#### RECEIVED

#### **City of Dallas**

2020 NOVEMBER 06 PM 146

CITY SECRETARY DALLAS, TEXAS 1500 Marilla Street, Room 6ES Dallas, Texas 75201 Public Notice

200869

POSTED CITY SECRETARY DALLAS, TX



# Government Performance and Financial Management Committee

November 10, 2020 1:00 PM

#### **2020 CITY COUNCIL APPOINTMENTS**

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

Mendelsohn, Narvaez, Resendez (C) – Chair, (VC) – Vice Chair

The Government Performance & Financial Management Committee will be held by videoconference. The meeting will be broadcast live on Spectrum Cable Channel 16 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=e5003fe7222f90a16579502753493bf8d.

#### Call to Order

#### **MINUTES**

1. <u>20-2262</u> Consideration of the October 26, 2020 Government Performance and Financial Management Committee Meeting Minutes

**Attachments:** Minutes

#### **BRIEFING ITEMS**

2. 20-2263 Ad Valorem Tax Overview

[Jack Ireland, Director, and Janette Weedon, Assistant Director,

**Budget and Management Services**]

**Attachments:** Presentation

#### **FYI**

3. <u>20-2264</u> Accounts Payable Update

Attachments: Memo

#### <u>ADJOURNMENT</u>

#### **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]
- 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

#### Agenda Information Sheet

Consideration of the October 26, 2020 Government Performance and Financial Management Committee Meeting Minutes

## Government Performance & Financial Management Committee Meeting Record

The Government Performance & Financial Management Committee meetings are recorded.

Agenda materials are available online at <a href="https://dallastx.swagit.com/government-performance-and-financial-management-committee">https://dallastx.swagit.com/government-performance-and-financial-management-committee</a>.

Note: This meeting was conducted via videoconference to comply with a social distancing mandate during a declared state of disaster

Meeting Date: October 26, 2020 Convened: 1:04 p.m. Adjourned: 3:40 p.m.

**Committee Members Present:** 

Jennifer S. Gates, Chair Cara Mendelsohn, Vice Chair Carolyn King Arnold Adam Bazaldua

Omar Narvaez Casey Thomas, II Lee Kleinman Committee Members Absent:

**Other Council Members Present:** 

Adam McGough

#### **AGENDA**

#### **CALL TO ORDER**

1. Consideration of the October 20, 2020 Meeting Minutes

Action Taken/Committee Recommendation(s): A motion was made to approve the minutes for the October 20, 2020 Government Performance & Financial Management Committee meeting. The motion passed unanimously.

Motion made by: Cara Mendelsohn Motion seconded by: Adam Bazaldua

#### **BRIEFINGS**

2. Dallas Police & Fire Pension System (DPFP) 2021 Budget

**Presenter(s):** Brenda Barnes, Chief Financial Officer, Dallas Police & Fire Pension System **Action Taken/Committee Recommendation(s):** Brenda Barnes presented an overview of the DPFP 2021 Budget. There were no questions. Information only.

3. Office of the City Auditor Fiscal Year 2020 Quarter 4 Update: July 1, 2020 – September 30, 2020 and Administrative Procedures Update

Presenter(s): Mark S. Swann, City Auditor

**Action Taken/Committee Recommendation(s):** Mark S. Swann presented updates on Quarter 4 and City Auditor Administrative Procedures. There were questions about incorporating duties arising from City Council action into the administrative procedures, and Mr. Swann agreed to return to the committee after further review. Information only.

4. Compensation Study – History, Approach, & Findings

**Presenter(s):** Nina Arias, Director, Human Resources, and Bob Longmire, Consultant, Public Sector Personnel Consultants

**Action Taken/Committee Recommendation(s):** Nina Arias presented an overview of the Compensation Study. There were questions about the City's benefit package and implementation timeline for the study recommendations. Information only.

5. Consideration of a resolution amending Section 6.2, "Presentations by Members of Council," of the City Council Rules of Procedure

Presenter(s): Council Member Adam Bazaldua

Action Taken/Committee Recommendation(s):

A motion was made to move the item forward to the full City Council with a recommendation of approval. The motion passed on divided vote, 4-3.

Motion made by: Omar Narvaez

Motion seconded by: Carolyn King Arnold

	In Favor		In Opposition			
Narvaez, Kleinman	Bazaldua,	Arnold,	Gates, Mendelsohn, Thomas			

FYI

6. Budget Accountability Report (information as of August 31, 2020)

Presenters:

Action Taken/Committee Recommendation(s):

7. J.P. Morgan Chase Commercial Paper Extension

Presenters:

Action Taken/Committee Recommendation(s):

8. Response to Fleet Study Briefing Feedback from September 22 Government Performance & Financial Management Committee

Presenters:

Action Taken/Committee Recommendation(s):

**ADJOURN** 

APPROVED BY: ATTESTED BY:

Cara Mendelsohn, Chair Government Performance & Financial Management Committee Anne Lockyer, Coordinator Government Performance & Financial Management Committee



#### City of Dallas

#### Agenda Information Sheet

Ad Valorem Tax Overview [Jack Ireland, Director, and Janette Weedon, Assistant Director, Budget and Management Services]



# Ad Valorem Tax Overview

Government Performance & Financial Management Committee November 10, 2020

Jack Ireland, Director Budget & Management Services

Janette Weedon, Assistant Director Budget & Management Services

### Overview



- Comparative city data
- Property tax overview
  - Property tax base values
  - Property tax exemptions
  - Property tax rates
  - Tax Increment Financing (TIFs)
- General obligation debt
- Appendix
  - TIF examples of growing tax base
  - Maps
  - Geographic distribution of tax value



# **Comparative City Analysis**



- Comparing cities is not apples-to-apples
- Each city has different property values (average residential), exemptions, and tax rates
- Additionally, each city uses a variety of sources beyond property taxes to fund operations
  - Austin has an electric utility and transportation user fee that partially support its General Fund
  - San Antonio has an electric/gas utility that partially supports its General Fund
  - Use of local tax options may support public transportation (i.e. DART) or may be used for other purposes as is the case in Fort Worth and San Antonio
- Quantity or variety of services and facilities may vary
- Age of each city and its infrastructure also varies



### **Property Tax Overview**



- Ad valorem (property) taxes are single largest revenue source for City at nearly \$1.1B\*
  - General Fund: \$818.3M or 73% of revenue
  - Debt Service: \$298.5M or 27% of revenue
- Ad valorem taxes are based on:
  - Property values determined by appraisal districts
  - Exemptions set by City Council
  - Tax rate set by City Council





# Property Tax Base Values

### **Property Values**



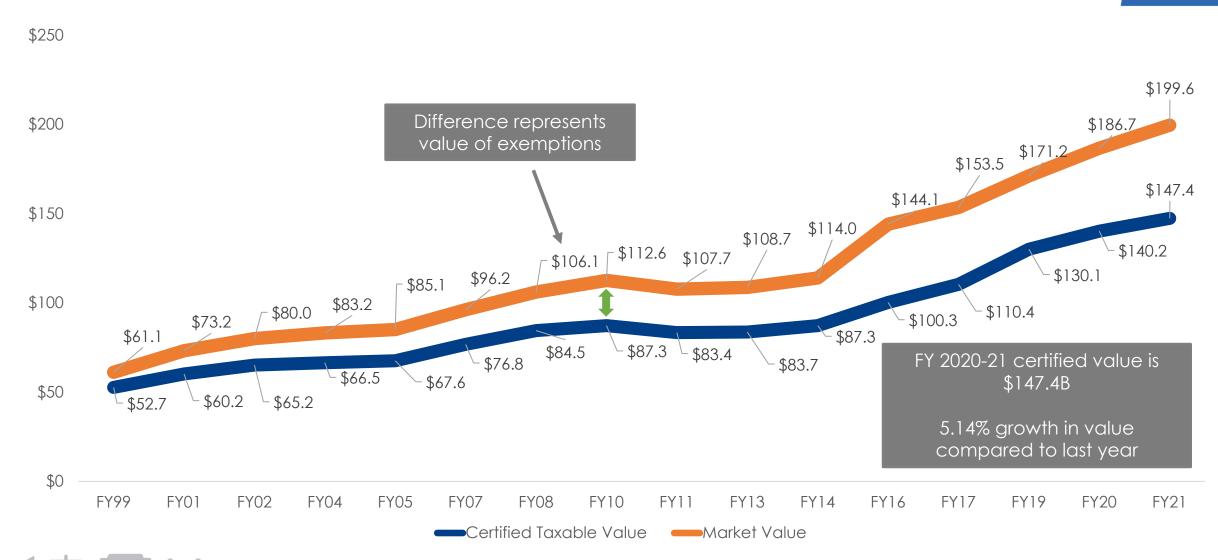
- Taxable property values represent market value (determined by appraisal districts) net of exemptions
- Property within Dallas city limits is physically located in and appraised by four appraisal districts
  - Dallas County 94.8%
  - Collin County 4.0%
  - Denton County 1.2%
  - Rockwall County 0.01%
- Each appraisal district is required by state law to certify values by July 25 of each year

Appraisal District	2019 Certified (\$ billions)	2020 Certified (\$ billions)	% Change		
Dallas	\$132.8	\$139.8	5.2%		
Collin	\$5.7	\$5.8	3.5%		
Denton	\$1.7	\$1.8	3.0%		
Rockwall	\$0.01	\$0.01	(18.5%)		
Total	\$140.2	\$147.4	5.14%		



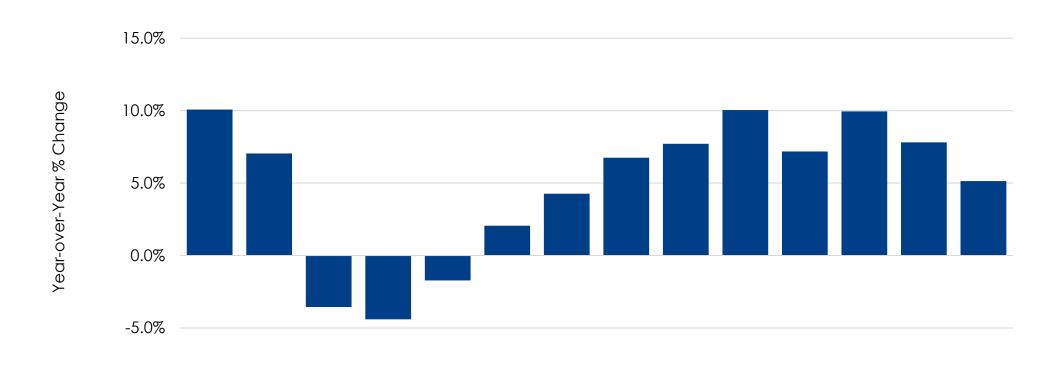
### Property Values (\$ in billions)





# Property Values (% Change)



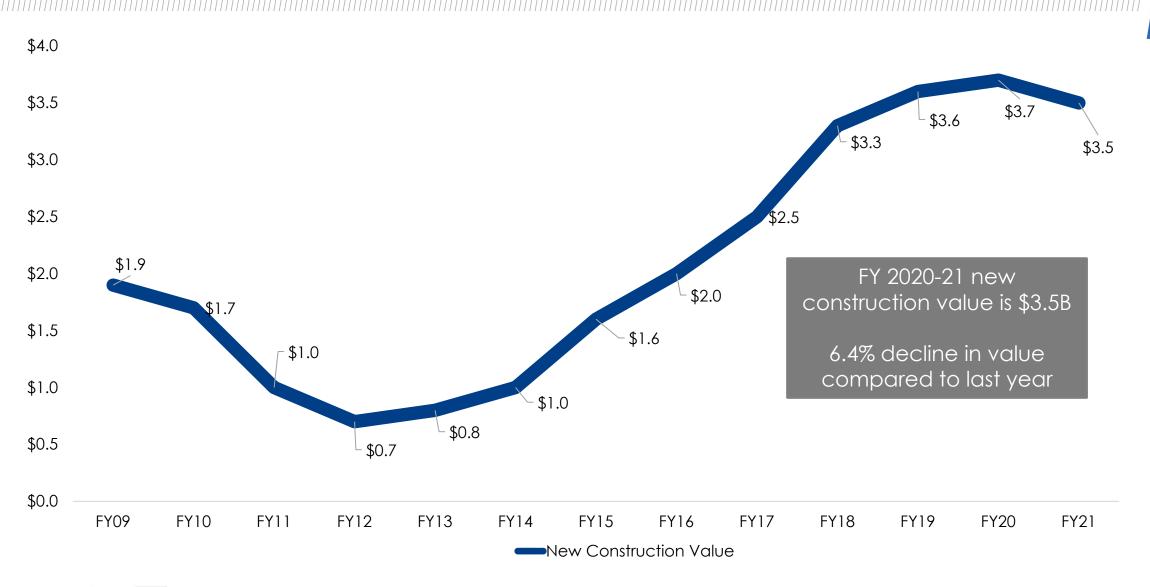


-10.0%	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
% Change in Property Tax Base Value	10.1%	7.0%	-3.6%	-4.4%	-1.7%	2.1%	4.3%	6.7%	7.7%	10.0%	7.2%	9.9%	7.8%	5.1%



## New Construction Growth (\$ in billions)







### **Property Values**

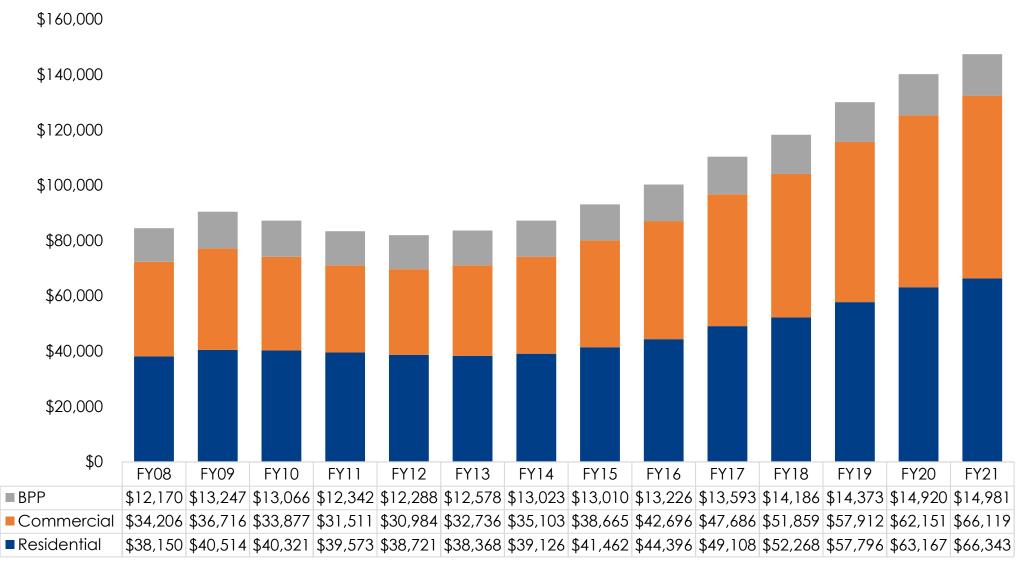


- Taxable value is categorized by property use/purpose
  - Residential property
    - Single-family homes and home-site land
    - 45% of Dallas tax base
  - Non-residential property
    - Apartment/multi-family residential property, buildings and land for office/industrial use, or personal property used to generate business revenue
    - Commercial: 45% of Dallas tax base
    - Business Personal Property (BPP): 10% of Dallas tax base



## Property Values by Category (\$ in millions)

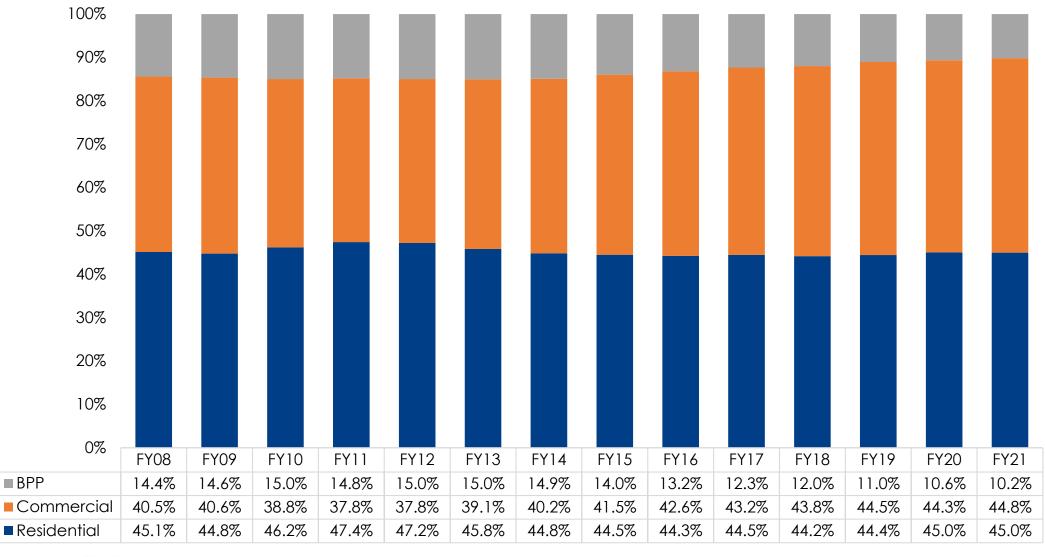






## Property Values by Category (% distribution)

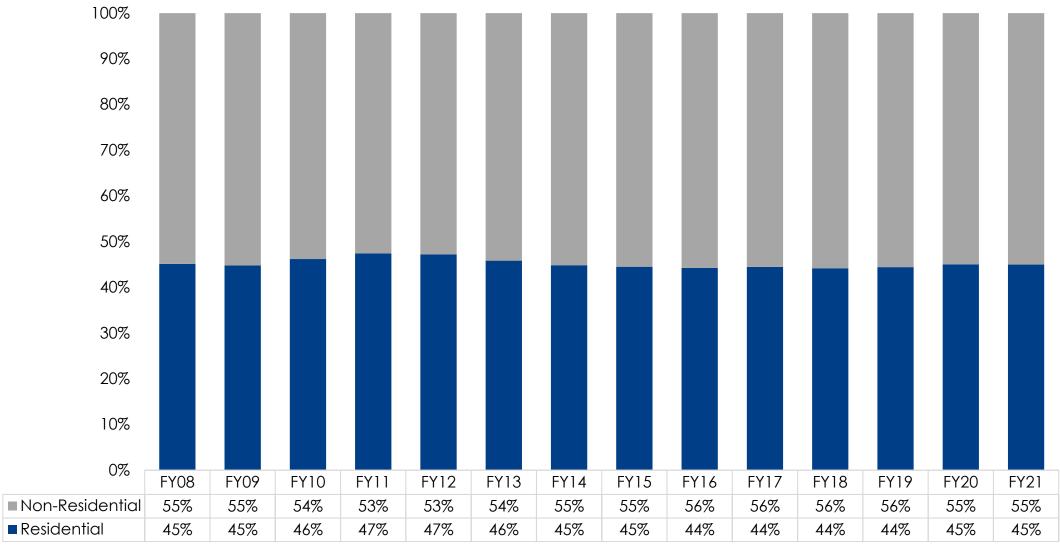






### Property Values by Category (% distribution)







### Property Tax Base Value Comparison



City	FY21 Tax Base Value	% Change from Prior Year	Residential %	Non-Residential %
Comparative Set				
Dallas	\$147.4B	5.1%	45%	55%
Austin	\$174.1B	4.8%	43%	57%
Fort Worth	\$73.5B	0.1%	52%	48%
Houston	\$209.5B	4.9%	47%	53%
San Antonio	\$150.6B	6.9%	47%	53%
Area Suburbs				
Frisco	\$31.4B	5.6%	76%	24%
Grand Prairie	\$17.1B	4.5%	47%	53%
Irving	\$29.7B	4.8%	30%	70%
Plano	\$46.6B	3.3%	47%	53%
Richardson	\$18.6B	3.0%	40%	60%

Source: City budget documents, Appraisal Districts (Tarrant, and Bexar), and entities





# **Property Tax Exemptions**

### **Property Tax Exemption Overview**



- Property tax exemptions are defined by state law
- Exemptions include:
  - Residential homestead
  - Over 65/disabled
  - Disabled veteran (sliding scale based on level of disability determined by Veterans Affairs)
- Many cities in Texas offer homestead exemptions on single-family homesteaded property
  - School districts are required to offer homestead exemptions, but it is optional for municipalities
  - This lowers the tax burden on homeowner but also lowers revenue to support City services



## Dallas Property Tax Exemptions



- City Council has authorized owner-occupied residential property exemptions as a local option under state law
  - Established a \$50,000 exemption for individuals age 65 or older or with a disability (4/23/86)
  - Increased the over 65/disabled exemption to \$64,000 (9/17/86)
  - Approved a 20% residential homestead exemption, the maximum allowed by state law (4/13/88)
  - Increased the over 65/disabled exemption to \$90,000 (6/28/17)
  - Increased the over 65/disabled exemption to \$100,000 (6/12/19)



### Financial Management Performance Criteria #23

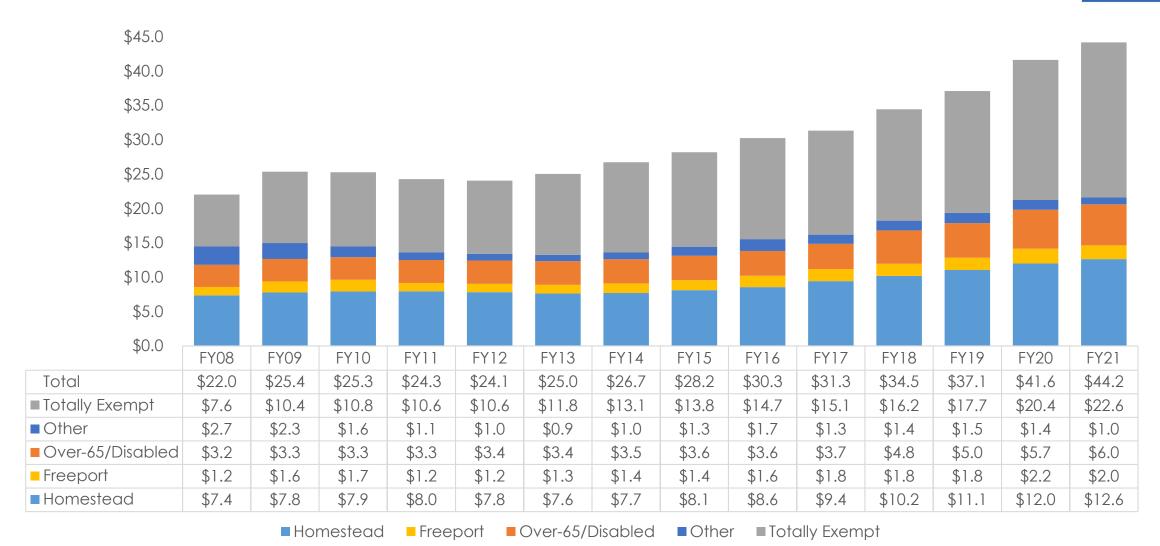


- Required to compare the current exemption for individuals age 65 and older or with a disability to the most recent annual Consumer Price Index (CPI) every two years
  - CPI is a measure of the average change over time in prices paid by urban consumers for a market basket of consumer goods and services
  - CPI is commonly used to adjust eligibility levels for Social Security
- Required to provide analysis to City Council prior to June 30 for possible increase of this property tax exemption
  - Changes to property tax exemptions must be provided to the appraisal districts no later than June 30
- Next review May 2021



# Historical Value of Exemptions (\$ in billions)

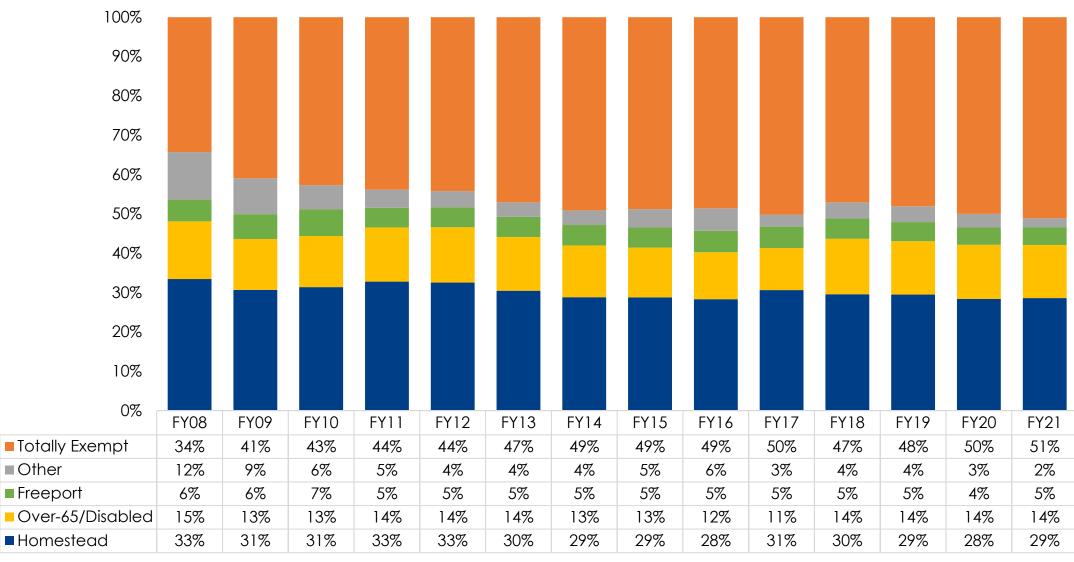






### Historical Distribution of Exemptions (%)

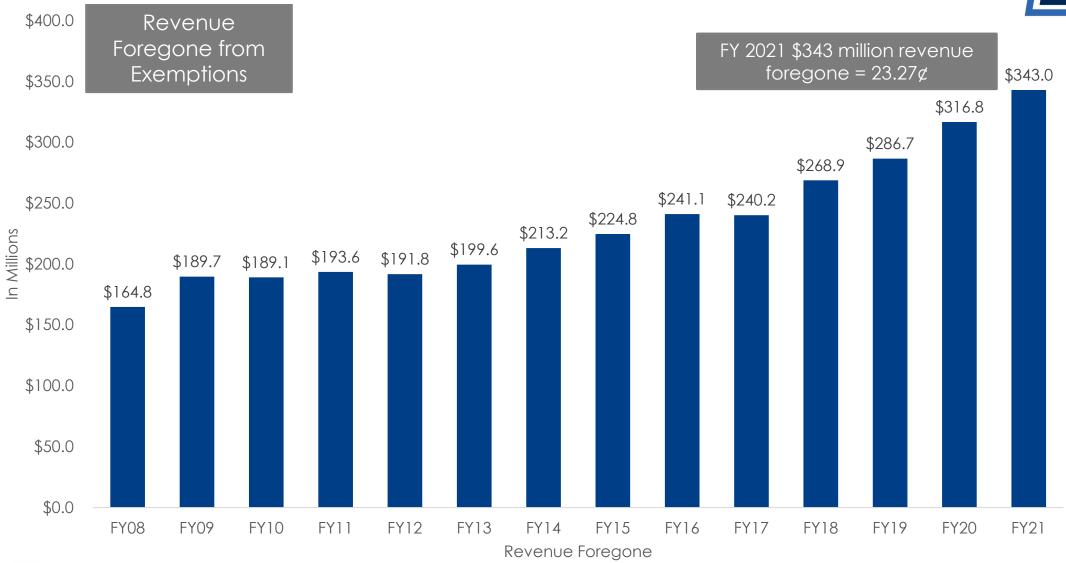






## Property Tax Revenue Foregone (\$ in millions)







# Property Tax Exemption Comparison



City	\$ Value of Exemption	% of Market Value	Homestead Exemption	Over 65/Disabled Exemption	
Comparative Set					
Dallas	\$44.2B	22%	20%	\$100,000 / \$100,000	
Austin	\$39.0B	18%	10% or \$5,000	\$88,000 / \$88,000	
Fort Worth	\$25.6B	25%	20%	\$40,000 / \$40,000	
Houston <sup>1</sup>	\$74.5B	24%	20%	\$160,000 / \$160,000	
San Antonio <sup>2</sup>	\$20.7B	14%	0.01% or \$5,000	\$65,000 / \$12,500	
Area Suburbs					
Frisco	\$7.7B	27%	10% or \$10,000	\$80,000 / \$80,000	
Grand Prairie	\$2.7B	13%	10% or \$5,000	\$45,000 / \$30,000	
Irving	\$5.7B	16%	20% or \$5,000	\$45,000 / \$45,000	
Plano <sup>2</sup>	\$10.4B	18%	20%	\$40,000 / \$40,000	
Richardson	\$3.3B	15%	0%	\$100,000 / \$100,000	

<sup>1</sup>Prop 1 caps property tax growth at the lower of CPI + growth in population or 4.5%

<sup>2</sup> Property tax levy freeze on homesteads owned by over 65/disabled

Source: City budget documents, Appraisal Districts (Dallas, Harris, Fort Bend, and Montgomery), and entities





# **Property Tax Rate**

### **Property Tax Rate**



- Tax rate set by City Council along with budget adoption each September
- Property tax rate is composed of:
  - Maintenance and Operation rate (M&O), used to pay for daily operating costs within the General Fund
  - Interest and Sinking (I&S, or debt service) rate, used to pay principal and interest on tax-supported debt (general obligation, certificates of obligation, and equipment notes)



### **Property Tax Rate**

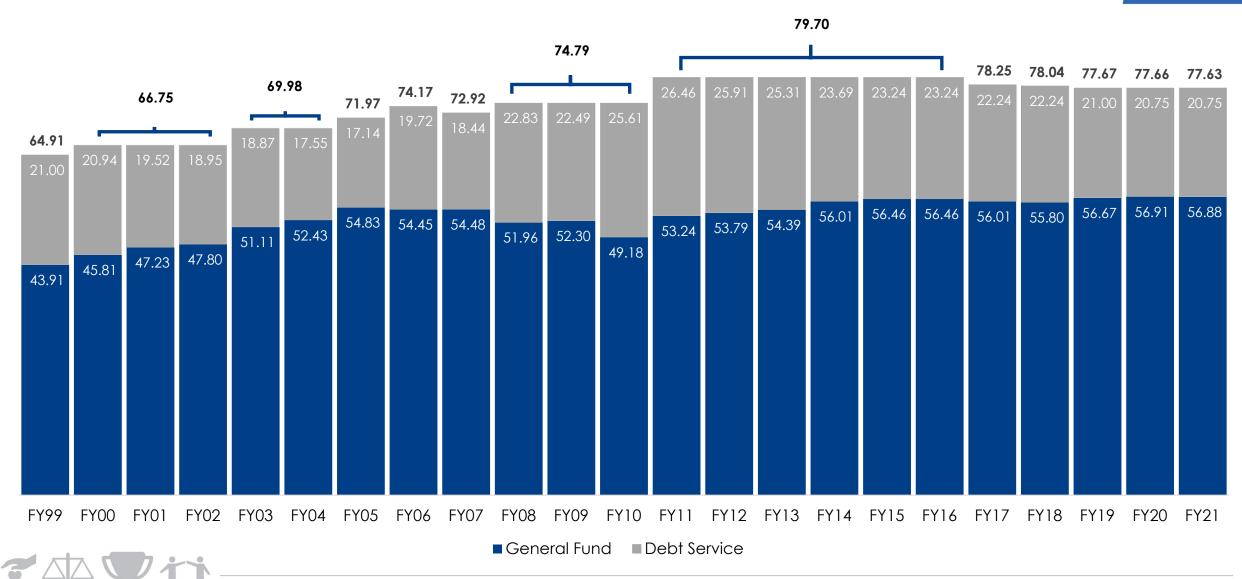


- Current tax rate is \$0.7763 per \$100 valuation
  - General Fund: \$0.5688 or 73%
  - Debt Service: \$0.2075 or 27%
- Average tax rate split between FY99 and FY21
  - General Fund: 71%
  - Debt Service: 29%
- City Council has lowered the adopted tax rate for the last five years, a total reduction of 2.07¢ or 2.6%



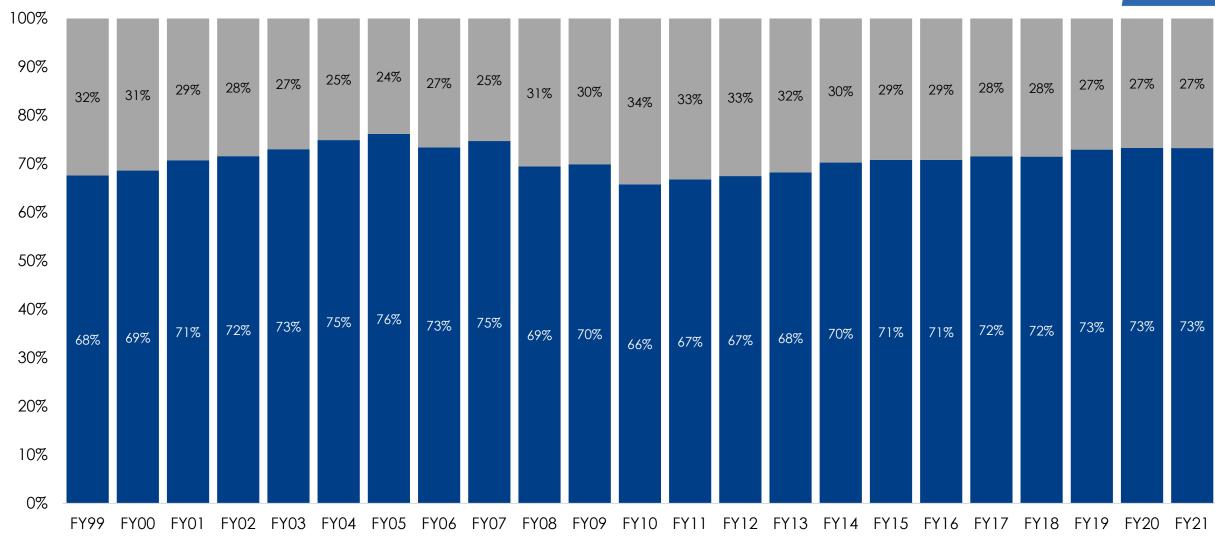
# Historical Tax Rate Distribution (\$ in cents)





# Historical Tax Rate Distribution (%)







# FY21 Property Tax Rate Split Comparison



City	General Fund Rate (%)	Debt Service Rate (%)	FY21 Total Tax Rate	
Comparative Set				
Dallas	\$0.5688 (73%)	\$0.2075 (27%)	\$0.7763	
Austin	\$0.4209 (79%)	\$0.1126 (21%)	\$0.5335	
Fort Worth	\$0.5950 (80%)	\$0.1525 (20%)	\$0.7475	
Houston	\$0.4231 (75%)	\$0.1387 (25%)	\$0.5618	
San Antonio	\$0.3468 (62%)	\$0.2115 (38%)	\$0.5583	
Area Suburbs				
Frisco	\$0.2990 (67%)	\$0.1476 (33%)	\$0.4466	
Grand Prairie	\$0.4606 (69%)	\$0.2904 (31%)	\$0.6700	
Irving	\$0.4741 (80%)	\$0.1200 (20%)	\$0.5941	
Plano	\$0.3372 (75%)	\$0.1110 (25%)	\$0.4482	
Richardson	\$0.3812 (61%)	\$0.2439 (39%)	\$0.6252	

Source: City budget documents and entities



## FY21 Property Tax Bill Comparison



City	Average Mkt Value (Single-Family)		Homestead Exemption	Tax Bill	Single-Family (\$100,000)					
Comparative S	Comparative Set									
Dallas	\$323,813	\$0.7763	20%	\$2,011	\$621					
Austin	\$401,644	\$0.5335	10%	\$1,928	\$480					
Fort Worth	\$163,641	\$0.7475	20%	\$979	\$598					
Houston	\$250,355	\$0.5618	20%	\$1,125	\$449					
San Antonio	\$195,730	\$0.5583	.01%	\$1,082	\$553					
Area Suburbs										
Frisco	\$418,042	\$0.4466	10%	\$1,680	\$402					
Grand Prairie	\$198,350	\$0.6700	10%	\$1,196	\$603					
Irving	\$273,391	\$0.5941	20%	\$1,290	\$476					
Plano	\$378,396	\$0.4482	20%	\$1,357	\$359					
Richardson	\$311,227	\$0.6252	0%	\$1,946	\$625					



Source: City budget documents, Appraisal Districts (Tarrant, and Bexar), and entities



# Other Comparisons

## Other Comparative City Information



City	Municipally owned utility?	Dedicated sales tax or other special revenue to offset General Fund (GF) services?
Comparative Set		
Dallas	Yes, DWU provides 9.8% of gross revenues (\$67.7M) -payment in-lieu of taxes, street rental, and indirect cost	No
Austin	Yes, provides 12% of Austin Energy and 8.2% of Austin Water gross revenues to GF (\$160.5M)	Yes, Transportation User Fee for street and traffic signal maintenance (\$87.2M) and Clean Community Fee for code compliance (\$51.4M)
Fort Worth	No	Yes, 1/2% Crime Control District sales tax to support FW Police Department (\$168.2M)
Houston	No	No
San Antonio	Yes, provides 14% of City Public Service and 4% of San Antonio Water System gross revenue to GF (\$380.9M)	Yes, 1/4% Advanced Transportation District sales tax (\$17.0M) for street/sidewalk maintenance; 1/8% for Edwards Aquifer; 1/8% sales tax for construction of trail system; and 1/8% for Pre-K4SA early childhood education (\$50.2M)
Area Suburbs		
Frisco	No	Yes, 1/2% for Frisco Community Development Corp (\$22.2M); and 1/2% for Frisco Economic Development Corp (\$22.2M)
Grand Prairie	No	Yes, four special sales taxes for streets, community policing, park venues, and The Epic (0.25 cents each / \$34.0M total)
Irving	No	No
Plano	No	No
Richardson	No	No





# General Obligation Debt

## **General Obligation Debt**

- City issues general obligation (GO) debt to finance capital improvements and infrastructure including streets, flood protection, economic development, park and recreation, and City facilities
- Voters have approved five GO bond programs since FY98 (during general election in November)
  - 1998 BP for \$543.5M
  - 2003 BP for \$579.3M
  - 2006 BP for \$1,353.5M
  - 2012 BP for \$642.0M
  - 2017 BP for \$1,050.0M
- Commercial paper is used as short-term interim financing
  - Matches payments with debt issuance
  - Creates lag in need to issue long-term bonds
  - Bonds are used to retire commercial paper
- City has \$1.96B in GO debt outstanding as of 9/30/20



## City of Dallas GO Debt Per Capita



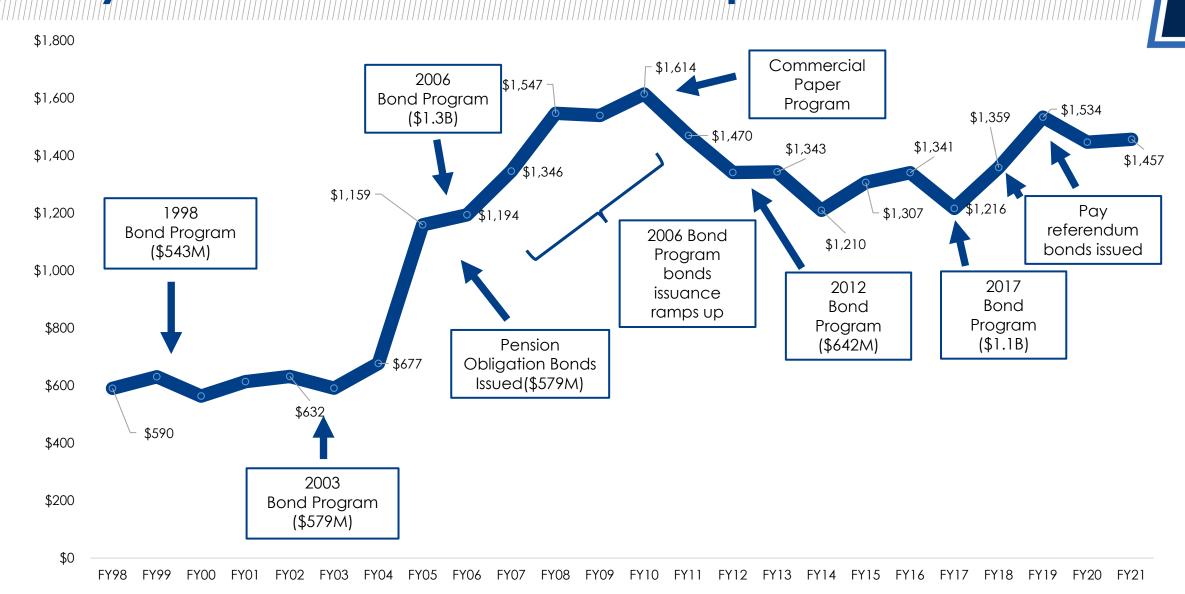
Fiscal Year (As of 9/30)	Outstanding GO Debt (Principal)	Population	Debt per Capita
FY10	\$1,938,124,913	1,200,632	\$1,614
FY11	\$1,798,332,086	1,223,378	\$1470
FY12	\$1,666,007,336	1,242,115	\$1,341
FY13	\$1,691,184,734	1,258,835	\$1,343
FY14	\$1,573,702,904	1,279,098	\$1,210
FY15	\$1,725,336,063	1,301,329	\$1,307
FY16	\$1,774,890,086	1,323,916	\$1,341
FY17	\$1,632,595,997	1,342,479	\$1,216
FY18	\$1,822,867,437	1,341,802	\$1,359
FY19	\$2,060,812,115	1,343,573	\$1,534
FY20	\$1,943,620,416	1,343,573	\$1,447
FY21	\$1,957,270,417	1,343,573	\$1,457

Source: U.S. Census Bureau population estimates



#### City of Dallas GO Debt Per Capita







## GO Debt Per Capita Comparison (9/30/20)



City	GO Debt Outstanding	Population	Debt Per Capita						
Comparative Set									
Dallas	\$1,957,270,000	1,343,573	\$1,457						
Austin	\$1,409,245,000	978,908	\$1,440						
Fort Worth	\$951,429,000	909,585	\$1,046						
Houston	\$3,528,429,000	2,320,268	\$1,521						
San Antonio	\$1,586,070,000	1,547,253	\$1,025						
Area Suburbs									
Frisco	\$400,720,000	200,490	\$1,999						
Grand Prairie	\$276,460,000	194,543	\$1,421						
Irving	\$206,535,000	239,798	\$861						
Plano	\$446,085,000	287,677	\$1,551						
Richardson	\$250,590,000	121,323	\$2,065						

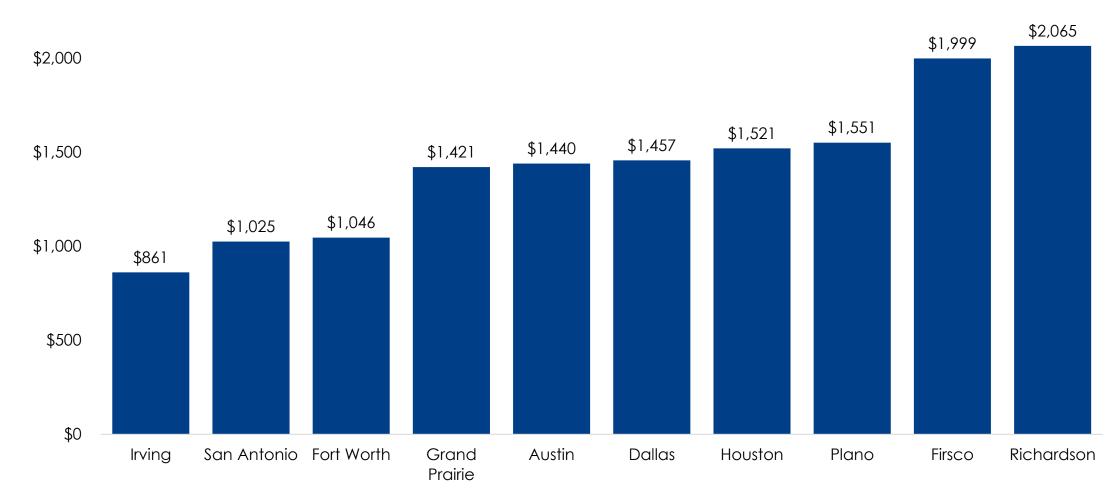
Source: U.S. Census population estimates and City budget documents



## GO Debt Per Capita Comparison (9/30/20)



\$2,500





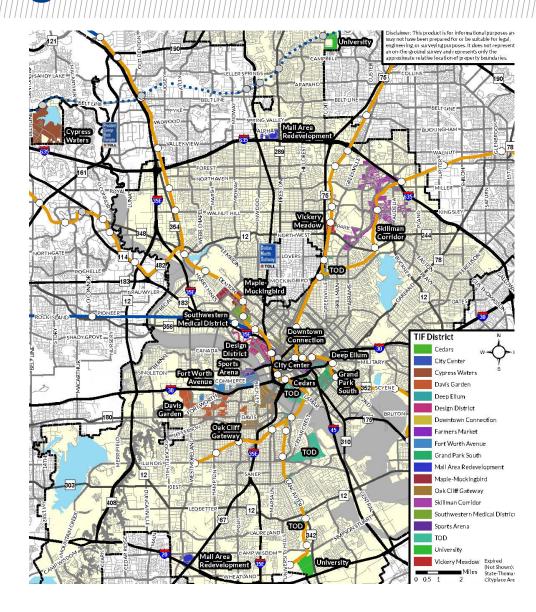
Source: U.S. Census population estimates and City budget documents



- Tax increment financing (TIF) is an economic development tool enabled by Chapter 311 of Texas Tax Code
- Designation of a special district (i.e. reinvestment zone with a defined geographic area) where incremental tax revenue from new development is reinvested for a period in the area where it was generated
- A tool to commit incremental real property tax revenues (usually future revenues) to stimulate new private investment and development (tax base) (1) to occur earlier, (2) to a higher quality, (3) to a greater extent, and (4) with more public benefits than would occur solely through private investment in the foreseeable future
- TIFs designed to pay for themselves over time



- 19 active TIF districts (~3.9% of City's total land acreage, excluding ROW and lakes)
  - 14 TIF districts created since TIF policy adopted in 2005
- 2 retired TIF districts
  - State Thomas
  - Cityplace Area
  - FMPC place a 15% cap on TIF districts and active tax abatement reinvestment zones as a percentage of City property tax base (real property and business personal property)
  - Based on 2020 certified tax values, City is at 12.7%







City Participation in TIF Zones										
FY18 FY19 FY20 FY21										
General Fund	\$41.3M	\$52.0M	\$60.8M	\$72.7M						
Debt Service	\$16.5M	\$19.3M	\$22.2M	\$26.5M						
Total	\$57.8M	\$71.3M	\$83.0M	\$99.2M						
Tax Rate Impact (¢)	4.89¢	5.48⊄	5.91¢	6.73¢						



## Tax Increment Financing (Active Districts)



TIF District	Year Created*	Expiration*	Base Year Value	TY 2020 Value	% Increase
Cedars	1992	2022	\$35.3M	\$310.2M	779%
City Center	1996/2012	2022/2037	\$674.8M	\$1,881.8B	179%
Cypress Waters	2012	2040	\$0.007M	\$749.9M	1,051,491%
Davis Garden	2007/2008	2039	\$137.8M	\$358.8M	160%
Deep Ellum	2005/2008/2014	2027	\$189.2M	\$851.2M	350%
Design District	2005/2013	2027	\$281.9M	\$993.5M	252%
Downtown Connection	2005/2009	2035	\$564.9M	\$5,511.3B	876%
Farmers Market	1998/2014/2015	2028	\$34.8M	\$449.1M	1,158%
Fort Worth Avenue	2007	2029	\$86.1M	\$524.6M	509%
Grand Park South	2005	2035	\$44.9M	\$81.1M	81%
Mall Area Redevelopment	2015	2044	\$168.4M	\$276.8M	64%
Maple-Mockingbird	2008/2010	2033	\$184.0M	\$760.0M	313%
Oak Cliff Gateway	1993/2010/2015	2027/2044	\$142.8M	\$783.3M	437%
Skillman Corridor	2005	2035	\$335.9M	\$1,039.0B	209%
Southwestern Medical	2005/2009	2027	\$67.4M	\$311.6M	362%
Sports Arena	1999/2012	2028/2042	\$63.7M	\$1,676.7B	2,531%
Transit-Oriented Development (TOD)	2008/2010	2038	\$202.1M	\$636.3M	215%
University	2017	2047	\$49.8M	\$247.9M	398%
Vickery Meadow	2005	2027	\$164.8M	\$565.5M	243%
Totals			\$3.4B	\$18.0B	+425%





## QUESTIONS?



# Appendix

#### Efforts to Grow Tax Base

- Office of Economic Development (ECO) is charged with growing City's tax base through the Public/Private Partnership (PPP) Program, TIF Program, and other tools
- Two PPP examples: Pinnacle Park (1998) and Mountain Creek (2002) business parks
- Prior to development, combined real property value of \$10.8M (~\$63K annual tax revenue)
- In 2019, combined real property value of \$917M (~\$7.1M annual tax revenue)
- Approaching full development but still a few sites remaining





Source: DCAD



- After reinvestment in a TIF district ends (i.e. TIF district term expires or budget cap reached), real property values return to the broader tax base and the revenue from the TIF returns to the City's General Fund
- State Thomas (1989) and Cityplace Area (1992) are examples of successful TIF district implementation in partnership with private sector
  - Prior to TIF district designation, combined real property value (DCAD) was \$92.5M (~\$600K annual tax revenue to General Fund)
    - State Thomas TIF District expired in 2008 but reached budget cap in 2004
    - Cityplace Area TIF District expired in 2012 but reached budget cap in 2009
  - In 2019, combined real property value was \$2.1B (~\$16.1M annual tax revenue to General Fund)
    - Property values increased 15X to 29X from base year values
    - Reconstruction of aging infrastructure funded
    - Higher-density developments created taxable value
    - Pedestrian amenities created
    - Light rail and streetcar linkages created



- City contribution to TIF districts is never 100% of real property incremental tax revenue
  - Varies by district and by year according to City Council-approved TIF Plan
- General Fund receives any property tax revenue from increment not committed to the TIF district, as well as all City sales tax revenue generated by the new development and all City BPP tax revenue
- Other taxing jurisdictions receive tax increment from additional property value
  - School district (existing TIF districts in Dallas, Richardson, and Coppell ISDs)
    - In 2020, DISD collected an estimated \$189M in real property tax revenue generated in 2019 tax year by Dallas TIF districts
  - Parkland Hospital & Health System
  - Dallas College (formerly Dallas County Community College District)
  - Dallas County



## TIF Revenue to General Fund (2006-2019)



Fiscal Year Generated	Estimated Real Property Tax Revenue to City's General Fund from TIF Districts (contribution varies according to TIF District Plan)
FY 2005-06	\$3,822,923
FY 2006-07	\$5,239,463
FY 2007-08	\$5,885,839
FY 2008-09	\$7,750,928
FY 2009-10	\$7,642,759
FY 2010-11	\$8,185,387
FY 2011-12	\$9,483,041
FY 2012-13	\$11,915,076
FY 2013-14	\$13,158,300
FY 2014-15	\$15,325,045
FY 2015-16	\$17,125,117
FY 2016-17	\$21,913,276
FY 2017-18	\$26,094,126
FY 2018-19	\$27,438,232
FY 2019-20	\$30,950,277
Total	\$211,929,789

- This chart displays only real property tax revenue based on estimates by tax year for funds generated and to be collected in the following calendar year (i.e. tax year 2019 revenue collected/contributed in 2020)
- Tax revenue from retired TIF districts is included
- Additional revenues from BPP taxes and sales taxes also accrue to the General Fund but are not included on this chart
- Additional real and BPP tax revenues accrue to other taxing jurisdictions including ISDs, Dallas County, Dallas County Health District (Parkland), and Dallas College
- Additional sales tax revenues accrue to DART



#### Active TIF-Subsidized Properties with Affordable Units

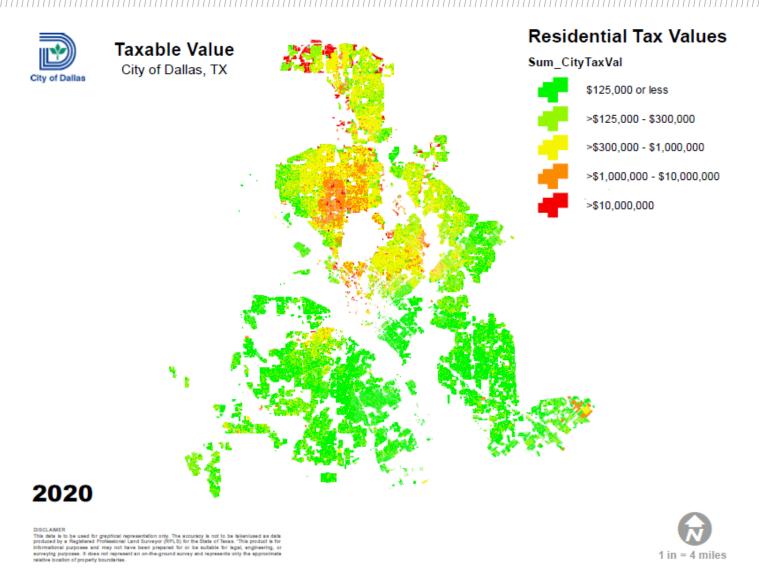


TIF District	Project Name	Address	Council District	Total Units	Affordable Units
Cedars	The Belleview (aka 1400 Belleview)	1401 Browder St	2	164	164
City Center	555 Ross Avenue Apartments	1777 N. Record St	14	267	27
City Center	Mid Elm Lofts	1512, 1514 and 1516 Elm St	14	29	3
Cypress Waters	The District at Cypress Waters Phase I	3211 Scotch Creek Rd	6	814	156
Davis Garden	Taylors Farm Apartments	1150 Pinnacle Park Blvd	3	160	144
Davis Garden	Hillside West Apartments	3757 Falls Bluff Dr	3	130	130
Design District	Apex Design District (formerly Alexan Riveredge	120 Turtle Creek Blvd	6	309	62
Downtown Connection	Atmos Complex - Phase I (Lofts)	300 S. St Paul St	14	107	107
Downtown Connection	The Continental	1810 Commerce St	14	203	41
Downtown Connection	LTV Tower Apartments - Phase I	1600 Pacific Ave	14	186	19
Downtown Connection	Atmos Complex - Phase II (Apartments)	301 S. Harwood St & 1915 Wood St	14	123	63
Downtown Connection	Mayflower Building	411 N. Akard St	14	215	43
Downtown Connection	Statler/Library Mixed-use Project	1914 Commerce St	14	219	22
Downtown Connection	1900 Pacific Residences	1900 Pacific Ave	14	150	15
	(aka Corrigan Tower Building)				
Farmers Market	Farmers Market Harvest Lofts	1011 S. Pearl Expy	2	240	48
Farmers Market	Taylor Street Lofts	2101 and 2111 Taylor St	2	60	12
Fort Worth Avenue	Sylvan   Thirty	1800 Sylvan Ave	6	201	40
Maple Mockingbird	Alta Maple Station	5522 Maple Ave	2	249	50
Oak Cliff Gateway	Zang Triangle	1335 N. Zang Blvd	1	260	52
		(office at 390 E. Oakenwald St)			
Oak Cliff Gateway	Oaks Trinity	333 E. Greenbriar Ln	1	167	34
Oak Cliff Gateway	Victor Prosper Apts	195 W. Davis St.	1	216	44
	(formerly Alamo Manhattan Apts)				
Skillman Corridor	Haven Lake Highlands Apartments	7077 Watercrest Pkwy	10	200	40
Sports Arena	Cypress at Trinity Groves	320 Singleton Blvd	6	352	71
TOD	Lancaster Urban Village - Phase I	4417 Lancaster Rd	4	193	100
				5,214	1,487



#### Residential Tax Values

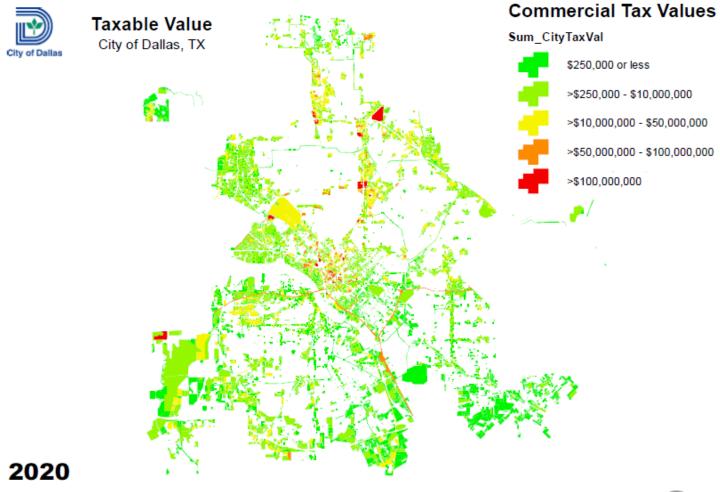






#### Commercial Tax Values







This data is to be used for graphical representation only. The accuracy is not to be takentused as data produced by a Registered Professional Land Surveyor (RPLS) for the State of Nasa. This produced is for intermetional purposes and may not have been prepared for or be subtained by lengthering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of properly boundaries.







Council	2015 Real	2016 Real	%	2017 Real	%	2018 Real	%	2019 Real	%	2020 Real	%
District	Property City	Property City	Change	Property City	Change	Property City	Change	Property City	Change	Property City	Change
	Tax Value	Tax Value		Tax Value		Tax Value		Tax Value		Tax Value	
	(FY2015-16)	(FY2016-17)		(FY2017-18)		(FY 2018-19)		(FY2019-20)		(FY2020-21)	
1	\$2,493,252,076	\$2,799,126,996	12%	\$3,013,591,961	8%	\$3,474,720,862	15%	\$3,959,715,895	14%	\$4,205,663,281	6%
2	\$7,350,807,811	\$8,485,307,639	15%	\$9,735,754,734	15%	\$11,595,461,919	19%	\$12,828,168,823	11%	\$13,520,979,192	5%
3	\$2,645,038,248	\$2,962,360,311	12%	\$3,174,328,611	7%	\$3,554,399,724	12%	\$3,956,227,954	11%	\$4,413,284,625	12%
4	\$1,109,990,061	\$1,198,115,317	8%	\$1,295,372,544	8%	\$1,484,177,386	15%	\$1,899,168,701	28%	\$2,154,996,294	13%
5	\$1,083,892,629	\$1,185,541,045	9%	\$1,295,887,565	9%	\$1,451,533,090	12%	\$1,695,373,358	17%	\$1,823,741,439	8%
6	\$5,888,308,589	\$6,487,568,066	10%	\$7,249,116,777	12%	\$8,108,581,255	12%	\$9,097,327,025	12%	\$9,219,937,538	1%
7	\$1,923,636,385	\$2,134,171,850	11%	\$2,335,472,775	9%	\$2,603,156,597	11%	\$2,928,219,476	12%	\$3,160,573,673	8%
8	\$1,755,429,197	\$1,980,158,471	13%	\$2,136,458,652	8%	\$2,491,284,672	17%	\$2,915,408,987	17%	\$3,174,257,544	9%
9	\$5,727,979,893	\$6,437,581,898	12%	\$6,825,312,578	6%	\$7,608,842,872	11%	\$7,995,958,582	5%	\$8,577,708,858	7%
10	\$4,836,313,142	\$5,420,502,698	12%	\$5,819,519,107	7%	\$6,438,595,143	11%	\$6,815,595,430	6%	\$7,181,930,933	5%
11	\$9,951,675,266	\$10,710,213,609	8%	\$11,303,774,838	6%	\$12,220,062,064	8%	\$12,718,182,443	4%	\$13,185,773,612	4%
12	\$6,762,400,892	\$7,194,867,579	6%	\$7,837,760,013	9%	\$8,572,534,892	9%	\$9,102,669,379	6%	\$9,844,230,745	8%
13	\$16,872,961,984	\$18,512,004,946	10%	\$19,218,087,543	4%	\$20,681,920,866	8%	\$21,774,711,769	5%	\$22,198,640,870	2%
14	\$18,690,778,898	\$21,288,697,394	14%	\$22,890,315,310	8%	\$25,425,623,781	11%	\$27,632,164,498	9%	\$29,809,335,009	8%
	\$87,092,465,070	\$96,796,217,820	11%	\$104,130,753,008	8%	\$115,710,895,123	11%	\$125,318,892,321	8%	\$132,471,053,613	6%

- Appraisal as of January 1, 2020
- The above listed data includes real property only. Business Personal Property not included. The above listed estimates were generated by utilizing 2020 tax parcel data furnished by the Dallas, Collin, Denton and Rockwall Appraisal Districts. A process of linking this data to appraisal district GIS data is then performed. Standard methods of spatial analysis are then utilized to determine the values by location. Although these listed values are believed to be the most accurate measurements that can be furnished considering the available data and resources it is impossible to guarantee 100% accuracy considering the variables involved. When applied to the values, whatever those values may ultimately be, the percentages are believed to be a good and acceptable statistical representation of the percent of value of each district. Due to rounding, some columns and rows may appear not to balance.
- For informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.





Council District	Count Real Property Tax Records	% Tax Records	Real Property City Tax Value	% Tax Value	Real Property Appraised Value	% Appraised Value
1	21,754	6.26%	\$4,205,663,281	3.17%	\$6,849,563,613	3.84%
2	21,504	6.19%	\$13,520,979,192	10.21%	\$23,362,565,652	13.10%
3	24,909	7.16%	\$4,413,284,625	3.33%	\$6,971,276,388	3.91%
4	29,485	8.48%	\$2,154,996,294	1.63%	\$3,735,043,761	2.09%
5	23,688	6.81%	\$1,823,741,439	1.38%	\$3,124,524,274	1.75%
6	24,407	7.02%	\$9,219,937,538	6.96%	\$11,148,969,506	6.25%
7	28,080	8.08%	\$3,160,573,673	2.39%	\$5,160,741,045	2.89%
8	28,494	8.20%	\$3,174,257,544	2.40%	\$5,454,181,995	3.06%
9	27,022	7.77%	\$8,577,708,858	6.48%	\$11,571,799,406	6.49%
10	21,479	6.18%	\$7,181,930,933	5.42%	\$9,388,199,977	5.27%
11	19,928	5.73%	\$13,185,773,612	9.95%	\$15,651,342,513	8.78%
12	20,544	5.91%	\$9,844,230,745	7.43%	\$12,081,732,714	6.78%
13	27,747	7.98%	\$22,198,640,870	16.76%	\$28,462,655,528	15.96%
14	28,643	8.24%	\$29,809,335,009	22.50%	\$35,338,956,796	19.82%
	347,685	100.00%	\$132,471,053,613	100.00%	\$178,301,553,168	100.00%

- Appraisal as of January 1, 2020
- The above listed data includes real property only. Business Personal Property not included. The above listed estimates were generated by utilizing 2020 tax parcel data furnished by the Dallas, Collin, Denton and Rockwall Appraisal Districts. A process of linking this data to appraisal district GIS data is then performed. Standard methods of spatial analysis are then utilized to determine the values by location. Although these listed values are believed to be the most accurate measurements that can be furnished considering the available data and resources it is impossible to guarantee 100% accuracy considering the variables involved. When applied to the values, whatever those values may ultimately be, the percentages are believed to be a good and acceptable statistical representation of the percent of value of each district. Due to rounding, some columns and rows may appear not to balance.
- For informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.





Council	Commercial Real	Residential	Total Real	Commercial	Residential Real	Total Real	Count	Count	Count Total
District	Property City Tax	Real Property	Property City	Real Property	Property	Property	Commercial	Residential	Real
	Value	City Tax Value	Tax Value	<b>Appraised Value</b>	Appraised Value	Appraised Value	Real	Real	Property
							Property	Property	Tax Records
							Tax Records	Tax Records	
1	\$1,251,394,075	\$2,954,269,206	\$4,205,663,281	\$2,512,355,234	\$4,337,208,379	\$6,849,563,613	2,423	19,332	21,754
2	\$10,136,476,522	\$3,384,502,670	\$13,520,979,192	\$18,947,367,369	\$4,415,198,282	\$23,362,565,652	5,352	16,152	21,504
3	\$2,139,285,483	\$2,273,999,142	\$4,413,284,625	\$3,367,427,311	\$3,603,849,077	\$6,971,276,388	2,322	22,587	24,909
4	\$523,147,899	\$1,631,848,395	\$2,154,996,294	\$1,025,209,807	\$2,709,833,954	\$3,735,043,761	3,018	26,467	29,485
5	\$361,402,651	\$1,462,338,788	\$1,823,741,439	\$747,434,502	\$2,377,089,771	\$3,124,524,274	2,019	21,669	23,688
6	\$7,370,165,338	\$1,849,772,200	\$9,219,937,538	\$8,520,181,652	\$2,628,787,854	\$11,148,969,506	8,753	15,654	24,407
7	\$1,290,468,393	\$1,870,105,280	\$3,160,573,673	\$2,298,545,528	\$2,862,195,518	\$5,160,741,045	4,321	23,759	28,080
8	\$1,473,427,624	\$1,700,829,920	\$3,174,257,544	\$2,885,354,258	\$2,568,827,737	\$5,454,181,995	3,164	25,330	28,494
9	\$1,475,554,759	\$7,102,154,099	\$8,577,708,858	\$2,078,019,770	\$9,493,779,636	\$11,571,799,406	1,102	25,920	27,022
10	\$2,731,256,030	\$4,450,674,904	\$7,181,930,933	\$3,290,493,953	\$6,097,706,024	\$9,388,199,977	1,168	20,312	21,479
11	\$6,700,958,586	\$6,484,815,025	\$13,185,773,612	\$7,132,224,226	\$8,519,118,287	\$15,651,342,513	1,048	18,880	19,928
12	\$1,510,332,626	\$8,333,898,119	\$9,844,230,745	\$1,858,110,701	\$10,223,622,014	\$12,081,732,714	1,278	19,265	20,544
13	\$6,352,197,886	\$15,846,442,984	\$22,198,640,870	\$8,328,985,858	\$20,133,669,670	\$28,462,655,528	1,122	26,625	27,747
14	\$20,129,912,117	\$9,679,422,891	\$29,809,335,009	\$23,350,174,494	\$11,988,782,302	\$35,338,956,796	3,331	25,312	28,643
Total	\$63,445,979,990	\$69,025,073,623	\$132,471,053,613	\$86,341,884,663	\$91,959,668,505	\$178,301,553,168	40,420	307,265	347,685

- Appraisal as of January 1, 2020
- The above listed data includes real property only. Business Personal Property not included. The above listed estimates were generated by utilizing 2020 tax parcel data furnished by the Dallas, Collin, Denton and Rockwall Appraisal Districts. A process of linking this data to appraisal district GIS data is then performed. Standard methods of spatial analysis are then utilized to determine the values by location. Although these listed values are believed to be the most accurate measurements that can be furnished considering the available data and resources it is impossible to guarantee 100% accuracy considering the variables involved. When applied to the values, whatever those values may ultimately be, the percentages are believed to be a good and acceptable statistical representation of the percent of value of each district. Due to rounding, some columns and rows may appear not to balance.
- For informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.





Area	Commercial Real Property City Tax Value	Residential Real Property City Tax Value	Total Real Property City Tax Value	Commercial Real Property Appraised Value	Residential Real Property Appraised Value	Appraised Value	Count Commercial Real Property Tax Records	Real Property Tax Records	Count Total Real Property Tax Records
South	\$8,559,196,510	\$12,142,579,586	\$20,701,776,097	\$14,967,127,644	\$18,823,437,141	\$33,790,564,785	21,355	146,322	167,677
North	\$49,088,288,515	\$56,357,405,104	\$105,445,693,619	\$63,200,232,407	\$72,487,509,131	\$135,687,741,538	18,034	159,936	177,970
CBD	\$5,798,494,965	\$525,088,933	\$6,323,583,898	\$8,174,524,612	\$648,722,233	\$8,823,246,845	1,032	1,007	2,039
Total	\$63,445,979,990	\$69,025,073,623	\$132,471,053,613	\$86,341,884,663	\$91,959,668,505	\$178,301,553,168	40,420	307,265	347,685

- Appraisal as of January 1, 2020
- The above listed data includes real property only. Business Personal Property not included. The above listed estimates were generated by utilizing 2020 tax parcel data furnished by the Dallas, Collin, Denton and Rockwall Appraisal Districts. A process of linking this data to appraisal district GIS data is then performed. Standard methods of spatial analysis are then utilized to determine the values by location. Although these listed values are believed to be the most accurate measurements that can be furnished considering the available data and resources it is impossible to guarantee 100% accuracy considering the variables involved. When applied to the values, whatever those values may ultimately be, the percentages are believed to be a good and acceptable statistical representation of the percent of value of each district. Due to rounding, some columns and rows may appear not to balance.
- For informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.





# Dallas County Tax Office John R. Ames, PCC, CTA

Tax Assessor/Collector





#### Important Dates in the Tax Collection Calendar

July 25 – Certified Roll

August 20 – Dallas CAD

July 25 – Rockwall CAD

Sept 18 – Collin CAD

Sept 25 – Denton CAD\*

September 23 - Deadline to Set Tax Rates September 23 - City of Dallas - Thank You!

October 1 - Tax Statements Processed and Mailed October 16 – Statements Mailed



<sup>\*</sup> Sent at least 8 files before the data was accurate and usable.... After October 1.

#### Important Dates in the Tax Collection Calendar

January 31 – Last Day to Pay without Penalty and Interest

February 15 – 33.11 / Courtesy Delinquent Statements Mailing (Not required by the Texas Property Tax Code)

April 1 – Early BPP Turnover to Delinquent Law Firm, Linebarger

May 15 – 33.07 Delinquent Statements Mailing

July 1 – Full Turnover to Delinquent Law Firm, Linebarger



#### Payment Options

- Cash In person
- Check In person or by mail
- eCheck Online or by phone (No additional Fee)
- Debit Card In person, online or by phone (\$2.95 Convenience Fee)
- Credit Card In person, online or by phone (2.15% Convenience Fee)



#### Payment Plan Options

- Over-65/Disabled/Disabled Veteran Installment Plans
  - Four equal payments with no P&I (Jan, Mar, May Jul)
- Homestead Payment Plans
  - Must be homesteaded property
  - Up to 12 months
  - Cannot have a HS Payment plan within 2 previous years
- Informal Payment Plans
  - Pay beginning October 1st
  - Any amount paid prior to January 31<sup>st</sup> will avoid P&I
- Formal Payment Plans
  - Signed agreements with delinquent law firm:
    - Commercial Property Up to 6 months
    - Business Personal Property Up to 6 months
    - Residential (Non HS Rental Income) Up to 12 months



#### Parcel Data Comparison

Tax Year	Total Parcels	Residential	Commercial	Business PP	% Res	%Com	% BPP
2019	395,316	307,326	39,438	48,552	78%	10%	12%
2020	379,058	295,952	35,491	47,615	78%	9%	13%

Note: Over 46k parcels were still Value in Dispute (VID) at certification, compared to 18k in 2019.

Deferred Parcels (Over-65/Disabled)

Tax Year	Parcels	Base Levy	Paid Levy	Remaining Levy
2019	1,396	\$2,948,404	\$1,620,859	\$1,327,545
2020	1,410	\$2,892,630	\$53,820	\$2,838,810

Approximately 55% of deferred taxes were paid during tax year 2019.



#### Tax Rate Transparency Website

#### www.DallasCountyTexasTaxes.gov



#### **Collection Rates**

Tax Year	Fiscal Year	Oct.	Jan.	Feb.	Jun.	Sep.
2019	2020	2.60	86.33	96.18	98.34	98.79
2018	2019	1.20	84.65	96.35	98.20	98.96
2017	2018	2.51	85.69	96.58	98.61	98.98
2016	2017	2.26	76.76	96.38	98.50	98.88
2015	2016	1.95	77.40	95.82	98.35	98.80
2014	2015	2.98	81.82	95.83	98.36	98.82
2013	2014	2.92	81.61	95.79	98.32	98.75
2012	2013	2.60	83.23	95.63	98.10	98.62
2011	2012	1.98	78.77	95.17	97.98	98.52
2010	2011	2.14	77.94	94.09	97.65	98.31
2009	2010	1.91	75.62	93.41	97.18	98.02
2008	2009	0.11	57.88	92.67	96.57	97.75



















# Government Performance & Finance Management Committee

November 10, 2020



#### Who We Are

The Linebarger Dallas office team consists of a diverse group of professionals delivering exceptional customer service and representation.

We are proud to say our team is made up of 80+ talented members who are ready to serve our clients and the communities where we work & live.

Linebarger was established in 1976.
Nationally, our firm is composed of over
1,000 employees, 120 attorneys, 160
information technology specialists and 280
call center personnel.





#### **Delinquent Tax Collection Process**





#### Payment Options & Exemptions

Linebarger carries out the policies of the City of Dallas/Dallas County to ensure property owners are provided with multiple options, as allowed by law. We treat property owners with the utmost respect and professionalism.

#### Regular Payment Agreements

Available to most taxpayers
depending on factual
circumstances. (may range from
90 days to 12 months)



## Homestead Payment Agreements

State law permits property
owners to obtain a minimum of
12 months to resolve their tax
liability on homestead exempt
properties



#### Post-Judgment Payment Agreements

Following the conclusion of a litigated case, taxpayers are given additional opportunities to resolve their tax liability



#### Exemptions

- o Age 65 or Older
- o Disabled Person
- Armed Forces & Veterans
- Homestead





#### Program Activities & Results

July 2019 - June 2020





#### **Collecting During COVID-19**

#### Tech Transition





Shift to virtual workforce overnight



1000+ employees connected to secure resources



Virtual meeting software (employee & client)



Virtual meeting software (Attend court hearings)



Technology used for remote, in-office & hybrid employees

#### Compassionate Collections



We shifted our approach of collecting by offering a more flexible Taxpayer Assistance Program while still collecting important revenue for our government clients

- Created special tailored letters and mailings to address current economic conditions
- o Provided a resource list of non-profit & government assistance programs through our collections, litigation & post judgment staff
- Added additional information to our firm website (resources assistance & updates)
- Taxpayer Assistance Program reports
- Lawsuit filing requirement as tailored by our clients
- Online auction for sheriff's sale.





#### City of Dallas

#### Agenda Information Sheet

Accounts Payable Update

#### Memorandum



DATE November 6, 2020

Honorable Members of the Government Performance and Financial Management To Committee: Cara Mendelsohn (Chair), Jennifer S. Gates (Vice Chair), Adam Bazaldua, Adam McGough, Casey Thomas, II

#### **SUBJECT Accounts Payable Update**

Earlier this year, the COVID-19 pandemic and our City's transition to remote work changed the way Accounts Payable (AP) processes invoices. Prior to the pandemic, AP was completely paper based; departments would receive invoices directly from vendors and those paper invoices would be marched around City Hall or driven to City Hall for processing. The City of Dallas' current financial system, CGI Advantage AMS, is two versions behind the most current release and does not support a fully automated workflow for invoices.

At the beginning of the pandemic, AP had three weeks to select, design, build, test, train, and deploy an automated, electronic workflow process that would allow department and AP staff to work remotely and remain productive.

Due to this conversion and an early attempt to centralize data entry, AP encountered a major backlog in invoices. Between April and June, the number of invoices pending processing continued to grow. As a result, we reversed the decision to centralize data entry and redeployed staff from other parts of the City Controller's Office (CCO) to assist with data entry and approval processing. Additionally, AP staff have worked overtime since March to manage the backlog.

Over the last several months, we have seen a substantial reduction in the number of outstanding invoices. This has primarily been achieved with data analytics. We compare the data in our Salesforce workflow automation tool against the data in the AMS Advantage system and look at the count of invoices per vendor, high dollar invoices, age of the invoice, as well as the last time the vendor was paid, to prioritize and triage which invoices will be processed and paid that day. These reports are provided to AP staff as the invoices to process that day with a quota of 100 paid invoices per quality control staff member for a total of 1,000 invoices daily.

At the end of June, we had approximately 10,000 outstanding invoices, and over 8,000 of them were past due. As of November, we are pleased to report that there are approximately 6,400 outstanding invoices with only 2,000 past due. We will continue these increased efforts over the next several weeks to eliminate the past due backlog.

#### SUBJECT

DATE

#### **Accounts Payable Update**

The table below shows the current state of pending invoices and the aging of those invoices.

Aging	Invoice Count	Open Amount		
0-30 Days	4,337	30,932,958.00		
31-60 Days	844	2,959,655.00		
61-90 Days	352	457,367.00		
Over 90 Days	870	680,272.00		
<b>Grand Total</b>	6,403	\$ 35,030,252		

This table represents the quantity and amounts of invoices paid over the last year.

		Total
		Invoices
	Total \$ Paid	Paid
October 2019	124,435,080	14,685
November 2019	112,461,180	11,907
December 2019	101,180,280	10,321
January 2020	113,474,160	14,883
February 2020	105,059,168	11,664
March 2020	127,208,921	14,306
April 2020	93,001,259	5,859
May 2020	73,880,429	5,880
June 2020	150,525,297	9,988
July 2020	128,287,389	12,100
August 2020	113,416,797	10,461
September 2020	117,514,661	12,240
October 2020	126,872,468	17,993
Sum:	1,487,317,089	152,287

In addition to staff redeployment and overtime, CCO is undertaking various other initiatives to revamp and streamline AP processes:

- CGI agreed to assist for 4 weeks at no additional cost. They worked with our Information Technology Services (ITS) team to develop templates to import/export Accounts Payable data and utilize mass update functions. Once completed, these templates will further automate the process. CGI is continuing to provide support and work with us to change and automate the Accounts Payable processes.
- ITS has identified additional opportunities within our existing Advantage environment that can be used to improve AP operations. Areas of focus have been on understanding workflow capabilities.

#### November 6, 2020

#### SUBJECT Accounts Payable Update

DATE

 We are working with the Office of Procurement Services (OPS) contract management unit to strengthen vendor relations and reduce the quantity of invoices received from vendors. These efforts will be ongoing and allow more capacity within AP operations.

I also want to take an opportunity to recognize the dedication and hard work of many individuals within the City. Maura Pothier, Assistant Director of Disbursements in the CCO, worked with ITS to develop the Salesforce functionality while simultaneously working to implement Workday Payroll remotely during the pandemic. Ra-Keba Gordon, Assistant Director of Financial Compliance in the CCO, redeployed members of her team and took over the day to day management of AP invoice processing so that Ms. Pothier could focus on the Workday Payroll implementation. Lance Sehorn, Assistant Controller, redeployed professional accounting staff to assist with accounts payable invoice processing. ITS not only responded quickly in assisting us in configuring and implementing Salesforce, but also continues to assist us daily as we strive to improve our AP processes. Finally, I want to commend City departments as they have adapted to rapid changes in how we process invoices.

I appreciate your patience and support as AP worked through growing pains converting to an automated process and work from home cadence. Please let me know if you have any questions.

Sheri Kowalski

Sheri P. Kowalski

City Controller

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 Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors