

Memorandum



CITY OF DALLAS

DATE April 24, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Convention and Event Services – FY20 Revenue Impacts**

In lieu of the previously planned briefing this month to the City Council about the terms to renew the VisitDallas contract, staff is providing this briefing memorandum about the current and forecasted impact of the COVID-19 disaster declaration and orders to the Convention and Event Services (CES) enterprise fund's revenues and the local tourism industry.

As you know, staff and VisitDallas negotiated proposed contract renewal terms for a City Council briefing in April and consideration in May because the current contract expires September 30, 2020. However, the on-going emergency with COVID-19 has required changes to the CES event bookings, operations and budget. This memorandum, therefore, summarizes the COVID-19-related revenue losses from three primary revenue sources with further details in the attached **Appendix**. This information will be useful in preparation for City Council's consideration of a proposed VisitDallas renewal contract and its correlation to the CES plan for financial recovery.

Executive Summary

- The approved Fiscal Year 2019-20 CES balanced budget included \$114M in revenue garnered primarily through earned event income, hotel occupancy tax (HOT) and alcohol and beverage taxes (ABT) as outlined in **Table-1** below:

Fiscal Year (FY) 20 Revenue*	FY20 Adopted Budget	FY20 March Forecast
HOT	66,423	30,245
ABT	14,366	10,056
Event Revenue	9,482	4,526
Food & Beverage	15,953	15,953
Spectra Additional Supporting Revenues	6,701	4,318
Other Revenue	1,433	1,531
Total Revenue	114,358	66,629

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- Compared to the March 2020 revenue forecast, there is an estimated 41.7% loss, or \$47.7M, from combined revenues due to 20 cancelled events to-date, including 5 large, citywide events and decreased hotel occupancy levels:
 - the March forecast shows losses of \$7.2M from cancelled events at the KBHCCD, \$36.2M in HOT revenue and \$4.3M in alcohol and beverage tax
- To accommodate the 41.7% revenue loss, CES is modifying its budget plan to:
 - prioritize the annual debt service payment of \$23.5M;
 - proportionally lower disbursements to VisitDallas and the Office of Arts & Culture (OAC), in alignment with the current HOT ordinance;
 - cancel non-safety related capital improvement projects planned for FY20; and
 - zero-out all capital fund transfers for CES and OAC.
- Staff estimates a corresponding impact to workers in the hospitality industry, with furloughs or layoffs exceeding 70% of staff at larger hotels.
- Based on historical data, staff forecasts a three to five-year economic recovery for hotels following the COVID-19 emergency orders.

Background – VisitDallas Contract

Following City Council's approval of the amended and restated (A&R) VisitDallas contract in November 2019, staff and VisitDallas negotiated proposed renewal terms as outlined below:

- development of a multi-year, annually declining proforma that allows for the reallocation of HOT funds for other allowable uses;
- alignment of VisitDallas salaries with industry standards and reductions/adjustments where necessary;
- incorporation of a Dallas-First approach to marketing and tourism promotion efforts; and
- continuing the improvements in contract management and compliance.

The current contract expires on September 30, 2020 and includes options for a five-year and thereafter a three-year renewal. When negotiating the new contract terms to exercise the first renewal effective October 1, 2020, CES assumed a continued annualized HOT growth between 3 and 4 percent and drafted a forecasted five- to ten-year plan that included the development of a master plan and renegotiation of debt service. A long-term goal in that plan was a decline in expenses for day-to-day and emergency repairs of the KBHCCD through a master plan renovation that included the replacement of outdated major systems (e.g., chillers, elevators, escalators) that comprise the bulk of the ~\$120M deferred maintenance list. With lowered costs in deferred maintenance, a revised VisitDallas HOT percentage, and a new debt service plan, CES planned to appreciably grow the availability of HOT funds for eligible arts, culture and preservation projects over the next decade.

However, with the ongoing COVID-19 situation and the resulting reduction in HOT and other revenues that are detailed in the **Appendix** to this memorandum, CES requested an amended budget from VisitDallas. The amended budget considers that, although the ordinance percentage of HOT would remain at the approved 30 percent, there will be a proportional disbursement reduction from \$19.9M to \$9M based on reduced HOT collections. As a result, VisitDallas made emergency reductions to the salary and operating components of its FY20 budget. These reductions include a 30 percent permanent reduction in staff, a 15 percent furlough of additional staff and a reduction of costs for day-to-day operations.

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VisitDallas reduced permanent staffing expenses by cutting vacant positions, a reduction in force, the downgrading of a position, and furloughs for a total reduction of \$2.5M. Additional reductions totaling just over \$2M were made in operations. VisitDallas anticipates making additional cuts as the COVID-19 related closures continue. However, CES has requested that VisitDallas maintain sales or marketing staff who play critical roles in both short and long-term revenue recovery for the KBHCCD and impacted hoteliers.

CES connections with clients are relationship-based and staff will need to continue to strategize and collaborate with both VisitDallas and Spectra to bring customers back to Dallas. As outlined in the **Appendix**, 20 bookings have cancelled to-date due to COVID-19, 5 of which are citywide events booked by VisitDallas, and all of which impact event revenue, HOT and ABT earnings. CES anticipates re-appropriating more than \$11M of its capital improvement funds to balance the FY20 budget.

In summary, staff negotiated terms for a five-year contract renewal that would have increased the HOT capacity for eligible arts, culture and preservation projects but the economic impact of COVID-19 will require additional terms for the renewal contract with VisitDallas. With the revenue losses borne by CES, VisitDallas is a needed and critical partner for selling, marketing and rebooking the KBHCCD calendar for the remainder of FY20 and FY21.

We anticipate briefing the City Council about the contract in May and offering recommendations that include the CES recovery plan and a phased HOT reallocation formula. These recommendations will include the opportunity that this emergency has offered VisitDallas to restructure and how any of that restructuring can be carried forward into the future in a way that does not have a collateral impact to Dallas as a tourism destination and aims to maintain or improve its standing as the fifth leading meetings destination.

After you review the details outlined in the **Appendix**, please let me or Rosa Fleming, Director of CES, know if you need any additional information or would like to discuss the data provided.



Joey Zapata
Assistant City Manager

- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
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
Nadia Chandler Hardy, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

APPENDIX: Convention and Event Services – FY20 Revenue Impacts

The ongoing COVID-19 emergency, disaster declarations and shelter-in-place orders have resulted in event cancellations and the loss of business/tourism travel to Dallas. In turn, CES has been forced to revisit its long-term plan and examine the short and long-term impacts of changing its current booking, marketing and sales efforts. The information in **Table-A1** below estimates a 41.7% revenue loss for CES compared to the FY20 forecast in March 2020.

Table-A1			
FY20 Adopted Revenue Budget*	FY20 Forecasted Revenue**	Variance	FY20 Budget/Forecast Revenue Loss
\$114,358	\$66,629	(\$47,729)	41.7%

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**Based on March 2020 data

Recovery from this forecasted loss will require the full sales and marketing support from both the VisitDallas and Spectra Venue Management (Spectra) teams to facilitate rescheduling of events/conferences within the existing fiscal year, re-bookings in future fiscal years and efforts to capture lost sales from other cities (e.g., Boston, Las Vegas). A summary of estimated revenue losses is provided in **Table-A2** below, followed by supporting detail for each line item:

Table-A2 – Estimated Revenue Loss Summary*	
FY20 Total Budgeted Revenue	\$ 114,358
COVID-19 Adjusted Projection	\$ 66,629
Projected Loss from Budget	\$ (47,729)
Percentage of Loss	41.7%
Projected Revenue Losses	
Event Cancellations	\$ (7,241)
Hotel Occupancy Tax (HOT)	\$ (36,178)
Alcohol and Beverage Tax (ABT)	\$ (4,310)
Total Projected Revenue Losses	\$ (47,729)

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Event Cancellations: Impact to KBHCCD Revenues

Table-A3 below provides a summary of the lost event revenue compared to the VisitDallas and Spectra submitted budgets and provides an outline of the number of events that have cancelled for this fiscal year, rebooked within this fiscal year or rebooked for another fiscal year. Of the 98 budgeted events/conferences included in **Table-A3** below, twenty events have cancelled, including five citywide events (2,500 room nights on peak).

The projected revenue loss for cancelled events alone is more than \$7M, and represents lost revenue from rental, technology, electrical services, utilities and parking. The event losses zeroed out any forecasted increases. Each of these losses has a collateral impact on contracted companies that work within the KBHCCD, like Centerplate, Ace Parking, SmartCity and Members Building Maintenance LLC. These companies have laid off or furloughed most of their in-house staff.

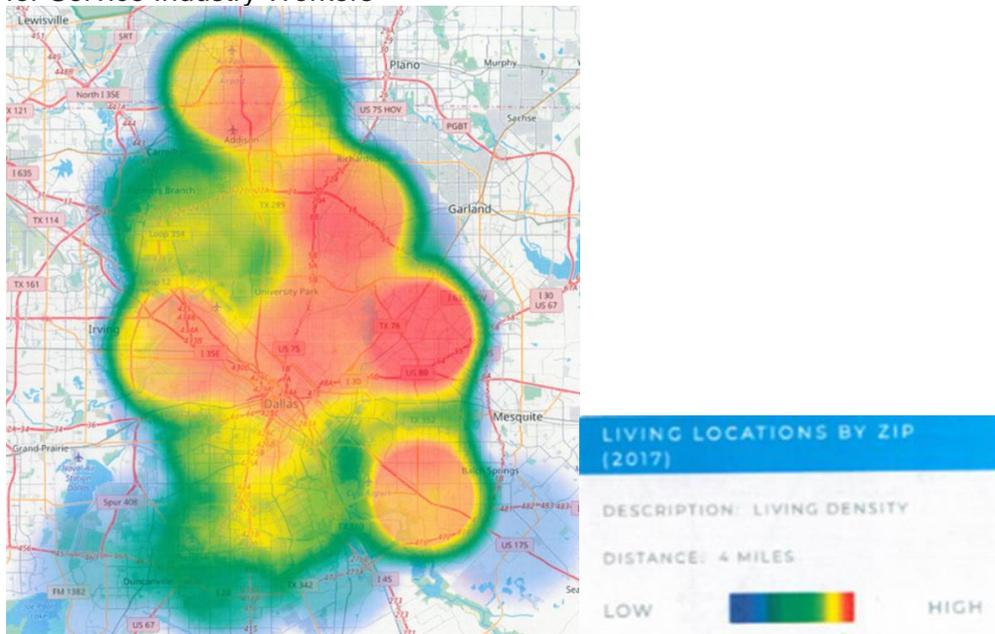
Table-A3: FY20 KBHCCD Bookings	Bookings	Revenue Projections (\$M)
Budgeted	98	33.2
Cancelled	20	(7.2)
Revised Bookings/Revenue	78	26.0

APPENDIX: Convention and Event Services – FY20 Revenue Impacts

Event Cancellations: Impacts to Hospitality Industry

The cancellation of events and conferences at the KBHCCD has direct impact to workers in the Dallas hotel industry and related services (e.g., waitstaff, housekeepers, concession workers, etc.). Initial industry data (prepared since the rise of the pandemic) suggests an industry loss seven times higher than that experienced during and after 9/11. Most larger hotels in the Dallas area have furloughed or laid off more than 90 percent of their staff.

Figure-A1: Heat Map - Zip Code Locations for Service Industry Workers

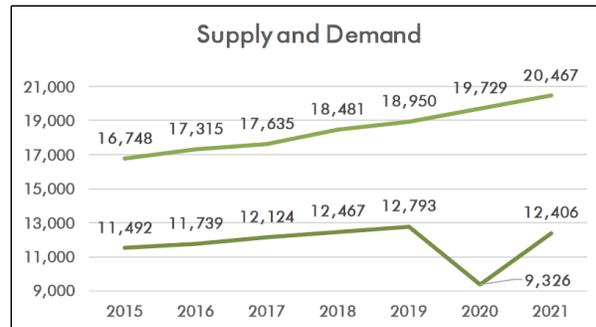
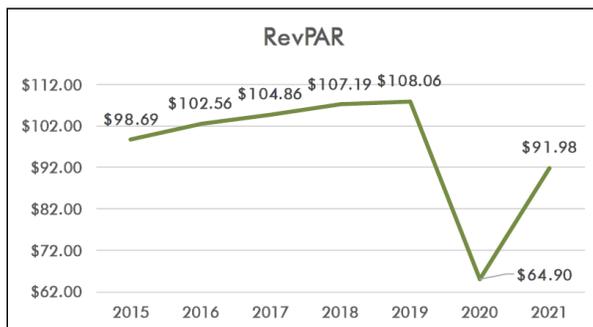
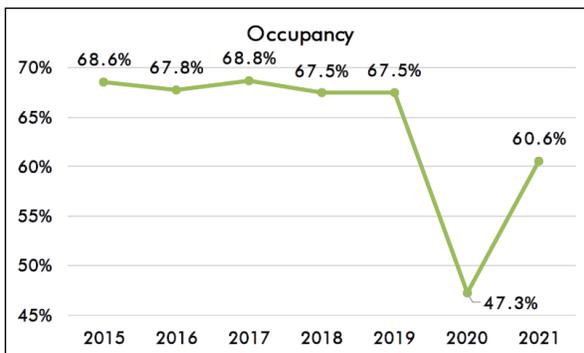
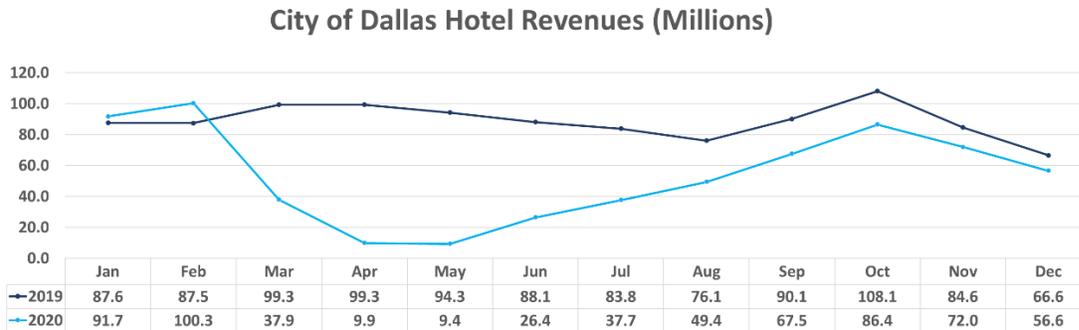


The hotel and tourism industry accounts for more than 68,000 jobs throughout Dallas as outlined in **Figure-A1** above. Job loss in this industry crosses multiple City Council districts, impacting most heavily zip codes 75204, 75206, 75208, 75211, 75214, 75216, 75217, 75220, 75224, 75227, 75228, 75229, 75230, 75231, 75232, 75234, 75238, 75240, 75243, 75248, 75252, 75254 and 75287. Each of these zip codes has more than 1,400 persons employed in the hotel and tourism industry. Most impacted are 75211, 75217, 75228, 75243 and 75287 which each have more than 3,000 persons employed in the industry.

Using data gathered from *Tourism Economics*, the Dallas Tourism Public Improvement District (DTPID) and the Hotel Association of North Texas (HANTX), **Figure-A2** below provides an overview of the impact that event cancellations at the KBHCCD have had on hotel occupancy. There are significant declines when comparing FY19 hotel revenues to the current fiscal year. Additionally, data prepared by CBRE in *COVID-19 Update: Annual Industry Trends – Meeting Update* related to occupancy, average daily rates (ADR), revenue per available room (RevPAR) and supply and demand all take significant declines as a result of COVID-19 travel restrictions, shelter-in-place orders and event cancellations at the KBHCCD.

APPENDIX: Convention and Event Services – FY20 Revenue Impacts

Figure-A2: Tourism Economics Data



Using historical data and past history with 9/11 and SARS, the road to economic recovery for hotels following COVID-19 will likely take three to five years. The recovery will need to take in to account aspects that are well outside CES control. Aspects such as willingness to travel, corporate recovery and desires to absorb long-standing conference costs, potential declining attendance when events do rebook and multiple other components cannot be forecasted. However, all these factors have both short and long-term impacts on the City and CES HOT and ABT collections.

Hotel Occupancy Tax (HOT) Revenues

With the occupancy levels at Dallas hotels significantly decreased, the forecasted HOT loss for FY20 is more than \$36M, greatly impacting the CES ability to distribute HOT to VisitDallas and the Office of Arts and Culture (OAC). **Table-A4** illustrates a HOT receipt comparison of budget-to-actuals for FY19 and a forecast for FY20.

APPENDIX: Convention and Event Services – FY20 Revenue Impacts

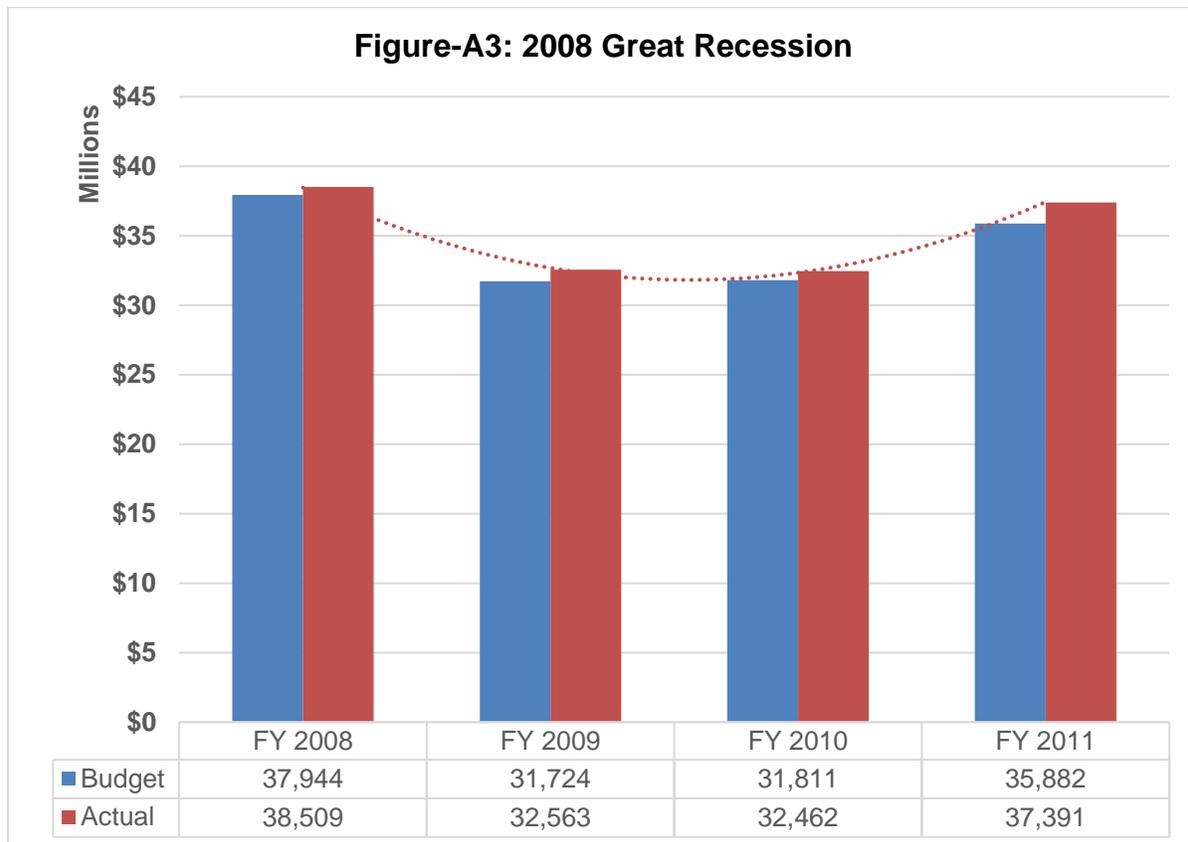
Given that the KBHCCD bond covenants require CES to prioritize debt service (~\$23.5M annually), the decrease in HOT collections has significant impacts to HOT distribution. Though still aligned with the current Ordinance, the new HOT collection forecast outlined in **Table-A4**:

- zeroes-out all funding set aside for FY20 capital improvements to the KBHCCD;
- reduces the amount of funds available for OAC programming; and
- lowers the monthly payment amount to VisitDallas to align with HOT collections.

Table-A4 Distribution*	FY19				FY20		
	Budget	Actuals	Variance		Budget	Forecasted YE Actuals	Variance
KBHCCD	43,304	43,386	82.0		44,769	20,274	(24,495)
VisitDallas	19,275	19,311	36.2		19,927	9,024	(10,903)
OAC	1,670	1,674	3.5		1,727	0.782	(945)
Total	\$64,249	\$64,371	\$121.7		\$66,423	\$30,080	(36,343)

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HOT collections to-date are trending in such a way that HOT revenue declines are forecasted to be worse than during the 2008 Great Recession. As illustrated in **Figure-A3** below, HOT revenues declined significantly and did not return to FY08 collection levels until FY11. In FY09 and FY10, HOT collections were still more than \$6M less than in 2008. FY11 collections increased by almost \$5M but were still \$1M short of the actualized 2008 collections.



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APPENDIX: Convention and Event Services – FY20 Revenue Impacts

Alcohol and Beverage Tax

Declines in both events and hotel occupancy have also impacted ABT collection which has been a consistent and significant source of revenue for CES. Projections provided by the State indicate an almost \$4.3M decline in forecasted revenue for FY20. **Table-A5** below provides a summary of the projected lost ABT revenue compared to FY19. The State will provide an update to CES on or after April 30th.

Table-A5*	FY19				FY20		
	Budget	Actuals	Variance		Budget	Forecasted YE	Variance
Alcohol and Beverage Tax	13,719	13,877	158		14,366	10,056	(4,310)

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Disclosure: Any statements made in this presentation that are not historical or current facts are “forward-looking statements.” These statements are based on assumptions and analyses made by the City in light of its experience and perception of historical trends of the City, current conditions, expected future developments, and other factors it believes are appropriate under the circumstances. However, whether actual results and developments conform to expectations and predictions is subject to a number of known and unknown risks and uncertainties, as well as additional factors beyond the City’s control. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the City’s revenues or operations. All forward-looking statements made herein are qualified by these cautionary statements.

Memorandum



CITY OF DALLAS

DATE April 24, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Housing Acquisition and Development Corporation Update**

Summary

The Dallas Housing Acquisition and Development Corporation (DHADC), which manages the Dallas Urban Land Bank Demonstration Program (Land Bank), regularly meets on the third Thursday of each month to review monthly activities and take action on Corporation business as needed. Due to the current state of the City of Dallas' ongoing operations and the reduction of committee meetings, the DHADC Board opted not to meet this month. Staff will be providing a monthly update to the Board on activities and projects until the Board resumes its regularly scheduled monthly meetings.

Background

At the last DHADC Board of Directors meeting, the Board discussed at length 3 items noted on the agenda; the annual audit, a proposal from Marcer Construction to develop land bank lots and the inventory report. Emma Walker, CPA provided the Board with a review of the audit, reporting no significant findings and satisfactory record keeping. The audit was accepted by the Board and has since been forwarded to the City Auditor's Office.

The Board was presented with a proposal from Marcer Construction for the purchase and development of 9 land bank lots. The Board reviewed staff's recommendation and voted to approve the project pending Council approval. Staff has since presented the proposal to the Housing and Homelessness Solutions Committee without objection and is now pending Council approval.

The Board reviewed the developing inventory report noting current available inventory is now at 7 lots. Staff indicated that the inventory report is undergoing significant changes at the request of the board. Whereas, the current available inventory is accurate and up to date, staff has begun to verify the status of previous lots sold. DHADC has sold approximately 750 lots to approximately 50 developers over the years and staff is still working on the process of creating the type of comprehensive report the Board would like to see in their effort to effectively monitor the status and compliance of sold lots.

The following is an update on DHADC items regularly addressed at Board meetings.

DATE April 24, 2020
SUBJECT **Dallas Housing Acquisition and Development Corporation Update**

DHADC Proposals:

- Staff received two applications for the remaining 7 lots in DHADC inventory available for sale. Staff has completed the review of one of the applications and concluded it is not ready to move forward as a recommendation to the board for approval based on the scoring system for reviewing applications. The second application is currently under review and staff is working with the applicant on proposed timelines.
- On Wednesday, April 8, City Council approved the DHADC sale of 8 lots to Open Mind Frame Ventures. Staff has started to work on the removal of liens on these 8 lots as well as the documents needed for closing, such as deeds without warranty, purchase and sale agreements, developer agreement, etc. In addition, City Council will consider approval of 3 DHADC proposals on April 22. The 3 developer proposals to be considered are: Marcer Construction, FOCIS Holdings and Confia Homes.
- Staff scheduled a closing on 8 lots to be sold to Builders of Hope on Thursday, April 16, at the Housing Department's offices. Visitors to City Hall are received by appointment only, in addition to coordinating with a staff person to be present and other staff required for signatures and notarization. The process requires additional time to factor necessary safety precautions and the routing of documents to alternative offices.

DHADC Inventory:

- Staff has referred 175 properties to Linebarger, Goggan, Blair and Sampson for foreclosure consideration as the first step in the acquisition process for DHADC inventory lots. In addition, 45 properties have been "cleared" by Linebarger Goggan and referred to Republic Title for their assessment and of those, 15 have been referred to Terracon for a Limited Environmental Site Assessment. Staff intends to refer an additional 125 properties to Linebarger Goggan by the end of next month. On April 2, DHADC staff was notified by Linebarger Goggan "that Dallas County has requested that we not file any lawsuits during this time". In addition, they have stated "we will be prepared to resume filing lawsuits on Land Bank accounts once this ban has expired". Therefore, DHADC staff along with our service providers, will continue with the preparation of the identified lots for acquisition to be ready for filing when the County resumes normal business operations.

DATE April 24, 2020
SUBJECT **Dallas Housing Acquisition and Development Corporation Update**

- Staff has submitted all required documentation to the City Attorney's Office to execute the reversion of 8 Land Bank lots. These lots have been identified as those which were sold to Developers and the Developer has failed to complete the construction and sale of an affordable unit on these lots. Staff is continuing to identify similar lots and consult with the CAO on processes for reverting these lots. All potential reversions are reviewed and executed in conjunction with the CAO.

DHADC Legal Filings:

- Currently, Land Bank has sent 21 service requests to the City Attorney's Office. These requests require the submittal of all required documentation needed to draft potential legal filings. These filings typically focus on servicing sold lots to Developers as they prepare to sell the lot with an affordable unit to an eligible homebuyer. This involves checking for any and all permits related to the construction of the unit, certificates of completion, income verification of potential homebuyers, compliance with the developer agreement, etc. The result will be the release of right of reverter and the partial release of lien, allowing the developer to execute the sale of the unit to an eligible homebuyer. Whereas, routing for the appropriate signatures has been a challenge, staff communicates regularly with Developers on the status of said documents in order to best facilitate the closing process timeline.

DHADC Ongoing Activities:

- Staff is working with the Housing Department's coordinator with Neighborly Software in developing an online application component on the Housing Department's Neighborly Software Administrative Portal. This portal currently services the Home Improvement and Preservation Program (HIPP). It has been the mechanism for homeowners to submit their applications for assistance since December 2019. The Housing Department is expanding the portal to include Development, the Homebuyers Assistance Program and Land Bank. When complete, Land Bank applicants will submit applications via Neighborly facilitating the process for application submittals and administrative reporting.
- Lastly, staff is working on updating current processes for Land Bank activities, such as lien releases, and creating new processes for activities, such as Parkland Fees Waivers.

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SUBJECT **Dallas Housing Acquisition and Development Corporation Update**

Fiscal Information:

The ongoing activities of the DHADC staff have no cost consideration to the City. However, as projects are approved by Council there will be some cost considerations which will be reflected in the submitted proposals for Council Agenda. The current fiscal information, as of March 30, for DHADC is as follows:

Operating Fund Account:

Beginning Balance:	\$307,552.29
Deposits	\$192,172.00
Withdrawals/Debits	\$57,071.72
Ending Balance	\$442,652.57

City Obligation Bond Fund:

Beginning Balance	\$1,547,582
Expenses	\$0
Ending Balance	\$1,547,582

If there are any questions or if additional information is needed on any of the above-mentioned items, please contact David Noguera at (214) 671-3610 or david.noguera@dallascityhall.com.



Dr. Eric Anthony Johnson
Chief of Economic Development and Neighborhood Services

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

Memorandum



CITY OF DALLAS

DATE April 24, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **New Procurement Opportunities**

The Office of Procurement Services (OPS) would like to inform the City Council of the following contract opportunities that have been advertised in the last week in the *Dallas Morning News*. These opportunities are also on Bonfire, the City's electronic bid portal: <https://dallascityhall.bonfirehub.com/login>. (Free registration is required to view the opportunity in full.)

In addition, we have updated citywide opportunities for the current quarter on the OPS website: <https://dallascityhall.com/departments/procurement/Pages/Home.aspx>.

Solicitation No.	Solicitation Name
1. CIZ1912	Southside Wastewater Treatment Plant Stormwater Facilities Improvements (Dallas Water Department)*
2. BY20-00013411	Amenities, Equipment, & Horticulture Material for Parks, Playgrounds, and Golf Courses

**Solicitations that begin with a "C" are for construction projects and the issuing department handles those procurements directly. OPS only advertises and unseals submissions for the construction procurements.*

Once an opportunity/solicitation is advertised, it is considered an open procurement until the City Council awards the contract. Please be advised that Section 12A-15.8(g) of the Code of Ethics prohibits communication between councilmembers and bidders or proposers on open procurements.

DATE April 24, 2020
SUBJECT **New Procurement Opportunities**

Should you have any questions, please contact Chhunny Chhean, Director of Procurement Services.



M. Elizabeth Reich
Chief Financial Officer

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

Memorandum



CITY OF DALLAS

DATE April 22, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Budget Accountability Report - February 2020**

Please find attached the most recent Budget Accountability Report (BAR), based on information through February 29, 2020. This report combines the Financial Forecast Report (FFR), Dallas 365, and Budget Initiative Tracker into a single monthly report.

We have begun to reflect the effects of COVID-19 and the subsequent economic crisis on end-of-year revenue forecasts. It is important to note that we are making new revenue forecasts with limited data, and they will change as more information becomes available. Multiple revenue sources are declining in several different operations, such as the General Fund, Aviation, and Convention and Event Services. Most notably, we are currently forecasting sales tax revenue to be more than \$25 million under budget. We continue to work with our contracted economist to refine our sales tax forecast, and we will make additional changes to the end-of-year forecast when we have additional data to incorporate. For example, we have not yet received March sales tax from the state, and we expect April to decline even further.

We also have begun to reflect our efforts to reduce expenses to balance the budget. For example, the end-of-year forecasted expenses reflect savings from strategies such as the hiring freeze that the City Manager implemented on March 19. We are developing additional expense reduction strategies and we will incorporate the related savings into future reports to offset the anticipated revenue decline.

As you know, the Dallas Police Department (DPD) ended FY 2018-19 with more officers than anticipated, is experiencing less attrition, and has been successful in recruiting new applicants. We forecast that DPD will end FY 2019-20 with 97 officers more than the 3,053 officers assumed in the adopted budget. This reflects a police officer hiring plan that we can sustain even with social distancing. We plan to hire 25 officers for four additional classes this fiscal year (June, July, August, and September), and considering attrition we anticipate ending the year with approximately 3,150 sworn officers on duty.

We will provide a full update on revenue and expense forecasts for the current fiscal year (FY 2019-20) in a briefing to the City Council on May 6.

It is too early to determine the impact that COVID-19 and the subsequent economic crisis will have on next year's General Fund budget. Over the next three months, however, we will develop a balanced-budget recommendation for FY 2020-21 to present to you on August 11. Last summer, we developed a planned budget for FY 2020-21 that was balanced and assumed continued growth. Now, considering the assumption that

DATE April 22, 2020
SUBJECT Budget Accountability Report - February 2020

revenues will not continue to grow but instead will decline, it will be necessary to rebalance the FY 2020-21 budget and prepare a plan for FY 2021-22 as well. We anticipate needing to reduce next year's planned budget by anywhere from \$73 million to \$134 million; however, this range is a forward-looking statement based on assumptions and analyses, and actual experience may vary significantly.

States and localities nationwide have alerted Congress that while we greatly appreciate Coronavirus Relief funding, the language in the legislation on the use of funds does not provide the flexibility that cities in Texas and across the nation desperately need to continue to provide core services to our citizens as we weather this pandemic. It does not allow cities to replace lost revenue, nor does it consider cities' continued expenses and lost revenue beyond December 30, 2020. Given our sizeable share of the economy, we hope that these concerns will be addressed in future legislation so that we do not exacerbate an already significant recession.

As a final note, please recall that the President has not yet declared the October 2019 tornado a disaster. Without that declaration, we will need to use emergency reserve funds to cover not only the required 25 percent match for FEMA disaster relief funding, but also the 75 percent of expenses that FEMA would have covered. Some of the expenses from tornado recovery will be borne by enterprise funds such as Sanitation and Dallas Water Utilities, by the Federal Highway Administration, and by our property insurance carrier. However, we estimate that we will need as much as \$16 million from emergency reserves. Therefore, it is even more important that we adjust our budgeted expenses to align with revised COVID-19 revenue forecasts and avoid accessing reserves.

Thank you for your support of our financial management staff as they have worked diligently to understand the economic effects of the COVID-19 economic crisis on the City of Dallas budget, and to incorporate the revised forecasts in this report. If you have any questions, please contact me, Elizabeth Reich, Chief Financial Officer, or Jack Ireland, Director of the Office of Budget.



T.C. Broadnax
City Manager

[Attachment]

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



BUDGET ACCOUNTABILITY REPORT

AS OF FEBRUARY 29, 2020

PREPARED BY THE
OFFICE OF BUDGET

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EXECUTIVE SUMMARY

Financial Forecast Report

Operating Fund	Year-End Forecast vs. Budget	
	Revenues	Expenses
General Fund	✓	✓
Aviation	✗	✗
Convention and Event Services	✗	✗
Municipal Radio	✓	✓
Sanitation Services	✓	✓
Storm Drainage Management	✓	✓
Sustainable Development and Construction	✗	✓
Dallas Water Utilities	✓	✓
Information Technology	✓	✓
Radio Services	✓	✓
Equipment and Fleet Management	✓	✓
Express Business Center	✓	✓
Office of the Bond Program	!	!
9-1-1 System Operations	✓	✓
Debt Service	✓	✓

✓ YE forecast within 5% of budget
 ! YE forecast within 6-10% of budget
 ✗ YE forecast more than 10% from budget or no forecast provided

Dallas 365

✓ 18

On Target (YTD)

✓ 19

On Target (YE)

✗ 17

Not on Target (YTD)

✗ 16

Not on Target (YE)

Budget Initiative Tracker

● 3

Complete

✓ 36

On Target

! 1

At Risk

✗ 0

Cancelled

FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through February 29, 2020, for the General Fund and other annual operating funds of the City. The Adopted Budget reflects the budget adopted by City Council on September 18, 2019, effective October 1 through September 30, 2020. The Amended Budget column reflects City Council-approved transfers between funds and programs, department-initiated transfers between expense objects, approved use of contingency, and other amendments supported by revenue or fund balance.

Year-to-Date (YTD) Actual amounts represent revenue or expenses/encumbrances that have occurred through the end of the most recent accounting period. Departments provide the Year-End (YE) Forecast, which projects anticipated revenues and expenditures as of September 30, 2020. The variance is the difference between the FY 2019-20 Amended Budget and the YE Forecast. Variance notes are provided when the YE forecast is +/- five percent of the amended budget and/or if YE expenditures are forecast to exceed the amended budget.

General Fund Overview

The General Fund overview provides a summary of financial activity through January 31, 2020.

	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$219,919,890	\$219,919,890		\$235,824,022	\$15,904,132
Revenues	1,438,189,202	1,438,189,202	940,911,677	1,404,362,347	(33,826,855)
Expenditures	1,438,089,000	1,438,089,000	547,172,255	1,428,681,603	(9,407,397)
Ending Fund Balance	\$220,020,092	\$220,020,092		\$211,504,766	(\$8,515,326)

Fund Balance. The summary includes fund balance with the YE revenue and expenditure forecasts. As of February 29, 2020, the YE forecast beginning fund balance represents the FY 2018-19 audited unassigned ending fund balance and includes FY 2018-19 YE savings.

Revenues. Through February 29, 2020, General Fund revenues are projected to be \$33,827,000 under budget primarily due to anticipated declines of \$25,170,000 in sales tax receipts associated with COVID-19. Additionally, franchise and other revenue are primarily affected by fiber optics and street rental trends. Fiber optics revenue is forecast to be \$3,951,000 under budget due to more customers using wireless; moreover, DWU's street rental payment to the General Fund is also projected to be \$2,600,000 under budget as a result of declining water revenues.

Expenditures. Through February 29, 2020, General Fund expenditures are projected to be \$9,407,000 under budget primarily because of salary savings from vacant civilian positions due to a hiring freeze enacted on March 19, 2020 which is partially offset by an anticipated increase in hiring for police officers and the purchase of Police equipment and uniforms.

Financial Forecast Report

GENERAL FUND REVENUE

Revenue Category	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$787,420,172	\$787,420,172	\$768,832,344	\$788,298,415	\$878,243
Sales Tax ²	325,566,185	325,566,185	54,964,764	300,396,038	(25,170,147)
Franchise and Other ³	129,339,760	129,339,760	49,895,406	122,360,947	(6,978,813)
Charges for Service ⁴	115,177,017	115,177,017	42,978,031	110,217,176	(4,959,841)
Fines and Forfeitures	27,222,251	27,222,251	10,585,034	27,078,542	(143,709)
Operating Transfers In	25,694,602	25,694,602	4,096,112	25,694,602	0
Intergovernmental ⁵	11,382,649	11,382,649	662,648	13,846,928	2,464,279
Miscellaneous	6,685,258	6,685,258	3,124,734	6,902,814	217,556
Licenses and Permits	5,154,061	5,154,061	3,056,375	5,019,638	(134,423)
Interest	4,547,247	4,547,247	2,716,229	4,547,247	0
Total Revenue	\$1,438,189,202	\$1,438,189,202	\$940,911,677	\$1,404,362,347	(\$33,826,855)

VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with YE forecast variances of +/- five percent and revenue with an amended budget.

1 Property Tax. Property tax revenues are forecast to be \$878,000 over budget based on current trends and actual collections. This is partially offset by the October 2019 tornado and reappraisal process. Subsequently, the anticipated decline in 2019 taxable value is approximately \$92 million.

2 Sales Tax. Sales tax revenues are forecast to be \$25,170,000 under budget due to the economic impact of COVID-19.

3 Franchise and Other. Franchise and other revenue are forecast to be \$6,979,000 under budget primarily due to a \$3,951,000 decrease in fiber optics because of a decrease in business phone lines as a result of customers switching to wireless service. Additionally, DWU's street rental payment to the General Fund is forecast to be \$2,600,000 under the budgeted amount as a result of declining water revenues.

4 Charges for Service. Charges for service are forecast to be \$4,960,000 under budget primarily because of an anticipated \$4,052,000 reduction associated with the Ambulance Services Supplemental Payment Program (ASSPP). Dallas Fire-Rescue (DFR) was informed that municipal EMS providers would see a significant cut in payments, but the final estimate for ASSPP will not be known until later in the fiscal year. Moreover, parking meter fees are forecast to be \$904,000 under budget, which is associated with the economic impact of COVID-19. Similarly, athletic field revenues, golf revenues, and contract class revenues are forecast to be \$600,000 under budget due to closures associated with COVID-19. This is partially offset by \$1,100,000 in additional State Fair Patrol revenues for sworn offices at the annual State Fair of Texas.

5 Intergovernmental. Intergovernmental revenues are forecast to be \$2,464,000 over budget primarily due to Public Works receiving a \$1,600,000 reimbursement from Dallas County for street maintenance work, which will be appropriated during mid-year for equipment purchases. Public Works is also expecting an additional \$353,000 in reimbursements from TxDOT, which will be used to offset the City's cost of TxDOT ROW mowing.

Financial Forecast Report

GENERAL FUND EXPENDITURES

Expenditure Category	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$243,326,547	\$243,450,086	\$89,454,040	\$224,957,289	(\$18,492,796)
Civilian Overtime	6,094,572	6,127,199	4,986,952	9,926,429	3,799,230
Civilian Pension	34,258,149	34,301,097	13,011,310	32,051,020	(2,250,078)
Uniform Pay	457,164,984	457,164,984	172,052,765	460,037,551	2,872,567
Uniform Overtime	40,551,607	40,551,607	19,081,389	43,021,060	2,469,452
Uniform Pension	164,529,405	164,529,405	61,967,623	164,529,405	0
Health Benefits	70,051,318	70,061,654	22,839,809	70,067,151	5,497
Workers Comp	14,933,520	14,933,520	0	14,933,520	0
Other Personnel Services	10,260,278	10,240,247	4,428,655	12,209,918	1,969,671
Total Personnel Services¹	1,041,170,380	1,041,359,799	387,822,544	1,031,733,342	(9,626,457)
Supplies	82,737,886	82,445,240	29,481,306	84,559,436	2,114,196
Contractual Services	389,583,720	389,223,730	132,824,846	383,880,373	(5,343,357)
Capital Outlay ²	14,823,774	15,476,411	3,217,807	16,551,657	1,075,246
Reimbursements	(90,226,760)	(90,416,180)	(6,174,248)	(88,043,204)	2,372,976
Total Expenditures	\$1,438,089,000	\$1,438,089,000	\$547,172,255	\$1,428,681,603	(\$9,407,397)

VARIANCE NOTES

General Fund expenditure variance notes are provided below for expenditure categories with YE forecast variances of +/- five percent. The Amended Budget column reflects department-initiated transfers between expense objects.

1 Personnel Services. Personnel services are forecast to be \$9,626,000 under budget primarily due to salary savings associated with a hiring freeze enacted on March 19, 2020. This is partially offset by an anticipated increase in hiring of police officers and overtime for both civilian employees and uniform employees. Dallas Police Department (DPD) ended FY 2018-19 with more officers than anticipated, is experiencing less attrition, and is increasing hiring. DPD's budget anticipated ending FY 2019-20 with 3,053 officers. It is now anticipated DPD will end the year with 3,150 officers. Funding for these additional 97 officers was not anticipated in the adopted budget.

2 Capital Outlay. Capital outlay is forecast to be \$1,075,000 over budget primarily due to the Department of Public Works anticipated purchase of equipment to be used for an in-house preservation program and which is supported by unplanned revenue from Dallas County.

Financial Forecast Report

GENERAL FUND EXPENDITURES

Expenditure by Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services ¹	\$23,310,536	\$23,310,536	\$10,167,707	\$22,683,897	(\$626,639)
City Attorney's Office	18,483,486	18,483,486	6,966,691	18,013,762	(469,724)
City Auditor's Office ²	3,398,923	3,398,923	1,025,872	3,084,066	(314,857)
City Manager's Office	2,936,728	2,936,728	1,129,600	2,842,666	(94,062)
City Secretary's Office	3,038,936	3,038,936	1,186,053	3,037,668	(1,268)
Elections	98,646	98,646	34,394	98,646	0
Civil Service ³	3,274,657	3,274,657	1,102,958	3,054,264	(220,393)
Code Compliance	30,476,546	30,476,546	11,343,417	30,021,224	(455,322)
City Controller's Office ⁴	7,210,578	7,210,578	2,571,327	6,818,364	(392,214)
Independent Audit	945,429	945,429	0	945,429	0
Court and Detention Services ⁵	22,636,938	22,636,938	8,270,970	19,662,134	(2,974,804)
Jail Contract	9,158,124	9,158,124	3,052,471	9,158,124	0
Dallas Animal Services	15,635,492	15,635,492	5,814,394	15,541,186	(94,306)
Dallas Fire-Rescue ⁶	317,747,117	317,747,117	120,291,450	318,087,158	340,041
Dallas Police Department ⁷	516,967,195	516,967,195	199,192,083	523,027,927	6,060,732
Housing and Neighborhood Revitalization ⁸	3,270,227	3,270,227	883,079	3,095,383	(174,844)
Human Resources	6,556,941	6,556,941	2,862,320	6,336,774	(220,167)
Judiciary	3,806,942	3,806,942	1,648,147	3,776,815	(30,127)
Library ⁹	33,876,186	33,876,186	13,223,477	33,354,755	(521,431)
Mayor and City Council ¹⁰	5,017,657	5,017,657	1,945,709	5,105,101	87,444
Non-Departmental ¹¹	105,563,682	105,563,682	14,498,780	101,638,325	(3,925,357)
Office of Arts and Culture	20,866,115	20,866,115	15,067,177	20,861,913	(4,202)
Office of Budget	3,879,425	3,879,425	1,641,012	3,864,425	(15,000)
Office of Economic Development	5,365,845	5,365,845	1,635,585	5,167,602	(198,243)
Office of Management Services					
311 Customer Service	4,835,776	4,835,776	1,857,577	4,731,708	(104,068)
Council Agenda Office ¹²	246,824	246,824	103,914	231,632	(15,192)
Emergency Management	1,122,694	1,122,694	549,763	1,114,694	(8,000)
Office of Business Diversity ¹³	992,241	992,241	333,966	877,554	(114,687)
Office of Community Care	6,700,917	6,700,917	2,144,009	6,700,917	0
Office of Community Police Oversight ¹⁴	475,000	475,000	28,897	319,097	(155,903)
Office of Environmental Quality and Sustainability	3,524,865	3,524,865	1,987,592	3,414,521	(110,344)
Office of Equity ¹⁵	492,264	492,264	156,348	527,248	34,984
Office of Ethics and Compliance ¹⁶	227,912	227,912	43,071	187,092	(40,820)
Office of Fair Housing and Human Rights	519,488	519,488	189,254	501,132	(18,356)
Office of Historic Preservation ¹⁷	626,200	626,200	140,127	575,112	(51,088)
Office of Homeless Solutions	12,126,340	12,126,340	6,889,667	12,126,340	0
Office of Innovation	913,030	913,030	279,711	872,627	(40,403)
Office of Resiliency ¹⁸	334,705	334,705	60,051	277,855	(56,850)
Office of Strategic Partnerships	1,084,555	1,084,555	408,931	1,050,203	(34,352)
Office of Welcoming Communities	751,913	751,913	204,012	723,645	(28,268)
Public Affairs and Outreach ¹⁹	2,020,529	2,020,529	667,587	1,891,060	(129,469)
Park and Recreation ²⁰	98,596,497	98,596,497	40,709,600	96,280,511	(2,315,986)
Planning and Urban Design ²¹	3,396,703	3,396,703	1,206,921	3,420,351	23,648
Procurement Services ²²	3,021,425	3,021,425	977,519	2,680,252	(341,173)
Public Works ²³	77,176,071	77,176,071	43,807,740	76,655,743	(520,328)
Sustainable Development and Construction	1,858,966	1,858,966	1,308,988	1,855,588	(3,378)
Transportation ²⁴	45,270,589	45,270,589	14,811,193	44,137,965	(1,132,624)
Total Departments	\$1,429,837,855	\$1,429,837,855	\$544,421,110	\$1,420,430,458	(\$9,407,397)
Liability/Claim Fund Transfer	2,751,145	2,751,145	2,751,145	2,751,145	0
Contingency Reserve	3,000,000	3,000,000	0	3,000,000	0
Salary and Benefit Reserve	2,500,000	2,500,000	0	2,500,000	0
Total Expenditures	\$1,438,089,000	\$1,438,089,000	\$547,172,255	\$1,428,681,603	(\$9,407,397)

VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

1 Building Services. BSD is projected to be \$627,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

2 City Auditor's Office. AUD is projected to be \$315,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

3 Civil Service. CVS is projected to be \$220,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

4 City Controller's Office. CCO is projected to be \$392,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

5 Court Services. CTS is projected to be \$2,975,000 under budget primarily due to salary savings by \$2,290,000 associated with a hiring freeze enacted on March 19, 2020 and the School Crossing Guard contract by \$2,405,000 due to school closures associated with the Dallas County Stay-at-Home decree. CTS savings are partially offset by increases in overtime (\$819,000), termination payouts (\$109,000), temporary help services (\$156,000), and a loss of stormwater reimbursement payments (\$170,000).

6 Dallas Fire Rescue. DFR is projected to be \$340,000 over budget due to an increase in overtime because of higher than anticipated backfill required to meet minimum staffing. The department has taken action in order to mitigate these impacts by implementing civilian hiring freezes and delaying training and other professional development activities that had been planned for FY 2019-20.

7 Dallas Police Department. DPD is projected to be \$6,061,000 over budget primarily due to higher-than-anticipated hiring for police officers, uniforms, and overtime for civilian and sworn positions which is partially offset by civilian salary savings. The increase in overtime is due to the October 2019 tornado and the COVID-19 crisis. DPD ended FY 2018-19 with more officers than anticipated, is experiencing less attrition, and is increasing hiring. DPD's budget anticipated ending FY 2019-20 with 3,053 officers. It is now anticipated DPD will end the year with 3,150 officers. Funding for these additional 97 officers was not anticipated in the adopted budget.

8 Housing and Neighborhood Revitalization. HOU is projected to be \$175,000 under budget due to salary savings partially offset by termination payouts.

9 Library. LIB is projected to be \$521,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

10 Mayor and City Council. MCC is projected to be \$87,000 over budget due to salary equity adjustments, partially offset by vacancies.

11 Non-Departmental. Non-D is projected to be \$3,925,000 under budget due to delays in Master Lease purchases for fleet and equipment.

12 Council Agenda Office. CAO is projected to be \$15,000 under budget due to salary savings.

13 Office of Business Diversity. OBD is projected to be \$115,000 under budget due to salary savings associated with a hiring freeze enacted on March 19, 2020.

14 Office of Community Police Oversight. OPO is projected to be \$156,000 under budget due to salary savings.

15 Office of Equity. EQU is projected to be \$35,000 over budget due to higher-than-budgeted salaries.

- 16 Office of Ethics and Compliance.** EAC is projected to be \$41,000 under budget due to salary savings.
- 17 Office of Historic Preservation.** OHP is projected to be \$51,000 under budget due to salary savings.
- 18 Office of Resiliency.** REO is projected to be \$57,000 under budget due to salary savings.
- 19 Public Affairs and Outreach.** PAO is projected to be \$129,000 under budget due to salary savings partially offset by temporary help services.
- 20 Park and Recreation.** PKR is projected to be \$2,316,000 under budget primarily due to salary savings (\$2,859,000) associated with a hiring freeze enacted on March 19, 2020 and the cancellation of various recreational programming (\$315,000). PKR's savings are primarily offset by increases in overtime (\$520,000) and termination payouts (\$328,000).
- 21 Planning and Urban Design.** PUD is projected to be \$24,000 over budget due to an unbudgeted purchase of PolicyMap which is a data and mapping tool for accessing data about communities across the United States.
- 22 Procurement Services.** POM is projected to be \$341,000 under budget primarily due to salary savings.
- 23 Public Works.** PBW is projected to be \$520,000 under budget primarily due to salary savings which is partially offset by the anticipated purchase of equipment to be used for an in-house preservation program and which is supported by unplanned revenue from Dallas County.
- 24 Transportation.** TRN is projected to be \$1,133,000 under budget primarily due to salary savings.

Financial Forecast Report

ENTERPRISE FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
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AVIATION¹

Beginning Fund Balance	\$5,570,308	\$5,570,308		\$5,419,376	(\$150,497)
Total Revenues	158,255,683	158,255,683	66,482,609	133,930,689	(24,324,994)
Total Expenditures	158,255,683	158,255,683	59,508,311	135,392,277	(22,863,406)
Ending Fund Balance	\$5,570,308	\$5,570,308		\$3,958,789	(\$1,612,085)

CONVENTION AND EVENT SERVICES²

Beginning Fund Balance	\$39,186,345	\$39,186,345		\$57,091,833	\$17,905,488
Total Revenues	114,358,254	114,358,254	42,653,669	79,547,304	(34,810,950)
Total Expenditures	114,358,254	114,358,254	10,116,732	79,547,304	(34,810,950)
Ending Fund Balance	\$39,186,345	\$39,186,345		\$57,091,833	\$17,905,488

MUNICIPAL RADIO

Beginning Fund Balance	\$768,840	\$768,840		\$957,554	\$188,714
Total Revenues	2,161,634	2,161,634	807,256	2,161,634	0
Total Expenditures	2,067,782	2,067,782	987,309	2,009,751	(58,031)
Ending Fund Balance	\$862,692	\$862,692		\$1,109,437	\$246,745

Note: FY 2019-20 budget reflects revenue in excess of expenses.

SANITATION SERVICES

Beginning Fund Balance	\$24,416,494	\$24,416,494		\$40,213,874	\$15,797,380
Total Revenues	120,129,201	120,129,201	51,083,175	119,618,252	(510,949)
Total Expenditures	122,129,201	122,129,201	38,525,587	122,129,201	0
Ending Fund Balance	\$22,416,494	\$22,416,494		\$37,702,925	\$15,286,431

STORM DRAINAGE MANAGEMENT—DALLAS WATER UTILITIES

Beginning Fund Balance	\$12,721,861	\$12,721,861		\$9,880,820	(\$2,841,041)
Total Revenues	60,936,837	60,936,837	26,064,494	61,042,037	105,200
Total Expenditures	60,936,837	60,936,837	13,664,209	60,325,549	(611,288)
Ending Fund Balance	\$12,721,861	\$12,721,861		\$10,597,308	(\$2,124,553)

SUSTAINABLE DEVELOPMENT AND CONSTRUCTION³

Beginning Fund Balance	\$45,979,705	\$45,979,705		\$51,827,466	\$5,847,761
Total Revenues	33,474,379	33,474,379	15,376,522	27,534,867	(5,939,512)
Total Expenditures	34,550,990	34,550,990	13,303,439	34,550,990	0
Ending Fund Balance	\$44,903,094	\$44,903,094		\$44,811,343	(\$91,751)

Note: FY 2019-20 budget reflects planned use of fund balance.

WATER UTILITIES

Beginning Fund Balance	\$138,576,064	\$138,576,064		\$151,387,348	\$12,811,284
Total Revenues	670,485,708	670,485,708	258,371,701	664,548,164	(5,937,544)
Total Expenditures	681,220,919	681,220,919	212,487,191	674,348,287	(6,872,632)
Ending Fund Balance	\$127,840,853	\$127,840,853		\$141,587,225	\$13,746,372

Note: FY 2019-20 budget reflects planned use of fund balance.

Financial Forecast Report

INTERNAL SERVICE FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
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INFORMATION TECHNOLOGY⁴

Beginning Fund Balance	\$4,578,881	\$4,578,881		\$5,116,697	\$537,816
Total Revenues	80,180,034	80,180,034	32,213,914	80,246,687	66,653
Total Expenditures	79,967,864	79,967,864	43,569,952	80,457,718	489,854
Ending Fund Balance	\$4,791,051	\$4,791,051		\$4,905,666	\$114,615

Note: FY 2019-20 budget reflects revenue in excess of expenses.

RADIO SERVICES

Beginning Fund Balance	\$924,085	\$924,085		\$1,263,982	\$339,897
Total Revenues	12,523,888	12,523,888	4,664,586	12,523,888	0
Total Expenditures	12,825,721	12,825,721	5,905,919	12,782,068	(43,653)
Ending Fund Balance	\$622,252	\$622,252		\$1,005,802	\$383,550

Note: FY 2019-20 budget reflects planned use of fund balance.

EQUIPMENT AND FLEET MANAGEMENT

Beginning Fund Balance	\$6,362,857	\$6,362,857		\$7,143,432	\$780,575
Total Revenues	56,213,623	56,213,623	4,687,765	56,216,521	2,898
Total Expenditures	56,235,872	56,235,872	20,947,978	56,235,872	0
Ending Fund Balance	\$6,340,608	\$6,340,608		\$7,124,080	\$783,472

Note: FY 2019-20 budget reflects planned use of fund balance.

EXPRESS BUSINESS CENTER

Beginning Fund Balance	\$3,510,566	\$3,510,566		\$3,426,575	(\$83,991)
Total Revenues	2,593,790	2,593,790	1,047,595	2,593,790	0
Total Expenditures	2,005,981	2,005,981	795,279	2,001,190	(4,791)
Ending Fund Balance	\$4,098,375	\$4,098,375		\$4,019,175	(\$79,200)

Note: FY 2019-20 budget reflects revenue in excess of expenses.

OFFICE OF THE BOND PROGRAM⁵

Beginning Fund Balance	\$0	\$0		(\$2,916,716)	(\$2,916,716)
Total Revenues	18,547,674	18,547,674	7,375	15,070,492	(3,477,182)
Total Expenditures	18,547,674	18,547,674	8,320,625	15,070,493	(3,477,181)
Ending Fund Balance	\$0	\$0		(\$2,916,716)	(\$2,916,716)

Financial Forecast Report

OTHER FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁶					
Beginning Fund Balance	\$7,453,734	\$7,453,734		\$11,185,392	\$3,731,658
Total Revenues	12,017,444	12,017,444	4,817,244	12,061,488	44,044
Total Expenditures	15,292,755	17,456,147	4,125,451	17,434,187	(21,960)
Ending Fund Balance	\$4,178,423	\$2,015,031		\$5,812,693	\$3,797,662

Note: FY 2019-20 budget reflects planned use of fund balance.

DEBT SERVICE

Beginning Fund Balance	\$23,358,486	\$23,358,486		\$28,898,633	\$5,540,147
Total Revenues	305,536,876	305,536,876	282,277,295	306,220,085	683,209
Total Expenditures	305,451,298	305,451,298	226,541,848	305,451,298	0
Ending Fund Balance	\$23,444,064	\$23,444,064		\$29,667,420	\$6,223,356

Note: FY 2019-20 budget reflects revenue in excess of expenses.

EMPLOYEE BENEFITS

City Contributions	\$97,177,729	\$97,177,729	33,895,227	97,177,729	0
Employee Contributions	38,231,005	38,231,005	17,347,306	38,231,005	0
Retiree	32,507,154	32,507,154	13,401,551	32,507,154	0
Other	0	0	133,633	133,633	133,633
Total Revenues	167,915,888	167,915,888	64,777,717	168,049,521	133,633
Total Expenditures	\$171,665,888	\$171,665,888	56,949,025	171,665,888	0

Note: FY 2019-20 budget reflects revenue in excess of expenses. FY 2019-20 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported (IBNR) claims.

RISK MANAGEMENT

Worker's Compensation	\$19,883,135	\$19,883,135	241,562	19,883,135	0
Third Party Liability	4,383,960	4,383,960	0	4,383,960	0
Purchased Insurance	4,526,340	4,526,340	0	4,526,340	0
Interest and Other	0	0	519,666	519,666	519,666
Total Revenues	28,793,435	28,793,435	761,228	29,313,101	519,666
Total Expenditures	\$34,526,799	\$34,526,799	11,332,608	33,930,787	(596,012)

Note: FY 2019-20 budget reflects planned use of fund balance. FY 2019-20 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summaries include the beginning fund balance with the YE revenue and expenditure forecasts. As of February 29, 2020, YE forecast beginning fund balance represents the FY 2018-19 audited ending fund balance and any additional YE savings. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, YE forecast projected to exceed budget, or projected use of fund balance.

1 Aviation. AVI is projected to be \$22,863,000 under budget primarily due to salary savings associated with a hiring freeze enacted on March 19, 2020, limiting of overtime, elimination of temporary employees and various expenses due to decreased activity at Love Field as a result of COVID-19. Revenues are also projected to be \$24,325,000 under budget primarily due to a loss of landing fees and garage parking associated with diminished air travel.

2 Convention and Event Services. CCT expenses are projected to be \$34,811,000 under budget primarily due to a reduction in payments to VisitDallas, Spectra Venue Management, the General Fund, and costs that would have been incurred for now-canceled events. Revenue is projected to also be \$34,811,000 under budget due to lost revenue from various event cancellations and significantly decreased Hotel Occupancy Tax (HOT) and alcoholic beverage tax collections. CCT is continuing to work with its hotel partners, VisitDallas, Spectra Venue Management, and the Dallas Tourism Public Improvement District to forecast for HOT decreases and to potentially rebook clients later in the fiscal year.

3 Sustainable Development and Construction. DEV is projected to be \$5,940,000 under budget in revenues primarily due to the onset of COVID-19. DEV is projecting an across the board 20 percent reduction in revenues due to diminished permit activity. DEV will monitor permit activity monthly which may require a change in revenue estimates. DEV anticipates the use of fund balance to offset lost revenues.

4 Information Technology. ITS is projected to be \$490,000 over budget primarily due to various upgrades with 311 Contact Center software, an expansion of the City's VPN capacity to support work-from-home ventures, additional Skype audio conference bridges, docks and power cords for laptops, and video monitoring for Council and Committee meetings which are partially offset by salary savings.

5 Office of the Bond Program. OBP is projected to be \$3,477,000 under budget primarily due to salary savings and contract savings. The centralized OBP charges each capital project budget for project implementation costs. Savings in actual OBP implementation expenses result in less charge to the capital project.

6 911 System Operations. 911's budget was increased by \$2,163,000 on January 8, 2020, by resolution #20-0130 to accept a matching grant through the Texas Commission on State Emergency Communications to implement a Next Generation 911 system.

Financial Forecast Report

2017 GENERAL OBLIGATION BOND PROGRAM

Proposition	Authorized by Voters	Inception-to-Date Appropriations	Inception-to-Date Expenditures	Current Encumbered	Unencumbered
Street and Transportation [A]	\$533,981,000	\$249,690,770	\$103,660,677	\$33,034,880	\$112,995,213
Park and Recreation Facilities [B]	261,807,000	228,313,493	55,480,290	32,831,813	140,001,390
Fair Park [C]	50,000,000	28,820,000	7,289,118	11,696,762	9,834,120
Flood Protection and Storm Drainage [D]	48,750,000	19,422,354	2,152,052	3,828,513	13,441,789
Library Facilities [E]	15,589,000	15,589,000	3,120,821	9,825,851	2,642,328
Cultural and Performing Arts Facilities [F]	14,235,000	13,839,120	1,270,063	2,898,542	9,670,515
Public Safety Facilities [G]	32,081,000	30,576,956	5,802,612	7,666,164	17,108,180
City Facilities [H]	18,157,000	14,077,418	4,186,079	1,225,814	8,665,525
Economic Development [I]	55,400,000	23,753,930	7,389,022	5,669,371	10,695,537
Homeless Assistance Facilities [J]	20,000,000	20,000,000	12,608	5,935	19,981,457
Total	\$1,050,000,000	\$644,083,041	\$190,363,343	\$108,683,645	\$345,036,053

Note: The table above reflects expenditures and encumbrances recorded in the City's financial system of record. It does not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.

DALLAS 365

The Dallas 365 initiative aligns 35 key performance measures to our six strategic priorities. The department responsible for each measure is noted at the end of the measure's description, and last year's performance is included if available. If FY 2018-19 data is not available, N/A is listed.

Year-to-date (YTD) and year-end (YE) targets are presented for each measure. YTD targets may vary based on seasonality of the work. Each month, we compare 1) the YTD target with the actual performance for the current reporting period and 2) the YE target with the department's forecasted performance as of September 30, 2020.

Measures are designated "on target" (green) if actual YTD performance is equal to or greater than the YTD target. If actual YTD performance is not equal to the YTD target, the measure is designated as "not on target" (red). The same methodology applies to YE forecasts. Variance notes are provided for each measure not on target.

Year-to-Date



18

On Target



17

Not on Target

Year-End Forecast



19

On Target



16

Not on Target

#	Measure	FY 2018-19 Actual	YTD Target	YTD Actual	YE Target	YE Forecast
Public Safety						
1	Percentage of responses to structure fires within 5 minutes and 20 seconds of dispatch (Fire-Rescue)	84.26%	90%	82.42%	90%	90%
2	Percentage of EMS responses within nine minutes (Fire-Rescue)	91.7%	90%	91.17%	90%	90%
3	Percentage of responses to Priority 1 calls within eight minutes (Police)	52.07%	55%	49.13%	55%	55%
4	Percentage of 911 calls answered within 10 seconds (Police)	93.22%	91%	87.13%	91%	91%
5	Homicide clearance rate (Police)	84.68%	60%	104.3%	60%	80%
6*	Crimes against persons (per 100,000 residents) (Police)	1,920.5	739	762.90	1,999	1,880
Mobility Solutions, Infrastructure, & Sustainability						
7	Percentage of 2017 bond appropriation awarded (\$644M appropriated ITD) (Bond Program)	70%	37.5%	56%	90%	90%
8*	Average response time to emergency sewer calls (in minutes) (Water Utilities)	59.58	60	59.30	60	60
9	Percentage of planned small diameter water and wastewater pipeline system repaired or replaced (72 out of 8,000 miles) (Water Utilities)	100%	32.6%	38.0%	100%	90%
10	Percentage compliance with state and federal standards and regulations for drinking water (Water Utilities)	100%	100%	100%	100%	100%
11	Percentage of planned lane miles improved (710 out of 11,800 miles) (Public Works)	82%	19.20%	19.20%	100%	100%
12	Percentage of potholes repaired within three days (Public Works)	N/A	98%	94.27%	98%	96%
13*	Missed refuse and recycling collections per 10,000 collection points/service opportunities (Sanitation Services)	13.76	11.5	12.97	11.5	12.67
14	Percentage of signal malfunction responses within 120 minutes (Transportation)	N/A	95%	90.68%	95%	92%

* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

DALLAS 365

#	Measure	FY 2018-19 Actual	YTD Target	YTD Actual	Year-End Target	Year-End Forecast
Economic & Neighborhood Vitality						
15	Number of jobs created or retained through written commitment (Economic Development)	6,001	2,083	693	5,000	2,500
16	Number of Dallas Homebuyer Assistance Program (DHAP) loans provided (Housing)	21	27	11	45	25
17	Total number of new housing units occupied (Housing)	N/A	96	18	230	50
18	Percentage of single-family permits reviewed in three days (Sustainable Development)	86.58%	85%	86.80%	85%	85%
19	Percentage of inspections performed same day as requested (Sustainable Development)	96.37%	98%	96.51%	98%	98%
Human & Social Needs						
20	Percentage of HIV/AIDS households with housing stability (Community Care)	89.91%	95%	97.80%	95%	80%
21	Percentage of 20 repeat homeless encampment sites reclaimed/repurposed (Homeless Solutions)	N/A	20%	20%	100%	100%
22	Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Homeless Solutions)	92.16%	85%	N/A	85%	N/A
Quality of Life						
23	Number of single-family rental properties inspected (initial inspections and reinspections) (Code Compliance)	9,044	2,720	3,053	7,000	7,000
24	Percentage of litter and high weed service requests closed within SLA (Code Compliance)	N/A	96%	52.00%	96%	65%
25	Live release rate for dogs and cats (Animal Services)	86.4%	90%	91.8%	90%	90%
26	Percentage decrease in loose dog bites year-over-year (from 558 to 530) (Animal Services)	10%	5%	4.17%	5%	5%
27	Percentage increase in annual visits in person, online, and for programs (from 11.54M to 11.71M) (Library)	23.4%	1.5%	1.92%	1.5%	1.25%
28	Percentage of GED students who successfully pass the exam and earn their certificate (Library)	55.8%	42%	42.36%	42%	30%
29	Percentage of cultural services contracts awarded to artists or small arts organizations (budgets less than \$100,000) (Cultural Affairs)	59.7%	55%	51.9%	55%	55%
30	Percentage of residents within ½ mile of a park (Park and Recreation)	69%	70%	69%	70%	69%
31	Participation rate at late-night Teen Recreation (TRec) sites (28,590 annual participants) (Park and Recreation)	N/A	42%	5.2%	100%	75%
Government Performance & Financial Management						
32	Percentage of 311 calls answered within 90 seconds (311)	57.98%	70%	35.60%	70%	40%
33	Percentage of invoices paid within 30 days (City Controller)	98.54%	96%	96.4%	96%	94%
34	Percentage of vehicles receiving preventive maintenance on schedule (Equipment and Fleet Management)	N/A	68%	71.40%	68%	68%
35	Percentage of dollars spent with local M/WBE businesses (Business Diversity)	91.09%	50%	68.01%	50%	65%

VARIANCE NOTES

#1. Four fire stations are currently closed for various reasons, displacing the responding apparatus to neighboring stations and increasing overall response times. DFR will continue to monitor operations to minimize delays and adjust assigned locations of displaced apparatus if necessary.

#3. Average response time for Priority 1 calls is slightly above eight minutes, resulting in fewer than 50% of responses at target. DPD is making efforts to get to eight minutes while diverting resources to proactive policing. The South Central Patrol Division is implementing a pilot staffing model outlined in the KPMG Study, to identify efficiencies. As utilization of the Dallas Online Reporting System (DORS) increases DPD can dedicate more resources to Priority 1 response times.

#4. Turnover in 911 call taker positions has resulted in vacancies. Multiple candidates are in the hiring process, and DPD anticipates a return to full staffing shortly.

#6. Based on last year's actuals for the months remaining in the fiscal year, DPD is well within the year-end target. In the coming months, DPD will begin implementing the initiatives outlined in the 2020 crime plan, which should also help in reaching the target.

#9. The year-end forecast has been updated to reflect the impact of COVID-19 activities.

#11. Public Works initially reported on improved lane miles funded only through the general fund. Capital bond projects are now included in the calculation. Actual performance is expected to be on track by end of year.

#12. The year-end forecast has been updated to reflect the impact of COVID-19 activities.

#13. An increase in missed calls is normal November through January, primarily due to holidays exacerbated this year by the tornado. Actuals should decrease in February. However, employee vacancies and equipment availability continue to adversely impact completion times, which may prevent SAN from meeting its YE target.

#14. TRN has four functional bucket trucks, and six are needed to achieve the 95% target. To mitigate fleet repair delays, TRN has rented an additional bucket truck, escalated repair requests with EFM, and staggered work shifts to maximize use of the available trucks. Year-end forecast has been updated to reflect the impact of COVID-19 staffing and activities.

#15. Year-end forecasts for job creation through economic development incentives has decreased due to the impact of COVID-19 activities.

#16. DHAP has experienced a decrease in participants and with the impact of COVID-19, DHAP has lowered its target based on the two factors.

#17. COVID-19 has delayed construction, and accounts for a decrease of over 100 new housing units occupied for the fiscal year. Many of our smaller or non-profit contractors have been heavily impacted by COVID-19. The year-end forecast has been adjusted from 231 to 50 as a result of these recent activities.

#19. DEV had a decrease in staff availability in October and November. Staff anticipates correcting this issue and reaching the 98% target before year-end.

#20. The Housing Opportunities for Persons With AIDS program has suspended several case management activities due to COVID-19 related health and safety concerns for both clients and staff. All attempts will be made to conduct program processes using remote methods whenever possible. The year-end forecast has been updated from 95% to 80% due to the impact of COVID-19.

#22. The department is anticipating receiving updated accurate data from the Metro Dallas Homeless Alliance.

#24. Several issues have impacted performance, including a consistent disconnect between the old and new software platforms (POSSE and Salesforce) and a high number of vacant inspection positions.

#27. The goal to increase library attendance by 1.5% from FY19 will be affected by the current shelter-in-place executive order, causing all libraries to be closed. The year-end forecast has been adjusted from 1.5% to 1.25%.

#28. All library locations are currently closed and have delayed GED students from successfully completing the program. The year-end forecast has been adjusted from a pass rate of 42% to 30% due to the impact of COVID-19.

#29. More cultural service contracts are executed with large organizations (>\$100K annual budget) in the first quarter. OAC anticipates reaching its YTD and YE targets after Arts Activate Round 3 projects are selected in March.

#30. PKR is working to establish and expand partnerships with school districts to increase this measure to 70%.

#31. Monthly participation has steadily increased from October, including a 30% increase from January to February (428 to 555). Increased participation is anticipated as the program is further established at all 13 sites. The year-end forecast has been adjusted from 95% to 75% to account due to COVID-19 activities.

#32. Higher than expected vacancies and multiple software challenges have contributed to 311's lower than expected performance. The year-end forecast has been adjusted from 61% to 40% due to the impact of COVID-19 staffing and activities. 311 will continue to recruit applicants for vacancies and will work with ITS for software issues.

#33. The year-end forecast has been adjusted from 96% to 94% as a result of manual processes and vacancies. The City Controller's Office continues to meet its year to date target.

BUDGET INITIATIVE TRACKER

The Budget Initiative Tracker reports on 40 activities included in the FY 2019-20 budget. For each initiative included in this report, you will find the initiative number, title, description, status, and measure. At the end of each description, the responsible department is listed. Each month, the responsible department provides a current status for the initiative and indicates whether the initiative is “complete” (blue circle), “on target” for completion by the end of the fiscal year (green check mark), “at risk” of not being completed by the end of the fiscal year (yellow exclamation mark), or “canceled” (red x).

We have also selected a relevant performance measure for each initiative to indicate whether the initiative is achieving its intended outcome. Once an initiative is marked complete and data becomes available, we will begin reporting the year-end target for the measure, as well as the year-to-date actual.



In the Spotlight



Although DAS has been impacted by the COVID-19 crisis, they have re-strategized and developed new methods for pet adoptions while maintaining social distancing and maintaining extended in-house dispatch hours. Staff is streaming playtime on Facebook and even talking to potential foster or adopting families over the phone about their prospective pets.

Budget Initiative Tracker

PUBLIC SAFETY**1 Police and Fire Uniform Staffing** 

INITIATIVE Recruit and retain police officers and firefighters through a new pay structure outlined in the 2019 Meet and Confer agreement. (Police and Fire-Rescue)

STATUS DPD recruiting trips are on hold. Training will continue and is still on track to exceed hiring goals. DPD anticipates ending the year with 3,150 officers instead of 3,053 as budgeted.

As of January 31, DFR has hired 40 firefighters, and attrition is 17. DFR expects to end the year with 1,981 firefighters.

MEASURE Turnover rate of tenured public safety employees

2 Police and Fire Uniform Pension 

INITIATIVE Secure the future of our first responders by contributing \$162 million to the Dallas Police and Fire Pension System, \$5.2 million more than last year. (Police and Fire-Rescue)

STATUS City pension contributions are being made in compliance with HB 3158 approved by the state legislature in 2017.

MEASURE Percentage of on-time contributions

3 Real-Time Crime Center 

INITIATIVE Establish a team of civilian crime intelligence analysts who will analyze imaging and data in real time to proactively implement crime-fighting strategies (Police)

STATUS Intelligence Led Policing Division created. Non-Sworn hiring on hold, scheduled to resume after COVID-19 pandemic activities end.

MEASURE Percent increase in collection of RTCC footage as evidence

4 Body-Worn Cameras 

INITIATIVE Enhance safety for officers and residents and encourage positive community interactions by purchasing additional body-worn cameras for police officers, the Marshal's Office and Dallas Animal Services officers. (Police)

STATUS A new contract for both body worn cameras and in-car camera systems is under negotiation. Once finalized and funded, contract will provide cameras for multiple city departments.

MEASURE Percentage of Internal Affairs complaints where police officer is cleared by body-worn camera footage

5 Firefighter Safety 

INITIATIVE Protect our firefighters by purchasing a second set of personal protective equipment (PPE) and a complete replacement of self-contained breathing apparatus (SCBA) to allow for cleaning equipment between fires. This is a two-year initiative begun in FY 2018-19. (Fire-Rescue)

STATUS DFR PPE sizings have been put on temporary hold due to exposure risks associated with COVID-19. 578 sizings have been completed. The remaining 1,200 sizings and orders are anticipated completion by August 2020.

MEASURE Percentage of firefighters who receive second set of PPE and replacement SCBA

6 Police Oversight 

INITIATIVE Strengthen relationships between the community and Dallas Police Department through the Office of Community Police Oversight. (Police)

STATUS The newly hired Office of Community Police Oversight (OPO) Monitor began work February 24. The OPO has received 171 complaints as of March 31 and provided an overview of these complaints to the Community Police Oversight Board (CPOB). The office is currently developing job descriptions to better align its staff with the goals and objectives of Community Police Oversight; identifying candidates to provide trainings on topics relevant to police oversight to board members; and developing a complaint database and outreach materials.

MEASURE Number of complaints investigated

Budget Initiative Tracker

MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY

7 Energy Management

INITIATIVE Implement an energy management system to ensure the City continually and intentionally assesses energy use and opportunities for energy reduction. (Building Services)

STATUS The selected candidate was hired with a scheduled start in late March.

MEASURE Percent decrease in energy usage

8 City Facility Major Maintenance

INITIATIVE Ensure City facilities stay safe and functional through major maintenance of roofs, HVAC, and other building systems. (Building Services)

STATUS \$2.87 million in initiated projects -- repairs at Walnut Hill Recreation Center, Oak Cliff Municipal Center, Municipal Courts Building, City Hall, and as well as Fire Stations 19, 16, 7, and 4.

MEASURE Percentage of funds deployed

9 2017 Bond Program

INITIATIVE Add five Senior Engineers to implement Public Works projects within the 2017 Bond Program in five years. (Office of the Bond Program)

STATUS Three Senior Engineers have been hired, and interviews have been completed for the remaining two positions, which staff anticipates filling during the third quarter.

MEASURE Percentage of bond appropriation awarded

10 Bridge Maintenance

INITIATIVE Dedicate funding to establish a bridge maintenance and repair program for the more than 600 City-owned and maintained bridges. (Public Works)

STATUS Jefferson and Lawther bridges approved in February for maintenance. Implementation of additional projects may be delayed due to contract delays and COVID-19 activities. PBW anticipates meeting the entire annual goal.

MEASURE Percentage of funds approved by City Council

11 Street Conditions

INITIATIVE Improve the pavement condition of 710 lane miles of streets and alleys. (Public Works)

STATUS PBW has completed 136.32 lane miles to date between bond projects and General Fund maintenance and is on track for completion by the end of the year.

MEASURE Percentage of planned lane miles improved

12 Traffic Signals

INITIATIVE Promote safety and enhance traffic flow by replacing broken vehicle detectors at 40 critical intersections and retiming 250 traffic signals. This is a two-year initiative begun in FY 2018-19. (Transportation)

STATUS The Signal Engineering division is working to install radar equipment at locations throughout the city, which will enhance traffic flow. Hiring is also underway for new positions within the division, which will be responsible for signal retiming.

MEASURE Percent decrease in service requests for signal repairs

13 Water and Wastewater Infrastructure

INITIATIVE Conserve resources and maintain infrastructure through installation and rehabilitation of about 80 miles of water and wastewater mains. (Water Utilities)

STATUS As of February 29, 16.79 miles of water main and 11.24 miles of wastewater main have been replaced or rehabilitated.

MEASURE Percent decrease in breaks

14 Neighborhood Drainage

INITIATIVE Prevent flooding in local streets through the neighborhood drainage program, focusing on erosion control and channel repairs. (Water Utilities)

STATUS Staff have conducted debris removal maintenance at 119 locations, removing more than 3,833 cubic yards of debris. They have also completed 1,218 service requests, including culvert/pipe blockages, concrete repairs, and storm drainage pipe inspections, cleaning, and repairs.

MEASURE Percent decrease in flood-related service requests

Budget Initiative Tracker

ECONOMIC & NEIGHBORHOOD VITALITY**15 Affordable Housing** 

INITIATIVE Further affordable housing throughout the city as prescribed in the Comprehensive Housing Policy through the 2020 Notice of Funds Available (NOFA). (Housing and Neighborhood Revitalization)

STATUS Council has approved 63 lots for sale and \$741,430 in bond funds for development. At the next council meeting we will be presenting 17 more lots for sale and \$1,427,000 in funding. The 2020 NOFA is planned for release this summer and will focus on housing for individuals experiencing homelessness.

MEASURE Percent increase in affordable housing units available

16 BUILD Initiative 

INITIATIVE Broaden investment in minority- and women-owned businesses based in Dallas through capacity-building resources and training. (Office of Business Diversity)

STATUS A social media platform has been developed and the B.U.I.L.D. start-up campaign. The RFP for the BSO is going out the second week of April and the a logo has been finalized.

MEASURE Percentage of M/WBE spend

17 Small Business Development 

INITIATIVE Stimulate small businesses and startups in high-opportunity areas through training and other workforce development services. (Office of Economic Development)

STATUS The Office of Economic Development and Business Diversity is working on a number of programs to help small businesses in Dallas. They hope to accomplish this through collaborative internal efforts.

MEASURE Percent increase in small businesses in designated high-opportunity areas

18 Tax-Increment Financing 

INITIATIVE Spur development in 19 TIF districts throughout the city by reinvesting property tax revenue. (Office of Economic Development)

STATUS The Office of Economic Development is evaluating a number of TIF projects that will invest city revenues into impactful community projects.

MEASURE Percent increase in taxable value in TIF districts

19 Comprehensive Plan 

INITIATIVE Update the City's Comprehensive Plan to incorporate more recent policy initiatives and encourage strategic land development while promoting equity, sustainability, and neighborhood revitalization. (Planning and Urban Design)

STATUS Council presentation on comprehensive plan update goals, process and schedule prepared for the next Economic Development Committee meeting at an undetermined date. Preparation on consultant procurement, preliminary analysis and community engagement kickoff is currently underway. Interagency TOD Task Force meeting held to discuss proposed TOD Planning & Implementation strategy.

MEASURE Percentage of project milestones completed

Budget Initiative Tracker

HUMAN & SOCIAL NEEDS**20 Overcoming Barriers to Work** ✓

INITIATIVE Partner with nonprofit and community partners to fund services that provide job training and career development to participants who face hurdles to employment, such as lack of transportation or child care. (Office of Community Care)

STATUS Community partners are serving as many clients as possible while adhering to COVID-19 restrictions. Child care services are on hold, therefore, participation numbers have declined or we have been unable to obtain them. OCC expects a full update when work conditions return to normal.

MEASURE Percentage of clients who remain employed after six months

21 Equity ✓

INITIATIVE Advance equity and inclusion in City government and across Dallas by understanding historical and deeply ingrained policies and practices and engaging the community to address present-day challenges. (Office of Equity)

STATUS The Office of Equity has provided more than 40 hours of training and technical assistance on the Budgeting for Equity tool. The Office of Equity began scoring Budgeting for Equity responses from departments in April, ahead of scores being provided to the City Manager's Office in May.

MEASURE Number of community events or collaborative community projects conducted

22 Inclement Weather Shelters ✓

INITIATIVE Ensure unsheltered individuals and families remain safe during periods of extreme heat or cold and provide resources for more permanent housing by funding temporary inclement weather shelters. (Office of Homeless Solutions)

STATUS Two temporary inclement weather shelters were created February 4 and 5 by the Office of Homeless Solutions at the J. Erik Jonsson Central Library. Chapter 51A is scheduled to go to Council May 5, 2020..

MEASURE Percent decrease in weather-related injuries

23 Pay-to-Stay Shelters ✓

INITIATIVE Increase emergency shelter capacity and connect unsheltered individuals to shelter, support services, and ultimately positive housing destinations through the 90-day pay-to-stay program. (Office of Homeless Solutions)

STATUS The Office of Homeless Solutions has reached the goal of increasing emergency shelter capacity by 85% and is connecting unsheltered individuals to shelter and supportive services through the 90-day Pay-To-Stay Program.

MEASURE Percent increase in emergency shelter beds available

24 Neighborhood Grant Reclamation Program ✓

INITIATIVE Provide a vehicle for communities to revitalize former homeless encampments and transform them into community assets through the Neighborhood Grant Reclamation Program. (Office of Homeless Solutions)

STATUS Two temporary inclement weather shelters were created February 4 and 5 by the Office of Homeless Solutions at the J. Erik Jonsson Central Library. Chapter 51A is scheduled to go to Council this spring/summer.

MEASURE Percentage of NGRP projects completed

Budget Initiative Tracker

QUALITY OF LIFE**25 Community Clean!**

INITIATIVE Engage residents in the Community Clean! initiative to reduce illegal dumping, litter, and high weeds in focus neighborhoods through regular community-led cleanups. (Code Compliance)

STATUS In the first 6 months of the Initiative, we have removed over 779.8 tons of bulk trash from the community and collected over 684 tires. There has been no activity for the Community Clean Initiative since early March due to COVID 19 Amended Emergency Regulation restrictions. Activity will resume once AER restrictions are rescinded/cancelled.

MEASURE Percent decrease in illegal dumping and other code violations in target areas

26 Animal Service Response

INITIATIVE Assign two agents to triage and dispatch calls seven days a week to improve response time. (Dallas Animal Services)

STATUS Starting April 8, 2020, DAS will have in-house dispatch from 7AM - 12AM, seven days-a-week.

MEASURE Percentage of responses to DAS service requests within specified response time (varies by priority level)

27 Loose Dogs

INITIATIVE Augment overnight animal response by scheduling officers to be on duty seven nights a week instead of four with a focus on loose dog and bite hot spots. (Dallas Animal Services)

STATUS The Field Services team transitioned to 24/7 operations on December 4, and the night shift is now fully staffed and trained as of March 2020.

MEASURE Percent decrease in loose dog calls

28 Internet Access

INITIATIVE Expand Internet access to more residents by making 900 mobile hot spots available for checkout at high-opportunity libraries. (Library)

STATUS 900 mobile hotspots were made available at 10 branch library locations beginning in March 2020.

MEASURE Monthly checkout rate

29 Juanita J. Craft Civil Rights House

INITIATIVE Preserve civil rights history by restoring the Juanita J. Craft Civil Rights House. (Office of Arts and Culture)

STATUS OAC is working with Building Services to advertise a contract opportunity for restoration vendors in the second quarter. Staff anticipates restoration will be completed in 2021. \$750,000 is budgeted for the restoration, including \$250,000 from the City, and additional fundraising is ongoing.

MEASURE Percentage of project milestones completed

30 Pop-Up Cultural Centers

INITIATIVE Create pop-up cultural centers to bring cultural activities to areas of the city without easy access to arts programming. (Office of Arts and Culture)

STATUS Pilot programs have been completed in seven City Council districts, and OAC has hired a new Community Arts Manager, who facilitates the remaining program roll-out.

MEASURE Percent increase in cultural programming attendance

31 Environmental Action Plan

INITIATIVE Mitigate the impacts of climate change on public health, City infrastructure, the economy, and the environment through development and implementation of the Comprehensive Environmental and Climate Action Plan (CECAP). This is a two-year initiative begun in FY 2018-19. (Office of Environmental Quality and Sustainability)

STATUS The Comprehensive Environmental & Climate Action Plan is undergoing final edits. The Plan, with related resolution, is planned for a May City Council Meeting. Staff are working on related implementation work plan items.

MEASURE Percentage of project milestones completed

32 Park Rangers

INITIATIVE Increase the safety of park patrons through the addition of four new Park Rangers. (Park and Recreation)

STATUS PKR advertised four Park Ranger positions in January. Positions advertisements closed in February.

MEASURE Percent decrease in park-related incidents/calls to DPD

Budget Initiative Tracker

QUALITY OF LIFE

33 Youth Recreation

INITIATIVE Expand opportunities for youth by providing recreational programming to residents aged 5-17 through the Out of School Time (OST) program. (Park & Recreation)

STATUS Dallas Park and Recreation began offering City of Dallas residents free OST/after school programming at participating recreation centers. As of February 29, total enrollment increased by 10.6%, bringing the year to date total to 2,545 participants. The longterm impacts of COVID-19 on programming are unknown at this time.

MEASURE Percent increase in youth served

34 Teen Recreation

INITIATIVE Boost recreational programming for teenage residents (ages 13-17) with a focus on arts and culture, community service, health and wellness, leadership and life skills, and technology. (Park and Recreation)

STATUS PKR served an additional 555 teens in February, bringing the total to 1,477 teens served from the expansion of five locations to thirteen locations. PKR anticipated a significant increase during the peak season (April-September); however, the longterm impacts of COVID-19 on programming are unknown at this time.

MEASURE Participation rate at late-night TRec sites

Budget Initiative Tracker

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

35 Contract Management

INITIATIVE Centralize monitoring of vendor performance to ensure contracts are completed on time, within budget, and fulfill the terms of the agreement. (City Controller's Office, Office of Procurement Services)

STATUS The kick-off was held on March 11, 2020 to inform participants of course expectations with a total of 166 attendees. We have 189 employees interested in training and continue to receive additional requests. Currently we are modifying the training for facilitation through Microsoft Teams which will start in May.

MEASURE Percent decrease in audit findings

36 Fleet Management

INITIATIVE Drive operational efficiency, reduce overall costs, and improve delivery of City services through timely replacement of fleet vehicles. (Equipment and Fleet Management)

STATUS To date, EFM has ordered 157 units for fifteen departments. Staff are also meeting with smaller General Fund departments regarding purchases to ensure the health of our smaller fleets.

MEASURE Percent decrease in fleet that exceeds useful life

37 IT Governance

INITIATIVE To balance the needs of the organization and ensure security and stability in the City's technology investments, route all technology proposals and funding through the IT Governance Board for review, prioritization, and scheduling. (Information and Technology Services)

STATUS As of February 24, The IT Governance Board has reviewed and approved 20 projects collectively. Funded projects are both by enterprise funds and/or the general fund. The next IT Governance Board meeting is scheduled for April 27.

MEASURE Percentage of IT projects completed on time

38 Property Tax Relief

INITIATIVE Provide tax relief to residents over 65 or with a disability by increasing the property tax exemption to \$100,000 from \$90,000. (Office of Budget)

STATUS City Council approved an increase in the property tax exemption on June 12, 2019, beginning with the 2019 tax year. Dallas County Tax Office distributed property tax bills and will collect revenue on behalf of the City.

MEASURE Percent increase in total value of exemption

39 Ethics Training

INITIATIVE Foster an ethical organizational culture by continuing biennial ethics training and expanding the Values Ambassador program. (Office of Ethics and Compliance)

STATUS The Office of Ethics and Compliance is on track to roll out the biennial ethics training for 2020. The roll out is in coordination with Human Resources and the Office of Procurement.

MEASURE Percentage of employees trained

40 Data-Based Decision Making

INITIATIVE Cultivate the use of data analytics and evidence-based decision making throughout the City under the leadership of the Office of Innovation. (Office of Innovation)

STATUS The Data Academy launched in early March with two cohorts and will culminate in capstone data projects designed and built by program graduates. The recently established citywide Data Governance Team brings together data-oriented staff across city departments to discuss data gaps, data standards, data sharing and training needs. This fiscal year, the Data Collaborative is working with 5+ regional and national academic partners on department specific data analyses to expand city data capacity.

MEASURE Number of training hours provided

Budget Initiative Tracker

FY 2018-19 INITIATIVES

While most initiatives can be completed in a single fiscal year, several FY 2018-19 initiatives required additional time because of the scope and term of the project. We will continue to report the status of these 12 initiatives below, using the initiative numbers from the FY 2018-19 report for reference.



0

Complete



10

On Target



2

At Risk



0

Canceled

Public Safety**5 Security of City Facilities** 

INITIATIVE Consolidating security for City facilities into Court and Detention Services and conducting a comprehensive risk assessment to identify future security needs for City facilities and programs. (Court and Detention Services)

STATUS The Security Consultant has completed their assessments of City facilities and will issue a report and recommendations during the second quarter of the year.

7 P-25 Radio System 

INITIATIVE Expanding radio coverage area, improving system reliability, lowering operating costs, and improving interoperability across City departments and with other public safety agencies through implementation of the new P-25 radio system. (Information and Technology Services)

STATUS Currently the project is estimated to complete 9/2022 (Go Live delayed approx. 22 months post original estimates due to tower, land acquisition and other items). P25 Technology Board is reviewing details of Change Order #2 to recommend approval for the P25 Governance Board. City of Dallas has met with the Garland, Mesquite, Rowlett and Sachse Radio Consortium group to re-initiate discussions on partnering in order to utilize 2-3 of their sites which could bring in schedule a few months.

9 911 Operations Center 

INITIATIVE Furthering the City's investment in the 911 emergency system with additional technology and expanded backup capacity. (Information and Technology Services)

STATUS 911/DPD Communications is utilizing the Secondary Active abilities to process and dispatch calls. Due to COVID-19, PSAP is delayed until further notice.

Mobility Solutions, Infrastructure, & Sustainability**13 Bike Lanes** 

INITIATIVE Expanding bike lanes and improving mobility by increasing the current \$500,000 budget by \$500,000 per year for each of the next three years to achieve a \$2 million per year investment starting in FY 2020-21. (Transportation)

STATUS Merrell and Monroe project for signs and markings (as part of Dallas County trail project) has been completed. Bike Harwood initial installation is complete; flex post removal completion expected by April.

Economic & Neighborhood Vitality**23 Historic Resource Survey** 

INITIATIVE Devoting \$100,000 to conduct a historic resource survey with private partners. (Sustainable Development and Construction)

STATUS Preservation Dallas raised \$95,000 in grants and the decision was made to use those funds rather than the \$45,000 Texas Historical Commission grant. Responses were received with one award recipient. Council action awarding the contract is tentatively scheduled for the May 13 Council agenda. Activity on the grant will occur shortly thereafter. The timeline to complete the survey is one year.

Budget Initiative Tracker

FY 2018-19 INITIATIVES

Human & Social Needs

26 Citizenship and Civil Legal Services 

INITIATIVE Committing \$175,000 to partner with nonprofit organizations to offer civil legal services and promote citizenship to immigrants. (Office of Welcoming Communities and Immigrant Affairs)

STATUS All grants have been extended to nonprofit organizations and service delivery is in progress. COVID-19 impacted service delivery because of mandated social distancing requirements, but nonprofit organizations have adapted by providing virtual service availability.

Quality of Life

32 Library RFID 

INITIATIVE Implementing a \$2 million Radio Frequency Identification (RFID) system throughout our library system to improve security and better manage our materials and assets. (Library)

STATUS Twenty branches have completely converted materials, including two floors at Central Library. Testing of the self-check software and staff stations has begun, and departments are preparing for installation of new security gates.

Government Performance & Financial Management

39 Census 2020 

INITIATIVE Encouraging participation in Census 2020, including \$75,000 for the Mayor's Complete Count Committee. (Office of Strategic Partnerships and Government Affairs)

STATUS The Census coordinator has been hired and has participated in, or organized a total of 134 events with numerous city departments, multiple committees, public meetings, and Census 2020 training.

41 ADA Compliance 

INITIATIVE Investing \$200,000 to develop an Americans with Disabilities Act (ADA) transition plan that enhances the City's ADA compliance and addresses accessibility issues in City facilities. (Office of Equity and Human Rights)

STATUS City Council approved a contract with Kimley-Horn in September 2019 to develop an ADA self-evaluation and transition plan, and the vendor completed its facility evaluation of City Hall in December. Building Services and Convention and Event Services provided additional funding for the project, which will allow for further building evaluations prior to the vendor submitting its recommendations.

42 Availability & Disparity (A&D) Study 

INITIATIVE Conducting a minority business study to inform decision makers on how the City can better support small and local businesses. (Office of Business Diversity)

STATUS OBD focus groups with the Chambers and Contractors associations as well as the AGC and AEC were held March 26th and 27th. The prime contractor survey went out on January 27th and the anecdotal survey activity began March 5th. The A&D Study is on-track to be completed Summer 2020.

43 Compensation Study 

INITIATIVE Complete a comprehensive study of the City's position classification and compensation systems. (Human Resources)

STATUS Compensation Consultants continue to model departments applying recommendations for position titles, salary schedule placement and collecting market pricing. Project completion anticipated for mid-April.

44 Workday HR/Payroll System 

INITIATIVE Implementing a new human resource and payroll system and evaluating an additional module for uniformed employee scheduling. (Information and Technology Services)

STATUS Intended go-live will occur during mid-June 2020. The combined City and vendors project team is working detailed parallel payroll testing through April, building the gold and production environments in May.

