

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, NOVEMBER 14, 2023

23-0012

GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT COMMITTEE  
CITY COUNCIL CHAMBER, CITY HALL/VIDEO CONFERENCE  
COUNCILMEMBER CHAD WEST, PRESIDING

PRESENT: [4] West, Blackmon (\*\*1:21 p.m.), Moreno, Mendelsohn

ABSENT: [1] Resendez

The meeting was called to order at 1:09 p.m. with a quorum of the committee present.

The meeting agenda, posted in accordance with Chapter 551, "OPEN MEETINGS," of the Texas Government Code, was presented.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:46 p.m.

---

Chair

ATTEST:

---

City Secretary Staff

---

Date Approved

The agenda is attached to the minutes of this meeting as EXHIBIT A.

The actions taken on each matter considered by the committee are attached to the minutes of this meeting as EXHIBIT B.

The briefing materials are attached to the minutes of this meeting as EXHIBIT C.

**\*\*Note: Indicates arrival time after meeting called to order/reconvened.**

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, NOVEMBER 14, 2023

EXHIBIT A

**RECEIVED**

**2023 NOV-9 PM 6:24**

**CITY SECRETARY  
DALLAS, TEXAS**

**City of Dallas**

*1500 Marilla Street,  
Council Chambers, 6th Floor  
Dallas, Texas 75201*

**Public Notice**

**231019**

**POSTED** CITY SECRETARY  
DALLAS, TX



**Government Performance and Financial  
Management Committee**

**November 14, 2023**

**1:00 PM**

## 2023 CITY COUNCIL APPOINTMENTS

| COUNCIL COMMITTEE  |   |
|--|---|
| <b>ECONOMIC DEVELOPMENT</b><br>Atkins (C), Narvaez (VC), Arnold, Bazaldua, Ridley, Stewart, West                     | <b>GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT</b><br>West (C), Blackmon (VC), Mendelsohn, Moreno, Resendez                               |
| <b>HOUSING AND HOMELESSNESS SOLUTIONS</b><br>Moreno (C), Mendelsohn (VC), Gracey, West, Willis                       | <b>PARKS, TRAILS, AND THE ENVIRONMENT</b><br>Stewart (C), Moreno (VC), Arnold, Bazaldua, Blackmon, Narvaez, West                              |
| <b>PUBLIC SAFETY</b><br>Mendelsohn (C), Stewart (VC), Atkins, Moreno, Willis   | <b>QUALITY OF LIFE, ARTS, AND CULTURE</b><br>Bazaldua (C), Resendez (VC), Blackmon, Gracey, Ridley, Schultz, Willis                           |
| <b>TRANSPORTATION AND INFRASTRUCTURE</b><br>Narvaez (C), Gracey (VC), Atkins, Mendelsohn, Resendez, Schultz, Stewart | <b>WORKFORCE, EDUCATION, AND EQUITY</b><br>Schultz (C), Arnold (VC), Bazaldua, Blackmon, Resendez, Ridley, Willis                             |
| <b>AD HOC COMMITTEE ON ADMINISTRATIVE AFFAIRS</b><br>Atkins (C), Mendelsohn, Moreno,                                 | <b>AD HOC COMMITTEE ON GENERAL INVESTIGATING AND ETHICS</b><br>Mendelsohn (C), Gracey, Johnson, Schultz, Stewart                              |
| <b>AD HOC COMMITTEE ON JUDICIAL NOMINATIONS</b><br>Ridley (C), Resendez, West  | <b>AD HOC COMMITTEE ON LEGISLATIVE AFFAIRS</b><br>Mendelsohn (C), Atkins, Gracey, Narvaez, Stewart  |
| <b>AD HOC COMMITTEE ON PENSIONS</b><br>Atkins (C), Blackmon, Mendelsohn, Moreno, Resendez, Stewart, West, Willis     | <b>AD HOC COMMITTEE ON PROFESSIONAL SPORTS RECRUITMENT AND RETENTION</b><br>Gracey (C), Blackmon, Johnson, Moreno, Narvaez, Resendez, Schultz |

(C) – Chair, (VC) – Vice Chair

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

## General Information

The Dallas Council Committees regularly meet on Mondays beginning at 9:00 a.m. and 1:00 p.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council Committee agenda meetings are broadcast live on [bit.ly/cityofdallastv](http://bit.ly/cityofdallastv) and on Time Warner City Cable Channel 16.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

## Información General

Los Comités del Concejo de la Ciudad de Dallas se reúnen regularmente los lunes en la Cámara del consejo en el sexto piso del Ayuntamiento, 1500 Marilla, a partir de las 9:00 a.m. y la 1:00 p.m. Las reuniones de la agenda del Comité del Consejo se transmiten en vivo por la estación de [bit.ly/cityofdallastv](http://bit.ly/cityofdallastv) y por cablevisión en la estación *Time Warner City Cable Canal 16*.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

## **Handgun Prohibition Notice for Meetings of Governmental Entities**

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

*"De conformidad con la Sección 46.03, Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."*

This City Council Government Performance and Financial Management Committee meeting will be held by video conference and in the Council Chambers, 6th Floor at City Hall.

The public may attend the meeting virtually; however, City Hall is available for those wishing to attend the meeting in person.

The Government Performance and Financial Management Committee will be broadcast live on Spectrum Cable Channel 16 (English) and 95 (Spanish) and online at [bit.ly/cityofdallastv](https://bit.ly/cityofdallastv).

The public may also listen to the meeting as an attendee at the following video conference link:

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m6aa1c734f97710b6647cc72685a88b54>

### Call to Order

### MINUTES

1. [23-2939](#) Approval of the October 23, 2023 Government Performance and Financial Management Committee Meeting Minutes

**Attachments:** [Minutes](#)

### BRIEFING ITEMS

- A. [23-2942](#) Development Services- Monthly Update & Process Map Improvements for October 2023  
[Andrew Espinoza, Director, Department of Development Services]

**Attachments:** [Memorandum](#)

- B. [23-2940](#) Personnel Rules Updates  
[Nina Arias, Director, Department of Human Resources]

**Attachments:** [Presentation](#)

- C. [23-2941](#) Recommended 2024 External Audit Work Plan  
[Sara Dempsey, Engagement Manager, Weaver; Jeff Wada, Audit Senior Manager, Weaver]

**Attachments:** [Presentation](#)

### DISCUSSION

- D. [23-3019](#) City-wide Real Estate Issues and Opportunities  
[Robert Perez, Assistant City Manager, City Manager's Office]

### BRIEFING MEMORANDUMS

- E. [23-2943](#) GPFM Two-Month Forecast  
**Attachments:** [Forecast](#)
- F. [23-2944](#) Budget Accountability Report Information as of September 30, 2023  
[Budget & Management Services]  
**Attachments:** [Report](#)
- G. [23-2945](#) Technology Accountability Report Information as of October 31, 2023  
[Information & Technology Services]  
**Attachments:** [Report](#)
- H. [23-2953](#) State Fair of Texas Financial Report for years ending December 31, 2022  
and 2021  
[Park and Recreation]  
**Attachments:** [Report](#)
- I. [23-2955](#) Office of the City Auditor Monthly Update on Internal Audit Reports  
Released Between October 14, 2023 and November 3, 2023  
[Office of the City Auditor]  
**Attachments:** [Memorandum](#)
- J. [23-2956](#) Recommended 2024 Annual Internal Audit Plan  
[Office of the City Auditor]  
**Attachments:** [Memorandum](#)
- K. [23-2958](#) 2025 Legislative Priorities  
[Office of Government Affairs]  
**Attachments:** [Memorandum](#)

**ADJOURNMENT**



**EXECUTIVE SESSION NOTICE**

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

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]

MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, NOVEMBER 14, 2023

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

Item 1: Approval of the October 23, 2023 Government Performance and Financial Management Committee Meeting Minutes

Councilmember Mendelsohn moved to adopt the minutes as presented.

Motion seconded by Councilmember Moreno and unanimously adopted. (Blackmon absent when vote taken; Resendez absent)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

BRIEFING ITEMS

Item A:           Development Services- Monthly Update & Process Map Improvements for October 2023

The following individuals briefed the committee on the item:

- Andrew Espinoza, Director, Development Services; and
- William Zielinski, Chief Information Officer, City Manager's Office

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

BRIEFING ITEMS

Item B: Personnel Rules Updates

The following individuals briefed the committee on the item:

- Nina Arias, Director, Department of Human Resources; and
- Kimberly Bizer Tolbert, Deputy City Manager, City Manager's Office

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

BRIEFING ITEMS

Item C: Recommended 2024 External Audit Work Plan

The following individuals briefed the committee on the item:

- Sara Dempsey, Engagement Manager, Weaver; and
- Jeff Wada, Audit Senior Manager, Weaver

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

DISCUSSION

Item D: City-wide Real Estate Issues and Opportunities

The committee discussed the item.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

NOVEMBER 14, 2023

BRIEFING MEMOS

Item E: GPFM Two-Month Forecast

Item F: Budget Accountability Report Information as of September 30, 2023

Item G: Technology Accountability Report Information as of October 31, 2023

Item H: State Fair of Texas Financial Report for years ending December 31, 2022 and 2021

Item I: Office of the City Auditor Monthly Update on Internal Audit Reports Released Between October 14, 2023 and November 3, 2023

Item J: Recommended 2024 Annual Internal Audit Plan

Councilmember Mendelsohn moved to forward Item J to city council without the following:

- Item No. 2., City Attorney's Office, Inspector General Division Workforce Staffing Levels

Motion seconded by Councilmember Moreno.

Chair West called a vote and declared the motion failed. (Resendez absent)

Councilmember Blackmon moved to forward Item J to city council as presented.

Motion seconded by Councilmember West.

Chair West called a vote and declared Item J forwarded with Mendelsohn voting "No." (Resendez absent)

Item K: 2025 Legislative Priorities

The committee discussed all items.



MINUTES OF THE CITY COUNCIL COMMITTEE  
TUESDAY, NOVEMBER 14, 2023

EXHIBIT C



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2942

**Item #:** A.

---

Development Services- Monthly Update & Process Map Improvements for October 2023  
[Andrew Espinoza, Director, Department of Development Services]

# Memorandum



CITY OF DALLAS

DATE November 14, 2023  
TO Honorable Members of the Government Performance and Financial Management Committee  
SUBJECT **Development Services Department Monthly Update for October 2023**

This memorandum serves as clarification to the Government Performance and Financial Management (GPFM) Committee Chairman that Development Services Department will not be formally presenting at GPFM. DSD staff will be available in person or virtually to provide updates to the Dallas Developer Guide workflow process improvements.

Should you have any questions please contact Andrew Espinoza, Director/Chief Building Official of Development Services at (214) 542-1227 or [andres.espinoza@dallas.gov](mailto:andres.espinoza@dallas.gov) .

A handwritten signature in blue ink, appearing to read 'M. Al-Ghafry'.

Majed A. Al-Ghafry, P.E.  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2940

**Item #:** B.

---

Personnel Rules Updates  
[Nina Arias, Director, Department of Human Resources]



**City of Dallas**

# **Personnel Rules Updates**

**Government Performance and  
Financial Management  
11-14-2023**

Nina Arias, Director  
Human Resources  
City of Dallas

# Presentation Overview



- Background/History
- Purpose
- Issues/Operational or Business Concerns
- Operational Impact
- Proposed Action
- Next Steps



# Background/History



The Department of Human Resources and the City Attorney's Office review and modify Chapter 34 of the Dallas City Code (City of Dallas Personnel Rules) to address:

- Outdated and/or obsolete information
- Changes to federal and state laws
- Modifications to City processes and procedures



# Purpose



Updates to the Personnel Rules will:



- Remove obsolete terminology and correct errors
- Allow employment of 15-year-olds as lifeguards
- Clarify how overtime and eligibility for Attendance Incentive Leave is affected by leaves
- Expand the professionals who can approve Mental Health Leave
- Revise language for clarity in the Come Back clause
- Include teleworking in the Rules of Conduct
- Expand the executives able to hear grievances and appeals





# Issues/Operational Concerns



- Flex time terminology is no longer used in the current Human Resources Information System.
- The computation of overtime and compensatory leave is not addressed for compassionate leave, injury leave, mental health leave, and paid parental leave.
- Limited types of professionals who can approve the need for mental health leave due to an on-the-job traumatic event.
- There is a typographical error in the date of implementation of paid parental leave.
- Other municipalities and private employers hire 15-year-olds for lifeguard positions.



# Issues/Operational Concerns



- There is a need to clarify the age of enrollment for age pre-65 retirees and the definition of a spouse to enroll in continued health benefits (Come Back clause).



- Telework should be listed in instances of unexcused absence or tardiness.
- The titles of deputy city manager and chief financial officer should be included in the reference for assistant city manager when identifying staff who can hear grievances and appeals.



# Proposed Actions



- Sec. 34-4. Definitions
  - Remove **flex time**
  - Remove reference to peace officers in mental health leave reference for paid leave definition
  - Financial impact: None
- Sec. 34-6. Requirements for Induction
  - Allow the employment of applicants 15 years of age for a seasonal position as a summer lifeguard in the Parks and Recreation Department, in accordance with state and federal laws governing employment of persons age 15 years.
  - Financial impact: None



# Proposed Actions



## Changes to Overtime Calculation for Mental Health Leave and Compassionate Leave

- Requires changes to multiple sections in Personnel Rules to address allowing overtime calculation for use of Mental Health Leave, Injury Leave, Quarantine Leave, and Compassionate Leave:
  - Sec 34-17 Overtime and Paid Leave for Civilian Employees
  - Sec 34-19 Work Hours, Paid Leave and Overtime For Public Safety Employees



# Proposed Actions



- Sec. 34-17 Overtime and Paid Leave for Civilian Employees
  - Include **compassionate leave, injury leave, mental health leave, and quarantine leave** as leaves that will be included for the purposes of computing overtime or compensatory leave.
  - Identify that **paid parental leave** and **sick leave** will not be counted as work time for purposes of computing overtime or compensatory leave
  - Financial impact: No impact for compassionate leave, injury leave, paid parental leave, and sick leave. See overtime calculation for mental health leave.



# Proposed Actions



- Sec. 34-19 Work Hours, Paid Leave, and Overtime for Public Safety Employees.
  - Include **compassionate leave, injury leave, mental health leave, and quarantine leave** for the purposes of computing overtime or compensatory leave.
  - Identify that **paid parental leave** and **sick leave** will not be counted as work time for purposes of computing overtime or compensatory leave.
  - Financial impact: No impact for compassionate leave, paid parental leave, and sick leave. See overtime calculation for mental health leave.



# Financial Analysis of Overtime Calculation Mental Health Leave



Scenario A: Worker receives mental health leave and takes it in two different payroll weeks. Worker works average number of hours over 40/60 hours in a week. Mental health leave hours count toward hours worked for overtime calculation.

Scenario A With Mental Health Leave Counting Toward Overtime Calculation

| A. Employee Type        | A Estimated number taking mental health leave annually | B. Amount of mental health leave available | C. Estimated average amount of overtime in week | D. Weeks with mental health leave | E. Hours subject to overtime premium (C x D) | F. Fully loaded hourly rate | G. Overtime premium (F x 0.5) | H. Overtime cost = Overtime premium x hours subject to overtime premium (E x G) | Estimated total cost (A x H) |
|-------------------------|--|--|---|-----------------------------------|--|-----------------------------|-------------------------------|---|------------------------------|
| Civilian hourly         | 12   | 40   | 2   | 2                                 | 4  | \$ 34.12                    | \$ 17.06                      | \$ 68.24  | \$ 818.88                    |
| DPD uniform hourly      | 12   | 40   | 2   | 2                                 | 4  | \$ 56.44                    | \$ 28.22                      | \$ 112.88   | \$ 1,354.56                  |
| DFR uniform hourly 2808 | 10   | 60   | 2   | 2                                 | 4  | \$ 43.68                    | \$ 21.84                      | \$ 87.36  | \$ 873.60                    |
| DFR uniform hourly 2080 | 2  | 60   | 2   | 2                                 | 4  | \$ 55.77                    | \$ 27.89                      | \$ 111.54   | \$ 223.08                    |
| <b>Total</b>            |  |  |   |                                   |  |                             |                               |   | <b>\$ 3,270.12</b>           |

9-5-23



# Issues/Operational Concerns



- Sec. 34-22.3 Mental Health Leave



- Include **licensed mental health professionals** to be able to verify the need for mental health leave.
- Financial impact: None

- Sec. 34-24.2. Paid Parental Leave

- Correct the typographical error for the implementation date of **October 1, 2021**, for paid parental leave.
- Financial impact: None





# Issues/Operational Concerns



- **34-22.4. Compassionate Leave.**
- Expand the eligibility for compassionate leave for employees not expected to return to work to include employees who may be able to return to work in the future after an extended period of time of 20 weeks or more.
- Financial impact: \$131,000.



# Financial Analysis of Additional Compassionate Leave



Calculation September 5, 2023

| Scenario: Compassionate leave available to employees who are out longer than 12 weeks, receive Long Term Disability payments, and are able to return to work. |  |   |   |                              |                              |
|---|--|---|---|------------------------------|------------------------------|
| A. Employee Type  | A Estimated number taking compassionate leave annually | B. Amount of compassionate leave available per employee | C. Total hours of compassionate leave granted (A x B) | D. Average fully loaded rate | Estimated total cost (C x D) |
| Civilian Non-Exempt   | 2  | 232   | 464   | \$34.12                      | \$15,831.68                  |
| Civilian Exempt (Non-Executive)   | 1  | 232   | 232   | \$47.47                      | \$11,013.04                  |
| DPD uniform   | 3  | 232   | 696   | \$57.24                      | \$39,839.04                  |
| DFR uniform Exec (Non-Exempt)   | 1  | 232   | 232   | \$90.52                      | \$21,000.64                  |
| DFR uniform 2808  | 2  | 348   | 696   | \$43.66                      | \$30,387.36                  |
| DFR uniform 2080 (Non-Exempt)   | 1  | 232   | 232   | \$54.81                      | \$12,715.92                  |
| <b>Total</b>  | <b>10</b>  |   |   |                              | <b>\$130,787.68</b>          |

## Assumptions:

1. Use of compassionate leave increases from 4 per year to 14 per year based on current requests and use of Long-Term Disability Insurance.
2. Calculations include hourly and salaried employees unless noted.
3. Fully loaded hourly rate from HR compensation.

9-5-23



# Proposed Action



- Sec. 34-32 Health Benefits Plan
  - (c) Notice of retirees' rights to purchase continued health benefits.
    - Amend Sec (5) to clarify the enrollment period for health benefits is at **age 65** and not older than age 65.
    - Remove Sec (5) (B) clause which required the spouse to be married at the time of separation.
    - Financial impact: None



# Proposed Action



- Sec. 34-36. Rules of conduct.
  - (b) Unacceptable conduct.
    - (1) Unsatisfactory attendance:
      - Include **telework** in instances of unexcused absence or tardiness.
      - Financial impact: None
- 34-38. Grievance and Appeals.
  - (k) Reference to assistant city manager.
    - Include **deputy city manager** and **chief financial officer** to be included in the reference.
    - Financial impact: None



# Staff Recommendation



- Staff recommends the Government Performance and Financial Management Committee forward the following to City Council for consideration and approval:
  - Approval of all proposed amendments to Personal Rules.



# Next Steps



- Council Action
  - Timeline for implementation:
  - If approved, the changes will be effective after council approval.
    - Information will be provided to all city management staff and impacted employees.
    - Personnel Rules will be updated and published.
  - If not approved, alternative processes will be developed based on items not approved.





**City of Dallas**

# **Updates to Personnel Rules**

**Government  
Performance and  
Financial Management  
11-14-2023**

Nina Arias, Director  
Human Resources  
City of Dallas

# Addendum



| Personnel Rules Reference            | Personnel Rule Wording (Current)  | Recommended Personnel Rule Wording   | Reason   |
|--------------------------------------|---|--|--|
| 34-4 (21) DEFINITIONS                | FLEX TIME means a balancing time entry process that provides exempt employees with the opportunity to substitute additional hours worked outside of his or her normal work schedule for time not worked during the same pay period in order to meet the total 80 hours required in a pay period. Flex time is a balancing entry only and is not paid leave. | <del>FLEX TIME means a balancing time entry process that provides exempt employees with the opportunity to substitute additional hours worked outside of his or her normal work schedule for time not worked during the same pay period in order to meet the total 80 hours required in a pay period. Flex time is a balancing entry only and is not paid leave.</del><br>(21) Reserved.                                   | Remove FLEX TIME from definitions list.<br>Terminology and process are not used in current Human Resources Information Systems timekeeping processes. Reserve the number to keep number references consistent. |
| 34-4 DEFINITIONS                     | (35) PAID LEAVE means sick leave, vacation leave, holiday leave, court leave, death-in-family leave, no more than 21 days of military leave each fiscal year as required by state law, parental leave, quarantine leave, mental health leave for peace officers, compassionate leave, and mandatory city leave.   | (35) PAID LEAVE means sick leave, vacation leave, holiday leave, court leave, death-in-family leave, no more than 21 days of military leave each fiscal year as required by state law, parental leave, quarantine leave, mental health leave <del>for peace officers</del> , compassionate leave, and mandatory city leave.  | Mental health leave is not restricted to only peace officers.  |
| SEC. 34-6 REQUIREMENTS FOR INDUCTION | REQUIREMENTS FOR INDUCTION.<br>To obtain employment with the city, an applicant must:<br>(1) Be at least 16 years of age, unless otherwise approved under a federally-sponsored program;  | REQUIREMENTS FOR INDUCTION.<br>To obtain employment with the city, an applicant must:<br>(1) Be at least 16 years of age, unless otherwise approved under a federally-sponsored program, <u>or be at least 15 years of age for employment in a seasonal position as a summer lifeguard in the Parks and Recreation Department, in accordance with state and federal laws governing employment of persons age 15 years;</u> | Allow the employment of persons age 15 in the seasonal position of lifeguard.  |





# Addendum



| Personnel Rules Reference                                   | Personnel Rule Wording (Current)   | Recommended Personnel Rule Wording  | Reason  |
|---|--|---|---|
| SEC. 34-16. WORK HOURS.                                     | (f) <u>Flex time</u> . Rules regarding the use and application of flex time are addressed in the administrative directives of the city.  | <del>(f) <u>Flex time</u>. Rules regarding the use and application of flex time are addressed in the administrative directives of the city.</del> Reserved  | Terminology and process are not used in current Human Resources Information Systems timekeeping processes.                                  |
| SEC. 34-17. OVERTIME AND PAID LEAVE FOR CIVILIAN EMPLOYEES. | (b) Paid leave. An employee is charged with paid leave only on days the employee would otherwise have been scheduled to work. If the employee is assigned to a standard work week, no more than 40 hours paid leave may be charged in one work week. If the employee is assigned to an approved alternate work schedule, the hours charged in one work week as paid leave may not exceed the maximum hours contained in the alternate work week during which the leave was taken. Except for holiday leave, mandatory city leave, and court leave pursuant to Section 34-26, paid leave will not be counted as work time for purposes of computing overtime or compensatory leave. | (b) Paid leave. An employee is charged with paid leave only on days the employee would otherwise have been scheduled to work. If the employee is assigned to a standard work week, no more than 40 hours paid leave may be charged in one work week. If the employee is assigned to an approved alternate work schedule, the hours charged in one work week as paid leave may not exceed the maximum hours contained in the alternate work week during which the leave was taken. Except for holiday leave, <u>mental health leave, compassionate leave, injury leave, quarantine leave,</u> mandatory city leave, and court leave pursuant to Section 34-26, paid leave will not be counted as work time for purposes of computing overtime or compensatory leave. | Add quarantine leave, mental health leave and compassionate leave to the categories of leave counted as work time for overtime calculation. |



# Addendum



| Personnel Rules Reference   | Personnel Rule Wording (Current)  | Recommended Personnel Rule Wording   | Reason  |
|---|---|--|---|
| <p><b>SEC. 34-19. WORK HOURS, PAID LEAVE, AND OVERTIME FOR PUBLIC SAFETY EMPLOYEES.</b></p> | <p>(a) Police Department (3) Paid leave. Any sworn employee of the police department is charged with paid leave only on days the employee would otherwise have been scheduled to work. If the employee is assigned to a standard work week, no more than 40 hours paid leave may be charged in one work week. If the employee is assigned to an approved alternate work schedule, the hours charged in one work week as paid leave may not exceed the maximum hours contained in the alternate work week during which the leave was taken. Authorized attendance incentive leave, vacation leave, holiday leave, leave with pay as defined by Section <a href="#">34-29</a>, compensatory leave, court leave pursuant to Section <a href="#">34-26</a>, mandatory city leave, military leave, and death-in- family leave will be counted as work time for purposes of computing overtime or compensatory leave.</p> | <p>(a) Police Department (3) Paid leave. Any sworn employee of the police department is charged with paid leave only on days the employee would otherwise have been scheduled to work. If the employee is assigned to a standard work week, no more than 40 hours paid leave may be charged in one work week. If the employee is assigned to an approved alternate work schedule, the hours charged in one work week as paid leave may not exceed the maximum hours contained in the alternate work week during which the leave was taken. Authorized attendance incentive leave, vacation leave, holiday leave, leave with pay as defined by Section <a href="#">34-29</a>, compensatory leave, court leave pursuant to Section <a href="#">34-26</a>, mandatory city leave, military leave, <del>and</del> death-in- family leave, <u>compassionate leave, injury leave, mental health leave, and quarantine leave</u> will be counted as work time for purposes of computing overtime or compensatory leave. <u>Paid parental leave and sick leave will not be counted as work time for purposes of computing overtime or compensatory leave.</u></p> | <p>Add compassionate leave, injury leave, mental health leave, and quarantine leave to the categories of leave counted as work time for overtime calculation. Reorder leaves in alphabetical order. Clarify that paid parental leave and sick leave are counted a sick leave when computing overtime or compensatory leave.</p> |



# Addendum



| Personnel Rules Reference   | Personnel Rule Wording (Current)  | Recommended Personnel Rule Wording  | Reason   |
|---|---|---|--|
| <p><b>SEC. 34-19. WORK HOURS, PAID LEAVE, AND OVERTIME FOR PUBLIC SAFETY EMPLOYEES.</b></p> | <p>(b) Fire Department(9) Authorized attendance incentive leave, vacation leave, holiday leave, leave with pay as defined by Section <a href="#">34-29</a>, compensatory leave, court leave pursuant to Section <a href="#">34-26</a>, mandatory city leave, military leave, and death-in-family leave will be counted as work time for purposes of computing overtime or compensatory leave.</p> | <p>(b) (9) Authorized attendance incentive leave, vacation leave, holiday leave, leave with pay as defined by Section <a href="#">34-29</a>, compensatory leave, court leave pursuant to Section <a href="#">34-26</a>, mandatory city leave, military leave, <del>and</del> death-in-family leave, <u>compassionate leave, injury leave, mental health leave, and quarantine leave</u> will be counted as work time for purposes of computing overtime or compensatory leave. <u>Paid parental leave and sick leave will not be counted as work time for purposes of computing overtime or compensatory leave.</u></p> | <p>Add mental health leave and compassionate leave to the categories of leave counted as work time for overtime calculation. Reorder leaves in alphabetical order. Clarify that paid parental leave and sick leave are counted a sick leave when computing overtime or compensatory leave.</p> |



# Addendum



| Personnel Rules Reference            | Personnel Rule Wording (Current)   | Recommended Personnel Rule Wording  | Reason  |
|--------------------------------------|--|---|---|
| <b>34-22.3 MENTAL HEALTH LEAVE</b>   | (a) <u>Eligibility.</u><br>An employee who experiences a traumatic event while on duty if the need for mental health leave is verified by a licensed psychiatrist or psychologist.   | (a) <u>Eligibility.</u><br>An employee who experiences a traumatic event while on duty if the need for mental health leave is verified by a licensed psychiatrist, <del>or licensed</del> psychologist, or <u>licensed mental health professional.</u>  | Add “licensed mental health professional” to professional who can provide documentation for mental health leave. Expand type of professional who can verify need for mental health leave. |
| <b>34-22.4. COMPASSIONATE LEAVE.</b> | (a) Purpose. Compassionate leave is intended for employees with a serious medical condition or injury that prevents the employee from performing any type of work and, due to the employee's medical condition, it is anticipated that the employee will not be able to return to work | (a) Purpose. Compassionate leave is intended for employees with a serious medical condition or injury that prevents the employee from performing any type of work and, due to the employee's medical condition, it is anticipated that the employee will not be able to return to work <u>for an extended period of time or indefinitely.</u> | Expand the eligibility for compassionate leave to include employees who may be able to return to work in the future.  |
| <b>34-24.2. PAID PARENTAL LEAVE</b>  | On or after January 1, 2021, a maximum of six weeks paid parental leave is available to employees...   | On or after <del>January 1, 2022</del> <u>October 1, 2021</u> , a maximum of six weeks paid parental leave is available to employees...   | Correct date of implementation for paid parental leave.   |



# Addendum



| Personnel Rules Reference                 | Personnel Rule Wording (Current)   | Recommended Personnel Rule Wording  | Reason  |
|---|--|---|---|
| <b>34-32 (c) (5) HEALTH BENEFITS</b>      | A retiree who is age 65 or older may enroll in the city's post-65 plan after separating from employment under the "come-back option" if, within 30 days of timely enrolling in the Medicare... | A retiree who is age 65 <del>or older</del> may enroll in the city's post-65 plan after separating from employment under the "come-back option" if, within 30 days of timely enrolling in the Medicare... | Remove "or older" after "age 65" for enrollment in city's post-65 plan. Eligibility to enroll only happens at age 65.   |
| <b>34-32 (c) (5) (B) HEALTH BENEFITS</b>  | (B) Only the spouse to whom the retiree was legally married at the time of separation of employment will be eligible for enrollment under this come back option.                               | <del>(B) Only the spouse to whom the retiree was legally married at the time of separation of employment will be eligible for enrollment under this come back option.</del> <u>Reserved</u>               | Remove requirement for spouse of retiree to married at time of separation from the City. Spouse needs to be married when retiree turns 65 not when retiree leaves the City. |
| <b>34-36 (b) (1) (A) RULES OF CONDUCT</b> | <u>34-36 (b) (1) Unsatisfactory attendance</u> is exemplified by, but is not limited to, the following violations:<br>(A) unexcused absence or tardiness                                       | 34-36 (b) (1) Unsatisfactory attendance is exemplified by, but is not limited to, the following violations:<br>(A) unexcused absence or tardiness <u>including during telework;</u>                       | Include reference to teleworking in absence or tardiness clause for unsatisfactory attendance   |



# Addendum



| Personnel Rules Reference                 | Personnel Rule Wording (Current)   | Recommended Personnel Rule Wording   | Reason  |
|---|--|--|---|
| <b>34-38 (k) GRIEVANCE AND PROCEDURES</b> | For purposes of this section only, a reference to an assistant city manager also refers to a non-sworn managerial chief designated by the city manager, including, without limitation, chief of economic development and housing, chief of community services, and chief of staff to the city manager. | For purposes of this section only, a reference to an assistant city manager also refers to a non-sworn managerial chief designated by the city manager, including, without limitation, <u>deputy city manager</u> , chief of economic development and housing, chief of community services, <u>chief financial officer</u> , and chief of staff to the city manager. | Include “deputy city manager” and “chief financial officer” to executives who can hear grievance and appeal |





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2941

**Item #:** C.

---

Recommended 2024 External Audit Work Plan

[Sara Dempsey, Engagement Manager, Weaver; Jeff Wada, Audit Senior Manager, Weaver]

# 2023 External Audit Planning Meeting

---

November 14, 2023 Government Performance  
and Financial Management Committee Meeting





- ▶ Introduction
- ▶ Interim Communications
- ▶ Audit Process
- ▶ New Accounting Pronouncements
- ▶ Government Performance and Financial Management Committee Concerns
- ▶ Questions

# Engagement Team



## City of Dallas External Audit Team

**Brittany George**  
IT Advisory Partner

**Sara Dempsey**  
Engagement Partner

**John DeBurro**  
Quality Control Partner

**Jeff Wada**  
Audit Senior Manager

**Ben Thompson**  
Audit Senior

**Subcontractors**

**Fernandez & Co, PC**

**JJ Williams, PC**

**Harris & Dickey, LLC**

**Weaver Audit Associates**

**Weaver Analytics**

# Our responsibilities under U.S. GAAS and GAGAS



We are responsible for:

- Conducting our audit in accordance with US Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS) of the financial statements that have been prepared by management, with your oversight
- Forming and expressing opinions about whether the financial statements are presented fairly, in all material respects, in accordance with US Generally Accepted Accounting Principles
- Forming and expressing an opinion about whether certain supplementary information is fairly stated in relation to the financial statements as a whole
- Communicating fraud
- Communicating relevant significant matters to you on a timely basis
- Reporting material noncompliance related to laws, regulations, contracts and grant agreements, as well as any significant deficiencies and/or material weaknesses in internal control related to financial reporting.
- Obtaining an understanding of internal control over significant transaction cycles and perform testing to determine if controls are operating as designed. However, we do not express an opinion on effectiveness of internal control.

# Our responsibilities under Uniform Guidance and UGMS



Our responsibilities related to the Federal and State Single Audits in accordance with Uniform Guidance and Texas Grant Management Standards (TxGMS), respectively, are to:

- Consider internal control over compliance related to compliance requirements for each major program. We do not express an opinion over internal controls over compliance
- Test compliance for each direct and material compliance requirement for each major program and express an opinion
- Communicate any material noncompliance for major programs, questioned costs, and significant deficiencies or material weaknesses in internal control over compliance
- Form and express an opinion on whether the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards are fairly stated in relation to the financial statements

# Responsibilities for other information in the ACFR

Our responsibilities for other information in the Annual Comprehensive Financial Report (ACFR) are to:

- Read other information such as management’s discussion and analysis and other required supplementary information (we do not corroborate it)
- Consider whether it is materially consistent with the financial statements
- Bring to management’s attention if there are any identified material inconsistencies or misstatements of fact

# Those Charged with Governance and Management Responsibilities

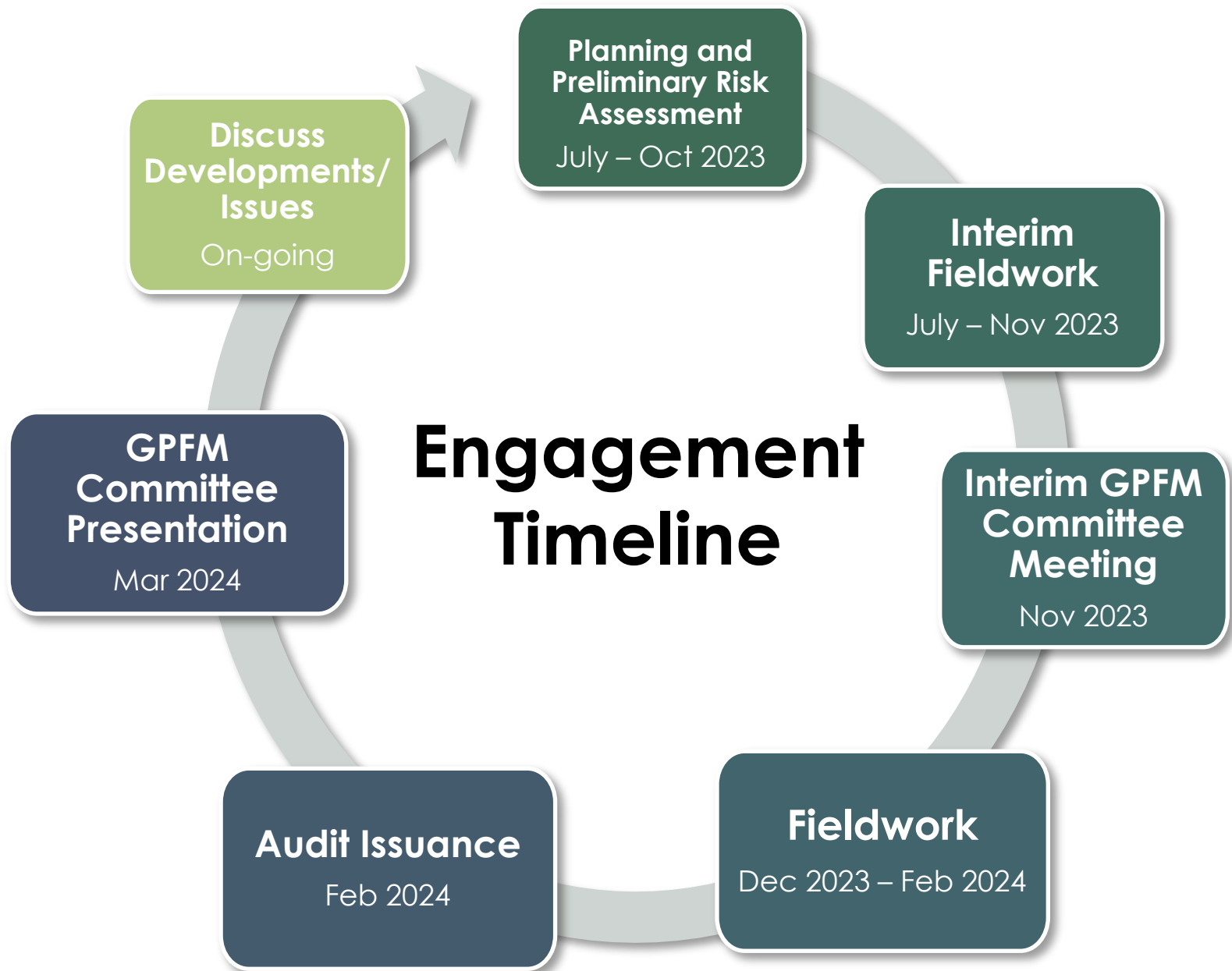


## Those Charged with Governance

- Overseeing the financial reporting process;
- Setting a positive tone at the top and challenging the City's financial activities;
- Discussing significant accounting and internal control matters with management;
- Informing us about fraud or suspected fraud, including views about fraud risks;
- Informing us about other matters that are relevant to our audit, such as:
  - City strategies and related business risks that may result in heightened risks of material misstatement;
  - Matters warranting particular audit attention;
  - Significant communications with regulators;
  - Matters related to the effectiveness of internal control and your oversight responsibilities; and
  - Your views regarding our current communications and your actions regarding previous communications.

## Management

- Preparing and fairly presenting the financial statements in accordance with US GAAP;
- Preparing and fairly presenting the schedule of expenditures of federal and state awards;
- Designing, implementing, evaluating, and maintaining effective internal control over financial reporting and compliance with federal and state grants;
- Communicating significant accounting and internal control matters to those charged with governance;
- Providing us with unrestricted access to all persons and all information relevant to our audit;
- Selecting and using appropriate accounting policies;
- Informing us about fraud, illegal acts, significant deficiencies, and material weaknesses;
- Adjusting the financial statements, including disclosures, to correct material misstatements;
- Informing us of subsequent events; and
- Providing us with written representations.



# Audit Approach

The audit process will be a **risk-based approach** in which we identify potential areas of risk that could lead to material misstatement of the financial statements. This includes:

- Gaining an understanding the City and the environment it operates in
- Using that knowledge and understanding to analyze the City's financial statements
- Determining materiality
- Identifying areas more likely to be materially misstated
- Focusing audit attention and effort on those areas



# Materiality

- ▶ Materiality is the substantial likelihood that an omission or misstatement will influence the judgment of a reasonable user of the financial statements. It is ordinarily evaluated against relevant financial statement benchmarks.
- ▶ We believe that total assets, revenues, or expenditures (based on the type of fund or opinion unit) are relevant benchmarks for the City's financial statements.
- ▶ We believe that total expenditures is a relevant benchmark for the federal and state major programs.

Financial statement items greater than materiality are within our audit scope. Other accounts or classes of transactions less than materiality may be in our scope if qualitative risk factors are present (for example, related party relationships or significant unusual transactions).

# Risk Assessment Overview



Our audit process is a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

| Financial Statement Level Risk  | Planned Procedures  |
|---|---|
| Management override of internal controls  | <ul style="list-style-type: none"> <li>- Testing approval of journal entries</li> <li>- Testing approval of cash disbursements</li> <li>- Testing approval of payroll disbursements</li> <li>- Testing bid procedure process</li> <li>- Testing valuation process</li> <li>- Testing budget amendments</li> <li>- Agree disclosures to support</li> <li>- Testing estimates for reasonableness</li> </ul> |
| Audit Area Risks  | Planned Procedures  |
| Improper revenue recognition for DWU, Aviation, Convention Center, and Sanitation | <ul style="list-style-type: none"> <li>- Testing existence, valuation, and cutoff of receivables and revenue</li> <li>- Obtain customer activity and detail for evidence of the service being performed and that payment was received</li> <li>- Recalculated revenue using authorized rates and meter readings</li> <li>- Perform analytical procedures</li> </ul>                                       |
| Improper grant revenue and receivable recognition                                 | <ul style="list-style-type: none"> <li>- Agree amounts recorded in the general ledger to the final Schedule of Federal and State Awards</li> <li>- Testing expenditures to ensure they were allowable costs and eligible for reimbursement</li> <li>- Testing receipts from granting agencies</li> <li>- Read grant agreements to test for compliance</li> </ul>  |

# Risk Assessment Overview



| Audit Area Risks   | Procedures Performed  |
|--|---|
| Improper revenue recognition for other funds             | <ul style="list-style-type: none"> <li>- Testing existence, valuation, and cutoff of receivables and revenue</li> <li>- Obtain detail for evidence of the service being performed and that payment was received</li> <li>- Perform analytical procedures</li> </ul> |
| Capital assets   | <ul style="list-style-type: none"> <li>- Inspect records and documents related to significant projects</li> <li>- Vouch transactions to invoices, pay apps, and bid procedures</li> </ul>   |
| Long-term liabilities                                    | <ul style="list-style-type: none"> <li>- Testing the existence and occurrence of long-term liabilities</li> <li>- Testing the disclosures and presentation</li> <li>- Testing covenants and continuing disclosures</li> </ul>                                       |
| Misappropriation of assets through purchases             | <ul style="list-style-type: none"> <li>- Perform control testing over randomly sampled disbursements</li> <li>- Perform data mining procedures to identify unusual transactions</li> </ul>  |
| Misappropriation of assets through payroll disbursements | <ul style="list-style-type: none"> <li>- Perform control testing over randomly sampled payroll disbursements</li> <li>- Perform data mining procedures to identify unusual transactions and trends</li> </ul>   |
| Evaluation of estimates                                  | <ul style="list-style-type: none"> <li>- Evaluate the reasonableness of significant estimates, such as those that were determined by management or an actuary</li> </ul>  |

# Risk Assessment Overview



| Other Areas                                       | Procedures Performed  |
|---|---|
| Information Technology                            | <ul style="list-style-type: none"> <li>- Logical security: access is authenticated and approved</li> <li>- Change management: testing process of implementing new applications and system changes</li> <li>- Computer operations: critical data is backed up regularly</li> </ul>                                   |
| Investments                                       | <ul style="list-style-type: none"> <li>- Testing valuation, disclosures, and Public Funds Investment Act</li> </ul>   |
| Risks, uncertainties, contingencies               | <ul style="list-style-type: none"> <li>- Read Council and Committee minutes</li> <li>- Inquire of management</li> <li>- Receive attorney letter</li> <li>- Read contracts and agreements</li> </ul>   |
| Data mining procedures                            | <ul style="list-style-type: none"> <li>- Obtain detail of disbursements, approved vendors, payroll transactions, addresses</li> <li>- Testing significant vendors, employees paid after termination dates, employees with significant overtime</li> </ul>   |
| Implementation of New Standards – SBITAs and PPPs | <ul style="list-style-type: none"> <li>- Sample selection of SBITAs and PPPs and recalculate related liability based off of the contract</li> <li>- Obtain an understanding of controls over identifying and recording SBITAs and PPPs</li> <li>- Use analytics to test completeness of SBITA population</li> </ul> |

Other areas we plan to test:

- Passenger Facilities Charge compliance
- Love Field Airport Modernization Corporation and related transactions
- TCEQ compliance

## Audits

- Annual comprehensive financial report (ACFR)
- Single audits: OMB Uniform Guidance and State of Texas Grant Management Standards
- Downtown Dallas Development Authority Tax Increment Financing District
- Dallas Convention Center Hotel Development Corporation
- Dallas Water Utilities Fund
- Airport Revenues Fund

## Other Reports

- Passenger Facility Charge Compliance
- Texas Commission on Environmental Quality Financial Assurance Agreed-Upon Procedures

# Tentative Federal and State Major Programs



## Federal Programs

- Clean Water State Revolving Funds (ALN #66.458)
- Drinking Water State Revolving Funds (ALN #66.458)
- Emergency Rental Assistance Program (ALN #21.023)
- Coronavirus State and Local Fiscal Recovery Funds(ALN #21.027)

## State Programs

- Confiscated Monies

# GASB Standards- Effective in FY2023 and beyond:

## 2023

- ▶ GASB 91 – Conduit Debt Obligations
- ▶ GASB 94 – Public Private Partnerships)
- ▶ GASB 96 – Subscription Based IT Arrangements
- ▶ GASB 99 – Omnibus 2022 (Part 1)
- ▶ Implementation Guide 2021-1 Update 2021 (various effective dates)

## 2024

- ▶ GASB 100 – Accounting Changes and Error Corrections – an amendment of GASB 62

## BEYOND

- ▶ GASB 99 – Omnibus 2022 (Part 2)
- ▶ GASB 101 – Compensated Absences
- ▶ Revenue and expense recognition
- ▶ Financial Reporting Model

# GASB Standards- Effective in FY2023

## Effective for the year ended September 30, 2023:

### **GASB 91 – Conduit Debt**

**Summary:** Provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

**Expected effect on audit:** Conduit debt associated with the Love Field Airport Modernization Corporation is still being evaluated.



# GASB Standards- Effective in FY2023

## Effective for the year ended September 30, 2023:

### **GASB 94 – Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)**

**Summary:** Improve financial reporting for public-private and public-public partnership arrangements (PPPs) and Availability Payment Arrangements.

**Expected effect on audit:** The City is still evaluating their potential PPP and APA contracts. PPPs will require similar accounting to leases.

# GASB Standards- Effective in FY2023

## Effective for the year ended September 30, 2023:

### **GASB 96 – Subscription-Based Information Technology Arrangements (SBITAs)**

**Summary:** Establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition.

**Expected effect on audit:** SBITAs will have to be recorded on the financial statements. The City will recognize a subscription liability and an intangible right-to-use subscription asset.

# Discussion

- **Questions?**
- **Points of Concern?**
- **Additional Areas of Risk?**
- **Additional Services Requested?**

# Contact Us

**Sara Dempsey, CPA**

Engagement Partner

972.448.6958 | [sara.dempsey@weaver.com](mailto:sara.dempsey@weaver.com)

**Jeff Wada, CPA**

Audit Senior Manager

972.448.9217 | [jeff.wada@weaver.com](mailto:jeff.wada@weaver.com)





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-3019

**Item #:** D.

---

City-wide Real Estate Issues and Opportunities  
[Robert Perez, Assistant City Manager, City Manager's Office]



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2943

**Item #:** E.

---

GPFM Two-Month Forecast

# GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT COMMITTEE FORECAST

|  | TITLE  | DEPARTMENT                        |
|--|--|-----------------------------------|
| <b>TUESDAY, DECEMBER 12, 2023, 1:00 P.M.</b> |  |                                   |
| <b>BRIEFING ITEMS</b>                        | Citywide Technical Debt Overview   | Information & Technology Services |
|  | Citywide Real Estate Review and Opportunities  | Public Works                      |
|  | Development Services- Monthly Performance Update & Process Map Improvements  | Development Services              |
| <b>BRIEFINGS BY MEMORANDUM</b>               | GPFM Two-Month Forecast  | City Manager's Office             |
|  | Budget Accountability Report (Information as of October 31, 2023)  | Budget & Management Services      |
|  | Technology Accountability Report (Information as of November 30, 2023)   | Information & Technology Services |
|  | Office of the City Auditor Monthly Update on Internal Audit Reports Released Between November 4, 2023 and December 1, 2023 | Office of the City Auditor        |
|  | Quarterly Investment Report (Information as of September 20, 2023)   | City Controller's Office          |
|  | Boards and Commissions Audit Update  | Mayor and City Council Office     |
|  | 2025 Legislative Priorities  | Office of Government Affairs      |
| <b>MONDAY, JANUARY 22, 2024, 1:00 P.M.</b>   |  |                                   |
| <b>BRIEFING ITEMS</b>                        | G.O. Bond Program Unspent Funds  | Budget & Management Services      |
|  | Process Improvement Team   | Budget & Management Services      |
|  | Procurement Scoring Criteria   | Procurement Services              |
|  | Development Services- Monthly Performance Update & Process Map Improvements  | Development Services              |
| <b>BRIEFINGS BY MEMORANDUM</b>               | GPFM Two-Month Forecast  | City Manager's Office             |
|  | Budget Accountability Report (Information as of November 30, 2023)   | Budget & Management Services      |
|  | Technology Accountability Report (Information as of December 31, 2023)   | Information & Technology Services |
|  | Office of the City Auditor Monthly Update on Internal Audit Reports Released Between December 1, 2023 and January 12, 2024 | Office of the City Auditor        |



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2944

**Item #:** F.

---

Budget Accountability Report Information as of September 30, 2023  
[Budget & Management Services]



# Memorandum



CITY OF DALLAS

DATE November 9, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Budget Accountability Report – September 2023**

Please find attached the September Budget Accountability Report (BAR) based on information through September 30, 2023. You may view all published reports on the [Financial Transparency website](#). The monthly BAR provides a financial forecast for all operating funds, update on General Obligation Bond spending, economic indicators, status of Dallas 365, updates for highlighted budget initiatives, and status of active process improvement projects.

If you have any questions, please contact Janette Weedon, Director of Budget and Management Services.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

# BUDGET ACCOUNTABILITY REPORT

As of September 30, 2023



Cover Photo Credit: City of Dallas - Mural by Daniel Yanez, "No Space for Hate"

Prepared by Budget & Management Services

1500 Marilla Street, 4FN  
Dallas, TX 75201

214-670-3659  
[financialtransparency.dallascityhall.com](http://financialtransparency.dallascityhall.com)

# EXECUTIVE SUMMARY

## Financial Forecast Report

| Operating Fund                   | Year-End Forecast vs. Budget |                  |
|----------------------------------|------------------------------|------------------|
|                                  | Revenues                     | Expenses         |
| General Fund                     | ✓                            | ✓                |
| Aviation                         | 21% over budget              | ✓                |
| Convention and Event Services    | ✓                            | ✓                |
| Development Services             | 10% over budget              | ✓                |
| Municipal Radio                  | 22% under budget             | ✓                |
| Sanitation Services              | 5% over budget               | ✓                |
| Storm Drainage Management        | ✓                            | 6% under budget  |
| Dallas Water Utilities           | 9% over budget               | ✓                |
| Bond and Construction Management | 14% under budget             | 21% under budget |
| Equipment and Fleet Management   | ✓                            | ✓                |
| Express Business Center          | 34% over budget              | ✓                |
| Information Technology           | ✓                            | ✓                |
| Radio Services                   | ✓                            | 21% under budget |
| 9-1-1 System Operations          | 15% over budget              | 18% under budget |
| Debt Service                     | ✓                            | 11% under budget |

✓ YE forecast within 5% of budget

### Dallas 365

#### Year-to-Date

✓ 25  
On Target

! 5  
Near Target

✗ 5  
Not on Target

### Budget Initiative Tracker

● 26  
Complete

✗ 9  
Incomplete

# FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through September 30, 2023, for the General Fund and other annual operating funds of the City. The Adopted Budget column reflects the budget adopted by City Council on September 28, 2022, effective October 1, 2022, through September 30, 2023. The Amended Budget column reflects City Council-approved transfers between funds and programs, department-initiated transfers between expense objects, approved use of contingency, and other amendments supported by revenue or fund balance.

Year-to-date (YTD) actual amounts represent revenue or expenses/encumbrances that have occurred through the end of the most recent accounting period. Departments provide the year-end (YE) forecast, which projects anticipated revenues and expenditures as of September 30, 2023. The variance is the difference between the FY 2022-23 amended budget and the YE forecast. Variance notes are provided when the YE forecast is +/- five percent of the amended budget and/or if YE expenditures are forecast to exceed the amended budget.

## General Fund Overview

The General Fund overview provides a summary of financial activity through September 30, 2023.

|                        | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual    | YE Forecast   | Variance     |
|------------------------|------------------------------|------------------------------|---------------|---------------|--------------|
| Beginning Fund Balance | \$308,405,349                | \$308,405,349                |               | \$322,248,566 | \$13,843,217 |
| Revenues               | 1,706,814,187                | 1,729,367,172                | 1,700,971,354 | 1,726,933,110 | (2,434,062)  |
| Expenditures           | 1,706,814,187                | 1,729,367,172                | 1,702,341,333 | 1,720,804,569 | (8,562,602)  |
| Ending Fund Balance    | \$308,405,349                | \$308,405,349                |               | \$328,377,107 | \$19,971,757 |

**Fund Balance.** Through September 30, 2022, the audited unassigned ending fund balance for FY 2021-22 is \$329,048,566 and includes FY 2021-22 YE savings. As of September 30, 2023, the beginning fund balance for YE forecast reflects the FY 2021-22 audited unassigned ending fund balance and usage of Contingency Reserve in the amount of \$6,800,000 as approved by the City Council on December 14, 2022. This allocation from Contingency Reserve was used to establish the 2022 Severe Weather and Flooding Fund to facilitate repair of insured city facilities.

**Revenues.** Through September 30, 2023, General Fund revenues are projected to be \$2,434,000 under budget due to sales tax and franchise revenues, partially offset by improved market conditions resulting in higher-than-expected interest earnings.

**Expenditures.** Through September 30, 2023, General Fund expenditures are projected to be \$8,563,000 under budget due to salary savings from vacant uniform and non-uniform positions, lower than budgeted contractual services and capital expenditures, and greater than budgeted reimbursements, partially offset by supply costs for unbudgeted maintenance and repair.

**FY 2022-23 Amended Budget.** City Council amended the General Fund budget on:

- May 10, 2023, by ordinance #32456 in the amount of \$20,748,455 due to additional sales tax revenue, miscellaneous revenue from auto pound sales, and intergovernmental revenue from DFW Airport revenue-sharing agreements. This allocation will be used for the maintenance and operation of various departments and activities.
- September 27, 2023, by ordinance #32558 in the amount of \$1,804,530 due to additional interest revenues. This allocation will be used for the maintenance and operation of various departments and activities.

## FY 2022-23 Financial Forecast Report

**GENERAL FUND REVENUE**

| Revenue Category |                        | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual             | YE Forecast            | Variance             |
|------------------|------------------------|------------------------------|------------------------------|------------------------|------------------------|----------------------|
| 1                | Property Tax           | \$961,502,880                | \$961,502,880                | \$ 959,137,408         | \$ 960,200,385         | (\$1,302,495)        |
| 2                | Sales Tax              | 417,232,383                  | 432,750,269                  | 425,540,231            | 425,540,231            | (7,210,038)          |
| 3                | Franchise and Other    | 127,865,821                  | 127,865,821                  | 122,174,591            | 129,279,683            | 1,413,862            |
| 4                | Charges for Services   | 115,554,550                  | 115,554,550                  | 111,474,506            | 116,700,201            | 1,145,651            |
| 5                | Fines and Forfeitures  | 23,776,847                   | 23,776,847                   | 22,676,024             | 22,769,576             | (1,007,271)          |
| 6                | Operating Transfers In | 28,185,836                   | 28,185,836                   | 17,048,310             | 26,492,184             | (1,693,652)          |
| 7                | Intergovernmental      | 13,161,563                   | 18,003,654                   | 17,905,520             | 18,556,067             | 552,413              |
| 8                | Miscellaneous          | 7,967,394                    | 8,355,872                    | 7,700,155              | 10,077,871             | 1,721,999            |
| 9                | Licenses and Permits   | 5,616,913                    | 5,616,913                    | 3,912,173              | 3,914,477              | (1,702,436)          |
| 10               | Interest               | 5,950,000                    | 7,754,530                    | 13,402,434             | 13,402,435             | 5,647,905            |
|                  | <b>Total Revenue</b>   | <b>\$1,706,814,187</b>       | <b>\$1,729,367,172</b>       | <b>\$1,700,971,354</b> | <b>\$1,726,933,110</b> | <b>(\$2,434,062)</b> |

**VARIANCE NOTES**

General Fund revenue variance notes are provided below for revenue categories with YE forecast variances of +/- five percent and revenue with an amended budget.

**2 Sales Tax.** City Council increased the Sales Tax budget to \$432,750,000 on May 10 as part of the mid-year appropriations adjustment process, due to actual collections five months into the fiscal year. Sales tax is projected to be under budget by \$7,210,000 based on actual collection trends and analysis provided by our contract economist.

**3 Franchise and Other.** Franchise and other revenue is projected to be \$1,414,000 over budget due to Fiber Optic revenue collections, warmer than normal weather in fall 2022, and cold spells from December 2022 to January 2023 causing increased revenues from Oncor. This is partially offset by a decrease in Atmos Energy revenue due to lower gas prices and usage.

**4 Charges for Services.** Charges for Services revenue is projected to be \$1,146,000 over budget due to higher-than-expected revenue for the right of way (ROW) permits by Public Works (\$2,626,000) and Fire Reinspection Fees (\$808,000). This is partially offset by a decline in Staff Taught Recreation Classes (\$1,564,000) and Charges for Ambulance Services (\$1,658,000).

**5 Fines and Forfeitures.** Fines and Forfeitures revenue is projected to be \$1,007,000 under budget due to declines in citations filled with the court (\$1,455,000), decrease in storage fee collections at the Dallas Auto Pound (\$914,000), and reduction in parking fine revenue (\$583,000), partially offset by incoming revenue from wrecker fee collections at the Dallas Auto Pound (\$1,498,000) and close-out of the Safelight Auto Fund (\$1,539,000).

**7 Intergovernmental.** City Council increased Intergovernmental revenue by \$4,842,000 on May 10 as part of the mid-year appropriations adjustment process, due to higher than budgeted payments through the DFW Airport revenue-sharing agreements. Intergovernmental revenue is projected to be \$552,000 over budget due to higher payment from the DFW Airport revenue-share from the City of Grapevine.

## FY 2022-23 Financial Forecast Report

# GENERAL FUND REVENUE

## VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with YE forecast variances of +/- five percent and revenue with an amended budget.

**8 Miscellaneous.** City Council increased Miscellaneous revenue by \$388,000 on May 10 as part of the mid-year appropriations adjustment process. Miscellaneous revenue is projected to be \$1,722,000 over budget due to increased collections from Dallas Auto Pound auction sales (\$2,390,000), partially offset by declines due to delay in implementing the vacant lot/property registration program in Code Compliance (\$971,000) due to PCI compliance requirements.

**9 Licenses and Permits.** Licenses and Permits revenue is projected to be \$1,702,000 under budget due to Public Works decreased collections from Real Estate division license fees.

**10 Interest.** City Council increased Interest budget to be \$7,755,000 on September 27 by ordinance #32558 due to actual collections. Interest revenue is projected to be \$5,648,000 over budget primarily due to improved market conditions.

## FY 2022-23 Financial Forecast Report

**GENERAL FUND EXPENDITURES**

|          | Expenditure Category            | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual             | YE Forecast            | Variance              |
|----------|---------------------------------|------------------------------|------------------------------|------------------------|------------------------|-----------------------|
|          | Non-uniform Pay                 | \$285,227,838                | \$278,510,940                | \$257,374,819          | \$264,725,333          | (\$13,738,167)        |
|          | Non-uniform Overtime            | 8,144,953                    | 8,154,053                    | 15,366,204             | 15,607,841             | 7,453,788             |
|          | Non-uniform Pension             | 40,352,092                   | 40,553,632                   | 36,948,593             | 38,546,278             | (2,007,354)           |
|          | Uniform Pay                     | 527,979,958                  | 527,350,936                  | 493,445,769            | 499,092,741            | (28,258,195)          |
|          | Uniform Overtime                | 39,791,958                   | 62,285,117                   | 93,012,488             | 93,984,620             | 31,699,503            |
|          | Uniform Pension                 | 182,727,572                  | 182,510,558                  | 170,148,989            | 175,197,722            | (7,312,836)           |
|          | Health Benefits                 | 79,837,068                   | 90,567,781                   | 79,446,030             | 90,561,234             | 0                     |
|          | Workers Comp                    | 11,152,531                   | 11,152,531                   | 11,152,531             | 11,152,531             | 0                     |
|          | Other Personnel Services        | 13,091,916                   | 13,228,675                   | 12,942,727             | 13,548,105             | 319,430               |
| <b>1</b> | <b>Total Personnel Services</b> | <b>\$1,188,305,887</b>       | <b>\$1,214,314,223</b>       | <b>\$1,169,838,151</b> | <b>\$1,202,416,405</b> | <b>(\$11,843,831)</b> |
| <b>2</b> | <b>Supplies</b>                 | <b>84,389,204</b>            | <b>84,378,683</b>            | <b>91,092,852</b>      | <b>96,646,087</b>      | <b>12,277,750</b>     |
| <b>3</b> | <b>Contractual Services</b>     | <b>507,274,125</b>           | <b>514,206,871</b>           | <b>490,985,476</b>     | <b>509,468,669</b>     | <b>(5,285,771)</b>    |
| <b>4</b> | <b>Capital Outlay</b>           | <b>16,465,953</b>            | <b>25,134,503</b>            | <b>21,684,870</b>      | <b>23,202,473</b>      | <b>(1,448,794)</b>    |
| <b>5</b> | <b>Reimbursements</b>           | <b>(89,620,981)</b>          | <b>(108,667,107)</b>         | <b>(71,260,016)</b>    | <b>(110,929,065)</b>   | <b>(2,261,958)</b>    |
|          | <b>Total Expenditures</b>       | <b>\$1,706,814,187</b>       | <b>\$1,729,367,172</b>       | <b>\$1,702,341,333</b> | <b>\$1,720,804,569</b> | <b>(\$8,562,603)</b>  |

**VARIANCE NOTES**

General Fund expenditure variance notes are provided below for expenditure categories with YE forecast variances of +/- five percent. The Amended Budget column reflects department-initiated transfers between expense objects.

**1 Personnel Services.** Personnel services are projected to be \$11,844,000 under budget primarily due to salary savings associated with vacant uniform and non-uniform positions across General Fund departments, partially offset by uniform overtime expenses in Dallas Fire-Rescue (\$12,779,000), Dallas Police Department (\$18,920,000), and non-uniform overtime expenses. DPD overtime expenses are due in part to elevated attrition in FY 2021-22, consistent demand for police services (P1 call volume), focused support for 911 (\$2.1 million), and the speeding/racing initiative (\$1.9 million). DPD uniform overtime expenses are partially offset by a budgeted American Rescue Plan Act (ARPA) reimbursement. DFR uniform overtime expenses are due to higher than anticipated attrition requiring backfill to meet minimum staffing requirements, partially offset by an American Rescue Plan Act (ARPA) reimbursement.

**2 Supplies.** Supplies are projected to be \$12,278,000 over budget primarily due to DFR expenses for fleet maintenance, repair, and emergency supplies (\$3,484,000); TRN street lighting and signal maintenance (\$3,240,000); reimbursed PKR utility costs associated with Fair Park First (\$2,666,000); and new DPD service weapons (\$570,000) and furniture costs for the DPD strategy management division (\$261,000).

**4 Capital Outlay.** Capital outlay is projected to be \$1,449,000 under budget due to delayed vehicle procurement causing increased costs for equipment rental, expensed in contractual services, and alley improvement projects expensed in both contractual services and supplies.

## FY 2022-23 Financial Forecast Report

**GENERAL FUND EXPENDITURES**

| #  | Expenditure by Department                        | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual             | YE Forecast            | Variance             |
|----|--|------------------------------|------------------------------|------------------------|------------------------|----------------------|
| 1  | Budget & Management Services                     | \$4,277,919                  | \$4,069,014                  | \$4,055,356            | \$4,069,014            | \$0                  |
| 2  | Building Services                                | 30,390,891                   | 35,805,391                   | 35,002,665             | 35,632,081             | (173,310)            |
| 3  | City Attorney's Office                           | 20,971,242                   | 21,215,068                   | 20,213,733             | 21,122,820             | (92,248)             |
| 4  | City Auditor's Office                            | 3,163,255                    | 2,817,416                    | 2,651,522              | 2,795,021              | (22,395)             |
| 5  | City Controller's Office                         | 8,567,559                    | 8,504,256                    | 8,737,722              | 8,397,635              | (106,621)            |
| 6  | Independent Audit                                | 755,000                      | 755,000                      | 755,000                | 755,000                | 0                    |
| 7  | City Manager's Office                            | 3,205,072                    | 3,305,833                    | 3,133,767              | 3,305,833              | 0                    |
| 8  | City Secretary's Office                          | 3,141,520                    | 3,258,784                    | 2,990,383              | 3,163,612              | (95,172)             |
| 9  | Elections  | 2,022,829                    | 2,201,129                    | 1,622,018              | 1,432,745              | (768,384)            |
| 10 | Civil Service                                    | 3,064,698                    | 2,726,486                    | 2,463,245              | 2,550,078              | (176,408)            |
| 11 | Code Compliance                                  | 41,342,433                   | 41,934,911                   | 39,801,822             | 41,934,911             | 0                    |
| 12 | Court & Detention Services                       | 26,923,902                   | 26,173,462                   | 25,302,705             | 25,720,641             | (452,821)            |
| 13 | Jail Contract                                    | 8,344,443                    | 8,344,443                    | 8,344,443              | 8,344,443              | 0                    |
| 14 | Dallas Animal Services                           | 17,725,448                   | 17,802,125                   | 18,188,957             | 17,522,621             | (279,504)            |
| 15 | Dallas Fire-Rescue                               | 369,069,665                  | 380,263,606                  | 383,361,717            | 379,754,259            | (509,347)            |
| 16 | Dallas Police Department                         | 611,908,283                  | 616,889,896                  | 599,491,703            | 616,889,896            | 0                    |
| 17 | Data Analytics & Business Intelligence           | 5,281,114                    | 4,444,289                    | 4,067,541              | 4,356,335              | (87,954)             |
| 18 | Housing & Neighborhood Revitalization            | 4,639,881                    | 4,111,669                    | 4,703,851              | 4,085,682              | (25,987)             |
| 19 | Human Resources                                  | 8,140,152                    | 9,881,445                    | 8,713,158              | 9,881,445              | 0                    |
| 20 | Judiciary  | 4,273,646                    | 3,882,660                    | 4,128,407              | 3,882,660              | 0                    |
| 21 | Library  | 37,544,060                   | 37,741,393                   | 33,974,145             | 36,426,523             | (1,314,870)          |
|    | Management Services                              |                              |                              |                        |                        |                      |
| 22 | 311 Customer Service Center                      | 5,850,487                    | 5,232,201                    | 5,888,986              | 4,953,073              | (279,128)            |
| 23 | Communications, Outreach, & Marketing            | 3,699,446                    | 2,664,435                    | 2,703,976              | 2,609,018              | (55,417)             |
| 24 | Office of Community Care                         | 9,365,486                    | 9,332,529                    | 9,176,276              | 9,224,461              | (108,068)            |
| 25 | Office of Community Police Oversight             | 811,382                      | 572,769                      | 480,615                | 500,499                | (72,270)             |
| 26 | Office of Emergency Management                   | 1,344,664                    | 1,347,438                    | 1,105,574              | 1,347,438              | 0                    |
| 27 | Office of Environmental Quality & Sustainability | 6,898,850                    | 6,071,897                    | 8,524,260              | 6,057,169              | (14,728)             |
| 28 | Office of Equity & Inclusion                     | 3,809,929                    | 3,668,250                    | 2,864,393              | 2,972,357              | (695,893)            |
| 29 | Office of Government Affairs                     | 956,162                      | 989,624                      | 998,122                | 969,881                | (19,743)             |
| 30 | Office of Historic Preservation                  | 1,341,076                    | 1,202,424                    | 819,611                | 861,406                | (341,019)            |
| 31 | Office of Homeless Solutions                     | 15,197,632                   | 16,801,704                   | 16,658,348             | 16,778,600             | (23,104)             |
| 32 | Office of Integrated Public Safety Solutions     | 5,630,099                    | 4,709,515                    | 4,283,080              | 4,610,344              | (99,171)             |
| 33 | Small Business Center                            | 3,746,673                    | 3,432,914                    | 3,178,726              | 3,308,688              | (124,226)            |
| 34 | Mayor & City Council                             | 6,645,643                    | 6,724,550                    | 6,041,364              | 6,288,227              | (436,323)            |
| 35 | Non-Departmental                                 | 135,306,683                  | 136,953,972                  | 133,235,682            | 136,098,581            | (855,391)            |
| 36 | Office of Arts & Culture                         | 22,496,061                   | 22,524,491                   | 24,985,475             | 22,523,989             | (502)                |
| 37 | Office of Economic Development                   | 3,918,798                    | 4,019,415                    | 4,582,380              | 4,013,475              | (5,940)              |
| 38 | Park & Recreation                                | 106,863,878                  | 113,906,451                  | 115,183,676            | 113,906,451            | 0                    |
| 39 | Planning & Urban Design                          | 5,150,852                    | 4,707,895                    | 4,784,702              | 4,560,182              | (147,713)            |
| 40 | Procurement Services                             | 3,014,089                    | 2,888,877                    | 2,641,941              | 2,750,878              | (137,999)            |
| 41 | Public Works                                     | 89,209,383                   | 89,898,768                   | 89,612,700             | 89,898,767             | 0                    |
| 42 | Transportation                                   | 51,984,903                   | 52,086,778                   | 49,385,587             | 51,045,830             | (1,040,948)          |
|    | <b>Total Departments</b>                         | <b>\$1,697,995,188</b>       | <b>\$1,725,865,173</b>       | <b>\$1,698,839,334</b> | <b>\$1,717,302,570</b> | <b>(\$8,562,602)</b> |
| 43 | Financial Reserves                               | 0                            | 0                            | 0                      | 0                      | 0                    |
| 44 | Liability/Claims Fund Transfer                   | 3,501,999                    | 3,501,999                    | 3,501,999              | 3,501,999              | 0                    |
| 45 | Salary and Benefit Stabilization                 | 5,317,000                    | 0                            | 0                      | 0                      | 0                    |
|    | <b>Total Expenditures</b>                        | <b>\$1,706,814,187</b>       | <b>\$1,729,367,172</b>       | <b>\$1,702,341,333</b> | <b>\$1,720,804,569</b> | <b>(\$8,562,602)</b> |



## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**1 Budget & Management Services.** City Council increased BMS's budget by \$11,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased BMS's budget by \$220,000 on September 27 by ordinance #32558 due to salary savings.

**2 Building Services.** City Council increased BSD's budget by \$3,406,000 on May 10 by ordinance #32456 for one-time incentive payments and HVAC and heating costs at City Hall. City Council increased BSD's budget by \$2,008,000 on September 27 by ordinance #32558 due to unbudgeted repairs and equipment replacements at the Central Library, Jack Evans Police Headquarters, and City Hall; increased maintenance and repair for HVAC and generators at various City facilities; and unbudgeted spot coolers for various Fire Stations.

**3 City Attorney's Office.** City Council increased CAO's budget by \$62,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council increased CAO's budget by \$181,000 on September 27 by ordinance #32558 due to termination payouts for retiring employees and increased costs for health benefits.

**4 City Auditor's Office.** City Council increased AUD's budget by \$4,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased AUD's budget by \$350,000 on September 27 by ordinance #32558 due to salary and professional services savings.

**5 City Controller's Office.** City Council increased CCO's budget by \$27,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased CCO's budget by \$90,000 on September 27 by ordinance #32558 due to professional services savings.

**7 City Manager's Office.** City Council decreased CMO's budget by \$90,000 on May 10 by ordinance #32456 to reallocate existing resources between various City Departments, partially offset by an increase for one-time incentive payments. City Council increased CMO's budget by \$191,000 on September 27 by ordinance #32558 due to personnel costs associated with prior year organizational changes, professional development, and Youth Commission activities.

**8 City Secretary's Office.** City Council increased SEC's budget by \$117,000 on May 10 by ordinance #32456 for one-time incentive payments and various equity adjustments.

**9 Elections.** City Council increased Election's budget by \$178,000 on May 10 by ordinance #32456 to pay a contract expense with the Dallas County Elections Department for the June 5, 2021 Joint Runoff Election and advertising (\$382,000), partially offset by a refund from the May 1, 2021 Joint Election (\$203,000) due to final costs being less than the City's deposit. Expenses are projected to be \$768,000 under budget due to the pending final cost of the June 10, 2023 Joint Runoff Election that will be realized in FY 2023-24.

**10 Civil Service.** City Council increased CVS's budget by \$12,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased CVS's budget by \$350,000 on September 27 by ordinance #32558 due to salary savings. Civil Service is projected to be \$176,000 under budget due to salary savings for two vacant positions.

**11 Code Compliance.** City Council increased CCS's budget by \$223,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council increased CCS's budget by \$370,000 on September 27 by ordinance #32558 due to increased costs for health benefits.

**12 Court & Detention Services.** City Council increased CTS's budget by \$110,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased CTS's budget by \$860,000 on September 27 by ordinance #32558 due to salary savings.

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**14 Dallas Animal Services.** City Council increased DAS's budget by \$87,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased DAS's budget by \$10,000 on September 27 by ordinance #32558 due to salary savings.

**15 Dallas Fire-Rescue.** City Council increased DFR's budget by \$3,832,000 on May 10 by ordinance #32456 for one-time incentive payments, uniform overtime expenses, and the increase in fuel prices. City Council increased DFR's budget by \$7,362,000 on September 27 by ordinance #32558 due to in-house and outsourced fleet maintenance and repair (\$4,274,000), emergency medical response and other supplies (\$1,346,000), and increased costs for health benefits (\$2,285,000).

**16 Dallas Police Department.** City Council increased DPD's budget by \$840,000 on May 10 by ordinance #32456 for one-time incentive payments, to reallocate existing resources between various City departments, equity adjustments for Open Records staff, and the increase in fuel prices. City Council increased DFR's budget by \$4,142,000 on September 27 by ordinance #32558 due to increased costs for health benefits.

**17 Data Analytics & Business Intelligence.** City Council increased DBI's budget by \$13,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased DBI's budget by \$850,000 on September 27 by ordinance #32558 due to salary savings.

**18 Housing & Neighborhood Revitalization.** City Council increased HOU's budget by \$12,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased HOU's budget by \$540,000 on September 27 by ordinance #32558 due to salary savings and developer loan savings.

**19 Human Resources.** City Council increased HR's budget by \$226,000 on May 10 by ordinance #32456 for one-time incentive payments and to reallocate existing resources between various City departments. City Council increased HR's budget by \$1,516,000 on September 27 by ordinance #32558 due to temporary staffing expenses.

**20 Judiciary.** City Council increased CTJ's budget by \$9,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased CTJ's budget by \$400,000 on September 27 by ordinance #32558 due to salary savings.

**21 Library.** City Council increased LIB's budget by \$207,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased LIB's budget by \$10,000 on September 27 by ordinance #32558 due to salary savings.

**22 311 Customer Service Center.** City Council increased 311's budget by \$62,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased 311's budget by \$680,000 on September 27 by ordinance #32558 due to salary savings. 311 is projected to be \$279,000 under budget primarily due to salary savings associated with 27 vacant positions.

**23 Communications, Outreach, & Marketing.** City Council decreased COM's budget by \$235,000 on May 10 by ordinance #32456 for one-time incentive payments and to reallocate existing resources between various City departments. City Council decreased COM's budget by \$800,000 on September 27 by ordinance #32558 due to salary savings.

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**24 Office of Community Care.** City Council increased OCC's budget by \$27,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased OCC's budget by \$60,000 on September 27 by ordinance #32558 due to salary savings.

**25 Office of Community Police Oversight.** City Council increased OCPO's budget by \$1,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased OCPO's budget by \$240,000 on September 27 by ordinance #32558 due to salary savings. OCPO is projected to be \$72,000 under budget primarily due to salary savings associated with five vacant positions.

**26 Office of Emergency Management.** City Council increased OEM's budget by \$3,000 on May 10 by ordinance #32456 for one-time incentive payments.

**27 Office of Environmental Quality & Sustainability.** City Council increased OEQS's budget by \$53,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased OEQS's budget by \$880,000 on September 27 by ordinance #32558 due to salary savings.

**28 Office of Equity & Inclusion.** City Council increased OEI's budget by \$8,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased OEI's budget by \$150,000 on September 27 by ordinance #32558 due to salary savings. OEI is projected to be \$696,000 under budget primarily due to salary savings associated with seven vacant positions and professional services.

**29 Office of Government Affairs.** City Council increased OGA's budget by \$18,000 on May 10 by ordinance #32456 for one-time incentive payments and to reallocate existing resources between various City departments. City Council increased OGA's budget by \$15,000 on September 27 by ordinance #32558 due to temporary staffing costs and other costs associated with the Texas State Legislature session.

**30 Office of Historic Preservation.** City Council increased OHP's budget by \$21,000 on May 10 by ordinance #32456 for one-time incentive payments and other equity adjustments. City Council decreased OHP's budget by \$160,000 on September 27 by ordinance #32558 due to salary savings. OHP is projected to be \$341,000 under budget due to professional services savings associated with the Historic Resource Survey.

**31 Office of Homeless Solutions.** City Council increased OHS's budget by \$1,654,000 on May 10 by ordinance #32456 for one-time incentive payments and an emergency procurement for temporary housing of 94 individuals from an encampment decommissioned by the DRTRR in January. The expense includes up to 90 days of lodging, food, and hygiene products for the clients (\$923,000); security services (\$216,000); and staff to monitor the shelter (\$497,000). City Council decreased OHS's budget by \$50,000 on September 27 by ordinance #32558 due to salary savings.

**32 Office of Integrated Public Safety Solutions.** City Council increased IPSS's budget by \$19,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased IPSS's budget by \$940,000 on September 27 by ordinance #32558 due to program savings related to the Metrocare services contract and the expiration of the Youth Advocate Program contract.

**33 Small Business Center.** City Council increased SBC's budget by \$6,000 on May 10 by ordinance #32456 for one-time incentive payments. City Council decreased SBC's budget by \$320,000 on September 27 by ordinance #32558 due to salary savings.

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**34 Mayor & City Council.** City Council increased MCC's budget by \$295,000 on May 10 by ordinance #32456 for one-time incentive payments, to reallocate existing resources between various City departments, and other equity adjustments. City Council decreased MCC's budget by \$216,000 on September 27 by ordinance #32558 due to salary savings. MCC is projected to be \$436,000 under budget primarily due to vehicle reimbursement savings and salary savings associated with nine vacant positions.

**35 Non-Departmental.** City Council increased Non-D's budget by \$7,000,000 on May 10 by ordinance #32456 for a transfer to the Economic Development Corporation (EDC). City Council decreased Non-D's budget by \$5,352,711 on September 27 by ordinance #32558 due to savings associated with reduced interest costs for Master Lease drawdowns (\$1,364,000), reduced costs for contract wrecker due to implementation of the new auto pound contract (\$1,600,000), and commercial paper program fees (\$800,000).

**36 Office of Arts & Culture.** City Council increased OAC's budget by \$28,000 on May 10 by ordinance #32456 for one-time incentive payments.

**37 Office of Economic Development.** City Council increased ECO's budget by \$101,000 on May 10 by ordinance #32456 for one-time incentive payments and to reallocate existing resources between various City departments.

**38 Park & Recreation.** City Council increased PKR's budget by \$4,438,000 on May 10 by ordinance #32456 for one-time incentive payments, security and safety measures, park maintenance, temporary staffing, and the increase in fuel prices. City Council increased PKR's budget by \$2,605,000 on September 27 by ordinance #32558 due to increased costs for health benefits and unbudgeted utility costs associated with Fair Park First, which are offset by additional revenue (\$2,666,000).

**39 Planning & Urban Design.** City Council increased PUD's budget by \$27,000 on May 10 by ordinance #32456 for one-time incentive payments, to reallocate existing resources between various City departments, and for professional planning and zoning services to assist with the workload of processing and reviewing zoning applications (to be reimbursed by DEV). City Council decreased PNV's budget by \$470,000 on September 27 by ordinance #32558 due to salary savings.

**40 Procurement Services.** City Council increased POM's budget by \$125,000 on May 10 by ordinance #32456 for one-time incentive payments and temporary staffing costs related to informal bid solicitation review. City Council decreased POM's budget by \$250,000 on September 27 by ordinance #32558 due to salary savings. POM is projected to be \$138,000 under budget primarily due to salary savings associated with nine vacant positions.

**41 Public Works.** City Council increased PBW's budget by \$236,000 on May 10 by ordinance #32456 for one-time incentive payments, to reallocate existing resources between various City departments, and the increase in fuel prices. City Council increased PBW's budget by \$453,000 on September 27 by ordinance #32558 due to increased costs for health benefits.

**42 Transportation.** City Council increased TRN's budget by \$102,000 on May 10 by ordinance #32456 for one-time incentive payments and the increase in fuel prices. TRN is projected to be \$1,041,000 under budget primarily due to salary savings.

## VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, amended budgets, or YE forecasts projected to exceed budget.

**45 Salary & Benefit Stabilization.** The FY 2022-23 Ordinance authorizes the City Manager to transfer appropriations from S&B to any department as allowed by City Charter Chapter XI (Sec. 3), of which, \$2,693,000 was transferred to SEC for various equity adjustments (\$103,000), to ATT for retirement payouts (94,000), to CMO for personnel costs associated with prior year organizational changes (\$72,000), and to all General Fund departments for one-time incentive payments (\$2,424,000). City Council reallocated the remaining \$2,624,000 S&B budget on September 27 by ordinance #32558 to address overages in various departments due to increased costs for health benefits.

## FY 2022-23 Financial Forecast Report

**ENTERPRISE FUNDS**

| Department | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual | YE Forecast | Variance |
|------------|------------------------------|------------------------------|------------|-------------|----------|
|------------|------------------------------|------------------------------|------------|-------------|----------|

**1 AVIATION**

|                        |              |              |             |               |              |
|------------------------|--------------|--------------|-------------|---------------|--------------|
| Beginning Fund Balance | \$53,227,959 | \$53,227,959 |             | \$75,699,313  | \$22,471,354 |
| Total Revenues         | 158,542,590  | 158,542,590  | 191,892,696 | 191,892,696   | 33,350,106   |
| Total Expenditures     | 163,476,405  | 163,476,405  | 159,505,222 | 163,476,404   | 0            |
| Ending Fund Balance    | \$48,294,144 | \$48,294,144 |             | \$104,115,604 | \$55,821,460 |

**2 CONVENTION & EVENT SERVICES**

|                        |              |              |             |              |              |
|------------------------|--------------|--------------|-------------|--------------|--------------|
| Beginning Fund Balance | \$43,463,338 | \$43,463,338 |             | \$56,656,767 | \$13,193,429 |
| Total Revenues         | 113,230,392  | 136,788,275  | 95,878,357  | 136,788,275  | 0            |
| Total Expenditures     | 113,231,392  | 136,788,275  | 105,842,765 | 136,788,275  | 0            |
| Ending Fund Balance    | \$43,462,338 | \$43,463,338 |             | \$56,656,767 | \$13,193,429 |

**3 DEVELOPMENT SERVICES**

|                        |              |              |            |              |               |
|------------------------|--------------|--------------|------------|--------------|---------------|
| Beginning Fund Balance | \$45,375,814 | \$45,375,814 |            | \$38,036,071 | (\$7,339,743) |
| Total Revenues         | 35,340,940   | 35,340,940   | 37,242,042 | 38,767,858   | 3,426,918     |
| Total Expenditures     | 43,830,455   | 60,883,936   | 57,228,137 | 60,679,833   | (204,103)     |
| Ending Fund Balance    | \$36,886,299 | \$19,832,818 |            | \$16,124,096 | (\$3,708,722) |

**4 MUNICIPAL RADIO**

|                        |           |           |         |           |             |
|------------------------|-----------|-----------|---------|-----------|-------------|
| Beginning Fund Balance | \$745,490 | \$745,490 |         | \$572,451 | (\$173,039) |
| Total Revenues         | 1,003,095 | 1,121,631 | 589,223 | 878,629   | (243,002)   |
| Total Expenditures     | 1,003,095 | 1,121,631 | 996,466 | 1,086,414 | (35,217)    |
| Ending Fund Balance    | \$745,490 | \$745,490 |         | \$364,666 | (\$380,824) |

**5 SANITATION SERVICES**

|                        |              |              |             |              |             |
|------------------------|--------------|--------------|-------------|--------------|-------------|
| Beginning Fund Balance | \$19,328,242 | \$19,328,242 |             | \$19,627,964 | \$299,722   |
| Total Revenues         | 145,369,518  | 145,369,518  | 152,130,189 | 152,707,382  | 7,337,864   |
| Total Expenditures     | 143,785,140  | 146,473,487  | 130,369,175 | 146,473,487  | 0           |
| Ending Fund Balance    | \$20,912,620 | \$18,224,273 |             | \$25,861,858 | \$7,637,585 |

**6 STORM DRAINAGE MANAGEMENT—DALLAS WATER UTILITIES**

|                        |              |              |            |              |              |
|------------------------|--------------|--------------|------------|--------------|--------------|
| Beginning Fund Balance | \$15,732,597 | \$15,732,597 |            | \$19,962,402 | \$4,229,805  |
| Total Revenues         | 72,433,742   | 72,433,742   | 77,861,280 | 75,861,292   | 3,427,550    |
| Total Expenditures     | 72,433,742   | 82,433,742   | 70,888,521 | 77,437,767   | (4,995,975)  |
| Ending Fund Balance    | \$15,732,597 | \$5,732,597  |            | \$18,385,928 | \$12,653,331 |

**7 WATER UTILITIES**

|                        |               |               |             |               |               |
|------------------------|---------------|---------------|-------------|---------------|---------------|
| Beginning Fund Balance | \$133,050,983 | \$133,050,983 |             | \$168,023,058 | \$34,972,075  |
| Total Revenues         | 755,226,160   | 755,226,160   | 826,638,355 | 826,662,465   | 71,436,305    |
| Total Expenditures     | 761,226,160   | 834,226,160   | 833,370,758 | 834,226,160   | 0             |
| Ending Fund Balance    | \$127,050,983 | \$54,050,983  |             | \$160,459,363 | \$106,408,380 |

## FY 2022-23 Financial Forecast Report

**INTERNAL SERVICE FUNDS**

| Department | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual | YE Forecast | Variance |
|------------|------------------------------|------------------------------|------------|-------------|----------|
|------------|------------------------------|------------------------------|------------|-------------|----------|

**8 BOND & CONSTRUCTION MANAGEMENT**

|                        |            |            |            |               |               |
|------------------------|------------|------------|------------|---------------|---------------|
| Beginning Fund Balance | (\$14,768) | (\$14,768) |            | (\$1,400,504) | (\$1,385,736) |
| Total Revenues         | 23,087,146 | 23,087,146 | 11,507,183 | 19,745,306    | (3,341,840)   |
| Total Expenditures     | 23,087,146 | 23,087,146 | 18,132,238 | 18,344,802    | (4,742,344)   |
| Ending Fund Balance    | (\$14,768) | (\$14,768) |            | (\$0)         | \$14,768      |

**9 EQUIPMENT & FLEET MANAGEMENT**

|                        |              |              |            |              |             |
|------------------------|--------------|--------------|------------|--------------|-------------|
| Beginning Fund Balance | \$10,783,384 | \$10,783,384 |            | \$11,008,909 | \$225,525   |
| Total Revenues         | 61,259,566   | 67,065,681   | 51,854,582 | 66,167,422   | (898,259)   |
| Total Expenditures     | 66,600,148   | 73,194,904   | 69,387,830 | 71,345,678   | (1,849,226) |
| Ending Fund Balance    | \$5,442,802  | \$4,654,161  |            | \$5,830,653  | \$1,176,492 |

**10 EXPRESS BUSINESS CENTER**

|                        |             |             |           |             |             |
|------------------------|-------------|-------------|-----------|-------------|-------------|
| Beginning Fund Balance | \$5,684,817 | \$5,684,817 |           | \$5,940,355 | \$255,538   |
| Total Revenues         | 2,593,790   | 2,593,790   | 3,000,504 | 3,474,046   | 880,256     |
| Total Expenditures     | 2,361,983   | 2,832,479   | 2,482,594 | 2,713,062   | (119,417)   |
| Ending Fund Balance    | \$5,916,624 | \$5,446,128 |           | \$6,701,338 | \$1,255,210 |

**11 INFORMATION TECHNOLOGY**

|                        |             |             |             |              |              |
|------------------------|-------------|-------------|-------------|--------------|--------------|
| Beginning Fund Balance | \$9,119,837 | \$9,119,837 |             | \$20,013,158 | \$10,893,321 |
| Total Revenues         | 108,985,933 | 108,985,933 | 108,941,169 | 109,630,340  | 644,407      |
| Total Expenditures     | 110,191,357 | 114,563,917 | 109,590,825 | 111,484,356  | (3,079,561)  |
| Ending Fund Balance    | \$7,914,413 | \$3,541,853 |             | \$18,159,142 | \$14,617,289 |

**12 RADIO SERVICES**

|                        |             |             |            |             |             |
|------------------------|-------------|-------------|------------|-------------|-------------|
| Beginning Fund Balance | \$1,139,315 | \$1,139,315 |            | \$2,712,126 | \$1,572,811 |
| Total Revenues         | 16,863,428  | 16,863,428  | 15,345,895 | 16,495,360  | (368,068)   |
| Total Expenditures     | 16,867,557  | 16,867,557  | 13,135,072 | 13,269,944  | (3,597,613) |
| Ending Fund Balance    | \$1,135,186 | \$1,135,186 |            | \$5,937,542 | \$4,802,356 |

## FY 2022-23 Financial Forecast Report

**OTHER FUNDS**

| Department | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual | YE Forecast | Variance |
|------------|------------------------------|------------------------------|------------|-------------|----------|
|------------|------------------------------|------------------------------|------------|-------------|----------|

**13 9-1-1 SYSTEM OPERATIONS**

|                        |             |             |            |             |             |
|------------------------|-------------|-------------|------------|-------------|-------------|
| Beginning Fund Balance | \$4,180,269 | \$4,180,269 |            | \$6,626,869 | \$2,446,600 |
| Total Revenues         | 12,017,444  | 12,017,444  | 12,706,690 | 13,810,793  | 1,793,349   |
| Total Expenditures     | 14,212,742  | 14,212,742  | 10,216,394 | 11,691,727  | (2,521,015) |
| Ending Fund Balance    | \$1,984,971 | \$1,984,971 |            | \$8,745,935 | \$6,760,964 |

**14 DEBT SERVICE**

|                        |              |              |             |              |              |
|------------------------|--------------|--------------|-------------|--------------|--------------|
| Beginning Fund Balance | \$66,867,697 | \$66,867,697 |             | \$69,564,897 | \$2,697,200  |
| Total Revenues         | 408,298,161  | 408,298,161  | 362,924,657 | 393,159,409  | (15,138,752) |
| Total Expenditures     | 412,314,869  | 412,314,869  | 360,356,180 | 368,356,534  | (43,958,335) |
| Ending Fund Balance    | \$62,850,989 | \$62,850,989 |             | \$94,367,772 | \$31,516,783 |

**15 EMPLOYEE BENEFITS**

|                        |               |               |               |               |             |
|------------------------|---------------|---------------|---------------|---------------|-------------|
| City Contributions     | \$108,965,789 | \$123,999,997 | \$111,689,728 | \$123,999,997 | \$0         |
| Employee Contributions | 44,675,798    | 45,633,730    | 45,011,326    | 45,318,637    | (315,093)   |
| Retiree                | 26,927,732    | 24,922,818    | 24,338,300    | 24,911,004    | (11,814)    |
| Other                  | 0             | 142,889       | 185,119       | 185,119       | 42,230      |
| Total Revenues         | 180,569,319   | 194,699,434   | 181,224,474   | 194,414,757   | (284,677)   |
| Total Expenditures     | \$189,583,785 | \$201,121,234 | \$183,343,800 | \$200,396,088 | (\$725,146) |

Note: FY 2022-23 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported (IBNR) claims.

**16 RISK MANAGEMENT**

|                       |              |              |              |              |                |
|-----------------------|--------------|--------------|--------------|--------------|----------------|
| Worker's Compensation | \$16,041,001 | \$16,041,001 | \$16,579,293 | \$16,579,293 | \$538,292      |
| Third Party Liability | 10,033,670   | 10,033,670   | 11,181,255   | 11,181,255   | 1,147,585      |
| Purchased Insurance   | 13,445,548   | 13,445,548   | 13,492,673   | 13,492,673   | 47,125         |
| Interest and Other    | 0            | 0            | 846,264      | 846,264      | 846,264        |
| Total Revenues        | 39,520,219   | 39,520,219   | 42,099,485   | 42,099,485   | 2,579,266      |
| Total Expenditures    | \$57,449,878 | \$57,449,878 | \$32,395,050 | \$32,395,050 | (\$25,054,828) |

Note: FY 2022-23 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (worker's compensation/liability/property insurance).



## VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summaries include the beginning fund balance with the YE revenue and expenditure forecasts. As of September 30, 2023, the beginning fund balance for the adopted and amended budgets and YE forecast represents the FY 2021-22 audited ending fund balance and includes FY 2021-22 YE savings. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, YE forecast projected to exceed budget, or projected use of fund balance.

**1 Aviation.** AVI revenues are projected to be \$33,350,000 over budget due to greater-than-expected revenues from garage parking, concessions, and NTTA fees.

**2 Convention and Event Services.** City Council increased CCT's expense budget by \$2,459,000 on May 10 by ordinance #32456 for new positions for the internal master planning team and by \$21,098,000 on September 27 by ordinance #32558 for increased event revenues.

**3 Development Services.** City Council increased DEV's expense budget by \$5,000,000 on November 9 by resolution 22-1676 for construction services at 7800 N Stemmons; by \$5,701,000 on February 22 by resolution 23-0317 for a service contract with Accela, Inc. for the purchase of initial licenses and implementation, maintenance, and support of a building permitting and land management solution; and by \$129,000 on May 10 by ordinance #32456 to reimburse planning and zoning services in Planning & Urban Design (PUD); by \$2,423,000 on June 28 by resolution 23-0936 for services to support the implementation of a land management system; and by \$3,801,000 on September 27 by ordinance #32558 for software upgrades. DEV revenues are projected to be \$3,427,000 over budget due to an increase in permits and additional revenue not budgeted from the Rapid Single-Family VIP Program (RSVP).

**4 Municipal Radio.** City Council increased Municipal Radio's expense budget by \$98,000 on May 10 by ordinance #32456 for the Nielsen contract buyout and by \$21,000 on September 27 by ordinance #32558 for temporary staffing for furniture disposal and records cleanup. OCA revenues are expected to be \$243,000 under budget due to lower advertising revenue. OCA will use fund balance to cover any fund shortfall.

**5 Sanitation Services.** City Council increased SAN's expense budget by \$2,688,000 on September 27 by ordinance #32558 for contractor services related to brush and bulky item collection. SAN revenues are projected to be \$7,338,000 over budget mainly due to higher than anticipated commercial hauler volumes and better than projected residential service fees.

**6 Storm Drainage Management.** City Council increased SDM's expense budget by \$10,000,000 on May 10 by ordinance #32456 for a transfer to capital construction. SDM revenues are projected to be over budget \$3,428,000 due to an improved collection rate. SDM expenses are projected to be under budget by \$4,996,000 due to salary savings and lower than anticipated debt service transfers.

**7 Water Utilities.** City Council increased DWU's expense budget by \$73,000,000 on May 10 by ordinance #32456 for a transfer to capital construction. DWU revenues are projected to be above budget by \$71,436,000 due to higher-than expected consumption attributed to dry weather conditions.

**8 Bond & Construction Management.** BCM revenues are projected to be \$3,342,000 under budget due to charges to capital projects encumbered in the prior fiscal year. BCM expenses are projected to be \$4,742,000 under budget due to salary savings associated with 42 vacant positions. BCM charges each capital project budget for project implementation costs. Savings in actual implementation expenses result in fewer charges to the capital project.

## VARIANCE NOTES

**9 Equipment and Fleet Management.** The FY 2022-23 Adopted Budget reflects planned use of fund balance. City Council increased EFM's expense budget by \$2,931,000 on May 10 by ordinance #33456 for increased fuel costs and contracted labor and by \$3,664,000 on September 27 by ordinance #32558 for contracted labor for extended life repairs, rebuilding of truck bodies, accommodations for SAN's 5-day schedule, repairs for Southeast Service Center garage, and vehicle parts. EFM expenses are projected to be \$1,849,000 under budget primarily due to salary savings and lower fuel costs.

**10 Express Business Center.** City Council increased Express Business Center's expense budget by \$470,000 on September 27 by ordinance #32558 to support increased office supplies costs and repayment of Coronavirus Relief Fund (CRF) payroll expenses. Express Business Center revenues are projected to be \$880,000 over budget due to auto pound sales.

**11 Information Technology.** City Council increased Information Technology's expense budget by \$4,373,000 on September 27 by ordinance #32558 for the repayment of Coronavirus Relief Funds (CRF) payroll expenses and the purchase of five Mix Mode threat and anomaly detection hardware devices that were not eligible for Master Lease Funding. Information Technology revenues are projected to be over budget \$644,000 due to interest earnings. Information Technology expenses are projected to be \$3,080,000 under budget due to the use of ARPA funds to pay for eligible expenses and contract delays.

**12 Radio Services.** Radio Services expenses are projected to be \$3,598,000 under budget due to delay in debt service payments for Master Lease.

**13 9-1-1 System Operations.** 911 System Operations revenues are projected to be \$1,793,000 over budget due to an increase in 911 fee collections for both wireless and wireline phones based on year-to-date receipts. 911 System Operations expenses are projected to be \$2,521,000 under budget due to the Esinet Charges being paid with the CSEC NG911 ESINet Grant.

**14 Debt Service.** Debt Service revenues are projected to be \$15,139,000 under budget due to an unrealized insurance payout (\$8,000,000). Debt Service expenses are projected to be \$43,958,000 under budget due to a delay in General Obligation bonds, certificates of obligation, and Master Lease issuances.

**15 Employee Benefits.** The amended budget was adjusted to match adjustments made citywide related to city contributions for employee benefits.

**16 Risk Management.** ORM revenues are projected to be \$2,579,000 over budget due to the addition of an Auto Collision and Comprehensive Insurance policy reimbursements. ORM expenses are projected to be \$25,055,000 under budget due to a delay in anticipated claims that have been moved from FY 2022-23 to FY 2023-24.

## FY 2022-23 Financial Forecast Report

**GENERAL OBLIGATION BONDS****2017 Bond Program**

| Proposition  |   | Authorized by Voters   | ITD Appropriations     | ITD Expenditures     | Current Encumbered   | Unencumbered         |
|--------------|---|------------------------|------------------------|----------------------|----------------------|----------------------|
| A            | Street and Transportation               | \$533,981,000          | \$533,981,000          | \$320,107,791        | \$118,108,608        | \$95,764,601         |
| B            | Park and Recreation Facilities          | 261,807,000            | 261,807,000            | 177,983,630          | 10,026,996           | 73,796,373           |
| C            | Fair Park                               | 50,000,000             | 50,000,000             | 38,360,649           | 5,307,348            | 6,332,003            |
| D            | Flood Protection and Storm Drainage     | 48,750,000             | 48,750,000             | 17,241,896           | 17,792,549           | 13,715,555           |
| E            | Library Facilities                      | 15,589,000             | 15,589,000             | 14,870,617           | 197,350              | 521,033              |
| F            | Cultural and Performing Arts Facilities | 14,235,000             | 14,235,000             | 13,082,642           | 430,284              | 722,074              |
| G            | Public Safety Facilities                | 32,081,000             | 32,081,000             | 27,116,770           | 35,384               | 4,928,846            |
| H            | City Facilities                         | 18,157,000             | 18,157,000             | 3,430,374            | 639,042              | 14,087,584           |
| I            | Economic Development                    | 55,400,000             | 55,400,000             | 21,157,353           | 8,873,642            | 25,369,005           |
| J            | Homeless Assistance Facilities          | 20,000,000             | 20,000,000             | 17,368,393           | 94,461               | 2,537,146            |
| <b>Total</b> |   | <b>\$1,050,000,000</b> | <b>\$1,050,000,000</b> | <b>\$650,720,115</b> | <b>\$161,505,664</b> | <b>\$237,774,221</b> |

**2012 Bond Program**

| Proposition  |  | Authorized by Voters | ITD Appropriations   | ITD Expenditures     | Current Encumbered  | Unencumbered        |
|--------------|--|----------------------|----------------------|----------------------|---------------------|---------------------|
| 1            | Street and Transportation Improvements         | \$260,625,000        | 266,938,887          | \$258,719,243        | \$5,662,866         | \$2,556,778         |
| 2            | Flood Protection and Storm Drainage Facilities | 326,375,000          | 326,375,000          | 250,913,893          | 64,048,202          | 11,412,904          |
| 3            | Economic Development                           | 55,000,000           | 55,000,000           | 39,069,338           | 5,115,200           | 10,815,462          |
| <b>Total</b> |  | <b>\$642,000,000</b> | <b>\$648,313,887</b> | <b>\$548,702,475</b> | <b>\$74,826,268</b> | <b>\$24,785,144</b> |

**2006 Bond Program**

| Proposition  |  | Authorized by Voters   | ITD Appropriations     | ITD Expenditures       | Current Encumbered  | Unencumbered        |
|--------------|--|------------------------|------------------------|------------------------|---------------------|---------------------|
| 1            | Street and Transportation Improvements             | \$390,420,000          | \$406,490,554          | \$394,010,358          | \$8,045,173         | \$4,435,022         |
| 2            | Flood Protection and Storm Drainage Facilities     | 334,315,000            | 342,757,166            | 303,118,979            | 13,765,886          | 25,872,301          |
| 3            | Park and Recreation Facilities                     | 343,230,000            | 353,343,060            | 348,919,637            | 1,816,147           | 2,607,276           |
| 4            | Library Facilities                                 | 46,200,000             | 48,318,600             | 47,670,034             | 15,499              | 4,463,067           |
| 5            | Cultural Arts Facilities                           | 60,855,000             | 63,821,447             | 63,151,488             | 0                   | 669,959             |
| 6            | City Hall, City Service and Maintenance Facilities | 34,750,000             | 36,216,478             | 33,056,925             | 446,979             | 2,712,573           |
| 7            | Land Acquisition Under Land Bank Program           | 1,500,000              | 1,500,000              | 1,474,169              | 0                   | 25,831              |
| 8            | Economic Development                               | 41,495,000             | 45,060,053             | 42,735,357             | 922,500             | 1,402,196           |
| 9            | Farmers Market Improvements                        | 6,635,000              | 6,933,754              | 6,584,013              | 0                   | 349,741             |
| 10           | Land Acquisition in the Cadillac Heights Area      | 22,550,000             | 22,727,451             | 11,781,139             | 49,983              | 10,896,329          |
| 11           | Court Facilities                                   | 7,945,000              | 8,146,606              | 7,869,762              | 0                   | 276,844             |
| 12           | Public Safety Facilities and Warning Systems       | 63,625,000             | 66,072,938             | 65,380,180             | 411,256             | 281,502             |
| <b>Total</b> |  | <b>\$1,353,520,000</b> | <b>\$1,401,388,107</b> | <b>\$1,325,752,042</b> | <b>\$25,473,422</b> | <b>\$53,992,642</b> |

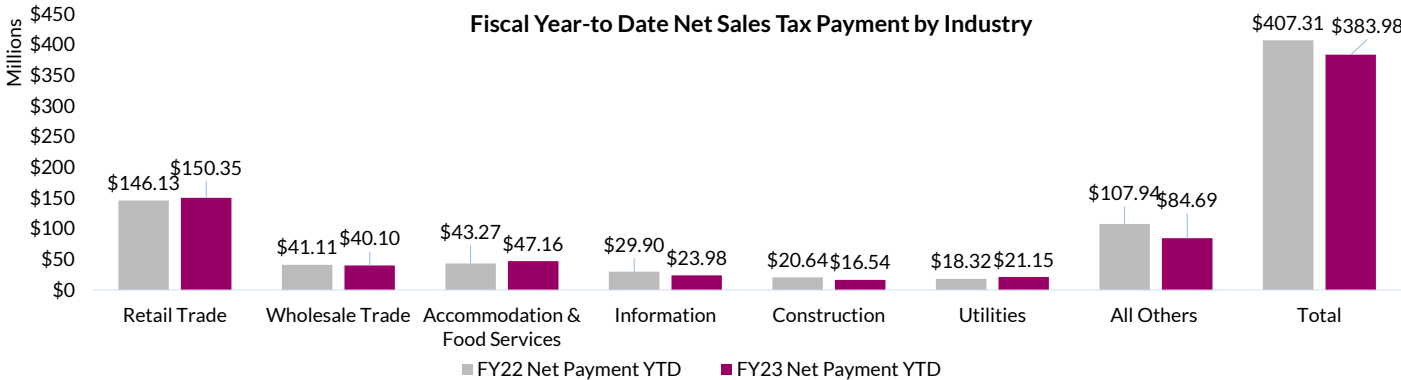
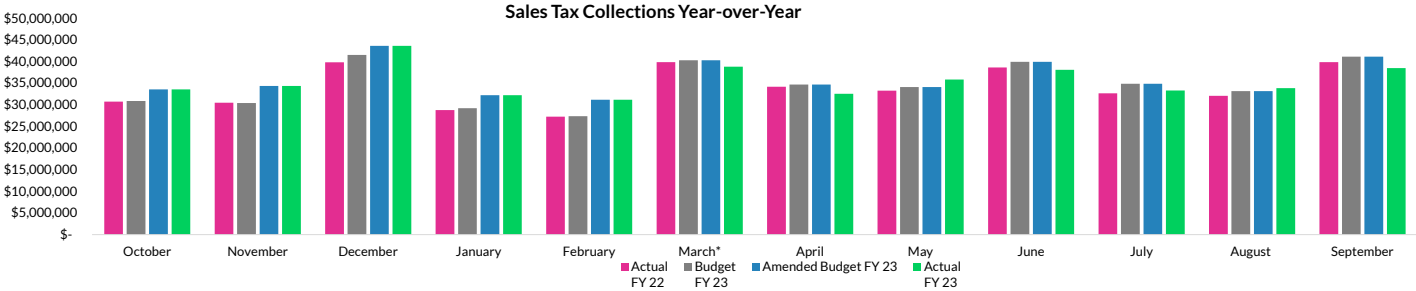
Note: The tables above reflect expenditures and encumbrances recorded in the City's financial system of record. They do not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.

FY 2022-23 Financial Forecast Report

# ECONOMIC INDICATORS

## Sales Tax

The current sales tax rate is 8.25 percent - 6.25 percent goes to the state, one percent to the City, and one percent to DART. The FY 2022-23, Sales Tax Budget was increased to \$432,750,269 by the mid-year ordinance #32456 approved by City Council on May 10, 2023. As of September 30, 2023, the sales tax forecast is \$425,540,231. The charts in this section provide more information about sales tax collections.



## FY 2022-23 Financial Forecast Report

**ECONOMIC INDICATORS**

| Year-over-Year Change in Sales Tax Collections |                                    |                    |
|--|------------------------------------|--------------------|
| Industry                                       | September FY23 over September FY22 | FYTD23 over FYTD22 |
| Retail Trade                                   | -14%                               | 3%                 |
| Wholesale Trade                                | -20%                               | -2%                |
| Accommodation and Food Services                | 4%                                 | 9%                 |
| Information                                    | 5%                                 | -20%               |
| Construction                                   | 10%                                | -20%               |
| Utilities                                      | 13%                                | 15%                |
| All Others                                     | 7%                                 | -22%               |
| Total Collections                              | -6%                                | -6%                |

**Retail Trade.** Includes establishments engaged in selling (retailing) merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise, so retailers are organized to sell merchandise in small quantities to the general public.

**Wholesale Trade.** Includes establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale to other wholesalers or retailers, (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production.

**Accommodation and Food Services.** Includes establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

**Information.** Includes establishments engaged in (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

**Construction.** Includes establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction or in subdividing land for sale as building sites are also included in this sector.

**Utilities.** Includes establishments providing electric power, natural gas, steam supply, water supply, and sewage removal.

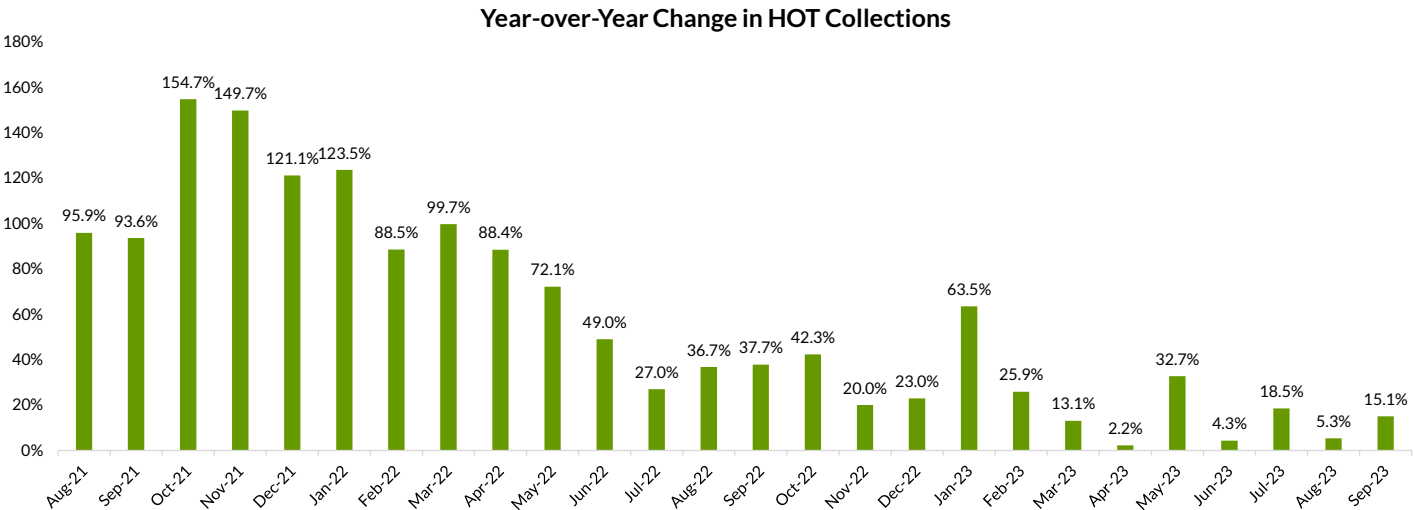
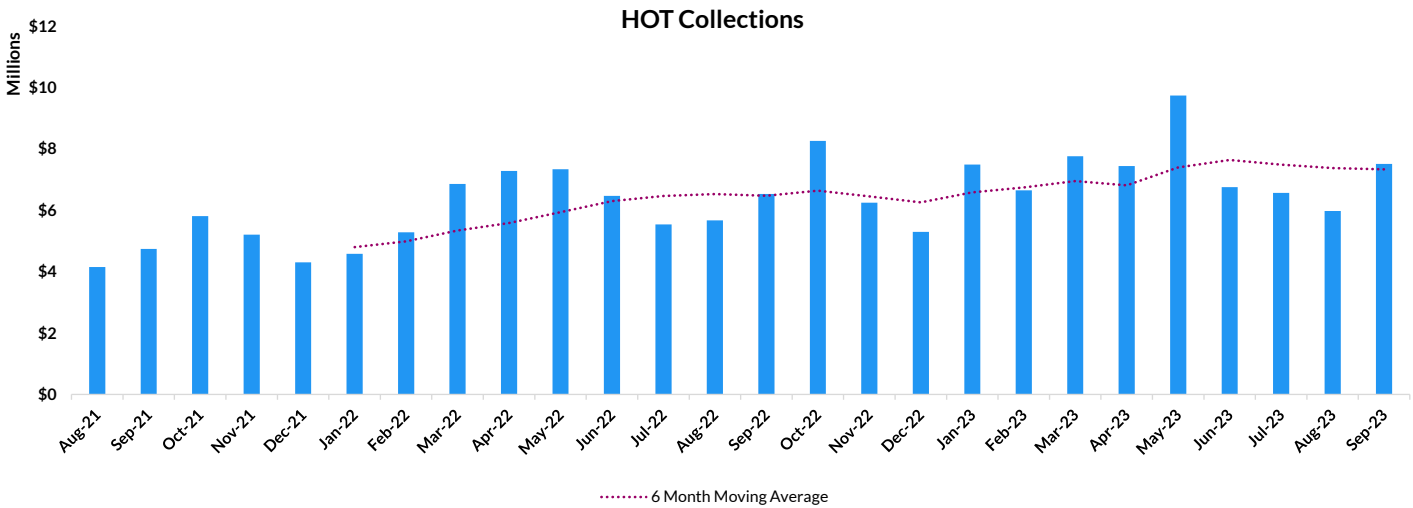
**All Others.** Includes but is not limited to manufacturing, professional and business services, financial activities, education and health services, and natural resources and mining.

FY 2022-23 Financial Forecast Report

# ECONOMIC INDICATORS

## Hotel Occupancy Tax

The City collects hotel occupancy taxes (HOT) on hotel, motel, bed and breakfast, and short-term rentals in the city limits. The HOT rate in Dallas is 15 percent of the cost of the room (not including food served or personal services not related to cleaning and readying the space for the guest)—six percent goes to the state, and nine percent goes to the City. Of the nine percent to the city, two percent is to be used for the Convention Center Expansion and the Fair Park Facilities Venue Projects and seven percent is allocated for Visit Dallas, Office of Arts and Culture, and Kay Bailey Hutchison Convention Center Dallas. HOT is the largest single revenue source for the Kay Bailey Hutchison Convention Center, and data is typically updated every two months.



FY 2022-23 Financial Forecast Report

# ECONOMIC INDICATORS

## Convention Center Event Bookings

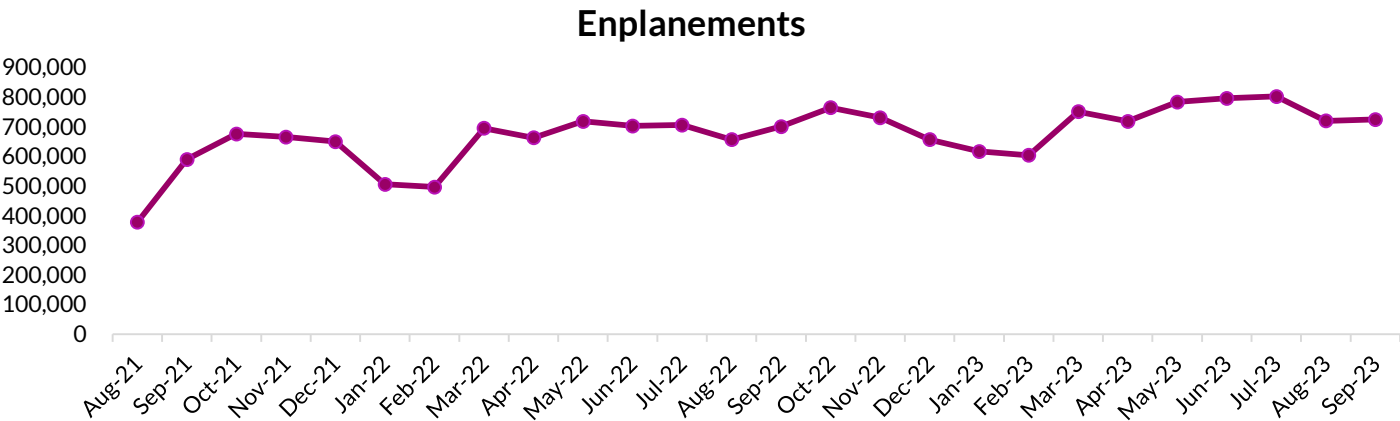
The table below lists the number of actual, planned, and forecast events at the KBHCCD for the last three fiscal years. Please note if no event takes place, it results in an equal reduction in revenue and expenses.

|              | FY21 Actual | FY22 Actual | FY23 Planned | FY23 Actual/Forecast* |
|--------------|-------------|-------------|--------------|-----------------------|
| October      | 3           | 6           | 10           | 10                    |
| November     | 1           | 5           | 2            | 2                     |
| December     | 2           | 9           | 11           | 12                    |
| January      | 1           | 4           | 7            | 5                     |
| February     | 0           | 10          | 9            | 14                    |
| March        | 2           | 13          | 7            | 10                    |
| April        | 1           | 8           | 5            | 6                     |
| May          | 6           | 6           | 9            | 10                    |
| June         | 7           | 11          | 9            | 12                    |
| July         | 7           | 4           | 10           | 5                     |
| August       | 4           | 8           | 5            | 5                     |
| September    | 5           | 10          | 4            | 5                     |
| <b>Total</b> | <b>39</b>   | <b>94</b>   | <b>88</b>    | <b>96</b>             |

\* Due to shifts in cancellations and rescheduling, FY23 actuals for prior months may be updated.

## Love Field Enplanements

An enplanement is when a revenue-generating passenger boards an aircraft. Enplanements are the most important air traffic metric because enplaned passengers directly or indirectly generate 80 percent of Aviation revenues. Typically, Aviation generates only 20 percent of total operating revenues from non-passenger-related activities.

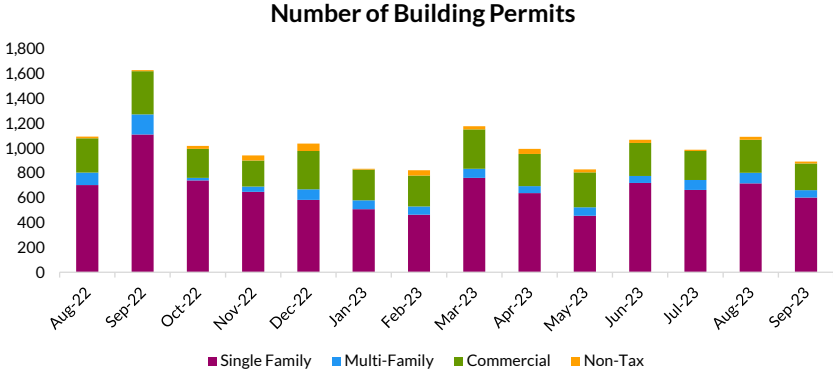


FY 2022-23 Financial Forecast Report

# ECONOMIC INDICATORS

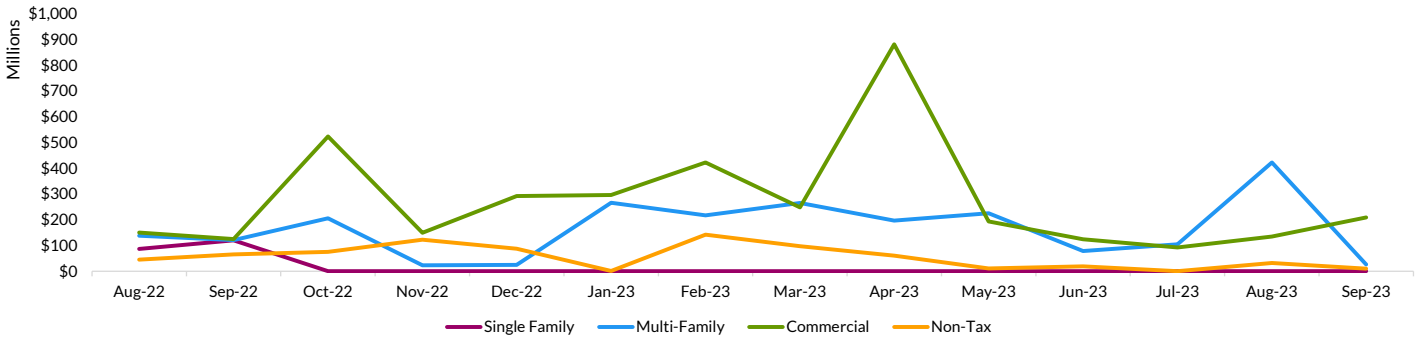
## Building Permits

Building permits (required for all construction in Dallas) can provide insight into upcoming activity in the housing market and other areas of the economy. Permits are a key indicator of the confidence developers have in the economy; likewise, a decline can indicate developers do not anticipate economic growth in the near future. In some cities, this measure may be a leading indicator of property tax value growth, but in Dallas, the property tax forecast model includes other variables like wage/job growth, housing supply, gross domestic product, population, vacancy rates, and others.



\* October 2022 - August 2023 reflects revised building permit data

## Building Permit Valuations



\* October 2022 - August 2023 reflects revised building permit data




# DALLAS 365

The Dallas 365 initiative aligns 35 key performance measures to our eight strategic priorities. The department responsible for each measure is noted at the end of the measure’s description, and last year’s performance is included if available. If FY 2022-23 data is not available, N/A is listed.

Year-to-date (YTD) and year-end (YE) targets are presented for each measure. YTD targets may vary based on seasonality of the work. Each month, we compare 1) the YTD target with the actual performance for the current reporting period and 2) the YE target with the department’s forecasted performance as of September 30, 2023.


Measures are designated “on target” (green) if actual YTD performance is equal to or greater than the YTD target. If actual YTD performance is within five percent of the YTD target, it is “near target” (yellow). Otherwise, the measure is designated “not on target” (red). The same methodology applies to YE forecasts. Variance notes are provided for each red measure.

**Year-to-Date**




**25**

On Target



**5**

Near Target



**5**

Not on Target

| #                                       | Measure  | FY 2021-22 Actual | FY 2022-23 Target | FY 2022-23 Actual |
|---|--|-------------------|-------------------|-------------------|
| <b>Economic Development</b>             |  |                   |                   |                   |
| 1                                       | Average number of business days to complete commercial permit application prescreen (Development Services) | 5.7               | 5.0               | 2.0               |
| 2*                                      | Percentage of next business day inspections performed on time (Development Services)                       | 98.5%             | 98.0%             | 98.9%             |
| 3                                       | Percentage spent with local businesses (Small Business Center)   | 36.7%             | 40.0%             | 59.0%             |
| 4                                       | Percentage of dollars spent with local M/WBE businesses (Small Business Center)                            | 84.6%             | 70.0%             | 80.9%             |
| <b>Environment &amp; Sustainability</b> |  |                   |                   |                   |
| 5                                       | Percentage of CECAP actions underway annually (Office of Environmental Quality & Sustainability)           | 94.3%             | 75.3%             | 75.3%             |
| 6                                       | Percentage of on-time bulk & brush collections (Sanitation Services)                                       | 99.9%             | 95.0%             | 99.9%             |
| 7                                       | Residential recycling diversion rate (Sanitation Services)   | 18.6%             | 20.0%             | 18.2%             |

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

## FY 2022-23 Dallas 365

| #  | Measure  | FY 2021-22 Actual | FY 2022-23 Target | FY 2022-23 Actual |
|--|--|-------------------|-------------------|-------------------|
| <b>Government Performance &amp; Financial Management</b> |  |                   |                   |                   |
| 8  | Percentage of invoices paid within 30 days (City Controller's Office)  | 88.1%             | 92.0%             | 79.7%             |
| 9  | Percentage of vehicles receiving preventive maintenance on schedule (Equipment & Fleet Management)                               | 96.2%             | 90.0%             | 97.2%             |
| 10   | Percentage of 311 calls answered within 90 seconds (311 Customer Service Center)   | 42.4%             | 60.0%             | 61.8%             |
| 11   | Percentage of informal solicitation requests (<\$50k) processed within 15 business days (Procurement Services)                   | N/A               | 80.0%             | 22.2%             |
| <b>Housing &amp; Homeless Solutions</b>                  |  |                   |                   |                   |
| 12   | Percentage of development funding leveraged by private sources (Housing & Neighborhood Revitalization)                           | 85.6%             | 60.0%             | 89.7%             |
| 13   | Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Office of Homeless Solutions) | 94.0%             | 85.0%             | 86.6%             |
| 14   | Percentage of beds utilized under the Pay-to-Stay program (Office of Homeless Solutions)   | 98.6%             | 80.0%             | 100.0%            |
| <b>Public Safety</b>                                     |  |                   |                   |                   |
| 15   | Percentage of EMS responses within nine minutes or less (Dallas Fire-Rescue)   | 85.1%             | 90.0%             | 85.4%             |
| 16   | Percentage of first company responses to structure fires within five minutes and 20 seconds of dispatch (Dallas Fire-Rescue)     | 87.5%             | 90.0%             | 87.0%             |
| 17*  | Crimes against persons (Dallas Police Department)  | 2,302             | 2,000             | 1,936**           |
| 18   | Percentage of responses to Priority 1 calls within eight minutes or less (Dallas Police Department)                              | 47.6%             | 60.0%             | 61.5%             |
| 19   | Percentage of 911 calls answered within 10 seconds (Dallas Police Department)  | 96.4%             | 90.0%             | 93.3%             |
| 20   | Complaint resolution rate (Office of Community Police Oversight)   | 82.2%             | 70.0%             | 78.3%             |
| 21   | Percentage of crisis intervention calls handled by the RIGHT Care team (Office of Integrated Public Safety Solutions)            | 52.6%             | 60.0%             | 59.8%             |

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

\*\* October 2022 - August 2023 reflects corrected Dallas 365 actuals for measure #17: Crimes against persons (Dallas Police Department).

## FY 2022-23 Dallas 365

| #   | Measure   | FY 2021-22 Actual | FY 2022-23 Target | FY 2022-23 Actual |
|---|---|-------------------|-------------------|-------------------|
| <b>Quality of Life, Arts, &amp; Culture</b> |   |                   |                   |                   |
| 22  | Percentage of litter and high weed service requests closed within SLA (Code Compliance)   | 83.6%             | 65.0%             | 98.4%             |
| 23  | Percentage increase in dogs and cats fostered (Dallas Animal Services)  | 33.4%             | 5.0%              | 41.9%             |
| 24  | Percentage of technology devices checked out monthly (Hotspots and Chromebooks) (Library)   | 77.3%             | 75.0%             | 87.9%             |
| 25  | Satisfaction rate with library programs (Library)   | 99.0%             | 93.0%             | 98.1%             |
| 26  | Percentage of cultural services funding to ALAANA (African, Latinx, Asian, Arab, Native American) artists and organizations (Office of Arts & Culture)  | 30.2%             | 32.0%             | 32.8%             |
| 27  | Average number of recreation programming hours per week (youth, seniors, and athletic leagues) (Park & Recreation)                                      | 2,192             | 1,615             | 3,269             |
| 28  | Participation rate at late-night Teen Recreation (TRec) sites (Park & Recreation)   | 68.0%             | 80.0%             | 37.2%             |
| <b>Transportation &amp; Infrastructure</b>  |   |                   |                   |                   |
| 29  | Percentage of bond appropriations awarded (ITD) (Bond & Construction Management)  | 85.6%             | 97.0%             | 84.6%             |
| 30  | Percentage of planned lane miles improved (787 of 11,770 miles) (Public Works)  | 81.6%             | 100.0%            | 98.4%             |
| 31  | Percentage of potholes repaired within three days (Public Works)  | 99.0%             | 98.0%             | 97.7%             |
| 32  | Percentage of signal malfunction responses within 120 minutes (Transportation)  | 91.4%             | 91.0%             | 90.4%             |
| 33  | Percentage of faded long line pavement marking miles improved (611 of 1,223 miles) (Transportation)   | 83.4%             | 50.0%             | 50.0%             |
| <b>Workforce, Education, &amp; Equity</b>   |   |                   |                   |                   |
| 34  | Percentage increase of original multicultural and multilingual content (on public, educational, and government) (Communications, Outreach, & Marketing) | 40.2%             | 25.0%             | 269.7%            |
| 35  | Percentage increase of workforce development grant participants in underserved populations (Small Business Center)                                      | N/A               | 60.0%             | 50.2%             |

\* For most measures, high values indicate positive performance, but for these measures, the reverse is true.

## FY 2022-23 Dallas 365

**VARIANCE NOTES**

**8** CCO staffing vacancies have resulted in the not on target status for invoices paid within 30 days. All vacant positions have been posted and interviews are in progress to ensure staffing levels meet invoice processing workloads.

**11** Vacancies for the two-person Buyer 1 team have played a major role in the performance variance. POM is actively onboarding and training a new Buyer 1, which will fully staff the team processing informal solicitation requests and assist in workload stabilization through improved staffing levels. POM staffing is anticipated to improve the target percentage for solicitations processed within 15 business days.

**17** As a follow-up to the prior month, DPD is now reporting an accurate count of Crimes Against Persons per 100,000 residents that occur each month. DPD corrected the sum of monthly actuals, resulting in an adjustment to the year-end (YE) total to 1,936. The adjusted YE total meets the annual target of less than 2,000 Crimes Against Persons per 100,000 residents. Prior months have been corrected.

**28** PKR teen late night program was not offered in the month of September primarily when program participation has historically declined. PKR will pivot in FY 2023-24 by sharing the overall success of teen programming by reporting the total number of teen program hours that are being conducted each month. The Late Night measurement reflects a small portion of overall teen programming efforts and was created when funding was increased for this specific program. Additionally, PKR is confident that the teen program will gain momentum throughout the city through special events, program delivery, and marketing.

**29** Increasing material costs and the complexity of project negotiations delay construction schedules resulting in a variance. Bond Program Projects are expedited by infrastructure departments when feasible to ensure the implementation schedule is met. OBP expects performance to improve in the future.

**35** Community Development Block Grant (CDBG) participation forecast decreased due to revised performance goals for the primary grant subrecipient whose enrollment commitment was reduced by over 50 percent, due to an adjusted calculation and update in YTD grant participants. The change in the number of participants for the one major sub-recipient impacted the overall performance numbers for each month. SBC continues to serve existing participants enrolled and anticipates improved attendance for future reporting.

# BUDGET INITIATIVE TRACKER

The Budget Initiative Tracker reports on 35 activities included in the FY 2022-23 budget. For each initiative included in this report, you will find the initiative number, title, description, status, and measure. At the end of each description, the responsible department is listed. For the September report, the responsible department has provided a current status for the initiative and indicated whether the initiative is “complete” (blue circle) or “incomplete” (red x). There are a few measures with clear progress, but external factors delayed the progress. These measures have been noted as substantially complete in the status narrative and moved to “complete”. Additionally, there are several measures shown as “incomplete” that require additional time because of the scope and term of the project. These measures will be moved to Multi-Year Initiatives and continue to be tracked in FY 2023-24.



## In the Spotlight

### City of Accessibility

The City of Dallas has undertaken a multi-year initiative to enhance its compliance with the Americans with Disabilities Act (ADA). This effort involves conducting building assessments, reviewing departmental policies, and providing employee training. In FY 2022-23, the Office of Equity & Inclusion successfully completed 20 assessments and completed ADA policy reviews of selected departments. The project will culminate with the director's approval for the posting of all FY 2022-23 efforts to the ADA Transition Plan. Additionally, the development of web-based ADA training courses, covering security and ADA 101, is currently in progress.

The ADA Self-Evaluation and Transition Plan focuses on documenting the city's efforts related to Title II compliance, creating an inventory of city programs, services, and activities slated for evaluation in subsequent phases, and formulating a budget and schedule for self-evaluation. Notably, no evaluations of city programs, services, or activities will be conducted during this initial phase. The project encompasses an ADA compliance review of select city buildings, parking lots, paths of travel, and public rights-of-way data, with proposed solutions for non-compliant elements. An ADA Transition Plan document will be generated, providing comprehensive task documentation and associated findings.



## FY 2022-23 Budget Initiative Tracker

**ECONOMIC DEVELOPMENT****1 Building Permit Process**

**INITIATIVE** Reform the City's building permit process and improve the customer experience through investments in a new centrally located facility, enhanced technology, and expanded staffing. In FY 2022-23, Development Services will hire additional staff to expand the Project Dox Intake Division, add a Housing Team to improve quality inspections, and add a 2nd Q-Team to increase the timeliness of project completions. (DEV)

**STATUS** DEV plans to move in phases to the "One Stop Permitting Shop" centrally located at 7800 N Stemmons in November 2023. The department continues working to fill vacant positions and has a job fair scheduled for November 2023. The second Q-Team has been operational for 6 months and has processed 174 commercial building permits year to date. The Residential RSVP and Affordable Housing Teams issued a combined total of 180 new single-family permits with 56 being issued through the "Same Day" permitting process. DEV is on schedule with the implementation of the land management software, "Dallas Now", and the department is working with the Data Business Intelligence Department with the launch of the forward-facing commercial permitting dashboard, a soft launch has been rolled out for staff internal review with plans to fully deploy for public use in January 2024.

**2 City Development Code**

**INITIATIVE** Overhaul the City's Development Codes (Chapters 51, 51A, and 51P) to develop a modern, updated, and user-friendly development code that is streamlined, consistent, clear, and aligned with all City plans and policies. In FY 2022-23, PNV will execute a consultant contract, work alongside the consultant to perform a technical analysis of the effectiveness of current development codes and begin the public engagement process to ultimately reduce the total land development timeline. (PNV)

**STATUS** On June 15, 2023, City Council approved the consultant procurement item. The consultant is expected to participated in a citywide tour in October 2023 to observe existing conditions and identify areas of inadequate zoning protection. Consultants have begun preparing the initial diagnostics phase and have an estimated phase completion of March 2024.

**3 Planning and Urban Design**

**INITIATIVE** Provide critical administrative support to boards and committees supported by Planning and Urban Design. In FY 2022-23, PNV will hire four additional positions to provide administrative and technical support, which are key critical functions currently performed by planning staff, managers, and executive staff. (PNV)

**STATUS** All positions have been filled and new hires are in training.

**4 City Auto Pound**

**INITIATIVE** Pave the way for redevelopment of the Vilbig Auto Pound by fully implementing the terms of the service contract that includes wrecker dispatch, wrecker response, storage of vehicles, collection of fees, and disposition of unclaimed vehicles for non-evidentiary tows and implementation of fee changes for towing and storage. (DPD)

**STATUS** Implementation was completed, and the new Auto Pound Management and Tow Dispatch system went live on May 2, 2023 for non-evidentiary vehicles. Currently, DPD and the vendor are monitoring contract operations to identify and correct any further efficiencies and reviewing options for alternative storage sites for evidentiary vehicles.

## FY 2022-23 Budget Initiative Tracker

**ENVIRONMENT & SUSTAINABILITY****5 Water Conservation Five-Year Work Plan**

**INITIATIVE** Update the Water Conservation Five-Year Work Plan to be incorporated into the 2024 state required Water Conservation Plan and Long-Range Water Supply Plan that will update population, water demand and supply, and re-evaluate strategies to meet future needs for Dallas' water system. (DWU)

**STATUS** The Long-Range Water Supply Update and associated Water Conservation Plan Updates was awarded in fall 2022. A kick-off meeting was held in February between consultants and the City to review the current plan, analyze conservation strategies, and update and index the plan against customer cities, including the southwest cities. The data collection has been delivered and the initial draft is currently being prepared for delivery in Fall 2023. Upon review by DWU and Water Conservation, the Conservation Work Plan will be indexed to five southwestern cities.

**6 Emerald Ash Borer (EAB) Mitigation**

**INITIATIVE** Protect the City's tree canopy and slow the spread of Emerald Ash Borer (EAB) through a multi-departmental mitigation effort. In FY 2022-23, PKR will hire four positions for the Forestry EAB strike team to respond to Emerald Ash Borer deterioration effects and plant trees in city parks. In FY 2022-23, PBW will hire seven positions and focus on tree inventory and EAB treatments to slow the spread of EAB and develop a tree planting plan for citywide right-of-way and parkways. (PKR and PBW)

**STATUS** The EAB response plan has been initiated. The PKR staff Arborist will continue special assignment assessing and mapping ash trees on park properties. As of September the Arborist has surveyed about 400 parks and inventoried approximately 1,564 ash trees in the maintained portions of park properties. The Urban Biologist and City Forester positions continue working with the interdepartmental Forestry Technical Team. Sr. Environmental Coordinator, was onboarded in May.

**7 Comprehensive Environmental & Climate Action Plan (CECAP) Outreach**

**INITIATIVE** Develop a comprehensive multimedia outreach, education, and engagement program to provide information on environmental stewardship and sustainability, energy efficiency, and other related topics in the CECAP. In FY 2022-23, OEQS will implement effective community outreach in all areas of the City, including creative, media buys, banners, and other material to support greater community outreach and engagement efforts. (OEQS)

**STATUS** The advertising campaigns continued in August and September switching to Litter Abatement and WholeHomeDallas focus. All divisions within OEQS interact with aspects of the CECAP Plan. Creative development and resulting materials and websites were completed for greenjobskills.com, and wholehomedallas.com.

**8 Solar Energy Initiative**

**INITIATIVE** Invest \$1.0 million in FY 2022-23 for a solar energy initiative, to install solar panels, energy efficient lighting, retrofit controls, and weatherization at City facilities; and invest \$500,000 for solar battery pack at a city facility. (BSD)

**STATUS** RFP solicitation was published on January 18, 2023 for a \$500,000 solar panel PV and \$500,000 battery energy storage systems. The contract has been finalized and was approved by City Council on May 24. The contractor was issued a Notice to Proceed on June 12. Estimated project completion is August 31, 2024. BSD has also completed weatherization activities at all of the current eight resiliency locations.

## FY 2022-23 Budget Initiative Tracker

**ENVIRONMENT & SUSTAINABILITY****9 Brownfield Program**

**INITIATIVE** Further environmental justice efforts by setting aside \$1.5 million for educational programs and/or community-led solutions for environmental remediation projects as well as seed money for grants to build a brownfield program. In FY 2022-23, OEQS will hire two positions that will manage the program and develop a comprehensive Brownfields Program focused on community-informed solutions and potential Environmental Protection Agency (EPA) grants for environmental remediation projects to address brownfields throughout the city. (OEQS)

**STATUS:** OEQS established a Brownfield program and hired two positions to manage the program. The program continues to engage with community groups to properly assess revitalization needs. The Brownfields Advisory Committee will begin meeting in FY23-24. The program is partnering with GroundworkUSA to advance EPA recommended community outreach practices and develop a GIS based Brownfields inventory map. The program is also exploring pilot projects to utilize the City's Environmental Justice Funds. An RFP is in process to find underwriting services to support the \$1,000,000 Revolving Loan Fund Grant. The anticipated start date for RLF and Assessment grants implementation is November 2023.

**10 Comprehensive Environmental and Climate Action Plan (CECAP)**

**INITIATIVE** Continue advancement of various components of the CECAP including the neighborhood air quality program. In FY 2022-23, OEQS will complete the data platform and data qualification procedures to begin testing air quality in designated neighborhoods. (OEQS)

**STATUS** The first group of five monitors went through their co-location calibration in the spring. The monitors were deployed in West Dallas Multi-Purpose Center, Fish Trap Lake, Mill Creek Batch Plant (Dixion Circle), Larry Johnson Rec Center (Dixion Circle), and South-Central Park (Joppa). The second group of eight monitors completed their co-location calibration on October 10th. These have since been deployed at: Mountain Creek Library, Park Forest Library, Polk Rec Center, Myers Prosperity Park, Martin Weiss Park, Westhaven Park, MoneyGram Park, and Flag Pole Hill Park.

All installed monitors are transmitting data, and DBI is working on updating the OEQS dashboard with the new locations. Three additional monitors are in the process of being deployed, with tentative locations of Floral Farms and the Dallas Zoo area. The third group of eight monitors started their co-location calibration October 10 with anticipated deployment in December.

**11 Environmental Justice (EJ)**

**INITIATIVE** With an emphasis on effectively addressing environmental justice, and the focus on using data to drive related policy, OEQS will hire one new Environmental Coordinator to develop, evaluate, and track environmental justice metrics for the department, and coordinate city-wide efforts association with EJ priorities, goals, and actions. The new position will work with other city departments to develop a Dallas-based EJ screening tool and help with the development of training to better ensure City staff integrate environmental justice into city work. (OEQS)

**STATUS** The Environmental Justice Coordinator position was filled on September 18. OEQS will train the new Coordinator on the Environmental Justice Mapping Tool and other related efforts.



## FY 2022-23 Budget Initiative Tracker

# GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

## 12 Equipment and Fleet

**INITIATIVE** Achieve a state of good repair in five years for all City fleet vehicles, including sanitation trucks, fire apparatus, police cruisers, and heavy equipment vehicles used by Public Works and Dallas Water Utilities by investing \$72.6 million for the purchase of replacement and additional fleet and equipment. (EFM, DFR, DPD, SDM, DWU, and SAN)

**STATUS** DFR approved the specifications for all the Engines, Trucks, and Ambulances that will be purchased with the FY 2022-23 funds. One Engine was ordered through general fund monies (approved budget amendment) and seven (7) Engines, two (2) Trucks, eleven (11) Ambulances, and three (3) Wildland Type VI vehicles have been ordered from the remaining funding allocation. DFR was awarded a grant from the North Central Council of Governments that acquired three blocker vehicles to protect residents, first responders, and emergency fleet units during freeway responses. EFM has ordered 711 units using department funds totaling \$98.5 million. Departments include CCS (35 units), CTS (6), CTJ (1), AVI (11), BSD (3), DAS (2), DFD (39), DPD (286), DWU (98), EFM(13), LIB (1) OEM (2), PBW (65), IPS (9), PKR (29), SAN (105), SEC (2), TRN (3), DSV (1).

## FY 2022-23 Budget Initiative Tracker

**HOUSING & HOMELESSNESS SOLUTIONS****13 Addressing Homelessness**

**INITIATIVE** Contribute \$25 million to leverage an additional \$47 million in public and private investment for an overall \$72 million program. The program employs housing navigation services, landlord incentives, rental subsidies, move-in kits, and case management to reduce and prevent homelessness, in partnership with Dallas County, the Dallas Housing Authority, the Metro Dallas Homeless Alliance, and other cities in Dallas County. The program began in FY 2021-22 and will be implemented over three years (FY 2021-22 – FY 2023-24). It is anticipated that over 2,700 individuals will be housed by the end of 2023. The third year (FY 2023-24) of the program will be focused solely on providing rental assistance and case management to those individuals housed in FY 2021-22 and FY 2022-23. (OHS)

**STATUS** The Dallas Rapid Rehousing Initiative has housed 2,272 individuals since the onset in October 2021 through September 2023. Of those individuals housed, 40 percent are from households consisting of adults with children and 60 percent are adults only. OHS is partnering with Housing Forward to launch the encampment decommissioning effort offering individuals in established encampments housing solutions.

**15 Healthy Community Collaborative (HCC) Program**

**INITIATIVE** Invest \$1.5 million [including \$523,000 of new funding] to provide services to persons who are homeless and have a mental illness or who might also have co-occurring substance use or primary health care issues. In FY 2022-23, HCC anticipates serving 750 clients. (OHS)

**STATUS** From October 2022 to September 2023, the three organizations contracted by OHS have provided services for 999 clients, exceeding the goal of 750 clients.

**14 Homeless Action Response Team (HART)**

**INITIATIVE** Launch a cross-departmental Homeless Action Response Team (HART) to deliver immediate interventions to expedite the improvement of unsafe encampments in need of immediate resolution, and address issues concerning panhandling. In FY 2022-23, implement a collaborative approach and hire seven positions in the Office of Homeless Solution, one position in the Office of Integrated Public Safety Solutions, seven positions in Public Works, four positions in Park and Recreation, two positions in Dallas Animal Services, four positions in Court and Detention Services, and eight positions in Code Compliance Services. (OHS, IPS, PBW, PKR, DAS, CTS, and CCS)

**STATUS** The two HART teams are established in two new off-site office locations and officially began work on December 12, 2022. From December 2022 to September 2023, the HART teams have responded to 385 service requests (SR's), with 77 percent of SR's responses occurring within 24-48 hours and 352 of them resolved within 10 days, visited 407 locations, cleaned up or closed 77 sites, and removed 1,367,250 lbs. of debris. PKR continues to work on filling four positions while the Marshal's office is currently conducting interviews for new Deputy Marshals and has hired one new Deputy who is currently in the six-month training program. CCS continues to work on filling remaining HART positions. DAS is currently using existing vehicles while working with EFM to purchase vehicles for HART. Similarly, CCS continues to wait on heavy equipment and is working jointly with the Nuisance Abatement Heavy Clean Teams to cover the program's needs on an as-needed basis.

## FY 2022-23 Budget Initiative Tracker

**PUBLIC SAFETY****16 Police Response Times**

**INITIATIVE** Improve response times to high priority calls by hiring 250 police officers in FY 2022-23 and implement retention incentive program targeted at reducing the attrition rate of experienced officers. (DPD)

**STATUS** A new Academy class started in Aug 2023 with 23 recruits and the September Academy class is projected to have 33 recruits or more. Year to date, DPD has hired 148 officers with a revised goal of hiring 181 or more by the end of FY 2022-23. DPD initiated a retention incentive to qualified staff in the amount of \$40,000 for an additional 2 years of service and they were able to retain 70 officers through this program.

**17 Innovative Equipment and Technology**

**INITIATIVE** Invest in the tools and technology to deliver effective and innovative public safety solutions within the Dallas Police Department. In FY 2022-23, DPD will integrate Automatic License Plate Reader (ALPR) technology into dash cameras installed in marked squad cars, replace over 4,000 portable and mobile radios, convert the public safety records management system to a web-based RMS system, and upgrade tasers to newer Taser 7 model. (DPD)

**STATUS** DPD has integrated the ALPR Technology into dash cameras installed in marked squad cars. The mobile radio replacement project is complete with 3,033 radios being issued to officers and 886 radios inventoried at the Quartermaster for future issuance. Evaluations of a combined web-based RMS and CAD system are currently under review.

**18 Single Function Paramedic Program**

**INITIATIVE** Expand the Single Function Paramedic Program to increase recruiting flexibility, provide a more diverse workforce, improve response times, and increase operational efficiency. In FY 2022-23, DFR will invest \$3.2 million to begin conversion of five existing peak demand units into units staffed by certified uniformed paramedics whose sole focus will be to staff ambulances at peak hours of call volumes. (DFR)

**STATUS** The Single Function Paramedic Program has filled all the supervisor and administrative positions. The program currently has 17 paramedics in the field and five in the hiring process with a projected start date of November 18. The program is on target with improving operational workload and efficiency during peak hours of call volumes.

**19 Inspection Life Safety Education Night Detail Team**

**INITIATIVE** Effective safety begins with prevention and compliance with safety standards. In FY 2022-23, DFR will launch the ILSE Night Detail Team (sworn personnel) to educate, monitor, and inspect venues in the City's entertainment zones during their peak hours of operation. (DFR)

**STATUS** The Night Detail / Entertainment Districts Team has accomplished the following: 2,542 Code activities (Inspections, complaints, Entertainment District education, etc.), 149 operators/managers educated on life safety issues (Crowd management, life safety systems, egress, etc.), 26 citations issued, and \$274,689 in fees collected.

DFR has reviewed what worked, what didn't, how to improve service delivery, and has established team goals for the new fiscal year. The team attended 24-Hour Dallas meetings multiple times throughout the year and has established a proactive alliance and working relationship with business owners/operators in the Entertainment Districts. Compliance has increased and staffing is available for annual inspections at times that are less intrusive for businesses.

**20 City Facility Security Assessment**

**INITIATIVE** In FY 2022-23, initiate \$2.9 million [of \$6.4 million allocated] of high-priority improvements identified through the City Facility Security Assessment including perimeter access control, security camera systems, radio systems, officer shelter space, vehicles access control, panic notification, lighting, weapons screening, security operating center upgrades, security staffing, and intrusion detection. (CTS)

**STATUS** CTS has initiated over 103 projects and has completed 32 of them. 66 of these projects are in the installation/construction phase. The projects completed include park lighting surveillance systems, access controls, window treatments, radios, and garage doors. Year to date, \$2.7 million of ARPA funding has been expensed.

## FY 2022-23 Budget Initiative Tracker

**QUALITY OF LIFE, ARTS, & CULTURE****21 Proactive Team ("Pro Team")**

**INITIATIVE** Proactively identify and abate illegal dumping sites before residents submit a service request by expanding the number of proactive teams from two to four teams assigned to each quadrant of the city. In FY 2022-23, CCS will hire sixteen positions, and develop a metric to track the effectiveness of the team. (CCS)

**STATUS** Out of the budgeted 16 positions, CCS has hired all but two. The Pro Teams are currently fulfilling the weekly expectation of 30 illegal dumping site abatements per week.

**22 Multi-Family Violence Crime Reduction Plan**

**INITIATIVE** In FY 2022-23, add twelve [10 added as budget amendment] Code Compliance officers focused on the multi-family violent crime reduction plan in partnership with the Dallas Police Department and Integrated Public Safety Solutions. (CCS, and IPS)

**STATUS** All 12 Code Compliance Officers have been hired and onboarded as of February. The teams are up and running as anticipated.

**23 Expanding Library Access**

**INITIATIVE** Provide Library access to invaluable resources, programs, and services. In FY 2022-23, LIB will hire 55 personnel and expand Library hours from five days per week to six days per week at 15 locations, expanding children's services, workforce development, SMART summer participation, and adult learning programs at those locations. (LIB)


**STATUS** The Library successfully filled all additional positions added in FY 2022-23 to expand hours at 15 locations. The extended hours began January 17.

**24 Historic Resource Survey**

**INITIATIVE** Invest \$1.0 million over the next two years to support a Historic Resource Survey and a strategic plan, which will identify historic resources, help determine what resources need to be preserved, and assist in guiding and developing local ordinances and planning efforts for preservation. In FY 2022-23, OHP will invest \$500,000 to start implementation of the survey and strategic plan. (OHP)

**STATUS** OHP received a grant for \$50,000 of matching grant funding for the Historic Resources Survey to increase available funding to \$550,000. In April, OHP and the consultant kicked off the steering committee and public engagement process and then finalized planning the public engagement phase in May. Policy research and coordination of public engagement process was initiated in June. OHP staff reviewed existing ordinances and best practices around historic preservation and began working on draft implementation plan. OHP staff are currently working through the procurement process and anticipate City Council vote taking place in Fall 2023 and anticipate the work being completion by Spring 2024.

## FY 2022-23 Budget Initiative Tracker

**TRANSPORTATION & INFRASTRUCTURE****25 Sidewalk Master Plan** 

**INITIATIVE** Continue improving pedestrian mobility by reconstructing and repairing sidewalks in the Sidewalk Master Plan. In FY 2022-23, PBW will spend \$5.0 million in bond funds (certificate of obligation bonds), \$1.0 million in Community Development Block Grant (CDBG) funds, and \$0.3 million from the General Fund to complete 17 sidewalk projects, which equates to approximately 14.25 miles of sidewalk improvements. (PBW)

**STATUS** As of September, PBW has spent 3,500,000 of its General Fund appropriations to complete 15 sidewalk projects and 13.6 lane miles of sidewalk improvements to date. PBW estimates it will complete the remaining 5.09 miles of sidewalk improvements in spring 2024.

**27 Vision Zero Action Plan** 

**INITIATIVE** Invest funding in Dallas's mobility infrastructure, emphasizing a system focused on life-saving improvements, and infrastructure solutions that reduce the risk of serious incidents. In FY 2022-23, TRN will hire an Engineer and focus on low-cost improvements that include safety evaluations for streets prone to high rates of injury, road safety improvements, and a citywide speed limit evaluation. (TRN)

**STATUS** The Engineer started with the Planning division in December and has been working on low-cost improvements for safety evaluations, road safety, and city-wide speed limit evaluation.

**29 Crosswalks** 

**INITIATIVE** This initiative began in FY 2021-22 and will be implemented over two fiscal years. In FY 2022-23, TRN will spend \$2.5 million (of \$5.0 million allocated) to restripe 320 lane miles and paint 864 crosswalks. (TRN)

**STATUS** TRN completed restriping of 320 lane miles and 864 crosswalks in FY 2022-23.

**26 Bridge Maintenance** 

**INITIATIVE** Implement an Annual Bridge Maintenance Program to address over 600 bridges and culverts inspected by the Texas Department of Transportation on a bi-annual basis. In FY 2022-23, PBW will spend \$3.4 million to maintain 20 bridges and set aside existing funding of \$1.0 million for emergency repairs. (PBW)

**STATUS** Construction on bridge maintenance began in January. As of September, PBW spent \$3.4 million and completed maintenance on 27 bridges. PBW spent \$335,512 on emergency repairs for the State Highway 356 Bridge and \$584,550 on emergency repairs to Ron Kirk Pedestrian Bridge.

**28 Traffic Signals** 

**INITIATIVE** Devote \$14 million over three years to leverage over \$50 million in matching federal funds to replace 100 traffic signals as part of our Vision Zero Action Plan. This initiative was started in FY 2021-22 and implemented in three phases. In FY 2022-23, TRN will spend \$2.1 million to design 44 traffic signals to leverage federal and county funds. (TRN)

**STATUS** As of August, TRN has allocated \$5,842,000 for this initiative. On August 23, TRN received City Council approval to accept a federal grant for new traffic signals at Zang Blvd and Saner Ave. The project to replace traffic lights will be a multi-year effort and requires the completion of a design phase before the implementation phase. The design phase will be completed in FY 2023-24 then TRN will proceed with the implementation phase which is expected to also be completed in FY 2025-26.

## FY 2022-23 Budget Initiative Tracker

**TRANSPORTATION & INFRASTRUCTURE****30 School Zone Flashing Beacons**

**INITIATIVE** Replace 1,000 outdated school zone flashing beacons with state-of-the-art technology to protect students as they walk to school. This initiative began in FY 2021-22 and will be implemented in three phases. In FY 2022-23 spend \$2.5 million to procure equipment and complete installation for 500 school zone flashing beacons. (TRN)

**STATUS** As of September, 180 flashing beacons have been installed. The manufacturer is scheduled to resume shipment of new equipment in September. Estimated completion schedule is in progress for the remaining 320 school zone flashing beacons.

**31 Bike Lanes**

**INITIATIVE** Extend and improve the bike lane network throughout the city with an increased annual investment to \$2.5 million to design and/or implement approximately 10 lane miles of bicycle facilities per year. (TRN)

**STATUS** TRN is scheduled to present the bike plan update to City Council on November 1. The bike plan update will inform the strategic bike lane locations to implement in the coming years. In the meantime, engineering work is being finalized on several bike lane projects with a plan for implementation in the coming months, utilizing in-house resources. Transportation staff is coordinating with the City Attorney's Office to develop a bike lane engineering contract structure that allows flexibility for upcoming projects, while complying with federal, state, and city procurement guidelines. The project to improve the bike lane network is a multiyear effort. TRN has prioritized the completion of FY 2021-22 projects and City Council approval of the bike plan update before moving on to the FY 2022-23 bike lane initiatives.

## FY 2022-23 Budget Initiative Tracker

**WORKFORCE, EDUCATION, & EQUITY****32 Mentor Protégé Program**

**INITIATIVE** Establish a mentor protégé program to support equity and capacity building of small and emerging businesses. (SBC)

**STATUS** SBC established the Mentor Protégé Program and hosted the first networking event on May 10th with 45 participants. Additionally, SBC has executed two of three contracts: 1) the Cen-Tex contract in the amount of \$225,000 and 2) the Greater Dallas Hispanic Chamber of Commerce contract in the amount of \$250,000 and 3) Dallas Black Chamber of Commerce in the amount of \$250,000.

**33 Equity Education Through Engagement**

**INITIATIVE** Hire a new Public Engagement Coordinator to effectively communicate the City's equity initiatives, programs, services and events through public awareness, outreach, engagement, and transparency. (OEI).

**STATUS** Interviews for the Public Engagement Coordinator took place in September, an internal candidate was selected and anticipated to start in October.

**34 Accessibility**

**INITIATIVE** Advance the City's compliance with the Americans with Disabilities Act by continuing to complete building assessments, review departmental policies, and provide employee training. In FY 2022-23, OEI will complete approximately 20 assessments. (OEI)

**STATUS** OEI has completed ADA Building reviews, first and second rounds of face-to-face interviews with departments have all been completed, and anticipates having the director sign-off on the Transition Plan in October 2023. Web Content ADA training courses remains on hold while city websites are being updated, ADA security training material remains at 90% complete and ADA 101 training was completed in May. OEI used funding allotted to initiative and partnered with Park and Recreation for the design of ADA accessibility updates to the front entrance of MLK Center.

**35 Bridging the Digital Divide**

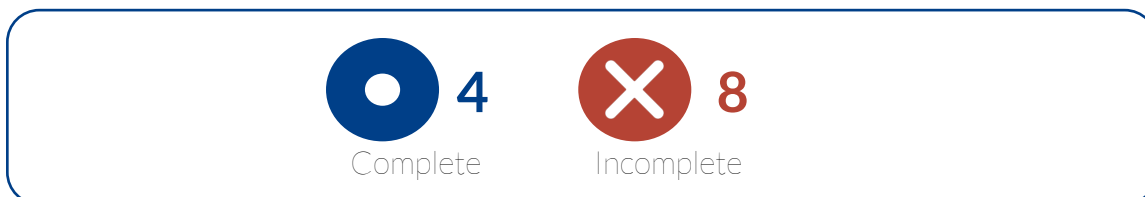
**INITIATIVE** Expand efforts to bridge the digital divide by allocating \$2.0 million for Digital Navigators to make internet access to individual households affordable, install reliable computer hardware, and enhance digital literacy skills and training. (CMO)

**STATUS** The launch of the Digital Navigators Program will advance the recommendations identified in the City's Broadband and Digital Equity Strategic Plan. The plan identifies specific ways the City can bridge the digital divide through infrastructure investments, public-private partnerships, and programming. Since launching in February, the Digital Navigators Program has provided internet access, affordable and reliable computer hardware, and digital literacy skills to 782 households.

## FY 2022-23 Budget Initiative Tracker

**MULTI-YEAR INITIATIVES**

While most initiatives can be completed in a single fiscal year, several FY 2018-19, FY 2019-20, FY 2020-21, and FY 2021-22 initiatives required additional time because of the scope and term of the project, as well as delays due to COVID-19. We will continue to report the status of these seven initiatives below, using the initiative numbers from the prior reports for reference.

**FY 2018-19****23 Historic Resource Survey (FY19)**

**INITIATIVE** Devote \$100,000 to conduct a historic resource survey with private partners. (OHP)

**STATUS** OHP staff and external consultant presented the final report to the Landmark Commission on May 2, 2022 and to the City Plan Commission on June 2, 2022. The final presentation to City Council has been delayed and OHP is working with the contracted organization on completing the presentation during FY 2023-24.

**FY 2021-22****1 Economic Development Entity**

**INITIATIVE** Launch the economic development entity called for in the Economic Development Policy with \$7 million over three years to pay formation costs and hire staff to begin the entity's business and real estate development work, after which it will be self-sustaining. In FY 2021-22, ECO will spend \$2.0 million to launch operations, hire a new Economic Development Corporation Director, develop a 3-year work plan, and develop an operational budget for Year 2 (FY 2022-23) and Year 3 (FY 2023-24). (ECO)

**STATUS** City Council approved creation of the Economic Development Corporation (EDC) on January 12, 2022, and the certificate of formation was filed with the State of Texas in February. The City Council approved the initial Board of Directors to the EDC on August 24, 2022. In January 2023, the EDC board prioritized the following for the upcoming year: hire a search firm to hire an EDC Director, and developing a strategic plan and funding plan (including budget). The board selected Korn Ferry as the recommended CEO search firm.

**6 Comprehensive Food & Urban Agriculture Plan**

**INITIATIVE** Prioritize Dallas communities' access to healthy, local food by contributing \$200,000 to implement a Comprehensive Food & Urban Agriculture Plan in collaboration with external stakeholders. (OEQS)

**STATUS** In FY 2022-23, OEQS began implementing the Comprehensive Urban Agriculture Plan (CUAP). City Council adopted the CUAP on March 8. External stakeholders involved included: 56 one-on-one stakeholder interviews, 745 public survey participants, and 3,500 impressions on the Comprehensive Urban Agriculture Draft Plan.



FY 2022-23 Budget Initiative Tracker

# MULTI-YEAR INITIATIVES

**8** Water Distribution System

**INITIATIVE** Enhance monitoring for lead and copper in the water distribution system and develop a plan to educate and support customers in regulatory-driven programs for lead and copper monitoring within schools, childcare centers, and public spaces. In FY 2021-22, DWU will hire two FTEs and spend approximately \$75,000 to develop an outreach plan and procedures to sample both schools and day care operations; develop a data management and reporting procedure to comply with the new regulations; and begin initial sampling in the second quarter of 2022 with a goal of 50 sites sampled by September 30, 2022. (DWU)

**STATUS** In FY 2022-23, 830 of 952 sites total have been investigated for lead and copper. 91 of 93 identified private schools have been provided outreach and investigated. The remaining two private schools are not served by DWU.

**13** Affordability Housing Units

**INITIATIVE** Incentivize developers to build affordable housing by subsidizing \$10 million worth of water and sewer infrastructure required for up to 250 new affordable single-family and 1,000 multifamily units over the life of the program (based on the mix of projects and the amount of funding requested). The program will be implemented from FY 2022-23 through FY 2023-24 with new units projected in years 2 and 3 due to construction timelines. (HOU)

**STATUS** On January 12, 2022, City Council approved the first project utilizing these funds, providing \$1.8 million to be used for water infrastructure related to the development of 125 for-sale single family homes. On August 24, 2022, City Council approved authorizing \$4.1 million in ARPA funds be allocated to Cypress Creek at Montfort, a mixed-income multifamily development in District 11. The estimated completion date is December 2025.

**14** Preservation of Affordable Housing

**INITIATIVE** Devote \$11.3 million for the preservation of affordable housing and investment in water and sewer infrastructure in qualified census tracts. In FY 2021-22, HOU will spend \$2 million for neighborhood infrastructure and \$2 million to preserve 20 housing units. (HOU)

**STATUS** In December 2021, City Council approved \$11.25 million in ARPA for home repairs and infrastructure improvements within specific qualified neighborhoods in Dallas. To date, \$1.7 million has been spent or encumbered for 13 homes under construction and five homes completed. By summer 2024, \$4.5 million will be encumbered for infrastructure improvements including water, wastewater, and sewer utilities. The estimated completion date is December 2026.

**19** Non-Emergency Enforcement

**INITIATIVE** Alleviate Police Department call volume by transferring non-emergency calls such as handicapped/fire lane parking enforcement and street blockage clearance from DPD to the Department of Transportation. (DPD, and TRN)

**STATUS** Parking violations services have been fully transferred from DPD to TRN. Road blockage calls during the hours of 6am-4pm daily, have been transferred from DPD to TRN for all calls that do not need DPD to be present.

## FY 2022-23 Budget Initiative Tracker

**MULTI-YEAR INITIATIVES****27 Wi-Fi at Park Facilities** 

**INITIATIVE** Install Wi-Fi at 63 park facilities. (PKR)

**STATUS** The cabling installation of the 14 high priority sites was completed in December 2022. The quotes for the remaining sites have been received and are ready for further processing. Currently, PKR is working with ITS to start the delivery order process. The remaining 49 Wi-Fi sites have received Access Point equipment.

**29 Traffic Signals** 

**INITIATIVE** Devote \$14 million over three years to leverage over \$50 million in matching federal funds to replace 100 traffic signals as part of our Vision Zero strategy. In FY 2021-22 spend \$3.5m to design 46 traffic signals to leverage federal and county funds. (Revised) (TRN)

**STATUS** City Council has approved funding to design 46 traffic signals to leverage federal and county funds. The design phase will be completed in FY 2023-24. After the design phase is completed then traffic signals can be replaced. The replacement will be completed in FY 2025-26.

**32 Bike Lanes** 

**INITIATIVE** Extend and improve our bike lane network throughout the City with an annual investment of \$2 million to design and/or implement approximately 18 lane miles of bicycle facilities per year. (TRN)

**STATUS** As of September, 9.0 lane miles are under study or design, or design is complete. 5.9 lane miles are being installed or installation is complete, for a total of 14.9 miles at a cost of \$1.6 million

**34 Accessibility** 

**INITIATIVE** Implement software system to track identified American Disabilities Act (ADA) compliance issues and barrier removal costs. (OEI)

**STATUS** OEI, ITS, and the proposed ADA software vendor have confirmed the ADA tracking program is compatible with the City's systems and meets security requirements. ITS (Software procuring team) encountered unanticipated challenges with the interlocal agreement (ILA) process that was currently pursued (with Texas Parks & Wildlife). Purchasing team is working with vendor on new procuring alternatives process for securing software. The team met with vendor on September 12 and provided the City's requirements for sole source contracting. The vendor will provide their documentation by October and the procurement team is estimating a four to six month timeline for all contracting activities including Council approval.

**35 Water/Wastewater Service** 

**INITIATIVE** Accelerate the extension of water and sewer services to all 47 occupied and unserved areas of the City (DWU). In FY 2021-22, DWU will award approximately \$9.5 million for the design of 211,219 feet and construction of 9,960 feet of new pipelines in Mesquite Heights, Killough Blvd & Wasco Lane, and Gooch Street areas. (DWU)

**STATUS** Installation of approximately 24,775 feet of new water and wastewater mains were completed in FY 2022-23 to serve 7 previously identified unserved areas. Approximately 11,196 feet of new pipelines were awarded for construction in November 2022 to 4 identified unserved areas that are now substantially complete. In addition, approximately 34,346 feet of new pipelines to 13 unserved locations were awarded for construction in June with three sites currently under construction. Bids for the next construction package with 10 additional sites representing approximately 24,955 feet of water and wastewater mains were received September 29 and will be awarded in January 2024. The final designs for the remaining occupied, unserved areas are being completed and these projects are being packaged for advertisement in Spring 2024 with planned construction award Summer 2024. This goal of continued implementation should be carried forward into FY2023- 24 goals.

# PROCESS IMPROVEMENT



The Process Improvement Team seeks to build a culture of continuous improvement throughout the City of Dallas, partnering with departments to leverage data and research-based best practices for transformative operational success today while laying with foundation for future innovation.

The Process Improvement Team applies the DMAIC problem solving approach to dig into process issues and deliver quantifiable, sustainable results. DMAIC is a five-phase method:

- Define – Define the problem
- Measure – Quantify the problem
- Analyze – Identify the cause of the problem
- Improve – Solve the root cause, develop structured improvements, and verify improvement
- Control – Maintain the gains and pursue perfection

The Process Improvement Team has focused on building awareness among departments, creating an organization-wide framework for process improvement, and establishing a cross-functional knowledge base for greater inter-departmental coordination. The following table summarizes current Process Improvement projects for FY 2022-23 which will be reported as Complete, On Track, Delayed, Cancelled, or Pre-Kickoff. The DMAIC phase may be referenced in the status update. The Improve phase is often the most challenging to implement because it involves eliminating the root cause and implementing improvements. This phase often extends the project timeline.

The Baseline for Key Performance Indicators is the starting point of metric to engage success for completing projects. Additional projects will be added to the list throughout the course of the fiscal year.

# PROCESS IMPROVEMENT

**Project Status**



**5**  
Complete



**2**  
On Track







**1**  
Delayed



**1**  
Cancelled




**0**  
Pre-Kickoff

| # | Measure   | Status  | Timeline   | Key Performance Indicators                            |          |         |
|---|---|---|--|---|----------|---------|
|   |   |   |  | Measure (Target)                                      | Baseline | Current |
| 1 | <p><b>SFD Building Permit Process</b><br/>Decrease building permits issuance lead time for single-family residential developments (DEV)</p>   |    | Feb 2022 - TBD   | Permit Application Internal Processing Time (12 days) | 29 days  | 6 days  |
|   |   |   | <p><b>Status Update:</b> Action items from the Rolling Action Items List have been completed or close to completed. Performance has been consistently at or below target for several months, with improvements sustained. Project is ready to close.</p>   |   |          |         |
| 2 | <p><b>DPD Workload Optimization</b><br/>Assess current operational demands to identify process improvement opportunities for workload management (DPD)</p>  |    | Jan 2022 - TBD   | % Accurately Reported Hours (95)                      | TBD      | TBD     |
|   |   |   | <p><b>Status Update:</b> The dashboard has been launched and under review. The response protocol is being developed as part of the control plan for leadership. Process Improvement is educating leadership on review protocol and processes through review of the dashboard provided.</p>   |   |          |         |
| 3 | <p><b>DFR Workload Optimization</b><br/>Assess current operational demands to identify process improvement opportunities for workload management (DFR)</p>  |  | Jan 2022 - May 2023  | Assessment completion (100%)                          | 0%       | 100%    |
|   |   |   | <p><b>Status Update:</b> Improvements to leave scheduling process have been implemented and operational data has been collected and analyzed. The controls that DFR implemented in Telestaff to manage Emergency Response Bureau work schedules are currently adequate for minimizing overtime. BMS will continue to support DFR by conducting annual reviews of work scheduling controls to identify further improvement opportunities. Additionally, DFR will continue to monitor the staffing and overtime data monthly to understand and minimize differences between overtime expenditures and overtime forecast model.</p> |   |          |         |
| 4 | <p><b>Contract Review and Execution</b><br/>Decrease contract review and execution lead time in order to minimize costs to the City and improve quality of procurement services from vendors. (OPS)</p> |  | June 2022 - March 2022   | Average number of contract development days (90 days) | 190      | N/A     |
|   |   |   | <p><b>Status Update:</b> The remaining stages of this project are now managed by the Office of Procurement Services (OPS).</p>   |   |          |         |

# PROCESS IMPROVEMENT

| # | Measure   | Status | Timeline   | Key Performance Indicators   |  |         |
|---|---|--------|--|--|--|---------|
|   |   |        |  | Measure (Target)   | Baseline   | Current |
| 5 | <p><b><u>Risk Review &amp; Certificate of Insurances</u></b><br/>                     Decrease the number of days and rework to process Risk Reviews and Certificates of Insurance (ORM)</p>  |        | Aug 2022 - March 2023  | Days and time to process Risk Reviews and Certificates of Insurance, Reduce amount of backlog    | RR=1.45 days<br>23 minutes<br>COI=2 days<br>22 minutes | TBD     |
|   |   |        | <p><b>Status Update:</b> The software used for Risk Review information is being customized to better serve ongoing improvements. Executive leadership has identified in excess of 30 OFI's related to customer service and processing. Enhancements are being implemented.</p>   |  |  |         |
| 6 | <p><b><u>"Low Sterrett Officer Turnaround Process"</u></b><br/>                     Decrease the amount it takes to write arrest reports</p>  |        | Dec 2022 - June 2023   | Streamline arrest reporting to minimize cycle time while maintaining effectiveness and accuracy. | 228 minutes/arrest                                     | TBD     |
|   |   |        | <p><b>Status Update:</b> Established three highest volume arrest types accounting for more than 50 percent of the arrests made are: Warrants Only (1,774), Assault Family Violence (1,460), DWI (697) and corresponding baseline data. Average arrest takes 144 minutes to complete and 228 minutes when accounting multiple officers involved in an average arrest. There have been 15 improvement opportunities transferred to DPD for evaluation and implementation and three of the largest opportunities include custom reports for the high-volume arrest types. Project visibility, monitors, and voice-to-text have helped in the reduction of time to process an arrest report. Data will continue to be monitored.</p> |  |  |         |
| 7 | <p><b><u>Water/Wastewater Permit Process</u></b><br/>                     Reduce cycle time of Water/Wastewater Permit Application Process to decrease overall building permit lead time (DEV/DWU)</p>                              |        | Nov 2021 - March 2022  | Permit Application Cycle Time (1 day)  | 45 days  | 1 day   |
|   |   |        | <p><b>Status Update:</b> Training documents were completed and tested in April and the executive review was held June 13.</p>  |  |  |         |
| 8 | <p><b><u>DWU/DEV/DFR</u></b><br/>                     Map water/wastewater permitting process, from start to finish including installation of items. Cross training to provide understanding of entire process for stakeholders</p> |        | April 2023- Nov 2023   | Reduce Errors, Breakdown Silos, Improving Communication  | N/A  | N/A     |
|   |   |        | <p><b>Status Update:</b> Over 40 OFI's have been identified. The team is creating a presentation for Dallas Builders Association to review and provide feedback, then presenting to executives for consideration and approval of enhancements. Customer presentation scheduled for October 17.</p>   |  |  |         |

| #   | Measure   | Status  | Timeline                 | Key Performance Indicators |                     |         |
|---|---|---|--------------------------|----------------------------|---------------------|---------|
|   |   |   |                          | Measure (Target)           | Baseline            | Current |
| 9   | <p><b><u>COD/DPD/Parkland/Dallas County Sheriff's Department/ Toyota</u></b><br/>                     Reduce the amount of time DPD officers spend processing prisoners at Lew Sterrett</p> |  | July 2023 - January 2024 | Cycle Time/ Arrest         | 228 minutes/ arrest | TBD     |
| <p><b>Status Update:</b> This project was relaunched in July, originally coupled with the "Lew Sterrett Officer Turn Around Process" project. Site visits were completed in July with all participants. Process Maps from DPD, Parkland, and Dallas County Sherriff's Office perspectives were created in August. In September, data was collected to aid in finalizing scope of the project. The findings were presented with team and executives on September 27 and to Dallas County Chief on October 3.</p> |   |   |                          |                            |                     |         |





# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2945

**Item #:** G.

---

Technology Accountability Report Information as of October 31, 2023  
[Information & Technology Services]



# Memorandum



CITY OF DALLAS

DATE November 9, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Technology Accountability Report – October 2023**

Please find attached the Technology Accountability Report (TAR) based on information through October 31, 2023. The TAR is a progress report reflecting the performance and operational status of the city in purchasing, implementing, operating, and securing technology to achieve the city's priorities and service objectives.

If you have any questions, please contact William (Bill) Zielinski, Chief Information Officer and Director of Information & Technology Services.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland  
Chief Financial Officer

c: TC Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

# Technology Accountability Report (TAR)



City of Dallas

**As of October 31, 2023**

---

**Prepared by Information & Technology Services**

---

**1500 Marilla Street, 4DS  
Dallas, TX 75201**

**214-671-9868**

# Executive Summary

The highlights of the October 2023 Technology Accountability Report (TAR) include:

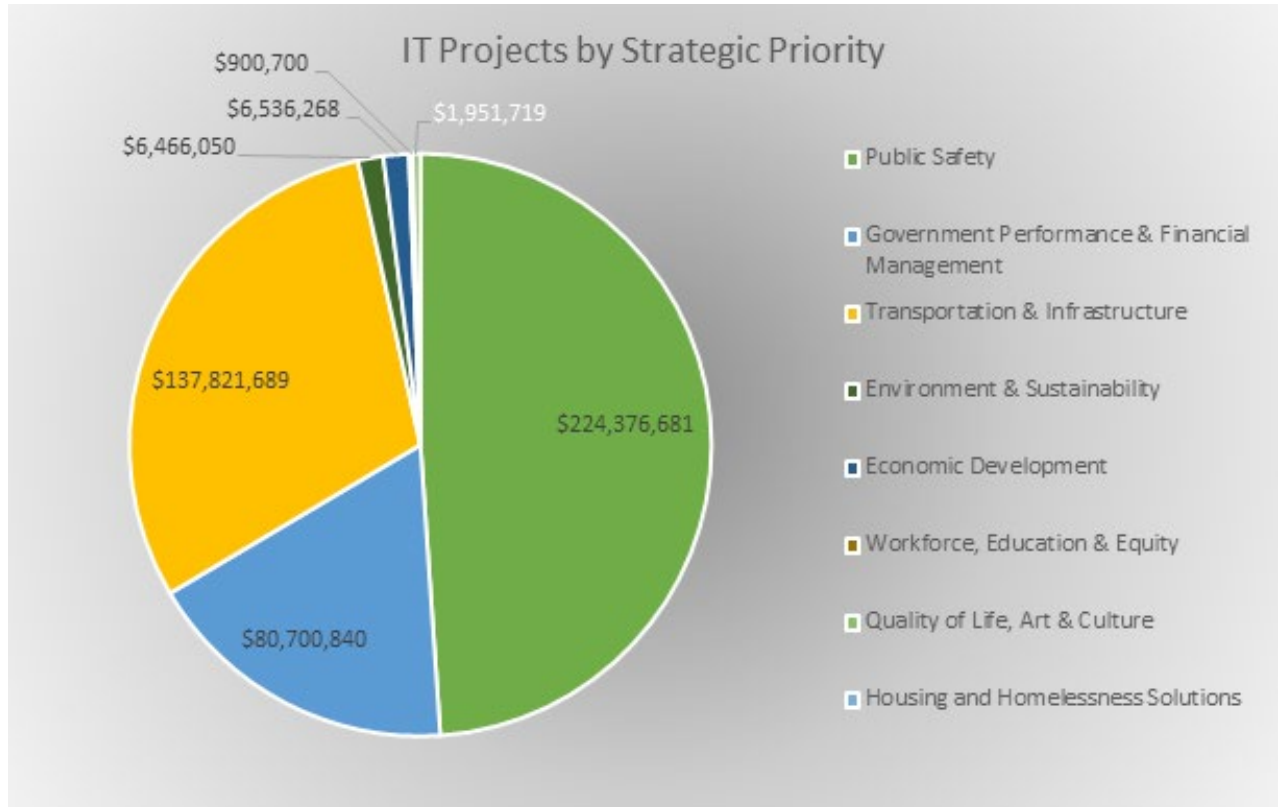
- Section 1: IT Programs & Projects – Since the September 2023 TAR report, one major project was completed and removed from the report:
  - The **Closed Captioning System** for the City Council Meetings project provides live web stream/cable channel for City Council meetings to help meet ADA compliance and the City of Dallas Equity and Inclusion goals. (Previously project #8 on the September 2023 TAR)
- Section 1: IT Programs & Projects – Since the September 2023 TAR report, one new major project has been approved:
  - The **Snow and Ice Response** project supports emergency response during snow and ice events. It will streamline the City's emergency response capability and will allow the Public Works department to quickly provide updated sanding information to other departments, to include Communications Outreach & Marketing, Office of Emergency Management, Dallas Fire and Rescue, and Dallas Water Utilities.
- Section 1: IT Programs & Projects – adds a new Subsection 3 that provide an additional breakdown of the total project portfolio measured by the following categories: strategic solutions, optimization and efficiency, technical debt, compliance standards, and operations and maintenance.
- The City of Dallas published the After-Action Review Report (AAR) for the May 2023 Ransomware event on September 20<sup>th</sup>. The report is publicly available in both English and Spanish versions for download on the City's website at <https://dallascityhall.com/DCH%20Documents/dallas-ransomware-incident-may-2023-incident-remediation-efforts-and-resolution.pdf>.

*This page left intentionally blank.*

# Section 1: IT Programs & Projects

## A. Project Pipeline

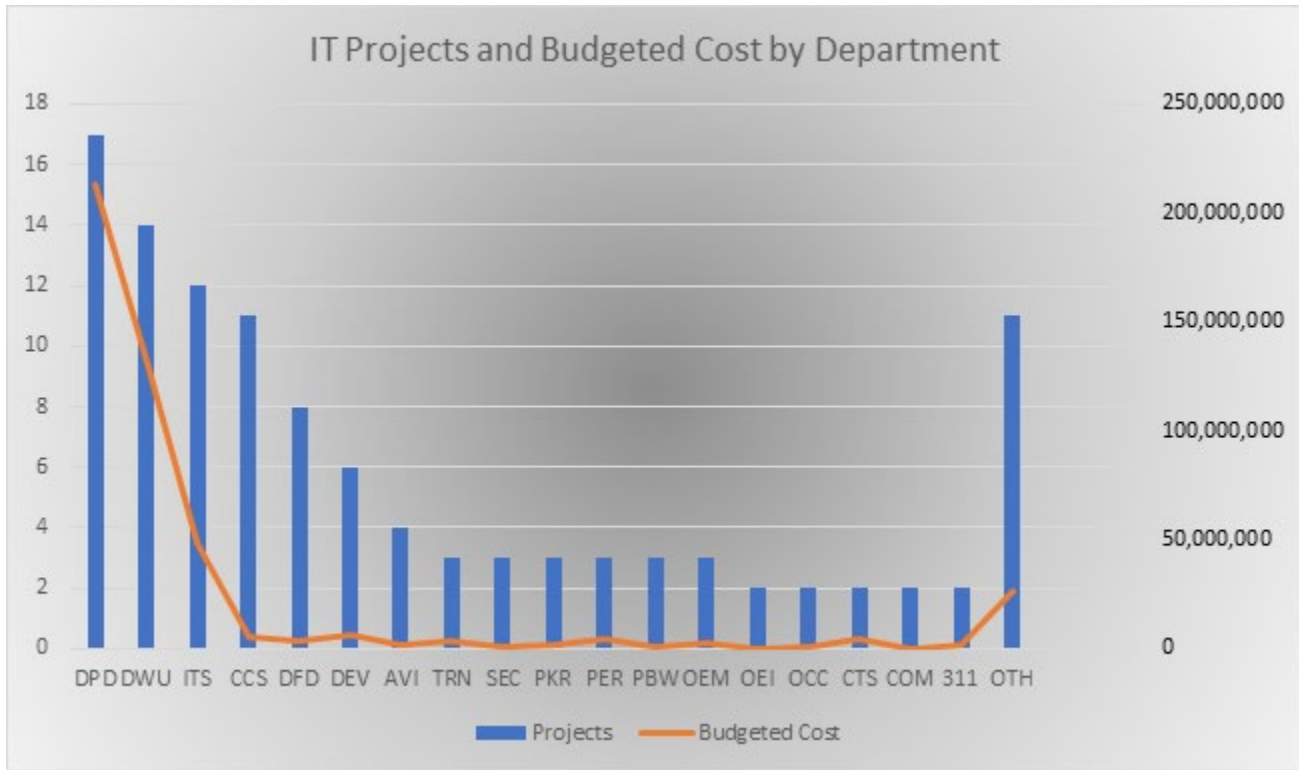
### 1. IT Projects by Strategic Priority



#### NOTES:

1. As of 10/31/2023, ITS has 111 approved IT projects in the pipeline.
2. The total budgeted costs for the 111 projects are \$458,753,946.
3. Project pipeline includes at least one project in 7 of the identified 8 strategic priorities.
4. The highest number of active IT projects are aligned to the Public Safety Strategic Priority with a total of 30 projects at a total budgeted cost of \$224.4M, followed by Government Performance & Financial Management with a total of 27 projects at a total budgeted cost of \$80.7M, Transportation & Infrastructure with a total of 24 projects at a total budgeted cost of \$137.8M, and Environment & Sustainability with 14 projects at a total budgeted cost of \$6.4M.

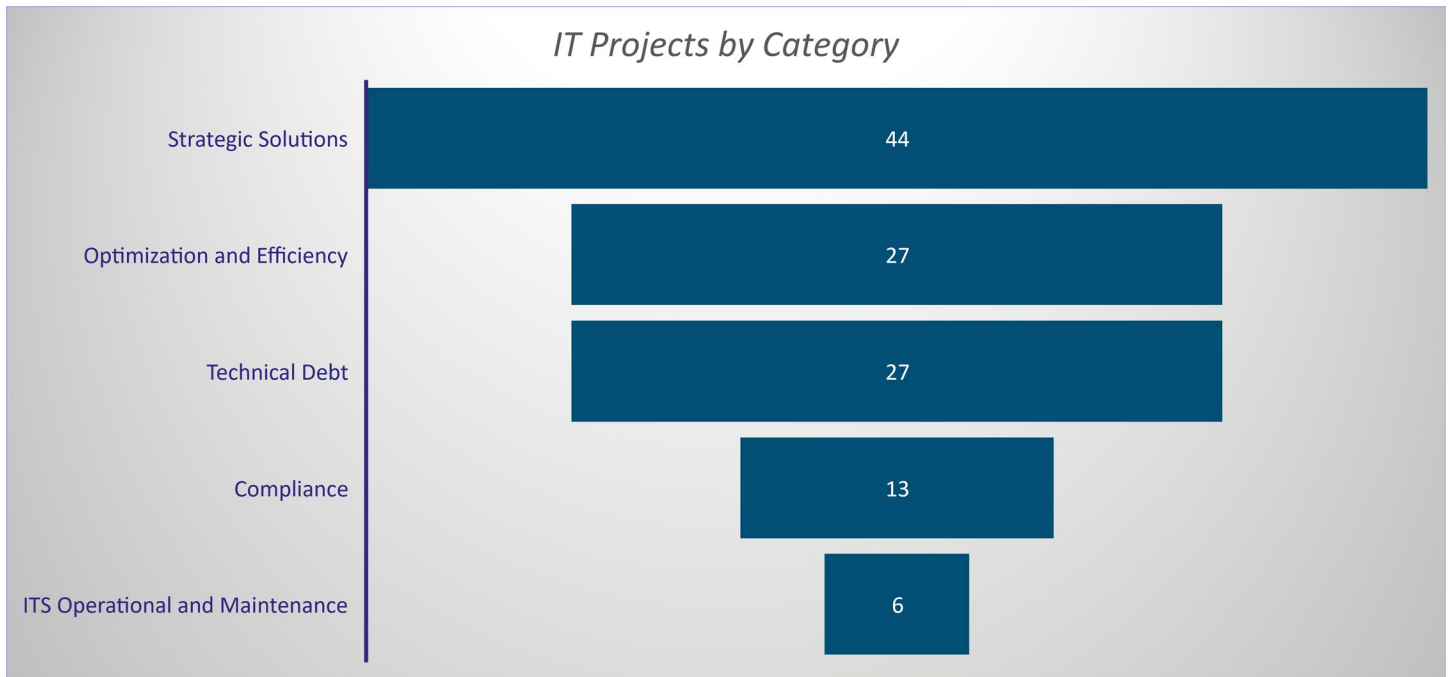
2. IT Projects and Budgeted Cost by City Department



NOTES:

1. Twenty-nine City Departments are represented across the 111 approved IT projects in the pipeline.
2. Dallas Police Department has 17 active projects at a total budgeted cost of \$213.6 million, followed by Dallas Water Utilities with 14 active projects at a total budgeted cost of \$131.1 million, Information & Technology Services with 12 projects at a total budgeted cost of \$48.7M, Code Compliance with 11 projects at a total budgeted cost of \$5.4M, and Dallas Fire and Rescue with 8 active projects at a total budgeted cost of \$3.9M.
3. Eleven Departments have one active project each, making up the Other (OTH) group in Figure 2 above.

### 3. IT Projects and Budgeted Cost by Category





#### NOTES:


1. Forty-four projects implement Strategic Solutions of new products or services with a budgeted cost of \$69.4M.
2. Twenty-seven projects aim to increase Optimization and Efficiency of City processes and systems with a budgeted cost of \$273.3M.
3. Twenty-seven projects focus on reducing Technical Debt with a budgeted cost of \$111.6M.
4. Thirteen projects address Compliance Standards to meet industry regulations, government policies, or security frameworks with a budgeted cost of \$98.9M.
5. Six projects are internal Operations and Maintenance projects with a budgeted cost of \$1M.

\*The number of projects spread among these categories total to more than 111 due to some projects falling into more than one category.

## B. Major Project Status




**\*\*LEGEND:**

- **Cancelled:** The project has not finished, and work on the project will not continue.
- **Completed:** Work on the project has finished, and all deliverables/tasks have been completed.
- **Delayed:** The project is still active, but we have passed the initial estimated completion date.
- **In Process:** The project is currently being worked on by the project team.
- **On Hold:** The project has not finished, and work on the project has been suspended.
- **Ongoing:** The project consists of multiple phases or is an operational project. Some portions have been completed, but the project has not fully reached fruition.
-  : Addresses technical debt
-  : PCI project






| #  | Project Name   | Description   | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds   |
|----|--|---|--------------------|-------|---------------------------|----------------|--|
| 1. | Enterprise Contact Center (ECC) Solution               | The Enterprise Contact Center application within the City of Dallas is a secure, reliable, and scalable call platform to meet the needs of city residents. The ECC includes Natural Language Processing (NLP), Knowledge Base, Workforce Management, Interactive Voice Response (IVR), Courtesy Call Back, and other core call center capabilities to support multiple departments across the city. <a href="#">(\$2,134,245)</a>                                 | GPFM               | 311   | TBD                       | In Process     |  |
| 2. | Ethics Point Salesforce Integration                    | The purpose of this system is to promote and support ethical financial compliance. <a href="#">(\$63,164)</a>   | GPFM               | ATT   | Dec-23                    | In Process     |  |
| 3. | Department of Aviation INDMEX AirBOSS Vehicle Tracking | This system provides the airport staff with a user friendly, browser-based means to track vehicle, aircraft movements, increase operational safety, and create a common operational picture. The Vehicle Tracking technology in this system allows the airport staff to track ground vehicles, driver positions while the Runway Incursion Warning System (RIWS) will alert vehicle operators in advance of a possible incident on runways. <a href="#">(TBD)</a> | Transport & Infra  | AVI   | Mar-24                    | In Process     |  |
| 4. | Veoci Dallas Airport System Phase 2 Implementation     | This system provides the airport staff with a multifunctional platform providing emergency, safety management systems. This system allows to create, share and manage all information related to unlimited number of emergencies, incidents, events and facilitates emergency mass communications to internal and external stakeholders of Dallas Love Field Airport. <a href="#">(TBD)</a>   | Transport & Infra  | AVI   | Jun-24                    | In Process     |  |





## As of 10/31/23

| #   | Project Name   | Description   | Strategic Priority    | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|---|-----------------------|-------|---------------------------|----------------|---|
| 5.  | Core Financial System Upgrade  | The CG Advantage 3 system is utilized by all departments within the City for processing and recording of all budgets, procurement, and financial accounting transactions and interfaces with many enterprise business applications. This major upgrade will move the City's core financial system to a cloud-based solution providing advanced capabilities and incorporating modern technologies such as robotic process automation (RPA) and machine learning (ML) to improve the quality and speed of financial transactions. <a href="#">(\$22,095,745)</a> | GPFM                  | CCO   | Dec-24                    | In Process     |    |
| 6.  | Vacant Property Registration Salesforce Platform                     | This project will develop a registration platform and process for identifying and tracking vacant properties. This City-wide process will be managed by Code Compliance Department. It will also enable citizens to access an online platform to register and pay for vacant properties they own. <a href="#">(TBD)</a>   | Environment & Sustain | CCS   | TBD                       | In Process     |    |
| 7.  | Asset Management System  | The Code Compliance office is seeking an asset management system to manage several different of assets to include ballistic vests, uniform items (pants, belts, reflective vests, shirts, jackets) that they issue officers, and other equipment deployed to their staff to perform their duties. This effort gathers requirements to conduct market research and identify potential solutions to meet the business need. <a href="#">(\$76,000)</a>  | Environment & Sustain | CCS   | TBD                       | In Process     |   |
| 8.  | Consumer Protection online Salesforce Application/ permitting system | This system will allow a department to implement an online permit process for seven applications (wood vendor, motor vehicle repairs, credit access, electronic repairs, home repair, scrap tire). Will Allow business owners to access, complete, submit, and track their business permit applications online. <a href="#">(\$318,050)</a>   | Environment & Sustain | CCS   | TBD                       | In Process     |  |
| 9.  | Envision Connect Replacement Project                                 | This project will replace the current Restaurant Inspection System - Envision Connect. Envision Connect is at the end of life for support. The vendor is requesting to move to their newer application for restaurant inspections. <a href="#">(\$482,611)</a>  | Environment & Sustain | CCS   | TBD                       | In Process     |  |
| 10. | Body Worn Cameras for Code Personnel (CCS)                           | Code Compliance is implementing body-worn cameras to enhance citizen interactions, officer safety, and provide investigatory evidence for field inspections. The department has completed a pilot with limited staff and will move forward with a phased rollout. <a href="#">(TBD)</a>   | Environment & Sustain | CCS   | Feb-24                    | In Process     |   |
| 11. | Short Term Rental Enforcement Database                               | This solution facilitates compliance enforcement of new zoning and registration ordinances for STRs. It will enable CCS to identify and locate short-term rentals, monitor activity on host platforms, track code violations, issue notices and other administrative documents. <a href="#">(TBD)</a>   | Environment & Sustain | CCS   | Mar-24                    | In Process     |   |



## As of 10/31/23

| #   | Project Name   | Description  | Strategic Priority    | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|--|-----------------------|-------|---------------------------|----------------|---|
| 12. | Cameras at 7901 Goforth  | This project replaces an old analog camera system with high resolution cameras. The camera system will provide 360-degree coverage around the building at 7901 Goforth. Cameras will extend into the common areas of the building and the front counter area. (TBD)  | Environment & Sustain | CCS   | Aug 24                    | In Process     |    |
| 13. | Electronic Citation (eCitation) system   | This project will implement an electronic citation system to support the Code Compliance department's operations. The department issues over 69,000 Notices of Violation and over 10,000 citations annually. This system will improve operational efficiency by reducing the amount of time officers spend on-site, reducing paper waste and reducing data entry mistakes from hand-written citations. (TBD)                 | Environment & Sustain | CCS   | Aug 24                    | In Process     |    |
| 14. | Convention and Event Services - Office of Special Events - Cust Relation Mgmt System | Convention and Event Services Customer Relation Management System is currently operational but is not currently accepting credit card payments. This project implements PCI requirements to allow the system to eventually accept credit card payments. (TBD)  | ECO                   | CCT   | TBD                       | In Process     |    |
| 15. | Enterprise Community and Employee Engagement Solution                                | This solution streamlines the city's ability to inform the public, solicit opinions, and conduct surveys to better support the citizens. It facilitates city authorities' active communication with residents and will help to better inform residents about service changes. (TBD)  | GPFM                  | CMO   | Sep 24                    | In Process     |    |
| 16. | RFCS for Court Case Management System  | The current Court Case Management System (Tyler Technologies) contract will expire June 2024. CTS wishes to conduct market research and conduct a competitive procurement to ensure the best solution is selected to upgrade and improve court case management. (\$4,371,720)  | Public Safety         | CTS   | TBD                       | In Process     |  |
| 17. | DAS Inventory Management Tool  | Dallas Animal Services manages a large inventory of drugs, supplies and business equipment needed to perform their functions. Currently, inventory management is done through a legacy system database (animal software) or on spreadsheets. The current processes are inadequate in providing appropriate controls and functionality. (\$14,062)  | Environment & Sustain | DAS   | TBD                       | In Process     |   |
| 18. | Development Services Training Simulator  | The building permit and inspection process involves several different components operating independently on separate software platforms. The purpose of this project is to develop a training simulator that allows for cross-collaboration across city divisions to improve quality and efficiency of processes. (\$50,000)   | ECO                   | DEV   | TBD                       | On Hold        |   |
| 19. | Customer Queuing Software  | Customers currently walking into the permit center need to be able to "sign in" and set appointments remotely. DEV needs to be able to offer this service to their customers to better track the data associated with their customers' experiences; volume, wait times, types of service...etc. This project will identify, procure, and implement a customer queue management solution for Development Services. (\$60,000) | ECO                   | DEV   | TBD                       | In Process     |   |





## As of 10/31/23

| #   | Project Name   | Description   | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|---|--------------------|-------|---------------------------|----------------|---|
| 20. | Expand OnBase to the entire SDC Department                           | The OnBase content management system was originally implemented only for the Building Inspection division within the Development Services Department (DEV). Purpose of this project is to implement the content management system to all divisions within DEV. (\$180,712)  | ECO                | DEV   | TBD                       | On Hold        |   |
| 21. | DallasNow  | The city's current permitting system has reached end of life, cannot interact with the new geospatial technology standards, and is difficult to change to support new business requirements, as well as workflows. This project will deploy a new system to replace the existing system and to add efficiencies in the permitting process. (\$9,746,780)  | ECO                | DEV   | Sep-25                    | In Process     |    |
| 22. | Smart Device/Technology Behavioral Health App for DFR members        | This project will provide a Peer Support Contact App for Dallas Fire-Rescue (DFR) personnel. At Dallas Fire-Rescue (DFR), the City is promoting whole-person wellness. This new application will supplement existing mental health support services available to the City's DFR members. (\$170,000)  | Public Safety      | DFD   | TBD                       | In Process     |   |
| 23. | Telestaff-Workday Integration  | Telestaff automated scheduling and staffing system for the City of Dallas Fire Department 24-hr employees' integration with Workday Payroll System. (\$731,238)   | Public Safety      | DFD   | Dec-23                    | In Process     |    |
| 24. | Dispatch/ Communications - Video Wall                                | This video system will be a "video wall" solution to display relevant information regarding Fire and EMS dispatches. It will include Traffic Camera inputs, weather information, and other information to enhance DFR's dispatchers as they work Fire and EMS teams in real-time. (TBD)   | Public Safety      | DFD   | Sep-24                    | In Process     |   |
| 25. | Fire Station Alerting System   | Dallas Fire Rescue strategically dispatches resources from 58 fire stations deployed throughout the city. To avoid response delays, DFR relies on a station Alerting System that integrates with our Computer Aided Dispatch (CAD) system to advise firefighter/paramedics of assistance calls. The current station alerting system is end of life, difficult to maintain, and lacks the full range of functionality more modern solutions provide. This project will conduct market research, procure, and implement a new, modern station alerting system for Dallas Fire Rescue. (\$1,860,000) | Public Safety      | DFD   | Oct-24                    | In Process     |  |
| 26. | IT Infrastructures for New Fire Stations 19, 21, 36, 41, 46, 58 & 59 | A total of 8 new and renovated Dallas Fire Stations are being constructed in scope Sta. 46, 36, 59, 41 Temp, 41 Replacement, 19, 58 and 21 FS/AVI Center. All new IT infrastructures including cabling, network, workstations, printers, radio Alerting system equipment, etc., will be activated in line with facility openings. (\$131,688)   | Public Safety      | DFD   | May-25                    | In Process     |   |
| 27. | DPD Gun Range Software   | This system supports the Firearms Training Center (FTC). It will provide tracking of weapons training, qualifications for rifle, pistol, and shotgun training. It will also need to keep track of weapons maintenance and other information related to officer's firearm training. (TBD)  | Public Safety      | DPD   | TBD                       | In Process     |  |




## As of 10/31/23

| #   | Project Name   | Description   | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|---|--------------------|-------|---------------------------|----------------|---|
| 28. | Mobile Surveillance Platform Vehicles (Formerly known as Bait Car) | The Dallas Police Department (“DPD”) currently operates a fleet of 25 Mobile Surveillance Platform vehicles. These vehicles are deployed throughout the city and serve as “bait cars”. These vehicles are outfitted with covert cameras, microphones, GPS, and other capabilities. (\$700,000)  | Public Safety      | DPD   | TBD                       | In Process     |   |
| 29. | County CAD Collaboration   | Upgrade and expand the city’s Computer-Aided Dispatch (CAD), extending it to the County to improve collaboration on emergency 911 call center responses. This project is also required to fully implement and upgrade of the 911 call center’s telecommunications infrastructure. (\$0)   | Public Safety      | DPD   | TBD                       | In Process     |    |
| 30. | WEB-RMS  | This project will migrate DPD’s current law enforcement Records Management System (RMS) from the current onsite solution to an upgraded Web-based system. The upgraded RMS will give the department needed functionality that are currently unavailable with on-premise solution. Current limitations require process workarounds creating potential errors and inefficiencies which will be resolved with the upgrade. (\$1,010,000) | Public Safety      | DPD   | TBD                       | In Process     |   |
| 31. | COBWEBS  | This project will implement social media investigative software for the Police Department (DPD). The software will provide an efficient tool for investigating social media posts from potential suspects to aid in investigations. (\$93,353)  | Public Safety      | DPD   | TBD                       | In Process     |   |
| 32. | P25 Compliant Radio Project  | The city’s current public safety radio network is 40 years old and not compliant with new standards (P25) for the networks. This project installs all-new infrastructure for a fully P25 compliant radio communications system that will be used by multiple departments within the City and County of Dallas. This system is intended and designed to host external governmental agencies throughout the region. (\$54,898,873)      | Public Safety      | DPD   | Nov 23                    | In Process     |  |
| 33. | Ricoh-Fortis Document Management System Replacement                | The DPD Fortis document management system is at end of life and no longer supported. This project will replace and upgrade the DPD document management system. (\$217,633)  | Public Safety      | DPD   | TBD                       | In Process     |   |
| 34. | Fusus Devices Implementation for DPD                               | The Fusus product suite will provide a video and data collaboration platform to expedite intelligence gathering and efficiency of response to situations as they unfold throughout the community. Further, providing a tool for identifying the location of cameras in proximity that may provide valuable information to aid in the response and/or subsequent investigation. (\$478,589)  | Public Safety      | DPD   | Dec 23                    | In Process     |   |




## As of 10/31/23

| #   | Project Name                                     | Description  | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|--|--------------------|-------|---------------------------|----------------|---|
| 35. | CAD & RMS Universal Replacement                  | This project will replace the current Computer Aided Dispatch (CAD) system and the Records Management System (RMS) with a holistic, universal solution to support Dallas Police Department, Dallas Fire-Rescue, and the Dallas Marshal's office. The goal of this project is a solution utilizing industry best practices, while also providing uniformity across both platforms. This will support better tracking of incidents from initiation through investigations to final resolution. (TBD) | Public Safety      | DPD   | Sep 24                    | In Process     |    |
| 36. | Off-Duty Job Application                         | This system will manage all elements of off duty jobs for DPD employees including tracking of personnel off-duty jobs, and number of hours worked. It will handle payments to employees for off-duty work and payments to the city for the use of any City assets. (TBD)   | Public Safety      | DPD   | Nov 24                    | In Process     |    |
| 37. | In Car Video - Body Worn Camera - Interview Room | There is a Federal Requirement to video record public safety stops. In car systems involve video in patrol cars. Body Worn Cameras involve wearable video cameras systems for officers. Interview Rooms involves replacement of video equipment in Public Safety interview rooms. (\$134,756,801)  | Public Safety      | DPD   | Dec 24                    | In Process     |   |
| 38. | Surveillance Cameras and Real Time Crime Center  | This project will provide a "Real Time Crime Center" capability within Jack Evans police station. It will include 1) building a new command center video room (Real Time Crime Center), 2) building camera installations, 3) video camera software, video storage and surveillance camera installations at intersections, and 4) Trailer camera installations. (\$16,261,454)  | Public Safety      | DPD   | Dec 24                    | In Process     |   |
| 39. | Use of Force - Police Strategies LLC             | This project will provide a data analytics platform which produces analytic dashboards which provides comparative analyses by extracting data from incident reports & officer narratives, analyzes the data using established algorithms, and produces written summary reports used by DPD leadership in focusing resources. (\$1,383,800)   | Public Safety      | DPD   | Jul 26                    | Ongoing        |   |
| 40. | Unsupported Software Remediation                 | Identify Servers running unsupported Software, DBs running unsupported versions of software, and applications that will require modifications to bring up to supported software levels. Develop a plan to upgrade, in a sequenced fashion. (\$0)   | GPFM               | ITS   | TBD                       | Ongoing        |  |
| 41. | Visualization Engineering Services               | Purchase of Visualization Engineering services will provide an authoritative visualization of our Current State and Future States - an effort critical to information data center improvements. The outputs of this engagement will be crucial to the success of planned improvements to Application Portfolio Management in addition to the stated necessity regarding data center improvements. (\$685,972)  | GPFM               | ITS   | Oct-23                    | Completed      |  |






## As of 10/31/23

| #   | Project Name   | Description   | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|---|--------------------|-------|---------------------------|----------------|---|
| 42. | Apptio IT Financial Transparency SaaS                        | This project is for a cloud-based solution for the Department of Information and Technology Services (ITS) to gain detailed insight into information technology (IT) expenses, cloud infrastructure / software usage and other IT related costs. <a href="#">(\$1,353,866)</a>  | GPFM               | ITS   | Sep-23                    | In Process     |   |
| 43. | Relocate Development Services to New Facility                | In September 2022, the City of Dallas purchased a new facility at 7800 N. Stemmons Freeway which will serve as the offices and storefront for the Development Services Department (DEV). This project will provide all new IT infrastructure including cabling, network, workstations, printers, radio equipment, etc. in line with the facility opening. <a href="#">(\$5,000,000)</a>   | GPFM               | ITS   | Nov-23                    | In Process     |   |
| 44. | ServiceNow Phase 2   | ServiceNow Phase 2 comprises 4 major tasks or subprojects - "IT Software and Hardware Asset Management", "ServiceNow Stabilization and Workflow Improvement", "ServiceNow Fedramp Cloud Migration", and "ServiceNow Version Upgrade to San Diego Q1 2022". <a href="#">(\$1,305,890)</a>  | GPFM               | ITS   | Dec-23                    | In Process     |   |
| 45. | Network Unified Communications Upgrade                       | The City's current collaboration suite is at end of life and requires an update to maintain functionality and reduce risk. This project will upgrade the Unified Communications Management (UCM) to the latest version available. <a href="#">(\$618,180)</a>   | GPFM               | ITS   | Feb-24                    | In Process     |    |
| 46. | PCI DSS Requirements Validation Project                      | This project focuses on Protecting Cardholder Data with PCI Security Standards. The goal of the Payment Card Data Security Standard (PCI DSS or PCI) is to protect cardholder data and sensitive authentication data wherever it is processed, stored or transmitted. This project initially focuses on currently active projects with PCI components and will expand to cover other projects and systems as necessary. <a href="#">(TBD)</a> | GPFM               | ITS   | Oct-24                    | In Process     |  |
| 47. | IT Project and Portfolio Management Tool                     | This project will implement a new Project and Portfolio Platform (PPM) tool suite to provide a centralized and automated project management portfolio, assist with project intake, and improve the tracking and management of IT projects. <a href="#">(\$300,134)</a>  | GPFM               | ITS   | Nov-24                    | In Process     |  |
| 48. | Digital Equity Infrastructure                                | This project seeks to meet the City's vision of ensuring that all Dallas households will have high-speed, reliable internet and access to devices in their homes by seeking commercial telecommunication service providers to develop and implement digital equity infrastructure which addresses established gaps in targeted communities. <a href="#">(\$40,000,000)</a>  | GPFM               | ITS   | Dec-32                    | In Process     |   |
| 49. | Enterprise Capital Project Management System (ECPMS) Phase 2 | Phase 2 Implementation of the Enterprise Capital Project Management System (ECPMS), IBM Tririga, to support the DWU Capital Projects division. Also, includes the delivery of reporting enhancements and efficiencies to the Phase 1 implementation. <a href="#">(\$2,169,090)</a>  | Transport & Infra  | DWU   | Dec-22                    | In Process     |   |

## As of 10/31/23

| #   | Project Name   | Description   | Strategic Priority    | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|--|---|-----------------------|-------|---------------------------|----------------|---|
| 50. | Enterprise Work Order and Asset Management (EWAMS) Phase 2 | Implementation of an Enterprise Work Order and Asset Management System (EWAMS), that can be utilized as the standard for the City of Dallas. The Phase 2 effort of this Enterprise platform implementation will manage Work Orders and Maintenance. (\$4,901,864)   | Transport & Infra     | DWU   | TBD                       | In Process     |   |
| 51. | LIMS Acquisition and Implementation Phase 3                | DWU is implementing a Laboratory Information Management System (LIMS) for one Analytical Lab, five treatment plants, the Water Quality Division and the Watershed-Reservoir Division to increase regulatory compliance, productivity, efficiency and effectiveness. (TBD)   | Transport & Infra     | DWU   | May-24                    | In Process     |    |
| 52. | Enterprise Work Order and Asset Management (EWAMS) Phase 3 | This professional service contract allows for continuous consultant services for the expansion of the Enterprise Work Order and Asset Management System (EWAMS). Phase 3 will oversee the implementation of Dallas Water Utilities (DWU) Meter Services division. (\$12,989,751)  | Transport & Infra     | DWU   | May-28                    | In Process     |   |
| 53. | Library Website update                                     | The library's website needs to be updated to meet the current and future needs of the library including being able to support additional online content and online programs and education. (TBD)  | QOL                   | LIB   | Dec-29                    | In Process     |   |
| 54. | Neighborly Expansion - Fair Housing                        | The purpose of the software is to complete the Fair Housing assessment of housing projects. This ensures we affirmatively further fair housing in the city as required by the Fair Housing Act and HUD. (\$25,700)  | WEE                   | OEI   | TBD                       | Delayed        |   |
| 55. | Stormwater Compliance Information Management System        | OEQ staff currently manage mission-critical and legally sensitive environmental management consent decree (EMCD) /permit-required tasks through a 20-year-old "homemade" information system built on MS Access 2002 and InfoPath. This project will procure and implement a new, modern system which provides timely information through dashboards and reports. (\$49,900)             | Environment & Sustain | OEQ   | TBD                       | In Process     |   |
| 56. | Real Estate Case Management System                         | This project will streamline the leasing of properties and the utilization of right-of-way by introducing an online application process. It will also give applicants the ability to track progress of their application in real time. (TBD)  | Transport & Infra     | PBW   | TBD                       | In Process     |   |
| 57. | Snow & Ice Response  | This project supports emergency response during snow and ice events. It will streamline the City's emergency response capability and will allow the Public Works department to quickly provide updated sanding information to other departments, to include Communications Outreach & Marketing, Office of Emergency Management, Dallas Fire and Rescue, and Dallas Water Utilities. () | Transport & Infra     | PBW   | Oct-24                    | In Process     |  |
| 58. | Implement Workday Prism                                    | The Workday Prism Project will aggregate historical data from the City's prior payroll system and make it available with new payroll data in Workday. (\$68,995)  | GPFM                  | PER   | Oct-23                    | Completed      |  |

## As of 10/31/23

| #   | Project Name  | Description   | Strategic Priority | Dept. | Estimated Completion Date | Project Status | Value Adds  |
|-----|---|---|--------------------|-------|---------------------------|----------------|---|
| 59. | Historical Data Repository solution for select HR system data           | This project will provide an approved data warehouse solution for HR data being migrated from offboarding applications. This project will define data governance rules and enable compliant retention of City data from numerous current Human Resources (HR) systems. It will provide for an approved Data Warehouse for operational support, reporting and regulatory (data retention) compliance. The final solution will integrate with the HR Workday (WD) system. (TBD) | GPFM               | PER   | Oct-24                    | In Process     |    |
| 60. | Replace Human Capital Management System Ph 2                            | This initiative involves the strategic implementation of HR modules for Performance and Talent Management, Recruiting and Onboarding, Learning Management System, Benefits Administration, and Advanced Compensation. In addition, we are orchestrating a meticulous Data Migration process, ensuring a seamless transition from legacy applications. (TBD)   | GPFM               | PER   | Dec-24                    | In Process     |    |
| 61. | Installation of lighting and security cameras on the Runyon Creek Trail | This project will install cameras and lighting along the Runyon Creek Trail. It will enhance safety for the 2.7-mile Runyon Creek Trail in southern Dallas. (TBD)   | QOL                | PKR   | Nov-23                    | In Process     |   |
| 62. | PKR Recreational Management System                                      | Dallas Park and Recreation Department is looking for a recreation management system to manage recreation activities and programs of its 43 recreation centers, 107 pavilions, 19 aquatic facilities and over 200 athletic fields. (\$0)   | QOL                | PKR   | Dec-29                    | In Process     |    |
| 63. | Payment Vendor (SAP Users - DWU)  | This project is to migrate DWU and other user departments of online (Bill Direct) and IVR payments to a new payment platform which provides real-time information for payments and reconciliation. (\$15,000,000)   | Transport & Infra  | DWU   | Apr-24                    | In Process     |  |
| 64. | DWU Billing CIS and Customer Portal Replacement                         | DWU's current CIS system, SAP, will reach its end of life in 2025. DWU must replace SAP by 2025 to ensure continuity of billing. (\$0)  | Transport & Infra  | DWU   | Dec-26                    | In Process     |  |
| 65. | SEC Records Inventory Management Solution                               | Replace the current obsolete unsupported FoxPro database with a state-of-the-art software application (preferably SaaS) that provides full functionality for operating a records center. Replacing this application will improve the management of the 70,000+ (\$231,440)  | GPFM               | SEC   | TBD                       | In Process     |   |
| 66. | Build an Ethics Financial Reporting Solution                            | The purpose of this system is to promote and support ethical financial compliance. (\$15,000)   | GPFM               | SEC   | TBD                       | On Hold        |   |
| 67. | Electronic Document Management - EDMS                                   | Project Provides Electronic Document Management and Document Archive System for City Secretary's Office. (\$336,562)  | GPFM               | SEC   | TBD                       | On Hold        |   |



**NOTES:**

- 1. Enterprise Contact Center (ECC) Solution.** Project is still in process. Anticipate approximately 3 – 6 months' work to implement Single Sign On (multi-factor authentication), for final delivery of the Lab (test portion) of the project, and potential re-evaluation of Salesforce integration.
- 3. Department of Aviation INDMEX AirBOSS Vehicle Tracking.** This project is in the initiation phase. End date will be adjusted once planning phase is complete.
- 4. Veoci Dallas Airport System Phase 2 Implementation.** This project is in the planning stage. Completion date will be updated, as necessary, upon completion of planning phase.
- 17. DAS Inventory Management Tool.** The New system will allow the DAS department to perform inventory management and other functions as needed.
- 18. Development Services Training Simulator.** This project is on hold due to competing priorities.
- 22. Smart Device/Technology Behavioral Health App for DFR members.** Project has moved to procurement phase.
- 23. Telestaff-Workday Integration.** Telestaff Scheduling System is operational for Dallas Fire Rescue. TeleStaff Integrations to Workday is scheduled to Go-Live December 2023.
- 26. IT Infrastructures For New Fire Stations 19, 21, 36, 41, 46, 58 & 59.** Project is being implemented in an agile fashion. Next phase is expected to complete January 2024. No. of Fire Stations complete to date include Sta. 46, 36, 41 Temp, 58, 59 and 19. Remaining 41 Main and FS 21/AVI Center.
- 27. DPD Gun Range Software.** This project is beginning the procurement process. Completion date will be provided when available.
- 30. WEB-RMS.** This project is still in the procurement process. Purchase request has been submitted. New date will be provided when available.
- 32. P25 Compliant Radio Project.** The new P25 Public Safety Radio system is now live, operational, and performing as designed. Final migration of all City of Dallas Departments is complete. Team is now working on decommissioning of old systems and equipment
- 33. Ricoh-Fortis Document Management System Replacement.** This project is in the planning stages. New timeline is being developed. New date will be provided when available.
- 36. Off-Duty Job Application.** This project is beginning the procurement process. Completion date will be provided when available.
- 39. Use of Force - Police Strategies LLC.** All initial project tasks have been completed. End date of project is 2026 because CoD will continue to provide data on a quarterly basis until the end of the contract.
- 41. Visualization Engineering Services.** Project work is complete, and this project is moving to closure. This project will be removed from the TAR next month.

- 45. Network Unified Communications Upgrade.** Project is being implemented in an agile fashion. Unity Voice Mail portion is now complete. The next phase, “Call Manager” has an estimated completion date December 2023.
- 49. Enterprise Capital Project Management System (ECPMS) Phase 2.** PCR received by Vendor for update requirements/deliverables for linear segments, linear structures and X/Y coordinates; PCR pending review for acceptance and approvals.
- 58. Implement Workday Prism.** Project work is complete, and this project is moving to closure. This project will be removed from the TAR next month.
- 60. Replace Human Capital Management System Ph 2.** The Workday Modules Implementation will be done in three phases. The estimated timeline for Recruiting-Onboarding and Talent-Performance Go-live is Jan-24. Benefits Go-live is Oct-24. Advanced Compensation and LMS (Learning Management System) is Feb-25.
- 65. SEC Records Inventory Management Solution.** Requirements have been developed. Awaiting Council approval.
- 66. Build an Ethics Financial Reporting Solution.** Project date will be updated after this project has completed the procurement process.
- 67. Electronic Document Management - EDMS.** The EDMS project is part of a group of projects relying on the Hyland Software System, which are being developed serially. We are currently re-validating project budget, scope, and participating department and will then re-work the schedule.

## C. Changes to Major Project Status List

- 1. Major Projects Implemented or Closed since last report.
  - a. Closed Captioning System for City Council Meetings - #8 on September 2023 TAR.
- 2. New Projects approved by IT Governance Board.
  - b. Snow & Ice Response - #57 on this month’s TAR. This Public Works Department project supports emergency response during snow and ice events.

# Section 2: IT Operations

## A. Outage Report

### 1. Monthly Service Desk Report

The IT Service Desk functions as the single point of contact (SPOC) between the City’s IT organization and its end users. The service desk handles a variety of requests that include distribution to support, setting user passwords, and troubleshooting issues. It assists customers with incident resolution and service request management. The monthly service desk report provides metrics and trends of the IT service desk performance.

#### Service Desk Call Metrics

| Category            | Nov  | Dec  | Jan  | Feb  | Mar  | Apr  | May   | Jun  | Jul  | Aug  | Sept | Oct  |
|---------------------|------|------|------|------|------|------|-------|------|------|------|------|------|
| Total Calls         | 7151 | 7222 | 9694 | 6969 | 8230 | 7319 | 11740 | 5528 | 5698 | 8195 | 6344 | 6228 |
| Answered            | 6132 | 6222 | 7117 | 6778 | 8048 | 7171 | 7977  | 5005 | 5513 | 7941 | 6056 | 6143 |
| Abandoned           | 1019 | 1000 | 1000 | 1084 | 182  | 148  | 523   | 523  | 185  | 254  | 288  | 85   |
| Abandoned (<10sec)  | 273  | 408  | 380  | 1493 | 81   | 65   | 1398  | 175  | 166  | 172  | 172  | 93   |
| Abandoned %(<10sec) | 3.9  | 6    | 5    | 8    | 1    | 1    | 17.53 | 3.5  | 3.0  | 2.2  | 2.8  | 1.5  |

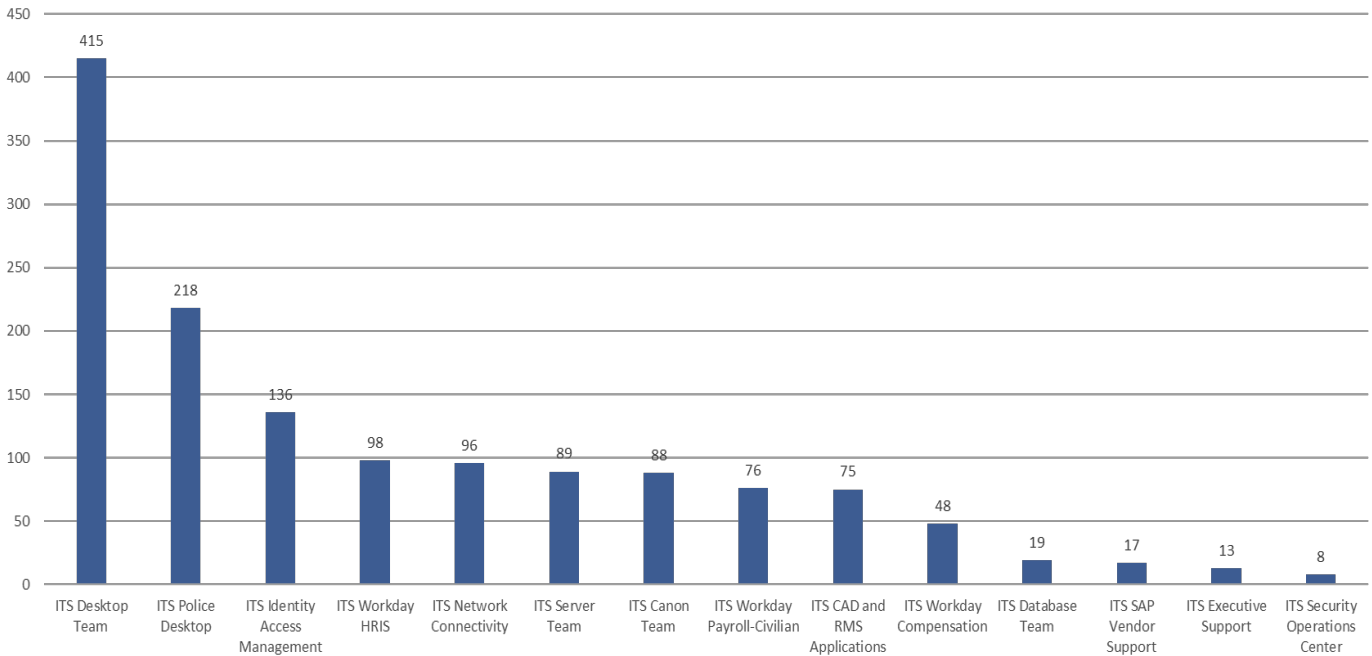
| Metric                               | Metric                               | Current Month             | Trend |
|--------------------------------------|--------------------------------------|---------------------------|-------|
| Average Speed to Answer – Voice      | Average Speed to Answer - Voice      | 00:08                     |       |
| Password Related Incidents           | Password Related Incidents           | 20%                       |       |
| First Contact Resolution - Incident  | First Contact Resolution - Incident  | 73.71%                    |       |
| Average Duration – Service Desk      | Average Duration - Service Desk      | 0.38 Days<br>551 Minutes  |       |
| Average Duration – Field Services    | Average Duration - Field Services    | 3.78 Days<br>5449 Minutes |       |
| Average Duration - PD Field Services | Average Duration - PD Field Services | 4.8 Days<br>6976 Minutes  |       |

**NOTES:**

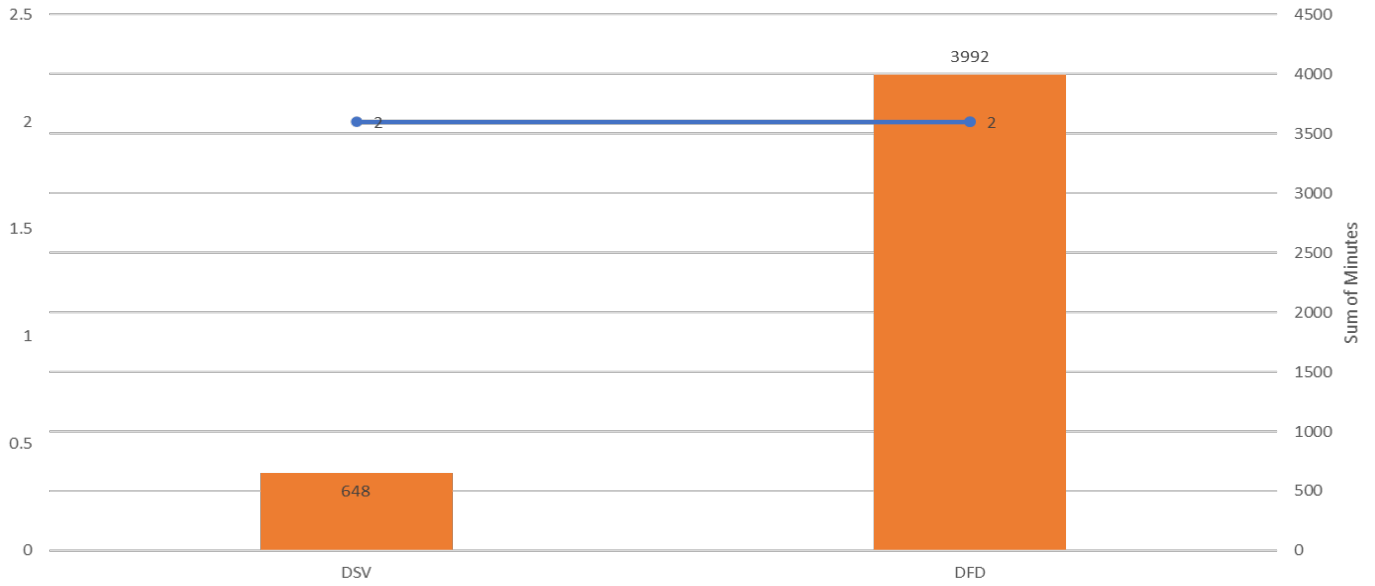
1. In October 2023, the IT Helpdesk received 6228 calls for support. This is a slight decrease over September which saw 6344 calls, and slightly below the yearly average of ~7700 per month (excluding May and the impact of ransomware related calls).
2. First Contact Resolution (Incidents) for October are relatively unchanged over September, 73.7% and 74% respectively.
3. Field Services (excluding DPD) average service duration of 3.78 days in October is in line with prior months, excluding September. Indicating that September was an anomaly most likely impacted by ransomware deployments.
4. Field Services for DPD remained relatively stable with average service duration 4.8 days in October and 5 days in September.

*2. Monthly Incident Report (Break/Fix “My Computer doesn’t work”)*

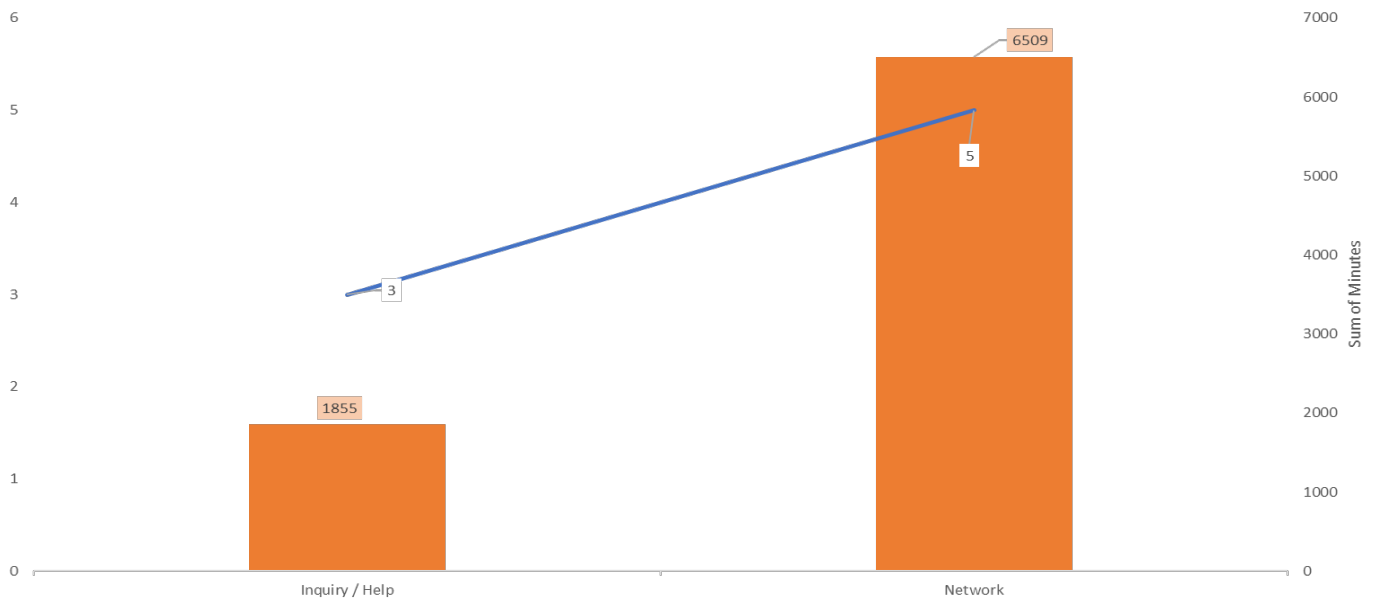
Top 15 Assignment Groups  
Incidents October 2023



Impact Minutes by Department  
Severity 1 and Severity 2

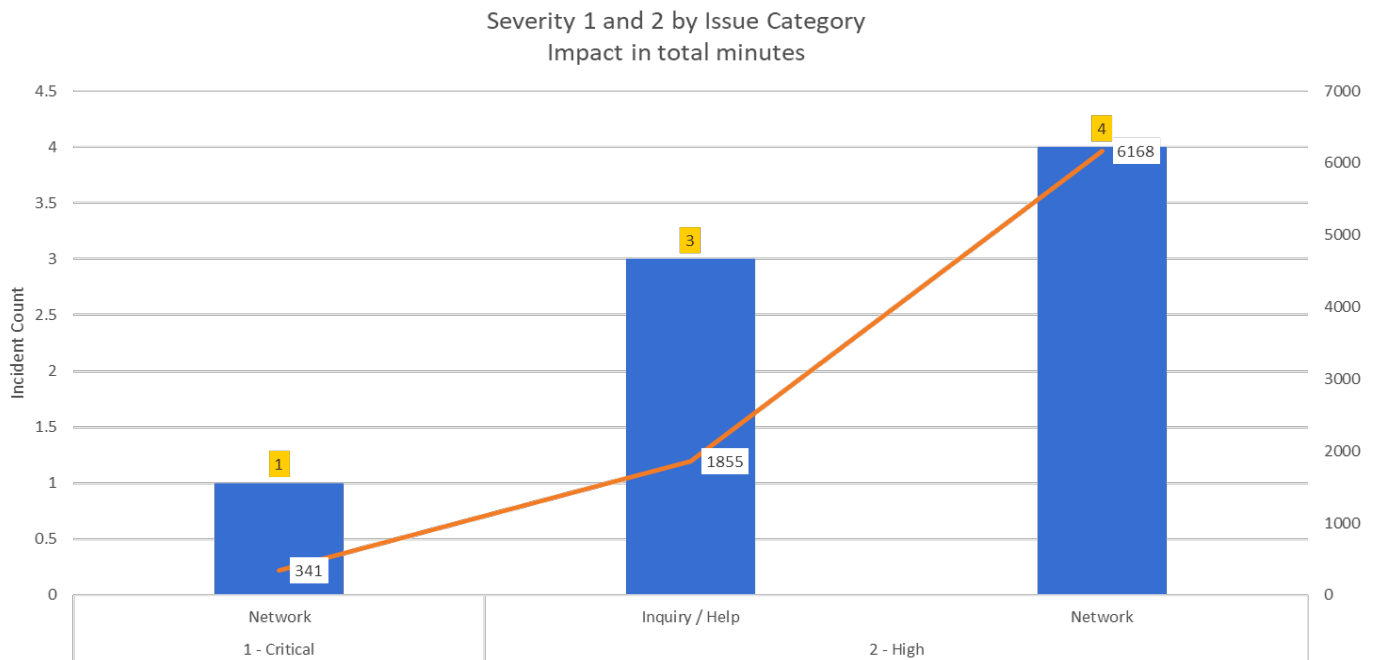


Impact Minutes by Issue Category  
Severity 1 and Severity 2



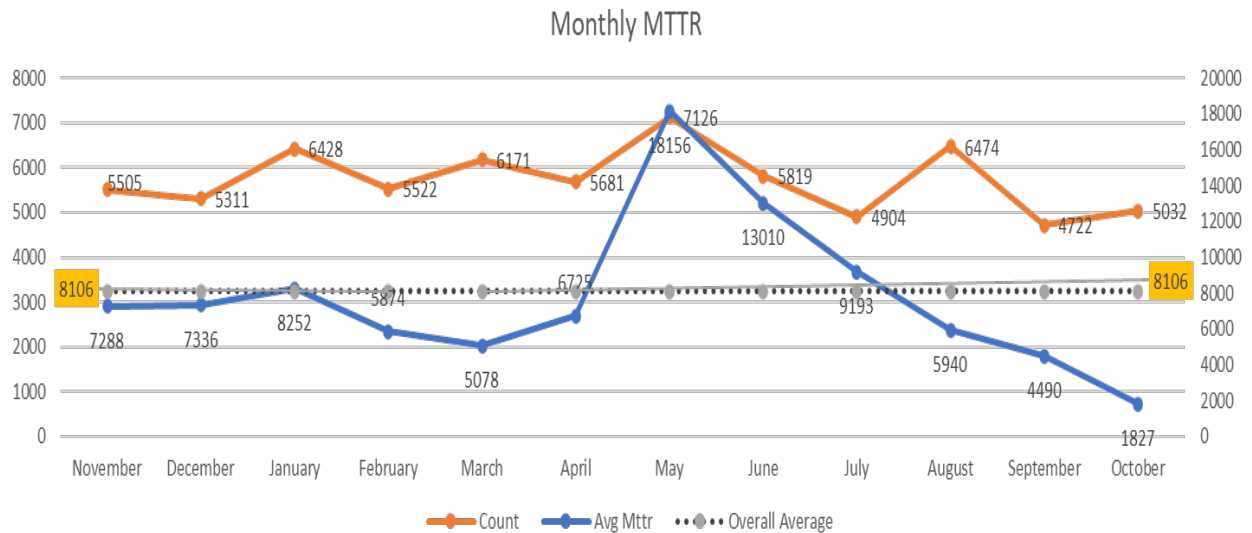
**NOTES:**

1. Severity 1 and Severity 2 incidents are the most severe and most likely result in degraded services or outages that impact the ability of City departments to fulfill their missions.
2. This chart tracks the number of reported incidents by department, along with the total number of minutes the incident(s) potentially impacted them.
3. The data points are extracted from ServiceNow based upon input by city IT technicians. Our analysis reveals that there are incidents which are resolved but have not been timely or appropriately closed out within the ServiceNow platform, resulting in artificially inflated resolution timeframes. ITS is working with IT service delivery managers to improve documented processes to ensure timely updates to ServiceNow to accurately reflect the actions for the incident and to provide a more representative experience.



**NOTES:**

1. This chart provides the distribution of major incidents and impact minutes over specific services and delineated by Critical and High Severity.



**NOTES:**

1. This chart provides the trendline for the average mean time to repair (MTTR), an industry standard for tracking the timeliness of resolution on reported incidents.
2. Diligence by the technicians to document and resolve tickets in a timely manner is the primary driver of the reduction in MTTR.
3. The MTTR reduction post ransomware continues, reaching levels not previously observed.
4. September MTTR updated to reflect post month closure validation. October numbers will be updated in November reporting cycle to reflect tickets closed post data compilation.

\*Open incidents may impact October MTTR in November report

### 3. Monthly Major Outage Report

| Priority     | Description   | Department | Primary        | Assignment Group               | Hours |
|--------------|---|------------|----------------|--------------------------------|-------|
| 1 - Critical | Network   Users unable to connect to internal networks  | DFD        | Network        | ITS Network Engineers          | 5.7   |
| 2 - High     | Maximo   Enterprise Asset Management System SaaS   unable to run reorder due to corrupt records   | DWU        | Inquiry / Help | ITS Capital Asset Applications | 20.1  |
| 2 - High     | Network   Phone outage  | DFD        | Network        | ITS Network Engineers          | 60.9  |
| 2 - High     | Network   Network Outage  | SAN        | Network        | ITS Network Connectivity       | 32.1  |
| 2 - High     | PC Support   PayMetric application is not responding. Server name needs to be restarted APDWUPM01 | DSV        | Inquiry / Help | ITS DWU SAP Applications       | 5.3   |
| 2 - High     | Network   Phones and Network availability   | SAN        | Network        | ITS Network Connectivity       | 4.5   |
| 2 - High     | Commvault   Backups failing   | DSV        | Inquiry / Help | ITS Server Team                | 5.5   |
| 2 - High     | Network   no internet or phones   | PKR        | Network        | ITS Network Engineers          | 5.4   |

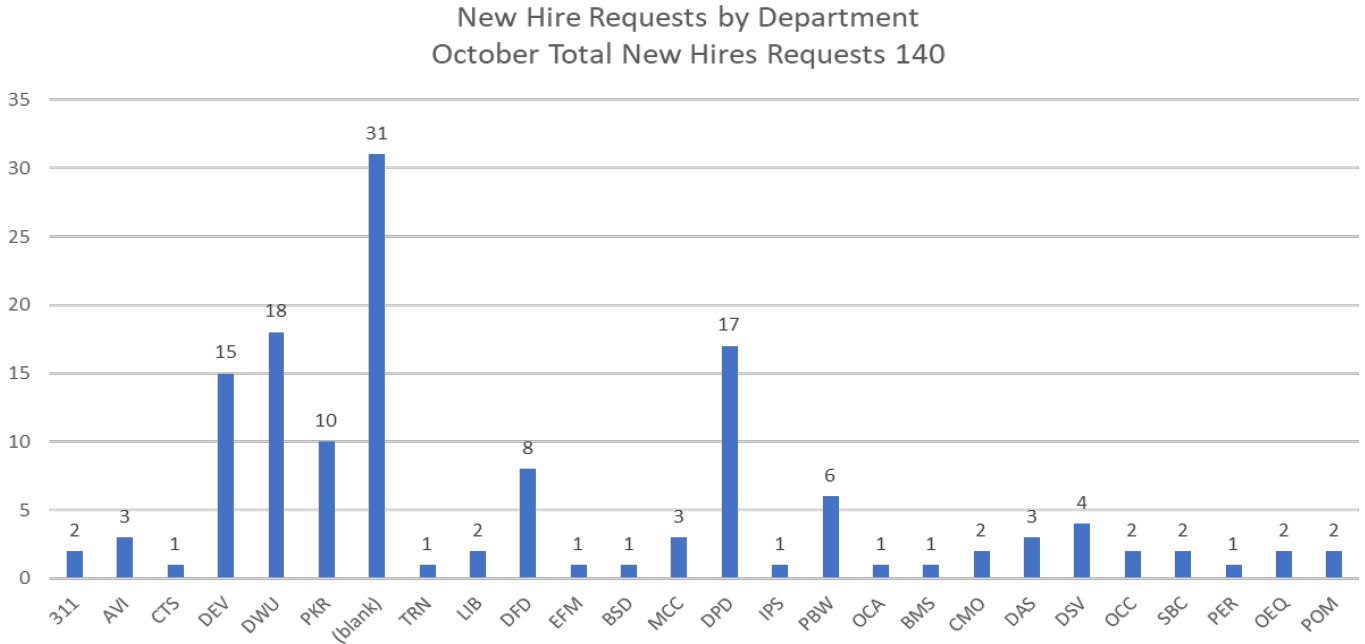
#### NOTES:

1. Major outages are identified as Severity1 and Severity2 that have significant impact to City services or Department’s ability to perform critical functions and last over 4 hours in duration. As we mature the process this definition will be better scoped around impact and less around duration.
2. Outages with #value are incidents that had over 4 hours of impact, however, are incomplete of details, at the time the report was generated, to identify full impact to departments.
3. October 2023 saw a decrease in average time to repair and a slight increase in total outage time for Major Incidents compared to September 2023. October average MTTR of 17.4 hours compared to September of 20.3 hours. October total outage 139.4 hours compared to September which had 121.9 hours.
4. Eight major incidents in the month of October, 1 critical and 7 high, an increase of 2 over September of 6, 2 critical and 4 high.



## B. Service Requests (including new employee onboarding)

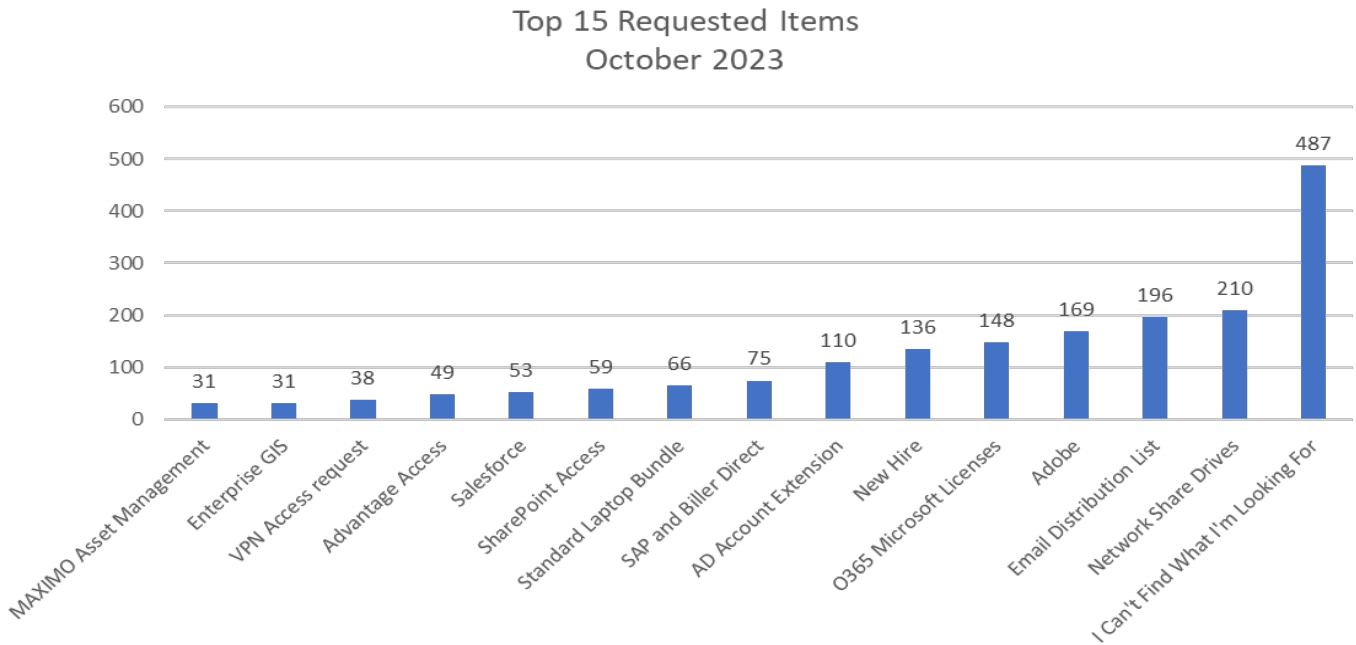
### 1. New Hire Report



#### NOTES:

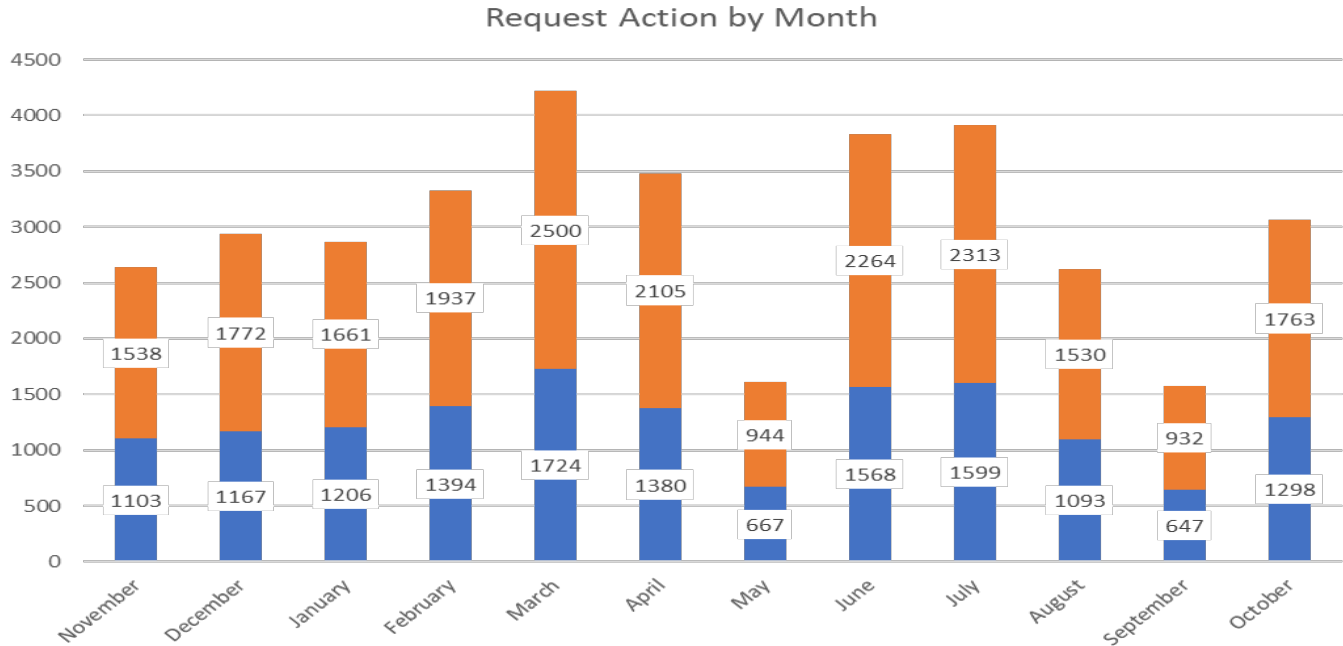
1. In the month of October, a total of 140 requests tickets were generated for new employees.
2. DWU, DPD, and DEV being the top 3 hiring departments. DWU has had 13 consecutive months in the top 3.
3. Blank indicates no department match was available for the requested onboarding at the time the report was generated.

2. Service Request Report (An ask for service – “I need Software Installed”)



**NOTES:**

1. October Service Request actions totaled 1858 an increase of 1000+ over September which totaled 773. This report depicts the top 15 Request by type that were selected.
2. “I Can’t Find What I’m Looking For” is a category used when a service catalog item does not exist for what the user is asking.



**NOTES:**

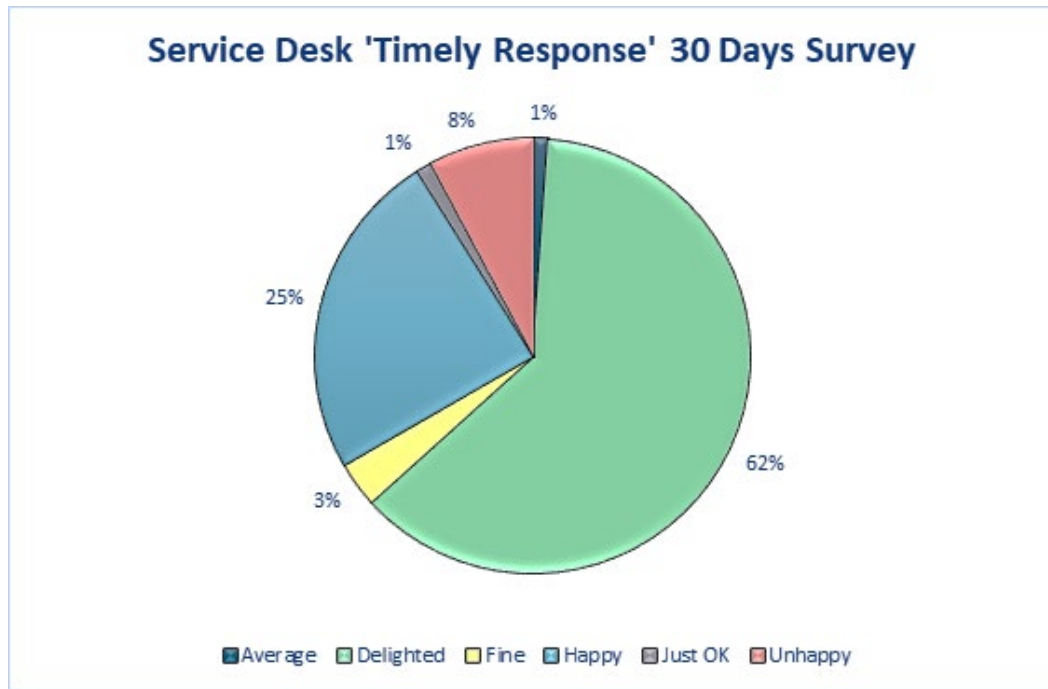
1. This chart illustrates that 1298 Request Tickets generated 1763 Request Actions. Frequently, one request generates multiple actions to be completed by one or more teams to fulfill the ask.

**C. IT Service Desk Satisfaction Surveys**

The City’s IT Service Desk conducts surveys of employees that have submitted incident reports and service requests. These surveys are performed through the ServiceNow platform in the form of email requests directly to the individuals who submitted the request to the IT Service Desk either by calling or submitting through the online ServiceNow platform. Submitters are asked to provide feedback on the timeliness of the disposition of their request and their rating of the overall Service Desk experience. Along with the rating, submitters are asked to provide other feedback which can be used to address specific issues and to improve the overall timeliness and experience.

Starting with the August 2023 Technology Accountability Report (TAR), the monthly survey results will be provided. In subsequent monthly TAR reports, it will also track trends over time from the survey data.

1. IT Service Desk Timeliness Report

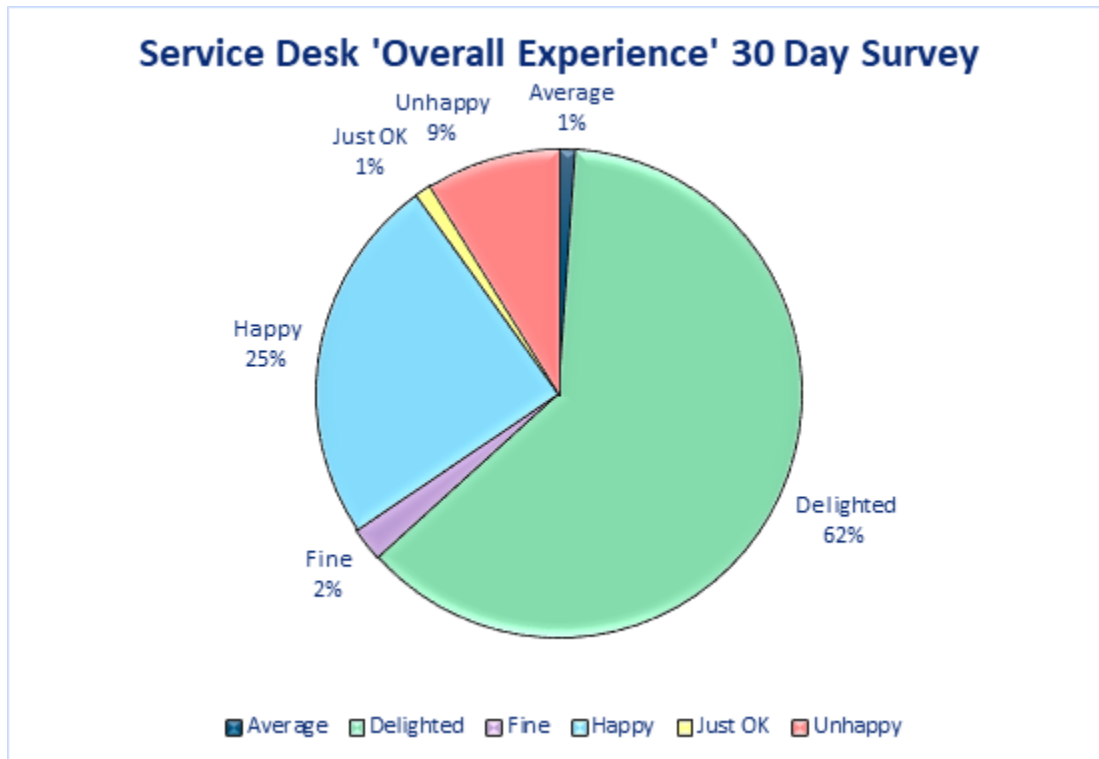


**NOTES:**

1. This chart illustrates the overall survey responses to the question of Service Desk timeliness for requests submitted in October 2023.
2. While each IT Service Desk ticket submitted results in a survey request to the submitter, not all survey requests receive a response, and these data represent the results from those responding to the survey.
3. The survey requests employees that have submitted an incident report or service request to the IT Service Desk to rate the timeliness of the service delivery on a scale along five points; Unhappy, Just OK, Average, Fine, Happy, and Delighted.

- 4. For the October 2023 survey, 90% of respondents rated their perception of timeliness of the service to be either Fine, Happy, or Delighted.

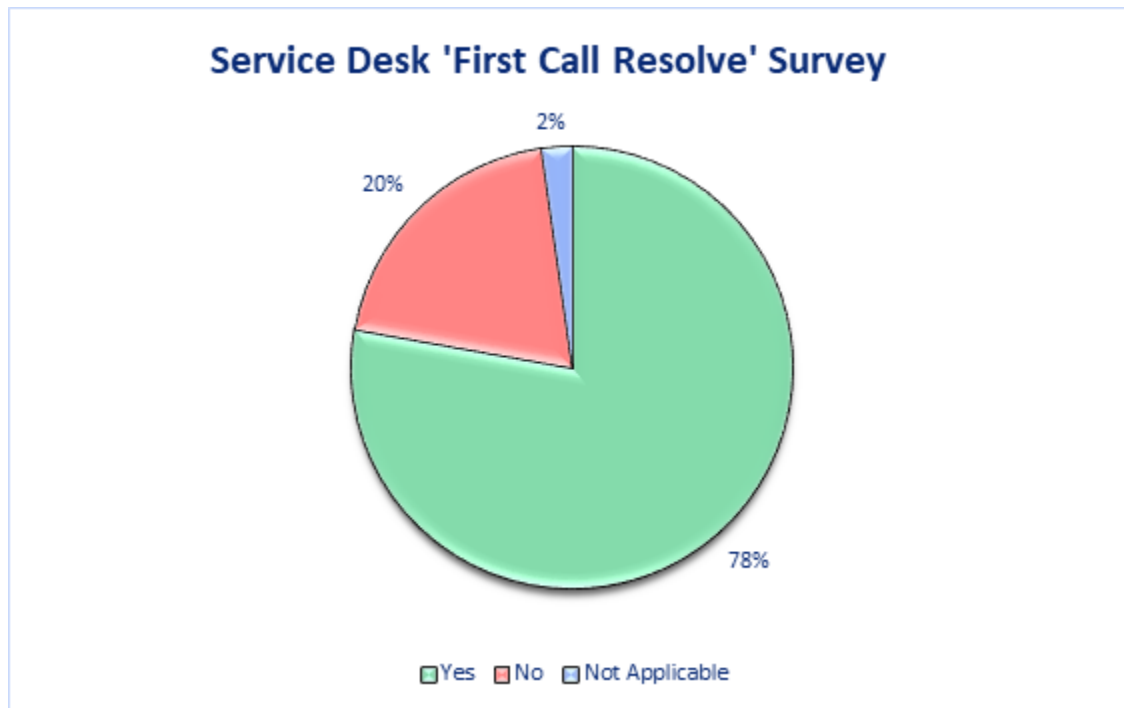
2. IT Service Desk Overall Experience Report



**NOTES:**

- 1. This chart illustrates the overall survey responses to the question of Service Desk experience for requests submitted in October 2023.
- 2. While each IT Service Desk ticket submitted results in a survey request to the submitter, not all survey requests receive a response, and these data represent the results from those responding to the survey.
- 3. The survey requests employees that have submitted an incident report or service request to the IT Service Desk to rate their overall experience of the service delivery on a scale along five points; Unhappy, Just OK, Average, Fine, Happy, and Delighted.
- 4. For the October 2023 survey, 89% of respondents rated their overall experience with the IT Service Desk to be either Fine, Happy, or Delighted.

3. IT Service Desk First Call Resolution Report



**NOTES:**

1. This chart illustrates the overall survey responses to the question of whether the issue was resolved on the first call to the Service Desk for requests in October 2023.
2. The survey requests employees that have submitted an incident report or service request to the IT Service Desk on whether the issue was resolved with the first call (Yes or No).
3. For the October 2023 survey, 78% of respondents responded that their issue or request was resolved on the first call.

## Section 3: IT Budget Execution

IT Budget Execution provides information on the execution of the IT budget, the management of technology procurements, and the management of IT Human Capital. Unless otherwise noted, information in this section is effective through September 2023.

### A. Contract/Procurement Management

#### Upcoming/Recent Contracts Requiring Council Approval

##### Item on October 25 Agenda:

**Sigma Surveillance, Inc. dba STS360** – Supplemental Agreement No. 2 to increase the service contract for purchase and installation of hardware and software for a video surveillance camera system.

- Contract amount \$4,081,989, from \$16,327,955 to \$20,409,944
- Maintenance and support include warranties on all camera hardware, system patches, updates for functionality improvements, and relocation of cameras as necessary to improve effectiveness.

##### Items on November 8 Agenda:

**Netsync Network Solutions** – 3-year purchasing agreement for cloud-based security software as a service.

- Contract amount \$510,311.97
- Software as a service that will secure online communication, protect websites, and ensure the authenticity and integrity of digital transactions.

**Cellco Partnership dba Verizon Wireless** – 2-year purchasing agreement for commercial wireless communication services and equipment.

- Contract amount \$6,803,614.56
- Agreement for wireless cell phone services, smart devices, data and internet services.

Items on November 8 Agenda continued:

**Netsync Network Solutions, Inc.** – 4-year agreement for purchase of hardware, software, maintenance, and support for a network security management monitoring and response system.

- Contract amount \$2,167,522.05
- Services include network monitoring, software patches, upgrades, on-site technical support, and 24/7 system support.
- This technology will assist in detection, prevention of network security breaches, and destruction from malicious traffic.

Open Solicitations

**Fire Station Alerting System**

- Stable state-of-the-art internet protocol (IP) Fire Station Alerting System (FSAS) that offers pre-alert capabilities, dispatch capabilities, audio, visual features, administrative features, and alternative forms of monitoring for Dallas Fire and Rescue (DFR or Department).
- Open Date – March 20
- Close Date – September 29 (evaluations are in process)

**Network Cabling**

- Five-year contract with two, two-year renewal options for the design, installation, maintenance, and repair of network cabling.
- Open Date – September 7
- Close Date – October 20

**Broadband and Digital Divide**

- Eight-year initial contract with four three-year renewal options for Digital Equity Infrastructure and Last Mile Connectivity. The City is looking to select one or multiple solution/service providers qualified to design, build, deliver, and manage scalable fiber infrastructure to connect City facilities and high-priority unserved Census Tracts.
- Open/Advertised Dates – September 28 and October 5
- Pre-Solicitation Conference Dates – October 23 and November 14 (each at 2:00 p.m.)



Open Solicitations Continued

- Close Date – December 15
- Solicitation Evaluations – January 3 to February 14

**Electronic Lien Filing**

- Web-based system capable of electronically processing, submitting, recording, and filling real property lien documents for both receiving and transmitting with Dallas County
- Open Date – November 2
- Close Date – December 1

**Fire Station Alerting System**

- Stable state-of-the-art internet protocol (IP) Fire Station Alerting System (FSAS) that offers pre-alert capabilities, dispatch capabilities, audio, visual features, administrative features, and alternative forms of monitoring for Dallas Fire and Rescue (DFR or Department).
- Open Date – March 20
- Close Date – September 29 (evaluations are in process)

Upcoming Solicitations

**Software Master Agreement** – Service contract to purchase various enterprise commercial off the shelf (COTS) software products including perpetual, fixed term, subscription, and software as a service with their related software maintenance, support, training, and implementation, and other related services that will be used by the City in support of existing business operations.

**Network Managed Services** – Managed services for voice and data services, as well as the network support help desk.

**Court Case Management System** – System to automate and optimize daily work processes for Dallas Municipal Courts; replacement for the current system.

**EMS Inventory Management System** – System to manage and track acquisitions, distribution of DFR inventory, which include operation/emergency medical supplies, and personnel gear.

B. Budget Performance & Execution – Estimates as of September 2023 1<sup>st</sup> Close. Final September 2023 actuals will be available after November 27, 2023.

**Fund 0191 – 9-1-1 System Operations**  
**Estimates as of September 2023 1<sup>st</sup> Close**

| Expenditure Category            | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual        | YE Forecast       | Variance           |
|---------------------------------|------------------------------|------------------------------|-------------------|-------------------|--------------------|
| Civilian Pay                    | 636,477                      | 636,477                      | 513,486           | 520,345           | (116,132)          |
| Pension                         | 91,413                       | 91,413                       | 77,862            | 73,980            | (17,433)           |
| Health Benefits                 | 61,802                       | 61,802                       | 54,767            | 69,123            | 7,321              |
| Worker's Compensation           | 1,658                        | 1,658                        | 1,658             | 1,658             | -                  |
| Other Personnel Services        | 14,262                       | 14,262                       | 119,779           | 119,779           | 105,517            |
| <b>Total Personnel Services</b> | <b>805,612</b>               | <b>805,612</b>               | <b>767,552</b>    | <b>784,885</b>    | <b>(20,727)</b>    |
| Supplies                        | 201,465                      | 201,465                      | 79,659            | 79,659            | (121,806)          |
| Contractual Services            | 13,205,665                   | 13,205,665                   | 9,369,183         | 10,827,183        | (2,378,482)        |
| Capital Outlay                  | -                            | -                            | -                 | -                 | -                  |
| Reimbursements                  | -                            | -                            | -                 | -                 | -                  |
| <b>Total Expenditures</b>       | <b>14,212,742</b>            | <b>14,212,742</b>            | <b>10,216,394</b> | <b>11,691,727</b> | <b>(2,521,015)</b> |

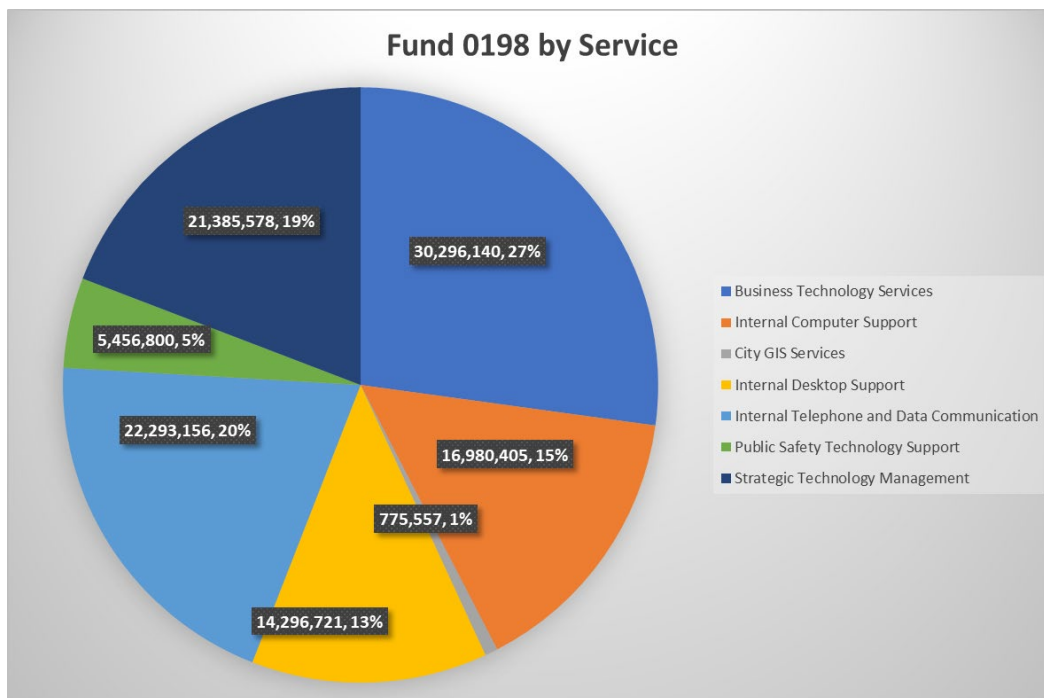
**Fund 0197 – Communication Services (Radio Network)**  
**Estimates as of September 2023 1<sup>st</sup> Close**

| Expenditure Category            | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual        | YE Forecast       | Variance           |
|---------------------------------|------------------------------|------------------------------|-------------------|-------------------|--------------------|
| Civilian Pay                    | 1,963,977                    | 1,963,977                    | 1,685,392         | 1,706,385         | (257,592)          |
| Overtime Pay                    | 51,320                       | 51,320                       | 210,614           | 210,614           | 159,294            |
| Pension                         | 282,080                      | 282,080                      | 269,457           | 257,488           | (24,592)           |
| Health Benefits                 | 265,923                      | 265,923                      | 250,708           | 297,423           | 31,500             |
| Worker's Compensation           | 7,197                        | 7,197                        | 7,197             | 7,197             | -                  |
| Other Personnel Services        | 33,819                       | 33,819                       | 39,106            | 38,030            | 4,211              |
| <b>Total Personnel Services</b> | <b>2,604,316</b>             | <b>2,604,316</b>             | <b>2,462,474</b>  | <b>2,494,650</b>  | <b>(109,666)</b>   |
| Supplies                        | 1,156,482                    | 1,156,482                    | 487,890           | 487,890           | (668,592)          |
| Contractual Services            | 13,106,759                   | 13,106,759                   | 10,184,708        | 10,264,917        | (2,841,842)        |
| Capital Outlay                  | -                            | -                            | -                 | -                 | -                  |
| Reimbursements                  | -                            | -                            | -                 | -                 | -                  |
| <b>Total Expenditures</b>       | <b>16,867,557</b>            | <b>16,867,557</b>            | <b>13,135,072</b> | <b>13,269,944</b> | <b>(3,597,613)</b> |

C. Budget Performance & Execution (continued)

**Fund 0198 – Data Services Estimates as of August 2023**

| Expenditure Category            | FY 2022-23<br>Adopted Budget | FY 2022-23<br>Amended Budget | YTD Actual         | YE Forecast        | Variance           |
|---------------------------------|------------------------------|------------------------------|--------------------|--------------------|--------------------|
| Civilian Pay                    | 20,152,694                   | 20,152,694                   | 15,603,264         | 16,307,355         | (3,845,339)        |
| Overtime Pay                    | 41,612                       | 41,612                       | 25,860             | 25,131             | (16,481)           |
| Pension                         | 2,858,569                    | 2,858,569                    | 2,219,563          | 2,296,817          | (561,752)          |
| Health Benefits                 | 1,825,634                    | 1,825,634                    | 1,629,867          | 2,041,999          | 216,365            |
| Worker's Compensation           | 49,182                       | 49,182                       | 49,182             | 49,182             | -                  |
| Other Personnel Services        | 1,036,948                    | 1,036,948                    | 476,679            | 592,178            | (444,770)          |
| <b>Total Personnel Services</b> | <b>25,964,639</b>            | <b>25,964,639</b>            | <b>20,004,415</b>  | <b>21,312,662</b>  | <b>(4,651,977)</b> |
| Supplies                        | 759,552                      | 759,552                      | 675,619            | 678,644            | (80,908)           |
| Contractual Services            | 83,683,424                   | 83,683,424                   | 84,999,623         | 85,581,883         | 1,898,459          |
| Capital Outlay                  | 4,156,302                    | 4,156,302                    | 3,911,167          | 3,911,167          | (245,135)          |
| Reimbursements                  | -                            | -                            | -                  | -                  | -                  |
| <b>Total Expenditures</b>       | <b>114,563,917</b>           | <b>114,563,917</b>           | <b>109,590,825</b> | <b>111,484,356</b> | <b>(3,079,561)</b> |



## D. ITS Staffing & Hiring Report

### 1. ITS Funded Staffing Levels

| IT Fund                                     | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 Plan |
|---|-------|-------|-------|-------|------------|
| <b>Fund 0191 - 9-1-1 Technology Support</b> | 7.0   | 7.0   | 7.0   | 7.0   | 7.0        |
| <b>Fund 0197 - Radio Communications</b>     | 28.0  | 30.0  | 30.0  | 30.0  | 30.0       |
| <b>Fund 0198 - Data Services</b>            | 190.0 | 204.0 | 223.0 | 225.0 | 230.0      |
| <b>Total</b>                                | 225.0 | 241.0 | 260.0 | 262.0 | 267.0      |

### 2. Vacancies and Hiring Activities

- As of October 31, 2023, ITS had 56 vacancies out of the available 260 positions.
- As of October 31, 2023, of the 62 vacancies, the disposition was:
  - 12 are in draft posting
  - 2 are undergoing reclassification to re-align within the ITS Department
  - 16 are awaiting posting
  - 0 are actively posted
  - 5 were previously posted
    - 3 are under review
    - 0 are at a second round of interviews
    - 2 have pending offers with candidates

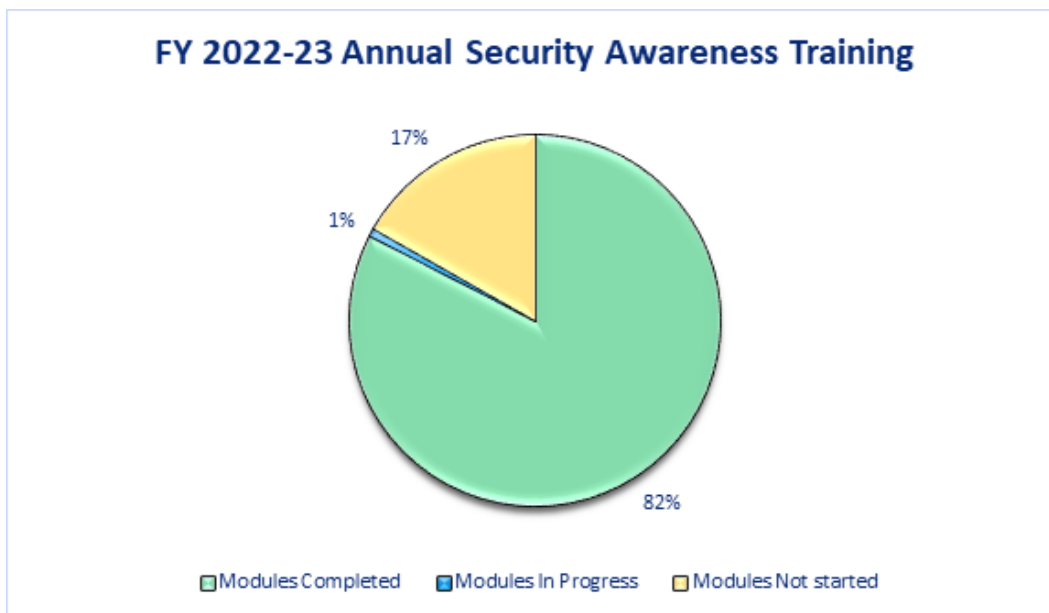
# Section 4: Cybersecurity Programs

## A. Awareness Training

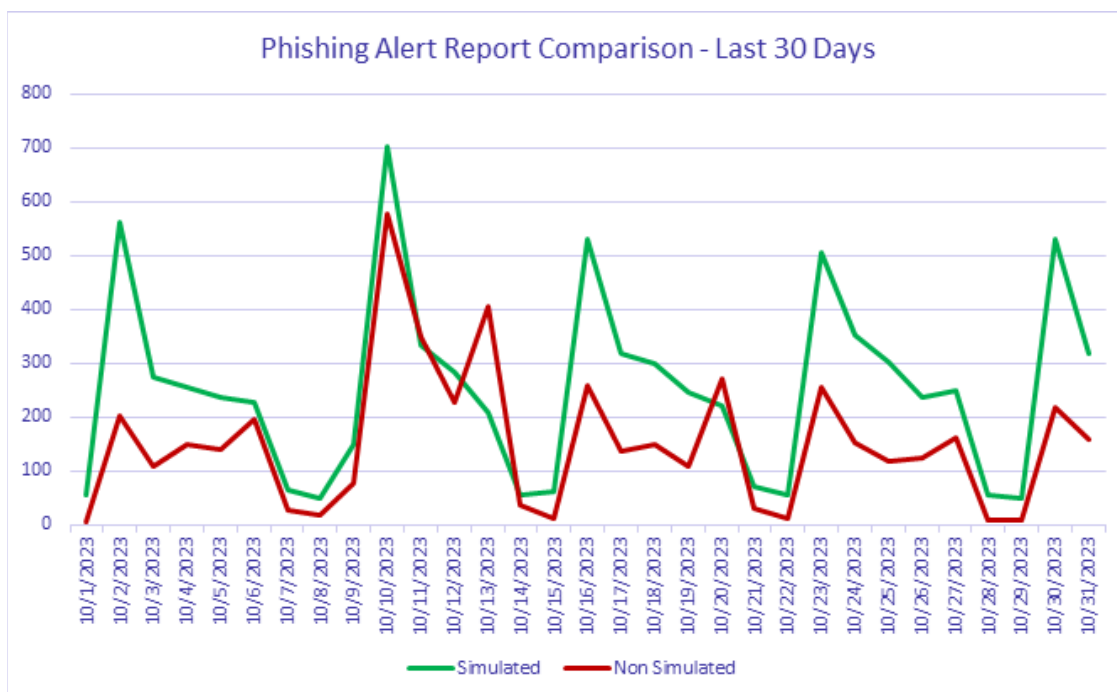
Security Awareness training is measured on an annual basis. Over the last several years ITS has observed a generally positive trend in risk scoring associated with annual employee training. Beginning with each new fiscal year the City will conduct a new set of security awareness courses to meet not only the best practices, but State of Texas House Bill 3834 requirements for all government employees.

However, each year we see new or enhanced requirements from the Texas State Legislature as the risk environment evolves and becomes increasingly more threatening. As such, our security awareness training program must evolve to reflect the latest requirements and latest threats and it is critical that the security awareness training is completed each year. The information below illustrates the enrollment and completion efforts of employee training over the course of the year. For FY 2021-22 the City completed 99% of 18 training campaigns covering HIPAA, PCI, and Cybersecurity. The FY 2022-23 security awareness training campaign on January 25, 2023, and ITS is tracking its progress and working with City employees to ensure completion.

- Note employees with less than 25% of job function on technology are not required to complete cybersecurity training.



In addition, ITS continuously applies best practices to the employees around phishing and their ability to recognize and appropriately handle phishing incidents. Campaigns designed given real world scenarios, typically taken from recent events are sent out to the employee population to test their ability to distinguish and act. This provides feedback to the employees as well has increased the actual amount of true phishing reported. As well, a “Report phishing” button added to user’s Outlook has increased both the numbers of test phish and actual phishing emails.



## B. Situational Awareness

Annually ITS assess the overall Security posture of the organization based upon the NIST Cybersecurity Framework (CSF). Each category within the NIST CSF is evaluated for the current level of maturity and expectant maturity level. This process uses current and projected technologies and documented standards and procedures to complete the process. ITS utilizes both internal and external resources to conduct assessments. The results of the assessments are used by ITS to develop security strategy for cybersecurity and privacy. The below figure outlines the maturity model for the CSF. While the TAR does not provide our scores from our self-assessment, ITS can provide this information to Council members and discuss the assessments in depth as requested.

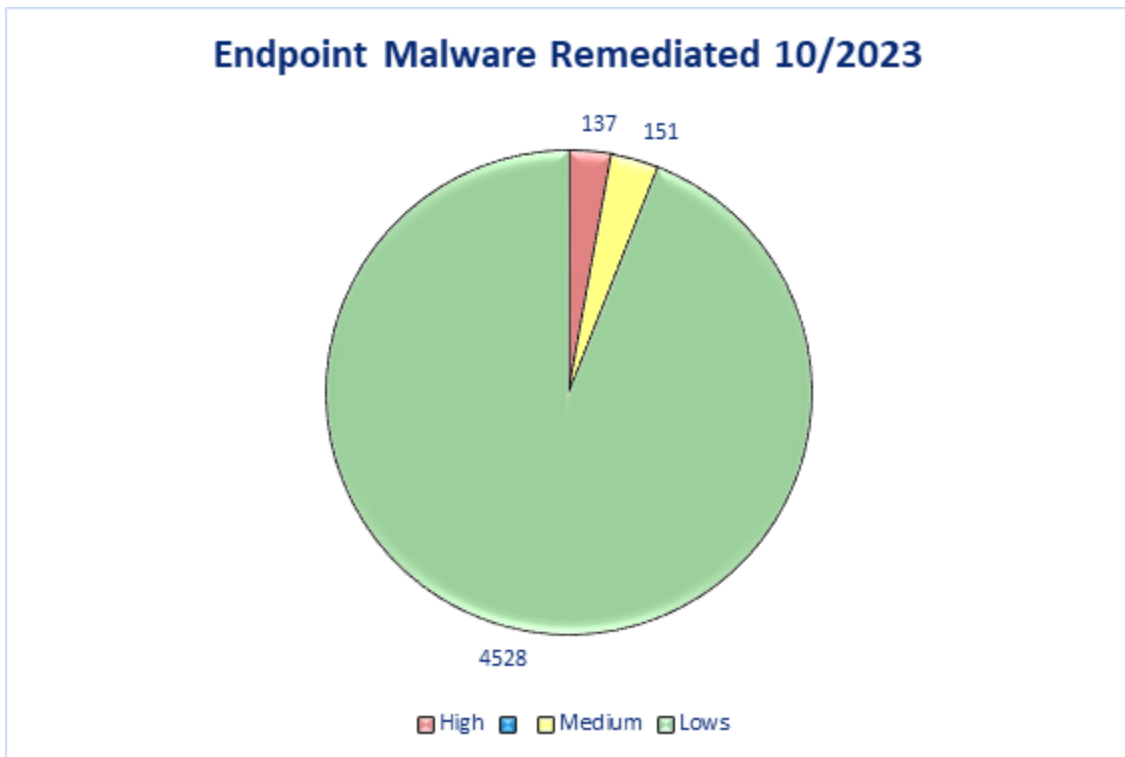
|  |          | Capability Maturity Model Levels   |   |  |   |  |
|--|----------|--|---|--|---|--|
|  |          | Level 1<br>Initial   | Level 2<br>Repeatable   | Level 3<br>Defined   | Level 4<br>Managed  | Level 5<br>Optimized   |
| NIST Cybersecurity Framework Functions | Identify | Little to no cybersecurity risk identification.                          | Process for cybersecurity risk identification exists, but it is immature.                                 | Risks to IT assets are identified and managed in a standard, well defined process.   | Risks to the business environment are identified and proactively monitored on a periodic basis. | Cybersecurity risks are continuously monitored and incorporated into business decisions.                     |
|  | Protect  | Asset protection is reactive and ad hoc.                                 | Data protection mechanisms are implemented across the environment.  | Data is formally defined and protected in accordance with its classification.  | The environment is proactively monitored via protective technologies.                           | Protection standards are operationalized through automation and advanced technologies.                       |
|  | Detect   | Anomalies or events are not detected or not detected in a timely manner. | Anomaly detection is established through detection tools and monitoring procedures.                       | A baseline of "normal" activity is established and applied against tools/procedures to better identify malicious activity. | Continuous monitoring program is established to detect threats in real-time.                    | Detection and monitoring solutions are continuously learning behaviors and adjusting detection capabilities. |
|  | Respond  | The process for responding to incidents is reactive or non-existent.     | Analysis capabilities are applied consistently to incidents by Incident Response (IR) roles.              | An IR Plan defines steps for incident preparation, analysis, containment, eradication, and post-incident.                  | Response times and impacts of incidents are monitored and minimized.                            | The capabilities of all IT personnel, procedures, technologies are regularly tested and updated.             |
|  | Recover  | The process for recovering from incidents is reactive or non-existent.   | Resiliency and recovery capabilities are applied consistently to incidents impacting business operations. | A Continuity & Disaster Recovery Plan defines steps to continue critical functions and recover to normal operations.       | Recovery times and impacts of incidents are monitored and minimized.                            | The capabilities of all IT personnel, procedures, technologies are regularly tested and updated.             |

Figure 3: Assessing Cybersecurity Maturity

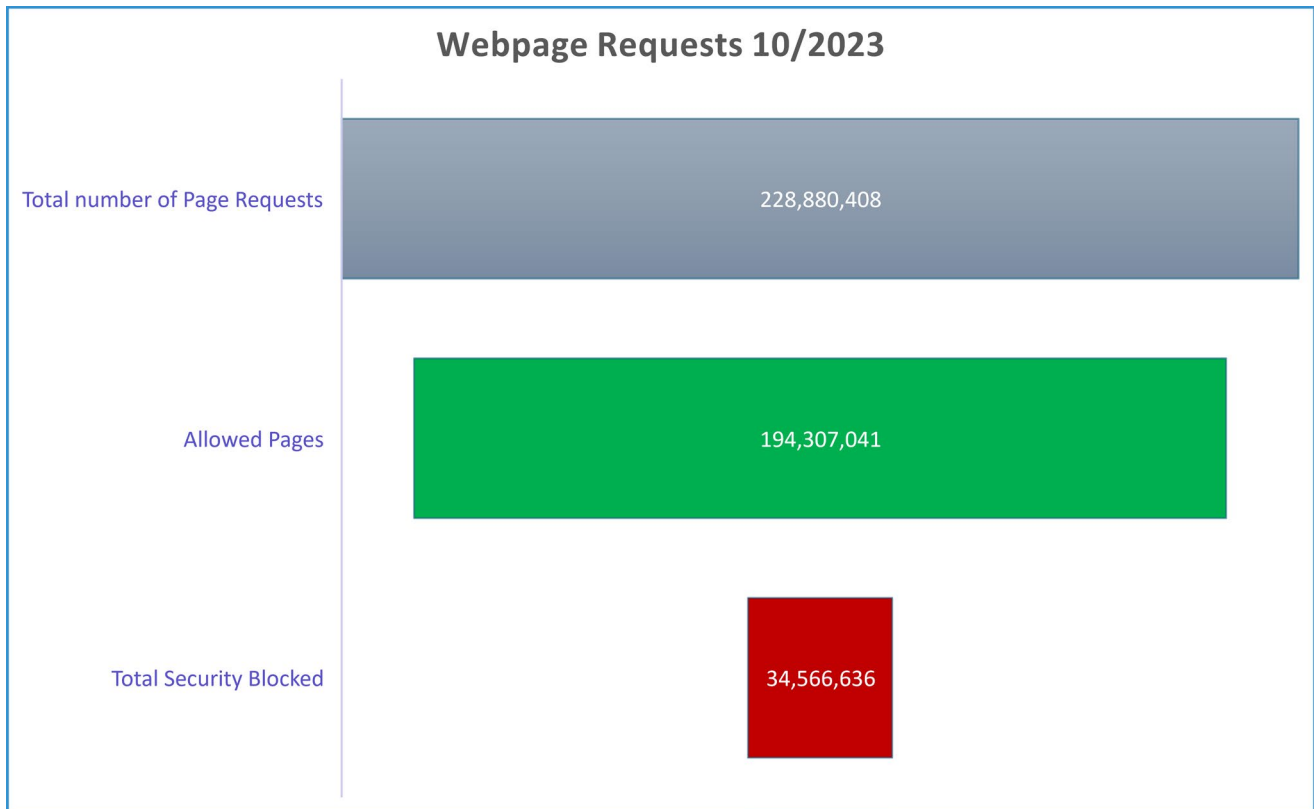
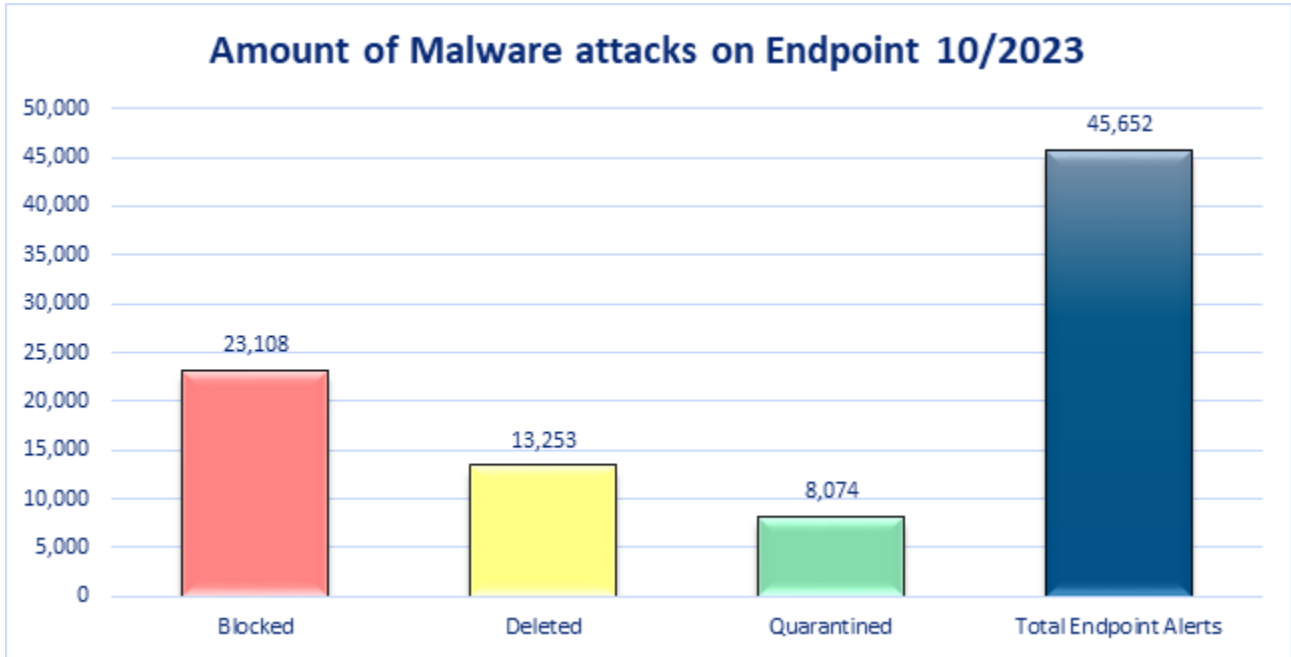
## C. Data Protection & Privacy

### 1. Endpoint Protection

Endpoint protection is one component to the organization's ability to handle daily malware. All devices needing connection to the internet are subject to attacks. Attacks are mitigated through technologies monitoring the systems in real time reacting and responding to those attacks. Technologies like Firewall and Endpoint Detection and Response all are in place to respond to those attacks. Below is the status for endpoint attack metrics.

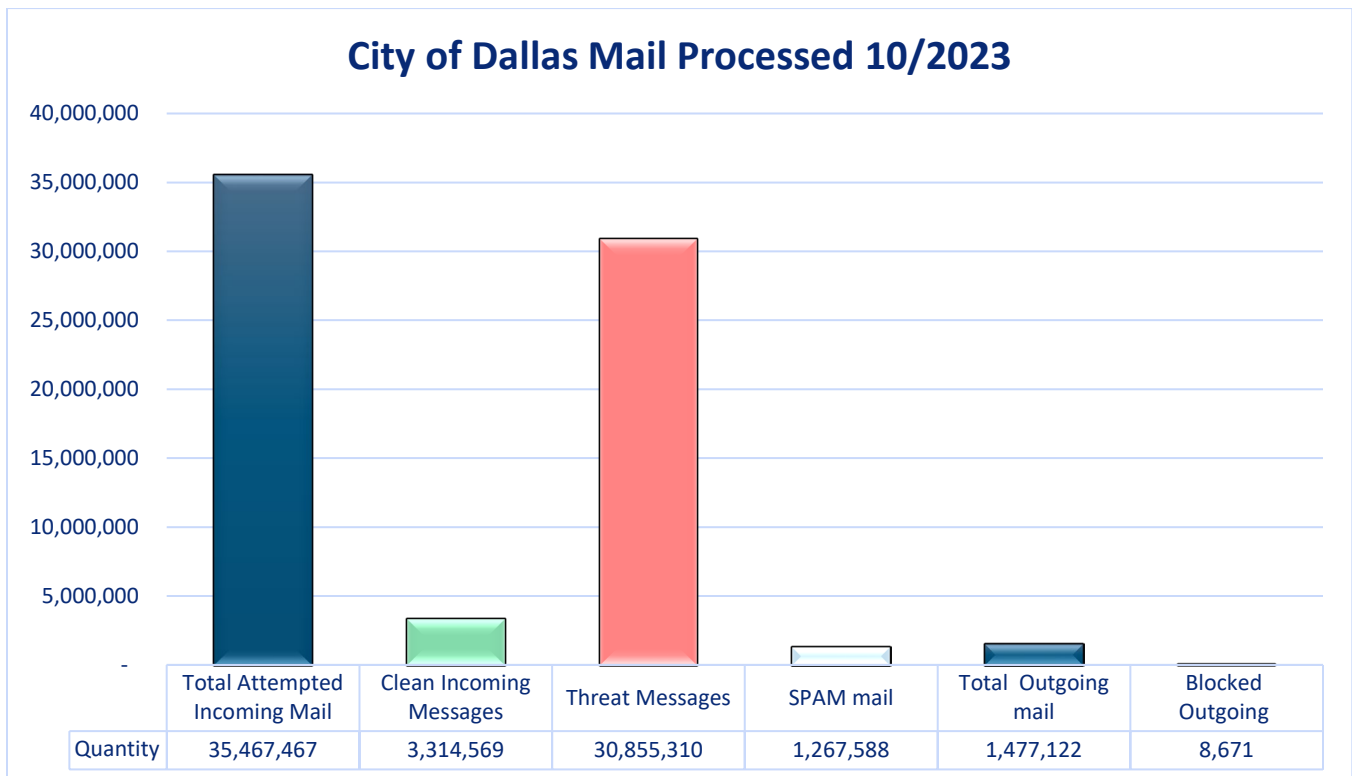






## 2. Email Screening

The City of Dallas receives and send millions of emails a month. Phishing is an attack vector that is utilized by bad actors in the form of social engineering, to gain internal access to the network. This can then be used to introduce malware, ransomware, and other malicious software to adversely affect City services. Below provides a picture of mail messages processed and remediated prior to user reception.



## Section 5: IT Infrastructure

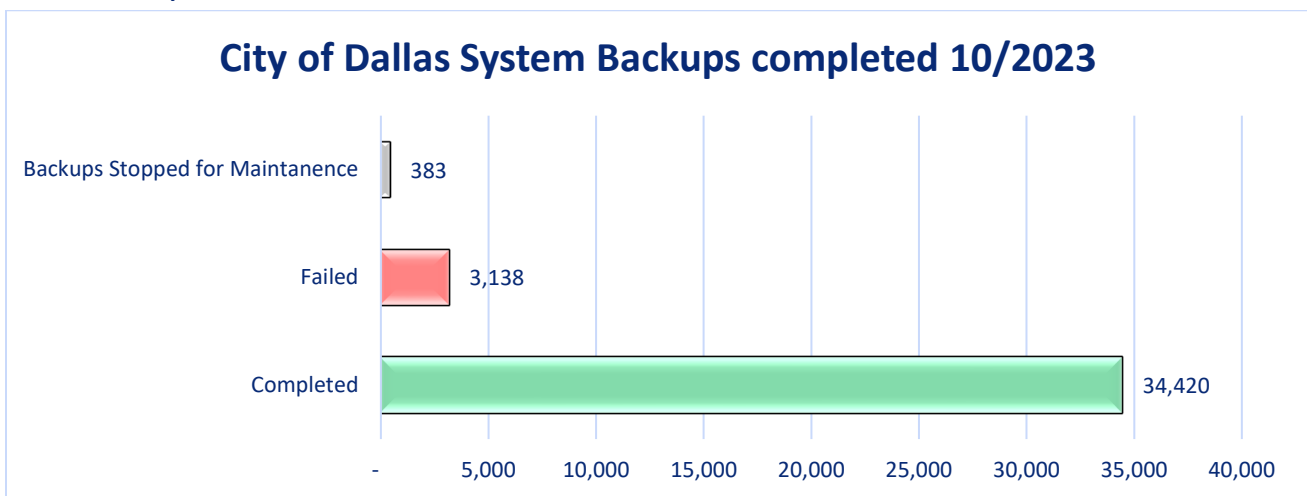
IT Infrastructure information and status updates on efforts to upgrade and improve the IT infrastructure used by the City to reduce technical debt, better meet current needs, and build for future service needs.

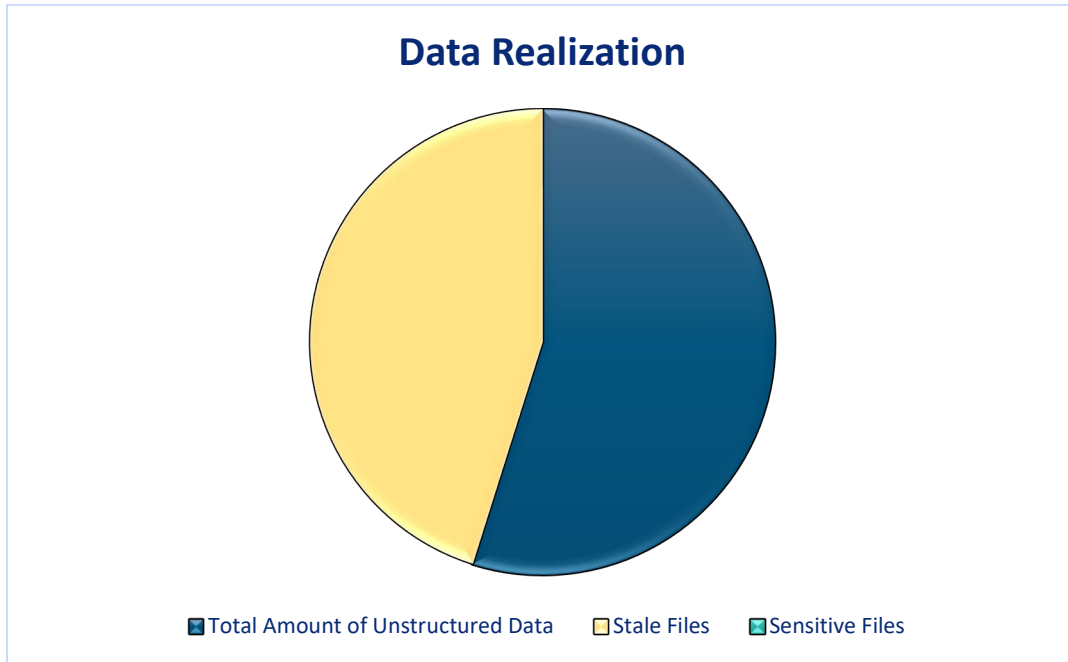
### A. Resiliency - Disaster Recovery and Business Continuity

Resilience is essential in the City’s IT environment because it ensures that the system can continue to function effectively and efficiently even when unexpected events occur. This can include things like hardware or software failures, power outages, natural disasters, and cyber-attacks. Lack of resiliency impacts Local government to prolonged outages, data loss, and security breaches. These can be costly in terms of services to residents, loss of public trust, and regulatory penalties.

Resiliency can be achieved through a combination of redundancy, fault tolerance, disaster recovery planning, and proactive monitoring and maintenance. By designing and implementing resilient IT systems, the City can minimize the impact of disruptions and maintain business continuity, ensuring that critical applications and services remain available. ITS has begun evaluating on opportunities to design the City’s IT environment to improve resilience.

A critical component of Disaster Recovery and Business Continuity practices is backing up critical data, testing data backups, and conducting exercises to ensure that data backups can be successfully utilized to restore business services.

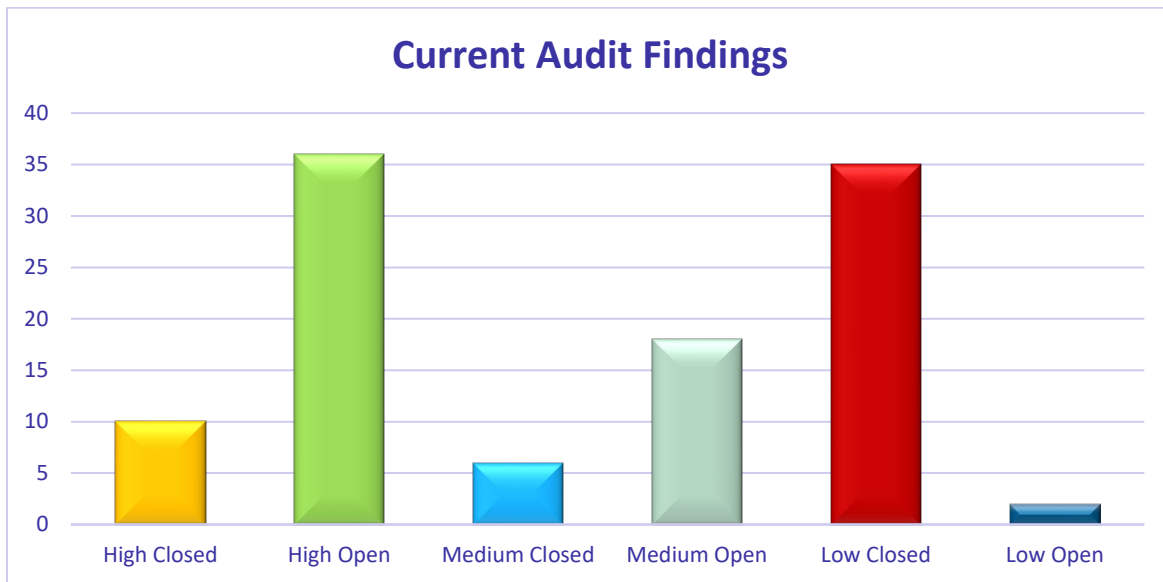




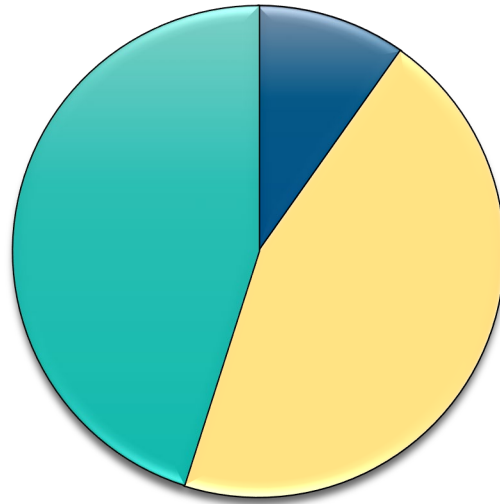
**Total Data 3.82 PB**  
**Total Backup 1.66 PB**  
**Total 19.3m Folders**

## B. Audit

Currently the ITS department is working through several audits that impact technology services. Below representative if the Audit remediation efforts and stages.



### Audit Remediation Stage 10/23



■ Implementation in Progress   ■ No Follow-up Yet   ■ Closed



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2953

**Item #:** H.

---

State Fair of Texas Financial Report for years ending December 31, 2022 and 2021  
[Park and Recreation]

# Memorandum



CITY OF DALLAS

DATE November 8, 2023

TO Honorable Members of the Government Performance & Finance Management Committee:  
Chad West (Chair), Paula Blackmon, Vice Chair, Cara Mendelsohn, Jesse Moreno, Jaime Resendez

SUBJECT State Fair of Texas Financial Statements

---

Attached for your review is the State Fair of Texas Years Ended December 31, 2022 and 2021 with report of independent auditors presented by Ernest & Young LLP.

If you have any questions, please contact Ryan O'Connor at 214-670-4142 or [ryan.oconnor@dallas.gov](mailto:ryan.oconnor@dallas.gov).

Thank you,

A handwritten signature in blue ink, reading "John D. Jenkins".

John D. Jenkins, Director

Park and Recreation Department

FINANCIAL STATEMENTS

State Fair of Texas  
Years Ended December 31, 2022 and 2021  
With Report of Independent Auditors

Ernst & Young LLP





State Fair of Texas

Financial Statements

Years Ended December 31, 2022 and 2021

**Contents**

Report of Independent Auditors.....1

Financial Statements

Statements of Financial Position.....3

Statements of Activities .....4

Statements of Cash Flows.....5

Statement of Functional Expenses .....6

Notes to Financial Statements.....8



Ernst & Young LLP  
One Victory Park  
Suite 2000  
2323 Victory Avenue  
Dallas, TX 75219

Tel: +1 214 969 8000  
Fax: +1 214 969 8587  
ey.com

## Report of Independent Auditors

The Board of Directors  
State Fair of Texas

We have audited the financial statements of State Fair of Texas (the Fair), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fair at December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fair and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, the Fair changed its method of accounting for leases as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification (ASC) resulting from Accounting Standards Update 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fair’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fair's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fair's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Ernst + Young LLP*

April 13, 2023

# State Fair of Texas

## Statements of Financial Position

|  | December 31    |                |
|--|----------------|----------------|
|  | 2022           | 2021           |
| <b>Assets</b>                                      |                |                |
| Current assets:                                    |                |                |
| Cash   | \$ 309,557     | \$ 367,432     |
| Restricted investment for Fair Park improvements   | 11,775,175     | 11,283,419     |
| Restricted investment for Cotton Bowl improvements | 359,131        | 359,131        |
| Investments  | 82,792,172     | 70,904,730     |
| Accounts receivable                                | 755,545        | 962,122        |
| Inventories, net                                   | 200,507        | 193,637        |
| Prepaid expenses                                   | 258,617        | 321,254        |
| Total current assets                               | 96,450,704     | 84,391,725     |
| Property and leasehold improvements, at cost:      |                |                |
| Midway improvements                                | 15,036,044     | 14,996,763     |
| Amusement rides                                    | 21,897,407     | 21,897,407     |
| Building improvements                              | 26,104,724     | 23,690,131     |
| Furniture, fixtures, and equipment                 | 11,187,866     | 10,398,142     |
| Construction in progress                           | 396,960        | 10,467         |
| Land   | 4,754,089      | 4,754,089      |
| Total property and leasehold improvements          | 79,377,090     | 75,746,999     |
| Less – accumulated depreciation and amortization   | (60,525,932)   | (57,576,439)   |
| Net property and leasehold improvements            | 18,851,158     | 18,170,560     |
| Deferred compensation                              | 2,124,754      | 2,287,938      |
| Finance lease right-of-use assets, net             | 1,313,060      | –              |
| Operating lease right-of-use assets                | 16,340,400     | –              |
| Total assets                                       | \$ 135,080,076 | \$ 104,850,223 |
| <b>Liabilities and net assets</b>                  |                |                |
| Current liabilities:                               |                |                |
| Accounts payable and accrued liabilities           | \$ 6,240,819   | \$ 8,772,812   |
| Accrued Fair Park improvements                     | 11,815,845     | 11,497,690     |
| Finance lease right-of-use liabilities             | 311,416        | –              |
| Operating lease right-of-use liabilities           | 980,514        | –              |
| Total current liabilities                          | 19,348,594     | 20,270,502     |
| Deferred rent liability                            | –              | 6,988,330      |
| Deferred compensation                              | 2,124,754      | 2,287,938      |
| Finance lease right-of-use liabilities             | 1,034,633      | –              |
| Operating lease right-of-use liabilities           | 23,749,510     | –              |
| Total liabilities                                  | 46,257,491     | 29,546,770     |
| <b>Net assets</b>                                  |                |                |
| Without donor restrictions:                        |                |                |
| Undesignated                                       | 61,675,901     | 55,677,964     |
| Board-designated operating reserve                 | 19,446,274     | 13,758,812     |
| Board-designated future Fair Park projects         | 4,937,422      | 2,657,633      |
| Board-designated scholarship fund reserve          | 2,721,319      | 3,167,375      |
| Total net assets without donor restrictions        | 88,780,916     | 75,261,784     |
| With donor restrictions                            | 41,669         | 41,669         |
| Total net assets                                   | 88,822,585     | 75,303,453     |
| Total liabilities and net assets                   | \$ 135,080,076 | \$ 104,850,223 |

*See accompanying notes.*

# State Fair of Texas

## Statements of Activities

|  | Year Ended December 31                         |  |                      |  |  |                      |
|--|--|--|----------------------|--|--|----------------------|
|  | 2022   |  |                      | 2021   |  |                      |
|  | Net Assets<br>Without<br>Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | Total                | Net Assets<br>Without<br>Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | Total                |
| <b>Revenues</b>                                      |  |  |                      |  |  |                      |
| Concessions and admissions                           | \$ 75,464,097                                  | \$ —                                     | \$ 75,464,097        | \$ 64,348,007                                  | \$ —                                     | \$ 64,348,007        |
| Exhibit space and other rental                       | 4,838,600                                      | —  | 4,838,600            | 4,749,586                                      | —  | 4,749,586            |
| Interest and dividend income                         | 855,711  | —  | 855,711              | 313,004  | —  | 313,004              |
| Other  | 845,537  | —  | 845,537              | 690,709  | —  | 690,709              |
| Contributions  | 2,685,953                                      | 2,588,984                                | 5,274,937            | 2,403,493                                      | 2,160,646                                | 4,564,139            |
| Donated goods and services                           | 1,136,014                                      | —  | 1,136,014            | 1,201,353                                      | —  | 1,201,353            |
| Net assets released from<br>restrictions             | 2,588,984                                      | (2,588,984)                              | —                    | 2,118,977                                      | (2,118,977)                              | —                    |
| <b>Total revenues</b>                                | <b>88,414,896</b>                              | <b>—</b>                                 | <b>88,414,896</b>    | <b>75,825,129</b>                              | <b>41,669</b>                            | <b>75,866,798</b>    |
| <b>Expenses</b>                                      |  |  |                      |  |  |                      |
| Fair time experience                                 | 41,514,532                                     | —  | 41,514,532           | 35,805,859                                     | —  | 35,805,859           |
| Agriculture  | 6,549,438                                      | —  | 6,549,438            | 5,477,805                                      | —  | 5,477,805            |
| Education  | 3,061,981                                      | —  | 3,061,981            | 2,512,068                                      | —  | 2,512,068            |
| Community involvement                                | 11,544,230                                     | —  | 11,544,230           | 1,367,541                                      | —  | 1,367,541            |
| Management and general                               | 6,044,463                                      | —  | 6,044,463            | 5,067,188                                      | —  | 5,067,188            |
| Fundraising  | 4,304,261                                      | —  | 4,304,261            | 3,551,123                                      | —  | 3,551,123            |
| <b>Total expenses</b>                                | <b>73,018,905</b>                              | <b>—</b>                                 | <b>73,018,905</b>    | <b>53,781,584</b>                              | <b>—</b>                                 | <b>53,781,584</b>    |
| Excess of revenues<br>over expenses                  | 15,395,991                                     | —  | 15,395,991           | 22,043,545                                     | 41,669                                   | 22,085,214           |
| Realized and unrealized<br>investment (losses) gains | (2,168,512)                                    | —  | (2,168,512)          | 2,170,552                                      | —  | 2,170,552            |
| Tax credit   | 291,653  | —  | 291,653              | —  | —  | —                    |
| Gain on loan (PPP)<br>extinguishment                 | —  | —  | —                    | 6,058,845                                      | —  | 6,058,845            |
| <b>Change in net assets</b>                          | <b>13,519,132</b>                              | <b>—</b>                                 | <b>13,519,132</b>    | <b>30,272,942</b>                              | <b>41,669</b>                            | <b>30,314,611</b>    |
| Net assets at beginning of year                      | 75,261,784                                     | 41,669                                   | 75,303,453           | 44,988,842                                     | —  | 44,988,842           |
| <b>Net assets at end of year</b>                     | <b>\$ 88,780,916</b>                           | <b>\$ 41,669</b>                         | <b>\$ 88,822,585</b> | <b>\$ 75,261,784</b>                           | <b>\$ 41,669</b>                         | <b>\$ 75,303,453</b> |

*See accompanying notes.*

State Fair of Texas

Statements of Cash Flows

|   | <b>Year Ended December 31</b> |                      |
|---|-------------------------------|----------------------|
|   | <b>2022</b>                   | <b>2021</b>          |
| <b>Operating activities</b>   |                               |                      |
| Change in net assets  | \$ 13,519,132                 | \$ 30,314,611        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                               |                      |
| Net realized/unrealized losses (gains) on investments                                       | 2,168,512                     | (2,170,552)          |
| Investment interest/dividend income   | (855,711)                     | (313,004)            |
| Depreciation  | 3,064,039                     | 3,244,327            |
| Amortization of right-of-use assets – finance leases  | 328,265                       | –                    |
| Interest on lease liabilities – finance leases  | 44,724                        | –                    |
| Operating lease cost  | 1,401,294                     | –                    |
| Gain on loan (PPP) extinguishment   | –                             | (6,058,845)          |
| Decrease (increase) in accounts receivable  | 206,577                       | (852,463)            |
| (Increase) decrease in inventories  | (6,870)                       | 51,733               |
| Decrease in prepaid expenses  | 62,637                        | 145,661              |
| Decrease (increase) in accounts payable and other liabilities                               | (2,213,838)                   | 3,624,904            |
| Net cash provided by operating activities   | <b>17,718,761</b>             | <b>27,986,372</b>    |
| <b>Investing activities</b>   |                               |                      |
| Purchases of property and leasehold improvements  | (3,788,556)                   | (144,683)            |
| Disposals of property and leasehold improvements  | 43,920                        |                      |
| Sales and maturities of investments   | 9,399,854                     | 2,270,192            |
| Purchases of investments  | (17,190,000)                  | –                    |
| Net cash (used in) provided by investing activities   | <b>(11,534,782)</b>           | <b>2,125,509</b>     |
| <b>Financing activities</b>   |                               |                      |
| Finance lease costs   | (340,000)                     | –                    |
| Proceeds from PPP Loan  | –                             | 6,058,845            |
| Net cash (used in) provided by financing activities   | <b>(340,000)</b>              | <b>6,058,845</b>     |
| Net change in cash and cash equivalents   | <b>5,843,979</b>              | <b>36,170,726</b>    |
| Cash and cash equivalents at beginning of year  | <b>50,574,119</b>             | <b>14,403,393</b>    |
| Cash and cash equivalents at end of year  | <b>\$ 56,418,098</b>          | <b>\$ 50,574,119</b> |

See accompanying notes.

State Fair of Texas

Statement of Functional Expenses

Year Ended December 31, 2022

|                                  | Fair Time Experience | Program Services |              |                                   | Supporting Services    |              |               | Total |
|----------------------------------|----------------------|------------------|--------------|-----------------------------------|------------------------|--------------|---------------|-------|
|                                  |                      | Agriculture      | Education    | Community Involvement and General | Management and General | Fundraising  |               |       |
| Advertising and promotion        | \$ 102,623           | \$ 113,730       | \$ 20,599    | \$ 1,584                          | \$ 4,156               | \$ 2,513,632 | \$ 2,756,324  |       |
| Contract services                | 13,499,705           | 1,289,319        | 44,842       | 34,661                            | 125,410                | 34,097       | 15,028,034    |       |
| Depreciation and amortization    | 3,041,895            | 139,844          | 32,563       | 42,469                            | 127,459                | 8,074        | 3,392,304     |       |
| Fair operational costs           | 9,384,574            | 923,244          | 346,698      | 199                               | 6,916                  | 13,761       | 10,675,392    |       |
| Fair Park improvements           | —                    | —                | —            | 9,566,889                         | —                      | —            | 9,566,889     |       |
| Grants and other assistance      | —                    | 1,834,469        | 38,535       | 829,738                           | 2,239                  | —            | 2,704,981     |       |
| Insurance                        | 1,222,941            | 63,023           | 14,675       | 19,139                            | 57,442                 | 3,639        | 1,380,859     |       |
| Occupancy                        | 3,375,531            | 311,288          | 196,740      | 162,854                           | 642,447                | 191,362      | 4,880,222     |       |
| Other                            | 271,497              | 96,860           | 49,929       | 10,922                            | 321,885                | 377,480      | 1,128,573     |       |
| Professional fees                | 182,922              | 7,839            | 93           | —                                 | 988,001                | 43,625       | 1,222,480     |       |
| Repairs and maintenance          | 836,754              | 124,661          | 10,442       | 30,313                            | 20,121                 | 1,286        | 1,023,577     |       |
| Salaries, wages, benefits, taxes | 8,284,191            | 1,479,256        | 1,361,095    | 839,211                           | 3,681,795              | 1,042,270    | 16,687,818    |       |
| Scholarships                     | —                    | —                | 917,250      | —                                 | —                      | —            | 917,250       |       |
| Supplies                         | 1,311,899            | 165,905          | 28,520       | 6,251                             | 66,592                 | 75,035       | 1,654,202     |       |
| Total expenses                   | \$ 41,514,532        | \$ 6,549,438     | \$ 3,061,981 | \$ 11,544,230                     | \$ 6,044,463           | \$ 4,304,261 | \$ 73,018,905 |       |

See accompanying notes.

State Fair of Texas

Statement of Functional Expenses

Year Ended December 31, 2021

|                                  | Fair Time Experience | Program Services |              |                       | Supporting Services    |              |               | Total |
|----------------------------------|----------------------|------------------|--------------|-----------------------|------------------------|--------------|---------------|-------|
|                                  |                      | Agriculture      | Education    | Community Involvement | Management and General | Fundraising  |               |       |
| Advertising and promotion        | \$ 100,008           | \$ 71,044        | \$ 300       | \$ 372                | \$ 2,778               | \$ 2,075,492 | \$ 2,249,994  |       |
| Contract services                | 12,332,823           | 754,501          | 22,607       | 3,083                 | 28,674                 | 31,932       | 13,173,620    |       |
| Depreciation and amortization    | 2,913,876            | 137,819          | 28,756       | 43,118                | 111,510                | 9,248        | 3,244,327     |       |
| Fair operational costs           | 7,384,070            | 837,109          | 288,616      | 23,145                | 3,704                  | 3,072        | 8,539,716     |       |
| Fair Park improvements           | —                    | —                | —            | 19,401                | —                      | —            | 19,401        |       |
| Grants and other assistance      | —                    | 1,748,724        | 18,980       | 542,163               | —                      | —            | 2,309,867     |       |
| Insurance                        | 1,105,431            | 52,284           | 10,909       | 16,357                | 42,303                 | 3,509        | 1,230,793     |       |
| Occupancy                        | 3,019,600            | 281,519          | 183,661      | 130,907               | 540,952                | 179,836      | 4,336,475     |       |
| Other                            | 363,592              | 62,317           | 46,520       | 3,523                 | 140,880                | 310,352      | 927,184       |       |
| Professional fees                | 177,228              | 4,081            | 4,003        | 4,827                 | 928,584                | —            | 1,118,723     |       |
| Repairs and maintenance          | 639,241              | 116,201          | 4,762        | 23,004                | 15,661                 | 1,281        | 800,150       |       |
| Salaries, wages, benefits, taxes | 6,796,477            | 1,175,885        | 1,079,964    | 552,684               | 3,206,981              | 893,092      | 13,705,083    |       |
| Scholarships                     | —                    | —                | 802,000      | —                     | —                      | —            | 802,000       |       |
| Supplies                         | 973,513              | 236,321          | 20,990       | 4,957                 | 45,161                 | 43,309       | 1,324,251     |       |
| Total expenses                   | \$ 35,805,859        | \$ 5,477,805     | \$ 2,512,068 | \$ 1,367,541          | \$ 5,067,188           | \$ 3,551,123 | \$ 53,781,584 |       |

See accompanying notes.



# State Fair of Texas

## Notes to Financial Statements

December 31, 2022

### 1. Nature of Operations

State Fair of Texas (the Fair) is a not-for-profit Texas corporation organized to conduct an annual fair. The Fair's mission is to celebrate all things Texan by promoting agriculture, education, and community involvement through quality entertainment in a family-friendly environment.

### 2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements under U.S. generally accepted accounting principles (U.S. GAAP) is as follows:

#### Net Assets

*Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions which result from the operation of the annual fair, non-fair time events, and general operations of the organization. In 2022, this category of net assets includes a board-designated operating reserve fund required by an agreement with the City of Dallas (see Note 3), maintained at \$19,446,274 and \$13,758,812 at December 31, 2022 and 2021, respectively; a board-designated fund intended for future scholarship recipients, maintained at \$2,721,319 and \$3,167,375 at December 31, 2022 and 2021, respectively; and a board-designated fund intended for future Fair Park projects, maintained at \$4,937,422 and \$2,657,633 at December 31, 2022 and 2021, respectively.

*With Donor Restrictions* – Net assets subject to donor-imposed restrictions that will be met either by satisfying the purpose restriction or the passage of time. Items that affect this net asset category are gifts that will be awarded as scholarships or youth livestock premiums in future years. When the donor-imposed restriction is met, the Fair reports these as net assets released from restrictions. Also included in this category is a gift subject to a donor-imposed restriction that the corpus be held in perpetuity by the Fair. The interest received from this endowment is restricted by the donor for purposes of livestock auction premiums at the annual youth livestock auction.

*Net Assets Released From Restrictions* – Net assets were released from donor restrictions by making scholarship and youth livestock auction premium payments of \$2,588,984 and \$2,118,977 in 2022 and 2021, respectively. While the Fair spent \$2,760,593 and \$2,559,080 in 2022 and 2021, respectively, on scholarship and youth livestock auction premiums, the excess amount spent on scholarship and youth livestock auction premiums of \$171,609 in 2022 and \$440,103 in 2021 was supplied from net assets without donor restrictions.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Accounts Receivable**

Accounts receivable consist of amounts due from the operation of the annual fair, accrued pledges receivable for donor-restricted contributions, sponsorships, and refunds from vendors.

##### **Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the average-cost method. For the years ended December 31, 2022 and 2021, the Fair required no inventory valuation reserve.

##### **Property and Leasehold Improvements**

Property and leasehold improvements are stated at cost. Depreciation and amortization are recorded using the straight-line method using the lesser of the estimated useful lives or the lease term of the respective assets, ranging from 3 to 20 years. Management regularly considers whether facts or circumstances exist that would indicate that the carrying values of the property and leasehold improvements are impaired. The Fair has not recorded an impairment loss in 2022 or 2021 as a result of such consideration.

##### **Revenue Recognition**

The Fair recognizes revenue when all five of the following revenue recognition criteria have been satisfied:

- Contract(s) with customers have been identified;
- Performance obligations have been identified;
- Transaction prices have been determined;
- Transaction prices have been allocated to the performance obligations; and
- The performance obligations have been fulfilled by transferring control over the promised goods or services to the customer.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

Generally, these criteria are met upon the receipt of cash for admission tickets, games, parking, and concessions. The Fair recognizes revenue for concessions, net of commissions paid to operators, in accordance with Accounting Standards Update (ASU) 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations*. Commissions paid to operators were \$59 million and \$47 million for the years ended December 31, 2022 and 2021, respectively. The Fair also receives rental revenues for exhibit space during fair time, which are recognized ratably as the services are provided. The Fair recognizes revenue for contributions in accordance with ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

#### **Adoption of New Accounting Pronouncements**

On January 1, 2022, the Fair adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 842, *Leases (ASC 842)*. Under the new guidance, the Fair recognized right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months. Lessees are now required to classify leases as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Fair has elected to utilize the following practical expedients:

- The Fair did not reassess whether any expired or existing contracts are or contain leases upon adoption;
- The Fair retained the classification of leases (e.g., operating or finance lease) existing as of the date of adoption;
- The Fair did not reassess initial direct costs for any existing leases upon adoption;
- The Fair utilized hindsight in determining the lease term, that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset and in assessing impairment of the Fair's ROU assets;
- The Fair did not evaluate whether existing land easements not previously accounted for as leases contain a lease under ASC 842;

## State Fair of Texas

### Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

- The Fair has chosen to account for each separate lease component of a contract and its associated nonlease components as a single lease component;
- The Fair has elected to exclude leases with terms less than 12 months, including any probable renewal options, from statement of financial position recognition.
- For leases that the implicit borrowing rate is not known, the Fair has elected to utilize the risk-free rate for the following asset classes:
  - Fairtime equipment
  - Facilities

The Fair adopted ASC 842 using the modified retrospective method and, accordingly, the new guidance was applied retrospectively to leases that existed as of January 1, 2022 (the date of initial application). As a result of adoption, the Fair recognized the following impact to the statement of financial position:

|  |                     |
|--|---------------------|
| ROU assets – operating                   | \$ 17,079,879       |
| Lease liability – current                | (848,158)           |
| Lease liability – net of current portion | (24,695,697)        |
| Deferred rent                            | <u>8,463,976</u>    |
| Liabilities                              | <u>(17,079,879)</u> |
| Cumulative effect                        | <u>\$ —</u>         |

The adoption of ASC 842 did not have an impact on the Fair’s results of operations or cash flows.

During 2022, the Fair adopted FASB ASU 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Donated Goods and Services**

The Fair receives various forms of donated goods and services, including advertising and promotion, fair time equipment, and other smaller miscellaneous items. Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. These values are based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. The Fair did not monetize any contributed nonfinancial assets and, unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

##### **Advertising Costs**

Advertising costs, which are expensed as incurred, were approximately \$1.9 million and \$1.4 million for the years ended December 31, 2022 and 2021, respectively, and are included as part of advertising and promotion expenses on the statements of functional expenses.

##### **Income Taxes**

The Fair is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3). The Fair receives certain contributions to partially offset the costs of various events at the annual fair. The Fair believes such contributions are related to its tax-exempt purpose and, accordingly, excludes such amounts from its unrelated business income computation.

##### **Risk Concentration**

Financial instruments that potentially subject the Fair to concentrations of credit risk are primarily marketable securities (including cash equivalents) and accounts receivable. The Fair holds its investments in common stocks and bonds issued by publicly traded corporations and fixed-income securities issued by federal agencies. The Fair maintains an allowance for losses based upon the expected collectability of all accounts receivable. Certain deposit amounts exceed current Federal Deposit Insurance Corporation insurance limitations at December 31, 2022 and 2021.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **3. Relationship With the City of Dallas**

##### **Fair Park Agreement**

The annual fair is held on the premises owned by the City of Dallas (the City) known as Fair Park.

In 2003, the Fair entered into the Fair Park Agreement (the Agreement) with the City, which gives possession and occupancy of Fair Park to the Fair for 24 days in September and October for the operation of the annual fair and the University of Texas-University of Oklahoma football game in the Cotton Bowl Stadium (Cotton Bowl) and for a period not to exceed 60 days prior to the annual fair and 30 days after the annual fair for setup and takedown, respectively. The Fair is also responsible for the operation of the midway area of Fair Park throughout the year.

In 2017, the Fair and the City clarified terms of the Agreement in a memorandum of understanding (the MOU) with a commencement date of June 28, 2017. The MOU confirms both parties' understanding and application of certain provisions and terms of the Fair Park contract between the City and the Fair and does not modify, alter, or amend the original Fair Park contract.

In 2018, the Fair and the City executed an amendment to the 2003 Agreement, which extends the initial term of the Agreement to expire on December 31, 2038. The extension became effective on January 1, 2019.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **3. Relationship With the City of Dallas (continued)**

##### **Contractual Payments**

In exchange for use of Fair Park during the period of the fair, the Fair pays the City an annual escalating rental fee, which the City is required to place in a special account to be used only for the operation, maintenance, development, and improvement of Fair Park. Additionally, in accordance with the Agreement, the Fair pays an annual \$50 thousand marketing fee to the City and is required to spend at least \$150 thousand annually on community outreach programs and cultural facilities within Fair Park. In 2022 and 2021, the Fair spent \$752 thousand and \$486 thousand, respectively, on community outreach programs and payments directly to Fair Park cultural facilities. The marketing fee and cultural facility payments are reflected as an expense in the grants and other assistance category on the statements of functional expenses.

##### **Major Maintenance and Capital Expenditures**

The Agreement provides that the Fair applies the excess of its revenues, less its expenses and after all reasonable and prudent reserves are funded, to major maintenance, and capital expenditures for development and enhancement of Fair Park and the Fair. Major maintenance projects are improvements to City-owned Fair Park real property and are classified as Fair Park improvements expenses on the statements of functional expenses. Per the Agreement, the net revenues, as defined, allocated by the Fair and the City for major maintenance projects are deposited into a Fair-restricted account known as the Fair Park Improvement Fund. As of December 31, 2022 and 2021, the Fair Park Improvement Fund is invested in approximately \$2.4 million and \$3.6 million, respectively, of short-term bonds classified as cash equivalents (see Note 6) and approximately \$9.3 million and \$7.7 million, respectively, of liquid and publicly traded securities.

In accordance with the Agreement, the Fair funds and maintains a minimum of \$4.5 million as part of its reasonable and prudent reserves in order to provide a sound financial basis for the future economic integrity of the Fair. As stated within the MOU, the reserve fund is subject to adjustment by the Fair's Board of Directors in accordance with best practices for nonprofit organizations. Currently, the reserve fund is calculated as approximately 35% of the average total expense for the five preceding years as stated within the audited financial statements and is noted as Board-designated operating reserve on the statements of financial position. The reserve fund may be used only upon authorization by the Board of Directors of the Fair to fund the future operation of the annual fair. If the Fair elects to utilize the reserve fund, the fund must be restored to a minimum of \$4.5 million as soon thereafter as reasonably possible. The reserve fund is classified as a Board-designated fund within net assets without donor restrictions on the statements of financial position (see Note 2).

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **3. Relationship With the City of Dallas (continued)**

In 2022 and 2021, the Fair spent approximately \$13.4 million and \$485 thousand, respectively, on the development and enhancement of Fair Park, comprising approximately \$3.8 million and \$465 thousand, respectively, on capital expenditures and \$9.6 million and \$20 thousand, respectively, on major maintenance projects. The capital expenditures are recognized as assets on the statements of financial position, and the major maintenance projects are recognized as an expense noted as Fair Park improvements on the statements of functional expenses.

At December 31, 2022, approximately \$11.8 million of the major maintenance expense was accrued and classified as a current liability on the statement of financial position to reflect several major maintenance projects that were not yet completed by the City at December 31, 2022. The \$11.8 million accrual comprises approximately \$40 thousand for 2016 projects, \$1.6 million for 2017 projects, \$0.5 million for 2018 projects, \$0.1 million for 2019 projects, \$0.8 million for 2020 projects, and \$8.7 million for 2022 projects. In accordance with the MOU, \$11.7 million is deposited in the Fair Park Improvement Fund and is reflected as restricted investment for the 2022 Fair Park major maintenance projects on the statement of financial position.

At December 31, 2021, approximately \$11.5 million of the major maintenance expense was accrued and classified as a current liability on the statement of financial position to reflect several major maintenance projects that were not yet completed by the City at December 31, 2021. The \$11.5 million accrual comprises approximately \$0.2 million for 2016 projects, \$5.9 million for 2017 projects, \$3.1 million for 2018 projects, \$0.2 million for 2019 projects, and \$2.1 million for 2020. Because of the \$20.4 million deficit of revenues over expenses that the Fair experienced in 2020, there were no funds accrued in 2021. In accordance with the MOU, \$11.3 million is deposited in the Fair Park Improvement Fund and is reflected as restricted investment for the 2021 Fair Park major maintenance projects on the statement of financial position.

#### **4. Commitments and Contingencies**

The Fair is involved in various legal proceedings arising from its operation of the annual fair. In the opinion of management, after consultation with legal counsel, the ultimate liability, if any, from such legal proceedings will not have a material impact on the Fair's financial position or results of operations.



## State Fair of Texas

### Notes to Financial Statements (continued)

#### 4. Commitments and Contingencies (continued)

The Fair recognizes ROU assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Fair's ROU assets and lease liabilities primarily relate to facilities and equipment. Currently, none of the Fair's facility and equipment leases include options to renew. The exercise of lease renewal options is at the Fair's discretion. Renewal periods are included in the expected lease term if they are reasonably certain of being exercised by the Fair. Certain leases also include options to purchase the leased property. None of the Fair's lease agreements contain material residual value guarantees or material restrictions or covenants.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. The Fair uses the risk-free rate to determine the present value of the lease when the rate implicit in the lease is not readily determinable. Certain lease contracts contain nonlease components, such as services. The Fair recognizes both the lease component and nonlease components as a single lease component for all of its ROU assets. From time to time, certain service or purchase contracts may contain an embedded lease.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term. The majority of the Fair's short-term leases relate to fair-time equipment. These leases are entered into at periodic rental rates for an unspecified duration and typically have a termination for convenience provision.

Lease expense consisted of the following for the year ended December 31, 2022:

|                               |                     |
|-------------------------------|---------------------|
| Operating lease cost          | \$ 1,586,606        |
| Finance lease cost:           |                     |
| Amortization of ROU assets    | 328,265             |
| Interest on lease liabilities | 44,724              |
| Total finance lease cost      | <u>372,989</u>      |
| Total lease cost              | <u>\$ 1,959,595</u> |

State Fair of Texas

Notes to Financial Statements (continued)

**4. Commitments and Contingencies (continued)**

The Fair's ROU assets and lease liabilities consisted of the following at December 31, 2022:

|   |                       |
|---|-----------------------|
| <b>Operating leases</b>                                     |                       |
| ROU assets – operating leases                               | \$ 17,012,486         |
| Accumulated amortization                                    | <u>(672,086)</u>      |
| Net ROU assets – operating leases                           | <u>\$16,340,400</u>   |
| <br>  |                       |
| Lease liability – operating leases – current                | \$ (980,514)          |
| Lease liability – operating leases – net of current portion | <u>(23,749,510)</u>   |
| Total lease liability – operating leases                    | <u>\$(24,730,024)</u> |
| <br>  |                       |
| <b>Finance leases</b>                                       |                       |
| ROU assets – finance leases                                 | \$ 1,641,325          |
| Accumulated amortization                                    | <u>(328,265)</u>      |
| Net ROU assets – finance leases                             | <u>\$ 1,313,060</u>   |
| <br>  |                       |
| Lease liability – finance leases – current                  | \$ (311,416)          |
| Lease liability – finance leases – net of current portion   | <u>(1,034,633)</u>    |
| Total lease liability – finance leases                      | <u>\$(1,346,049)</u>  |

The remaining lease payments, including rental escalations, required under the Fair's operating and finance leases consist of the following for the years ending December 31:

|  | <u>Operating</u>     | <u>Finance</u>      |
|--|----------------------|---------------------|
| 2023                                     | \$ 1,760,032         | \$ 346,800          |
| 2024                                     | 1,760,032            | 353,736             |
| 2025                                     | 1,760,032            | 360,809             |
| 2026                                     | 1,755,852            | 368,023             |
| 2027                                     | 1,750,000            | –                   |
| Thereafter                               | <u>23,250,000</u>    | <u>–</u>            |
| Total future undiscounted lease payments | 32,035,948           | 1,429,368           |
| Less: interest                           | <u>(7,305,924)</u>   | <u>(83,319)</u>     |
| Present value of lease liabilities       | <u>\$ 24,730,024</u> | <u>\$ 1,346,049</u> |

## State Fair of Texas

### Notes to Financial Statements (continued)

#### 4. Commitments and Contingencies (continued)

Rent expense of approximately \$1.5 million was incurred during each of the years ended December 31, 2022 and 2021.

Supplemental information related to the Fair's leases for the year ended December 31, 2022 is as follows:

|   |              |
|---|--------------|
| Cash paid for amounts included in the measurement of lease liabilities: |              |
| Operating cash flows from operating leases                              | \$ 1,660,958 |
| Operating cash flows from finance leases                                | 44,724       |
| Financing cash flows from finance leases                                | 295,276      |
|   |              |
| Weighted-average remaining lease term – operating leases                | 16           |
| Weighted-average remaining lease term – finance leases                  | 4            |
| Weighted-average discount rate – operating leases                       | 3.25%        |
| Weighted-average discount rate – finance leases                         | 2.94%        |

#### 5. Donated Goods and Services

##### Advertising and Promotion

The Fair receives free advertising and promotion through billboard, magazine and print advertisements that serve as platforms to market and brand its mission. These donated advertisements are recognized as In-kind contributions at fair value, with a corresponding expense allocated to the programs benefited, as they are delivered to the public. The valuation of these advertisements and promotions are provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is displayed.

##### Fair Time Equipment

The Fair receives donated equipment, including vehicles and tractors, which are used to defray program costs. These items are recognized as in-kind contributions at fair value when the item is donated, with a corresponding expense, as they are used. The fair value of these items is at fair value on the date received.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### 5. Donated Goods and Services (continued)

##### Other

Other in-kind contributions consist primarily of uniforms, cell phones, and professional services which are used to defray program costs, or as part of fundraising events. These items are recognized as in-kind contributions at fair value, with a corresponding expense, as they are used. The Fair values these items at either face value or fair value on the date received, depending on the nature of the item.

Donated goods and services for the fiscal years ended December 31, 2022 and 2021, included in the financial statements, were as follows:

|                                  | <b>December 31</b>  |                     |
|----------------------------------|---------------------|---------------------|
|                                  | <b>2022</b>         | <b>2021</b>         |
| Advertising and promotion        | \$ 859,345          | \$ 817,165          |
| Fair time equipment              | 233,839             | 334,678             |
| Other                            | 42,830              | 49,510              |
| Total donated goods and services | <u>\$ 1,136,014</u> | <u>\$ 1,201,353</u> |

#### 6. Cash, Cash Equivalents, and Investments

##### Cash and Cash Equivalents

Cash represents funds on hand for current operations. Cash equivalents include investments in highly liquid securities with original maturities of approximately three months or less. At December 31, 2022 and 2021, cash equivalents of \$56.1 million and \$50.2 million, respectively, are included within the balance of the investments, restricted investment for Fair Park improvements, and restricted investment for Cotton Bowl improvements line items on the statements of financial position.

State Fair of Texas

Notes to Financial Statements (continued)

**6. Cash, Cash Equivalents, and Investments (continued)**

The following tables provide a reconciliation of cash and cash equivalents within line items of the statements of financial position that sums to the total of such amounts shown in the statements of cash flows:

|  | <b>Cash/Cash<br/>Equivalents</b> | <b>Securities</b>    | <b>Total</b>         |
|--|----------------------------------|----------------------|----------------------|
| <b>December 31, 2022</b>                           |                                  |                      |                      |
| Cash   | \$ 309,557                       | \$ –                 | \$ 309,557           |
| Restricted investment for Fair Park improvements   | 2,404,995                        | 9,370,180            | 11,775,175           |
| Restricted investment for Cotton Bowl improvements | 359,131                          | –                    | 359,131              |
| Investments  | 53,344,415                       | 29,447,757           | 82,792,172           |
| Total  | <u>\$ 56,418,098</u>             | <u>\$ 38,817,937</u> | <u>\$ 95,236,035</u> |

|  | <b>Cash/Cash<br/>Equivalents</b> | <b>Securities</b>    | <b>Total</b>         |
|--|----------------------------------|----------------------|----------------------|
| <b>December 31, 2021</b>                           |                                  |                      |                      |
| Cash   | \$ 367,432                       | \$ –                 | \$ 367,432           |
| Restricted investment for Fair Park improvements   | 3,617,413                        | 7,666,006            | 11,283,419           |
| Restricted investment for Cotton Bowl improvements | 359,131                          | –                    | 359,131              |
| Investments  | 46,230,143                       | 24,674,587           | 70,904,730           |
| Total  | <u>\$ 50,574,119</u>             | <u>\$ 32,340,593</u> | <u>\$ 82,914,712</u> |

**Investments and Restricted Investments**

In September 2019, the Fair entered into an agreement with a concessionaire, requiring portions of concessions sales from the 2019 fair and 2020 event to be deposited into a fund intended for purchases and projects at the Cotton Bowl as mutually agreed by the Fair and the concessionaire. The deposits from the 2019 fair and the 2020 event are reflected as part of restricted investments for Cotton Bowl improvements on the statements of financial position. Additional restricted investments at December 31, 2022 and 2021 represent funds set aside for the Fair Park Improvement Fund (see Note 3). Investments are recorded at fair value.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### 6. Cash, Cash Equivalents, and Investments (continued)

The aggregate carrying amount of available-for-sale investments by asset type is as follows at December 31:

|   | <b>2022</b>          |                      | <b>2021</b>          |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | <b>Cost</b>          | <b>Fair Value</b>    | <b>Cost</b>          | <b>Fair Value</b>    |
| Money market accounts                   | \$ 56,022,411        | \$ 56,108,540        | \$ 50,170,474        | \$ 50,206,687        |
| Certificates of deposit                 |                      |                      | –                    | –                    |
| Domestic corporate bonds                | 24,638,895           | 24,133,055           | 19,207,307           | 19,075,607           |
| U.S. short-term government<br>bond fund | 2,096,019            | 2,105,733            | 1,949,999            | 1,947,208            |
| Domestic common stocks                  | 8,211,415            | 12,579,150           | 4,916,144            | 11,317,778           |
|   | <b>\$ 90,968,740</b> | <b>\$ 94,926,478</b> | <b>\$ 76,243,924</b> | <b>\$ 82,547,280</b> |

Net realized gains on investments were approximately \$0.2 million and \$1.3 million for the years ended December 31, 2022 and 2021, respectively. Net unrealized (losses) gains on investments were approximately (\$2.3 million) and \$0.9 million for the years ended December 31, 2022 and 2021, respectively. The Fair recognized investment income of approximately \$856 thousand and \$313 thousand, net of investment expenses of approximately \$92 thousand and \$128 thousand for the years ended December 31, 2022 and 2021, respectively. Such amounts are recorded in interest and dividend income on the statements of activities.

#### 7. Fair Value Measurements

ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability. The FASB establishes a valuation hierarchy for disclosure of inputs used in measuring fair value. The hierarchy is defined as follows:

Level 1 – Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable but are corroborated by observable market data.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### 7. Fair Value Measurements (continued)

Level 3 – Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

A financial asset's or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement. In determining fair value, the Fair used valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Fair also considered the counterparty and its own nonperformance risk in its assessment of fair value.

The Fair measures its assets and liabilities at fair value on a recurring basis as required; the fair value of the Fair's available-for-sale securities was estimated by using market quotes as of the last day of the period. The Fair classified investments in corporate bonds totaling \$24,133,055 and \$19,075,607 as Level 2 securities, as they are not always actively traded, and all other investments totaling \$70,793,423 and \$63,471,673 are classified as Level 1 assets as of December 31, 2022 and 2021, respectively.

#### 8. Financial Assets and Liquidity Resources

As of December 31, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and capital expenditures, were as follows:

|  | <b>December 31</b>   |               |
|--|----------------------|---------------|
|  | <b>2022</b>          | <b>2021</b>   |
| Financial assets:  |                      |               |
| Cash and cash equivalents  | \$ 309,557           | \$ 367,432    |
| Investments  | <b>55,687,157</b>    | 51,320,909    |
| Total financial assets available within one year                         | <b>55,996,714</b>    | 51,688,341    |
| Liquidity resources:   |                      |               |
| Bank line of credit  | <b>3,000,000</b>     | 3,000,000     |
| Total financial assets and liquidity resources available within one year | <b>\$ 58,996,714</b> | \$ 54,688,341 |

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **8. Financial Assets and Liquidity Resources (continued)**

The Fair's cash flows have seasonal variations during the year attributable to vendor billing, setup and execution of the annual 24-day fair, and contributions received during the year. As part of the Fair's management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Fair invests cash in excess of daily requirements in short-term investments. To help manage unanticipated expenses, the Fair is party to an agreement with a bank for a \$3 million revolving line of credit to fund seasonal working capital requirements in 2022 and 2021. The line of credit has a maturity date for any borrowings of one year from closing with interest at the one-month floating LIBOR plus 2% in 2022 and 2021. Interest is payable monthly, with all unpaid principal and interest payable on the maturity date. The revolving line of credit must maintain a zero balance for a minimum of 30 consecutive days during any 12-month period. The Fair pledged certain cash and investment accounts as security for any borrowings under the revolving line of credit. In 2022 and 2021, no borrowings were made under the line-of-credit arrangement.

#### **9. Related-Party Transactions**

The Fair may occasionally conduct business with entities affiliated with members of the Board of Directors. With respect to the Fair and these entities, such transactions are conducted in the normal course of business and in conformance with the Fair's Conflicts of Interest and Ethics Policy.

#### **10. Retirement Plans**

##### **401(k) Retirement Plan**

The Fair adopted the State Fair of Texas Employees' 401(k) Retirement Plan (the 401(k) Plan) on behalf of its employees, effective January 1, 1999. Employees may contribute a percentage of annual compensation to the 401(k) Plan, subject to statutory maximums. The Fair provides a contribution of 4% of each participant's annual salary. In addition, the Fair matches 50% of the first 4% of employee deferrals under the 401(k) Plan. For the years ended December 31, 2022 and 2021, the Fair's contribution and plan administration expense totaled approximately \$401 thousand and \$377 thousand, respectively.



## State Fair of Texas

### Notes to Financial Statements (continued)

#### **10. Retirement Plans (continued)**

##### **Executive Deferred Compensation Plans**

Effective January 1, 2007, the Fair established the State Fair of Texas 457(b) Executive Deferred Compensation Plan (the 457(b) Plan) for all eligible employees to defer a portion of their salary and incentive payment, if any. Eligible employees include any officer of the Fair with a title of vice president or above. Eligible employees are given the option to defer up to 50% of salary and up to 100% of incentive payment. The Fair matches 100% of the employee's deferral up to 6% of the employee's base salary. Under IRC Section 457(b), annual employee deferrals and employer matching contributions combined are limited to \$20.5 thousand and \$19.5 thousand in 2022 and 2021, respectively. All contributions under the 457(b) Plan are vested immediately. For the years ended December 31, 2022 and 2021, the Fair made matching contributions to the 457(b) Plan of approximately \$89 thousand and \$82 thousand, respectively. Employee and employer contributions are invested at the direction of the employee. The fair market value of the deferred compensation funds is included as an asset on the statements of financial position, with an offsetting deferred compensation liability.

##### **11. Paycheck Protection Program Loan and Forgiveness**

In 2020, the Fair was forced to cancel its annual fair due to public health concerns stemming from the COVID-19 global pandemic, resulting in a \$20.4 million deficit of revenues over expenses. In April 2021, the Fair received a \$6.1 million loan through the Paycheck Protection Program (PPP) administered by the U.S. Small Business Administration (SBA) as part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. PPP loans are forgivable by the SBA if at least 60% of loan proceeds are spent on payroll costs, including benefits, and other items such as rent, utilities, and worker protection costs related to COVID-19. Of the \$6.1 million loan, the Fair spent 98% of the proceeds on payroll costs, directly supporting 1,758 employees. The remaining proceeds were spent on rent, utilities, and worker protection costs. The Fair was notified in December 2021 that the loan was fully forgiven by the SBA. The \$6.1 million forgiveness is reflected as gain on loan (PPP) extinguishment on the statement of activities.

## State Fair of Texas

### Notes to Financial Statements (continued)

#### **12. Tax Credit**

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes. The ERC is based on qualified wages, which include certain health plan expenses. For 2020, the ERC is equal to 50% of up to \$10 thousand in qualified wages paid to an employee from March 13, 2020 through December 31, 2020. For 2021, the ERC is equal to 70% of up to \$10 thousand in qualified wages per employee per calendar quarter. As a result, the maximum ERC per employee is \$5 thousand in 2020 and \$21 thousand in 2021. Generally, to be eligible for the ERC for a calendar quarter, an employer must carry on a trade or business and experience either a partial suspension of operations due to a COVID-19-related governmental order or a significant decline in gross receipts. The Fair qualifies for the tax credit under the CARES Act and under the additional relief provisions for qualified wages through December 31, 2021. During the fiscal year ended December 31, 2022, the Fair received \$291.7 thousand related to the ERC.

#### **13. Subsequent Events**

The Fair evaluated all material events occurring subsequent to the date of the financial statements up to April 13, 2023, the date the financial statements were available to be issued.

## **EY | Building a better working world**

**EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.**

**Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.**

**Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2023 Ernst & Young LLP.  
All Rights Reserved.

**[ey.com](https://ey.com)**



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2955

**Item #:** 1.

---

Office of the City Auditor Monthly Update on Internal Audit Reports Released Between October 14, 2023 and November 3, 2023  
[Office of the City Auditor]

# Memorandum



**DATE:** November 14, 2023

**TO:** Honorable Members of the Government Performance & Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice-Chair), Cara Mendelsohn, Jesse Moreno, Jaime Resendez

**SUBJECT:** Internal Audit Reports Released Between October 14, 2023, and November 3, 2023

Attached for your review is one internal audit report released between October 14, 2023, and November 3, 2023. The full report is included in [Attachment 1](#).

If you have any questions, please contact me at (214) 670-3222 or [mark.swann@dallas.gov](mailto:mark.swann@dallas.gov).

Sincerely,



Mark S. Swann  
City Auditor

Attachment

C: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis Gavino, Chief of Staff to the City Manager  
Sheri Kowalski, City Controller  
Directors and Assistant Directors  
Jeffrey Brill, Manager – Financial Compliance, Auditing, & Monitoring

**Attachment 1 - Internal Audit Reports Released Between October 14, 2023, and November 3, 2023**



**Reports Released**

Audit of Housing Inventory



# Audit of Housing Inventory

October 31, 2023

Mark S. Swann, City Auditor

---

## Mayor

Eric L. Johnson

## Mayor Pro Tem

Tennell Atkins

## Deputy Mayor Pro Tem

Carolyn King Arnold

## Council Members

Adam Bazaldua

Paula Blackmon

Zarin D. Gracey

Cara Mendelsohn

Jesse Moreno

Omar Narvaez

Jaime Resendez

Paul E. Ridley

Jaynie Schultz

Kathy Stewart

Chad West

Gay Donnell Willis



# Table of Contents

---

|   |           |
|---|-----------|
| <b>Executive Summary</b> .....  | <b>1</b>  |
| <b>Objectives and Conclusions</b> .....   | <b>2</b>  |
| <b>Objective 1:</b> What is the number of single-family housing units in the City? .....                              | 2         |
| <b>Objective 2:</b> What is the number of multi-family housing units in the City? .....                               | 3         |
| <b>Objective 3:</b> What is the three-year average of additions and reductions for single-family housing units? ..... | 4         |
| <b>Objective 4:</b> What is the three-year average of additions and reductions for multi-family housing units? .....  | 8         |
| <b>Audit Results</b> .....  | <b>13</b> |
| <b>Observation A:</b> Responsibility for the City’s Housing Units’ Data .....   | 13        |
| <b>Observation B:</b> Defining Single-Family Housing Units and Multi-Family Housing Units .....                       | 14        |
| <b>Observation C:</b> The City’s Housing Affordability Index .....  | 15        |
| <b>Appendix A: Background and Methodology</b> .....   | <b>18</b> |
| Background .....  | 18        |
| Methodology .....   | 22        |
| Major Contributors to the Report .....  | 25        |
| <b>Appendix B: Management’s Response</b> .....  | <b>26</b> |



## Executive Summary

### Objective and Scope

The objectives of this audit were to answer the following questions.

- 1) What is the number of single-family housing units in the City?
- 2) What is the number of multi-family housing units in the City?
- 3) What is the three-year average of additions and reductions for single-family housing units?
- 4) What is the three-year average of additions and reductions for multi-family housing units?

The scope of the audit was October 1, 2016, through September 30, 2022.

### Recommendations

Management should:

- Assign responsibility for maintaining and reporting the City's housing units' data.
- Establish the City's definitions for the terms "single-family housing unit" and "multi-family housing unit."
- Assign responsibility for calculating and monitoring the City's housing affordability index.

### Background

The City of Dallas (City) housing inventory is regularly noted in briefings to City Council committees and to the full City Council, and in media reports and articles. The numbers noted are generally not the same. As a result, City Council requested the questions noted in the [Objective and Scope](#) section be answered. See the [Objectives and Conclusions](#) section for the answers.

### Observed Conditions

#### Number of Housing Units Between 2016 and 2022

| Unit Type           | 2016           | 2022           | Increase/<br>Decrease |
|---------------------|----------------|----------------|-----------------------|
| Single-Family       | 290,815        | 285,673        | -5,142                |
| Multi-Family        | 223,644        | 279,694        | 56,050                |
| <b>Total Units:</b> | <b>514,459</b> | <b>565,367</b> | <b>50,908</b>         |

The City experienced a decrease of 5,142 units, or 1.77 percent, from Year 2016 through Year 2022 in the number of single-family housing units and an increase of 56,050 housing units, or 25.06 percent, from Year 2016 through Year 2022 in the number of multi-family housing units.

There are 19 City departments, offices, and boards and commissions who directly or indirectly, utilize, depend, make management or citizenry decision, or export data related to housing units. The City, however, does not have a department responsible for: identifying the number of housing units; defining a "single-family housing unit" and a "multi-family housing unit;" and, monitoring the City's housing affordability index.

## Objectives and Conclusions

### Objective 1: What is the number of single-family housing units in the City?

The City has experienced a **decrease of 5,142 units or 1.77 percent in the number of single-family housing units when measured from Year 2016 through Year 2022**. A single-family house was identified as a: condominium, duplex,<sup>1</sup> mobile home, modular home, single-family, or townhouse. See [Exhibit 1](#) for a detailed breakdown of single-family housing units from Year 2016 through Year 2022.

#### Exhibit 1:

Single-Family Housing Units by Year

| Description    | Year<br>2016   | Year<br>2017   | Year<br>2018   | Year<br>2019   | Year<br>2020   | Year<br>2021   | Year<br>2022   |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Condominium    | 35,914         | 35,025         | 35,571         | 34,994         | 34,024         | 35,934         | 35,101         |
| Duplex         | 17,138         | 16,868         | 17,054         | 16,716         | 16,142         | 16,998         | 16,576         |
| Mobile Home    | 4,114          | 4,338          | 4,421          | 4,500          | 4,550          | 4,556          | 4,573          |
| Modular Home   | 146            | 140            | 136            | 136            | 130            | 139            | 128            |
| Single-Family  | 226,521        | 224,361        | 226,070        | 222,731        | 219,932        | 226,765        | 221,190        |
| Townhome       | 6,982          | 7,019          | 7,350          | 7,360          | 7,479          | 8,037          | 8,105          |
| <b>Totals:</b> | <b>290,815</b> | <b>287,751</b> | <b>290,602</b> | <b>286,437</b> | <b>282,257</b> | <b>292,429</b> | <b>285,673</b> |

**Source:** Information for Exhibits 1 – 4G tables were derived from information provided by the Data Analytics and Business Intelligence Department, Dallas County Appraisal District, Collin County Appraisal District, and Denton County Appraisal District.<sup>2</sup>

<sup>1</sup> Duplexes for this audit were counted as two units.

<sup>2</sup> See the [Methodology](#) section for detailed information.

## Objective 2: What is the number of multi-family housing units in the City?

The City has experienced an **increase of 56,050 housing units, or 25.06 percent, from Year 2016 through Year 2022 in the number of multi-family housing units**. This equated to an increase of 119 multi-family complexes, or 3.92 percent. A multi-family house was identified as a: triplex, fourplex, or apartment. See [Exhibit 2](#) and [Exhibit 2A](#) for a detailed breakdown of multi-family housing units from Year 2016 through Year 2022.

### Exhibit 2:

Multi-Family Housing Units by Year

| Description                   | Year | Housing Units | Increase or Decrease from Previous Year | Increase or Decrease in Percentage |
|-------------------------------|------|---------------|---|------------------------------------|
| Multi-Family Housing by Units | 2016 | 223,644       | -----                                   | -----                              |
|                               | 2017 | 235,221       | 11,577                                  | 5.18                               |
|                               | 2018 | 279,097       | 43,876                                  | 18.65                              |
|                               | 2019 | 279,716       | 619                                     | 0.22                               |
|                               | 2020 | 282,569       | 2,853                                   | 1.02                               |
|                               | 2021 | 283,444       | 875                                     | 0.31                               |
|                               | 2022 | 279,694       | -3,750                                  | -1.32                              |

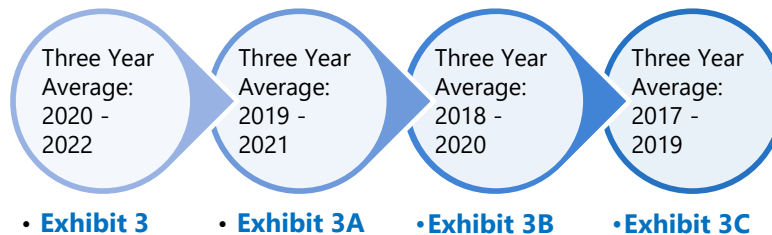
### Exhibit 2A:

Multi-Family Housing Units by Complexes

| Description                            | Year | Complexes | Increase or Decrease from Previous Year | Increase or Decrease in Percentage |
|--|------|-----------|---|------------------------------------|
| Multi-Family Housing Unit by Complexes | 2016 | 3,038     | -----                                   | -----                              |
|  | 2017 | 2,987     | -51                                     | -1.68                              |
|  | 2018 | 3,154     | 167                                     | 5.59                               |
|  | 2019 | 3,179     | 25                                      | 0.79                               |
|  | 2020 | 3,172     | -7                                      | -0.22                              |
|  | 2021 | 3,151     | -21                                     | -0.66                              |
|  | 2022 | 3,157     | 6                                       | .19                                |

### Objective 3: What is the three-year average of additions and reductions for single-family housing units?

See Exhibits 3 through 3C for a detailed breakdown of single-family housing units from Year 2016 through Year 2022. The graphic below links each Exhibit with a three-year average.



With 2019 being the base year, the total number of single-family housing units decreased by 764 units from Year 2019 through Year 2022. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 255 units, or 0.055 percent, within the City when averaged from Year 2019 through Year 2022.**

#### Exhibit 3:

Average Change in Single-Family Housing Units by Year for 2020 through 2022

| Description   | Base Year 2019 | Year 2020      | Increase or Decrease from Year 2019 to 2020 | Year 2021      | Increase or Decrease from Year 2020 to 2021 | Year 2022      | Increase or Decrease from Year 2021 to 2022 | Three Year Average 2020-2022 |
|---------------|----------------|----------------|---|----------------|---|----------------|---|------------------------------|
| Condominium   | 34,994         | 34,024         | -970  | 35,934         | 1,910                                       | 35,101         | -833  | 36                           |
| Duplex        | 16,716         | 16,142         | -574  | 16,998         | 856   | 16,576         | -422  | -47                          |
| Mobile Home   | 4,500          | 4,550          | 50  | 4,556          | 6   | 4,573          | 17  | 24                           |
| Modular Home  | 136            | 130            | -6  | 139            | 9   | 128            | -11   | -3                           |
| Single-Family | 222,731        | 219,932        | -2,799                                      | 226,765        | 6,833                                       | 221,190        | -5,575                                      | -514                         |
| Townhome      | 7,360          | 7,479          | 119   | 8,037          | 558   | 8,105          | 68  | 248                          |
| <b>Total:</b> | <b>286,437</b> | <b>282,257</b> | <b>-4,180</b>                               | <b>292,429</b> | <b>10,172</b>                               | <b>285,673</b> | <b>-6,756</b>                               | <b>-255</b>                  |

With 2018 as the base year, the total number of single-family housing units increased by 1,827 units from Year 2018 through Year 2021. This resulted in a **three-year average increase of additions and reductions for single-family housing units by 609 units, or 0.24 percent, within the City when averaged from Year 2019 through Year 2021.**

**Exhibit 3A:**

Average Change in Single-Family Housing Units by Year for 2019 through 2021

| Description   | Base Year 2018 | Year 2019      | Increase or Decrease from Year 2018 to 2019 | Year 2020      | Increase or Decrease from Year 2019 to 2020 | Year 2021      | Increase or Decrease from Year 2020 to 2021 | Three Year Average 2019-2021 |
|---------------|----------------|----------------|---|----------------|---|----------------|---|------------------------------|
| Condominium   | 35,571         | 34,994         | -577  | 34,024         | -970  | 35,934         | 1,910                                       | 121                          |
| Duplex        | 17,054         | 16,716         | -338  | 16,142         | -574  | 16,998         | 856   | -19                          |
| Mobile Home   | 4,421          | 4,500          | 79  | 4,550          | 50  | 4,556          | 6   | 45                           |
| Modular Home  | 136            | 136            | 0   | 130            | -6  | 139            | 9   | 1                            |
| Single-Family | 226,070        | 222,731        | -3,339                                      | 219,932        | -2,799                                      | 226,765        | 6,833                                       | 232                          |
| Townhome      | 7,350          | 7,360          | 10  | 7,479          | 119   | 8,037          | 558   | 229                          |
| <b>Total:</b> | <b>290,602</b> | <b>286,437</b> | <b>-4,165</b>                               | <b>282,257</b> | <b>-4,180</b>                               | <b>292,429</b> | <b>10,172</b>                               | <b>609</b>                   |

With 2017 as the base year, the total number of single-family housing units decreased by 5,494 units from Year 2017 through Year 2020. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 1,831 units, or 0.63 percent, within the City when averaged from Year 2018 through Year 2020.**

**Exhibit 3B:**

Average Change in Single-Family Housing Units by Year for 2018 through 2020

| <b>Description</b> | <b>Base Year 2017</b> | <b>Year 2018</b> | <b>Increase or Decrease from Year 2017 to 2018</b> | <b>Year 2019</b> | <b>Increase or Decrease from Year 2018 to 2019</b> | <b>Year 2020</b> | <b>Increase or Decrease from Year 2019 to 2020</b> | <b>Three Year Average 2018-2020</b> |
|--------------------|-----------------------|------------------|--|------------------|--|------------------|--|-------------------------------------|
| Condominium        | 35,025                | 35,571           | 546  | 34,994           | -577   | 34,024           | -970   | -334                                |
| Duplex             | 16,868                | 17,054           | 186  | 16,716           | -338   | 16,142           | -574   | -242                                |
| Mobile Home        | 4,338                 | 4,421            | 83   | 4,500            | 79   | 4,550            | 50   | 71                                  |
| Modular Home       | 140                   | 136              | -4   | 136              | 0  | 130              | -6   | -3                                  |
| Single-Family      | 224,361               | 226,070          | 1,709  | 222,731          | -3,339   | 219,932          | -2,799   | -1,476                              |
| Townhome           | 7,019                 | 7,350            | 331  | 7,360            | 10   | 7,479            | 119  | 153                                 |
| <b>Total:</b>      | <b>287,751</b>        | <b>290,602</b>   | <b>2,851</b>                                       | <b>286,437</b>   | <b>-4,165</b>                                      | <b>282,257</b>   | <b>-4,180</b>                                      | <b>-1,831</b>                       |

With 2016 as the base year, the total number of single-family housing units decreased by 4,378 units from Year 2016 through Year 2019. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 1,459 units, or 0.50 percent, within the City when averaged from Year 2017 through Year 2019.**

**Exhibit 3C:**

Average Change in Single-Family Housing Units by Year for 2017 through 2019

| Description   | Base Year 2016 | Year 2017      | Increase or Decrease from Year 2016 to 2017 | Year 2018      | Increase or Decrease from Year 2017 to 2018 | Year 2019      | Increase or Decrease from Year 2018 to 2019 | Three Year Average 2017-2019 |
|---------------|----------------|----------------|---|----------------|---|----------------|---|------------------------------|
| Condominium   | 35,914         | 35,025         | -889  | 35,571         | 546   | 34,994         | -577  | -307                         |
| Duplex        | 17,138         | 16,868         | -270  | 17,054         | 186   | 16,716         | -338  | -141                         |
| Mobile Home   | 4,114          | 4,338          | 224   | 4,421          | 83  | 4,500          | 79  | 129                          |
| Modular Home  | 146            | 140            | -6  | 136            | -4  | 136            | 0   | -3                           |
| Single-Family | 226,521        | 224,361        | -2,160                                      | 226,070        | 1,709                                       | 222,731        | -3,339                                      | -1,263                       |
| Townhome      | 6,982          | 7,019          | 37  | 7,350          | 331   | 7,360          | 10  | 126                          |
| <b>Total:</b> | <b>290,815</b> | <b>287,751</b> | <b>-3,064</b>                               | <b>290,602</b> | <b>2,851</b>                                | <b>286,437</b> | <b>-4,165</b>                               | <b>-1,459</b>                |

**Objective 4:** What is the three-year average of additions and reductions for multi-family housing units?

**See Exhibits 4 through 4G** for a detailed breakdown of multi-family housing units from Year 2016 through Year 2022. The graphic below links each Exhibit with a three-year average.



(Exhibits begin on the following page).



With 2019 as the base year, the total number of multi-family housing units decreased by 22 units from Year 2019 through Year 2022. This resulted in a **three-year average decrease of additions and reductions for multi-family housing units of 7 units, or 0.0022 percent, within the City when measured from Year 2020 through Year 2022.** This resulted in a reduction of 22 complexes, or a three-year average reduction of 7 complexes (-0.23 percent), from Year 2020 through Year 2022.

**Exhibit 4:**

Average Change in Multi-Family Housing Units by Year for 2020 through 2022

| Description                | Base Year 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Year 2021 | Increase or Decrease from Year 2020 to 2021 | Year 2022 | Increase or Decrease from Year 2021 to 2022 | Three Year Average 2020-2022 |
|----------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Units | 279,716        | 282,569   | 2,853                                       | 283,444   | 875   | 279,694   | -3,750                                      | -7                           |

**Exhibit 4A:**

Average Change in Multi-Family Housing Complexes by Year for 2020 through 2022

| Description                    | Base Year 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Year 2021 | Increase or Decrease from Year 2020 to 2021 | Year 2022 | Increase or Decrease from Year 2021 to 2022 | Three Year Average 2020-2022 |
|--------------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Complexes | 3,179          | 3,172     | -7  | 3,151     | -21   | 3,157     | 6   | -7                           |

With 2018 as the base year, the total number of multi-family housing units increased by 4,347 units from Year 2018 through Year 2021. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 1,449 units, or .52 percent, within the City when averaged from Year 2019 through Year 2021.** This resulted in a reduction of 3 complexes, or a three-year average reduction of 1 complex (0.03 percent), from Year 2019 through Year 2021.

**Exhibit 4B:**

Average Change in Multi-Family Housing Units by Year for 2019 through 2021

| Description                | Base Year 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Year 2021 | Increase or Decrease from Year 2020 to 2021 | Three Year Average 2019-2021 |
|----------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Units | 279,097        | 279,716   | 619   | 282,569   | 2,853                                       | 283,444   | 875   | 1,449                        |

**Exhibit 4C:**

Average Change in Multi-Family Housing Complexes by Year for 2019 through 2021

| Description                    | Base Year 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Year 2021 | Increase or Decrease from Year 2020 to 2021 | Three Year Average 2019-2021 |
|--------------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Complexes | 3,154          | 3,179     | 25  | 3,172     | -7  | 3,151     | -21   | -1                           |

With 2017 as the base year, the total number of multi-family housing units increased by 47,348 units from Year 2017 through Year 2020. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 15,783 units, or 6.63 percent, within the City when averaged from Year 2018 through Year 2020.** This resulted in an increase of 185 complexes, or a three-year average increase of 62 complexes (2.05 percent), from Year 2018 through Year 2020.

**Exhibit 4D:**

Average Change in Multi-Family Housing Units by Year for 2018 through 2020

| Description                | Base Year 2017 | Year 2018 | Increase or Decrease from Year 2017 to 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Three Year Average 2018-2020 |
|----------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Units | 235,221        | 279,097   | 43,876                                      | 279,716   | 619   | 282,569   | 2,853                                       | 15,783                       |

**Exhibit 4E:**

Average Change in Multi-Family Housing Complexes by Year for 2018 through 2020

| Description                    | Base Year 2017 | Year 2018 | Increase or Decrease from Year 2017 to 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Year 2020 | Increase or Decrease from Year 2019 to 2020 | Three Year Average 2018-2020 |
|--------------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Complexes | 2987           | 3,154     | 167   | 3,179     | 25  | 3,172     | -7  | 62                           |

With 2016 as the base year, the total number of multi-family housing units increased by 56,072 units from Year 2016 through Year 2019. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 18,691 units, or 8.02 percent, within the City when averaged from Year 2017 through Year 2019.** This resulted in an increase of 141 complexes, or a three-year average increase of 47 complexes (1.57 percent), from Year 2017 through Year 2019.

**Exhibit 4F:**

Average Change in Multi-Family Housing Units by Year for 2017 through 2019

| Description                | Base Year 2016 | Year 2017 | Increase or Decrease from Year 2016 to 2017 | Year 2018 | Increase or Decrease from Year 2017 to 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Three Year Average 2017-2019 |
|----------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Units | 223,644        | 235,221   | 11,577                                      | 279,097   | 43,876                                      | 279,716   | 619   | 18,691                       |

**Exhibit 4G:**

Average Change in Multi-Family Housing Complexes by Year for 2017 through 2019

| Description                    | Base Year 2016 | Year 2017 | Increase or Decrease from Year 2016 to 2017 | Year 2018 | Increase or Decrease from Year 2017 to 2018 | Year 2019 | Increase or Decrease from Year 2018 to 2019 | Three Year Average 2017-2019 |
|--------------------------------|----------------|-----------|---|-----------|---|-----------|---|------------------------------|
| Multi-Family Housing Complexes | 3,038          | 2,987     | -51   | 3,154     | 167   | 3,179     | 25  | 47                           |

## Audit Results

---

Both *City Council Resolution 88-3428* and Administrative Directive 4-09, *Internal Control* prescribe policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

### **Observation A:** Responsibility for the City's Housing Units' Data

The City has not assigned the responsibility for maintaining and reporting the City's housing units' data. There are 19 City departments, offices, and boards and commissions who directly or indirectly, utilize, depend, make management or citizenry decision, or export data related to housing units. As a result, there is inconsistency and a wide range in the number of housing units cited by City departments when addressing issues related to housing. For example, there are numerous reports and organizations focused on the availability of housing for those that are: homeless; forced to live in substandard housing, unable to afford the down payment and monthly costs of housing in the City; or, children zoned to attend schools labeled as failing in certain housing neighborhoods.

#### Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

**Low**

We recommend the **City Manager:**

- A.1:** Assign responsibility for maintaining and reporting the City's housing units' data.

## Observation B: Defining Single-Family Housing Units and Multi-Family Housing Units

The City does not have established, City-wide definitions for the terms “single-family housing unit” and “multi-family housing unit.” City departments either defer to another City department for these definitions, indicate no documented definitions are available, or reference the Dallas City Code, Section 51-4.201, *Residential Uses*, which defines “Single-family” as “one dwelling unit located on a lot,” “Duplex” as “two dwelling units located on a lot,” and “Multiple-family” as “three or more dwelling units located on a lot.” Conversely, for “Multifamily Site,” the Sanitation Department, references the Dallas City Code, Section 18-2 (28), *Multifamily Site* as a site with “eight or more dwelling units on a lot.” As a result, without an established defined City-wide definition, there is inconsistency and a wide range in the number of single-family housing units and multi-family housing units cited by City departments when addressing issues related to housing.

### Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

**Low**

We recommend the **City Manager**:

**B.1:** Review definitions for the terms “single-family housing unit” and “multi-family housing unit” and determine applicability for establishing definitions for consistent use City-wide.

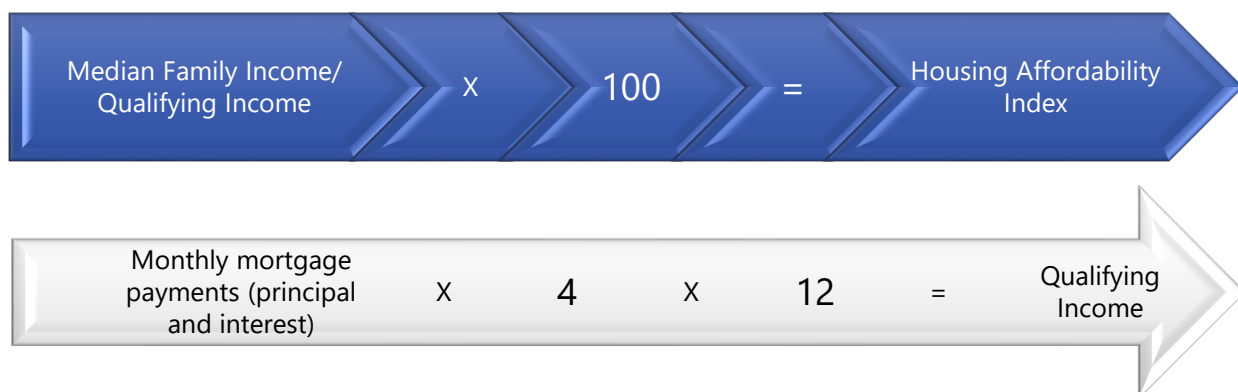
### Observation C: The City's Housing Affordability Index

The City does not calculate and monitor the City's affordability index. As a result, the City has no definitive data on a homebuyer's ability to purchase a house within the City.

According to the *U.S. Department of Housing and Urban Development's Office of Policy Development and Research*, housing programs in the United States have long measured housing affordability in terms of percentage of income. In the 1940s, the maximum affordable rent for federally subsidized housing was set at 20 percent of income, which rose to 25 percent of income in 1969 and 30 percent of income in 1981. Over time, the 30 percent threshold also became the standard for owner-occupied housing, and it remains the indicator of affordability for housing in the United States. Keeping housing costs below 30 percent of income is intended to ensure that households have enough money to pay for other nondiscretionary costs. Therefore, policymakers consider households who spend more than 30 percent of income on housing costs to be housing-cost-burdened.

The affordability of housing in the United States is tracked via an index. Several entities (states and private companies) have developed widely accepted methodologies to calculate these indexes. Basically, these indexes measure median household income relative to the income needed to purchase a median-priced house. The benchmark is 100 and is sometimes expressed as 1.0. It means that a family earning the median income has exactly enough money to qualify for a mortgage to buy a median-priced home in that market. It assumes a 20 percent down payment, and that mortgage payments will not exceed, depending on the methodology used, 25 or 30 percent of gross income. A figure less than 100, or less than 1.0, means that the median income family cannot afford the median house. A figure greater 100 or 1.0 means the median income family can afford a home more expensive than the median home. If viewed on a trend-line and the trend-line is declining, it indicates that housing is becoming less affordable. Conversely, an upwardly trending trend-line numbers mean housing is becoming more affordable.

**The formula to calculate Housing Availability Index is as follows:**



Qualifying income is derived from the monthly payment on the median-priced existing home, at the effective mortgage interest rate.<sup>3</sup> *The Housing Affordability Index* assumes borrowers make a 20 percent down payment and that the maximum mortgage payment is 25 or 30 percent (depending on the methodology) of gross monthly income for the household.

See [Exhibit 5](#) for Calculation of Housing Affordability Index for 2016 through 2022.

**Exhibit 5:**

Calculation of Housing Affordability Index for Years 2016 through 2022

| Year | Median Single-Family Housing Price <sup>4</sup> | Median Family Income <sup>5</sup> | Qualifying Income 20% Down Payment | Housing Affordability Index<br>(for 20% Down Payment) | Qualifying Income 5% Down Payment | Housing Affordability Index<br>(for 5% Down Payment) |
|------|---|-----------------------------------|------------------------------------|---|-----------------------------------|--|
| 2016 | \$112,450                                       | \$47,243                          | \$19,693.57                        | 239.89  | \$23,386.11                       | 202.01   |
| 2017 | \$130,920                                       | \$50,627                          | \$23,892.82                        | 211.89  | \$28,372.72                       | 178.44   |
| 2018 | \$151,490                                       | \$52,210                          | \$29,501.78                        | 187.14  | \$35,033.37                       | 149.03   |
| 2019 | \$177,620                                       | \$55,332                          | \$32,221.34                        | 171.72  | \$38,262.85                       | 144.61   |
| 2020 | \$189,745                                       | \$54,747                          | \$31,072.36                        | 176.19  | \$36,898.43                       | 148.37   |
| 2021 | \$200,070                                       | \$57,995                          | \$32,145.73                        | 180.41  | \$38,173.05                       | 151.93   |
| 2022 | \$250,160                                       | \$58,231                          | \$53,344.85                        | 109.16  | \$63,347.00                       | 91.92  |

**Source:** Housing Affordability index was calculated by the Office of the City Auditor. See footnotes for more information.

Based on the calculations, the single-family housing affordability index for the City has decreased overall from the Year 2016 to Year 2022, regardless of the down payment of 20 or 5 percent of the purchase price. In other words, the ability of a homebuyer to purchase a house irrespective of a 20 or 5 percent down payment, has been reduced by 54.5 percent from Year 2016 to Year 2022.

<sup>3</sup> The annual effective mortgage interest rate as cited by *Federal Reserve Economic Research Division*.)

<sup>4</sup> Median single-family housing includes the following type of houses: Condominiums, Duplexes, Mobile Homes, Modular Homes, Single-Families, and Townhouses.

<sup>5</sup> The median family income as cited by the *US Census for the City of Dallas*.



## Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

**Low**

We recommend the **Director of Housing & Neighborhood Revitalization:**

- C.1:** Periodically monitor and assign responsibility for calculating the City's affordability index.

## Appendix A: Background and Methodology

---

### Background

The City has implemented several ordinances and/or resolutions related to housing but nothing directly in the area of inventory or tracking. For example,

*City Ordinance 28707* addresses administrative procedures for construction codes and provides definitions for temporary structures, value or valuation, and single-family or duplex premises.

*City Council Resolution 211450*, as amended, established a *Comprehensive Housing Policy* with three broad goals:

Create and maintain affordable housing units throughout Dallas.

1. Promote greater fair housing choices.
2. Overcome patterns of segregation and concentrations of poverty through incentives and requirements

The City operated under a consent decree entered on September 24, 1990, (*Debra Walker et al. v. U.S. Department of Housing and Urban Development et al.*). A resident in Dallas public housing, filed a class action lawsuit against the Dallas Housing Authority (DHA) and the U.S. Department of Housing and Urban Development (HUD) for a "separate and unequal housing system" that racially segregated public housing projects. At the time, "92% of black households in the DHA system were concentrated into black neighborhoods where the poverty rate exceeded 40 percent." Conditions for these units were considered inferior to those of low-income whites that received HUD assistance. Remedies were implemented between 1990 and 2003, and a final judgment ending the case was granted on August 12, 2003.

When discussing the City's housing, the number of housing units needed in the City varies significantly depending on the source and purpose of the article, report, or document as the following excerpts show:

*The Dallas Morning News, March 6, 2023* – The City had a housing shortage of 20,000 homes in 2018 but still needs 20,000 to fill the gap today.

*Dallas Business Journal, August 28, 2022* – As of 2020, Dallas-Fort Worth had a shortage of more than 85,000 residential units, according to a nonprofit research group *Up for Growth* study.

*Dallas Observer, October 4, 2022* – Housing production in Dallas picked up between 2020 and 2021. At the beginning of 2020, builders had started on some 12,000 houses, according to the housing research firm Zonda. When 2021 rolled around, builders had started on more than 54,000. Despite this uptick, a report released this year by the national housing advocacy

group *Up For Growth* found that another 3.8 million homes must be built in the U.S. to fill the country's housing needs. That translates to about 322,000 homes across Texas and 85,220 across DFW.

*Norada Real Estate Investments, March 12, 2023* – In the Dallas housing market, the monthly inventory for single-family homes rose significantly from 0.7 to 2.2 months' supply, indicating a shift toward a more balanced market. Additionally, the days to sell also increased from 68 to 95. Overall, the Dallas housing market is experiencing a decrease in sales volume and days to sell, but an increase in prices and months of inventory for single-family homes.

*U.S. News, February 9, 2023*, – The Dallas Real Estate Market Predictions indicate low unemployment, year-over-year increases in median home price and anecdotal evidence points to a housing market likely to see similar results as we move forward in 2023, if at more of a balanced pace between buyers and sellers compared to 2021 and early 2022. However, the decline in consumer sentiment and even lower builder confidence means there may be some drop in demand as well as supply as we look ahead. *The U.S. News Housing Market Index* predicts more than 20,600 new permits for single-family home construction will be approved between January and May this year. However, the forecast for housing permits in December 2022, at 3,701, was well above the actual reported number of 2,188.

A search of departmental information and resources within the City did not yield a centralized source or consistent viable information related to housing inventory.

### City Entities Using Housing Data

There are 19 City departments, offices and boards and commissions who directly or indirectly, utilize, depend, make management or civic decisions, or export data related to housing units.

The following are departments, offices and boards and commissions that directly or indirectly have housing related operations.

### City Departments and Offices

#### 1. BUDGET & MANAGEMENT SERVICES DEPARTMENT

Grant Administration Division – Prepares and monitors budgets City-wide for Consolidated Plan funds received from the U.S. Department of Housing and Urban Development (*including Community Development Block Grant, HOME Investment Partnership Grant, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS Grant*). This division is responsible for ensuring U.S. Department of Housing and Urban Development and other grant funds are administered efficiently, effectively, and in compliance with applicable laws. The division also serves as the City's liaison to various federal agencies from whom the City receives grant funding.

## 2. CODE COMPLIANCE DEPARTMENT

Single Family and Multi-Tenant Inspection-Specialty Units-Boarding Homes Division  
Performs annual registration and renewal of rental properties; regulation and license of boarding home facilities; fraudulent business dealings; and inspection and registration of multi-tenant property.

3. CURRENT PLANNING DEPARTMENT – Reviews and processes zoning requests, subdivision and platting issues, land use termination cases, development code amendments, notification for public hearings, annexations, official zoning maps, and street name changes.
4. DALLAS FIRE & RESCUE DEPARTMENT – Uses housing information and locations to provide the citizens of Dallas the most effective and rapid emergency, fire, rescue, and prevention services.
5. DALLAS POLICE DEPARTMENT – Uses housing information and locations to respond to 911 and 311 calls and establish programs to reduce crime and provide a safe City.
6. DATA ANALYTICS AND BUSINESS INTELLIGENCE DEPARTMENT– A team of data science and geospatial analysts harvest, analyze, and interpret information so that policymakers, residents, and City staff can make more informed decisions about issues and services that impact the community.

## 7. DEVELOPMENT SERVICES DEPARTMENT

Plan Review & Field Service Inspections Division – Provides plan review and inspections for commercial and residential development.

Land Development Division – Reviews subdivision plats, engineering plans, tree preservation, signs, and zoning for compliance with City Code. The division also reviews privately funded public infrastructure for compliance with City Standards.

## 8. OFFICE OF EQUITY AND INCLUSION

Fair Housing Division – Supports City leadership and staff through education and training in the identification and elimination of systemic barriers to fair and just distribution of resources, access to services and opportunity and proper investigation of housing discrimination complaints.

Resilient Dallas Division – Fosters a practice of resilience thinking by building opportunities for strategic engagement, leveraging community partnerships, and collaborating and strengthening communication with all residents and constituents. Specifically, *Goal 6A*, recognizes and institutionalizes the need for a multi-pronged, coordinated, place-based approach and the long-term commitment necessary to achieve holistic revitalization in low- and moderate-income neighborhoods.

### Equity Division

*Dallas Equity Indicators, Neighborhoods & Infrastructure Theme* – includes the following four topic areas:

**Access to Housing** – Explores the racial/ethnic disparities at the individual and neighborhood level for three indicators: Homeownership, Evictions, and Home Loan Denials.

**Housing Affordability & Service** – Explores the racial/ethnic disparities individuals and households face for three indicators: Housing Cost Burden, Internet Access, and Utility Expenses.

**Neighborhoods** – Explores the racial/ethnic disparities at the neighborhood level for three indicators: Long-Term Residential Vacancies, Street Quality, and Access to Parks.

**Transportation** – Explores the racial/ethnic disparities at the individual and neighborhood level for three indicators: Private Vehicle Availability, Commute Time, and Transit Frequency.

9. HISTORIC PRESERVATION DEPARTMENT – Provides services related to historic districts, historic structures, and potential historic districts and structures.
10. HOUSING & NEIGHBORHOOD REVITALIZATION DEPARTMENT – Works to create and maintain affordable housing throughout Dallas, promote greater fair housing choices, and overcome patterns of segregation and concentrations of poverty through incentives and requirements. Their Dallas Homebuyer Assistance Program assists homebuyers to purchase a home within the City limits of Dallas.
11. OFFICE OF COMMUNITY CARE
  - Fresh Start Housing Program – Offers case management and rental assistance to aid the homeless and those at-risk of homelessness, including individuals impacted by the criminal justice system, to increase skills and income, on the road to self-sufficiency.
12. OFFICE OF HOMELESS SOLUTIONS – Designed to be the change agents in the homeless community. Offers strategic initiatives and street outreach to overcome homelessness throughout the City by implementing initiatives with consistency, transparency, and accountability. Provides innovative solutions to ensure homeless neighbors receive food, shelter, housing, help to overcome barriers, and opportunities for a better life.
13. PLANNING & URBAN DESIGN DEPARTMENT– Develops comprehensive plans, policies, and programs through effective community engagement. Goals are to advance livability, economic vibrancy, sustainability, and equity within the City.

14. SANITATION SERVICES DEPARTMENT – The exclusive solid waste collection service provider for single-family homes and duplexes in the City. Commercial and multi-family properties may request collection services from the Department of Sanitation or may elect service from a private solid waste hauler that is authorized to conduct business within the City.
15. DEPARTMENT OF DALLAS WATER UTILITIES

Revenue and Business Systems Division:

*Special Collections* –The Special Collections Section is responsible for the collection for multiple General Fund revenues including: (1) security alarm permits; (2) land-based receivables such as demolitions and weed liens; (3) Dallas Police Department’s vice-controlled licenses such as sexually oriented businesses; (4) multi-tenant inspections; (5) alcoholic beverage local fees; and others.

### Boards and Commissions

16. DALLAS HOUSING FINANCE CORPORATION – Provides tax-exempt mortgage revenue bonds and other support for the acquisition, construction, or substantial rehabilitation of multi-family housing. Developments facilitated by Dallas Housing Finance Corporation financing provide housing for individuals and families earning 60 percent or below area median family income.
17. CITIZEN HOMELESSNESS COMMISSION – Assures participation from, and inclusion of, all stakeholders, including those with past or present experience with homelessness; develop policy recommendations; ensure alignment of City services with regional services; and enhance efficiency, quality, and effectiveness of the community-wide response to homelessness.
18. CITY PLAN AND ZONING COMMISSION – Responsible for making recommendations to the City Council regarding planning and zoning matters, and for administering Chapter 212 of the *Texas Local Government Code* regarding the platting and recording of subdivisions and additions.
19. BOARD OF ADJUSTMENTS – Serves to hear and take appropriate action on variations to *Development Code* regulations, on appeal from decisions of the Building Official made in the enforcement of *Development Code* and on termination of non-conforming uses.

## Methodology

The audit methodology included: (1) interviewing personnel from the Housing & Revitalization Department, Development Services Department, Data Analytics and Business Intelligence Department, City Controller’s Office - Financial Compliance, Auditing & Monitoring, Dallas Central Appraisal District, Collin Central Appraisal District, and Denton Central Appraisal District,

(2) reviewing policies and procedures, applicable Administrative Directives, and the *Texas Local Government Code*, and (3) performing various analyses.

*The Texas Property Tax Assistance Property Classification Guide*, which is published by the State of Texas Comptroller's office, defines single-family and multi-family units. The guide is used by appraisal districts in classifying property for purposes of reporting property value to the Comptroller's office. Thus, a housing unit can be directly tied to an appraised property and are identified by the applicable appraisal district of each county. Moreso, per the *Texas Property Tax Assistance Property Classification Guide*, a single-family housing unit is identified by the following building structures: condominium, duplex (owner-occupied), mobile home, modular home, single-family, and townhouse. A multi-family housing unit is identified as an apartment complex, duplex (not owner-occupied), triplex, and fourplex.

The Data Analytics and Business Intelligence Department confirmed its access to housing unit data (parcel identification, property size, owners, tax appraisal, etc.) and further confirmed the Dallas Central Appraisal District, Denton Central Appraisal District, and Collin Central Appraisal District as the authoritative sources for housing unit data for the City. The Data Analytics and Business Intelligence Department Analysts agreed to develop data reports for single-family and multi-family housing units within the City. The report would include all residential properties in all three counties - Collin, Dallas, and Denton. It was noted that there were no residential properties in Kaufman and Rockwall Counties.

#### Housing Units Classified as Single-Family Houses

1. Condominiums
2. Duplexes
3. Mobile Homes
4. Modular Homes
5. Single-Families
6. Townhouses

#### Housing Units Classified as Multi-Family Houses

1. Apartments Complex
2. Triplexes
3. Fourplexes

Because each appraisal district used labels or table headings that were unique to its system, the Data Analytics and Business Intelligence's Enterprise Geospatial Information System Analysts developed a data report that compiled the data from each county appraisal district and assembled the data into one report. The reliability of housing unit data was assessed by (1) performing electronic testing; (2) reviewing existing information about the data and the

system that produced them; and (3) interviewing agency officials knowledgeable about the data. The following describes the reliability testing performed.

**SAMPLE OF ADDITIONS AND REDUCTIONS** – To determine if housing units were properly added or removed from the population, a permit was obtained from Development Services Department to build or demolish a housing unit, a statistically random sample of 60 single-family and multi-family housing unit permits for the Year 2022 was selected from the population of 15,605 housing unit permits completed. Forty-five of the 60 housing unit permits selected were for new constructions, and 15 were for demolitions (13 single-family and two multi-family).

The 60 housing unit permits were matched against property appraisal history for the 60 addresses as listed on the Dallas County Appraisal District's website, [www.dallascad.org](http://www.dallascad.org), and reviewed the existence of the addresses using Google Maps. Fifty-seven of the 60 housing units (95 percent) sampled were in existence via Google Maps and matched the information on the Dallas County Appraisal District's website. Three of the 60 did not match (5 percent). The three housing units that did not match, had similar addresses (1135 versus 1139, 12015 versus 12001, and 5065 versus 5055) but not the same permit addresses. However, the three addresses had the same identifying factors (parcel description, owner, etc.) as listed on the permit. The Development Services Department indicated the addresses' changes were attributed to demolition of the old property and rebuilding with a new address or combining lots and establishing a new address. The new addresses were traceable via Google Maps and existed via the United States Postal Service address lookup. As such, the three properties were not considered exceptions.

**SAMPLE OF DALLAS CENTRAL APPRAISAL DISTRICT** – To determine the reliability and completeness of housing units' data provided to the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System from the Dallas County Appraisal District, a statistical sample of 60 housing units, single-family and multi-family, were selected from the Year 2022 data listed on [www.dallascad.org](http://www.dallascad.org), which had a population of 281,350 housing units. The sample was traced from the Dallas County Appraisal District to the data set provided by the Data Analytics and Business Department's Intelligence's Enterprise Geospatial Information System. No exceptions were noted.

**SAMPLE OF DATA ANALYTICS AND BUSINESS INTELLIGENCE DEPARTMENT'S ENTERPRISE GEOSPATIAL INFORMATION SYSTEM DATA** – To determine if housing units physically existed from the population of housing units provided by the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System, a statistical sample of 60 housing units, single-family and multi-family was selected from the Year 2022 data which had a population of 280,388 housing units. The population of housing unit provided by the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System was 962 units less than those posted on the Dallas County Appraisal District (281,350 – 280,388) because of adjustments that are made monthly to the database population because of additions and removals of housing units and the date of download. The 60 housing units were physically observed for existence without exceptions.



Based on the Attribute Sampling, using 95 percent confidence, with a tolerance deviation rate of +/- 5 percent, the data received from the Dallas Central Appraisal District via the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System is representative of the population of housing units.

Internal Controls were not assessed, or deficiencies identified since the five components of internal controls (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring) are not considered significant to the audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### Major Contributors to the Report

Keith Maddox, MBA, CIA, CGAP – In-Charge Auditor  
Rory Galter, CPA – Engagement Manager  
Nadia Gonzalez, Auditor

## Appendix B: Management’s Response

---

### Memorandum



**DATE:** October 27, 2023  
**TO:** Mark S. Swann – City Auditor  
**SUBJECT:** Response to Audit of Housing Inventory

This letter acknowledges the City Manager’s Office received the [Audit of Housing Inventory](#) and submitted responses to the recommendations in consultation with the Department of Housing and Neighborhood Revitalization.

The City Manager’s Office recognizes a consistent process for periodically determining the City’s inventory and affordability of housing units by description (e.g., condominium) would aid policymakers and administrators in serving residents, community partners, and local businesses.

Therefore, management agrees to implement the three low-risk recommendations. Specifically, management will:

- Assign responsibility to periodically obtain and report on housing units’ data, assuming the assigned department can justify the cost-benefit and adequate funding is available;
- Assign responsibility for reviewing the definitions for the terms “single-family housing unit” and “multi-family housing unit” and determine applicability for establishing definitions for consistent use city-wide; and
- Establish and monitor a city housing affordability index.

Thank you for your continued coordination and work with staff on these matters.



T.C. Broadnax  
City Manager

C: Genesis D. Gavino, Chief of Staff  
Jack Ireland, Chief Financial Officer  
Majed Al-Ghafry, Assistant City Manager  
Cynthia Rogers-Ellickson, Director (Interim), Department of Housing and Neighborhood Revitalization

| Assessed Risk Rating | Recommendations   | Concurrence and Action Plans | Implementation Date  | Follow-Up/ Maturity Date |                   |
|----------------------|---|------------------------------|--|--------------------------|-------------------|
| Low                  | We recommend the <b>City Manager:</b>   |                              |  |                          |                   |
|                      | <p><b>A.1:</b> Assign responsibility for maintaining and reporting the City's housing units' data.</p>  | <p><b>Agree</b></p>          | <p>The City Manager's Office will assign responsibility to periodically obtain and report on housing units' data, assuming the assigned department can justify the cost-benefit and adequate funding is available. Research has begun on a potential viable solution; however, further research is needed.</p>   | <p>9/30/2024</p>         | <p>6/30/2025</p>  |
|                      | <p><b>B.1:</b> Review definitions for the terms "single-family housing unit" and "multi-family housing unit" and determine applicability for establishing definitions for consistent use City-wide.</p> | <p><b>Agree</b></p>          | <p>The City Manager's Office will assign responsibility for reviewing the definitions for the terms "single-family housing unit" and "multi-family housing unit" and determine applicability for establishing definitions for consistent use city-wide by working with Development Services, Planning &amp; Urban Design, Economic Development, Sanitation, and Housing &amp; Neighborhood Revitalization.</p> | <p>09/30/2024</p>        | <p>06/30/2025</p> |

| Assessed Risk Rating | Recommendations  | Concurrence and Action Plans   | Implementation Date | Follow-Up/<br>Maturity Date |
|----------------------|--|--|---------------------|-----------------------------|
| <b>Low</b>           | We recommend the Director of Housing & Neighborhood Revitalization:  |  |                     |                             |
|                      | <b>C.1:</b> Periodically monitor and assign responsibility for calculating the City's affordability index. | <b>Agree</b>   | 9/30/2024           | 6/30/2025                   |
|                      |  | <p>Housing &amp; Neighborhood Revitalization will research and hire a vendor dependent on funding to establish and monitor a City housing affordability index.</p> <p>To ensure the index is representative of actual housing affordability, Housing &amp; Neighborhood Revitalization anticipates contracting with a well-respected specialist to develop and maintain the affordability index. Housing &amp; Neighborhood Revitalization has begun researching options; however, further research is needed.</p> |                     |                             |



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2956

**Item #:** J.

---

Recommended 2024 Annual Internal Audit Plan  
[Office of the City Auditor]

# Memorandum



**DATE:** November 14, 2023

**TO:** Honorable Members of the Government Performance & Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice-Chair), Cara Mendelsohn, Jesse Moreno, Jaime Resendez

**SUBJECT:** Fiscal Year 2024 Recommended Audit Work Plan

Attached for your review is the *Fiscal Year 2024 Recommended Audit Work Plan (Plan)*. During the October 25, 2023, City Council Agenda meeting, the City Council referred the *Plan* back to the Government Performance & Financial Management Committee's November 14, 2023, meeting for additional consideration. The *Plan* is included in the December 13, 2023, City Council Agenda meeting for City Council approval.

If you have any questions, please contact me at (214) 670-3222 or [mark.swann@dallas.gov](mailto:mark.swann@dallas.gov).

Sincerely,



Mark S. Swann  
City Auditor

Attachment

C: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis Gavino, Chief of Staff to the City Manager  
Sheri Kowalski, City Controller  
Directors and Assistant Directors  
Jeffrey Brill, Manager – Financial Compliance, Auditing, & Monitoring



---

# OFFICE OF THE CITY AUDITOR

---

FISCAL YEAR 2024  
RECOMMENDED AUDIT WORK PLAN

December 13, 2023

MARK S. SWANN  
CITY AUDITOR

*The Office of the City Auditor shines light on City government operations.*



# FISCAL YEAR 2024 RECOMMENDED AUDIT WORK PLAN

The Office of the City Auditor's mission is to collaborate with elected officials and employees to elevate public trust in government by providing objective assurance, investigation, and advisory services.

The City of Dallas (City) Office of the City Auditor performs work for and under the direction of the Dallas City Council. The Fiscal Year 2024 Recommended Audit Work Plan (Audit Plan) is designed to address risks related to the delivery of City services and satisfy responsibilities established by the Dallas City Charter, meet the needs of the City Council, and outline the professional services that the Office of the City Auditor plans to initiate and/or complete during the Fiscal Year 2024.

This Audit Plan is based on a risk prioritization assessment updated in Summer 2023 and requests received from City management, council members, and audit staff. The Audit Plan attempts to identify the risks that matter and provide City-wide audit coverage by allocating 21,000 resource hours to complete 19 audit or attestation engagements and other advisory services.

This Audit Plan is a working document in which the City Auditor is authorized to amend the Audit Plan when deemed necessary by the City Auditor's professional judgment. The City Council will be notified concerning additions to, deletions, or other changes to this Audit Plan. The Audit Plan includes audits, attestation engagements, and other advisory services.

## AUDIT AND ATTESTATION SERVICES

The Office of the City Auditor complies with generally accepted government auditing standards when performing audits and attestation engagements. These standards provide a framework for conducting high-quality audits and attestation engagements with competence, integrity, objectivity, and independence. The types of audits and attestation engagements performed under these standards include:

### **PERFORMANCE AUDITS**

The Office of the City Auditor conducts performance audits to provide objective analysis to assist City management, and those charged with governance and oversight to: (1) improve program performance and operations; (2) reduce costs; (3) facilitate decision-making by parties with responsibility to oversee or initiate corrective action; and, (4) contribute to public accountability. Performance audit objectives vary widely and can include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and prospective analyses.

### **ATTESTATION ENGAGEMENTS**

The Office of the City Auditor conducts attestation engagements to address a broad range of financial or non-financial objectives. An attestation engagement results in an examination, a review, or an



agreed-upon procedures report on a subject matter or an assertion about a subject matter that is the responsibility of another party.

### **FINANCIAL AUDITS**

The Office of the City Auditor conducts financial audits to provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) is presented fairly and follows recognized criteria. Financial audits provide users with statements concerning the reliability of information and provide information about internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

## OTHER PROFESSIONAL SERVICES

The Office of the City Auditor provides other professional services which may or may not be performed following generally accepted government auditing standards. These additional professional services include:

### **CITY COUNCIL SUPPORT**

The Office of the City Auditor is authorized to conduct audits, attestation engagements, or other professional services for individual City Council Members, provided the request will not impact the completion of the Audit Plan. If in the judgment of the City Auditor, a recommendation will impact the completion of the Audit Plan, the City Auditor is to request that the Council Member submit the request in writing for consideration and approval by the Government Performance & Financial Management Committee, or its equivalent, and the City Council as an amendment to the Audit Plan. All work products will be produced at the direction of the City Auditor.

### **MANAGEMENT ASSISTANCE**

The Office of the City Auditor is authorized to perform audits and attestation services, and other professional services at the request of City management to assist in carrying out City management's responsibilities. These services may include, but are not limited to, providing technical advice, such as participating in committees, task force groups, panels, and focus groups. The Office of the City Auditor may provide City management assistance based on consideration of the impact on auditor independence and audit plan completion.

## INDEPENDENCE DISCLOSURES

*Section 40-A.2. (c)(C)* of the Dallas City Code designates the City Auditor as a voting member of the Employees' Retirement Fund Board of Trustees. Generally accepted government auditing standards require the Office of the City Auditor to disclose impairments to independence. The Office of the City Auditor lacks independence concerning any audit work that might be conducted at the Employees' Retirement Fund. If applicable, the effects of this independence concern on audit work will be identified in any final reports.

## COMPETENCY AFFIRMATION

The City Auditor reviewed the recommended Audit Plan. The City Auditor believes the Office of the City Auditor staff and contracted specialists possess adequate professional competence to address potential audit engagement objectives. Also, the City Auditor believes the Office of the City Auditor can maintain objectivity while performing the recommended audit engagements.

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.                                     | Department/<br>Division  | Topic  | Preliminary Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested     |
|---|--|--|--|-------------------|-------------------------------|
| <b>Fiscal Year 2024 Audit Work Plan</b> |  |  |  |                   |                               |
| 1                                       | Building Services  | Energy Management – Electric & Natural Gas           | → Are management controls to monitor the efficient use and payment for electric and natural gas utilities working?   | 900               |                               |
| 2                                       | City Attorney's Office   | Inspector General Division Workforce Staffing Levels | → What are the processes and polices driving workload demand?<br>→ Are the current work processes efficient?<br>→ What is the threshold for taking on additional integrity related alerts?   | 900               | Council Members Ridley / West |
| 3                                       | City Controller's Office / Procurement Services                                | Unusual Financial Transactions                       | → Are there duplicate payments without refunds?<br>→ Are there employees and vendors with matching banking information?<br>→ Are there unusual credit card or travel card purchases? Are they for the public good?<br>→ Are there any unexplainable duplicate tax identification numbers in the vendor address master file?<br>→ Are there unexplainable additions, deletions, or changes to the vendor address master file?<br>→ Are City vendors complying with business license requirements? | 900               |                               |
| 4                                       | Dallas Fire-Rescue / Dallas Police / Information and Technology Services - 911 | 911 Communications                                   | → Are 911 calls received and responded to timely?<br>→ Are 911 calls coded correctly and consistently?<br>→ Are performance measures accurately captured, tracked, and reported to appropriate parties to evaluate and manage actual performance?  | 900               |                               |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.                                     | Department/<br>Division   | Topic  | Preliminary Objective(s)  | Hours<br>Estimate | Requested or<br>Suggested                               |
|---|---|--|---|-------------------|---|
| <b>Fiscal Year 2024 Audit Work Plan</b> |   |  |   |                   |   |
|   |   |  | → Are 911 center employees trained to meet job expectations and monitored to ensure proper protocols and procedures are followed?   |                   |   |
| 5                                       | Dallas Police / City Marshal's Office                                 | Firearms, Ammunition, and Equipment Tracking           | <ul style="list-style-type: none"> <li>→ Are controls and procedures in place to ensure firearms, ammunition, and equipment are procured, received, identified, recorded, tracked, secured, and disposed of (if required) in accordance with applicable requirements?</li> <li>→ Do policies and procedures related to firearms, ammunition, and equipment inventory conform to guidelines set forth by The Commission on Accreditation of Local Law Enforcement Agencies?</li> </ul> | 900               |   |
| 6                                       | Human Resources   | Terminated Employee Benefits Cancellation              | → Are City benefits cancelled timely for terminated employees?  | 900               | Inspector General<br>Division City<br>Attorney's Office |
| 7                                       | Human Resources / Civil Service                                       | Human Capital Management                               | → Do the City-wide talent retention and development practices reflect best practices?   | 900               | Council Members<br>Willis / Schultz /<br>Mendelsohn     |
| 8                                       | Information and Technology Services - Data                            | Directory Services – City Domain                       | <ul style="list-style-type: none"> <li>→ Is Active Directory implementation and management security design effective?</li> <li>→ Is city domain user-provisioning managed, and access maintained using the principle of least privilege?</li> <li>→ Do controls exist to enforce contractor network account authentication, access, and removal at end of the contract service term?</li> </ul>   | 900               |   |
| 9                                       | Information and Technology Services - Data / City Controller's Office | System Implementation Projects – Core Financial System | → Do controls exist so the implementation of the Core Financial System Upgrade will satisfy business requirements, ensure data security, and include segregation of duties?   | 500               |   |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.                                     | Department/<br>Division   | Topic  | Preliminary Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested                      |
|---|---|--|--|-------------------|--|
| <b>Fiscal Year 2024 Audit Work Plan</b> |   |  |  |                   |  |
| 10                                      | Information and Technology Services - Data / Development Services | System Implementation Projects – DallasNow Permitting System | → Do controls exist so the implementation of the DallasNow permitting system will satisfy business requirements, ensure data security, and include segregation of duties?  | 500               |  |
| 11                                      | Information and Technology Services - Data, and Other Departments | Technical Debt   | → What is the City's technical debt?<br>→ What are the consequences of technical debt for the City?  | 900               | Information and Technology Services Department |
| 13                                      | Multiple Departments  | Fiscal Year Budget Revenue Estimates                         | → Does the City of Dallas have effective processes to ensure reasonable proposed budget revenues are included in the City Manager's <i>Fiscal Year 2024-25 Proposed Annual Budget</i> ?  | 900               | Chief Financial Officer                        |
| 12                                      | Multiple Departments – Codes / Sanitation / Transportation        | 311 Customer Service Level Agreements                        | → Is the Codes Department achieving agreed upon 311 customer level service agreement response times?<br>→ Is the Sanitation Department achieving agreed upon 311 customer level service agreement response times?<br>→ Is the Transportation Department achieving agreed upon 311 customer level service agreement response times? | 900               |  |
| 14                                      | Office of Budget & Management Services                            | Franchise Fees Compliance                                    | → Verify franchise fees (which may include utilities, cable, and telephone), identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.  | 300               | Chief Financial Officer                        |
| 15                                      | Office of Budget & Management Services                            | Sales/Use Tax Compliance                                     | → Verify sales/use taxes, identified by a third-party vendor on a percentage of recovery basis, are received by the City and vendor invoices are accurate.   | 300               | Chief Financial Officer                        |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.                                     | Department/<br>Division                            | Topic  | Preliminary Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested             |
|---|--|--|--|-------------------|---------------------------------------|
| <b>Fiscal Year 2024 Audit Work Plan</b> |  |  |  |                   |                                       |
| 16                                      | Office of Environmental Quality and Sustainability | Climate Action Plan                                | <ul style="list-style-type: none"> <li>→ Does the Climate Action Plan prioritize activities that will have the most impact?</li> <li>→ Are oversight mechanisms in place to help the City meet its Climate Action Plan goals?</li> <li>→ Is the Office of Environmental Quality and Sustainability reporting regularly on its progress toward Climate Action Plan Goals?</li> </ul>  | 900               | Council Member Schultz                |
| 17                                      | Office of Homeless Solutions                       | Homeless Response System Strategy and Coordination | <ul style="list-style-type: none"> <li>→ Is the Office of Homeless Solutions making progress toward its strategic goals?                             <ul style="list-style-type: none"> <li>○ Is the scattered site housing model working to keep people housed?</li> <li>○ Is the City adding additional housing units with wrap-around services?</li> <li>○ Are the people and families provided housing assistance by the Office of Homeless Solutions Rapid ReHousing Program during fall 2021 still living in housing in fall 2023?</li> </ul> </li> <li>→ Are the key partners in the regional effort to end homelessness able to provide sufficient emergency shelter space?</li> <li>→ Describe procedures to count people experiencing homelessness for the City and compare to other major urban Texas cities for potential improvements?</li> </ul> | 900               | Council Member(s) Mendelsohn / Moreno |
| 18                                      | Parks & Recreation / Library                       | Youth Services                                     | <ul style="list-style-type: none"> <li>→ Are there opportunities to increase the effectiveness of the City's limited youth services resources?</li> <li>→ Is the City coordinating with other service providers to reduce duplication of services?</li> </ul>  | 900               |                                       |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.                                     | Department/<br>Division | Topic  | Preliminary Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested |
|---|-------------------------|--|--|-------------------|---------------------------|
| <b>Fiscal Year 2024 Audit Work Plan</b> |                         |  |  |                   |                           |
| 19                                      | Public Works            | Infrastructure Design and Construction Standards | → Do controls ensure infrastructure (street paving, storm drainage, bridge, and culvert) construction aligns with City Code Section 51A-8.601(b), General Standards? | 900               | Council Member West       |

| No.  | Department/<br>Division | Topic                | Potential Objective(s)  | Hours<br>Estimate | Requested or<br>Suggested            |
|--|-------------------------|----------------------|---|-------------------|--------------------------------------|
| <b>In-Progress Engagements from Fiscal Year 2023 Audit Work Plan</b> |                         |                      |   |                   |                                      |
| 1  | 311                     | 311 Customer Service | → Does the 311 Call Center Answer Calls and Forward Resident Concerns to City Departments Timely and Accurately?  | 700               |                                      |
| 2  | City Manager's Office   | Housing Inventory    | → What is the number of single-family housing units in the City?<br>→ What is the number of multi-family housing units in the City?<br>→ What is the three-year average of additions and reductions for single-family housing units?<br>→ What is the three-year average of additions and reductions for multi-family housing units?<br>→ Is the City adding sufficient housing attainable for people exiting homelessness? | 60                | Council Members Mendelsohn / Schultz |
| 4  | Dallas Fire-Rescue      | Payroll Process      | → Are there controls to ensure worked hours are approved and accurately recorded?<br>→ Are there controls to ensure pay rates are approved and accurately recorded?   | 300               | Council Member Ridley                |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.  | Department/<br>Division                 | Topic   | Potential Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested                     |
|--|---|---|--|-------------------|---|
| <b>In-Progress Engagements from Fiscal Year 2023 Audit Work Plan</b> |   |   |  |                   |   |
| 5  | Dallas Fire-Rescue                      | Uniform Personnel Recruitment and Candidate Selection | <ul style="list-style-type: none"> <li>→ Are candidate sourcing strategies and community outreach effective?</li> <li>→ Does the candidate selection process reflect best practices and promote a quality hire?</li> </ul>   | 40                | Council Members Willis / Schultz / Mendelsohn |
| 6  | Dallas Police                           | Body-Worn and In-Car Camera Operations                | <ul style="list-style-type: none"> <li>→ Are controls in place to ensure body-worn camera users comply with the Dallas Police Department's directives for body-worn cameras?</li> <li>→ Are controls in place to ensure compliance with the Dallas Police Department's directives for in-car cameras?</li> </ul> | 200               |   |
| 7  | Dallas Police                           | Uniform Personnel Recruitment and Candidate Selection | <ul style="list-style-type: none"> <li>→ Are candidate sourcing strategies and community outreach effective?</li> <li>→ Does the candidate selection process reflect best practices and promote a quality hire?</li> </ul>   | 40                | Council Members Willis / Schultz / Mendelsohn |
| 8  | Dallas Water Utilities                  | Wastewater Collections and Treatment                  | <ul style="list-style-type: none"> <li>→ Are environmental reports for wastewater collection and treatment supported by evidence and submitted on time?</li> </ul>   | 600               |   |
| 9  | Housing and Neighborhood Revitalization | Home Buying and Preservation Assistance               | <ul style="list-style-type: none"> <li>→ Does the Homebuyer Assistance Program: (1) align with governance requirements and, (2) meet the City's objectives for the program?</li> </ul>   | 240               |   |
| 10   | Human Resources / Civil Service         | Personnel Appeals                                     | <ul style="list-style-type: none"> <li>→ Are policies and procedures effective in ensuring the fair application of internal employee appeals and appeals of terminations and demotions of City employees?</li> </ul>   | 200               | Council Members Willis / Schultz / Mendelsohn |



Audit engagements shaded in green will be prioritized to start when resources are available.

| No.  | Department/<br>Division   | Topic  | Potential Objective(s)   | Hours<br>Estimate | Requested or<br>Suggested                           |
|--|---|--|--|-------------------|---|
| <b>In-Progress Engagements from Fiscal Year 2023 Audit Work Plan</b> |   |  |  |                   |   |
| 11   | Human Resources /<br>Civil Service  | Talent Acquisition   | <ul style="list-style-type: none"> <li>→ Is the talent acquisition process efficient?</li> <li>→ Are candidate sourcing strategies and community outreach effective?</li> <li>→ Does the candidate selection process reflect best practices and promote a quality hire?</li> <li>→ Are candidate sourcing strategies aligned with the City's diversity strategy?</li> </ul>  | 120               | Council Members<br>Willis / Schultz /<br>Mendelsohn |
| 12   | Multiple<br>Departments   | Domestic Violence<br>Prevention and<br>Response<br>Coordination and<br>Effectiveness | <ul style="list-style-type: none"> <li>→ Are the City of Dallas' efforts to combat domestic violence aligned with best practices?</li> </ul>   | 900               |   |
| 13   | Office of Bond and<br>Construction<br>Management /<br>Dallas Fire-Rescue /<br>Dallas Public Library | Capital Projects   | <ul style="list-style-type: none"> <li>→ Are controls implemented to ensure fiscal management and administrative oversight for individual major construction projects?</li> <li>→ Are costs charged to the construction project supported, reviewed, and approved?</li> <li>→ Are costs closed out and capitalized in the City's fixed asset records?</li> <li>→ How was the funding level for the project determined and was the funding level adequate?</li> </ul> | 400               |   |
| 14   | Office of<br>Emergency<br>Management  | Emergency<br>Management<br>Operations Center<br>Activation                           | <ul style="list-style-type: none"> <li>→ Is the activation of the Office of the Emergency Management Operations Center following procedures?</li> <li>→ Are plans and policies for activation current?</li> </ul>  | 600               |   |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.  | Department/<br>Division | Topic  | Potential Objective(s)  | Hours<br>Estimate | Requested or<br>Suggested |
|--|-------------------------|--|---|-------------------|---------------------------|
| <b>In-Progress Engagements from Fiscal Year 2023 Audit Work Plan</b> |                         |  |   |                   |                           |
| 15   | Procurement Services    | Procurement Marketing Practice                             | <ul style="list-style-type: none"> <li>→ Do the procurement marketing initiatives reflect best practices to promote competition and competitive pricing?</li> <li>→ Are scopes of work or specifications written to promote competition and competitive pricing?</li> </ul>   | 650               |                           |
| 16   | Sanitation Services     | Personnel  | <ul style="list-style-type: none"> <li>→ Are department procedures effective in ensuring the fair application of personnel decision-making processes (hiring, promotion, discipline, termination, etc.)?</li> <li>→ Do department procedures support fairness in the assignment of equipment, work assignments, and other personnel benefits (Uniform Vouchers, etc.)?</li> </ul> | 700               | Council Member Mendelsohn |
| 17   | Small Business Center   | Minority and Women-Owned Business Enterprise Participation | <ul style="list-style-type: none"> <li>→ Are City procurements meeting the City's goals for Minority and Women-Owned Business Enterprise participation?</li> <li>→ If goals are not met, is the City documenting the good faith effort?</li> </ul>  | 350               |                           |

Audit engagements shaded in green will be prioritized to start when resources are available.

| No.   | Department/<br>Division | Topic                                   | Potential Objective(s)   | Hours<br>Estimate |
|---|-------------------------|---|--|-------------------|
| <b>Prescribed Assurance or Other Services</b> |                         |   |  |                   |
| 1   | Multiple<br>Departments | Special Audits                          | Conduct audits under <i>Chapter IX, Section 4</i> of the City Charter of officers who vacate their offices due to death, resignation, removal, or expiration of term.  | 600               |
| 2   | Multiple<br>Departments | Attestations                            | Conduct audits under City Administrative Directive 4.5 - <i>Contracting Standards and Procedures</i> , of all construction projects with an estimated contract award of \$50 million and greater, before City Council consideration. | 1,500             |
| 3   | Multiple<br>Departments | Prior Audit Follow-Up                   | City Auditor Responsibilities and Administrative Procedure Requirements to evaluate City Management's implementation of high-impact prior audit recommendations.   | 2,000             |
| 4   | Multiple<br>Departments | Council and<br>Management<br>Assistance | Unplanned assurance or advisory services requested by the Mayor, Council Members, or City management. Review Council annual attendance records in accordance with <i>Council Rules of Procedures 4.13</i> .                          | 400               |

|   |              |
|---|--------------|
| <b>Audit Plan Total Estimated Work Hours</b>                  | 25,700       |
| <b>Available Resource Work Hours</b>                          | 21,000       |
| <b>Office of City Auditor Hourly Blended Rate<sup>1</sup></b> | <b>\$119</b> |
| <b>Co-sourcing Partners Hourly Blended Rate<sup>2</sup></b>   | <b>\$198</b> |

<sup>1</sup> *Fiscal Year 2023 Full Cost Allocation Report*, less professional services, divided by fiscal year direct hours of 21,811.

<sup>2</sup> Calculated based on past service deliver orders with co-sourcing partners, Baker Tilly and Weaver.

## FY 2024 Dallas Citywide Inherent Risk Prioritization Worksheet

| Department                                   | Risk Impact Score | On Audit Plan | FY 2023-24 Budget | FY2022-23 Forecast Salary | FY 2023-24 Total Capital, Supplies, & Services | FY 2023-24 Budget Revenue | FY 2023-24 Recommended Positions | Last Audit |
|--|-------------------|---------------|-------------------|---------------------------|--|---------------------------|----------------------------------|------------|
| Sanitation Services                          | 40                | ✓ ●           | 153,689,531       | 24,989,328                | 97,773,230                                     | 152,709,535               | 629                              | FY23-FY22  |
| Dallas Fire-Rescue                           | 39                | ✓ ● ● ● ●     | 413,919,075       | 198,718,528               | 52,068,988                                     | 49,981,636                | 2,555                            | FY23-FY22  |
| Dallas Water Utilities                       | 39                | ●             | 791,275,376       | 76,046,200                | 726,215,110                                    | 791,276,133               | 1,563                            | FY23-FY22  |
| Public Works                                 | 37                | ✓             | 100,096,542       | 20,574,845                | 70,731,234                                     | 20,563,289                | 593                              | FY23-FY22  |
| Development Services                         | 36                | ✓             | 53,952,347        | 20,097,353                | 34,181,486                                     | 45,465,884                | 372                              | FY23-FY22  |
| Aviation                                     | 34                |               | 184,286,553       | 17,988,753                | 143,872,628                                    | 182,046,313               | 368                              | FY23-FY22  |
| City Marshal's Office                        | 34                | ✓             | 31,537,330        | 8,764,611                 | 17,157,933                                     | -                         | 207                              | FY15=>     |
| Code Compliance                              | 34                | ✓             | 45,202,288        | 21,997,192                | 12,755,450                                     | 14,614,784                | 490                              | FY21-FY20  |
| Dallas Police Department                     | 34                | ✓ ✓ ● ● ●     | 661,989,893       | 320,270,071               | 105,203,739                                    | 6,305,474                 | 4,365                            | FY23-FY22  |
| Equipment & Fleet Management                 | 34                |               | 71,794,210        | 12,724,721                | 58,059,547                                     | 68,778,781                | 273                              | FY23-FY22  |
| Transportation                               | 33                | ✓             | 59,358,508        | 9,836,764                 | 40,027,819                                     | 11,064,895                | 216                              | FY23-FY22  |
| Dallas Water Utilities - SDM                 | 32                |               | 80,093,972        | 13,552,191                | 63,353,978                                     | 80,093,972                | 281                              | FY23-FY22  |
| Information & Technology Services - Data     | 32                | ✓ ✓ ✓ ✓ ✓     | 131,784,124       | 16,408,663                | 88,954,495                                     | 121,639,867               | 228                              | FY23-FY22  |
| Park & Recreation                            | 32                | ✓             | 125,002,400       | 35,284,537                | 63,501,083                                     | 14,553,750                | 1,627                            | FY21-FY20  |
| Information & Technology Services - Radio    | 31                |               | 18,873,781        | 1,738,431                 | 14,362,234                                     | 22,264,018                | 30                               | FY15=>     |
| Building Services                            | 30                | ✓ ✓           | 31,290,010        | 9,444,516                 | 21,373,044                                     | 909,011                   | 200                              | FY17-FY16  |
| Court Services                               | 30                |               | 8,223,548         | 2,329,833                 | 4,560,969                                      | 13,714,659                | 54                               | FY17-FY16  |
| City Attorney's Office                       | 28                | ✓             | 23,830,610        | 14,613,158                | 2,327,020                                      | 850,239                   | 176                              | FY23-FY22  |
| Convention & Event Services                  | 28                |               | 137,145,998       | 2,027,257                 | 124,351,410                                    | 137,145,998               | 43                               | FY19-FY18  |
| Office of Arts & Culture                     | 28                |               | 24,003,069        | 3,465,298                 | 23,414,754                                     | 2,271,462                 | 118                              | FY17-FY16  |
| Dallas Animal Services                       | 27                |               | 19,286,548        | 8,208,844                 | 6,658,056                                      | 127,831                   | 194                              | <= FY2022  |
| Information & Technology Services - 911      | 26                | ✓             | 12,866,761        | 525,713                   | 13,423,352                                     | 12,897,076                | 7                                | FY15=>     |
| Office of Integrated Public Safety Solutions | 26                |               | 5,822,887         | 1,683,105                 | 2,445,087                                      | -                         | 34                               | FY15=>     |
| City Controller's Office                     | 23                | ✓ ✓           | 10,074,491        | 5,488,827                 | 2,791,551                                      | 110,000                   | 77                               | FY23-FY22  |
| Human Resources                              | 23                | ✓ ✓ ● ● ●     | 9,451,942         | 3,982,024                 | 3,262,391                                      | -                         | 116                              | FY23-FY22  |
| Judiciary                                    | 23                |               | 4,469,376         | 2,404,454                 | 743,927  | -                         | 57                               | FY15=>     |
| Library                                      | 22                | ✓ ●           | 43,489,755        | 17,711,626                | 13,929,104                                     | 352,100                   | 468                              | FY21-FY20  |
| Office of Community Care                     | 22                |               | 10,114,699        | 2,834,672                 | 5,912,613                                      | 1,490,000                 | 52                               | FY21-FY20  |
| Office of Homeless Solutions                 | 22                | ✓             | 16,850,149        | 2,458,820                 | 13,812,073                                     | 1,000,000                 | 44                               | FY21-FY20  |

✓ - FY2024 Audit Work Plan  
● - In progress carry over from FY2023 Audit Work Plan

## FY 2024 Dallas Citywide Inherent Risk Prioritization Worksheet

| Department   | Risk Impact Score | On Audit Plan | FY 2023-24 Budget | FY2022-23 Forecast Salary | FY 2023-24 Total Capital, Supplies, & Services | FY 2023-24 Budget Revenue | FY 2023-24 Recommended Positions | Last Audit |
|--|-------------------|---------------|-------------------|---------------------------|--|---------------------------|----------------------------------|------------|
| Planning & Urban Design                            | 22                |               | 8,024,033         | 4,232,879                 | 1,005,873                                      | 37,300                    | 71                               | FY15=>     |
| Budget & Management Services                       | 21                | ✓✓✓           | 4,478,708         | 2,738,020                 | 641,875  | 1,619,172,636             | 39                               | FY23-FY22  |
| Bond & Construction Management                     | 20                | ●             | 22,043,477        | 11,089,623                | 6,759,979                                      | 3,599,027                 | 17                               | FY23-FY22  |
| Express Business Center                            | 20                |               | 2,152,280         | 537,172                   | 2,805,609                                      | 2,868,790                 | 10                               | FY15=>     |
| Office of Environmental Quality and Sustainability | 20                | ✓             | 5,685,276         | 6,453,753                 | 8,569,624                                      | 191,998                   | 106                              | FY23-FY22  |
| Aviation - Transportation Regulation               | 19                |               | 546,131           | 219,222                   | 239,633  | 546,131                   | 5                                | FY21-FY20  |
| Communications, Outreach, and Marketing            | 19                |               | 4,389,553         | 2,044,703                 | 763,101  | -                         | 31                               | FY15=>     |
| Office of Economic Development                     | 19                |               | 3,679,042         | 3,472,014                 | 2,180,923                                      | 30,000                    | 41                               | FY15=>     |
| 311 Customer Service                               | 18                | ●             | 6,407,274         | 4,824,118                 | 2,142,556                                      | -                         | 138                              | FY23-FY22  |
| Data Analytics & Business Intelligence             | 18                |               | 6,108,162         | 3,226,884                 | 947,717  | -                         | 45                               | FY15=>     |
| Housing & Neighborhood Revitalization              | 18                | ●             | 6,920,100         | 1,664,877                 | 2,781,807                                      | 463,267                   | 26                               | FY23-FY22  |
| Office of Risk Management                          | 18                |               | 6,576,610         | 3,827,242                 | 1,165,745                                      | 6,576,610                 | 56                               | FY23-FY22  |
| City Manager's Office                              | 17                | ●             | 3,389,700         | 2,307,504                 | 479,410  | -                         | 18                               | FY17-FY16  |
| City Secretary's Office                            | 17                |               | 5,455,680         | 1,924,450                 | 3,479,908                                      | 20,000                    | 25                               | FY21-FY20  |
| Mayor & City Council                               | 17                |               | 7,587,447         | 4,035,377                 | 1,365,054                                      | -                         | 70                               | FY23-FY22  |
| Office of Emergency Management                     | 17                | ●             | 1,251,963         | 486,716                   | 894,644  | -                         | 6                                | FY23-FY22  |
| Office of Equity & Inclusion                       | 16                |               | 3,842,488         | 1,748,905                 | 1,272,273                                      | -                         | 23                               | FY15=>     |
| Procurement Services                               | 15                | ✓●            | 3,500,823         | 1,592,748                 | 613,811  | 225,000                   | 34                               | FY23-FY22  |
| Civil Service                                      | 14                | ●●            | 3,015,530         | 1,658,989                 | 601,894  | -                         | 26                               | FY23-FY22  |
| Employee Benefits                                  | 14                |               | 2,175,603         | 771,776                   | 1,034,216                                      | 2,175,603                 | 12                               | FY15=>     |
| Small Business Center                              | 13                | ●             | 4,102,059         | 1,350,899                 | 1,777,963                                      | -                         | 21                               | FY23-FY22  |
| Municipal_Radio                                    | 12                |               | 636,398           | 124,479                   | 743,788  | 636,398                   | 1                                | FY15=>     |
| Office of Community Police Oversight               | 12                |               | 863,890           | 306,825                   | 127,579  | -                         | 7                                | FY23-FY22  |
| Office of Historic Preservation                    | 12                |               | -                 | 403,871                   | 658,299  | -                         | -                                | FY15=>     |
| City Auditor's Office                              | 11                |               | 3,320,456         | 1,858,749                 | 704,835  | -                         | 21                               | FY23-FY22  |
| Office of Government Affairs                       | 11                |               | 1,112,725         | 629,418                   | 280,363  | -                         | 9                                | FY15=>     |
| Office of Community Development                    | 6                 |               | 1,011,271         | -                         | -  | -                         | 9                                | 0          |

### Other Potential Auditable Entities Not Assessed

- ✓ - FY2024 Audit Work Plan
- - In progress carry over from FY2023 Audit Work Plan

## FY 2024 Dallas Citywide Inherent Risk Prioritization Worksheet

| Department  | Risk Impact Score | On Audit Plan | FY 2023-24 Budget                  | FY2022-23 Forecast Salary | FY 2023-24 Total Capital, Supplies, & Services | FY 2023-24 Budget Revenue | FY 2023-24 Recommended Positions | Last Audit |
|---|-------------------|---------------|------------------------------------|---------------------------|--|---------------------------|----------------------------------|------------|
| Debt Service Fund - Other Expense   |                   |               | 28,006,000                         |                           |  |                           |                                  |            |
| Capital Outlay  |                   | ●             | 247,812,000                        |                           |  |                           |                                  |            |
| Non-Departmental  |                   |               | 135,555,548                        | -                         | 147,131,590                                    | 105,665,517               | -                                |            |
| <i>Trust Funds</i>  |                   |               |                                    |                           |  |                           |                                  |            |
|   |                   |               | <u><i>FY 2022 Fund Balance</i></u> |                           |  |                           |                                  |            |
| Employees' Retirement Fund  |                   |               | 4,093,215,000                      |                           |  |                           |                                  |            |
| Dallas Police and Fire Pension System   |                   |               | 2,157,840,000                      |                           |  |                           |                                  |            |
| Police and Fire Supplemental Pension Fund   |                   |               | 18,660,000                         |                           |  |                           |                                  |            |
| Permanent Funds (Samuell Park, Graowler Momorial, Craddock Park, Martin Weiss Park, Hale Davis) |                   |               | 9,234,000                          |                           |  |                           |                                  |            |
| 401K Retirement Fund  |                   |               | 457,499,000                        |                           |  |                           |                                  |            |
| 457 Deferred Compensation Plan  |                   |               | 494,799,000                        |                           |  |                           |                                  |            |
| 457 (PST) Deferred Compensation Plan  |                   |               | 4,242,000                          |                           |  |                           |                                  |            |
| <i>Blended Component Units</i>  |                   |               |                                    |                           |  |                           |                                  |            |
|   |                   |               | <u><i>FY 2022 Expenses</i></u>     |                           |  |                           |                                  |            |
| Love Field Airport Modernization Corporation  |                   |               |                                    |                           |  |                           |                                  |            |
| Trinity River Corridore Local Government Corporation  |                   |               |                                    |                           |  |                           |                                  |            |
| <i>Discretely Presented Component Units</i>   |                   |               |                                    |                           |  |                           |                                  |            |
| Housing Finance Corporation   |                   |               | 196,000                            |                           |  |                           |                                  |            |
| Housing Acquisition and Development Corporation   |                   |               | 380,000                            |                           |  |                           |                                  |            |
| Dallas Development Fund   |                   |               | 867,000                            |                           |  |                           |                                  |            |
| Downtown Dallas Development Authority   |                   |               | 34,637,000                         |                           |  |                           |                                  |            |
| North Oak Cliff Municipal Management District   |                   |               | 1,000                              |                           |  |                           |                                  |            |
| Cypress Waters Municipal Management District  |                   |               | 1,000                              |                           |  |                           |                                  |            |
| Dallas Convention Center Hotel Development Corporation  |                   |               | 85,392,000                         |                           |  |                           |                                  |            |



# City of Dallas

1500 Marilla Street  
Council Chambers, 6th Floor  
Dallas, Texas 75201

## Agenda Information Sheet

---

**File #:** 23-2958

**Item #:** K.

---

2025 Legislative Priorities  
[Office of Government Affairs]

# Memorandum



CITY OF DALLAS

DATE November 14, 2023

TO Honorable Members of the Government Performance and Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn Jesse Moreno, Jamie Resendez

SUBJECT **2025 Legislative Priorities**

In collaboration with the City Attorney's Office, the Office of Government Affairs has begun developing its 2025 legislative programs as the City of Dallas prepares for the 89<sup>th</sup> Legislative Session and 118<sup>th</sup> Congress.

Prior to each legislative session, the City Council adopts a state and federal legislative agenda outlining official City of Dallas positions on various legislative issues. Throughout the development process input is sought from the Mayor and City Council, executive City leadership, City departments, and external organizations. Once adopted the programs will serve as guiding principles for City elected officials, City staff, and the legislative team engaged in outreach and policy discussions. You can find both the [88th Legislative Program](#) and [118th Congress Legislative Program](#) on the Office of Government Affairs website.

The 2023 State Government Performance and Financial Management Priorities Adopted are as followed:

- Support legislation that allows the City to deliver effective and efficient government services, while being fiscally responsible.
- Ensure privacy and security of resident and commercial data. ([HB 4/ SB 271 passed during the 2023 Texas Legislature](#))
- Require mandatory disclosure of residential and commercial real estate prices.
- Establish a database of homestead exemptions.
- Preserve local authority to collect franchise fee revenues.
- Expand options for publication of legal notices. Amend Government Code Chapter 2274 regarding prohibition from service contracts with institutions that have policies that may restrict gun or ammunition sales and fossil fuels investments.

The 2023 Federal Government Performance and Financial Management Priorities Adopted are as followed:

- Support legislation that allows the City to deliver effective and efficient government services, while being fiscally responsible.
- Ensure privacy and security of resident and commercial data.
- Maintain the tax exemption for municipal bonds, including private activity bonds, and reinstate advance refunding for municipal bonds.



DATE November 14, 2023  
SUBJECT **2025 Legislative Priorities**  
PAGE **2 of 2**

The 2023 Federal Legislative Priorities the city is currently tracking are as followed:

- ARPA Flexibility Bill Enacted.
- Efforts to rescind ARPA funding turned back.
- Tracking implementation of IRA tax incentives.
- Tracking implementation of Financial Data Transparency Act/seeking to
- minimize resulting unfunded mandates.
- Opposing massive telecom preemption bill.
- Creation of a State Department Office of City & State Diplomacy.
- Supporting maximum funding for nutrition programs in Farm Bill.

Please submit all proposed legislative priorities to Linley Youderian at [Linley.Youderian@dallas.gov](mailto:Linley.Youderian@dallas.gov) by December 15, 2023.

Looking ahead OGA will continue outreach, engagement, and communication with Council and key stakeholders. Should you have any questions, please contact Carrie Rogers at [Carrie.Rogers@dallas.gov](mailto:Carrie.Rogers@dallas.gov)

Sincerely,



Carrie Rogers  
Director, Government Affairs

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors