Memorandum

DATE May 30, 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 Five Texas Cities- Budget Comparisons

The Monday, June 2nd Budget, Finance and Audit Committee agenda will include a briefing on Five Texas Cities- Budget Comparisons.

Please let me know if you need additional information.

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
   A.C. Gonzalez, City Manager
   Warren M.S. Ernst, City Attorney
   Craig D. Kinton, City Auditor
   Rosa A. Rios, City Secretary
   Daniel F. Solis, Administrative Judge
   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
   Shawn Williams, Interim Public Information Officer
   Elsa Cantu, Assistant to the City Manager

"Dallas-Together. we do it better!"
Five Texas Cities- Budget Comparisons

Budget, Finance, & Audit Committee

June 2, 2014
Purpose

- Provide comparison of annual budgets for five largest cities in Texas
  - Dallas, Austin, Fort Worth, Houston, San Antonio

- Provide historical comparison of select budget metrics for City of Dallas

- No action of committee is required; briefing is informational only
Texas Cities in Briefing

**Fort Worth**
- Pop: 777,992
- Households: 269,000
- Sq. Miles: 350
- Budget: $1.4 billion
- FTE: 6,359

**San Antonio**
- Pop: 1,382,951
- Households: 481,000
- Sq. Miles: 467
- Budget: $2.3 billion
- FTE: 11,292

**Austin**
- Pop: 842,592
- Households: 331,000
- Sq. Miles: 272
- Budget: $3.3 billion
- FTE: 12,372

**Dallas**
- Pop: 1,241,162
- Households: 464,000
- Sq. Miles: 385
- Budget: $2.8 billion
- FTE: 14,603

**Houston**
- Pop: 2,160,821
- Households: 780,000
- Sq. Miles: 602
- Budget: $4.1 billion
- FTE: 21,024
Comparison of budgets (even at a high-level) for other cities is difficult since every city categorizes budget items differently.

Budgets for other four cities have been adjusted to match Dallas’ general fund budget as much as possible:

- For example, in Austin, San Antonio, and Fort Worth sanitation services are provided as an enterprise fund not part of general fund.
- Fort Worth has a ½ percent Crime Control District sales tax; those revenues have been added to its “Other Revenues” and expenses added to the Police Department.

Still not an exact apples-to-apples comparison.
Overview and Observations

- Property tax bill is much more than tax rate; and includes value, exemptions, and rate
- Dallas homestead and over-65/disabled exemptions benefit home owners yet reduces revenue for City
- Sales tax dedicated to transit supports DART yet reduces revenue for City
- Transfers from City-owned electric/gas utilities (Austin/San Antonio) and other non-tax revenues (dedicated sales taxes/Transportation User Fees) reduce reliance on property tax
Overview and Observations

- Dallas ranks below the average and 4th out of 5 for general fund expenditures per capita.
- Dallas is tied for highest percentage of budget devoted to police and fire services at 58%.
- Dallas’ debt service tax rate has fallen by 10.5% since FY11.
Areas of Comparison

General Fund Revenues

property Tax

Sales Tax

General Fund Expenses

Public Safety (Police/Fire)

Debt Service

Non-General Fund Fees

Average Cost for Citizen
General Fund Revenues
FY14 General Fund Revenue Budget
(Revenue Sources as % of Total)

<table>
<thead>
<tr>
<th>City</th>
<th>Property Tax</th>
<th>Sales Tax</th>
<th>Utility Transfers/ Franchise Fees</th>
<th>Charges for Service</th>
<th>Other Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>43%</td>
<td>14%</td>
<td>11%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>Austin</td>
<td>32%</td>
<td>19%</td>
<td>13%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>41%</td>
<td>18%</td>
<td>6%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Houston</td>
<td>44%</td>
<td>21%</td>
<td>29%</td>
<td>9%</td>
<td>29%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>23%</td>
<td>15%</td>
<td>29%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Note: Adjustments made to other cities to be comparable to Dallas’ general fund.
## FY14 General Fund Revenue Budget ($ in Millions)

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$483.9</td>
<td>$334.2</td>
<td>$293.3</td>
<td>$945.4</td>
<td>$259.1</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>249.6</td>
<td>183.2</td>
<td>120.9</td>
<td>629.6</td>
<td>234.9</td>
</tr>
<tr>
<td>Utility Transfers/ Franchise Fees</td>
<td>101.9</td>
<td>138.3</td>
<td>42.3</td>
<td>188.5</td>
<td>323.2</td>
</tr>
<tr>
<td>Charges for Service</td>
<td>157.8</td>
<td>193.8</td>
<td>155.6</td>
<td>151.4</td>
<td>165.5</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>125.2</td>
<td>179.7</td>
<td>105.3</td>
<td>239.9</td>
<td>145.3</td>
</tr>
</tbody>
</table>
Property Tax

- Property tax is typically largest source of general fund revenue for Texas cities.

- Property tax payments from property owners (tax bill) is based on following:
  - Property values determined by Appraisal Districts
  - Tax rate set by City Council
  - Exemptions set by City Council
Dallas Metric: Tax Base
(Total Certified Value in $ Billions)

Tax Year 2008 Peak Level (FY09)
Dallas Metric: Tax Base
(Percent Residential, Commercial, & BPP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>45.1%</td>
<td>44.8%</td>
<td>46.2%</td>
<td>47.4%</td>
<td>47.2%</td>
<td>45.9%</td>
<td>44.8%</td>
</tr>
<tr>
<td>Commercial</td>
<td>40.5%</td>
<td>40.6%</td>
<td>38.8%</td>
<td>37.8%</td>
<td>37.8%</td>
<td>39.1%</td>
<td>39.1%</td>
</tr>
<tr>
<td>Business Personal Property</td>
<td>14.4%</td>
<td>14.6%</td>
<td>15.0%</td>
<td>14.8%</td>
<td>15.0%</td>
<td>15.0%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>
Dallas Metric: Tax Rate
(Rate in Cents per $100 Valuation)
Dallas Metric: Tax Rate
(Percent GF and DS)

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>69.5%</td>
<td>30.5%</td>
</tr>
<tr>
<td>FY 2009</td>
<td>69.9%</td>
<td>30.1%</td>
</tr>
<tr>
<td>FY 2010</td>
<td>65.8%</td>
<td>34.2%</td>
</tr>
<tr>
<td>FY 2011</td>
<td>66.8%</td>
<td>33.2%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>67.5%</td>
<td>32.5%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>68.2%</td>
<td>31.8%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>70.3%</td>
<td>29.7%</td>
</tr>
</tbody>
</table>
## Property Tax Comparison
(Most Recent Certified Roll)

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Base Value</strong></td>
<td>$87.25 billion</td>
<td>$88.49 billion</td>
<td>$44.27 billion</td>
<td>$167.82 billion</td>
<td>$75.19 billion</td>
</tr>
<tr>
<td>Residential</td>
<td>44.8%</td>
<td>48.9%</td>
<td>43.4%</td>
<td>38.9%</td>
<td>49.2%</td>
</tr>
<tr>
<td>Commercial</td>
<td>40.2%</td>
<td>40.6%</td>
<td>38.5%</td>
<td>46.0%</td>
<td>37.3%</td>
</tr>
<tr>
<td>Bus Personal Prop</td>
<td>15.0%</td>
<td>10.5%</td>
<td>18.1%</td>
<td>15.1%</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Property Tax Rate</strong></td>
<td>$0.7970</td>
<td>$0.5027</td>
<td>$0.8550</td>
<td>$0.6388</td>
<td>$0.5657</td>
</tr>
<tr>
<td>per $100 valuation</td>
<td>70.3%</td>
<td>76.7%</td>
<td>79.1%</td>
<td>72.4%</td>
<td>62.6%</td>
</tr>
<tr>
<td>General Fund</td>
<td>79.7%</td>
<td>23.3%</td>
<td>20.9%</td>
<td>27.6%</td>
<td>37.4%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>FY11-Increase</td>
<td>FY13-Increase</td>
<td>FY07-Decrease</td>
<td>FY09-Increase</td>
<td>FY10-Decrease</td>
</tr>
<tr>
<td>Last Tax Rate</td>
<td>from $0.7479 to $0.7970 ($+6.6%)</td>
<td>from $0.4811 to $0.5029 ($+4.5%)</td>
<td>from $0.8600 to $0.8550 ($-0.6%)</td>
<td>from $0.6338 to $0.6388 ($+0.8%)</td>
<td>from $0.5671 to $0.5657 ($-0.3%)</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Exemptions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homestead</td>
<td>20%</td>
<td>None</td>
<td>20%</td>
<td>20%</td>
<td>None</td>
</tr>
<tr>
<td>Over 65/Disabled</td>
<td>$64,000</td>
<td>$51,000</td>
<td>$40,000</td>
<td>$80,000</td>
<td>$65,000</td>
</tr>
</tbody>
</table>

Source: FY14 adopted budget documents and city Finance Departments.
## Property Tax Comparison – Tax Bill

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Single-Family Residential Market Value</strong></td>
<td>$181,935</td>
<td>$222,431</td>
<td>$123,274</td>
<td>$167,800</td>
<td>$127,906</td>
</tr>
<tr>
<td><strong>Value of Homestead Exemption</strong></td>
<td>($36,387)</td>
<td>$0</td>
<td>($24,655)</td>
<td>($33,560)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Average Homestead Taxable Value</strong></td>
<td>$145,548</td>
<td>$222,431</td>
<td>$98,619</td>
<td>$134,240</td>
<td>$127,906</td>
</tr>
<tr>
<td><strong>Tax Rate/$100</strong></td>
<td>$0.7970</td>
<td>$0.5027</td>
<td>$0.8550</td>
<td>$0.6388</td>
<td>$0.5657</td>
</tr>
<tr>
<td><strong>Average City Property Tax Bill</strong></td>
<td>$1,160.02</td>
<td>$1,118.16</td>
<td>$843.19</td>
<td>$857.53</td>
<td>$723.56</td>
</tr>
</tbody>
</table>

Source: Appraisal Districts; Tax Year 2013
Average Tax Bill for $100,000 Home

- Fort Worth (20%) $684
- Dallas (20%) $638
- San Antonio (0%) $566
- Houston (20%) $511
- Austin (0%) $503

*Homestead exemption shown in parenthesis*
Neither Austin or San Antonio have city homestead exemptions.

Both Austin and Fort Worth have lower over-65/disabled homestead exemptions than Dallas.

Of 5 cities, Austin has least favorable exemptions to homeowner (no homestead, $51,000 over-65/disabled exemption).

If Dallas had no homestead exemption, an additional $7.6 billion in value would be taxable and generate additional $59m in revenue at current rate.

If City’s tax rate were reduced to rate necessary to generate current revenue budget, tax rate could be reduced by $0.069 (-8.7%) from $0.7970 to $0.7280.
Sales Tax

- Sales tax is also a major revenue source for Texas cities.
- Sales tax is more volatile and is reflective of the health of the local economy.
  - Typically declines and recovers faster than the property tax base.
- State law caps the total sales tax rate at 8.25%.
  - 6.25% retained by the State.
  - 2.00% for local entities (cities, transit authorities).
Dallas Metric: Sales Tax Revenue
($ in millions)

2008 Peak Level

$134.6
$183.2
$216.9
$229.9
$204.7
$249.6

FY 1990
FY 1991
FY 1992
FY 1993
FY 1994
FY 1995
FY 1996
FY 1997
FY 1998
FY 1999
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
## Sales Tax Comparison

<table>
<thead>
<tr>
<th>Local Sales Tax Rates (net of the State’s 6.25% rate)</th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00% 1%-City (GF) 1%-Transit</td>
<td>2.00% 1%-City (GF) 1%-Transit</td>
<td>2.00% 1%-City (GF) 0.5%-Crime Control District (City) 0.5%- Transit</td>
<td>2.00% 1%-City (GF) 1%-Transit</td>
<td>2.00% 1%-City (GF) 0.25%-Advanced Transportation District 0.125%-Linear Parks Development (City) 0.125%-Pre-K 4 SA Education (City) 0.5%- Transit</td>
<td></td>
</tr>
<tr>
<td>Sales Tax Revenue (FY13 GF Actual)</td>
<td>$241.9m</td>
<td>$170.8m</td>
<td>$118.6m</td>
<td>$605.9m</td>
<td>$261.4m</td>
</tr>
<tr>
<td>Sales Tax per Capita</td>
<td>$195</td>
<td>$201</td>
<td>$153</td>
<td>$280</td>
<td>$189</td>
</tr>
<tr>
<td>Unemployment</td>
<td>5.6%</td>
<td>4.6%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Retail Occupancy</td>
<td>92.7%</td>
<td>95.1%</td>
<td>92.7%</td>
<td>93.7%</td>
<td>94.4%</td>
</tr>
<tr>
<td>% of Pop with Bachelor’s Degree or Higher</td>
<td>29.0%</td>
<td>44.8%</td>
<td>26.0%</td>
<td>28.7%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Median Household Income (City-level)</td>
<td>$41,354</td>
<td>$52,453</td>
<td>$50,750</td>
<td>$42,847</td>
<td>$45,524</td>
</tr>
</tbody>
</table>
Sales Tax – Observations

- Of sales tax rate in Dallas, 1% goes to DART while Fort Worth and San Antonio’s transit rate is 0.5%
- Both Fort Worth and San Antonio use additional 0.5% for purposes such as crime control, infrastructure, parks, and Pre-K education
- If Dallas had 0.5% additional sales tax, it would equal $124.8m for purposes other than DART
  - If property tax rate was lowered commensurate with this additional revenue, decrease would equal $0.1464 (from $0.7970 to $0.6506)
Both Austin and San Antonio have city-owned electric/gas utilities that provide significant resources for their general funds:

- Austin (electric only) - $126m
- San Antonio (gas and electric) - $292m
- Dallas electric/gas franchise fees - $61m

If Dallas had a utility transfer above its franchise fee revenue, it would lower the tax rate $0.0759 - $0.2709.

Austin also has a Transportation User Fee ($46.5m) to fund street maintenance rather than rely on property tax for this purpose.
General Fund Expenditures
Dallas Metric: General Fund Expense Budget (Adjusted for Inflation)

- FY 2008: $1,124
- FY 2009: $1,182
- FY 2010: $1,071
- FY 2011: $1,031
- FY 2012: $1,019
- FY 2013: $1,041
- FY 2014: $1,118

($ in millions)
Dallas Metric: Expenditure Budget by KFA

FY 2008
- Public Safety: $624.8
- Clean Healthy Environment: $31.3
- Economic Vibrancy: $82.1
- Culture Arts & Recreation: $91.1
- Educational Enhancements: $97.2

FY 2009
- Public Safety: $658.7
- Clean Healthy Environment: $31.2
- Economic Vibrancy: $85.6
- Culture Arts & Recreation: $92.5
- Educational Enhancements: $97.2

FY 2010
- Public Safety: $641.8
- Clean Healthy Environment: $22.3
- Economic Vibrancy: $68.4
- Culture Arts & Recreation: $92.5
- Educational Enhancements: $97.2

FY 2011
- Public Safety: $625.5
- Clean Healthy Environment: $20.3
- Economic Vibrancy: $68.4
- Culture Arts & Recreation: $97.1
- Educational Enhancements: $97.2

FY 2012
- Public Safety: $631.8
- Clean Healthy Environment: $19.1
- Economic Vibrancy: $71.1
- Culture Arts & Recreation: $93.0
- Educational Enhancements: $97.2

FY 2013
- Public Safety: $633.9
- Clean Healthy Environment: $21.0
- Economic Vibrancy: $79.3
- Culture Arts & Recreation: $93.8
- Educational Enhancements: $98.8

FY 2014
- Public Safety: $676.4
- Clean Healthy Environment: $83.6
- Economic Vibrancy: $103.9
- Culture Arts & Recreation: $110.6
- Educational Enhancements: $120.9
Dallas Metric: Expenditure Budget by KFA

FY 2008: 59.9%
FY 2009: 60.1%
FY 2010: 63.0%
FY 2011: 62.2%
FY 2012: 62.5%
FY 2013: 60.9%
FY 2014: 60.5%

Public Safety
Clean Healthy Environment
Economic Vibrancy
E3 Government
Culture Arts & Recreation
Educational Enhancements
FY14 General Fund Expenditures
(Expenditures as % of Total)

Note: Adjustments made to other cities to be comparable to Dallas’ general fund.
FY14 General Fund Expenditures ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>$426.4</td>
<td>$295.4</td>
<td>$279.3</td>
<td>$745.2</td>
<td>$388.1</td>
</tr>
<tr>
<td>Fire/EMS</td>
<td>219.0</td>
<td>201.8</td>
<td>119.7</td>
<td>447.4</td>
<td>262.8</td>
</tr>
<tr>
<td>Streets</td>
<td>61.7</td>
<td>56.3</td>
<td>44.5</td>
<td>70.5</td>
<td>70.1</td>
</tr>
<tr>
<td>Parks &amp; Rec</td>
<td>78.6</td>
<td>66.7</td>
<td>46.9</td>
<td>74.4</td>
<td>69.4</td>
</tr>
<tr>
<td>Libraries</td>
<td>22.4</td>
<td>31.4</td>
<td>19.0</td>
<td>38.3</td>
<td>33.6</td>
</tr>
<tr>
<td>Sanitation</td>
<td>74.4</td>
<td>80.7</td>
<td>56.1</td>
<td>73.2</td>
<td>95.8</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>235.8</td>
<td>296.9</td>
<td>151.9</td>
<td>705.7</td>
<td>208.3</td>
</tr>
</tbody>
</table>
Other General Fund Expenses

- Other expense category includes services such as:
  - Code Compliance
  - Housing/Human Services
  - Municipal Court
  - Economic Development
  - Cultural Affairs
  - Planning/Development Services/Historic Preservation
  - Street Lighting
  - Administrative Departments (HR, Legal, Audit, Finance)
  - Non-Departmental
FY14 General Fund Expenditure Budget
(Total Expenditure per Capita)

- Austin: $1,221
- Houston: $997
- Fort Worth: $922
- Dallas: $901
- San Antonio: $816
Public Safety
# Public Safety Comparison – Fire

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety (Police + Fire) as % of GF*</td>
<td>58%</td>
<td>47%</td>
<td>51%</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>Fire/EMS Budget (FY14)</td>
<td>$219m</td>
<td>$202m</td>
<td>$120m</td>
<td>$447m</td>
<td>$263m</td>
</tr>
<tr>
<td>Fire/EMS Uniform FTE’s</td>
<td>1,938</td>
<td>1,605</td>
<td>884</td>
<td>3,741</td>
<td>1,663</td>
</tr>
<tr>
<td>Fire Stations</td>
<td>57</td>
<td>45</td>
<td>42</td>
<td>103</td>
<td>51</td>
</tr>
<tr>
<td>Sq. Miles covered by each Fire Station</td>
<td>6.75</td>
<td>6.04</td>
<td>8.33</td>
<td>5.84</td>
<td>9.16</td>
</tr>
<tr>
<td>ISO Rating (scale 1-10, 1=Best)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: Fort Worth EMS is privatized and City subsidy was eliminated in FY11

*% determined using cities’ comparison to Dallas’ general fund from previous slides. Dallas Public Safety KFA represents 60.4% which includes services of other departments.
# Public Safety Comparison – Police

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Budget (FY14)</td>
<td>$426m</td>
<td>$295m</td>
<td>$279m</td>
<td>$723m</td>
<td>$382m</td>
</tr>
<tr>
<td>Police Budget per Capita</td>
<td>$344</td>
<td>$351</td>
<td>$359</td>
<td>$345</td>
<td>$281</td>
</tr>
<tr>
<td>Police Uniform Strength (per 1,000 Pop.)</td>
<td>3,496</td>
<td>1,702</td>
<td>1,545</td>
<td>5,358</td>
<td>2,313</td>
</tr>
<tr>
<td>Police Stations</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Violent Crime Rate</td>
<td>0.68%</td>
<td>0.37%</td>
<td>0.51%</td>
<td>0.97%</td>
<td>0.64%</td>
</tr>
<tr>
<td>Property Crime Rate</td>
<td>4.14%</td>
<td>5.02%</td>
<td>4.50%</td>
<td>5.13%</td>
<td>5.78%</td>
</tr>
<tr>
<td>Total Crime Rate</td>
<td>4.82%</td>
<td>5.39%</td>
<td>5.01%</td>
<td>6.10%</td>
<td>6.42%</td>
</tr>
</tbody>
</table>

Note: Fort Worth Police includes 191 Uniform positions funded through Crime Control District Sales Tax

Crime Rate equals # of incidents divided by population; 2013 FBI UCR Statistics
Dallas has the highest officer per 1,000 population of the five cities

If Dallas were to adjust to the other cities:

<table>
<thead>
<tr>
<th>Police Uniform Strength (per 1,000 Pop.)</th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.77</td>
<td>3,496</td>
<td>1,702</td>
<td>1,545</td>
<td>5,358</td>
<td>2,313</td>
</tr>
<tr>
<td>(995)</td>
<td></td>
<td>(1,026)</td>
<td>(615)</td>
<td></td>
<td>(1,416)</td>
</tr>
</tbody>
</table>

Est. Budgetary Impact of Change

| ($71.2m) | ($73.4m) | ($43.9m) | ($101.3m) |

Note: Budgetary impact based on average salary and benefits of $71,538/officer
Debt Service
Dallas Metric: Total Outstanding General Obligation Debt

($) in billions

FY 2008: $1.90
FY 2009: $2.00
FY 2010: $1.94
FY 2011: $1.80
FY 2012: $1.67
FY 2013: $1.69
FY 2014: $1.55

Dallas Metric: Debt Service Budget as a Percent of Tax-supported Operating Budget

General Fund + Debt Service

Note: FY14 assumes no debt issuance in FY14.
# Debt Service Comparison

<table>
<thead>
<tr>
<th>Bond Rating: Moody’s S&amp;P</th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aa1 AA+</td>
<td></td>
<td>Aaa AAA</td>
<td>Aa1 AA+</td>
<td>Aa2 AA</td>
<td>Aaa AAA</td>
</tr>
<tr>
<td>Most Recent Bond Program</td>
<td>Nov 2012-$642m Implement over 5 years</td>
<td>Nov 2012-$306.6m Implement over 4 years</td>
<td>May 2014-$292m Implement over 5 years</td>
<td>Nov 2012-$410m Implement over 6 years</td>
<td>Nov 2012-$596m Implement over 5 years</td>
</tr>
<tr>
<td>Outstanding General Obligation Debt</td>
<td>$1,691m</td>
<td>$881.9m</td>
<td>$888.9m</td>
<td>$3,332m</td>
<td>$1,406m</td>
</tr>
<tr>
<td>GO Bond Maturities</td>
<td>20 Years</td>
<td>20 Years</td>
<td>20 Years</td>
<td>30 Years</td>
<td>20 Years</td>
</tr>
<tr>
<td>GO Debt per Capita</td>
<td>$1,363</td>
<td>$1,047</td>
<td>$1,143</td>
<td>$1,542</td>
<td>$1,017</td>
</tr>
<tr>
<td>Debt Service Tax Rate (% of total rate)</td>
<td>$0.2369 (29.7%)</td>
<td>$0.1171 (23.3%)</td>
<td>$0.1791 (20.9%)</td>
<td>$0.1765 (27.6%)</td>
<td>$0.2115 (37.4%)</td>
</tr>
<tr>
<td>FY14 Debt Service Budget</td>
<td>$226.6m</td>
<td>$141m</td>
<td>$84.5m</td>
<td>$296.9m</td>
<td>$175.5m</td>
</tr>
</tbody>
</table>
Average Annual Cost to Citizens
## Non-General Fund Fees
*(Typical Residential Monthly Bill)*

<table>
<thead>
<tr>
<th>Service</th>
<th>Dallas</th>
<th>Austin</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storm Water</td>
<td>$5.77</td>
<td>$9.20</td>
<td>$5.40</td>
<td>$5.00</td>
<td>$4.25</td>
</tr>
<tr>
<td>Sanitation</td>
<td>$20.64</td>
<td>$26.40</td>
<td>$22.75</td>
<td>Included in tax rate</td>
<td>$19.93</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$61.37</td>
<td>$95.54</td>
<td>$59.53</td>
<td>$91.50</td>
<td>$54.04</td>
</tr>
<tr>
<td>Parks Environmental Fee</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$1.00</td>
</tr>
<tr>
<td>Transportation User Fee</td>
<td>N/A</td>
<td>$7.80</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
# Average Annual Cost to Citizens

<table>
<thead>
<tr>
<th></th>
<th>Dallas</th>
<th>Austin*</th>
<th>Fort Worth</th>
<th>Houston</th>
<th>San Antonio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Bill (City)</td>
<td>$1,160.02</td>
<td>$1,118.16</td>
<td>$843.19</td>
<td>$857.53</td>
<td>$723.56</td>
</tr>
<tr>
<td>Storm Water</td>
<td>$69.24</td>
<td>$110.40</td>
<td>$64.80</td>
<td>$60.00</td>
<td>$51.00</td>
</tr>
<tr>
<td>Sanitation</td>
<td>$247.68</td>
<td>$316.80</td>
<td>$273.00</td>
<td>$0</td>
<td>$239.16</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$736.44</td>
<td>$1,146.48</td>
<td>$714.36</td>
<td>$1,098.00</td>
<td>$648.48</td>
</tr>
<tr>
<td>Parks Environmental Fee</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$12.00</td>
</tr>
<tr>
<td>Transportation User Fee</td>
<td>$0</td>
<td>$93.60</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$2,213.38</td>
<td>$2,785.44</td>
<td>$1,895.35</td>
<td>$2,015.53</td>
<td>$1,674.2</td>
</tr>
</tbody>
</table>

*Does not factor in impact of citizen payments made to City-owned electric/gas utilities which transfer funds to the General Fund*
Observations and Takeaways
Observations

- Comparing budgets across cities, even in the same state, is not apples-to-apples since every city categorizes budget items differently.
- Total cost to citizens is the result of much more than just property tax and includes fees for services such as sanitation and water/sewer charges.
Observations

- Property tax bill is much more than tax rate; and includes value, exemptions, and rate
- Dallas homestead and over-65/disabled exemptions benefit home owners yet reduces revenue for City
- Sales tax dedicated to transit supports DART yet reduces revenue for City
- Transfers from City owned electric utilities and other non-tax revenues reduce reliance on property tax
Observations

- Dallas ranks below average and 4\textsuperscript{th} out of 5 cities for general fund expenditures per capita
- Dallas is tied for highest percentage of budget devoted to police and fire services at 58%
- Dallas’ debt service tax rate has fallen by 10.5% since FY11
Questions?