Memorandum

CITY OF DALLAS

DATE June 14, 2019

TO Honorable Members of the Public Safety and Criminal Justice Committee:
B. Adam McGough (Chair), Philip T. Kingston (Vice Chair), Jennifer S. Gates, Casey Thomas, Adam Medrano, Sandy Greyson, Kevin Felder, Carolyn King Arnold

SUBJECT **Employee Survivor Benefits and Life Insurance Benefits**

On June 10, 2019, staff briefed the Public Safety and Criminal Justice Committee on the City's Employee Survivor Benefits & Life Insurance Benefits. The following responses are provided as a follow-up to the questions received during and after the meeting from Council members:

Q. Is there an opportunity to separate the insurance plan for sworn staff and nonsworn civilian staff?

A. Keeping one large risk pool to provide health benefits to employees would enable the City to have more predictable costs and greater negotiation power, which translates into savings for the City and all employees. In addition to cost, risk pool segmentation may also open the City to discrimination claims and the potential for unintended bias. For those reasons, City staff does not advise to offer separate health benefits plans for sworn staff.

Q. Is COBRA the best option for surviving spouses?

A. City staff's recommendation is to provide paid COBRA benefits for two months following the death of an employee. This approach would allow the surviving spouse time to consider all healthcare options and select the best one, according to their needs. The City would not mandate survivors to remain in COBRA after the first two months of coverage. This would be at the sole discretion of the eligible survivors.

COBRA would benefit surviving spouses by providing the option for continuation of benefits, which may be needed, depending on the circumstances. Not all surviving spouses would elect COBRA as there may be more affordable options available in the market or access to supplemental insurance.

Q. Can the City keep off-duty survivors' spouses in the active employee health insurance plan?

A. The City offers cost-shared health insurance coverage to active employees, which is standard practice. A surviving spouse does not meet the definition or qualifies as an active employee and could not participate in the plan as such.

On September 22, 2010, City Council voted to stop all health insurance subsidies going forward, other than offering a limited subsidy for retirees (former City of Dallas employees) hired before 2010. The City does not offer subsidized health insurance coverage to retirees hired after 2010 or spouses of retired employees. This decision was based in part to limit the City's 'other post-employment benefit' (OPEB) liability, and the need to set aside funds to cover expenses related to future benefits committed to retirees today. The Governmental

DATE June 14, 2019

SUBJECT **Employee Survivor Benefits and Life Insurance Benefits**

Accounting Standards Board (GASB) Statement No. 75 indicates that for reporting periods beginning after June 15, 2017, governments are required to recognize their unfunded accrued OPEB obligation on the face of their financial statements. OPEB comprises mostly post-employment health care benefits and can represent a very significant liability for many state and local governments, especially if the government has set aside few assets to pay for those benefits, which is the case of the City of Dallas.

City staff does not recommend providing a spousal subsidy as it will impact the City's OPEB liability and moreover, is not a benefit provided to former employees (retirees) who pay in full their spousal and dependent insurance, because the City's retirees (former employees) are required to pay in full for their health care premiums.

Q. Why is staff recommending offering additional life insurance for City employees?

A. As mentioned at the PSCJ Committee meeting, the City of Dallas currently provides life insurance in the amount of $50,000 for all city employees. This amount significantly lags the employer-paid life insurance benefits offered by other Cities in the region and employers in general. Since life insurance plays an important role in supporting survivor spouses, staff identified an opportunity to provide support in a manner more closely aligned with the market and current standard business practices. Also, not all surviving spouses and families have the same needs and offering support through additional life insurance would provide surviving spouses the flexibility to use the funds as they see fit, according to their individual needs at the time.

Staff acknowledges that the life insurance benefit will need to be reviewed periodically as City updates its total compensation study.

Q. Are the deaths of sworn employees classified as off-duty or line-of-duty deaths by the City of Dallas?

A. No. The City of Dallas does not make such determinations. For an off-duty death to be classified as line-of-duty, it has to meet certain criteria for Public Safety Officers' Benefits (PSOB) program or the State of Texas, Employee Retirement System of Texas (ERS).

Q. Is there any other support available for a spouse of a sworn employee that dies off-duty while actively employed by the City of Dallas?

A. The Dallas Police and Fire pension confirmed that when a sworn employee dies while still in Active Service, they are deemed to have 20 years of service and deemed to be at the normal retirement age. All Active deaths, regardless if it is on-duty or off duty, and regardless if they were eligible for retirement at the time of death are considered retirement eligible. The deemed 20 years of service is used if the sworn employee has less than 20 years of service. However, if the deceased sworn employee has more actual service, the actual service is used.

Qualifying survivors (spouse, children under 19 and dependent parents) are eligible to receive a death benefit based on the employee's deemed calculation. The death benefit is typically 50% of the member's benefit calculation. However, it can be more in certain circumstances. For example, if an employee dies and has both a spouse and a child or children under 19, that family will receive 100% of the sworn employee's benefit until the youngest child ages out. Any additional questions regarding retirement benefits for off-duty death can be referred to Kelly Gottschalk, Executive Director of the Dallas Police and Fire Pension.

Q. What would be the timeline for implementation of Staff's recommendations?

A. Any consideration for changes to current practices will be in the context of including both uniform and civilian employees and will come to the City Council through the budget process for review and input. Benefit changes are administered in accordance with calendar year. Therefore, January 1, 2020 would be the soonest implementation.

Q. Can the City provide retroactive benefits to an individual or group of survivors?

A. No. Any changes to the Benefits Program do not apply to prior situations. Any changes will be applied going forward.

Staff will be available at the City Council budget workshop on June 18, 2019 to respond to any questions. For your convenience, I have attached a copy of the briefing made to the Public Safety and Criminal Justice Committee on June 10, 2019.

Please feel free to contact me if you have any additional questions and advise if you have any comments or should you require further information at this time.

Kimberly B. Tolbert
Chief of Staff to the City Manager

[Attachment]

c: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
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Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

Employee Survivor Benefits & Life Insurance Benefits

Public Safety & Criminal Justice Committee
June 10, 2019

Kimberly Tolbert
Chief of Staff

Carmel Fritz
Compensation Manager

City of Dallas

Agenda

- Background
  - Current Survivor Benefits for all City of Dallas employees
    - Line of Duty vs. Off-Duty
    - Civilian
  - Life Insurance Coverage (Basic Coverage)

- Survey/Research Results – peer cities
  - Survivor Benefits
  - Life Insurance

- Options/Proposed Recommendations

- Next Steps

Background – COD Survivor Death Benefits

- Survivors of COD employees are eligible to enroll in COBRA
  - Survivors have a 60-day grace period to select COBRA, after the day the death occurred
  - COBRA Premium is 102% of full active employee benefit premium
  - Premium cost depends on the benefit plan and dependents covered
  - Survivors pay full cost (no cost share with the City)
  - Survivors are eligible to stay on COBRA for 18 months

- Benefits offered to survivors are the same for all City employees <u>except for sworn personnel **line-of-duty** death</u>

- There are no special survivor benefits offered in the event of:
  - a non-sworn or civilian death at work
  - a sworn off-duty death

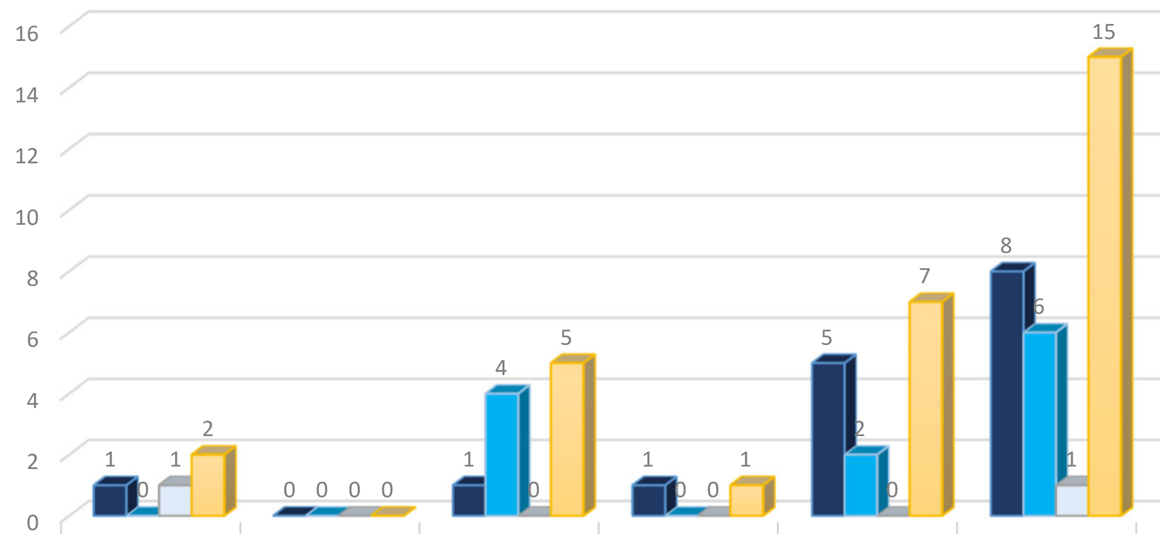
Background – COD Survivor Death Benefits
Sworn Personnel Off-duty Death

- An **off-duty** death is a death that occurs while not on shift or while not working in an official capacity for the City of Dallas

- In order for an **off-duty** death to be classified as **line-of-duty**, the death has to meet certain criteria for Public Safety Officers' Benefits (PSOB) program or State of Texas, Employee Retirement System of Texas (ERS)

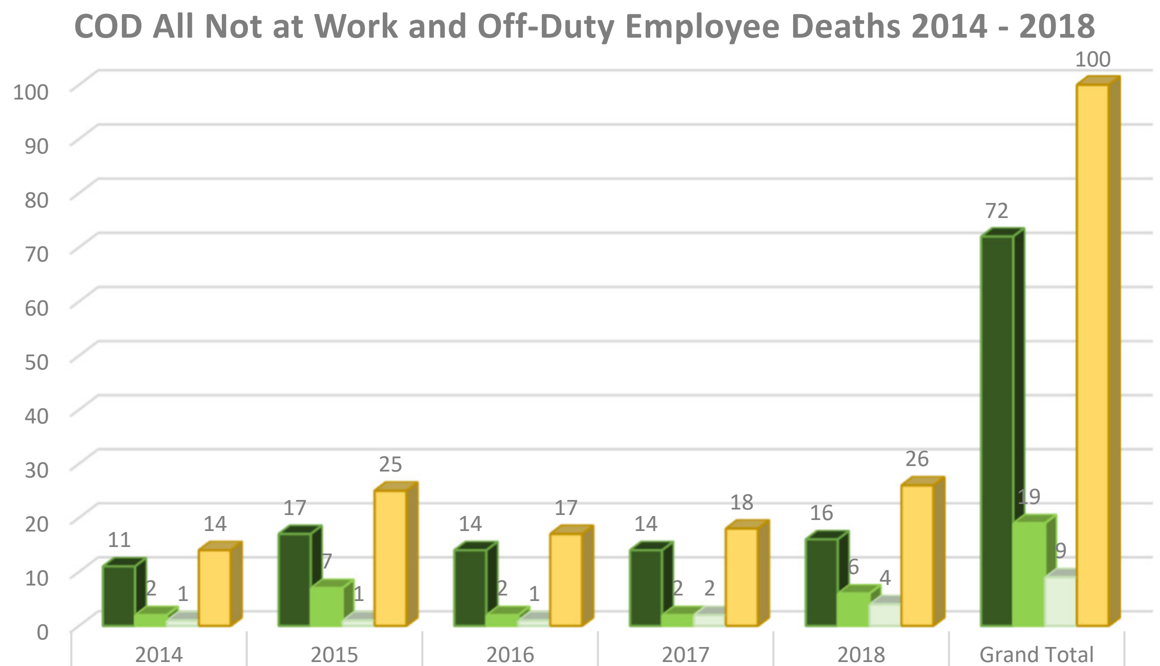
COD Employee Deaths at Work/Line-of-Duty

COD Employee Deaths 2014 - 2018
Sworn Line-of-Duty and Non-Sworn/Civilian At-work



	2014	2015	2016	2017	2018	Grand Total
Non-Sworn/Civilian - At work	1	0	1	1	5	8
Sworn Police - Line-of-duty	0	0	4	0	2	6
Sworn Fire - Line-of-duty	1	0	0	0	0	1
Total	2	0	5	1	7	15

COD Employee Deaths NOT at Work/Off-Duty



	2014	2015	2016	2017	2018	Grand Total
Non-Sworn/Civilian - Not at work	11	17	14	14	16	72
Sworn Police - Off-duty	2	7	2	2	6	19
Sworn Fire - Off-duty	1	1	1	2	4	9
Total	14	25	17	18	26	100

Survey Results – Survivor Benefits

- 18 Cities in Texas and surrounding states were surveyed (all responded)
- 16 Cities in Texas offer the same survivor benefits as the City of Dallas
- 2 Cities, Denver and Austin, reported providing different benefits specific to off-duty uniformed deaths

Survey Results – Survivor Benefits

- **Denver**
  - The **City of Denver's Employees Retirement Pension Plan** for civilian/sheriff uniform officers continues to offer medical and dental insurance to surviving eligible dependents at a premium reduction
    (Note: The City of Denver <u>does not</u> pay for this benefit)
  - Eligibility: Dependents to age 19, and surviving spouse for life

- **Austin**
  - Eligible surviving dependents are able to continue health benefits with rates based on the employee's years of service at a premium reduction paid by the City of Austin (5 to 9 years – 10 to 14 years – 15 to 19 years)
  - If the employee was eligible for retirement benefits, then the surviving spouse and dependents enrolled at the time of death may continue with coverage
  - Eligibility: Dependents to age 26 and surviving spouse until they remarry

Background – City of Dallas Life Insurance

- $50,000 of life insurance coverage for all City employees
- Current annual premium for all City employees is $260,988 (premium paid by the City)
- Employees may purchase additional supplemental coverages (additional premium paid by the employee)

Survey Results – Life Insurance

- 32 Cities in Texas and surrounding areas were surveyed
- 13 Cities responded
- The most consistent offering for basic coverage is 2x the annual salary up to $300,000
- **Coverage is paid in full by the surveyed cities**

Survey Results – Summary

Survivor's Benefits:

- 18 Cities surveyed
- All Cities offer COBRA – Consistent with City of Dallas
- Denver and Austin offer additional benefits

Denver

- Eligible dependents continue medical and dental insurance at a premium reduction
- Provided by the City's Employees Retirement Pension Plan, not by the City of Denver
- Dependents to age 19 and surviving spouse for life

Austin

- Eligible dependents continue health benefits
- Rates based on years of service at a premium reduction
- If retirement benefits eligible, enrolled surviving spouse and dependents may continue with coverage
- Provided by the City of Austin
- Dependents to age 26 and surviving spouse until they remarry

Life Insurance:

- 32 Cities surveyed
- 13 Cities responded

Most Consistent Offering – Paid by the City

- 2x the annual salary up to $300,000

City of Dallas Offering – Paid by the City

- $50,000

Options – Survivor Benefits

Options	Cost (Annual)
Option 1: Maintain current benefits - No Change	No additional cost
Option 2: City provide the first 2 months of COBRA health insurance premium - direct payment to COBRA vendor	Based on highest premium plan and 20 deaths per year average - **$58,993.00**
Option 3: City provide COBRA coverage through cost share, utilizing a *sliding scale, based on years of service - Cost sharing with the City similar to the cost sharing percentages for active employees coverage	Based on highest premium plan, 20 years of service, and 20 deaths per year average - **$328,497.00**
Option 4: City provide full COBRA premium utilizing a *sliding scale, based on years of service	Based on highest premium plan, 20 years of service, and 20 deaths per year average - **$530,935.00**

Sliding Scale*
Based on Years of Employment

- **5-9 Years** — 3 Months of COBRA Premium Paid by COD
- **10-14 Years** — 6 Months of COBRA Premium Paid by COD
- **15-19 Years** — 12 months of COBRA Premium Paid by COD
- **20 Years+** — 18 months of COBRA Premium Paid by COD

Options – Life Insurance

Option 1:

- Maintain current coverage ($50,000)

Option 2:

- Increase basic life insurance coverage to $75,000 for all employees
- City annual premium increase from $260,988 to $685,116 - (Results in taxable imputed income on the increased $25,000)

Option 3:

- Increase basic life insurance coverage to $100,000 for all employees
- City annual premium increase from $260,988 to $1,105,020 - (Results in taxable imputed income on the increased $50,000)

Proposed Recommendations

Proposed Recommendation A:
Enhanced Survivor's COBRA Benefit

Survivor Benefits Option 4:
City provide full COBRA premium utilizing a *sliding scale, based on years of service. Annual Cost based on highest premium plan, 20 years of service, and 20 deaths per year average - **$530,935.00**

Sliding Scale*
Based on Years of Employment

5-9 Years	10-14 Years	15-19 Years	20 Years+
3 Months of COBRA Premium Paid by COD	6 Months of COBRA Premium Paid by COD	12 months of COBRA Premium Paid by COD	18 months of COBRA Premium Paid by COD

Rationale: Provide support to surviving spouses and families, while recognizing employee service to the City

Proposed Recommendation B:
Enhanced Survivor's COBRA Benefit + Life Insurance

Survivor Benefits Option 3 + 75,000 Life Insurance:
City provide COBRA coverage through cost share, utilizing a *sliding scale, based on years of service - Cost sharing with the City similar to the cost sharing percentages for active employees coverage

Annual Cost based on highest premium plan, 20 years of service, and 20 deaths per year average - **$328,497.00 +** $424,128.00 (Life Insurance) **= $752,625.00**

Sliding Scale*
Based on Years of Employment

5-9 Years	10-14 Years	15-19 Years	20 Years+
3 Months of COBRA Premium Paid by COD	6 Months of COBRA Premium Paid by COD	12 months of COBRA Premium Paid by COD	18 months of COBRA Premium Paid by COD

Rationale: Provide support to surviving spouses and families, while recognizing employee service to the City and aligning life insurance coverage with market

Proposed Recommendation C:
Enhanced Survivor's COBRA Benefit + Life Insurance

Survivor Benefits Option 2 + 75,000 Life Insurance:

City provide the first 2 months of COBRA health insurance premium - direct payment to COBRA vendor

Annual cost based on highest premium plan and 20 deaths per year average - $58,993.00 + $424,128.00 (Life Insurance) **= $483,121.00**

Rationale: Provide support to surviving spouses and families through the COBRA grace period and align life insurance coverage with market

Proposed Recommendations Summary

Recommendation A

Survivor Benefits Option 4

- Full COBRA premium paid by the City utilizing a *sliding scale, based on years of service
- Annual Cost - **$530,935.00**
- Support to surviving spouses and families, while recognizing employee service to the City

Recommendation B

Survivor Benefits Option 3 + $75,000 Life Insurance

- COBRA coverage through cost share, utilizing a *sliding scale, based on years of service
- Annual Cost $328,497.00 + $424,128.00 (Life Insurance) = **$752,625.00**
- Support for surviving spouses and families, while recognizing employee service to the City and aligning life insurance coverage with market

Recommendation C

Survivor Benefits Option 2 + $75,000 Life Insurance

- City provide the first 2 months of COBRA health insurance premium
- Annual cost - $58,993.00 + $424,128.00 (Life Insurance) **= $483,121.00**
- Support to surviving spouses and families through the COBRA grace period and align life insurance coverage with market

Employee Survivor Benefits & Life Insurance Benefits

Public Safety Committee
June 10, 2019

Kimberly Tolbert
Chief of Staff

Carmel Fritz
Compensation Manager

City of Dallas

Proposed Options – Cost 2 Month's of COBRA

Plan	Spouse	Spouse and Children
HRA	$2,273	$2,949
Co-Pay	$2,240	$2,922
HSA	$2,102	$2,742

Proposed Options

- Provide COBRA premium reduction (Cost sharing with the City) similar to the cost sharing percentages for active employees coverage

- City pays full COBRA premium based on sliding scale years of service

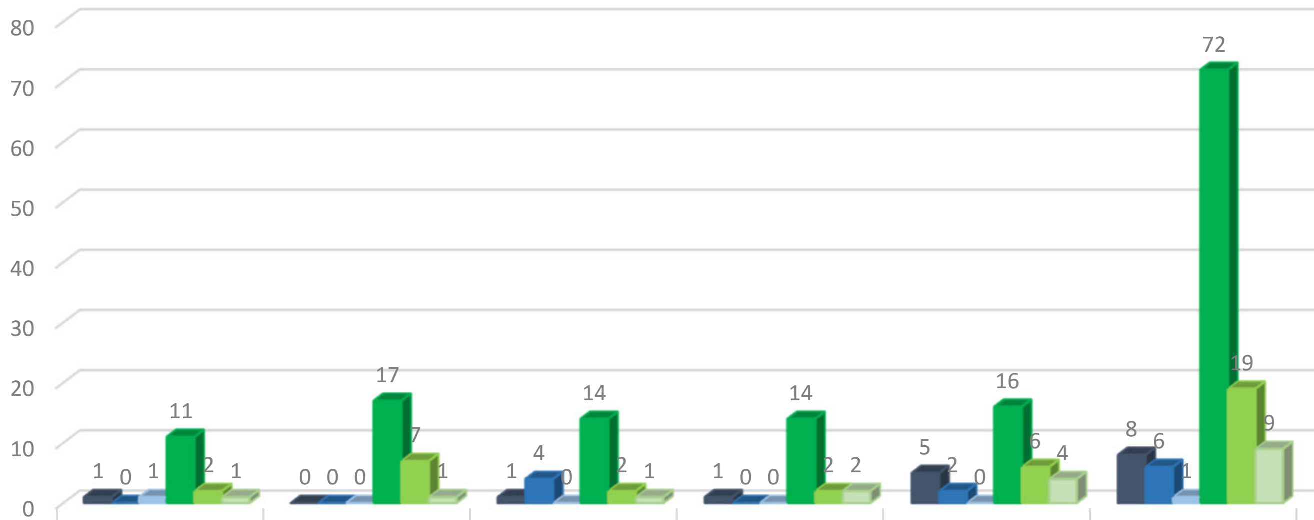
Years of Service	Coverage	Plan Name	Spouse	Spouse/Children
5-9 years	3 months	HRA	$3,343.23	$4,337.70
		Co-Pay	$3,295.08	$4,297.80
		HDHP	$3,091.89	$4,032.72
10-14 years	6 months	HRA	$6,686.46	$8,675.40
		Co-Pay	$6,590.16	$8,595.60
		HDHP	$6,183.78	$8,065.44
15-19 years	12 months	HRA	$13,372.92	$17,350.80
		Co-Pay	$13,180.32	$17,191.20
		HDHP	$12,367.56	$16,130.88
20+ years	18 months	HRA	$20,059.38	$26,026.20
		Co-Pay	$19,770.48	$25,786.80
		HDHP	$18,551.34	$24,196.32

City of Dallas Deaths 2014 through May 2019

Count of Name	Column Labels						
Row Labels	2014	2015	2016	2017	2018	2019	Grand Total
Non-Sworn/Civilian	**12**	**17**	**15**	**15**	**21**	**6**	**86**
Line-of-duty	1		1	1	5		8
Off-duty	11	17	14	14	16	6	78
Sworn-Fire	**2**	**1**	**1**	**2**	**4**	**1**	**11**
Line-of-duty	1						1
Off-duty	1	1	1	2	4	1	10
Sworn-Police	**2**	**7**	**6**	**2**	**8**		**25**
Line-of-duty			4		2		6
Off-duty	2	7	2	2	6		19
Grand Total	**16**	**25**	**22**	**19**	**33**	**7**	**122**

COD Employee All Deaths by Year

COD Employee Deaths 2014 - 2018



	2014	2015	2016	2017	2018	Grand Total
Non-Sworn/Civilian - At work	1	0	1	1	5	8
Sworn Police - Line-of-duty	0	0	4	0	2	6
Sworn Fire - Line-of-duty	1	0	0	0	0	1
Non-Sworn/Civilian - Off-duty	11	17	14	14	16	72
Sworn Police - Off-duty	2	7	2	2	6	19
Sworn Fire - Off-duty	1	1	1	2	4	9

Recommendation – Life Insurance

Option 2:

- Increase basic life insurance coverage to $75,000 for all employees
- City annual premium increase from $260,988 to $685,116 – <u>Additional Cost</u>: $424,128.00

Rationale: Closer to market – more competitive

Cities Surveyed For Off-Duty Death Survivor Benefits (All Responded)

City of Arlington
City of Austin
City of Atlanta
City of Charlotte
City of Chicago
City of Denver
City of El Paso
City of Fort Worth
City of Frisco
City of Grand Prairie
City of Garland
City of Houston
City of Irving
City of Lewisville
City of Mesquite
City of Memphis
City of San Antonio
City of Tulsa

Cities Surveyed For Basic Life Insurance Benefits

Surveyed	Surveyed	Responded
City of Arlington	City of Garland	Allen
City of Allen	City of Houston	Arlington
City of Austin	City of Irving	Carrollton
City of Carrollton	City of Lewisville	Denton
City of Charlotte	City of Los Angeles	Fort Worth
City of Chicago	City of McKinney	Frisco
City of Denver	City of Mesquite	Garland
City of Denton	City of Memphis	Grand Prairie
City of Detroit	City of New York	Irving
City of El Cajon	City of Philadelphia	Lewisville
City of El Paso	City of Plano	McKinney
City of Fort Worth	City of Phoenix	Mesquite
City of Frisco	City of Richardson	Richardson
City of Grand Prairie	City of San Antonio	
City of Garland	City of San Diego	
City of Houston	City of Tulsa	

Basic Life Insurance Survey Results

Group Life Insurance														
	Dallas	Allen	Arlington	Carrollton	Denton	Fort Worth	Frisco	Garland	Grand Prairie	Irving	Lewisville	McKinney	Mesquite	Richardson
Coverage amount*	$50,000	1 x base salary up to $250,000 2 x base salary up to $350,000 for exec team	2 x annual salary up to $300,000	2 x annual salary up to $400,000	Class 1: 1xAE to $300,000 Class 2: 2xAE to $500,000	1 x annual salary	$50,00 0	$25,000	2 x annual salary to $500,000	1 x annual salary	4 x annual salary up to $400,000	$50,000	2 x annual salary	2 x annual salary up to $50,000
Employer paid*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cost per $1000*	$.50 / person enrolled	0.045	0.04	0.1	0.035	0.09	0.065	0.06	0.069	0.08	0.072	0.085	0.039	0.06
	*Based on 2017-2018 comparison data													

Basic Life Insurance Survey Results

	Rate based on 2019 HRA Premium + 10% Per Year					
	Spouse - Age 20	**Spouse + Children**	**Spouse - Age 40**	**Spouse + Children**	**Spouse - Age 60**	**Spouse + Children**
Per death	$ 10,588,615.48	$ 13,738,282.25	**$ 1,315,187.36**	**$ 1,706,400.16**	**$ 81,643.01**	**$ 105,928.37**
5 deaths/year	$ 52,943,077.39	$ 68,691,411.24	**$ 6,575,936.79**	**$ 8,532,000.79**	**$ 408,215.07**	**$ 529,641.85**
		Time Insured: 45 years		Time Insured: 25 years		Time Insured: 5 years

Memorandum

CITY OF DALLAS

DATE June 14, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Current SafeLight Program Status and Phaseout Plan**

Background:

The City of Dallas implemented Safelight, an automated photographic red-light camera enforcement program, to reduce the high number of right-angle collisions and related injuries/fatalities due to people running red lights. The program was designed to improve public safety by modifying driver behavior through increased enforcement of red-light laws and improved public awareness.

The City of Dallas started the Safelight program in 2006 with a 10-year contract. In 2017, the City went into a new contract with Verra Mobility for 5 years with a 3-year option. The current contract is set to expire in 2022 and the program includes 29 intersections with 52 red-light cameras at intersection approaches. To gauge the effect of the SafeLight program, staff concluded that 20 of the 29 intersections (69%) show a reduction in all crash types. 23 of the 29 intersections (79%) show a reduction in right-angle crashes. 19 of the 29 intersections (66%) show a reduction in rear end crashes. 3 of the 29 intersections (10%) show an increase in the number of total crashes after intervention.

Program Revenue:

For the fiscal year 2017 and 2018, the Safelight camera program generated $5,799,580.07 of net revenues after all program related expenses were paid. The City paid $2,899,790.03 (50%) of collected net revenues to State of Texas trauma centers. The remaining $2,899,790.03 (50%) of the collected net revenues were kept by the City. For fiscal years 2018 and 2019, the program has generated $6,490,000.00. 50% of the net revenue after expenses will be paid to the City and 50% will be paid to state trauma centers.

Program Phaseout Plan:

On June 1, 2019, all red-light cameras were deactivated, and the State of Texas' legislation went into effect on June 2nd upon Governor Abbott's signature. Year to date, 11,482 citations that were issued before the end of the program on June 1, 2019 are pending review. Safelight Enforcement officers will finish reviewing and mailing all citations out by June 24, 2019. Adjudication will schedule hearings of all contested citations by July 29, 2019. The potential revenues vary from $200,000 to $800,000. Municipal Court appeal hearings for contested adjudication are to be complete by August 30, 2019. Processing and adjudication of all citations is to end by August 31, 2019.

If you have any questions or concerns please contact Michael Rogers, Director of the Department of Transportation, at michael.rogers@dallascityhall.com.

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

c:
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Bilierae Johnson, City Secretary
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Directors and Assistant Directors

Memorandum

CITY OF DALLAS

DATE June 14, 2019

TO Honorable Mayor and Council Members

SUBJECT **Rating Agencies Comment on Property Tax Reform Legislation - INFORMATION**

On June 12, 2019, the Texas Property Tax Reform and Transparency Act of 2019 (SB 2) was signed into law, taking effect on January 1, 2020. The legislation limits the rollback rate to 3.5 percent from 8 percent, reducing property tax revenue increases certain local governments can levy without voter approval for Maintenance and Operations. Rating agencies, including Moody's Investor Services (Moody's), S&P Global Ratings (S&P), and Fitch Ratings (Fitch) have provided commentary on the effect of SB 2 on credit ratings.

Fitch stated that the legislation, "could negatively impact Fitch's assessment of certain local governments' independent revenue raising ability," although, "the strength or weakness of other considerations (revenue growth prospects, expenditure flexibility, long-term liability burden, and operating performance) will determine how much a shift in the revenue-raising ability assessment will affect an entity's overall rating." Moody's also noted that the property tax reform was, "a credit negative for bulk of local governments," however, "despite the limitations in Senate Bill 2, most local governments in Texas will continue to benefit from new investment resulting in taxable property not subject to the 3.5% revenue-increase limit." Following the bill being signed into law, S&P explained that, "this constraint, coupled with expanding infrastructure demands, could reduce financial flexibility and stress Texas municipalities' creditworthiness."

The legislation does not place the same restriction on the Debt Rate and as Moody's states, "given that the debt service levy is legally separate from the amount restricted under the 3.5 percent Senate Bill 2 limit, local governments will maintain direct control over the rate necessary to service debt." Additionally, the City is currently rated A1 (Stable) by Moody's, AA- (Stable) by S&P, and AA (Stable) by Fitch, backed by prudent financial management and policies, a strong local economy, and robust financial reserves.

DATE June 14, 2019

SUBJECT **Rating Agencies Comment on Property Tax Reform Legislation – INFORMATION**

Please let me know if you need additional information.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

[Attachments]

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
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07 Feb 2019 | Comment

Fitch Ratings: TX Tax Proposals Could Limit Local Government Revenue Flexibility

Fitch Ratings-Austin-07 February 2019: Bills recently filed in both chambers of the Texas legislature (HB 2 and SB 2) propose to significantly lower the rollback property tax rate for local Texas taxing entities with a certain amount of annual tax revenue and require ratification elections if rollback rates are exceeded. According to Fitch Ratings, this legislation if enacted could negatively impact Fitch's assessment of certain local governments' independent revenue raising ability--a component of one of Fitch's four key rating drivers in its U.S. public finance tax supported rating criteria.

The rollback rate in Texas currently is a calculated rate that produces an increase in operating tax levy of 8% from the prior year's levy. If local taxing jurisdictions exceed the rollback rate they are subject to a petition and, if the petition garners enough signatures, an election to reduce the rate back to the rollback rate. HB 2 and SB 2, which are backed by the governor, lieutenant governor and speaker of the house, would both reduce the rollback rate from 8% to 2.5% for local taxing units with combined annual property and sales tax revenue of at least $15 million. Taxing units below the $15 million threshold would retain the current 8% rollback rate. School districts, which have separate operating tax rate constraints, are excluded from the proposed changes. The bills would also require a ratification election--replacing the current petition process--if any local taxing unit exceeds its rollback rate (either 2.5% or 8%). Local rollback petitions and elections historically have been relatively rare.

In analyzing a local government's revenue framework, Fitch considers the entity's ability to independently increase operating revenues (without voter or other jurisdiction approval). For Texas cities, counties, community college and special districts, Fitch views the current rollback tax structure as only a potential threat to revenue-raising ability, noting that a restriction on tax revenue increases would require both a successful petition effort and subsequent election. Fitch considers the limit on operating revenues to be the more restrictive of the constitutional and statutory tax limits (e.g. $2.50 for cities, $0.80 for counties, $1.00 for community college districts), or the voted or charter caps on local government tax rates and/or revenue growth. Nearly all of the Texas local governments rated by Fitch are well below their tax rate or revenue limits. As a result, the assessments for independent revenue-raising ability for Texas cities, counties, community college and special districts are with few exceptions at the 'aaa' level.

The magnitude of the reduction to independent revenue-raising ability for targeted Texas local governments will depend on the requirements of any legislation ultimately signed into law. Previous efforts to reduce the rollback rate have failed, due in no small part to concerted opposition from local governments around the state; lobbying efforts to defeat the current proposal are already underway. Legislators also may negotiate a reduction in the rate to a level between the current 8% and 2.5%; other bills have been introduced that would reduce the rollback rate to 4%.

Most local governments retain the ability to increase non-tax revenues (e.g. fines, service charges and fees), which could offset the impact of a lower rollback rate as it relates to revenue-raising ability. In addition, Fitch considers the amount that can be raised relative to expected revenue volatility in a typical downturn; as a result, application of a uniform rollback rate limitation would not have the same effect on all governments. Finally, the assessment of independent revenue-raising ability is only one component of Fitch's analytical framework. The strength or weakness of other considerations (revenue growth prospects, expenditure flexibility, long-term liability burden, and operating performance) will determine how much a shift in the revenue-raising ability assessment will affect an entity's overall rating.

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Additional information is available on www.fitchratings.com

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MOODY'S INVESTORS SERVICE

SECTOR COMMENT
30 May 2019

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Local government – Texas

Property tax reform limits revenue-raising ability, a credit negative for bulk of local governments

On May 25, the Texas (Aaa stable) legislature passed property tax reform legislation (Senate Bill 2) that further limits most local governments' ability to raise revenue, a credit negative. The governor is expected to sign the bill into law, which would then take effect on January 1, 2020.

The bill reduces property tax revenue increases without voter approval to 3.5% from 8% annually on existing properties (new construction is excluded from the limit). Voter approval to override the limitation requires a simple majority. The restriction applies to the portion of municipal revenue used for government operations; it does not restrict revenue for debt service. The legislation offers some flexibility by allowing local governments to "bank" up to three years of unused margin for an increase greater than 3.5% in a year.

The measure lowers the limit for cities, counties, municipal utility districts (MUDs) and other entities that can levy a property tax, but the limit will remain at 8% for community college and hospital districts. At the same time, the bill reduces the number of signatures required to petition a rollback in the event the 8% limit is exceeded by the districts. Small local governments can increase their operational levy up to $500,000 as long as the amount does not equate to more than an 8% revenue increase derived from existing property. If the amount is above that limit, only 3% of voters are required to initiate a rollback election under Senate Bill 2, down from 7% or 10%. Under separate legislation, also expected to be signed by the governor, school districts would have to reduce tax rates if property value growth exceeds 2.5% in fiscal 2021.

With Senate Bill 2 set to take effect in fiscal 2021, local governments have time to adjust budgets, though most have already begun to prepare. The bill will mostly affect budgets that take effect in August and September of 2020.

The bill also aims to increase transparency by creating an online database that defines, simplifies and highlights proposed levy changes and provides for immediate citizen input with an online comment form and information on when public hearings will be held.

Revenue-raising ability to pay debt service not affected by legislation

Limitations on revenue-raising restrict financial flexibility, hampering credit quality. However, Senate Bill 2 does not hinder the ability to raise revenue to pay debt service.

In Texas, property taxes are set based on two legally separate rates that combine to form an overall governmental unit's levy: an "operational rate," which is subject to the revenue limit in Senate Bill 2, and a "debt service rate," which is not subject to the limit. Expenditures using funds raised under the debt service rate are defined by statute and approved and enforced by the attorney general. Revenue raised under this rate cannot be used for operational expenditures.

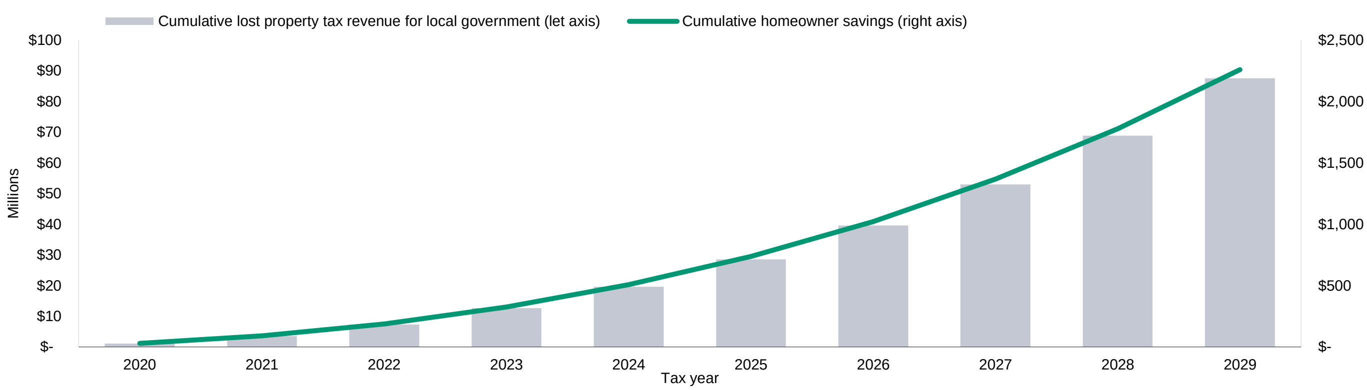
Given that the debt service levy is legally separate from the amount restricted under the 3.5% Senate Bill 2 limit, local governments will maintain direct control over the rate necessary to service debt. In Texas, most school and municipal utility debt carries a general obligation unlimited tax (GOULT) pledge; most city and county debt has a general obligation limited tax (GOLT) pledge.

Homeowner savings minimal, but budgetary impact on governments would be significant

The new legislation stands to reduce individual tax burdens minimally but hurt local governments substantially. The median home price in Texas is $150,000; the median operational tax rate is $4.30 per $1,000 of assessed value. An 8% increase in the revenue would lead to the owner of a $150,000 home paying $696.60, assuming the rate in the previous tax year was $4.30. Under the 3.5% limitation in Senate Bill 2, the homeowner would pay slightly less at no more than $667.58 — a difference of only $29.00. Under that scenario, the homeowner's cumulative savings over 10 years would be just $2,260 (see Exhibit).

For a local government with property tax operating revenues of $25 million, however, the difference between a 3.5% increase annually versus an 8% increase would translate to a cumulative 10-year loss of over three times the current year's revenues. More specifically, the 3.5% restriction would result in an $87.6 million loss in potential property tax collections over 10 years. However, the short-term impact would be much less dramatic. In the first year with municipal revenue increases subject to the 3.5% limit, the reduction in potential revenues would be only $1.1 million.

Senate Bill 2 provides homeowners with marginal property tax relief, while limiting local governments ability to raise revenue



Source: Moody's Investors Service

Economic slowdown would magnify impact of Senate Bill 2

Texas cities have relatively high debt burdens compared with their national peers — 2.0% vs. 1.1%, respectively, for Moody's-rated cities. Senate Bill 2 stands to increase debt burdens if reduced excess tax revenue forces cities to use the capital markets more frequently to address infrastructure needs versus the cash funding that traditionally has offset rising debt burdens.

If debt ratios rise while tackling capital needs, a prolonged economic slowdown and escalating debt service schedule could reduce a government's political will to increase taxes. As a result, a government may be forced to tap dwindling reserves or cut services, leading to considerable credit challenges.

Despite the limitations in Senate Bill 2, most local governments in Texas will continue to benefit from new investment resulting in taxable property not subject to the 3.5% revenue-increase limit. However, if the economy cools significantly, the restriction would become much more of a burden. For example, cities that face rising pension liabilities, debt service payments and other necessary operational costs, such as emergency response employees, would likely have fewer expenditure-cutting options.

REPORT NUMBER 1178257

MOODY'S
INVESTORS SERVICE

Texas Local Governments Could Face Budget Headwinds--And Credit Quality Strain--From Property Tax Reform

Jun 12, 2019

View Analyst Contact Information   Table of Contents   Rate This Article

Key Takeaways

- New legislation limits Texas governments' ability to raise maintenance and operations (M&O) property tax revenues above 3.5% without voter approval.
- Cities and counties likely will explore various strategies to manage the new revenue restriction.
- We believe that this constraint, coupled with expanding infrastructure demands, could reduce financial flexibility and stress Texas municipalities' creditworthiness.

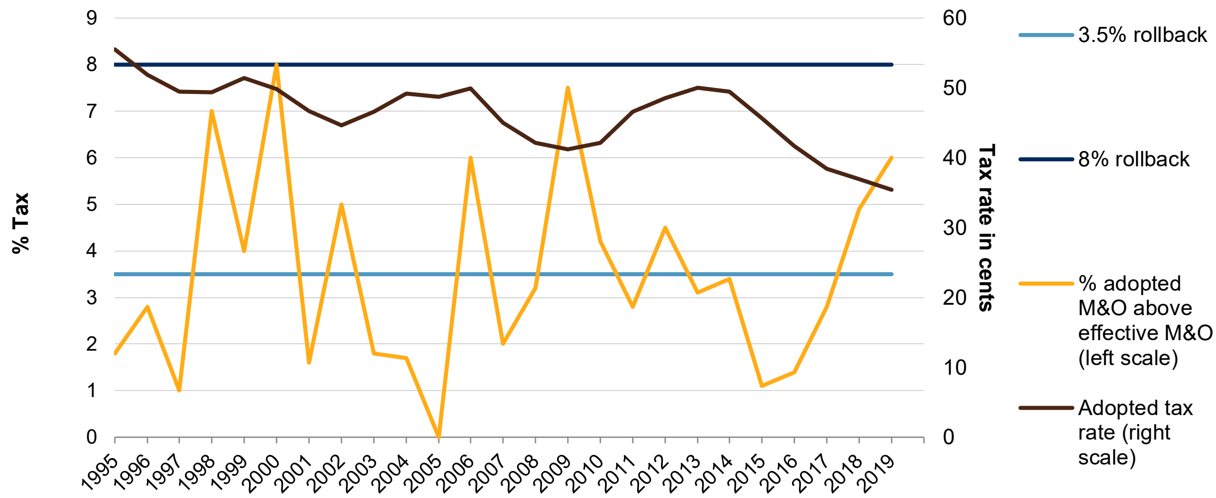
On June 12, 2019, the governor of Texas signed the Texas Property Tax Reform and Transparency Act of 2019, a law requiring certain local government units to obtain voter approval to increase maintenance and operations (M&O) property tax revenues more than 3.5% above the previous year, excluding new construction. The effective date of the legislative change is tax year 2020, and S&P Global Ratings notes that the law does not affect the levy of property taxes for debt service. The legislation does provide carve-outs for low M&O rate taxing units, such as hospital districts, junior colleges, and certain taxing entities--including cities with a population of less than 30,000--to have a de minimis rate; and an unused increment rate to be added to the 3.5%.

The potential reduced flexibility associated with the new voter-approval requirement could hurt/stress credit quality for cities, counties, and other taxing entities affected by the legislation. For many years, local governments could collect up to 8% more in annual M&O property tax revenues without the risk of a petition process by voters to trigger an election to increase the rate above the revenue-neutral tax rate. S&P Global Ratings believes that lowering the voter-approval threshold for M&O property tax revenues could restrict many local governments' ability to collect revenues to meet growing budgets and service demands. While proponents of the bill argue that the legislation provides taxpayer relief and local governments should find ways to reduce wasteful spending to manage budgets, many local governments are already allocating money to high or rising fixed costs such as debt and pension obligations. Texas cities and counties maintain higher-than-average debt burdens compared with local governments across the country, spurred by required infrastructure investment due to above-average population growth. Some options to offset the revenue-raising constraints are cutting services, deferring maintenance, and reducing payroll and benefits.

For example, over the past 25 years, Travis County (AAA/Stable) levied property taxes at a rate much lower than the previous 8% allowed while maintaining budget balance and financial flexibility. Only once in the past 25 years has the county needed to levy 8% above the effective M&O rate. However, in many years the county levied more than the 3.5% voter-approval threshold, to keep up with rising budgets and demand for services tied to rapid population growth (see chart). Travis County is not unique in this case: many cities, counties, and taxing jurisdictions would have similar outcomes.

Download Chart Data

Despite Travis County Living Within Its Means, New Legislation Could Negatively Affect Budgets



M&O--Maintenance and operations

Some Flexibility Is Available To Manage Tax Rates

The law allows for an unused increment to factor into the calculation. For example, if a local government adopts a tax rate below the 3.5% voter-approval rate, the unused difference can be carried forward for up to three years. This is similar to other states where tax caps exist, providing future revenue-raising flexibility. Despite this provision, there is an argument that in years where a local government could levy well below the 3.5% voter-approval rate, it would be incentivized to levy at least 3.5% to ensure it could capture maximum revenues and protect against future budgetary pressures. In the example of Travis County, this would have occurred in 16 of the past 25 years.

Another consequence of the revenue-limiting legislation could be higher-than-normal transfers into general operating funds from water and sewer or enterprise funds, which could be supported by rate increases. This alternative to funding expenditures would likely be more prevalent in the case of smaller local governments that manage general and enterprise funds more holistically.

Officials from major cities and counties, including Dallas and Houston, spoke out against the legislation while it was being debated during the legislative session. Officials from Fort Worth noted that recent changes to the city's funding of pension obligations, which included increased contributions, would have been extremely difficult in the environment that the new law creates.

The Legislation Has Potential To Strain Municipalities' Creditworthiness

We believe local governments in Texas benefit from a general lack of statutory property tax levy limits, which is reflected in our institutional framework score and above-average ratings on rated Texas local governments. Revenue loss from the new legislation has the potential to create structural gaps in future years, particularly in circumstances where economic growth is stagnant. While municipalities with strong economic development initiatives are better positioned to deal with the legislative change, we believe that areas of slow growth with moderately-sized property tax bases could begin to rely more heavily on alternative forms of revenue like sales taxes and service charges/fees, which can be more volatile. In addition, local governments that use pay-as-you-go financing to cash fund portions of their capital budget may begin redirecting excess revenues to cover recurring and inflationary costs and instead issue debt financing for capital projects, subsequently raising their debt service tax rate. Considering new election requirements to surpass the 3.5% limit as well as reduced revenue-raising flexibility, coupled with increasing service and infrastructure demands, we believe the legislation could adversely affect Texas local governments' credit quality.

Related Research

Texas Budget Talks Involve Wrangling Property Taxes, School Funding, And Other Long-Term Liabilities, April 11, 2019

This report does not constitute a rating action.

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Memorandum

CITY OF DALLAS

DATE June 14, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Dallas Animal Services City Council Agenda Item**

The following Dallas Animal Services (DAS) item will be considered by City Council on the June 26, 2019 Agenda:

- Item Number 8 - Authorize the (1) acceptance of a grant from Petco Foundation on behalf of the Innovation Showdown Investors, for the Petco Foundation-Innovation Showdown Investors Grant award to develop the D90 Shelter Service System to enhance operations, programs, and partnerships that reduce the number of animals in shelters and provide additional lifesaving opportunities in the amount of $200,000.00 for the period June 26, 2019 through October 31, 2020; (2) receipt and deposit of grant funds in an amount not to exceed $200,000.00 in the Petco Foundation-Innovation Showdown Investors Grant 19-20 Fund; (3) establishment of appropriations in an amount not to exceed $200,000.00 in the Petco Foundation-Innovation Showdown Investors Grant 19-20 Fund; and (4) execution of the grant agreement and all terms, conditions, and documents required by the grant agreement - Not to exceed $200,000.00 - Financing: Petco Foundation Grant Funds.

DAS is receiving the Innovation Showdown award from the Petco Foundation and the Innovation Showdown Investors in the amount of $200,000.00 to develop a D90 Shelter Service System (D90SSS) which will help increase customer satisfaction and positive animal outcomes in the main animal shelter facility for the City of Dallas. The D90SSS will serve as a customer service application providing assistance to citizens while in the shelter and at home. The D90SSS will enhance the customer experience by helping residents search adoptable or lost/found pets using both physical and behavioral characteristics; using indoor GPS to direct customers to an available pet's location within the building; notifying Animal Care Representatives when a service is needed; entering customers into service queues and displaying estimated wait times; suggesting similar pets on each animal's profile based on search characteristics; providing face to face customer service by functioning with video chat platforms such as Facebook portal; creating an electronic animal adoption process; streamlining the foster system; and more.

This program will be the lifesaving gift that keeps on giving, allowing DAS to continue to save thousands of additional lives annually.

DATE June 14, 2019

SUBJECT **Upcoming Dallas Animal Services City Council Agenda Item**

This item is scheduled for City Council consideration prior to the next meeting of the Quality of Life, Arts and Culture Committee. Should you have any questions or concerns, please contact myself or Ed Jamison, Director of Dallas Animal Services.

Nadia Chandler Hardy
Assistant City Manager and Chief Resilience Officer

c:
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

Memorandum

CITY OF DALLAS

DATE June 12, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Sales Tax Receipts**

The April 2019 sales tax receipts from the State Comptroller's Office are $25,755,135 which represents a 9.8 percent increase in total collections compared to the same reporting period last year.

- April 2018 actual $23,469,135
- April 2019 budget $23,949,221
- April 2019 actual $25,755,135

Over the most recent 12 months, sales tax receipts have increased by 4.3 percent. We will continue to monitor our sales tax forecast closely and keep you informed.

M. Elizabeth Reich

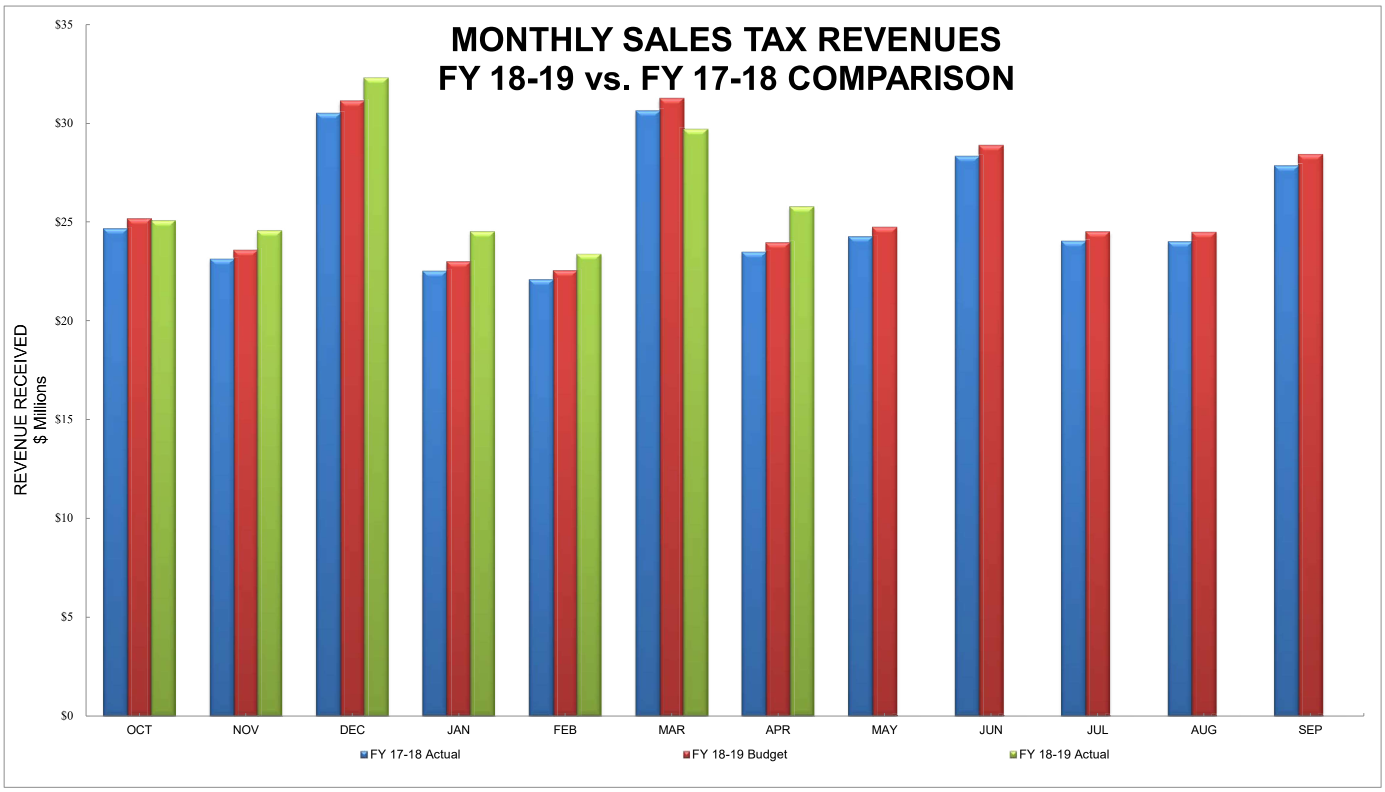
M. Elizabeth Reich
Chief Financial Officer

cc:
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

SALES TAX

as of April 2019

	ACTUAL FY 2017-18	BUDGET FY 2018-19	ACTUAL FY 2018-19	YTD VARIANCE FY 18-19 ACT. VS. FY 17-18 ACT.		YTD VARIANCE FY 18-19 ACTUAL VS. BUDGET	
				DOLLARS	*PERCENT*	*DOLLARS*	*PERCENT*
OCT	$24,658,939	$25,163,364	$25,049,631	$390,692	*1.6%*	($113,733)	*-0.5%*
NOV	23,107,433	23,580,119	$24,571,164	$1,463,732	*6.3%*	$991,045	*4.2%*
DEC	30,495,919	31,119,745	$32,289,498	$1,793,580	*5.9%*	$1,169,754	*3.8%*
JAN	22,512,572	22,973,091	$24,523,254	$2,010,682	*8.9%*	$1,550,163	*6.7%*
FEB	22,085,841	22,537,630	$23,361,412	$1,275,570	*5.8%*	$823,781	*3.7%*
MAR	30,639,226	31,265,984	$29,690,536	($948,690)	*-3.1%*	($1,575,448)	*-5.0%*
APR	23,469,135	23,949,221	$25,775,135	$2,306,000	*9.8%*	$1,825,914	*7.6%*
MAY	24,246,315	24,742,298					
JUN	28,316,678	28,895,925					
JUL	24,018,891	24,510,222					
AUG	23,995,432	24,486,284					
SEP	27,851,403	28,421,132					
TOTAL	**$305,397,783**	**$311,645,016**	**$185,260,630**	**$8,291,565**	***4.7%***	**$4,671,477**	***2.6%***



Memorandum

CITY OF DALLAS

DATE June 14, 2019

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 June 4, 2019 – June 7, 2019 by the Criminal Investigation Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Major Michael Igo, at (214) 670-4811 and/or by email at michael.igo@dallascityhall.com should you need further information.

Jon Fortune

Jon Fortune
Assistant City Manager

c:
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
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M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
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
D6	DALLAS CABARET - NORTH	11569 HARRY HINES BLVD	SOB	6/4/2019	RENEWAL	DOUGLAS ERNEST
D6	DALLAS CABARET - SOUTH	2436 - 2452 WALNUT RIDGE DR	SOB	6/4/2019	RENEWAL	DOUGLAS ERNEST
D4	LOS SAPITOS	2260 W. ILLINOIS AVE	BH	6/5/2019	RENEWAL	RAUL ESTRADA
D1	LOS SAPITOS	325 E. JEFFERSON BLVD	BH	6/5/2019	RENEWAL	RAUL ESTRADA
D14	BOTTLED BLONDE/THE BACKYARD	505 N. GOOD LATIMER EXPY	DH CLASS A	6/7/2019	RENEWAL	LES CORIERI

License Definitions:

DH - Class "A" -Dance Hall - Dancing Permitted 3 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 June 14, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Taking Care of Business – June 11, 2019**

Update Items

Encampment Resolution Schedule – June 11, 2019 & June 18, 2019

The Office of Homeless Solutions (OHS) has scheduled the following sites for homeless encampment resolution on June 11, 2019 and June 18, 2019:

June 11, 2019	June 18, 2019
• Henry at Taylor St. (District 2) • 1600 Chestnut St. (District 2) • Ash Lane at Fletcher St. (District 2) • Interstate I-20 at Bonnie View (District 8) • Interstate I-20 at Lancaster (District 8) • 4040 Commerce St. (District 7)	• 12667 East Northwest Highway (District 9) • Northwest Highway at Shiloh Rd. (District 9) • 13069 Jupiter Rd. (District 9) • Lyndon B. Johnson Freeway at Josey Lane (District 6) • Interstate I-35 at Medical District (District 6)

OHS Street Outreach team will continue to engage with homeless individuals to provide notice of clean-up and connect to resources and shelter. OHS Community Mobilization staff are meeting with stakeholders to determine long-term sustainability of encampment sites and will provide periodic updates. Should you have any questions or concerns, please contact Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer, and Monica Hardman, Director of Office of Homeless Solutions.

2019 Inauguration Ceremony

The Mayor and City Council Office staff continues to gear up for the Inauguration Ceremony on June 17, 2019 at the Winspear Opera House. Invitations and VIP tickets were distributed last week to current City Councilmembers and this week to new City Councilmembers. On the morning of inauguration, complimentary parking for guests and city staff will be available at Booker T. Washington or in the Lexus Silver Parking Garage. Stage seating will be arranged by elected seniority. A separate memo with additional details will be distributed shortly. Should you have any questions or concerns, please contact Carrie Rogers, Director of the Mayor and City Council Office.

Respite Center for Border Migrants

Several Dallas faith-based organizations have been working for the past several months to help migrants released by DHS at El Paso as they transition to destinations in the Eastern part of the United States. Due to the growing demand for services at the border and requests from service organizations in El Paso, Dallas faith-based organizations have developed plans to receive migrants to the Dallas area and assist them for a few days as they make final arrangements to their targeted destination. One bus load of 50-55 persons every 3-4 days who will be staying here for 6 to 60 hours is to be expected. To assist the migrants, a respite center facility pop-up will greet the incoming buses to provide food, clothing, emotional, and spiritual support services while additional travel arrangements are being made. The guests will then be transported to hotels to stay overnight and will return back to the facility during the day to receive food and services. Due to the generosity from the local hotel industry, free room nights for the next 2 to 3 weeks have been provided to assist their efforts. City staff will continue to work with organizations as they explore overnight stay options beyond the 3-week period. Should you have any questions or concerns, please contact Rocky Vaz, Director of the Office of Emergency Management or Jon Fortune, Assistant City Manager.

UNIDOS Community Forum

This evening, Tuesday, June 11th, the Dallas Police Department (DPD) will host a UNIDOS Community Forum to interact with local community members and provide insight on community concerns. The forum will be from 6:00-7:30pm at Bachman Lake Branch Library, 9480 Webb Chapel Rd, Dallas, TX 75220. Should you have any questions or concerns, please contact Jon Fortune, Assistant City Manager.

New Items

Brush & Bulk Trash Delays-Storm Update

Sanitation crews are working diligently to remove the debris from the storm on June 9. Bulk and brush pickup will continue for June, but residents are being asked to help with storm debris collection by limiting bulk set-outs in June. **Only storm debris will collected in July.** Normal bulk and brush pick up will resume in August. Until further notice, Code Compliance will suspend citations for early or late set out of storm related brush/debris only. Should you have any questions or concerns, please contact Kelly High, Director of Sanitation Services. For constituents, please refer them to www.dallaszerowaste.com for sanitation transfer station locations and 311 to report storm debris or downed limbs in roadways.

John A. Sasso Award

On May 29, 2019, the City of Dallas was selected as a recipient of the National Community Development Association – 2019 John A. Sasso Award. This award recognizes community engagement and outreach efforts in promoting National Community Development (NCD) week. The NCD Week campaign is designed to focus both local and national attention on the outstanding accomplishments of the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME) Grant. Activities conducted by the Office of Budget, Grants Management Division were also acknowledged as best practices. Should you have any questions or concerns, please contact Elizabeth Reich, Chief Financial Officer.

Media Inquiries

As of June 3, 2019, the City has received media requests from various news outlets regarding the following topics:

- Lee Statue Auction (next steps)
- Nowitzki Way Name Change (next steps)
- Trinity River Water Rescue
- Structure Fire Southwest Dallas
- Elevator Rescue

Please see the attached document compiling information provided to the media outlets for the June 3-June 9 for your reference. Should you have any questions or concerns, please contact Kimberly Bizor Tolbert, Chief of Staff.

T.C. Broadnax
City Manager

c: Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
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Directors and Assistant Directors

CITY OF DALLAS

Dallas Fire-Rescue Department
Media Requests: June 3rd – 9th, 2019.

<u>Monday, June 3rd</u>: All Local Media Outlets – Can we have more information about a water rescue that DFR is conducting in the Trinity River at John Carpenter Freeway?
<u>City Response</u> – At 17:52 Dallas Fire-Rescue responded to a 911 call for a water rescue after a witness reportedly observed someone jump from a bridge, on John Carpenter Freeway near Regal Row, into the Trinity River. DFR and Irving Police Department worked together to search the area and the river, even calling out a dive team at one point, but nothing was ever found.
The search went on for a couple of hours, but with no results, or further confirmation that anyone every jumped in the river, all agencies ceased operations and cleared the scene.

<u>Tuesday, June 4th</u>: NBC 5 (Karen Ballesteros) – Do you have any information on a fire at 107 N. Morocco Avenue?
<u>City Response</u> - At 11:10 DFR units were assigned to a 911 call for a structure fire at a one-story residence, located on the 100 block of North Morocco Avenue, in Southwest Dallas.
When firefighters arrived at the location, they observed smoke and fire coming from the house. Approximately 22 firefighters responded to the fire; which was declared extinguished in just under two hours.
There were two adult males who lived at the house, but neither of them were at home when the fire occurred. Therefore, no injuries were reported, and the American Red Cross was notified to come out and assist the men with their needs.
Fire Investigators determined that the cause was accidental in nature, and began as the result of an electrical short in the attic.

<u>Tuesday, June 4th</u>: All Local Media Outlets – Can we have more information on a structure fire DFR is fighting at 3550 St. Francis Avenue?
<u>City Response</u> – At 18:15 Dallas Fire-Rescue responded to a 911 call for a structure fire at the Casa Bonita Apartments, located at 3550 Saint Francis Avenue, in East Dallas.
When firefighters arrived at the location they observed flames coming from the roof of a two-story apartment building. First arriving companies were met outside by witnesses claiming that residents were still inside; at which point firefighters, as well as police officers already on scene responding to a separate incident, went door-to-door making

sure all residents were out. Police officers were even able to rescue a wheelchair bound woman from her apartment. After the building was clear, all attention was focused on fire suppression efforts, and the fire was declared extinguished in an hour.
According to Fire Investigators, as many as four units sustained varying degrees of fire, smoke and/or water damage. An unknown number of residents were displaced as a result, but the American Red Cross was called out to assist. Thankfully, there were no injuries reported as a result of this fire. However, during clean up a firefighter had to be taken to the hospital after becoming overheated; but Is expected to be okay.
Fire Investigators were also able to determine that this fire was accidental in nature, and began after a woman briefly left her cooking unattended in a first floor apartment unit. When she returned there were flames coming from her apartment; but she and the other three occupants were able to make it out safely. The flames quickly made their way to the second floor and into the attic, before ultimately causing significant damage to the building.

Friday, June 7th: All Local Media Outlets – Can we have more information on a body recovery DFR is conducting in the Trinity River?
City Response - At 13:57 DFR was assigned to a 911 call for a water rescue, after a body was seen floating downstream, in the Trinity River.
The original call came from someone travelling on Woodall Rogers, reporting that they saw a body floating downstream at a high rate of speed. DPD's Air 1 was called in to assist in locating the body's whereabouts. The body was eventually spotted again, near Interstate 45, after getting hung up on some debris. DFR has already recovered it, and are awaiting the arrival of DPD and the Medical Examiner.

Friday, June 7th: CBS 11 (Suzanne McCafferty) - Do you have any details about a USAR incident at 1900 Bryan Street?
City Response – DFR responded to a 911 call for an elevator rescue at the Harwood Center, located at 1900 Bryan Street, in Downtown Dallas. Four people were stuck in an elevator, located I'm a blind shaft, between the 25th and 26th floor. The good news is the blind shaft began at floor 26, so firefighters were able to simply lower a ladder into the top of the elevator car and help all four people climb to safety.

Sunday, June 9th: All Local Media Outlets and National Outlets (Upon Request) – Can we please have more information on a crane collapse that occurred on Live Oak Street?
City Response - At 13:57 Dallas Fire-Rescue responded to a 911 call for an "Industrial Accident" after a crane collapsed onto the Elan City Lights residence, located at 2627 Live Oak Street, on the outer edge of Downtown Dallas.
When firefighters arrived at the location, they observed a crane, being used at a construction site next to the building, which had collapsed onto the top of the five-story residential structure. Multiple resources, to include Fire Operations, Emergency Medical Services, Urban Search and Rescue and Hazardous Materials assets, were dispatched to the scene to help mitigate the situation following reports of multiple collapses resulting in multiple injuries.

There were 6 people taken to local hospitals, to include Baylor Scott and White and Parkland Hospital. Two of those people were critical, two were seriously injured, one suffered a minor injury and was quickly discharged from the hospital and 1 person died. Using Fire personnel and 3 Live Find Dogs, DFR searched and cleared every unit that could be accessed, and found that no one was inside those locations. Residents living in spaces that were inaccessible were confirmed to be out either as being someone taken to the hospital, or having been contacted directly by property management. Though there were still parts of the building that were structurally sound, property management made the decision to have the entire location evacuated. Residents were systematically taken back inside the building, by a team of one firefighter and one police officer, to retrieve personal belongings. For the undetermined future, management has secured living arrangements for its residents in a "block of hotels", set up a per diem system for food and established an 800 number for residents to call if they have questions that still need addressing.
Any questions regarding the investigation or how the crane will be removed from the building should be directed to property management and the crane company respectively.

Public Affairs & Outreach
Media Requests
June 4 – June 10

June 5-6, 2019
Topic: Next steps after the auction of Lee statue.
Summary of response: Council will vote to accept or deny the high bid on June 12. If the bid is accepted, the purchaser shall not publicly display the statue in the City of Dallas. Proceeds from the sale of the statue will go back into the City's general fund.
Department: Office of Cultural Affairs, Procurement Services
Media Entity: FOX 4, WFAA, WBAP/KLIF, KRLD, CBS 11, New York Times

June 6, 2019
Topic: Update on Nowitzki Way Name Change
Summary of Statement: Provided confirmation of approval by the Subdivision Review Committee and next steps needed in the name change process.
Department: Sustainable Development & Construction
Media Entity: NBC 5, CBS 11, WFAA