

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **State and Federal Legislative Update**

In preparation for the upcoming 88th Texas Legislative Session and 118th Congress, the City Council standing committees considered legislative priorities throughout the month of August. Priorities were submitted to Chairman Atkins for additional review by the Ad Hoc Committee on Legislative Affairs. A summary of general priorities submitted follows:

- Support funding that provides financial assistance to local governmental law enforcement agencies and schools for public safety resources.
- Support legislation to make Texas the most competitive in the nation for new and growing businesses.
- Support legislation that would incentivize affordable housing investment.
- Support legislation that would protect air and water resources.
- Support legislation that would increase efficiency, enhance transparency, and provide cost savings to businesses and taxpayers.
- Support legislation to enhance mobility infrastructure, including but not limited to bike and pedestrian improvements.
- Support legislation that would increase resources to our most vulnerable population and expand protections for all communities.

The next meeting of the Ad Hoc Committee on Legislative Affairs will be held on Tuesday, September 13, at 10 a.m. in City Council Chambers. Following action by the Committee, consideration of the legislative priorities for the State Legislature and U.S. Congress is expected to be considered by the City Council at the Wednesday, September 28th City Council meeting.

The legislative team has been meeting with local, state, and federal community stakeholders regarding priorities for the upcoming session, including but not limited to Dallas, Collin and Denton counties, school districts, transportation partners, business organizations, builders, and realtors' associations, in addition to Dallas-area elected officials. A request for comments on state and federal legislative priorities was distributed to all partners, and outreach will continue over the next several weeks.

On August 22-23, the Texas Municipal League (TML) held the Municipal Policy Summit in Austin to discuss the needs of Texas cities. TML's proposed 2023 legislative program (enclosed) was considered and will advance to the annual conference in San Antonio in October. The TML final 2023-2024 legislative program is expected to be adopted by the TML Board in December 2022. As anticipated, there are several issues that may align with the City's legislative priorities. The legislative team continues to meet with our peer cities on shared initiatives.

In August, Congress passed the Inflation Reduction Act (IRA). While much of the legislation is focused on tax credits, there *may* be direct funding opportunities for the city. Given that rulemaking for funding will not be in place for some time, we do not yet know the full extent of what may be

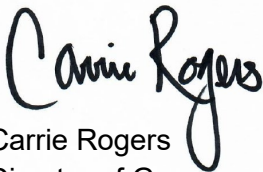
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SUBJECT **State and Federal Legislative Update**

available. The federal legislative team briefed staff directors earlier this week on the IRA, as engagement of peer departments will be critical to any pursuit of funding in the coming months. Additional information will be provided at the next meeting of Ad Hoc Committee on Legislative Affairs.

In September, Chairman Atkins and the legislative team will travel to Washington D.C. to meet with the Dallas Congressional delegation to discuss federal priorities, including mobility, water, and broadband infrastructure, as well as continued funding for Community Development Block Grants (CDBG). We will also discuss the city's growing need for first responder emergency vehicles. Prior to the August 21-22 flooding event in Dallas, city staff had been working over the summer to partner with peer cities and organizations regarding manufacture prioritization of vehicles for police and fire. The number of damaged vehicles resulting from the flooding event only underscored the ongoing challenge and need for a near-term solution. The legislative team will continue to keep you apprised.

In October, the Mayor and City Council will host the Dallas-area legislative delegation at City Hall for a legislative briefing. Additional details will be provided nearer to the date. As noted earlier, the Texas Municipal League Annual Conference will take place in San Antonio in early October and will consider it's 2023 legislative program. The National League of Cities (NLC) will meet in mid-November in Kansas City. [NLC adopted its federal priorities](#) several months ago for the current 117th Session of Congress, which will remain in place until the new session convenes in January 2023. There are several items within their program that align with the City's draft priorities. Please note the Office of Government Affairs staff will provide materials to you in advance of both the TML and NLC conferences this fall.

Please contact either of us with any questions or comments regarding the upcoming legislative session and the City's priorities.



Carrie Rogers
Director of Government Affairs



Clifford Sparks
State Legislative Director

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
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Billierae Johnson, City Secretary
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Kimberly Bizer Tolbert, Deputy City Manager
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Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorándum



CIUDAD DE DALLAS

FECHA 2 de septiembre de 2022

PARA Honorable Alcalde y Concejales de la Ciudad

ASUNTO **Actualización Legislativa Estatal y Federal**

En preparación para la próxima 88^o Sesión Legislativa de Texas y el 118^o Congreso, los comités vigentes del Concejo de la Ciudad analizaron las prioridades legislativas durante todo el mes de agosto. Las prioridades fueron enviadas al Presidente Atkins para una revisión adicional por parte del Comité Ad Hoc sobre Asuntos Legislativos. A continuación se presenta un resumen de las prioridades generales presentadas:

- Respalda el financiamiento que brinda asistencia financiera a las agencias gubernamentales locales encargadas del cumplimiento de la ley y las escuelas para recursos de seguridad pública.
- Respalda la legislación para hacer de Texas la más competitiva de la nación para las empresas nuevas y en crecimiento.
- Respalda la legislación que incentive la inversión en viviendas económicas.
- Respalda la legislación que proteja los recursos de aire y agua.
- Respalda la legislación que aumente la eficiencia, mejore la transparencia y proporcione ahorros de costos a las empresas y los contribuyentes.
- Respalda la legislación para mejorar la infraestructura de movilidad, incluyendo, pero no limitándose a, mejoras para ciclistas y peatones.
- Respalda la legislación que aumente los recursos para nuestra población más vulnerable y amplíe las protecciones para todas las comunidades.

La próxima reunión del Comité Ad Hoc sobre Asuntos Legislativos se realizará el martes 13 de septiembre a las 10 a.m. en las Cámaras del Concejo de la Ciudad. Luego de la acción del Comité, se espera que el Concejo de la Ciudad considere las prioridades legislativas para la Legislatura Estatal y el Congreso de los EE. UU. en la reunión del Concejo de la Ciudad del miércoles 28 de septiembre.

El equipo legislativo se ha reunido con las partes interesadas de la comunidad local, estatal y federal con respecto a las prioridades para la próxima sesión, incluyendo, pero no limitándose a, los Condados de Dallas, Collin y Denton, los distritos escolares, los socios de transporte, las organizaciones comerciales, los constructores y las asociaciones de agentes inmobiliarios, además de oficiales electos del área de Dallas. Se distribuyó a todos los socios una solicitud de comentarios sobre las prioridades legislativas estatales y federales, y la difusión continuará durante las próximas semanas.

Los días 22 y 23 de agosto, la Liga Municipal de Texas (TML por sus siglas en inglés) realizó la Cumbre de Políticas Municipales en Austin para analizar las necesidades de las ciudades de Texas. Se consideró el programa legislativo propuesto por la TML para

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2023 (adjunto) y avanzará a la conferencia anual en San Antonio en octubre. Se espera que el programa legislativo final de TML para 2023-2024 sea adoptado por la Junta de la TML en diciembre de 2022. Como se anticipó, hay varios problemas que pueden alinearse con las prioridades legislativas de la Ciudad. El equipo legislativo continúa reuniéndose con nuestras ciudades pares sobre iniciativas compartidas.

En agosto, el Congreso aprobó la Ley de Reducción de la Inflación (IRA por sus siglas en inglés). Aunque gran parte de la legislación se enfoca en los créditos fiscales, puede haber oportunidades de financiamiento directo para la Ciudad. Dado que la reglamentación del financiamiento no entrará en vigor hasta dentro de algún tiempo, aún no conocemos el alcance total de lo que puede estar disponible. El equipo legislativo federal informó a los directores de personal a principios de esta semana sobre el IRA, ya que la participación de los departamentos homólogos será esencial para cualquier búsqueda de financiamiento en los próximos meses. Se proporcionará información adicional en la próxima reunión del Comité Ad Hoc sobre Asuntos Legislativos.

En septiembre, el Presidente Atkins y el equipo legislativo viajarán a Washington D.C. para reunirse con la delegación del Congreso de Dallas para analizar las prioridades federales, incluyendo la movilidad, el agua y la infraestructura de banda ancha, así como el financiamiento continuo para las Subvenciones Globales para el Desarrollo Comunitario (CDBG por sus siglas en inglés). También analizaremos la creciente necesidad de la Ciudad de vehículos de emergencia de respuesta rápida. Antes de la inundación del 21 y 22 de agosto en Dallas, el personal de la Ciudad había estado trabajando durante el verano para asociarse con otras ciudades y organizaciones con respecto a la priorización de la fabricación de vehículos para la policía y los bomberos. El número de vehículos dañados como resultado de la inundación no hizo más que acentuar el desafío actual y la necesidad de una solución a corto plazo. El equipo legislativo continuará manteniéndolos informados.

En octubre, el Alcalde y el Concejo de la Ciudad recibirán a la delegación legislativa del área de Dallas en la Alcaldía para una sesión informativa legislativa. Se proporcionarán detalles adicionales cuando se acerque la fecha. Como se señaló anteriormente, la Conferencia Anual de la Liga Municipal de Texas se realizará en San Antonio a principios de octubre y considerará su programa legislativo de 2023. La Liga Nacional de Ciudades (NLC por sus siglas en inglés) se reunirá a mediados de noviembre en Kansas City. [La NLC adoptó sus prioridades federales](#) hace varios meses para la actual 117ª Sesión del Congreso, que permanecerá vigente hasta que se convoque la nueva sesión en enero de 2023. Hay varios puntos dentro de su programa que se alinean con las prioridades preliminares de la Ciudad. Por favor, tengan en cuenta que el personal de la Oficina de Asuntos Gubernamentales le proporcionará materiales antes de las conferencias de la TML y la NLC este otoño.

Por favor, comuníquese con cualquiera de nosotros si tiene preguntas o comentarios sobre la próxima sesión legislativa y las prioridades de la Ciudad.

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ASUNTO **Actualización Legislativa Estatal y Federal**



Carrie Rogers
Directora de Asuntos Gubernamentales



Clifford Sparks
Director Legislativo Estatal

c: T.C. Broadnax, Administrador de la Ciudad
Chris Caso, Abogado de la Ciudad
Mark Swann, Auditor de la Ciudad
Biliera Johnson, Secretaria de la Ciudad
Preston Robinson, Juez Administrativo
Kimberly Bizer Tolbert, Administradora Adjunta de la Ciudad
Jon Fortune, Administrador Adjunto de la Ciudad

Majed A. Al-Ghafry, Administradora Adjunta de la Ciudad
M. Elizabeth (Liz) Cedillo-Pereira, Administradora Adjunta de la Ciudad
Robert Perez, Administrador Adjunto de la Ciudad
Carl Simpson, Administrador Adjunto de la Ciudad
Jack Ireland, Oficial Ejecutivo de Finanzas
Genesis D. Gavino, Subdirectora y Jefa Ejecutiva del Personal del Administrador de la Ciudad

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **City License Applications**

Attached is a list of the most recent Dance Hall, Sexual Oriented Business, Billiard Hall, and/or Amusement Center license applications received for the week of August 22, 2022 – August 26, 2022 by the Tactical and Special Operations Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant John Page, at (214) 316-3848 and/or by email at john.page@dallascityhall.com should you need further information.

A handwritten signature in black ink that reads "Jon Fortune".

Jon Fortune
Deputy City Manager
[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager

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Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

WEEKLY APPLICATION LOG REPORT

DISTRICT	NAME OF BUSINESS	STREET ADDRESS	TYPE OF LICENSE	DATE OF APPLICATION	STATUS (RENEWAL/NEW)	APPLICANT NAME
D4	SMOKEY'S PARADISE	309 W. KIEST BLVD	AC	8/25/2022	NEW	AMJAD BIZAN
D6	BUCKS WILD	11327 REEDER RD	SOB	8/26/2022	RENEWAL	CURTIS B WISE
D2	JR'S BAR AND GRILL	3923 CEDAR SPRINGS RD	DH/A	8/26/2022	RENEWAL	MICHAEL AN NGUYEN
D2	SUE ELLENS	3014 THROCKMORTON	DH/A	8/26/2022	RENEWAL	MICHAEL AN NGUYEN

License Definitions

- DH - Class "A" Dance Hall - Dancing Permitted Three Days or more a Week*
- DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week*
- DH - Class "C" Dance Hall - Dancing Scheduled One Day At A Time*
- DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only*
- LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00*
- BH - Billiard Hall - Billiards Are Played*
- SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult Adult Theater / Escort Agency / Nude Model Studio*
- AC - Amusement Center*

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Homeless Encampment Strategy**

A comprehensive strategic plan has been developed to address the needs of the unsheltered population in our city. We strive for excellence and compassion as we address encampments, hot spots, and the needs of the unsheltered in a timely manner. As part of the overall strategy, a security plan was created to ensure the safety of city employees and the unsheltered individuals. City employees have recently encountered resistance from activists and armed individuals at the site of homeless encampment clean ups. As a result, the following safety and security plan has been instituted. The Dallas City Marshal's, Dallas Police Department (DPD), Code Enforcement and Office of Homeless Solutions (OHS) have created the following tiered response based on the level of expected resistance at a clean-up site or encampment closure:

Tier I:	Encampment cleaning only, no displacement of occupants. No intelligence regarding the threat of violence. No activists or resistant individuals present at the location.
Security level: City Marshal's, DPD Neighborhood Policing Officer's (NPO) on standby	
Tier II:	Encampment cleaning and/or closure with advanced intelligence information that activists will be present at the location protesting.
Security level: City Marshal's, DPD NPO's at location, and DPD Response team on standby	
Tier III:	Encampment closure, with advanced intelligence information that activists and open carry protesters will be at the location. High likelihood of active resistance and possible arrests.
Security level: City Marshal's, DPD NPO's at location, DPD Response team on standby	

If information is received that results in a Tier III level of response DPD will send a notification to the Mayor and Council of planned resistance and possible arrests.

In the case of a Tier III response, the police department will release advance messaging to the public encouraging peaceful demonstrations and advising that destruction of property, interference with city workers, threats and or violence will not be tolerated.

The implementation of this strategy is underway, and we will continue to update you on our progress utilizing this tiered approach.

DATE September 2, 2022
SUBJECT **Homeless Encampment Strategy**

Should you have any questions or concerns, please contact me at (214) 670-5299.



Jon Fortune
Deputy City Manager

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Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Development Services Updates**

This memorandum is to provide you with an update on Development Services Department (DSD) activities and progress.

CUSTOMER INITIATIVES:

DSD staff continues to conduct training for the updated electronic plan review system. To date, approximately 30 external stakeholders have participated, and one training session remains scheduled for September 10, 2022. Interested parties may register by clicking this link: <https://bit.ly/pdox92>.

DSD will launch a series of Lunch and Learn training sessions which will be available to internal and external stakeholders. The Lunch and Learn events calendar can be found on the DSD website. On August 31, 2022, the Land Development Division will kick off the series with a presentation by Subdivision and Survey staff outlining the platting submittal requirements and DSD processes. Staff will continue to host these training events on a monthly basis.

TECHNOLOGY:

OnBase, the document management system utilized by the DSD, was upgraded to the 2.0 version on Friday, August 26, 2022. Testing occurred over the weekend, and the software will be fully rolled out to staff by the end of the week. OnBase is an electronic storage system that stores plans, drawings, and other historical documents related to properties.

HIRING AND RECRUITMENT:

A new Talent and Acquisition Team has been created to manage DSD hiring and onboarding processes. The team consist of a Supervisor, one Administrative Specialist and three Office Assistants. The team will partner with Human Resources to streamline DSD hiring procedures. Additionally, the team is in the planning phase of another hiring event planned for October 2022. The focus will be on hiring hard-to-fill positions.

NEW SINGLE-FAMILY RESIDENCES, REMODELS/ADDITIONS PERMITTING

On September 1, 2022, DSD will launch the Rapid Single-family VIP Program (RSVP). The RSVP program will be appointment-based only and will be scheduled for a maximum two-and-a-half-hour review time slot for each individual permit application.

DATE September 2, 2022
SUBJECT **Development Services Updates**

Customers will be required to make appointments no sooner than one (1) week in advance. This will allow City staff to coordinate and ensure appropriate reviewers are assigned to the daily intake of applications. Customers would be limited to the submittal of two (2) applications per day and a total of four (4) per week. This will allow staff to assist a wide range of customers in an equitable manner. The following parameters will be required:

- Appointments and plan review services will only be provided on Monday, Wednesday, and Friday
- Only new, single-family dwelling units $\leq 5,000$ ft² will be reviewed
- Maximum of three (3) stories
- Must not be in a special district (Historic, Floodplain, Conservation, or Complex PUD's)
- Property must be platted or have early release approval
- Appointments will not be scheduled two (2) hours prior to office closure
- Water/Wastewater verification is required in advance

Should you have any questions, please contact Andrew Espinoza, Director/Chief Building Official, at (214) 542-1227 or andres.espinoza@dallas.gov.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
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Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Water Utilities Residential Disconnects for Non-Payment Resume
September 6, 2022**

The purpose of this memorandum is to remind the Dallas City Council that Dallas Water Utilities (DWU) will resume residential disconnects. Customers who have failed to establish payment arrangements will be subjected to disconnects for non-payment on residential accounts starting on Tuesday, September 6, 2022 as stated in the July 29th memorandum to the City Council.

As previously communicated, DWU created a public outreach campaign to connect with customers who had past due balances and assist them in establishing payment plans to meet their individual needs. All residential customers received an insert in their August and September 2021 utility bills encouraging them to contact customer service and establish a payment plan if their account is past due. In April and July 2022, postcards were mailed to residential customers with past due amounts, encouraging them to contact DWU to establish a payment plan. An additional postcard was mailed in August of 2022 to market funding available for those customers that qualify for utility assistance.

DWU understands that customers with past due balances are facing financial hardships and will continue to assist customers by developing a payment plan that fits their budget. DWU has also partnered with Dallas County and the Texas Department of Housing and Community Affairs – Health and Human Services to assist in streamlining funding distribution for the Low-Income Housing Water Assistance Program (LIHWAP) and to assist DWU customers in applying for the Texas Utility Help Program. To date these programs have paid approximately \$65,000 to DWU and assisted Dallas customers in need. Customers can apply for these programs at texasutilityhelp.com or by calling 855-566-2057 or Dallas County at 214-819-1848. Please continue to encourage residents to reach out to DWU to set up their initial payment plan and avoid late fees and water disconnection by calling 214-651-1441, Monday through Friday from 8:00 a.m. – 5:00 p.m. Our goal is to assist every customer and help in any way possible.

Should you require additional information at this time or if you have questions, please contact Terry Lowery, Director of Dallas Water Utilities, at terry.lowery@dallas.gov.

A handwritten signature in black ink, appearing to read 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert
Deputy City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
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Carl Simpson, Assist City Manager
Jack Ireland, Chief Financial Officer
Genesis Gavino, Chief of Staff/Office of Resilience
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE September 1, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **S&P Global Ratings Upgrades Rating to 'A' from 'A-' and Revises Outlook to 'Stable' on Love Field Airport Modernization Corp. General Airport Revenue Bonds – RATING ACTION**

I am pleased to share that yesterday, S&P Global Ratings (S&P) raised its rating to 'A' from 'A-' on the Love Field Airport Modernization Corp. General Airport Revenue Bonds (GARBs) issued for Dallas Love Field Airport (DAL). The outlook was also revised from positive to stable, marking the raising of the rating. S&P reports that the upgrade reflects, “the airport’s recovered enplanement levels around 94% as of July 2022, improving our view of DAL’s market position and the airport’s overall enterprise risk profile to strong.”

S&P previously affirmed the LFAMC rating and revised the outlook to positive on August 13, 2021. From the onset of the pandemic, DAL was the first airport in the United States wherein S&P revised the rating for the better. In today’s report, S&P notes that “enplanement levels have recovered to prepandemic levels, with May 2022 enplanements slightly higher than May 2019.” Additionally, S&P believes that “DAL’s financial profile will remain stable in the near term, supported by no near-term additional debt needs, \$46 million in unspent federal stimulus relief, and additional anticipated receipts from the Bipartisan Infrastructure Law.”


According to the report, DAL’s key credit strengths remain in its “role as an important provider of air service in the expanding Dallas-Fort Worth-Arlington MSA,” “large and economically vibrant service area,” “very strong management and governance,” as well as, “resilient financial metrics,” as evidenced by a healthy debt-to-net revenues ratio and debt service coverage (DSC) in fiscal 2021. The report also notes potential credit weaknesses, including “significant airline concentration, with Southwest, its largest carrier, accounting for approximately 96% of total enplanements in fiscal 2021” and competition from nearby airports.

The S&P report states that, although unlikely, S&P “could raise the rating within the two-year outlook period if the airport sustains its extremely strong debt-to-net revenues ratio, supporting a very strong financial risk profile.” This is a direct reflection of the resilient financial performance of DAL as the financial risk profile has remained very strong and is near prepandemic levels when enplanements were at their highest levels

DATE September 1, 2022
SUBJECT **S&P Global Ratings Upgrades Rating to 'A' from 'A-' and Revises Outlook to 'Stable' on Love Field Airport Modernization Corp. General Airport Revenue Bonds – RATING ACTION**

ever. This is positive indicator of the future financial performance of DAL and the overall strength of the LFAMC credit profile.

Please find attached the report issued by S&P yesterday. If you have any questions or need further information, please do not hesitate to contact me.


Jack Ireland
Chief Financial Officer

[Attachment]

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RatingsDirect®

Summary:

Dallas Love Field Airport Love Field Airport Modernization Corp.; Airport

Primary Credit Analyst:

Alex Louie, Centennial + 1 (303) 721 4559; alex.louie@spglobal.com

Secondary Contact:

Scott Shad, Centennial (1) 303-721-4941; scott.shad@spglobal.com

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Credit Highlights

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Related Research

Summary:

Dallas Love Field Airport Love Field Airport Modernization Corp.; Airport

Credit Profile

Love Field Airport Modernization Corp gen arpt rev rfdg bnds ser 2021 (AMT) due 11/01/2040		
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Upgraded
Love Field Airport Modernization Corp AIRPORTS		
<i>Long Term Rating</i>	A/Stable	Upgraded

Many issues are enhanced by bond insurance.

Credit Highlights

- S&P Global Ratings raised its rating to 'A' from 'A-' on Love Field Airport Modernization Corp. (LFAMC), Texas' general airport revenue bonds (GARBs), issued for Dallas Love Field Airport (DAL or the airport).
- The outlook is stable.
- The upgrade reflects the airport's recovered enplanement levels around 94% as of July 2022, improving our view of DAL's market position and the airport's overall enterprise risk profile to strong, which we believe will support the airport's strong financial risk profile.

Security

Net airport system revenues, as made available by the city under a project financing agreement with the LFAMC, secure the bonds. A debt service reserve fund provides additional liquidity to bondholders. A rate covenant (1.25x debt service coverage [DSC] based on average annual debt service) is in effect, as is an additional bonds test requiring that historical net revenues, including passenger facility charges applied as a debt service offset, provide at least 1.1x DSC or projected net revenues provide at least 1.25x DSC, respectively. We consider the bond provisions credit neutral.

Credit overview

The upgrade reflects an improved enterprise risk profile to strong as a result of returning the market position to our pre-pandemic view of strong based on the airport's robust enplanement recovery. We expect recovered and stabilized enplanements will support DAL's strong financial risk profile. Enplanement levels have recovered to prepandemic levels, with May 2022 enplanements slightly higher than May 2019. This recovery is slightly ahead of our updated activity estimates, which expects activity levels for airports to return to pre pandemic levels by the end of calendar year 2022. In addition, we believe that DAL's financial profile will remain stable in the near term, supported by no near-term additional debt needs, \$46 million in unspent federal stimulus relief, and additional anticipated receipts from the Bipartisan Infrastructure Law.

For more information, see "Updated U.S. Transportation Infrastructure Activity Estimates Show Air Travel Normalizing And It's A Long Road Back For Transit Operators," published July 27, 2022, and "U.S. Transportation

Infrastructure Sector Update And Medians: U.S. Airport Sector View Is Now Positive," published Nov. 10, 2021, both on RatingsDirect.

Key credit strengths, in our opinion, are DAL's:

- Role as an important provider of air service in the expanding Dallas-Fort Worth-Arlington metropolitan statistical area (MSA), along with its position as a key component of Southwest's route system;
- Resilient financial metrics as evidenced by DSC (S&P Global Ratings calculated) of 1.56 and a debt-to-net revenues ratio of 7.30 in fiscal 2021, supported by a robust enplanement recovery and no near-term additional debt needs;
- Large and economically vibrant service area, which encompasses the Dallas-Fort Worth-Arlington MSA (the fourth-largest MSA in the U.S.), supported by a large-and-growing population base, good economic activity as measured by GDP per capita, and ample employment opportunities; and
- Very strong management and governance, reflecting an effective and experienced management team that has sufficiently managed risks and operations, as demonstrated by steady financial and operational performance during periods of significant growth.

Key credit weaknesses, in our opinion, are DAL's:

- Competition from DFW and moderate exposure to connecting traffic; and
- Significant airline concentration, with Southwest, its largest carrier, accounting for approximately 96% of total enplanements in fiscal 2021.

Environmental, social, and governance

We analyzed DAL's risks and opportunities related to environmental, social, and governance credit factors relative to its market position, management and governance, and financial performance. Health and safety risks, which we consider a social risk factor, are abating, as reflected in DAL's enplanement recovery, but are moderately negative in our analysis of the sector, given the shock that these types of events have on air travel and mobility behavior. Long-term credit stability is supported by favorable demographic trends and economic growth within the Dallas-Fort Worth MSA, and represents a social opportunity that generates demand for the system. Governance credit factors are neutral in our credit rating analysis.

Outlook

The stable outlook reflects our expectation that DAL enplanements will at least be near pre-pandemic levels supporting financial metrics (S&P Global Ratings calculated) that are consistent with a strong financial risk profile.

Downside scenario

We could lower the rating if enplanement trends weaken materially or are unpredictable due to lingering effects of the pandemic, or if we expect financial metrics will be sustained at weaker levels inconsistent with a strong financial risk profile.

Upside scenario

Although unlikely, we could raise the rating within the two-year outlook period if the airport sustains its extremely strong debt-to-net revenues ratio, supporting a very strong financial risk profile.

Credit Opinion

Dallas owns and operates DAL, Dallas Executive Airport (a general aviation airport), and a heliport, managing them through its department of aviation. It provides air transportation services for the Dallas-Fort Worth-Arlington MSA, which is the fourth-largest in the U.S. DAL competes against Dallas Fort Worth International Airport (DFW), which serves the same MSA. DAL entered the pandemic operationally and financially strong, with enplanements at their highest level ever (8.31 million enplaned passengers for the fiscal year ending Sept. 30, 2019), historically strong DSC levels, and adequate overall liquidity position. However, enplaned passenger levels declined 39.1% to 5.06 million in fiscal 2020 (ended Sept. 30), following a sharp decline in enplanements at the onset of the pandemic. We view DAL's enplanement recovery in recent months as robust, outperforming national trends, and conservative straight-line projections suggest the airport will reach 7.6 million enplanements for fiscal 2022, or 92% of 2019. As a result, we view DAL's market position as improved and the airport's overall enterprise risk profile as strong given the robust enplanement recovery.

In our view, mitigating factors of the airport's enterprise risk profile is nearby DFW, as well as airline concentration. DAL is four miles northwest of Dallas' central business district on 1,300 acres. The airport relies on Southwest airlines, with 96% market share, followed by Delta, Alaska, and Sky West.

Our opinion of DAL's overall financial risk profile is unchanged at strong, supported by resilient financial performance and a debt-to-net revenues ratio during the pandemic and no additional near-term debt needs.

This overall financial risk profile assessment incorporates our view of DAL's:

- Strong DSC, which remained within our expectations from our previous review (1.23x) with strong fiscal 2021 performance at 1.56x. We expect coverage will remain stable given a step down in debt service from fiscal years 2022-2027.
- Very strong debt-to-net revenues ratio, based on fiscal 2021 results of 7.3x, no additional debt plans, and stabilized and recovered enplanement levels. Debt amortization will step down from 2022-2027 following DAL's 2021 refunding issue. We view DAL's capital improvement plan with a manageable \$466 million planned from fiscal years 2022-2027. We note that the airport just used its commercial paper program for \$52.9 million.
- The airport's liquidity position is adequate, in our view, with \$39.2 million in unrestricted reserves as of June 2022 (unaudited), providing 206 days' cash on hand based on estimated fiscal 2022 figures, bolstered by an infusion of federal stimulus relief with \$46.0 million unspent that DAL expects will generally deplete by fiscal 2025.

S&P Global Ratings believes that momentum will likely protect the U.S. economy from recession in 2022. Our U.S. GDP growth forecasts are 2.4% for 2022 and 1.6% for 2023 (compared with 2.4% and 2.0%, respectively, in May 2022), and while our baseline forecast signals a low-growth recession, we believe the likelihood of a contraction or technical recession is increasing, to 40% (35%-45% band). The wider band reflects increased uncertainty over the

Russia-Ukraine conflict. Supply chain disruptions, worsened by that conflict and the China slowdown, remain the largest stumbling block for the U.S. economy. As inflation expectations become more entrenched, extreme price pressures will likely last well into 2023. We expect the national unemployment rate, at 3.6% in May and slightly in excess of the pre-pandemic level, will remain near that rate until early 2023 before surpassing 4.3% by the end of 2023 and 5.0% by the end of 2025 as the economy slows. The Federal Reserve is now likely to push rates to 300 basis points by year end from zero at the beginning of the year and reach 3.50%-3.75% by mid-2023. The Fed will keep monetary policy tight until inflation decelerates and nears its target in second-quarter 2024. We expect the Fed will start to cut rates in third-quarter 2024. Our lower GDP and inflation forecasts for 2023 and 2024 reflect this more aggressive policy stance. (See "Economic Outlook U.S. Q3 2022: The Summer Of Our Discontent," published June 27, 2022.)

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Memorandum



CITY OF DALLAS

DATE August 31, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2022-23 Major Budget Investments and Racial Equity Plan (REP) Alignment**

The [FY 2022-23 budget book](#) highlights the City's equity efforts and aligns strategic priorities with citywide goals and performance measures.

The Office of Equity and Inclusion (OEI) and Budget and Management Services (BMS) have prepared a matrix that aligns major budget investments to the Racial Equity Plan (REP). The matrix will be included in the Appendix of the adopted budget book document and shows each equity program's strategic priority, the page number in the budget book, links to the REP progress measures, and REP action targets. We initially estimated \$19 million in equity related initiatives. However, through continued review, \$22.5 million aligns to the REP progress measures and targets.

We will continue to move the Equity Focused Budget forward and support departments' intentional equity efforts by ensuring alignment to the REP. For questions, please contact the Office of Equity and Inclusion at equity@dallas.gov.


Jack Ireland

Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
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Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Major Budget Investments and Racial Equity Plan Matrix

This matrix aligns equity initiatives highlighted in this budget book to Racial Equity Plan (REP) Progress Measures and Action Targets. The corresponding budget book page # is also included as a reference. The Racial Equity Plan is linked and is based on the August 2022 draft document.

[Click here for the Racial Equity Plan](#)

Strategic Priority	Department	Equity Initiative	Budget Book Page #	FY23 Proposed Budget	FY24 Planned Budget	REP Progress Measure	REP Big Audacious Goal	REP Action Target
Economic Development	Office of Economic Development	Advance Economic Development Policy and Plan (ARPA funds)	14	\$ 3,000,000	\$ 2,000,000		Economic, Workforce, & Community Development	1.1 & 1.4
Economic Development	Office of Government Affairs	Coordinator to develop strategic partnerships in Southern Dallas	14	\$ -	\$ 66,312	OGA 4		
Economic Development	Planning & Urban Design	Forward Dallas (development code changes)* (\$1 million in FY25)	13	\$ 2,500,000	\$ 1,000,000	PUD 6	Housing	3.2
Environment and Sustainability	Office of Environmental Quality & Sustainability	Environmental Coordinator to track Environmental Justice (EJ)	17	\$ 69,187	\$ 92,249		Environmental Justice	2.15
Environment and Sustainability	Office of Environmental Quality & Sustainability	Comprehensive multi-media outreach	20	\$ 500,000	\$ 500,000	OEQS 4		
Environment and Sustainability	Office of Environmental Quality & Sustainability	Educational and/or community-led solutions for remediation projects and seed money to build a Brownfields Program	18	\$ 1,618,255	\$ 157,674		Environmental Justice	2.13 3.4
Environment and Sustainability	Office of Environmental Quality & Sustainability	Environmental Coordinator to install, monitor, and report on air quality monitors	20	\$ 69,187	\$ 92,249	OEQS 1	Environmental Justice	2.3
Government Performance and Financial Management	Citywide	City's minimum wage increase (All funds) - reflects min wage increase only - does not include compression or merit	23	\$ 6,201,239			Economic, Workforce, & Community Development	1.14
Government Performance and Financial Management	Communications, Outreach, & Marketing	Add one Vietnamese-speaking Translator position to expand the City's multimedia outreach	278	\$ -	\$ 61,576	COM 7		
Housing and Homelessness Solutions	Housing & Neighborhood Revitalization	Emerging Developers Fund - seed money for affordable housing for capable smaller developers and faith based organizations	42	\$ 500,000	\$ 500,000		Housing	3.9
Housing and Homelessness Solutions	Office of Homeless Solutions	Dallas R.E.A.L. Time Rapid Rehousing (DRTRR) Team	25	\$ 250,095	\$ 253,893	OHS 6	Housing	3.3
Housing and Homelessness Solutions	Office of Homeless Solutions	Healthy Community Collaborative (HCC) - support homeless population with mental illness	34	\$ 522,952	\$ 522,952		Environmental Justice	5.11
Public Safety	Office of Integrated Public Safety Solutions	Expand Crisis Intervention Team	29	\$ 266,682	\$ 355,611	OIPSS 1		
Quality of Life, Arts, and Culture	Code Compliance	Illegal Dumping - create a 3rd Illegal Dump Team	35	\$ 250,000	\$ -	CCS 2	Environmental Justice	2.5
Quality of Life, Arts, and Culture	Code Compliance	Code Pro Team (add 2 additional teams for a total of 4)	35	\$ 2,277,285	\$ 1,544,974	CCS 2		
Quality of Life, Arts, and Culture	Library	Enhanced Library Card	36	\$ 141,000	\$ -	LIB 7		
Quality of Life, Arts, and Culture	Library	Extend Library Hours	36	\$ 1,172,243	\$ 1,563,055		Economic, Workforce, & Community Development	1.15
Quality of Life, Arts, and Culture	Office of Arts & Culture	Historical Review - Documenting the achievements of underserved communities	27	\$ 100,000	\$ -	OAC 6		
Quality of Life, Arts, and Culture	Office of Arts & Culture	Public Art Conservation	27		\$ 80,000	OAC 2		
Transportation and Infrastructure	Transportation	Vision Zero Plan	39	\$ 1,757,846	\$ 1,830,499	TRN 2		
Workforce, Education, and Equity	Office of Equity & Inclusion	ADA Compliance Efforts- assessments only (Approx. 20 buildings per year)	44	\$ 300,000	\$ 300,000	OEI 5		
Workforce, Education, and Equity	Office of Equity & Inclusion	Public Engagement Coordinator (1 position)	43	\$ 65,322	\$ 86,095	OEI 8	Economic, Workforce, & Community Development	
Workforce, Education, and Equity	Office of Equity & Inclusion	Equity and Inclusion Coordinator (1 position)	43	\$ 65,146	\$ 86,861		Housing	3.2
Workforce, Education, and Equity	Small Business Center	Availability and Disparities Study - develop mentor program to support capacity building	42	\$ 80,048	\$ 100,800	SBC 4		
Workforce, Education, and Equity	Small Business Center	Accelerators Program - expand the capacity of minority and women-owned business enterprises	42	\$ 750,000	\$ 1,000,000		Economic, Workforce, & Community Development	1.2
Workforce, Education, and Equity	Small Business Center	Day Labor Center (1 position)	42	\$ 62,650	\$ 83,533		Economic, Workforce, & Community Development	1.11
Workforce, Education, and Equity	Small Business Center	Business Manager to increase resources for startups in underserved areas	42	\$ -	\$ 102,568		Economic, Workforce, & Community Development	1.11
TOTAL				\$ 22,519,137	\$ 12,380,901			

*\$2.5 million allocated FY22 mid-year.

Note: The table lists funding levels for major budget items for each year of the biennial. The amounts in each fiscal year column are a positive or negative adjustment from the FY22 amended budget.

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2022-23 and FY 2023-24 Budget Discussion and Amendments**

On Wednesday, September 7, we will continue the discussion about the FY 2022-23 and FY 2023-24 budget. Amendments to the City Manager's proposed budget will be considered. The City Council will cast straw votes during the September 7 meeting and any amendments that receive majority support will be incorporated into the budget before voting to approve the budget on first reading. Attached are all amendments received as of 4:30 pm today, September 2.

As a reminder, City Council may make additional amendments up to the point of final reading and approval of the budget on September 21.

Please let me know if you have any questions.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
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Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

FY 2022-23 Budget Amendments - City Manager TC Broadnax - September 2, 2022

City Manager TC Broadnax		Amendment Number	
Source of Funds	Amount	Use of Funds	Amount
		1	
Economic Development - increase various multi-year funds based on final Dallas Central Appraisal District and Public Improvement District data by \$3.7 million in FY23.	3,664,746	Economic Development - adjust appropriations for various Public Improvement District and other economic development multi-year funds.	3,664,746
Total Source of Funds	3,664,746	Total Use of Funds	3,664,746
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

City Manager TC Broadnax		Amendment Number	
Source of Funds	Amount	Use of Funds	Amount
		2	
Planning and Urban Design - transfer Board of Adjustment activities and three positions from the General Fund to Development Services (Enterprise Fund) (\$353,038). This function is currently funded by Development Services with a reimbursement therefore the net impact is \$0.	-	Development Services (Enterprise Fund) - assume responsibility of Board of Adjustment activities (\$353,038). This action transfers the Board of Adjustment activities back to Development Services along with three positions.	-
Total Source of Funds	-	Total Use of Funds	-
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

City Manager TC Broadnax		Amendment Number	
Source of Funds	Amount	Use of Funds	Amount
		3	
Office of Risk Management - reallocate funding of projected liability claims from FY23 to FY24.	-	Office of Risk Management - accelerate adding six positions to provide OSHA, liability, RMIS and incident investigator support (one Bilingual Occupational Health Safety Officer, one Liability Adjuster, one RMIS Administrator, and three Incident Investigators) in FY23 from FY24. Net impact of \$0.	-
Total Source of Funds	-	Total Use of Funds	-
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

City Manager TC Broadnax		Amendment Number	
Source of Funds	Amount	Use of Funds	Amount
		4	
Non-Departmental - reduce Pension Stabilization Fund.	462,829	Planning and Urban Design - Add two planners focused on neighborhood plans and four positions to provide administrative support in FY23.	462,829
Total Source of Funds	462,829	Total Use of Funds	462,829
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

FY 2022-23 Budget Amendments - City Manager TC Broadnax - September 2, 2022

City Manager TC Broadnax		Amendment Number		
Source of Funds	Amount	Use of Funds	Amount	
Non-Departmental - reduce Pension Stabilization Fund.		1,693,823	Library - add funding to increase library hours at six locations from five days at 40 hours per week to six days at 54 hours per week in FY23. This amendment increases the total number of locations with increased library hours from 9 to 15. Also, this amendment increases library materials, increases market competitiveness, and enhances security services at branch locations and Central.	957,111
			Increase library materials funding (ongoing).	300,000
			Adjust certain salaries to address market competitiveness.	250,000
			Custodial services	45,000
			Security Services (branch locations)	20,000
			Security Services (Central)	121,712
Total Source of Funds		1,693,823	Total Use of Funds	1,693,823
City Council Action (yes/no/withdrawn)		For Staff Use	Difference	0

City Manager TC Broadnax		Amendment Number		
Source of Funds	Amount	Use of Funds	Amount	
Non-Departmental - reduce Pension Stabilization Fund.		500,000	Park & Recreation - increase mowing, irrigation, and litter removal at athletic fields from 4 to 5 times per week. Additionally, litter pickup will increase at targeted locations (based on usage) from 4-day pickup to 7-day pickup.	500,000
Total Source of Funds		500,000	Total Use of Funds	500,000
City Council Action (yes/no/withdrawn)		For Staff Use	Difference	0

City Manager TC Broadnax		Amendment Number		
Source of Funds	Amount	Use of Funds	Amount	
Non-Departmental - reduce Pension Stabilization Fund.		500,000	Building Services (Major Maintenance) - increase funding for solar and weatherization of city buildings.	500,000
Total Source of Funds		500,000	Total Use of Funds	500,000
City Council Action (yes/no/withdrawn)		For Staff Use	Difference	0

FY 2022-23 Budget Amendment - Council Member Arnold & West - August 26, 2022

Council Member Lead - Arnold and West		Amendment Number		8
Council Member Co-Sponsor(S): Schultz, and Ridley				
Source of Funds	Amount	Use of Funds	Amount	
City Attorney's Office - reduce funding for the Inspector General Division in the City Attorney's Office.	444,141	City Attorney's Office - add four Community Prosecutors (Assistant City Attorney II) in the City Attorney's Office.	344,971	
		Planning and Urban Design - add two part-time positions (Sr Planner and Business Operations Analyst) in Planning and Urban Design.	99,170	
Total Source of Funds	444,141	Total Use of Funds	444,141	
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0	

FY 2022-23 Budget Amendment - Council Member Willis - September 2, 2022

Council Member Lead - Willis		Amendment Number		9
Council Member Co-Sponsor(S):				
Source of Funds	Amount	Use of Funds	Amount	
MGT - Communications, Outreach & Marketing - eliminate FY23 proposed enhancement to add two Fair Park Multimedia Center Specialist positions (\$159,869 in FY24).	119,902	Library - add one additional open day per week at Vickery Park Library (\$175,000 full-year funding in FY24).	130,000	
MGT - Communications, Outreach & Marketing - reduce funding in miscellaneous special services by \$10,098 (\$15,131 in FY24).	10,098			
Total Source of Funds	130,000	Total Use of Funds	130,000	
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0	

Memorandum



CITY OF DALLAS

DATE September 2, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item 3 (22-1763) for September 7 –
First Reading of FY 2022-23 Appropriation Ordinance**

The attached budget ordinance reflects items included in the FY 2022-23 City Manager's Recommended Budget that was presented to the City Council on August 9. With the cancellation of the August 31 budget workshop, the City Council will now review budget amendments and cast straw votes during the September 7 meeting. Any amendments that receive majority support will be incorporated into the budget ordinance before the vote on September 7 to approve the budget on first reading.

Per City Charter, we are required to publish the budget ordinance in the City's official newspaper, the Dallas Morning News, before bringing the ordinance back to you for approval on second reading which is scheduled for September 21. In addition to the Dallas Morning News, the budget ordinance will also be published in *Al Día* and additional multicultural publications. As a reminder, the City Council may make additional floor amendments up to and on September 21 prior to the approval on second reading.

The City Manager's recommended budget reduced the property tax rate by 2.75¢ to 74.58¢ per \$100 valuation, making it the seventh consecutive year you have lowered the tax rate. Final approval of the tax rate will occur on September 21 and cannot exceed the 74.58¢ tax rate ceiling set during the August 24 City Council agenda meeting. We will use the tax rate ceiling in the required tax rate notice, which will include the name of each Council Member and their vote on the tax rate ceiling. The City Council may adopt this rate or a lower rate on Wednesday, September 21.

Please let me know if you have any questions.


Jack Ireland

Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
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Directors and Assistant Directors

ORDINANCE NO. _____

OPERATING AND CAPITAL BUDGETS' APPROPRIATIONS ORDINANCE

An ordinance appropriating funds for fiscal year 2022-23 for the maintenance and operation of various departments; authorizing the city manager to make certain adjustments; appropriating funds for public improvements to be financed from bond funds and other revenues of the city of Dallas for fiscal year 2022-23; providing for publication; and providing an effective date.

WHEREAS, the city council, in accordance with the Dallas City Charter, state law, and the ordinances of the city of Dallas, have given the required notices and have held the required public hearings regarding this ordinance; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That for the purpose of providing the funds to be expended in the budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023, the available revenues of the city of Dallas are hereby appropriated for the maintenance and operation of the various city departments and activities as follows:

<u>DEPARTMENT AND ACTIVITIES</u>	<u>PROPOSED 2022-23</u>
Building Services	27,640,891
City Attorney's Office	20,486,997
City Auditor's Office	3,163,255
City Controller's Office	8,567,559
City Manager's Office	3,205,072
City Secretary's Office	3,141,520
Civil Service	3,064,698
Code Compliance	40,476,333
Court and Detention Services	26,740,902
Dallas Animal Services	17,725,448

Dallas Fire-Rescue	367,969,665
Dallas Police Department	611,908,283
Elections	2,022,829
Housing and Neighborhood Revitalization	4,539,881
Human Resources	8,140,152
Independent Audit	755,000
Judiciary	4,273,646
Low Sterrett Jail Contract	8,344,443
Liability/Claims Fund Transfer	3,501,999
Library	35,720,237
Mayor and City Council	6,477,643
Non-Departmental	144,489,463
Office of Arts and Culture	22,496,061
Office of Budget and Management Services	4,277,919
Office of Data Analytics and Business Intelligence	5,281,114
Office of Economic Development	3,918,798
Office of Management Services	57,651,886
Park and Recreation	106,363,878
Planning and Urban Design	4,688,023
Procurement Services	3,014,089
Public Works	89,209,383
Salary and Benefit Stabilization	5,500,000
Transportation	51,984,903

GENERAL FUND TOTAL **1,706,741,970**

PROPOSED
2022-23

GRANT, TRUST AND OTHER FUNDS

Building Services

American Rescue Plan Act (ARPA)(FC18) 165,000

City Attorney's Office

FY 2022-23 Community Development Block Grant (CD22) 763,739

Convention and Event Services

Convention Hotel Tax Rebate (0756) 5,779,814

Dallas Fire-Rescue

American Rescue Plan Act (ARPA)(FC18) 200,000

<u>Dallas Police Department</u>	
American Rescue Plan Act (ARPA)(FC18)	18,803,530
<u>Housing and Neighborhood Revitalization</u>	
FY 2022-23 Community Development Block Grant (CD22)	10,209,095
FY 2022-23 HOME Investment Partnership (HM22)	6,940,498
Emerging Developers Fund (0762)	500,000
<u>Information and Technology Services</u>	
Information Technology Equipment (0897)	2,375,000
<u>Library</u>	
Children Center Trust (0T22)	3,867
Edmond & Louise Kahn E. Trust (0208)	246,376
Hamon Trust (0458)	9,177
Parrill Estate (0716)	15,000
<u>Office of Budget and Management Services</u>	
FY 2022-23 Community Development Block Grant (CD22)	1,249,991
FY 2022-23 Emergency Solutions Grant (ES22)	23,000
FY 2022-23 Housing Opportunities for Persons w/AIDS (HW22)	119,479
Pension Stabilization Fund (0757)	14,000,000
<u>Office of Management Services</u>	
FY 2022-23 Community Development Block Grant (CD22)	1,359,002
FY 2022-23 Emergency Solutions Grant (ES22)	1,245,197
FY 2022-23 Housing Opportunities for Persons w/AIDS (HW22)	8,349,660
Environmental Justice Fund (0759)	1,500,000
<u>Office of Economic Development</u>	
American Rescue Plan Act (ARPA) (FC18)	3,000,000
Dallas Downtown Improvement District (9P02)	8,962,146
Deep Ellum Public Improvement District (9P01)	1,220,971
Klyde Warren Park/Dallas Arts District Public Improvement District (9P03)	1,748,749
Knox Street Public Improvement District (9P04)	460,483
Lake Highlands Public Improvement District (9P05)	1,015,539
North Lake Highlands Public Improvement District (9P06)	586,011
Oak Lawn-Hi Line Public Improvement District (9P07)	468,716
Prestonwood Public Improvement District (9P08)	412,305
Sales Tax Agreement Fund (0680)	242,366

South Dallas/Fair Park Improvement District (9P09)	185,808
South Side Public Improvement District (9P10)	349,516
Tourism Public Improvement District (9P11)	18,632,351
University Crossing Public Improvement District (9P12)	1,145,360
Uptown Public Improvement District (9P13)	3,259,313
Vickery Meadow Public Improvement District (9P15)	1,227,662
<u>Park and Recreation</u>	
FY 2022-23 Community Development Block Grant (CD22)	738,301
<u>Planning and Urban Design</u>	
American Rescue Plan Act (ARPA)(FC18)	65,000
<u>Public Works</u>	
American Rescue Plan Act (ARPA) (FC18)	666,000
FY 2022-23 Community Development Block Grant (CD22)	2,000,000
<u>Transportation</u>	
American Rescue Plan Act (ARPA) (FC18)	13,160,000
Bike Lane Fund (0791)	2,895,955
GRANT, TRUST, AND OTHER FUNDS GRAND TOTAL	136,299,977
	<u>PROPOSED</u>
<u>ENTERPRISE FUNDS</u>	<u>2022-23</u>
Aviation	
Aviation Operations	162,963,846
Transportation Regulation	512,559
Convention and Event Services	113,231,392
Dallas Water Utilities	
Stormwater Drainage Management	72,433,742
Water Utilities	761,226,160
Development Services	43,830,455
Municipal Radio	1,003,095
Sanitation Services	143,785,140
ENTERPRISE FUNDS TOTAL	1,298,986,389
	<u>PROPOSED</u>
<u>INTERNAL SERVICE/OTHER FUNDS</u>	<u>2022-23</u>

Employee Benefits	2,071,683
Equipment and Fleet Management	66,600,148
Express Business Center	2,361,983
Information and Technology Services	
911 System Operations	14,212,742
Information Technology	110,191,357
Radio Services	16,867,557
Office of Bond and Construction Management	
Office of Management Services	5,259,168
Park and Recreation	4,456,552
Public Works	13,371,426
Office of Risk Management	5,531,982
INTERNAL SERVICE/OTHER FUNDS TOTAL	240,924,598
ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS	
GRAND TOTAL	1,539,910,987

SECTION 2. That, in conformity with Chapter XI of the Charter of the City of Dallas, the transfer of an unencumbered balance of an appropriation made for the use of a department, division, or purpose to any other department, division, or purpose, or an increase in appropriation, may be made by the city council upon written recommendation of the city manager.

SECTION 3. That the city manager is hereby authorized to make the following adjustments:

(1) Reduce the allowed expenditures of departments or activities if, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures.

(2) Transfer appropriations budgeted for one account classification or activity to another within any individual department or activity listed in Section 1.

(3) Transfer appropriations from the Salary and Benefit Stabilization to any individual department or activity listed in Section 1, to be used for salaries and benefits.

SECTION 4. That the city manager is hereby authorized, upon written notice to the city controller, to make the following adjustments:

(1) Transfer internal service fund equity from unanticipated excesses to contributing funds.

(2) Transfer funds, not to exceed \$19,335,250, from the Convention Center Operating Fund 0080, Department CCT, Unit 7840, Object 3870, to the 2009 Convention Center Debt Service Fund 0980, Department CCT, Unit P505, Revenue Source 9219, for the payment of debt service on Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021 for improvements to the Dallas Civic Center Convention Complex.

(3) Transfer funds, not to exceed \$3,501,999, from the General Fund 0001, Department BMS, Unit 1997, Object 3621 to the Liability Reserve Fund 0192, Department ORM, Unit 3890, Revenue Source 8525, for payment of small and large claims against the city.

(4) Transfer funds, not to exceed \$27,436,001 from the Water Utilities Operating Fund 0100, Department DWU, Unit 7015, Object 3690, in the amounts not to exceed \$8,500,000 to the Public/Private Partnership Fund 0352, Department ECO, Unit P151, Revenue Source 9201 and \$18,936,001 to the General Fund 0001, Department BMS, Unit 1991, Revenue Source 9201, as payment in lieu of taxes by the water utilities department to support economic initiatives of the city.

(5) Transfer funds, not to exceed \$5,001,200, from the Convention and Event Services Operating Fund 0080 Department CCT, Unit 7840, Object 3690 to the OCA Hotel Occupancy Fund 0435, Department OCA, Unit 1841, Revenue Source 9201, for the promotion of cultural arts.

(6) Transfer funds, not to exceed \$647,033, from the General Fund 0001 Department BMS, Unit 1991, Object 3690, to the Economic Development Tax Agreement Fund 0680

Department ECO, Unit 6696, Revenue Source 9201, for sales tax rebates in accordance with the terms of the sales tax grant agreement pursuant to Chapter 380 of the Texas Local Government Code.

(7) Transfer funds, not to exceed \$627,812, from City of Dallas Regional Center Fund 0067, Department ECO, Unit P682, Object 3090, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

(8) Transfer funds, not to exceed \$200,000, from New Markets Tax Credit Fund 0065, Department ECO, Unit P607, Object 3899, to General Fund 0001, Department ECO, Unit (Various), Object 5011, in support of economic development activities.

(9) Transfer funds, not to exceed \$100,000, from the Clean Energy Program Fund 0750, Department ECO, Unit W183, Object 3899 to the General Fund 0001, Department ECO, Unit (Various), Object 5011 to reimburse the General Fund for costs incurred in administering the Dallas PACE Program.

(10) Transfer funds, not to exceed \$2,500,000 from the General Fund 0001, Department TRN, Unit 1579, Object 3637, to the Bike Lane Fund 0791, Department TRN, Unit W660, Revenue Source 9236, for the purpose of citywide bike lanes.

(11) Transfer funds, not to exceed \$2,375,000 from the Information Technology Operating Fund 0198, Department DSV, Units 1622, 1641, and 1667, Object 3690, to the Information Technology Equipment Fund 0897, Department DSV, Units 3717, 3718, and 5319 for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(12) Transfer funds, not to exceed \$1,000,000 from the General Fund 0001, Department BMS, Unit 1991, Object 3980, to the Information Technology Equipment Fund 0897, Department

DSV, Unit 5318 for information technology servers, computers, storage, network and other IT equipment including related software, hardware, and implementation services.

(13) Transfer and administer gifts and bequests to the city in accordance with the terms and conditions accompanying the gifts or bequests and, for this purpose, the appropriation of donated amounts is hereby made.

(14) Decrease appropriation of any fund described in Section 1 to reduce expenditures within the fund when, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures.

SECTION 5. That the city manager is hereby authorized, upon written notice to the city controller, to transfer funds between the Employee Benefits Fund 0260 and other employee benefit funds for the purpose of allocating employee and retiree revenues to the appropriate claims funds and maximizing investment yields.

SECTION 6. That, in conformity with Chapter 40A, "Retirement," of the Dallas City Code, as amended, an appropriation of \$6,185,613 is established in the Employees' Retirement Fund Trust Fund 0275, Department ERF, Unit 5821, to provide for costs of administration of the employees' retirement fund office, with services to be paid out of income from investments.

SECTION 7. That the city manager is hereby authorized to make payments, in a total amount not to exceed \$4,878,564, for the City's allocations as part of the approved Dallas Central Appraisal District, Collin Central Appraisal District, Denton Central Appraisal District, and Rockwall Central Appraisal District 2023 budgets, pursuant to Section 6.06 of the Texas Property Tax Code.

SECTION 8. That, for the purpose of establishing reserves, the increase or reduction of restricted fund balances may be by city council resolution upon written recommendation of the city manager.

SECTION 9. That the projects listed in Section 10 are hereby adopted as the capital budget of the city of Dallas for public improvements to be financed from the proceeds of bond funds and with funds from other sources for the fiscal year beginning October 1, 2022 and ending September 30, 2023.

SECTION 10. (a) That the following amounts are hereby appropriated from the funds indicated for the projects listed in the FY 2022-23 capital budget:

<u>CAPITAL FUNDS</u>	<u>PROPOSED</u> <u>2022-23</u>
From the 2021 AVI Commercial Paper Fund (0795)	16,405,836
From the Aviation Customer Facility Charge (CFC) Fund (0991)	1,000,000
From the 2022 Certificate of Obligation Fund (0793)	61,000,000
From the 2023 Master Lease-Equipment Fund (ML23)	75,000,000
From the Aviation Capital Construction Fund (0131)	36,726,570
From the Aviation Passenger Facility Charge Near Term Projects Fund (A477)	4,600,000
From the Capital Construction Fund for City and Cultural Facilities (0671)	9,500,000
From the Capital Gifts and Development Fund (0530)	777,727

From the Cedars Tax Increment Financing District Fund (0033)	2,622,895
From the City Center Tax Increment Financing District Fund (0035)	6,953,469
From the Convention Center Capital Construction Fund (0082)	18,000,000
From the Cultural Arts Facilities (2017 GO Bonds) Fund (1V49)	132,912
From the Cypress Waters Tax Increment Financing District Fund (0066)	7,049,768
From the Davis Garden Tax Increment Financing District Fund (0060)	2,527,293
From the Deep Ellum Tax Increment Financing District Fund (0056)	8,042,509
From the Design District Tax Increment Financing District Fund (0050)	5,957,739
From the Downtown Connection Tax Increment Financing District Fund (0044)	31,556,025
From the Downtown Connection TIF District – Newpark Sub-District (0045)	25,000
From the Economic Development Fund (2017 GO Bonds) (1V52)	9,032,505
From the Equipment Notes, Series 2022 Fund (0774)	30,500,000
From the Facilities Fund (2017 GO Bonds) (1V60)	2,733,096
From the Fair Park Improvement Fund (2017 GO Bonds) (1V02)	7,110,902

From the Farmers Market Tax Increment Financing District Fund (0036)	2,974,727
From the Flood Control Fund (2017 GO Bonds) (1V23)	14,206,732
From the Fort Worth Avenue Tax Increment Financing District Fund (0058)	3,673,937
From the Grand Park South Tax Increment Financing District Fund (0054)	393,342
From the Homeless Assistance Fund (2017 GO Bonds) (1V43)	2,018,630
From the Mall Area Redevelopment Tax Increment Financing District Fund (0049)	585,996
From the Maple/Mockingbird Tax Increment Financing District Fund (0064)	4,944,650
From the Oak Cliff Gateway Tax Increment Financing District Fund (0034)	6,572,316
From the Park and Recreation Facilities Fund (2017 GO Bonds) (1V00)	27,148,034
From the Public Safety Facilities Fund (2017 GO Bonds) (1V33)	2,183,647
From the Public/Private Partnership Fund (0352)	8,500,000
From the Sanitation Capital Improvement Fund (0593)	4,300,000
From the Skillman Corridor Tax Increment Financing District Fund (0052)	8,368,904

From the Southwestern Medical Tax Increment Financing District Fund (0046)	1,120,844
From the Sports Arena Tax Increment Financing District Fund (0038)	14,504,004
From the Storm Drainage Management Capital Construction Fund (0063)	30,774,058
From the Street and Alley Improvement Fund (0715)	20,907,891
From the Street and Transportation Fund (2017 GO Bonds) (1V22)	114,119,530
From the Transit Oriented Development Tax Increment Financing District Fund (0062)	4,188,666
From the University Tax Increment Financing District Fund (0051)	1,926,900
From the Vickery Meadow Tax Increment Financing District Fund (0048)	3,042,709
From the Wastewater (Clean Water) -TWDB 2022 Fund (1194)	22,000,000
From the Wastewater Construction Fund (0103)	21,600,000
From the Wastewater Capital Improvement Series F Fund (4116)	65,000,000
From the Wastewater Capital Improvement Series G Fund (5116)	37,400,000
From the Water and Wastewater Public Art Fund (0121)	50,000
From the Water Construction Fund (0102)	47,800,000

From the Water Capital Improvement Series F Fund (4115)	69,900,000
From the Water Capital Improvement Series G Fund (5115)	35,000,000
From the Water (Drinking Water) – TWDB 2022 (1195) Fund (1195)	44,000,000
CAPITAL FUNDS TOTAL	956,459,763

(b) That in order to reimburse and finance certain 2017 General Obligation (GO) bond funds capital project expenditures authorized in section (a) (Street & Transportation Improvements 1V22, Park and Recreation Facilities 1V00, Fair Park 1V02, Flood Control 1V23, Library 1V42, Cultural Facilities 1V49, Public Safety 1V33, City Facilities 1V60, Economic Development 1V52, and Homeless Assistance 1V43), the City intends to issue one or more commercial paper notes as part of the General Obligation Commercial Paper Notes Series A, and Series B, and use the proceeds thereof to reimburse disbursements incurred.

(c) That in order to reimburse and finance the lease/purchase acquisition of equipment authorized in section (a) (2023 Master Lease-Equipment ML23), the City intends to execute, acknowledge and deliver a Schedule A (as defined in the Master Equipment Lease/Purchase Agreement) pertaining to such equipment including all attachments, financing statements and schedules thereto.

(d) That the following amounts are hereby appropriated from the funds indicated for payment of the FY 2022-23 Debt Service Budget:

<u>DEBT SERVICE FUNDS</u>	<u>PROPOSED</u> <u>2022-23</u>
From the General Obligation Debt Service Fund (0981)	412,314,869

DEBT SERVICE FUNDS TOTAL

412,314,869

(e) That these appropriations and all previous appropriated funds for these projects remain in force until each project is completed or terminated.

(f) That the appropriations listed in Subsections (a) and (d) may be increased by the city council upon the recommendation of the city manager.

SECTION 11. That a project will be considered completed when the requisitioning authority informs the city manager of completion by written notice. Any remaining unencumbered balance in an appropriation for a project that has been completed shall then revert to the appropriate fund.

SECTION 12. That the city manager is authorized to make the following adjustments:

(1) Transfer amounts from one project appropriation to another within the same fund, provided that the total appropriation for each fund is not exceeded by this action.

(2) Decrease appropriation of any fund described in Section 10 to reduce expenditures within the fund when, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures.

SECTION 13. That the city manager is hereby authorized, upon written notice to the city controller, to make the following adjustments:

(1) Transfer funds, not to exceed \$2,520,000, to the General Fund 0001, in the amounts of \$125,000 from the Cedars Tax Increment Financing District Fund 0033; \$200,000 from the Oak Cliff Gateway Tax Increment Financing District Fund 0034; \$200,000 from the City Center Tax Increment Financing District Fund 0035; \$145,000 from the Farmers Market Tax Increment Financing District Fund 0036; \$185,000 from the Sports Arena Tax Increment Financing District

Fund 0038; \$225,000 from the Downtown Connection Tax Increment Financing District Fund 0044; \$100,000 from the Southwestern Medical Tax Increment Financing District Fund 0046; \$125,000 from the Vickery Meadow Tax Increment Financing District Fund 0048; \$100,000 from the Mall Area Tax Increment Financing District Fund 0049; \$115,000 from the Design District Tax Increment Financing District Fund 0050; \$100,000 from the University Tax Increment Financing District Fund 0051; \$110,000 from the Skillman Corridor Tax Increment Financing District Fund 0052; \$125,000 from the Grand Park South Tax Increment Financing District Fund 0054; \$125,000 from the Deep Ellum Tax Increment Financing District Fund 0056; \$110,000 from the Fort Worth Avenue Tax Increment Financing District Fund 0058; \$135,000 from the Davis Garden Tax Increment Financing District Fund 0060; \$125,000 from the Transit-Oriented Development Tax Increment Financing District Fund 0062; \$100,000 from the Maple/Mockingbird Tax Increment Financing District Fund 0064; and \$70,000 from the Cypress Waters Tax Increment Financing District Fund 0066, for reimbursement of tax increment financing administration costs. Transfer funds not to exceed \$25,000 to the General Fund 0001 from the Downtown Connection TIF District-Newpark Sub-District Fund, Fund 0045 for reimbursement of tax increment financing administration costs.

(2) Transfer funds, not to exceed \$69,500,000, from the Water Utilities Operating Fund 0100, in the amounts of \$47,825,000 to the Water Construction Fund 0102; \$21,625,000 to the Wastewater Construction Fund 0103; and \$50,000 to the Water and Wastewater Public Art Fund 0121, for projects listed in the FY 2022-23 Capital Budget.

(3) Transfer funds, not to exceed \$12,393,984, from the Storm Drainage Management Operating Fund 0061 to the Storm Drainage Management Capital Construction Fund 0063, for projects listed in the FY 2022-23 Capital Budget.

(4) Transfer funds, not to exceed \$3,500,000, from the General Capital Reserve Fund 0625 to the Capital Construction Fund 0671 for the purpose of maintenance and repair of city facilities.

(5) Transfer funds, not to exceed \$5,000,000, from the Sports Arena Lease Fund OA71, Department CCT, Unit 8851, Object 3690, to the Capital Construction Fund 0671, for the purpose of maintenance and repair for city facilities.

(6) Transfer funds, not to exceed \$1,000,000, from the General Fund 0001, Department BSD, to the Capital Construction Fund 0671, for the purpose of maintenance and repair of city facilities.

(7) Transfer funds, not to exceed \$8,467,990, from the Water Utilities Operating Fund 0100 to the Street and Alley Improvement Fund 0715, for the purpose of funding citywide street and alley improvement projects.

(8) Transfer funds, not to exceed \$4,167,318, from the Sanitation Enterprise Fund 0440 to the Street and Alley Improvement Fund 0715, for the purpose of funding citywide street and alley improvement projects.

(9) Transfer funds, not to exceed \$11,900,000, from the General Fund 0001 to the Street and Alley Improvement Fund 0715, for the purpose of funding citywide street and alley improvement projects.

(10) Transfer funds, not to exceed \$2,772,583, from the Stormwater Operations Fund 0061 to the Street and Alley Improvement Fund 0715, for the purpose of funding sidewalks and neighborhood infrastructure.

(11) Transfer funds, not to exceed \$28,197,985, from the Convention Center Operating Fund 0080 to the Convention Center Capital Construction Fund 0082, for projects listed in the FY 2022-23 Capital Budget.

(12) Transfer funds, not to exceed \$11,661,077, from the Sanitation Services Fund 0440 to the Sanitation Capital Improvement Fund 0593 for \$10,684,886 and the Designated Environmental Protection/Closure/Post Closure Reserve Fund 0442 for \$976,191, for capital improvements and equipment.

(13) Transfer funds, not to exceed \$38,843,241, to the General Obligation Debt Service Fund 0981, from any general government, internal service, or enterprise fund incurring civilian payroll costs based on the pro-rata allocation of the actual civilian payroll costs incurred during fiscal year 2022-23, for payment of debt service on the Pension Obligation Bonds Series 600 and 601.

SECTION 14. That the city manager is authorized to make the following adjustments:

(1) Transfer amounts from one project appropriation to another within the same fund, provided that the total appropriation for each fund is not exceeded by this action.

(2) Decrease appropriation of any fund described in Section 9 and in any General Obligation Bond Program Funds to reduce expenditures within the fund when, in the judgment of the city manager, actual or probable receipts are less than the amount estimated and appropriated for expenditures, and make accounting adjustments between various bond programs and funds when, in the judgement of the city manager, it is necessary to do so to effectively and efficiently administer the General Obligation Bond Programs.

SECTION 15. That it is the intent of the city council, by passage of this ordinance, to appropriate funds for the city departments and activities. No office or position is created by the appropriations.

SECTION 16. That following the public hearing and passage of this ordinance on first reading, the city secretary shall cause the ordinance to be published in a newspaper of general circulation in the city with a separate schedule setting forth the items in the city manager's estimate that were omitted or changed by the city council, if any. The ordinance must then be presented to the city council for final reading at least 10 days after the publication. Upon final passage by the city council, this ordinance becomes effective immediately and the funds appropriated become available October 1, 2022.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, City Attorney

By _____
Assistant City Attorney

PASSED ON FIRST READING SEPTEMBER 7, 2022

City Secretary

PASSED ON SECOND READING SEPTEMBER 21, 2022

City Secretary