

Memorandum



CITY OF DALLAS

DATE September 10, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Additional Responses to Questions on Proposed FY 2019-20 Budget**

Thank you for your questions regarding the City Manager's proposed FY 2019-20 and FY 2020-21 budget. Below is the sixth and final set of responses to questions received to date.

Economic & Neighborhood Vitality

1. What funds remain in the budget for the Southern Dallas Adaptive Reuse Program?

The City Council authorized the Southern Dallas Adaptive Reuse Program (SDARP) program in 2014 with an appropriation from the Public-Private Partnership Program Fund (PPPF). The source of funding for the PPPF is the Dallas Water Utilities (DWU) Payment in Lieu of Taxes (PILOT) program.

City Council authorized Phase I of the SDARP (CR #14-0703) in the amount of \$150,000 on April 23, 2014, and Phase II (CR #15-1236) in the amount of \$250,000 on June 17, 2015. Balances for each phase are provided in the table below. The remaining balance of \$160,000 is available for grants and awards from FY 2019-2022. Currently, there are no plans or proposals for a Phase III.

Authorization	PPPF Allocation	Funded/ Awarded	Encumbered/ Obligated	Net Balance
CR 14-0703	\$150,000	\$120,000	\$0	\$30,000
CR 15-1236	\$250,000	\$120,000	\$0	\$130,000
Total	\$400,000	\$240,000	\$0	\$160,000

As described in the memo to City Council on August 30, the proposed FY 2019-20 allocation for the PPPF is \$8.3 million. Funds are transferred to the PPPF from the PILOT, as authorized by the City Charter and annual appropriations approved by City Council. Some of those funds will be encumbered or used for existing and future economic development commitments already authorized by City Council. The Office of Economic Development identifies and reviews individual SDARP projects. SDARP funding is authorized by Administrative Action (AA) after project reviews and contract negotiations are complete. A list of expenditures to date is included below.

DATE September 10, 2019

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District	Year	Project	Private Investment	Grant	Notes
1	2014	Bombay	\$600,000	\$30,000	
1	2017	Arts Mission Oak Cliff	\$1,250,000	\$30,000	
1	2017	Square Peg Properties	\$887,700	\$30,000	
4	2014	Southside City Tacos	\$303,000	\$30,000	
4	2014	Friendly Food Mart	\$275,000	\$30,000	
4	2019	Lo-Fi (former Fire Station #23)	\$150,000	\$30,000	Pending meeting terms for payment
5	2015	A-Zap	\$265,500	\$30,000	
8	2018	Encanto General Store	\$267,000	\$30,000	Pending meeting terms for payment
Total			\$3,998,200	\$240,000	Reconcile with appropriations/ obligations

Human & Social Needs

2. How long has the City provided dental care?

The City has spent funds on dental care since at least 1982. The City Council approved CR #82-3550 on October 13, 1982, to authorize a 10-year contract with nonprofit Dental Health Programs, Inc. to provide dental health services to low-income residents of Dallas using clinics and equipment owned by the City. The budget for the first year, as approved by City Council, was \$550,000, including \$150,000 in Community Development grant funds and \$400,000 from the General Fund. The resolution is attached for reference.

Government Performance & Financial Management

3. How much did the City spend to settle the pay referendum lawsuits?

The City issued \$212.7 million in bond funds to pay for the settlement agreement reached in 2018 in response to class-action lawsuits from Dallas police officers and firefighters regarding back pay.

4. Are we close to meeting the pension requirements outlined in HB 3158?

Yes, the City is meeting all pension requirements outlined in HB 3158, including those for contributions. Under HB 3158, the City's biweekly contributions to the Dallas Police and Fire Pension system must equal the **greater** of (1) 34.5 percent of aggregate computation pay paid to members during the contribution period or (2) a minimum fixed amount, or "floor," in effect through December 31, 2024. Based on staffing forecasts and recent pay increases, the calculated contribution amount is projected to exceed the minimum floor beginning in FY 2021-22.

DATE September 10, 2019

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Fiscal Year	Minimum City Contribution
FY 2017-18	\$150,712,800
FY 2018-19	\$156,818,700
FY 2019-20	\$161,986,377
FY 2020-21	\$165,481,401
FY 2021-22	\$169,023,200
FY 2022-23	\$165,659,700
FY 2023-24	\$168,856,000

Please contact me or Jack Ireland, Director of the Office of Budget, if you have more questions.


M. Elizabeth Reich
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

OFFICIAL ACTION OF THE DALLAS CITY COUNCIL

October 13, 1982

82-3550

Agenda item 65: Authorize a contract with Dental Health Programs, Incorporated for dental health services to low-income citizens of Dallas for a twelve-month period from October 1, 1982 to September 30, 1983 - \$550,000 - Financing: Community Development Grant Funds (\$150,000) and Current Funds (\$400,000)

Councilwoman Heggins moved approval of the item.

Motion seconded and unanimously carried.



ROBERT S. SLOAN
City Secretary

WHEREAS, on April 18, 1981, the Council accepted the recommendations of a study committee, including a financial plan to ensure the continuation of dental health services in the Dallas community; and

WHEREAS, the Dental Health Programs, Incorporated, a Texas nonprofit corporation, has been organized at the request of the City Council to provide dental health services to low-income persons; and

WHEREAS, the Council now desires to enter into a contract with Dental Health Programs, Incorporated, to provide for dental health services to low-income persons; Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That a contract is hereby approved between the City of Dallas and Dental Health Programs, Incorporated, to provide dental health services to low-income persons residing in the City of Dallas for a period of one (1) year beginning October 1, 1982, and ending September 30, 1983, in an amount not to exceed \$150,000 to be paid from Community Development Fund 100601, Org. 6885, Acct. 3099, Enc. GH050301. The City Controller is hereby authorized to make an advance payment not to exceed \$25,000, the equivalent of two months operating costs, and subsequent payments during the year on a monthly cost reimbursement basis.

SECTION 2. That a contract is hereby approved between the City of Dallas and Dental Health Programs, Incorporated, to provide dental health services to low-income persons residing in the City of Dallas for a period of ten (10) years beginning October 1, 1982, and ending September 30, 1992, with budgets approved annually by the City Council. Funds for the first year of the 10 year contract beginning on October 1, 1982, and ending on September 30, 1983, in the amount of \$400,000 are hereby approved and are to be paid from Fund 100001, Org. 4013, Account 3040, Encumbrance E5361701, with an advance payment not to exceed \$67,000 to be paid on or about October 11, 1982, and subsequent payments during the first year be made on a monthly cost reimbursement basis.

SECTION 3. That the Dental Health Programs, Incorporated is hereby authorized to use the dental clinics and dental equipment owned by the City and designated in the contracts subject to the terms and provisions thereof.

SECTION 4. That the City Manager is hereby authorized to execute, the City Secretary to attest, the City Controller to countersign, and the City Attorney to approve as to form, the contracts.

SECTION 5. That this Resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL
OCT 13 1982

Robert B. Brown
City Secretary

is available and credited to the proper fund as provided for in the Charter of the City of Dallas.

APPROVED *Calvin F. Strugg*
HEAD OF DEPARTMENT

APPROVED *Frederick W. Towne*
CITY AUDITOR

APPROVED *[Signature]*
CITY MANAGER