MEMORANDUM

DATE: February 14, 2014

TO: Members of the Budget, Finance & Audit Committee:
   Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT: Budget, Finance & Audit Committee Meeting

   Tuesday, February 18, 2014, 1:00 p.m.
   Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the February 3, 2014 Budget, Finance & Audit Committee meeting

2. The Municipal Equality Index and Dallas: Understanding the MEI Scorecard and Working Toward 100
   Cathryn Oakley, Legislative Counsel
   Human Rights Campaign

3. Exploring Opportunities to Broaden Inclusivity and Social Equity
   Theresa O'Donnell
   Interim Assistant City Manager

4. Dallas/Fort Worth International Airport 50th Supplemental Bond Ordinance
   Christopher Poinsette, Executive VP/CFO
   DFW International Airport

FYI:

5. Upcoming Agenda Item: Franchise Fees Compliance and Recovery Services Contract

6. Upcoming Agenda Item: Certificate of Insurance and Payment and Performance Bond Compliance Tracking Services Contract

Jerry R. Allen, Chair
Budget, Finance & Audit Committee

Cc: Honorable Mayor and Members of the City Council
   A.C. Gonzalez, City Manager
   Rosa A. Rios, City Secretary
   Warren M.S. Ernst, City Attorney
   Daniel F. Solis, Administrative Judge
   Craig D. Kinton, City Auditor
   Ryan S. Evans, Interim First Assistant City Manager
   Jill A. Jordan, P.E., Assistant City Manager
   Forest E. Turner, Assistant City Manager
   Joey Zapata, Assistant City Manager
   Charles M. Cato, Interim Assistant City Manager
   Theresa O'Donnell, Interim Assistant City Manager
   Jeanne Chipperfield, Chief Financial Officer
   Frank Librio, Public Information Officer
   Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"
A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
Budget, Finance & Audit Committee
Meeting Record - DRAFT

Meeting Date: 2.3.2014
Convened: 1:07 p.m.
Adjourned: 2:10 p.m.

Committee Members Present:
Jerry R. Allen, Chair
Jennifer Staubach Gates, Vice-Chair
Tennell Atkins
Sheffie Kadane

Staff Present:
Jeanne Chipperfield
Michael Frosch
Doris Bridges
William Finch
Jack Ireland
Corrine Steeger
Craig Kinton
Donna Lowe
Zeronda Smith
Forest Turner
Adelia Gonzalez
Terry Lowery
Edward Scott
Lance Sehorn
Jody Puckett

AGENDA:

1. Approval of the January 21, 2014 Minutes
   Presenter(s):  
   Information Only: ___
   Action Taken/Committee Recommendation(s):
   A motion was made to approve the January 21, 2014 minutes. Motion passed unanimously.
   Motion made by: Sheffie Kadane  Motion seconded by: Jennifer S. Gates

2. Master Lease Program
   Presenter(s): Corinne Steeger, Assistant Director, City Controller’s Office
   Information Only: ___
   Action Taken/Committee Recommendation(s):
   A motion was made to recommend approval by the City Council on Wednesday, February 12, 2014. Motion passed unanimously.
   Motion made by: Tennell Atkins  Motion seconded by: Sheffie Kadane

FYI

3. Upcoming Agenda Item: Wholesale Water and Wastewater Contract Renewals
   Presenter(s): N/A
   Information Only: ___
   Action Taken/ Committee Recommendation(s):
   A motion was made to recommend approval by the City Council on Wednesday, February 12, 2014. Motion passed unanimously.
   Motion made by: Tennell Atkins  Motion seconded by: Sheffie Kadane

4. Upcoming Agenda Item: Service Contract for Medical Examinations, Drug and Alcohol Testing Services
   Presenter(s): N/A
   Information Only: ___
Action Taken/ Committee Recommendation(s):

A motion was made to recommend approval by the City Council on Wednesday, February 12, 2014. Motion passed unanimously.

Motion made by: Tennell Atkins               Motion seconded by: Sheffie Kadane

5. Upcoming Agenda Item: Master Agreement for Personal Safety Protection Equipment, Clothing and Accessories
Presenter(s): N/A
Information Only: √

Action Taken/ Committee Recommendation(s):

A motion was made to recommend approval by the City Council on Wednesday, February 12, 2014. Motion passed unanimously.

Motion made by: Tennell Atkins               Motion seconded by: Sheffie Kadane

Presenter(s): N/A
Information Only: ✗

Action Taken/ Committee Recommendation(s):

N/A

__________________________________
Jerry R. Allen, Chair
Budget, Finance & Audit Committee
Memorandum

DATE  February 14, 2014

TO    Budget, Finance and Audit Committee Members: Jerry Allen, Chair, Jennifer S. Gates, Vice-Chair, Tennell Atkins (Mayor Pro Tem), Sheffie Kadane, and Philip Kingston

SUBJECT The Municipal Equality Index and Dallas: Understanding the MEI Scorecard and Working Toward 100

On Tuesday, February 18, 2014, you will be briefed the Municipal Equality Index. The presentation will be given by Cathryn Oakley, Legislative Counsel, State and Municipal Advocacy at the Human Rights Campaign. A copy of the briefing is attached.

Please let me know if you have any questions.

Theresa O’Donnell  
Interim Assistant City Manager

C:  The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Daniel Solis, Administrative Judge, Municipal Court  
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Frank Librio, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

"Dallas, The City That Works: Diverse, Vibrant and Progressive."
The Municipal Equality Index and Dallas: Understanding the MEI Scorecard and Working Toward 100

Budget, Finance and Audit Committee
February 18, 2014
THE HUMAN RIGHTS CAMPAIGN

• HRC is the nation’s largest civil rights organization working for LGBT equality.
• LGBT is an acronym referring to lesbian, gay, bisexual, and transgender people.
• You may recognize the red-tinted version of our logo from the over 18 million times it appeared in Facebook newsfeeds over the summer.
The Municipal Equality Index

- The MEI is the first of its kind nationwide evaluation of municipal law and policy.
- Vision: Lifting up and celebrating progress in cities around the country while accelerating improvements in municipalities with work left to do.
2013 MEI Rated 291 Cities

291 Municipalities

25 Small Cities with highest proportion of same-sex couples

25 Midsize Cities with highest proportion of same-sex couples

3 Largest Cities in each state

25 Large Cities with highest proportion of same-sex couples

50 State Capitals

78 Million People

150 Largest Cities in the country

50 Cities – Home to each state’s largest public university
The Municipal Equality Index rates municipalities of varying sizes drawn from every state in the nation.

2012
137 CITIES WITH A POPULATION TOTAL OF 51,895,819

2013
SAME 137 FROM 2012 PLUS MORE THAN DOUBLE THE NUMBER FOR A TOTAL OF 291 CITIES WITH A POPULATION TOTAL OF 77,851,621

WWW.HRC.ORG/MEI
Evaluating Municipal Equality

• The MEI contains 100 standard points and 20 bonus points
• Standard points are divided into six parts:
  – I. Non-discrimination
  – II. Relationship Recognition
  – III. Municipality as Employer
  – IV. Municipal Services
  – V. Law Enforcement
  – VI. Leadership on Matters of Equality
# 2012-2013 MEI Scorecard

## I. Non-Discrimination Laws

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
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<td>Housing</td>
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<tr>
<td>Public Accommodations</td>
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</tbody>
</table>

**Score:** X out of 18

## II. Relationship Recognition

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriage Equality, Civil Unions, or Domestic Partnerships</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Municipal Domestic Partner Registry</td>
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</tbody>
</table>

**Score:** X out of 12

## III. Municipality as Employer

<table>
<thead>
<tr>
<th>Category</th>
<th>City</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Non-Discrimination in City Employment</td>
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<td></td>
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<tr>
<td>City Contractor Non-Discrimination Ordinance</td>
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<td>City Contractor Equal Benefits Ordinance</td>
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</table>

**Score:** X out of 39

**Bonus:**
- Gaysing Up of Employee Benefits
- Municipality is a Welcoming Place to Work

## IV. Municipal Services

- Human Rights Commission
- LGBT Liaison in the Mayor’s Office
- Envisioned Anti-Bullying School Policies

**Score:** X out of 15

**Bonus:**
- Enforcement mechanism in Human Rights Commission
- City provides services to LGBT youth
- City provides services to LGBT homeless
- City provides services to LGBT elderly
- City provides services to people living with HIV/AIDS

## V. Law Enforcement

- LGBT Police Liaison or Task Force
- Reported 2011 Hate Crimes Statistics to the FBI

**Score:** X out of 18

## VI. Relationship with the LGBT Community

- Leadership’s Public Position on LGBT Equality
- Leadership’s Pre-Election Legislative or Policy Efforts

**Score:** X out of 8

**Bonus:**
- Openly LGBT elected or appointed municipal leader
- Cities are preposterous despite restriction state law

**Total Score XXX + Total Bonus XXX = Final Score XXX**
NATIONWIDE RESULTS OF THE MEI

25 perfect 100 point scores

– Size wasn’t determinative: of the 25 perfect scores, only six (24%) have populations of over a million people. Three had less than 100,000.

– State law wasn’t determinative: of the 25 perfect scores, 8 cities came from states without relationship recognition and non-discrimination protections.

– Region wasn’t determinative: cities across the country scored well
Regional Results of the MEI

- Great Lakes
- Mid-Atlantic
- Mountain
- New England
- Plains
- Southeast
- Southwest
- West
HIGH-SCORING CITIES IN STATES WITHOUT SUPPORTIVE STATE LAW

• Cities in states that do not have statewide relationship recognition and non-discrimination laws still did very well on the MEI

• Atlanta, Columbus, Phoenix, Missoula, Kansas City (MO), Saint Louis, Philadelphia and Austin all scored a perfect 100 points.

• In Texas, Fort Worth, San Antonio, and Dallas joined Austin in the top scorers in these states.
The 2013 MEI scored 16 Texas cities, averaging 40 points.

- Amarillo - 16
- Arlington - 11
- Austin - 100
- Brownsville - 38
- Corpus Christi - 19
- Dallas - 81
- El Paso - 51
- Fort Worth - 91
- Garland - 17
- Grand Prairie - 21
- Houston - 63
- Irving - 16
- Laredo - 2
- Lubbock - 5
- Plano - 14
- San Antonio - 86
# Dallas’ 2013 MEI Scorecard

## I. Non-Discrimination Laws

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>County</th>
<th>City</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Housing</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Public Accommodations</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
</tbody>
</table>

**Score:** 18 out of 18

## II. Relationship Recognition

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriage Equality, Civil Unions, or Domestic Partnerships</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Partnership Registry</td>
<td></td>
<td>✅</td>
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</tbody>
</table>

**Score:** 0 out of 12

**Bonus:** Municipality was forced to stop providing a domestic partner registry as a result of a restrictive state law.

## III. Municipality as Employer

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<td>City Contractor Equal Benefits Ordinance</td>
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</table>

**Score:** 20 out of 26

**Bonus:**
- Promoting Employee Benefits
- Transgender-Inclusive Healthcare Benefits
- Municipality is a welcoming place to work

## IV. Municipal Services

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights Commission</td>
<td>✅</td>
<td>✅</td>
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<tr>
<td>LGBT Liaison in the Mayor’s Office</td>
<td></td>
<td>✅</td>
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<tr>
<td>Enforced Anti-Bullying Policies</td>
<td>✅</td>
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</tbody>
</table>

**Score:** 11 out of 18

**Bonus:** City provides services to particularly vulnerable populations of the LGBT community.

## V. Law Enforcement

<table>
<thead>
<tr>
<th>Category</th>
<th>City</th>
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</thead>
<tbody>
<tr>
<td>LGBT Police Liaison or Task Force</td>
<td>✅</td>
<td></td>
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<tr>
<td>Reported 2011 Hate Crimes Statistics to the FBI</td>
<td>✅</td>
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</table>

**Score:** 18 out of 18

## VI. Relationship with the LGBT Community

<table>
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<th>State</th>
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<tr>
<td>Leadership’s Public Position on LGBT Equality</td>
<td>✅</td>
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<tr>
<td>Leadership’s Pre-Equality Legislative or Policy Efforts</td>
<td>✅</td>
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</table>

**Score:** 5 out of 8

**Bonus:**
- Openly LGBT elected or appointed municipal leaders
- City engages with the LGBT community
- Cities are pro-equality despite restrictions state law

**Total Score:** 72 + **Bonus:** 9 = **Final Score:** 81
A Domestic Partner Registry is a city level program that would keep, as a matter of public record, a list of couples who choose to register as domestic partners. The benefits of being registered don’t approximate marriage, so they must not run afoul of state constitutional amendments, but they sometimes include:

- the right to visit one’s partner at a health care facility;
- the ability to make health care decisions for one’s partner should the partner become incapacitated,
- the ability to make decisions with regard to funeral decisions,
- notification to family in case of an accident,
- extending the use of city facilities to a registered domestic partner as if the domestic partner were a spouse (like a town park family membership),
- and of course the ability for a person to rely upon their status as a registered DP when it comes to an employer who offers DP benefits.
Trans-inclusive health benefits. Note, these points are standard points beginning in 2014.

- Health care plans often exclude medical care that is medically necessary for many transgender people.
- Private and public employers offer inclusive health benefits and not found them to be cost-prohibitive.
- Employees must have at least one trans-inclusive plan in the menu of options to choose from.
**Human Rights Commission.** Note: a commission alone will be worth 4 points in 2014, and an NDO enforcement mechanism will be worth 3 bonus points.

- Human Rights Commissions do important work to identify and eliminate discrimination; even in jurisdictions where LGBT equality isn’t explicitly a part of the commission’s charter, these commissions investigate complaints, educate the city, and sometimes enforce non-discrimination laws.
- **2014 Bonus Points:** The nationwide best practice in enforcing non-discrimination ordinances is to create a Human Rights Commission that oversees the receipt and investigation of the claim and any settlement proceedings, ultimately issuing a right-to-sue letter if cause is found and the parties are unable to come to a settlement. There are also other enforcement mechanisms, including private rights of action and enforcement by the city attorney’s office. Any of these municipal enforcement mechanisms will be awarded these three bonus points.

**Services for Vulnerable Populations.** In 2012-2013, these points were awarded as a total of 2 bonus points if the city supported or provided services to any of the following populations of people: LGBT elderly; LGBT youth; LGBT homeless; and people who are HIV+ or living with AIDS. In 2014, 2 bonus points will be given for each of these.
Note: in 2014, the bonus points for the city engaging with the LGBT community will be eliminated, with those efforts reflected instead in the standard points in Part 6.
THE MEI 2014 SCORECARD

I. Non-Discrimination Laws

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SCORE: X out of 18

II. Relationship Recognition

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SCORE: X out of 12

III. Municipality as Employer

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SCORE: X out of 20

IV. Municipal Services

<table>
<thead>
<tr>
<th>Category</th>
<th>STATE</th>
<th>COUNTY</th>
<th>CITY</th>
<th>AVAILABLE</th>
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<tbody>
<tr>
<td>Human Rights Commission</td>
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<tr>
<td>LGBT Liaison in the Mayor's Office</td>
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<td>Enforced Anti-Bullying School Policies</td>
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SCORE: X out of 15

V. Law Enforcement

<table>
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<tr>
<th>Category</th>
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<th>AVAILABLE</th>
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</thead>
<tbody>
<tr>
<td>LGBT Place/Law or Task Force</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported 2011 Hate Crimes Statistics by FBI</td>
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</tbody>
</table>

SCORE: X out of 18

VI. Relationship with the LGBT Community

<table>
<thead>
<tr>
<th>Category</th>
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<th>AVAILABLE</th>
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<tbody>
<tr>
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</tr>
<tr>
<td>Leadership’s Pro-Equality Legislative or Policy Efforts</td>
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</table>

SCORE: X out of 8

TOTAL SCORE XXX + TOTAL BONUS XXX = Final Score XXX

CANNOT EXCEED 100

For more information about city selection criteria or the MEI scoring system, please refer to page 44 or visit hrc.org/mei.
When it comes to issues of equality, our nation's cities are leading the charge because we know that prosperous cities gain great economic strength from celebrating and cultivating diversity.

I am proud to be mayor of the first deep Southern city to achieve a perfect score on the Municipal Equality Index.

It's called an LGBT movement for a reason. We can and must advance equality at every level of our democracy until LGBT Montanans are treated the same as LGBT Washingtonians.

Cities used to think they could generate jobs and economic growth by luring companies with huge tax abatements and other subsidies. But today, more and more we know that enduring growth for cities and for nations comes from an open, diverse, tolerant social environment that is appealing to a diverse range of creative and talented people.

The Greater Philadelphia Chamber of Commerce stands for equality in the workplace because it's good for business, and because equality is a value we honor and cherish.
WORKING TOGETHER TO IMPROVE

• In addition to our independent research, we reach out to the city (usually HR) to ensure we have complete information.
• We send the city a draft scorecard in the summer for review and feedback before publication in the fall.
• The MEI team is available to answer questions year round, and we can also help with:
  – Directing you to more information
  – Consulting on language for policies
  – Connecting you with other cities doing what you’d like to do.
• Also we are open to feedback about how we can improve the project!
The Municipal Equality Index and Dallas: Understanding the MEI Scorecard and Working Toward 100

Cathryn Oakley,
Legislative Counsel for State and Municipal Advocacy
Human Rights Campaign
cathryn.oakley@hrc.org
Memorandum

DATE February 14, 2014

TO Budget, Finance and Audit Committee Members: Jerry Allen, Chair, Jennifer S. Gates, Vice-Chair, Tennell Atkins (Mayor Pro Tem), Sheffie Kadane, and Philip Kingston

SUBJECT Exploring Opportunities to Broaden Inclusivity and Social Equity

On Tuesday, February 18, 2014, you will be briefed on Exploring Opportunities to Broaden Inclusivity and Social Equity. A copy of the briefing is attached.

Please let me know if you have any questions.

[Signature]

Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel Solis, Administrative Judge, Municipal Court
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
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Frank Librio, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

"Dallas, The City That Works: Diverse, Vibrant and Progressive."
Exploring Opportunities to Broaden Inclusivity and Social Equity

Budget, Finance and Audit Committee
February 18, 2014
Time of Rapid Change

- Since June, a number of significant changes have occurred that impact same-sex marriage and the rights and protections construed by the legal recognition of marriage.

- 17 states and Washington DC now allow same-sex marriages
  - Kentucky, Oklahoma, Nevada and Virginia are now in transition

- In addition to the Courts, Federal agencies have been at the forefront of changing rights and protections through policy directives, interpretations, and rule making.
Prior Committee Work

- On December 2, 2013, the Budget, Finance and Audit Committee was briefed on DOMA and marriage rights for LGBT citizens.

- On January 6, 2014, a follow-up briefing and discussion focused on two topics - the City’s ENDA ordinances and the financial benefits and protections for legally married LGBT couples as a result of the Supreme Court ruling in the United States v. Windsor case and subsequent IRS administrative directives.
Prior Committee Work

• Today, Cathryn Oakley, the Legislative Counsel for State and Municipal Advocacy for the Human Rights Campaign will brief the Committee on the Municipal Equality Index project.

• Municipal Equality Index (MEI) ranks approx. 290 cities across the nation. The MEI is an evaluation of municipal laws and policies and an examination of how inclusive city services are toward LGBT people.
Committee Deliberation

- What should be the City’s response to these changes and is now an appropriate time for a response?

- Are current ordinances and policies sufficient in light of this rapidly changing landscape?

- How can the City acknowledge and recognize LGBT individuals, couples, and families in response to concerns raised and requests expressed by the LGBT community leaders?
Informed Approach

- Committee has received a large volume of information and facts on the changing laws and application of laws since DOMA was struck down.

- Committee has engaged in respectful dialogue about concerns and issues impacting the LGBT community surrounding this evolving landscape.

- Committee has sought to understand requests for recognition and acknowledgement by LGBT community leaders.

- Committee has explored programs, protections or enforcement mechanisms that may be appropriate for future changes or action.
Potential Opportunities for Action

Three major categories identified:

- Dallas as an Employer - a welcoming place to work
- Dallas as a welcoming city for LGBT citizens and their families to live and visit
- Dallas as an advocate at the state and national level
Dallas as an Employer

- Civilian and police and fire pension plans

- Human Resource policies and administrative directives
  - LGBT employee group
  - Mandatory diversity training
  - LGBT recruitment efforts
  - Diversity and Inclusivity officer

- City’s health care plan
  - FMLA - 1+
  - Transgender inclusive healthcare benefits
Dallas as a Welcoming Place to Live

Municipal Equality Index - Improving our score

- Relationship Recognition
  - Domestic Partnership registry opened to people outside city employment (Austin)

- Municipality as an Employer
  - FMLA - 1+
  - Transgender Inclusive Healthcare Benefits
  - LGBT Employee group
  - Mandatory Diversity Training
  - Transition Protocol

- Expand the duties of the Office of Fair Housing

- Strengthening relationship with LGBT Community
  - Appointment of the North Texas GLBT Chamber President to the CVB Board
  - Awareness of issues and support for LGBT youth
City as an Advocate
State and National levels

Support legislation designed to further civil rights for LGBT individuals, couples, and families -

- Anti-bullying ordinances for citywide ISDs
- State and Federal ENDA legislation
- Public Accommodations bill
- United Americans Family Act
- “Romeo and Juliet” defense equalization
- Removing unconstitutional and unenforceable laws
  - 21.06 of the Texas Penal Code
  - Similar provisions in the Health and Safety Code
Next Steps

Seek Committee direction and recommendation on a resolution that serves as a “Comprehensive Statement of Support” of the LBGT community. The resolution could include provisions that direct staff to take necessary steps to:

- Address the disparate treatment of LGBT employees with regards to the City’s pension plans
- Amend the City’s HR policies and health care plan to address inequities for LGBT employees and their families
- Take administrative actions necessary to improve the City of Dallas’ Municipal Equality Index score
- Lobby in support of state and federal legislation and administrative directives that further civil rights and prevent discrimination against LGBT individuals and families
- Provide quarterly updates on progress on these efforts
Memorandum

DATE February 14, 2014

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Dallas/Fort Worth International Airport 50th Supplemental Bond Ordinance

On February 18th, 2014, the Budget, Finance and Audit Committee will be briefed on the Dallas/Fort Worth International Airport 50th Supplemental Bond Ordinance. The briefing will be provided by Christopher Poinsatte, Executive Vice President – Chief Financial Officer of Dallas/Fort Worth International Airport.

Please let me know if you have questions or need additional information.

Jeanne Chipperfield
Chief Financial Officer

c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren Ernst, City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
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“Dallas, The City That Works: Diverse, Vibrant and Progressive.”
Dallas/Fort Worth International Airport
50th Supplemental Bond Ordinance

City of Dallas
Budget, Finance and Audit Committee
February 18, 2014
Requested Action

- Approval of the 50th Supplemental Concurrent Bond Ordinance to authorize the issuance of multiple series of bonds
Terminal Renewal and Improvement Program (TRIP) Update
Terminal Renewal and Improvement Program (TRIP) Update
Background

- The Cities of Dallas and Fort Worth concurrently approved the 49th Supplemental Bond Ordinance in February 2013 providing for:
  - Issuance of bonds not to exceed $3.1 billion
  - Issuance of multiple series of bonds for a one year period, subject to certain parameters
  - Issuance of Tax Exempt and Taxable Bonds
  - Followed same approach with the 47th and 48th

- Last year, DFW issued 7 series of bonds totaling approximately $2.067 billion
  - New money - $1.173 billion
    - For Terminal Renewal & Improvement Program (TRIP) and other projects
    - Average yield on bonds - approximately 4.6%
  - Refundings - $894 million
    - Present value savings - $67.6 million
    - Future value savings - $112.7 million
50th Supplemental Bond Ordinance

- Provides authority to issue up to $1.7 billion in bonds
  - $571 million – TRIP and other capital projects for 2014
  - $384 million – Refunding all or portion of the Series 2003A, 2004B and 2007 bonds
    - Subject to obtaining at least 3% NPV Savings
  - $55 million – American Airlines training facilities leased from DFW, if requested
  - $642 million – TRIP and other capital projects for 2016
    - Would be issued only if there is a substantial rise in interest rates

- Provides authority to issue bonds
  - Period of one year
  - Multiple series
  - AMT, non-AMT and Taxable Bonds
  - Final maturities not to exceed 2035 for refunding bonds and 2050 for new money bonds.
<table>
<thead>
<tr>
<th>Bond Series</th>
<th>Proposed Sale Date</th>
<th>Estimated Amount</th>
<th>Purpose (Tax Status)</th>
<th>Senior Manager Co-Senior</th>
<th>Co-Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014A</td>
<td>May 2014</td>
<td>$182 million</td>
<td>New Money (AMT)</td>
<td>Raymond James Cabrera</td>
<td>Morgan Stanley Loop Capital</td>
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<tr>
<td>2014C</td>
<td>July 2014</td>
<td>$258 million</td>
<td>New Money (AMT)</td>
<td>BAML RBC</td>
<td>Raymond James Stifel</td>
</tr>
<tr>
<td>2014D</td>
<td>August 2014</td>
<td>$84 million</td>
<td>Refunding (AMT)</td>
<td>Cabrera Ramirez</td>
<td></td>
</tr>
</tbody>
</table>

Note: Companies listed in red are M/WBE’s.
## Summary of Proposed Bonds Sales and Underwriting Teams

<table>
<thead>
<tr>
<th>Bond Series</th>
<th>Proposed Sale Date</th>
<th>Estimated Amount</th>
<th>Purpose (Tax Status)</th>
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<th>Co-Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014E</td>
<td>September 2014</td>
<td>$104 million</td>
<td>Refunding (Non-AMT)</td>
<td>Jefferies Siebert</td>
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<tr>
<td>2014x</td>
<td>Subject to AA Request</td>
<td>$55 million</td>
<td>AA Training Facility (Taxable)</td>
<td>JP Morgan</td>
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<tr>
<td>2014x</td>
<td>Subject to Savings</td>
<td>$196 million</td>
<td>Refunding 2003A (AMT)</td>
<td>Citi Group Barclay</td>
<td>Jefferies Cabrera</td>
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<tr>
<td>2014x</td>
<td>Subject to Interest Rate Sensitivity</td>
<td>$106 million</td>
<td>New Money (Non-AMT)</td>
<td>Not Appointed</td>
<td></td>
</tr>
<tr>
<td>2014x</td>
<td>Subject to Interest Rate Sensitivity</td>
<td>$535 million</td>
<td>New Money (AMT)</td>
<td>Not Appointed</td>
<td></td>
</tr>
</tbody>
</table>

Note: Companies listed in red are M/WBE’s.

Note – M/WBE percentage expected to be 32% after the sale of bonds. Aspirational goal for the program was 30%.
Financing Team

- Co-Financial Advisors
  - First Southwest Company
  - Estrada Hinojosa & Company, Inc. (M/WBE)

- Co-Bond Counsel
  - Bracewell & Giuliani, LLP
  - McCall, Parkhurst & Horton
  - Newby Davis (M/WBE)

- Co-Underwriters Counsel (selected by Underwriters)
  - Kelly, Hart & Hallman
  - Mahomes Bolden Warren (M/WBE)

Note: Companies listed in red are M/WBE’s
## Anticipated Approval Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 4, 2014</td>
<td>Brief DFW Airport Board Finance/Audit Committee</td>
</tr>
<tr>
<td>February 6, 2014</td>
<td>Approval by DFW Airport Board</td>
</tr>
<tr>
<td>February 18, 2014 (m)</td>
<td>Brief Fort Worth City Council</td>
</tr>
<tr>
<td>February 18, 2014 (a)</td>
<td>Brief Dallas Budget, Finance and Audit Committee</td>
</tr>
<tr>
<td>February 19, 2014</td>
<td>Brief Dallas City Council</td>
</tr>
<tr>
<td>February 26, 2014</td>
<td>Consideration by Dallas City Council</td>
</tr>
<tr>
<td>March 4, 2014</td>
<td>Consideration by Fort Worth City Council</td>
</tr>
</tbody>
</table>
Summary

- Request approval of $1.7 billion of debt over next year
  - $1.3 billion – new money
  - $0.4 billion – refundings

- Continued funding of TRIP and other Capital Projects
  - Interest Rate still extremely low
  - Locks in fixed rate debt
  - Provides ability to buy-out TRIP program if interest rates rise sharply
  - Ratings A2 / A / A+ comparable to other airports

  - Will only issue if 3% savings are achieved

- REMINDER – the Owner Cities have no obligation for the repayment of the bonds’ principal and interest issued for DFW Airport.
Dallas/Fort Worth International Airport
Supplemental Bond Ordinance

City of Dallas
Budget, Finance and Audit Committee
February 18, 2014
DATE: February 13, 2014

TO: Honorable Members of the Budget, Finance & Audit Committee:
   Jerry R. Allen (Chair); Jennifer S. Gates (Vice Chair);
   Tennell Atkins; Sheffie Kadane; Philip T. Kingston

SUBJECT: Upcoming Agenda Item: Franchise Fees Compliance and Recovery Services

The February 26, 2014 Council Agenda includes an item to award a thirty-six month contract with three two-year renewal options for Compliance Review and Recovery Services (Services) to MuniServices, LLC on a contingent fee basis. The City of Dallas (City) will pay MuniServices, LLC for services actually performed a fee not to exceed twenty-five percent of the revenues actually recovered and received by the City during the contract period.

Through a Request for Qualifications (RFQ) process, MuniServices, LLC was selected from among three other proposers to provide the City with compliance review and recovery services. The objective of these services is to assist the City with the detection, documentation, and correction of errors and omissions related to franchisee fee payments received from companies for services (electric, natural gas, cable/video service, and telephone) sold and consumed within the City. In Fiscal Year 2013, the City received approximately $101.7 million in franchise fees.

Franchise fees are paid by companies for the right, privilege, and franchise to construct, extend, maintain and operate in, along, under, and across the present and future streets, alleys, highways, public utility easements, and public ways (Public Rights-of-Way) with all necessary or desirable appurtenances for the purpose of providing services to the inhabitants thereof.

The City’s Office of Utility Management (Utility Management) has responsibility for the oversight and management of franchisees and their compliance with applicable Federal, State, and local regulations.

Should you need additional information, please contact me at 214-670-3222.

Craig D. Kinton
City Auditor

C: Honorable Mayor and Members of the City Council
   A.C. Gonzalez, City Manager
   Rosa A. Rios, City Secretary
   Warren M.S. Ernst, City Attorney
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"Dallas, the City that Works: Diverse, Vibrant, and Progressive."
Memorandum

DATE: February 14, 2014

TO: Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT: Upcoming Agenda Item: Certificate of Insurance and Payment and Performance Bond Compliance Tracking Services Contract

The February 26, 2014 Council Agenda includes an item for your consideration to award a thirty-six month contract with two one-year renewal options for certificate of insurance and payment and performance bond compliance tracking services to S2000 Corporation dba CertFocus, in the amount of $740,550.00.

Through a Request for Competitive Sealed Proposal (RFCSP) process, CertFocus was selected from among three proposers to provide the City with certificate of insurance and payment and performance bond compliance tracking services. This service reduces the City’s exposure to financial losses and litigation costs by transferring risk back to the vendors by verifying that vendors’ certificates of insurance, policies, and endorsements meet contractual and/or ordinance requirements.

The centralization of certificate and bond tracking will replace the current process that is managed in-house by various departments (e.g., Development Services, Special Events, Code Compliance, Public Works, etc.) that currently use multiple electronic spreadsheets and databases. CertFocus provides a more efficient and cost effective method to improve an important control factor of the procurement and permitting process. This service also includes the audit and follow up functions for all outstanding and renewal certificates and bonds.

The City currently monitors and tracks approximately 11,000 certificates of insurance (COI) and 1,200 bonds annually. The implementation of this process and oversight of CertFocus services will now be managed by one department, Office of Risk Management (ORM). ORM and other departments that will use this service will have access to the web-based tracking system that provides a reports module.

Please let me know if you need additional information.

Jeanne Chipperfield
Chief Financial Officer

C: Honorable Mayor and Members of the City Council
   A.C. Gonzalez, City Manager
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"Dallas-Together, we do it better!"