

# Memorandum



CITY OF DALLAS

DATE March 16, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2018-19 and FY 2019-20 General Fund Budget**

On Wednesday, March 21, 2018, Jack Ireland, Director of the Office of Budget, will brief Council on the FY 2018-2019 and FY 2019-2020 General Fund Budget. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billierae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer 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  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# **FY 2018-19 and FY 2019-20 General Fund Budget**

**City Council Briefing  
March 21, 2018**

**Elizabeth Reich, CFO  
Jack Ireland, Budget Director  
Janette Weedon, Budget Assistant Director**



**City of Dallas**

# Purpose of Briefing

- Recap biennial budget
- Discuss re-evaluation of revenues and expenses
- Discuss budget development process/schedule
- Review next steps
- Receive feedback from City Council

# Biennial Budget – FY18 & FY19

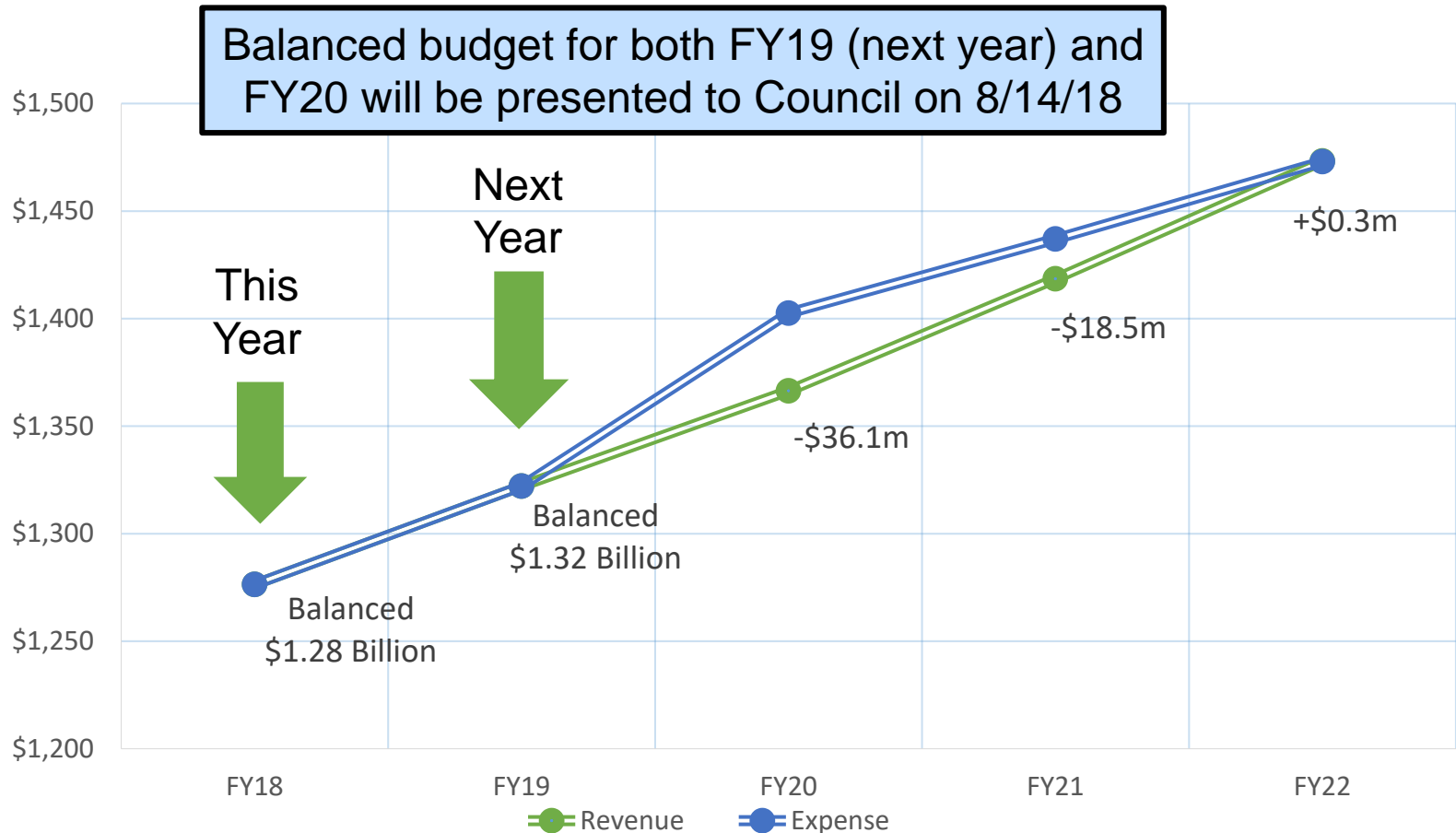
- City Manager recommended balanced budget for both FY18 and FY19 on 8/8/17
- City Council made amendments and adopted FY18 budget on 9/20/17
- Current fiscal year began on 10/1/17 and runs through 9/30/18
  - Staff are in process of implementing programs and services funded in budget
  - Financial status is communicated to Council each month and briefed to GPFM committee each quarter

# Biennial Budget – FY19 & FY20

- Budget development process is already underway for next budget recommendation
- Biennial budget will roll forward one year and include FY19 and FY20
- City Manager will recommend balanced biennial budget to City Council on 8/14/18
  - FY19 is already balanced but requires review to determine if revenue and expense forecasts are still appropriate
    - FY19 will primarily “stay-the-course” with minimal adjustments
  - FY20 will be balanced over next five months and provided to Council in August
    - FY20 will allow for programmatic changes and/or new direction

# General Fund – 5-Year Forecast

(Data is from page 60 of FY18 adopted budget)



# Re-evaluate Revenues for FY19 & FY20

- 5-year forecast assumes growth in revenues
- All revenues must be re-evaluated to determine if current forecasts are still appropriate or if changes are needed

	FY18	FY19	FY20	FY21	FY22
Property Tax	7.18%	7.22%	6.8%	6.3%	6.1%
Sales Tax	3.8%	3.5%	3.2%	1.6%	2.0%

- FMPC revisions will require analysis of and presentation of an “effective tax rate” scenario
  - \$35m to \$40m revenue reduction will be required

# Re-evaluate Expenses for FY19 & FY20

- 5-year forecast assumes increase in expenses necessary to continue current services at current service levels
- Expenses must be re-evaluated to determine if current forecasts are still appropriate or if changes are needed
- Expense assumptions include:
  - Increases for current Meet and Confer agreement, uniform step pay, civilian merit, pension, and employee/retiree health benefits
  - Increases for non-discretionary expenses such as TIF payments and Master Lease debt cost
  - Increases in non-personnel expenses at just over 1% based on 3-year average of CPI



# Re-evaluate Expenses for FY19

- Enhanced expenses for FY19 were included in biennial budget including:
  - One front line and one peak demand EMS unit
  - Additional City Attorney to address substandard properties
  - Increased funding level for major maintenance of City facilities
  - Increased funding level for street and alley improvements through pay-as-you-go
  - Compensation study
  - Historic Preservation resource survey
  - May 2019 election
  - O&M cost for three additional aquatic facilities

# Evaluate New Expenses

- Additional review is necessary to determine if other expenses are required for FY19 that were not previously forecast; examples include:
  - School crossing guard program
  - Oak Cliff street car O&M
- Budget process will also consider whether other expense adjustments or programmatic changes are recommended for FY20
- Balanced budget for both years of biennial will be presented to Council in August

# Process and Schedule

Date	Activity
1/3	Kick-off 2018 Community Survey
2/21	City Council Planning Session
3/10 to 5/4	Community engagement meetings and informal survey
3/21	Budget briefing – biennial budget and process/schedule
3/28	Public Hearing
5/2	Budget briefing – 2018 Community Survey results
5/9	Public Hearing
6/20	Budget briefing – update
8/14	Budget briefing – City Manager recommended budget, Truth-in-Taxation, and one Strategic Priority
8/15	Budget briefing – Strategic Priorities briefings
8/16 to 8/30	Council Member town hall meetings
8/20	Committee meetings – Strategic Priorities and discuss amendments
8/22	Public Hearing
8/27	Committee meetings – Strategic Priorities and discuss amendments
8/29	Budget workshop – committee chairs report and discuss amendments (straw votes anticipated)
9/5	Approve budget on First Reading and Tax Rate Public Hearing (if needed)
9/11	Budget workshop – optional
9/12	Tax Rate Public Hearing (if needed)
9/19	Approve budget on Second Reading; set tax rate; and consider other budget related items

# City Council Planning Session

- City Council Planning Session was held on 2/21/18
- Overarching initiatives were prioritized by Council and are included on following two slides
- Council's prioritized initiatives will be considered through biennial budget development process

# City Council Planning Session

Total	17/18	18/19	Overarching Initiatives
11	9	2	Comprehensive Housing Policy/Strategic Plan
9	6	3	Strategic Plan to End Homelessness
8	4	4	Comprehensive Economic Development Policy/Strategic Plan
8	2	6	Develop and Implement a 5-year Infrastructure Management Program
8	7	1	Sustainable Development and Construction Improvements "One Stop Shop"
7	3	4	CDBG/HOME Consolidated Plan Alignment and Accountability
7	7	0	Comprehensive Transportation and Mobility Strategy
7	1	6	Develop a Comprehensive Database of all City-owned Building and Land
7	4	3	Develop and Effective Strategy to Reduce/Eliminate Aggressive Panhandling
7	3	4	Update the City's Comprehensive Plan
6	2	4	Alley and Sidewalk Repair Improvement Programs
6	3	3	Develop a Green Space Plan
6	1	5	Mixed Use and Transit Oriented Development
6	2	4	Multi-Family Recycling Ordinance
5	4	1	Comprehensive Park Land Dedication and Tree Mitigation Policy/Ordinance
5	1	4	Develop Senior Living Strategic Plan
5	3	2	Develop/update Dallas Police Department Strategic Plan
5	2	3	Fair Park Management & Operations Contract
5	1	4	Redevelopment of Underutilized Commercial/Retail Centers
4	1	3	Establish a Comprehensive Plan for Smart Streetlight Conversion



# City Council Planning Session

Total	17/18	18/19	Overarching Initiatives
4	2	2	Establish a Unified Development Code to Standardize Development Activities and Requirements
4	3	1	Targeted Economic Development Programs
4	2	2	Tax Relief and Spending Control Strategy
3	3	0	Affordable and Mixed Income Housing Development
3	0	3	Community Oriented Code Compliance and Responsiveness
3	2	1	Dallas Animal Services Comprehensive Code Review
3	1	2	Develop a Diversity, Equity and Inclusion Plan
3	2	1	Develop a Smart City Strategy
3	1	2	Gentrification Mitigation Strategy Development
3	1	2	Improve the Use of Data Throughout the City Organization to Inform Policy Development and Decision Making
2	0	2	Availability and Disparity Study
2	1	1	Develop a Citywide Litter Policy and Litter Abatement Plan
2	2	0	Develop an Anchor Institution Program
2	1	1	Programs to Improve the City's Housing Stock
2	1	1	RIGHT Care Pilot Program Implementation
1	0	1	City Council Professional Development and Training
1	0	1	Creation of City Council District Scorecards
1	0	1	Cultural Plan 2018
1	1	0	Develop a Digital Equity Strategy
1	0	1	Develop a Proactive Business Recruitment and Retention Plan
1	0	1	Develop/update Dallas Fire Rescue Strategic Plan
1	1	0	Street Feeding Ordinance and Policy Review
0	0	0	Develop a Strategy to Eliminate Food Desert in Southern Dallas
0	0	0	Develop Contractor Accountability Guidelines
0	0	0	Downtown Parking Utilization and Parking Efficiency Study
0	0	0	Fleet Management Efficiency Study
0	0	0	Streamline/Automate the Assistance Programs Across All Providers



# Community Engagement Meetings

- Citizens will be engaged in process through informal online survey and community meetings
- By taking advantage of scheduled City events that are geographically disbursed, more citizens will have opportunity to be engaged

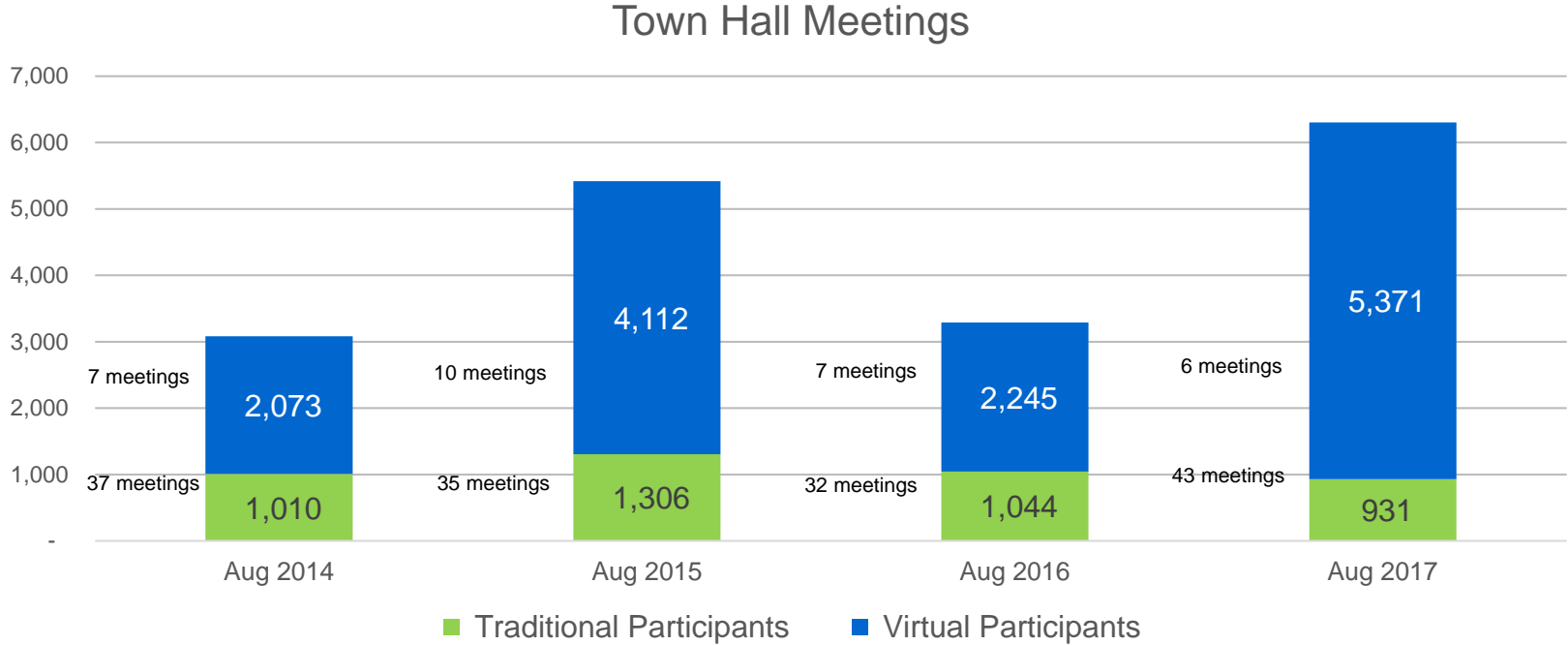
Date	Day	Time	CD	Facility/Location	Address	Event
3/10/2018	Saturday	10:00 to 3:00	4	Beckley-Saner Recreation Center	114 W. Hobson	Chief on the Beat
3/10/2018	Saturday	2:30 to 3:30	12	Renner-Frankfort Library	6400 Frankford Road	Women's History Month
3/15/2018	Thursday	9:00 to 11:00	7	Fair Park Embarcadero Building	1121 First Avenue	Senior Games opening
3/24/2018	Saturday	10:00 to 12:00	5	Crawford Park	8700 Elam Road	Annual Egg Hunt
3/24/2018	Saturday	10:00 to 12:00	6	Jaycee Zaragoza Recreation Center	3114 Clymer	Annual Egg Hunt
4/7/2018	Saturday	10:00 to 12:00	9	Arboretum - Children's Garden Walkway	8525 Garland Road	Dallas Blooms
5/4/2018	Friday	3:30 to 5:00	13	Walnut Hill Recreation Center	10011 Midway Road	Cinco De Mayo

# Council Member Town Hall Meetings

- Council Members are encouraged to host meetings from 8/16/18 through 8/30/18
  - Virtual meetings:
    - Webcast and by phone
    - Historically reach larger audiences
    - We have capacity for up to seven virtual meetings
    - Council members may consider joint virtual meetings
  - Traditional meetings:
    - Held at district locations
    - One to two per council district



# Council Member Town Hall Meetings



# Committee Meetings and Amendments

- Committee meetings are reserved on 8/20/18 and 8/27/18 for purpose of discussing Council proposed amendments
- Committee chairs will recap amendment discussions from committee meetings on 8/29/18
  - Straw votes on amendments are anticipated
- Amendments supported by majority on 8/29/18 will be included in budget ordinance for approval on First Reading on 9/5/18

# Committee Meetings and Amendments

- August 20

- Economic Development & Housing at 9 a.m.
- Human & Social Needs at 11 a.m.
- Government Performance & Financial Management at 2 p.m.

- August 27

- Quality of Life, Arts, & Culture at 9 a.m.
- Public Safety & Criminal Justice at 11 a.m.
- Mobility Solutions, Infrastructure, & Sustainability at 2 p.m.

# Next Steps

- May 2 – City Council briefing on results of Community Survey
- June 20 – City Council briefing on budget update
- August 14 – City Council briefing on City Manager’s balanced and recommended biennial budget

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