

WHEREAS, a fiscally sound city government is in the best interest of the citizens, present and future, of Dallas; and

WHEREAS, on March 15, 1978, the City Council adopted the Financial Management Performance Criteria (FMPC) to provide standards and guidelines for the City's financial and managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions by Resolution No. 78-2737; and

WHEREAS, specific FMPC for the Water Utilities Department were adopted by the City Council on July 8, 1981; and

WHEREAS, a periodic review of the criteria is deemed necessary in order to maintain standards and guidelines consistent with current economic conditions.

Now, Therefore,

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

SECTION 1. That the proposed revisions to the Financial Management Performance Criteria (FMPC) are adopted for incorporation into the City of Dallas' Financial Management Performance Criteria beginning in Fiscal Year 2017-18.

SECTION 2. That FMPC #6 shall state, "Each Enterprise Fund of the City will maintain revenues which support the full (direct and indirect) cost of the fund. In addition, each Enterprise Fund should maintain at least 30 days of budgeted operating and maintenance expense in net working capital, and avoid cash deficits. Enterprise Funds will maintain positive balances".

SECTION 3. That FMPC #7 shall state, "Management shall designate up to 20 percent of the General Fund's projected unassigned fund balance but not less than \$25 million to the Emergency Reserve. Use of the Emergency Reserve shall require a super-majority of City Council".

SECTION 4. That FMPC #9 shall state, "The unassigned fund balance of the General Fund, which includes the Emergency and Contingency Reserves, shall be maintained at a level not less than 40 days of the General Fund operating expenditures less debt service. (The Risk Reserve is not included in this calculation.) Funds shall be allocated from unassigned fund balance only after the City Manager has prepared an analysis and presented it to the City Council".

SECTION 5. That FMPC #11 shall state, "A General Fund liability fund shall be budgeted annually to provide for outstanding and anticipated claims expense and resulting liabilities during the budget year. Additionally, the liability fund will include an allocation for unanticipated affirmative litigation".

SECTION 6. That FMPC #15 shall state, "Where feasible and desirable, the City shall set fees and charges to achieve full cost recovery. The City may subsidize the services funded by fees or charges based on other City objectives".

SECTION 7. That FMPC #22 shall state, "The per capita General Obligation debt including Certificates of Obligation, Equipment Acquisition Notes, and General Obligation Bonds will be managed to not exceed 10% of the latest authoritative computation of Dallas's per capital annual personal income as determined by the US Department of Commerce Bureau of Economic Analysis".

SECTION 8. That FMPC #27 is deleted.

SECTION 9. That FMPC #33 shall state, "No Reinvestment Zone (RZ) can be created if the total property tax base of certain tax increment financing (TIF RZ) plus the total real property and business personal property tax base of TA RZs exceeds 15% of the total tax base of the City".

SECTION 10. That FMPC #41 shall state, "The City will establish and maintain a high degree of accounting practices that will conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). The GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. State and local governments".

SECTION 11. That FMPC #42 shall state, "Management will contract with an independent public accounting firm for an annual audit, with the subsequent issue of an official Comprehensive Annual Financial Report (CAFR) in conformity with GAAP and applicable State statutes".

SECTION 12. That FMPC #44 shall state, "Management will project revenues and expenditures annually for at least five years beyond the current year for the General Fund and each Enterprise Fund of the City".

SECTION 13. That FMPC #48 is deleted.

SECTION 14. That FMPC #49 is deleted.

SECTION 15. That a new FMPC shall state, "Each year, the City Manager shall develop and present to the City Council a two-year balanced budget. City Council will adopt a one-year budget and set the property tax rate in accordance with State law annually. Expenditures shall be budgeted and controlled so as not to exceed current revenues in each year or City Council approved use of fund balance".

SECTION 16. That a new FMPC shall state, "The Employee Benefits Fund will maintain a cash reserve of at least the anticipated end-of-year claims incurred but not paid, and other current liabilities. This does not include incurred but not reported (IBNR) claims. The Employee Benefits Fund will maintain a positive cash balance".

SECTION 17. That a new FMPC shall state, "The City will compare the current disabled and over 65 exemption to the most recent annual Consumer Price Index (CPI) every two years, and provide the analysis to City Council for consideration prior to June 30 for possible modification increase of this property tax exemption. Changes to property tax exemptions must be provided to the appraisal districts no later than June 30th".


SECTION 18. That a new FMPC shall state, "The City shall maintain a reserve in the General Obligation Debt Service Fund equal to 5% of the following year's annual principal and interest debt service expense. The Debt Service Fund tax rate and/or future debt will be structured to maintain this debt service reserve".

Section 19. That a new FMPC shall state, "The City Manager will develop an estimated Effective Tax Rate budget scenario and, if different from the City Manager's recommended budget required by Chapter 11, Section 1 of the City Charter, will provide it to the City Council at the same time. The estimated Effective Tax Rate budget scenario will include a prioritized list of services/expenses that could be funded and a prioritized list of services/expenses that could not be funded with the estimated effective tax rate".

SECTION 20. 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.

APPROVED BY
CITY COUNCIL

DEC 13 2017


Interim City Secretary