Memorandum

CITY OF DALLAS

DATE August 28, 2026

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the City Manager's Recommended Biennial Budget for FY 2026-27 and FY 2027-28 (First Set)**

We were pleased to share the City Manager's FY 2026-27 and FY 2027-28 Recommended Biennial Budget on Tuesday, August 11. Below are responses to questions regarding the FY 2026-27 and FY 2027-28 Budget. We will provide additional responses over the next several days.

1. **What would be the change in a city property tax bill from reduction in the recommended tax rate for homes valued at $300,000, $400,000, and $500,000?**

The City Manager's recommended budget for FY 2026-27 includes a reduction in the property tax rate from 69.88¢ to 69.78¢ per $100 valuation. The change in a property owner's tax bill will be determined by the appraised value of the property and any exemptions. The table below shows the difference in a city tax bill for a property with a 20% homestead exemption and value of $300,000, $400,000, or $500,000.

Market Value	Value after 20% Homestead Exemption	2025 City Property Tax Bill ($0.6988)	2026 City Property Tax Bill ($0.6978)	City Tax Bill Reduction*
$300,000	$240,000	$1,677.12	$1,674.72	($2.40)
$400,000	$320,000	$2,236.16	$2,232.96	($3.20)
$500,000	$400,000	$2,795.20	$2,791.20	($4.00)

2. **What is the current number and history of cases in Dallas Animal Services (DAS) for suspected animal cruelty?**

Below is a summary of suspected animal cruelty cases by category. The total number of reported cases has increased each year.

	FY 2023-24	FY 2024-25	FY 2025-26*
Roosters, Hens, Chicks	1,651	2,090	2,691
Cats	61	104	129
Dogs	269	351	515
Livestock	2	13	16
Other	16	4	14
Total	**1,999**	**2,562**	**3,365**

*Data through June 2026.

3. Provide chart showing history and recommended use of overtime (both hours and dollars) for Dallas Police Department.

Dallas Police Department provided a briefing to City Council on August 19. The briefing materials can be found here.

Fiscal Year	Overtime Budget	Overtime Expense (Actual or Projected)	Expense Compared to Budget Over/ (Under)	Overtime Hours	Average Pay Rate
FY 2020-21	$30.4M	$35.1M	$4.7M	502,558	$69.90
FY 2021-22	$19.6M	$37.5M	$17.9M	534,488	$70.13
FY 2022-23	$28.0M	$47.0M	$19.0M	644,058	$73.02
FY 2023-24	$47.5M	$55.4M	$7.9M	733,345	$75.59
FY 2024-25	$57.9M	$52.5M	($5.4M)	644,115	$81.51
FY 2025-26 *	$47.1M	$49.8M	$2.7M	584,988	$85.13
FY 2026-27 *	$42.6M	$42.6M	$0	485,216	$87.85
FY 2027-28 *	$42.6M	$42.6M	$0	471,084	$90.49

*Projected as of August 2026

4. How many contracts does each department have and what is their value?

As of August 2026, the Office of Procurement Services (OPS) manages 1,387 active multi-year contracts with a total authorized contract value of approximately $5.6 billion. The chart below provides the distribution of these active multi-year contracts across departments. These figures represent active contracts procured by OPS and include goods, general services, professional services, technology, equipment, and other operational needs. They do not include department-led procurements, such as architecture and engineering (A&E), construction, or subrecipient agreements.

Because contracts are awarded, amended, and expire throughout the year, the information represents a point-in-time snapshot of the OPS-procured active contract portfolio.

Department	Number of Contracts	Total Contract Amount
Aviation	62	$256,943,362
Bond & Construction Management	2	$10,046,963
City Attorney's office	252	$18,819,735
City Auditor's Office	2	$3,765,000
City Controller's Office	11	$10,296,318
City Secretary's Office	3	$586,915
Civil Service	6	$1,926,529
Code Compliance	9	$14,783,540
Convention & Event Services	23	$684,940,296
Dallas Animal Services	4	$14,348,202
Dallas Fire-Rescue	47	$92,991,133
Dallas Police Department	80	$559,524,080
Dallas Water Utilities	177	$639,971,248
Equipment & Fleet Management	33	$933,741,813
Facilities & Real Estate Management	42	$268,084,009
Human Resources	27	$97,590,237
Information & Technology Services	146	$717,036,225
Library	18	$55,716,655
Mayor & City Council	1	$25,000
Municipal Courts & Detention Services	19	$114,958,520
Office of Arts & Culture	46	$111,022,011
Office of Budget & Management Services	28	$10,829,070
Office of Communications & Customer Experience/311	11	$1,583,373
Office of Economic Development	11	$33,910,150
Office of Emergency Management & Crisis Response	9	$2,116,219
Office of Environmental Quality & Sustainability	7	$11,824,523
Office of Government Affairs	3	$1,240,367
Office of Housing and Community Empowerment	55	$44,495,767
Office of Procurement Services	19	$24,576,372
Office of Risk Management	86	$99,228,221
Park & Recreation	54	$234,999,704
Planning & Development	8	$19,313,365
Sanitation Services	26	$215,925,404
Transportation & Public Works	60	$330,807,680
Total	**1,387**	**$5,637,968,008**

5. Provide a fact sheet detailing the changes in the Employee Health Benefits Plan.

On August 19, the Department of Human Resources provided a briefing to the City Council on the Employee Health Benefit Plan and proposed changes. The briefing materials can be found here. Response to Employee Health Benefits related questions will be provided separately.

6. Could the city do an update to the fee study for all General Fund fees since some fees have not been reviewed for either 1, 2, or 3 years? How much additional revenue could be generated if all fees were updated at this time?

Financial Management Performance Criteria #12 requires that fees and charges be reviewed at least once every four years to determine the appropriateness of the city's fees and to determine full cost recovery. The city engages a consultant on an annual basis to review approximately one-fourth of the fees each year on a rotating basis. Annually, departments are asked to flag additional fees not already on the schedule that need to be studied due to a change in cost to the city.

Yes, an additional or off-cycle fee study could be conducted to determine if other fees should be increased. An estimate of what additional revenue could be generated would be determined through the study.

Fees and rates for Dallas Water Utility and Sanitation Services are reviewed and recalculated annually.

7. How much is the five-year step-up increase in FY 2029-30 for the ERF and DPFPS pension restoration plans?

The table below reflects projected city contributions to the Employee Retirement Fund (ERF) and Dallas Police and Fire Pension System (DPFPS) based on each plans Funding Soundness Restoration Plan. The city's contribution includes both a 30-year amortization of the Unfunded Actuarially Accrued Liability plus the calculated annual Normal Cost. Actual cost may vary based on the city's actual payroll. Beginning in FY 2029-30, both plans will be subject to the actuarially determined contribution (ADC) rate.

	FY27 Proposed	FY28 Planned	FY29 Planned	FY30 Planned	FY31 Planned
Non-uniform Pension (ERF)	110,700,000	118,800,000	121,000,000	124,700,000	128,500,000
Uniform Pension (DPFPS)*	246,000,000	267,100,000	290,200,000	332,800,000	341,000,000

*Does not include uniform supplemental/excess pension benefits.

8. **What changes are proposed in OEQS as part of the FY 2026-27 recommended budget and what impact will there be for CECAP implementation?**

   OEQS's proposed FY 2026-27 budget is $5,036,858, a decrease of $555,440 from the FY 2025-26 adopted budget of $5,592,298.

   The proposed budget includes reductions totaling $797,306, eliminating 9 positions (8.28 FTEs). Five of these positions were previously reimbursed 100% by federal grant funding. When federal funding for the grant was not made available for FY 2025-26, these positions were eliminated earlier in the year.

   The largest driver is a reduction in Contractual Services — down roughly $2.5 million from FY 2025-26 — reflecting realignments in ITS, fleet, and advertising costs. Within that, the CECAP outreach/advertising budget is also being reduced, with OEQS citing greater reliance on the City's established brand, social media channels, and local partnerships in place of paid advertising.

   CECAP implementation staff are not affected by the proposed position eliminations. Climate Action Planning remains OEQS's largest program at $2,124,786 and 9 positions (42% of the net budget), and its FY 2026-27 performance target is to keep 51% of CECAP's actions underway annually.

   Looking ahead, OEQS plans to finalize a five-year Priority Climate Action Plan in 2027 to operationalize and accelerate CECAP implementation — prioritizing among the plan's 97 actions, balancing mitigation, and adaptation work, setting measurable targets and timelines, and updating KPIs. CECAP funding going forward will prioritize projects with clear, measurable outcomes and strong return on investment.

9. **Provide the actual scoring that each program received by the implementation of the scoring rubric used as part of the Priority Based Budgeting process.**

   The scoring rubric used in the Priority Based Budgeting process, along with the actual scores received by each program, is available on the City's Financial Transparency FY 2026-27 Proposed Budget website. The Priority Based Budgeting Scoring Matrix provides the scoring criteria and methodology, while the Priority Based Budgeting Consolidated Scoring provides the actual scores for each program. A link to the webpage is provided below:

   https://dallascityhall.com/departments/budget/financialtransparency/Pages/Upcoming-Budget.aspx

10. What are the assumptions for the interest rate projection for FY 2026-27?

The city's contract investment advisor, Meeder, provided the city with an interest revenue projection based on current holdings attributable to the General Fund and a conservative reinvestment rate of 3.5%. A conservative reinvestment rate was used due to quickly changing market dynamics.

11. Provide a breakdown of the percentage of total lane miles and dollars being improved in FY 2026-27 by the different type of repair and/or maintenance that is being applied including preventive maintenance, resurfacing, slurry seal, reconstruction, etc.

The Department of Public Works and Transportation is scheduled to present information to the City Council on August 26. Their briefing materials can be found here.

Treatment	Number of Lane Miles	Miles %	Dollars	Dollars %
Preventative (Onyx)	110	14%	3,315,344	2%
Maintenance	133	17%	23,484,000	16%
Slurry/Micro	440	55%	13,203,174	9%
Resurfacing	85	11%	48,169,665	34%
Reconstruction	32	4%	54,594,676	38%
Total	**800**	**100%**	**$142,766,859**	**100%**

12. How much would it cost to expand Recreation Center hours in FY 2026-27?

Currently, Recreation Center weekly hours vary by location with some operating 49 hours and some operating 54 hours. Recreation Center hours by location available online. Returning Recreation Center hours at all locations to the level provided in FY 2023-24, on average 59 hours per week, would require an additional $460,000. This includes funding for 20 additional part-time staff members.

13. What is the cost to keep library operations and hours the same in FY 2026-27 as are being provided in FY 2025-26?

Maintaining library operations and hours in FY 2026-27 at the FY 2025-26 level would require reinstating $2.6 million that was eliminated in the FY 2026-27 proposed budget as part of the flagship model implementation.

14. What is the plan to address the last of air conditioning and structural repairs in the Recreation Centers and Libraries?

Libraries

As it relates to Library Facilities, the 2017 Bond Program included three critical library projects: replacement of the Forest Green Library with a new facility, construction of a new branch library in the Vickery Meadow neighborhood, and major maintenance improvements at the J. Erick Jonsson Central Library. These critical projects have been completed.

As part of the 2024 Bond Program, restroom accessibility improvements at six library facilities are currently underway. The renovation and expansion of the Preston Royal Branch Library is in the design phase. Replacement of Park Forest and North Oak Cliff Branch Libraries is planned for FY 2026-27 and FY 2027-28.

For projects included in the current Bond Program, Bond and Construction Management (BCM) will continue to advance the approved projects through design, procurement, and construction. For remaining needs that are not currently funded, BCM will work with the departments to identify appropriate funding opportunities and establish a prioritized plan for future capital investments.

Recreation Centers

The Park and Recreation Department has a three-pronged plan to address remaining HVAC needs at recreation centers. First, HVAC improvements will be completed as part of currently planned 2024 Bond-funded projects, including projects at Campbell Green Recreation Center, Anita Martinez Recreation Center, and other facilities. Second, HVAC repairs will continue to be addressed through work orders as issues are identified.

Third, the department is developing a comprehensive inventory of HVAC equipment across all recreation centers, including rooftop units (RTUs), fan coil units (FCUs), air handling units (AHUs), and other equipment. The inventory will include information such as the date of manufacture and installation. This information will be used to develop a comprehensive preventive maintenance plan and replacement schedule based on the expected useful life of each unit, allowing the department to more proactively plan and budget for future HVAC needs.

15. What has been our historical collection for subrogation, and how much is currently uncollected? How is Risk Management's subrogation program changing in FY 2026-27?

In FY 2026-27, the Office of Risk Management will outsource its subrogation claim recovery process. The change is intended to reduce the city's administrative workload and operating costs by eliminating one FTE while providing access to specialized expertise. Outsourcing is also expected to increase recoveries, improve identification of potential claims, accelerate claim resolution, and strengthen documentation and compliance.

As of July 2026, the city has recovered approximately $1.4 million in subrogation claims during FY 2025-26, with approximately $815,148 in additional potential recoveries identified for the fiscal year. Potential recoveries from prior years (FY 2020-21 through FY 2024-25) also remain available for collection and total $4,781,258. Below is the historical collection for subrogation:

Recovered	FY21	FY22	FY23	FY24	FY25	FY26
City Equipment (vehicles)	$130,450	$327,857	$210,636	$807,134	$853,896	$862,655
Signal Lights	$0	$17,269	$97,374	$82,423	$79,023	$39,840
Traffic Signs	$0	$265	$11,408	$28,727	$8,351	$2,661
Fire Hydrants	$0	$0	$28,069	$43,363	$33,879	$16,185
Other (Buildings/Structures)	$0	$48,069	$92,429	$128,787	$85,906	$230,511
Worker's Compensation	$363,353	$409,967	$134,967	$82,099	$797,449	$261,200
All Subrogation Claims	**$493,802**	**$803,428**	**$574,884**	**$1,172,533**	**$1,858,504**	**$1,413,052**

Potential	FY21	FY22	FY23	FY24	FY25	FY26
City Equipment (vehicles)	$346,438	$370,686	$591,105	$450,066	$292,053	$578,325
Signal Lights	$184,386	$205,377	$216,388	$139,305	$32,632	$15,766
Traffic Signs	$138,624	$92,672	$76,640	$30,466	$20,235	$9,785
Fire Hydrants	$90,129	$77,693	$55,812	$36,151	$20,488	$1,369
Other (Buildings/Structures)	$22,131	$20,002	$84,206	$10,768	$401,036	$97,382
Worker's Compensation	$161,562	$48,678	$424,634	$39,269	$101,626	$112,521
All Subrogation Claims	**$943,270**	**$815,108**	**$1,448,785**	**$706,025**	**$868,070**	**$815,148**

16. How many employees work in Communications and Customer Experience?

The Office of Communications and Customer Experience includes the Dallas 311 call center. As of August 3, 2026, 128 employees work in the Office of Communications and Customer Experience. Of those, 114 are in the Dallas 311 call center and 14 are in communications and marketing. Over the last two fiscal years, we have eliminated 23 positions in the Office of Communications and Customer Experience, with 9 additional positions proposed to be eliminated for FY 2026-27.

17. How many employees are in supervisory, managerial, director-level, or higher positions?

As of August 1, 2026, 2,683 employees were classified in supervisory or higher management levels out of a population of 15,589 budgeted positions. This population excludes contingent workers and includes full-time, part-time, temporary, seasonal, sworn, and intern employees.

18. Provide information by department showing the number of supervisors/managers that have three or fewer direct reports in their span of control.

The management-level classification and the number of current filled direct reports measure different things. An employee may be assigned a supervisory or higher management level even when a subordinate position is vacant or when temporary, contractor, or other workers are not represented as filled direct reports in Workday. Of the 2,683 employees classified at supervisory or higher levels, 1,323 had three or fewer filled direct reports. Detail by department is listed in the table below.

Span of control varies across City operations based on the nature and complexity of work rather than a fixed Citywide standard. Routine and standardized field roles generally support wider spans of eight or more direct reports, while professional and technical functions – such as regulatory, engineering, legal, financial, procurement, and technology – typically operate with narrower spans of three to seven. When a supervisor has three or fewer direct reports, it is usually due to high-risk or specialized tasks, the expertise level of the staff, the scale or structure of the division, or cases where the role is defined by ownership of a critical system, program, or major vendor contract rather than by the number of employees supervised. In many of these situations, the supervisor functions as a team lead or an individual contributor, not merely a supervisor.

Three additional factors affect the below counts:

- **Sworn public safety personnel**: Dallas Police Department and Dallas Fire-Rescue operate under rank-based command structures in which supervisory assignments shift frequently with shift, deployment, and staffing changes. Workday reflects administrative reporting relationships for these employees and does not always capture day-to-day operational supervision. As a result, a substantial number of sworn supervisory positions show fewer direct reports in Workday than they oversee in practice. Narrower spans are also appropriate by design in emergency response. 596 of the 1,323 positions are sworn DPD or DFR positions.
- **Vacancies and the hiring freeze**: Direct report counts reflect filled positions only. A supervisory position budgeted for four staff with one or more vacancies will appear on this list. The ongoing hiring freeze has extended the duration of these vacancies across departments. 92 of the 1,323 positions are civilian employees with one or more open positions in their direct reports.
- **Contingent and contracted labor**: Day laborers and third-party contingent staff are not tracked in Workday. Supervisors who direct this workforce may appear with three or fewer direct reports while supervising a larger operation, and those staffing levels can fluctuate daily based on operational need.

Department	Number of employees in supervisor or above positions	Number of supervisors with three or fewer direct reports
Aviation	96	56
Bond & Construction Management	12	10
City Attorney's Office	21	6
City Auditor's Office	2	1
City Controller's Office	23	16
City Manager's Office	9	1
City Secretary's Office	9	7
Civil Service	2	1
Code Compliance	71	23
Communications & Customer Experience/311	23	9
Convention & Event Services	11	6
Dallas Animal Services	36	19
Dallas Fire-Rescue	474	215
Dallas Police Department	705	431
Dallas Water Utilities	338	132
Data Analytics & Business Intelligence	10	7
Emergency Management & Crisis Response	15	6
Employees' Retirement Fund	9	5
Equipment & Fleet Management	34	10

Department	Number of employees in supervisor or above positions	Number of supervisors with three or fewer direct reports
Facilities & Real Estate Management	43	24
Human Resources	14	8
Information & Technology Services	50	33
Judiciary	12	10
Library	46	4
Mayor & City Council	21	19
Municipal Court & Detention Services	35	20
Office of Arts & Culture	21	12
Office of Budget & Management Services	15	12
Office of Economic Development	14	11
Office of Environmental Quality & Sustainability	7	3
Office of Housing & Community Empowerment	70	36
Office of the Inspector General	2	1
Office of Procurement Services	7	2
Park & Recreation	167	66
Planning & Development	76	39
Risk Management	11	6
Sanitation Services	56	10
Transportation & Public Works	116	46

19. What is the cost for General Fund and non-General Fund to move the civilian merit from April 1 to January 1? What is the cost to change the 2% merit to 3%? What is the cost to restore executives to the merit program?

Cost to move the 2% civilian merit from April 1 to January 1:

	FY27	FY28
General Fund	1,647,329	0
Other Funds	1,365,548	0
Total Funds	**3,012,877**	**0**

Cost to increase the civilian merit from 2% to 3% (effective April 1):

	FY27	FY28
General Fund	1,647,329	3,294,658
Other Funds	1,365,548	2,731,096
Total Funds	**3,012,877**	**6,025,754**

Cost to increase the civilian merit from 2% to 3% (effective January 1):

	FY27	FY28
General Fund	4,118,668	3,295,121
Other Funds	3,301,282	2,580,966
Total Funds	**7,419,950**	**5,876,087**

Cost to restore executives to the 2% civilian merit program (April 1)

	FY27	FY28
General Fund	197,006	394,132
Other Funds	100,964	201,928
Total Funds	**297,970**	**596,060**

20. Are any permit fee adjustments anticipated for Planning and Development (PDV) in FY 2026-27?

No permit fee adjustments are anticipated in Planning and Development in FY 2026-27. The city is in the process of hiring a consultant to develop a new fee schedule; however, the new schedule is not expected to be adopted until FY 2027-28.

The process is expected to include four to six months to develop a preliminary fee schedule, approximately two months for stakeholder engagement, followed by City Council review and feedback. After that, the City Attorney's Office will draft the necessary amendments to the City Code for Council consideration and approval.

We will continue to respond to budget questions asked by members of the City Council over the next several days. Please contact me or Janette Weedon, Director of Budget & Management Services, if you need additional information.

Jack Ireland
Chief Financial Officer

c:
Kimberly Bizor Tolbert, City Manager
Bertram Vandenberg, City Attorney (I)
Rory Galter, City Auditor (I)
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors