

Memorandum



CITY OF DALLAS

DATE September 5, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **Responses to Questions Regarding Proposition U, Meet and Confer, and Police/Fire Pay (Third Set of Budget Responses)**

Thank you for your continued engagement regarding the City Manager's proposed budget for FY26 and FY27 presented to you on Tuesday, August 12. Below are additional responses to questions that you have asked about the budget.

1. Does the City Manager's recommended budget for FY26 comply with the requirements of Proposition U?

Yes. As required by Proposition U, 50% of the year-over-year growth in unrestricted revenues for FY26 is projected to be \$30.8 million and is being allocated to fund the FY26 contribution to Dallas Police and Fire Pension System – Combined Plan which is budgeted for FY26 and included in the City Manager's proposed budget to be \$225.67 million.

Anything included in the budget for public safety objectives to increase starting pay and hire additional police officers is above and beyond the requirements of Proposition U.

More information is provided below as a response to additional questions regarding Meet and Confer, Proposition U, and police/fire pay.

2. How is police and fire starting pay addressed in the current Meet and Confer agreement?

On October 26, 2022, the Dallas City Council authorized the current Meet and Confer agreement for the period October 1, 2022, through September 30, 2025, which among other things, set forth the pay philosophy for the uniform employees of the Dallas Police Department and the Dallas Fire-Rescue Department. The current contractual agreement states in Article 7, Section 1:

"Subject to the terms of this Article and Agreement, it is the intent of the City to have a "market-based" pay philosophy to strive to maintain the average pay of the comparable cities identified below for Police Officers and Firefighters while at the same time meeting other financial needs of the City."

The agreed upon 17 comparable cities in the Meet and Confer agreement include: Allen, Arlington, Austin, Carrollton, Denton, Fort Worth, Frisco, Garland, Grand Prairie, Houston, Irving, Lewisville, McKinney, Mesquite, Plano, Richardson, and San Antonio. The Meet and Confer agreement specifies that the salary survey shall be completed **by March 31** of each year during the term of the agreement.

Starting base pay is determined by calculating the average of (1) the average starting base pay for the police officer rank for the 17 comparable cities and (2) the average starting base pay for the fire-rescue officer rank for the 17 comparable cities.

Based on the Meet and Confer agreement, starting pay would increase from the FY25 starting pay of \$75,397 to \$78,924 for FY26, an increase of 4.68%. However, the City Manager recommended to increase the starting pay in FY26 to \$81,232 or 7.74%. Again, this increase is above the market-pay requirement in the current Meet and Confer agreement and is above and beyond the requirements of Proposition U.

Additional information regarding the City Manager's recommendation to increase starting pay to \$81,232 is provided below.

The City Manager's Office is currently in the process of negotiating with representatives of police and fire associations on a new Meet and Confer agreement.

The Meet and Confer agreement including police/fire pay is not negotiated outside of the established Meet and Confer process and negotiations committee.

3. What does Proposition U require?

On November 5, 2024, voters approved Proposition U by a vote of 50.43% for and 49.57% against, a difference of 3,792 votes. Proposition U added Section 15, **Priority of Excess Revenue** to the Dallas City Charter, Chapter XI, The Budget and Financial Procedure Relating Thereto. Below is the text of this section in its entirety.

SEC. 15. Priority of Excess Revenue.

(a) If at any time the total actual, accruing or estimated annual revenue of the city exceeds the total actual annual revenue of the prior fiscal year, city council shall appropriate no less than 50 percent of such excess amount, in compliance with Section 1 of Chapter XI of the Charter, to fund the Dallas Police and Fire Pension System - Combined Plan, in the amount directed by the State Pension Review Board and/or city council, whichever is higher. Any monies remaining shall be appropriated to the public safety objectives described below in Subsection (b).

(b) Public safety objectives.

(1) The starting combined salary and non-pension benefits, excluding sign-on bonuses, of the police officers of the Dallas Police Department are within the top five of all city police departments (as compared to the starting combined salary and non-pension benefits) in Dallas, Collin, Tarrant, Denton, and Rockwall Counties with a population over 50,000, on a per officer basis; and

(2) The total number of full-time sworn police officers of the police department of the City of Dallas is increased to at least 4,000 and the ratio established of 4,000 officers to Dallas city residents as of the date of the passage of this charter amendment is maintained or increased going forward.

(A) Any monies appropriated to this public safety objective but not spent within the fiscal year shall be transferred to a sinking fund to fund this Public Safety Objective in the subsequent fiscal year.

(c) Any monies remaining after all public safety objectives defined in this section have been met may be reappropriated by city council.

(d) The city, on an annual basis, shall hire a third-party firm to conduct a survey to calculate the starting combined salary and non- pension benefits, excluding sign-on bonuses, of the full-time police officers of all cities in Dallas, Collin, Tarrant, Denton, and Rockwall Counties with a population over 50,000, on a per officer basis, and report the findings to city council. The third-party firm will be required to certify in writing to the city that it used its best efforts to include responses from each city in Dallas, Collin, Tarrant, Denton, and Rockwall Counties in the annual survey, and the failure or unwillingness of any city to participate in the survey shall have no impact on either:

(1) the city's and the third-party firm's obligations to complete and deliver the survey required by this Section on an annual basis; or

(2) the city's obligations under this chapter.

(e) As used in this section, "revenue" shall mean all revenue collected by the city that's use is not restricted to a limited purpose under state or federal law, including, but not limited to ad valorem property tax, sales tax, beverage taxes, asset forfeiture funds, bingo fees, cemetery taxes, impact fees, interlocal agreements, internet payment and access fees, investments, court fees, open records fees, municipal development corporation sales taxes, municipal development district taxes, pro rata fees, public improvement district assessments, right-of- way fees, special improvement district fund taxes, street assessments, time warrants, user fees, venue taxes, donations, coin-operated machine taxes, drainage fees, hotel taxes, parking fees, franchise fees, enterprise funds, charges for services, admission fees, fines and forfeitures, operating transfers from municipally controlled entities, municipal enterprises, municipally owned utilities, municipally controlled districts, licenses and permits, and interest, but shall not include any debt proceeds taken on by the city, or any grants, appropriations or other revenue received from other governmental or non-profit entities (that weren't directly or indirectly initially provided to such other governmental or non-profit entities by the city).

(f) If any section, paragraph, clause, or provision of this section is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause, or provision shall not affect any of the remaining provisions of this section, and to this end, the provisions of this section are declared to be severable. This section shall supersede the Dallas City Code to the extent there are any conflicts. (Amend. of 11-5-24)

Section 15, Priority of Excess Revenue now requires the following:

"If at any time the total actual, accruing or estimated annual revenue of the city exceeds the total actual annual revenue of the prior fiscal year, City Council shall appropriate no less than 50% of such excess amount, in compliance with Section 1 of Chapter XI of the Charter, to fund the Dallas Police and Fire Pension System – Combined Plan, in the amount directed by the State Pension Review Board and/or city council, whichever is higher. Any monies remaining shall be appropriated to the public safety objectives described below in Subsection (b)."

Subsection (b) goes on to explain that any monies remaining out of the 50% of growth in year-over-year unrestricted revenues after paying Dallas Police and Fire Pension System – Combined Plan will be used to (1) increase police officer starting combined salary and non-pension benefits and (2) increase the total number of full-time sworn police officers.

Section 15 further explains in Subsection (e),

“As used in the section, “revenue” shall mean all revenue collected by the city that’s use is not restricted to a limited purpose under state or federal law, including, but not limited to ad valorem property tax, sales tax, beverage taxes, asset forfeiture funds, bingo fees, cemetery taxes, impact fees, interlocal agreements,...but shall not include any debt proceeds taken on by the city, or any grants, appropriations or other revenue received from other governmental or non-profit entities....”

Of the City Manager’s \$5.2 billion recommended budget for FY26, most city revenues have restricted use under state or federal law. The table below shows the FY26 recommended budget and identifies that the General Fund is mostly unrestricted, however, even within the General Fund certain revenues such as charges for service are restricted.

Table A:

	FY 2024-25 Budget	FY 2025-26 Budget	Restricted or Unrestricted
General Fund	1,903,410,750	1,965,019,000	Mostly Unrestricted
Aviation	208,098,739	208,704,381	Restricted
Convention & Event Services	137,358,763	131,535,243	Restricted
Dallas Water Utilities	826,863,664	880,895,629	Restricted
DWU - Stormwater Drainage Management	85,852,114	90,573,980	Restricted
Planning & Development	60,418,651	52,482,137	Restricted
Municipal Radio	451,077	473,114	Restricted
Sanitation Services	163,192,313	165,548,703	Restricted
Transportation Regulation	519,534	729,332	Restricted
Debt Service	485,754,134	491,015,332	Restricted
Additional Resources	188,972,948	264,014,138	Restricted
Total Operating Budget	4,060,892,687	4,250,990,990	
General Purpose Capital	479,645,432	514,799,272	Restricted
Enterprise Capital	432,628,500	437,858,265	Restricted
Total Capital Budget	912,273,932	952,657,537	
Total Budget	4,973,166,619	5,203,648,527	

The General Fund is projected to grow \$61.6 million from \$1.903 billion to \$1.965 billion. 50% of \$61.6 million is \$30.8 million. Therefore, for the purpose of this section of the City Charter, 50% of the year-over-year growth in unrestricted revenue is projected to be \$30.8 million.

According to the Charter (as amended by Section 15 on November 5, 2024), \$30.8 million must be used to pay the City’s contribution to the Dallas Police and Fire Pension System – Combined Plan. The funding plan for the Dallas Police and Fire Pension System – Combined Plan approved by the Dallas City Council on September 11, 2024, requires a FY26 budget allocation of \$225.67 million. The FY26 contribution to the pension system (\$225.67 million) not only exceeds 50% of the year-over-year growth in unrestricted revenue (\$30.8 million), but it also exceeds 100% of the year-over-year growth in unrestricted revenue (\$61.6 million).

After funding the required contribution to the Dallas Police and Fire Pension System – Combined Plan, there is no remaining amount available to be allocated to the additional public safety objectives outlined in Section 15 of the Charter.

Therefore, by funding the FY26 required contribution to the Dallas Police and Fire Pension System – Combined Plan, the City Manager’s budget meets the requirements of Proposition U.

Based on Proposition U written requirements articulated in Section 15, there is no mandate or requirement to increase police officer starting pay and there is no mandate or requirement to increase the total number of full-time sworn police officers since all of the 50% of year-over-year growth in unrestricted revenue is used to fund the required pension contributions of \$225.67 million in FY26.

However, the City Manager acknowledges and fully supports public safety, being a priority of residents and the City Council. It is for that reason that the City Manager’s recommended budget goes beyond what is required by Proposition U and includes increasing not only police officer starting pay but also fire fighter starting pay and also increasing the hiring of additional full-time sworn police officers.

4. Provide the results of the survey completed for comparison to the police peer group outlined in Charter Proposition U.

Dallas City Charter, Chapter XI, Section 15, Priority of Excess Revenue (November 2024 Proposition U) says,

“Any monies remaining shall be appropriated to the public safety objectives described below in Subsection (b). (b) Public safety objectives. (1) The starting combined salary and non-pension benefits, excluding sign-on bonuses, of the police officers of the Dallas Police Department are within the top five of all city police departments (as compared to the starting combined salary and non-pension benefits) in Dallas, Collin, Tarrant, Denton and Rockwall Counties with a population over 50,000, on a per officer basis”.

It is important to note that the reference to “any monies remaining” refers to whether or not funds remain after taking 50% of the year-over-year growth in unrestricted revenues and funding the Dallas Police and Fire Pension System – Combined Plan, in the amount directed by the State Pension Review Board and/or city council, whichever is higher. **As noted above, 50% of the year-over-year growth in unrestricted revenues for FY26 is projected to be \$30.8 million and the FY26 contribution to the pension plan is budgeted to be \$225.67 million.** Therefore, there are no “monies remaining” to address the additional components of this section of the Charter.

However, it was a priority for the City Manager to increase starting pay as part of the proposed FY26 budget. It is for this reason that the City Manager recommended increasing not only police officer starting pay but also fire fighter starting pay from \$75,397 to \$81,232. This goes beyond the amount needed for alignment with the Meet and Confer agreement.

The table below shows Dallas FY25 starting pay and FY26 recommended starting pay compared to the other cities identified in the five-county region. This comparison is based on data collected in March 2025. Proposition U did not specify when the data should be collected, therefore for consistency, the data was collected according to the timeline agreed to in the Meet and Confer agreement. You will notice that based on starting pay only, Dallas' rank is 12th. However, when non-pension benefits including education pay, bi-lingual pay, and shift/assignment pay are considered, **Dallas' ranks 3rd in the comparison which aligns with Proposition U written language that includes "starting combined salary and non-pension benefits"**.

Table B:

City	County	Police Officer Salary Minimum	Rank of Police Officer Salary Minimum	Non-Pension Benefit (Bachelor, Education + Bi-Lingual + Shift, Assignment)	Rank of Non-Pension Benefits	Police Officer Salary Minimum + Non-Pension Benefit	Rank of Police Officer Salary Minimum + Non-Pension Benefits
Allen	Collin	\$93,786	1	\$3,720	6	\$97,506	1
Frisco	Collin	\$89,198	2	\$3,900	5	\$93,098	2
Dallas (FY26)	Dallas	\$81,232	12	\$10,680	1	\$91,912	3
Garland	Dallas	\$87,513	3	\$4,300	4	\$91,813	4
Denton	Denton	\$84,724	6	\$6,000	3	\$90,724	5
McKinney	Collin	\$85,925	5	\$1,800	16	\$87,725	6
Plano	Collin	\$86,922	4	\$0	21	\$86,922	7
Richardson	Dallas	\$82,565	10	\$3,300	8	\$85,865	8
Dallas (FY25)	Dallas	\$75,397		\$10,301		\$85,698	
Lewisville	Denton	\$83,682	7	\$1,800	16	\$85,482	9
Fort Worth	Tarrant	\$76,066	23	\$8,772	2	\$84,838	10
Rockwall	Rockwall	\$82,784	8	\$1,401	19	\$84,185	11
Irving	Dallas	\$82,308	11	\$1,560	18	\$83,868	12
Arlington	Tarrant	\$81,229	13	\$2,612	11	\$83,841	13
Rowlett	Dallas	\$80,050	15	\$3,600	7	\$83,650	14
Grand Prairie	Dallas	\$81,070	14	\$2,460	12	\$83,530	15
North Richland Hills	Tarrant	\$82,620	9	\$0	21	\$82,620	16
Mesquite	Dallas	\$77,548	20	\$3,240	9	\$80,788	17
Carrollton	Dallas	\$77,813	18	\$2,400	13	\$80,213	18
Celina	Collin	\$77,667	19	\$2,400	13	\$80,067	19
Little Elm	Denton	\$76,894	21	\$2,400	13	\$79,294	20
DeSoto	Dallas	\$78,030	17	\$1,200	20	\$79,230	21
Euless	Tarrant	\$75,904	24	\$3,000	10	\$78,904	22
Grapevine	Tarrant	\$78,561	16	\$0	21	\$78,561	23
Wylie	Collin	\$76,369	22	\$0	21	\$76,369	24

5. How does Dallas compare to regional peer cities for General Fund expenditures for police and fire departments?

The table below shows Dallas compared to cities with a population of more than 50,000 in Dallas, Collin, Denton, Tarrant and Rockwall counties. Dallas' General Fund budget for FY26 includes \$1.2 billion for the police and fire departments. **This represents 62% of the proposed FY26 General Fund budget and places Dallas third out of 24 cities behind Little Elm (71%) and Arlington (64%).**

When comparing the police department allocation only, Dallas police department budget is 39% of the total General Fund and places Dallas tied for second along with Little Elm (39%), and behind only Arlington (42%).

Table C:

City	County	FY26 Proposed General Fund	FY26 Police	FY26 Fire	Total Police and Fire	Police % of Total GF	Police + Fire % of Total GF
Arlington	Tarrant	343,066,796	142,391,010	77,877,852	220,268,862	42%	64%
Little Elm	Denton	61,307,118	23,771,319	19,875,774	43,647,093	39%	71%
Dallas	Dallas	1,965,019,000	758,494,793	453,477,457	1,211,972,250	39%	62%
Rockwall	Rockwall	54,397,600	19,527,300	10,111,600	29,638,900	36%	54%
Grand Prairie	Dallas	197,515,585	68,485,369	52,044,674	120,530,043	35%	61%
North Richland Hills	Tarrant	66,958,658	20,664,430	18,019,452	38,683,882	31%	58%
Garland	Dallas	257,213,477	78,575,421	47,620,061	126,195,482	31%	49%
Irving	Dallas	322,870,722	98,252,072	75,144,966	173,397,038	30%	54%
Rowlett	Dallas	70,384,837	21,286,157	18,365,642	39,651,799	30%	56%
Fort Worth	Tarrant	1,105,359,750	329,817,092	226,791,357	556,608,449	30%	50%
Mesquite	Dallas	185,070,972	54,493,836	44,889,324	99,383,160	29%	54%
Allen	Collin	149,915,652	41,887,619	28,518,065	70,405,684	28%	47%
Lewisville	Denton	142,933,171	39,801,513	30,509,314	70,310,827	28%	49%
Carrollton	Dallas	144,213,740	40,047,459	36,822,972	76,870,431	28%	53%
Euless	Tarrant	72,173,644	20,011,069	14,884,211	34,895,280	28%	48%
Frisco	Collin	306,363,690	79,871,269	61,532,891	141,404,160	26%	46%
McKinney	Collin	232,196,912	60,072,275	50,270,563	110,342,838	26%	48%
Wylie	Collin	69,649,582	17,712,934	15,231,932	32,944,866	25%	47%
Denton	Denton	218,824,966	54,946,337	49,812,987	104,759,324	25%	48%
Plano	Collin	412,018,825	101,339,382	89,014,887	190,354,269	25%	46%
Celina	Collin	63,071,195	14,803,730	14,529,651	29,333,381	23%	47%
Richardson	Dallas	181,551,620	40,375,389	32,838,230	73,213,619	22%	40%
DeSoto	Dallas	71,501,997	13,155,515	20,366,042	33,521,557	18%	47%
Grapevine	Tarrant	87,686,948	5,411,108	19,061,810	24,472,918	6%	28%

In summary, the data in Table B and Table C show the following:

Table B – Comparison of Starting Combined Salary and Non-Pension Benefits	Table C – Comparison of General Fund Budgets
Dallas starting pay ranks 12 th out of 24 peer cities	Dallas spends more than all cities in this peer group for police and fire departments
Dallas offers the highest amount of non-pension benefits and ranks 1 st for this component	Dallas spends 62% of our General Fund on police and fire departments ranking 3 rd behind Little Elm (71%) and Arlington (64%)
Dallas ranks 3 rd out of 24 when both starting pay and non-pension benefits are factored as written in Proposition U	Dallas spends 39% of our General Fund on the police department tied with Little Elm (39%) for 2 nd , and only behind Arlington (42%)

We will continue to provide responses to budget questions over the next few weeks. Please contact me or Janette Weedon, Director of Budget & Management Services, if you need additional information.



Jack Ireland
Chief Financial Officer

c: Mayor and City Council
Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety

Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager