

City of Dallas Budget in Brief

For Fiscal Year ending September 30, 2004



Latino Cultural Center
Inaugural Year 2003

BUDGET OVERVIEW

The City of Dallas' budget for FY 2003-04 totals \$1,912,845,956. The local economy continues to be sluggish as evidenced by the third consecutive year of decline in sales tax revenues and a property tax valuation that is basically flat this year. Even within this difficult economic reality, the priorities of the FY 2003-04 budget include:

- No tax rate increase
- No reduction of direct City services
- Expanded public safety efforts in addition to the second 5% pay raise for uniform police and fire personnel (effective December 2003)
- Implementation of the first year of the 2003 General Obligation Bond Program
- A \$500 one-time lump sum payment for all permanent full-time civilians and uniformed executives (as of 9/30/03) and a \$250 one-time lump sum pro-rated payment for part-time employees (as of 9/30/03) to be issued in January 2004
- A \$300 one-time reduction in health benefit premiums to 2,740 over-65 retirees
- Strengthening of Code Compliance for multi-family housing inspections and Cadillac Heights relocation efforts
- Expanded ambulance service and increased peak hours
- Implementation of a land bank program in South Dallas

This will be accomplished by implementing reductions and operational efficiencies that include:

- \$13.8 million in savings from changes made last year in the Service Incentive Program
- \$10.9 million in savings and \$14.3 million in cost avoidance from providing a health benefit plan with a preventative care component and higher deductibles
- \$7.5 million in savings and a reduction of 92.1 FTEs from various operational efficiencies, identified through the zero based budget process
- \$4.0 million in savings from making overtime payment policies for uniform police and fire personnel as outlined per FLSA. Changes to civilian policies were made four years ago
- \$2.2 million in savings from managed competition through which Equipment and Building Services reduced costs for fleet maintenance

GENERAL FUND REVENUE SOURCES

The General Fund, which supports the general operation of City services, has a number of revenue sources. The most notable of these are the ad valorem tax (property tax), sales tax, and utility franchise fees.

Property values increased 0.03% from \$66.48 billion in 2002 to \$66.50 billion in 2003. The tax rate remains 69.98¢ per \$100 valuation of which 52.43¢ supports the general fund and 17.55¢ supports debt service costs. Sales tax revenues are forecast to decline 3.2% for FY 2003-04.

Funding for the General Fund in FY 2003-04 will be derived from the following sources:

Ad Valorem Tax	\$344,206,706
Sales Tax	178,391,126
Franchise Revenues	100,980,000
Charges for Service	96,403,025
Fines and Forfeitures	33,737,455
Interfund Revenues	35,425,916
Other	<u>21,958,989</u>
Total General Fund Revenues	\$811,103,217

GENERAL FUND TOTAL EXPENDITURES

The General Fund accounts for 42.4% of the total budget and supports basic City services such as police, fire, park and recreation, streets, libraries, courts, health and other community services.

Personnel costs account for 82.0% of this years General Fund budget. There are no base salary cuts, merit increases, or market maintenance adjustments for civilian staff. However, this budget does fund a 5% pay raise for uniformed personnel, a \$500 one-time lump sum payment for all permanent full-time civilians and uniformed executives (as of 9/30/03), a \$250 one-time lump sum pro-rated payment to part-time employees (as of 9/30/03), and a \$300 one-time reduction in health benefit premiums to 2,740 over-65 retirees.

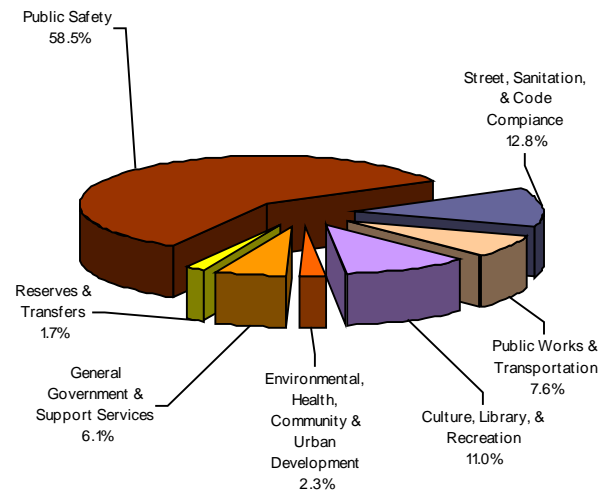
GENERAL FUND EXPENDITURES

<u>DEPARTMENT</u>	<u>FY 2003-04</u>	<u>FTEs</u>
Building Services	\$28,021,791	226.7
Business Development & Procurement Services	2,249,448	33.1
City Attorney	9,922,948	123.4
City Auditor	2,187,846	27.0
City Manager	1,904,960	23.1
City Secretary	1,120,185	17.0
City Secretary - Elections	227,237	4.0
Civil Service	1,671,710	25.3
Code Compliance Services	19,473,246	326.6
Court & Detention Services	10,622,981	182.0
Court & Detention Services-Jail Contract	6,286,437	0.0
Development Services	4,080,951	72.3
Environmental & Health Services	13,089,185	210.2
Fire	165,381,231	2,072.2
Housing	1,408,932	12.0
Human Resources	2,709,797	27.7
Judiciary	1,886,294	34.6
Library	22,299,101	397.3
Mayor & Council	2,545,757	29.0
Non-Departmental	11,741,372	0.0
Office of Cultural Affairs	12,908,141	38.7
Office of Financial Services	10,047,897	91.9
OFS - Dallas Central Appraisal District	2,332,619	0.0
OFS - Dallas County Tax Collection	437,466	0.0
OFS - Independent Audit	423,000	0.0

GENERAL FUND EXPENDITURES

<u>DEPARTMENT</u>	<u>FY 2003-04</u>	<u>FTEs</u>
Park & Recreation	53,774,945	1,067.1
Police	290,322,251	3,742.4
Public Works & Transportation	19,063,032	383.3
PBW - Street Lighting	14,673,883	0.8
Reserves & Transfers	14,098,398	0.0
Sanitation Services	53,172,108	604.2
Street Services	<u>31,018,068</u>	<u>646.8</u>
Total General Fund	\$811,103,217	10,418.7
Civilian FTEs		5,512.6
Fire Uniform FTEs		1,807.0
Police Uniform FTEs		<u>3,099.1</u>
Total FTEs		10,418.7

The majority (58.5%) of the General Fund budget is allocated to public safety efforts, including Police, Fire, Courts, and Judiciary. The safety of citizens and their property is the primary responsibility of government.



ENTERPRISE FUNDS

Enterprise Funds are those funds in which departmental operations are totally supported by charges for services.

Aviation is responsible for the operation of Dallas Love Field, Dallas Executive Airport, and the Convention Center Heliport.

Convention and Event Services provides quality services and facilities for the City through management and marketing of the Dallas Convention Center, Farmers Market, Union Station, Reunion Arena and special events.

Development Services provides inspection, permitting, and technical services for all private construction within the City.

Municipal Radio, WRR-FM, provides the only 24-hour-a-day classical music broadcast in the Dallas/Fort Worth market.

Storm Water Drainage Management is responsible for the implementation of the City's storm water programs contained in the EPA Storm Water permit. FY 2003-04 budget includes a fee increase of 48¢ from \$2.83 per month to \$3.31 per month for the typical residential lot (5,001 to 10,000 sq ft.).

Dallas Water Utilities is responsible for providing Dallas and surrounding jurisdictions with water and wastewater services. FY 2003-04 budget increases service charges, deposits, meter related fees, and development related fees. Also, retail rates increased by 11.3%.

<u>Department</u>	<u>FY 2003-04</u>	<u>FTEs</u>
Aviation	\$30,531,664	156.8
Convention & Event Services	57,904,311	185.1
Development Services	16,267,605	196.8
Municipal Radio	4,132,992	26.0
Storm Water Drainage Management	23,311,052	0.0
Dallas Water Utilities	382,497,052	1,563.1

INTERNAL SERVICE & OTHER FUNDS

Internal Service Funds include Information Technology, Radio Services, Equipment Services, and Express Business Center. Expenditures for Internal Service Funds operations are directly offset by charges to user departments. Services are designed to be equal to or more favorable than services offered in the private market.

Other Funds consist of 9-1-1 System Operations, Employee Benefits, and Risk Management.

<u>Department</u>	<u>FY 2003-04</u>	<u>FTEs</u>
Information Technology	\$33,526,832	170.8
Radio Services	3,579,820	36.9
Equipment Services	30,753,592	204.2
Express Business Center	4,127,948	14.5
911 System Operations	13,517,687	3.0
Employee Benefits	89,889,274	28.3
Risk Management	39,285,666	21.0

DEBT SERVICE FUND

The Debt Service Fund provides for the payment of principal and interest on the City's outstanding tax-supported debt, including General Obligation Bonds, Certificates of Obligation and Equipment Acquisition Notes.

The Debt Service budget includes principal and interest payments of \$127.7 million for FY 2003-04 on \$723.3 million of existing debt, \$173.4 million in General Obligation Bonds to be issued in November 2003, and \$21.2 million in Equipment Acquisition Notes to be issued in November 2003.

The primary revenue source of the Debt Service Fund is the ad valorem property tax. Approximately one-fourth, 17.55¢ per \$100 valuation, of the ad valorem revenue is deposited into the Debt Service Fund.

CAPITAL IMPROVEMENT BUDGET

The FY 2003-04 Capital Improvement Program budget is \$459.4 million consisting of \$234.9 million for General Purpose Capital Improvements and \$224.5 million for Enterprise Fund Capital Improvements.

The General Purpose Capital Improvement Program provides for improvements to and/or construction of the City's street system; parks and recreational facilities; libraries; police and fire protection facilities; cultural art facilities; the flood protection and storm drainage system; other City-owned facilities; and economic initiatives. General Obligation bonds are the primary financing mechanism for these capital improvements.

The Capital Improvement Program for the enterprise departments consists of improvements to and/or construction of water and wastewater systems, venues for convention activities, and air transportation facilities. These projects are funded primarily by the transfer of enterprise revenues and the issuance of debt such as commercial paper and/or revenue bonds.

<u>Use of Funds</u>	<u>FY 2003-04</u>
City Facilities	\$84,098,143
Convention & Event Services	1,315,555
Cultural Facilities	1,755,072
Economic Development	14,941,040
Equipment Acquisition	21,421,217
Flood Protection & Storm Drainage	6,398,285
Park & Recreation	27,254,240
Streets & Thoroughfares	67,839,334
Trinity River Corridor	11,217,002
Water Utilities	<u>223,200,000</u>
Total Capital Budget	\$459,439,888

2003 GENERAL OBLIGATION BOND PROGRAM

The current General Obligation Bond Program was approved by voters in May 2003 and totals \$579.3 million. The FY 2003-04 budget includes the first of four sale dates for the 2003 General Obligation Bonds.

<u>Proposition</u>	<u>FY 2003-04</u>	<u>Total Authorized</u>
Street & Transportation Improvements	\$54,425,262	\$198,960,000
Neighborhood & Community Park, Playground and Recreation	10,789,957	57,290,000
Library Facilities	9,538,679	55,525,000
Flood & Storm Drainage Facilities	4,325,657	16,435,000
Performing Arts Theater	450,000	11,255,000
City Service & Maintenance Facilities	16,825,000	16,825,000
Animal Control Facilities	11,755,000	11,755,000
Land Acquisition for Low/Moderate Income Single Family Homes	2,000,000	3,030,000
Flood Protection & Storm Drainage Facilities Improvements	24,000,000	24,000,000
Specified Street Projects	10,794,860	67,900,000
Major & Citywide Park & Recreation Facilities	14,340,043	43,230,000
Cultural Arts Facilities	473,481	17,655,000
Street, Utility & Other Infrastructure Improvements in the Southern Area of the City	0	6,000,000
Fire Station Facilities	1,239,000	19,750,000
Farmers Market Improvement	300,000	3,200,000
Homeless Assistance Facilities	0	3,000,000
Police Facilities	<u>1,563,061</u>	<u>23,470,000</u>
Total 2003 General Obligation Bond Program	\$162,820,000	\$579,290,000

DALLAS CITY COUNCIL

Laura Miller, Mayor	At Large
John Loza, Mayor Pro Tem	District 2
Donald W. Hill, Deputy Mayor Pro Tem	District 5
Dr. Elba Garcia	District 1
Ed Oakley	District 3
Dr. Maxine Thornton-Reese	District 4
Steve Salazar	District 6
Leo V. Chaney, Jr.	District 7
James L. Fantroy	District 8
Gary Griffith	District 9
Bill Blaydes	District 10
Lois Finkelman	District 11
Sandy Greyson	District 12
Mitchell Rasansky	District 13
Veletta Forsythe Lill	District 14

Teodoro J. Benavides, City Manager
Mary K. Suhm, First Assistant City Manager
Dave Cook, Chief Financial Officer

City of Dallas Publication Number 03/04-22

For additional information contact:
Office of Financial Services
1500 Marilla, 4FN
Dallas, TX 75201
(214) 670-3655

Website: www.dallascityhall.com