

**MAY 6, 2020 CITY COUNCIL BRIEFING AGENDA
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated May 6, 2020. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



T.C. Broadnax
City Manager

5-1-20

Date



Elizabeth Reich
Chief Financial Officer

5-1-20

Date

RECEIVED

2020 MAY -1 PM 7:54

CITY SECRETARY
DALLAS, TEXAS

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Public Notice

200386

POSTED CITY SECRETARY
DALLAS, TX



COUNCIL BRIEFING AGENDA

May 6, 2020

9:00 AM

Budget Workshop

(For General Information and Rules of Courtesy, Please See Opposite Side.)

(La Información General Y Reglas De Cortesía Que Deben Observarse

Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

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

Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

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

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.

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 precisara 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 pistol 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."

The City Council meeting will be held by videoconference. Individuals who wish to speak in accordance with the City Council Rules of Procedure must sign up with the City Secretary's Office. The following videoconference link is available to the public to listen to the meeting and Public Affairs and Outreach will also stream the City Council Briefing on Spectrum Cable Channel 95 and [bit.ly/cityofdallastv:https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=e594911b58e416ce8c5a2e90df02cfeaa](https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=e594911b58e416ce8c5a2e90df02cfeaa)

9:00 a.m. Invocation and Pledge of Allegiance

Special Presentations

Open Microphone Speakers

VOTING AGENDA

1. [20-876](#) Approval of Minutes of the April 15, 2020 City Council Briefing
2. [20-877](#) Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

BRIEFINGS

- A. [20-875](#) Coronavirus Impact on FY 2019-20 Budget

Attachments: [Presentation](#)

Closed Session

Attorney Briefings (Sec. 551.071 T.O.M.A)

- Terrance Bass, et al. v. City of Dallas, Civil Action No. 3.17-CV-03330-C.

- Millwee-Jackson Joint Venture and Stephen M. Millwee v. City of Dallas, Cause No. DC-04-07287.

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]



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-876

Item #: 1.

SUBJECT

Approval of Minutes of the April 15, 2020 City Council Briefing



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-877

Item #: 2.

AGENDA DATE: May 6, 2020

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Secretary's Office

SUBJECT

Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-875

Item #: A.

Coronavirus Impact on FY 2019-20 Budget

Coronavirus Impact on FY 2019-20 Budget

City Council Briefing – May 6, 2020

Elizabeth Reich
Chief Financial Officer

- Jack Ireland, Office of Budget
- Mark Duebner, Department of Aviation
- Rosa Fleming, Convention & Event Services
- Terry Lowery, Dallas Water Utilities
- Kris Sweckard, Sustainable Development & Construction



Purpose

- Discuss Approach – From Triage to Stability to Sustainability
- Provide update on Coronavirus Relief Fund
- Provide update of the FY 2019-20 (FY20) budget and impact of COVID-19 and subsequent economic crisis
 1. General Fund (GF)
 2. Department of Aviation (AVI)
 3. Convention and Event Services (CES)
 4. Dallas Water Utilities (DWU)
 5. Sustainable Development and Construction (SDC)
- Review next steps

From Triage to Stability to Sustainability

Immediate Triage (hours, days)

Funding (and quantifying) emergency needs
Ensuring liquidity: core operating funds, enterprises, and related
Cash flow forecasts
Initial budget controls

Near-Term Stability (days, weeks)

Reforecasts (scenarios, quarter-by-quarter, transparent assumptions)
Cost containment (flexible freezes, department/stakeholder engagement)
Workforce strategies
Reimbursement framework
Intergovernmental coordination
Economic relief programs;
Community partnerships
Budget revisions, contingency appropriations, (policy-driven) plans for use of reserves?

Longer-Term Sustainability (weeks, months)

Capital projects and planning (getting shovel-ready for federal or local stimulus opportunities)
Pension / OPEB concerns
Sector relief and rebuilding (e.g. small businesses, arts and culture)
Intergovernmental advocacy
Multi-year framework
Evaluating potential lasting impacts and how to respond (e.g. new ways of working and living post-COVID-19)

Iterative Reevaluation, Reworking, and Refinement

3

Credit: Michael Nadol, PFM Group Consulting LLC
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City of Dallas – City Council



City of Dallas

Coronavirus Relief Fund



Coronavirus Relief Fund

- On April 22, the City Council approved the receipt and appropriation of \$234 million from the Coronavirus Relief Fund (CRF)
- Funds must be used in accordance with guidelines set forth in the CARES Act:
 1. Necessary expenditures incurred due to the public health emergency with respect to COVID-19
 2. Were not accounted for in the budget most recently approved as of March 27, 2020
 3. Incurred between March 1, 2020 and December 30, 2020

Additional Funding &/or Technical Fix Needed

- Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute
- Dallas, along with other cities and states, is seeking authorization to use these funds or future/additional federal funds to address revenue loss

CRF Eligible Expenditures

- Eligible expenditure examples:
 1. Medical expenses
 2. Public health expenses
 3. Payroll expenses for mitigating/responding to COVID-19
 4. Expenses of actions to facilitate compliance with COVID-19 public health measures
 5. Expenses associated with provision of economic support
 6. Any other COVID-related expense reasonably necessary for the government to function

CRF Eligible Expenditures

- The expenditure must be reasonably necessary for its intended use in the reasonable judgement of the government officials responsible for spending Fund payments
 - Make a reasonable judgement
 - Document why our decision is correct
 - Implement effective expense tracking
- No reporting requirements; however, maintain documentation for possible audit

CRF Expenditure Plan

- Payroll – examples:
 - Paramedics – Medical Response
 - Police and Code Compliance – Enforcement
 - Homeless Solutions & Community Care – Assisting community members with social distancing and public health precautions
 - Procurement - Acquisition and distribution of personal protective supplies and more
 - Paid sick and paid family and medical leave
 - Unemployment insurance costs not otherwise reimbursed by the federal government

9

CRF Expenditure Plan

- Supplies and equipment – examples:
 - Personal protective equipment
 - Cleaning and disinfection supplies and services
 - Hotels and RVs for quarantine
 - Communications and signs
 - Equipment to enable public meetings by video
 - Technology, licenses, and upgrades to enable/improve telework capabilities for City employees
 - Technology to enable residents to do business with the City electronically

10

CRF Expenditure Plan

- Other – examples:
 - Rental of KBHCC for federal medical station and homeless shelter
 - Rental of AAC for community-based testing site
 - Space rental to enable essential employees to observe social distancing
 - Phone line and website for assistance programs
 - Childcare for essential employees

CRF Expenditure Plan

- Readyng City facilities for reopening – examples:
 - Touch free door openers
 - Signage to direct members of the public to ensure social distancing – freestanding, wall, floor, etc.
 - Plexiglass between City employee windows/ registers/desks and the public
 - Automatic toilets, sinks, soap dispensers, and paper towel dispensers

12

CRF Expenditure Plan

- Possible future expenditures – examples:
 - COVID-19 testing
 - Antibody testing, therapeutics, and vaccines if/when available
 - Meeting FEMA match requirements
 - Replace lost revenue (if allowed)

General Fund (GF)



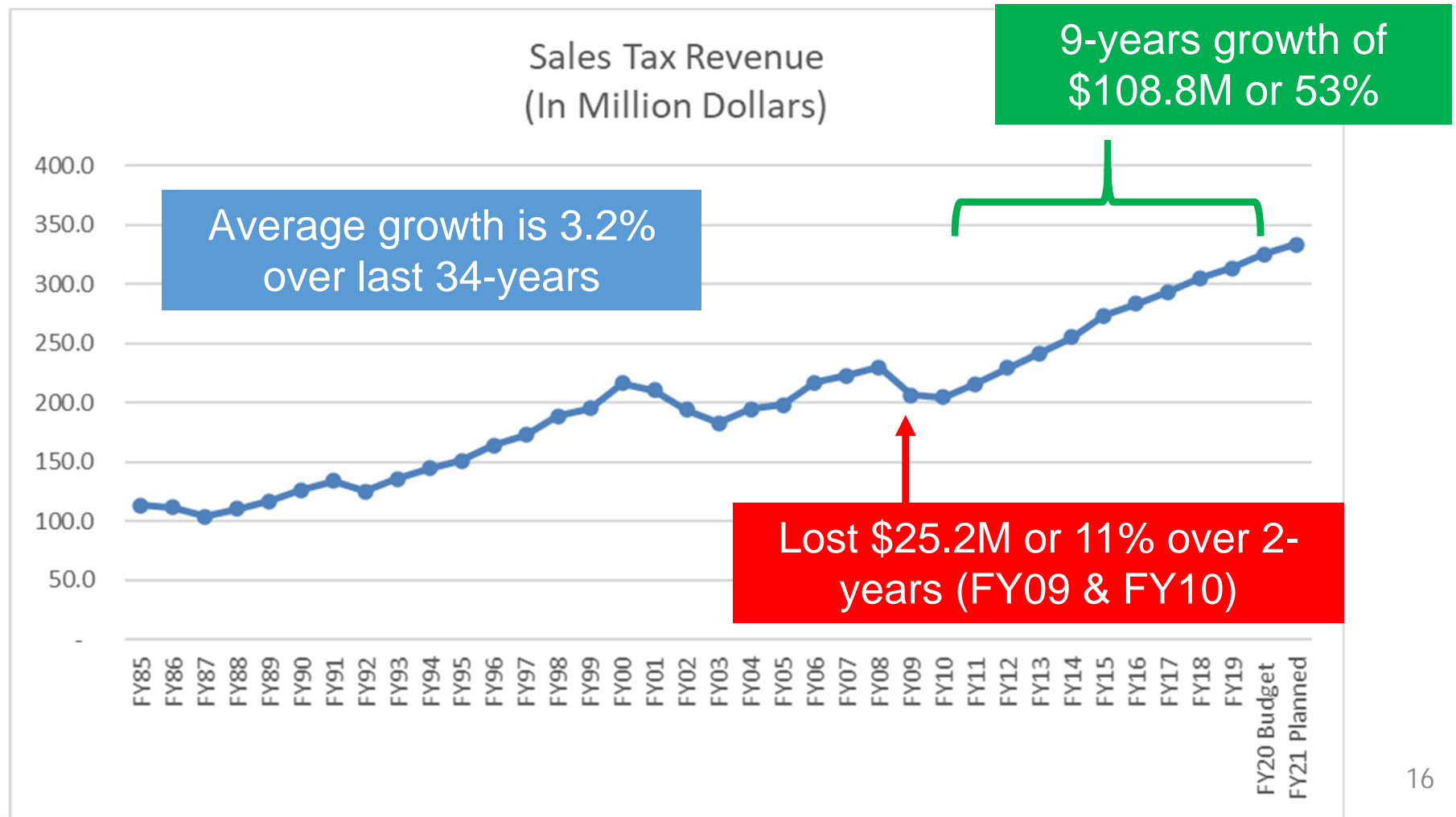
General Fund – FY20 Revenue Impacts

Revenue Sources (in Millions Dollars)	FY20 Budget	Forecast	Variance
Sales Tax – 23%	\$325.6	\$300.4	(\$25.2)
Property Tax – 55%	\$787.4	\$788.3	\$0.9
Franchise – 9%	\$129.3	\$122.4	(\$6.9)
Charge for Services – 8%	\$115.2	\$110.2	(\$5.0)
Other – 5%	\$80.7	\$83.1	\$2.4
Totals	\$1,438.2	\$1,404.4	(\$33.8)

Note: Based on Budget Accountability Report as of 2/29/20.

15

Sales Tax History



16

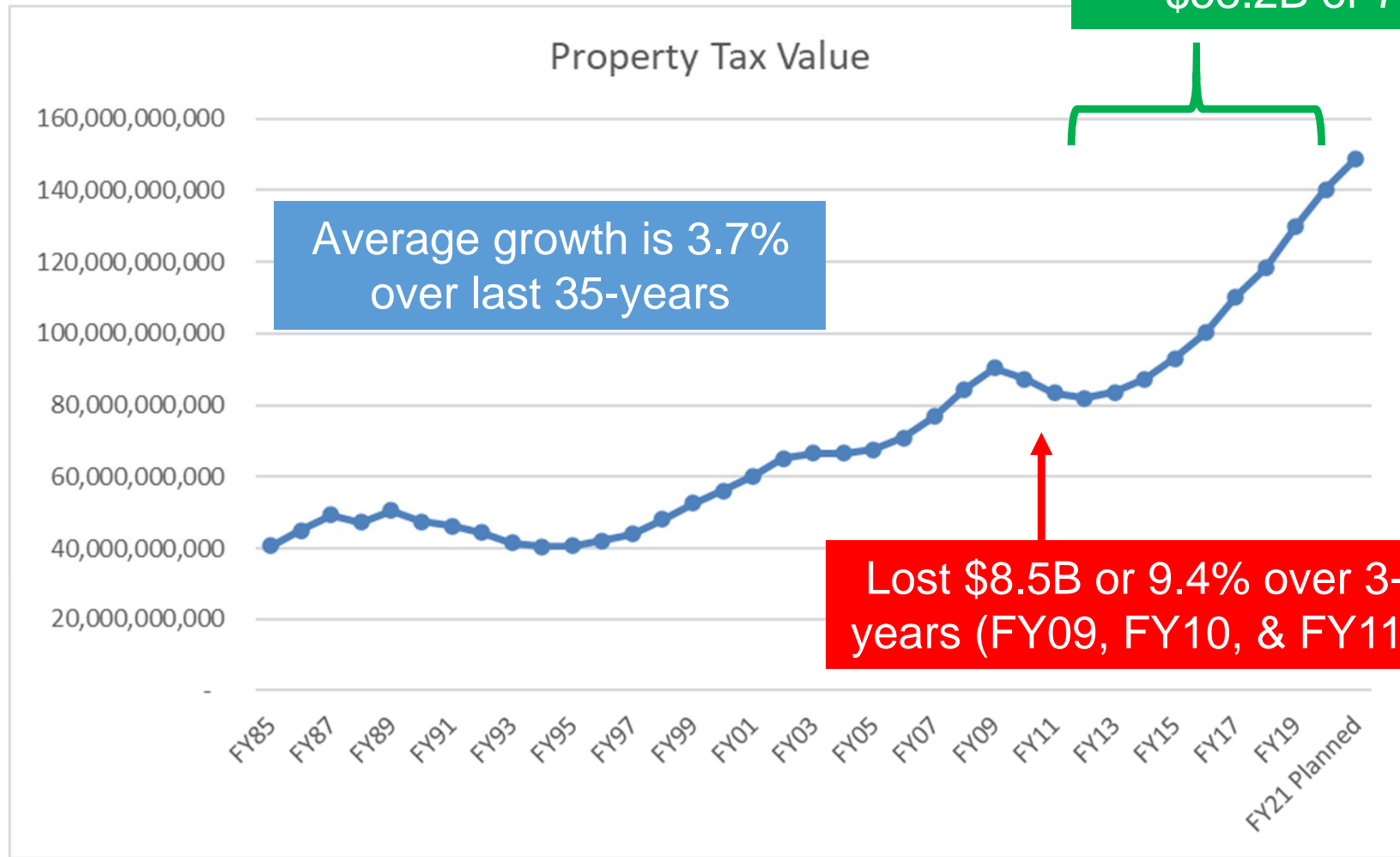
Sales Tax Forecast

- Sales tax revenue will decline due to COVID-19
- Forecasting the impact is uncertain since pandemic has not been experienced in over 100 years and dynamics may differ from Great Recession
- City's contract economist is considering both the depth and duration of the economic crisis

Sales Tax Forecast

- The State may send March sales tax revenue as soon as today (May 6), giving us the first indication of impact
 - FY20 forecast will be updated as more data becomes available
- Economist has currently forecast that revenue will be \$25.2 million less than budget this fiscal year
 - Based on “best guess” estimates of impact on NAICS categories
 - March thru June – adverse decline (18.4% decline year over year)
 - July thru Oct – moderate decline (12.3% decline year over year)
- FY21 forecast will be developed over Summer

Property Tax History



19

Property Tax Forecast

- 98% of property tax revenue has already been collected for FY20 since taxes were due by January 31, 2020
- Collin, Dallas, Denton, and Rockwall Central Appraisal Districts are currently going through annual process which will result in our Certified Values for FY21 upon which we base our revenue
 - Notices for Real Property are expected to be mailed on May 15, and property owners may file protest within 30-days
 - Notices for Business Personal Property (BPP) are expected to be mailed on May 29, and protests may be filed within 30 days
 - Preliminary estimates should be available to the City in mid/late May
 - Certified values are expected on July 27 - if more than 10% is still in dispute, then the total is considered an estimate until the Chief Appraiser can certify 90%
 - As a result of 2020 emergency declaration, the effective tax rate may be calculated with 8% growth rather than capped at 3.5% growth per Senate Bill 2 (SB2)

Actions Taken to Mitigate Revenue Loss

- Recent Budget Accountability Report (BAR) forecasts \$33.8 million revenue loss, offset by \$9.4 million expense savings, leaving \$24.4 million shortfall
- Based on action taken thus far, \$9.4 million net savings is forecast to offset revenue loss
 - Hiring freeze implemented on March 19, along with travel ban, restrictions on non-mission critical spending, and other reductions (\$15.5 million savings)
 - DPD is anticipated to end FY20 with 97 officers more than planned in FY20 budget (\$6.1 million cost)

21

Future Actions to Consider

- Identify expenses that are COVID-19 related and utilize the Coronavirus Relief Fund as appropriate/eligible
- Expand hiring freeze, restrict use of temporary staff, and eliminate overtime
- Eliminate department funding for budgeted activities that can no longer be performed due to redeployment to COVID-19 response or mitigation
- Reopen City facilities on a limited basis, once prepared to open safely
- Reduce pay-as-you-go cash expenditures for street/alley improvements and bike lanes
- Reduce stipends for partner facilities that are not delivering services to residents due to closures

22

Department of Aviation (AVI)



AVI – FY20 Revenue Impacts

Revenue Sources (in Millions Dollars)	FY20 Budget	Forecast	Variance
Airlines Revenues	\$82.3	\$69.7	(\$12.6)
Non-Airline Revenues	\$74.8	\$47.1	(\$27.7)
Interest Revenue	\$0.8	\$0.8	0
Totals	\$157.9	\$117.6	(\$40.3)

AVI – FY20 Adopted Budget – \$157.9 million

Revenue	Amount
TNC/GT	\$2,105,500
Concessions (Retail, F&B & others)	\$16,430,232
Parking	\$32,675,255
Car Rental	\$11,684,212
Ground Rent Revenue	\$10,420,401
Others	\$1,446,305
Interest Revenue	\$835,415
Non-Signatory Airlines Landing Fees	\$2,000,000
GA Landing Fees	\$4,000,000
DAL Terminal Rental	\$48,611,094
Charges - Landing Fees	\$27,703,532

Expenditure	Amount
Salaries	\$24,175,818
Supplies	\$8,296,911
Public Safety	\$18,761,804
Debt Service Payment	\$39,326,501
Other Contracts	\$61,680,634
Pension Bond Debt Service	\$1,178,750
Server / Fleet Purchases	\$4,491,528

25

AVI – Bookings – Historical Data

FY20 BOOKINGS HISTORICAL DATA

BOOKINGS 4/20/2020

926

BOOKINGS 4/20/2019

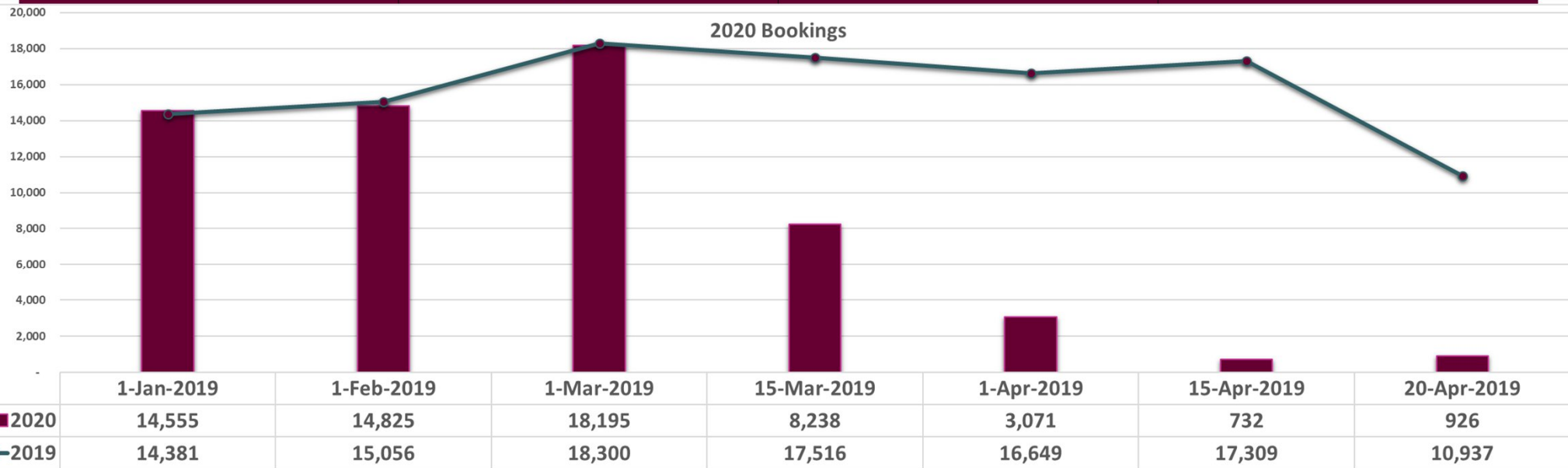
10,937

DECLINE IN BOOKINGS

-10,011

PERCENTAGE DECLINE

91.53%



AVI – Enplanement Forecasts

FY20 & FY21 BOOKINGS PROJECTIONS

DAILY BOOKINGS

DAILY AVERAGE

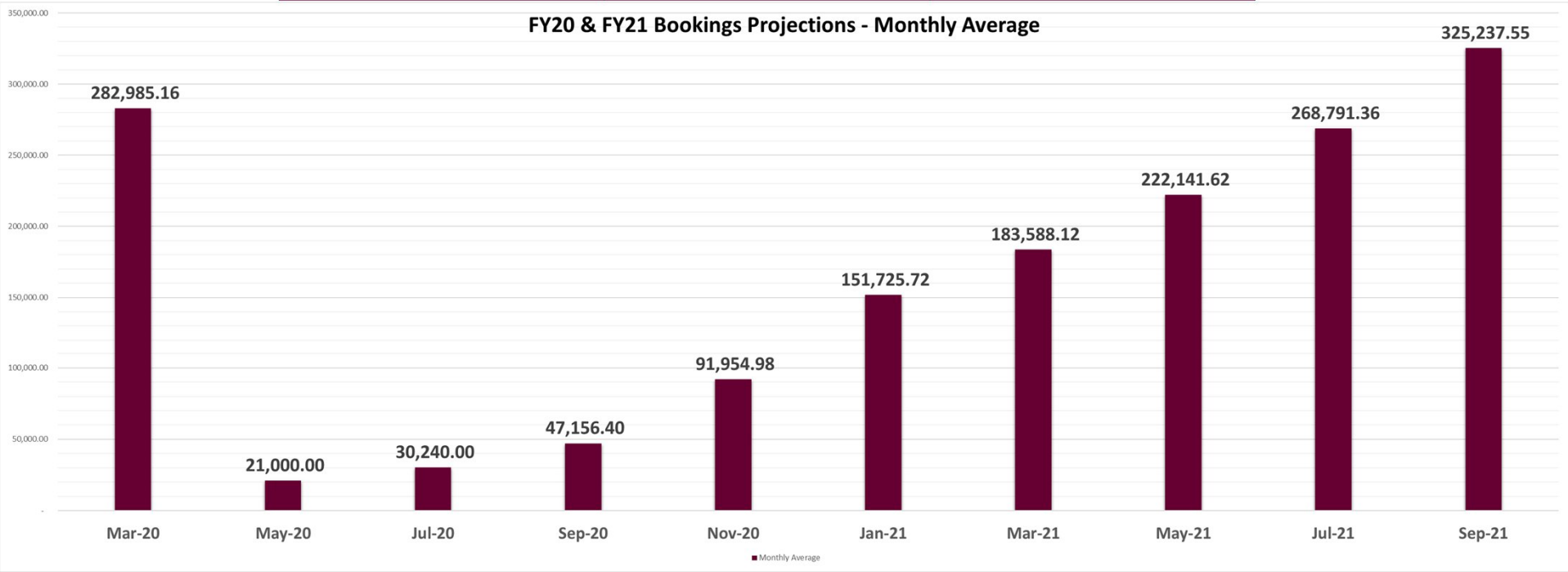
14,503

MONTHLY AVERAGE

217,539

PROJECTED YEAR TOTAL

4,715,872



AVI – Airport Revenue Impact

- Revenue per enplaned passenger

Non-Airline Revenue Source	Before COVID-19	After COVID-19 (Mar 17 – Apr 17)	Variance
Concessions	\$10.15	\$8.03	(\$2.12)
Transportation Network	\$0.30	\$0.05	(\$0.25)
Parking	\$3.18	\$1.25	(\$1.93)
Totals	\$13.63	\$9.33	(\$4.30)

AVI – Reductions to Mitigate Revenue Loss

- Hiring freeze and suspended temporary services (\$5 million)
- Reduced operating expenses including marketing, utilities, commodities, non-essential building maintenance, and contracts (\$11 million)
- Reduced transfer to AVI capital improvement fund (\$6 million)
- Reduced Police and Fire presence in airport (\$2 million)

AVI – Partner Relief Considerations

- Concessionaires: forgivable deferment of rent for 90 days, allowing them to reduce hours of grab and go locations and close locations based on decrease in enplanements and Dallas County orders
- Fixed Based Operators: forgivable deferment of rent for 90 days
- All: on March 18, discontinued remote parking and shuttle service to allow all partners' employees who work in the terminal to park in garages B/C to support social distancing
- All: staged a second badging office in the terminal for partner convenience and easy access

30

AVI – Allocation of Federal CARES Funds

Uses for the CARES Act Allocations	Amount (in Million Dollars)
Fund remaining FY20 operating and maintenance expenses	\$19.8
Hold for FY20 Debt Service	\$10.0
Fund mission critical capital projects scheduled for FY20	\$4.0
Debt Service Payment FY21	\$20.0
Total	\$53.8

Vertiport \$1,000

Dallas Executive \$69,000

Dallas Love \$53,813,334

31

AVI – FY21 Strategies

- Continue hiring freeze for non-operational positions
- Reduce operating expenses including temporary services, marketing, utilities, commodities, non-essential building maintenance, and contracts
- Reduce transfer to Capital Improvement Fund
- Reduce Police and Fire General Fund reimbursements
- Use CARES Act to pay May 2021 debt service payment
- Continue to analyze enplanements (Cost / Revenue per enplanement)
- Refinance 2010 Bond for interest savings

32

Convention and Event Services (CES)



CES – FY20 Revenue Impacts

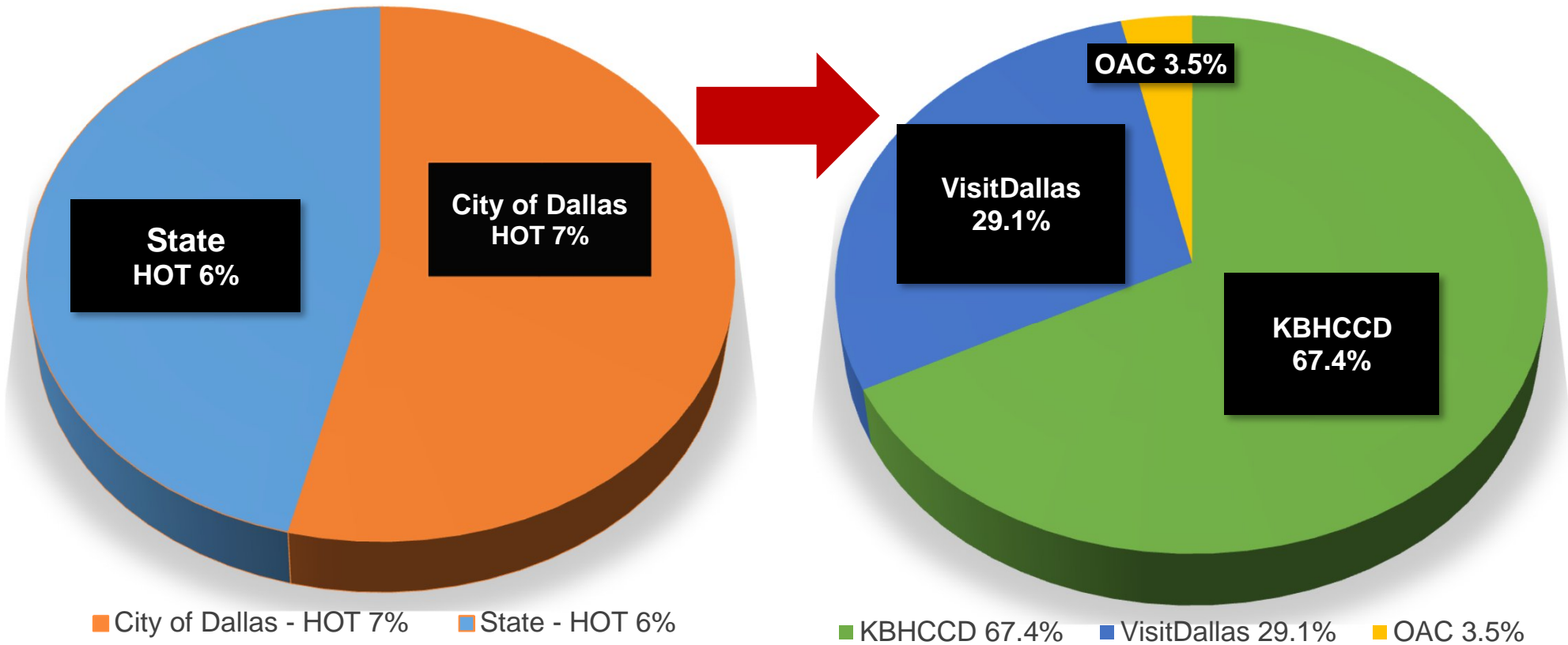
Revenue Sources (in Millions Dollars)	FY20 Budget	Forecast	Variance
Hotel Occupancy Tax (HOT)	\$66.4	\$30.1	(\$36.3)
Alcohol and Beverage Tax	\$14.4	\$10.1	(\$4.3)
Event and Other Revenues *	\$33.6	\$26.5	(\$7.1)
Totals	\$114.4	\$66.7	(\$47.7)

* Event and Other Revenues includes space rental, food and beverage, convention center parking, audio/visual set-up fees, electrical fees, property leases, and City Hall parking garage revenue

CES – Hotel Occupancy Tax (HOT) Rate

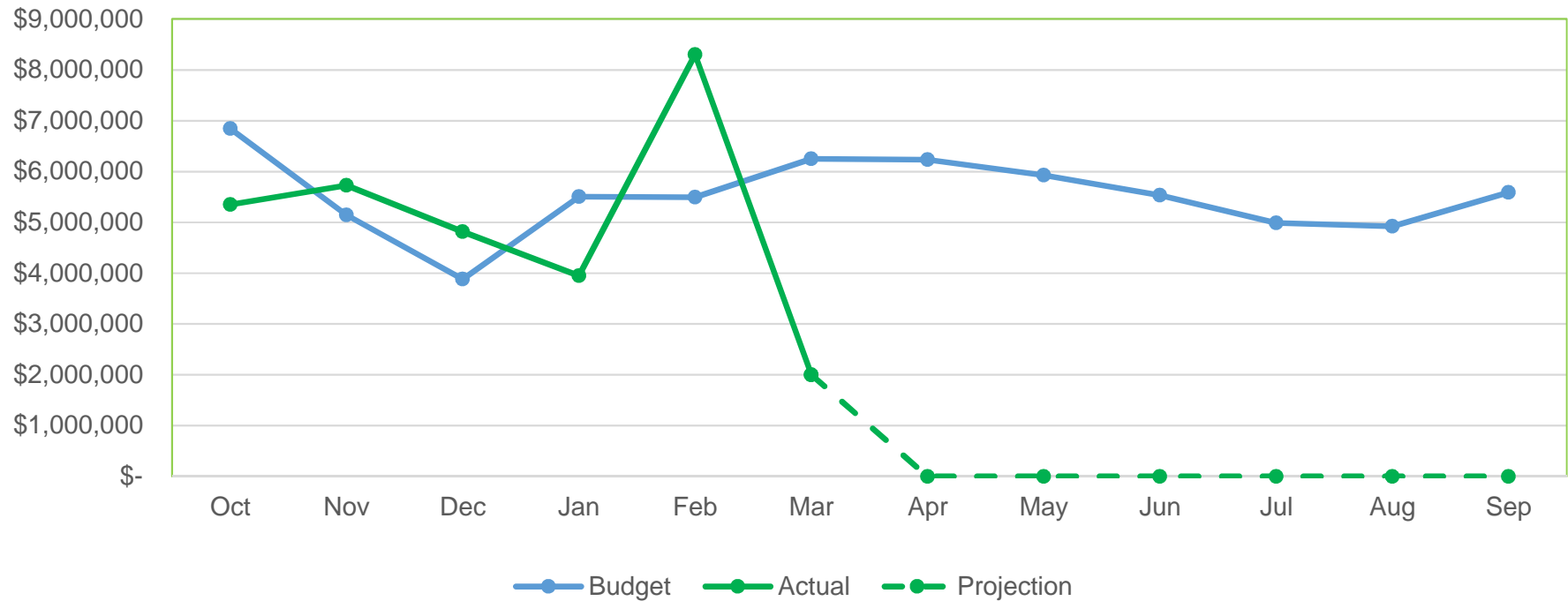
HOT Rate = 13%

HOT Allocation



Although not yet reflected in the ordinance, in November 2019, the City Council approved an Amended and Restated contract with VisitDallas that increased the Office of Arts and Culture (OAC) allocation by adding an additional .09% to their budget through a direct allocation from VisitDallas. 35 Additionally, \$500k of the existing allocation to VisitDallas is returned to Convention and Event Services for capital improvements.

CES – HOT Revenue



FY20 (in Million Dollars)	Budget	Actual/Projection	Variance
October to February	\$27.0	\$28.1	\$1.1
March to September	\$39.4	\$2.0	(\$37.4)
Total	\$66.4	\$30.1	(\$36.3)

36

CES – HOT Revenue (continued)

Ordinance Category (in Million Dollars)	Budgeted	Adjusted Disbursement	Percentage Distribution
CES Debt Service and Operations	\$44.8	\$20.3	67.4%
VisitDallas	\$19.9	\$8.8	29.1%
Office of Arts & Culture (OAC)	\$1.7	\$1.0	3.5%
Budgeted and Adjustment Totals	\$66.4	\$30.1	



37

CES – Balancing FY20 and Moving into FY21

- Action taken to address revenue loss:
 - Prioritized annual debt service payment of \$23.5 million and continuity of KBHCCD operations
 - Proportionally reduced HOT disbursements, in alignment with the existing ordinance, to VisitDallas and OAC
 - Reduced OAC capital transfer from \$1.45 million to \$0
 - Zeroed out KBHCCD capital fund transfer from \$14.4 million to \$0
 - Canceled non-safety related capital projects planned for FY20
 - Anticipate re-appropriating CES capital improvement funds to balance FY20 budget

38

CES – Balancing FY20 and Moving into FY21

- Preparing for FY21
 - Integral to rightsizing the CES FY21 budget is the ability to maintain stable relationships with its existing KBHCCD clients
 - Both VisitDallas and Spectra play huge roles in the continuity of relationships required to sell, market and rebook the KBHCCD calendar.

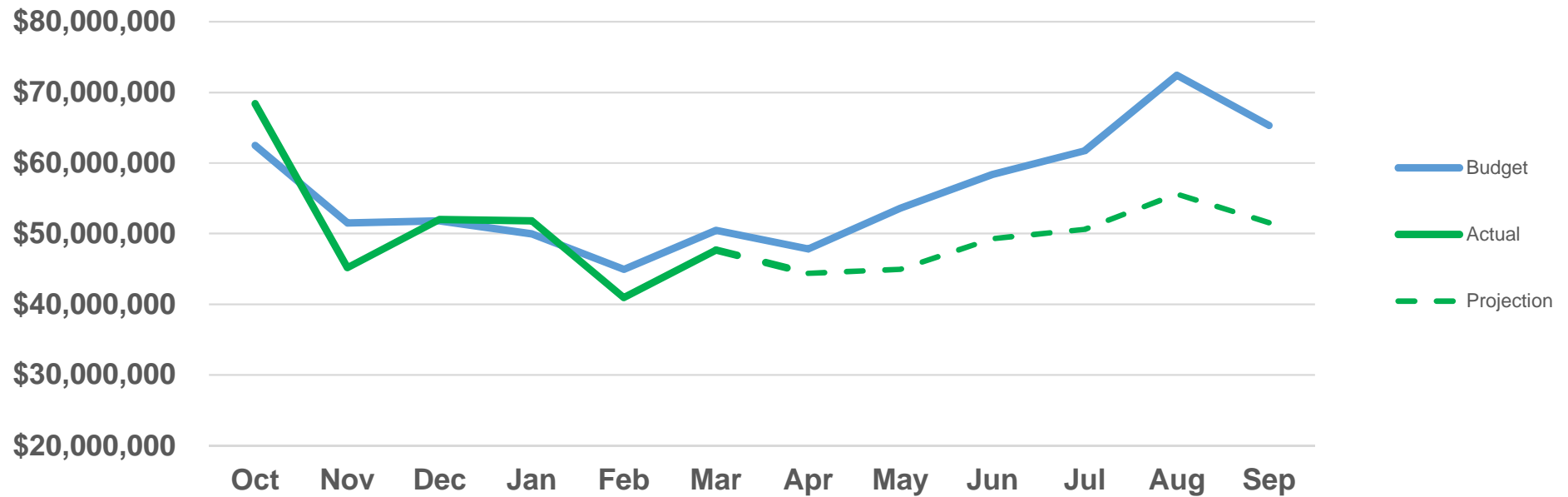
Dallas Water Utilities (DWU)



DWU – FY20 Revenue Projections

Revenue Sources (in Million Dollars)	FY20 Budget	Forecast	Variance
Interest Income	\$5.0	\$6.5	\$1.5
Water Revenues	\$402.1	\$358.0	(\$44.1)
Wastewater Revenues	\$258.8	\$228.8	(\$30.0)
Other Operating Revenues	\$3.7	\$8.2	\$4.5
Contributions	\$0.9	\$1.0	\$0.1
Totals	\$670.5	\$602.5	(\$68.0)

DWU – FY20 Revenue Projections



FY20 (in Million Dollars)	Budget	Forecast	Variance
October to March	\$311.2	\$306.1	(\$5.1)
April to September	\$359.3	\$296.4	(\$62.9)
Total	\$670.5	\$602.5	(\$68.0)

42

DWU – Actions Taken to Address Revenue Loss

- Hiring freeze for non-critical positions
- Restricted all non-essential spending
- Deferred capital projects to later in fiscal year
- Evaluating cash transfers to construction

DWU – Expense Summary

Expense Category (in Million Dollars)	FY20 Budget	Forecast	Variance
Personnel Services	\$110.6	\$107.4	(\$3.2)
Supplies & Materials	\$95.0	\$90.1	(\$4.9)
Contractual Services	\$356.3	\$356.1	(\$0.2)
Street Rental	\$33.7	\$29.2	(\$4.5)
Capital Transfers	\$90.0	\$34.8	(\$55.2)
Capital Outlay	\$4.7	\$4.7	0
Reimbursements	(\$9.1)	(\$9.1)	0
Totals	\$681.2	\$613.2	(\$68.0)

44

Sustainable Development and Construction (SDC)



SDC – FY20 Revenue Impacts

Revenue Sources (in Millions Dollars)	FY20 Budget	Forecast	Variance
Certificate of Occupancy	\$1.2	\$1.0	(\$0.2)
Plan Review	\$4.1	\$3.2	(\$0.9)
Commercial Building Permits	\$2.0	\$1.6	(\$0.4)
Commercial Remodel	\$11.0	\$8.9	(\$2.1)
Single Family Building Permits	\$2.2	\$1.7	(\$0.5)
Residential Remodel	\$4.2	\$3.4	(\$0.8)
Multi Family Building Permit	\$1.7	\$1.4	(\$0.3)
Other	\$7.0	\$6.3	(\$0.7)
Totals	\$33.4	\$27.5	(\$5.9)

46

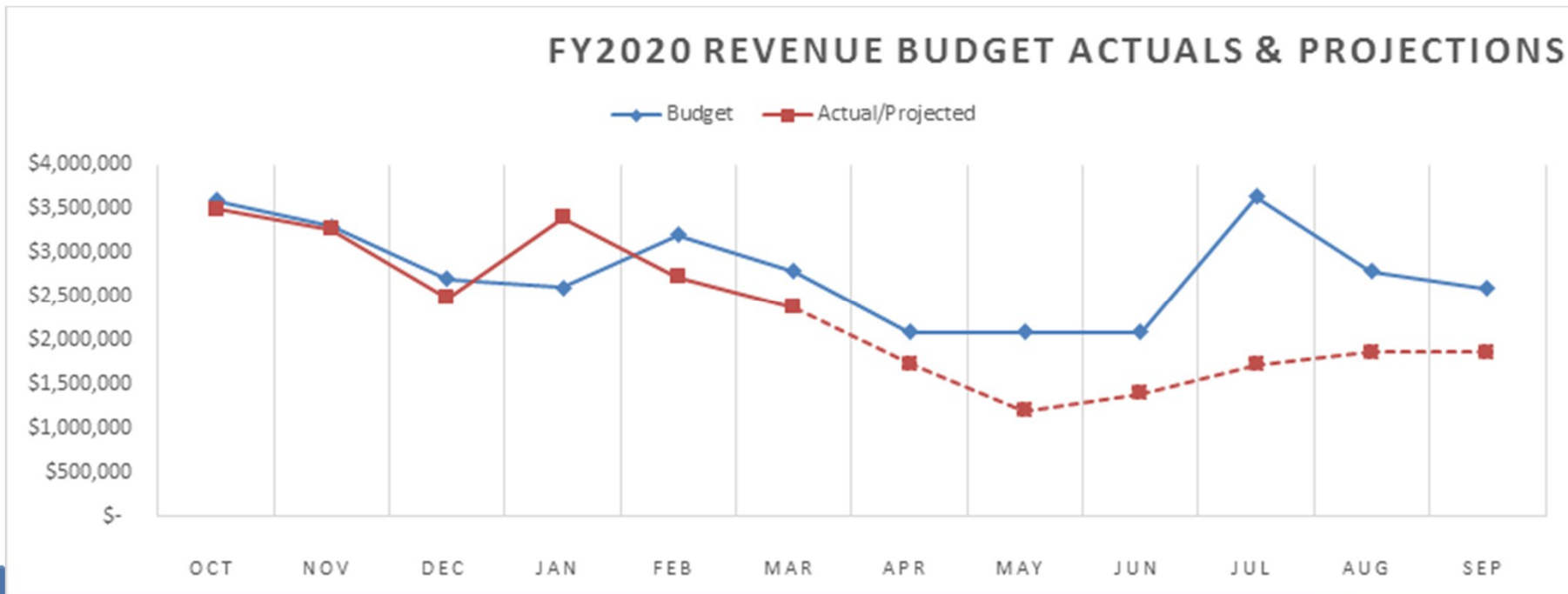
COVID-19 Impacts on Development

- Did not issue permits in the month of April for elective additions and maintenance prohibited by county order
- Continued to accept and review all plans to facilitate development once the order was lifted
- Resumed issuing permits for elective additions and maintenance on May 1
- General downturn in submittals
- Monitoring with development community on any other impacts such as material shortages

47

COVID-19 Budget Impacts

- Projecting 30% reduction in anticipated revenues in the third quarter, followed by a slow recovery as a result of COVID-19



48

Sustainable Development & Construction Revenue Impact

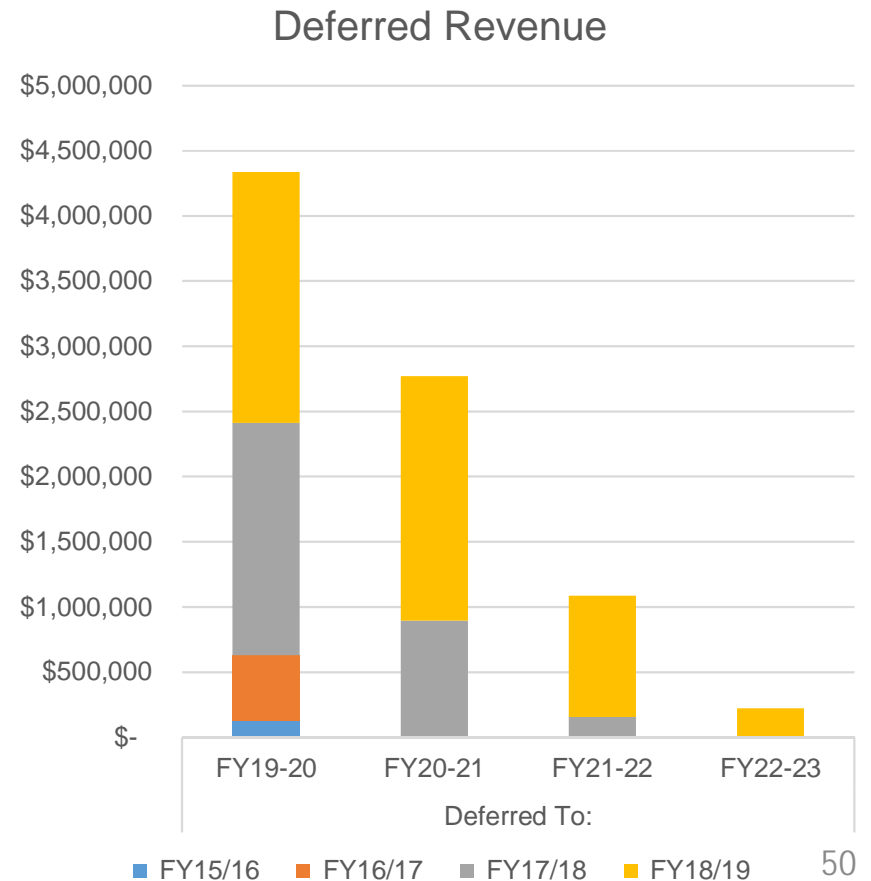
FY20 (in Million Dollars)	Budget	Actual / Projections	Variance
Oct - Mar	\$18.1	\$17.7	(\$0.4)
Apr - Sept	\$15.3	\$9.8	(\$5.5)
Total	\$33.4	\$27.5	(\$5.9)

49

Economic Downturn Strategy

Implemented Post 2008 Recession

- Defer fee revenue for multi-year projects to ensure adequate funding for field inspections related to the project



Other Actions Taken to Address Revenue Shortfall

- Suspended purchasing and other operating expenses to the most critical needs
- Limited hiring to the most critical positions
- Reallocating existing staff to address department critical needs

Next Steps



Next Steps

- Continue to monitor and analyze revenue and expense forecasts
- Seek and advocate for additional and flexible federal funds to mitigate economic crisis
- Provide additional update on June 17
- Present City Manager's recommended budget for FY21 and FY22 biennial on August 11

End Note: Any statements made in this presentation that are not historical or current facts are “forward-looking statements.” These statements are based on assumptions and analyses made by the City in light of its experience and perception of historical trends of the City, current conditions, expected future developments, and other factors it believes are appropriate under the circumstances. However, whether actual results and developments conform to expectations and predictions is subject to a number of known and unknown risks and uncertainties, as well as additional factors beyond the City’s control. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the City’s revenues or operations. All forward-looking statements made herein are qualified by these cautionary statements.

Coronavirus Impact on FY 2019-20 Budget

City Council Briefing – May 6, 2020

Elizabeth Reich
Chief Financial Officer

- Jack Ireland, Office of Budget
- Mark Duebner, Department of Aviation
- Rosa Fleming, Convention & Event Services
- Terry Lowery, Dallas Water Utilities
- Kris Sweckard, Sustainable Development & Construction

