

# A MESSAGE FROM THE CITY MANAGER



Honorable Mayor and Council Members,

I am pleased to present the fiscal year (FY) 2017-18 budget. With this \$3.1 billion budget, we are putting *Service First*. I have said many times the most important product we deliver to our residents and taxpayers is service. Whether that is resolving a reported 311 issue or answering emergency calls quickly to get people the help they need, we will act with a sense of urgency to provide the best service to the citizens of Dallas.

Since my arrival, I have listened to and learned from the community, and made changes in City Hall. I am proud of the hard-working, dedicated staff in Dallas, but I understand that the City Council would like to see improved service, greater efficiency, and responsiveness to community input. Therefore, I am resetting expectations, prioritizing service excellence, and redirecting funds to the things that matter most to our citizens.

Fortunately, the Dallas economy is strong. Our General Fund budget includes \$654 million in property tax revenue and \$303 million in sales tax revenue, as well as \$321 million in other revenue such as fees and other charges. All of our property tax revenue and 25.8 percent of our sales tax revenue support public safety. At 59.8 percent of the budget, our investment in public safety includes increased wages for first responders, increased pension contributions, improvements to the 911 system, additional 911 dispatchers, and enhanced ambulance service.

This budget also funds important services that make a city attractive to long-time and new residents, businesses, and visitors, such as clean neighborhoods and parks, safe water, libraries, arts, and more. For example, Code Compliance will form a new team to focus on difficult substandard structures and illegal land use cases. There is more funding for street maintenance, libraries, and four new community-based 311 agents. Dallas Animal Services will pick up more loose dogs. The City will increase its commitment to seniors, those experiencing homelessness, and to refugees and immigrants in Dallas.

City staff are committed to *Service First* every day of the year, and accountable for delivering just that! Therefore, I am introducing *Dallas 365*, a set of metrics important to the community and funded by this budget. We will report our progress quarterly beginning in January 2018.

Notably, our budget is fiscally sustainable. Although Council will adopt an annual budget by law, we have prepared a balanced biennial budget, meaning we have only budgeted for ongoing expenses, such as public safety pay increases and new programs, that we can continue to support in the second year with our forecasted revenue. This allows City staff to focus on implementing policies and programs Council adopts.

This is my first budget as your new City Manager, and I am proud that it embodies the values I believe make us a strong city government: excellence, equity, empathy, and ethics. With this budget, we have put the needs of the community first and will deliver exceptional service consistently, while we continue to maintain our reputation as a world-class city of opportunity.

In the Spirit of Excellence!

A handwritten signature in black ink, appearing to read 'T.C. Broadnax'. The signature is stylized and fluid, written over a white background.

T.C. Broadnax, City Manager



# EXECUTIVE SUMMARY

## SERVICE FIRST

The City of Dallas is committed to “Service First” in everything we do. Our FY 2017-18 budget of over \$3 billion is dedicated to delivering a wide range of services to meet the needs of residents 365 days of the year. We have charged every employee with serving the citizens of Dallas as efficiently and effectively as possible, and with a sense of urgency. Our primary product is service, and our taxpayers and residents expect us to deliver.

## A BALANCED BUDGET WITH NO TAX RATE INCREASE OR SIGNIFICANT SERVICE LEVEL REDUCTIONS

In this budget document, for the first time, we present a balanced two-year budget plan for the City of Dallas. The City Council will adopt an annual budget for FY 2017-18 in September 2017, and have opportunities to review and adjust the FY 2018-19 budget plan as we approach adoption of that annual budget in September 2018.

When the Texas Legislature was considering pension reform legislation, we committed that taxpayers would share in the sacrifice to fix the pension for our uniformed employees. However, despite a significant increase in pension contributions required by House Bill 3158, this budget does not require a tax rate increase. In fact, the City Council decided to lower taxes for those 65 and older or disabled by increasing the property tax exemption from \$64,000 to \$90,000. Further, this budget does not include significant service reductions, and in several areas important to the community, we are increasing or enhancing services.

All of this is possible because, during the pension crisis, many of our uniformed employees retired or left for jobs in other cities due to the uncertainty in Dallas. Therefore, our budget for police and fire salaries and other personnel costs is down considerably. In the FY 2016-17 adopted budget, Council budgeted for 3,613 police officers, and in this budget, we have included funding for 3,094 officers in FY 2017-18 and 3,144 officers in FY 2018-19. Make no mistake – we are committed to doing everything in our power to recruit new police officers – and we will adjust our budget to fund even more police officers if the Police Department can exceed its recruiting goals. Understand that as police and fire staffing return to normal, we may be faced with hard decisions related to which services we need to reduce or eliminate or whether to raise taxes to meet our increased pension obligation.

## BUDGETING BEGINS WITH COMMUNITY INPUT & CITY COUNCIL DIRECTION

We began the budget process by requesting public input at nine budget town halls held at various locations throughout the city from March 4-27, 2017, wherein residents provided valuable feedback. Also, Council held its annual planning meeting on March 29-30, 2017, where they determined the City’s six strategic priorities: Public Safety; Mobility Solutions, Infrastructure, and Sustainability; Economic and Neighborhood Vitality; Human and Social Needs; Quality of Life; and Government Performance and Financial Management.

# EXECUTIVE SUMMARY

## OVERVIEW OF THE BIENNIAL BUDGET PLAN

Expenditure	FY 2016-17 Amended	FY 2017-18 Proposed	FY 2018-19 Planned
General Fund	\$1,239,517,710	\$1,278,846,913	\$1,324,651,700
Aviation	108,040,992	127,028,405	134,895,621
Convention and Event Services	96,403,076	97,787,266	101,388,912
Municipal Radio	2,032,482	2,051,318	2,086,407
Sanitation Services	95,946,054	102,279,097	104,082,739
Storm Drainage Management	53,007,769	55,936,837	58,436,837
Sustainable Development and Construction	36,090,295	32,376,190	32,492,994
Water Utilities	657,464,737	667,471,388	687,671,388
Debt Service	261,865,145	267,322,998	287,416,255
<b>Total Operating Budget</b>	<b>\$2,550,368,260</b>	<b>\$2,631,100,412</b>	<b>\$2,733,122,853</b>
General Purpose Capital	177,410,919	148,489,745	123,326,860
Enterprise Capital	347,256,085	343,565,793	338,442,638
<b>Total Capital Budget</b>	<b>\$524,667,004</b>	<b>\$492,055,538</b>	<b>\$461,769,498</b>
<b>Total Budget</b>	<b>\$3,075,035,264</b>	<b>\$3,123,155,950</b>	<b>\$3,194,892,351</b>

# EXECUTIVE SUMMARY

## FY 2017-18 Major Budget Investments Supporting the City's Six Strategic Priorities:



### **Public Safety**

- Increasing pay for police officers and firefighters through the Meet and Confer agreement approved by the City Council in 2016.
- Contributing \$151 million to the Police and Fire Pension to secure the retirements of first responders.
- Recruiting 241 new firefighters and 250 police officers in FY 2017-18, bringing the number of sworn employees to 1,936 in Fire-Rescue and 3,094 in Police.
- Adding one full-time rescue unit, or ambulance, and overtime for peak demand periods.
- Enhancing technology and bolstering staffing for 911 to improve resilience and our ability to respond to crisis quickly.

### **Mobility Solutions, Infrastructure, and Sustainability**

- Investing \$6 million more –approximately \$63 million total– in streets and alleys to repair 580 lane miles, and to keep overall road conditions from further deteriorating.
- Continuing to provide 147 billion gallons of clean water for drinking and fire protection.
- Adding \$2 million in matching funds for State/Federal grants to replace 30 traffic signals.
- Increasing our fund for storm water projects to provide erosion control and flood protection in our neighborhoods.
- Increasing funding for major maintenance of City facilities to \$6.5 million.

### **Economic and Neighborhood Vitality**

- Increasing the total funds available for home repair from \$6.7 million to \$9 million, including grant funds.
- Conducting a Market Value Analysis to assess the City's existing real estate conditions, and to provide the basis for the development of a housing strategy and economic development plan.

### **Human and Social Needs**

- Committing \$1.6 million in funding for homeless encampment clean-up, and hardening or reclamation of sites where appropriate.
- Providing \$200,000, an increase of \$100,000, for an anti-panhandling initiative.
- Allocating \$375,000 for the Senior Dental Program, an increase of \$75,000.
- Improving our advocacy and engagement for Dallas' immigrant and refugee population by establishing a new Office of Welcoming Communities and Immigrant Affairs.

# EXECUTIVE SUMMARY



## Quality of Life

- Creating a stand-alone Dallas Animal Services Department to enhance service delivery and continue implementation of the Boston Consulting Group recommendations.
- Creating an Intensive Case Resolution Team in Code Compliance to focus on difficult substandard structures and illegal land use cases. This centralized citywide unit will handle approximately 1,750 substandard structure cases and 1,750 illegal land use cases per year. We expect to refer 100 additional structures for demolition each year.
- Redeploying eight code inspectors to Neighborhood Plus areas.
- Budgeting a total of \$287,000 to expand English as a Second Language (ESL) programs in the libraries. Currently funded with a \$65,000 grant, staffed by volunteers, and only available in 7 locations, this budget will expand ESL offerings to 28 locations and serve over 800 additional learners.
- Expanding service at 14 libraries from 5 to 6 days a week. Of our 29 libraries, 13 will be open 7 days per week, and 16 will be open 6 days per week.
- Continuing to fund the additional \$6.5 million for maintenance, preservation, and enhanced programming at Fair Park.
- Providing \$735,000, an increase of \$250,000, for senior programming at Dallas recreation centers.
- Devoting \$285,000 to maintain support for culturally specific arts groups in alignment with the City's cultural policy.



## Government Performance and Financial Management

- Taking City Hall into the community by hiring four 311 staff members who will work in locations around the City, and by funding up to five Council district office pilots to facilitate Councilmember constituent service activities.
- Focusing on building, strengthening, and enhancing our partnerships with school districts, community colleges, universities, and other regional entities and stakeholders.
- Strengthening the Minority and Women-Owned Business Enterprise program to bring a more centralized focus on diversity contracting and small business development opportunities.
- Increasing all employee wages to a minimum of \$10.94 to reflect the MIT living wage index and to mirror Council policy on living wage requirements for contractors.
- Funding merit increases for civilian employees, in addition to police officer and firefighter wage increases, to attract and retain the best talent.
- Improving the City employee health plan by adding new programs to help employees manage chronic diseases such as diabetes and lowering the family premium by \$50 a month.
- Launching *Dallas 365* to provide citizens information on the efficiency and effectiveness of City operations.
- Presenting a biennial budget focused on long-term fiscal sustainability.

# EXECUTIVE SUMMARY

## ORGANIZATION OF TOTAL BUDGET BY STRATEGIC PRIORITY

Strategic Priority	FY 2017-18 Proposed Expense	FY 2018-19 Planned Expense
Public Safety	\$799,530,547	\$813,196,191
Mobility Solutions, Infrastructure, and Sustainability	\$1,234,041,995	\$1,233,485,019
Economic and Neighborhood Vitality	\$150,239,660	\$168,907,724
Human and Social Needs	\$222,836,311	\$240,569,424
Quality of Life	\$316,432,938	\$313,573,083
Government Performance and Financial Management	\$400,074,499	\$425,160,910
<b>Grand Total</b>	<b>\$3,123,155,950</b>	<b>\$3,194,892,351</b>

## ORGANIZATION OF GENERAL OPERATING BUDGET BY STRATEGIC PRIORITY

Strategic Priority	FY 2017-18 Proposed Expense	FY 2018-19 Planned Expense
Public Safety	\$764,270,856	\$793,042,037
Mobility Solutions, Infrastructure, and Sustainability	\$142,610,025	\$142,198,061
Economic and Neighborhood Vitality	\$55,847,889	\$63,902,207
Human and Social Needs	\$16,436,311	\$16,669,424
Quality of Life	\$198,930,331	\$203,595,316
Government Performance and Financial Management	\$100,751,501	\$105,244,655
<b>Grand Total</b>	<b>\$1,278,846,913</b>	<b>\$1,324,651,700</b>





# REVENUE

## THE CITY'S ECONOMY REMAINS STRONG

With property values at an all-time high and robust sales tax receipts continuing, clearly the overall Dallas economy remains strong.

## LOWERING TAXES FOR SENIORS AND THE DISABLED AND MAINTAINING THE OVERALL PROPERTY TAX RATE

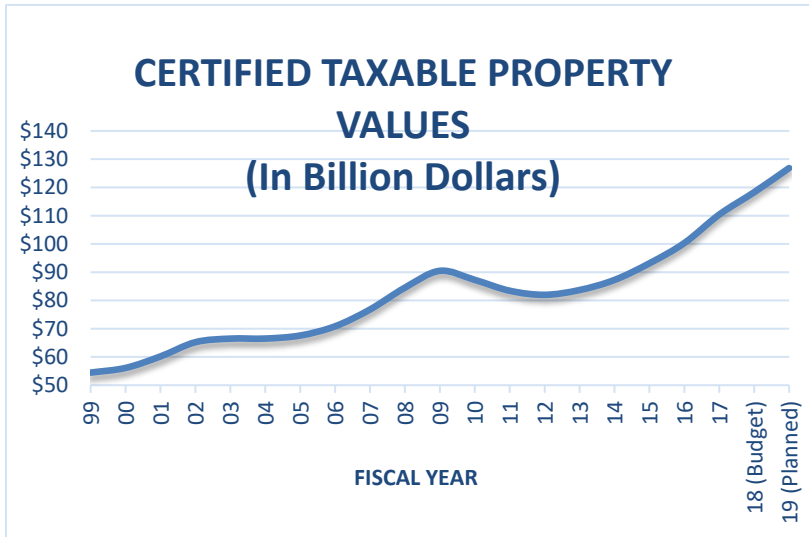
In FY 2017-18, property tax revenue accounts for \$914.5 million of budgeted revenue and supports both the General Fund (\$654.5 million) and the General Obligation Debt Service Fund (\$260 million). Property taxes are based on the following: (1) exemptions allowed by State law and approved by the City Council, (2) the tax rate set by the City Council each September, and (3) the value of property as certified by the four appraisal districts within which Dallas resides.

Dallas homeowners receive a 20 percent homestead exemption which is the maximum allowed by State law.

On June 28, 2017, the City Council voted to lower property taxes for disabled residents and seniors age 65 and older who have a homestead exemption on property they live in and own. This is the first increase to the exemption in 31 years – since 1986. The exemption from City property taxes, previously \$64,000, will apply now to \$90,000 in value on the home, and could save seniors up to \$203 annually. If the property is valued at less than \$112,500, then the individual will not pay City property taxes due to having both the 20 percent homestead exemption and the \$90,000 senior/disabled exemption. The total exempt value of property held by those 65 or over or disabled rose 31 percent, or \$1.1 billion. The City is foregoing \$8.3 million of revenue related to this change in exemption.

This budget proposes no change to the ad valorem tax rate, which is 78.25¢ per \$100 valuation. This tax rate is divided into two components, with 56.01¢ (71.6 percent) allocated to operations and maintenance through the General Fund and 22.24¢ (28.4 percent) allocated to the Debt Service Fund for the repayment of General Obligation Debt.

# REVENUE



The taxable value of property in Dallas is \$118.3 billion as certified by the four appraisal districts in which Dallas resides. The 2017 certified value, use in the FY 2017-18 budget, is 7.18 percent higher than in 2016. FY 2017-18 is the sixth consecutive year of growth following three years of declining values due to the recession. We project that values will continue to increase in FY 2018-19 to \$126.9 billion, or a 7.22 percent growth.

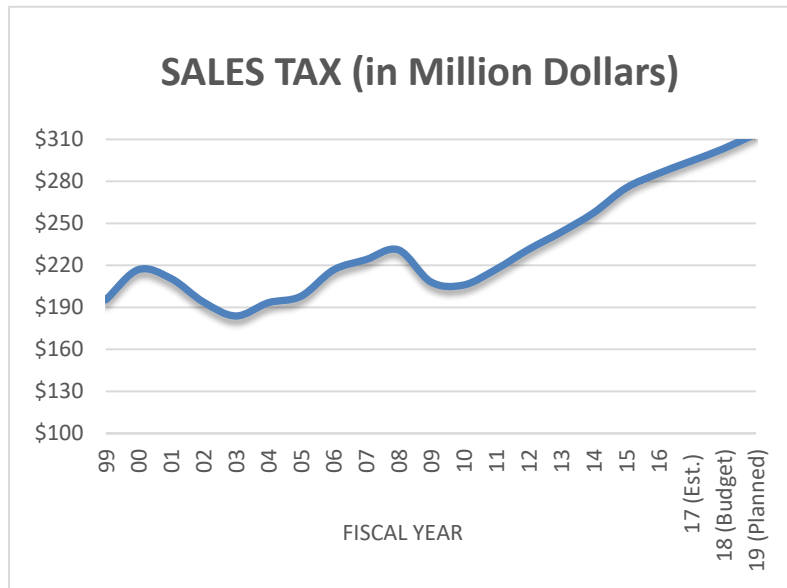
Property taxes are paid not only to the City of Dallas, but also to other jurisdictions including the school district, Dallas County, Parkland Hospital, and Dallas County Community College District. Each jurisdiction sets their own tax rate that is applied to the value of the property to determine the taxes that are paid. The largest share of a Dallas homeowner’s property taxes is for the school district. The graphic below shows the share of your tax bill that is paid to each jurisdiction and assumes the property is located within Dallas County and Dallas Independent School District. The percentages will vary dependent upon where your property is located since Dallas extends to 4 counties and 18 school districts.



# REVENUE

## RELYING ON SALES TAX FOR 24 PERCENT OF OUR GENERAL FUND BUDGET

Sales tax is 8.25 percent of taxable goods or services sold within the City limits. The tax is collected by the vendor at the point of sale and forwarded to the State Comptroller's Office. Of the 8.25 percent, the State retains 6.25 percent, and distributes 1 percent to the City and 1 percent to Dallas Area Rapid Transit. Sales tax receipts have grown for seven consecutive years. We forecast the growth will continue during the biennial, with FY 2017-18 receipts projected to be \$303.3 million and FY 2018-19 receipts projected to be \$314.1 million.



## OTHER GENERAL FUND REVENUES

In total, General Fund revenues account for approximately \$1.3 billion each year, and are used to fund the various General Fund expenses. Property tax and sales tax revenues account for 75 percent of all General Fund revenues. Other revenues are:

- Franchise fees are charged to utilities that use the City's rights-of-way to provide their services. Utilities that pay franchise fees to the City include Oncor electric, Atmos gas, AT&T, and others. The State regulates franchise fees and they are typically calculated as a percent of the companies' gross receipts.
- Fines and forfeitures are also revenues to the General Fund. Examples of fines are municipal court fines, parking fines, red light camera fines, and library fines.
- The City also charges for different types of services or activities that are provided. Emergency ambulance, vital statistics, security alarm permits, and facility use fees are examples of this type of revenue.

# REVENUE

## BILLING FOR SERVICES PROVIDED BY ENTERPRISE FUNDS

Enterprise Funds are City operations that generate revenue through charges for the specific services that they provide. Enterprise Funds are fully self-supporting and include: Aviation, Convention and Event Services, Municipal Radio, Sanitation Services, Storm Drainage Management, Sustainable Development and Construction, and Water Utilities. General tax dollars are not used to support the Enterprise Funds.

Dallas Water Utilities will require a retail revenue increase of 1.6 percent for FY 2017-18 and 2.8 percent for FY 2018-19. The typical residential customer will see a fee increase from about \$66.09 to \$67.12 per month for FY 2017-18, and from about \$67.12 to \$68.99 per month for FY 2018-19. Actual charges will vary based on each household’s consumption. Fee increases will allow for continued maintenance of over \$5 billion in water and wastewater infrastructure assets.

For Sanitation Services, the FY 2017-18 budget increases the residential fee by 3.5 percent, or \$0.86 monthly, from \$24.32 to \$25.18. The proposed increase equates to \$10.32 per year for a typical residential account. The FY 2018-19 budget is estimated to increase the residential Sanitation Fee by \$0.66 monthly (2.6 percent), from \$25.18 to \$25.84. The proposed increase equates to \$7.92 per year for a typical residential account. The proposed increase is related to roll-cart replacement costs, personnel and health care costs, and increases in costs related to services provided to the department by the City’s General Fund (e.g., street maintenance, technology, 311 services, risk management, and other business services).

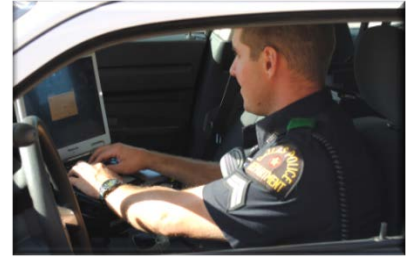
Typical Residential Monthly Bill for each Service		
Dallas Water Utilities	Sanitation Services	Storm Drainage Management
<ul style="list-style-type: none"> <li>•FY17 = \$66.09</li> <li>•FY18 = \$67.12</li> <li>•FY19 = \$68.99</li> </ul>	<ul style="list-style-type: none"> <li>•FY17 = \$24.32</li> <li>•FY18 = \$25.18</li> <li>•FY19 = \$25.84</li> </ul>	<ul style="list-style-type: none"> <li>•FY17 = \$6.46</li> <li>•FY18 = \$7.09</li> <li>•FY19 = \$7.41</li> </ul>

Storm Drainage Management Fund revenue is derived from stormwater fees assessed utilizing measured impervious data for residential and non-residential accounts. The average residential fee is currently \$6.46 per month. In FY 2017-18, the average residential customer will see a monthly increase of \$0.63, and commercial customers will see an increase of \$0.17 per 1,000 square feet of impervious area. In FY 2018-19, the average residential customer will see a monthly increase of \$0.32, and commercial customers will see an increase of \$0.09 per 1,000 square feet of impervious area. The fee increase will enable the Storm Drainage Management Fund to enhance its capital improvement program and address capital needs.

*Note: Please see the appendix for a detailed description of major revenue sources.*

# PUBLIC SAFETY

## CITIZENS EXPECT AND DESERVE ROBUST PUBLIC SAFETY

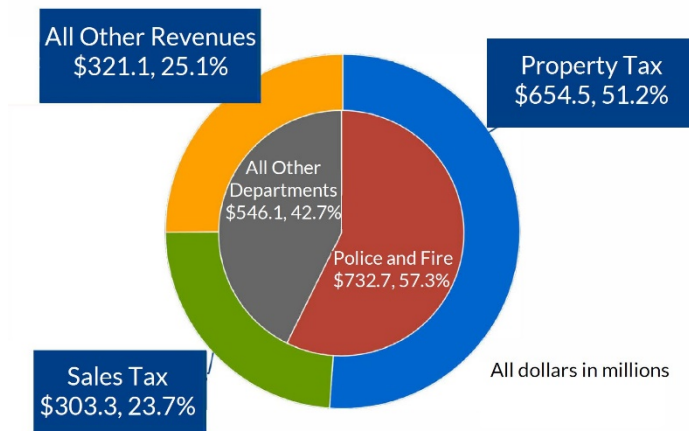


Public safety is a top priority for the City of Dallas. The dedicated men and women in both the Police and Fire-Rescue Departments work tirelessly to ensure that all citizens and visitors have a safe and secure environment in which to live, work, and play. In the most recent citizen satisfaction survey, residents of Dallas rated police services as the second most important service in the City, and fire services was number eight. While citizens were satisfied with fire services, they were less satisfied with police services. This perhaps reflects the fact that there have been many challenges facing public safety departments over the last few years. The most critical obstacle for Dallas is higher than normal attrition of police and fire employees. Therefore, in this budget, we are responding to the community's request to strengthen public safety with additional funding for recruitment, retention, and improved response.

## DEVOTING 59.8 PERCENT OF THE BUDGET TO PUBLIC SAFETY

*"In my opinion, public safety is very important. We need to make sure our first responders are taken care of." – Jason L.*

At \$733 million, the Police and Fire-Rescue Departments command the highest percentage of our FY 2017-18 General Fund budget – 57.3 percent. In fact, we will spend all General Fund property tax revenue and 25.8 percent of sales tax revenue on police and fire services. When you add in other core public safety services the City provides, such as Municipal Courts, the Marshal's Operations, the Lew Sterrett jail contract, and the Office of Emergency Management, the amount of the General Fund budget dedicated to public safety is \$765 million, or 59.8 percent.



In the second year of our biennial budget, the Police and Fire-Rescue Departments are budgeted to receive \$761 million, or 57.4 percent of the General Fund budget. The total public safety budget also increases to \$808 million, or 61 percent.

# PUBLIC SAFETY

## HIRING MORE POLICE OFFICERS AND FIREFIGHTERS AND REDEPLOYING OFFICERS TO PATROL OR INVESTIGATIONS

One of the most critical challenges facing our Police and Fire-Rescue Departments is the higher than normal attrition experienced over the last year. In the FY 2016-17 budget, we anticipated ending the year with 3,613 police officers and 1,921 firefighters. Unfortunately, concerns about the potential insolvency of the Dallas Police and Fire Pension System led many police officers and firefighters to retire or leave for other jobs. Even with the recent legislative action to resolve outstanding pension concerns, we anticipate ending the year with only 3,094 police officers and 1,811 firefighters, which is well below the authorized number of personnel. While we expect the attrition pace to slow as fears about the pension issues subside, we are concerned about higher than normal attrition continuing through FY 2017-18.

Adding to an already difficult attrition situation is a nationwide reduction in the number of police officer applicants. While Dallas’ attrition problem has been exacerbated by the pension concerns, the hiring problem is one that most cities are facing. To address this, both the Police and Fire-Rescue Departments are working diligently to enhance recruitment and retention efforts.

In the Police Department, we have budgeted to hire 250 police officers in FY 2017-18 to end the year at 3,094. Another 250 officers will be hired in FY 2018-19 to end the year at 3,144. The Department will do everything possible to exceed those numbers and reach authorized staffing levels sooner; if necessary, we will work with the City Council to reallocate resources to the Department to cover the personnel expense.

In the Fire-Rescue Department, we have budgeted to hire 241 firefighters in FY 2017-18 to end the year at 1,936. Another 122 will be hired in FY 2018-19 to end the year at 1,952. In a normal year, the Department sends about 80 new recruits through the fire academy. The FY 2017-18 budget includes an increase of \$800,000 for the fire academy to address the need to train more recruits.

Start of Fiscal Year	Sworn Police Officers	Sworn Fire-Rescue Officers
October 1, 2016 (actual)	3,338	1,896
October 1, 2017 (estimated)	3,094	1,811
October 1, 2018 (estimated)	3,094	1,936
October 1, 2019 (estimated)	3,144	1,952



# PUBLIC SAFETY

We are also working hard to find efficiencies within our operations that allow Police and Fire-Rescue to redeploy sworn personnel to the front-lines. For example, in this budget, we are funding five civilian crime analysts in the police fusion center, and four security officers in Equipment and Building Services to handle basic security duties at police facilities. Three positions in Risk Management will be allocated to respond immediately to any incidents involving City vehicles. This will allow the Departments to redeploy sworn personnel to patrol, investigations, and fire-rescue operations.

## RETAINING POLICE OFFICERS AND FIREFIGHTERS

Several important changes are occurring in the next few years to help the City hire more police and fire recruits and keep experienced uniformed personnel on duty. First, we are committed to paying more to attract and retain the best talent in the region. Historically, Dallas' starting pay for police officers has been significantly below the market. In November 2016, the City Council adopted a Police and Fire Meet and Confer Agreement that provides pay raises to gradually increase the starting salary for police officers from \$44,658 to \$51,688 by October 2018. Starting pay for police officers with a bachelor's degree will increase to \$55,288 under the agreement. The agreement also allows the Police Department to hire officers with law enforcement experience at a higher starting pay based on experience. Prior to the 2016 Agreement, new officers from other agencies would only receive the starting pay, like any other recruit. The lateral hiring program also allows for a shorter police academy which will get lateral-hire officers on the streets more quickly.

In addition, the agreement raised pay for uniformed employees already on the job by as much as 32 percent over three years. Police officers and firefighters who received two step increases in the first year of the agreement will receive a single step increase in the second year. They will receive two more step increases in the third year. Each step represents about a 5 percent increase in pay. Personnel who have reached the top step in their respective rank in FY 2017-18 and FY 2018-19 will receive a 2 percent base pay increase.

To encourage retention of tenured officers, the Meet and Confer Agreement also includes increases in Certification Pay for officers who have earned an Advanced or Master Certification from the Texas Commission on Law Enforcement or the Texas Commission on Fire Protection. The maximum certification pay increases from \$6,000 per year to \$7,200 per year. This is pay in addition to the officers' base pay increases.

We are pleased that after many months of hard work and negotiations between the City and the Dallas Police and Fire Pension System, the Texas Legislature acted to save the police and fire pension through House Bill 3158. In that bill, the City committed to contribute at least \$151 million to the pension fund in FY 2017-18 and \$157 million in FY 2018-19 to secure the retirements of our first responders. The City is not only raising its contribution from 27.5 percent of total pay to 34.5 percent of computation pay, but we have committed to paying a minimum total contribution to the pension for the next seven years. That means that if 34.5 percent of computation pay is not enough to reach the "floor," we will make up

# PUBLIC SAFETY

the difference. Over each of the next five years, we expect to contribute a total of \$40 million more to the pension fund than the City would have contributed before the legislation passed.

We also want to acknowledge the significant increase in contributions police officers and firefighters will make to the pension fund. Their contribution will grow from 8.5 percent to 13.5 percent of computation pay. In addition, there are many changes to the service retirement benefit and other plan features. For example, one feature of the pension is called a Deferred Retirement Option Plan (DROP), which members can elect. This allows the member to retire on paper, receive their pension benefit deposited into an account, and to continue to receive their full paycheck from the City. House Bill 3158 does not allow employees to participate in DROP by receiving a pension benefit payment for longer than 10 years, although the employee may continue to work for the City and receive their full paycheck. However, we anticipate some additional attrition in FY 2017-18 due to this change because we have approximately 80 employees who have been participating in DROP for more than 10 years. We are hopeful that those employees will choose to continue their employment, but we recognize that some will choose to retire. The 10-year limitation is expected to have minimal impact in FY 2018-19 due to a low number of officers reaching the 10-year mark in that year. Changes to the Dallas Police and Fire Pension Plan will take effect on September 1, 2017.





# PUBLIC SAFETY

## ENHANCING EMERGENCY RESPONSE SERVICES

At \$733 million, the Police and Fire-Rescue Departments will continue to make arrests, solve major crimes like homicides and narcotics cases, and quickly respond to fire, health, and criminal emergencies within minutes. As part of our commitment to positive community interactions, our police officers will continue to attend more than 1,080 community events in the next two years.

In the current fiscal year, the City has already initiated numerous initiatives in the 911 call center to address staffing, technology enhancements, and the work environment. To further improve our ability to respond to residents quickly in times of crisis, we will invest over \$800,000 in technology solutions to transition the City’s 911 system to a Next Generation (NG) 911 compatible solution. These technology upgrades will further enhance the 911 Call Center creating a faster, more flexible, more efficient, and resilient 911 system, meaning operators will be able respond to 90 percent of 911 calls within 10 seconds.



Dallas Fire-Rescue continues to address public safety concerns and program improvements in FY 2017-18. The Department is adding one full-time Emergency Medical Service (EMS) rescue unit staffed by six new personnel, one EMS peak demand rescue (overtime) unit, a priority dispatch system that is designed to enhance resource delivery, four new personnel for Fire-Rescue dispatch to manage growing call volume, and program changes to supply emergency services to the community more efficiently. In FY 2018-19, the budget plan includes another full-time EMS rescue unit and an additional peak demand rescue (overtime) unit, thus allowing Fire-Rescue to continuously address system demands and improve the quality of life for all residents and visitors.



# MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY



## CITIZENS RATE MAINTENANCE OF INFRASTRUCTURE AS THE MOST IMPORTANT SERVICE OF THE CITY

In the most recent community survey, citizens ranked maintenance of infrastructure as the highest priority, while satisfaction with City service in that area ranked last. Clearly, the community believes the City can do better. While the proposed 2017 Capital Bond Program will address infrastructure needs, such as street, alley,

sidewalk, and traffic signal conditions, the City must increase its maintenance investment. This budget includes several enhancements to ensure we address sustainability of infrastructure, as well as plan for future growth, to move people and goods safely and efficiently.

## FOCUSING ON TRANSPORTATION SERVICES

With this budget, the City will create a new Transportation Department from existing City resources. The Department’s mission is to be the leader in transportation activities throughout the region with added focus on our city core. To accomplish this, the Department will take the lead for the development of multimodal transportation plans and programs, select or recommend transportation projects, and ensure that transportation providers coordinate services within our systems, while keeping *Service First*.

## MAINTAINING STREETS, ALLEYS, AND TRAFFIC SIGNALS

In an effort to adequately address long-term needs, the proposed budget includes approximately \$63 million for streets and alleys in addition to proposed 2017 bond program funds. The funding will improve more than 580 street lane miles including 187 miles of resurfacing, fill 34,100 potholes, and keep overall road conditions from further deteriorating. This means finishing 91 percent of street segment improvements within the scheduled work days for the project, and keeping 96 percent of all streetlights working. The budget also includes an additional \$2 million in matching funds for approximately \$10 million of State and Federal grants to replace 30 traffic signals.

*“We need a serious increase to street repair and upgrading traffic lights. The longer we put this off the more accidents and degradation we are going to face.” - Harold C.*

# MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY

## IMPROVING WATER, SANITATION, AND STORM DRAINAGE

The City must continue to address major and deferred maintenance, as well as capital and operational needs, in sanitation, storm drainage, and water and sewer services. After careful consideration, the budget includes fee and rate increases for each of these services. The departments involved will continue to upgrade and expand existing systems, create needed system redundancies, and expand services to meet the current and future demands of our customers.

Dallas Water Utilities (DWU) continues to focus on infrastructure maintenance and conserving resources. Their capital improvement program totals \$287 million and consists of 83 percent rehabilitation and maintenance projects including \$85 million for water and wastewater main replacements. DWU will require a retail revenue increase of 1.6 percent for FY 2017-18. The typical



residential customer will see a fee increase from about \$66.09 to \$67.12 per month. However, actual charges will vary based on each household's consumption. This will allow for continued maintenance of over \$5 billion in water and wastewater infrastructure assets.

Sanitation Services' fee for the collection and disposal of residential waste and recycling will increase from \$24.32 to \$25.18 per month. This will allow the City to continue providing weekly refuse and recycling service and monthly bulk and brush collection to 240,000 residential households, with no more than 11.5 missed refuse and recycling collections per 10,000 service opportunities. Additionally, Sanitation Services will collect over 240,000 tons of refuse, 170,000 tons of bulk/brush material, and almost 58,000 tons of recycling materials a year. In FY 2017-18 and FY 2018-19, Sanitation will address replacement of an aging solid waste fleet. Additionally, landfill revenue growth will allow for increased and more sustainable funding of the Department's capital improvement and equipment fund for planned landfill waste cell construction projects, as well as solid waste infrastructure and fleet replacement needs.

Storm Drainage Management Fund revenue is derived from stormwater fees assessed utilizing measured impervious data for residential and non-residential accounts. In FY 2017-18, the average residential customer will see a monthly increase of \$0.63, and commercial customers will see an increase of \$0.17 per 1,000 square feet of impervious area. In FY 2018-19, the average residential customer will see a monthly increase of \$0.32, and commercial customers will see an increase of \$0.09 per 1,000 square feet of impervious area. The slight increase of fees per customer will provide \$5 million more in revenue annually for one-time major maintenance of floodway management areas and design of erosion and stormwater projects.



# MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY

CELEBRATING 100 YEARS AND SERVING MILLIONS OF AIR TRAVELERS



October 19, 2017 will mark Dallas Love Field’s 100th anniversary. The City of Dallas owns and operates Dallas Love Field, located 6 miles northwest of downtown Dallas.



Named after Lt. Moss Love, Dallas Love Field was established in 1917 as an Army flight-training base. Airmail service in the state of Texas began at Love Field in 1926, followed by scheduled passenger service in 1927. The airport became a large Air Transport Command base during World War II, and the resulting expansion in infrastructure served Love Field well during the postwar boom in commercial aviation.

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When the Wright Amendment Reform Act went into effect on October 13, 2014, airlines could begin operating nonstop flights from Love Field across the United States, resulting in an increase in traffic. Love Field now handles almost 200 daily flights for over 30,000 passengers. Through the Love Field Modernization Program, the airport now boasts a rebuilt terminal with 20 aircraft gates and new ramp areas. The Love Field Art Program includes almost 20 permanent works, rotating exhibits and a venue for performing arts. To serve the millions of additional travelers, the Aviation Department will hire 10 staff to continue to meet the needs of the airport.



To serve the millions of additional travelers, the Aviation Department will hire 10 staff to continue to meet the needs of the airport.



# MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY

Dallas also owns and operates Dallas Executive Airport and the downtown Vertiport, providing outstanding infrastructure for the City and region’s general aviation community. Dallas Executive Airport is in southwest Dallas, conveniently located 6.5 miles from the central business district. Customers servicing or operating general aviation aircraft at Dallas Executive Airport account for approximately 40,000 aircraft operations annually.

The Vertiport is located atop the south end of the Kay Bailey Hutchinson Convention Center in downtown Dallas. Services support transportation related to health, safety, medical transport, traffic reporting, and multiple law enforcement agencies. Enhancements to the budget for aviation include \$1.9 million to provide full-service fueling operations to help market general aviation traffic in the Dallas metroplex.

## INVESTING IN CITY FACILITIES

*“We shouldn’t build new things until we address the things we have now.”  
-Candace T.*

The proposed and planned budgets for the FY 2017-19 biennium represent significantly increased funding for major maintenance and capital construction to address deferred maintenance of City facilities. The increased operating budget funding complements funding in the proposed 2017 Capital Bond Program to address aging electrical, HVAC, roofing and other waterproofing, plumbing, accessibility, and other interior facility concerns. The operating budget supports adjustments to the organizational structure and implementation of work order and capital project management systems to help us be more responsive and effective in delivering daily facility maintenance and capital improvements.

The budget includes:

- Increased major maintenance and capital construction funding (\$5.5 million) for City facilities:
  - Interior renovations for aging fire stations;
  - ADA improvements at libraries, recreation centers, and other facilities; and
  - Additional replacement of roofs and HVAC systems.
- Targeted funding (\$1 million) for cultural facilities; and
- Enhanced security at DPD headquarters and substations, and upgrading technology at the 911 center and 911 back-up facilities.



# ECONOMIC & NEIGHBORHOOD VITALITY

## DALLAS NEIGHBORHOOD VITALITY IS KEY TO ECONOMIC PROSPERITY

The City of Dallas is realigning the Housing and Economic Development departments to better address market conditions which have historically led to disinvestment in our community. Using the Market Value Analysis (MVA) approach, the City will develop a strategy to address market deficiencies in a comprehensive manner. The MVA will help policy makers and stakeholders have meaningful conversations around acceptable strategies, based on objective data and shared values about the market types. Mapping will show commonalities and highlight how the entire City benefits by protecting the property tax base.



A good **housing** policy is a good **economic development** policy

## LOWERING TAXES FOR THE DISABLED AND ELDERLY

In June 2017, the City Council voted to lower property taxes for disabled residents and seniors age 65 and older which was a key investment to ensure our housing market remains viable. We understand the impact rising costs can have on seniors and want them to age in the homes they own and in neighborhoods they love.

## REVERSING DISINVESTMENT

Recognizing the City cannot do this work alone, we will work with the steering committee established through the MVA on a three-year rolling strategic plan for housing and economic development. Our partnerships will evolve and grow as we put *Service First* and learn from our communities. The goal is to increase access to jobs and diverse housing options for Dallasites.

To further show the connection between housing and economic development, consider the following:

- An eroding tax base affects the City’s ability to provide services to all its residents.
- Regardless of residential and commercial development, the City must maintain infrastructure and mobility throughout the entire jurisdiction even as traffic congestion is compounded in densely populated areas.
- When housing and economic development do not occur strategically, public schools and other community resources are negatively affected by declining population.
- Crime rates increase in areas of abandonment and create additional requests for services which further strain City resources.

# ECONOMIC & NEIGHBORHOOD VITALITY

The steering committee will discuss these and the aforementioned issues. The rolling strategic plan resulting from the MVA and community work will strategically address current and future disinvestment.

In *Dallas 365*, the City will report on the net number of new jobs created. Because this is a new performance measure, the Office of Economic Development is analyzing historical data and trends to determine an appropriate target. The Department will continue efforts to leverage private investment per public dollar at a ratio of 15:1 (5:1 in redevelopment areas); attract a new full-service grocer in southern Dallas; utilize tax increment financing resources to achieve more effective and integrated neighborhood service delivery; support small business development; redesign the Business Assistance Center program; recruit foreign investment; and attract meaningful economic impact into the city.

## ENSURING DIVERSITY OF HOUSING OPTIONS IN DALLAS

Dallas is a desirable place to live. We top several “best of” lists. However, we also have a crisis that has been ignored for too long. An unacceptably high proportion of our seniors and children live in poverty. We are helping the seniors through the tax breaks mentioned above.



To ensure future generations of Dallasites can afford to live within the City, we must ensure the development of a diverse housing stock accessible to all income bands. Housing is affordable to families when housing costs do not exceed more than 30 percent of income. For example, for a family of four earning \$43,781 per year (median income for Dallas), we must ensure no more than 30 percent, or \$13,135, of their income goes toward housing. The 2011-2015 American Community Survey reports nearly 40 percent of Dallas renters are spending 35 percent or more of their income on monthly rent.

Through this budget, the Housing and Neighborhood Revitalization Department will:

- Increase home ownership opportunities, especially for moderate income families;
- Preserve existing owner-occupied and rental housing stock;
- Increase availability of affordable housing opportunities;
- Support neighborhood and community-based preservation and revitalization efforts; and
- Support a balanced growth strategy for Dallas to stabilize and increase the property tax base.

This budget also increases the total funds available for home repair from \$6.7 million to \$9 million, including grant funds, with an average cost per home repair of \$75,000 per home. Additionally, the City will produce 305 new housing units through the Home



# ECONOMIC & NEIGHBORHOOD VITALITY

Ownership/Home Development program, which provides financing for housing construction, land acquisition, and development of infrastructure through development loans, grants, and operating assistance for nonprofit community housing development organizations.

## PARTNERING WITH THE COMMUNITY TO BUILD A SAFE AND DYNAMIC DALLAS

Over the next two years, the Sustainable Development and Construction Department (SDC) will facilitate over \$7.5 billion in permit valuation related to construction activity. We will issue over 65,000 building permits, conduct over 400,000 inspections, issue over 10,000 Certificates of Occupancy, and process 500 zoning changes.

The Department is completing several technology projects and initiating several additional projects to help facilitate development and enhance the tax base. These include:

- In FY 2017-18, the Department will fully deploy technology for electronic plan review, which will streamline the building permit review process and enable more efficient use of staff resources.
- In FY 2017-18, SDC will also evaluate the process and cost for accepting online applications for Board of Adjustment and zoning requests.
- In FY 2018-19, SDC will complete the digitization of all paper and micro-film/fiche records which will greatly enhance research capabilities of previous plans by both internal and external customers.
- In FY 2018-19, SDC will build a public permit mapping website showing the location of recent permits and Certificates of Occupancy to better communicate with residents and the development community about development activity.

*“Our budget needs to balance immediate needs (police/fire/streets), as well as invest in projects that will enhance livability and attract more prosperity to the City”  
-Arthur S.*



# HUMAN & SOCIAL NEEDS

## DALLAS MUST ADDRESS THE COMPLEX NEEDS OF THE COMMUNITY

*“There is a notion that people who are poor do not contribute ‘enough.’ That is not the case. They do a great deal to help this city, and they deserve services. Those services may not align with our wealthier residents, but that does not negate their value of making this a good place to be.”*  
-Sarah C.

Dallas’ diverse and vibrant citizenry is its greatest asset, and our city is stronger when we honor the contributions of our seniors, immigrants, working poor, and future leaders. This year, the City of Dallas has reorganized several of its offices dedicated to serving some of its most vulnerable communities, seeking innovative solutions for intractable, systemic needs. The City Council set Human and Social Needs as one of six strategic priorities for the City and intends to focus on policy matters that strengthen our community by providing services and programs that support basic needs such as food and shelter, safety for youth, healthy aging for seniors, homelessness prevention, and workforce development in Dallas.

Human and social services help our youth and young adults overcome barriers to success and develop the skills necessary to become productive and positive contributors to their community. The City of Dallas’ overarching goal is to increase adult self-sufficiency by enabling education and employment services and ensuring a welcoming connection for immigrants and refugees in Dallas. Our social objective is not simply to increase economic growth; it is to improve well-being.

## CREATING EQUITY FOR SENIORS, CHILDREN, AND FAMILIES

According to estimates from the American Community Survey conducted by the U.S. Census Bureau, 312,000, or 24 percent, of Dallas’ residents live in poverty. To pinpoint attention on the many services designed to help vulnerable residents improve their quality and condition of life, the City has reassigned divisions from the Housing and Neighborhood Revitalization Department to the new Office of Community Care.

The new office will focus on helping create equity for seniors, children, and low-to-moderate income families. Consolidating these services into one operational unit will maximize the allocation of resources and allow for cross-utilization and marketing of services to the community.

## PROVIDING PREVENTATIVE PROGRAMS FOR FAMILIES AND SENIOR DENTAL CARE

Staff assigned to Women, Infant, and Children clinics, the Office of Community Care, and the Martin Luther King, Jr. and West Dallas Multi-Purpose Centers will offer targeted programming and support services. These teams offer more than 38 services such as child

# HUMAN & SOCIAL NEEDS

care, dental care and medical appointment transportation for seniors, as well as emergency assistance for individuals and families in crisis. We plan to execute an integrated marketing plan to ensure that clients are aware of these services so that we may assist at least 1,933 seniors. All told, we will spend an average of \$8,952 per household served, and assist more than 112,000 clients with financial, food, and social service referrals, and donations.

A healthy lifestyle is important for all people, especially children and older adults. However, we recognize there are various barriers to care for these populations. We are committing \$375,000 for the Senior Dental Program, an increase of \$75,000, to provide enhanced dental care for seniors, including routine cleanings and denture care. The City of Dallas also partners with the U.S. Department of Agriculture to administer preventative programs designed to help mothers nurture healthy babies and children.

## PRIORITIZING RESOURCES TO ADDRESS HOMELESSNESS

Homelessness is a major challenge locally and nationally. It is an extremely complex issue and there is no single solution to eliminate homelessness altogether. The City of Dallas recognizes that the magnitude and depth of the issue will require a coordinated effort between the City, other agencies, and the community.

To more aggressively address the homeless crisis, the City has established the Office of Homeless Solutions. Its mission is to prevent homelessness in the City of Dallas while minimizing its impact on public health and safety. This renewed focus and strategic approach provides leadership, resources, coordination, and community mobilization through direct and contracted services across the continuum of care. Our goal is to place 235 individuals into housing over the next year.

The new office’s approach will ensure that City-funded services to address homelessness are modeled on best practices, driven by data, and promote collective impact. Key efforts will include homelessness prevention, emergency shelter, permanent housing, and support services. Assistance programs will continue to be extended to residents living with HIV and AIDS, and those who have co-occurring addictions and related disorders.

Street outreach workers assigned to areas throughout the City will identify and proactively address safety concerns that are natural by-products of homelessness, such as panhandling and homeless encampments. The City will close homeless encampments and provide assistance within 45 days of initial report. The budget includes \$1.6 million, an increase of \$1.3 million, for homeless encampment clean-up, and hardening or reclamation of sites where appropriate. This budget also provides \$200,000, an increase of \$100,000, for an anti-panhandling initiative.

To ensure our interventions are sustainable, we will maximize partnerships with citizens, businesses, service providers, and other community stakeholders. The Office will serve as the staff liaison to the Citizen’s Homeless Commission, and share the role of implementation

# HUMAN & SOCIAL NEEDS

partner with Dallas County for the Dallas Area Homeless Partnership to End and Prevent Homelessness.

## SUPPORTING WORKFORCE DEVELOPMENT

Dallas needs a better trained and educated workforce. Approximately 30 percent of Dallas residents over the age of 25 have a bachelor’s degree or higher, and an almost equal amount, 25.5 percent, do not have a high school diploma. Data shows that close to 55 percent of adults 25 and over without any college experience live in poverty. Furthermore, adults without a high school diploma make an average of \$40,000 a year less than those with a bachelor’s degree.

Opportunities exist to address the skills gap for adults in our community over the age of 25. We are working to support community sustainability through job preparedness, small business resource initiatives, English as a Second Language and GED programs, and holistic neighborhood services delivery. A better trained population will lower our unemployment and underemployment rates. These residents will increase their earning power, adaptability, and workforce mobility while also contributing to the economic growth of the community.

## COMMITTING TO BE A WELCOMING COMMUNITY

The City of Dallas established the Office of Welcoming Communities and Immigrant Affairs (Dallas WCIA) in March 2017 to promote and stimulate the economic, civil, and social engagement of immigrants and refugees in Dallas. The 2016 Mayor’s Task Force on Poverty recommended the establishment of an immigrant affairs office.

Drawing on existing City resources and including community stakeholders, Dallas WCIA will carry out a multi-faceted program through the development and implementation of a “Welcoming Dallas” plan to advance immigrant integration and inclusion in the following key categories: leadership and communications; equitable access; economic opportunity and education; civic engagement; and safe and connected communities.



Dallas-Fort Worth led the U.S. in population growth from 2015 to 2016 due to the area’s relatively low cost of living, healthy employment sector, and impressive amenities. Over a 12-month period, Dallas received 143,435 new residents. Dallas’ population growth has included native born U.S. citizens migrating from other U.S. cities and states, as well as foreign born individuals from all over the world. Of Dallas’ 1.3 million residents, 326,825 (25 percent) are foreign born.

# HUMAN & SOCIAL NEEDS

Dallas is the destination of numerous immigrants from around the world, with the greatest number of immigrants coming from Latin America and the majority having entered the U.S. prior to 2000. Sixty-seven percent of Dallas' current immigrant population comes from Mexico (218,698 of the estimated 326,825). In the Dallas-Fort Worth-Arlington Metropolitan area, immigrants make up 25.2 percent of the labor force. Seventy-seven percent of the foreign-born population in DFW is of working age, compared to 48.7 percent of the native-born population. The earned median income of immigrants is \$30,526.

Additionally, since the passage of the Refugee Act of 1980, Dallas has been the destination for the resettlement of thousands of refugees. In recent years, owing to the availability of jobs, low cost of living, and mild climate, Texas has resettled the largest number of refugees in the country, outpacing California and New York. Among the three refugee resettlement agencies in Dallas, approximately 2,500 refugees are resettled in Dallas annually. As of May 2017, 1,478 refugees have been resettled in Dallas during FY 2016-17 by these 3 agencies.

Dallas WCIA strives to be a bridge connecting Dallas' diverse immigrant community with existing Dallas residents by providing more than 90 community outreach engagements so that we can achieve common ground, shared leadership, and equitable participation in Dallas civic life.

# QUALITY OF LIFE

## EVERY DALLAS RESIDENT DESERVES GREAT NEIGHBORHOODS AND AMENITIES

Livable communities are clean, safe, and characterized by first-rate services and excellent public amenities. Based on feedback from our public input meetings, residents would like the City to find solutions to key quality of life issues such as loose dogs, substandard structures, litter, and high weeds. Expanding services and programs at libraries and recreation centers are also at the top of the community’s list. Over the next two years, we will make significant enhancements to service delivery and programs in these areas.

### SOLVING THE LOOSE DOG PROBLEM

The City established a stand-alone Dallas Animal Services Department (DAS) to enhance service delivery and continue implementation of the 2016 Boston Consulting Group recommendations. This change will bolster service delivery. By the end of FY 2018-19, we will have doubled our intake of loose dogs from 9,158 per year to 18,000 per year. The FY 2018-19 budget includes nine new staff to handle increased shelter volumes.



Our live release rate has increased over the last year from 62 percent to 72.9 percent, while taking in 14 percent more animals than in the prior year. With this budget, DAS is targeting a live release rate of 75 percent in FY 2017-18 and 78 percent in FY 2018-19.

In addition, we are working together with the S.A.V.E. Dallas Program (Spay, Advocate, Vaccinate, and Educate) to focus on spay and neuter operations. With over \$10 million of private grant funding in place, approximately 138,000 dogs will be spayed and neutered over the next 3 years.

DAS is increasing its education of the public, utilizing social media to educate and engage the public in saving animals and promoting public safety. Field Services utilizes the Community Animal Resource Effort (CARE) Team to provide information on vaccinations and low-cost or free spay and neuter procedures. Each animal services officer provides educational and informational handouts to pet owners on Chapter 7 ordinances and responsible pet ownership during every interaction. The Department will offer microchipping to the public at a reduced cost to help ensure citizens will be able to comply with the new mandatory microchip ordinance City Council passed in June 2017.

DAS is committed to maintaining the volunteer program in the animal shelters because they are vital to our mission. We rely on volunteers to help find forever homes for the animals in the shelter. The DAS volunteer program works on early childhood education by highlighting topics in schools such as animal care, community engagement, and career exploration. Additional education outreach efforts include hosting youth for its anchor program, Kids



# QUALITY OF LIFE

Reading to Pets and Families Reading to Pets, Arts in the Shelter programming, enrichment service days, and field trips.

## FIGHTING BLIGHT IN THE COMMUNITY



To tackle difficult substandard structures and zoning cases, the Code Compliance Department is forming an Intensive Case Resolution Team that will handle approximately 1,750 substandard structure cases and another 1,750 illegal land use cases per year. This will allow the City to place our most experienced and highly trained code inspectors on the most difficult cases. It will also relieve neighborhood code inspectors from lengthy casework required for substandard structure cases, enabling them to be more proactive in tackling violations and issues in each code district. The new team will refer an additional 100 cases per year for demolition, for a total of 350 cases. They will also refer additional cases to home repair programs. In the second year of the biennial budget plan, the City Attorney’s Office budgeted for an additional municipal prosecutor to assist with demolition docket cases moving through the Courts.

The budget also includes over \$600,000 for 8 code inspectors to target the 11 Neighborhood Plus areas that show signs of distress such as high number of vacant lots and structures, aging houses, and code compliance complaints. The positions are currently grant-funded, but will be paid for with the General Fund in this budget plan.

*“Focus code efforts on blighted, overgrown areas - hold landowners accountable for decay and blight...” -Ron T.*

The Department created an entry level code inspector position and will hire 19 employees to efficiently address code issues such as high weeds (including mowing more than 36,000 lots annually), litter, bulky trash, junk motor vehicles, and bandit signs in high traffic areas on major thoroughfares throughout the City. Code Compliance will respond to 96 percent of 311 requests within the estimated response time provided to the customer, which we anticipate will reduce the number of overdue requests from approximately 2,500 to 250.

In accordance with a recent City Council ordinance, the budget continues to fund the inspection of single family rental properties on a regular basis. In each year of the biennium we expect to inspect 10,000 properties. Finally, Code Compliance receives approximately 1,200 meeting requests per year from neighborhood associations, crime watch groups, and community groups. Neighborhood code representatives attend to the extent possible, with district managers, supervisors, and management team members attending when a neighborhood representative is unavailable.



# QUALITY OF LIFE

## ENHANCING LEARNING OPPORTUNITIES AT THE LIBRARY

In FY 2017-18, the City will expand service at 14 libraries, increasing the number of days they are open from 5 to 6 days per week. Of 29 libraries, 13 will be open 7 days per week, and 16 will be open 6 days per week. We will add 18 employees and 112 hours of operation. In total, the 29 Dallas Public Library locations will be open a combined 1,622.5 hours per week to serve more than 7.3 million students, job seekers, English as a Second Language (ESL) and General Equivalency Diploma (GED) program participants, and lifelong learners.



Participants at several community meetings explained the importance of library wireless internet access for students whose families do not have the service at home. By opening every library in the system at least six days per week, we will better serve students and all families who need access to reliable internet service.



In FY 2017-18, the Dallas Public Library will add an additional seven employees to aid in efforts to expand and support its ESL and GED programs. The ESL program is currently funded with a \$65,000 grant. The program is staffed by volunteers, and only available in seven libraries. In FY 2017-18, the Library will expand ESL offerings to 28 locations and serve over 800 additional learners, using \$147,000 from the General Fund, and \$140,000 in grant funding. In FY 2018-19, the budget calls for \$300,000, \$235,000 from the General Fund, and assumes \$65,000 in grant funding. We will continue to pursue ESL grant funding, and in addition to dedicating staff to support this program, we will continue to depend on many dedicated volunteers. The Library will continue to offer GED classes at various branch libraries, as well as the GED testing center at the Central Library, at no cost to qualified participants.

## PROVIDING PARKS AND RECREATION CENTERS FOR ALL AGES

The Dallas Parks and Recreation Department maintains and operates over 23,000 acres at 388 parks, 43 recreation centers, 5 tennis centers, 6 golf courses, and 23 aquatic centers. In Dallas, 58 percent of residents live within half a mile of a park but we are working to improve access. Over the next two years, we will maintain these operations, enhance the aquatics and senior programs, and track improved access to facilities and programs. The FY 2017-18 budget includes \$1.7 million, and the FY 2018-19 budget includes \$2 million, for the operation and maintenance of new capital projects, including three new aquatic centers.

# QUALITY OF LIFE

The Dallas Park and Recreation Department's Aquatic Services Division offers comprehensive programs such as recreational open swim, swim lessons, swim team, lifeguarding certification, water safety education, and special events to citizens at 19 facilities throughout the city. Three new family aquatic centers will be ready for swimmers in the summer of 2018. Three additional aquatic facilities will open in the summer of 2019.



The three centers opening next summer will generate 93,000 additional visits annually, and offer a full complement of aquatic programs including swim lessons and swim team, which build strength, coordination and self-esteem, and improve quality of life. Quality learn-to-swim programs and a robust scholarship program provide an essential life-saving service to reduce and prevent drowning incidents which continue to be a leading cause of injury death of children. The southernmost aquatics facility will be located in Southeast Dallas, an area previously not served, significantly reducing distance and travel time to quality aquatic programs.

In this budget, the City will provide \$735,000, an increase of \$250,000, for senior programming at Dallas recreation centers. The Dallas Park and Recreation Department's Senior Program Division offers senior programming under the Active Senior and Adult Programs (ASAP) at 43 recreation centers. ASAP is designed to address 5 core areas: 1) health and wellness, 2) socialization, 3) competition, 4) special interest courses, and 5) special events. The Department will hire 20 new part-time staff dedicated solely to the Senior Program Division. The increase in staff will enable approximately 10,140 additional hours of annual senior programming, including fitness/exercise; water aerobics; nutrition education; dance classes; art instruction; theater; and technology courses. Further, Park and Recreation will purchase one 12-passenger ADA accessible van to transport participants to programs and outings that take place off-site.



The City is committed to restoring and protecting Fair Park, a 277-acre signature, multi-venue park and entertainment complex owned and operated by the City. Located two miles from downtown Dallas, Fair Park is a National Historic Landmark and is home to the largest collection of Art Deco architecture in the United States. Fair Park serves 5 million guests annually. The budget includes \$18 million for maintenance, preservation, and operation of Fair Park. In FY 2016-17, we increased funding for Fair Park by \$6.5 million, and in both years of the biennial budget, we continue to include the additional \$6.5 million.

# QUALITY OF LIFE

## PROMOTING DIVERSITY IN THE ARTS

The Office of Cultural Affairs (OCA) monitors attendance and arts participation from OCA-managed facilities and from its partner organizations. Attendance serves as a reliable metric for the health of the local arts and culture sector and the overall level of participation and interest in the arts. OCA anticipates 4.6 million people will attend an OCA supported arts event in FY 2017-18.

In both years of the biennial budget, OCA will devote \$285,000 to maintain support for culturally specific arts groups in alignment with the City's cultural policy. OCA is launching a year-long citywide cultural planning effort that will likely result in changes to the cultural program funding in FY 2018-19 based on feedback received from community stakeholders such as cultural organizations, artists, the Cultural Affairs Commission, City Council, and residents.



## SERVING AS A DESTINATION FOR BUSINESS AND LEISURE TRAVELERS

The Kay Bailey Hutchison Convention Center Dallas (KBHCCD) is one of the premier convention destinations in the nation. With over 1 million square feet of exhibit space, KBHCCD hosts over 100 professional, religious, corporate, consumer, trade, sports, and educational events each year. The Convention & Event Services (CES) enterprise department operates KBHCCD. It is funded by the Hotel Occupancy Tax, Alcohol Beverage Tax, and event-driven revenues. Revenue is projected to grow in FY 2017-18 by \$1.4 million, or 1.4 percent, and by \$3.6 million, or 3.7 percent, in FY 2018-19. CES anticipates over 1.1 million people will attend an event at the convention center in FY 2017-18. Those attendees will bring economic activity to Dallas through hotel and restaurant spending.





# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## DALLAS RESIDENTS DESERVE A CITY GOVERNMENT THAT IS RESPONSIVE TO PUBLIC CONCERNS AND PRUDENTLY MANAGED

The citizens of Dallas deserve a city government that measures its performance and exercises prudent financial management. We do this by: holding ourselves accountable to the public; focusing on the financial sustainability of our services; and ensuring the City is an employer of choice.

### BRINGING CITY HALL TO THE COMMUNITY

One of the most convenient ways for Dallas residents to contact the City is by calling 311. Dialing 311 connects a local call to a City customer service agent. Customer service agents answer calls 24 hours a day, 7 days a week, 365 days a year. A resident may call 311 to ask questions or request a City service.

To expand access to City Hall, 311 will add four new customer service agents. These new agents will work from both the West Dallas Multipurpose Center and the MLK Community Center. In addition to answering incoming calls, these new agents will provide a human face for residents who prefer to speak with someone in person. We will monitor the results of offering in-person support to determine if this approach should be expanded in the future.



Additionally, 311 will assume call-answering functions for the auto pound which will decrease customer hold times and increase customers' ability to easily get information about their impounded vehicles through live agents and the interactive voice response system.

311 will implement a new customer relationship management system in FY 2017-18. New software will provide dashboard visualizations of service request activity, make it easier to create service requests, and update customers through the lifecycle of a service request, utilizing a variety of communication channels (mobile app, web, text, and email).

City Hall will also be more accessible to the community with the establishment of Council offices outside City Hall. District offices will improve access for citizens and help Council Members in their interaction with constituents. We will roll-out the new offices in phases by funding up to five pilots in FY 2017-18, and up to five pilots in FY 2018-19.

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## HOLDING OURSELVES ACCOUNTABLE TO THE PUBLIC

City Hall must be accountable to the citizens of Dallas. We exist solely to provide the services upon which residents rely – from emergency response to meeting critical community needs, to providing places to live and play in Dallas. City services are available all day, every day of the year.



In Dallas 365, we will report quarterly on 35 performance measures around 6 strategic priorities. Making this information accessible to the public allows citizens, City Council, businesses, and visitors alike to be better informed about the progress of specific City programs and services. The first Dallas 365 report will be available in late January 2018.

*“Develop a meaningful set of metrics (inward and outward facing) that exposes true service delivery and performance to the Council and public.” -Michael V.*

## IMPROVING OUTREACH

The new Public Affairs and Outreach Office will improve both external and internal communication. Externally, the Office will enhance community outreach by focusing on at least 10 underserved communities across the City. Staff will create an educational booklet with frequently asked questions about City services, which will improve communication with citizens we may not reach on digital platforms. Additionally, staff and volunteers will visit these underserved communities. Internally, Public Affairs and Outreach will work proactively with other City departments to ensure they receive the advice and resources necessary to effectively communicate to those they serve. The Office will create a dashboard to engage all employees who have computers and create other forms of communications for those that do not have easy access to computers.

The Office of Strategic Partnerships (OSP) will combine the existing Office of Intergovernmental Services with a new enhanced external affairs function. This new Management Services division will elevate existing partnerships and manage key relationships with other governmental and private entities. OSP will also seek to identify new value-added partnership opportunities. OSP will engage in strategic outreach and planning with the City's key external stakeholders and identify opportunities for collaborative approaches on issues of common concern. Key stakeholders include area school districts; chambers of commerce and business groups; institutions of higher education; transportation agencies such as Dallas Area Rapid Transit (DART), North Central

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Texas Council of Governments (NCTCOG), and Dallas/Fort Worth Airport (D/FW); and other external agencies.

The Office of Business Diversity (OBD) is being separated from Procurement Services, and has three key focus areas: 1) opportunity creation, 2) building capacity, and 3) diversity compliance. Under opportunity creation, OBD has created a Diversity Task Force consisting of members from the various small, minority, and women owned advocacy groups in Dallas. Additionally, OBD has budgeted for two positions in order to have a dedicated and talented team of industry subject matter experts (Construction, Architecture and Engineering, Professional Services, and Goods and Services) to better analyze historical and upcoming contracts by industry. The building capacity focus area will allow OBD to create a Small and Emerging Business program in which small dollar contracts will be identified to create an entry point into doing business with the City as prime contractors. Finally, under the third focus area of diversity compliance, OBD will continue the trend of increasing Minority and Women Owned Business Enterprises (M/WBE) participation on City contracts by enhancing the contract compliance system. This new outreach model anticipates an overall positive impact on the Dallas economy through increased revenue for small, minority, women owned firms doing business with the City while potentially lowering the cost of City contracts through increased competition and industry specific outreach.

## STRENGTHENING FINANCIAL SUSTAINABILITY

In addition to preparing a biennial budget, we are implementing other measures to improve our sustainability. The *Five-Year Forecast* for the General Fund goes three years beyond the biennial and considers both revenue and expense adjustments. While we know that the numbers will change as we move forward, it is important to keep an eye on the future.

We have made decisions over the past few years that have allowed us to build up the fund balance within the General Fund. While required in the Financial Management Performance Criteria (FMPC) to have an unassigned Fund balance of no less than 30 days, we anticipate starting FY 2017-18 with 45 days' reserve. The unassigned Fund balance is anticipated to be over \$165 million and represents about 12.9 percent of the General Fund operating expenses. These reserves are an important factor in credit rating decisions. Therefore, we will seek to maintain and grow the Fund balance.

The FY 2017-18 budget redirects and transfers funding to begin a consolidation of Accounts Payable activity within the City Controller's Office. This will improve our ability to pay our vendors more quickly, and to meet the *Dallas 365* goal of paying 93 percent of invoices within 30 days. Also by redirecting funds, the Office of Budget will expand capacity and improve oversight of departmental spending and operations.

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

In another effort to provide appropriate oversight of City operations, the Office of Risk Management will alleviate the Police and Fire-Rescue Departments' equipment collision investigation burdens by assuming collision review committee functions. This will allow uniform employees to focus on public safety, and ensure consistent and independent reviews, preventability assessments, and classification of each collision that will result in more accurate trending and corrective action planning.

To be sustainable, we must take care of our assets. Unfortunately, we have had to defer maintenance of our facilities and infrastructure because we have not had enough funding in the budget. Over the course of the next two years, the budget increases the City's cash investment in maintaining our assets. We have put in place a gradual approach to increase funding for both major building maintenance, and street and alley maintenance. In both of these areas, funding will increase from FY 2016-17 to FY 2017-18, and to FY 2018-19. While this funding is much needed, it will take a significant investment to deal with our capital needs, which is why a November 2017 General Obligation Bond Program is recommended. The proposed bond program would add over \$1 billion to our capital improvement program, if approved by voters.

## IMPROVING OUR PROCESSES THROUGH TECHNOLOGY

To sustain the City's daily services and safeguard its information assets, Communication and Information Services (CIS) must continue to maintain information technology infrastructure that is resilient, scalable, agile, and secure from cyber-threats and natural disasters. The Department budget includes \$15.6 million to refresh aging technology: upgrading voice and data networks; wi-fi in Libraries, Recreation Centers, and other public facilities; and adding surveillance cameras and in-vehicle computers for Police and Fire.

CIS will continue to roll out modern and adaptable software for better collaboration and communication within City departments, and between the City and its residents and businesses. Before buying new products, CIS will consider common or shared solutions to harmonize the variety of technologies existing within the City. The budget includes \$11.5 million to modernize not only 311 and 911, but also a variety of City legacy systems such as human resources, capital project and work order-asset management, code information management, fire inspection, and intelligent traffic management. With these systems, Dallas is leveraging technology to improve the efficiency, responsiveness, and cost-effectiveness of government services.

The public should be able to contact the City for service through both traditional and digital forms of communication. City services are currently available through several channels, such as face-to-face communications, mail, telephone, and online. As technology evolves, the City's digital presence must develop commensurately. While some departments are already



# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

providing online services, other smaller departments are limited in their capacity to build an online presence. As a result, the City's digital services are fragmented and lacking common standards. In this budget, \$2 million will be used to transform the way the City does business, moving away from the long wait lines, paper forms, and poor user experience on many City websites. These improvements will usher in a more streamlined, modern, and digital method of transacting the City's business. CIS will collaborate with City departments, citizens, and businesses to launch an array of new solutions, such as: electronic plan review, which reduces physical trips for plan drop off and pick up; an electronic payment system; a business portal to help potential new business owners with navigating a complex regulatory process; and a big data platform to analyze and derive insights from large and diverse sources of information to better predict and respond to change.

## ACHIEVING DISTINCTION AS AN EMPLOYER OF CHOICE

A career in public service is a choice, and we are fortunate to have so many dedicated employees who have chosen to put *Service First* and join the City of Dallas team. Serving more than 1.3 million citizens and 25 million visitors annually would not be possible if it were not for the 13,314 dedicated men and women that work for the City.

Throughout the document, you will see references to full-time equivalents (FTE). An FTE is a budget calculation that counts the number of personnel hours funded for the fiscal year. Each FTE equals 2,080 hours. Not all positions are funded at 100 percent because some positions are only temporary or part-time. Even full-time positions are not funded at 100 percent because we recognize that there is attrition throughout the year. This is a well-established and responsible budgeting technique.

Salary and benefit costs, including compensation, overtime, employee health benefits, and pension, represent 72.4 percent of the City's total General Fund budget. The new budget includes adjustments to compensation, benefits, and pension.

The City has also budgeted for an increase in all employee wages to a minimum of \$10.94, which reflects the MIT living wage index, and mirrors Council policy on living wage requirements for contractors.

The FY 2017-18 budget and the FY 2018-19 planned budget both include pay adjustments for uniform employees based on the three-year Meet and Confer agreement, and the required funding for the Dallas Police and Fire Pension System. The FY 2017-18 budget and the FY 2018-19 planned budget also include a merit program for civilian employees. Based on performance reviews, civilian employees will receive merit pay. Average pay increases of 3 percent for each year of the biennial are expected to be effective in January 2018 and January 2019. Civilian employees' contributions to the Employee Retirement Fund will remain the same in FY 2017-18 (13.32 percent).

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

The City of Dallas provides health benefits to 22,006 employees, retirees, and dependents through our self-insured health benefit program. City contributions plus employee and retiree premiums fund the plan each year. The FY 2017-18 employee/retiree health benefit program includes the following proposed plan changes for 2018:

- Active employees' health care premiums will not increase in 2018. Further, premiums for family coverage on the 75/25 HRA Plan for active members will be reduced by \$50 per month to better align with other cities' plan premiums. The current monthly cost for the HRA Plan with family coverage is \$663 and this will decrease to \$613.
- Premiums for retirees enrolled in a City of Dallas self-insured plan will increase by \$25 per month in 2018. This modest increase in premiums for pre-65 retirees helps offset the plans' health care cost increases. Premiums for retirees on Medicare supplemental plans remain the same for 2018.
- The City will implement changes to improve coverage for all participants. The changes will include lower copayments for maintenance medications. Medications impacted by this change could include prescriptions to treat diabetes, hypertension, or high cholesterol. The City is also providing a Disease Management Program to assist individuals living with Diabetes. Telemedicine will also be offered in 2018. This will allow people to have a visit with a doctor without leaving the comforts of home. The City of Dallas health plan participants will also have the benefits of Airrosti being added to the health plan network in 2018. Airrosti provides an alternative to surgery through manual therapy and rehabilitative exercise to correct the underlying issue and prevent future injuries. While there are some initial costs for these plan changes, we believe these changes will improve the overall health of plan members and reduce long-term costs associated with unmanaged chronic diseases.

A well-educated workforce helps improve the City's delivery of services. To this end, the City will continue to support employees in furthering their careers by funding \$177,000 for the Tuition Reimbursement Program. Through this program, employees can be reimbursed up to \$1,500 a year for college coursework.

By subsidizing the Dallas Area Rapid Transit (DART) pass, the City furthers two goals – to help employees with their vital transportation needs and to reduce pollution by encouraging public transport. This budget includes \$60,000 towards DART subsidies for employees.

City of Dallas employees give back to their community! Through the City's Charitable Campaign, employees contributed more than \$166,000 to charities in 2017. We will continue this important program that provides an easy way for employees to personally help support the Dallas community.

# DALLAS 365

## WE PUT SERVICE FIRST 365 DAYS A YEAR

City Hall must be accountable to the citizens of Dallas. We exist solely to provide the services upon which residents rely – from emergency response to meeting critical community needs, to providing places to live and play in Dallas. City services are available 24 hours per day, 7 days a week, 365 days a year.

In *Dallas 365*, we will report quarterly on 35 performance measures around 6 strategic priorities. Making this information accessible to the public allows City Council, citizens, businesses, and visitors alike to be better informed about the progress of specific City programs and services. The first *Dallas 365* report will be available in late January 2018.



## STRATEGIC PRIORITIES

Developed by the City Council and City Manager, these strategic priorities, associated high-level goal statements, and specific performance measures will guide the work of City staff over the next biennium:



**Public Safety** – Enhance the welfare and general protection of residents, visitors, and businesses in Dallas



**Mobility Solutions, Infrastructure, and Sustainability** – Design, build, and maintain the underlying structures necessary to support Dallas' citizens



**Economic and Neighborhood Vitality** – Strengthen and grow the business community while planning and strengthening the long-term vitality of Dallas neighborhoods by expanding housing options and creating job opportunities



**Human and Social Needs** – Provide services and programs to meet basic human needs by focusing on prevention or resolution of systemic problems



**Quality of Life** – Provide opportunities that enhance the standard of health, comfort, and happiness of Dallas residents



**Government Performance and Financial Management** – Ensure that internal operations are conducted in a manner that promote core values of excellence, empathy, equity, and ethics

# DALLAS 365



## PUBLIC SAFETY

Enhance the welfare and general protection of residents, visitors, and businesses in Dallas		
Department	Measure	Target
Dallas Fire-Rescue	Average response time 1 <sup>st</sup> paramedic (in minutes)	5:00
Dallas Fire-Rescue	Percent 1st company responding to structure fires within 5:20 of dispatch	90%
Dallas Police	Homicide clearance rate	56%
Dallas Police	Response time for dispatched Priority 1 calls	8:00
Dallas Police	Number of arrests by Field Patrol	52,000
Dallas Police	Total arrests by Narcotics Division	804
Dallas Police	Percent 911 calls answered within 10 seconds	90%
Dallas Police	Number of community events attended	1,080



## MOBILITY SOLUTIONS, INFRASTRUCTURE, AND SUSTAINABILITY

Design, build, and maintain the underlying structures necessary to support Dallas' citizens		
Department	Measure	Target
Public Works	Number of potholes repaired	34,100
Public Works	Percent street segments completed within scheduled work days	91%
Public Works	Number of lane miles resurfaced	187
Sanitation Services	Missed refuse and recycling collections per 10,000 collection points/service opportunities	11.50
Sanitation Services	Tons of residential recyclables collected	57,615
Transportation	Percent of streets thoroughfare street lights working	96%
Transportation	Percent of streets with visible striping	50%
Dallas Water Utilities	Meter reading accuracy rate	99.95%

# DALLAS 365



## ECONOMIC AND NEIGHBORHOOD VITALITY

Strengthen and grow the business community while planning and strengthening the long-term vitality of Dallas neighborhoods by expanding housing options and creating job opportunities

Department	Measure	Target
Housing and Neighborhood Revitalization	Average cost per home repair	\$75,000
Housing and Neighborhood Revitalization	Number of housing units produced	305
Office of Economic Development	Net new jobs created (note: new measure)	TBD
Sustainable Development and Construction	Overall value of permits issued	\$4 billion



## HUMAN AND SOCIAL NEEDS

Provide services and programs to meet basic human needs by focusing on prevention or resolution of systemic problems

Department	Measure	Target
Office of Community Care	Number of seniors served	1,933
Office of Community Care	Cost per household assisted	\$8,952
Office of Homeless Solutions	Number of days to close homeless encampment from report to clean-up, hardening, or reclamation	45
Office of Homeless Solutions	Number of unduplicated homeless persons placed in housing	235
Welcoming Communities and Immigrants Affairs	Number of community engagements undertaken	92

# DALLAS 365



## QUALITY OF LIFE

Provide opportunities that enhance the standard of health, comfort, and happiness of Dallas residents

Department	Measure	Target
Code Compliance	Number of single family rental properties inspected (initial inspections and reinspections)	10,000
Code Compliance	Number of lots mowed & cleaned	36,000
Code Compliance	Percent of 311 service requests responded to within stated estimated response time (ERT)	96%
Dallas Animal Services	Live release rate	75%
Dallas Animal Services	Percent increase in field impoundments	14%
Dallas Public Library	Library visits in person, online, and for programs	7,312,000
Office of Cultural Affairs	Attendance at OCA supported arts events	4,583,487
Park and Recreation	Percent of residents within ½ mile of a park	61%



## GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT

Ensure that internal operations are conducted in a manner that promote core values of excellence, empathy, equity, and ethics

Department	Measure	Target
City Controller's Office	Percent of invoices paid within 30 days	93%
Office of Business Diversity	Percent of dollars spent with local businesses	50%



# BUDGET DEVELOPMENT AND MONITORING PROCESS

## BUDGET DEVELOPMENT IS A PROCESS OF ALIGNING FINANCIAL RESOURCES TO CITY PRIORITIES

*“I do not envy the job of allocating funds to City services and I greatly appreciate the difficulty of such decisions.” – Jennifer F.*

The City of Dallas budget process is about more than numbers. It is about results. Citizens expect the City to be efficient with their tax dollars, fees, and charges, and to place *Service First*. In the budget process, the City has worked hard to align its funding with the priorities expressed by the City Council and the public.

## BUDGETING FOR LONG-TERM FISCAL SUSTAINABILITY
























For the first time ever, the City’s budget is presented as a biennial budget, including both the FY 2017-18 proposed and FY 2018-19 planned budgets. During the development process, departments present, for the City Manager’s consideration, the FY 2017-18 cost for each request, and the cost in FY 2018-19. Thus, the biennial budget process is a more efficient, effective budget process, and demonstrates that the City recognizes that policy decisions must be fiscally sustainable in the long-term.

## BUDGETARY OVERSIGHT AND AUTHORITY

Although the proposed budget is a two-year plan, State law requires the City Council to adopt the budget annually. Therefore, the City will continue to budget and appropriate funds during the first year while providing a plan for second year funding. The City will conduct a budget development process in the second year focused on refining estimates, reviewing performance, and responding to economic conditions. The City Manager may consider short-term or one-time projects in the second year and incorporate them into the budget. City Council will review and adopt the budget each year. Further, the City Council will adopt the tax rate annually in compliance with State law.

# BUDGET DEVELOPMENT AND MONITORING PROCESS

The below table summarizes the process for developing and adopting the budget each year of the biennial. A more detailed calendar is available in the appendix.

City of Dallas Biennial Budget Cycle										
	Year 1 					Year 2 				
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
City Council Briefing – Preliminary Outlook										
										
City Council Planning										
										
Budget Kickoff – departments prepare funding requests & identify efficiencies										
										
City Council Briefing – Budget Update										
										
City Manager’s Office holds budget deliberations										
										
City Council Briefing – Budget Update										
										
City Manager’s Proposed Budget presented to City Council										
										
City Council Budget Town Hall Meetings										
										
City Council adopts Budget & sets tax rate										
										

## ADMINISTRATION

The City’s current monthly budget review process will continue and will focus on ensuring compliance with budget policies, processes, and targets. The monthly forecast process allows the City to review spending as well as economic assumptions used to develop revenue, and adjust the budget when necessary.

Staff will continue to develop the monthly Financial Forecast Report and brief the Government Performance and Financial Management Committee quarterly. Transfers between funds and programs and unplanned contingency requests will be presented to City

# BUDGET DEVELOPMENT AND MONITORING PROCESS

Council for approval. We will reconcile year-end fund balances for operating and capital funds during the second year of the budget development process. The City’s mid-year adjustment process will continue annually and will be used to address requests for additional appropriation or adjustments to departments at risk of ending the year over budget due to unexpected expenses. Unexpended funds will expire at year-end annually.

## OUTLOOK

The proposed biennial budget serves to refine the long-rang planning process in the City of Dallas. The City Manager has incorporated City Council priorities into the biennial budget with funding levels identified. If Council priorities shift during the first year, we will incorporate changes during the development process in the second year.

## ENGAGING THE COMMUNITY

Understanding the needs and priorities of the citizens of Dallas is key to developing a meaningful budget. We have involved citizens throughout the process. Community engagement promotes financial transparency and accountability and helps staff and the City Council understand citizens’ budget priorities for the biennium. Our robust engagement activities have included community input meetings, on-line and hard-copy surveys, comment cards, public hearings, and town-hall meetings.



New this year, we held nine citizen input meetings during March in advance of the City Manager beginning the budget development process. This allowed staff to hear from citizens early in the process. The City advertised the meetings through print media, radio, and social media. Advertising efforts included:

“Thanks for asking for our input” – Erica D.

- Newspapers – *Dallas Morning News, Al Dia, El Hispano News, Elite News, Dallas Examiner, Dallas Chinese Times, and Korean Daily Times*;
- Radio – Latino Mix and Heaven 97; and
- Other – social media, press releases, notices to homeowners’ associations, and the City’s website.

# BUDGET DEVELOPMENT AND MONITORING PROCESS

Details of the nine meetings:

Date	Facility	Residents Attending	Surveys	Comment Cards
March 4	Latino Cultural Center	26	12	4
March 4	West Dallas Multipurpose Center	28	12	5
March 9	Lancaster-Kiest Library	22	13	10
March 16	Lake Highlands Recreation Center	18	11	8
March 20	Janie C. Turner Recreation Center	39	16	6
March 21	Walnut Hill Recreation Center	68	41	9
March 22	Southwest Center Mall	24	14	8
March 23	Skyline Branch Library	26	5	6
March 27	Fretz Recreation Center	27	5	4

In addition to onsite meetings, the City collected responses to an online survey. In total, citizens completed 1,382 surveys, with 143 surveys collected onsite in the community meetings, and from drop boxes located at libraries and recreational centers across the City. Over 450 residents joined our community outreach list and we received close to 550 comments through outreach efforts. We have included citizen comments throughout the Budget Overview.

Frequent resident comments, which informed the development of the FY 2017-18 budget, included:

- Desire for enhanced transparency and accountability;
- Enhanced focus on streets; including repairs by vendors, backlog of needs, and flood control;
- Desire to increase library hours and materials;
- Desire to create senior centers and enhance senior programming in libraries and recreation centers;
- Investment in City facilities (including ADA compliance);
- Impact of Code violations on seniors – City should provide information to residents on resources available for help;
- Upgrade and enhance services at City parks and recreation centers;
- Need for affordable housing/homelessness solutions;

# BUDGET DEVELOPMENT AND MONITORING PROCESS

- Youth programming as crime prevention;
- 911 response times;
- Better planning with DART to improve services;
- Sustainability of City’s financial future;
- Revenue growth potential without increased taxes;
- Smart economic development;
- Pension fix without raising taxes;
- Ways to make public-private partnerships fair/equitable; and
- Streamlined/more efficient permitting process.

Residents expressed their needs and concerns, and City management listened. Although City management was not able to include every needed or requested item, we did consider all input during the process. Community input led to a focus on City streets and infrastructure, housing, senior programming, expanded library hours, and investment in City facilities.

*“We thank you for your survey and asking the people of these areas (South Oak Cliff) our opinions.” - South Oak Cliff HS Bear Cave Alumni Board*

Beginning August 8, 2017, City Council Members will host town hall meetings to discuss the budget with residents. City management will attend every town hall meeting to provide details and answer questions.





# FIVE-YEAR FORECAST

## GENERAL FUND – FIVE-YEAR FORECAST

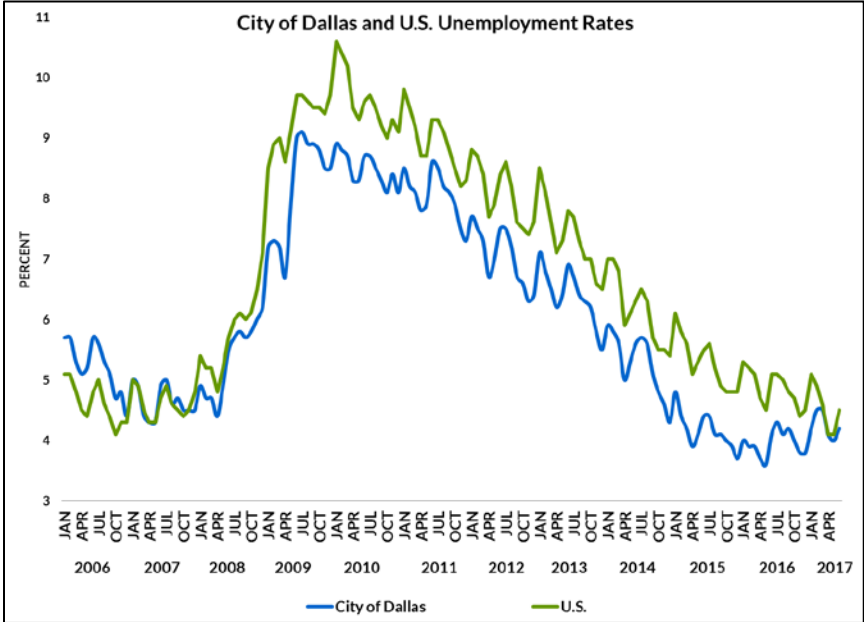
The City of Dallas’ *Five-Year Forecast* provides an early look at potential gaps between revenue and expenses. The forecast and biennial budgeting are financial planning tools to project long-term fiscal sustainability of policy decisions. Many of the assumptions, projections, and cost estimates are based on early and preliminary information and as such will change in future years.

*“If you take care of the pennies then the dollars will take care of themselves. I urge that the city staff really take a long-term approach in balancing the budget. I’d love to see more openness to new partnerships and innovative ideas on how to address the gaps that may exist after the budget is balance.” -Denise G.*

The City’s financial position is directly linked to the local, national and global economies. The projections are based upon an analysis of variables including gross domestic product, unemployment rate, personal income, population, value of new construction, retail vacancy rate, and historical trends. Therefore, the local and national economic data is presented to support the financial projections.

## UNEMPLOYMENT

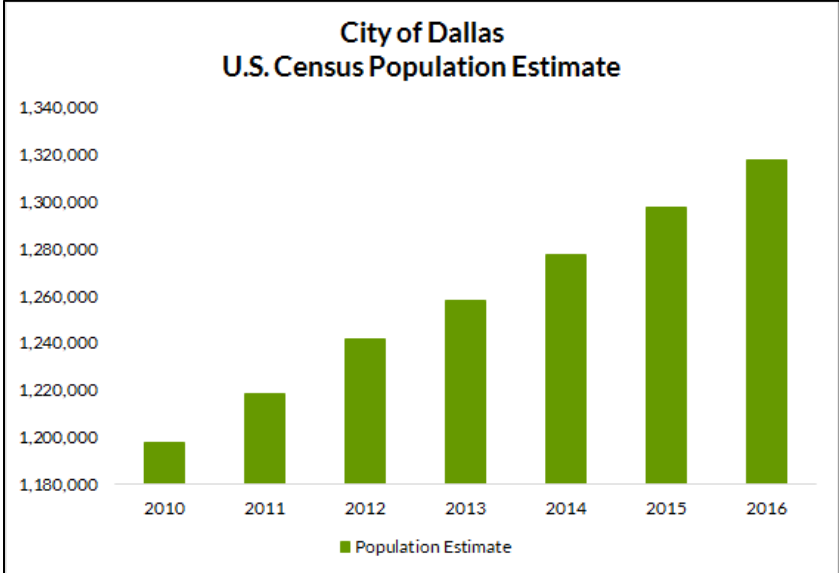
Dallas Metropolitan Statistical Area (MSA) economy remains strong with strong home price growth, job growth, and population growth compared to the nation. The number of City of Dallas residents employed is 648,261 which is the average for the first half of 2017 and the



six-month average unemployment rate is 4.3 percent. June 2017 was the 28<sup>th</sup> consecutive month that the reported unemployment rate within the City of Dallas has outperformed the state’s unemployment rate (Source: Bureau of Labor Statistics, Texas Workforce Commission; and City of Dallas, Office of Economic Development).

# FIVE-YEAR FORECAST

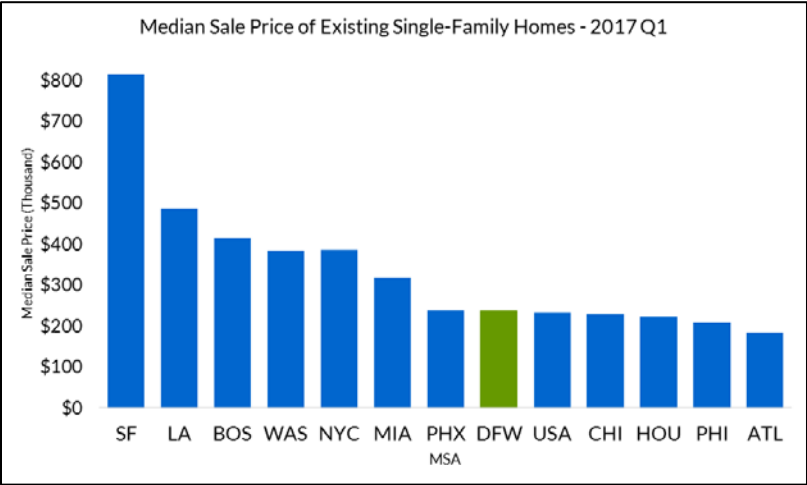
## POPULATION



Year over year growth continues in population estimates. Population growth remains strong as sales tax collections have a strong correlation to local economic conditions. With growth in population and a decline in the unemployment rate, the local economy is expected to continue to grow. This growth will be reflected in sales tax collection.

## HOME VALUES

As one of the top destinations for domestic relocations, Dallas regional home prices continue to grow faster than the nation. The median home value in the Dallas-Fort Worth metropolitan area is \$236,500 (NAR 2017 Q1). Median sale prices in the Dallas-Fort Worth metropolitan area increased by 9.6 percent during 2016 and increased by 2.6 percent during the first quarter of 2017 (Source: NATIONAL ASSOCIATION OF REALTORS®). The Dallas-Fort Worth metropolitan area continues to be a destination location. This attraction has a significant impact on property value growth.



# FIVE-YEAR FORECAST

## REVENUE TRENDS

Revenue projections in the long range financial plan focus primarily on property tax and sales tax revenue which account for 78 percent of the General Fund revenue in FY 2017-18.

## PROPERTY TAXES

Property taxes are levied on net assessed value, which includes locally assessed real property, improvements and personal property less exemptions. The aggregate assessed value in each of these categories changes from year to year due to market trends, depreciation, exemptions, legislative changes, and construction activity. Market and growth estimates are based on historical trends. Property tax revenue increased 7.18 percent in FY 2017-18 compared to FY 2016-17. The forecast assumes 5 percent growth in existing values plus new construction in FY 2018-19.

The 2017 certified values reflect tremendous growth within the commercial and residential categories. Office of Economic Development analysis indicates growth in the national economy continues to spur growth in residential and commercial property valuations and construction within Dallas. New commercial construction growth is expected to remain strong next year, with high-end multifamily and office construction being the leading contributors.

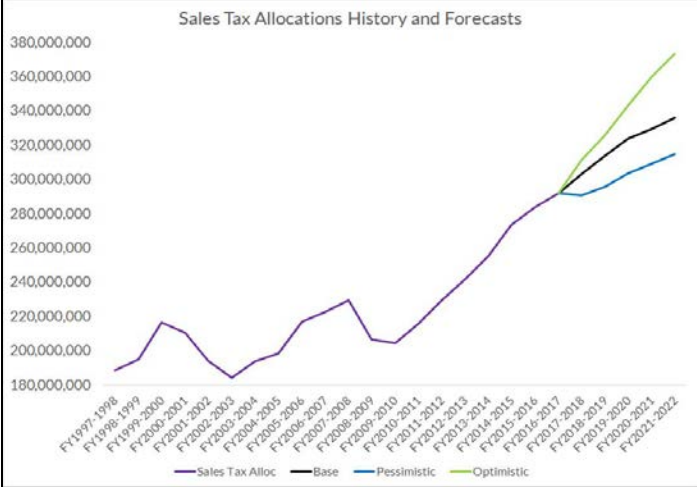
Fiscal year	New Construction Value	Total % Change from prior year
FY 2008-09	\$ 1,891,609,289	
FY 2009-10	\$ 1,717,630,312	-9.2%
FY 2010-11	\$ 1,014,356,057	-40.9%
FY 2011-12	\$ 731,024,938	-27.9%
FY 2012-13	\$ 792,860,283	8.5%
FY 2013-14	\$ 976,046,178	23.1%
FY 2014-15	\$ 1,561,130,657	59.9%
FY 2015-16	\$ 2,018,934,470	29.3%
FY 2016-17	\$ 2,535,856,475	25.6%
FY 2017-18	\$ 3,313,184,804	30.7%

Although net assessed property tax valuation continues to increase in FY 2017-18 (7.18 percent), the growth rate of net assessed valuations may be constrained beginning in FY 2018-19 if House Bill 44 is passed by the Texas State Legislature. House Bill 44 limits the City’s revenue growth to 5 percent per year effective January 1, 2018. This will impact property tax revenue in future years. The projected revenue is based on the current tax rate of \$78.25¢ per \$100 valuation.

# FIVE-YEAR FORECAST

## SALES TAX

The city collects 8.25 percent on taxable goods or services sold within the City limits. Of the 8.25 percent collected, the state retains 6.25 percent and distributes 1 percent to the City of Dallas and 1 percent to the Dallas Area Rapid Transit. Sales tax revenue is the most volatile revenue the City’s General Fund collects. After declines in sales tax revenue from FY 2007-08 to FY 2009-10 due to the recession, year-over-year collections improved starting in FY 2010-11 and have increased year-after-year thereafter.



The Office of Economic Development forecasts sales tax revenues will grow moderately from FY 2017-2018 through FY 2019-2020 and slow but not contract in FY 2020-2021 and FY 2021-22. The Office of Economic Development uses quarterly MSA personal income, MSA unemployment rate, and a seasonal categorical variable as inputs.

Period	Growth Rate
FY 2017-2018	3.8%
FY 2018-2019	3.5%
FY 2019-2020	3.2%
FY 2020-2021	1.6%
FY 2021-2022	2.0%

## OTHER REVENUE

Other revenue consists of dozens of revenues collected from various sources including franchise revenues, license and permits, intergovernmental, fines and forfeitures, charges for services, and miscellaneous. Revenue projections for other revenue are forecasted to increase 1 percent in the forecast period with no significant variances projected.

## EXPENDITURES

Expenditure projections focus on personnel services, supplies, contracts and capital. Personnel services reflect projections for salaries, medical benefits and retirement. Supplies and materials, services and charges includes cost required to support utilities, fuel, fleet, risk management, CIS infrastructure and contributions to outside agencies.

# FIVE-YEAR FORECAST

## PERSONNEL SERVICES

Personnel services expenditure projections in the long range financial plan assume current service levels and changes in personnel cost reflect a civilian merit and meet and confer adjustments for the dedicated civilian and uniform employees it takes to deliver those services. Civilian salary projections assume a constant level of staffing and a 3 percent merit annually. Sworn salary projections reflect the Meet and Confer Agreement. The agreement includes two step increases in the first year of the agreement, a single step increase in the second year, two more step increases in the third year and a 2 percent pay increase for personnel who have reached the top step in their respective rank.

Projected future pension costs for police and fire reflect the minimum contributions the City is required to fund for police and fire pension as enacted by the Texas State Legislature through House Bill 3158. House Bill 3158 changed the City’s contribution rate to 34.5 percent, changed computation categories and requires a minimum contribution by the City of more than the calculated rate. The table below reflects the City’s minimum contribution by fiscal year.

Fiscal Year	Minimum City Contribution
FY 2017-18	150,712,800
FY 2018-19	156,818,700
FY 2019-20	161,986,377
FY 2020-21	165,481,401
FY 2021-22	169,023,200
FY 2022-23	165,659,700

The minimum pension contribution resulted in \$41 million more to the pension than the City would otherwise have contributed before the legislation passed. Due to higher than normal attrition for both Police and Fire, the City has the capacity to fund the increase in pension in FY 2017-18 and FY 2018-19 without a tax increase or significant cuts in service.

The Police and Fire departments are focused on aggressive recruitment and the forecast assumes another 250 officers and 80 fire recruits hired in FY 2019-20 and historical attrition. Retirement contribution rates for civilian employees are projected to increase by 1 percent in the forecast period. The forecast assumes a 6 percent increase in health insurance in the forecast period.

## OTHER EXPENSES

Growth rates for supplies, contractual services and capital outlay are forecast to increase 1.2 percent based on the three-year average of the Consumer Price Index (CPI). CPI serves as a cost of living index. The forecast assumes an annual contribution of \$2 million for major maintenance.

CPI*	
Year	Dec.-Dec. Increase
2012	1.5%
2013	1.3%
2014	0.5%
2015	0.4%
2016	1.9%

# FIVE-YEAR FORECAST

## FUND BALANCE

The City’s Financial Management Performance Criteria states unassigned Fund balance of the General Fund shall be maintained at a level not less than 30 days of the General Fund operating expenditures less debt service. The establishment and maintenance of a financial reserve policy is critical to prudent financial management. The projection reflects unassigned Fund balance at 30-45 days of the General Fund operating expenditures in FY 2017-18 through FY 2019-20.

## OUTLOOK

The forecast model projects what could occur based on certain circumstances as there are multiple factors which can significantly increase or lower revenue and expenditure forecasts. The estimates are projected into the future, the probability of accuracy is greatly diminished with each additional year forecasted. The forecast is projecting revenues to exceed expenditures. The forecast assumes historical attrition and hiring levels for police and fire attrition in FY 2019-20.

Long Term Financial Plan					
\$ in Millions					
Revenue Source	FY 2017-18 Budget	FY 2018-19 Proposed	FY 2019-20 Planned	FY 2020-21 Planned	FY 2021-22 Planned
Property Tax Revenue	\$654.5	\$701.2	\$748.5	\$795.4	\$843.6
Sales Tax Revenue	\$303.3	\$314.1	\$324.1	\$329.3	\$335.9
Other Revenue	\$321.0	\$309.4	\$296.4	\$296.4	\$296.4
Total Revenues	\$1,278.8	\$1,324.7	\$1,369.0	\$1,421.1	\$1,475.9
Expenditures	\$1,278.8	\$1,324.7	\$1,402.5	\$1,437.0	\$1,472.3
Changes in Encumbrances and Other Balance Sheet Accounts	(\$4.7)				
Ending Fund Balance	\$165.3	\$165.3	\$131.8	\$115.9	\$119.5
Days of Reserve	47.3	45.5	34.3	29.5	29.6