

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Fiscal Year 2017 Audit of Prior FY15-16 Audit Recommendations**

At the May 7 meeting of the Government Performance and Financial Management Committee, staff was requested to provide additional information on the status of managements' implementation of prior audit recommendations from Fiscal Year (FY) 2015 and FY 2016. The implementation cut-off date for the audit scope was December 31, 2016.

On March 20, 2018, the City Auditor's Office convened a meeting of executive staff to review the audit of prior audit recommendations from FY 2015 and FY 2016. The audit advised that 40% of the audit recommendations were implemented (See attached chart and figures), and this percentage is fairly consistent with implementation rates for previous years. However, the City Auditor aspires for a 70% implementation rate.

Although the following recommendations were *not implemented* by December 2016, I am providing staff's justification below and will continue to work with the City Auditor to address any outstanding implementation issues:

- **Dallas Water Utilities**. Further develop the meter-to-billing process to more fully comply with the ISO and AWWA standards, requirements, and recommended practices.
 - Resource Management – The organization shall determine and provide the resources needed. *At the time of the audit, there was a lack of technology available to implement the recommendation. Action is now pending implementation of Field Mobility, and funding is currently in the FY19 Planned Budget.*
 - Product Realization (Tolerance Settings) – The organization shall plan and develop the processes needed for product realization (e.g. customer billings). *Staff believes the recommendation was implemented by the targeted date. DWU is currently performing additional statistical analysis to further verify results provided to City Auditor's Office.*
 - Measurement, Analysis, and Improvement (Performance Measures) – The organization shall plan and implement the monitoring, measurement, analysis, and improvement processes needed to demonstrate, ensure and continually improve the effectiveness of the system. *Staff believes the recommendation was implemented by the targeted date. DWU is currently performing additional statistical analysis to further verify results provided to City Auditor's Office.*

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- Meter Accuracy Tests (Statistical Sampling) – All meters should be tested for accuracy of registration at flow rates and test-flow quantities. A statistical sample testing of new meter shipments to verify accuracy is an efficient cost alternative to testing every new meter. *Staff believes the recommendation was implemented by the targeted date. The City Auditor's Office disagreed and DWU revised the implemented process in April 2018 – after the City Auditor's cut-off date.*
- Meter Accuracy Tests (Lower Standard than AWWA) – All sampled meters must meet accuracy limits at different flow rates. *Staff believes the recommendation was implemented by the targeted date. The City Auditor's Office disagreed and DWU revised the implemented process in January 2018 – after the City Auditor's cut-off date.*
- Periodic Meters-in-Service Tests (Large Meters Maintenance) – In most cases it is impossible to ascertain, without actual testing, whether meters-in-service are registering with the required degree of accuracy. Consequently, to ensure reliable meter measurements, it is essential that all meters be subject to periodic testing. *Work performed by third party consultant was necessary to implement the billing system changes required to meet audit recommendation. The recommendation was completed in March 2017 – after the City Auditor's cut-off date.*
- **Business Development and Procurement Services' (BDPS) Internal Controls for Request for Proposal Requirements.**
 - Ensure timely processing of RFPs by including in BDPS' policies and procedures appropriate policies, standards, and procedures to measure and improve the timeliness of RFP processing as follows: (1) establishing an expectation for the timely completion of RFPs within certain parameters, such as a specific number of days or service type; (2) adopting standards for timely completion of each step within the RFP process, including those steps that are not directly within BDPS' control; (3) benchmarking the actual time it takes to complete each step within the RFP process and the final RFP; and (4) comparing actual results of RFP processing against the adopted standards to evaluate opportunities to further improve timeliness. *Management did not agree to implement the recommendation as written but agreed to a similar solution. A project management solution was put in place to gather the necessary analytics to benchmark the process. However, BDPS did not allow adequate time to fully develop and implement by the City Auditor's cut-off date. The system was implemented in October 2017.*
 - Improve the effectiveness of the RFP process by requiring: (1) City employees in the departments to complete non-disclosure statements and conflict of interest (COI) statements (Statements); (2) BDPS' employees involved in

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preparing the RFP and evaluation the proposals to complete Statements; (3) evaluation committee members complete COIs; (4) documentation of the methods BDPS used to select members of RFP evaluation committees, including the appropriate number of evaluators and their qualifications; (5) documentation of the evaluators' names, titles, departments, and dates of completion of the evaluator score sheets (Score Sheets); and (6) signature date line to be included in contracts. *Procedures were developed but the process was not monitored to determine if the procedure was effective in mitigating the risk. OPS management provided additional training and has implemented additional processes to improve the compliance. The checklist and work instructions were revised three times (July 2015, June 2016 & December 2016) since the original audit review for continued improvement. OPS is currently evaluating an electronic procurement system that will incorporate all necessary digital approvals and document management, mitigating the risk for the City (eliminating the labor-intensive, paper-driven process). Staff anticipates implementation prior to the end of the FY18.*

- Update AD 4-05 to align with Texas Local Government Code Chapter 252, *Purchasing and Contracting Authority of Municipalities* that allows the use of competitive sealed proposals for the purchase of goods. *The recommendation was fully implemented in April 2018, after the City Auditor's cut-off date. The review process involved numerous meetings with the City Attorney's Office and the client departments to ensure the recommended changes met both the operational and statutory guidelines. Based on the meetings, a number of City Code changes were recommended and briefed to the GPFM Council committee on March 19, 2018, and subsequently approved by City Council on April 11, 2018.*
- Enforce consistency in RFP documentation and filing by requiring (1) a standard checklist (Checklist) of documents that should be retained in the Files; (2) consistent templates for the RFP documentation; (3) consistent order of documents placed in each of the Files; (4) periodic management review of RFP documentation for consistency; and (5) a single location is used for storing Files and individual documents (Single Filing Location). *Procedures were developed but the process was not monitored to determine if the procedure was effective in mitigating the risk. OPS management provided additional training and has implemented additional processes to improve the compliance. The checklist and work instructions were revised three times (July 2015, June 2016 & December 2016) since the original audit review for continued improvement. OPS is currently evaluating an electronic procurement system that will incorporate all necessary digital approvals and document management, mitigating the risk for the City (eliminating the labor-intensive, paper-driven process). Staff anticipates implementation prior to the end of the FY18.*

- **Dallas Fire-Rescue's Fleet Maintenance Management.**

- Ensure PM services are performed timely and in accordance with the NFPA's and the manufacturers' recommended schedules for all DFR emergency vehicles by creating reports to evaluate periodically when PM services are due, so that the PM services can be scheduled and fire station personnel are notified. *The current workload at DFR Fleet Maintenance exceeds the work capacity of existing personnel. Although DFR has been authorized to hire six additional mechanics, the positions could not be filled. The shortage resulted in a backlog of work orders, which resulted in a less than 100% completion rate of Preventive Maintenance (PM) tasks. Contributing factors include 1) starting salary; 2) mandated certifications; 3) tight labor pool; 4) Civil Service processing; and 5) existing personnel on limited duty due to either on-the-job or off-duty injuries. DFR is seeking to supplement the workforce by enlisting a private contractor to conduct PMs at the individual fire stations. DFR has executed worker safety training and providing additional safety gear. Additionally, DFR is addressing the limited duty quandary in accordance with City of Dallas Administrative Directive 3-55. A new compensation structure was proposed by DFR in FY 2016 and was partially approved by Human Resources and implemented in October 2017. However, in order to meet market competition for the classification, full implementation would entail increasing compensation to competitive market levels. DFR will continue to work with Human Resources to fully implement the entire program by October 1, 2019, subject to budget approval. This task is On-Going.*
- Work with the Director of the Office of Procurement Services formerly known as the Department of Business Development and Procurement Services (BDPS) to establish an efficient procurement method, such as a master agreement, to readily obtain emergency vehicles' parts. *Although DFR is continually working with BDPS to establish agreements, there is not a single vendor that can supply the myriad of specialty components on a master agreement. A number of master agreements have been established (ex. Sept. 28, 2016; 16-1555 BN 1604 and April 12, 2017; 17-0568 BN 1702) and DFR continues to undergo a comprehensive evaluation of current practices to establish an efficient procurement method, in coordination with Procurement. A "Pilot Program" RFP is being fashioned to identify vendors who can provide emergency repairs and parts, thereby reducing DFR managed inventory. This task is ongoing.*
- Ensure the Division mechanic supervisors consistently perform quality control procedures for all PM services by preparing, signing, and retaining the Division's checklists. *Current retention of PM records is kept via manual hard copies, (paper and pen). In an effort to standardize the input and retention of data for internal Quality Assurance and Quality Improvement checks, the City of Dallas CIS was tasked with creating an input and query user-friendly*

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database. As of today, the archive has not been created. The shortage of personnel renders the manual reviews much more difficult to achieve. Until the full-staffing dilemma, and database creation issues are resolved, DFR is not likely to meet the desired goals. CIS is anticipated to complete a Business Requirement Document and then work with M5 to map out the way ahead with timelines. They will work to gather the requirements and have it ready by June 15, 2018.

- *Segregate the M5 software application MGMT roles between the Fleet Section Manager and the Automotive Parts Warehouse Manager. The M5 system is the City's fleet asset management system utilized to, among other things, capture work performed on City of Dallas fleet assets. Staff believes the recommendation was implemented by the targeted date and confirmed in June 2017 that the implementation was completed. A report was produced to confirm that the roles had been segregated as requested by DFR.*
- *Review M5 software application user accounts periodically to ensure appropriate personnel have access to the system. All DFR mechanics are set up in M5, and members who no longer work for DFR must be removed in order to allocate new licenses. The process is ongoing due to frequent turnover; DFR personnel designated as "users" of the M5 system leave the City of Dallas or are hired/promoted by another City Department. At the time of the audit, former personnel maintained user rights, yet had left City of Dallas employment for over a year. EBS administers access and terminates access upon request via the DFR Access-Removal Request Form or the HR termination report. Prior to creation of the Access-Removal Request Form, formal requests to remove or add users were done via e-mail only. DFR will continue to monitor the effectiveness and administration of the new notification process to ensure compliance.*
- *Create incentives to encourage mechanics to obtain relevant certifications. On May 8, 2018, DFR received official notice from Human Resources that an incentive plan via a certification structure has been approved. DFR is in the process of rolling out the program and will work with Human Resources to fully implement on October 1, 2018.*
- *Implement a compensation structure with guidance from the City's Department of Human Resources to ensure high-performing mechanics are rewarded for their performance, years of experience, and certifications. A new compensation structure was proposed by DFR in FY 2016 and was partially approved by Human Resources and implemented in October 2017. However, in order to meet market competition for the classification, full implementation would entail increasing compensation to competitive market levels. DFR will continue to*

work with Human Resources to fully implement the entire program by October 1, 2018, subject to budget approval.

- Retain training records to verify each mechanic has completed the minimum training requirements. *DFR Fleet Maintenance implemented the recommended minimum training requirements of 25-hours annually in April 2017, after the targeted cut-off date. Training hours are scheduled quarterly. The City Auditor's Office requested manufacturers' and/or outside continuing education (CE) instructors to provide syllabi and training materials. The syllabi and training materials were withheld, citing proprietary property by the vendor(s). However, DFR maintains training reports and attendance copies, which are available upon request.*
- **Dallas Water Utilities' Maintenance of Infrastructure.**
 - Review water pipeline replacement needs and develop and regularly report on one water replacement target rate. *Staff believes the recommendation was implemented by the targeted date. The City Auditor's Office disagreed and DWU revised the implemented process in March 2018 – after the City Auditor's cut-off date.*
 - Further develop precise and clear performance measures to evaluate its water pipeline replacement efforts. *At the time of the audit, there was a lack of technology available to implement the recommendation – Enterprise Work Order Asset Management System. The system is currently being implemented for vertical infrastructure, followed by horizontal (pipelines), with full implementation to be completed in the first quarter of 2020.*
 - Ensure completeness of data entry by assigning reviews of the entered information by individuals who did not enter the data and using accuracy checks, such as control totals, for the Microsoft (MS) Excel spreadsheet and MS Access database. *The recommendation was fully implemented in March 2018 – after the City Auditor's cut-off date.*
- **Access Controls for the Courts' (CTS) Information Systems.**
 - Establish standard user profiles. If business process changes results in the need to modify existing user profiles, management should evaluate these modifications for inadequate segregation of duties. *Staff believes the recommendation was implemented by the targeted date. Additional work was done to further ensure responsiveness to the City Auditor's recommendation. Therefore, all profiles/templates were deleted and re-created with a standardized profile by April 28, 2016, two months prior to the due date of June 2016. By June 2016, spot checks were conducted by all user departments for review of each user's access and transactions. This review resulted in noted corrections of some profiles. Annual reviews are conducted to review template*

types for segregation of duties. These reviews are codified in Court and Detention Services' ISO Procedure CTS-PRO-906. All users work within one of 33 standard templates. All new templates are added only after the consent of executive CTS staff, the Administrative Judge, and the Chief Prosecutor as documented on ISO form CTS-FRM-922. Procedure CTS-PRO-909 details the process for changing a user access template in Incode (court case management system).

- *Develop a mapping and/or reference document to assist in the consistent review of users' access. Staff believes the recommendation was implemented by the targeted date. User profiles are added, deleted and changed via a standardized process defined in CTS procedure CTS-PRO-905. Annually, profile templates are reviewed using the procedure defined in ISO procedure CTS-PRO-906.*
- *Periodically review the activity logs to monitor for known and other potential security risks. Staff believes the recommendation was implemented by the targeted date. The Department has numerous internal controls put in place to detect both errors and potential issues. Daily, weekly, monthly and annual reconciliations and audits occur from both an accounting standpoint and a courtroom accuracy standpoint. In addition to these numerous reviews occurring, the Department conducts an annual executive/management level review to spot-check for any above and beyond anomalies.*
- **Leasing, Concessions, and Other Activities for the Department of Aviation.**
 - *Develop and implement formal contract monitoring policies and procedures. Contract monitoring policies and procedures for Parking Concessions has not been implemented as the Concessions contract is being replaced with a Parking Management Contract. An RFCSP process is currently underway and AVI will follow existing contracting policies and procedures once the management contract is implemented. The new Parking Management Contract is anticipated for City Council consideration in September 2018.*
 - *Ensure AVI employees responsible for contract monitoring have direct (read-only) access to the Parking Revenue Control System (PRCS). At the time of the audit, there was a lack of technology available to implement the recommendation. Delays on equipment caused a re-schedule for the Skidata Parking System integration with the NTTA System to June 2018. This integration will give AVI the ability to independently monitor NTTA transactions in addition to AVI's current access to non-NTTA transactions. Full integration is scheduled to be complete by July 2018.*
 - *Integrate the new parking system with the NTTA parking system to obtain TollTag parking information; or capture relevant TollTag parking information,*

such as the vehicles' license plate numbers and the specific date and time the vehicles were parked. *At the time of the audit, there was a lack of technology available to implement the recommendation. Delays on equipment caused a re-schedule for the Skidata Parking System integration with the NTTA System to June 2018. This integration will give AVI the ability to independently monitor NTTA transactions in addition to AVI's current access to non-NTTA transactions. Full integration is scheduled to be complete by July 2018.*

- **City of Dallas' Civilian Timekeeping Internal Controls and Processes**
 - Ensure the Director of Human Resources works with other City departments to revise their timekeeping and attendance procedures to bring them into compliance with the City's Personnel Rules. *The Dallas Police Department and the Departments of Dallas Fire-Rescue and Dallas Water Utilities (Elm Fork Water Treatment Plant) did not revise their timekeeping and attendance procedures to bring them into compliance with Personnel Rules. HR intends to review the Personnel Rules by December 2018 to ensure they are responsive to the timekeeping and attendance management requirements of all departments and take into consideration the diverse staffing patterns and scheduling needs while remaining in compliance with the law.*

Important to note, the 2016 audit recommended that the City Manager's Office establish oversight for the implementation of audit recommendations. The Internal Control Task Force, created in FY 2013, was assigned this role and is serving as an internal consultant of sorts to assist in monitoring and ensuring the implementation of recommendations. We will transition this team to the Controller's Office. Internal Control is working with the Mayor and City Council Office on the implementation of recommendations made during the 2017 Special Audit of the Four Former Councilmembers issued in January 2018.

Please let me know if you have any questions.



T.C. Broadnax
City Manager

c: Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary (Interim)
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Taking Care of Business – May 29, 2018**

New Items

[HUD Audit of CHDO](#)

On May 29, 2018 the City was notified that the US Department of Housing and Urban Development (HUD) Office of Inspector General will begin an audit of the City's administration of the Community Housing Development Organizations (CHDO) on June 7, 2018. For your convenience, I have attached the letter sent by HUD OIG. This audit will cover fiscal years 2016 and 2017. Staff will make all the requested information available, provide updates as allowed by law, and provide City Council with information as it becomes available. Should you have any questions or concerns, please contact David Noguera, Director of the Office of Housing and Neighborhood Services.

[Animal Cruelty Case: "Titan"](#)

On Saturday, Dallas Animal Services (DAS) responded to and assisted Dallas Police Department with a call on an deceased dog in Dowdy Ferry. The dog, by the name of "Titan", was surrendered to a shelter in Garland, Texas and eventually adopted to a new owner by the City of Garland. Titan appeared to have been shot in the head. DAS secured the evidence and the SPCA initiated an animal cruelty case. Staff will brief City Council and the community on future developments as they occur and deemed appropriate. Should you have any questions or concerns, please contact Nadia Chandler Hardy, Chief of Community Services, or DAS Director Ed Jamison.

[Census Bureau Releases New Population Estimates](#)

The Census Bureau has released a report on new population estimates, which includes the fastest growing large cities (50,000 or more) in the United States. Dallas had the third largest numeric population gain, with a population increase of 18,935 between July 1, 2016 and July 1, 2017. Only San Antonio and Phoenix had numeric population increases greater than Dallas. Eight of the 15 cities with the largest numeric population gains are located in the South, with three of the top five in Texas (San Antonio, Dallas and Fort Worth). Dallas continues to rank the 9th most populous city in the United States, with a population of 1,341,075. As it relates to percentage change in population, Frisco is ranked number one on the list of the 15 fastest-growing large cities with a population over 50,000. Texas also added 955,000 housing units between April 1, 2010 and July 1, 2017, which is the largest increase in housing units among states.

For your convenience, this [link](#) will direct you to the full release. Should you have any questions or concerns, please contact Brett Wilkinson, Managing Director of Office of Strategic Partnerships and Government Affairs.

[Teen Pregnancy Prevention](#)

On May 21st, 2018, the Human and Social Needs Committee received a briefing on the Teen Pregnancy Prevention program. Staff is recommending the authorization of a contract with the

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SUBJECT **Taking Care of Business – May 29, 2018**

North Texas Alliance to Reduce Unintended Pregnancy in Teens (NTARUPT) for up to \$300,000 to provide reproductive health education for teens and parents, referrals to reproductive healthcare and counseling, training and technical assistance, and to implement a public awareness campaign. Programming will target youth ages 20 and younger living in zip codes 75203 (Districts 1, 4), 75215 (Districts 2, 7), and 75216 (Districts 3, 4, 7), as well as teens throughout the city that demonstrate evidence of academic underperformance, negative behaviors and risk of dropping out. Should you have any questions or concerns, please contact Nadia Chandler Hardy, Chief of Community Services or Jessica Galleshaw, Managing Director of the Office of Community Care.

[Encampment Resolution Schedule for May 29, 2018](#)

The Office of Homeless Solutions (OHS) has scheduled the following sites for homeless encampment resolution on Tuesday May 29, 2018:

- 5500/5600 S Lamar
- MLK/Harwood (under I-45 bridge across from Cornerstone)

OHS Street Outreach team have been engaging individuals experiencing homelessness to provide notice of clean-up and connect to resources and shelter. OHS Community Mobilization is scheduled to meet with stakeholders to determine long-term sustainability of encampment sites and will provide periodic updates. Should you have any questions or concerns please contact Nadia Chandler Hardy, Chief of Community Services or Monica Hardman, Managing Director of Office of Homeless Solutions.

[Outstanding P-TECH Industry Partner](#)

On Tuesday, May 22, 2018 Dallas Independent School District held its 49th Annual Volunteer & Partner Awards Program at W.H. Adamson High School. The City of Dallas Communications & Information Services (CIS) department was selected as the Outstanding P-TECH Industry Partner for 2017-2018 for their work in supporting James Madison High School P-TECH at El Centro College.

CIS was one of the original eight industry partners who began this work with DISD three years ago. Ms. Tanishia Dorsey, Sr. IT Manager in CIS served as the lead and developed a strong bond and working relationship with the administration, students and parents at James Madison H.S. CIS and the City are vital component in executing the blueprint for student success, following the P-TECH crosswalks. CIS has partnered with DISD on ideas and projects for the classroom and helped create a technology lab for hands-on learning and supported guest speakers, mentoring, workshops, chaperones for field trips, and the Dallas ISD STEM Day, etc. Should you have questions or concerns, please contact William Finch, Chief Information Officer.

[Media Inquiries](#)

As of May 29th, the City has received media requests from various news outlets regarding the following topics:

- White Rock Lake Water Quality

Please see the attached document compiling information provided to the media outlets for the week of May 23rd – May 29th for your reference and in the event you are contacted by the press. Should you have any questions or concerns, please contact Kimberly Bizzor Tolbert, Chief of Staff.

DATE June 1, 2018
SUBJECT **Taking Care of Business – May 29, 2018**

Look Ahead

City Council Briefings

June 6, 2018

- Amendments to City Manager's Proposed FY 2018-19 Consolidated Plan Budget
- Brush & Bulk Trash
- Dockless Bikeshare

June 20, 2018

- FY 2018-19 and FY 2019-20 Biennial Budget Update
- Homeless Solutions Proposed Strategy

Senior Listening Sessions

Senior Affairs staff is currently working with Senior Affairs Commissioners to plan and implement the next round of senior listening sessions. The first sessions will begin in June and efforts are being made to focus on 2-4 districts each month in order to individualize the sessions to the community's needs. In response to feedback from City Council and from previous listening sessions, we are working to ensure that sessions are offered at varied times, at accessible community locations, and that each session agenda focuses primarily on hearing from the community. Staff will provide information about available community services and bilingual services will be made available for Spanish speaking attendees. If you have any questions about senior listening sessions, please contact Nadia Chandler Hardy, Chief of Community Services or Jessica Galleshaw, Managing Director of the Office of Community Care.

Dallas Water Utilities: Upcoming Changes to Water Bills – Rates and Late Fee Assessment

On February 5, 2018, the Government Performance and Financial Management Committee was briefed on changes to be included in the FY19 Proposed Budget for Dallas Water Utilities. The changes include a revised residential water and wastewater rate structure in rate tiers and the addition of a new 5th tier. In addition, effective October 1, 2018 the application of a late fee on an account will be extended by five days from the 16th day after invoice to the 21st day after invoice. This change is being initiated based on customer feedback and the results of benchmarking with other utilities. This change will provide enhanced customer service to both residential and commercial customers. A memorandum will be distributed this Friday with additional details on these changes. Should you have any questions or concerns, please contact Terry Lowery, Interim Director of Dallas Water Utilities.



T.C. Broadnax
City Manager

c: Larry Casto, City Attorney
Craig D. Kinton, City Auditor
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Daniel F. Solis, Administrative Judge
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Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



U. S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

May 29, 2018

Mr. David Noguera, Director
City of Dallas Housing/Community Service Department
1500 Marilla Street
Room 6DN
Dallas, Texas 75201

Dear Mr. Noguera:

The U.S. Department of Housing and Urban Development's (HUD) Office of Inspector General (OIG) will begin an audit of the City of Dallas' (City) community housing development organizations (CHDOs) in accordance with our goal to review HUD's Community Planning and Development (CPD) programs. The initial audit objective will be to determine whether the City is administering its CHDOs in accordance with HUD regulations. Our audit scope will generally cover fiscal years 2016 and 2017. We will adjust the audit objective and scope, as necessary.

We would like to schedule an entrance conference with you on June 7, 2018. We will contact you to make arrangements. During the entrance conference, we will discuss the audit objectives and logistics for on-site work and identify points-of-contact. Also, we can address any questions or concerns that you have.

To assist us in the audit, we request access to certain records in your possession. We request that you provide the information listed below. When possible, **please provide the information in electronic format** to Laura Cantu at lcantu@hudoig.gov or Paula Graf at pgraf@hudoig.gov. We would appreciate if you would provide as much information as possible before the entrance conference. Please let us know if the information is **only in paper format and voluminous**. We are requesting the following for fiscal years 2016 and 2017.

- Listing of the City's CHDOs along with a contact name and number at the organization
- A financial listing of all CHDOs including funds obligated or expended during fiscal years 2016 and 2017 along with a listing of all CHDOs with unexpended funds at the end of fiscal year 2017
- Funding applications and supporting documentation for any transactions with the CHDOs
- Listing of CHDO board members and responsible parties

We will make additional record requests as needed to accomplish the objective.

This records request is made pursuant to the Inspector General Act of 1978, 5 U.S.C. app Section 6(a)(1), which authorizes the Inspector General "...to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the applicable establishment which relate to programs and operations with respect to which that Inspector General has responsibilities under this Act."

If you or your staff should have any questions, please contact William Nixon, Assistant Regional Inspector General for Audit, at (817) 978-9303.

Sincerely,

||signed||

Kilah S. White

Regional Inspector General for Audit

Region 6



City of Dallas

**Public Affairs & Outreach
Media Requests**

May 22 to May 29, 2018

May 22; Fox 4, NBC 5, WFAA, CBS 11, DMN; Inquiries related to a shooting on Lake June Road.

City response: On May 22, 2018 at about 12:45 a.m., officers responded to a robbery of a business call in the 10200 block of Lake June Road. Upon arrival, officers met with the clerk that stated suspect Mario Luera, a Latin male, 32-years-old, entered the store and went behind the counter and grabbed items from the store and put the items in his duffle bag. The suspect then tried to take the cash register by pushing the clerk out of his way and telling the clerk he is going to take the cash register. The clerk was in fear for his life and pulled a handgun and shot the suspect in his leg. The suspect then fled the store in an unknown direction. On May 22, 2018 at about 1:53 a.m., Officers were dispatched to the 8000 block of Great Trinity Forest Way regarding a gunshot victim walking into a Texaco gas station. Upon arrival, officers observed a gunshot victim matching the description of the suspect from the robbery of a business call. The suspect was arrested and transported to Baylor Hospital and treated for his injuries and after being released from the hospital he was transported to Lew Sterrett. This is on-going investigation and it will be documented on case number 108639-2018.

May 25; Fox 4, NBC 5, WFAA, CBS 11, DMN; Inquiries related to a shooting on Kerrville Street.

City response: The victim and his friends were outside in the driveway socializing when they got into a verbal argument with the neighbor. This altercation escalated and the neighbor produced a handgun and fired at the victims striking 2 of them. Both victims were struck in the thigh and were transported to an area hospital by DFD. The suspect was taken into custody outside but one of the victims stated another suspect was inside the residence. Officers set a perimeter around the suspects' house and notified SWAT. Patrol officer began communicating with the occupants of the suspect residence who refused to come outside. This dialog continued until SWAT arrived and relieved Patrol elements. Shortly after SWAT took over, the occupants of the house were taken into custody and transported to CAPERS. Soto-Arrebato, Leandro L/M/2-28-1963 was arrested for Aggravated Assault with a Deadly Weapon, and a Dallas County Hold for Aggravated Assault with a Deadly Weapon. The other suspect name will be provided once he has been booked into jail. This offense will be documented on case number 111047-2018.

May 29; Tyrienne Waivers, WFAA; WFAA is interested in doing a story about water quality in White Rock Lake. Can you please put me in touch with someone from the city's Office of Environmental Quality

City response:

The State currently has sample sites on White Rock Lake, and Stormwater Management samples White Rock Creek. TCEQ is responsible for designating the type of "use" allowed in each body of water. At the moment White Rock Lake is designated as PCR1, primary contact



City of Dallas

recreation 1, however it has high levels of E. coli (please see links below, report pages 129-130). Debris and contaminants such as broken glass, bacteria, tree branches, plastic bags, and fishing gear discharge into White Rock Lake from White Rock Creek and run-off from the surrounding area. The City Code, Vol II, Article IV deals with White Rock Lake, and it states no swimming, boating, etc.

[Dallas City Code – Volume II](#)

[Chapter 32, Article IV – White Rock Lake and Bachman Lake Reservoirs](#)

[SEC. 32-39. SWIMMING.](#)

[It shall be unlawful for any person to swim or bathe in the waters of White Rock and Bachman Lakes . \(Ord. 8018\)](#)

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT June 6, 2018 Council Briefing
City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget

Your Wednesday, June 6, 2018, briefing meeting includes discussion of amendments to be incorporated into the City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget. During committee meetings on May 21, Councilmembers were invited to submit amendments to the Office of Budget. We have not yet received any amendments.

A public hearing is scheduled for June 13 to receive citizen comments. Final adoption of the FY 2018-19 HUD Consolidated Plan Budget is scheduled for June 27.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
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Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

Revised 5/22/18

A	A1	B	C	D
Project Name	Staffing	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>SOURCE OF FUNDS</u>				
Community Development Block Grant				
Entitlement (grant)		13,373,031	14,810,163	
Program Income - Housing Activities (includes one-time funds)		500,000	1,250,000	
Program Income - Sub-Recipient Retained		165,000	225,000	
Reprogramming *		0	3,323,870	
		<hr/>	<hr/>	0
		14,038,031	19,609,033	
Home Investment Partnership				
Entitlement (grant)		4,123,371	5,886,901	
Program Income - Housing Activities		1,500,000	1,000,000	
		<hr/>	<hr/>	0
		5,623,371	6,886,901	
Emergency Solutions Grant				
Entitlement (grant) **		3,117,540	1,203,874	0
Housing Opportunities for Persons with AIDS				
Entitlement (grant)		6,470,345	6,645,116	
		<hr/>	<hr/>	0
	TOTAL SOURCE OF FUNDS	29,249,287	34,344,924	0
<p>*\$1.4m CDBG Reprogramming Funds approved on April 12, 2017, and added in FY17 to expedite services rather than waiting until FY18. **FY 2018-19 amount does not include 1.9m one-time FY 2017-18 funding.</p>				
<u>USE OF FUNDS</u>				
Community Development Block Grant				
Public Services (15% of CDBG maximum amount allowed)		2,065,115	2,258,979	7,944,322
Housing Activities		7,058,748	10,867,677	2,350,901
Economic Development Activities		165,000	225,000	0
Public Improvements		2,097,504	3,419,373	0
Fair Housing and Program Oversight (20% of CDBG max amount allowed)		2,651,664	2,838,005	0
		<hr/>	<hr/>	10,295,223
		14,038,031	19,609,033	
HOME Investment Partnerships Program				
HOME Programs		5,623,371	6,886,901	0
Emergency Solutions Grant				
ESG Programs		3,117,540	1,203,874	15,590,920
Housing Opportunities for Persons with AIDS				
HOPWA Programs		6,470,345	6,645,116	0
		<hr/>	<hr/>	0
	TOTAL USE OF FUNDS	29,249,287	34,344,924	25,886,143

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

Revised 5/22/18

A	A1	B	C	D
Project Name	Staffing	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)</u>				
<u>CDBG - Public Services</u>				
CD01 After-School/Summer Program - Provide after school and summer programs for low income youth Monday thru Friday through structured recreational, cultural, social and life skills activities. 24 CDBG funded sites. FY 2018-19: estimated 2,800 children to be served. Additional resources: General Fund Youth Programs in PKR, DPD and Library.	68 Part-time Staff	563,515	589,708	5,710,730
CD02 Child Care Services Program - Provide various programs for children and youth, including after school programs; daycare for special needs children, children who are homeless, and children with disabilities via contracts with non-profit agencies. Funds are also used to provide child care subsidies for low and moderate income working parents and teenage parents who are attending school and do not qualify for any other form of public assistance. FY 2018-19: estimated 350 children to be served. Additional resources: One-time prior year funds from Private Grant	2 Staff & Contracts	488,826	488,826	150,000
Youth Programs Sub-Total		1,052,341	1,078,534	5,860,730
CD03 Senior Services Program - Enhance the quality of life for older adults by disseminating support services information and providing direct and emergency support services. FY 2018-19: estimated 4,733 individuals to be served. Additional resources: General Fund	2 Staff & Contracts	247,349	273,962	733,867
Senior Services Sub-Total		247,349	273,962	733,867
CD04 Community Court Program - Through the community court, offenses to persons and code violations of property are swiftly adjudicated and restitution made by defendants who plead guilty or no contest. FY 2018-19: estimated 2,300 clients to be served. Additional resources: General Fund and Federal Grants	8 Full-time 1 Part-time	765,425	713,126	1,349,725
• South Dallas / Fair Park Community Court		318,738	247,413	0
• South Oak Cliff Community Court		228,370	243,857	0
• West Dallas Community Court		218,317	221,856	0
Other Public Services (Non-Youth) Sub-Total		765,425	713,126	1,349,725
CD05 Contract(s) with nonprofit agencies - Services to address human and social needs. (Request for competitive sealed proposals)	TBD	0	193,357	0
Total CDBG - Public Services		2,065,115	2,258,979	7,944,322
CDBG - Public Services 15% Cap Under/(Over) Cap		2,065,115 0	2,258,979 0	
CDBG - Public Services Cap Percentage		15.0%	15.0%	

**FY 2018-19 CONSOLIDATED PLAN FOR
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<u>CDBG - Housing Activities</u>				
CD06 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and closing cost assistance. FY 2018-19: estimated 47 households to be served at an avg cost of \$75K.	5 Staff & Direct Assistance	859,663	2,500,000	0
Homeownership Opportunities Sub-Total		859,663	2,500,000	0
CD07 Home Improvement and Preservation/SF Program (HIPP) - Provide an all-inclusive repair and rehabilitation for single-family, owner-occupied housing units. FY 2018-19: estimated 109 households to be served at an avg cost of \$75k. Additional resources: General Fund and Code Compliance	Contracts	4,427,741	4,617,433	2,350,901
CD08 Home Improvement and Preservation/MF Program (HIPP) - Provide an all-inclusive repair and rehabilitation for Landlord/rental single-family housing units (1-4 units). Landlord must have income eligible tenants. FY 2018-19: estimated 47 households to be served at an avg cost of \$75k.	Contracts	0	1,978,900	
CD09 Support for Home Improvement and Preservation Program (HIPP) - Provide direct service delivery staff to implement the Home Repair Program.	26 Staff	1,771,344	1,771,344	0
Homeowner Repair Sub-Total		6,199,085	8,367,677	2,350,901
Total CDBG - Housing Activities		7,058,748	10,867,677	2,350,901
<u>CDBG - Economic Development</u>				
CD10 Business Loan Program (Program Income) - Subrecipient retains program income generated from revolving business loan program to provide additional loans.	Contract	165,000	225,000	0
Total CDBG - Economic Development		165,000	225,000	0
<u>CDBG - Public Improvements</u>				
CD11 Public Facilities and Improvements - Provide improvements to public facilities and infrastructure within eligible areas.	TBD	2,097,504	3,419,373	0
Public Improvement Sub-Total		2,097,504	3,419,373	
Total CDBG - Public Improvement		2,097,504	3,419,373	0

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

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Project Name	Staffing	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>CDBG - Fair Housing and Planning & Program Oversight</u>				
CD12 Fair Housing Enforcement - Provide housing discrimination investigations, fair housing education and outreach, and citizen referrals.	7 Staff	721,345	743,830	0
CD13 Citizen Participation/CDC Support/HUD Oversight - Office of Budget Services/Community Development Division. Provide coordination of ConPlan budget development, citizen participation, and reporting to HUD as primary City liaison.	7 Staff	751,819	801,626	0
CD14 Community Care Management Support - Provides funding for Office of Community Care (OCC) management staff support for OCC programs.	3 Staff	186,237	270,518	0
CD15 Housing Management Support - Provide funding for Housing management staff support for housing programs.	14 Staff	992,263	1,022,031	0
Total CDBG - Fair Housing and Planning & Program Oversight		2,651,664	2,838,005	0
CDBG - FH/PLN/Program Oversight 20% Cap Under/(Over) Cap		2,674,606 22,942	2,962,033 124,028	
CDBG - FH/PLN/Program Oversight Cap Percentage		20%	19%	
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT		14,038,031	19,609,033	10,295,223
<u>HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</u>				
HM01 CHDO Development Loan Program - Provide development and pre-development loans to City-certified CHDOs developing affordable housing for low income households. (15% minimum)	Contracts	700,000	885,000	0
HM02 CHDO Operating Assistance - Provide operational support to assist with the development and management of CHDO projects. (5% maximum)	Contracts	125,000	0	0
HM03 HOME Program Administration - Provide partial Housing department staff HOME funded program administrative costs. (10% maximum)	Reimburse for Staff Hours	550,672	688,600	0
HM04 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and closing cost assistance. FY 2018-19: estimated 18 households to be served at an avg of \$75k.	Direct Assistance Only	642,129	767,129	0
HM05 Housing Development Loan/For Sale Program - Provide organizations with loans for the development of single-family homes.	Contracts	3,605,570	2,454,933	0
HM06 Housing Development Loan/Rental Program - Provide landlords with loans for the rehabilitation or construction of multifamily units. (> 4 units)	Contracts	0	2,091,239	0
Home Ownership Opportunities Sub-Total		5,623,371	6,886,901	0
TOTAL HOME INVESTMENT PARTNERSHIP PROGRAM		5,623,371	6,886,901	0

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

Revised 5/22/18

A	A1	B	C	D
Project Name	Staffing	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
EMERGENCY SOLUTIONS GRANT (ESG)				
ES01 Emergency Shelter - Provide temporary shelter for homeless persons by paying for operating costs and providing essential services (such as case management, child care, legal services, employment assistance, and medical/behavioral health services) for those in emergency shelter. FY 2018-19: City program estimated 90 clients to be served; contracts = 12,650. Additional resources: General Fund, State and County	2 Staff & Contracts	1,587,807	570,854	9,211,130
ES02 Street Outreach - Provide case management and referral services to unsheltered homeless in using the local coordinated assessment system and assisting clients in obtaining Federal, State, and local assistance. FY 2018-19: estimated 125 clients to be served. Additional resources: General Fund	1 Staff	69,072	71,585	1,000,000
Essential Services/Operations Sub-Total		1,656,879	642,439	10,211,130
ES03 Homeless Prevention - Provide assistance to persons at-risk of homelessness who meet income limits below 30% of the area median income. Provide short-term (3 months) and medium-term (4 - 24 months) of rental assistance; payment of rental arrears up to 6 months. FY 2018-19: estimated 68 clients to be served. Additional resources: Private Grants	Direct Assistance Only	170,000	80,261	534,185
Homeless Prevention Sub-Total		170,000	80,261	534,185
ES04 Rapid Re-Housing - Provide rental assistance, financial assistance and housing relocation and stabilization services to move homeless people quickly to permanent housing. FY 2018-19: estimated 235 clients to be served. Additional resources: Continuum of Care and General Fund	Contracts	1,065,784	366,654	4,845,605
Rapid Re-Housing Sub-Total		1,065,784	366,654	4,845,605
ES05 HMIS Data Collection - Provide client-level data collection for persons served by the grant, as well as training, generating reports, monitoring and reviewing data quality.	Contracts	69,000	25,000	0
HMIS Data Collection Sub-Total		69,000	25,000	0
ES06 ESG Administration - Provide monitoring, data collection and evaluation of contracts and other program activities.	2 Staff	155,877	89,520	0
Program Administration Sub-Total		155,877	89,520	0
TOTAL EMERGENCY SOLUTIONS GRANT		3,117,540	1,203,874	15,590,920

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

Revised 5/22/18

A	A1	B	C	D
Project Name	Staffing	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)				
HW01 Emergency/Tenant Based Rental Assistance - Provide emergency assistance and long-term rental assistance, with support services, to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 680 clients to be served. (Merged with E/TBRA Financial Assist and E/TBRA Housing Services)	3 Staff & Contracts	3,177,000	3,766,134	0
HW02 Facility Based Housing - Provide housing operation costs, including lease, maintenance, utilities, insurance and furnishings, for facilities, with support services, that provide assistance to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 222 clients to be served. (Formerly Housing Facilities Operations and merged with Supportive Services)	Contracts	753,615	2,040,000	0
HW03 Housing Placement & Other Support Services - Provide supportive services and housing placement assistance to persons with HIV/AIDS and their families who live in Dallas eligible metropolitan area. FY 2018-19: estimated 205 clients to be served. (Supportive Services category redesigned and now split into Facility Based Housing.)	1 Staff & Contracts	1,238,313	228,625	0
HW04 Housing Facilities Rehab/Repair/Acquisition - Provide rehabilitation/repair or acquisition funds for facilities that provide housing to persons with HIV/AIDS and their families who live in the metropolitan area.	Contracts	704,345	0	0
HW05 Housing Information Services/Resource Identification - Provide housing navigation services consisting of a housing resource center with direct one-on-one housing referral assistance and online searchable housing database and web resources, as well as HMIS client level data collection for persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 175 clients to be served.	Contracts	151,212	151,212	0
Other Public Services Sub-Total		6,024,485	6,185,971	0
HW06 Program Administration/City of Dallas - Provide administrative oversight, evaluation, technical assistance, and HMIS client-level data collection for grant funds and program activities.	2 Staff & Contract	172,980	186,265	0
HW07 Program Administration/Project Sponsors - Provide administrative costs for project sponsors in oversight and evaluation of program activities and HMIS client-level data collection for program activities.	Contracts	272,880	272,880	0
Program Administration Sub-Total		445,860	459,145	0
TOTAL HOUSING OPPORTUNITIES FOR PERSONS W/ AIDS		6,470,345	6,645,116	0
GRAND TOTAL CONSOLIDATED PLAN BUDGET		29,249,287	34,344,924	25,886,143

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **June 13, 2018 Council Agenda – Department of Transportation Items**

The Dockless Vehicles Ordinance Discussion and the Motor Assisted Scooter Ordinance Discussion will be briefed to the City Council on June 6th, 2018. These briefings will provide you with detailed information on these items and the options staff has explored. Staff will use feedback from the briefings to finalize their recommendations and these items will be added as an addendum to the June 13 Council Agenda.

Please contact Michael Rogers, Director of Transportation, or myself should you have any questions or concerns.

A handwritten signature in blue ink, appearing to read 'Majed A. Al-Ghafry'.

Majed A. Al-Ghafry
Assistant City Manager

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
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Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Water Utilities – Upcoming Changes to Water Bills - Rates and Late Fee Assessment**

On February 5, 2018, the Government Performance and Financial Management Committee was briefed on changes to be included in the FY19 Proposed Budget for Dallas Water Utilities. As mentioned in the recent Taking Care of Business update, these will include a revised residential water and wastewater rate structure with a change in rate tiers and the addition of a new 5th tier. The current and proposed rate structure for residential and commercial customers is shown below.

		Water Rates (User Rate per 1,000 gallons)			
Residential		<i>Existing</i>	<i>Proposed</i>	Proposed Residential	
Up to 4,000 gallons	\$1.92	\$1.86	Up to 4,000 gallons		
4,001 to 10,000 gallons	\$4.34	\$4.00	4,001 to 10,000 gallons		
10,001 to 15,000 gallons	\$6.20	\$6.50	10,001 to 20,000 gallons		
Above 15,000 gallons	\$8.75	\$9.30	20,001 to 30,000 gallons		
		\$10.70	Above 30,000 gallons		
General Services					
Up to 10,000 gallons	\$3.76	\$3.73			
Above 10,000 gallons	\$4.08	\$4.05			
Above 10,000 gallons & 1.4x annual average monthly usage	\$6.20	\$6.16			

Over 96.5% of residential customers and all commercial customers will see a reduction in their monthly water and wastewater bills due to the reallocation of costs to reflect current usage patterns. Only residential customers using more than 30,000 gallons will see an increase to their volume charges. There will be no change to the customer charge.

Additionally, effective October 1st, the application of a late fee to an account will be extended by five days from the 16th day after invoice to the 21st day after invoice. This change is being initiated based on customer feedback and the results of benchmarking with other utilities. This will provide enhanced customer service to both residential and commercial customers. It is estimated this change could potentially reduce annual late fee revenues by approximately \$1.5 million.

DATE June 1, 2018
SUBJECT Water Utilities – Upcoming Changes to Water Bills - Rates and Late Fee Assessment

If you have any questions, please contact me or Terry S. Lowery, Interim Director of Dallas Water Utilities.



Majed A. Al-Ghafry
Assistant City Manager

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