

# TRENDS AND SUMMARIES

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## Table II-1

### **BRIEF DESCRIPTION OF FUNDS USED IN THE BUDGET PROCESS**

**General Fund** - The primary operating fund of the County.

**Permanent Improvement Fund** - Used to account for building improvements funded through a small portion of the property tax.

**Major Technology Fund** - Used to account for expenditures associated with major computer infrastructure upgrades.

**Major Capital Development Fund** - Used to accumulate funds for major physical infrastructure projects.

**Road and Bridge Fund** - Used for operations of the four road districts and to provide a reserve for debt service on road bonds.

**Interest and Debt Fund** - Funded through a property tax and through transfers from the Road and Bridge Fund, used to pay debt service on all bonds and Certificates of Obligation.

**Parking Garage Revenue Fund** - A debt service fund used to construct a revenue-producing parking garage in downtown Dallas.

**Grant Fund** - Used to account for all grant-related expenditures, other than the Ryan White AIDS Services Grant.

**Community Supervision Fund** - The State of Texas utilizes the County's payroll system to pay certain employees. This fund is basically a "pass through" of State resources.

**Child Support Fund** - This fund accounts for operations related to family counseling and payments processing for cases assigned to family and juvenile courts.

**Dispute Resolution Fund** - This fund supports activities related to reducing civil case backlogs through non-judicial means.

**Historical Commission Fund** - Used to account for donated funds adopted for preservation and restoration of historically significant projects.

**Historical Exhibit Fund** - Funds the operations of the Sixth Floor Exhibit.

**Juvenile Probation Commission Fund** - Used to account for grants received from the Texas Juvenile Probation Commission.

**Law Library Fund** - Used to account for the operations of the County Law Library.

**Appellate Court Fund** - Used to supplement the salaries of the 13 Appeals Court Justices.

**Table II - 2**  
**AUTHORIZED POSITIONS**

Department	Budget	Activity	FY99	FY2000	FY2001	FY2002	FY2003
<b>GENERAL FUND</b>							
<i>Justice Administration</i>							
County Clerk	4031	All	169	174	174	174	174
	4032	Collections	17	17	17	18	18
District Clerk	4020	All	240	243	246	250	250
District Attorney	4011	All	317	332	334	340	341
	4012	Special Allocation	14	14	14	14	14
Public Defender	4060	All	60	60	63	66	69
District Courts	4051	Administration	2.25	2.25	2.25	2.25	2.25
	4470	Criminal Courts Manager	2	2	2	2	2
	Var.	Criminal Courts	45	45	45	45	45
	4013	Drug Courts	1	1	1	1	1
	4460	Criminal Magistrates	8	8	8	8	8
	4465	Staff Attorneys	5	5	5	5	5
	Var.	Civil Courts	39	39	39	39	39
	4175	Civil Masters	2	2	2	2	2
	Var.	Family Courts	28	28	28	28	28
	Var.	Juvenile Courts	10	10	10	10	10
	County Courts	4620	Criminal Courts Manager	2	2	2	2
Var.		Criminal Courts	37	37	37	37	37
Var.		Criminal Court of Appeals	3	3	3	3	3
Var.		Courts at Law	15	15	15	15	15
Var.		Probate Courts	23	24	24	25	25
Justices of the Peace	Var.	Justice Courts	140	144	143	143	140
J.P. Central Collections			0	0	0	4	6
Truancy Program	Var.	Truancy Courts	0	0	0	9	11
Jury Services	4065	Grand Jury	8	8	8	8	8
	4060	Central Jury	8	9	9	9	9
<i>Justice Administration Subtotal</i>			1,195.25	1,224.25	1,231.25	1,259.25	1,264.25

**Table II - 2**  
**AUTHORIZED POSITIONS**

Department	Budget	Activity	FY99	FY2000	FY2001	FY2002	FY2003
<i>Law Enforcement</i>							
Sheriff's Department	3110	Executive	15	15	15	16	16
	3111	Special Investigations	12	11	11	11	0
	3112	Intelligence	8	8	8	8	9
	3121	General Services	11	11	12	11	11
	3122	Human Resources	11	12	12	11	11
	3123	Training Academy	8	8	8	8	8
	3124	Communications	27	26	26	28	28
	3125	Fiscal Affairs	7	8	8	9	9
	3126	Photo Lab	6	6	6	6	6
	3127	Print Shop	3	3	3	3	3
	3128	Bond Section	72	76	76	76	76
	3129	Bailiff	81	82	82	82	82
	3130	Warrant Execution	70	70	70	71	71
	3131	Fugitive	15	15	16	16	16
	3132	Civil	10	10	10	10	10
	3133	Patrol	51	51	54	54	52
	3134	Criminal Investigations	14	14	14	14	14
	3135	Physical Evidence	8	8	8	8	8
	3136	Fleet	1	1	1	1	1
	3137	Freeway Management	0	0	34	34	34
	3140	Detention Administration	15	15	13	13	13
	3141	Sterrett North Tower Jail	338	338	338	338	338
	3142	Sterrett West Tower Jail	214	215	215	215	215
	3144	Suzanne Kays Jail	135	135	121	121	121
	3145	Allen Building Jail	121	122	122	122	122
	3146	Decker Jail	139	139	0	16	0
	3147	Central Intake	186	182	182	183	183
	3150	Release	181	177	177	177	183
	3151	Inmate Programs	21	20	14	14	9
	3152	Food Service	52	35	35	35	35
	3153	Laundry Services	8	8	8	8	8
		Subtotal - Sheriff's Department	1,840	1,821	1,699	1,719	1,692
Institute of Forensic	3311	Crime Lab	52	52	52	52	55
	3313	Breath Alcohol	4	4	4	5	5
	3312	Medical Examiner	51	52	52	53	53
		Subtotal - Institute	107	108	108	110	113

**Table II - 2**  
**AUTHORIZED POSITIONS**

<b>Department</b>	<b>Budget</b>	<b>Activity</b>	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>
Security & Emrg. Mgmt.		All	33	34	34	34	34
Constables	Var.	All	217	225	221	221	224
Public Service Program	3330	All	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>
		<i>Law Enforcement Subtotal</i>	2,204	2,195	2,065	2,087	2,066
<i>Health &amp; Social Services</i>							
Health & Human	4210	Administration	12	14	20	20	19
	2070	Welfare	34.5	35.5	33.5	33.5	32.5
	1110	Employee Health Center	4	5	5	5	5
	5211	Environmental Health	10	11	11	11	11
	5212	Public Health Lab	13	13	13	13	13
	5213	Preventive Health	27	27	27	28	28
	5214	Communicable Disease	6	6	6	9	6
	5215	STD Clinic	19	19	19	19	19
	5216	TB Clinic	13	13	13	13	16
	5217	Inmate Health Services	<u>114</u>	<u>137</u>	<u>147</u>	<u>144</u>	<u>0</u>
		Subtotal - Health & Human Services	252.5	280.5	294.5	295.5	149.5
Juvenile Department	5110	Administration	196	196	196	196	190
	5114	Detention Center	168	168	168	178	169
	5115	Emergency Shelter	40	40	40	40	40
	5116	Letot Center	54	55	55	55	55
	5117	Youth Village	<u>66</u>	<u>66</u>	<u>66</u>	<u>66</u>	<u>66</u>
		Subtotal - Juvenile Department	<u>524</u>	<u>525</u>	<u>525</u>	<u>535</u>	<u>520</u>
		<i>Health &amp; Human Services Subtotal</i>	776.5	805.5	819.5	830.5	669.5
<i>Community Services</i>							
Public Works	2010	All	59	61	63	66	67
Elections	1210	All	24	27	36	36	36
Agricultural Extension	2050	All	10	10	10	10	10
Veterans Services	2060	All	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
		<i>Community Services Subtotal</i>	96	101	112	115	116
<i>Management Services</i>							
County Judge's Office	1010	All	5	5	5	5	5

**Table II - 2**  
**AUTHORIZED POSITIONS**

<b>Department</b>	<b>Budget</b>	<b>Activity</b>	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>
Court Administrator	1020	Administration	10	10	10	10	10
	2030	Park & Open Space	1	2	2	2	2
	1090	Data Services	2	3	3	4	5
Operation Services	1022	Facilities Management	153	153	149	150	150
	1021	Engineering & Project	4	6	6	4	4
	1023	Communications	5	6	6	6	3
	1027	Automotive Service Center	13	13	13	13	13
	1024	Records	10	10	12	12	12
	5340	Wilmer Property Maintenance	3	3	3	3	3
		Subtotal - Operation Services	188	191	189	188	185
Tax Assessor/Collector	1035	All	229	229	230	233	233
County Treasurer	1050	All	18	18	20	20	20
County Auditor	1070	All	89	89	88	90	90
Personnel/Civil Service	1040	All	20	21	21	21	21
Purchasing	1080	All	13	13	12	13	13
Budget Office	1060	All	10	10	9	9	9
		<i>Management Services Subtotal</i>	585	591	589	595	593
		<b>GENERAL FUND TOTAL</b>	4,856.75	4,916.75	4,816.75	4,886.75	4,708.75
<b>CHILD SUPPORT FUND</b>							
Child Support	4053	All	16	16	16	16	16
Family Court Services	4052	All	18	18	18	19	19
		<b>CHILD SUPPORT FUND TOTAL</b>	34	34	34	35	35
<b>DISPUTE MEDIATION FUND</b>							
Dispute Mediation	4054	All	0.75	0.75	0.75	0.75	0.75
		<b>DISPUTE MEDIATION FUND TOTAL</b>	0.75	0.75	0.75	0.75	0.75
<b>LAW LIBRARY FUND</b>							
Law Library	6010	All	8	8	8	8	8
		<b>LAW LIBRARY FUND TOTAL</b>	8	8	8	8	8

**Table II - 2**  
**AUTHORIZED POSITIONS**

<b>Department</b>	<b>Budget</b>	<b>Activity</b>	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>
<b>ROAD &amp; BRIDGE FUND</b>							
Road & Bridge Districts	2510	District 1	29	29	29	29	29
	2520	District 2	35	35	35	35	35
	2530	District 3	43	43	43	43	45
	2540	District 4	42	42	42	43	42
	<i>ROAD &amp; BRIDGE FUND TOTAL</i>		149	149	149	150	151
<b>GRANT FUND</b>							
Court Administrator	9089	CDBG/Housing Rehab.	6	4.5	4.5	4.5	4.5
Institute of Forensic	3003	DNA STR Validation	1	1	1	1	1
		Mitochondria DNA	1	1	1	1	0
Sheriff's Department	1100	Jail Substance Abuse	6	6	6	6	6
	5600	Auto Theft Task Force	8	4	4	4	4
		COPS Universal Hiring	2	2	2	2	2
District Attorney		Domestic Violence Task Force	18	10	10	0	0
		Collaborative Dom. Viol. A	0	0	4	4	4
		Collaborative Dom. Viol. B	0	0	5	5	5
		Collaborative Dom. Viol. C	0	0	0	2.5	2.5
	2000	Local Law Enforcement Block	0	2	4	4	4
	6001	Regional Training	1	1	1	1.5	1.5
	6002	Protective Order Case	1	1	1	2	2
		Child Abuse Intake Prosecutor	0	0	1	1	1
		Child Victim's Assistance	0	0	1	1.5	1.5
	6000	Protective Order Prosecutor	1	1	1	1.5	1.5
	Environmental Prosecutor	0	0	0	0.75	0.75	
6201	DIVERT	5	5	5	8	9	
Constable Precinct #1		Mental Illness Team	2	2	2	2	2
Fire Marshal	4000	Household Hazardous Waste	1	0	0	0	0
Health & Human	8706	VD Epidemiology	14	17	20	20	20
	8709	STD Training Center	4	4	4	4	4
	8711	STD Control	3	3	3	3	3
		Bioterrorism	0	0	0	3	3
	8703	AIDS Surveillance	5	5	5	5	5
	8700	City AIDS Grant	1	1	1	1	1
	8712	Community & Rural Health	4	5	5	5	5

**Table II - 2**  
**AUTHORIZED POSITIONS**

<b>Department</b>	<b>Budget</b>	<b>Activity</b>	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>	
<b>Health &amp; Human Services (cont.)</b>	8707	Tuberculosis Elimination	20	20	20	20	19	
	8701	TB Prevention & Control	13	13	13	13	13	
	8705	Hansen's Disease	1	1	1	1	1	
	8710	Immunization Travel	7	7	0	0	0	
	7001	Hepatitis B	3	3	0	0	0	
	8708	Immunization Registry	14	14	24	24	24	
	8702	Refugee Health Services	4	4	4	4	4	
	8400	Nutrition Program	29	39	40	40	40	
		Ryan White	15.5	12	12	12	12	
	8200	HOPWA	2	2	3	3	3	
	8000	Section 8 Rental Assistance	21	25	28	28	28	
		Supportive Housing	1	0	0	0	0	
	9081	Home Loan Counseling	6	6	6	6	6	
	8300	CEAP	7	7	7	7	7	
	8302	Weatherization	3	4	4	4	4	
	<b>Juvenile Department</b>	7108	State Aid	52	52	52	52	52
		7104	Drug Intervention/Prevention	6	6	6	6	6
7103		Community Correction Asst.	42	43	43	43	43	
		Drug Court Diversion	0	0	2	2	2	
		JJAEP Mentor Program	0	0	2	2	2	
		In-Home Family Preservation	0	1	1	1	1	
		KIDS in Court	0	0	2	2	2	
		JJDP	0	5	5	5	5	
		Project SPOTLIGHT	0	3	5	5	5	
		Texas Education Grant	0	1	1	1	1	
7400		Youth Treatment Services	2	0	0	0	0	
7301		JAIBG	1	0	0	0	0	
7111		JJAEP Truancy	5	0	4	0	0	
7102		Project 75216	1	1	1	1	1	
		Project 75217	0	0	1	1	1	
7105		JJAEP	1	0	0	0	0	
		<b>GRANT FUND TOTAL</b>		340.5	344.5	378.5	376.3	375.3
	<b>GRAND TOTAL</b>		5,389	5,453	5,387	5,457	5,279	



**Table II-3**

**EXPERIENCE OF COUNTY LEADERSHIP**

	<u>Commissioners Court</u>	<u>Years of Dallas County Service</u>	
County Judge	Margaret Keliher		6
Commissioner, Precinct #1	Jim Jackson	26	
Commissioner, Precinct #2	Mike Cantrell	16	
Commissioner, Precinct #3	John Wiley Price	32	
Commissioner, Precinct #4	Kenneth A. Mayfield	16	
	<u>Elected Officials</u>		
County Clerk	Cynthia Calhoun	1 month	
County Sheriff	James C. Bowles	15	
County Treasurer	Lisa Hembry	1 month	
District Attorney	Bill Hill	4	
District Clerk	Jim Hamlin	8	
Tax Assessor/Collector	Dr. David Childs		21
	<u>Appointed Officials/Department Heads</u>		
Agriculture Extension Agent	Troy Douglas Andrews	5 months	
Assistant Court Administrator/Operations	Dan Savage	6	
County Auditor	Virginia Porter	15	
Office of Budget and Evaluation Director	Ryan Brown	9	
Commissioners Court Administrator	J. Allen Clemson		23
Comm. Supervision & Corrections Director	Ron Goethals	22	
District Courts Administrator	Ron Mackay	5	
Elections Administrator	Bruce Sherbet	26	
Fire Marshal			
Health and Human Services Director	Betty J. Culbreath-Lister	17	
Institute of Forensic Sciences	Dr. Jeffrey J. Barnard	15	
Chief Juvenile Probation Officer	Mike Griffiths	8	
Human Resources/Civil Service	Dr. Mattye Mauldin-Taylor	6	
Chief Public Defender	Jeanette Drescher Green	6	
Public Works Director	Donald R. Holzwarth, P.E.	4	
Purchasing Agent	Phillip Vasquez	2	
Veterans Service Officer	Colonel Stonell Greene	15	

# STATEMENT OF FINANCIAL POLICIES

The Commissioners Court has approved the following Statement of Financial Policies to guide the County in the areas of Accounting, Auditing, Financial Planning, Investments, Budgeting, Revenue Estimating, Reserve Balances and Debt Management. All major budget decisions are made in the context of these policies.

## I. GENERAL

- 1.01 The County will operate on a fiscal year which begins on October 1<sup>st</sup> and ends on September 30<sup>th</sup>.
- 1.02 The County will conduct its financial affairs in conformity with State and Federal Laws, and this Statement of Financial Policy, which shall be approved by Commissioners Court and reviewed on an annual basis as a part of the budget process.

## II. ACCOUNTING, AUDITING AND FINANCIAL PLANNING

- 2.01 The Dallas County Auditor's Office will continue to maintain records on a basis consistent with accepted principles and standards for local government accounting, as determined by GASB and GFOA.
- 2.02 Regular monthly and annual financial reports are issued summarizing financial activity by fund and department and comparing actual resources and expenditures with budgeted amounts, as required by Articles 114.025, 111.091, and 111.092 of the Revised Statutes of Texas.
- 2.03 The Auditor's Office provides monthly reports on the total cost of specific services by type of expenditure and by fund, in accordance with Articles 114.025, 111.091, and 111.092 of the Revised Statutes of Texas.
- 2.04 A financial audit will continue to be performed annually by an independent public accounting firm, and an official opinion and annual financial report will continue to be published and issued, as authorized by Article 115.045 of the Revised Statutes of Texas.
- 2.05 Dallas County prepares and maintains a five-year plan which: a) updates reserve and expenditure projections for the next five years, b) projects capital improvement requirements over the five-year period, including future operating costs associated with all projects, c) updates revenue projections for the next five-year period, d) provides a comparison of revenues and expenses for each year in the period, and e) lists the long-term strategies selected to identify

future risks and opportunities

- 2.06 Dallas County will continue to identify areas for evaluation efforts by either staff, committees, or consultants, in order to judge the effectiveness and efficiencies of County services.
- 2.07 Cost/benefit studies will be conducted, where appropriate and applicable, on non-recurring expenditures and capital projects.
- 2.08 Full disclosure will continue to be provided in the annual financial and budget reports and bond representations, in accordance with Articles 115.045, 114.025, 111.091, and 111.092 of the Revised Statutes of Texas.

### **III. INVESTMENT AND CASH MANAGEMENT**

- 3.01 The County Treasurer's Office will collect, deposit, and disburse all funds on a schedule which insures optimum cash availability, in accordance with Article 113.043, 113.065, 113.901, 113.001-005, 113.021-024, and 113.041-047 of the Revised Statutes of Texas.
- 3.02 The County Treasurer is the Chief Investment Officer of Dallas County as authorized in Court Order #97-2216 by the Commissioners Court and shall invest the funds of Dallas County to achieve the highest and best yield, while at the same time maintaining the financial security, integrity and optimum liquidity of said funds.
- 3.03 Dallas County shall maintain a written Dallas County Investment Policy, as developed by the County Treasurer and approved by the Commissioners Court, to comply with the Public Funds Investment Act of 1995, 74th Texas Legislature; amended by the 75th Texas Legislature, 1997.
- 3.04 The County Treasurer will insure the proper collateralization of all Dallas County funds and will maintain an original copy of all security and/or surety pledges and advances made by the Depository Bank or other parties in behalf of Dallas County funds, and/or investment transactions which shall be held at the Federal Reserve Bank of Dallas, or with a disinterested third party bank.
- 3.05 The County Treasurer shall handle all original reconciliation of Dallas County bank accounts with the Depository Bank and shall resolve all financial differences between Dallas County and the Depository Bank.
- 3.06 The County Treasurer shall develop a Depository Bank Bid proposal for presentation to the Dallas County Financial Review Committee and Dallas County Commissioners Court prior to April of each odd numbered year, to be bid competitively in May of each odd numbered year, except under circumstances where a four-year Depository Contract is enacted.
- 3.07 There shall be a Dallas County Financial Review Committee, chaired by the County Treasurer,

and consisting of the County Judge, County Auditor, Budget Director, Commissioners Court Administrator, Assistant District Attorney, and M/WBE Director, whose duties and responsibilities may be found in Court Order #97-2216.

- 3.08 The County Treasurer will provide the Commissioners Court a detailed financial report at each regular term of the Commissioners Court and shall make all books and accounts of the County Treasurer available to the Commissioners Court in accordance with Section 114.026 of the Local Government Code of Texas.
- 3.09 The County Treasurer will provide the Commissioners Court a detailed Quarterly Investment Report in accordance with the Public Funds Investment Act of 1995, 74th Texas Legislature; amended by the 75th Texas Legislature, 1997, showing all financial investments, trades, par and market values, etc., for the preceding quarter in accordance with the Public Funds Act.
- 3.10 The County Treasurer will maintain a Drawdown and Construction Schedule for all Dallas County contractors, in-house construction management personnel, vendors, and all other groups, organizations, or persons receiving routine payments from Dallas County, as provided to the County Treasurer on a monthly basis, in accordance with Court Order #87-1858, and as supplied by various departments, in order to plan investment schedules and make timely payments.
- 3.11 The County Treasurer will handle all matters relating to bonded indebtedness with regard to original issuance, registration, book entry, payment, financial disclosure statements, etc., in accordance with State and Federal Law.
- 3.12 The County Treasurer has contract oversight for contracts with the Dallas County Financial Advisor and Dallas County Bond Counsel and shall be the regular contact for the purposes of contract administration questions including any ongoing and regular consultation with the Financial Advisor and Bond Counsel; bond sale preparation; presentations to the Financial Review Committee; requests for special legal opinions or financial analysis; support services for Arbitrage and Remarketing Agreements and in cooperation with the Office of Budget and Evaluation, the coordination of major Briefings to the Dallas County Commissioners court with regard to all bond-related matters.
- 3.13 The County Treasurer shall be the Dallas County liaison with the Dallas County Arbitrage Rebate Advisor developing all necessary information to track the arbitrage responsibility to the Federal Government, recommending and making such payments as required, and notifying the Commissioners Court routinely, with regard to the financial status and need for escrow of funds for Arbitrage Rebate Payments.
- 3.14 The Dallas County Treasurer shall conduct its treasury activities with financial institution(s) based upon written contracts which specify compensating balances, service charges, terms, and other conditions as authorized by the Texas Legal Government Code and Revised Statute of Texas and as required under GASB and in accordance with General Accepted Account

Principals.

#### **IV. BUDGETING**

- 4.01 The County budgets resources on a fiscal year which begins October 1st and ends on the following September 30th.
- 4.02 Budget packages for annual preparation, which include forms and instructions, shall be distributed to County departments no later than April 15th each year. Departments and Elected Officials must return their proposals no later than May 1st in that year.
- 4.03 The Baseline Budget shall be prepared and distributed to all of the Commissioners Court members on or before July 15<sup>th</sup> of the preceding fiscal year.
- 4.04 The Baseline Budget shall be presented in the following format:
- a) Revenue estimates by major item;
  - b) Operating and maintenance expenditures by object code, major expense categories, functionally related departments and program summaries;
  - c) Debt service summarized by issues detailing principal, interest and reserve amounts by fund.
- 4.05 The Baseline Budget shall also contain information regarding:
- a) Proposed personnel staffing levels including an index to job classification and salary ranges;
  - b) A detailed schedule of equipment to be purchased by departments;
  - c) A detailed schedule of capital projects;
  - d) Any additional information, data, or analysis requested of management by the Commissioners Court.
- 4.06 The Baseline Budget submitted on July 15th shall be balanced with no tax increase over the effective rate.
- 4.07 The estimated revenues for the forthcoming fiscal year shall be provided by the Auditor's Office with the exception of ad valorem taxes for the current year, grant revenues, and interfund transfers.
- 4.08 The Dallas County Commissioners Court shall adopt the budget by Court Order as close to October 1st as possible.
- 4.09 A quarterly report on the budget status and trends will be prepared by the Office of Budget and Evaluation as authorized by the Local Government Code of the Revised Statutes of Texas. In addition, the third quarter report shall include revenues and expenditure projections through the

end of the fiscal year so that projected overruns and underruns can be considered for use in the subsequent budget year.

- 4.10 The Dallas County budgeting procedures attempt to identify distinct functions and activities performed by the County, and to allocate budget resources adequate to perform these functions and activities at a specified level of services.
- 4.11 The County will continue to integrate performance measurement and productivity indicators with the budget process where appropriate.
- 4.12 The committed, but as yet “unencumbered” balance of agreed to, in process multi-year and revolving projects will be reappropriated automatically in the subsequent fiscal year per the Court Order adopting the budget.
- 4.13 Appropriations, as approved by the Commissioners Court, will be set upon the books of the County by the County Auditor in the following ten general categories:
  - 1) Salaries and Salary Related Expenditures
  - 2) Automobile Travel and Transportation
  - 3) All Other Operating Costs
  - 4) Property and Equipment
  - 5) Unallocated Reserve
  - 6) State Reimbursements
  - 7) Nonbudgeted
  - 8) Court Appointed Attorneys  
Extra Court Reporters  
Transcript-Felony Pauper Appeals  
Psychiatric Evaluations
  - 9) Conference Expense and Dues and Subscriptions
  - 10) Departmental Discretionary Account

Detailed expenditures in each of these ten categories will be maintained by the County Auditor. Therefore, any material deviations anticipated in these ten categories will require a request for transfer from the appropriate Department Head.

- 4.14 Only the Commissioners Court shall have authority to transfer expenditure appropriations over

\$500 (five hundred dollars) from any department category of object codes to any other department or non-departmental major object code category. Transfers of such funds amount to a new appropriation and therefore must be adjusted prior to expenditure of such amounts.

- 4.15 Any transfer shall only be made when it is requested by a Department Head, reviewed by the Office of Budget and Evaluation and approved by Commissioners Court.
- 4.16 The Department Head may request a transfer under \$500 from any major category of expenditure to any other major category of expenditure by submitting their request on the Budget Adjustment Form to the Office of Budget and Evaluation and receiving approval from that office and the Commissioners Court Administrator. Such adjustments will be reported quarterly to Commissioners Court. At no time, however, will funds be transferred into or from the Personnel, Fringe Benefit, or Conference Expenditure categories without Court approval.

## **V. ROAD AND BRIDGE BUDGETING AND ACCOUNTING**

- 5.01 Commissioners Court will annually determine the available resources for Road District budgets by taking the Auditor's revenue projections and making a determination of a) revenues to be transferred to the General Fund, b) revenues to be transferred to debt service use, c) revenues to be used to purchase common equipment, and d) revenues to be used to establish reserves.
- 5.02 The County's four Road and Bridge Districts will share remaining available resources each year according to the following formula. Each district will receive an allotment equal to .001 times the number of documented type "A" miles times available resources plus an equal share of all remaining available resources.
- 5.03 Road and Bridge funds dedicated to debt service will be accounted for separately from funds dedicated to road maintenance and construction.
- 5.04 Road and Bridge Districts shall reappropriate unencumbered cash balances from their prior fiscal year operating budget, to the operating budget of each subsequent fiscal year. Each individual Road and Bridge District shall receive only that amount of unencumbered cash remaining in their own budget at the end of the fiscal year, as certified by the County Auditor. The reappropriated cash balances will be in addition to, and not part of, each District's calculated budget allocation. Encumbrances will be separately enumerated by the Auditor and discussed individually in a briefing session before the Commissioners Court.
- 5.05 Projects undertaken within city limits will normally result in a cost-sharing arrangement with the city. The city will provide a depository account in an amount equal to its expected share of the project.

- 5.06 Road and Bridge superintendents will provide an annual estimate of projects they intend to undertake, including the cost of the project and the cost-sharing, or reimbursement arrangements, if any. Normally, this estimate will be made in conjunction with the Public Works Department (for bond projects) and the cities.
- 5.07 Road and Bridge superintendents will submit a list of “Common Equipment” to the Office of Budget and Evaluation for inclusion in the Baseline Budget. “Common Equipment” is equipment to be shared by the districts and paid for by “common” funds, i.e., prior to the application of the formula discussed in Section 5.02.
- 5.08 Road and Bridge superintendents will submit individual lists of district equipment to the Office of Budget and Evaluation for inclusion in the Baseline Budget. The list will include rationale for purchase or replacement. The Office of Budget and Evaluation will obtain an objective third-party opinion of the needs of each district.

## **VI. REVENUES AND TRANSFERS**

- 6.01 Dallas County will maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source by doing the following:
  - a) Establishing user charges and fees as permitted by law at a level related to the cost of providing that service including indirect costs;
  - b) Pursuing legislative change, where necessary, to permit increases in user charges and fees;
  - c) Aggressively collecting property tax revenues, including the filing of suit where appropriate and necessary, as authorized by the Texas Property Tax Code.
- 6.02 Dallas County will pay for all current expenditures with current resources as required by Article XI, Section 7 of the Constitution, and by Article 111.091 - 111.093 of the Revised Statutes of Texas.
- 6.03 Dallas County will limit its reliance on non-recurring sources of revenue by adhering to the following principles:
  - a) Dependence on intergovernmental grants will not exceed 10% of the operating budget;
  - b) County matching funds for federal and state grants will not exceed 22% of the income of such grants;
  - c) The use of prior year fund balances for recurring expenditures will not exceed 4% of total general fund resources;
  - d) Revenue from ad valorem taxes will not exceed 50% of the total budgeted expenditures.
- 6.04 Transfers between funds, unless so contained in the Budget approved by Court Order, will only be accomplished after approval by the Commissioners Court.



- 6.05 The County will support the operations of the Road and Bridge Districts from the vehicle registration fee authorized by the Texas Legislature, and will credit all fines and forfeitures from Court operations to the general fund.

## **VII. RESERVES**

- 7.01 The County will maintain an unallocated reserve to provide for small increases in service delivery costs as well as unanticipated needs that may arise throughout the year.

**THEREFORE, IT WILL BE NECESSARY FOR OFFICIALS AND DEPARTMENT HEADS TO REVIEW AND CONTROL EXPENDITURES SUCH THAT THE RATE OF EXPENDITURE DOES NOT EXCEED THE APPROVED BUDGET.**

Cases of anticipated material deviation should be covered by a request for a transfer to any of the control categories. This request shall be from the Department Head in writing and include justification for such action. Such requests should be submitted to the Office of Budget and Evaluation for initial review, they will then be forwarded to Commissioners Court for their consideration and approval.

- 7.02 The above described unallocated reserve and specified contingencies shall be established at a minimum of one half of one percent of the total general fund expenditures for any year. These funds can only be appropriated by an affirmative vote of three of the five Commissioners Court members.
- 7.03 The County will also establish an emergency reserve for use in the event of a calamity and/or the loss of a major revenue source. This reserve will be maintained at not less than 10% of the general fund expenditures and its use is restricted to one-time expenditures to pay for disaster recovery and unanticipated liability and may only be used to offset operating expenditures where major revenue shortfall occurs. These funds can only be appropriated by unanimous consent of Commissioners Court.
- 7.04 Insurance reserves will be established at a level consistent with the Risk Manager's recommendations which together with purchased insurance policies, adequately indemnify the County and its officers and directors against loss.
- 7.05 Upon completion of any project or purchase of capital equipment or final payment for a specific allocation (i.e., grant match, consultant study, etc.), any remaining allocation shall be refunded to the appropriate unallocated reserve of that fund and considered available for other purposes. It is therefore incumbent that a project manager be identified before a project is initiated. The designated project manager will be responsible for notifying the Office of Budget and Evaluation that a project is completed. The Office of Budget and Evaluation will then verify the same to the Auditor's Office and funds will be transferred after the Commissioners Court has authorized same. This will be accomplished on a quarterly basis.

## **VIII. PERSONNEL**

- 8.01 At no time shall the number of regular full-time employees on the payroll exceed the total number of positions authorized by Commissioners Court. All personnel actions shall at all times be in strict conformance with applicable federal, state, and County policies.
- 8.02 Overtime compensation is authorized by department and may only be expended for specific tasks as approved in the current budget. Overtime compensation shall be paid on the basis of time and one-half for all so authorized classifications.

Prior to authorizing overtime hours, each department official must have certified with the County Auditor that funds are available for the tasks to be performed. Monthly expenditures shall not exceed the monthly average of the total appropriation by task, unless prior approval by the Commissioners Court is granted or the department official can certify that such an expenditure was a result of a natural disaster or threat of loss of life.

- 8.03 Deletion and downgrades of positions may occur at any time during the fiscal year at the Department Head or Elected Official's request or if a review of workload statistics indicates that a reduction in force is practical in a department.

Reductions in elected officials' budgeted positions will only be accomplished with their approval. All funds appropriated for such deleted positions will be returned to the appropriate fund in the Unallocated Reserve Account.

- 8.04 Additions, position reclassifications, reorganizations, etc., must be prepared and reviewed in January or July of any fiscal year. Exceptions to this policy will only be allowed with Court approval.
- 8.05 The Court may institute a freeze during the fiscal year on hiring, promotions, transfers, and capital equipment purchases. Such action will not be used arbitrarily and will allow for exceptions in appropriate areas to comply with emergency needs such as natural disasters and/or loss of major revenue sources.

## **IX. FIXED ASSETS**

- 9.01 All purchases of physical assets with a value of \$500 shall be placed on the County inventory.
- 9.02 The County will maintain these assets at a level adequate to protect Dallas County's capital investment and to minimize future maintenance and replacement costs by:
- a) Developing and maintaining a five-year plan for capital projects (i.e., all improvements and acquisitions over \$500,000 with a useful life of at least five years), and will authorize all capital projects in accordance with this adopted plan;
  - b) Providing for adequate maintenance of capital plant and equipment replacement under the above stated amount in the annual operating budget through the use of an adopted

capital improvement fund and equipment replacement schedule.

- 9.03 Capital expenditures for projects and equipment are budgeted by item or project and must be spent accordingly. Any request for unbudgeted capital equipment or projects throughout the fiscal year must be submitted to the Office of Budget and Evaluation and approved by the Commissioners Court prior to a requisition being issued to Purchasing if such request exceeds \$500.
- 9.04 Each Department would be allowed to make comparable capital substitutions or unauthorized capital purchases that do not exceed \$500 provided they submitted their request on a Budget Adjustment Form and it was approved by both the Office of Budget and Evaluation and the Commissioners Court Administrator. Such adjustments will be reported quarterly to the Commissioners Court.
- 9.05 Where possible, items in good useable condition placed in surplus will be used:
- a) To supplement expenditure for new budgeted capital purchases;
  - b) To supplement expenditure for replacement/budgeted capital purchases;
  - c) To supply needed unbudgeted new and replacement equipment;

## **X. DEBT MANAGEMENT**

- 10.01 The County will not use long-term debt for current operations in accordance with Article XI, Section 7 and Article VIII, Section 9, of the Constitution and by the Local Government Code of the Revised Statutes of Texas.
- 10.02 When Dallas County finds it necessary to issue bonds, the following policy will be adhered to:
- a) Average weighted general obligation bond maturities will be kept at ten and one-half (10½) years;
  - b) Issues will be scheduled so that an equal principal amount is retired each year over the life of the issue to produce a total debt schedule with a yearly declining balance;
  - c) Debt service for all funds in any year will not exceed 25% (twenty-five percent) of the total annual operating budgets;
  - d) Total bonded debt will not exceed 1% (one percent) of the net valuation of taxable property in Dallas County based on 100% (one hundred percent) of the net appraised valuation;
  - e) Reserve funds will be provided to adequately meet debt service requirements in the subsequent year;
  - f) Interest earning on these reserve fund balances will be used for debt services purposes;
  - g) Bond finance will be confined to capital improvement projects which could not feasibly be financed from current revenues;
  - h) The term of any bond issue will not exceed the useful life of the capital project/faculty or equipment for which the borrowing is intended.
- 10.03 The County will issue Certificates of Obligation (C.O.s) only in very modest amounts and only

for projects which meet well-defined criteria, as follows:

- a) C.O.s will be issued with a term not to exceed ten years;
- b) The term of each issue of C.O.s will not exceed the dollar weighted average useful life in the projects and equipment to be purchased with the proceeds;
- c) Total C.O. debt issued in each fiscal year shall be limited to the greater of  $\hat{a}$  5% of total debt projected to be outstanding at the end of the current fiscal year, or  $\tilde{a}$  the amount of C.O. debt scheduled to be retired during the current fiscal year;
- d) C.O. debt which has a revenue source other than ad valorem taxation sufficient to pay its debt service is not subject to the above limitation;

10.04 Bond program planning efforts and market timing will be coordinated with overlapping jurisdictions in support of these policies.

10.05 The County Treasurer shall be responsible for the handling and payment of all bonded indebtedness of Dallas County and shall serve as Paying Agent/Registrar for Dallas County bond and/or certificate issues, as authorized by the Commissioners Court, and shall serve as liaison with any Dallas County Arbitrage Rebate Service, in accordance with Court Order #87-2033.

10.06 Dallas County officials shall operate in accordance with Court Order #88-021 for all functions related to the issuance of Dallas County bonds and/or certificates.

# BUDGET PROCESS

## BUDGET DEVELOPMENT

Dallas County's fiscal year begins on October 1<sup>st</sup> and ends on September 30<sup>th</sup>. The budget process for each upcoming fiscal year begins in February with the preparation of a Budget Manual. This manual is distributed to departments in March. The departments use the Budget Manual as an operations guide for budget submissions. Included are detailed instructions, necessary forms, and completed examples to assist the departments in submitting their budgetary information. Also included in this manual is the calendar of events with critical dates highlighted.

Departmental responses and requests for new and expanded programs are due to the Office of Budget and Evaluation no later than May 1<sup>st</sup>. These requests are evaluated and used to develop a Baseline Budget which, by policy, contains no increase in the tax rate other than the increase required to offset a decrease in the tax base. The Baseline Budget is not a recommended budget, but is a starting point for the Commissioners Court. The Baseline Budget is presented to the Commissioners Court in July and forms the basis of discussion at budget hearings.

The Baseline Budget contains revenue estimates developed by the County Auditor and transmitted to the Office of Budget and Evaluation on June 1<sup>st</sup>. Depending upon revenue estimates, the Office of Budget and Evaluation may be required to recommend a reduced level of expenditures in certain areas in order to provide a balanced budget without an increase in taxes.

Departmental requests for new and expanded programs are reviewed by appropriate staff departments who formulate recommendations to Commissioners Court. For example, the Data Services Department and the Governance Committee review and make recommendations on new program requests related to data processing. The Office of Budget and Evaluation makes recommendations on requests for additional personnel. Other items subject to staff review are vehicles, office equipment, radios and salary grade changes.

In July, the Dallas Central Appraisal District certifies the tax roll and the Dallas County Tax Office calculates the "effective tax rate." This is the tax rate which provides the County with the same revenue that was received in the previous year when applied to existing (rather than newly constructed) property.

During early August, departmental budget hearings are held which allow discussions between Elected Officials/Department Heads, and the Commissioners Court on funding levels and other policy issues. Because the Baseline Budget is balanced without a tax increase, the Commissioners Court's approval of any new program must be accompanied by a revenue increase, an offsetting expenditure decrease, or a drawdown of available reserves.

The public is invited to attend all budget hearings and to participate in the discussion as time permits.

At the conclusion of the hearings, the Commissioners Court proposes a tax rate. State law requires a formal public hearing on the proposed tax rate.

The Commissioners Court approves the tax rate and makes final budgetary decisions by mid-September. The final proposed budget is prepared and distributed to departments for their review. The budget is then formally adopted by Commissioners Court after a required public hearing.

## **BUDGET ADMINISTRATION**

The adopted budget becomes a fiscal plan and legal appropriation for County spending. State law forbids overall spending above the amount specified in the adopted budget and generally forbids transfers among funds in excess of the amount budgeted. The monitoring of the County's fiscal progress during the year is a shared responsibility of the department head, the Office of Budget and Evaluation, and the County Auditor.

The County's budgeted ending balance is actually an appropriated reserve. Practically, this means that a department which appears to be exceeding its original budget may receive additional funds during the year through a transfer from the appropriated reserve. This transfer must be approved by Commissioners Court, generally on the recommendation of the Office of Budget and Evaluation. Often these transfers are a result of environmental change (higher-than-expected jail census, for example), which is beyond the control of County officials.

The Office of Budget and Evaluation is responsible for briefing the Commissioners Court on all situations which appear to result in an over-budget condition. This task is accomplished by a series of interim reports on budget compliance for the year in progress. These interim reports concentrate on historical problem areas (i.e., areas in which expenditures have been difficult to predict) and on new programs which were approved with the expectation of enhanced service and/or revenue. The interim reports also provide the Auditor an opportunity to update revenue projections and explain any variance between actual revenues and projections.

The Office of Budget and Evaluation utilizes a complex expenditure model to continually predict the probable unencumbered cash balance at the end of the year in progress. This model involves a mix of methodologies evolved over the years through continual refinement. Some expenditures can be accurately extrapolated from partial-year data, some bear a seasonal pattern, and some require the combined judgement of a Budget Analyst and a departmental fiscal analyst to arrive at a reasonable prediction. The expenditure model is intended to offer managers an early warning of impending problems.

The Office of Budget and Evaluation performs the actual transfer of appropriation (if required) based on the Commissioners Court approval. The Auditor creates encumbrances against many categories of expenditures to insure that sufficient funding is available for the entire year.

In addition to the formal interim report, the Office of Budget and Evaluation also prepares and distributes to the Commissioners Court a weekly list of balances in various contingency or County-wide

accounts that are used throughout the year. Examples are:  $\hat{a}$  unallocated reserves,  $\hat{a}$  miscellaneous equipment accounts,  $\hat{a}$  tort claim liability account, and  $\hat{a}$  data processing contingency. In this way, the Court has a continuous record of its use of these funds.

Departments generally cannot exceed their personnel budget since they are prohibited from hiring any individual without an authorized position being available and all departments are fully funded for their authorized positions. In practice, the vacancy savings or "lag" is not available for departmental spending, since it is accumulated in a County-wide account which initially has a negative value. This prevents large vacancy surpluses from developing. The Office of Budget and Evaluation is responsible for estimating the aggregate lag in the County.

## PERFORMANCE AND MANAGEMENT REPORTING

Dallas County utilizes a five-volume set of Management Reports (in addition to accounting data) to continually evaluate outcomes and incorporate this information into resource allocation decisions. The attachment to this budget document is devoted to this performance-based budgeting approach. This section summarizes these reports.

**Volume I - Management Overview** - Produced by the Office of Budget and Evaluation, this report is organized by the functional categories of County departments. All large departments have one or more workload trend indicators included in the report. The Budget Analyst assigned to each department produces a narrative which focuses on data which appears to be departing from historical trends or budgetary expectations.

**Volume II - Judicial System Workload and Effective Measures** - This report is a comparative study of the County's courts - an \$84 million operation under the control of 75 Elected Officials (Judges, District Attorney, County and District Clerks). Both workload and outcome indicators are provided, with special emphasis on the controllable portion of the expenditures, such as court-appointed counsel and use of visiting judges.

The primary performance measure used is "*cost per disposition*" of a case, measured in a consistent manner. Trends in these costs may reflect the efficiency of the judge, or may reflect unavoidable costs such as a high number of (expensive) capital murder cases. The narrative is expected to explore these nuances and provide a fair explanation to a complex phenomenon.

**Volume III - Performance Indicators** - Beginning with the FY99 budget, departments were expected to accompany any request for new resources with performance measures that could be used to judge the success of the newly-funded operations. The FY2000 budget process required all departments to develop performance measures and targets whether or not they were requesting new or expanded programs. Performance measures are usually a combination of output measures, efficiency measures, and outcome measures. The quarterly Performance Measure Report provides the Court with opportunities to track the progress of the performance measures.

The Commissioners Court recognized that accumulating and reporting data on outcomes is simply the

first (and perhaps easiest) step in accomplishing a true Performance Based Budget. Accordingly, the system in use makes use of the following additional steps in integrating outcome data into decision making:

- Each outcome and efficiency measure is assigned a negotiated target for the forthcoming fiscal year;
- Each quarterly report contains narrative discussion of each indicator prepared jointly by the department and the Office of Budget and Evaluation;
- Each performance indicator is “graded” against its target by the Office of Budget and Evaluation, with due regard for seasonal effects and other measures that illuminate the underlying causes of good or bad performance;
- Performance indicators that fail to meet their targets are subject to progressively meaningful corrective steps, such as inclusion on a “watch” list, written requests to a department head to explain substandard performance, assignment of a member of Commissioners Court to investigate the data on behalf of the entire court, and an invitation to appear at a Performance Forum.
- Typically, these steps are sequential and result in reversal of the negative trend, cancellation of the program, or other corrective action;
- Performance indicators that consistently meet targets are formally recognized;
- Performance indicators related to recently-added resources are given additional visibility, as a check on the “promises” made during the request for resources;
- Performance indicators are discussed monthly at the Performance Forum, and at the beginning of each annual budget hearing.

**Volume IV - Juvenile Recidivism Measures** - The Juvenile Recidivism Report was the recipient of the 1996 National Association of County’s “*Achievement Award*,” and is arguably the most comprehensive examination of outcomes in a juvenile department available in the nation. The County spends millions of taxpayer dollars to rehabilitate youthful offenders by providing them therapeutic residential environments and community-based aftercare, often at costs of \$80 to \$120 per day of treatment. The Juvenile Recidivism Report tracks the juveniles at various times *after* the juvenile system has made its best efforts to transform the juvenile into a productive, rule-following society member.



**Volume V - Major Projects and Major Technology Review** - This bimonthly report is accompanied by a special session of Commissioners Court to review the progress of each large construction or technology development program currently planned or underway. The staff typically calls attention to projects with potential funding, scheduling, or design problems, so that management can focus on these problems. Senior managers from involved departments participate in drafting the report and the review session that follows.

**Other Methods** - In addition to these formal reports, performance goals may be assigned on a per-project basis as a result of a new program being approved. Also, annual performance reviews with each appointed Department Head offer an opportunity for the Commissioners Court to express their policy direction related to performance targets for the upcoming fiscal year.

**Summary** - Dallas County's commitment to accountability through performance reporting is deep-rooted. The performance reports are constantly being reevaluated and departmental targets are often revised when new information is presented. It is anticipated that progress toward performance goals will become an increasing factor in resource allocation in subsequent years.

## **DEMOGRAPHICS/ECONOMICS OF DALLAS COUNTY**

Dallas County is located in north central Texas, and is strategically central to the economic region including the states of Texas, Louisiana, Arkansas, Oklahoma and New Mexico. Dallas County is also centrally located within the United States.

The Dallas County region was opened for settlement by the Mexican colonization laws and was included in an empresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created Dallas County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as temporary “seat of Justice.” The act does not state whom the county's name honors; it probably was George M. Dallas, then vice-president of the United States. Two elections were held in 1850 to fix the City of Dallas as the permanent county seat.

The County encompasses an area of 880 square miles. The 2000 Census reported a population of 2,218,899.

The City of Dallas is the second largest city in Texas and the eighth largest city in the U.S. Dallas, the county seat of Dallas County, has an incorporated land area of approximately 380 square miles and is the major component of the second largest Standard Metropolitan Statistical Area (“SMSA”) in Texas and the ninth largest SMSA in the country.

### **ECONOMY**

Dallas first began building its diversified economy as an agricultural trade center in the mid-1800's and has since developed into the wholesale and retail market center for the entire southwest. Passage of the North American Free Trade Agreement (NAFTA) has strengthened the metro area's trade sector. Dallas' strength as a trade center has allowed the finance, insurance and manufacturing industries to grow, building strong ties to petroleum by becoming the industry's banker. To date, Dallas remains the headquarters of many oil and gas companies.

The area's diversified economy has suffered due to the slow down in the economy. Employers have instituted hiring freezes and reductions in force. However, the area remains a favorite for long-term development due in part to its transportation infrastructure, cost of doing business and workforce.

The following paragraphs and tables contain statistical information pertaining to Dallas County and areas which include the County, such as the Dallas/Fort Worth Consolidated Metropolitan Statistical Area, which consists of the Dallas-Fort Worth SMSA plus Hood and Wise Counties. Whenever available, County-wide information was used in lieu of city or multi-county information.

## Top Private Employers

Over 245,500 businesses are located in the Dallas area. There are approximately 72,737 corporations with over 7,000 headquartered in the area. Below are the top twenty employers located within the Dallas/Fort Worth Consolidated Metropolitan Statistical Area, as reported by the Greater Dallas Chamber of Commerce:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
United Parcel Service	Air Carrier Delivery Service	8,000
Alcatel	Telecommunications Manufacturing	7,000
Minyard Food Stores, Inc.	Retail Grocery Store Chain	6,495
COMPUSA Inc.	Retail Computer Store	5,000
Vought Aircraft Industries Inc.	Diversified Manufacturers	3,700
American Staff Resources	Employment Services	3,500
Fidelity Investments	Financial Services	3,500
Trend Personnel Services, Inc.	Employment Services	3,500
Fujitsu Network Communications	Telecommunications Manufacturing	3,200
ClubCorp	Country Clubs Corporation	3,000
Metromedia Restaurant Group	Restaurant Corporation	3,000
Nation's Personnel Inc.	Employment Services	3,000
Premier Consulting Inc.	Employment Services	2,800
Alcon	Diversified Manufacturing	2,600
Alliance Data Systems	Information Technology	2,500
Mary Kay, Inc.	Cosmetics Corporation	2,000
Potter Concrete LTD	Construction & Contractors	1,547
Ernst & Young LLP	Accounting	1,500
Adam's Mark Hotels	Hotel Chain	1,300
Geico Direct	Insurance	1,260

Source: Greater Dallas Chamber of Commerce, 2002

## Sales Taxes

The City of Dallas, along with 14 of its suburbs, pays a 8.25% retail sales tax comprised of a 6.25% State tax, a 1.00% local tax, and a 1.00% Regional Transit Authority tax.

## Income Taxes

Neither the State of Texas, the County nor any city in the County has a personal or corporate income tax.

**LABOR FORCE**  
**Civilian Labor Force Estimates**

	<b>Annual</b>				
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Dallas County (Monthly Average for Year)</b>					
Total Civilian Labor Force	1,294,931	1,265,215	1,235,879	1,205,832	1,194,074
Total Unemployment	95,863	67,174	42,795	42,515	44,078
Percent Unemployed	7.4%	5.3%	3.5%	3.5%	3.7%
Total Employment	1,199,068	1,198,041	1,193,084	1,163,317	1,149,996
<b>State of Texas (Actual)</b>					
Total Civilian Labor Force	10,687,532	10,462,712	10,324,527	10,219,113	10,094,763
Total Unemployment	651,032	507,442	437,488	472,234	485,737
Percent Unemployed	6.1%	4.9%	4.2%	4.6%	4.8%
Total Employment	10,036,320	9,955,270	9,887,039	9,746,879	9,609,026
<b>United States (Actual)</b>					
Total Civilian Labor Force	143,446,000	141,746,700	140,863,000	139,368,000	137,674,000
Total Unemployment	8,209,000	6,563,000	5,655,000	5,880,000	6,210,000
Percent Unemployed	5.7%	4.6%	4.0%	4.2%	4.5%
Total Employment	135,237,000	135,183,700	135,208,000	133,488,000	131,464,000

Source: Texas Workforce Commission, 2002  
U.S. Bureau of Labor Statistics, 2002

**FORTUNE/FORBES 500 COMPANIES**

The Dallas/Fort Worth area is home to the headquarters of 16 of the nation's Fortune 500 companies and 18 of the nation's Forbes 500 companies. Many additional Fortune and Forbes 500 companies maintain U.S. administrative offices in the Dallas/Fort Worth area, although their corporate headquarters are located elsewhere.

**Fortune 500 Headquarters in the Dallas/Fort Worth Area  
(Publicly Held Companies)**

Number	Company	Revenues (\$ Millions)
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2	Exxon Mobil	\$191,581
50	J.C. Penney	32,004
58	TXU	27,927
97	Electronic Data Systems	21,543
108	AMR	18,963
129	Fleming	15,628
141	Kimberly-Clark	14,524
153	Halliburton	13,405
211	Burlington Northern Santa Fe	9,208
236	Texas Instruments	8,201
265	Advance PCS	7,034
281	Centex	6,711
290	Dean Foods	6,230
317	Southwest Airlines	5,555
348	Radio Shack	4,776
368	D.R. Horton	4,456
493	Lennox International	3,120

Source: *Fortune*, 2002

**Forbes Largest Private Companies Headquartered in the Dallas/Fort Worth Area  
(Privately Held Companies)**

<b>Number</b>	<b>Company</b>	<b>Revenues (\$ Millions)</b>
46	Sammons Enterprises	\$3,085
91	Kinko's Business Services	2,000
109	Dr. Pepper Bottling/Seven-Up Bottling Group	1,820
110	VarTec Telecom	1,820
129	Hunt Consolidated/Hunt Oil	1,700
136	Glazer's Wholesale Drug	1,600
140	Builders FirstSource	1,561
166	Mary Kay Cosmetics	1,400
192	Austin Industries	1,257
204	Ben E Keith	1,185
248	ClubCorp	1,015

Source: *Forbes.com*, 2002

The following table shows the employment forecast for the combined D/FW Consolidated Metropolitan Statistical Area.

**Forecast of Non-Agricultural Employment**

**Dallas/Fort Worth CMSA**

	<b>2010</b>	<b>2000</b>	<b>1990</b>	<b>1986</b>	<b>1980</b>	<b>1970</b>
Construction	214,784	184,160	150,200	140,343	103,827	65,019
Manufacturing/Mining	471,027	431,643	396,963	381,546	354,606	282,932
Wholesale/Trade/Comm	371,203	350,791	325,073	303,705	233,758	156,542
Retail	635,427	536,546	431,157	383,622	284,544	285,522
Service/Fire	1,316,051	1,095,491	840,759	753,205	479,940	178,823
Government/Education	315,756	275,041	234,423	219,207	209,851	150,250

**TOTAL EMPLOYMENT** **3,324,248** **2,873,672** **2,378,575** **2,181,628** **1,666,526** **1,119,088**

**TOTAL POPULATION** **4,977,600** **4,534,300** **3,933,000** **3,580,000** **2,930,530** **2,351,568**

Source: North Central Texas Council of Governments

**PERSONAL INCOME**

In 2000, Dallas had a per capita personal income (PCPI) of \$35,216. The PCPI for Dallas ranked fourth in Texas, and was 126 percent of the state's average, \$28,035, and 120 percent of the national average, \$29,469.

In 2000, Dallas had a total personal income (TPI) of \$124.705 billion. The TPI for Dallas ranked second in the state. TPI includes the earnings, dividends, interest and rent and transfer payments by the residents of Dallas.

**Average Hourly Earnings (March 2001)**

<b>Industry</b>	<b>Average Wage</b>
All	\$19.17
Blue Collar Average	\$13.61
White Collar Average	\$23.81

Source: Bureau of Economic Analysis, 2002

**TRANSPORTATION**

Dallas' success as a world-class leader in transportation is a result of its excellent airports, rail routes and interstate highway systems. Positioned nearly equidistant to both United States coasts, Dallas is easily accessible to all areas of the U.S., Canada and Mexico. In addition, Dallas is the center point between

North America's four largest business centers - New York, Los Angeles, Chicago and Mexico City.

**Air**

Dallas/Fort Worth International Airport, just 17 miles from downtown Dallas, is the second busiest airport in the world. Over 60 million passengers a year travel through the airport. The Metroplex is served by seven international and 22 domestic airlines as well as one charter airline. Service is provided to over 179 worldwide destinations with a total of 1,002 daily flights.

Source: DFW Airport

**Rail**

Dallas is a major hub for hundreds of rail routes. Major railroads that serve the Dallas area include: Burlington Northern Santa Fe, Cotton Belt (subdivision of Southern Pacific), Kansas City Southern Lines, Southern Pacific and Union Pacific.

Amtrak provides passenger train service at Union Station in downtown Dallas with four lines: Chicago, Los Angeles, Houston and San Antonio.

**Dallas Area Rapid Transit (DART)**

DART provides express transportation between 12 suburban communities and downtown Dallas. In addition, DART provides a local and suburban network of bus routes, flyer/charter service and the downtown Hop-A-Bus service. DART moves more than 200,000 people a day across their 700 square mile service area. By 2013, DART plans to have 93 miles of light rail, 48 miles of High Occupancy Vehicle (HOV) lanes and 18 miles of commuter rail service in full operation.

Source: DART

**EDUCATION**

The Dallas Independent School District has an approximate student enrollment of 163,763 (as of October 29, 2001), making it the eleventh largest school district in the U.S. The school system has 218 schools covering much of Dallas County in a 351 square mile area. In addition, DISD offers nine magnet schools, eight middle school academies and seven elementary vanguard schools for the gifted. Some of the largest school districts in the County are listed below:

**Largest Independent School Districts in Dallas County**

<b>School District</b>	<b>Number of Schools</b>	<b>Total Enrollment</b>
------------------------	--------------------------	-------------------------

Dallas	218	163,763
Garland	65	52,500
Richardson	55	35,275
Mesquite	42	33,164
Irving	37	27,961
Carrollton/Farmer's Branch	36	24,937
Grand Prairie	30	20,000

There are 48 college and university campuses within 65 miles of Dallas; 21 two-year schools, 24 four-year schools and three graduate schools. Graduate programs are available at 18 universities. Colleges and universities in the D/FW area enroll over 247,000 students and grant 30,000 degrees each year. According to the 2000 Census, nearly 27% of the population of Dallas County that is 25 years of age or older have a college degree.

### **Largest Dallas/Fort Worth Colleges and Universities**

<b>College/University</b>	<b>Fall 2002 Enrollment</b>
Dallas County Community College (7 Campuses)	59,819
Collin County Community College	37,000
Tarrant County College (4 Campuses)	31,169
University of North Texas	30,256
University of Texas at Arlington	21,180
University of Texas at Dallas	12,208
Southern Methodist University	10,064
Texas Woman's University	7,928
Texas Christian University	7,832

Source: Individual Schools, 2002

### **TOURISM**

Dallas is the number one visitor destination in Texas for conventions, leisure activity and business. More than 14.9 million people visited metropolitan Dallas spending \$10.6 billion in direct dollars. These direct dollars resulted in an economic benefit to the Dallas area of \$18 billion dollars.

Dallas has more than 294 hotels. There are over 5,000 restaurants in Dallas, more per capita than New York City. Dallas also offers more shopping centers per capita than any other major U.S. city.

Dallas has the largest urban arts district in America. There are 161 museums, galleries and artistic



attractions throughout the immediate area. Nightlife in Dallas offers something for everyone. There are various entertainment districts throughout the city including: Deep Ellum, Greenville Avenue, McKinney Avenue, Oak Lawn and the West End Historic District.

## **CONVENTION CENTER**

The Dallas Convention Center is the hub of Dallas' meeting and convention success. It is the largest convention center in Texas, with over two-million square feet of total space. There are 105 meeting rooms and one-million square feet of exhibit and meeting space. The convention center also boasts a fully equipped theater along with catering capabilities and a cafeteria. In addition to having both covered and open parking, the center is also equipped with the largest urban heliport/vertiport in the world.

## **MOST POPULAR ATTRACTIONS DALLAS/FORT WORTH**

Dallas Alley	Mesquite Championship Rodeo
Dallas Arboretum & Botanical Gardens	Morton H. Meyerson Symphony Center
Dallas Farmer's Market	Ripley's Palace of Wax
Dallas Market Center	Six Flags Over Texas
Dallas Museum of Art	The Science Place
Dallas Zoo & Aquarium	The Sixth Floor
Deep Ellum	West End MarketPlace
Las Colinas	Six Flags Hurricane Harbor

Source: Dallas Convention & Visitors Bureau, 2001

## **CULTURE**

Cultural activities are available on a daily basis in the Dallas area. There are over 110 live performances nightly. Approximately 40 professional and community theaters, 13 symphony and chamber orchestras, four ballet groups and two opera associations exist in the area. There are also 21 museums and 100 galleries. Dallas boasts a 60-acre Dallas Arts District, the largest downtown arts district in the country, anchored by the Dallas Museum of Art and the Morton H. Meyerson Symphony Center.

Fair Park, the site of the annual State Fair of Texas, hosts major cultural exhibits and events including: The Science Place, Dallas Aquarium, Museum of African-American Life & Culture, Starplex Amphitheater, the Women's Museum and the Dallas Historical Society. Dallas also has 81 public library branches holding 5.5 million volumes.

## **RECREATION**

The city of Dallas has 406 public parks covering nearly 50,000 acres. There are over 60 lakes and reservoirs within 100 miles of Dallas covering more than 550,000 acres and three state recreation areas covering over 5,000 acres. There are 40 private, 20 municipal and 17 daily fee golf courses in the area.

The Dallas area hosts numerous national annual sporting events and has several large amusement parks. Major golf tournaments include the Dallas Reunion Pro Am, GTE Byron Nelson and the Southwestern Bell Colonial Golf Tournament. Dallas is one of only eight cities nationwide with all four major professional sports teams: the 1993, 1994, and 1996 Superbowl Champion Dallas Cowboys football team, the Dallas Mavericks basketball team, the Texas Rangers baseball team and the Dallas Stars hockey team. The new Texas Motor Speedway hosts NASCAR and Indy car racing.

## **HEALTHCARE**

Dallas is a major medical center providing “state-of-the-art” equipment and facilities. There are 31 hospitals in the Dallas area which are licensed for approximately 12,286 beds. Included in this figure, are two pediatric and five long-term/rehabilitation hospitals. The Dallas area also has a total of over 5,000 medical doctors, at least 500 of which are family or general practitioner doctors.

### **Major Dallas Area Hospitals**

<b>Hospital</b>	<b>Beds</b>
Baylor University Medical Center	998
Parkland Memorial Hospital	990
Presbyterian Hospital of Dallas	900
Medical City Dallas Hospital	700
St. Paul Medical Center	540
Methodist Medical Center	476

Source: Hospitals, 2002

**Table II-4**

**MISCELLANEOUS STATISTICAL INFORMATION**

Year of Incorporation: 1846

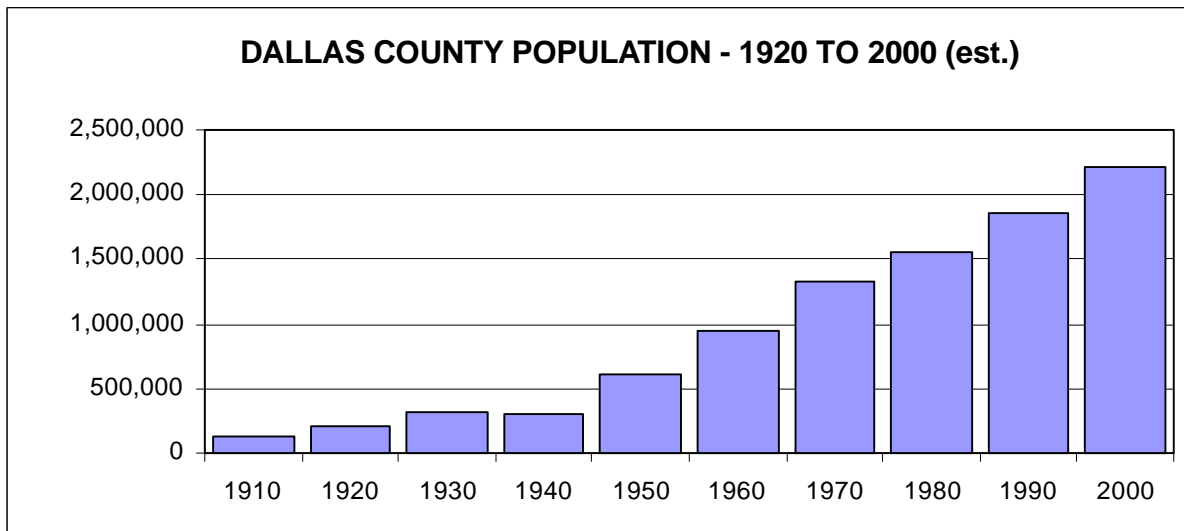
Area in Square Miles: 880

Number of Incorporated Cities in Dallas County: 25

Number of School Districts in Dallas County: 15

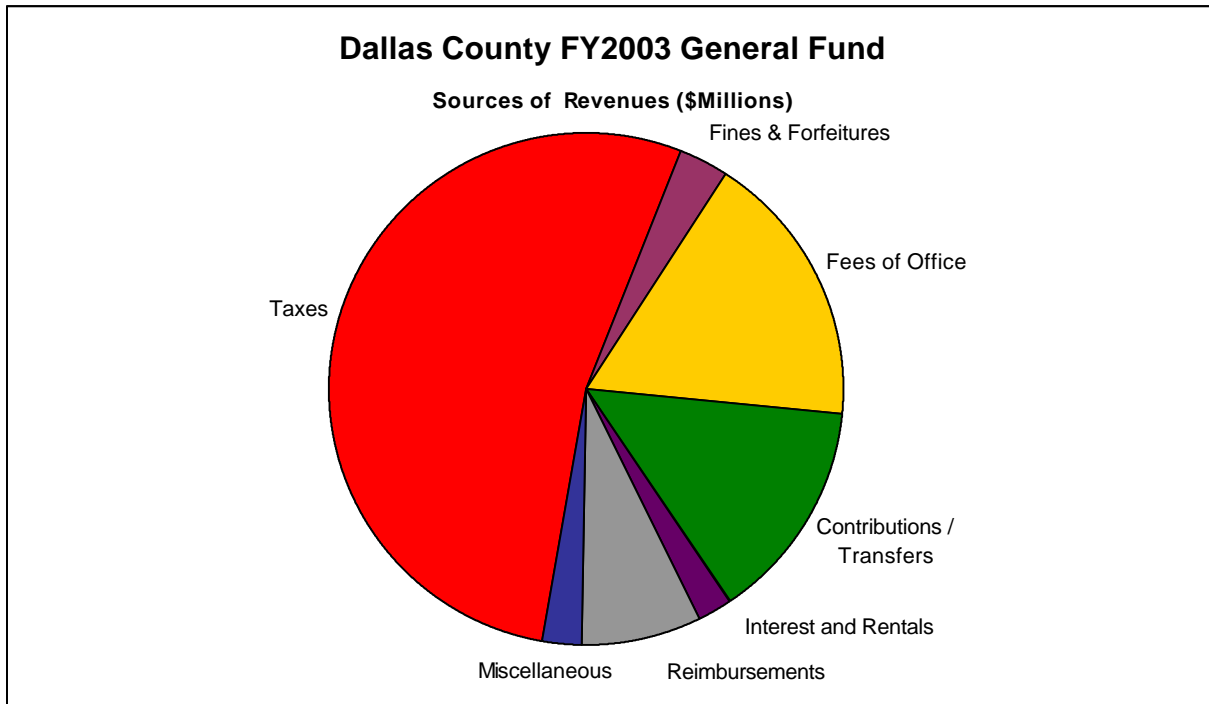
**Population by Decade**

<b>1850</b>	2,743	<b>1930</b>	325,691
<b>1860</b>	8,665	<b>1940</b>	298,564
<b>1870</b>	13,314	<b>1950</b>	614,799
<b>1880</b>	33,488	<b>1960</b>	951,527
<b>1890</b>	67,042	<b>1970</b>	1,327,321
<b>1900</b>	82,726	<b>1980</b>	1,556,549
<b>1910</b>	135,748	<b>1990</b>	1,852,820
<b>1920</b>	210,551	<b>2000</b>	2,218,899



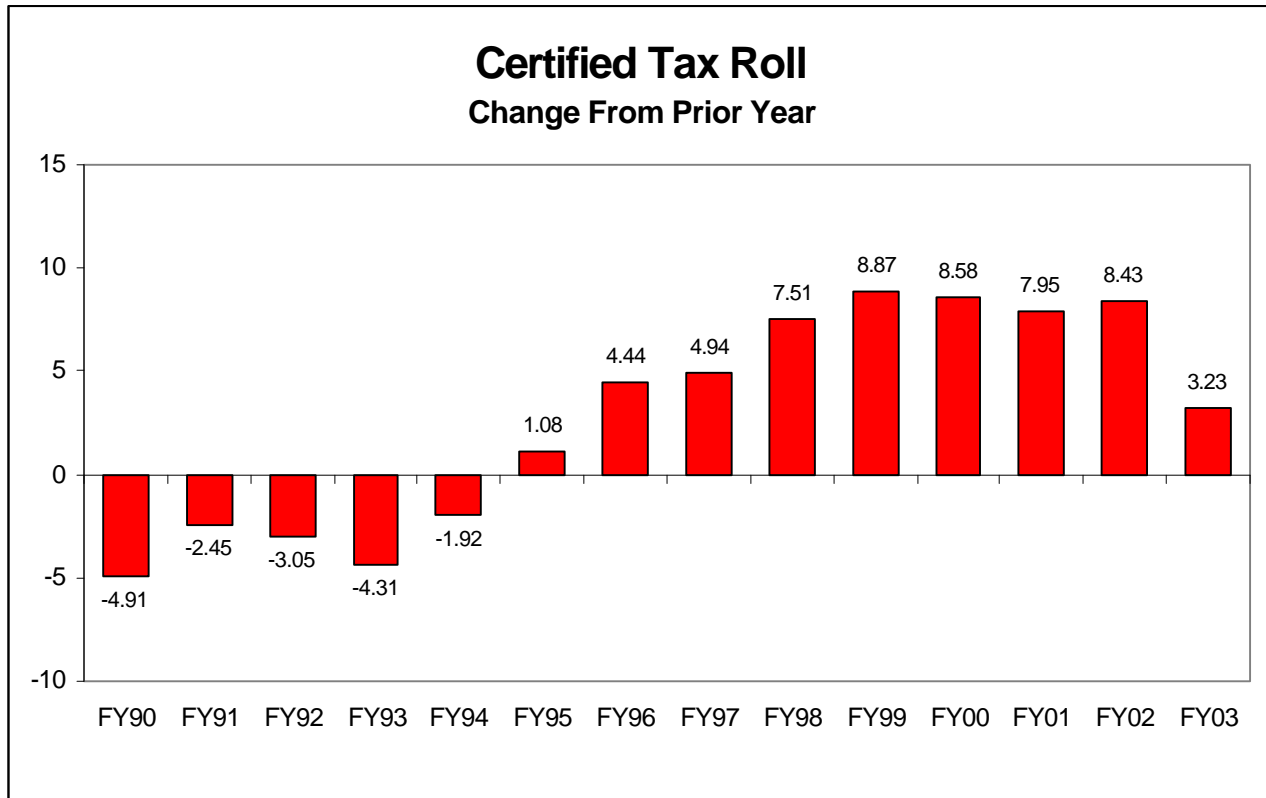
**Table II-5**  
**GENERAL FUND REVENUE BY SOURCE**  
(\$ in Thousands)

	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Budget 2003
Taxes	141,399	150,770	163,841	175,321	180,568
Fines and Forfeitures	8,165	8,088	9,428	8,864	10,569
Fees of Office	50,491	93,395	52,649	58,679	59,087
Contributions / Transfers	34,996	33,583	42,939	50,169	46,610
Interest and Rentals	11,620	13,128	12,850	9,015	7,472
Reimbursements	33,902	32,997	28,835	35,377	25,224
Miscellaneous	<u>5,780</u>	<u>7,995</u>	<u>9,332</u>	<u>9,029</u>	<u>8,712</u>
<b>Total Revenue</b>	<b>286,353</b>	<b>339,956</b>	<b>319,874</b>	<b>346,454</b>	<b>338,242</b>
Beginning Balance	42,199	38,015	30,007	29,883	30,791
<u>Total Resources</u>	<u>328,552</u>	<u>377,971</u>	<u>349,881</u>	<u>376,337</u>	<u>369,033</u>



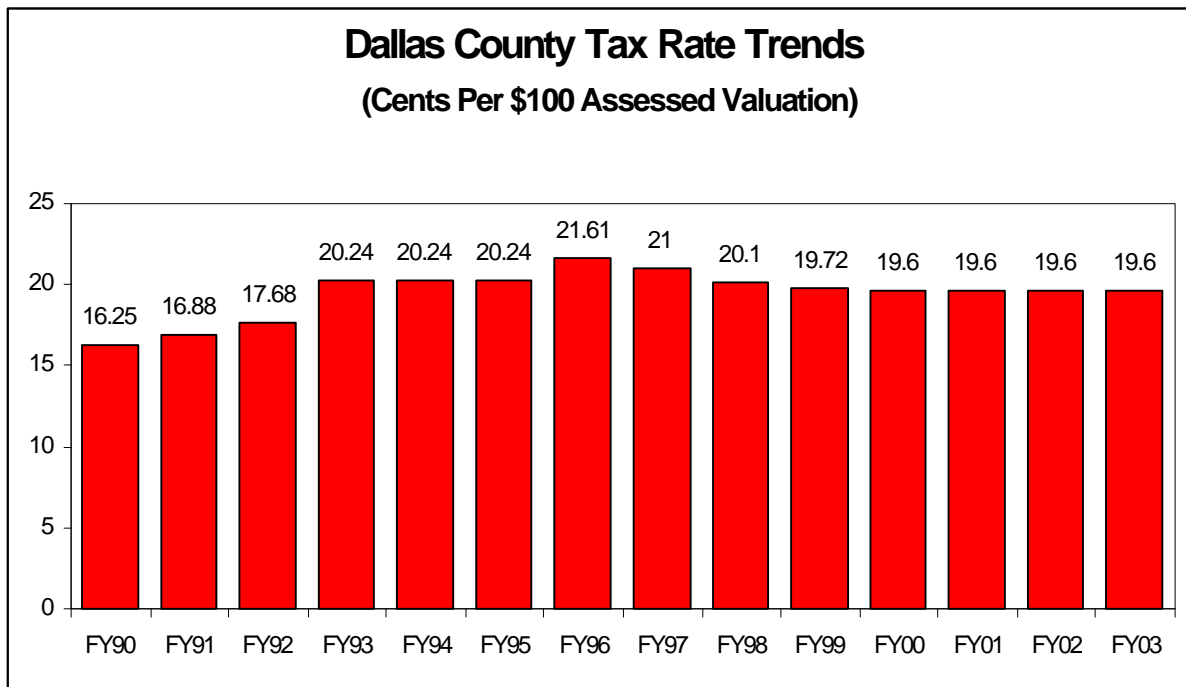
**Table II-6**  
**TAXABLE VALUE OF PROPERTY**  
(\$ in Millions)

	<b>Actual FY99</b>	<b>Actual FY00</b>	<b>Actual FY01</b>	<b>Actual FY02</b>	<b>Budget FY03</b>
Land	31,054	32,781	34,390	37,364	39,804
Improvements	63,984	71,488	79,209	85,816	91,075
Business Personal Property	21,540	24,415	25,531	28,560	28,898
Total Market Value	116,578	129,190	139,130	151,740	159,777
Less: All Exemptions and Capital Value Loss	(19,186)	(22,510)	(25,139)	(28,079)	(30,966)
<hr/>					
Taxable Value	97,392	106,174	113,991	123,661	126,262
Value In Dispute	<u>790</u>	<u>430</u>	<u>1,090</u>	<u>1,120</u>	<u>2,549</u>
Total Taxable Value	98,182	106,604	115,081	124,781	128,811



**Table II-7**  
**PROPERTY TAX RATE TRENDS**  
(Cents per \$100 Assessed Valuation)

<b>NAME OF FUND</b>	<b>Actual FY99</b>	<b>Actual FY00</b>	<b>Actual FY01</b>	<b>Actual FY02</b>	<b>Actual FY03</b>
General	14.530	14.420	14.420	14.420	14.420
Permanent Improvement	0.190	0.180	0.180	0.180	0.180
Major Capital Development	N/A	1.050	1.150	1.450	1.450
Major Technology	0.500	0.500	0.500	0.500	0.500
Subtotal: Maintenance & Operations	15.220	16.15	16.150	16.550	16.550
Debt Service	<u>4.500</u>	<u>3.450</u>	<u>3.350</u>	<u>3.050</u>	<u>3.050</u>
Total County Tax Rate	19.720	19.600	19.600	19.600	19.600
Hospital District Tax Rate	17.990	19.600	25.400	25.400	25.4



**Table II-8**  
**EXPENDITURE TRENDS BY FUND**  
(\$ in Thousands)

<b>NAME OF FUND</b>	<b>Actual FY99</b>	<b>Actual FY00</b>	<b>Actual FY01</b>	<b>Actual FY02</b>	<b>Budget FY03</b>
General	292,037	315,395	327,072	346,057	333,959
Permanent Improvement	2,032	1,841	2,622	2,236	2,486
Major Capital Development	N/A	1,170	5,432	35,509	31,639
Major Technology	<u>8,973</u>	<u>5,846</u>	<u>1,945</u>	<u>6,581</u>	<u>5,939</u>
Subtotal - Operations	302,042	342,252	337,071	390,383	374,023
Road and Bridge	10,727	11,104	12,266	11,876	15,030
Child Support	1,635	1,757	1,868	1,905	1,937
Community Supervision	38,652	34,839	36,073	35,293	46,296
Alternate Dispute Resolution	496	489	476	500	671
Historical Exhibit	1,802	1,983	3,048	2,968	3,136
Interest and Debt	52,181	50,006	48,880	47,231	44,011
Parking Garage	950	823	988	1,001	1,012
Juvenile Probation	1,701	2,033	2,358	3,206	3,225
Grants	43,059	45,413	59,992	59,597	95,000
HIV Services	11,351	12,800	4,648	0	0
Law Library	833	814	1,003	1,271	1,181
Appellate Court	<u>401</u>	<u>304</u>	<u>261</u>	<u>279</u>	<u>646</u>
Subtotal - Other Funds	163,788	162,365	171,861	165,127	212,145
Total Expenditures	465,830	504,617	508,932	555,510	586,168

**Table II-9**  
**ENDING BALANCE TRENDS BY FUND**  
(\$ in Thousands)

<b>NAME OF FUND</b>	<b>Actual FY99</b>	<b>Actual FY00</b>	<b>Actual FY01</b>	<b>Actual FY02</b>	<b>Budget FY03</b>
General	38,015	30,006	25,361	25,697	35,075
Permanent Improvement	216	991	981	98	0
Major Capital Development	N/A	14,391	27,928	7,103	0
Major Technology	<u>1,238</u>	<u>81</u>	<u>4,288</u>	<u>(139)</u>	<u>657</u>
Subtotal - Operations	39,469	41,161	55,323	32,759	35,732
Road and Bridge	4,567	5,509	8,622	4,358	0
Child Support	0	141	287	65	8
Alternate Dispute Resolution	178	135	142	175	20
Historical Exhibit	687	869	367	181	334
Interest and Debt	19,842	16,606	17,159	13,712	11,710
Parking Garage	312	386	324	159	49
Law Library	1,210	1,488	1,365	986	750

