



Metroplex Civic & Business Association

Louis Darrouzet
Chief Executive Officer
Metroplex Civic & Business Association
Dallas, TX 75254

City of Dallas Mayor & Councilmembers
1500 Marilla Street
Dallas, TX 75201

CC: Interim City Manager Tolbert

City Leadership,

The Metroplex Civic & Business Association (MCBA) is a non-profit, non-partisan business league with 130+ Member companies that employ well over 10,000 DFW residents. Put concisely, our goal as an organization is to ensure the continued success of the Dallas Fort-Worth Metroplex.

Today, we would like to communicate our concerns pertaining to the 2024 Capital Bond. While many of the items included in this bond undoubtedly need to be completed, it highlights the City's lack of leadership and focus in keeping up with standard maintenance and repairs across the city. The proper use of capital is for new assets or refurbishing/replacing existing assets, i.e. long-term maintenance. Many items in this Bond should fall under ongoing maintenance in the City's budget and subsequently come out of the General Fund.

It is apparent the city is also attempting to help constituents with rent support and with temporary housing for the homeless. A case can be made to capitalize the purchasing or refurbishing of assets; however, closing gaps in rental support programs should not be a capital project. The city should not go into debt for 20 years to subsidize rent for a few years. Covering rent is not a capital expenditure, as it cannot be depreciated.

The Council's approach to this bond, the inefficient use of the rapidly expanding annual budget, and the persistent overlooking of basic repairs and maintenance has caused widespread consternation in our community. Due to that consternation, and the misplaced categorization of proposed spending, we are requesting additional transparency and accountability surrounding the Bond Propositions. We are recommending that the attached 7 transparency measures be included in the execution of this proposed Capital Bond.

We believe that these requests are nothing more than standard business practices and should be relatively simple to implement. We also request that the city and elected officials remain conscious that the increases in spending and debt are burdening the now shrinking City of Dallas resident and business populations. Collecting more taxes from fewer taxpayers is a recipe for disaster in the long term.

The MCBA is made up of many important businesses and business leaders, all of whom want to help DFW thrive. Engage us, ask for perspectives, because we all want our elected officials and our communities to be successful. We are here to help.

Respectfully,

Louis Darrouzet

Chief Executive Officer
Metroplex Civic & Business Association

Friday, March 8, 2024

Transparency Recommendations

1. If, by January 1st, 2031, funds remain uncommitted to individual projects, those remaining funds are to be directed solely to service the outstanding debt on the bond and for no other purpose. Uncommitted funds are those directed towards projects in 'Not Started' status.
2. For the 'Homelessness' and 'Affordable Housing' propositions, if approved, 50% of the funds spent shall be on capitalizable assets as per the GAAS standard and the City's existing capitalization policy versus ongoing or recurring expenses.
3. All contracts and fees associated with the issuance and administration of the bond shall be disclosed on the 2024 bond website, in addition to continued disclosure on the Office of Transparency website. This includes finance, legal, accounting, and other costs incurred to issue and administer the bond.
4. The 2024 bond website and Voter Information Guide shall input a new visual for taxpayers that outlines the impact on the I&S tax rate over a twenty-year span should the bond pass or fail.
5. All electronic communications between City employees and vendors, whether on government systems or other, related to the vendor selection and bidding process for projects executed under the \$72M allocated to Council Members for 'Economic Development,' shall be disclosed publicly on the 2024 bond website.
6. The 2024 bond Voter Information Guide must include the estimated repayment amount for each proposition, not just the initial amount borrowed.
 - a. This recommendation matches existing requirements for ballot language outlined in Dallas City Charter Ch. 21 Sec. 2, which ensures bond propositions presented to voters include the "amount of bond issuance authorization and estimated amount of repayment including principal and interest based on current market conditions."
7. The Project Matrix on the 2024 bond website shall include information about project cost overruns. For each project, if at any time the 'Current Budget' or 'Amounts Paid' fields exceed the original project cost, that overrun shall be highlighted by these means:
 - a. The text in the 'Current Budget' field shall be colored Red versus Black
 - b. The name of the vendor executing the work shall be listed in a new column next to the 'Current Budget' field
 - c. A justification or description column shall be created and a brief description of the reason for the cost overrun shall be provided