

Memorandum



CITY OF DALLAS

DATE September 15, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Final Steps to Adopt the FY 2023-24 Budget on September 20**

Thank you for your continued participation in the FY 2023-24 budget development process that will conclude next Wednesday, September 20. The City Manager's Recommended Biennial Budget for FY 2023-24 and FY 2024-25 was presented to the City Council on August 8. Following your community town hall meetings and much deliberation, a majority of the City Council supported five budget amendments on September 6. The five approved amendments (attached) were incorporated into the recommended budget and the City Council approved the budget on First Reading on September 6. The budget ordinance was advertised in the official newspaper of the City in compliance with the City Charter.

On September 20, prior to final consideration of the budget and property tax rate, a public hearing (Agenda Item 3) to receive comments on the property tax rate is required. This public hearing was authorized by the City Council on August 23 and advertised as required by State law.

Prior to approval of the budget on September 20, the City Council may make additional amendments as part of the budget discussion and Briefing A. Attached are three additional amendments that were received as of noon on Friday, September 15. The amendments are provided in the order in which they were received.

After the public hearing, and after consideration of amendments, there will be suite of budget-related items that must be approved. Because of varying legal requirements, items 4, 5, and 6 will require a record vote as indicated below; items 7, 8, 9, and 10 do not require a record vote.

- Agenda Item 4 - Final reading and adoption of the appropriation ordinance appropriating funds for the FY 2023-24 City of Dallas Operating, Capital, and Grant & Trust Budgets will be considered next Wednesday. This item requires a record vote and must be considered before approval of the tax rate. Per the Local Government Code (102.009), the governing body may levy taxes only in accordance with the budget. The total of \$4,623,436,885 reflects the City Manager's recommended budget as amended by the City Council. Additionally, Internal Service Funds and the Employee Retirement Fund are included in the budget ordinance for your approval resulting in a total of \$4,898,376,958. The Internal Service Funds and Employee Retirement Fund are not part of the budget document financial summaries to avoid double counting the revenue and expense but must be appropriated for separate expenditure through the budget ordinance.

- Agenda Item 5 - An ordinance setting the tax rate at \$0.7357 per \$100 assessed valuation, which includes \$0.5317 for the General Fund and \$0.2040 for Debt Service will be considered after approval of the budget. This item requires a record vote and 60 percent (9 votes) of the members of the City Council must vote in favor of the adoption of the tax rate.
 - The motion to adopt the tax rate must be made in the following form: “I move that the property tax rate be increased by the adoption of a tax rate of \$0.7357 per \$100 assessed valuation, which is effectively a 7.97% increase in the tax rate”.

This year’s levy to fund maintenance and operation expenditures exceeds last year’s maintenance and operations tax levy and therefore exceeds the no-new-revenue tax rate. The motion to adopt the tax rate requires the above statement, “increase in the tax rate” as specified in section 26.05(b) of the Property Tax Code even though **the proposed tax rate for FY 2023-24 is being reduced by \$0.0101 from \$0.7458 to \$0.7357 per \$100 assessed valuation.**

- Agenda Item 6 - A resolution to ratify the increase in total property tax revenues reflected in the FY 2023-24 budget requires a record vote. Per the Local Government Code (102.007), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the City Council to ratify the revenue increase reflected in the budget. This vote is in addition to and separate from the vote to set the tax rate.
- Agenda Item 7 - An ordinance amending Chapters 2, 7, 8A, 12B, 15D, 16, 18, 27, 42B, 43A, 48B, 49, 50, 51A and 52 of the Dallas City Code to amend fee, rates, and charges is required in support of the budget. A memorandum regarding this item was sent to the City Council on September 15 and can be found [here](#).
- Agenda Item 8 – An ordinance creating or renaming departments is presented for approval. Per City Charter Chapter X, Section 1, this item does not require a record vote. However, it does require three-fourths approval (11 votes). This item establishes the Office of the City Marshal, renames the Department of Court and Detention Services to Dallas Municipal Court, and assigns historic preservation functions in the Office of Management Services to the Department of Planning and Urban Design.
- Agenda Item 9 - Position changes, salary schedules, civilian merit and uniform salary increases, minimum hiring rate, and new pay schedules for uniform executives will be presented for approval in support of the budget.

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- Agenda Item 10 – The Employee Health Benefit plan design effective January 1, 2024, health coverage plans, and premium rates will be presented for your approval.

Please note, if agenda items 5, 6, or 7 fail and cause the budget to be out of balance, we will need to reconsider the final reading and adoption of the budget ordinance, agenda item 5.

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



Jack Ireland
Chief Financial Officer

Attachments

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
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

City Council Amendment - FY 2023-24 Budget

FY 2023-24 Budget Amendments - City Manager TC Broadnax - August 31, 2023

City Manager - TC Broadnax		Amendment Number	
		1	
Source of Funds	Amount	Use of Funds	Amount
Court & Detention Services - Transfer eight Court & Detention Services (City Detention Center, City Marshal's Office, Lew Sterrett Jail Contract, Security Services, School Crossing Guard Program, Sobering Center, Marshal's Park Enforcement, and Environmental Crimes Division) and establish a new office - City Marshal's Office. The remaining services (Municipal Court Services and Parking Adjudication Office) will be focused on court services.	31,014,617	City Marshal's Office - Transfer eight Court & Detention Services (City Detention Center, City Marshal's Office, Lew Sterrett Jail Contract, Security Services, School Crossing Guard Program, Sobering Center, Marshal's Park Enforcement, and Environmental Crimes Division) and establish the City Marshal's Office (ongoing cost of \$31,537,330 in FY 2024-25). This new office will better support Texas Commission on Law Enforcement (TCOLE) certified officers.	31,014,617
Total Source of Funds	31,014,617	Total Use of Funds	31,014,617
City Council Action (yes/no/withdrawn)	Y	Difference	0

FY 2023-24 Budget Amendments - Council Member Ridley - September 1, 2023

Council Member Lead - Ridley		Amendment Number	
		14	
Source of Funds	Amount	Use of Funds	Amount
Human Resources - Reduce the budget to the 2022-23 budget plus required contractual salary, benefit, and pension increases.	126,501	Decrease the tax rate.	126,501
Total Source of Funds	126,501	Total Use of Funds	126,501
City Council Action (yes/no/withdrawn)	Y	Difference	0

Council Member Lead - Ridley		Amendment Number	
		15	
Source of Funds	Amount	Use of Funds	Amount
Public Works - Reduce the budget for the Real Estate division within Public Works to forecast 2023 level, plus required contractual salary, benefit, and pension increases.	95,599	Decrease the tax rate.	95,599
Total Source of Funds	95,599	Total Use of Funds	95,599
City Council Action (yes/no/withdrawn)	Y	Difference	0

Council Member Lead - Ridley		Amendment Number	
		18	
Council Member Amendment: Willis			
Source of Funds	Amount	Use of Funds	Amount
Communications, Outreach, & Marketing - Reduce the budget to the 2022-23 forecast plus required contractual salary, benefit, and pension increases.	611,965	Public Works - Increase contribution to street maintenance	611,965
Retained \$100,000 for crisis communication, and \$100,000 for equitable language access.			
Total Source of Funds	611,965	Total Use of Funds	611,965
City Council Action (yes/no/withdrawn)	Y	Difference	0

FY 2023-24 Budget Amendments - Council Member Bazaldua - September 6, 2023

Council Member Lead - Bazaldua		Amendment Number	
		28A	
Source of Funds	Amount	Use of Funds	Amount
Public Works - Reduce allocation for Sidewalk Mater Plan Improvements.	1,000,000	Public Works - Add funding for PW 50/50 Sidewalk for City Side (using \$1M from Sidewalk Master Plan Improvements). #2 One-Time.	1,000,000
Non-Departmental - Eliminate Internal Contingency - use for items #42 & #43	1,000,000	City Attorney's Office - Add funding for CAO Short-term rental ordinance legal support. #7	36,770
Mayor and City Council - Eliminate one-time funding for Mayor Pro Tem/Deputy Mayor Pro Tem mid-election cycle office swaps. One-Time.	20,000	Code Compliance Services - Add funding to Code Compliance, 3 positions for Keep Dallas Beautiful Program. #12	400,000
Mayor and City Council - Remove funding from various office related expenses (previously allocated for Council Member Mileage Stipend).	168,000	Office of Environmental Quality & Sustainability - Add funding for Lawn Equipment Transition Program. One-Time.	750,000
Code Compliance - Eliminate additional demolition funding.	250,000	Office of Homeless Solutions - Add funding for solicitation of Sanction Encampment partnership. One-Time.	1,000,000
Non-Departmental - Eliminate funding for the IT Governance committee to use for the General Fund portion of Citywide IT projects.	1,000,000	Public Works - Add funding for street maintenance and resurfacing. One-Time.	2,500,000
Dallas Police Department - Reduce the number of Officers hired from 290 to 250 officers - ending FY24 with 3,144 officers. Reduce the class 398 and 399 from 42 to 22 - no change to remaining classes. One-Time.	3,150,200	Small Business Center - Add funding for Mobile Unit Refurbishment. One-Time.	349,000
Various - Eliminate [147] positions that have been vacant for 12+ months.	6,895,000	Dallas Police Department - Add funding for 80 flock cameras; add gun detection system. One-Time.	450,000
		Non-Departmental - Increase contracts with state lobbyists.	143,000
		Non-Departmental - Increase contracts with federal lobbyists (last increase 2008).	19,000
		Decrease the tax rate by 0.35 cents = total 1 cent reduction.	6,835,430
Total Source of Funds	13,483,200	Total Use of Funds	13,483,200
City Council Action (yes/no/withdrawn)	Y	Difference	0

City Council Amendment - FY 2023-24 Budget

FY 2023-24 Budget Amendments - Council Member West - September 14, 2023

Council Member Lead - West		Amendment Number	
		1	
Council Member Co-Sponsor(S): Willis			
Source of Funds	Amount	Use of Funds	Amount
Office of Arts and Culture - Eliminate the plan to reallocate \$190,000 from contractual art services to cost associated with moving the Office of Arts and Culture headquarters from the Majestic theater to another location.	190,000	Office of Arts and Culture - contract services to provide grants to arts and cultural organizations	190,000
Total Source of Funds	190,000	Total Use of Funds	190,000
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

FY 2023-24 Budget Amendments - Council Member Bazaldua - September 14, 2023

Council Member Lead - Bazaldua		Amendment Number	
		2	
Council Member Co-Sponsor(S):			
Source of Funds	Amount	Use of Funds	Amount
Public Works - Reduce additional contribution to Street Maintenance.	525,000	Dallas Animal Services - Add funding for After-Hours Vet Care.	150,000
Staff comment: Amendment #18 approved by City Council on September 6 increased street maintenance funding in the amount of \$611,965.		Code Compliance Services - Add additional funding for demolition.	250,000
		Human Resources - Add funding for Biennial Market Study (benchmarking).	75,000
		Human Resources - Add funding for training, development, mentoring program, and college & high school internship programs.	50,000
Total Source of Funds	525,000	Total Use of Funds	525,000
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

FY 2023-24 Budget Amendments - Council Member Willis - September 15, 2023

Council Member Lead - Willis		Amendment Number	
		3	
Council Member Co-Sponsor(S): West			
Source of Funds	Amount	Use of Funds	Amount
Office of Arts and Culture - Reduce funding planned for new capacity-building pilot and professional development of OAC staff. (FY24 enhancement - internal reallocation).	215,259	Office of Arts and Culture - stipends for employee parking at Majestic Theater	42,000
		Public Works - increase funding for street maintenance and improvements	173,259
Total Source of Funds	215,259	Total Use of Funds	215,259
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0