

# Memorandum



CITY OF DALLAS

DATE September 1, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the Interim City Manager’s Recommended Biennial Budget for FY 2024-25 & FY 2025-26 (Fourth Set)**

We were pleased to share the City Manager’s FY 2024-25 and FY 2025-26 recommended biennial budget on Tuesday, August 13. Below are responses to questions asked during the budget workshops.

**1. Provide a five-year history of property tax values/revenue versus property values/revenue without SB2 tax rate cuts or unused increment.**

Senate Bill 2 (SB2), 86<sup>th</sup> Legislative Session made several significant changes to the truth-in-taxation process. As a result of SB2, property tax revenue from reappraisals is capped at 3.5% growth and provides an exception that allows municipalities that do not use all of their revenue growth to bank the unused growth as unused increment. The city realized unused increment in July 2020 due to appraisal district delays providing certified values due to the COVID-19 pandemic.

Unused increment was available to the City of Dallas for FY 2021-22, FY 2022-23, and FY 2023-24 (SB2 allows use over three years). The table below show how the additional property tax rate increment resulted in additional General Fund revenue for those three years. There is no additional tax rate increment available for FY 2024-25, therefore, a tax rate reduction was required to offset the growth in reappraised property values.

Fiscal Year	Property Tax Revenue without Unused Increment*	Additional Revenue from Unused Increment	M&O Tax Rate	Total Property Tax Revenue
FY 2019-20	\$780,135,284	-	56.91¢	\$780,135,284
FY 2020-21	818,258,232	-	56.88¢	818,258,232
FY 2021-22	836,802,322	32,349,722	56.58¢	869,152,044
FY 2022-23	875,039,297	78,443,986	54.03¢	953,483,283
FY 2023-24	974,208,965	64,190,550	53.17¢	1,038,399,515
FY 2024-25	\$1,081,383,476	-	51.09¢	\$1,081,383,476

\* Current Year Property Tax Revenue without Unused Increment. Unused increment only available for 3-years (FY22-FY24)

**2. What is the status of implementing the most recent total compensation study for non-uniform positions?**

During FY 2019-20, the City engaged Public Sector Personnel Consultants who completed a total compensation study for the City. The City's personnel classification structure and salary schedules were also reworked. The compensation study was implemented over four phases including FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24. The fourth phase was completed in May 2024.

Compensation analysis is an on-going initiative as the market continues to move, and the City must continue to make adjustments to ensure that we are able to recruit and retain employees especially for critical functions and those positions most effected by the competitive job market. In FY 2024-25, we will continue to prioritize hard to fill positions and positions that are off market by more than 5% for possible adjustments. Staff will continue to take a data-driven approach when assessing positions that require compensation adjustments before making any further adjustments in the upcoming fiscal year.

**3. How do security officer and marshal positions compare to market?**

As noted above, the City will take a data-driven approach before identifying which non-uniform positions receive further compensation adjustments in our on-going efforts in FY 2024-25. Both security officer and marshal position classifications have previously been adjusted and currently compare well against market. Please see the following information for each function.

The salary range for Marshals was adjusted based on the compensation study in April 2022 and again in May 2024. Based on current market study, Marshal positions at the City are ahead of the market:

- Deputy City Marshal is approximately 8.66% ahead of the market.
- Sr. Deputy Marshal is approximately 9.96% ahead of the market.

The salary range for Security Officers was adjusted based on the compensation study in April 2022, January 2023, and again in May 2024. Based on current market study, Security Officer positions at the City are ahead of the market:

- Security Officers are 12.3% above the market.
- Senior Security Officers are 10.05% above the market.

4. **Over the last two years, OEQS received additional funding to further CECAP initiatives including for Brownfield Redevelopment and for Landscape Equipment Transition. Is additional funding needed for either of these programs? What is the status of each program?**

OEQS is utilizing both City funds and grant funds received over recent years and available in multi-year funds to implement these two programs. Additional funds are not needed at this time.

In FY 2022-23, OEQS received approximately \$3 million to develop and implement a **Brownfield Redevelopment Program** (BRP) in support of CECAP Goal 6 (Enhancing the City’s Ecosystem) and REP Big Audacious Goal 2.13 (Developing a BF Program). Over the last year, OEQS has worked with EPA to develop the programmatic infrastructure (e.g., hiring an underwriter) to implement a highly regulated program that is capable of successfully funding environmental assessments of contaminated properties and providing loans-grants to owners/developers for site remediation activities. To date, the BRP has conducted a total of 31 Phase I Environmental Site Assessments (ESA) and 15 Phase II ESAs with 1 Regulated Building Material (RBM) Survey and 1 Analysis of Brownfield Cleanup Alternatives (ABCAs) and/or Cleanup/Reuse Plan under consideration. Within the next few months, the program plans to issue its first loan-grant package for site remediation through its new Revolving Loan Fund (RLF) program. The program will also have an upcoming council agenda item to accept a recently awarded \$250,000 EPA RLF Supplemental Grant.

OEQS is in the process of finalizing a **Landscape Equipment Transition Plan** in support of CECAP Goal 8 (Improve Air Quality) and REP Big Audacious Goal 2.3 (Improving Air Quality). In FY 2023-24, OEQS received \$750,000 to support a residential rebate program to assist residents transition from gas-powered landscape equipment to battery-powered equipment. After receiving the funding, OEQS focused on surveying residents to identify existing equipment usage results, trends, and rebate opportunities, updating the plan to reflect state law that restricts the regulation of certain landscaping equipment, and integrating recommendations from residents, the Environmental Commission, and the Parks, Trails, and the Environment Committee. OEQS has briefed an updated plan to the PTE and now expects to brief full council in the near future.

**5. What is OEQS next steps in implementation of a public facing electric vehicle infrastructure program?**

OEQS is developing a public facing electric vehicle infrastructure program, after extensive advocacy from residents, in support of CECAP Goals 3 (Sustainable Transportation) and 8 (Improve Air Quality) and REP Big Audacious Goal 2.3 (Improving Air Quality). OEQS is evaluating multiple approaches to EV infrastructure management, including strategies that would allow the City to own and operate equipment and strategies that would allow a vendor to own and operate equipment on City property. In September 2024, OEQS also submitted an application to the second round of the Department of Transportation's Charging and Fueling Infrastructure (CFI) Grant Program to fund the equitable deployment of EV charging stations in the City. During the first round, Dallas supported the North Central Texas Council of Government's (NCTCOG's) successful award of \$15 million to install up to 100 charging ports throughout the 16-county Dallas-Fort Worth region.

Please contact me or Janette Weedon, Director of Budget and Management Services, if you need additional information.



Jack Ireland  
Chief Financial Officer

c: Kimberly Bizer Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Alina Ciocan, Assistant City Manager

Dev Rastogi, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors