

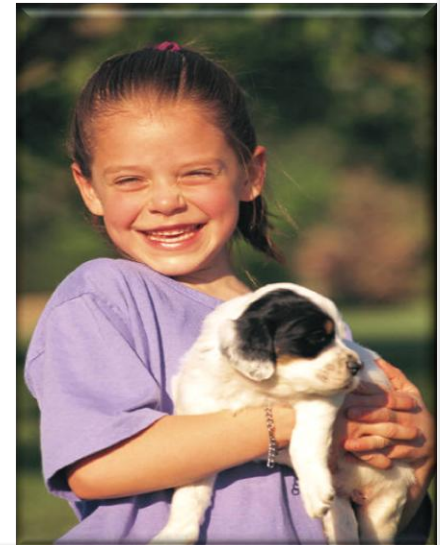
City of Dallas Proposed Annual Budget for Fiscal Year 2014-15

Recommended by City Manager A.C. Gonzalez
Tuesday, August 12, 2014



FY 2014-15 Budget Summary

- Proposed budget is fiscally responsible, strategically begins restoring services, and positions City to continue growth
- FY 2014-15 budget is balanced and totals \$2.81 billion
- No reduction in City services
 - All services provided this year will continue next year
 - Some services will be expanded next year
- No change to property tax rate
 - Tax rate remains at \$0.7970 per \$100 valuation
- Retail water and sewer revenues will increase by 3.5%
- Sanitation residential rate will increase by \$0.67 per month



A background image showing a city skyline with modern buildings and a bridge. In the foreground, there are people walking and a large, modern, white, umbrella-like structure. The image has a warm, yellowish tint.

Economic Indicators

City of Dallas FY 2014-15 Proposed Budget

Economic Indicators

- Dallas' economy continues to outpace national trends
- Property values have grown by 6.75% and are at all-time record values; particularly due to growth in commercial real estate values
- Sales tax expected to continue growth of 4.33% in upcoming year



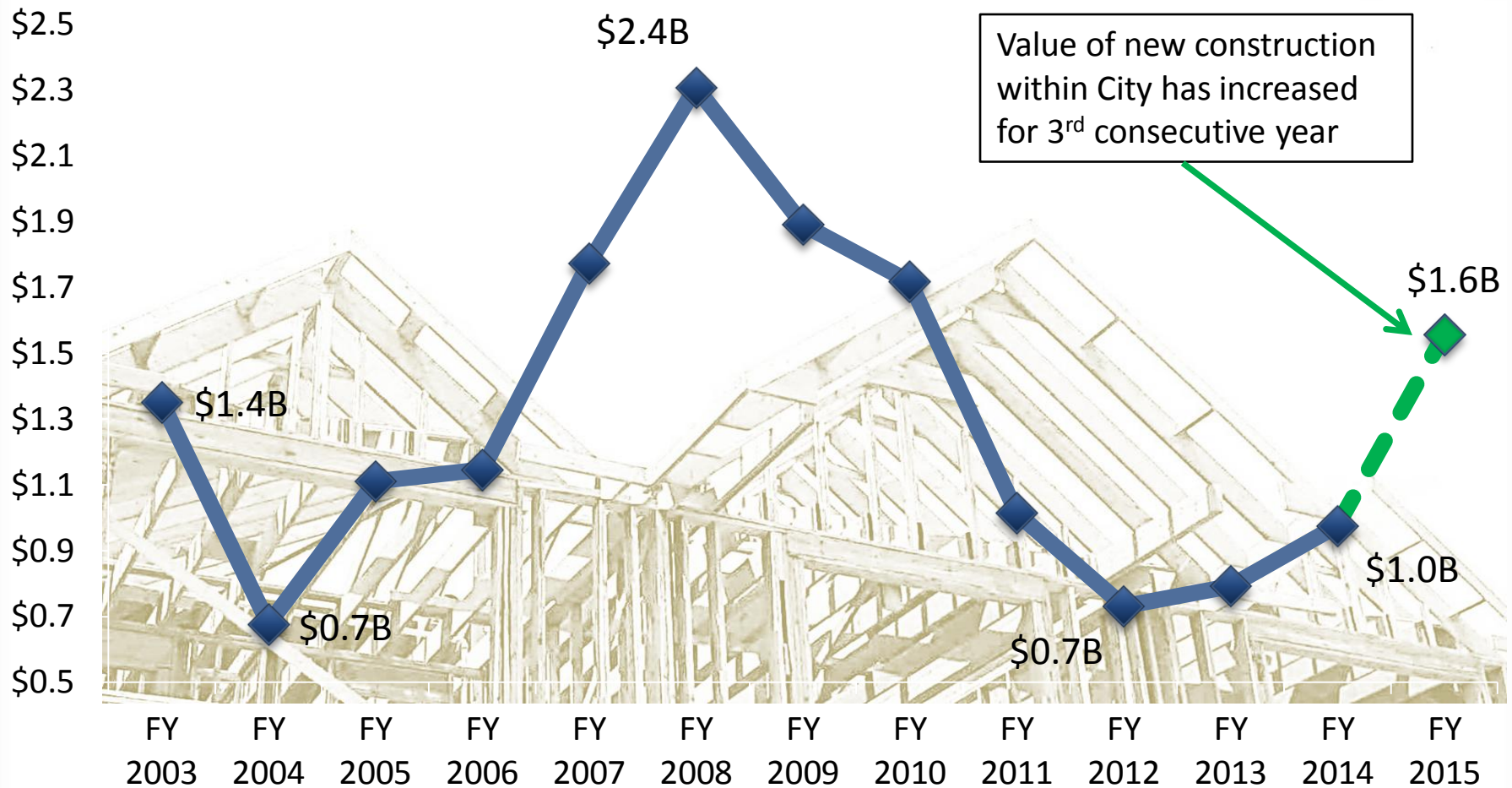
Property Tax Base Values

(\$ in Billions)



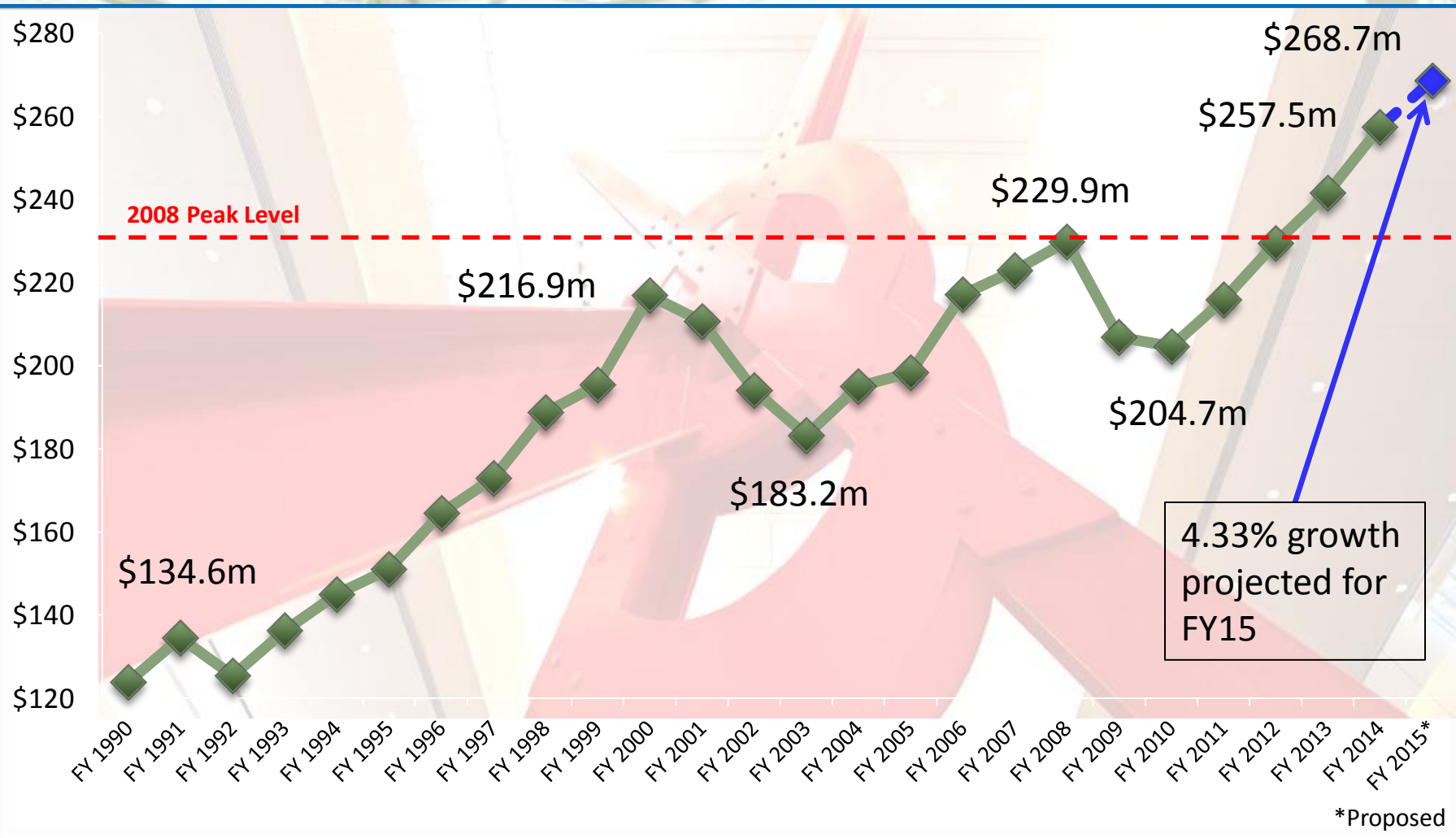
New Construction Values

(\$ in Billions)



Sales Tax Revenue

(\$ in Millions)

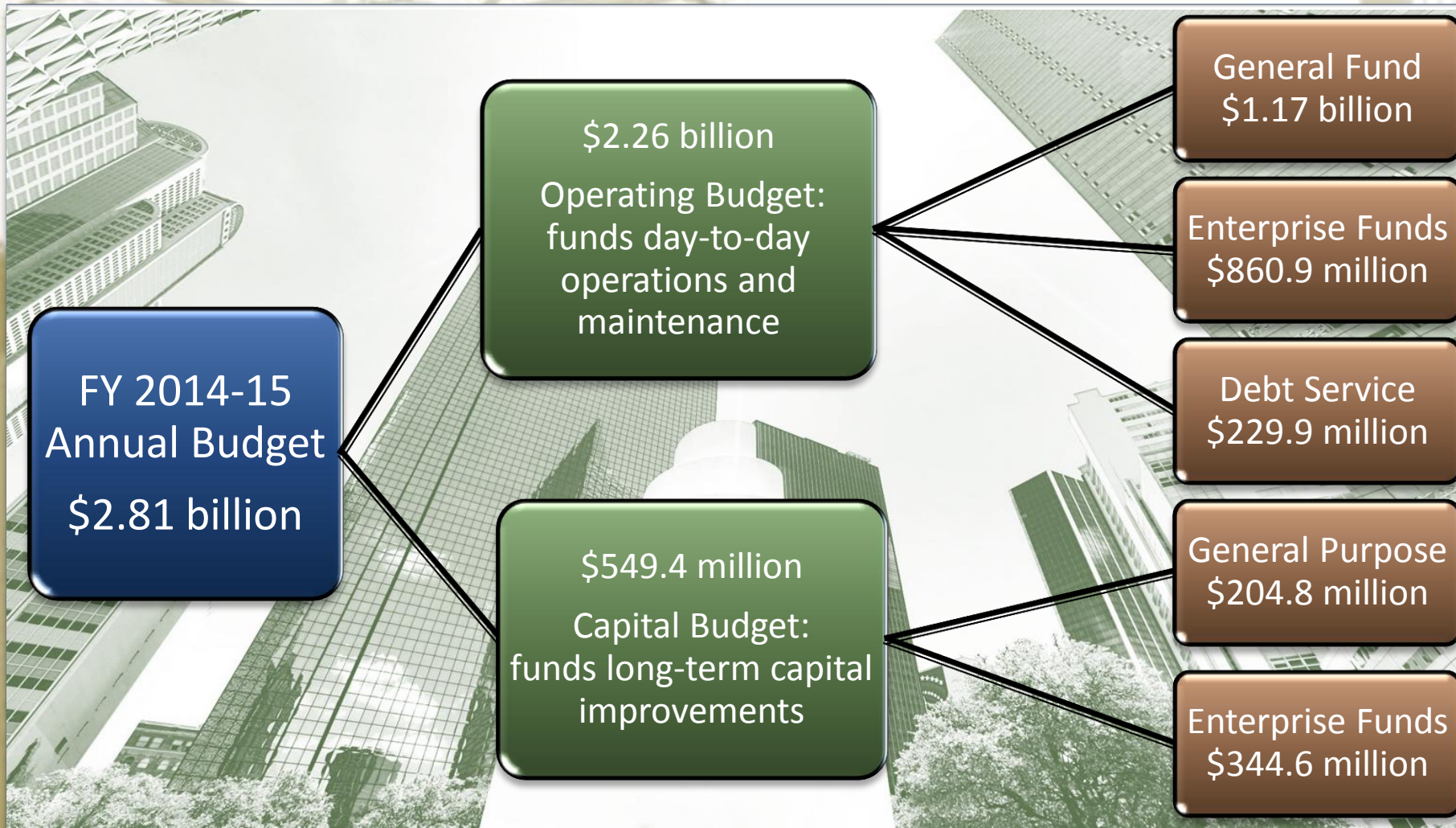




Financial Overview

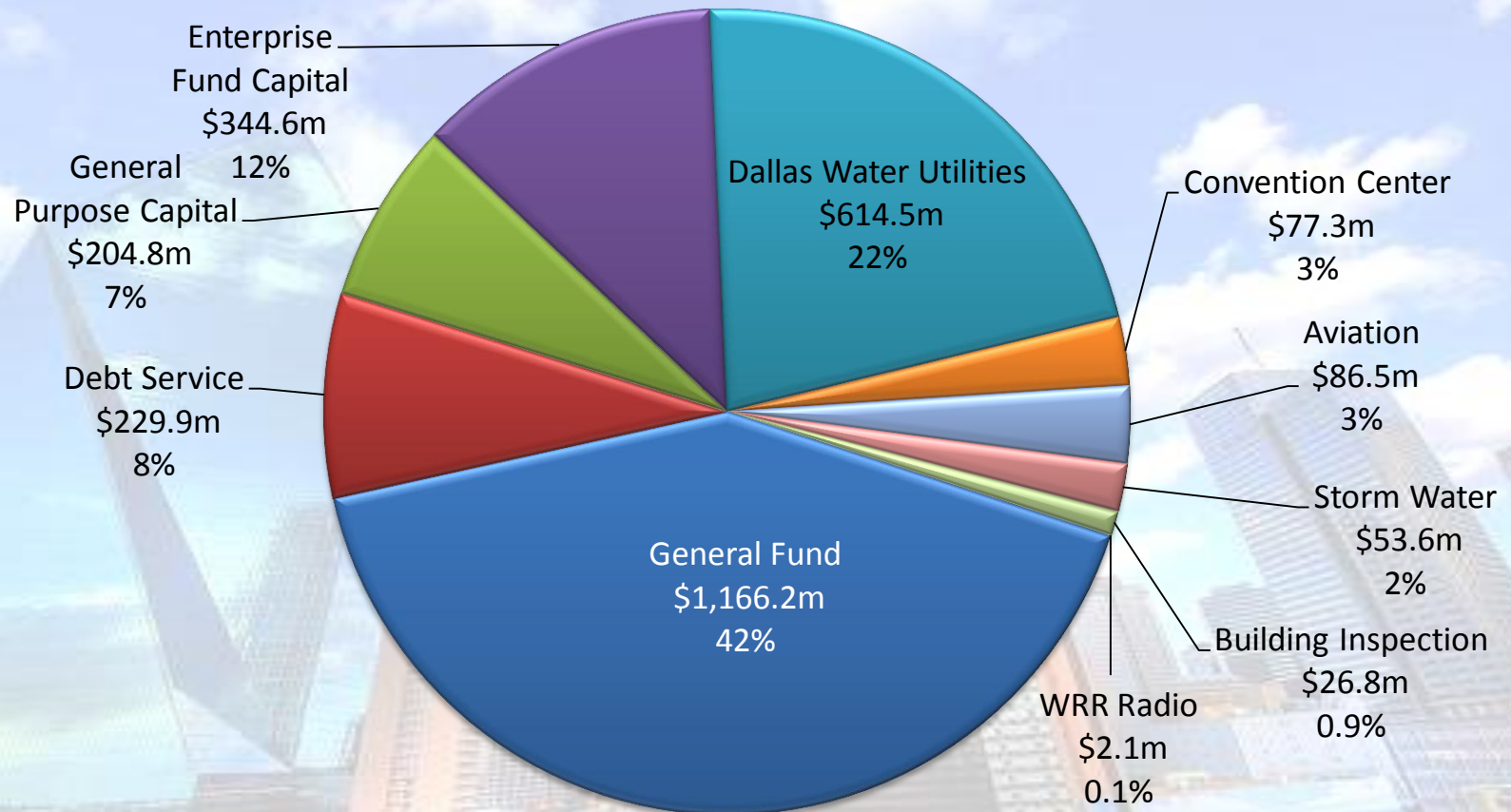
City of Dallas FY 2014-15 Proposed Budget

FY 2014-15 Proposed Budget



FY 2014-15 Proposed Budget

Operating & Capital Budget: \$2.81 billion



Year-over-Year Change in Expenses

	FY2013-14 Amended	FY2014-15 Proposed	Dollar Change	% Change
General Fund	\$1,120,747,995	\$1,166,235,000	\$45,487,005	4.06%
Aviation	61,184,205	86,544,784	25,360,579	41.45%
Convention & Event	65,306,836	77,345,050	12,038,214	18.43%
Municipal Radio	2,379,435	2,061,761	(317,674)	(13.35%)
Storm Water	55,011,250	53,598,761	(1,412,489)	(2.57%)
Sustainable Development & Construction	25,262,223	26,838,534	1,576,311	6.24%
Water Utilities	595,314,797	614,521,177	19,206,380	3.23%
Debt Service	234,511,248	229,908,362	(4,602,886)	(1.96%)
Operating Budget Subtotal	\$2,159,717,989	\$2,257,053,429	\$97,335,440	4.51%
General Purpose Capital	350,775,009	204,789,621	(145,985,388)	(41.62%)
Enterprise Capital	318,819,659	344,584,178	25,764,519	8.08%
Capital Budget Subtotal	\$669,594,668	\$549,373,799	(\$120,220,869)	(17.95%)
Total Budget	\$2,829,312,657	\$2,806,427,228	(\$22,885,429)	(0.81%)

Note: General fund and capital budget amended for FY 2013-14.



General Fund

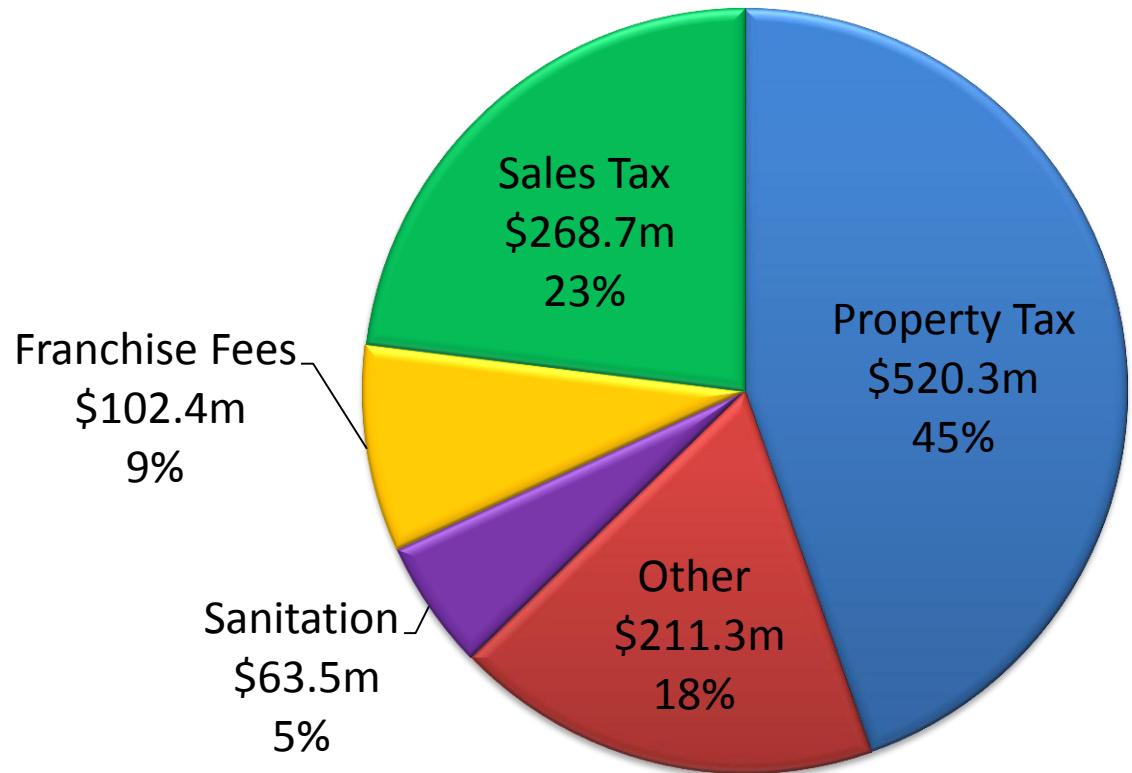
City of Dallas FY 2014-15 Proposed Budget

FY 2014-15 General Fund Revenues

Revenues Total \$1.17 billion

Franchise Fees include:
-Electric, gas, phone, and
cable franchises

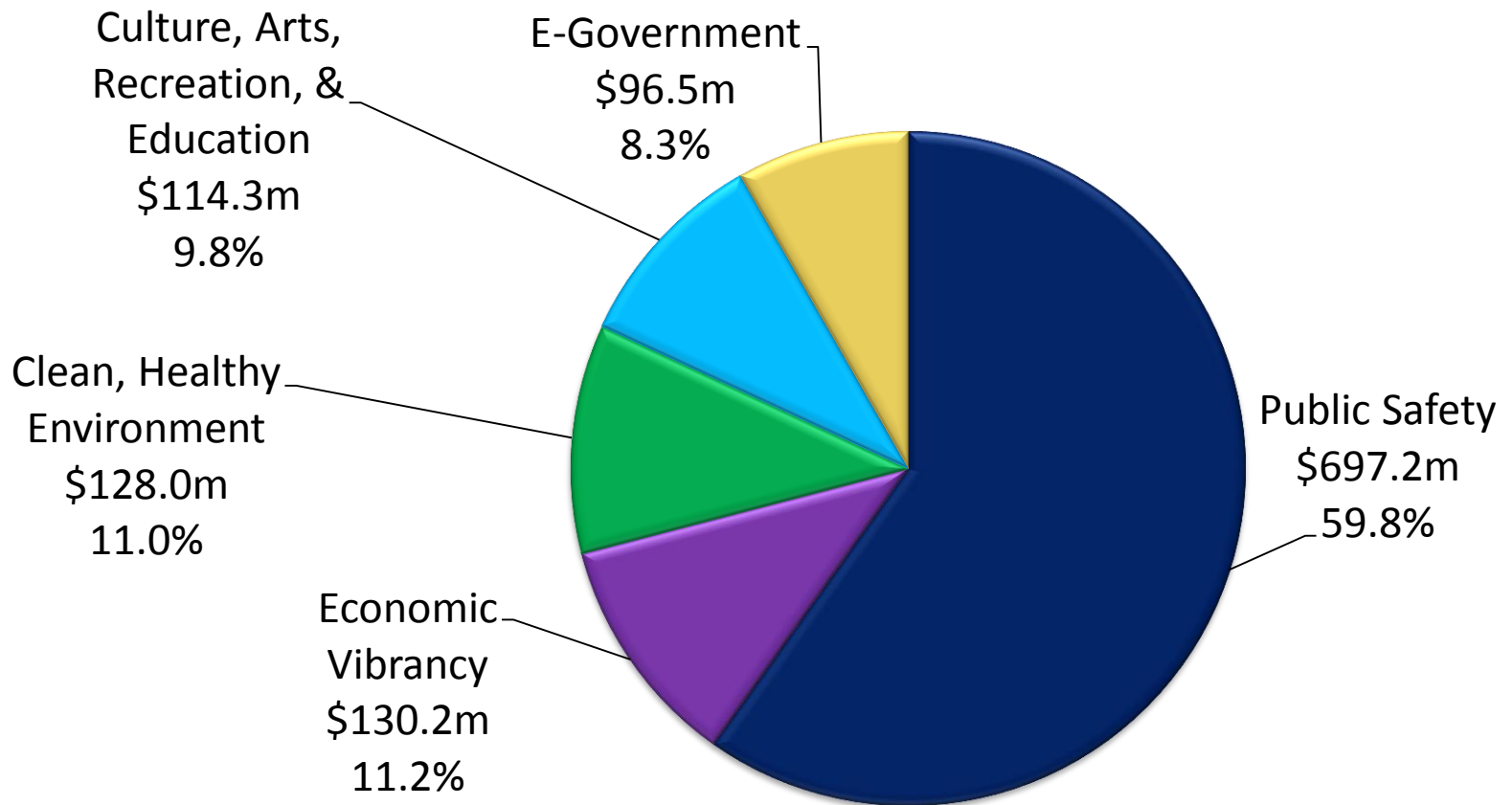
Other Revenues include:
-Municipal courts, fines,
ambulance fees, park fees,
licenses/permits, etc



FY 2014-15 General Fund Expenses

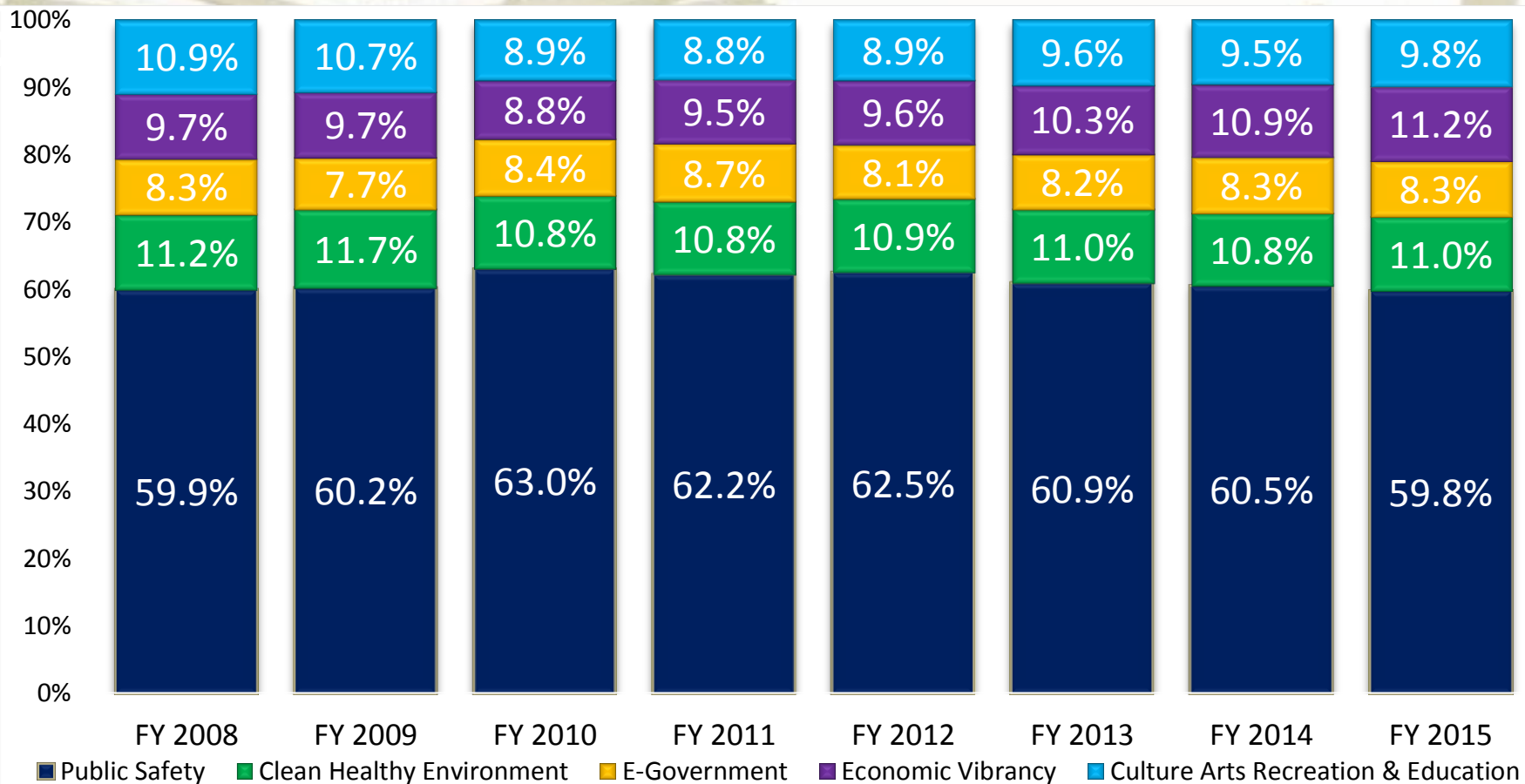
(by Key Focus Area)

Expenses Total \$1.17 billion



History of General Fund Expenses

(by Key Focus Area - % of Total)



Note: TIF expense restated from E-Gov to Economic Vibrancy.

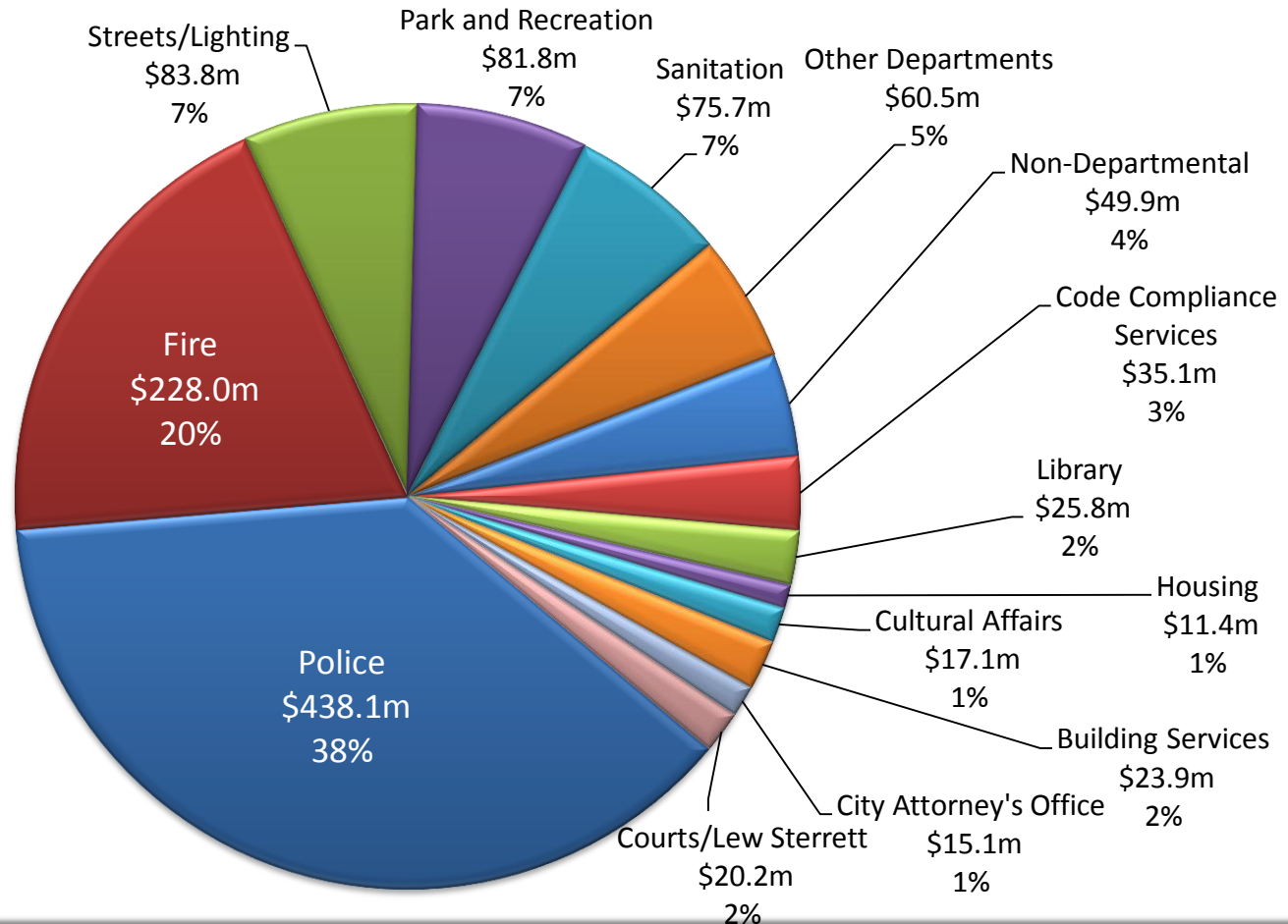
FY 2014-15 General Fund Expenses

(by Department)

Expenses Total \$1.17 billion

Other Includes:

Public Works: \$6.9m
 Mgmt Services: \$5.7m
 City Controller: \$5.7m
 Human Resources: \$4.7m
 Mayor/Council: \$3.9m
 Judiciary: \$3.7m
 Financial Services: \$3.7m
 City Secretary: \$3.0m
 Procurement: \$2.9m
 City Auditor: \$2.8m
 Civil Service: \$2.5m
 Planning/Neighbor: \$2.5m
 City Manager: \$1.8m
 Develop Services: \$1.5m
 Economic Develop: \$1.5m
 Trinity: \$1.4m
 Reserves/Transfers: \$6.0m



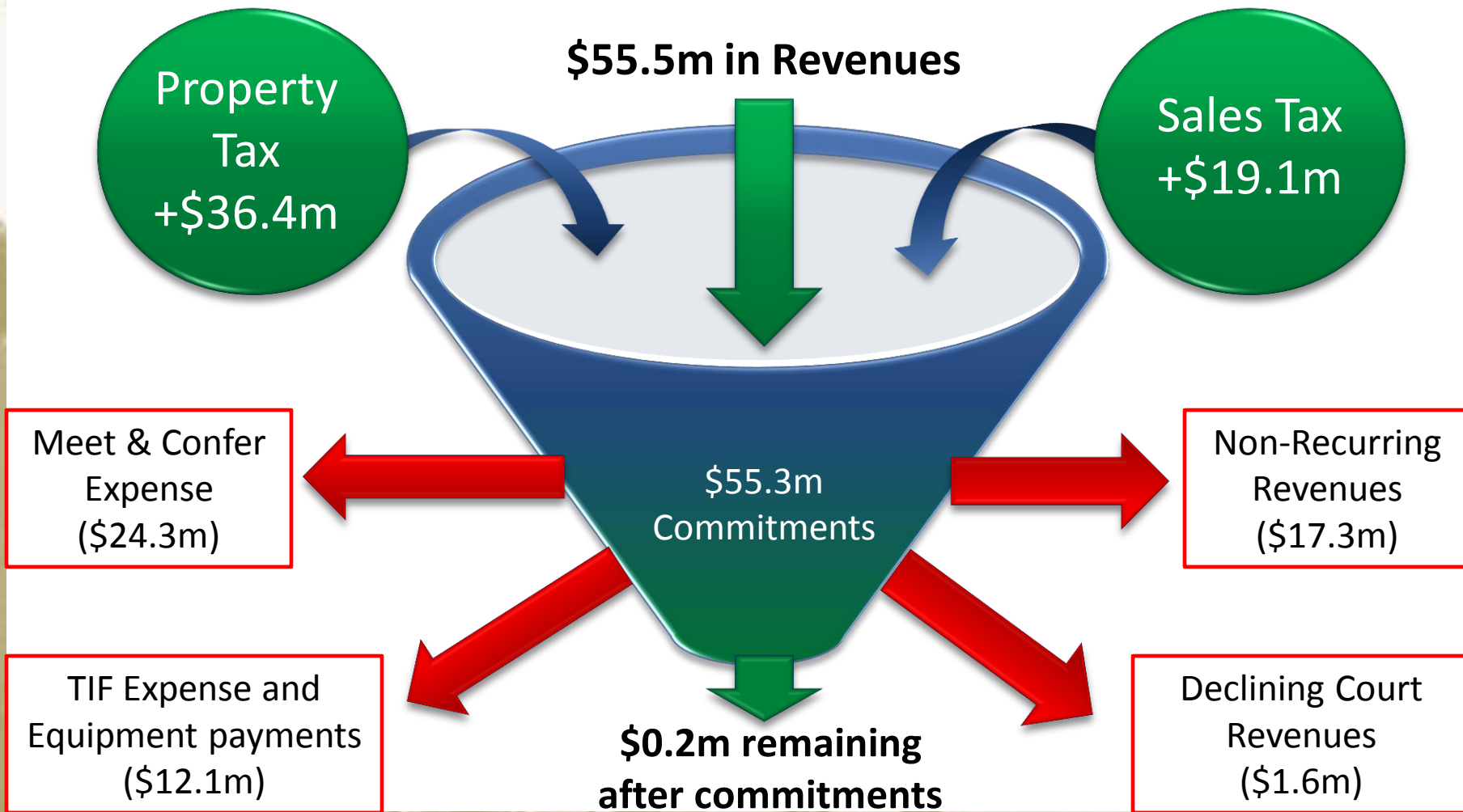
FY 2014-15 General Fund Expenses

(by Department)

Department	FY14 Amended	FY 15 Proposed	Net \$ Change	Net % Change
Dallas Police Department	\$426,401,375	\$438,059,929	\$11,658,554	2.7%
Dallas Fire Rescue	219,067,768	228,008,576	8,940,808	4.1%
Park & Recreation	78,614,401	81,826,638	3,212,237	4.1%
Sanitation Services	74,399,205	75,693,850	1,294,645	1.7%
Street Services	61,742,328	65,914,081	4,171,753	6.8%
Non-Departmental	41,747,088	49,916,874	8,169,786	19.6%
Code Compliance	33,720,277	35,082,605	1,362,328	4.0%
Library	22,370,198	25,843,630	3,473,432	15.5%
Building Services	25,609,329	23,895,817	(1,713,512)	(6.7%)
Court & Detention Services	20,113,977	20,184,916	70,939	0.3%
Street Lighting	19,201,341	17,922,510	(1,278,831)	(6.7%)
Office of Cultural Affairs	16,916,038	17,062,656	146,618	1.0%
City Attorney's Office	14,105,624	15,146,796	1,041,172	7.3%
Housing and Community Services	11,182,504	11,398,828	216,324	1.9%
Public Works	6,456,084	6,861,155	405,071	6.3%
Management Services	4,371,542	5,700,656	1,329,114	30.4%
City Controller's Office	5,390,605	5,692,057	301,452	5.6%
Human Resources	4,001,948	4,738,421	736,473	18.4%
Mayor and City Council	3,910,700	3,923,178	12,478	0.3%
Judiciary	3,527,767	3,695,256	167,489	4.7%
Office of Financial Services	3,493,103	3,702,507	209,404	6.0%
City Secretary's Office	2,878,721	3,027,548	148,827	5.2%
City Auditor's Office	2,391,124	2,844,107	452,983	18.9%
Business Development and Procurement	2,654,466	2,854,562	200,096	7.5%
Civil Service	2,125,772	2,544,515	418,743	19.7%
Planning and Neighborhood Vitality	2,080,988	2,527,060	446,072	21.4%
City Manager's Office	1,595,962	1,829,414	233,452	14.6%
Sustainable Development and Construction	1,360,332	1,539,699	179,367	13.2%
Office of Economic Development	1,122,279	1,476,600	354,321	31.6%
Trinity Watershed Management	661,387	1,350,771	689,384	104.2%
Reserves and Transfers	7,533,762	5,969,788	(1,563,974)	(20.8%)
Total	\$1,120,747,995	\$1,166,235,000	\$45,487,005	4.1%

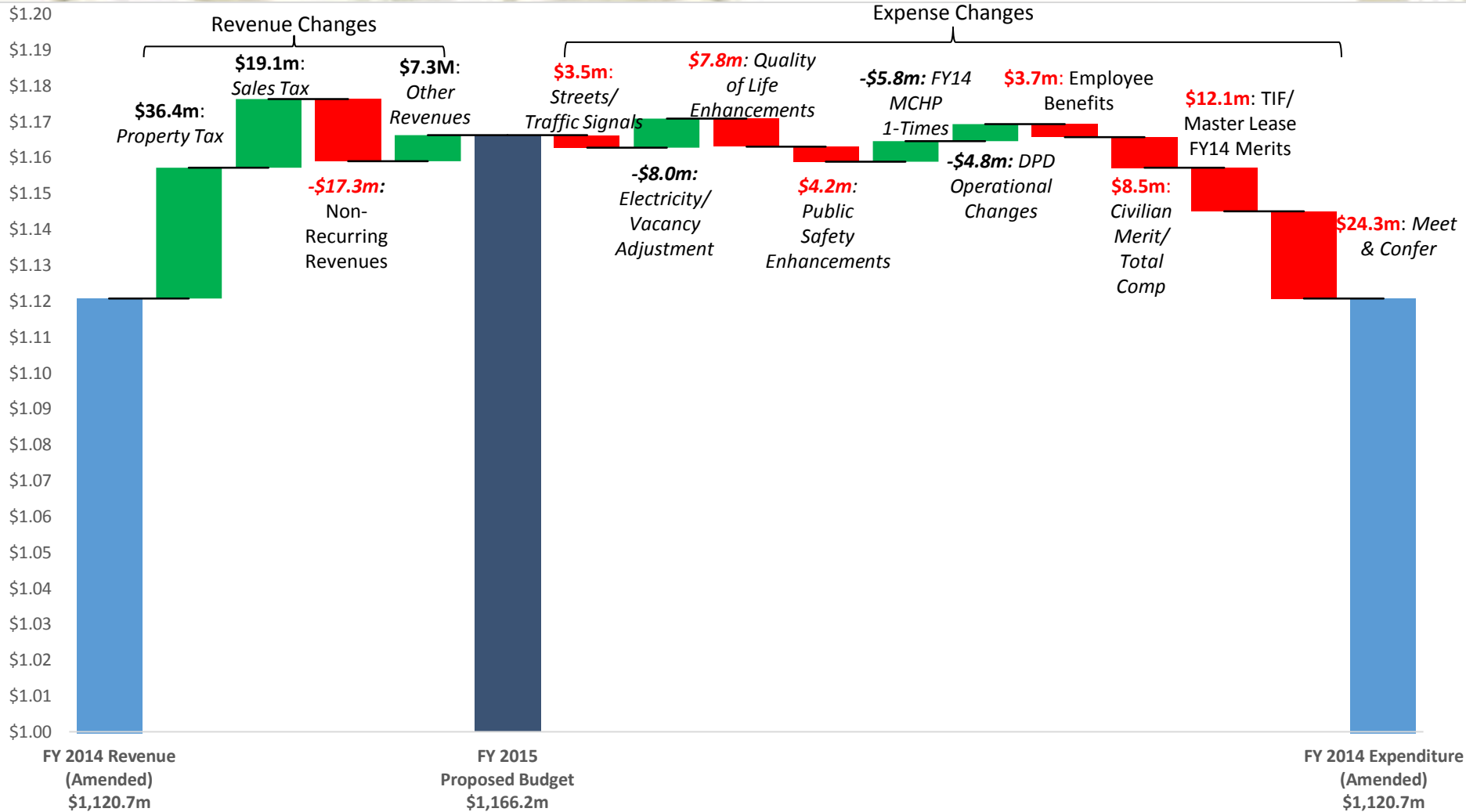
FY 2014-15 General Fund

Major Revenue and Expense Challenge



FY 2014-15 General Fund

Summary of Budget Changes



A background image showing a city skyline with modern buildings and a bridge. In the foreground, there are people walking and a large, modern, white, umbrella-like structure. The image has a warm, yellowish tint.

General Fund Highlights

City of Dallas FY 2014-15 Proposed Budget

Public Safety

- Meet and Confer agreement was approved by City Council in Dec 2013 and provides all uniform personnel with 4% across-the-board pay increase and annual step pay increases (about 5% each) over 3-year term of agreement
- Use of technology/equipment and public service officers will allow for reduction in hiring of police officers next year
 - Additional 90 cameras, 18 automated license plate readers, etc.
 - Enhance technology to 9 more TAAG areas (expanded technology in 20 of 27 areas)
 - Hire 165 police officers and reassign 37 desk duty officers to patrol
 - Hire 20 public service officers
 - Extend life cycle of squad cars (remove Impalas from patrol fleet)



Public Safety

- Expand Mobile Community Healthcare Program (MCHP)
- Hire 23 additional fire recruits to address increased retirements over last few years (total of 103 includes hiring for attrition)
- Continue funding for additional fire fighters to attend paramedic training
- Continue annual replacement of fire apparatus: engines, trucks, and ambulances



Economic Vibrancy

- Enhance funding level (\$4.0m) for street maintenance with partial-reconstruction of major thoroughfares
- Begin improvements to advanced transportation management system by investing \$1.3m to leverage \$5.1m grant funds
- Address traffic signals at 11 high accident locations by investing \$0.4m to leverage \$3.6m grant funds
- Establish Planning and Neighborhood Vitality department to:
 - Consolidate planning and design functions
 - Support vibrant neighborhoods
 - Create a more livable Dallas



Economic Vibrancy

- Dedicate positions to provide concierge service within Building Inspection to expedite Grow South projects and initiatives
- Double City's efforts toward Earned Income Tax Credit program
- Fund operation and maintenance of completed Trinity River Corridor Projects
- Continue \$2m investment in Fair Park area in FY2014-15
- Continue bike lane initiatives



Clean, Healthy Environment

- Increase general fund dollars to Dallas Animal Services by funding PetSmart adoption center and increasing funds for medical, cleaning, and food supplies
- Initiate enforcement of City's new single-use bag ordinance
- Increase demolition of blighted structures
- Increase funds for Senior Medical Transportation service
- Increase funds to The Bridge homeless assistance center
- Continue residential one-day Dallas garbage and recycling services, and monthly brush/bulky pickup
 - Proposed residential fee increase of \$0.67 from \$20.64 to \$21.31 per month; less than 2% above prior period high in FY 2008-09



Culture, Arts, Recreation, & Education

- Begin two-year plan to restore library hours throughout system
 - Adds \$3.1m funding for FY 2014-15 to phase-in 7-day/week service and expanded weekday hours at 12 branches and Central Library which:
 - Surpasses peak 7-day service level (2 sites in FY 2008-09)
 - FY 2014-15 will exceed total library hours/week peak level by 5.1%
 - Adds \$0.2m to materials budget (3.8% growth over peak year in FY 2007-08)
 - For FY 2015-16, two-year plan will fund an additional 6 hours/week at 15 remaining branch libraries



Culture, Arts, Recreation, & Education

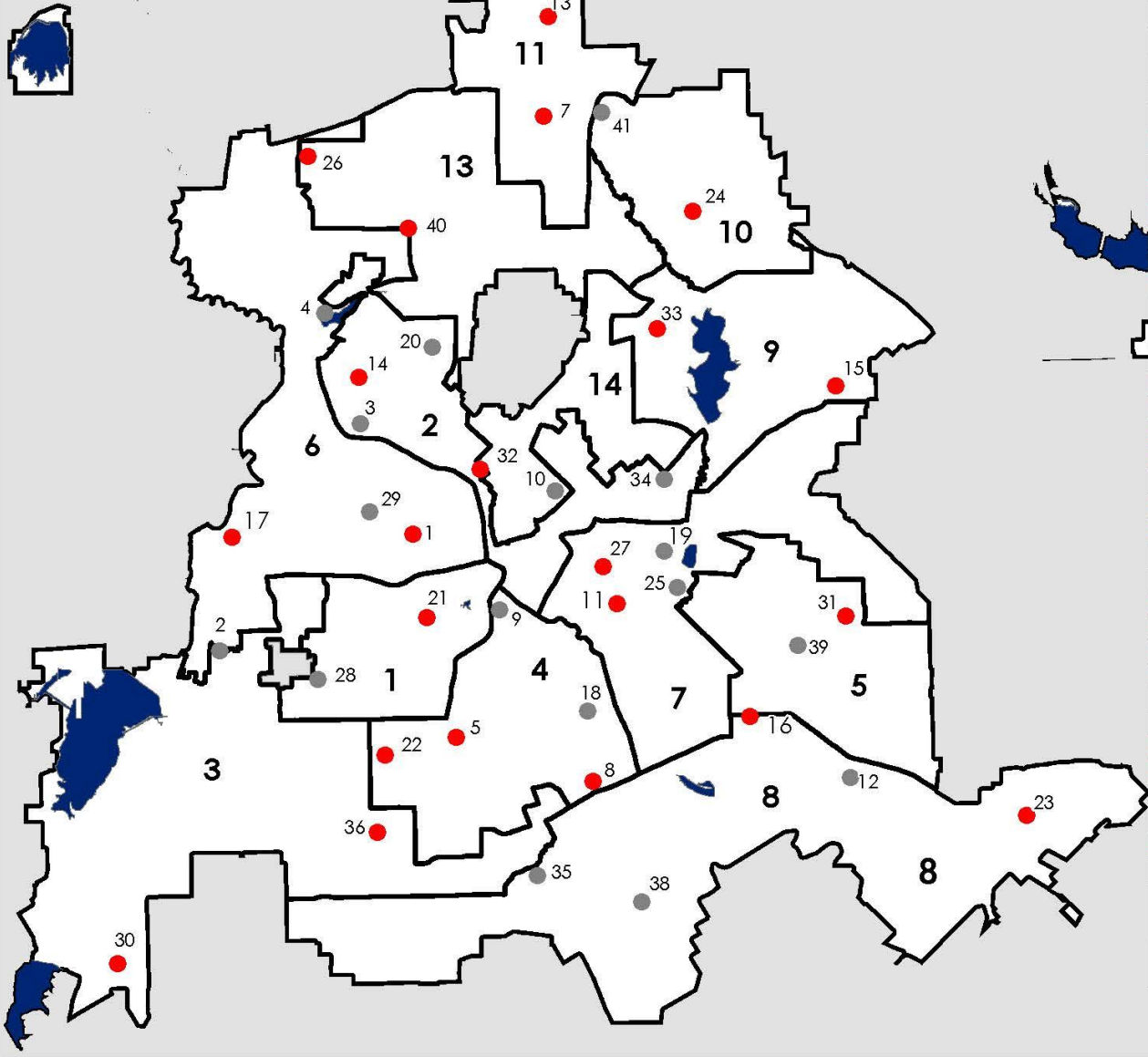
● Increase cultural arts funding

- Contracts with cultural organizations
- Maintenance of public art
- Utilities at Music Hall at Fair Park and Sammons Center

● Expand recreation center hours for second year in a row

- \$0.7m provides additional 7,280 programmable hours
- 24 recreation centers will increase their operating hours in FY 2014-15 to provide expanded:
 - Evening and Saturday programs
 - Fitness center hours
 - Adult and youth sports leagues
 - Contract fee classes and staff-taught classes





Recreation Center Hours - Comparison by Fiscal Year				
ID	Recreation Center	CD	Current Hours FY 13-14	Proposed Hours FY 14-15
1	Anita Martinez	6	Closed	60
2	Arcadia	3	40	40
3	Arlington Park	2	40	40
4	Bachman	6	55	55
5	Beckley-Saner	4	60	65
6	Campbell Green	12	60	65
7	Churchill	11	60	65
8	Cummings*	4	40	60
9	Eloise Lundy	4	55	55
10	Exall	14	45	45
11	Exline	7	60	65
12	Fireside	8	55	55
13	Fretz	11	55	60
14	Grauwlyer	2	55	65
15	Harry Stone	9	60	65
16	Janie C. Turner	8	55	60
17	Jaycee-Zaragoza	6	60	65
18	John C. Phelps	4	55	55
19	Juanita J. Craft	7	40	40
20	KB Polk	2	55	55
21	Kidd Springs	1	60	65
22	Kiest	4	55	65
23	Kieberg-Rylie	8	55	65
24	Lake Highlands	10	60	65
25	Larry Johnson	7	55	55
26	Marcus**	13	55	60
27	Martin L. King Jr.	7	55	60
28	Martin Weiss	1	55	55
29	Nash-Davis	6	55	55
30	Park in the Woods	1	60	65
31	Pleasant Oaks	5	Closed	65
32	Reverchon	2	55	60
33	Ridgewood-Belcher	9	55	60
34	Samuell Grand	2	60	60
35	Singing Hills	8	60	60
36	Thurgood Marshall	3	55	60
37	Timberglen	12	55	60
38	Tommie Allen	8	55	55
39	Umphress	5	45	45
40	Walnut Hill	13	60	65
41	Willie B. Johnson	10	40	40

*Cummings will continue to provide outreach senior, after-school, and summer camp programs at Fruitdale.
 **Marcus will continue to provide outreach senior programs at Marcus Annex.

E-Government

- Invest in new technology initiatives
 - Case management system for Code Compliance
 - Inspection and premise software for Fire-Rescue
 - “Big Data” software to allow improved data analysis
 - 311 Call Center technology upgrades
- Additional staff added to strengthen transparency, oversight, and internal control functions
 - City Attorney’s Office
 - City Auditor’s Office
 - Internal Control Task Force
 - Ethics and Diversity Office
 - Open Records Office



Employee Compensation and Benefits

- Meet & Confer for uniform employees

- Full-year fund FY 2013-14 step pay – \$7.5m
- Partial-year fund FY2014-15 step pay – \$7.6m



- Each step pay increase is about 5%
- 4% across-the-board effective April 2015 - \$9.2m
- Pay adjustments for civilian employees
 - Full-year fund FY 2013-14 merits - \$3.2m
 - 3% average merit effective January 2015 - \$5.1m
 - 3rd year implementation of total compensation study to address below-market pay for identified positions - \$3.4m
- Add program to provide DART pass subsidies for employees

Employee Compensation and Benefits

- Initiate employee training program
- Continue employee/retiree health benefits
 - All pre-65 retiree premiums increase \$25 per month
 - “Employee Only” and “Employee + Children” premiums remain same
 - \$25 per month premium increase for spouse coverage for active employees
 - Combined “70/30 High” and “70/30 Low” plans to ensure maximum out-of-pocket complies with federal Affordable Care Act





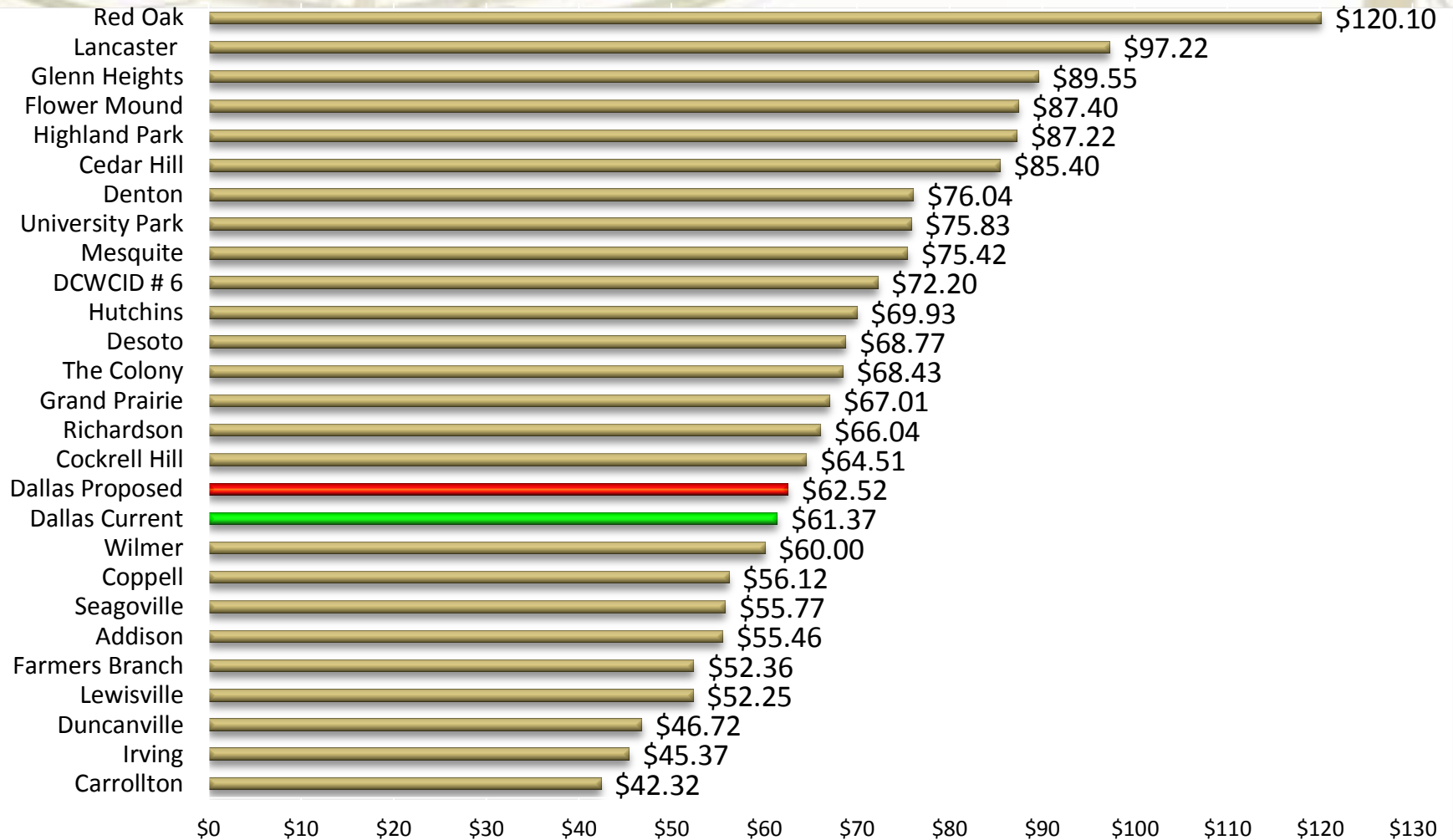
Dallas Water Utilities

City of Dallas FY 2014-15 Proposed Budget

Dallas Water Utilities

- Proposed budget includes:
 - Operating budget of \$614.5m
 - Capital budget of \$326.8m
 - Dallas Water Utilities is about 34% of entire City of Dallas budget
- Retail revenues projected to increase by total of 3.5%
 - Typical residential monthly bill would increase from \$61.37 to \$62.52
 - About 86% of residential customers will have increase of \$2.03 or less per month
 - Future outlook on retail revenue:
FY 2015-16 - 3.6% and FY2016-17 - 4.4%
- Wholesale revenues estimated to increase by 2.2%

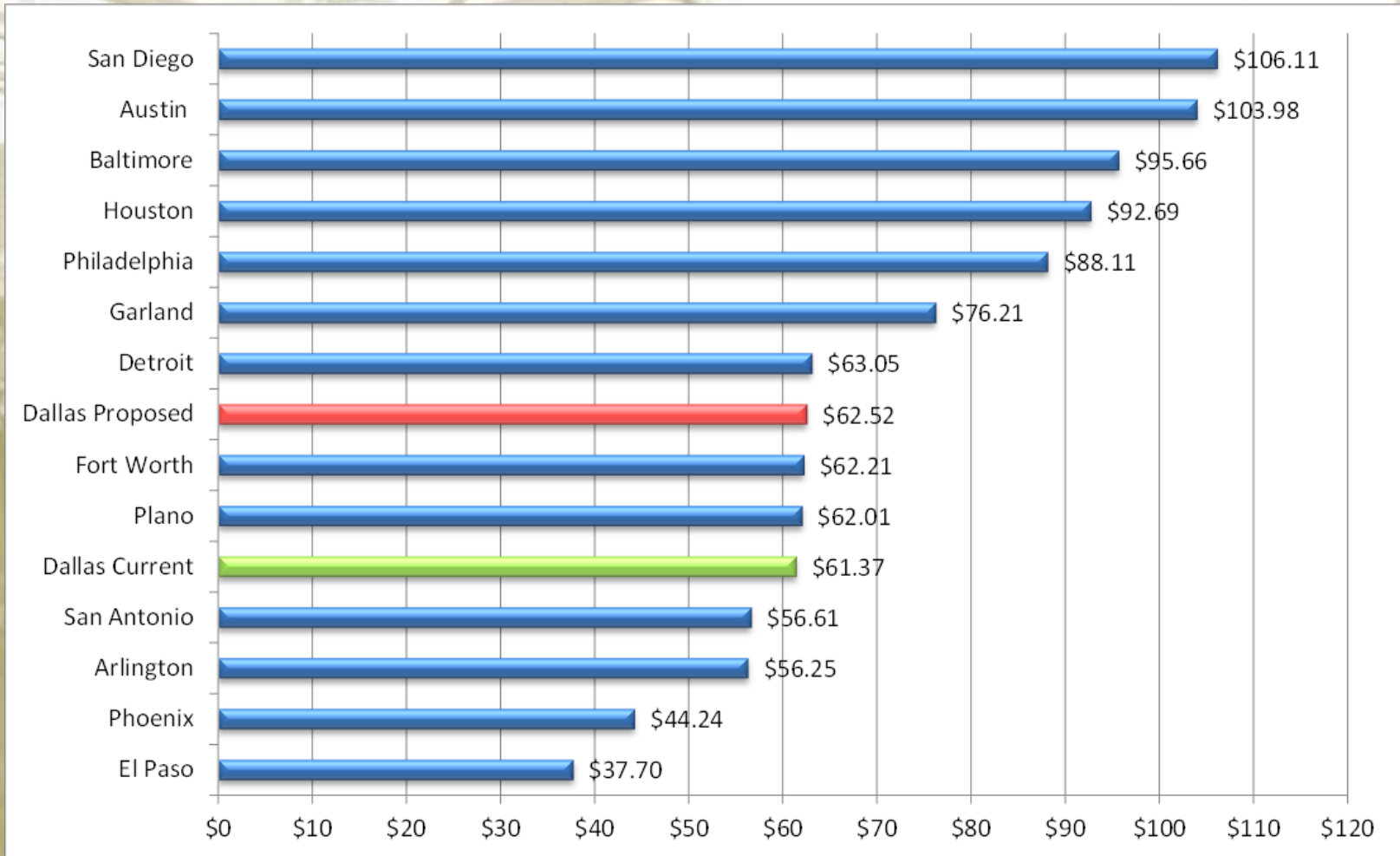
Neighboring/Customer Cities Comparison Average Monthly Water & Sewer Bills



Based on annual average of 8,300 gallons of water per month on 5/8" meter and 5,900 gallons used for winter months average where applicable. As of June 2014.

Dallas' Comparative Cities

Average Monthly Water & Sewer Bills



Note: Bill comparison based on rates effective June 2014; water consumption of 8,300 gallons; and 5,900 gallon Winter Months Average for sewer

Dallas Water Utilities

Customer Usage in Range	Average Bill at Current Rates	Proposed Rate Average	Proposed Increase	% Increase	Number of Customers Impacted	% of Customers in Range
0 to 4,000 Gal	\$23.39	\$23.75	\$0.36 ^a	1.5%	80,125	33.5%
4,001 to 10,000 Gal	\$54.59	\$55.48	\$0.89 ^b	1.6%	97,865	40.9%
10,001 to 15,000 Gal	\$79.01	\$81.05	\$2.03 ^c	2.6%	27,420	11.5%
Above 15,000 Gal	\$193.11	\$203.56	\$10.45 ^d	5.4%	33,789	14.1%
Total					239,199	100.0%

Data based on January 2013 through December 2013 usage:

^a Average water and sewer use: 2,144 gallons

^b Average water use 6,546 gallons and sewer use: 5,900 gallons

^c Average water use 12,157 gallons and sewer use: 5,900 gallons

^d Average water use 29,010 gallons and sewer use: 5,900 gallons

The background image shows a city skyline with several tall buildings. In the foreground, there are modern, white, umbrella-like structures and people walking. The overall tone is a light, warm yellow.

Capital Budget & Debt Service

City of Dallas FY 2014-15 Proposed Budget

FY 2014-15 Capital Budget

- The capital budget funds long-term capital improvements and infrastructure across city
 - Streets, flood protection, park facilities, fire stations, water & sewer system
 - Primarily funded through issuing bonds but cash transfers are also used to fund projects
- Major project objectives for FY 2014-15:
 - Streets-60 lane miles of resurfacing, 34 alley reconstruction projects, 7 street reconstruction projects
 - Park & Recreation-Continued development of trail system including White Rock Lake-E. Lawther Trail and Kiestwood Trail
 - Water Utilities-Replace 65 miles of water/wastewater mains
 - Trinity River Corridor-Phase I of Trinity Chain of Lakes
 - Flood Control-Able pump station, Middle Peaks Branch Phase I to Fair Park
 - City Facilities-Replacement of Fire Station #6 (Harwood at Park Row)

FY 2014-15 Capital Budget

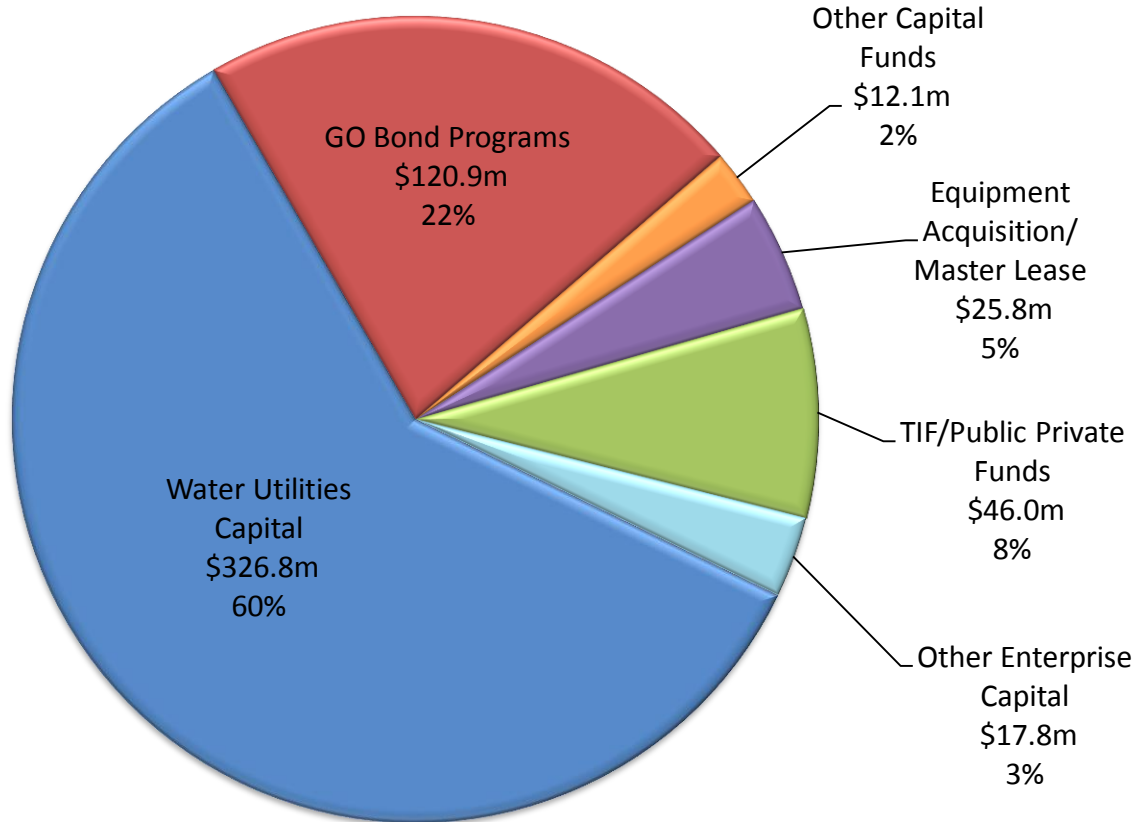
- Cash is also used to fund projects in capital budget
 - \$5.4m from General Capital Reserve included for FY 2014-15
 - Partial reconstruction of major thoroughfares
 - Major maintenance of City facilities
 - Aviation, Convention Center, and Dallas Water Utilities also transfer funds from their operating budgets to fund major maintenance and facility improvement projects



FY 2014-15 Capital Budget

(\$ in millions)

Totals \$549.4m



Other Capital Funds:
-GCR Transfer: \$5.4m
-Capital Construction Fund: \$5.4m
-Miscellaneous Park Funds: \$1.3m

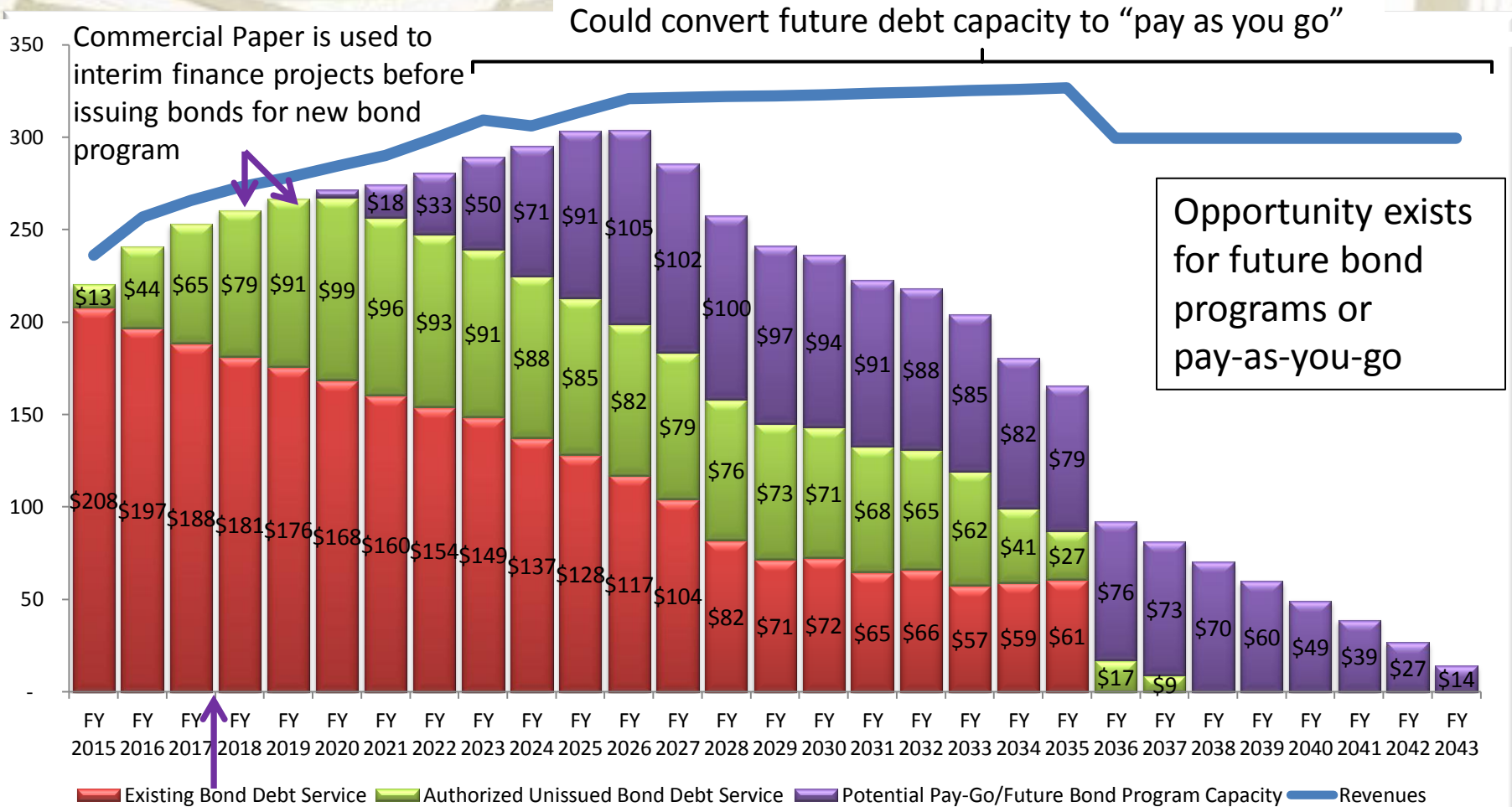
Other Enterprise Capital Funds:
-Aviation: \$13.6m
-Convention Center: \$3.2m
-Storm Water: \$1.0m

FY 2014-15 Debt Service

- FY 2014-15 general obligation debt service budget totals \$229.9m
- \$1.55 billion debt projected to be outstanding at 9/30/14
- \$350m bond issue planned for November 2014 to fund bond projects and retire commercial paper
- Future bond issues are projected as follows:
 - \$225m in FY 2015-16
 - \$175m in FY 2016-17
 - \$125m in FY 2017-18
 - \$165m in FY 2018-19
- Debt service budget includes anticipated expense for servicing new bond issue debt
- Long-range debt service forecast structured to maintain projected \$1 billion in future bond program capacity

Debt Service Future Projections

(\$ in millions)



Potential future bond election in Nov 2017 (FY18) and begin projects using Commercial Paper.



State Taxation Law Requirements

City of Dallas FY 2014-15 Proposed Budget

State Taxation Law Requirements

- State Law requires public notice of tax rate calculations
- Permits taxpayers to roll back or limit tax increases in certain cases

City of Dallas Ad Valorem Tax Rates

FY 2013-14 current rate = \$0.7970

FY 2014-15 proposed rate = \$0.7970

<p>FY 2014-15 Effective Rate = \$0.7601</p> <p>-Generates same amount of revenue in new fiscal year as previous fiscal year on property taxed in both years</p> <p>-Adopting effective rate would decrease property tax revenue by <u>\$33.5m</u> from proposed budget</p>	<p>FY 2014-15 Rollback Rate = \$0.8006</p> <p>-Allows general fund portion plus 8%</p> <p>-Allows debt service portion necessary to cover debt service expense</p> <p>-If rate <u>above</u> rollback rate is adopted, voters may petition for an election to reduce rate to rollback rate</p> <p>-Adopting rollback rate would increase property tax revenue by <u>\$3.3m</u> from proposed budget</p>	<p>FY 2014-15 Notice and Hearing Rate = \$0.7601</p> <p>-Lower of <u>either</u> effective rate or rollback rate</p>
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State Taxation Law Requirements

- Requirements if notice and hearing rate is exceeded and if Council desires to reserve option to adopt a tax rate higher than \$0.7601/\$100 valuation
 - Have a record vote to consider a specific tax rate higher than notice and hearing rate (Wednesday, August 20th)
 - Publish date/time for two public hearings (Monday, August 25th)
 - Hold two tax rate public hearings (Wednesday, September 3rd and Tuesday, September 9th)
 - Publish date/time of meeting to adopt tax rate (Wednesday, September 10th)
 - Adopt tax rate (Wednesday, September 17th)



Schedule for August & September 2014

City of Dallas FY 2014-15 Proposed Budget

August and September 2014

Aug 12 (Tue)	Budget Workshop #4: City Manager's recommended budget
Aug 12 (Tue)	Begin town hall meetings
Aug 20 (Wed)	Budget Workshop #5: Topics TBD
Aug 26 (Tue)	Budget Workshop #6: Topics TBD
Aug 27 (Wed)	Budget Public Hearing
Aug 29 (Fri)	End town hall meetings
Sep 3 (Wed)	Adopt Budget on First Reading
Sep 3 (Wed)	Tax Rate Public Hearing #1
Sep 5 (Fri)	Publish annual budget ordinance following first reading
Sep 9 (Tue)	Budget Workshop #7: Council Amendments
Sep 9 (Tue)	Tax Rate Public Hearing #2
Sep 17 (Wed)	Adopt Budget on Second Reading and Adopt Tax Rate
Oct 1 (Wed)	Begin FY 2014-15



City Auditor's Opinion & Revenue Review

City of Dallas FY 2014-15 Proposed Budget

Budget Briefing Direction

Councilmember: _____

Please rank by priority areas you wish discussed in upcoming budget workshops:

1. _____

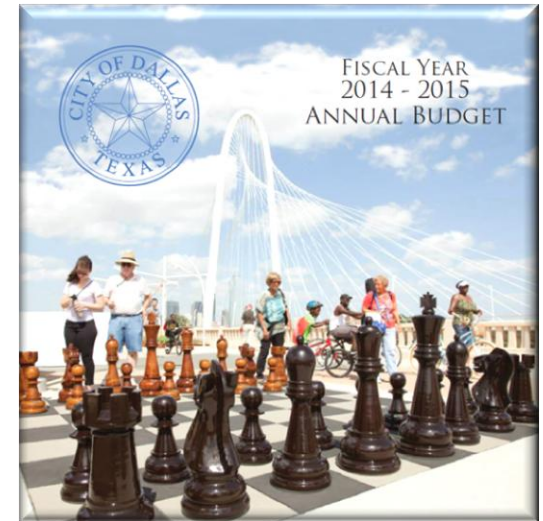
2. _____

3. _____

Please return to A.C. Gonzalez by Friday August 15th

For More Information...

- Please visit www.dallascityhall.com for more information including:
 - FY 2014-15 proposed budget document
 - Copy of this presentation
 - Town hall meeting schedule





Comments and Questions



Appendix

City of Dallas FY 2014-15 Proposed Budget

Recap of General Fund Gap

- Proposed general fund budget for FY 2014-15 is balanced with forecast expenditures equal to forecast revenues

	Feb 2014 Forecast	May 2014 Forecast	June 2014 Forecast	Aug 2014 Proposed
Revenue change	+\$9.7m	+\$28.4m	+\$31.1m	+\$45.5m
Expense change	+\$42.4m	+\$58.4m	+\$44.9m	+\$45.5m
Differential or Gap	(\$32.7m)	(\$30.0m)	(\$13.8m)	\$0

Revenue Forecast Summary

(\$ in millions)

Revenue Forecast – Source of Funds	Feb 2014 Forecast	May 2014 Forecast	June 2014 Forecast	Aug 2014 Proposed
Property Tax	+ \$16.4m	+ \$24.3m	+ \$24.3m	+ \$36.4m
Sales Tax	+ \$9.8m	+ \$14.9m	+ \$19.1m	+ \$19.1m
Other Revenue	- \$16.5m	- \$10.8m	- \$12.3m	- \$10.0m
Total Revenue Changes	+ \$9.7m	+ \$28.4m	+ \$31.1m	+ \$45.5m

Expenditure Forecast Update

(\$ in millions)

Summary of FY 2014-15 Expenditure Adjustments	Feb 2014	May 2014	June 2014	Aug 2014
Police and fire meet and confer agreement	+\$15.1	+\$20.9	+\$20.8	+\$24.3
Police adjustments	+\$1.5	+\$1.5	- \$0.2	- \$4.0
Fire and EMS adjustments	- \$5.8	- \$5.8	- \$5.8	- \$2.4
Civilian employee – merit and compensation	+\$8.7	+\$10.3	+\$10.3	+\$12.0
O&M cost for capital projects placed in-service	+\$1.7	+\$1.9	+\$1.9	+\$1.6
Master lease program	+\$5.0	+\$5.1	+\$5.0	+\$5.4
CIS funding requirements	+\$2.2	+\$2.2	+\$6.6	+\$2.7
Employee Health Benefit	+\$9.2	+\$9.2	+\$9.2	+\$2.9
Worker’s Comp, Liability, and Property Insurance	+\$2.0	+\$2.0	- \$4.1	- \$5.7
Quality of Life – Library, Culture, Recreation, Animal Services, etc.	N/A	N/A	N/A	+\$6.2
Streets – partial reconstruction, traffic signals, and traffic management	N/A	N/A	N/A	+\$3.4
TIF expense	N/A	N/A	N/A	+\$3.5
Miscellaneous other adjustments (electricity and vacancy rate)	+\$2.8	+\$11.1	+\$1.2	- \$4.4
Total of Expenditure Adjustments	+\$42.4	+\$58.4	+\$44.9	+\$45.4

Meet & Confer Agreement- Fiscal Impacts (Nov 2013 Briefing)

- Cumulative cost for guaranteed provisions is \$45.6m
 - Includes obligated costs for FY 2015-16 merit step increase in year after Agreement term

Guaranteed Provisions					
Proposal	Contract Term			Obligated Cost	
	FY13-14 Budget +/-	FY14-15 Budget +/-	FY15-16 Budget +/-	FY16-17 Budget +/-	
FY13-14 Merit Step Increase (First Year Cost)	\$ 7,600,000				
FY13-14 Merit Step Increase (Second Year Cost)		\$ 7,600,000			
FY14-15 Merit Step Increase (First Year Cost)		\$ 7,600,000			
FY14-15 Merit Step Increase (Second Year Cost)			\$ 7,600,000		
FY15-16 Merit Step Increase (First Year Cost)			\$ 7,600,000		
FY15-16 Merit Step Increase (Second Year Cost)				\$ 7,600,000	
Swift Water Pay	\$ 40,000				
Budget Impact for Guaranteed Provisions	\$ 7,640,000	\$ 15,200,000	\$ 15,200,000	\$ 7,600,000	\$ 45,640,000

Meet & Confer Agreement- Fiscal Impacts (Nov 2013 Briefing)

- Cumulative cost for guaranteed provisions is \$45.6m
- Includes obligated costs for FY 2015-16 merit step increase in year after Agreement term (FY 2016-17)
- Cumulative cost for Across-the-Board's varies from \$0 to \$18.4m, depending on changes to Certified Property Tax Values
 - Certified roll for 2014 Tax Year triggered full 4% ATB
- Cost of provisions ranges from \$45.6m to \$64.0m over term of the Agreement

FY 2014-15 Expense Reductions and Efficiencies

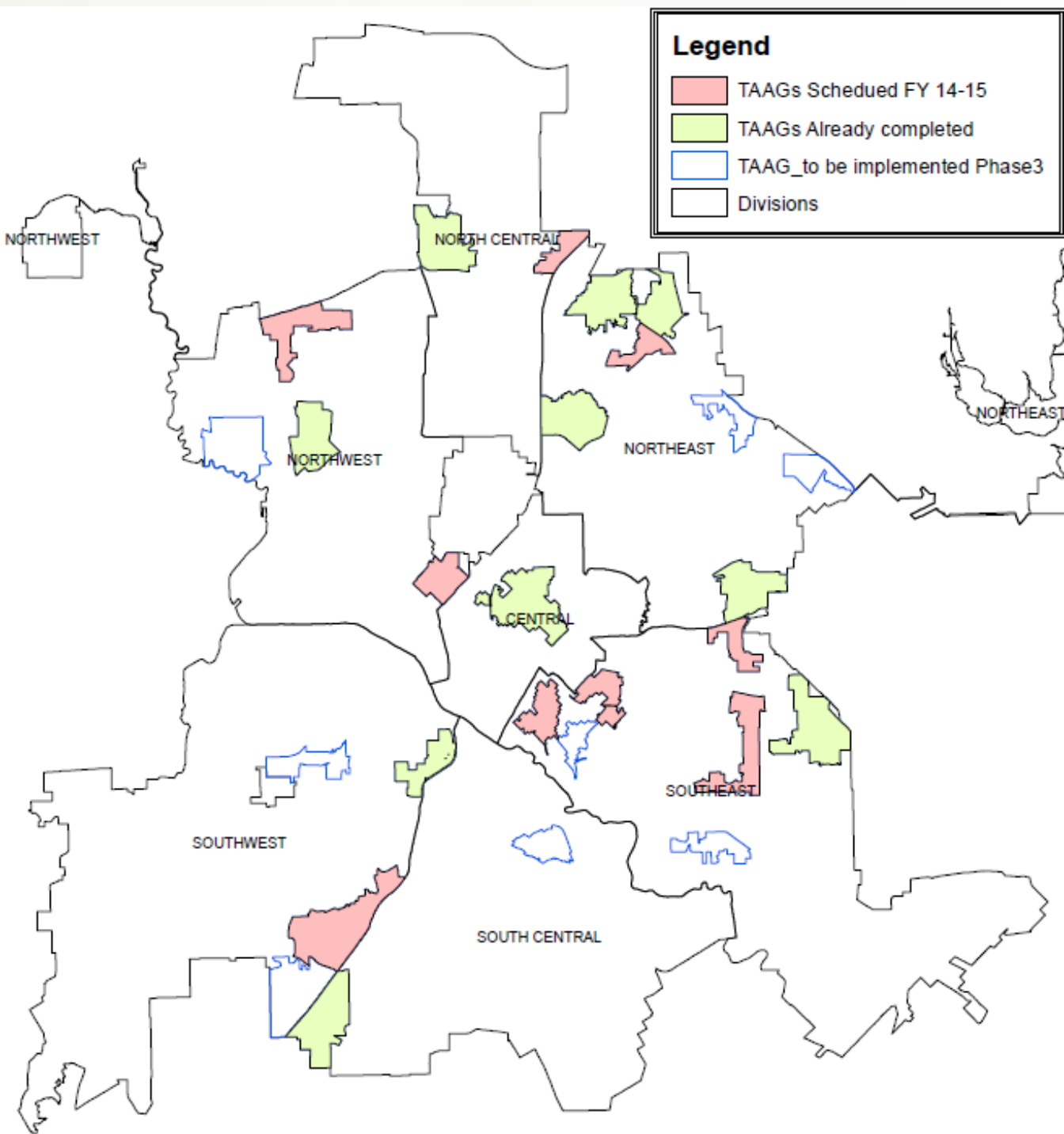
- For FY 2014-15 savings were identified in following areas:
 - Use Public Service Officers, reassign officers from desk duty, and purchase technology/equipment to reduce police officer hiring
 - Reduce squad car purchases
 - Achieve savings from reduced electricity consumption
 - Adjust salary budgets due to vacancies and anticipated hiring
 - Review city-wide costs such as unemployment and worker's compensation
 - Improve utilization of city-owned vehicles in order to reduce rental
- Expense reductions and efficiency efforts will continue including “sunset” budget review process to begin in coming months

Future-Year Initiative-Budget Review

- At request of council members, beginning with development of FY 2015-16 budget, additional analysis of departmental budgets will be implemented
- Five year rotation schedule will be put in place to conduct “sunset” and performance budget review of each department and service:
 - Line item expense budget
 - Staffing requirements to deliver service
 - Contracts for services
 - Technology needs and opportunities
 - Outsource opportunities
 - Fees and revenues
 - Performance measures
 - Best practices
 - Benchmarking against others
- Next slide shows preliminary schedule for in-depth review

Future Year Initiative - Budget Review

FY16	FY17	FY18	FY19	FY20
Police	Fire	Sanitation	Equip. & Bldg. Services	Aviation
Streets	Library	Code Compliance	Public Works	CIS
Park & Recreation	City Auditor	Courts	Trinity Watershed	Sustainable Dev. & Construction
City Manager	Employee Benefits	Judiciary	Storm Water	Cultural Affairs & WRR
Housing	Human Resources	City Attorney	City Secretary	Risk Management
Fair Housing	Civil Service	Mayor & Council	Economic Development	City Controller
Financial Services	Convention Center	Water Utilities	Purchasing	Management Services



TAAG Area Camera Map

Proposed FY 2014-15 Library System Hours

	Location(s)	SUN	MON	TUE	WED	THU	FRI	SAT
7 DAYS	Hampton-Illinois (Jan 2015) (DISD co-location)	Closed 1p-5p +4 HRS	7:45a-8p	7:45a-5p 7:45a-8p +3 HRS	7:45a-5p 7:45a-8p +3 HRS	7:45a-5p	7:45a-5p	10a-5p
	Bachman Lake (Jan 2015)	Closed 1p-5p +4 HRS	Closed 10a-6p +8 HRS	12p-8p 10a-8p +2 HRS	12p-8p 10a-8p +2 HRS	10-6p 10a-8p +2 HRS	10a-6p	10a-6p
	Pleasant Grove (Jan 2015)/Renner Frankford (Jan 2015) Audelia Road (April 2015)/Dallas West (April 2015) Oak Lawn (April 2015)/Preston Royal (April 2015)	Closed 1p-5p +4 HRS	Closed 10a-6p +8 HRS	10a-6p 10a-8p +2 HRS	12p-8p 10a-8p +2 HRS	12p-8p 10a-8p +2 HRS	10a-6p	10a-6p
	Polk-Wisdom (Jan 2015)/White Rock Hills (Jan 2015) North Oak Cliff (April 2015)/Lancaster-Kiest (April 2015)	Closed 1p-5p +4 HRS	Closed 10a-6p +8 HRS	12p-8p 10a-8p +2 HRS	10a-6p 10a-8p +2 HRS	12p-8p 10a-8p +2 HRS	10a-6p	10a-6p
	J. Erik Jonsson Central Library (Jan 2015)	1p-5p	Closed 10a-5pm +7 HRS	10a-5p 10a-8p +3 HRS	10a-5p	12p-8p 10a-8p +2 HRS	10a-5p	10a-5p
6 DAYS	Arcadia Park (DISD co-location)	Closed	7:45a-8p	7:45a-5p	7:45a-5p	7:45a-5p	7:45a-5p	10a-5p
	Bookmarks NP	12p-5p	10a-5p	closed	10a-5p	10a-5p	10a-5p	10a-5p
5 DAYS	Lochwood/Mountain Creek	Closed	Closed	10a-6p	12p-8p	12p-8p	10a-6p	10a-6p
	Forest Green/Grauwyler Park Kleberg-Rylie/Lakewood Park Forest/Prairie Creek Skyline/Timberglen	Closed	Closed	12p-8p	10a-6p	12p-8p	10a-6p	10a-6p
	Fretz Park/Highland Hills Martin Luther King Jr./Skillman Southwestern	Closed	Closed	12p-8p	12p-8p	10a-6p	10a-6p	10a-6p

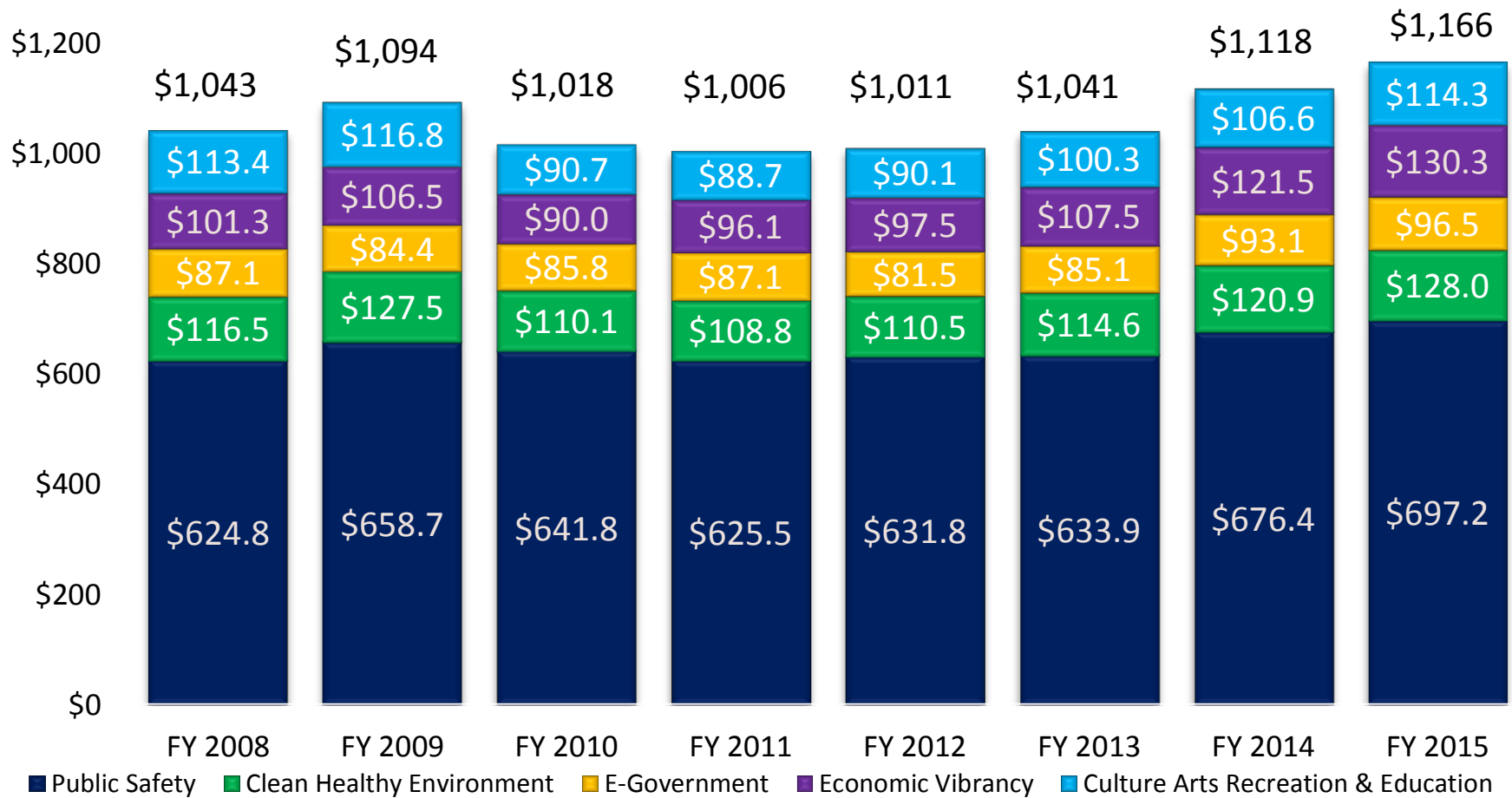
Proposed FY 2014-15 Recreation Center Hours

Recreation Center Hours			
Hours per Week	FY 2013-14 Centers	FY 2014-15 Centers	Change
40	5	4	-1
45	2	2	0
55	20	9	-11
60	12	12	0
65	0	14	+14
Totals	39	41	+2*

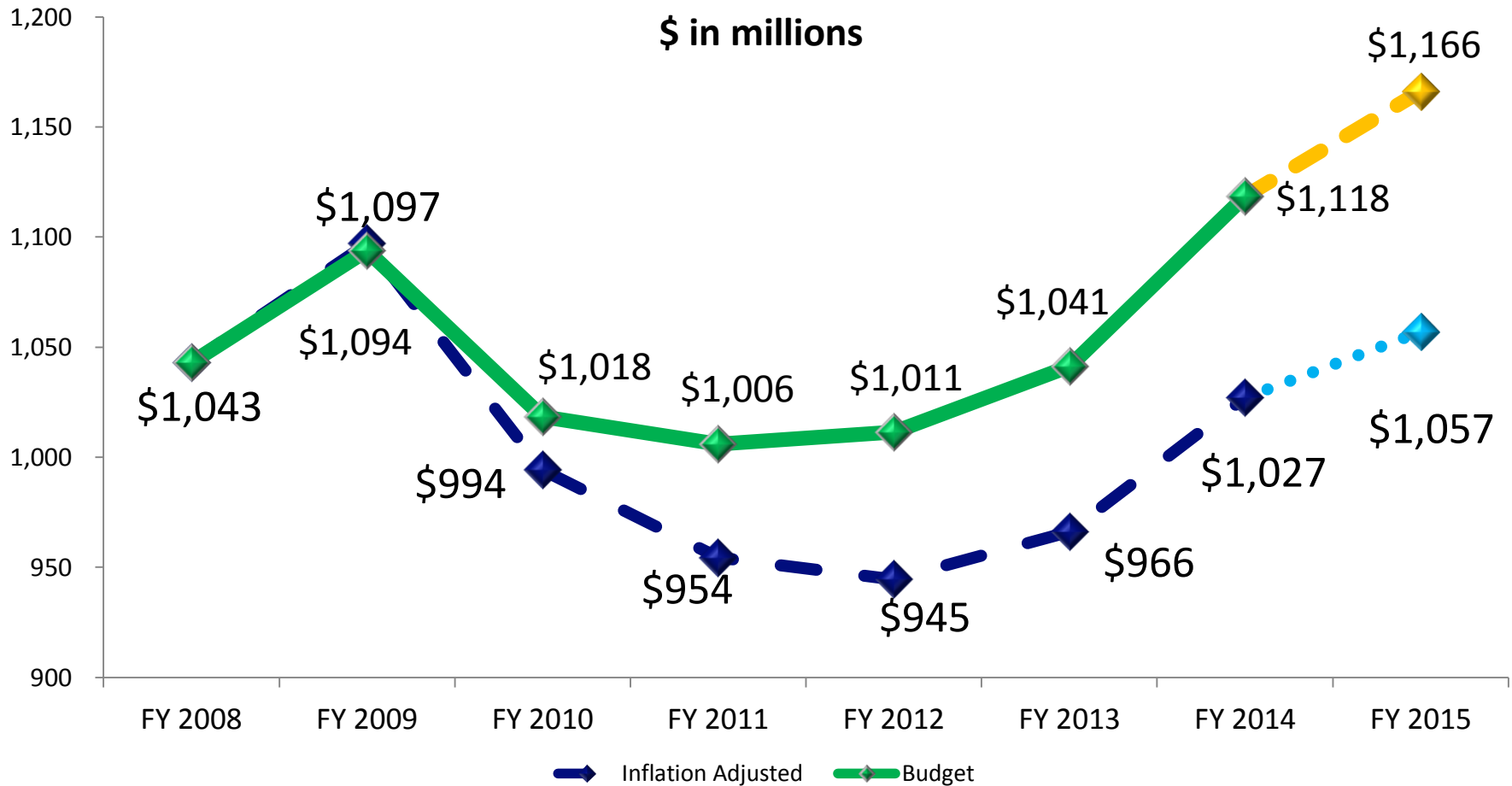
*Two recreation centers (Anita Martinez and Pleasant Oaks) will be coming back into service in FY 2014-15.

History of General Fund Expenses

by Key Focus Area (\$ in millions)



General Fund Expense Budget (Adjusted for 2008 Inflation)



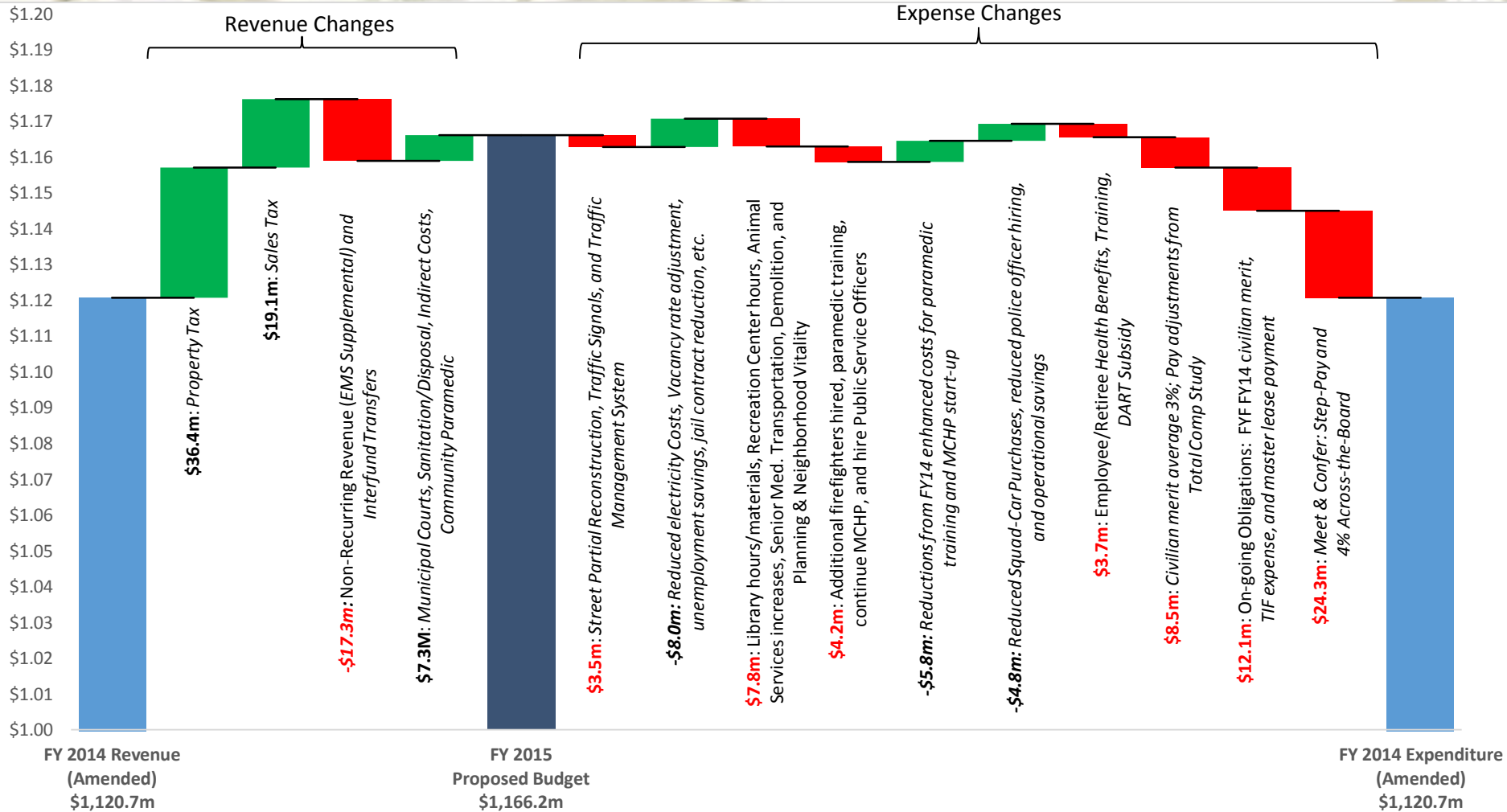
General Fund Expense Budget

(Adjusted for 2008 Inflation)

Fiscal Year	Population	Budget (\$ in millions)	Budget per Capita	Budget Adjusted for Inflation (\$ in millions)	Adjusted for Inflation per Capita
FY 2010	1,197,816	\$1,018	\$850	\$994	\$830
FY 2011	1,200,632	\$1,006	\$838	\$954	\$795
FY 2012	1,217,821	\$1,011	\$830	\$945	\$775
FY 2013	1,241,162	\$1,041	\$839	\$966	\$778
FY 2014	1,257,676	\$1,118	\$889	\$1,027	\$817
FY 2015 Proposed	1,286,818*	\$1,166	\$906	\$1,057	\$821

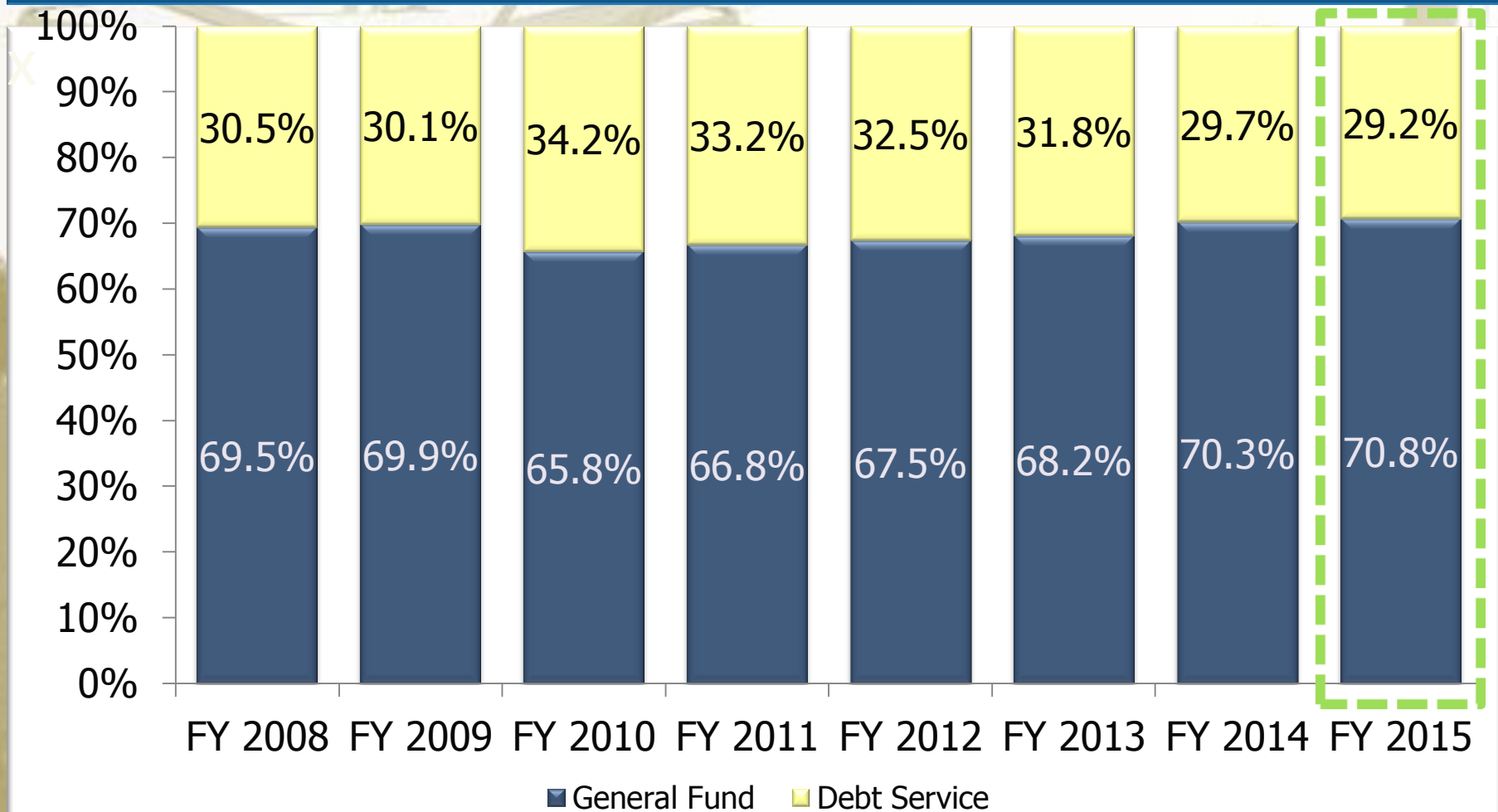
FY 2014-15 General Fund

Summary of Budget Changes



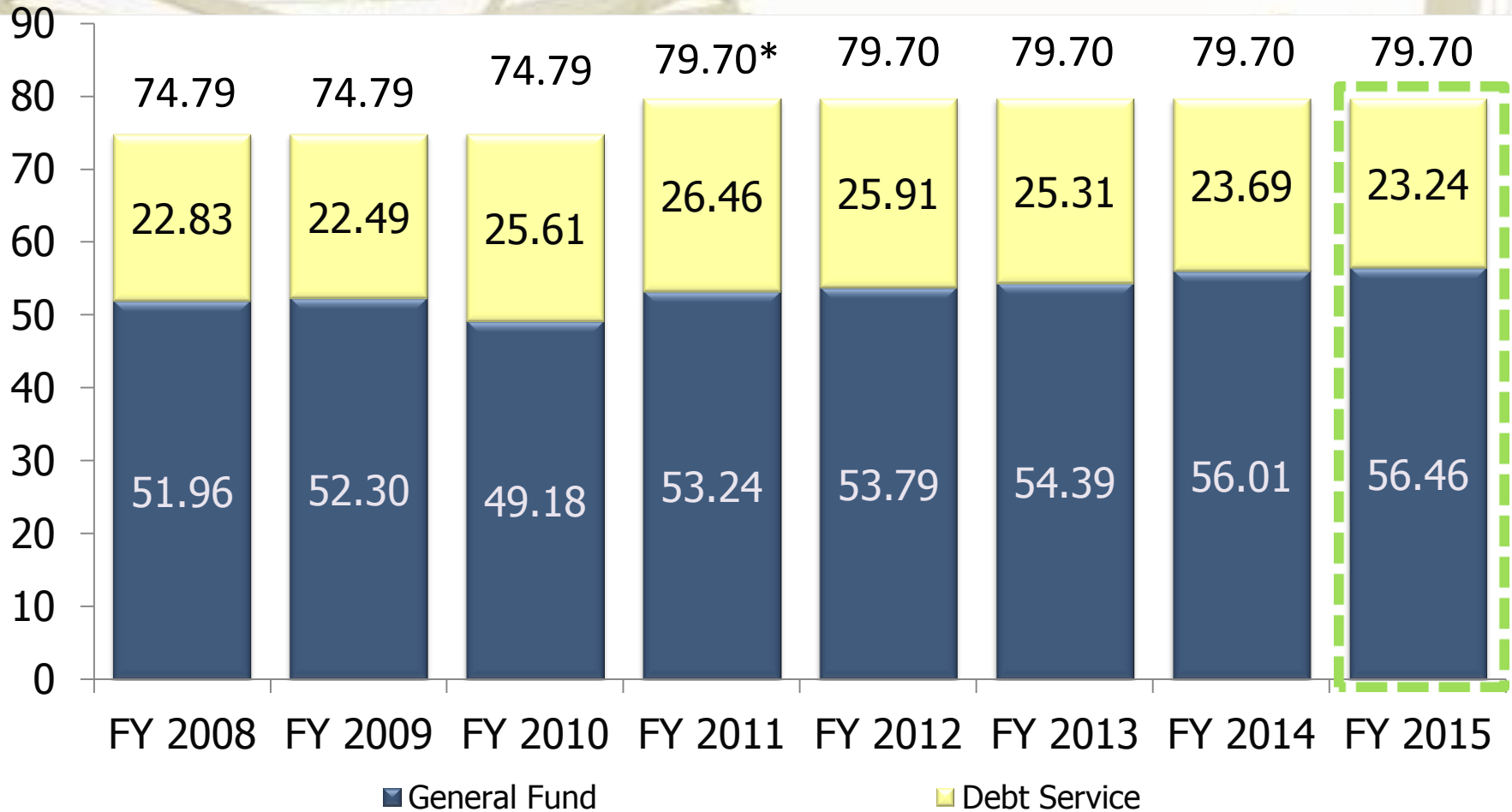
Property Tax Rate Split

(Percent GF and DS)



Property Tax Rate

(Rate in Cents per \$100 Valuation)



*Note: FY11 adopted rate of \$0.7970 was below effective tax rate of \$0.7972.

General Obligation Debt Outstanding (\$ in millions)

