

Memorandum



CITY OF DALLAS

DATE January 12, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **2024 Bond Program – Revised Staff Recommendations and Timeline**

Background

During the City Council Briefing, held on December 6, 2023, the Community Bond Task Force (CBTF) and City staff presented separate funding recommendations for the upcoming \$1.1B, 2024 Bond Program. At the conclusion of the December 6th City Council Briefing, staff committed to meet with the Mayor and City Council to seek feedback on the 2024 Bond Program proposition funding levels and priority projects.

Feedback from the Mayor and City Council is necessary to finalize the 2024 Bond Program's proposition funding levels and final project listings, which would be included in either a May or November 2024 Bond Election. Given that a May 2024 election would need to be called by City Council by February 16, 2024, at the latest, the purpose of this memorandum is to provide details of how feedback from City Council has led to revised staff recommendations for proposition funding levels in the 2024 Bond Program, identify the timeline leading to a May 2024 Bond Program election, and next steps.

City Council Input and Revised 2024 Bond Program Funding Recommendations

City Council Input

As noted in the Background section of this memorandum, at the conclusion of the December 6th City Council Briefing, City staff committed to meeting with the Mayor and City Council to seek input on the 2024 Bond Program. Since the December 6th City Council Briefing, staff has reached out to the Mayor and City Council and has had an opportunity to meet with or receive feedback from twelve City Council Members on priority projects they wish to be included in the 2024 Bond Program; input on proposed proposition funding levels has also been received from six of the twelve City Council Members.

2024 Bond Program Revised Staff Funding Recommendations

Based upon the feedback received from City Council Members, staff has revised its 2024 Bond Program recommendation. The following table provides:

1. The CBTF recommendation presented to City Council on December 6th,
2. The staff recommendation presented to City Council on December 6th,
3. The average of the input provided by the six City Council Members since December 6th,
4. The revised staff recommendation based upon the City Council feedback.

**Summary of Staff and CBTF Recommendations and City Council Average for
 2024 Bond Program Propositions/Program Funding Levels**

Propositions/Programs	Dec. 6 CBTF Recommendation	Dec. 6 Staff Recommendation	City Council Average*	Revised Staff Recommendation
Streets and Transportation	\$375,067,783	\$532,194,332	\$478,137,565	\$500,000,000
Park & Recreation	\$349,836,000	\$225,000,000	\$261,472,667	\$250,000,000
Flood Protection and Storm Drainage	\$75,016,800	\$50,000,000	\$52,084,733	\$50,000,000
Economic Development	\$73,407,000	\$30,000,000	\$29,166,667	\$30,000,000
Housing	\$15,000,000	\$60,000,000	\$60,833,333	\$60,000,000
Homeless	\$10,000,000	\$10,000,000	\$6,666,667	\$5,000,000
Library Facilities	\$28,165,000	\$11,135,000	\$13,590,000	\$16,000,000
Cultural Arts Facilities	\$59,175,522	\$49,292,043	\$65,136,311	\$55,000,000
City Facilities	\$26,244,824	\$44,360,500	\$46,240,333	\$45,000,000
Public Safety – Police Academy	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Public Safety – Police Facilities	\$7,631,371	\$7,631,371	\$7,796,762	\$8,000,000
Public Safety – Fire Facilities	\$30,359,804	\$30,376,283	\$31,872,261	\$31,000,000
Total	\$1,099,904,104	\$1,099,989,529	\$1,102,997,299	\$1,100,000,000

**Note: City Council average is based on feedback from six Council Members since December 6th*

Potential Increase to 2024 Bond Program

In addition to the staff recommendations derived from the City Council discussions, some City Council Members have expressed interest in a larger 2024 Bond Program. As discussed on August 16, 2023, the financial capacity for the 2024 Bond Program was increased from \$1.0B to \$1.1B assuming issuance of the bonds over a five-year period from FY25 through FY29. This financial capacity was based on several variables including tax base value growth, maintaining the current debt service tax rate, and issuing other planned debt. Although not recommended at this time due to the financial market conditions, the financial capacity analysis also reserved \$400M for possible Pension Obligation Bonds during the five-year period analyzed. Should an increased 2024 Bond Program be desired by the City Council, staff would recommend using no more than \$150M of the \$400M financial capacity, which would increase the 2024 Bond Program from \$1.1B to \$1.25B. The funds reserved for pension would be restored and possibly increased in FY30 and future years.

Timeline

Understanding the path to the revised, staff-recommended proposition/program funding levels for the 2024 Bond Program, staff will continue working on the following timeline and milestones towards a May 2024 Bond Election:

- **January 19th**
 - City Council Briefing to reach City Council consensus on proposition funding levels (Per the January 9th, Three-Signature City Council Memorandum) calling a special meeting,
 - Staff will request that City Council consider a straw vote to determine the overall 2024 Bond Program funding amount (currently \$1.1B) and funding by proposition/program,

- **January 31st**
 - City Council Briefing to provide a 2024 Bond Program Update (Per the December 29th, Mayor’s Memorandum requesting a special called meeting),
- **January 22nd – February 2nd**
 - Staff finalizes the project listing for the various propositions,
 - Park Board meets to approve recommendations for the Park Proposition,
- **February 7th**
 - Final City Council Briefing on the 2024 Bond Proposition,
- **February 8-9th**
 - Staff works with City Council Members to finalize or update project priorities prior to the City Council meeting on February 14th,
- **February 9th**
 - City Council Agenda posts, including the Resolution for the election ordinance,
- **February 14th**
 - City Council agenda meeting to vote on the 2024 Bond Election.

Next Steps

To meet the timeline identified above, over the next several weeks, staff from the Office of Bond and Construction Management (BCM) will be working with the appropriate teams to refine the bond proposition language, prepare the City Council resolution and ordinance language, and finalize the projects to be included in the 2024 Bond Program. Additionally, staff will continue to be available to meet with the Mayor and City Council to discuss priority projects.

Please contact Jenny Nicewander, P.E., Interim Director, Office of Bond and Construction Management, at jennifer.nicewander@dallas.gov, with any questions regarding the 2024 Bond Program.



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