

Memorandum



CITY OF DALLAS

DATE September 15, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding the City Manager’s Recommended Biennial Budget for FY24 & FY25 (Seventh Set)**

We were pleased to share the City Manager’s FY24 and FY25 Recommended Biennial Budget with the City Council. Below are responses to unanswered questions you have asked.

1. What impact does a property tax rate reduction have on the five-year forecast and the current forecast not being balanced in years three through five?

Reducing the property tax rate will reduce General Fund revenues. In order to maintain a balanced budget for FY23, expenses are also reduced. This has been done through the amendment process. Staff will carry those changes to the revenue and expense through all five years of the five-year forecast. Reducing the tax rate will not improve the structural imbalance in years three through five. To improve or eliminate the imbalance, the difference or gap between revenue and expenses must be closed. Lowering revenue and expenses in an offsetting amount does not close that gap. To close the gap, we would need to reduce the expenses without reducing the revenue, or increase the revenue without increasing the expenses. As we approach each biennial, we will balance at least the first two years in the five-year forecast through the annual budget development process.

2. Please provide a comparison of the number of Full Time Equivalent (FTE) as of today and prior to the recession.

The table below includes a summary of the FTEs from FY06.

Fiscal Year	General Fund	Enterprise Funds, Internal Service & Other Funds	Total
FY06	10,919.50		N/A
FY07	11,200.60		N/A
FY08	11,015.70	3,280.50	14,296.20
FY09	12,041.20	2,738.40	14,779.60
FY10	11,868.20	2,538.00	14,406.20
FY11	11,881.00	2,585.30	14,466.30
FY12	11,484.50	2,851.60	14,336.10

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FY13	11,390.10	3,044.50	14,434.60
FY14	11,485.40	3,117.70	14,603.10
FY15	11,559.50	3,126.90	14,686.40
FY16	10,777.20	4,006.10	14,783.30
FY17	10,295.05	3,746.50	14,041.55
FY18	9,997.23	3,762.97	13,760.20
FY19	10,116.40	3,931.67	14,048.07
FY20	10,151.34	3,923.38	14,074.72
FY21	10,147.94	3,894.91	14,042.85
FY22	10,439.29	3,963.11	14,402.40
FY23	10,613.47	4,114.37	14,727.84
FY24 Proposed	10,841.20	4,194.71	15,035.91
FY25 Planned	10,957.16	4,228.25	15,185.41

Source: Budget documents, FY 2016-17 from the City FTEs compared to Population File.

3. Please provide a comparison of uniform to non-uniform FTEs since FY15.

The table below includes a summary of uniform and non-uniform FTE since FY15.

Budgeted FTEs					
Fiscal Year	Uniform (General Fund)	Non-Uniform (General Fund)	General Fund Total	Non-Uniform (Other Funds)	All Funds Total
FY15	5,688.90	5,870.60	11,559.50	3,126.90	14,686.40
FY16	5,677.30	5,099.90	10,777.20	4,006.10	14,783.30
FY17	5,509.30	4,785.75	10,295.05	3,746.50	14,041.55
FY18	5,208.43	4,788.80	9,997.23	3,762.97	13,760.20
FY19	5,258.15	4,858.25	10,116.40	3,931.67	14,048.07
FY20	5,283.07	4,868.27	10,151.34	3,923.38	14,074.72
FY21	5,359.76	4,788.18	10,147.94	3,894.91	14,042.85
FY22	5,463.89	4,975.40	10,439.29	3,963.11	14,402.40
FY23	5,661.95	4,951.52	10,613.47	4,114.37	14,727.84

FY16 – Sanitation moves out of the General Fund.

FY17 – Reduction of positions to more accurately reflect funding levels (Dallas Police Department (DPD), Dallas Fire Department, Housing and Neighborhood Revitalization, Human Resources, Library, Mobility/Streets, and Park and Recreation).

FY21 – Added 95 FTEs non-uniform positions in the Dallas Police Department to move 95 uniform positions to patrol.

FY22 - Added 61 non-uniform FTEs in 911 (call takers and dispatch), 42 FTEs in Transportation to transfer handicap/fire lane parking enforcement and street blockage clearance from DPD uniform to Transportation, and transfer Zoning and Preservation activities (16.51 FTEs) from Development Services Enterprise Fund to the General Fund with a full reimbursement from Development Services.

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4. Provide the average salary of uniform and non-uniform positions since FY15.

Fiscal Year	Uniform	Non-Uniform
FY15	\$65,679	\$44,841
FY16	\$66,608	\$45,665
FY17	\$67,228	\$46,843
FY18	\$68,868	\$47,779
FY19	\$74,756	\$49,202
FY20	\$79,845	\$52,266
FY21	\$82,390	\$52,879
FY22	\$84,628	\$55,489
FY23	\$88,837	\$58,642

5. Provide an updated Taxpayer Impact Statement that includes the proposed tax rate and the no-new-revenue (NNR) scenario as requested by Council Member Mendelsohn.

Appendix A is an updated Taxpayer Impact Statement that includes the proposed tax rate and no-new-revenue (NNR) scenario based on the year-over-year value change. The table below provides the year-over-year change in certified value by category, as well as the change in median homestead value.

Certified Property Valuations				
Category	2022 Certified	2023 Certified	Change in Value	Percent Change
Residential	81,513,651,530	89,646,744,606	8,133,093,076	10%
Commercial	80,282,538,773	89,079,502,898	8,796,964,125	11%
Business Personal Property (BPP)	17,637,401,785	19,545,843,069	1,908,441,284	11%
Total Certified Value	179,433,592,088	198,272,090,573	18,838,498,485	10%
Median Homestead Value	\$320,900	\$334,710	\$13,810	4%

6. Provide information about Property Tax Transparency in Texas.

The Texas Property Tax Reform and Transparency Act of 2019 requires the chief appraiser of each appraisal district to create and maintain a property tax database.

Tax Code Section 26.04(e-2) requires that, by August 7 or as soon as practicable, the chief appraiser notify all property owners in the appraisal district by regular mail or by email that the estimated taxes imposed on their property may be found on their local property tax database at [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes).

Tax Code Section 26.17 also requires the chief appraiser to create and maintain a county property tax database with a website name that identifies the county not the appraisal district. The chief appraiser must continuously update it with information provided by the taxing units located in the appraisal district. The website must:

1. be searchable by property address, owner (unless owner information is restricted by Tax Code Section 25.025 or 25.026);
2. include a statement that "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."; and
3. include for each property listed on the appraisal roll for the appraisal district:
 - a) the property's identification number;
 - b) the property's market value;
 - c) the property's taxable value;
 - d) the name of each taxing unit in which the property is located;
 - e) for each taxing unit other than a school district with authority to tax the property:
 - i. the no-new-revenue tax rate; and
 - ii. the voter-approval tax rate;
 - f) for each school district with authority to tax the property:
 - i. the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
 - ii. the voter-approval tax rate;
 - g) the tax rate proposed by each taxing unit's governing body with authority to tax the property;
 - h) the taxes that would be imposed by each taxing unit other than the school district, if that taxing unit adopted the tax rate equal to:
 - i. the no-new-revenue tax rate; and
 - ii. the proposed tax rate;
 - i) i. the taxes that would be imposed by the school district if that school district adopted a tax rate equal to:

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- i. the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
- ii. the proposed tax rate;
- j) for each taxing unit other than a school district, the difference between the no-new-revenue tax rate and the proposed tax rate;
- k) for school districts, the difference between the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year and the proposed tax rate;
- l) the date, time, and location of the public hearing, if applicable, on the proposed tax rate;
- m) the date, time, and location of the public meeting, if applicable, on the adopted tax rate; and
- n) each taxing unit's email address to receive comments on the proposed tax rate.

Source: <https://www.texas.gov/living-in-texas/property-tax-transparency/#what-is-truth-in-taxation->

The database must provide a link to each taxing unit's website where the taxing unit's tax rate and budget information is posted. The database must also provide a form for property owners to submit their opinions to the taxing units on whether to adopt the proposed tax rates. The form must request the property owner's name, contact information and physical address of the property located in the taxing unit. Property owners must be able to complete and submit the forms from the date the tax rate is proposed until it is adopted. Residents may provide feedback to each taxing entity.

Property owners may access all tax transparency websites by county - <https://www.texas.gov/living-in-texas/property-tax-transparency/>.

The information is captured in a database maintained by the appraisal districts. We provided a summary of the data captured in the [Tax Transparency – Taxpayer Feedback memo from September 8](#).

7. Provide a list of the new departments, transfers, consolidations, etc. since FY17.

Appendix B provides an overview of new departments, transfers, consolidations, etc. approved by the City Council since FY17.

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Please contact me or Janette Weedon, Director of Budget and Management Services, if you need additional information.



Jack Ireland
Chief Financial Officer

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

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