

Memorandum



CITY OF DALLAS

DATE August 28, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2019-20 Budget Amendments – August 26 Straw Vote Results**

On Monday, August 26, seven amendments received support from a majority of City Council members through the straw vote process. Attached is a summary of the seven amendments that will be incorporated into the FY 2019-20 budget ordinance that will be distributed to you later this week for consideration on Wednesday, September 4. Shortly, we will provide you with impact statements regarding the amendments.

Through support for amendment #1 and amendment #11, the property tax rate was reduced by 0.6378¢. Support for four additional amendments, however, resulted in the property tax rate being increased by 0.1417¢. After these amendments, the property tax rate for FY 2019-20 would be 77.51¢ per \$100 valuation. This is less than the 78.00¢ that was included in the FY 2019-20 proposed budget you received on August 13, and less than the 77.67¢ that was approved for the current year, FY 2018-19.

The final vote on the tax rate is scheduled for September 18.

If you have questions, please contact me or Jack Ireland, Director of the Office of Budget.



M. Elizabeth Reich
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera 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

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Amendment - Blewett, West, Blackmon, Medrano, Narvaez			
Source of Funds	Amount	Use of Funds	Amount
Various Departments - reallocate funds from offsite council meetings	\$60,000	Tax rate reduction (0.4983¢)	\$6,831,083
Management Services - eliminate Office of Resiliency	\$384,706	Park and Recreation - Youth Access Program (provide scholarships to program participants and reduce revenue by \$975,000)	\$975,000
Non-Departmental - reduce salary and benefits reserve from \$3.5M to \$2.0M	\$1,500,000	Park and Recreation - After School Programs	\$500,000
Public Affairs Office - reduce funding proposed to be added in FY20 for professional services; and reduce PAO budget to amount funded in FY19 from \$2,213,730 to \$1,973,745	\$239,985		
Office of Economic Development - reduce funding in ECO and have Creative Industries Program expenses absorbed by Visit Dallas	\$321,349		
Transportation - reduce funding for LED Signs around Fair Park from \$3.0M to \$1.0M.	\$2,000,000		
Police Department - reduce funding for DPD marked squad cars from \$3.5M to \$1.0M.	\$2,500,000		
Office of Community Care - reduce funding to FY19 budget level from \$6,675,920 to \$5,375,877. This reduction includes the following Major Budget items listed on page 174 of budget book: *reduce funds available to partner with nonprofit and community to address the drivers of poverty (\$846,132); *eliminate funds that had been in ECO and were transferring to OCC in FY20 for Earned Income Tax Credit program (\$200,000); *eliminate funds for Senior Services that were transferring to GF from CDBG (\$300,000); *eliminate funding for the MLK parade (\$50,000).	\$1,300,043		
Total Source of Funds	\$8,306,083	Total Use of Funds	\$8,306,083
		Difference	\$0
Staff Comments: This amendment results in a revenue shortfall of \$4.5M in the FY21 planned budget. City Manager recommended funding for LED signs (\$3.0M) was for one-time expense in FY19 that does not carry forward to FY21. City Manager recommended budget included funding to replace marked squad cars (\$3.5M). Equipment replacement is a one-time expense that does not carry forward to future years. Reducing the one-time expenses and replacing them with an on-going tax rate reduction will result in a budget shortfall in FY21.			
Council Action: Additional sources of funds and use of funds added. Passed			

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Amendment - Blewett, West, Blackmon, Medrano, Narvaez, Bazaldua

Source of Funds	Amount	Use of Funds	Amount
Management Services - reduce Office of <u>Business Diversity</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$1,080,709 to \$864,567.	\$216,142	Create an Office of Ethics and Equity that will include the following offices/services at a 20% reduced funding level: Business Diversity, Community Care, Equity, Ethics and Compliance, Welcoming Communities and Immigrant Affairs, Fair Housing, and Office of Innovation with a 20% reduction	
Management Services - reduce Office of <u>Community Care</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$5,375,877 to \$4,300,702. (An additional \$1,300,043 was already reduced from Office of Community Care in amendment #1.)	\$1,075,175	Tax rate reduction (0.1395¢)	\$1,912,516
Management Services - reduce Office of <u>Equity</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$492,264 to \$393,811.	\$98,453		
Management Service - reduce Office of <u>Ethics and Compliance</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$227,912 to \$182,330.	\$45,582		
Management Services - reduce <u>Welcoming Communities and Immigrant Affairs</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$861,003 to \$688,802.	\$172,201		
Management Services - reduce <u>Fair Housing and Human Rights</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$561,786 to \$449,429.	\$112,357		
Management Services - reduce <u>Office of Innovation</u> by 20% and consolidate into Office of Ethics and Equity. 20% reduction from \$963,030 to \$770,424.	\$192,606		
Total Source of Funds	\$1,912,516	Total Use of Funds	\$1,912,516
		Difference	\$0
Staff Comments:			
Council Action: OCC reduced by \$1.3M included in amendment #1. Adjustments made. Passed			

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Amendment - West, Medrano, Blewett, Bazaldua, Blackmon

Source of Funds	Amount	Use of Funds	Amount
Increase tax rate that was reduced in prior amendments. Tax rate increase of 0.0153¢.	\$210,000	Sustainable Development and Construction - add 3 senior planners to assist with authorized hearings	\$210,000
Total Source of Funds	\$210,000	Total Use of Funds	\$210,000
		Difference	\$0
Staff Comments:			
Council Action: Passed			

13 **Amendment - West, Bazaldua, Medrano, Narvaez, Atkins**

Source of Funds	Amount	Use of Funds	Amount
Increase tax rate that was reduced in prior amendments. Tax rate increase of 0.0352¢.	\$482,000	Office of Environmental Quality - to ensure that the Shingle Mountain site becomes an amenity such as a green space or park.	\$1,000,000
Office of Environmental Quality - use funds available in the Carry Out Bag Fund.	\$518,000		
Total Source of Funds	\$1,000,000	Total Use of Funds	\$1,000,000
		Difference	\$0

Staff Comments: This is a one-time expense. Carry Out Bag Fund is a one-time source of funds. Prior to approval by City Council this item is recommended to be discussed in Executive Session due to outstanding litigation.

Council Action: Discussion on amending the source of funds including SAN gate rate increase and carry out bag fund instead of the full \$1m source of funds being from tax rate. Passed

41 **Amendment - Bazaldua**

Source of Funds	Amount	Use of Funds	Amount
Increase tax rate that was reduced in prior amendments. Tax rate increase of 0.0109¢.	\$150,000	Park and Recreation - subsidy for Texas Southern and Florida Southern games at the State Fair (to be equitable to other game)	\$150,000
Total Source of Funds	\$150,000	Total Use of Funds	\$150,000
		Difference	\$0

Staff Comments:

Council Action: Passed

43 **Amendment - Bazaldua, Medrano**

Source of Funds	Amount	Use of Funds	Amount
Increase tax rate that was reduced in prior amendments. Tax rate increase of 0.0802¢.	\$1,100,000	Fire-Rescue - add 15 staff for Ladder Truck at Fire Station 18 for half a year. Full-year (12-month) cost to fund this staffing is \$2.2M.	\$1,100,000
Total Source of Funds	\$1,100,000	Total Use of Funds	\$1,100,000
		Difference	\$0

Staff Comments: Full-year cost for this staffing is \$2.2 million. Funding this amendment for half a year will result in a \$1.1M budget shortfall in FY21 when 12-month cost will be incurred.

Council Action: Amended to \$1.1M for 15 staff. Passed

51 **Amendment - Atkins**

Source of Funds	Amount	Use of Funds	Amount
Office of Homeless Solutions - reallocate funds from Homeless Solutions "system enhancement" program	\$100,000	Office of Homeless Solutions - Leverage additional grants for unaccompanied youth experiencing homelessness	\$100,000
Total Source of Funds	\$100,000	Total Use of Funds	\$100,000
		Difference	\$0

Staff Comments:

Council Action: Passed