

— CITY OF DALLAS —

ANNUAL BUDGET For Fiscal Year 2015-2016

October 1, 2015 – September 30, 2016

***As Approved on September 22, 2015 by
The Honorable Mayor and Members of the Dallas City Council***

Passage of S.B. No. 656, Section 102.007 of the Texas Local Government Code requires that the following information be included on the cover page of a budget:

Adoption of the Fiscal Year 2015-2016 Annual Budget					
Council Member	Record Vote	Council Member	Record Vote	Council Member	Record Vote
Mayor Michael S. Rawlings	Yes	Casey Thomas, II	Yes	B. Adam McGough	Yes
MPT Monica R. Alonzo	Yes	Carolyn King Arnold	No	Lee M. Kleinman	Yes
DMPT Erik Wilson	Yes	Rickey D. Callahan	Yes	Sandy Greyson	Yes
Scott Griggs	Yes	Tiffinni A. Young	Yes	Jennifer S. Gates	Yes
Adam Medrano	Yes	Mark Clayton	Yes	Philip T. Kingston	No

	FY 2014-2015	FY 2015-2016
Adopted Property Tax Rate	\$0.797000	\$0.797000
Effective Tax Rate	\$0.760150	\$0.759895
Effective Maintenance and Operations Tax Rate	\$0.526116	\$0.529394
Rollback Tax Rate	\$0.800605	\$0.804145
Debt Rate	\$0.232400	\$0.232400

The total amount of bonds and other debt obligations owed by the City of Dallas as of 9/30/15 is \$1,725,336,063.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$57,230,390, which is a 7.71% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$16,090,908.



DALLAS CITY COUNCIL

Michael S. Rawlings, Mayor

Monica R. Alonzo, Mayor Pro Tem (MPT)

Erik Wilson, Deputy Mayor Pro Tem (DMPT)

Scott Griggs

Adam Medrano

Casey Thomas, II

Carolyn King Arnold

Rickey D. Callahan

Tiffinni A. Young

Mark Clayton

B. Adam McGough

Lee M. Kleinman

Sandy Greyson

Jennifer S. Gates

Philip T. Kingston

District 6

District 8

District 1

District 2

District 3

District 4

District 5

District 7

District 9

District 10

District 11

District 12

District 13

District 14





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Dallas
Texas**

For the Fiscal Year Beginning

October 1, 2014

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Dallas for its annual budget for the fiscal year beginning October 1, 2014.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and are submitting it to GFOA to determine its eligibility for another award.





To: The Honorable Mayor and Members of the Dallas City Council

We have come a long way in the past fiscal year and, as you will see, we have a lot of exciting opportunities to achieve even more for the City we love in FY 2015-16. The City of Dallas continues to build momentum. We have added stability. We have sustained economic growth. We have the positive energy of our citizens to work with us to make BIG things happen here. With an expanding tax base, we are establishing the financial strength to focus on a range of services *from infrastructure to innovation* to improve the quality of life for residents, businesses and visitors.

In our survey of residents last year, we asked them to share their priorities and we listened. We recently met with each of you to gain an understanding of your vision for our City, and we have responded with a balanced budget that invests in improving street conditions; code compliance and animal services; the arts and libraries; technology to give citizens greater access to information; as well as, revitalizing neighborhoods throughout Dallas and continuing our commitment to Public Safety. While there is always more that we would like to do, we have worked hard to address these priorities well and deliver a balanced budget.

A LOOK BACK AT WHAT WE'VE ACHIEVED TOGETHER IN THE RECENT PAST

The City, our partners and the Dallas community as a whole have accomplished BIG things. Looking back over the recent past, an impressive list can be compiled of BIG things that have been done, even in some difficult times. But the City moved forward through those difficult years, has successfully recovered, and even grown to new heights. A quick look back provides a list of accomplishments that everyone should be proud of. The short list below provides the momentum to keep our great City moving forward:

- Tax base has grown 22% since the Great Recession
- Unemployment rate in Dallas is lower than both Texas and U.S. national levels
- 6.9 million square feet of empty CBD office space has been repurposed
- More than 5,500 housing units are located within the central business district and another 3,400 are planned or under construction
- Crime rate has been reduced by 50% over the last decade
- Dallas Zoo and Farmers Market have both been privatized
- Wright Amendment has been repealed and resulted in a 50% increase in traffic at Dallas Love Field
- Connections have been opened to West Dallas (Margaret Hunt Hill, Continental, and Sylvan bridges)
- Trolley/Streetcar projects are enhancing transportation options
- Orange Line to DFW Airport connects downtown Dallas to one of the top 10 busiest airports in the world
- Groundwork has been laid for future high-speed rail connecting Dallas to other regions
- Largest contiguous urban arts district in the nation has seen continued growth
- New interactive exhibits at Rory Meyers Children's Garden at Dallas Arboretum have opened
- Per capita water consumption has been reduced by 26% since 2001
- Integrated Pipeline Project with Tarrant Regional Water District is underway and will save Dallas rate payers about \$200 million
- Over 14 miles of trails have opened in the last 3 years
- Chronic homelessness has been reduced by 65% since 2004
- 2 new buildings at UNT have been approved by the 2015 State Legislature
- AT&T Byron Nelson Golf Classic is moving to Dallas by 2019
- Texas Horse Park opened
- Solid waste recycling increased by 87% since 2008

A LOOK FORWARD TO WHERE OUR ECONOMY IS GOING

The Dallas economy has had strong growth as evidenced by key indicators. First and foremost, property values within the City have grown by 7.71% since this time last year. This marks the fourth consecutive year of growth in the property tax base and marks an all-

time high for the appraised value of property within the City, over \$100 billion of value. This is significant given that revenue from property tax is the City's single largest revenue source accounting for almost half of the General Fund. This growth is not only driven by reappraisal of property, but is also driven by more than \$2 billion of new construction in the last year alone. Beyond property values, sales tax growth is a sign of the economic well-being of the City. Sales tax revenues from current collections have grown for 62 out of 63 consecutive months and are expected to grow 3.3% above the current year estimate.

Other indicators of economic health such as unemployment show Dallas to be out performing the state and the nation with Dallas' unemployment rate falling to 3.7% versus that of the state being 4.2% and the nation being 5.3%.

With a growing economy, developing the budget for the City of Dallas is still a long, challenging process. The focus shifts from recovery to focusing on the priorities to continue the momentum.

HOW WE RESPONDED TO YOUR PRIORITIES FOR FY 2015-16

By starting the budget development process earlier, we were able to hear the Council priorities and direction at a much earlier point than in previous years. Council direction provided at the January 2015 retreat included the following:

- 1) Invest in technology to improve services and efficiencies
- 2) Focus on the top three priorities identified in the citizen survey: maintenance of infrastructure, code compliance, and police services
- 3) Phase in increases to the budget allocated to Culture, Arts, Recreation and Education (CARE) Key Focus Area
- 4) Scrutinize services for efficiencies and reductions

COUNCIL PRIORITY: TECHNOLOGY

From the January 2015 Council retreat, it was clear that technology is a top priority. Priorities expressed included a variety of technology essentials such as City-to-Citizen communication, modernizing the traffic system, website, Wi-Fi, open data, making the Jefferson front/back operations totally electronic, upgrading communication infrastructure, increasing computing capacity and retirement of the legacy mainframe system.

The FY 2015-16 budget continues to modernize core applications and present new technologies, enabling positive change in service delivery and providing new ways to engage citizens and business partners. Initiatives include implementing the Fire-Rescue inspection system; increasing the number of open data sets available to the public; upgrading network and Wi-Fi capacity at Park & Recreation facilities; upgrading computers in public safety vehicles; launching a big data platform to enable data-sharing across systems; data visualization and analytics to improve the ability to analyze and predict business outcomes; and additional automation for building inspection and land transfer processes. An initiative to address the “digital divide” in Dallas will be launched to engage the private sector to participate in building out citywide infrastructure to provide digital access to those who are not able to regularly access the Internet today.

COUNCIL PRIORITY: MAINTENANCE OF INFRASTRUCURE

The most recent citizen survey identified maintenance of infrastructure as the service area most important to citizens. To truly impact the condition of streets and alleys in the City and bring them to the 87% satisfactory goal, significant funding will be required over several years. With the next potential General Obligation Bond Program a few more years out, it is necessary to start investing cash resources now. The recommended budget adds \$16.8 million to Street Services’ base budget for street and alley maintenance and repair which will provide an increase of 17% in the number of street lane miles and 33% increase in the number of alley lane miles that will be serviced in the upcoming year. This coupled with the expenditure of about \$67 million of bonds previously approved by voters will begin to move in the direction of the Council’s goal.

Other initiatives to improve the City’s infrastructure include investing \$1 million over three years to leverage \$6.2 million of federal grants to begin the process that will result in the replacement of 19 traffic signals at high accident intersections.

COUNCIL PRIORITY: CODE COMPLIANCE

With code compliance being the second most important service according to the citizen survey, the FY 2015-16 budget will focus funds accordingly. The addition of a code inspector and a community prosecutor will further efforts to address compliance issues. Response to loose dog complaints, which have been trending down over recent years, will be further reduced with the addition of \$1.4 million and 15 new positions for Dallas Animal Services. Alley enforcement and clean-up will receive enhanced funding in the new year.

Resources are being aligned to support Neighborhood Plus goals through the addition of 3 positions to assist with multi-family property inspections. Additionally, two Transportation Regulation positions are being added at Love Field to improve transportation-for-hire initiatives.

COUNCIL PRIORITY: POLICE SERVICES

As every year, police service and protection of the City is a significant budget expenditure. These investments have paid off with Dallas experiencing 11 consecutive years of crime reduction. To continue these efforts, FY 2015-16 will see the hiring of 200 officers for attrition and the addition of 30 public service officers (civilians). Funds will be added for overtime initiatives to address violent crime. As a result of recent events at the Jack Evans Police Headquarters, \$1 million is being set aside to begin addressing security at the headquarters and substations. FY 2015-16 will be the third year of the Council approved Meet and Confer agreement with uniform personnel who will receive step pay increases per the agreement.

COUNCIL PRIORITY: CARE KEY FOCUS AREA

All current year services within Office of Cultural Affairs, Park and Recreation, and Library will be continued with some key enhancements being added in FY 2015-16. Pending changes to the DCVB contract, \$1.4 million of Hotel Occupancy Tax will fund cultural programming contracts. There will also be an increase in the general fund for cultural programming to be allocated by the Cultural Affairs Commission. A Senior Program Division will be restored within Park and Recreation for dedicated programming for senior citizens. FY 2015-16 will fulfill the second of two-year plan to expand library services. With the new hours added, the Library system will be at a new peak and will have 13.3% more hours than in FY 2008-09, and will continue at the new peak level for materials funding.

COUNCIL PRIORITY: EFFICIENCIES AND COST REDUCTIONS

The budget development process is a continuous effort to identify efficiencies and reduce costs where appropriate. Several initiatives started in FY 2014-15 including the Sunset Review and Center for Performance Excellence's Lean/Six Sigma program that are designed to reduce costs and improve operations. Although the strategies are multi-year efforts, they do promise to create positive results for the organization given the opportunity to run their course.

The FY 2015-16 budget includes enhancements to certain services while strategically rebalancing existing services and costs. More than \$15.5 million of reductions were made to the current budget to help absorb increased operations and maintenance costs and to add new programs. Examples of the reductions include: optimizing staffing levels within the municipal court operations (Courts, Judiciary, and Attorneys); making adjustments in salary budgets to recognize vacancies and delays in hiring; reduction for improved fuel prices; adjustments to contracts such as Lew Sterrett jail and electricity contracts; elimination of one-time costs; and reductions from line-item review.

FOCUS ON NEIGHBORHOODS

Recognizing that Dallas is a city of neighborhoods, the new Neighborhood Plus plan focuses on building a better Dallas one neighborhood at a time. This will call for a strategic shift towards a neighborhood-based approach to planning and service delivery aimed at enhancing our collective impact. The FY 2015-16 budget includes resources within the reorganized Office of Planning and Urban Design to begin the first phase of implementing Neighborhood Plus. Ten positions will be dedicated to working with citizens, stakeholders, other City departments and partner agencies to develop and implement strategic action plans in target neighborhoods. This will begin with the Mayor's three GrowSouth target neighborhoods and add four more neighborhoods throughout the City during the course of the year. Simultaneously, we will work with partner agencies providing key social, educational, and job training services to develop six innovative pilot programs for citywide implementation to address poverty, blight, and attract/retain the middle class. We will also work to partner with the private sector to attract investments that can bring new vitality to the target neighborhoods.

NEEDED SUPPORT FOR OTHER CITY SERVICES

- Fire-Rescue will hire 80 new fire recruits for attrition; provide paramedic training for 65 firefighters, add 8 paramedics for the expanding Mobile Community Healthcare Program, improve firefighter safety, and continue investment in the annual replacement of firefighting apparatus.
- An additional Community Court will be created and an additional community prosecutor will be added within the City Attorney's Office.
- Twelve positions are being added in the Marshal's Office for warrant enforcement initiatives.
- Operation and maintenance of the Oak Cliff Streetcar will be funded.
- A new retail rehabilitation demonstration program will be funded at \$1 million.

- The budget adds funds to begin a dialogue with youth/teens within the City by way of a Youth Commission and outreach.
- Dallas has been selected as one of 100 cities in the world to receive a Rockefeller Foundation grant, and will fund a Resiliency Officer to lead the development and implementation of a coherent Resilience Strategy for the City of Dallas and the greater Dallas region.
- A position has been added within the Office of Ethics and Diversity to further the office's initiatives especially in regards to the Employee Advisory Committees.
- And, public information funding is added to the Mayor and City Council office for production of marketing and outreach materials.

WORKFORCE IMPACTS

Employees of the City of Dallas are dedicated hard working individuals who are responsible for service delivery from public safety to street repair, from fire protection to garbage pick-up, from code enforcement to park maintenance, and so on. The work of these individuals is often thankless. However, they are all critical to the operation of the City and they account for the single largest expenditure of City funds. The FY 2015-16 budget includes:

- For uniform employees - full-year funding for FY 2014-15 step pay, full-year funding for 4% across-the-board pay increase, and partial year funding for FY 2015-16 step pay (\$24.4 million), and
- For civilian employees - full-year funding for FY 2014-15 merit increase and partial-year funding for an average 3% merit increase effective December 2, 2015 (\$8.6 million).

CITY UTILITY RATES

Dallas Water Utilities – The utility has revenue increase requirements that are being driven by the rate dispute with Sabine River Authority, continued need to fund rehab and replacement of the system, and the continued need to develop additional water supply resources. The City continues to focus on maintaining infrastructure, conserving resources and providing for future needs through: rehabilitation and/or replacement of 75 miles of aging water and wastewater mains; pump stations; storage tanks; water treatment plant improvements to enhance reliability and water quality and increase capacity; and continued water conservation efforts. To achieve these goals, a 5.3% retail revenue increase is required. This will result in the typical residential bill increasing from \$60.54 to \$63.54 per month.

Sanitation Services – Starting in FY2015-16, Sanitation will operate as an enterprise fund rather than as part of the General Fund. This change will not impact service delivery. All services provided to residential customers and landfill customers will be continued. Increasing operational costs such as fleet maintenance/replacement, labor, and a franchise fee will increase the residential sanitation fee by \$1.48 per month from \$21.31 to \$22.79. The new fee is lower than the fee in FY 2008-09, when adjusted for inflation.

WHAT'S NEXT

Almost anywhere you walk, bike or drive around our City, you experience the “wow factor” created by successful public/private partnerships. As we move forward, we will continue to work together to achieve ambitious goals that benefit Dallas. Right now, we are facilitating exciting game changing projects, such as high-speed rail, which will move Dallas further to the forefront of transportation. This is just one example of how we are addressing present priorities and anticipating future opportunities, so we can attract – and keep – the businesses and people who energize Dallas.

As your City Staff, we are committed to continuous improvement in the way we do business. Our initiatives, which include professional development training, will cultivate a culture that is consistently **Respectful, Responsive and Resourceful** at every point of contact.

By 2040, North Texas will be home to an estimated 10.5 million people and employ more than 6.6 million. These increases will demand both strong infrastructure and exciting innovation... and that's exactly what we are laying the foundation for in our proposed budget.

Look forward to our continued work together for the City of Dallas.



A. J. Gonzalez
City Manager

FY 2015-16 TABLE OF CONTENTS

**Page
Number**

BUDGET OVERVIEW

Expenditure and Property Tax Overview	19
Organization of Total Budget	20
City of Dallas Organization Chart.....	21
Budget Process.....	22
Budget Process Calendar	23

GENERAL FUND – SERVICE DETAIL

Business Development and Procurement Services	25
City Attorney's Office	31
City Auditor's Office	41
City Controller's Office	45
City Manager's Office	53
City Secretary's Office	57
Civil Service	65
Code Compliance Services	73
Court and Detention Services	81
Equipment and Building Services	89
Dallas Fire Rescue	97
Housing/Community Services.....	109
Human Resources	117
Judiciary	123
Library	129
Management Services	135
Mayor and Council	151
Non-Departmental/Reserves & Transfers	155
Office of Cultural Affairs	163
Office of Economic Development	169
Office of Financial Services	177
Park and Recreation	183
Planning and Urban Design	193
Police	199
Public Works	213

FY 2015-16 TABLE OF CONTENTS

**Page
Number**

Street Services.....	225
Sustainable Development & Construction.....	235
Trinity Watershed Management.....	241

ENTERPRISE FUNDS – SERVICE DETAIL

Aviation	245
Convention and Event Services	251
Office of Cultural Affairs – Municipal Radio	257
Sanitation Services	261
Storm Drainage Management.....	269
Sustainable Development and Construction	275
Water Utilities	287

INTERNAL SERVICE FUNDS – SERVICE DETAIL

Communication & Information Services	301
Equipment and Building Services	311
Employee Benefits	319
Express Business Center	323
Office of Risk Management.....	327

SUMMARY OF SERVICES BY KEY FOCUS AREA

City of Dallas Strategic Plan	331
Public Safety	333
Economic Vibrancy	334
Clean, Healthy Environment	336
Culture, Arts, Recreation and Education.....	337
E - Gov	338

SUMMARY OF SERVICES BY DEPARTMENT

General Fund	341
Enterprise Funds.....	348
Internal Service Funds	350

FY 2015-16 TABLE OF CONTENTS

**Page
Number**

FINANCIAL SUMMARIES

Projected Changes in Fund Balance – General, Enterprise, Internal Service, and Other Funds	351
General Fund – Statement of Revenues and Expenditures.....	352
Enterprise Funds – Statement of Revenues and Expenditures	353
Internal Service Funds – Statement of Revenues and Expenditures.....	357
Other Funds – Statement of Revenues and Expenditures.....	359

DEBT SERVICE

General Obligation Debt	361
Convention Center Debt	367
Water Utilities Debt	370

CAPITAL IMPROVEMENT BUDGET

Summary.....	377
Aviation Facilities	386
City Facilities.....	393
Convention and Event Services	405
Cultural Facilities.....	409
Economic Development Programs	415
Equipment Acquisition	431
Flood Protection and Storm Drainage.....	436
Park and Recreation Facilities	449
Street and Thoroughfare.....	467
Trinity River Corridor.....	532
Water Utilities	537
Five-Year Operating and Maintenance Plan	550

FY 2015-16 TABLE OF CONTENTS

**Page
Number**

APPENDICES

City Council Budget Amendments	557
Major Revenue Sources	559
Long Range Financial Plan.....	565
Financial Management Performance Criteria.....	567
Glossary of Budget Terminology	586
City of Dallas Fund Structure	594
Community Profile, City of Dallas, Texas.....	595
Full-Time Equivalent (FTE) Summary by KFA.....	601
Full-Time Equivalent (FTE) Summary by Department	609