

Memorandum



CITY OF DALLAS

DATE August 30, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **City Manager's Proposed Budget Amendment**

I am providing a summary of my proposed draft amendment to the FY 20 budget as a follow-up to the City Council's August 26 budget amendment and straw votes discussion. My plan is to present my proposed draft amendment, item 54, for City Council consideration on Wednesday, September 4, 2019 and attached is the proposed draft amendment in detail, including: reduction items, impacts of proposed reductions, and additions/enhancement items. **Also attached are other amendments submitted by Council members including items 55-91 that were submitted after the deadline and not discussed on August 26 and items 92-93 that are new.**

I believe that amendment #54 will:

1. Ensure sustainability for both FY20 and FY21, the second year of the biennial;
2. Keep the property tax rate at the FY19 rate of 77.67¢ per \$100 valuation rather than increase by one third of one cent as initially proposed;
3. Restore the basic human and social services that Dallas residents have voiced as a need;
4. Continue the momentum to make Dallas a more empathetic, ethical, excellent, and equitable city.

Financial Sustainability

The amendments from the August 26 discussion resulted in a budget shortfall of over \$5 million in FY 21. Some City Council amendments eliminated one-time expenses in FY 20 and used that money to provide an on-going reduction in revenue. One amendment added a partial-year expense in FY20 but did not provide the funding necessary to cover the expenses in FY 21 and beyond.

Amendment #54 will balance both years of the biennial budget. With SB2 becoming effective next year, the City cannot begin the budget process with a shortfall, because that would result in greater core service reductions.

Property Tax Rate

The original budget recommendation increased the tax rate by one-third of one cent from 77.67¢ per \$100 valuation to 78.00¢. City Council amendments reduced the tax rate to 77.51¢, however, this has reduced or eliminated several human and social service

DATE August 30, 2019
SUBJECT **City Manager's Proposed Budget Amendment**

programs. The amendment #54 will restore the tax rate to the current year rate of 77.67¢ to ensure these programs remain funded.

Continue Basic Human and Social Services

Amendment #54 will continue funding to the Office of Community Care to address the drivers of poverty, provide senior services that were being transferred from CDBG, continue the Earned Income Tax Credit program being transitioned from the Office of Economic Development, and continue the Teen Pregnancy Prevention Program.

Continue Programs Needed to Make Dallas a Better Run City

Rather than reduce several offices within the Management Services department by 20 percent, amendment #54 will make more strategic reductions that will not hinder the momentum or impact current initiatives such as Business Diversity, Equity, Ethics, Welcoming Communities, and Innovation.

Approval of amendment #54 will provide City Council all of the items that were indicated as a priority through the straw vote process, including:

- Tax rate not to exceed 77.67¢
- Reductions in non-direct delivery programs
- Funding for a fire ladder truck at Fire Station #18
- PKR Youth Access Program
- PKR After-School Program
- Subsidy for an additional football game at the State Fair
- Additional planners in Sustainable Development and Construction
- Reallocation of funding within Homeless Solutions to focus on unaccompanied youth experiencing homelessness
- Path forward to begin addressing Shingle Mountain and other land use and zoning matters

DATE August 30, 2019
SUBJECT **City Manager's Proposed Budget Amendment**

Should you have any questions or need assistance, please contact me, Elizabeth Reich, or Jack Ireland.



T.C. Broadnax
City Manager

- c:
- | | |
|--|---|
| Chris Caso, City Attorney (Interim) | Joey Zapata, Assistant City Manager |
| Mark Swann, City Auditor | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Biliera Johnson, City Secretary | Michael Mendoza, Chief of Economic Development and Neighborhood Services |
| Preston Robinson, Administrative Judge | M. Elizabeth Reich, Chief Financial Officer |
| Kimberly Bizer Tolbert, Chief of Staff to the City Manager | Laila Aleqresh, Chief Innovation Officer |
| Majed A. Al-Ghafry, Assistant City Manager | M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion |
| Jon Fortune, Assistant City Manager | Directors and Assistant Directors |

Amendment - City Manager			
This amendment is based on retracting all amendments that received a majority support through the straw vote process conducted on Monday, August 26.			
Source of Funds	Amount	Use of Funds	Amount
Various - Eliminate Offsite CC Meetings	\$60,000	Tax rate reduction - 0.33¢ to reduce the proposed rate of 78.00¢ to 77.67¢ which is the FY19 adopted tax rate	\$4,524,000
MgmtSvc - Business Div - Reduce new Manager III	\$88,469	DFR - Add 15 firefighters for Ladder Truck at Fire Station #18	\$2,200,000
MgmtSvc - Equity - Reduces (1) Equity Analyst planned for FY21	\$0	Parks & Recreation - Youth Access Programs	\$975,000
MgmtSvc - Fair Housing - Administrative Position	\$42,298	Parks & Recreation - After School Programs	\$500,000
MgmtSvc - Homeless - Eliminate portion of Inclement Weather program by \$600,000 in FY21 to maintain 2-year balance (maintains \$400,000 in FY21)	\$0	Parks & Recreation - subsidy for HBCU football game at State Fair	\$150,000
MgmtSvc - Homeless - Systems Enhancement Homelessness (funding category swap)	\$100,000	Sustainable Development - Add 3 Sr. Planners	\$210,000
MgmtSvc - Innovation - Contract Services for Data Academy	\$50,000	MgmtSvc - Homeless Solutions - Unaccompanied Youth Homelessness	\$100,000
MgmtSvc - Public Affairs - Public Engagement Spec - eliminate one position	\$103,201	Planning and Urban Design - Urban Land Use Planning & Charrette(s)	\$200,000
MgmtSvc - Public Affairs - Professional Svc	\$30,000		
MgmtSvc - Resiliency - eliminate intern position and reduce contract svc	\$50,000		
MgmtSvc - Strategic Partnership - eliminate one position	\$50,000		
MgmtSvc - Welcoming Communities - eliminate one position	\$109,091		
Code - Reduce Demolition of Substandard Structures	\$558,941		
Courts - County Jail Contract - cost will be lower than anticipated	\$687,000		
ECO - Reduces one Contract Compliance Admin planned for FY21	\$0		
Human Resources - reduce funding for Graduate Intern Program	\$80,000		
PW - Eliminate Momentum Program	\$100,000		
Sustainable Development - since 3 planners are being added now in FY20, eliminate the 2 planners that had been proposed for FY21	\$0		
Transportation - Eliminate total funding for LED Signs	\$3,000,000		
Transportation - Reduces one planned GIS Analyst in FY21	\$0		
Non Dept - DPD Hiring Reserve - Reduce FY20 from \$2.25M to \$1.0M and eliminate \$1.0M planned for FY21	\$1,250,000		
Non Dept - IT Governance/Technology Projects - Reduce FY20 from \$4.5M to \$3.0M and reduce FY21 from \$4.5M to \$1.0M	\$1,500,000		
Non Dept - Reduce Salary & Benefits Reserve - reduce FY20 from \$3.5M to \$2.5M and reduce FY21 from \$3.5M to \$2.0M	\$1,000,000		
Total Source of Funds	\$8,859,000	Total Use of Funds	\$8,859,000
		Difference	\$0
Staff Comments:			
Council Action:			

55 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce 0.4% from all General Fund departments	\$5,771,400	Tax rate reduction	\$5,771,400
Total Source of Funds	\$5,771,400	Total Use of Funds	\$5,771,400
		Difference	\$0
Staff Comments:			
Council Action:			

56 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate City funding for TXDOT ROW and US 75	\$1,171,880	Tax rate reduction	\$1,171,880
Total Source of Funds	\$1,171,880	Total Use of Funds	\$1,171,880
		Difference	\$0
Staff Comments: Similar to #25 which failed.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

57 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate streetcar fare subsidy	\$1,103,500	Tax rate reduction	\$1,103,500
Total Source of Funds	\$1,103,500	Total Use of Funds	\$1,103,500
		Difference	\$0
Staff Comments: Same as #36 which failed.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

58 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Office of Welcoming Communities and programming	\$861,003	Tax rate reduction	\$861,003
Total Source of Funds	\$861,003	Total Use of Funds	\$861,003
		Difference	\$0
Staff Comments: Amendment #11 reduced WCIA by \$172,201.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

59 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Office of Resiliency	\$384,706	Tax rate reduction	\$384,706
Total Source of Funds	\$384,706	Total Use of Funds	\$384,706
		Difference	\$0
Staff Comments: Amendment #1 eliminated Office of Resiliency.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

60 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Office of Equity	\$492,264	Tax rate reduction	\$492,264
Total Source of Funds	\$492,264	Total Use of Funds	\$492,264
		Difference	\$0
Staff Comments: Amendment #11 reduced Office of Equity by \$98,453.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

61 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate all GF supplements for grant funded and entitlement programs	\$10,000,000	Tax rate reduction	\$10,000,000
Total Source of Funds	\$10,000,000	Total Use of Funds	\$10,000,000
		Difference	\$0
Staff Comments:			
Council Action:			

62 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Homeless Solutions	\$6,000,000	Tax rate reduction	\$6,000,000
Total Source of Funds	\$6,000,000	Total Use of Funds	\$6,000,000
		Difference	\$0
Staff Comments:			
Council Action:			

63 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Business Diversity	\$300,000	Tax rate reduction	\$300,000
Total Source of Funds	\$300,000	Total Use of Funds	\$300,000
		Difference	\$0
Staff Comments: Amendment #11 reduced Business Diversity by \$216,142.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

64 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Community Care	\$3,000,000	Tax rate reduction	\$3,000,000
Total Source of Funds	\$3,000,000	Total Use of Funds	\$3,000,000
		Difference	\$0
Staff Comments: Amendment #1 reduced Office of Community Care by \$1.3M and amendment #11 further reduced Office of Community Care by \$1.1M.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

65 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Police Oversight	\$300,000	Tax rate reduction	\$300,000
Total Source of Funds	\$300,000	Total Use of Funds	\$300,000
		Difference	\$0
Staff Comments:			
Council Action:			

66 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Environmental Quality	\$700,000	Tax rate reduction	\$700,000
Total Source of Funds	\$700,000	Total Use of Funds	\$700,000
		Difference	\$0
Staff Comments:			
Council Action:			

67 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Ethics and Compliance	\$100,000	Tax rate reduction	\$100,000
Total Source of Funds	\$100,000	Total Use of Funds	\$100,000
		Difference	\$0
Staff Comments: Amendment #11 reduced Office of Ethics by \$45,582.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

68 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Historic Preservation	\$500,000	Tax rate reduction	\$500,000
Total Source of Funds	\$500,000	Total Use of Funds	\$500,000
		Difference	\$0
Staff Comments:			
Council Action:			

69 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Office of Innovation	\$963,030	Tax rate reduction	\$963,030
Total Source of Funds	\$963,030	Total Use of Funds	\$963,030
		Difference	\$0
Staff Comments: Amendment #11 reduced Office of Innovation by \$192,606.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

70 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Public Affairs	\$400,000	Tax rate reduction	\$400,000
Total Source of Funds	\$400,000	Total Use of Funds	\$400,000
		Difference	\$0
Staff Comments: Amendment #1 reduced Public Affairs by \$239,985.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

71 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate staffing for district offices	\$1,000,000	Tax rate reduction	\$1,000,000
Total Source of Funds	\$1,000,000	Total Use of Funds	\$1,000,000
		Difference	\$0
Staff Comments:			
Council Action:			

72 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Defund Civil Service	\$3,274,657	Tax rate reduction	\$3,274,657
Total Source of Funds	\$3,274,657	Total Use of Funds	\$3,274,657
		Difference	\$0
Staff Comments:			
Council Action:			

73 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce capital facilities	\$400,000	Tax rate reduction	\$400,000
Total Source of Funds	\$400,000	Total Use of Funds	\$400,000
		Difference	\$0
Staff Comments:			
Council Action:			

74 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce City Attorney's Office	\$600,000	Tax rate reduction	\$600,000
Total Source of Funds	\$600,000	Total Use of Funds	\$600,000
		Difference	\$0
Staff Comments:			
Council Action:			

75 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce City Controller's Office	\$350,000	Tax rate reduction	\$350,000
Total Source of Funds	\$350,000	Total Use of Funds	\$350,000
		Difference	\$0
Staff Comments:			
Council Action:			

76 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Make school crossing guard program self sustaining - bill school districts for shortfall	\$5,300,000	Tax rate reduction	\$5,300,000
Total Source of Funds	\$5,300,000	Total Use of Funds	\$5,300,000
		Difference	\$0
Staff Comments:			
Council Action:			

77 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate housing preservation	\$1,500,000	Tax rate reduction	\$1,500,000
Total Source of Funds	\$1,500,000	Total Use of Funds	\$1,500,000
		Difference	\$0
Staff Comments:			
Council Action:			

78 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate salary and benefit reserve - departments should keep to hiring plan	\$3,500,000	Tax rate reduction	\$3,500,000
Total Source of Funds	\$3,500,000	Total Use of Funds	\$3,500,000
		Difference	\$0
Staff Comments: Salary and Benefit Reserve is used to pay accrued vacation and sick leave when employees retire/resign from the City. Amendment #1 reduced Salary and Benefit Reserve by \$1.5M.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

79 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Office of Budget	\$200,000	Tax rate reduction	\$200,000
Total Source of Funds	\$200,000	Total Use of Funds	\$200,000
		Difference	\$0
Staff Comments:			
Council Action:			

80 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate ECO Creative Industries	\$321,000	Tax rate reduction	\$321,000
Total Source of Funds	\$321,000	Total Use of Funds	\$321,000
		Difference	\$0
Staff Comments: Amendment #1 reduced Creative Industries by \$321,349.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

81 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Park and Recreation - full capture of Fair Park Privatization	\$4,000,000	Tax rate reduction	\$4,000,000
Total Source of Funds	\$4,000,000	Total Use of Funds	\$4,000,000
		Difference	\$0
Staff Comments:			
Council Action:			

82 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Planning and Urban Design	\$300,000	Tax rate reduction	\$300,000
Total Source of Funds	\$300,000	Total Use of Funds	\$300,000
		Difference	\$0
Staff Comments:			
Council Action:			

83 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Reduce Procurement	\$400,000	Tax rate reduction	\$400,000
Total Source of Funds	\$400,000	Total Use of Funds	\$400,000
		Difference	\$0
Staff Comments:			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

84 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Close Southern Skates, Fruitdale, Marcus Annex	\$850,000	Tax rate reduction	\$850,000
Total Source of Funds	\$850,000	Total Use of Funds	\$850,000
		Difference	\$0
Staff Comments:			
Council Action:			

85 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Mayor' intern program and Graduate intern program	\$350,000	Tax rate reduction	\$350,000
Total Source of Funds	\$350,000	Total Use of Funds	\$350,000
		Difference	\$0
Staff Comments:			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

86 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate Earned Income Tax Credit Program	\$200,000	Tax rate reduction	\$200,000
Total Source of Funds	\$200,000	Total Use of Funds	\$200,000
		Difference	\$0
Staff Comments: Amendment #1 reduced the Office of Community Care by \$1.3M including elimination of the Earned Income Tax Credit program.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

87 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate DPD mounted unit	\$275,000	Tax rate reduction	\$275,000
Total Source of Funds	\$275,000	Total Use of Funds	\$275,000
		Difference	\$0
Staff Comments:			
Council Action:			

88 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate senior dental care (County responsible)	\$370,000	Tax rate reduction	\$370,000
Total Source of Funds	\$370,000	Total Use of Funds	\$370,000
		Difference	\$0
Staff Comments:			
Council Action:			

89 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate senior medical transportation (DART responsible)	\$140,000	Tax rate reduction	\$140,000
Total Source of Funds	\$140,000	Total Use of Funds	\$140,000
		Difference	\$0
Staff Comments:			
Council Action:			

90 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate DPD squad car purchase	\$3,500,000	Tax rate reduction	\$3,500,000
Total Source of Funds	\$3,500,000	Total Use of Funds	\$3,500,000
		Difference	\$0
Staff Comments: Amendment #1 reduced funding for Marked Squad Car purchase by \$2.5M.			
Council Action: Withdrawn by CM Kleinman on 8/28/19			

91 Amendment - Kleinman			
Source of Funds	Amount	Use of Funds	Amount
Eliminate certification pay in DFR and DPD	\$7,366,408	Tax rate reduction	\$7,366,408
Total Source of Funds	\$7,366,408	Total Use of Funds	\$7,366,408
		Difference	\$0
Staff Comments:			
Council Action:			

92 Amendment - Resendez			
Source of Funds	Amount	Use of Funds	Amount
Library - eliminate one new position that was proposed to be added for the Forest Green Branch Library replacement facility and open with existing staff.	\$48,000	Library - expand hotspot program across the city by adding 600 more for a total of 900 devices through libraries located in or near areas with a high percentage of households with no internet access.	\$238,000
City Attorney's Office - eliminate one position	\$75,000		
Dallas Animal Services - eliminate one of two positions being added to triage and dispatch calls	\$60,000		
Court Services - Eliminate the proposed department technology analyst position and retain funding for contract services	\$55,000		
Total Source of Funds	\$238,000	Total Use of Funds	\$238,000
		Difference	\$0
Staff Comments:			
Council Action:			

93 Amendment - McGough			
Source of Funds	Amount	Use of Funds	Amount
Management Services - Eliminate two of three positions that were proposed to be added in the Office of Innovation	\$140,000	Tax rate reduction (0.0102¢).	\$140,000
Total Source of Funds	\$140,000	Total Use of Funds	\$140,000
		Difference	\$0
Staff Comments:			
Council Action:			