

Memorandum



Date October 17, 2014

To Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

Subject Overview of E-Gov Key Focus Area

On October 20, 2014, the Budget, Finance and Audit Committee will be briefed on an Overview of E-Gov Key Focus Area. The briefing will be presented by Jack Ireland, Director of the Office of Financial Services.

Please contact me if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
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
Forest E. Turner, Chief Wellness Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Overview of E-Gov Key Focus Area



Budget, Finance, & Audit Committee
October 20, 2014

Purpose

- At request of council members, additional information is provided about E-Gov Key Focus Area (KFA)
- Additional information includes:
 - Overview of E-Gov KFA
 - History of FTEs
 - History of budget allocation by KFA
 - FY 2014-15 E-Gov budget
 - Indirect cost allocation
 - Summary

E-Gov KFA Overview

- E-Gov is one of five KFAs established in City's strategic plan recognizing that:
 - Service to citizens is more than just cost of activities "on-the-street"
 - It is necessary to centralize certain costs to contribute to an efficient, effective, and economical operation
 - Some costs do not fit solely into one of other four KFAs, so cost is captured in E-Gov
- E-Gov goal is to "provide excellent government services to meet the needs of the City"
 - Goal of E-Gov KFA is accomplished by supporting other four KFAs: (1) Public Safety; (2) Economic Vibrancy; (3) Clean Healthy Environment; and (4) Culture, Arts, Recreation, and Education

E-Gov KFA Overview

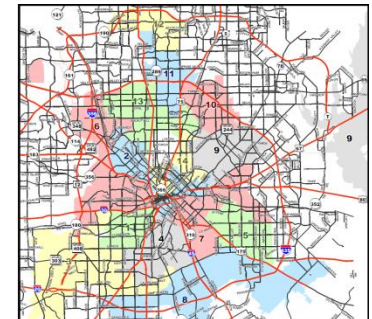
- Successful operation of a \$2.81 billion organization with 13,000+ employees serving 1.2 million residents requires much more than “on-the-street” type services
- Support services ensure that staff performing direct service are available, have materials, and have proper equipment/facilities needed to provide service as well as assist in compliance with regulations and laws

E-Gov Activities are Critical Components that are Necessary to Provide Service Delivery

Pothole Crew



HR and Civil Service recruit and hire employees for crew and manage health benefits



GIS direct the crew to service requests location



311 receives call and service request



Procurement purchases materials for crew to make the repairs



Controller's Office processes payroll for crew and payment for materials



Equipment Services maintains crew's vehicles/machinery and provides fuel

E-Gov KFA Overview

- Centralizing certain activities contribute to efficient, effective, and economical operation
 - Provides consistency in application of city-wide policies and procedures
 - Examples: hiring and administration of employee services and relations; administration of personnel rules; financial reporting and accounting procedures
 - Achieves economies of scale and reduces redundancy
 - Examples: better pricing in procurement of goods and services; establishing master agreements; operation of a single 311 call center for all departments; administration and support of information technology and systems; cash/debt management; operation and maintenance of City facilities

E-Gov KFA Overview

- Oversees compliance with federal, state, and other legal requirements
 - Examples: GASB accounting standards; HIPAA laws; SEC/IRS bond regulations; EMS compliance; TCEQ environmental requirements; grant requirements; open records
- Reduces exposure to costs and lawsuits
 - Examples: safety initiatives; human resource generalists for employee relations and to ensure EEO compliance
- Implements/coordinates city-wide initiatives, process improvements, and council supported initiatives
 - Examples: intergovernmental services, ethics/diversity program; internal control; transparency

E-Gov KFA Overview

- Non-Departmental costs are not specific to any one department or service, but are accounted for centrally for entire City; such as:
 - Appraisal district payments
 - Tax collection contract
 - Unemployment payments
 - Contract wrecker
 - Legislative services
- Master lease debt payment is also a Non-Departmental expense
 - Used since FY 2011-12 as a means of financing technology and equipment such as fire apparatus; garbage trucks; police technology; court case management; library computers; and street, code and other fleet

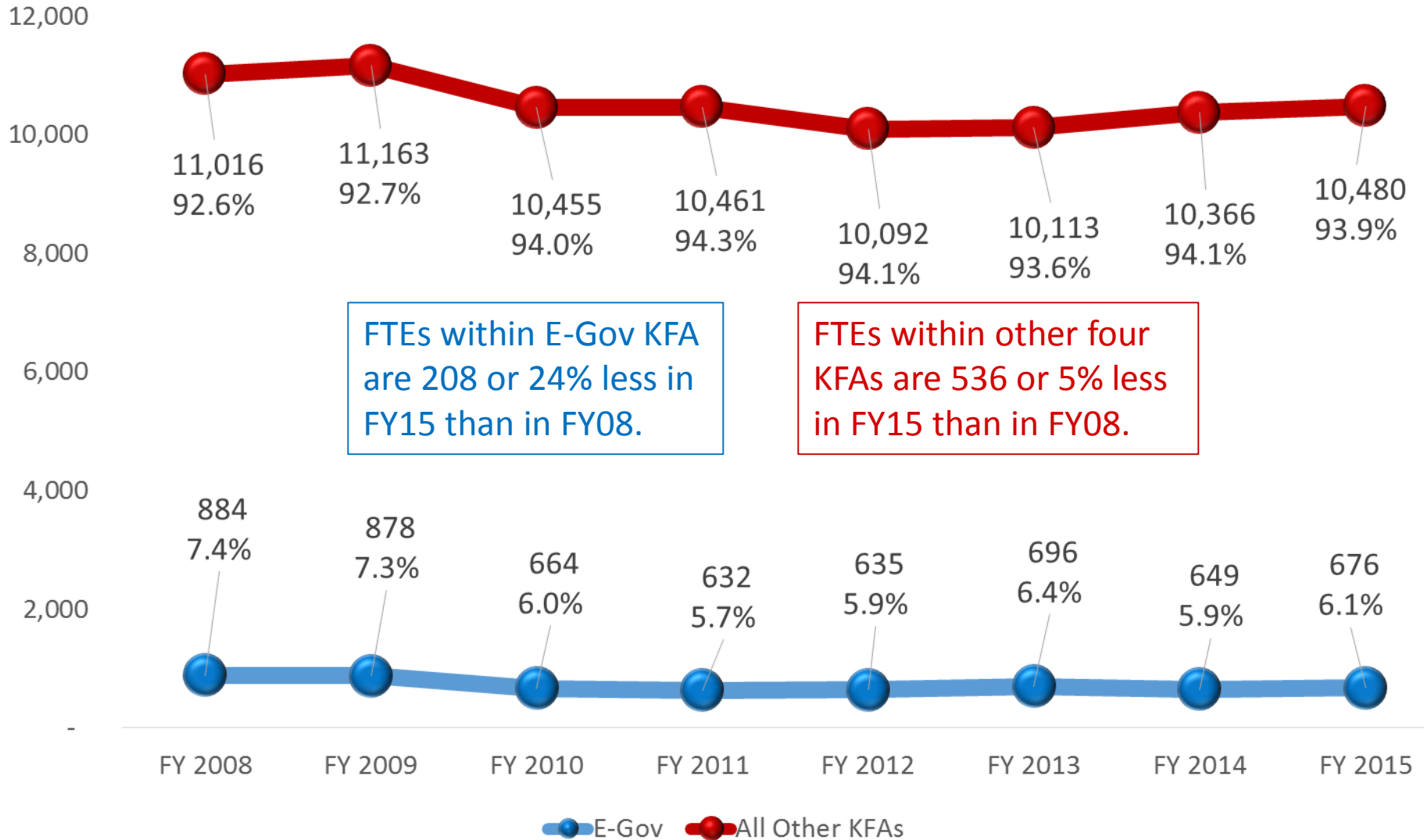


Allocation of FTEs and Budgets

Full-Time Equivalents (FTEs)

- Staff is required to perform both direct (on-the-street) type services as well as in-direct (support) type services
- Following slide shows general fund (civilian and uniform) budgeted FTEs that are in E-Gov KFA versus those in other four KFAs

General Fund FTE's by Key Focus Area



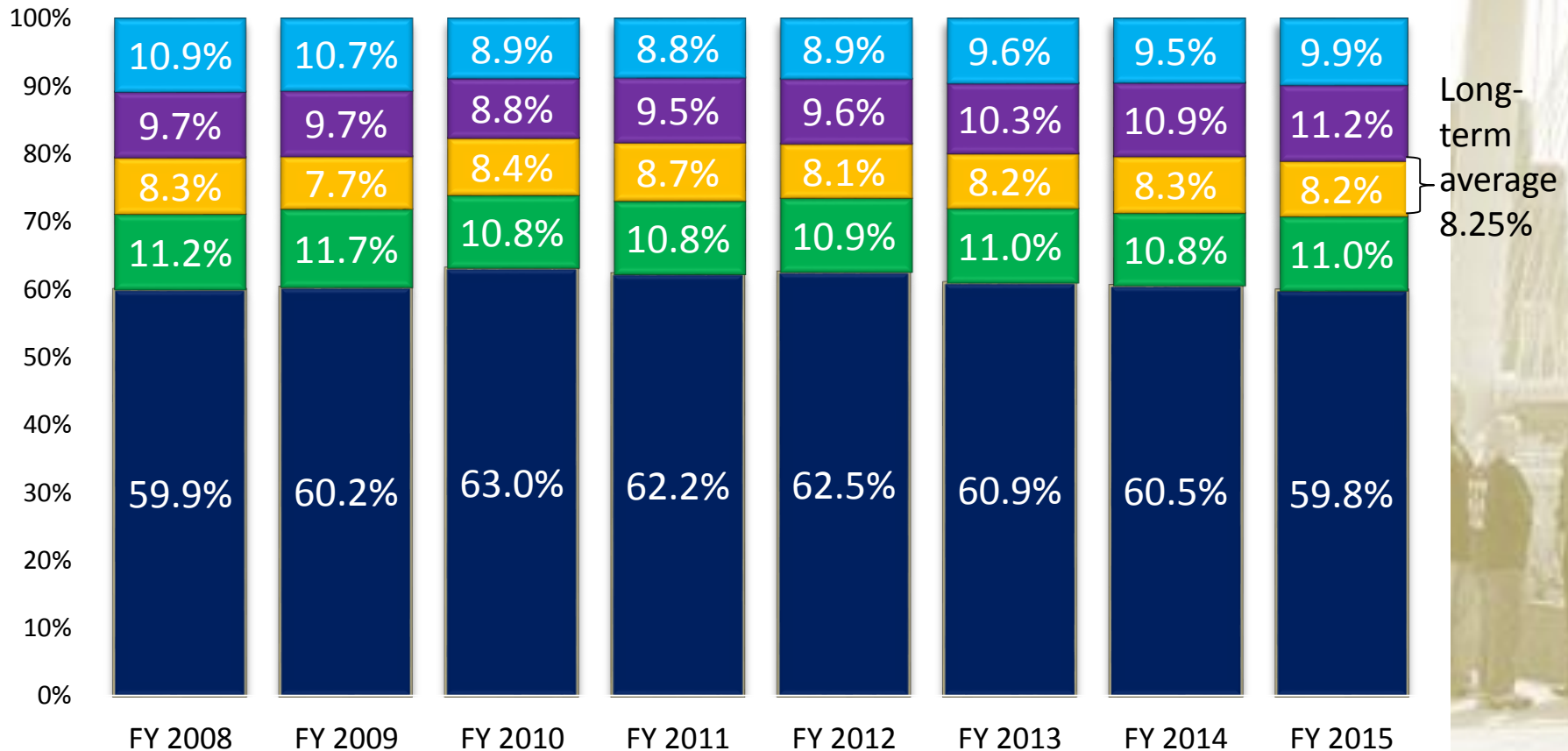
Full-Time Equivalents (FTEs)

- Staffing levels, services, and costs are not easily compared since cities account for these differently, however, some limited comparative information is provided
- Gartner research shows that Dallas CIS department has fewer IT staff as a percent of City staff (1.4%) when compared to:
 - Philadelphia (5.3%), Austin(4.8%), Phoenix (3.0%), Houston (2.8%), and Los Angeles(1.9%)
- Society for Human Resources standard for large organizations is to have 1 HR generalist per every 420 employees; Dallas has 1 HR generalist per every 540 employees
 - Austin (1 per 187), Arlington (1 per 477), Houston (1 per 596), and Fort Worth (1 per 902)

Full-Time Equivalents (FTEs)

- ICMA survey data is limited as result of few large cities participating and most cities measure differently
- For cities over 500,000 population, following survey data is available
 - Dallas ranks 4th out of 6 for highest number of centralized HR staff
 - Dallas ranks 4th out of 5 for highest number of centralized procurement staff
- Above comparisons are limited since measures do not account for size of city or number of decentralized staff

General Fund Budget Allocation Across KFAs

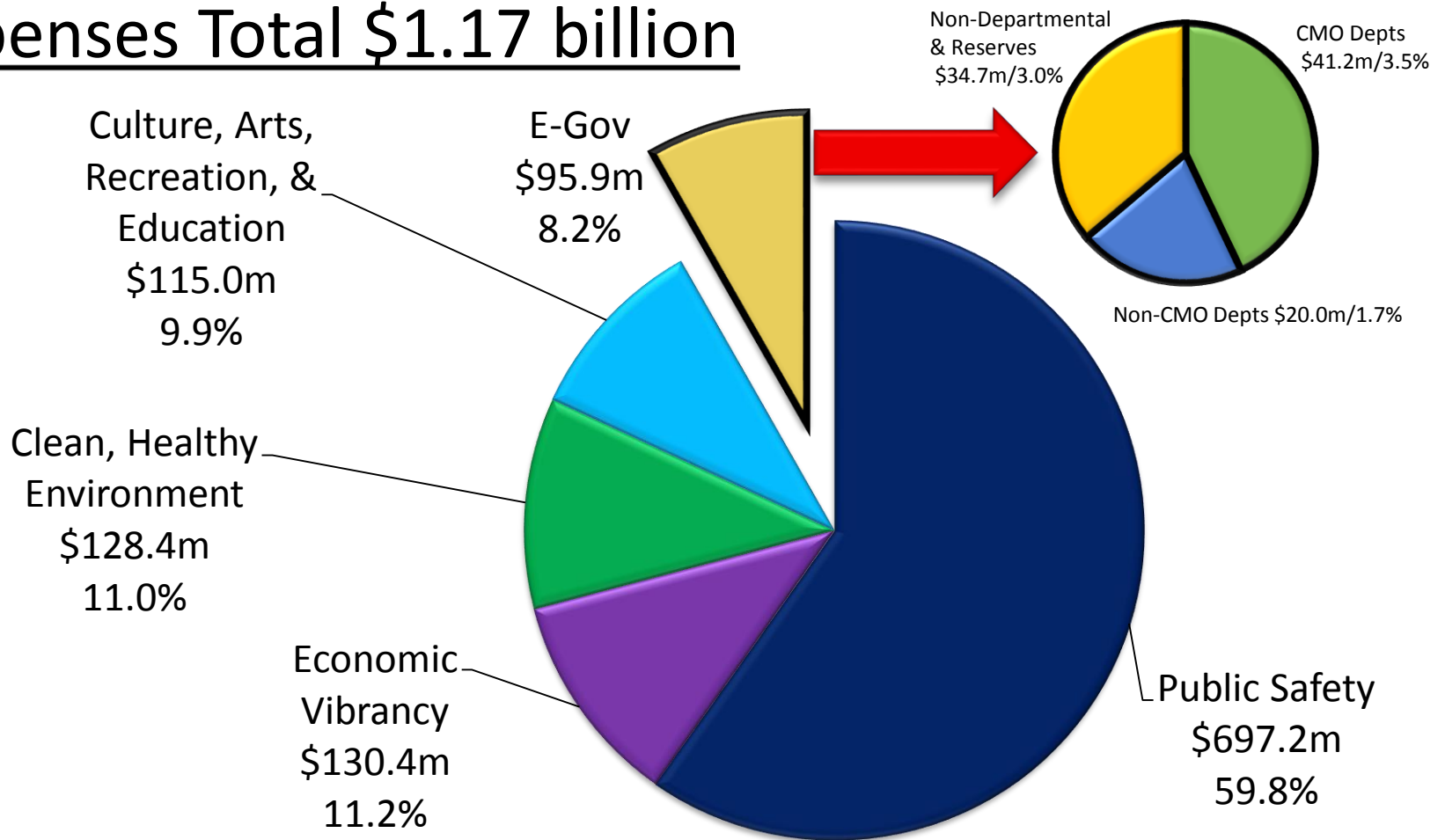


■ Public Safety ■ Clean Healthy Environment ■ E-Government ■ Economic Vibrancy ■ Culture Arts Recreation & Education

Note: TIF expense restated from E-Gov to Economic Vibrancy.

General Fund Allocations for FY 2014-15

Expenses Total \$1.17 billion



E-Gov Budget Allocation by Department

Department Name	FY14 Budget	FY14 Estimate	FY15 Adopted	Variance: FY14 Budget to FY15 Adopted
Mayor and Council	3,910,700	3,596,330	3,923,178	12,478
City Attorney's Office	9,741,523	10,132,615	10,206,029	464,506
City Auditor's Office	2,391,124	2,370,445	2,844,107	452,983
City Secretary's Office	2,878,721	2,937,879	3,027,548	148,827
Non-CMO Departments	\$18,922,068	\$19,037,269	\$20,000,862	\$1,078,794
Non-Departmental	24,219,333	24,235,278	28,289,431	4,070,098
Reserves and Transfers	7,533,762	16,824,522	6,419,788	(1,113,974)
Non-Departmental & Reserves	\$31,753,095	\$41,059,800	\$34,709,219	\$2,956,124
Business Development & Procurement	2,461,699	2,459,774	2,646,239	184,540
City Controller's Office	5,390,605	5,361,986	5,603,154	212,549
City Manager's Office	1,595,962	1,583,398	1,829,414	233,452
Civil Service	2,125,772	2,072,002	2,344,515	218,743
EBS - Building Services (includes electricity)	17,628,390	18,635,111	15,742,297	(1,886,093)
Housing & Community Services	999,421	1,121,936	729,487	(269,934)
Human Resources	4,001,948	4,028,614	4,638,421	636,473
Management Services	2,724,952	2,367,749	3,904,825	1,179,873
Office of Financial Services	3,493,103	3,270,515	3,642,501	149,398
Public Works	120,759	165,570	102,316	(18,443)
CMO Departments	\$40,542,611	\$41,066,655	\$41,183,169	\$640,558
FY 2014-15 General Fund E-Gov KFA Total	\$91,217,774	\$101,163,724	\$95,893,250	\$4,675,476

Cost Allocation of E-Gov to Other Funds

- E-Gov services and costs are for entire City, not just general fund
- Cost allocation plan is conducted annually by outside consultant to determine share of E-Gov costs that are attributable to other funds such as enterprise funds
- Enterprise and other funds pay their share of cost to general fund
 - Recorded in general fund as revenue paid from other funds
 - For FY 2014-15, \$17.6m of internal support costs are allocated to other funds including:
 - \$8.2m – Dallas Water Utilities
 - \$2.0m – Building Inspection
 - \$1.0m – Aviation
 - \$0.8m – Storm Water
 - \$0.5m – Convention Center

Summary

- Work of E-Gov contributes to success of other four KFAs and is to “provide excellent government services to meet the needs of the City”
- Support services provided as E-Gov KFA are critical component to delivery of direct services to citizens
- FTEs assigned to E-Gov are less in FY15 than in FY08 both in number and as percent of general fund total FTEs
- E-Gov budget as a percent of general fund budget is 8.2%
- Comparison data is limited, but for areas identified shows Dallas is typically average or less in regards to number of centralized staffing

Questions and Comments

