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CITY SECRETARY
DALLAS, TEXAS

City of Dallas

Public Notice

1500 Marilla Street, Room 6ES
Dallas, Texas 75201

200442

POSTED CITY SECRETARY
DALLAS, TX

Government Performance and Financial Management Committee

May 26, 2020

1:00 PM

2020 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
ECONOMIC DEVELOPMENT Atkins (C), Blewett (VC), Gates, McGough, Narvaez, Resendez, West	**ENVIRONMENT AND SUSTAINABILITY** Narvaez (C), Atkins (VC), Blackmon, Blewett, Gates
GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT Gates (C), Mendelsohn (VC), Arnold, Bazaldua, Kleinman, Narvaez, Thomas	**HOUSING AND HOMELESSNESS SOLUTIONS** West (C), Thomas (VC), Arnold, Blackmon, Kleinman, Mendelsohn, Resendez
PUBLIC SAFETY McGough (C), Arnold (VC), Bazaldua, Blewett, Medrano, Mendelsohn, Thomas	**QUALITY OF LIFE, ARTS, AND CULTURE** Arnold (C), Gates (VC), Atkins, Narvaez, West
TRANSPORTATION AND INFRASTRUCTURE Kleinman (C), Medrano, (VC), Atkins, Bazaldua, Blewett, McGough, West	**WORKFORCE, EDUCATION, AND EQUITY** Thomas (C), Resendez (VC), Blackmon, Kleinman, Medrano
AD HOC JUDICIAL NOMINATING COMMITTEE McGough (C), Blewett, Mendelsohn, Narvaez, West	**AD HOC LEGISLATIVE AFFAIRS** Johnson (C), Blackmon (VC), Atkins, Gates, Mendelsohn
AD HOC COMMITTEE ON COVID-19 ECONOMIC RECOVERY AND ASSISTANCE Thomas (C), Blackmon, Atkins, Bazaldua, Kleinman, Medrano, West	**AD HOC COMMITTEE ON COVID-19 HUMAN AND SOCIAL RECOVERY AND ASSISTANCE** McGough (C), Mendelsohn, Arnold, Blewett, Gates, Narvaez, Resendez

(C) – Chair, (VC) – Vice Chair

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

This Government Performance and Financial Management Committee meeting will be held by videoconference.
The meeting will be broadcast live on Spectrum Cable Channel 95 and online at bit.ly/cityofdallastv.
The public may also listen to the meeting as an attendee at the following videoconference link:
https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=efd6f79e50f5ecb3222e012eb6f8fa3dc.

Call to Order

MINUTES

1. 20-1050 Approval of the March 23, 2020 Government Performance and Financial Management Committee Meeting Minutes

Attachments: Minutes

BRIEFING ITEMS

2. 20-1051 Office of the City Auditor: Preliminary Fiscal Year 2020-2021 Budget Proposal
[Mark S. Swann, City Auditor]

Attachments: Presentation

3. 20-1055 Dallas First Procurement
[Chhunny Chhean, Director, Procurement Services]

Attachments: Presentation

4. 20-1056 Amendment to the Dallas City Code to Allow Usage of Reforestation Funds for Planting Trees on Private Property
[Kris Sweckard, Director, Sustainable Development & Construction]

Attachments: Presentation
Draft Ordinance

5. 20-1054 FY 2019-20 Mid-Year Appropriation Adjustments
[Jack Ireland, Director, and Brittany Burrell, Assistant Director (I), Office of Budget]

Attachments: Presentation

FYI

6. 20-1057 Budget Accountability Report (information as of March 31, 2020)

Attachments: Budget Accountability Report

7. 20-1066 Request for Competitive Sealed Proposal (RFCSP) for External Audit Services for FY 2020 - 2024

Attachments: Memo

8. 20-1086 May 27, 2020 Upcoming Agenda Item #38 - Resolution Authorizing PPE & Disinfectants Purchases

Attachments: Memo

9. 20-1052 Office of the City Auditor: Fiscal Year 2020 Quarter 2 Update: January 1, 2020 - March 31, 2020

Attachments: Briefing
Report
Combined Audit Reports

10. 20-1053 City Auditor Responsibilities and Administrative Procedures Crosswalk

Attachments: Presentation
Draft City Auditor Responsibilities and Administrative Procedures

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 #: 20-1050 **Item #:** 1.

Approval of the March 23, 2020 Government Performance and Financial Management Committee Meeting Minutes

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Government Performance & Financial Management Committee Meeting Record

The Government Performance & Financial Management Committee meetings are recorded.
Agenda materials are available online at **www.dallascityhall.com.** Recordings may be reviewed online at
https://dallastx.swagit.com/government-performance-and-financial-management-committee.
Note: This meeting was conducted via teleconference to comply with a social distancing mandate during a declared state of disaster

Meeting Date: March 23, 2020 **Convened:** 1:05 p.m. **Adjourned:** 2:59 p.m.

Committee Members Present:
Jennifer S. Gates, Chair
Cara Mendelsohn, Vice Chair
Carolyn King Arnold
Adam Bazaldua
Lee Kleinman
Omar Narvaez
Casey Thomas, II

Committee Members Absent:
N/A

Other Council Members Present:
Adam McGough
Jaime Resendez

AGENDA

CALL TO ORDER

1. **Consideration of the February 24, 2020 Meeting Minutes**
   Action Taken/Committee Recommendation(s): A motion was made to approve the minutes for the February 24, 2020 Government Performance & Financial Management Committee meeting. The motion passed unanimously.

   Motion made by: Lee Kleinman Motion seconded by: Adam Bazaldua

BRIEFINGS

2. **Communications relating to the FY 2019 Audit**
   Presenter(s): Dan Barron, Partner, Natalie Wood, Experienced Senior Manager, and Aftab Hemani, Experienced Manager, Grant Thornton
   Action Taken/Committee Recommendation(s): Dan Barron presented a briefing from the City's external auditors wrapping up the FY 2019 audit. There were questions about recurring IT findings, pension liability changes, and Continuum of Care documentation. Information only.

3. **Dallas Central Appraisal District FY 2020-21 Proposed Budget**
   Presenter(s): Cheryl Jordan, Director of Community Relations, Ken Nolan, Chief Appraiser, and Randy Scott, Director of Administration, Dallas Central Appraisal District
   Action Taken/Committee Recommendation(s): Chief Appraiser Ken Nolan presented the Dallas Central Appraisal District proposed budget for FY 2020-21. He explained that many of the increased expenses arose from unfunded mandates from the last legislative session, and asked for input about timelines for conducting hearings and reappraisals.

4. **Consider Proposed Amendment to Section 8-1.4, "Qualifications," of the Dallas City Code, "Boards and Commissions," deleting the requirement that a board or commission member must be a qualified voter in the city at the time of appointment**
   Presenter(s): Tammy Palomino, Sr. Executive Assistant City Attorney
   Action Taken/Committee Recommendation(s): A motion was made to move the item forward to full council with recommendation for approval. The motion prevailed unanimously.

   Motion made by: Omar Narvaez Motion seconded by: Lee Kleinman

DRAFT

5. **Consider Proposed Amendment to Section 8-1.4, "Qualifications," of the Dallas City Code, "Boards and Commissions," providing a waiver provision for special qualifications for appointees**
   Presenter(s): Tammy Palomino, Sr. Executive Assistant City Attorney
   Action Taken/Committee Recommendation(s): A motion was made to move the item forward to full council with recommendation for approval. The motion prevailed on a 6-1 vote.

   Motion made by: Adam Bazaldua Motion seconded by: Omar Narvaez

Voting in Favor	Voting Against
Bazaldua, Narvaez, Kleinman, Arnold, Mendelsohn, Gates	Thomas

FYI

6. **Budget Accountability Report (Information as of January 31, 2020)**
   Presenter(s): N/A
   Information Only: X
   Action Taken/Committee Recommendation(s): N/A

7. **Quarterly Investment Report (Information as of December 31, 2019)**
   Presenter(s): N/A
   Information Only: X
   Action Taken/Committee Recommendation(s): N/A

ADJOURN

APPROVED BY:

Jennifer S. Gates, Chair
Government Performance & Financial Management Committee

ATTESTED BY:

Anne Lockyer, Coordinator
Government Performance & Financial Management Committee

DRAFT

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1051 **Item #:** 2.

Office of the City Auditor: Preliminary Fiscal Year 2020-2021 Budget Proposal
[Mark S. Swann, City Auditor]

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Office of the City Auditor

Preliminary Fiscal Year 2020-2021 Budget Proposal

May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

Preliminary Budget Proposal – City Charter

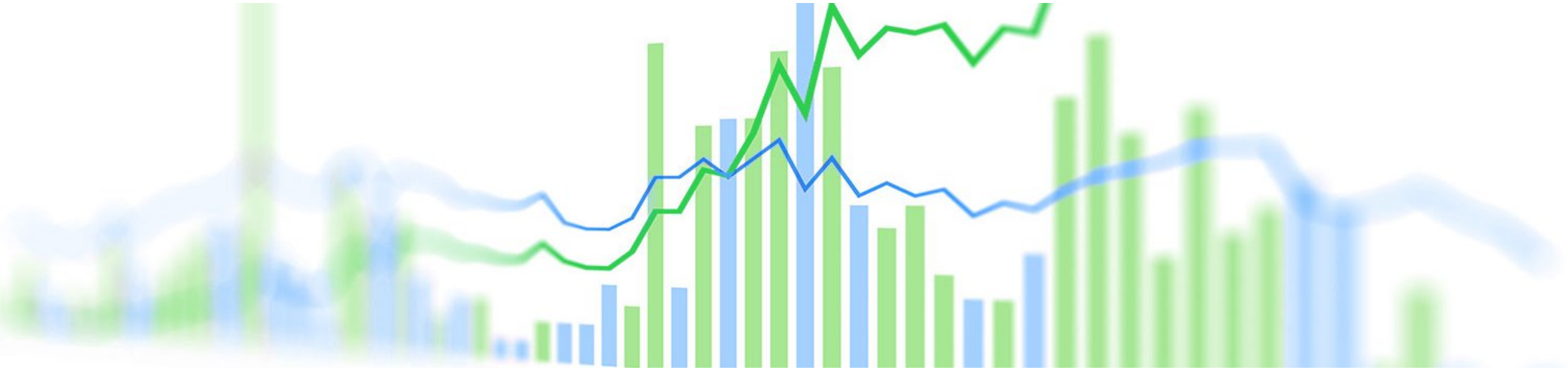
- The Office of the City Auditor is established by the City of Dallas Charter, Chapter IX as an independent audit function with the primary responsibility of serving at the direction of the City Council.
- Proposition 5 (11-04-2014) Amended Chapter XI, Section 2

  "The city auditor shall furnish a detailed budget estimate of the needs and requirements of the Office of the City Auditor for the coming year directly to the city council, to be approved by the city council, and then consolidated with the city manager's annual budget estimate." (Amend. Of 11-08-05, Prop. No. 13; Amend. Of 11-04-14, Prop. No. 5).

Preliminary Budget Proposal

	FY 2019 – 2020 Budget	FY 2020 – 2021 Planned	Reductions	FY 2020-21 Recommended Budget
Personnel Services	$2,881,597	$2,882,619	$(377,412)	$2,505,207
Professional Services	220,730	274,193	(54,984)	219,209
Contractual - Other Services	264,840	282,512		282,512
Supplies - Material	31,756	35,120		35,120
Total Expenses	$3,398,923	$3,474,444	$(432,396)	$3,042,048

Preliminary Budget Proposal – Notable Items



$377,412

Personnel savings with elimination of three staff positions; two of which are senior level management.

24 FTEs Reduced to 21 FTEs

Impact: 4 to 5 Audit Engagements

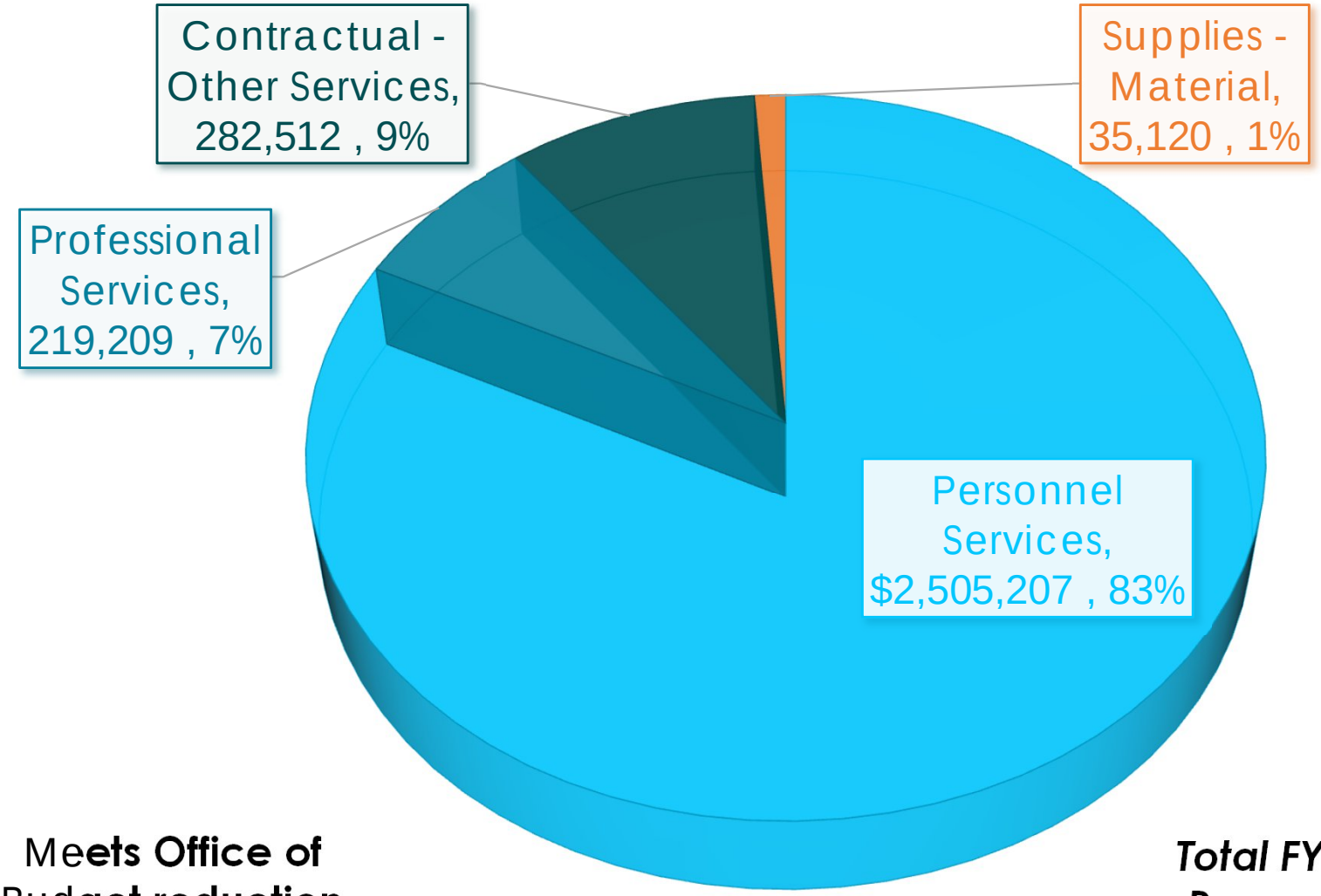
$54,984

Professional Services – Reduction of external auditing/consulting services to augment staff skills.

20% Reduction to $219,209

Impact: 0.5 Audit Engagement

Preliminary Budget Proposal Breakdown



Meets Office of Budget reduction target
$432,396

Total FY2020-2021 Proposed Budget
$3,042,048

Preliminary Budget Proposal – Final Adjustments Needed

- Decision on:
  - Pension costs
  - Healthcare costs
  - Worker's Compensation rates
  - Property, casualty, and public liability insurance
  - Department of Information and Technology Services' chargebacks

Preliminary Budget Proposal – Revenue Impact

- Audits provide oversight of controls supporting operational responsibilities of revenue collections.
- Office of the City Auditor administers outsourced audit of sales/use tax compliance contract.
- Office of the City Auditor administers outsourced audit of utility franchise fees.

Preliminary Budget Proposal – Performance Measures As of May 12, 2020

	FY 2018 – 2019 Target	FY 2018 – 2019 Actual	FY 2019 – 2020 Target	FY 2019 – 2020 YTD Actual
Outputs				
Number of Audit Deliverables	N/A	16	22	12
Percentage of Initial Response for Fraud, Waste, and Abuse Alerts within Three Workdays	N/A	N/A	95%	100%
Efficiency				
Percentage of Available Hours on Direct Projects	N/A	85%	82%	80%

Preliminary Budget Proposal – Outcomes As of May 12, 2020

City management's implementation of Office of the City Auditor's recommendations improves City operations and Delivery of City services.

	FY 2018 – 2019 Target	FY 2018 – 2019 Actual	FY 2019 – 2020 Target	FY 2019 – 2020 YTD Actual
Outcome Measures include:				
Percentage of recommendations Management agrees to implement	100%	87%	90%	88%
Percentage of recommendations implemented in 18 months	N/A	N/A	60%	TBD

Next Steps

- Recommendation to Council from Government Performance and Financial Management Committee for approval of the Office of the City Auditor's proposed preliminary budget estimate of $3,042,048* to be included in the City Manager's annual budget estimate for FY 2020 – 2021.

- City Council Agenda item for Wednesday, June 10, 2020

*Subject to final citywide adjustments, such as staff benefits, insurance, Department of Information Technology Services' chargebacks, and other items that may affect all City departmental budgets.

Office of the City Auditor

Preliminary Fiscal Year 2020-2021 Budget Proposal

May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1055 **Item #:** 3.

Dallas First Procurement
[Chhunny Chhean, Director, Procurement Services]

Dallas First Procurement

Government Performance and Financial Management Committee
May 26, 2020

Elizabeth Reich, Chief Financial Officer
Chhunny Chhean, Director, Office of Procurement Services

City of Dallas

Today's Discussion

- Current local preference policies
  - Low bid procurements, Chapter 2
  - Tie bids/casting of lots
- Dallas First Resolution

Current Local Preference policies

- Dallas City Code Chapter 2–32 (h) states that a preference may be given to local businesses in awarding City contracts through a low bid procurement.

- To be considered for local preference the business must have the following in the City:
  - Headquarters, primary office, an established office, plant, store, warehouse, or other facility where the majority of the business' operations and activities are conducted and located.

Current Local Preference Policies continued…

- Applies when a Dallas firm is within 3%-5% of the lowest bid who is not a local company.
  - 5% of low bid when contract value is < $500k for goods and services.
  - 5% of low bid when contract value is < $100k for construction.
  - 3% of low bid when contract value is ≥$500k for goods only.
  - Both options must be presented to Council and Council may decide to select the local company due to having the best combination of price, economic development benefits, local employment for residents and increased revenue for the city.

Current Local Preference Policies continued…

- Tie bids (state law)
  - Applies to low bids only.
  - Applies when two bidders bid the same cost.
  - Tie goes to the local company.
  - If neither or both are local, Mayor shall cast lots.
- Restrictions
  - Does not apply to federally funded procurements.

Dallas First

- Policy to expand local preference to best value awards and competitive proposals for goods and services contracts.
- Policy would direct the City Manager to create a program that assigns points for creating economic return and value to the Dallas economy by increasing tax revenues.
- Examples include hiring Dallas residents, locating main office or factory in Dallas, hosting conventions in Dallas, and supporting workforce programs.
- Timely in light of the pandemic's economic effects

Dallas First, DRAFT Resolution

- **WHEREAS**, the City of Dallas receives the bulk of its revenues from property, sales, hotel occupancy, and other taxes; and
- **WHEREAS**, increased revenues improve the City's ability to deliver services to its residents; and
- **WHEREAS,** on March 11, 2020, the World Health Organization declared COVID-19 a global pandemic; and
- **WHEREAS**, in response to the pandemic and in the interest of public health and safety of residents, the City, various counties, the State of Texas, and the U.S. government have issued emergency orders, regulations, recommendations, and guidance related to closing schools, restricting travel, persons staying at home except for essential activities, and social distancing; and
- **WHEREAS,** due to the spread of COVID-19, the global and local economy have suffered a tremendous downturn, causing massive unemployment and reduced tax revenues to the City; and

Dallas First, DRAFT Resolution

- **WHEREAS,** for the remainder of Fiscal Year 2020, the City is forecasting revenue losses of about: $34 million to the general fund, $40 million to Aviation, $48 million to Convention and Event Services, $68 million to Dallas Water Utilities, and $6 million to Sustainable Development and Construction; and
- **WHEREAS,** the U.S. Congress approved stimulus funding related to COVID-19 for the City, however, those funds may not be used to cover City revenue shortfalls; and
- **WHEREAS,** due to the economic damage from COVID-19 to the City, the City furloughed almost 500 employees; and
- **WHEREAS,** the loss of City revenues impairs the City's ability to perform its governmental functions and deliver necessary services to its residents; and

Dallas First, DRAFT Resolution

- **WHEREAS**, the pandemic also severely disrupted global supply chains for personal protective equipment and disinfectant items, which directly impacted the City's ability to source those items for first responders and City personnel on the frontlines of the pandemic response; and
- **WHEREAS**, many of the supplies the City needed were held in factories abroad and deliveries to the City were delayed due to overseas shipping and customs issues, which could have been avoided with a stronger local supply chain; and
- **WHEREAS,** the procurement of City contracts provides an opportunity for direct economic stimulus to Dallas; and
- **WHEREAS,** the City, in awarding contracts for necessary government services, is acting as a market participant while performing its governmental functions; and

Dallas First, DRAFT Resolution

- **WHEREAS,** the City, as a market participant spending public funds to perform governmental functions, seeks to ensure maximum economic return and the best value for the City while simultaneously promoting efforts to increase the City's revenues; and
- **WHEREAS,** pursuant to Chapter 252 of the Texas Local Government Code, as amended, Chapter 2269 of the Texas Government Code, as amended, Chapter 2 of the Dallas City Code, as amended, and its home rule authority, the City of Dallas may award a contract for goods and services to the bidder or proposer who provides the most advantageous proposal or the best value for Dallas; and
- **WHEREAS,** the City may consider multiple factors that are relevant and necessary in making a best value or most advantageous award; and
- **WHEREAS,** a relevant and necessary factor is maximizing economic return and value to City taxpayers; and

Dallas First, DRAFT Resolution

WHEREAS, employment of Dallas residents, production of goods or principal place of business in Dallas, and philanthropic work or other activities that create an economic benefit for Dallas residents or increase the City's tax revenues are factors that may maximize economic return and value to Dallas taxpayers and these factors are collectively known as "Dallas First";

Now, Therefore,

Dallas First, DRAFT Resolution

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Council finds that the City, in performing its governmental functions, should seek to maximize economic return and value when expending public funds in the procurement of goods and services by utilizing Dallas First.

SECTION 2. That the City Manager, or the City Manager's designee, is authorized and directed to develop a procurement program that includes Dallas First for contracts awarded by the City for goods and services, which may include, but is not limited to, procuring more contracts through best value awards and proposals.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Program Development

- Resolution would direct staff to develop a procurement program that considers Dallas First.
- That may include more proposals and fewer low bid procurements.
- Increased outreach to internal and external partners re local preference programs.

Educational Outreach & Communication

- Partner with the following internal depts;
  - Business Diversity
  - Information & Technology Services
  - Economic Development
  - Communication, Outreach, & Marketing
  - Strategic Partnerships & Gov't Affairs
- Partner with the following external business & community organizations:
  - Dallas Black Regional Chamber of Commerce – www.dbcc.org
  - Dallas Fort Worth Minority Supplier Development Council – www.dfwmsdc.com
  - Dallas Regional Chamber of Commerce – www.dallaschamber.org
  - Greater Dallas Hispanic Chamber of Commerce – www.gdhcc.com
  - Regional Black Contractors Association – www.blackcontractors.org
  - Regional Hispanic Contractors Association – www.regionalhca.org
  - U.S. India Chamber of Commerce – www.gdiacc.org
  - US Pan Asian American Chamber of Commerce – www.uspaacc-sw.org
  - Women's Business Council – SW – www.wbcsouthwest.org

Next Steps

- Present for Council approval on May 27, 2020.

Dallas First Procurement

Government Performance and Financial Management Committee
May 26, 2020

Elizabeth Reich, Chief Financial Officer
Chhunny Chhean, Director, Office of Procurement Services

City of Dallas

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1056 **Item #:** 4.

Amendment to the Dallas City Code to Allow Usage of Reforestation Funds for Planting Trees on Private Property
[Kris Sweckard, Director, Sustainable Development & Construction]

Amendment to the Dallas City Code to Allow Usage of Reforestation Funds for Planting Trees on Private Property

Government Performance and Financial Management Committee
May 26, 2020

Kris Sweckard, Director
Sustainable Development and Construction
City of Dallas

James McGuire, Director
Environmental Quality & Sustainability
City of Dallas

Presentation Overview

- Purpose
- Background/History
- Issue
- Proposal
- Next Steps

Purpose

- Brief the Committee on current restrictions to planting trees on private property using Reforestation Fund
- Propose amendments to Chapter 51A, the City of Dallas Development Code, to provide a means to use Reforestation Fund to plant trees on private property in certain situations

Background/History

- The tree preservation/conservation requirements of Article X were first adopted by City Council in 1994 and most recently amended in June of 2018
- Article X establishes tree mitigation requirements for trees removed to accommodate development and provides the option of contributing to a reforestation fund to meet mitigation requirements

Background/History

- The reforestation fund may be used for forest management, the acquisition of trees to be planted on public property and the acquisition of wooded property
- Currently, there is no provision to allow the use of funds to plant trees on private property

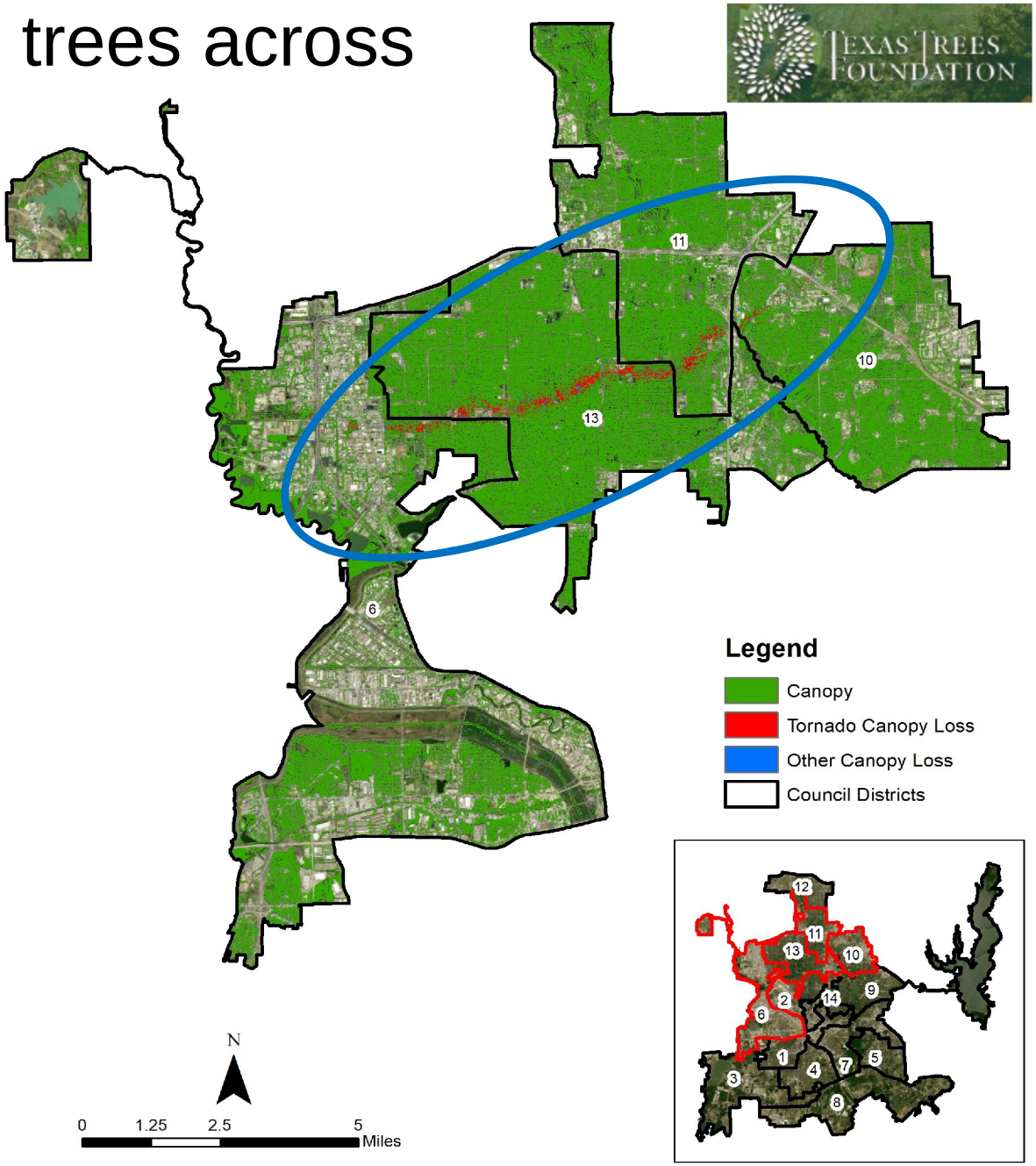
Background/History

- As a result of tornadoes in October 2019, the city's tree canopy suffered severe damage in the path of the storm
- Property owners, the City of Dallas, and partner organizations wish to restore trees lost or severely damaged during the storm
- Texas Trees Foundation (TTF) completed a storm analysis detailing the extent and location of tree loss

Background/History

- ~ 5,000 lost/damaged trees across 4 Council Districts
- ~200 acres canopy lost

Council District	% Tree Canopy Change
13	-2.14%
11	-0.98%
6	-0.57%
10	-0.47%



City Council

Issue

- Section 51A-10.135(i)(2) of the Dallas City Code:
  - "*The director shall administer the reforestation fund to purchase trees to plant on public property, to create an urban forest master plan and to update it periodically, to fund a staff position for managing and directing the fund for planting and urban forest education, or to acquire conservation easements or wooded property*."
- The Code does not currently allow funds to be used to plant trees on private property, per the intent of City Council when the ordinance was originally approved
- As a result of the October 2019 tornadoes, as well as the June 2019 major storm, there is both a strong need and desire to plant on private property

Program Consistency

CECAP GOAL 6: *DALLAS PROTECTS AND ENHANCES ECOSYSTEMS, TREES AND GREEN SPACES THAT IN TURN IMPROVE PUBLIC HEALTH*

- Leverage green spaces to provide climate adaptation benefits
- Increase, enhance and maintain healthy forests, parks, and green spaces
- Integrate nature-based solutions into the public realm as a public health strategy

9 Actions related to ecosystems and green spaces, including debris management and reforestation

Proposal

- In response to natural deforestation events, the director may administer the Reforestation Fund to purchase trees to plant on private property
  - A recorded weather event which causes localized catastrophic tree failure and irreparable structural tree damage resulting in a loss of the urban forest canopy

Proposal

- Must be an existing single-family or duplex use in a residential district
- Located within a declared federal, state, or local disaster area; or declared eligible for reforestation by the City Council

Proposal

- A minimum of one of the following must be provided in determining whether an area has been affected by a natural deforestation event
  - A tree survey or forest stand delineation that meets minimum requirements established by the director
  - Physical evidence by the owners of individual lots documenting individual tree loss

Proposal

- All reforestation tree planting projects on private property must be conducted from October through March
- Property owners are not required to participate in a neighborhood reforestation project to replace damaged or destroyed trees
  - The City will not replace a parkway tree if the adjacent property owner chooses not to receive a tree for a location the property owner must maintain

Proposal

- Replacement trees must be planted on the same property that sustained the tree loss
- The caliper size of replacement trees will be between one and three inches
- Boundary tree replacements must be placed on a single property; two adjoining properties may each qualify for a tree
- Reforestation fund expenditures are limited to the purchase and provision of trees, not to be spent on installation or maintenance

Next Steps

- Schedule a public hearing for full City Council consideration of the proposed amendments to the Development Code

Amendment to the Dallas City Code to Allow Usage of Reforestation Funds for Planting Trees on Private Property

Government Performance and Financial Management Committee
May 26, 2020

Kris Sweckard, Director
Sustainable Development and Construction
City of Dallas

James McGuire, Director
Environmental Quality & Sustainability
City of Dallas

5-20-20

ORDINANCE NO. _____

An ordinance amending Chapter 51A, Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code by amending Section 51A-10.135(i); providing for the purchase of trees for private residential properties affected by a natural deforestation event; providing a penalty not to exceed $2,000; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, the City of Dallas is committed to protecting the public health, safety, and welfare of its residents and leading the region in addressing climate change and environmental efforts; and

WHEREAS, climate change has the potential to lead to disruptions in the City of Dallas's operations and poses risk to infrastructure, the built environment, and public health; and

WHEREAS, Dr. Brian Stone (Georgia Tech) found that Dallas's significant urban heat island effect is amplified by climate change, and that Dallas is warming at a rate that is the third highest in the nation in a 2017 report for the Texas Trees Foundation; and

WHEREAS, actions taken to mitigate climate change can also have the effect of improving regional air quality and otherwise providing better quality of life for current and future generations of Dallas residents; and

WHEREAS, on June 27, 2018, the City of Dallas adoped the Landscape and Urban Forest Conservation Ordinance to add additional protection for trees within the urban forest canopy in Dallas through Resolution No. 18-0977; and

DRAFT

WHEREAS, the *Resilient Dallas* plan, adopted by the Dallas City Council on August 8, 2018 through Resolution No. 18-1026 identified efforts to reduce emissions and mitigate the impacts of climate change as part of the strategy to make Dallas neighborhoods and our community thrive; and

WHEREAS, the city council, in accordance with the Charter of the City of Dallas, the state law, and the ordinances of the City of Dallas, have given the required notices and have held the required public hearings regarding this amendment to the Dallas City Code; Now, Therefore, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS: SECTION 1. That Subsection (i), "Reforestation Fund," of Section 51A-10.135, "Alternative Methods of Compliance With Tree Replacement Requirements," of Division 51A-10.130, "Urban Forest Conservation" of Article X, "Landscape and Tree Conservation Regulations," of Chapter 51A, "Dallas Development Code: Ordinance No. 19455, as amended," of the Dallas City Code is amended to read as follows:

"(i) Reforestation fund.

(1) General.

(A) Mitigation requirements may be met by making a payment into a special city account, to be known as the Reforestation Fund in accordance with this subsection.

(B[~~2~~]) [~~The director shall administer the reforestation fund to purchase trees to plant on public property, to create an urban forest master plan and to update it periodically, to fund a staff position for managing and directing the fund for planting and urban forest education, or to acquire conservation easements or wooded property. A minimum of 50 percent of all funds provided for each fiscal year must be available to planting trees on public property or to acquire conservation easements or wooded property.~~

~~(3~~])] The amount of the payment required is calculated by using the formula for appraising the value of a tree, as derived from the most recent edition of the *Guide for Plant Appraisal* published by the Council of Tree & Landscape Appraisers, unless another publication is designated by the building official. If more than one tree is being removed or seriously injured or not planted, the values of the trees are added when calculating the payment required.

(C[4]) All property purchased through this fund must be located within the city of Dallas.

(2) Administration.

(A) Except as provided in this paragraph, the director shall administer the reforestation fund to purchase trees to plant on public property, to create an urban forest master plan and to update it periodically, to fund a staff position for managing and directing the fund for planting and urban forest education, or to acquire conservation easements or wooded property. A minimum of 50 percent of all funds provided for each fiscal year must be available to planting trees on public property or to acquire conservation easements or wooded property.

(B) Exception for natural deforestation events. In response to natural deforestation events, the director may administer the reforestation fund to purchase trees to plant on private property.

(i) Definition. In this paragraph NATURAL DEFORESTATION EVENT means a recorded weather event which causes localized catastrophic tree failure and irreparable structural tree damage resulting in a loss of the urban forest canopy.

(ii) Applicability. This paragraph only applies to lots with an existing single-family or duplex use in a residential district.

(iii) Qualification. Private properties affected by a natural deforestation event may qualify for reforestation if they are:

(aa) Located within a declared federal, state, or local disaster area; or

(bb) Declared eligible for reforestation by the city council.

(iv) Additional requirements. A minimum of one of the following must be provided in determining whether an area has been affected by a natural deforestation event.

(aa) A tree survey or forest stand delineation must be provided that meets minimum requirements established by the director.

(bb) Physical evidence must be presented by the owners of individual lots documenting individual tree loss.

(v) Reforestation.

(aa) Parkway trees and trees located in alleys adjacent to residential lots may be replaced at the discretion of the director.

(bb) All reforestation tree planting projects on private property must be conducted between October and March.

(cc) The owner of a reforestation property is responsible for providing any necessary proof of the loss of a large or medium established tree to a natural deforestation event on their property. Photo documentation, Google Street View, and aerial imagery may qualify as confirmation.

(dd) Property owners are not required to participate in a neighborhood reforestation project to replace damaged or destroyed trees. The city will not replace a parkway tree if the adjacent property owner chooses not to receive a tree for a location the property owner must maintain.

(ee) Replacement trees must be planted on the same property that sustained the tree loss.

(ff) The caliper size of replacement trees will be between one and three inches.

(gg) Boundary tree replacements must be placed on a single property. Two adjoining properties may each qualify for a tree.

(hh) All replacement trees must be planted in accordance with the requirements of this chapter.

(ii) An approved planting plan may be required by the director.

(vi) Prohibition on reforestation funds being used to plant trees on private property.

(aa) Reforestation fund expenditures are limited to the purchase and provision of trees. Reforestation Funds may not be expended on installation or maintenance.

(bb) Reforestation fund replacement trees may not be used as required landscaping on lots permitted for new construction."

SECTION 2. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed $2,000.

SECTION 3. That Chapter 51A of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 6. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 7. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, City Attorney

By_____
Assistant City Attorney

Passed_____

DRAFT

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1054 **Item #:** 5.

FY 2019-20 Mid-Year Appropriation Adjustments
[Jack Ireland, Director, and Brittany Burrell, Assistant Director (I), Office of Budget]

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FY 2019-20 Mid-Year Appropriation Adjustments

May 26, 2020

Elizabeth Reich
Chief Financial Officer

Jack Ireland, Director
Office of Budget

Brittany Burrell, Assistant Director (I)
Office of Budget

Outline

- Background
- Overview of amendments to FY 2019-20 budget ordinance
- Recommendation and next steps

Background

- Annual appropriation ordinance approved by City Council establishes appropriations
  (City Charter Chapter XI, Sec. 3)
- City Council may transfer appropriations between departments, division, or purpose
  (City Charter Chapter XI, Sec. 4)
- City Council may appropriate excess revenue
  (City Charter Chapter XI, Sec. 5)
- City Charter does not allow for expenditure of City funds without sufficient appropriation
  (City Charter Chapter XI, Sec. 6)

Background

- City Council adopted the FY 2019-20 Operating, Grants/Trust, and Capital budgets ordinance on September 18, 2019
  - Budget has previously been amended by City Council action
  - Additional amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through September 30, 2020

Budget Ordinance Amendment

- Ordinance amendment reflects:
  - Appropriation adjustments previously approved by City Council
  - Adjustments to address potential over-runs
  - Adjustments to facilitate operational reorganizations
  - Appropriation of excess or unplanned revenue
  - Enterprise and Other funds revenue and expenditure increases
  - Grant and Trust funds revenue and expenditure increases
  - Capital appropriation adjustments

Budget Ordinance Amendment

- Ordinance amendment reflects appropriation adjustments previously approved by City Council
  - Increase in 911 Systems Operation appropriations to provide a required local match for the Federal 911 Grant Program as part of the implementation of the City's Next Generation 911 System; approved on 1/8/20 by CR #20-0130 ($2.2M)

Budget Ordinance Amendment

- Ordinance amendment includes General Fund appropriation adjustment to address potential over-runs based on March Financial Forecast Report
- Increase the following:
  - Fire Rescue – reduced AVI reimbursement due to decreased activity at Love Field, increased service to City Detention Center, and increased maintenance of heavy apparatus vehicles ($2.5M)
  - Police Department – increased hiring of 97 unbudgeted police officers and increase in overtime associated with the October 2019 tornado response efforts ($6.5M)
  - Mayor & City Council – increased salaries ($100K)

Budget Ordinance Amendment

- Decrease the following:
  - Court and Detention Services – salary savings due to hiring freeze and school crossing guard savings due to school closures ($1.5M)
  - Library – salary savings due to hiring freeze and extended furlough ($1.6M)
  - Non-Departmental – savings from master lease debt payment ($4M)
  - Park & Recreation – salary savings due to hiring freeze and extended furlough ($1.5M); and adjustments to correct budget allocations related to Youth Access Program and Fair Park First utility cost ($3.8M)
  - Transportation – salary savings due to hiring freeze ($500K)

Budget Ordinance Amendment

- Ordinance amendment includes operational reorganizations
  - Increase Office of Management Services to fund the newly created Office of Integrated Public Safety Solutions – position and funding transferred from Court and Detention Services
  - Increase in City Controller's Office and Dallas Fire Rescue for reorganization of payroll function to increase accuracy and efficiency – positions and funding transferred from various other departments

Budget Ordinance Amendment

- Ordinance amendment includes increase in General Fund due to receipt of unplanned revenue (allowed by City Charter Chapter XI, Sec. 5)
- One-time unplanned revenue will be received from Dallas County related to street maintenance ($1.7M)
  - Increase Public Works budget for one-time cost associated with street maintenance equipment to be used by City staff
  - Street maintenance delivery expected to increase by 50 lane miles or by 35%

Budget Ordinance Amendment

- Appropriation adjustments within Enterprise Funds are supported by increased revenues or available fund balances
  - Sanitation Services – increased storm debris contractual and temp labor expenses associated with the October 2019 storms ($5.8M)

Budget Ordinance Amendment

- Appropriation adjustments within grants, trust, and other funds are supported by additional revenues that have become available during the fiscal year or available fund balance; each fund has eligible uses based on the source of funds
  - Court and Detention Services – technology enhancements (2 funds) - $540,000
  - Dallas Animal Services – field and shelter services - $59,000
  - Human Resources – fitness center expenses - $125,000
  - Judiciary – first offender recidivism reduction - $427,000

Budget Ordinance Amendment

- Grants, trusts, and other funds (continued)
  - Management Services – Fair Housing assistance program expenses (2 funds) - $9,500
  - Office of Arts & Culture – repairs at Majestic Theater and Juanita Craft House (2 funds) - $400,000
  - Office of Economic Development – PID related expenses (5 funds) - $290,000
  - Police Department – training, equipment, covert operations, TAAG area costs, and other law enforcement purposes (6 funds) - $5.4M
  - Sustainable Development and Construction – Hensley Field maintenance - $257,000
  - Water Utilities – water conservation - $6.8M

Budget Ordinance Amendment

- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council, new appropriation request, and transfers between funds
  - Add Sanitation capital improvement appropriations that were inadvertently excluded from budget ordinance ($12.7M)
  - Add Equipment Note ($2.9M) and Master Lease ($3M) appropriations for Sanitation equipment procurement
  - Increase appropriations in 3 Tax Increment Financing districts to match available cash ($9.3M)
  - Increase Capital Construction Fund based on transition agreement with Meyerson Symphony Center ($437K)
  - Add appropriations for 2012 bonds previously issued ($3.3M)

Budget Ordinance Amendment

- Appropriation adjustments for 2017 bond program includes reduction necessary to match appropriations with bonds already sold + commercial paper line-of-credit
  - $132.6M appropriations to be deferred to next fiscal year
- Unencumbered funds from 2006, 2012, and 2017 bond programs are available (as of 4/30/20) to continue bond activity even with the proposed adjustments
  - 2006 - $130.2M
  - 2012 - $88.6M
  - 2017 - $182.3M ($314.9M minus $132.6M)
- We were already experiencing delays in awarding projects such that even with reduce appropriations, can continue the bond program at the current pace without risk of any further delays

Note: Current expenses are being transferred to prior bond programs to free-up additional capacity within the 2017 bond program and use older monies on a first-in first-out basis. This will create more capacity within 2017 bond program.

Recommendation and Next Steps

- Staff recommends amending FY 2019-20 budget appropriations ordinance
- Request support of GPFM committee on May 26
- Seek City Council approval on June 10
- Continue monthly review of revenues and expenses and recommend additional adjustments in September 2020 if necessary

FY 2019-20 Mid-Year Appropriation Adjustments

May 26, 2020

Elizabeth Reich
Chief Financial Officer

Jack Ireland, Director
Office of Budget

Brittany Burrell, Assistant Director (I)
Office of Budget

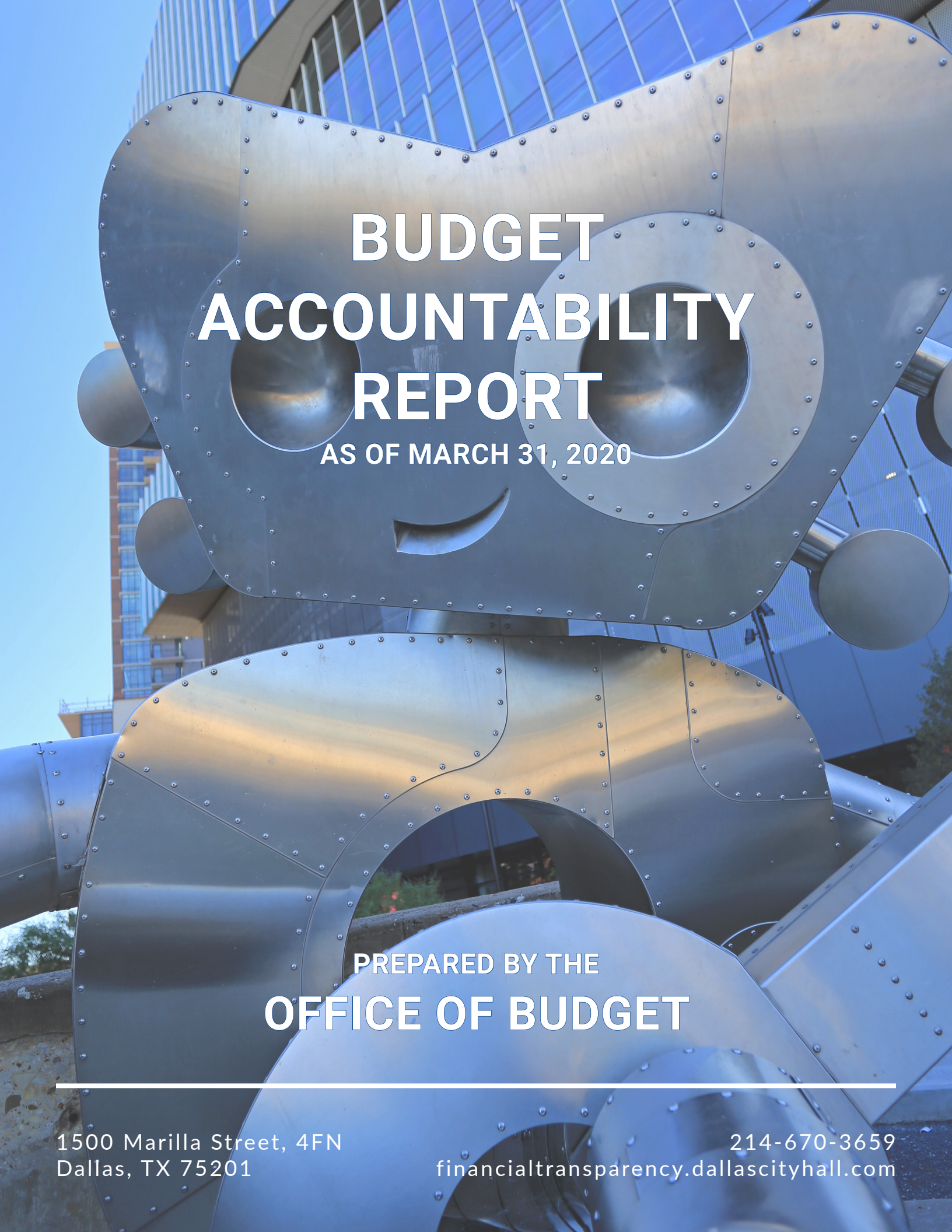
City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1057 **Item #:** 6.

Budget Accountability Report (information as of March 31, 2020)



BUDGET ACCOUNTABILITY REPORT

AS OF MARCH 31, 2020

PREPARED BY THE

OFFICE OF BUDGET

1500 Marilla Street, 4FN
Dallas, TX 75201

214-670-3659
financialtransparency.dallascityhall.com

EXECUTIVE SUMMARY

Financial Forecast Report

Operating Fund	Year-End Forecast vs. Budget	
	Revenues	*Expenses*
General Fund	✓	✓
Aviation	✗	✗
Convention and Event Services	✗	✗
Municipal Radio	✗	✗
Sanitation Services	✓	✓
Storm Drainage Management	✓	✓
Sustainable Development and Construction	✗	✓
Dallas Water Utilities	!	!
Information Technology	✓	✓
Radio Services	✓	✓
Equipment and Fleet Management	✓	✓
Express Business Center	✓	✓
Office of the Bond Program	✗	✗
9-1-1 System Operations	✓	✓
Debt Service	✓	✓

✓ YE forecast within 5% of budget ! YE forecast within 6-10% of budget ✗ YE forecast more than 10% from budget or no forecast provided

Dallas 365

16 *On Target (YTD)*

17 *On Target (YE)*

19 *Not on Target (YTD)*

18 *Not on Target (YE)*

Budget Initiative Tracker

3 *Complete*

32 *On Target*

5 *At Risk*

0 *Canceled*

FINANCIAL FORECAST REPORT

The Financial Forecast Report (FFR) provides a summary of financial activity through March 31, 2020, for the General Fund and other annual operating funds of the City. The Adopted Budget reflects the budget adopted by City Council on September 18, 2019, effective October 1 through September 30, 2020. 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, 2020. The variance is the difference between the FY 2019-20 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 March 31, 2020.

	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	$219,919,890	$219,919,890		$235,824,022	$15,904,132
Revenues	1,438,189,202	1,438,189,202	968,348,180	1,393,499,554	(44,689,648)
Expenditures	1,438,089,000	1,438,089,000	652,845,137	1,418,455,363	(19,633,637)
Ending Fund Balance	$220,020,092	$220,020,092		$210,868,213	($9,151,879)

Fund Balance. The summary includes fund balance with the YE revenue and expenditure forecasts. As of March 31, 2020, the YE forecast beginning fund balance represents the FY 2018-19 audited unassigned ending fund balance and includes FY 2018-19 YE savings.

Revenues. Through March 31, 2020, General Fund revenues are projected to be $44,690,000 under budget primarily due to an anticipated decline of $25,170,000 in sales tax receipts associated with COVID-19. Additionally, charges for service revenues are forecast to be $12,843,000 under budget primarily due to a $6,581,000 decline in Park and Recreation (PKR) revenues associated with facility closures and a utilities agreement with Fair Park First. Moreover, an anticipated $4,852,000 reduction is associated with the Ambulance Services Supplemental Payment Program (ASSPP). Franchise and other revenues are forecast to be $10,097,000 under budget due to declining trends for fiber optics, DWU street rental payments, and Atmos revenues.

Expenditures. Through March 31, 2020, General Fund expenditures are projected to be $19,634,000 under budget primarily due to salary savings from vacant civilian positions associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund (470 in all funds) from May 13, 2020, to July 31, 2020, partially offset by an anticipated increase in hiring of police officers and the purchase of police equipment and uniforms.

Financial Forecast Report

GENERAL FUND REVENUE

Revenue Category	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax[1]	$787,420,172	$787,420,172	$776,475,002	$788,298,415	$878,243
Sales Tax[2]	325,566,185	325,566,185	55,068,391	300,396,038	(25,170,147)
Franchise and Other[3]	129,339,760	129,339,760	50,391,225	119,242,537	(10,097,223)
Charges for Service[4]	115,177,017	115,177,017	48,109,218	102,333,608	(12,843,409)
Fines and Forfeitures	27,222,251	27,222,251	13,004,935	27,288,504	66,253
Operating Transfers In	25,694,602	25,694,602	8,192,223	25,694,602	0
Intergovernmental[5]	11,382,649	11,382,649	6,637,689	13,649,814	2,267,165
Miscellaneous	6,685,258	6,685,258	3,614,650	6,964,985	279,727
Licenses and Permits	5,154,061	5,154,061	3,407,183	5,083,804	(70,257)
Interest	4,547,247	4,547,247	3,447,664	4,547,247	0
Total Revenue	$1,438,189,202	$1,438,189,202	$968,348,180	$1,393,499,554	($44,689,648)

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.

1 Property Tax. Property tax revenues are forecast to be $878,000 over budget based on current trends and actual collections, partially offset by the October 2019 tornado and reappraisal process. The anticipated decline in 2019 taxable value is approximately $92,000,000.

2 Sales Tax. Sales tax revenues are forecast to be $25,170,000 under budget due to the economic impact of COVID-19.

3 Franchise and Other. Franchise and other revenues are forecast to be $10,097,000 under budget primarily due to a $4,126,000 decrease in fiber optics because of a decrease in business phone lines as a result of customers switching to wireless service. Additionally, DWU's street rental payment to the General Fund is forecast to be $2,570,000 under budget as a result of declining water revenues. Finally, Atmos revenues are forecast to be $3,900,000 under budget due to a mild winter causing a significant reduction in consumption combined with low natural gas prices.

4 Charges for Service. Charges for service revenues are forecast to be $12,843,000 under budget. There is an anticipated $4,852,000 reduction associated with the Ambulance Services Supplemental Payment Program (ASSPP). Dallas Fire-Rescue (DFR) was informed that municipal EMS providers would see a significant cut in payments, but the final estimate for ASSPP will not be known until later in the fiscal year. Moreover, parking meter fees are forecast to be $1,343,000 under budget, which is associated with the economic impact of COVID-19. This is partially offset by $1,100,000 in additional State Fair Patrol revenues for sworn officers at the annual State Fair of Texas.

Finally, PKR revenues are forecast to be $6,581,000 under budget. Specifically, $2,821,000 of revenue loss is due to facility closures associated with COVID-19. Additionally, utilities revenues are forecast to be $2,785,000 under budget due to Fair Park First paying for utilities, reducing the City's expenses and revenues.

VARIANCE NOTES

5 Intergovernmental. Intergovernmental revenues are forecast to be $2,267,000 over budget primarily due to Public Works (PBW) receiving a $1,667,000 reimbursement from Dallas County for street maintenance work, which will be appropriated at mid-year for equipment purchases. PBW is also expecting $353,000 in reimbursements from TxDOT, which will be used to offset the City's cost of TxDOT right-of-way mowing.

Financial Forecast Report

GENERAL FUND EXPENDITURES

Expenditure Category	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	$243,326,547	$243,450,086	$106,542,114	$217,998,769	($24,578,931)
Civilian Overtime	6,094,572	6,127,199	5,923,335	11,002,988	4,875,789
Civilian Pension	34,258,149	34,301,097	15,487,991	31,381,748	(2,795,471)
Uniform Pay	457,164,984	457,164,984	215,082,368	460,657,788	3,492,804
Uniform Overtime	40,551,607	40,551,607	23,402,998	44,618,892	4,067,285
Uniform Pension	164,529,405	164,529,405	77,102,473	164,529,405	0
Health Benefits	70,051,318	70,061,654	27,755,764	70,068,805	7,151
Workers Comp	14,933,520	14,933,520	0	14,933,520	0
Other Personnel Services	10,260,278	10,240,247	5,367,826	11,977,656	1,750,059
Total Personnel Services[1]	1,041,170,380	1,041,359,799	476,664,870	1,027,169,572	(13,181,314)
Supplies	82,737,886	82,445,240	35,190,951	80,568,922	(1,306,958)
Contractual Services	389,583,720	389,223,730	148,107,257	385,960,290	(4,587,534)
Capital Outlay[2]	14,823,774	15,476,411	3,756,047	17,155,509	1,424,919
Reimbursements	(90,226,760)	(90,416,180)	(10,873,987)	(92,398,931)	(1,982,751)
Total Expenditures	$1,438,089,000	$1,438,089,000	$652,845,137	$1,418,455,363	($19,633,637)

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 forecast to be $13,181,000 under budget primarily due to salary savings associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020, partially offset by an anticipated increase in hiring of police officers and overtime for both civilian and uniform employees. Dallas Police Department (DPD) ended FY 2018-19 with more officers than anticipated, is experiencing less attrition, and is increasing hiring. DPD's budget assumed 3,053 officers at the end of FY 2019-20, but DPD now anticipates ending the year with 3,150 officers. Funding for these additional 97 officers was not anticipated in the adopted budget.

2 Capital Outlay. Capital outlays are forecast to be $1,425,000 over budget primarily due to an approved use of salary savings by PBW to purchase equipment for an in-house preservation program, which is also supported by unplanned revenue from Dallas County.

Financial Forecast Report

GENERAL FUND EXPENDITURES

Expenditure by Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services[1]	$23,310,536	$23,310,536	$12,168,514	$22,529,664	($780,872)
City Attorney's Office	18,483,486	18,483,486	8,325,030	17,934,149	(549,337)
City Auditor's Office[2]	3,398,923	3,398,923	1,223,476	2,978,111	(420,812)
City Manager's Office	2,936,728	2,936,728	1,355,698	2,851,214	(85,514)
City Secretary's Office	3,038,936	3,038,936	1,399,217	3,037,084	(1,852)
Elections	98,646	98,646	41,097	98,646	0
Civil Service[3]	3,274,657	3,274,657	1,366,756	3,053,307	(221,350)
Code Compliance	30,476,546	30,476,546	13,796,088	29,999,287	(477,259)
City Controller's Office[4]	7,210,578	7,210,578	3,054,319	6,769,990	(440,588)
Independent Audit	945,429	945,429	0	945,429	0
Court and Detention Services[5]	22,636,938	22,636,938	10,069,974	20,097,744	(2,539,194)
Jail Contract	9,158,124	9,158,124	3,815,589	9,158,124	0
Dallas Animal Services	15,635,492	15,635,492	6,923,753	15,511,876	(123,616)
Dallas Fire-Rescue[6]	317,747,117	317,747,117	153,369,437	319,999,174	2,252,057
Dallas Police Department[7]	516,967,195	516,967,195	240,003,554	522,058,432	5,091,237
Housing and Neighborhood Revitalization[8]	3,270,227	3,270,227	1,088,597	3,020,088	(250,139)
Human Resources[9]	6,556,941	6,556,941	3,439,711	6,100,107	(456,834)
Judiciary	3,806,942	3,806,942	1,941,551	3,765,988	(40,954)
Library[10]	33,876,186	33,876,186	15,625,809	31,244,857	(2,631,329)
Mayor and City Council[11]	5,017,657	5,017,657	2,319,090	5,098,884	81,227
Non-Departmental[12]	105,563,682	105,563,682	15,331,933	101,638,325	(3,925,357)
Office of Arts and Culture[13]	20,866,115	20,866,115	16,134,501	20,075,179	(790,936)
Office of Budget	3,879,425	3,879,425	1,925,973	3,864,425	(15,000)
Office of Economic Development	5,365,845	5,365,845	2,742,385	5,167,665	(198,180)
Office of Management Services					
311 Customer Service	4,835,776	4,835,776	2,456,910	4,596,527	(239,249)
Council Agenda Office	246,824	246,824	118,590	238,754	(8,070)
Emergency Management	1,122,694	1,122,694	622,596	1,117,490	(5,204)
Office of Business Diversity[14]	992,241	992,241	401,210	883,068	(109,173)
Office of Community Care	6,700,917	6,700,917	2,452,118	6,680,917	(20,000)
Office of Community Police Oversight[15]	475,000	475,000	34,247	263,979	(211,021)
Office of Environmental Quality and Sustainability	3,524,865	3,524,865	2,206,002	3,404,641	(120,224)
Office of Equity	492,264	492,264	213,177	492,264	0
Office of Ethics and Compliance[16]	227,912	227,912	56,731	131,777	(96,135)
Office of Fair Housing and Human Rights	519,488	519,488	223,377	498,687	(20,801)
Office of Historic Preservation[17]	626,200	626,200	172,443	563,151	(63,049)
Office of Homeless Solutions	12,126,340	12,126,340	7,208,148	12,095,319	(31,021)
Office of Innovation[18]	913,030	913,030	332,483	798,763	(114,267)
Office of Resiliency[19]	334,705	334,705	77,590	289,109	(45,596)
Office of Strategic Partnerships	1,084,555	1,084,555	505,487	1,044,379	(40,176)
Office of Welcoming Communities	751,913	751,913	245,419	724,532	(27,381)
Public Affairs and Outreach[20]	2,020,529	2,020,529	796,908	1,897,453	(123,076)
Park and Recreation[21]	98,596,497	98,596,497	46,045,561	89,257,438	(9,339,059)
Planning and Urban Design	3,396,703	3,396,703	1,426,330	3,327,162	(69,541)
Procurement Services[22]	3,021,425	3,021,425	1,176,806	2,655,648	(365,777)
Public Works[23]	77,176,071	77,176,071	46,639,727	76,523,300	(652,771)
Sustainable Development and Construction	1,858,966	1,858,966	1,539,318	1,807,378	(51,588)
Transportation[24]	45,270,589	45,270,589	17,680,765	43,914,731	(1,355,858)
Total Departments	$1,429,837,855	$1,429,837,855	$650,093,992	$1,410,204,218	($19,633,637)
Liability/Claim Fund Transfer	2,751,145	2,751,145	2,751,145	2,751,145	0
Contingency Reserve	3,000,000	3,000,000	0	3,000,000	0
Salary and Benefit Reserve	2,500,000	2,500,000	0	2,500,000	0
Total Expenditures	$1,438,089,000	$1,438,089,000	$652,845,137	$1,418,455,363	($19,633,637)

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 Building Services. BSD is projected to be $781,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

2 City Auditor's Office. AUD is projected to be $421,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020.

3 Civil Service. CVS is projected to be $221,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020.

4 City Controller's Office. CCO is projected to be $441,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020.

5 Court and Detention Services. CTS is projected to be $2,539,000 under budget primarily due to salary savings associated with the hiring freeze enacted March 19, 2020 ($2,244,000) and the school crossing guard contract due to school closures associated with the Dallas County stay-at-home decree ($2,405,000). CTS savings are partially offset by increases in overtime ($809,000), termination payouts ($109,000), temporary help services ($156,000), and a loss of various reimbursement payments ($599,000).

6 Dallas Fire-Rescue. DFR is projected to be $2,252,000 over budget primarily due to a reduced reimbursement from AVI for emergency medical services (EMS). The reduction in passengers due to COVID-19 has reduced the EMS coverage needed to safely operate the airport. Additionally, DFR has incurred higher-than-anticipated expenses to complete major maintenance of heavy apparatus vehicles damaged in the field while responding to calls. The department has taken action to mitigate these impacts by implementing civilian hiring freezes and delaying training and other professional development activities planned for FY 2019-20.

7 Dallas Police Department. DPD is projected to be $5,091,000 over budget primarily due to higher-than-anticipated hiring of police officers, uniforms, and overtime for civilian and sworn positions, partially offset by civilian salary savings. The increase in overtime is associated with the October 2019 tornado and COVID-19, offset by reimbursement from federal funds. Dallas Police Department (DPD) ended FY 2018-19 with more officers than anticipated, is experiencing less attrition, and is increasing hiring. DPD's budget assumed 3,053 officers at the end of FY 2019-20, but DPD now anticipates ending the year with 3,150 officers. Funding for these additional 97 officers was not anticipated in the adopted budget.

8 Housing and Neighborhood Revitalization. HOU is projected to be $250,000 under budget due to salary savings, partially offset by termination payouts.

9 Human Resources. HR is projected to be $457,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

10 Library. LIB is projected to be $2,631,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

11 Mayor and City Council. MCC is projected to be $81,000 over budget due to salary equity adjustments, partially offset by vacancies and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

12 Non-Departmental. Non-D is projected to be $3,925,000 under budget due to delays in Master Lease purchases for fleet and equipment.

13 Office of Arts and Culture. OAC is projected to be $791,000 under budget due to deferral of many project-based grants to FY 2020-21 as a result of COVID-related closures, as well as salary savings associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

14 Office of Business Diversity. OBD is projected to be $109,000 under budget due to salary savings associated with a hiring freeze enacted March 19, 2020.

15 Office of Community Police Oversight. OPO is projected to be $211,000 under budget due to salary savings.

16 Office of Ethics and Compliance. EAC is projected to be $96,000 under budget due to salary savings.

17 Office of Historic Preservation. OHP is projected to be $63,000 under budget due to salary savings.

18 Office of Innovation. INO is projected to be $114,000 under budget due to salary savings.

19 Office of Resiliency. REO is projected to be $46,000 under budget due to salary savings.

20 Public Affairs and Outreach. PAO is projected to be $123,000 under budget due to salary savings, partially offset by temporary help services.

21 Park and Recreation. PKR is projected to be $9,339,000 under budget primarily due to salary savings ($7,205,000) associated with a hiring freeze enacted March 19, 2020, and an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020, as well as the cancellation of various recreational programming ($703,000). Additionally, Fair Park First will make $2,785,000 in utility payments directly, offset by a revenue reduction in the same amount. PKR's savings are primarily offset by increases in overtime ($520,000) and termination payouts ($355,000).

22 Procurement Services. POM is projected to be $366,000 under budget primarily due to salary savings.

23 Public Works. PBW is projected to be $653,000 under budget primarily due to salary savings, partially offset by the purchase of equipment to start a new in-house preservation program authorized by use of salary savings and supported by unplanned revenue from Dallas County.

24 Transportation. TRN is projected to be $1,356,000 under budget primarily due to salary savings partially associated with an extended furlough of 388 civilian employees in the General Fund from May 13, 2020, to July 31, 2020.

Financial Forecast Report

ENTERPRISE FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION[1]					
Beginning Fund Balance	$5,570,308	$5,570,308		$5,419,811	($150,497)
Total Revenues	158,255,683	158,255,683	78,528,579	118,495,928	(39,759,755)
Total Expenditures	158,255,683	158,255,683	71,203,079	134,317,295	(23,938,388)
Ending Fund Balance	$5,570,308	$5,570,308		($10,401,556)	($15,971,864)
CONVENTION AND EVENT SERVICES[2]					
Beginning Fund Balance	$39,186,345	$39,186,345		$57,091,833	$17,905,488
Total Revenues	114,358,254	114,358,254	47,807,137	66,629,255	(47,728,999)
Total Expenditures	114,358,254	114,358,254	20,896,369	78,264,052	(36,094,202)
Ending Fund Balance	$39,186,345	$39,186,345		$45,457,036	$6,270,691
MUNICIPAL RADIO[3]					
Beginning Fund Balance	$768,840	$768,840		$957,554	$188,714
Total Revenues	2,161,634	2,161,634	953,048	1,515,000	(646,634)
Total Expenditures	2,067,782	2,067,782	1,077,451	1,826,323	(241,459)
Ending Fund Balance	$862,692	$862,692		$646,231	($216,461)

Note: FY 2019-20 budget reflects revenue in excess of expenses.

SANITATION SERVICES[4]					
Beginning Fund Balance	$24,416,494	$24,416,494		$40,213,874	$15,797,380
Total Revenues	120,129,201	120,129,201	60,918,905	119,911,919	(217,282)
Total Expenditures	122,129,201	122,129,201	45,456,701	127,945,397	5,816,196
Ending Fund Balance	$22,416,494	$22,416,494		$32,180,395	$9,763,901
STORM DRAINAGE MANAGEMENT—DALLAS WATER UTILITIES					
Beginning Fund Balance	$12,721,861	$12,721,861		$9,880,820	($2,841,041)
Total Revenues	60,936,837	60,936,837	32,036,174	61,097,773	160,936
Total Expenditures	60,936,837	60,936,837	29,687,670	60,277,652	(659,185)
Ending Fund Balance	$12,721,861	$12,721,861		$10,700,941	($2,020,920)
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION[5]					
Beginning Fund Balance	$45,979,705	$45,979,705		$51,827,466	$5,847,761
Total Revenues	33,474,379	33,474,379	17,754,238	27,725,506	(5,748,873)
Total Expenditures	34,550,990	34,550,990	15,521,548	34,364,775	(186,215)
Ending Fund Balance	$44,903,094	$44,903,094		$45,188,197	$285,103

Note: FY 2019-20 budget reflects planned use of fund balance.

WATER UTILITIES[6]					
Beginning Fund Balance	$138,576,064	$138,576,064		$151,387,348	$12,811,284
Total Revenues	670,485,708	670,485,708	306,064,300	602,479,048	(68,006,660)
Total Expenditures	681,220,919	681,220,919	267,099,427	610,479,047	(70,741,872)
Ending Fund Balance	$127,840,853	$127,840,853		$143,387,349	$15,546,496

Note: FY 2019-20 budget reflects planned use of fund balance.

Financial Forecast Report

INTERNAL SERVICE FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY[7]					
Beginning Fund Balance	$4,578,881	$4,578,881		$5,116,697	$537,816
Total Revenues	80,180,034	80,180,034	38,792,752	80,244,972	64,938
Total Expenditures	79,967,864	79,967,864	47,356,394	80,457,718	489,854
Ending Fund Balance	$4,791,051	$4,791,051		$4,903,951	$112,900
Note: FY 2019-20 budget reflects revenue in excess of expenses.					
RADIO SERVICES					
Beginning Fund Balance	$924,085	$924,085		$1,263,982	$339,897
Total Revenues	12,523,888	12,523,888	5,609,563	12,523,888	0
Total Expenditures	12,825,721	12,825,721	6,723,910	12,795,863	(29,858)
Ending Fund Balance	$622,252	$622,252		$992,007	$369,755
Note: FY 2019-20 budget reflects planned use of fund balance.					
EQUIPMENT AND FLEET MANAGEMENT					
Beginning Fund Balance	$6,362,857	$6,362,857		$7,143,432	$780,575
Total Revenues	56,213,623	56,213,623	9,048,179	56,213,623	0
Total Expenditures	56,235,872	56,235,872	26,739,791	56,235,872	0
Ending Fund Balance	$6,340,608	$6,340,608		$7,121,183	$780,575
Note: FY 2019-20 budget reflects planned use of fund balance.					
EXPRESS BUSINESS CENTER					
Beginning Fund Balance	$3,510,566	$3,510,566		$3,426,575	($83,991)
Total Revenues	2,593,790	2,593,790	1,156,351	2,593,790	0
Total Expenditures	2,005,981	2,005,981	1,302,253	2,005,981	0
Ending Fund Balance	$4,098,375	$4,098,375		$4,014,384	($83,991)
Note: FY 2019-20 budget reflects revenue in excess of expenses.					
OFFICE OF THE BOND PROGRAM[8]					
Beginning Fund Balance	$0	$0		($2,916,716)	($2,916,716)
Total Revenues	18,547,674	18,547,674	1,075,405	16,131,828	(2,415,846)
Total Expenditures	18,547,674	18,547,674	9,238,262	16,131,828	(2,415,846)
Ending Fund Balance	$0	$0		($2,916,716)	($2,916,716)

Financial Forecast Report

OTHER FUNDS

Department	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS[9]					
Beginning Fund Balance	$7,453,734	$7,453,734		$11,185,392	$3,731,658
Total Revenues	12,017,444	12,017,444	5,690,143	12,071,571	54,127
Total Expenditures	15,292,755	17,456,147	4,565,668	17,434,187	(21,960)
Ending Fund Balance	$4,178,423	$2,015,031		$5,822,776	$3,807,745

Note: FY 2019-20 budget reflects planned use of fund balance.

DEBT SERVICE					
Beginning Fund Balance	$23,358,486	$23,358,486		$28,898,633	$5,540,147
Total Revenues	305,536,876	305,536,876	285,178,383	306,210,659	673,783
Total Expenditures	305,451,298	305,451,298	226,541,848	305,451,298	0
Ending Fund Balance	$23,444,064	$23,444,064		$29,657,994	$6,213,930

Note: FY 2019-20 budget reflects revenue in excess of expenses.

EMPLOYEE BENEFITS					
City Contributions	$97,177,729	$97,177,729	40,667,663	97,177,729	$0
Employee Contributions	38,231,005	38,231,005	21,940,774	38,231,005	0
Retiree	32,507,154	32,507,154	15,754,755	32,507,154	0
Other	0	0	135,602	135,602	135,602
Total Revenues	167,915,888	167,915,888	78,498,793	168,051,490	135,602
Total Expenditures	$171,665,888	$171,665,888	72,287,603	171,665,888	$0

Note: FY 2019-20 budget reflects revenue in excess of expenses. FY 2019-20 YE forecast reflects claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported (IBNR) claims.

RISK MANAGEMENT[10]					
Worker's Compensation	$19,883,135	$19,883,135	744,929	19,883,135	$0
Third Party Liability	4,383,960	4,383,960	3,033,240	4,383,960	0
Purchased Insurance	4,526,340	4,526,340	0	4,526,340	0
Interest and Other	0	0	99,404	99,404	99,404
Total Revenues	28,793,435	28,793,435	3,877,573	28,892,839	99,404
Total Expenditures	$34,526,799	$34,526,799	15,008,922	30,247,393	($4,279,406)

Note: FY 2019-20 budget reflects planned use of fund balance. FY 2019-20 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 March 31, 2020, YE forecast beginning fund balance represents the FY 2018-19 audited ending fund balance and any additional 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 $39,760,000 under budget primarily due to a loss of landing fees and garage parking associated with diminished air travel due to COVID-19. Expenses are projected to be $23,938,000 under budget primarily due to salary savings associated with a hiring freeze enacted March 19, 2020, limited overtime, and elimination of temporary employees and various contractual expenses. AVI currently anticipates approximately $53,800,000 in CARES Act funding, which will mitigate some of the financial impacts of COVID-19.

2 Convention and Event Services. CCT revenues are projected to be $47,729,000 under budget due to various event cancellations and significantly lower Hotel Occupancy Tax (HOT) and alcoholic beverage tax collections as a result of COVID-19. CCT expenses are projected to be $36,094,000 under budget primarily due to a reduction in payments to VisitDallas, Spectra Venue Management, and costs that would have been incurred for now-canceled events. CCT is continuing to work with its hotel partners, VisitDallas, Spectra Venue Management, and the Dallas Tourism Public Improvement District to forecast HOT decreases and potentially rebook clients later in the fiscal year.

3 Municipal Radio. WRR revenues are projected to be $647,000 under budget due to the onset of COVID-19. Expenses are projected to be $241,000 under budget primarily due to salary savings and a decrease in local agency commission fees. WRR will continue to publicly broadcast City Council meetings and classical music to Dallas residents. WRR anticipates the use of fund balance to offset lost revenues.

4 Sanitation Services. SAN expenses are projected to be $5,816,000 over budget due to emergency contract management, storm debris collection and hauling, brush collection services, overtime, and temporary labor services resulting from the October 2019 tornado.

5 Sustainable Development and Construction. DEV revenues are projected to be $5,749,000 under budget due to the onset of COVID-19. DEV is currently projecting a 20 percent across-the-board reduction in revenue due to diminished permit activity. DEV will monitor permit activity monthly, which may result in a change in revenue estimates. DEV anticipates the use of fund balance to offset lost revenues.

6 Water Utilities. DWU revenues are projected to be $68,007,000 under budget primarily due to decreased water consumption associated with COVID-19. FY 2019-20's budget assumed 141.0 billion gallons of water usage, and the current estimate is 125.2 billion gallons. DWU expenses are projected to be $70,742,000 under budget primarily due to salary savings, decreased street rental payments, and a decreased capital construction transfer.

7 Information Technology. Information Technology expenses are projected to be $490,000 over budget primarily due to various 311 Customer Service Center software upgrades, an expansion of the City's VPN capacity to support work-from-home, additional Skype audio conference bridges, docks and power cords for laptops, and video monitoring for City Council meetings, partially offset by salary savings. ITS anticipates a use of federal funds to offset expenses.

8 Office of the Bond Program. OBP expenses are projected to be $2,416,000 under budget primarily due to salary and contract savings. The centralized OBP charges each capital project budget for project implementation costs. Savings in actual OBP implementation expenses result in fewer charges to the capital project.

VARIANCE NOTES

9 911 System Operations. 911's budget was increased by $2,163,000 on January 8, 2020, by resolution #20-0130 to accept a matching grant through the Texas Commission on State Emergency Communications to implement a Next Generation 911 system.

10 Risk Management. ORM expenses are projected to be $4,279,000 under budget primarily due to anticipated claims expenses in FY 2019-20 being delayed to FY 2020-21.

Financial Forecast Report

2017 GENERAL OBLIGATION BOND PROGRAM

Proposition	Authorized by Voters	Inception-to-Date Appropriations	Inception-to-Date Expenditures	Current Encumbered	Unencumbered
Street and Transportation [A]	$533,981,000	$249,690,770	$112,590,993	$50,505,244	$86,594,533
Park and Recreation Facilities [B]	261,807,000	228,313,493	57,674,312	30,920,677	139,718,504
Fair Park [C]	50,000,000	28,820,000	8,795,087	11,375,569	8,649,344
Flood Protection and Storm Drainage [D]	48,750,000	19,422,354	2,276,160	3,704,405	13,441,789
Library Facilities [E]	15,589,000	15,589,000	3,789,672	9,168,265	2,631,063
Cultural and Performing Arts Facilities [F]	14,235,000	13,839,120	1,677,832	2,548,910	9,612,378
Public Safety Facilities [G]	32,081,000	30,576,956	6,015,611	7,498,372	17,062,973
City Facilities [H]	18,157,000	14,077,418	4,537,798	1,048,996	8,490,624
Economic Development [I]	55,400,000	23,753,930	7,389,022	5,669,371	10,695,537
Homeless Assistance Facilities [J]	20,000,000	20,000,000	12,608	5,935	19,981,457
Total	$1,050,000,000	$644,083,041	$204,759,095	$122,445,745	$316,878,202

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

DALLAS 365

The Dallas 365 initiative aligns 35 key performance measures to our six 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 2018-19 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, 2020.

Measures are designated "on target" (green) if actual YTD performance is equal to or greater than the YTD target. If actual YTD performance is not equal to the YTD target, the measure is designated as "not on target" (red). The same methodology applies to YE forecasts. Variance notes are provided for each measure not on target.

Year-to-Date

16 On Target

19 Not on Target

Year-End Forecast

17 On Target

18 Not on Target

#	Measure	FY 2018-19 Actual	YTD Target	YTD Actual	YE Target	YE Forecast
	Public Safety					
1	Percentage of responses to structure fires within 5 minutes and 20 seconds of dispatch (Fire-Rescue)	84.26%	90%	83.30%	90%	90%
2	Percentage of EMS responses within nine minutes (Fire-Rescue)	91.7%	90%	90.95%	90%	90%
3	Percentage of responses to Priority 1 calls within eight minutes (Police)	52.07%	55%	50.32%	55%	48%
4	Percentage of 911 calls answered within 10 seconds (Police)	93.22%	91%	87.33%	91%	88%
5	Homicide clearance rate (Police)	84.68%	60%	97.23%	60%	65%
6*	Crimes against persons (per 100,000 residents) (Police)	1,920.5	952	927.85	1,999	1,950.85
	Mobility Solutions, Infrastructure, & Sustainability					
7	Percentage of 2017 bond appropriation awarded ($644M appropriated ITD) (Bond Program)	70%	45%	57%	90%	90%
8*	Average response time to emergency sewer calls (in minutes) (Water Utilities)	59.58	60	59.08	60	60
9	Percentage of planned small diameter water and wastewater pipeline system repaired or replaced (72 out of 8,000 miles) (Water Utilities)	100%	37.5%	42.0%	100%	90%
10	Percentage compliance with state and federal standards and regulations for drinking water (Water Utilities)	100%	100%	100%	100%	100%
11	Percentage of planned lane miles improved (710 out of 11,800 miles) (Public Works)	82%	25%	25.80%	100%	100%
12	Percentage of potholes repaired within three days (Public Works)	N/A	98%	93.81%	98%	98%
13*	Missed refuse and recycling collections per 10,000 collection points/service opportunities (Sanitation Services)	13.76	11.5	12.88	11.5	12.95
14	Percentage of signal malfunction responses within 120 minutes (Transportation)	N/A	95%	91.27%	95%	92%

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

DALLAS 365

#	Measure	FY 2018-19 Actual	YTD Target	YTD Actual	Year-End Target	Year-End Forecast
	Economic & Neighborhood Vitality					
15	Number of jobs created or retained through written commitment (Economic Development)	6,001	2,500	693	5,000	2,500
16	Number of Dallas Homebuyer Assistance Program (DHAP) loans provided (Housing)	21	32	11	45	25
17	Total number of new housing units occupied (Housing)	N/A	115	21	230	81
18	Percentage of single-family permits reviewed in three days (Sustainable Development)	86.58%	85%	88.33%	85%	85%
19	Percentage of inspections performed same day as requested (Sustainable Development)	96.37%	98%	96.52%	98%	98%
	Human & Social Needs					
20	Percentage of HIV/AIDS households with housing stability (Community Care)	89.91%	95%	98.16%	95%	95%
21	Percentage of 20 repeat homeless encampment sites reclaimed/repurposed (Homeless Solutions)	N/A	40%	60%	100%	75%
22	Percentage of unduplicated persons placed in permanent housing who remain housed after six months (Homeless Solutions)	92.16%	85%	73.22%	85%	57.86%
	Quality of Life					
23	Number of single-family rental properties inspected (initial inspections and reinspections) (Code Compliance)	9,044	3,350	3,346	7,000	3,346
24	Percentage of litter and high weed service requests closed within SLA (Code Compliance)	N/A	96%	52.33%	96%	65%
25	Live release rate for dogs and cats (Animal Services)	86.4%	90%	91.9%	90%	90%
26	Percentage decrease in loose dog bites year-over-year (from 558 to 530) (Animal Services)	10%	5%	-6.62%	5%	5%
27	Percentage increase in annual visits in person, online, and for programs (from 11.54M to 11.71M) (Library)	23.4%	1.5%	-2.55%	1.5%	1.25%
28	Percentage of GED students who successfully pass the exam and earn their certificate (Library)	55.8%	42%	42.72%	42%	30%
29	Percentage of cultural services contracts awarded to artists or small arts organizations (budgets less than $100,000) (Cultural Affairs)	59.7%	55%	52.7%	55%	52.7%
30	Percentage of residents within ½ mile of a park (Park and Recreation)	69%	70%	69%	70%	71%
31	Participation rate at late-night Teen Recreation (TRec) sites (28,590 annual participants) (Park and Recreation)	N/A	50%	6.8%	100%	7%
	Government Performance & Financial Management					
32	Percentage of 311 calls answered within 90 seconds (311)	57.98%	70%	36%	70%	40%
33	Percentage of invoices paid within 30 days (City Controller)	98.54%	96%	96.2%	96%	95%
34	Percentage of vehicles receiving preventive maintenance on schedule (Equipment and Fleet Management)	N/A	68%	71.83%	68%	68%
35	Percentage of dollars spent with local M/WBE businesses (Business Diversity)	91.09%	50%	80.98%	50%	81%

VARIANCE NOTES

#1. Although five fire stations are currently closed, DFR's efforts at dynamic placement of displaced apparatus (based on ongoing data collection) has contributed to a 5.69% increase in performance since December. DFR will continue to make adjustments as necessary to exceed the target of 90%.

#3. Data through March was slightly below target. As of May 2020, DPD's Priority 1 response times have improved dramatically primarily due to reduced traffic associated with COVID-19 stay-at-home orders. DPD will work to continue this positive trend through implementation of KPMG's recommendations designed to streamline and expedite the call response process.

#4. Turnover in 911 call taker positions has resulted in vacancies. Multiple candidates are in the hiring process, and DPD anticipates a return to full staffing shortly. DPD is also actively promoting the use of the Dallas Online Reporting System for lower-priority calls.

#6. PENDING

#9. DWU is on target year-to-date. The year-end forecast was adjusted to 90% to reflect the anticipated slowdown in development-generated utility work and productivity constraints for project procurements as a result of COVID-19.

#12. Although performance for the month was on target at 98%, the YTD average is below target due to the October-December tornado recovery efforts—fewer potholes were repaired due to downed trees and power lines.

#13. Tonnage has increased as a result of the COVID-19 stay-at-home orders, while collection opportunities remain the same. As a result, SAN is increasing the forecast to 12.95 for April. This increase is in addition to the normal summer increase which occurs every year and is based on an average of prior years.

#14. TRN was previously working with four bucket trucks but recently received a repaired bucket truck from EFM. With the addition of the fifth truck, month-over-month performance improved from 91.48% to 94.2%. TRN anticipates continued improvement in response time with the release of the repaired truck.

#15. Although the current target is 2,083, the actual YTD performance is dependent on demand from external sources (developers/investors) seeking incentives for investment in the creation/retention of jobs, which has been adversely impacted by COVID-19. The year-end forecast has been reduced accordingly.

#16. Participation is low because residents are not registering for the homebuyer assistance program or not completing the program due to home qualification requirements. Participation has further decreased as a result of COVID-19.

#17. COVID-19 has delayed new construction and reduced housing availability. Anticipated construction projects intended to provide new housing units will not be complete by the end of the fiscal year.

#19. Same-day inspections are down 1.48% because of the amount of rain received in March. Inspectors must wait for rain to stop and contractors must remove water before rescheduling the inspections. Impacts include sewer relay, foundation, and electrical underground inspections.

#21. The year-end forecast has been adjusted to reflect the impact of COVID-19. Outreach staff have been reassigned to two temporary shelters, and OHS anticipates resuming some efforts to reclaim/repurpose encampment sites in July.

#22. COVID-19 has directly impacted case management to maintain housing and available resources for eviction prevention. OHS anticipates an influx of possible evictions in the next few months, which will contribute to more clients returning to homelessness. As OHS increases efforts toward a rapid rehousing program, they will continue to partner with MDHA in identifying resources to help clients stay in permanent housing.

#23 & 24. In March, CCS took the lead on enforcing COVID-19 emergency regulations throughout Dallas, and approximately 200 Code Officers were dedicated to this special initiative. As of May 7, CCS has proactively responded to 18,700 COVID-19-related concerns. The department anticipates this shift in resources will continue to prevent it from achieving the targets for these two measures through year-end.

VARIANCE NOTES

#26. DAS saw a slight increase in loose and loose-owned dog bites in March, but the trend corrected in April with a 14% decrease over April 2019. DAS anticipates the measures it has implemented to date, including COVID-19 operations, will continue to decrease these numbers.

#27. Due to COVID-19 closures at Library facilities and suspension of programming; however, online visits and programming continue to increase.

#28. GED testing at the Central Library has been suspended until further notice as a result of COVID-19.

#29. YTD cultural service contracts are 2.3% below the goal of 55%. Arts Activate project grants, which are typically with smaller organizations and individual artists, are on hold due to ongoing COVID-related restrictions, social distancing/public health concerns, and City expense freezes. If restrictions are lifted and gatherings are encouraged, OAC may meet its year-end goal.

#30. PKR continues to maintain partnership opportunities with school districts and seek additional ones. The Trust for Public Land releases updated percentages in May, and PKR anticipates an increase in this measure as a result of established school partnerships.

#31. Due to COVID-19 closures at recreation facilities, the TRec program has been suspended until all recreation activities resume. The year-end forecast has been reduced to reflect this suspension and the impact of recreation programs operating at limited capacity moving forward.

#32. In response to COVID-19, most 311 staff have transitioned to work remotely. This, as well as system malfunctions and equipment issues have impacted 311's performance. City Council approved the procurement and installation of new equipment and software on March 25, which will improve overall performance.

#33. The year-end forecast is below target as a result of manual processes and vacancies.

BUDGET INITIATIVE TRACKER

The Budget Initiative Tracker reports on 40 activities included in the FY 2019-20 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. Each month, the responsible department provides a current status for the initiative and indicates whether the initiative is "complete" (blue circle), "on target" for completion by the end of the fiscal year (green check mark), "at risk" of not being completed by the end of the fiscal year (yellow exclamation mark), or "canceled" (red x).

We have also selected a relevant performance measure for each initiative to indicate whether the initiative is achieving its intended outcome. Once an initiative is marked complete and data becomes available, we will begin reporting the year-end target for the measure, as well as the year-to-date actual.

3	32	5	0
Complete	*On Target*	*At Risk*	*Canceled*

In the Spotlight

Park and Recreation recently joined WFAA's Good Morning Texas for a look inside the Rec@Home series, which includes fun child-friendly activities for families to do while sheltering at home. Programming like this is a prime example of how the City continues to find new and inventive ways to engage, entertain, and inform youth and teen residents.

Budget Initiative Tracker

PUBLIC SAFETY

1 Police and Fire Uniform Staffing

INITIATIVE Recruit and retain police officers and firefighters through a new pay structure outlined in the 2019 Meet and Confer agreement. (Police and Fire-Rescue)

STATUS DPD recruiting trips are on hold. Training will continue and is still on track to exceed hiring goals. DPD anticipates ending the year with 3,150 officers instead of 3,053 as budgeted.

As of March 31, DFR has hired 40 firefighters, and attrition is 39. DFR expects to end the year with 1,981 firefighters.

MEASURE Turnover rate of tenured public safety employees

2 Police and Fire Uniform Pension

INITIATIVE Secure the future of our first responders by contributing $162 million to the Dallas Police and Fire Pension System, $5.2 million more than last year. (Police and Fire-Rescue)

STATUS City pension contributions are being made in compliance with HB 3158 approved by the state legislature in 2017.

MEASURE Percentage of on-time contributions

3 Real-Time Crime Center

INITIATIVE Establish a team of civilian crime intelligence analysts who will analyze imaging and data in real time to proactively implement crime-fighting strategies (Police)

STATUS DPD has created the Intelligence-Led Policing Division. Interviews for non-sworn positions are scheduled for May, and hiring is expected in June.

MEASURE Percent increase in collection of RTCC footage as evidence

4 Body-Worn Cameras

INITIATIVE Enhance safety for officers and residents and encourage positive community interactions by purchasing additional body-worn cameras for police officers, the Marshal's Office and Dallas Animal Services officers. (Police)

STATUS City Council approved a new contract for body-worn cameras and in-car camera systems. ITS is working with the City Attorney's Office to finalize the contracts associated with this award. Once finalized and funded, the contract will provide cameras for multiple departments.

MEASURE Percentage of Internal Affairs complaints where police officer is cleared by body-worn camera footage

5 Firefighter Safety

INITIATIVE Protect our firefighters by purchasing a second set of personal protective equipment (PPE) and a complete replacement of self-contained breathing apparatus (SCBA) to allow for cleaning equipment between fires. This is a two-year initiative begun in FY 2018-19. (Fire-Rescue)

STATUS City Council approved the purchase of PPE on February 20. DFR has fitted and ordered PPE for approximately 550 members. Remaining members are scheduled to be fitted by June 6. The solicitation for SCBA is in the evaluation stage, tentatively scheduled for City Council consideration in June.

MEASURE Percentage of firefighters who receive second set of PPE and replacement SCBA

6 Police Oversight

INITIATIVE Strengthen relationships between the community and Dallas Police Department through the Office of Community Police Oversight. (Police)

STATUS The newly hired Office of Community Police Oversight (OPO) monitor began work February 24. The OPO has received 233 complaints as of April 30 and provided an overview of these complaints to the Community Police Oversight Board (CPOB). The office is developing job descriptions to better align its staff with the goals of community police oversight, identifying candidates to train board members on topics relevant to police oversight, and developing a complaint database and outreach materials.

MEASURE Number of complaints investigated

Budget Initiative Tracker

MOBILITY SOLUTIONS, INFRASTRUCTURE, & SUSTAINABILITY

7 Energy Management

INITIATIVE Implement an energy management system to ensure the City continually and intentionally assesses energy use and opportunities for energy reduction. (Building Services)

STATUS The energy management system manager started on March 17, and the initial assessments of the City's energy use, management, and conservation projects are underway.

MEASURE Percent decrease in energy usage

8 City Facility Major Maintenance

INITIATIVE Ensure City facilities stay safe and functional through major maintenance of roofs, HVAC, and other building systems. (Building Services)

STATUS BSD has initiated $3.14 million in projects, including Winfrey Point water supply line replacement, Thanksgiving Square plumbing repairs, maintenance and repairs at MLK Center and City Hall, and the demolition of Fire Station #19.

MEASURE Percentage of funds deployed

9 2017 Bond Program

INITIATIVE Add five Senior Engineers to implement Public Works projects within the 2017 Bond Program in five years. (Office of the Bond Program)

STATUS OBP has hired three Senior Engineers and made offers for the remaining two positions, which staff anticipates filling by the third quarter.

MEASURE Percentage of bond appropriation awarded

10 Bridge Maintenance

INITIATIVE Dedicate funding to establish a bridge maintenance and repair program for the more than 600 City-owned and maintained bridges. (Public Works)

STATUS Proposals were submitted for the bridge repair program, but the selection committee requested more time to evaluate due to COVID-19. As a result, PBW anticipates a delay in submitting the award for City Council consideration until September.

MEASURE Percentage of funds approved by City Council

11 Street Conditions

INITIATIVE Improve the pavement condition of 710 lane miles of streets and alleys. (Public Works)

STATUS PBW has completed 183.18 lane miles to date between bond projects and General Fund maintenance and is on track for completion by the end of the year.

MEASURE Percentage of planned lane miles improved

12 Traffic Signals

INITIATIVE Promote safety and enhance traffic flow by replacing broken vehicle detectors at 40 critical intersections and retiming 250 traffic signals. This is a two-year initiative begun in FY 2018-19. (Transportation)

STATUS The Signal Engineering division is working to install radar equipment at locations throughout the city, which will enhance traffic flow. 38 equipment installations remain. The hiring freeze is impacting TRN's ability to complete signal retiming, so TRN has submitted a request to approve these critical positions.

MEASURE Percent decrease in service requests for signal repairs

13 Water and Wastewater Infrastructure

INITIATIVE Conserve resources and maintain infrastructure through installation and rehabilitation of about 80 miles of water and wastewater mains. (Water Utilities)

STATUS As of March 31, DWU has replaced or rehabilitated 18.67 miles of water main and 12.25 miles of wastewater main.

MEASURE Percent decrease in breaks

14 Neighborhood Drainage

INITIATIVE Prevent flooding in local streets through the neighborhood drainage program, focusing on erosion control and channel repairs. (Water Utilities)

STATUS Through March, DWU conducted debris removal maintenance at 151 different locations (including 25 channels), resulting in the removal of approximately 4,708 cubic yards of debris. DWU has also completed 1,440 service requests addressing a variety of issues, including culvert/pipe blockages, concrete repairs, and storm drainage pipe inspection, cleaning and repairs. DWU is now also including responses to water pollution and water sampling requests by the Water Quality division added in March.

MEASURE Percent decrease in flood-related service requests

Budget Initiative Tracker

ECONOMIC & NEIGHBORHOOD VITALITY

15 Affordable Housing

INITIATIVE Further affordable housing throughout the city as prescribed in the Comprehensive Housing Policy through the 2020, Notice of Funds Available (NOFA). (Housing and Neighborhood Revitalization)

STATUS City Council approved the sale of 99 lots and a grant for $1.6 million.

MEASURE Percent increase in affordable housing units available

16 BUILD Initiative

INITIATIVE Broaden investment in minority- and women-owned businesses based in Dallas through capacity-building resources and training. (Office of Business Diversity)

STATUS OBD has developed a social media presence and the B.U.I.L.D. startup campaign. The office has finalized an MOU with Dallas Entrepreneur Center to establish an ecosystem based on the NextStreet study paid for by JPMorgan Chase. They have agreed to adopt the B.U.I.L.D. model and logo.

MEASURE Percentage of M/WBE spend

17 Small Business Development

INITIATIVE Stimulate small businesses and startups in high-opportunity areas through training and other workforce development services. (Office of Economic Development)

STATUS ECO and OBD recently launched the $5 million Small Business Continuity Fund to support small businesses in high-opportunity areas.

MEASURE Percent increase in small businesses in designated high-opportunity areas

18 Tax-Increment Financing

INITIATIVE Spur development in 19 TIF districts throughout the city by reinvesting property tax revenue. (Office of Economic Development)

STATUS ECO is fostering reinvestment in the City's 19 TIF districts with impactful projects that positively impact Dallas' economic and fiscal health.

MEASURE Percent increase in taxable value in TIF districts

19 Comprehensive Plan

INITIATIVE Update the City's Comprehensive Plan to incorporate more recent policy initiatives and encourage strategic land development while promoting equity, sustainability, and neighborhood revitalization. (Planning and Urban Design)

STATUS Staff briefed City Council on transit-oriented development planning and implementation on April 1. Other briefings on the Comprehensive Plan were delayed due to the suspension of City Council meetings as a result of COVID-19. The new dates for those briefings have yet to be determined.

MEASURE Percentage of project milestones completed

Budget Initiative Tracker

HUMAN & SOCIAL NEEDS

20 Overcoming Barriers to Work

INITIATIVE Partner with nonprofit and community partners to fund services that provide job training and career development to participants who face hurdles to employment, such as lack of transportation or child care. (Office of Community Care)

STATUS Community partners are currently working remotely and not serving as many clients due to COVID-19. Child care services are closed, and no services are being provided. Next month's target will be adjusted to reflect the effects of COVID-19, and OCC will provide updated numbers of clients still employed.

MEASURE Percentage of clients who remain employed after six months

21 Equity

INITIATIVE Advance equity and inclusion in City government and across Dallas by understanding historical and deeply ingrained policies and practices and engaging the community to address present-day challenges. (Office of Equity)

STATUS As of April 10, the Office of Equity received 40 department responses to the Budgeting for Equity Tool. The office developed a 50-measure rubric to provide scores on a five-point Likert scale assessing each department's application of an equity lens. The Office of Equity will provide these department scores to the City Manager's Office in May.

MEASURE Number of community events or collaborative community projects conducted

22 Inclement Weather Shelters

INITIATIVE Ensure unsheltered individuals and families remain safe during periods of extreme heat or cold and provide resources for more permanent housing by funding temporary inclement weather shelters. (Office of Homeless Solutions)

STATUS No additional inclement weather shelters have been needed since the February 4-5 operation at the J. Erik Jonsson Central Library. The Chapter 51A agenda item was moved to the June 10 Council Agenda.

MEASURE Percent decrease in weather-related injuries

23 Pay-to-Stay Shelters

INITIATIVE Increase emergency shelter capacity and connect unsheltered individuals to shelter, support services, and ultimately positive housing destinations through the 90-day pay-to-stay program. (Office of Homeless Solutions)

STATUS OHS continues to meet its target rate of 85% of increasing emergency shelter capacity and connecting unsheltered individuals to shelter and supportive services through the 90-day Pay-To-Stay Program.

MEASURE Percent increase in emergency shelter beds available

24 Neighborhood Grant Reclamation Program

INITIATIVE Provide a vehicle for communities to revitalize former homeless encampments and transform them into community assets through the Neighborhood Grant Reclamation Program. (Office of Homeless Solutions)

STATUS OHS presented the NGRP to the Citizen Homeless Commission on March 12, with plans to submit to City Council for approval. However, on March 13, all work related to this program and others was suspended due to COVID-19. When normal operations resume, this program will be re-evaluated for efficacy and further action.

MEASURE Percentage of NGRP projects completed

Budget Initiative Tracker

QUALITY OF LIFE

25 Community Clean!

INITIATIVE Engage residents in the Community Clean! initiative to reduce illegal dumping, litter, and high weeds in focus neighborhoods through regular community-led cleanups. (Code Compliance)

STATUS CCS removed nearly 780 tons of bulk trash from the community and collected more than 680 tires in the first seven months of this initiative. However, there has been no activity since early March due to COVID-19 restrictions. Activity will resume once these restrictions are rescinded.

MEASURE Percent decrease in illegal dumping and other code violations in target areas

26 Animal Service Response

INITIATIVE Assign two agents to triage and dispatch calls seven days a week to improve response time. (Dallas Animal Services)

STATUS Starting April 8, DAS will have in-house dispatch from 7 a.m. to midnight, seven days a week.

MEASURE Percentage of responses to DAS service requests within specified response time (varies by priority level)

27 Loose Dogs

INITIATIVE Augment overnight animal response by scheduling officers to be on duty seven nights a week instead of four with a focus on loose dog and bite hot spots. (Dallas Animal Services)

STATUS The Field Services team transitioned to 24/7 operations on December 4, and the night shift is fully staffed and trained as of this month.

MEASURE Percent decrease in loose dog calls

28 Internet Access

INITIATIVE Expand Internet access to more residents by making 900 mobile hot spots available for checkout at high-opportunity libraries. (Library)

STATUS 900 mobile hot spots are available at 10 branch library locations beginning this month.

MEASURE Monthly checkout rate

29 Juanita J. Craft Civil Rights House

INITIATIVE Preserve civil rights history by restoring the Juanita J. Craft Civil Rights House. (Office of Arts and Culture)

STATUS OAC has partnered with Building Services to advertise the contract for restoration vendors and anticipates submitting it for City Council approval in the summer or early fall. Staff anticipates restoration will be completed by 2022.

$750,000 is budgeted for the restoration, including $250,000 from the City, and additional fundraising is ongoing. OAC is supporting development of a Friends group to assist with ongoing fundraising and support.

MEASURE Percentage of project milestones completed

30 Pop-Up Cultural Centers

INITIATIVE Create pop-up cultural centers to bring cultural activities to areas of the city without easy access to arts programming. (Office of Arts and Culture)

STATUS Prior to COVID-19 restrictions, OAC hired a new manager and completed pilot events in seven City Council districts. Planned Spring Break camps were canceled due to the restrictions, but weekly live virtual programming is available for free to residents, with a focus on activities for schoolchildren at home and movement-based dance classes for all ages.

MEASURE Percent increase in cultural programming attendance

31 Environmental Action Plan

INITIATIVE Mitigate the impacts of climate change on public health, City infrastructure, the economy, and the environment through development and implementation of the Comprehensive Environmental and Climate Action Plan (CECAP). This is a two-year initiative begun in FY 2018-19. (Office of Environmental Quality and Sustainability)

STATUS The CECAP was finalized for public release on April 21. However, the ENVS Committee Chair deferred the resolution for City Council adoption of the plan to the May 27 Council Agenda to allow a briefing before the vote.

MEASURE Percentage of project milestones completed

Budget Initiative Tracker

QUALITY OF LIFE

32 Park Rangers

INITIATIVE Increase the safety of park patrons through the addition of four new Park Rangers. (Park and Recreation)

STATUS PKR interviewed candidates for Park Ranger in March and hired two candidates for each position. The department continues to monitor increased usership at parks and trails and compliance with social distancing and system closures due to COVID-19.

MEASURE Percent decrease in park-related incidents/calls to DPD

33 Youth Recreation

INITIATIVE Expand opportunities for youth by providing recreational programming to residents aged 5-17 through the Out of School Time (OST) program. (Park & Recreation)

STATUS As of March, total enrollment in OST/after-school programs increased by 4.5%, bringing the year-to-date total to 1,366 participants. However, due to the impact of COVID-19 closures at recreation facilities and schools, the OST program has been suspended until recreation and school activities resume.

MEASURE Percent increase in youth served

34 Teen Recreation

INITIATIVE Boost recreational programming for teenage residents (ages 13-17) with a focus on arts and culture, community service, health and wellness, leadership and life skills, and technology. (Park and Recreation)

STATUS PKR served an additional 471 teens in March, bringing the total to 1,948 teens through the expansion of five locations to 13. PKR anticipated a significant increase during the peak season (April-September). However, it was necessary to adjust the year-end forecast from 95% to 7% due to recreation facility closures as a result of COVID-19.

MEASURE Participation rate at late-night TRec sites

Budget Initiative Tracker

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

35 Contract Management

INITIATIVE Centralize monitoring of vendor performance to ensure contracts are completed on time, within budget, and fulfill the terms of the agreement. (City Controller's Office, Office of Procurement Services)

STATUS Staff conducted the first Level 1 Dallas Contracting Officer (D-COR) training session the week of May 4 with 36 participants. Trainings have been condensed and now include emergency procurements and contracts, as well as other processes updated due to COVID-19. Staff anticipates conducting Level 2 sessions in July and Level 3 sessions in August. Each level consists of three two-hour segments with additional opportunities through Learning Zen.

MEASURE Percent decrease in audit findings

36 Fleet Management

INITIATIVE Drive operational efficiency, reduce overall costs, and improve delivery of City services through timely replacement of fleet vehicles. (Equipment and Fleet Management)

STATUS To date, EFM has assisted 15 departments with fleet purchase orders, with a total of 279 units ordered.

MEASURE Percent decrease in fleet that exceeds useful life

37 IT Governance

INITIATIVE To balance the needs of the organization and ensure security and stability in the City's technology investments, route all technology proposals and funding through the IT Governance Board for review, prioritization, and scheduling. (Information and Technology Services)

STATUS The IT Governance Board has reviewed and approved 20 projects from both enterprise funds and the General Fund. During its meeting on April 27, the board discussed project priorities and made recommendations for the upcoming meeting on May 28.

MEASURE Percentage of IT projects completed on time

38 Property Tax Relief

INITIATIVE Provide tax relief to residents over 65 or with a disability by increasing the property tax exemption to $100,000 from $90,000. (Office of Budget)

STATUS City Council approved an increase in the property tax exemption on June 12, 2019, beginning with the 2019 tax year. Dallas County Tax Office distributed property tax bills and will collect revenue on behalf of the City.

MEASURE Percent increase in total value of exemption

39 Ethics Training

INITIATIVE Foster an ethical organizational culture by continuing biennial ethics training and expanding the Values Ambassador program. (Office of Ethics and Compliance)

STATUS The Office of Ethics and Compliance is on track to roll out biennial ethics training for 2020. In addition, the office is using data from the Speak-Up Hotline as well as inquiries received to identify areas that need expansion.

Some ideas to expand the Values Ambassador program have been put on hold as a result of COVID-19. However, the office continues to develop plans for expansion in the future.

MEASURE Percentage of employees trained

40 Data-Based Decision Making

INITIATIVE Cultivate the use of data analytics and evidence-based decision making throughout the City under the leadership of the Office of Innovation. (Office of Innovation)

STATUS The Data Academy launched in early March with two cohorts and will culminate in capstone data projects designed and built by program graduates. The Data Governance Team continues to uncover data gaps and explore citywide solutions to enable easier data sharing and stronger data protocol. In response to the public health crisis, Innovation designed and launched the COVID-19 Regional Dashboard to provide up-to-date information to residents, and it has been viewed more than 100,000 times.

MEASURE Number of training hours provided

Budget Initiative Tracker

FY 2018-19 INITIATIVES

While most initiatives can be completed in a single fiscal year, several FY 2018-19 initiatives required additional time because of the scope and term of the project. We will continue to report the status of these 12 initiatives below, using the initiative numbers from the FY 2018-19 report for reference.

0	8	4	0
Complete	On Target	At Risk	Canceled

Public Safety

5 Security of City Facilities

INITIATIVE *Consolidating security for City facilities into Court and Detention Services and conducting a comprehensive risk assessment to identify future security needs for City facilities and programs. (Court and Detention Services)*

STATUS The initial security assessments of City facilities have been returned to the City for validation, which should be completed by mid-May. The consultant should provide the draft security standard by the end of May. The enhanced assessment of critical City facilities will begin mid-May with stakeholder interviews the week of June 15 and on-site assessments toward the end of June.

7 P-25 Radio System

INITIATIVE *Expanding radio coverage area, improving system reliability, lowering operating costs, and improving interoperability across City departments and with other public safety agencies through implementation of the new P-25 radio system. (Information and Technology Services)*

STATUS Work has slowed due to a pending decision by the Garland, Mesquite, Rowlett and Sachse (GMRS) radio consortium that could allow the City use of towers on their system, saving significant time and funds as greenfield construction of up to three sites would not be required. In the meantime, ITS proposes moving forward with scope changes that will result in cost reductions for Dallas. The project is currently 21 months behind the original schedule.

9 911 Operations Center

INITIATIVE *Furthering the City's investment in the 911 emergency system with additional technology and expanded backup capacity. (Information and Technology Services)*

STATUS 911/DPD Communications is utilizing the Secondary Active abilities to process and dispatch calls. Due to COVID-19, PSAP is delayed until further notice.

Mobility Solutions, Infrastructure, & Sustainability

13 Bike Lanes

INITIATIVE *Expanding bike lanes and improving mobility by increasing the current $500,000 budget by $500,000 per year for each of the next three years to achieve a $2 million per year investment starting in FY 2020-21. (Transportation)*

STATUS The Merrell and Monroe project for signs and markings (as part of the Dallas County trail project) is complete. Initial installation of Bike Harwood is complete; all other minor items will be completed by April.

Economic & Neighborhood Vitality

23 Historic Resource Survey

INITIATIVE *Devoting $100,000 to conduct a historic resource survey with private partners. (Sustainable Development and Construction)*

STATUS Preservation Dallas raised $95,000 in grants, and the decision was made to use those funds rather than the $45,000 Texas Historical Commission grant. Responses were received with one award recipient. The contract is tentatively scheduled for City Council consideration on May 13. Activity on the grant will occur shortly thereafter, and the timeline to complete the survey is one year.

Budget Initiative Tracker

FY 2018-19 INITIATIVES

Human & Social Needs

26 Citizenship and Civil Legal Services

INITIATIVE Committing $175,000 to partner with nonprofit organizations to offer civil legal services and promote citizenship to immigrants. (Office of Welcoming Communities and Immigrant Affairs)

STATUS All grants have been extended to nonprofit organizations and service delivery is in progress. COVID-19 has caused some impediments to service delivery, but creative approaches are being employed to keep services uninterrupted.

Quality of Life

32 Library RFID

INITIATIVE Implementing a $2 million Radio Frequency Identification (RFID) system throughout our library system to improve security and better manage our materials and assets. (Library)

STATUS Due to COVID-19 this project is delayed. Twenty branches have completely converted materials, including three floors at Central Library.

Government Performance & Financial Management

39 Census 2020

INITIATIVE Encouraging participation in Census 2020, including $75,000 for the Mayor's Complete Count Committee. (Office of Strategic Partnerships and Government Affairs)

STATUS OSPGA has hired the Census coordinator, who has participated in or organized 112 events with departments, multiple committees, public meetings, and Census 2020 training.

41 ADA Compliance

INITIATIVE Investing $200,000 to develop an Americans with Disabilities Act (ADA) transition plan that enhances the City's ADA compliance and addresses accessibility issues in City facilities. (Office of Equity and Human Rights)

STATUS An ADA Internal Advisory Committee and an external focus group of community stakeholders have been formed and are providing project support. Website reviews continue, along with creation of an inventory of department programs, services, and activities for review.

42 Availability & Disparity (A&D) Study

INITIATIVE Conducting a minority business study to inform decision makers on how the City can better support small and local businesses. (Office of Business Diversity)

STATUS The Prime Workforce Study is underway. OBD anticipates briefing preliminary recommendations to City Council in August with consideration of the new Business Inclusion and Development Plan in September. OBD does not anticipate COVID-19 delays at this time.

43 Compensation Study

INITIATIVE Complete a comprehensive study of the City's position classification and compensation systems. (Human Resources)

STATUS Department modeling is about 75% complete, and the consultants are creating a list with recommended job titles and salary schedules and finalizing a new salary structure. The draft salary schedule has been reviewed and will be presented at the May 26 governance meeting.

44 Workday HR/Payroll System

INITIATIVE Implementing a new human resource and payroll system and evaluating an additional module for uniformed employee scheduling. (Information and Technology Services)

STATUS ITS is finalizing all parallel payroll testing in preparation for building a production tenant by June with fully tested and accurate final configurations. Training has been developed and will be shared across all departments and divisions by mid-June.

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1066 **Item #:** 7.

Request for Competitive Sealed Proposal (RFCSP) for External Audit Services for FY 2020 - 2024

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Memorandum

CITY OF DALLAS

DATE May 22, 2020

TO Honorable Members of the Government Performance & Financial Management Committee: Jennifer S. Gates (Chair), Cara Mendelsohn (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Lee Kleinman, Omar Narvaez, Casey Thomas, II

SUBJECT **Request for Competitive Sealed Proposal (RFCSP) for External Audit Services for FY 2020 - 2024**

The City is required by Chapter III, Section 19 of the City Code and by state law to have an annual audit of the financial statements performed by an independent CPA firm registered with the Texas State Board of Public Accountancy as a firm practicing public accountancy. Unlike most contracts, the City Council evaluates and recommends the award of the auditing services contract without a recommendation from City staff.

Grant Thornton, LLP was awarded the auditing services contract from fiscal years 2007 through 2009. Grant Thornton, LLP was awarded the contract again from fiscal years 2010 through 2014 and fiscal years 2015 through 2019. The current contract with Grant Thornton, LLP expires on June 30, 2020 but will be extended until September 30, 2020. A new contract for auditing services should be in place prior to the end of fiscal year 2020 to allow sufficient time to plan the audit and begin preliminary field work.

The RFCSP provides for a 5-year contract with the ability for the City to terminate the contract upon 30 days written notice. All provisions of this RFCSP remain essentially the same as the current contract. The selection criteria of the RFCSP has the following recommended selection criteria and weightings.

- Government Auditing Experience – 35 points
- Approach – 20 points
- Cost and Timeframe – 30 points
- Business Inclusion and Development Plan (BID) – 15 points

The proposed timeline for this RFCSP is listed below:

- Advertising – May 28, 2020 and June 4, 2020
- Pre-proposal meeting – June 5, 2020
- Proposal due date – July 1, 2020
- Vendor presentations to the GPFM Committee – August 24, 2020
- GPFM Committee complete tabulation worksheets – August 26, 2020
- Memo to GPFM Committee regarding results – August 28, 2020
- Approval by Council – September 9, 2020

DATE May 22, 2020

SUBJECT Request for Competitive Sealed Proposal (RFCSP) for External Audit Services for FY 2020 - 2024

If you have any questions, please contact me or Sheri Kowalski, City Controller, by email at sheri.kowalski@dallascityhall.com or by phone at 214-670-3856.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

[Attachment]

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizor Tolbert, Chief of Staff to the City Manager
Jon Fortune, Assistant City Manager
Majed A. Al-Ghafry, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1086 **Item #:** 8.

May 27, 2020 Upcoming Agenda Item #38 - Resolution Authorizing PPE & Disinfectants Purchases

Memorandum

CITY OF DALLAS

DATE May 22, 2020

TO Honorable Members of the Government Performance & Financial Management Committee: Jennifer S. Gates (Chair), Cara Mendelsohn (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Lee M. Kleinman, Omar Narvaez, and Casey Thomas, II

SUBJECT **May 27, 2020 Upcoming Agenda Item #38 - Resolution Authorizing Personal Protective Equipment & Disinfectants Purchases**

Due to the COVID-19 pandemic, the City has sourced millions of dollars of personal protective equipment (PPE) and disinfectant items to protect first responders, other City personnel, and members of the public. Procurement Services has been agile and responsive in meeting the City's needs. The demand is expected to grow as society re-opens, while the global supply chain has not yet normalized for these products.

City staff calculated bona fide estimated quantities for citywide PPE and disinfectant items for the next three months and determined it will cost about $5 million. Agenda Item No. 38 will authorize the City Manager to more efficiently procure PPE and disinfectants up to $5 million. Without this resolution, vendors who provide more than $50,000 in goods or services do so contingent upon Council approval and cannot get paid until that approval is made. With this resolution, the City may cut a non-contingent purchase order over $50,000 and pay the vendor upon receipt of goods. These details matter greatly in a disrupted supply chain, especially as we approach the July Council recess.

These items will be solicited through a formal procurement in Bonfire, unless an emergency procurement is required. Items to be purchased through this action include, but are not limited to:

- N95, KN95, surgical, and cloth masks
- Nitrile, latex, and non-latex gloves
- Head and boot covers
- Face shields and goggles
- Disinfecting sprays and wipes

DATE May 22, 2020

SUBJECT **May 27, 2020 Upcoming Agenda Item #38 - Resolution Authorizing Personal Protective Equipment & Disinfectants Purchases**

Should you have any questions, please contact me or Chhunny Chhean, Director of Procurement Services.

M. Elizabeth Reich
Chief Financial Officer

c:
T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors
Jon Fortune, Assistant City Manager

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1052 **Item #:** 9.

Office of the City Auditor: Fiscal Year 2020 Quarter 2 Update: January 1, 2020 - March 31, 2020

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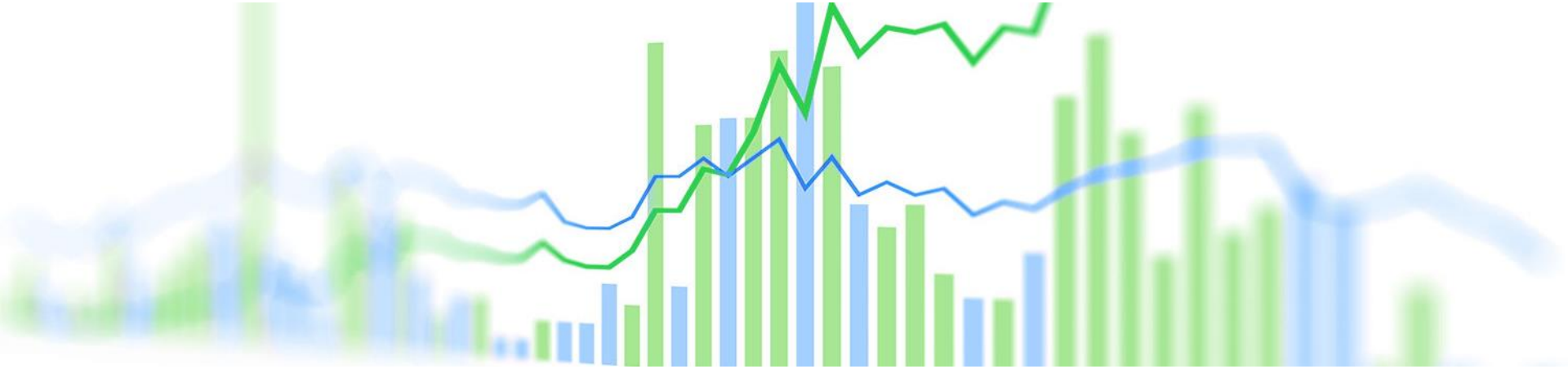
Office of the City Auditor

Fiscal Year 2020 Quarter 2 Update:
January 1, 2020 – March 31, 2020

May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

Overview



8

Reports Issued

87%

Management Agreement to Recommendations

19

Projects in Progress

Reports Issued

Audit of TexasCityServices, LLC Contract

Objective:

The audit objective was to determine whether the fees associated with TexasCityServices, LLC's identification of incorrectly remitted sales/use tax for Fiscal Year 2019 are accurate and supported by the Texas State Comptroller of Public Accounts.

What We Found:

For the Fiscal Year 2019 service periods, the Office of the City Auditor verified $3,464,939 in sales/use tax receipts collections that TexasCityServices, LLC identified as owed to the City of Dallas from businesses operating in the City. The Office of the City Auditor also verified that $831,586 of contingent fees from TexasCityServices, LLC invoices received were accurate.

Memorandum - Confidential Report: Audit of Payment Card Security Standard Compliance

Objectives:

The objective of the audit was to evaluate the City's security controls for selected online payments.

What We Found:

Due to sensitive information in this report, the distribution was limited to City management responsible for payment card security standard compliance in accordance with Government Auditing Standards and the Texas Public Information Act – Texas Government Code, § 552.139: *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*

Reports Issued

Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability - Single Family Housing Development - BUZ19-00010338

Objective:

The objective of this attestation was to assist the City Council in evaluating compliance with the requirements of Housing and Neighborhood Revitalization Department, Development Division's *Notice of Funding Availability – Single-Family Housing Development – BUZ19-00010338,* relevant to the City's evaluation and recommendation for funding the: (1) Dallas Area Habitat for Humanity – Ideal & Joppa Infill; and, (2) Notre Dame Place – Five Mile Infill & Bonton project proposals.

What We Found:

Auditors identified exceptions for procedures (b) and (c).

Audit of the City's Open Record Request Process - Dallas Police Department

Objectives:

The audit objective was to evaluate the effectiveness of the City's compliance with State law and identify cost-saving opportunities.

What We Found:

The Dallas Police Department is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to: (1) User Access; (2) Training; (3) Procedures; and, (4) Notification.

Reports Issued

Audit of the City's Open Record Request Process - City Secretary's Office

Objective:

The audit objective was to evaluate the effectiveness of the City Secretary's Office compliance with State law and identify cost saving opportunities.

What We Found:

The City Secretary's Office is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to: (1) User Access; (2) Training; and, (3) Procedures.

Audit of the Office of Fair Housing and Human Rights' Complaint Process

Objectives:

The audit objective was to evaluate the Office of Fair Housing and Human Rights' complaint process, including intake, investigation, and timeliness of the complaint resolution.

What We Found:

The City of Dallas Office of Fair Housing and Human Rights is processing complaints effectively.

Reports Issued

Audit of the City Park Maintenance and Safety

Objective:

The objective of the audit was to evaluate the processes the Dallas Park and Recreation Department uses to ensure City parks are maintained and safety risks are managed to defined standards.

What We Found:

The Park Maintenance and Operations Division does not consistently manage and monitor to defined standards, and Park Ranger staffing levels are not sufficient compared to peer cities.

Audit of Library Facility Planning

Objectives:

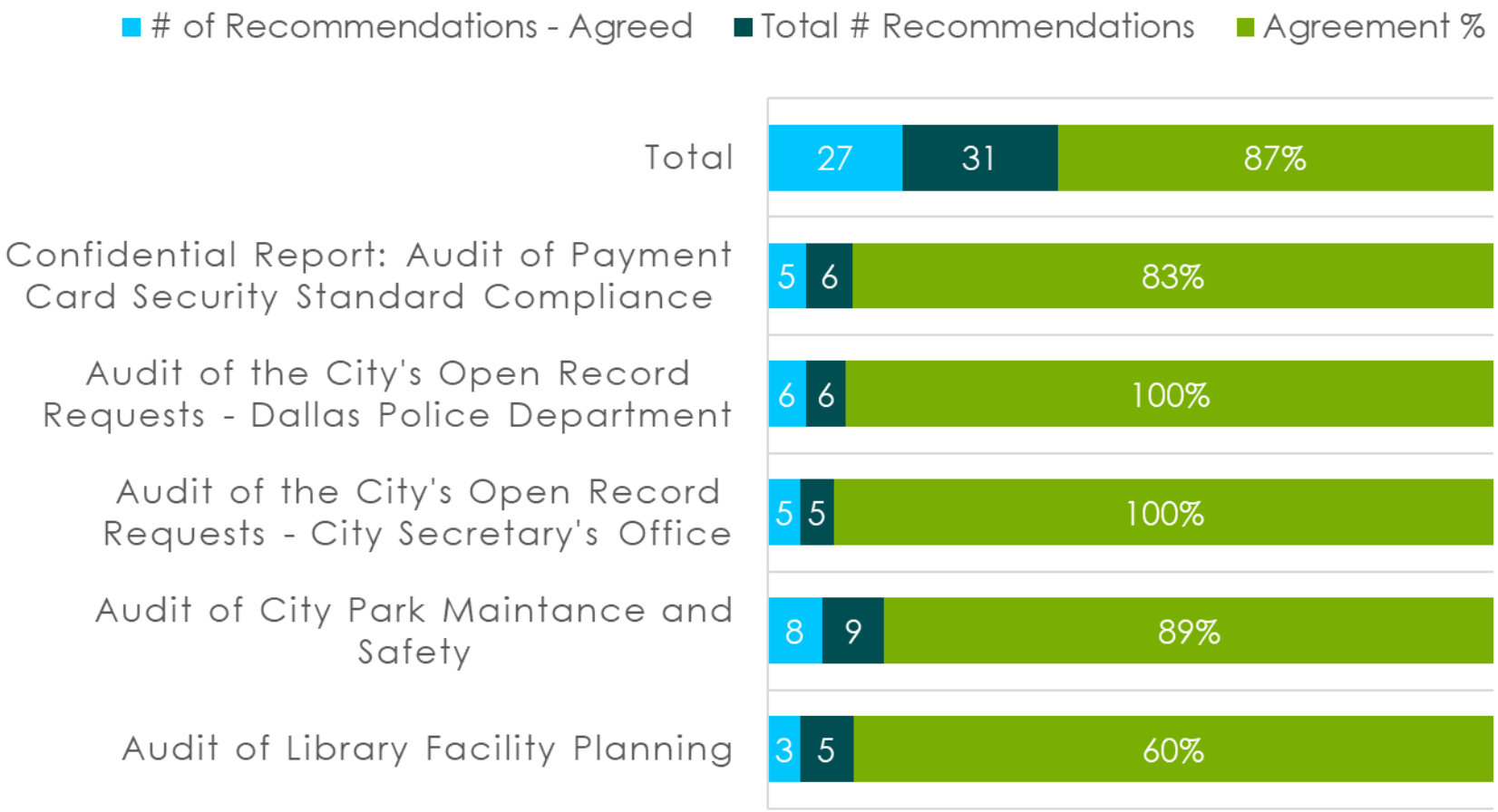
The objective of this audit was to evaluate the Dallas Public Library's strategic and operational planning in an era when the public's demands of libraries have changed, including programs and materials.

What We Found:

The Master Plan is out of date and no longer reflects current facility priorities. Dallas Public Library needs better information to evaluate how well its facilities are performing and how it compares to peer cities.

Management Agreement

Summary of the percentage of recommendations management agreed to Implement per audit.



Management Agreement

Three of eight reports were not included in the Management Agreement reported percentages as there were no recommendations associated with these reports:

- Audit of TexasCityServices, LLC
- Independent Report on Agreed-Upon Procedures…
- Audit of the Office of Fair Housing and Human Rights' Complaint Process

Investigative Services

Fraud, Waste, and Abuse Hotline Alerts		
Quarter	**Received**	**Closed**
1	31	38*
2	34	25

In Quarter 2, Investigative Services closed 25 complaints. Of those closed, three were substantiated. Of the substantiated complaints, three resulted in disciplinary action, including termination of employment for two of the three substantiated complaints.

***Note:** Pending cases from prior fiscal year(s) were also closed during Quarter 1.

Projects in Progress

Projects in progress include:

- ✓ 3 carry-over audits from the Fiscal Year 2019 Audit Plan.
- ✓ 16 projects from the Fiscal Year 2020 Audit Plan.

Audits on the horizon for release in Quarter 3 include:

- ➢ Audit of Department of Dallas Fire-Rescue's Hydrant Inspection, Flow-Testing, and Maintenance Process
- ➢ Audit of the Office of Community Care Community Centers
- ➢ Audit of Taxicab & Transportation Network
- ➢ Audit of the Department of Aviation's Noise Management Program

Projects in Progress (Continued)

Non-Audit services started during COVID-19 disruption include:

- ✓ Piloting Workday payroll and HR actions job aids.
- ✓ Processing Applications for the COVID-19 Mortgage and Rental Assistance Program.
- ✓ Assisting ITS in mapping of NIST information security and privacy controls.
- ✓ Assisting ITS in Payment Card Industry Data Security Standard (PCI) internal assessments.
- ✓ Information request for Council Member Arnold.
- ✓ Information request for Honorable Mayor Johnson.

Links to Reports

Although reports are linked throughout the presentation, here is a list of all reports linked in one place for your convenience.

1. Audit of TexasCityServices, LLC Contract
2. Memorandum - Confidential Report: Audit of Payment Card Security Standard Compliance
3. Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability - Single Family Housing Development - BUZ19-00010338
4. Audit of the City's Open Record Request Process - Dallas Police Department
5. Audit of the City's Open Record Request Process - City Secretary's Office
6. Audit of the Office of Fair Housing and Human Rights' Complaint Process
7. Audit of the City Park Maintenance and Safety
8. Audit of Library Facility Planning

Office of the City Auditor

Fiscal Year 2020 Quarter 2 Update:
January 1, 2020 – March 31, 2020

May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

Office of the City Auditor

FISCAL YEAR 2020 – QUARTER 2 UPDATE: JANUARY 1 – MARCH 31, 2020

Reports Issued

During Quarter 2 the Office of the City Auditor released the following reports (click on the hyperlinks below for the full report):

- Audit of TexasCityServices, LLC Contract
- Memorandum - Confidential Report: Audit of Payment Card Security Standard Compliance
- Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single Family Housing Development – BUZ1900010338
- Audit of the City's Open Record Request Process – Dallas Police Department
- Audit of the City's Open Record Request Process – City Secretary's Office
- Audit of the Office of Fair Housing and Human Rights' Complaint Process
- Audit of City Park Maintenance and Safety
- Audit of Library Facility Planning

Audit Notifications

The Vendor Master File Maintenance audit is canceled. In addition, the following audits are on hold until further notice: Consumer Health Division – Food Safety Services and Collaboration with Non-Profit Entitites. See Appendix A for a full projects overview.

Investigative Services

Exhibit 1:

Fraud, Waste, and Abuse Hotline Alerts		
Quarter	**Received**	**Closed**
1	31	38*
2	34	25

In Quarter 2, Investigative Services closed 25 complaints. Of those closed, three were substantiated. Of the substantiated complaints, three resulted in disciplinary action, including termination of employment for two of the three substantiated complaints.

***Note:** Pending cases from prior fiscal year(s) were also closed during Quarter 1.

Projects in Progress

The 19 projects in progress include three carry-over audits from the Fiscal Year 2019 Audit Plan, and 16 projects from the Fiscal Year 2020 Audit Plan. Audits on the horizon for release in Quarter 3 include:

- Audit of Department of Dallas Fire-Rescue's Hydrant Inspection, Flow-Testing, and Maintenance Process
- Audit of the Office of Community Care Community Centers
- Audit of Taxicab and Transportation Network
- Audit of the Department of Aviation's Noise Management Program

8
Reports Issued

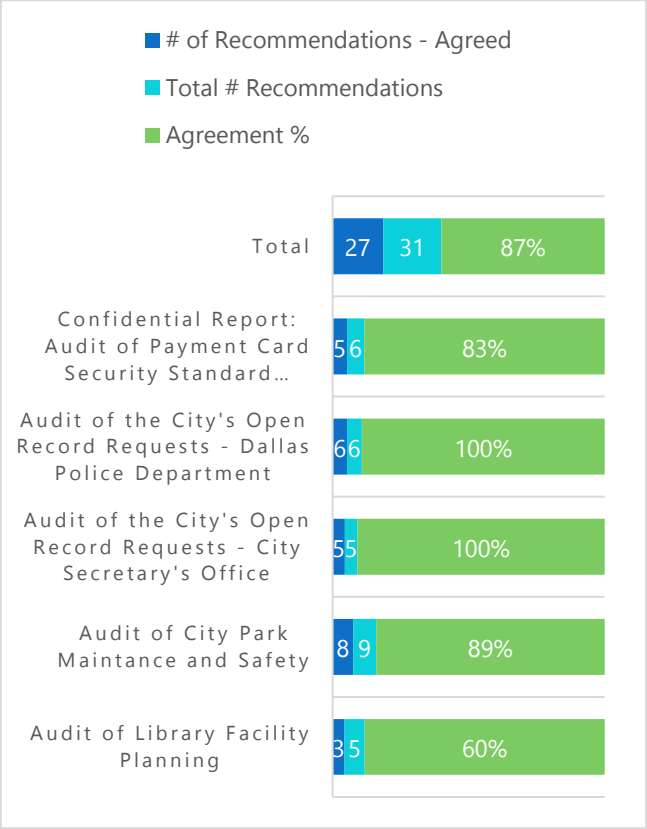
87%
Management Agreement to Recommendations

19
Projects In Progress

Management Agreement

Refer to Exhibit 2 below for a summary of the percentage of recommendations management agreed to implement per audit.

Exhibit 2:



Note: Three of eight reports were not included in Exhibit 2 as there were no recommendations associated with these reports:

- Audit of TexasCityServices, LLC
- Independent Report on Agreed-Upon Procedures...
- Audit of the Office of Fair Housing and Human Rights' Complaint Process

Accomplishments - Work From Home

Five reports were issued between March and May, and on-going audit and investigation engagements are progressing (see Appendix A).

In addition, the Office is accommodating City Management when our requests for information interfere with COVID-19 response efforts. Auditors are assisting other groups through non-audit services as follows:

- ✓ Piloting and reviewing Workday implementation job aids. The Workday human resource information system is scheduled to replace the City's legacy Lawson system this summer.
- ✓ Processing applications for the COVID-19 Mortgage and Rental Assistance Program.
- ✓ Assisting Information and Technology Services in mapping of NIST information security and privacy controls.
- ✓ Assisting Information and Technology Services in Payment Card Data Security Standard (PCI) internal assessment.
- ✓ Information request for Council Member Arnold.
- ✓ Information request for Honorable Mayor Johnson.

8
Reports Issued

87%
Management Agreement to Recommendations

19
Projects In Progress

APPENDIX A: PROJECTS OVERVIEW

While the report only shows information pertaining to Quarter 2, this appendix provides an overview of all projects in Fiscal Year 2020 to date (October 2019 through May 2020). Exhibit 3 (below) provides an overview of management's agreement to recommendations for reports released to date, and Exhibit 4 (on page 5) shows the current project status for pending and upcoming audit engagements.

Exhibit 3:

City Management's Agreement to Implement Audit Recommendations

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations	No. Management Agreed to Implement	Agreement %
1	1	Audit of City of Dallas' Purchasing and Travel Cards	November 11, 2019	10	9	90%
	2	Audit of the Dallas Police Department's Complaint Process	November 25, 2019	20	16	80%
2	3	Audit of the TexasCityServices LLC Contract	January 13, 2020	0	N/A	--
	4	**Memorandum – Confidential Report:** Audit of Payment Card Industry Data Security Compliance	January 27, 2020	6	5	83%
	5	Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single Family Housing Development BUZ19-0010338	February 24, 2020	0	N/A	--

Quarter Issued	#	Audit Plan Year October 2019 to September 2020	Release Date	No. Recommendations	No. Management Agreed to Implement	Agreement %
2	6	Audit of the City's Open Records Request Process – Dallas Police Department	February 26, 2020	6	6	100%
	7	Audit of the City's Open Records Request Process – City Secretary's Office	February 26, 2020	5	5	100%
	8	Audit of the Office of Fair Housing and Human Rights' Complaint Process	March 6, 2020	0	N/A	--
	9	Audit of City Park Maintenance and Safety	March 6, 2020	9	8	89%
	10	Audit of Library Facility Planning	March 26, 2020	5	3	60%
3	11	Special Audit of Former Mayor and City Council Members	April 15, 2020	15	15	100
	12	Independent Report on Agreed-Upon Procedures for the Department of Aviation Construction Project Procurement – Reconstruction Runway 13R-31L/Taxiway C Phase 1 at Dallas Love Field, Solicitation No. CIZ 1891	May 8, 2020	0	N/A	--
			Running Total (Q1 – Q3 To Date):	**76**	**67**	**88%**

Exhibit 4:

Audit Reporting Updates

#	Audit Plan Year October 2019 to September 2020	Planning	Field-work	Report	Report Phase		
					Draft	City Official	Final
Engagements In-Progress							
13	Office of Community Care – Community Centers (Carry-over - FY 19 Audit Plan)			✓		Mar-20	
14	Dallas Police Department – Property and Evidence (Carry-over - FY 19 Audit Plan)		✓				
15	Department of Aviation – Taxicab and Transportation Network (Carry-over - FY 19 Audit Plan)			✓		Apr-20	
16	Building Services Department – City-Owned Elevator Safety		✓				
17	Department of Dallas Fire-Rescue – Fire Hydrant Inspection, Flow-Testing, and Maintenance Process			✓	Apr-20		
18	Department of Aviation – Noise Management Program			✓	Mar-20		
19	Department of Information and Technology Services – AT&T Datacomm LLC Contract Monitoring	✓					
20	Court & Detention Services – Dallas County Motor Vehicle Child Safety Fee		✓				
21	Multiple Departments – Follow-Up of Prior Recommendations - Continuity of Operations Basic Plan	✓					
22	Department of Dallas Water Utilities – Stormwater Billing Calculations	✓					

#	Audit Plan Year October 2019 to September 2020	Planning	Field-work	Report	Report Phase		
					Draft	City Official	Final
Engagements In-Progress							
23	Mayor and City Council Office – City Advisory Boards and Commissions	✓					
24	City Controller's Office – Investment Pool Management	✓					
25	Department of Economic Development – Economic Development Incentive Programs	✓					
26	Department of Equipment and Fleet Maintenance – Fuel Services	✓					
27	Office of Community Care – Senior Services	✓					
28	Department of Public Works – Road Paving	✓					
29	Department of Transportation – Traffic Signals, Signs, Pavement Marking, Traffic Control, and Streetlight Maintenance	✓					
30	Franchise Fees Reviews *(Ongoing)*		✓				
31	Sales and Use Tax Compliance Review (Ongoing)		✓				

Audit Plan Changes

Approved Audit Plans allow the City Auditor to make additions to, deletions from, or other changes to the plan(s) when deemed necessary upon written notification to the City Council (see Exhibit 5). Accordingly, the Office of the City Auditor is providing notification of the deletion status for the Vendor Master File Maintenance audit. The risks associated with this audit will be re-evaluated and may be re-considered for inclusion in future audit plans. In addition, the following audits included in the Fiscal Year 2020 Audit Plan are on-hold until further notice: (1) Consumer Health Division – Food Safety Services; and, (2) Collaboration with Non-Profit Entities.

Exhibit 5:

Status of Projects – Audit Plan Changes

Original Assigned Audit Plan Year*	Quarter Status-Change Notification Issued	Project	Status:	Moved to Another Audit Plan Year? Y/N
2020	Q2, 2020	Multiple Departments – Vendor Master File Maintenance	Canceled	**N**
2020	Q2, 2020	Consumer Health Division – Food Safety Services	On-Hold	**N**
2020	Q2, 2020	Multiple Departments - Collaboration with Non-Profit Entities	On-Hold	**N**

***Note:** The Audit Plan Year corresponds to a Fiscal Year, not a Calendar Year. Dates for Audit Plan Year 2020 are October 2019 through September 2020.

OFFICE OF THE CITY AUDITOR – FINAL REPORT

Audit of the TexasCityServices, LLC Contract

January 13, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West

City of Dallas

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Audit Results: Summary of Additional Sales/Use Tax Collections **2**

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Background 4

Methodology 4

Major Contributors to the Report 5

Appendix B: Management's Acknowledgement **6**

Executive Summary

Objective and Scope

The audit objective was to determine whether the fees associated with TexasCityServices, LLC's identification of incorrectly remitted sales/use tax for Fiscal Year 2019 are accurate and supported by the Texas State Comptroller of Public Accounts. The scope of our audit included TexasCityServices, LLC's Fiscal Year 2019 invoices.

What We Recommend

No recommendations are associated with this report.

Background

Starting January 1, 2017, the City entered into a three-year contract with TexasCityServices, LLC to identify businesses operating in the City that are not properly collecting and/or reporting sales/use tax. The City agreed to pay TexasCityServices, LLC a contingent fee of 24 percent of the sales/use tax revenue received by the City from correction of taxpayer reporting errors detected and documented by TexasCityServices, LLC.

Through a variety of means, TexasCityServices, LLC identifies businesses operating in the City that are not properly collecting and/or reporting sales/use tax.

What We Found

For the Fiscal Year 2019 service periods, the Office of the City Auditor verified $3,464,939 in sales/use tax receipts collections that TexasCityServices, LLC identified as owed to the City of Dallas from businesses operating in the City.

The Office of the City Auditor also verified that $831,586 of contingent fees from TexasCityServices, LLC invoices received were accurate.

Audit Results: Summary of Additional Sales/Use Tax Collections

TexasCityServices, LLC works directly with identified businesses to achieve voluntary tax compliance by assisting the businesses with tax code interpretations and preparation of amended tax returns. If businesses do not voluntarily comply, referrals are made to the Texas State Comptroller of Public Accounts requesting audit assistance to achieve compliance.

The Office of the City Auditor validates the additional sales/use tax collected and associated contingent fees quarterly. Exhibit 1 below shows a summary of the sales/use tax collections and associated fees paid to TexasCityServices, LLC for the Fiscal Year 2019 service periods. TexasCityServices, LLC's invoices were not paid until the Office of the City Auditor verified that the City received the additional sales/use tax.

Exhibit 1:

Fiscal Year 2019: Summary of Sales/Use Tax Collections and Associated Fees

Invoice Date	Service Period	Identified Businesses	Total Sales Tax Allocations	Fee paid to TexasCityServices, LLC	Net Allocation to the City
1/18/2019	Oct – Dec 2018	108	$ 907,971	$ 217,913	$ 690,058
4/12/2019	Jan – Mar 2019	117	851,604	204,385	647,219
7/10/2019	Apr – Jun 2019	119	1,073,315	257,596	815,719
10/23/2019	Jul – Sep 2019	122	632,049	151,692	480,357
Total			**$ 3,464,939**	**$ 831,586**	**$ 2,633,353**

The tax payments identified and included in the quarterly invoices by TexasCityServices, LLC, consist of tax payments that should have been paid to the City originally, instead of other municipalities. For example, a business could have two outlets: one in Dallas and another outside of Dallas. If customer orders were accepted by the Dallas outlet but goods were shipped from the outlet outside of Dallas, both outlets should pay sales taxes to Dallas.

Exhibit 2 on page 3 shows a summary of the sales/use tax collections and associated fees paid to TexasCityServices, LLC for the life of the contract.

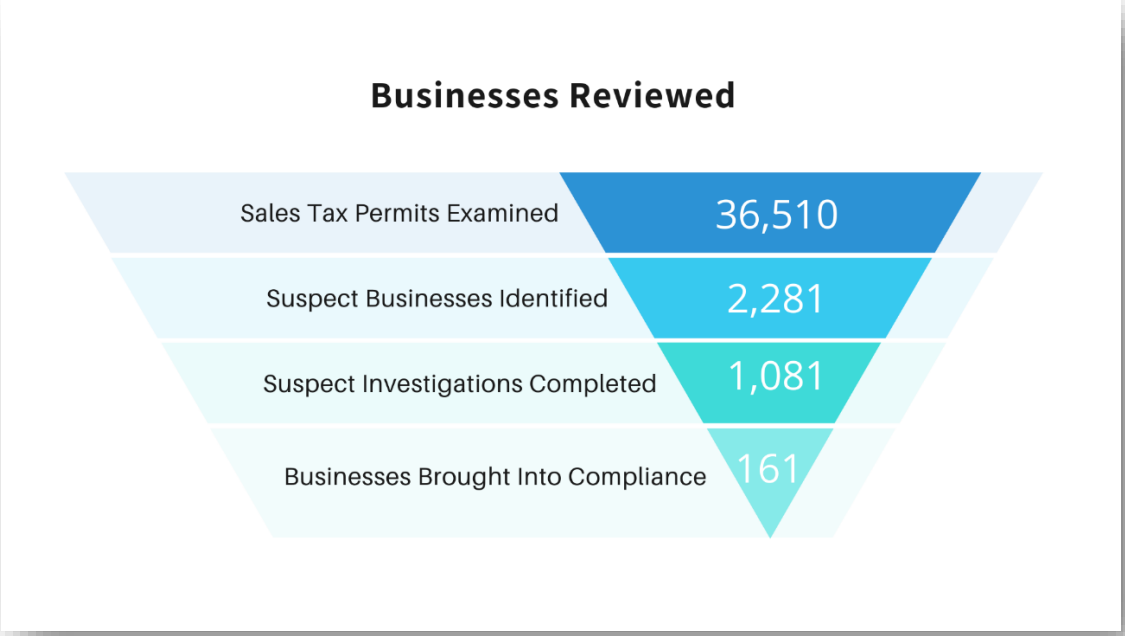
Exhibit 2:

Summary of Sales/Use Tax Collections and Associated Fees for the Life of the Contract

Invoice Date	Service Period	Identified Businesses	Total Sales Tax Allocations	Fee paid to TexasCityServices, LLC	Net Allocation to the City
10/2/2017	Jan – Sep 2017	31	$ 703,610	$ 168,866	$ 534,744
1/23/2018	Oct – Dec 2017	71	794,180	190,603	603,577
4/19/2018	Jan – Mar 2018	77	314,989	82,077	259,912
7/11/18	Apr – Jun 2018	88	1,051,432	252,344	799,088
10/11/18	Jul – Sep 2018	92	980,127	235,230	744,897
1/18/2019	Oct – Dec 2018	108	907,971	217,913	690,058
4/12/2019	Jan – Mar 2019	117	851,604	204,385	647,219
7/10/2019	Apr – Jun 2019	119	1,073,315	257,596	815,719
10/23/2019	Jul – Sep 2019	122	632,049	151,692	480,357
Total			**$ 7,336,277**	**$ 1,760,706**	**$ 5,575,571**

As of the invoice dated October 23, 2019, TexasCityServices, LLC has examined 36,510 Dallas Sales Tax Permits, identified 2,281 suspected businesses, completed 1,081 investigations of suspected businesses, and brought into compliance 161 businesses.

Exhibit 3:



Appendix A: Background and Methodology

Background

In October 2008, the Office of the City Auditor issued an *Audit of City of Dallas Businesses Remitting Sales Tax to Other Municipalities (*Report No. A09-001). This report identified 72 businesses located within the City of Dallas that might be incorrectly remitting sales tax to other municipalities. These businesses were referred to the Texas State Comptroller of Public Accounts (Comptroller) for evaluation.[1] The Comptroller researched the 72 businesses and determined that: (1) Twenty-one were incorrectly remitting sales tax to other cities and approximately $50,000 in sales tax was reallocated to the City; and, (2) Fifty-one would not have sales tax reallocated to the City for various valid reasons.

The Office of the City Auditor continued evaluating whether businesses located within the City are correctly remitting sales tax by working with the City Manager's Office to contract with (1) MuniServices, LLC (contract ended July 7, 2018); and (2) TexasCityServices, LLC starting January 1, 2017 to provide on-going sales/use tax compliance review services. The Office of the City Auditor validates the additional sales/use tax collected and associated contingency based fees quarterly.

TexasCityServices Contract

Starting January 1, 2017, the City entered into a three-year contract with the TexasCityServices, LLC to complete a tax-compliance review related to sales/use taxes and provide recovery services for unpaid sales/use taxes on a contingent fee basis. The City agreed to pay TexasCityServices, LLC a contingent fee of 24 percent of the sales/use tax revenue received by the City from correction of taxpayer reporting errors detected and documented by TexasCityServices, LLC. The contingent fee applies to all sales and use tax revenues corrected for the City for periods prior to the date of correction and for revenues received for the first eight consecutive reporting quarters following the date of correction.

Methodology

To accomplish our audit objectives, we obtained Comptroller quarterly sales/use tax data and compared it to the invoices submitted by TexasCityServices, LLC. We also recalculated the fees based upon the contract provisions.

This performance audit was conducted 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.

---

[1] State regulation restricts the City's access to the sales tax amount paid by individual businesses. Therefore, the potential monetary impact could not be determined by the Office of the City Auditor.

Major Contributors to the Report

Bob Smith, CPA – Project Manager
Lee Chiang, CIA, CISA – Audit Manager

Appendix B: Management's Acknowledgement

Memorandum

DATE: January 10, 2019

TO: Mark S. Swann, City Auditor

SUBJECT: Response to the Audit of the TexasCityServices, LLC Contract

This letter acknowledges the City Manager's Office received and reviewed the *Audit of the TexasCityServices, LLC Contract.*

We appreciate the professionalism and quality of work demonstrated by your staff throughout this engagement.

Sincerely,

T.C. Broadnax
City Manager

C: Kimberly Bizor Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Jack Ireland, Director, Office of Budget

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

Memorandum

DATE: January 27, 2020

TO: Honorable Mayor and Members of the City Council

SUBJECT: Confidential Report: Audit of Payment Card Security Standard Compliance

The Office of the City Auditor released the *Confidential Report: Audit of Payment Card Security Standard Compliance* on January 27, 2020. The audit engagement started in March 2019 to evaluate the City's security controls for selected online payments. The audit scope included management operations and transactions from October 1, 2017 to the present.

Due to sensitive information in this report, the distribution was limited to City management responsible for payment card security standard compliance in accordance with *Government Auditing Standards* and the Texas Public Information Act – Texas Government Code, § 552.139: *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*

If you have any additional questions, please contact me at 214-670-3222.

Respectfully,

Mark Swann
City Auditor

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Memorandum

CITY OF DALLAS

DATE: February 24, 2020

TO: Paula Blackmon, Council Member, District 9

SUBJECT: Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single-Family Housing Development – BUZ19-00010338

Attached for your review is the *Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability - Single-Family Housing Development – BUZ19-00010338*. The agreed-upon procedures are included in Attachment 1. Exceptions were noted for procedures (b) and (c). Management comments are included in Attachment 2.

We have performed these procedures solely to assist City of Dallas City Council in evaluating compliance with the requirements of Housing and Neighborhood Revitalization Department, Development Division's *Notice of Funding Availability- Single-Family Housing Development – BUZ19-00010338,* relevant to the City's evaluation and recommendation for funding the: (1) Dallas Area Habitat for Humanity - Ideal & Joppa Infill and (2) Notre Dame Place- Five Mile Infill & Bonton project proposals.

Dallas City Charter, Chapter IX, Section 3, and the Office of the City Auditor's Fiscal Year 2020 Annual Audit Plan authorizes agreed-upon procedures attestation engagements on behalf of City Council Members.

If you have any questions, please contact me at (214) 670-3222 or by email at mark.swann@dallascityhall.com.

Sincerely,

Mark S. Swann
City Auditor

Attachment

C: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Christopher J. Caso, Interim City Attorney
Kimberly Bizor Tolbert, Chief of Staff
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
David Noguera, Director - Housing & Neighborhood Revitalization
Chhunny Chhean, Director – Office of Procurement Services

Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single-Family Housing Development – BUZ19-00010338

February 24, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West

City of Dallas

Executive Summary

Objective and Scope

The objective of this attestation was to assist the City Council in evaluating compliance with the requirements of Housing and Neighborhood Revitalization Department, Development Division's *Notice of Funding Availability- Single-Family Housing Development – BUZ19-00010338,* relevant to the City's evaluation and recommendation for funding the: (1) Dallas Area Habitat for Humanity - Ideal & Joppa Infill; and, (2) Notre Dame Place- Five Mile Infill & Bonton project proposals.

Background

Council Member Paula Blackmon requested this attestation to assist City Council in evaluating the quality and accuracy of information received relevant to the City's evaluation and recommendation of funding the: (1) Dallas Area Habitat for Humanity - Ideal & Joppa Infill; and, (2) Notre Dame Place- Five Mile Infill & Bonton project proposals.

What We Found

Auditors performed the three agreed-upon procedures and identified exceptions for procedures (b) and (c). See Attachment 1 for the full list of procedures.

Results:

Independent Agreed-Upon Procedures Report

The Office of the City Auditor conducted the procedures described in Attachment 1, which were agreed to by Council Member Paula Blackmon, solely to assist the City of Dallas City Council in evaluating compliance with the requirements of Housing and Neighborhood Revitalization Department, Development Division's *Notice of Funding Availability- Single-Family Housing Development – BUZ19-00010338,* relevant to the City's evaluation and recommendation for funding the: (1) Dallas Area Habitat for Humanity - Ideal & Joppa Infill; and, (2) Notre Dame Place- Five Mile Infill & Bonton project proposals.

Exceptions were noted for agreed-upon procedures (b) and (c).

The exceptions pertain to required documentation, underwriting, and consistent scoring of the proposals. Department of Housing and Neighborhood Revitalization management provided comments to address the exceptions. See Attachment 1 for the specific exceptions and a list of the procedures performed. Management's comments are provided in Attachment 2.

Council Member Paula Blackmon requested this attestation on February 11, 2020 to assist City Council in evaluating the quality and accuracy of information received relevant to the City's evaluation and recommendation of funding the: (1) Dallas Area Habitat for Humanity - Ideal & Joppa Infill; and, (2) Notre Dame Place- Five Mile Infill & Bonton project proposals.

The purpose of this report on applying agreed-upon procedures is intended solely for the information and use of the City Council and City management and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. The Office of the City Auditor was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance. Accordingly, the Office of the City Auditor does not express such an opinion or conclusion. Had additional procedures been performed, other matters might have been identified that would have been reported.

Dallas City Charter, Chapter IX, Section 3 and the Office of the City Auditor's Fiscal Year 2020 Annual Audit Plan authorizes agreed-upon procedures attestation engagements. The agreed-upon procedures were conducted in accordance with the United States generally accepted government auditing standards.

Signature:

Mark S. Swann, CPA
City Auditor
City of Dallas, Texas

February 24, 2020

ATTACHMENT 1: Agreed-Upon Procedures

Independent Report on Agreed-Upon Procedures for the Notice of Funding Availability – Single-Family Housing Development – BUZ19-00010338

February 24, 2020

Agreed-Upon Procedures

(a) Confirm the City received the sealed proposals within the due date and time.

No Exceptions.

(b) Confirm the proposals were responsive and responsible.

Exceptions.

Required documentation:

Notice of Funding Availability includes several lists of required documents to be submitted to the Department of Housing and Neighborhood Revitalization either with the initial proposal or after the initial scoring and prior to underwriting. However, both Dallas Area Habitat for Humanity and Notre Dame Place did not submit some of the required documents. See Attachment 2.

Underwriting:

Contrary to the procedure described in the Addendum No. 5 to the Notice of Funding Availability, underwriting was not performed by an external party for Dallas Area Habitat for Humanity. According to the Department of Housing and Neighborhood Revitalization, *"All developer proposals that did not require funding were reviewed in-house because there was no funding request to underwrite."*

(c) Confirm the proposal's documentation supports the evaluation scoring and is consistent with the scoring rubrics set forth in the *Notice of Funding Availability- Single-Family Housing Development – BUZ19-00010338.*

Exceptions.

Both proposals received scores (up to 7 points) on whether their previous developments *"were completed in a timely manner; have been maintained in accordance with city, state and federal regulations; offer Services, if applicable; and there are no outstanding deficiencies related to inspections,"* even though the proposers did not submit documents related to timelines, most recent inspection report, and property audits for their current/pending projects.

Despite the missing documents, four out of five scoring panelists for Dallas Habitat of Humanity and three out of five panelists for Notre Dame Place gave full 7 points for this category. According the Department of Housing and Neighborhood Revitalization, information was not provided in the specified forms but was extracted from the owner, developer, and general contractor experience tabs and from other documents submitted during the multi-family Notice of Funding Availability process.

ATTACHMENT 2: Comparison of NOFA Requirements to Submitted Documentation

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Executive Summary form	Yes	Yes	
Identification and Resumes of Proposer and Project Team form	Yes	Yes	
Owner's, Developer's and General Contractor's Experience form	Yes	Yes	
Timelines, most recent inspection report, and property audits for current/pending Projects.	No	No	These documents were not required unless the past projects were done with the City's funding.
Three or more professional references (related to past Projects).	Yes	Yes	
Project Sources and Uses of Funds (For Sale, Lease-Purchase or Rental) form	Yes	Yes	
Cash flow analysis and projected sales, including profit and loss statement (through sale of all homes and eligible homebuyers).	Yes	Yes	

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Rent, utility allowance, and operating cost projections for rental properties	No	Yes	Dallas Area Habitat for Humanity was not proposing rental housing. As such 20-year cashflow and rent/utility/allowance/ operating costs were not needed.
20-year cash flow analysis for rental properties	No	Yes	
Commitments for other financing, both permanent and construction loan sources	Yes	Yes	
Documents of construction costs (e.g. estimate by qualified individual, bids, contract documents)	Yes	Yes	
Estimates/documentation of professional services and soft costs (e.g. architectural fees, construction period taxes/insurance, marketing expenses, realtor listing agreement, etc.)	Yes	Yes	
Identification of Housing Issues form	Yes	Yes	
Income bands served form	Yes	Yes	
Housing unit design principles form	Yes	Yes	
M/WBE and BI Form	Yes	Yes	

Chart continues on next page.

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Evidence of site control (e.g. option, deed, etc.). N.A if entire Project will be developed on Land Transfer parcels.	No	No	These documents were not required for Dallas Area Habitat for Humanity because they are only requesting to purchase land. These documents were not required for Notre Dame Place because there are currently no buildings on the land they request to purchase.
Preliminary title insurance commitment. N.A if entire Project will be developed on Land Transfer parcels.	No	No	
Documentation of existing/improved property value (e.g. tax assessment, appraisal, comparable developments etc.). N.A if entire Project will be developed on Land Transfer parcels.	No	No	
Maps demonstrating proximity to Site Amenities	Yes	Yes	
Plans and specifications including site plan and elevation drawings.	Yes	Yes	
Documentation of status of any necessary zoning, planning, and other approvals.	No	Yes	The information is included in "*plans and specifications including site plan and elevation drawings.*"
Analysis of Project's proposed sale price, lease purchase, or rental rates versus comparable homes recently sold or leased in the neighborhood.	Yes	Yes	
Analysis of Project's proposed sale price, lease purchase, or rental rates versus comparable homes recently currently for sale/rent.	Yes	Yes	

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Analysis of Project's proposed sale price, lease purchase, or rental rates versus any planned housing developments in the area.	Yes	Yes	
Evidence of buyer and renter demand for the proposed housing unit type, size, design, and other unit specifications.	Yes	Yes	
Rental projects must provide evidence supporting proposed lease rates, cash flow assumptions, absorption rates, and unit mix.	Yes	Yes	
Provide sufficient evidence that sources of funds are available to be committed to the Project upon award.	Yes	Yes	
Certification of Financial Stability and Regulatory Compliance	Yes	Yes	
Proposer Disclosure and Explanation Form	Yes	Yes	
Proposer Identity and Interest Questionnaire	Yes	Yes	
Affidavit of Authorized Representative and Authorization to Obtain Information	Yes	Yes	
Authorization and Release to Obtain Personal Credit Information	Yes	Yes	
Acknowledgement and Certification of CHDO Requirements	Yes	Yes	

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Conflict of Interest Questionnaire	Yes	No	Notre Dame Place provided Proposer Identity and Interest Questionnaire document instead.
CHDO Application (if applicable)	No	Yes	Dallas Area Habitat for Humanity is not a CHDO.
Business Inclusion and Development Affidavit and/or History of MWBE and/or Section 3 Utilization Form	Yes	Yes	
Fair Housing Review Checklist	Incomplete/ Not Signed	Incomplete/ Not Signed	The Office of Fair Housing was provided with and reviewed all information. The Office of Fair Housing also provided comments to the Department of Housing and Neighborhood Revitalization where appropriate.
HUD 935.2A form	No	No	No comment
Last 2 years' audited or reviewed financial statements for Proposer, developer, or anyone having 20 percent or more ownership interest, and any guarantors.	Incomplete	Incomplete	Additional documents were required, but the provided audited financial statements were sufficient for them to move to underwriter.
Last 2 years' corporate audit or reviewed financial statements. If Proposer is a special purpose or single asset entity, also submit 2 years of audited financial statements for the controlling entity of the Proposer.	Incomplete	Incomplete	
Last 2 years' tax returns for developer (990s for nonprofit developers).	Yes	Yes	

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Certified copies of all organizational documents of all entities in the Project, including articles of incorporation, operating agreement, partnership agreement, as applicable.	Yes	Yes	
Site specific environmental record and estimate of remediation costs as applicable.	No	No	Both Dallas Area Habitat for Humanity and the Notre Dame Place requested purchasing of land and as such, they currently have no site control.
Environmental site assessment	No	No	
Documentation of utility availability and connection costs. Provide any engineering studies documenting availability.	No	No	To be done during the due diligence period. However, development budgets included cost estimates for utility connection/installation.
Waiting list of interested tenants	No	No	This is more for rental projects, as such, this doesn't necessarily apply to for-sale housing.
Completed CHDO application and required documentation	No	Yes	Dallas Area Habitat for Humanity is not a CHDO.
Documentation of Neighborhood Meeting	Yes	Yes	

Chart continues on next page.

Documents Required by the Notice of Funding Availability	Submitted Documents:		Housing and Neighborhood Revitalization Department Comments
	Dallas Area Habitat for Humanity - Ideal & Joppa Infill	Notre Dame Place- Five Mile Infill & Bonton project	
Marketing plan	No	No	This is a document/plan that the Housing and Neighborhood Revitalization Department will require once the scope of the project has been determined (this will be determined once the developer has completed the due diligence stage with the Land Transfer lots and the number of houses and the types of houses to be built has been confirmed).
Flood Hazard Determination Form (FEMA Form 086-0-32)	No	No	This form was not required with the initial proposal because the City already possesses the necessary Geographic Information Systems (GIS) layer to make the flood determinations.

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OFFICE OF THE CITY AUDITOR – FINAL REPORT

Audit of the City's Open Records Request Process – Dallas Police Department

February 26, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

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City of Dallas

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Executive Summary

Objective and Scope

The audit objective was to evaluate the effectiveness of the City's compliance with State law and identify cost-saving opportunities. The audit scope included the Dallas Police Department's open record request activities and transactions from January 1, 2018, through June 30, 2019.

What We Recommend

Compliance

- Conform to the City's information security standards.
- Complete and retain evidence of training.
- Update City procedures.
- Validate notification of delay.

Cost Recovery

- Identify costs to fulfill requests and determine cost-recovery options.

Efficiency

- Determine information patterns for open data posting.

Background

The Texas Public Information Act gives the public the right to request access to government information. The requests must be written and must ask for records of information already in existence.

The Dallas Police Department Open Records Unit coordinates all open record requests involving the Dallas Police Department. The Dallas Police Department requests require additional review and redaction verification to meet State and Federal considerations to protect Criminal Justice Information Service information.

The City Secretary's Office coordinates requests for all other City departments. A separate report addresses observations and associated recommendations for the City Secretary's Office.

What We Found

The Dallas Police Department is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to:

(1) User Access

(2) Training

(3) Procedures

(4) Notification

The City's compliance costs will continue to rise as more entities seek information. The City can recover costs from individuals, per the Texas Public Information Act; the cost recovery and other efficiency opportunities should be evaluated.

Audit Results: Section 1 - Compliance

Observation A: User Accounts

Due to sensitive information in this observation, the distribution was limited to responsible City management in accordance with Government Auditing Standards 9.61: *Requirements: Reporting Confidential or Sensitive Information* and the Texas Public Information Act – 5 Texas Government Code § 552.139: *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers*.

Observation B: Training

Evidence of City personnel completing a required, one-hour educational course was not retained or available. Nonfulfillment of training within the appropriate timeframe increases the chances of releasing personally identifiable information or State-approved exclusions, such as criminal history.

The Texas Public Information Act requires a one-hour educational course be completed within 90 days after assuming open records request processing responsibilities. Review of 52 open records processors with privileged access in the GovQA System determined that 29 percent, or 15 personnel, did not complete the required training. In addition, for those open records processors who did complete training, information was not readily available to conclude if the training was completed within the 90-day timeframe.

A contributing factor to noncompliance is the high level of personnel turnover in the Dallas Police Department Open Records Unit.

Criteria

- 2018 Public Information Act Handbook, Part One, *Open Records Training*
- Standards for Internal Control in the Federal Government (Green Book), *Principle 4.05*

Assessed Risk Rating:

Moderate

We recommend the **Dallas Police Department:**

B.1: Complete training within 90 days of position verification and retain evidence in a centralized location.

Observation C: Procedures

The City procedures for open record request processing are incomplete. Incomplete procedures could result in misinterpretation of requirements and inadvertent release of information that is private and/or is an exclusion as defined by the Texas Public Information Act.

The Dallas Police Department Records Unit Standard Operating Procedures do not explain how City employees should handle requests received outside of normal channels or the use of formal letters and notices to ensure consistency. Also, the Dallas Police Department Records Unit's Standard Operating Procedures do not explain how consistency, redaction, and exclusions are processed uniformly.

Criteria:

- 2018 Public Information Act Handbook, *Part[s] One and Three*
- Standards for Internal Control in the Federal Government (Green Book), *Principles 12.02 – 12.05*

Assessed Risk Rating:

Low

We recommend the **Dallas Police Department:**

C.1: Update the Dallas Police Department Records Unit Standard Operating Procedures to incorporate the missing items and clarify requirements.

C.2: Provide annual training to Dallas Police Department personnel to reinforce their roles.

Observation D: Notification

The City did not formally notify three requestors of additional time needed to fulfill the request. If the City does not formally communicate additional time needed, requestors may believe that the City is hindering citizen's access to information.

The City met its obligation to formally notify and provide information for 93 percent of the 44 requests that were tested. Out of the 44 tested requests, three requests, or seven percent, did not receive formal notification of delay and were fulfilled after the tenth business day. The Dallas Police Department has a greater backlog of open records requests and takes longer (due to redaction and video review time restraints and high employee turnover) to respond to a request.

Criteria:

- 2018 Public Information Act Handbook, *Part Eight*
- Standards for Internal Control in the Federal Government (Green Book), *Principles 10.03, 10.10*

Assessed Risk Rating:

Low

We recommend the **Dallas Police Department**:

D.1: Validate formal notification of delay is sent to the requestor before the tenth business day.

Audit Results: Section 2 – Cost Recovery and Efficiency

Observation E: Cost Recovery

The City incurs on-going costs to process open record requests. With the increasing number of requests, the ability to service requestors free of charge and minimize the loss of employee productivity may not be attainable. The Dallas Police Department received over 50,000 open record requests for the 18-month audit period with an estimated salary cost of $2.1 million for full-time records processors. Additional costs not tracked are:

- Direct and indirect costs. For example, direct costs associated with requests are research, collection, review and redaction. Indirect costs include legal review and opportunity cost. The City loses productivity when employees must transition between primary duties and responding to requests.
- Recurring time of City Attorney's Office and Information Technology Services leadership and personnel, who are almost always included in processing requests.
- Level of effort and time to process various types of requests. The City incurs an estimated average salary cost of $40 per request received by the Dallas Police Department Open Records Unit.

In addition, the Dallas Police Department Open Records Unit incurs significant time to review dash cam and body cam video footage and police radio recordings for redaction purposes. Per Dallas Police Department, management review time could require over eight hours depending on the request, the number of officers and their associated cameras for each incident. The City invoices requestors for the physical costs of DVD's, cassette's, or copies of information. However, the labor cost to review and redact recordings is not included in the final invoice to the requestor. The Dallas Police Department estimates that a review of camera footage alone can cost the City upwards of $2,000 per incident.

The Texas Public Information Act allows the City to recover costs within specific limitations as prescribed by the State of Texas Office of the Attorney General for charges such as copies, labor, and overhead. Charges of labor can include the actual time to locate, compile, manipulate data, and reproduce the requested information.

Refer to Exhibit 1 on page 7 for an example of how one City estimates the time and cost by open request type.

Exhibit 1:

City of Albuquerque, New Mexico, Example of Cost and Time by Request Type

	Simple	Typical	Complex
Type of Request/ Description	A recurring request that involved running a query and attaching a report to an email	Involves one or more departments and significant review/ redaction are not needed	Involves multiple departments, multiple levels of review, high ranking resources needed, review/redaction time is significant.
Estimated Time to Fulfill Request	15 minutes	2.5 hours	32 hours
Estimated Cost to Fulfill Request	$7	$67	$1, 295

Source: City of Albuquerque, New Mexico, Inspection of Public Records Act, Report No 14-101, Finding #1

Criteria

- 2018 Public Information Act Handbook, Preface to the Handbook: *Rights of Requestors; Rights of Governmental Bodies*
- 1 Texas Administrative Code §70.3: *Charges for Providing Copies of Public Information*
- Standards for Internal Control in the Federal Government (Green Book), *Principles 10.10 – 10.11*

Assessed Risk Rating:

Moderate

We recommend the **City Manager:**

E.1: Identify costs and cost trends to fulfill requests and determine cost recovery options that support the City's values.

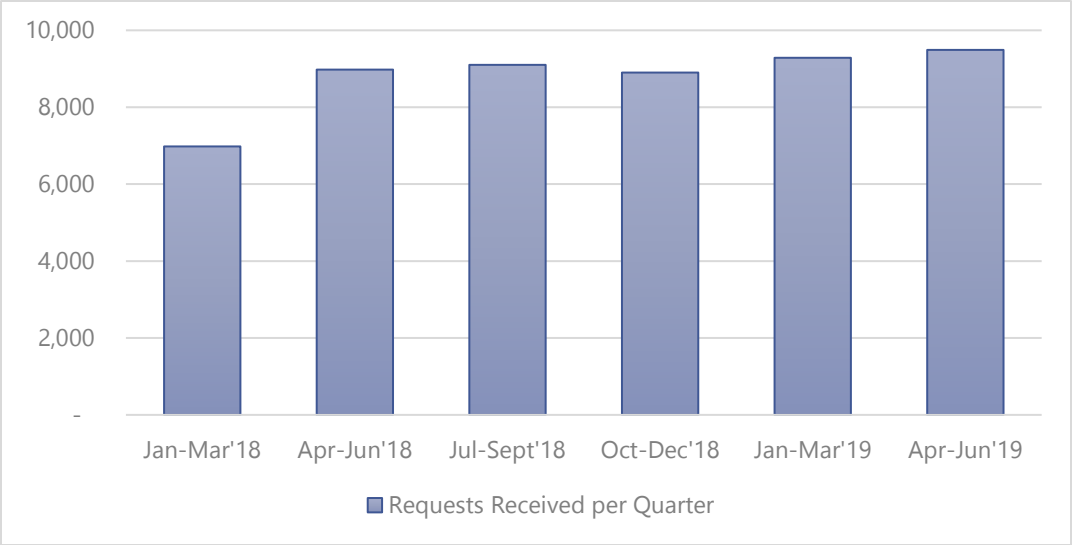
Observation F: Efficiency

The City is not maximizing its open data policy to make information readily available and minimize employee productivity loss. Not applying an open data policy could negatively impact employees' productivity.

During the audit period, the Dallas Police Department received over 50,000 requests at an average of 8,790 per quarter. See Exhibit 2 below. The City might be responding to requests that are repetitive, already addressed in other City sources, or pre-approved legal exclusions.

Exhibit 2:

Dallas Police Department Open Records Requests Received by Quarter



Source: GovQA System

Processing efficiencies could be gained if word analysis tools are applied. For example, a word cloud analysis of the requests submitted from January 1, 2018, through August 26, 2019, showed that there are certain recurring themes in the requests. Exhibit 3 on page 9 shows the most frequently used words in requests and provides an idea of what type of information could be used for open data.

Exhibit 3:

Dallas Police Department Word Cloud Analysis

Source: GovQA System

Criteria

- Administrative Directive 2-53, *Open Data*, Section 3
- Standards for Internal Control in the Federal Government (Green Book), *Principles 16.04 – 16.05*

Assessed Risk Rating:

Low

We recommend the **Dallas Police Department**:

F1: Determine information request patterns using word analysis tools for open data posting.

Appendix A: Background and Methodology

Background

The Texas Public Information Act was adopted in 1973, codified at chapter 552 of the Texas Government Code, and gives the public the right to request access to government information. The Texas Public Information Act is triggered when a person submits a written request. The request must ask for records of information already in existence as governmental bodies are not required to create new information or perform legal research. Governmental bodies are also provided with a pre-approved list of exclusions so that privacy and confidentiality are maintained.

A governmental body may impose financial charges for access to information under certain limited circumstances. All employees and public officials (or a coordinator designated by the public official) with open record request responsibilities must complete the online training within 90 days of position verification. The training covers background information, interpretation for exclusions, and penalties for noncompliance.

The City uses a third-party web-based portal, GovQA System, to track request activities. The Dallas Police Department Open Records Unit coordinates open record requests for only the Dallas Police Department. The City Secretary's Office coordinates requests for all other City departments. The review and redaction process for the Dallas Police Department involves additional State and federal considerations (Criminal Justice Information Services-Federal Bureau of Investigation).

Methodology

The audit methodology involved developing an understanding of processes and controls for receiving, tracking, and responding to requests. The audit procedures included review of key City, State and Federal guidance documents, walk-throughs, interviews, inspection for documentation, detailed tests of controls by analyzing the transactions.

Audit sampling software (IDEA) was used to generate statistical and random attribute test samples to accomplish audit objectives. Population data was derived from the department records of the GovQA System.

This performance audit was conducted 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

Major Contributors to the Report

Bob Smith, CPA – Project Manager
Mamatha Sparks, CIA, CISA, COSO, CRISC – Audit Manager
Rory Galter, CPA – Quality Control Review

Appendix B: Management's Response

Memorandum

DATE: February 21, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit of the City's Open Records Request Process – Dallas Police Department

This letter acknowledges the City Manager's Office received the *Audit of the City's Open Records Request Process – Dallas Police Department* and submitted responses to the recommendations in consultation with the Dallas Police Department.

City Management and the Dallas Police Department believe it is important to provide transparency and accountability to our citizens. One way we accomplish this is through the Dallas Police Department's open record process.

While the audit found minimal exceptions, we recognize there are opportunities to improve the Dallas Police Department's open records process.

To further improve the open records process, the Dallas Police Department will:

- Enhance user access internal controls
- Ensure staff receive adequate training
- Enhance existing Standard Operating Procedures
- Promptly notify requestors when additional time is needed to fulfill a request

In addition, the Dallas Police Department will research equitable solutions for increasing efficiency in fulfilling open records requests, while maintaining transparency and accountability.

Sincerely,

T.C. Broadnax
City Manager

C: Kimberly Bizor Tolbert, Chief of Staff

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

M. Elizabeth Reich, Chief Financial Officer
Jon Fortune, Assistant City Manager
Chief U. Renee Hall, Chief of Police, Dallas Police Department

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

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Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Recommendations – Section 1: Compliance					
Moderate	We recommend the **Dallas Police Department:**				
	B.1: Complete training within 90 days of position verification and retain evidence in a centralized location.	**Agree:**	DPD will ensure employees complete training within 90 days of position verification. DPD will ensure documentation is retained in a central location.	9/30/2020	3/31/2021
Low	We recommend the **Dallas Police Department:**				
	C.1: Update the Dallas Police Department Records Unit Standard Operating Procedures to incorporate the missing items and clarify requirements.	**Agree:**	DPD will include procedures on handling open record requests received outside of normal channels in the Record's unit's SOPs. The SOPs will also incorporate tools to ensure consistency and provide guidance on processing redactions and exclusions.	12/31/2020	06/30/2021
	C.2: Provide annual training to Dallas Police Department personnel to reinforce their roles.	**Agree:**	DPD will ensure DPD employees responsible for processing open records requests receive annual training.	12/31/2020	06/30/2021
Low	We recommend the **Dallas Police Department:**				
	D.1: Validate formal notification of delay is sent to the requestor before the tenth business day.	**Agree:**	DPD will ensure formal notifications of delay are sent to the requestor by the 10th day.	12/31/2020	06/30/2021

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Recommendations – Section 2: Cost Recovery and Efficiency					
Moderate	We recommend the **City Manager:**				
	E.1: Identify costs and cost trends to fulfill requests and determine cost recovery options that support the City's values.	**Agree:**	The City Manager will ensure DPD researches the cost associated with open records requests and evaluates cost recovery options.	12/31/2020	06/30/2021
Low	We recommend the **Dallas Police Department:**				
	F.1: Determine information request patterns using word analysis tools for open data posting.	**Agree:**	DPD will perform a word analysis to identify potential open data postings that could improve efficiency.	12/31/2020	6/30/2021

OFFICE OF THE CITY AUDITOR – FINAL REPORT

Audit of the City's Open Records Request Process – City Secretary's Office

February 26, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

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Deputy Mayor Pro Tem

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City of Dallas

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Executive Summary

Objective and Scope

The audit objective was to evaluate the effectiveness of the City Secretary's Office compliance with State law and identify cost saving opportunities. The audit scope included the City Secretary's Office's open record request activities and transactions from January 1, 2018, through June 30, 2019.

What We Recommend

Compliance

- Conform to the City's information security standards.
- Complete and retain evidence of training.
- Update the Administrative Directive and City procedures.

Cost Recovery

- Identify costs to fulfill requests and determine cost-recovery options.

Efficiency

- Determine information patterns for open data posting.

Background

The Texas Public Information Act gives the public the right to request access to government information. The requests must be written and must ask for records of information already in existence.

The City Secretary's Office coordinates open record requests for all City departments except for the Dallas Police Department.

A separate report addresses observations and associated recommendations for the Dallas Police Department.

What We Found

The City Secretary's Office is meeting its compliance obligations with minimal exceptions. The observations for noncompliance are related to:

(1) User Access

(2) Training

(3) Procedures

The City's compliance costs will continue to rise as more entities seek information. The City can recover costs from individuals, per the Texas Public Information Act; the cost recovery and other efficiency opportunities should be evaluated.

Audit Results: Section 1 - Compliance

Observation A: User Accounts

Due to sensitive information in this observation, the distribution was limited to responsible City management in accordance with Government Auditing Standards 9.61: *Requirements: Reporting Confidential or Sensitive Information* and the Texas Public Information Act – 5 Texas Government Code § 552.139: *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers*.

Observation B: Training

Evidence of City personnel completing a required, one-hour educational course was not retained or available. Nonfulfillment of training within the appropriate timeframe increases the chances of releasing personally identifiable information or State-approved exclusions.

The Texas Public Information Act requires a one-hour educational course be completed within 90 days after assuming open records request processing responsibilities. Review of 35 open records processors with privileged access in the GovQA System determined that 34 percent, or 12 personnel, did not complete the required training. In addition, for those open records processors who did complete training, information was not readily available to conclude if the training was completed within the 90-day timeframe.

Criteria

- 2018 Public Information Act Handbook, Part One, *Open Records Training*
- Standards for Internal Control in the Federal Government (Green Book), *Principle 4.05*

Assessed Risk Rating:

Moderate

We recommend the City Secretary's Office:

B.1: Complete training within 90 days of position verification and retain evidence in a centralized location.

Observation C: Procedures

The City procedures for open record request processing are incomplete. Incomplete procedures could result in misinterpretation of requirements and inadvertent release of information that is private and/or is an exclusion as defined by the Texas Public Information Act.

The City's draft Administrative Directive does not explain how City employees should handle requests received outside of normal channels or the use of formal letters and notices to ensure consistency. Also, the draft Administrative Directive does not include the following components of the *2018 Public Information Act Handbook:*

- Dismissing repetitious requests or readily available information (Section 552.232).
- Informing third parties if proprietary information is requested (Section 552.305).
- Excluding requests of tangible items such as tools and keys (Part One, Section III, B).
- Addressing City related information generated through personal notes, email and devices (Part One, Section III, C).

Criteria:

- 2018 Public Information Act Handbook, *Part[s] One and Three*
- Standards for Internal Control in the Federal Government (Green Book), *Principles 12.02 – 12.05*

Assessed Risk Rating:

Low

We recommend the City Secretary's Office:

C.1: Update the Administrative Directive to incorporate the missing items and clarify requirements.

C.2: Provide annual training to City employees to reinforce their roles.

Audit Results: Section 2 – Cost Recovery and Efficiency

Observation D: Cost Recovery

The City incurs on-going costs to process open record requests. With the increasing number of requests, the ability to service requestors free of charge and minimize the loss of employee productivity may not be attainable. The City Secretary's Office received over 17,000 open record requests for the 18-month audit period with an estimated salary cost over $600,000 for full-time records processors. Additional costs not tracked are:

- Direct and indirect costs. For example, direct costs associated with requests are research, collection, review and redaction. Indirect costs include legal review and opportunity cost. The City loses productivity when employees must transition between primary duties and responding to requests.
- Recurring time of City Attorney's Office and Information Technology Services leadership and personnel, who are almost always included in processing requests.
- Level of effort and time to process various types of requests. The City incurs an estimated average salary cost of $35 per request received by the City Secretary's Office.

The Texas Public Information Act allows the City to recover costs within specific limitations as prescribed by the State of Texas Office of the Attorney General for charges such as copies, labor, and overhead. Charges of labor can include the actual time to locate, compile, manipulate data, and reproduce the requested information.

Refer to Exhibit 1 for an example of how one City estimates the time and costs to the City by open request type.

Exhibit 1:

City of Albuquerque, New Mexico, Example of Estimated Time and Cost by Request Type

	Simple	Typical	Complex
Type of Request/ Description	A recurring request that involved running a query and attaching a report to an email.	Involves one or more departments and significant review/ redaction are not needed.	Involves multiple departments, multiple levels of review, high ranking resources needed, review/redaction time is significant.
Estimated Time to Fulfill Request	15 minutes	2.5 hours	32 hours
Estimated Cost to Fulfill Request	$7	$67	$1, 295

Source: City of Albuquerque, New Mexico, Inspection of Public Records Act, Report No 14-101, Finding #1

Criteria

- 2018 Public Information Act Handbook, Preface to the Handbook: *Rights of Requestors; Rights of Governmental Bodies*
- 1 Texas Administrative Code §70.3: *Charges for Providing Copies of Public Information*
- Standards for Internal Control in the Federal Government (Green Book), *Principles 10.10 – 10.11*

Assessed Risk Rating:

Moderate

We recommend the City Secretary's Office:

D.1: Identify costs and cost trends to fulfill requests and determine cost recovery options that support the City's values.

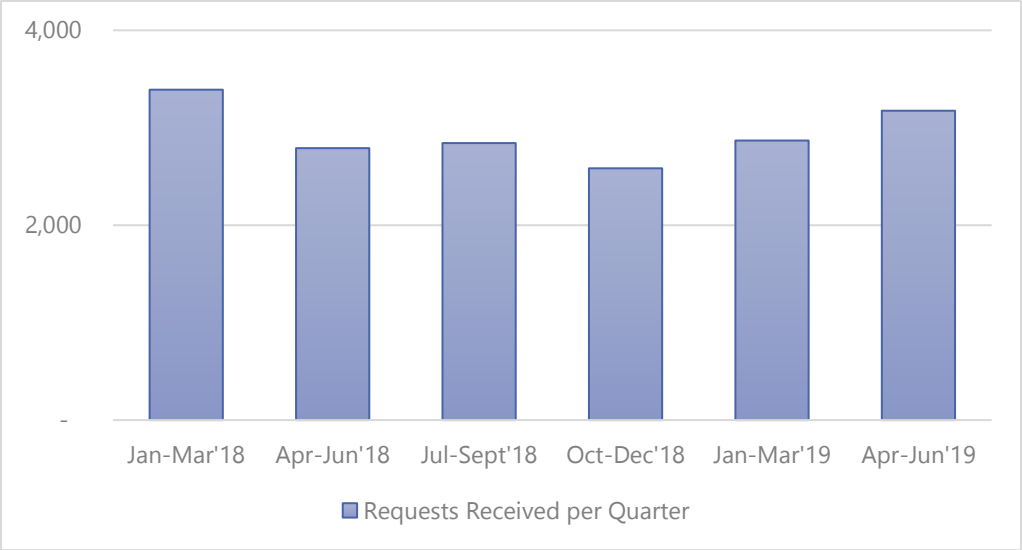
Observation E: Efficiency

The City is not maximizing its open data policy to make information readily available and minimize employee productivity loss. Not applying an open data policy could negatively impact employees' productivity.

During the audit period, the City Secretary's Office received over 17,000 requests at an average of 2,942 per quarter. See Exhibit 2 below. The City might be responding to requests that are repetitive, already addressed in other City sources, or pre-approved legal exclusions.

Exhibit 2:

City Secretary's Office Open Records Requests Received by Quarter



Source: GovQA System

Processing efficiencies could be gained if word analysis tools are applied. For example, a word cloud analysis of the requests submitted from January 1, 2018, through August 26, 2019, showed that there are certain recurring themes in the requests. Exhibit 3 shows the most frequent words used in requests and provides an idea of what type of information could be used for open data.

Exhibit 3:

City of Dallas Word Cloud Analysis

Source: GovQA System

Criteria

- Administrative Directive 2-53, *Open Data*, Section 3
- Standards for Internal Control in the Federal Government (Green Book) *Principles 16.04 – 16.05*

Assessed Risk Rating:

Low

We recommend the City Secretary's Office:

E1: Determine information request patterns using word analysis tools for open data posting.

Appendix A: Background and Methodology

Background

The Texas Public Information Act was adopted in 1973, codified at chapter 552 of the Texas Government Code, and gives the public the right to request access to government information. The Texas Public Information Act is triggered when a person submits a written request. The request must ask for records of information already in existence as governmental bodies are not required to create new information or perform legal research. Governmental bodies are also provided with a pre-approved list of exclusions so that privacy and confidentiality are maintained.

A governmental body may impose financial charges for access to information under certain limited circumstances. All employees and public officials (or a coordinator designated by the public official) with open record request responsibilities must complete the online training within 90 days of position verification. The training covers background information, interpretation for exclusions, and penalties for noncompliance.

The City uses a third-party web-based portal, GovQA System, to track request activities. The City Secretary's Office processes requests for all City departments except for the Dallas Police Department.

Methodology

The audit methodology involved developing an understanding of processes and controls for receiving, tracking, and responding to requests. The audit procedures included review of key City, State and Federal guidance documents, walk-throughs, interviews, inspection for documentation, detailed tests of controls by analyzing the transactions.

Audit sampling software (IDEA) was used to generate statistical and random attribute test samples to accomplish audit objectives. Population data was derived from the department records of the GovQA System.

This performance audit was conducted 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

Major Contributors to the Report

Bob Smith, CPA – Project Manager
Mamatha Sparks, CIA, CISA, COSO, CRISC – Audit Manager
Rory Galter, CPA – Quality Control Review

Appendix B: Management's Response

Memorandum

CITY OF DALLAS

DATE: February 12, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit of the City's Open Records Request Process

This letter acknowledges the City Secretary's Office received the *Audit of the City's Open Records Request Process* and submitted responses to the recommendations.

The City Secretary's Office believes it is important to provide transparency and accountability to all citizens. One way we accomplish this is through the City's open record process.

While the audit found minimal exceptions, we recognize there are opportunities to improve the City's open records process.

To further improve the open records process, the City Secretary's Office will:

- Enhance user access internal controls
- Ensure staff receive adequate training
- Enhance existing Standard Operating Procedures

In addition, the City Secretary's Office wishes to seek City Council support in its desire to streamline the open records process by aligning the two structures of both the City's and Dallas Police Department's (DPD) Open Records Request Process to ultimately achieve a singular operational structure.

Sincerely,

Bilierae Johnson
City Secretary

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Empathy | Ethics | Excellence | Equity

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Recommendations – Section 1: Compliance					
Moderate	We recommend the **City Secretary's Office:**				
	B.1: Complete training within 90 days of position verification and retain evidence in a centralized location.	**Agree:**	The City Secretary's Office will ensure employees complete Public Information Act (PIA) and GovQA trainings before access is granted into GovQA. The City Secretary's Office will ensure certification documentation is retained in a central location and available on the City Secretary's Office's website.	06/30/2020	03/31/2021
Low	We recommend the **City Secretary's Office:**				
	C.1: Update the Administrative Directive to incorporate the missing items and clarify requirements.	**Agree:**	In anticipation of the completion of this audit, the City Secretary's Office will finalize the City's Open Records Process operating procedures and initiate the creation of an Administrative Directive; which will include the missing items and clarify requirements recommended in the audit report.	06/30/2020	03/31/2021
	C.2: Provide annual training to City employees to reinforce their roles.	**Agree:**	The City Secretary's Office will continue to ensure employees responsible for processing open records requests receive annual training on any changes to the Public Information Act and quarterly GovQA New User/Refresher System Training.	06/30/2020	03/31/2021

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Recommendations – Section 2: Cost Recovery and Efficiency					
Moderate	We recommend the **City Secretary's Office:**				
	D.1: Identify costs and cost trends to fulfill requests and determine cost recovery options that support the City's values.	**Agree:**	The City Secretary's Office will research the cost associated with open records requests, evaluate cost recovery options and present a standard cost option to City Council.	06/30/2020	03/31/2021
Low	We recommend the **City Secretary's Office:**				
	E.1: Determine information request patterns using word analysis tools for open data posting.	**Agree:**	The City Secretary's Office has already identified several City departments that have frequently requested information. We will work with those departments and the department of Information and Technology System (ITS) to get data published on the City's Open Data Portal. We will also use GovQA's proactive page, deflection tool, and continue the use of SnapEngage to determine open records request patterns.	06/30/2020	03/31/2021

Audit of the Office of Fair Housing and Human Rights' Complaint Process

March 6, 2020

Mark S. Swann, City Auditor

Mayor
Eric Johnson

Mayor Pro Tem
Adam Medrano

Deputy Mayor Pro Tem
B. Adam McGough

Council Members
Carolyn King Arnold
Tennell Atkins
Adam Bazaldua
Paula Blackmon
David Blewett
Jennifer S. Gates
Lee M. Kleinman
Cara Mendelsohn
Omar Narvaez
Jaime Resendez
Casey Thomas, II
Chad West

City of Dallas

Executive Summary

Objective and Scope

The audit objective was to evaluate the Office of Fair Housing and Human Rights' complaint process, including intake, investigation, and timeliness of the complaint resolution.

The audit scope was October 1, 2018, to September 30, 2019.

What We Recommend

No recommendations were identified.

Methodology

To accomplish our audit objectives, we interviewed key personnel, and reviewed applicable documentation. The risk of fraud, waste, and abuse was also considered.

This performance audit was conducted 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.

Background

The City of Dallas Office of Fair Housing and Human Rights investigates complaints of housing discrimination on behalf of the U. S. Department of Housing and Urban Development. The collaborative effort involves funding and regular on-site performance assessments by the Federal government resulting in low risk to the City's complaint operations.

Since April 24, 1995, when the Dallas City Code was certified as substantially equivalent to the Federal Fair Housing Act, the Federal government periodically determines if the Office of Fair Housing and Human Rights, enforces a law that is substantially equivalent to the Federal Fair Housing Act. Upon successful completion of this review, the certification is renewed.

Approximately, 61 percent ($818,905) of the approximately $1.3 million Fiscal Year 2020 operating budget of the Office of Fair Housing and Human Rights is funded by Federal grants. Between July 1, 2017, and June 30, 2019; 134 complaints were closed: 25 percent were conciliated; 59 percent were *"no cause;"* monetary settlements of $92,400 were received; and, 14 complaints received non-monetary relief.

What We Found

The City of Dallas Office of Fair Housing and Human Rights is processing complaints effectively. Federal regulators' on-site performance assessment in March 2019 identified minimal findings which are scheduled for follow-up in 2020. As a result, the Office of Fair Housing and Human Rights was recommended for continuing certification.

Major Contributors to the Report

Kimberly Bernsen – Project Manager
Rory Galter, CPA – Audit Manager

Appendix A: Management's Response

Memorandum

DATE: March 4, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit of the Office of Fair Housing and Human Rights' Complaint Process

This letter acknowledges the City Manager's Office received the *Audit of the Office of Fair Housing and Human Rights' Complaint Process.*

We were pleased, but not surprised, that the audit determined the City of Dallas processes housing discrimination complaints effectively. We appreciate the professionalism and quality of work demonstrated by your staff throughout this engagement.

Sincerely,

T.C. Broadnax
City Manager

C: Kimberly Bizor Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Liz Cedillo-Pereira, Chief of Equity and Inclusion
Beverly Davis, Director

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OFFICE OF THE CITY AUDITOR – FINAL REPORT

Audit of City Park Maintenance and Safety

March 6, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West

City of Dallas

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Executive Summary

Objective and Scope

The objective of the audit was to evaluate the processes the Dallas Park and Recreation Department uses to ensure City parks are maintained and safety risks are managed to defined standards.

The audit scope included management operations from October 1, 2016, through June 30, 2019.

What We Recommend

The Park Maintenance and Operations Division should strengthen the management and monitoring of park maintenance and playground safety by developing and/or revising procedures and increasing the Ranger Program staffing as described in this report.

Background

The Dallas Park and Recreation Department's Park Maintenance and Operations Division:

- Is responsible for maintenance, infrastructure improvements, and public safety for over 5,000 developed acres.
- Employs approximately 210 employees.
- Had a Fiscal Year 2019 budget of approximately $31 million.

What We Found

The Park Maintenance and Operations Division does not:

- Establish a maintenance service level for each park.
- Monitor maintenance to defined standards.
- Follow its procedures as stated in Core Function, *Section 7: Playground Operations.*
- Have sufficient staffing levels for Park Rangers compared to peer cities.
- Provide a complete history of repairs and maintenance performed from its computerized maintenance management system.

Audit Results

As required by *City Council Resolution 88-3428,* departments will establish internal controls in accordance with the standards established by the Comptroller General of the United States pursuant to the *Federal Managers' Financial Integrity Act of 1982.* Administrative Directive 4-09, *Internal Control* prescribes the 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: Park Quality Level

The Park Maintenance and Operations Division has not assigned a maintenance service level for each park. As a result, there is an increased risk that each park will not receive the appropriate level of maintenance service.

The Park Maintenance and Operations Division uses a maintenance service schedule of weekly, bi-weekly, semiannual, and annual with general guidance of the type of park that should be scheduled for each category. Though general guidance is provided, there is not a specific service level assigned to each park.

The maintenance service level is the basis for allocating maintenance resources among all parks and evaluation of maintenance performed. A maintenance service level is based on the park's mission and vision including the park type, size, and usage and outlines the maintenance activities required to achieve the maintenance service level.

Criteria

- Association of Higher Education Facilities Officers, National Recreational and Park Association Professional Grounds Management Society, Operational Guidelines for Grounds Management, *Chapter 3: Grounds Staffing Guidelines*
- Standards for Internal Control in the Federal Government,(Green Book), *Principle 6.02 - Definitions of Objectives*

Assessed Risk Rating:

Moderate

We recommend the **Director of the Department of Park and Recreation**:

A.1. Assign a maintenance service level to each park.

Observation B: Monitoring Maintenance

The Park Maintenance and Operations Division's procedures do not sufficiently address how to monitor and ensure proper maintenance in the areas described below. As a result, there is an increased risk that park maintenance will be inadequate, incomplete, or not performed according to procedures.

Expected Maintenance

Of the 36 parks sampled and inspected, maintenance exceptions were identified at approximately 75 percent, or 27 parks.

Park Quality Control Inspections

Park Quality Control Inspections were not consistently performed in accordance with the Park Maintenance and Operations Division's procedures.

- A review of park quality control inspections performed in three two-month periods during the audit period indicated:
  - Only 46 percent of the required inspections were performed – (1,453 out of the 3,132 required inspections).
  - Unauthorized personnel (not supervisors, crew leaders, or managers) performed 32 percent (466) of the inspections.
  - Park Quality Control Inspection forms with pre-filled standardized wording in the *"Describe Action Needed"* and *"Comments"* sections were used on 15 percent (225) of the inspections and did not clearly indicate the follow-up actions needed. Also, these forms were used in only one of the six districts.
- Park Quality Inspection forms were not always in a central location or filed in a binder titled, *"Park Quality Control Inspections."*

Park Quality Control Inspection Form Rating Guidance/Condition Detail

The Park Quality Control Inspection form lacks rating guidance and condition detail to be inspected for each item. The Park Quality Control Inspection form only states a rating of "one" means the inspection item is in poor condition and a rating of "ten" means that the inspection item is in excellent condition. In addition, the Park Quality Control Inspection form does not state the acceptable condition that should be observed and rated for each item listed.

Monitoring of Litter Contracts

The Park Maintenance and Operations Division has a contract with two contractors for removal of litter. Of the 36 parks sampled and inspected, approximately 42 percent (15), had litter, including parks where the litter contractors reportedly left the park within a 30-minute window preceding the inspection (see Exhibit 1 on page 4).

Exhibit 1:

Source: Office of the City Auditor

Criteria

- Park and Recreation Policy, *Park Quality Control Inspection*
- U. S. Consumer Product Safety Commission, Public Playground Safety Handbook, Appendix A, *Suggested General Maintenance Checklists*
- The National Association of State Auditors, Comptrollers and Treasurers, *Best Practices in Contracting for Services*
- Standards for Internal Control in the Federal Government,(Green Book), *Principle 10.03 – Design of Appropriate Types of Control Activities*

Assessed Risk Rating:

Moderate

We recommend the **Director of the Department of Park and Recreation**:

B.1. Ensure that department procedures regarding park quality control inspections, as written, are followed.

B.2. Revise the Park Quality Control Inspection form to provide additional rating guidance and condition detail to inspect for each category.

B.3. Develop contract monitoring procedures to ensure that litter contractors meet the contract service requirements.

Observation C: Playground Safety

The Park Maintenance and Operations Division is not following its Core Function, Section 7: Playground Operations, subsection *Playground Operations,* 4.1.1 requirement that playground inspections are to follow the U.S. Consumer Product Safety Commission Handbook guidelines. As a result, there is an increased risk for playground injuries.

Subsection Playground Operations, *4. Function - Procedures* includes the following procedures that do not follow the U.S. Consumer Product Safety Commission Handbook guidelines:

- Instead of developing a comprehensive maintenance program for each playground, subsection 4.2 states that playground inspections are to be conducted monthly. The U.S. Consumer Product Safety Commission Handbook guidelines states, "*inspections alone do not constitute a program*."
- Instead of establishing the frequency of inspection for each piece of equipment based on the type and age of equipment, the amount of use, and the local climate, subsection 4.2 states, *"Playground inspections are to be conducted monthly;*" and, subsection 4.6.2 explains, "*Audits should be conducted after installation of a new playground, new equipment, after major repairs or modifications [are] made, and when industry standards change*." Subsection 4.6.2 does not define a major repair or modification.

Of the 36 parks sampled and inspected, approximately 44 percent (16), had instances of equipment damage and grounds maintenance issues such as: surface needs, litter, and graffiti.

In addition, service centers do not maintain folders for each playground that include: (1) pictures; (2) a drawing or sketch of the border with dimensions around the playground; (3) manufacturer information; (4) a copy of monthly playground inspections; (5) a copy of any playground audits; (6) a tracking sheet with dates and amount of fibar added to the playground; and, (7) a tracking sheet showing any repairs or replacements of playground parts.

Finally, there is no playground replacement schedule that includes the installation or recommended replacement date; and, there is no documentation of playground audits for each piece of playground equipment. The typical lifespan of playground equipment is around 15 to 20 years. Therefore, having no playground replacement schedule and/or failure to document the date new playground equipment is installed or replaced, reduces the level of dependability and suitability of the equipment.

Criteria

- U. S. Consumer Product Safety Commission's Public Playground Safety Handbook, section *4. Maintaining a Playground*
- Core Function Section 7: Playground Operations, subsection Playground Operations, *4. Function-Procedures*
- Standards for Internal Control in the Federal Government,(Green Book), *Principle 10.03 – Definitions of Appropriate Types of Control Activities*

Assessed Risk Rating:

Moderate

We recommend the **Director of the Department of Park and Recreation**:

C.1. Revise the appropriate subsections of Core Function, Section 7: Playground Operations, subsection Playground Operations, *4. Function-Procedures* to comply with the U. S. Consumer Product Safety Commission's Public Playground Safety Handbook, section *4. Maintaining a Playground.*

C.2. Ensure service centers maintain folders in compliance with Core Function, Section 7: Playground Operations, subsection Playground Operations, 4. Function-Procedures, *4.8. Inventory and Tracking, 4.8.1.*

C.3. Develop a playground replacement schedule that includes the installation date, recommended replacement date, and the results of playground audits for each piece of playground equipment.

Observation D: Park Ranger Staffing

The Park Maintenance and Operations Division's current Ranger program staff level is lower than other comparable cities. As a result, there is an increased risk that the Park Ranger program is not meeting its objective.

Surveying the three other major State of Texas cities and four major cities outside of the State of Texas the following chart shows the low staff levels:

Exhibit 2:

Attribute Surveyed	City of Dallas	Cities Surveyed Low	Cities Surveyed High
Number of Full Time Employees	8	11	49
Parks Services by Park Rangers	397	36	380
Park and Recreation Acres	23,464	800	39,501
Average Number of Parks Assigned to One Park Ranger	50	2	29
Average Number of Acres Assigned to One Park Ranger	2,933	44	1905
Park Ranger Budget	$641,268	$152,944	$8,300,000

Source: Office of the City Auditor – Survey Responses

The Dallas Park and Recreation Department has budgeted to increase the Park Ranger staff by eleven over the next three fiscal years. This increase will bring the City more in line with the cities surveyed.

Criteria

- Standards for Internal Control in the Federal Government by the Comptroller General of the United States (Green Book), *Principle 10.10 – Design of Control Activities at Various Levels*

Assessed Risk Rating:

Low

We recommend the **Director of the Department of Park and Recreation**:

D.1. Enact the plan to increase Park Ranger staffing levels by eleven over the next three fiscal years.

Observation E: Maintenance Management System

Micro-main, the computerized maintenance management system does not provide a complete history of repairs and maintenance performed. As a result, there is an increased risk that repair and maintenance issues are not properly addressed.

Specifically,

- Playground crews often make repairs to playgrounds without generating an on-demand work order.
- Maintenance Inspection Checklist findings are not entered on the original routine work order and tracked to any resulting on-demand work order.

Criteria

- Standards for Internal Control in the Federal Government by the Comptroller General of the United States (Green Book), *Principle 11.03 – Design of the Entity's Information System*

Assessed Risk Rating:

Low

We recommend the **Director of the Department of Park and Recreation**:

E.1. Develop procedures to ensure all repairs and maintenance work is recorded in the Micro-main system; and, when appropriate, link the original work order.

Appendix A: Background and Methodology

Background

The Dallas Park and Recreation Department's Park Maintenance and Operations Division: (1) is responsible for maintenance, infrastructure improvements, and public safety for over 5,000 developed acres from the Dallas Park and Recreation Department's 23,464 acres; (2) employs approximately 210 employees; and, (3) had a Fiscal Year 2019 budget of approximately $31 million.

Park Maintenance

The Park Maintenance and Operations Division has six park districts each with a service center that houses various maintenance crews and equipment. Maintenance crews are assigned to one of the following maintenance category responsibilities:

- Amenities – park benches, picnic tables.
- Playgrounds – repair, needles, bottles, glass.
- Athletics – bleachers, fences, field mowing, benches.
- Pesticides – trees, shrubs.
- Irrigation – water related issues.
- Strike team - mowing, weed eating, edging, hedge trimming, and small tree trimming.

Micro-main, a computerized maintenance management system is used for managing work orders and workforce, and preventative maintenance scheduling.

Park Safety

Eight Park Rangers monitor parks, trails, and recreation facilities seven days a week to help decrease unwanted behavior, such as smoking, off-leash pets, unscheduled use of athletic facilities and vandalism. Additionally, Park Rangers provide community and educational services.

Methodology

To accomplish our audit objectives, we performed the following steps:

- Interviewed personnel from the Park Maintenance and Operations Division.
- Reviewed Park Maintenance and Operations Division policies and procedures, and best practice guidance from the National Recreation and Park Association and U. S. Consumer Product Safety Commission.

- Performed park site inspections of 36 parks judgmentally sampled from all six park districts, covering all park categories.
- Performed various analyses and reviewed documentation as needed to support the analyses conclusions.
- Considered risk of fraud, waste, and abuse.
- Considered information technology risks.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain enough, 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

Yzalida Hiley, MBA – Assistant City Auditor II
Lina Wang, CPA – Assistant City Auditor III
Julia Webb-Carter, MPA, CIA – Project Manager
Rory Galter, CPA – Audit Manager

Appendix B: Management's Response

Memorandum

CITY OF DALLAS

DATE: March 4, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit of City Park Maintenance and Safety

This letter acknowledges the City Manager's Office received the *Audit of City Park Maintenance and Safety* and submitted responses to the recommendations in consultation with the Department of Park and Recreation.

We agree it is important that the Park and Recreation Department should strengthen the management and monitoring of park maintenance and playground safety by developing and/or revising park maintenance operational procedures and increasing the Ranger Program staffing level.

To enhance park maintenance operations, Park and Recreation has already started increasing the Park Ranger staffing level for this fiscal year with a plan to reach a total of twenty-one (21) Park Rangers over the next two fiscal years.

Further, the Park and Recreation Department will:

- Enhance park maintenance schedules by transitioning from our current system, based on park type, to a system that uses multiple criteria to establish maintenance service levels;
- Develop contract monitoring procedures to ensure maintenance contractors consistently meet requirements; and
- Ensure operational procedures include best practices and are consistently performed.

However, the Park and Recreation Department will accept the risk that minor maintenance and repairs that occur in the field are not subsequently entered into Micro-main. Park will maintain organized records of minor maintenance and repairs in the maintenance district offices.

Sincerely,

T.C. Broadnax
City Manager

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

John D. Jenkins, Interim Director
Park & Recreation Department

c: Kimberly Bizor Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Joey Zapata, Assistant City Manager

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Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Moderate	We recommend the **Director of the Dallas Park and Recreation Department:**				
	A.1. Assign a maintenance service level to each park.	**Agree:**	Park Maintenance and Operations currently uses a maintenance schedule with general guidance based on park type. Park Maintenance and Operations will assign maintenance service levels that consider the individual park's size, usage, and other relevant criteria.	03/31/2021	09/30/2021
Moderate	We recommend the **Director of the Dallas Park and Recreation Department:**				
	B.1. Ensure that department procedures regarding park quality control inspections, as written, are followed.	**Agree:**	Park Maintenance and Operations will ensure that the Park Quality Control Inspection procedures are followed.	03/31/2021	09/30/2021
	B.2. Revise the Park Quality Control Inspection form to provide additional rating guidance and condition detail to inspect for each category.	**Agree:**	Park Maintenance and Operations will revise the inspection form to include additional rating guidance and condition detail to inspect for each category.	03/312021	09/30/2021
	B.3. Develop contract monitoring procedures to ensure that litter contractors meet the contract service requirements.	**Agree:**	Park Maintenance and Operations will develop written procedures for monitoring contract litter services.	03/31/2021	09/30/2021

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Moderate	We recommend the **Director of the Dallas Park and Recreation Department:**				
	C.1. Revise the appropriate subsections of Core Function, Section 7: Playground Operations, subsection Playground Operations, *4. Function-Procedures* to comply with the U. S. Consumer Product Safety Commission's Public Playground Safety Handbook, section *4. Maintaining a Playground.*	**Agree:**	Park Maintenance and Operations will develop a comprehensive playground maintenance program for each playground and that aligns with the US Product Safety Commission handbook guideline, as applicable to park maintenance operation.	12/31/2021	06/30/2022
	C.2. Ensure service centers maintain folders in compliance with Core Function, Section 7: Playground Operations, subsection Playground Operations, 4. Function-Procedures, *4.8. Inventory and Tracking, 4.8.1.*	**Agree:**	Park Maintenance and Operations will create folders to maintain records of purchases, repair parts, maintenance of playground surfacing to be in compliance with the operational procedures.	12/31/2021	06/30/2022
	C.3. Develop a playground replacement schedule that includes the installation date, recommended replacement date, and the results of playground audits for each piece of playground equipment.	**Agree:**	Park and Recreation Department will develop a playground replacement schedule that includes the installation date, recommended replacement date, and Park Maintenance and Operation will provide the results of playground audits for each piece of playground equipment.	12/31/2021	06/30/2022
Low	We recommend the **Director of the Dallas Park and Recreation Department:**				
	D.1. Enact the plan to increase Park Ranger staffing levels by eleven over the next three fiscal Years.	**Agree:**	Park Maintenance and Operations will strive to increase Park Ranger staff by eleven over the next three fiscal years, subject to City Council appropriation.	09/30/2022	03/31/2023

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
Low	We recommend the **Director of the Dallas Park and Recreation Department:**				
	E.1. Develop procedures to ensure all repairs and maintenance work is recorded in the Micro-main system; and, when appropriate, link the original work order.	**Accept Risk:**	Park Maintenance and Operations believes the benefit from implementing the low-risk recommendation is limited and the time required to subsequently enter minor repairs and maintenance into Micro-main is more effectively utilized providing service in the field. Park Maintenance and Operations will maintain organized records of minor maintenance and repairs in the maintenance district offices.	N/A	N/A

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OFFICE OF THE CITY AUDITOR – FINAL REPORT

Audit of Library Facility Planning

March 26, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

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Omar Narvaez

Jaime Resendez

Casey Thomas, II

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City of Dallas

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Executive Summary

Objective and Scope

The objective of this audit was to evaluate the Dallas Public Library's strategic and operational planning in an era when the public's demands of libraries have changed, including programs and materials. The scope of the audit was operations in Fiscal Years 2017 through 2019 and strategic planning since 1999.

What We Recommend

To improve its strategic and operational planning, Dallas Public Library should:

- Revise or replace the Master Plan to reflect current needs, priorities, and trends.
- Develop a formal procedure to review and revise the Master Plan regularly and when conditions change.
- Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.
- Revise performance measures to provide precise information regarding facility use.
- Conduct benchmarking of facility use with other large cities regularly or as conditions change.

Background

Modern public libraries are changing rapidly to meet a variety of new customer demands and to respond to new technology. Dallas Public Library aims to provide *"limitless possibilities"* to enrich the lives of 1.3 million residents through the Central Library, 28 branch libraries, and website/online resources.

The Dallas City Council approved a ten-year Master Plan in April 2001, charting a course for improving Dallas Public Library's facilities. The City Council and voters approved a combined $117 million in bond funds in 2003, 2006, and 2017 to implement the Master Plan.

What We Found

The Master Plan is out of date and no longer reflects current facility priorities, in part because there is no process to update the Master Plan over time as priorities change and new needs and risks emerge.

Dallas Public Library needs better information to evaluate how well its facilities are performing and how it compares to peer cities.

Continued reliance on an outdated Master Plan and on inadequate performance measures and benchmarking can lead to uninformed decisions for using limited resources to improve library facilities.

Audit Results:

Observation A: Master Plan is Outdated

The Dallas Public Library's Master Plan, approved in April 2001, no longer reflects current needs. The Master Plan, approved by the City Council in 2001, recommended construction of new library branches and renovation of existing facilities to *"make them more attractive, accessible, and convenient to the public."* To this end, the City issued a combined $101,725,000 for library projects in the 2003 and 2006 bond programs. However, following the 2007-2009 recession, the implementation of the Master Plan slowed until the 2017 bond program when the library projects received an additional $15,589,000.

The Master Plan was intended to be completed in ten years. However, as of 2020, two branch library projects remain under construction (Forest Green and Vickery Meadow) and seven more await funding for completion (North Oak Cliff, Park Forest, Preston Royal, Lakewood, Martin Luther King, Renner Frankford, and Skyline).

As a result of the Master Plan no longer reflecting current needs, Library management created a separate document, the *"Needs Inventory"* (in use since 2016), to track emerging needs, such as renovations of the Kleberg Rylie, Mountain Creek, Oak Lawn, and Skillman-Southwestern branch libraries.

Reliance on out-of-date planning documents such as the *2001 Master Plan* can lead to uninformed decisions for using limited resources. Emerging risks and priorities not included on the Master Plan also may receive reduced consideration compared to those on the outdated Master Plan. See Exhibit 1 on page 3.

Exhibit 1:

Branch Library Project Source and Status as of 2019

Branch Library	Source	Construction Funded	Expected Completion
Arcadia Park	2001 Master Plan	2003	Completed
Bachman Lake	2001 Master Plan	2003	Completed
Grauwyler Park	2001 Master Plan	2003	Completed
Hampton-Illinois	2001 Master Plan	2003	Completed
Lochwood	2001 Master Plan	2003	Completed
Pleasant Grove	2001 Master Plan	2003	Completed
Prairie Creek	2001 Master Plan	2003	Completed
Timberglen	2001 Master Plan	2003	Completed
White Rock Hills	2001 Master Plan	2006	Completed
Fretz Park	2001 Master Plan	2006	Completed
Polk-Wisdom	2001 Master Plan	2006	Completed
Highland Hills	2001 Master Plan	2006 Savings	Completed
Forest Green	2001 Master Plan	2017	2021
Vickery Meadow	2001 Master Plan	2017	2020
North Oak Cliff	2001 Master Plan	Postponed	Unknown
Park Forest	2001 Master Plan	Postponed	Unknown
Preston Royal	2001 Master Plan	Postponed	Unknown
Lakewood	2001 Master Plan	Postponed	Unknown
Martin Luther King	2001 Master Plan	Postponed	Unknown
Renner Frankford	2001 Master Plan	Postponed	Unknown
Skyline	2001 Master Plan	Postponed	Unknown
Kleberg Rylie	2016 Needs Inventory	No	Unknown
Mountain Creek	2016 Needs Inventory	No	Unknown
Oak Lawn	2016 Needs Inventory	No	Unknown
Skillman-Southwestern	2016 Needs Inventory	No	Unknown

Source: Dallas Public Library documents reviewed by the Office of the City Auditor.

Note: The source refers to the Dallas Public Library document identifying the project need. Construction Funded years refer to the bond program providing construction funding. Postponed projects are those the *2001 Master Plan* anticipated funding by 2008 that have not yet received funding.

There are several causes for the Master Plan being obsolete and no longer reflective of the current and emerging needs of the Dallas Library system:

1. No documented process to regularly review and update the Master Plan.

Dallas Public Library does not have a documented process for regularly updating Master Plan recommendations over time and as conditions change. Even though conditions changed significantly since 2001, including as a result of the 2007-2009 recession (see Exhibit 2); the emergence of other priorities such as the renovation of Kleberg Rylie, Mountain Creek, Oak Lawn, and Skillman-Southwestern branches and changes in the demand for the location and size of library branches; the library management did not update the Master Plan.

Exhibit 2:

Timeline for Master Plan – Branch Library Projects

2001	• **Master Plan adopted.**
2003 Bond Program	• $**55,525,000** - Eight branch library projects, land for more. Central Library renovations.
2006 Bond Program	• **$46,200,000** - Three branch library projects, land for six more. Central Library renovations.
2007 - 2009	• **Recession**.
2012 Bond Program	• **No new funds** for libraries; leftover 2006 funds used to build one branch library.
2017 Bond Program	• **$15,589,000** - Two branch library projects and Central Library renovations.
Current	• **Seven projects remain unfunded;** new needs are not in the Master Plan.

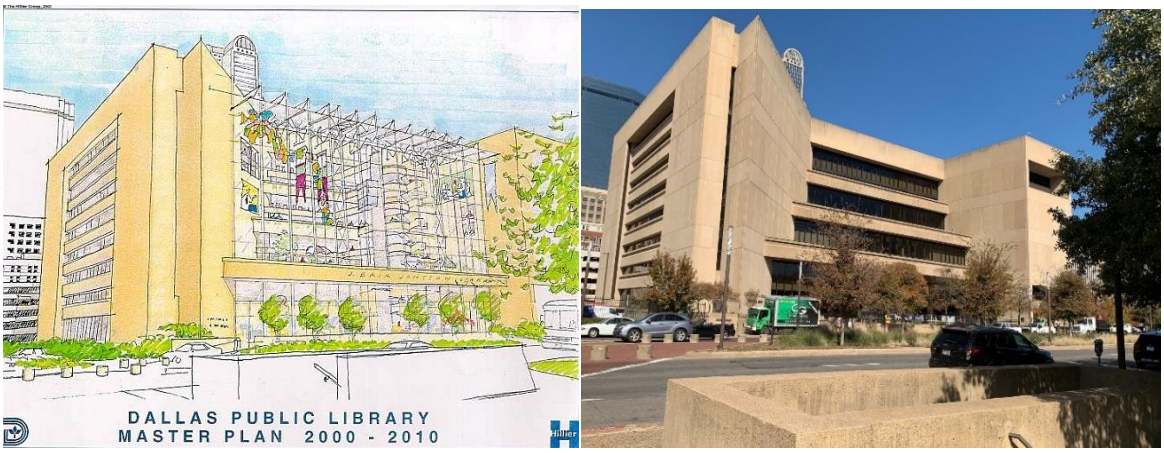
Source: Dallas Public Library documents reviewed by the Office of the City Auditor.

2. No documented process to monitor the implementation of the Master Plan and document deviations from the plan.

Dallas Public Library management did not monitor the implementation of the Master Plan over time and did not document decisions to deviate from recommendations, for example:

- The Master Plan recommended building or leasing two 4,000 square foot libraries in two communities with limited access to a branch library: Vickery Meadow and Spring Valley- Coit. Instead, an 18,000 square foot library is being built in Vickery Meadow and plans for the Spring Valley-Coit library were not pursued.
- The Master Plan recommended renovating the Preston Royal Library. Five years later, the plans had changed, and the City included funding in the 2006 bond program to buy land to replace the library. Then, in 2019, the decision was made to sell the acquired land and return to the Master Plan's recommendation and renovate the library.
- The Master Plan envisioned building a-six-story atrium on the side of the J. Erik Jonsson Central Library. Management later decided against the atrium. (See Exhibit 3 below).[1]

Exhibit 3:



[1] This illustration from the Master Plan published in 2001 shows a proposed atrium addition on the front of J. Erik Jonsson Central Library. The audit photo from November 2019 shows the J. Erik Jonsson Central Library. The atrium, which is no longer planned, was not constructed. Photo Sources: *2001 Dallas Public Library Master Plan website* screen capture – November 2019; *Office of the City Auditor photo* from November 2019.

3. Imprecise performance measures and limited benchmarking

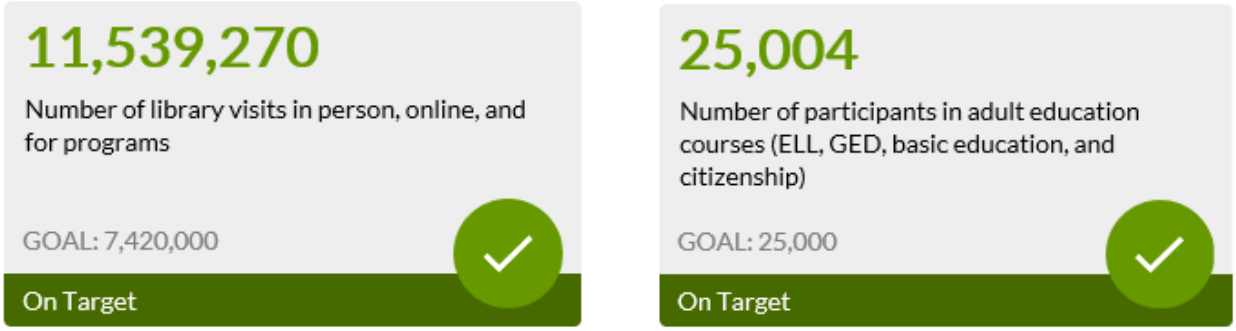
Dallas Public Library performance measures and limited documentation of benchmarking do not provide precise information regarding facility use, making it difficult to understand how facility use changes over time and how it compares with other large public libraries.

Dallas 365 Performance Measures

Dallas 365 is a City of Dallas website used to provide the public with monthly performance updates on 35 key performance measures, including two for Dallas Public Library. However, both of Dallas Public Library's Dallas 365 performance measures for Fiscal Year 2019 (see Exhibit 4) do not show a complete picture of library usage, and it is not clear they are consistent with similar metrics used by peer library systems.[2]

Exhibit 4:

Dallas Public Library Performance Measures



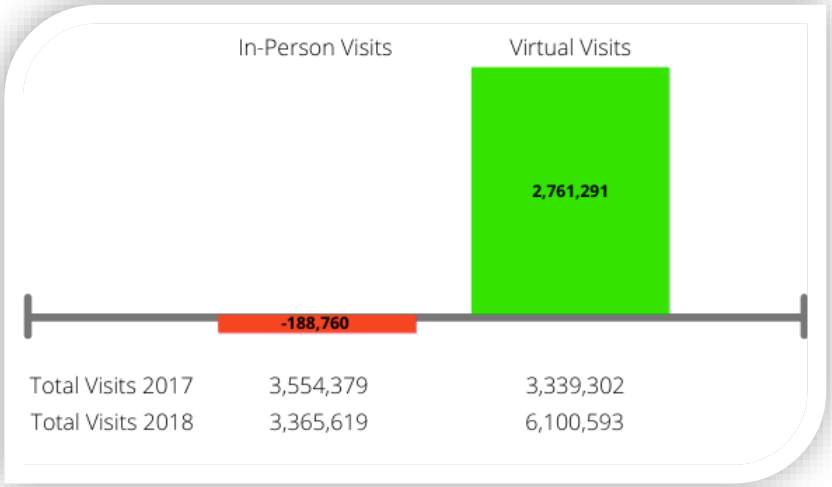
Source: City of Dallas website, November 2019

The *"Number of Library Visits"* performance measure incorporates in-person visits to library facilities and virtual user clicks and views on library websites, applications, and social media platforms such as Nextdoor, FaceBook, and Twitter. As social media engagement grew in Fiscal Year 2018 compared to the previous year, Dallas Public Library easily achieved its overall visitor goal even as physical visitors declined compared to the previous year. Online and social media visits surpass physical visits by nearly two to one. See Exhibit 5 on page 7.

[2] In addition to the Dallas 365 performance measures, Dallas Public Library tracks other performance measures on a monthly and annual basis. See Exhibit 10 on page 13 for an example of other Dallas Public Library performance measures.

Exhibit 5:

Dallas Public Library Visits Change from 2017 to 2018

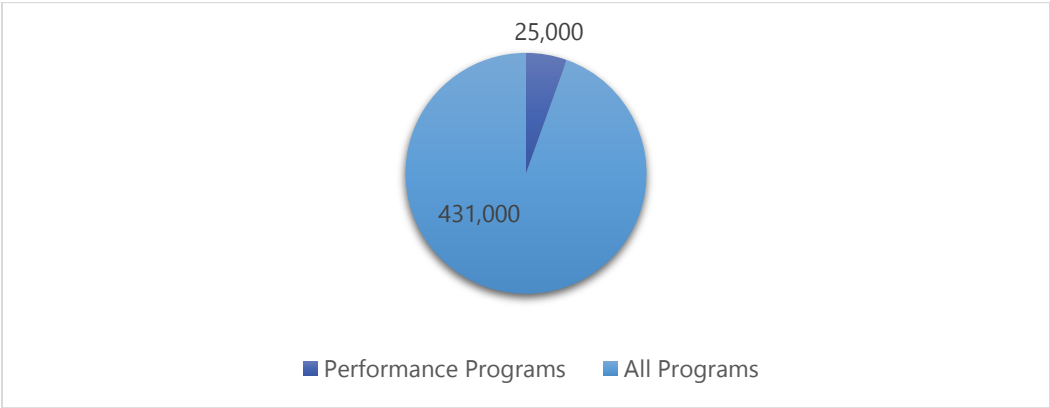


Source: Dallas Public Library documents reviewed by the Office of the City Auditor.

The *"Number of Participants in Adult Education Courses"* performance measure is focused on four programs that make up a small portion of the programs and participation at public libraries. The City set a goal of 25,000 visitors at programs for English language learners, General Educational Development training, basic education and citizenship. These programs require repeat attendance to be successful. Reporting a total number of repeat visits makes it difficult to tell how many individuals are attending. In Fiscal Year 2018, Dallas Public Library internally tracked 431,000 visits to all programs. By focusing on a small subset of about six percent of the program visits, it is difficult to tell how well the libraries are being used. Refer to Exhibit 6 below.

Exhibit 6:

Performance Measure Program Visits Are a Small Component of Library Program Visits



Source: Dallas Public Library documents reviewed by the Office of the City Auditor.

In addition, both measures in Exhibit 4 are not used by other large library systems, making it difficult to tell how well Dallas compares to peer cities.

Benchmarking with Peer Cities

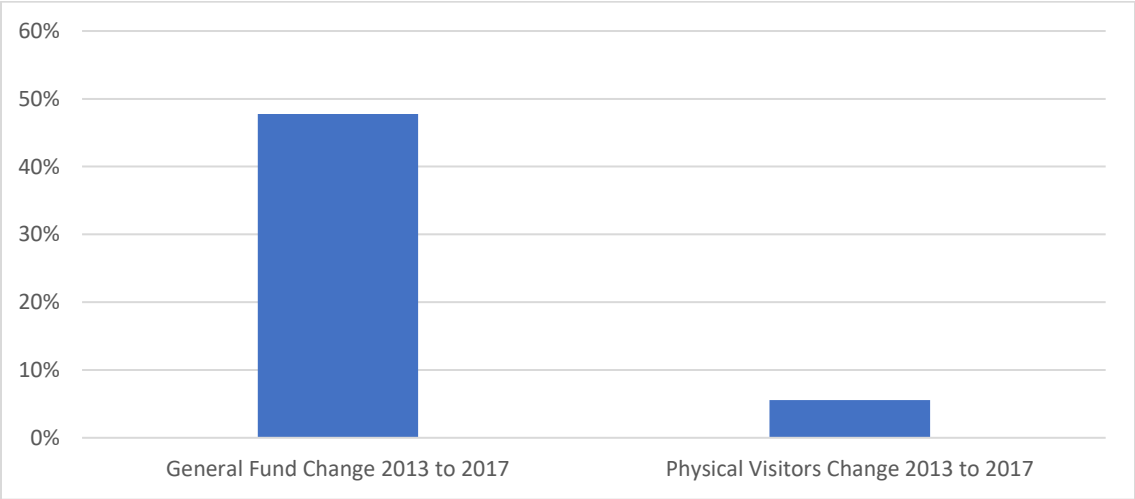
Dallas Public Library does not have a documented process to review how library facility use compares with other large public libraries. Dallas Public Library did not conduct facility-use benchmarking[3] in Fiscal Years 2017 through 2019. A federal agency, the Institute of Museum and Library Services, provides annual benchmarking information that can be used to assess library performance over time. Dallas Public Library participates in the submission of data to the Institute of Museum and Library Services annually. The agency's 2016 survey report published in May 2019, *Public Libraries in the United States, Fiscal Year 2016*, noted that visits per person declined every year between 2009 and 2016.

A review of a selection of indicators from the Institute of Museum and Library Services data for the last five years shows a decline in the physical library visits and raises questions about the Master Plan's strategy of building more libraries, for example:

- Library use declined seven percent in peer cities from 2013 to 2017. While Dallas experienced a six percent increase in visitors, it coincided with a 48 percent increase in library general fund expenditures. Refer to Exhibit 7 below.

  Exhibit 7:

Growth in General Fund Expenditure and Physical Visitors 2013-2017



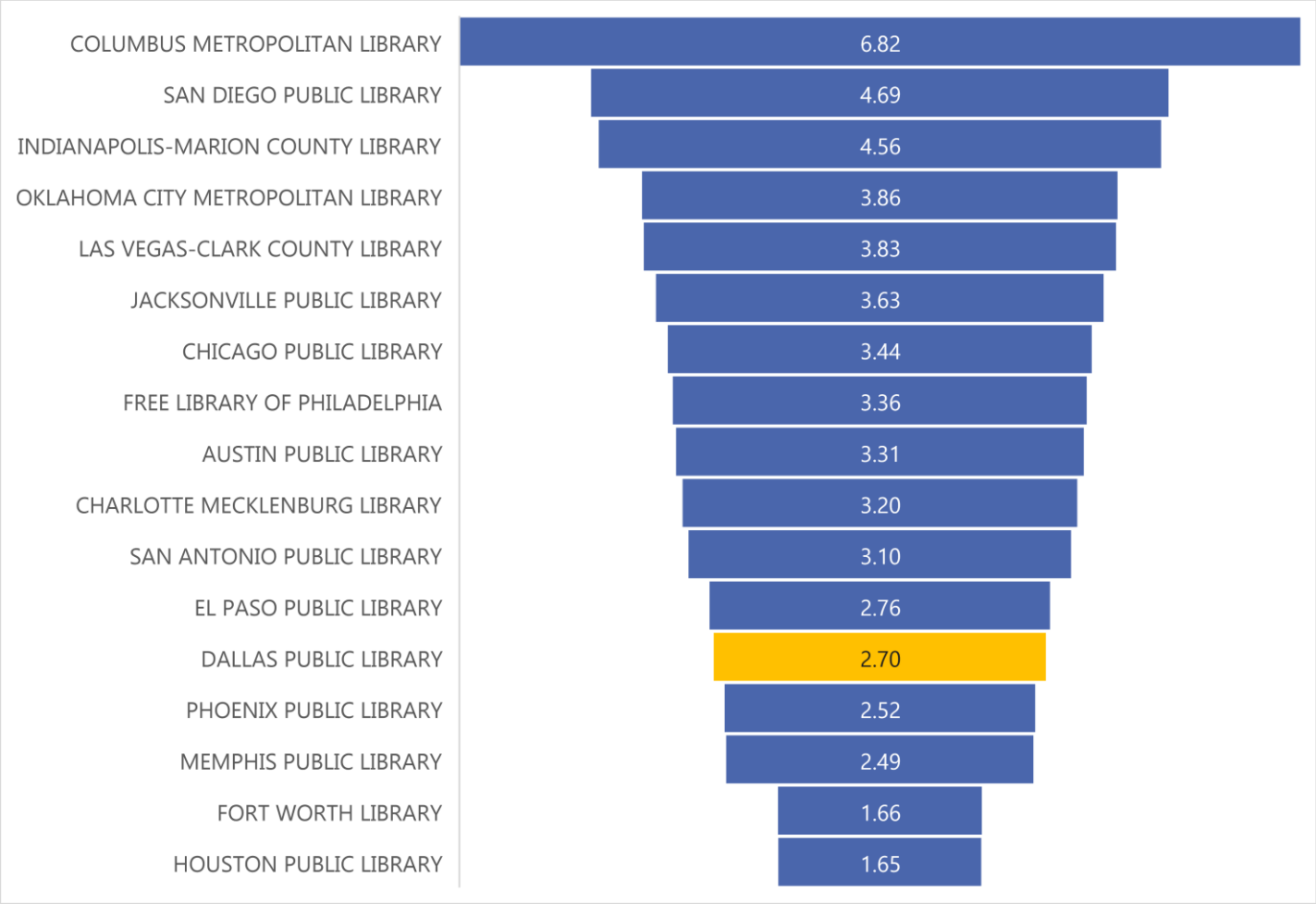
Source: City of Dallas budget documents and Dallas Public Library physical visitor information reported to the Institute of Museum and Library Services from 2013 to 2017 reviewed by the Office of the City Auditor.

[3] Between 2017 and 2019, Dallas Public Library participated in technology benchmarking with other library systems through *Edge*, a technology assessment tool of the Urban Libraries Council. *Edge* reports provide valuable comparative information not directly focused on facility use.

- Dallas has among the lowest numbers of physical library visits per person out of 17 peer cities. See Exhibit 8 below.

Exhibit 8:

Library Visits Per Person in 2017



Source: Office of the City Auditor analysis of *Institute of Museum and Library Services* data from 2017.

Criteria

- In *"Strategic Planning Best Practices,"* the Government Finance Officers Association recommends that all government entities have a strategic planning process that includes interim reviews of the strategic plan every one to three years and more comprehensive reviews every five to ten years, depending on how quickly conditions change.
- The *Dallas Public Library Master Plan 2000 – 2010* recommends responsiveness to change, noting, *"the library system must be carefully planned so that it will have the capability and flexibility to respond to the rapidly changing needs of its patrons and environment."*
- *The Texas Performance Measure Management Guide* states successful agencies are able to use performance information to effectively and efficiently manage their operations.
- The *ICMA* (formerly the International City County Management Association) identifies benchmarking as an effective method for charting performance compared to others across the industry.
- Standards for Internal Control in the Federal Government (Green Book):
    - *Principle 16 – Perform Monitoring Activities: "Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results."*
    - *Principle 9 – Identify, Analyze, and Respond to Change: "Management should identify, analyze, and respond to significant changes that could impact the internal control system."*

Assessed Risk Rating:

High

We recommend the **Director of the Dallas Public Library:**

A.1: Revise or replace the Master Plan to reflect current needs, priorities, and trends.

A.2: Develop and implement a formal procedure to review and revise the Master Plan regularly and when conditions change.

A.3: Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.

A.4: Revise performance measures to provide precise information regarding facility use.

A.5: Develop and implement a formal process to conduct benchmarking of facility use with other large cities on a regular basis or as conditions change.

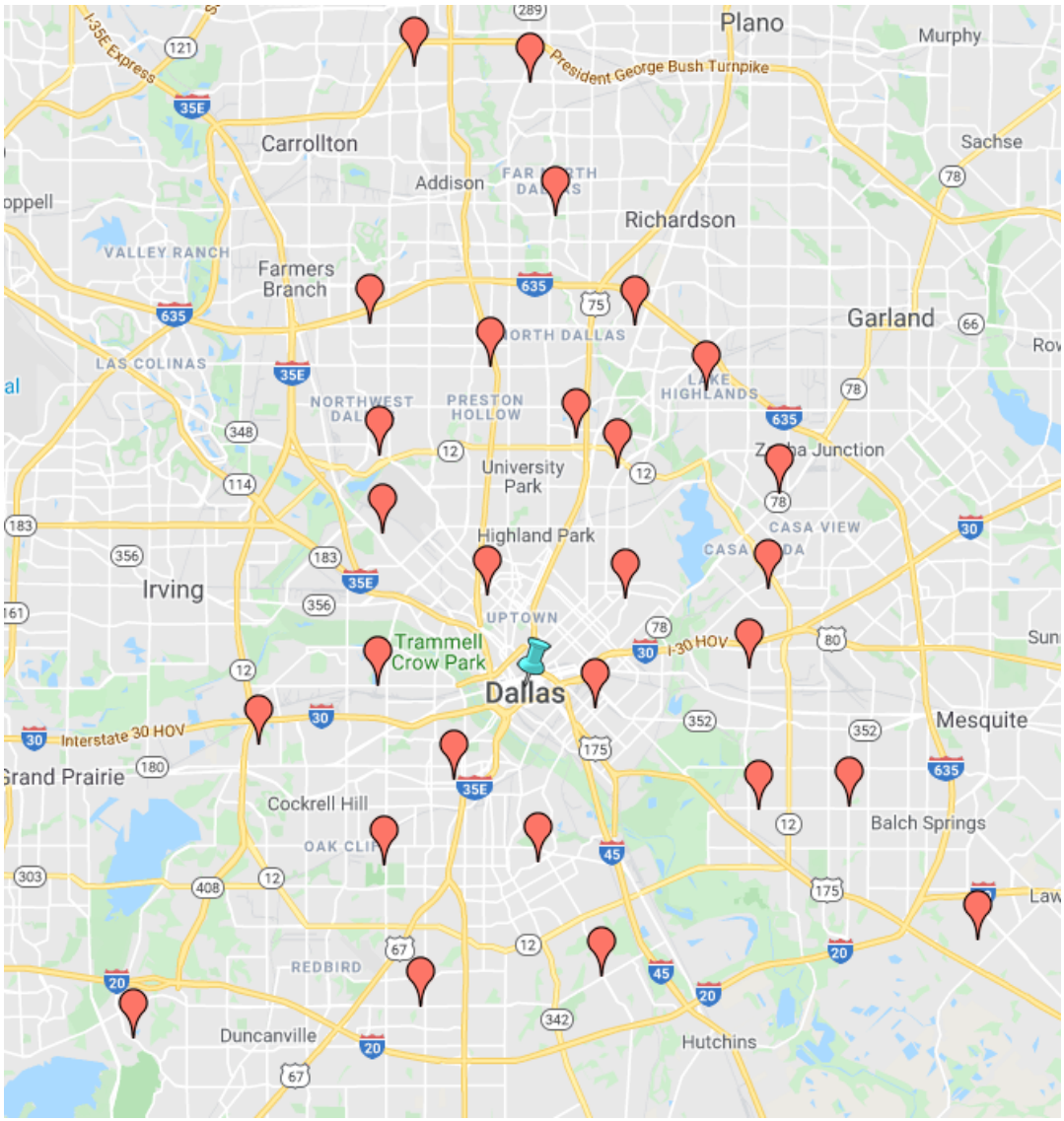
Appendix A: Background and Methodology

Background

The Dallas Public Library opened its first library in 1901 and its first branch library in 1914. Since then, Dallas Public Library has grown to operate 29 facilities, including: a central library in downtown Dallas, a children's library, and 27 branch libraries in the City of Dallas.

Exhibit 9:

Map of Dallas Public Library Locations



Note: The pin is the Central Library and the drops are the branch libraries.
Source: Dallas Public Library website November 2019

Dallas Public Library Vision and Mission

Dallas Public Library's vision statement is *"Limitless possibilities start at Dallas Public Library."* Its mission statement is "*The Dallas Public Library strengthens communities by connecting people, inspiring curiosity, and advancing lives."*

Dallas Public Library has moved toward larger branch library facilities and more flexible spaces in existing facilities to host a variety of meetings. The 2018 update to the *2001 Master Plan* recommendations for branch libraries wrote, "*As a resource rich community center, public libraries provide meeting rooms to accommodate library sponsored programs, community meetings, workforce development, educational opportunities, etc."*

Changes in the Public Library Industry

The library industry is experiencing a surge in digital and online information resources and a move toward more community center operations at public libraries.

The Pew Charitable Trusts report *The Library in the City: Changing Demands and a Challenging Future* published in 2012 found libraries serving as multi-purpose community centers in the recession's aftermath.

A 2014 *Aspen Institute Dialogue on Public Libraries* report promoted a new vision for public libraries as a trusted community resource and essential platform for learning, creativity, and innovation in the community. The report noted a move away from measuring a library's success through its circulation numbers and instead on outcomes related to helping individuals and the community achieve their goals.

In addition, the public library industry now includes more examples of leases as a successful alternative to land acquisition and construction. Examples include the following:

- Orange County (Florida) Public Library has leased a 13,160 square foot location at a former bookstore in Orlando since 1998.
- Anne Arundel County (Maryland) Public Library is completing a 10-year lease for a 12,000 square foot location at an Annapolis mall. The library is also considering leasing options in a site study for the upcoming replacement of a 50-year-old branch library.

Dallas Public Library Performance Measures

Two of the 35 performance measures on the City's Dallas 365 website are related to Dallas Public Library. In addition, Dallas Public Library monitors other performance measures. The Fiscal Year 2020 Budget included five performance measures Dallas Public Library is using for monitoring its performance. See Exhibit 10 on page 13.

Exhibit 10:

Dallas Public Library Fiscal Year 2020 Budget Performance Measures

LIBRARY

PERFORMANCE MEASURES

Performance Measure	FY 2018-19 Budget	FY 2018-19 Forecast	FY 2019-20 Budget	FY 2020-21 Planned
Customers rating overall quality of service as "excellent" or "good" (internal survey)	98.90%	98.90%	98.90%	98.90%
Number of visitors in person, online, and for programs	7,420,000	10,615,481	7,531,299	7,644,264
Materials expenditure per capita	$3.15	$3.12	$3.22	$3.19
Percentage of library GED students who successfully pass all parts of the official GED subject tests and receive their GED certificate	42%	42%	42%	50%
Percentage of library ELL students who report feeling confident speaking English upon completing an ELL class	95%	96%	96%	96%

Methodology

The audit methodology included: (1) interviewing personnel from Dallas Public Library and other city departments; (2) reviewing policies and procedures, the *Texas Local Government Code,* applicable Administrative Directives, and best practices; and, (3) performing various analyses, including benchmarking with other library systems.

This performance audit was conducted 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

Frank Mayhew, CISA, CFE – Auditor
Daniel Genz, CIA – Project Manager
Anatoli Douditski, MPA, CIA, ACDA – Audit Manager

Appendix B: Management's Response

Memorandum

CITY OF DALLAS

DATE: March 20, 2020

TO: Mark S. Swann, City Auditor

SUBJECT: Response to Audit of Library Facility Planning

This letter acknowledges the City Manager's Office received the *Audit of Library Facility Planning* and submitted responses to the recommendations in consultation with the Dallas Public Library.

We agree that decisions to adequately plan for improvements to Library facilities can be constrained by outdated data within the existing Library Master Plan, and further enhanced by data transparency of performance measures and documented benchmarking practices. It is also important to acknowledge and consider the commitments made to the community in the 2000-2010 Library Master Plan that was approved by the City Council on April 11, 2001.

The City has taken the following actions to help ensure the Dallas Public Library's facilities continue to serve the needs of the community needs:

- **November 26, 2013** – Master Plan modifications were submitted to Public Works in preparation for the execution of pending 2006 Bond funded capital projects
- **October 17, 2016** – Master Plan and Bond accomplishments update presented to the Arts, Culture, and Libraries Committee
- **June 4, 2018** – Master Plan modifications submitted to the Bond Program in preparation for the execution of 2017 Bond funded capital projects
- **February 27, 2020** – Current Needs Inventory submitted to Bond Program for review and update

The Dallas Public Library agrees to improve transparency and benchmarking practices by:

- Monitoring and documenting decisions to change or not implement Master Plan recommendations;
- Providing detailed library usage information as part of our published performance measures; and
- Benchmarking against peer cities and the library industry as a whole.

While we agree the 2000 – 2010 Master Plan should be revised or replaced, we are not able to agree to implement the recommendation as it requires funding that is not currently budgeted.

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Sincerely,

T.C. Broadnax
City Manager

C: Kimberly Bizor Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Joey Zapata, Assistant City Manager
Jo Giudice, Director, Dallas Public Library

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Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
High	We recommend the **Director of the Dallas Public Library:**				
	A.1: Revise or replace the Master Plan to reflect current needs, priorities, and trends.	**Accept Risk:**	The Dallas Public Library agrees it is important to revise or replace the 2000 - 2010 Master Plan. However, implementing the recommendation requires funding, either through the capital bond program or an operating budget enhancement, that is not currently budgeted. The Library is working with the Office of the Bond Program to ensure a current listing of Library facility priorities. The Library's list of facility priorities, known as a Needs Inventory, includes pending priorities from the 2000 - 2010 Master Plan as well as recently identified priorities.	N/A	N/A
	A.2: Develop and implement a formal procedure to review and revise the Master Plan regularly and when conditions change.	**Accept Risk:**	The Dallas Public Library agrees it is important to periodically review and update the Master Plan. However, implementing the recommendation is dependent upon a revised or replaced Master Plan and requires funding that is not currently budgeted.	N/A	N/A
	A.3: Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.	**Agree:**	The Dallas Public Library will monitor the implementation of the 2000 - 2010 Master Plan and Needs Inventory. Further, the Library will document, as part of periodic management review meetings, decisions to revise the 2000 - 2010 Master Plan and Needs Inventory.	12/31/2020	06/30/2021

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
High	We recommend the **Director of the Dallas Public Library:**				
	A.4: Revise performance measures to provide precise information regarding facility use.	**Agree:**	The Dallas Public Library will continue to include in-person visits, online visits, and attendance at Library programs in our calculation of the "Library Visitors" performance measure. However, to ensure transparency for the public, the Library will publish the detailed attendance by category. In addition, the Library will continue to annually review performance measures and strive for measures that accurately reflect library usage.	12/31/2020	12/31/2021
	A.5: Develop and implement a formal process to conduct benchmarking of facility use with other large cities on a regular basis or as conditions change.	**Agree:**	The Dallas Public Library will formalize its facility usage benchmarking, as part of the bi-annual management review meetings. The Library will also incorporate ongoing agenda topics related to facility usage in the management review meetings. The focus will be trends and innovations within the Library industry and at peer cities.	12/31/2020	12/31/2021

City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-1053 **Item #:** 10.

City Auditor Responsibilities and Administrative Procedures Crosswalk

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Office of the City Auditor

City Auditor Responsibilities and Administrative Procedures Crosswalk

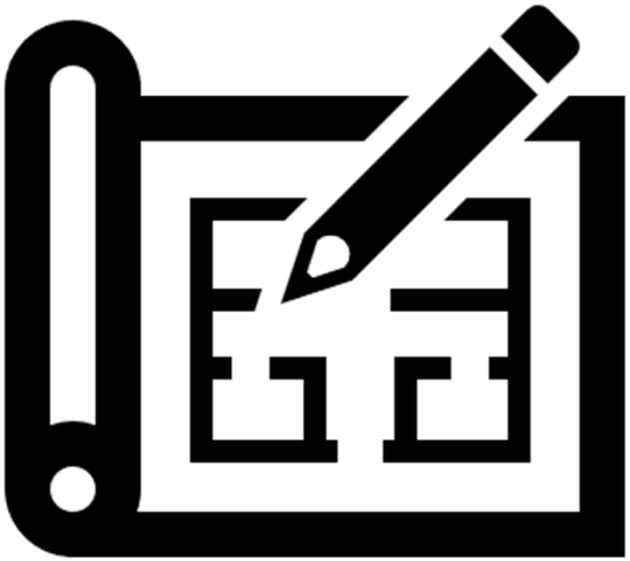
May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

Purpose

Council Resolution 904027 - *City Auditor Responsibilities and Administrative Procedures*

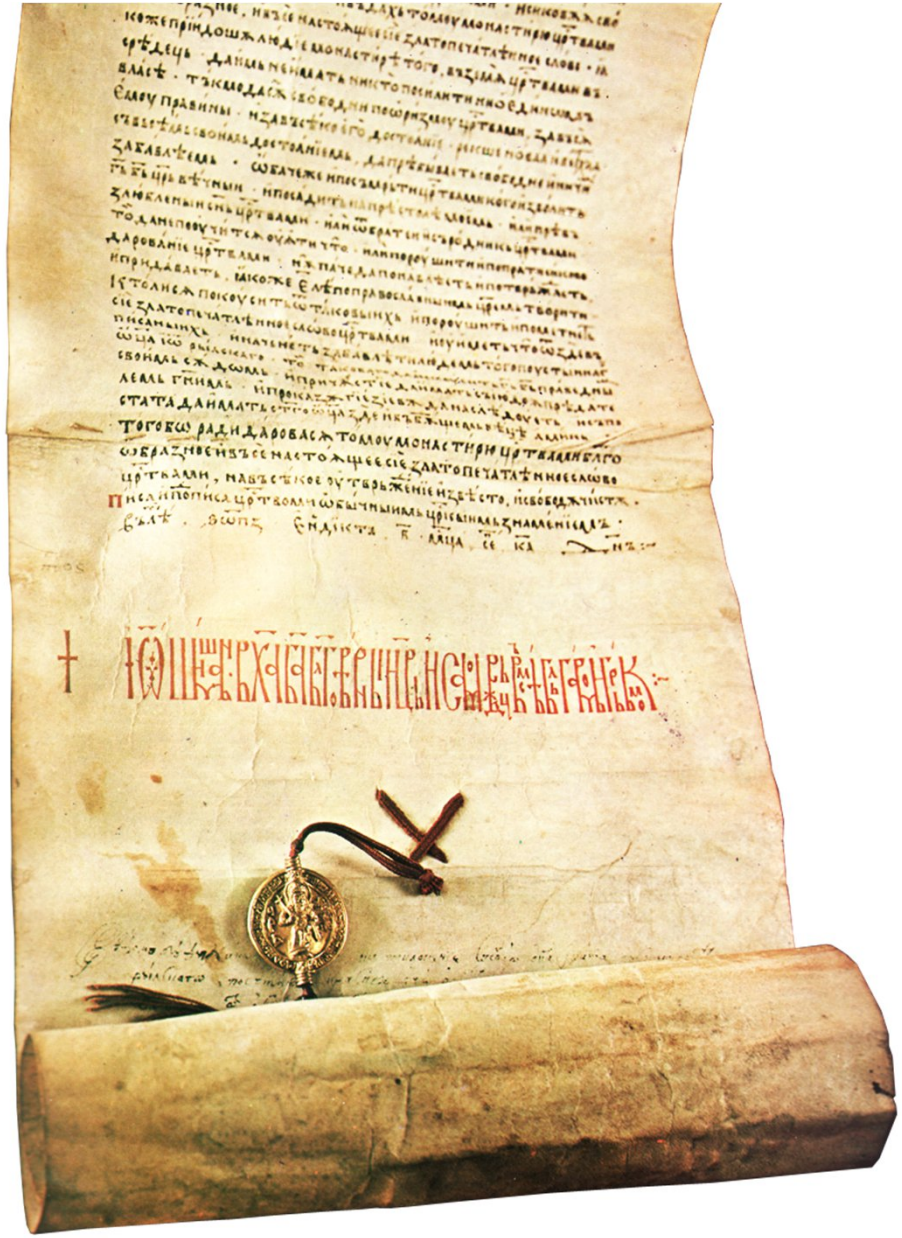
Last updated December 1990



Time to Refresh Responsibilities and Procedures to Mirror Current Practice

City Charter Chapter IX City Auditor

1. Conduct audits and investigations
2. Any entity receiving funds
3. Ensuring quality and accuracy of information and improve processes and controls
4. Monitor and evaluate accounting and property records
5. Examine books city officers, city funds, and trust funds
6. Appraising financial records, statements, and reports follow generally accepted accounting principles
7. Evaluate adequacy of city's accounting system and controls
8. Reporting any irregularities or failures to maintain adequate and accurate records
9. City council requested studies on efficiency, economy, and effectiveness of city programs, projects or departments
10. Liaison to external audit agencies
11. Special audits city officer turnover



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City Charter Crosswalk

The sections listed in black refer to original Council Resolution 904027. Those listed in blue refer to the sections of the proposed *DRAFT City Auditor Responsibilities and Administrative Procedures.*

City Charter Chapter IX	
Section 3 – Duties of City Auditor	
(1) Conducting financial audits, compliance audits, economy and efficiency audits, special audits, and investigations.	Section 2 and Section 3 Section 2 and Section 6
(2) Conducting, at the direction of the city council or the city council finance committee, an audit or investigation of any entity receiving funds from the city.	Section 2 (c) and Section 3 (c) Section 2 (c) and Section 6 (b)
(3) Ensuring the quality and accuracy of information received for business decision-making and for improvement of the processes and controls used to effectively manage city resources.	Section 2 (c) (5) Section 2 (c) (5), (6)

City Charter Crosswalk

City Charter Chapter IX	
Section 3 – Duties of City Auditor	
(4) Monitoring and evaluating the city's accounting and property records, funds, general accounting system, and records of city officers authorized to receive money or other property belonging to the city.	Section 5 Section 8
(5) Examining the books, accounts, reports, vouchers, and records of city officers, of funds of the city, and of funds for which the city is responsible as trustee.	Section 2 (c) Section 2 (c)
(6) Appraising and verifying the accounting accuracy of financial records, statements, and reports, and determining that generally accepted accounting procedures and principles are followed.	Section 4 Section 7

City Charter Crosswalk

City Charter Chapter IX	
Section 3 – Duties of City Auditor	
(7) Evaluating the adequacy of the city's accounting system and controls.	Section 2 (c) (2), (3), (4); Section 4 Section 2 (c) (2), (3), (4); Section 7
(8) Reporting to the city council, the city council finance committee, and the city manager any irregularities or failures to maintain adequate and accurate records.	Section 10 Section 13
(9) Making such studies and reports as the city council shall request or approve as to the efficiency, economy, and effectiveness of the programs, projects, or departments, and reporting such data to the city council, the city council finance committee, and the city manager.	Section 2 (c) (6) Section 2 (c) (8)

City Charter Crosswalk

City Charter Chapter IX	
Section 3 – Duties of City Auditor	
(10) Acting, on behalf of the city, as liaison to external auditing agencies that are reviewing or auditing city operations or city programs that may be federally or state funded.	Section 9 Section 12
Section 4 – Special Audit	
Making such studies and reports as the city council shall request or approve as to the efficiency, economy, and effectiveness of the programs, projects, or departments, and reporting such data to the city council, the city council finance committee, and the city manager.	Section 8 Section 11

Summary of Noteworthy Revisions

Section 2

- The scope of services was summarized into broad categories, less prescriptive.

Section 3

- Highlighted the objective and scope of work for investigation services.

Section 4

- Acknowledge City's external financial audit is managed by the Chief Financial Officer.

Summary of Noteworthy Revisions

Section 5

- Acknowledge responsibility for monitoring and evaluating the City's Accounting and Property Records, Funds, General Accounting System and Records will be accomplished by periodic reviews of City's continuous monitoring programs.

Section 7

- Responsibilities for strategic planning revised to be less prescriptive.

Section 8 (b)

- The requirement to verify the reasonableness of revenue estimates included in the proposed budget is revised from an annual requirement to City Council request review of revenue estimates.

Summary of Noteworthy Revisions

Section 9 (b)

- Requires the Office of the City Auditor is notified of all financial, performance, operational, and other audit activities r external consulting assessments conducted on behalf of the City.

Section 12 (b)

- City management response to the final draft report is revised from 30 days to 15 business days.

Section 13 (a)

- Requires implementation follow-up requirement for only high-impact audit recommendations or a specific request by the City Council or a committee of the City Council.

Summary of Noteworthy Revisions

Section 14

- Provides more precise detail regarding the right to access to employees, records, and properties. Specifically, instruction is directed to officers and employees, contractors/sub-contractors, and City Auditor staff (requirements of confidentiality, etc.)

Section 16

- Directs the Office of the City Auditor to provide an annual report in the first quarter of every fiscal year to report on the prior fiscal year's progress to Council and prescribes what the annual report should include.

Section 17

- Establishes alignment with Chapter XI, Section 2 of the City Charter and describes proper protocol for submitting the City Auditor's annual budget.

Next Steps

Distribute for 60-day comment and review

- 60-day comment and review period for Council and City management.

Recommendation to Council

- Recommendation to Council from Government Performance and Financial Management Committee for approval.

City Council Agenda Item

- City Council Agenda item for a future date.

Office of the City Auditor

City Auditor Responsibilities and Administrative Procedures Crosswalk

May 26, 2020
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee

DRAFT CITY AUDITOR RESPONSIBILITIES AND ADMINISTRATIVE PROCEDURES

May 13, 2020

SECTION 1. Assistants and Employees.

The City Auditor shall have the power to appoint, employ, and remove such assistants, employees, and personnel that are provided for by the City Council. The City Auditor may prescribe their duties, scope of authority, and qualifications.

SECTION 2. Nature, Objective, and Scope of Audit Work.

(a) The Office of the City Auditor serves the public interest as an independent, objective assurance and advisory activity designed to add value to and improve the City's operations. The Office will reside within the City's organizational structure as an independent entity reporting to the City Council and administratively reporting to the City Council Government Performance and Financial Management Committee.

(b) The objective of audit work carried out by the Office is to assist all members of the City Council and City management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed.

(c) The scope of audit work carried out by the Office may be concerned with any phase of activities for which funding is appropriated by the City or which the City provides a guarantee of long-term indebtedness, or the City is responsible as trustee. This involves going beyond the accounting and financial records to obtain a full understanding of the operations under review and includes such activities as:

(1) ascertaining City organizations, programs, functions, and activities are achieving their objectives and desired outcomes;

(2) ascertaining operations, safety, environmental, fiscal, information technology, and fraud risks are identified and managed by effective controls at a reasonable cost;

(3) ascertaining the extent of compliance with applicable laws and regulations and with established policies, plans, and procedures;

(4) ascertaining the extent to which City assets are accounted for and safeguarded from losses of all kinds;

(5) ascertaining the sufficiency, validity, and reliability of information developed for, by or within the organization;

(6) appraising whether government services are provided effectively, efficiently, economically, and ethically;

(7) determining if indications of fraud, abuse or illegal acts are valid and need further investigation; and

(8) recommending measures to the City Council and City management for improving operations.

SECTION 3. Nature, Objective, and Scope of Investigation Work.

(a) The City Auditor, through the authorization of the City Council as provided in Chapter III, Section 18 of the City Charter, is authorized to make independent investigations into City affairs, and for that purpose may subpoena witnesses, administer oaths and compel the production of books, papers, and other evidence material to said inquiry.

(b) The objective of investigation work carried out by the Office is to assist all members of the City Council and City management in the effective discharge of their responsibilities by furnishing them with facts, analyses, recommendations, and pertinent comments concerning the activities reviewed.

(c) The scope of investigation work carried out by the Office may be concerned with any phase of activities for which funding is appropriated by the City or which the City provides a guarantee of long-term indebtedness, or the City is responsible as trustee.

SECTION 4. Verifying Accounting Accuracy of Financial Records.

(a) The Office's responsibility for appraising and verifying the accounting accuracy of financial records, statements, and reports, and determining that generally accepted accounting principles and procedures are followed will be fulfilled in accordance with Chapter III, Section 19 of the City Charter; the City Council shall cause the annual financial statements and related records and accounts of the City to be audited annually by an external firm registered with the Texas State Board of Public Accountancy as a firm practicing public accountancy. The proponent of the agreement between the external firm and the City is the Chief Financial Officer.

(b) The City Auditor may assess the validity of accounting systems, controls, financial records, statements, and reports, and determine that generally accepted accounting principles and procedures are followed during audits of specific financial statement cycles and related financial matters.

SECTION 5. Monitoring and Evaluating the City's Accounting and Property Records, Funds, General Accounting System, and Records.

The Office's responsibility for monitoring and evaluating the City's accounting and property records, funds, general accounting system, and records of City officers authorized to receive money or other property belonging to the City will be accomplished through periodic reviews of City continuous monitoring programs effectiveness and coordinating supplemental monitoring efforts based on a risk-based methodology.

SECTION 6. Responsibility to Exercise Due Professional Care.

(a) In carrying out his responsibilities, the City Auditor is to exercise due professional care. This requires that the City Auditor perform his duties in a professional manner, making all reasonable efforts to ensure that audit and investigation results are supported by factual information and impartial judgment.

(b) To provide reasonable assurance that due professional care will be employed in conducting audits and investigations, the City Auditor will establish audit and investigation standards, policies, and procedures and will ensure that these are followed by assistants, employees, and personnel. These standards, policies, and procedures will be consistent with generally accepted professional practice and with applicable laws and regulations.

(c) To provide assurance that the City Auditor has fulfilled his responsibilities, the City Council shall, from time to time, employ an independent, qualified consultant to examine and evaluate the operations of the Office. The results of such evaluations shall be reported directly to the City Council.

(d) Neither the City Auditor nor any member of the Office staff shall conduct, supervise, or otherwise participate in an audit of an activity for which they were responsible or within which they were employed during the preceding two years.

SECTION 7. Responsibilities for Planning.

(a) The City Auditor shall develop and submit to the City Council Government Performance and Financial Management Committee for approval of a general strategy plan to execute the City Auditor's responsibilities. If needed, the strategic plan will be updated as part of the annual audit planning process described in subsection (b) below. The strategy plan shall include, but shall not necessarily be limited to:

(1) a statement of general goals and objectives to be accomplished;

(2) projected staff requirements;

(3) personnel skills to be developed;

(4) projected changes in internal organizational structure and in the assignment of responsibilities to staff;

(5) identification of areas to be audited; and

(6) general plans for the use of outside consultants or temporary personnel in conducting audits.

(b) Before the beginning of each fiscal year, the City Auditor shall submit an annual audit plan using an appropriate risk-based methodology to the City Council Government Performance and Financial Management Committee that will ensure audit activities have been directed toward the highest exposure to risk and toward increasing efficiency, economy, equity, and effectiveness of programs. The City Council Government Performance and Financial Management Committee will

review the plan and recommend approval of the annual audit plan to the City Council. The City Auditor will consider the scope of work of external auditors and regulatory agencies, as appropriate, for the purpose of providing optimal audit coverage.

(c) The annual audit plan shall include identification of the scope of each audit to be conducted in terms of the organizations, programs, functions, or activities to be audited and, in terms of the audit, projected elements to be addressed.

(d) The annual audit plan may be amended during the year with the recommendation of the City Council Government Performance and Financial Management Committee and approval of the City Council.

(e) The City Auditor may initiate and conduct any other audits deemed necessary with the subsequent concurrence of the City Council Government Performance and Financial Management Committee and approval of the City Council.

SECTION 8. Special Audits.

(a) Upon the death, resignation, removal, or expiration of the term of any officer of the City, other than the City Auditor, the City Auditor shall cause an audit and investigation of the accounts of such officer to be made and shall issue a report to the City Manager and the City Council.

(b) Upon the request of the City Council, the City Auditor shall review and verify the reasonableness of the revenue estimates included in the proposed budget or other selected portions of the proposed budget submitted to the City Council by the City Manager. The review will be conducted according to priorities set by the City Council.

(c) The City Auditor is authorized to conduct audits, attestation engagements, or other professional services for City Council Members, provided the request will not impact the completion of the Audit Plan. If in the judgment of the City Auditor, a request will impact the completion of the Audit Plan, the City Auditor is to request concurrence of the engagement from the City Council Government Performance and Financial Management Committee and approval of the City Council as an amendment to the Audit Plan.

(d) The City Manager may request the City Auditor to perform special audits that are not included in the annual audit plan. Upon concurrence of the engagement from the City Council Government Performance and Financial Management Committee and approval of the City Council a special audit requested by the City Manager becomes an amendment to the annual audit plan. The City Auditor shall submit the report of a special audit to the City Manager in a form agreed upon by the City Auditor and the City Manager and shall notify the City Council of its completion.

SECTION 9. Audit Coordination and Notification of Audit Activities.

(a) In the selection of audit areas, the determination of audit scope, and the timing of audit work, the City Auditor may consult and cooperate with federal and state auditors and the City's

independent auditors so that desirable audit coverage is provided and audit effort may be properly coordinated.

(b) The engagement plans and final reports for all financial, performance, operational, and other audit activities or external consulting assessments conducted on behalf of the City shall be communicated timely to the City Auditor.

SECTION 10. Report of Irregularities.

If the City Auditor discovers apparent violations of law or apparent instances of misfeasance or nonfeasance by a City officer or employee or information that indicates occurrences of this nature may be reasonably anticipated, he shall immediately report the irregularities in writing to the Mayor, to the Chairman of the City Council Government Performance and Financial Management Committee, City Attorney, and to the City Manager.

SECTION 11. Audit Reports to the City Council.

(a) The City Auditor shall prepare a written report of the results of each audit conducted by the Office.

(b) The City Auditor shall submit each report, except confidential audits, to the City Council and shall retain a copy in his Office as a permanent record.

(c) The City Auditor shall include in the audit reports:

(1) a statement of the scope encompassed by the audit;

(2) a statement of the material audit observations;

(3) recommendations for desirable action;

(4) response submitted by the audited department, board, or agency relevant to the audit observations.

SECTION 12. Report Processing Procedures.

(a) Upon completion of the final draft of an audit report, and prior to submission of the report to the City Council, the City Auditor shall transmit a copy of the report to the management of the audited entity and to other appropriate officials for review.

(b) Within 15 business days after receiving the final draft report, the appropriate officials will prepare an official written response to the observations and recommendations contained within the report and transmit the response to the City Auditor. The official written response will be included in the audit report issued to the City Council by the City Auditor. If no response is received, the City Auditor will note that fact in the transmittal letter and will release the audit report. Any subsequent response shall be distributed to those who received the audit report.

(c) To the extent permitted by law, all final reports will be prepared in a searchable electronic format and posted on the Office internet page within two workdays of report issuance.

SECTION 13. Responsibilities for Follow-Up on Audits.

(a) The City Auditor shall follow-up on high-impact audit recommendations to determine whether corrective action has been implemented. The City Auditor will request status reports every six months from audited entities regarding actions taken to address all reported audit recommendations.

(b) Further follow-up reviews will be conducted upon the request or approval of the City Council or a committee of the City Council.

SECTION 14. Access to Employees, Records, and Property.

(a) To the extent permitted by law, all officers and employees of the City shall furnish to the City Auditor information and records within their custody regarding powers, duties, activities, organization, properties, information systems, financial transactions, agreements, methods of business, and personnel that the City Auditor requires to conduct an audit and to perform his duties. Such authority shall include but not limited to, the ability to review, research, conduct interviews, along with the ability to have access to any and all necessary documentation as described in this subsection. In addition, all officers and employees of the City shall provide access for the City Auditor to inspect all City property, equipment, and facilities within their custody and to observe any operations for which they are responsible.

(b) All contracts with outside contractors and subcontractors shall contain a "right-to-audit" clause and provide upon request from the City Auditor unrestricted access to the contractor's employees and to all financial and performance-related records, property, and equipment purchased in whole or in part with governmental funds.

(c) City Auditor personnel are individually responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work and complying with any other regulatory requirements necessitated by their being granted such access. City Auditor personnel shall not publicly disclose any information received during an audit or investigation that is considered confidential in nature by any local, state, or federal law or regulation.

SECTION 15. Records.

The City Auditor shall retain a complete file of each audit report and each report of other examinations, investigations, surveys, and reviews made under his authority in accordance with the City's record retention policy. The file should include working papers and other supportive material directly pertaining to the report.

SECTION 16. Annual Report.

The City Auditor shall submit an annual report to the City Council, during the first quarter of each fiscal year, indicating audits completed, investigations completed, major concerns, corrective

actions completed, and high-impact observations that have not been fully addressed by management. Additionally, the report will indicate whether there are any unwarranted restrictions on the staffing of the Office of the City Auditor, any threats to City Auditor independence, and any restrictions on access by City Auditor personnel to organization records, agreements, information systems, properties, or personnel.

SECTION 17. City Auditor Annual Budget.

The City Auditor in accordance with Chapter XI, Section 2 of the City Charter shall furnish a detailed budget estimate of the needs and requirements of the City Auditor's Office for the coming year directly to the City Council, to be approved by the City Council, and then consolidated with the City Manager's annual budget estimate.

SECTION 18. Contract Auditors, Consultants, and Experts.

The City Auditor may obtain the services of certified or registered public accountants, qualified management consultants, or other professional experts necessary to perform the City Auditors duties. Audit work that is performed by a contractor must be conducted by persons who have no financial interest in the affairs of the City or its officers.