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CITY SECRETARY  
DALLAS, TEXAS



# COUNCIL BUDGET BRIEFING AGENDA

August 12, 2014

Date

(For General Information and Rules of Courtesy, Please See Opposite Side.)  
(La Información General Y Reglas De Cortesía Que Deben Observarse  
Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

## General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

## Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

AGENDA  
CITY COUNCIL BUDGET BRIEFING  
TUESDAY, AUGUST 12, 2014  
CITY HALL  
1500 MARILLA  
DALLAS, TEXAS 75201  
1:00 P.M.

1:00 pm      Invocation and Pledge of Allegiance      6ES

BRIEFING      6ES

Budget Workshop #4 - City Manager's Recommended Budget for FY 2014-15

Adjournment

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

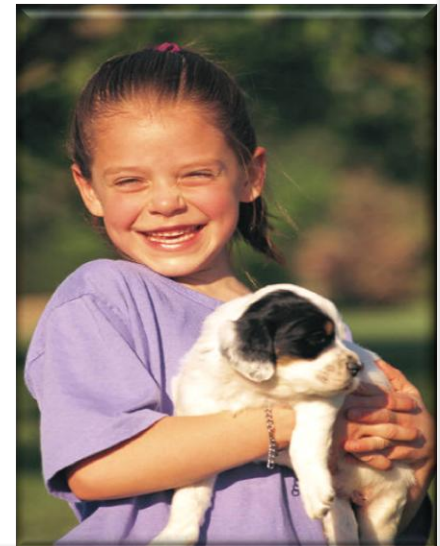
# City of Dallas Proposed Annual Budget for Fiscal Year 2014-15

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





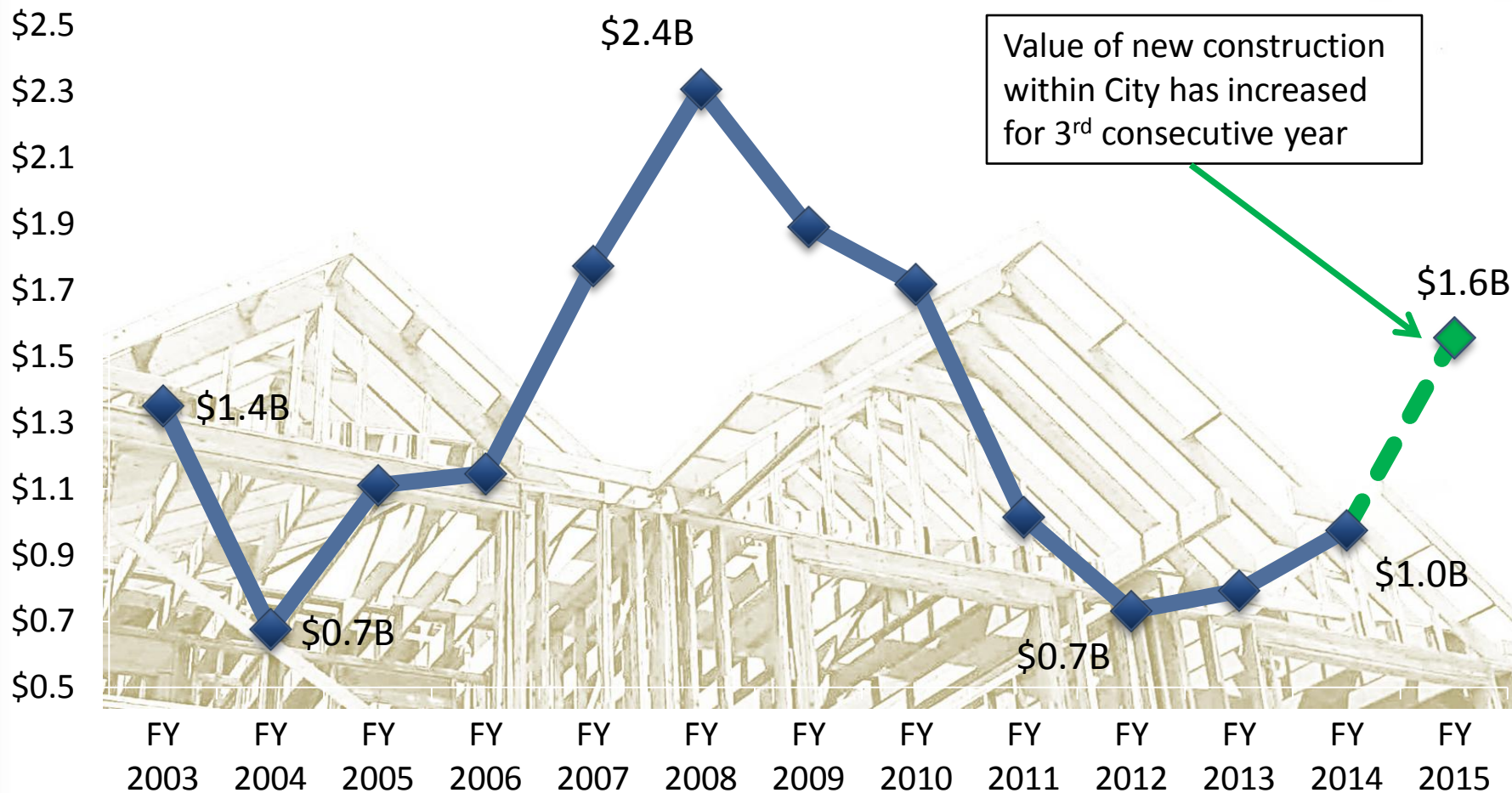
# Property Tax Base Values

(\$ in Billions)



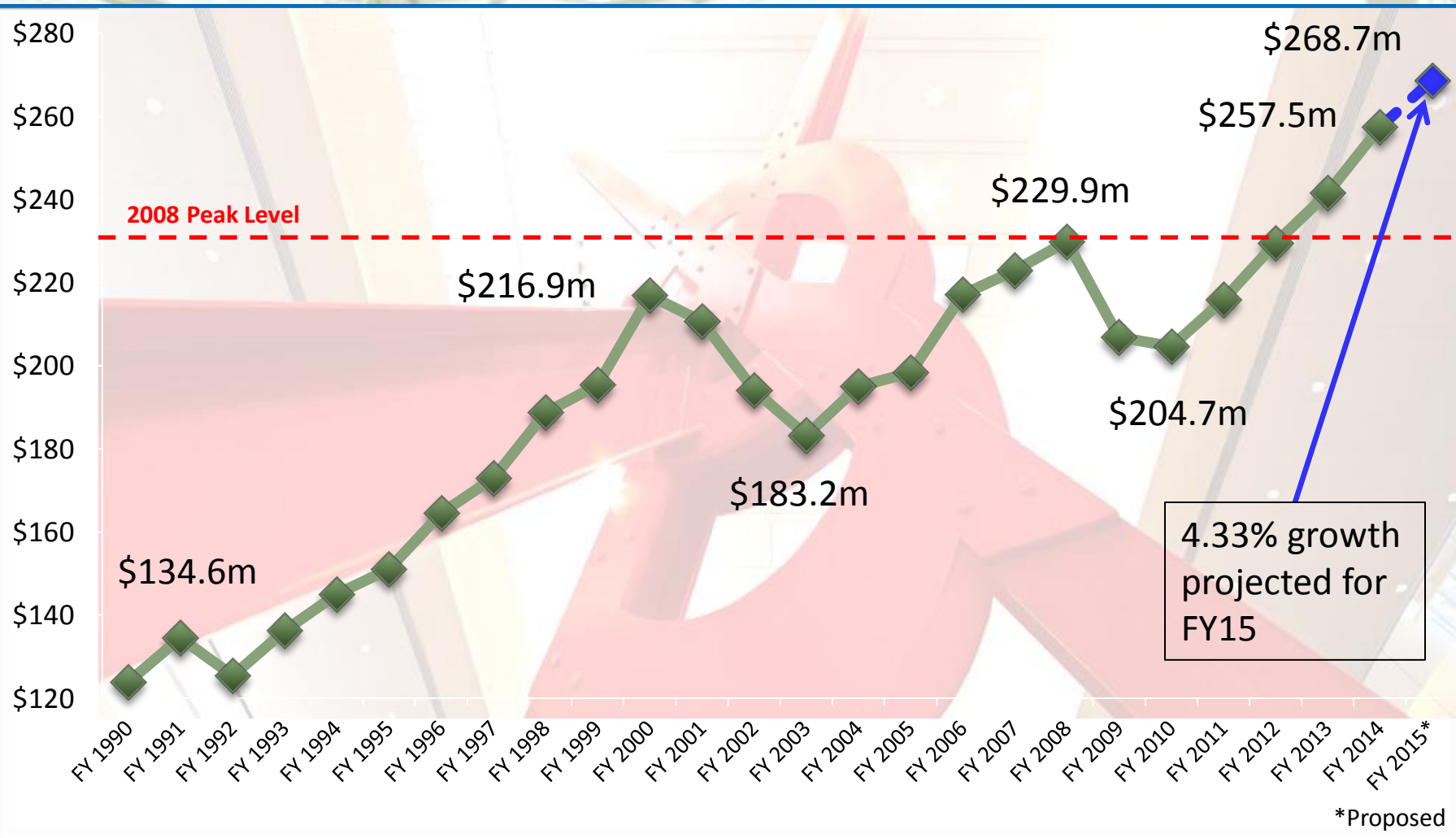
# New Construction Values

(\$ in Billions)



# Sales Tax Revenue

(\$ in Millions)

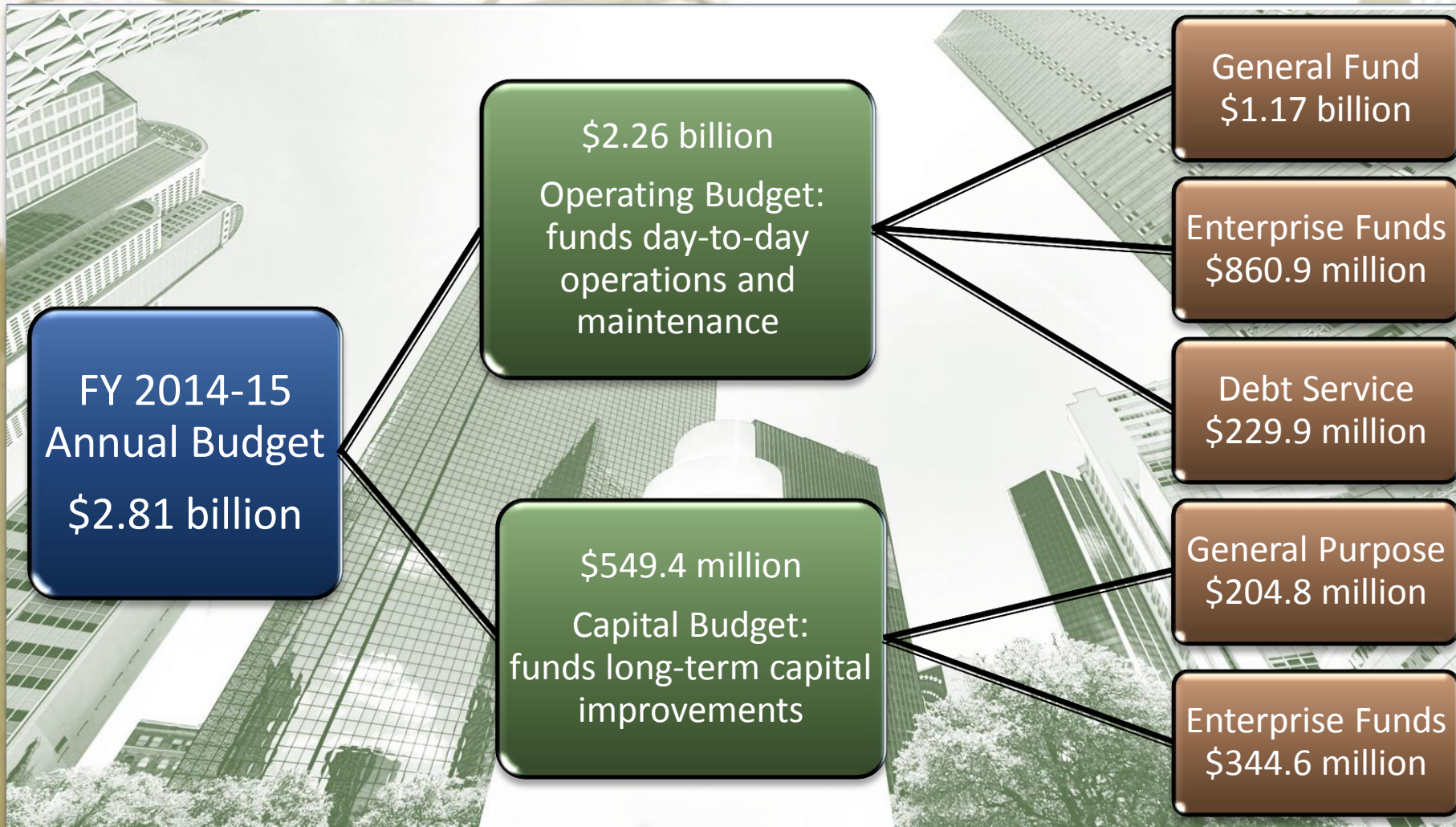




# Financial Overview

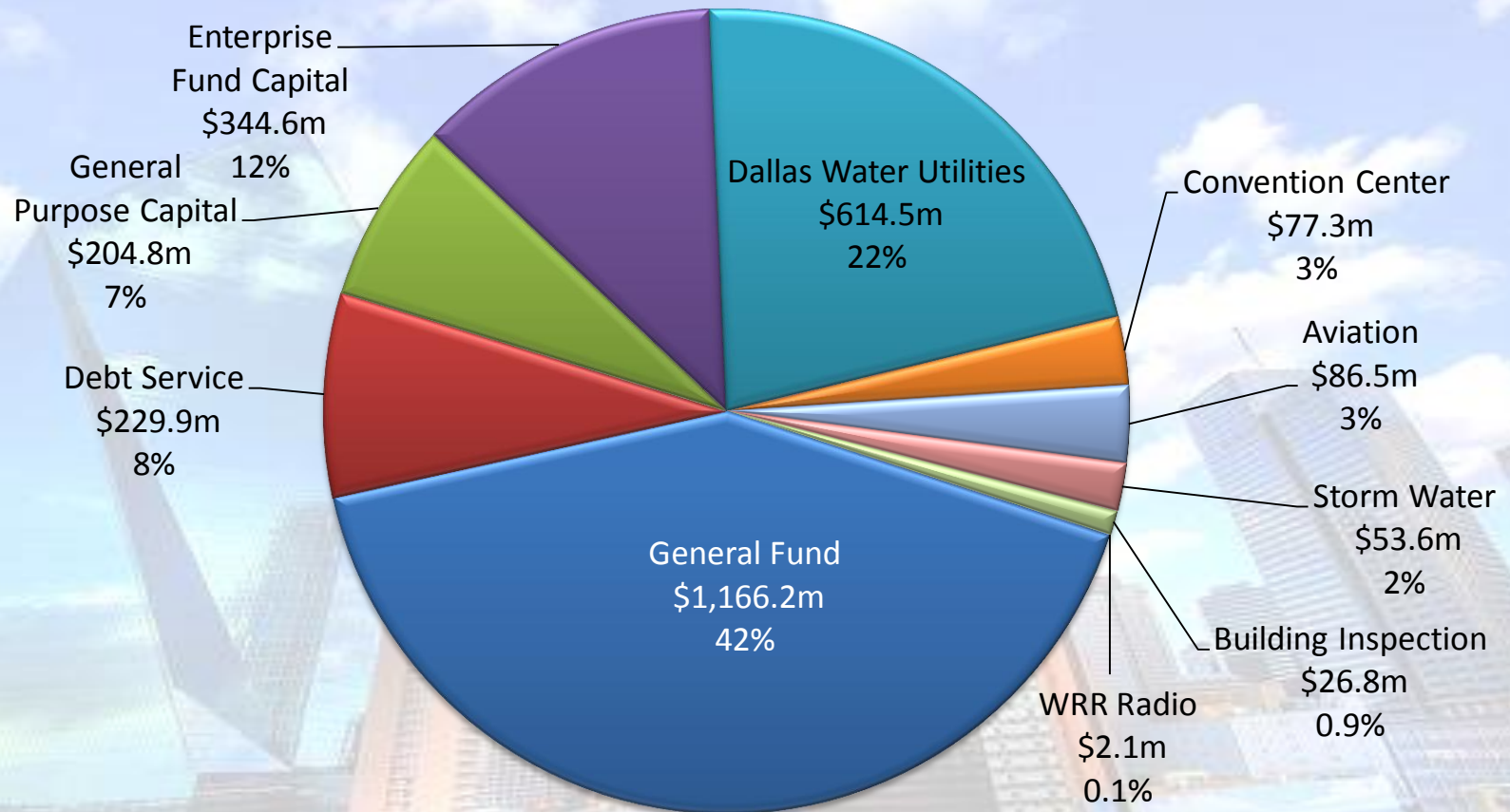
City of Dallas FY 2014-15 Proposed Budget

# 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%)
<b>Operating Budget Subtotal</b>	<b>\$2,159,717,989</b>	<b>\$2,257,053,429</b>	<b>\$97,335,440</b>	<b>4.51%</b>
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%
<b>Capital Budget Subtotal</b>	<b>\$669,594,668</b>	<b>\$549,373,799</b>	<b>(\$120,220,869)</b>	<b>(17.95%)</b>
<b>Total Budget</b>	<b>\$2,829,312,657</b>	<b>\$2,806,427,228</b>	<b>(\$22,885,429)</b>	<b>(0.81%)</b>

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



# General Fund

City of Dallas FY 2014-15 Proposed Budget

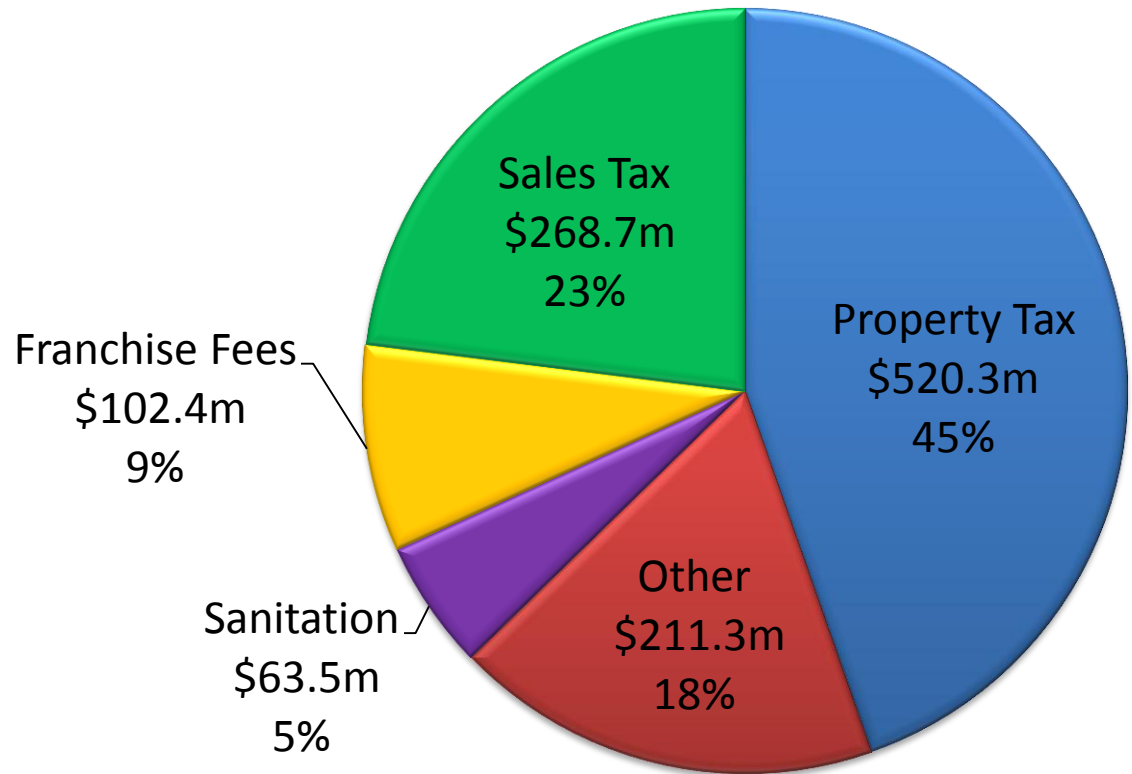


# FY 2014-15 General Fund Revenues

Revenues Total \$1.17 billion

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

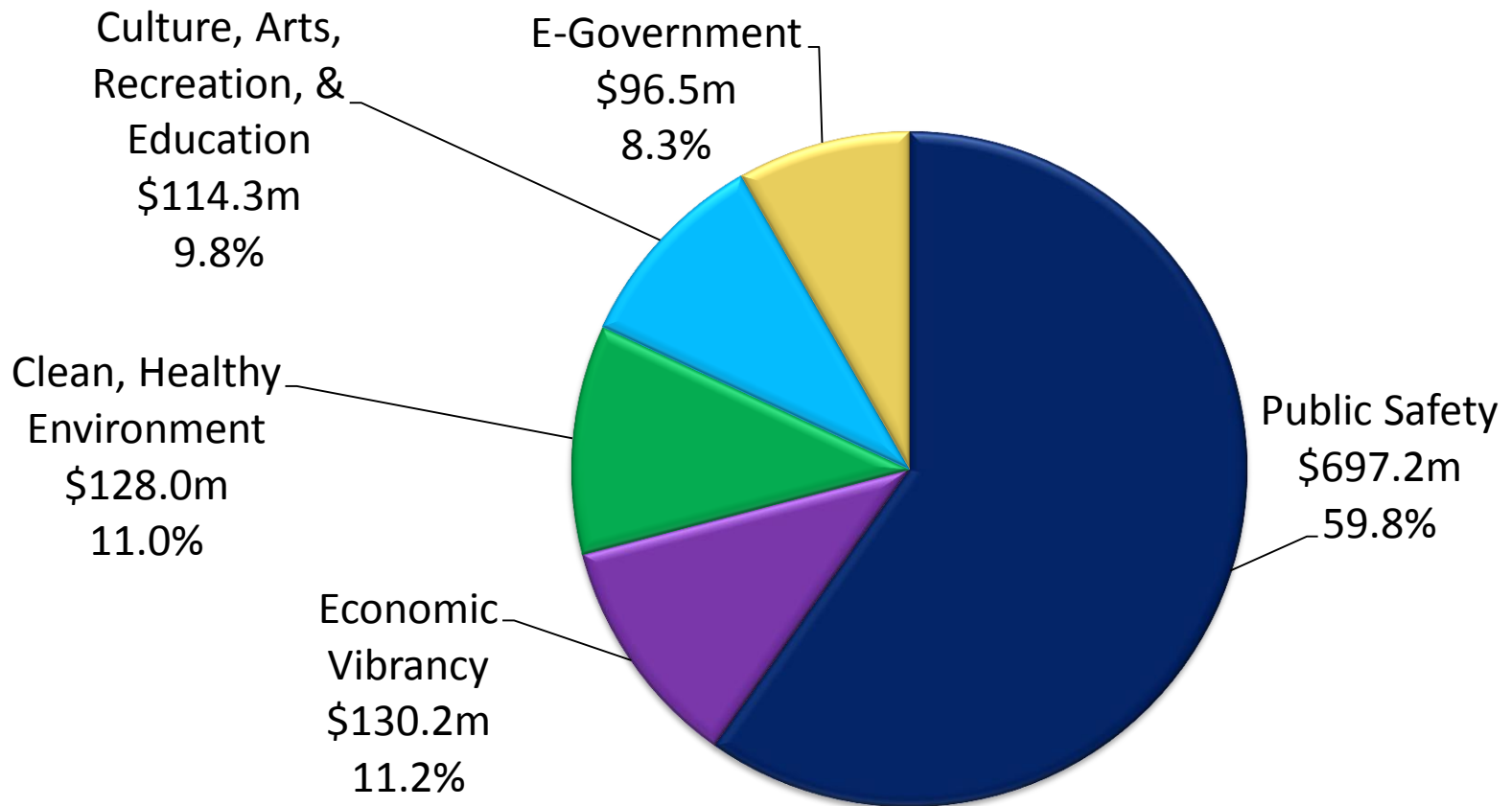
Other Revenues include:  
-Municipal courts, fines,  
ambulance fees, park fees,  
licenses/permits, etc



# FY 2014-15 General Fund Expenses

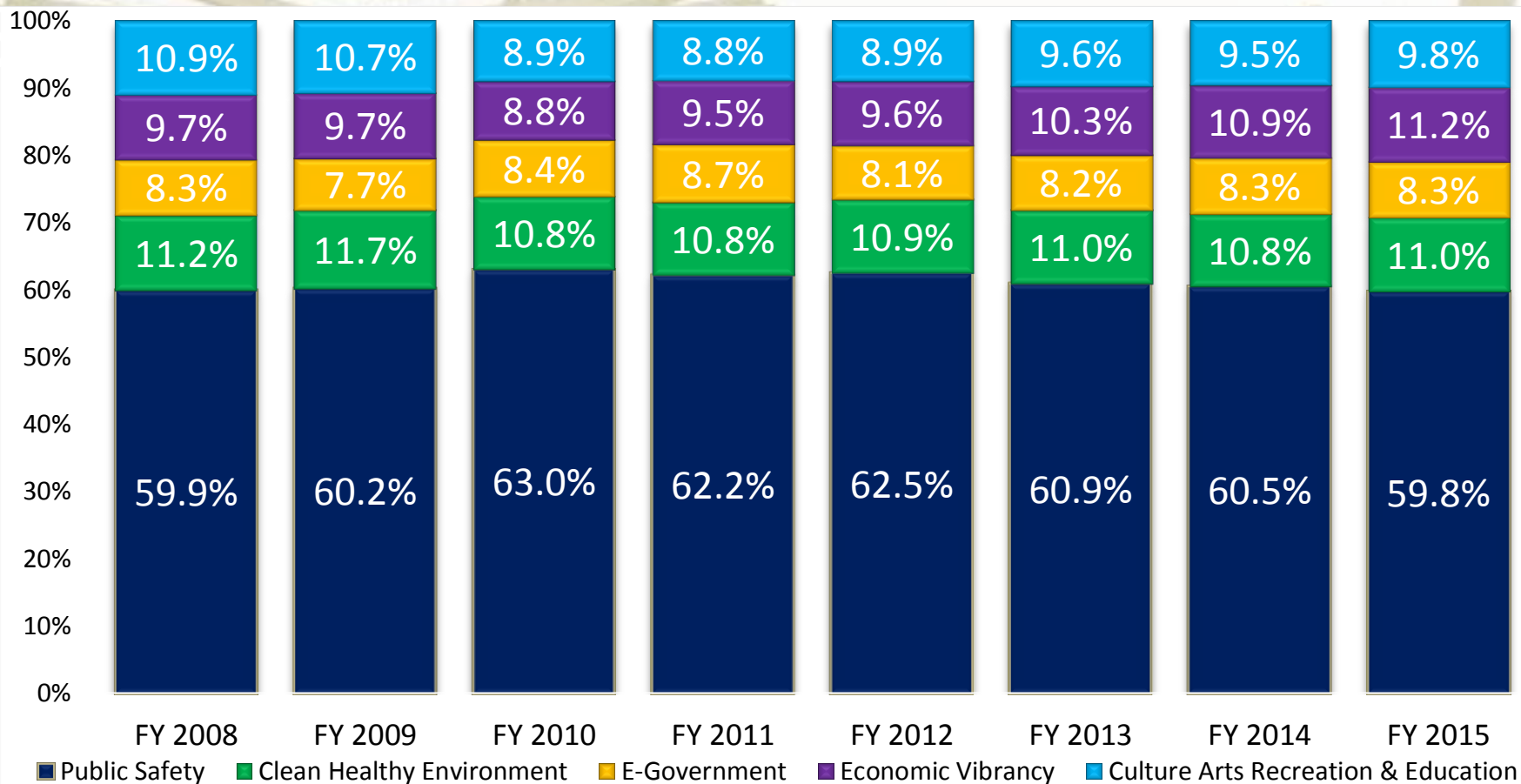
(by Key Focus Area)

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.

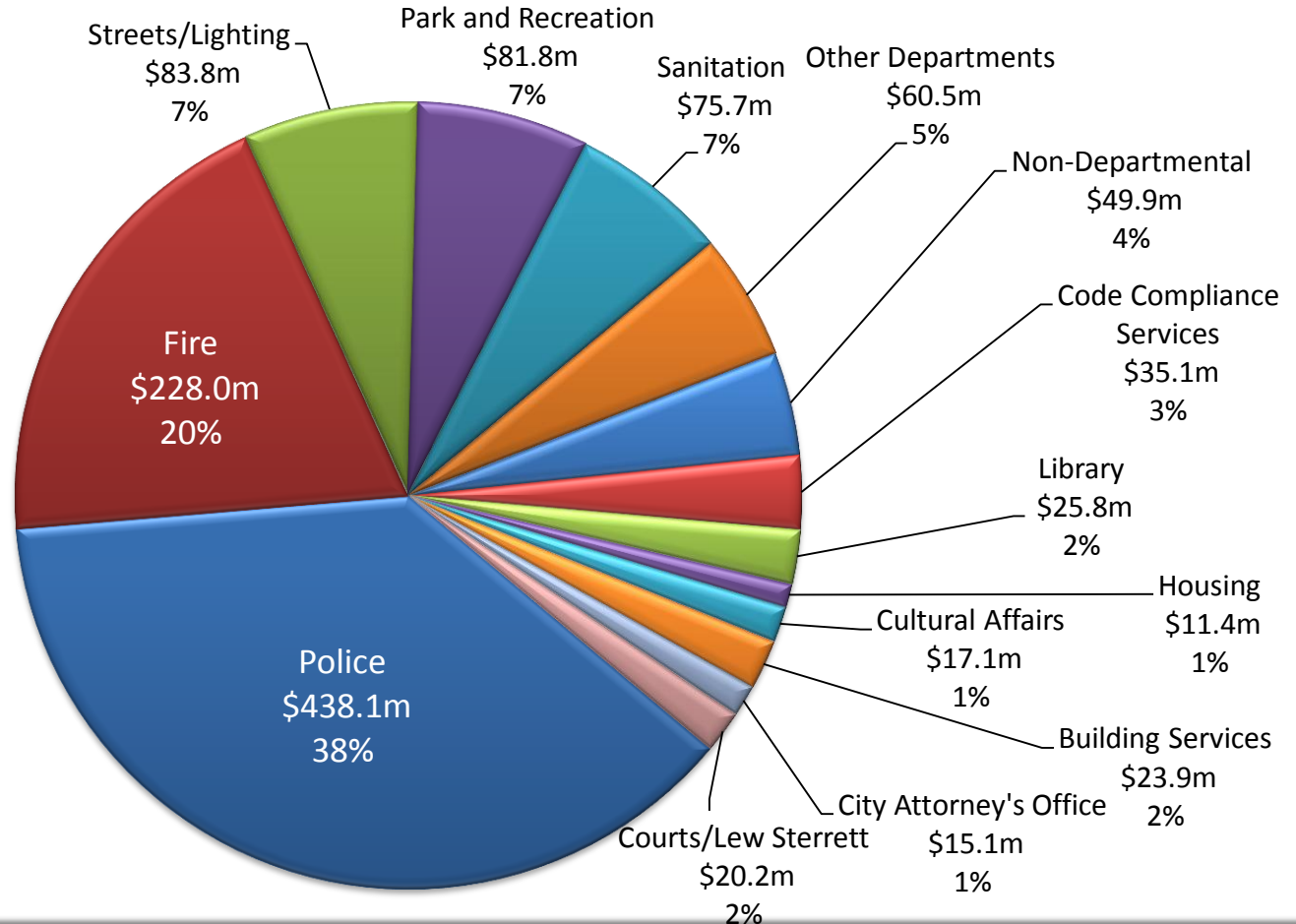
# FY 2014-15 General Fund Expenses

## (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



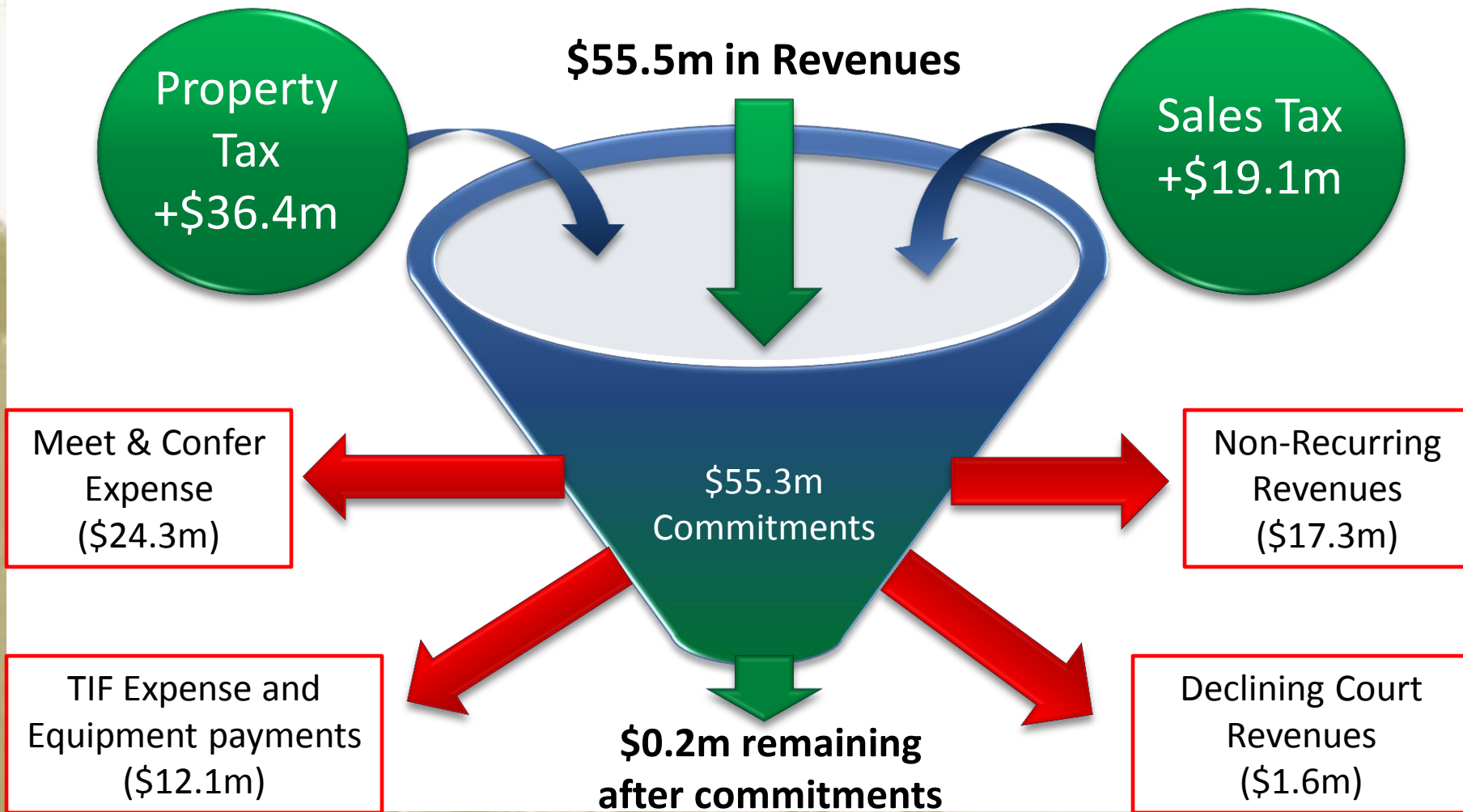
# FY 2014-15 General Fund Expenses

## (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%)
<b>Total</b>	<b>\$1,120,747,995</b>	<b>\$1,166,235,000</b>	<b>\$45,487,005</b>	<b>4.1%</b>

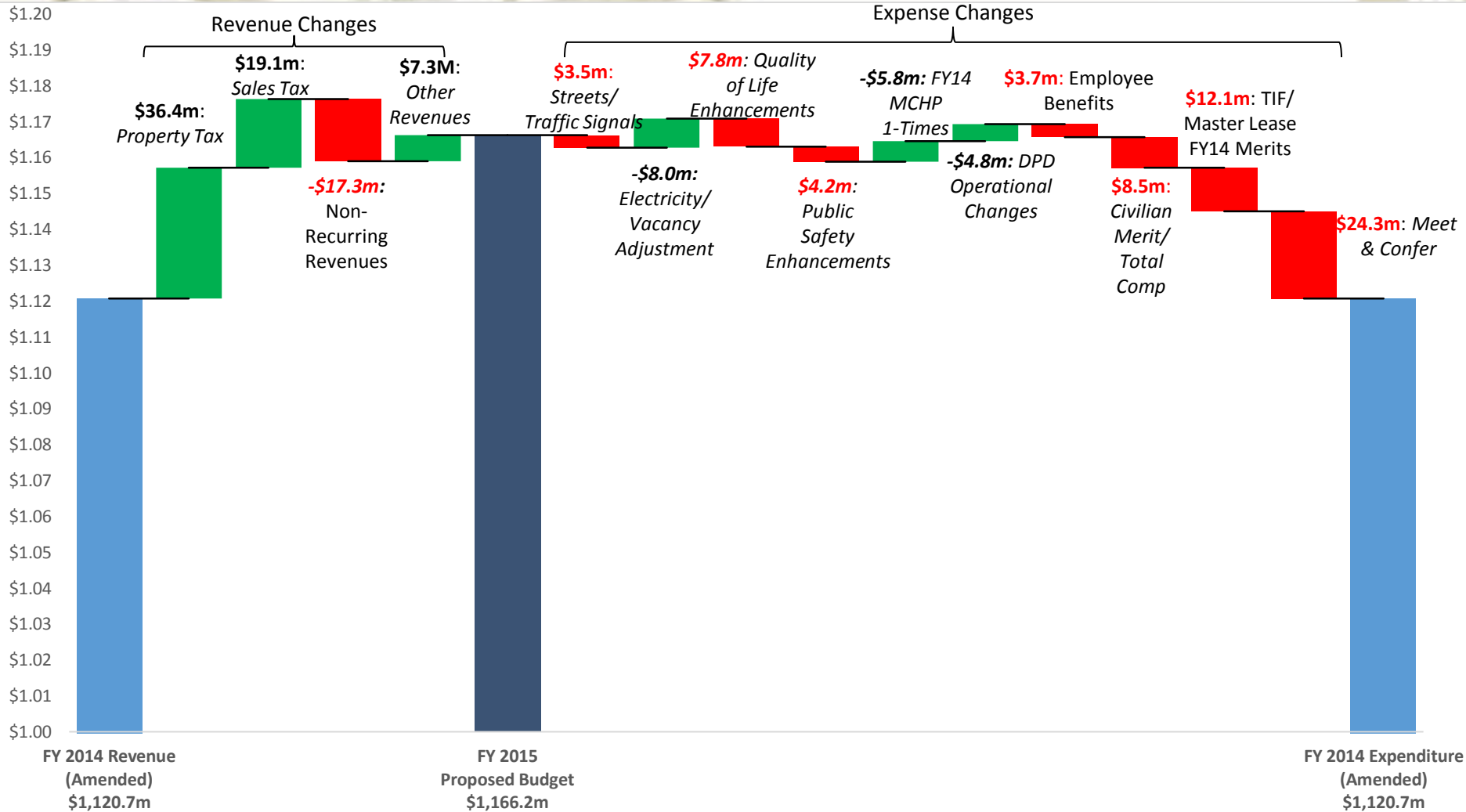
# FY 2014-15 General Fund

## Major Revenue and Expense Challenge



# FY 2014-15 General Fund

## Summary of Budget Changes





# 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

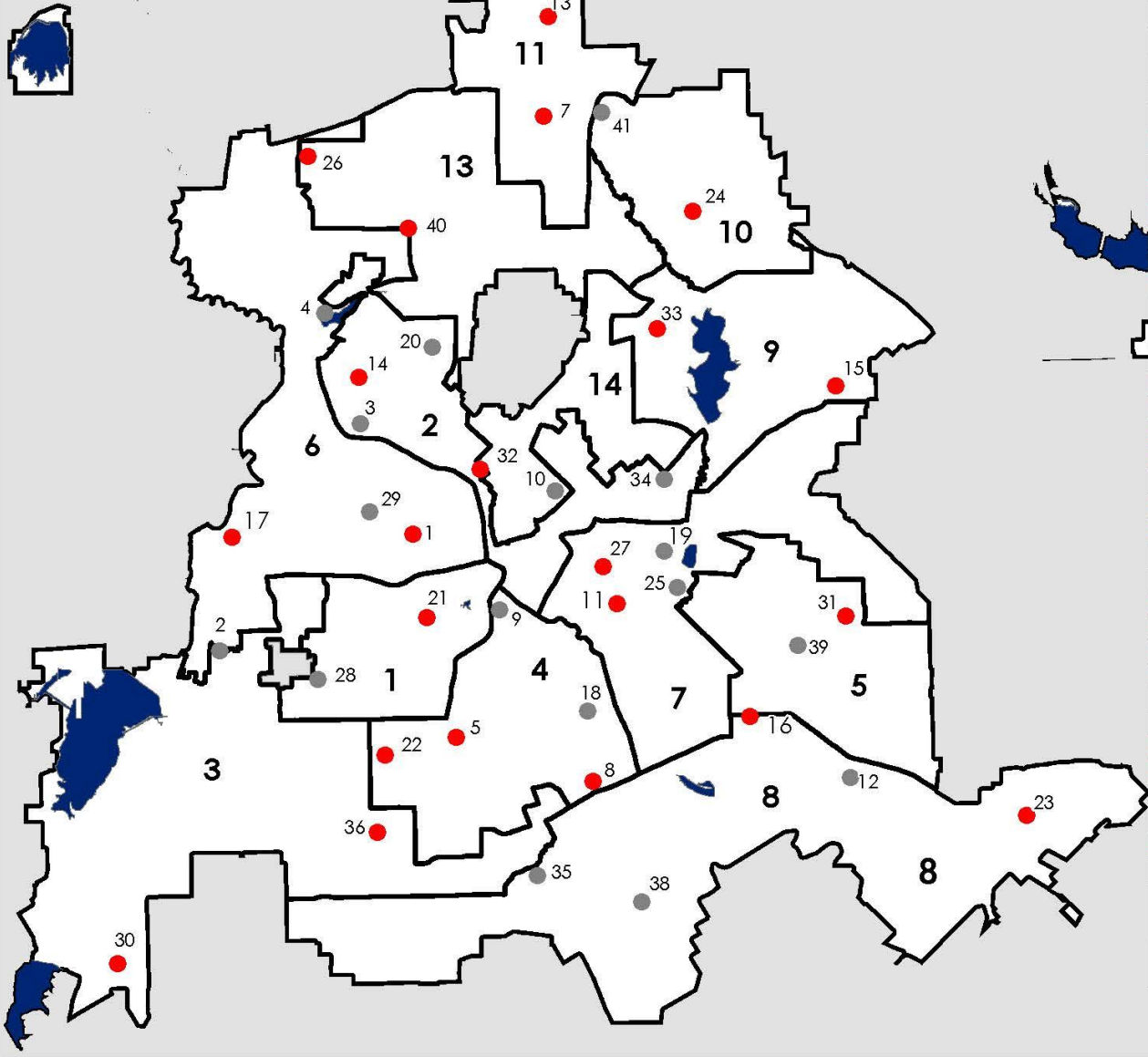
- Contracts with cultural organizations
- Maintenance of public art
- Utilities at Music Hall at Fair Park and Sammons Center

- 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
  - 3<sup>rd</sup> 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





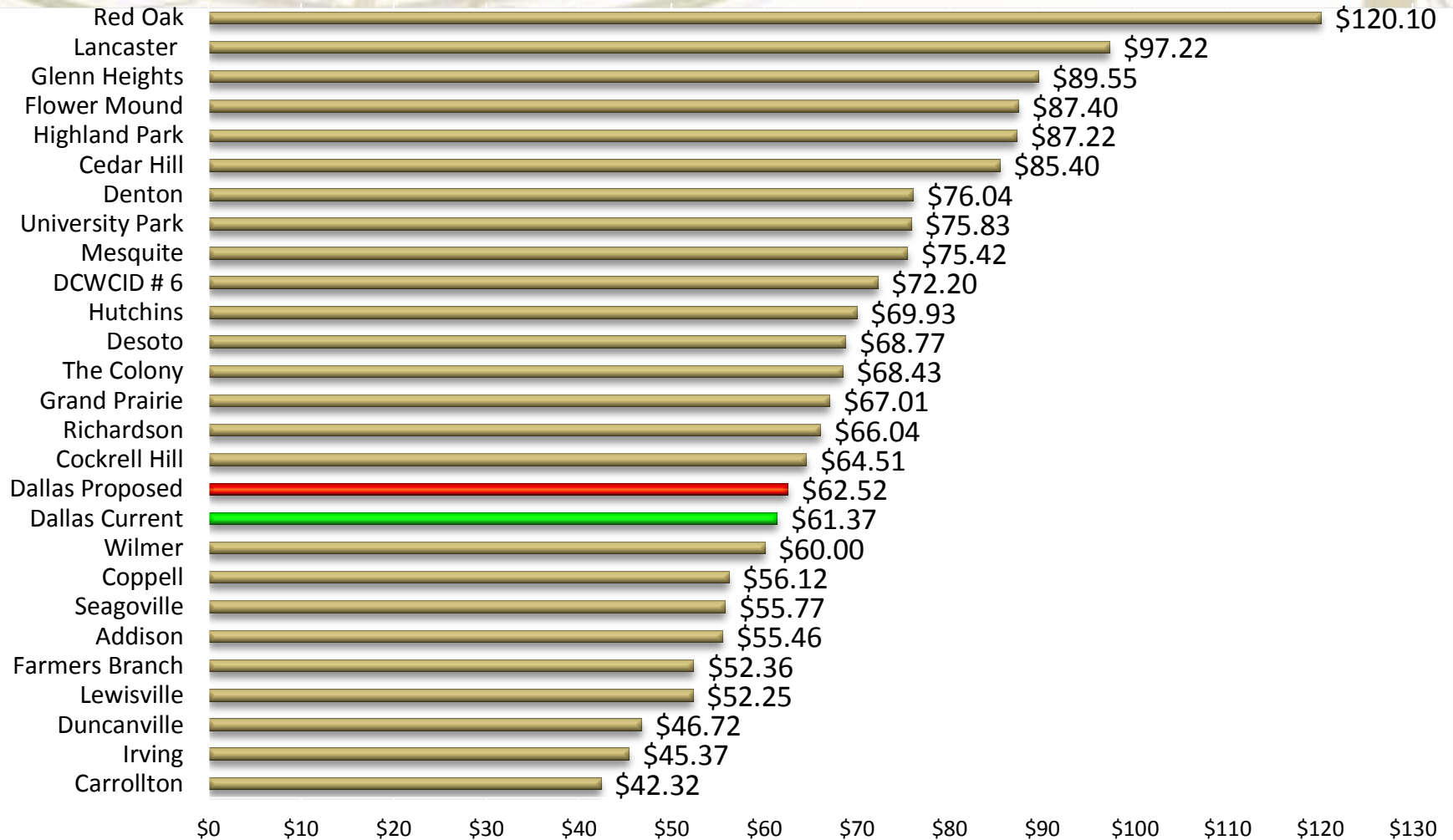
# Dallas Water Utilities

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%

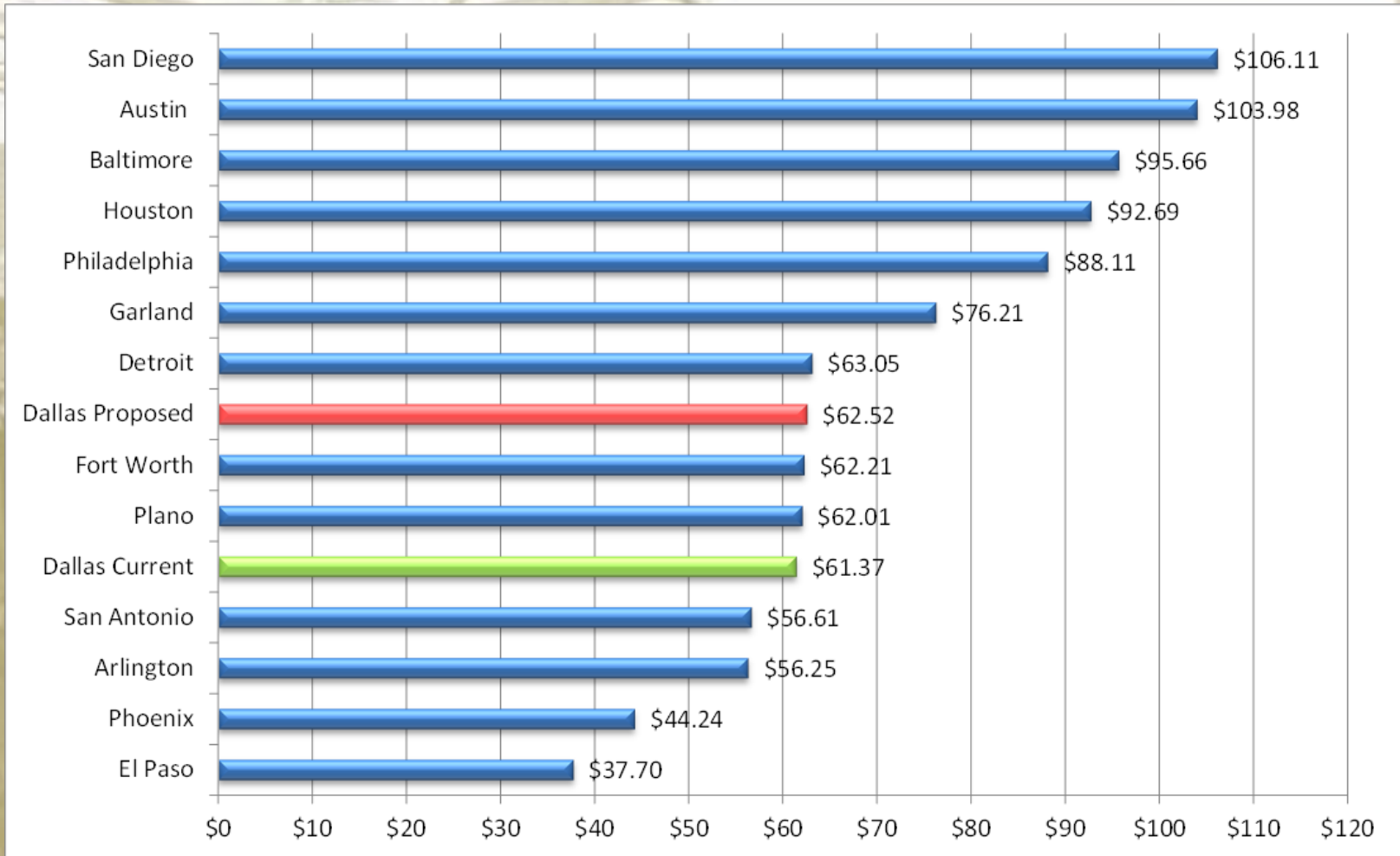
# Neighboring/Customer Cities Comparison Average Monthly Water & Sewer Bills



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 <sup>a</sup>	1.5%	80,125	33.5%
4,001 to 10,000 Gal	\$54.59	\$55.48	\$0.89 <sup>b</sup>	1.6%	97,865	40.9%
10,001 to 15,000 Gal	\$79.01	\$81.05	\$2.03 <sup>c</sup>	2.6%	27,420	11.5%
Above 15,000 Gal	\$193.11	\$203.56	\$10.45 <sup>d</sup>	5.4%	33,789	14.1%
<b>Total</b>					<b>239,199</b>	<b>100.0%</b>

Data based on January 2013 through December 2013 usage:

<sup>a</sup> Average water and sewer use: 2,144 gallons

<sup>b</sup> Average water use 6,546 gallons and sewer use: 5,900 gallons

<sup>c</sup> Average water use 12,157 gallons and sewer use: 5,900 gallons

<sup>d</sup> Average water use 29,010 gallons and sewer use: 5,900 gallons



# 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

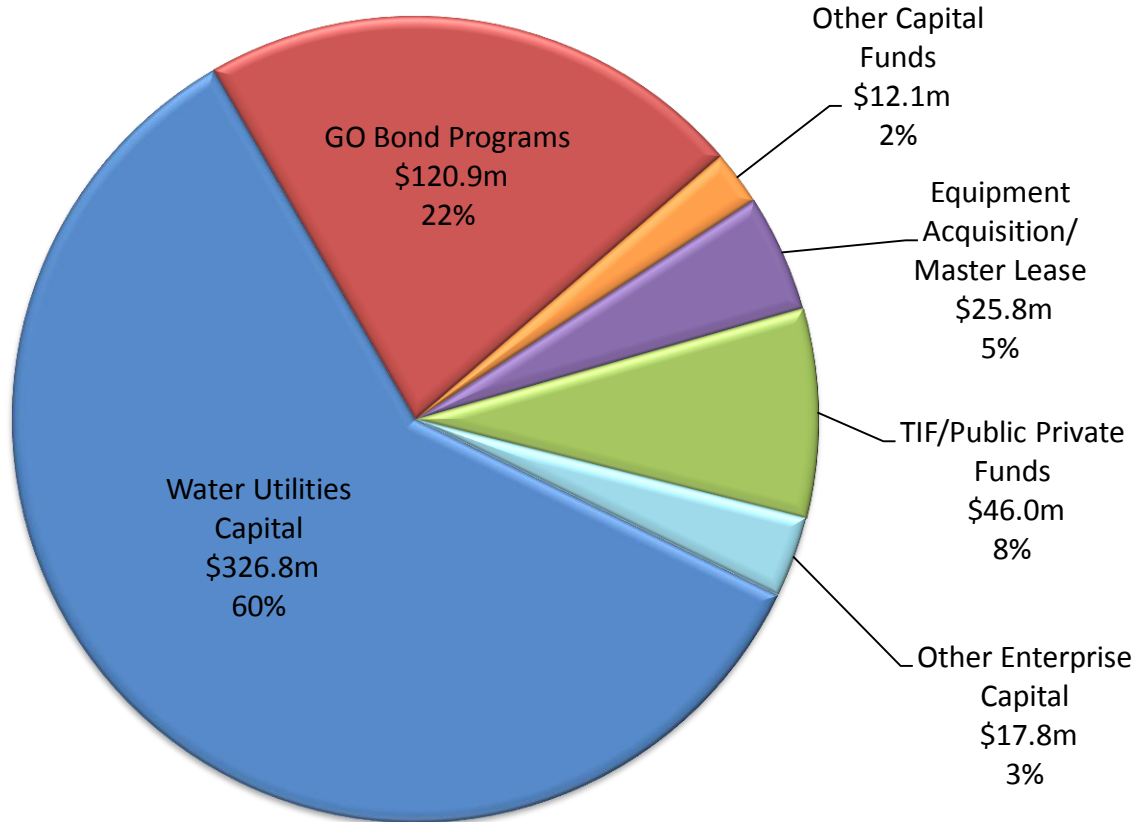
- Cash is also used to fund projects in capital budget
  - \$5.4m from General Capital Reserve included for FY 2014-15
    - Partial reconstruction of major thoroughfares
    - Major maintenance of City facilities
  - Aviation, Convention Center, and Dallas Water Utilities also transfer funds from their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

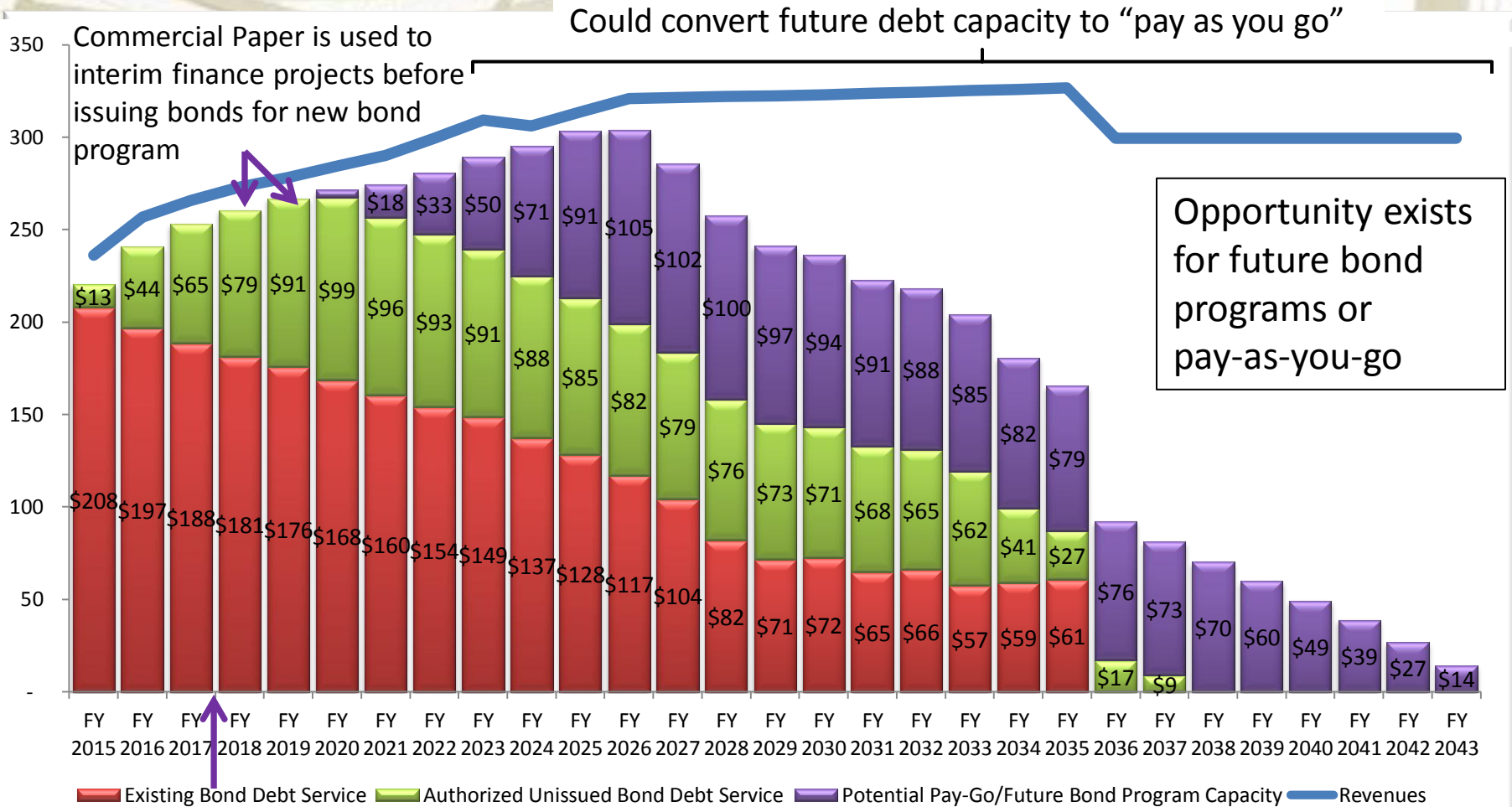
Other Enterprise Capital Funds:  
-Aviation: \$13.6m  
-Convention Center: \$3.2m  
-Storm Water: \$1.0m

# 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> <ul style="list-style-type: none"> <li>-Generates same amount of revenue in new fiscal year as previous fiscal year on property taxed in both years</li> <li>-Adopting effective rate would decrease property tax revenue by <u>\$33.5m</u> from proposed budget</li> </ul>	<p>FY 2014-15 Rollback Rate = \$0.8006</p> <ul style="list-style-type: none"> <li>-Allows general fund portion plus 8%</li> <li>-Allows debt service portion necessary to cover debt service expense</li> <li>-If rate <u>above</u> rollback rate is adopted, voters may petition for an election to reduce rate to rollback rate</li> <li>-Adopting rollback rate would increase property tax revenue by <u>\$3.3m</u> from proposed budget</li> </ul>	<p>FY 2014-15 Notice and Hearing Rate = \$0.7601</p> <ul style="list-style-type: none"> <li>-Lower of <u>either</u> effective rate or rollback rate</li> </ul>
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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 20<sup>th</sup>)
  - Publish date/time for two public hearings (Monday, August 25<sup>th</sup> )
  - Hold two tax rate public hearings (Wednesday, September 3<sup>rd</sup> and Tuesday, September 9<sup>th</sup>)
  - Publish date/time of meeting to adopt tax rate (Wednesday, September 10<sup>th</sup> )
  - Adopt tax rate (Wednesday, September 17<sup>th</sup>)



# 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

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Councilmember: \_\_\_\_\_

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

1. \_\_\_\_\_

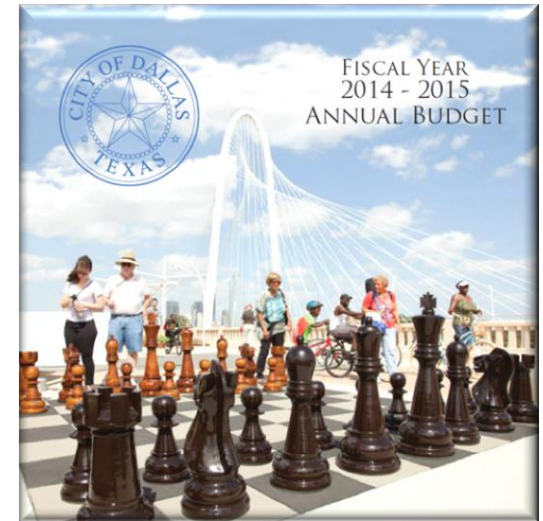
2. \_\_\_\_\_

3. \_\_\_\_\_

Please return to A.C. Gonzalez by Friday August 15<sup>th</sup>

# For More Information...

- Please visit [www.dallascityhall.com](http://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
<b>Total of Expenditure Adjustments</b>	<b>+\$42.4</b>	<b>+\$58.4</b>	<b>+\$44.9</b>	<b>+\$45.4</b>

# 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				
<b>Budget Impact for Guaranteed Provisions</b>	<b>\$ 7,640,000</b>	<b>\$ 15,200,000</b>	<b>\$ 15,200,000</b>	<b>\$ 7,600,000</b>	<b>\$ 45,640,000</b>

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

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- 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

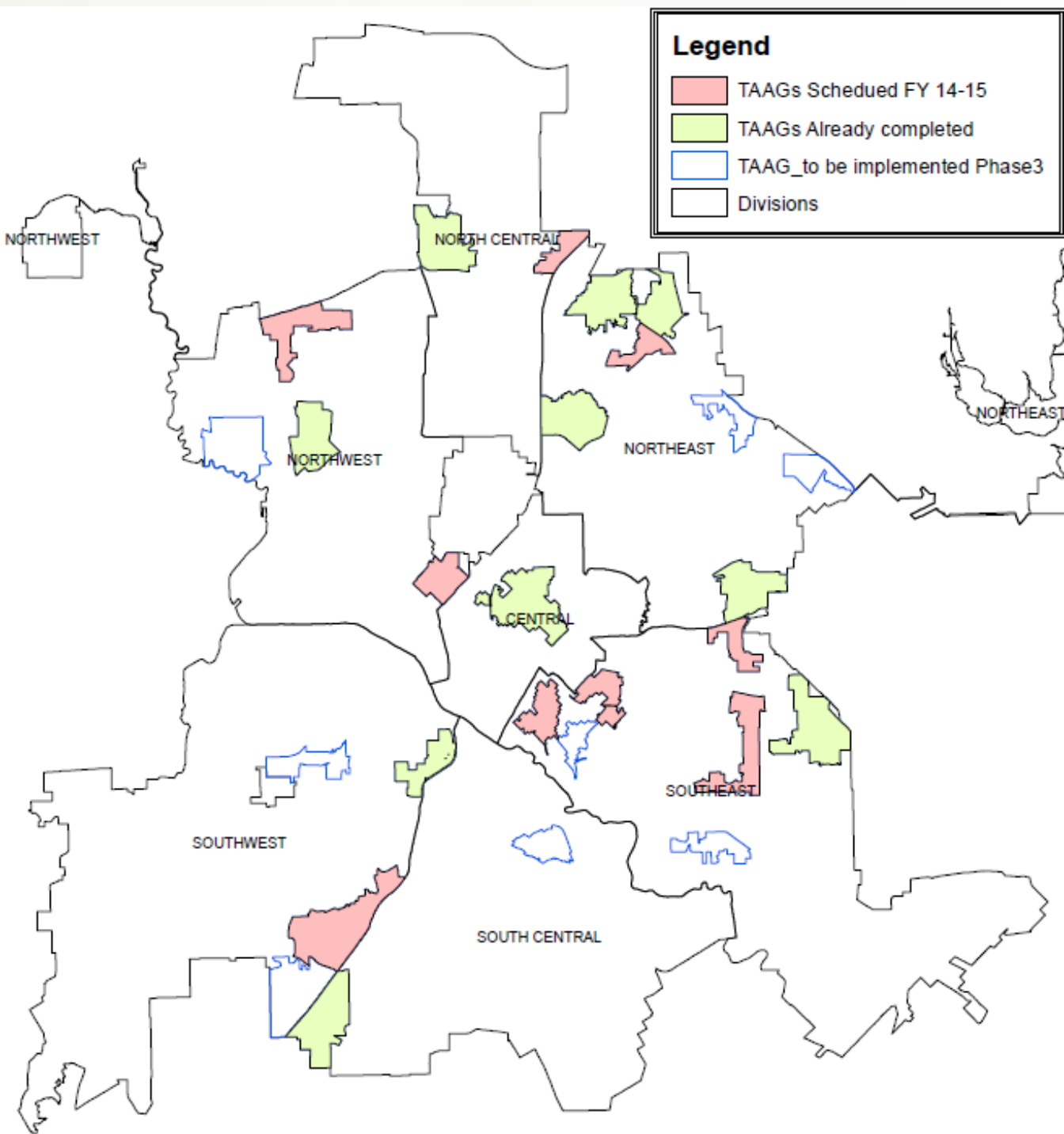
# Future-Year Initiative-Budget Review

- 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)	<del>Closed</del> 1p-5p +4 HRS	7:45a-8p	<del>7:45a-5p</del> 7:45a-8p +3 HRS	<del>7:45a-5p</del> 7:45a-8p +3 HRS	7:45a-5p	7:45a-5p	10a-5p
	Bachman Lake (Jan 2015)	<del>Closed</del> 1p-5p +4 HRS	<del>Closed</del> 10a-6p +8 HRS	<del>12p-8p</del> 10a-8p +2 HRS	<del>12p-8p</del> 10a-8p +2 HRS	<del>10-6p</del> 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)	<del>Closed</del> 1p-5p +4 HRS	<del>Closed</del> 10a-6p +8 HRS	<del>10a-6p</del> 10a-8p +2 HRS	<del>12p-8p</del> 10a-8p +2 HRS	<del>12p-8p</del> 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)	<del>Closed</del> 1p-5p +4 HRS	<del>Closed</del> 10a-6p +8 HRS	<del>12p-8p</del> 10a-8p +2 HRS	<del>10a-6p</del> 10a-8p +2 HRS	<del>12p-8p</del> 10a-8p +2 HRS	10a-6p	10a-6p
	J. Erik Jonsson Central Library (Jan 2015)	1p-5p	<del>Closed</del> 10a-5pm +7 HRS	<del>10a-5p</del> 10a-8p +3 HRS	10a-5p	<del>12p-8p</del> 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

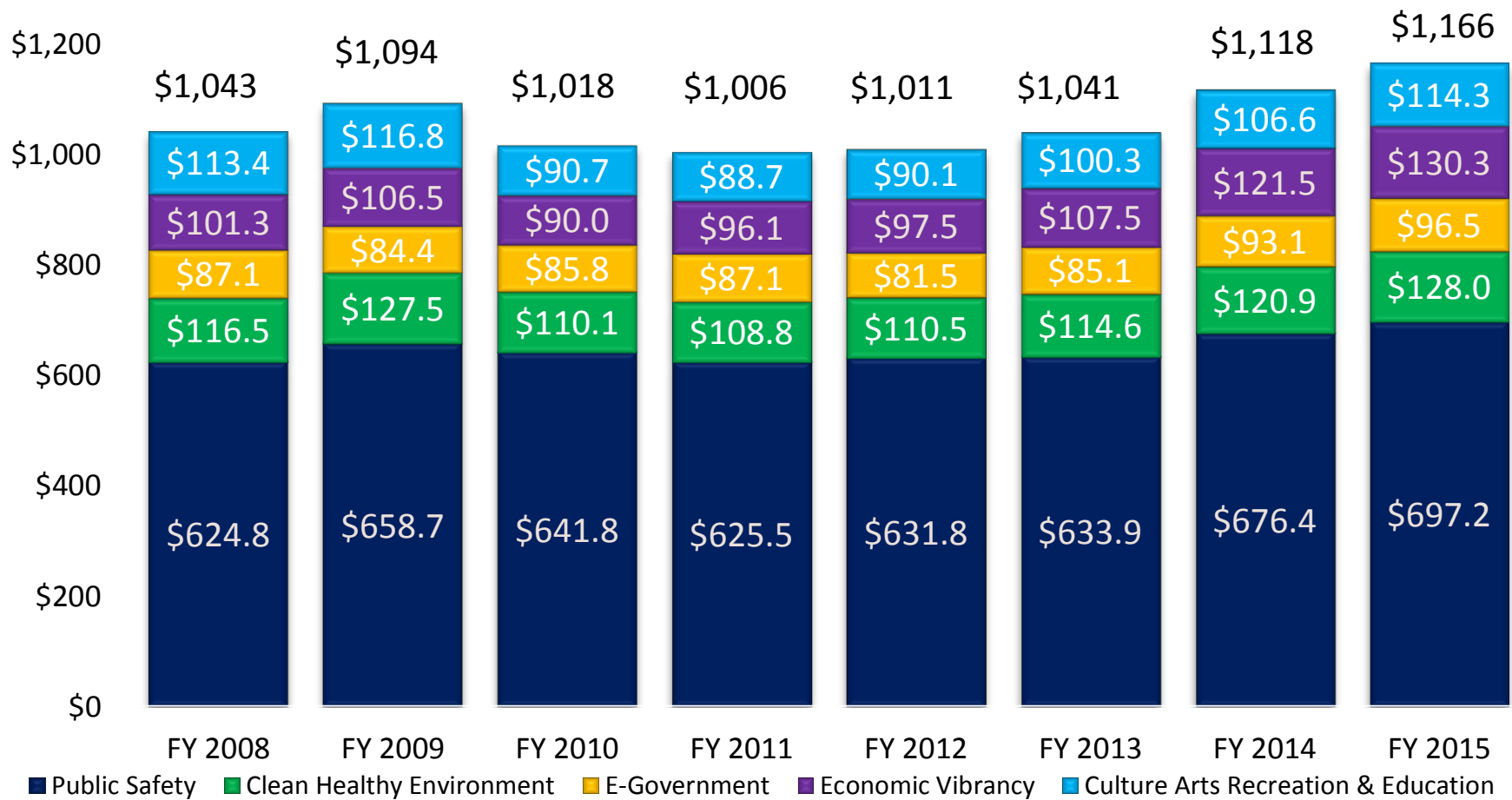
# Proposed FY 2014-15 Recreation Center Hours

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
<b>Totals</b>	<b>39</b>	<b>41</b>	<b>+2*</b>

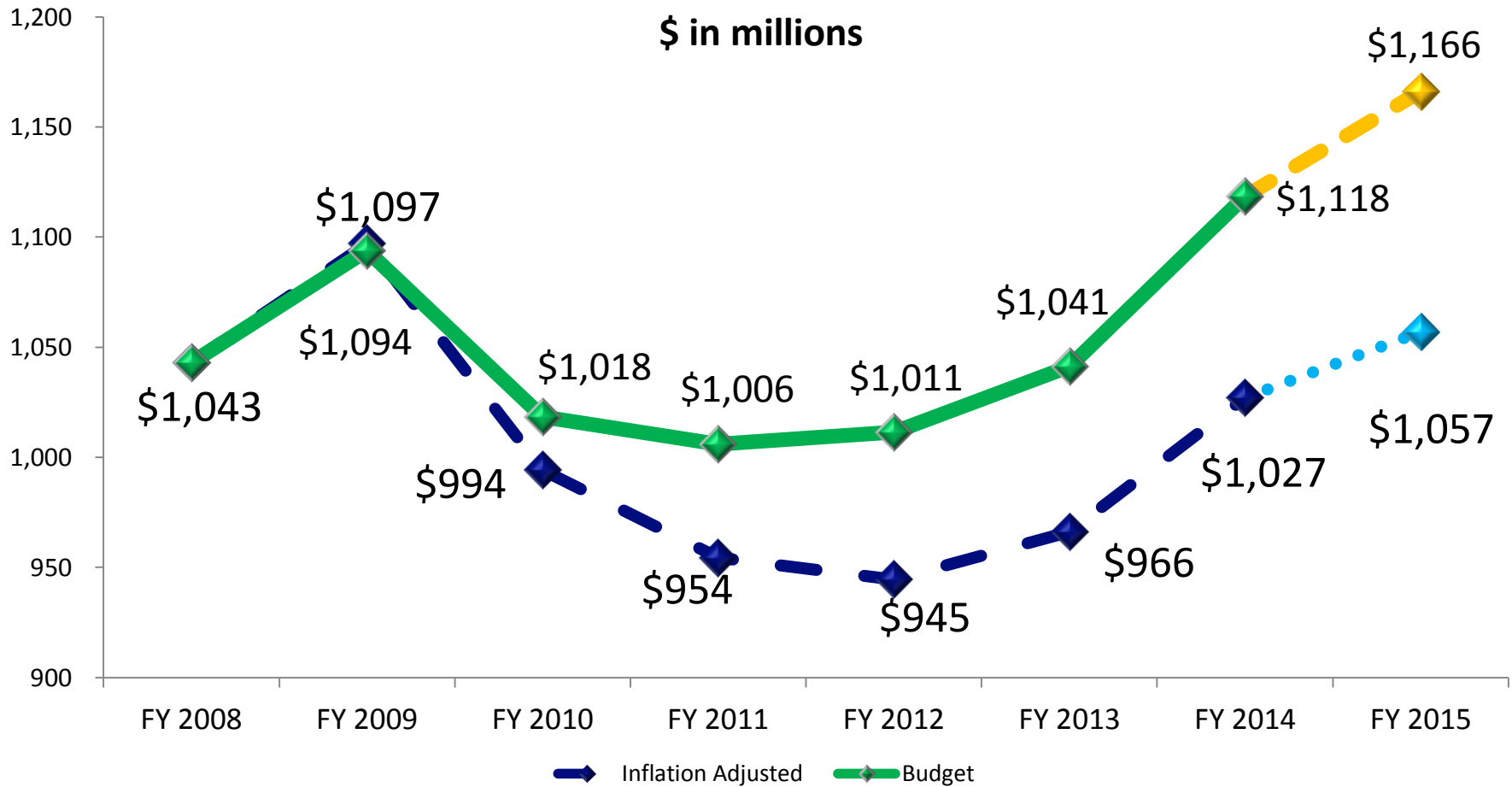
\*Two recreation centers (Anita Martinez and Pleasant Oaks) will be coming back into service in FY 2014-15.

# History of General Fund Expenses

by Key Focus Area (\$ in millions)



# General Fund Expense Budget (Adjusted for 2008 Inflation)



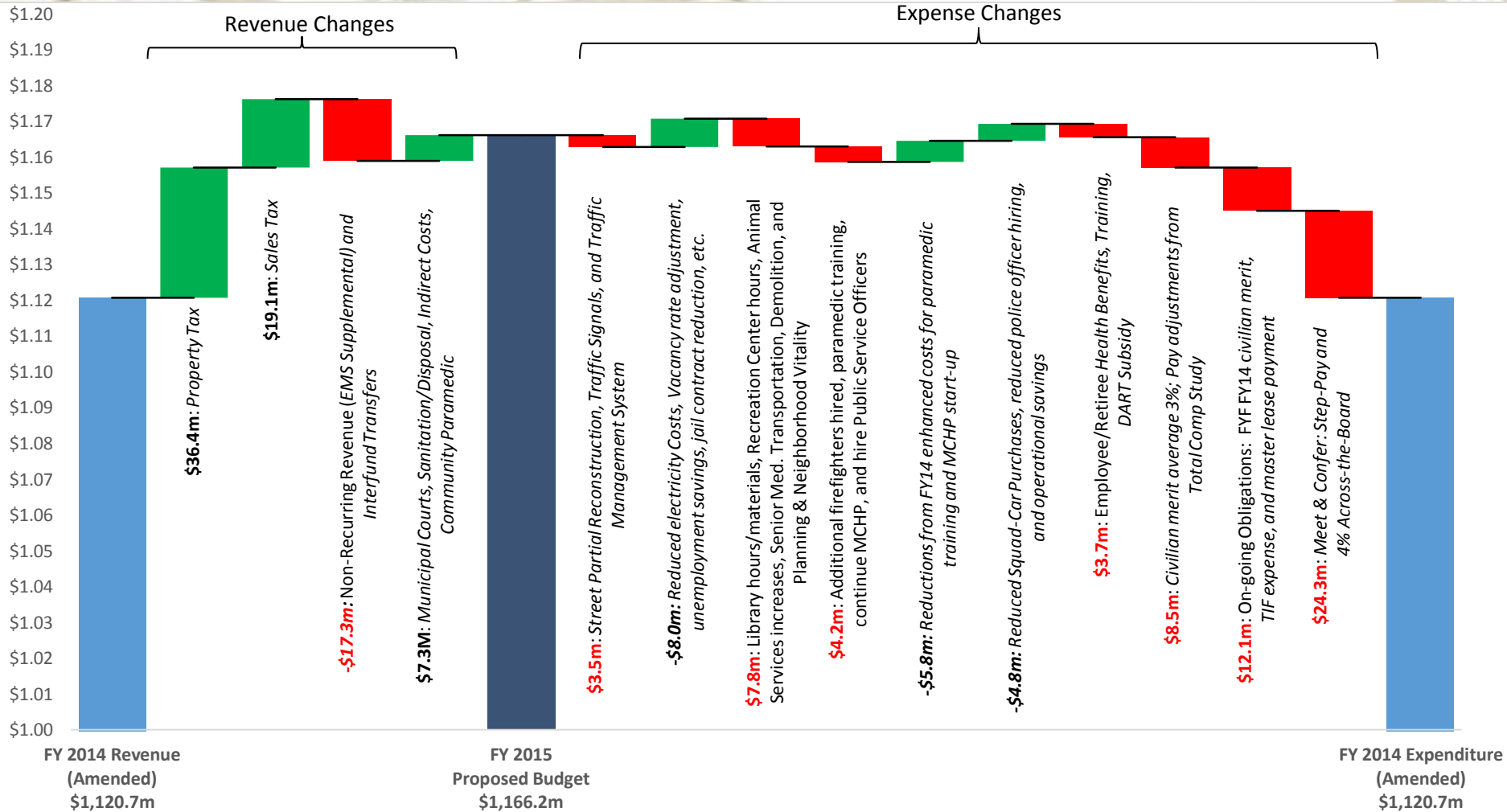
# General Fund Expense Budget

## (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

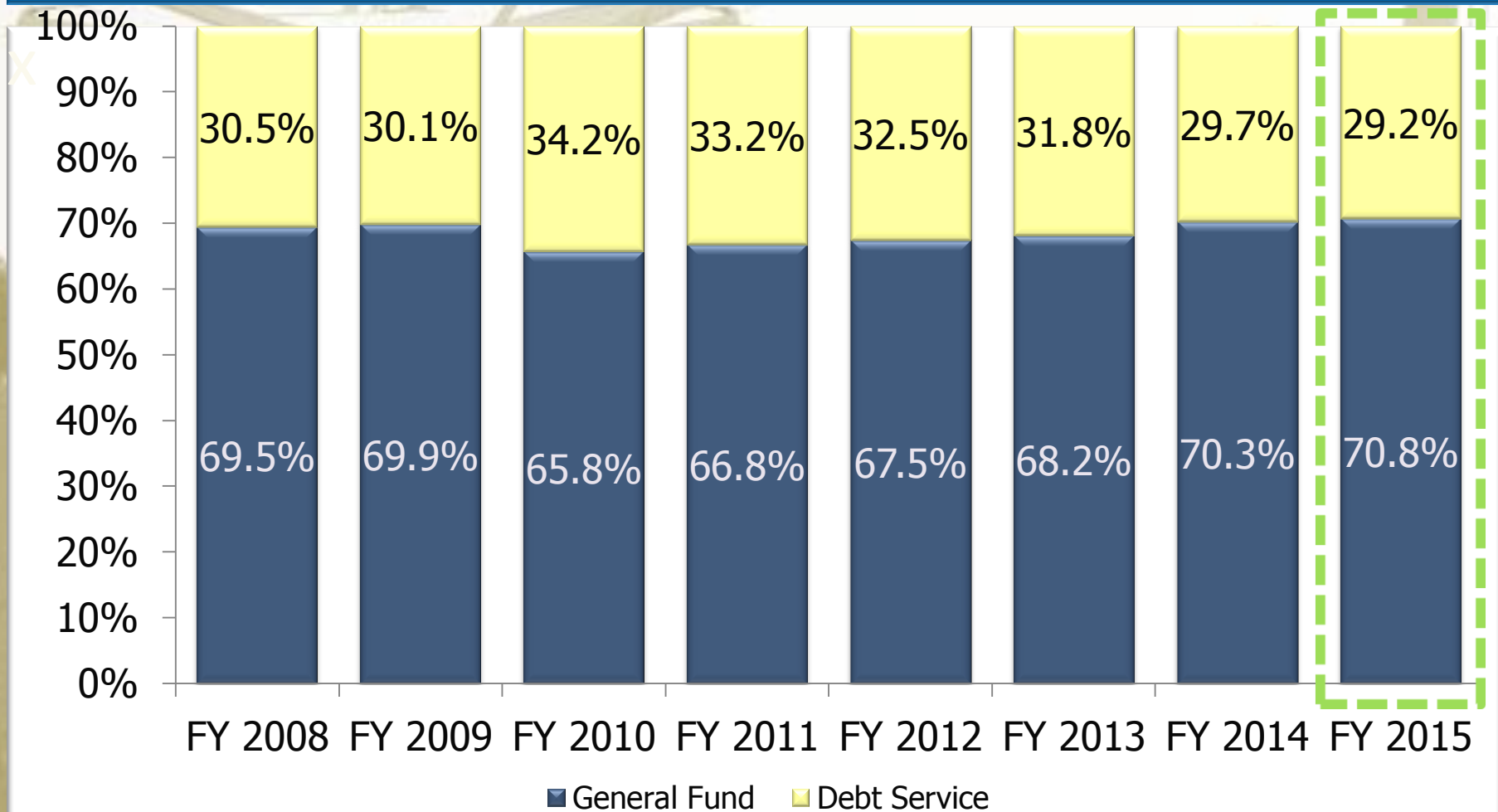
## Summary of Budget Changes





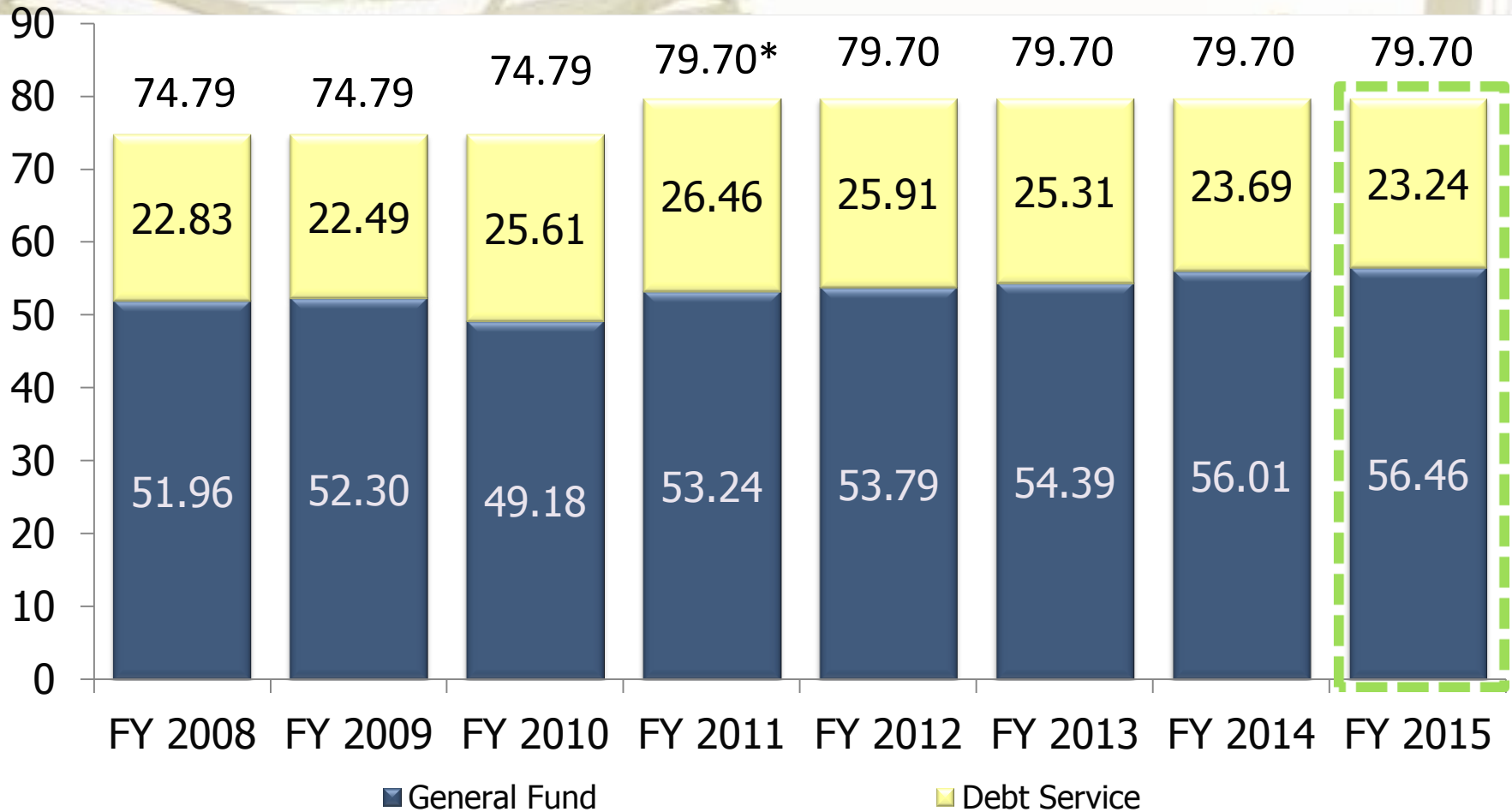
# Property Tax Rate Split

(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)

