

Memorandum



CITY OF DALLAS

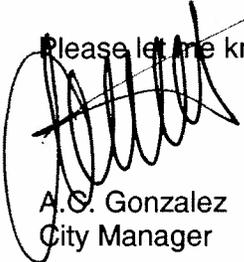
DATE January 30, 2015

TO The Honorable Mayor and Members of the City Council

SUBJECT Budget Workshop #3: FY 2015-16 Budget Update

The February 4th budget update briefing provides a recap of the January 15th and 16th council retreat. Council's input at the retreat will be used in the development of the FY 2015-16 budget. The briefing materials are attached for your review.

Please let me know if you need additional information.



A.C. Gonzalez
City Manager

Attachment

c: Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager

Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Forest E. Turner, Chief Wellness Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager



BUDGET WORKSHOP #3
FY 2015-16 BUDGET UPDATE



Purpose of Briefing



- Recap council discussion from retreat held on January 15 & 16 at Trinity River Audubon Center
- Provide staff take-aways and next steps related to the discussion
- Appendix
 - Budget Schedule
 - Citizen survey summary

January 2015 Council Retreat

- Council retreat provided council members an opportunity to give early, high level input into “big rocks” and FY 2015-16 budget development
- Following topics discussed:
 - 1) New Economy, New Visions
 - 2) Code Compliance Department *
 - 3) Police Department *
 - 4) Technology Update and Trends in Government
 - 5) Budget development goals and prioritization of departments

* Note: Both Code and Police departments are receiving additional scrutiny this year through the Sunset Review process.

Topic #1: New Economy, New Visions

- Identify two take-aways from presentation
 - Big Ideas – Small Areas, i.e. West End Market-Brewery
 - Entice younger people to Dallas to attract the companies
 - More small projects
 - Clean up- what's next
 - Wrap around support
 - More young smart people
 - Grow universities
 - New schools
 - 14 local activation pilot projects
 - Compete
 - Pop-ups
 - Find right leaders

New Economy, New Visions



- Additional thoughts expressed
 - Economic data discussed was regional more than City specific
 - Masks Dallas' issues (declining median income, increasing poverty rate/wealth gap)
 - Education/skills training emphasis
 - Not a recruiting issue today, but will be if not addressed
 - Many high paying jobs are held by non-Dallas citizens

New Economy, New Visions

- Additional thoughts expressed (continued)
 - Quality of life and urban focus
 - Key to sustainable growth
 - Need viable urban option within region
 - Ripple effect of downtown redevelopment on surrounding neighborhoods is significant
 - Important to fully support catalyst projects (Farmer's Market, 1401 Elm, Statler Hilton, etc.) because of overall impact
 - Marquee projects and targeted business recruitment best when combined with neighborhood focus
 - Leveraging education collaboration and medical assets requires strong leadership
 - Most strategies used in Memphis are also being implemented in Dallas; but NYC not necessarily a good comparative model

New Economy, New Visions

- Approach for moving forward
 - Attract more smart young people to Dallas which, in turn, will attract companies and stimulate new school development
 - Grow universities: lobby legislature regarding Tier 1 research university in North Texas; funding for downtown UNT law school; funding for UNT-Dallas campus expansion
 - Keep big ideas/projects, but support more small projects in focused geographic areas to achieve optimal impact
 - Emphasize a more holistic approach to community development through rollout of Neighborhood Plus Plan
 - Activate pilot projects throughout the City (pop-ups, etc.)
 - Build upon Grow South initiative with continued emphasis on clean up and building neighborhood organizations

New Economy, New Visions



- Approach for moving forward (continued)
 - Improve internal coordination
 - Development service reviews
 - Collaborative approach to major initiatives

Topic #2: Code Compliance

- **#1: Which code regulations would you like to stop doing?**
 - Review all code sections and ordinances for possible suspension
 - Prioritize enforcement
 - Create a matrix from ease to severity/intensity
- **#2: Which code regulations need to be modified in our approach to enforcement?**
 - Faster enforcement
 - Compress process
 - Stricter/consistent compliance
 - Housing infill
 - Get lots back under new development
 - Make available free with conditions
 - What more can we do within current state law for more impact?
 - With regards to illegal dumping, what alternatives for bulk/brush collection frequency?

Code Compliance

- #3: Which code regulations do you want focus on?**
 - Illegal dumping
 - Multitenant housing inspections
 - Assess which violations have greatest cost to abate or impact to neighborhoods

Code Compliance

- Approach for moving forward
 - ▣ Broaden education outreach
 - District-by-district approach based on the needs of the district (examples - water conservation in North Dallas, illegal dumping in South Dallas)
 - ▣ Review ordinances for possible suspension and/or for prioritized enforcement
 - Create a matrix comparing Ease of Enforcement and Severity/Intensity
 - Did the ordinance solve the problem?
 - If yes, do we need to keep it? (example - vacant buildings)
 - ▣ Investigate ways to speed up enforcement activities
 - What can we do to enhance current State Laws related to enforcement?
 - What is governed by State law vs. City Council?
 - Shorter re-inspection time for more severe notices of violation (example - weeds above 2 feet, litter and debris on >50% of property, violations next to a school or business, etc.)

Code Compliance

- Approach for moving forward (continued)
 - Develop risk-based approach for restaurant inspections
 - Work with Sanitation department as they prepare alternatives for bulk/brush collection frequency, cost, model, etc. to reduce illegal dumping
 - Sanitation department briefed the Quality of Life Committee on 1/26/15 and expects to brief specifically on bulk/brush collection in February
 - Work with Center for Community Progress on recommended strategies to address property blight, vacancy and abandonment
 - Change department mission by adding “enriching” to the statement
 - Our mission is to foster clean, healthy, safe, enriching communities while preventing physical blight from Dallas neighborhoods

Topic #3: Police Department

- **#1: Is a lower ratio acceptable? If so, what ratio? And can PSOs count?**
 - Yes (lower ratio) (table 2)
 - No (lower ratio) (table 3)
 - 2.66 (table 2)
 - 2.74 (table 3)
 - Yes (counting PSOs) (table 2)
 - No (counting PSOs) (table 3)
 - Per shift, have a certain number of sworn officers & a certain number of PSOs
- **#2: Continue to invest in technology and infrastructure?**
 - Yes, increase technology and improve technology infrastructure
- **#3: Should quality of life calls be upgraded to higher priority?**
 - Ask reserve officers to handle category 4 calls
 - Explore using marshals to augment our force

Police Department

- Majority of Council members expressed desire to slow the growth in Police Department's expenses, however, no consensus on how to achieve this
 - Given the fact that personnel expenditures account for 91% of the Police Department's budget, reductions in the growth of personnel expenditures will be necessary
- Clarification is needed
 - Is it acceptable to replace sworn officers with public safety (civilian) officers?
 - Is it acceptable to use sworn officers plus public safety (civilian) officers to achieve a ratio of officers per 1,000 population?
 - Is it acceptable to reduce the ratio of officers per 1,000 population?
 - What ratio of officers per 1,000 population is acceptable?

Topic #4: Technology Update and Trends

- **#1: What are top priorities for IT outside of city hall and with the citizens?**
 - First make people aware of what we do have & make more accessible (WIFI - \$500K, Website, Etc.)
 - Upgrade communication infrastructure (fiber with street improvements)
 - More system computing capacity
 - Proceed with disposition of mainframe & phone switch
- **#2: What is best opportunity/investment in technology to deliver value in next year's budget?**
 - City-citizen communication/feedback
 - Traffic automation
 - Technology to improve service delivery (application communication plan)
 - Website
 - Hot spot strategy
 - Make Jefferson (Building Inspection at Oak Cliff Municipal Center) totally electronic (front & back office)

Technology Update and Trends

- **#3: How do we leverage technology to promote economic development?**
 - ▣ Push more City data into open, while assuring privacy
 - ▣ How to use tech to allow citizens to give City input on economic development
 - ▣ How do we push information out to all
 - ▣ Have staff focus on one thing such as e-filing at Jefferson (Building Inspection at Oak Cliff Municipal Center) and cross-out all other items

Technology Update and Trends

- Approach for moving forward
 - Develop a Strategic IT Plan – continue work with Gartner on the strategic IT plan which will be completed Spring 2015
 - Invest in technologies and IT services that support doing business with citizens online, and that transform and automate internal city services to improve efficiencies
 - Continue to promote and use technology for citizen engagement in communication and feedback
 - Manage IT priorities; avoid over committing CIS resources
 - Update City of Dallas website (dallascityhall.com), and emphasize content
 - Invest in technologies that help us leverage data to make better and more timely decisions, and continue to make City data available to the public
- Bottom line – invest in technologies that maximize the opportunities to better serve the citizens and that create efficiencies with our internal operations

Topic #5: Budget Development Goals

Budget Goals	Count	Percent
Invest in technology to improve services and efficiencies	8	22.2%
Focus on top 3 priorities identified in citizen survey: maintenance of infrastructure, code enforcement, and police services	6	16.7%
Phase increases in percent of budget allocated to Culture, Arts, Recreation, and Education KFA	6	16.7%
Scrutinize services for efficiencies and cost reductions	6	16.7%
No increase in ad valorem tax rate	4	11.1%
Honor commitment to uniform employees through meet and confer agreement	2	5.6%
Invest in civilian employees through fair compensation and improved training	2	5.6%
Fund additional infrastructure needs with cash instead of using debt financing	2	5.6%
Total	36	100%

Budget Development Goals

- Based on preferences indicated by council members, the following will be high level goals used by City Manager's Office during the development of the FY 2015-16 general fund budget:
 - Invest in technology to improve services and efficiencies
 - Focus on top 3 priorities identified in citizen survey: maintenance of infrastructure, code enforcement, and police services
 - Phase increases in percent of budget allocated to Culture, Arts, Recreation, and Education KFA
 - Scrutinize services for efficiencies and cost reductions

Key Focus Areas	Department (% of KFA Total – Based on FY 2014-15 Budget)	Citizen Survey	Green Dots	Red Dots	Net	
Public Safety	Police	40.5%	3	7	9	- 2
	Fire-Rescue	21.0%	13, 11	1	3	- 2
	Court Services	1.9%		0	4	- 4
	Other	0.9%		N/A	N/A	N/A
	Total Public Safety	64.3%		8	16	- 8
Economic Vibrancy	Streets & Street Lighting	7.6%	1, 4	9	2	+ 7
	Tax Increment Financing Districts (TIF)	1.8%		0	2	- 2
	Fair Park	1.0%		1	1	0
	Public Works & Trinity Watershed	1.0%	1, 10	0	3	- 3
	Other	1.0%		N/A	N/A	N/A
Total Economic Vibrancy	12.4%		10	8	+ 2	
Clean Healthy Environment	Sanitation Services	7.0%	9	1	1	0
	Code Compliance	3.4%	2	5	0	+ 5
	Housing & Community Services	1.2%		2	4	- 2
	Other	0.2%		N/A	N/A	N/A
	Total Clean Healthy Environment	11.8%		8	5	+ 3
Culture, Arts, Recreation, and Education	Park & Recreation	6.9%	8	6	2	+ 4
	Library	3.0%	15	6	0	+ 6
	Office of Cultural Affairs	1.6%	16	4	6	- 2
	Other	0.0%		N/A	N/A	N/A
	Total Culture, Arts, Recreation, Education	11.5%		16	8	+ 8
Grand Total	100.0%		42	37	+ 5	

Prioritization of Departments

- The exercise, while not definitive, was intended to gather high level understanding of Council's preferences and willingness for trade-offs necessary in budget development
 - Preference for increases are:
 - Streets, Library, Code, and Park/Recreation
 - Willingness for decreases are:
 - Courts, PBW/TWM, Police, Fire, TIF, Housing, and Cultural Affairs
- This input will be used over the course of next several months as a balanced budget is developed

Summary

- Retreat provided Council members an opportunity to:
 - ▣ Have earlier involvement in FY 2015-16 budget development process
 - ▣ Give input on “big rock” or policy issues effecting the budget
 - ▣ Indicate preferences and trade-offs necessary in making budget decisions
- Staff will use information provided during budget development process
- Additional opportunities for Council input will be provided on April 1, May 20, and June 24
- A balanced budget will be recommended by the City Manager on Aug 11



COMMENTS & QUESTIONS

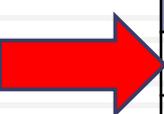




APPENDIX



Budget Schedule



October 28	Brief City Council on citizen survey
November 18	Brief City Council on FY 2013-14 Strategic Plan
December 3	Brief City Council: first outlook for FY 2015-16 budget
January 15-16	Council/staff planning session
February 4	Budget Workshop
March	Survey of board and commission members
March 25	Budget Public Hearing
April 1	Brief City Council on Sunset Review
May 20	Budget Workshop
May 27	Budget Public Hearing
June 24	Budget Workshop
July 24	Appraisal Districts certify 2015 tax roll for FY 2015-16

Budget Schedule

August 7	Deliver City Manager's recommended budget to council members
August 11	Budget Workshop: City Manager's recommended budget
August 11 to Sept 3	Town hall meetings
August 19	Budget Workshop
August 26	Budget Public Hearing
September 2	Budget Workshop
September 2	Tax Rate Public Hearing #1 (if necessary)
September 9	Adopt Budget on First Reading
September 16	Budget Workshop: Council Amendments
September 16	Tax Rate Public Hearing #2 (if necessary)
September 23	Adopt Budget on Second Reading and Adopt Tax Rate
October 1	Begin FY 2015-16

Importance-Satisfaction Rating

City of Dallas

Major Categories of City Services

Category of Service	Most Important %	Most Important Rank	Satisfaction %	Satisfaction Rank	Importance-Satisfaction Rating	I-S Rating Rank
<u>Very High Priority (IS >.20)</u>						
Maintenance of infrastructure	53%	2	25%	17	0.3975	1
<u>High Priority (IS .10-.20)</u>						
Code enforcement	31%	3	42%	16	0.1798	2
Police services	53%	1	68%	9	0.1696	3
Traffic signal timing	20%	7	49%	15	0.1020	4
<u>Medium Priority (IS <.10)</u>						
Drinking water	28%	4	69%	8	0.0868	5
Customer service provided by City employees	14%	10	50%	14	0.0700	6
Land use, planning and zoning	14%	11	53%	13	0.0658	7
The City's parks and recreation system	16%	8	59%	12	0.0656	8
Solid waste services	15%	9	75%	6	0.0375	9
Storm drainage	9%	13	64%	10	0.0324	10
Ambulance/emergency medical services	24%	6	87%	2	0.0312	11
Public information services	7%	15	59%	11	0.0287	12
Fire services	26%	5	89%	1	0.0286	13
Sewer services	10%	12	72%	7	0.0280	14
Public library services	8%	14	76%	5	0.0192	15
Arts and cultural programs	7%	15	84%	4	0.0112	16
Overall quality of Dallas Lovefield Airport	4%	17	85%	3	0.0060	17

Overall priorities: 

2014 City of Dallas DirectionFinder Importance-Satisfaction Assessment Matrix

-Major Categories of City Services-

(points on the graph show deviations from the mean importance and satisfaction ratings given by respondents to the survey)

mean importance

