vaz, Director
Office of Emergency Management

c: T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
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